



PAK-QATAR  
FAMILY TAKAFUL



Annual Report  
2023

## CORPORATE INFORMATION

### Board of Directors

H. E. Sheikh Ali Bin Abdullah Al-Thani	Chairman
Said Gul	Director
Abdul Basit Ahmad Al-Shalbei	Director
Ali Ibrahim Al Abdul Ghani	Director
Muhammad Owais Ansari	Director
Zahid Hussain Awan	Director
Muhammad Kamran Saleem	Director
Sameera Usman	Director
Farrukh Viqaruddin Junaidy	Director

### Executive Committee

Said Gul	Chairman
Ali Ibrahim Al Abdul Ghani	Member
Zahid Hussain Awan	Member
Muhammad Kamran Saleem	Member
Sameera Usman	Member

### Chief Executive Officer

Waqas Ahmad

### Company Secretary

Muhammad Kamran Saleem

### Chief Financial Officer

Muhammad Ahsan Qureshi

### Auditors

Yousuf Adil, Chartered Accountants

### Appointed Actuary

Abdul Rahim Abdul Wahab

### Compliance Officer

Obaid Hussain Qureshi

### Legal advisors

Ms. AHM & Co.

### Tax advisors

EY Ford Rhodes, Chartered Accountants

### Rating Agency

VIS Credit Rating Company Limited  
The Pakistan Credit Rating Agency Limited

### Head Office

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Shahra-e-Faisal, Karachi, Pakistan  
Phone: + 92 21 34311747-56  
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Email: [info@pakqatar.com.pk](mailto:info@pakqatar.com.pk)  
Web: [www.pakqatar.com.pk](http://www.pakqatar.com.pk)

<b>Board Committees</b>			
<b><u>Audit Committee:</u></b>			
Mr. Farrukh Vigaruddin Junaidy	Chairman	Mr. Muhammad Kamran Saleem	Member
Mr. Ali Ibrahim Al Abdul Ghani	Member	Mr. Danish Raza	Secretary
Mr. Zahid Hussain Awan	Member		
<b><u>Investment Committee:</u></b>			
Mr. Zahid Hussain Awan	Chairman	Mr. Muhammad Kamran Saleem	Member
Mr. Said Gul	Member	Mr. Abdul Rahim Abdul Wahab	Member
Mr. Waqas Ahmed	Member	Mr. Muhammad Ahsan Qureshi	Member & Secretary
<b><u>Ethics, Human Resource &amp; Remuneration Committee:</u></b>			
Mr. Said Gul	Chairman	Mr. Muhammad Kamran Saleem	Member & Secretary
Mr. Zahid Hussain Awan	Member	Mrs. Sameera Usman	Member
<b>Management Committees</b>			
<b><u>Underwriting &amp; Re-Takaful Committee:</u></b>			
Mr. Zahid Hussain Awan	Chairman	Mr. Imran Lakhani	Member
Mr. Waqas Ahmed	Member	Mr. Athar Ali	Member
Mr. Muhammad Ahsan Qureshi	Member	Mr. Muhammad Shahzad	Member & Secretary
Mr. Adnan Arif	Member		
<b><u>Claims Settlement Committee:</u></b>			
Mr. Said Gul	Chairman	Mr. Nasir Ali Soomro	Member
Mr. Waqas Ahmed	Member	Mr. Junaid Asghar	Member
Mr. Obaid Hussain Qureshi	Member	Mr. Ramesh Kumar	Member & Secretary
<b><u>Risk Management &amp; Compliance Committee:</u></b>			
Mr. Zahid Hussain Awan	Chairman	Mr. Kashan Rafique Ahmed	Member
Mr. Waqas Ahmed	Member	Mr. Muhammad Shahzad	Member
Mr. Muhammad Ahsan Qureshi	Member	Mr. Adnan Arif	Member
Mr. Danish Raza	Member	Mufti Shakir Siddiqui	Member
Mr. Saifuddin Shaikh	Member	Mr. Athar Ali	Member
Mr. Junaid Asghar	Member	Mr. Obaid Hussain Qureshi	Member & Secretary



## DIRECTORS' REPORT

Dear Shareholders.

The Board of Directors of Pak-Qatar Family Takaful Limited (hereinafter referred to as "the Company" or "PQFTL") have the pleasure in submitting their Annual Report along with the audited financial statements of the Company for the year ended December 31, 2023.

### I. Economic Overview

Calendar year pegged major macroeconomic imprints i.e., sharp devaluation PKR: USD, rationalization of imports, and aggressive use of monetary tools in the form of high-interest rates, all these at the risk of higher unemployment to achieve financial stability amid internal political confusion. The result was also reflected in miniscule GDP growth of 0.3%. While the economy coped with burden in 1H CY23, economy showed resilience and started to stabilize with an estimated GDP growth rate of approximately 2.2% as the convergence of macroeconomic factors and political maneuvering unfolded in latter-half. The country's economic recovery continued on a positive note as the Standby Agreement was signed with IMF at the start of FY24, which provided vital support for the country's wellbeing.

Economic pressures were visible in all spectrum with Agricultural output receding to 1.6% during the period compared to 4.52% in CY22 while Industrial and Services sectors showed unimpressive trajectories. The country faced unprecedented flood situation followed by supply chain disruptions along with external severe higher commodity price shock, which rendered limited fiscal space for economic managers. Central Bank introduced restriction on imports, which compounded supply bottle-necks restricting some exports. By year-end, the country sustained shocks with gradual signs of recovery, which bode well for a continued and sustain growth. The government set higher agricultural targets and expects favorable agricultural growth, as well as gradual industrial and service sectors growth. In particular, Large-Scale Manufacturing (LSM) has gradually started to tick-up, albeit to aid government in fiscal consolidation by increased revenue flows, which would also bridge fiscal deficit.

Headline inflation surged to its peak at 38% in May 2023 averaging 30.9% for CY23, compared to 19.7% in CY22, the spike continued during latter-half of the calendar year with tough measures i.e., passing energy price shock to end consumers while the core inflation also averaged around 25% in CY23 giving limited room for any respite from the Central bank.

The country managed its Current Account deficit which declined to USD 350 million during CY23 compared to a deficit of USD 12,216 million in CY22. The sharp decline was aided by decline in imports which fell significantly by around 27% during the period, aided by directives from the central bank to manage overall imports. Central Bank also achieved a parity in interbank and open market rates revived confidence and recovery in remittance flows also boosted foreign exchange reserves, which had reached around USD 13,000 million at year end. Remittances flows continued to sustain Current Account with total CY23 flow of USD 26,351 million compared to USD 29,889 million last year.

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Total revenue collection during FY23 increased by 20% to PKR 9,633 billion compared to PKR 8,035 billion in last fiscal year. Tax collection saw 16% improvement to PKR 7,819 billion compared to PKR 6,755 billion in the previous fiscal year. The fiscal deficit stood at 7.7% of GDP for FY23 compared to 7.9% last fiscal year with a key improvement in primary deficit, which improved to 1% in FY23 compared to 3.1% in FY22.

The local bourse appreciated IMF standby agreement with benchmark KSE100 index reaching at 62,451 generating returns of 50.34 percent compared to -2.9 percent same period last fiscal year. Foreign Portfolio Investments also flowed in of around USD 73 million in CY23 as compared to an inflow of USD 23 million last year.

Uncertainty in Middle East has added a pressure on international trade and supply chains, which has increased commodity prices while also putting strain on trade relations. The risk of a prolonged conflict in the region can add inflationary pressures to net importing economies. Pakistan will abide by IMF initiatives, with continued fiscal consolidation coping with external pressures and adjusting internal dynamics accordingly to remain on track for positive GDP growth.

## 2. Business Performance

The gross contribution income during the year amounted to Rs. 16.29 billion (2022: Rs. 10.24 billion). An increase of 59.22 percent from 2022. First year contributions from Individual Family were not as strong as expected due to challenging economic conditions. It appears that purchasing protection products was not a top priority for consumers during this time. On the other hand, Single & Top up contributions were able to maintain or even increase their volume from the previous year. However, persistency levels did experience a decrease, likely due to the same economic factors affecting Individual Family contributions.

## 3. Participant Takaful Fund & Claims Performance

The Participant Takaful Fund (PTF) posted an overall surplus before distribution of Rs. 37 million in 2023. The Company has a robust claim management system in place, critical to success of any Takaful provider. Our team consisting of doctors and other skilled professionals serve round the clock, ensuring peace of mind to our policyholders' of a helping hand with a wide range of hospitals at your Company's panel. The servicing of our policyholders has been our utmost priority, and it is their time of distress when they look towards the promises they've bought and those shared with them by us. We've been with them & their beneficiaries at every step of their journey with us, reflected in benefits/claims paid worth Rs. 10.9 billion (2022: 6.9 billion) inclusive of the policyholder's request for withdrawals, surrender and maturities that were due during the year.

## 4. Investment Performance

PQFTL manages unit linked and non-unit linked funds in accordance to their investment policy and risk appetite. Aggressive and Balanced Funds exposure to equities caused dilution of returns while the management is confident that recovery in these asset class remains linked to monetary stance of central bank as well as adjustment of overall wage structure in the economy which would take time to mature. Investors' sentiments remained conservative due

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to multiple external factors i.e., IMF negotiations, Forex (Fx) reserves with central bank, sharp volatility in energy prices. PQFTL considers that currency risk matured during calendar year (CY)23 amid pressure on Fx reserves and a growing Current Account Deficit.

Conservative Funds surpassed benchmark factors yielding healthy returns for policyholders. PQFTL will continue to actively manage risk to generate competitive returns for its policyholders.

## 5. Profitability

Respected Shareholders, Your Company concluded the year 2023 with Profit before tax of Rs. 192.1 million against Rs. 184.6 million in 2022, settling at Rs. 156 million after tax effects (2022: Rs. 149 million).

Extracts of Profit & Loss Account and Other Comprehensive Income:

	2023	2022
	------(Rupees)-----	
Total investment income of shareholders' fund	275,180,816	163,918,228
Other revenues	32,465,317	23,006,920
Total investment income & other revenues	307,646,133	186,925,148
Expenses not attributable to statutory funds	(17,230,880)	(16,793,098)
Surplus/(Deficit) in shareholders' sub fund	(98,302,603)	14,487,864
	(115,533,483)	(2,305,234)
Profit before taxation	192,112,650	184,619,914
Taxation for the year	(35,814,547)	(35,529,136)
Profit for the year after tax	156,298,103	149,090,778
Other comprehensive income / (loss)		
Actuarial gain / (loss) on defined benefit scheme - net of tax	(2,906,266)	(4,719,569)
Changes in unrealised gain / (losses) on available for sale investment - net c.	69,544,228	(31,791,344)
Total comprehensive income for the year	222,936,065	112,579,865

## 6. Earnings per Share & Break-up Value per Share

The earnings per share for the year was Rs. 1.20 (2022: 1.14). Net Equity during the period increased by Rs. 72 million to settle at Rs. 1.65 billion, resulting in a break-up value per share of Rs. 12.86 (2022: 12.10).

## 7. Capital Management and 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 honors its obligations through cash flow generated from its core business as well as investment and other income. As part of liquidity management, Company also gets auditors certification annually on

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its solvency position prepared as per requirements of Insurance Ordinance, 2000. The Company has a paid up capital of Rs. 1.3 billion against minimum requirement of Rs. 700 million for family takaful operators.

#### **8. Post Balance Sheet Event**

No material changes and 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, except for recommendation of dividend as discussed below.

#### **9. Credit Rating**

A **credit rating** is a comprehensive tool for assessing an obligor's creditworthiness and reliability of its debt obligations. It allows the rating bearer to show potential investors and partners its creditworthiness, without divulging any confidential information, and to make relations between obligor and investors highly transparent and efficient.

Your Company stands with a strong credit rating of **A++ (Single A++)** by the local credit rating agencies, the VIS Credit Rating Company Limited and The Pakistan Credit Rating Agency (PACRA). A strong rating reflects the Company's financial discipline and prudence and that the operations and the financial health of the Company are transparent.

#### **10. 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 administrative expense are carried at actual cost, sales/purchase of investments are carried out at fair value and transactions related to claims or contribution were carried out at commercial terms.

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

#### **11. 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.

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## 12. Dividends to Shareholders

Total comprehensive income for the year amounted to Rs. 222.9 million, increasing the Company's net un-appropriated profit to Rs. 606.8 million (2022: Rs. 449.1 million). We are pleased to inform you that your directors' have recommended to issue five (5%) percent Cash Dividend to the shareholders.

## 13. Contribution to National Exchequer

Your Company contributes to the national economy in terms of taxes and duties and the contribution is increasing as the Company is growing. The Company, in the capacity of a tax payer and withholding agent, has deposited Rs. 208.41 million into the national exchequer.

## 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 Sharia Advisor have been complied with. In this regard, Independent Shariah compliance review report & our Shariah Advisor's report are annexed with the annual report.

Since inception, Pak-Qatar Takaful Group of companies have an independent Shariah Advisory Board (SAB), to oversee all products and operations for Shariah compliance. Justice (Retd.) Mufti Muhammad Taqi Usmani was the founding Chairman of the group's Shariah Board since inception, who later named Mufti Muhammad Hassaan Kaleem as his successor in 2019. This privilege supervision has enabled us to have distinction in implementing Shariah 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 Family Takaful and General Takaful companies. Thus, a complete Shariah compliant suite with wide range of financial planning & protection products is available for all walks of life.

## 15. 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.

## 16. 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.

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## 17. Board of Directors

The Directors of your Company were elected at the Extra-ordinary General Meeting held on 29<sup>th</sup> April 2022 for term of three years. At that time, the Board of Directors however fixed the number of directors to be elected as nine (9), increasing the total members on the Board by one (1). It is pertinent to mention that PQFTL is a Public Interest Company as per the criteria defined in the Third Schedule of Companies Act, 2017; accordingly, requirements of female representation on the board under section 154(1) of the Companies Act, 2017 have been complied with. There was no casual vacancy on the Board of Directors of the Company during the year.

During the year 2023, six meetings of the Board of Directors were held and attended as follows:

	Directors	Number of meetings attended
1	Sheikh Ali Bin Abdullah Al-Thani	1
2	Ali Ibrahim Al Abdul Ghani	2
3	Abdul Basit Ahmad Al-Shalbei	2
4	Said Gul	6
5	Zahid Hussain Awan	6
6	Muhammad Owais Ansari	3
7	Muhammad Kamran Saleem	6
8	Farrukh Vigaruddin Junaidy	2
9	Sameera Usman	5
Leave of absence was granted to the directors, who could not attend the board meetings.		

As part of Corporate Governance, Board maintains Statutory committees and Management committees of which latest composition is presented in Annual Report under the heading Corporate Information.

## 18. Information Technology

The Company has aligned itself for efficient use of the information technology resources in achieving its operational and strategic objectives. Customers were able to connect with the Company through various channels such as Call Center, Mobile App, and web portals for enquiries and service requests. The Company maintains its "Disaster Recovery" site and performs "Disaster Recovery" drills. 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.

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## 19. 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, credit risks, reinsurance 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.

## 20. Internal Audit function

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

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

Internal Audit function is in place for appraisal of internal controls and monitoring compliance. The Company has in place and appropriately staffed, Internal Audit department headed by suitably qualified and experienced Chartered Accountant. Internal auditor has full access to the Chairman of the Board Audit Committee. Further, the internal auditor meets senior management to discuss internal audit reports and is fully independent to access the management at any time to discuss audit issues in order to make the audit process transparent and effective. To maintain its objectivity and independence, the Internal Audit Department reports functionally to the Board Audit Committee and administratively to the CEO.

## 21. IFRS 17 Insurance Contracts

New reporting and regulatory requirements are driving changes that are significantly impacting the way insurers manage their business. The new financial reporting standard IFRS 17

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undoubtedly brings about significant changes to insurance accounting requirements wherein the insurers globally with their apex regulators are working in partnership to ensure smooth transition towards the new accounting standard.

The Securities and Exchange Commission of Pakistan has issued instructions of four phase approach for implementation of IFRS 17,

1. Phase 1 : Gap Analysis : submitted on 30<sup>th</sup> Sept 2021.
2. Phase 2 : Financial Impact Analysis (FIA) was submitted in three layers on 30<sup>th</sup> June, 30<sup>th</sup> Sept and 31<sup>st</sup> Dec in the year 2022.
3. Phase 3 : System Design and Methodology deadline is 30<sup>th</sup> Sep 2024.
4. Phase 4 : Parallel Run & Implementation date 1<sup>st</sup> Jan 2026.

## **22. 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.

## **23. 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, as applicable in Pakistan, have been followed in preparation of financial statements, and any departure there from has been adequately disclosed.
- e. The system of internal control is sound in design and has been effectively implemented and monitored.

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- 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 number of board meeting & attendance by director(s) is given under heading 'Board of Directors'.
- k. The pattern of shareholding of the company is attached.
- l. The balance in the provident & gratuity fund accounts as at the year-end was Rs. 4,776,875 & Rs. 324,770 respectively.
- m. No trading in shares has been made by the Chief Executive, Directors, Chief Financial Officer, Company Secretary, their spouses and minor children, except for the acquisition of 717,092 shares by Mr. Muhammad Kamran Saleem.
- n. The earnings per share & break-up value are Rs 1.20 and 12.86 respectively.

#### **24. Auditors**

The retiring auditors, Yousuf Adil, Chartered Accountants are eligible for reappointment. On recommendation of the Audit Committee, the Board of Directors of the Company has proposed their appointment as auditors of the Company for the year 2024, who have indicated their consent to act as auditors.

#### **25. 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.

#### **26. Appreciation & Acknowledgement**

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

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We also acknowledge the support of the Securities and Exchange Commission of Pakistan as the apex regulator and appreciate various regulatory and ease of doing business measures initiated. 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

09 April 2024

Director



## SIX YEARS' KEY OPERATING & FINANCIAL DATA

(Rupees in thousands)

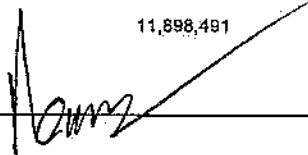
	2023	2022	2021	2020	2019	2018
<b>SIX YEARS SUMMARY</b>						
Gross contribution	16,296,690	10,235,624	9,986,417	7,961,475	8,287,057	7,816,618
<b>Revenue &amp; P&amp;L account</b>						
Contribution - net of retakaful	15,846,874	9,771,659	9,555,201	7,554,834	7,861,433	7,443,140
Surrenders & Maturities	8,147,648	4,572,642	4,257,898	3,246,602	2,812,533	2,443,021
Net Claims under PTF	2,504,870	2,045,701	1,537,016	1,329,329	1,645,503	1,192,466
Net investment income (PIF)	6,943,643	259,677	(69,518)	2,992,255	2,350,400	367,498
Net investment income (PTF)	54,257	67,584	59,860	45,178	51,633	28,023
Net investment income (SHF)	275,181	163,918	148,722	167,150	189,982	112,353
Commission expense	628,211	847,916	1,071,538	994,446	999,168	810,046
Policy stamps	10,836	22,865	31,210	26,886	25,208	20,155
Total administrative expenses	1,619,660	1,684,336	1,194,428	1,186,179	1,192,269	1,028,996
Surplus / (Deficit) in PTF	(62,378)	147,622	(37,968)	26,819	(23,963)	130,778
Profit before tax	192,113	184,620	224,674	208,122	84,070	154,762
Profit after tax	156,298	149,091	175,329	163,563	55,241	107,458
<b>Balance sheet</b>						
Investments including bank deposits	39,613,649	29,149,850	28,530,687	27,220,588	22,980,553	19,810,943
Deferred tax asset	-	13,534	-	-	3,353	38,009
Other assets	3,615,728	3,269,546	2,780,781	2,339,370	2,241,763	1,716,430
Fixed assets	559,695	575,613	529,894	569,830	615,037	330,514
Total assets	43,789,072	33,008,542	31,841,362	30,129,788	25,840,706	21,895,896
Issued, subscribed & paid up capital	1,307,124	1,307,124	1,307,124	1,307,124	1,307,124	1,307,124
Accumulated Surplus/(deficit) & Qard-e-Hasna	346,774	274,194	161,614	150,541	1,007	160,924
Balance of statutory funds	39,261,402	29,176,047	28,228,470	27,136,292	23,367,668	19,547,685
Other liabilities	2,873,772	2,251,177	2,144,154	1,535,831	1,164,907	880,163
Total equity & liabilities	43,789,072	33,008,542	31,841,362	30,129,788	25,840,706	21,895,896
<b>Financial ratios</b>						
<b>Profitability</b>						
Profit / (loss) before tax / Gross contribution	1.18%	1.80%	2.25%	2.61%	1.01%	1.98%
Profit / (loss) before tax / Net contribution	1.21%	1.89%	2.35%	2.75%	1.07%	2.08%
Profit / (loss) after tax / Gross contribution	0.96%	1.46%	1.76%	2.05%	0.67%	1.37%
Profit / (loss) after tax / Net contribution	0.99%	1.53%	1.83%	2.17%	0.70%	1.44%
Net claims & surrenders / Net contribution	67.22%	67.73%	60.65%	60.57%	56.71%	48.84%
Commission / Gross contribution	3.85%	8.28%	10.73%	12.49%	12.06%	10.36%
Administrative expenses / Gross contribution	9.94%	16.46%	11.96%	14.90%	14.39%	13.16%
Net investment income / Net contribution	45.90%	5.03%	1.46%	42.42%	32.97%	6.82%
<b>Return to shareholders</b>						
Return on equity	9.45%	9.43%	11.94%	11.22%	4.22%	7.32%
Earning per share (pre-tax)	1.47	1.41	1.72	1.59	0.64	1.22
Earning per share (after-tax)	1.20	1.14	1.34	1.25	0.42	0.85
Net assets per share (SHF)	12.65	12.10	11.24	11.15	10.01	11.23
Return on assets (SHF)	7.08%	7.04%	8.87%	8.58%	3.13%	6.62%
<b>Performance liquidity</b>						
Current ratio (Times)	1.03	1.03	1.03	1.03	1.03	1.05
Total liabilities / Equities (Times) - SHF	0.34	0.34	0.35	0.31	0.35	0.11
Total liabilities / Equities (Times) - Total	25.48	19.87	20.68	19.67	18.75	13.91
Paid up capital / Total assets	2.99%	3.96%	4.11%	4.34%	5.06%	5.97%
Equity / Total assets	3.78%	4.79%	4.61%	4.84%	5.06%	6.70%
<b>Cash flows</b>						
Net cash flow from operating activities	3,422,917	856,081	1,492,852	869,827	674,550	1,873,844
Net cash flow from investing activities	(2,568,797)	(1,130,240)	(869,043)	(2,717,176)	724,815	(3,495,725)
Net cash flow from financing activities	-	-	(92,930)	-	(58,566)	274,518
Net change in cash & cash equivalent	854,120	(274,159)	530,879	(1,847,349)	1,340,799	(1,347,363)



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## PATTERN OF SHAREHOLDING

Pattern of holding of the shares held by the shareholders as at 31 December 2023

1	Number of shareholders	Shareholdings	Total shares held	
	3	shareholding from 1 to 100 shares	3	
	13	shareholding from 1001 to 10000 shares	71,535	
	16	shareholding from 10001 to 200000 shares	849,688	
	11	shareholding from 200001 to 3000000 shares	6,332,676	
	4	shareholding from 3000001 to 10000000 shares	17,736,142	
	4	shareholding from 10000001 to 20000000 shares	60,524,038	
	1	shareholding from 20000001 to 50000000 shares	45,198,358	
	52	Total	130,712,440	
2	Categories of shareholders	Shares held	Percentage	
2.1	Directors, Chief Executive Officer, and their spouse and minor children.			
3.1.1.	Sheikh Ali Bin Abdullah	13,300,734	10.18%	
3.1.2.	Said Gul	5,512,502	4.22%	
3.1.3.	Sameera Usman	4,094,921	3.13%	
3.1.4.	Abdul Basit Ahmed Al-Shaibei	1,563,484	1.20%	
3.1.5.	Zahid Hussain Awam	1,203,551	0.92%	
3.1.6.	Ali Ibrahim Al Abdul Ghani	1	0.00%	
3.1.7.	Mohammad Owais Ansari	1	0.00%	
3.1.8.	Farrukh Viqueeruddin Junaidy	1	0.00%	
3.1.9.	Muhammad Kamran Saleem	717,092	0.55%	
2.2	Associated Companies, undertakings and related parties.			
3.2.1.	Pak-Qatar Investment (Private) Ltd	45,198,358	34.58%	
3.2.2.	FWU AG	19,873,062	15.20%	
3.2.3.	Qatar Islamic Insurance Company	14,341,019	10.97%	
3.2.4.	Qatar International Islamic Bank	13,009,223	9.95%	
2.3	NIT and ICP	-	0.00%	
2.4	Banks, Development Financial Institutions, Non-Banking Financial Institutions.			
3.4.1.	FWU AG	19,873,062	15.20%	
3.4.2.	Qatar Islamic Insurance Company	14,341,019	10.97%	
3.4.3.	Qatar International Islamic Bank	13,009,223	9.95%	
2.5	Insurance Companies			
3.5.1.	Qatar Islamic Insurance Company	14,341,019	10.97%	
2.6	Mudarabas and Mutual Funds	-	0.00%	
2.7	Share holders holding 10%.			
3.7.1.	Pak-Qatar Investment (Pvt.) Limited	45,198,358	34.58%	
3.7.2.	FWU AG	19,873,062	15.20%	
3.7.3.	Qatar Islamic Insurance Company	14,341,019	10.97%	
3.7.4.	Sheikh Ali Bin Abdullah	13,300,734	10.18%	
2.8	General Public	11,898,491	9.10%	
6.	Signature of Chief Executive/ Secretary			
7.	Name of Signatory	M. Kamran Saleem		
8.	Designation	Company Secretary		
9.	NIC Number	42301-5927051-1		
10.	Date	Day	Month	Year
		9	4	2024



## ڈائریکٹر ز رپورٹ

محترم شیئر ہولڈرز

الحمد للہ ہمیں پاک قطر فیملی تکافل لمیٹڈ (جسے بعد ازاں کمپنی یا PQFTL کہا جائے گا) کی 31 دسمبر 2023 میں ختم ہونے والے سال کی کمپنی کی آڈٹ رپورٹ کے ساتھ سالانہ رپورٹ اور آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے بہت خوشی محسوس ہو رہی ہے۔

### 1. معاشی جائزہ

سال 2023 نے بڑے معاشی نقوش چھوڑے ہیں مثلاً روپے اور ڈالر کی قیمتوں میں اتار چڑھاؤ، بقدر ضرورت درآمدات اور اضافی شرح سود کی صورت میں مانیٹری ذرائع کا جارحانہ استعمال، اندرونی سیاسی بے یقینی کے ساتھ مالی استحکام حاصل کرنے کے لیے یہ سب کچھ بڑھتی بے روزگاری کے رسک کے ساتھ ساتھ ہوا۔ ان سب کے نتیجے میں 0.3% کی معمولی جی ڈی پی بڑھوتری دیکھنے کو ملی۔ 2023 کے کیلنڈر سال کے پہلے نصف میں معاشی بوجھ کے باوجود معیشت نے خوب مقابلہ کیا اور تقریباً 2.2% کی توقع جی ڈی پی کے ساتھ استحکام حاصل کرنا شروع کیا، کیونکہ میکرو اکنامکس عوامل کی ہم آہنگی پیدا ہو گئی اور سال کے دوسرے نصف میں سیاسی اتار چڑھاؤ تھم گیا۔ سال 2024 کے آغاز میں IMF کے ساتھ اسٹینڈ بائی معاہدے کے نتیجے میں ملک کی معاشی ریکوری نے مثبت اثرات مرتب کیے اور ملک کی معاشی بہتری میں اس معاہدے کا بڑا اہم کردار رہا۔

