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ADAMJEE INSURANCE COMPANY LIMITED

BOARD OF DIRECTORS

MOHAMED HANIF ADAMJEE
ABDUL HAMID ADAMJEE
ABDUL RAZAK ADAMJEE
ABDUL GAFFAR ADAMJEE
IQBAL ADAMJEE
AKHTAR K. ALAVI
MIAN ASIF SAID
MOHAMMED CHOUDHURY

Chairman
Director
Director
Director
Director
Director
Director
**Managing Director &
Chief Executive**

AUDIT COMMITTEE

MOHAMED HANIF ADAMJEE
ABDUL HAMID ADAMJEE
ABDUL RAZAK ADAMJEE

Chairman
Member
Member

Secretary/General Manager
Executive Director (Finance)
General Managers

A. AZIZ CHASHMAWALA, B.Com., LL.B.
SYED ZIAUDDIN AHMED, M.Com, F.C.A.
AKHTAR K. ALAVI, A.C.I.I. (London)
SULTAN A. SIDDIQI, B.A.
MIRZA ALI MAHMOOD, B.E. (Mech. & Elec.)
SALIM RAFIK SIDIKI, B.A. (Hons), M.A. (Eco.)
KHAWAJA KHALID MUSTAFA, M.A.
CAPT. MAHMOOD SULTAN, Master Mariner, F.I.C.S. (London),
F.C.I.I. (London) Chartered Ship Broker, Chartered Insurer
ABDUL RAZAK RAHIMTULLAH BRAMCHARI
SYED BASIT HUSSAIN, B.Com.
TAHIR AHMED, B.E. (Met.), M.B.A., A.C.I.I. (London), Chartered Insurer
JAMEEL KHAN, M.A., LL.B.
IQBAL MOHAMMAD, B.A.
AHSAN MAHMOOD ALVI, F.C.A. (England & Wales)
ABDUL HAMID, B.Com, F.C.I.I. (London), Chartered Insurer

General Managers (Development)

ABDUL AZIZ KHADELI, B.Com.
SHAMSUL ARFEEN QURESHI, B.Com.
MAZHAR SALEEM
MAHMOOD A. WAHAB, B.A.
ALTAF A. KARIM, B.A.

Joint General Managers

M. JAHANGIR CHUGHTAI, M.A.
SHAMSUL HAQUE, A.C.I.I. (London)
M. IQBAL VAKIL, B.Com.
S.M.M. RIZVI, B.A.
T.A. ABBASI, B.Com.
AUSTEN B. FREITAS
MOHAMMED EUSOPH JAMAL, M.B.A.
TINKU I. JOHNSON, B.E. (Mech.), M.B.A.
EDRIS H.M. GOAWALA, B.Com., A.C.I.I. (London), Chartered Insurer
SAEED JAN AWAN, M.Com.
GHULAM ABBAS
NAQI ZAMIN ALI, B.Sc. (Hons.)
SYED AGHA HAIDER, M.A.
IRFAN CHOUDHURY, B.Sc. Hon. (England)
CAPT. AZHAR EHTESHAM AHMED, Master Mariner
MIAN FAISAL USMAN, M.B.A., A.C.I.I. (London)
SHAHEEN H. SUMAR, (Mrs.) M.A. (Eco.)
KHALID HAMID, B.E. (Elec.), A.C.I.I. (London), Chartered Insurer

*Joint General Managers
(Development)*

ZERSIS RUSTOM BIRDIE
JAWED USMANI
KHAN MOHAMMAD ANWAR PASHA

AUDITORS

FORD RHODES SIDAT HYDER & CO.
Chartered Accountants, Karachi

HEAD OFFICE

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ADAMJEE INSURANCE COMPANY LIMITED

Registered Office: Adamjee House, I.I. Chundrigar Road, Karachi

NOTICE OF THE FORTYTHIRD ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fortythird Annual General Meeting (AGM) of the Company will be held at the auditorium of the Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, G-31/8, Kehkashan, Clifton, Karachi on Saturday the May 29, 2004 on conclusion of the preceding two AGMs to be held on the same date and venue (of which the 41st AGM is scheduled at 11.00 a.m. followed by 42nd AGM) to transact the following business:-

1. To receive, consider and adopt the audited Accounts for the year ended December 31, 2003 and the Directors' and Auditors' reports thereon.
2. To consider and if thought fit to pass the following resolution as Ordinary Resolution:

RESOLVED:-

- i) "That a sum of Rs.107,757,750 out of the Company's Reserve for issue of Bonus Shares be capitalised and applied in paying up in full to issue at par 10,775,775 fully paid Ordinary Shares of Rs.10 each to be allotted as Bonus Shares to and amongst the holders of the Ordinary Shares of the Company whose names appear in the Register of Members of the Company at the close of business on May 14, 2004 in the proportion of three Ordinary Shares for every twenty Ordinary Shares held and that such new shares shall rank pari passu as regards future dividends and in all other respects with the existing Ordinary Shares of the Company."
 - ii) "That all fractions of Bonus Shares arising on such allotment be consolidated and sold through the Company's broker and that the net proceeds thereof be distributed pro-rata to the members entitled thereto."
 - iii) "That for the purpose of giving effect to the foregoing, the Directors be and are hereby authorised to give such directions as may be necessary and to settle any questions or difficulties that may arise in regard to the distribution of the Bonus Shares or the sale proceeds of the fractions as the directors in their discretion shall deem fit."
3. To appoint Auditors and fix their remuneration.
 4. **Special Business**
To approve the remuneration of a working director.
(See appended a statement under section 160(1)(b) of the Companies Ordinance 1984, in respect of above mentioned Special Business).
 5. To elect nine Directors of the Company as fixed by the Board in accordance with the provisions of the Companies Ordinance 1984, for a period of three years commencing from May 29, 2004. The retiring directors are: Mr.Mohamed Hanif Adamjee, Mr. Abdul Hamid Adamjee, Mr. Abdul Razak Adamjee, Mr.Abdul Gaffar Adamjee, Mr. Iqbal Adamjee, Mr. Akhtar K. Alavi, Mian Asif Said and Mr.Mohammed Choudhury.

Karachi: April 23, 2004

By Order of the Board
A.AZIZ CHASHMAWALA
Secretary

- Notes:** (1) The Share Transfer Books of the Company will remain closed from May 15, 2004 to May 29, 2004 (both days inclusive).
- (2) A member entitled to attend and vote at the Annual General Meeting is entitled to appoint another member as a proxy to attend and vote instead of him/her.

(continued on next page).

- (3) The instrument appointing a proxy must be received at the Registered Office of the Company not less than 48 hours before the time appointed for the Meeting. A member shall not be entitled to appoint more than one proxy. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
- (4) Any person who seeks to contest election to the office of director, whether he is retiring director or otherwise, shall file the following with the Company Secretary (at the Registered Office of the Company), not later than 14 days before the date of the Meeting:
- i) A notice of intention to offer himself/herself for election as a director in terms of Section 178(3) of the Companies Ordinance 1984 together with the consent in Form 28.
 - ii) A declaration, as required under the Code of Corporate Governance, stating that:
 - a) I am aware of my duties and powers under the relevant laws and the Company's Memorandum and Articles of Association and the listing regulations of Stock Exchanges in Pakistan.
 - b) I am not serving as a director of ten other listed companies.
 - c) My name is borne on the register of National Tax Payers and my N.T. No. is _____ /I am a non-resident.
 - d) I have not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a banking company, a Development Financial Institution or a Non-Banking Financial Institution.
 - e) I am not a member of any Stock Exchange or if I am a member of any Stock Exchange, I have not been declared as a defaulter by such Stock Exchange.
 - f) I am not ineligible from being a director of the Company under any law, regulation or directive of the Securities and Exchange Commission of Pakistan.
- (5) CDC shareholders are requested to bring with them their original National Identity Card or original Passport alongwith the Participant's ID number and their account number at the time of attending the Annual General Meeting in order to facilitate identification of the respective shareholders.

STATEMENT UNDER SECTION 160 OF THE COMPANIES ORDINANCE, 1984

Regarding item 4 of the annexed Notice of General Meeting

The shareholders' approval will be sought for payment of remuneration and the provision of certain facilities to the full time working Director in accordance with his terms and conditions of service with the Company. It is proposed to pass the following resolution as Ordinary Resolution:

"Resolved that the remuneration of the full time working Director, Mr. Akhtar K. Alavi, consisting of monthly salary of Rs.74,700 with house rent and other allowances of Rs.34,350 subject to annual increment not exceeding fifteen per cent. Bonus, retirement benefits, medical, leave fare assistance and other benefits, perquisites and facilities incidental or relating to his office will be paid/provided in accordance with Company's rules from time to time in force."

Mr. Akhtar K. Alavi is interested in this business to the extent of his remuneration, benefits and facilities.

THE SHAREHOLDERS

ADAMJEE INSURANCE COMPANY LIMITED

The Directors of your Company take pleasure in presenting to you the annual Accounts for the 43rd year ended December 31, 2003.

