

**Date: October 30<sup>th</sup>, 2019**

**FORM 8**

**The General Manager**  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi.

Transmission of Quarterly Report for the Period Ended September 30, 2019

Dear Sir,

We have to inform you that the Quarterly Report of the Company for the period ended September 30, 2019 have been transmitted through PUCARS and is also available on Company's Website.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours sincerely,



**Danish Qazi**  
**Company Secretary**  
**0300 -8241394**

**Enclosure: As above.**

# TRANSFORMING IMAGINATION THROUGH DIGITALIZATION



 **TPL Insurance**

QUARTERLY REPORT SEPTEMBER 2019

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# Company Information

## BOARD OF DIRECTORS

Mr. Jameel Yusuf (S.St.)	Chairman
Mr. Muhammad Ali Jameel	Director
Ms. Naila Kassim	Director
Mr. Andrew Borda	Director
Mr. Rana Assad Amin	Director
Mr. Waqar Ahmed Malik	Director
Syed Nadir Shah	Director
Mr. Muhammad Aminuddin	Chief Executive Officer

## BOARD COMMITTEES

### Ethics, Human Resources, Remuneration & Nomination Committee

Syed Nadir Shah	Chairman
Mr. Ali Jameel	Member
Mr. Rana Assad Amin	Member
Mr. Waqar Ahmed Malik	Member
Mr. Nader Nawaz	Secretary

### Investment Committee

Mr. Ali Jameel	Chairman
Mr. Andrew Borda	Member
Mr. Waqar Ahmed Malik	Member
Mr. Muhammad Aminuddin	Member
Syed Kazim Hasan	Secretary

### Audit Committee

Syed Nadir Shah	Chairman
Mr. Rana Assad Amin	Member
Mr. Andrew Borda	Member
Mr. Yousuf Zohaib Ali	Secretary

## MANAGEMENT COMMITTEES:

### Risk Management and Compliance Committee

Mr. Waqar Ahmed Malik	Chairman
Syed Kazim Hasan	Member
Mr. Muhammad Aminuddin	Member
Ms. Shayan Mufti	Secretary

### Underwriting Committee

Mr. Andrew Borda	Chairman
Syed Kazim Hasan	Member
Mr. Shumail Iqbal	Secretary

### Claim Settlement Committee

Mr. Muhammad Aminuddin	Chairman
Syed Ali Hassan Zaidi	Member
Syed Kazim Hasan	Member
Mr. Ovais Alam	Secretary

### Reinsurance & Co-insurance Committee

Mr. Andrew Borda	Chairman
Mr. Athar Abbas	Member
Ms. Shadab Khan	Secretary

## BANKERS

Al-Baraka Bank Pakistan Ltd.
Bank Al Habib Ltd.
Bank Islami Pakistan Ltd.
Dubai Islamic Bank Pakistan Ltd.
Faysal Bank Ltd.
Habib Bank Ltd.
Habib Metropolitan Bank Ltd.
JS Bank Ltd.
MCB Bank Ltd.
Meezan Bank Ltd.
Mobilink Micro Finance Bank Ltd.
National Bank of Pakistan
Silk Bank Ltd.
Summit Bank Ltd.
Telenor Micro Finance Bank Ltd.
United Bank Ltd.
Samba Bank Ltd.
MCB Islamic Bank Ltd.

## AUDITORS

EY Ford Rhodes
Chartered Accountants

## LEGAL ADVISOR

Lari & Co.
Maritime & Insurance Advocates

## SHARE REGISTRAR

THK Associates (Pvt) Limited
1st Floor, 40-C, Block-6, P.E.C.H.S.
Karachi-75400, Pakistan.
Tel: 021.34168270
UAN: 021.111.000.322
Fax: 021.34168271

## REGISTERED OFFICE

11 <sup>th</sup> & 12 <sup>th</sup> Floor, Centrepoint,
Off Shaheed-e-Millat Expressway,
Adjacent KPT Interchange Flyover,
Karachi, Postal Code: 74900
Fax: 021.35316032
UAN: 021.111.000.301
Tel: 021.37130223

## WEB PRESENCE

[www.tplinsurance.com](http://www.tplinsurance.com)



# Geographical Presence

## KARACHI

### Head Office

TPL Insurance Ltd.  
11<sup>th</sup> & 12<sup>th</sup> Floor, Centrepoint,  
Off Shaheed-e-Millat Expressway,  
Near K.P.T. Interchange Flyover,  
Karachi - 74900  
Tel: 021.37130223  
Fax: 021.35316031-2  
UAN: 021.111.000.301

## LAHORE

Branch Office Lahore  
51-M, Denim Road,  
Quaid-e-Azam Industrial Estate,  
Kot Lakhpat, Lahore.  
Tel: 042.35209000  
UAN: 042.111.000.301  
Fax: 042.35157233

## ISLAMABAD

Branch Office Islamabad  
55-B, 10<sup>th</sup> Floor (South) ISE Tower,  
Jinnah Avenue, Blue Area,  
Islamabad.  
UAN: 051.111.000.301  
Fax: 051.2895073

## FAISALABAD

Branch Office Faisalabad  
Office No. 4-02, 4<sup>th</sup> Floor,  
Meezan Executive Tower,  
Civil Lines, Faisalabad.  
UAN: 051.111.000.301  
Tel: 041.8501471-3  
Fax: 041.8501470

## MULTAN

Branch Office Multan  
Haider Street, Shalimar Colony  
Northern Bypass-Boson Road,  
Multan.  
UAN: 061.111.000.301  
Fax: 061.44243451

## HYDERABAD

Branch Office Hyderabad  
2<sup>nd</sup> Floor, Plot # 15/5,  
Main Auto Bhan Road,  
Cooperative Housing Society,  
Hyderabad.  
Tel: 022.3411023-6

# Directors' Report

For the nine months period ended September 30, 2019

On behalf of the Board of Directors, I am pleased to present the condensed interim financial statements of the Company for the nine months period ended September 30, 2019.

During the period, the Company reported Gross Written Premium of Rs. 1,875 million Vs Rs. 1,820 million at Q3 2018 (including Window Takaful Operations). The increase of 3% over prior year is despite current challenging market conditions. Motor is still dominant portfolio of our book and current macroeconomic policies of increase in discount rates and devaluation of Pak Rupee has impacted motor vehicle industry causing sharp decline by about 40% in demand for fresh motor insurance. The Motor Gross premium including Takaful business recorded an increase by 5% from Rs. 1,534 million of last year whilst Property and Marine business increased by about 30% to Rs.187 million from Rs.143 million of last year. Health business was down from Rs.143 million of last year to Rs.73 million mainly attributable to our micro health business.

Given current challenges, the Company is focusing on other retail market segments and micro products. The Company continues to invest in digitization initiatives of its underwriting and claims operations, which will result in cost efficiencies in future. As a result of these initiatives the consolidated Profit before Tax is recorded at Rs.15 million viz. conventional reported a loss before tax of Rs. 62 million (Q3 2018: Profit before tax of Rs. 29 million) while Participants' Takaful reported a surplus of Rs. 77 million (Q3 2018: deficit of Rs. 3 million).

We would like to thank all our stakeholders, business partners, Pakistan Stock Exchange, SECP and staff for their continued support.

For and on behalf of the Board of Directors



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**Muhammad Aminuddin**

Chief Executive Officer

October 28, 2019

# ڈائریکٹر رپورٹ:

## 30 ستمبر 2019ء کو ختم ہونے والی نوماہی کے لئے

بورڈ آف ڈائریکٹرز کی طرف سے میں 30 ستمبر 2019ء کو ختم ہونے والی نوماہی کے لئے کمپنی کے کلٹریل یونڈیورنی مالیاتی گوشوارے پیش کرنے پر خوشی محسوس کر رہا ہوں۔

اس مدت کے دوران، کمپنی نے مجموعی تحریر کردہ پریم 1,875 ملین روپے حاصل کیا جو کہ پچھلے سال 2018 کی تیسری سماں میں 1,820 ملین روپے (تموول شراکت و مذکوہ تکالیف آپریشنز) تھا۔ موجودہ مشکل مارکیٹ حالات کے باوجود گزشتہ سال سے 3 فیصد کا اضافہ ہوا۔ موڑہ ہماری کتاب کا اب بھی اہم پورٹ فولیو ہے اور موجودہ اقتصادی پالیسیوں ڈسکاؤنٹ شرح میں اضافہ اور روپیہ کی قدر میں کمی کے سبب گاڑیوں کی طلب میں تقریباً 40 فیصد کی ہوئی جس کی وجہ سے موڑہ انشوہنس ایڈیشنری مٹاڑ ہوئی ہے۔ تکالیف کا رو بار سیستم موڑہ کا مجموعی پریم گزشتہ سال کے 1,534 ملین روپے سے 5 فیصد تک زیادہ ہوا جبکہ پار پرٹی اور میرین کا رو بار میں گزشتہ سال کے 143 ملین روپے سے 187 ملین روپے تک تقریباً 30 فیصد اضافہ ہوا۔ ہیئتہ برنس بیادی طور پر ہمارے مالیکر و ملکیت برنس کے سبب گزشتہ سال کے 143 ملین روپے سے کم ہو کر 73 ملین روپے ہو گیا۔

موجودہ مشکلات کے پیش نظر، کمپنی دیگر نیلیں مارکیٹ سیکٹس اور مائیکرو مصنوعات پر توجہ مرکوز کر رہی ہے۔ کمپنی نے اپنے انٹر رائٹنگ اور گلیہر آپریشنز کو ڈیجیٹائز کرنے کے لئے اپنے نیادی ڈیجیٹائز میں سرمایہ کاری جاری رکھی ہوئی ہے، جس کی وجہ سے مستقبل میں اخراجات کی بچت ہوگی۔ ان نیادی اقدامات کے نتیجے میں مجموعی منافع قابل ایکس 15 ملین روپے درج ہوا جس میں کوئی شیل کا 62 ملین روپے کا مجموعی انتصان قابل ایکس (Q3 2018: منافع قابل ایکس 29 ملین روپے) اور پارٹیپیٹس کے تکالیف 77 ملین روپے کا مجموعی منافع قابل ایکس (Q3 2018: 3 ملین روپے کی) شامل ہیں۔

ہم اپنے تمام اسٹیک ہولڈرز، کاروباری شراکت دار، پاکستان اسٹاک ایچیجن، SECP اور اسٹاف کی مسلسل مدد کرنے پر شکریہ ادا کرنا چاہتے ہیں۔

