

First Quarterly Report 2021



SHAHEEN FOUNDATION
PAKISTAN AIR FORCE

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COMPANY INFORMATION

BOARD OF DIRECTORS

Air Marshal Muhammad Arif Pervaiz (Retd.) - Chairman
Air Vice Marshal Salman Ahsan Bokhari (Retd.) - Member
Air Commodore Mahmood Ahmad (Retd.) - Member
Air Commodore Wasim Ahmed Khan (Retd.) - Member
Mr. Khalid Saeed Mirza - Member
Ms. Farrah Azeem Khan - Member

AUDIT COMMITTEE

Air Commodore Mahmood Ahmad (Retd.) - Chairman
Air Commodore Wasim Ahmed Khan (Retd.) - Member
Mr. Khalid Saeed Mirza - Member

ETHICS, HUMAN RESOURCE & REMUNERATION COMMITTEE

Air Vice Marshal Salman Ahsan Bokhari (Retd.) - Chairman
Air Commodore Mahmood Ahmad (Retd.) - Member
Mr. Sohel N. Kidwai (CEO) - Member

INVESTMENT COMMITTEE

Air Marshal Muhammad Arif Perviaz (Retd.) - Chairman
Air Vice Marshal Salman Ahsan Bokhari (Retd.) - Member
Mr. Khalid Saeed Mirza - Member
Mr. Sohel N. Kidwai - Chief Executive Officer
Mr. Nisar Ahmed Almani - Chief Financial Officer

CHIEF EXECUTIVE OFFICER

Mr. Sohel N. Kidwai

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Mr. Nisar Ahmed Almani

COMPANY INFORMATION

HEAD OF OPERATIONS, UNDERWRITING, CLAIMS AND REINSURANCE

Mr. Zia Mehdi

COUNTRY HEAD BUSINESS

Mr. Naveed Y. Butt

LEGAL ADVISOR

Iftikhar Hussain Law Associates

AUDITORS

Yousuf Adil
Chartered Accountants

SHARIAH ADVISOR

Mufti Bilal Ahmed Qazi

COMPLIANCE OFFICER

Ms. Arshi Fatima

SHARIAH COMPLIANCE OFFICER

Mr. Kashif Naeem

HEAD OF INTERNAL AUDIT (COORDINATOR)

Mr. Sayyam Maqsood

REGISTERED OFFICE

10th Floor, Shaheen Complex, M.R Kayani Road, Karachi.

HEAD OFFICE

10th Floor, Shaheen Complex, M.R Kayani Road, Karachi.

SHARE REGISTRAR

M/s. Corplink (Pvt.) Ltd.
Wings Arcade, 1-K, Commercial, Model Town, Lahore.

OFFICES

Head Office

10th Floor, Shaheen Complex
M. R. Kayani Raod, Karachi-74200
Tel # 32630370-75, 322139850-51 Fax # 32626674
E-mail: info@shaheeninsurance.com
URL: www.shaheeninsurance.com
UAN: (021) 111-765-111

Karachi

Branch Manager - Mr. M. Iftikhar Alam
10th Floor, Shaheen Complex
M.R Kayani Road, Karachi -74200
Tel # 32630370-75, 32213950-51, Fax # 32626674
E-mail: Iftikhar.alam@shaheeninsurance.com
Direct # 32272595

Lahore Zonal Office

Country Head Business - Mr. Naveed Y. Butt
Office # 4-B, 6th Floor, Shaheen Complex
38, Abbott Road,
Lahore.
Tel # 042-36376270, 36376274, 36376278, 36376279
Fax # 042-36376276
E-mail: lhr_zone@shaheeninsurance.com

Multan

General Manager Marketing - Mr. Muhammad Naeem Baig
Office no 21,1st Floor Nadra office Ali Arcade,
Court Kachery Road, Multan
Phone: 061-4580190.91,92
E-mail: naeem.baig@shaheeninsurance.com

Sialkot

Branch Manager Faisal jamil
Office # 210 Karim Plaza Defence Road,
Near Allama Iqbal Town, Sialkot
Tel # (052) 3250982, 3550131
Fax # (052) 3257412
E-mail: sil@shaheeninsurance.com

Faisalabad

Branch Manager/ Assistant General Manager - Mr. Mohsin Khan
Office No 2, 4th Floor, Ahmed Plaza,
Bilal Road, Civil Lines, Faisalabad
Tel. # (041) 2614112, 2621370, 2634658
Fax # (041) 2613514
Email: fsd@shaheeninsurance.com

Abbottabad

Branch Manager - Mr. Ejaz Raffique
Office # 9 1st Floor Silk Plaza Supply Manshara
Road Abbottabad. Mobile # 0301-8177155
Email: abt@shaheeninsurance.com

Rahim Yar Khan

Branch Manager - Mr. Muhammad Naveed
Al Baraka Plaza, 1st Floor, Abu Dhabi Road,
Rahim Yar Khan.
Email: naveed.hussain@shaheeninsurance.com

Hyderabad

Branch Manager - Mr. Shakir Ali
Upper 2nd Floor
House # 75, Soldier Bazar, Hyderabad
Tel # (022) 2720487
Fax # (022) 2720489
E-mail: hyd@shaheeninsurance.com

Lahore Corporate

Regional Head - Mr. Sohaib Ansar Khan
Office # 6, 6th Floor, Shaheen Complex, Opp. PTV Station
Opp. PTV Station 38, Abbott Road,
Lahore.
Tel # 042-36370384, 36370741, 36370742
Fax # 042-36370385
E-mail: lhr_corporate@shaheeninsurance.com

Peshawar

Branch Manager - Mr. Amir Shahzad
Upper Basement, State Life Building
34 - The Mall, Peshawar Cantt.
Tel # (091) 5273122
E-mail: psw@shaheeninsurance.com

Gujranwala

Office # 04, Yousuf Center, 99 Commercial
Neelum DC Colony GT Road Gujranwala.

Islamabad

Branch Manager - Mr. Abdul Hameed
Office # 4, 1st Floor Zaki Centre,
I-8 Markaz Islamabad
Tel: 051-4938283
Fax: 051-4938284
Email: isb@shaheeninsurance.com

Sargodha

Branch Manager - Mr. Nadeem Awan
Office # 63 1st Floor Advance Book shop
Rehman Complex Ibne Seena Hospital Market
Kanchi More Sargodha Mobile# 0300-8602723
Email: nadeemawan1975@gmail.com

DIRECTORS' REVIEW

The Directors are pleased to present the unaudited Condensed Interim Financial Statements of the company for the three months period ended March 31, 2021.

