



**PAK-QATAR**  
GENERAL TAKAFUL

# POWER TO PERSEVERE



Annual Report 2022

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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](http://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**

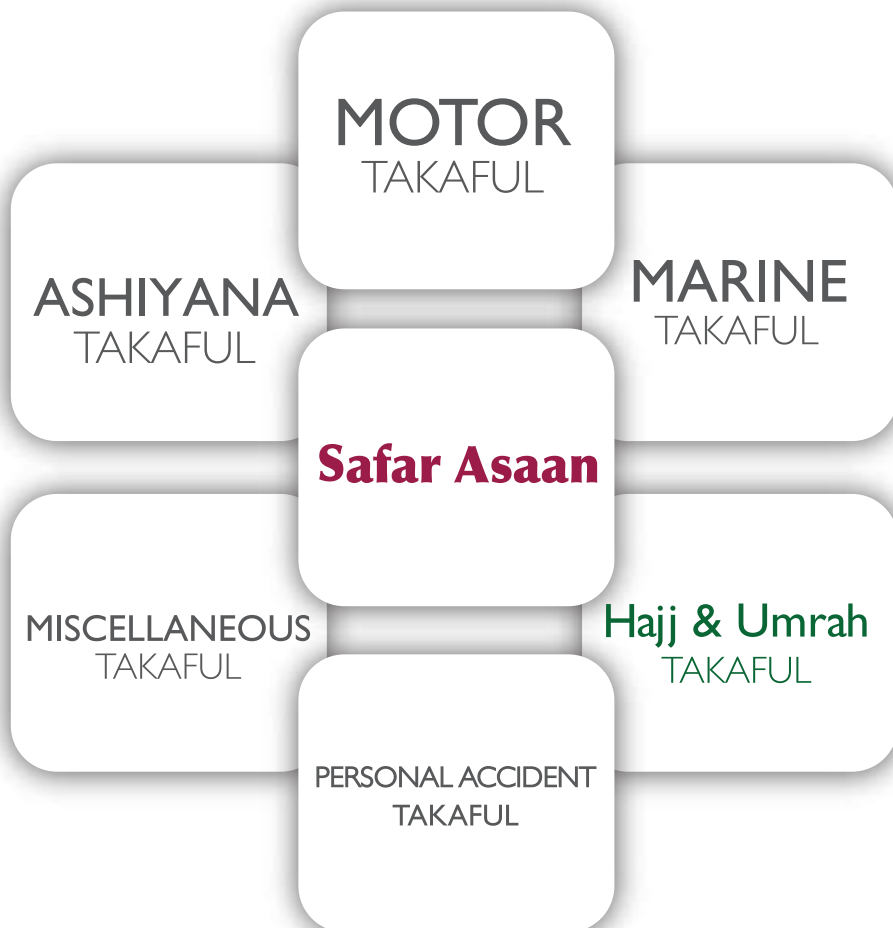
is one of the best reputed brokerage houses in Karachi Stock Exchange.

# 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

Reposted ever highest business position of Rs. 1.2 billion alongside ever highest aggregate profit before tax in both the funds (PTF & SHF) of Rs. 83.5 million.

2022

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
Sameera Usman	Member
Tahir Lateef	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	Member & 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  
Kashan Rafique  
Tahir Lateef  
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
Tahir Lateef	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
Tahir Lateef	Member
Muhammad Raza	Member
Shahzad M Khan Ghilzai	Member
Farrukh Adnan	Member
Imran Nafees	Member
M. 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 11.4 Billion. The Group Shareholders Fund posted a net consolidated profit after tax of PKR 207.4 Million; while, Participant Takaful Fund generated the net consolidated surplus of PKR 151.2 Million for the year 2022.

Profit before tax of Pak-Qatar Family Takaful Limited (PQFTL) was PKR 185 Million as compared to PKR 225 Million last year, a decline of 18% due to economic and political instability. 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 80 Million as compared to PKR 46 Million last year, a growth of 74%.

Earnings per share (EPS) of Pak-Qatar Family Takaful Limited and Pak-Qatar General Takaful Limited both were recorded at PKR 1.14.

As we venture beyond into 2023 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 2023 - 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 Audited Financial Statements of the Company for the year ended 31st December, 2022.

### 1. Economic climate & Future Outlook

The GDP of Pakistan registered a growth of exceeding 5% during the second consecutive year in FY-2022. The trend was short lived as soon after the start of year 2022, the global uncertainty & energy prices have surged as the war in Ukraine unfolds. Simultaneously, political instability, rising inflation, depleting foreign exchange reserves and unprecedented catastrophic floods, also started to unfold that negatively impacted the economic environment and macroeconomic developments have led to inflationary pressure on the economy. Pakistan Stock Exchange (PSX), the KSE-100 Index also remained under pressure and closed at 40,000+ approximately in the year 2022 as compared to 44,000+ approximately in the year 2021. 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.

Consequently, in order to address the external account situation and to reduce the inflationary wave, the State Bank of Pakistan (SBP) proactively addressed these imbalances and tightened monetary policy by continually increasing the policy rate during 2022, which reached to 16 % by year end and has been jacked up to 20% in March 2023. Simultaneously, the Government of Pakistan took strict measures regarding import of non-essential items to curb the aggregate demand and stabilize the economy.

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 events explained in supra paras.

Going forward, in view of the foreign repayment obligations, the resumption of the IMF program would be of utmost critical importance. The external account would likely remain in pressure and discount rate expected to increase in 2023.

### 2. Company's Performance

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

Since the past few years, PQGTL has adopted consolidation strategy to underwrite businesses that are profitable at the bottom-line. Based on review of segment performance on periodic basis, loss making clients were shed-off from portfolio. Given the prevailing competition in the insurance market, the Company faced pressure on contribution rates. Increasing policy rate has effected the 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, 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 are as follows:

Class	----- 2022 -----		----- 2021 -----	
	Contribution Rs	Portfolio mix %	Contribution Rs	Portfolio mix %
<b>Fire</b>	<b>204,060,414</b>	<b>17</b>	171,372,273	16.5
<b>Marine</b>	<b>74,077,802</b>	<b>6</b>	71,188,968	7
<b>Motor</b>	<b>555,009,558</b>	<b>46</b>	546,703,616	53
<b>Health</b>	<b>291,841,710</b>	<b>24</b>	175,388,379	17
<b>Miscellaneous</b>	<b>80,305,900</b>	<b>7</b>	67,815,991	6.5
<b>Total</b>	<b>1,205,295,384</b>	<b>100</b>	1,032,469,227	100

Our valued Shareholders would acknowledge that as a significant stakeholder in the dedicated takaful industry, the notable improvement 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 2022.

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

for the year ending 2023 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	----- 2022 -----			2021
	Gross Claims	Re-takaful Recovery	Net Claims	Net Claims
<b>Fire</b>	<b>352,971,344</b>	<b>313,244,958</b>	<b>39,726,386</b>	16,022,734
<b>Marine</b>	<b>53,448,584</b>	<b>36,806,516</b>	<b>16,642,068</b>	13,583,632
<b>Motor</b>	<b>260,313,902</b>	<b>10,442,911</b>	<b>249,870,991</b>	221,889,815
<b>Health</b>	<b>213,181,936</b>	-	<b>213,181,936</b>	53,057,530
<b>Misc.</b>	<b>29,520,617</b>	<b>12,717,424</b>	<b>16,803,193</b>	16,742,532
<b>Total</b>	<b>909,436,383</b>	<b>373,211,809</b>	<b>536,224,574</b>	321,296,243

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 claims 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 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, sukuk and capital gains on sale of mutual funds/sukuk.

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

	2022	2021
<b>Participants Takaful Fund (PTF)</b>	<b>40,567,105</b>	17,231,625
<b>Shareholders Fund (SHF)</b>	<b>52,096,699</b>	45,532,035
<b>Total</b>	<b>92,663,804</b>	62,763,660

At year end, the market value of investments in sukuk 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 Statements.

### 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. 3.5 million (2021: Rs 21.6 million) whilst the Shareholder Fund has shown Rs 80.09 million (2021: Rs 46.17 million) profit before tax. Thus, aggregate surplus/profit before tax posted by both funds (PTF & SHF) is Rs 83.6 million as compared to Rs 67.7 million in last year.

Extracts from statement of Profit & Loss are enumerated below:

	2022	2021
	----- Rupees -----	
<b><u>PARTICIPANTS' TAKAFUL FUND (PTF)</u></b>		
Contribution earned	712,460,204	542,117,730
Contribution ceded to retakaful	(256,609,422)	(245,048,228)
Net contribution revenue	455,850,782	297,069,502
Retakaful rebate earned	51,156,261	49,405,318
Net underwriting income	507,007,043	346,474,820
Net takaful claims - reported/settled & IBNR	(536,224,574)	(321,296,243)
Contribution deficiency expense	8,811,107	(9,599,894)
Other direct expenses	(2,402,103)	(6,627,459)
Underwriting result before investment income	(22,808,527)	8,951,224
Investment income	24,575,968	9,266,630
Other income	15,991,137	7,964,995
Less: Modarib's share	(14,198,487)	(4,307,907)
<b>Surplus for the year</b>	<b>3,560,091</b>	<b>21,874,942</b>
<b><u>SHAREHOLDERS' FUND (SHF)</u></b>		
Wakala income earned	431,377,974	357,186,874
Commission expense	(126,095,403)	(99,903,808)
Management expenses	(286,324,739)	(253,394,843)
	18,957,832	3,888,223
Direct expenses	(5,537,239)	(8,687,819)
Investment income	47,743,949	42,915,910
Other income	4,732,092	3,752,851
Modarib share from PTF	14,198,487	4,307,907
<b>Profit before tax</b>	<b>80,095,121</b>	<b>46,177,072</b>
Provision for taxation	(21,831,078)	(13,641,872)
<b>Profit after tax</b>	<b>58,264,043</b>	<b>32,535,200</b>
<b>Earnings per share - Rupees</b>	<b>1.14</b>	<b>0.64</b>

In the year 2022, 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 2023 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, we serve our customers in the way they require and to maximize returns for our esteemed shareholders; we always have in our mind that 'there is always room for improvement' and this enthuse us to brainstorm & work harder that 'how can we further improve?'. For us, customers' requirements, suggestions &

complaints are the medium from where we learn. With a firm faith on blessings of Almighty Allah, continued support from sponsors and concerted efforts of our executive management and other team members in a right direction to establish PQGTL's business positioning, we will see our overall business performance & quality to levels higher than ever before.

Our commitment to high service quality & standards, rigorous efforts and farsighted decisions in multiple 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 December 31, 2023 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.

### 3. IFRS 17 Insurance Contracts

The new financial reporting standard IFRS 17 will undoubtedly represent the most significant change to insurance accounting requirements. The SECP has issued instructions of four phase approach for implementation of IFRS 17, whereby Financial impact analysis has been submitted.

### 4. Prospects for 2023

Amid the current political and economic environment, the prospects for the upcoming year 2023 are presenting mixed trends. Measures been taken by the Government of Pakistan are expected to reduce the aggregate demand while resumption of IMF program is essential for the economy and to obtain financial support from friendly countries, whereby the IMF has forecasted the GDP growth of around 2% for the FY 2023. Insurance Industry in

Pakistan observed several peaks and dips in recent years. However, it successfully managed to keep pace with the development of the economy and other sectors. Amid the current macroeconomic and political environment, we foresee distressed growth trajectory of Insurance Sector during the year 2023. 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 2023 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.

### 5. 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.

### 6. 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. However, qard-e-hasna was not required in PTF on account of excess of admissible assets over its liabilities.

## 7. Appropriations

Another good year as the Shareholders' fund achieved profit after tax Rs. 58.2 million. However, considering the economic situation, 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 the ambit of relevant policy & provisions.

## 8. 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.

## 9. Transaction in shares

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

## 10. 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.

## 11. 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 Limited & Pak-Qatar Asset Management Limited, 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 personal interest in the transactions with associated companies.

## 12. 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.

## 13. 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 156 million amount to the National Exchequer in the form of Federal Excise Duty, Sales Tax, Income Tax, Federal Insurance Fee, and Policy Stamps etc.

## 14. 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. As required by Takaful Rules, 2012, Independent Sharia review report on compliance with Takaful rules and 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, who later 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.

### 15. 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.

### 16. 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.

### 17. 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.

### 18. 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.

## 19. 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.

## 20. 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.

## 21. 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 therefrom 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 4.8 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 1.14 and Rs 10.6 respectively.

## 22. Board of Directors

The Directors of your Company were elected at the Extra-ordinary General Meeting held on 29th April 2022 for term of three years. There was no casual vacancy on the Board of Directors of the Company. The Board of Directors however fixed the number of director to be elected as nine (9), increasing the total members on the Board by one (1).

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

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

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 the Annual Report under heading Corporate information.

## 23. Internal Audit function

Audit Committee (the 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.

## 24. 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.

## 25. Auditors

On recommendation of the Audit Committee, the Board of Directors have recommended the appointment of Yousuf Adil, Chartered Accountants for the year ending 2023, who have indicated their consent to act as auditors.

## 26. 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.

## 27. 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.

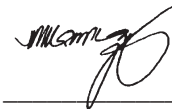
## Conclusion

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: 21 March, 2023

## 25- آڈیٹرز

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

آڈٹ کمیٹی کی سفارش پر، کمپنی کے بورڈ آف ڈائریکٹرز نے سال 2023 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۔

## 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


26- اینٹی منی لانڈرنگ (AML) اور انسداد دہشت گردی کی مالی اعانت (CTF) 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 CTF پالیسی کو نافذ کیا ہے۔ کمپنی نے AML اور CTF کے حوالے سے اپنے عملے کی تربیت کا بھی اہتمام کیا ہے۔

بورڈ آف ڈائریکٹرز کی طرف سے

## 27. قدر دانی و اعتراف

سال کے دوران آپ کی کمپنی کی کارکردگی میٹجمنٹ 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۔

  
ڈائریکٹرز

  
چیف ایگزیکٹو آفیسر

ذیل افراد نے شرکت کی:

کہ اس طرح کا نظام کمپنی میں اطمینان بخش اور مؤثر طریقے سے چل رہا ہے اور کمپنی کی کاروائیاں بہتر بنانے کے لئے آزادانہ اور معقول یقین دہانی فراہم کرتی ہے۔

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

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

## 24. کمپلائنس فریم ورک

کمپلائنس فریم ورک آرگنائزیشن سے متعلق 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 متعلق 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، مؤثر 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 اور پارسل ہے، جس کا بنیادی مقصد اس کو یقینی بنانا اور کمپلائنس رکھنا ہے۔

#	ڈائریکٹر	میٹنگز کی تعداد جن میں وہ شریک ہوئے
1	شیخ علی بن عبداللہ الثانی	2
2	عبدالباسط الشعیلی	3
3	علی ابراہیم العبدالعفی	3
4	سید گل	6
5	زاہد حسین اعوان	6
6	محترمہ سمیرہ عثمان	6
7	جناب محمد کامران سلیم	3
8	جناب اویس احمد یوسف	1
9	جناب فرخ وقار الدین جنیدی	3

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۔

## 23. انٹرنل آڈٹ فنکشن

آڈٹ کمیٹی (کمپنی) انٹرنل کنٹرول سسٹم کے مؤثر 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 تجربے کے ساتھ انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کے فیلو ممبر ہیں۔ وہ آئی سی اے پی کے نائب صدر اور کونسل ممبر کی حیثیت سے خدمات انجام دے چکے ہیں، اور انہوں نے کراچی اسٹاک ایکس چینج اور نیشنل کلیئرنگ کمپنی آف پاکستان کے بورڈ آف ڈائریکٹرز میں اور سیکیورٹیز ایکس چینج کے نامزد امیدوار 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

میں کی گئی تبدیلی کے علاوہ مناسب اکاؤنٹنگ پالیسیز کو فائنل اسٹیٹمنٹ بنانے میں استعمال کیا گیا، اور اکاؤنٹنگ کے اندازے ایک مناسب اور معقول توجیہ پر مبنی ہیں۔

د. فائنل اسٹیٹمنٹ کی تیاری میں پاکستان میں رائج انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز، انٹرنیشنل فائنیشنل رپورٹنگ اسٹینڈرڈز یا دیگر ریگولیشن یا قانون (بشمول شریعہ گائیڈ لائنز؟ پر سچاؤ ان تک محدود نہیں) کی پیروی کی گئی ہے اور کسی بھی قسم کی تبدیلی کو مناسب طریقے سے ظاہر کیا گیا ہے۔

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

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

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

ح. گذشتہ چھ سالوں کا اہم آپریٹنگ اور فائنل 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 انوسٹمنٹس کی ویلیو سال کے اختتام پر 4.8 ملین روپے تھی۔

ک. بورڈ مینٹنگ اور ڈائریکٹروں 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 فائنل آفیسر، کمپنی سیکریٹری ان کے شریک حیات اور چھوٹے بچوں نے شیئرز کی ٹریڈنگ نہیں کی۔