برائے اور ممن جانب بورڈ آف ڈائریکٹرز

محمد امین الدین  
چیف ایگزیکٹو آفیسر  
21 اکتوبر 2019ء

# FINANCIAL STATEMENTS

## Condensed Interim Statement of Financial Position

As at 30 September 2019

		30 September 2019	(Audited) 31 December 2018
	Note	----- (Rupees) -----	
<b>ASSETS</b>			
Property and equipment	6	373,800,865	120,491,630
Intangible assets		10,066,571	9,107,599
Investments			
Equity securities and mutual fund units	7	110,073,618	250,569,554
Government Securities	8	115,392,115	192,555,107
Debt securities	9	100,000,000	30,000,000
Term deposits		20,000,000	200,000,000
Loans and other receivables	10	320,252,923	348,807,642
Insurance / reinsurance receivables		189,481,167	147,146,207
Reinsurance recoveries against outstanding claims		30,822,905	10,529,385
Salvage recoveries accrued		26,964,978	57,187,621
Deferred commission expense		63,523,651	91,084,451
Deferred taxation		28,637,305	31,981,982
Taxation - provision less payment		-	13,721,203
Prepayments		203,739,217	225,089,727
Cash and bank balances		475,165,638	153,052,811
		2,067,920,953	1,881,324,921
<b>Total assets of General Takaful Operations - Operator's Fund</b>		<b>365,634,252</b>	<b>370,022,394</b>
<b>Total assets</b>		<b>2,433,555,205</b>	<b>2,251,347,315</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Ordinary share capital		938,662,610	938,662,610
Share premium - net of share issuance cost		8,033,837	8,033,837
Unappropriated profits / Accumulated losses		(82,954,059)	16,898,950
Available-for-sale reserve		(11,700,170)	(26,697,564)
<b>Total Equity</b>		<b>852,042,218</b>	<b>936,897,833</b>
<b>Liabilities</b>			
Underwriting Provisions			
Outstanding claims including IBNR		165,761,075	136,343,591
Unearned premium reserves		634,174,537	636,445,691
Unearned reinsurance commission		35,638,075	19,506,278
Premium received in advance		4,457,139	4,629,066
Insurance / reinsurance payables		169,308,474	122,268,570
Other creditors and accruals		397,925,838	226,217,448
Taxation - provision less payment		5,784,457	-
<b>Total Liabilities</b>		<b>1,413,049,595</b>	<b>1,145,410,644</b>
<b>Total equity and liabilities</b>		<b>2,265,091,813</b>	<b>2,082,308,477</b>
<b>Total liabilities of General Takaful Operations - Operator's Fund</b>		<b>168,463,392</b>	<b>169,038,838</b>
<b>Total equity and liabilities</b>		<b>2,433,555,205</b>	<b>2,251,347,315</b>
<b>Contingencies and commitment</b>	11		

The annexed notes from 1 to 20 form an integral part of these financial statements.



Director



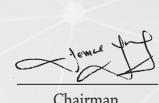
Director



Chief Financial Officer



Chief Executive Officer



Chairman

**Condensed Interim Statement of Comprehensive Income (Unaudited)**

For the nine months period ended 30 September 2019

Note	For the three months period ended		For the nine months period ended	
	30 September 2019	30 September 2018	30 September 2019	30 September 2018
	(Rupees)			
Net insurance premium	13 270,047,503	317,794,540	832,080,029	957,552,152
Net Insurance claims	14 (114,567,135)	(141,070,779)	(313,625,049)	(399,399,572)
Net commission expense	15 (25,631,649)	(36,035,388)	(92,265,840)	(98,411,896)
Insurance claims and commission expense	(140,198,784)	(177,106,167)	(405,890,889)	(497,811,468)
Management expenses	(105,408,762)	(94,041,265)	(303,669,233)	(338,544,996)
Underwriting results	24,439,957	46,647,108	122,519,907	121,195,688
Investment income	16 10,828,085	8,280,237	9,493,164	26,126,205
Other income	27,043,726	54,436,545	74,820,295	158,220,518
Other expenses	(24,043,624)	(73,773,043)	(97,387,884)	(208,063,151)
Results of operating activities	38,268,144	35,590,847	109,445,482	97,479,260
Financial charges	(7,841,399)	(74,209)	(19,991,318)	(943,661)
<b>Profit before tax from General Insurance Operations</b>	<b>30,426,745</b>	<b>35,516,638</b>	<b>89,454,164</b>	<b>96,535,599</b>
<b>Loss before tax from Window Takaful Operations</b>	<b>(60,239,061)</b>	<b>(34,027,135)</b>	<b>(151,324,016)</b>	<b>(67,963,007)</b>
<b>(Loss) / profit before tax for the period</b>	<b>(29,812,316)</b>	<b>1,489,503</b>	<b>(61,869,852)</b>	<b>28,572,592</b>
Income tax expense	(5,350,519)	(950,343)	(14,173,195)	(14,917,822)
<b>(Loss) / profit after tax</b>	<b>(35,162,835)</b>	<b>539,160</b>	<b>(76,043,047)</b>	<b>13,654,770</b>
<b>Other comprehensive income:</b>				
Unrealised loss on available-for-sale investments during the period - net	3,101,290	(12,969,989)	(1,477,577)	(24,023,015)
Less: net (gain) / loss transferred to profit and loss on disposal / redemption / Impairment of investment	839,114	(742,430)	22,829,543	(5,762,173)
Related tax impact	3,940,404	(13,712,419)	21,351,966	(29,785,188)
<b>Other comprehensive income / (loss) for the period</b>	<b>(1,103,282)</b>	<b>3,976,603</b>	<b>(6,354,572)</b>	<b>7,871,130</b>
<b>Total comprehensive income / (loss) for the period</b>	<b>2,837,122</b>	<b>(9,735,816)</b>	<b>14,997,394</b>	<b>(21,914,058)</b>
<b>(Loss) / earning (after tax) per share - Rupees</b>	<b>(0.37)</b>	<b>0.01</b>	<b>(0.81)</b>	<b>0.15</b>

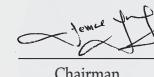
The annexed notes from 1 to 20 form an integral part of these financial statements.


  
Nila Jaiswal  
Director


  
Director


  
Chief Financial Officer


  
Chief Executive Officer


  
Chairman

## Condensed Interim Statement of Changes in Equity (Unaudited)

For the nine months period ended 30 September 2019

	Capital reserve				Reserves			Revenue reserves Loss on revaluation of available-for- sale investments	Total
	Share premium	Share issuance cost	Net share premium	Unappropriated profit/ (accumulated loss)					
(Rupees) -									
755,158,990	147,579,495	(8,903,161)	138,676,334	233,917,562	(26,446,916)	227,470,646	1,121,305,970		
-	-	-	-	13,654,770	-	13,654,770	(21,914,058)	13,654,770	(21,914,058)
-	-	-	-	-	(21,914,058)	(21,914,058)	(8,259,288)	(8,259,288)	
183,503,620	(130,642,497)	-	(130,642,497)	(52,861,123)	-	(52,861,123)	-		
938,662,610	16,936,998	(8,903,161)	8,033,837	214,711,209	(48,360,974)	166,350,235	1,113,046,682		
938,662,610	16,936,998	(8,903,161)	8,033,837	16,898,950	(26,697,564)	(9,798,614)	936,897,833		
-	-	-	-	(23,809,962)	-	(23,809,962)	(23,809,962)	(23,809,962)	
938,662,610	16,936,998	(8,903,161)	8,033,837	(6,911,012)	(26,697,564)	(33,068,576)	913,087,871		
-	-	-	-	(76,043,047)	-	(76,043,047)	(76,043,047)	(76,043,047)	
-	-	-	-	-	14,997,394	14,997,394	14,997,394	14,997,394	
-	-	-	-	(76,043,047)	14,997,394	(61,045,653)	(61,045,653)	(61,045,653)	
938,662,610	16,936,998	(8,903,161)	8,033,837	(62,954,059)	(11,700,170)	(94,654,229)	852,042,218		

The annexed notes from 1 to 20 form an integral part of these financial statements.

John J. Nelson Director

Chief Financial Officer

### Chief Executive Officer

### Chairman

## Condensed Interim Statement of Cash Flow (Unaudited)

For the nine months period ended 30 September 2019

	30 September 2019	30 September 2018
	(Rupees)	(Rupees)
<b>Operating cash flow</b>		
(a) Underwriting activities		
Insurance premium received	957,634,861	1,071,679,386
Reinsurance premium paid	(146,608,081)	(131,327,124)
Claims paid	(427,784,246)	(553,927,975)
Reinsurance and other recoveries received	163,434,927	200,680,078
Commission paid	(122,220,496)	(132,014,638)
Commission received	53,687,206	22,637,792
Management and other expenses paid	(269,551,348)	(496,069,452)
Net cash flow from / (used in) underwriting activities	208,592,823	(18,341,933)
(b) Other operating activities		
Income tax paid	(12,065,705)	(32,695,019)
Other operating payments	(21,752,930)	(222,623,072)
Loans advanced	(3,418,651)	(3,565,000)
Loan repayment received	5,432,342	2,207,557
Net cash used in other operating activities	(31,804,944)	(256,675,533)
<b>Total cash used in all operating activities</b>	<b>176,787,879</b>	<b>(275,017,466)</b>
<b>Investment activities</b>		
Profit / return received	32,519,574	26,652,917
Dividend received	64,798	-
Payment for investments	(446,864,300)	(350,613,991)
Proceeds from investments	617,514,707	576,436,407
Proceeds from sale of property, plant and equipment	9,000	900,000
Fixed capital expenditure	(25,635,896)	(73,957,668)
<b>Total cash generated from investing activities</b>	<b>177,607,883</b>	<b>179,417,665</b>
<b>Financing activities</b>		
Cash Dividend Paid	(1,584,005)	-
Lease obligation paid	(198,681,276)	-
Financial charges paid	(12,017,654)	(943,661)
<b>Total cash generated used in financing activities</b>	<b>(212,282,935)</b>	<b>(943,661)</b>
<b>Net cash used in all activities</b>	<b>142,112,827</b>	<b>(96,543,463)</b>
Cash and cash equivalents at beginning of period	353,052,811	483,592,489
<b>Cash and cash equivalents at end of period</b>	<b>495,165,638</b>	<b>387,049,026</b>

## Condensed Interim Statement of Cash Flow (Unaudited)

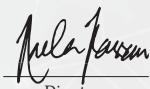
For the nine months period ended 30 September 2019

	30 September 2019	30 September 2018
	(Rupees)	(Rupees)
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	176,787,879	(275,017,466)
Depreciation / amortization / bad debt expense	(82,820,773)	(13,109,588)
Income tax paid	12,065,705	32,695,019
Provision for taxation	(14,173,195)	(14,917,822)
Financial charges	(19,991,318)	(943,661)
Investment Income	9,493,164	26,126,205
Share of loss from Window Takaful Operations - Operator's Fund	(151,324,016)	(67,963,007)
Increase in assets other than cash	119,207,920	274,565,664
(Increase) / decrease in liabilities other than borrowings	(125,288,413)	52,219,427
<b>Profit after taxation</b>	<b>(76,043,047)</b>	<b>13,654,770</b>

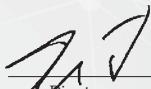
### Definition of cash

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

The annexed notes from 1 to 20 form an integral part of these financial statements.



