



HARNESSING **TECHNOLOGY** TO CHANGE THE WORLD

1ST QUARTER REPORT
2023
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

▲ Directors

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

▲ Managing Director & CEO

Rizwan Hussain
Contact No.: 021-111-875-111
Email: rizwan@salaamtakaful.com

▲ CFO & Company Secretary

Muhammad Irfan
Contact No.: 021-34373191
Email: m.irfan@salaamtakaful.com

▲ Shariah Advisor

Mufti Sajjad Ashraf Usmani
Contact No.: 021-111-875-111 (Ext. 175)
Email: sajjad.usmani@salaamtakaful.com

▲ Auditor

KPMG Taseer Hadi & Co.

Chartered Accountants
Address: Sheikh Sultan Trust Building No. 2
Beaumont Road, Sharah-e-Faisal, Karachi.
Contact No.: 021-35685847
Web: www.home.kpmg.com

▲ Internal Auditor

Yousuf Adil

Chartered Accountants
Address: Cavish Court, A-35, Shahrah-e-Faisal,
Block A, Bangalore Town, Karachi
Contact No.: (021) 34546494
Website: www.yousufadil.com

▲ Legal Advisors

AHM & Co.

Address: 501, Eden Heights,
Jail Road, Lahore.
Contact No.: +92 42 4593 4000
Website: www.ahmco.pk

Mohsin Tayebaly & Co.

Address: Dime Centre,
Khayban-e-Iqbal, Block-9,
Clifton, Karachi.
Contact No.: 021-111-682-529
Website: www.mtclaw.com.pk

▲ Corporate Advisor

RS Corporate Advisory

Address: 1st Floor, Plot No. 62, Central
Commercial Area, Block T, Phase 2
DHA, Lahore
Contact No.: 042-35747904
Website: www.rscorporateadvisory.com

HEAD OFFICE

6th Floor, Business Centre, Plot # 19-1-A,
Block 6, P.E.C.H.S., Shahrah-e-Faisal,
Karachi-75400.
UAN : (+92-21) 111-875-111
Tel : (+92-21) 34373171-80
Fax : (+92-21) 34373195-6
E-mail : info@salaamtakaful.com
Website : www.salaamtakaful.com

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 period ended March 31, 2023.

Financial Highlights

The summarized results of the Company's Takaful business for the three months period ended March 31, 2023, are as under:

	YTD 31st March 2023	YTD 31st March 2022	% Change
----- (Rupees) -----			
PARTICIPANT'S TAKAFUL FUND (PTF)			
Gross Written Contribution	765,152,863	414,674,178	85%
Net takaful contribution	697,414,641	574,778,690	21%
Net Claim Expense	397,592,079	252,062,450	58%
Underwriting Results	413,999,722	281,076,771	47%
Investment Income	(1,621,801)	1,892,974	(186%)
Surplus for the period	23,049,309	11,307,936	104%
SHAREHOLDERS' FUND (SHF)			
Wakala Fee	285,820,931	293,816,210	(3%)
Investment Income	2,267,155	7,762,785	(71%)
Profit before taxation for the period	35,866,710	56,679,330	(37%)
Profit after taxation for the period	30,741,087	52,272,087	(41%)

Performance Review

During the quarter ended March 31, 2023, Salaam Takaful Limited has focused on building its business volume. By the end of the 1st Quarter of the year 2023, the Company showed growth of 21% in the Net Takaful Contribution.

The Shareholders' Fund topline income is derived from the Wakala fees earned. During the March quarter of 2023, the Company managed to earn Wakala fees of Rs.285.8 million (2021: 293.8 million), a slight decrease of 3% over same period last year.

Outlook:

Pakistan's Economy

Pakistan's economic growth is expected to moderate considerably during FY23. As suggested by the tapering sales of high frequency demand indicators, the demand compression measures introduced by the government and the SBP have started to cool down the overheated economy in the initial months of FY23. According to the official report released by SBP, the Pakistan's Economy has achieved a GDP growth of 6% in Fiscal Year 2022. The import stand at 32.9% while the export stand at 26.6% in FY22. It has been reported that the current account deficit (CAD) is at \$0.1 billion in February 2023 against a deficit of \$0.5 billion in February 2022. CAD was decreased to \$3.9 billion in Jul-Feb FY23 in comparison to a deficit of \$12.1 billion in Jul-Feb FY22.

The NCPI inflation is expected to rise above the previously announced range of 18-20 percent during FY23. Supply shocks in the form of the roll back of energy subsidies and resumption of fuel taxation and losses to agriculture produce caused by floods are likely to influence the inflation trajectory during the year. The elimination of subsidies and increase in fuel taxation triggered a sharp increase in inflation since June 2022, and the trend is likely to persist in FY23. Similarly, the supply shortages of perishable food commodities stemming from floods is expected to add further stimulus to prices.

However, the losses to agriculture produce, induced by the recent floods, is likely to step up import of agriculture commodities, particularly cotton. On the other hand, the slowdown in global demand may also weaken the growth in exports during FY23 and policy tightening in advanced economies would dampen the prospects of capital flows to emerging and developing economies. Moreover, with the resumption of the IMF program, the outlook of financial account has also improved. Alongside the IMF program disbursements, the country is expected to receive external financing from multilateral and bilateral creditors that will considerably strengthen FX reserves position during FY23.

Business Challenges and Opportunities

As per the current scenario, the year of 2023 will offer great opportunities for business growth but there will be some challenges as well. Therefore, it has become necessary to pre-plan for taking advantage of the opportunities offered in the first place while making a strategy for tackling the upcoming challenges. For instance, use of available resources for maximizing profits as well as reputation in market.

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 clients who feel more at ease working with someone who understands their concerns.

Adopting a social approach is essential as it serves as an opportunity for Emerging market insurers to utilize Social networking which had been dominated in the whole world. Social approach can be used in many ways like Advertisement customer awareness and many other things. Moreover, Insurance companies uses flexible resources and becomes more efficient then the companies with rigid resources along with making time to time innovations with the expansion of market.

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. Our Company also aspires to take advantage of existing chances and progress quickly through effective underwriting, solid Re-Takaful arrangements, and professional personnel.