We are, indeed, very happy to report that during the year under review, the Company recorded tremendous growth in its volume of business, which was never witnessed in earlier years. The gross direct premium written in Pakistan increased from Rs.3.513 billion in 2002 to Rs.4.457 billion in 2003. The overseas premium for the year, however, was contained as a matter of policy, which stood at Rs.957 million compared to Rs.964 million in the preceding year. The gross direct premium written by the Company during the year, however, aggregated to Rs.5.414 billion against Rs.4.477 billion in 2002 or an increase of Rs.937 million. The overall performance of the Company during the year under review, has been satisfactory, which is evident from its following comparative revenue figures:-

	(Rupees in billion)	
	2003	2002
Gross Direct Premium	5.414	4.477
Net Premium Revenue	3.186	2.884
Net Claims	2.089	2.086
Expenses	0.789	0.743
Net Commission	0.149	0.116
Pre-tax Profit	0.396	0.268

OVERALL PERFORMANCE REVIEW

As will be noticed from the above table, the net premium revenue has increased from Rs.2.884 billion in 2002 to Rs.3.186 billion or an increase of Rs.302 million over the year 2002. The net claims, in terms of percentage, have declined from 72% in 2002 to 66% in 2003. The expenses together with commission account for 29% of the net premium revenue this year compared to 30% in the preceding year. Because of overall improvement in business operations, the pre-tax profit for the year rose significantly to Rs.396 million compared to Rs.268 million last year or an increase of Rs.128 million in the pre-tax profit of the Company.

UNDERWRITING RESULTS

It is a matter of satisfaction that the Company made sizeable underwriting profit of Rs.158.62 million in 2003, the break-up of which, under each class of business, is given below:-

	(Rupees in million)	
	2003	2002
Fire and property	219.948	12.443
Marine, aviation and transport	107.822	358.330
Motor	(143.740)	(449.661)
Others	63.076	(37.086)
Treaty	(88.484)	54.237
Total	<u>158.622</u>	<u>(61.737)</u>

CAPITAL GAINS

As you are aware, because of the excellent performance of stock exchanges of the country, most of the companies in corporate sector, have made large capital gains during the year. These investment incomes in the case of all listed companies, except insurance companies, are exempt from income tax. It is unfortunate that insurance companies whose paid-up capital at the stock exchange constitutes less than 2% of the total market capitalization, have been discriminated and deprived of the income tax relief available to others. It would only be fair and just that the Government Authorities look into this genuine demand of the insurance industry and allow tax relief on capital gains to the insurance sector as well. It is regrettable that the insurance companies who also made good capital gains during the year, are now required to pay income tax at 35% thereof, whereas companies other than insurance companies continue to enjoy this tax relief year after year.

CLAIMS INCURRED BUT NOT REPORTED (IBNR)

The Securities and Exchange Commission of Pakistan (Insurance) Rules, 2002, require insurance companies to provide for claims incurred but not reported (IBNR) in the accounts for the year. Accordingly, the Company has taken into account all claims reported to it up to January 31, 2004, which had incurred up to December 31, 2003. This cut off date for IBNR has been fixed in order to complete the Accounts for the year by middle of February 2004 and to furnish the same well in time to the statutory auditors for their audit, review and report on these Accounts. The Company's auditors, it will be appreciated, generally take 5/6 weeks after the Accounts have been furnished to them for their report thereon.

PREMIUM RECOGNITION

In our last year's report, we had stated that the Company could not comply with the Regulations regarding booking of premiums in full owing to late issuance of Securities and Exchange Commission of Pakistan (Insurance) Rules, 2002, that is, December 2002. The Company as required under the Securities and Exchange Commission of Pakistan (Insurance) Rules, 2002, has booked full premiums in respect of policies issued during the year 2003 disregarding the fact that in certain cases, the entire premium was not collected from the insureds because of agreements with them to receive the same in instalments, subsequently.

RETROCESSION BUSINESS - PAKISTAN REINSURANCE COMPANY LTD (PRCL)

According to the Company's policy, which is being followed for several years, retrocession business of PRCL is accounted for on the basis of statements received up to the end of the previous year with the exception of cash and bank transactions, which are accounted for currently.

Accordingly, the quarterly returns for the four quarters of 2002, have been accounted for in the Accounts of 2003. The quarterly returns for the year 2003 as per the policy, shall be accounted for in the Accounts for the year 2004. Any deviation therefrom would be contrary to the Company's policy and would also result in the distortion of the Accounts for the year.

