

# ALPHA INSURANCE COMPANY LIMITED

## FINANCIAL STATEMENTS

(Un-Audited)

for the three months period ended March 31, 2024

# ALPHA INSURANCE COMPANY LTD

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# ALPHA INSURANCE COMPANY LTD

## *Company Information*

### Board of Directors

**Chairman** : Mr. Tariq Ikram

**Directors** : Mr. Faisal Mumtaz  
Mr. Muhammad Amjad  
Dr. Lubna Ayub  
Syed Shahnawaz Nadir  
Ms. Rafat Sultana

**Chief Executive Officer** : Dr. Syed Arif Hussain

**Chief Financial Officer &  
Company Secretary** : Mr. Muhammad Irfan

**Registered Officer** : 4th Floor, State Life Building No. 1-B, State  
Life Square, I.I. Chundrigar Road, Karachi.

Tel. : 32416041 - 45

Fax : 32419968, 32422478

E-mail : [info@alphainsurance.com.pk](mailto:info@alphainsurance.com.pk)

Website : [www.alphainsurance.com.pk](http://www.alphainsurance.com.pk)



# alpha

## Insurance Company Limited

(A subsidiary of State Life Insurance Corporation of Pakistan)

### Directors' Review

We are presenting the Un-Audited Financial Statements of the Company for the period ended March 31, 2024.

#### Business Overview:

The summarized results along with same period last year performance figures are as follows:

	March Quarter		% Increase/ (Decrease)
	2024	2023	
	----- (Rupees) -----		
Gross Premium Written (Incl. Window Takaful Operation)	<u>117,425,550</u>	<u>50,655,729</u>	131.8%
Net premium revenue	78,966,252	42,107,222	87.5%
Premium deficiency expense	(1,213,732)	(93,484)	1198.3%
Net insurance claims	(37,456,565)	(14,361,856)	160.8%
Net Commission/acquisition cost	(12,381,957)	(9,829,738)	26.0%
Management expenses	(38,400,662)	(24,322,752)	57.9%
Underwriting results	(10,486,664)	(6,500,608)	61.3%
Net investment income	17,991,240	8,383,542	114.6%
Other income	13,351,507	2,490,621	436.1%
Other Expenses	(1,221,021)	(578,088)	111.2%
Finance Cost	(81,235)	(155,704)	-47.8%
Profit / (Loss) after tax from takful operations - Operator's Fund	<u>1,697,930</u>	<u>(34,494)</u>	5022.4%
Profit before tax	<u>21,251,757</u>	<u>3,605,269</u>	489.5%
Taxation	(7,279,168)	(2,936,587)	147.9%
Profit after tax	<u>13,972,589</u>	<u>668,682</u>	1989.6%
Earning per share	0.28	0.01	1989.6%

In first quarter of 2024, there was a 131.8% increase in gross premiums and a 87.5% increase in net premiums compared to the same period last year. Underwriting result also improve in term of its ratio with net premium as compare with last year same period underwriting results. The company managed underwriting and insurance activities more prudently last year. The growth in business activities led to a 57.9% increase in management expenses, primarily due to the recruitment of new marketing staff to grow the business and impact of salary raise during the period. Investment income increased by 114.2%, mainly due to the equity market index's boost as well as increased kibar rate as compare to last year's first quarter.

During the 1st quarter company earned a profit after tax of Rs. 13.97 million, a significant improvement from a profit of Rs. 0.67 million in the same period last year. This good improvement is the reflection of the company's growth strategy, prudent underwriting, excellent claim management, and enhanced focus on investment and risk management functions.

The company initiated a Window Takaful Operation last year. In first quarter of year 2024, Window Takaful Operation, the company achieved a Gross Written Contribution of Rs. 8.7 million and recorded operator's fund profit of Rs.1.69 million in the reporting period ended 31st March 2024.

The Board of Directors expresses gratitude to the company's customers, shareholders, the Securities and Exchange Commission of Pakistan, reinsurance and co-insurance operators, and the management and staff for their unwavering trust, support and dedication. Their continued efforts and hard work have been instrumental in the company's progress.

Dr. Syed Arif Hussain  
Chief Executive Officer

Mr. Tariq Ikram  
Chairman

Karachi : Friday, June 7, 2024

#### Head Office:

Building No. 1-B, State Life Square,  
Off. I.I. Chundrigar Road, Karachi-74000.  
Tel: 021-32416041-45 Fax: 021-32419968

ALPHA INSURANCE COMPANY LIMITED  
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)  
AS AT MARCH 31, 2024

		March 31, 2024 (Un-audited)	December 31, 2023 (Audited)
	Notes	-----Rupees-----	
<b>Assets</b>			
Property and equipment	7	16,708,424	17,610,267
Intangible assets	8	270,492	315,773
<b>Investments</b>			
Equity securities	9	172,022,133	165,355,174
Debt securities	10	543,981,540	298,554,200
Loans and other receivables	11	29,917,045	17,192,556
Insurance / Reinsurance receivables	12	149,513,609	137,546,331
Reinsurance recoveries against outstanding claims	22.2	105,095,250	101,275,592
Salvage recoveries accrued		-	-
Deferred Commission Expense / Acquisition cost	23.1	32,570,206	24,951,808
Deferred taxation		1,059,927	1,059,927
Taxation - payment less provisions	13	76,151,035	79,230,407
Prepayments	14	45,708,792	47,285,919
Cash and bank	15	92,282,357	315,367,626
Total Assets of Window Takful Operations - Operator's Fund		69,850,333	65,196,853
<b>Total assets</b>		<b>1,335,131,143</b>	<b>1,270,942,433</b>
<b>Equity and Liabilities</b>			
<b>Capital and reserves attributable to Company's equity holders</b>			
Authorised share capital: [51,000,000 (2022: 51,000,000) Ordinary shares of Rs. 10 each]		510,000,000	510,000,000
Issued, subscribed and paid-up share capital [50,000,000 (2023: 50,000,000) Ordinary shares of Rs. 10 each]		500,000,000	500,000,000
Reserves	16	78,684,521	61,726,567
Unappropriated profit		170,385,363	156,412,774
<b>Total equity</b>		<b>749,069,884</b>	<b>718,139,341</b>
<b>Liabilities</b>			
<b>Underwriting provisions</b>			
Outstanding claims including IBNR	22.1	239,343,218	216,793,824
Unearned premium reserves	21.1	120,184,835	116,171,934
Premium deficiency reserves	17	6,429,094	5,215,362
Unearned reinsurance Commission	23.2	1,485,417	1,291,035
Retirement benefit obligations		177,449	-
Premium received in advance		15,630,169	13,577,864
Insurance / reinsurance payables	18	94,081,599	92,049,713
Other creditors and accruals	19	93,460,300	95,389,734
Total Liabilities of Window Takful Operations - Operator's Fund		15,269,175	12,313,626
<b>Total liabilities</b>		<b>586,061,256</b>	<b>552,803,092</b>
<b>Total equity and liabilities</b>		<b>1,335,131,143</b>	<b>1,270,942,433</b>
<b>Contingencies and commitments</b>			
	20		