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

تاہم، حالیہ سیلاب کی وجہ سے زرعی پیداوار کو ہونے والے نقصانات سے زرعی اجناس بالخصوص کپاس کی درآمد میں اضافے کا امکان ہے۔ دوسری طرف، عالمی طلب میں کمی مالی سال 23 کے دوران برآمدات کی نمو کو بھی کمزور کر سکتی ہے اور ترقی یافتہ معیشتوں میں پالیسی میں سختی اور ترقی پذیر معیشتوں کے لیے سرمائے کے بہاؤ کے امکانات کو کم کر دے گی۔ مزید یہ کہ آئی ایم ایف پروگرام کے دوبارہ شروع ہونے سے مالیاتی کھاتوں کا آؤٹ لک بھی بہتر ہوا ہے۔ IMF پروگرام کی ادائیگیوں کے ساتھ ساتھ، ملک کو کثیر جہتی اور دو طرفہ قرض دہندگان سے بیرونی فنانشنگ ملنے کی توقع ہے جو FY23 کے دوران FX کے ذخائر کی پوزیشن کو کافی حد تک مضبوط کرے گی۔

کاروباری چیلنجز اور مواقع

موجودہ منظر نامے کے مطابق 2023 کا سال کاروباری ترقی کے لیے بہترین مواقع فراہم کرے گا لیکن اس کے ساتھ ساتھ کچھ چیلنجز بھی ہوں گے۔ اس لیے ضروری ہو گیا ہے کہ آنے والے چیلنجوں سے نمٹنے کے لیے حکمت عملی بناتے ہوئے پہلے پیش کردہ مواقع سے فائدہ اٹھانے کے لیے پہلے سے منصوبہ بندی کی جائے۔

مثال کے طور پر، زیادہ سے زیادہ منافع کے ساتھ ساتھ مارکیٹ میں ساکھ کے لیے دستیاب وسائل کا استعمال۔

جیسے جیسے ٹیکنالوجی بہتر ہوتی جائے گی، آپ کے حربوں کو آپ جیسے ہی فوائد اور مواقع حاصل ہوں گے، اسی لیے آپ کو تیار بننا چاہیے۔ اگر آپ بڑا لینا استعمال کرنے کے لیے تیار نہیں ہیں، تو آپ اپنے حربوں کے ساتھ رہنے کے لیے جدوجہد کریں گے۔ انشورنس انڈسٹری کو صارفین سے جمع کردہ ڈیٹا کا جائزہ لینا چاہیے۔ اس ڈیٹا کے علم میں، کمپنی آپ کی انڈر رائٹنگ اور قیمتوں کو اپ ڈیٹ کرنے میں آپ کی مدد کرے گی۔ یہ ان کلائنٹس کو متاثر کرے گا جو کسی ایسے شخص کے ساتھ کام کرنے میں زیادہ آسانی محسوس کرتے ہیں جو ان کے خدشات کو سمجھتا ہے۔

سماجی نقطہ نظر کو اپنانا ضروری ہے کیونکہ یہ ابھرتی ہوئی مارکیٹ کے بھرپور کنندگان کے لیے سوشل نیٹ ورکنگ کو استعمال کرنے کا ایک موقع فراہم کرتا ہے جس کا پوری دنیا میں غلبہ تھا۔ سماجی نقطہ نظر کو بہت سے طریقوں سے استعمال کیا جا سکتا ہے جیسے اشتہاری گاہک کی آگاہی اور بہت سی دوسری چیزیں۔ مزید برآں، انشورنس کمپنیوں کے لیے ادراک وسائل کا استعمال کرتی ہیں اور مارکیٹ کی توسیع کے ساتھ وفاقاً متاخر امانت کرنے کے ساتھ ساتھ سخت وسائل والی کمپنیوں کے مقابلے میں زیادہ کارآمد بن جاتی ہیں۔

موثر میرین، فار اینڈ انجینئرنگ، متفرق اور ہیلتھ لائسنز آف بزنس میں کاروبار بڑھانے کے لیے انشورنس انڈسٹری میں ترقی کو برقرار رکھنے کے لیے۔ اسی طرح جس طرح لوگ انشورنس حاصل کرتے وقت خطرات کے لیے منصوبہ بندی کرتے ہیں، آنے والے سال کے لیے آگے کی رکاوٹوں کو سمجھنا آپ کو کامیاب ہونے میں مدد دے سکتا ہے۔ ہماری کمپنی موجودہ مواقع سے فائدہ اٹھانے اور موثر انڈر رائٹنگ، ٹھوس ری نکال انظامات اور پیشہ ور افراد کے ذریعے تیزی سے ترقی کرنے کی بھی خواہش رکھتی ہے۔

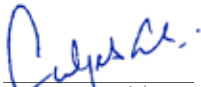
اعتراف


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

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

آخر میں، ہم اپنے نکال 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۔

بورڈ آف ڈائریکٹرز کی جانب سے


شہزاد سلیم گودل


سید رضوان حسین
نیشنل ڈائریکٹرز ایسوسی ایٹو

سہ ماہی مالیاتی ڈائریکٹرز رپورٹ برائے حصص یافتگان

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2023 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 2023 کو ختم ہونے والے تین ماہ کی مدت کے لئے کمپنی کے مکافل کاروبار کے نتائج کا خلاصہ کچھ یوں ہے۔

	YTD 31st March 2023	YTD 31st March 2022	% Change
----- (Rupees) -----			
PARTICIPANT'S TAKAFUL FUND (PTF)			
Gross Written Contribution	765,152,863	414,674,178	85%
Net takaful contribution	697,414,641	574,778,690	21%
Net Claim Expense	397,592,079	252,062,450	58%
Underwriting Results	413,999,722	281,076,771	47%
Investment Income	(1,621,801)	1,892,974	(186%)
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Profit after taxation for the period	30,741,087	52,272,087	(41%)

کاروباری تجزیہ

31 مارچ 2023 کو ختم ہونے والی سہ ماہی کے دوران، سلام مکافل لمیٹڈ نے اپنے کاروباری حجم کو بڑھانے پر توجہ مرکوز کی ہے۔ سال 2023 کی پہلی سہ ماہی کے اختتام تک، کمپنی نے نیٹ مکافل شرکت میں 21 فیصد اضافہ دکھایا

شیرس ہولڈرز فنڈ کی ٹاپ لائن آمدنی وکالا کی کمائی گئی فیس سے حاصل ہوتی ہے۔ مارچ 2023 کی سہ ماہی کے دوران، کمپنی نے 285.8 ملین روپے (2021: 293.8 ملین) کی وکالا فیس حاصل کی، جو گزشتہ سال کی اسی مدت کے مقابلے میں 3 فیصد کی معمولی کمی ہے۔

آڈٹ لک:

پاکستان کی معیشت

پاکستان کی اقتصادی ترقی مالی سال 23 کے دوران کافی حد تک معتدل رہنے کی توقع ہے۔ جیسا کہ ہائی فریکوئنسی ڈیمانڈ انڈیکسز کی کم ہوتی ہوئی فروخت سے تجویز کیا گیا ہے، حکومت اور اسٹیٹ بینک کی جانب سے متعارف کرائے گئے ڈیمانڈ کمپریشن اقدامات نے مالی سال 23 کے ابتدائی مہینوں میں زیادہ گرم معیشت کو ٹھنڈا کرنا شروع کر دیا ہے۔