Director



Director



Chief Financial Officer



Chief Executive Officer



Chairman

## Notes to the Condensed Interim Financial Statements

For the nine months period ended 30 September 2019

### 1 LEGAL STATUS AND NATURE OF BUSINESS

TPL Insurance Limited (the Company) was incorporated in Pakistan in 1992 as a public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017) to carry on general insurance business. The Company was allowed to work as Window Takaful Operator on 04 September 2014 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan. The Company is listed at Pakistan Stock Exchange Limited. The principal office of the Company is located at 12th Floor, Centrepoint, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi, Pakistan. The Company is owned 94.23% by TPL Corp Limited.

### 2 BASIS OF PREPARATION

**2.1** These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under Companies Act 2017; and
- Provisions of and directives issued under Companies Act 2017, Insurance Ordinance 2000, Insurance Rules 2017.

Where the provisions of and directives issued under Companies Act 2017, Insurance Ordinance 2000, Insurance Rules 2017 differ with the requirements of IAS 34, the provisions and directives issued under Companies Act 2017, Insurance Ordinance 2000, Insurance Rules 2017 have been followed.

**2.2** These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements. Accordingly these condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2018.

**2.3** In terms of the requirements of the Takaful Rules 2012, read with SECP Circular 25 of 2015 dated 09 July 2015, the assets, liabilities and profit and loss of the Operator's Fund of the General Takaful Operations of the Company have been presented as a single line item in the statement of financial position and statement of comprehensive income of the Company respectively.

### 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method of computation adopted in the preparation of these condensed interim financial statements are consistent with those disclosed in the annual financial statements of the Company as at and for the year ended 31 December 2018 except for the following:

#### 3.1 New Standards and Ammendments

##### 3.1.1 IFRS 16 "Leases"

The company has adopted IFRS 16 "Leases" with effect from 01 January 2019. IFRS 16 supersedes IAS 17 Leases and sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single "on balance sheet" model.

The Company has lease contracts for various items of property and equipment. Before the adoption of IFRS 16, the Company classified each of its leases (as lessee) at the inception date as an operating lease. In an operating lease, the leased property / equipment was not capitalised and the lease payments were recognised as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under other receivables and other liabilities, respectively.

The Company has elected to apply IFRS 16 retrospectively, recognising the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of unappropriated profits at the date of initial application.

Under IFRS 16, the Company, as a Lessee, has recognised right-of-use asset representing its right to use the underlying asset and lease liability representing its obligation to make lease payments.

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company also provides tracker devices to Window Takaful Operations - Participant Takaful (WTO - PTF) Fund under rental arrangement. The Company classifies such arrangement as a finance lease by reference to the right-of-use asset arising from the head lease and accordingly, books a receivable from WTO - PTF being the present value of lease payments to be received over the lease term.

The effects of adoption of IFRS 16 as at 01 January 2019 and at 30 September 2019 are as follows:

<b>Impact on Statement of Financial Position</b>	<b>As at 30 September 2019</b>	<b>As at 01 January 2019</b>
----- (Rupees) -----		
Increase in fixed assets - right-of-use assets	257,729,769	92,597,078
Increase in other receivables	27,290,976	45,783,214
Decrease in advances and other prepayments	(105,566,653)	(99,629,742)
Increase in total assets	179,454,092	38,750,550
(Increase) / decrease in other liabilities -		
Increase in lease liability against right-of-use assets	(266,620,130)	(127,505,500)
Decrease in unearned rental income	44,774,000	52,565,999
Decrease in accrued rent	24,757,978	12,378,989
Decrease in net assets	(17,634,060)	(23,809,962)

Impact on Statement of Comprehensive Income	For the Nine Months period ended 30 September 2019 (Rupees)
Increase in financial charges - lease liability against right-of-use assets	(19,470,209)
(Increase) / decrease in administrative expenses	
- Depreciation on right-of-use assets	(81,412,486)
- Rent, rates and taxes	46,487,238
- Tracker Rental expense	142,783,198
	107,857,950
Increase / (decrease) in other income	
- Takaful Rental income	(84,264,000)
- Interest income	2,052,161
	(82,211,839)
Increase in profit	<b>6,175,902</b>

### 3.1.2 Amendment to IFRS 17 "Insurance Contracts" - Applying IFRS 9 "Financial Instruments" with IFRS 17 "Insurance Contracts"

The company has taken the benefit of temporary exemption of applying IFRS 9 "Financial Instruments" with IFRS 17 "Insurance Contracts" as allowed under IFRS.

**3.2** There are certain new standards, amendments to the approved accounting standards and new interpretations that are mandatory for current accounting period. However, these do not have any significant impact on the Company's financial reporting and therefore have not been detailed in these condensed interim financial information.

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim 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 condensed interim financial statements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

## 5 FINANCIAL AND INSURANCE RISK MANAGEMENT

The Company's financial and insurance risk management objectives and policies are consistent with those that were disclosed in the annual financial statements as at and for the year ended 31 December 2018.

		Note	(Unaudited)		(Audited)	
			30 September 2019	31 December 2018	(Rupees)	
<b>6</b>	<b>PROPERTY AND EQUIPMENT</b>					
	Operating Assets	6.1	110,503,364	112,939,895		
	Capital work-in-progress		5,567,735	7,551,735		
	Right of use Assets	6.2	257,729,766	-		
			373,800,865	120,491,630		
<b>6.1</b>	<b>Operating Assets</b>					
	Written down value at the beginning of the period / year as reported		112,939,895	58,046,793		
	Additions and transfers during the period / year - at cost					
	- Office equipments		20,500	377,562		
	- Motor vehicles		-	74,637,754		
	- Computer equipments		23,816,154	4,781,144		
	- Furniture and fixtures		178,862	6,142,783		
			24,015,516	85,939,243		
	Written down value of disposals / write-offs during the period / year		(131,405)	(2,360,025)		
	Depreciation for the period / year		(26,320,642)	(28,886,116)		
			(26,452,047)	(31,046,141)		
	Written down value at the end of the period / year		110,503,364	112,939,895		
<b>6.2</b>	<b>Right of use Assets</b>					
	Written down value at the beginning of the period / year as reported		-	-		
	Effect of change in accounting policy (Note 3)		92,597,078	-		
	Written down value at the beginning of the period / year as restated		92,597,078	-		
	Additions and transfers during the period / year - at cost					
	- Building		197,964,281	-		
	- Tracking devices		48,580,893	-		
			246,545,174	-		
	Depreciation for the period / year		(81,412,486)	-		
	Written down value at the end of the period / year		257,729,766	-		
<b>7</b>	<b>INVESTMENT IN EQUITY SECURITIES AND MUTUAL FUNDS</b>					
	<b>- Available-for-Sale</b>					
		(Unaudited)			(Audited)	
		30 September 2019			31 December 2018	
		Cost	Impairment / Provision	Revaluation surplus / (deficit)	Carrying Value	Cost
						Impairment / Provision
		(Rupees)				
	Related party					
	Listed shares					
	TPL Properties Limited (3% holding)	100,000,000	-	(16,688,800)	83,311,200	100,000,000
		100,000,000	-	(16,688,800)	83,311,200	100,000,000
						(20,519,200)
						79,480,800
	Others					
	Listed shares					
	Business Industrial Insurance Company	251,260	(251,260)	-	-	251,260
	Bank of Punjab Limited	357,727	(294,024)	3,711	67,414	357,727
	Hub Power Company Limited	357,000	-	350,500	707,500	357,000
	Bank of Khyber	162,975	-	6,145	169,120	162,975
	Summit Bank Limited	514,765	(505,645)	-	9,120	514,765
		1,643,727	(1,050,929)	360,356	953,154	1,643,727
						(1,046,929)
						563,537
						1,160,335
	Mutual funds					
	AKD Opportunity	-	-	-	-	95,312,797
	Alfalal GHP Stock Fund	-	-	-	-	(21,192,841)
	Faysal Asset Allocation	22,267,400	(8,378,380)	78,270	13,967,290	68,825,591
	UBL Stock Advantage	16,957,212	(5,115,238)	-	11,841,974	(17,646,477)
		39,224,612	(13,493,618)	78,270	25,809,264	44,970,104
						(13,948,969)
						-
						31,021,135
						16,957,212
						(3,348,998)
						-
						13,608,214
						226,065,704
						(38,490,808)
						(17,646,477)
						169,928,419
						327,709,431
						(39,537,737)
						(37,602,140)
						250,569,554

8	INVESTMENT IN GOVERNMENT SECURITIES	Note	(Unaudited)	(Audited)
			30 September	31 December
			2019	2018
	<b>Held to maturity</b>			----- (Rupees) -----
	Treasury Bills			98,374,678
	Pakistan Investment Bonds (PIBs)	8.1	115,392,115	94,180,429
			<b>115,392,115</b>	<b>192,555,107</b>
8.1	These represent five and ten years Pakistan Investment Bonds having face value of Rs. 120 million (market value of Rs. 112.717 million) [31 December 2018: Rs. 95 million (market value of Rs. 91.240 million)]. These carry mark-up ranging from 7.75% to 12% (31 December 2018: 7.75% to 12%) per annum and will mature between 18 August 2021 to 12 July 2023. These have been deposited with the State Bank of Pakistan (SBP) as statutory deposit in accordance with the requirements of Section 29 of the Insurance Ordinance 2000 and circular No. 15 of 2008 dated 7 July 2008 issued by the Securities and Exchange Commission of Pakistan.			
9	INVESTMENT IN DEBT SECURITIES	Note	(Unaudited)	(Audited)
			30 September	31 December
			2019	2018
	<b>- Available For Sale</b>			----- (Rupees) -----
	Term Finance Certificates:			
	- Dubai Islamic Bank Pakistan Limited - Sukuks	9.1	30,000,000	30,000,000
	- JS Bank Limited	9.1	20,000,000	-
	- Habib Bank Limited	9.1	50,000,000	-
			<b>100,000,000</b>	<b>30,000,000</b>
9.1	These carry mark-up ranging from KIBOR+1.60% to KIBOR+2.25% per annum.			
10	LOANS AND OTHER RECEIVABLES			
	<b>Considered good</b>			
	Advance to a related party		140,000,000	200,000,000
	Receivable from related parties		97,813,556	76,950,470
	Advance to an agent		730,505	-
	Deposit for hospital enlistment		5,290,000	5,290,000
	Accrued investment income		5,583,640	6,361,552
	Loan and advance to employees		3,537,677	4,634,838
	Placement with a company		25,000,000	25,000,000
	Receivable from Participant's Takaful Fund		1,552,629	18,706,960
	Advance Ijara Rentals		7,600,000	7,600,000
	Security Deposit		4,799,447	3,932,734
	Lease receivable against right-of-use given to WTO - PTF	3.1.1	27,290,977	-
	Other receivable		1,054,492	331,088
			<b>320,252,923</b>	<b>348,807,642</b>
	<b>Considered doubtful</b>			
	Margin deposit placed against purchase of shares - unsecured		8,500,000	8,500,000
	Receivable in respect of sublet of offices		884,936	884,936
	Provision against doubtful debt		(9,384,936)	(9,384,936)
			<b>-</b>	<b>-</b>
			<b>320,252,923</b>	<b>348,807,642</b>
11	CONTINGENCIES AND COMMITMENT			
	There is no change in the status of the contingencies and commitments and is same as disclosed in the financial statements of the Company as at and for the year ended 31 December 2018.			