CASH FLOW STATEMENT IN RESPECT OF OVERSEAS BUSINESS

In accordance with the Securities and Exchange Commission of Pakistan (Insurance) Rules, 2002, the Company has prepared all statements separately in respect of overseas business except the cash flow statement. Due to time constraint, this statement could not be prepared. In future, the same shall be prepared separately along with other overseas statements/returns.

CONTINGENCIES

As explained fully in Note 10 of the Notes to the Accounts, the Company has filed appeals in respect of various matters with the Income Tax Authorities and are confident that the decision shall be made in Company's favour. The Company, as reported earlier, however, has paid the full amount of taxes due from it.

STATUTORY PAYMENTS ON ACCOUNT OF TAXES, DUTIES ETC.

The following amounts (part of creditors/accruals in Company's Balance Sheet) were outstanding on December 31, 2003:-

- | | |
|--------------------------|-------------------|
| 1) Federal Insurance Fee | Rs. 6.606 million |
| 2) Central Excise Duty | Rs.37.172 million |

The above levies, which were due for payment during January/February 2004, have since been paid.

STAFF GRATUITY FUND

The actuarial valuation of the Adamjee Insurance Company Limited Employees' Gratuity Fund as at December 31, 2002 was carried out by M/s Zahid & Zahid, Actuaries last year. The next valuation is due on December 31, 2004. In order to ascertain whether the funds of the Adamjee Insurance Company Employees' Gratuity Fund were adequate to meet its obligations, they were asked for their advice in the matter. They have now confirmed that no expense on account of gratuity is chargeable for the year 2003.

STAFF RETIREMENT BENEFITS

Values of investment of Provident Fund and Gratuity Fund Scheme for the financial year ended December 31, 2003, were as follows:-

	(Rupees in million)
Provident Fund	Rs.159.214
Gratuity Fund	Rs. 88.444
Total	<u>Rs.247.658</u>

CASH AND BANK DEPOSITS

The cash and bank deposits during the year grew satisfactorily to Rs.849.628 million compared to

Rs.667.377 million in 2002 or an increase of Rs.182.251 million. Higher liquidity is important, particularly in the insurance business since it enables the Company settle its claim of any magnitude promptly, thereby building confidence of the insuring public in the Company's financial strength.

INVESTMENT AND MONEY MANAGEMENT

Company regards its investments in stocks/shares as investments "available for sale". Under Rule 16 of the Securities and Exchange Commission of Pakistan (Insurance) Rules, 2002, such investments are to be shown at the lower of cost or market value (market value being taken as lower if the fall is other than temporary).

As explained in detail last year, the diminution in the value of Company's stocks/shares represents accumulation over a long period, which has been reduced significantly over the years, following continuous disposal of most of these impaired stocks/shares. The impaired amount of such stocks/shares stood at Rs.42.835 million as at December 31, 2003, which has been duly provided in the Accounts for the current year in compliance with the Accounting Regulation 16 (Part B of Accounting Regulations for Non-Life Insurance). In this context, it may be pertinent to point out here that in view of the excellent performance of stock exchange, the index was as high as 4,471.60 points on December 31, 2003. The Company made unrealized gains of Rs.1.455 billion on December 31, 2003 in respect of its investments in stocks/shares. Although the Fourth Schedule of the Income Tax Ordinance 2001, dealing with the taxation of insurance companies, requires them to pay tax even on such appreciation in the value of stocks/shares, the Securities and Exchange Commission of Pakistan vide its letter No.SC/MF/D/229/2002 dated October 16, 2002 has allowed the insurance companies to defer the application of International Accounting Standard 39 in respect of "investments available for sale" until such time suitable amendments have been made in the Laws.

With regard to para (ii) of the Auditors' Report to the Members in respect of certain investment requiring categorization as "held for trading", it is stated that the amount involved is insignificant in relation to the Company's overall investments in stocks/shares and as such the same has not been classified as "held for trading". Further, if the income, which is "unrealized" is recognized as gain, it would attract income tax under the 4th Schedule of the Income Tax Ordinance, 2001, which deals with the taxation of insurance companies.

The fixed income securities, which are redeemable at a given time, have been amortized uniformly between the date of acquisition and the date of maturity in determining its cost.

INVESTMENTS

Investments of the Company have risen significantly during the year under report and stood at Rs.2.218 billion compared to Rs.2.109 billion in 2002 or an increase of Rs.109 million over the previous year. These investments broadly consist of the following:-

	(Rupees in million)	
	2003	2002
1) Stocks/shares	896.893	989.189
2) Modaraba Certificates	32.428	34.436
3) NIT/ICP Mutual Funds	216.020	143.066
4) Government Securities	1,057.270	924.813
5) TFCs	15.587	17.740
Total	2,218.198	2,109.244

The investments of the Company together with cash and bank deposits aggregated to Rs.3.068 billion and account for 44% of the total assets of Rs.6.975 billion of the Company on December 31, 2003 compared to its total assets of Rs.5.963 billion last year. An increase of over Rs.1.012 billion in the total assets of the Company in one year is commendable.