اسٹیٹ بینک کی طرف سے جاری کردہ سرکاری رپورٹ کے مطابق، پاکستان کی معیشت نے مالی سال 2022 میں جی ڈی پی کی شرح نمو 6 فیصد حاصل کی ہے۔ رپورٹ میں بتایا گیا ہے کہ کرنٹ اکاؤنٹ خسارہ (CAD) فروری 2023 میں 0.1 بلین ڈالر ہے جبکہ فروری 2022 میں 0.5 بلین ڈالر کا خسارہ تھا۔ جولائی میں 12.1 بلین ڈالر کے خسارے کے مقابلے میں جولائی تا فروری FY23 میں CAD کم ہو کر 3.9 بلین ڈالر رہ گیا تھا۔ - FY22 فروری۔

INCPI فریڈمز مالی سال 23 کے دوران 18-20 فیصد کی پہلے اعلان کردہ حد سے بڑھنے کی توقع ہے۔ توانائی کی سبسڈی کی واپسی اور ایندھن پر ٹیکس دوبارہ شروع کرنے اور سیلاب کی وجہ سے زرعی پیداوار کو بچھنے والے نقصانات کی صورت میں سپلائی کے جھٹکے سال کے دوران مہنگائی کی رفتار کو متاثر کر سکتے ہیں۔ سبسڈی کے خاتمے اور ایندھن پر ٹیکس میں اضافے نے جون 2022 سے مہنگائی میں تیزی سے اضافہ کیا، اور مئی سال 23 میں بھی یہ رجحان برقرار رہنے کا امکان ہے۔ اسی طرح، سیلاب سے پیدا ہونے والی خراب ہونے والی غذائی اجناس کی سپلائی کی کمی سے قیمتوں میں مزید محرک شامل ہونے کی توقع ہے۔

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st March 2023

		Operators' Fund		Participants' Takaful Fund	
		31 March 2023	31 December 2022	31 March 2023	31 December 2022
ASSETS	Note	----- (Rupees) -----			
Property and equipment	3	99,243,681	93,328,909	-	-
Intangible assets	4	22,275,900	22,275,900	-	-
Investment property	7	286,211,237	272,000,000	-	-
Investments					
Debt	5	75,000,000	75,000,000	-	-
Term deposits	6	61,500,000	151,500,000	-	154,000,000
Equity	8	31,509,610	34,767,063	20,795,336	22,617,137
Long term deposits	9	31,883,836	25,410,786	-	-
Loans and other receivables	10	23,895,964	37,365,936	15,770,385	18,040,434
Investment in subsidiaries	8	246,460,190	222,367,190	-	-
Takaful / Re-takaful receivables	11	-	-	1,837,677,901	1,678,591,627
Re-takaful recoveries against outstanding claims	0.0	-	-	399,068,811	371,239,651
Salvage recoveries accrued	19.2	-	-	12,000,000	22,895,000
Deferred wakala fees	25	-	-	417,572,384	367,010,265
Deferred commission expense	21	172,211,792	158,037,313	-	-
Deferred taxation	28.2	-	-	-	-
Taxation-payment less provisions		-	-	-	-
Accrued investment income		9,155,188	6,159,862	-	-
Receivable from participants' takaful fund (PTF)	12	217,137,956	189,746,873	-	-
Prepayments	13	10,198,079	1,551,104	144,787,310	125,226,513
Cash and bank	14	241,648,680	124,819,646	100,711,717	74,813,274
TOTAL ASSETS		<u>1,528,332,113</u>	<u>1,414,330,582</u>	<u>2,948,383,844</u>	<u>2,834,433,901</u>

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


Syed Rizwan Hussain
 Managing Director & CEO


Tamim Shabbir
 Director


Faisal Murad
 Director


Salim Habib Godil
 Chairman

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st March 2023

	Note	Operators' Fund		Participants' Takaful Fund	
		31 March 2023	31 December 2022	31 March 2023	31 December 2022
EQUITY AND LIABILITIES					
SHARE CAPITAL AND RESERVES ATTRIBUTABLE TO COMPANY'S SHAREHOLDERS					
Issued, subscribed and paid-up share capital	15	1,132,020,019	1,132,020,019	-	-
Discount on issuance of shares		(332,020,019)	(332,020,019)	-	-
Fair value reserve		-	(1,823,029)	-	-
Accumulated profit / (loss)		134,887,446	104,146,359	-	-
		934,887,447	902,323,330	-	-
PARTICIPANTS' TAKAFUL FUND (PTF)					
Ceded money		-	-	500,000	500,000
Fair value reserve		-	-	-	(112,982)
Accumulated surplus		-	-	189,834,014	166,784,705
Balance of Participants' Takaful Fund (PTF)		-	-	190,334,014	167,171,723
Liabilities					
PTF Underwriting provisions					
Outstanding claims including IBNR		-	-	812,330,150	740,780,247
Unearned contribution reserves	23	-	-	1,523,638,697	1,561,033,084
Unearned re-takaful rebate	18	-	-	33,330,990	28,524,963
Contribution deficiency reserve		-	-	1,105,878	1,105,878
Contributions received in advance		-	-	5,132,785	1,811,546
Takaful / Re-takaful payables	16	-	-	107,922,481	90,543,017
Unearned wakala fees		417,572,384	367,010,265	-	-
Accrued expenses		21,591,285	12,069,582	-	-
Deferred taxation	28.2	13,513,318	13,513,318	-	-
Taxation-payment less provisions		8,165,707	8,165,707	-	-
Payable to staff gratuity fund - defined benefit plan	33	32,481,924	28,953,036	-	-
Payable to shareholder's fund (OPF)	12	-	-	217,137,956	189,746,873
Other creditors and accruals	17	100,120,048	82,295,343	57,450,893	53,716,570
		593,444,666	512,007,251	2,758,049,830	2,667,262,178
TOTAL LIABILITIES					
TOTAL EQUITY AND LIABILITIES					
		1,528,332,113	1,414,330,581	2,948,383,844	2,834,433,901
Contingencies and Commitments					
	18				