اقتصادی دباؤ تمام شعبوں میں نظر آیا جس میں زرعی پیداوار CY22 میں 4.52 فیصد کے مقابلے میں 1.6 فیصد تک گر گئی جبکہ صنعتی اور خدمات کے شعبوں نے غیر متاثر کن رفتار دکھائی۔ ملک کو غیر معمولی سیلاب کی صورت حال کا سامنا کرنا پڑا جس کے بعد سپلائی چین میں خلل پڑنے کے ساتھ ساتھ اجناس کی قیمتوں میں بیرونی شدید جھٹکا لگا، جس نے اقتصادی ماہرین کے لیے محدود مالیاتی جگہ فراہم کی۔ مرکزی بینک نے درآمدات پر پابندی متعارف کرائی، جس نے کچھ برآمدات کو محدود کرتے ہوئے سپلائی چین کو مختصر کر دیا۔ سال کے آخر تک، ملک نے بتدریج بحالی کی علامات کے ساتھ معاشی جھٹکوں کو برداشت کیا، جو کہ ایک مسلسل اور پائیدار ترقی کے لیے اچھا اشارہ ہے۔ حکومت نے اعلیٰ زرعی اہداف مقرر کیے ہیں اور سازگار زرعی ترقی کے ساتھ ساتھ صنعتی اور خدماتی شعبوں میں بتدریج ترقی کی توقع رکھتی ہے۔ خاص طور پر، بڑے پیمانے پر مینوفیکچرنگ (LSM) نے آہستہ آہستہ اپنا اثر دکھانا شروع کر دیا ہے، ریونیو کے بڑھتے ہوئے بھاؤ کے ذریعے حکومت کو مالی استحکام میں مدد ملے گی، جو مالیاتی خسارے کو بھی پورا کرے گی۔

مئی 2023 میں ہیڈ لائن افراط زر 38 فیصد کی بلندی پر پہنچ گیا جو CY22 کے 19.7 فیصد کے مقابلے میں CY23 میں اوسطاً 30.9 فیصد رہا، یہ اضافہ کیلنڈر سال کے نصف آخر میں سخت اقدامات کے ساتھ جاری رہا، یعنی صارفین کو توانائی کی قیمتوں کا جھٹکا پہنچا جبکہ بنیادی افراط زر بھی CY23 میں اوسطاً 25 فیصد کے قریب رہا جس میں مرکزی بینک کی جانب سے کسی بھی طرح کی مہلت کے لیے محدود گنجائش موجود تھی۔ ملک نے اپنے کرنٹ اکاؤنٹ خسارے کا انتظام کیا جو CY22 کے دوران 12,216 ملین ڈالر کے خسارے کے مقابلے میں CY23 میں گھٹ کر 350 ملین ڈالر رہ گیا۔ درآمدات میں کمی کی وجہ سے کرنٹ اکاؤنٹ خسارے میں تیزی سے کمی آئی جو کہ اس عرصے کے دوران مرکزی بینک کی طرف سے مجموعی درآمدات کو سنبھالنے کی ہدایات کی مدد سے تقریباً 27 فیصد تک گر گئی۔ مرکزی بینک نے بھی انٹربینک میں برابری حاصل کی اور اوپن مارکیٹ کی شرحوں میں اعتماد بحال ہوا اور ترسیلات زر کے بھاؤ میں ریکوری سے بھی زرمبادلہ کے ذخائر میں اضافہ ہوا، جو سال کے آخر میں 13,000 ڈالر ملین کے

قریب پہنچ چکے تھے۔ ترسیلات زر کا بہاؤ کرنٹ اکاؤنٹ کو برقرار رکھنے کے لیے جاری رہا، جو گزشتہ سال کے 29,889 ملین ڈالر کے مقابلے میں CY23 میں مجموعی طور پر 26,351 ملین ڈالر رہا۔

مالی سال 23 کے دوران کل محصولات کی وصولی گزشتہ مالی سال کے 8,035 بلین روپے کے مقابلے میں 20 فیصد اضافے سے 9,633 بلین روپے ہو گئی۔ گزشتہ مالی سال کے 6,755 بلین روپے کے مقابلے میں ٹیکس وصولی میں 16 فیصد کی بہتری سے PKR 7,819 بلین روپے ہو گیا۔ مالیاتی خسارہ FY23 کے لیے GDP کا 7.7 فیصد رہا جو گزشتہ مالی سال کے 7.9 فیصد کے مقابلے میں بنیادی خسارے میں کلیدی بہتری کے ساتھ تھا، جو FY22 میں 3.1 فیصد کے مقابلے میں FY23 میں 1 فیصد ہو گیا۔

مقامی بازار نے بینچ مارک کے ایس ای 100 انڈیکس کے 62,451 تک پہنچنے کے ساتھ آئی ایم ایف کے اسٹینڈ بائی معاہدے کو سراہا جس میں پچھلے مالی سال کی اسی مدت کے منفی 2.9 فیصد کے مقابلے میں 50.34 فیصد کا منافع ہوا۔ غیر ملکی پورٹ فولیو سرمایہ کاری بھی گزشتہ سال کے 23 ملین ڈالر کے مقابلے میں CY23 میں تقریباً 73 ملین ڈالر رہی۔

مشرق وسطیٰ میں غیر یقینی صورتحال نے بین الاقوامی تجارت اور سپلائی چین پر دباؤ ڈالا ہے جس سے اشیاء کی قیمتوں میں اضافہ ہوا ہے اور تجارتی تعلقات پر بھی دباؤ پڑا ہے خطے میں طویل تنازعہ کا خطرہ خالص درآمد کرنے والی معیشتوں پر افراط زر کے دباؤ کو بڑھا سکتا ہے۔ پاکستان IMF کے اقدامات کی پاسداری کرے گا، بیرونی دباؤ کا مقابلہ کرتے ہوئے مسلسل مالی استحکام اور اس کے مطابق داخلی دباؤ کو ایڈجسٹ کرتے ہوئے مثبت جی ڈی پی نمو کے راستے پر گامزن رہے گا۔

## 2. کاروباری کارکردگی

دوران سال مجموعی کنٹری بیوشن آمدنی 16.29 ارب روپے تھی (2022 میں 10.24 بلین روپے) اس طرح 2022 سے 59.22 فیصد اضافہ ہوا۔

موجودہ مشکل معاشی حالات کی وجہ سے انفرادی فیملی تکافل کے تحت پہلے سال کے کنٹری بیوشن متاثر کن نمائندگی نہیں کر سکے ، جس سے ظاہر ہوتا ہے کہ پروٹیکشن پروٹیکشن کا حصول صارفین کی ترجیح نہیں رہا۔ تاہم سنگل اور ٹاپ اپ زرتعاون حجم کے لحاظ سے پچھلے سال کی سطح کو برقرار رکھنے یا گزشتہ سال کے مقابلے میں بڑھوتری ظاہر کرنے میں کامیاب رہا، لیکن معاشی حالات کی وجہ سے پرسسٹنسی کی سطح نیچے چلی گئی۔

## 3. شرکاء تکافل فنڈ اور کلیم کی کارکردگی

سال 2023 میں شرکاء تکافل فنڈ (PTF) میں تقسیم سے پہلے مجموعی طور پر 37 ملین روپے سرپلس جمع ہوا۔ کمپنی کے پاس کلیم مینیجمنٹ کا ایک مضبوط نظام موجود ہے ، جو کسی تکافل فراہم کرنے والی کمپنی کی کامیابی کے لئے اہم ہے۔ ہماری ٹیم ڈاکٹروں اور اور اپنے کام کے ماہر افراد پر مشتمل ہے ، جو ہمارے پالیسی ہولڈرز کے ذہنی سکون کو یقینی بنانے کے لیے کمپنی کے پینل پر موجود ہسپتالوں کی مدد کے ساتھ دن بھر مصروف عمل رہتے ہیں۔ ہمارے پالیسی ہولڈرز کی خدمت ہماری اولین ترجیح رہی ہے ، کیونکہ یہ ان پالیسی ممبران کے لئے تکلیف کا باعث ہوگا، جب وہ اپنے مشکل وقت میں ان وعدوں کو پورا ہوتے نہ دیکھ پائے جو کمپنی نے ان کی مشکل گھڑی میں ساتھ دینے کے لئے کئے ہیں۔ ہم اپنے پالیسی ہولڈرز اور ان کے ورثاء کی زندگی کے ہر مرحلے میں شانہ بشانہ کھڑے رہے ، جس کے نتیجے میں ہم نے اس سال 10.9 بلین روپے کے کلیمز / فوائد ادا کیے (2021: 6.9 بلین) ،

جس میں جزوی دستبرداری، مکمل دستبرداری اور اس سال واجب الاداء رکنیت کی تکمیل کی رقم بھی شامل ہے۔

#### 4. سرمایہ کاری کی کارکردگی

PQFTL یونٹ سے منسلک اور غیر منسلک فنڈز کا اپنی سرمایہ کاری کی پالیسی اور درپیش خطرات کے مطابق انتظام کرتی ہے۔ جارحانہ اور متوازن فنڈز ایکویٹیز پر مبنی ہونے کی وجہ سے کم نفع بخش رہے، جبکہ انتظامیہ کو یقین ہے کہ ان اثاثہ جات پر مبنی کلاس میں ریکوری مرکزی بینک کے مالیاتی موقف کے ساتھ ساتھ معیشت میں اجرت کے مجموعی ڈھانچے کی ایڈجسٹمنٹ سے منسلک ہے، جس کو پختہ ہونے میں وقت لگے گا متعدد بیرونی عوامل یعنی آئی ایم ایف کے مذاکرات، مرکزی بینک کے ساتھ فاریکس (FX) کے ذخائر، توانائی کی قیمتوں میں تیزی سے اتار چڑھاؤ کی وجہ سے سرمایہ کاروں کے جذبات تحفظات کے شکار رہے۔ PQFTL سمجھتا ہے کہ FX ذخائر پر دباؤ اور بڑھتے ہوئے کرنٹ اکاؤنٹ خسارے کے نتیجہ میں مالیاتی سال 23 کے دوران کرنسی کو لاحق خطرہ پختہ ہو گیا ہے۔

کنزرویٹو فنڈز نے اندازہ کئے گئے بینچ مارک ریٹرن سے اپنے سرمایہ کاروں کے لئے زیادہ منافع دیا۔ PQFTL اپنے پالیسی ہولڈرز کو نقصان سے بچانے اور مسابقتی منافع پیدا کرنے کے لیے خطرے کا فعال طور پر انتظام کرتا رہے گا۔

#### 5. منافع

معزز شیئر ہولڈرز، آپ کی کمپنی نے سال 2022 کے 184.6 ملین روپے کے مقابلے میں 192.1 ملین روپے کے قبل از ٹیکس کے ساتھ سال 2023 کا اختتام کیا، جو ٹیکس اثرات کے بعد 156 ملین روپے پر ایڈجسٹ ہوا (2022 میں 149 ملین روپے)۔

منافع اور نقصان کے اکاؤنٹ اور دیگر جامع آمدنی کا نچوڑ

	2023	2022
	----- (Rupees) -----	
Total investment income of shareholders' fund	275,180,816	163,918,228
Other revenues	32,465,317	23,006,920
Total investment income & other revenues	307,646,133	186,925,148
Expenses not attributable to statutory funds	(17,230,880)	(16,793,098)
Surplus/(Deficit) in shareholders' sub fund	(98,302,603)	14,487,864
	(115,533,483)	(2,305,234)
Profit before taxation	192,112,650	184,619,914
Taxation for the year	(35,814,547)	(35,529,136)
Profit for the year after tax	156,298,103	149,090,778
Other comprehensive income / (loss)		
Actuarial gain / (loss) on defined benefit scheme - net of tax	(2,906,266)	(4,719,569)
Changes in unrealised gain / (losses) on available for sale investment - net of tax	69,544,228	(31,791,344)
Total comprehensive income for the year	222,936,065	112,579,865

#### 6. فی شیئر آمدنی اور فی شیئر بریک اپ ویلیو

سال کی فی حصص آمدنی 1.20 روپے رہی (2022 میں 1.14)۔ اس مدت کے دوران خالص ایکویٹی 72 ملین روپے کے اضافہ کے ساتھ 1.65 بلین روپے پر پہنچ گئی، اس اضافہ کے نتیجے میں فی شیئر بریک اپ ویلیو 12.86 روپے رہی (سال 2022 میں 12.10)۔

## 7. کیپیٹل مینجمنٹ اور لیکویڈیٹی

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۔ لیکویڈیٹی کے انتظام کے ایک حصے کے طور پر، کمپنی انشورنس آرڈیننس، 2000 کے تقاضوں کے مطابق تیار کردہ سالوینسی پوزیشن پر سالانہ آڈیٹرز کا سرٹیفیکیشن بھی حاصل کرتی ہے۔ کمپنی کے پاس تکافل آپریٹرز کے لئے ریگولیٹری ضروری کم سے کم 700 ملین روپے پیڈ اپ کیپیٹل کے مقابلہ میں 1.3 ارب روپے کی رقم موجود ہے۔

## 8. پوسٹ بیلنس شیٹ سے متعلق

درج ذیل ذکر کردہ مجوزہ ڈیویڈنڈ کے علاوہ مالی سال کے اختتام اور اس بیلنس شیٹ اور ڈائریکٹر رپورٹ کی تاریخ کے درمیان کمپنی کی مالی پوزیشن کو متاثر کرنا والا ایسا کوئی بھی معتد بہ ایڈجسٹمنٹ کا واقعہ اور ذمہ داریوں میں تبدیلی نہیں آئی۔

## 9. کریڈٹ ریٹنگ

کسی بھی ادارے کی مالی ساکھ اور اس کے قرضوں کی جانچ پڑتال کے لئے کریڈٹ ریٹنگ ایک اہم ذریعہ ہے۔ اس کی بدولت ادارے کو یہ حق حاصل ہوتا ہے کہ وہ اپنے سرمایہ کاروں اور شراکت داروں کو کسی بھی قسم کی انفارمیشن دیئے بغیر اپنی مالی حیثیت واضح کر سکے اور اسکی بنیاد پر اپنے شراکت داروں کے ساتھ اچھے تعلقات قائم کر سکے۔ آپ کی کمپنی مقامی کریڈٹ ریٹنگ ایجنسیوں؛ VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ اور پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) کی ریٹنگ کے مطابق A++ (سنگل A++) کی مضبوط کریڈٹ ریٹنگ پر قائم ہے۔ ایک مضبوط ریٹنگ کمپنی کے مالی نظم و ضبط اور کمپنی کی سرگرمیوں اور مالی صحت کی شفافیت کی عکاسی کرتی ہے۔

## 10. 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 ان کی حیثیت کی بنیاد پر ہیں۔ اسی طرح اخراجات کو شیئر کرنے کے لئے کی جانے والے معاملات اصل لاگت پر، خرید و فروخت کی سرمایہ کے معاملات منصفانہ قدر اور ویلیو پر اور کلیمز یا کنٹریبیوشن سے متعلق معاملات کو تجارتی بنیادوں پر کیا گیا ہے۔ پاک قطر جنرل تکافل اور پاک قطر ایسٹ مینجمنٹ کمپنی لمیٹڈ 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 اسٹراکچر کی وجہ سے ہے اور کسی بھی ڈائریکٹر یا چیف ایگزیکٹو کو متعلقہ کمپنی یعنی پاک قطر جنرل تکافل اور پاک قطر ایسٹ مینجمنٹ کمپنی لمیٹڈ سے لین دین میں کوئی ذاتی دلچسپی نہیں ہے۔

## 11. دوسرے 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 ممبران کے ساتھ، اعتماد پیدا کرنے اور معیاری خدمات کی فراہمی کے ذریعہ
- کاروباری طبقہ کے ساتھ، ایماندارانہ اور منصفانہ سلوک کے ذریعہ
- حکومت، ریگولیٹرز اور مسابقتی مارکیٹ سسٹم کے ساتھ، مفت انٹر پرائزز 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۔

## 12. ڈیویڈنڈ برائے شیئرہولڈرز

اس سال کی مجموعی جامع آمدن مبلغ 222.9 ملین تھی جس کی وجہ سے کمپنی کا صافی غیر مختص نفع 606.8 ملین ہو گیا (2022 میں 449.1 ملین)۔ ہمیں آپ کو یہ بتاتے ہوئے خوشی ہو رہی ہے کہ آپ کے ڈائریکٹرز نے شیئرہولڈرز کے لیے 5% نقد ڈیویڈنڈ کے اجراء کی سفارش کی ہے۔

## 13. قومی آمدن میں تعاون

ٹیکس اور ڈیوٹی کی ادائیگی کر کے آپ کی کمپنی قومی معیشت میں حصہ ڈالتی ہے اور کمپنی کی ترقی سے اس تعاون میں اضافہ ہوتا جا رہا ہے۔ کمپنی نے ایک ٹیکس دہندہ اور وڈہولڈنگ ایجنٹ کی حیثیت سے قومی خزانے میں 208.41 ملین روپے جمع کرائے ہیں۔

## 14. شرعی اصولوں کی تعمیل

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

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

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

## 15. کارپوریٹ گورننس کے کوڈ کی تعمیل

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

## 16. شکایت کا فنکشن

کمپنی نے تکافل پالیسی ہولڈر کے لئے شکایات کے حوالے سے ایک سیٹ اپ ترتیب دیا ہے۔ اس سیٹ اپ کے ذریعے کم سے کم وقت میں شکایات کو موثر اور تسلی بخش طریقے سے حل کرنے کی پوری کوشش کی جاتی ہے۔ اس سیٹ اپ سے وابستہ عملہ شکایات کو بیمہ کار کے لئے کارپوریٹ گورننس کے ضابطہ اخلاق کی ضروریات کے مطابق کم سے کم ممکنہ وقت میں ازالہ کرتا ہے۔

## 17. بورڈ آف ڈائریکٹرز

آپ کی کمپنی کے ڈائریکٹرز کا انتخاب 29 اپریل 2022 کو ہونے والی غیر معمولی جنرل میٹنگ میں تین سال کی مدت کے لیے کیا گیا۔ اس وقت بورڈ آف ڈائریکٹرز نے منتخب ہونے والے ڈائریکٹروں کی تعداد نو (9) مقرر کی تھی، جس سے بورڈ کے کل اراکین میں ایک رکن کا اضافہ ہوا ہے۔ اس سلسلے میں یہ بتانا مناسب ہے کہ PQFTL کمپنیز ایکٹ، 2017 کے تیسرے شیڈول میں بیان کردہ معیار کے مطابق ایک عوامی مفاد کی کمپنی ہے، اس کے مطابق، کمپنیز ایکٹ 2017 کے سیکشن 154(1) کے تقاضے کے مطابق بورڈ میں خاتون کی نمائندگی کی شرط کو پورا کیا گیا ہے کمپنی کے بورڈ آف ڈائریکٹرز میں کوئی بھی اسامی خالی نہیں تھی۔

دوران سال 2023 میں بورڈ آف ڈائریکٹرز کی چھ میٹنگز منعقد ہوئیں اور ان میں درج ذیل افراد نے شرکت کی:

نمبر شمار	ڈائریکٹر	میٹنگز کی تعداد جن میں وہ شریک ہوئے
1	شیخ علی بن عبداللہ الثانی	1
2	علی ابراہیم العبد الغنی	2
3	عبد الباسط الشیبی	2
4	سید گل	6
5	زاہد حسین اعوان	6
6	محمد اویس انصاری	3
7	محمد کامران سلیم	6
8	فرخ وقار الدین جنیدی	2
9	سمیرا عثمان	5
میٹنگز میں شریک نہ ہونے والے ڈائریکٹرز کو غیر حاضری کی رخصت دی گئی۔		

کارپوریٹ گورننس کے حصے کے طور پر، بورڈ نے بورڈ کی سطح کی کمیٹیوں اور مینجمنٹ کمیٹیوں کو برقرار رکھا ہے، جن کی تازہ ترین تشکیل نوکارپوریٹ انفارمیشن کے عنوان کے تحت سالانہ رپورٹ میں پیش کی گئی ہے۔

## 18. انفارمیشن ٹیکنالوجی

کمپنی نے اپنے آپریشنل اور اسٹریٹجک مقاصد کے حصول کے لئے انفارمیشن ٹیکنالوجی کے وسائل کے موثر اور بھرپور استعمال کے لئے اپنے آپ کو اس سے منسلک کیا ہے۔ کسٹمرز مختلف چینلز جیسے کال سینٹر، موبائل ایپ اور ویب پورٹلز کے ذریعہ استفسارات اور سروسز کی درخواستوں کے لئے کمپنی سے رابطہ قائم کرنے کے قابل تھے۔ کمپنی جہاں اپنی ”ڈیزاسٹر ریکوری“ سائٹ کو بحال رکھتی ہے وہاں ”ڈیزاسٹر ریکوری“ کی مشق بھی کرتی ہے۔ 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۔

## 19. خطرے اور غیر یقینی صورتحال

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

## 20. انٹرنل آڈٹ فنکشن

آڈٹ کمیٹی انٹرنل کنٹرول سسٹم کے موثر نفاذ کی نگرانی کرتی ہے جس میں کنٹرول کے طریقہ کار کی تعمیل بھی شامل ہے۔ اس کمیٹی کی سربراہی ایک آزاد ڈائریکٹر کرتے ہیں، جو تیس سال سے زیادہ کے تجربے کے ساتھ انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (آئی سی اے پی) 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 ایکسچینج اور نیشنل کلیئرنگ کمپنی آف پاکستان کے بورڈ آف ڈائریکٹرز میں اور سیکیورٹیز اینڈ ایکسچینج کمیشن اور کراچی اسٹاک ایکسچینج 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 کہ اس طرح کا نظام کمپنی میں اطمینان بخش اور موثر طریقے سے چل رہا ہے اور کمپنی کی کاروائیاں بہتر بنانے کے لئے آزادانہ اور معقول یقین دہانی فراہم کرتی ہے۔ انٹرنل آڈٹ انٹرنل کنٹرول اور نگرانی کی تعمیل کے بارے میں اندازہ لگانے کے لئے، کمپنی کے پاس مناسب اور قابل تجربہ کار چارٹرڈ اکاؤنٹنٹ کی سربراہی میں، انٹرنل آڈٹ کاشعہ موجود ہے۔ انٹرنل آڈٹ کو بورڈ آڈٹ کمیٹی کے چیئرمین تک مکمل رسائی حاصل ہے۔ مزید برآں، انٹرنل آڈیٹر اندرونی آڈٹ رپورٹس پر تبادلہ خیال کرنے کے لئے سینئر



مینجمنٹ سے ملاقات کرتا ہے اور آڈٹ کے عمل کو شفاف اور موثر بنانے کے لئے آڈٹ کے امور پر تبادلہ خیال کرنے کے لئے کسی بھی وقت انتظامیہ تک رسائی کے لئے مکمل طور پر آزاد ہے۔ اپنی بالادستی اور آزادی کو برقرار رکھنے کے لئے، انٹرنل آڈٹ ڈیپارٹمنٹ باضابطہ طور پر بورڈ کی آڈٹ کمیٹی اور سی ای او کو رپورٹ کرتا ہے۔

## 21. آئی ایف آر ایس 17 انشورنس معاہدات

نئی رپورٹنگ اور ریگولیٹری تقاضے تبدیلیاں لا رہے ہیں، جو بیمہ کنندگان کے اپنے کاروبار کو منظم کرنے کے طریقے کو نمایاں طور پر متاثر کر رہے ہیں۔ مالیاتی رپورٹنگ کا نیا معیار IFRS 17 بلاشبہ انشورنس اکاؤنٹنگ کی ضروریات میں اہم تبدیلیاں لاتا ہے جس میں عالمی سطح پر بیمہ کرنے والے اپنے اعلیٰ ریگولیٹرز کے تعاون کے ساتھ کام کر رہے ہیں، تاکہ اکاؤنٹنگ کے نئے معیار کی طرف ہموار منتقلی کو یقینی بنایا جاسکے۔ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے IFRS 17 کے نفاذ کے لیے چار فیز اپروچ کی ہدایات جاری کی ہیں:

1. فیز 1: فرق کا تجزیہ: 30 ستمبر 2021 کو جمع کرایا گیا۔
2. فیز 2: مالیاتی اثرات کا تجزیہ (FIA) سال 2022 میں 30 جون، 30 ستمبر اور 31 دسمبر کو تین مراحل میں جمع کرایا گیا۔
3. مرحلہ 3: سسٹم ڈیزائن اور طریقہ کار کی آخری تاریخ 30 ستمبر 2024 ہے۔
4. فیز 4: متوازی اجراء اور نفاذ کی تاریخ 1 جنوری 2026۔

## 22. 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 متعلقہ وفاقی اور صوبائی حکومتوں کی طرف سے جاری کردہ قوانین اور ضوابط کی بھی پابندی کرتی ہے۔ ہم متعلقہ قوانین اور قواعد کی تعمیل کو اولین ترجیح دیتے ہیں۔ کمپلائنس فنکشن کی ذمہ داری کمپلائنس آفیسر کے کندھوں پر عائد ہوتی ہے۔ قابل قبول، موثر اور ہموار آپریشن کی ضرورت کو مد نظر رکھتے ہوئے پالیسیز اور طریقہ کار میں ترمیم کی جاتی ہے۔ کمپلائنس فریم ورک کمپنی کے انٹرنل کنٹرول فریم ورک کا حصہ اور پارسل ہے، جس کا بنیادی مقصد اس کو یقینی بنانا اور کمپلائنس رکھنا ہے۔

## 23. کارپوریٹ اور فائنانشل رپورٹنگ فریم ورک

- ا. کمپنی کی مینجمنٹ کی طرف سے تیار کیا گیا فائنانشل اسٹیٹمنٹ اس کے معاملات، اس کے آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلی کو درست طریقے سے پیش کرتا ہے۔
- ب. کمپنی کی جانب سے بک آف اکاؤنٹس مناسب طریقے سے مرتب کیے گئے ہیں۔
- ج. مناسب اکاؤنٹنگ پالیسیز کو فائنانشل اسٹیٹمنٹ بنانے میں استعمال کیا گیا اور اکاؤنٹنگ کے اندازے ایک مناسب اور معقول توجیہ پر مبنی ہیں۔
- د. فائنانشل اسٹیٹمنٹ کی تیاری میں پاکستان میں رائج انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز کی پیروی کی گئی ہے اور کسی بھی قسم کے ڈیپارچر کو مناسب طریقے سے ظاہر کیا گیا ہے۔
- ه. انٹرنل کنٹرول کا سسٹم مناسب ڈیزائن پر مبنی ہے اور موثر طریقے سے اس کو لاگو کیا گیا ہے اور اس کی نگرانی کی جارہی ہے۔
- و. کمپنی کے گونگ کنسرن ہونے میں کوئی خاطر خواہ شک نہیں ہے۔

- ز. ریگولیشنز میں بتائے گئے کارپوریٹ گورنس کی پریکٹسز سے کوئی بڑا فرق نہیں ہے۔
- ح. گذشتہ چھ سالوں کا اہم آپریٹنگ اور فناننشل ڈیٹا منسلک ہے۔
- ط. پچھلے سال سے مقاصد اور حکمت عملیوں میں کوئی خاص تبدیلی نہیں آئی ہے، اور نہ ہی کوئی کارروائی بند رکھنے کا کوئی منصوبہ ہے۔
- ی. بورڈ میٹنگ میں ڈائریکٹرز کی شرکت کی تعداد 'بورڈ آف ڈائریکٹرز' کے عنوان کے تحت دی گئی ہے۔
- ک. کمپنی کے حصہ داروں کا پیٹرن منسلک ہے۔
- ل. سال کے اختتام پر پراویڈنٹ اور گریجویٹ فنڈ اکاؤنٹس میں بالترتیب 4,776,875 اور 324,770 روپے رقم موجود تھی۔
- م. محترم جناب محمد کامران سلیم صاحب کے 717,092 شیئرز کے علاوہ چیف ایگزیکٹو، ڈائریکٹرز، چیف فناننشل آفیسر، کمپنی سیکریٹری ان کے شریک حیات اور چھوٹے بچوں نے شیئرز کی ٹریڈنگ نہیں کی۔
- ن. فی شیئر آمدن اور بریک اپ ویلیو بالترتیب 1.20 اور 12.86 روپے ہے۔

## 24. آڈیٹرز

ریٹائر ہونے والے آڈیٹر، یوسف عادل، چارٹرڈ اکاؤنٹنٹس دوبارہ تقرری کے اہل ہیں۔ آڈٹ کمیٹی کی سفارش پر، کمپنی کے بورڈ آف ڈائریکٹرز نے سال 2024 کے لیے کمپنی کے آڈیٹرز کے طور پر ان کی تقرری کی تجویز پیش کی ہے، جنہوں نے آڈیٹر کے طور پر کام کرنے کے لیے اپنی رضامندی ظاہر کی ہے۔

