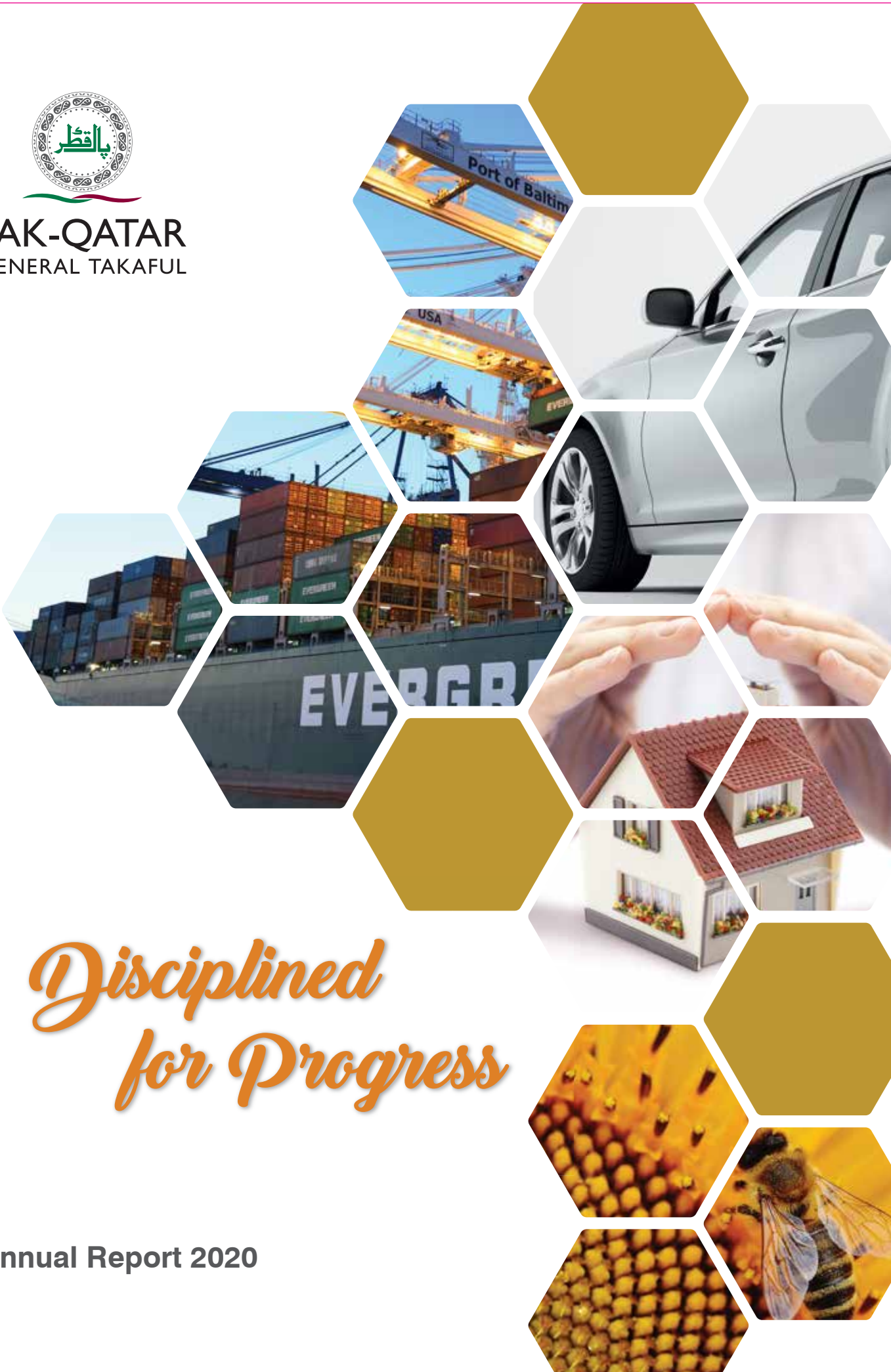




**PAK-QATAR**  
GENERAL TAKAFUL



*Disciplined  
for Progress*

**Annual Report 2020**

THE ROBUST IFS\* RATED

# “GENERAL TAKAFUL COMPANY”

OF PAKISTAN BY LOCAL RATING AGENCIES.

\*INSURER FINANCIAL STRENGTH

## “A”

with Stable Outlook  
by PACRA

## “A-”

with Stable Outlook  
by VIS



OUR RESOURCES, EXPERIENCE &  
KNOWLEDGE TO CATER ALL  
YOUR TAKAFUL NEEDS

DEDICATED TAKAFUL  
COMPANY



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## Introduction

Pak-Qatar General Takaful Limited (PQGTL) is one of the leading General Takaful companies in Pakistan. The company commenced its operations in 2007. Pak-Qatar General Takaful Limited offers comprehensive General Takaful (Non-Life insurance) products' portfolio for corporate customers as well as individual clients. Incorporated in 2006, and beginning operations in 2007, the company is registered with, and supervised by, the Securities and Exchange Commission of Pakistan (SECP). An independent Shari'ah Advisory Board chaired by Mufti Muhammad Hassaan Kaleem certifies all products and operations for Shari'ah compliance. Mufti Muhammad Taqi Usmani was the founding Chairman of the group's Shari'ah Advisory Board since inception and named Mufti Hassaan Kaleem as his successor in 2019.

The company is rated "A" (Single A) with Stable Outlook by PACRA and 'A-' (Single A Minus) with 'Stable' Outlook by the VIS Credit Rating Company Limited.

PQGTL has a vision of providing financial protection through Takaful to everyone. The company's shareholders include some of the strongest financial institutions in the state of Qatar such as Qatar Islamic Insurance Company (QIIC), and Qatar International Islamic Bank (QIIB). The company is further strengthened by its Re-Takaful arrangements with Kuwait Re, Saudi Re, Arab Re, Kenya Re, Tunis Re, Cobalt Re and Pak Re.

Pak-Qatar General Takaful Limited has presence in major cities of the country. Pak-Qatar General Takaful Limited by adhering to the best practices set down in the Islamic Shariah and Pakistani law is engaged in providing risk mitigation services to its participants throughout Pakistan.

The company believes in technological advancement and has presence on all digital mediums thus enabling the customers to keep in touch 24/7 via modern web portals and mobile applications. The company has been recipient of several domestic and international awards.



## Our Vision

Providing financial protection through Takaful, to everyone

## Our Mission

Promote Takaful amongst the masses, encompassing education and awareness, and present an image that is consistent with our ideological values.

Adhere to best ethical practices in all aspects of our operations, while abiding by the Shariah and the law of the land.

Empower our employees by inspiring, guiding, enabling, and supporting them.

Ensure our support to the community and the environment with excellence.

Ensure customer satisfaction by offering quality products and services driven by their needs.

Ensure optimum returns to shareholders.

## Core Value

Doing things in a manner that in available resources cannot be done better

## Sponsors

Pak-Qatar General Takaful is sponsored by some of the most prominent and leading financial institutions from the State of Qatar.



### **Qatar International Islamic Bank (QIIB)**

is one of the most successful Islamic banks in the State of Qatar.



### **Qatar Islamic Insurance Company (QIIC)**

is a pioneer Takaful Company in the State of Qatar.



### **Pak-Qatar Investment**

is an investment firm dealing in private equities, asset management and other investment advisory services



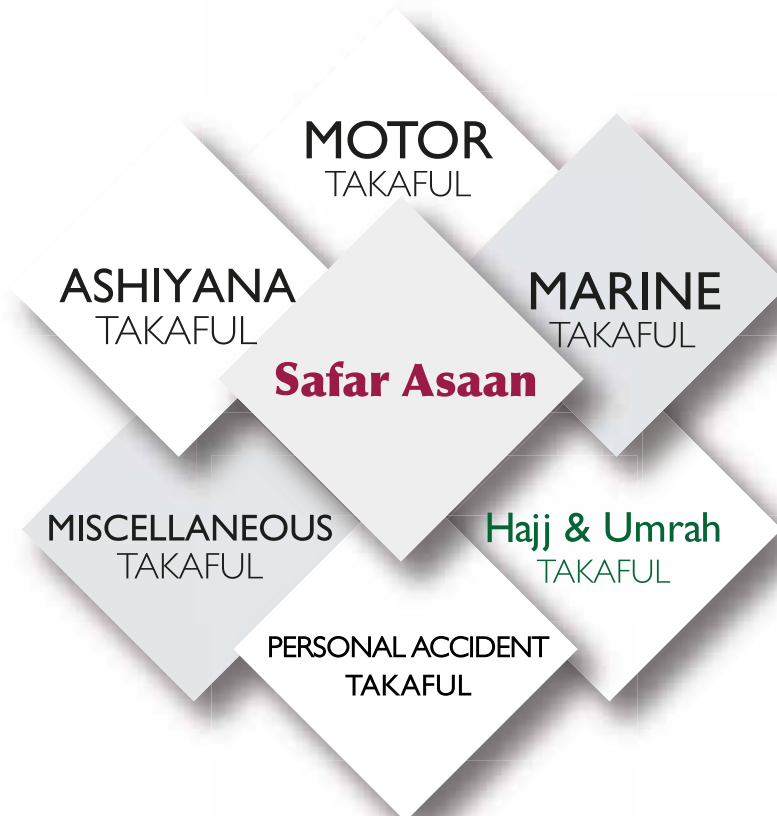
### **Fawad Yousuf Securities (Pvt.) Limited**

Established in 1992, and one of the best-reputed brokerage houses in Karachi Stock Exchange.



## Our Products

The hallmark of the Company's activities is its heavy investment in technology and the adoption of the latest business systems, all of which are geared towards extending unmatched services. We continue to develop measures in order to streamline and make transparent all practices so as to continue serving our patrons to the best of our ability.







## Our Company

### What Is Takaful?

A Shari'ah compliant alternative to insurance.

#### Definition

Takaful is a community-pooling system based on the principle of brotherhood and mutual help wherein participants contribute in a fund to help those who need it most in times of financial difficulties.

Example of Takaful may be found in the early Islamic History when the muslim merchants took Takaful protection for safeguarding caravans from travel risk like storms or pirates

### Our Shari'ah Credibility

Pak-Qatar Takaful Group of companies have an independent Shari'ah Advisory board chaired by Mufti Hassaan Kaleem, that certifies all products and operations for Shari'ah Complainece.

Mufti Muhammad Taqi Usmani was the founding Chairman of the group's Shari'ah Advisory Board since inception and named Mufti Hassaan Kaleem as his successor in 2019.

Mufti Taqi Usmani, is the world's most renowned Shari'ah scholar also considered the founding father of Islamic Finance globally.

### General Takaful - Individual Coverages

Pak-Qatar General Takaful has had a pioneering role in providing Individual Based Takaful product propositions across Pakistan.

Our Pioneering offering include Motor Takaful, Marine Takaful, Fire Takaful, Ashiyana Takaful, Personal Accident Takaful, Money Takaful, Mobile Phone all Risk Takaful, ETC.



## Branch Presence Nationwide

The Pak-Qatar Takaful Group has one of the Largest Takaful Branch network Across Pakistan; (over 160 Branches in 100 + Cities)

These branches serve more than 560,000 individual members nationwide. in addition, the Takaful Group also serves more than 1,000 corporate covered members across Pakistan

## Technology & Innovation

In line with strategic objectives, the company has one of the most technologically advance capabilities for product delivery.

The company has established an industry benchmark by providing integrated information at various marketing touchpoints that include 24/7 Telephone Helpline, smart phone based apps and cyberspace connectivity through various digital media platforms.

## Timeline

2007

Started our first year of operations after receiving a Certificate of Registration. With paid-up capital worth Rs. 307.8 million, we begin our journey with the revolutionary Penta Takaful Business system.

2008

In our first full year of business, we posted a gross contribution of Rs. 86.4 million, supported an expansion to 5 cities across Pakistan and a record-breaking live implementation of Penta Takaful within just 8 months.

2009

We escalated our efforts and reaped the results in the form of 100 percent growth in Gross Contribution, reaching to just over Rs. 171 million.

2010

We emerge as the first Takaful operator to implement ERP software such as SAP, and bolster our presence to 8 cities across the country, all the while heralding a BBB+ with stable outlook credit rating from JCR-VIS.

2011

As we entered into the Banca Takaful agreements, the year saw us bring in substantial gains with an after tax profit in SHF of Rs 8.5 million.

2012

We launched Health Takaful products while strengthening our core with an increase of paid-up-capital to Rs. 337.4 million and the resulting after tax profit of Rs. 18.7 million in SHF.

2013

Our gross contribution nearly doubled, reaching Rs. 1 billion whilst our paid-up capital rises to Rs. 407 million. As a result, we achieved an after tax profit in SHF of Rs. 33.2 million and improve our ranking to 'A-' (Single A Minus) with stable outlook at JCR-VIS.



## Pak-Qatar General Takaful

The year under review was a year of remarkable achievement in terms of surplus results in PTF. It's a great pleasure to declare that the participant Takaful Fund has shown a surplus of Rs. 15 million whilst the Shareholder Fund has shown 7.7 million profit before tax. Company's financial strength rating has been reaffirmed by JCR-VIS & PACRA at 'A-' & 'A' with stable outlook respectively. Further, beside Internal Sharia Advisor's Report, Company started to get itself audited by Independent Auditors in respect of its Compliance with Takaful Rules.

With the strong support and commitment from our shareholders, Company's paid up capital has reached to Rs 509 million as at year end 2017 and both the funds (PTF & SHF) has posted a profit of 7.7m & 3m respectively. Both the rating agencies of Pakistan, JCR-VIS and PACRA has reaffirmed the Company's financial strength rating at 'A-' with stable outlook and 'A' with stable outlook respectively.

Another good year for shareholders to hear that Aggregate profit before tax of both the funds has surpassed the previous year's results.

Successful adoption of 'IFRS 16 Leases' by bringing on-balance sheet to all previously kept off-balance sheet assets & financing, and pleased to announce absorption of its impacts without effecting key performance indicators.

Financial ratings that matter, has been reaffirmed by both the rating agencies, VIS and PACRA at 'A-' with stable outlook and 'A' with stable outlook respectively.

2014

2015

2016

2017

2018

2019

2020

Consistent performance is witnessed by achieving Rs 01 billion Gross Contribution whilst our paid-up Capital rises to 432.7 million. Company opted to get itself rated from two credit rating agencies namely JCR –VIS and PACRA. Company's Financial strength rating has been reaffirmed by JCR-VIS Credit Rating Company Limited at 'A-' (Single A Minus) with Positive Outlook, while Pakistan Credit Rating Agency Limited (PACRA) has assigned rating of "A" (Single A) with Stable Outlook subsequent to year end.

Despite strategic decision of elimination of exposure in health segment coupled with cut throat competition in market due to advent of Window Takaful by Conventional insurers, our company continued to maintain business positioning in Non-health segment & posted profit in both the funds. Company's financial strength rating has been reaffirmed by JCR-VIS & PACRA at 'A-' & 'A' with stable outlook respectively.

Good results in both the funds enabled the Board to recommend cash dividend to shareholders. The Company adopted Insurance Rules, 2017 and Accounting Regulations 2017 and succeeded in presenting its first set of financials on New Format with necessary modification to keep abreast the fundamentals of Takaful. Both the rating agencies of Pakistan, JCR-VIS and PACRA has also reaffirmed the Company's financial strength rating at 'A-' with stable outlook and 'A' with stable outlook respectively.

Despite Covid-19 pandemic year, witnessed historic profits in both the funds and significant repayment of Qard-e-hasna from PTF to SHF to the extent of Rs 140 million. Further, adopted change in decade old Wakala recognition policy from upfront to amortization over period of policy in line with General Takaful Accounting Regulations. Financial ratings that matter, has been reaffirmed by both the rating agencies, PACRA & VIS at 'A' with stable outlook and 'A-' with stable outlook respectively.

## CORPORATE INFORMATION

### Board of Directors

H. E. Sheikh Ali Bin Abdullah Al-Thani  
Said Gul  
Abdul Basit Ahmad Al-Shaibei  
Ali Ibrahim Al Abdul Ghani  
Zahid Hussain Awan  
Farrukh Viqaruddin Junaidy  
Owais Ahmed Yusuf  
Sameera Usman

Chairman  
Director  
Director  
Director  
Director  
Director  
Director  
Director

### Audit Committee

Farrukh Viqaruddin Junaidy  
Said Gul  
Zahid Hussain Awan  
Muhammad Shoaib Akhter

Chairman  
Member  
Member  
Secretary

### Investment Committee

Zahid Hussain Awan  
Said Gul  
Muhammad Nasir Ali Syed  
Muhammad Kamran Saleem  
Muhammad Saleem  
Farhan Shaukat

Chairman  
Member  
Member  
Member  
Member  
Secretary

### Ethics, Human Resources & Remuneration Committee

Said Gul  
Zahid Hussain Awan  
Sameera Usman  
Muhammad Kamran Saleem

Chairman  
Member  
Member  
Secretary

### Shariah Advisory Board

Mufti Muhammad Hassan Kaleem  
Mufti Ismatullah  
Mufti Shakir Siddiqui

Chairman  
Member  
Member

### Chief Executive Officer

Muhammad Nasir Ali Syed

### Director Finance & Company Secretary

Muhammad Kamran Saleem

### Chief Financial Officer

Muhammad Saleem

### Chief Internal Audit

Muhammad Shoaib Akhter

### Head of Investment

Farhan Shaukat

# Pak-Qatar General Takaful

## Head of Risk Management

Farhan Javed

## Statutory Auditors & External Shariah Compliance Auditors

EY Ford Rhodes, Chartered Accountants

## Shariah Advisor

Mufti Shakir Siddiqui

## Shariah Compliance Officer

Mufti Junaaid Ahmed

## Compliance Officer

Jehanzaib Ahmed

## Legal Advisor

AHM & Co, Advocates & Corporate Counsel

## Tax Advisors

EY Ford Rhodes, Chartered Accountants

## Rating Agency

The Pakistan Credit Rating Agency Limited  
VIS Credit Rating Company Limited

## Bankers

### Islamic Banks

Al Baraka Bank (Pakistan) Ltd  
Bank Islami Pakistan Limited

Dubai Islamic Bank Pakistan Limited  
Meezan Bank Limited

### Islamic Banking Divisions of Conventional Banks

Bank Al Habib Limited  
Faysal Bank Limited  
Habib Metropolitan Bank Limited  
Standard Chartered Bank  
Soneri Bank Limited

Bank Alfalah Limited  
Habib Bank Limited  
MCB Bank Limited  
Silk Bank Limited  
United Bank Limited

## Retakaful Operators

Kuwait Retakaful  
Arab Retakaful  
Pakistan Reinsurance - WTO

Saudi Retakaful  
Tunis Retakaful

Kenya Retakaful  
Cobalt Retakaful

## Retakaful Brokers

Shahenshah Insurance Brokers (Private) Limited, (Global Network Partner of Aon Reinsurance Solution Asia Pte. Ltd)  
Fidelity Insurance Broker, Correspondent Lockton (MENA) Limited  
J.B. Boda & Co (S) Pte Ltd

## Head Office

402-404, 4th Floor, Business Arcade, Plot 27A, Block 6, P.E.C.H.S, Shahra-e-Faisal, Karachi, 75400.  
Ph: (92 21) 34380357-61 Fax: (92 21) 34386453  
E-mail: general.takaful@pakqatar.com.pk www.pakqatar.com.pk  
UAN: (021) 111-TAKAFUL (825-238)

## National Tax Number

2840090-9

## Branch Offices

Faisalabad  
Gujranwala  
Islamabad

## Sales Tax Registration Number

1750980517582

Karachi  
Lahore  
Multan

Peshawar  
Sialkot

## Management Committee

Muhammad Nasir Ali Syed  
Muhammad Saleem  
Mehmood Arshad  
Muhammad Raza  
Furrukh Adnan  
Qaiser Zarif  
Muhammad Shahzad Khan Ghilzae  
Imran Ahmed Nafees  
Saifuddin Shaikh  
Muhammad Umair  
Muhammad Shoaib Akhter  
Kamran Ali Khan  
Muhammad Waqas Durrani  
Jehanzaib Ahmed  
Mufti Shakir Siddiqui

Chief Executive Officer  
Chief Financial Officer  
Head of Sales & Marketing  
Acting Head of Operations  
Head of Motor & Misc. Underwriting  
Head of Fire Underwriting  
Head of Marine Underwriting, Non-Motor Claims/RM  
Head of Motor Claims  
Head of Procurement & Admin  
Head of IT&S  
Head of Internal Audit  
Head of Human Resources & Training  
Head of Corporate Communications  
Head of Legal & Compliance Officer  
Head of Shariah

## Underwriting and Re-takaful & Co-Takaful Committee

Zahid Hussain Awan  
Muhammad Nasir Ali Syed  
Mehmood Arshad  
Muhammad Raza  
Farrukh Adnan  
Qaiser Zarif  
Muhammad Rizwan

Chairman  
Member  
Member  
Member & Secretary  
Member  
Member  
Member

## Claim Committee

Said Gul  
Muhammad Nasir Ali Syed  
Muhammad Saleem  
Imran Ahmed Nafees  
Shahzad M Khan Ghilzai  
Jehanzaib Ahmed

Chairman  
Member  
Member  
Member  
Member & Secretary  
Member

## Risk Management & Compliance Committee

Zahid Hussain Awan  
Muhammad Nasir Ali Syed  
Muhammad Saleem  
Muhammad Raza  
Muhammad Waqas Durrani  
Shahzad M Khan Ghilzai  
Farrukh Adnan  
Muhammad Shoaib Akhter  
Saifuddin Shaikh  
Mufti Shakir Siddiqui  
Farhan Javed  
Jehanzaib Ahmed

Chairman  
Member  
Member  
Member  
Member  
Member  
Member  
Member  
Member  
Member  
Member  
Member & Secretary

### CHAIRMAN'S MESSAGE

The year of 2020 saw a continuation of economic struggles and strife around the globe. As the world slowly got back into a sense of financial and economic normalcy - Pak-Qatar Takaful Group was able to build upon the success of the previous year through creative adaptation, perseverance and efficient management.

We continued to lead the way in financial security and protection for all through Takaful by investing in product innovation, and providing a better experience for our esteemed members. Our commitment to providing the best in Takaful has not wavered as we continued to digitize our marketing efforts through social media platforms as well as website integration - ushering in a new digital age for Pak-Qatar Takaful. This evolution has enabled an unprecedented level of interaction with our members allowing us to receive and analyze feedback and communication in real-time - thus allowing us to better ourselves and our products.

It is because of these forward thinking initiatives as well as the continuation of our industry leading ethos that Pak-Qatar Takaful Group achieved an aggregate turnover of around PKR 8.56 Billion. The Group posted a net profit after tax of PKR 182.6 Million for the year 2020. Participant Takaful Fund generated the net consolidated surplus of PKR 113 Million.

Profit before tax of Pak-Qatar Family Takaful Limited (PQFTL) increased to PKR 208.1 Million as compared to PKR 84.1 Million last year, a growth of 147% despite all challenges (economic and political) and the global pandemic caused by COVID-19. The company has increased its balance sheet footing through impressive growth in its investments and financing portfolio. Pak Qatar General Takaful Limited (PQGTL) posted the profit after tax of Rs 19 million. Earnings per share (EPS) of Pak-Qatar Family Takaful Limited was recorded at PKR 1.25 while PKR 0.37 for Pak-Qatar General Takaful Limited.

As we venture beyond into 2021 we foresee our illustrious companies having a very bright and prosperous future, enabled by our dedicated staff and best-in-industry products and services. As innovation in product development, customer service, as well as marketing and distribution has become our priority for 2021 - we must ready ourselves to tackle the many challenges the future may bring. We foresee the digital realm playing a pivotal role in taking Pak-Qatar Takaful to greater heights, ushering in a new age of growth, prosperity and expansion. Thus, we must adapt, learn and evolve - this means developing a broader vision for what is possible.

We are confident that Pak-Qatar Takaful Group will continue to remain the top Takaful provider in the country.



**Sheikh Ali Bin Abdullah Al-Thani**

Chairman of the Board of Directors  
Pak-Qatar Family Takaful Limited  
Pak-Qatar General Takaful Limited

## DIRECTORS' REPORT

### Dear Shareholders

The Board of Directors of Pak-Qatar General Takaful Limited (hereinafter referred to as "the Company" or "PQGTL") is pleased to present its Fifteenth Annual Report and Audited Financial Statements of the Company for the year ended 31st December, 2020.

### 1. Economic climate

In the year 2020, the world faced immense turmoil by the COVID-19 pandemic. The pandemic resulted in unprecedented effects globally, many countries closed borders, imposed countrywide lockdown, faced significant slowdown in economy and even the loss of precious human lives. Our country also observed lock down effective last week of March 2020 for few months and coped with significant slowdown in the economy and a decrease in PSX-100 index.

However, from the second half of year, economy started to show recovery signs on account of robust measures taken by Federal and Provincial Governments as well as State Bank of Pakistan. State Bank decreased the policy rate by 625 bps in a short span of time from March to June 2020. This is one of the largest reduction in the policy rate. Stabilization policies have begun to correct external account imbalances, current account deficit, and stabilize Pakistan Rupee. Nonetheless, further GDP growth would depend on economic measures.

Despite challenges posed by lock down & closure of business, which has resulted in decrease in business top line as compared to last year, your company through prudent management has achieved 91 percent increase in aggregate profit after tax of both the funds (PTF & SHF) by posting consolidated result of Rs. 45.4 million as compared to Rs. 23.7 million in year 2019. Other milestone is the refund of Rs. 140 million Qard-e-Hasna from PTF to SHF. In compliance with General Takaful Accounting Regulations, 2019, the Company has changed its accounting policy for wakala fee recognition from upfront to amortization over the takaful contract terms, which has been

disclosed in note 3 & 7 to the financial statements.

### 2. Future Outlook

Pakistan's economy is likely to rebound in 2021 as the impact of the pandemic gradually fades and domestic demand recovers. GDP is expected to grow between 1.5-2.5 per cent in 2021. During 2021, some CPEC projects are expected to be completed as per their timelines. New auto manufacturers have entered in Pakistan market and IMF has also predicted positive growth in GDP, while monetary policy is expected to remain the same. Conditions in the insurance industry continued to be challenging due to Covid-19 pandemic as well as its allied effects. However, given the notable recovery in economic activities, we are confident to maintain strong foot prints in industry.

### 3. Company's Performance

#### a. Gross Contribution Written (GCW)

Since the past few years, PQGTL has adopted a consolidation strategy to underwrite businesses that are profitable at the bottom line. Based on review of segment performance on periodic basis, some loss making clients were shed-off from portfolio in each segment. Given the prevailing competition in the insurance market, the company faced pressure on contribution rates. In the year 2020, the effect of Corona virus pandemic has adversely effected the business position of PTF particularly during the lock down. This decrease was mainly supplemented by the decrease in Motor vehicles' leasing/Ijara from Banks, whilst the Motor business is dominant portion of our total business portfolio. Owing to these factors, business position rather posting growth, have resulted in 14 percent decrease in business volumes on a timeline basis in the year 2020 vs 2019. We believe that with the notable recovery in business activities, the Company will not only be able to maintain its strong footprints in its industry but will also be able to post growth trajectory in the year 2021. Business figures achieved alongside portfolio business mix is as follows:



## Pak-Qatar General Takaful

Class	----- 2020 -----		----- 2019 -----	
	Contribution Rs	Portfolio mix %	Contribution Rs	Portfolio mix %
<b>Fire</b>	<b>139,210,382</b>	<b>23</b>	144,922,302	20.7
<b>Marine</b>	<b>44,440,725</b>	<b>7.5</b>	50,798,689	7.3
<b>Motor</b>	<b>345,600,354</b>	<b>57.5</b>	392,972,540	56
<b>Miscellaneous</b>	<b>72,682,693</b>	<b>12</b>	112,352,294	16
<b>Total</b>	<b>601,934,154</b>	<b>100</b>	701,045,825	100

Our valued stakeholders would acknowledge that as significant stakeholder in the dedicated takaful industry, our biggest challenge was to ensure the smooth operations during the Pandemic, which with the appropriately crafted strategy resulted in minimum operational disruption during the whole year, while the economic activities remained over shadowed under its impact.

Going forward, the company envisages prudent growth strategy and expects a reasonable growth for year ending 2021 and in furtherance the company will emphasize on bottom centric approach to continue and improve profitability with a growth of top line targets having more focus on non-motor class.

### b. Claims

Class	----- 2020 -----			2019
	Gross Claims	Re-takaful Recovery	Net Claims	Net Claims
<b>Fire</b>	<b>48,850,526</b>	<b>45,557,327</b>	<b>3,293,199</b>	9,324,116
<b>Marine</b>	<b>15,276,825</b>	<b>7,253,998</b>	<b>8,022,827</b>	9,653,400
<b>Motor</b>	<b>203,781,307</b>	<b>16,274,427</b>	<b>187,506,80</b>	201,298,106
<b>Misc</b>	<b>9,174,570</b>	<b>10,928,740</b>	<b>(1,754,170)</b>	31,361,849
<b>Total</b>	<b>277,083,228</b>	<b>80,014,492</b>	<b>197,068,736</b>	251,637,471

The risk under any takaful contract is the possibility of its occurrence and there is an uncertainty of the amount of claim resulting from occurrence of the event. The risk exposure of the PTF is managed through adequate retakaful arrangements. During the year under review, gross claims show significant decrease. The claim incurrence/expense reduced sharply by and large on account of lock down and this helped in producing good underwriting results. Further, net-off retakaful effect in net claims expense is also not material due to less retention of risk with the company and consequent high retakaful recovery.

Adequate retakaful helped in mitigating the effect of the potential loss from large or catastrophic events covered under takaful contracts. The effect of adequate takaful arrangements has established the fact that Company has not suffered ultimate net takaful losses beyond the Company's risk appetite in any one year. The management is committed to establish strong controls by implementing effective risk management and efficient claim settlement policies.



## c. Investment Income

The management follows a conservative stance (high liquid and low risk) for its investment books. Hence, stable, though relatively low, investment income supplements profit. However, this year the sharp increase in capital gains helped to change the landscape of total investment income. The Sources of income includes income generated from Islamic bank saving accounts, term deposits, sukuks and capital gains on mutual funds/sukuks. Aggregate of bank saving profits & investment income before deduction of Modarib fee is as follows:

	2020	2019
<b>Participants Takaful Fund (PTF)</b>	<b>19,157,265</b>	16,172,233
<b>Shareholders Fund (SHF)</b>	<b>40,433,901</b>	23,765,958
<b>Total</b>	<b>59,591,166</b>	39,938,191

At year end, the market value of investments in sukuks and mutual funds were marginally higher than its carrying value, which has resulted in unrealized gains and net change in values as at balance sheet date is recognized in the other comprehensive income.

## d. Overall Review

Our commitment to high service quality & standards, rigorous efforts and farsighted decisions in manifold areas has enabled us to sustain our performance and business goodwill, in spite of market pressure on contribution rates, and rising competition due to window takaful operations by leading conventional insurers and Covid 19 pandemic adverse effects. Pak-Qatar General Takaful Limited (PQGTL) successfully reinforced business relations with existing clients and channel partners which include some of the top Islamic Financial Institutions of Pakistan. Through concentrated efforts, company maintained business stability in business mix and continue to reaffirm Bank limits with some expansion. The Re-takaful treaty arrangements for the year ending 2021 have been finalized. Further, VIS & PACRA have reaffirmed Company's financial strength credit rating at 'A-' with Stable Outlook and 'A' with Stable Outlook respectively.

## Extracts from statement of Profit & Loss are enumerated below:

	2020 Rupees	2019 Rupees
<b>Participants' Takaful Fund (PTF):</b>		
Contribution earned	<b>389,375,602</b>	434,581,125
Contribution ceded to retakaful	<b>(203,336,518)</b>	(231,501,296)
Net contribution revenue	<b>186,039,084</b>	203,079,829
Retakaful rebate earned	<b>40,274,571</b>	51,237,323
Net underwriting income	<b>226,313,655</b>	254,317,152
Net takaful claims - reported/settled & IBNR	<b>(197,068,736)</b>	(251,637,471)
Contribution deficiency expense	<b>(8,000,000)</b>	(2,600,000)
Other direct expenses	<b>(6,339,445)</b>	(7,760,022)
Underwriting result before investment income	<b>14,905,474</b>	(7,680,341)
Investment income	<b>7,943,300</b>	5,345,744
Other income	<b>11,213,965</b>	10,826,489
Less: Modarib's share	<b>(7,662,906)</b>	(6,468,894)
<b>Surplus for the year</b>	<b>26,399,833</b>	2,022,998

## Pak-Qatar General Takaful

### SHAREHOLDERS' FUND (SHF)

Wakala income earned  
Commission expense  
Management expenses

Direct expenses  
Investment income  
Other income  
Modarib share from PTF

#### Profit before tax

Provision for taxation - current  
Provision for taxation - deferred  
Provision for taxation

#### Profit after tax

### Earnings per share - Rupees

2020 Rupees	2019 Rupees
240,492,605	274,269,474
(66,363,886)	(62,736,660)
(199,020,427)	(210,059,059)
(24,891,708)	1,473,755
(6,609,211)	(5,616,385)
36,469,629	20,323,310
4,379,632	6,824,095
7,662,906	6,468,894
17,011,248	29,473,669
(4,617,366)	(5,369,797)
6,667,856	(2,357,739)
2,050,490	(7,727,536)
19,061,738	21,746,133
	Restated
0.37	0.43

Given the significant shock in economy by pandemic, further fueled by fear of uncertainties in lock down months of the year, the contribution income declined on account of economic slowdown; however, the effect was subsidized by parallel decrease in claim expense. As evident from the results, it is important to mention the emerging signs of positive momentum in business effective from second half of the year, has led to stage a strong come back and enabled your Company on completing its thirteenth full year of operations to maintain sizable Gross Contribution Written (GCW); though market share is very low in the overall general insurance pie of the country. The dedicated takaful companies face stiff competition as general insurance market in the country is captured by strong conventional companies operating for more than half a century now. The management has made concerted efforts to establish PQGTL's business positioning which will continue in the wake of intensive competition.

The better results and profits are reported in both the funds (PTF & SHF) in the year under review. The company, rather than focusing on aggressive growth

targets, has followed a conservative growth strategy for top line (GCW) and successfully managed to achieve better positive bottom line target. Adoption of this conservative strategy was need of the hour in the year of 2020, in the wake of countrywide lock down due to Covid-19 Pandemic, coupled with prevailing market factors including decline in contribution rates pushing competition to cut throat level for small dedicated takaful companies. Prudent approach was emphasized both in underwriting, and investments that contributed in improvement of results. This was further supplemented by cost saving measures to ensure execution of the work programme is viable in current price and business scenario. Cost efficiencies were achieved mainly as a result of effective use of in house resources, Information Technology utilization enhancement, reducing Operational expenditure at Head office & branches including optimization of head count.

The Company has shown positive result for the year under review that continues to maintain its business positioning as dedicated takaful company. The Participant Takaful Fund has shown a surplus of

Rs. 26.3million (2019 restated: 2 million) whilst the Shareholder Fund has shown Rs19 million (2019 restated: 21.7 million) profit after tax. Thus, aggregate profit after tax posted by both funds (PTF & SHF) is Rs 45.4 million as compared to Rs 23.7 million (restated) in last year.