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


Syed Rizwan Hussain
 Managing Director & CEO


Tamim Shabbir
 Director


Faisal Murad
 Director


Salim Habib Godil
 Chairman

UNCONSOLIDATED PROFIT AND LOSS ACCOUNT

As at 31st March 2023

	Note	Quarter ended 31 March	
		2023	2022
----- (Rupees) -----			
PARTICIPANTS' TAKAFUL FUND (PTF)			
Contribution earned		516,726,349	322,676,846
Less: Contribution ceded to retakaful		(105,132,639)	(41,714,366)
Net contribution revenue	23	411,593,710	280,962,480
Retakaful rebate earned	18	25,707,505	9,563,241
Net underwriting income		437,301,215	290,525,721
Net claims - reported / settled		(397,592,079)	(252,062,450)
Incurred But Not Reported (IBNR) claims expense		-	(18,721,181)
	19	(397,592,079)	(270,783,631)
Other direct expenses	20	(16,407,643)	(10,293,140)
Surplus before investment income		23,301,493	9,448,950
Investment income	26	(1,621,801)	1,892,974
Other income	27	67,330	35,318
Profit on bank balances		1,502,460	590,881
Less: Mudarib's share of investment income		(50,000)	(620,964)
Bank charges		(150,173)	(39,224)
Surplus transferred to accumulated surplus		23,049,309	11,307,936
OPERATORS' FUND (OPF)			
Wakala fee	28	285,820,931	293,816,210
Commission expense	21	(60,686,237)	(51,004,793)
General, administrative and management expenses	22	(202,653,459)	(191,128,447)
		(263,339,696)	(242,133,240)
		22,481,235	51,682,970
Mudarib's share of PTF investment income		50,000	620,964
Investment income	26	2,267,155	7,762,785
Direct expenses	24	(4,915,640)	(2,045,942)
Profit on bank balances		2,624,049	-
Other income / (loss)	27	-	(20,179)
Change in fair value of investment property	7	14,211,237	-
Finance cost		(851,326)	(1,321,268)
Profit before taxation		35,866,710	56,679,330
Taxation	28	(5,125,623)	(4,407,243)
Profit after taxation attributable to Operators'		30,741,087	52,272,087
Earnings (after tax) per share	31	0.27	0.85

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


Syed Rizwan Hussain
 Managing Director & CEO


Tamim Shabbir
 Director


Faisal Murad
 Director


Salim Habib Godil
 Chairman

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

As at 31st March 2023

	Note	Quarter ended 31 March	
		2023	2022
----- (Rupees) -----			
OPERATORS' FUND (OPF)			
Profit after taxation		30,741,087	52,272,087
Other comprehensive income for the year			
<i>Item that may be reclassified to profit and loss account in subsequent period</i>			
- Net unrealised loss arising during the year on revaluation of available-for-sale investments - net of tax		-	(5,862,699)
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 year		30,741,087	46,409,388
Participant Takaful Fund (PTF)			
Surplus for the year		23,049,309	11,307,936
Other comprehensive income for the year			
<i>Item that may be reclassified to profit and loss account in subsequent period</i>			
- Net unrealised loss arising during the year on revaluation of available-for-sale investments		-	(1,020,202)
Total comprehensive income for the year		23,049,309	10,287,734

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


 Syed Rizwan Hussain
 Managing Director & CEO


 Tamim Shabbir
 Director


 Faisal Murad
 Director


 Salim Habib Godil
 Chairman

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY / FUND - UNAUDITED

As at 31st March 2023

OPERATORS' FUND (OPF)

	Issued, subscribed & paid up share capital	Discount on issue of shares	Accumulated loss	Fair value reserve	Advance against further issuance of shares	Total
	(Rupees)					
Balance as at 1 January 2022	1,132,020,019	(332,020,019)	(37,727,479)	(9,404,357)	-	752,868,164
Total comprehensive income for the three months period ended 31 March 2022						
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 period	-	-	-	-	-	-
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)	14,544,607	(15,267,056)	-	799,277,551
Total comprehensive income for the nine months ended 31 December 2022						
Profit after tax for the nine months period 31 December 2022	-	-	99,625,314	-	-	99,625,314
Other comprehensive income						
Fair value / net unrealized loss on available for sale investments during the nine months period ended 31 December 2022	-	-	-	-	-	-
Actuarial loss on defined benefit plan for the period	-	-	(10,023,562)	13,444,027	-	(10,023,562)
Total comprehensive income	-	-	89,601,752	13,444,027	-	89,601,752
Balance as at 31 December 2022	1,132,020,019	(332,020,019)	104,146,359	(1,823,029)	-	902,323,330
Profit after tax for the period ended 31 March 2022	-	-	30,741,087	-	-	30,741,087
Other comprehensive income						
Fair value / net unrealized loss on the available for sale investment during the period	-	-	-	-	-	-
Actuarial loss on defined benefit plan for the year	-	-	-	1,823,029	-	1,823,029
Total comprehensive income for the period	-	-	30,741,087	1,823,029	-	32,564,116
Balance as at 31 March 2023	1,132,020,019	(332,020,019)	134,887,446	-	-	934,887,446

WAQF / PARTICIPANTS' TAKAFUL FUND (PTF)

	Ceded money	Discount on issue of shares	Accumulated Surplus / (Deficit)	Fair value reserve	Fair value reserve	Total
	(Rupees)					
Balance as at 1 January 2022	500,000	-	142,980,517	(7,032,188)	-	136,448,329
Fair value / net unrealized loss of 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
Fair value / net unrealized loss of available for sale investment during the period	-	-	-	7,939,408	-	7,939,408
Surplus for the nine months period 31 December 2022	-	-	12,496,252	-	-	12,496,252
Balance as at 31 December 2022	500,000	-	166,784,705	(112,982)	-	167,171,723
Fair value / net unrealized loss on available for sale investment during the period	-	-	-	112,982	-	112,982
Surplus for the three months period ended 31 March 2022	-	-	23,049,309	-	-	23,049,309
Balance as at 31 March 2023	500,000	-	189,834,014	-	-	190,334,014


Syed Rizwan Hussain
 Managing Director & CEO


Tamim Shabbir
 Director


Faisal Murad
 Director


Salim Habib Godil
 Chairman

NOTES TO AND FORMATING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

As at 31st March 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Salaam Takaful Limited ("the Company") is an unlisted public limited company incorporated in Pakistan on 02 June 2006 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). 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 10 (31 December 2020: 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 unconsolidated 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 Operators' funds (SHF) approved by the Shariah Advisor of the Company.