Company Performance

The results of Insurance are summarized below;

	Rupees in million	
	March 2021	March 2020
Gross Premium Written	55	67
Net Insurance Premium	48	70
Underwriting Results	4	18
Investment and rental income	13	17
Profit before tax	4	20
Profit after tax	6	15
Earnings Per Share	0.10	0.24

Resurgence of Covid 19 cases in heavy numbers during the period under review is casting a shadow on business confidence and growth prospects, which started to revive during last quarter of calendar year 2020. Due to these factors, business of the company during the period under review decreased resulting in profit after tax of Rs. 6 Million compared with Rs. 15 Million during the corresponding period of 2019.

Investment income of company also registered a decrease mainly due to steep decline in interest rates by the State Bank of Pakistan to counter Covid related exigencies.

Company commenced its Window Takaful Operations in April, 2018.

The results of Window Takaful are summarized below;

	Rupees in million	
	March 2021	March 2020
Gross Contribution	3.10	3.5
Net Contribution Revenue	0.80	0.82
Underwriting Results	(0.072)	(0.06)
Investment Income	0.465	1.57
Operator's Fund - Revenue Account	(0.39)	(0.27)
Operator's Profit / (loss)	0.158	1.09

Due to initial year of operations, this business segment is progressing gradually. However, going forward, Company is confident to penetrate this market by procuring takaful business.

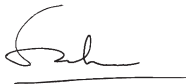
Outlook

The world is currently dealing with the third wave of Covid 19 pandemic. It has created considerable uncertainty and is expected to have a lasting effect on the economies in the current year also. In this uncertain and unprecedented backdrop, it is extremely difficult to predict.

The management and the board is aware of the challenges ahead and are ready to give their best shot to turn around this uncertain situation to an opportunity to grow.

Directors would like to place on record their appreciation to the field force, officers and staff of the Company for their commitment and contributions despite adverse economic situation, and greatly appreciate for taking up this enormous challenge to grow ambitiously in 2021 and beyond.

Directors would also like to thank the Securities and Exchange Commission of Pakistan, PACRA, Pakistan Stock Exchange Limited, all clients, banks / financial institutions and re-insurers for their continued guidance and support.



Sohail N. Kidwai
Chief Executive Officer



Air Marshal Muhammad Arif Pervaiz
(Retd.) - Chairman

April 28, 2021

کمپنی نے ونڈ وٹکافل آپریشنز کا آغاز اپریل 2018 سے کر دیا ہے۔

ونڈ وٹکافل آپریشنز کے نتائج کا خلاصہ درج ذیل ہے:-

روپے ملین میں	روپے ملین میں	
مارچ 2020	مارچ 2021	
3.16	3.10	مجموعی کٹری بیوشن
0.82	0.80	خالص کٹری بیوشن
(0.06)	(0.072)	ذمہ داری کے نتائج
1.57	0.465	سرمایہ کاری کی آمدنی
(0.27)	(0.39)	آپریٹنگ ریونیو کا کاونٹ
1.09	0.158	آپریٹنگ منافع

ٹکافل کاروبار کے شروعاتی سال ہونے کی وجہ سے یہ کاروبار آہستہ آہستہ ترقی کر رہا ہے۔ اور کمپنی آگے آنے والے سالوں میں ٹکافل کا زیادہ بزنس حاصل کر کے اپنی جگہ بنانے کے لیے پرامید ہے۔

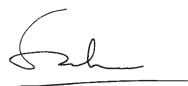
آؤٹ لک

دنیا اس وقت کوویڈ 19 وبائی بیماری کی تیسری لہر سے نمٹ رہی ہے۔ اس نے کافی حد تک غیر یقینی صورتحال پیدا کر دی ہے اور توقع ہے کہ رواں سال میں بھی معیشتوں پر دیر پا اثر پڑے گا۔ اس غیر یقینی اور بے مثال پس منظر میں، پیش گوئی کرنا انتہائی مشکل ہے۔

مینجمنٹ اور بورڈ درپیش چیلنجوں سے آگاہ ہے اور وہ اس غیر یقینی صورتحال کو ترقی کے موقع کی طرف موڑنے کے لئے اپنی بہترین خدمات دینے کے لئے کوشاں ہے۔

ڈائریکٹرز فیلڈ فورس، افسران اور کمپنی کے عملے کو منفی معاشی صورتحال کے باوجود ان کی وابستگی اور شراکت کے لیے ان کی تعریف کو ریکارڈ کرنا چاہتے ہیں، اور 2021ء میں اور اس سے آگے بھی اس میں غیر مہذب طریقے سے ترقی کے بے حد چیلنج کا سامنا کرنے کے لئے ان کی تعریف کرتے ہیں۔

اسی طرح آپ کے ڈائریکٹرز سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (PACRA)، پاکستان اسٹاک ایکسچینج لمیٹڈ، تمام صارفین، بینکوں اور تمام ری انشوررز کے شکر گزار ہیں جو مسلسل کمپنی کی رہنمائی و معاونت میں مصروف عمل ہیں۔



سہیل (ن) کدوانی
چیف ایگزیکٹو آفیسر



امیر ریشل محمد عارف پرویز (ریٹائرڈ)
چیرمین

28 اپریل 2021

ڈائریکٹرز کا تبصرہ

ڈائریکٹرز مسرت کے ساتھ 31 مارچ 2021 کو اختتام پذیر تین ماہ کے غیر آڈٹ شدہ اکاؤنٹس پیش کر رہے ہیں۔

کمپنی کی کارکردگی

انشورنس کے نتائج کا خلاصہ درج ذیل ہے۔

روپے ملین میں		
مارچ 2020	مارچ 2021	
67	55	قلمزد مجموعی پرییم
70	48	پرییم کی صافی آمدنی
18	4	ذمہ داری کے نتائج
17	13	سرمایہ کاری کی آمدنی
20	4	ٹیکس سے قبل نفع
15	6	ٹیکس کے بعد نفع
0.24	0.10	آمدنی فی شیئر

زیر غور مدت کے دوران بھاری تعداد میں کوویڈ 19 کے واقعات کی بحالی کاروباری اعتماد اور نمو کے امکانات پر سایہ ڈال رہی ہے، جو سال 2020 کے آخری سہ ماہی کے دوران بحال ہونا شروع ہوا۔ ان عوامل کی وجہ سے کمپنی کا کاروبار زیر جائزہ مدت کے دوران اسی طرح کے دوران 2019 کے 15 ملین روپے کے مقابلے میں 6 ملین روپے ٹیکس کے بعد منافع میں کمی آئی۔

