

the quest to be
UNRIVALED



2022
1st QUARTER REPORT

31st MARCH (UN-AUDITED)

PAKISTAN

Pakistan is a country of over 223 million people from diverse religious, linguistic, cultural, and socio-economic backgrounds. Our culture is rooted in simplicity, strong family bonds, and noble deeds. In terms of cuisines, physical features, historical bloodlines, customs, and music; each cultural group has its own unique characteristics. Furthermore, our country is predominantly a rural society, and the agricultural sector is the primary employer of our labor force. Our nation strongly encourages compassionate and altruistic behavior and cherishes the cultural diversity which sets us apart from a lot of other countries. Pakistan is a land of opportunity - its strategic location allows it to become an important trade and transport hub. Moreover, in terms of natural resources, our nation has abundant reserves of coal, gas, gemstones, copper, salt, minerals, and gold.

The increasing proportion of Pakistan's youth contributing to society has been supplemental in our quest to achieve sustainable economic growth. The government is pushing to provide such students and fresh talent with the required training and employment opportunities to harness their potential in a way that benefits them and the growth of our country. Pakistan's diverse workforce and employment opportunities also play a role in our endeavors to achieve sustainable economic growth. Our nation is home to resilient and hardworking citizens who are always willing to give back to their community. Our attempts to bring about a set of structural and economic reforms is intended to help our nation achieve its true potential and become the land of infinite opportunities.



A NATION WITH STAUNCH
ROOTS IN ALTRUISM

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COMPANY INFORMATION

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Rizwan Hussain (Managing Director & CEO)
Mr. Shahzad Salim Godil
Syed Salman Hussain
Dr. Irum Saba
Mr. Faisal Murad
Mr. Tamim Shabbir

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

The Directors of your Company are pleased to present before you the un-audited financial statements of the Company for the three months period ended March 31, 2022.

Financial Highlights

The summarized results of the Company's Takaful business for the three months period ended March 31, 2022, are as under:

	YTD 31st March 2022	un-audited YTD 31st March 2021	% Change
PARTICIPANT'S TAKAFUL FUND (PTF)			
Gross Written Contribution	414,674,178	509,417,509	(19%)
Net takaful contribution	574,778,690	331,477,310	73%
Net Claim Expense	252,062,450	186,210,150	35%
Underwriting Results	9,448,950	4,058,891	133%
Investment Income	1,892,974	5,830,699	(68%)
Surplus for the period	11,307,936	9,509,705	19%
SHAREHOLDERS' FUND (SHF)			
Wakala Fee	293,816,210	122,352,948	140%
Investment Income	7,762,785	1,832,381	324%
Profit before taxation for the period	56,679,330	4,851,051	1068%
Profit after taxation for the period	52,272,087	3,015,756	1633%

Performance Review

During the quarter ended March 31, 2022, Salaam Takaful Limited has focused on building its business volume. By the end of 1st Quarter of the year 2022, the Company showed growth of 73% in the Net Takaful Contribution.

Total investment income recorded as at Rs. 9.6 million (2020: Rs. 7.6 million) depicts an increase of 26% over the same period last year.

The Shareholders' Fund topline income is derived from the Wakala fees earned. During the March quarter of 2022, the Company managed to earn Wakala fees of Rs.293.8 million (2021: 122.3 million), a healthy increase of 140% over same period last year.

Outlook:

Pakistan's Economy

The GDP growth rate for fiscal year 2020-2021 is percent after contracting by 1.0 percent in FY20. The current account deficit (CAD) in H1 FY22 widened to US\$9.0 billion, from a surplus of US\$1.2 billion in H1 FY21, as imports values surged by 54.4 percent, doubling the 27.3 percent growth in exports values.

The financial account recorded net inflows of US\$10.1 billion, supported by the new IMF SDR allocation, short-term Government deposits from Saudi Arabia, and a Eurobond issuance in July 2021. Foreign exchange reserves had fallen to US\$13.5 billion by March 25, 2022, equivalent to 2.0 months of imports of goods and services. Meanwhile, the Rupee depreciated by 14.3 percent against the U.S. dollar from July 2021 to end-March 2022.

Headline inflation rose to an average of 9.8 percent y-o-y in H1 FY22 from 8.6 percent in H1 FY21, driven by surging global commodity prices and a weaker exchange rate.

During July-December 2021 (H1 FY22), indicators have mostly signaled positive economic momentum. On the production side, agricultural output, mainly rice and sugarcane increased, reflecting better weather conditions. Similarly, large-scale manufacturing growth rose to 7.5 percent y-o-y in H1 FY22, higher than the 1.5 percent for H1 FY21.

Despite the high tax revenue growth with the surge in imports, the fiscal deficit widened by 20.6 percent in H1 FY22 due to higher spending on vaccine procurement, settlement of power sector arrears, and development projects. Public debt, including guaranteed debt, reached 70.7 percent of GDP at end-December 2021, compared to 72.0 percent at end-December 2020.

With the economic recovery and improved labor market conditions, poverty measured at the lower middle-income class poverty line of \$3.20 PPP 2011 per day is estimated to have declined from 37.0 percent in FY20 to 34.0 percent in FY21.

Recent macroeconomic adjustment measures and stronger inflation projects the real GDP growth is expected to slow to 4.3 percent in FY22. Inflation is estimated to rise to 10.7 percent in FY22 but moderate over the forecast horizon. Largely reflecting the imports surge in H1 FY22, the CAD is expected to widen to 4.4 percent of GDP in FY22.

Macroeconomic risks are strongly tilted to the downside as they include faster-than-expected tightening of global financing conditions, further increases in world energy prices, and the possible risk of a return of stringent COVID-19 related mobility restrictions. Domestically, political tensions and policy slippages can also lead to protracted macroeconomic imbalances.

Business Challenges and Opportunities

The coming year 2022 will be filled with opportunities to grow your business but when navigating the insurance industry in 2022, there will be obstacles to be aware of. You will be prepared with a list and will be on the lookout for these challenges by preparing solutions to keep your business moving forward over the next year.

Consumers (both individuals and businesses) want faster transactions, and more consumers want to work directly with insurance providers. Industry attributes this shift to technological advancements because consumers store all data in their smartphones to assist customers.

As technology improves, your competitors will have the same advantages and opportunities as you, which is why you must be prepared. If you are unwilling to use big data, you will struggle to keep up with your competitors. The insurance industry must examine the data gathered from customers. Knowledge of this data, the company will assist you in updating your underwriting and pricing. This will impact your clients who feel more at ease working with someone who understands their concerns.

As technology increases day by day, there is one subset of the insurance industry that offers a new and valuable service. Understanding and navigating the world of cyber risks will assist you in preparing for potential challenges with individuals and businesses. Companies, on the other hand, will want to be protected against other costly factors.

Professionals in the insurance industry should be prepared to deal with unanticipated catastrophic environmental

occurrences. These occurrences are becoming more severe and occur more frequently. Audit firms' pays special attention to life and health insurance professionals who need to know about pollution and air quality levels in their areas. The establishment of a standard for insurance practices will have an impact on premiums and policies. To prepare for this assignment, keep up with current events throughout the world.

To maintain growth in insurance industry to increase business in Motor Marine, Fire & Engineering, Miscellaneous, and Health lines of business. In the same way that people plan for hazards when obtaining an insurance, understanding the obstacles ahead for the coming year can help you succeed. You're investing time that will pay off when you demonstrate to colleagues and clients that you're ready for any situation that may arise. Through digitalization and customized consumer portals, the company plans to reach the enormous untapped retail market. Our Company also aspires to take advantage of existing chances and progress quickly through effective underwriting, solid Re-Takaful arrangements, and professional personnel.

Organizations are rapidly assessing their operations, business disruption plans are being assessed and updated, and the importance of digital transformation, integrating systems, servers, and workforce, as well as social distancing, which allows employees to access servers and communicate remotely, is being assessed and updated.