1.3 The company has the following subsidiaries:

Name	Date of incorporation	Country of incorporation	Percentage of holding
Salaam Properties (Pvt) Limited	20 October 2021	Pakistan	100%
Salaam Family Takaful Limited	02 December 2021	Pakistan	100%

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

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

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

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

2.3 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost model except for available-for-sale investments and investment property 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 AND FORMATING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

As at 31st March 2023

2.4 Functional and presentation currency

These unconsolidated 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 - Operators' Fund

Note

31 March 2023 31 December 2022

----- (Rupees) -----

Operating assets	6.1	59,777,031	66,121,207
Capital work in progress	6.2	18,633,880	10,731,843
Right of use assets	6.3	20,832,770	16,475,859
		99,243,681	93,328,909

3.1 Operating assets

	31 March 2023							Depreciation Rate %
	Cost		Accumulated depreciation			Book value	As at 31 March 2023	
	As at 1 January 2023	Additions / (disposal) during the year	As at 31 March 2023	As at 31 January 2023	Charge for the period / (disposal)	As at 31 March 2023		
	(Rupees)							
Leasehold improvements	48,846,184	115,000	48,961,184	27,510,286	3,037,925	30,548,211	18,412,973	33.33
Furniture and fixtures	30,928,417	-	30,928,417	21,312,142	1,317,025	22,629,167	8,299,250	33.33
Office equipment	32,366,416	62,500	32,428,916	14,622,474	1,324,071	15,946,545	16,482,371	20.00
Computers	51,106,503	1,644,600	52,751,103	39,900,498	1,648,308	41,548,806	11,202,297	33.33
Vehicles	9,363,649	137,500 (612,589)	8,888,560	3,144,562	442,739 (78,881)	3,508,420	5,380,140	20.00
	172,611,169	1,959,600 (612,589)	173,958,180	106,489,962	7,770,068 (78,881)	114,181,149	59,777,031	
	31 December 2022							
	Cost		Accumulated depreciation			Book value	As at 31 December 2022	Depreciation Rate %
	As at 1 January 2022	Additions / (disposal) during the year	As at 31 December 2022	As at 1 January 2022	Charge for the period / (disposal)	As at 31 December 2022		
	(Rupees)							
Leasehold improvements	48,846,184	-	48,846,184	13,385,181	14,125,105	27,510,286	21,335,898	33.33
Furniture and fixtures	30,911,417	17,000	30,928,417	15,746,158	5,565,984	21,312,142	9,616,275	33.33
Office equipment	30,141,366	2,225,050	32,366,416	9,492,718	5,129,756	14,622,474	17,743,942	20.00
Computers	44,151,983	6,954,520	51,106,503	32,505,114	7,395,384	39,900,498	11,206,005	33.33
Vehicles	6,658,265	21,984,508 (19,279,124)	9,363,649	1,781,414	1,588,178 (225,030)	3,144,562	6,219,087	20.00
	160,709,215	31,181,078 (19,279,124)	172,611,169	72,910,585	33,804,407 (225,030)	106,489,962	66,121,207	

NOTES TO AND FORMATING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

As at 31st March 2023

	31 March 2023	31 December 2022
3.2 Capital Work in Progress - Operators' Fund	Note	----- (Rupees) -----
ACivil Works on branches	18,633,880	10,731,843
	18,633,880	10,731,843

3.3 Right of use assets

	31 March 2023							
	Cost		Accumulated depreciation			Book value		Depreciation Rate %
	As at 1 January 2023	Additions during the year	As at 31 March 2023	As at 1 January 2023	Charge for the year	As at 31 March 2023	As at 31 March 2023	
	(Rupees) -----							
Buildings	83,940,794	-	83,940,794	53,272,354	9,835,670	63,108,024	20,832,770	33.33

	31 December 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 year	As at 31 March 2022	As at 31 March 2022	
	(Rupees) -----							
Buildings	89,698,733	10,717,919	100,416,652	53,272,354	30,668,440	83,940,794	16,475,859	33.33

4 INTANGIBLE ASSETS

Intangible assets
Capital work in progress

	31 March 2023	31 December 2022
	Note	----- (Rupees) -----
	-	-
	22,275,900	22,275,900
	22,275,900	22,275,900

	31 March 2023							
	Cost		Accumulated amortization			Book value		Depreciation Rate %
	As at 1 January 2023	Additions during the period	As at 31 March 2023	As at 1 January 2023	Charge for the period	As at 31 March 2023	As at 31 March 2023	
	(Rupees) -----							
Computer software	14,263,181	-	14,263,181	14,263,181	-	14,263,181	-	33.33

	31 December 2022							
	Cost		Accumulated amortization			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 year	As at 31 March 2022	As at 31 March 2022	
	(Rupees) -----							
Computer software	14,263,181	-	14,263,181	14,263,181	-	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.

	31 March 2023	31 December 2022
4.2 Capital Work in Progress Intangible - Operators Fund	Note	----- (Rupees) -----
Advance for software development (Intangible)	22,275,900	22,275,900
	22,275,900	22,275,900

NOTES TO AND FORMATING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

As at 31st March 2023

5 INVESTMENT IN DEBT SECURITIES - held to maturity

5.1 Sukuk Certificates - Operators' Fund

Performing Assets

Note	Number of certificates	Maturity date	Effective yield	Profit Payment	Principal payment	Market value	Face value	31 March 2023 (Rupees)	31 December 2022	Security
5.11	6,000	Perpetual	3 months KIBOR + 1.75%	Quarterly	Perpetual	31,005,000	30,000,000	30,000,000	30,000,000	Unsecured
5.11	300	22-Aug-23	3 months KIBOR + 1.90%	Quarterly	25% on February 2022 25% on August 2022 25% on February 2023 25% on August 2023	15,175,500	15,000,000	15,000,000	15,000,000	Revolving Cross Corporate Guarantee (RCCG) from Narwal Energy Limited (NEL) for the Issue Amount (with 2% margin) and profit & principal payments, Subordinate hypothecation charge over NIELs receivable including but not limited to amounts receivable under the Capex Guarantees. Subordinate charge over all present and future movable fixed assets of NEL for PKR 9333.33 million Issue Amount along with 2% margin. Subordinate charge over all present and future movable fixed assets of HUBCO for PKR 4,000 million charge over 100% shares of NEL with a book value of PKR 3,339 million.
5.11	5,600	Perpetual	3 months KIBOR + 2.75%	Monthly	Perpetual	-	-	-	-	Unsecured
5.11 & 5.14		30-Apr-25	7%	Semi-annually	30-Apr-25	28,965,000	8.13	30,000,000	30,000,000	Unsecured
Non - Performing Assets (fully provided)										
5.12	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.
5.13	2,000	26 March 2020	3 months KIBOR + 1.75%	Quarterly	Non performing	-	10,000,000	3,965,520 19,839,403	3,965,520 19,839,403	
								94,839,403	94,839,403	
								(19,839,403)	(19,839,403)	
								75,000,000	75,000,000	

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

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

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

Company opt for Option-2 as elaborated above and start receiving the payment of principal outstanding from September '22 quarter. In view of the above restructuring of the SOA, as at 31st December 2022, company has booked income of Rs. 0.4 million against principal outstanding in order to restore the same investment provided earlier as default in the accounts.

