



PAK-QATAR
GENERAL TAKAFUL

POWER TO PERSEVERE



Annual Report 2021

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RATING

ROBUST IFS* RATING FOR
“GENERAL TAKAFUL
COMPANY”

IN PAKISTAN BY LOCAL RATING AGENCIES

*INSURER FINANCIAL STRENGTH

“A+”

(WITH STABLE OUTLOOK)
BY PAKISTAN CREDIT RATING AGENCY (PACRA).

“A”

(WITH STABLE OUTLOOK)
BY VIS CREDIT RATING COMPANY LIMITED



OUR RESOURCES, EXPERIENCE, AND
KNOWLEDGE TO CATER ALL YOUR
TAKAFUL NEEDS.

DEDICATED TAKAFUL COMPANY

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 Plus) with Stable Outlook by PACRA and 'A' (Single A) 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 from 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, Labuan Re and PRCL.

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 the shareholders.

OUR VALUES

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

SPONSORS

Pak-Qatar General Takaful is sponsored by strong shareholders including some of the most prominent and leading financial institutions from the State of Qatar;



www.qiib.com.qa

Qatar International Islamic Bank (QIIB)

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



Qatar Islamic Insurance Company (QIIC)

is a pioneer Takaful company in the State of Qatar.



Pak-Qatar Investment (Private) Limited

is an investment Company expanding its wing in capital market & real estate business.



Fawad Yousuf Securities (Private) Limited

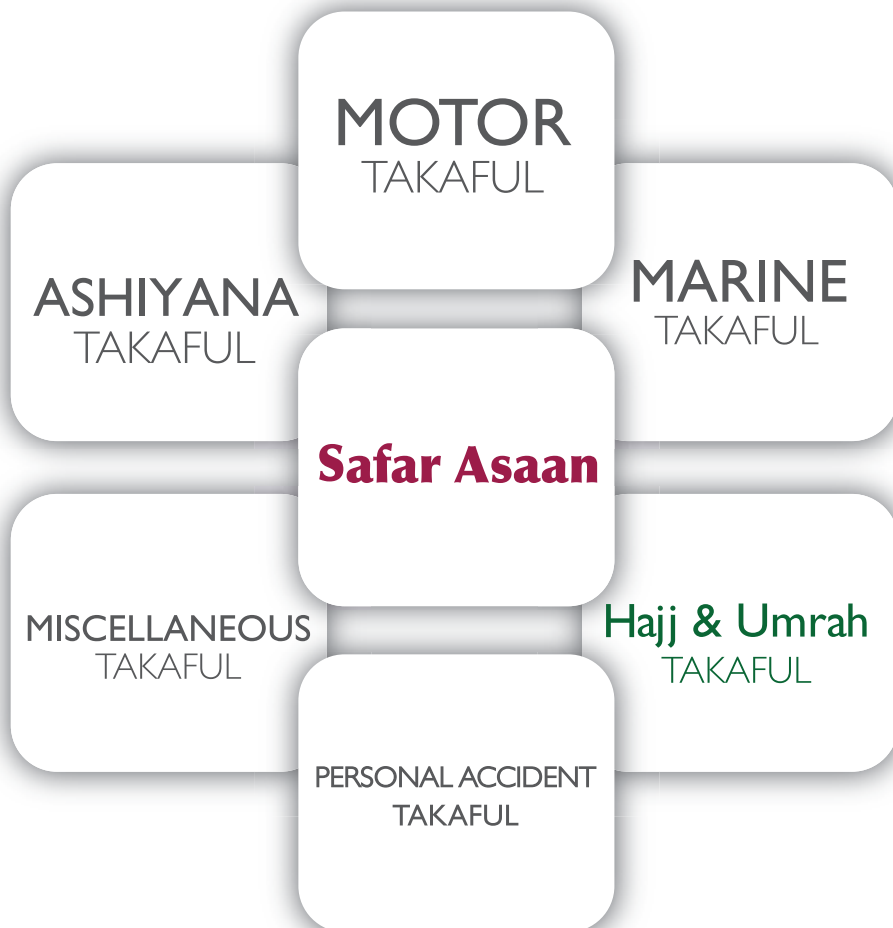
is one of the best reputed brokerage houses in Karachi Stock Exchange.

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.

All of our products are Shari'ah compliant and have been certified by an independent Shari'ah Advisory Board chaired by Mufti Muhammad Hassaan Kaleem.

The products are available at our growing Takaful branch network across Pakistan.



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

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.

General Takaful – Individual Coverage

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

Our Pioneering offer includes Fire Takaful, Marine Takaful, Motor Takaful, Ashiana Takaful, Personal Accident Takaful, Money Takaful, Mobile Phone All Risk Takaful, Health 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 advanced capabilities for product delivery.

The company has established an industry benchmark by providing integrated information at various marketing touch points 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 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.

2013

Our gross contribution nearly doubled, reaching Rs. 01 billion whilst our paid-up capital rises to Rs. 407 million. Witnessed our ranking to 'A-' (Single A Minus) with stable outlook at JCR-VIS.

TIMELINE

The year under review was a year of remarkable achievement in terms of surplus results in both funds. 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

2015

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.

2017

2014

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.

2016

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.

TIMELINE

Another good year for shareholders to hear that Aggregate profit before tax of both the funds has surpassed the previous year's results. Witnessed, 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. IFS ratings has been reaffirmed by both the rating agencies, VIS and PACRA at 'A-' with stable outlook and 'A' with stable outlook respectively.

2019

Ever highest aggregate profit before tax posted by both the funds (PTF+SHF) of Rs. 67.8 million. PTF managed to refund entire amount of Qard-e-Hasna and IFS rating witnessed upward revision to "A+" and "A" by PACRA and VIS respectively.

2021

2018

Good results in both the funds enabled the Board to recommend first ever 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, VIS and PACRA has also reaffirmed the Company's financial strength rating at 'A-' with stable outlook and 'A' with stable outlook respectively.

2020

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	Chairman
Said Gul	Director
Abdul Basit Ahmad Al-Shaibei	Director
Ali Ibrahim Al Abdul Ghani	Director
Zahid Hussain Awan	Director
Farrukh Viqaruddin Junaidy	Director
Muhammad Kamran Saleem	Director
Owais Ahmed Yusuf	Director
Sameera Usman	Director

Audit Committee

Farrukh Viqaruddin Junaidy	Chairman
Said Gul	Member
Zahid Hussain Awan	Member
Mehwish Ghani	Secretary

Investment Committee

Zahid Hussain Awan	Chairman
Said Gul	Member
Muhammad Kamran Saleem	Member
Muhammad Saleem	Member
Nasir Ali	Secretary

Ethics, Human Resources & Remuneration Committee

Said Gul	Chairman
Zahid Hussain Awan	Member
Sameera Usman	Member
Muhammad Kamran Saleem	Secretary

Shariah Advisory Board

Mufti Muhammad Hassan Kaleem	Chairman
Mufti Ismatullah	Member
Mufti Shakir Siddiqui	Member

Chief Executive Officer

Zahid Hussain Awan

Director Finance & Company Secretary

Muhammad Kamran Saleem

Chief Financial Officer

Muhammad Saleem

Head of Internal Audit

Tahir Lateef

Head of Investment

Nasir Ali

Head of Risk Management

Muhammad Shoaib Akhter

Shariah Advisor

Mufti Shakir Siddiqui

Shariah Compliance Officer

Mufti Junaid Ahmed

Compliance Officer

Obaid Hussain Qureshi

Statutory Auditors & External Shariah Compliance Auditors

Yousuf Adil, Chartered Accountants

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
Labuan Retakaful

Saudi Retakaful
Tunis Retakaful
Pakistan Reinsurance - WTO

Kenya Retakaful
Cobalt Retakaful

Retakaful Brokers

o Shahenshah Insurance Brokers (Private) Limited, (Global Network Partner of Aon Reinsurance Solution Asia Pte. Ltd)
o Fidelity Insurance Broker, Correspondent Lockton (MENA) Limited
o Chedid Reinsurance Broker

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

Sales Tax Registration Number

1750980517582

Branch Offices

Faisalabad
Gujranwala
Islamabad

Karachi
Lahore
Multan

Peshawar
Sialkot

Management Committee

Zahid Hussain Awan
Saqib Zeeshan
Muhammad Saleem
Mehmood Arshad
Muhammad Shoaib Akhter
Muhammad Raza
Furrukh Adnan
Muhammad Azeemuddin
Muhammad Shahzad Khan Ghilzae
Imran Ahmed Nafees
Saifuddin Shaikh
Muhammad Umair
Mehwish Ghani
Kamran Ali Khan
Obaid Hussain Qureshi
Mufti Shakir Siddiqui
Bilal Rashid

Chief Executive Officer
ED & Deputy CEO
Chief Financial Officer
ED Marketing & Sales
SEVP Operations
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 Legal & Compliance Officer
Shariah Advisor & Head of Sharia Compliance
Head of Marketing & Corporate Communication

Underwriting and Re-takaful & Co-Takaful Committee

Zahid Hussain Awan
Saqib Zeeshan
Mehmood Arshad
Muhammad Raza
Farrukh Adnan
Muhammad Azeemuddin
Muhammad Rizwan

Chairman
Member
Member
Member & Secretary
Member
Member
Member

Claim Committee

Said Gul	Chairman
Zahid Hussain Awan	Member
Muhammad Saleem	Member
Muhammad Shoaib Akhter	Member
Imran Ahmed Nafees	Member
Shahzad M Khan Ghilzai	Member & Secretary
Obaid Hussain Qureshi	Member

Risk Management & Compliance Committee

Zahid Hussain Awan	Chairman
Saqib Zeeshan	Member
Muhammad Saleem	Member
Muhammad Shoaib Akhter	Member
Muhammad Raza	Member
Shahzad M Khan Ghilzai	Member
Farrukh Adnan	Member
Imran Ahmed Nafees	Member
Mohammad Azeemuddin	Member
Saifuddin Shaikh	Member
Mufti Shakir Siddiqui	Member
Nasir Ali	Member
Obaid Hussain Qureshi	Member & Secretary

CHAIRMAN'S MESSAGE

It indeed gives me immense pleasure in presenting Annual Report of your companies 'Pak Qatar Family Takaful Limited' and 'Pak Qatar General Takaful Limited'.

Your Companies are managed by the best professionals in the industry. 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.

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 11 Billion. The Group Shareholders Fund posted a net consolidated profit after tax of PKR 207.5 Million; while, Participant Takaful Fund generated the net consolidated surplus of PKR 54.8 Million for the year 2021.

Profit before tax of Pak-Qatar Family Takaful Limited (PQFTL) increased to PKR 225 Million as compared to PKR 208 Million last year, a growth of 8% 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 before tax of PKR 46 Million as compared to PKR17 Million last year, a growth of 170%.

Earnings per share (EPS) of Pak-Qatar Family Takaful Limited was recorded at PKR 1.34 while PKR 0.64 for Pak-Qatar General Takaful Limited.

As we venture beyond into 2022 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 2022 - 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 Annual Report and Audited Financial Statements of the Company for the year ended 31st December, 2021.

1. Economic climate

The year 2021 has seen signs of recovery in global as well as in Pakistan's economy especially after witnessing unprecedented pressures in year 2020 caused by the effects of COVID-19 pandemic and the related global and potential domestic lockdowns. Governments around the world were confronted with unanticipated economic and social challenges during the pandemic era, which worsened global inequality and eradicated significant progress made in the last decade to tackle extreme poverty.

In 2021, the global economy continued its journey towards revival on the back of fiscal stimuli packages and money supply injections by developing and developed countries. Pakistan's economic managers engaged actively with all stakeholders and took aggressive steps to support the economy and manage the social fall out. This was done successfully and programs like Ehsaas, which supported the poorest families in the country with cash disbursements during the COVID lockdowns, have been globally appreciated. The aggressive monetary and fiscal measures taken supported the economy and ensured that it stayed on a growth trajectory. These measures were essential for business and capital markets growth.

Due to strengthened demand, post relaxation of lockdowns, normalization of COVID and the stimulus package injected as discussed above, headline inflation remained high amid persistent increases in food prices and energy tariffs and increased imports caused significant pressure on current account. This has led the State Bank of Pakistan to increase monetary policy to curb the current account deficit and higher than expected inflation. With both fiscal

and monetary tools in view, structural reforms need to be undertaken to address the root causes of the country's economic challenges.

2. Future Outlook

The general insurance sector's performance is strongly correlated to economic growth. The key drivers of insurance growth in a country are typically macroeconomic factors, regulatory factors and demographics of a country. In Pakistan, the insurance penetration has remained modest as compared to neighboring countries. Conditions in the insurance industry continued to be challenging due to allied effects of Covid-19 pandemic. However, given the notable recovery in economic activities, economic landscape achieved stabilization as economic growth surged during fiscal year 2021. However, rapid deterioration of external account and surging inflation have caused the Pak Rupee to slide and heightened global commodity prices led to external account imbalance and surging inflation. State Bank of Pakistan (SBP) proactively addressed these imbalances and initiated monetary tightening by increasing the policy rate. Cumulatively, SBP has hiked the policy rate by 275 basis points in last quarter of 2021. The Pakistan Stock Exchange during the year has remained volatile due to various factors. Subsequent to year end, the global uncertainty & energy prices has surged as the war in Ukraine unfolds; simultaneously, political uncertainty crept in the country. This situation may lead to lingering economic uncertainty and back to square the post corona economic recovery.

Going forward, likely resumption of IMF program is anticipated to alleviate the pressure on current account. Discount rate expected to remain same in 2022.

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 last year, the effect of Corona virus pandemic adversely effected the business position of PTF and this decrease was mainly aggravated by the decrease in Motor vehicles' leasing/Ijara from Banks, whilst the Motor business is dominant portion of our total business portfolio.

During the year, enhancement of bank business and induction of new sale force was focused and this was supplemented by the massive reduction in policy rates by SBP to combat the economic implications of COVID-19, which particularly provided impetus to the motor segment. In terms of business segments, the Company has initiated underwriting in the Health segment and successfully on boarded clients in health segment.

Business figures achieved alongside portfolio business mix is as follows:

Class	----- 2021 -----		----- 2020 -----	
	Contribution Rs	Portfolio mix %	Contribution Rs	Portfolio mix %
Fire	171,372,273	16.5	139,210,382	23
Marine	71,188,968	7	44,440,725	7.5
Motor	546,703,616	53	345,600,354	57.5
Health	175,388,379	17	-	-
Miscellaneous	67,815,991	6.5	72,682,693	12
Total	1,032,469,227	100	601,934,154	100

Our valued stakeholders would acknowledge that as significant stakeholder in the dedicated takaful industry, the notable recovery in business topline has been achieved, resultantly the Company has not only maintained its strong footprints in industry but also posted significant growth trajectory in the year 2021.

Going forward, the company envisages prudent growth strategy and expects a reasonable growth

for year ending 2022 and intends to expand its revenue mix and concentrate in order to reduce revenue concentration on the motor business. The Company will continue its prudent underwriting practices with an intention to capitalize on technological advancements, as well as enhancing emphasize on bottom centric approach to continue and improve profitability alongside growth in top line targets.

b. Claims

Class	----- 2021 -----			2020
	Gross Claims	Re-takaful Recovery	Net Claims	Net Claims
Fire	46,667,504	30,644,770	16,022,734	3,293,199
Marine	28,148,240	14,564,608	13,583,632	8,022,827
Motor	257,683,933	35,794,118	221,889,815	187,506,80
Health	53,057,530	-	53,057,530	-
Misc.	34,376,975	17,634,443	16,742,532	(1,754,170)
Total	419,934,182	98,637,939	321,296,243	197,068,736

Last year, the claim incurrence/expense reduced sharply by and large on account of lock down. Given addition of Health segment to the business mix and strong revenue growth into consideration, the loss ratio were likely to increase. Concurrent to the increase in the topline, the claims for the period observed an increase as well; however, the trend of claim is aligned with industry and net-off retakaful effect in net claims expense is not material due to less retention of risk with the company and consequent high retakaful recovery.

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. Adequate retakaful helped in mitigating the effect of the potential loss from large or catastrophic events covered under takaful contracts. The effect of adequate retakaful 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. This year the increase in capital gains & policy rates helped to surpass the prior year total investment income. The Sources of income includes income generated from Islamic bank saving accounts, term deposits, sukuks and capital gains on sale of mutual funds/sukuks.

Aggregate of bank saving profits & investment income before deduction of Modarib fee is as follows:

	2021	2020
Participants Takaful Fund (PTF)	17,231,625	19,157,265
Shareholders Fund (SHF)	45,532,035	40,433,901
Total	62,763,660	59,591,166

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

d. Profitability

The management has made concerted efforts to establish PQGTL's business positioning which will continue in the wake of intensive competition. It is important to mention the emerging signs of positive momentum in business has led to stage a strong come back and enabled your Company to maintain sizable Gross Contribution Written (GCW); though market share is very low in the overall general insurance pie of the country. The better results and profits are reported in both the funds (PTF & SHF) in the year under review. Prudent approach was emphasized both in underwriting, and investments that contributed in improvement of results. This was further supplemented by effective use of in house resources, Information Technology utilization enhancement, monitoring Operational expenditure at Head office & branches.

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. 21.8 million (2020: Rs 26.3 million) whilst the Shareholder Fund has shown Rs 46 million (2020: Rs 17 million) profit before tax. Thus, aggregate profit before tax posted by both funds (PTF & SHF) is Rs 67.8 million as compared to Rs 43.3 million in last year.

Extracts from statement of Profit & Loss are enumerated below:

	2021	2020
	----- Rupees -----	
<u>PARTICIPANTS' TAKAFUL FUND (PTF)</u>		
Contribution earned	542,117,730	389,375,602
Contribution ceded to retakaful	(245,048,228)	(203,336,518)
Net contribution revenue	297,069,502	186,039,084
Retakaful rebate earned	49,405,318	40,274,571
Net underwriting income	346,474,820	226,313,655
Net takaful claims - reported/settled & IBNR	(321,296,243)	(197,068,736)
Contribution deficiency expense	(9,599,894)	(8,000,000)
Other direct expenses	(6,627,459)	(6,339,445)
Underwriting result before investment income	8,951,224	14,905,474
Investment income	9,266,630	7,943,300
Other income	7,964,995	11,213,965
Less: Modarib's share	(4,307,907)	(7,662,906)
Surplus for the year	21,874,942	26,399,833
<u>SHAREHOLDERS' FUND (SHF)</u>		
Wakala income earned	357,186,874	240,492,605
Commission expense	(99,903,808)	(66,363,886)
Management expenses	(253,394,843)	(199,020,427)
	3,888,223	(24,891,708)
Direct expenses	(8,687,819)	(6,609,211)
Investment income	42,915,910	36,469,629
Other income	3,752,851	4,379,632
Modarib share from PTF	4,307,907	7,662,906
Profit before tax	46,177,072	17,011,248
Provision for taxation	(13,641,872)	2,050,490
Profit after tax	32,535,200	19,061,738
Earnings per share - Rupees	0.64	0.37

In the year 2021, 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 2022 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 improved'. 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.