Acknowledgment

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

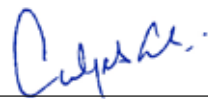
We would also like to pay our gratitude to the Securities and Exchange Commission of Pakistan, Retakaful operators and all our participants for their continued guidance and support.

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,



Rizwan Hussain
Managing Director & CEO



Shahzad Salim Godil
Director

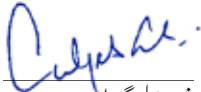
انشورنس انڈسٹری کے پیشہ ور افراد کو غیر متوقع تباہ کن ماحولیاتی واقعات سے نمٹنے کے لئے تیار رہنا چاہئے۔ یہ واقعات زیادہ شدید ہوتے جا رہے ہیں اور زیادہ کثرت سے ہوتے ہیں۔ آڈٹ فرموں کی زندگی اور ہیلتھ انشورنس پیشہ ور افراد پر خصوصی توجہ دینی ہے جنہیں اپنے علاقوں میں آلودگی اور ہوا کے معیار کی سطح کے بارے میں جاننے کی ضرورت ہے۔ انشورنس کے طریقوں کے لئے معیار کے قیام کا پرمیہم اور پالیسیوں پر اثر پڑے گا۔ اس تقویض کی تیاری کے لئے، دنیا بھر میں موجودہ واقعات کے ساتھ رہیں۔

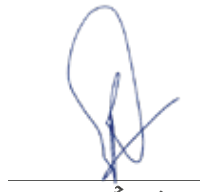
موٹر میریں، فائر اینڈ انجینئرنگ، متفرق اور کاروبار کی ہیلتھ لائنوں میں کاروبار بڑھانے کے لئے انشورنس انڈسٹری میں ترقی کو برقرار رکھنا۔ جس طرح لوگ انشورنس حاصل کرتے وقت خطرات کی منصوبہ بندی کرتے ہیں، اسی طرح آنے والے سال کے لئے آنے والی رکاوٹوں کو سمجھنا آپ کو کامیاب ہونے میں مدد دے سکتا ہے۔ آپ وقت کی سرمایہ کاری کر رہے ہیں جو اس وقت ادا کرے گا جب آپ ساتھیوں اور گاہکوں کو یہ ظاہر کریں گے کہ آپ کسی بھی صورتحال کے لئے تیار ہیں۔ ڈیجیٹلائزیشن اور اپنی مرضی کے مطابق کنزرویٹو پورٹلز کے ذریعے کمپنی بے پناہ غیر استعمال شدہ خوردہ مارکیٹ تک پہنچنے کا ارادہ رکھتی ہے۔ ہماری کمپنی موثر انڈر رائٹنگ، ٹھوس ری تاکافل انتظامات اور پیشہ ور اہلکاروں کے ذریعے موجودہ امکانات اور پیش رفت سے تیزی سے فائدہ اٹھانے کی خواہش بھی رکھتی ہے۔

تنظیمیں تیزی سے اپنے آپریٹرز کا جائزہ لے رہی ہیں، کاروباری خلل کے منصوبوں کا جائزہ لیا جا رہا ہے اور اپ ڈیٹ کیا جا رہا ہے اور ڈیجیٹل تبدیلی، نظام، سرورز اور افرادی قوت کو مربوط کرنے کے ساتھ ساتھ سماجی فاصلے کی اہمیت کا جائزہ لیا جا رہا ہے جو ملازمین کو سرورز تک رسائی اور دور سے بات چیت کرنے کی اجازت دیتا ہے، کا جائزہ لیا جا رہا ہے اور اپ ڈیٹ کیا جا رہا ہے۔

اعتراف

ڈائریکٹرز اپنے شیئر ہولڈرز کے لیے اپنی گہری تعریف کا اظہار کرنا چاہیں گے جنہوں نے کمپنی پر مسلسل اعتماد ظاہر کیا ہے۔ ڈائریکٹرز سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، ری نکافل آپریٹرز اور تمام شرکاء کا مسلسل رہنمائی اور تعاون کے لیے شکریہ ادا کرنا چاہتے ہیں۔ آخر میں، ہم اپنے نکافل خاندان کے ہر فرد کے عزم، لگن اور اختراعی سوچ پر تہ دل تعریف کرنا چاہیں گے اور یقین رکھتے ہیں کہ وہ مستقبل میں بھی ایسا کرتے رہیں گے۔ بورڈ آف ڈائریکٹرز کی جانب۔


شہزاد سلیم گودل
ڈائریکٹر


سید رضوان حسین
نیکنگ ڈائریکٹرز ای او

مالیاتی اکاؤنٹ میں 10.1 ارب امریکی ڈالر کی خالص آمد ریکارڈ کی گئی جس میں آئی ایم ایف کے نئے ایس ڈی آر مختص، سعودی عرب سے قلیل مدتی سرکاری ذخائر اور جولائی 2021 میں یورپ بانڈ کے اجراء کی حمایت حاصل ہوئی۔ ایف اور اے کے ذخائر 25 مارچ 2022 تک کم ہو کر 13.5 ارب امریکی ڈالر رہ گئے تھے جو ایشیا اور خدمات کی 2.0 ماہ کی درآمدات کے مساوی تھے۔ دریں اثنا جولائی 2021 سے مارچ 2022 کے آخر تک امریکی ڈالر کے مقابلے میں روپے کی قدر میں 14.3 فیصد کمی واقع ہوئی۔

بہلاؤن افراط زر ایچ 1 ماہی سال 22 میں اوسطاً 9.8 فیصد وائی او وائی تک پہنچ گیا جو ایچ 1 ماہی سال 21 میں 8.6 فیصد تھا جو عالمی اجناس کی قیمتوں میں اضافے اور کمزور شرح تبادلہ کی وجہ سے ہوا۔

جولائی تا دسمبر 2021 (ایچ 1 ماہی سال 22) کے دوران اشاریوں نے زیادہ تر مثبت معاشی رفتار کا اشارہ دیا ہے۔ پیداوار کی طرف زرمعی پیداوار، بنیادی طور پر چاول اور گنے میں اضافہ ہوا جو موسم کی بہتر صورت حال کی عکاسی کرتا ہے۔ اسی طرح ماہی سال 2022 میں بڑے پیمانے پر مینوفیکچرنگ کی نموبڑھ کر 7.5 فیصد وائی او وائی ہو گئی جو ایچ 1 ماہی سال 21 کے 1.5 فیصد سے زیادہ ہے۔

درآمدات میں اضافے کے ساتھ ٹیکس محصولات میں بلند اضافے کے باوجود مالی خسارہ ایچ 1 ماہی سال 22 میں 20.6 فیصد بڑھ گیا جس کی وجہ ویکسین کی خریداری، بجلی کے شعبے کے بقایاجات کے قصے اور ترقیاتی منصوبوں پر زیادہ اخراجات ہیں۔ دسمبر 2021 کے آخر میں ضمانت شدہ قرضوں سمیت عوامی قرضے جی ڈی پی کے 70.7 فیصد تک پہنچ گئے جبکہ دسمبر 2020 کے آخر میں یہ 72.0 فیصد تھا۔

معاشی بحالی اور لیبر مارکیٹ کے بہتر حالات کے ساتھ، 3.20 ڈالر پی 2011 یومیہ کی کم متوسط آمدنی والے طبقے کی غربت کی لکیر پر پینشنس کی گئی غربت کا تخمینہ ماہی سال 20 میں 37.0 فیصد سے کم ہو کر ماہی سال 21 میں 34.0 فیصد رہ گیا ہے۔

آر ای سیٹ میکرو اکنامک ایڈجسٹمنٹ اقدامات اور مضبوط افراط زر کے منصوبوں ماہی سال 2 میں حقیقی جی ڈی پی نمو کم ہو کر 4.3 فیصد رہنے کی توقع ہے۔ ماہی سال 22 میں افراط زر 10.7 فیصد تک بڑھنے کا تخمینہ ہے لیکن پیش گوئی کے افق پر اعتدال پسند ہے۔ بڑی حد تک ایچ 1 ماہی سال 22 میں درآمدات میں اضافے کی عکاسی کرتے ہوئے سی اے ڈی کے مالی سال 22 میں جی ڈی پی کے 4.4 فیصد تک بڑھنے کی توقع ہے۔