The annexed notes 1 to 32 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chairman

Director

Director

## ALPHA INSURANCE COMPANY LIMITED

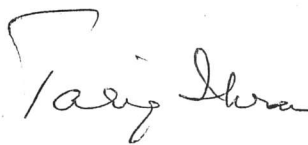
## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

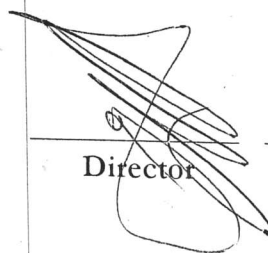
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

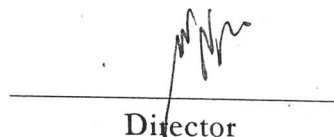
	Notes	Three Months Period Ended March 31,	
		2024	2023
		(Un-audited)	
		(Rupees)	
Net insurance premium	21.2	78,966,252	42,107,222
Net insurance claims	22.3	(37,456,565)	(14,361,856)
Premium deficiency	17.1	(1,213,732)	(93,484)
Net Commission and other acquisition cost	23.3	(12,381,957)	(9,829,738)
Insurance claims and acquisition expenses		(51,052,254)	(24,285,078)
Management Expenses	24	(38,400,662)	(24,322,752)
Underwriting results		(10,486,664)	(6,500,608)
Investment income	25	17,991,240	8,383,542
Other income	26	13,351,507	2,490,621
Other expenses	27	(1,221,021)	(578,088)
		30,121,726	10,296,075
<b>Results of operating activities</b>		19,635,062	3,795,467
Finance cost		(81,235)	(155,704)
<b>Profit before tax</b>		19,553,827	3,639,763
Profit/(loss) from Window Takaful Operations -Operator's Fund after tax	28	1,697,930	(34,494)
Profit before tax		21,251,757	3,605,269
Income tax expense	29	(7,279,168)	(2,936,587)
<b>Profit after tax</b>		13,972,589	668,682
<b>Earnings per share- Basic and Diluted</b>	30	0.28	0.01

The annexed notes 1 to 32 form an integral part of these condensed interim financial statements.

  
Chief Executive Officer

  
Chairman

  
Director

  
Director

ALPHA INSURANCE COMPANY LIMITED  
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
 FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

Three Months Period  
 Ended March 31,

2024                      2023

\* (Un-audited)

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

Profit/(Loss) after taxation

13,972,589

668,682

Other comprehensive loss for the period

Unrealised (loss)/gain on available for sale investments  
 -Net of tax

16,957,954	(38,044,584)
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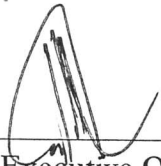
Other comprehensive (loss)/income for the period

16,957,954

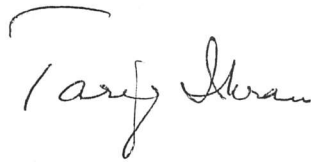
(38,044,584)

Total comprehensive (loss)/income for the period

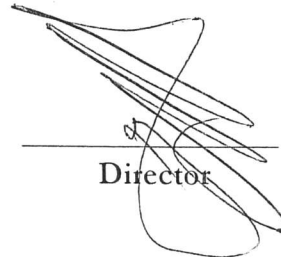
30,930,543	(37,375,902)
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Chief Executive Officer



Chairman




Director




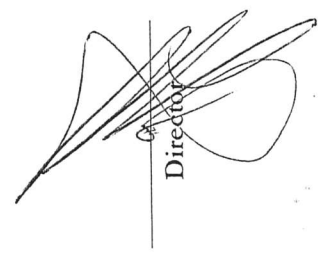
Director


**ALPHA INSURANCE COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024**

	Capital reserve		Revenue reserves		Subtotal Reserves	Un appropriated profit	Total
	Share Capital	Reserve for exceptional losses	General reserve	Unrealised gain/(loss) on revaluation of available for sale - net of tax			
Balance as at January 01, 2023	500,000,000	3,355,000	6,820,000	71,623,987	81,798,987	106,400,660	688,199,647
<i>Total comprehensive loss for the period ended March 30, 2023</i>							
Loss for the period ended March 30, 2023	-	-	-	-	-	668,682	668,682
Other comprehensive loss	-	-	(38,044,584)	(38,044,584)	(38,044,584)	-	(38,044,584)
Balance as at March 30, 2023	500,000,000	3,355,000	6,820,000	33,579,403	43,754,403	107,069,342	650,823,745
Balance as at January 01, 2024	500,000,000	3,355,000	6,820,000	51,551,567	61,726,567	156,412,774	718,139,341
<i>Total comprehensive loss for the period ended March 30, 2024</i>							
Profit for the period ended March 30, 2024	-	-	-	-	-	13,972,589	13,972,589
Other comprehensive loss	-	-	-	16,957,954	16,957,954	-	16,957,954
Balance as at March 30, 2024	500,000,000	3,355,000	6,820,000	68,509,521	78,684,521	170,385,363	749,069,884

  
 Chief Executive Officer

  
 Chairman

  
 Director

  
 Director



**ALPHA INSURANCE COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

Alpha Insurance Company Limited ("the Company") was incorporated in Pakistan on December 24, 1951 under the Indian Companies Act VII of 1913 as a public limited company and registered as a non-life insurance company by the Securities and Exchange Commission of Pakistan (SECP) under the Insurance Ordinance, 2000. The Company is engaged in providing non-life insurance business comprising fire, marine, motor, health, credit and suretyship and miscellaneous. The Company commenced its commercial operations on January 23, 1952.

The registered office of the Company is situated at 4th Floor, Building # 1-B, State Life Square, I. I. Chundrigar Road, Karachi. The Company has 09 (December 31, 2022: 09) branches in Pakistan. The parent entity of the Company is State Life Insurance Corporation of Pakistan holding 95.15% (December 31, 2022: 95.15%) shares of the Company.