کمپنی کی سرمایہ کاری کی آمدنی میں بھی کمی واقع ہوئی ہے جس کی بنیادی وجہ کوڈ سے متعلقہ خارجی اداروں کا مقابلہ کرنے کے لئے اسٹیٹ بینک آف پاکستان کی جانب سے سود کی شرحوں میں زبردست کمی ہے۔

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT MARCH 31, 2021

	Note	March 31, 2021	March 31, 2020
		-----Rupees-----	
ASSETS			
Property and equipment		18,676,749	22,016,984
Investment properties		135,385,106	135,385,104
Investments			
Equity securities		65,024,939	62,967,878
Debt securities		167,285,802	167,285,802
Term deposits		371,687,866	372,619,866
Loans and other receivables	11	10,044,251	35,473,037
Insurance / reinsurance receivables	12	181,484,291	178,150,469
Reinsurance recoveries against outstanding claims		11,619,947	14,562,758
Salvage recoveries accrued		3,442,199	2,185,000
Deferred commission expense / acquisition cost		14,662,757	15,494,786
Taxation-payment less provision		6,781,902	3,103,815
Prepayments		16,482,663	13,642,832
Cash and bank balances	13	10,227,279	14,685,842
Total assets of takaful operations - operator's fund		56,652,162	56,402,768
Total Assets		1,069,457,913	1,093,976,941
EQUITY AND LIABILITIES			
Capital and reserves attributable to Company's equity holders			
Share capital		600,000,000	600,000,000
Reserves	8	34,230,367	32,200,104
Unappropriated profit / (loss)		29,413,573	23,617,540
Total Equity		663,643,940	655,817,644
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR		108,145,579	127,305,856
Unearned premium reserve		87,620,847	92,605,542
Premium deficiency reserve		536,451	536,451
Unearned reinsurance commission		1,796,577	2,374,551
Lease liabilities		14,598,528	17,164,141
Premium received in advance		776,136	1,671,626
Insurance/ reinsurance payables		79,412,192	76,467,277
Other creditors and accruals	10	105,139,900	112,271,565
Unclaimed dividend		1,840,186	1,840,186
Taxation - provision less payments		5,947,577	5,922,102
Total liabilities of takaful operations - operator's fund		405,813,973	438,159,297
Total Liabilities		405,813,973	438,159,297
Total Equity and Liabilities		1,069,457,913	1,093,976,941

Contingencies and commitments


The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

 Air Marshal Muhammad Arif Pervaiz (Retd.) Chairman	 Air Vice Marshal Salman Ahsan Bokhari (Retd.) Director	 Khalid Saeed Mirza Director	 Sohail N. Kidwai Chief Executive Officer	 Nisar Ahmed Almani Chief Financial Officer
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CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

	Note	March 31, 2021	March 31, 2020
		-----Rupees-----	
Net insurance premium	5	48,226,912	69,717,679
Net insurance claims expense	6	(19,741,985)	(21,161,214)
Net commission and other acquisition cost	7	(9,742,803)	(14,733,989)
Insurance claims and acquisition expenses		(29,484,788)	(35,895,203)
Management expenses		(14,388,183)	(16,097,333)
Underwriting results		4,353,941	17,725,143
Investment income - net	9	11,440,464	16,326,581
Unrealised gain on investment properties		-	-
Rental income		1,001,451	910,149
Other income		208,169	1,352,116
Profit / (loss) before tax from window takaful operations - OPF		223,919	1,093,153
Other expenses		(12,370,907)	(14,937,981)
Finance charges against lease liabilities		(785,152)	(2,470,540)
Profit before tax		4,071,885	19,998,621
Provision for taxation			
- current year		(1,045,821)	(5,452,352)
- prior year		2,769,969	-
Profit after tax		5,796,033	14,546,269
Earnings per share - basic and diluted	15	0.10	0.24

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


Air Marshal Muhammad Arif
Pervaiz (Retd.) Chairman


Air Vice Marshal Salman Ahsan
Bokhari (Retd.) Director


Khalid Saeed Mirza
Director



Sohail N. Kidwai
Chief Executive Officer


Nisar Ahmed Almani
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

	March 31, 2021	March 31, 2020
	-----Rupees-----	
Profit after tax for the period	5,796,033	14,546,269
Other comprehensive income:		
Items that may be subsequently classified to profit or loss		
Unrealised gain on available for sale investments	2,030,264	1,464,280
Total comprehensive profit for the year	7,826,297	16,010,549

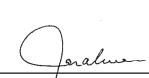
The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


Air Marshal Muhammad Arif
Pervaiz (Retd.) Chairman


Air Vice Marshal Salman Ahsan
Bokhari (Retd.) Director


Khalid Saeed Mirza
Director


Sohail N. Kidwai
Chief Executive Officer


Nisar Ahmed Almani
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

	March 31, 2021	March 31, 2020
	-----Rupees-----	
OPERATING ACTIVITIES		
a) Underwriting activities		
Premiums received	56,754,872	62,743,489
Reinsurance premiums paid	(3,499,631)	(5,138,957)
Claims paid	(47,070,108)	(28,511,072)
Reinsurance and other recoveries received	13,121,099	412,995
Commissions paid	(11,369,961)	(14,175,477)
Commissions received	1,699,646	571,546
Net cash generated from underwriting activities	9,635,917	15,902,524
b) Other operating activities		
Income tax paid	(3,678,087)	(11,474,694)
Management and administration expenses paid	(24,110,997)	(25,525,210)
Net cash used in other operating activities	(27,789,084)	(36,999,904)
Total cash used in all operating activities	(18,153,167)	(21,097,380)
INVESTING ACTIVITIES		
Profit / Return received	14,563,267	15,230,604
Rentals received	1,001,451	910,149
Payment for investments	-	(26,705)
Proceeds from investments	932,000	505,579
Fixed capital expenditure	(377,427)	(335,410)
Proceeds from disposal of fixed assets	-	926,000
Total cash generated from all investing activities	16,119,291	17,210,217
FINANCING ACTIVITIES		
Financial charges paid	(5,921)	(11,248)
Lease rental paid	(3,350,766)	-
Total cash used in all financing activities	(3,356,687)	(11,248)
Net cash used in all activities	(5,390,563)	(3,898,411)
Cash and cash equivalents at the beginning of year	387,305,708	450,889,297
Cash and cash equivalents at end of the period	381,915,145	446,990,886