میکرو اکنامک خطرات سختی سے منفی پہلو کی طرف جھکے ہوئے ہیں کیونکہ ٹی اے میں عالمی مالیاتی حالات میں توقع سے زیادہ تیزی سے سختی، عالمی توانائی کی قیمتوں میں مزید اضافہ اور کوویڈ 19 سے متعلق نقل و حرکت کی سخت پابندیوں کی واپسی کا ممکنہ خطرہ شامل ہے۔ گھریلو طور پر سیاسی تناؤ اور پالیسی پھسلنے سے طویل میکرو اکنامک عدم توازن بھی پیدا ہو سکتا ہے۔

کاروباری چیلنجز اور مواقع

آنے والا سال 2022 آپ کے کاروبار کو بڑھانے کے مواقع سے بھر اہو گا لیکن 2022 میں انشورنس انڈسٹری کو نیوگیٹ کرتے وقت اس سے آگاہ ہونے میں رکاوٹیں آئیں گی۔ آپ ایک فہرست کے ساتھ تیار ہوں گے اور اگلے سال میں اپنے کاروبار کو آگے بڑھانے کے لئے حل تیار کر کے ان چیلنجز کی تلاش میں رہیں گے۔

صارفین (افراد اور کاروبار دونوں) تیز ترین دین چاہتے ہیں، اور زیادہ صارفین براہ راست انشورنس فراہم کنندگان کے ساتھ کام کرنا چاہتے ہیں۔ صنعت اس تبدیلی کو تکلیفی ترقی سے منسوب کرتی ہے کیونکہ صارفین صارفین کی مدد کے لئے تمام ڈیٹا اپنے سمارٹ فونز میں ذخیرہ کرتے ہیں۔

جیسے جیسے ٹیکنالوجی بہتر ہوتی جائے گی، آپ کے حریفوں کو بھی آپ جیسے فوائد اور مواقع حاصل ہوں گے یہی وجہ ہے کہ آپ کو تیار ہونا چاہیے۔ اگر آپ بڑا ڈیٹا استعمال کرنے کو تیار نہیں ہیں، تو آپ اپنے حریفوں کے ساتھ چلنے کے لئے جدوجہد کریں گے۔ انشورنس انڈسٹری کو صارفین سے جمع کردہ ڈیٹا کا جائزہ لینا چاہئے۔ اس ڈیٹا کا علم، چینی آپ کی انڈر رائٹنگ اور قیمت کو اپ ڈیٹ کرنے میں آپ کی مدد کرے گی۔ اس سے آپ کے گاہک تیار ہوں گے جو اپنے خدشات کو سمجھنے والے کسی شخص کے ساتھ کام کرنے میں زیادہ آسانی محسوس کرتے ہیں۔

جیسے جیسے ٹیکنالوجی میں دن بدن اضافہ ہوتا ہے، انشورنس انڈسٹری کا ایک ذیلی سیٹ ہوتا ہے جو ایک نئی اور قیمتی سروس فراہم کرتا ہے۔ سائبر خطرات کی دنیا کو سمجھنا اور گشت کرنا آپ کو افراد اور کاروباری اداروں کے ساتھ ممکنہ چیلنجز کی تیاری میں مدد کرے گا۔ دوسری جانب کمپنیاں دیگر منجگہ عوامل سے محفوظ رہنا چاہیں گی۔

سہ ماہی مالیاتی ڈائریکٹر ز رپورٹ برائے حصص یافتگان

آپ کی کمپنی کے ڈائریکٹر 2022 کے پہلی سہ ماہی یعنی 31 مارچ تک کی غیر آڈٹ شدہ مالیاتی گوشوارہ آپ کے سامنے پیش کرنا چاہتے ہیں۔

مالی جھلکیاں

31 مارچ 2022 کو ختم ہونے والے تین ماہ کی مدت کے لئے کمپنی کے تاکافل کاروبار کے خلاصہ نتائج ذیل میں ہیں:

	un-audited		
	YTD 31st March 2022	YTD 31st March 2021	% Change
(Rupees)			
PARTICIPANT'S TAKAFUL FUND (PTF)			
Gross Written Contribution	414,674,178	509,417,509	(19%)
Net takaful contribution	574,778,690	331,477,310	73%
Net Claim Expense	252,062,450	186,210,150	35%
Underwriting Results	9,448,950	4,058,891	133%
Investment Income	1,892,974	5,830,699	(68%)
Surplus for the period	11,307,936	9,509,705	19%
SHAREHOLDERS' FUND (SHF)			
Wakala Fee	293,816,210	122,352,948	140%
Investment Income	7,762,785	1,832,381	324%
Profit before taxation for the period	56,679,330	4,851,051	1068%
Profit after taxation for the period	52,272,087	3,015,756	1633%

کاروباری تجزیہ

31 مارچ 2022ء کو ختم ہونے والی سہ ماہی کے دوران سلام تاکافل لمیٹڈ نے اپنے کاروباری حجم کی تعمیر پر توجہ مرکوز کی ہے۔ سال 2022 پہلی سہ ماہی کے اختتام تک کمپنی نے صافی حاصل کردہ کٹھن کزنٹیویشن میں 73 فیصد کی اضافہ ظاہر کیا ہے۔

ٹوٹل انوسٹمنٹ آکم 69 ملین تحریر کی گئی (جیسا کہ 2020: 7.6 ملین)، لہذا پچھلے سال کی اسی مدت کے مقابلے میں 26 فیصد کا اضافہ ظاہر ہوا ہے۔

شیر ہولڈرز فنڈ کی ٹاپ لائن آمدنی وکالہ کی کمائی ہوئی فیس سے حاصل ہوتی ہے۔ 2022 مارچ کی سہ ماہی کے دوران کمپنی نے وکالہ فیس 293.8 ملین کمائی ہے (2021: 122.3 ملین)، گزشتہ سال کے اسی عرصے کے مقابلے میں 140 فیصد کا بڑا اضافہ۔

آؤٹ لک:

پاکستان کی معیشت

مالی سال 2020-2021 کے لئے جی ڈی پی کی شرح نمو مالی سال 2020 میں 1.0 فیصد کے معاہدے کے بعد فیصد ہے۔ ایچ 1 مالی سال 22 میں کرنٹ اکاؤنٹ خسارہ (سی اے ڈی) بڑھ کر 9.0 ارب امریکی ڈالر تک پہنچ گیا جو ایچ 1 مالی سال 21 میں 1.2 ارب امریکی ڈالر کے سرپلس سے بڑھ کر 54.4 فیصد بڑھ گیا جس سے برآمدات کی قدروں میں 27.3 فیصد اضافہ دوگنا ہو گیا۔

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

As at 31st March 2022

	Note	Shareholders' Fund		Participants' Takaful Fund	
		31 March 2022	31 December 2021	31 March 2022	31 December 2021
(Rupees)					
ASSETS					
Property and equipment	3	107,338,533	125,980,054	-	-
Intangible assets	4	18,650,900	18,000,900	-	-
INVESTMENTS					
Debt securities	5	118,000,000	118,000,000	-	-
Term deposits	6	112,900,000	292,700,000	86,100,000	195,100,000
Equity	7	57,741,193	62,260,412	33,152,020	37,598,293
Long term deposits	8	27,895,806	24,310,806	-	-
Loans, advances and other receivables	9	322,220,366	159,175,759	28,901,862	23,865,134
Takaful / co-takaful receivables	10	-	-	821,871,852	1,039,154,876
Re-takaful recoveries against outstanding claims	19.1	-	-	87,898,793	83,270,644
Salvage recoveries accrued	19.1	-	-	25,000,000	15,694,000
Deferred wakala fees	24	-	-	611,781,057	665,027,460
Deferred commission expense	21	100,019,355	112,754,453	-	-
Taxation-payment less provisions		18,648,414	16,452,174	-	-
Deferred Tax Asset		3,608,144	3,608,144	-	-
Accrued investment income		6,975,047	8,737,945	2,947,822	3,753,991
Receivable from Participants' Takaful Fund (PTF)	11	290,213,758	429,415,184	-	-
Prepayments	12	8,099,477	3,205,094	115,488,223	91,017,870
Cash and bank	13	309,043,794	122,562,731	42,765,308	70,560,994
TOTAL ASSETS		1,501,354,788	1,497,163,656	1,855,906,936	2,225,043,261