ن. فی شیئر اور بریک اپ ویلیو کی کمائی بالترتیب 1.14 اور 10.6 روپے ہے۔

## 22. بورڈ آف ڈائریکٹرز

آپ کی کمپنی کے ڈائریکٹرز کا انتخاب 29 اپریل 2022 کو ہونے والی غیر معمولی جنرل مینٹنگ میں تین سال کی مدت کے لیے کیا گیا۔ کمپنی کے بورڈ آف ڈائریکٹرز میں کوئی بھی اسامی خالی نہیں تھی۔ تاہم بورڈ آف ڈائریکٹرز نے منتخب ہونے والے ڈائریکٹروں کی تعداد نو (9) مقرر کی ہے، جس سے بورڈ کے کل اراکین میں ایک رکن کا اضافہ ہوا ہے۔ سال 2022 کے دوران بورڈ آف ڈائریکٹرز کی چھ مینٹنگ منعقد ہوئیں اور ان میں درج

دیا ہے۔ اس سیٹ اپ کے ذریعے کم سیکم وقت میں شکایات کو موثر اور تسلی بخش طریقے سے حل کرنے کی پوری کوشش کی جاتی ہے۔ اس سیٹ اپ سیوا بستہ عملہ شکایات کو بیمہ کار کے لئے کارپوریٹ گورنس کے ضابطہ اخلاق کی ضروریات کے مطابق کم سے کم مدت وقت میں ازالہ کرتا ہے۔

## 19. دوسری اسٹیک ہولڈرز کے ساتھ تعلقات

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

## 20. کارپوریٹ گورنس کے کوڈ کی تعمیل

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

## 21. کارپوریٹ اور فائنل رپورٹنگ فریم ورک

آ کمپنی کی مینٹنگ کی طرف سے تیار کیا گیا فائنل 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. فائنل اسٹیٹمنٹ کے نوٹس میں کی گئی وضاحت کے مطابق اکاؤنٹنگ پالیسی

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 انوٹمنٹ 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 کر سکیں۔ کسٹمرز مختلف چینلز جیسے کال سینٹر، موبائل ایپ اور ویب پورٹلز کے ذریعے استفسارات اور سروسز کی درخواستوں کے لئے کمپنی سے رابطہ قائم کرنے کے قابل تھے۔ کمپنی جہاں اپنی "ڈیزاسٹر ریکوری" سائٹ کو بحال رکھتی ہے وہاں "ڈیزاسٹر ریکوری" کی مشق بھی کرتی ہے۔ مزید یہ کہ کمپنی سائبر سیکیورٹی اور فائر وال کے اچھے اسٹیٹڈ رڈز 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 کے لئے زیادہ مواقع پیدا کرنے کے لئے کوشاں رہتی ہے۔

### 17. 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، کریڈٹ رسک، ری انشورنس رسک، لیکچو ڈی 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 سود مند کے مقام پر رکھتا ہے جو اس کے کاروبار اور سٹیک ہولڈرز کی حفاظت کرتا ہے۔ بزنس کے فیصلے مواقع کے خلاف متعلقہ رسک پر مبنی ہوتے ہیں، کیونکہ ہم ایسی کاروباری مواقع جو ہمارے طویل مدتی وژن سے مطابقت رکھتے ہیں کو محفوظ کرنے کی بھرپور کوشش کرتے ہیں۔ کمپنی نے رسک مینجمنٹ فنکشن / ڈیپارٹمنٹ قائم کیا ہے، جو اپنے مقررہ کاموں کو کوڈ آف کارپوریٹ گورننس فار انشوررز 2016 کے تحت انجام دیتا ہے۔

### 18. شکایت کا فنکشن

کمپنی نے ہیکفل پالیسی ہولڈر کے لئے شکایات کے حوالے سے ایک سیٹ اپ ترتیب

قابل احترام شریعہ ایڈوائزری کی جاری کردہ ہدایات پر عمل کیا ہے۔ ہیکفل رولز 2012 کی ضرورت کے مطابق ہیکفل قوانین کی تعمیل پر آزاد شریعہ جائزہ رپورٹ اور ہمارے شرعی مشیر کی رپورٹ سالانہ رپورٹ کے ساتھ منسلک ہے۔

ابتداء سے ہی پاک قطر ہیکفل 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 استحقاق کی نگرانی نے ہمیں شرعی حکمرانی کی عملی طور پر قانونی تقاضوں سے زیادہ کے نفاذ میں امتیاز حاصل کرنے کے قابل بنایا ہے۔ پاک قطر ہیکفل گروپ کو یہ اعزاز بھی حاصل ہے کہ وہ سب سے پہلا ہیکفل گروپ ہے، جو ایس ای سی پی کے ذریعہ جنرل ہیکفل اور فیملی ہیکفل 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۔

### 15. ہیومن ریسورسز

آپ کی کمپنی کو صارفین اور اسٹیک ہولڈرز اچھا سمجھتے ہیں اور کمپنی کی ترقی اور کامیابی افراد کی قوت کے معیار، اخلاقی رویے اور طریقوں کی توثیق کرتی ہے۔

PQGT میں، متنوع پس منظر سے تعلق رکھنے والی ماہر اور قابل افراد کی ٹیم موجود ہے جو اپنے موجودہ اور ممکنہ صارفین کی مسلسل بدلتی ہوئی ضروریات کو پورا کرنے کے لیے ہر اول دستہ ہے۔ ہم ملازمین کی تربیت اور ترقی پر یقین رکھتے ہیں تاکہ ان کے علم، ہنر اور صلاحیتوں کو بڑھا کر نازک کاروباری صورتحال میں چیلنجز کو پورا کر نیکیلئے مسلسل تیار ہوں۔ کمپنی کا پختہ یقین ہے کہ حوصلہ افزائی اور اچھے معیار کے ملازمین کمپنی کی اصل طاقت اور روح ہیں۔ PQGT کے فلسفے کے مطابق، ہم لوگوں کو اڑنے کے لیے پروں، واپس آنے کے لیے جڑیں اور رہنے کی وجوہات دینے کے کلچر کو فروغ دیتے ہیں

### 16. انفارمیشن ٹیکنالوجی

کمپنی نے اپنے آپریشنل اور اسٹریٹجک مقاصد کے حصول کے لئے انفارمیشن ٹیکنالوجی



کی بنیاد پر ہیں۔ اسی طرح اخراجات کو شیئر کرنے کے لئے کی جانے والے معاملات اصل لاگت پر، خرید و فروخت کی سرمایہ کے معاملات منصفانہ قدر اور ویلیو پر اور کلیمز یا کسٹریکشن سے متعلق معاملات کو تجارتی بنیادوں پر کیا گیا ہے۔

پاک قطر فیملی ہیکافل لمیٹڈ اور پاک قطر ایسڈ منیجمنٹ کمپنی 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 کمپنیز سے لین دین میں کوئی ذاتی دلچسپی نہیں ہے۔

## 12. کیپیٹل اور سیال کا انتظام

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

## 13. 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 ود ہولڈنگ ایجنٹ کی حیثیت سے فیڈرل ایکسائز ڈیوٹی، سیلز ٹیکس، انکم ٹیکس، فیڈرل انشورنس فیس، اور پالیسی اسٹیٹس وغیرہ کی شکل میں 156 ملین روپے قومی خزانہ میں کسٹری بیوٹ کئے۔

## 14. شرعی اصولوں کی تعمیل

ہیکافل رولز 2012، شریعہ گورننس ریگولیشنز (SGR2018) کے ذریعہ طے شدہ تقاضوں کو 2 1 دسمبر کو جاری ہونے والے لیٹر نمبر 17474/2018/MISC/PRDD/ID کے ساتھ پڑھا جائے، اور ہمارے

PTF میں قابل قبول اثاثوں کا واجبات سے زیادہ ہونے کی وجہ سے قرض حسنہ کی ضرورت نہیں تھی۔

## 7. تخصیصات

ایک اور خوش آئند سال جس میں شیئر ہولڈرز فنڈ کا منافع ٹیکس ادا کرنے کے بعد 58.2 ملین روپے رہا۔ تاہم معاشی حالات 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۔

## 8. پوسٹ بیلنس شیٹ ایڈجسٹنگ ایونٹ

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

## 9. شیئر میں لین دین

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

## 10. 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“ اے مستحکم آؤٹ لک اور ”A+“ اے پلس مستقل مستحکم آؤٹ لک پر برقرار رکھا۔

## 11. متعلقہ پارٹی کے لین دین

بورڈ کے اجلاس میں بورڈ آف ڈائریکٹرز نے کمپنی سے وابستہ کمپنیوں/متعلقہ پارٹیز کے معاملات کی منظوری دیدی ہے۔ متعلقہ پارٹیز کے ساتھ کئے گئے معاملات اپنی حیثیت

گراؤٹ کا مشاہدہ کیا۔ تاہم، یہ کامیابی کے ساتھ معیشت اور دیگر شعبوں کی ترقی کے ساتھ رفتار برقرار رکھنے میں کامیاب رہا۔ موجودہ معاشی اور سیاسی ماحول کے درمیان، ہم سال 2023 کے دوران انشورنس سیکٹر کی پریشان کن ترقی کی پیش گوئی کرتے ہیں۔ مارکیٹ کی پوزیشن کو مستحکم کرنے کے لیے انڈسٹری کے شرکاء کے لیے انتظامی اخراجات میں کمی اور مصنوعات کی جدت اہم رہے گی۔

جنرل انشورنس کے شعبے کی کارکردگی اقتصادی ترقی سے مربوط ہے۔ پاکستان کی جنرل انشورنس انڈسٹری شہروں میں اضافہ اور خاص کر ابھرتے ہوئے صنعتی شعبے کی حمایت کی وجہ سے ترقی کرنے کے لئے مستعد ہے۔ مجموعی طور پر مستقل تکافل کمپنیاں اور ونڈو تکافل کے نتائج تکافل پروڈکٹس کی ڈیمانڈ کی بڑھوتری دکھا رہے ہیں۔

کمپنی کا یقین ہے کہ اس کی قوت کسٹمر کے اعتماد، اطمینان، سروس کے معیار، اور ملازمین کی حوصلہ افزائی میں ہے۔ مستقل تکافل کمپنی ہونے کے ناطے 2022 کا ہدف یہ تھا کہ بدلتے مسابقتی کاروباری حالات میں پائیدار، منافع بخش ترقی کو برقرار رکھا جائے، اس وجہ سے توجہ کا مرکز کسٹمرز کا اطمینان، کسٹمرز کا پورٹ فولیو، نان موٹر بزنس کس، انڈر رائٹنگ کے نتائج میں بہتری اور اور ہیڈ اخراجات کو کنٹرول رہے ہیں۔ ہماری اسٹریٹجک منصوبہ کی مسلسل عملدرآمد ہمارے استحکام اور مسلسل کامیابی میں اہم کردار ادا کرے گی۔

کرنے کے لئے اسپورنسر 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 بینکی اداروں کے اسلامک ونڈو آپریشنز کی وجہ سے بڑھتی ہوئی مسابقت، نازک مارکیٹ کی صورتحال کے باوجود اعلیٰ خدمات کے معیار کے لیے ہماری وابستگی، سخت کوششوں اور کئی شعبوں میں دوران دیش فیصلوں نے ہمیں اعلیٰ کارکردگی اور قابل اطمینان کاروبار کو برقرار رکھنے کے قابل بنایا۔ پاک-قطر جنرل تکافل لمیٹڈ (PQGTL) نے کامیابی کے ساتھ انجیو جودہ کانسٹنس اور چینل پارٹنرز کے ساتھ کاروباری تعلقات کو مضبوط کیا جس میں پاکستان کے چند اعلیٰ اسلامی مالیاتی ادارے شامل ہیں۔ سرٹوڈ کوششوں کے ذریعے، کمپنی نے کاروباری کس میں کاروباری استحکام کو برقرار رکھا اور بینک کے ساتھ معاملات کی حد کا ازسرنو جائزہ لیکر کچھ توسیع کے ساتھ کام جاری رکھا گیا۔ 31 دسمبر 2022 کے لیری تکافل معاہدے کے انتظامات کو حتمی شکل دے دی گئی ہے۔ مزید، PACRA اور VIS 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۔

### 3. IFRS 17 انشورنس معاہدے

مالیاتی رپورٹنگ کا نیا معیار IFRS 17 بلاشبہ انشورنس اکاؤنٹنگ کی ضروریات میں سب سے اہم تبدیلی کی نمائندگی کرے گا۔ ایس ای سی پی نے آئی ایف آر ایس 17 کے نفاذ کے لیے چار فیئر اپروچ کی ہدایات جاری کی ہیں، جس کے تحت مالیاتی اثرات کا تجزیہ پیش کیا گیا ہے۔

#### 4. 2023 کے امکانات

موجودہ سیاسی اور معاشی ماحول کے درمیان آئندہ سال 2023 کے امکانات ملے جلے رجحانات پیش کر رہے ہیں۔ حکومت پاکستان کی جانب سے لئے گئے اقدامات سے مجموعی طلب میں کمی کی توقع ہے، جبکہ آئی ایم ایف پروگرام کا دوبارہ آغاز معیشت کے لیے اور دوست ممالک سے مالی تعاون حاصل کرنے کے لیے ضروری ہے، جس کے تحت آئی ایم ایف نے مالی سال 2023 کے لیے جی ڈی پی کی شرح نمو 2 فیصد کے لگ بھگ رہنے کی پیش گوئی کی ہے۔ پاکستان میں انشورنس انڈسٹری نے حالیہ برسوں میں کئی چیلنجوں اور

#### 5. فنڈ کے اعتبار سے رپورٹنگ

تکافل رولز ۲۰۲۲ کے مقتضی کے مطابق منسلکہ مالیاتی گوشوارے جو کہ مالی اعتبار سے ایس ایچ ایف اور پی ٹی ایف کے آپریشن کے جداگانہ بیان کردہ نتائج ان دونوں فنڈز کے اثاثہ جات، ذمہ داریوں، آمدنی اور اخراجات عکاسی کرتی ہے، جبکہ ہر فنڈ کی بزنس کی درجہ بندی کے اعتبار سے رپورٹنگ کو شعبہ وار رپورٹنگ کے عنوان کے تحت اکاؤنٹس کے نوٹس میں ظاہر کیا گیا ہے۔

#### 6. قرض حسنہ

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



	2022	2021
	----- Rupees -----	
<b><u>PARTICIPANTS' TAKAFUL FUND (PTF)</u></b>		
Contribution earned	712,460,204	542,117,730
Contribution ceded to retakaful	(256,609,422)	(245,048,228)
Net contribution revenue	455,850,782	297,069,502
Retakaful rebate earned	51,156,261	49,405,318
Net underwriting income	507,007,043	346,474,820
Net takaful claims - reported/settled & IBNR	(536,224,574)	(321,296,243)
Contribution deficiency expense	8,811,107	(9,599,894)
Other direct expenses	(2,402,103)	(6,627,459)
Underwriting result before investment income	(22,808,527)	8,951,224
Investment income	24,575,968	9,266,630
Other income	15,991,137	7,964,995
Less: Modarib's share	(14,198,487)	(4,307,907)
<b>Surplus for the year</b>	<b>3,560,091</b>	<b>21,874,942</b>
<b><u>SHAREHOLDERS' FUND (SHF)</u></b>		
Wakala income earned	431,377,974	357,186,874
Commission expense	(126,095,403)	(99,903,808)
Management expenses	(286,324,739)	(253,394,843)
	18,957,832	3,888,223
Direct expenses	(5,537,239)	(8,687,819)
Investment income	47,743,949	42,915,910
Other income	4,732,092	3,752,851
Modarib share from PTF	14,198,487	4,307,907
<b>Profit before tax</b>	<b>80,095,121</b>	<b>46,177,072</b>
Provision for taxation	(21,831,078)	(13,641,872)
<b>Profit after tax</b>	<b>58,264,043</b>	<b>32,535,200</b>
<b>Earnings per share - Rupees</b>	<b>1.14</b>	<b>0.64</b>

گی۔ مارکیٹ اور کسٹمر کچن 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 محترم شیئرز ہولڈرز کو زیادہ سے زیادہ نفع پہنچانے کے لئے ہمیشہ ہمارے دماغ میں یہ بات رہتی ہے کہ ہمیشہ مزید بہتری کی گنجائش موجود رہتی ہے، اور یہ ذہنی جلاء اور سخت کام 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

سال 2022 میں، کمپنی کی مارکیٹ تک رسائی کی حکمت عملی کو جدید، تخلیقی اور معقول پروڈکٹس اور کسٹمر کو بروقت سروس دینے سے جوڑا، جس نے شریک تکافل کو حقیقی فائدہ دیا اور اس کے اعتماد کو مضبوط کیا۔ ہماری پوری توجہ کاروباری ترقی کی حکمت عملی ہوگی اور اسٹریٹجک اتحاد کے لئے کوششیں شروع کی جا چکی ہیں، جو کہ اللہ تعالیٰ کے فضل سے 2023 کے دوران ان شاء اللہ مطلوبہ نتائج حاصل کروائے گی۔ ہماری شریعہ کمپلائنس کی لگن اپنے شرکاء تکافل کو سروسز فراہم کرنے میں اور اسٹریٹجک پارٹنرز کے لئے قابل فخر ہے۔ ان مسابقتی اور 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

2021	2022	فٹڈ
17,231,625	40,567,105	شرکاء تکافل فنڈ (PTF)
45,532,035	52,096,699	شیئرز ہولڈرز فنڈ (SHF)
62,763,660	92,663,804	ٹوٹل