(Unaudited) 30 September 2019	(Audited) 31 December 2018
-------------------------------------	----------------------------------

----- (Rupees) -----	
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**12 OTHER CREDITORS AND ACCRUALS**

Commission payable	11,890,818	31,850,865
Creditors	16,844,241	23,547,998
Federal Insurance Fee	1,005,571	1,052,708
Federal Excise Duty (FED) - net	20,583,924	14,499,288
Margin deposit from customers	7,894,997	4,208,313
Unearned Monitoring Fee / Rentals from Window Takaful Operations	11,193,497	65,707,498
Unearned service income	-	5,843,734
Withholding tax payable	13,429,712	3,968,503
Advance tax on premium	4,587,534	5,691,084
Accrued Expenses	42,188,277	61,782,699
Dividend Payable	1,548,409	3,132,414
Payable to Provident Fund	1,518,176	4,770,815
Lease obligation against right-of-use assets	265,080,140	-
Others	160,542	161,529
	397,925,838	226,217,448

**13 NET INSURANCE PREMIUM**

	(Unaudited)		(Unaudited)	
	For the three months period ended 30 September 2019	30 September 2018	For the nine months period ended 30 September 2019	30 September 2018
	----- (Rupees) -----		----- (Rupees) -----	
Written net premium	349,486,543	322,294,012	1,000,363,758	1,027,448,154
Add: Unearned premium reserve opening	619,566,818	677,709,564	636,445,691	671,873,202
Less: Unearned premium reserve closing	(634,174,537)	(652,720,235)	(634,174,537)	(652,720,235)
Premium earned	334,878,824	347,283,341	1,002,634,912	1,046,601,121
Less: Reinsurance premium ceded	95,396,729	73,619,263	216,100,002	137,579,482
Add: Prepaid reinsurance premium opening	107,773,472	35,440,711	92,793,761	31,040,660
Less: Prepaid reinsurance premium closing	(138,338,880)	(79,571,173)	(138,338,880)	(79,571,173)
Reinsurance expense	64,831,321	29,488,801	170,554,883	89,048,969
Net insurance Premium	270,047,503	317,794,540	832,080,029	957,552,152

**14 NET INSURANCE CLAIMS EXPENSE**

Claims paid/ payable	147,235,233	194,127,147	427,784,245	553,927,975
Add: Outstanding claims including IBNR closing	165,761,076	199,373,382	165,761,076	199,373,382
Less: Outstanding claims including IBNR opening	(149,893,693)	(217,800,693)	(136,343,591)	(129,515,223)
Claims expense	163,102,616	175,699,836	457,201,730	623,786,134
Less: Reinsurance and other recoveries received	56,802,206	75,064,974	153,505,804	200,680,078
Add: Reinsurance and other recoveries in respect of outstanding claims net of impairment - closing	57,787,883	85,424,317	57,787,883	85,424,317
Less: Reinsurance and other recoveries in respect of outstanding claims net of impairment - opening	(66,054,608)	(125,860,234)	(67,717,006)	(61,717,833)
Reinsurance and other recoveries revenue	48,535,481	34,629,057	143,576,681	224,386,562
Net insurance claims expense	114,567,135	141,070,779	313,625,049	399,399,572

**15 NET COMMISSION EXPENSE**

Commissions paid or payable	31,471,731	52,674,008	102,260,450	137,258,815
Add: Deferred commission - opening	72,974,944	76,002,796	91,084,451	61,621,674
Less: Deferred commission - closing	(63,523,651)	(88,101,985)	(63,523,651)	(88,101,985)
Commission expense	40,923,024	40,574,819	129,821,250	110,778,504
Less: Commission from reinsurers	24,640,812	14,178,796	53,687,207	22,637,793
Commission received or receivable	26,288,638	4,990,140	19,506,278	4,358,320
Add: Deferred commission - opening	(35,638,075)	(14,629,505)	(35,638,075)	(14,629,505)
Less: Deferred commission - closing	15,291,375	4,539,431	37,555,410	12,366,608
Commission from reinsurers	25,631,649	36,035,388	92,265,840	98,411,896
Net Commission expense	25,631,649	36,035,388	92,265,840	98,411,896

## 16 INVESTMENT INCOME

	(Unaudited) 30 September 2019	(Unaudited) 30 September 2018
	(Rupees)	
<b>Dividend and Mark-Up Income</b>		
Dividend Income	64,798	-
Return on Debt Securities	26,533,957	6,822,870
Return on Term Deposits	5,985,616	13,565,021
<b>Net realized gains / (losses) on investments - Available-for-sale</b>	32,584,371	20,387,891
Loss on disposal/ redemption of mutual funds	(19,534,508)	5,762,173
<b>Total investment income</b>	13,049,863	26,150,064
Impairment in value of available-for-sale securities		
- Mutual Funds	(3,237,682)	-
- Equities	(4,000)	-
less: Investment related Expenses	(315,017)	(23,859)
	<b>9,493,164</b>	<b>26,126,205</b>

## 17 TRANSACTIONS WITH RELATED PARTIES

- 17.1 The related parties comprise Parent Company, associated undertakings, common directorships, employees provident fund, directors and key management personnel. The balances with / due from and transactions with related parties are as follows:

## 17.2 Balances and transactions with related parties

	(Unaudited) 30 September 2019	(Unaudited) 30 September 2018
	(Rupees)	
<b>TPL Trakker Limited - (associated company)</b>		
Opening balance - receivable	69,336,860	31,369,420
Interest charged during the period	37,684,916	28,289,876
Net expenses charged - group shared costs	(33,714,812)	(14,232,519)
Rent and other services on tracking units	(216,714,389)	(204,796,294)
Net payment made by the Company	203,998,457	343,401,097
Closing balance - receivable	<b>60,591,032</b>	<b>184,031,580</b>
<b>Advance to TPL Trakker Limited - (associated company)</b>		
Opening balance - receivable	200,000,000	200,000,000
Payments received during the period	(60,000,000)	-
Closing balance - receivable	<b>140,000,000</b>	<b>200,000,000</b>

This represents advance to a related party. A special resolution of the shareholders authorising the Company to extend advance upto Rs.300 million was passed in Annual General Meeting of the Company held on 21 April, 2019. The balance carries interest at the rate of 1 year KIBOR + 3.5% with a floor of 10% per annum.

## TPL Properties Limited- common directorship

Opening balance - receivable	5,215,569	11,763,149
Rent invoices received during the period	(61,134,684)	(28,471,672)
Payment made during the period	61,134,684	28,471,672
Other movement	-	(9,601,744)
Expenses incurred by the company	676,920	2,387,850
Closing balance - receivable	<b>5,892,489</b>	<b>4,549,255</b>

## Virtual World (Private) Limited - common

Opening accrued outsourcing expenses	(10,000,000)	(644,000)
Services received during the period	(16,262,999)	(14,247,665)
Payments made during the period	19,814,823	8,891,665
Closing accrued outsourcing expenses	<b>(6,448,176)</b>	<b>(6,000,000)</b>

## TRG Pakistan Limited

Balance at the beginning and end of the period - receivable	884,936	884,936
Provision for doubtful debt	<b>(884,936)</b>	<b>(884,936)</b>

## Centrepoin Management Services (Private) Limited - common directorship

Opening balance - payable	660,043	1,812,001
Maintenance charges expensed during the period	14,757,471	8,266,896
Maintenance charges paid during the period	(11,741,423)	(8,266,896)
Other movement during the period	-	(1,191,797)
Services received during the period	4,703,925	7,662,608
Payments made during the period	(6,391,344)	(7,424,542)
Closing balance - payable	<b>1,988,672</b>	<b>858,270</b>

**17.2 Balances and transactions with related parties (continued)**

	(Unaudited) 30 September 2019	(Unaudited) 30 September 2018
	(Rupees) -----	
<b>TPL Security Services (Private) Limited - common directorship</b>		
Opening balance - receivable	1,934,239	719,357
Expenses incurred by the company	958,846	1,014,617
Services received during the period	(1,556,728)	(672,800)
Payments made during the period	-	672,800
Closing balance - receivable	1,336,357	1,733,974
<b>TPL Direct Insurance Limited Employees Provident Fund</b>		
Opening balance - payable	4,770,815	3,323,344
Charge for the period	20,966,703	19,495,228
Contribution made during the period	(24,219,342)	(20,741,247)
Closing balance - payable	1,518,176	2,077,325
<b>TPL Life Insurance Limited - common directorship</b>		
Opening balance - receivable / (payable)	(896,108)	1,561,209
Expenses incurred on behalf of the company	2,214,176	4,974,596
Services received from the company	(5,195,056)	(7,167,272)
Net payments made during the period	3,740,025	26,539,690
Closing balance - receivable / (payable)	(136,963)	25,908,223
<b>TPL Maps - common directorship</b>		
Opening balance - receivable	1,186,671	-
Expenses incurred on behalf of the company	81,637	666,684
Closing balance - receivable	1,268,308	666,684
<b>TPL Rupiya - common directorship</b>		
Opening balance - receivable	43,662	-
Expenses incurred on behalf of the company	-	32,820
Closing balance - receivable	43,662	32,820
<b>TPL Corp - parent company</b>		
Opening balance - receivable	129,577	-
Expenses incurred on behalf of the company	28,599,937	-
Closing balance - receivable	28,729,514	-
<b>TPL e-Venture Pvt. Limited - common directorship</b>		
Opening balance - receivable	-	-
Expenses incurred on behalf of the company	89,157	23,735
Closing balance - receivable	89,157	23,735
<b>Window Takaful Operations - Participant Takaful Fund</b>		
Opening balance - receivable	18,706,959	14,608,836
Rental and other services charges	95,590,000	121,130,000
Payments received from PTF - net	(112,744,330)	(136,011,605)
Closing balance - receivable / (payable)	1,552,629	(272,769)

- 17.3** Remuneration to the key management personnel are in accordance with the terms of their employment. Contribution to the provident fund is in accordance with the Company's staff services rules and other transactions with the related parties are in accordance with the agreed terms.