In the year 2020, Company's strategy for market penetration was tagged with innovation, creativity, rational products, timely customer service that provide genuine benefit to the end customer and strengthen the faith of customer on Takaful. Our business development strategy will remain our prime focus and efforts for the strategic alliances have been initiated that will InshaAllah yield the desired results during 2021 by the grace of Allah Almighty. Our dedication to Shariah compliance remains our crown for successful delivery of Takaful services for our participants and strategic partners. In a changing & competitive business environment, future strategy will continue to attain sustainable growth & profits with optimization of overhead cost. Market & customer segments where we have better proposition and competitive edge will remain our prime focus for business growth.

To keep our business on the cutting edge, serve our customers in the way they require and to maximize returns for our esteemed shareholders; we always have in our mind that 'there is always room for improvement' and this enthuse us to brainstorm & work harder that 'how can we further improve?'. For us, customers' requirements, suggestions & complaints are the medium from where we learn. With a firm faith on blessings of Almighty Allah, continued support from sponsors and concerted efforts of our executive management and other team members in a right direction to establish PQGTL's business positioning, we will see our overall business performance & quality to levels higher than ever before.

#### 4. Adoption of General Takaful Accounting Regulation

The SECP has issued the General Takaful Accounting Regulations, 2019 (the Regulations) vide SRO 1416/(I)/2019 dated 20 November 2019 which were

applicable with effect from 01 January 2020. The Regulations require takaful operator to discontinue the applicability of provision of rule 19 of the Insurance Rules, 2017 along with Annexure - II, & the provisions of the Accounting Regulations, 2017, and provides the format for presentation and disclosure of financial statements and the method for recognition of wakala fee in accordance with the pattern of takaful contribution earned over the takaful contract terms. The Company has prepared its financial statements on the new format prescribed by General Takaful Accounting Regulations, 2019 and accordingly has changed its accounting policies.

Up to 31 December 2019, the wakalah fee was recognized on upfront basis at the time of issuance of policy. As required by the General Takaful Accounting Regulations, 2019, the Company has changed its accounting policy for wakalah fee recognition from upfront to amortization over the takaful contract terms in accordance with the pattern of takaful contribution earned. Upon adoption of new policy, the Shareholders fund (SHF) will defer its wakalah income as unearned wakalah income and the Participant takaful fund (PTF) will defer its wakalah expense as deferred wakalah expense at the same time.

The significant effects of change in accounting policy as stated above has been applied retrospectively in accordance with the requirements of IAS - 8 'Accounting Policy, Change in Accounting Estimates and Error' and comparatives have been restated accordingly. The summary of the retrospective effects on retained earnings, and profit & loss are disclosed in note 7 to the financial statements:

#### 5. Impact of Covid-19

The management continues to closely monitor the impact of Covid-19 on its key business indicators. As explained earlier, the contribution income declined during the second quarter of the year, however, the effect was subsidized by decrease in claim expense due to lock down. Effective second half, improvement has been witnessed in all financial indicators including top line.

Business planning processes have taken into account various scenarios such as the possibility of Covid-19 subsiding, as well as the probability of a next wave of the pandemic. The management team is fully equipped to manage their functions effectively in these uncertain times. The management based on its current assessment considered that there would be no significant impact that will adversely affect its business, result of operations, or adverse material implication on assets & liabilities of the Company.

### 6. Prospects for 2021

The general insurance sector's performance is strongly correlated to economic growth. Pakistan's general insurance industry is poised to undergo growth phase, given the favorable demographics, increasing urbanization and more importantly, the emerging industrial sector. Aggregate results of dedicated takaful companies and window takaful has witnessed that demand for Takaful products has increased.

The Company believes its strength lies in customer trust, satisfaction, quality of service, and employees' motivation. Being dedicated takaful company, objective for 2021 is to maintain sustainable, profitable growth in a changing and competitive business environment and therefore, the focus will remain on the maximization of customer satisfaction, portfolio of clients, non-motor business mix, improvement in underwriting results, and controlling overhead costs. Persistent execution of our strategic plan will play pivotal role in our stability and continuous success.

With the development of vaccine s for Covid-19, we are confident that economy and overall business sentiments will stage a strong comeback and your company will perform better in all areas alongside maintaining positive financial indicators.

### 7. Fund wise Reporting

As required by the Takaful Rules, 2012, annexed financial statements reflect the financial position and results of operations of both SHF and PTF in manner that the assets, liabilities, income and expenses

remain separately identifiable; whereas, class of business wise reporting for each fund is disclosed in notes to accounts under title segment reporting.

### 8. Qard-e-Hasna

Takaful Rules, 2012 require that Qard-e-Hasna (interest free loan) is to be provided by SHF to PTF, if there is deficit in admissible assets of PTF over its liabilities. SHF is allowed to recover this qard without charging profit in the event of surplus of admissible assets over liabilities in PTF. Accordingly, in line with the requirements, SHF recovered Rs140 million (2019: Rs 10 million) from PTF as at year end; where by, Rs 50 million Qard-e-Hasna is still receivable from PTF as at year ended 2020.

### 9. Appropriations

Another good year as the Shareholders' fund achieved profit after tax Rs19 million. However, considering the effect of change in accounting policies, dividend has not been recommended. This decision is meant to boost the equity and to enhance asset quality and liquidity. Enhanced liquidity will assist in continuous flow of business & ability to provide credit facility to customers within ambit of relevant policy & provisions.

### 10. Post Balance Sheet Adjusting Event

No material adjusting event and changes or commitments affecting the financial position of the Company have occurred between the end of the financial year to which this balance sheet relates and the date of the Directors' Report.

### 11. Significant Change & Appointment

During first quarter of 2020, following changes took place as part of the Change Management process;

- a. Mr. Zahid Hussain Awan (Director & CEO) relinquished from the position of CEO. Consequent to this, BOD approved the appointment of Mr. Muhammad Nasir Ali Syed alongwith terms of appointment as Chief Executive Officer. New CEO took charge of his

office after obtaining approval from SECP under Sound and Prudent Management Regulations, 2012. Mr. Nasir previously served 13 years including 8 successful years as CEO of the associated company. He has the right operational and communication skills and leadership abilities to deliver improved execution and financial performance. We look forward to hear the next chapter of the success story in his CEO role at our Company.

- b. Board also approved the elevation of Mr. Muhammad Kamran Saleem as board member subject to compliance with requirements of Companies Act, 2017 and Sound & Prudent Management Regulations, 2012. He has demonstrated throughout his career the ability to work successfully in different environments, designing and leading strategies which resulted in impressive value creation. This includes his fresh and insightful perspectives on how to deliver value to the financial services sector and especially to our members and staff. Kamran is a proven leader with hard-core skills, business vision and the ability to bring people together.
- c. Consequent upon subject elevation of Mr. M. Kamran Saleem (Company Secretary, CFO & Head of risk management), he relinquished from the position of CFO & Head of Risk Management and the BOD approved the appointment of Mr. Muhammad Saleem as the new CFO.

## 12. Transaction in shares

During the year 2020, no material transaction in shares occurred which could attract the provisions of section 67 of Insurance Ordinance, 2000.

## 13. Credit Rating

As a part of risk management system, the Company gets itself rated from VIS and PACRA. Both the rating agencies of Pakistan, VIS Credit Rating Company Limited and Pakistan Credit Rating Agency Limited (PACRA) have reaffirmed the Company's financial strength rating at 'A-' with Stable Outlook and 'A' with

Stable Outlook respectively.

## 14. Related Party Transactions

At board meeting, the Board of Directors approves Company's transactions with Associated Companies/Related parties. All transactions executed with related parties are on arm's length basis. Accordingly, transactions pertaining to sharing of expense are carried at actual cost, sales/purchase of investments, if any are carried out at fair value and transactions related to claims or contributions were carried out at commercial terms.

In case of related party transaction with Pak Qatar Family Takaful, majority of directors are common and accordingly may be perceived as interested. However, subject common directorship in both the companies is due to common ownership structure and no Director or Chief Executive has any personal interest in the transactions with associated company i.e. Pak Qatar Family Takaful.

## 15. Capital Management & Liquidity

The Company maintains good financial base. Your company carefully administers its liquidity to ensure its ability to meet its obligations efficiently. The company operates and honours its obligations through cash flow generated from its core business as well as investment and other income. As a part of liquidity management, Company also gets auditors certification annually on its solvency position prepared as per requirements of Insurance Ordinance, 2000. S.R.O 828(I)/2015 requires minimum paid-up capital of Rs. 500 million for the non-life insurance companies/ takaful operators. We are pleased to inform that with the strong financial support and commitment from our shareholders, Company's paid up capital of Rs. 509 million has already been in compliance with said SRO since 2017.

## 16. Contribution to National Exchequer

Your Company contributes to the national economy in terms of taxes and duties and this year the Company, in the capacity of a tax payer and as a withholding agent, has deposited Rs.99.7 million to



the National Exchequer in the form of Federal Excise Duty, Sales Tax, Income Tax, Federal Insurance Fee, and Policy Stamps etc.

### 17. Compliance with Shariah principles

The requirements set out by the Takaful Rules, 2012, Shariah Governance Regulations, 2018 (SGR) read with letter ID/PRDD/MISC/2018/17474 dated 12 December 2018, and directives issued by our respected Shariah Advisor have been complied with. In this regard, Independent Sharia compliance review report & our Shariah Advisor's report are annexed with the annual report.

Since inception, Pak-Qatar Takaful Group of companies have an independent Shari'ah Advisory Board (SAB), to oversee all products and operations for Shari'ah compliance. Justice (Retd.) Mufti Muhammad Taqi Usmani was the founding Chairman of the group's Shari'ah Board since inception and named Mufti Hassaan Kaleem as his successor in 2019. This privilege supervision has enabled us to have distinction in implementing sharia governance practices exceeding statutory requirements. Pak-Qatar Takaful Group also has the distinction of being the 'first takaful group', licensed by the SECP to operate dedicated General Takaful and Family Takaful companies. Thus, a complete Sharia compliant suite with wide range of financial planning & protection products for all walk of life.

### 18. Human Resources

The company strongly believes that motivated & good quality employees are its real strength. In line with PQGT's philosophy, we foster the culture of giving people wings to fly, roots to come back and reasons to stay.

The pandemic outbreak Covid- 19, globally poses lots of new challenges and learning especially in the corporate world. It brought overnight change in the way we work and interact. Webinars & sessions were organized to create awareness about risk of Covid-19, on health & safety. Majority of employees were operating from home during the lockdown period, ensuring Company's smooth operations. Further,

employees are required to strictly follow the SOPs while attending office.

### 19. Information Technology

The Company has aligned itself for efficient use of the information technology resources in achieving its operational and strategic objectives. Strategic investments in prior years by the Company in the Technology enabled the Company to continue its operations efficiently & smoothly during lockdown era. Staff were enabled to work from home through secure VPN connections. Customers were able to connect with the Company through various channels such as Call Center, Mobile App, and web portals for enquires and service requests. The Company maintains its "Disaster Recovery" site and performs "Disaster Recovery" drills. Further, the Company maintains good standards of Cyber Security and firewalls. The Company will continue to strive to create more opportunities for engaging its customers in the digital arena and provide services when and how customer desires.

### 20. Risk and uncertainties

The Company conducts business in a complex and challenging environment and is therefore exposed to number of external and internal risks that may present threats to its success and profitability. Some of the major risks facing the Company include regulatory risk, operational risks, underwriting risks, market risk, credit risks, re-takaful risks, liquidity risk & economic / political risks etc.

The management is committed to putting risk management at the center of the strategic decision-making process and to this end runs a robust risk management process that traverses through all functions of the Company. This puts the Company at such advantageous position that provides safeguarding its business & stakeholders. The business decision taken is based on weighing the associated risks against rewarding opportunities, as we strive to seize business opportunities that are compatible with our long-term vision. The company has set up a risk management function/department, which carries out its tasks as covered under the Code of Corporate Governance for Insurers, 2016.

## 21. Grievance Function

The Company has setup complaints / grievances function for takaful policy holder. Grievance functions tries its best to resolve the complaints /grievances effectively and efficiently within shortest possible time. Relevant staff of grievance function resolves the complaints / grievances within the minimum possible time and act according to the requirements of the Code of Corporate Governance for insurer.

## 22. Relationship with other Stakeholders

Your Company continues to maintain good relationship with:

- Its employees by providing a positive work environment
- Its clients through building trust and providing quality service
- The business community through honest and fair dealing
- The Government & regulators through promoting free enterprise along with competitive market system and complying with all applicable laws; and
- Society in general through providing safe and healthy workplace and provide employees the opportunity to improve their skills

## 23. Compliance with Code of Corporate Governance

In November 2016, the Securities & Exchange Commission of Pakistan implemented 'the Code of Corporate Governance for Insurers, 2016', applicable to all insurance/takaful companies. The requirements of the Code of Corporate Governance set out by the regulatory authorities have been duly complied with. A Statement to this effect is annexed with the report.

## 24. Corporate and Financial Reporting Frame Work

- a. The financial statements prepared by the management of the company present fairly its state of affairs, the result of its operations, cash flow and changes in equity.
- b. Proper books of accounts have been maintained by the Company.
- c. Appropriate accounting policies have been consistently applied in preparation of financial statements, and accounting estimates are based on reasonable and prudent judgment; except for change in accounting policy as disclosed in note 7.2 to the notes to the financial statements.
- d. The International Accounting Standards, International Financial Reporting Standards or any other regulation or law (including but not limited to the Shariah guidelines / principles) as applicable in Pakistan, have been followed in preparation of financial statements, and any departure there from has been adequately disclosed.
- e. The system of internal control is sound in design and has been effectively implemented and monitored.
- f. There are no significant doubts upon the Company's ability to continue as a going concern.
- g. There has been no material departure from the best practices of Corporate Governance.
- h. The key operating and financial data for the last six years is attached.
- i. There is no significant change in objective & strategies from last year, and there is no plan to discontinue any operations.
- j. The value of investments of provident fund based on unaudited accounts as at the year-end was Rupees 31.9 million.



- k. The number of board meeting & attendance by director(s) is given below under heading 'Board of Directors'
- l. The pattern of shareholding of the company is attached.
- m. No trading in shares has been made by the Chief Executive, Directors, Chief Financial Officer, Company Secretary, their spouses and minor children.
- n. The earning per share & breakup value are Rs 0.37 and Rs 9 respectively.

### 25. Board of Directors

Significant Change in BOD: During the year, there is no casual vacancy and significant change in the Board of directors of the Company.

Directors' Orientation Course: Our respected Board of Directors are experienced and seasoned professionals with decades of experience. Many of our directors are holding director position in the Company for a decade or more than one tenure, and accordingly have gone through orientation courses several times. In line with CoCG requirement, orientation course to acquaint them with their responsibilities alongwith recent developments in relevant rules & regulations is conducted in 2020.

In furtherance, CEO, Company Secretary & Head of Internal Audit have already acquired certification under the Directors training program from Pakistan Institute of Corporate Governance during 2019.

Directors' Meeting Attendance: During the year 2020, six meetings of the Board of Directors were held and attended as follows:

Directors		Number of meetings attended
1	Sheikh Ali Bin Abdullah Al-Thani	1
2	Abdul Basit Ahmed Al-Shaibei	2
3	Ali Ibrahim Al Abdul Ghani	1
4	Said Gul	6
5	Zahid Hussain Awan	5
6	Mrs. Sameera Usman	5
7	Mr. Owais Ahmed Yusuf	1
8	Mr. Farrukh Viqaruddin Junaidy	4

Leave of absence was granted to directors, who could not attend the Board Meetings.

Board and Management Committees: As part of Corporate Governance, Board maintains Board level committees and Management committees, whose latest composition is presented in annual report under heading Corporate information.

### 26. Internal Audit function

Audit Committee: It oversees the effective implementation of a sound internal control system including compliance with control procedures. The committee is Chaired by an independent director, who is a Fellow Member of the Institute of Chartered Accountants of Pakistan (ICAP) with over thirty years of experience. He has served as the Vice President and Council Member of the ICAP, & also has served on the board of directors of Karachi Stock Exchange and National Clearing Company of Pakistan as a nominee of the Securities & Exchange Commission and Karachi Stock Exchange.

The Audit Committee is assisted by the Internal Auditor in reviewing the adequacy of operational controls and in monitoring and managing risks to provide reasonable assurance that such system continues to operate satisfactorily and effectively in the Company and to add value and improve the Company's operations by providing independent and objective assurance.

Internal Audit: For appraisal of internal controls and monitoring compliance, the Company has in place and appropriately staffed, Internal Audit department

headed by suitably qualified and experienced Chartered Accountant. Internal auditor has full access to the Chairman of the Board Audit Committee. Further, the internal auditor meets senior management to discuss internal audit reports and is fully independent to access the management at any time to discuss audit issues in order to make the audit process transparent and effective.

The scope and authority of Internal Audit Department is defined in the approved Internal Audit Charter. The Internal Audit Department has adopted a risk based approach to conduct internal audits, and monitors and evaluates the efficacy and adequacy of internal controls, consistency in application of policies and procedures and compliance with laws and regulations. Based on the report of the internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. To maintain its objectivity and independence, the Internal Audit Department reports functionally to the Board Audit Committee and administratively to the CEO.

### 27. Compliance Framework

A compliance framework outlines the regulatory compliance standards and regulations relevant to the organization. We comply with laws and regulations promulgated by Securities and Exchange Commission of Pakistan. The Company also adheres with the laws and regulations promulgated by Federal and provincial governments as are relevant to the Company. We consider compliances of the relevant laws and rules as the foremost priority. Compliance Officer is responsible for the compliance function. Policies and procedures are amended whenever required for effective, efficient and smooth operations. The Compliance framework is part and parcel of internal control framework of the Company, main purpose being, to ensure and remain compliant.

### 28. Auditors

The present auditors, M/s. Ernst & Young Ford Rhodes, Chartered Accountants, retire and are eligible for re-appointment for the ensuing year. On recommendation of the Audit Committee, the Board

of Directors of the company has proposed their name for re-appointment as auditors of the company for the year ending 31st December, 2021.

### 29. Anti Money Laundering (AML) & Counter Terrorism Financing (CTF)

Various resolutions passed in United Nation Security Council (UNSC) and conventions held globally which aimed at handling Money Laundering and Terrorism financing issues across the globe. Pakistan is also complying with these resolutions and particularly the recommendations of Financial Action Task Force on Money Laundering (FATF). State Bank of Pakistan and SECP being regulator of the banking and non-banking institutions respectively have also introduced the guidelines & regulations in this regard.

Generally, non-life insurance companies' nature of business does not completely attract these regulations as the estimated risk assessment is "low"; however, the Company is keen to implement & adhere the requirements of the SECP to cater the relevant risk and exposure. In this connection, the management has implemented the AML & CTF Policy through the utilization of relevant modern tools, techniques and by amending the procedures accordingly. The Company has also conducted / arranged trainings of its staff with regards to AML and CTF. Company performs comprehensive, Know Your Customer (KYC) procedure before accepting any client as required under Securities and Exchange Commission of Pakistan (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2020 promulgated vide SRO 921 (1) /2020. Company screens clients. If any client is found in the negative list, Company rejects offer of that business.

### 30. Appreciation & Acknowledgement

Your company's performance during the year would not have been possible without passion, commitment and hard work of both the employees and the management. On behalf of the Board of Directors, we wish to place our thanks and sincere appreciation for the continued support from all the stakeholders.

## Pak-Qatar General Takaful

We also acknowledge the support of the Securities and Exchange Commission of Pakistan. On behalf of the Board of Directors, we thank our policyholders, intermediaries and reinsurers for reposing their unstinted faith in the company, and we are sure of continuing to share our success with all of them.

### Conclusion

In conclusion, we bow, beg and pray to Almighty Allah, Ar-Rahman-Ar-Rahim, for the continued showering of His blessings, guidance, strength, health, and prosperity upon us, our company, country and all other stakeholders. Ameen, Summa Ameen.

By Order of the Board



Chief Executive Officer



Director

Date: 08 April, 2021

مسلل تعاون پر مخلصانہ طور پر شکریہ ادا کرتے ہیں۔

ہم سیکورٹی ایچج کمیشن آف پاکستان (SECP) کے تعاون کا بھی اعتراف کرتے ہیں۔ بورڈ آف ڈاءرکٹرز کی طرف سے ہم اپنے پالیسی ہولڈرز، انٹر میڈیز اور ری انشوررز کا کمپنی پر اعتماد کرنے پر شکریہ ادا کرتے ہیں۔ اور یقین دلاتے ہیں کہ ہم ان سب کے ساتھ اپنی کامیابی کو شیئر کرتے رہیں گے۔

### اختتامیہ

اختتام پر ہم اللہ سبحانہ و تعالیٰ جو کہ رحمن و رحیم ہے کے سامنے سر جھکاتے ہوئے سوال کرتے ہیں کہ وہ ہمیں، ہماری کمپنی کو، ہمارے ملک کو اور تمام اسٹیک ہولڈرز کو اپنی مسلسل رحمت، ہدایت، طاقت، صحت اور کامیابی کے سائے میں رکھے۔ آمین ثم آمین۔  
بورڈ آف ڈاءرکٹرز کی طرف سے



ڈاءرکٹرز



چیف ایگزیکٹو آفیسر

ورک کمپنی کے انٹرنل کنٹرول فریم ورک کا بنیادی اور ضروری حصہ ہے، جس کا مقصد کمپلائنس کو یقینی بنانا اور برقرار رکھنا ہے۔

## 28. آڈیٹرز

موجودہ آڈیٹرز ای وائے فورڈ رھوڈز، چارٹرڈ اکاؤنٹنٹس اپنی ذمہ داری سے سبکدوش ہو گئے تھے، البتہ اگلے سال ری اپائنٹمنٹ کے اہل ہیں۔ بورڈ آف ڈائریکٹرز کی آڈٹ کمیٹی کی سفارش پر 31 دسمبر 2021 میں ختم ہونے والے سال کیلئے دوبارہ انہیں کمپنی کا آڈیٹر مقرر کرنے کی تجویز دی ہے۔

## 29. اینٹی منی لانڈرنگ (AML) اور انسداد دہشت گردی کی مالی اعانت (CFT)

اقوام متحدہ کی سلامتی کونسل (UNSC) اور عالمی سطح پر منعقد کنونشنز میں متعدد قراردادیں منظور کی گئیں جن کا مقصد پوری دنیا میں منی لانڈرنگ اور دہشت گردی سے متعلق مالی معاملات سے نمٹنا ہے۔ پاکستان ان قراردادوں اور خاص طور پر منی لانڈرنگ (FATF) پر فنانشل ایکشن ٹاسک فورس کی سفارشات کی بھی تعمیل کر رہا ہے۔ اسٹیٹ بینک آف پاکستان اور ایس ای سی پی (SECP) نے بالترتیب بینکاری اور غیر بینکاری (کمپنیاں) اداروں کے ریگولیٹر کی حیثیت سے بھی اس سلسلے میں رہنما اصول و ضوابط متعارف کرائے ہیں۔

عام طور پر نان لائف انشورنس کمپنیوں کے کاروبار کی نوعیت ان ضوابط کو مکمل طور پر متوجہ نہیں کرتی، کیونکہ تخمینہ شدہ رسک کا اندازہ کم ہے، تاہم متعلقہ خطرات سے بچنے کے لیے کمپنی SECP کی طرف سے جاری کردہ ہدایات کو نافذ اور پورا کرنے کے لیے عمل پیرا ہے۔ اس سلسلے میں انتظامیہ نے متعلقہ جدید آلات، ٹراکیب کے استعمال کے ذریعہ اور اس کے مطابق طریقہ کار میں ترمیم کر کے AML اور CFT پالیسی کو نافذ کیا ہے۔ کمپنی نے AML اور CFT کے حوالے سے اپنے عمل کی تربیت کا بھی اہتمام کیا ہے۔

## 30. قدر دانی و اعتراف

سال کے دوران آپ کی کمپنی کی کارکردگی مینجمنٹ اور ملازمین دونوں کے سخت محنت، عزم اور جذبہ کے ممکن نہیں تھی۔ بورڈ آف ڈائریکٹرز کی طرف سے تمام اسٹیک ہولڈرز کا

آڈٹ کمیٹی کو انٹرنل آڈیٹر کے ذریعے یقین دہانی فراہم کرنے کے لئے آپریشنل کنٹرولز کا جائزہ لینے اور ممکنہ خطرات کی نگرانی اور ان کا انتظام کرنے میں معاونت حاصل کی جاتی ہے کہ اس طرح کا نظام کمپنی میں اطمینان بخش اور موثر طریقے سے چل رہا ہے اور کمپنی کی کاروائیاں بہتر بنانے کے لئے آزادانہ اور معقول یقین دہانی فراہم کرتی ہے۔

انٹرنل آڈٹ: انٹرنل کنٹرول اور نگرانی کی تعمیل کے بارے میں اندازہ لگانے کے لئے کمپنی کے پاس مناسب اور قابل تجربہ کار چارٹرڈ اکاؤنٹنٹ کی سربراہی میں انٹرنل آڈٹ کا شعبہ موجود ہے۔ انٹرنل آڈٹ کو بورڈ آڈٹ کمیٹی کے چیئرمین تک مکمل رسائی حاصل ہے۔ مزید برآں، انٹرنل آڈیٹر اندرونی آڈٹ رپورٹس پر تبادلہ خیال کرنے کے لئے سینئر مینجمنٹ سے ملاقات کرتا ہے اور آڈٹ کے عمل کو شفاف اور موثر بنانے کے لئے آڈٹ کے امور پر تبادلہ خیال کرنے کے لئے کسی بھی وقت انتظامیہ تک رسائی کے لئے مکمل طور پر آزاد ہے۔

انٹرنل آڈٹ کا دائرہ کار اور اختیار منظور شدہ انٹرنل آڈٹ چارٹر میں بیان کیا گیا ہے۔ انٹرنل آڈٹ ڈیپارٹمنٹ نے انٹرنل آڈٹ کے انعقاد کے لئے رسک پر مبنی طرز عمل اپنایا ہے، تاکہ انٹرنل آڈٹ کی کارکردگی اور اہلیت، پالیسیوں اور طریقہ کار کے اطلاق میں مستقل مزاجی اور قوانین اور قواعد و ضوابط کی تعمیل کی نگرانی کرتا ہے اور اس کا جائزہ لیتے ہیں۔ انٹرنل آڈٹ فنکشن کی رپورٹ کی بنیاد پر، متعلقہ شعبوں کے سربراہان اپنے اپنے دائرہ اختیار میں اصلاحات کرتے ہیں اور اس طرح کنٹرول کو مضبوط کرتے ہیں۔ اپنی بالادستی اور آزادی کو برقرار رکھنے کے لئے انٹرنل آڈٹ ڈیپارٹمنٹ باضابطہ طور پر بورڈ کی آڈٹ کمیٹی کو اور انتظامی طور پر سی ای او کو رپورٹ کرتا ہے۔

## 27. کمپلائنس فریم ورک

کمپلائنس فریم ورک آرگنائزیشن سے متعلق ریگولیشنز، اسٹینڈرڈز اور ریگولیٹری کمپلائنس کا خاکہ پیش کرتا ہے، ہم سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے جاری کردہ قوانین اور ضوابط کی پاسداری کرتے ہیں۔ کمپنی، کمپنی سے متعلقہ وفاقی اور صوبائی حکومتوں کی طرف سے جاری کردہ قوانین اور ضوابط کی بھی پابندی کرتی ہے۔ ہم متعلقہ قوانین اور قواعد کی تعمیل کو اولین ترجیح دیتے ہیں۔ کمپلائنس فنکشن کی ذمہ داری کمپلائنس آفیسر کے کندھوں پر عائد ہوتی ہے۔ قابل قبول، موثر اور ہموار آپریشن کی ضرورت کو مد نظر رکھتے ہوئے پالیسیز اور طریقہ کار میں ترمیم کی جاتی ہے۔ کمپلائنس فریم

مزید یہ کہ CEO، کمپنی سیکریٹری اور ہیڈ آف انٹرنل آڈٹ پہلے سے ہی 2019 کے دوران کارپوریٹ گورننس انسٹیٹیوٹ آف ڈائریکٹرز کے تحت ڈائریکٹرز ٹریننگ پروگرام کی سند حاصل کر چکے ہیں۔

سال 2020 کے دوران بورڈ آف ڈائریکٹرز کی چھ میٹنگز منعقد ہوئیں اور ان میں درج ذیل افراد نے شرکت کی:

#	ڈائریکٹر	میٹنگز کی تعداد جن میں وہ شریک ہوئے
1	شیخ علی بن عبداللہ الثانی	1
2	عبدالواسط الشیبی	2
3	علی ابراہیم العبدالعنی	1
4	سید گل	6
5	زاہد حسین اعوان	5
6	محترمہ سمیرہ عثمان	5
7	جناب اولیس احمد یوسف	1
8	جناب فرخ وقار الدین جنیدی	4

میٹنگز میں شریک نہ ہونے والے ڈائریکٹرز کو غیر حاضری کی رخصت دی گئی۔

بورڈ اور میجمنٹ کمیٹیاں: کارپوریٹ گورننس کے حصے کے طور پر بورڈ، بورڈ کی سطح کی کمیٹیوں کو برقرار رکھتا ہے، جن کی تازہ ترین تشکیل کارپوریٹ انفارمیشن کے عنوان سے سالانہ رپورٹ میں پیش کی گئی ہے۔

## 26. انٹرنل آڈٹ فنکشن

آڈٹ کمیٹی: یہ انٹرنل کنٹرول سسٹم کے موثر نفاذ کی نگرانی کرتی ہے، جس میں کنٹرول کے طریقہ کار کی تقبیل بھی شامل ہے۔ اس کمیٹی کی سربراہی ایک آزاد ڈائریکٹر کرتے ہیں، جو تیس سال سے زیادہ تجربے کے ساتھ انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کے فیو ممبر ہیں۔ وہ ICAP کے نائب صدر اور کونسل ممبر کی حیثیت سے خدمات انجام دے چکے ہیں، اور انہوں نے کراچی اسٹاک ایکس چینج اور نیشنل کلیئرنگ کمپنی آف پاکستان کے بورڈ آف ڈائریکٹرز میں اور سکیورٹی اینڈ ایکسچینج کے نامزد امیدوار کی حیثیت سے خدمات انجام دی ہیں۔

ڈ. فائنانشل اسٹینٹ کی نیٹری میں پاکستان میں رائج انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز، انٹرنیشنل فائنانشل رپورٹنگ اسٹینڈرڈز یا دیگر ریگولیشن یا قانون (بشمول شریعہ گائیڈ لائنز پر نسلوان تک محدود نہیں) کی پیروی کی گئی ہے اور کسی بھی قسم کی تبدیلی کو مناسب طریقے سے ظاہر کیا گیا ہے۔

ہ. انٹرنل کنٹرول کا سسٹم مناسب ڈیزائن پر مبنی ہے اور موثر طریقے سے اس کو لاگو کیا گیا اور اس کی نگرانی کی جا رہی ہے۔

و. کمپنی کے گورننگ کنسرن ہونے میں کوئی خاطر خواہ شک نہیں ہے۔

ز. کارپوریٹ گورننس کی پریکٹسز سے کوئی بڑا فرق نہیں ہے۔

ح. گزشتہ چھ سالوں کا اہم آپریٹنگ اور فائنانشل ڈیٹا منسلک ہے۔

ط. پچھلے سال سے مقاصد اور حکمت عملیوں میں کوئی خاص تبدیلی نہیں آئی ہے، اور نہ ہی کسی آپریشن کو روکنے کا کوئی پلان ہے۔

ی. غیر آڈٹ شدہ اکاؤنٹس کی بنیاد پر پراویڈنٹ فنڈ کی اسٹیمٹس کی ویلیو سال کے اختتام پر 31.9 بلین روپے تھی۔

. بورڈ میٹنگ اور ڈائریکٹرز کی حاضری کی تعداد ذیل میں بورڈ آف ڈائریکٹرز کے عنوان کے تحت دی گئی ہے۔

ل. کمپنی کے حصہ داروں کا پیٹرن منسلک ہے۔

م. چیف ایگزیکٹو، ڈائریکٹرز، چیف فائنانشل آفیسر، کمپنی سیکریٹری ان کے شریک حیات اور چھوٹے بچوں نے شیئرز کی ٹریڈنگ نہیں کی۔

ن. فی شیئر اور بریک اپ ویلیو کی کمائی بالترتیب 0.37 اور 9 روپے ہے۔

## 25. بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز میں اہم تبدیلی: اس سال کے دوران کمپنی کے بورڈ آف ڈائریکٹرز میں کوئی عارضی خالی جگہ اور قابل ذکر تبدیلی نظر نہیں آئی۔

ڈائریکٹرز کا اورینٹیشن کورس: ہمارے معزز بورڈ آف ڈائریکٹرز تجربہ کار اور پیشہ ور افراد ہیں، جو کئی دہائیوں کا تجربہ رکھتے ہیں۔ ہمارے بہت سارے ڈائریکٹرز کمپنی میں ایک دہائی یا اس سے زیادہ عرصے سے ڈائریکٹر کے عہدے پر فائز ہیں، اور اس کے مطابق متعدد بار واقفیت کورس سے گزر چکے ہیں۔ کوڈ آف کارپوریٹ گورننس کی ضرورت کے مطابق ان کو اپنی ذمہ داریوں سے مطلع کرنے اور متعلقہ قواعد و ضوابط میں حالیہ پیش رفت سے واقفیت کے لئے 2020 میں اورینٹیشن کورس کا انعقاد کیا گیا۔



کے لئے کارپوریٹ گورننس کے ضابطہ اخلاق کی ضروریات کے مطابق کم سے کم ممکنہ وقت میں ازالہ کرتا ہے۔

## 22. دوسری اسٹیک ہولڈرز کے ساتھ تعلقات

آپ کی کمپنی ذیل کے ساتھ اچھے تعلقات جاری رکھنے کی خواہاں ہے:  
اپنے ملازمین کے ساتھ، ایک مثبت کام کا ماحول فراہم کر کے  
پالیسی ممبران کے ساتھ، اعتماد پیدا کرنے اور معیاری خدمات کی فراہمی کے ذریعہ  
کاروباری طبقہ کے ساتھ، ایماندارانہ اور منصفانہ سلوک کے ذریعہ  
حکومت، ریگولیٹرز اور مسابقتی مارکیٹ سسٹم کے ساتھ، مفت انٹرپرائزز کو فروغ  
دینے، تمام قابل اطلاق قوانین کی تعمیل کے ذریعہ اور  
عام طور پر معاشرے کو محفوظ اور صحت مند کام کی جگہ فراہم کرنے اور ملازمین کو اپنی  
صلاحیتوں کو بہتر بنانے کا موقع فراہم کرنے کے ذریعہ۔

## 23. کوڈ آف کارپوریٹ گورننس کی تعمیل

نومبر 2016 میں، سیکیورٹی اینڈ ایکسچینج کمیشن آف پاکستان نے انشوررز کے لئے  
کارپوریٹ گورننس کوڈ 2016 لاگو کیا۔ جو کہ تمام انشورنس رہنکافل کمپنیوں پر لاگو ہے۔  
ریگولیٹری حکام کی طرف سے مقرر کردہ کارپوریٹ گورننس کی ضروریات کو صحیح طریقے  
سے عمل لایا گیا ہے۔ اس کے اثر کی وضاحت کے لئے ایک رپورٹ کو شامل کیا گیا ہے۔