سال کے اختتام پر، میوچل فنڈز اور صلوک میں سرمایہ کاری کی ویلیو ان کی اپنی قیمت سیقدریکم 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 لئے 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 زرخشا (GCW) کو برقرار رکھنے کے قابل بنایا گیا ہے۔ اگرچہ ملک کی مجموعی جنرل انشورنس پالیسی میں کمپنی کا مارکیٹ شیئر بہت کم ہے۔ زیر جائزہ سال میں دونوں فنڈز (SHF) اور (PTF) کے نتائج میں بہتری اور منافع 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 مؤثر 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 لئے وقف تکافل کمپنی کے برقرار رکھا۔ شرکاء تکافل فنڈ میں 3.5 ملین روپے (2021: 21.6 ملین روپے) کا سرپلس دیکھنے میں آیا، جبکہ شیئرز ہولڈرز فنڈ میں قبل از ٹیکس منافع 80.09 ملین روپے (2021: 46.17 ملین روپے) ہوا۔ اس طرح دونوں فنڈز (SHF اور PTF) کے ذریعہ پوسٹ کئے گئے قبل از ٹیکس مجموعی منافع گزشتہ سال 67.7 ملین روپے کے مقابلہ میں 83.6 ملین روپے ہے۔

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

کاروباری کمزوری میں صحت کے حصے کے اضافے اور آمدنی میں قوی اضافے کو مد نظر رکھتے ہوئے، نقصان کا تناسب بڑھنے کا امکان تھا۔ ٹاپ لائن میں اضافے کے ساتھ ساتھ، سال کی یکمیز میں بھی اضافہ دیکھا گیا؛ تاہم، کلیم کارہ جہان موجود صنعت کے ساتھ منسلک ہے اور کمپنی سے متعلق خطرات کوری تکافل کے ذریعہ یکور کر کے کمپنی کے خطرات میں کمی لائی گئی۔

کسی بھی تکافل کنٹریکٹ 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۔ پی ٹی ایف کو درپیش ممکنہ خطرات کی تلافی مناسب ری تکافل انتظامات کے ذریعہ عمل میں لایا گیا۔ موزوں ری تکافل نے تکافل کے کنٹریکٹ کے تحت کور کئے جانے والے بڑے اور ناگہانی واقعات سے ہونے والے نقصان کے اثر کو کم کرنے میں مدد کی۔ مناسب ری تکافل انتظامات نے اس حقیقت کو ثابت کیا کہ کمپنی کو کسی بھی سال اس کی گنجائش سے زیادہ رسک کے حتمی اور صافی نقصانات نہیں برداشت کرنے پڑے۔ انتظامیہ مؤثر رسک مینجمنٹ اور مؤثر کلیم کے سسٹمز کی پالیسیوں کی تنفیذ کے ذریعہ مضبوط کنٹرول کو قائم کرنے میں مصروف عمل ہے۔

### ج-سرمایہ کاری کی آمدنی

سرمایہ کاری کے لئے انتظامیہ محتاط حکمت عملی (اعلیٰ قابل سیال اور کم رسک کے) کی پیروی کر رہی ہے۔ اس طرح مستحکم سرمایہ کاری کی آمدنی اگرچہ نسبتاً کم ہے، لیکن نفع کی تکمیل کرتی ہے۔ اس سال پالیسی ریٹ میں اضافے نے پچھلے سال کی سرمایہ کاری کی کل آمدنی کو پیچھے چھوڑنے میں مدد کی۔ ذرائع آمدنی میں اسلامی بینک کے سیونگ اکاؤنٹس، ٹرم ڈیپازٹس، صلوک اور میوچل فنڈز/صلوک پریکٹسٹل گین سے حاصل ہونے والی آمدنی شامل ہے۔

مجموعی طور پر مضارب فیس کی کٹوتی سے قبل بینک کے سیونگ پروفٹس اور سرمایہ کاری کی انکم مندرجہ ذیل ہے:

2021		2022		
پورٹ فولیو کس فیصد	کنٹری بیوشن روپے	پورٹ فولیو کس فیصد	کنٹری بیوشن روپے	کلاس
16.5	171,372,273	17	204,060,414	فائر
7	71,188,968	6	74,077,802	میرین
53	546,703,616	46	555,009,558	موٹر
17	175,388,379	24	291,841,710	ہیلتھ
6.5	67,815,991	7	80,305,900	متفرق
100	<u>1,032,469,227</u>	100	<u>1,205,295,384</u>	ٹوٹل

ہمارے قابل قدر شیئرز ہولڈرز اس بات کو تسلیم کریں گے کہ تکافل کی صنعت میں ایک اہم اسٹیک ہولڈر کے طور پر برنس ٹاپ لائن میں قابل ذکر بہتری حاصل کی گئی ہے، جس کے نتیجے میں کمپنی نے نہ صرف انڈسٹری میں اپنے مضبوط قدموں کے نشانات کو برقرار رکھا ہے، بلکہ سال 2022 میں نمایاں ترقی کی رفتار بھی پوسٹ کی ہے۔ مزید یہ کہ کمپنی دانشمندانہ طور پر ترقی پر غور کر رہی ہے، اور 2023 کے آخر میں دیا جائے گا۔

ب۔ کلیمز

2021		-----2022-----		
صافی کلیمز	صافی کلیمز	ری تکافل ریکوری	مجموعی کلیمز	کلاس
16,022,734	39,726,386	313,244,958	352,971,344	فائر
13,583,632	16,642,068	36,806,516	53,448,584	میرین
221,889,815	249,870,991	10,442,911	260,313,902	موٹر
53,057,530	213,181,936	-	213,181,936	ہیلتھ
16,742,532	16,803,193	12,717,424	29,520,617	متفرق
<u>321,296,243</u>	<u>536,224,574</u>	<u>373,211,809</u>	<u>909,436,383</u>	ٹوٹل

## ڈائریکٹرز کی رپورٹ

محترم شیئر ہولڈرز

الحمد للہ! ہمیں پاک قطر جنرل تکافل لمیٹڈ (جسے یہاں کمپنی PQTGL کہا جائے گا) کی 31 دسمبر 2022 میں ختم ہونے والے سال کی کمپنی کی آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے بہت خوشی محسوس ہو رہی ہے۔

1. معیشت کی صورتحال اور مستقبل کا منظر نامہ

پاکستان کی جی ڈی پی نے مالی سال 2022 میں مسلسل دوسرے سال کے دوران 5 فیصد سے زیادہ کی نمو درج کی ہے۔ سال 2022 کے آغاز کے فوراً بعد یہ رجحان بہت کم رہا، یوکرین میں جنگ کے آغاز کے ساتھ ہی عالمی غیر یقینی صورتحال اور توانائی کی قیمتوں میں اضافہ ہوا۔ اس کے ساتھ سیاسی عدم استحکام، بڑھتی ہوئی مہنگائی، زرمبادلہ کے ذخائر میں کمی اور غیر معمولی تباہ کن سیلاب بھی سامنے آنا شروع ہو گئے جس نے اقتصادی ماحول پر منفی اثر ڈالا اور میکرو اکنامک ترقیات نے معیشت پر مہنگائی کے دباؤ کو جنم دیا۔ پاکستان اسٹاک ایکسچینج (PSX)، KSE-100 انڈیکس بھی دباؤ میں رہا اور سال 2022 میں تقریباً +40,000 پر بند ہوا جب کہ 2021 میں تقریباً +44,000 تھا۔ بیرونی کھاتوں کی تیزی سے خرابی اور بڑھتی ہوئی مہنگائی نے پاکستانی روپے کی قدر میں کمی کی اور عالمی سطح پر اجناس کی قیمتوں میں اضافہ بیرونی کھاتوں کے عدم توازن اور مہنگائی میں اضافے کا باعث بنا۔

### 2. کمپنی کی کارکردگی

الف: مجموعی تحریر کردہ کسٹری بیوشن

گزشتہ چند سالوں سے PQTGL 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 نقصان دہ کلائنٹس کو نکال دیا گیا ہے۔ انشورنس مارکیٹ میں موجود مقابلاتی حالات کی وجہ سے کمپنی کو کسٹری بیوشن ریٹس میں کمی کے ساتھ دباؤ کا سامنا رہا ہے۔

بڑھتے ہوئے پالیسی ریٹ کی وجہ سے بینکوں سے موثر گارڈیوں کے لیز/اجارہ کار بزنس متاثر ہوا ہے، جبکہ موثر تکافل ہمارے کل کاروباری پورٹ فولیو کا ایک معتد بہ حصہ ہے۔ سال کے دوران، بینک کے کاروبار کو بڑھانے اور نئی سیلز فورس کی شمولیت پر توجہ مرکوز کی گئی، جس نے خاص طور پر موثر سیگمنٹ کو تحریک فراہم کی۔ کاروباری حصوں کے لحاظ سے، کمپنی نے ہیلتھ سیگمنٹ میں انڈر رائٹنگ شروع کی ہے اور ہیلتھ سیگمنٹ میں بورڈ ڈکلائنٹس کو کامیابی سے پورٹ فولیو بزنس کس کے ساتھ حاصل کردہ کاروباری اعداد و شمار درج ذیل ہیں:

نتیجتاً، بیرونی کھاتوں کی صورت حال سے نمٹنے اور افراط زر کی لہر کو کم کرنے کے لیے، اسٹیٹ بینک آف پاکستان (SBP) نے ان عدم توازن کو فعال طور پر دور کیا اور 2022 کے دوران پالیسی ریٹ میں مسلسل اضافہ کر کے مالیاتی پالیسی کو سخت کیا، جو سال کے آخر تک 16 فیصد تک پہنچ گئی۔ اور مارچ 2023 میں 20 فیصد تک بڑھا دیا گیا۔ اس کے ساتھ ہی حکومت پاکستان نے مجموعی طلب کو کم کرنے اور معیشت کو مستحکم کرنے کے لیے غیر ضروری اشیاء کی درآمد کے حوالے سے سخت اقدامات لئے۔

عمومی انشورنس سیکٹر کی کارکردگی کا معاشی نمو سے مضبوطی سے تعلق ہے۔ کسی ملک میں انشورنس کی ترقی کے کلیدی محرکات عام طور پر میکرو اکنامک عوامل، ریگولیٹری عوامل اور کسی

**KEY FINANCIAL DATA***Rupees in Thousand*

	<b>FY22</b>	<b>Y21</b>	<b>FY20</b>	<b>FY19</b>	<b>FY18</b>	<b>FY17</b>
				as previously reported		
<b>Gross Contribution written</b>	1,205,295	1,032,469	601,934	701,046	677,714	614,990
<b>Consolidated Profit &amp; Loss (PTF &amp; SHF)</b>						
Net Contribution Earned	455,851	297,069	186,039	211,092	192,481	168,463
Wakala Income	431,378	357,187	240,492	266,257	258,267	233,379
Net Claims including IBNR	(536,225)	(321,296)	(197,068)	(251,637)	(231,631)	(211,234)
Commission expense net-off Rebate	(74,939)	(50,499)	(26,089)	(11,500)	2,242	9,939
Investment Income including bank profits	92,664	62,764	59,590	39,938	22,499	22,512
Management, admin. & other expense	(294,264)	(268,710)	(211,968)	(223,435)	(214,257)	(210,634)
Other Income/(loss)	379	1,136	415	3,381	1,054	1,530
Other provisions including CDR	8,811	(9,599)	(8,000)	(2,600)	-	-
Consolidate Result before Tax - PTF & SHF	83,655	68,052	43,411	31,496	30,655	13,955
Taxation - Net	(21,831)	(13,642)	2,050	(7,671)	(6,323)	(3,200)
Consolidate Result after Tax - PTF & SHF	61,824	54,410	45,461	23,825	24,332	10,754
<b>Consolidated Balance Sheet (PTF &amp; SHF)</b>						
Investments excluding TDRs	477,139	584,382	531,147	350,277	235,232	297,681
Cash & Bank Deposits including TDRs	527,505	301,580	173,664	247,233	278,266	159,522
Deferred Tax Asset	7,227	1,399	579	-	-	-
Other Assets	1,420,578	988,441	591,330	516,318	554,421	744,940
Fixed Assets - including RoU	45,884	60,821	82,680	98,806	69,043	71,212
Paid-up Capital	509,226	509,226	509,226	509,226	509,226	509,226
Advance against issue of share capital	-	-	-	-	-	-
Accumulated surplus/(loss)	111,388	49,564	(4,845)	(51,107)	(49,471)	(74,303)
Revaluation reserve on AFS investments	(12,277)	(1,482)	848	603	(18,224)	-
Underwriting reserves/liabilities	1,071,384	707,504	482,856	495,203	449,319	698,260
Other Liabilities	798,611	671,811	391,315	258,708	246,114	140,170
<b>Qard-e-hasna receivable from PTF</b>	-	-	50,000	190,000	200,000	240,000
<b>Dividend distributed</b>	-	-	-	25,461		

## KEY FINANCIAL RATIOS

	FY 2022	FY 2021	FY20	FY19	FY18	FY17
<b>Variance from prior year:</b>						
Gross Contribution written	17%	72%	-14%	3%	10%	-6%
Net Contribution Earned	53%	60%	-12%	10%	14%	-23%
Wakala Income	21%	49%	-10%	3%	11%	-9%
Net Claims	67%	63%	-22%	9%	10%	-15%
Commission, Management & other Expenses	16%	34%	1%	11%	6%	-17%
Investment Income	48%	5%	49%	78%	0%	-6%
<b>Other ratios:</b>						
Current Ratio (times)	1.40	1.51	1.51	1.51	1.56	1.45
Fixed assets turnover (times)	22.59	14.39	6.63	8.35	9.66	8.10
Gross Contribution per share (Rs.)	23.67	20.28	11.82	13.77	13.31	12.08
Earning per shares (Rs.) - SHF	1.14	0.64	0.37	0.27	0.24	0.06
Net Claim to Gross Contribution less G.Retakaful	57%	41%	49%	54%	51%	52%
Net Claim to Net Contribution Earned including Wakala	60%	49%	46%	53%	51%	53%
Management, other Expenses to Gross Contribution	24%	26%	35%	32%	32%	34%
Management, other Expenses to Wakala income	68%	75%	88%	84%	83%	90%
Commission Expense net-off Rebate to Gross Contribution	6.2%	4.9%	4.3%	1.6%	-0.3%	-2%
Wakala income to Gross Contribution	36%	35%	40%	38%	38%	38%
Gross Retakaful Ceded to Gross Contribution	22%	24%	34%	33%	33%	34%
<b>REVENUE DISTRIBUTION (PTF)</b>						
Claims	118%	108%	106%	119%	120%	125%
Other Reserve	-2%	3%	4%	1%	0%	0%
Direct expenses	1%	2%	3%	4%	8%	6%
Rebate commission	-11%	-17%	-22%	-24%	-31%	-35%
Net Investment income	-6%	-4%	-6%	-5%	-3%	-1%
Surplus	1%	7%	14%	5%	6%	5%
	100%	100%	100%	100%	100%	100%
<b>REVENUE DISTRIBUTION (SHF)</b>						
Commission expense	29%	28%	28%	24%	22%	21%
Management, General Admin expenses	68%	73%	86%	81%	77%	86%
Modarib fee	-3.3%	-1.2%	-3.2%	-2.4%	-1.7%	-0.4%
Net investment income	-12%	-13%	-17%	-9%	-4%	-9%
Other (Loss) / Gain	-0.1%	-0.3%	-0.2%	-1.3%	-0.4%	-1%
Taxation	5%	4%	-1%	3%	2%	1%
Profit after Taxation	14%	9%	8%	5%	5%	1%
	100%	100%	100%	100%	100%	100%

## STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

For the year ended December 31, 2022

This statement of Compliance (the Statement) is being presented in compliance with the Code of Corporate Governance for Insurers, 2016 (The Code) 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. The Company ensures representation of independent non-executive directors and facilitates directors representing minority interests on its Board of Directors (the Board). At present, the Board includes:

Category	Names
<b>Independent Director</b>	Mr. Farrukh Viqaruddin Junaidy
<b>Non-Executive Directors</b>	H.E. Sheikh Ali Bin Abdullah Al Thani Mr. Said Gul Mr. Abdul Basit Ahmad Al-Shaibei Mr. Ali Ibrahim Al Abdul Ghani Mr. Owais Ahmed Yusuf
<b>Executive Directors and/ Chief Executive Officer*</b>	Mr. Zahid Hussain Awan* Mr. Muhammad Kamran Saleem
<b>Female Director, Non - Executive</b>	Mrs. Sameera Usman

\*The chief executive is a 'deemed director' under section 188(3) of the Companies Act, 2017 whereas the number of elected/nominated directors on the Board are nine (9).

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 the Company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or a 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 during the year.
5. The Company has prepared a Code of Conduct, which has been disseminated among all the directors and employees of the Company.