## 18. SEGMENT REPORTING

(Unaudited)

For the nine months period ended 30 September 2019

	Fire & property damage	Marine, aviation & transport	Motor	Health	Miscellaneous	Aggregate
(Rupees)						
<b>Gross Written Premium (inclusive of Administrative Surcharge)</b>						
	75,450,071	40,077,919	822,690,894	34,953,040	27,191,834	1,000,363,758
Insurance premium earned	48,145,094	40,319,998	809,594,451	81,995,353	22,580,016	1,002,634,912
Insurance premium ceded to reinsurers	(39,687,157)	(9,300,530)	(111,439,602)	-	(10,127,613)	(170,554,883)
<b>Net insurance premium</b>	<b>8,457,957</b>	<b>31,019,468</b>	<b>698,154,849</b>	<b>81,995,353</b>	<b>12,452,403</b>	<b>832,080,029</b>
Commission income	8,290,005	2,426,367	25,574,666	-	1,264,372	37,555,410
<b>Net underwriting income</b>	<b>16,747,962</b>	<b>33,445,835</b>	<b>723,729,515</b>	<b>81,995,353</b>	<b>13,716,775</b>	<b>869,635,439</b>
Insurance claims	(17,302,595)	(28,709,599)	(403,897,181)	(6,038,649)	(1,257,700)	(457,201,730)
Insurance claims recovered from reinsurers / salvage	15,888,903	6,992,109	119,927,870	-	767,799	143,576,681
<b>Net Claims</b>	<b>(1,413,692)</b>	<b>(21,717,490)</b>	<b>(283,969,311)</b>	<b>(6,038,649)</b>	<b>(485,907)</b>	<b>(313,625,049)</b>
Commission expense	(9,094,346)	(5,481,059)	(69,123,625)	(41,002,962)	(5,119,258)	(129,821,250)
Management expenses	(22,903,534)	(12,166,005)	(249,735,070)	(10,610,303)	(8,254,321)	(303,669,233)
<b>Net insurance claims and expenses</b>	<b>(33,411,572)</b>	<b>(39,644,554)</b>	<b>(602,828,006)</b>	<b>(57,651,914)</b>	<b>(13,859,486)</b>	<b>(747,115,532)</b>
<b>Underwriting result</b>	<b>(16,663,610)</b>	<b>(5,918,719)</b>	<b>120,901,509</b>	<b>24,343,439</b>	<b>(142,711)</b>	<b>122,519,907</b>
Investment income						9,493,164
Other income						74,820,295
Other expenses						(97,387,884)
<b>Results of operating activities</b>						109,445,482
Financial charges						(19,991,318)
<b>Profit before tax from General Insurance Operations</b>						89,454,164
Loss before tax from Window Takaful Operations - Operator's Fund						(151,324,016)
<b>Loss before tax for the period</b>						(61,869,852)

(Unaudited)

For the nine months period ended 30 September 2018

	Fire & property damage	Marine, aviation & transport	Motor	Health	Miscellaneous	Aggregate
(Rupees)						
<b>Gross Written Premium (inclusive of Administrative Surcharge)</b>						
	53,566,798	37,768,085	812,902,047	103,352,552	19,858,672	1,027,448,154
Insurance premium earned	59,982,021	36,021,817	868,597,224	67,640,909	14,359,150	1,046,601,121
Insurance premium ceded to reinsurers	(46,846,096)	(17,879,365)	(23,032,174)	(663,233)	(628,101)	(89,448,969)
<b>Net insurance premium</b>	<b>13,135,925</b>	<b>18,142,452</b>	<b>845,565,050</b>	<b>66,977,676</b>	<b>13,731,049</b>	<b>95,352,152</b>
Commission income	7,053,533	4,283,749	935,838	-	93,488	12,366,608
<b>Net underwriting income</b>	<b>20,189,458</b>	<b>22,426,201</b>	<b>846,500,888</b>	<b>66,977,676</b>	<b>13,824,537</b>	<b>969,918,760</b>
Insurance claims	(59,412,530)	(18,479,533)	(532,786,854)	(7,300,279)	(5,806,938)	(623,786,134)
Insurance claims recovered from reinsurers / salvage	55,064,584	6,818,081	162,233,202		270,695	224,386,562
<b>Net Claims</b>	<b>(4,347,946)</b>	<b>(11,661,452)</b>	<b>(370,553,652)</b>	<b>(7,300,279)</b>	<b>(5,536,243)</b>	<b>(399,399,572)</b>
Commission expense	(11,811,188)	(5,733,299)	(58,870,099)	(31,309,791)	(3,054,127)	(110,778,504)
Management expenses	(17,650,303)	(12,444,614)	(2,67,851,881)	(34,054,749)	(6,543,449)	(338,544,996)
<b>Net insurance claims and expenses</b>	<b>(33,809,437)</b>	<b>(29,839,365)</b>	<b>(697,275,632)</b>	<b>(72,664,619)</b>	<b>(15,133,819)</b>	<b>(848,723,072)</b>
<b>Underwriting result</b>	<b>(13,619,979)</b>	<b>(7,413,164)</b>	<b>149,225,256</b>	<b>(5,687,143)</b>	<b>(1,309,282)</b>	<b>121,195,688</b>
Investment income						26,126,205
Other income						158,220,518
Other expenses						(208,663,151)
<b>Results of operating activities</b>						97,479,260
Financial charges						(943,661)
<b>Profit before tax from General Insurance Operations</b>						96,535,599
Loss before tax from Window Takaful Operations - Operator's Fund						(67,963,007)
<b>Profit before tax for the period</b>						28,572,592

**19 GENERAL**

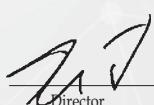
Figures have been rounded off to the nearest Rupee.

**20 DATE OF AUTHORISATION FOR ISSUE**

These financial statements have been authorised for issue on 28 October 2019 by the Board of Directors of the Company.

  
Nela Jaiswal

Director

  
Director  
Director

Chief Financial Officer

  
Director

Chief Executive Officer

  
Director

Chairman

# **ANNEXURE A**

## **WINDOW TAKAFUL OPERATIONS**

# WINDOW TAKAFUL OPERATIONS

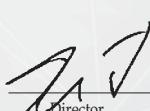
## Condensed Interim Statement of Financial Position

As at 30 September 2019

Note	(Unaudited) 30 September 2019			(Audited) 31 December 2018		
	(Rupees)			(Rupees)		
	Operator's Fund	Participants' Takaful Fund	Aggregate	Operator's Fund	Participants' Takaful Fund	Aggregate
<b>ASSETS</b>						
Equipment	6	-	62,407,019	62,407,019	-	-
<b>Investments</b>						
Mutual Funds	7	-	-	-	82,945,792	82,945,792
Government Securities	-	-	-	-	100,278,988	100,278,988
Debt securities	8	-	20,000,000	20,000,000	-	20,000,000
Term deposits	-	-	400,000,000	400,000,000	-	150,000,000
	-	420,000,000	420,000,000	-	353,224,780	353,224,780
Other receivables including Qard-e-Hasna to PTF of Rs. 246.9 million (2018 : 246.9 million)	9	267,109,926	-	267,109,926	291,265,473	3,057,128
Accrued Investment Income	-	6,434,281	6,434,281	-	24,310	4,386,460
Takaful/ retakaful receivable	-	167,25,151	167,25,151	-	151,157,841	151,157,841
Retakaful recoveries against outstanding claims	-	7,261,815	7,261,815	-	3,230,000	3,230,000
Salvage recoveries accrued	-	42,844,500	42,844,500	-	55,827,364	55,827,364
Deferred Wakala expense	-	148,321,535	148,321,535	-	120,781,703	120,781,703
Deferred commission expense	96,546,384	-	96,546,384	73,685,941	-	73,685,941
Prepayments	-	38,506,497	38,506,497	-	100,218,439	100,218,439
Bank balances	1,977,942	122,086,181	124,064,123	5,046,670	93,824,559	98,871,229
<b>Total assets</b>	<b>365,634,252</b>	<b>1,015,586,979</b>	<b>1,381,221,237</b>	<b>370,022,394</b>	<b>885,708,274</b>	<b>1,255,730,668</b>
<b>EQUITY AND LIABILITIES</b>						
<b>RESERVES ATTRIBUTABLE TO:</b>						
<b>- OPERATOR'S FUND (OF)</b>						
Statutory Fund	50,000,000	-	50,000,000	50,000,000	-	50,000,000
Accumulated Losses	(205,514,525)	-	(205,514,525)	(50,801,948)	-	(50,801,948)
	(155,514,525)	-	(155,514,525)	(801,948)	-	(801,948)
<b>- WAQF / PARTICIPANTS' TAKAFUL FUND (PTF)</b>						
Ceded money	-	2,000,000	2,000,000	-	2,000,000	2,000,000
Accumulated deficit	-	(108,986,813)	(108,986,813)	-	(173,589,343)	(173,589,343)
Unrealized gain on available-for-sale investments	-	-	-	-	1,311,533	1,311,533
<b>Balance of WAQF / PTF</b>	<b>-</b>	<b>(106,986,813)</b>	<b>(106,986,813)</b>	<b>-</b>	<b>(170,277,810)</b>	<b>(170,277,810)</b>
<b>LIABILITIES</b>						
<b>PTF Underwriting provisions</b>						
Outstanding claims (including IBNR)	-	152,862,885	152,862,885	-	139,070,744	139,070,744
Unearned contribution reserve	-	580,002,367	580,002,367	-	511,363,901	511,363,901
Unearned retakaful commission	-	2,867,030	2,867,030	-	4,727,505	4,727,505
Unearned Wakala Fee	148,321,535	-	148,321,535	120,781,703	-	120,781,703
Qard-e-Hasna	5	-	246,900,000	246,900,000	-	246,900,000
Contribution received in advance	-	6,160,085	6,160,085	-	4,066,280	4,066,280
Takaful / retakaful payable	-	70,227,606	70,227,606	-	67,060,239	67,060,239
Other creditors and accruals	10	18,130,316	62,001,190	80,131,506	17,834,328	64,090,456
Payable to TPL Insurance Limited	352,685,385	1,552,629	354,238,014	201,785,504	18,706,959	81,924,784
Taxation - provision less payments	2,011,541	-	2,011,541	30,422,807	-	30,422,807
<b>Total Liabilities</b>	<b>521,148,777</b>	<b>1,122,573,792</b>	<b>1,643,722,569</b>	<b>370,824,342</b>	<b>1,055,986,084</b>	<b>1,426,810,426</b>
<b>Total fund and liabilities</b>	<b>365,634,252</b>	<b>1,015,586,979</b>	<b>1,381,221,237</b>	<b>370,022,394</b>	<b>885,708,274</b>	<b>1,255,730,668</b>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

  
Director

  
Director

  
Chief Financial Officer

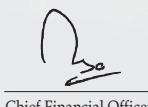
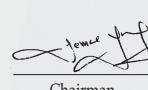
  