## 24. کارپوریٹ اور فائنانشل رپورٹنگ فریم ورک

الف. کمپنی کی مینجمنٹ کی طرف سے تیار کیے گئے فائنانشل اسٹیٹمنٹ اسکے معاملات،  
اسکے آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلی کو درست طریقے سے پیش  
کرتا ہے۔

ب. کمپنی نے بک آف اکاؤنٹس مناسب طریقے سے مرتب کیے ہیں۔

ج. فائنانشل اسٹیٹمنٹ کے نوٹس میں نوٹ 7.2 کی وضاحت کے مطابق  
اکاؤنٹنگ پالیسی میں کی گئی تبدیلی کے علاوہ مناسب اکاؤنٹنگ پالیسیز کو  
فائنانشل اسٹیٹمنٹ بنانے میں استعمال کیا گیا اور اکاؤنٹنگ کے اندازے ایک  
مناسب اور معقول توجیہ پڑتی ہیں۔

میں بھی موثر اور آسانی سے اپنی کاروائیاں جاری رکھنے کا اہل بنایا۔ اسٹاف کو اس قابل بنایا  
کہ وہ محفوظ وی پی این کنکشنز کے ذریعے گھر سے کام کر سکیں۔ کسٹمرز مختلف چینلز جیسے کال  
سینٹر، موبائل ایپ اور ویب پورٹلز کے ذریعے استفسارات اور سروسز کی درخواستوں کے  
لئے کمپنی سے رابطہ قائم کرنے کے قابل تھے۔ کمپنی جہاں اپنی "ڈیزاسٹر ریکوری" سائٹ  
کو بحال رکھتی ہے وہاں "ڈیزاسٹر ریکوری" کی مشق بھی کرتی ہے۔ مزید یہ کہ کمپنی سائبر  
سیکیورٹی اور فائر وال کے اچھے اسٹینڈرڈز کو برقرار رکھتی ہے۔ کمپنی اپنے کسٹمرز کو ڈیجیٹل  
میدان میں شامل کرنے کے لئے اور جہاں اور جس طرح کسٹمرز کو سروسز چاہتے ہوں  
لئے زیادہ مواقع پیدا کرنے کے لئے کوشاں رہتی ہے۔

## 20. رسک اور غیر یقینی کیفیات

کمپنی ایک پیچیدہ اور چیلنجنگ ماحول میں کاروبار کر رہی ہے اور اس وجہ سے اس کی مبادیاتی  
اور منافع کے حصول کو اندرونی اور بیرونی خطرات کا سامنا رہتا ہے۔ کمپنی کو جن بڑے  
خطرات کا سامنا ہے ان میں ریگولیٹری رسک، آپریشنل رسک، انڈر رائٹنگ رسک،  
کریڈٹ رسک، ری انشورنس رسک، لیکویڈٹی رسک اور معاشی/سیاسی رسک وغیرہ شامل  
ہیں۔

انتظامیہ رسک مینجمنٹ کو اسٹرٹجک فیصلہ سازی کے عمل کے مرکز میں رکھنے کے لئے پرعزم  
ہے اور اس کے نتیجے میں ایک مضبوط رسک مینجمنٹ زیر عمل ہے جو کمپنی کے تمام افعال سے  
گزرتا ہے۔ یہ کمپنی کو سود مند کے مقام پر رکھتا ہے جو اس کے کاروبار اور سٹیک ہولڈرز کی  
حفاظت کرتا ہے۔ بزنس کے فیصلے مواقع کے خلاف متعلقہ رسک پر مبنی ہوتے ہیں، کیونکہ  
ہم ایسے کاروباری مواقع جو ہمارے طویل مدتی وژن سے مطابقت رکھتے ہیں کو محفوظ کرنے  
کی بھرپور کوشش کرتے ہیں۔ کمپنی نے رسک مینجمنٹ فنکشن رڈیپارٹمنٹ قائم کیا ہے، جو  
اپنے مقررہ کاموں کو کوڈ آف کارپوریٹ گورننس فار انشوررز 2016 کے تحت انجام دیتا  
ہے۔

## 21. شکایت کا فنکشن

کمپنی نے رہنکافل پالیسی ہولڈرز کے لئے شکایات کے حوالے سے ایک سیٹ اپ ترتیب  
دیا ہے۔ اس سیٹ اپ کے ذریعے کم سے کم وقت میں شکایات کو موثر اور تسلی بخش طریقے  
سے حل کرنے کی پوری کوشش کی جاتی ہے۔ اس سیٹ اپ سے وابستہ عملہ شکایات کو بیمہ کار



ابتداء سے ہی پاک قطر تکافل گروپ آف کمپنیز کے پاس شرعی اصولوں کی تعمیل کے لئے موجود تمام پالیسیز اور آپریشن کی نگرانی کے لئے ایک آزاد شریعہ مشاورتی بورڈ (SAB) موجود ہے۔ جسٹس (ریٹائرڈ) مفتی محمد تقی عثمانی صاحب شروع سے ہی گروپ کے شریعہ بورڈ کے بانی چیئرمین تھے اور بعد میں انہوں نے مفتی حسان کلیم کو 2019 میں اپنا جانشین نامزد کیا۔

اس استحقاق کی نگرانی نے ہمیں شرعی حکمرانی کی عملی طور پر قانونی تقاضوں سے زیادہ کے نفاذ میں امتیاز حاصل کرنے کے قابل بنایا ہے۔ پاک قطر تکافل گروپ کو یہ اعزاز بھی حاصل ہے کہ وہ سب سے پہلا تکافل گروپ ہے، جو SECP کے ذریعہ جنرل تکافل اور فیملی تکافل کمپنیوں کو چلانے کے لئے لائسنس یافتہ ہے۔ اس طرح زندگی کے تمام شعبوں کے لئے مالی منصوبہ بندی اور تحفظ کی پالیسیز بڑے پیمانہ پر مکمل شرعی نگرانی میں خدمات فراہم کرنے کے لئے کوشاں ہے۔

### 18. ہیومن ریسورسز

کمپنی کو اس پر مضبوط یقین ہے کہ متحرک اور اچھے معیار کے ملازمین اس کی حقیقی قوت ہیں، لہذا، ہم لوگوں کو اڑان بھرنے کے لئے پر، واپسی کے جڑیں اور رکے رہنے کی اسباب فراہم کرتے ہیں۔

ناگہانی وبائی مرض COVID-19 نے خاص طور پر کارپوریٹ دنیا میں عالمی سطح پر بہت سارے نئے چیلنجز اور سیکھنے کا امکان پیدا کیا ہے۔ اس نے راتوں رات ہمارے کام کرنے اور بات چیت کرنے کے انداز کو تبدیل کر کے رکھ دیا ہے۔ صحت اور حفاظت سے متعلق COVID-19 کے خطرے سے آگاہی پیدا کرنے کے لئے ویبینارز اور سیشن کا اہتمام کیا گیا۔ لاک ڈاؤن کے دورانیہ میں کمپنی کے مناسب آپریشنز کو یقینی بنانے کے لئے زیادہ تر ملازمین گھر سے کام کر رہے تھے۔ مزید برآں ملازمین کو دفاتر جاتے ہوئے ایس او پیز کی سختی سے پیروی کرنے کی تلقین کی گئی۔

### 19. انفارمیشن ٹیکنالوجی

کمپنی نے اپنے آپریشنل اور اسٹریٹجک مقاصد کے حصول کے لئے انفارمیشن ٹیکنالوجی کے وسائل کے موثر اور بھرپور استعمال کے لئے اپنے آپ کو اس سے منسلک کیا ہے۔ کمپنی کی طرف سے گزشتہ سالوں میں اسٹریٹجک انوسٹمنٹ نے کمپنی کو لاک ڈاؤن کے وقت

پاک قطر فیملی تکافل کے ساتھ متعلقہ پارٹی کے معاملات کی صورت میں زیادہ تر ڈائریکٹر یکسر ہیں اور اسی کے مطابق اس میں دلچسپی بھی سمجھی جاسکتی ہے۔ تاہم، دونوں کمپنیوں میں مشترکہ ڈائریکٹر شپ عمومی ملکیت کے اسٹرکچر کی وجہ سے ہے اور کسی بھی ڈائریکٹر یا چیف ایگزیکٹو کو متعلقہ کمپنی یعنی پاک قطر فیملی تکافل سے لین دین میں کوئی ذاتی دلچسپی نہیں ہے۔

### 15. کمپیوٹل اور سیال کا انتظام

کمپنی اچھی مالیاتی بنیاد برقرار رکھتی ہے۔ آپ کی کمپنی احتیاط سے اپنی ذمہ داریوں کو مؤثر طریقے سے پورا کرنے کی صلاحیت کو یقینی بناتی ہے۔ کمپنی اپنے بنیادی برنس اسی طرح انوسٹمنٹ اور دیگر آمدنی سے حاصل شدہ کیش کے بہاؤ سے اپنی ذمہ داریاں نبھاتی ہے۔ ایس آر اے 2015/828(I) کے تحت نان لائف انشورنس کمپنیوں کے تکافل آپریٹرز کا ادا شدہ سرمایہ 500 ملین روپے ہونا چاہئے۔ ہمیں یہ اطلاع دیتے ہوئے خوشی ہو رہی ہے کہ ہمارے شیئر ہولڈرز کے پھر پور تعاون سے گزشتہ سال کے اختتام تک ہمارا 509 ملین ادا شدہ سرمایہ، سال 2017 کے بعد سے مذکور ایس آر اے کے مطابق ہے۔

### 16. قومی خزانہ میں شرکت

آپ کی کمپنی نے قومی خزانے میں ٹیکسز اور ڈیویڈنڈز کی مد میں اپنا حصہ ڈالا، اس سال کمپنی ٹیکس ادا کرنے کی اور وہ ہولڈنگ ایجنٹ کی حیثیت سے فیڈرل ایکسائز ڈیوٹی، سیلز ٹیکس، اکم ٹیکس، فیڈرل انشورنس فیس، اور پالیسی اسٹیپس وغیرہ کی شکل میں 99.7 ملین روپے قومی خزانہ میں دے چکی ہے۔

### 17. شرعی اصولوں کی تعمیل

تکافل رولز 2012، شریعہ گورننس ریگولیشنز (SGR2018) کے ذریعہ طے شدہ تقاضوں کو 12 دسمبر کو جاری ہونے والے لیٹر نمبر ID/PRDD/MISC/2018/17474 کے ساتھ پڑھا جائے، اور ہمارے قابل احترام شریعہ ایڈوائزر کی جاری کردہ ہدایات پر عمل کیا ہے۔ اس سلسلے میں ایک آزاد شریعہ کمپلائنس جائزہ رپورٹ اور ہمارے شریعہ ایڈوائزر کی رپورٹ سالانہ رپورٹ کے ساتھ منسلک ہے۔

2017 واضح اور محتاط مینجمنٹ ریگولیشنز 2012 کی ضروریات کی تعمیل سے منظوری دی۔ انہوں نے اپنے پورے کیریئر میں مختلف ماحول، ڈیزائننگ اور قائدانہ حکمت عملیوں میں کامیابی کے ساتھ کام کرنے کی صلاحیت کا مظاہرہ کیا ہے جس نے انہیں متاثر کن اور قابل قدر وجود بنانا۔ اس میں ان کے فائنانشل سروسز سیکٹر اور خاص کر ہمارے ممبران اور اسٹاف کو اقدار باہم پہنچانے کے لئے فریش اور بصیرت انگیز تناظر شامل ہیں۔ کامران ٹھوس بنیادی مہارت، کاروباری نقطہ نظر اور لوگوں کو یکجا کرنے کی صلاحیت کے ساتھ ساتھ ایک ثابت قدم لیڈر ہیں۔

ج: جناب محمد کامران سلیم (کمپنی سیکریٹری، CFO اور رسک مینجمنٹ کے ہیڈ) کی درج بالا ترقی کے نتیجے میں وہ CFO اور رسک مینجمنٹ کے ہیڈ کے عہدے سے دستبردار ہو گئے اور BOD نے جناب محمد سلیم کی نئے CFO کے طور پر تقرری کی منظوری دے دی ہے۔

## 12. شیئر میں لین دین

سال 2020 کے دوران، شیئرز میں کوئی بھی ایسا میٹیریل لین دین نہیں ہوا جو انشورنس آرڈیننس 2000 کی دفعہ 67 کی دفعات کو متوجہ کر سکے۔

## 13. کریڈٹ ریٹنگ

رسک مینجمنٹ سسٹم کا ایک حصہ ہونے کے ناطے کمپنی خود کو VIS اور PACRA سے ریٹنگ کرواتا ہے۔ VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ اور پاکستانی کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) دونوں نے کمپنی کی مالیاتی قوت کو بالترتیب کریڈٹ ریٹنگ A- (اے منفی) مستحکم آؤٹ لک اور A (اے مستقل) مستحکم آؤٹ لک پر برقرار رکھا۔

## 14. متعلقہ پارٹی کے لین دین

بورڈ کے اجلاس میں بورڈ آف ڈائریکٹرز نے کمپنی سے وابستہ کمپنیوں / متعلقہ پارٹیز کے معاملات کی منظوری دیدی ہے۔ متعلقہ پارٹیز کے ساتھ کئے گئے معاملات اپنی حیثیت کی بنیاد پر ہیں۔ اسی طرح اخراجات کو شیئر کرنے کے لئے کی جانے والے معاملات اصل لاگت پر، خرید و فروخت کی سرمایہ کے معاملات منصفانہ قدر اور ویلیو پر اور کمیز یا کنٹریبیوشن سے متعلق معاملات کو تجارتی بنیادوں پر کیا گیا ہے۔

140 ملین روپے (2019 میں 10 ملین روپے) وصول کئے ہیں، جبکہ ابھی بھی سال 2020 کے اختتام تک 50 ملین قرض حسنہ PTF کے ذمہ قابل وصول ہے۔

## 9. تخصیصات

ایک اور خوش آئند سال جس میں شیئر ہولڈرز فنڈ کا منافع ٹیکس ادا کرنے کے بعد 19 ملین روپے رہا۔ تاہم اکاؤنٹنگ پالیسیز میں تبدیلی کی وجہ سے منافع کی تقسیم کی سفارش نہیں کی گئی ہے۔ اس فیصلے کا مقصد ایکویٹی اور اثاثوں کے معیار اور لیکویڈیٹی کو بڑھانا ہے۔ بڑھی ہوئی لیکویڈیٹی کاروبار کے مستقل بہاؤ اور متعلقہ پالیسی اور دفعات کے تناظر میں پالیسی ممبران کو کریڈٹ کی سہولت فراہم کرنے کی صلاحیت میں معاون ثابت ہوگی۔

## 10. پوسٹ بیلنس شیٹ ایڈجسٹنگ ایونٹ

مالی سال کے اختتام تک کمپنی کی مالی پوزیشن کو متاثر کرنا والا ایسا کوئی بھی معتد بہ ایڈجسٹمنٹ کا واقعہ اور ذمہ داریوں میں تبدیلی نہیں آئی جو اس بیلنس شیٹ اور ڈائریکٹر رپورٹ کی تاریخ سے متعلق ہو۔

## 11. نمایاں تبدیلیاں اور تقرری

2020 کے پہلی سہ ماہی میں انتظامی امور کی تبدیلی کے تحت مندرجہ ذیل تبدیلیاں رونما ہوئیں:

الف: جناب زاہد حسین اعوان (ڈائریکٹر ای او) سی ای او کے عہدے سے دستبردار ہو گئے۔ جس کے نتیجے میں، BOD نے چیف ایگزیکٹو آفیسر کی تقرری کی شرائط کے ساتھ جناب ناصر علی سید کی تقرری کی منظوری دی۔ واضح اور محتاط مینجمنٹ ریگولیشنز 2012 کے تحت SECP سے منظوری حاصل کرنے کے بعد نئے CEO نے اپنے عہدے کا چارج سنبھال لیا۔ جناب ناصر نے اس سے قبل 13 سال تک خدمات انجام دی ہیں، اس میں متعلقہ کمپنی کے CEO کے طور پر آٹھ کامیاب سال بھی شامل ہیں۔ بہتر کارکردگی اور فائنانشل پرفارمنس کی فراہمی کے لئے ان کے پاس صحیح آپریشنل، کمیونیکیشن کی مہارت اور قائدانہ صلاحیت موجود ہیں۔ ہم اپنی کمپنی میں بطور CEO کے کردار میں کامیابی کی کہانی کا ایک نیا باب سننے کے منتظر ہیں۔

ب: اسی طرح بورڈ نے جناب محمد کامران سلیم کی بورڈ ممبر کی حیثیت سے کمپنی ایکٹ

## 6.2021 کے امکانات

جنرل انشورنس کے شعبے کی کارکردگی اقتصادی ترقی سے مربوط ہے۔ پاکستان کی جنرل انشورنس انڈسٹری شہروں میں اضافہ اور خاص کر ابھرتے ہوئے صنعتی شعبے کی حمایت کی وجہ سے ترقی کرنے کے لئے مستعد ہے۔ مجموعی طور پر مستقل تکافل کمپنیاں اور ونڈو تکافل کے نتائج تکافل پروڈکٹس کی ڈیمانڈ کی بڑھوتری دکھا رہے ہیں۔ کمپنی کا یقین ہے کہ اس کی قوت کسٹمر کے اعتماد، اطمینان، سروس کے معیار، اور ملازمین کی حوصلہ افزائی میں ہے۔ مستقل تکافل کمپنی ہونے کے ناطے 2021 کا ہدف یہ تھا کہ بدلتے مسابقتی کاروباری حالات میں پائیدار، منافع بخش ترقی کو برقرار رکھا جائے، اس وجہ سے توجہ کا مرکز کسٹمرز کا اطمینان، کسٹمرز کا پورٹ فولیو، نان موٹر بزنس کس، انڈر رائٹنگ کے نتائج میں بہتری اور اور ہیڈ اخراجات کو کنٹرول رہے ہیں۔ ہماری اسٹریٹجک منصوبہ کی مسلسل عملدرآمد ہمارے استحکام اور مسلسل کامیابی میں اہم کردار ادا کرے گی۔

کوڈ 19 کے لئے ویکسین کی ڈویلپمنٹ کے ساتھ ہمیں اعتماد ہے کہ معیشت اور مجموعی طور پر کاروباری رجحانات بھرپور انداز سے بحال ہوں گے، اور آپ کی کمپنی مثبت مالیاتی اشاریوں کو برقرار رکھنے کے ساتھ ساتھ تمام شعبوں میں بہتر کارکردگی کا مظاہرہ کرے گی۔

## 7. فنڈ کے اعتبار سے رپورٹنگ

تکافل رولز کے مقتضی کے مطابق منسلک مالیاتی گوشوارے جو کہ مالی اعتبار سے ایس ایچ ایف اور پی ٹی ایف کے آپریشن کے جداگانہ بیان کردہ نتائج ان دونوں فنڈز کے اثاثہ جات، ذمہ داریوں، آمدنی اور اخراجات عکاسی کرتی ہے، جبکہ، ہر فنڈ کی بزنس کی درجہ بندی کے اعتبار سے رپورٹنگ کو شعبہ وار رپورٹنگ کے عنوان کے تحت اکائٹس کے نوٹس میں ظاہر کیا گیا ہے۔

## 8. قرض حسنہ

تکافل رولز 2012 کے تحت یہ ضروری ہے کہ اگر PTF کا خسارہ اس کے قابل قبول اثاثہ جات سے زیادہ ہے تو SHF فنڈ سے PTF کو قرض حسنہ (غیر سودی قرض) فراہم کیا جائے گا۔ SHF کو PTF میں موجود ذمہ داریوں سے زائد قابل قبول اثاثہ جات کے سرپلس سے بغیر کسی نفع کے اپنا دیا گیا قرض وصول کرنے کی اجازت ہے۔ اسی طرح کی ضروریات کے مطابق SHF نے سال کے اختتام پر PTF سے

لئے فارمیٹ اور تکافل کنٹریکٹ کی شرائط سے حاصل شدہ تکافل کنٹری بیوٹن کے طرز کے مطابق وکالہ فیس کو تسلیم کرنے کا طریقہ فراہم کرتے ہیں۔ کمپنی نے اپنے فائنانشل اسٹیٹمنٹ جنرل تکافل اکائٹنگ ریگولیشنز 2019 کے مطابق وضع کردہ نئے فارمیٹ پر تیار کیے ہیں اور اسی کے مطابق اس نے اپنی اکاؤنٹنگ پالیسیاں تبدیل کر دی ہیں۔

31 دسمبر 2019 تک، وکالہ فیس کو پالیسی کے اجرا کے وقت اولیت کی بنیاد پر تسلیم کیا گیا تھا۔ جنرل تکافل اکاؤنٹنگ ریگولیشنز 2019 کے تقاضوں کو مد نظر رکھتے ہوئے کمپنی نے وکالہ فیس کی اولیت کی بنیاد پر تسلیم کرنے کی اکاؤنٹنگ پالیسی کو تکافل کنٹریکٹ کی شرائط سے حاصل شدہ تکافل کنٹری بیوٹن کے طرز کے مطابق امورائزیشن میں تبدیل کر دیا ہے۔ نئی پالیسی اپنانے پر شیئر ہولڈرز فنڈ (SHF) اپنی وکالہ انکم کو نہ کمائی گئی وکالہ انکم کے طور پر ملتوی کرے گا جبکہ اسی اثناء میں شرکا تکافل فنڈ (PTF) اپنے وکالہ اخراجات کو ملتوی وکالہ اخراجات کے طور پر مؤخر کرے گا۔

مذکورہ بالا اکاؤنٹنگ پالیسی میں تبدیلی کے نمایاں اثرات کو 8 - IAS اکاؤنٹنگ پالیسی، اکاؤنٹنگ تخمینے اور غلطی میں تبدیلی اور تقابلی کو اس کے مطابق بحال کیا گیا ہے۔ برقرار کمائی، نفع اور نقصان پر سابقہ اثرات کا خلاصہ فائنانشل اسٹیٹمنٹ کے نوٹ 7 میں بیان کیا گیا ہے۔

## 5. کوویڈ - 19 کے اثرات

انتظامیہ اپنے اہم کاروباری اشاریوں پر کوویڈ - 19 کے اثرات پر گہری نگرانی کرتی رہتی ہے۔ جیسا کہ پہلے واضح کیا گیا ہے کہ کنٹری بیوٹن انکم میں سال کی دوسری سہ ماہی کے دوران کمی واقع ہوئی ہے، تاہم، لاک ڈاؤن کی وجہ سے کلیمز کے اخراجات میں کمی سے اسے سبسڈی ملی ہے۔ دوسرا نصف پر اثر رہا، سبھی مالیاتی اشاریے بشمول ٹاپ لائن میں بہتری دیکھنے میں آئی۔

کاروباری پلاننگ کے عمل میں مختلف منظر ناموں جیسے کوویڈ - 19 کے کم ہونے کا امکان اور اس کے ساتھ ہی وبائی امراض کی اگلی لہر کا امکان بھی کو مد نظر رکھا گیا ہے۔ مینجمنٹ ٹیم ان غیر یقینی اوقات میں اپنے کاموں کا موثر انداز میں انتظام کرنے کیلئے پوری طرح لیس ہے۔ مینجمنٹ نے اپنی موجودہ تشخیص کو اساس بنا کر اس پر غور کیا کہ ایسا کوئی خاص اثر نہیں پڑے گا جو اس کے کاروبار کو، آپریشنز کے نتائج کو یا کمپنی کے اثاثوں اور ذمہ داریوں کو متاثر کرے اور منفی اثر ڈالے۔

(PTF & SHF) کے ذریعہ پوسٹ کئے گئے بعد از ٹیکس مجموعی منافع گزشتہ سال کے دوران 23.7 ملین روپے (نظر ثانی شدہ) کے مقابلے میں 45.4 ملین روپے ہے۔

سال 2020 میں، کمپنی کی مارکیٹ تک رسائی کی حکمت عملی کو جدید، تخلیقی اور معقول پروڈکٹس اور کسٹمر کو بروقت سروس دینے سے جوڑا، جس نے شریک تکافل کو حقیقی فائدہ دیا اور اس کے اعتماد کو مضبوط کیا۔ ہماری پوری توجہ کاروباری ترقی کی حکمت عملی ہوگی اور اسٹریٹجک اتحاد کے لئے کوششیں شروع کی جا چکی ہیں، جو کہ اللہ تعالیٰ کے فضل سے 2021 کے دوران ان شاء اللہ مطلوبہ نتائج حاصل کروائے گی۔ ہماری شریعہ کمپلائنس کی لگن اپنے شرکاء تکافل کو سروسز فراہم کرنے میں اور اسٹریٹجک پارٹنرز کے لئے قابل فخر ہے۔ ان مسابقتی اور بدلتے ہوئے کاروباری حالات میں مستقبل کی حکمت عملی پائیدار ترقی اور منافع کو حاصل کرنے اور اضافی اخراجات کی کمی کے ساتھ ساتھ جاری رہے گی۔ مارکیٹ اور کسٹمر شعبوں میں ہمیں بہتر تجربہ اور مسابقتی استعداد حاصل ہے، ان پر کاروباری ترقی کے لئے خوب توجہ دیں گے۔

کاروبار کو اپنے عروج پر رکھتے ہوئے، کسٹمر کو ان کی ضرورت کے مطابق سروسز دیتے ہوئے اور محترم شہر ہولڈرز کو زیادہ سے زیادہ نفع پہنچانے کے لئے ہمیشہ ہمارے دماغ میں یہ بات رہتی ہے کہ ہمیشہ مزید بہتری کی گنجائش موجود ہے، اور یہ ذہنی جلا اور سخت کام کرنے میں حوصلہ افزائی کرتی ہے کہ ہم کس طرح مزید بہتری لاسکیں۔ ہمارے لئے کسٹمر کی ضروریات، تجاویز اور شکایات سیکھنے کا ذریعہ ہیں۔

اللہ تعالیٰ کی برکتوں پر مضبوط اعتماد کے ساتھ، PQGTL کی کاروباری پوزیشن کو قائم کرنے کے لئے اسپانسرز کے تعاون اور ہماری ایگزیکٹیو مینجمنٹ اور دیگر ٹیم کے ارکان کی صحیح جہت میں مسلسل کوششوں سے ہم اپنے مجموعی کاروباری کارکردگی اور معیار کو پہلے سے بہتر سطح پر دیکھتے ہیں۔

#### 4. جنرل تکافل اکاؤنٹنگ ریگولیشن کو اپنانا

ایس ای سی پی نے جنرل تکافل اکاؤنٹنگ ریگولیشنز 2019 (ریگولیشنز) ایس آر او 2019 / (I) / 1416 کے تحت 20 نومبر 2019 کو جاری کئے، جو یکم جنوری 2020 سے لاگو ہوئے تھے۔ ریگولیشنز تکافل آپریٹر سے انشورنس رولز 2017 کے ضابطہ 19 بمع ضمیمہ II - کے لاگو ہونے اور اکاؤنٹنگ ریگولیشنز 2017 کی شقوں کے اطلاق بند کرنے کا تقاضا کرتے ہیں، اور فائنانشل اسٹیٹمنٹ کی پریزنٹیشن اور بیان کے

وبا کے معیشت کو دیئے گئے نمایاں دھچکے جس کو سال کے کئی مہینوں میں لاک ڈاؤن کے دوران غیر یقینی صورتحال کے خوف نے مزید بڑھایا، سے سبب معیشت کی سست روی کی وجہ سے کسٹری بیوٹن انکم میں کمی واقع ہوئی، تاہم اس کی کمی کو تلافی کلیمز کی متوازی کمی نے کر دی۔ جیسا کہ نتائج سے واضح ہوتا ہے، بہت مناسب ہے کہ یہاں سال کے دوسرے نصف حصے سے موثر کاروبار میں مثبت پیشرفت کی ابھرتی علامات کا تذکرہ کیا جائے، جس نے شاندار واپسی کو ظاہر کیا اور آپ کی کمپنی کو مجموعی کسٹری بیوٹن کو بحال رکھنے کے لئے اپنے آپریشن ڈیپارٹمنٹ کی مدد سے تیرہویں سال کو بھرپور طور پر مکمل کرنے کا اہل بنایا، اگرچہ ملک کی جنرل انشورنس پالیسی میں مارکیٹ شیئر بہت کم ہے۔ تکافل کمپنیوں کو مستقل سخت مقابلہ درپیش ہے، کیونکہ ملک کی جنرل انشورنس مارکیٹ نصف صدی سے زیادہ عرصے سے چل رہی مضبوط روایتی کمپنیوں کے قبضہ میں ہے۔

انتظامیہ نے PQGTL کی کاروباری پوزیشن جس کو مسلسل بڑھتے ہوئے شدید مقابلہ کا سامنا رہے گا کو قائم کرنے کے لئے مدبرانہ کوششیں کی ہیں۔

PTF اور SHF دونوں فنڈز میں امسال بہتر نتائج اور منافع نوٹ کیا گیا۔ کمپنی نے جارحانہ ترقی کے اہداف پر توجہ مرکوز کرنے کے بجائے بزنس کے لئے محتاط ترقی کی حکمت عملی کو اپنایا ہے اور کامیابی کے ساتھ بہتر مثبت اخراجات کے ہدف کو حاصل کرنے میں کامیابی حاصل کی ہے۔ کوڈ 19- وبا کی وجہ ملک گیر لاک ڈاؤن بشمول بڑھتے ہوئے موجودہ مارکیٹ عوامل جن میں کسٹری بیوٹن کے تناسب میں کمی جس کی وجہ سے چھوٹی تکافل کمپنیوں کو اپنی بقاء کی جنگ لڑنی پڑ رہی ہے، اس بات کو مد نظر رکھتے ہوئے اس محتاط حکمت عملی کو اختیار کرنا سال 2020 میں وقت کی ضرورت تھی۔ دانشمندانہ نقطہ نظر نے انڈر رائٹنگ اور انوٹمنٹ دونوں پر زور دیا جس نے نتائج کی بہتری میں حصہ لیا۔ اس میں مزید اضافہ اخراجات میں بچت کے اقدامات کے ذریعہ کیا گیا تاکہ ورک پروگرام کی تصفیہ کو موجودہ قیمت اور بزنس کے حالات میں قابل عمل بنایا جاسکے۔ اخراجات کی کمی کے ہدف کو بنیادی طور پر تمام میسر وسائل کو بروئے کار لاتے ہوئے، انفارمیشن ٹیکنالوجی کے استعمال میں اضافہ کے ساتھ ساتھ ہیڈ آفس اور برانچز میں موجود افراد میں بہترین کارکردگی اور آپریشنل اخراجات کو کم کر کے حاصل کیا گیا ہے۔

کمپنی نے زیر نظر سال میں مثبت نتائج دکھائے ہیں جس سے اس کے کاروبار کی پوزیشن کو بطور پرعزم تکافل کمپنی کے برقرار رکھا۔ شرکاء تکافل فنڈ میں 26.3 ملین روپے (2019 کا نظر ثانی شدہ 2 ملین) کا سرپلس دیکھنے میں آیا جبکہ شیئر ہولڈر فنڈ میں بعد از ٹیکس منافع 19 ملین روپے (2019 کا نظر ثانی شدہ 21.7 ملین) ہوا۔ اس طرح دونوں فنڈز

نفع اور نقصان کی اسٹیٹمنٹ سے حاصل کردہ اعداد و شمار درج ذیل ہیں:

2019 نظر ثانی شدہ	2020	
روپے		
		شرکاء کا نفع (PTF)
434,581,125	389,375,602	حاصل کردہ زرتعاون
(231,501,296)	(203,336,518)	ری تکافل کو دیا گیا کنٹریبیوشن
203,079,829	186,039,084	صافی کنٹریبیوشن ریونیو
51,237,323	40,274,571	ری تکافل سے حاصل کردہ ری بیٹ
254,317,152	226,313,655	صافی انڈر رائٹنگ آمدن
(251,637,471)	(197,068,736)	صافی تکافل کلیمز (رپورٹ شدہ برادہ کردہ اور وقوع پذیر غیر رپورٹ شدہ)
(2,600,000)	(8,000,000)	کنٹریبیوشن میں نقصان کے اخراجات
(7,760,022)	(6,339,445)	دیگر بلا واسطہ اخراجات
(7,680,341)	14,905,474	سرمایہ کاری کی آمدنی سے قبل انڈر رائٹنگ نتائج
5,345,744	7,943,300	سرمایہ کاری کی آمدنی
10,826,489	11,213,965	دیگر آمدنی
(6,468,894)	(7,662,906)	منفی: مضارب کا شیئر
2,022,998	26,399,833	اس سال کا سرپلس
		شیئر ہولڈرز فنڈ (SHF)
274,269,474	240,492,605	وکالہ آمدنی
(62,736,660)	(66,363,886)	کمیشن کے اخراجات
(210,059,059)	(199,020,427)	انتظامی اخراجات
1,473,755	(24,891,708)	
(5,616,385)	(6,609,211)	براہ راست اخراجات
20,323,310	36,469,629	سرمایہ کاری کی آمدنی
6,824,095	4,379,632	دیگر آمدنی
6,468,894	7,662,906	PTF سے مضارب شیئر
29,473,669	17,011,248	منافع قبل از ٹیکس
(5,369,797)	(4,617,366)	ٹیکس کی ادائیگی - موجودہ
(2,357,739)	6,667,856	ٹیکس کی ادائیگی - بعد میں
(7,727,536)	2,050,490	قابل ادائیگی
21,746,133	19,061,738	منافع بعد از ٹیکس
نظر ثانی شدہ 0.43	0.37	فی شیئر آمدنی (روپے میں)



رہسک کے حتمی اور صافی نقصانات نہیں برداشت کرنے پڑے۔ انتظامیہ مؤثر رہسک مینجمنٹ اور مؤثر کلیم کے تصفیہ کی پالیسیز کی تنفیذ کے ذریعہ مضبوط کنٹرول کو قائم کرنے میں مصروف عمل ہے۔

### ج۔ سرمایہ کاری کی آمدنی

سرمایہ کاری کے لئے انتظامیہ محتاط حکمت عملی (اعلی قابل سیال اور کم رہسک) کی پیروی کر رہی ہے۔ اس طرح مستحکم سرمایہ کاری کی آمدنی اگرچہ نسبتاً کم ہے، لیکن نفع کی تکمیل کرتی ہے۔ تاہم اس سال نفع کی نسبت تیزی سے بڑھوتری نے مجموعی انوسٹمنٹ کی آمدنی کے منظر کو تبدیل کرنے میں مدد فراہم کی ہے۔ ذرائع آمدنی میں اسلامی بینک کے سیونگ اکاؤنٹس، ٹرم ڈیپازٹس، صکوک اور میوچل فنڈز / صکوک پر کیپیٹل گین سے حاصل ہونے والی آمدنی شامل ہے۔ مجموعی طور پر مضارب فیس کی کٹوتی سے قبل بینک کے سیونگ پرافٹس اور سرمایہ کاری کی انکم مندرجہ ذیل ہے:

2019
16,172,233
23,765,958
<u>39,938,191</u>

کسی بھی تکافل کنٹریکٹ کے تحت رہسک کے وقوع پذیر ہونے کا ہمیشہ امکان رہتا ہے اور اس حوالے سے کسی حادثے کے نتیجے میں وقوع پذیر ہونے والے کلیم کی مالیت غیر یقینی ہوتی ہے۔ PTF کی ذمہ داریوں میں آنے والے رہسک کو مناسب ری تکافل انتظامات کے ذریعے منظم کیا جاتا ہے۔ زیر نظر سال کے درمیان مجموعی کلیمز میں نمایاں کمی دیکھنے میں آئی۔ لاک ڈاؤن کی وجہ سے کلیمز کی وقوع پذیری / اخراجات میں تیزی سے کمی واقع ہوئی، جس سے انڈر رائٹنگ کے اعتبار سے اچھے نتائج حاصل کرنے میں مدد ملی۔ مزید یہ کہ موجودہ ری تکافل سے ہٹ کر رہسک کے اعتبار سے کمپنی کی رہسک کو برداشت کرنے کی استعداد بھی متاثر نہیں ہوئی ہے، اس کی بنیادی وجہ ری تکافل کی طرف زیادہ سے زیادہ رہسک کو منتقل کرنا ہے جس کے نتیجے میں وہاں سے کلیمز کی وصولی بھی زیادہ ہوئی ہے۔

موزوں ری تکافل نے تکافل کے کنٹریکٹ کے تحت کور کئے جانے والے بڑے اور ناگہانی واقعات سے ہونے والے نقصان کے اثر کو کم کرنے میں مدد کی۔ مناسب ری تکافل انتظامات نے اس حقیقت کو ثابت کیا کہ کمپنی کو کسی بھی سال اس کی گنجائش سے زیادہ

### 2020

19,157,265	شرکاء تکافل فنڈ (PTF)
40,433,901	شیرز ہولڈرز فنڈ (SHF)
<u>59,591,166</u>	ٹوٹل

سال کے اختتام پر، میوچل فنڈز اور صکوک میں سرمایہ کاری کی ویلیو ان کی اپنی قیمت سے کچھ زیادہ تھی، جس کے نتیجے میں غیر حقیقی فائدہ ہوا اور ویلیوز میں صافی تبدیلی آئی، جیسا کہ بیلنس شیٹ میں اسے دیگر جامع آمدنی کے تحت ملاحظہ کیا جاسکتا ہے۔

### د۔ مجموعی جائزہ

میں کچھ پاکستان کے سب سے اعلی اسلامی مالیاتی ادارے بھی شامل ہیں، کے ساتھ کاروباری تعلقات کی بحالی کو فروغ دیا ہے۔ کمپنی نے مرکز کوششوں کے ذریعے کاروبار اور بزنس مکس میں استحکام کو برقرار رکھتے ہوئے کچھ توسیع کے ساتھ بینک کی لمٹس کو بھی بحال رکھا۔ 2021 کے ری تکافل ٹریڈی کے انتظامات کو حتمی شکل دی گئی۔ اس کے علاوہ VIS اور PACRA نے کمپنی کی مالیاتی قوت کو کریڈٹ ریٹنگ A- اے منفی مستحکم آؤٹ لک اور A- اے مستقل مستحکم آؤٹ لک پر برقرار رکھا۔

زرتعاون کے تناسب کے سلسلہ میں مارکیٹ کے دباؤ اور روایتی انشورنس کے تحت وٹڈو تکافل آپریشنز کے بڑھتے ہوئے مقابلے اور کوڈ 19- وبا کے مضمر اثرات کے باوجود ہمارے اعلی معیار اور اعلی سروس کے عزم، انتھک کوششوں، اور مختلف میدانوں میں دور اندیش فیصلوں نے ہمیں اس قابل بنایا کہ ہم اپنی کارکردگی اور بزنس کی سادھ کو برقرار رکھ سکیں۔ پاک قطر جنرل تکافل لمیٹڈ (PQGT) نے موجودہ کسٹمرز اور چینل پارٹنرز جن

سال 2020 میں کرونا وائرس وبائی مرض کے اثرات نے PTF کی کاروباری حیثیت کو خاص طور پر لاک ڈاؤن کے دوران بری طرح متاثر کیا ہے۔ اس کی وجہ بنیادی طور پر بینکوں سے موٹر گاڑیوں کے لیزر اجارہ بزنس میں کمی ہے، جبکہ موٹر گاڑیوں کے کاروباری پورٹ فولیو کا ایک معتد بہ حصہ ہے۔ ان عوامل کی وجہ سے کاروباری پوزیشن میں ترقی پوسٹ کرنے کی بجائے نچٹا سال 2020 مجموعی زرتعاون کے اعتبار سے سال 2019 کے مقابلہ میں کاروباری حجم میں 14 فیصد کمی واقع ہوئی۔ کاروباری سرگرمیوں میں قابل ذکر بحالی کے ساتھ ہمیں یقین ہے کہ کمپنی نہ صرف اپنی انڈسٹری میں مضبوط نقوش برقرار رکھنے کے قابل ہوگی، بلکہ سال 2021 میں ترقی کی رفتار بھی دکھانے میں کامیاب ہوگی۔ پورٹ فولیو بزنس کس کے ساتھ حاصل کردہ کاروباری اعداد و شمار درج ذیل ہیں:

کلاس	2020	2019	پورٹ فولیو کس	پورٹ فولیو کس
	روپے	روپے	%	%
فائر	139,210,382	144,922,302	23	20.7
مرین	44,440,725	50,798,689	7.5	7.3
موٹر	345,600,354	392,972,540	57.5	56
متفرقات	72,682,693	112,352,294	12	16
ٹوٹل	601,934,154	701,045,825	100	100

ہمارے قابل قدر اسٹیک ہولڈرز تسلیم کریں گے کہ تکافل کے لئے وقف انڈسٹری میں نمایاں اسٹیک ہولڈر کی حیثیت سے ہمارا سب سے بڑا چیلنج وبائی امراض کے دوران مناسب آپریشنز کو یقینی بنانا تھا، جس کی مناسب بنائی گئی حکمت عملی کے نتیجے میں پورے سال کے دوران کم سے کم آپریشنل رکاوٹ کا سامنا کرنا پڑا، جبکہ معاشی سرگرمیوں پر اس وبائی امراض کے اثرات سایہ فگن رہے۔

مزید یہ کہ کمپنی دانشمندانہ طور پر ترقی پر غور کر رہی ہے، اور 2021 کے آخر میں مناسب نمو کی توقع کی جاتی ہے، اس کے علاوہ کمپنی آگے بڑھتے ہوئے کلیم کے اعتبار سے نفع بخش بزنس کرنے پر اپنی توجہ مرکوز کرے گی تاکہ مجموعی زرتعاون میں اضافے سے ساتھ ساتھ نان موٹر کلاس پر زیادہ توجہ دیتے ہوئے منافع بخشی کو جاری رکھے اور اس میں بہتری لائے۔

ب۔ کلیمز

کلاس	2020	2019	صافی کلیمز	صافی کلیمز
	مجموعی کلیمز	ری تکافل سے ریکوری	صافی کلیمز	صافی کلیمز
فائر	48,850,526	45,557,327	3,293,199	9,324,116
مرین	15,276,825	7,253,998	8,022,827	9,653,400
موٹر	203,781,307	16,274,427	187,506,80	201,298,106
متفرقات	9,174,570	10,928,740	(1,754,170)	31,361,849
ٹوٹل	277,083,228	80,014,492	197,068,736	251,637,471

## ڈائریکٹرز کی رپورٹ

محترم شیئر ہولڈرز

الحمد للہ ہمیں پاک قطر جنرل ٹیکافل لمیٹڈ (جسے یہاں کمپنی یا PQGTL کہا جائے گا) کی 31 دسمبر 2020 میں ختم ہونے والے سال کی کمپنی کی آڈٹ رپورٹ کے ساتھ پندرہویں سالانہ رپورٹ اور آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے بہت خوشی محسوس ہو رہی ہے۔

کرادھار کی شکل میں تبدیل کر دیا ہے، جسے فنانسئل اسٹیٹمنٹ کے نوٹ 3 اور 7 میں بیان کیا گیا ہے۔

### 1. معیشت کی صورتحال

سال 2020 میں، دنیا کو COVID-19 وبائی بیماری کی وجہ سے بے پناہ بحران کا سامنا کرنا پڑا۔ اس وبائی بیماری کے نتیجے میں عالمی سطح پر غیر معمولی اثرات مرتب ہوئے، بہت سے ممالک نے سرحدیں بند کر دیں، ملک گیر لاک ڈاؤن نافذ کر دیا، معیشت میں نمایاں سست روی کا سامنا کرنا پڑا اور یہاں تک کہ قیمتی انسانی جانوں کے ضیاع کا بھی سامنا کرنا پڑا۔ ہمارے ملک نے مارچ 2020 کے آخری ہفتے سے کچھ ماہ کے لئے لاک ڈاؤن کو بھی موثر دیکھا اور معیشت میں نمایاں سست روی اور IPSX-100 انڈیکس میں کمی کا سامنا کیا۔

تاہم، سال کے دوسرے نصف حصے سے وفاقی اور صوبائی حکومتوں کے ساتھ ساتھ اسٹیٹ بینک آف پاکستان کے کیے گئے مضبوط اقدامات کی وجہ سے معیشت نے بحالی کے آثار ظاہر کرنا شروع کیے۔ اسٹیٹ بینک نے مارچ سے جون 2020 کے دوران قلیل مدت میں پالیسی کی شرح میں 625 بی پی ایس کی کمی کر دی۔ پالیسی کی شرح میں یہ ایک سب سے بڑی کمی ہے۔ استحکام کی پالیسیز نے بیرونی کھاتوں میں عدم توازن، کرنٹ اکاؤنٹ خسارے اور پاکستانی روپے کو مستحکم کی درستی شروع کی۔ بہر حال GDP کی مزید نمو معاشی اقدامات پر منحصر ہوگی۔

لاک ڈاؤن اور کاروبار بند کرنے کے (جس کے نتیجے میں کاروباری ٹاپ لائن میں پچھلے سال کے مقابلہ میں کمی واقع ہوئی) باوجود آپ کی کمپنی نے سمجھدار انتظامیہ کے ذریعہ دونوں فنڈز (PTF اور SHF) کے ٹیکس کے بعد مجموعی منافع میں گزشتہ سال 2019 کے 23.7 ملین کے مقابلہ میں 45.4 ملین روپے پوسٹ کرتے ہوئے 91 فیصد اضافہ حاصل کیا ہے۔ دوسرا سنگ میل PTF سے SHF میں 140 ملین قرض حسنہ کی واپسی کا ہے۔ جنرل ٹیکافل اکائیٹنگ ریگولیشنز 2019 کی تعمیل کرتے ہوئے کمپنی نے ٹیکافل کسٹریکٹ شرائط پر وکالہ فیس اپ فرنٹ تسلیم کرنے کی اکائیٹنگ پالیسی کو بدل

### 2. مستقبل کا منظر نامہ

وبائی مرض کے آہستہ آہستہ ختم ہونے اور ملکی طلب کی بحالی کے زیر اثر 2021 میں پاکستان کی معیشت میں صحت مندر، رجحان کے لوٹنے کے امکان ہیں۔ 2021 میں GDP میں 2.5-1.5 فیصد کے درمیان اضافہ کی توقع ہے۔ 2021 کے دوران سی پیک کے کچھ منصوبوں کی اپنی ٹائم لائنز کے مطابق مکمل ہونے کی توقع ہے۔ نئے آٹو مینوفیکچررز نے پاکستان مارکیٹ میں قدم رکھا ہے، IMF نے بھی GDP میں مثبت نمو کی پیش گوئی کی ہے، جبکہ مالیاتی پالیسی بھی اسی طرح برقرار رہنے کی امید ہے۔ کوویڈ 19 وبا اور اس سے وابستہ اثرات کی وجہ سے انشورنس انڈسٹری کے حالات کو چیلنجز کا سامنا رہے گا۔ تاہم معاشی سرگرمیوں میں قابل ذکر بحالی کے پیش نظر ہمیں اعتماد ہے کہ ہم انشورنس میں مضبوط قدموں کے نشان چھوڑ پائیں گے۔

### 3. کمپنی کی کارکردگی

#### الف: مجموعی تحریر کردہ کنٹری بیوشن

گزشتہ چند سالوں سے PQGTL نے کلیمز کے حوالے سے منافع بخش برنس کی انڈر رائٹنگ کے لئے ٹھوس حکمت عملی اختیار کی ہے۔ ہر شعبے کی کارکردگی کے معیادی جائزہ کی بنا پر کچھ نقصان دہ کلائنٹس کو ہر شعبے سے نکال دیا گیا ہے۔ انشورنس مارکیٹ میں موجود مقابلاتی حالات کی وجہ سے کمپنی کو کنٹری بیوشن ریٹس میں کمی کے ساتھ دباؤ کا سامنا رہا ہے۔

## KEY FINANCIAL DATA

*Rupees in Thousand*

	FY20	FY19	FY18	FY17	FY16	FY15
		<i>as previously reported</i>				
Gross Contribution written	601,934	701,046	677,714	614,990	652,736	701,709
<b>Consolidated Profit &amp; Loss (PTF &amp; SHF)</b>						
Net Contribution Earned	186,039	211,092	192,481	168,463	217,849	373,518
Wakala Income	240,492	266,257	258,267	233,379	256,124	276,834
Net Claims including IBNR	(197,068)	(251,637)	(231,631)	(211,234)	(249,206)	(409,054)
Commission expense net-off Rebate	(26,089)	(11,500)	2,242	9,939	(3,470)	(9,428)
Investment Income including bank profits	59,590	39,938	22,499	22,512	23,983	35,174
Management, admin. & other expense	(211,968)	(223,435)	(214,257)	(210,634)	(238,458)	(257,026)
Other Income/(loss)	415	3,381	1,054	1,530	2,199	3,198
Other provisions including CDR	(8,000)	(2,600)	-	-	(435)	9,666
Consolidate Result before Tax - PTF & SHF	43,411	31,496	30,655	13,955	8,587	22,883
Taxation - Net	2,050	(7,671)	(6,323)	(3,200)	(1,785)	(4,945)
Consolidate Result after Tax - PTF & SHF	45,461	23,825	24,332	10,754	6,802	17,938
<b>Consolidated Balance Sheet (PTF &amp; SHF)</b>						
Investments excluding TDRs	531,147	350,277	235,232	297,681	220,083	224,555
Cash & Bank Deposits including TDRs	173,664	247,233	278,266	159,522	168,952	259,723
Deferred Tax Asset	579	-	-	-	-	-
Other Assets	591,330	516,318	554,421	744,940	564,714	378,176
Fixed Assets - including RoU	82,680	98,806	69,043	71,212	80,654	42,675
Paid-up Capital	509,226	509,226	509,226	509,226	471,343	471,343
Advance against future issue of share capital	-	-	-	-	25,106	25,106
Accumulated surplus/(loss)	(4,845)	(51,107)	(49,471)	(74,303)	(85,057)	(91,859)
Revaluation reserve on AFS investments	848	603	(18,224)	-	-	-
Underwriting reserves/liabilities	482,856	495,203	449,319	698,260	443,025	333,854
Other Liabilities	391,315	258,708	246,114	140,170	179,986	166,685
<b>Qard-e-hasna receivable from PTF</b>	50,000	190,000	200,000	240,000	127,976	-
<b>Dividend distributed</b>	-	25,461				

## KEY FINANCIAL RATIOS

	FY20	FY19	FY18	FY17	FY16	FY15
		<i>as previously reported</i>				
<b>Variance from prior year:</b>						
Gross Contribution written	-14%	3%	10%	-6%	-7%	-30%
Net Contribution Earned	-12%	10%	14%	-23%	-42%	-26%
Wakala Income	-10%	3%	11%	-9%	-7%	-20%
Net Claims	-22%	9%	10%	-15%	-39%	-25%
Commission, Management & other Expenses	1%	11%	6%	-17%	-9%	-21%
Investment Income	49%	78%	0%	-6%	-32%	-21%
<b>Other ratios:</b>						
Current Ratio (times)	1.51	1.51	1.56	1.45	1.56	1.80
Fixed assets turnover (times)	6.63	8.35	9.66	8.10	10.59	16.52
Gross Contribution per share (Rs.)	11.82	13.77	13.31	12.08	13.85	14.89
Earning per shares (Rs.) - SHF	0.37	0.27	0.24	0.06	0.04	0.06
Net Claim to Gross Contribution less Retakaful	49%	54%	51%	52%	58%	74%
Net Claim to Net Contribution Earned including Wakala	46%	53%	51%	53%	53%	63%
Management, other Expenses to Gross Contribution	35%	32%	32%	34%	37%	37%
Management, other Expenses to Wakala income	88%	84%	83%	90%	93%	93%
Commission Expense net-off Rebate to Gross Contribution	4.3%	1.6%	-0.3%	-2%	1%	1%
Wakala income to Gross Contribution	40%	38%	38%	38%	39%	39%
Gross Retakaful Ceded to Gross Contribution	34%	33%	33%	34%	34%	21%
<b>REVENUE DISTRIBUTION (PTF)</b>						
Claims	106%	119%	120%	125%	114%	110%
Other Reserve	4%	1%	0%	0%	0%	-3%
Direct expenses	3%	4%	8%	6%	3%	1%
Rebate commission	-22%	-24%	-31%	-35%	-19%	-9%
Net Investment income	-6%	-5%	-3%	-1%	-1%	-2%
Surplus / (Deficit)	14%	5%	6%	5%	2%	4%
	100%	100%	100%	100%	100%	100%
<b>REVENUE DISTRIBUTION (SHF)</b>						
Commission expense	28%	24%	22%	21%	17%	16%
Management, General Admin expenses	86%	81%	77%	86%	91%	92%
Modarib fee	-3.2%	-2.4%	-1.7%	-0.4%	-0.3%	-2%
Net investment income	-17%	-9%	-4%	-9%	-9%	-8%
Other (Loss) / Gain	-0.2%	-1.3%	-0.4%	-1%	-1%	-1%
Taxation	-1%	3%	2%	1%	1%	2%
Profit / (Loss) after Taxation	8%	5%	5%	1%	1%	1%
	100%	100%	100%	100%	100%	100%



## STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

For the year ended December 31, 2020

This statement is being presented in compliance with the Code of Corporate Governance for Insurers, 2016 for the purpose of establishing a framework of good governance, whereby an insurer is managed in compliance with the best practices of corporate governance.

Pak-Qatar General Takaful Limited (PQGTL or the Company) being an insurer has applied the principles contained in the Code in the following manner:

1. PQGTL encourages representation of independent non-executive directors and directors representing minority interests on its Board of directors. At present, the Board includes:

Category	Names
Independent Directors	Mr. Farrukh Viqaruddin Junaidy Mr. Owais Ahmed Yusuf
Non-Executive Directors	H.E. Sheikh Ali Bin Abdullah Al Thani Mr. Said Gul Mr. Abdul Basit Ahmad Al-Shaibei Mr. Ali Ibrahim Al Abdul Ghani Ms. Sameera Usman
Executive Directors	Mr. Zahid Hussain Awan
Executive Directors (Chief Executive Officer)*	Mr. Muhammad Nasir Ali Syed

\*The chief executive is a 'deemed director' under section 188(3) of the Companies Act, 2017 whereas the number of elected/nominated directors on the Board are eight (8).

The independent director meets the criteria of independence as laid down under the Code of Corporate Governance for Insurers, 2016.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including PQGTL.
3. All the resident directors of PQGTL are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy arose on the Board of Directors during the year.
5. PQGTL has prepared a Code of Conduct, which has been disseminated among all the directors and employees of the Company.

## Pak-Qatar General Takaful

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer, other executive directors and key officers, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meeting, along with agenda and working papers, were circulated at least seven (7) days before the meeting. The minutes of the meeting were appropriately recorded and circulated.
9. The Board has established a system of sound internal control, which is effectively implemented at all levels within the Company. PQGTL has adopted and complied with all the necessary aspects of internal controls given in the code.
10. The orientation course was arranged for the directors in the form of booklet to apprise them of their duties and responsibilities and also about changes in Laws and Regulations.
11. There was no change of Company Secretary and Head of Internal Audit during the year. Mr. Muhammad Saleem has been appointed as Chief Financial Officer during the year 2020 and the Board has approved his remuneration and terms and conditions of employment.
12. The directors' report for this year has been prepared in compliance with the requirements of the Code of Corporate Governance for Insurers, 2016 and fully describes the salient matters required to be disclosed.
13. The financial statements of PQGTL were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.
14. The directors, Chief Executive Officer and other executives do not hold any interest in the shares of PQGTL other than disclosed in the pattern of shareholding.
15. PQGTL has complied with all the corporate and financial reporting requirements of the Code of Corporate Governance for Insurers, 2016.
16. The Board has formed the following Management Committees:

### *Underwriting and Re-Takaful & Co-Takaful Committee:*

<b>Name of the Member</b>	<b>Category</b>
Mr. Zahid Hussain Awan	Chairman
Mr. Nasir Ali Syed	Member
Mr. Muhammad Raza	Member & Secretary
Mr. Mahmood Arshad	Member
Mr. Farrukh Adnan	Member
Mr. Muhammad Rizwan	Member

## Claims Settlement Committee:

Name of the Member	Category
Mr. Said Gul	Chairman
Mr. Nasir Ali Syed	Member
Mr. Muhammad Saleem	Member
Mr. Shahzad M Khan Ghilzai	Member & Secretary
Mr. Imran Ahmed Nafees	Member
Mr. Jehanzaib Ahmad	Member

## Risk Management & Compliance Committee

Name of the Member	Category
Mr. Zahid Hussain Awan	Chairman
Mr. Nasir Ali Syed	Member
Mr. Muhammad Raza	Member
Mr. Shahzad M Khan Ghilzai	Member
Mr. Farrukh Adnan	Member
Mr. Muhammad Shoaib Akhter	Member
Mr. Saifuddin Shaikh	Member
Mufti Shakir Siddiqui	Member
Mr. Danish Wasim	Member
Mr. Jehanzaib Ahmad	Member & Secretary

## 17. The Board has formed the following Board Committee

### Ethics, Human Resource & Remuneration Committee:

Name of the Member	Category
Mr. Ali Ibrahim Al Abdul Ghani	Chairman
Mr. Said Gul	Member
Mr. Zahid Hussain Awan	Member
Mr. Muhammad Kamran Saleem	Secretary

### Nominations Committee:

Name of the Member	Category
Mr. Abdul Basit Ahmad Al-Shaibei	Chairman
Mr. Said Gul	Member
Mr. Ali Ibrahim Al Abdul Ghani	Member
Mr. Muhammad Kamran Saleem	Secretary

## Pak-Qatar General Takaful

### Investment Committee:

#### Name of the Member

Mr. Zahid Hussain Awan  
Mr. Owais Ahmed Yusuf  
Mr. Nasir Ali Syed  
Mr. Muhammad Kamran Saleem  
Mr. Muhammad Saleem

#### Category

Chairman  
Member  
Member  
Member  
Member & Secretary

18. The Board has formed an audit committee. It comprises of three members, whom are non-executive directors including the chairman of the committee. The composition of the audit committee is as follows:

### Audit Committee:

#### Name of the Member

Mr. Farrukh Viqaruddin Junaidy  
Mr. Said Gul  
Mr. Zahid Hussain Awan  
Mr. Muhammad Shoaib Akhter

#### Category

Chairman  
Member  
Member  
Secretary

19. The meeting of the committees, except Ethics, Human Resource & Remuneration Committee and Nominations Committee, were held at least once every quarter prior to approval of interim and final results of PQGTL and as required by the Code of Corporate Governance for Insurers, 2016. The term of reference of the committees have been formed and advised to the committees for compliance.
20. The Board has set up an effective internal audit function.
21. The Chief Executive Officer, Compliance Officer and the Head of Internal Audit possess such qualification and experience as required under the Code of Corporate Governance for Insurers, 2016. Newly promoted Chief Financial Officer is a commerce graduate with three decades of experience in insurance industry including over 13 years with PQGTL and is non-compliant with regards to the qualification requirement. He is in process of pursuing PIPFA qualification. Moreover, the persons heading the underwriting, claim, reinsurance, risk management and grievance functions/ departments possess qualification and experience of direct relevance to their respective functions, as required under section 12 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000);

#### Name of the Person

Mr. Muhammad Nasir Ali Syed\*  
Mr. Muhammad Kamran Saleem\*\*  
Mr. Muhammad Saleem\*\*  
Mr. Muhammad Raza  
Mr. Shahzad M Khan Ghilzai  
Mr. Muhammad Raza  
Mr. Danish Wasim\*\*  
Mr. Jehanzaib Ahmad\*\*  
Mr. Muhammad Shoaib Akhter

#### Designation

Chief Executive Officer  
Company Secretary  
Chief Financial Officer  
Head of Underwriting  
Head of Claims  
Head of Re-Takaful  
Head of Risk Management  
Compliance Officer & Head of Grievance department  
Head of Internal Audit

\*The Board of directors upon resignation of Mr. Zahid Hussain Awan approved the appointment of Mr. Nair Ali Syed as Chief Executive Officer of the Company.

\*\*Consequent upon the elevation of Mr. Kamran Saleem to the position of Director Finance, Mr. Muhammad Saleem was promoted as Chief Financial Officer of the Company, Mr. Danish Wasim was elevated to the position of Head of Risk Management Department and Mr. Jehanzaib Ahmad allotted additional responsibilities of Grievance Department.

22. The statutory auditors of the Company have been appointed from the panel of auditors approved by the Commission in terms of section 48 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000). The statutory auditors have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
23. The statutory auditors or the persons associated with them have not been appointed to provide other services and the auditors have confirmed that they have observed IFAC guidelines in this regard.
24. The Board ensures that the investment policy of the Company has been drawn up in accordance with the provisions of the Code of Corporate Governance for Insurers, 2016.
25. The Board ensures that the risk management system of the Company is in place as per the requirements of the Code of Corporate Governance for Insurers, 2016.
26. The Company has set up a risk management function / department, which carries out its tasks as covered under the Code of Corporate Governance for Insurers, 2016.
27. The Board ensures that as part of the risk management system, the PQGTL gets itself rated from The Pakistan Credit Rating Agency Limited (PACRA) and VIS Credit Rating Company Limited (VIS) which are being used by its risk management function/ department and the respective Committee as a risk monitoring tool. The latest rating assigned by the said rating agency on 24th February 2021 and 22 January 2021 are A (maintain) and A- (reaffirmed) with 'Stable' outlook respectively.
28. The Board has set up a grievance department, which fully complies with the requirements of the Code of Corporate Governance for Insurers, 2016.

We confirm that all other material principles contained in the Code of Corporate Governance for Insurers, 2016 have been complied with. The insurer has not obtained exemption from the Securities & Exchange Commission of Pakistan in respect of the requirements Code of Corporate Governance for Insurers, 2016.

*By Order of the Board*



Chief Executive Officer



Director

Date: 08 April 2021



## SHARIAH REVIEW REPORT TO THE BOARD OF DIRECTORS

for the year ended 31 December 2020

الحمد لله رب العالمين والصلاة والسلام على سيد الأنبياء والمرسلين  
محمد النبي الأمي وعلى آله وصحبه أجمعين ، وبعد؛

We have reviewed the accompanying financial statements of Pak-Qatar General Takaful Limited (hereafter referred to as "the Company") for the year ended 31 December 2020.

During this year Shariah Advisory Board held meetings on various matters which was referred to them by the management. Also, we have reviewed all types of products, documents, MOUs and business concerns of the Company and in our opinion, and to the best of our understanding based on the provided information and explanations, below are our findings:

- (i) Financial transactions and relevant documentations & procedures, undertaken by the Company for the year ended 31 December 2020 were in accordance with guidelines issued by Shariah Advisory Board as well as the requirements of Takaful Rules 2012.
- (ii) The given Shariah Screening Criteria has been fulfilled properly in all kind of investment & financial transactions.
- (iii) We have realized the amount 00.00 as non Shariah Compliant income which has been credited to the relevant charity account.
- (iv) The year 2020 was very challenging year due to spread of COVID-19, this not only affected the business of the companies but also affected the training and awareness sessions due to lockdown nationwide. However, we managed to conduct nearly 70 sessions across Pakistan on awareness of Takaful.
- (v) The company performed its duties to its level best by following Shariah guidelines. Few cases which were required to be consulted in accordance with the Shariah rules and market practices have been discussed and duly resolved.
- (vi) During the year SAB was approached by the management for enhancement of Wakalah and Mudarib Share. After detailed discussion, SAB approved the enhancement only in Wakalah for the year 2020 and has directed the management to seek approval for the next year again.
- (vii) Consequently, we have found that the Company is in accordance with the Shariah principles with respect to all transactions.

**"And Allah knows best "**



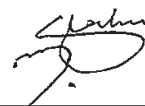
**Mufti Muhammad Hassaan Kaleem**

Chairman Shariah Advisory Board



**Dr. Mufti Ismatullah**

Member Shariah Advisory Board



**Mufti Muhammad Shakir Siddiqui**

Shariah Advisor & Shariah Advisory Board Member



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## **INDEPENDENT REASONABLE ASSURANCE REPORT TO THE BOARD OF DIRECTORS ON THE STATEMENT OF MANAGEMENT'S ASSESSMENT OF COMPLIANCE WITH THE TAKAFUL RULES, 2012**

### **1. Introduction**

We were engaged by the Board of Directors of Pak Qatar General Takaful Limited (the Company) to report on the management's assessment of compliance, as set out in the annexed Statement of Compliance (the Statement) prepared by the management for the year ended 31 December 2020, with the Takaful Rules, 2012, in the form of an independent reasonable assurance conclusion about whether the annexed statement presents fairly the status of compliance with the Takaful Rules, 2012, in all material respects.

### **2. Applicable Criteria**

The criteria against which the subject matter information (the Statement) is assessed is the Takaful Rules, 2012.

### **3. Responsibilities of Management**

The management of the Company is responsible for preparation of the annexed Statement that is free from material misstatement. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of the annexed Statement that is free from material misstatement, whether due to fraud or error. It also includes ensuring the overall compliance with the Takaful Rules, 2012.

### **4. Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1 "Quality Control for firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

This engagement was conducted by a multidisciplinary team including assurance practitioners and Shari'ah expert.

### 5. Our Responsibility and Summary of Work Performed

Our responsibility is to carry out an independent reasonable assurance engagement to express a conclusion as to whether the Statement is prepared in accordance with the applicable criteria, based on our work performed and the evidences obtained.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements other than audits or reviews of historical financial statements' (ISAE 3000) (Revised) issued by the International Auditing and Assurance Standards Board. ISAE 3000 (Revised) requires that we plan and perform this engagement to obtain reasonable level of assurance about whether the Statement presents fairly the status of compliance with the Takaful Rules 2012, in all material respects.

The procedures selected by us for the engagement depended on our judgment, including the assessment of the, risks of the Company's material non-compliance with the Takaful Rules 2012, whether due to fraud or error. In making those risk assessments, we considered internal control relevant to the Company's compliance with the Takaful Rules, 2012, in order to design assurance procedures that are appropriate in the circumstances but not for the purpose of expressing a conclusion as to the effectiveness of the Company's internal control over the compliance with the Takaful Rules, 2012. A system of internal control, because of its nature, may not prevent or detect all instances of non-compliance with the Takaful Rules, 2012, and consequently cannot provide absolute assurance that the objective of compliance with the Takaful Rules, 2012 will be met. Further, projection of any evaluation of effectiveness to future periods is subject to the risk that the controls may become inadequate or fail.

We have designed and performed necessary verification procedures on various financial arrangements, contracts, classes of transactions and related policies and procedures based on judgmental and systematic samples with regard to the compliance with Takaful Rules, 2012.

In performing our audit procedures necessary guidance on Shari'ah matters was provided by the Shari'ah expert referred above.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 6. Conclusion

In our opinion, the Statement for the year ended 31 December 2020 present fairly the status of compliance of the Company with the Takaful Rules, 2012, in all material respects.

Date: 27 April 2021  
Karachi

Chartered Accountants



**Shaikh Ahmed Salman**  
Assurance Engagement Partner



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## INDEPENDENT AUDITOR'S REVIEW REPORT

### TO THE MEMBERS OF PAK-QATAR GENERAL TAKAFUL LIMITED (THE COMPANY)

### REVIEW REPORT ON THE STATEMENT OF COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the Code of Corporate Governance prepared by the Board of Directors of **Pak-Qatar General Takaful Limited** for the year ended **31 December 2020** in accordance with the requirements of the Code of Corporate Governance for Insurers, 2016 (the Code).

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Code as applicable to the Company for the year ended 31 December 2020.

**Chartered Accountants**

Place: Karachi

Date: 28 April 2021



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## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF PAK-QATAR GENERAL TAKAFUL LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the annexed financial statements of **Pak-Qatar General Takaful Limited** (the Company), which comprise the statement of financial position as at 31 December 2020, and the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof, conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of Company's affairs as at 31 December 2020 and of the profit, total comprehensive income, the changes in equity and its cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.





Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan and the requirements of Insurance Ordinance, 2000 and, Companies Act, 2017 (XIX of 2017), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, the Companies Act, 2017 (XXI of 2017), and are in agreement with the books of account;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Omer Chughtai.

**Chartered Accountants**

Karachi

Date: 28 April 2021

# STATEMENT OF FINANCIAL POSITION

As at December 31, 2020

	Notes	2020			2019	2018
		Shareholders' Fund	Participants' Takaful Fund	Aggregate	Aggregate Restated	Aggregate Restated
		(Rupees)				
<b>ASSETS</b>						
Property and equipment	8	49,002,227	-	<b>49,002,227</b>	61,203,469	25,348,755
Intangible assets	9	33,678,096	-	<b>33,678,096</b>	37,602,801	43,694,920
		82,680,323	-	<b>82,680,323</b>	98,806,270	69,043,675
Investments	11					
Equity securities - mutual funds		197,451,431	51,128,557	<b>248,579,988</b>	154,485,409	104,698,963
Debt securities - sukuks		232,567,055	50,000,000	<b>282,567,055</b>	195,791,276	130,533,900
Term deposits		-	-	-	-	75,000,000
		430,018,486	101,128,557	<b>531,147,043</b>	350,276,685	310,232,863
Qard-e-Hasna receivable from PTF	10	50,000,000	-	<b>50,000,000</b>	190,000,000	200,000,000
Deferred tax asset	18	579,941	579,941	-	-	-
Loans and other receivables	12	14,444,589	2,813,561	<b>17,258,150</b>	20,161,140	12,670,434
Takaful / retakaful receivables	13	-	163,980,814	<b>163,980,814</b>	211,538,878	277,780,953
Retakaful recoveries against outstanding claims	23	-	165,825,173	<b>165,825,173</b>	161,910,528	131,238,805
Deferred commission expense	25	27,780,324	-	<b>27,780,324</b>	27,910,886	23,728,501
Taxation - payment less provisions		6,217,415	4,239,797	<b>10,457,212</b>	8,726,898	8,670,351
Prepayments	14	4,076,405	74,159,174	<b>78,235,579</b>	78,440,474	76,347,783
Wakala & modarib receivable	15	6,451,738	-	<b>6,451,738</b>	7,629,040	23,984,412
Deferred wakala fee		-	121,340,511	<b>121,340,511</b>	114,195,020	122,207,029
Cash and Bank	16	76,874,756	96,789,174	<b>173,663,930</b>	247,232,635	203,266,777
<b>Total Assets</b>		<b>699,123,977</b>	<b>730,276,761</b>	<b>1,429,400,738</b>	1,516,828,454	1,459,171,583

..... Continued .....