The Company was granted authorisation on November 21, 2022 under Rule 6 of the Takaful Rules, 2012 to undertake Window Takaful Operations (WTO) in respect of General Takaful products by the Securities and Exchange Commission of Pakistan (SECP) and the Company has commenced business of Window Takaful Operation in June 2023

**2 STATEMENT OF COMPLIANCE**

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 the Companies Act, 2017; and provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations, 2017 and Takaful Rules, 2012.. Where the provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules 2017 and Insurance Accounting Regulations, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations, 2017 and Takaful Rules, 2012 shall prevail.

**3 BASIS OF PREPARATION**

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2023

The figures in the condensed interim profit and loss account and other comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the relevant notes to the condensed interim financial statements for the three months period ended March 31, 2024 are not audited.

**3.1 BASIS OF MEASUREMENT**

These condensed interim financial statements has been prepared under the historical cost convention except for certain financial assets and liabilities which are stated at fair value or amortised cost as applicable. In addition, obligation in respect of staff retirement benefits is carried at present value.

These condensed interim financial statements has been prepared using the accrual basis of accounting.

**ALPHA INSURANCE COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024**

**3.2 FUNCTIONAL AND PRESENTATION CURRENCY**

Items included in these condensed interim financial statements are measured using the currency of the primary economic environment in which the Company operates. These condensed interim financial statements is presented in Pakistani rupees, which is the Company's functional and presentation currency.

**3.3 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO APPROVED ACCOUNTING STANDARDS**

**3.3.1 Standards, amendments and interpretations to the published standards that are relevant to the company and adopted in the current period**

The Company has adopted the following new standards, amendments to published standards and interpretations of IFRSs which became effective during the current period.

**3.3.2 Standards, amendments and interpretations to the published standards that may be relevant but not yet effective and not early adopted by the Company**

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

<b>Standard or Interpretation</b>	<b>Effective Date (Annual periods beginning on or after)</b>
IAS 1 - Classification of Liabilities as Current or Non-current	January 1, 2024
IAS 1 - Non-current Liabilities with covenants	January 1, 2024
IFRS 16- Lease liability in a sale and leaseback	January 1, 2024
Amendments to IAS 7 and IFRS 7- Supplier finance	January 1, 2024

The Company is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the financial statements of the Company.

**3.3.3 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)**

Following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

**Application of IFRS 9 and IFRS 17**

IFRS 9 'Financial Instruments' is effective for reporting year ended December, 31 2019. It replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment of financial assets, a new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Amendment to IFRS 4 'Insurance Contracts' – Applying IFRS 9 'Financial Instruments with IFRS 4 addresses issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from July 01, 2018 onwards to

**ALPHA INSURANCE COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024**

remove from profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied.

The Company has determined that it is eligible for the temporary exemption option since the company has not previously applied any version of IFRS 9, its activities are predominantly connected with insurance as the percentage of the total carrying amount of its liabilities connected with insurance relative to the total carrying amount of all its liabilities is greater than 90 percent and the company doesn't engage in significant activities unconnected with insurance based on historical available information. Under the temporary exemption option, the company can defer the application of IFRS 9 until the application IFRS 17.

To determine the appropriate classification of financial assets under IFRS 9, an entity would need to assess the contractual cash flows characteristics of any financial asset. Indeed, the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI") i.e. cash flows that are consistent with a basic lending arrangement. In a basic lending arrangement, consideration for the time value of money and credit risk are typically the most significant elements of interest.

IFRS 9 defines the terms "principal" as being the fair value of the financial asset at initial recognition, and the "interest" as being compensation for (i) the time value of money, and (ii) the credit risk associated with the principal amount outstanding during a particular period of time.

Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) - In response to concerns regarding temporary accounting mismatches and volatility, and increased costs and complexity, IASB issued amendments to IFRS 4 Insurance Contracts in 2017. The two optional solutions raised some considerations which required detailed analysis and management judgement. On the issue of IFRS 17 (Revised) Insurance Contracts in June 2020, the end date for applying the two options under the IFRS 4 amendments was extended to January 01, 2023 aligned with the effective date of IFRS 17.

1 SECP vide its letter no. ID/MDPRD/IFRS-17/2021/1716 dated June 15, 2021, has intimated a roadmap for the implementation of IFRS 17 – Insurance Contracts and has specified a four-phased approach for the implementation of IFRS 17.

The said four phase approach is as follows:

- a) Phase One: Gap Analysis.
- b) Phase Two: Financial Impact Assessment.
- c) Phase Three: System Design and Methodology.
- d) Phase Four: Parallel Run and Implementation.

#### **4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies and method of computation adopted for the preparation of this condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements of the Company for the year ended December 31, 2022.

Certain amendments and interpretations to approved accounting standards became effective during the period were not relevant to the Company's operation and do not have any impact on accounting policies of the Company.

#### **5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of these condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates and that such estimates and judgments are continually evaluated based on historical

ALPHA INSURANCE COMPANY LIMITED  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

experience and expectations of future events that are believed to be reasonable under the circumstances.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended December 31, 2022.

**6 INSURANCE AND FINANCIAL RISK MANAGEMENT**

The Company's insurance and financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended December 31, 2022.

7 PROPERTY AND EQUIPMENT	Note	March 31, 2024 (Un-audited)	December 31, 2023 (Audited)
		----- (Rupees) -----	
Operating assets	7.1	3,401,862	3,466,715
Right-of-use assets	7.2	13,306,562	14,143,552
		<u>16,708,424</u>	<u>17,610,267</u>
<b>7.1 Operating assets</b>			
Opening book value		3,466,715	3,793,603
Add: Additions during the period/year		1,079,703	1,279,450
Less: Disposals during the period/year		-	-
		<u>4,546,418</u>	<u>5,073,053</u>
Less: Depreciation for the period/year		<u>(1,144,556)</u>	<u>(1,606,338)</u>
		<u>3,401,862</u>	<u>3,466,715</u>
<b>7.2 Right-of-use assets</b>			
Balance as at January 01, 2023		14,143,552	3,347,962
Add: Additions during the period/year		-	14,143,552
Less: Disposals during the period/year -WDV		-	-
		<u>14,143,552</u>	<u>17,491,514</u>
Depreciation charge for the period/year		<u>(836,991)</u>	<u>(3,347,962)</u>
Balance as at September 30, 2023		<u>13,306,562</u>	<u>14,143,552</u>
<b>8 INTANGIBLE ASSETS</b>			
Opening book value		315,773	496,897
Add: Additions during the period		-	-
Less: Deletions during the period		-	-
		<u>315,773</u>	<u>496,897</u>
Less: Amortization for the period		<u>(45,281)</u>	<u>(181,124)</u>
		<u>270,492</u>	<u>315,773</u>