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 system of sound internal control, which is effectively implemented at all levels within the Company. The Company 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 and Company Secretary during the year 2022. Mr. Tahir Lateef has been appointed as Head of Internal Audit during the year 2022. The Board has approved his remuneration and terms and conditions of employment and complied with relevant requirements of the regulations.
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 the Company 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 the Company other than disclosed in the pattern of shareholding.
15. The Company has complied with all the corporate and financial reporting requirements of the Code of Corporate Governance for Insurers, 2016, except for the limited scope review of half yearly financial statements for the period ended June 30, 2022 by the statutory auditor.
16. The Board has formed the following Management Committees:

*Underwriting & Re-Takaful Committee:*

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



## Pak-Qatar General Takaful

### *Claims Settlement Committee:*

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

### *Risk Management & Compliance Committee*

<b>Name of the Member</b>	<b>Category</b>
Mr. Zahid Hussain Awan	Chairman
Mr. Saqib Zeeshan	Member
Mr. Tahir Lateef	Member
Mr. Muhammad Saleem	Member
Mr. Muhammad Raza	Member
Mr. Farrukh Adnan	Member
Mr. Shahzad M Khan Ghilzai	Member
Mr. Imran Nafees	Member
Mr. Muhammad Azeemuddin	Member
Mufti Shakir Siddiqui	Member
Mr. Saifuddin Sahikh	Member
Mr. Nasir Ali	Member
Mr. Obaid Hussain Qureshi	Member & Secretary

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

#### *Ethics, Human Resource & Remuneration Committee:*

<b>Name of the Member</b>	<b>Category</b>
Mr. Said Gul	Chairman
Mr. Zahid Hussain Awan	Member
Mrs. Sameera Usman	Member
Mr. Muhammad Kamran Saleem	Member & Secretary

#### *Investment Committee:*

<b>Name of the Member</b>	<b>Category</b>
Mr. Zahid Hussain Awan	Chairman
Mr. Said Gul	Member
Mr. Muhammad Kamran Saleem	Member
Mr. Muhammad Saleem	Member
Mr. Nasir Ali	Secretary

18. The Board has formed an audit committee. It comprises of four (4) members, of whom 3 are non-executive directors and 1 executive director. The chairman of the Committee is an independent director.

*Audit Committee:*

<b>Name of the Member</b>	<b>Category</b>
Mr. Farrukh Viqaruddin Junaidy	Chairman
Mr. Said Gul	Member
Mr. Zahid Hussain Awan	Member
Mrs. Sameera Usman	Member
Mr. Tahir Lateef	Secretary

19. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance. The frequency of meeting of the committees were as follows:

<b>Name of Committee</b>	<b>Frequency</b>
A. Underwriting & Re-Takaful Committee	Quarterly
B. Claims Settlement Committee	Quarterly
C. Risk Management & Compliance Committee	Quarterly
D. Ethics, Human Resource & Remuneration Committee	Twice a year
E. Investment Committee	Quarterly
F. Audit Committee	Quarterly

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 a commerce graduate with three decades of experience in insurance industry including over 15 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);

<b>Name of the Person</b>	<b>Designation</b>
Mr. Zahid Hussain Awan	Chief Executive Officer
Mr. Muhammad Kamran Saleem	Company Secretary
Mr. Muhammad Saleem	Chief Financial Officer
Mr. Tahir Lateef*	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

\* Mr. Tahir Lateef was appointed upon resignation of Mr. Muhammad Shoaib Akhter.

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 the Company gets itself rated from VIS Credit Rating Company Limited and The Pakistan Credit Rating Agency Limited (PACRA) which are being used by its risk management function/ department and the respective Committee as a risk monitoring tool. The rating assigned by the said rating agencies on date 08th February 2023 and 02nd January 2023 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 Company has not obtained exemption from the Securities & Exchange Commission of Pakistan in respect of the requirements of Code of Corporate Governance for Insurers, 2016.

*By Order of the Board*



Chief Executive Officer



Director

## SHARIAH REVIEW REPORT TO THE BOARD OF DIRECTORS

for the year ended 31 December 2022

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 2022.

During this year Shariah Advisory Board conducted online 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 2022 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 2022, we have conducted almost 107 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"**



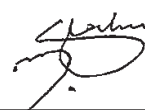
**Mufti Muhammad Hassaan Kaleem**

Chairman Shariah Advisory Board



**Dr. Mufti Ismatullah**

Member Shariah Advisory Board



**Mufti Muhammad Shakir Siddiqui**

Shariah Advisor & Shariah Advisory Board Member

## **INDEPENDENT REASONABLE ASSURANCE REPORT TO THE BOARD OF DIRECTORS ON THE STATEMENT OF MANAGEMENT'S ASSESSMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES**

We were engaged by the Board of Directors (The Board) of Pak Qatar General Takaful Limited ("the Company") to report on the management's assessment of compliance of the Takaful Operations of the Company, as set out in the statement prepared by management for the year ended December 31, 2022, with the Takaful Rules, 2012, in the form of an independent reasonable assurance conclusion about whether the statement presents fairly the status of compliance of the Operations with the Takaful Rules, 2012, in all material respects. This engagement was conducted by a multidisciplinary team including assurance practitioners and independent Shariah scholar.

### **Applicable Criteria**

The criteria against which the subject matter information (the Statement) is assessed comprise of the provisions of Takaful Rules 2012, issued by the Securities and Exchange Commission of Pakistan (SECP).

### **Responsibilities of the Board / Management**

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

The Board / management of the Company are also responsible for preventing and detecting fraud and for identifying and ensuring that the Takaful Operations comply with laws and regulations applicable to its activities. They are also responsible for ensuring that the management, where appropriate, those charged with governance, and personnel involved with the Takaful Operations compliance with the Takaful Rules, 2012 are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

The management of the Company is responsible for preparation of the statement that is free from material misstatement.

### **Our Independence and Quality Control**

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

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

### **Our Responsibilities**

Our responsibility is to independently verify the statement and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the statement presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.

The procedures selected depend on our judgment, including the assessment of the risks of material non-compliances with the Takaful Rules, 2012, whether due to fraud or error. In making those risk assessments, we have considered internal controls relevant to the Takaful Operations' compliance with the Takaful Rules, 2012, in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's internal control over the Takaful Operations' compliance with the Takaful Rules, 2012. In performing our audit procedures necessary guidance on Shariah matters was provided by independent Shariah scholar. Reasonable assurance is less than absolute assurance.

A system of internal control, because of its nature, may not prevent or detect all instances of non-compliance with Takaful Rules, 2012, and consequently cannot provide absolute assurance that the objective of compliance with Takaful Rules, 2012, will be met. Also, projection of any evaluation of effectiveness to future periods is subject to the risk that the controls may become inadequate or fail.

### **The procedures performed included:**

- Evaluating the systems, procedures and practices in place with respect to the Takaful operations against the Takaful Rules, 2012 and Shariah Advisor's guidelines;
- Evaluating the governance arrangements including the reporting of events and status to those charged with relevant responsibilities, such as the Audit Committee/ Shariah Advisor and the Board;
- Test for a sample of transactions relating to Takaful operations to ensure that these are carried out in accordance with the laid down procedures and practices including the regulations relating to Takaful operations as laid down in Takaful Rules, 2012; and
- Review the statement of management's assessment of compliance of the Takaful transactions during the year ended December 31, 2022, with the Takaful Rules, 2012.

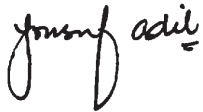
### **Other Matter**

The Statement of Management's Assessment of Compliance with the Shariah Principles of Pak Qatar General Takaful Limited for the year ended December 31, 2021, were audited by another firm of chartered accountants who expressed an unmodified opinion on those statements on April 22, 2022.

### Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In our opinion, the statement, for the year ended December 31, 2022, presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.



**Chartered Accountants**

**Place:** Karachi

**Dated:** April 28, 2023



**Yousuf Adil**

Chartered Accountants

Cavish Court, A-35, Block 7 & 8  
KCHSU, Shahrah-e-Faisal  
Karachi-75350  
Pakistan

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## INDEPENDENT AUDITOR'S REVIEW REPORT

### TO THE MEMBERS OF PAK-QATAR GENERAL TAKAFUL LIMITED

#### REVIEW REPORT ON THE STATEMENT OF COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE FOR INSURERS, 2016

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance for Insurers, 2016 (the Code) prepared by the Board of Directors of **Pak Qatar General Takaful Limited** (the Company) for the year ended **December 31, 2022** to comply with the respective requirements of the Code.

The responsibility for compliance with the Code is that of the Board of Directors (The Board) of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, 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 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 Boards' 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 best practices contained in the Code as applicable to the Company for the year ended December 31, 2022.

Chartered Accountants

**Engagement Partner:**

Hena Sadiq

**Place:** Karachi**Date:** April 28, 2023**UDIN:** CR202210057jGstqN8Ab

## **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 **December 31, 2022**, statement of profit or loss account, statement of comprehensive income, the statement of changes in equity and 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 purpose 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, statement of profit or loss account, 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 December 31, 2022 and of the profits or loss and other comprehensive income or loss, the changes in equity and its cash flows for the year then ended.

#### **Basis for opinion**

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

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

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



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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have not been provided any other information therefore we have nothing to report in this regard.

### **Responsibility of Management and Board of Directors for the Financial Statement**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Insurance Ordinance, 2000 and the 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.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

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

- a) proper books of account have been kept by the Company as required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);



- b) the statement of financial position, statement of profit or loss account, 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 (XIX of 2017) and are in agreement with the books of account;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the company's business; and
- d) 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 7 of that ordinance.

#### Other Matter

The financial statements of the Company for the year ended December 31, 2021 were audited by another firm of Chartered Accountants. The predecessor auditor issued an unmodified audit report dated April 28, 2022 with an unmodified audit opinion.

The engagement partner on the audit resulting in this independent auditor's report is Hena Sadiq

**Chartered Accountants**

**Place:** Karachi

**Date:** April 10, 2023

**UDIN:** AR202210057Qu1dgNnha

# STATEMENT OF FINANCIAL POSITION

As at December 31, 2022

	Notes	December 31, 2022			December 31, 2021		
		Shareholders' Fund	Participants' Takaful Fund	Aggregate	Shareholders' Fund	Participants' Takaful Fund	Aggregate
		----- (Rupees) -----					
<b>ASSETS</b>							
Property and equipment	8	24,478,172	-	24,478,172	33,006,523	-	33,006,523
Intangible assets	9	21,406,261	-	21,406,261	27,814,766	-	27,814,766
		45,884,433	-	45,884,433	60,821,289	-	60,821,289
Investments							
Equity securities	10	214,159,970	10,219,572	224,379,542	247,221,843	78,116,600	325,338,443
Debt securities	10	159,789,210	92,970,000	252,759,210	241,073,604	17,970,000	259,043,604
Term deposits	10	150,000,000	65,000,000	215,000,000	60,000,000	5,000,000	65,000,000
		523,949,180	168,189,572	692,138,752	548,295,447	101,086,600	649,382,047
Deferred tax asset	11	7,226,986	-	7,226,986	1,399,803	-	1,399,803
Loans and other receivables	12	27,102,296	13,162,348	40,264,644	21,181,829	1,899,276	23,081,105
Takaful / retakaful receivables	13	-	303,064,959	303,064,959	-	302,693,557	302,693,557
Retakaful recoveries against outstanding claims	22	-	480,892,033	480,892,033	-	185,112,687	185,112,687
Deferred commission expense	23	53,851,370	-	53,851,370	51,893,058	-	51,893,058
Taxation - payment less provisions		-	4,239,797	4,239,797	-	4,239,797	4,239,797
Prepayments	14	1,545,375	86,458,410	88,003,785	2,757,688	76,911,554	79,669,242
Wakala and modarib receivable	15	220,730,068	-	220,730,068	123,186,934	-	123,186,934
Deferred wakala fee	28	-	229,530,964	229,530,964	-	218,564,290	218,564,290
Cash, Stamp and Bank	16	47,882,429	264,622,833	312,505,262	63,674,854	172,904,981	236,579,835

# STATEMENT OF FINANCIAL POSITION

As at December 31, 2022

Notes	December 31, 2022			December 31, 2021		
	Shareholders' Fund	Participants' Takaful Fund	Aggregate	Shareholders' Fund	Participants' Takaful Fund	Aggregate
----- (Rupees) -----						
<b>EQUITY AND LIABILITIES</b>						
<b>Shareholders' Equity (SHF)</b>						
Capital and Reserves						
Share capital	17 509,226,010	-	509,226,010	509,226,010	-	509,226,010
Accumulated deficit	43,101,408	-	43,101,408	(15,162,635)	-	(15,162,635)
Revaluation reserve	(12,280,743)	-	(12,280,743)	(1,491,285)	-	(1,491,285)
Total Shareholders' Equity	540,046,675	-	540,046,675	492,572,090	-	492,572,090
<b>Waqf / Participants' Takaful Fund (PTF)</b>						
<b>Participants' Equity</b>						
Cede money	-	500,000	500,000	-	500,000	500,000
Accumulated surplus	-	67,786,465	67,786,465	-	64,226,374	64,226,374
Revaluation reserve	-	4,147	4,147	-	9,307	9,307
	-	68,290,612	68,290,612	-	64,735,681	64,735,681
<b>Liabilities</b>						
<b>Underwriting Provisions - PTF</b>						
Outstanding claims including IBNR	22 -	687,716,023	687,716,023	-	376,543,567	376,543,567
Unearned contribution reserve	20 -	351,391,495	351,391,495	-	289,934,289	289,934,289
Contribution deficiency reserve	-	13,788,787	13,788,787	-	22,599,894	22,599,894
Unearned retakaful rebate reserve	21 -	18,488,094	18,488,094	-	18,426,909	18,426,909
	-	1,071,384,399	1,071,384,399	-	707,504,659	707,504,659
Takaful / retakaful payables	-	155,076,188	155,076,188	-	136,773,379	136,773,379
Other creditors and accruals	18 154,053,675	34,679,649	188,733,324	160,795,803	31,212,089	192,007,892
Taxation - payment less provisions	4,540,823	-	4,540,823	1,278,719	-	1,278,719
Wakala and modarib payable	15 -	220,730,068	220,730,068	-	123,186,934	123,186,934
Unearned wakala income	28 229,530,964	-	229,530,964	218,564,290	-	218,564,290
Total Liabilities	388,125,462	1,481,870,304	1,869,995,766	380,638,812	998,677,061	1,379,315,873
<b>Total Equity and Liabilities</b>	<b>928,172,137</b>	<b>1,550,160,916</b>	<b>2,478,333,053</b>	<b>873,210,902</b>	<b>1,063,412,742</b>	<b>1,936,623,644</b>
<b>Contingencies and Commitments</b>						
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The annexed notes 1 to 43 form an integral part of these financial statements.

  
Chief Executive Officer

  
Director

  
Director

  
Chairman



# STATEMENT OF PROFIT OR LOSS ACCOUNT

For the year ended December 31, 2022

	Note	December 31, 2022	December 31, 2021
		----- (Rupees) -----	
<b>PARTICIPANTS' TAKAFUL FUND (PTF)</b>			
Contribution earned		<b>712,460,204</b>	542,117,730
Contribution ceded to retakaful		<b>(256,609,422)</b>	(245,048,228)
Net contribution revenue	20	<b>455,850,782</b>	297,069,502
Retakaful rebate earned	21	<b>51,156,261</b>	49,405,318
Net underwriting income		<b>507,007,043</b>	346,474,820
Net takaful claims	22	<b>(536,224,574)</b>	(321,296,243)
Contribution deficiency expense		<b>8,811,107</b>	(9,599,894)
Direct expenses	24	<b>(2,402,103)</b>	(6,627,459)
Underwriting result before investment income		<b>(22,808,527)</b>	8,951,224
Investment income	25	<b>24,575,968</b>	9,266,630
Other income	26	<b>15,991,137</b>	7,964,995
Modarib's share	27	<b>(14,198,487)</b>	(4,307,907)
<b>Surplus for the year</b>		<b>3,560,091</b>	21,874,942
<b>SHAREHOLDERS' FUND (SHF)</b>			
Wakala income earned	28	<b>431,377,974</b>	357,186,874
Commission expense	23	<b>(126,095,403)</b>	(99,903,808)
Management expenses	29	<b>(286,324,739)</b>	(253,394,843)
		<b>18,957,832</b>	3,888,223
Direct expenses	30	<b>(5,537,239)</b>	(8,687,819)
Investment income	25	<b>47,743,949</b>	42,915,910
Other income	26	<b>4,732,092</b>	3,752,851
Modarib share from Participants' takful fund	27	<b>14,198,487</b>	4,307,907
<b>Profit before tax</b>		<b>80,095,121</b>	46,177,072
Provision for taxation	31	<b>(21,831,078)</b>	(13,641,872)
<b>Profit after tax</b>		<b>58,264,043</b>	32,535,200
Earnings per share - basic and diluted	32	<b>1.14</b>	0.64

The annexed notes 1 to 43 form an integral part of these financial statements.

  
 Chief Executive Officer

  
 Director

  
 Director

  
 Chairman

# STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2022

	December 31, 2022	December 31, 2021
	----- (Rupees) -----	
<b><u>PARTICIPANTS' TAKAFUL FUND (PTF)</u></b>		
Surplus for the year	3,560,091	21,874,942
Other comprehensive income		
- Change in unrealised loss on available for sale investments	(5,160)	(7,570)
<b>Total comprehensive income for the year</b>	<b>3,554,931</b>	<b>21,867,372</b>
<b><u>SHAREHOLDERS' FUND (SHF)</u></b>		
Profit after taxation	58,264,043	32,535,200
Other comprehensive income		
- Change in unrealised gain on available for sale investments	(15,196,408)	(3,273,489)
- Related tax effect	4,406,950	949,310
	(10,789,458)	(2,324,179)
<b>Total comprehensive income for the year</b>	<b>47,474,585</b>	<b>30,211,021</b>

The annexed notes 1 to 43 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, 2022

	Attributable to Shareholders' Fund of the Company			
	Issued, subscribed and paid-up capital	Revenue Reserve		Total
		Unappropriated profit	Revaluation reserve	
		(Rupees)		
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	-	32,535,200	-	32,535,200
Other comprehensive income	-	-	(2,324,179)	(2,324,179)
	-	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
Total comprehensive income for the year ended December 31, 2022				
Profit	-	58,264,043	-	58,264,043
Other comprehensive income	-	-	(10,789,458)	(10,789,458)
	-	58,264,043	(10,789,458)	47,474,585
Balance as at December 31, 2022	509,226,010	43,101,408	(12,280,743)	540,046,675

	Attributable to Participants' Takaful Fund of the Company			
	Cede money	Revenue Reserve		Total
		Accumulated deficit	Revaluation reserve	
	(Rupees)			
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	-	-	(7,570)	(7,570)
	-	21,874,942	(7,570)	21,867,372
Balance as at December 31, 2021	500,000	64,226,374	9,307	64,735,681
Total comprehensive income for the year ended December 31, 2022				
Surplus	-	3,560,091	-	3,560,091
Other comprehensive income	-	-	(5,160)	(5,160)
	-	3,560,091	(5,160)	3,554,931
Balance as at December 31, 2022	500,000	67,786,465	4,147	68,290,612

The annexed notes 1 to 43 form an integral part of these financial statements.