# STATEMENT OF FINANCIAL POSITION

As at December 31, 2020

		2020		2019	2018
Notes	Shareholders' Fund	Participants' Takaful Fund	Aggregate	Aggregate Restated	Aggregate Restated
			(Rupees)		
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Fund (SHF) EQUITY</b>					
<b>Capital and Reserves</b>	17				
Ordinary share capital		509,226,010	-	509,226,010	509,226,010
Accumulated deficit		(47,697,835)	-	(66,759,573)	(63,044,405)
Revaluation reserve		832,894	-	220,535	(7,589,953)
Total Equity		<b>462,361,069</b>	-	442,686,972	438,591,652
<b>Waqf/Participants' Takaful Fund (PTF)</b>					
<b>Participants' Equity</b>					
Cede money		-	500,000	500,000	500,000
Accumulated surplus		-	42,351,432	15,951,599	13,928,601
Revaluation reserve		-	16,877	383,043	(10,635,816)
		-	42,868,309	16,834,642	3,792,785
Qard-e-Hasna payable to SHF	10	-	50,000,000	190,000,000	200,000,000
<b>Liabilities</b>					
<b>Underwriting Provisions - PTF</b>					
Outstanding claims including IBNR	23	-	295,548,668	287,141,721	231,746,780
Unearned contribution reserve	22	-	156,769,666	184,703,719	192,508,493
Contribution deficiency reserve		-	13,000,000	5,000,000	2,400,000
Unearned retakaful rebate reserve	24	-	17,538,064	18,357,180	22,664,030
		-	482,856,398	495,202,620	449,319,303
Takaful / retakaful payables	19	-	120,787,154	112,375,325	125,540,757
Deferred tax liability	18	-	-	5,837,796	289,858
Other creditors & accruals	20	115,422,397	27,313,160	132,067,039	95,445,787
Wakala & modarib payable	15	-	6,451,740	7,629,040	23,984,412
Unearned wakala income		121,340,511	-	114,195,020	122,207,029
<b>Total Liabilities</b>		236,762,908	687,408,452	1,057,306,840	1,016,787,146
<b>Total Equity and Liabilities</b>		<b>699,123,977</b>	<b>730,276,761</b>	<b>1,516,828,454</b>	<b>1,459,171,583</b>
<b>Contingencies and Commitments</b>					
	21				

The annexed notes from 1 to 46 form an integral part of these financial statements.

  
Chief Executive Officer

  
Director

  
Director

  
Chairman

# PROFIT AND LOSS ACCOUNT

For the year ended December 31, 2020

	Note	2020	2019 Restated
		----- (Rupees) -----	
<b>PARTICIPANTS' TAKAFUL FUND (PTF)</b>			
Contribution earned	22	<b>389,375,602</b>	434,581,125
Contribution ceded to retakaful	22	<b>(203,336,518)</b>	(231,501,296)
Net contribution revenue		<b>186,039,084</b>	203,079,829
Retakaful rebate earned	24	<b>40,274,571</b>	51,237,323
Net underwriting income		<b>226,313,655</b>	254,317,152
Net takaful claims - reported/settled & IBNR	23	<b>(197,068,736)</b>	(251,637,471)
Contribution deficiency expense		<b>(8,000,000)</b>	(2,600,000)
Other direct expenses	26	<b>(6,339,445)</b>	(7,760,022)
Underwriting result before investment income		<b>14,905,474</b>	(7,680,341)
Investment income	27	<b>7,943,300</b>	5,345,744
Other income	28	<b>11,213,965</b>	10,826,489
Less: Modarib's share	29	<b>(7,662,906)</b>	(6,468,894)
<b>Surplus for the year</b>		<b>26,399,833</b>	2,022,998
<b>SHAREHOLDERS' FUND (SHF)</b>			
Wakala income earned	30	<b>240,492,605</b>	274,269,474
Commission expense	25	<b>(66,363,886)</b>	(62,736,660)
Management expenses	31	<b>(199,020,427)</b>	(210,059,059)
		<b>(24,891,708)</b>	1,473,755
Direct expenses	32	<b>(6,609,211)</b>	(5,616,385)
Investment income	27	<b>36,469,629</b>	20,323,310
Other income	28	<b>4,379,632</b>	6,824,095
Modarib share from PTF	29	<b>7,662,906</b>	6,468,894
<b>Profit before tax</b>		<b>17,011,248</b>	29,473,669
Provision for taxation - current		<b>(4,617,366)</b>	(5,369,797)
Provision for taxation - deferred		<b>6,667,856</b>	(2,357,739)
Provision for taxation	33	<b>2,050,490</b>	(7,727,536)
<b>Profit after tax</b>		<b>19,061,738</b>	21,746,133
			<b>Restated</b>
Earnings per share - Rupees	34	<b>0.37</b>	0.43

The annexed notes from 1 to 46 form an integral part of these financial statements.

  
Chief Executive Officer

  
Director

  
Director

  
Chairman



# STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2020

	2020	2019 Restated
	----- (Rupees) -----	
<b>PARTICIPANTS' TAKAFUL FUND (PTF)</b>		
<b>Surplus for the year</b>	<b>26,399,833</b>	2,022,998
<b>Other comprehensive income</b>		
- Change in unrealized gain/(loss) on available for sale investments	<b>(366,166)</b>	11,018,859
<b>Total comprehensive income for the year</b>	<b>26,033,667</b>	13,041,857
<b>SHAREHOLDERS' FUND (SHF)</b>		
<b>Profit after taxation</b>	<b>19,061,738</b>	21,746,133
<b>Other comprehensive income</b>		
- Change in unrealized gain/(loss) on available for sale investments	<b>862,478</b>	11,000,687
- Related tax effect	<b>(250,119)</b>	(3,190,199)
	<b>612,359</b>	7,810,488
<b>Total comprehensive income for the year</b>	<b>19,674,097</b>	29,556,621

The annexed notes from 1 to 46 form an integral part of these financial statements.

  
Chief Executive Officer

  
Director

  
Director

  
Chairman

# STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2020

	Shareholders Fund (SHF)			
	Issued, subscribed and paid-up capital	Revenue Reserve		Total
		Unappropriated profit	Revaluation reserve	
	----- (Rupees) -----			
Balance as at December 31, 2018 as previously reported	509,226,010	58,307,915	(7,589,953)	559,943,972
Effect of change in accounting policy - net of tax (refer note 7)	-	(121,352,320)	-	(121,352,320)
Balance as at December 31, 2018 - (restated)	509,226,010	(63,044,405)	(7,589,953)	438,591,652
Total comprehensive income for the year ended December 31, 2019				
Profit for the year	-	21,746,133	-	21,746,133
Other comprehensive income for the year	-	-	7,810,488	7,810,488
Total comprehensive income for the year	-	21,746,133	7,810,488	29,556,621
Transactions with the owners recorded in equity				
Dividend for the year	-	(25,461,301)	-	(25,461,301)
Balance as at December 31, 2019 - (restated)	509,226,010	(66,759,573)	220,535	442,686,972
Total comprehensive income for the year ended December 31, 2020				
Profit for the year	-	19,061,738	-	19,061,738
Other comprehensive income for the year	-	-	612,359	612,359
Total comprehensive income for the year	-	19,061,738	612,359	19,674,097
Balance as at December 31, 2020	509,226,010	(47,697,835)	832,894	462,361,069

	Participants Takaful Fund (PTF)			
	Cede money	Revenue Reserve		Total
		Accumulated deficit	Revaluation reserve	
	----- (Rupees) -----			
Balance as at December 31, 2018 as previously reported	500,000	(108,278,428)	(10,635,816)	(118,414,244)
Effect of change in accounting policy - net of tax (refer note 7)	-	122,207,029	-	122,207,029
Balance as at December 31, 2018 - (restated)	500,000	13,928,601	(10,635,816)	3,792,785
Total comprehensive income for the year ended December 31, 2019				
Surplus for the year	-	2,022,998	-	2,022,998
Other comprehensive income for the year	-	-	11,018,859	11,018,859
Total comprehensive income for the year	-	2,022,998	11,018,859	13,041,857
Balance as at December 31, 2019 - (restated)	500,000	15,951,599	383,043	16,834,642
Total comprehensive income for the year ended December 31, 2020				
Surplus for the year	-	26,399,833	-	26,399,833
Other comprehensive loss for the year	-	-	(366,166)	(366,166)
Total comprehensive income for the year	-	26,399,833	(366,166)	26,033,667
Balance as at December 31, 2020	500,000	42,351,432	16,877	42,868,309

The annexed notes from 1 to 46 form an integral part of these financial statements.

  
Chief Executive Officer

  
Director

  
Director

  
Chairman

# STATEMENT OF CASH FLOWS

For the year ended December 31, 2020

Notes	PTF	2020	2020	2019
		SHF	Aggregate	Aggregate
		----- (Rupees) -----		
<b>Operating cash flows</b>				
<b>(a) Takaful activities</b>				
Contributions received	623,901,409	-	<b>623,901,409</b>	688,814,702
Claims paid	(268,676,281)	-	<b>(268,676,281)</b>	(305,473,490)
Proceed from/(payment to) takaful/retakaful operator	(96,835,810)	-	<b>(96,835,810)</b>	(93,649,410)
Commission net-off retakaful rebate received/(paid)	39,455,455	(52,641,354)	<b>(13,185,899)</b>	(13,321,006)
Other takaful payments	923,385	-	<b>923,385</b>	(5,238,901)
Wakala & modarib fee (paid)/ received	(255,098,165)	255,098,165	-	-
Net cash flow from takaful activities	43,669,993	202,456,811	<b>246,126,804</b>	271,131,895
<b>(b) Other Operating activities</b>				
Income tax paid	-	(6,347,679)	<b>(6,347,679)</b>	(5,426,344)
Management and other expenses paid	-	(190,851,226)	<b>(190,851,226)</b>	(212,087,766)
Advances and deposits	-	(187,972)	<b>(187,972)</b>	(4,175,067)
Net cash flow in other operating activities	-	(197,386,877)	<b>(197,386,877)</b>	(221,689,177)
<b>Total cash flow from all operating activities</b>	43,669,993	5,069,934	<b>48,739,927</b>	49,442,718
<b>Investment activities</b>				
Profit / return received	20,800,299	41,881,829	<b>62,682,128</b>	36,622,552
Payment for investments	(271,359,830)	(1,015,021,263)	<b>(1,286,381,093)</b>	(1,131,035,039)
Proceeds from investments	289,006,878	817,000,169	<b>1,106,007,047</b>	1,113,010,763
Receipt on disposal of fixed assets	-	435,400	<b>435,400</b>	4,327,110
Fixed capital expenditure	-	(4,635,114)	<b>(4,635,114)</b>	(8,082,147)
Qard-hasna (paid)/ received	(140,000,000)	140,000,000	-	-
<b>Total cash flow from all investing activities</b>	(101,552,653)	(20,338,979)	<b>(121,891,632)</b>	14,843,239
<b>Financing activities</b>				
Dividend paid	-	(417,000)	<b>(417,000)</b>	(20,320,099)
<b>Total cash outflow from financing activities</b>	-	(417,000)	<b>(417,000)</b>	(20,320,099)
<b>Net cash flows from all activities</b>	(57,882,660)	(15,686,045)	<b>(73,568,705)</b>	43,965,858
<b>Cash at beginning of the year</b>	154,671,834	92,560,801	<b>247,232,635</b>	203,266,777
<b>Cash at end of the year</b>	16.2 96,789,174	76,874,756	<b>173,663,930</b>	247,232,635

..... Continued .....

# STATEMENT OF CASH FLOWS

For the year ended December 31, 2020

## Reconciliation to profit and loss account

Operating cash flows
Depreciation and amortisation expenses
Exchange gain/(loss)
Gain on disposal of fixed assets
Provision for doubtful contribution
Investment income including bank profits
Increase in liabilities
Decrease in assets
Income tax paid
Profit before taxation
Surplus in PTF
Profit before tax in SHF

2020	2019
Aggregate	Aggregate
----- (Rupees) -----	
48,739,927	49,442,718
(11,875,468)	(12,121,213)
40,100	105,062
375,260	3,276,385
(4,992,834)	(3,602,851)
59,591,166	39,938,191
(12,787,087)	(9,459,837)
(42,027,662)	(41,508,132)
6,347,679	5,426,344
43,411,081	31,496,667
26,399,833	10,035,007
17,011,248	21,461,660
43,411,081	31,496,667

The annexed notes from 1 to 46 form an integral part of these financial statements.

  
Chief Executive Officer

  
Director

  
Director

  
Chairman

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

## 1. STATUS AND NATURE OF BUSINESS

Pak-Qatar General Takaful Limited (the Company) was incorporated in Pakistan as an unquoted public company limited by shares on March 15, 2006 under the Companies Ordinance, 1984. The Company received Certificate of Registration on August 16, 2007 under Section 6 of the Insurance Ordinance, 2000. The registered office of the Company is situated at Suite # 402-403, Business Arcade, Block 6, P.E.C.H.S., Sharae Faisal, Karachi. The main activity of the Company is to undertake general takaful business. The Company operates with 08 (2019: 08) branches in Pakistan.

For the purpose of carrying on the takaful business, the Company has formed a Waqf for Participants' Equity. The Waqf namely Pak-Qatar General Takaful Limited Waqf [hereafter referred to as the Participant Takaful Fund (PTF)] was formed on August 17, 2007 under a trust deed executed by the Company with a cede money of Rs. 500,000. Waqf deed also governs the relationship of Shareholders Fund (SHF) and participants of PTF for management of takaful operations & investment of funds Approved by Sharia Advisor.

## 2. BASIS OF PREPARATION

These financial statements have been prepared in line with the requirement and format issued by the Securities and Exchange Commission of Pakistan (SECP) through Insurance Rules, 2017 (the Rules) vide SRO 89(I)/2017 dated 09 February 2017, and the General Takaful Accounting Regulations, 2019 (the Regulations) vide SRO 1416(I)/2019 dated 20 November 2019. As required by the Takaful Rules, 2012 these financial statements reflect the financial position and results of operations of both SHF and PTF in a manner that the assets, liabilities, income and expenses of the SHF and the PTF remains separately identifiable.

## 3. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB), as are notified under the Companies Act, 2017, and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP), the requirements of Companies Act, 2017, the Insurance Ordinance 2000, the Insurance Rules, 2017, the General Takaful Accounting Regulations, 2019, Takaful Rules, 2012 and directives issued by the SECP. Wherever the requirements of Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the General Takaful Accounting Regulations, 2019, Takaful Rules, 2012 and directives issued by the SECP differ with the requirement of IFRS/IFAS, the requirements of Companies Act, 2017, the Insurance Ordinance 2000, the Insurance Rules, 2017, the General Takaful Accounting Regulations, 2019, Takaful Rules, 2012 or said directives shall prevail.

The SECP has issued the General Takaful Accounting Regulations, 2019 (the Regulations) vide SRO 1416(I)/2019 dated 20 November 2019 which were applicable with effect from 01 January 2020. The Regulations require takaful operator to discontinue the applicability of provision of rule 19 of the Insurance Rules, 2017 along with Annexure - II, & the provisions of the Accounting Regulations, 2017, and provides the format for presentation and disclosure of financial statements and the method for recognition of wakala fee in accordance with the pattern of takaful contribution earned over the takaful contract terms.

The Company has prepared its financial statements on the new format prescribed by General Takaful Accounting Regulations, 2019 and accordingly has changed its accounting policies as disclosed in note 07.



#### 4. BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention, except for the available-for-sale investments that have been measured at fair value.

#### 5. FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

#### 6. ACCOUNTING STANDARDS, IFRIC INTERPRETATIONS AND AMENDMENTS

##### 6.1 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current year

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 1, 2020 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore not detailed in these financial statements.

##### 6.2 Standards, interpretations of and amendments to published approved accounting standards that are not yet effective

The following standards, amendments and interpretations as notified under the Companies Act, 2017 will be effective for accounting periods beginning on or after January 01, 2021:

Standard or Interpretation	Effective date (annual periods beginning)
IFRS 9 'Financial Instruments	note 6.3
Amendment to IFRS 16 - Covid 19 Related Rent Concessions	January 01, 2022
Amendment to IAS 39 / IFRS 9 'Financial Instruments: Recognition and Measurement' - Profit Rate Benchmark Reform - Phase 2	January 01, 2021
Amendments to IAS 1 'Presentation of Financial Statements' – Classification of Liabilities as Current or Non-current	January 01, 2023
Amendments to IAS 16 'Property Plant and Equipment' – Proceeds before Intended Use	January 01, 2022
Annual improvement process IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities	January 01, 2022
Amendments to IAS 37 - Onerous Contracts - Costs of fulfilling a contract	January 01, 2022
Annual improvement process First time adoption of IFRS 1 - Subsidiary as a first time adopter	January 01, 2022
Annual improvement process IAS 41 Agriculture – Taxation in fair value measurements	January 01, 2022
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture -Amendments to IFRS 10 and IAS 28	Not yet finalized

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.

**Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.**

### Standard

### IASB Effective date (annual periods beginning)

IFRS 1 – First time adoption of IFRSs

January 01, 2009

IFRS 17 – Insurance Contracts

January 01, 2023

### 6.3 Temporary exemption from application of IFRS 9:

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement. As notified by the SECP, IFRS 9 is applicable for annual periods beginning on or after 01 July 2018.

In September 2016, the IASB issued amendments to IFRS 4 '**Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts**' to address issues arising from the different effective dates of IFRS 9 and the new insurance contracts standard (IFRS 17).

The amendments introduce two alternative options of applying IFRS 9 for entities issuing contracts within the scope of IFRS 4: a temporary exemption; and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9 until the application of IFRS 17 and continue to apply IAS 39 to financial assets and liabilities. The overlay approach allows an entity applying IFRS 9 from the effective date to remove from the profit and loss account the affects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied.

The Company has applied the temporary exemption which allows the Company to defer the application of IFRS 9.

## 7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND JUDGEMENTS AND ESTIMATES

The significant accounting policies adopted in the preparation of these financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended 31 December 2019, except for changes in accounting policies resulting from application of the General Takaful Accounting Regulation, 2019 as disclosed in note 7.2.

### 7.1 Significant Accounting Judgements and Estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in period of revision and future periods if the revision affects both current and future periods. The estimates and judgments that have a significant effect on the financial statements are in respect of the following:

	Note
- Determination of lease term for lease contracts with renewal and termination options	7.3.2
- Estimation of incremental borrowing rate	7.3.3
- Useful lives of assets, residual value & method of depreciation/ amortization	7.4
- Classification of investments	7.5
- Classification of takaful contracts	7.8
- Provision for doubtful contribution receivable	7.9
- Contribution deficiency reserve	7.11
- Provision for outstanding claims including IBNR	7.14
- Provision for retakaful recoveries against outstanding claims	7.18
- Allocation of expenses	7.22
- Segment reporting	7.23
- Impairment	7.24
- Taxation	7.28

## 7.2 Changes in accounting policy

### 7.2.1 Recognition of wakala fee

As required by the General Takaful Accounting Regulations, 2019, the Company has changed its accounting policy to amortization of wakala fee over the takaful contract terms in accordance with the pattern of takaful contribution earned. Upon adoption of new policy, the Shareholders fund (SHF) will defer its wakala income as unearned wakala income and the Participant takaful fund (PTF) will defer its wakala expense as deferred wakala expense at the same time. Up to 31 December 2019, the wakal fee was recognized on upfront basis at the time of issuance of policy.

The significant effects of change in accounting policy as stated above has been applied retrospectively in accordance with the requirements of IAS - 8 'Accounting Policy, Change in Accounting Estimates and Error' and comparatives have been restated accordingly. The summary of the retrospective effects are as follows:

## Pak-Qatar General Takaful

	31 December 2019			31 December 2018		
	Balance previously reported	Adjustment	Balance Restated	Balance previously reported	Adjustment	Balance Restated
<b>Statement of Financial Position</b>						
<b>SHF</b>						
- Retained earning net-off tax	46,636,774	(113,396,347)	(66,759,573)	58,307,915	(121,352,320)	(63,044,405)
- Deferred tax (liability)/asset	(6,636,469)	798,673	(5,837,796)	(1,144,567)	854,709	(289,858)
- Unearned wakala income	-	114,195,020	114,195,020	-	122,207,029	122,207,029
<b>PTF</b>						
- Accumulated (deficit)/Surplus	(98,243,421)	114,195,020	15,951,599	(108,278,428)	122,207,029	13,928,601
- Deferred wakala expense	-	114,195,020	114,195,020	-	122,207,029	122,207,029

	31 December 2019		
	As previously reported	Adjustment net-off tax	As Restated
<b>Statement of Profit &amp; Loss</b>			
<b>SHF</b>			
- Profit after tax for the year	13,790,160	7,955,973	21,746,133
<b>PTF</b>			
- Surplus for the year	10,035,007	(8,012,009)	2,022,998

Had the accounting policy not been changed, net equity as at year end and profit for the year in SHF would have been higher by Rs 122.14 million and Rs 7.94 million respectively. Accordingly, net equity as at year end and surplus for the year in PTF would have been lower by Rs 121.34 million and Rs 7.14 million respectively.

### 7.3 Leases

#### 7.3.1 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### **Right-of-use assets**

At the commencement date of the lease, the right-of-use asset is initially measured at the present value of lease liability. Subsequently, RoU assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. RoU assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

### **Lease liabilities**

At the commencement date of the lease, the Company recognises lease liability measured at the present value of the consideration (lease payments) to be made over the lease term and is adjusted for lease prepayments. The lease payments are discounted using the interest rate implicit in the lease, unless it is not readily determinable, in which case the lessee may use the incremental rate of borrowing. After the commencement date, the carrying amount of lease liability is increased to reflect the accretion of interest and reduced for the lease payments made.

#### **7.3.2 Determination of the lease term for lease contracts with renewal and termination options (Company as a lessee)**

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization of the leased asset).

#### **7.3.3 Estimating the incremental borrowing rate**

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific adjustments (such as stand-alone credit rating, or to reflect the terms and conditions of the lease).

### **7.4 Tangible and Intangible fixed assets**

#### **Tangible assets - Property & equipment**

These are stated at cost less accumulated depreciation and impairment, if any. Depreciation is charged using reducing balance method at the rates specified in note 8 to the financial statements. Depreciation on additions is charged from the month of addition while no depreciation is charged in the month of disposal."



Residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each financial year end.

An item of fixed assets is derecognised upon disposal or when no future economic benefit is expected from its use or disposal.

Maintenance and normal repairs are charged to income as and when incurred, whereas major renewals or replacement are capitalised.

Gain or loss on disposal of the assets is recognised in the profit and loss account in the period of disposal.

Subsequent cost are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the items will flow to the Company and the cost of the item can be measured reliably.

### **Intangible assets**

These are stated at cost less accumulated amortization and any provision for impairment loss. Amortisation on intangible assets is charged to income applying the reducing balance method at the rates specified in note 9 to the financial statements after taking into account residual value, if any. However, ERP software is amortized on straight line method.

Full month's amortisation is calculated from the month the assets are available for use, whereby the cost of the intangible asset is amortised over its estimated useful life over which economic benefits are expected to flow to the Company. The useful life, residual value and amortisation method is reviewed, and adjusted if appropriate, at each financial year.

### **Capital work-in-progress**

All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. It also includes advances to suppliers in respect of tangible and intangible assets. These are transferred to specific assets as and when assets are available for use. Capital work-in-progress is stated at cost less any impairment in value, if any.

## **7.5 Investments**

It includes investments in equity securities (shares & mutual funds), in debt securities (sukuks) and in term deposits.

### **Classification**

Investments with fixed or determinable payments and fixed maturity, where the Company has positive intent and ability to hold to maturity, are classified as Held to Maturity. Investments which are intended to be held for an indefinite period but may be sold in response to the need for liquidity or change in mark-up / interest rates are classified as Available for Sale. Investments which are acquired with the intention to trade by taking advantage of short term market / interest rate movements are considered as Held for Trading.

### **Date of recognition**

Regular way purchases and sales of investments that require delivery within the time frame established by regulations or market convention are recognized at the trade date. Trade date is the date on which the Company commits to purchase or sell the investment.

### **Initial recognition**

All investments are initially recognised at cost being the fair value of the consideration given and include transaction costs, except for held for trading investments in which case transaction costs are charged to profit and loss account.

### **Subsequent measurement**

Held to maturity: subsequently, these are measured at amortized cost less provision for impairment, if any. Any premium paid or discount availed on acquisition of held to maturity investment is amortised uniformly over the date of acquisition and date of maturity.

Available for sale: subsequently, these are measured at fair value. Any unrealised gain or loss arising on re-measurement of available-for-sale investments are taken to revaluation reserve through other comprehensive income. On de-recognition or impairment of available-for-sale investments, the cumulative gains or losses previously reported in revaluation reserves are reclassified to profit and loss account for the period.

Held for trading: subsequently, these are measured at fair value. Any unrealised gain or loss arising on re-measurement of held-for-trading investments are taken directly to profit & loss account.

### **Fair / market value measurement**

For investment in Sukuks, fair / market value is determined by reference to quotations obtained from brokers. The fair / market value of mutual fund units is determined as per the rates announced by the Mutual Funds Association of Pakistan (MUFAP). The fair value of listed equities are determined by reference to quoted market prices.

### **Impairment**

Impairment loss in respect of investments categorized as available-for-sale is recognized based on management's assessment of objective evidence of impairment as a result of one or more events that may have an impact on the estimated future cash flows of the investments. When such impairment arises, the cumulative loss that has been recognized directly in equity is transferred to statement of profit and loss account. For listed securities, a significant or prolonged decline in fair value below cost is also considered to be an objective evidence of impairment.

## **7.6 Qard-e-Hasna**

Qard-e-Hasna is provided by SHF to PTF, if there is deficit in admissible assets of PTF over its liabilities. SHF is allowed to recover this qard without charging profit in the event of surplus of admissible assets over liabilities in PTF.

## **7.7 Cash and cash equivalents**

Cash and cash equivalents consist of cash, cheque and stamps in hand, cash at bank, deposits readily convertible to cash, and are used in the cash management function on a day to day basis and which are subject to insignificant risk of change in value. Term deposits with banks are classified as investments.

### 7.8 Takaful contracts

In all takaful models, the takaful contracts so agreed inspire concept of Tabarru' (to donate for benefit of others) and mutual sharing of losses with the overall objective of eliminating the element of uncertainty, and the model adopted by the company is Wakala Waqf model.

Contracts under which the Participant Takaful Fund (PTF) accepts significant Takaful risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the takaful event) adversely affects the policyholder are classified as takaful contracts. Takaful risk is significant if a takaful event could cause the PTF to pay significant benefits due to the happening of the takaful event compared to its non happening. Once a contract has been classified as a takaful contract, it remains a takaful contract for the remainder of its period of takaful, even if the takaful risk reduces significantly during this period, unless all rights and obligations are extinguished or expired.

The non-life takaful contracts are underwritten in PTF, that can be categorised into Fire and Property, Marine, Aviation and Transport, Motor and Miscellaneous contracts. Contracts may be concluded for a fixed term of one year, and in some cases for less than one year or for more than one year. However, most of the contracts are for twelve months duration. Takaful contracts entered into by the PTF under which the contract holder is another takaful operator (inward retakaful of a facultative nature) are included within the individual category of takaful contracts, other than those which fall under the Treaty. Takaful contracts issued by PTF do not include investment contracts or Discretionary Participation Features.

Fire & property takaful provides coverage against damages suffered to property caused by fire, riot and strike, explosion, earthquake, atmospheric damage, flood, electric fluctuation and other related perils. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the covered properties in their business activities (business interruption cover).

Marine, aviation and transport takaful provides coverage against cargo risk, terminals, damages occurred in between the points of origin and final destination and other related perils.

Motor takaful provides comprehensive car coverage, indemnity against third party loss and other related covers.

Miscellaneous takaful provides cover against all other risk like burglary, loss of cash in safe and cash in transit, engineering losses, travel, health, crop, live stock, professional indemnity, workers compensation and other coverage.

### 7.9 Contributions

Contributions including administrative surcharge received / receivable under a takaful policy are recognised as written from date of attachment of risk to the policy / cover note. Where contributions for a policy are payable in installments, full contribution for the duration of policy is recognised as written from date of attachment of risk to the policy. Contributions are stated gross of commission or wakala payable to intermediaries and exclusive of taxes and duties levied on contributions. For contribution earned, contribution written after deducting wakala and admin surcharge is spread over the period of takaful contract and earned contribution amount is calculated according to the ratio of the expired period of the policy and the total period, both measured to the nearest day. Wakala fee is amortize over the takaful contract terms in accordance with the pattern of takaful contribution earned. Administrative surcharge is recognised on upfront basis.

Contribution Receivables (contribution due but unpaid) represents the amount due from participants on account of takaful contracts. These are recognised at cost, which is the fair value of the consideration to be received less provision for doubtful debts, if any. Provision for doubtful debts in contribution receivable is estimated on a systematic basis after analysing the receivables as per their ageing. Provision for impairment in contribution receivable is established when there is an objective evidence that company will not be able to collect all amounts due according to original terms of the takaful contracts. Significant financial difficulties of the debtor, probability that debtor will enter financial reorganization, and default of delinquency in payments is considered indicators that contribution receivable is doubtful. The provision for doubtful debts is charged to profit & loss for the year. When the contribution receivable is uncollectable, it is written-off against the provision. Wakala associated with provision for doubtful balances on contribution due but unpaid, is also set aside as provision for doubtful wakala balances.

### **7.10 Provision for unearned contribution**

The unearned portion of contribution written net-off wakala & admin surcharge is set aside as a reserve and is recognized as a liability. This relates to the business in force at balance sheet date. Unearned contribution is calculated according to the ratio of the unexpired period of the policy and the total period, both measured to the nearest day.

### **7.11 Contribution deficiency reserve**

According to the requirements of the Insurance Rules 2017, a contribution deficiency reserve (liability adequacy) needs to be created for each class of business, where the unearned contribution & related income for any class of business is not adequate to meet the expected liability (after re-takaful recovery) from claims, and other supplementary expenses expected to be incurred after the balance sheet date in respect of the unexpired policies in that class of business at the balance sheet date. Any deficiency is recognized by establishing a provision for contribution deficiency to meet the deficit. Movement in the reserve is to be charged to the profit and loss account. Judgment is used in assessing the extent to which past trends may not apply in future or the effects of one-off significant claims which are not expected to recur.

For this purpose, loss ratios for each class are estimated based on historical claim development, and the expected future liability is estimated with reference to the experience during the expired periods of contracts, adjusted for one-off & significant individual losses. The expected net-off retakaful claim ratios against net contribution earned gross up of wakala for the unexpired periods of policies in force at balance sheet date for each class of business is disclosed in note 40.5.

### **7.12 Commission**

Commission expense incurred in obtaining and recording takaful business are deferred and recognised as an expense in accordance with the pattern of recognition of contribution revenue.

### **7.13 Claims**

Claims expense include all claims incurred during the year, whether reported or not, based on estimated liability for compensation under takaful contract, related claim handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

### 7.14 Provision for outstanding claims

PTF maintains provision in respect of outstanding claims against losses incurred up to the balance sheet date which is measured at the undiscounted value of expected future claim settlement cost. The claims are considered to be incurred at the time of the incident giving rise to the claim except as otherwise expressly indicated in a takaful contract. The provision for outstanding claims also includes amounts in relation to claims reported but not settled and claims incurred but not reported (IBNR). For health class, provision for outstanding claim, IBNR, unearned contribution & contribution deficiency are based on advice of actuary.

#### - Provision for claims reported but not settled

Provision for liability in respect of claims reported but not settled at the balance sheet date is made on the basis of individual case estimates. The case estimates are based on the assessed amounts of individual losses and where loss assessments have not been carried out, the estimates are established in light of currently available information, past experience of similar claims and in some cases in relation to the sums insured. Case estimates are reviewed periodically to ensure that the recognized outstanding claim amounts are adequate to cover expected future payments including expected claims settlement costs and are updated as and when new information becomes available.

#### - Provision for claims incurred but not reported (IBNR)

The provision for claims incurred but not reported (IBNR) is estimated annually at the balance sheet date. Estimation may be effected by past reporting trends, expected future pattern of reporting of claims and the claims actually reported subsequent to the balance sheet date. In accordance with the SECP Circular no. 9 of 2016, IBNR claim have been estimated using Chain Ladder (CL) methodology. The Chain Ladder (CL) method involves determination of development factors or link ratios for each period. These are then subsequently combined to determine Cumulative Development Factor (CDF) which represents the expected extent of future development of claims to reach their ultimate level.

### 7.15 Retakaful contracts

Retakaful contract are classified as contracts entered into by the PTF with retakaful operators under which the PTF cedes takaful risk assumed during the normal course of business for the purpose of limiting its net loss potential through the diversification of its risks, and accordingly the PTF is compensated for losses on takaful contracts issued by it. Assets, liabilities and income and expense arising from ceded retakaful contracts are presented separately from the assets, liabilities, income and expense from the related takaful contracts because the retakaful arrangements do not relieve the PTF from its direct obligations to its policyholders. These retakaful contracts include both facultative and treaty arrangements contracts and are classified in same categories of takaful contracts for the purpose of these financial statements.

### 7.16 Prepaid retakaful

Retakaful contribution ceded is recognised as expense evenly in the period of indemnity of policy to which it relates. The portion of retakaful contribution not recognised as an expense is shown as a prepayment.



## 7.17 Rebate from retakaful

At the time of retakaful contribution ceding, rebate from retakaful operators under the terms of retakaful arrangements is recognised when the PTF's right to receive the same is established. Rebate commission from retakaful is deferred and recognised as an income in accordance with the pattern of recognition of retakaful contribution ceded to which it relates.

## 7.18 Retakaful recoveries against outstanding claims

Retakaful recoveries are estimated in a manner consistent with the outstanding claims provision and are in accordance with the retakaful contracts. Receivable against claims from the retakaful operators are recognised as an asset at the same time as the claims which gives rise to the right of recovery are recognised as a liability and are measured at the amount expected to be recovered.

## 7.19 Receivable and payables related to takaful contracts

Amounts due to / from other takaful and retakaful operators are recognised when due at cost less provision for impairment, if any. Cost represents the fair value of the consideration to be received / paid in the future for services rendered. Retakaful assets or liabilities are derecognized when the contractual rights are extinguished or expired. Provision for doubtful balance in contribution receivable is estimated on a systematic basis after analysing the receivables as per their ageing.

Receivable & payable related to takaful contracts pertains to customers, agents, brokers, other takaful operators, and retakaful operators. Retakaful assets primarily represent retakaful recoveries against claims & rebate commission, and retakaful liabilities primarily represent retakaful contribution ceded. Amount due to and due from other takaful operators is primarily on account of co-takaful business, whereby receivable and payable are recognised against claims, rebate commission, & contribution.

An impairment review of retakaful assets is performed at each balance sheet date. If there is objective evidence that the asset is impaired as a result of one or more events having negative effects, occurred after the initial recognition, the Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the profit and loss account.

## 7.20 Takaful surplus

Takaful surplus attributable to the participants is assessed after charging all direct cost, setting aside various provisions, reserves, charity, qard-e-hasna and evaluating the assets and liabilities of PTF. Distribution of surplus to participants, if applicable, is made with the approval of the Operator and is recognized in the period in which it is approved.