**ALPHA INSURANCE COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024**

**9 INVESTMENTS IN EQUITY SECURITIES**

	March 31, 2024 (Un-audited)		December 31, 2023 (Audited)	
	Cost	Impairment/ provision value (Rupees)	Cost	Impairment/ provision value (Rupees)
Available for sale				
Listed equity securities	111,309,047	(7,796,434)	111,306,047	(14,460,394)
Unrealized gain	-	-	-	-
	<u>111,309,047</u>	<u>(7,796,434)</u>	<u>111,306,047</u>	<u>(14,460,394)</u>
				<u>165,355,174</u>

**10 INVESTMENTS IN DEBT SECURITIES**

	Note	March 31, 2024 (Un-audited)		December 31, 2023 (Audited)	
		Cost	Impairment/ provision value (Rupees)	Cost	Impairment/ provision value (Rupees)
Held to maturity					
Government securities					
- Pakistan investment bonds	10.1	233,920,564	-	221,790,180	-
- Treasury bills		310,060,976	-	58,332,170	-
		<u>543,981,540</u>	<u>-</u>	<u>280,122,350</u>	<u>-</u>

**10.1** Pakistan Investment Bonds with face value of Rs. 60 million (2022: Rs. 60 million) are placed with State Bank of Pakistan under Section 29 of the Insurance Ordinance, 2000.

ALPHA INSURANCE COMPANY LIMITED  
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
 FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

	March 31, 2024	December 31, 2023
	(Un-audited)	(Audited)
<b>11 LOANS AND OTHER RECEIVABLES</b>		
Receivable from Window Takaful Operation	3,166,670	3,166,670
Accrued investment income	13,116,101	6,648,067
Security deposit	305,120	305,120
Advance for claim management	15,173,051	5,983,835
Agent commission receivable	22,855	22,855
Loans to employees	897,477	408,605
Federal Insurance Fee	-	264,963
Other receivables	402,441	392,441
	<u>29,917,045</u>	<u>17,192,556</u>
	=	=

ALPHA INSURANCE COMPANY LIMITED  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

		March 31, 2024 (Un-audited)	December 31, 2023 (Audited)
		----- (Rupees) -----	
<b>12 INSURANCE / REINSURANCE RECEIVABLES</b>			
- Unsecured and considered good	Notes		
Due from insurance contract holders		62,687,403	52,294,157
Less: provision for impairment of receivables from insurance contract holders		(25,320,431)	(25,320,431)
		37,366,972	26,973,726
Due from other insurers / reinsurers		143,425,265	141,851,233
Less: provision for impairment of due from other insurers / reinsurers		(31,278,628)	(31,278,628)
		112,146,637	110,572,605
		<u>149,513,609</u>	<u>137,546,331</u>
		March 31, 2024 (Un-audited)	December 31, 2023 (Audited)
		----- (Rupees) -----	
<b>13 TAXATION - Payment less provision</b>			
Opening Balance		79,230,407	77,932,083
Tax paid including deducted at source		4,199,796	19,262,588
Provision for taxation		(7,279,168)	(17,964,264)
Closing Balance		<u>76,151,035</u>	<u>79,230,407</u>
<b>14 PREPAYMENTS</b>			
Prepaid reinsurance premium ceded		45,708,792	47,285,919
Prepaid rent		-	-
Prepaid miscellaneous expenses		-	-
		<u>45,708,792</u>	<u>47,285,919</u>
<b>15 CASH AND BANK</b>			
<b>Cash and Cash Equivalent</b>			
- Cash in hand		225,109	-
- Policy & Revenue stamps, Bond papers		619,137	253,717
<b>Cash at bank</b>			
- Current accounts		30,456,339	37,367,430
- Savings accounts	15.1	<u>60,981,772</u>	<u>277,746,479</u>
		<u>92,282,357</u>	<u>315,367,626</u>
15.1 The rate of return on profit and loss savings account maintained at various bank range from 17.50% to 20.25% per annum (2023: 17.80% to 20.25% per annum)			
		March 31, 2024 (Un-audited)	December 31, 2023 (Audited)
		----- (Rupees) -----	
<b>16 RESERVES</b>	Note		
<b>Capital reserve</b>			
Reserve for exceptional losses	16.1	3,355,000	3,355,000
<b>Revenue reserves</b>			
General reserve		6,820,000	6,820,000
Unrealised appreciation on 'available for sale' investments		<u>68,509,521</u>	<u>51,551,567</u>
		<u>78,684,521</u>	<u>61,726,567</u>

ALPHA INSURANCE COMPANY LIMITED  
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
 FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

16.1 The reserve for exceptional losses represents amounts set aside till December 31, 1978 to avail deduction thereof in computing taxable income, as allowed previously under the old Income Tax Act of 1922. After the introduction of the Repealed Income Tax Ordinance, 1979, which did not permit the said deduction, the Company discontinued the setting aside of amounts thereafter as reserve for exceptional losses.

	Note	* March 31, 2024 (Un-audited) ----- (Rupees) -----	December 31, 2023 (Audited) -----
<b>17 PREMIUM DEFICIENCY RESERVES</b>			
Opening balance		5,215,362	1,133,365
Provision/reversal for the period	17.1	1,213,732	4,081,997
Closing balance		<u>6,429,094</u>	<u>5,215,362</u>
<b>18 INSURANCE/REINSURANCE PAYABLES</b>			
Due to other insurers / reinsurers		53,907,998	53,907,998
Cash margins against performance bonds		<u>40,173,601</u>	<u>38,141,715</u>
		<u>94,081,599</u>	<u>92,049,713</u>
<b>19 OTHER CREDITORS AND ACCRUALS</b>			
Agents commission payable		52,585,503	53,151,821
Federal Excise Duty / Sales tax		11,482,505	11,948,097
Lease liability		12,008,984	14,143,552
Sindh Workers' Welfare Fund		2,197,746	2,197,746
Salaries and wages payable		-	372,052
Accrued expenses		2,932,188	2,604,325
Compensated absences		4,057,498	3,542,498
Income tax liabilities		296,527	145,335
Other tax payables		-	67,797
Unpaid and Unclaimed Dividend		3,001,450	3,001,450
Accounts payable for goods & services		2,386,887	906,255
Other creditors & accruals		<u>2,511,012</u>	<u>3,308,806</u>
		<u>93,460,300</u>	<u>95,389,734</u>

The Finance Act, 2008 introduced amendments to the Workers' Welfare Fund (WWF) Ordinance, 1971 whereby the definition of industrial establishment was extended. The amendments were challenged at various levels and conflicting judgments were rendered by the Lahore High Court, Sindh High Court and Peshawar High Court.