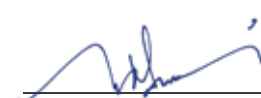
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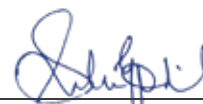
Syed Rizwan Hussain
Managing Director & CEO



Dr. Irum Saba
Director



Ahmed Shuja Kidwai
Director



Salim Habib Godil
Chairman

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

As at 31st March 2022

Note	Shareholders' Fund		Participants' Takaful Fund	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
(Rupees)				
ASSETS				
	1,500,000,000	1,500,000,000	-	-
Authorised share capital 150,000,000 (31 December 2021: 150,000,000 ordinary shares of Rs. 10 each				
14	1,132,020,019	1,132,020,019	-	-
Issued, subscribed and paid-up share capital				
Discount on issuance of shares	(332,020,019)	(332,020,019)	-	-
Fair value reserve	(15,267,056)	(9,404,357)	-	-
Accumulated surplus / (deficit)	14,544,608	(37,727,479)	-	-
	799,277,552	752,868,164	-	-
WAQF / PARTICIPANTS' TAKAFUL FUND (PTF)				
	-	-	500,000	500,000
Ceded money				
Fair value reserve	-	-	(8,052,390)	(7,032,188)
Accumulated surplus	-	-	154,288,453	142,980,517
Balance of Participants' Takaful Fund (PTF)	-	-	146,736,063	136,448,329
Underwriting provisions				
19	-	-	295,367,568	341,383,225
Outstanding claims including IBNR				
17	-	-	1,003,747,688	1,205,566,566
Unearned contribution reserves				
18	-	-	23,232,362	19,592,827
Unearned Re-Takaful rebate				
Contribution deficiency reserve	-	-	1,277,365	1,277,365
Contributions received in advance	-	-	6,950,087	4,734,487
15	-	-	28,400,648	29,500,776
Takaful / Re-Takaful payables				
Unearned wakala fees	611,781,057	665,027,460	-	-
Accrued expenses	5,003,933	10,453,968	-	-
Payable to staff gratuity fund - defined benefit plan	14,376,373	24,226,831	-	-
11	-	-	290,213,758	429,415,184
Payable to Shareholder's Fund				
16	70,915,874	44,587,233	59,981,397	57,124,501
Other creditors and accruals				
TOTAL LIABILITIES	702,077,237	744,295,492	1,709,170,873	2,088,594,931
TOTAL EQUITY AND LIABILITIES	1,501,354,789	1,497,163,656	1,855,906,936	2,225,043,261
Contingencies and Commitments				

The annexed notes 1 to 30 form an integral part of these financial statements.

Syed Rizwan Hussain
Managing Director & CEO

Dr. Irum Saba
Director

Ahmed Shuja Kidwai
Director

Salim Habib Godil
Chairman

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

As at 31st March 2022

		Quarter ended 31 March	
		2022	2021
----- (Rupees) -----			
PARTICIPANTS' TAKAFUL FUND (PTF)			
	Note		
Contribution earned		322,676,846	240,714,301
Less: Contribution ceded to retakaful operators		(41,714,366)	(31,589,940)
Net takaful contribution	17	280,962,480	209,124,362
Retakaful rebate earned	18	9,563,241	5,568,789
		290,525,721	214,693,151
Net takaful claims expense		(252,062,450)	(186,210,150)
Incurred But Not Reported (IBNR) claims expense		(18,721,181)	(15,720,627)
	19	(270,783,631)	(201,930,777)
Other direct expenses	20	(10,293,140)	(8,703,483)
Surplus before investment income		9,448,951	4,058,891
Investment income	25	1,892,974	5,830,699
Other income		35,318	2,801
Profit on Bank balances		590,881	1,498,823
Mudarib's share		(620,964)	(1,832,381)
Net investment income		1,898,209	5,499,943
Bank charges		(39,224)	(49,128)
Surplus after taxation		11,307,936	9,509,705
SHAREHOLDERS' FUND (SHF)			
Wakala fee	27	293,816,210	122,352,948
Commission expense	21	(51,004,793)	(25,811,179)
General, administrative and management expenses	22	(191,128,447)	(99,383,006)
		(242,133,240)	(125,194,185)
		51,682,970	(2,841,237)
Mudarib's share of PTF investment income		620,964	1,832,381
Investment income	25	7,762,785	4,278,639
Other direct expenses	23	(2,045,942)	(1,859,947)
Profit on bank balances		-	4,616,975
Other income		(20,179)	9,360
Finance cost		(1,321,268)	(1,185,120)
Profit before taxation		56,679,330	4,851,051
Provision for taxation		(4,407,243)	(1,835,294)
Profit after taxation		52,272,087	3,015,756
Earnings (after tax) per share		0.85	0.05

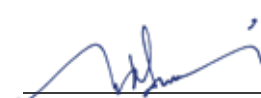
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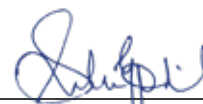
Syed Rizwan Hussain
Managing Director & CEO



Dr. Irum Saba
Director



Ahmed Shuja Kidwai
Director



Salim Habib Godil
Chairman

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

As at 31st March 2022

	Quarter ended 31 March	
	2022	2021
Shareholders' Fund (SHF)		
	----- (Rupees)-----	
Profit after taxation	52,272,087	3,015,756
Other comprehensive income for the period		
<i>Item to be reclassified to profit and loss account in subsequent period</i>		
- Net unrealised loss arising during the period on revaluation of available-for-sale investments	(5,862,699)	-
- Deferred tax on available-for-sale	-	-
- Gain on sale of available-for-sale investments included in profit and loss account	-	-
	(5,862,699)	-
<i>Item that will not be reclassified to profit and loss account</i>		
- Actuarial loss on defined benefit plan for the period	-	-
Total comprehensive income for the period	46,409,388	3,015,756
Participant Takaful Fund (PTF)		
Surplus for the period	11,307,936	9,509,705
Other comprehensive income for the period		
<i>Item to be reclassified to profit and loss account in subsequent period</i>		
- Net unrealised loss arising during the period on revaluation of available-for-sale investments	(1,020,202)	-
- Gain on sale of available-for-sale investments included in profit and loss account	-	-
	(1,020,202)	-
Total comprehensive income for the period	10,287,734	9,509,705

Note

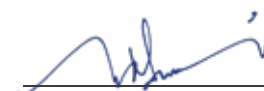
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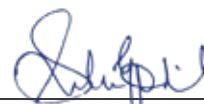
Syed Rizwan Hussain
Managing Director & CEO



Dr. Irum Saba
Director



Ahmed Shuja Kidwai
Director



Salim Habib Godil
Chairman

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY / FUND - UNAUDITED

As at 31st March 2022


SHAREHOLDERS' FUND (SHF)