Chief Executive Officer

  
Chairman

## Condensed Interim Statement of Comprehensive Income (Unaudited)

### For the nine months period ended 30 September 2019

Note	For the three months period ended		For the nine months period ended	
	30 September 2019	30 September 2018	30 September 2019	30 September 2018
<b><u>Participants' Takaful Fund</u></b>				
		----- (Rupees) -----		----- (Rupees) -----
Net takaful contribution	11	258,690,709	257,394,080	739,132,001
Net takaful claims	12	(139,306,127)	(128,332,836)	(362,271,171)
Wakala fee	14	(75,092,795)	(79,944,019)	(215,156,883)
Direct expenses	3.1.1	(32,250,055)	(39,415,834)	(107,461,204)
<b>Underwriting result</b>		<b>12,041,730</b>	<b>9,701,391</b>	<b>54,242,743</b>
Investment income				
net of mudarib's fee of Rs. 10.67 (2018: Rs. 2.42) million		12,413,039	2,682,710	24,886,542
Results of operating activities		24,454,771	12,384,101	79,129,286
Financial charges	3.1.1	(1,042,101)	-	(2,052,162)
<b>Surplus / (deficit) for the period</b>		<b>23,412,670</b>	<b>12,384,101</b>	<b>77,077,124</b>
<b>Other comprehensive income :</b>				
-Unrealised gain / (loss) on available-for-sale investments		(2,579,130)	(791,199)	388,151
-Realized (gain) / loss transferred to profit for the period upon sale / redemption of available-for-sale investments		-	-	(1,699,684)
Total other comprehensive income / (loss)		(2,579,130)	(791,199)	(1,311,533)
<b>Total comprehensive income / (loss) for the period</b>		<b>20,833,540</b>	<b>11,592,902</b>	<b>75,765,591</b>
<b><u>Operator's Fund</u></b>				
Wakala fee	14	75,092,795	79,944,019	215,156,883
Net commission expense	13	(42,793,589)	(25,240,679)	(114,078,809)
Management expenses		(70,831,599)	(65,061,370)	(205,595,485)
		(38,532,393)	(10,358,030)	(104,517,411)
Investment income including				
mudarib's fee of Rs. 10.67 (2018: Rs. 2.42) million		5,359,435	1,273,975	10,747,246
		(33,172,958)	(9,084,055)	(93,770,165)
Other expenses		(27,066,103)	(24,943,080)	(57,553,851)
<b>Loss before taxation</b>		(60,239,061)	(34,027,135)	(151,324,016)
Taxation - net		(1,206,783)	(1,015,225)	(3,388,561)
<b>Loss after tax for the period</b>		(61,445,844)	(35,042,360)	(154,712,577)
<b>Other comprehensive income</b>		-	-	-
<b>Total comprehensive loss for the period</b>		<b>(61,445,844)</b>	<b>(35,042,360)</b>	<b>(154,712,577)</b>
The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.				

 Director     
  Director     
  Chief Financial Officer     
  Chief Executive Officer     
  Chairman

# WINDOW TAKAFUL OPERATIONS

## Condensed Interim Statement of Changes in Fund (Unaudited)

For the nine months period ended 30 September 2019

Operator's Fund			
Statutory Fund	Accumulated profit / (loss)	Unrealized gain / (loss) on revaluation of available for sale investments - net of tax	Total

(Rupees)

Balance as at 1 January 2018	50,000,000	65,536,539	-	115,536,539
Net loss for the period	-	(71,236,437)	-	(71,236,437)
Balance as at 30 September 2018	50,000,000	(5,699,898)	-	44,300,102
<b>Balance as at 1 January 2019</b>				
Net loss for the period	-	(50,801,948)	-	(801,948)
Balance as at 30 September 2019	50,000,000	(205,514,525)	-	(155,514,525)

Participants' Takaful Fund			
Ceded Money	Accumulated deficit	Unrealized gain / (loss) on revaluation of available for sale investments - net of tax	Total

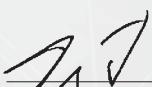
(Rupees)

Balance as at 1 January 2018	2,000,000	(193,753,691)	(9,900,875)	(201,654,566)
Deficit for the period	-	(2,885,211)	-	(2,885,211)
<b>Unrealized gain on revaluation of - available-for-sale investments</b>				
Total comprehensive surplus / (deficit) for the period	-	-	1,282,869	1,282,869
Balance as at 30 September 2018	2,000,000	(2,885,211)	1,282,869	(1,602,342)

Balance as at 1 January 2019 as reported	2,000,000	(173,589,343)	1,311,533	(170,277,810)
Effect of change in accounting policy (Note - 3.1.1)	-	(12,474,594)	-	(12,474,594)
<b>Balance as at 1 January 2019 as restated</b>				
Surplus for the period	2,000,000	(186,063,937)	1,311,533	(182,752,404)
Unrealized gain on revaluation of - available-for-sale investments	-	-	77,077,124	77,077,124
Total comprehensive surplus for the period	-	77,077,124	(1,311,533)	75,765,591
Balance as at 30 September 2019	2,000,000	(108,986,813)	-	(106,986,813)

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

  
Director

  
Director

  
Chief Financial Officer

  
Chief Executive Officer

  
Chairman

## Condensed Interim Statement of Cash Flow (Unaudited)

For the nine months period ended 30 September 2019

	Operator's Fund	Participants' Takaful Fund	30 September 2019 Aggregate	30 September 2018 Aggregate
	(Rupees)			
<b>Operating activities</b>				
(a) Takaful activities				
Contributions received	-	832,260,503	832,260,503	820,250,652
Retakaful contribution paid	-	(36,013,379)	(36,013,379)	(26,788,452)
Claims paid	-	(432,465,253)	(432,465,253)	(415,072,325)
Retakaful and other recoveries received	-	93,722,672	93,722,672	99,678,790
Commission paid	(141,443,700)	-	(141,443,700)	(96,231,762)
Commission received	4,647,785	-	4,647,785	-
Wakala fees received	218,812,897	-	218,812,897	210,838,593
Wakala fees paid	-	(218,812,897)	(218,812,897)	(210,838,593)
Mudarib fees received	(5,000,000)	-	(5,000,000)	5,096,164
Mudarib fees paid	-	5,000,000	5,000,000	(5,096,164)
Net cash inflow from takaful activities	77,016,982	243,691,647	320,708,629	381,836,903
(b) Other operating activities				
Income tax paid	(33,966,338)	-	(33,966,338)	(4,613,216)
Direct expenses paid	-	(47,450,762)	(47,450,762)	(119,545,698)
Management and other expenses paid	(194,697,446)	-	(194,697,446)	(289,552,777)
Other operating receipts / (payments)	148,496,489	(60,828,414)	87,668,075	128,933,915
Net cash outflow from other operating activities	(80,167,295)	(108,279,176)	(188,446,471)	(284,777,776)
<b>Total cash generated from / (used in) all operating activities</b>	<b>(3,150,313)</b>	<b>135,412,471</b>	<b>132,262,158</b>	<b>97,059,127</b>
<b>Investment activities</b>				
Profit / return received	81,585	35,575,953	35,657,538	8,960,612
Payment for investment in Mutual Funds	-	(25,000,000)	(25,000,000)	-
Payment for investment in Government Securities	-	(24,750,000)	(24,750,000)	-
Proceeds from sale of Mutual Funds	-	111,081,063	111,081,063	(23,322,738)
Proceeds from sale of Government Securities	-	122,414,135	122,414,135	-
<b>Total cash (used in) / generated from investing activities</b>	<b>81,585</b>	<b>219,321,151</b>	<b>219,402,736</b>	<b>(14,362,126)</b>
<b>Financing activities</b>				
Lease obligation paid	-	(68,635,165)	(68,635,165)	-
Financial charges paid	-	(7,836,835)	(7,836,835)	-
<b>Total cash used in financing activities</b>	<b>-</b>	<b>(76,472,000)</b>	<b>(76,472,000)</b>	<b>-</b>
<b>Net cash generated from all activities</b>	<b>(3,068,728)</b>	<b>278,261,622</b>	<b>275,192,894</b>	<b>82,697,001</b>
<b>Cash and cash equivalent at beginning of the period</b>	<b>5,046,670</b>	<b>243,824,559</b>	<b>248,871,229</b>	<b>193,645,447</b>
<b>Cash and cash equivalent at end of the period</b>	<b>1,977,942</b>	<b>522,086,181</b>	<b>524,064,123</b>	<b>276,342,448</b>

# WINDOW TAKAFUL OPERATIONS

## Condensed Interim Statement of Cash Flow (Unaudited)

For the nine months period ended 30 September 2019

	Operator's Fund	Participants' Takaful Fund	30 September 2019	30 September 2018
			Aggregate	Aggregate
			(Rupees)	
<b>Reconciliation to profit and loss account</b>				
Operating cash flows	(3,150,313)	135,412,471	132,262,158	97,059,127
Depreciation / amortization / bad debt expense	(34,412,861)	(86,395,202)	(120,808,063)	(9,576,199)
Income tax paid	33,966,338	-	33,966,338	4,613,216
Provision for taxation	(3,388,561)	-	(3,388,561)	(3,273,430)
Investment Income excluding mudarib's fee	81,585	35,552,203	35,633,788	9,728,694
Financial charges	-	(2,052,162)	(2,052,162)	-
Increase / (decrease) in assets other than cash	1,295,103	(29,612,978)	(28,317,875)	(50,770,785)
(Increase) / decrease in liabilities	(149,103,868)	24,172,791	(124,931,077)	(121,902,271)
<b>Surplus/(Deficit) after taxation</b>	<b>(154,712,577)</b>	<b>77,077,124</b>	<b>(77,635,453)</b>	<b>(74,121,648)</b>
<b>Attributed to:</b>				
Operators' Fund			(154,712,577)	(71,236,437)
Participants' Takaful Fund			77,077,124	(2,885,211)
			<b>(77,635,453)</b>	<b>(74,121,648)</b>

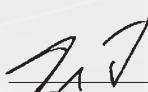
### Definition of cash

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

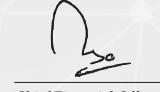
The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



Director



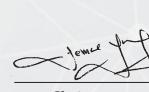
Director



Chief Financial Officer



Chief Executive Officer



Chairman

## Notes to the Condensed Interim Financial Statements

For the nine months period ended 30 September 2019

### 1 STATUS AND NATURE OF BUSINESS

- 1.1** TPL Insurance Limited (the Company or the Operator) was incorporated in Pakistan in 1992 as a public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017) to carry on general insurance business. The Operator was allowed to work as Window Takaful Operator (the Operator) on 04 September 2014 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan. The Operator is listed at Pakistan Stock Exchange Limited. The principal office of the Operator is located at 12th Floor, Centrepoint, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi, Pakistan.
- 1.2** For the purpose of carrying on the takaful business, the Operator formed a Waqf / Participant Takaful Fund (PTF) on 20 August 2014 under the Waqf deed. The Waqf deed governs the relationship of Operator and Participants for management of takaful operations.