March 31, 2021 March 31, 2020
-----Rupees-----

Reconciliation to condensed interim profit or loss account

Operating cash flows	(18,153,167)	(21,097,380)
Finance charges on right-of-use assets	(785,152)	(2,470,540)
Depreciation on fixed assets	(937,140)	(1,091,820)
Depreciation on right-of-use asset	(2,780,522)	(3,013,026)
Loss / gain on disposal of fixed assets	-	801,000
Taxes paid	3,678,087	11,474,694
Provision for doubtful premium due but unpaid	-	-
Financial charges	(5,921)	(11,248)
Increase / (decrease) in assets other than cash	(17,845,292)	2,764,500
(Increase) / decrease in liabilities	29,028,440	12,960,444
Investment and other income	11,648,633	18,588,846
Profit from window takaful operations - OPF	223,919	1,093,153
Provision for taxation current year	(1,045,821)	(5,452,353)
Provision for taxation prior year	2,769,969	-
Profit after taxation	5,796,033	14,546,269

Definition of cash

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

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

Cash and other equivalents

- Cash in hand	27,487	231,001
- Policy stamps in hand	120,002	-
Current and saving accounts	147,489	231,001
- Current accounts	4,120,464	1,059,772
- Savings accounts	5,959,325	12,087,740
	10,079,789	13,147,512

Deposits maturing within 12 months

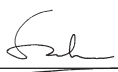
Term Deposit- local currency	371,687,866	433,612,373
	381,915,144	446,990,886

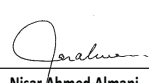
The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


Air Marshal Muhammad Arif
Pervaiz (Retd.) Chairman


Air Vice Marshal Salman Ahsan
Bokhari (Retd.) Director


Khalid Saeed Mirza
Director



Sohail N. Kidwai
Chief Executive Officer


Nisar Ahmed Almani
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

	Attributable to equity holders of the Company				
	Share Capital	General Reserves	Unrealised gain / (loss) on available-for-sale investment	Unappropriated profit / (loss)	Total
	------(Rupees)-----				
Balance as at January 1, 2020	600,000,000	20,000,000	13,102,778	(11,991,078)	621,111,700
Profit for the period ended March 31, 2020	-	-	-	14,546,270	14,546,270
Other comprehensive income	-	-	1,464,280	-	1,464,280
Balance as at March 31, 2020	<u>600,000,000</u>	<u>20,000,000</u>	<u>14,567,058</u>	<u>2,555,192</u>	<u>637,122,250</u>
Balance as at January 1, 2021	600,000,000	20,000,000	12,200,104	23,617,540	655,817,644
Profit for the period ended March 31, 2021	-	-	-	5,796,033	5,796,033
Other comprehensive income	-	-	2,030,264	-	2,030,264
Total comprehensive income for the period	600,000,000	20,000,000	14,230,368	29,413,573	663,643,941
Balance as at March 31, 2021	<u>600,000,000</u>	<u>20,000,000</u>	<u>14,230,368</u>	<u>29,413,573</u>	<u>663,643,940</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements


Air Marshal Muhammad Arif
Pervaiz (Retd.) Chairman


Air Vice Marshal Salman Ahsan
Bokhari (Retd.) Director


Khalid Saeed Mirza
Director


Sohail N. Kidwai
Chief Executive Officer


Nisar Ahmed Almani
Chief Financial Officer

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

1 STATUS AND NATURE OF BUSINESS

Shaheen Insurance Company Limited (the Company) was incorporated in March 1995 in Pakistan. The Company is a Public Company listed on the Pakistan Stock Exchange and obtained the certificate for commencement of business in July 1995. It was registered with the Controller of Insurance in November 1995 to carry out non-life insurance business comprising fire, marine, motor, aviation, engineering, transportation, health, etc. On March 14, 2018 the Company was awarded license to commence Window Takaful Operations. The Company is listed on Pakistan Stock Exchange Limited. Its registered office is located at 10th Floor, Shaheen Commercial Complex, Karachi. The company operates only in Pakistan through 14 Branches. Shaheen Foundation (the parent) holds approximately 69.277% (2019: 69.277%) shares in Shaheen Insurance Company Limited.

2 BASIS OF PRESENTATION

These condensed interim financial statements have been prepared in accordance with the format prescribed under Insurance Rules, 2017 and these should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2020.

Separate set of financial statements of the Window Takaful Operations have been annexed to these financial statements as per the requirements of the Takaful Rules, 2012.

3 SIGNIFICANT ACCOUNTING POLICIES AND COMPUTATION METHODS

The basis for accounting estimates adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended December 31, 2020

4 INSURANCE RISK MANAGEMENT

The insurance risk management objectives and policies are consistent with those disclosed in the financial statements of the Company for the year ended December 31, 2020

5 NET INSURANCE PREMIUM

	March 31, 2021	March 31, 2020
	-----Rupees-----	
Written gross premium	54,782,366	66,628,953
Add: Unearned premium reserve opening	92,605,542	133,134,440
Less: Unearned premium reserve closing	87,620,845	118,415,277
Premium earned	59,767,062	81,348,116
Less:		
Reinsurance premium ceded	7,611,981	10,842,984
Add: Prepaid reinsurance premium opening	13,642,832	4,981,670
Less: Prepaid reinsurance premium closing	9,714,663	4,194,217
Reinsurance expense	11,540,150	11,630,437
Net premium revenue	48,226,912	69,717,679