## 25. 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۔

## 26. قدردانی و اعتراف

سال کے دوران آپ کی کمپنی کی کارکردگی مینجمنٹ اور ملازمین دونوں کی سخت محنت، عزم اور جذبہ اور سب سے بڑھ کر شیئر ہولڈرز کے مسلسل تعاون کے بغیر ممکن نہیں تھی۔ بورڈ آف ڈائریکٹرز کی جانب سے ہم تمام اسٹیک ہولڈرز کا مسلسل تعاون پر تہ دل سے شکریہ ادا کرتے ہیں اور ان کی کوششوں کو سراہتے ہیں۔

ہم سب سے بڑے ریگولیٹر کی حیثیت سے ایس ای سی پی کے تعاون اور کاروبار کی آسانی کے لیے اس کی طرف سے اٹھائے گئے اقدامات کو بھی سراہتے ہیں۔ بورڈ آف ڈائریکٹرز کی طرف سے ہم اپنے پالیسی ہولڈرز، انٹر میڈیٹرز 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 کا سفر جاری رکھیں گے۔

## اختتامیہ

اختتام پر ہم اللہ سبحانہ و تعالیٰ جو کہ رحمن و رحیم ہے کے سامنے سر جھکاتے ہوئے سوال

کرتے ہیں کہ وہ ہمیں، ہماری کمپنی کو، ہمارے ملک کو اور تمام اسٹیک ہولڈرز کو اپنی مسلسل رحمت، ہدایت، طاقت، صحت اور کامیابیوں سے ہمکنار رکھے۔ آمین ثم آمین

بورڈ آف ڈائریکٹرز کی طرف سے

چیف ایگزیکٹو آفیسر  
ڈائریکٹر

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

*Pak-Qatar Family Takaful Limited*

*For The Year Ended December 31, 2023*

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

Pak-Qatar Family Takaful Limited (PQFTL or The Company), being an insurer, has applied the principles contained in the Code in the following manner:

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

<u>Category</u>	<u>Names</u>
<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. Zahid Hussain Awan Mr. Muhammad Owais Ansari
<b>Executive Directors</b>	Mr. Muhammad Kamran Saleem Mr. Azeem Iqbal Pirani*
<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 PQFTL.
3. All the resident directors of PQFTL are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or a NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy arose on the Board of Directors during the year.
5. PQFTL 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. PQFTL has adopted and complied with all the necessary aspects of internal controls given in the code.
10. The orientation course was arranged for the directors in the form of booklet to apprise them of their duties and responsibilities and also about changes in Laws and Regulations.
11. There was no change of Chief Financial Officer Company Secretary and Head of Internal Audit during the year 2023. 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 PQFTL 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 PQFTL other than disclosed in the pattern of shareholding.
15. PQFTL has complied with all the corporate and financial reporting requirements of the Code of Corporate Governance for Insurers, 2016, except for limited scope review by the statutory auditors of half-yearly financial statements for the period ended June 30, 2023. Due to practical difficulties, the Company did not engage external auditors for half-yearly review June 30, 2023. Furthermore, being an unlisted Company, the stakeholders has not been significantly impacted in meeting business goals in this regard.
16. The Board has formed the following Management Committees:

*Underwriting & Re-Takaful Committee:*

<u>Name of the Member</u>	<u>Category</u>
Mr. Zahid Hussain Awan	Chairman
Mr. Azeem Iqbal Pirani	Member
Mr. Muhammad Ahsan Qureshi	Member
Mr. Adnan Arif	Member
Mr. Imran Lakhani	Member
Mr. Athar Ali	Member



Mr. Muhammad Shahzad

Member & Secretary

*Claims Settlement Committee:*

<u>Name of the Member</u>	<u>Category</u>
Mr. Said Gul	Chairman
Mr. Junaid Asghar	Member
Mr. Obaid Hussain Qureshi	Member
Mr. Nasir Ali Soomro	Member
Mr. Muhammad Mustafa	Member
Mr. Ramesh Kumar	Member & Secretary

*Risk Management & Compliance Committee*

<u>Name of the Member</u>	<u>Category</u>
Mr. Zahid Hussain Awan	Chairman
Mr. Azeem Iqbal Pirani	Member
Mr. Junaid Asghar	Member
Mr. Muhammad Ahsan Qureshi	Member
Mr. Tahir Lateef	Member
Mr. Saifuddin Shaikh	Member
Mr. Kashan Rafique Ahmed	Member
Mr. Muhammad Shahzad	Member
Mr. Adnan Arif	Member
Mufti Shakir Siddiqui	Member
Mr. Athar Ali	Member
Mr. Obaid Hussain Qureshi	Member & Secretary

17. The Board has formed the following Board Committee

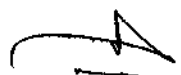
*Ethics, Human Resource & Remuneration Committee:*

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

*Investment Committee:*

<u>Name of the Member</u>	<u>Category</u>
Mr. Zahid Hussain Awan	Chairman
Mr. Said Gul	Member
Mr. Azeem Iqbal Pirani	Member
Mr. Muhammad Kamran Saleem	Member
Mr. Abdul Rahim Abdul Wahab	Member
Mr. Muhammad Ahsan Qureshi	Member & 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:*

<u>Name of the Member</u>	<u>Category</u>
Mr. Farrukh Viqaruddin Junaidy	Chairman
Mr. Muhammad Owais Ansari	Member
Mr. Zahid Hussain Awan	Member
Mr. Muhammad Kamran Saleem	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:

<u>Name of Committee</u>	<u>Frequency</u>
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, Chief Financial 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. The Appointed Actuary of the Company also meets the conditions as laid down in the said Code. Moreover, the persons heading the underwriting, claim, re-takaful, 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);

<u>Name of the Person</u>	<u>Designation</u>
Mr. Azeem Iqbal Pirani	Chief Executive Officer
Mr. Muhammad Kamran Saleem	Company Secretary
Mr. Muhammad Ahsan Qureshi	Chief Financial Officer
Mr. Obaid Hussain Qureshi	Compliance Officer & Head of Grievance Department
Mr. Abdul Rahim Abdul Wahab	Actuary
Mr. Tahir Lateef*	Head of Internal Audit
Mr. Athar Ali	Head of Re-Takaful & Risk Management
Mr. Muhammad Shahzad	Head of Underwriting
Mr. Muhammad Mustafa	Head of Claims

\* Mr. Tahir Lateef was resigned in December 2023.





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 actuary appointed by the company has confirmed that he or his spouse and minor children do not hold shares of the Company.
25. The Board ensures that the appointed actuary complies with the requirements set out for him in the Code of Corporate Governance for Insurers, 2016.
26. 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.
27. 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.
28. 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.
29. The Board ensures that as part of the risk management system, the PQFTL 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 17<sup>th</sup> July 2023 and 26<sup>th</sup> June 2023 respectively are A++ with 'Stable' outlooks.
30. The Board has set up a grievance department, which fully complies with the requirements of the Code of Corporate Governance for Insurers, 2016.
31. 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.
32. We confirm that all other material principles contained in the Code of Corporate Governance for Insurers, 2016 have been complied with, except as mentioned in point 15 above.

*By Order of the Board*

  
\_\_\_\_\_  
**Chief Executive Officer**

  
\_\_\_\_\_  
**Director**



## INDEPENDENT AUDITOR'S REVIEW REPORT

### To the members of Pak Qatar Family Takaful Limited

#### Review Report on the Statement of Compliance Contained in Code of Corporate Governance for Insurers, 2016

We have reviewed the enclosed Statement of Compliance (the statement) 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 Family Takaful Limited** (the Company) for the year ended **December 31, 2023** in accordance with the requirements of Clause (Ixxvii) of the Code.

The responsibility for compliance with the Code is that of the Board of Directors 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 Board of Directors' statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended December 31, 2023.

Further, we highlight clause 15 of the statement, which does not comply with the requirements of the Code.

  
Chartered Accountants

**Engagement Partner:** Hena Sadiq

**Place:** Karachi

**Date:** April 30, 2024

**UDIN:** CR202310057hmezkxMpq

# Shariah Review Report to the Board of Directors for the year ended 31 December 2023

الحمد لله رب العلمين والصلاة والسلام على سيد الانبياء والمرسلين محمد النبي الامي  
وعلى آله وصحبه اجمعين، وبعد

We have reviewed the accompanying financial statements of **Pak-Qatar Family Takaful Limited** (hereafter referred to as “the Company”) for the year ended 31 December 2023.

During this year Shariah Advisory Board conducted online meetings on various matters. Also, we have reviewed all types of products, documents, MOUs and the business concerns of the Company with the assistance of qualified Muftis of Shariah Compliance Department in accordance with the principles of Shariah. 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 2023 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 **9,218,106/-** as Shariah non-Compliant income which has been credited to the relevant charity account.
- (iv) Moreover, we also agree with the accounting principles adopted for incorporation of Participants' Takaful Fund (Waqf Fund) into the accompanying financial statements.
- (v) 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 2023, we have conducted multiple sessions with the collaboration of Training Department and individually.
- (vi) 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 in all transactional aspects.

*“And Allah Knows Best”*



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**Mufti Muhammad Hassan Kaleem**  
Chairman - Shariah Advisory Board



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**Dr. Mufti Ismatullah**  
Shariah Advisor & Member - Shariah Advisory Board



## **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 Family 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, 2023, with the Takaful Rules, 2012, in the form of an independent reasonable assurance conclusion about whether the annexed statement presents fairly the status of compliance of the operations with the Takaful Rules, 2012, in all material respects. This engagement was conducted by a multidisciplinary team including assurance practitioners and an 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 Management**

The 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 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 Management 1 'Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements', which requires the firm to design, implement, and operate a system of quality management, including policies or 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 Shari'ah matters was provided by independent Shari'ah scholar

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 compliance with Shariah Principles of the Takaful transactions during the year ended December 31, 2023, with the Takaful Rules, 2012.

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

#### **Opinion**

In our opinion, the statement, for the year ended December 31, 2023, presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.

  
**Chartered Accountants**  
**Engagement Partner: Hena Sadiq**

**Dated:** 30 April, 2024  
**Place:** Karachi

# **PAK QATAR FAMILY TAKAFUL LIMITED**

Financial Statements  
for the Year Ended  
December 31, 2023

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF PAK-QATAR FAMILY TAKAFUL LIMITED**

#### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the annexed financial statements of **Pak-Qatar Family Takaful Limited** (the Company), which comprise the statement of financial position as at December 31, 2023, the statement of profit and loss and other comprehensive income- Participants' Fund, the statement of profit and loss and other comprehensive income - Shareholders' Fund, the statement of changes in equity, the cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit and loss and other comprehensive income- Participant's Fund, the statement of profit and loss and other comprehensive income - Shareholder's Fund, the statement of changes in equity and the cash flow statement together with the notes, comprising material accounting policy information and other explanatory information 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 Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2023 and of the profit and comprehensive income of the Shareholder's Fund and of the deficit reserve and comprehensive income of the Participants' Fund, the changes in equity and its cash flows for the year then ended.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditors 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.

#### **Emphases for matter**

We draw attention to note 28.1 to the financial statements where it is disclosed that the Company has challenged the scope and applicability of Punjab Sales Tax (PST) and Sindh Sales Tax (SST) on life insurance services. Our opinion is not modified in this respect.

#### **Information Other than the Financial Statements and Auditors' 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 auditors' report thereon.

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

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



If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



**Report on Other Legal and Regulatory Requirements**

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

- a) proper books of account have been kept by the Company as required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit and loss and other comprehensive income- Participant's Fund, the statement of profit and loss and other comprehensive income – Shareholder's Fund, the statement of changes in equity and the cash flow statement together with the notes, comprising material accounting policy information and other explanatory information 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 and returns;
- c) the apportionment of assets, liabilities, revenue and expenses between two or more funds has been performed in accordance with the advice of the appointed actuary;
- d) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- e) 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.

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

  
Chartered Accountants

Place: Karachi

Date: April 30, 2024

UDIN: AR202310057SO8GzuL6E

PAK-QATAR FAMILY TAKAFUL LIMITED  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2023

				Aggregate	
	Note	Shareholders' fund	Participants' fund	December 31, 2023	December 31, 2022
				(Rupees)	
<b>ASSETS</b>					
Property and equipment	8	474,986,768	-	474,986,768	483,314,838
Intangible assets	9	84,707,828	-	84,707,828	92,298,333
Investment property	10	-	1,124,510,000	1,124,510,000	983,381,250
<b>Investments</b>					
Equity securities	11	55,332,372	7,029,624,398	7,084,956,770	6,213,212,979
Government securities	12	854,410,000	3,565,760,012	4,420,170,012	4,411,162,515
Debt securities	13	-	89,437,480	89,437,480	228,437,480
Term deposits	14	-	50,000,000	50,000,000	100,000,000
Mutual funds	15	538,351,918	23,398,793,908	23,937,145,826	14,903,761,609
		1,448,094,290	34,133,615,798	35,581,710,088	25,856,574,583
Advance against investment property		3,775,000	128,624,000	132,399,000	132,399,000
Takaful / Re-takaful receivables	16	-	1,109,930,970	1,109,930,970	965,806,087
Deposits, loans and other receivables	17	138,584,614	187,800,263	326,384,877	334,654,188
Deferred tax asset	18	-	-	-	13,533,566
Taxation - payments less provision		-	901,724,562	901,724,562	833,712,875
Prepayments	19	20,778,575	-	20,778,575	19,692,365
Cash and bank	20	37,702,124	3,994,237,072	4,031,939,196	3,293,175,259
<b>Total Assets</b>		<b>2,208,629,199</b>	<b>41,580,442,665</b>	<b>43,789,071,864</b>	<b>33,008,542,344</b>
<b>EQUITY and LIABILITIES</b>					
Share capital	21	1,307,124,400	-	1,307,124,400	1,307,124,400
Unappropriated profit - net		606,773,532	-	606,773,532	449,193,693
<b>Shareholders' Equity</b>		<b>1,913,897,932</b>	<b>-</b>	<b>1,913,897,932</b>	<b>1,756,318,093</b>
Qard-e-Hasna		(260,000,000)	-	(260,000,000)	(175,000,000)
<b>Total Equity</b>		<b>1,653,897,932</b>	<b>-</b>	<b>1,653,897,932</b>	<b>1,581,318,093</b>
<b>Waqf / Participant Takaful Fund (PTF)</b>					
Cede money		-	500,000	500,000	500,000
Accumulated surplus		-	697,580,853	697,580,853	759,958,550
Qard -e -Hasna		-	260,000,000	260,000,000	175,000,000
<b>Total Participants' Takaful Fund</b>		<b>-</b>	<b>958,080,853</b>	<b>958,080,853</b>	<b>935,458,550</b>
<b>Liabilities</b>					
Deferred tax liability	18	12,508,208	-	12,508,208	-
Takaful liabilities	22	-	39,673,614,394	39,673,614,394	29,248,313,994
Staff retirement benefits	24	84,767,974	-	84,767,974	72,519,492
Contributions received in advance		-	751,488,717	751,488,717	559,057,840
Takaful / Re-takaful payable	25	-	117,046,472	117,046,472	104,178,301
Other creditors and accruals	26	259,668,284	80,212,229	339,880,513	283,615,094
Lease liabilities	27	184,547,201	-	184,547,201	223,735,747
Tax provision - payment less provision		13,239,600	-	13,239,600	345,233
<b>Total Liabilities</b>		<b>554,731,267</b>	<b>40,622,361,812</b>	<b>41,177,093,079</b>	<b>30,491,765,701</b>
<b>Total Equity and Liabilities</b>		<b>2,208,629,199</b>	<b>41,580,442,665</b>	<b>43,789,071,864</b>	<b>33,008,542,344</b>
<b>Contingencies and commitments</b>					

28

The annexed notes from 1 to 51 form an integral part of these financial statements.

Chief Executive Officer

Director

Director

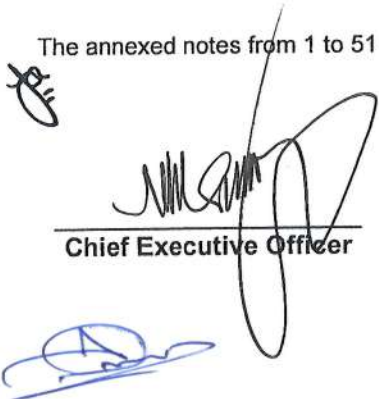
Chairman




PAK-QATAR FAMILY TAKAFUL LIMITED  
 PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	December 31, 2023	December 31, 2022
		----- (Rupees) -----	
<b>Participants' fund</b>			
Gross contributions revenue	29	16,296,690,302	10,235,624,483
Wakala fee	30	(1,507,754,812)	(1,989,680,804)
		14,788,935,490	8,245,943,679
Re-takaful contribution ceded	29	(449,816,541)	(463,965,911)
<b>Net contribution revenue</b>		<b>14,339,118,949</b>	<b>7,781,977,768</b>
Investment income	31	669,423,985	630,217,039
Net realised fair value gains on investments	32	2,537,532,256	944,460,307
Net fair value gains / (losses) on investments	33	3,840,474,268	(1,213,393,183)
Unrealised gain on revaluation of investment property	10	13,643,705	40,639,234
Surplus income		82,815,115	91,040,901
		7,143,889,329	492,964,298
<b>Net income</b>		<b>21,483,008,278</b>	<b>8,274,942,066</b>
Takaful benefits	35	(10,954,415,360)	(6,971,880,607)
Recoveries from Re-takaful	35	301,897,982	353,538,137
Takaful operator fee	36	(641,814,243)	(562,319,258)
Surplus distribution		(99,852,952)	(73,303,787)
Other expenses		(88,969,189)	(72,898,691)
<b>Net takaful benefits</b>		<b>(11,483,153,762)</b>	<b>(7,326,864,206)</b>
Net change in takaful liabilities (Other than outstanding claims)		(10,062,232,213)	(800,455,841)
(Deficit) / surplus reserve for the year [ Participant Takaful Fund (PTF) ]		(62,377,697)	147,622,019


The annexed notes from 1 to 51 form an integral part of these financial statements.




Chief Executive Officer



Director



Director

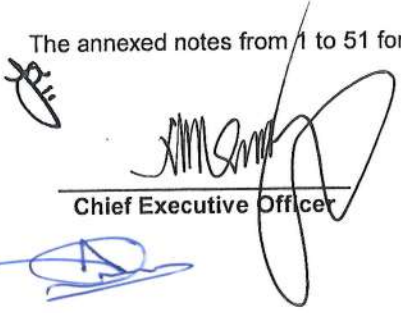


Chairman


PAK-QATAR FAMILY TAKAFUL LIMITED  
 PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	December 31, 2023 <div>(Rupees)</div>	December 31, 2022
<b>Shareholders' fund</b>			
Wakala fee	30	1,507,754,812	1,989,680,804
Commission expense	37	(628,211,309)	(847,915,540)
		879,543,503	1,141,765,264
Takaful operator fee	36	641,814,243	562,319,258
Investment income	31	181,956,378	147,724,149
Net realised fair value gains on investments	32	93,224,438	16,194,079
Other income	34	32,465,318	23,006,923
		949,460,377	749,244,409
<b>Net income</b>		1,829,003,880	1,891,009,673
Acquisition expenses	37	(822,526,142)	(1,016,631,318)
Marketing and administration expenses	38	(797,134,208)	(672,965,348)
Other expenses	39	(17,230,880)	(16,793,098)
<b>Total expenses</b>		(1,636,891,230)	(1,706,389,764)
<b>Profit before tax</b>		192,112,650	184,619,909
Taxation	40	(35,814,547)	(35,529,136)
<b>Profit after tax</b>		156,298,103	149,090,773
<b>Other comprehensive income</b>			
<i>Items not to be recognised to profit and loss account in subsequent year</i>			
Actuarial loss on staff retirement benefit	24.5.2	(4,093,333)	(6,647,281)
Tax effect		1,187,067	1,927,711
		(2,906,266)	(4,719,570)
<i>Items that may be recognised to profit and loss account in subsequent years</i>			
Change in unrealised gains on available for sale investments		160,364,238	26,786,714
Loss on disposal reclassified to profit or loss account		(62,414,762)	(71,563,255)
Tax effect		(28,405,248)	12,985,197
Change in unrealised (losses) / gains available for-sale-investments - net of tax		69,544,228	(31,791,344)
<b>Total other comprehensive income</b>		66,637,962	(36,510,914)
<b>Total comprehensive income for the year (Share holder fund-SHF)</b>		222,936,065	112,579,859
<b>Earnings per share</b>	41	1.20	1.14


The annexed notes from 1 to 51 form an integral part of these financial statements.



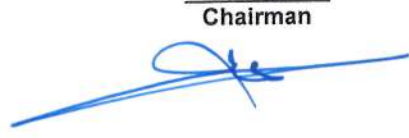
Chief Executive Officer



Director



Director




Chairman

PAK-QATAR FAMILY TAKAFUL LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2023


	Attributable to Participants of the Company			
	Cede Money	Accumulated surplus / (deficit)	Qard-e-Hasna	Total
	(Rupees)			
Balance at January 01, 2022	500,000	612,336,531	175,000,000	787,836,531
Accumulated surplus	-	147,622,019	-	147,622,019
Balance as at December 31, 2022	500,000	759,958,550	175,000,000	935,458,550
Accumulated surplus	-	(62,377,697)	-	(62,377,697)
Contribution by Shareholder's fund	-	-	85,000,000	85,000,000
Balance as at December 31, 2023	500,000	697,580,853	260,000,000	958,080,853

	Attributable to Shareholders of the Company					
	Net Unappropriated profit / (Accumulated loss)					
	Share Capital	Unappropriated profit / (Accumulated loss)	Surplus / (Deficit) on re-valuation of available for sale investments	Net Unappropriated profit / (Accumulated loss)	Capital contribution to statutory funds	Total
(Rupees)						
Balance at January 01, 2022	1,307,124,400	396,185,573	(59,571,739)	336,613,834	(175,000,000)	1,468,738,234
Total comprehensive income for the year ended December 31, 2022						
Profit for the year	-	149,090,773	-	149,090,773	-	149,090,773
Other comprehensive income for the year - net of tax	-	(4,719,570)	(31,791,344)	(36,510,914)	-	(36,510,914)
Total comprehensive income for the year	-	144,371,203	(31,791,344)	112,579,859	-	112,579,859
Balance at December 31, 2022	1,307,124,400	540,556,776	(91,363,083)	449,193,693	(175,000,000)	1,581,318,093
Total comprehensive income for the year ended December 31, 2023						
Profit for the year	-	156,298,103	-	156,298,103	-	156,298,103
Other comprehensive income for the year - net of tax	-	(2,906,266)	69,544,228	66,637,962	-	66,637,962
Total comprehensive income for the year	-	153,391,837	69,544,228	222,936,065	-	222,936,065
Transaction with the owners						
Dividend for the year ended December 31, 2022 @ Re. 0.5 per share i.e. 5%	-	(65,356,226)	-	(65,356,226)	-	(65,356,226)
Qard-e-Hasna contributed to shareholders' sub fund	-	-	-	-	(85,000,000)	(85,000,000)
	-	(65,356,226)	-	(65,356,226)	(85,000,000)	(150,356,226)
Balance as at December 31, 2023	1,307,124,400	628,592,387	(21,818,855)	606,773,532	(260,000,000)	1,653,897,932


The annexed notes from 1 to 51 form an integral part of these financial statements.



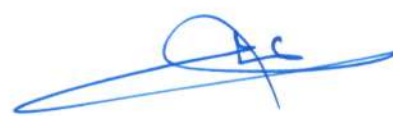
Chief Executive Officer



Director



Director



Chairman



PAK-QATAR FAMILY TAKAFUL LIMITED  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2023

			Aggregate	
	Shareholders' Fund	Participants' Fund	December 31, 2023	December 31, 2022
Note			(Rupees)	
<hr/>				
<b>Operating Cash flows</b>				
<b>(a) Takaful activities</b>				
Contributions received	-	16,301,948,155	16,301,948,155	10,435,778,800
Retakaful payment - net	-	(9,187,132)	(9,187,132)	(11,248,009)
Claims / benefits paid	-	(10,591,347,173)	(10,591,347,173)	(6,884,558,838)
Commission paid	(652,499,913)	-	(652,499,913)	(877,037,068)
Wakala fees / Modarib received	2,149,569,055	-	2,149,569,055	2,552,000,062
Wakala fees / Modarib paid	-	(2,149,569,055)	(2,149,569,055)	(2,552,000,062)
<b>Net cash flow from takaful activities</b>	<b>1,497,069,142</b>	<b>3,551,844,795</b>	<b>5,048,913,937</b>	<b>2,662,934,885</b>
<b>(b) Other operating activities</b>				
Income tax paid	(24,096,582)	(68,011,701)	(92,108,283)	(92,262,596)
Management and other expenses paid	(1,428,710,824)	-	(1,428,710,824)	(1,594,739,550)
Other operating payments	16,578,128	(20,597,796)	(4,019,668)	(44,447,741)
Advances and deposits	(305,000)	(1,000,000)	(1,305,000)	(2,100,000)
Surplus distributed	-	(99,852,952)	(99,852,952)	(73,303,787)
Interfund transactions	(85,000,000)	85,000,000	-	-
<b>Net cash flow from other operating activities</b>	<b>(1,521,534,278)</b>	<b>(104,462,449)</b>	<b>(1,625,996,727)</b>	<b>(1,806,853,674)</b>
<b>Total cash flow from all operating activities</b>	<b>(24,465,136)</b>	<b>3,447,382,346</b>	<b>3,422,917,210</b>	<b>856,081,211</b>
<b>(c) Investment activities</b>				
Profit / return received	270,592,370	3,019,494,160	3,290,086,530	355,634,755
Payment for investments	(932,235,720)	(55,650,039,938)	(56,582,275,658)	(17,159,577,784)
Proceeds from disposal of investments	917,039,900	49,797,984,871	50,715,024,771	15,968,840,139
Dividend received	4,855,000	179,105,500	183,960,500	279,752,944
Fixed capital expenditure	(178,967,187)	-	(178,967,187)	(103,710,802)
Advance for investment property	-	-	-	(471,366,016)
Proceeds from disposal of operating assets	3,373,996	-	3,373,996	186,500
<b>Total cash flow from investing activities</b>	<b>84,658,359</b>	<b>(2,653,455,406)</b>	<b>(2,568,797,047)</b>	<b>(1,130,240,264)</b>
<b>(d) Financing activities</b>				
Dividend paid	(65,356,226)	-	(65,356,226)	-
<b>Total cash flow from financing activities</b>	<b>(65,356,226)</b>	<b>-</b>	<b>(65,356,226)</b>	<b>-</b>
<b>Net cash flow from all activities</b>	<b>(5,163,003)</b>	<b>793,926,940</b>	<b>788,763,937</b>	<b>(274,150,053)</b>
Cash and cash equivalents at beginning of year	42,865,127	3,250,310,132	3,293,175,259	3,567,334,312
Cash and cash equivalents at end of year	20 37,702,124	4,044,237,072	4,081,939,196	3,293,175,259
<b>Reconciliation to profit and loss account</b>				
Cash flow from operating activities	(24,465,136)	3,447,382,346	3,422,917,210	856,081,211
<b>Surplus of participants' funds for the year</b> <b>(Before distribution and changes in reserves)</b>				
Exchange gain	53,016	-	53,016	243,911
Depreciation expense	(168,411,788)	-	(168,411,788)	(48,318,716)
Amortisation expense	(9,059,505)	-	(9,059,505)	(9,531,768)
Actuarial (gain) /loss - retirement benefits obligation	4,093,333	-	4,093,333	6,647,281
Tax paid	24,096,582	68,011,701	92,108,283	92,262,596
Gain on disposal of operating assets	34,313	-	34,313	45,334
Return on investments	181,956,378	669,423,985	851,380,363	770,862,143
Long term deposits	305,000	1,000,000	1,305,000	2,100,000
Financial charge expense	(20,156,638)	-	-	-
Increase / (decrease) in receivables and other assets	(30,835,763)	(20,597,796)	(51,433,559)	(216,207,598)
(Increase) / decrease in liabilities	(41,671,057)	(430,075,671)	(471,746,727)	(109,387,072)
Fair value gain / (loss) on investments	97,949,476	3,936,933,088	4,034,882,564	(1,172,753,950)
Net realised fair value gain on investments	93,224,438	2,537,532,256	2,630,756,694	960,654,412
Capital contribution by Shareholder's fund	85,000,000	(85,000,000)	-	-
Income tax expense	(35,814,547)	-	(35,814,547)	(35,529,136)
<b>Profit / Deficit for the year (after Tax / Reserves)</b>	<b>156,298,103</b>	<b>10,124,609,910</b>	<b>10,336,879,197</b>	<b>1,097,168,649</b>

Chief Executive Officer

Director

Director

Chairman

Definition of cash

Cash comprises of cash in hand, policy stamps in hand, bank balances and other deposits which are readily convertible to cash in hand and which are used in the cash management function on a day-to-day basis.