## 7.21 Revenue recognition

### PTF

- The revenue recognition of Contribution is given under note 7.9
- The revenue recognition of Rebate from retakaful operators is given under note 7.17

### SHF

- The Takaful operator (SHF) manages the general takaful operations for the participants takaful fund (PTF). Wakala fee is charged from PTF as a percentage of the gross contribution written net of administrative surcharge at the time of issuance of policy. It is amortize over the takaful contract terms in accordance with the pattern of takaful contribution earned. Administrative surcharge is recognised on upfront basis.

- The Takaful operator (SHF) also manages the PTF's bank balances & investments as Modarib. Modarib fee is charged as percentage on aggregate of income on bank balances and investment income earned by the PTF. It is recognized on the same basis on which related revenue is recognised.

### **PTF and SHF**

- Profit on sukuks and bank deposits are recognised on accrual basis.
- Dividend income and entitlement of bonus shares is recognised when the right to receive such dividend or bonus shares is established.
- Gain / loss on sale of investments are included in profit and loss account in the period of sale.

## **7.22 Expenses**

### **PTF**

- Direct expenses allocated to PTF represents directly attributable expenses and these are allocated to various classes of business on the basis of gross contribution written during the year. Expenses not directly allocable to PTF are charged to SHF.

### **SHF**

- Expenses not directly allocable to PTF are charged to SHF. Allocation between management expenses and other expenses are performed by management as deemed equitable. For segment reporting, management expenses are allocated to class of business on the basis of gross contribution written during the year.

## **7.23 Operating segment**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expense that relate to transaction with any of the Company's other component. The Company accounts for segment reporting using the classes of business as specified under the Insurance Ordinance, 2000 and Insurance Rules, 2017.

The Company's operating businesses are recognised and managed separately according to the nature of services provided with each segment representing a strategic business unit that serves different market needs. All the company's business segment operate in Pakistan only. The Company has four primary business segments for reporting purposes namely fire & property, marine, aviation & transport, motor and miscellaneous. The nature and business activities of these segments are disclosed in note 7.8

Assets, liabilities and capital expenditures that are directly attributable to segments have been assigned to them while the carrying amount of certain assets used jointly by two or more segments have been allocated to segments on a reasonable basis. Those assets and liabilities, which can not be allocated to a particular segment on a reasonable basis, are aggregated as unallocated corporate assets and liabilities.

## **7.24 Impairment**

The carrying amounts of the non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Impairment losses are charged to profit and loss account.

A financial asset is assessed at each balance sheet date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if there is objective evidence that one or more events have had a negative effect on the estimated future cash flows of that asset.

### **7.25 Financial instruments**

Financial assets and financial liabilities other than those arising out of takaful contracts are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. At the time of initial recognition, financial assets and liabilities are measured at fair values which is the cost of consideration given or received for it. Financial assets are derecognized when the contractual right to future cash flows from the asset expires or is transferred along with the risk and reward of the asset. Financial liabilities are derecognized when obligation specified in the contract is discharged, cancelled or expired. Any gains or losses on derecognition of the financial assets and liabilities are recognized in the profit and loss account of the current period.

Financial instruments include cash and bank balances, loans to employees, investments, contribution due but unpaid, amount due from other takaful / retakaful operators, accrued investment income, retakaful recoveries against outstanding claims, security deposits, other receivables, outstanding claim liabilities, amount due to other takaful / retakaful, accrued expenses, agents balances, other creditors, and deposits.

### **7.26 Offsetting**

A financial asset and financial liability is offset and the net amount is reported in the financial statements when the Company has a legally enforceable right to set-off the recognised amounts and it intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

### **7.27 Creditors, accruals and provisions**

Liabilities for creditors and other amounts payable are carried at cost which is fair value of the consideration to be paid in future for goods and / or services received, whether or not billed to the Company.

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

### **7.28 Taxation**

Income tax expense comprises of current and deferred tax. Income tax expense is recognized in the profit and loss account, except to the extent that it relates to items recognized directly in other comprehensive income or below equity, in which case it is recognized in other comprehensive income or below equity. For this purpose, the profit of Shareholders fund is taxed as part of total profit of the Company.

### **Current**

Provision for current taxation is based on taxability of certain income streams of the company under final tax regime at the applicable tax rates and the remaining income streams chargeable at current rate of taxation under the normal tax regime and / or minimum tax liability on turnover, whichever is applicable, after taking into account tax credits and rebates available. The charge for the current taxation also includes adjustments where considered necessary, relating to prior years which arise from assessments framed / finalized during the year or required by any other reason.

### **Deferred**

Deferred tax is recognised using the balance sheet liability method, on all temporary differences arising at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which the assets may be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recognised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the periods when the asset is utilised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

### **7.29 Ijarah**

Ijarah rentals are recognised as an expense on accrual basis as and when the rentals become due.

### **7.30 Appropriations**

Appropriations of profit, if any, are recognised in the year in which these are approved.

### **7.31 Staff retirement benefits**

#### **Defined contribution plan**

The Company operates an approved contributory provident fund for all its permanent employees. Contributions are made by both the Company and the employees to the fund at the rate of 10% of basic salary. Contribution made by the Company is recognised as an expense.

### 7.32 Foreign currency transaction and translation

Foreign currency transactions are translated into Pak Rupees (functional currency) using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees using the exchange rate at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

### 7.33 Earning per share

The company presents basic & diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss of Shareholders fund attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by adjusting the profit or loss of Shareholders fund attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of dilutive potential ordinary shares.

### 7.34 Dividend and bonus shares

Dividend to shareholders is recognized as liability in the period in which it is approved. Similarly, reserve for issue of bonus shares is recognized in the year in which such issue is approved.

	Note	2020 ————(Rupees)————	2019 ————
<b>8. PROPERTY AND EQUIPMENT</b>			
- Tangible assets	8.1	<b>49,002,227</b>	58,742,803
- Capital work in progress		-	2,460,666
		<u><b>49,002,227</b></u>	<u>61,203,469</u>

## 8.1 TANGIBLE

Particulars	2020							Depreciation rate
	Cost			Accumulated depreciation			Carrying value	
	As at January 01, 2020	Additions / (disposals)	As at December 31, 2020	As at January 01, 2020	For the year / (adjustment for disposals)	As at December 31, 2020	As at December 31, 2020	
	(Rupees)							%
Office improvements	15,424,323	-	15,424,323	11,003,126	663,179	11,666,305	3,758,018	15
Furniture and fixtures	10,383,833	2,805,188	13,189,021	6,732,485	723,026	7,455,511	5,733,510	15
Office equipment	15,047,749	235,589 (29,000)	15,254,338	9,370,905	862,006 (6,180)	10,226,731	5,027,607	15
Motor vehicles	2,541,046	195,250 (541,000)	2,195,296	2,146,488	84,970 (503,680)	1,727,778	467,518	20
Computer equipment	40,093,521	1,399,087	41,492,608	30,347,051	3,156,916	33,503,967	7,988,641	30
Right of use assets	48,069,942	3,818,544	51,888,486	13,217,556	12,643,997	25,861,553	26,026,933	
	131,560,414	8,453,658 (570,000)	139,444,072	72,817,611	18,134,094 (509,860)	90,441,845	49,002,227	

Particulars	2019								
	Cost				Accumulated depreciation			Carrying Value	
	As at January 01, 2019	Impact of adoption of IFRS 16	Additions / (disposals)	As at December 31, 2019	As at January 01, 2019	For the year / (adjustment for disposals)	As at December 31, 2019	As at December 31, 2019	Depreciation rate
	----- (Rupees) -----								
Office improvements	15,424,323	-	-	15,424,323	10,222,913	780,213	11,003,126	4,421,197	15
Furniture and fixtures	10,127,633	-	256,200	10,383,833	6,122,038	610,447	6,732,485	3,651,348	15
Office equipment	14,468,714	-	969,035 (390,000)	15,047,749	8,704,935	895,903 (229,933)	9,370,905	5,676,844	15
Motor vehicles	4,315,257	-	331,691 (2,105,902)	2,541,046	3,196,591	165,141 (1,215,244)	2,146,488	394,558	20
Computer equipment	35,350,952	-	4,742,569	40,093,521	27,111,661	3,235,390	30,347,051	9,746,470	30
Right of use assets	-	44,064,304	4,005,638	48,069,942	-	13,217,556	13,217,556	34,852,386	
	79,686,879	44,064,304	10,305,133 (2,495,902)	131,560,414	55,358,138	18,904,650 (1,445,177)	72,817,611	58,742,803	



- Details of tangible assets disposed off during the year ended December 31, 2020 are as follows:

Category of assets	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal	Sold to
Office equipment	29,000	6,180	22,820	22,400	company policy	employee
Vehicle	541,000	503,680	37,320	413,000	company policy	employee
	570,000	509,860	60,140	435,400		

## 9. INTANGIBLE

Particulars	2020			2020			2020	
	Cost			Accumulated Amortisation			Carrying value	
	As at January 01, 2020	Additions/ transfer	As at December 31, 2020	As at January 01, 2020	For the year	As at December 31, 2020	As at December 31, 2020	Amortization rate
	(Rupees)							%
Computer softwares	72,893,186	2,460,666	75,353,852	35,290,385	6,385,371	41,675,756	33,678,096	10-20
Particulars	2019			2019			2019	
	Cost			Accumulated Amortisation			Carrying value	
	As at January 01, 2019	Additions/ transfer	As at December 31, 2019	As at January 01, 2019	For the year	As at December 31, 2019	As at December 31, 2020	Amortization rate
	(Rupees)							%
Computer softwares	72,551,186	342,000	72,893,186	28,856,266	6,434,119	35,290,385	37,602,801	10-20

2020 2019

----- SHF -----

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

## 10. QARD-E-HASNA RECEIVABLE FROM PTF

Balance as at the beginning of the year	190,000,000	200,000,000
Qard-e-Hasna refunded to SHF	(140,000,000)	(10,000,000)
Balance as at the end of the year	50,000,000	190,000,000

In compliance with Takaful Rules, 2012, Qard-e-Hasna is provided by SHF to PTF, if there is deficit in admissible assets of PTF over its liabilities. SHF is allowed to recover this qard without charging profit in the event of surplus of admissible assets over liabilities in PTF.

## 11. INVESTMENTS

Note	2020			2019		
	SHF	PTF	Total	SHF	PTF	Total
	Carrying Value					
	(Rupees)					
<b>11.1 Available for sale</b>						
Investment in:						
Equity securities						
- shares	11.3	-	-	-	-	-
- mutual funds	11.3	197,451,431	51,128,557	248,579,988	91,206,561	63,278,848
Debt securities						
- sukuks	11.3	232,567,055	50,000,000	282,567,055	139,928,358	55,862,918
<b>Total</b>		<b>430,018,486</b>	<b>101,128,557</b>	<b>531,147,043</b>	<b>231,134,919</b>	<b>119,141,766</b>

## Pak-Qatar General Takaful

**11.2** GOP Ijara XX sukuk amounting to Rs. 65,000,000/- face value (2019: GoP XIX sukuk: Rs. 55,000,000) are held under lien with the State Bank of Pakistan in compliance with the requirements of Section 29 of the Insurance Ordinance, 2000.

### 11.3 Available-for-sale (AFS) Investments

Note	2020				2019			
	Cost	Impairment / provision	Revaluation surplus / (deficit)	Carrying value	Cost	Impairment / provision	Revaluation surplus / (deficit)	Carrying value
----- Rupees -----								
<b>Equity securities (Mutual fund units)</b>								
- Shareholders Fund	197,345,538	-	105,893	197,451,431	91,169,993	-	36,568	91,206,561
- Participant Takaful Fund	51,111,680	-	16,877	51,128,557	63,231,792	-	47,056	63,278,848
11.3.1	248,457,218	-	122,770	248,579,988	154,401,785	-	83,624	154,485,409
<b>Debt securities (Sukuk certificates)</b>								
- Shareholders Fund	231,499,858	-	1,067,197	232,567,055	139,654,314	-	274,044	139,928,358
- Participant Takaful Fund	50,000,000	-	-	50,000,000	55,526,931	-	335,987	55,862,918
11.3.2	281,499,858	-	1,067,197	282,567,055	195,181,245	-	610,031	195,791,276
<b>TOTAL</b>	<b>529,957,076</b>	<b>-</b>	<b>1,189,967</b>	<b>531,147,043</b>	<b>349,583,030</b>	<b>-</b>	<b>693,655</b>	<b>350,276,685</b>

#### 11.3.1 Details of investments in Equity securities (Mutual funds)

Name of Investment	Face value per unit	2020  Number of certificates	2019	2020			2019		
				SHF	PTF	Total	SHF	PTF	Total
				----- Carrying value in Rupees-----					
HBL Islamic Money Market Fund	100	503,715	354,739	24,608,132	26,567,571	51,175,703	16,220,848	19,944,125	36,164,973
ABL Islamic Income Fund	10	5,268,812	4,156,584	55,426,845	-	55,426,845	24,528,552	20,559,997	45,088,549
NBP Riba Free Saving Fund	10	5,800,249	1,809,664	44,990,684	16,264,583	61,255,267	14,805,356	4,768,882	19,574,238
Alfalah Islamic Income fund	10	-	101,261	-	-	-	10,651,805	-	10,651,805
NBP Islamic Money Market Fund	10	-	3,753,402	-	-	-	25,000,000	15,000,000	40,000,000
Army Welfare Trust Islamic Income fund	100	29,718	27,827	-	3,157,014	3,157,014	-	3,005,844	3,005,844
HBL Islamic Income Fund	100	2,844	-	295,553	-	295,553	-	-	-
Pak Oman Advantage Islamic Income Fund	10	853,132	-	41,153,934	5,139,389	46,293,323	-	-	-
JS Islamic Income Fund	10	292,865	-	30,976,283	-	30,976,283	-	-	-
				197,451,431	51,128,557	248,579,988	91,206,561	63,278,848	154,485,409

### 11.3.2 Details of investments in Debt securities (Sukuks)

Name of Investment	Profit rate	Maturity Year	Face value per certificate	2020 Number of units	2019	2020			2019		
						SHF	PTF	Total	SHF	PTF	Total
						----- Carrying value in Rupees-----					
GoP Ijarah Sukuk XIX	5.24%	2020	1,000,000	750	60	-	-	-	59,850,000	-	59,850,000
K-Electric AZM Sukuk VII	3 month Kibor plus 1%	2022	2,500	1,500	1,500	2,278,125	-	2,278,125	3,806,250	-	3,806,250
Al Baraka - T2 Sukuk	6 month Kibor plus 1.25%	2024	1,000,000	25	25	25,125,000	-	25,125,000	15,075,000	10,050,000	25,125,000
Fatima Fertilizer Sukuk	6 month Kibor plus 1.1%	2021	3,000	5,700	3,800	-	-	-	5,728,358	5,757,040	11,485,398
AGPL Sukuk	3 month Kibor plus 1.3%	2022	30,000	180	180	5,454,000	-	5,454,000	3,156,250	5,933,750	9,090,000
DIB Tier II capital Sukuk	6 month Kibor plus 0.5%	2027	1,000,000	15	15	-	-	-	5,100,000	10,200,000	15,300,000
Aspin pharma Sukuk	3 month Kibor plus 1.5%	2023	60,000	150	150	9,090,000	-	9,090,000	12,150,000	-	12,150,000
BIPL Ehad Sukuk	3 month Kibor plus 2.75%	perpetual	5,000	4,000	4,000	20,000,000	-	20,000,000	10,000,000	10,000,000	20,000,000
Byco Petroleum Sukuk	3 month Kibor plus 1.05%	2022	75,000	250	250	14,619,930	-	14,619,930	5,062,500	13,922,128	18,984,628
MBL Tier I Sukuk	3 month Kibor plus 1.75%	perpetual	100,000	20	20	20,000,000	20,000,000	20,000,000	20,000,000	-	-
Hub power Sukuk 2020	1 year Kibor plus 1.9%	2024	100,000	250	-	25,500,000	-	25,500,000	-	-	-
DIB Tier I Sukuk	3 month Kibor plus 1.75%	perpetual	5,000	3,000	-	15,000,000	15,000,000	-	-	-	-
GoP Ijarah Sukuk - XX	6 month Kibor minus 1.25	2025	100,000	750	-	25,000,000	50,000,000	75,000,000	-	-	-
K-Electric Sukuk 2020	3 month Kibor plus 1.7%	2027	5,000	4,000	-	20,500,000	-	20,500,000	-	-	-
Pakistan Energy Sukuk II	6 month Kibor minus 1%	2030	5,000	10,000	-	50,000,000	-	50,000,000	-	-	-
						232,567,055	50,000,000	282,567,055	139,928,358	55,862,918	195,791,276

### 12. LOANS AND OTHER RECEIVABLES - considered good

	2020			2019		
	SHF	PTF	Total	SHF	PTF	Total
----- (Rupees) -----						
<b>Accrued income</b>						
on sukuks & term deposits	2,121,370	1,947,349	4,068,719	3,266,995	2,135,106	5,402,101
on bank balances	127,711	611,689	739,400	430,014	2,066,966	2,496,980
	<u>2,249,081</u>	<u>2,559,038</u>	<u>4,808,119</u>	<u>3,697,009</u>	<u>4,202,072</u>	<u>7,899,081</u>
<b>Sundry receivable</b>						
Security deposits	3,521,950	254,523	3,776,473	3,977,200	254,523	4,231,723
Advance to employees	2,339,106	-	2,339,106	2,837,224	-	2,837,224
Tender deposit	642,931	-	642,931	642,931	-	642,931
Sales tax	3,799,878	-	3,799,878	1,168,507	-	1,168,507
Advance to vendors	1,871,643	-	1,871,643	3,361,674	-	3,361,674
Others	20,000	-	20,000	20,000	-	20,000
	<u>12,195,508</u>	<u>254,523</u>	<u>12,450,031</u>	<u>12,007,536</u>	<u>254,523</u>	<u>12,262,059</u>
	<u>14,444,589</u>	<u>2,813,561</u>	<u>17,258,150</u>	<u>15,704,545</u>	<u>4,456,595</u>	<u>20,161,140</u>

## Pak-Qatar General Takaful

	Note	2020 —————(Rupees)—————	2019
<b>13. TAKAFUL AND RETAKAFUL RECEIVABLES - unsecured and considered good</b>			
<b>13.1 Due from takaful contract holders</b>			
Related party		124,617	107,412
Others		246,869,954	268,854,414
		<u>246,994,571</u>	<u>268,961,826</u>
Provision for doubtful balances	13.3	(92,426,172)	(87,433,338)
Considered good		<u>154,568,399</u>	<u>181,528,488</u>
<b>13.2 Due from other takaful/ retakaful</b>			
Considered good		9,412,415	30,010,390
		<u>163,980,814</u>	<u>211,538,878</u>
<b>13.3 Provision for doubtful balances</b>			
At beginning of the year		87,433,338	83,830,487
Provision made during the year		4,992,834	3,602,851
		<u>92,426,172</u>	<u>87,433,338</u>

## 14. PREPAYMENTS

	2020			2019		
	SHF	PTF	Total	SHF	PTF	Total
	—————(Rupees)—————					
Prepaid retakaful ceded	-	74,159,174	74,159,174	-	75,550,231	75,550,231
Prepaid rent	-	-	-	-	-	-
Prepaid services contract	3,948,244	-	3,948,244	2,690,833	-	2,690,833
Prepaid takaful contribution	128,161	-	128,161	199,410	-	199,410
	<u>4,076,405</u>	<u>74,159,174</u>	<u>78,235,579</u>	<u>2,890,243</u>	<u>75,550,231</u>	<u>78,440,474</u>

	Note	2020 —————SHF————— —————(Rupees)—————	2019
<b>15. WAKALA AND MODARIB RECEIVABLE FROM PTF</b>			
Wakala fee receivable		33,917,267	31,977,336
Modarib fee receivable		858,021	2,595,115
		<u>34,775,288</u>	<u>34,572,451</u>
Less: provision for refund of wakala against doubtful balances	15.1	(28,323,550)	(26,943,411)
		<u>6,451,738</u>	<u>7,629,040</u>
<b>15.1 Provision for refund of wakala against doubtful balances</b>			
At beginning of the year		26,943,411	25,861,681
Provision made during the year		1,380,139	1,081,730
		<u>28,323,550</u>	<u>26,943,411</u>

## 16. CASH AND BANK

Note	2020			2019		
	SHF	PTF	Total	SHF	PTF	Total
	Carrying Value					
	(Rupees)					
<b>Cash and other equivalents</b>						
- Cash in hand	994,273	-	994,273	954,640	-	954,640
- Stamps in hand	-	129,086	129,086	-	399,523	399,523
	994,273	129,086	1,123,359	954,640	399,523	1,354,163
<b>Cash at bank</b>						
- Current accounts	539,872	563,331	1,103,203	643,262	609,082	1,252,344
- Saving accounts	75,340,611	96,096,757	171,437,368	90,962,899	153,663,229	244,626,128
	75,880,483	96,660,088	172,540,571	91,606,161	154,272,311	245,878,472
	76,874,756	96,789,174	173,663,930	92,560,801	154,671,834	247,232,635

**16.1** The expected rate of return on saving accounts ranges from 4% to 12% per annum (2019: 5% to 10% per annum).

**16.2** For the purpose of statement of cash flows, cash and cash equivalent comprises of cash and bank only.

## 17. SHARE CAPITAL AND RESERVES

		2020		2019	
		<b>(Rupees)</b>			
<b>17.1 Authorised capital</b>					
Ordinary share of Rs. 10 /- each		<b>600,000,000</b>		<b>600,000,000</b>	
<b>17.2 Issued, subscribed and paid-up share capital</b>					
	<b>2020</b>	<b>2019</b>			
	<b>Number of shares</b>				
<b>50,922,601</b>	50,922,601	At beginning of the year	<b>509,226,010</b>	509,226,010	
-	-	Add : Issued during the year as right shares	-	-	
<b>50,922,601</b>	<b>50,922,601</b>	At end of the year	<b>509,226,010</b>	<b>509,226,010</b>	

## 17.3 Major share holders of the Company are:

	2020		2019	
	Number of shares	Percentage	Number of shares	Percentage
Fawad Yousuf Securities (Private) Limited	3,077,999	6.04	3,077,999	6.04
Qatar Islamic Insurance Company	5,923,946	11.63	5,923,946	11.63
H.E. Sheikh Ali bin Abdullah	7,969,556	15.65	7,969,556	15.65
Qatar International Islamic Bank	7,370,474	14.47	7,370,474	14.47
Pak-Qatar Investment (Private) Limited	21,633,944	42.48	21,633,944	42.48

## 18. DEFERRED TAX ASSET - NET

### Deductible temporary difference arising in respect of

Unearned wakala income	-	798,673
Provision for doubtful wakala refund	8,213,830	-
Unrealized loss on AFS (available for sale) investments	(340,196)	(90,077)

### Taxable temporary difference arising in respect of

Accelerated depreciation	(7,293,693)	(6,546,392)
	<u>579,941</u>	<u>(5,837,796)</u>

### 18.1 Reconciliation of deferred tax

	Balance at December 31, 2019	Recognized in profit and loss	Recognized in OCI	Balance at December 31, 2020
<b>Deductible temporary difference</b>				
Unearned wakala income	798,673	(798,673)	-	-
Provision for doubtful wakala refund	-	8,213,830	-	8,213,830
Unrealized loss on AFS investment	(90,077)	-	(250,119)	(340,196)
<b>Taxable temporary difference</b>	-			
Accelerated depreciation allowance	(6,546,392)	(747,301)	-	(7,293,693)
	<u>(5,837,796)</u>	<u>6,667,856</u>	<u>(250,119)</u>	<u>579,941</u>

	Balance at December 31, 2018 Restated	Recognized in profit and loss	Recognized in OCI	Balance at December 31, 2019 Restated
<b>Deductible temporary difference</b>				
Unearned wakala income	854,709	(56,036)	-	798,673
Minimum turnover tax	1,229,397	(1,229,397)	-	-
Unrealized loss on AFS investment	3,100,122	-	(3,190,199)	(90,077)
<b>Taxable temporary difference</b>				
Accelerated depreciation allowance	(5,474,086)	(1,072,306)	-	(6,546,392)
	<u>(289,858)</u>	<u>(2,357,739)</u>	<u>(3,190,199)</u>	<u>(5,837,796)</u>



## 19. TAKAFUL / RETAKAFUL PAYABLE

These amounts represent amount payable to other takaful and retakaful operators.

## 20. OTHER CREDITORS AND ACCRUALS

Note	2020			2019		
	SHF	PTF	Total	SHF	PTF	Total
(Rupees)						
<b>Other Creditors</b>						
Agent commission payable	66,331,611	-	66,331,611	52,739,641	-	52,739,641
Trakker charges	-	6,677,650	6,677,650	-	11,446,608	11,446,608
FED & sales tax	-	14,784,360	14,784,360	-	9,785,186	9,785,186
Stale cheques	372,407	976,734	1,349,141	339,982	1,070,816	1,410,798
Car ijarah	907,921	-	907,921	290,982	-	290,982
Charity	652	-	652	589	-	589
EOBI	16,500	-	16,500	16,500	-	16,500
Tax deducted at source	319,860	31,784	351,644	352,559	25,416	377,975
Margin deposit	-	3,500,000	3,500,000	-	-	-
Federal insurance fee	-	842,632	842,632	-	834,996	834,996
Payable to vendors	976,032	-	976,032	1,929,326	-	1,929,326
Dividend payable	4,724,202	-	4,724,202	5,141,202	-	5,141,202
Accrued salaries	5,618,633	-	5,618,633	5,923,535	-	5,923,535
Staff retirement benefit	1,020,541	-	1,020,541	991,656	-	991,656
Lease liabilities	31,569,464	-	31,569,464	38,382,726	-	38,382,726
Others	308,152	500,000	808,152	185,031	500,000	685,031
	112,165,975	27,313,160	139,479,135	106,293,729	23,663,022	129,956,751

### Accrued expenses

Rent, rates and electricity	70,000	-	70,000	179,010	-	179,010
Communication	123,000	-	123,000	235,448	-	235,448
Auditors' remuneration	2,563,422	-	2,563,422	1,604,000	-	1,604,000
Consultancy	-	-	-	67,500	-	67,500
Others	500,000	-	500,000	24,330	-	24,330
	3,256,422	-	3,256,422	2,110,288	-	2,110,288
	115,422,397	27,313,160	142,735,557	108,404,017	23,663,022	132,067,039

**20.1** This includes cheques issued by PTF aggregating to Rs 0.727 million against claims settlement, which have not been encashed by claimants and have become stale due to over due six months. The following is the ageing as required by SECP circular 11 of 2014 dated 19 May 2014.

PTF	Total Amount	Age wise breakup (in months)				
		1 to 6	7 to 12	13 to 24	25 to 36	over 36
Claims not encashed	727,111	-	57,473	4,775	664,863	-

**20.2** Lease liabilities under IFRS 16 against Rou asset and the period in which their payments will become due are:

	2020	2019
	(Rupees)	
Not later than one year	13,629,912	10,631,805
Later than one year but not later than five years	17,939,552	27,750,921
	31,569,464	38,382,726

## 21. CONTINGENCIES AND COMMITMENTS

- 21.1** In 2018, the Additional Commissioner Inland Revenue (ACIR) issued an Order under Section 122(5A) of the Income Tax Ordinance, 2001 (the Ordinance) and raised demand of Rs. 47,144,859 by making certain disallowances. The Company has filed appeal against the said Order before the Commissioner Inland Revenue (Appeals) which is pending adjudication. Based on the opinion of tax advisors of the Company, the management is confident that the matter will ultimately be decided in its favor and accordingly no provision is required to be made in these financial statements.
- 21.2** Commitments under ijarah arrangements and the period in which these payments will become due are:

	Note	2020 —————(Rupees)—————	2019 —————
Not later than one year		614,164	-
Later than one year but not later than five years		2,303,116	-
		<u>2,917,280</u>	<u>-</u>

## 22. Net Takaful Contribution - PTF

Written gross contribution		601,934,154	701,045,825
Wakala fee	30	(240,492,605)	(274,269,474)
Net written contribution		361,441,549	426,776,351
Unearned contribution reserve - opening		184,703,719	192,508,493
Unearned contribution reserve - closing		(156,769,666)	(184,703,719)
Contribution earned		389,375,602	434,581,125
Less:			
Retakaful contribution ceded		201,945,461	233,913,562
Prepaid retakaful ceded - opening		75,550,231	73,137,965
Prepaid retakaful ceded - closing		(74,159,174)	(75,550,231)
Retakaful expense		203,336,518	231,501,296
		<u>186,039,084</u>	<u>203,079,829</u>

## 23. Net Takaful Claims Expense - PTF

Claims paid		268,676,281	305,473,490
Outstanding claims including IBNR - opening		(287,141,721)	(231,746,780)
Outstanding claims including IBNR - closing	23.1	295,548,668	287,141,721
Claims expense		277,083,228	360,868,431
Less:			
Retakaful & other recoveries received		76,099,847	78,559,237
Retakaful & other recoveries in respect of outstanding claims - closing		165,825,173	161,910,528
Retakaful & other recoveries in respect of outstanding claims - opening		(161,910,528)	(131,238,805)
Retakaful & other recoveries revenue		80,014,492	109,230,960
		<u>197,068,736</u>	<u>251,637,471</u>

**23.1** The Claim Development table is included in note 40.7 to the financial statements. It includes claim payable to related party Rs. nil (2019: 92,000)

	Note	2020 ————(Rupees)————	2019
<b>24. Retakaful Rebate - PTF</b>			
Rebate/commission received or recoverable		<b>39,455,455</b>	46,930,473
Unearned retakaful rebate/commission - opening		<b>18,357,180</b>	22,664,030
Unearned retakaful rebate/commission - closing		<b>(17,538,064)</b>	(18,357,180)
Rebate/commission from retakaful		<b>40,274,571</b>	51,237,323
<b>25. Commission Expense - SHF</b>			
Commission expense paid or payable		<b>66,233,324</b>	66,919,045
Deferred commission expense - opening		<b>27,910,886</b>	23,728,501
Deferred commission expense - closing		<b>(27,780,324)</b>	(27,910,886)
Commission expense		<b>66,363,886</b>	62,736,660
<b>26. Other Direct Expense - PTF</b>			
Bank charges		<b>304,122</b>	188,908
Survey & inspection fee		-	1,784,505
Policy related expense & service charges		<b>873,137</b>	1,228,787
Retakaful brokerage & third party service fee		<b>1,544,512</b>	2,036,701
Provision for doubtful balances net-off wakala refund	26.1	<b>3,612,695</b>	2,521,121
Others		<b>4,979</b>	-
		<b>6,339,445</b>	7,760,022
<b>26.1 Provision for doubtful balances net-off wakala</b>			
Provision for doubtful balances	13.3	<b>4,992,834</b>	3,602,851
Less: provision for refund of wakala fee	15.1	<b>(1,380,139)</b>	(1,081,730)
		<b>3,612,695</b>	2,521,121

## Pak-Qatar General Takaful

### 27. Investment Income

	PTF		SHF	
	2020	2019	2020	2019
	(Rupees)			
Profit from bank placements - on term deposits	-	-	-	7,903,520
Profit from debt securities - available for sale - on sukuks	9,632,475	9,712,928	14,860,586	12,776,765
Net Realised gain / (loss) - available for sale				
Realized gains on:				
- debt securities (sukuks)	(466,225)	137,500	152,214	-
- equity securities (mutual funds)	7,174,693	2,764,733	22,079,978	6,638,947
Realized loss on:				
- equity securities (mutual funds)	(8,397,643)	(7,269,417)	(623,149)	(6,995,922)
	(1,689,175)	(4,367,184)	21,609,043	(356,975)
Total investment income	7,943,300	5,345,744	36,469,629	20,323,310
Less:				
Impairment in securities - available for sale - in equity securities (mutual funds)	-	-	-	-
Net investment income	7,943,300	5,345,744	36,469,629	20,323,310

### 28. Other Income

<b>28.1 Profit from bank placements</b>				
- on bank balances	11,213,965	10,826,489	3,964,272	3,442,648
<b>28.2 Miscellaneous income</b>				
- gain on disposal of fixed assets	-	-	375,260	3,276,385
- exchange gain / (loss)	-	-	40,100	105,062
	-	-	415,360	3,381,447
	11,213,965	10,826,489	4,379,632	6,824,095

## 29. MODARIB FEE

The takaful operator (SHF) also manages the PTF's bank balances & investments as Modarib. Modarib fee is charged at 40% (2019: 40%) on aggregate of income on bank balances and investment income earned by the PTF.

	Note	PTF		SHF	
		2020	2019	2020	2019
		(Rupees)			
Modarib fee (expense) / income		<u>(7,662,906)</u>	<u>(6,468,894)</u>	<u>7,662,906</u>	<u>6,468,894</u>
Modarib fee is charged on aggregate of:					
- investment income	27	<u>7,943,300</u>	<u>5,345,744</u>		
- profit from bank balances	28.1	<u>11,213,965</u>	<u>10,826,489</u>		
		<u>19,157,265</u>	<u>16,172,233</u>		

## 30. WAKALA FEE

	2020			
	Wakala fee charged	Deferred wakala fee Opening	Deferred wakala fee Closing	Wakala fee for the year
	(Rupees)			
Fire and Property	44,312,608	19,396,455	24,645,387	39,063,676
Marine, Aviation & Transport	14,193,283	1,788,074	2,148,747	13,832,610
Motor	158,488,798	78,569,466	82,371,664	154,686,600
Miscellaneous	30,643,407	14,441,025	12,174,713	32,909,719
Total	<u>247,638,096</u>	<u>114,195,020</u>	<u>121,340,511</u>	<u>240,492,605</u>
	2019 (Restated)			
	Wakala fee charged	Deferred wakala fee Opening	Deferred wakala fee Closing	Wakala fee for the year
	(Rupees)			
Fire and Property	43,398,372	17,640,536	19,396,455	41,642,453
Marine, Aviation & Transport	15,221,319	1,092,399	1,788,074	14,525,644
Motor	161,110,123	85,381,325	78,569,466	167,921,982
Miscellaneous	46,527,651	18,092,769	14,441,025	50,179,395
Total	<u>266,257,465</u>	<u>122,207,029</u>	<u>114,195,020</u>	<u>274,269,474</u>

## Pak-Qatar General Takaful

The Takaful operator (SHF) manages the general takaful operations for the PTF and charge annualized 32% (2019: 30%) for fire and property, 32% (2019: 30%) for marine, aviation and transport, 46% (2019: 41%) for motor, 40% (2019: 35%) for engineering, 60% (2019: 60%) for miscellaneous bank business and 47% (2019: 45%) for other miscellaneous, of 'the gross contribution written net of administrative surcharge' as wakala fee against the services.