	March 31, 2021	March 31, 2020
	-----Rupees-----	
6 NET INSURANCE CLAIMS EXPENSE		
Claim paid	47,070,775	28,511,072
Add: Outstanding claims including IBNR closing	108,144,913	124,155,526
Less: Outstanding claims including IBNR opening	127,305,857	128,202,751
Claim expense	27,909,831	24,463,847
Less:		
Reinsurance and other recoveries received	13,121,099	3,261,135
Less: Reinsurance and other recoveries received in respect of outstanding claims opening	17,165,400	17,165,401
Add: Reinsurance and other recoveries received in respect of outstanding claims closing	12,212,147	17,206,899
Reinsurance and other recoveries revenue	8,167,846	3,302,633
Net Claim	19,741,985	21,161,214
7 NET COMMISSION EXPENSE		
Commission paid or payable	10,032,445	14,175,477
Add: Deferred commission expense opening	15,494,786	26,394,193
Less: Deferred commission expense closing	14,662,757	25,264,135
Net Commission	10,864,474	15,305,535
Less:		
Commission received or recoverable	543,699	-
Add: Unearned reinsurance commission opening	2,374,550	1,052,225
Less: Unearned reinsurance commission closing	1,796,578	480,679
Commission from reinsurers	1,121,672	571,546
	9,742,803	14,733,989
	March 31, 2021	December 31, 2020
	-----Rupees-----	
8 RESERVES		
General reserves	20,000,000	20,000,000
Unrealised gain / (loss) on available-for-sale investment - net	14,230,367	12,200,104
	34,230,367	32,200,104

	March 31, 2021	March 31, 2020
	-----Rupees-----	
9 INVESTMENT INCOME		
Dividend income on investment		
Dividend income on available for sale investments	70,084	89,364
Held-to-maturity		
Return on other fixed income securities	7,055,812	14,285,283
Return on Government Securities	4,347,341	1,864,247
Unrealized (loss) / gain on revaluation of held-for-trading	(32,774)	87,686
	<u>11,440,464</u>	<u>16,326,581</u>
	March 31, 2021	December 31, 2020
	-----Rupees-----	
10 OTHER CREDITORS AND ACCRUALS		
Agent balances	25,770,147	26,275,634
Accrued expenses	9,429,832	11,260,214
Provincial services tax	47,854,609	48,104,593
Withholding tax payable	6,138,633	10,533,861
Workers' welfare fund payable	6,135,125	6,135,125
Unearned rental income	423,954	847,905
Payable to provident fund	556,598	33,600
Security deposit against bond issuance	7,865,830	8,106,750
Others	965,173	973,883
	<u>105,139,900</u>	<u>112,271,565</u>
11 LOANS AND OTHER RECEIVABLES		
Accrued investment income	1,344,243	4,467,046
Other receivables	4,852,285	5,237,800
Security deposits	3,772,789	25,751,008
Advances	74,934	17,183
	<u>10,044,251</u>	<u>35,473,037</u>
12 INSURANCE / REINSURANCE RECEIVABLES unsecured, considered good		
Due from insurance contract holders	117,411,712	112,910,455
less: provision for impairment	(5,500,000)	(5,500,000)
	<u>111,911,712</u>	<u>107,410,455</u>
Due from other insurers / reinsurers	69,572,579	70,740,014
	<u>181,484,291</u>	<u>178,150,469</u>
13 CASH AND BANK DEPOSITS		
Cash and other equivalents		
- Cash in hand	27,487	14,710
- Policy stamps and bond papers in hand	120,002	179,192
	<u>147,489</u>	<u>193,902</u>
Current and saving accounts		
- Current accounts	4,120,464	9,825,294
- Saving accounts	5,959,325	4,666,646
	<u>10,079,789</u>	<u>14,491,940</u>
	<u>10,227,278</u>	<u>14,685,842</u>

14 TRANSACTIONS WITH RELATED PARTIES

The Company has related party relationship with its employees' provident fund, key management personnel, entities with substantial holdings in the Company and Companies with common directors.

Transactions with related parties during the period and balances with them as at the period end are as follows:

	March 31, 2021	March 31, 2020
	-----Rupees-----	
Transactions and balances with related party		
Insurance premium		
Balance at beginning of the period	5,198,763	54,769,383
Gross insurance premium written (including administrative surcharge, government levies and policies stamps)	5,889,899	7,289,766
Received / Adjusted during the period	-	(8,286,983)
Balance at end of the period	11,088,662	53,772,166
Insurance claim expense		
Outstanding claims at beginning of the period	1,493,453	1,455,576
Gross claim expense for the period	2,685,334	1,307,886
Claim paid during the period	(2,470,463)	(1,547,075)
Outstanding claims at end of the period	1,708,324	1,216,387
	March 31, 2021	March 31, 2020
	-----Rupees-----	
Other transactions		
Rental expense	4,291,035	3,826,856
Advertisement expenses	-	18,000
Remuneration of key management personnel	4,983,792	5,315,217
Contribution to the provident fund	334,697	384,758
	March 31, 2021	December 31, 2020
	-----Rupees-----	
Other balances		
Security deposits	3,317,246	3,317,246
Payable to Provident Fund	556,598	33,600
	March 31, 2021	March 31, 2020
	-----Rupees-----	
Remuneration of key management personnel	4,983,792	5,315,217
Contribution to the provident fund	334,697	384,758

14.1 Remuneration to the key management personnel are in accordance with the terms of their employment.

14.2 Contribution to the provident fund is in accordance with the Company's staff service rules.


14.3 Other transactions with the related parties are in accordance with the agreed terms.

	March 31, 2021	March 31, 2020
	-----Rupees-----	
15 EARNINGS / (LOSS) PER SHARE - basic and diluted		
Profit/(Loss) after tax for the period	<u>5,796,033</u>	<u>14,546,269</u>
	Number of Shares	
Weighted average number of ordinary shares	<u>60,000,000</u>	<u>60,000,000</u>
Earnings/(Loss) per share	<u>0.10</u>	<u>0.24</u>