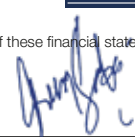
	Issued, subscribed & paid up share capital	Discount on issue of shares	Accumulated loss	Fair value reserve	Advance against further issuance of shares	Total
Balance as at 1 January 2021	612,989,050	(112,989,050)	(142,270,104)	-	-	357,729,896
Total comprehensive income for the three months period ended 31 March 2021	-	-	3,015,756	-	-	3,015,756
Profit after tax for the period ended 31 March 2021	-	-	3,015,756	-	-	3,015,756
Other comprehensive income						
Fair value / net unrealized loss on the available for sale investment during the period	-	-	-	-	-	-
Transaction with owners - Qard-e-Hasna returned to SHF	-	-	-	-	-	-
Actuarial loss on defined benefit plan for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	3,015,756	-	-	3,015,756
Balance as at 31 March 2021	612,989,050	(112,989,050)	(139,254,348)	-	-	360,745,652
Advance received during the period	-	-	-	-	300,000,000	300,000,000
Shares Issued during the period	519,030,969	(219,030,969)	-	-	(300,000,000)	-
Total comprehensive income for the nine months ended 31 December 2021	-	-	104,519,600	-	-	104,519,600
Profit after tax for the nine months period 31 December 2021	-	-	104,519,600	-	-	104,519,600
Other comprehensive income						
Fair value / net unrealized loss on available for sale investments during the nine months period ended 31 December 2021	-	-	-	(9,404,357)	-	(9,404,357)
Actuarial loss on defined benefit plan for the period	-	-	(2,992,731)	-	-	(2,992,731)
Total comprehensive income	-	-	101,526,869	(9,404,357)	-	92,122,512
Balance as at 31 December 2021	1,132,020,019	(332,020,019)	(37,727,479)	(9,404,357)	-	752,868,164
Profit after tax for the period ended 31 March 2022	-	-	52,272,087	-	-	52,272,087
Other comprehensive income	-	-	-	-	-	-
Fair value / net unrealized loss on the available for sale investment during the period	-	-	-	(5,862,699)	-	(5,862,699)
Actuarial loss on defined benefit plan for the year	-	-	-	-	-	-
Total comprehensive income for the period	-	-	52,272,087	(5,862,699)	-	46,409,388
Balance as at 31 March 2022	1,132,020,019	(332,020,019)	14,544,608	(15,267,056)	-	799,277,552

WAQF / PARTICIPANTS' TAKAFUL FUND (PTF)

	Ceded money	Discount on issue of shares	Accumulated Surplus / (Deficit)	Fair value reserve	Fair value reserve	Total
Balance as at 1 January 2021	500,000	-	83,035,761	-	-	83,535,761
Surplus for the three months period ended 31 March 2021	-	-	9,509,705	-	-	9,509,705
Balance as at 31 March 2021	500,000	-	92,545,466	-	-	93,045,466
Surplus Distribution	-	-	(7,718,467)	-	-	(7,718,467)
Fair value / net unrealized loss of available for sale investment during the period	-	-	-	(7,032,188)	-	(7,032,188)
Surplus for the nine months period 31 December 2021	-	-	58,153,518	-	-	58,153,518
Balance as at 31 December 2021	500,000	-	142,980,517	(7,032,188)	-	136,448,329
Fair value / net unrealized loss on available for sale investment during the period	-	-	-	(1,020,202)	-	(1,020,202)
Surplus for the three months period ended 31 March 2022	-	-	11,307,936	-	-	11,307,936
Balance as at 31 March 2022	500,000	-	154,288,453	(8,052,390)	-	146,736,063

The annexed notes 1 to 30 form an integral part of these financial statements.


Syed Rizwan Hussain
 Managing Director & CEO


Dr. Irum Saba
 Director


Ahmed Shuja Kidwai
 Director


Salim Habib Godil
 Chairman

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March 2022

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.

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.

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 financial statements have been prepared under the historical cost model except for available-for-sale investments which are measured at fair value and the Company's liability under defined plan that is determined based on present value of defined obligation less fair value of assets.

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March 2022

2.4 Functional and presentation currency

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

3 PROPERTY AND EQUIPMENT - Shareholder's Fund

	Note	31 March 2022	31 December 2021
		----- (Rupees) -----	
Tangible assets	6.1	73,139,383	87,798,625
Capital work in progress	6.2	3,600,200	1,755,050
Right of use assets	6.3	30,598,950	36,426,379
		107,338,533	125,980,054

3.1 Tangible assets

	31 March 2022							Depreciation Rate %
	Cost		Accumulated depreciation			Book value		
	As at 1 January 2022	Additions / (disposal) during the year	As at 31 March 2022	As at 1 January 2022	Charge for the period / (disposal)	As at 31 March 2022	As at 31 March 2022	
	(Rupees)							
Leasehold improvements	48,846,184	-	48,846,184	13,385,181	4,057,342	17,442,523	31,403,660	33.33
Furniture and fixtures	30,911,417	-	30,911,417	15,746,158	9,295,578	25,041,736	5,869,681	33.33
Office equipment	30,141,366	344,500	30,485,866	9,492,718	1,233,780	10,726,498	19,759,368	20.00
Computers	44,151,983	2,275,000	46,426,983	32,505,114	2,095,362	34,600,476	11,826,507	33.33
Vehicles	6,658,265	-	6,658,265	1,781,414	596,683	2,378,097	4,280,167	20.00
	160,709,214	2,619,500	163,328,714	72,910,586	17,278,745	90,189,331	73,139,383	

	31 December 2021							Depreciation Rate %
	Cost		Accumulated depreciation			Book value		
	As at 1 January 2021	Additions / (disposal) during the year	As at 31 December 2021	As at 1 January 2021	Charge for the year / (disposal)	As at 31 December 2021	As at 31 December 2021	
	(Rupees)							
Leasehold improvements	11,960,161	36,886,023	48,846,184	6,609,287	6,775,894	13,385,181	35,461,002	33.33
Furniture and fixtures	14,944,553	15,966,864	30,911,417	13,526,359	2,219,799	15,746,158	15,165,259	33.33
Office equipment	10,228,758	19,912,608	30,141,366	6,841,944	2,650,774	9,492,718	20,648,647	20.00
Computers	34,523,594	9,628,389	44,151,983	26,023,554	6,481,560	32,505,114	11,646,868	33.33
Vehicles	3,722,896	3,942,159	6,658,265	1,605,941	176,192	1,781,414	4,876,850	20.00
	75,379,962	86,336,043	160,709,214	54,607,085	18,304,219	72,910,586	87,798,626	
		(1,006,790)			(719)			
		(1,006,790)			(719)			

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March 2022

3.2 Capital Work in Progress - Shareholders Fund

Note

Civil Works

31 March 2022	31 December 2021
	(Rupees)
3,600,200	1,755,050
<u>3,600,200</u>	<u>1,755,050</u>

3.3 Right of use assets

Right of use assets

31 March 2022							
Cost		Accumulated depreciation			Book value		Depreciation Rate %
As at 1 January 2022	Additions during the year	As at 31 March 2022	As at 1 January 2022	Charge for the Period	As at 31 March 2022	As at 31 March 2022	
(Rupees)							
89,698,733	-	89,698,733	53,272,354	5,827,429	59,099,783	30,598,950	33.33

31 December 2021							
Cost		Accumulated depreciation			Book value		Depreciation Rate %
As at 1 January 2021	Additions during the year	As at 31 December 2021	As at 1 January 2021	Charge for the year	As at 31 December 2021	As at 31 December 2021	
(Rupees)							
48,483,841	41,214,892	89,698,733	29,962,639	23,309,715	53,272,354	36,426,379	33.33

4 INTANGIBLE ASSETS

Intangible assets

Capital work in progress

Note

31 March 2022	31 December 2021
	(Rupees)
-	-
18,650,900	18,000,900
<u>18,650,900</u>	<u>18,000,900</u>

Computer software

31 March 2022							
Cost		Accumulated amortization			Book value		Amortization Rate %
As at 1 January 2022	Additions during the period	As at 31 March 2022	As at 1 January 2022	Charge for the period	As at 31 March 2022	As at 31 March 2022	
(Rupees)							
14,263,181	-	14,263,181	14,263,181	-	14,263,181	-	33.33

31 December 2021							
Cost		Accumulated amortization			Book value		Amortization Rate %
As at 1 January 2021	Additions during the year	As at 31 December 2021	As at 1 January 2021	Charge for the year	As at 31 December 2021	As at 31 December 2021	
(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.