NOTES TO AND FORMATING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

As at 31st March 2023

5.1.3 An agreement for the restructuring of these sukuks was executed between the Investment Agent of these sukuks and Quetta Textile Mills Limited on 24 June 2013. According to the restructuring terms, repayment of principal of Rs. 8 million will be made to the Company over a period of 7 years till 26 March 2020 in twenty nine quarterly instalments whereas the profit shall be received by the Company at the rate of 6 monthly KIBOR and a spread of 1.75% with effect from 26 March 2013.

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

6 INVESTMENT IN TERM DEPOSITS

	31 March 2023			31 December 2022		
	Operators' Fund (6.1) & (6.2)	Participants' Takaful Fund (9.3)	Aggregate	Operators' Fund (6.1) & (6.2)	Participants' Takaful Fund (6.3)	Aggregate
Held to Maturity	(Rupees)					
Deposits maturing within 12 months	61,500,000	-	61,500,000	151,500,000	154,000,000	305,500,000

6.1 This represents term deposits of Rs. 10 million, Rs. 31.5 million, Rs. 20 million and Rs. 90 million maturing on 15 April 2023, 15 April 2023, 15 April 2023 and 31 March 2023 respectively and carries profit rate at 11.5%, 11.5%, 11.5% and 15% respectively. The deposit is held with Dubai Islamic Pakistan Limited and Bank Islamic Pakistan Limited.

6.2 These include term deposits of Rs. 61.5 million (31 December 2022: Rs 61.5 million) deposited with State Bank of Pakistan as statutory reserve in accordance with the requirement laid down in section 29 of the Insurance Ordinance, 2000.

6.3 This represents term deposits of Rs. 74 million, Rs.30 million and Rs. 50 million maturing on 31 March 2023 and carries profit rate at 15%. The deposit is held with Bank Islamic Pakistan Limited.

7 INVESTMENT PROPERTY- fair value model

	31 March 2023	31 December 2022
Opening net book value	272,000,000	-
Additions and capital improvements	-	207,155,050
Unrealized Fair value gain/(loss)	14,211,237	64,844,950
Closing net book value	<u>286,211,237</u>	<u>272,000,000</u>

The Fair value of investment property was determined by external, independent property valuer, M/s. K.G Traders (Pvt) Ltd., having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuer provide the fair value of the company's investment property at least once every financial year.

Valuation Techniques

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

NOTES TO AND FORMATING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

As at 31st March 2023

8 INVESTMENT IN EQUITY SECURITIES - available-for-sale

	31 March 2023				31 December 2022			
	Cost	Impairment / provision	Revaluation surplus / (deficit)	Carrying Amount	Cost	Impairment / provision	Revaluation surplus / (deficit)	Carrying Amount
	----- (Rupees) -----							
Listed Shares								
Shareholder fund	34,767,063	(3,257,453)	-	31,509,610	60,416,411	(24,915,857)	(733,491)	34,767,063
Participant fund	22,617,137	(1,821,801)	-	20,795,336	34,839,049	(12,108,930)	(112,982)	22,617,137
	57,384,200	(5,079,254)	-	52,304,946	95,255,460	(37,024,787)	(846,473)	57,384,200

8.1 This represents investment made in subsidiaries companies against issuance of their share capital. As at 31 December 2022, no share capital have been issued by them and it will be issued with the relevant regulations.

9 LONG TERM DEPOSITS - Operators Fund

	31 March 2023	31 December 2022
	Note ----- (Rupees) -----	
Ijarah	27,133,300	21,020,250
Rental	4,750,536	4,390,536
	31,883,836	25,410,786

10 LOANS, ADVANCES AND OTHER RECEIVABLES - considered good

	OPERATORS' FUND (OPF)		Participant's Takaful Fund (PTF)	
	31 March 2023	31 Decemeber 2022	31 March 2023	31 Decemeber 2022
	Note ----- (Rupees) -----			
Loans to employees (unsecured and interest free)	10.1	10,361,946	13,293,455	-
Advance against investment property	10.2	-	-	-
Advance against expenses		3,229,000	7,596,501	-
Earnest money receivable		-	-	8,707,693
Service charges receivable from co-takaful entities		-	-	116,191
Security deposit		8,336,726	8,336,726	2,000,000
Refundable input tax		-	-	4,492,553
Bank profit receivable		1,040,612	1,231,014	453,949
Others		927,681	6,908,240	-
		23,895,964	37,365,936	15,770,385
				18,040,434

10.1 The eligible employees are entitled to loans against salaries repayable within one to two years. The fair value adjustment arising in respect of these loans is not considered material in the overall context of these unconsolidated financial statements and hence not recognized.

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

11 TAKAFUL / RETAKAFUL RECEIVABLES - unsecured - Participants' Takaful Fund

	31 March 2023	31 December 2022
	Note ----- (Rupees) -----	
Due from takaful participant holders	1,415,557,984	1,304,677,427
Less: Provision for impairment against balances due from participants	(6,734,115)	(6,734,115)
	1,408,823,869	1,297,943,312
Due from other takaful companies	440,735,685	392,529,968
Less: Provision for impairment against balances due from other takaful companies	(11,881,653)	(11,881,653)
	428,854,032	380,648,315
	1,837,677,901	1,678,591,627

* Subsequently up to January 2021, Rs. 107.4 million had been recovered by the Company.

NOTES TO AND FORMATING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

As at 31st March 2023

11.1 This includes Rs. 66.02 million (2022: Rs. 66.02 million) receivable from related parties. The amount is not considered to be impaired as at 31 December 2022.

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

	31 March 2023	31 December 2022
	----- (Rupees) -----	
Balance as on 1 January (Reversal)/Charge during the year	6,734,115	14,093,476
Less: Reversal during the year	-	(7,359,361)
Balance on at 31 March	6,734,115	6,734,115

11.3 The Operator has entered into co-takaful and re-takaful arrangements with various other takaful operators and a local re-takaful operator. In respect of these balances, during the year the Operator has exchanged balance information with them based on the significance of the respective balances. This information corroborates the balance position of the Company in all material respects taking into account the underlying contracts and transactions supported by appropriate evidence. Company is in process of reconciling the balances with them and will finalize the process as advised by Securities and Exchange Commission of Pakistan vide its letter reference No. ID/offsite-I/Misc/2023/631 dated February 09, 2023 written to Insurance Association of Pakistan.