  
Chief Executive Officer

  
Director

  
Director

  
Chairman

# CASH FLOW STATEMENT

For the year ended December 31, 2022

Notes	December 31, 2022		Aggregate December 31, 2022      December 31, 2021	
	Participants'	Shareholders'	(Rupees)	
	Takful Fund	Fund		
<b>Operating cash flows</b>				
<b>(a) Takaful activities</b>				
Contributions received	1,194,587,458	-	<b>1,194,587,458</b>	890,009,954
Claims paid	(598,263,927)	-	<b>(598,263,927)</b>	(338,939,283)
Payment to takaful / retakaful operators	(160,084,482)	-	<b>(160,084,482)</b>	(154,686,048)
Commission net-off retakaful rebate received / (paid)	51,217,446	(124,736,383)	<b>(73,518,937)</b>	(24,436,162)
Other takaful payments	1,065,457	-	<b>1,065,457</b>	1,563,510
Wakala and modarib fee (paid) / received	(359,000,001)	359,000,001	-	-
Net cash flow from takaful activities	129,521,951	234,263,618	<b>363,785,569</b>	373,511,971
<b>(b) Other Operating activities</b>				
Income tax paid	-	(19,989,207)	<b>(19,989,207)</b>	(6,016,290)
Management and other expenses paid	-	(275,997,875)	<b>(275,997,875)</b>	(238,565,045)
Advances and deposits	-	(4,470,008)	<b>(4,470,008)</b>	(2,173,460)
Net cash flow in other operating activities	-	(300,775,355)	<b>(300,457,090)</b>	(246,754,795)
<b>Total cash flow from all operating activities</b>	129,521,951	(66,511,737)	<b>63,328,479</b>	126,757,176
<b>Investment activities</b>				
Profit / return received	32,527,035	47,423,238	<b>79,950,273</b>	61,691,422
Payment for investments	(235,257,878)	(698,702,216)	<b>(933,960,094)</b>	(1,518,440,093)
Proceeds from investments	164,926,744	711,075,078	<b>876,001,822</b>	1,396,924,030
Receipt on disposal of fixed assets	-	-	-	1,173,479
Fixed capital expenditure	-	(9,395,053)	<b>(9,395,053)</b>	(5,186,029)
<b>Total cash flow from all investing activities</b>	(37,804,099)	50,401,047	<b>12,596,948</b>	(63,837,191)
<b>Financing activities</b>				
Dividend paid	-	-	-	(4,080)
<b>Total cash outflow from financing activities</b>	-	-	-	(4,080)
<b>Net cash flows from all activities</b>	91,717,852	(15,792,425)	<b>75,925,427</b>	62,915,905
<b>Cash at beginning of the year</b>	172,904,981	63,674,854	<b>236,579,835</b>	173,663,930
<b>Cash at end of the year</b>	264,622,833	47,882,429	<b>312,505,262</b>	236,579,835

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..... Continued .....

# CASH FLOW STATEMENT

For the year ended December 31, 2022

## 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 Participants' takaful fund  
Profit before tax in Shareholders' fund

Aggregate  
December 31,      December 31,  
2022                      2021  
----- (Rupees) -----

63,328,479	126,757,176
(7,149,042)	(10,740,064)
338,756	14,848
-	1,075,649
-	(5,968,620)
92,663,804	62,763,660
(509,141,478)	(518,778,505)
423,625,486	406,911,580
19,989,207	6,016,290
83,655,212	68,052,014
3,560,091	21,874,942
80,095,121	46,177,072
83,655,212	68,052,014

The annexed notes 1 to 43 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, 2022

## 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., Sharah-e-Faisal, Karachi. The main activity of the Company is to undertake general takaful business. The Company operates with 08 (2021: 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 the approved accounting standards as applicable in Pakistan. The accounting and reporting standards comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) as are notified under the Companies Act, 2017, Insurance Accounting Regulations, 2017 and Takaful Rules, 2012.
- Provision of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules, 2017, Takaful Rules, 2012 and Insurance Accounting Regulations, 2017.
- IFAS - Islamic Financial Accounting Standards

In case requirements differ, the provision or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and Takaful Rules, 2012 shall prevail.

## 4. BASIS OF MEASUREMENT

The financial statements is prepared on new format as prescribed by Insurance Accounting Regulations 2017 except for the necessary modifications in the light of Takaful Rules 2012 and based on the advice of Sharia Advisor of the Company.

#### 4.1 Basis of measurement

These financial statements have been prepared on the basis of historical cost convention, except as disclosed in accounting policies relating to financial instruments, investments, lease liabilities, staff retirement benefit and insurance liabilities etc.

### 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 Amendments and improvements that are effective for the year ended December 31, 2022

The following amendments and improvements are effective for the year ended December 31, 2022. These amendments and improvements are either not relevant to the Company's / Bank's operations or are not expected to have significant impact on the Company's / Bank's financial statements other than certain additional disclosures.

	Effective from Accounting period beginning on or after
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021	April 01, 2021
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022
Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)	January 01, 2022

#### New accounting standards, amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's / Bank's operations or are not expected to have significant impact on the Company's / Bank's financial statements other than certain additional disclosures.

	Effective from Accounting period beginning on or after
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023



	<b>Effective from Accounting period beginning on or after</b>
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023
Amendments to IFRS 16 'Leases' -Lease Liability in a Sale and Leaseback	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current Liabilities with Covenants	January 01, 2024
Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely
Other than the aforesaid standards and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:	
- IFRS 1 – First Time Adoption of International Financial Reporting Standards	
- IFRS 17 – Insurance Contracts	

## **6.2 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 2021.

## 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.

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 amortisation 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 amortised 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.

### **Right of use asset**

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.

## **7.4 Investments**

It includes investments in equity securities (shares and 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 recognised 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 amortised 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 categorised as available-for-sale is recognised 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 recognised 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 Participants' 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 hospitalisation 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.

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 reorganisation, and default or 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 recognised as a liability. This relates to the business in force at reporting 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 reporting date in respect of the unexpired policies in that class of business at the reporting date. Any deficiency is recognised 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 reporting date for each class of business is disclosed in note 37.5.

## **7.11 Deferred commission expense**

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

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

Provision for liability in respect of claims reported but not settled at the reporting 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 recognised 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 reporting date. Estimation may be effected by past reporting trends, expected future pattern of reporting of claims and the claims actually reported subsequent to the reporting date. In accordance with the SECP Circular no. 9 of 2016, the Company has changed its method of estimation of IBNR. 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 derecognised 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.

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

**7.19 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 recognised in the period in which it is approved.

**7.20 Revenue recognition****Participant's takaful fund**

- 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

#### **Shareholder's fund**

- 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 amortised 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 recognised on the same basis on which related revenue is recognised.

#### **Participants' takaful fund and Shareholders' fund**

- 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**

#### **Participants' takaful fund**

- 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.

#### **Shareholders' fund**

- 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**

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

A financial asset is assessed at each reporting 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 recognised 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 derecognised 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 derecognised when obligation specified in the contract is discharged, cancelled or expired. Any gains or losses on derecognition of the financial assets and liabilities are recognised 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 recognised in the profit and loss account, except to the extent that it relates to items recognised directly in other comprehensive income or below equity, in which case it is recognised 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 / finalised during the year or required by any other reason.

#### **Deferred**

Deferred tax is recognised using the reporting liability method, on all temporary differences arising at the reporting 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 reporting 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 reporting 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 reporting 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.

**7.3 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 reporting 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 Earnings per share**

The company presents basic and 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 recognised as liability in the period in which it is approved. Similarly, reserve for issue of bonus shares is recognised in the year in which such issue is approved.

	<b>Note</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
		<b>————(Rupees) ————</b>	
<b>8. PROPERTY AND EQUIPMENT</b>			
- Fixed assets	8.1	<b><u>24,478,172</u></b>	<u>33,006,523</u>

## 8.1 FIXED ASSETS

Particulars	December 31, 2022							Depreciation rate
	Cost			Accumulated depreciation			Carrying value	
	As at January 01, 2022	Additions	As at December 31, 2022	As at January 01, 2022	For the year / (adjustment for disposals)	As at December 31, 2022	As at December 31, 2022	
	(Rupees)							
Office improvements	15,424,323	1,618,035	17,042,358	12,230,008	640,951	12,870,959	4,171,399	15
Furniture and fixtures	13,589,021	3,208,041	16,797,062	8,320,538	1,129,850	9,450,388	7,346,674	15
Office equipment	15,432,838	690,826	16,123,664	10,993,865	726,666	11,720,531	4,403,133	15
Motor vehicles	1,528,316	-	1,528,316	1,241,779	57,308	1,299,087	229,229	20
Computer equipment	42,402,643	3,878,151	46,280,794	35,967,364	2,773,096	38,740,460	7,540,334	30
Right of use asset	51,888,486	-	51,888,486	38,505,550	12,595,533	51,101,083	787,403	
	140,265,627	9,395,053	149,660,680	107,259,104	17,923,404	125,182,508	24,478,172	
		-			-			

Particulars				December 31, 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	10-30
Right of use assets	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	



## 9. INTANGIBLE ASSETS

Particulars	-----			December 31, 2022					-----
	Cost			Accumulated Amortisation			Carrying value		Amortization rate
	As at January 01, 2022	Additions	As at December 31, 2022	As at January 01, 2022	For the year	As at December 31, 2022	As at December 31, 2022		
	(Rupees)								
Computer softwares	76,474,089	-	76,474,089	48,659,323	6,408,505	55,067,828	21,406,261	10-20	

Particulars				December 31, 2021				
	Cost			Accumulated Amortisation		Carrying value		
	As at January 01, 2021	Additions	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

9.1 Cost and accumulated amortization in respect of fully amortized intangible assets still in use at the end of the year amounting to Rs. 7.012 million (2021: Rs. 7.012 million).

## 10. INVESTMENTS

		Carrying Value						
		December 31, 2022			December 31, 2021			
	Note	Shareholders' Fund	Participants' Takaful Fund	Total	Shareholders' Fund	Participants' Takaful Fund	Total	
		(Rupees)						
10.1	Available for sale							
	Investment in:							
	Equity securities							
	- mutual funds	10.8	214,159,970	10,219,572	224,379,542	247,221,843	78,116,600	325,338,443
	Debt securities							
	- sukuks	10.8	159,789,210	92,970,000	252,759,210	241,073,604	17,970,000	259,043,604
			373,949,180	103,189,572	477,138,752	488,295,447	96,086,600	584,382,047
10.2	Held to maturity							
	Investment in:							
	Term deposits maturing after 12 months		150,000,000	65,000,000	215,000,000	60,000,000	5,000,000	65,000,000
			150,000,000	65,000,000	215,000,000	60,000,000	5,000,000	65,000,000
	Total		523,949,180	168,189,572	692,138,752	548,295,447	101,086,600	649,382,047

10.3 The expected rate of return on term deposit certificates ranges from 10% to 14% per annum (2021: 9.7% to 10.6%) depending on tenure and size of deposits.

10.4 The expected rate of return on sukuk certificates ranges from 10% to 14% per annum (2021: 7.5% to 14.2%) depending on tenure and size of deposits.

## Pak-Qatar General Takaful

- 10.5** GOP Ijarah sukuk amounting to Rs. 65 million face value (2021: GoP Ijarah sukuk: Rs. 65 million) are held under lien with the State Bank of Pakistan in compliance with the requirements of Section 29 of the Insurance Ordinance, 2000.
- 10.6** This includes an amount of Rs. 150 million (2021: Rs. nil) placed with bank against guarantee issued in favour of the Company.
- 10.7** It includes an amount of Rs. 60.5 million invested with related party.
- 10.8** Investments Available-for-sale (AFS)

Note	December 31, 2022				December 31, 2021			
	Cost	Impairment / provision	Revaluation surplus / (deficit)	Carrying value	Cost	Impairment / provision	Revaluation surplus / (deficit)	Carrying value
	----- Rupees -----				----- Rupees -----			
<b>Equity securities (Mutual fund units)</b>								
- Shareholders' fund	232,427,027	-	(18,267,057)	214,159,970	250,262,654	-	(3,040,811)	247,221,843
- Participants' Takaful fund	10,215,425	-	4,147	10,219,572	78,107,293	-	9,307	78,116,600
10.8.1	242,642,452	-	(18,262,910)	224,379,542	328,369,947	-	(3,031,504)	325,338,443
<b>Debt securities (Sukuk certificates)</b>								
- Shareholders' fund	158,818,960	-	970,250	159,789,210	240,133,192	-	940,412	241,073,604
- Participants' Takaful fund	92,970,000	-	-	92,970,000	17,970,000	-	-	17,970,000
10.8.2	251,788,960	-	970,250	252,759,210	258,103,192	-	940,412	259,043,604
<b>TOTAL</b>	<b>494,431,412</b>	<b>-</b>	<b>(17,292,660)</b>	<b>477,138,752</b>	<b>586,473,139</b>	<b>-</b>	<b>(2,091,092)</b>	<b>584,382,047</b>

### 10.8.1 Carrying value of investments in equity securities (Mutual funds)

Name of Investment	Face value per unit	December 31, 2022		December 31, 2021			December 31, 2021		
		2022	2021	Shareholders' Fund	Participants' Takaful Fund	Total	Shareholders' Fund	Participants' Takaful Fund	Total
		Number of units		(Rupees)					
NBP Islamic Income fund	10	-	1,923,854	-	-	-	-	20,000,001	20,000,001
ABL Islamic Stock fund	10	3,902,824	3,902,824	50,505,664	-	50,505,664	59,081,082	-	59,081,082
HBL Islamic Income fund	100	-	2,993	-	-	-	320,211	-	320,211
Pak Oman advantage islamic income fund	10	-	907,462	-	-	-	44,260,544	5,527,571	49,788,115
JS Islamic Income fund	10	-	313,142	-	-	-	33,421,503	-	33,421,503
NBP Islamic Money Market fund	10	-	3,166,370	-	-	-	9,120,333	23,925,488	33,045,821
HBL Islamic Asset Allocation fund	100	567,254	732,509	60,909,602	209,844	61,119,446	52,512,172	23,663,540	76,175,712
HBL Islamic Money Market fund	100	-	49,420	-	-	-	-	5,000,000	5,000,000
NBP Islamic Stock fund	10	5,013,974	3,983,881	52,127,780	-	52,127,780	48,456,745	-	48,456,745
AlFlah GHP Islamic Stock fund	10	1,175	1,175	42,833	-	42,833	49,253	-	49,253
Pak Qatar cash plan	100	585,390	-	50,574,091	10,009,728	60,583,819	-	-	-
				214,159,970	10,219,572	224,379,542	247,221,843	78,116,600	325,338,443

## 10.8.2 Carrying value of investments in debt securities (Sukuks)

Name of Investment	Profit rate	Maturity Year	Face value per certificate	December 31, 2022 Number of certificates	December 31, 2021 Number of certificates	December 31, 2022			December 31, 2021		
						Shareholders' Fund	Participants' Takaful Fund	Total	Shareholders' Fund	Participants' Takaful Fund	Total
						(Rupees)					
GoP Ijarah sukuk - XX	6 month Kibor plus 1.25%	2025	100,000	-	750	-	75,000,000	75,000,000	75,000,000	-	75,000,000
KE 7	3 month Kibor plus 1%	2022	2,500	-	1,500	-	-	-	759,394	-	759,394
Al Baraka sukuk - T2	6 month Kibor plus 0.75%	2024	1,000,000	25	25	25,157,500	-	25,157,500	25,100,000	-	25,100,000
AGPL sukuk	3 month Kibor plus 1.3%	2022	30,000	-	180	-	-	-	1,819,800	-	1,819,800
Aspin pharma sukuk	3 month Kibor plus 1.5%	2023	60,000	150	150	2,952,750	-	2,952,750	6,045,000	-	6,045,000
Cnergyico PK Limited sukuk	3 month Kibor plus 1.05%	2022	75,000	250	250	2,178,960	-	2,178,960	10,448,160	-	10,448,160
Meezan Bank Limited Tier 1 sukuk	3 month Kibor plus 1.75%	perpetual	100,000	30	30	20,010,000	10,000,000	30,010,000	20,000,500	10,000,000	30,000,500
Dubai Islamic Bank Limited Tier I sukuk	3 month Kibor plus 1.75%	perpetual	5,000	6,000	6,000	30,000,000	-	30,000,000	30,000,750	-	30,000,750
HUBCO sukuk	1 year Kibor plus 1.9%	2024	100,000	250	250	19,162,500	-	19,162,500	25,550,000	-	25,550,000
BankIslami Pakistan Limited sukuk	3 month Kibor plus 2.75%	perpetual	5,000	6,774	6,774	25,900,000	7,970,000	33,870,000	25,900,000	7,970,000	33,870,000
KE sukuk 2020	3 month Kibor plus 1.7%	2027	5,000	4,000	4,000	19,427,500	-	19,427,500	20,450,000	-	20,450,000
KE sukuk 23*	-	-	-	-	-	15,000,000	-	15,000,000	-	-	-
						159,789,210	92,970,000	252,759,210	241,073,604	17,970,000	259,043,604

\*This includes an amount of Rs. 15 million placed in pre IPO of KE sukuk 23, which carries profit as per sukuk terms.