	Note	2020	2019
		(Rupees)	
<b>31. MANAGEMENT EXPENSES - SHF</b>			
Employees salaries & benefits cost	31.1	<b>124,748,659</b>	134,073,927
Shariah advisors' fee		<b>881,617</b>	1,291,000
Consultancy fee		<b>1,770,371</b>	2,052,348
Rent, rates and taxes		<b>1,481,496</b>	4,295,188
Utilities - electricity, gas & water		<b>5,716,821</b>	6,577,611
Communication - postage, internet & telephone		<b>4,241,479</b>	4,205,454
Printing and stationery		<b>1,840,855</b>	2,416,850
Traveling and entertainment		<b>2,413,576</b>	3,187,102
Depreciation	8.1	<b>5,490,097</b>	5,687,094
Amortisation	9	<b>6,385,371</b>	6,434,119
Repairs and maintenance		<b>1,260,894</b>	1,306,813
Vehicles running		<b>3,547,504</b>	4,013,499
Car ijarah		<b>1,324,807</b>	1,659,222
Advertisement and sales promotion		<b>1,502,709</b>	964,099
Takaful contribution		<b>3,792,481</b>	3,439,966
Training		<b>200,000</b>	35,788
SECP annual supervision fee		<b>1,355,429</b>	1,230,007
Bank charges and brokerage		<b>57,902</b>	25,315
Office expenses		<b>133,368</b>	128,347
Conference and seminar		-	60,000
Janitorial services		<b>245,076</b>	211,073
Staff welfare		<b>667,120</b>	846,861
Computer expenses		<b>10,326,433</b>	7,231,456
Actuarial services		<b>500,000</b>	-
Inspection fee		<b>1,738,402</b>	-
Amortization of right of use assets (RoU)		<b>12,643,997</b>	13,217,556
Finance cost on lease liability against RoU		<b>4,572,119</b>	5,217,892
Others		<b>181,844</b>	250,472
		<b><u>199,020,427</u></b>	<b><u>210,059,059</u></b>



## Pak-Qatar General Takaful

	Note	2020 ————(Rupees)————	2019
<b>31.1 Employee benefits cost</b>			
Salaries allowances and other benefits		<b>120,747,894</b>	129,906,605
Contribution to employee provident fund		<b>4,000,765</b>	4,167,322
		<b>124,748,659</b>	<b>134,073,927</b>
<b>32. DIRECT EXPENSES - SHF</b>			
Legal and professional Fees and subscription		<b>590,575</b>	1,137,284
Auditors' remuneration	32.1	<b>1,560,916</b>	541,150
Provision for wakala refund	26.1	<b>3,077,581</b>	2,856,221
		<b>1,380,139</b>	1,081,730
		<b>6,609,211</b>	<b>5,616,385</b>
<b>32.1 Auditors' remuneration</b>			
Audit and related services:			
Audit fee		<b>450,000</b>	450,000
Interim review fee		<b>225,000</b>	225,000
Shariah Audit		<b>150,000</b>	150,000
Other certifications, reports & advisory service		<b>1,157,315</b>	932,763
Out of pocket expenses		<b>250,054</b>	251,033
		<b>2,232,369</b>	2,008,796
Tax services		<b>845,212</b>	847,425
		<b>3,077,581</b>	<b>2,856,221</b>
<b>33. TAXATION</b>			
Current		<b>4,617,366</b>	6,562,568
Prior		-	(1,192,771)
Deferred	33.1	<b>(6,667,856)</b>	2,357,739
		<b>(2,050,490)</b>	<b>7,727,536</b>

**33.1** The Company has filed returns upto and including tax year 2020 which are deemed to have been assessed under Section 120 of the Income Tax Ordinance, 2001, unless selected for audit.

**33.2** Relationship between tax expense and accounting profit:

	2020 %	2020 Rs	2019 %	2019 Rs
Accounting profit before taxation		<b>17,011,248</b>		<b>29,473,669</b>
Tax at the applicable tax rate	<b>31%</b>	<b>5,191,194</b>	29%	8,547,364
Prior year tax	<b>0%</b>	-	-4%	(1,192,771)
Others	<b>-43%</b>	<b>(7,241,684)</b>	1%	372,942
	<b>-12%</b>	<b>(2,050,490)</b>	26%	<b>7,727,536</b>

### 34. EARNINGS PER SHARE

#### 34.1 Basic earnings per share

	2020	2019 Restated
	(Rupees)	(Rupees)
Profit after tax - SHF	19,061,738	21,746,133
Weighted average number of ordinary shares	50,922,601	50,922,601
Earnings per share	0.37	0.43

#### 34.2 Diluted earnings per share

No figure for diluted earnings per share has been presented as the Company has not issued any instrument which would have an impact on earnings per share when exercised.

### 35. REMUNERATION OF EXECUTIVES

The aggregate amounts charged in the financial statements for remuneration, including all benefits, to the CEO & executives of the Company are as follows:

	2020		2019	
	Chief Executive Officer	Executives	Chief Executive Officer	Executives
	(Rupees)			
Managerial remuneration	3,921,450	24,922,555	1,560,000	26,107,602
House rent	1,764,653	11,215,150	702,000	11,748,421
Utilities	346,898	2,204,688	138,000	2,309,519
Medical expenses	18,430	1,095,208	7,719	1,080,277
Conveyance & vehicle allowance	-	8,003,818	-	8,099,464
Staff retirement benefit (contribution plan)	354,770	2,476,817	156,000	3,017,534
Others	252,172	5,457,669	1,224,000	4,989,775
	<b>6,658,373</b>	<b>55,375,905</b>	<b>3,787,719</b>	<b>57,352,592</b>
Number of persons	1	28	1	27

**35.1** Chief Executive Officer and some executives are provided free use of Company maintained cars, takaful cover and certain benefits in accordance with their entitlements. New CEO took the charge of his office effective April 2020.

**35.2** Certain directors including CEO have been provided boarding and lodging amounting to Rs. 1,831,310 (2019: Rs.179,850) to attend Board meetings of the Company as per the Company's policy. Independent director was paid Rs 687,500 (2019: Rs 1,125,000) for attending meetings.

**35.3** Executives mean employees other than Chief Executive and Directors, whose basic salary exceeds five hundred thousand rupees in a financial year.

### 36. PROVIDENT FUND

The Company operates approved contributory provident fund (the Fund) for its permanent employees. Following information is based on unaudited financial statements of the fund.

	2020 un-audited	2019 audited
	(Rupees)	
Size of the fund - Total assets	32,542,497	27,716,351
Cost of the investments made	31,911,451	26,332,058
Percentage of the investments made	98%	95%
Fair value of the investments	31,911,451	26,334,782

The break up of fair value of the investments is :

	2020 Rupees	%	2019 Rupees	%
Bank balances	31,911,451	100	17,935,625	68
Government securities - sukuks	-	-	-	-
Mutual funds units	-	-	8,399,157	32
	<u>31,911,451</u>		<u>26,334,782</u>	

The investments have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

### 37. RELATED PARTIES DISCLOSURES

Related parties comprise of related group companies/companies with common directorship, associated companies, directors, key management personnel and staff retirement benefit fund. The Company carries out transactions with various related parties in the normal course of business. Details of material transactions with related parties, other than balances and remuneration to key management personnel under the terms of employment which have been specifically disclosed elsewhere in the financial statements, are given below:

#### Transactions for the period

Relationship	Fund	Nature of transactions	2020 (Rupees)	2019
Entity with common directorship	SHF	Net shared expenses paid	27,718,837	36,086,728
	PTF	Claims paid against general takaful	244,397	-
	PTF	Contribution received against general takaful	3,104,681	2,583,099
	PTF	Claims received against group takaful	2,377,199	2,158,525
	PTF	Contribution paid against group takaful	3,834,999	3,062,694
Key management personnels	PTF	Claims paid	434,635	271,226
	PTF	Contribution written	313,891	14,845
Employees Provident fund	SHF	Contribution paid	3,971,880	4,167,322

## Pak-Qatar General Takaful

### Balances

Relationship	Fund	Nature of transactions	2020 ----- (Rupees)	2019 ----- (Rupees)
Entity with common directorship	PTF	Claims payable against general takaful	-	92,000
	PTF	Claims receivable against group takaful	2,993	76,500
Key management personnels	PTF	Contribution receivable	124,617	107,412

### 38. MOVEMENT IN INVESTMENTS

	Held to maturity	Available for sale	Total
	----- (Rupees) -----		
At beginning of previous year - cost	75,000,000	256,558,754	331,558,754
Addition	50,000,000	1,081,035,039	1,131,035,039
Disposal (sale & redemption)	(125,000,000)	(988,010,763)	(1,113,010,763)
Impairment loss	-	-	-
At end of previous year - cost	-	349,583,030	349,583,030
Fair value gain / (loss)	-	693,655	693,655
At end of previous year - carrying value	-	350,276,685	350,276,685
At beginning of current year - cost	-	349,583,030	349,583,030
Addition	-	1,286,381,093	1,286,381,093
Disposal (sale & redemption)	-	(1,106,007,047)	(1,106,007,047)
Impairment loss	-	-	-
At end of current year - cost	-	529,957,076	529,957,076
Fair value gain / (loss)	-	1,189,967	1,189,967
At end of current year - carrying value	-	531,147,043	531,147,043

### 39. SEGMENT INFORMATION

#### 39.1 Year 2020

	Fire and Property	Marine, Aviation and Transport	Motor	Miscellaneous	Total
	-----Rupees-----				
<b>PARTICIPANTS' TAKAFUL FUND (PTF)</b>					
Contribution receivable (inclusive of FED, FIF & admin surcharge)	158,376,039	50,088,982	395,613,710	82,621,770	<b>686,700,501</b>
Less: Federal excise duty - FED	(17,887,321)	(5,212,231)	(46,584,917)	(9,211,348)	<b>(78,895,817)</b>
Federal insurance fee - FIF	(1,278,336)	(436,026)	(3,428,439)	(727,729)	<b>(5,870,530)</b>
Gross written Contribution (inclusive of admin surcharge)	<u>139,210,382</u>	<u>44,440,725</u>	<u>345,600,354</u>	<u>72,682,693</u>	<u><b>601,934,154</b></u>
Gross direct contribution	126,969,340	43,322,833	343,959,354	72,350,421	<b>586,601,948</b>
Facultative inward contribution	12,066,412	1,086,645	1,539,240	259,892	<b>14,952,189</b>
Administrative surcharge	174,630	31,247	101,760	72,380	<b>380,017</b>
Gross written Contribution (inclusive of admin surcharge)	139,210,382	44,440,725	345,600,354	72,682,693	<b>601,934,154</b>
Less: Wakala fee	(39,063,676)	(13,832,610)	(154,686,600)	(32,909,719)	<b>(240,492,605)</b>
Contribution net-off wakala	<u>100,146,706</u>	<u>30,608,115</u>	<u>190,913,754</u>	<u>39,772,974</u>	<u><b>361,441,549</b></u>
Unearned contribution - opening	45,258,398	4,172,176	113,063,380	22,209,765	<b>184,703,719</b>
Unearned contribution - closing	(49,874,016)	(3,990,531)	(84,872,040)	(18,033,079)	<b>(156,769,666)</b>
Contribution earned	<u>95,531,088</u>	<u>30,789,760</u>	<u>219,105,094</u>	<u>43,949,660</u>	<u><b>389,375,602</b></u>
Retakaful ceded	(104,642,608)	(26,049,227)	(42,878,996)	(28,374,630)	<b>(201,945,461)</b>
Prepaid retakaful - opening	(50,738,780)	(3,439,691)	(2,444,360)	(18,927,400)	<b>(75,550,231)</b>
Prepaid retakaful - closing	55,529,882	3,672,999	2,013,010	12,943,283	<b>74,159,174</b>
Retakaful expense	<u>(99,851,506)</u>	<u>(25,815,919)</u>	<u>(43,310,346)</u>	<u>(34,358,747)</u>	<u><b>(203,336,518)</b></u>
Net Contribution earned	<u>(4,320,418)</u>	<u>4,973,841</u>	<u>175,794,748</u>	<u>9,590,913</u>	<u><b>186,039,084</b></u>
Retakaful rebate received or receivable	25,129,137	7,804,453	449,834	6,072,031	<b>39,455,455</b>
Unearned rebate - opening	12,395,932	1,031,931	303,240	4,626,077	<b>18,357,180</b>
Unearned rebate - closing	(13,346,732)	(1,101,940)	(185,842)	(2,903,550)	<b>(17,538,064)</b>
Retakaful rebate/income	<u>24,178,337</u>	<u>7,734,444</u>	<u>567,232</u>	<u>7,794,558</u>	<u><b>40,274,571</b></u>
Net Underwriting income	<u>19,857,919</u>	<u>12,708,285</u>	<u>176,361,980</u>	<u>17,385,471</u>	<u><b>226,313,655</b></u>
Takaful claims expense	(48,850,526)	(15,276,825)	(203,781,307)	(9,174,570)	<b>(277,083,228)</b>
Retakaful recovery on claims	45,557,327	7,253,998	16,274,427	10,928,740	<b>80,014,492</b>
Net calims expense	(3,293,199)	(8,022,827)	(187,506,880)	1,754,170	<b>(197,068,736)</b>
Contribution deficiency expense	(6,000,000)	(2,000,000)	-	-	<b>(8,000,000)</b>
Direct expenses	(1,466,135)	(468,040)	(3,639,791)	(765,479)	<b>(6,339,445)</b>
Net takaful claims and expense	<u>(10,759,334)</u>	<u>(10,490,867)</u>	<u>(191,146,671)</u>	<u>988,691</u>	<u><b>(211,408,181)</b></u>
Underwriting result	<u>9,098,585</u>	<u>2,217,418</u>	<u>(14,784,691)</u>	<u>18,374,162</u>	<u><b>14,905,474</b></u>

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## Pak-Qatar General Takaful

	Fire and Property	Marine, Aviation and Transport	Motor	Miscellaneous	Total
	-----Rupees-----				
Investment income & other income					19,157,265
Less: Modarib's Share					(7,662,906)
Net investment income					11,494,359
Surplus for the year					26,399,833
Segment assets	289,065,446	34,960,364	220,423,190	92,777,613	637,226,613
Unallocated assets					93,050,148
					730,276,761
Segment liabilities	187,973,120	28,722,610	187,030,212	74,130,456	477,856,398
Unallocated liabilities					209,552,054
					687,408,452
<b>SHAREHOLDERS' FUND (SHF)</b>					
Wakala income	39,063,676	13,832,610	154,686,600	32,909,719	240,492,605
Commission paid or payable	(28,004,724)	(6,996,423)	(22,818,241)	(8,413,936)	(66,233,324)
Deferred commission - opening	(11,924,015)	(897,193)	(10,326,745)	(4,762,933)	(27,910,886)
Deferred commission - closing	14,958,526	966,267	8,653,810	3,201,721	27,780,324
Commission expense	(24,970,213)	(6,927,349)	(24,491,176)	(9,975,148)	(66,363,886)
Management expenses	(46,027,808)	(14,693,654)	(114,267,532)	(24,031,434)	(199,020,427)
	(31,934,345)	(7,788,393)	15,927,892	(1,096,863)	(24,891,708)
Other expenses					(6,609,211)
Investment income					36,469,629
Modarib share of PTF investment income					7,662,906
Other income					4,379,632
Profit before tax					17,011,248
Provision for Taxation					2,050,490
Profit after tax					19,061,738
Segment assets	14,958,526	966,267	8,653,810	3,201,721	27,780,324
Unallocated assets					671,343,653
					699,123,977
Segment liabilities	24,645,387	2,148,747	82,371,664	12,174,713	121,340,511
Unallocated liabilities					115,422,397
					236,762,908



39.2 Year 2019

	Fire and Property	Marine, Aviation and Transport	Motor	Miscellaneous	Total Restated
	-----Rupees-----				
<b>PARTICIPANTS' TAKAFUL FUND (PTF)</b>					
Contribution receivable (inclusive of FED, FIF & admin surcharge)	163,608,908	59,111,987	447,188,023	126,170,373	<b>796,079,291</b>
Less: Federal excise duty - FED	(17,266,298)	(5,402,562)	(50,118,111)	(12,717,978)	<b>(85,504,949)</b>
Federal insurance fee - FIF	(1,352,058)	(499,634)	(3,890,892)	(1,026,661)	<b>(6,769,245)</b>
Stamp duty	(68,250)	(2,411,102)	(206,480)	(73,440)	<b>(2,759,272)</b>
Gross written Contribution (inclusive of admin surcharge)	<u>144,922,302</u>	<u>50,798,689</u>	<u>392,972,540</u>	<u>112,352,294</u>	<b>701,045,825</b>
Gross direct contribution	133,494,122	49,868,786	383,376,804	101,974,699	<b>668,714,411</b>
Facultative inward contribution	11,167,116	868,943	9,574,716	10,313,566	<b>31,924,341</b>
Administrative surcharge	261,064	60,960	21,020	64,029	<b>407,073</b>
Gross written Contribution (inclusive of admin surcharge)	<u>144,922,302</u>	<u>50,798,689</u>	<u>392,972,540</u>	<u>112,352,294</u>	<b>701,045,825</b>
Less: Wakala fee	<u>(41,642,453)</u>	<u>(14,525,644)</u>	<u>(167,921,982)</u>	<u>(50,179,395)</u>	<b>(274,269,474)</b>
Contribution net-off wakala	<u>103,279,849</u>	<u>36,273,045</u>	<u>225,050,558</u>	<u>62,172,899</u>	<b>426,776,351</b>
Unearned contribution - opening	41,161,252	2,548,931	122,865,810	25,932,500	<b>192,508,493</b>
Unearned contribution - closing	<u>(45,258,398)</u>	<u>(4,172,176)</u>	<u>(113,063,380)</u>	<u>(22,209,765)</u>	<b>(184,703,719)</b>
Contribution earned	<u>99,182,703</u>	<u>34,649,800</u>	<u>234,852,988</u>	<u>65,895,634</u>	<b>434,581,125</b>
Retakaful ceded	(110,231,606)	(32,652,461)	(49,520,101)	(41,509,394)	<b>(233,913,562)</b>
Prepaid retakaful - opening	(48,016,699)	(1,628,663)	-	(23,492,603)	<b>(73,137,965)</b>
Prepaid retakaful - closing	50,738,780	3,439,691	2,444,360	18,927,400	<b>75,550,231</b>
Retakaful expense	<u>(107,509,525)</u>	<u>(30,841,433)</u>	<u>(47,075,741)</u>	<u>(46,074,597)</u>	<b>(231,501,296)</b>
Net Contribution earned	<u>(8,326,822)</u>	<u>3,808,367</u>	<u>187,777,247</u>	<u>19,821,037</u>	<b>203,079,829</b>
Retakaful rebate received or receivable	26,924,123	9,796,170	537,581	9,672,599	<b>46,930,473</b>
Unearned rebate - opening	15,217,363	488,621	-	6,958,046	<b>22,664,030</b>
Unearned rebate - closing	<u>(12,395,932)</u>	<u>(1,031,931)</u>	<u>(303,240)</u>	<u>(4,626,077)</u>	<b>(18,357,180)</b>
Retakaful rebate/income	<u>29,745,554</u>	<u>9,252,860</u>	<u>234,341</u>	<u>12,004,568</u>	<b>51,237,323</b>
Net Underwriting income	<u>21,418,732</u>	<u>13,061,227</u>	<u>188,011,588</u>	<u>31,825,605</u>	<b>254,317,152</b>
Takaful claims expense	(75,238,731)	(20,828,701)	(213,832,428)	(50,968,571)	<b>(360,868,431)</b>
Retakaful recovery on claims	65,914,615	11,175,301	12,534,322	19,606,722	<b>109,230,960</b>
Net calims expense	<u>(9,324,116)</u>	<u>(9,653,400)</u>	<u>(201,298,106)</u>	<u>(31,361,849)</u>	<b>(251,637,471)</b>
Contribution deficiency expense	(2,600,000)	-	-	-	<b>(2,600,000)</b>
Direct expenses	<u>(1,604,175)</u>	<u>(562,301)</u>	<u>(4,349,895)</u>	<u>(1,243,651)</u>	<b>(7,760,022)</b>
Net takaful claims and expense	<u>(13,528,291)</u>	<u>(10,215,701)</u>	<u>(205,648,001)</u>	<u>(32,605,500)</u>	<b>(261,997,493)</b>
Underwriting result	<u>7,890,441</u>	<u>2,845,526</u>	<u>(17,636,413)</u>	<u>(779,895)</u>	<b>(7,680,341)</b>

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## Pak-Qatar General Takaful

	Fire and Property	Marine, Aviation and Transport	Motor	Miscellaneous	Total
	-----Rupees-----				
Investment income & other income					16,172,233
Less: Modarib's Share					(6,468,894)
Net investment income					9,703,339
Surplus for the year					2,022,998
Segment assets	223,198,406	26,893,643	71,020,724	97,876,478	418,989,251
Unallocated assets					426,715,398
					845,704,649
Segment liabilities	173,420,072	25,403,916	188,917,993	107,460,639	495,202,620
Unallocated liabilities					333,667,387
					828,870,007
<b>SHAREHOLDERS' FUND (SHF)</b>					
Wakala income	41,642,453	14,525,644	167,921,982	50,179,395	274,269,474
Commission paid or payable	(26,539,473)	(6,636,353)	(20,688,213)	(13,055,006)	(66,919,045)
Deferred commission - opening	(10,366,051)	(538,597)	(7,273,182)	(5,550,671)	(23,728,501)
Deferred commission - closing	11,924,015	897,193	10,326,745	4,762,933	27,910,886
Commission expense	(24,981,509)	(6,277,757)	(17,634,650)	(13,842,744)	(62,736,660)
Management expenses	(43,424,041)	(15,221,152)	(117,748,996)	(33,664,871)	(210,059,059)
	(26,763,097)	(6,973,265)	32,538,336	2,671,780	1,473,755
Other expenses					(5,616,385)
Investment income					20,323,310
Modarib share of PTF investment income					6,468,894
Other income					6,824,095
Profit before tax					29,473,669
Provision for Taxation					(7,727,536)
Profit after tax					21,746,133
Segment assets					-
Unallocated assets					671,123,805
					671,123,805
Segment liabilities					-
Unallocated liabilities					228,436,833
					228,436,833

## 40. TAKAFUL RISK MANAGEMENT

### 40.1 Takaful risk

The Participant Takaful Fund (PTF) issues general takaful contracts which can be classified in following segments:

- Fire and property
- Marine, aviation and transport
- Motor
- Miscellaneous

The risk under any takaful contract is the possibility of occurrence of takaful event and there is an uncertainty of the amount of claim resulting from occurrence of the event. PTF also faces a risk under takaful contracts that the actual claims payments or timing thereof differs from expectations. This is influenced by frequency of claims, severity of claims, actual claim paid, litigation and subsequent adverse development of long-term claims. In general takaful contracts, the most significant risks arise from climate changes, natural disasters, terrorism and other catastrophes. By the vary nature of a takaful contract, this risk is random and therefore unpredictable. The objective is to ensure that sufficient reserves are available to cover these liabilities.

Board recognises the critical importance of having efficient and effective risk management systems in place. For this, underwriting, claim, retakaful, cotakaful, and risk management & compliance committees are formed to monitor the core business activities. This is further supplemented with a clear organisational structure which has delegated authorities and responsibilities from the Board to executive management. The Audit Committee is assisted in its oversight role by an Internal Audit function. Internal Audit undertakes review of risk management controls and procedures, the results of which are reported to the Audit Committee.

The PTF manages these risks through its underwriting strategy, adequate retakaful arrangements and proactive claims handling. The underwriting strategy aims to minimise takaful risks with a balanced mix and spread of business classes and by observing underwriting guidelines and limits. Factors that aggravate takaful risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered. The PTF underwrites mainly property, motor, marine cargo and transportation and other miscellaneous business. These classes of takaful are generally regarded as short-term takaful contracts where claims are normally intimated and settled within a short time span, usually one year. This helps to mitigate insurance risk.

The PTF's risk exposure is mitigated by employing a comprehensive framework to identify, assess, manage, diversify, and monitoring of risk. PTF has limited its exposure by imposing limits to the maximum risk exposure in a single takaful contract in each class of business and also by limiting maximum risk exposure for particular segment / industry. This framework includes implementation of underwriting strategies which aim to ensure the careful selection of takaful contracts and the diversification in terms of portfolio, type and amount of the risk. Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Company has the right not to renew individual policies, it can impose deductibles and it has the right to reject the payment of a fraudulent claim. For large risks, particularly in property segment of business, risk inspections are carried out before accepting the risks. Similarly, in case of large risks, annual renewals are also preceded by on-site surveys. Where needed, risk mitigation measures are identified and communicated to the clients to improve the risk to an acceptable level. Adequate retakaful is arranged to mitigate the effect of the potential loss from individual and large or catastrophic events covered under takaful contracts.

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Retakaful arrangements in place include facultative and treaty arrangements, on proportional and non-proportional basis and also include catastrophe & terrorism cover. The effect of such retakaful arrangements is that the Company may not suffer ultimate net takaful losses beyond the Company's risk appetite in any one year. The Company's arrangement of retakaful is diversified such that it is neither dependent on a single retakaful operator nor the operations of the Company are substantially dependent upon any single retakaful contract. The Company obtains retakaful cover from companies with good financial health. Further, in order to reduce the risk exposure of the PTF, the Company adopts proactive claim handling procedures and strict claim review policies including active management and prompt pursuing of the claims, periodic detailed review of claim handling procedures and frequent investigation of possible false claims.

The company amortizes the retakaful ceded and rebate as disclosed in respective statements & notes. However, the gross result of retakaful buying is summarized as follows:

	2020	2019
	(Rupees)	
Gross retakaful ceded	(201,945,461)	(233,913,562)
Add:		
Retakaful recovery in claims	76,099,847	109,230,960
Gross rebate on ceding	39,455,455	46,930,473
Gross result	<u>(86,390,159)</u>	<u>(77,752,129)</u>

### 40.2 Concentration of takaful risk

Concentration of risk may arise from a significant single takaful risk coverage of a particular participant within a same geographical location or may arise from multiple risk covered in same geographical locations or may also arise from multiple risk coverage of significant amount pertaining to same industry. In order to minimize the financial exposure arising from large claims, the Company, in the normal course of business, enters into agreement with other re-takaful operators, who are dispersed over several geographical regions.

The Company also monitors concentration of risk by evaluating multiple risks covered in the same geographical location. For fire and property risk, a particular building and neighboring buildings, which could be affected by a single claim incident may create concentration due to single location. For earthquake risk, a complete city may be classified as a single location. Similarly, for marine risk, multiple risks covered in a single vessel voyage may be considered as a single risk while assessing concentration of risk. The Company evaluates the concentration of exposures to individual and cumulative takaful risks and establishes its retakaful cover to reduce such exposures to levels acceptable to the Company.

The table below sets out the concentration & severity of the outstanding claims liabilities (in percentage terms) by class of business at balance sheet date:

Class	2020		2019	
	Gross claim liability	Net claim liability	Gross claim liability	Net claim liability
	Percentage (%)		Percentage (%)	
Fire and property	40	7.7	39	10
Marine	7	7.8	7	7
Motor	35	70.6	26	53
Miscellaneous	18	13.9	28	30
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

### 40.3 Frequency and severity of claims

Political, environmental, economical and climatic changes give rise to more frequent and severe extreme events (for example, fire, theft, steal, riot, violence, strike, explosion, earthquake, atmospheric damage, hurricanes / cyclone, typhoons, river flooding, electric fluctuation, terrorism, war risk, damages occurring in inland transit, burglary, loss of cash in safe and cash in transit, travel and personal accident, money losses, engineering losses and other events) and their consequences (for example, subsidence claims). The tables in above para prescribe severity & concentration with respect to class of business and the Company risk management measures have also been described above.

Takaful contracts which is divided into direct and facultative arrangements are further subdivided into segments; fire and property, marine, aviation and transport, motor and miscellaneous. The takaful risk arising from these contracts is concentrated in the territories in which the Company operates, and there is a balance between commercial and personal properties / assets in the overall portfolio of covered properties / assets. The Company underwrites takaful contracts in Pakistan.

The PTF's class wise major risk exposure within a single policy is as follows:

Class	2020			2019		
	Maximum Gross Risk Exposure	Maximum Retakaful Cover	Highest Net Risk Retention	Maximum Gross Risk Exposure	Maximum Retakaful Cover	Highest Net Risk Retention
	Rupees			Rupees		
Fire and property	937,510,000	922,510,000	15,000,000	1,000,000,000	985,000,000	15,000,000
Marine	331,109,240	323,109,240	8,000,000	324,048,271	316,048,271	8,000,000
Motor	30,000,000	29,250,000	750,000	30,000,000	29,250,000	750,000
Miscellaneous	100,000,000	98,750,000	1,250,000	150,000,000	146,250,000	3,750,000

The Company manages these risks through its underwriting strategy, adequate re-takaful arrangements and proactive claims handling. The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk, industry and geography. The Company has the right to re-price the risk on renewal. It also has the ability to impose deductibles and reject fraudulent claims. Takaful contracts also entitle the Company to pursue third parties for payment of some or all costs (for example, subrogation). The claims payments are limited to the extent of sum covered on occurrence of the covered event.

The Company has entered into re-takaful cover / arrangements, with foreign re-takaful operators having good credit rating by reputable rating agencies, to reduce its exposure to risks and resulting claims. Keeping in view the maximum exposure in respect of key zone aggregates, a number of proportional and non-proportional treaty and facultative re-takaful arrangements are in place to protect the net account in case of a major catastrophe. The effect of such re-takaful arrangements is that the Company recovers the share of claims from re-takaful companies thereby reducing its exposure to risk. Apart from the adequate event limit which is as per the treaty capacity or the primary recovery from the proportional re-takaful arrangements, any loss over and above the said limit would be recovered under non-proportional treaty and facultative retakaful which is very much in line with the risk management philosophy of the Company.

The Company has a claims department dealing with the mitigation of risks surrounding claims incurred whether reported or not. This department examines and settles all claims based on survey report / assessment. The unsettled claims are reviewed individually and adjusted to reflect the latest information on the underlying facts, contractual terms and conditions, and other factors. The Company manages and pursues early settlements of claims to reduce its exposure to unpredictable developments.

#### **40.4 Sources of uncertainty in the estimation of future claims payment**

The key source of estimation uncertainty at the balance sheet date relates to valuation of outstanding claims, whether reported or not, and includes expected claims settlement costs. Considerable judgment by management is required in the estimation of amounts due to policyholders arising from claims made under takaful contracts. Such estimates are necessarily based on assumptions about several factors involving varying and possibly significant degrees of judgment and uncertainty and actual results may differ from management's estimates resulting in future changes in estimated liabilities. Qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example one-off occurrence, changes in market factors such as public attitude to claiming and economic conditions. Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates. In particular, estimates have to be made for the expected ultimate cost of claims reported & claims incurred but not enough reported (IBNER) at the balance sheet date, and for the expected ultimate cost of claims incurred but not reported (IBNR) at the balance sheet date.

Liability in respect of outstanding claims is based on the best estimate of the claims intimated. In calculating the estimated cost of unpaid claims (both reported and not), the Company's estimation techniques are based on management professional judgements, preliminary survey assessments, loss-ratio-based estimates and information of claims with similar characteristics related to previous periods. Reported claims and development of large losses / catastrophes and disputed claims are analyzed separately. The shorter settlement period for claims allows the Company to achieve a higher degree of certainty about the estimated cost of claims including IBNR. However, the longer time needed to assess the emergence of a subsidence claim makes the estimation process more uncertain for these claims. The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value, re-takaful and other recoveries. The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome may be different from the original liability established. The liability comprises amount in relations to unpaid reported claims, claims incurred but not reported (IBNR), expected claims settlement costs and a provision for unexpired risks at the end of the reporting period.

#### **40.5 Process used to decide on assumptions**

The risks associated with takaful contracts are complex and subject to a number of variables that complicate quantitative sensitivity analysis. This risk exposure is geographically concentrated in Pakistan only. The Company uses assumptions based on a mixture of internal and market data to measure its related claims liabilities. Internal data is derived mostly from the Company's claims reports, surveyor's report for particular claim and screening of the actual takaful contracts carried out to derive data for the contracts held.



The principle assumptions underlying the liability estimation of IBNR and deficiency reserve is that the PTF's future claim developments will follow current pattern for occurrence and reporting. This includes assumptions in respect of loss ratio, expense of claim settlement and provision for IBNR. The management uses judgements to assess the extent to which past occurrence and reporting pattern will not apply in future. The judgements includes external factor for example treatment of one off claim, changes in market factor and economic condition. The internal factor such as portfolio mix, policy conditions and claim handling procedure are also considered in this regard. However, uncertainty prevails with estimated deficiency reserve, claim liability including IBNR and it is likely that final settlement of these liabilities may be different from initial recognized amount. As the PTF enters into short term takaful contracts, it does not assume any significant impact of changes in market conditions on unexpired risks. The Company does not assume significant change in assumptions for the takaful contracts.

The expected net claim (to net contribution gross up of wakala) ratio, for unexpired period of policy at balance sheet date for each class of business is as follows:

Class	2020 %	2019 %
Fire and property	8	4
Marine	42	53
Motor	56	57
Miscellaneous	(4)	45

## 40.6 Sensitivity analysis

The analysis of risk exposure, concentration and severity of outstanding claim liability described in supra paras is also used to test the sensitivity of the selected assumptions to changes in the key underlying factors. Assumptions of different levels have been used to assess the relative severity of subsidence claims given past experience. The key material factor in the Company's exposure to subsidence claims is the risk of more permanent changes in geographical location in which Company is exposed.

The risks associated with the takaful contracts are complex and subject to a number of variables which complicate quantitative sensitivity analysis. The Company considers that the liability for takaful claims recognized in the balance sheet is adequate. However, these amounts are not certain and actual payments may differ from the claims liabilities provided in the financial statements.

The estimated results of sensitivity testing, assuming 10% change in the gross outstanding claim liability as at balance sheet date, on gross underwriting results is set out below:

	Effect on Underwriting Results	
	2020	2019
	—————(Rupees)—————	
10% increase in gross outstanding claims liability	<u>29,554,867</u>	<u>28,714,172</u>
10% decrease in gross outstanding claims liability	<u>(29,554,867)</u>	<u>(28,714,172)</u>

## 40.7 Claim development table

The Company maintains adequate reserves in respect of its takaful business in order to protect against adverse future claims experience and developments. The uncertainties about the amount and timing of claim payments are normally resolved within one year. Claims which involve litigation and, in the case of marine, general average adjustments take longer for the final amounts to be determined which may exceed one year. All amounts are presented in gross numbers before retakaful.

The following table shows the development of gross claims over a period of time. The disclosure goes back to the period when the outstanding claim arose for which there was uncertainty about the amount and timing of the claims payments.