The Honorable Supreme Court of Pakistan vide its judgment dated 10 November 2016, has upheld the view of Lahore High Court and decided that WWF is not a tax and hence the amendments introduced through Finance Act, 2008 are ultra-vires to the Constitution.

The Federal Board of Revenue has filed Civil Review Petitions in respect of above judgment with the prayer that the judgment dated November 10, 2016 passed in the Civil Appeal may kindly be reviewed in the interest of justice.

In view of the above, on prudent basis the management has decided not to reverse charge for WWF recorded for the years up to 2015 amounting to Rs. 2.198 million.

**20 CONTINGENCIES AND COMMITMENTS**

**20.1 Contingencies**

There are no material changes in the status of contingencies as same reported in note 21.1 to the financial statements of the Company for the year ended December 31, 2023, excepts specified below:

20.1.1 Various claims amounting to Rs. 74.575 million (2023:Rs. 74.575 million) has been lodged by various parties against the Company. The Company has not acknowledged these claims as the management considers that the company is not liable to settle the amount.

20.2 There were no commitments at the period end.



ALPHA INSURANCE COMPANY LIMITED  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

	Three months period	
	ended March 31,	
Notes	2024	2023
	(Un-audited)	
	----- (Rupees) -----	
<b>21 NET INSURANCE PREMIUM</b>		
Written Gross Premium	108,803,073	50,655,729
Add: Unearned premium reserve opening	116,171,934	85,324,267
Less: Unearned premium reserve closing	(120,184,835)	(78,026,365)
Premium earned	104,790,172	57,953,631
Less: Reinsurance premium ceded	24,246,793	15,629,812
Add: Prepaid reinsurance premium opening	47,285,919	27,073,841
Less: Prepaid reinsurance premium closing	(45,708,792)	(26,857,244)
Reinsurance expense	25,823,920	15,846,409
	78,966,252	42,107,222
<b>22 NET INSURANCE CLAIMS EXPENSE</b>		
Claims paid	20,944,174	8,467,701
Add: Outstanding claims including IBNR closing	239,343,218	228,215,365
Less: Outstanding claims including IBNR opening	(216,793,824)	(210,329,362)
Claim expense	43,493,568	26,353,704
Less: Reinsurance and other recoveries received	2,217,346	82,578
Add: Reinsurance and other recoveries in respect of outstanding claims - closing	105,095,250	103,603,713
Less: Reinsurance and other recoveries in respect of outstanding claims - opening	(101,275,592)	(91,694,443)
Reinsurance and other recoveries revenue	6,037,003	11,991,848
	37,456,565	14,361,856
<b>23 NET COMMISSION / ACQUISITION COST</b>		
Commission paid or payable	20,672,396	8,779,696
Add: Deferred commission expense opening	24,951,808	15,116,328
Less: Deferred commission expense closing	(32,570,206)	(13,836,125)
Net Commission	13,053,998	10,059,899
Less: Commission received or recoverable	866,423	175,555
Add: Unearned Reinsurance commission opening	1,291,035	475,937
Less: Unearned Reinsurance commission closing	(1,485,417)	(421,331)
Commission from reinsurance	672,041	230,161
	12,381,957	9,829,738
<b>24 MANAGEMENT EXPENSES</b>		
Employees benefit cost	22,008,098	12,841,069
Traveling expense	431,664	248,256
Advertisement & sales promotion	605,058	358,960
Printing and stationery	585,908	791,511
Utilities	602,272	488,551
Depreciation	1,525,000	1,223,276
Amortization expense	75,000	45,281
Rent, rates and taxes	2,296,318	247,191
Legal and professional charges - business related	2,860,057	1,852,660

Entertainment	478,052	330,600
Vehicle running expenses	4,828,504	4,240,534
Office repair and maintenance	764,694	1,008,270
Bank charges	57,743	71,280
Postages, telegrams and telephone	503,605	422,456
Annual supervision fee SECP	-	195,250
Bad and doubtful debts	-	230,061
Co-insurance service charges	-	329,563
Insurance charges	-	-
Miscellaneous	778,689	(602,017)
	<u>38,400,662</u>	<u>24,322,752</u>

Three months period  
ended March 31,

2024 2023

(Un-audited)

(Rupees)

25 INVESTMENT INCOME

Income from equity securities - available for sale

Dividend income	1,853,900	246,960
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Income from debt securities - held to maturity

Return on government securities	22,998,364	13,598,381
---------------------------------	------------	------------

Amortization of discount on government securities	935,410	796,231
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	<u>25,787,674</u>	<u>14,641,572</u>
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Less: Reversal / (Impairment) in value of available for sale securities- equity securities	(7,796,434)	(6,258,030)
--	-------------	-------------

Investment related expenses	-	-
-----------------------------	---	---

Net investment income	<u>17,991,240</u>	<u>8,383,542</u>
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26 OTHER INCOME

Income from financial assets

Return on bank balances	6,803,946	2,490,621
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Income from non-financial assets

Liability no longer payable	6,547,561	-
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	<u>13,351,507</u>	<u>2,490,621</u>
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27 OTHER EXPENSES

Auditors' remuneration	484,600	-
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Directors' Fees	460,000	180,000
-----------------	---------	---------

Fees & Subscription	276,421	398,088
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	<u>1,221,021</u>	<u>578,088</u>
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28 PROFIT FROM WINDOW TAKAFUL OPERATIONS - OPERATOR'S FUND

Wakala fee	2,037,152	-
Mudarib Fee	74,811	-
Commission expense	(1,046,750)	-
Ceded money expense	-	(500,000)
General administrative and management expense	(1,012,500)	(510,756)
Investment income	1,482,400	-

Other income	1,018,839	976,262
Other expenses	(162,500)	-
Taxation	(693,521)	-
<b>Profit before tax</b>	<u><u>1,697,930</u></u>	<u><u>(34,494)</u></u>
<b>29 INCOME TAX EXPENSE</b>		
For the period		
- Current	(7,279,168)	(2,936,567)
- Deferred	-	-
	<u><u>(7,279,168)</u></u>	<u><u>(2,936,567)</u></u>
<b>30 EARNINGS PER SHARE</b>		
Profit after tax for the period	<u><u>13,972,589</u></u>	<u><u>668,682</u></u>
	----- (Number of Shares) -----	
Weighted average number of ordinary shares	<u><u>50,000,000</u></u>	<u><u>50,000,000</u></u>
Earnings per share	<u><u>0.28</u></u>	<u><u>0.01</u></u>

No figure for diluted earnings per share has been presented as the Company has not issued any instrument which would have an impact on earnings per share when exercised.