4.2 Capital Work in Progress Intangible - Shareholders Fund

Note

Advance for software development (Intangible)

31 March 2022	31 December 2021
	(Rupees)
18,650,900	18,000,900
<u>18,650,900</u>	<u>18,000,900</u>

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March 2022

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 2022	31 December 2021	Security
Dubai Islamic Bank Pakistan Limited	5.1.1	6,000	Perpetual	3 months KIBOR + 1.75%	Quarterly	Perpetual	31,005,000	30,000,000	30,000,000	30,000,000	Unsecured
Hub Power Company Limited (HUBCO) - listed	5.1.1	300	22-Aug-23	3 months KIBOR + 1.90%	Quarterly	25% on August 2022 25% on February 2023 25% on August 2023	31,084,389	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 Gop Guarantees. Subordinate charge over all present and future movable fixed assets of NEL for PKR 9,333.33 million (Issue Amount along with 25% margin). Subordinate charge over all present and future movable fixed assets of NEL for PKR 4,000 million (Issue Amount along with 25% margin). The face value of 100% shares of NEL with a book value of PKR 3,900 million.
Bank Islami Pakistan Ltd (Un-listed)	5.1.1	5,600	Perpetual	3 months KIBOR + 2.75%	Monthly	Perpetual	-	25,000,000	25,000,000	25,000,000	Unsecured
GOP Ijarah Sukuk	5.1.1 & 5.1.4		30-Apr-25	7%	Semi-annually	30-Apr-25	25,947,000	30,000,000	30,000,000	30,000,000	Unsecured
Non - Performing Assets (fully provided)											
Agriitech Limited	5.1.2	3,000	06 August 2019	3 months KIBOR + 2%	Semi-annually	Non performing	-	15,000,000	15,973,883	15,973,883	Secured against pari passu charge over property, plant and equipment of the Company.
Quetta Textile Mills Limited	5.1.3	2,000	26 March 2020	3 months KIBOR + 1.75%	Quarterly	Non performing	-	10,000,000	3,985,520	3,985,520	Secured against pari passu charge over property, plant and equipment of the Company.
									137,839,403	137,839,403	Secured against first pari passu Rs. 1,946 billion on all fixed assets of the Company.
									(19,839,403)	(19,839,403)	
									118,000,000	118,000,000	

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

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 HLBCCO which is of level 1 fair value).

5.1.2 This represents investments aggregating to Rs. 15 million (31 December 2020: Rs. 15 million) in sukuk issued by Agriitech 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 Agriitech Limited on 17 October 2011 which were to be repaid by the investee company within three and a half years from the date of issuance of such TFCs. However, the investee company defaulted on the installment due based on the restructuring agreement as well as in making payments in respect of zero coupon term finance certificates. Therefore, the management has neither recorded TFCs issued in lieu of profit in the books of accounts nor accrued any profit on 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 2019. 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 installment 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.

5.1.4 These include term deposits of Rs. 30 million (31 December 2021: Nil) deposited with State Bank of Pakistan as statutory reserve in accordance with the requirement laid down in section 29 of the Insurance Ordinance, 2000.

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March 2022

6 INVESTMENT IN TERM DEPOSITS

	31 March 2022			31 December 2021		
	Shareholders' Fund	Participants' Takaful Fund	Aggregate	Shareholders' Fund	Participants' Takaful Fund	Aggregate
Held to Maturity	(Rupees)					
Deposits maturing within 12 months	112,900,000	86,100,000	199,000,000	292,700,000	195,100,000	487,800,000

7 INVESTMENT IN EQUITY SECURITIES - available-for-sale

	31 March 2022				31 December 2021			
	Cost	Impairment / provision	Revaluation surplus / (deficit)	Carrying Amount	Cost	Impairment / provision	Revaluation surplus / (deficit)	Carrying Amount
	(Rupees)							
Listed Shares								
Shareholder fund	73,008,249	-	(15,267,056)	57,741,193	73,008,249	-	(10,747,837)	62,260,412
Participant fund	41,204,410	-	(8,052,390)	33,152,020	44,630,481	-	(7,032,188)	37,598,293
	114,212,659	-	(23,319,446)	90,893,213	117,638,730	-	(17,780,025)	99,858,705

8 LONG TERM DEPOSITS - Shareholders Fund

Ijarah
Rental

	31 March 2022	31 December 2021
Note	(Rupees)	
	24,005,270	20,420,270
	3,890,536	3,890,536
	27,895,806	24,310,806

9 LOANS, ADVANCES AND OTHER RECEIVABLES - considered good

	Shareholders' Fund		Participants' Takaful Fund	
	31 March 2022 (Un-audited)	31 December 2021 (Audited)	31 March 2022 (Un-audited)	31 December 2021 (Audited)
	(Rupees)			
Note				
9.1 Loans to employees (unsecured and interest free)	9,875,708	7,579,280	-	-
9.2 Receivable from subsidiaries	52,861,172	39,453,059	-	-
9.3 Advance against investment property	250,000,000	100,000,000	-	-
Advance against expenses	2,643,878	6,077,760	-	-
Earnest money receivable	-	-	5,259,405	5,392,738
Service charges receivable from co-takaful entities	-	-	885,556	697,789
Security deposit	6,361,708	5,737,280	1,500,000	1,500,000
Refundable input tax	-	-	21,045,240	15,907,310
Bank profit receivable	169,900	20,380	211,661	367,297
Others	308,000	308,000	-	-
	322,220,366	159,175,759	28,901,862	23,865,134

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

9.2 It represents the preliminary and other expenses incurred on the behalf of Salaam Family Takaful Limited (Subsidiary) and Salaam properties (Pvt) Limited (Subsidiary).

9.3 It represents the advance amount paid for the acquisition of leasehold building which is intended to earn the rentals.

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March 2022

10	TAKAFUL / CO-TAKAFUL RECEIVABLES - unsecured - Participants' Takaful Fund	Note	31 March 2022	31 December 2021
			----- (Rupees) -----	
	Due from takaful participant holders	10.1	773,561,787	1,008,654,475
	Less: Provision for impairment against balances due from participants	10.1	(14,093,476)	(14,093,476)
			759,468,311	994,560,999
	Due from other takaful companies		63,393,171	45,583,507
	Less: Provision for impairment against balances due from other takaful companies	10.2	(989,630)	(989,630)
			62,403,541	44,593,877
			821,871,852	1,039,154,876

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

Balance as on 1 January	14,093,476	8,662,082
Add: Provision made during the period	-	5,431,394
Balance on at 31 March	14,093,476	14,093,476

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

Balance as on 1 January	989,630	-
Reversal made during the period	-	989,630
Balance on at 31 March	989,630	989,630

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

	Note	Shareholders' Fund		Participants' Takaful Fund	
		31 March 2022	31 December 2021	31 March 2022	31 December 2021
		----- (Rupees) -----			
Wakala fee		270,455,973	433,736,167	270,455,973	433,736,167
Mudarib fee		19,175,708	18,554,744	19,175,708	18,554,744
Other receivable / payable	11.1	582,078	(22,875,727)	582,078	(22,875,727)
		290,213,758	429,415,184	290,213,758	429,415,184

11.1 This represents payments by SHF on behalf of PTF

12 PREPAYMENTS

	Note	Shareholders' Fund		Participants' Takaful Fund	
		31 March 2022	31 December 2021	31 March 2022	31 December 2021
		----- (Rupees) -----			
Prepaid re-takaful ceded		-	-	94,694,744	71,924,084
Prepaid tracker installation expense		-	-	20,793,479	19,093,786
Others		8,099,477	3,205,094	-	-
		8,099,477	3,205,094	115,488,223	91,017,870

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March 2022

13 CASH AND BANK

	Shareholders' Fund (SHF - receivable)		Participants' Takaful Fund (PTF payable)	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Note	----- (Rupees) -----			
Cash and cash equivalents				
- Cash in hand	101,917	25,101	-	-
- Policy and revenue stamps, bond papers	-	-	214,345	240,900
	101,917	25,101	214,345	240,900
Cash and bank				
- Current account	15,921	10,921	33,601	1,843,706
- Savings accounts	308,925,956	122,526,709	42,517,362	68,476,388
13.1	309,043,794	122,562,731	42,765,308	70,560,994

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% (2021: 6.5% to 11.0%) per annum.