### Claim development table - 2020

Accident year	2014	2015	2016	2017	2018	2019	2020
	(Rupees)						
Estimate of ultimate claim cost							
At the end of:							
Accident year	645,191,655	365,107,578	389,120,624	614,784,231	448,263,297	396,674,059	<b>322,557,343</b>
One year later	691,246,296	362,565,240	376,034,975	573,550,119	414,840,252	359,394,171	
Two years later	691,180,103	368,303,117	368,597,230	571,561,504	408,811,998		
Three years later	686,275,848	364,125,975	366,886,412	569,992,800			
Four years later	683,935,441	365,175,459	366,103,836				
Five years later	684,101,807	364,064,740					
Six years later	685,397,827						
<b>Current estimate of cumulative claims</b>	<b>685,397,827</b>	<b>364,064,740</b>	<b>366,103,836</b>	<b>569,992,800</b>	<b>408,811,998</b>	<b>359,394,171</b>	<b>322,557,343</b>
<b>Cumulative payments to date</b>	<b>(685,386,088)</b>	<b>(363,999,228)</b>	<b>(319,712,121)</b>	<b>(567,651,020)</b>	<b>(389,508,880)</b>	<b>(314,928,265)</b>	<b>(139,588,453)</b>
<b>Liability recognized in balance sheet</b>	<b>11,739</b>	<b>65,512</b>	<b>46,391,715</b>	<b>2,341,780</b>	<b>19,303,118</b>	<b>44,465,906</b>	<b>182,968,890</b>

### Claim development table - 2019

Accident year	2012	2013	2014	2015	2016	2017	2018	2019
	(Rupees)							
Estimate of ultimate claim cost								
At the end of:								
Accident year	251,812,157	556,369,336	645,191,655	365,107,578	389,120,624	614,784,231	448,263,297	396,674,059
One year later	242,572,781	550,138,621	691,246,296	362,565,240	376,034,975	573,550,119	414,840,252	
Two years later	235,869,401	552,680,947	691,180,103	368,303,117	368,597,230	571,561,504		
Three years later	236,259,962	551,908,604	686,275,848	364,125,975	366,886,412			
Four years later	234,356,583	550,322,284	683,935,441	365,175,459				
Five years later	234,270,123	549,113,388	684,101,807					
Six years later	233,815,017	549,668,388						
Seven years later	233,361,017							
<b>Current estimate of cumulative claims</b>	<b>233,361,017</b>	<b>549,668,388</b>	<b>684,101,807</b>	<b>365,175,459</b>	<b>366,886,412</b>	<b>571,561,504</b>	<b>414,840,252</b>	<b>396,674,059</b>
<b>Cumulative payments to date</b>	<b>(233,361,017)</b>	<b>(549,668,388)</b>	<b>(684,077,732)</b>	<b>(362,047,262)</b>	<b>(318,926,582)</b>	<b>(564,045,630)</b>	<b>(383,489,804)</b>	<b>(199,510,762)</b>
<b>Liability recognized in balance sheet</b>	<b>-</b>	<b>-</b>	<b>24,075</b>	<b>3,128,197</b>	<b>47,959,830</b>	<b>7,515,874</b>	<b>31,350,448</b>	<b>197,163,297</b>

### 40.8 Retakaful risk

In order to minimize the financial exposure arising from claims, the Company, in the normal course of business, enters into agreement with other parties for retakaful purposes. Retakaful ceded does not relieve the PTF from its obligation to takaful contract holders and as a result the PTF remains liable for the portion of outstanding claims covered under retakaful to the extent that retakaful company fails to meet the obligation under the retakaful agreements.

The credit quality of amount due from other takaful and retakaful including recovery from retakaful against outstanding claims is presented in credit risk note 41.5.

## 41. FINANCIAL RISK MANAGEMENT

### 41.1 Financial risk

The Company has exposure to the following risks from its use of financial instruments:

- Liquidity risk
- Credit risk
- Market risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (comprising of currency risk, interest rate risk and other price risk). The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Board of Directors has overall responsibility for establishment and oversight of the Company's risk management framework. There are Board Committees and Management Committees for developing and monitoring the risk management policies.

The Company's risk management policies are established to identify and analyze the risk faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

### 41.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. In respect of major loss event, there is also a liquidity risk associated with the timing differences between gross cash out flows and expected reinsurance recoveries. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. It includes measuring and monitoring the future cash flows on daily, monthly and quarterly basis. The diversified funding sources and assets of the Company are managed, maintaining a sufficient balance of cash and cash equivalents, readily marketable securities and financial assets that can be easily liquidated in the event of an unforeseen interruption to cash flows.

## Pak-Qatar General Takaful

### Non-derivative financial liabilities

Outstanding claims including IBNR  
Takaful / retakaful payables  
Other creditors & accruals

2020		2019	
Carrying Amount	Contractual cash flows upto one year	Carrying Amount	Contractual cash flows upto one year
----- (Rupees) -----			
295,548,668	295,548,668	287,141,721	287,141,721
120,787,154	120,787,154	112,375,325	112,375,325
142,735,557	142,735,557	132,067,039	132,067,039
<b>559,071,379</b>	<b>559,071,379</b>	<b>531,584,085</b>	<b>531,584,085</b>

### 41.3 Profit / mark-up / yield rate risk

Profit / mark-up / yield rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market profit rates. Majority of the profit rate exposure arises from balances held in profit and loss sharing accounts, term deposits with reputable banks and investment in Sukuks. The Company limits interest rate risk by monitoring changes in interest rates .

At the balance sheet date, the profit rate profile of the Company's significant profit-bearing financial instrument is as follows:

	Cost		Tentative profit rate	
	2020	2019	2020	2019
	(Rupees)		(in Percent)	
<b>Variable rate financial assets</b>				
- Savings accounts	171,437,368	244,626,128	4 - 12	5 - 10
- Sukuk certificates	282,567,055	195,791,276	7 - 14	5.2 - 13
	<b>454,004,423</b>	<b>440,417,404</b>		

Sensitivity to a reasonable change in interest rates (with all other variables held constant) on the Company's profit before tax based upon above mentioned closing balances of profit bearing financial assets, if balance maintained for whole year, is presented below:

	2020	2019
	----- (Rupees) -----	
1 % Increase in profit rate	<b>4,540,044</b>	4,040,174
1 % decrease in profit rate	<b>(4,540,044)</b>	(4,040,174)

The information about Company's exposure to profit rate risk based on contractual reprising or maturity dates whichever is earlier is as follows:

The maturity profile of financial assets and liabilities is presented as follows:

### Maturity profile of financial assets and liabilities

	2020						
	Profit bearing			Non-Profit bearing			Total
	Maturity up to one year	Maturity after one year	Sub total	Maturity up to one year	Maturity after one year	Sub Total	
	(Rupees)						
FINANCIAL ASSETS							
Cash and bank balances	171,437,368	-	171,437,368	2,226,562	-	2,226,562	173,663,930
Investments	-	282,567,055	282,567,055	248,579,988	-	248,579,988	531,147,043
Takaful / retakaful receivables	-	-	-	163,980,814	-	163,980,814	163,980,814
Retakaful recoveries against outstanding claims	-	-	-	165,825,173	-	165,825,173	165,825,173
Loans and other receivables	-	-	-	17,258,150	-	17,258,150	17,258,150
	171,437,368	282,567,055	454,004,423	597,870,687	-	597,870,687	1,051,875,110

### FINANCIAL LIABILITIES

Provision for outstanding claims including IBNR	-	-	-	295,548,668	-	295,548,668	295,548,668
Takaful / retakaful payables	-	-	-	120,787,154	-	120,787,154	120,787,154
Other creditors & accruals	-	-	-	142,735,557	-	142,735,557	142,735,557
	<b>-</b>	<b>-</b>	<b>-</b>	<b>559,071,379</b>	<b>-</b>	<b>559,071,379</b>	<b>559,071,379</b>

	2019						Total
	Profit bearing			Non-Profit bearing			
	Maturity up to one year	Maturity after one year	Sub total	Maturity up to one year	Maturity after one year	Sub Total	
	(Rupees)						

### FINANCIAL ASSETS

Cash and bank balances	244,626,128	-	244,626,128	2,606,507	-	2,606,507	247,232,635
Investments	59,850,000	135,941,276	195,791,276	154,485,409	-	154,485,409	350,276,685
Takaful / retakaful payables	-	-	-	211,538,878	-	211,538,878	211,538,878
Retakaful recoveries against outstanding claims	-	-	-	161,910,528	-	161,910,528	161,910,528
Loans and other receivables	-	-	-	20,161,140	-	20,161,140	20,161,140
	<b>304,476,128</b>	<b>135,941,276</b>	<b>440,417,404</b>	<b>550,702,462</b>	<b>-</b>	<b>550,702,462</b>	<b>991,119,866</b>

### FINANCIAL LIABILITIES

Provision for outstanding claims including IBNR	-	-	-	287,141,721	-	287,141,721	287,141,721
Takaful / retakaful payables	-	-	-	112,375,325	-	112,375,325	112,375,325
Other creditors & accruals	-	-	-	132,067,039	-	132,067,039	132,067,039
	<b>-</b>	<b>-</b>	<b>-</b>	<b>531,584,085</b>	<b>-</b>	<b>531,584,085</b>	<b>531,584,085</b>

# Pak-Qatar General Takaful

## Mismatch of rate of profit sensitivity of assets and liabilities

2020										
	Profit bearing							Non profit bearing	Total	
	Tentative profit % per annum	Upto one month	Over one month to three months	Over three months to six months	Over six months to one year	Over one year to five years	Over five years			Sub Total
	(Rupees)									
FINANCIAL ASSETS										
Cash and bank balances	4 - 12	171,437,368	-	-	-	-	-	171,437,368	2,226,562	173,663,930
Investments	7 - 14	-	-	-	-	282,567,055	-	282,567,055	248,579,988	531,147,043
Takaful / retakaful receivables		-	-	-	-	-	-	-	163,980,814	163,980,814
Retakaful recoveries against outstanding claims		-	-	-	-	-	-	-	165,825,173	165,825,173
Loans and other receivables		-	-	-	-	-	-	-	17,258,150	17,258,150
a		171,437,368	-	-	-	282,567,055	-	454,004,423	597,870,687	1,051,875,110
FINANCIAL LIABILITIES										
Provision for outstanding claims including IBNR		-	-	-	-	-	-	-	295,548,668	295,548,668
Takaful / retakaful payables		-	-	-	-	-	-	-	120,787,154	120,787,154
Other creditors & accruals		-	-	-	-	-	-	-	142,735,557	142,735,557
b		-	-	-	-	-	-	-	559,071,379	559,071,379
Profit rate sensitivity gap	a-b	171,437,368	-	-	-	282,567,055	-	454,004,423	38,799,308	492,803,731

2019										
	Tentative profit % per annum	Profit bearing						Non profit bearing	Total	
		Upto one month	Over one month to three months	Over three months to six months	Over six months to one year	Over one year to five years	Over five years			Sub Total
		(Rupees)								
FINANCIAL ASSETS										
Cash and bank balances	4 - 7.5	244,626,128	-	-	-	-	-	244,626,128	2,606,507	247,232,635
Investments	5.2 - 13	-	59,850,000	-	-	135,941,276	-	195,791,276	154,485,409	350,276,685
Takaful / retakaful receivables		-	-	-	-	-	-	-	211,538,878	211,538,878
Retakaful recoveries against outstanding claims		-	-	-	-	-	-	-	161,910,528	161,910,528
Loans and other receivables		-	-	-	-	-	-	-	20,161,140	20,161,140
	a	244,626,128	59,850,000	-	-	135,941,276	-	440,417,404	550,702,462	991,119,866
FINANCIAL LIABILITIES										
Provision for outstanding claims including IBNR		-	-	-	-	-	-	-	287,141,721	287,141,721
Takaful / retakaful payables		-	-	-	-	-	-	-	112,375,325	112,375,325
Other creditors & accruals		-	-	-	-	-	-	-	132,067,039	132,067,039
	b	-	-	-	-	-	-	-	531,584,085	531,584,085
Profit rate sensitivity gap	a-b	244,626,128	59,850,000	-	-	135,941,276	-	440,417,404	19,118,377	459,535,781



### Following are the assets measured at fair value

December 31, 2020	Carrying amount					Fair value			
	Available for Sale	Loans and receivables	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	Rupees								
Financial assets - measured at fair value									
Investments - Sukuks	282,567,055	-	-	-	282,567,055	-	282,567,055	-	282,567,055
Investments - Open-end mutual fund units	248,579,988	-	-	-	248,579,988	248,579,988	-	-	248,579,988
Financial assets - not measured at fair value									
Investments - TDRs*	-	-	-	-	-	-	-	-	-
Cash and bank balances*	-	-	173,663,930	-	173,663,930	-	-	-	-
Takaful / retakaful receivables*	-	163,980,814	-	-	163,980,814	-	-	-	-
Retakaful recoveries against outstanding claims*	-	165,825,173	-	-	165,825,173	-	-	-	-
Loans and other receivables*	-	17,258,150	-	-	17,258,150	-	-	-	-
	531,147,043	347,064,137	173,663,930	-	1,051,875,110	248,579,988	282,567,055	-	531,147,043
Financial liabilities - not measured at fair value									
Provision for outstanding claims including IBNR*	-	-	-	295,548,668	295,548,668	-	-	-	-
Takaful / retakaful payables*	-	-	-	120,787,154	120,787,154	-	-	-	-
Other creditors & accruals*	-	-	-	142,735,557	142,735,557	-	-	-	-
	-	-	-	559,071,379	559,071,379	-	-	-	-

\* The Company has not disclosed the fair value of these items because their carrying amounts are at reasonable approximation of fair value.

December 31, 2019	Carrying amount					Fair value			
	Available for Sale	Loans and receivables	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	Rupees								
Financial assets - measured at fair value									
Investments - Sukuks	195,791,276	-	-	-	195,791,276	-	195,791,276	-	195,791,276
Investments - Open-end mutual fund units	154,485,409	-	-	-	154,485,409	154,485,409	-	-	154,485,409
Financial assets - not measured at fair value									
Investments - TDRs*	-	-	-	-	-	-	-	-	-
Cash and bank balances*	-	-	247,232,635	-	247,232,635	-	-	-	-
Takaful / retakaful receivables*	-	211,538,878	-	-	211,538,878	-	-	-	-
Retakaful recoveries against outstanding claims*	-	161,910,528	-	-	161,910,528	-	-	-	-
Loans and other receivables*	-	20,161,140	-	-	20,161,140	-	-	-	-
	350,276,685	393,610,546	247,232,635	-	991,119,866	154,485,409	195,791,276	-	350,276,685
Financial liabilities - not measured at fair value									
Provision for outstanding claims including IBNR*	-	-	-	287,141,721	287,141,721	-	-	-	-
Takaful / retakaful payables*	-	-	-	112,375,325	112,375,325	-	-	-	-
Other creditors & accruals*	-	-	-	132,067,039	132,067,039	-	-	-	-
	-	-	-	531,584,085	531,584,085	-	-	-	-

\* The Company has not disclosed the fair value of these items because their carrying amounts are a reasonable approximation of fair value.

## 41.4 Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market. The Company manages its exposure to such risks by maintaining a diversified portfolio comprising of sukuk and Islamic mutual funds.

## 41.5 Credit risk and concentration of credit risk

Credit risk is the risk, which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss and investments. The Company is mainly exposed to credit risk on contribution due but unpaid, amount due from other takaful/ retakaful and bank balances. The Company attempts to control credit risk by monitoring credit exposures with counterparties and by continually assessing the credit worthiness of counterparties.

Concentration of credit risk arises when a number of counterparties have a similar type of business activities. As a result, any change in economic, political or other conditions would affect their ability to meet contractual obligations in similar manner. Due to the nature of financial assets, the Company believes it is not exposed to any major concentration of credit risk.

### Exposure to credit risk

The Company structures the levels of credit risk it accepts by placing limits on its exposure to a single counter party, or groups of counterparties, and to geographical and industry segments. Such risks are subject to an annual or more frequent review. Limits on the level of credit risk in investments and bank deposits are approved by the Investment Committee.

Re-takaful is used to manage takaful risk. This does not, however, discharge the Company's liability as primary takaful operator. If a Re-takaful operator fails to pay a claim for any reason, the Company remains liable for the payment to the participant. The creditworthiness of Re-takaful operators is considered on an annual basis by reviewing their financial strength.

Exposures to individual participants and groups of participants are collected within the ongoing monitoring of the controls associated with regulatory solvency. Where there exists significant exposure to individual participants, or homogenous groups of participants, a financial analysis is similar to that conducted for Re-takaful operators is carried out by the Company's risk department.

The carrying amount of financial assets represents the maximum credit exposure, as specified below:

	2020	2019
	————(Rupees)————	
<b>Financial assets</b>		
Cash and bank balances	172,540,571	245,878,472
Investments	531,147,043	350,276,685
Takaful / retakaful receivables	163,980,814	211,538,878
Retakaful recoveries against outstanding claims	165,825,173	161,910,528
Loans and other receivables	17,258,150	20,161,140
	<u>1,050,751,751</u>	<u>989,765,703</u>

The management monitors exposure to credit risk in contribution receivable from customers through regular review of credit exposure and prudent estimates of provisions for doubtful receivables. As at 31 December 2020, the due from takaful contract holders (i.e contribution due but unpaid net-off provision for doubtful debts) includes amount receivable within one year and above one year amounting to Rs. 128 million (2019: Rs. 154 million) and Rs. 26 million (2019: Rs. 27 million) respectively.

The credit quality of the Company's bank balances including term deposits can be assessed with reference to external credit ratings as follows:

Rating	2020	2019
	—————(Rupees)—————	
AAA	6,096,148	493,933
AA+	92,495,202	91,125,808
AA-	48,599,707	77,350,380
AA	1,170,022	57,257
A+	20,713,089	1,232,470
A-	3,439,508	75,592,597
A	26,917	26,027
	<u>172,540,593</u>	<u>245,878,472</u>

The credit quality of amounts due from other takaful/retakaful and claim recoveries from retakaful against outstanding claims can be assessed with reference to external credit ratings as follows:

Rating	2020			2019		
	Retakaful recoveries against outstanding claims	Amount due from other takaful / retakaful operators	Prepaid retakaful	Retakaful recoveries against outstanding claims	Amount due from other takaful / retakaful operators	Prepaid retakaful
A	149,242,656	2,187,734	66,743,257	145,719,475	29,125,472	67,995,208
B+	16,582,517	7,224,681	7,415,917	16,191,053	884,918	7,555,023
	<u>165,825,173</u>	<u>9,412,415</u>	<u>74,159,174</u>	<u>161,910,528</u>	<u>30,010,390</u>	<u>75,550,231</u>

As at 31 December 2020, the aggregate of amounts due from other takaful/retakaful and retakaful recoveries against outstanding claims include amount receivable within one year and above one year amounting to Rs. 174 million (2019: Rs. 162 million) and Rs. 3 million (2019: Rs. 30 million) respectively.

## 41.6 Foreign exchange risk / currency risk

Currency risk is the risk that the value of a financial asset or liability will fluctuate due to changes in foreign currency rates. Foreign exchange risk arises mainly where receivables and payables exist due to transactions in foreign currencies. As the Company had no material assets or liabilities in foreign currencies at the year end, the Company is not materially exposed to foreign exchange risk.

### 41.7 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's operations, either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behavior. Operational risks arise from all of the Company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its objective of generating returns for stake holders.

The primary responsibility for the development and implementation of controls over operational risk rests with the board of directors. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risk faced and the adequacy of controls and procedures to address the risk identified;
- ethical and business standards;
- risk mitigation, including takaful where this is effective.

Management ensures that the company's staff have adequate training and experience and fosters effective communication related to operational risk management.

### 41.8 Fair value of financial instruments

IFRS 13 defines fair value as an exit price. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date

The fair values of all the financial instruments are estimated to be not significantly different from their carrying values except for available for sale investments whose fair values have been disclosed in note 16 to the financial statements.

#### Fair Value Hierarchy

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 : Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Assets which are not measured at fair values hierarchy are as follows:

**(a) Financial instruments in level 1**

Financial instruments included in level 1 comprise of investments in listed ordinary shares and units of mutual funds.

**(b) Financial instruments in level 2**

Financial instruments included in level 2 comprise of government sukuku and other sukuku.

**(c) Financial instruments in level 3**

Currently, no financial instruments are classified in level 3.

**Valuation techniques and inputs used in determination of fair values**

Item	Valuation techniques and input used
Units of mutual funds	Fair values of investments in units of mutual funds are determined as per the rates announced by the Mutual Funds Association of Pakistan (MUFAP).
Government sukuku and other sukuku	Fair values of sukuku are derived by reference to quotations obtained from brokers.

**41.9 Capital Management**

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders or issue new shares.

Currently, Company has a paid-up capital of Rs. 509,226,010/- against the minimum required paid-up capital of Rs. 500,000,000/- set by the SECP for the insurance companies / takaful operators for the year ended December 31, 2020.

**42. SUBSEQUENT EVENTS - NON ADJUSTING**

There is no adjusting event subsequent to year end.

**43. NUMBER OF EMPLOYEES**

The average number of employees during the year ended December 31, 2020 were 102 (2019: 100) and average number of employees as at December 31, 2020 were 106 (2019: 97).

### 44. GENERAL

- 44.1** As disclosed in note 3 and note 7 to the financial statements, the Company has changed its accounting policy as per requirements of General Takaful Accounting Regulation, 2019, and accordingly corresponding & comparative figures have been rearranged and reclassified, where necessary, to facilitate better comparison.
- 44.2** Figures in these financial statements have been rounded off to the nearest Rupee, unless otherwise stated.

### 45. IMPACT OF COVID-19

- 45.1** The management continues to closely monitor the impact of COVID-19 on its key business indicators. The contribution income decline during the second quarter of the year, however, the effect was subsidized by decrease in claim expense due to lock down. Effective third quarter, improvement has been witnessed in all financial indicators including top line.
- 45.2** Business planning processes have taken into account various scenarios such as the possibility of COVID-19 subsiding, as well as the probability of a next wave of the pandemic. The management team is fully equipped to manage their functions effectively in these uncertain times. The management based on its current assessment considered that there would be no significant impact that will adversely affect its business, result of operations, or adverse material implication on assets & liabilities of the Company.

### 46. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 08 April, 2021 by the Board of Directors of the Company.

  
Chief Executive Officer  
Director  
Director  
Chairman



# PATTERN OF SHAREHOLDING

As at December 31, 2020

Number of shareholders	Shareholdings	Total shares held
5	shareholding from 1 to 100 shares	5
0	shareholding from 101 to 500 shares	-
1	shareholding from 501 to 1000 shares	1,000
8	shareholding from 1001 to 5000 shares	29,885
12	shareholding from 5001 to 10000 shares	75,339
16	shareholding from 10001 to 200000 shares	855,654
4	shareholding from 200001 to 3000000 shares	984,798
2	shareholding from 3000001 to 4000000 shares	6,078,000
4	shareholding from 4000001 to 22000000 shares	42,897,920
0	shareholding from 8000001 to 18000000 shares	-
<b>52</b>	<b>Total</b>	<b>50,922,601</b>

2.	Categories of shareholders	Shares held	Percentage
----	----------------------------	-------------	------------

## 3.1 Directors, Chief Executive Officer, and their spouse and minor children.

3.1.1. Sheikh Ali Bin Abdullah	7,969,556	15.65%
3.1.2. Said Gul	3,000,001	5.89%
3.1.3. Zahid Hussain Awan	232,498	0.46%
3.1.4. Abdul Basit Ahmad Al-Shaibei	1	0.00%
3.1.3. Owais Ahmed Yusuf	1	0.00%
3.1.6. Sameera Usman	1	0.00%
3.1.7. Ali Ibrahim Al Abdul Ghani	1	0.00%
3.1.8. Farrukh Viqarudin Junaidy	1	0.00%

## 3.2 Associated Companies, undertakings and related parties.

3.2.1. Pak-Qatar Investment (Pvt.) Ltd.	21,633,944	42.48%
3.2.2. Qatar International Islamic Bank	7,370,474	14.47%
3.2.3. Qatar Islamic Insurance Company	5,923,946	11.63%
3.2.4. Fawad Yusuf Securities (Pvt.) Limited	3,077,999	6.04%

## Pak-Qatar General Takaful

Categories of shareholders	Shares held	Percentage
<b>3.3 NIT and ICP</b>	-	0.00%
<b>3.4 Banks, Development Financial Institutions, Non-Banking Financial Institutions.</b>		
3.4.1. Qatar International Islamic Bank	7,370,474	14.47%
3.4.2. Qatar Islamic Insurance Company	5,923,946	11.63%
3.4.3. Fawad Yusuf Securities (Pvt.) Limited	3,077,999	6.04%
<b>3.5 Insurance Companies</b>		
3.5.1. Qatar Islamic Insurance Company	5,923,946	11.63%
<b>3.6 Modarabas and Mutual Funds</b>	-	0.00%
<b>3.7 Share holders holding 10%</b>		
3.7.1. Pak-Qatar Investment (Private) Limited	21,633,944	42.48%
3.7.2. Sheikh Ali Bin Abdullah	7,969,556	15.65%
3.7.3. Qatar International Islamic Bank	7,370,474	14.47%
3.7.4. Qatar Islamic Insurance Company	5,923,946	11.63%
<b>3.8 General Public</b>	1,714,178	3.37%
3.8.1. Local	635,178	1.25%
3.8.2. Foreign	1,079,000	2.12%

## NOTICE OF THE 15TH ANNUAL GENERAL MEETING

Notice is hereby given that the 15th Annual General Meeting of the shareholders of **Pak-Qatar General Takaful Limited** (the Company) will be held on Friday, 30th April 2021 at 1600 hours at the Head Office of Pak Qatar General Takaful Limited, Business Arcade, Block 6 P.E.C.H.S, Shahra Faisal, Karachi and through video-link to transact the following business:

### ORDINARY BUSINESS:

1. To confirm the minutes of 14th Annual General Meeting (AGM) of the Company held on 29rd April 2020.
2. To receive, consider and approve the Audited Financial Statements for the year ended December 31, 2020 together with the Chairman's review, Directors' and Auditors' reports thereon.
3. To appoint External Auditors for the year ending 31 December 2021 and fix their remuneration. The Audit Committee and the Board of Directors have recommended the name of M/s. EY Ford Rhodes (Chartered Accountants) for re-appointment as Statutory Auditors and Shariah Compliance Auditors.
4. To transact any other business as may be placed before the meeting with the permission of the Chair.

By order of the Board



**Muhammad Kamran Saleem**  
Company Secretary

10 April 2021  
Karachi

### Notes:

1. In the wake of the current situation related to Coronavirus and in the light of the guidelines issued by Securities & Exchange Commission of Pakistan (SECP) vide Circular No. 4 of 2021 dated February 15, 2021; whereby, Companies are allowed to hold Annual General Meeting virtually through video-link, webinar, zooming, or other electronic means etc., in addition to requirement of holding physical meeting. Accordingly, Shareholders can consolidate their attendance, participating in, and voting at Annual General Meeting into as few people as possible through proxies. For this, the Shareholders are requested to email their particulars like, Name, Folio Number, Cell Number, CNIC number and Number of Shares held in their name along with valid copy of both sides of Computerized National Identity Card (CNIC) at [company.secretary@pakqatar.com.pk](mailto:company.secretary@pakqatar.com.pk). The video-link and login credentials will be shared with only those Shareholders/designated proxies whose e-mails, containing all the above required particulars, are received at least 48 hours before the time of meeting.

The shareholders can also provide their comments/suggestions for the proposed agenda items of the AGM through email at [company.secretary@pakqatar.com.pk](mailto:company.secretary@pakqatar.com.pk). Shareholders comments/suggestions for the proposed agenda of the AGM will be discussed in the meeting and will be made part of the minutes of the meeting. Due to prevailing COVID-19 pandemic, Shareholders are requested to consolidate their attendance at AGM into few peoples as possible through proxies.

## Pak-Qatar General Takaful

2. The Share transfer books of the Company shall remain closed from 24-04-2021 to 30-04-2021 (both days inclusive). Transfers received in order at Company's registered office at the close of business on 23-04-2021 will be treated in time for the purpose of attending the meeting.
3. For attending the meeting: In case of individuals, the shareholder shall authenticate his/her original valid Computerized National Identity Card (CNIC) or the original Passport at the time of attending the meeting. In case of corporate entity, the Board of Directors' resolution / Power of Attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.
4. A Member of the Company entitled to attend and vote at this Meeting shall be entitled to appoint another member, as his/her proxy to attend, speak and vote instead of him/her, and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the Meeting as are available to a member. A Member shall not be entitled to appoint more than one proxy to attend any one meeting. If any Member appoints more than one proxy for any one meeting and more than one instruments of proxy are deposited with the Company, all such instruments of proxy shall be rendered invalid. A proxy must be a member of the Company.
5. For appointment of proxies: Proxies, in order to be effective, must be received by / lodged with the Company at its Registered Office, Business Arcade, Block 6, P.E.C.H.S, Shakra-e-Faisal, Karachi not less than 48 hours before the Meeting. In case of corporate entity, the Board of Directors' resolution/ power of attorney with the specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting. The proxy shall produce his/her original CNIC or original passport at the time of the Meeting. (Proxy form is annexed herewith).
6. The rates for deduction of withholding tax on the amount of dividend paid by the companies are @ 15% for filers of income tax returns and @ 30% for non-filers of income tax returns. All members are advised to ensure their names are on Active Tax-payers list (ATL) provided on the website of Federal Board of Revenue (FBR) otherwise tax on dividend will be deducted @30% instead of 15%.

In the case of shares registered in the name of two or more shareholders, each joint-holder is to be treated individually as either a filer or non-filer and tax be deducted by the Company on the basis of shareholding of each joint-holder as may be notified to the Company in writing. In this regard, all shareholders who hold shares with joint shareholders, are requested to provide shareholding proportions of Principal shareholder and Joint Holder(s) in respect of shares held by them to the Company at registered office, in writing as follow, before date of closing of share transfer book positively; otherwise it will be assumed that the shares are equally held by principal shareholder and joint holder(s).

Name	Folio No.	Total Shares	Principle Shareholder		Joint Shareholder	
			Name & CNIC No.	Shareholding Proportion (No. of shares)	Name & CNIC No.	Shareholding Proportion (No. of shares)

7. As per directives, the dividend warrants of the shareholders whose valid CNICs, are not available with the Share Registrar could be withheld. Members are requested to immediately notify/submit the following at registered office, if not earlier provided;
  - a) Change in their Addresses, if any.
  - b) Valid & legible photocopy of Computerized Nation Identity Cards (CNIC)/Passport for individuals and National Tax Number (NTN) for both Individuals & Corporate entities.
8. SECP through its Notification SRO 787 (I)/2014 dated September 8, 2014 has allowed the circulation of Audited Financial Statements along with Notice to members of the Company through e-mail. The Company is pleased to offer this facility to our valued members who desire to receive annual financial statements and notices through email in future. In this regard, all members of the Company who wish to opt this facility are requested to send their consent via email on a standard request form which is available at the company's website. The Company shall, however, provide hard copy of the Audited Financial Statements to its shareholders, on request, free of cost, within seven days of receipt of such request.
9. Pursuant to Section 223(7) of the Companies Act, 2017, the Company has placed the Annual Financial Statements of the Company for the year ended December 31, 2020 along with the reports thereon on its website.
10. Pursuant to Section 132(2) of the Companies Act, 2017, the members can also avail video conference facility, in this regard, please fill the following and submit to registered address of the Company 07 days before holding of the Annual General Meeting. If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 07 days prior to date of the meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city.

The Company will intimate members regarding venue of video conference facility before the date of the Annual General Meeting along with complete information necessary to enable them to access the facility.

I/We, \_\_\_\_\_ of \_\_\_\_\_, being a member of Pak-Qatar General Takaful Limited, holder of \_\_\_\_\_ ordinary share(s) as per Registered Folio/CDC Account No. \_\_\_\_\_ hereby opt for video link facility at \_\_\_\_\_.

11. As per the provision of Section 244 of the Companies Act 2017, any shares issued or dividend declared by the Company which have remained unclaimed/unpaid for a period of three years from the date on which it was due and payable are required to be deposited with the Commission for the credit of Federal Government after issuance of notice to the shareholders to file their claim. Shareholders are requested to ensure that their claims for unclaimed dividend and shares are lodged timely. In case, no claim is lodged with the Company in the given time, the Company shall after publication a notice in newspaper proceed to deposit the unclaimed/ unpaid amount and shares with the Federal Government pursuant to the provision of Section 244(2) of the Companies Act 2017.
12. Demand a poll: Members can exercise their right to demand a poll subject to meeting requirements of Sections 143 and 144 of the Companies Act, 2017 and applicable clauses of the Companies (Postal Ballot) Regulations, 2018.

# PROXY FORM

**The Company Secretary**  
**Pak-Qatar General Takaful Limited**  
Business Arcade, Block 6, P.E.C.H.S.,  
Main Shahra-e-Faisal, Karachi.

I/we \_\_\_\_\_ of \_\_\_\_\_, (full address) being the member(s) of  
**Pak-Qatar General Takaful Limited** and holder of \_\_\_\_\_ ordinary shares as per share register  
Folio No. \_\_\_\_\_ hereby appoint \_\_\_\_\_ of \_\_\_\_\_ (full address) or failing  
him/her \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote for me or us and  
on my/our behalf at the Annual General Meeting of the Company to be held on 30th April 2021 and at any adjournment  
thereof.

Signed this \_\_\_\_\_ day of April 2021

**(Witnesses 1:)**

1. \_\_\_\_\_ (Signature)

\_\_\_\_\_ (Name)

\_\_\_\_\_ (Address)

\_\_\_\_\_ (CNIC / Passport No.)

**(Witnesses 2:)**

2. \_\_\_\_\_ (Signature)

\_\_\_\_\_ (Name)

\_\_\_\_\_ (Address)

\_\_\_\_\_ (CNIC / Passport No.)

Please affix  
Rupees five  
revenue  
stamp

**Signature of  
member(s)**

**Note:**

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint another member as proxy to attend, speak and vote instead of him/her.

The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing, if the appointer is a corporation, under its common seal or the hand of an officer or attorney duly authorized. A proxy must be a member of the Company.

Proxies in order to be effective must be received by the Company at its registered office not less than 48 hours before the meeting.



## نیابت نامہ

کمپنی سیکریٹری

پاک قطر جنرل تکافل لمیٹڈ

بزنس آرکیڈ، بلاک 6 P.E.C.H.S

شاہراہ فیصل، کراچی۔

میں رہم..... ساکن..... (مکمل پتا) پاک قطر جنرل تکافل لمیٹڈ کے رکن اور بمطابق شیئر رجسٹر  
فولیو نمبر..... حامل..... عام حصص ہونے کی حیثیت سے  
محترم محترمہ..... ساکن..... (مکمل پتا) اور ان کی غیر موجودگی کی صورت میں  
محترم محترمہ..... ساکن..... کو 30 اپریل 2021 کو منعقد ہونے والے پاک قطر جنرل  
تکافل لمیٹڈ کے سالانہ عام اجلاس میں حق رائے دہی استعمال کرنے یا اس کے التواء کی صورت میں اپنا ہمارا نائب مقرر کرتا ہوں/کرتی ہوں/کرتے ہیں۔

بتاریخ..... اپریل 2021 کو اس پر دستخط کیے گئے۔

گواہ نمبر 2

گواہ نمبر 1

نام اور دستخط

نام اور دستخط

پتا

پتا

شناختی کارڈ / پاسپورٹ نمبر

شناختی کارڈ / پاسپورٹ نمبر

نوٹ:

سالانہ جنرل میٹنگ میں شرکت اور ووٹ ڈالنے کے حقدار ممبر کو حق ہے کہ وہ کسی دوسرے ممبر کو بھی اپنی/ان کی بجائے شرکت، بولنے اور ووٹ دینے کے لئے اپنا نائب مقرر کرے۔  
کسی نائب کا تقرر مقرر کرنے والے یا اس کے مجاز وکیل کی تحریری اجازت سے ہوگا، اور اگر تقرر کنندہ کوئی کارپوریشن ہے تو نائب کا تقرر اس کی معروف دفتری مہر یا کسی افسر یا مجاز وکیل  
کے ذریعے ہو، مزید یہ کہ نائب کے لئے کمپنی کا ممبر ہونا ضروری ہے۔  
نیابت نامہ کے مؤثر ہونے کیلئے، کمپنی کے پاس اس کے رجسٹرڈ آفس میں اجلاس شروع ہونے سے کم از کم 48 گھنٹے قبل موصول ہونا ضروری ہے۔



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