16 GENERAL

16.1 These financial statements were authorized for issue in the Board of Directors meeting held on April 28, 2021

16.2 The figures have been rounded off to the nearest rupee.


Air Marshal Muhammad Arif
Pervaiz (Retd.) Chairman


Air Vice Marshal Salman Ahsan
Bokhari (Retd.) Director


Khalid Saeed Mirza
Director


Sohail N. Kidwai
Chief Executive Officer


Nisar Ahmed Almani
Chief Financial Officer



Window Takaful Operations Financial Statements

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2021

		Operator's Fund		Participants' Takaful Fund	
		March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
		----- Rupees -----			
	Note	Un-Audited	Audited	Un-Audited	Audited
ASSETS					
Qard-e-Hasna to Participants' Takaful Fund	4	22,827,311	21,000,000	-	-
Property and equipment	5	1,390	3,474	-	-
Intangible assets	6	11,130	27,795	-	-
Investments in TDRs	7	27,000,000	27,000,000	20,000,000	20,000,000
Takaful / retakaful receivables	8	-	-	2,534,834	1,636,441
Receivable from OPF / PTF	9	2,075,229	2,285,032	-	-
Deferred wakala fee		-	-	1,766,821	-
Deferred commission expense		790,167	744,434	-	1,493,084
Prepayments	10	1,414,721	1,343,722	522,743	610,014
Other receivable	11	164,314	78,514	89,971	66,836
Cash and bank	12	2,376,556	3,919,797	2,890,878	713,560
		33,833,507	35,402,768	27,805,247	24,519,935
TOTAL ASSETS		56,660,818	56,402,768	27,805,247	24,519,935
EQUITY AND LIABILITIES					
Operator's fund					
Statutory fund		50,000,000	50,000,000	-	-
Accumulated profit / deficit		704,585	480,666	-	-
		50,704,585	50,480,666	-	-
Waqf / Participants' takaful fund					
Ceded money		-	-	500,000	500,000
Accumulated profit / deficit		-	-	(12,977,055)	(12,081,273)
		-	-	(12,477,055)	(11,581,273)
Qard-e-Hasna from Operator's Fund					
	4	-	-	22,827,311	21,000,000
LIABILITIES					
Underwriting provisions					
Outstanding claims including IBNR		-	-	2,831,214	2,174,370
Unearned contribution reserve		-	-	4,660,784	4,088,524
Unearned commission		21,966	32,104	-	-
Unearned wakala fees		1,766,821	1,493,084	-	-
Contribution received in advance		-	-	29,289	117,630
Takaful / Retakaful payables		-	-	7,302,577	5,728,702
Payable to OPF / PTF		-	-	2,075,229	2,285,032
Other creditors and accruals	13	4,167,446	4,396,914	555,897	706,950
		5,956,233	5,922,102	17,454,990	15,101,208
TOTAL FUND AND LIABILITIES		56,660,818	56,402,768	27,805,247	24,519,935

Contingencies and commitments

The annexed notes from 1 to 25 form an integral part of these condensed interim financial information.


Air Marshal Muhammad Arif
Pervaiz (Retd.) Chairman


Air Vice Marshal Salman Ahsan
Bokhari (Retd.) Director


Khalid Saeed Mirza
Director


Sohail N. Kidwai
Chief Executive Officer


Nisar Ahmed Almani
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021


	Note	For the period ended March 31, 2021	For the period ended March 31, 2020
		-----Rupees-----	
PTF revenue account			
Net Takaful contribution	15	806,365	821,264
Wakala expense	16	(878,473)	(877,699)
Underwriting result		(72,108)	(56,435)
Net claims	17	(1,058,512)	(343,213)
Deficit before investment income		(1,130,620)	(399,648)
Investment Income	18	344,967	-
Other income	19	27,859	125,170
Other Expenses	20	-	-
Less: Modarib's share of investment income		(137,987)	-
Loss for the period		(895,782)	(274,478)
Operator's revenue account			
Wakala fee		878,473	877,699
Commission expenses	21	(461,799)	(489,338)
Management expenses	22	(806,729)	(27,148)
		(390,055)	361,213
Modarib's share of PTF investment income		137,987	-
Other expenses	23	(837)	(836,405)
Investment Income	18	465,705	1,568,345
Other Income	19	11,118	-
Profit for the period		223,919	1,093,153
Taxation		-	-
(Loss) / profit after taxation		223,919	1,093,153

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

	Operator's Fund (OPF)		Participants' Takaful Fund (PTF)	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	----- Rupees -----			
OPERATING ACTIVITIES				
a) Takaful activities				
Contribution received	-	-	2,075,853	1,749,560
Re-takaful contributions paid	-	-	(143,195)	(84,951)
Claims paid	-	-	(401,668)	(190,355)
Commissions paid	(364,979)	(539,102)	-	-
Wakala fees received	1,500,000	-	-	-
Wakala fees paid	-	-	(1,500,000)	-
Net cash generated from underwriting activities	1,135,021	(539,102)	30,990	1,474,254
b) Other operating activities				
Management and other expenses paid	(546,130)	(777,935)	-	-
Prepayments	(70,999)	(70,975)	87,271	-
Other receivables	(85,800)	(59,639)	(23,135)	(175)
Other creditors and accruals	(624,846)	(33,368)	(117,944)	(131,733)
Net cash used in other operating activities	(1,327,775)	(941,917)	(53,808)	(131,908)
Total cash (used in) / generated from operating activities	A	(192,754)	(22,818)	1,342,346
INVESTING ACTIVITIES				
Investment and other income received	476,824	1,568,345	372,825	125,169
Addition to fixed assets	-	-	-	-
Addition to intangibles	-	-	-	-
Total cash generated from investing activities	B	476,824	372,825	125,169
FINANCING ACTIVITIES				
Capital injected during the period	-	-	-	-
Ceded money to waqf fund	-	-	-	-
Qrad-e-hasna received / (repaid)	(1,827,311)	-	1,827,311	-
Total cash generated from financing activities	C	(1,827,311)	1,827,311	-
Net increase in cash and cash equivalents	A+B+C	87,326	2,177,318	1,467,516
Cash and cash equivalents at the beginning of period	30,919,797	51,910,392	20,713,560	3,878,964
Cash and cash equivalents at end of the period	29,376,556	51,997,718	22,890,878	5,346,480
Reconciliation to profit and loss account				
Operating cash flows	(192,754)	(1,481,019)	(22,818)	1,342,346
Increase in assets other than cash	1,792,635	1,479,356	1,125,306	1,748,209
Increase in liabilities	(1,696,050)	(454,781)	(2,509,082)	(182,702)
Depreciation / amortisation expense	(18,749)	(18,748)	-	-
Investment and other income - net	476,824	1,568,345	372,825	125,169
Mudarib fee	(137,987)	-	137,987	-
(Deficit) / profit for the period	223,919	1,093,153	(895,781)	3,033,023

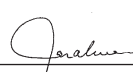
The annexed notes from 1 to 25 form an integral part of these condensed interim financial information.


Air Marshal Muhammad Arif
Pervaiz (Retd.) Chairman


Air Vice Marshal Salman Ahsan
Bokhari (Retd.) Director


Khalid Saeed Mirza
Director

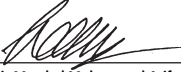

Sohail N. Kidwai
Chief Executive Officer


Nisar Ahmed Almani
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

	Note	For the period ended March 31, 2021	For the period ended March 31, 2020
PARTICIPANTS' TAKAFUL FUND			
Loss for the period		(895,782)	(274,478)
Other comprehensive income for the period		-	-
Total comprehensive income for the period		<u>(895,782)</u>	<u>(274,478)</u>
OPERATORS' FUND			
Profit for the period		223,919	1,093,153
Other comprehensive income for the period		-	-
Total comprehensive income for the period		<u>223,919</u>	<u>1,093,153</u>

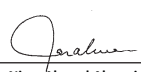
The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.