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. 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 2022 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.

4. IFRS 17 Insurance Contracts

The new financial reporting standard IFRS 17 will undoubtedly represent the most significant change to insurance accounting requirements in over last few decades. So far, the implementation of IFRS 17 has been further postponed to January 1, 2023; however, the SECP has issued instructions of four phase approach for implementation of IFRS 17. Phase 1, Gap analysis has been submitted on 30 September 2021, whereas the phase 2, Financial impact analysis is underway.

5. Prospects for 2021

As COVID re-emerged through its "Omicron" variant, its potential implications are yet to unfold. The management team is fully equipped to manage their

functions effectively in these uncertain times. Reduction in management expenditure and product innovation shall remain crucial for the industry participants for solidification of market position.

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 2022 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.

6. 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.

7. 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 remaining balance

of Rs 50 million from PTF as at year end.

8. Appropriations

Another good year as the Shareholders' fund achieved profit after tax Rs 32.5 million. However, considering the effect of change in accounting policies in prior year on retained earnings, 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.

9. Post Balance Sheet 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.

10. Transaction in shares

During the year 2021, no material transaction in shares occurred which could attract the provisions of section 67 of Insurance Ordinance, 2000.

11. 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.

12. 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.

13. 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.

14. 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. 142 million to the National Exchequer in the form of Federal Excise Duty, Sales Tax, Income Tax, Federal Insurance Fee, and Policy Stamps etc.

15. Compliance with Shariah principles

The requirements set out by the Takaful Rules, 2012, Shariah Governance Regulations, 2018 (wherever applicable) 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.

16. Human Resources

Your company is perceived well by customers and stakeholders and the Company's growth & success endorse the quality, ethical behavior and practices of our workforce.

At PQGTL, people from diverse backgrounds bring a wide array of expertise to cater the ever changing needs of its existing and prospective customers. We believe in the employees' training & development to boost their knowledge, skills and abilities to cater the challenging business landscape which is constantly evolving. 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.

17. 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 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.

18. 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, retakaful 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.

19. Grievance Function

The Company has setup complaints / grievances function for takaful policyholder. 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.

20. 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

21. 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.

22. 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.

- 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 5.2 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 0.64 and Rs 9.6 respectively.

23. Board of Directors

During the year, there is no casual vacancy and/ or significant change in the Board of directors of the Company. However, consequent to resignation of Mr. Nasir Ali Syed from position of CEO in third quarter 2021, the Board approved the appointment of Mr. Zahid Hussain Awan along with terms of appointment as Chief Executive Officer. He is a seasoned professional with over two decades of rich experience in banking industry of Qatar and has been associated with Pak-Qatar in capacity of director since 2007, & also occupied position of CEO in the past.

The Directors of your Company were elected at the Annual General Meeting held on 30th April 2019 for term of three years. Election of directors is scheduled to be held in the extra ordinary general meeting of the members to be held on 29 April 2022. In this regard it is pertinent to mention that PQGTL is a Public Interest Company as per the criteria defined in the Third Schedule of Companies Act, 2017. Accordingly, requirements under section 154(1) of the Companies Act, 2017 have become applicable, whereby female representation on the Board of Public Interest Company has been required.

During the year, seven meetings of the Board of Directors were held and attended as follows:

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

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

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.

24. Internal Audit function

Audit Committee 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, & has 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 function is in place 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. To maintain its objectivity and independence, the Internal Audit Department reports functionally to the Board Audit Committee and administratively to the CEO.

25. 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.

26. Auditors

The retiring auditors EY Ford Rhodes, Chartered Accountants have completed five years as auditors of the Company and are no longer eligible for re-appointment. On recommendation of the Audit Committee, the Board of Directors have recommended the appointment of Yousuf Adil, Chartered Accountants for the year 2022, who have indicated their consent to act as auditors.

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

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.

28. 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.

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: 15 April, 2022

پراعتقاد 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 دینا جاری رکھے۔ آمین ثم آمین

بورڈ آف ڈائریکٹرز کی طرف سے



ڈائریکٹرز



چیف ایگزیکٹو آفیسر

۱۵ اپریل ۲۰۲۲

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

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 ٹولز، تکنیکوں کے استعمال 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 عملے کی تربیت کا بھی اہتمام کیا ہے۔

28. قدردانی و اعتراف

سال کے دوران آپ کی کمپنی کی کارکردگی میں بہت اور ملازمین دونوں کے سخت محنت، عزم اور جذبہ کے ممکن نہیں تھی۔ بورڈ آف ڈائریکٹرز کی طرف سے تمام اسٹیک ہولڈرز کا مسلسل تعاون پر مخلصانہ طور پر شکریہ ادا کرتے ہیں۔

ہم سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے تعاون کا بھی اعتراف کرتے ہیں۔ بورڈ آف ڈائریکٹرز کی طرف سے ہم اپنے پالیسی ہولڈرز، انٹر میڈیٹرز اور ری انشوررز کا کمپنی

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

کارپوریٹ گورننس کے حصے کے طور پر، بورڈ، بورڈ کی سطح کی کمیٹیوں اور انتظامی کمیٹیوں کو برقرار رکھتا ہے، جن کی تازہ ترین تشکیل کارپوریٹ معلومات کے عنوان کے تحت سالانہ رپورٹ میں پیش کی جاتی ہے۔

24. انٹرنل آڈٹ فنکشن

آڈٹ کمیٹی:

یہ انٹرنل کنٹرول سسٹم کے موثر نفاذ کی نگرانی کرتی ہے، جس میں کنٹرول کے طریقہ کار کی تعمیل بھی شامل ہے۔ اس کمیٹی کی سربراہی ایک آزاد ڈائریکٹر کرتے ہیں، جو تیس سال سے زیادہ کے تجربے کے ساتھ انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کے فیلو ممبر ہیں۔ وہ ICAP کے نائب صدر اور کونسل ممبر کی حیثیت سے خدمات انجام دے چکے ہیں، اور انہوں نے پاکستان اسٹاک ایکسچینج اور نیشنل کلیئرنگ کمپنی آف پاکستان کے بورڈ آف ڈائریکٹرز میں اور سیکیورٹیز اینڈ ایکسچینج کمیشن اور پاکستان اسٹاک ایکسچینج کے ناظر دامیدوار کی حیثیت سے خدمات انجام دی ہیں۔ 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۔

26. آڈیٹرز

موجودہ آڈیٹرز، EY Ford Rhodes، Chartered Accountants، ریٹائر ہو چکے ہیں اور کمپنی کے آڈیٹرز کے طور پر اپنی پانچ سال کی مدت پوری کر چکے ہیں اور اب مزید تقرری کے اہل نہیں ہیں۔ آڈٹ کمیٹی کی سفارش پر، کمپنی کے بورڈ آف ڈائریکٹرز نے سال 2022 کے لیے یوسف عادل، چارٹرڈ اکاؤنٹنٹس کو کمپنی کے آڈیٹر کے طور پر تعینات کرنے کی تجویز پیش کی ہے، جنہوں نے آڈیٹر کے طور پر کام کرنے پر رضامندی ظاہر کی ہے۔

کیا گیا ہے۔ انٹرنل آڈٹ ڈیپارٹمنٹ نے انٹرنل آڈٹ کیا اعتقاد 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 کی 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 اور سی ای او کو رپورٹ کرتا ہے۔

25. کمپلائنس فریم ورک

کمپلائنس فریم ورک آرگنائزیشن سے متعلقہ ریگولیشنز، اسٹینڈرڈز اور ریگولیٹری کمپلائنس کا خاکہ پیش کرتا ہے۔ ہم سیکیورٹیز 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 ورک کمپنی کے انٹرنل کنٹرول فریم ورک کا حصہ ہے، جس کا بنیادی مقصد اس کو یقینی بنانا اور کمپلائنس رکھنا 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

21. کارپوریٹ گورننس کے کوڈ کی تعمیل

حیات اور چھوٹے بچوں نے شیئرز کی ٹریڈنگ نہیں کی۔
ن۔ فی شیئر آمدن اور بریک اپ ویلیو بالترتیب 0.64 اور 9.6 روپے ہے۔

23. بورڈ آف ڈائریکٹرز

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

تاہم، 2021 کی تیسری سہ ماہی میں جناب ناصر علی سید کے سی ای او کے عہدے سے استعفاء دینے کے نتیجے میں، بورڈ نے جناب زاہد حسین اعوان کی بطور چیف ایگزیکٹو آفیسر تقرری کی شرائط کے ساتھ تقرری کی منظوری دی۔ وہ قطر کی بینکنگ انڈسٹری میں دو دہائیوں سے زیادہ کا تجربہ رکھنے والے ایک تجربہ کار پیشہ ور شخصیت ہیں اور 2007 سے ڈائریکٹری حیثیت سے پاک قطر کے ساتھ منسلک ہیں، اور ماضی میں سی ای او کے عہدے پر بھی فائز رہے ہیں۔

آپ کی کمپنی کے ڈائریکٹرز کا انتخاب 30 اپریل 2019 کو ہونے والی سالانہ جنرل میٹنگ میں تین سال کی مدت کے لیے کیا گیا۔ آئندہ ڈائریکٹرز کا انتخاب 29 اپریل 2022 کو غیر معمولی جنرل اجلاس میں ہونا ہے۔ اس سلسلے میں یہ بات قابل ذکر ہے کہ PQGTL ایک عوامی مفاد کی کمپنی ہے جو کہ کمپنیز ایکٹ، 2017 تیسرے شیڈول میں بیان کردہ معیار کے مطابق ہے۔ اس کے مطابق، کمپنیز ایکٹ، 2017 کے سیکشن 154(1) کے تحت تقاضے لاگو ہو گئے ہیں، جس کے تحت پبلک انٹرسٹ کمپنی کے بورڈ میں خواتین کی نمائندگی کی ضرورت ہے۔

سال 2021 کے دوران بورڈ آف ڈائریکٹرز کی سات (7) 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	2
2	عبدالواسط احمد الشیخی	3
3	علی ابراہیم العبد الغنی	3
4	سید گل	7
5	زاہد حسین اعوان	7
6	محترمہ سمیرہ عثمان	7
7	جناب اویس احمد یوسف	1
8	جناب فرخ وقار الدین جنیدی	6

نومبر 2016 میں، سیکورٹی اینڈ ایکسچینج کمیشن آف پاکستان نے انشوررز کے لئے کارپوریٹ گورننس کوڈ 2016 لاگو کیا۔ جو کہ تمام انشورنس ریکافل کمپنیز 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۔

22. کارپوریٹ اور فنانشل رپورٹنگ فریم ورک

الف۔ کمپنی کی مینجمنٹ کی طرف سے تیار کیا گیا فنانشل 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۔ مناسب اکاؤنٹنگ پالیسیز کو فنانشل اسٹیٹمنٹ بنانے میں استعمال کیا گیا اور اکاؤنٹنگ کے اندازے ایک مناسب اور معقول توجیہ پرمبنی ہیں۔

د۔ فنانشل اسٹیٹمنٹ کی تیاری میں پاکستان میں رائج انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز، انٹرنیشنل فنانیشل رپورٹنگ اسٹینڈرڈز یا دیگر ریگولیشن یا قانون (بشمول شریعہ گائیڈ لائنز پر نپلز) کی پیروی کی گئی ہے اور کسی بھی قسم کی تبدیلی کو مناسب طریقے سے ظاہر کیا گیا ہے۔

ه۔ 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 آپریشنز مسلسل جاری رہنے میں کوئی شک نہیں ہے۔

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

ح۔ گزشتہ چھ سالوں کا اہم آپریٹنگ اور فنانشل 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 5.2 ملین روپے تھی۔

ک۔ 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 فنانشل آفیسر، کمپنی سیکریٹری ان کے شریک

16. ہیومن ریسورسز

کریڈٹ رسک، ری انشورنس رسک، لیکچوریٹری رسک اور معاشی سیاسی رسک وغیرہ شامل ہیں۔

انتظامیہ رسک مینجمنٹ کو اسٹریٹجک 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 سودمند 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 مڈیا پارٹنمنٹ قائم کیا ہے، جو اپنے مقررہ کاموں کو کوڈ آف کارپوریٹ گورننس فار انشوررز 2016 کے تحت انجام دیتا ہے۔

19. شکایت کا فنکشن

کمپنی نے مکافل 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 انشورر کے لئے کارپوریٹ گورننس کے ضابطہ اخلاق کی ضروریات کے مطابق کم سے کم مکمل وقت میں ازالہ کرتا ہے۔

21. دوسرے اسٹیک ہولڈرز کے ساتھ تعلقات

- 00 آپ کی کمپنی ذیل کے ساتھ اچھے تعلقات جاری رکھنے کی خواہاں ہے:
- 00 اپنے ملازمین کے ساتھ، ایک مثبت کام کا ماحول فراہم کر کے
- 00 پالیسی ممبران کے ساتھ، اعتماد پیدا کرنے اور معیاری خدمات کی فراہمی کے ذریعہ
- 00 کاروباری طبقہ کے ساتھ، ایماندارانہ اور منصفانہ سلوک کے ذریعہ
- 00 حکومت، ریگولیٹرز اور مسابقتی مارکیٹ سسٹم کے ساتھ، مفت انٹراپرائزز کو فروغ دینے، تمام قابل اطلاق قوانین کی تعمیل کے ذریعہ اور
- 00 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۔

17. 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 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 ذریعہ 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 چاہئے ہوں گے لئے زیادہ مواقع پیدا کرنے کے لئے کوشاں رہتی ہے۔

18. رسک اور غیر یقینی کیفیات

کمپنی ایک پیچیدہ اور چیلنجنگ ماحول میں کاروبار کر رہی ہے اور اس وجہ سے اس کی کامیابی 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،

10. شیئر میں لین دین

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 آراؤ کے مطابق ہے۔

سال 2021 کے دوران، شیئرز میں کوئی بھی ایسا قابل ذکر لین دین نہیں ہوا جو انشورنس آرڈیننس 2000 کی دفعہ 67 کی دفعات کو متوجہ کر سکے۔

11. قومی خزانہ میں شرکت

آپ کی کمپنی نے قومی خزانے میں ٹیکسز اور ڈیوٹیز 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، انکم ٹیکس، فیڈرل انشورنس فیس، اور پالیسی اسٹیٹس وغیرہ کی شکل میں 142 ملین روپے قومی خزانہ میں ادا کیے۔

12. شرعی اصولوں کی تعمیل

تکافل رولز 2012، شریعہ گورننس ریگولیشنز (SGR2018) کے ذریعہ طے شدہ تقاضوں کو 1 2 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۔

ابتداء سے ہی پاک قطر تکافل گروپ آف کمپنیز کے پاس شرعی اصولوں کی تعمیل کے لئے موجود تمام پالیسیاں 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 معزز نگرانی نے ہمیں شرعی حکمرانی کی عملی طور پر قانونی تقاضوں کے زیادہ سے 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 ایس ای سی پی 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 پالیسیاں بڑے پیمانہ پر مکمل شرعی نگرانی میں خدمات فراہم کرنے کے لئے کوشاں ہے۔

11. 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 کریڈٹ ریٹنگ A سے مستحکم آؤٹ لک اور A+ (اے پلس) مستقل مستحکم آؤٹ لک پر برقرار رکھا۔

12. متعلقہ پارٹی کے لین دین

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

13. کمپیوٹل اور سیال کا انتظام

کمپنی اچھی مالیاتی بنیاد پر 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 آراؤ 2015/828(I) کے تحت نان لائف انشورنس کمپنیوں کو تکافل آپریٹرز کا ادا شدہ سرمایہ 500 ملین روپے ہونا چاہئے۔ ہمیں یہ اطلاع دیتے ہوئے خوشی ہو رہی

عملدرآمد ہمارے استحکام اور مسلسل کامیابی میں اہم کردار ادا کرے گی۔

6. فنڈ کے اعتبار سے رپورٹنگ

ہیکفل 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 کی عکاسی کرتی ہے، جبکہ ہر فنڈ کی بزنس کی درجہ بندی کے اعتبار سے رپورٹنگ کو شعبہ وار رپورٹنگ کے عنوان کے تحت اکاؤنٹس کے نوٹس میں ظاہر کیا گیا ہے۔

7. قرض حسنہ

ہیکفل 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 اپنے باقی ماندہ 50 ملین روپے وصول کئے۔

8. تخصیصات

ایک اور خوش آئند سال جس میں شیئر ہولڈرز فنڈ کا منافع ٹیکس ادا کرنے کے بعد 32.5 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۔

9. پوسٹ بیلنس شیٹ ایونٹ

مالی سال کے اختتام اور ڈائریکٹر رپورٹ کی تاریخ کے دوران کمپنی کی مالی پوزیشن کو متاثر کرنا والا کوئی بھی معتد بہ ایڈجسٹمنٹ کا واقعہ اور ذمہ داریوں میں تیدیلی نہیں آئی۔

کی حد کا از سر نو جائزہ لے کر کچھ توسیع کے ساتھ کام جاری رکھا گیا۔ سال 2022 کے لیے ری تکافل معاہدے کے انتظامات کو حتمی شکل دے دی گئی ہے۔ مزید، VIS اور PACRA نے مستحکم آؤٹ لک کے ساتھ بالترتیب 'A' اور مستحکم آؤٹ لک کے ساتھ 'A+' پر کمپنی کی مالی حالت کی کریڈٹ ریٹنگ کی تصدیق کی ہے۔

4. IFRS 17 انشورنس معاہدے

مالیاتی رپورٹنگ کا نیا معیار IFRS 17 بلاشبہ پچھلی چند دہائیوں میں انشورنس اکاؤنٹنگ کی ضروریات میں سب سے اہم تبدیلی کی نمائندگی کرے گا۔ اگرچہ، IFRS 17 کے نفاذ کو مزید 1 جنوری 2023 تک ملتوی کر دیا گیا ہے۔ تاہم، ایس ای سی پی نے آئی ایف آر ایس 17 کے نفاذ کے لیے چار فیز اپروچ کی ہدایات جاری کی ہیں۔ فیز 1، گیپ تجزیہ 30 ستمبر 2021 کو جمع کرایا گیا ہے، جبکہ فیز 2، مالیاتی اثرات کا تجزیہ جاری ہے۔