	December 31, 2022	December 31, 2021
	—————(Rupees)—————	
<b>11. DEFERRED TAX ASSET</b>		
<b>Deductible temporary difference arising in respect of</b>		
Provision for doubtful wakala refund	8,700,038	8,700,038
Unrealised loss on AFS (available for sale) investments	5,016,064	609,114
<b>Taxable temporary difference arising in respect of</b>		
Accelerated depreciation	(6,489,116)	(7,909,349)
	<u>7,226,986</u>	<u>1,399,803</u>

#### 11.1 Reconciliation of deferred tax

	Balance at December 31, 2021	Recognized in profit and loss	Recognized in OCI	Balance at December 31, 2022
	—————(Rupees)—————			
<b>Deductible temporary difference</b>				
Provision for doubtful wakala refund	8,700,038	-	-	8,700,038
Unrealized loss on AFS investment	609,114	-	4,406,950	5,016,064
<b>Taxable temporary difference</b>				
Accelerated depreciation allowance	(7,909,349)	1,420,233		(6,489,116)
	<u>1,399,803</u>	<u>1,420,233</u>	<u>4,406,950</u>	<u>7,226,986</u>
	Balance at December 31, 2020	Recognized in profit and loss	Recognized in OCI	Balance at December 31, 2021
	—————(Rupees)—————			
<b>Deductible temporary difference</b>				
Provision for doubtful wakala refund	8,213,830	486,208	-	8,700,038
Unrealized loss on AFS investment	(340,196)	-	949,310	609,114
<b>Taxable temporary difference</b>				
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>

**12. LOANS AND OTHER RECEIVABLES**  
(considered good)

	Aggregate			Aggregate		
	Shareholders' Fund	Participants' Takaful Fund	December 31, 2022	Shareholders' Fund	Participants' Takaful Fund	December 31, 2021
	(Rupees)					
<b>Accrued income on:</b>						
- sukuks and term deposits	8,496,667	8,144,044	16,640,711	3,886,631	522,429	4,409,060
- bank balances	412,398	1,540,779	1,953,177	348,973	1,122,324	1,471,297
	<u>8,909,065</u>	<u>9,684,823</u>	<u>18,593,888</u>	<u>4,235,604</u>	<u>1,644,753</u>	<u>5,880,357</u>
<b>Sundry receivable</b>						
Security deposits	7,085,157	254,523	7,339,680	4,709,950	254,523	4,964,473
Advance to employees - unsecured	3,592,905	-	3,592,905	2,495,546	-	2,495,546
Tender deposit	1,096,858	-	1,096,858	729,023	-	729,023
Sales tax	6,266,311	-	6,266,311	6,195,449	-	6,195,449
Advance to vendors	152,000	-	152,000	2,816,257	-	2,816,257
Others	-	3,223,002	3,223,002	-	-	-
	<u>18,193,231</u>	<u>3,477,525</u>	<u>21,670,756</u>	<u>16,946,225</u>	<u>254,523</u>	<u>17,200,748</u>
	<u>27,102,296</u>	<u>13,162,348</u>	<u>40,264,644</u>	<u>21,181,829</u>	<u>1,899,276</u>	<u>23,081,105</u>

Note      December 31,      December 31,  
2022      2021  
—————(Rupees)—————

**13. TAKAFUL AND RETAKAFUL RECEIVABLES - unsecured**

**13.1 Due from takaful contract holders and other takaful operator**

Related party	-	89,860
Others	<u>400,161,770</u>	<u>389,363,984</u>
	<u>400,161,770</u>	<u>389,453,844</u>
Provision for doubtful balances	13.3	<u>(98,394,792)</u>
Considered good		<u>301,766,978</u>
		<u>291,059,052</u>

**13.2 Due from retakaful**

Considered good	<u>1,297,981</u>	<u>11,634,505</u>
	<u>303,064,959</u>	<u>302,693,557</u>

**13.3 Provision for doubtful balances**

Opening balance	<u>98,394,792</u>	<u>92,426,172</u>
Provision during the year	-	<u>5,968,620</u>
Closing balance	<u>98,394,792</u>	<u>98,394,792</u>

#### 14. PREPAYMENTS

	Aggregate			Aggregate		
	Shareholders' Fund	Participants' Takaful Fund	December 31, 2022	Shareholders' Fund	Participants' Takaful Fund	December 31, 2021
	(Rupees)					
Prepaid reTakaful ceded	-	86,458,410	86,458,410	-	76,911,554	76,911,554
Prepayment - services contract	1,435,643	-	1,435,643	2,601,072	-	2,601,072
Prepaid takaful contribution	109,732	-	109,732	156,616	-	156,616
	<u>1,545,375</u>	<u>86,458,410</u>	<u>88,003,785</u>	<u>2,757,688</u>	<u>76,911,554</u>	<u>79,669,242</u>

	Note	Shareholders' Fund December 31, 2022	Shareholders' Fund December 31, 2021
		(Rupees)	

#### 15. WAKALA AND MODARIB RECEIVABLE FROM PTF

Wakala fee receivable		231,365,784	148,021,136
Modarib fee receivable		19,364,414	5,165,928
		<u>250,730,198</u>	<u>153,187,064</u>
Provision for refund of wakala against doubtful balances	15.1	(30,000,130)	(30,000,130)
		<u>220,730,068</u>	<u>123,186,934</u>

#### 15.1 Provision for refund of wakala against doubtful balances

Opening balance		30,000,130	28,323,550
Provision during the year		-	1,676,580
Closing balance		<u>30,000,130</u>	<u>30,000,130</u>

#### 16. CASH, STAMP AND BANK

		December 31, 2022			December 31, 2021		
Note		Shareholders' Fund	Participants' Takaful Fund	December 31, 2022	Shareholders' Fund	Participants' Takaful Fund	December 31, 2021
----- (Rupees) -----							
<b>Cash and other equivalents</b>							
		1,179,948	-	1,179,948	1,020,789	-	1,020,789
		-	19,978	19,978	-	1,064,932	1,064,932
		1,179,948	19,978	1,199,926	1,020,789	1,064,932	2,085,721
<b>Cash at bank</b>							
		2,759,423	540,179	3,299,602	250,823	541,427	792,250
		43,943,058	264,062,676	308,005,734	62,403,242	171,298,622	233,701,864
		46,702,481	264,602,855	311,305,336	62,654,065	171,840,049	234,494,114
		47,882,429	264,622,833	312,505,262	63,674,854	172,904,981	236,579,835

- 16.1** This represent cash at bank maintained with islamic commercial banks under profit and loss sharing bank carrying profit rate ranging from 8% to 13% (December 31, 2021: 6.6% to 11%) per annum

## 17. SHARE CAPITAL

### 17.1. Authorised share capital

December 31, 2022 ----- (Number of Shares) -----	December 31, 2021		December 31, 2022 ----- (Rupees) -----	December 31, 2021
<u>60,000,000</u>	<u>60,000,000</u>	Ordinary share of Rs. 10 /- each	<u>600,000,000</u>	<u>600,000,000</u>

### 17.2 Issued, subscribed and paid-up share capital

December 31, 2022 ----- (Number of Shares) -----	December 31, 2021		December 31, 2022 ----- (Rupees) -----	December 31, 2021
<u>50,922,601</u>	<u>50,922,601</u>	Ordinary shares of Rs. 10 each, fully paid in cash	<u>509,226,010</u>	<u>509,226,010</u>

### 17.3 Major share holders of the Company are:

	December 31, 2022 ----- (Number of Shares) -----	December 31, 2021	December 31, 2022 ----- (Rupees) -----	December 31, 2021
Fawad Yousuf Securities (Private) Limited	<b>3,077,999</b>	3,077,999	<b>30,779,990</b>	30,779,990
Qatar Islamic Insurance Company	<b>5,923,946</b>	5,923,946	<b>59,239,460</b>	59,239,460
H.E. Sheikh Ali Bin Abdullah	<b>7,969,556</b>	7,969,556	<b>79,695,560</b>	79,695,560
Qatar International Islamic Bank	<b>7,370,474</b>	7,370,474	<b>73,704,740</b>	73,704,740
Pak-Qatar Investment (Private) Limited	<b>21,633,944</b>	21,633,944	<b>216,339,440</b>	216,339,440
	<u><b>45,975,919</b></u>	<u>45,975,919</u>	<u><b>459,759,190</b></u>	<u>459,759,190</u>

- 17.4** The company has only one class of share, each share carrying equal voting rights.



# 18. OTHER CREDITORS AND ACCRUALS

Note	December 31, 2022			December 31, 2021		
	Shareholders' Fund	Participants' Takaful Fund	Aggregate	Shareholders' Fund	Participants' Takaful Fund	Aggregate
(Rupees)						
<b>Other Creditors</b>						
Agent commission payable	118,935,160	-	118,935,160	115,617,828	-	115,617,828
Trakker charges	-	8,611,405	8,611,405	-	9,002,956	9,002,956
FED and sales tax	-	20,120,922	20,120,922	-	14,768,242	14,768,242
Stale cheques	18.1	418,007	1,613,502	2,031,509	418,007	1,613,502
Car ijarah		597,971	-	597,971	597,970	-
Charity		1,735	-	1,735	692	-
Employees' old-age benefits institution		420,720	-	420,720	16,020	-
Tax deducted at source		2,705,134	833,820	3,538,954	1,158,117	32,890
Margin deposit		-	3,500,000	3,500,000	-	3,500,000
Federal insurance fee		-	-	-	2,294,499	2,294,499
Payable to vendors		628,603	-	628,603	4,004,316	-
Dividend payable		4,720,122	-	4,720,122	4,720,122	-
Accrued salaries		9,131,389	-	9,131,389	8,939,581	-
Staff retirement benefit		971,084	-	971,084	894,970	-
Lease liability	17.2	756,685	-	756,685	17,939,552	-
Staff pay continuity		2,400,000	-	2,400,000	1,650,000	-
Others		2,817,766	-	2,817,766	412,539	-
		144,504,376	34,679,649	179,184,025	156,369,714	31,212,089
<b>Accrued expenses</b>						
Rent, rates and electricity		3,096,284	-	3,096,284	-	-
Communication		90,000	-	90,000	90,000	-
Auditors' remuneration		1,407,780	-	1,407,780	2,567,700	-
Takaful contribution		1,893,211	-	1,893,211	598,389	-
Consultancy		2,200,000	-	2,200,000	1,000,000	-
Others		862,024	-	862,024	170,000	-
		9,549,299	-	9,549,299	4,426,089	-
		154,053,675	34,679,649	188,733,324	160,795,803	31,212,089

**18.1** 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.

PTF	Total	Age wise breakup (in months)				
		1 to 6	7 to 12	13 to 24	25 to 36	over 36
Claims not encashed	1,363,879	-	-	636,768	-	727,111

**18.2** This amount represent current liabilities.

**19. CONTINGENCIES AND COMMITMENTS**

- 19.1** The Additional Commissioner Inland Revenue (ACIR) issued an order under section 122(5A) of the Income Tax Ordinance, 2001 and raised a demand of Rs. 50,284,200 for the tax year 2016. The Company preferred appeal before the Commissioner Inland Revenue – Appeals (CIRA) taking the grounds that the amendment is barred by time limitation under section 122(2) of the Ordinance. The CIR(A), after considering our submissions, passed an order u/s 129(1) of the Ordinance and annulled the order of ACIR, deciding the case in favor of the company. The department has not yet preferred any appeal in next appellate forum
- 19.1** The Assistant Commissioner, Sindh Revenue Board (SRB) issued a show cause notice (SCN) in 2022, whereby intending to recover Sindh Sales Tax (SST) of Rs. 262,407,049 on the entire General Takaful Contribution and input adjustments for the years 2014 and 2015. The company, on the ground that it has already discharged its liability on Sindh related contribution collected, has challenged the SCN before the Sindh High Court where the case is pending adjudication.
- 19.2** Commitments under ijarah arrangements and the period in which these payments will become due are:

	<b>Note</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
		<b>————(Rupees)————</b>	
Not later than one year		<b>10,394,859</b>	6,094,733
Later than one year but not later than five years		<b>35,111,537</b>	17,159,808
		<b>45,506,396</b>	23,254,541

**20. CONTRIBUTION EARNED**

Written gross contribution		<b>1,205,295,384</b>	1,032,469,227
Wakala fee	28	<b>(431,377,974)</b>	(357,186,874)
Net written contribution		<b>773,917,410</b>	675,282,353
Unearned contribution reserve - opening		<b>289,934,289</b>	156,769,666
Unearned contribution reserve - closing		<b>(351,391,495)</b>	(289,934,289)
Contribution earned		<b>712,460,204</b>	542,117,730
Less:			
Retakaful contribution ceded		<b>266,156,278</b>	247,800,608
Prepaid retakaful ceded - opening		<b>76,911,554</b>	74,159,174
Prepaid retakaful ceded - closing		<b>(86,458,410)</b>	(76,911,554)
Retakaful expense		<b>(256,609,422)</b>	(245,048,228)
Net contribution earned		<b>455,850,782</b>	297,069,502

	Note	December 31, 2022	December 31, 2021
		(Rupees)	
<b>21. RETAKAFUL REBATE EARNED - PTF</b>			
Rebate / commission received or recoverable		51,217,446	50,294,163
Unearned retakaful rebate/commission - opening		18,426,909	17,538,064
Unearned retakaful rebate/commission - closing		(18,488,094)	(18,426,909)
Rebate/commission from retakaful		51,156,261	49,405,318
<b>22. NET TAKAFUL CLAIMS</b>			
Claims paid		598,263,927	338,939,283
Outstanding claims including IBNR - opening		(376,543,567)	(295,548,668)
Outstanding claims including IBNR - closing	22.1	687,716,023	376,543,567
Claims expense		909,436,383	419,934,182
Retakaful and other recoveries received		77,432,463	79,350,425
Retakaful and other recoveries in respect of outstanding claims - opening		(185,112,687)	(165,825,173)
Retakaful and other recoveries in respect of outstanding claims - closing		480,892,033	185,112,687
Retakaful and other recoveries revenue		(373,211,809)	(98,637,939)
		536,224,574	321,296,243
<b>22.1</b>	The Claim Development table is included in note 38.7 to the financial statements. It includes claim payable to related party Rs. nil (2021: Rs. 819,645)		
	Note	December 31, 2022	December 31, 2021
		(Rupees)	
<b>23. COMMISSION EXPENSE - SHF</b>			
Commission expense paid or payable		128,053,715	124,016,542
Deferred commission expense - opening		51,893,058	27,780,324
Deferred commission expense - closing		(53,851,370)	(51,893,058)
Commission expense		126,095,403	99,903,808
<b>24. DIRECT EXPENSE - PTF</b>			
Bank charges		246,875	254,179
Policy related expense and service charges		544,906	676,700
Retakaful brokerage & third party service fee		1,610,322	1,404,540
Provision for doubtful balances net-off wakala refund	24.1	-	4,292,040
		2,402,103	6,627,459
<b>24.1 Provision for doubtful balances net-off wakala</b>			
Provision for doubtful balances	13.3	-	5,968,620
Provision for refund of wakala fee	15.1	-	(1,676,580)
		-	4,292,040

**25. INVESTMENT INCOME**

	<b>December 31, 2022</b>		<b>December 31, 2021</b>	
	<b>Shareholders' Fund</b>	<b>Participants' Takaful Fund</b>	<b>Shareholders' Fund</b>	<b>Participants' Takaful Fund</b>
	<b>December 31, 2022</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>	<b>December 31, 2021</b>
	<b>----- (Rupees) -----</b>		<b>----- (Rupees) -----</b>	
Profit from bank placements				
- on term deposits	<b>9,286,395</b>	<b>7,992,284</b>	2,188,629	182,398
Profit from debt securities - available for sale				
- on sukuks	<b>22,754,646</b>	<b>11,600,662</b>	19,860,166	3,842,585
Net Realised gain - available for sale				
Realized gains on:				
- debt securities (sukuks)	-	-	950,000	-
- equity securities (mutual funds)	<b>15,702,908</b>	<b>4,983,022</b>	19,917,115	5,241,647
	<b>15,702,908</b>	<b>4,983,022</b>	20,867,115	5,241,647
Total investment income	<b>47,743,949</b>	<b>24,575,968</b>	42,915,910	9,266,630

**26. OTHER INCOME****Profit from bank placements**

- on bank balances	<b>4,352,750</b>	<b>15,991,137</b>	2,616,125	7,964,995
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**Miscellaneous Income**

- gain on disposal of operating fixed assets	-	-	1,075,649	-
- exchange gain	<b>338,756</b>	-	14,848	-
- administrative income	<b>40,586</b>	-	46,229	-
	<b>379,342</b>	-	1,136,726	-
	<b>4,732,092</b>	<b>15,991,137</b>	3,752,851	7,964,995

**27. MODARIB FEE**

	<b>December 31, 2022</b>		<b>December 31, 2021</b>	
	<b>Shareholders' Fund</b>	<b>Participants' Takaful Fund</b>	<b>Shareholders' Fund</b>	<b>Participants' Takaful Fund</b>
	<b>----- (Rupees) -----</b>		<b>----- (Rupees) -----</b>	
Modarib fee (expense) / income	<b>14,198,487</b>	<b>(14,198,487)</b>	4,307,907	(4,307,907)

**27.1** The takaful operator (SHF) also manages the PTF's bank balances & investments as Modarib. Modarib fee is charged at 35% (2021: 25%) on aggregate of income on bank balances and investment income earned by the PTF.