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

	31 March 2023	31 December 2022
	----- (Rupees) -----	
Balance as on 1 January	11,881,653	989,630
Add: Provision made during the period / year	-	-
Charge made during the year	-	10,892,023
Balance on at 31 March	11,881,653	11,881,653

12 RECEIVABLE / PAYABLE (Current account between OPF and PTF)

	OPERATORS' FUND (OPF)		Participant's Takaful Fund (PTF)	
	31 March 2023	31 Decemeber 2022	31 March 2023	31 Decemeber 2022
Note	----- (Rupees) -----			
Wakala fee	215,549,463	188,208,380	215,549,463	188,208,380
Mudarib fee	2,216,864	2,166,864	2,216,864	2,166,864
Other receivable / payable	(628,371)	(628,371)	(628,371)	(628,371)
	217,137,956	189,746,873	217,137,956	189,746,873

12.1 This represents payments by OPF on behalf of PTF.

13 PREPAYMENTS

	OPERATORS' FUND (OPF)		Participant's Takaful Fund (PTF)	
	31 March 2023	31 Decemeber 2022	31 March 2023	31 Decemeber 2022
Note	----- (Rupees) -----			
Prepaid re-takaful contribution ceded	-	-	121,827,178	103,968,967
Tracker monitoring fees	-	-	22,960,133	21,257,546
Others	10,198,079	1,551,104	-	-
	10,198,079	1,551,104	144,787,310	125,226,513

NOTES TO AND FORMATING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

As at 31st March 2023

14 CASH AND BANK

	Operators' Fund		Participants' Takaful Fund	
	31 March 2023	31 Decemeber 2022	31 March 2023	31 Decemeber 2022
Note	----- (Rupees) -----			
Cash and cash equivalents				
- Cash in hand	215,623	110,328	-	-
- Policy and revenue stamps	-	-	464,207	1,078,078
	215,623	110,328	464,207	1,078,078
Cash and bank				
- Current account	10,921	10,921	325,319	325,319
- Savings accounts	241,422,136	124,698,397	99,922,191	73,409,877
14.1	241,648,680	124,819,646	100,711,717	74,813,274

14.1 These represent balances maintained with Islamic banks under profit and loss sharing basis carrying profit rates ranging between 3.0% to 14.5% (2022: 2% to 5.7%) per annum.

15 SHARE CAPITAL

15.1 Authorized capital

31 March 2023	31 December 2022	31 March 2023	31 December 2022
(Number of shares)		----- (Rupees) -----	
150,000,000	150,000,000	1,500,000,000	1,500,000,000

15.2 Issued, Subscribed And Paid-Up Share Capital

31 March 2023	31 December 2022	31 March 2023	31 December 2022
(Number of shares)		----- (Rupees) -----	
113,202,019	113,202,019	1,132,020,190	1,132,020,190

Ordinary shares of Rs. 10 each

Shareholding pattern

	Number of shares	Percentage
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	4.60%
Mr. Salim Habib Godil	21,459,990	18.96%
Syed Rizwan Hussain	21,459,990	18.96%
Mr. 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%

16 TAKAFUL / RE-TAKAFUL PAYABLES

Due to takaful participants / Re-takaful payable
Due to re-takaful operators

31 March 2023	31 December 2022
----- (Rupees) -----	
10,323,831	10,168,704
97,598,650	80,374,313
107,922,481	90,543,017

NOTES TO AND FORMATING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

As at 31st March 2023

17 OTHER CREDITORS AND ACCRUALS

	OPERATORS' FUND (OPF)		Participant's Takaful Fund (PTF)	
	31 March 2023	31 Decemeber 2022	31 March 2023	31 Decemeber 2022
	----- (Rupees) -----			
Commission payable to agents	31,852,613	29,204,496	-	-
Sales Tax Payable	-	-	21,585,114	21,676,861
Federal Takaful fee	-	-	2,513,264	5,638,868
Sales tax deducted at source	1,570,959	1,040,838	854,610	1,349,326
Advance Against Share Subscription Money	49,729,103	33,198,070	-	-
Security deposit (held in separate bank account)	-	-	-	-
Lease liabilities	15,325,612	17,129,900	-	-
Tracker installation fee payable	-	-	14,990,723	11,005,032
Other payables	1,641,761	1,722,039	17,507,182	14,046,483
	100,120,048	82,295,343	57,450,893	53,716,570

18 RETAKAFUL REBATE

Retakaful rebate/commission received
Add: Unearned retakaful rebate / commission opening
Less: Unearned retakaful rebate / commission closing
Retakaful rebate/commission Income

	31 March 2023	31 December 2022
	----- (Rupees) -----	
Retakaful rebate/commission received	30,513,532	13,202,776
Add: Unearned retakaful rebate / commission opening	28,524,963	19,592,827
Less: Unearned retakaful rebate / commission closing	(33,330,990)	(23,232,362)
Retakaful rebate/commission Income	25,707,505	9,563,241

19 TAKAFUL BENEFITS / CLAIMS EXPENSE

Benefits / Claim Paid

Add: Outstanding benefits / claims including IBNR closing
Less: Outstanding benefits / claims including IBNR opening
Claim Expense

Benefits / Claim Paid	417,085,005	362,011,987
Add: Outstanding benefits / claims including IBNR closing	813,436,028	295,367,567
Less: Outstanding benefits / claims including IBNR opening	(741,886,125)	(341,383,225)
Claim Expense	488,634,908	315,996,329

Retakaful and other recoveries received

Add: Retakaful and other recoveries in respect of outstanding claims closing
Less: Retakaful and other recoveries in respect of outstanding claims opening

Retakaful and other recoveries received	74,108,669	32,555,914
Add: Retakaful and other recoveries in respect of outstanding claims closing	411,068,811	112,898,793
Less: Retakaful and other recoveries in respect of outstanding claims opening	(394,134,651)	(98,964,644)

Retakaful and other recoveries revenue

Net Claim Expense

Retakaful and other recoveries revenue	91,042,829	46,490,063
Net Claim Expense	397,592,079	269,506,266

20 OTHER DIRECT EXPENSES - Participant's Takaful Fund

Tracker installation charges
Service charges on co-takaful acceptance
Others

Tracker installation charges	8,855,932	10,120,291
Service charges on co-takaful acceptance	1,646,937	172,849
Others	5,904,774	-
	16,407,643	10,293,140

21 COMMISSION EXPENSE

Commission Paid or payable
Add: Deferred commission expense opening
Less: Deferred commission expense closing
Commission Expense

Commission Paid or payable	74,860,716	38,269,695
Add: Deferred commission expense opening	158,037,313	112,754,453
Less: Deferred commission expense closing	(172,211,792)	(100,019,355)
Commission Expense	60,686,237	51,004,793