Cash for the purposes of the statement of cash flows consists of:

	Note	December 31, 2023	December 31, 2022
		(Rupees)	
Cash and other equivalents			
Cash in hand	20	478,177	360,469
Stamps in hand	20	6,360,683	8,242,953
		6,838,860	8,603,422
Current and other accounts			
Current accounts	20	364,481,170	125,343,672
Saving accounts	20	3,660,619,166	3,159,228,165
		4,025,100,336	3,284,571,837
Deposits maturing within 3 months (encashable on demand)	14	50,000,000	-
		4,081,939,196	3,293,175,259

Chief Executive Officer

Director

Director

Chairman



**PAK-QATAR FAMILY TAKAFUL LIMITED**  
**NOTES COMPRISING MATERIAL ACCOUNTING POLICY INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**1 CORPORATE INFORMATION**

Pak Qatar Family 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 (now the Companies Act, 2017). The Company received certificate of registration on August 16, 2007 under Section 6 of the Insurance Ordinance, 2000. The principal business activity of the Company is to undertake family takaful business in accordance with the Insurance Ordinance 2000, Securities and Exchange Commission, Repealed Insurance Rules, 2002 (now Insurance Rules, 2017) and Takaful Rules, 2012. The registered office of the Company is situated at suite # 101-105, Business Arcade, Block 6, P.E.C.H.S, Karachi.

To carry out the family takaful business, the Company has established the Takaful Business Statutory Fund as per Rule 8 of the Repealed Takaful Rules, 2005 (now Takaful Rules, 2012) and Section 15 of the Insurance Ordinance, 2000. The Takaful Business Statutory Fund has the following components in accordance with the Waqf-Wakala Model adopted by the Company.

- i) Participant Takaful Fund (PTF i.e. PQFTL Waqf): The Company formed a Waqf on August 17, 2007 under a trust deed executed by the Company with a cede amount of Rs. 500,000. Waqf deed also governs the relationship of the shareholders and policyholders for the management of the takaful operations, investment of participants' and shareholders' respective funds approved by the Shariah Board established by the Company and to manage the risk related contributions and payment of Takaful benefits. The Waqf supports the following:
  - a) Individual Family;
  - b) Group Family; and
  - c) Group Health
- ii) Participant Investment Fund (PIF): Investment component of the participants contributions are managed in PIF which represents the aggregate of the individual Participant's Investment Accounts (PIA).

As per Section 21 of the Insurance Ordinance, 2000 capital contribution to a statutory fund is distributable back to the shareholders' fund subject to the written advice of the appointed actuary.

**2 BASIS OF PREPARATION**

These financial statements have been prepared in line with the format issued by the Securities and Exchange Commission of Pakistan (SECP) through Insurance Rules, 2017 (the Rules) vide SRO 89(I)/2017 and Insurance Accounting Regulations, 2017 (the Regulations) vide SRO 88(I)/2017 dated 09 February 2017, with appropriate modifications based on the advice of Shariah Advisor of the Company. In this regard, the Company has sought approval from the SECP vide email dated 29 April, 2019.

The Company maintains statutory / participants' funds in respect of each class of family takaful business. Assets, liabilities, revenues and expenses referable to respective funds have been recorded accordingly.

Apportionment of assets, liabilities, revenues and expenses, where required, between funds are made on a fair and equitable basis in accordance with the written advice of the appointed actuary.

These financial statements have been presented in Pakistani rupees, which is the functional currency of the Company.

These financial statements reflect the financial position and results of operations of both shareholders' Fund and participants' funds in a manner that the assets, liabilities, income and expenses remain separately identifiable.

### 3 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of:

- International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB), as are notified under the Companies Act, 2017, and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP);
- 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.

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.

To clarify the applicability of Insurance Accounting Regulations, 2017 on Takaful business, the Company has applied through letter number SEC/19-08/20 dated August 09, 2019 which was responded by Securities and Exchange Commission of Pakistan (SECP) vide letter ID/OSM/PQFTL/2019/1507 dated August 20, 2019 that directed the company to apply Insurance Accounting Regulation 2017 format to maximum extent possible.

### BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention, except as disclosed in accounting policies relating to investments, investment property, lease liabilities, retirement benefits obligation and insurance liabilities. These financial statements have been presented in Pakistani rupees, which is the functional currency of the Company.

### 5 ACCOUNTING STANDARDS, IFRIC INTERPRETATIONS AND AMENDMENTS

#### 5.1 Amendments and improvements that are effective for the year ended December 31, 2023

The following amendments and improvements are effective for the year ended December 31, 2023. These amendments and improvements are either not relevant to the Operator's operations or are not expected to have significant impact on the Operator'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
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 IAS 12 'Income taxes' - International Tax Reform — Pillar Two Model Rules	January 01, 2023

## 5.2 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 Operator's operations or are not expected to have significant impact on the Operator's financial statements other than certain additional disclosures.

	Effective from Accounting period beginning on or after
Amendments to IFRS 16 'Leases' - Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with Convents along with Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance ArrangementsAmendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 01, 2025

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

The SECP vide SRO 1715 (I) / 2023 dated November 21, 2023 has directed the companies engaged in insurance / takaful and reinsurance / retakaful to follow IFRS 17 from January 01, 2026. The Company is in the process of determination of impact assesment of IFRS - 17 on the Company's financial statments.

## 5.3 Temporary exemption from application of IFRS 9:

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

## 6 MATERIAL ACCOUNTING POLICIES INFORMATION

The material 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 December 31, 2022.

## **6.1 Leases**

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

### **Company as a lessee**

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

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

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

### **Lease liabilities**

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

- 6.1.2** **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 customisation of the leased asset).

- 6.1.3** **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 RoU 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).

## **6.2 Property and equipment - operating assets**

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 in which asset is available for use while no depreciation is charged in the month of disposal. Gains and losses on disposals are taken to statement of profit and loss and other comprehensive income - Shareholders' fund.

Residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date.

Subsequent cost are included in the assets' 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. Maintenance and normal repairs are charged to statement of profit and loss and other comprehensive income - Shareholders' fund.



Asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss and other comprehensive income - Shareholders' fund in the year the asset is derecognised.

### **6.3 Intangible assets**

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

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 and amortisation method is reviewed, and adjusted if appropriate, at each reporting date.

### **6.4 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 impairment in value, if any.

### **6.5 Investments**

#### **6.5.1 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 acquired principally for the purpose of selling or repurchasing in the near future are classified as held for trading. All investments that have not been classified as either held to maturity, held for trading or as fair value through profit or loss have been classified as available-for-sale.

All financial instruments are recognised in the financial statements when, and only when, the company becomes a party to the contractual provisions of the instruments.

All investments are initially recognised at cost, being the fair value of the consideration given, including transaction costs associated with the investments, except for held for trading investments and at fair value through profit or loss categories, wherein the transaction costs are charged to the statement of profit and loss and other comprehensive income.

#### **6.5.2 Investment categories and subsequent measurement**

##### **Investments**

The company classifies its investments into the following categories:

##### **Fair Value through profit or loss**

Investments at FVTPL comprise held-for-trading investments and investments other than held-for-trading that are designated at fair value through profit or loss.

- a) Held-for-trading investments are investments that are acquired and held principally for the purpose of selling in the short term or it is part of a portfolio of identified securities that are managed together and for which there is evidence of a recent actual pattern of short term profit taking.
- b) Investments other than held-for-trading that are designated at fair value are classified as such if it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different basis.

All investments under participants' funds except investment in short term deposits have been designated as carried at fair value through profit or loss.

Investments classified as FVTPL are subsequently measured at their fair values with fair value adjustments and realised gains and losses recognised in their respective funds. Equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are carried at cost.

#### **Available-for-sale**

All investments under shareholders' fund except investment in short term deposits have been classified as available-for-sale (AFS) investments.

AFS investments are investments that are not classified in any of the other categories and are measured at fair value. AFS investments are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition and are subsequently carried at fair value. Fair value gains or losses of those investments are recognised directly in other comprehensive income, except for impairment losses. Significant or prolonged decline in the fair value of the investments below its cost is considered in determining whether the assets are impaired. If any such evidence exist for AFS investments, the cumulative losses, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in equity is removed from equity and recognised in profit or loss. If in a subsequent period, the fair value of debt instrument classified as AFS increase and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss. Impairment losses previously recognised in profit or loss for equity instruments are not reversed through profit or loss. On de-recognition, the cumulative gains or losses previously reported in revaluation reserves are reclassified to profit and loss account.

#### **Held-to-maturity**

This represents term deposits of fixed maturity maintained with Islamic commercial banks under profit and loss sharing basis.

#### **Investment in an associate - Equity method**

Associates are those entities in which the company has significant influence, but does not have control, over the financial and operating policies. These financial statements account for the Company's investment in associates under the equity method i.e. recognising Company's share of the total recognised gains and losses of associates on the equity accounting basis. The investment's carrying amount is reduced to nil where the Company's share of losses of the associate, exceeds its interest in an associate. Having reduced the carrying amount to Nil, further recognition of the associate's losses is discontinued, except to the extent that the Company has incurred legal or constructive obligation.

For investment in Government and Other fixed income securities, 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 / market value of shares is determined on the basis of closing quoted market prices available at the Pakistani Stock Exchange.

#### **Investment property**

Investment property comprising of land and buildings, is held for long term rental yields / capital appreciation. The investment property of the Company comprises of land which is valued using the Fair Value model i.e. its initial measurement at cost (expenditure that is directly attributable to the acquisition of the investment property) and subsequently at fair value with any change therein recognised in statement of profit and loss and other comprehensive income - Participants' fund.

The Company engages external, independent and qualified valuers to determine the fair value of the investment property at least once every financial year. The gain or loss on disposal of investment property, represented by the difference between the sale proceeds and the carrying amount of the asset is recognised as income or expense in statement of profit and loss and other comprehensive income - Participants' fund.

#### **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.

## **6.6 Impairment of non-financial assets**

The carrying amount of the Company's 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 statement of profit and loss and other comprehensive income.

## **6.7 Ijarah arrangements**

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

## **6.8 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 out flow 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 adjusted to reflect the current best estimate.

## **6.9 Takaful liabilities**

These includes outstanding claims and the technical reserves comprising reserve for claims – incurred but not reported (IBNR), contribution deficiency reserve (CDR) and reserve for unearned contribution.

## **6.10 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 de-recognised when the contractual right to future cash flows from the asset expire or is transferred along with the risk and reward of the asset. Financial liabilities are de-recognised when obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on de-recognition of the financial asset and liabilities are recognised in the statement of profit and loss and other comprehensive income.

## **6.11 Off-setting**

A financial asset and financial liability is offset and the net amount is reported in the balance sheet 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.

## **6.12 Takaful contracts**

The takaful contracts are based on the principles of Waqf Wakala Model. Takaful is a programme based on shariah compliant, approved concept founded on the principles of mutual cooperation, solidarity and brotherhood.

The obligation of Waqf for Waqf participants' liabilities is limited to the amount available in the Waqf Fund. In the event where there is insufficient funds in waqf to meet their current payments less receipts, the deficit is funded by way of an interest free loan (Qard-e-Hasna) from the Shareholders fund to the participants' funds (Takaful Business Statutory Funds). The amount of Qard-e-Hasna is refundable to the shareholders' fund.

Technical reserves are stated at a value determined by the appointed actuary through an actuarial valuation carried out as at each balance sheet date, in accordance with Section 50 of the Insurance Ordinance, 2000.

Principal actuarial assumptions used by the actuary in computing technical reserves are:

- a) the liability in respect of Family Takaful Business and riders of all types is set using the unearned contribution method. Due provision is made for claims incurred but not reported (IBNR) and contingencies over the term of coverage.

- b) the liability is calculated by summing up individual mathematical reserves for the policies. The mathematical reserves as at the valuation date are calculated individually.

### **Group takaful**

The group family takaful contracts are issued typically on yearly renewable term basis. The Company offers group term life and group credit plans to its participants.

### **Individual takaful contracts**

#### **Unit-linked**

The Company offers Unit Linked Takaful Plans which provide Shariah compliant financial protection and investment vehicle to individual participants. These plans carry cash value. The death benefit design is based on Constant Sum at Risk approach i.e. the sum cover is paid up to the cash value. The plans offer investment choices to the customer to direct their investment related contributions based on their risk / return objectives. No investment guarantees are offered. The investment risk is borne by the participants.

#### **Term life**

The Company offers term life contracts which provides financial protection to individual participants. The death benefit design is based on decreasing term value i.e. the face value is reduced with term. The plan offers financial protection choices by selecting the factors for decreasing the face value.

### **6.13 Provision for outstanding claims**

A liability for outstanding claims is recognised in respect of all claims incurred up to the reporting date and includes expected settlement cost, except for accident and health claims / surrenders / partial withdrawals which are recognised as soon as reliable estimates of the claims amount can be made.

Claims where intimation of the event giving rise to the claim is received or in respect of investment linked business when the policy ceases to participate in the earnings of the participants' funds are reported as claims in the statement of profit and loss and other comprehensive income - Participants' fund.

Claim recoveries receivable from the re-takaful operator are recognised at the same time as the claim which gave rise to the right of recovery and are measured at the amount expected to be recovered.

### **6.14 Reserve for claims – Incurred but not reported (IBNR)**

The liability for claims - IBNR is determined by the Appointed Actuary and included in the technical reserves. The IBNR is expressed on the basis of past claims reporting pattern as percentage of earned contribution.

The Company maintains a provision in respect of contribution deficiency for the class of business where the unearned contribution reserve is not adequate to meet the expected future liability, after re-takaful 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. Provision for contribution deficiency reserve is made as per the advice of appointed actuary. The movement in the contribution deficiency reserve is recorded as an expense / income in the statement of profit and loss and other comprehensive income - Participants' fund.

### **6.15 Commission**

Commission expense incurred in obtaining and recording policies is recognised as an expense in accordance with the pattern of recognition / receipt of contribution revenue.

### **6.16 Re-takaful**

Contracts entered into by the Company with re-takaful operator under which the Waqf cedes takaful risks assumed during normal course of its business and according to which the Waqf is compensated for losses on contracts issued by it are classified as re-takaful contracts held.



### **Re-takaful contribution**

Re-takaful contribution is recorded at the time the Re-takaful is ceded. Surplus from Re-takaful operator is recognised in the statement of profit and loss and other comprehensive income - Participants' fund.

### **Re-takaful expense**

Re-takaful expense is recognised as a liability in accordance with the pattern of recognition of related contribution.

### **Re-takaful assets and liabilities**

Re-takaful assets represent balances due from Re-takaful operator. Recoverable amounts are estimated in a manner consistent with the associated Re-takaful treaties.

Re-takaful liabilities represent balances due to Re-takaful companies. Amounts payable are calculated in a manner consistent with the associated Re-takaful treaties.

Re-takaful assets are not offset against related takaful liabilities. Income or expenses from Re-takaful contract are not offset against expenses or income from related takaful contracts as required by the Insurance Ordinance, 2000.

Re-takaful assets and liabilities are derecognised when the contractual rights are extinguished or expired.

### **Impairment of re-takaful assets**

An impairment review of re-takaful assets is performed at each reporting date. If there is an objective evidence that the asset is impaired, the Company reduces the carrying amount of the re-takaful asset to its recoverable amount and recognises that impairment loss in the statement of profit and loss and other comprehensive income - Participants' fund.

## **6.17 Operating segment**

An operating segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other operating segments. The Company accounts for segment reporting using the classes or sub classes of business (Takaful Business Statutory Funds) as specified under the Insurance Ordinance, 2000.

The Company has following three primary business segments for reporting purposes:

- a) The Individual Family Takaful segment provides family takaful coverage to individuals.
- b) The Group Family Takaful business segment provides family takaful coverage to member of business enterprises, corporate entities and common interest groups under group family takaful schemes.
- c) The Group Health Takaful segment provides accident coverage and inpatient / outpatient health coverage to members of business enterprises and corporate entities under group health schemes.

## **6.18 Revenue recognition**

### **Contributions**

#### **i) Individual family**

- First year contributions and single contributions are recognised once the related policies are issued against receipt of contribution.
- Renewal contributions are recognised on receipt basis.
- Top up contributions are recognised against receipt of contribution.

#### **ii) Group family**

- Group Family contributions are recognised as and when due. In respect of certain group policies the Company continues to provide cover even if the contribution is received after the grace period.

### iii) Group health

- Group Health contributions are recognised as and when due. In respect of certain group policies the Company continues to provide cover even if the contribution is received after the grace period.
- Income from admin services only (ASO) is recognised as a fixed percentage of claims paid based on the contractual terms with ASO group health customer. The company only manages the administration of the claims and the amount received in advance is recognised as a liability on the receipt. The contribution/ advance received from ASO customers is recognised separately as liability and are not included in the Waqf fund.

### Income from investments

- Return on bank deposits and income on Islamic investment products is recognised on an accrual basis.
- Gain / loss on sale of available-for-sale investments and investments held at fair value through profit or loss are included in statement of profit and loss and other comprehensive income in the period of sale.
- Dividend income is recognised when the right to receive the dividend is established.

#### 6.19 Reserve for unearned contribution

The unearned portion of gross contribution net off wakala is set aside as a reserve and included in the technical reserves. Such reserve is calculated as a portion of the gross contribution of each policy, determined according to the ratio of the unexpired period of the policy and the total period, both measured to the nearest day.

#### 6.20 Acquisition cost

These are costs incurred in acquiring and maintaining takaful policies and include without limitation all forms of remuneration paid to takaful agents.

Commissions and other expenses are recognised as an expense in the earlier of the financial year in which they are paid and financial year in which they become due and payable, except that commission and other expenses which are directly referable to the acquisition or the renewal of specific contract are recognised not later than the period in which the contribution to which they relate is recognised as revenue.

#### 6.21 Takaful operator's fee / Wakala fee

The shareholders of the Company manage the family takaful operations for the participants and as such the Company is entitled for the takaful operator's fee for the management of takaful operation under Waqf Fund to meet its general and administrative expenses. The takaful operator's fee is recognised upfront.

#### 6.22 Modarib fee

The shareholders of the Company manage the PTF's investments as a Modarib and charge Modarib's share of takaful investment income and profit on bank balances earned by PTF.

#### 6.23 Contribution due but unpaid

These are initially recognised at fair value. Provision for impairment on contribution receivable is established when there is objective evidence that the Company will not be able to collect all amount due according to original term of receivables. Receivables are analysed as per their aging and accordingly provision is maintained on a systematic basis.

#### 6.24 Liability adequacy test

An assessment has been made to ensure that the business provisions are adequate. Using current estimates of future cash flows, appointed actuary has carried out expense projections of the Company to keep a reserve in the light of estimated future cash flows. The current estimates are adequate and no separate reserve needs to be set aside.

#### **6.25 Claims expense**

Provision is maintained in respect of all reported claims against losses incurred up to the reporting date which is measured at the undiscounted value of expected future payments. Claims are recognised if the takaful event occurs before the policy ceases to participate in the earnings of the funds.

#### **6.26 Dividend and appropriation to reserves**

Dividend and appropriation to reserves except appropriations required by the law or determined by actuary or allowed by Insurance Ordinance, 2000, are recognised in the year in which these are approved.

#### **6.27 Qard-e-Hasna**

When the participants takaful fund including reserves are insufficient to meet the current payments less receipts, the deficit is funded by way of contributions (qard-e-hasna) from the shareholder's fund.

#### **6.28 Taxation**

##### **Current**

Provision for current taxation is based on taxable income of shareholders' fund at the current rate of taxation after taking into account tax credits and rebates available, if any, or 1.50 percent of turnover, whichever ever is higher and tax paid on final tax regime basis.

##### **Deferred**

Deferred tax is recognised using the 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.

#### **6.29 Foreign currency transactions and translations**

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 statement of profit and loss and other comprehensive income.

#### **6.30 Staff retirement benefits - defined benefit plan**

The Company operates funded gratuity scheme for all its permanent employees who have completed completed a minimum of five years continuous services. The condition of five years' continuous service shall be replaced by two years' continuous service when an employee dies (except suicide) or has to leave service on total permanent disablement grounds. The expense is recognised on the basis of actuarial valuation carried out at each year end using the "Projected unit credit method". Actuarial gains and losses are recognised in other comprehensive income (OCI) in the periods in which they occur. Amounts recorded in the profit and loss SHF account are limited to current and past service costs, gains or losses on settlements, and net interest income / (expense). All other changes in the net defined benefit obligation are recognised directly in other comprehensive income with no subsequent recycling through the statement of profit and loss and other comprehensive income - Shareholders' fund.

### 6.31 Staff retirement benefits - defined contribution plan

The Company operates an approved contributory provident fund for all its permanent employees. Contributions are made by both the Company and the employees to the fund at the rate of 10% of basic salary. Contribution made by the Company is recognised as an expense in statement of profit and loss and other comprehensive income - Shareholders' fund.

### 6.32 Provisions

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 adjusted to reflect the current best estimate.

### 6.33 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents include the following:

- Cash at bank in current and savings accounts;
- Cash and stamps in hand;
- Term deposits with original maturity within three months; and
- Highly liquid short-term investments that are convertible to known amount of cash and are subject to insignificant risk of change in value.

## 7. ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The estimates / judgments and associated assumptions used in the preparation of the financial statements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates / judgments and associated assumptions are reviewed on an ongoing basis. Revision to the accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, or judgments was exercised in application of accounting policies, are as follows:

	Note
- Estimation of technical reserves and underlying actuarial assumption	6.12, 6.13, 6.15, 6.20, 6.25 and 21
- Classification and valuation of investments	6.5,10,11,12,13 and 15
- Useful lives of assets and method of depreciation	6.1, 6.2, 6.3, 6.4, 8 and 9
- Taxation	6.28, 18 and 40
- Impairment of assets	6.2, 6.3, 6.4, 6.5, 6.6 and 6.23
- Determination of the lease term for lease contracts with	6.1.2
- Estimating the incremental borrowing rate	6.1.3



	December 31, 2023	December 31, 2022
	------(Rupees)-----	
8.1	307,220,396	259,475,693
8.2	160,844,557	195,397,127
8.3	6,921,815	28,442,018
	<u>474,986,768</u>	<u>483,314,838</u>

8 Property and Equipment  
Operating assets  
Right-of-use assets  
Capital work in progress

8.1	Particulars	Cost			Accumulated depreciation		Rate (%)
		As at January 01, 2023	Additions / Transfer / (disposals)	As at December 31, 2023	As at January 01, 2023	For the year / (disposals)	
	Building improvements	345,066,464	64,698,900 (9,491,680)	400,273,684	166,306,018	30,085,060 (6,402,998)	15
	Furniture and fixtures	57,098,846	3,972,702 (119,100)	60,952,448	40,259,769	2,930,442 (50,460)	15
	Office equipment	59,732,245	15,701,551 (143,450)	75,290,346	39,441,802	3,943,809 (47,780)	15
	Motor vehicles	8,620,691	-	8,620,691	6,411,224	441,893	20
	Computer equipment	145,557,540	18,601,426 (185,500)	163,973,466	104,181,279	14,488,989 (98,809)	30
	2023	616,075,786	102,974,579 (9,939,730)	709,110,635	356,600,092	51,890,194 (6,600,047)	

8.1.1 The transfers were made to building improvements amounting to Rs. 28,442 million (December 31, 2022: Rs. 18,158 million)

Particulars	Cost			Accumulated depreciation		Rate (%)
	As at January 01, 2022	Additions / Transfer / (disposals)	As at December 31, 2022	As at January 01, 2022	For the year / (disposals)	
Building improvements	320,139,882	24,926,582	345,066,464	138,305,422	28,000,596	15
Furniture and fixtures	56,691,175	407,671	57,098,846	37,339,230	2,920,539	15
Office equipment	58,301,389	1,430,856	59,732,245	36,017,235	3,424,567	15
Motor vehicles	8,620,691	-	8,620,691	5,858,857	552,367	20
Computer equipment	131,224,868	14,545,972 (213,300)	145,557,540	90,832,768	13,420,645 (72,134)	30
2022	574,978,005	41,311,081 (213,300)	616,075,786	308,353,511	48,318,717 (72,134)	

## 8.1.2 Disposal of operating assets

Particulars	Cost	Accumulated depreciation	Net book value	Sales value	Gain on disposal	Mode of disposal	Particulars of buyers along with relationship
Building Improvements	9,491,680	6,402,998	3,088,682	3,164,260	75,578	As per company policy	Various PQFTL Employees

## 8.1.3 Allocation of depreciation:

	December 31, 2023	December 31, 2022
Depreciation - Acquisition expenses	31,341,797	30,795,761
Depreciation - Marketing expenses	20,548,397	17,522,956
	<u>51,890,194</u>	<u>48,318,717</u>

## 8.2 Right-of-use assets

-Buildings		
Opening balance	195,397,127	143,281,747
Additions during the year	96,043,811	148,692,902
Termination during the year	(14,074,787)	-
Depreciation expense	<u>(116,521,594)</u>	<u>(96,577,522)</u>
Closing balance	<u>160,844,557</u>	<u>195,397,127</u>

## 8.2.1 Allocation of right-of-use assets depreciation:

Depreciation - Acquisition expenses	83,928,493	76,458,083
Depreciation - Marketing expenses	32,593,101	20,119,440
	<u>116,521,594</u>	<u>96,577,523</u>

## 8.3 Capital work in progress

## Building improvements

Opening balance	28,442,018	18,157,679
Additions	6,921,815	28,442,019
Transfers	(28,442,018)	(18,157,680)
Closing balance	<u>6,921,815</u>	<u>28,442,018</u>

## 9 Intangible assets

Particulars	Cost			Accumulated amortisation		Rate
	As at January 01,	As at December 31,	As at January 01,	For the year	As at December 31,	
Computer softwares	2023	187,465,974	1,469,000	188,934,974	95,167,641	104,227,146
						84,707,828
	2022	187,465,975	-	187,465,974	95,167,641	92,298,333

1 Fully amortised assets having cost of Rs. 56.624 million (December 31, 2022: Rs. 56.624 million) are still in use.

			Aggregate	
	Shareholders' fund	Participants' fund	December 31, 2023	December 31, 2022
10	Investment property	Note	(Rupees)	
	Opening balance		-	983,381,249
	Additions and capital improvements		-	127,485,046
	Unrealised fair value gain	10.1	-	13,643,705
	Closing balance		-	1,124,510,000
			983,381,249	600,000,000
			127,485,046	342,742,016
			40,639,234	
			983,381,250	

10.1 Investment properties consists of the following:

Particulars	Location	Fair value as at December 31, 2022	Unrealised gain for December 31, 2022	Fair value as at December 31, 2023	Forced sale value as at December 31, 2023	Unrealised gain for December 31, 2023
(Rupees)						
Freehold land	Islamabad	600,000,000	-	600,000,000	-	-
Office premises	Karachi	383,381,250	40,639,234	524,510,000	510,866,295	13,643,705
		983,381,250	40,639,234	1,124,510,000	510,866,295	13,643,705

10.2 The company acquired an investment property with the objective of capital appreciation. The fair value of investment property was determined by external, independent property valuer, Ms. Credit & Commerce Consultants (Pvt.) Limited having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The latest valuation was carried out as at December 31, 2023 resulting in total fair value of Rs. 524.510 million (December 31, 2022 : Rs. 383.381 million). The independent valuer provide the fair value of the Company's investment property at least once every financial year as per Company's policy.

### 10.3 Valuation technique

The valuer adopted marked based approach for the valuation of investment property and has arranged inquiries and verifications from various estate agents, brokers and dealers, the location and condition of the property, size, utilisation, and current trends in prices of real estate including assumptions that ready buyers are available in the current scenario and analysed through detailed market surveys, the properties that have recently been sold or purchased or offered / quoted for sale into given vicinity to determine the best estimates of the fair value. The valuation technique used is included in level 3 in fair value hierarchy.

10.4 The covered area of the freehold land is 1866.66 sq.yards and office premises is 889 sq.yards.

10.5 The cost of freehold land amount to Rs. 600 million (December 31, 2022: Rs. 600 million) and office premises Rs. 342.742 million (December 31, 2022: Rs. 342.742 million) respectively.