**28. WAKALA FEE EXPENSE**

Note	December 31, 2022			Wakala expense
	Wakala fee charged	Deferred wakala fee Opening	Closing	
	------(Rupees)-----			
28.1	<b>442,344,648</b>	<b>218,564,290</b>	<b>229,530,964</b>	<b>431,377,974</b>
	------(Rupees)-----			
	<b>454,410,653</b>	<b>121,340,511</b>	<b>218,564,290</b>	<b>357,186,874</b>

**28.1** The Takaful operator (SHF) manages the general takaful operations for the PTF and charge 31% (2021: 35%) for fire and property, 1% (2021: 35%) for marine, aviation and transport, 55% (2021: 55%) for motor, 50% (2021: 50%) for engineering, 31% (2021: 50%) for other miscellaneous, and 15% (2021: 20) for health of 'the gross contribution written net of administrative surcharge' as wakala fee against the services.

	Note	December 31, 2022	December 31, 2021
		------(Rupees)-----	
<b>29. MANAGEMENT EXPENSES</b>			
Employees salaries and benefits cost	29.1	<b>179,263,387</b>	161,624,475
Shariah advisors' fee		<b>926,160</b>	926,150
Consultancy and brokerage fee		<b>4,496,969</b>	1,801,839
Rent, rates and taxes		<b>794,196</b>	984,852
Utilities - electricity, gas and water		<b>9,473,617</b>	7,220,736
Communication - postage, internet and telephone		<b>4,742,368</b>	4,017,053
Printing and stationery		<b>3,104,945</b>	2,355,533
Traveling and entertainment		<b>5,859,260</b>	3,119,401
Depreciation	8.1	<b>17,923,404</b>	17,386,409
Amortisation	9	<b>6,408,505</b>	6,983,567
Repairs and maintenance		<b>1,741,517</b>	3,920,189
Vehicles running		<b>11,020,214</b>	5,370,279
Car ijarah		<b>5,836,446</b>	2,037,692
Advertisement and sales promotion		<b>5,423,672</b>	4,345,865
Takaful contribution		<b>6,650,820</b>	4,540,612
Training		<b>455,936</b>	48,560
SECP annual supervision fee		<b>963,094</b>	1,171,673
Bank charges and brokerage		<b>342,326</b>	3,726
Office expenses		<b>17,104</b>	129,510
Conference and seminar		<b>1,898,286</b>	5,893,955
Janitorial services		<b>731,345</b>	392,750
Staff welfare		<b>2,483,594</b>	1,283,329
Computer expenses		<b>10,126,083</b>	10,433,968
Actuarial services		<b>2,350,000</b>	1,250,000
Inspection fee		<b>2,050,328</b>	2,883,615
Finance cost on lease liability against RoU		<b>1,100,931</b>	3,042,593
Others		<b>140,232</b>	226,512
		<b>286,324,739</b>	<b>253,394,843</b>

	Note	December 31, 2022	December 31, 2021	
		(Rupees)		
<b>29.1 Employee salaries and benefits cost</b>				
Salaries allowances and other benefits		<b>173,578,779</b>	157,623,710	
Contribution to employee provident fund		<b>5,684,608</b>	4,000,765	
		<b>179,263,387</b>	161,624,475	
<b>30. DIRECT EXPENSES - SHF</b>				
Legal and professional		<b>2,222,592</b>	2,406,725	
Fees and subscription		<b>1,906,867</b>	1,856,229	
Auditors' remuneration	30.1	<b>1,407,780</b>	2,648,285	
Provision for wakala refund	24.1	-	1,676,580	
Penalty		-	100,000	
		<b>5,537,239</b>	8,687,819	
<b>30.1 Auditors' remuneration</b>				
Audit and related services				
Audit fee		<b>765,000</b>	675,000	
Shariah audit fee		<b>180,000</b>	150,000	
Other certifications, reports and advisory fee		<b>366,780</b>	830,982	
Out of pocket expense		<b>96,000</b>	173,496	
		<b>1,407,780</b>	1,829,478	
Tax services		-	818,807	
		<b>1,407,780</b>	2,648,285	
<b>31. TAXATION</b>				
Current				
- For the year		<b>(23,154,266)</b>	(12,856,935)	
- Prior		<b>(97,045)</b>	(655,489)	
		<b>(23,251,311)</b>	(13,512,424)	
Deferred	31.1	<b>1,420,233</b>	(129,448)	
		<b>(21,831,078)</b>	(13,641,872)	
<b>31.1</b> 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.				
<b>31.2</b> Relationship between tax expense and accounting profit:				
	<b>2022</b> %	<b>2022</b> Rs	2021 %	2021 Rs
Accounting profit before taxation		<b>80,095,121</b>		46,177,072
Tax at the applicable tax rate	<b>29%</b>	<b>23,227,585</b>	29%	13,391,351
Prior year tax	<b>0.1%</b>	<b>97,045</b>	1%	655,489
Others	<b>-2%</b>	<b>(1,493,552)</b>	-1%	(404,968)
	<b>27%</b>	<b>21,831,078</b>	30%	13,641,872

	Note	December 31, 2022	December 31, 2021
		————(Rupees)————	

**32. EARNINGS PER SHARE**

There is no dilutive effect on the bank earning per share of the company which is based on:

**Basic and diluted**

Profit after tax - SHF (Rupees)	<b>58,264,043</b>	32,535,200
Weighted average number of ordinary shares (Number)	<b>50,922,601</b>	50,922,601
Earnings per share (Rupees)	<b>1.14</b>	0.64

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.

**33. 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:

	December 31, 2022		December 31, 2021	
	Chief Executive Officer	Executives	Chief Executive Officer	Executives
	----- (Rupees) -----			
Managerial remuneration	<b>1,950,000</b>	<b>43,584,433</b>	3,109,548	35,288,621
House rent	<b>877,500</b>	<b>19,612,995</b>	1,399,297	15,879,879
Utilities	<b>172,500</b>	<b>3,855,546</b>	275,075	3,121,686
Medical expenses	<b>36,530</b>	<b>1,758,511</b>	82,168	1,227,975
Conveyance and vehicle allowance	-	<b>11,183,952</b>	620,000	10,489,077
Staff retirement benefit (contribution plan)	-	<b>4,231,562</b>	249,208	3,252,674
Others	<b>127,050</b>	<b>7,568,313</b>	78,400	5,945,328
	<b>3,163,580</b>	<b>91,795,312</b>	<b>5,813,696</b>	<b>75,205,238</b>
Persons	<b>1</b>	<b>38</b>	<b>1</b>	<b>29</b>

**33.1** Chief Executive Officer and some executives are provided free use of Company maintained cars, takaful cover and certain benefits in accordance with their entitlements.

**33.2** Directors including CEO have been provided boarding and lodging amounting to Rs. nil (2021: Rs. 373,941) to attend Board meetings of the Company as per the Company's policy. No other remuneration or meeting attending fee was paid to directors.

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

**34. 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.

	<b>un-audited December 31, 2022</b>	<b>audited December 31, 2021</b>
	—————(Rupees)—————	
Size of the fund - Total assets (Rupees)	<b>5,374,795</b>	6,304,320
Cost of the investments made (Rupees)	<b>4,891,258</b>	5,235,130
Percentage of the investments made (%)	<b>91%</b>	83%
Fair value of the investments (Rupees)	<b>4,891,258</b>	5,234,598

The break up of fair value of the investments is :

	<b>December 31, 2022 Rupees</b>	<b>%</b>	<b>December 31, 2021 Rupees</b>	<b>%</b>
Bank balances	<u><b>4,891,258</b></u>	<b>100</b>	<u>5,235,130</u>	100

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.

**35. 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**

<b>Relationship</b>	<b>Fund</b>	<b>Nature of transactions</b>	<b>2022</b>	<b>2021</b>
			————— (Rupees) —————	
Entity with common directorship	SHF	Shared staff and branch expenses paid	<b>30,268,917</b>	41,755,665
	PTF	Claims paid against general takaful	<b>146,500</b>	1,499,134
	PTF	Claims received against group takaful	<b>451,800</b>	6,559,047
	PTF	Contribution paid against group takaful	<b>1,284,846</b>	404,574
	PTF	Contribution received against general takaful	<b>2,887,799</b>	1,169,874
	SHF	Investment advisory fee	<b>2,127,513</b>	-
Key management personnels	PTF	Claims paid	-	49,075
	PTF	Contribution received	-	376,895
Employees provident fund	SHF	Contribution paid	<b>5,608,494</b>	4,858,920



## Balances

Relationship	Fund	Nature of transactions	2022 ----- (Rupees) -----	2021 -----
Entity with common directorship	PTF	Claim payable against general takaful	-	773,945
	PTF	Claim receivable against group takaful	-	21,064
Key management personnels	PTF	Claims payable	-	45,700
	PTF	Contribution receivable	-	89,860
Interfund	SHF	Contribution payable to PTF	-	250,958
	SHF	Wakala and Modarib fee receivable from PTF	<b>220,730,068</b>	123,186,934

**Held to maturity**      **Available for sale**      **Total**  
 ----- (Rupees) -----

## 36. MOVEMENT IN INVESTMENTS

At beginning of previous year - cost	-	529,957,076	529,957,076
Addition	65,000,000	1,453,440,093	1,518,440,093
Disposal (sale and redemption)	-	(1,396,924,030)	(1,396,924,030)
At end of previous year - cost	65,000,000	586,473,139	651,473,139
Fair value (loss)	-	(2,091,092)	(2,091,092)
At end of previous year - carrying value	65,000,000	584,382,047	649,382,047
At beginning of current year - cost	<b>65,000,000</b>	<b>586,473,139</b>	<b>651,473,139</b>
Addition	<b>210,000,000</b>	<b>723,960,094</b>	<b>933,960,094</b>
Disposal (sale and redemption)	<b>(60,000,000)</b>	<b>(816,001,821)</b>	<b>(876,001,821)</b>
At end of current year - cost	<b>215,000,000</b>	<b>494,431,412</b>	<b>709,431,412</b>
Fair value (loss)	-	<b>(17,292,660)</b>	<b>(17,292,660)</b>
At end of current year - carrying value	<b>215,000,000</b>	<b>477,138,752</b>	<b>692,138,752</b>

**37. SEGMENT INFORMATION**

	December 31, 2022					
	Fire and Property	Marine, Aviation and Transport	Motor	Health	Miscellaneous	Total
	-----Rupees-----					
PARTICIPANTS' TAKAFUL FUND (PTF)						
Gross direct contribution	170,187,426	72,783,493	554,926,355	285,191,222	70,349,714	1,153,438,210
Facultative inward contribution	33,652,514	1,137,838	3,562	6,650,488	9,864,759	51,309,161
Administrative surcharge	220,474	156,471	79,641	-	91,427	548,013
Gross written Contribution (inclusive of admin surcharge)	204,060,414	74,077,802	555,009,558	291,841,710	80,305,900	1,205,295,384
Wakala fee	(57,599,858)	(3,258,567)	(298,648,734)	(43,792,267)	(28,078,548)	(431,377,974)
Contribution net-off wakala	146,460,556	70,819,235	256,360,824	248,049,443	52,227,352	773,917,410
Contribution earned	136,098,700	69,340,794	250,991,326	208,137,977	47,891,407	712,460,204
Retakaful expense	(135,432,113)	(48,968,895)	(45,456,557)	-	(26,751,857)	(256,609,422)
Net Contribution earned	666,587	20,371,899	205,534,769	208,137,977	21,139,550	455,850,782
Retakaful rebate/income	28,546,409	14,597,048	578,309	-	7,434,495	51,156,261
Net Underwriting income	29,212,996	34,968,947	206,113,078	208,137,977	28,574,045	507,007,043
Takaful claims expense	(352,971,344)	(53,448,584)	(260,313,902)	(213,181,936)	(29,520,617)	(909,436,383)
Retakaful recovery on claims	313,244,958	36,806,516	10,442,911	-	12,717,424	373,211,809
Net calims expense	(39,726,386)	(16,642,068)	(249,870,991)	(213,181,936)	(16,803,193)	(536,224,574)
Contribution deficiency expense	2,500,000	-	-	6,311,107	-	8,811,107
Direct expenses	(406,684)	(147,634)	(1,106,111)	(581,628)	(160,046)	(2,402,103)
Net takaful claims and expense	(37,633,070)	(16,789,702)	(250,977,102)	(207,452,457)	(16,963,239)	(529,815,570)
Underwriting result	(8,420,074)	18,179,245	(44,864,024)	685,520	11,610,806	(22,808,527)

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## Pak-Qatar General Takaful

	December 31, 2022					
	Fire and Property	Marine, Aviation and Transport	Motor	Health	Miscellaneous	Total
	-----Rupees-----					
Investment income and other income						40,567,105
Modarib's Share						(14,198,487)
Net investment income						26,368,618
Surplus for the year						3,560,091
Segment assets	622,310,169	75,956,355	154,766,063	193,792,941	51,822,857	1,098,648,385
Unallocated assets						451,512,531
						1,550,160,916
Segment liabilities	544,188,581	65,728,097	232,406,262	161,616,144	67,445,315	1,071,384,399
Unallocated liabilities						410,485,905
						1,481,870,304
<b>SHAREHOLDERS' FUND (SHF)</b>						
Wakala income	57,599,858	3,258,567	298,648,734	43,792,267	28,078,548	431,377,974
Commission expense	(38,573,026)	(11,913,218)	(55,921,087)	(3,790,331)	(15,897,741)	(126,095,403)
Management expenses	(48,475,706)	(17,597,601)	(131,845,661)	(69,328,650)	(19,077,121)	(286,324,739)
	(29,448,874)	(26,252,252)	110,881,986	(33,117,045)	(6,896,314)	18,957,832
Other expenses						(5,537,239)
Investment income						47,531,494
Modarib share of PTF investment income						14,198,487
Other income						4,944,547
Profit before tax						80,095,121
Provision for Taxation						(21,831,078)
Profit after tax						58,264,043
Segment assets	17,523,737	969,560	28,769,285	2,172,244	4,416,544	53,851,370
Unallocated assets						874,320,767
						928,172,137
Segment liabilities	43,015,661	1,750,911	166,396,838	30,309,781	18,057,903	259,531,094
Unallocated liabilities						128,594,368
						388,125,462

## 37.2

December 31, 2021

	Fire and Property	Marine, Aviation and Transport	Motor	Health	Miscellaneous	Total
-----Rupees-----						
<b>PARTICIPANTS' TAKAFUL FUND (PTF)</b>						
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
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
Contribution earned	111,859,284	45,929,108	276,217,921	71,619,585	36,491,832	542,117,730
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/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 .....

	December 31, 2021					
	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
<b>SHAREHOLDERS' FUND (SHF)</b>						
Wakala income	55,575,799	24,453,880	230,804,420	11,784,610	34,568,165	357,186,874
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						42,915,910
Modarib share of PTF investment income						4,307,907
Other income						3,752,851
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

## 38. TAKAFUL RISK MANAGEMENT

### 38.1 Takaful risk

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

- Fire and property;
- Marine, aviation and transport;
- Motor;
- Health; and
- 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.

The Board recognises the critical importance of having efficient and effective risk management systems in place. For this, underwriting, claim, retakaful, cotakaful, and risk management and 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 Participants' Takaful Fund (PTF) 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 amortises the retakaful ceded and rebate as disclosed in respective statements and notes. However, the gross result of retakaful buying is summarised as follows:

	December 31, 2022	December 31, 2021
	—————(Rupees)—————	
Gross retakaful ceded	(266,156,278)	(247,800,608)
Retakaful recovery in claims	373,211,809	98,637,939
Gross rebate on ceding	51,217,446	50,294,163
Gross gain/ (loss)	<u>158,272,977</u>	<u>(98,868,506)</u>

### 38.2 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 minimise 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 and severity of the outstanding claims liabilities (in percentage terms) by class of business at balance sheet date:

Class	2022		2021	
	Gross claim liability	Net claim liability	Gross claim liability	Net claim liability
	Percentage (%)	Percentage (%)	Percentage (%)	Percentage (%)
Fire and property	66	26.8	35	11.0
Marine	8	9.1	9	8.7
Motor	15	41.2	34	56.5
Health	3	10.8	6	11.9
Miscellaneous	7	12.1	15	11.9
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

### 38.3 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 and 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:

	December 31, 2022			December 31, 2021		
	Maximum Gross Risk Exposure	Maximum Retakaful Cover	Highest Net Risk Retention	Maximum Gross Risk Exposure	Maximum Retakaful Cover	Highest Net Risk Retention
	Rupees			Rupees		
<b>Class</b>						
Fire and property	800,000,000	785,000,000	15,000,000	851,080,099	836,080,099	15,000,000
Marine	288,011,444	280,011,444	8,000,000	310,974,840	302,974,840	8,000,000
Motor	55,000,000	54,250,000	750,000	56,500,000	55,750,000	750,000
Miscellaneous	129,708,000	124,708,000	5,000,000	300,250,000	295,250,000	5,000,000

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.