5. 2021 کے امکانات

چونکہ کووڈ اپنے ”اؤمیکرون“ ویرینٹ کی صورت میں دوبارہ ظاہر ہوا ہے، اس لیے اس کے متوقع اثرات کے بارے میں ابھی کچھ نہیں کہا جاسکتا۔ منیجمنٹ ٹیم ان غیر متوقع حالات میں اپنے معاملات کو موثر رکھنے کے لیے پوری طرح تیار ہے۔ انتظامی اخراجات میں کمی اور پراڈکٹ میں تجدید انشورنس سیکٹر کے شرکاء کے لیے مارکیٹ میں اپنی پوزیشن مضبوط رکھنے کے لیے انتہائی ضروری ہے۔

جزل انشورنس کے شعبے کی کارکردگی اقتصادی ترقی سے مربوط ہے۔ پاکستان کی جزل 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

2020	2021	
روپے		
240,492,605	357,186,874	شیر ہولڈرز فنڈ (SHF)
(66,363,886)	(99,903,808)	وکالہ آمدنی
(199,020,427)	(253,394,843)	کمیشن کے اخراجات
(24,891,708)	3,888,223	انتظامی اخراجات
(6,609,211)	(8,687,819)	براہ راست اخراجات
36,469,629	42,915,910	سرمایہ کاری کی آمدنی
4,379,632	3,752,851	دیگر آمدنی
7,662,906	4,307,907	PTF سے مضارب شیر
17,011,248	46,177,072	منافع قبل از ٹیکس
2,050,490	(13,641,872)	قابل ادائیگی
19,061,738	32,535,200	منافع بعد از ٹیکس
0.37	0.64	فی شیر آمدنی (روپے میں)

کرنے میں حوصلہ افزائی کرتی ہے کہ ہم کس طرح مزید بہتری لاسکیں؟ ہمارے لئے کسٹمرز 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 ہمارے ایگزیکٹو 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۔

روایتی انشورنس کے اسلامک ونڈ آپریشنز کے ساتھ بڑھتی ہوئی مسابقت، نازک مارکیٹ کی صورتحال کے باوجود اعلیٰ خدمات کے معیار کے لیے ہماری وابستگی، سخت کوششوں اور کئی شعبوں میں دور اندیش فیصلوں نے ہمیں اعلیٰ کارکردگی اور قابل اطمینان کاروبار کو برقرار رکھنے کے قابل بنایا۔ پاک قطر جنرل ٹرانسفر لمیٹڈ (PQGTL) نے کامیابی کے ساتھ اپنے موجودہ کلائنٹس اور چینل پارٹنرز کے ساتھ کاروباری تعلقات کو مضبوط کیا جس میں پاکستان کے چند اعلیٰ اسلامی مالیاتی ادارے شامل ہیں۔ سرتوڑ کوششوں کے ذریعے، کمپنی نے کاروباری کس میں کاروباری استحکام کو برقرار رکھا اور بینک کے ساتھ معاملات

سال 2021 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 ٹکافل 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 2022 کے دوران ان شاء اللہ مطلوبہ نتائج حاصل کروائے گی۔ ہماری شریعہ کمپلائنس کی نگران اپنے شرکاء ٹکافل کو سروسز فراہم کرنے میں اور اسٹریٹجک پارٹنرز کے لئے قابل فخر ہے۔ ان مسابقتی اور بدلے 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 کے جن شعبوں میں ہمیں بہتر تجربہ اور مسابقتی مستعدی 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 مٹرم شیر ہولڈرز کو زیادہ سے زیادہ نفع پہنچانے کے لئے ہمیشہ ہمارے دماغ میں یہ بات رہتی ہے کہ ہمیشہ مزید بہتری کی گنجائش موجود رہے، اور یہ ذہنی جلا اور سخت کام

ہوا ہے۔ انڈر رائٹنگ اور سرمایہ کاری دونوں میں محتاط نقطہ نظر پر زور دیا گیا جس سے نتائج کافی بہتر ہوئے۔ موجودہ وسائل کے موثر استعمال، انفارمیشن ٹیکنالوجی کے استعمال میں اضافہ، ہیڈ آفس اور برانچوں میں آپریشنل اخراجات کی نگرانی کے ذریعے اس کو مزید مدد ملی۔

کمپنی نے زیر نظر سال میں مثبت نتائج دکھائے ہیں، جس سے اس کے کاروبار کی پوزیشن کو بطور اس مقصد کے لیے وقف تکافل کمپنی کے برقرار رکھا۔ شرکاء تکافل فنڈ میں 21.8 ملین روپے (26.3: 2020 ملین) کا سرپلس دیکھنے میں آیا، جبکہ شیئر ہولڈر فنڈ میں قبل از ٹیکس منافع 46 ملین روپے (2020 میں 17 ملین) ہوا۔ اس طرح دونوں فنڈز (PTF & SHF) کے ذریعہ پوسٹ کئے گئے قبل از ٹیکس مجموعی منافع گزشتہ سال 43.3 ملین روپے کے مقابلے میں 67.8 ملین روپے ہے۔ منافع اور نقصان کی اسٹیٹمنٹ سے حاصل کردہ اعداد و شمار درج ذیل ہیں:

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

د: نفع

انتظامیہ نے PQGTL کی کاروباری پوزیشن قائم کرنے کے لیے ٹھوس کوششیں کی ہیں جو سخت مقابلے کے تناظر میں جاری رہے گی۔ کاروبار میں مثبت رفتار کی ابھرتی ہوئی علامات کا ذکر کرنا ضروری ہے جس کی وجہ سے مستحکم واپسی ہوئی ہے اور آپ کی کمپنی کو بڑے پیمانے پر تحریر کردہ مجموعی زراعت (GCW) کو برقرار رکھنے کے قابل بنایا گیا ہے۔ اگرچہ ملک کی مجموعی جنرل انشورنس پالی میں کمپنی کا مارکیٹ شیئر بہت کم ہے۔ زیر جائزہ سال میں دونوں فنڈز (PTF) اور (SHF) کے نتائج میں بہتری اور منافع

2020	2021
روپے	
389,375,602	542,117,730
(203,336,518)	(245,048,228)
186,039,084	297,069,502
40,274,571	49,405,318
226,313,655	346,474,820
(197,068,736)	(321,296,243)
(8,000,000)	(9,599,894)
(6,339,445)	(6,627,459)
14,905,474	8,951,224
7,943,300	9,266,630
11,213,965	7,964,995
(7,662,906)	(4,307,907)
26,399,833	21,874,942

شرکاء تکافل فنڈ (PTF)

حاصل کردہ زراعت و تعاون

ری تکافل کو دیا گیا کسٹریبیوٹن

صافی کسٹریبیوٹن ریونیو

ری تکافل سے حاصل کردہ ری بیٹ

صافی انڈر رائٹنگ آمدن

صافی تکافل کلیمز (رپورٹ شدہ ادا کردہ اور وقوع پذیر غیر رپورٹ شدہ)

کسٹریبیوٹن میں نقصان کے اخراجات

دیگر بلا واسطہ اخراجات

سرمایہ کاری کی آمدنی سے قبل انڈر رائٹنگ نتائج

سرمایہ کاری کی آمدنی

دیگر آمدنی

منفی: مضارب کا شیئر

اس سال کا سرپلس

ب: کلیمز

2020		2021		
صافی کلیمز	صافی کلیمز	ری تھافل سے ریکوری	مجموعی کلیمز	کلاس
		----- Rupees -----		
3,293,199	16,022,734	30,644,770	46,667,504	فائر
8,022,827	13,583,632	14,564,608	28,148,240	مرین
187,506,80	221,889,815	35,794,118	257,683,933	موٹر
-	53,057,530	-	53,057,530	ہیلیکپٹر
(1,754,170)	16,742,532	17,634,443	34,376,975	متفرقات
<u>197,068,736</u>	<u>321,296,243</u>	<u>98,637,939</u>	<u>419,934,182</u>	ٹوٹل

کی گنجائش سے زیادہ رسک کے حتمی اور صافی نقصانات نہیں برداشت کرنے پڑے۔ انتظامیہ مؤثر رسک مینجمنٹ اور مؤثر کلیم کے تصفیہ کی پالیسی کی تصفیہ کے ذریعہ مضبوط کٹرول کو قائم کرنے میں مصروف عمل ہے۔

ج: سرمایہ کاری کی آمدنی

سرمایہ کاری کے لئے انتظامیہ محتاط حکمت عملی (اعلیٰ قابل سیال اور کم رسک) 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 پریسپٹل 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:

گزشتہ سال لاک ڈاؤن کی وجہ سے کلیمز کی وقوع پذیری / اخراجات میں تیزی سے کمی واقع ہوئی۔ بزنس پورٹ فولیو میں ہیلتھ سیگمنٹ کے اضافے کی وجہ سے نقصان کی شرح میں اضافہ کا امکان ہے۔ ٹاپ لائن میں اضافے کے ساتھ ساتھ اس مدت میں کلیم میں بھی اضافہ دیکھنے کو ملا۔ بہر حال، کلیم کی شرح انڈسٹری کے ساتھ منسلک ہے اور موجودہ ری ٹیکنال سے ہٹ کر رسک کے اعتبار سے کمپنی کی رسک کو برداشت کرنے کی استعداد بھی متاثر نہیں ہوئی ہے، اس کی بنیادی وجہ ری ٹیکنال کی طرف زیادہ سے زیادہ رسک کو منتقل کرنا ہے جس کے نتیجے میں وہاں سے کلیمز کی وصولی بھی زیادہ ہوئی ہے۔

کسی بھی کنفل کٹرکٹ کے تحت رسک 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 رسک کو مناسب ری کنفل انتظامات کے ذریعے منظم کیا جاتا ہے۔ موزوں ری کنفل نے کنفل کے کٹرکٹ کے تحت کور کئے جانے والے بڑے اور ناگہانی واقعات سے ہونے والے نقصان کے اثر کو کم کرنے میں مدد کی۔ مناسب ری کنفل انتظامات نے اس حقیقت کو ثابت کیا کہ کمپنی کو کسی بھی سال اس

2020	2021	
19,157,265	17,231,625	شرکاء کا فنانسنگ (PTF)
40,433,901	45,532,035	شیئرز ہولڈرز فنانسنگ (SHF)
59,591,166	62,763,660	ٹوٹل

3. کمپنی کی کارکردگی

الف: مجموعی تحریر کردہ کنٹری بیوشن

خاص طور پر لاک ڈاؤن کے دوران بری طرح متاثر کیا ہے۔ اس کمی کی وجہ بنیادی طور پر میکانوں سے موٹر گاڑیوں کے لیزر اجارہ بزنس میں کمی ہے، جبکہ موٹر گاڑیوں کے ہمارے کل کاروباری پورٹ فولیو کا ایک معتد بہ حصہ ہے۔ دوران سال، بینک کے کاروبار کو بڑھانے اور نئی سیلز فورس کی شمولیت پر توجہ مرکوز کی گئی اور اس کو COVID-19 کے معاشی مضمرات سے نمٹنے کے لیے اسٹیٹ بینک کی جانب سے پالیسی ریٹ میں بڑے پیمانے پر کمی سے مدد ملی، جس نے خاص طور پر موٹر سیکمنٹ کو تحریک فراہم کی۔ کاروباری بزنس لائن کے لحاظ سے، کمپنی نے ہیلتھ سیگمنٹ میں انڈر رائٹنگ شروع کی ہے اور ہیلتھ سیگمنٹ میں کئی کسٹمرز کو کامیابی سے شامل کیا گیا۔ پورٹ فولیو بزنس کمس کے ساتھ حاصل کردہ کاروباری اعداد و شمار درج ذیل ہیں:

گزشتہ چند سالوں سے PQGTL نے کلیمز کے حوالے سے منافع بخش بزنس 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۔

گزشتہ سال میں کرونا وائرس وبائی مرض کے اثرات نے PTF کی کاروباری حیثیت کو

2021	2020	2021	2020	کلاس
زرتعاون	پورٹ فولیو کمس	زرتعاون	پورٹ فولیو کمس	
روپے	%	روپے	%	
171,372,273	16.5	139,210,382	23	فائر
71,188,968	7	44,440,725	7.5	مرین
546,703,616	53	345,600,354	57.5	موٹر
175,388,379	17	-	-	ہیلتھ
67,815,991	6.5	72,682,693	12	متفرقات
1,032,469,227	100	601,934,154	100	ٹوٹل

ہمارے قابل قدر اسٹیک ہولڈرز تسلیم کریں گے کہ تکافل کے لئے وقف انڈسٹری میں نمایاں اسٹیک ہولڈر کی حیثیت سے ہم نے بزنس ٹاپ لائن میں قابل ذکر ریکوری کی ہے، جس کے نتیجے میں نہ صرف کمپنی نے اپنے قدم مضبوط کیے بلکہ سال 2021 میں اچھی رفتار کے ساتھ بہترین نمو حاصل کی۔

مزید یہ کہ کمپنی دانشمندانہ طور پر ترقی پر غور کر رہی ہے، اور 2022 کے آخر میں مناسب نمو کی توقع کی جاتی ہے اور کمپنی کا ارادہ ہے کہ موٹر بزنس کے ذریعے ریونیو پر انحصار کرنے کے بجائے کمس ریونیو کو بڑھایا جائے۔ کمپنی اپنی ٹیکنالوجی ترقی اور نفع بخش بزنس کرنے پر اپنی توجہ مرکوز رکھنے کے لیے محتاط انڈر رائٹنگ پریکٹس جاری رکھے گی تاکہ ٹاپ لائن اہداف حاصل کرنے کے ساتھ ساتھ نفع کو بھی بہتر بنایا جاسکے۔

ڈائریکٹرز کی رپورٹ

محترم شیئر ہولڈرز

الحمد للہ ہمیں پاک قطر جنرل تکافل لمیٹڈ (جسے یہاں ”کمپنی“ یا ”PQGTL“ کہا جائے گا) کی 31 دسمبر 2021 میں ختم ہونے والے سال کی کمپنی کی آڈٹ رپورٹ کے ساتھ سالانہ رپورٹ اور آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے بہت خوشی محسوس ہو رہی ہے۔

ضرورت ہے۔

1. معیشت کی صورتحال

سال 2020 میں COVID-19 وباء اور اس کی وجہ سے ملکی اور عالمی سطح پر لاک ڈاؤن کے اثرات کی وجہ سے غیر معمولی دباؤ دیکھنے کے بعد سال 2021 میں عالمی اور پاکستان کی معیشت میں بحالی کے آثار نظر آئے ہیں۔ دنیا بھر کی حکومتوں کو اس وبائی مرض کے دور میں غیر متوقع معاشی اور سماجی چیلنجز کا سامنا کرنا پڑا، جس سے عالمی عدم مساوات مزید خراب ہوئی اور غربت سے نمٹنے کے لیے گزشتہ دہائی میں ہونے والے اقدامات کو ختم کیا۔ سال 2021 میں، ترقی پذیر اور ترقی یافتہ ممالک کے حوصلہ افزا مالیاتی پیکیج اور رقوم کی فراہمی جیسے اقدامات سے عالمی معیشت نے بحالی کی طرف اپنا سفر جاری رکھا۔ پاکستان کے معاشی منتظمین نے گرتی معیشت کو سہارا دینے اور سماجی زوال کو سنبھالنے کے لیے تمام اسٹیک ہولڈرز کے ساتھ محنت سے کام کیا اور جارحانہ اقدامات اٹھائے۔ تمام سرگرمیاں کامیابی کیساتھ مکمل کی گئیں اور احساس جیسے پروگرام، جنہوں نے COVID لاک ڈاؤن کے دوران ملک کے غریب ترین خاندانوں کو نقد رقم کی فراہمی میں مدد کی، جس کو عالمی سطح پر سراہا گیا۔ ان مالیاتی اقدامات نے معیشت کو سہارا دیا اور اس بات کو یقینی بنایا کہ ان سنگین حالات میں بھی معیشت ترقی کی راہ پر گامزن رہے۔ یہ اقدامات کاروبار اور کیپٹل مارکیٹ کی ترقی کے لیے ضروری تھے۔

درآمدات کی مانگ میں اضافہ، لاک ڈاؤن کے بعد زرمی، کووڈ کی صورت حال معمول پر آنے اور جیسا کہ اوپر بتایا گیا ہے کہ حالات پر قابو پانے کیلئے حوصلہ افزا مالیاتی پیکیج کی فراہمی کی وجہ سے، افراط زر، اشیائے خورد و نوش کی قیمتوں اور توانائی کے نرخوں میں مسلسل اضافے سے مہنگائی کی شرح بلند رہی۔ یہ تمام عوامل کرنٹ اکاؤنٹ خسارے پر نمایاں دباؤ بڑھانے کا باعث بنے۔ اسٹیٹ بینک آف پاکستان نے کرنٹ اکاؤنٹ خسارے اور متوقع افراط زر کو کم کرنے کے لیے شرح سود میں اضافہ کیا۔ مالیاتی اعداد و شمار کو مد نظر رکھتے ہوئے، ملک کے اقتصادی چیلنجز کی بنیادی وجوہات سے نمٹنے کے لیے ٹھوس اصلاحات کی

2. مستقبل کا منظر نامہ

جنرل انشورنس سیکٹر کی کارکردگی، معاشی نمو سے مربوط ہے۔ کسی ملک میں انشورنس کی ترقی کے کلیدی محرکات عام طور پر میکرو اکنامک عوامل، ریگولیٹری عوامل اور کسی ملک کے ڈیموگرافکس ہوتے ہیں۔ ملک پاکستان میں انشورنس کی شرح ہمسایہ ممالک کے مقابلے میں ہمیشہ کم رہی ہے۔ COVID-19 کے لازمی اثرات کی وجہ سے انشورنس انڈسٹری کے حالات ہمیشہ چیلنجنگ رہے۔ تاہم، اقتصادی سرگرمیوں میں قابل ذکر بحالی کے پیش نظر، معاشی منظر نامے میں استحکام حاصل ہوا، کیونکہ مالی سال 2021 کے دوران معاشی نمو میں اضافہ ہوا۔ تاہم، بیرونی کھاتوں کی تیزی سے گراوٹ اور بڑھتی ہوئی افراط زر نے پاکستانی روپیہ کو گرنے کا سبب بنایا ہے اور اشیاء کی عالمی قیمتوں میں اضافہ بیرونی کھاتوں کے عدم توازن کا باعث بنا ہے۔ اسٹیٹ بینک آف پاکستان (SBP) نے فعال طور پر اس عدم توازن کو دور کرنے کے لیے پالیسی ریٹ میں اضافہ کیا۔ مجموعی طور پر، اسٹیٹ بینک نے 2021 کی آخری سہ ماہی میں پالیسی ریٹ میں 275 بیس پوائنٹس کا اضافہ کیا ہے۔ دوران سال پاکستان اسٹاک ایکسچینج مختلف عوامل کی وجہ سے اتار چڑھاؤ کا شکار رہی۔ یوکرین میں جنگ کے آغاز اور سیاسی بے یقینی کی وجہ سے سال کے اختتام کے فوراً بعد، عالمی غیر یقینی صورتحال اور توانائی کی قیمتوں میں اضافہ ہوا ہے۔ یہ صورت حال طویل معاشی غیر یقینی صورتحال کا باعث بن سکتی ہے اور کورونا کے بعد معاشی بحالی کا راستہ روک سکتی ہے۔