### 2 BASIS OF PREPARATION

- 2.1** These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under Companies Act 2017; and
  - Provisions of and directives issued under Companies Act 2017, Insurance Ordinance 2000, Insurance Rules 2017 and Takaful Rules 2017.
- Where the provisions of and directives issued under Companies Act 2017, Insurance Ordinance 2000, Insurance Rules 2017 and Takaful Rules 2017 differ with the requirements of IAS 34, the provisions and directives issued under Companies Act 2017, Insurance Ordinance 2000, Insurance Rules 2017 and Takaful Rules 2017 have been followed."
- 2.2** These condensed interim financial statements reflect the financial position and results of operations of both the Operator's Fund (OPF) and Participants' Takaful Fund (PTF) in a manner that the assets, liabilities, income and expenses of the Operator and PTF remain separately identifiable.
- 2.3** These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements. Accordingly these condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2018.

### 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method of computation adopted in the preparation of these condensed interim financial statements are consistent with those disclosed in the annual financial statements of the Operator as at and for the year ended 31 December 2018.

#### 3.1 New standards and amendments

##### 3.1.1 IFRS 16 "Leases"

The Operator has adopted IFRS 16 "Leases" with effect from 01 January 2019. IFRS 16 supersedes IAS 17 Leases and sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single "on balance sheet" model.

## WINDOW TAKAFUL OPERATIONS

The Participant Takaful Fund (PTF) has lease arrangement with TPL Insurance Limited for various items of equipment. Before the adoption of IFRS 16, the PTF classified each of its leases (as lessee) at the inception date as an operating lease. In an operating lease, the leased property / equipment was not capitalised and the lease payments were recognised as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under other receivables and other liabilities, respectively.

The Operator has elected to apply IFRS 16 retrospectively, recognising the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of unappropriated profits at the date of initial application.

Under IFRS 16, the Operator, as a Lessee, has recognised right-of-use asset representing its right to use the underlying asset and lease liability representing its obligation to make lease payments.

The Operator recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Operator is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

At the commencement date of the lease, the Operator recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Operator uses the incremental borrowing rate at the lease commencement date if the profit rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of profit and reduced for the lease payments made.

The effects of adoption of IFRS 16 as at 01 January 2019 and at 30 September 2019 (Increase / (Decrease)) are as follows:

	As at 30 September 2019	As at 01 January 2019
	----- (Rupees) -----	
<b>Impact on Statement of Financial Position</b>		
Increase in fixed assets - right-of-use assets	62,407,018	85,874,620
Decrease in other assets - prepayments	(44,774,000)	(52,566,000)
Increase in total assets	17,633,018	33,308,620
Increase in other liabilities - lease liability against right-of-use assets / other payable	(27,290,976)	(45,783,214)
Decrease in net assets	<u>(9,657,958)</u>	<u>(12,474,594)</u>
<b>Impact on Statement of Comprehensive Income</b>		
For the Nine Months period ended 30 September 2019 (Rupees)		
Increase in financial charges - lease liability against right-of-use assets	(2,052,162)	
(Increase) / decrease in administrative expenses		
- Depreciation on right-of-use assets	(79,395,202)	
- Tracker rental expense	84,264,000	
	4,868,798	
	<u>2,816,636</u>	

### 3.1.2 Amendment to IFRS 17 "Insurance Contracts" - Applying IFRS 9 "Financial Instruments" with IFRS 17 "Insurance Contracts"

The company has taken the benefit of temporary exemption of applying IFRS 9 "Financial Instruments" with IFRS 17 "Insurance Contracts" as allowed under IFRS.

- 3.2** There are certain new standards, amendments to the approved accounting standards and new interpretations that are mandatory for current accounting period. However, these do not have any significant impact on the Company's financial reporting and therefore have not been detailed in these condensed interim financial information.

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim 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 Operator's accounting policies. The estimates / judgments and associated assumptions used in the preparation of the condensed interim financial statements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5	QARD-E-HASNA	(Unaudited)		(Audited)	
		30 September 2019		31 December 2018	
		(Rupees)			
Balance as at the beginning of the period		246,900,000		199,000,000	
Qard-e-Hasna provided during the period		-		47,900,000	
Balance as at the end of the period		246,900,000		246,900,000	

In accordance with the Takaful Rules, 2012, if at any point in time, assets in Participants' Takaful Fund are not sufficient to cover its liabilities, the deficit shall be funded by way of an interest free loan (Qard-e-Hasna) from Operator Fund. In the event of future surplus in the Participants' Takaful Fund to which a Qard-e-Hasna has been made, the Qard-e-Hasna shall be repaid prior to distribution of surplus to participants. The Operator has prepared financial projections of Participants' Takaful Fund and based on such financial projections believes that the Participant Takaful Fund would be able to repay Qard-e-Hasna to Operator's Fund.

6	EQUIPMENT	Note	(Unaudited)		(Audited)	
			30 September 2019		31 December 2018	
			(Rupees)			
6.1	Operating Assets		-		-	
	Right of use Assets	6.1	62,407,019		-	
			62,407,019		-	
6.1	Right of use Assets		-		-	
	Written down value at the beginning of the period / year as reported		-		-	
	Effect of change in accounting policy (Note 3.1.1)		85,874,620		-	
	Written down value at the beginning of the period / year as restated		85,874,620		-	
	Additions and transfers during the period / year - at cost					
	- Tracking Devices		55,927,602		-	
	Depreciation for the period / year		(79,395,203)		-	
	Written down value at the end of the period / year		62,407,019		-	

# WINDOW TAKAFUL OPERATIONS

## 7. INVESTMENT IN MUTUAL FUNDS

### Available- For-Sale

PTF	30 September 2019				31 December 2018			
	Cost	Impairment/ Provision	Revaluation surplus/(deficit)	Carrying Value	Cost	Impairment/ Provision	Revaluation surplus/(deficit)	Carrying Value
(Rupees)								
Mutual funds								
MCB Arif Habib AlHamra Islamic Stock Fund	-	-	-	-	72,079,965	(15,445,707)	-	56,634,258
AKD Islamic Income Fund	-	-	-	-	25,000,000	-	1,311,534	26,311,534
	-	-	-	-	97,079,965	(15,445,707)	1,311,534	82,945,792

## 8. INVESTMENT IN DEBT SECURITIES

### Available- For-Sale

This represents Term Finance Certificates of Dubai Islamic Bank carrying markup of 3 Months Kibor + 1.75%. PTF holds 4,000 certificates of Rs. 5,000/- each.

9	OTHER RECEIVABLE	(Unaudited)		
		30 September 2019		
	OF	PTF	Total	
Wakala fee	8,166,548	-	8,166,548	
Mudarib fee	2,608,533	-	2,608,533	
Taxes and Duties receivable	6,544,819	-	6,544,819	
Qard e Hasna	246,900,000	-	246,900,000	
Advance to an agent	2,890,026	-	2,890,026	
	267,109,926	-	267,109,926	

	(Audited)		
	31 December 2018		
	OF	PTF	Total
Wakala fee	11,822,563	-	11,822,563
Mudarib fee	-	3,057,128	3,057,128
Taxes and Duties receivable	32,542,910	-	32,542,910
Qard e Hasna	246,900,000	-	246,900,000
	291,265,473	3,057,128	294,322,601

10	OTHER CREDITORS AND ACCRUALS	(Unaudited)		
		30 September 2019		
	OF	PTF	Total	
Creditors	8,656,243	-	8,656,243	
Wakala fee payable	-	8,166,548	8,166,548	
Modarib fee payable	-	2,608,533	2,608,533	
Federal Insurance Fee	-	967,110	967,110	
Federal Excise Duty (FED) - net	667,524	11,566,214	12,233,738	
Commission payable	1,581,408	-	1,581,408	
Taxes and duties payable	-	6,544,819	6,544,819	
Lease obligation against right-of-use assets	-	27,290,977	27,290,977	
Withholding tax payable	294,878	907,362	1,202,240	
Others	6,930,263	3,949,627	10,879,890	
	18,130,316	62,001,190	80,131,506	

	OF	PTF	Total
Creditors	2,673,420	966,502	3,639,922
Wakala fee payable	-	11,822,563	11,822,563
Modarib fee payable	3,057,128	-	3,057,128
Federal Insurance Fee	-	892,794	892,794
Federal Excise Duty (FED) - net	-	11,084,491	11,084,491
Commission payable	4,102,721	-	4,102,721
Taxes and duties payable	-	32,542,910	32,542,910
Withholding tax payable	2,461,390	3,567,780	6,029,170
Others	5,539,669	3,213,416	8,753,085
	17,834,328	64,090,456	81,924,784
	(Unaudited) For the three months period ended 30 September 2019	(Unaudited) For the nine months period ended 30 September 2018	(Unaudited) For the nine months period ended 30 September 2019
	(Rupees)	(Rupees)	(Rupees)
<b>11 NET TAKAFUL CONTRIBUTION</b>			
Written net contribution	288,901,428	247,363,818	874,313,389
Add: Unearned contribution reserve opening	571,228,362	526,635,417	511,363,901
Less: Unearned contribution reserve closing	(580,002,367)	(506,071,344)	(580,002,367)
contribution earned	280,127,423	267,927,891	805,674,923
Less: Retakaful contribution ceded	11,692,467	16,388,180	59,344,981
Add: Prepaid retakaful contribution opening	37,057,247	10,191,622	34,510,941
Less: Prepaid retakaful contribution closing	(27,313,000)	(16,045,991)	(27,313,000)
Retakaful expense	21,436,714	10,533,811	66,542,922
Net takaful contribution	258,690,709	257,394,080	739,132,001
<b>12 NET TAKAFUL CLAIMS EXPENSE</b>			
Claims paid/ payable	152,516,991	136,300,209	432,465,254
Add: Outstanding claims including IBNR closing	152,862,885	154,158,358	152,862,885
Less: Outstanding claims including IBNR opening	(142,882,270)	(144,722,971)	(139,070,744)
Claims expense	162,497,605	145,735,596	446,257,394
Less: Retakaful and other recoveries received	24,606,235	41,331,586	92,937,272
Add: Retakaful and other recoveries in respect of	50,106,315	40,256,341	50,106,315
outstanding claims net of impairment - closing	(51,521,072)	(64,185,167)	(59,057,364)
Less: Retakaful and other recoveries in respect of			
outstanding claims net of impairment - opening			
Retakaful and other recoveries revenue	23,191,478	17,402,760	83,986,223
Net takaful claims expense	139,306,127	128,332,836	362,271,171
<b>13 NET COMMISSION EXPENSE</b>			
Commissions paid or payable	45,097,373	32,291,764	143,447,511
Add: Deferred commission - opening	96,273,618	48,087,803	73,685,941
Less: Deferred commission - closing	(96,546,384)	(54,216,071)	(96,546,384)
Commission expense	44,824,607	26,163,496	120,587,068
Less: commission from reinsurers			
Commission received or receivable	1,601,379	2,691,232	4,647,785
Add: Deferred commission - opening	3,296,670	856,168	4,727,505
Less: Deferred commission - closing	(2,867,030)	(2,624,583)	(2,867,030)
Commission from reinsurance	2,031,019	922,817	6,508,260
Net commission expense	42,793,589	25,240,679	114,078,809
<b>14 NET WAKALA FEE</b>			
Gross Wakala Fee	86,898,914	60,833,592	242,696,714
Add: Deferred wakala fee - opening	136,515,415	142,033,128	120,781,703
Less: Deferred wakala fee - closing	(148,321,535)	(122,922,701)	(148,321,535)
Net wakala fee	75,092,794	79,944,019	215,156,883