14 SHARE CAPITAL

14.1 Authorized capital

31 March 2022	31 December 2021
(Number of shares)	
150,000,000	150,000,000

31 March 2022	31 December 2021
(Rupees)	
1,500,000,000	1,500,000,000

14.2 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

31 March 2022	31 December 2021
(Number of shares)	
113,202,019	113,202,019

31 March 2022	31 December 2021
(Rupees)	
1,132,020,190	1,132,020,190

	Number of shares	Percentage
Shareholding pattern		
House Building Finance Company Limited	8,699,500	7.68%
Al Baraka Bank (Pakistan) Limited	10,435,690	9.22%
Sitara Chemical Industries Limited	2,999,500	2.65%
Mal Al Khaleej Investment LLC	5,218,869	4.61%
Salim Habib Godil	21,459,992	18.96%
Syed Rizwan Hussain	21,459,990	18.96%
Shahzad Salim Godil	21,459,990	18.96%
Syed Salman Hussain	21,459,990	18.96%
Others	8,500	0.01%
	113,202,019	100.00%

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March 2022

	31 March 2022	31 December 2021
	----- (Rupees) -----	
15 TAKAFUL / RE-TAKAFUL PAYABLES		
Due to other takaful companies	1,653,850	3,165,712
Due to re-takaful operators	26,746,798	26,335,064
	<u>28,400,648</u>	<u>29,500,776</u>
16 OTHER CREDITORS AND ACCRUALS		
	Shareholders' Fund	Participants' Takaful Fund
	31 March 2022	31 Decemeber 2021
	31 March 2022	31 Decemeber 2021
	----- (Rupees) -----	
Commission payable to agents	1,253,256	902,226
Sales Tax Payable	-	-
Federal Takaful fee	-	-
Sales tax deducted at source	959,360	1,159,176
Liabilities against the right of use asset	36,384,210	39,359,911
Tracker installation fee payable	-	-
Other payables	32,319,048	3,165,921
	<u>70,915,874</u>	<u>44,587,233</u>
	<u>59,981,397</u>	<u>57,124,502</u>
17 NET CONTRIBUTION - Participants' Takaful Fund		
	31 March 2022	31 December 2021
	----- (Rupees) -----	
Written Gross Contribution	414,674,178	509,417,509
Less: Wakala Fee earned/expired	(293,816,210)	(122,352,948)
Contribution Net of Wakala Fee	120,857,968	387,064,561
Add: Unearned Contribution reserve opening	1,205,566,566	774,926,588
Less: Unearned Contribution reserve closing	(1,003,747,688)	(921,276,848)
Contribution earned	322,676,846	240,714,301
Retakaful Contribution ceded	64,485,026	31,606,871
Add: Prepaid retakaful contribution opening	71,924,084	67,651,940
Less: Prepaid retakaful contribution closing	(94,694,744)	(67,668,872)
Retakaful Expense	41,714,366	31,589,940
Net Contribution	<u>280,962,480</u>	<u>209,124,362</u>
18 RETAKAFUL REBATE		
Retakaful rebate/commission received	13,202,776	7,267,250
Add: Unearned retakaful rebate / commission opening	19,592,827	12,812,863
Less: Unearned retakaful rebate / commission closing	(23,232,362)	(14,511,324)
Retakaful rebate/commission Income	<u>9,563,241</u>	<u>5,568,789</u>
19 TAKAFUL BENEFITS / CLAIMS EXPENSE		
Benefits Claim Paid	362,011,987	226,381,364
Add: Outstanding benefits / claims including IBNR closing	295,367,567	270,909,342
Less: Outstanding benefits / claims including IBNR opening	(341,383,225)	(234,657,638)
Claim Expense	<u>315,996,329</u>	<u>262,633,068</u>
Retakaful and other recoveries received	32,555,914	49,293,231
Add: Retakaful and other recoveries in respect of outstanding claims closing	112,898,793	116,792,755
Less: Retakaful and other recoveries in respect of outstanding claims opening	(98,964,644)	(105,383,695)
Retakaful and other recoveries revenue	46,490,063	60,702,291
Net Claim Expense	<u>269,506,266</u>	<u>201,930,777</u>

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March 2022

- 19.1** The closing balance of Re-takaful and other recoveries in respect of outstanding claims also includes salvage recoveries accrued of Rs. 25 million (2020: Rs. 15.69 million) which has been subsequently received.

20 OTHER DIRECT EXPENSES - Participant's Takaful Fund

	31 March 2022	31 December 2021
Note	----- (Rupees) -----	
Tracker installation charges	10,120,291	8,521,824
Disallowed input sales tax	-	-
Service charges on co-takaful acceptance	172,849	181,659
Others	-	-
	10,293,140	8,703,483

21 COMMISSION EXPENSE

Commission Paid or payable	38,269,695	38,371,856
Add: Deferred commission expense opening	112,754,453	58,295,367
Less: Deferred commission expense closing	(100,019,355)	(70,856,044)
Commission Expense	51,004,793	25,811,179

22 GENERAL, ADMINISTRATIVE AND MANAGEMENT EXPENSES

- Shareholders' fund

Employee benefit cost	22.3	113,560,670	71,244,153
Rent, rates and taxes		195,881	147,610
Electricity, Gas and Water		1,370,018	1,744,282
Communications		2,664,648	2,547,345
Printing and stationery		4,747,714	1,808,577
Travelling and entertainment		15,131,476	3,598,805
Office repairs and maintenance		731,113	1,468,521
Vehicles running expense		6,001,528	273,788
Advertisement and sales promotions		7,912,918	1,517,965
Ijarah rentals		10,006,691	1,763,369
Depreciation	3.1 & 3.3	23,106,174	9,462,829
Legal and professional charges - business related		3,906,941	1,366,499
Takaful contribution		1,649,795	2,030,998
Bank charges		-	733
Miscellaneous expenses		142,880	407,532
		191,128,447	99,383,006

23 OTHER DIRECT EXPENSES - Shareholders' Fund

Auditors' Remuneration	577,500	525,000
Shariah Audit Fee	55,000	50,000
Subscription	1,413,442	1,284,947
	2,045,942	1,859,947

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 2022 to 31 March 2022
Fire and property damage	10.0%
Marine, aviation and transport	75.0%
Motor	5.0%
Health	5.0%
Miscellaneous	45.0%

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March 2022

	Shareholders' Fund (SHF) Year ended 31 March		Participants' Takaful Fund (PTF) Year ended 31 March	
	2022	2021	2022	2021
25 INVESTMENT INCOME	Note			
	(Rupees)			
Dividend Income	26,800	-	125,200	-
Net Realized Gains / (Losses) on Investments -Available for sale				
Realized Gain on equity securities	297,170	-	411,065	-
Realized Loss on equity securities	-	-	-	297,170
	-	-	411,065	-
Income from debt securities-Held to maturity				
Income from Debt Securities				
Return on Sukuk	3,094,736	1,929,549	-	-
Amortization of contribution on sukuk	-	-	-	-
Gain on Disposal of Sukuk	-	-	-	-
	3,094,736	1,929,549	-	-
Income from Deposits				
Return on term deposit-held to maturity	4,351,412	2,384,090	1,364,161	5,830,699
Total Investment Income	7,770,118	4,313,639	1,900,426	5,830,699
Less: Investment related expenses	(7,333)	(35,000)	(7,452)	-
Less: Charity on dividend purification	-	-	-	-
	(7,333)	(35,000)	(7,452)	-
Net investment income	7,762,785	4,278,639	1,892,974	5,830,699