آگے بڑھتے ہوئے، ممکنہ طور پر کرنٹ اکاؤنٹ پر دباؤ کو کم کرنے کے لیے IMF پروگرام کی بحالی متوقع ہے۔ 2022 میں ڈسکاؤنٹ ریٹ اسی طرح رہنے کی توقع ہے۔

KEY FINANCIAL DATA*Rupees in Thousand*

	FY21	FY20	FY19	FY18	FY17	FY16
Gross Contribution written	1,032,469	601,934	701,046	677,714	614,990	652,736
Consolidated Profit & Loss (PTF & SHF)						
Net Contribution Earned	297,069	186,039	211,092	192,481	168,463	217,849
Wakala Income	357,187	240,492	266,257	258,267	233,379	256,124
Net Claims including IBNR	(321,296)	(197,068)	(251,637)	(231,631)	(211,234)	(249,206)
Commission expense net-off Rebate	(50,499)	(26,089)	(11,500)	2,242	9,939	(3,470)
Investment Income including bank profits	62,764	59,590	39,938	22,499	22,512	23,983
Management, admin. & other expense	(268,710)	(211,968)	(223,435)	(214,257)	(210,634)	(238,458)
Other Income/(loss)	1,136	415	3,381	1,054	1,530	2,199
Other provisions including CDR	(9,599)	(8,000)	(2,600)	-	-	(435)
Consolidate Result before Tax - PTF & SHF	68,052	43,411	31,496	30,655	13,955	8,587
Taxation - Net	(13,642)	2,050	(7,671)	(6,323)	(3,200)	(1,785)
Consolidate Result after Tax - PTF & SHF	54,410	45,461	23,825	24,332	10,754	6,802
Consolidated Balance Sheet (PTF & SHF)						
Investments excluding TDRs	584,382	531,147	350,277	235,232	297,681	220,083
Cash & Bank Deposits including TDRs	301,580	173,664	247,233	278,266	159,522	168,952
Deferred Tax Asset	1,399	579	-	-	-	-
Other Assets	988,441	591,330	516,318	554,421	744,940	564,714
Fixed Assets - including RoU	60,821	82,680	98,806	69,043	71,212	80,654
Paid-up Capital	509,226	509,226	509,226	509,226	509,226	471,343
Advance against issue of share capital	-	-	-	-	-	25,106
Accumulated surplus/(loss)	49,564	(4,845)	(51,107)	(49,471)	(74,303)	(85,057)
Revaluation reserve on AFS investments	(1,482)	848	603	(18,224)	-	-
Underwriting reserves/liabilities	707,504	482,856	495,203	449,319	698,260	443,025
Other Liabilities	671,811	391,315	258,708	246,114	140,170	179,986
Qard-e-hasna receivable from PTF	-	50,000	190,000	200,000	240,000	127,976
Dividend distributed	-	-	25,461			

KEY FINANCIAL RATIOS

	FY 2021	FY20	FY19	FY18	FY17	FY16
Variance from prior year:						
Gross Contribution written	72%	-14%	3%	10%	-6%	-7%
Net Contribution Earned	60%	-12%	10%	14%	-23%	-42%
Wakala Income	49%	-10%	3%	11%	-9%	-7%
Net Claims	63%	-22%	9%	10%	-15%	-39%
Commission, Management & other Expenses	34%	1%	11%	6%	-17%	-9%
Investment Income	5%	49%	78%	0%	-6%	-32%
Other ratios:						
Current Ratio (times)	1.51	1.51	1.51	1.56	1.45	1.56
Fixed assets turnover (times)	14.39	6.63	8.35	9.66	8.10	10.59
Gross Contribution per share (Rs.)	20.28	11.82	13.77	13.31	12.08	13.85
Earning per shares (Rs.) - SHF	0.64	0.37	0.27	0.24	0.06	0.04
Net Claim to Gross Contribution less Retakaful	41%	49%	54%	51%	52%	58%
Net Claim to Net Contribution Earned including Wakala	49%	46%	53%	51%	53%	53%
Management, other Expenses to Gross Contribution	26%	35%	32%	32%	34%	37%
Management, other Expenses to Wakala income	75%	88%	84%	83%	90%	93%
Commission Expense net-off Rebate to Gross Contribution	4.9%	4.3%	1.6%	-0.3%	-2%	1%
Wakala income to Gross Contribution	35%	40%	38%	38%	38%	39%
Gross Retakaful Ceded to Gross Contribution	24%	34%	33%	33%	34%	34%
REVENUE DISTRIBUTION (PTF)						
Claims	108%	106%	119%	120%	125%	114%
Other Reserve	3%	4%	1%	0%	0%	0%
Direct expenses	2%	3%	4%	8%	6%	3%
Rebate commission	-17%	-22%	-24%	-31%	-35%	-19%
Net Investment income	-4%	-6%	-5%	-3%	-1%	-1%
Surplus	7%	14%	5%	6%	5%	2%
	100%	100%	100%	100%	100%	100%
REVENUE DISTRIBUTION (SHF)						
Commission expense	28%	28%	24%	22%	21%	17%
Management, General Admin expenses	73%	86%	81%	77%	86%	91%
Modarib fee	-1.2%	-3.2%	-2.4%	-1.7%	-0.4%	-0.3%
Net investment income	-13%	-17%	-9%	-4%	-9%	-9%
Other (Loss) / Gain	-0.3%	-0.2%	-1.3%	-0.4%	-1%	-1%
Taxation	4%	-1%	3%	2%	1%	1%
Profit after Taxation	9%	8%	5%	5%	1%	1%
	100%	100%	100%	100%	100%	100%

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

For the year ended December 31, 2021

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 Director	Mr. Farrukh Viqaruddin Junaidy
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 Said Mr. Owais Ahmed Yusuf
Executive Director and Chief Executive Officer*	Mr. Zahid Hussain Awan

*The chief executive is an elected director under section 159(3) of the Companies Act, 2017; whereas the total number of elected/nominated directors on the Board are eight (08).

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 Chief Financial Officer, Company Secretary and Head of Internal Audit during the year. The Board has approved the remuneration and terms and conditions of employment of CFO, Company Secretary and Head of Internal Audit.
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:

Name of the Member	Category
Mr. Zahid Hussain Awan	Chairman
Mr. Saqib Zeeshan	Member
Mr. Mahmood Arshad	Member
Mr. Muhammad Raza	Member & Secretary
Mr. Farrukh Adnan	Member
Mr. Kaiser Zarif	Member
Mr. Muhammad Rizwan	Member

Claims Settlement Committee:

Name of the Member	Category
Mr. Said Gul	Chairman
Mr. Zahid Hussain Awan	Member
Mr. Muhammad Saleem	Member
Mr. Shahzad M Khan Ghilzai	Member & Secretary
Mr. Imran Ahmed Nafees	Member
Mr. Obaid Hussain Qureshi	Member

Risk Management & Compliance Committee

Name of the Member	Category
Mr. Zahid Hussain Awan	Chairman
Mr. Saqib Zeeshan	Member
Mr. Muhammad Shoaib Akhter	Member
Mr. Muhammad Saleem	Member
Mr. Muhammad Raza	Member
Mr. Farrukh Adnan	Member
Mr. Shahzad M Khan Ghilzai	Member
Mufti Shakir Siddiqui	Member
Mr. Saifuddin Sahikh	Member
Mr. Farhan Javed	Member
Mr. Obaid Hussain Qureshi	Member & Secretary

17. The Board has formed the following Board Committee

Ethics, Human Resource, Remuneration and Nomination Committee:

Name of the Member	Category
Mr. Said Gul	Chairman
Mr. Zahid Hussain Awan	Member
Ms. Sameera Said	Member
Mr. Muhammad Kamran Saleem	Secretary

Investment Committee:

Name of the Member	Category
Mr. Zahid Hussain Awan	Chairman
Mr. Said Gul	Member
Mr. Muhammad Kamran Saleem	Member
Mr. Muhammad Saleem	Member
Mr. Farhan Shaukat	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	Category
Mr. Farrukh Viqaruddin Junaidy	Chairman
Mr. Said Gul	Member
Mr. Zahid Hussain Awan	Member
Mr. Muhammad Shoaib Akhter	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. Current Chief Financial Officer is promoted in prior year, who is a commerce graduate with three decades of experience in insurance industry including over 14 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	Designation
Mr. Zahid Hussain Awan *	Chief Executive Officer
Mr. Muhammad Kamran Saleem	Company Secretary
Mr. Muhammad Saleem	Chief Financial Officer
Mr. Muhammad Shoaib Akhter	Head of Internal Audit
Mr. Muhammad Raza	Head of Underwriting
Mr. Shahzad M Khan Ghilzai	Head of Claims
Mr. Muhammad Raza	Head of Re-Takaful
Mr. Farhan Javed**	Head of Risk Management
Mr. Mr. Obaid Hussain Qureshi**	Compliance Officer & Head of Grievance department

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

*** Mr. Farhan Javed was elevated to this position consequent upon the resignation of Mr. Danish Wasim; and Mr. Obaid Hussain Qureshi was appointed upon the resignation of Mr. Jehanzaib Ahmed.*

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. Subsequent to year end, the latest rating assigned by the said rating agencies on even date 31st March 2022 are A+ and A 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: 15 April 2022

SHARIAH REVIEW REPORT TO THE BOARD OF DIRECTORS

for the year ended 31 December 2021

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 2021.

During this year Shariah Advisory Board conducted two (2) meetings on various matters. 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 2021 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.
- (iv) Shariah Compliance Department is actively engaged in promoting awareness of Takaful and its process among the distribution staff, educational institution and corporate sectors. In the year 2021, we have conducted almost 101 sessions with the collaboration of Training Department and individually.
- (v) The company performed its duties to its level best by following Shariah guidelines. Consequently, we have found that the Company is in accordance with the Shariah principles with respect to all transactions.

"And Allah knows best "



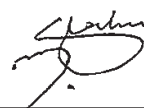
Mufti Muhammad Hassaan Kaleem

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

Scope

We have been engaged by **Pak Qatar General Takaful Limited** (the Operator) to perform a 'reasonable assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on the management's assessment of compliance of the Takaful Operations of the Operator, as set out in the annexed Statement of Compliance (the Statement) prepared by the management for the year ended **31 December 2021** (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express an opinion on this information.

Criteria applied by the management

In preparing the Subject Matter, the management applied the criteria in accordance with the Takaful Rules, 2012 (Criteria).

The Management's responsibilities

The management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express an opinion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000'), and the terms of reference for this engagement as agreed with the Operator on 18 August 2021. Those standards require that we plan and perform our engagement to obtain reasonable assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

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

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Control 1 , Quality Control for Firms that Perform Audits and Reviews of Financial Statements, 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.

Description of procedures performed

- We checked that all the products and policies have been approved by Shariah Advisor and observed that the Operator has developed and implemented all the policies and procedures in accordance with The Takaful Rules, 2012 and Shariah Rules and Principles as determined by Shariah Advisor.
- We checked that the assets and liabilities of Takaful Operations (Participants' Takaful Fund, and Operator's fund) are segregated from its other assets and liabilities, at all times in accordance with the provisions of the Takaful Rules, 2012.
- We reviewed training certificates and attendance sheets to evaluate that the Operator has imparted necessary trainings and orientations to maintain the adequate level of awareness, capacity, and sensitization of the staff and management.
- We have designed and performed following verification procedures (including but not limited to) on various financial arrangements, based on judgmental and systematic samples with regard to the compliance with Takaful Rules, 2012 and Shariah Rules and Principles:
 - o We obtained details of investments made and checked that all investments made in Shariah Compliant stocks as determined by Shariah Advisor
 - o We inquired regarding other investments like fixed deposits to confirm that all such contracts are executed with Islamic Financial Institutions
 - o We reviewed re-takaful and co-takaful parties along with arrangements/contracts entered into by Takaful Operations to assess compliance with Shariah Advisor guidelines and Takaful Rules, 2012.
 - o We re-calculated Operator's profit share and Wakalah fee income to confirm that approved percentage are applied on income from investments and contribution respectively.

The procedures selected by us for the engagement depended on our judgment, including the assessment of the risks of the Operator'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 Operator'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 Operator's internal control over the Takaful Operations' 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.

In performing our audit procedures necessary guidance on Shari'ah matters was provided by the internal Shari'ah experts.

Opinion

In our opinion, the Statement of Compliance of the Takaful Operations of the Operator as of 31 December 2021 is presented, in all material respects, in accordance with Takaful Rules, 2012.

EY Ford Rhodin

Chartered Accountants

Date: 22 April 2022

Karachi



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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 2021** 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 2021.

EY Ford Rhodes

Chartered Accountants

Place: Karachi

Date: 18 May 2022

UDIN: CR202110120PagXWoZMv



EY Ford Rhodes
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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 2021, 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 2021 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 Director 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:

- 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);
- 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;
- the apportionment of assets, liabilities, revenue and expenses between two or more funds has been performed in accordance with the advice of the appointed actuary;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the company's business; and
- zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

EY Fard Rhodu

Chartered Accountants

Karachi

Date: 28 April 2022

UDIN: AR202110120OkUBReGp9

STATEMENT OF FINANCIAL POSITION

As at December 31, 2021

	Notes	2021			2020		
		Shareholders' Fund	Participants' Takaful Fund	Aggregate	Shareholders' Fund	Participants' Takaful Fund	Aggregate
		----- (Rupees) -----					
ASSETS							
Property and equipment	8	33,006,523	-	33,006,523	49,002,227	-	49,002,227
Intangible assets	9	27,814,766	-	27,814,766	33,678,096		33,678,096
		60,821,289	-	60,821,289	82,680,323	-	82,680,323
Investments	11						
Equity securities - mutual funds		247,221,843	78,116,600	325,338,443	197,451,431	51,128,557	248,579,988
Debt securities - sukuks		241,073,604	17,970,000	259,043,604	232,567,055	50,000,000	282,567,055
Term deposits		60,000,000	5,000,000	65,000,000	-	-	-
		548,295,447	101,086,600	649,382,047	430,018,486	101,128,557	531,147,043
Qard-e-Hasna receivable from PTF	10	-	-	-	50,000,000	-	50,000,000
Deferred tax asset	18	1,399,803	-	1,399,803	579,941	-	579,941
Loans and other receivables	12	21,181,829	1,899,276	23,081,105	14,444,589	2,813,561	17,258,150
Takaful / retakaful receivables	13	-	302,693,557	302,693,557	-	163,980,814	163,980,814
Retakaful recoveries against outstanding claims	23	-	185,112,687	185,112,687	-	165,825,173	165,825,173
Deferred commission expense	25	51,893,058	-	51,893,058	27,780,324	-	27,780,324
Taxation - payment less provisions		-	4,239,797	4,239,797	6,217,415	4,239,797	10,457,212
Prepayments	14	2,757,688	76,911,554	79,669,242	4,076,405	74,159,174	78,235,579
Wakala & modarib receivable	15	123,186,934	-	123,186,934	6,451,738	-	6,451,738
Deferred wakala fee	30	-	218,564,290	218,564,290	-	121,340,511	121,340,511
Cash and Bank	16	63,674,854	172,904,981	236,579,835	76,874,756	96,789,174	173,663,930
Total Assets		873,210,902	1,063,412,742	1,936,623,644	699,123,977	730,276,761	1,429,400,738

STATEMENT OF FINANCIAL POSITION

As at December 31, 2021


Notes	2021			2020		
	Shareholders' Fund	Participants' Takaful Fund	Aggregate	Shareholders' Fund	Participants' Takaful Fund	Aggregate
----- (Rupees) -----						
EQUITY AND LIABILITIES						
Shareholders' Fund (SHF) EQUITY						
Capital and Reserves	17					
Ordinary share capital		509,226,010	-	509,226,010	-	509,226,010
Accumulated deficit		(15,162,635)	-	(47,697,835)	-	(47,697,835)
Revaluation reserve		(1,491,285)	-	832,894	-	832,894
Total Equity		492,572,090	-	462,361,069	-	462,361,069
Waqf/Participants' Takaful Fund (PTF)						
Participants' Equity						
Cede money		-	500,000	-	500,000	500,000
Accumulated surplus		-	64,226,374	-	42,351,432	42,351,432
Revaluation reserve		-	9,307	-	16,877	16,877
		-	64,735,681	-	42,868,309	42,868,309
Qard-e-Hasna payable to SHF	10	-	-	-	50,000,000	50,000,000
Liabilities						
Underwriting Provisions - PTF						
Outstanding claims including IBNR	23	-	376,543,567	-	295,548,668	295,548,668
Unearned contribution reserve	22	-	289,934,289	-	156,769,666	156,769,666
Contribution deficiency reserve		-	22,599,894	-	13,000,000	13,000,000
Unearned retakaful rebate reserve	24	-	18,426,909	-	17,538,064	17,538,064
		-	707,504,659	-	482,856,398	482,856,398
Takaful / retakaful payables	19	-	136,773,379	-	120,787,154	120,787,154
Other creditors & accruals	20	160,795,803	31,212,089	115,422,397	27,313,160	142,735,557
Taxation - payment less provisions		1,278,719	-	-	-	-
Wakala & modarib payable	15	-	123,186,934	-	6,451,740	6,451,740
Unearned wakala income	30	218,564,290	-	121,340,511	-	121,340,511
Total Liabilities		380,638,812	998,677,061	236,762,908	687,408,452	924,171,360
Total Equity and Liabilities		873,210,902	1,063,412,742	699,123,977	730,276,761	1,429,400,738
Contingencies and Commitments						
	21					

The annexed notes from 1 to 45 form an integral part of these financial statements.