ALPHA INSURANCE COMPANY LIMITED  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

31 GENERAL

Figures in the condensed interim financial statements are rounded off to the nearest rupee.

32 DATE OF AUTHORIZATION

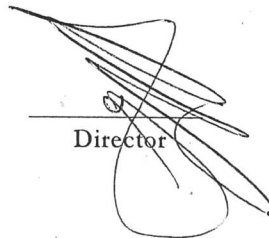
This condensed interim financial statements was authorized for issue on 07-06-2024 by the Board of Directors of the Company.



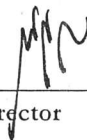
Chief Executive Officer



Chairman



Director



Director

**ALPHA INSURANCE  
COMPANY LIMITED -  
WINDOW TAKAFUL  
OPERATIONS**

**FINANCIAL STATEMENTS**

(Un-Audited)

for the three months period ended March 31, 2024

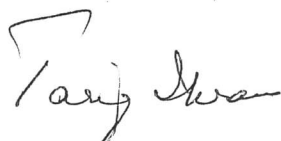
ALPHA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS  
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION OF OPERATOR'S FUND AND PARTICIPANTS'  
TAKAFUL FUND (UNAUDITED)


As at March 31, 2024

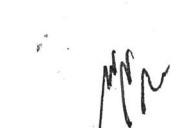
	Note	Operator's Fund		Participant's Takaful Fund	
		March 31, 2024 (Unaudited)	December 31, 2023 (Audited)	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
------(Rupees)-----					
<b>Assets</b>					
Investments	7	25,000,000	25,000,000	-	-
Retakaful recoveries against outstanding claims		-	-	-	-
Takaful / retakaful receivables	10	-	-	8,230,978	9,428,336
Deferred wakala expense	17	-	-	6,386,961	5,406,246
Deferred commission expense	18	3,280,268	2,823,772	-	-
Qard-e-hasna contributed to PTF		-	-	-	-
Receivable from PTF	9	4,758,333	10,709,827	-	-
Taxation - payments less provision		961,912	22,018	20,030	58,252
Other receivables	8	2,578,265	1,095,865	-	-
Prepayments	11	-	-	12,461,351	10,630,110
Cash and bank	12	33,271,555	25,545,371	9,217,421	9,533,696
<b>Total Assets</b>		<b>69,850,333</b>	<b>65,196,853</b>	<b>36,316,741</b>	<b>35,056,640</b>
<b>Funds and Liabilities</b>					
<b>Reserve attributable to:</b>					
<b>Operator's Fund (OPF)</b>					
Statutory fund		50,000,000	50,000,000	-	-
Accumulated Surplus		4,581,157	2,883,227	-	-
Balance of Operator's Fund		54,581,157	52,883,227	-	-
<b>Participant's Takaful Fund (PTF)</b>					
Ceded Money		-	-	500,000	500,000
Accumulated deficit		-	-	(3,953,205)	(2,474,275)
Balance of Participant's Takaful Fund / Waqf		-	-	(3,453,205)	(1,974,275)
<b>Qard-e-Hasna</b>		-	-	-	-
<b>Liabilities</b>					
<b>PTF Underwriting provisions</b>					
Unearned contribution reserve	14	-	-	18,386,841	15,584,797
Outstanding claims/benefits (including IBNR)	16	-	-	2,073,021	490,482
Reserve for Unearned retakaful rebate	15	-	-	381,659	372,110
		-	-	20,841,521	16,447,389
Unearned wakala fees		6,386,961	5,406,246	-	-
Takaful / retakaful payables		-	-	8,391,414	4,649,812
Payable to OPF	9	-	-	4,758,333	10,709,827
Contribution received in advance		-	-	1,252,957	376,317
Other creditors and accruals	13	8,882,214	6,907,380	7,179,015	4,847,570
		15,269,175	12,313,626	21,581,719	20,583,526
<b>Total Fund and Liabilities</b>		<b>69,850,333</b>	<b>65,196,853</b>	<b>38,970,034</b>	<b>35,056,640</b>
<b>Contingencies and commitments</b>					

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

  
Chief Executive Officer

  
Chairman

  
Director

  
Director

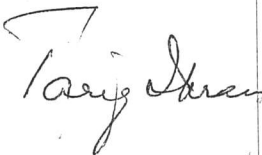
ALPHA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS  
CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS (UNAUDITED)

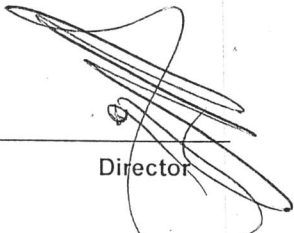
For the three months period ended March 31, 2024

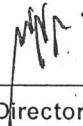
	Note	Three Months ended March 31,	
		2024	2023
		------(Rupees)-----	
<b>Participant's Takaful Fund</b>			
Contribution earned - net of wakala fee	14	3,783,282	-
Less: Contribution ceded to retakaful	14	(3,407,306)	(730,030)
Net contribution revenue		375,976	(730,030)
Re-takaful rebate earned	15	116,900	-
Net underwriting income		492,876	(730,030)
Net claims benefits- reported / settled	16	(2,074,251)	-
Other direct expenses		(72,114)	-
(Deficit) / before investment income		(1,653,489)	(730,030)
Investment income	20	-	-
Other income	22	249,370	-
Less: Modarib's share of investment income		(74,811)	-
<b>Surplus/deficit for the period</b>		<b>(1,478,930)</b>	<b>(730,030)</b>
<b>Operator's Fund</b>			
Wakala fee		2,037,152	-
Commission expense	18	(1,046,750)	-
Ceded money expense		-	(500,000)
General, administrative and management expenses	19	(1,012,500)	(510,756)
		(22,099)	(1,010,756)
Modarib's share of PTF investment income		74,811	-
Investment Income	20	1,482,400	-
Other Income	21	1,018,839	976,262
Other expenses	23	(162,500)	-
<b>Profit Before taxation</b>		<b>2,391,451</b>	<b>(34,494)</b>
Taxation		(693,521)	-
<b>Surplus/deficit for the period after tax</b>		<b>1,697,930</b>	<b>(34,494)</b>