## 11 INVESTMENTS IN EQUITY SECURITIES

		December 31, 2023			December 31, 2022		
Note	Cost	Impairment / Provision	Carrying value	Cost	Impairment / Provision	Carrying value	
		(Rupees)		(Rupees)			
<b><u>Shareholders' fund:</u></b>							
<b>Available for sale</b>							
Listed shares	11.1	45,644,617	-	40,332,372	275,679,404	-	197,402,881
<b>Investment in related party</b>							
Pak Qatar Asset Management Limited	11.2	15,000,000	-	15,000,000	21,000,000	-	21,000,000
<b><u>Participants' fund</u></b>							
<b>Fair value through profit or loss</b>							
Listed shares	11.3	5,229,528,074	-	7,029,624,398	7,875,863,955	-	5,994,810,098
		5,275,172,691	-	7,084,956,770	8,151,543,359	-	6,213,212,979

### 11.1 Listed Shares - Available-for-sale (SHF)

	December 31, 2023	December 31, 2022		December 31, 2023	December 31, 2022
Sector wise names of the Investee companies / organisations	Number of units / shares		Face value (Rupees)	Carrying amount (Rupees)	
Food and Personal care					
Al - Shaheer Corporation Limited	3,250,000	2,800,000	10	40,332,372	28,649,881
Unity Foods Limited (Letter of right)	-	2,800,000	10	-	39,536,000
Oil and Gas exploration					
Oil and Gas Development Company Limited	-	1,100,000	10	-	87,626,000
Pakistan Petroleum Limited	-	400,000	10	-	27,256,000
Technology and Telecommunication					
Pakistan Telecommunication	-	2,350,000	10	-	14,335,000
				40,332,372	197,402,881

### 11.2 Unlisted Shares - Available-for-sale (SHF)

Sector wise names of the Investee companies / organizations

Non-Banking Finance Company

Pak-Qatar Asset Management Company Limited	1,500,000	2,100,000	10	15,000,000	21,000,000
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The above investment in unlisted related party is carried at cost as the investee Company is newly incorporated in the year 2021, and there is no major change in the book value of the shares. Therefore, the management considers that the impact of fair valuation is not be material to the financial statements.

### 11.3 Listed Shares - Fair value through profit or loss (PTF)

	December 31, 2023	December 31, 2022		December 31, 2023	December 31, 2022
Sector wise names of the Investee companies / organisations	Number of units / shares		Face value (Rupees)	Carrying amount (Rupees)	
Automobile					
Honda Atlas Cars (Pakistan) Limited	1,875,000	-	10	400,725,000	-
Engineering					
Agha Steel Industries Limited	17,766,000	18,548,500	10	252,810,180	257,824,150
Pakistan Aluminium Beverage Cans Limited	-	5,320,500	10	-	206,595,015
Crescent Steel and Allied Products Limited	7,725,000	6,787,000	10	367,941,750	217,048,260
Amreli Steels Limited	20,500,000	-	10	472,730,000	-



Sector wise names of the Investee companies / organizations	December 31, 2023	December 31, 2022	Face value (Rupees)	December 31, 2023	December 31, 2022
	Number of units / shares			Carrying amount (Rupees)	
<b>Food and personal care products</b>					
Al Shaheer Corporation Limited	22,140,500	17,542,000	10	274,763,605	178,928,400
Al Shaheer Corporation Limited (Provisional Right Shares)	-	4,590,500	10	-	918,035
Unity Foods Limited	24,028,071	24,233,000	10	567,783,318	342,169,960
<b>Refinery</b>					
Pakistan Refinery Limited.	100,000	-	10	2,919,000	-
<b>Cement</b>					
DG Khan Cement Company Limited	9,623,067	-	10	744,825,386	-
Lucky Cement Limited	-	760,000	10	-	339,400,800
Maple Leaf Cement Factory Limited	-	10,500,000	10	-	236,985,000
Pioneer Cement Limited	-	2,470,000	10	-	127,032,100
<b>Technology &amp; Communication</b>					
Pakistan Telecommunication	-	25,509,500	10	-	155,607,950
Avanceon Limited	4,200,000	-	10	240,828,000	-
<b>Power generation and distribution</b>					
Lalpir Power Limited	-	4,200,500	10	-	63,553,565
<b>Textile composite</b>					
Nishat Mills Limited	-	-	10	-	339,563,250
<b>Oil and Gas exploration</b>					
Oil and Gas Development Company Limited	8,000,000	15,200,000	10	899,600,000	1,210,832,000
Pakistan Petroleum Limited	8,000,000	12,825,000	10	920,240,000	873,895,500
<b>Cables and electrical goods</b>					
Pak Elektron Limited	55,781,140	1,175,403,088	10	1,259,538,159	805,245,763
<b>Oil and Gas marketing companies</b>					
Pakistan State Oil Company Limited	-	1,615,000	10	-	232,543,850
Sui Northern Gas Pipelines Limited	8,500,000	10,830,000	10	624,920,000	406,666,500
				<b>7,029,624,398</b>	<b>5,994,810,098</b>



13.1 Sukuk Certificates - Fair Value Through Profit or Loss (PTF)

	Maturity Year	Rate of Return %	December 31, 2023			December 31, 2022		
			Cost	Impairment / Provision	Carrying value	Cost	Impairment / Provision	Carrying value
			(Rupees)					
- Hasco sukuk	2022	3 months Kibor plus 1.50%	33,437,480	-	33,437,480	33,437,480	-	33,437,480
- Meezan Bank Limited - tier - I sukuk	Perpetual	3 month Kibor plus 1.75%	56,008,000	-	56,000,000	-	-	-
-CSAP SUKUK	2025	6 month Kibor plus 2.0%	-	-	-	120,000,000	-	120,000,000
-Lucky Electric Power Company	2023	6 month Kibor plus 1.5%	-	-	-	45,000,000	-	45,000,000
-KEL VI-TH Sukuk	2029	6 month Kibor plus 1.7%	-	-	-	30,000,000	-	30,000,000
			89,445,480	-	89,437,480	228,437,480	-	228,437,480

14 INVESTMENTS IN TERM DEPOSITS

Participants' fund

Deposits maturing within 12 months

14.1 This represents term deposits of fixed maturity maintained with Islamic commercial banks under profit and loss sharing basis. The estimated profit rate on such deposits ranges from 15.5 percent to 21 percent (2022: 10.82 percent to 14.5 percent ) per annum with maturity up to December 30, 2023.

Aggregate	
December 31, 2023	December 31, 2022
	----- (Rupees) -----
	50,000,000
	100,000,000

15 INVESTMENTS IN MUTUAL FUNDS

Shareholders' fund:

Available-for-sale  
Mutual funds

Participants' fund

Fair value through profit or loss  
Mutual funds

15	INVESTMENTS IN MUTUAL FUNDS	Note	December 31, 2023		December 31, 2022				
			Cost	Impairment / Provision	Carrying value	Cost	Impairment / Provision	Carrying value	
			(Rupees)						
	<u>Shareholders' fund:</u>								
	Available-for-sale Mutual funds	15.1	536,853,848	-	538,351,918	272,721,646	-	256,408,958	
	<u>Participants' fund</u>								
	Fair value through profit or loss Mutual funds	15.2	21,577,310,579	-	23,398,793,908	14,072,829,968	-	14,647,352,651	
			22,114,164,427	-	23,937,145,826	14,345,551,614	-	14,903,761,609	

15.1 Mutual Funds - Available-for-sale (SHF)

	December 31, 2023	December 31, 2022	Number of units / shares	December 31, 2022	
				Face value (Rupees)	Carrying amount (Rupees)
ABL Islamic Stock Fund	-	4,770,781	-	10	54,535,596
HBL Islamic Stock Fund	-	621,176	-	100	86,746,760
HBL Islamic Asset Allocation Fund Plan I	518,863	448,783	-	100	48,354,738
Investment in related parties					
Pak Qatar Cash Plan	1,878,268	645,182	-	100	66,771,864
Pak Qatar Islamic Asset Allocation Fund (Pak Qatar Stable Return Plan)	159,000	-	-	-	-
Pak Qatar Islamic Stock Fund	83,956	-	-	-	-
Pak Qatar Income Plan	1,836,068	-	-	-	-
Pak Qatar Islamic Pension Fund-Debt Sub Fund	100,000	-	-	-	-
Pak Qatar Islamic Pension Fund-Equity Sub Fund	100,000	-	-	-	-
Pak Qatar Islamic Pension Fund-Money Market Sub Fund	100,000	-	-	-	-
	538,351,918				256,408,958

	December 31, 2023	December 31, 2022		December 31, 2023	December 31, 2022
	Number of units / shares		Face value (Rupees)	Carrying amount ------(Rupees)-----	
<b>15.2 Mutual Funds - Fair Value Through Profit or Loss (PTF)</b>					
ABL Islamic Asset Allocation Fund	174,695,425	241,591,970	10	1,920,985,833	2,535,076,393
AKD Islamic Income Fund	2,016,574	3,906,342	100	112,567,766	212,707,379
Al Ameen Islamic Aggressive Income Plan I	6,785,795	13,539,157	100	806,729,943	1,534,758,223
Alfalah GHP Islamic Value Fund	33,959,606	21,961,632	100	3,397,954,043	2,098,903,944
Faysal Islamic Asset Allocation Fund	19,368,603	25,142,866	100	1,919,862,453	2,077,303,613
HBL Islamic Asset Allocation Fund Plan I	11,689,970	18,470,871	100	1,320,216,155	1,990,169,885
<b>Investment in related parties</b>					
Pak Qatar Asset Allocation Plan I (PQAAP IA)	24,673,552	-	100	2,577,865,524	-
Pak Qatar Asset Allocation Plan II (PQAAP IIA)	17,432,112	-	100	1,852,951,538	-
Pak Qatar Islamic Asset Allocation Fund	4,450,000	-	100	469,203,995	-
Pak Qatar Asan Munafa Plan	1,463,907	1,499,732	100	161,675,631	154,652,521
Pak Qatar Cash Plan	5,929,466	7,844,655	100	657,779,665	811,866,850
Pak Qatar Daily Dividend Plan	7,132,964	5,659,020	100	713,296,386	565,901,955
Pak Qatar Income Plan	53,687,728	16,701,822	100	5,979,046,567	1,722,928,231
Pak Qatar Islamic Stock Fund	4,483,898	4,470,618	100	659,566,601	443,787,965
Pak Qatar Khalis Bachat Plan	2,861,134	2,477,970	100	317,171,883	253,962,903
Pak Qatar Monthly Income Plan	3,789,063	2,442,362	100	381,490,806	245,332,790
786 Smart Fund (Formerly: Dawood Income Fund)	1,643,515	-		150,429,122	-
				<b>23,398,793,908</b>	<b>14,647,352,651</b>

			Aggregate	
	Shareholders' fund	Participants' funds	December 31, 2023	December 31, 2022
<b>16 TAKAFUL / RETAKAFUL RECEIVABLES</b>				
-Unsecured, considered good				
Due from takaful contract holders	-	1,034,656,233	1,034,656,233	847,483,209
Due from retakaful operators	-	75,274,737	75,274,737	118,322,878
	-	<b>1,109,930,970</b>	<b>1,109,930,970</b>	<b>965,806,087</b>

**17 DEPOSITS, LOANS AND OTHER RECEIVABLES**

			Aggregate	
	Shareholders' fund	Participants' funds	December 31, 2023	December 31, 2022
Accrued investment income	33,324,448	150,808,684	184,133,132	176,043,105
Security deposit	36,895,430	6,000,000	42,895,430	41,590,430
Advance to supplier	10,433,833	-	10,433,833	20,392,426
Advance to employees	11,734,517	-	11,734,517	13,395,381
Receivable against Banca takaful	25,264,312	-	25,264,312	48,318,973
Car Ijarah receivable	6,149,688	-	6,149,688	9,607,076
Surety against legal expense	4,022,000	-	4,022,000	4,022,000
Other receivables	10,760,386	30,991,579	41,751,965	21,284,797
	<b>138,584,614</b>	<b>187,800,263</b>	<b>326,384,877</b>	<b>334,654,188</b>

17.1 These are secured against retirement benefit obligations of employees. Repayments are made through deduction from salary paid.

	December 31, 2023	December 31, 2022
<b>18 DEFERRED TAX (LIABILITY) / ASSET</b>		
<b>Deductible temporary difference arising in respect of</b>		
Surplus on revaluation of available-for-sale-investments	1,157,962	29,563,310
Remeasurement of post retirement benefits obligation	6,955,045	5,767,978
	<b>8,113,007</b>	<b>35,331,288</b>
<b>Taxable temporary difference arising in respect of</b>		
Accelerated depreciation	(20,621,215)	(21,797,722)
	<b>(12,508,208)</b>	<b>13,533,566</b>



	As at January 01, 2022	Recognised in profit and loss	Recognised in statement of comprehensive income	As at December 31, 2022	Recognised in profit and loss	Recognised in statement of comprehensive income	As at December 31, 2023
------(Rupees)-----							
<b>18.1 Reconciliation of deferred tax</b>							
<b>Deductible temporary difference</b>							
arising in respect of							
Remeasurement of post retirement benefits obligation	3,840,267	-	1,927,711	5,767,978	-	1,187,067	6,955,045
Surplus / (Deficit) on revaluation of available for	16,578,113	-	12,985,197	29,563,310	-	(28,405,348)	1,157,962
<b>Taxable temporary difference</b>							
arising in respect of							
Accelerated depreciation	(23,628,073)	1,830,351	-	(21,797,722)	1,176,507	-	(20,621,215)
	<u>(3,209,693)</u>	<u>1,830,351</u>	<u>14,912,908</u>	<u>13,533,566</u>	<u>1,176,507</u>	<u>(27,218,281)</u>	<u>(12,508,208)</u>

	Aggregate			
	Shareholders' fund	Participants' funds	December 31, 2023	December 31, 2022
------(Rupees)-----				
<b>19 PREPAYMENTS</b>				
Prepaid rent	106,220	-	106,220	-
Prepaid software / hardware maintenance fee	9,238,665	-	9,238,665	5,675,537
Prepaid marketing	4,468,881	-	4,468,881	8,266,626
Other prepayments	6,964,809	-	6,964,809	5,750,202
	<u>20,778,575</u>	<u>-</u>	<u>20,778,575</u>	<u>19,692,365</u>

	Aggregate			
	Shareholders' fund	Participants' funds	December 31, 2023	December 31, 2022
------(Rupees)-----				
<b>20 CASH AND BANK</b>				
<b>Cash and cash equivalent</b>				
Cash in hand	478,177	-	478,177	360,469
Stamps in hand	6,360,683	-	6,360,683	8,242,953
<b>Cash at bank</b>				
Current accounts	9,936,734	354,544,436	364,481,170	125,343,672
Saving accounts	20,926,530	3,639,692,636	3,660,619,166	3,159,228,165
	<u>37,702,124</u>	<u>3,994,237,072</u>	<u>4,031,939,196</u>	<u>3,293,175,259</u>

20.1 Saving accounts carry profit rates of 10% to 21%(2022: 4.45% to 14.5%) per annum.

Cash for the purposes of the statement of cash flows consists of:

**Cash and other equivalents**

Cash in hand  
Stamps in hand

	December 31, 2023	December 31, 2022
------(Rupees)-----		
Cash in hand	478,177	360,469
Stamps in hand	6,360,683	8,242,953
	<u>6,838,860</u>	<u>8,603,422</u>

**Current and other accounts**

Current accounts  
Saving accounts

Current accounts	364,481,170	125,343,673
Saving accounts	3,660,619,166	3,159,228,165
	<u>4,025,100,336</u>	<u>3,284,571,838</u>

Deposits maturing within 3 months (encashable on demand)

	4,031,939,196	3,293,175,260
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## 21 SHARE CAPITAL

December 31, 2023	December 31, 2022			December 31, 2023	December 31, 2022
----- (Number of shares) -----			Note	----- (Rupees) -----	
AUTHORISED SHARE CAPITAL					
21.1	140,000,000	140,000,000	Ordinary shares of Rs. 10 each	1,400,000,000	1,400,000,000

### ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

21.2	<u>130,712,440</u>	<u>130,712,440</u>	Ordinary shares of Rs. 10 each, fully paid in cash	21.3	<u>1,307,124,400</u>	<u>1,307,124,400</u>
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21.3 The Company has only one class of ordinary shares which carry no right to fixed income. The holders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All shares rank equally with regard to the Company's residual assets

	Note	December 31, 2023	December 31, 2022
		----- (Rupees) -----	
<b>22 TAKAFUL LIABILITIES</b>			
Reported outstanding claims (including claims in payment)	22.1	1,370,293,340	1,007,225,153
Incurred but not reported claims	22.2	168,286,622	176,234,846
Liabilities under individual takaful contracts	22.3	50,031,565	45,171,691
Liabilities under group takaful contracts		595,897,283	568,669,727
Investment component of unit-linked and account value policies		37,489,105,584	27,451,012,577
		<u>39,673,614,394</u>	<u>29,248,313,994</u>
<b>22.1 Reported outstanding claims</b>			
Gross of re-takaful			
Payable within one year		1,098,666,853	807,567,881
Payable over a period of time exceeding one year		271,626,487	199,657,272
		<u>1,370,293,340</u>	<u>1,007,225,153</u>
<b>22.2 Incurred but not reported claims</b>			
Gross of re-takaful		224,963,366	230,820,149
Re-takaful recoveries		(56,676,744)	(54,585,303)
Net of re-takaful		<u>168,286,622</u>	<u>176,234,846</u>
<b>22.3 Liabilities under individual takaful contracts</b>			
Gross of re-Takaful		104,962,420	93,470,589
Re-takaful recoveries		(54,930,855)	(48,298,898)
Net of re-takaful		<u>50,031,565</u>	<u>45,171,691</u>

## 23 UNCLAIMED TAKAFUL BENEFIT

Circular 11 of 2014 dated May 19, 2014 issued by the Securities and Exchange Commission of Pakistan (SECP) has established requirement for all insurers to disclose age wise break up of unclaimed insurance benefits in accordance with format prescribed in the annexure to the said circular.

The unclaimed benefits are described in the circular as the amounts which have become payable in accordance with the terms and conditions of an insurance policy but have not been claimed by the Participants or their beneficiaries. Such unclaimed amounts may fall into the following categories:

	Age-wise break up - 2023					
	Total Amount	1 - 6 Months	7 - 12 Months	13 - 24 Months	25 - 36 Months	Beyond 36 months
	----- (Rupees) -----					
Unclaimed maturity benefits	1,346,707	133,364	148,605	325,651	285,295	453,792
Claims not encashed	<u>60,783,113</u>	<u>46,112,878</u>	<u>4,383,623</u>	<u>3,472,204</u>	<u>1,307,774</u>	<u>5,506,634</u>
	<u>62,129,820</u>	<u>46,246,242</u>	<u>4,532,228</u>	<u>3,797,855</u>	<u>1,593,069</u>	<u>5,960,426</u>
	Age-wise break up - 2022					
	Total Amount	1 - 6 Months	7 - 12 Months	13 - 24 Months	25 - 36 Months	Beyond 36 months
	----- (Rupees) -----					
Unclaimed maturity benefits	144,567,415	45,177,992	33,175,417	15,235,641	41,077,265	9,901,100
Claims not encashed	<u>242,441,024</u>	<u>225,694,682</u>	<u>5,438,876</u>	<u>3,066,749</u>	<u>4,000,031</u>	<u>4,240,686</u>
	<u>387,008,439</u>	<u>270,872,674</u>	<u>38,614,294</u>	<u>18,302,390</u>	<u>45,077,296</u>	<u>14,141,786</u>

## 24 STAFF RETIREMENT BENEFITS

### Defined benefit plan - gratuity scheme

The Company has approved funded gratuity scheme applicable to permanent employees with effect from January 01, 2012. The actuarial valuation is carried out annually. The latest actuarial valuation was carried out as at December 31, 2023. Following were the significant assumptions used for the actuarial valuation:

	December 31 2023	December 31 2022
	-----{ }-----	
-Discount rate per annum	15.50	14.50
-Expected rate of increase in the salaries of employees per annum	15.50	14.50

- 24.1 The scheme typically exposes the Company to actuarial risks such as: salary risk, discount rate risk, mortality risk and investment risk defined as follow:

#### - Salary increase risk

There is the risk that the salary at the time of cessation of service is higher than that assumed by the Company. There is a risk because the benefits payable are based on the final salary; if the final salary is higher than what was estimated, the benefits will also be higher.

#### - Discount rate risk

The discount rate is based on the yield on government bonds. If the market yield of bonds varies, the discount rate would vary in the same manner and would affect the present value of obligation and fair value of assets.

#### - Mortality / withdrawal risk

There is the risk that the actual mortality/withdrawal experience is different than that assumed by the Company.

#### - Investment risk

There is the risk that the assets are underperforming and are not sufficient to meet the liabilities.

	Note	December 31 2023	December 31 2022
		-----{ }-----	
		(Rupees)	
24.2 Statement of financial position reconciliation			
Present value of defined benefit obligations	24.3	109,637,113	95,947,586
Fair value of plan assets	24.4	(24,869,139)	(23,428,094)
Net liability	24.5	<u>84,767,974</u>	<u>72,519,492</u>

### 24.3 Movement in present value of obligations

Opening balance	95,947,586	86,479,697
Current service cost	14,907,073	13,989,028
Interest cost	12,850,239	9,460,187
Benefits paid during the year	(14,650,500)	(11,934,930)
Actuarial loss / (gain)	582,716	(2,046,396)
Closing balance	<u>109,637,113</u>	<u>95,947,586</u>



		December 31 2023	December 31 2022
	Note	------(Rupees)-----	
<b>24.4 Movement in fair value of plan assets</b>			
Opening balance		23,428,094	29,127,955
Interest income on plan assets		3,502,162	3,398,745
Contribution to the fund during the year		16,100,000	11,530,000
Benefits paid during the year		(14,650,500)	(11,934,930)
Actuarial gain		(3,510,617)	(8,693,676)
Closing balance		<u>24,869,139</u>	<u>23,428,094</u>

**24.5 Movement in liability during the year**

Opening balance		72,519,493	57,351,742
Charge for the year	24.5.1	24,255,149	20,050,470
Other comprehensive income		4,093,333	6,647,281
Contribution		(16,100,000)	(11,530,000)
Closing balance		<u>84,767,975</u>	<u>72,519,493</u>

		December 31 2023	December 31 2022
		------(Rupees)-----	
<b>24.5 Charge for the year</b>			

**24.5.1 Charged to profit and loss account - Shareholder's fund**

Current service cost		14,907,073	13,989,028
Interest cost - net	24.3 & 24.4	9,348,076	6,061,442
		<u>24,255,149</u>	<u>20,050,470</u>
Allocated to:			
Shareholder's sub fund		24,255,149	20,050,470

**24.5.2 Charged to statement of comprehensive income**

Actuarial loss / (gain) on obligations		582,716	(2,046,395)
Actuarial loss on plan assets		3,510,617	8,693,676
		<u>4,093,333</u>	<u>6,647,281</u>

**24.5.3 Composition of fair value of plan assets**

	December 31, 2023		December 31, 2022	
	Fair value (Rupees)	Percentage (%)	Fair value (Rupees)	Percentage (%)
Bank balance	561,749	2	251,554	1
Mutual funds	24,302,767	98	23,175,947	99
Accrued profit	4,058	-	593	-
	<u>24,868,574</u>	<u>100</u>	<u>23,428,094</u>	<u>100</u>

**24.5.4 Sensitivity analysis**

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected rate of salary increase, mortality rates and withdrawal rates. Sensitivity analyses were carried out on each of these assumptions while keeping the other assumptions constant. The results are given below.

		Present value of obligation (Rupees)	Change from base (%)
Base		109,637,113	
Discount rate	Increase by 1%	101,436,700	(7.48)
	Decrease by 1%	118,910,301	8.46
Salary growth rate	Increase by 1%	118,825,653	8.38
	Decrease by 1%	101,369,343	(7.54)

24.5.5 The estimated contribution to the fund for the year ending December 31, 2023 is Rs. 24.255 million.

Comparison for five years:	2023	2022	2021	2020	2019
	(Rupees)				
As at December 31					
Fair value of plan assets	24,869,139	23,428,094	29,127,955	19,901,498	20,061,526
Present value of defined benefit obligation	(109,637,113)	(95,947,586)	(86,479,697)	(67,517,494)	(57,864,566)
(Deficit) / Surplus	(84,767,974)	(72,519,492)	(57,351,742)	(47,615,996)	(37,803,040)
Experience adjustments					
Gain / (loss) on plan assets	(3,510,617)	(8,693,676)	2,100,713	(1,656,233)	(1,149,455)
Gain / (loss) on obligations	(582,716)	2,046,395	(4,232,009)	2,154,315	356,481
	(%)				
Gain / (loss) on plan assets ( as a percentage of plan asset)	(14.11%)	(37.10%)	7.21%	(8.32%)	(5.73%)
Gain / (loss) on obligations ( as a percentage of plan	(0.53%)	2.13%	(4.89%)	3.19%	(0.62%)

	Shareholders' fund	Participants' funds	December 31, 2023	December 31, 2022
25 TAKAFUL / RE-TAKAFUL PAYABLES	(Rupees)			
Due to re-takaful operators	-	117,046,472	117,046,472	104,178,301
	Aggregate			
	Shareholders' fund	Participants' funds	December 31, 2023	December 31, 2022
26 OTHER CREDITORS AND ACCRUALS	(Rupees)			
Agent commission	64,025,334	-	64,025,334	88,313,938
Payable for banca-takaful	14,619,423	175,938	14,795,361	22,197,285
Accrued expenses	60,851,708	5,969,250	66,820,958	28,364,877
Withholding tax	5,129,660	11,176	5,140,836	8,852,251
Dividend payable	9,757,811	-	9,757,811	11,894,854
Advance against claim - administrative services only	50,702,892	-	50,702,892	34,255,329
Computer and Software Maintenance	2,500	-	2,500	861,152
Stale cheques	924,920	27,124,918	28,049,838	13,465,105
Charity Payable	484,665	9,047,122	9,531,787	8,367,167
Others	53,169,371	37,883,825	91,053,196	67,043,136
	259,668,284	80,212,229	339,880,513	283,615,094

	Shareholders' fund	Participants' funds	December 31, 2023	December 31, 2022
	------(Rupees)-----			
<b>27 LEASE LIABILITIES</b>				
Current portion	94,250,081	-	94,250,081	118,396,850
Non current portion	90,297,120	-	90,297,120	105,338,897
	<b>184,547,201</b>	<b>-</b>	<b>184,547,201</b>	<b>223,735,747</b>
Opening balance	223,735,747	-	223,735,747	195,555,063
Increase in lease liability	96,043,811	-	96,043,811	146,606,464
Impact of termination	(19,615,679)	-	(19,615,679)	
Finance cost	25,697,528	-	25,697,528	20,519,592
Payments	(141,314,206)	-	(141,314,206)	(138,945,372)
Closing balance	<b>184,547,201</b>	<b>-</b>	<b>184,547,201</b>	<b>223,735,747</b>

27.1 Finance cost on lease liabilities for the year ended December 31, 2023 was Rs. 25.697 million (2022: Rs. 20.519 million).

27.2 The lease liabilities are discounted using incremental borrowing ranges from 7.99% to 23.28%.

	December 31, 2023		
	Present value of minimum lease payment	Financial charge for the future	Minimum lease payment
	------(Rupees)-----		
Not later than one year	94,250,081	19,820,234	114,070,315
Later than one year but not later than five years	90,297,120	18,059,424	108,356,544
	<b>184,547,201</b>	<b>37,879,658</b>	<b>222,426,859</b>

## 28 CONTINGENCIES AND COMMITMENTS

### 28.1 Contingencies

The company in the year 2019, together with other Life / Health insurance companies, through writ petitions in the Hon'ble Lahore High Court (LHC) and the Hon'ble Sindh High Court (SHC) challenged the levy of Punjab Sales Tax and Sindh Sales Tax on Life and Health Insurances in Punjab and on Life insurance in Sindh as health insurance in Sindh was granted exemption till June 30, 2023. The Hon'ble LHC in its hearing had directed that no final order shall be passed in pursuance to impugned show cause notices (which were issued by PRA to some of the Life and Health insurance companies) until the next date of hearing. The Hon'ble SHC, in their interim order dated December 02, 2019, directed that the request of the petitioners seeking exemption in terms of Section 10 of the Sindh Sales Tax Act, 2011, shall be considered by the Sindh Revenue Board (SRB) in accordance with the law. Further, the Hon'ble SHC, in their interim order dated December 08, 2020, impleaded that the Federal Government be also added as one of the Respondents to the case.