Chief Executive Officer


Director


Director


Chairman

PROFIT AND LOSS ACCOUNT

For the year ended December 31, 2021

	Note	2021 ----- (Rupees) -----	2020
PARTICIPANTS' TAKAFUL FUND (PTF)			
Contribution earned	22	542,117,730	389,375,602
Contribution ceded to retakaful		(245,048,228)	(203,336,518)
Net contribution revenue		297,069,502	186,039,084
Retakaful rebate earned	24	49,405,318	40,274,571
Net underwriting income		346,474,820	226,313,655
Net takaful claims - reported/settled & IBNR	23	(321,296,243)	(197,068,736)
Contribution deficiency expense		(9,599,894)	(8,000,000)
Other direct expenses	26	(6,627,459)	(6,339,445)
Underwriting result before investment income		8,951,224	14,905,474
Investment income	27	9,266,630	7,943,300
Other income	28	7,964,995	11,213,965
Less: Modarib's share	29	(4,307,907)	(7,662,906)
Surplus for the year		21,874,942	26,399,833
SHAREHOLDERS' FUND (SHF)			
Wakala income earned	30	357,186,874	240,492,605
Commission expense	25	(99,903,808)	(66,363,886)
Management expenses	31	(253,394,843)	(199,020,427)
		3,888,223	(24,891,708)
Direct expenses	32	(8,687,819)	(6,609,211)
Investment income	27	42,915,910	36,469,629
Other income	28	3,752,851	4,379,632
Modarib share from PTF	29	4,307,907	7,662,906
Profit before tax		46,177,072	17,011,248
Provision for taxation	33	(13,641,872)	2,050,490
Profit after tax		32,535,200	19,061,738
Earnings per share - Rupees	34	0.64	0.37

The annexed notes from 1 to 45 form an integral part of these financial statements.


 Chief Executive Officer


 Director


 Director


 Chairman

STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2021

	2021	2020
	(Rupees)	(Rupees)
<u>PARTICIPANTS' TAKAFUL FUND (PTF)</u>		
Surplus for the year	21,874,942	26,399,833
Other comprehensive income		
- Change in unrealized loss on available for sale investments	(7,570)	(366,166)
Total comprehensive income for the year	21,867,372	26,033,667
<u>SHAREHOLDERS' FUND (SHF)</u>		
Profit after taxation	32,535,200	19,061,738
Other comprehensive income		
- Change in unrealized (loss)/gain on available for sale investments	(3,273,489)	862,478
- Related tax effect	949,310	(250,119)
	(2,324,179)	612,359
Total comprehensive income for the year	30,211,021	19,674,097

The annexed notes from 1 to 45 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, 2021

	Shareholders Fund (SHF)			
	Issued, subscribed and paid-up capital	Revenue Reserve		Total
		Unappropriated profit	Revaluation reserve	
	(Rupees)			
Balance as at December 31, 2019	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
Total comprehensive income for the year ended December 31, 2021				
Profit for the year	-	32,535,200	-	32,535,200
Other comprehensive income for the year	-	-	(2,324,179)	(2,324,179)
Total comprehensive income for the year	-	32,535,200	(2,324,179)	30,211,021
Balance as at December 31, 2021	509,226,010	(15,162,635)	(1,491,285)	492,572,090

	Participants Takaful Fund (PTF)			
	Cede money	Revenue Reserve		Total
		Accumulated deficit	Revaluation reserve	
		(Rupees)		
Balance as at December 31, 2019	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 income 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
Total comprehensive income for the year ended December 31, 2021				
Surplus for the year	-	21,874,942	-	21,874,942
Other comprehensive income for the year	-	-	(7,570)	(7,570)
Total comprehensive income for the year	-	21,874,942	(7,570)	21,867,372
Balance as at December 31, 2021	500,000	64,226,374	9,307	64,735,681

The annexed notes from 1 to 45 form an integral part of these financial statements.


Chief Executive Officer


Director


Director


Chairman

STATEMENT OF CASH FLOWS

For the year ended December 31, 2021

Notes	2021		2021	2020
	PTF	SHF	Aggregate	Aggregate
----- (Rupees) -----				
Operating cash flows				
(a) Takaful activities				
Contributions received	890,009,954	-	890,009,954	623,901,409
Claims paid	(338,939,283)	-	(338,939,283)	(268,676,281)
Proceed from/ (payment to) takaful/retakaful operators	(154,686,048)	-	(154,686,048)	(96,835,810)
Commission net-off retakaful rebate received/ (paid)	50,294,163	(74,730,325)	(24,436,162)	(13,185,899)
Other takaful payments	1,563,510	-	1,563,510	923,385
Wakala & modarib fee (paid)/ received	(340,306,784)	340,306,784	-	-
Net cash flow from takaful activities	107,935,512	265,576,459	373,511,971	246,126,804
(b) Other Operating activities				
Income tax paid	-	(6,016,290)	(6,016,290)	(6,347,679)
Management and other expenses paid	-	(238,565,045)	(238,565,045)	(190,851,226)
Advances and deposits	-	(2,173,460)	(2,173,460)	(187,972)
Net cash flow in other operating activities	-	(246,754,795)	(246,754,795)	(197,386,877)
Total cash flow from all operating activities	107,935,512	18,821,664	126,757,176	48,739,927
Investment activities				
Profit and gain on sale of investment received	18,145,910	43,545,512	61,691,422	62,682,128
Payment for investments	(314,654,188)	(1,203,785,905)	(1,518,440,093)	(1,286,381,093)
Proceeds from investments	314,688,573	1,082,235,457	1,396,924,030	1,106,007,047
Receipt on disposal of fixed assets	-	1,173,479	1,173,479	435,400
Fixed capital expenditure	-	(5,186,029)	(5,186,029)	(4,635,114)
Qard-hasna (paid)/ received	(50,000,000)	50,000,000	-	-
Total cash flow from all investing activities	(31,819,705)	(32,017,486)	(63,837,191)	(121,891,632)
Financing activities				
Dividend paid	-	(4,080)	(4,080)	(417,000)
Total cash outflow from financing activities	-	(4,080)	(4,080)	(417,000)
Net cash flows from all activities	76,115,807	(13,199,902)	62,915,905	(73,568,705)
Cash at beginning of the year	96,789,174	76,874,756	173,663,930	247,232,635
Cash at end of the year	172,904,981	63,674,854	236,579,835	173,663,930

16.2

..... Continued

STATEMENT OF CASH FLOWS

For the year ended December 31, 2021

Reconciliation to profit and loss account

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

Surplus in PTF
Profit before tax in SHF

2021	2020
Aggregate	Aggregate
----- (Rupees) -----	
126,757,176	48,739,927
(10,740,064)	(11,875,468)
14,848	40,100
1,075,649	375,260
(5,968,620)	(4,992,834)
62,763,660	59,591,166
(518,778,505)	(12,787,087)
406,911,580	(42,027,662)
6,016,290	6,347,679
68,052,014	43,411,081
21,874,942	26,399,833
46,177,072	17,011,248
68,052,014	43,411,081

The annexed notes from 1 to 45 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, 2021

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 (2020: 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.

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 of the IFRSs, which became effective for the current year:

Standard or Interpretation

- IFRS 16 and IAS 39 - Interest Rate Benchmark Reform Phase 2 (Amendments)
- Covid-19 related rent concessions beyond 30 June 2021 (Amendment to IFRS 16)

The adoption of the above Standards / amendments and improvements to accounting standards did not have any effect on the Company's 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 from the dates mentioned there against:

- | | |
|---|-------------------|
| - Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 | January 01, 2022 |
| - Reference to the Conceptual Framework – Amendments to IFRS 3 | January 01, 2022 |
| - Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37 | January 01, 2022 |
| - Annual improvement process IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter | January 01, 2022 |
| - Annual improvement process IAS 41 Agriculture – Taxation in fair value measurements | January 01, 2022 |
| - Classification of liabilities as current or non-current - Amendment to IAS 1 | January 01, 2023 |
| - Definition of Accounting Estimates - Amendments to IAS 8 | January 01, 2023 |
| - Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 | January 01, 2023 |
| - Deferred tax related to Assets and liabilities arising from a Single Transaction – Amendments to IAS 12 | January 01, 2023 |
| - IFRS 3 - Reference to the Conceptual Framework (Amendments) | January 01, 2022 |
| - IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities | January 01, 2022 |
| - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment 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.

Standards	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 2020.

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	7.2.2
- Estimation of incremental borrowing rate	7.2.3
- Useful lives of assets, residual value & method of depreciation/ amortization	7.3
- Classification of investments	7.4
- Classification of takaful contracts	7.7
- Provision for doubtful contribution receivable	7.8
- Contribution deficiency reserve	7.10
- Provision for outstanding claims including IBNR	7.13
- Provision for retakaful recoveries against outstanding claims	7.17
- Allocation of expenses	7.21
- Segment reporting	7.22
- Impairment	7.23
- Taxation	7.27

7.2 Leases

7.2.1 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.

7.2.2 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).

7.2.3 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).

7.3 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.

7.4 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.

7.5 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.

7.6 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 now classified as investments.

7.7 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.

Accident and health takaful contract mainly compensates hospitalization and in-patient medical coverage.

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.

7.8 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 & 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. Administrative surcharge & wakala is recognised on upfront basis.

Wakala fee is recognised over the takaful contract terms in accordance with the pattern of takaful contribution earned. Accordingly, the Shareholders fund (SHF) defer its wakala income as unearned wakala income and the Participant takaful fund (PTF) defer its wakala expense as deferred wakala expense at the same time.

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.

7.9 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.

7.10 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.

7.11 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.

7.12 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.

7.13 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 external 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.

7.14 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.

7.15 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.

7.16 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.

7.17 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.

7.18 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.

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. Provision for doubtful balance in contribution receivable is estimated on a systematic basis after analysing the receivables as per their ageing.

7.19 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 alongside need to retain the surplus to strengthen the 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.

7.20 Revenue recognition**PTF**

- The revenue recognition of Contribution is given under note 7.8
- The revenue recognition of Rebate from retakaful operators is given under note 7.16

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 amortized 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.

7.21 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.

7.22 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 7.7

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.

7.23 Impairment

Non-financial asset: The carrying amount of non-financial assets is reviewed at each financial statement date to determine whether there is any indication of impairment of any asset or a group of assets. If such indication exists, the recoverable amount of such asset is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. An impairment loss is recognized in the profit and loss account if the carrying amount of an asset exceeds its estimated recoverable amount. Any subsequent reversal of an impairment loss, up to the carrying amount, is credited to the profit and loss account.

Financial asset: 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.

7.24 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.

7.25 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.

7.26 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.

7.27 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.

7.28 Ijarah

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

7.29 Appropriations

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

7.30 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.

7.31 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.

7.32 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.

7.33 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	2021 —————(Rupees)—————	2020 —————
8. PROPERTY AND EQUIPMENT			
- Tangible assets	8.1	33,006,523	49,002,227
		<u>33,006,523</u>	<u>49,002,227</u>

8.1 TANGIBLE

Particulars	2021							Depreciation rate
	Cost			Accumulated depreciation			Carrying value	
	As at January 01, 2021	Additions / (disposals)	As at December 31, 2021	As at January 01, 2021	For the year / (adjustment for disposals)	As at December 31, 2021	As at December 31, 2021	
	(Rupees)							%
Office improvements	15,424,323	-	15,424,323	11,666,305	563,703	12,230,008	3,194,315	15
Furniture and fixtures	13,189,021	400,000	13,589,021	7,455,511	865,027	8,320,538	5,268,483	15
Office equipment	15,254,338	178,500	15,432,838	10,226,731	767,134	10,993,865	4,438,973	15
Motor vehicles	2,195,296	- (666,980)	1,528,316	1,727,778	83,151 (569,150)	1,241,779	286,537	20
Computer equipment	41,492,608	910,035	42,402,643	33,503,967	2,463,397	35,967,364	6,435,279	30
Right of use asset	51,888,486	-	51,888,486	25,861,553	12,643,997	38,505,550	13,382,936	
	139,444,072	1,488,535 (666,980)	140,265,627	90,441,845	17,386,409 (569,150)	107,259,104	33,006,523	

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	

8.2 Details of tangible assets disposed off during the year are as follows:

Category of assets	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal	Sold to
Office equipment	516,580	485,745	30,835	385,789	Bid	M.Javed
Vehicle	150,400	83,405	66,995	787,690	Company policy	Usman - employee
	666,980	569,150	97,830	1,173,479		

9. INTANGIBLE

Particulars	2021			2021			2020	
	Cost			Accumulated Amortisation			Carrying value	
	As at January 01, 2021	Additions/ transfer	As at December 31, 2021	As at January 01, 2021	For the year	As at December 31, 2021	As at December 31, 2021	Amortization rate
	(Rupees)						%	
Computer softwares	75,353,852	1,120,237	76,474,089	41,675,756	6,983,567	48,659,323	27,814,766	10-20
	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

2021 2020

SHF

(Rupees)

10. QARD-E-HASNA RECEIVABLE FROM PTF

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

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

		2021			2020			
Note		SHF	PTF	Total	SHF	PTF	Total	
		Carrying Value						
		(Rupees)						
11.1	Available for sale							
	Investment in:							
	Equity securities							
	- mutual funds	11.6	247,221,843	78,116,600	325,338,443	197,451,431	51,128,557	248,579,988
	Debt securities	11.4 11.5						
	- sukuks	11.6	241,073,604	17,970,000	259,043,604	232,567,055	50,000,000	282,567,055
			488,295,447	96,086,600	584,382,047	430,018,486	101,128,557	531,147,043

Pak-Qatar General Takaful

Note	2021			2020		
	SHF	PTF	Total	SHF	PTF	Total
	----- Carrying Value -----					
	(Rupees)					
11.2 Held to maturity						
Investment in:						
Term deposits maturing after 12 months	60,000,000	5,000,000	65,000,000	-	-	-
	60,000,000	5,000,000	65,000,000	-	-	-
Total Investments	548,295,447	101,086,600	649,382,047	430,018,486	101,128,557	531,147,043

- 11.3** The expected rate of return on term deposit certificates ranges from 9.7% to 10.6% per annum (2020: nil) depending on tenure and size of deposits.
- 11.4** The expected rate of return on sukuk certificates ranges from 7.5% to 14.2% per annum (2020: 7% to 14%) depending on tenure and size of deposits.
- 11.5** GOP Ijara XX sukuk amounting to Rs. 65,000,000/- face value (2020: GoP XX sukuk: Rs. 65,000,000) are held under lien with the State Bank of Pakistan in compliance with the requirements of Section 29 of the Insurance Ordinance, 2000.

11.6 Available-for-sale (AFS) Investments

Note	2021				2020			
	Cost	Impairment / provision	Revaluation surplus / (deficit)	Carrying value	Cost	Impairment / provision	Revaluation surplus / (deficit)	Carrying value
	----- Rupees -----				----- Rupees -----			
Equity securities (Mutual fund units)								
- Shareholders Fund	250,262,654	-	(3,040,811)	247,221,843	197,345,538	-	105,893	197,451,431
- Participant Takaful Fund	78,107,293	-	9,307	78,116,600	51,111,680	-	16,877	51,128,557
11.6.1	328,369,947	-	(3,031,504)	325,338,443	248,457,218	-	122,770	248,579,988
Debt securities (Sukuk certificates)								
- Shareholders Fund	240,133,192	-	940,412	241,073,604	231,499,858	-	1,067,197	232,567,055
- Participant Takaful Fund	17,970,000	-	-	17,970,000	50,000,000	-	-	50,000,000
11.6.2	258,103,192	-	940,412	259,043,604	281,499,858	-	1,067,197	282,567,055
TOTAL	586,473,139	-	(2,091,092)	584,382,047	529,957,076	-	1,189,967	531,147,043

11.6.1 Details of investments in Equity securities (Mutual funds)

Name of Investment	Face value per unit	2021 Number of certificates	2020	2021			2020		
				SHF	PTF	Total	SHF	PTF	Total
				----- Carrying value in Rupees -----					
ABL Islamic Income Fund	10	-	5,258,812	-	-	-	55,426,845	-	55,426,845
NBP Islamic Income fund	10	1,923,854	-	-	20,000,001	20,000,001	-	-	-
ABL Islamic Stock Fund	10	3,902,824	-	59,081,082	-	59,081,082	-	-	-
HBL Islamic Income Fund	100	2,993	2,844	320,211	-	320,211	295,553	-	295,553
Pak Oman advantage islamic income fund	10	907,462	-	44,260,544	5,527,571	49,788,115	41,153,934	5,139,389	46,293,323
JS Islamic Income Fund	10	313,142	-	33,421,503	-	33,421,503	30,976,283	-	30,976,283
Army Welfare Trust Islamic Income Fund	100	-	29,718	-	-	-	-	3,157,014	3,157,014
NBP Islamic Money Market Fund	10	3,166,370	-	9,120,333	23,925,488	33,045,821	-	-	-
HBL Islamic Asset Allocation Fund	100	732,509	-	52,512,172	23,663,540	76,175,712	-	-	-
HBL Islamic Money Market Fund	100	49,420	503,715	-	5,000,000	5,000,000	24,608,132	26,567,571	51,175,703
NBP Riba Free Saving Fund	10	-	5,800,249	-	-	-	44,990,684	16,264,583	61,255,267
NBP Islamic Stock Fund	10	3,983,881	-	48,456,745	-	48,456,745	-	-	-
AlFlah GHP Islamic Stock Fund	10	1,175	-	49,253	-	49,253	-	-	-
				247,221,843	78,116,600	325,338,443	197,451,431	51,128,557	248,579,988