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

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

  
\_\_\_\_\_  
Chairman

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

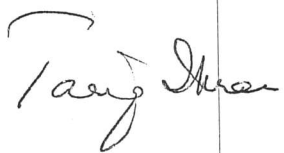
ALPHA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS  
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

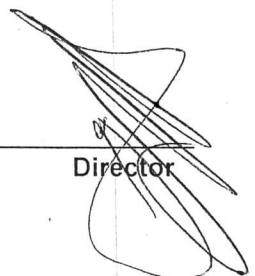
For the three months period ended March 31, 2024

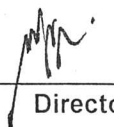
	Three Months ended March 31,	
	2024	2023
	------(Rupees)-----	
<b><u>Participant's Takaful Fund</u></b>		
(Deficit) / Surplus for the period	(1,478,930)	(730,030)
<b>Other comprehensive income / (loss) for the period:</b>		
Unrealized loss on available for sale securities	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b><u>(1,478,930)</u></b>	<b><u>(730,030)</u></b>
<b><u>Operator's Fund</u></b>		
Surplus/deficit for the period after tax	1,697,930	(34,494)
<b>Other comprehensive income / (loss) for the period:</b>		
Unrealized income on available for sale securities	-	-
<b>Total comprehensive (loss) / income for the period</b>	<b><u>1,697,930</u></b>	<b><u>(34,494)</u></b>

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

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

  
 \_\_\_\_\_  
 Chairman

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Director



ALPHA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS  
CONDENSED INTERIM STATEMENT OF CHANGES IN FUNDS (UNAUDITED)

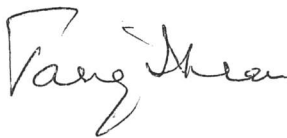
For the Three months period ended March 31, 2024

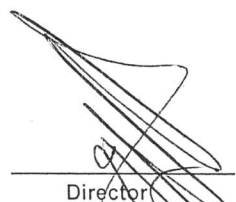
	Operator's Fund			Total
	Statutory fund	Unrealized gain / (loss) on revaluation of available-for-sale	Accumulated Surplus/Deficit	
------(Rupees)-----				
Balance as at January 01, 2023	-	-	-	-
Total comprehensive income/ (loss) for the period ended March 31, 2023			(34,494)	
Net Income/ loss for the period	-	-	-	-
Other comprehensive income for the period	-	-	-	-
Balance as at March 31, 2023	-	-	(34,494)	-
Balance as at January 01, 2024	50,000,000	-	2,883,227	52,883,227
Total comprehensive income/ (loss) for the period ended March 31, 2024			-	-
Net Income/ loss for the period	-	-	1,697,930	1,697,930
Other comprehensive income for the period	-	-	-	-
Balance as at March 31, 2024	50,000,000	-	4,581,157	54,581,157

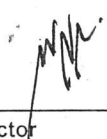
	Participant's Takaful Fund			Total
	Ceded Money	Unrealized gain / (loss) on revaluation of available-for-sale	Accumulated Surplus/Deficit	
Balance as at January 01, 2023	-	-	-	-
Total Surplus/ (Deficit) for the period ended March 31, 2023	500,000	-	(730,030)	
Surplus/Deficit for the period	-	-	-	-
Other comprehensive loss for the period	-	-	-	-
Balance as at March 31, 2023	500,000	-	(730,030)	-
Balance as at January 01, 2024	500,000	-	(2,474,275)	(1,974,275)
Total Surplus/ (Deficit) for the period ended March 31, 2024			-	-
Surplus/Deficit for the period	-	-	(1,478,930)	(1,478,930)
Other comprehensive loss for the period	-	-	-	-
Balance as at March 31, 2024	500,000	-	(3,953,205)	(3,453,205)

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

  
Chief Executive Officer

  
Chairman

  
Director

  
Director

# ALPHA INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the Three months period ended March 31, 2024

### 1. LEGAL STATUS AND NATURE OF BUSINESS

Alpha Insurance Company Limited (the Operator) has been authorized to undertake Window Takaful Operations (WTO) on November 21, 2022 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan. The registered office of the Company is situated at 4th Floor, Building # 1-B, State Life Square, I. I. Chundrigar Road, Karachi.

For the purpose of carrying on the Takaful business, the Operator has formed a Waqf (Participants' Takaful Fund (PTF) on January 11, 2023 under the Waqf Deed with a Seed 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 financial statements of the Operator are prepared in such a manner 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 Securities and Exchange Commission of Pakistan ("SECP") vide its S.R.O 1416(I)/2019 dated 20th November, 2019 has prescribed format of the presentation of published financial statements for general takaful operator for takaful business. These condensed interim financial statements have been prepared in accordance with the format as prescribed by the SECP.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting' as applicable in Pakistan, provision of and directives issued under the Companies Act 2017, insurance Ordinance 2000, Insurance Rules 2017, Takaful Rules 2012. In case requirements differ, the provisions or directives of the Companies Act 2017, Insurance Ordinance 2000, Insurance Rules 2017 and Takaful Rules 2012 have been followed.

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.

This condensed interim financial statements does not include all the information and disclosures required in the annual financial statements. The condensed interim financial statements is first time prepared and all the information and disclosures will be provided in the annual financial statements for the year ended December 31, 2023.

### 3. BASIS OF MEASUREMENT

These condensed interim financial statements has been prepared under the historical cost convention except for certain financial assets and liabilities which are stated at fair value or amortised cost as applicable. These condensed interim financial statements has been prepared using the accrual basis of accounting.

### 4. FUNCTIONAL AND PRESENTATION CURRENCY

Items included in these condensed interim financial statements are measured using the currency of the primary economic environment in which the Company operates. These condensed interim financial statements is presented in Pakistani rupees, which is the Company's functional and presentation currency.

### 5. ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial statements are in conformity with approved accounting standards which 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 polices. The estimates / judgments and associated assumptions used in the preparation of the financial statements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### 6. FINANCIAL AND TAKAFUL RISK MANAGEMENT

The financial risk management objectives and policies are the first time adopted by the Company.