The SRB through Notification No. SRB-3-4/13/2020 dated June 22, 2020, made the life insurance taxable w.e.f. July 01, 2020 at the full rate of 13%. A conditional exemption for the financial year 2019-20 was granted from the levy of SST, subject to the person providing Life Insurance services commences e- depositing with the SRB, the amount of SST due on such services for the tax periods from July 01, 2020 onwards.

Further, SRB did not extend the exemption on health insurance which was available till June 30, 2023, hence making it taxable with effect from July 01, 2023 at the full rate of 13%. The company with other 7 health insurance/takaful providers challenged the levy of Sindh Sales Tax on Health Insurance/takaful in Hon'ble Sindh High Court (SHC).

Further, the management of the Company after due consultation of legal advisor is of the view that since under the Unit Linked Family Takaful Policy, contribution is received for two separate purposes, i.e. "Risk coverage" and "Investment" and contributions thus received are segregated into separate funds, therefore, only the risk based portion of contribution may potentially be subject to sales tax. This contention is further strengthened by the underlying provisions of Punjab Sales Tax on Services (Specific Provisions) Rules, 2012 and Sindh Sales Tax on Services Rules, 2011. These rules clearly state that sales tax shall be calculated on the gross amount of premium charged on risk covered in the insurance policy.

In view of the opinion of the legal advisors, and pending the adjudication of the petitions filed, the Company has neither billed its customers, nor recognized the contingent liability for PST, SST, which, calculated on the basis of risk premium and excluding the investment amount allocated to unit linked policies as per the opinion of the legal advisors, aggregated to Rs. 685.54 million (2022: Rs. 481.42 million). The management contends that should the administrative efforts fail, the amount will be charged to the Participants

## 28.2 Commitments

Commitments under ijarah arrangements amounting to Rs. 268.38 million (2022: Rs. 376.45 million) and the period in which these payments will become due are:

	December 31, 2023	December 31, 2022
	------(Rupees)-----	
Not later than one year	94,888,977	108,073,941
Later than one year and not later than five years	173,490,509	268,378,193
	<b>268,379,486</b>	<b>376,452,134</b>

## 29 NET TAKAFUL CONTRIBUTION REVENUE

### Gross contributions

Regular contribution individual policies

First year 820,806,895 1,475,788,030

Second year renewal 862,364,931 1,072,273,995

Subsequent year renewal 3,827,734,712 3,718,190,973

Single and top-up contributions 7,714,370,705 1,254,762,121

Group policies without cash values 3,071,423,059 2,714,609,364

**Total gross contributions 16,296,690,302 10,235,624,483**

### Less: Re-takaful contributions ceded

On individual life first year business (11,889,203) (41,624,505)

On individual life second year business (30,705,798) (42,347,835)

On individual life subsequent renewal business (167,909,575) (180,420,602)

On single contributions individual policies (52,471) (250,127)

On group policies (239,259,494) (199,322,843)

**(449,816,541) (463,965,911)**

**Net contributions 15,846,873,761 9,771,658,572**

## 30 WAKALA FEE

Contribution allocated to Shareholders' sub-fund

Other wakala fee 672,927,313 770,633,307

**1,507,754,812 1,989,680,804**

## 31 INVESTMENT INCOME

Shareholders'  
fund

Participants'  
funds

December 31,  
2023

December 31,  
2022

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

### -Dividend income

Listed shares

- Available-for-sale 4,855,000 - 4,855,000 7,547,174

- Fair value through profit or loss - 179,105,500 179,105,500 272,205,770

### -Return on debt securities

Debt securities

- Available-for-sale 70,161,764 - 70,161,764 59,466,623

- Fair value through profit or loss - 384,203,912 384,203,912 260,024,150

**Income from deposits 106,939,614 106,114,573 213,054,187 178,697,471**

**Total investment income 181,956,378 669,423,985 851,380,363 777,941,188**

	Shareholders' fund	Participants' funds	Aggregate	
			December 31, 2023	December 31, 2022
			(Rupees)	
<b>Available-for-sale:</b>				
- Listed shares	18,687,588	-	18,687,588	5,444,711
- Mutual funds	74,961,285	-	74,961,285	10,362,271
- Debt securities	(424,435)	-	(424,435)	387,097
	<u>93,224,438</u>	<u>-</u>	<u>93,224,438</u>	<u>16,194,079</u>
<b>Fair value through profit or loss:</b>				
-Listed shares	-	1,051,696,723	1,051,696,723	24,658,937
-Mutual funds	-	1,697,270,090	1,697,270,090	921,417,825
-Debt securities	-	(211,434,557)	(211,434,557)	(1,616,455)
<b>Net gain</b>	<u>93,224,438</u>	<u>2,537,532,256</u>	<u>2,723,981,132</u>	<u>976,848,465</u>

## 33 NET FAIR VALUE GAINS / (LOSSES) ON INVESTMENTS

	December 31, 2023	December 31, 2022
	(Rupees)	
<b>Fair value through profit or loss</b>		
Net unrealised gain / (loss)		
-Equity securities	1,799,178,226	(1,881,053,792)
-Mutual funds	1,811,434,490	574,519,146
-Debt securities	229,861,552	93,141,463
	<u>3,840,474,268</u>	<u>(1,213,393,183)</u>

## 34 OTHER INCOME

Gain on sale of operating assets	34,313	45,334
Exchange gain	53,016	243,911
Administrative services income	15,713,778	9,882,050
Reassessment Income	5,540,890	-
Miscellaneous	11,123,321	12,835,628
	<u>32,465,318</u>	<u>23,006,923</u>

## 35 NET TAKAFUL BENEFITS

**Gross claims**

Claims under individual policies		
by death	153,835,439	318,298,638
by surrenders / withdrawals	7,331,485,471	3,761,144,144
by maturities	816,162,237	811,497,633
Total gross individual policy claims	<u>8,301,483,147</u>	<u>4,890,940,415</u>
Claims under group policies		
by death	495,081,295	366,074,134
by insured event other than death	2,157,850,918	1,714,866,058
Total gross group claims	<u>2,652,932,213</u>	<u>2,080,940,192</u>
<b>Total gross claims</b>	<u>10,954,415,360</u>	<u>6,971,880,607</u>
Retakaful recoveries		
On individual life	(83,708,452)	(200,034,727)
On group claims	(218,189,530)	(153,503,410)
Total retakaful	<u>(301,897,982)</u>	<u>(353,538,137)</u>
<b>Net claims</b>	<u>10,652,517,378</u>	<u>6,618,342,470</u>



36 TAKAFUL OPERATOR FEE

	December 31, 2023	December 31, 2022
	------(Rupees)-----	
Modarib fee income	54,256,987	67,583,831
Other wakala income	587,557,256	494,735,427
	<u>641,814,243</u>	<u>562,319,258</u>

37 ACQUISITION EXPENSES / COMMISSION EXPENSE

Remuneration to takaful intermediaries on individual policies:

Commission to agent on first year contributions	228,973,736	490,334,069
Commission to agent on second year contributions	123,988,314	161,905,524
Commission to agent on subsequent renewal contributions	103,865,870	116,276,059
Commission to agent on top- up contribution and single contribution	61,656,944	1,576,481
Commission to takaful intermediaries on group policies	109,726,445	77,823,407
	<u>628,211,309</u>	<u>847,915,540</u>

Other acquisition expenses:

Other benefits to takaful intermediaries		87,557,383	87,610,153
Salaries, allowances and other benefits		302,147,752	427,494,767
Contribution to defined contribution plan		10,350,546	12,509,438
Entertainment		919,272	2,859,511
Training / conference		4,425,994	3,144,485
Office supplies and amenities		18,796,133	23,493,621
Vehicle running		40,373,321	28,588,527
Car ijarah		6,487,869	8,848,525
Traveling		17,042,417	15,569,760
Utilities		41,686,515	39,530,863
Rental		398,926	2,257,169
Postages		7,327,677	6,070,343
Telephone		10,923,343	11,474,238
Repairs and maintenance		14,748,951	14,637,813
Printing and stationary		15,000,147	14,411,531
Computer		10,162,875	22,835,228
Sales promotion		38,891,774	119,168,660
Depreciation ( Operating assets )	8.1.2	31,341,797	30,795,761
Depreciation (Right-of-use assets)	8.2.1	83,928,493	76,458,083
Miscellaneous other expenses		676,153	76,733
Group Takaful		49,385,987	28,440,640
Finance cost (Lease liabilities)	27	19,116,357	17,670,769
Policy stamps		10,836,460	22,684,700
		<u>822,526,142</u>	<u>1,016,631,318</u>
		<u>1,450,737,451</u>	<u>1,864,546,858</u>



**MARKETING AND ADMINISTRATION EXPENSES**

	Note	December 31, 2023	December 31, 2022
		------(Rupees)-----	
Salaries, allowances and other benefits		301,584,147	269,180,075
Charge for defined benefit plan		24,255,149	20,050,471
Contribution to defined contribution plan		15,606,636	13,967,270
Vehicle running		35,343,082	24,848,323
Car ljarah rentals		4,881,238	1,280,423
Medical		94,084	22,425
Traveling		8,138,282	9,746,224
Utilities		31,348,134	20,483,297
Rental		621,400	492,586
Communication		31,482,065	16,887,152
Repairs and maintenance		6,519,140	4,275,670
Printing and stationary		13,846,280	9,722,774
Software maintenance		69,001,266	49,269,272
Advertisement		14,579,414	14,555,799
Depreciation (Operating assets)	8.1.2	20,548,397	17,522,956
Depreciation (Right-of-use assets)	8.2.1	32,593,101	20,119,440
Amortisation		9,059,505	9,531,767
Shariah advisors' fees		3,844,943	3,514,660
Actuary's fees		1,895,076	1,722,804
Legal and professional		12,555,092	8,815,340
Consultancy		79,272,521	92,274,411
Supervision fees		15,978,291	12,738,384
Subscription fees		9,308,556	8,223,521
Bank and brokerage		1,533,566	1,288,687
Entertainment		4,405,556	3,895,821
Training		2,084,094	1,752,235
Staff welfare		11,939,706	9,131,312
Group Takaful		25,861,824	21,735,036
Finance cost (Lease liabilities)	27	6,581,171	2,848,823
General takaful		1,691,786	2,603,029
Miscellaneous		680,706	465,361
		<u>797,134,208</u>	<u>672,965,348</u>

**OTHER EXPENSES**

Salaries, allowances and other benefits		2,471,194	2,512,068
Employer's contribution to provident fund		139,841	148,538
Vehicles running		435,560	304,575
Traveling		154,530	212,396
Communication		17,363	28,174
Auditors' remuneration	39.1.1	1,991,974	1,687,689
Consultancy		11,422,261	11,067,370
Miscellaneous expenses		598,157	832,288
		<u>17,230,880</u>	<u>16,793,098</u>

39.1 These expenses are not attributable to Participants' fund

### 39.1.1 Auditors' remuneration

#### Audit and related services

Audit fee
Fee for review, other certifications and advisory services
Out of pocket
Sales tax

December 31, 2023      December 31, 2022

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

1,000,000	900,000
625,000	558,000
219,420	229,689
147,554	-
<b>1,991,974</b>	<b>1,687,689</b>

### 40 TAXATION

Current year  
Prior year

37,498,657      36,110,279  
(507,603)      1,249,208  
**36,991,054**      **37,359,487**

Deferred

(1,176,507)      (1,830,351)  
**35,814,547**      **35,529,136**

40.1 The Company has filed returns upto and including tax year 2022 which are deemed to have been assessed under Section 120 of the Income Tax Ordinance, 2001.

40.2 The relationship between tax expense and accounting profit for the year 2023 is given below.

December 31, 2023      December 31, 2022

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

Profit before taxation

**192,112,650**      **184,619,909**

Tax at the applicable rate of 29% (2022: 29%)

**55,712,668**      **53,539,774**

Tax effect of:

- expenses not deductible for tax purposes
- income not subject to tax
- others

3,008,226      3,429,918  
(18,780,089)      (15,948,179)  
(4,126,258)      (5,492,377)

**35,814,547**      **35,529,136**

### 41 EARNINGS PER SHARE (EPS)

Profit after tax (Rupees)  
Weighted average ordinary shares as at year end (Number)  
EPS (Rupees)

December 31, 2023      December 31, 2022

**156,298,103**      **149,090,781**  
**130,712,440**      **130,712,440**  
**1.20**      **1.14**

## 42 REMUNERATION OF CHIEF EXECUTIVE OFFICER (CEO), DIRECTORS AND EXECUTIVES

Aggregate amounts charged in the financial statements for remuneration, including all benefits to Chief Executive Officer (CEO), Directors, and Executives of the Company are as follows:

	December 31, 2023		December 31, 2022	
	CEO	Executives	CEO	Executives
	(Rupees)			
Managerial remuneration	6,008,923	73,000,733	5,722,788	84,031,319
House rent	2,704,015	32,850,332	2,575,255	37,814,094
Utilities	531,555	6,457,645	506,244	7,433,411
Others	3,782,540	30,290,478	2,085,599	24,626,029
	<u>13,027,033</u>	<u>142,599,188</u>	<u>10,889,886</u>	<u>153,904,853</u>
	(Number)			
Persons	<u>1</u>	<u>36</u>	<u>1</u>	<u>39</u>

The Company also provides Company maintained cars to certain executives.

Certain Directors have been reimbursed with the boarding and lodging costs in relation to attending board meetings of the company as per the company's policy which amounted to Rs. 0.668 million (2022: Rs. 1.231 million).

Executive mean employees other than Chief Executive and Directors, whose basic salary exceeds Rs. 1.210 million in a financial year.

## 43 PROVIDENT FUND

The Company operates approved contributory provident fund (the Fund) for its permanent employees. The following information is based on unaudited financial statements of the fund as at December 31, 2023 (2022: audited).

	(Un-audited) December 31, 2023	(Audited) December 31, 2022
Size of the fund - net assets (Rupees)	7,248,902	6,293,897
Cost of the investments made (Rupees)	4,800,294	4,574,870
Percentage of the investments made (%)	66	73
Fair value of the investments made (Rupees)	4,800,294	4,574,870

### 43.1 The break up of fair value of the investments in provident fund is as follows:

	December 31, 2023		December 31, 2022	
	(Rupees)	(%)	(Rupees)	(%)
Bank balances	4,800,294	100	4,574,870	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.

**RELATED PARTY TRANSACTIONS**

Related parties comprise of related group companies, associates, directors, staff retirement funds and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Details of transactions and balances with related parties, except as disclosed elsewhere in the financial statements, are as follows:

Name of Related Party	Relationship	Shareholding (%)
Pak-Qatar General Takaful Limited	Common Directorship	Nil
Pak-Qatar Asset Management Company Limited	Common Directorship	5%
Pak-Qatar Family Takaful Limited - Employees' Provident Fund	Provident Fund	Nil
FWU Pakistan	Associate Company	Nil

Relationship	Nature of transaction	December 31, 2023	December 31, 2022
------(Rupees)-----			
Entities with common directorship	Net shared expenses received	106,928,479	62,257,253
	Claims received against general takaful	74,000	146,500
	Claims paid against group takaful	-	451,800
	Contribution paid against general takaful	350,640	2,887,799
	Contribution received against group takaful	1,811,581	1,284,846
	Investment advisory fee	82,543,678	95,829,756
Associated company	Banca takaful acquisition, entrance and administration fee	112,371,674	147,162,476
Employees provident fund	Contribution paid	29,176,021	27,883,812

**Balances with related parties are as follows:**

Entities with common directorship	Investment advisory fee payable	7,383,928	-
Associated company	Administrative charges payable	14,660,361	4,031,728

## 45 SEGMENTAL INFORMATION

## 45.1 REVENUE ACCOUNT

	Participants' funds				Aggregate December 31, 2023
	Individual Family (Direct)	Individual Family (Banca)	Individual Family	Group Family	Group Health
(Rupees)					
<b>Participant Investment Fund (PIF)</b>					
<b>Income</b>					
Allocated contribution	10,364,483,531	1,510,407,962	11,874,891,493	-	11,874,891,493
Net investment income	3,715,396,226	3,228,246,412	6,943,642,638	-	6,943,642,638
Total net income	14,079,879,757	4,738,654,374	18,818,534,131	-	18,818,534,131
<b>Less: Claims and expenses</b>					
Surrender / partial withdrawal	5,515,422,496	2,632,225,212	8,147,647,708	-	8,147,647,708
Takaful operators' fee	455,655,893	131,901,363	587,557,256	-	587,557,256
Other charges / (income)	3,198,410	42,037,748	45,236,158	-	45,236,158
Total claims and expenditure	5,974,276,799	2,806,164,323	8,780,441,122	-	8,780,441,122
<b>Excess of income over claim and expenditure</b>	8,105,602,958	1,932,490,051	10,038,093,009	-	10,038,093,009
<b>Add: Technical reserves at beginning of the year</b>	16,264,617,467	11,186,395,108	27,451,012,575	-	27,451,012,575
<b>Less: Technical reserves at end of the year</b>	24,370,220,425	13,118,885,159	37,489,105,584	-	37,489,105,584
<b>Movement in technical reserves</b>	(8,105,602,958)	(1,932,490,051)	(10,038,093,009)	-	(10,038,093,009)
<b>Surplus / (deficit)</b>	-	-	-	-	-
<b>Movement in technical reserves</b>	8,105,602,958	1,932,490,051	10,038,093,009	-	10,038,093,009
<b>Balance of PIF at beginning of the year</b>	16,264,617,467	11,186,395,108	27,451,012,575	-	27,451,012,575
<b>Balance of PIF at end of the year</b>	24,370,220,425	13,118,885,159	37,489,105,584	-	37,489,105,584
<b>Participants' Takaful Fund (PTF)</b>					
<b>Income</b>					
Contribution net of retakaful	280,050,001	24,941,165	304,991,166	439,604,919	2,392,558,646
Net investment income	23,220,848	12,874,605	36,095,453	11,993,889	6,167,673
Other income	39,696,619	43,118,496	82,815,115	-	82,815,115
Total net income	342,967,468	80,934,266	423,901,734	451,598,808	2,398,726,319

(a)



## Participants' Funds

Aggregate  
December 31,  
2023

	Individual Family (Direct)	Individual Family (Banca)	Individual Family	Group Family	Group Health
--	----------------------------------	---------------------------------	-------------------	--------------	--------------

(Rupees)

## Less: Claims and expenditures

Claim net of retakafal recoveries

Takaful operators' fee

Other charges

## Total claims and expenditure

## Excess of income

over claims and expenditures

Add: Technical reserves at beginning of the year

Less: Technical reserves at end of the year

Movement in technical reserves

Surplus / (deficit) before distribution

Distribution of surplus

Surplus / (deficit) after distribution

Movement in technical reserves

Transfers from/(to)

Qard-e-Hasna (returned to)/ contributed from  
shareholders' sub fund

Net transfer from shareholders' sub fund

Balance of PTF at beginning of the year

Balance of PTF at end of the year

Subtotal

52,558,040	17,568,947	70,126,987	276,891,765	2,157,850,918	2,504,869,670
157,757,487	5,240,996	162,998,483	151,814,022	358,114,800	672,927,305
9,621,295	10,515,132	20,136,427	8,242,884	6,436,116	34,815,427
219,936,822	33,325,075	253,261,897	436,948,671	2,522,401,834	3,212,612,402
123,030,646	47,609,191	170,539,837	14,650,137	(123,675,515)	61,614,459
56,938,801	3,717,650	60,656,451	189,428,257	539,991,557	790,076,265
60,912,507	4,700,045	65,612,552	217,316,480	531,286,437	814,215,469
(3,973,706)	(982,395)	(4,956,101)	(27,888,223)	8,705,120	(24,139,204)
119,056,940	46,626,796	165,683,736	(13,238,086)	(114,970,395)	37,475,255
(55,565,369)	(44,287,583)	(99,852,952)	-	-	(99,852,952)
63,491,571	2,339,213	65,830,784	(13,238,086)	(114,970,395)	(62,377,697)
3,973,706	982,395	4,956,101	27,888,223	(8,705,120)	24,139,204
-	-	-	-	85,000,000	85,000,000
-	-	-	-	85,000,000	85,000,000
558,610,996	282,549,731	841,160,727	288,661,629	595,212,464	1,725,034,821
626,076,273	285,871,339	911,947,612	303,311,766	556,536,949	1,771,796,328
24,996,296,698	13,404,756,498	38,401,053,196	303,311,766	556,536,949	39,260,901,912

(b)

(a+b)

## Shareholders' Sub Fund

## Income

Takaful operator's fee	1,138,447,279	446,935,967	1,585,383,246	151,814,022	358,114,800	2,095,312,068
Mudarib fee from PTF	23,220,849	12,874,606	36,095,455	11,993,889	6,167,643	54,256,987
Total income	1,161,668,128	459,810,573	1,621,478,701	163,807,911	364,282,443	2,149,569,055

Participants' funds						Aggregate
						December 31, 2023
	Individual Family (Direct)	Individual Family (Banca)	Individual Family	Group Family	Group Health	

(Rupees)

## Less: Expenditures

Net commission expenses	277,199,662	241,285,201	518,484,863	30,356,084	79,370,361	628,211,308
Other acquisition expenses	647,914,884	9,225,747	657,140,631	65,444,922	99,940,589	822,526,142
Management expenses	469,044,063	145,817,018	614,861,081	53,529,796	128,743,331	797,134,208
Total expenditure	1,394,158,609	396,327,966	1,790,486,575	149,330,802	308,054,281	2,247,871,658

## Excess / (deficit) of income over expenditure

Add: Technical reserves at beginning of the year

Less: Technical reserves at end of the year

Surplus / (deficit) for the year

(Surplus) / deficit transferred to shareholders' fund

Balance of shareholders' sub fund at beginning of the year

Balance of fund at end of the year

Balance of Participants' funds at end of the year

## Represented by:

Participants' Investment Fund

Technical reserves for PIF

Participants' Takaful Fund

Technical reserves for PTF

Qard-e-Hasna contributions

Accumulated surplus / (deficit) - PTF

Balance of funds at the end of the year

(c)

(a+b+c)

24,370,220,425	13,118,885,159	37,489,105,584	-	-	-	37,489,105,584
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60,912,507	4,700,045	65,612,552	217,316,480	531,286,437	814,215,469
565,163,766	281,171,294	846,335,060	85,995,286	260,000,000	260,000,000
626,076,273	285,871,339	911,947,612	303,311,766	(234,749,488)	697,580,858

24,996,296,698	13,404,756,498	38,401,053,196	303,311,766	556,536,949	39,260,901,912
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	Participants' Funds				Aggregate December 31, 2022
	Individual Family (Direct)	Individual Family (Banca)	Individual Family	Group Family	Group Health
Participant Investment Fund (PIF)					
Income					
Allocated contribution	4,076,586,875	1,671,311,278	5,747,898,153	-	5,747,898,153
Net investment income	301,272,068	(41,595,352)	259,676,716	-	259,676,716
Total net income	4,377,858,943	1,629,715,926	6,007,574,869	-	6,007,574,869
Less: Claims and expenses					
Surrender / partial withdrawal	2,382,021,221	2,190,620,556	4,572,641,777	-	4,572,641,777
Takaful operators' fee	362,888,931	131,846,496	494,735,427	-	494,735,427
Other charges / (income)	8,896,481	36,463,671	45,360,152	-	45,360,152
Total claims and expenditure	2,753,806,633	2,358,930,723	5,112,737,356	-	5,112,737,356
Excess of income over claim and expenditure	1,624,052,310	(729,214,797)	894,837,513	-	894,837,513
Add: Technical reserves at beginning of the year	14,640,565,157	11,915,609,907	26,556,175,064	-	26,556,175,064
Less: Technical reserves at end of the year	16,264,617,467	11,186,395,110	27,451,012,577	-	27,451,012,577
Movement in technical reserves	(1,624,052,310)	729,214,797	(894,837,513)	-	(894,837,513)
Surplus / (deficit)	-	-	-	-	-
Movement in technical reserves	1,624,052,310	(729,214,797)	894,837,513	-	894,837,513
Balance of PIF at beginning of the year	14,640,565,157	11,915,609,907	26,556,175,064	-	26,556,175,064
Balance of PIF at end of the year	16,264,617,467	11,186,395,110	27,451,012,577	-	27,451,012,577

(a)



Participants' Takaful Fund (PTF)

<b>Income</b>									
Contribution net of retakaful	284,891,924	20,704,746	305,596,670	340,430,602	2,158,685,650	2,804,712,922			
Net investment income	41,382,885	10,971,931	52,354,816	11,776,358	3,452,656	67,583,830			
Other income	47,008,750	44,032,151	91,040,901	-	-	91,040,901			
<b>Total net income</b>	<b>373,283,559</b>	<b>75,708,828</b>	<b>448,992,387</b>	<b>352,206,960</b>	<b>2,162,138,306</b>	<b>2,963,337,653</b>			
<b>Less: Claims and expenditures</b>									
Claim net of retakaful recoveries	114,181,554	4,082,357	118,263,911	212,570,724	1,714,866,058	2,045,700,693			
Takaful operators' fee	162,005,514	4,393,688	166,399,202	135,653,357	468,580,768	770,633,327			
Other charges	7,116,284	5,726,796	12,843,080	5,900,614	1,715,800	20,459,494			
<b>Total claims and expenditure</b>	<b>283,303,352</b>	<b>14,202,861</b>	<b>297,506,213</b>	<b>354,124,695</b>	<b>2,185,162,626</b>	<b>2,836,793,514</b>			
<b>Excess / (deficit) of income over claims and expenditures</b>									
	<b>89,980,207</b>	<b>61,505,987</b>	<b>151,486,194</b>	<b>(1,917,735)</b>	<b>(23,024,320)</b>	<b>126,544,139</b>			
<b>Add: Technical reserves at beginning of the year</b>									
Less: Technical reserves at end of the year	57,070,845	5,551,707	62,622,552	216,585,157	605,250,228	884,457,937			
Movement in technical reserves	56,940,205	3,716,246	60,656,451	189,428,257	539,991,557	790,076,265			
Surplus / (deficit) before distribution	130,640	1,835,461	1,966,101	27,156,900	65,258,671	94,381,672			
Distribution of surplus	90,110,847	63,341,448	153,452,295	25,239,165	42,234,351	220,925,811			
	(29,939,341)	(43,364,446)	(73,303,787)	-	-	(73,303,787)			
<b>Surplus / (deficit) after distribution</b>	<b>60,171,506</b>	<b>19,977,002</b>	<b>80,148,508</b>	<b>25,239,165</b>	<b>42,234,351</b>	<b>147,622,024</b>			
<b>Movement in technical reserves</b>	<b>(130,640)</b>	<b>(1,835,461)</b>	<b>(1,966,101)</b>	<b>(27,156,900)</b>	<b>(65,258,671)</b>	<b>(94,381,672)</b>			
<b>Transfers from / (to) Qard-e-Hasna (returned to)/ contributed from shareholders' sub fund</b>									
Net transfer from shareholders' sub fund	-	-	-	-	-	-			
<b>Balance of PTF at beginning of the year</b>	<b>520,076,302</b>	<b>242,902,017</b>	<b>762,978,319</b>	<b>290,579,365</b>	<b>618,236,784</b>	<b>1,671,794,489</b>			
<b>Balance of PTF at end of the year</b>	<b>580,117,168</b>	<b>261,043,558</b>	<b>841,160,726</b>	<b>288,661,630</b>	<b>595,212,464</b>	<b>1,725,034,821</b>			
<b>Subtotal</b>	<b>16,844,734,635</b>	<b>11,447,438,668</b>	<b>28,292,173,303</b>	<b>288,661,630</b>	<b>595,212,464</b>	<b>29,176,047,398</b>			

(b)

(a+b)