11.6.2 Details of investments in Debt securities (Sukuks)

Name of Investment	Profit rate	Maturity Year	Face value per certificate	2021 Number of units	2020	2021			2020		
						SHF	PTF	Total	SHF	PTF	Total
						----- Carrying value in Rupees -----					
GoP Ijarah sukuk - XX	6 month Kibor plus 1.25%	2025	100,000	750	750	75,000,000	-	75,000,000	25,000,000	50,000,000	75,000,000
K-Electric 7	3 month Kibor plus 1%	2022	2,500	1,500	1,500	759,394	-	759,394	2,278,125	-	2,278,125
Al Baraka sukuk - T2	6 month Kibor plus 0.75%	2024	1,000,000	25	25	25,100,000	-	25,100,000	25,125,000	-	25,125,000
AGPL sukuk	3 month Kibor plus 1.3%	2022	30,000	180	180	1,819,800	-	1,819,800	5,454,000	-	5,454,000
Aspin pharma sukuk	3 month Kibor plus 1.5%	2023	60,000	150	150	6,045,000	-	6,045,000	9,090,000	-	9,090,000
Byco Petroleum sukuk	3 month Kibor plus 1.05%	2022	75,000	250	250	10,448,160	-	10,448,160	14,619,930	-	14,619,930
MBL Tier 1 sukuk	3 month Kibor plus 1.75%	perpetual	100,000	20	20	20,000,500	10,000,000	30,000,500	20,000,000	-	20,000,000
DIB Tier I sukuk	3 month Kibor plus 1.75%	perpetual	5,000	3,000	-	30,000,750	-	30,000,750	15,000,000	-	15,000,000
Hubco sukuk	1 year Kibor plus 1.9%	2024	100,000	2,500	250	25,550,000	-	25,550,000	25,500,000	-	25,500,000
BIPL sukuk	3 month Kibor plus 2.75%	perpetual	5,000	4,000	4,000	25,900,000	7,970,000	33,870,000	20,000,000	-	20,000,000
KE sukuk 2020	3 month Kibor plus 1.7%	2027	5,000	4,000	4,000	20,450,000	-	20,450,000	20,500,000	-	20,500,000
Pakistan Energy sukuk II	6 month Kibor plus 0.1%	2030	5,000	-	10,000	-	-	-	50,000,000	-	50,000,000
						241,073,604	17,970,000	259,043,604	232,567,055	50,000,000	282,567,055

12. LOANS AND OTHER RECEIVABLES - considered good

	2021			2020		
	SHF	PTF	Total	SHF	PTF	Total
	----- (Rupees) -----					
Accrued income						
on sukuks & term deposits	3,886,631	522,429	4,409,060	2,121,370	1,947,349	4,068,719
on bank balances	348,973	1,122,324	1,471,297	127,711	611,689	739,400
	4,235,604	1,644,753	5,880,357	2,249,081	2,559,038	4,808,119
Sundry receivable						
Security deposits	4,709,950	254,523	4,964,473	3,521,950	254,523	3,776,473
Advance to employees	2,495,546	-	2,495,546	2,339,106	-	2,339,106
Tender deposit	729,023	-	729,023	642,931	-	642,931
Sales tax	6,195,449	-	6,195,449	3,799,878	-	3,799,878
Advance to vendors	2,816,257	-	2,816,257	1,871,643	-	1,871,643
Others	-	-	-	20,000	-	20,000
	16,946,225	254,523	17,200,748	12,195,508	254,523	12,450,031
	21,181,829	1,899,276	23,081,105	14,444,589	2,813,561	17,258,150

Note 2021 2020
----- (Rupees) -----

13. TAKAFUL AND RETAKAFUL RECEIVABLES - unsecured and considered good**13.1 Due from takaful contract holders & other takaful operator**

Related party	89,860	124,617
Others	389,363,984	246,869,954
	389,453,844	246,994,571
Provision for doubtful balances	13.3 (98,394,792)	(92,426,172)
Considered good	291,059,052	154,568,399

13.2 Due from retakaful

Considered good	11,634,505	9,412,415
	302,693,557	163,980,814

13.3 Provision for doubtful balances

At beginning of the year	92,426,172	87,433,338
Provision made during the year	5,968,620	4,992,834
At end of the year	98,394,792	92,426,172

14. PREPAYMENTS

	2021			2020		
	SHF	PTF	Total	SHF	PTF	Total
	(Rupees)					
Prepaid retakaful ceded	-	76,911,554	76,911,554	-	74,159,174	74,159,174
Prepayment - services contract	2,601,072	-	2,601,072	3,948,244	-	3,948,244
Prepaid family takaful contribution	156,616	-	156,616	128,161	-	128,161
	<u>2,757,688</u>	<u>76,911,554</u>	<u>79,669,242</u>	<u>4,076,405</u>	<u>74,159,174</u>	<u>78,235,579</u>

Note

2021 2020

----- SHF -----

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

15. WAKALA AND MODARIB RECEIVABLE FROM PTF

Wakala fee receivable	148,021,136	33,917,267
Modarib fee receivable	5,165,928	858,021
	<u>153,187,064</u>	<u>34,775,288</u>
Less: provision for refund of wakala against doubtful balances 15.1	<u>(30,000,130)</u>	<u>(28,323,550)</u>
	<u>123,186,934</u>	<u>6,451,738</u>

15.1 Provision for refund of wakala against doubtful balances

At beginning of the year	28,323,550	26,943,411
Provision made during the year	1,676,580	1,380,139
At end of the year	<u>30,000,130</u>	<u>28,323,550</u>

16. CASH AND BANK

Note	2021			2020		
	SHF	PTF	Total	SHF	PTF	Total
	Carrying Value					
	(Rupees)					
Cash and other equivalents						
- Cash in hand	1,020,789	-	1,020,789	994,273	-	994,273
- Stamps in hand	-	1,064,932	1,064,932	-	129,086	129,086
	<u>1,020,789</u>	<u>1,064,932</u>	<u>2,085,721</u>	<u>994,273</u>	<u>129,086</u>	<u>1,123,359</u>
Cash at bank						
- Current accounts	250,823	541,427	792,250	539,872	563,331	1,103,203
- Saving accounts	62,403,242	171,298,622	233,701,864	75,340,611	96,096,757	171,437,368
	<u>62,654,065</u>	<u>171,840,049</u>	<u>234,494,114</u>	<u>75,880,483</u>	<u>96,660,088</u>	<u>172,540,571</u>
	<u>63,674,854</u>	<u>172,904,981</u>	<u>236,579,835</u>	<u>76,874,756</u>	<u>96,789,174</u>	<u>173,663,930</u>

16.1 The expected rate of return on saving accounts ranges from 6.6% to 11% per annum (2020: 4% 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

			2021	2020
			—————(Rupees)—————	
17.1 Authorised capital				
Ordinary share of Rs. 10 /- each			600,000,000	600,000,000
17.2 Issued, subscribed and paid-up share capital				
2021	2020			
Number of shares				
50,922,601	50,922,601	At beginning of the year	509,226,010	509,226,010
-	-	Add : Issued during the year as right shares	-	-
50,922,601	50,922,601	At end of the year	509,226,010	509,226,010

17.3 Major share holders of the Company are:

	2021		2020	
	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

	2021	2020
	(Rupees)	
18. DEFERRED TAX ASSET - NET		
Deductible temporary difference arising in respect of		
Provision for doubtful wakala refund	8,700,038	8,213,830
Unrealized loss on AFS (available for sale) investments	609,114	(340,196)
Taxable temporary difference arising in respect of		
Accelerated depreciation	(7,909,349)	(7,293,693)
	<u>1,399,803</u>	<u>579,941</u>

18.1 Reconciliation of deferred tax

	Balance at December 31, 2020	Recognized in profit and loss	Recognized in OCI	Balance at December 31, 2021
Deductible temporary difference				
Provision for doubtful wakala refund	8,213,830	486,208	-	8,700,038
Unrealized loss on AFS investment	(340,196)	-	949,310	609,114
Taxable temporary difference				
Accelerated depreciation allowance	(7,293,693)	(615,656)	-	(7,909,349)
	<u>579,941</u>	<u>(129,448)</u>	<u>949,310</u>	<u>1,399,803</u>
	Balance at December 31, 2019	Recognized in profit and loss	Recognized in OCI	Balance at December 31, 2020
Deductible temporary difference				
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)
Taxable temporary difference				
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>

19. TAKAFUL / RETAKAFUL PAYABLE

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

20. OTHER CREDITORS AND ACCRUALS

Note	2021			2020		
	SHF	PTF	Total	SHF	PTF	Total
	(Rupees)					
Other Creditors						
Agent Commission payable	115,617,828	-	115,617,828	66,331,611	-	66,331,611
Trakker charges	-	9,002,956	9,002,956	-	6,677,650	6,677,650
FED & sales tax	-	14,768,242	14,768,242	-	14,784,360	14,784,360
Stale cheques	20.1	418,007	1,613,502	2,031,509	372,407	976,734
Car ijarah		597,970	-	597,970	907,921	-
Charity		692	-	692	652	-
Tax deducted at source		1,158,117	32,890	1,191,007	319,860	31,784
Margin deposit		-	3,500,000	3,500,000	-	3,500,000
Federal insurance fee		-	2,294,499	2,294,499	-	842,632
Payable to vendors		4,004,316	-	4,004,316	976,032	-
Dividend payable		4,720,122	-	4,720,122	4,724,202	-
Accrued salaries		8,939,581	-	8,939,581	5,618,633	-
Staff retirement benefit		894,970	-	894,970	1,020,541	-
Lease liability		17,939,552	-	17,939,552	31,569,464	-
Staff pay continuity		1,650,000	-	1,650,000	-	-
Others		428,559	-	428,559	324,652	500,000
	156,369,714	31,212,089	187,581,803	112,165,975	27,313,160	139,479,135
Accrued expenses						
Rent, rates and electricity	-	-	-	70,000	-	70,000
Communication	90,000	-	90,000	123,000	-	123,000
Auditors' remuneration	2,567,700	-	2,567,700	2,563,422	-	2,563,422
Takaful contribution	598,389	-	598,389	-	-	-
Consultancy	1,000,000	-	1,000,000	500,000	-	500,000
Others	170,000	-	170,000	-	-	-
	4,426,089	-	4,426,089	3,256,422	-	3,256,422
	160,795,803	31,212,089	192,007,892	115,422,397	27,313,160	142,735,557

20.1 This includes cheques issued by PTF aggregating to Rs 1.36 million against claims settlement, which have not been encashed by claimants and have become over due six months. The following is the ageing as required by SECP circular 11 of 2014 dated 19 May 2014.

Year	Total	Age wise breakup (in months)				
		1 to 6	7 to 12	13 to 24	25 to 36	over 36
2021	1,363,879	-	636,768	62,248	-	664,863
2020	727,111	-	62,248	-	664,863	-

21. CONTINGENCIES AND COMMITMENTS

21.1 In 2015, 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. 31,009,647 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:

	2021 —————(Rupees)—————	2020 —————
Not later than one year	6,094,733	614,164
Later than one year but not later than five years	17,159,808	2,303,116
	23,254,541	2,917,280

22. Net Takaful Contribution - PTF

Written gross contribution		1,032,469,227	601,934,154
Wakala fee	30	(357,186,874)	(240,492,605)
Net written contribution		675,282,353	361,441,549
Unearned contribution reserve - opening		156,769,666	184,703,719
Unearned contribution reserve - closing		(289,934,289)	(156,769,666)
Contribution earned		542,117,730	389,375,602
Less:			
Retakaful contribution ceded		247,800,608	201,945,461
Prepaid retakaful ceded - opening		74,159,174	75,550,231
Prepaid retakaful ceded - closing		(76,911,554)	(74,159,174)
Retakaful expense		245,048,228	203,336,518
		297,069,502	186,039,084

23. Net Takaful Claims Expense - PTF

Claims paid		338,939,283	268,676,281
Outstanding claims including IBNR - opening		(295,548,668)	(287,141,721)
Outstanding claims including IBNR - closing	23.1	376,543,567	295,548,668
Claims expense		419,934,182	277,083,228
Less:			
Retakaful & other recoveries received		79,350,425	76,099,847
Retakaful & other recoveries in respect of outstanding claims - opening		(165,825,173)	(161,910,528)
Retakaful & other recoveries in respect of outstanding claims - closing		185,112,687	165,825,173
Retakaful & other recoveries revenue		98,637,939	80,014,492
		321,296,243	197,068,736

23.1 The Claim Development table is included in note 40.7 to the financial statements. It includes claim payable to related party Rs. 819,645 (2020: Rs. nil)

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)

		2021	2020
	Note	—————(Rupees)—————	
24. Retakaful Rebate - PTF			
Rebate/commission received or recoverable		50,294,163	39,455,455
Unearned retakaful rebate/commission - opening		17,538,064	18,357,180
Unearned retakaful rebate/commission - closing		(18,426,909)	(17,538,064)
Rebate/commission from retakaful		<u>49,405,318</u>	<u>40,274,571</u>
25. Commission Expense - SHF			
Commission expense paid or payable		124,016,542	66,233,324
Deferred commission expense - opening		27,780,324	27,910,886
Deferred commission expense - closing		(51,893,058)	(27,780,324)
Commission expense		<u>99,903,808</u>	<u>66,363,886</u>
26. Other Direct Expense - PTF			
Bank charges		254,179	304,122
Policy related expense & service charges		676,700	873,137
Retakaful brokerage & third party service fee		1,404,540	1,549,491
Provision for doubtful balances net-off wakala refund	26.1	4,292,040	3,612,695
		<u>6,627,459</u>	<u>6,339,445</u>
26.1 Provision for doubtful balances net-off wakala			
Provision for doubtful balances	13.3	5,968,620	4,992,834
Less: provision for refund of wakala fee	15.1	(1,676,580)	(1,380,139)
		<u>4,292,040</u>	<u>3,612,695</u>

27. Investment Income

	PTF		SHF	
	2021	2020	2021	2020
	(Rupees)			
Profit from bank placements				
- on term deposits	182,398	-	2,188,629	-
Profit from debt securities - available for sale				
- on sukuks	3,842,585	9,632,475	19,860,166	14,860,586
Net Realised gain / (loss) - available for sale				
Realized gains on:				
- debt securities (sukuks)	-	-	950,000	152,214
- equity securities (mutual funds)	5,241,647	7,174,693	19,917,115	22,079,978
Realized loss on:				
- debt securities (sukuks)	-	(466,225)	-	-
- equity securities (mutual funds)	-	(8,397,643)	-	(623,149)
	5,241,647	(1,689,175)	20,867,115	21,609,043
Total investment income	9,266,630	7,943,300	42,915,910	36,469,629
Less:				
Impairment in securities - available for sale				
- in equity securities (mutual funds)	-	-	-	-
- in debt securities (sukuks)	-	-	-	-
Net investment income	9,266,630	7,943,300	42,915,910	36,469,629

28. Other Income

28.1 Profit from bank placements				
- on bank balances	7,964,995	11,213,965	2,616,125	3,964,272
28.2 Miscellaneous income				
- gain on disposal of fixed assets	-	-	1,075,649	375,260
- exchange gain	-	-	14,848	40,100
- ASO income	-	-	46,229	-
	-	-	1,136,726	415,360
	7,964,995	11,213,965	3,752,851	4,379,632

29. MODARIB FEE

The takaful operator (SHF) also manages the PTF's bank balances & investments as Modarib. Modarib fee is charged at 25% (2020: 40%) on aggregate of income on bank balances and investment income earned by the PTF.

	Note	PTF		SHF	
		2021	2020	2021	2020
		(Rupees)			
Modarib fee (expense) / income		<u>(4,307,907)</u>	<u>(7,662,906)</u>	<u>4,307,907</u>	<u>7,662,906</u>
Modarib fee is charged on aggregate of:					
- investment income	27	<u>9,266,630</u>	<u>7,943,300</u>		
- profit from bank balances	28.1	<u>7,964,995</u>	<u>11,213,965</u>		
		<u>17,231,625</u>	<u>19,157,265</u>		

30. WAKALA FEE

2021			
Wakala fee charged	Deferred wakala fee Opening	Closing	Wakala fee for the year
(Rupees)			
30.1	<u>454,410,653</u>	<u>121,340,511</u>	<u>218,564,290</u>
			<u>357,186,874</u>

2020			
Wakala fee charged	Deferred wakala fee Opening	Closing	Wakala fee for the year
(Rupees)			
	<u>247,638,096</u>	<u>114,195,020</u>	<u>121,340,511</u>
			<u>240,492,605</u>

30.1 The Takaful operator (SHF) manages the general takaful operations for the PTF and charge 35% (2020: 32%) for fire and property, 35% (2020: 32%) for marine, aviation and transport, 55% (2020: 46%) for motor, 50% (2020: 40%) for engineering, 50% (2020: 60%) for miscellaneous bank business, 50% (2020: 47%) for other miscellaneous, and 20% (2020: 15%) for health of 'the gross contribution written net of administrative surcharge' as wakala fee against the services.

	Note	2021	2020
		————(Rupees)————	
31. MANAGEMENT EXPENSES - SHF			
Employees salaries & benefits cost	31.1	161,624,475	124,748,659
Shariah advisors' fee		926,150	881,617
Consultancy fee		1,801,839	1,770,371
Rent, rates and taxes		984,852	1,481,496
Utilities - electricity, gas & water		7,220,736	5,716,821
Communication - postage, internet & telephone		4,017,053	4,241,479
Printing and stationery		2,355,533	1,840,855
Traveling and entertainment		3,119,401	2,413,576
Depreciation	8.1	4,742,412	5,490,097
Amortisation	9	6,983,567	6,385,371
Repairs and maintenance		3,920,189	1,260,894
Vehicles running		5,370,279	3,547,504
Car ijarah		2,037,692	1,324,807
Advertisement and sales promotion		4,345,865	1,502,709
Takaful contribution		4,540,612	3,792,481
Training		48,560	200,000
SECP annual supervision fee		1,171,673	1,355,429
Bank charges and brokerage		3,726	57,902
Office expenses		129,510	133,368
Conference and seminar		5,893,955	-
Janitorial services		392,750	245,076
Staff welfare		1,283,329	667,120
Computer expenses		10,433,968	10,326,433
Actuarial services		1,250,000	500,000
Inspection fee		2,883,615	1,738,402
Amortization of right of use assets (RoU)		12,643,997	12,643,997
Finance cost on lease liability against RoU		3,042,593	4,572,119
Others		226,512	181,844
		-	-
		253,394,843	199,020,427

	Note	2021 —————(Rupees)—————	2020
31.1 Employee benefits cost			
Salaries allowances and other benefits		156,891,126	120,747,894
Contribution to employee provident fund		4,733,349	4,000,765
		161,624,475	124,748,659
32. OTHER DIRECT EXPENSES - SHF			
Legal and professional		2,406,725	590,575
Fees and subscription		1,856,229	1,560,916
Auditors' remuneration	32.1	2,648,285	3,077,581
Provision for wakala refund	26.1	1,676,580	1,380,139
Penalty		100,000	-
		8,687,819	6,609,211
32.1 Auditors' remuneration			
Audit and related services			
Audit fee		450,000	450,000
Interim review fee		225,000	225,000
Shariah Audit fee		150,000	150,000
Other certifications, reports & advisory fee		830,982	1,157,315
Out of pocket expense		173,496	250,054
		1,829,478	2,232,369
Tax services		818,807	845,212
		2,648,285	3,077,581
33. TAXATION			
Current		(12,856,935)	(4,617,366)
Prior		(655,489)	-
Deferred	33.1	(129,448)	6,667,856
		(13,641,872)	2,050,490

33.1 The Company has filed returns upto and including tax year 2021 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:

	2021 %	2021 Rs	2020 %	2020 Rs
Accounting profit before taxation		46,177,072		17,011,248
Tax at the applicable tax rate	29%	13,391,351	29%	4,933,262
Prior year tax	1%	655,489	0%	-
Others	-1%	(404,968)	-17%	(2,882,772)
	30%	13,641,872	12%	2,050,490

		2021	2020 Restated
		—————(Rupees)—————	
34. EARNINGS PER SHARE			
34.1 Basic earnings per share			
Profit after tax - SHF	(Rupees)	32,535,200	19,061,738
Weighted average number of ordinary shares	(Numbers)	50,922,601	50,922,601
Earnings per share	(Rupees)	0.64	0.37

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:

	2021		2020	
	Chief Executive Officer	Executives	Chief Executive Officer	Executives
	----- (Rupees) -----			
Managerial remuneration	3,109,548	35,288,621	3,921,450	24,922,555
House rent	1,399,297	15,879,879	1,764,653	11,215,150
Utilities	275,075	3,121,686	346,898	2,204,688
Medical expenses	82,168	1,227,975	18,430	1,095,208
Conveyance & vehicle allowance	620,000	10,489,077	-	8,003,818
Staff retirement benefit (contribution plan)	249,208	3,252,674	354,770	2,476,817
Others	78,400	5,945,328	252,172	5,457,669
	5,813,696	75,205,238	6,658,373	55,375,905
Number of persons	1	29	1	28

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 October 2021.