Air Marshal Muhammad Arif
Pervaiz (Retd.) Chairman


Air Vice Marshal Salman Ahsan
Bokhari (Retd.) Director


Khalid Saeed Mirza
Director


Sohail N. Kidwai
Chief Executive Officer


Nisar Ahmed Almani
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN FUND FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

	Operator's Fund		
	Statutory fund	Accumulated Profit / (loss)	Total
	-----Rupees-----		
Balance as at January 01, 2020	50,000,000	2,994,764	52,994,764
Profit after tax for the period ended March 31, 2020	-	1,093,153	1,093,153
Balance as at March 31, 2020	<u>50,000,000</u>	<u>4,087,917</u>	<u>54,087,917</u>
Balance as at January 01, 2021	50,000,000	480,666	50,480,666
Profit / (Loss) for the period ended March 31, 2021	-	223,919	223,919
Balance as at March 31, 2021	<u>50,000,000</u>	<u>704,585</u>	<u>50,704,585</u>

	Participants' Takaful Fund		
	Cede Money	Accumulated Deficit	Total
	-----Rupees-----		
Balance as at January 01, 2020	500,000	5,500	505,500
Profit after tax for the period ended March 31, 2020	-	(274,478)	(274,478)
Balance as at March 31, 2020	<u>500,000</u>	<u>(268,978)</u>	<u>231,022</u>
Balance as at January 01, 2021	500,000	(12,081,273)	(11,581,273)
Profit / (Loss) for the period ended March 31, 2021	-	(895,782)	(895,782)
Balance as at March 31, 2021	<u>500,000</u>	<u>(12,977,055)</u>	<u>(12,477,055)</u>

The annexed notes from 1 to 25 form an integral part of these condensed interim financial information.


Air Marshal Muhammad Arif
Pervaiz (Retd.) Chairman


Air Vice Marshal Salman Ahsan
Bokhari (Retd.) Director


Khalid Saeed Mirza
Director


Sohail N. Kidwai
Chief Executive Officer


Nisar Ahmed Almani
Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

1. STATUS AND NATURE OF BUSINESS

Shaheen Insurance Company Limited (the Operator) has been authorised to undertake Window Takaful Operations (WTO) on March 14, 2018 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan.

For the purpose of carrying on the Takaful business, the Operator has formed a Waqf (Participants' Takaful Fund (PTF)) on March 20, 2018 under the Waqf Deed with a Cede money of Rs. 500,000. The Waqf Deed and PTF Policies (Waqf Rules) govern the relationship of Operator, Waqf and Participants for management of Takaful operations, investment of Waqf and Operator's Fund as approved by the Shariah Advisor of the Operator. The accounts of the Waqf are maintained by the Operator in a manner that the assets and liabilities of Waqf remain separately identifiable. The condensed interim financial statements of the Operator are prepared such that the financial position and results from the operations of Waqf and the Operator are shown separately.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

The condensed interim financial information has been prepared in accordance with the requirements of the International Accounting standard (IAS) 34 - ' Interim Financial Reporting as applicable in Pakistan, provisions and Directives issued under Companies Act 2017, the Insurance Ordinance 2000, Insurance Rules 2017, the Insurance Accounting Regulations 2017 and Takaful Rules 2012. In case where requirements differ the provisions of or directives issued under Companies Act 2017 the Insurance Ordinance 2000, Insurance Rules 2017 the Insurance Accounting Regulations 2017 and Takaful Rules 2012 shall prevail.

The condensed interim statement of financial position, statement of profit or loss, statement of comprehensive income, statement of cash flows and statement of changes in fund for the period does not include all the information and disclosures required in the annual financial statements.

The condensed interim financial information reflect the financial position and result of operations of both OPF and PTF in a manner that the assets, liabilities, income and expenses of the OPF and PTF remain separately identifiable.

The financial statements are prepared and presented in Pakistani Rupees, which is the Operation's functional and presentation currency.

The condensed interim financial information for the period ended March 31, 2021 has been prepared under historic cost basis except for the available for sale investments, that have been measured at market value. However, the Operator has no available for sale investments as at reporting date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial information are consistent with those applied in the preparation of the annual financial statements of the Operator for the year ended March 31, 2021.

4. QARD-E-HASANA TO PARTICIPANTS' TAKAFUL FUND

	March 31, 2021		December 31, 2020	
	OPF	PTF	OPF	PTF
	-----Rupees-----		-----Rupees-----	
Opening balance of Qard-e-Hasna			-	-
Qard-e-Hasna transferred from OPF during the period / year	22,827,311	(22,827,311)	21,000,000	(21,000,000)
	-	-	-	-
Closing balance of Qard-e-Hasna	22,827,311	(22,827,311)	21,000,000	(21,000,000)

5. PROPERTY AND EQUIPMENT

Particulars	Cost		Depreciation		Written down value as at March 31, 2021	Depreciation Rate
	As at January 01, 2021	Addition / (Disposals)	As at January 01, 2021	Depreciation for the year		
			Rupees			%
Computer hardware	25,000	-	21,526	2,084	1,390	33.33
Comparative						
Particulars	Cost		Depreciation		Written down value as at December 31, 2020	Depreciation Rate
	As at January 01, 2020	Addition / (Disposals)	As at January 01, 2020	Depreciation for the year		
			Rupees			%
Computer hardware	25,000	-	13,193	8,333	3,474	33.33

6. INTANGIBLE ASSETS

Particulars	Cost		Depreciation		Written down value as at March 31, 2021	Depreciation Rate
	As at January 01, 2021	Addition / (Disposals)	As at January 01, 2021	Depreciation for the year		
			Rupees			%
Computer software	200,000	-	172,205	16,665	11,130	33.33
Comparatives						
Particulars	Cost		Depreciation		Written down value as at December 31, 2020	Depreciation Rate
	As at January 01, 2020	Addition / (Disposals)	As at January 01, 2020	Depreciation for the year		
			Rupees			%
Computer software	200,000	-	105,545	66,660	27,795	33.33

	OPF		PTF	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
	-----Rupees-----		-----Rupees-----	
7. INVESTMENT IN TDRS				
Held to maturity				
Deposits maturing within 12 months	27,000,000	27,000,000	20,000,000	20,000,000

- 7.1 This includes term deposits with an Islamic Bank having maturities within 12 months (i.e. upto December 31, 2020). The rate of return on these term deposits is 7.15% (December 31, 2020 : 11.9%) per annum.