	Participants' Funds		Statutory Funds			Aggregate
	Individual Family (Direct)	Individual Family (Banca)	Individual Family	Group Family	Group Health	
(Rupees)						
Shareholders' Sub Fund						
Income						
Takaful operator's fee	1,323,776,102	556,406,004	1,880,182,106	135,653,357	468,580,768	2,484,416,231
Mudarib fee from PTF	41,382,885	10,971,933	52,354,818	11,776,357	3,452,656	67,583,831
Total income	1,365,158,987	567,377,937	1,932,536,924	147,429,714	472,033,424	2,552,000,062
Less: Expenditures						
Net commission expenses	423,706,431	346,385,701	770,092,132	18,754,644	59,068,763	847,915,539
Other acquisition expenses	846,045,560	19,614,376	865,659,936	59,816,089	91,155,295	1,016,631,320
Management expenses	393,956,846	127,903,761	521,860,607	44,659,331	106,445,410	672,965,348
Total expenditure	1,663,708,837	493,903,838	2,157,612,675	123,230,064	256,669,468	2,537,512,207
Excess / (deficit) of income over expenditure	(298,549,850)	73,474,099	(225,075,751)	24,199,650	215,363,956	14,487,855
Add: Technical reserves at beginning of the year	-	-	-	-	-	-
Less: Technical reserves at end of the year	(298,549,850)	73,474,099	(225,075,751)	24,199,650	215,363,956	14,487,855
Surplus / (deficit) for the year	298,549,850	(73,474,099)	225,075,751	(24,199,650)	(215,363,956)	(14,487,855)
(Surplus) / deficit transferred to shareholders' fund						
Transfer from / (to) shareholders' fund						
Contribution received from shareholders' fund						
Qard-e-Hasna contributed to PTF						
Net transfer from / (to) shareholders' fund						
Balance of shareholders' sub fund at beginning of the year						
Balance of fund at end of the year						
(c)						
(a+b+c)	16,844,734,635	11,447,438,668	28,292,173,303	288,661,630	595,212,464	29,176,047,398
Represented by:						
Participants' Investment Fund	16,264,617,467	11,186,395,110	27,451,012,577	-	-	27,451,012,577
Technical reserves for PIF						
Participants' Takaful Fund						
Technical reserves for PTF	56,940,205	3,716,246	60,656,451	189,428,257	539,991,557	790,076,265
Qard-e-Hasna contributions	-	-	-	-	175,000,000	175,000,000
Accumulated surplus / (deficit) - PTF	523,176,963	257,327,312	780,504,275	99,233,373	(119,779,093)	759,958,555
Shareholders' sub fund	580,117,168	261,043,558	841,160,726	288,661,630	595,212,464	1,725,034,820
Technical reserves for shareholders' sub fund						
Accumulated surplus - shareholders' sub fund						
Balance of Funds at the end of the year	16,844,734,635	11,447,438,668	28,292,173,303	288,661,630	595,212,464	29,176,047,397



## 45.2 SEGMENT REPORTING

	Participants' funds			Aggregate December 31, 2023
	Individual Family	Group Family	Group Health	
Income				
Gross Contributions				
- First year individual regular contributions	820,806,895	-	-	820,806,895
- Individual renewal contributions	4,690,089,643	-	-	4,690,089,643
- Individual single & top-up contributions	7,714,370,705	-	-	7,714,370,705
- Group contributions	-	678,864,413	2,392,558,646	3,071,423,059
Total gross contributions	13,225,267,243	678,864,413	2,392,558,646	16,296,690,302
Retakaful contributions				
- Individual policies	(210,557,047)	-	-	(210,557,047)
- Group policies	-	(239,259,494)	-	(239,259,494)
Total retakaful contributions	(210,557,047)	(239,259,494)	-	(449,816,541)
Net contribution revenues	13,014,710,196	439,604,919	2,392,558,646	15,846,873,761
Surplus from retakaful operators	82,815,115	-	-	82,815,115
Net investment income	6,979,738,091	11,993,889	6,167,673	6,997,899,653
Total net income	20,077,263,402	451,598,808	2,398,726,319	22,927,588,529
Takaful benefits and expenditures				
Takaful benefits, including bonuses, net of retakaful	8,317,627,647	276,891,765	2,157,850,918	10,752,370,330
Management expenses less recoveries	1,650,755,831	160,056,906	364,550,916	2,175,363,653
Total takaful benefits and expenditures	9,968,383,478	436,948,671	2,522,401,834	12,927,733,983
Excess of income over takaful benefits and expenditures	10,108,879,924	14,650,137	(123,675,515)	9,999,854,546
Add: Participants liabilities at beginning of year	27,511,669,026	189,428,257	539,991,557	28,241,088,840
Less: Participants liabilities at end of year	37,554,718,136	217,316,480	531,286,437	38,303,321,053
Surplus reserve for the year [ Participant Takaful Fund (PTF) ]	65,830,814	(13,238,086)	(114,970,395)	(62,377,667)

	Participants' funds			Aggregate
	Individual Family	Group Family	Group Health	December 31, 2022
	(Rupees)			
<b>Income</b>				
<b>Gross Contributions</b>				
- First year individual regular contributions	1,475,788,030	-	-	1,475,788,030
- Individual renewal contributions	4,790,464,968	-	-	4,790,464,968
- Individual single and top-up contributions	1,254,762,121	-	-	1,254,762,121
- Group contributions	-	555,923,714	2,158,685,650	2,714,609,364
<b>Total gross contributions</b>	<b>7,521,015,119</b>	<b>555,923,714</b>	<b>2,158,685,650</b>	<b>10,235,624,483</b>
<b>Retakaful contributions</b>				
- Individual policies	(264,643,068)	-	-	(264,643,068)
- Group policies	-	(199,322,843)	-	(199,322,843)
<b>Total retakaful contributions</b>	<b>(264,643,068)</b>	<b>(199,322,843)</b>	<b>-</b>	<b>(463,965,911)</b>
<b>Net contribution revenues</b>	<b>7,256,372,051</b>	<b>356,600,871</b>	<b>2,158,685,650</b>	<b>9,771,658,572</b>
<b>Surplus from retakaful operators</b>	<b>91,040,901</b>	<b>-</b>	<b>-</b>	<b>91,040,901</b>
<b>Net investment income</b>	<b>312,031,532</b>	<b>11,776,358</b>	<b>3,452,656</b>	<b>327,260,546</b>
<b>Total net income</b>	<b>7,659,444,484</b>	<b>368,377,229</b>	<b>2,162,138,306</b>	<b>10,189,960,019</b>
<b>Takaful benefits and expenditures</b>				
<b>Takaful benefits, including bonuses, net of retakaful</b>				
<b>Management expenses less recoveries</b>				
	4,764,209,475	212,570,724	1,714,866,058	6,691,646,257
	1,938,385,338	141,553,971	470,296,568	2,550,235,877
<b>Total takaful benefits and expenditures</b>	<b>6,702,594,813</b>	<b>354,124,695</b>	<b>2,185,162,626</b>	<b>9,241,882,134</b>
<b>Excess of income over takaful benefits and expenditures</b>	<b>956,849,670</b>	<b>14,252,535</b>	<b>(23,024,320)</b>	<b>948,077,885</b>
<b>Add: Participants liabilities at beginning of year</b>	<b>26,618,797,616</b>	<b>216,585,157</b>	<b>605,250,228</b>	<b>27,440,633,001</b>
<b>Less: Participants liabilities at end of year</b>	<b>27,511,669,028</b>	<b>189,428,257</b>	<b>539,991,557</b>	<b>28,241,088,842</b>
<b>Surplus reserve for the year [ Participant Takaful Fund (PTF) ]</b>	<b>63,978,258</b>	<b>41,409,435</b>	<b>42,234,351</b>	<b>147,622,044</b>

**45.3 SEGMENTAL STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2023**

	Participants' funds				Aggregate
	Shareholders' Fund	Individual Family	Group Family	Group Health	December 31, 2023
	(Rupees)				
<b>ASSETS</b>					
Property and equipment	474,986,768	-	-	-	474,986,768
Intangible assets	84,707,828	-	-	-	84,707,828
Investments	1,448,094,290	33,898,552,211	235,063,587	-	35,581,710,088
Investment property	-	1,124,510,000	-	-	1,124,510,000
Advance against investment property	3,775,000	128,624,000	-	-	132,399,000
Takaful / Re-takaful receivables	-	75,274,737	220,554,736	814,101,497	1,109,930,970
Deposits, loans and other receivables	138,584,614	173,314,176	746,941	13,739,146	326,384,877
Taxation - payments less provision	-	881,307,826	12,952,634	7,464,102	901,724,562
Prepayments	20,778,575	-	-	-	20,778,575
Cash and bank	37,702,124	3,777,791,598	72,893,918	143,551,556	4,031,939,196
<b>Total assets</b>	<b>2,208,629,199</b>	<b>40,059,374,548</b>	<b>542,211,816</b>	<b>978,856,301</b>	<b>43,789,071,864</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' equity</b>					
Share capital	1,307,124,400	-	-	-	1,307,124,400
Unappropriated profit - net	346,773,532	-	-	-	346,773,532
<b>Total equity</b>	<b>1,653,897,932</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,653,897,932</b>
Deferred tax liability	12,508,208	-	-	-	12,508,208
<b>Waqf / Participant Takaful Fund (PTF)</b>					
Cede money	-	-	500,000	-	500,000
Accumulated surplus / (Deficit)	-	846,335,060	85,995,286	(234,749,488)	697,580,858
<b>Total PTFs Equity</b>	<b>-</b>	<b>846,335,060</b>	<b>86,495,286</b>	<b>(234,749,488)</b>	<b>698,080,858</b>
Qard-e-Hasna	-	-	-	260,000,000	260,000,000
<b>Total Participants' equity</b>	<b>-</b>	<b>846,335,060</b>	<b>86,495,286</b>	<b>25,250,512</b>	<b>958,080,858</b>
<b>Liabilities</b>					
Takaful liabilities	-	38,732,622,131	340,347,930	600,644,332	39,673,614,393
Retirement benefits obligations	84,767,974	-	-	-	84,767,974
Contributions received in advance	-	289,713,142	109,388,903	352,386,672	751,488,717
Takaful / retakaful payable	-	111,732,756	5,313,716	-	117,046,472
Other creditors and accruals	259,668,284	78,971,459	666,000	574,785	339,880,528
Lease Liabilities	184,547,201	-	-	-	184,547,201
Taxation -provision less payments	13,239,600	-	-	-	13,239,600
	542,223,059	39,213,039,488	455,716,549	953,605,789	41,164,584,885
<b>Total liabilities</b>	<b>554,731,267</b>	<b>39,213,039,488</b>	<b>455,716,549</b>	<b>953,605,789</b>	<b>41,177,093,093</b>
<b>Total equity and liabilities</b>	<b>2,208,629,199</b>	<b>40,059,374,548</b>	<b>542,211,835</b>	<b>978,856,301</b>	<b>43,789,071,883</b>

SEGMENTAL STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

	Participants' funds				Aggregate
	Shareholders' Fund	Individual Family	Group Family	Group Health	December 31, 2022
	(Rupees)				
ASSETS					
Property & equipment	454,872,820	-	-	-	454,872,820
Intangible assets	92,298,333	-	-	-	92,298,333
Capital work in progress	28,442,018	-	-	-	28,442,018
Investments	1,286,311,838	24,377,673,725	192,589,019	-	25,856,574,582
Investment Property	-	983,381,250	-	-	983,381,250
Advance against investment property	3,775,000	128,624,000	-	-	132,399,000
Takaful / retakaful receivables	-	102,566,630	176,999,647	686,239,811	965,806,088
Other loans and receivables	176,808,302	141,286,802	3,374,498	13,184,586	334,654,188
Deferred tax asset	13,533,566	-	-	-	13,533,566
Taxation - payments less provision	-	823,180,647	6,197,964	4,334,269	833,712,880
Prepayments	19,692,365	-	-	-	19,692,365
Cash and bank	42,865,131	3,111,057,017	51,972,268	87,280,843	3,293,175,259
Total assets	2,118,599,373	29,667,770,071	431,133,396	791,039,509	33,008,542,349
EQUITY AND LIABILITIES					
Shareholders' Equity					
Share capital	1,307,124,400	-	-	-	1,307,124,400
Unappropriated profit - net	274,193,693	-	-	-	274,193,693
Total equity	1,581,318,093	-	-	-	1,581,318,093
Deferred tax liability	-	-	-	-	-
Waqf / Participant Takaful Fund (PTF)					
Cede money	-	-	500,000	-	500,000
Accumulated surplus / (Deficit)	-	780,504,275	99,233,373	(119,779,093)	759,958,555
Total PTFs Equity	-	780,504,275	99,733,373	(119,779,093)	760,458,555
Qard-e-Hasna	-	-	-	175,000,000	175,000,000
Total Participants' equity	-	780,504,275	99,733,373	55,220,907	935,458,555
Liabilities					
Takaful liabilities	-	28,393,198,921	244,211,121	610,903,954	29,248,313,996
Retirement benefits obligations	72,519,492	-	-	-	72,519,492
Contributions received in advance	-	347,805,612	86,345,295	124,906,932	559,057,839
Takaful / retakaful payable	-	104,178,301	-	-	104,178,301
Other creditors and accruals	240,680,809	42,082,962	843,607	7,716	283,615,094
Lease Liabilities	223,735,747	-	-	-	223,735,747
Taxation -provision less payments	345,233	-	-	-	345,233
	537,281,281	28,887,265,796	331,400,023	735,818,602	30,491,765,702
Total liabilities	537,281,281	28,887,265,796	331,400,023	735,818,602	30,491,765,702
Total Equity and Liabilities	2,118,599,374	29,667,770,071	431,133,396	791,039,509	33,008,542,350

**MOVEMENT IN INVESTMENTS**

	Available- for-sale	Fair value through profit or loss	Term deposits	Total
	(Rupees)			
At beginning of previous year	1,055,287,476	23,758,064,777	290,000,000	25,103,352,254
Additions	1,557,767,106	15,501,810,678	-	17,059,577,784
Disposal (sale and redemption)	(1,281,966,203)	(13,576,219,527)	(190,000,000)	(15,048,185,730)
Fair value net losses	(44,776,541)	(1,213,393,184)	-	(1,258,169,725)
At beginning of current year	1,286,311,838	24,470,262,744	100,000,000	25,856,574,583
Additions	932,235,720	55,650,039,938	50,000,000	56,632,275,658
Disposal (sale and redemption)	(917,039,900)	(49,797,984,871)	(100,000,000)	(50,815,024,771)
Fair value net losses	97,949,476	3,809,935,143	-	3,907,884,619
At end of current year	1,399,457,134	34,132,252,953	50,000,000	35,581,710,088

**Cash flow sensitivity analysis for variable rate instruments**

The following table demonstrates the sensitivity to a reasonable change in rates of profit, with all other variables held constant, of the Company's profit before tax and equity based upon average balances and rates:

	Increase / decrease in basis points	Effect on profit before tax (Rupees)	Effect on equity
December 31, 2023	100 (100)	7,573,342 (7,573,342)	5,377,073 (5,377,073)
December 31, 2022	100 (100)	9,142,709 (9,142,709)	6,491,323 (6,491,323)



December 31, 2023

	Profit bearing						
	Upto one month	Over one month to three months	Over three months to six months	Over six months to one year	Over one year to five year	Over five year	Total
(Rupees)							
<b>FINANCIAL ASSETS</b>							
Cash and bank deposits	3,660,619,166	-	-	-	-	-	4,031,939,196
Investments	-	-	-	-	4,493,024,992	-	35,515,127,588
Takaful / re-takaful receivables	-	-	-	-	-	-	1,109,930,970
Advance against investment property	-	-	-	-	-	-	132,399,000
Other loans and receivables	-	-	-	-	-	-	326,384,877
<b>Total</b>	<b>3,660,619,166</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,493,024,992</b>	<b>-</b>	<b>41,115,781,631</b>
<b>FINANCIAL LIABILITIES</b>							
Outstanding claims	-	-	-	-	-	-	1,370,293,340
Takaful / re-takaful payable	-	-	-	-	-	-	117,046,472
Agents commission	-	-	-	-	-	-	64,025,334
Creditors, accruals and other liabilities	-	-	-	-	-	-	172,669,515
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,724,034,661</b>	<b>1,724,034,661</b>
<b>Profit sensitivity gap</b>	<b>3,660,619,166</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,493,024,992</b>	<b>-</b>	<b>39,391,746,970</b>
December 31, 2022							
Profit bearing							
Effective rate per annum (%)	Upto one month	Upto one month to three months	Over three months to six months	Over six months to one year	Over one year to five year	Over five year	Total
(Rupees)							
<b>FINANCIAL ASSETS</b>							
Cash and bank deposits	3,159,228,165	-	-	-	-	-	3,293,175,260
Investments	-	-	-	100,000,000	4,639,599,995	-	25,856,574,583
Takaful / re-takaful receivables	-	-	-	-	-	-	965,806,087
Advance against investment property	-	-	-	-	-	-	132,399,000
Other loans and receivables	-	-	-	-	-	-	334,654,188
<b>Total</b>	<b>3,159,228,165</b>	<b>-</b>	<b>-</b>	<b>100,000,000</b>	<b>4,639,599,995</b>	<b>-</b>	<b>30,582,609,118</b>
<b>FINANCIAL LIABILITIES</b>							
Outstanding claims	-	-	-	-	-	-	1,007,225,153
Takaful / re-takaful payable	-	-	-	-	-	-	104,178,301
Agents commission	-	-	-	-	-	-	88,313,938
Creditors, accruals and other liabilities	-	-	-	-	-	-	117,605,298
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,317,322,690</b>
<b>Profit sensitivity gap</b>	<b>3,159,228,165</b>	<b>-</b>	<b>-</b>	<b>100,000,000</b>	<b>4,639,599,995</b>	<b>-</b>	<b>29,265,286,428</b>

The Company issues contracts that transfer takaful risk or financial risk or both to the Company. This section summarises these risks and the way the Company manages them.

#### 46.1 Takaful risk

The PTF issues takaful contracts which are classified in the following segments:

- Individual Family (unit linked)
  - Group Family
  - Group Health
- The Individual Family including (unit linked) segment provides family takaful coverage to individuals under unit based policies issued by the PTF. The takaful contracts under individual family are distributed through Direct Sales Force and
  - The Group Family segment provides Family takaful coverage to members of business enterprises and corporate entities under group family takaful schemes issued by the PTF. The takaful contracts under group family are distributed through Direct Sales Force and sales staff employed by the Company.
  - The Group Health segment provides accident coverage and inpatient / outpatient health coverage to members of business enterprises and corporate entities under group health schemes issued by the PTF. The takaful contracts under group health are distributed through Direct Sales Force and sales staff employed by the Company.

The Company assesses the takaful risk on the basis of the different factors such as non-medical factors, medical factors, financial assessment, occupation assessment, group size, industry class, average age of the group and free cover limit etc.

The basic risk the Company faces under takaful contracts is that the actual claims and benefit payments or timing thereof, differ from expectations. This is influenced by frequency of claims, severity of claims, actual claim paid and subsequent development of claims. The most significant risks arise from catastrophic events and epidemic.

Underwriting & Re-takaful and claim committees are in place to monitor the core business activities of the Company. This is further supplemented with a clear organisational structure with documented delegated authorities and responsibilities. Management of the Company recognises the critical importance of having efficient and effective risk management systems. The focus is on issuing contract to people having moderate risk of mortality and morbidity and having appropriate economic worth and source of income.

The PTF's risk exposure is mitigated by employing a comprehensive framework to identify, assess, manage and monitoring of risk. 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. Adequate retakaful is arranged to mitigate the effect of the losses and retakaful arrangement for catastrophic events. PTF exposure has also been limited by imposing limits to the maximum sum covered in a single takaful contract in each class of business.

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, regular detailed review of claim handling procedures and frequent investigation of possible false claims.

The PTF's class wise risk exposure (for a single life policy) is as follows:

Class	December 31, 2023		
	Maximum Gross Risk Exposure	Maximum Retakaful Cover	Highest Net Risk Retention
	------(Rupees)-----		
Individual family	300,000,000	297,000,000	3,000,000
Group family	200,000,000	198,000,000	2,000,000
Group health	3,000,000	-	2,500,000
	<b>503,000,000</b>	<b>495,000,000</b>	<b>7,500,000</b>

Class	December 31, 2022		
	Maximum Gross Risk Exposure	Maximum Retakaful Cover	Highest Net Risk Retention
	(Rupees)		
Individual family	275,000,000	272,000,000	3,000,000
Group family	150,000,000	148,000,000	2,000,000
Group health	3,000,000	-	3,000,000
	<u>428,000,000</u>	<u>420,000,000</u>	<u>8,000,000</u>

#### Categories of takaful contracts

- (i) Long term takaful contracts
- (ii) Short term takaful contracts

#### (i) Long term takaful contracts

##### (a) Sources of uncertainty in the estimation of future benefit payments and contribution receipts.

Uncertainty in the estimation of future benefit payments and contribution receipts for long-term contracts arises from the unpredictability of long-term changes in overall levels of mortality and the variability in contract holder behaviour

The Company uses appropriate base tables of standard mortality according to the type of contract being written and the territory in which the insured person resides. An investigation into the actual experience of the Company over the few years is carried out and statistical methods are used to adjust the crude mortality rates to produce a best estimate of expected mortality for the future. Where data is sufficient to be statistically credible, the statistics generated by the data are used without reference to an industry table. Where this is not based on standard industry tables adjusted for the Company's overall experience, contracts that insure survival, an adjustment is made for future mortality improvements based on trends identified in the data and in the continuous mortality reflected in this experience. The Company maintains voluntary termination statistics to investigate the deviation of actual termination experience against assumptions. Statistical methods are used to determine appropriate termination rates. An allowance is then made for any trends in the data to arrive at a best estimate of future termination rates.

##### (b) Process used to decide assumptions

#### Mortality and morbidity experience

Mortality / Morbidity tables are based on the risk rates being charged by the Re-takaful operators supporting individual and group lines of business. These rates vary due to the age, sex, occupation and the nature of industry.

#### Persistency rates for long term individual policies

An investigation into the Company's experience from time to time determines an appropriate persistency rate. Persistency rates vary by product type and policy duration. An allowance is then made for any trends in the data to arrive at a best estimate of future persistency rates that takes into account the Participants' behaviour.

#### Expense levels and inflation

All administrative and management expenses are charged to SHF, therefore, the inflationary risk is borne by the SHF.

#### Investment returns

The participant account values of these plans depend upon actual investment returns earned on these policies.

No investment guarantees are offered by the Company. Investment risk is borne by the participants.

#### Tax

There is no major impact of taxes on valuation of liabilities, future benefit payments and contribution.

## Change in assumptions

There has been no change in assumptions for the takaful contracts during the year.

### (ii) Short term takaful contracts

#### (a) Frequency and severity of claims

These contracts mostly pay a pre-determined amount on death and disability without any maturity or surrender values. These contracts are issued to individuals and also to employers to ensure their commitments to their employees in terms of other employees' benefit plans.

The risk is affected by several factors e.g. age, occupation, benefit structure and life style. The Company attempts to manage this risk through its underwriting, claims handling and retakaful policy.

#### (b) Sources of uncertainty in the estimation of future claim payments

Other than for the testing of the adequacy of the liability representing the unexpired risk at the end of the reporting period, there is no need to estimate mortality rates for future year because these contracts have short duration. However, for incurred disability income claims, it is necessary to estimate the rates of recovery from disability for future years. Standard recovery tables produced by reinsurers are used as well as the actual experience of the Company. The influence of economic circumstances on the actual recovery rate for individual contracts is the key source of uncertainty for these estimates.

#### (c) Process used to decide an assumptions

The assumptions used for these contracts are the same as for long term contracts.

## Mortality

An appropriate base table of standard mortality is chosen depending on the type of contract. An investigation into Company's experience is conducted from time to time. Where data is sufficient to be statistically credible, the statistics generated by the data are used without reference to an industry table.

## Morbidity

The rate of recovery from disability is derived from industry experience studies, adjusted where appropriate for the Company's own experience.

### (d) Change in assumptions

The Company did not change its assumptions during the year.

## Sensitivities

The claims are sensitive to changes in the key assumptions. Results of sensitivity testing due to the variation in assumptions of mortality and morbidity as determined by appointed actuary on PTF will be as follows:

Class of business	Change in assumption	Impact on PTF balance Rupees
Individual family	20 % increase in mortality level	(439,220,755)
	20 % decrease in mortality level	439,220,755
Group Health	20 % increase in morbidity level	(62,599,641)
	20 % decrease in morbidity level	62,599,641
Group Family	20 % increase in mortality level	(18,891,379)
	20 % decrease in mortality level	18,891,379



### Aging and movement of outstanding claims

The claims development table for each class of business and an overall aging and movement of outstanding claims is presented below:

<b>Individual Family</b>					
<b>Accident Year</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<b>(Rupees)</b>				
Estimate of ultimate claims costs:					
At end of accident year	149,649,816	219,466,673	226,664,718	225,836,332	165,454,393
One year later	139,703,167	208,719,865	192,268,185	212,214,824	-
Two years later	142,771,449	213,040,077	214,512,720	-	-
Three years later	145,782,718	202,175,681	-	-	-
Four years later	128,748,968	-	-	-	-
Current estimate of cumulative claims	128,748,968	202,175,681	214,512,720	212,214,824	165,454,393
less: cumulative payments to date	119,531,927	181,850,646	166,828,078	168,134,071	58,240,890
	9,217,042	20,325,035	47,684,642	44,080,753	107,213,503
Liability recognised in the statement of financial position					150,881,629

<b>Group Family</b>					
<b>Accident year</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<b>(Rupees)</b>				
Estimate of ultimate claims costs:					
At end of accident year	365,374,418	414,232,372	410,091,926	432,247,101	462,838,292
One year later	353,623,542	392,262,394	365,059,492	449,845,147	-
Two years later	330,575,821	400,531,554	370,696,339	-	-
Three years later	331,721,656	401,536,351	-	-	-
Four years later	331,878,975	-	-	-	-
Current estimate of cumulative claims	331,878,975	401,536,351 331,721,656	370,696,339	449,845,147	462,838,292
less: cumulative payments to date	331,878,975	401,536,351	370,696,339	438,064,081	287,005,646
	-	-	-	11,781,066	175,832,646
Liability recognised in the statement of financial position					123,031,450



<b>Group Health</b>					
<b>Accident year</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<b>(Rupees)</b>				
Estimate of ultimate claims costs:					
At end of accident year	1,391,664,168	918,758,329	1,238,891,060	1,747,375,369	2,150,024,545
One year later	1,486,546,883	924,264,185	1,211,470,049	1,942,343,910	-
Two years later	1,487,297,277	913,427,462	1,209,132,739	-	-
Three years later	1,479,133,396	913,575,673	-	-	-
Four years later	1,479,601,120	-	-	-	-
Current Estimate of cumulative claims	1,479,601,120	913,575,673	1,209,132,739	1,942,343,910	2,150,024,545
less: cumulative payments to date	1,479,601,120	913,575,673	1,209,132,739	1,942,343,910	1,821,353,444
	-	-	-	-	328,671,101
Liability recognised in the statement of financial position					69,357,895
				<b>December 31, 2023</b>	<b>December 31, 2022</b>
			<b>Note</b>	<b>(Rupees)</b>	
<b>Aging of outstanding claims</b>					
Upto one year				1,094,697,974	760,454,991
Over one year				275,595,366	246,770,162
			22	1,370,293,340	1,007,225,153
<b>Movement of outstanding claim</b>					
Opening balance				1,007,225,153	919,903,384
Total gross claims			35	10,954,415,360	6,971,880,607
Claims paid				(10,591,347,173)	(6,884,558,838)
Closing balance				1,370,293,340	1,007,225,153

#### 46.2 Re-takaful 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. Re-takaful 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 re-takaful agreements.

To minimise its exposure to significant losses from retakaful insolvencies, the Company evaluates the financial condition of its retakaful companies. The Company has obtained re-takaful arrangements with prominent international re-takaful operator having high credit rating.

#### 46.3 Financial risk management

The Board of Directors (the Board) of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Liquidity risk;
- Credit risk;
- Market risk;

#### Risk management framework

The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks 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 the 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.