35.2 Certain directors including CEO have been provided boarding and lodging amounting to Rs. 373,941 (2020: Rs. 1,831,310) to attend Board meetings of the Company as per the Company's policy. No other remuneration or meeting attending fee was paid to directors.

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.

	2021 —————(Rupees)————— un-audited	2020 —————audited—————
Size of the fund - Total assets	6,281,570	34,079,358
Cost of the investments made	5,211,848	31,911,451
Percentage of the investments made	83%	94%
Fair value of the investments	5,211,848	31,911,451

The break up of fair value of the investments is :

	2021 Rupees	%	2020 Rupees	%
Bank balances	<u>5,211,848</u>	100	<u>31,911,451</u>	100
	<u>5,211,848</u>		<u>31,911,451</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 year

Relationship	Fund	Nature of transactions	2021 —————(Rupees)—————	2020
Entity with common directorship	SHF	Shared staff & branch expenses paid	41,755,665	27,718,837
	PTF	Claims paid against general takaful	1,499,134	244,397
	PTF	Claims received against group takaful	6,559,047	3,104,681
	PTF	Contribution paid against group takaful	404,574	2,377,199
	PTF	Contribution received against general takaful	1,169,874	3,834,999
Key management personnels	PTF	Claims paid	49,075	434,635
	PTF	Contribution received	376,895	313,891
Employees provident fund	SHF	Contribution paid	4,858,920	3,971,880

Balances

Relationship	Fund	Nature of transactions	2021 ----- (Rupees) -----	2020 -----
Entity with common directorship	PTF	Claim payable against general takaful	773,945	-
	PTF	Claim receivable against group takaful	21,064	2,993
Key management personnels	PTF	Claims payable	45,700	-
	PTF	Contribution receivable	89,860	124,617
Interfund	SHF	Contribution payable to PTF	250,958	-

38. MOVEMENT IN INVESTMENTS

	Held to maturity	Available for sale	Total
	----- (Rupees) -----		
At beginning of previous 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 previous year - cost	-	529,957,076	529,957,076
Fair value gain / (loss)	-	1,189,967	1,189,967
At end of previous year - carrying value	-	531,147,043	531,147,043
At beginning of current year - cost	-	529,957,076	529,957,076
Addition	65,000,000	1,453,440,093	1,518,440,093
Disposal (sale & redemption)	-	(1,396,924,030)	(1,396,924,030)
Impairment loss	-	-	-
At end of current year - cost	65,000,000	586,473,139	651,473,139
Fair value gain / (loss)	-	(2,091,092)	(2,091,092)
At end of current year - carrying value	65,000,000	584,382,047	649,382,047

39. SEGMENT INFORMATION

39.1 Year 2021

	Fire and Property	Marine, Aviation and Transport	Motor	Health	Miscellaneous	Total
	-----Rupees-----					
PARTICIPANTS' TAKAFUL FUND (PTF)						
Contribution receivable (inclusive of FED, FIF & admin surcharge)	195,977,268	80,070,039	624,420,766	177,142,263	76,117,734	1,153,728,070
Less: Federal excise duty - FED	(22,980,098)	(8,185,810)	(72,271,324)	-	(7,673,193)	(111,110,425)
Federal insurance fee - FIF	(1,624,897)	(695,261)	(5,445,826)	(1,753,884)	(628,550)	(10,148,418)
Gross written Contribution (inclusive of admin surcharge)	171,372,273	71,188,968	546,703,616	175,388,379	67,815,991	1,032,469,227
Gross direct contribution	162,315,080	69,494,883	544,480,880	175,388,379	62,782,577	1,014,461,799
Facultative inward contribution	8,882,563	1,662,838	2,120,976	-	4,961,034	17,627,411
Administrative surcharge	174,630	31,247	101,760	-	72,380	380,017
Gross written Contribution (inclusive of admin surcharge)	171,372,273	71,188,968	546,703,616	175,388,379	67,815,991	1,032,469,227
Less: Wakala fee	(55,575,799)	(24,453,880)	(230,804,420)	(11,784,610)	(34,568,165)	(357,186,874)
Contribution net-off wakala	115,796,474	46,735,088	315,899,196	163,603,769	33,247,826	675,282,353
Unearned contribution - opening	49,874,016	3,990,531	84,872,040	4,014,758	14,018,321	156,769,666
Unearned contribution - closing	(53,811,206)	(4,796,511)	(124,553,315)	(95,998,942)	(10,774,315)	(289,934,289)
Contribution earned	111,859,284	45,929,108	276,217,921	71,619,585	36,491,832	542,117,730
Retakaful ceded	(129,297,720)	(43,968,456)	(49,716,521)	-	(24,817,911)	(247,800,608)
Prepaid retakaful - opening	(55,529,882)	(3,672,999)	(2,013,010)	-	(12,943,283)	(74,159,174)
Prepaid retakaful - closing	60,040,503	3,898,495	2,745,073	-	10,227,483	76,911,554
Retakaful expense	(124,787,099)	(43,742,960)	(48,984,458)	-	(27,533,711)	(245,048,228)
Net Contribution earned	(12,927,815)	2,186,148	227,233,463	71,619,585	8,958,121	297,069,502
Retakaful rebate received or receivable	30,201,171	13,173,669	539,521	-	6,379,802	50,294,163
Unearned rebate - opening	13,346,732	1,101,940	185,842	-	2,903,550	17,538,064
Unearned rebate - closing	(14,355,051)	(1,169,620)	(256,054)	-	(2,646,184)	(18,426,909)
Retakaful rebate/income	29,192,852	13,105,989	469,309	-	6,637,168	49,405,318
Net Underwriting income	16,265,037	15,292,137	227,702,772	71,619,585	15,595,289	346,474,820
Takaful claims expense	(46,667,504)	(28,148,240)	(257,683,933)	(53,057,530)	(34,376,975)	(419,934,182)
Retakaful recovery on claims	30,644,770	14,564,608	35,794,118	-	17,634,443	98,637,939
Net calims expense	(16,022,734)	(13,583,632)	(221,889,815)	(53,057,530)	(16,742,532)	(321,296,243)
Contribution deficiency expense	(2,000,000)	2,000,000	-	(9,599,894)	-	(9,599,894)
Direct expenses	(1,100,045)	(456,965)	(3,509,311)	(1,125,825)	(435,313)	(6,627,459)
Net takaful claims and expense	(19,122,779)	(12,040,597)	(225,399,126)	(63,783,249)	(17,177,845)	(337,523,596)
Underwriting result	(2,857,742)	3,251,540	2,303,646	7,836,336	(1,582,556)	8,951,224

..... Continued

	Fire and Property	Marine, Aviation and Transport	Motor	Health	Miscellaneous	Total
-----Rupees-----						
Investment income & other income						17,231,625
Less: Modarib's Share						(4,307,907)
Net investment income						12,923,718
Surplus for the year						21,874,942
Segment assets	302,703,184	49,195,200	190,465,912	160,911,647	68,371,640	771,647,583
Unallocated assets						291,765,159
						1,063,412,742
Segment liabilities	214,639,380	41,125,956	253,388,926	128,403,993	69,946,404	707,504,659
Unallocated liabilities						291,172,402
						998,677,061
SHAREHOLDERS' FUND (SHF)						
Wakala income	55,575,799	24,453,880	230,804,420	11,784,610	34,568,165	357,186,874
Commission paid or payable	(34,617,315)	(11,138,569)	(60,932,589)	(2,919,841)	(14,408,228)	(124,016,542)
Deferred commission - opening	(14,958,526)	(966,267)	(8,653,810)	(71,076)	(3,130,645)	(27,780,324)
Deferred commission - closing	18,504,786	1,134,967	27,172,079	1,997,757	3,083,469	51,893,058
Commission expense	(31,071,055)	(10,969,869)	(42,414,320)	(993,160)	(14,455,404)	(99,903,808)
Management expenses	(42,059,220)	(17,471,627)	(134,175,308)	(43,044,877)	(16,643,811)	(253,394,843)
	(17,554,476)	(3,987,616)	54,214,792	(32,253,427)	3,468,950	3,888,223
Other expenses						(8,687,819)
Investment income						42,907,547
Modarib share of PTF investment income						4,307,907
Other income						3,761,214
Profit before tax						46,177,072
Provision for Taxation						(13,641,872)
Profit after tax						32,535,200
Segment assets	18,504,786	1,134,967	27,172,079	1,997,757	3,083,469	51,893,058
Unallocated assets						821,317,844
						873,210,902
Segment liabilities	39,315,381	4,270,264	159,834,118	30,325,793	14,818,864	248,564,420
Unallocated liabilities						132,074,392
						380,638,812
.						

39.2 Year 2020

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

..... Continued

	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
SHAREHOLDERS' FUND (SHF)					
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)	(24,031,433)	(199,020,427)
	<u>(31,934,345)</u>	<u>(7,788,393)</u>	<u>15,927,892</u>	<u>(1,096,862)</u>	(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

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
- Health
- 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, health 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.

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:

	2021	2020
	—————(Rupees)—————	
Gross retakaful ceded	(247,800,608)	(201,945,461)
Add:		
Retakaful recovery in claims	98,637,939	76,099,847
Gross rebate on ceding	50,294,163	39,455,455
Gross gain	<u>(98,868,506)</u>	<u>(86,390,159)</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	2021		2020	
	Gross claim liability	Net claim liability	Gross claim liability	Net claim liability
	Percentage (%)	Percentage (%)	Percentage (%)	Percentage (%)
Fire and property	35.4	11.0	40	7.7
Marine	9.3	8.7	7	7.8
Motor	34.1	56.5	35	70.6
Health	6.1	11.9	0	0.0
Miscellaneous	15.0	11.9	18	13.9
	<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:

	2021			2020		
	Maximum Gross Risk Exposure	Maximum Retakaful Cover	Highest Net Risk Retention	Maximum Gross Risk Exposure	Maximum Retakaful Cover	Highest Net Risk Retention
	Rupees			Rupees		
Class						
Fire and property	851,080,099	836,080,099	15,000,000	937,510,000	922,510,000	15,000,000
Marine	310,974,840	302,974,840	8,000,000	331,109,240	323,109,240	8,000,000
Motor	56,500,000	55,750,000	750,000	30,000,000	29,250,000	750,000
Miscellaneous	300,250,000	295,250,000	5,000,000	100,000,000	98,750,000	1,250,000

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.

For health class, contribution deficiency is provided based on advice of external actuary; however, for other classees, 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	2021 %	2020 %
Fire and property	38	8
Marine	51	42
Motor	48	56
Miscellaneous	38	4

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	
	2021	2020
	—————(Rupees)—————	
10% increase in gross outstanding claims liability	<u>37,654,357</u>	<u>29,554,867</u>
10% decrease in gross outstanding claims liability	<u>(37,654,357)</u>	<u>(29,554,867)</u>

40.7 Claim development table - 2021

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.

Accident year	2016	2017	2018	2019	2020	2021
	(Rupees)					
Estimate of ultimate claim cost						
At the end of :						
Accident year	389,120,624	614,784,231	448,263,297	396,674,059	322,557,343	391,859,331
One year later	376,034,975	573,550,119	414,840,252	359,394,171	321,371,961	
Two years later	368,597,230	571,561,504	408,811,998	377,793,863		
Three years later	366,886,412	569,992,800	419,346,634			
Four years later	366,103,836	570,280,577				
Five years later	366,219,223					
Six years later						
Current estimate of cumulative claims	366,219,223	570,280,577	419,346,634	377,793,863	321,371,961	391,859,331
Cumulative payments to date	(319,853,226)	(567,794,023)	(403,015,295)	(336,127,105)	(265,419,974)	(178,118,399)
Liability recognized in balance sheet	46,365,997	2,486,554	16,331,339	41,666,758	55,951,987	213,740,932

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	322,557,343
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						
Current estimate of cumulative claims	685,397,827	364,064,740	366,103,836	569,992,800	408,811,998	359,394,171	322,557,343
Cumulative payments to date	(685,386,088)	(363,999,228)	(319,712,121)	(567,651,020)	(389,508,880)	(314,928,265)	(139,588,453)
Liability recognized in balance sheet	11,739	65,512	46,391,715	2,341,780	19,303,118	44,465,906	182,968,890

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.

	2021		2020	
	Carrying Amount	Contractual cash flows upto one year	Carrying Amount	Contractual cash flows upto one year
	----- (Rupees) -----			
Non-derivative financial liabilities				
outstanding claims including IBNR	376,543,567	376,543,567	295,548,668	295,548,668
takaful/retakaful payable	136,773,379	136,773,379	120,787,154	120,787,154
Other creditors & accruals	192,007,892	192,007,892	142,735,557	142,735,557
	<u>705,324,838</u>	<u>705,324,838</u>	<u>559,071,379</u>	<u>559,071,379</u>

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	
	2021	2020	2021	2020
	(Rupees)		(in Percent)	
Variable rate financial assets				
- Term deposits	65,000,000	-	9.7 - 10.6	-
- Savings accounts	233,701,864	171,437,368	6.6 - 11	4 - 12
- Sukuk certificates	258,103,192	282,567,055	7.5 - 14	7 - 14
	<u>556,805,056</u>	<u>454,004,423</u>		

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:

	2021	2020
	----- (Rupees) -----	
1 % Increase in profit rate	<u>5,568,051</u>	<u>4,540,044</u>
1 % decrease in profit rate	<u>(5,568,051)</u>	<u>(4,540,044)</u>

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

		2021						
Tentative profit %		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	3-11	233,701,864	-	233,701,864	2,877,971	-	2,877,971	236,579,835
Investments	6-11	-	324,043,604	324,043,604	325,338,443	-	325,338,443	649,382,047
Takaful / retakaful receivables		-	-	-	302,693,557	-	302,693,557	302,693,557
Retakaful recoveries against outstanding claims		-	-	-	185,112,687	-	185,112,687	185,112,687
Loans and other receivables		-	-	-	23,081,105	-	23,081,105	23,081,105
		233,701,864	324,043,604	557,745,468	839,103,763	-	839,103,763	1,396,849,231

FINANCIAL LIABILITIES

outstanding claims including IBNR		-	-	-	376,543,567	-	376,543,567	376,543,567
Takaful / retakaful receivables		-	-	-	136,773,379	-	136,773,379	136,773,379
Other creditors & accruals		-	-	-	192,007,892	-	192,007,892	192,007,892
		-	-	-	705,324,838	-	705,324,838	705,324,838

		2020						
Tentative profit %		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	4-12	171,437,368	-	171,437,368	2,226,562	-	2,226,562	173,663,930
Investments	7-14	-	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

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:

	2021	2020
	(Rupees)	
Financial assets		
Cash and bank balances	233,701,864	172,540,571
Investments	649,382,047	531,147,043
Takaful / retakaful receivable	302,693,557	163,980,814
Retakaful recoveries against outstanding claims	185,112,687	165,825,173
Loans and other receivables	23,081,105	17,258,150
	<u>1,393,971,260</u>	<u>1,050,751,751</u>

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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 2021, the contribution due but unpaid (net-off provision for doubtful debts) includes amount receivable within one year and above one year amounting to Rs. 291 million (2020: Rs. 128 million) and Rs. nil (2020: Rs. 26 million) respectively.

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

Rating	2021	2020
	(Rupees)	
AAA	128,178,122	6,096,148
AA+	4,400,895	92,495,202
AA-	57,723,553	48,599,707
AA	20,494,493	1,170,022
A+	23,419,354	20,713,089
A-	277,697	3,439,508
A	-	26,895
	234,494,114	172,540,571

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	2021			2020		
	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 or above	148,090,150	2,219,428	61,529,243	149,242,656	2,187,734	66,743,257
B+	37,022,537	9,415,077	15,382,311	16,582,517	7,224,681	7,415,917
	185,112,687	11,634,505	76,911,554	165,825,173	9,412,415	74,159,174

As at 31 December 2021, 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. 65 million (2020: Rs. 79 million) and Rs. 131 million (2020: Rs. 96 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:

Following are the assets measured at fair value

December 31, 2021	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	259,043,604	-	-	-	259,043,604	-	259,043,604	-	259,043,604
Investments - Open-end mutual fund units	325,338,443	-	-	-	325,338,443	325,338,443	-	-	325,338,443
Financial assets - not measured at fair value									
Investments - TDRs*	-	65,000,000	-	-	65,000,000	-	-	-	-
Cash and bank balances*	-	-	236,579,835	-	236,579,835	-	-	-	-
Takaful / retakaful receivables*	-	302,693,557	-	-	302,693,557	-	-	-	-
Retakaful recoveries against outstanding claims*	-	185,112,687	-	-	185,112,687	-	-	-	-
Loans and other receivables*	-	23,081,105	-	-	23,081,105	-	-	-	-
	584,382,047	575,887,349	236,579,835	-	1,396,849,231	325,338,443	259,043,604	-	584,382,047
Financial liabilities - not measured at fair value									
Provision for outstanding claims including IBNR*	-	-	-	376,543,567	376,543,567	-	-	-	-
Takaful / retakaful payables*	-	-	-	136,773,379	136,773,379	-	-	-	-
Other creditors & accruals*	-	-	-	192,007,892	192,007,892	-	-	-	-
	-	-	-	705,324,838	705,324,838	-	-	-	-

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.