7. INVESTMENTS IN ISLAMIC SUKUK BONDS - Held to maturity

Note	March 31, 2024 (Un-audited)			December 31, 2023 (Audited)		
	Cost	Impairment / provision (Rupees)	Carrying value	Cost	Impairment / provision (Rupees)	Carrying value
Government securities						
- Sukuk Bond	25,000,000	-	25,000,000	25,000,000	-	25,000,000
	25,000,000	-	25,000,000	25,000,000	-	25,000,000

Operator's Fund		Participant's Takaful Fund	
March 31, 2024 (Unaudited)	December 31, 2023 (Audited)	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
----- (Rupees) -----			

8. OTHER RECEIVABLES

Accrued Markup	2,578,265	1,095,865	-	-
	2,578,265	1,095,865	-	-

9. RECEIVABLE FROM OPF / PTF

Wakala fee receivable/payable	11,642,988	8,625,121	11,642,988	8,625,121
Mudarib fee receivable/payable	191,315	116,504	191,315	116,504
Inter fund receivable	(7,075,970)	1,968,202	(7,075,970)	1,968,202
	4,758,333	10,709,827	4,758,333	10,709,827

10. TAKAFUL / RETAKAFUL RECEIVABLES -  
Unsecured and considered good

Contribution due but unpaid	-	-	4,463,930	4,608,601
Less: Provision for doubtful receivables takaful participants' holders	-	-	-	-
	-	-	4,463,930	4,608,601
Amounts due from other takaful / retakaful operators	-	-	3,767,048	4,819,735
	-	-	8,230,978	9,428,336

11. PREPAYMENTS

Prepaid retakaful contribution ceded	-	-	12,461,351	10,630,110
	-	-	12,461,351	10,630,110

12. CASH AND BANK

Cash and cash equivalent				
Policy, revenue stamps and bond papers				
Cash at bank				
Profit and loss sharing account	33,271,555	25,545,371	9,217,421	9,533,696
	33,271,555	25,545,371	9,217,421	9,533,696

The rate of return on profit and loss sharing accounts held with Islamic banks during the period range from 17.00% to 20.15% per annum.

13. OTHER CREDITORS AND ACCRUALS

Payable to Alpha Insurance Company Limited	3,166,670	3,166,670	2,653,293	2,653,293
Sales tax on takaful	-	-	804,738	-
Federal takaful fee	-	-	290,561	219,971
Withholding Tax Payable	771,344	566,956	-	-
Commission payable	4,281,700	2,664,154	-	-
Accrued expenses	662,500	509,600	3,430,423	1,974,306
	8,882,214	6,907,380	7,179,015	4,847,570

Three Months ended March 31,

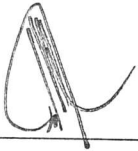
	2024	2023
	----- Rupees -----	
<b>14. NET CONTRIBUTION</b>		
Written gross contribution	8,622,477	-
Add: Unearned contribution reserve opening	15,584,797	-
Less: Unearned contribution reserve closing	(18,386,841)	-
Contribution earned	5,820,433	-
Retakaful contribution ceded	5,238,547	-
Add: Prepaid retakaful contribution opening	10,630,110	-
Less: Prepaid retakaful contribution closing	(12,461,351)	-
Retakaful expense	3,407,306	-
<b>Net contribution</b>	<b>2,413,128</b>	<b>-</b>
<b>15. RE-TAKAFUL REBATE EARNED</b>		
Retakaful rebate received or recoverable	126,449	-
Add: Unearned retakaful rebate opening	372,110	-
Less: Unearned retakaful rebate closing	(381,659)	-
	116,900	-
<b>16. TAKAFUL BENEFITS / CLAIMS EXPENSE</b>		
Benefits / Claims paid or payable	491,712	-
Less: Outstanding Benefits / claims including IBNR opening	490,482	-
Add: Outstanding Benefits / claims including IBNR closing	(2,073,021)	-
Benefits / Claims expense	2,074,251	-
Less: Retakaful and other recoveries received	-	-
Less: Retakaful recoveries against outstanding claims - opening	-	-
Add: Retakaful recoveries against outstanding claims - closing	-	-
Retakaful and other recoveries revenue	-	-
<b>Net Takaful Benefits / Claim Expense</b>	<b>2,074,251</b>	<b>-</b>
<b>17. WAKALA FEE - PTF/OPF</b>		
Gross wakala fee	3,017,867	-
Add: Deferred wakala opening	5,406,246	-
Less: Deferred wakala closing	(6,386,961)	-
Net wakala fee	2,037,152	-
<b>18. COMMISSION EXPENSE - OPF</b>		
Commission paid or payable	1,503,246	-
Add: Deferred commission opening	2,823,772	-
Less: Deferred commission closing	(3,280,268)	-
Commission expense	1,046,750	-
<b>19. GENERAL, ADMINISTRATIVE AND MANAGEMENT EXPENSES - OPF</b>		
Employee benefit cost	180,000	510,756
Legal and professional charges	412,500	-
Professional Charges - IT Related	420,000	-
	1,012,500	510,756
<b>20. INVESTMENT INCOME - OPF</b>		
Islamic securities - Meezan Bank Sukuk	1,482,400	-
	1,482,400	-
<b>21. OTHER INCOME - OPF</b>		
Profit on bank deposits	1,018,839	976,262
	1,018,839	976,262
<b>22. OTHER INCOME - PTF</b>		
Profit on bank deposits	249,370	-
	249,370	-
<b>23. OTHER EXPENSE - OPF</b>		
Auditors' remuneration	87,500	-
Shairah Audit Fee	37,500	-
Out of Pocket Expense	37,500	-
	162,500	-

24. DATE OF AUTHORIZATION FOR ISSUE

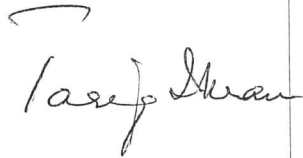
These condensed interim financial statements were authorized for issue on 07-06-2024 by the Board of Directors of the Company.

25. GENERAL

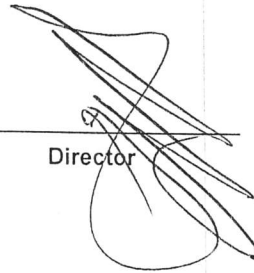
Figures have been rounded off to the nearest rupee.




Chief Executive Officer



Chairman



Director



Director