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

The key source of estimation uncertainty at the reporting 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 and claims incurred but not enough reported (IBNR) at the balance sheet date, and for the expected ultimate cost of claims incurred but not reported (IBNR) at the reporting 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.

### **38.5 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 principal 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 recognised 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, provision for outstanding claim, IBNR, unearned contribution and contribution deficiency are based on advice of actuary.

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

	December 31, 2022 %	December 31, 2021 %
<b>Class</b>		
Fire and property	68	38
Marine	70	51
Motor	50	48
Miscellaneous	34	38

### 38.6 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 recognised in the statement of financial position 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:

	December 31, 2022 —————(Rupees)—————	December 31, 2021
<b>Effect on Underwriting Results</b>		
10% increase in gross outstanding claims liability	<u>68,771,602</u>	<u>37,654,357</u>
10% decrease in gross outstanding claims liability	<u>(68,771,602)</u>	<u>(37,654,357)</u>

### 38.7 Claim development table - 2022

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	2017	2018	2019	2020	2021	2022
	(Rupees)					
Estimate of ultimate claim cost						
At the end of :						
Accident year	614,784,231	448,263,297	396,674,059	322,557,343	579,437,256	741,990,849
One year later	573,550,119	414,840,252	359,394,171	311,937,243	579,437,256	-
Two years later	571,561,504	408,811,998	370,115,756	311,937,243	-	-
Three years later	569,992,800	417,002,468	370,115,756	-	-	-
Four years later	569,355,679	417,002,468	-	-	-	-
Five years later	569,355,679	-	-	-	-	-
Six years later	-	-	-	-	-	-
<b>Current estimate of cumulative claims</b>	<b>569,355,679</b>	<b>417,002,468</b>	<b>370,115,756</b>	<b>311,937,243</b>	<b>579,437,256</b>	<b>741,990,849</b>
<b>Cumulative payments to date</b>	<b>(567,811,239)</b>	<b>(408,653,144)</b>	<b>(347,188,514)</b>	<b>(283,726,226)</b>	<b>(477,109,450)</b>	<b>(266,196,694)</b>
<b>Liability recognised in SOFP</b>	<b>1,544,440</b>	<b>8,349,324</b>	<b>22,927,242</b>	<b>28,211,017</b>	<b>102,327,806</b>	<b>475,794,155</b>

#### Claim development table - 2021

Accident year	2017	2018	2019	2020	2021
	(Rupees)				
Estimate of ultimate claim cost					
At the end of :					
Accident year	614,784,231	448,263,297	396,674,059	322,557,343	391,859,331
One year later	573,550,119	414,840,252	359,394,171	321,371,961	-
Two years later	571,561,504	408,811,998	377,793,863	-	-
Three years later	569,992,800	419,346,634	-	-	-
Four years later	570,280,577	-	-	-	-
Five years later	-	-	-	-	-
Six years later	-	-	-	-	-
<b>Current estimate of cumulative claims</b>	<b>570,280,577</b>	<b>419,346,634</b>	<b>377,793,863</b>	<b>321,371,961</b>	<b>391,859,331</b>
<b>Cumulative payments to date</b>	<b>(567,794,023)</b>	<b>(403,015,295)</b>	<b>(336,127,105)</b>	<b>(265,419,974)</b>	<b>(178,118,399)</b>
<b>Liability recognised in SOFP</b>	<b>2,486,554</b>	<b>16,331,339</b>	<b>41,666,758</b>	<b>55,951,987</b>	<b>213,740,932</b>

### 38.8 Retakaful risk

In order to minimise 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 39.5

## 39. FINANCIAL RISK MANAGEMENT

### 39.1 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 minimise potential adverse effects on the Company's financial performance. The Board 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 analyse 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.

### 39.2 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.

	December 31, 2022		December 31, 2021	
	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	687,716,023	687,716,023	376,543,567	376,543,567
Takaful / retakaful payables	155,076,188	155,076,188	136,773,379	136,773,379
Other creditors and accruals	163,681,644	163,681,644	175,137,653	175,137,653
	1,006,473,855	1,006,473,855	688,454,599	688,454,599

### 39.3 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 reporting date, the profit rate profile of the Company's significant profit-bearing financial instrument is as follows:

	Cost		Tentative profit rate	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	(Rupees)		(in Percent)	
Variable rate financial assets				
- Term deposits	215,000,000	65,000,000	8 - 13	9 - 10
- Savings accounts	308,005,734	233,701,864	8 - 13	6.6 - 11
- Sukuk certificates	251,788,960	258,103,192	10 - 14	7.5 - 14
	774,794,694	556,805,056		

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:

	December 31, 2022	December 31, 2021
	------(Rupees)-----	
1 % Increase in profit rate	<u>7,747,947</u>	<u>5,568,051</u>
1 % decrease in profit rate	<u>(7,747,947)</u>	<u>(5,568,051)</u>

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

## Maturity profile and profit sensitivity of financial assets and liabilities

December 31, 2022								
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, stamp and bank	3-11	308,005,734	-	308,005,734	4,499,528	-	4,499,528	312,505,262
Investments	6-11	-	467,759,210	467,759,210	224,379,542	-	224,379,542	692,138,752
Takaful / reTakaful receivables		-	-	-	303,064,959	-	303,064,959	303,064,959
Retakaful recoveries against outstanding claims		-	-	-	480,892,033	-	480,892,033	480,892,033
Loans and other receivables		-	-	-	33,846,333	-	33,846,333	33,846,333
		308,005,734	467,759,210	775,764,944	1,046,682,395	-	1,046,682,395	1,822,447,339
FINANCIAL LIABILITIES								
Outstanding claims including IBNR		-	-	-	687,716,023	-	687,716,023	687,716,023
Takaful / retakaful payables		-	-	-	155,076,188	-	155,076,188	155,076,188
Other creditors and accruals		-	-	-	163,681,644	-	163,681,644	163,681,644
		-	-	-	1,006,473,855	-	1,006,473,855	1,006,473,855
December 31, 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, stamp and bank	6-11	233,701,864	-	233,701,864	2,877,971	-	2,877,971	236,579,835
Investments	7.5-14	-	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		-	-	-	14,069,399	-	14,069,399	14,069,399
		233,701,864	324,043,604	557,745,468	830,092,057	-	830,092,057	1,387,837,525
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 and accruals		-	-	-	175,137,653	-	175,137,653	175,137,653
		-	-	-	688,454,599	-	688,454,599	688,454,599

### 39.4 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.

### 39.5 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:

	December 31, 2022	December 31, 2021
	————(Rupees) ————	
<b>Financial assets</b>		
Cash, stamp and bank	308,005,734	233,701,864
Investments	692,138,752	649,382,047
Takaful / retakaful receivable	303,064,959	302,693,557
Retakaful recoveries against outstanding claims	480,892,033	185,112,687
Loans and other receivables	33,846,333	23,081,105
	<u>1,817,947,811</u>	<u>1,393,971,260</u>

The management monitors exposure to credit risk in contribution receivable from customers through regular review of credit exposure and prudent estimates of provisions for doubtful receivables. As at December 31, 2022, the takaful contribution receivable (net-off provision for doubtful debts) includes amount receivable within one year and above one year amounting to Rs. 301.7 million (2021: Rs. 291 million) and Rs. nil (2021: Rs. nil) respectively.

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

	December 31, 2022	December 31, 2021
	————(Rupees) ————	
<b>Rating</b>		
AAA	165,940,616	128,178,122
AA+	4,633,602	4,400,895
AA-	123,277,838	57,723,553
AA	6,573,612	20,494,493
A+	8,778,425	23,419,354
A-	287,745	277,697
A	1,813,499	-
	<u>311,305,336</u>	<u>234,494,114</u>

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

	December 31, 2022			December 31, 2021		
	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
<b>Rating</b>						
<b>A or above</b>	372,691,326	1,297,981	67,005,268	148,090,150	2,219,428	61,529,243
<b>B+</b>	108,200,707	-	19,453,142	37,022,537	9,415,077	15,382,311
	<u>480,892,033</u>	<u>1,297,981</u>	<u>86,458,410</u>	<u>185,112,687</u>	<u>11,634,505</u>	<u>76,911,554</u>

As at 31 December 2022, the aggregate of amounts due from other takaful / retakaful, prepaid retakaful and retakaful recoveries against outstanding claims include amount receivable within one year and above one year amounting to Rs. 447 million (2021: Rs. 165 million) and Rs. 121 million (2021: Rs. 83 million) respectively.

### 39.6 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.



### 39.7 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.

### 39.8 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, 2022	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	252,759,210	-	-	-	252,759,210	-	252,759,210	-	252,759,210
Investments - Open-end mutual fund units	224,379,542	-	-	-	224,379,542	224,379,542	-	-	224,379,542
Financial assets - not measured at fair value*									
Investments - TDRs	-	215,000,000	-	-	215,000,000	-	-	-	-
Cash and bank balances	-	-	312,505,262	-	312,505,262	-	-	-	-
Takaful / retakaful receivables	-	303,064,959	-	-	303,064,959	-	-	-	-
Retakaful recoveries against outstanding claims	-	480,892,033	-	-	480,892,033	-	-	-	-
Loans and other receivables	-	33,846,333	-	-	33,846,333	-	-	-	-
	477,138,752	1,032,803,325	312,505,262	-	1,822,447,339	224,379,542	252,759,210	-	477,138,752
Financial liabilities - not measured at fair value*									
Provision for outstanding claims including IBNR	-	-	-	687,716,023	687,716,023	-	-	-	-
Takaful / retakaful payables	-	-	-	155,076,188	155,076,188	-	-	-	-
Other creditors & accruals	-	-	-	163,681,644	163,681,644	-	-	-	-
	-	-	-	1,006,473,855	1,006,473,855	-	-	-	-

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	-	-	-	-

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

### 39.9 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, 2022.

### 40. SUBSEQUENT EVENTS - NON ADJUSTING

There is no adjusting event subsequent to year end.

### 41. NUMBER OF EMPLOYEES

The average number of employees during the year ended December 31, 2022 were 126 (2021: 113) and number of employees as at December 31, 2022 were 132 (2021: 120).

### 42. GENERAL

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

### 43. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 21 March, 2023 by the Board of Directors of the Company.

  
 Chief Executive Officer

  
 Director

  
 Director

  
 Chairman

# PATTERN OF SHAREHOLDING

As at December 31, 2022

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	-
<b>51</b>	<b>Total</b>	<b>50,922,601</b>

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

## NOTICE OF THE 17TH ANNUAL GENERAL MEETING

Notice is hereby given that the 17th Annual General Meeting of the shareholders of **Pak-Qatar General Takaful Limited** (the Company) will be held on Sunday, 30th April 2023 at 1600 hours at the Head Office of Pak-Qatar General Takaful Limited, Business Arcade, Block 6 P.E.C.H.S, Shahr-e Faisal, Karachi.

### ORDINARY BUSINESS:

1. To confirm the minutes of Annual General Meeting of the Company held on 19th May 2022.
2. To receive, consider and approve the Audited Financial Statements for the year ended December 31, 2022 together with the Chairman's review, Directors' and Auditors' reports thereon.
3. To appoint External Auditors for the year ending 31 December 2023 and fix their remuneration. The Audit Committee and the Board of Directors have recommended the name of M/s Yousuf Adil (Chartered Accountants) for re-appointment as Statutory Auditors and Shariah Compliance Auditors.
4. To transact any other business as may be placed before the Meeting with the permission of the Chair.

By order of the Board



**Muhammad Kamran Saleem**  
Company Secretary

08 April 2023  
Karachi

### Notes:

1. The Share transfer books of the Company shall remain closed from 24-04-2023 to 30-04-2023 (both days inclusive). Transfers received in order at Company's registered office at the close of business on 30-04-2023 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 National 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, 2022 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.





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 اور مختار نامہ نامزد شخص کے دستخط کے نمونہ کے ساتھ پیش کیا جائے گا (اگر یہ پہلے فراہم نہیں کیا گیا ہو)۔
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۔ پراکسی کے لئے کمپنی کا ممبر ہونا ضروری ہے۔
5. نان بین کی تقرری کی صورت میں: نان بین کے موثر ہونے کے لیے ضروری ہے کہ ان کی تقرری کی درخواست کمپنی کے رجسٹرڈ آفس برنس آر کیڈ، 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 اور 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۔ (پراکسی فارم اسی کے ساتھ منسلک ہے)
6. ایس ای سی پی نے اپنے نوٹیفیکیشن ایس آر آر 787(I)/2014، مجریہ مورخہ 8 ستمبر 2014 کے ذریعے آڈٹ شدہ مالیاتی گواشاوے سے نمٹنے کی جانب سے نوٹس بنام ممبر بذریعہ ای میل ارسال کرنے کی اجازت دی ہے۔ کمپنی کو یہ سہولت دیتے ہوئے خوشی 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 اسٹینڈرڈ 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 2022 کو ختم ہونے والے سال کے لئے کمپنی کے سالانہ مالی گواشاوے سے نمٹنے 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 شیئرز اعلان کردہ ڈیویڈنڈ جس کا اپنی واجب الاداء مقابل اداء تاریخ سے تین سال کے دوران کوئی دعویٰ نہ کیا گیا ہو اور ادائیہ کیا گیا ہو تو شیئرز 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۔ شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ غیر دعویٰ شدہ ڈیویڈنڈز شیئرز ہولڈر 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 شیئرز غیر ادا شدہ رقم کو کمپنیز ایکٹ 2017 کی شق 244 کے تحت وفاقی حکومت کو جمع کروادیا جائے گا۔
9. پول کا مطالعہ کمپنیز ایکٹ 2017 کے سیکشن 143 اور 144 اوپنیز ریگولیشن 2018 (پوسٹل بیلٹ) کی متعلقہ شرائط پر پورا اترنے کی صورت میں کوئی بھی رکن اپنا پول کے مطالبہ کا حق استعمال کر سکتا ہے۔

## اطلاع برائے 17 واں سالانہ اجلاس عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ پاک قطر جنرل تکافل لمیٹڈ (کمپنی) کا 17 واں سالانہ اجلاس عام برائے شیئرز ہولڈرز مورخہ 30 اپریل، 2023 بروز اتوار، بوقت شام 4 بجے، پاک قطر جنرل تکافل لمیٹڈ کے ہیڈ آفس، بزنس آرکیڈ، بلاک 6، P.E.C.H.S، شاہراہ فیصل، کراچی میں منعقد ہوگا۔

### عمومی کارروائی

1. مورخہ 19 مئی، 2022 کو منعقد ہونے والے سالانہ اجلاس عام کے نکات کی توثیق۔
2. مورخہ 31 دسمبر، 2022 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. مورخہ 31 دسمبر، 2023 کو ختم ہونے والے سال کے لیے ایکسٹرنل آڈیٹرز کی تقرری اور ان کے معاوضے کا تعین۔ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے اسٹیچوری آڈیٹرز اور شریعہ کمپلائنس آڈیٹرز کے طور پر یوسف عادل (چارٹرڈ اکاؤنٹنٹس) کی دوبارہ تقرری کی تجویز دی ہے۔
4. چیئرمین کی اجازت سے اجلاس کے آغاز سے پہلے رکھے گئے کسی بھی دیگر امور کی انجام دہی۔

8 اپریل، 2023 کراچی

محمد کامران سليم  
کمپنی سیکریٹری

### نوٹس:

1. کمپنی کی شیئرز ٹرانسفرنگس مورخہ 24 اپریل، 2023 سے 30 اپریل، 2023 تک بند رہیں گی (دونوں دن شامل ہیں)۔ 30 اپریل، 2023 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 کر دیں:

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 ر پاسپورٹ کی مصدقہ فوٹو کاپی، جبکہ انفرادی اشخاص اور کارپوریٹ اداروں کے لیے نیشنل ٹیکس نمبر کی فراہمی۔

# PROXY FORM

## The Company Secretary

### Pak-Qatar General Takaful Limited

Business Arcade, Block 6, P.E.C.H.S.,

Main Shahra-e-Faisal, Karachi.

I/we \_\_\_\_\_ of \_\_\_\_\_, (full address) being the member(s) of **Pak-Qatar General Takaful Limited** and holder of \_\_\_\_\_ ordinary shares as per share register Folio No. \_\_\_\_\_ hereby appoint \_\_\_\_\_ of \_\_\_\_\_ (full address) or failing him/her \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote for me or us and on my/our behalf at the Annual General Meeting of the Company to be held on 30th April 2023 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2023.

### (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 30 اپریل 2023 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..... 2023 کو اس پر دستخط کیے گئے۔

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Signature of  
member(s)

گواہ نمبر 2

نام اور دستخط

پتا

شناختی کارڈر پاسپورٹ نمبر

گواہ نمبر 1

نام اور دستخط

پتا

شناختی کارڈر 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۔



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