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, 2021.

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, 2021 were 113 (2020: 102) and number of employees as at December 31, 2021 were 120 (2020: 106).

44. GENERAL

44.1 Figures in these financial statements have been rounded off to the nearest Rupee, unless otherwise stated.

45. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 15 April, 2022 by the Board of Directors of the Company.


 Chief Executive Officer


 Director


 Director


 Chairman

PATTERN OF SHAREHOLDING

As at December 31, 2021

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
11	shareholding from 5001 to 10000 shares	69,360
16	shareholding from 10001 to 200000 shares	861,633
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	-
51	Total	50,922,601

2.	Categories of shareholders	Shares held	Percentage
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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%

Categories of shareholders	Shares held	Percentage
3.3 NIT and ICP	-	0.00%
3.4 Banks, Development Financial Institutions, Non-Banking Financial Institutions.		
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%
3.5 Insurance Companies		
3.5.1. Qatar Islamic Insurance Company	5,923,946	11.63%
3.6 Modarabas and Mutual Funds	-	0.00%
3.7 Share holders holding 10%		
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%
3.8 General Public	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 16TH ANNUAL GENERAL MEETING

Notice is hereby given that the 16th Annual General Meeting of the shareholders of **Pak-Qatar General Takaful Limited** (the Company) will be held on Thursday, 19th May 2022 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.

ORDINARY BUSINESS:

1. To confirm the minutes of Extraordinary General Meeting (EOGM) of the Company held on 29th April 2022.
2. To receive, consider and approve the Audited Financial Statements for the year ended December 31, 2021 together with the Chairman's review, Directors' and Auditors' reports thereon.
3. To appoint External Auditors for the year ending 31 December 2022 and fix their remuneration. The retiring auditors EY Ford Rhodes, Chartered Accountants have completed five years as auditors of the Company and are no longer eligible for appointment. The Audit Committee and the Board of Directors have recommended the appointment of Yousuf Adil, Chartered Accountants for the year 2022 who have indicated their consent to act as 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

20 April 2022
Karachi

Notes:

1. The Share transfer books of the Company shall remain closed from 13-05-2022 to 19-05-2022 (both days inclusive). Transfers received in order at Company's registered office at the close of business on 12-05-2022 will be treated in time for the purpose of attending the meeting.
2. Members are requested to notify/submit the following at registered office, if not earlier provided;
 - a) Change in their postal and/or email 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.
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, Shahra-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. SECP through its Notification SRO 787 (I)/2014 dated September 08, 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 (Form 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.
7. Pursuant to Section 223(7) of the Companies Act, 2017, the Company has placed the audited Annual Financial Statements of the Company for the year ended December 31, 2021 along with the report thereon on its website.
8. 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.
9. 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.

10. We hereby apprise the shareholders that SECP vide Circular No.19/2014 dated October 24, 2014, has directed companies to inform shareholders about changes made in the Section 150 of the Income Tax Ordinance. We hereby inform shareholders that Government of Pakistan through Finance Act has made certain amendments in Section 150 of the Income Tax Ordinance, 2001, whereby 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) and divided, if any, declared by the Company will be accounted for accordingly.

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)

As per directives, the dividend warrants of the shareholders whose valid CNICs, are not available with the Share Registrar could be withheld. All shareholders are, therefore, advised to submit a photocopy of their valid CNICs immediately, if already not provided, at registered office of the Company.

Under the Zakat and Usher Laws, Zakat is deductible from the dividends at source and will be deposited within the prescribed period with the relevant authority. For exemption, shareholders will be required to submit Zakat declarations under Zakat and Usher Ordinance, 1980 and Rule 4 of Zakat (Deduction & Refund) Rules, 1981 CZ-50 Form at registered office of the Company. The shareholders while sending the Zakat Declarations must quote company name and their respective Folio No.

ان حوالے سے وہ شیئر ہولڈر جن کی ملکیت میں جوائنٹ شیئر ہولڈنگ کی صورت میں شیئر موجود ہیں، ان سے درخواست ہے کہ وہ شیئر ٹرانسفر بکس بند ہونے کی تاریخ سے پہلے کمپنی کو اس کے رجسٹرڈ آفس میں تحریری طور پر درج ذیل طریقے سے اپنے شیئر ز میں اصل شیئر ہولڈر اور جوائنٹ ہولڈر کی ملکیت کے تناسب کی تفصیل ضرور فراہم کر دیں۔ بصورت دیگر یہ سمجھا جائے گا کہ یہ شیئر اصل شیئر ہولڈر اور جوائنٹ ہولڈر کی برابر برابر ملکیت میں ہیں اور اگر کوئی ایڈیٹڈ ہوا تو اس کا بھی اسی اعتبار سے حساب کیا جائے گا۔

جوائزٹ شیئر ہولڈرز		اصل شیئر ہولڈر				
نام اور شناختی کارڈ نمبر	شیئر ہولڈنگ کا تناسب (شیئرز کی تعداد)	نام اور شناختی کارڈ نمبر	شیئر ہولڈنگ کا تناسب (شیئرز کی تعداد)	مجموعی شیئرز	فولیو نمبر	نام

ہدایات کے مطابق، ان شیئر ہولڈرز کے ڈیویڈنڈ کا واریٹ روکا جاسکتا ہے، جن کا مصدقہ کمپیوٹرائزڈ قومی شناختی کارڈ شیئر رجسٹرار کے پاس موجود نہ ہو۔ تمام شیئر ہولڈرز کو ہدایات دی جاتی ہیں کہ وہ اپنے مصدقہ کمپیوٹرائزڈ قومی شناختی کارڈ فوراً کمپنی کے رجسٹرار آفس میں جمع کروادیں (اگر پہلے سے فراہم نہیں کیے گئے)۔

زکوٰۃ اور عشر کے قوانین کے مطابق ڈیویڈنڈ سے زکوٰۃ کی کٹوتی ہوگی اور متعین مدت کے اندر متعلقہ اتھارٹی میں جمع کروادی جائے گی۔ زکوٰۃ کی کٹوتی سے استثناء حاصل کرنے لیے شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ وہ زکوٰۃ اور عشر آرڈیننس 1980 کے تحت زکوٰۃ ڈیکلیریشن اور زکوٰۃ رولز (کٹوتی اور ریفرنڈ) 1981 کے تحت CZ-50 فارم کمپنی کے رجسٹرڈ آفس میں جمع کروادیں۔ شیئرز ہولڈرز زکوٰۃ ڈیکلیریشن کے ساتھ کمپنی کا نام اور اپنا متعلقہ فوینومبر ضرور درج کریں۔

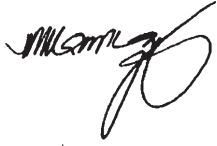
4. کمپنی کا وہ ممبر جسے اجلاس میں شرکت اور ووٹ ڈالنے کی اجازت ہے وہ کسی دوسرے ممبر کو اپنے نائب کے طور پر مقرر کر سکتا ہے، جو اس کی جانب اجلاس میں شریک ہونے، بولنے اور ووٹ ڈالنے کا مستحق ہوگا، اور بطور نائب ان کو وہ تمام حقوق حاصل ہوں گے جو میٹنگ میں شرکت، بولنے اور ووٹ ڈالنے کا کسی ممبر کو حق حاصل ہوتا ہے۔ کسی بھی ممبر کو ایک اجلاس میں شرکت کے لئے ایک سے زیادہ نائب کی تقرری کا حق حاصل نہیں۔ اگر کوئی ممبر کسی ایک اجلاس کے لئے ایک سے زیادہ نائب مقرر کرتا ہے اور کمپنی کے پاس نیابت کے ایک سے زیادہ درخواستیں جمع کروائی جاتی ہیں تو نیابت کے ایسے تمام ذرائع کو کالعدم قرار دیا جائے گا۔ پراسی کے لئے کمپنی کا ممبر ہونا ضروری ہے۔
5. نانہین کی تقرری کی صورت میں: نانہین کے موثر ہونے کے لیے ضروری ہے کہ ان کی تقرری کی درخواست کمپنی کے رجسٹرڈ آفس بزنس آرکیڈ، بلاک 6، P.E.C.H.S، شاہراہ فیصل کراچی میں اجلاس کے آغاز سے 48 گھنٹے پہلے موصول ہو جانا ضروری ہے۔ کارپوریٹ باڈی کی صورت میں: اجلاس کے وقت بورڈ آف ڈائریکٹرز کی قرارداد مختار نامہ نامزد شخص کے دستخط کے نمونہ کے ساتھ پیش کیا جائے گا (اگر یہ پہلے فراہم نہیں کیا گیا ہو)۔ نائب کے لیے اجلاس میں حاضری کے وقت اپنا اصل شناختی کارڈ اصل پاسپورٹ دکھانا ضروری ہے۔ (پراسی فارم اسی کے ساتھ منسلک ہے)
6. ایس ای سی پی نے اپنے نوٹیفیکیشن ایس آر 787(I)/2014، مجریہ مؤرخہ 8 ستمبر، 2014 کے ذریعے آڈٹ شدہ مالیاتی گواشاوے سے بح کمپنی کی جانب سے نوٹس نام ممبر بذریعہ ای میل ارسال کرنے کی اجازت دی ہے۔ کمپنی کو یہ سہولت دیتے ہوئے خوش محسوس ہو رہی ہے کہ جو معزز اراکین مستقبل میں بذریعہ ای میل سالانہ مالیاتی گواشاوے حاصل کرنا چاہیں تو کر سکتے ہیں۔ یہ سہولت حاصل کرنے والوں سے درخواست ہے کہ وہ ایک اسٹیٹڈ رڈ درخواست فارم پر اپنی رضامندی بذریعہ ای میل بھیج دیں (درخواست فارم کمپنی کی ویب سائٹ پر موجود ہے)۔ ہر حال، اگر کسی رکن کو آڈٹ شدہ مالیاتی گواشاوے کی ہارڈ کاپی کی ضرورت ہو تو ان کی جانب سے درخواست وصول ہونے کے سات دن کے اندر اندر اس کی کاپی مفت فراہم کر دی جائے گی۔
7. کمپنیز ایکٹ 2017 کے سیکشن 223(7) کے تحت، کمپنی نے 31 دسمبر 2021 کو ختم ہونے والے سال کے لئے کمپنی کے سالانہ مالی گواشاوے سے بح ان کی رپورٹس اپنی ویب سائٹ پر آویزاں کر دی ہیں۔
8. کمپنیز ایکٹ 2017 کی شق 244 کے تحت، کمپنی کی طرف سے ہر وہ جاری کردہ شیئر اعلان کردہ ڈیویڈنڈ جس کا اپنی واجب الاداء قابل اداء تاریخ سے تین سال کے دوران کوئی دعویٰ نہ کیا گیا ہو ادا نہ کیا گیا ہو تو شیئر ہولڈر کے نام کلیم جمع کروانے کے نوٹس کے اجراء کے بعد اس کو وفاقی حکومت کے کریڈٹ کے لیے کمیشن میں جمع کروانا ضروری ہے۔ شیئر ہولڈرز سے درخواست کی جاتی ہے کہ غیر دعویٰ شدہ ڈیویڈنڈ شیئر پر بروقت کارروائی کر لی جائے۔ اگر مقررہ وقت کے اندر اس حوالے سے کمپنی پر کوئی کلیم نہیں کیا گیا تو کمپنی کی جانب سے اخبار میں اس کی اطلاع کے بعد اس غیر دعویٰ کردہ شیئر غیر ادا شدہ رقم کو کمپنیز ایکٹ 2017 کی شق 244 کے تحت وفاقی حکومت کو جمع کروادیا جائے گا۔
9. پول کا مطالبہ کمپنیز ایکٹ 2017 کے سیکشن 143 اور 144 اوکمپنیز ریگولیشن 2018 (پوسٹل بیٹ) کی متعلقہ شرائط پر پورا اترنے کی صورت میں کوئی بھی رکن اپنا پول کے مطالبہ کا حق استعمال کر سکتا ہے۔
10. ہم اپنے شیئر ہولڈرز کو مطلع کرنا چاہتے ہیں کہ ایس ای سی پی نے مؤرخہ 24 اکتوبر 2014 کو جاری کردہ اپنے سرکل نمبر 19/2014 میں کمپنی کو یہ ہدایات جاری کی ہیں کہ وہ اپنے شیئر ہولڈرز کو انکم ٹیکس آرڈیننس کی شق نمبر 150 میں کی گئی تبدیلی سے آگاہ کر دیں۔ ہم اپنے شیئر ہولڈرز کو مطلع کرنا چاہتے ہیں کہ حکومت پاکستان نے بذریعہ فائننس ایکٹ، انکم ٹیکس آرڈیننس 2001 کی شق نمبر 150 میں کچھ تبدیلیاں کی ہیں، جس کے مطابق کمپنی کی طرف سے ادا کردہ ڈیویڈنڈ پر انکم ٹیکس ریٹن فائلر کے لیے 15% اور نان فائلر کے 30% کے اعتبار سے وہ ہولڈنگ ٹیکس کی کٹوتی ہوگی۔ تمام اراکین سے درخواست کی جاتی ہے کہ وہ اس بات کو یقینی بنائیں کہ ان کا نام فعال ٹیکس ادا کنندگان کی لسٹ (ATL) میں موجود ہو جو کہ فیڈرل بورڈز ریونیو (FBR) کی ویب سائٹ پر موجود ہو، بصورت دیگر ڈیویڈنڈ میں 15% کے بجائے 30% کی ٹیکس کٹوتی ہوگی۔ اگر شیئر ایک سے زیادہ شیئر ہولڈرز کے نام پر رجسٹرڈ ہو تو ہر جوائنٹ ہولڈر کو انفرادی پر دیکھا جائے گا کہ وہ فائلر ہے یا نان فائلر اور کمپنی کی جانب سے ٹیکس کی کٹوتی ہر جوائنٹ ہولڈر کی شیئر ہولڈنگ کے اعتبار سے ہوگی جیسا کہ کمپنی کو تحریری طور پر مطلع کیا گیا ہوگا۔

اطلاع برائے 16 واں سالانہ اجلاس عام

بذریعہ ہذا نوٹس مطلع کیا جاتا ہے کہ پاک قطر جنرل تکافل لمیٹڈ (کمپنی) کا 16 واں سالانہ اجلاس عام مورخہ 19 مئی 2022 بروز جمعرات بوقت شام 4 بجے پاک قطر جنرل تکافل لمیٹڈ کے ہیڈ آفس، بزنس آرکیڈ، بلاک P.E.C.H.S-6، شاہراہ فیصل کراچی میں منعقد ہوگا۔

عمومی کارروائی

1. مورخہ 29 اپریل 2022 کو منعقد ہونے والے غیر معمولی اجلاس عام (EOGM) کے نکات کی توثیق۔
2. مورخہ 31 دسمبر 2021 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں مع چیئرمین ریویو، آڈیٹرز اور ڈائریکٹرز کی رپورٹ کی وصولی، غور و خوض، اور منظوری۔
3. سال 2022 کے لیے ایکسٹرنل آڈیٹرز کی تقرری اور ان کے معاوضے کا تعین۔ EY فورڈر ہوڈز، چارٹرڈ اکاؤنٹنٹس نے کمپنی کے آڈیٹر کے طور پر اپنے پانچ سال مکمل کر لیے ہیں اور اب مزید تقرری کے اہل نہیں ہیں۔ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے 2022 کے لیے یوسف عادل، چارٹرڈ اکاؤنٹنٹس کی تقرری کی سفارش کی ہے، جنہوں نے آڈیٹر کے طور پر کام کرنے کی رضا مندی ظاہر کی ہے۔
4. چیئرمین کی اجازت سے کسی بھی دیگر امور کی انجام دہی۔



محمد کامران سليم
کمپنی سیکریٹری

20 اپریل 2022 کراچی

نوٹس:

1. کمپنی کی شیئر ٹرانسفر بکس مورخہ 13 مئی 2022 سے 19 مئی 2022 تک بند رہیں گی (دونوں دن شامل ہیں)۔ 12 مئی 2022 کو کاروبار کے اختتام پر کمپنی کے رجسٹرڈ آفس میں موصول ہونے والی منتقلی کی درخواست کو اجلاس میں شرکت کی غرض سے فوری طور پر عمل میں لایا جائے گا۔
2. اگر درج ذیل تفصیل پہلے سے فراہم نہیں کی گئیں تو اراکین سے درخواست کی جاتی ہے کہ وہ اس کی اطلاع رجسٹرڈ آفس میں کردیں؛

الف ڈاک اور یا ای میل ایڈریس میں تبدیلی، اگر کوئی ہو۔

ب انفرادی طور پر شامل ہونے والوں کے لیے اپنے کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ کی مصدقہ فوٹو کاپی جبکہ افراد اور کارپوریٹ اداروں کے لیے نیشنل ٹیکس نمبر کی فراہمی۔

3. میٹنگ میں شرکت کے لئے: انفرادی طور پر شامل ہونے والے، حصص یافتگان اجلاس میں شرکت کے وقت اپنے اصلی کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ کی تصدیق کروائے گا۔ کارپوریٹ باڈی کی صورت میں، اجلاس کے وقت بورڈ آف ڈائریکٹرز کی قرارداد پر مختار نامہ نامزد شخص کے دستخط کے نمونہ کے ساتھ پیش کیا جائے گا (اگر یہ پہلے فراہم نہیں کیا گیا ہو)۔

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 19th May 2022 and at any adjournment thereof.

Signed this _____ day of _____ 2022.

(Witnesses 1:)

1. _____ (Signature)

_____ (Name)

_____ (Address)

_____ (CNIC / Passport No.)

Please affix
Rupees five
revenue
stamp

(Witnesses 2:)

2. _____ (Signature)

_____ (Name)

_____ (Address)

_____ (CNIC / Passport No.)

**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 19 مئی 2022 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..... 2022 کو اس پر دستخط کیے گئے۔

Please affix
Rupees five
revenue
stamp

Signature of
member(s)

گواہ نمبر 2

نام اور دستخط

پتا

شناختی کارڈ / پاسپورٹ نمبر

گواہ نمبر 1

نام اور دستخط

پتا

شناختی کارڈ / پاسپورٹ نمبر

نوٹ:

سالانہ جنرل مینٹنگ 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۔



PAK-QATAR GENERAL TAKAFUL LIMITED

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