	(Unaudited)			(Audited)
	March 31, 2021			December 31, 2020
	Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
	----- Rupees-----			

8. TAKAFUL / RETAKAFUL RECEIVABLES

Due from takaful participant holders	-	1,652,860	1,652,860	754,467
Due from other takaful / retakaful	-	881,974	881,974	881,974
	-	2,534,834	2,534,834	1,636,441

9. RECEIVABLE FROM PTF

Wakala Fee	1,575,066	-	1,575,066	1,922,856
Modarib Fee	500,163	-	500,163	362,176
	2,075,229	-	2,075,229	2,285,032

10. PREPAYMENTS

Prepaid Re-Takaful Ceded	-	310,254	453,449	
Advance tax	1,414,721	212,489	1,627,210	1,500,287
Other	-	-	-	-
	1,414,721	522,743	1,627,210	1,500,287

- 10.1 This includes tax deducted on profit on savings accounts.

	Operator's Fund		Participant's Takaful Fund	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
	----- Rupees-----			

11. OTHER RECEIVABLES

Sindh sales tax receivable	85,800	-	-	-
Accrued profit on bank deposits	78,514	78,514	58,158	58,158
Advance commission	-	-	-	-
GTS receivable claims	-	-	31,813	8,678
	164,314	78,514	89,971	66,836

12. CASH AND BANK

Savings accounts	2,376,556	3,919,797	2,890,878	713,560
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- 12.1 These carry mark-up at rates ranging between 3% to 5% (December 31, 2020: 3% to 5%) per annum.

	Operator's Fund		Participant's Takaful Fund	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
	-----Rupees-----			
13. OTHER CREDITORS AND ACCRUALS				
Federal Takaful fee	-	20,398	23,788	
FED payable	-	248,020	307,443	
Sales tax on services	-	405	3,009	
Tax Payable	54,636	54,636		
Commission payable	882,249	739,696	-	-
Auditors fee	242,785	40,650	-	-
Others	75,150	527,988	287,074	372,710
Payable against common expenses - Conventional	2,912,626	2,670,944	-	-
	4,167,446	4,033,914	555,897	706,950

14. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as on March 31, 2021 and 2020

	Note	For the period ended March 31, 2021	For the period ended March 31, 2020
		-----Rupees-----	
15. NET TAKAFUL CONTRIBUTION			
Written gross contribution		3,095,695	3,160,429
Add: Unearned contribution reserve opening		4,088,524	3,892,234
Less: Unearned contribution reserve closing		(4,660,784)	(4,577,649)
Contribution earned		2,523,435	2,475,014
Less: Re-takaful Contribution ceded		1,573,875	(1,653,750)
Add: Prepaid re-takaful contribution opening		453,449	-
Less: Prepaid re-takaful contribution closing		(310,254)	-
Re-takaful expense		1,717,070	(1,653,750)
Net contribution revenue		806,365	821,264
16. WAKALA EXPENSE			
Gross wakala fee		1,152,210	1,172,163
Add: Deferred wakala opening		1,493,084	1,392,456
Less: Deferred wakala closing		(1,766,821)	(1,686,920)
Wakala expense		878,473	877,699
17. NET CLAIMS			
Claims paid		401,668	496,071
Less: Outstanding claims including IBNR opening		(2,174,370)	(2,513,667)
Add: Outstanding claims including IBNR closing		2,831,214	2,360,809
Claims expense		1,058,512	343,213

	Operator's Fund		Participant's Takaful Fund	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	-----Rupees-----			
18. INVESTMENT INCOME				
PROFIT ON TDR	465,705	1,586,345	344,967	118,385
	<u>465,705</u>	<u>1,586,345</u>	<u>344,967</u>	<u>118,385</u>
19. OTHER INCOME				
Return on bank deposits	7,624	-	27,859	1,871
Others	3,494	-	-	4,913
	<u>11,118</u>	<u>-</u>	<u>27,859</u>	<u>6,784</u>
20. OTHER EXPENSES				
Others	-	-	-	-
			For the period ended March 31, 2021	For the period ended March 31, 2020
			-----Rupees-----	
21. COMMISSION EXPENSES				
Commission paid or payable			517,670	539,102
Add: Deferred commission opening			744,434	770,811
Less: Deferred commission closing			(790,167)	(820,575)
Commission expense			<u>471,937</u>	<u>489,338</u>
Less:				
Commission received or recoverable			-	-
Add: Unearned reinsurance commission opening			32,104	-
Less: Unearned reinsurance commission closing			(21,966)	-
Commission from reinsurance			<u>10,138</u>	<u>-</u>
Commission expense			461,799	489,338
22. MANAGEMENT EXPENSES				
Salaries, wages and benefits			256,800	229,800
Depreciation / amortization			18,749	18,748
Shariah advisory fee			283,335	188,890
Software maintenance			-	330,000
Others			6,160	73,030
Common expenses - Conventional			<u>241,685</u>	<u>-</u>
			<u>806,729</u>	<u>840,468</u>
23. OTHER EXPENSES				
Auditor's remuneration			-	-
Printing and stationery			-	19,150
Others			837	3,935
			<u>837</u>	<u>23,085</u>
22. MODARIB'S FEE				
The shareholders of the company manage the participants' investment as a Modarib and charge 40% Modarib's share of PTF investment income.				
29. Taxation				
Current tax			-	-

23. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise associated companies, entities under common control, entities with common directors, major shareholders, directors, key management personnel and funded employee retirement benefit scheme.

The Operator has not incurred any transactions with related parties during the period and in the prior period.

24. DATE OF AUTHORIZATION OF ISSUE

These condensed interim financial information were authorized for issue on April 28, 2021 by the Board of Directors of the company.

25. GENERAL

All amount have been rounded off to the nearest rupees.



Air Marshal Muhammad Arif
Pervaiz (Retd.) Chairman



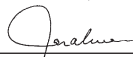
Air Vice Marshal Salman Ahsan
Bokhari (Retd.) Director



Khalid Saeed Mirza
Director



Sohail N. Kidwai
Chief Executive Officer



Nisar Ahmed Almani
Chief Financial Officer

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