# WINDOW TAKAFUL OPERATIONS

## 15. SEGMENT INFORMATION

		(Unaudited)					
		For the nine months period ended 30 September 2019					
		Fire & property damage	Marine	Motor	Health	Miscellaneous	Aggregate
15.1 Participants' Takaful Fund		(Rupees)					
Gross Written Contribution (inclusive of Administrative Surcharge)		34,084,040	9,536,540	792,656,177	37,875,827	160,806	874,313,389
Takaful contribution earned		23,909,068	9,899,230	738,871,977	32,869,568	125,081	805,674,923
Takaful contribution ceded to retakaful operators		(22,919,427)	(4,793,843)	(38,829,653)	-	-	(66,542,922)
Net takaful contribution		989,641	5,105,387	700,042,324	32,869,568	125,081	739,132,001
<b>Net underwriting income</b>		<b>989,641</b>	<b>5,105,387</b>	<b>700,042,324</b>	<b>32,869,568</b>	<b>125,081</b>	<b>739,132,001</b>
Takaful claims		(13,064,600)	(1,184,149)	(402,923,260)	(28,892,180)	(193,205)	(446,257,394)
Retakaful claims and other recoveries		12,354,773	38,889	71,579,561	-	13,000	83,986,223
Net Claims		(709,827)	(1,145,260)	(331,343,699)	(28,892,180)	(180,205)	(362,271,171)
Wakala expensed during the period		(6,295,750)	(2,735,554)	(206,085,635)	-	(39,944)	(215,156,883)
Direct expenses		-	-	(107,461,204)	-	-	(107,461,204)
<b>Underwriting result</b>		<b>(6,015,936)</b>	<b>1,224,573</b>	<b>55,151,786</b>	<b>3,977,388</b>	<b>(95,068)</b>	<b>54,242,743</b>
Investment income							24,886,542
Financial Charges							(2,052,162)
<b>Surplus for the period</b>							<b>77,077,123</b>
15.2 Operator's Fund							
Wakala fee		6,295,750	2,735,554	206,085,635	-	39,944	215,156,883
Commission income		2,341,674	26,164	4,140,422	-	-	6,508,260
Commission expense		(2,604,224)	(1,512,370)	(113,959,848)	(2,481,245)	(29,381)	(120,587,068)
Management expenses		(8,014,889)	(2,242,525)	(186,393,727)	(8,906,531)	(37,814)	(205,595,485)
<b>Underwriting result</b>		<b>(1,981,689)</b>	<b>(993,177)</b>	<b>(90,127,519)</b>	<b>(11,387,776)</b>	<b>(27,251)</b>	<b>(104,517,411)</b>
Investment income							10,747,246
Other expenses							(57,553,851)
<b>Loss before taxation</b>							<b>(151,324,016)</b>

(Unaudited)					
For the nine months period ended 30 September 2018					
Fire & property damage	Marine	Motor	Health	Miscellaneous	Aggregate
(Rupees)					

**15.3 Participants' Takaful Fund**

Gross Written Contribution (inclusive of Administrative Surcharge)	25,502,755	7,070,485	720,689,789	39,164,233	202,640	792,629,902
Takaful contribution earned	16,219,458	7,197,011	728,311,676	12,654,450	131,179	764,513,774
Takaful contribution ceded to retakaful operators	(11,750,354)	(4,778,722)	(11,337,531)	-	-	(27,866,607)
Net takaful contribution	4,469,104	2,418,289	716,974,145	12,654,450	131,179	736,647,167
Net underwriting income	4,469,104	2,418,289	716,974,145	12,654,450	131,179	736,647,167
Takaful claims	(1,746,068)	(204,009)	(459,995,650)	(8,153,262)	(235,000)	(470,333,989)
Retakaful claims and other recoveries	1,135,788	163,207	98,382,486	-	-	99,681,481
Net Claims	(610,280)	(40,802)	(361,613,164)	(8,153,262)	(235,000)	(370,652,508)
Wakala expensed during the period	(5,708,209)	(2,192,803)	(249,169,108)	(684,495)	(41,205)	(257,795,820)
Direct expenses	-	-	(116,734,167)	-	-	(116,734,167)
Underwriting result	<u>(1,849,385)</u>	<u>184,684</u>	<u>(10,542,294)</u>	<u>3,816,693</u>	<u>(145,026)</u>	<u>(8,535,328)</u>
Investment income						5,650,117
Financial Charges						
Surplus for the period						<u><u>(2,885,211)</u></u>

**15.4 Operator's Fund**

Wakala fee	5,708,209	2,192,803	249,169,108	684,495	41,205	257,795,820
Commission income	1,597,241	147,876	-	-	-	1,745,117
Commission expense	(1,512,316)	(1,036,623)	(68,685,772)	(854,880)	(9,181)	(72,098,772)
Management expenses	(6,182,581)	(1,714,083)	(174,715,353)	(9,494,505)	(49,126)	(192,155,648)
Underwriting result	<u>(389,447)</u>	<u>(410,027)</u>	<u>5,767,983</u>	<u>(9,664,890)</u>	<u>(17,102)</u>	<u>(4,713,483)</u>
Investment income						4,078,577
Other expenses						(67,328,101)
Loss before taxation						<u><u>(67,963,007)</u></u>

# WINDOW TAKAFUL OPERATIONS

## 16. TRANSACTIONS WITH RELATED PARTIES - PTF

	(Unaudited) 30 September 2019	(Unaudited) 30 September 2018
<b>TPL Insurance Limited</b>		
Opening balance - payable	18,706,959	14,608,836
Rental and other services charges	95,590,000	121,130,000
Payments made by PTF - net	(112,744,330)	(136,011,605)
Closing balance - payable / (receivable)	<u>1,552,629</u>	<u>(272,769)</u>
<b>Operator's Fund</b>		
Opening balance - payable (including Qard-e-Hasna)	292,842,057	204,908,282
Wakala fee charged during the period	242,696,714	207,604,996
Qard-e-Hasna provided during the period	-	47,900,000
Modarib Fee charged during the period	10,665,661	2,421,479
Taxes and other movement	136,136,019	139,876,671
Payments made during the period	(418,120,551)	(355,831,990)
Closing balance - payable (including Qard-e-Hasna)	<u>264,219,900</u>	<u>246,879,438</u>

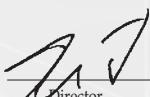
## 17. GENERAL

17.1 Figures have been rounded off to the nearest Rupee.

## 18. DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorised for issue on 28 October 2019 by the Board of Directors of the Operator.

  
Director

  
Director

  
Chief Financial Officer

  
Chief Executive Officer

  
Chairman

# OTHER INFORMATION

## PATTERN OF SHAREHOLDING

AS OF 30 SEPTEMBER 2019

No. of Shareholders	From	To	Shares Held	Percentage
225	1	100	1,241	0.0013
38	101	500	9,803	0.0104
104	501	1000	65,254	0.0695
101	1001	5000	197,682	0.2106
14	5001	10000	91,178	0.0971
13	10001	15000	160,172	0.1706
4	15001	20000	70,407	0.0750
4	20001	25000	95,203	0.1014
3	25001	30000	85,717	0.0913
4	30001	35000	129,220	0.1377
2	35001	40000	74,763	0.0796
1	40001	45000	43,307	0.0461
1	50001	55000	51,564	0.0549
1	55001	60000	59,790	0.0637
3	60001	65000	185,985	0.1981
2	80001	85000	164,582	0.1753
1	90001	95000	93,225	0.0993
2	120001	125000	248,600	0.2648
2	160001	165000	322,857	0.3440
1	230001	235000	231,000	0.2461
1	355001	360000	358,641	0.3821
1	360001	365000	360,935	0.3845
1	370001	375000	373,290	0.3977
1	400001	405000	400,020	0.4262
1	405001	410000	405,919	0.4324
1	445001	450000	449,752	0.4791
1	515001	520000	519,654	0.5536
1	560001	565000	563,570	0.6004
1	675001	680000	676,970	0.7212
1	6995001	7000000	7,000,000	7.4574
1	13635001	13640000	13,635,597	14.5266
1	16995001	17000000	17,000,000	18.1109
1	49740001	49745000	49,740,363	52.9907
<b>539</b>	<b>Company Total</b>		<b>93,866,261</b>	<b>100</b>

## CATEGORY OF SHAREHOLDING

AS OF 30 SEPTEMBER 2019

Particulars	No of Folio	Balance Shares	Percentage
<b>DIRECTORS, CEO &amp; CHILDREN</b>	7	141,781	0.1510
Mr. Jameel Yousuf (S.St.)		620	0.0007
Mr. Ali Jameel		620	0.0007
Mr. Andrew Borda		1	0.0000
Syed Nadir Shah		620	0.0007
Muhammad Aminuddin		15,000	0.0160
Mr. Waqar Ahmed Malik		124,920	0.1324
<b>ASSOCIATED COMPANIES</b>	5	88,452,950	94.233
TPL CORP LIMITED		87,375,960	93.0856
TPL Holdings (Pvt) Limited		1,076,990	1.1474
<b>MUTUAL FUNDS</b>	4	454,290	0.4840
Golden Arrow Selected Stocks Fund Limited		373,290	0.3977
CDC - Trustee Picic Investment Fund		120	0.0001
CDC - Trustee Picic Growth Fund		483	0.0005
CDC - Trustee Akd Opportunity Fund		80,397	0.0857
<b>GENERAL PUBLIC (LOCAL)</b>	503	3,603,691	3.8392
<b>GENERAL PUBLIC (FORGEIN)</b>	4	246,272	0.2624
<b>OTHERS</b>	16	967,277	1.0305
Toyota Hyderabad Motors		33,412	0.0356
Bonus Fraction B-2018		189	0.0002
CDC Stay Order Cases With Fracton		405,919	0.4324
Bonus Fraction B-2019		168	0.0002
Habib Sugar Mills Ltd		60,062	0.064
Maple Leaf Capital Limited		1	0.000
Pearl Securities Limited		360,935	0.3845
Fawad Yusuf Securities (Pvt.) Limited		329	0.0004
Federal Board Of Revenue		16,734	0.0178
Sherman Securities (Private) Limited		367	0.0004
Falcon-I (Private) Limited		1	0.000
Toyota Sahara Motors (Pvt) Ltd		38,038	0.0405
Paradigm Factors (Private) Limited		17,122	0.0182
Arif Habib Limited- MF		33,000	0.0352
Pearl Securities Limited - MF		1,000	0.0011
<b>COMPANY TOTAL</b>	539	93,866,261	100

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