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, 2022						
	Fire, and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	Aggregate
	(Rupees)					
Takaful / re-takaful receivables	29,052,116	16,167,428	227,901,463	135,270,428	48,245,531	456,636,966
Less: Sales Tax Payable	(3,279,492)	(1,675,737)	(26,599,584)	(176,496)	(5,547,395)	(37,278,704)
Federal Takaful Fee	(238,191)	(132,777)	(1,985,135)	(1,337,490)	(422,577)	(4,116,170)
Stamp duty	(4,080)	(455,524)	(80,230)	(7,330)	(20,750)	(567,914)
Gross written contribution	25,530,353	13,903,390	199,236,514	133,749,112	42,254,809	414,674,178
Wakala fee	(13,881,999)	(4,387,753)	(213,167,636)	(53,558,717)	(8,820,105)	(293,816,210)
Participants' Takaful Fund - revenue account						
Takaful contribution earned	23,410,122	10,990,810	323,586,420	236,461,509	22,044,195	616,493,056
Takaful contribution ceded expense	(19,444,024)	(7,078,384)	(1,011,350)	-	(14,180,609)	(41,714,366)
Net Takaful contribution	(9,915,901)	(475,327)	109,407,434	182,902,792	(956,519)	280,962,480
Retakaful rebate earned	5,052,099	1,025,514	-	-	3,485,628	9,563,241
Net Underwriting Income	(4,863,802)	550,188	109,407,434	182,902,792	2,529,110	290,525,721
Takaful claims	(1,853,952)	(261,787)	(114,334,258)	(169,820,751)	(12,281,764)	(298,552,513)
Takaful claims recovered from retakaful operators & salvage recoveries	9,179,670	119,124	19,967,775	-	17,223,494	46,490,063
Net Takaful claims expense	7,325,718	(142,663)	(94,366,483)	(169,820,751)	4,941,730	(252,062,450)
Incurred But Not Reported (IBNR) claims expense	(2,252,142)	(69,978)	(3,054,353)	(10,147,628)	(3,197,080)	(18,721,181)
Other direct expenses	(117,969)	(44,394)	(10,120,291)	-	(10,486)	(10,293,140)
Underwriting results	91,805	293,153	1,866,307	2,934,413	4,263,274	9,448,950
Investment income						1,892,974
Profit on bank balances						590,881
Less: Mudarib's share						(620,964)
Net investment income						1,862,891
Other income						35,318
Bank charges						(39,224)
Total surplus						11,307,936

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March 2022

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	<u>15,604,291</u>	<u>12,385,847</u>	<u>203,012,044</u>	<u>272,248,295</u>	<u>6,167,032</u>	<u>509,417,509</u>
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	<u>9,229,326</u>	<u>3,387,614</u>	<u>71,206,451</u>	<u>131,606,298</u>	<u>(736,538)</u>	<u>214,693,151</u>
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)
Provisions for doubtful contributions (net of Wakala fee)	-	-	-	-	-	-
Other direct expenses	(160,365)	(5,467)	(8,527,990)	-	(9,661)	(8,703,483)
Underwriting results	<u>7,021,737</u>	<u>704,194</u>	<u>4,022,300</u>	<u>(8,973,395)</u>	<u>1,284,055</u>	<u>4,058,891</u>
Investment income			25			5,830,699
Impairment Loss on Available for Sale Equity Securities						-
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						<u>9,509,705</u>

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.

For the Quarter Ended March 31, 2022						
Fire, and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	Aggregate	
----- (Rupees) -----						
Wakala fee	13,881,999	4,387,753	213,167,636	53,558,717	8,820,105	293,816,210
Less: Commission expense	(3,060,638)	(1,723,003)	(35,917,059)	(8,888,549)	(1,415,543)	(51,004,793)
Management expense	-	-	-	-	-	(191,128,447)
	<u>10,821,361</u>	<u>2,664,750</u>	<u>177,250,577</u>	<u>44,670,168</u>	<u>7,404,562</u>	<u>51,682,970</u>
Mudarib share of PTF investment income						620,964
Investment Income						7,762,785
Other charges / income						(20,179)
Finance Cost						(1,321,268)
Profit before taxation						<u>58,725,272</u>
Taxation						(4,407,243)
Profit after taxation						<u>54,318,029</u>

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March 2022

	For the Quarter Ended March 31, 2021					
	Fire, and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	Aggregate
	(Rupees)					
Wakala fees	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)	(25,811,178)
Management expenses						(99,383,006)
						<u>(2,841,236)</u>
Investment Income						1,832,381
Mudarib share of PTF investment income						4,278,639
Other charges / income						<u>2,766,388</u>
						6,036,171
Finance Cost						(1,185,120)
Profit before taxation						<u>4,851,051</u>
Taxation						(1,835,294)
Profit after taxation						<u>3,015,756</u>

28 CONTINGENCIES AND COMMITMENTS

28.1 Contingencies and Commitments

There has been no change in status of contingencies and commitments as disclosed in note 20 to annual financial statements of the company for the year ended December 31, 2021.

29 GENERAL

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

30 DATE OF AUTHORIZATION

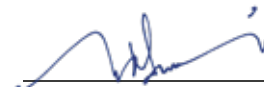
These financial statements were approved by the Board of Directors in their meeting held on 26 April, 2022.



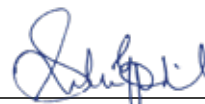
Syed Rizwan Hussain
Managing Director & CEO



Dr. Irum Saba
Director



Ahmed Shuja Kidwai
Director



Salim Habib Godil
Chairman

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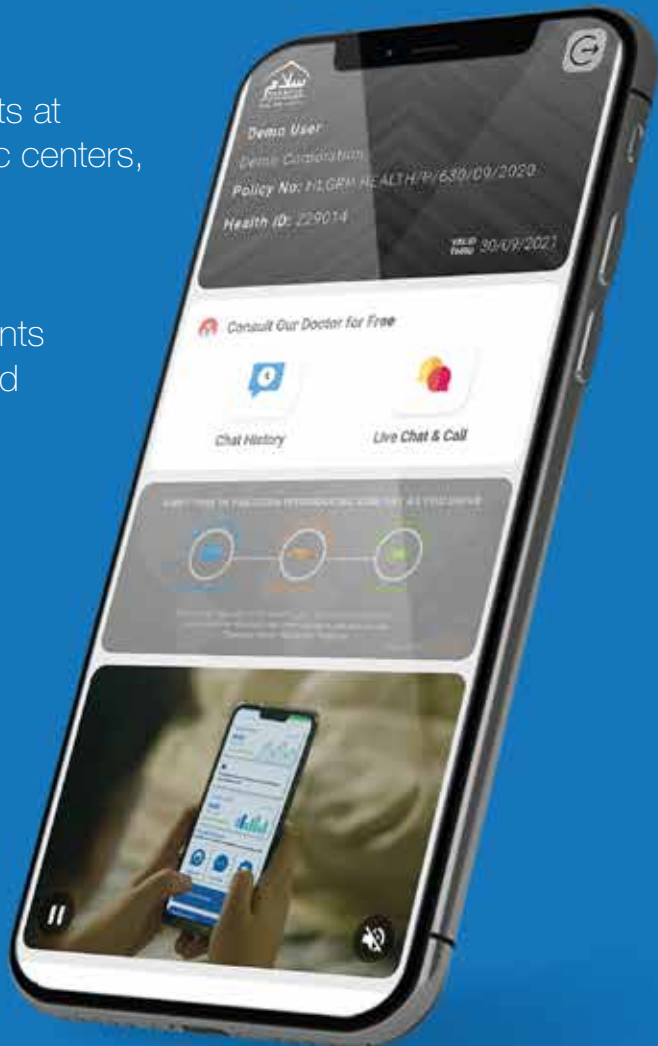
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