NOTES TO AND FORMATING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

As at 31st March 2023

26 INVESTMENT INCOME

	Operators' Fund (SHF)		Participants' Takaful Fund (PTF)	
	Year ended 31 March		Year ended 31 March	
	2023	2022	2023	2022
	(Rupees)			
Dividend Income	500,000	26,800	200,000	125,200
Income from Debt Securities				
Return on Sukuk	3,300,081	3,094,736	-	-
Amortization of contribution on sukuk	-	-	-	-
	3,300,081	3,094,736	-	-
Income from Deposits				
Return on term deposit-held to maturity	1,724,527	4,351,412	-	1,364,161
Total Investment Income	5,524,608	7,472,948	200,000	1,489,361
Less: Investment related expenses	-	(7,333)	-	(7,452)
Less: Impairment Loss on Available for Sale Equity Securities	(3,257,453)	-	(1,821,801)	-
Less: Charity on dividend purification	-	-	-	-
	(3,257,453)	(7,333)	(1,821,801)	(7,452)
Investment income	2,267,155	7,465,615	(1,621,801)	1,481,909
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
Net investment income	2,267,155	7,762,785	(1,621,801)	1,892,974

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, 2023

	Fire, and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	Aggregate
	(Rupees)					
Takaful / re-takaful receivables	129,563,610	26,041,562	393,286,352	243,641,336	46,211,460	838,744,320
Less: Sales Tax Payable	(11,475,670)	(2,365,234)	(45,865,005)	(78,684)	(5,481,917)	(65,266,510)
Federal Takaful Fee	(820,277)	(203,042)	(3,436,469)	(2,411,290)	(402,084)	(7,273,162)
Stamp duty	(29,370)	(785,845)	(131,530)	(19,320)	(85,720)	(1,051,785)
Gross written contribution	117,238,293	22,687,441	343,853,348	241,132,042	40,241,739	765,152,863
Wakala fee	(47,645,416)	(8,014,043)	(185,416,826)	(21,118,677)	(23,625,969)	(285,820,931)
Participants' Takaful Fund - revenue account						
Takaful contribution earned	74,431,584	20,035,108	312,452,422	361,563,245	34,064,921	802,547,280
Takaful contribution ceded expense	(64,550,171)	(4,009,906)	(1,533,502)	-	(35,039,060)	(105,132,639)
Net Takaful contribution	(37,764,003)	8,011,159	125,502,094	340,444,568	(24,600,108)	411,593,710
Retakaful rebate earned	18,302,244	-	-	-	7,405,261	25,707,505
Net Underwriting Income	(19,461,759)	8,011,159	125,502,094	340,444,568	(17,194,847)	437,301,215
Takaful claims	(15,465,682)	(802,975)	(197,281,881)	(276,996,181)	1,911,811	(488,634,908)
Takaful claims recovered from retakaful operators & salvage recoveries	4,987,085	(3,271,412)	86,672,013	-	2,655,143	91,042,829
Net Takaful claims expense	(10,478,597)	(4,074,387)	(110,609,868)	(276,996,181)	4,566,954	(397,592,079)
Other direct expenses	(1,338,563)	(243,771)	(14,797,361)	-	(27,948)	(16,407,643)
Investment income						(1,621,801)
Profit on bank balances						1,502,460
Less: Mudarib's share						(50,000)
Net investment income						(169,341)
Other income						67,330
Bank charges						(150,173)
Total surplus - after tax						23,049,309

NOTES TO AND FORMATING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

As at 31st March 2023

		31st March 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	3,235,491,735
	Less: Sales Tax Payable	(3,279,492)	(1,675,737)	(26,599,584)	(176,496)	(5,547,395)	(202,696,777)
	Federal Takaful Fee	(238,191)	(132,777)	(1,985,135)	(1,337,490)	(422,577)	(27,206,299)
	Stamp duty	(4,080)	(455,524)	(80,230)	(7,330)	(20,750)	(3,738,832)
	Gross written contribution	<u>25,530,353</u>	<u>13,903,390</u>	<u>199,236,514</u>	<u>133,749,112</u>	<u>42,254,809</u>	<u>414,674,178</u>
	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	<u>3,966,098</u>	<u>3,912,426</u>	<u>322,575,070</u>	<u>236,461,509</u>	<u>7,863,586</u>	<u>574,778,690</u>
23		(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	<u>(4,863,802)</u>	<u>550,188</u>	<u>109,407,434</u>	<u>182,902,792</u>	<u>2,529,110</u>	<u>290,525,721</u>
	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)
	Contribution deficiency expense / (reversal)	-	-	-	-	-	-
	Provisions against doubtful contributions (receivables)	-	-	-	-	-	-
	Other direct expenses	(117,969)	(44,394)	(10,120,291)	-	(10,486)	(10,293,140)
	Underwriting results	<u>91,805</u>	<u>293,153</u>	<u>1,866,307</u>	<u>2,934,413</u>	<u>4,263,274</u>	<u>9,448,950</u>
	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 - after tax						<u>11,307,937</u>

28 SEGMENT INFORMATION - OPERATORS' FUND (OPF)

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, 2023					
		Fire and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	Aggregate
		(Rupees)					
	Wakala fee	47,645,416	8,014,043	185,416,826	21,118,677	23,625,969	285,820,931
	Less: Commission expense	(12,387,400)	(3,195,513)	(22,744,108)	(15,792,393)	(6,566,823)	(60,686,237)
	Management expense	-	-	-	-	-	(202,653,459)
		<u>35,258,016</u>	<u>4,818,530</u>	<u>162,672,718</u>	<u>5,326,284</u>	<u>17,059,146</u>	<u>22,481,235</u>
	Mudarib share of PTF investment income						50,000
	Investment Income						2,267,155
	(Other charges) / income						(2,291,591)
	Change in fair value of investment property						14,211,237
	Profit before taxation						36,718,036
	Finance Cost						(851,326)
	Profit before taxation						35,866,710
	Taxation						(5,125,623)
	Profit after taxation						30,741,087

NOTES TO AND FORMATING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

As at 31st March 2023

	31st March '2022					Aggregate
	Fire and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	
	(Rupees)					
Wakala fees	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)	(51,004,792)
Management expenses	-	-	-	-	-	(191,128,447)
	10,821,361	2,664,750	177,250,577	44,670,168	7,404,562	51,682,971
Investment Income						7,762,785
Mudarib share of PTF investment income						620,964
Profit on Bank Balance						60,046,541
Other charges / income						(20,179)
Finance Cost						(1,321,268)
Profit before taxation						58,725,273
Taxation						(4,407,243)
Profit after taxation						54,318,030

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 their year ended March 31, 2023.

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 28, April, 2023.




Syed Rizwan Hussain
Managing Director & CEO



Tamim Shabbir
Director



Faisal Murad
Director



Salim Habib Godil
Chairman

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