The Audit Committee monitors management's compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company Audit Committee is assisted in its oversight role by Internal Audit function. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

#### 46.4 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. 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. The Company ensures that it has sufficient cash on demand to meet expected operational requirements. To guard against the risk, the Company maintains balance of cash and cash equivalent and readily marketable securities. The maturity profile of assets and liabilities is also monitored to ensure that adequate liquidity is maintained. The following are contractual maturities of financial liabilities:

	December 31, 2023		December 31, 2022	
	Carrying Amount	Contractual cash flows upto one year	Carrying Amount	Contractual cash flows upto one year
----- (Rupees) -----				
<b>Non-derivative financial liabilities</b>				
Outstanding claims	1,370,293,340	1,370,293,340	1,007,225,153	1,007,225,153
Takaful / re-takaful payables	117,046,472	117,046,472	104,178,301	104,178,301
Agent commission	64,025,334	64,025,334	88,313,938	88,313,938
Creditors, accruals and other liabilities	172,669,515	172,669,515	117,605,298	117,605,298
	<b>1,724,034,661</b>	<b>1,724,034,661</b>	<b>1,317,322,690</b>	<b>1,317,322,690</b>

46.5 Maturity profile of financial assets and liabilities:

2023	Profit bearing			Non-profit bearing			
	Maturity upto one year	maturity after one year	Sub total	Maturity upto one year	maturity after one year	Sub total	Total
------(Rupees)-----							
FINANCIAL ASSETS							
Cash and bank deposits	3,660,619,166	-	3,660,619,166	371,320,030	-	371,320,030	4,031,939,196
Investments	-	4,493,024,992	4,493,024,992	31,022,102,596	-	31,022,102,596	35,515,127,588
Takaful / retakaful receivables	-	-	-	1,109,930,970	-	1,109,930,970	1,109,930,970
Advance against investment propert	-	-	-	-	132,399,000	132,399,000	132,399,000
Other loans and receivables	-	-	-	283,489,447	42,895,430	326,384,877	326,384,877
December 31, 2023	3,660,619,166	4,493,024,992	8,153,644,158	32,786,843,043	175,294,430	32,962,137,473	41,115,781,631
=====							
2023	Profit bearing			Non-profit bearing			
	Maturity upto one year	maturity after one year	Sub total	Maturity upto one year	maturity after one year	Sub total	Total
------(Rupees)-----							
FINANCIAL LIABILITIES							
Outstanding claims	-	-	-	1,370,293,340	-	1,370,293,340	1,370,293,340
Takaful / retakaful payable	-	-	-	117,046,472	-	117,046,472	117,046,472
Agents commission	-	-	-	64,025,334	-	64,025,334	64,025,334
Creditors, accruals and other liabil	-	-	-	172,669,515	-	172,669,515	172,669,515
December 31, 2023	-	-	-	1,724,034,661	-	1,724,034,661	1,724,034,661

# **Maturity profile of financial assets and liabilities:**

2022	Profit bearing			Non-profit bearing		
	Maturity upto one year	maturity after one year	Sub total	Maturity upto one year	maturity after one year	Total
	(Rupees)					
<b>FINANCIAL ASSETS</b>						
Cash and bank deposits	3,159,228,165	-	3,159,228,165	133,947,095	-	3,293,175,260
Investments	100,000,000	4,639,599,995	4,739,599,995	21,116,974,588	-	25,856,574,583
Takaful / retakaful receivables	-	-	-	965,806,087	-	965,806,087
Advance against investment	-	-	-	-	132,399,000	132,399,000
Other loans and receivables	-	-	-	293,063,758	41,590,430	334,654,188
<b>December 31, 2022</b>	<b>3,259,228,165</b>	<b>4,639,599,995</b>	<b>7,898,828,160</b>	<b>22,509,791,528</b>	<b>173,989,430</b>	<b>30,582,609,118</b>
<b>FINANCIAL LIABILITIES</b>						
Outstanding claims	-	-	-	1,007,225,153	-	1,007,225,153
Takaful / retakaful payable	-	-	-	104,178,301	-	104,178,301
Agents commission	-	-	-	88,313,938	-	88,313,938
Creditors, accruals and other liabil	-	-	-	117,605,298	-	117,605,298
<b>December 31, 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,317,322,690</b>	<b>-</b>	<b>1,317,322,690</b>

## **46.6 Profit / yield rate risk**

Profit / yield rate risk is the risk of changes in profit / yield rates reducing the overall return on profit bearing assets. The Company is exposed to profit / yield rate risk in respect of bank balances and deposits and available for sale debt instruments. Effective profit / yield rates on such accounts are disclosed in note 20 to these financial statements.

At the reporting date, the rate of profit profile of the Company's profit-bearing financial instruments was:

Variable rate instruments	Carrying amount		Effective rate of profit	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	(Rupees)		-----(%)-----	
<b>Financial assets</b>				
Term deposits	50,000,000	100,000,000	15.5 to 21.0	10.5 to 14.25
Savings accounts	3,660,619,166	3,159,228,165	10.0 to 21.00	4.5 to 14.5
Sukuk bonds	4,509,607,492	4,639,599,995	8.37 to 25.05	8.37 to 10.5
	<b>8,220,226,658</b>	<b>7,898,828,160</b>		



## 46.7 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. The Company attempts to control credit risk by monitoring credit exposures with counterparties and by continually assessing the credit worthiness of counterparties and measuring exposure with counterparties to remain at a reasonable level.

### 46.7.1 Exposure to credit risk

The Company structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparties, and to geographical and industry segments. Such risks are subject to an annual or more frequent review.

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

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 equivalent to that conducted for retakaful operators is carried out by the Company risk department.

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

	December 31, 2023	December 31, 2022
	------(Rupees)-----	
<b>Rating</b>		
AAA	1,671,121,455	593,117,141
AA+	38,765,086	29,234,325
AA	684,558,609	588,387,687
AA-	1,235,101,897	1,801,198,366
A+	318,594,208	209,265,873
A	17,227,002	40,668,130
A-	59,732,078	22,700,313
	<b>4,025,100,336</b>	<b>3,284,571,835</b>

\*Rating of Banks performed by PACRA and JCR-VIS.

### 46.7.2 The carrying amount of financial assets represent the maximum credit exposure, as specified below:

		December 31, 2023	December 31, 2022
		------(Rupees)-----	
Cash and bank deposits	Note	4,031,939,196	3,293,175,259
Deposits maturing within 12 months		50,000,000	100,000,000
Takaful / Retakaful receivables		1,109,930,970	965,806,087
Advance against investment property		132,399,000	132,399,000
Loans and other receivables		326,384,877	314,261,762
Investment in unlisted equity securities		15,000,000	21,000,000
		<b>5,665,654,043</b>	<b>4,826,642,108</b>
<b>Financial assets</b>			
Secured		4,524,182,065	3,750,096,865
Unsecured		1,141,471,978	944,146,243
		<b>5,665,654,043</b>	<b>4,694,243,108</b>
Not past due		4,630,997,810	3,846,759,899
Past due but not impaired	46.7.2.1	1,034,656,233	847,483,209
		<b>5,665,654,043</b>	<b>4,694,243,108</b>



46.7.2.1 The age analysis of financial asset are as follows:

	December 31, 2023		December 31, 2022	
	Carrying value	Impairment	Carrying value	Impairment
	------(Rupees)-----			
Not past due	4,630,997,810	-	3,846,759,899	-
Past due but not impaired				
Upto 1 year	1,034,656,233	-	847,483,209	-
Over 1 year	-	-	-	-
Total	<u>5,665,654,043</u>	<u>-</u>	<u>4,694,243,108</u>	<u>-</u>

These amounts are receivable from corporate customers having good credit standing in the market and are doing regular business with the Company, therefore the management believes that these amounts will be fully recoverable.

46.7.3 The table below analyses the concentration of credit risk by industrial distribution in respect of:

	December 31, 2023	December 31, 2022
	------(%)-----	
Banks	9	9
Manufacturing	20	16
Other Financial Institutions	2	1
Pharmaceuticals	1	2
Services	44	47
Textile	2	3
Trading	5	4
Foreign Embassy	17	18
	<u>100</u>	<u>100</u>

46.7.4 Amount due from retakaful operator in respect of retakaful recoveries against outstanding claims

The Company enters into a retakaful arrangements with retakaful operator having sound credit ratings accorded by reputed credit rating agencies. The Company is required to comply with the requirement of circular 32/2009 dated October 27, 2009 issued by SECP which requires a takaful company to place atleast 80% of their outward treaty session with retakaful rated 'A' or above by Standard and Poor's with the balance being placed with entities rated atleast 'BBB' by reputed credit agency. During the year, the Company placed 100% of their outward treaty session with retakaful operator having rating of 'A' or above.

An analysis of all retakaful session by the rating of the re-takaful entity is as follow:

		December 31, 2023	December 31, 2022
		------(Rupees)-----	
<b>Rating</b>	<b>Credit rating agency</b>		
A or above	Standard and poor	449,816,541	463,965,911

#### 46.8 Market risk

Market 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 sukuks, Islamic mutual funds and listed securities.

A decline in markets or an increase in market volatility may also adversely affect sales of our unit linked products. Company recognises that market risk is part of the businesses and certain level of market risk is acceptable in order to deliver benefits to both participants' and shareholders.

#### 46.9 Foreign exchange 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.

#### 46.10 Capital management

Capital requirements applicable to the Company are set and regulated by the SECP. These requirements have been put in place to ensure sufficient solvency margins. The Company manages its capital requirement by assessing its capital structure against the required capital level on a regular basis. Currently the Company has a paid up capital of Rs. 1,307.124 million against the minimum required paid-up capital of Rs. 700 million set by the SECP for insurance companies / Takaful operators for the year ended December 31, 2023.

#### 46.11 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the process, technology and infrastructure supporting the Company's operations either internally with in 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 behaviour. Operational risks arise from all of the Company's activities.

### 47 FAIR VALUE MEASUREMENT

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred. There are no such transfers during the year.

Fair value is defined as the price that would be received upon selling 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.

#### 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).

(a) Financial Instruments In level 1

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

(b) Financial Instruments in level 2

Currently, no financial instruments are classified in level 2.

(c) Financial Instruments in level 3

Currently, no financial instruments are classified in level 3.

Valuation techniques and Inputs used in determination of fair values

Item	Valuation techniques and input used
Ordinary shares of listed companies	Fair values of investments in listed equity securities are valued on the basis of closing quoted market prices available at the Pakistan Stock Exchange Limited.
Units of mutual funds	Fair values of investments in units of mutual funds are determined based on the redemption prices (NAV) as at the close of the business day.
Government sukuk and other sukuk	Fair values of sukuk are derived by reference to quotations obtained from brokers.

	Carrying amount				Fair value					
	Available for Sale	Fair value through profit or loss	Loans, advances and receivables	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
December 31, 2023										
Financial assets - measured at fair value										
Investments										
Equity securities - Listed	40,332,372	7,029,624,398	-	-	-	7,069,956,770	7,069,956,770	-	-	7,069,956,770
Government securities - Sukuk Certificat	854,410,000	3,565,760,012	-	-	-	4,420,170,012	4,420,170,012	-	-	4,420,170,012
Debt securities - Sukuk Certificates	-	89,437,480	-	-	-	89,437,480	89,437,480	-	-	89,437,480
Mutual funds	538,351,918	23,398,793,908	-	-	-	23,937,145,826	23,937,145,826	-	-	23,937,145,826
	1,433,094,290	34,083,615,798	-	-	-	35,516,710,088	35,516,710,088	-	-	35,516,710,088
Financial assets - not measured at fair value										
Cash and others*	-	-	-	6,838,860	-	6,838,860	-	-	-	-
Current and other accounts*	-	-	-	4,025,100,336	-	4,025,100,336	-	-	-	-
Deposits maturing within 12 months*	-	-	-	50,000,000	-	50,000,000	-	-	-	-
Takaful / retakaful receivables*	-	-	1,109,930,970	-	-	1,109,930,970	-	-	-	-
Advance against investment property	-	-	132,399,000	-	-	132,399,000	-	-	-	-
Other loans and receivables*	-	-	326,384,877	-	-	326,384,877	-	-	-	-
Equity securities - Unlisted	15,000,000	-	-	-	-	15,000,000	-	-	-	-
	15,000,000	-	1,568,714,847	4,081,939,196	-	5,665,654,043	-	-	-	-
Financial liabilities - measured at fair value										
Staff retirement benefits	-	-	-	-	84,767,974	84,767,974	-	84,767,974	-	84,767,974
Financial liabilities - not measured at fair value										
Outstanding claims*	-	-	-	-	1,370,293,340	1,370,293,340	-	-	-	-
Contributions received in advance*	-	-	-	-	751,488,717	751,488,717	-	-	-	-
Takaful / retakaful payable*	-	-	-	-	117,046,472	117,046,472	-	-	-	-
Agents commission*	-	-	-	-	64,025,334	64,025,334	-	-	-	-
Creditors, accruals and other liabilities*	-	-	-	-	172,669,515	172,669,515	-	-	-	-
	-	-	-	-	2,475,523,378	2,475,523,378	-	-	-	-

December 31, 2022

Financial assets - measured at fair value

|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

Financial assets - not measured at fair value

Cash and others*	-	-	-	8,603,422	-	8,603,422	-	-	-	-
Current and other accounts*	-	-	-	3,284,571,838	-	3,284,571,838	-	-	-	-
Deposits maturing within 12 months*	-	-	-	100,000,000	-	100,000,000	-	-	-	-
Long-term security deposit*	-	-	-	-	-	-	-	-	-	-
Contribution due but unpaid*	-	-	-	-	-	-	-	-	-	-
Investment income accrued*	-	-	-	-	-	-	-	-	-	-
Takaful / retakaful receivables*	-	-	965,806,087	-	-	965,806,087	-	-	-	-
Advance against investment property	-	-	132,399,000	-	-	132,399,000	-	-	-	-
Other loans and receivables*	-	-	334,654,188	-	-	334,654,188	-	-	-	-
Equity securities - Unlisted	21,000,000	-	-	-	-	21,000,000	-	-	-	-
	21,000,000	-	1,432,859,275	3,393,175,260	-	4,847,034,535	-	-	-	-

Financial liabilities - measured at fair value

Staff retirement benefits	-	-	-	-	57,351,742	57,351,742	-	57,351,742	-	57,351,742
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Financial liabilities - not measured at fair value

Outstanding claims*	-	-	-	-	1,007,225,153	1,007,225,153	-	-	-	-
Contributions received in advance*	-	-	-	-	559,057,840	559,057,840	-	-	-	-
Takaful / retakaful payable*	-	-	-	-	104,178,301	104,178,301	-	-	-	-
Agents commission*	-	-	-	-	88,313,938	88,313,938	-	-	-	-
Creditors, accruals and other liabilities*	-	-	-	-	117,605,298	117,605,298	-	-	-	-
	-	-	-	-	1,876,380,530	1,876,380,530	-	-	-	-

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



48      **NUMBER OF EMPLOYEES**

The average number of employees during the year ended December 31, 2023 were 741 (2022: 839) and number of employees as at December 31, 2023 were 763 (2022: 894).

49      **CORRESPONDING FIGURES**



Corresponding figures have been re-arranged or reclassified wherever necessary for better presentation and disclosure. There is no material reclassification to report.


50      **GENERAL**


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


51      **DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on 9 APRIL 2024 by the Board of Directors of the Company.

  
  
\_\_\_\_\_  
Chief Executive Officer

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Chairman





## **NOTICE OF THE 18<sup>TH</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the 18<sup>th</sup> Annual General Meeting of the shareholders of Pak-Qatar Family Takaful Limited (the Company) will be held on Monday, 29<sup>th</sup> April 2024 at 1500 hours at the Head Office of Pak-Qatar Family 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 30<sup>th</sup> April 2023.
2. To receive, consider and approve the Audited Financial Statements for the year ended December 31, 2023 together with the Chairman's review, Directors' and Auditors' reports thereon.
3. To consider and approve the Dividend of 5% for the year ended December 31, 2023 as recommended by the Board of Directors to shareholders for the year ended December 31, 2023.
4. To appoint External Auditors for the year ending 31 December 2024 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.
5. To transact any other business as may be placed before the Meeting with the permission of the Chair.

**Muhammad Kamran Saleem**  
Company Secretary

09 April 2024  
Karachi



**Notes:**

1. The Share transfer books of the Company shall remain closed from 23-04-2024 to 29-04-2024 (both days inclusive). Transfers received in order at Company's registered office at the close of business on 29-04-2024 will be treated in time for the purpose of attending the meeting.
2. Members are requested to notify/submit the following at registered office, if not earlier provided;
  - a) Change in their postal and/or email Addresses, if any.
  - b) Valid & legible photocopy of Computerized Nation Identity Cards (CNIC)/Passport for individuals and National Tax Number (NTN) for both individuals & Corporate entities.
3. For attending the meeting: In case of individuals, the shareholder shall authenticate his/her original valid Computerized National Identity Card (CNIC) or the original Passport at the time of attending the meeting. In case of corporate entity, the Board of Directors' resolution / Power of Attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.
4. A Member of the Company entitled to attend and vote at this Meeting shall be entitled to appoint another member, as his/her proxy to attend, speak and vote instead of him/her, and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the Meeting as are available to a member. A Member shall not be entitled to appoint more than one proxy to attend any one meeting. If any Member appoints more than one proxy for any one meeting and more than one instruments of proxy are deposited with the Company, all such instruments of proxy shall be rendered invalid. A proxy must be a member of the Company.
5. For appointment of proxies: Proxies, in order to be effective, must be received by / lodged with the Company at its Registered Office, Business Arcade, Block 6, P.E.C.H.S, Shahra-e-Faisal, Karachi not less than 48 hours before the Meeting. In case of corporate entity, the Board of Directors' resolution/ power of attorney with the specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting. The proxy shall produce his/her original CNIC or original passport at the time of the Meeting. (Proxy form is annexed herewith).
6. SECP through its Notification SRO 787 (I)/2014 dated September 08, 2014 has allowed the circulation of Audited Financial Statements along with Notice to members of the Company through e-mail. The Company is pleased to offer this facility to our valued members who desire to receive annual financial statements and notices through email in future. In this regard, all members of the Company who wish to opt this facility are requested to send their consent via email on a standard request form (Form is available at the company's website). The Company shall, however, provide hard copy of the Audited Financial Statements to its shareholders, on request, free of cost, within seven days of receipt of such request.
7. Pursuant to Section 223(7) of the Companies Act, 2017, the Company has placed the audited Annual Financial Statements of the Company for the year ended December 31, 2023 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 & CNC No.	Shareholding Proportion (No. of shares)	Name & CNC 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.



**Proxy Form**

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

I/we \_\_\_\_\_ of \_\_\_\_\_, (full address) being the member(s) of Pak-Qatar Family 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 29<sup>th</sup> April 2024 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2024.

Signature of  
Member(s)

**Witness 1:**

\_\_\_\_\_  
Name & Signature

\_\_\_\_\_  
Address

\_\_\_\_\_  
CNIC / passport No.

**Witness 2:**

\_\_\_\_\_  
Name & Signature

\_\_\_\_\_  
Address

\_\_\_\_\_  
CNIC / passport No.

**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.

## اطلاع برائے 18 واں سالانہ اجلاس عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ پاک قطر فیملی کفائل لمیٹڈ (کمپنی) کا 18 واں سالانہ اجلاس عام برائے شیئرز ہولڈرز مورخہ 29 اپریل، 2024 بروز اتوار، بوقت 3 بجے سہ پہر، پاک قطر فیملی کفائل لمیٹڈ کے ہیڈ آفس، بزنس آرکیڈ، بلاک 6، P.E.C.H.S، شاہراہ فیصل، کراچی میں منعقد ہوگا۔

### عمومی کارروائی

1. مورخہ 30 اپریل، 2023 کو منعقد ہونے والے سالانہ اجلاس عام کے نکات کی توثیق۔
2. مورخہ 31 دسمبر، 2023 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. بورڈ آف ڈائریکٹرز کی تجویز کے مطابق، مورخہ 31 دسمبر، 2023 کو ختم ہونے والے سال کے شیئرز ہولڈرز کے لیے 5% ڈویڈنڈ پر غور و خوض اور منظوری۔
4. مورخہ 31 دسمبر، 2024 کو ختم ہونے والے سال کے لیے ایکسٹرنل آڈیٹرز کی تقرری اور ان کے معاوضے کا تعین۔ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے اسٹیجوری آڈیٹرز اور شریعہ کمپلائنس آڈیٹرز کے طور پر یوسف عادل (چارٹرڈ اکاؤنٹنٹس) کی دوبارہ تقرری کی تجویز دی ہے۔
5. چیئرمین کی اجازت سے اجلاس کے آغاز سے پہلے رکھے گئے کسی بھی دیگر امور کی انجام دہی۔

9 اپریل، 2024 کراچی

محمد کامران سلیم  
کمپنی سیکریٹری

### نوٹس:

1. کمپنی کی شیئر ٹرانسفرنگس مورخہ 23 اپریل، 2024 سے 29 اپریل، 2024 تک بند رہیں گی (دونوں دن شامل ہیں)۔ 29 اپریل، 2024 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 ری ای میل ایڈریس میں تبدیلی، اگر کوئی ہو۔  
ب انفرادی طور پر شامل ہونے والوں کے لیے اپنے کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ کی مصدقہ فوٹو کاپی، جبکہ انفرادی اشخاص اور کارپوریٹ اداروں کے لیے نیشنل ٹیکس نمبر کی فراہمی۔
3. میٹنگ میں شرکت کے لیے: 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 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 لیے 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۔ پر کسی کے لئے کمپنی کا ممبر ہونا ضروری ہے۔
5. نان بینین کی تقرری کی صورت میں: نان بینین کے موثر ہونے کے لیے ضروری ہے کہ ان کی تقرری کی درخواست کمپنی کے رجسٹرڈ آفس بزنس آرکیڈ، بلاک 6، P.E.C.H.S، شاہراہ فیصل کراچی میں اجلاس کے آغاز سے 48 گھنٹے پہلے موصول ہو جانا ضروری ہے۔ کارپوریٹ باڈی کی صورت میں: اجلاس کے وقت بورڈ آف ڈائریکٹرز کی قرارداد مختار نامہ نامزد شخص کے دستخط کے نمونہ کے ساتھ پیش کیا جائے گا (اگر یہ پہلے فراہم نہیں کیا گیا ہو)۔ نائب کے لیے اجلاس میں حاضری کے وقت اپنا اصل شناختی کارڈ / اصل پاسپورٹ دکھانا ضروری ہے۔ (پراسکس فارم ساتھ منسلک ہے)
6. ایس ای سی پی نے اپنے نوٹیفکیشن ایس آر او 2014/787(I)، مجریہ مورخہ 8 ستمبر، 2014 کے ذریعے آڈٹ شدہ مالیاتی گوشوارے بمع کمپنی 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 گوشوارے 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)۔ بہر حال، اگر کسی رکن کو آڈٹ شدہ مالیاتی گوشوارے کی بارڈ کاپی کی ضرورت ہو تو ان کی جانب سے درخواست وصول ہونے کے ساتھ دن کے اندر اندر اس کی کاپی مفت فراہم کر دی جائے گی۔
7. کمپنیز ایکٹ 2017 کے سیکشن (7) 223 کے تحت، کمپنی نے 31 دسمبر 2023 کو ختم ہونے والے سال کے لیے کمپنی کے سالانہ مالی گوشوارے بمع ان کی رپورٹس اپنی ویب سائٹ پر آویزاں کر دی ہیں۔



8. کمپنیز ایکٹ 2017 کی شق 244 کے تحت، کمپنی کی طرف سے ہر وہ جاری کردہ شیئر اعلان کردہ ڈیویڈنڈ جس کا اپنی واجب الادا دعویٰ قابل اداء تاریخ سے تین سال کے دوران کوئی دعویٰ نہ کیا گیا ہو اور ادا نہ کیا گیا ہو تو شیئر ہولڈر کے نام کلیم جمع کروانے کے نوٹس کے اجراء کے بعد اس کو وفاقی حکومت کے کریڈٹ کے لیے کمیشن میں جمع کروانا ضروری ہے۔ شیئر ہولڈرز سے درخواست کی جاتی ہے کہ غیر دعویٰ شدہ ڈیویڈنڈ شیئر پر بروقت کارروائی کر لی جائے۔ اگر مقررہ وقت کے اندر اس حوالے سے کمپنی پر کوئی کلیم نہیں کیا گیا تو کمپنی کی جانب سے اخبار میں اس کی اطلاع کے بعد اس غیر دعویٰ کردہ شیئر پر غیر ادا شدہ رقم کو کمپنیز ایکٹ 2017 کی شق 244 کے تحت وفاقی حکومت کو جمع کروادیا جائے گا۔

9. پول کا مطالبہ کمپنیز ایکٹ 2017 کے سیکشن 143 اور 144 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۔

10. ہم اپنے شیئر ہولڈرز کو مطلع کرنا چاہتے ہیں کہ ایس ای سی پی نے مورخہ 24 اکتوبر 2014 کو جاری کردہ اپنے سرکل نمبر 19/2014 میں کمپنیز کو یہ ہدایات جاری کی ہیں کہ وہ اپنے شیئر ہولڈرز کو انکم ٹیکس آرڈیننس کی شق نمبر 150 میں کی گئی تبدیلی سے آگاہ کر دیں۔ ہم اپنے شیئر ہولڈرز کو مطلع کرنا چاہتے ہیں کہ حکومت پاکستان نے بذریعہ فنانس ایکٹ، انکم ٹیکس آرڈیننس 2001 کی شق نمبر 150 میں کچھ تبدیلیاں کی ہیں، جس کے مطابق کمپنی کی طرف سے ادا کردہ ڈیویڈنڈ پر انکم ٹیکس ریٹرن فائلر کے لیے 15% اور نان فائلر کے 30% کے اعتبار سے وہ ہولڈنگ ٹیکس کی کٹوتی ہوگی۔ تمام اراکین سے درخواست کی جاتی ہے کہ وہ اس بات کو یقینی بنائیں کہ ان کا نام فعال ٹیکس ادا کنندگان کی لسٹ (ATL) میں موجود ہو جو کہ فیڈرل بورڈ ریونیو (FBR) کی ویب سائٹ پر موجود ہو، بصورت دیگر ڈیویڈنڈ میں 15% کے بجائے 30% کی ٹیکس کٹوتی ہوگی۔

اگر شیئرز ایک سے زیادہ شیئرز ہولڈرز کے نام پر رجسٹرڈ ہو تو ہر جوائنٹ ہولڈر کو انفرادی پر دیکھا جائے گا کہ وہ فاکر ہے یا نان فاکر اور کمپنی کی جانب سے ٹیکس کی ٹوٹی ہر جوائنٹ ہولڈر کی شیئرز ہولڈنگ کے اعتبار سے ہوگی جیسا کہ کمپنی کو تحریری طور پر مطلع کیا گیا ہوگا۔ اس حوالے سے وہ شیئرز ہولڈر جن کی ملکیت میں جوائنٹ شیئرز ہولڈنگ کی صورت میں شیئرز موجود ہیں، ان سے درخواست ہے کہ وہ شیئرز ٹرانسفر بکس بند ہونے کی تاریخ سے پہلے کمپنی کو اس کے رجسٹرڈ آفس میں تحریری طور پر درج ذیل طریقے سے اپنے شیئرز میں اصل شیئرز ہولڈر اور جوائنٹ ہولڈرز کی ملکیت کے تناسب کی تفصیل ضرور فراہم کر دیں۔ بصورت دیگر یہ سمجھا جائے گا کہ وہ شیئرز اصل شیئرز ہولڈر اور جوائنٹ ہولڈرز کی برابر برابر ملکیت میں ہیں اور اگر کوئی ڈیویڈنڈ ہوا تو اس کا بھی اسی اعتبار سے حساب کیا جائے گا۔

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

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

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

## نیابت نامہ

کمپنی سیکریٹری  
پاک قطر فیملی ہیکافل لمیٹڈ  
P.E.C.H.S-6 بلاک آرکیڈ، بلاک  
شاہراہ فیصل، کراچی۔

میں رہم..... ساکن..... (مکمل پتا) پاک قطر فیملی ہیکافل 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 29 اپریل، 2024 کو منعقد ہونے والے پاک قطر فیملی ہیکافل 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..... 2024 بروز..... کو اس پر دستخط کیے گئے۔

ازراہ کرم 5 روپے کی ریونیو اسٹیٹ چسپاں کریں  
رکن (اراکین) کے دستخط

گواہ نمبر 1	گواہ نمبر 2
نام اور دستخط	نام اور دستخط
پتا	پتا
شناختی کارڈ / پاسپورٹ نمبر	شناختی کارڈ / پاسپورٹ نمبر

### نوٹ:

سالانہ اجلا عام 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۔