INVESTMENT INCOME

Because of the significant growth in the index of stock exchange during the year under review, most of the companies in the corporate sector, particularly banks and insurance companies took advantage of this phenomena and booked large capital gains. The Company also booked sizeable capital gains of Rs.164.594 million during the year compared to Rs.63.117 million earned in 2002. The Company's overall investment income during the year, therefore, recorded substantial growth at Rs.421.993 million compared to Rs.340.695 million in 2002, as stated below:-

	(Rupees in million)	
	2003	2002
Dividend/Interest Income etc.	257.399	277.578
Capital Gains	164.594	63.117
Total	421.993	340.695

PROFIT FOR THE YEAR

The Company has earned an after tax profit of Rs. 392.041 million during the year, which is the highest in its history. The increase in profit is on account of the Company making good underwriting profit and investment income.

ALLOCATION OF PROFIT

The profit for the year (inclusive of the balance of profit of Rs. 217.118 million at the commencement of the year) aggregated to Rs. 609.159 million, after making necessary provisions as required under various statutes, particularly on account of income tax, depreciation, employees' old-age benefits and staff bonus. Your directors recommend appropriation of the above profit in the following manner:

	(Rupees in million)	
i) Reserve for issue of bonus shares in the ratio of three ordinary shares for every twenty ordinary shares (15%) on the increased Paid-up Capital of Rs. 718.384 million (subject to approval in AGM of the previously declared 15% Bonus Shares)		107.758
ii) General Reserve		420.000
iii) Balance to be carried forward		81.401
Total		609.159

AUDIT COMMITTEE

The Audit Committee of the Company comprises the following Members:-

1) Mr. Mohamed Hanif Adamjee	Chairman
2) Mr. Abdul Hamid Adamjee	Member
3) Mr. Abdul Razak Adamjee	Member

STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

Various aspects of corporate law and rules and regulations determine Company's Board of Directors' broad-based functions. The Board is fully aware of its corporate responsibility under the Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan and is pleased to certify to the following effect that:

- 1) The financial statements, prepared by the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- 2) The Company has maintained proper books of accounts as required under the Companies Ordinance, 1984.
- 3) The Company has followed consistently appropriate accounting policies in preparation of the financial statements. Changes wherever made, have been adequately disclosed and accounting estimates are on the basis of prudent and reasonable judgement.
- 4) Financial statements have been prepared by the Company in accordance with the International Accounting Standards as applicable in Pakistan. The departure therefrom, if any, is disclosed adequately.
- 5) The system of internal control is sound and is being implemented and monitored effectively.
- 6) The fundamentals of the Company are strong and there are no doubts about its ability to continue as a going concern.
- 7) The Company has followed the best practices of the Corporate Governance as laid down in the Listing Regulations of the stock exchanges and there has been no material departure therefrom.

BOARD OF DIRECTORS' MEETINGS

During the year 2003, 7 meetings of the Board of Directors were held and attendance by each director is mentioned hereunder:-

Name of Director	Total Number of Board Meetings	Number of Meetings attended
Mr. Mohamed Hanif Adamjee	7	7
Mr. Abdul Hamid Adamjee	7	3
Mr. Abdul Razak Adamjee	7	5
Mr. Abdul Gaffar Adamjee	7	7
Mr. Iqbal Adamjee	7	7
Mr. Akhtar K. Alavi	7	6
Mian Asif Said	7	1
Mr. Saad M.Ali	7	-
(Resigned in January, 2004)		
Mr. Mohammed Choudhury	7	7

Leave of absence was granted to the directors who could not attend the Board Meeting(s).

KEY OPERATING AND FINANCIAL DATA

Following is the summary of key operating and financial data for the last 6 years:-

	(Rupees in million)						
	2003	2002	*2001	*2000	1999	1998	1997
Reserve and Retained Earnings	915.98	523.94	386.74	1,078.12	740.56	692.66	691.70
Investment Income	421.99	340.69	309.70	231.52	186.08	171.72	155.39
Gross Direct Premium	5,413.54	4,477.18	4,233.28	4,224.22	3,511.13	3,220.12	3,123.26
Net Premium Revenue	3,186.20	2,884.07	2,853.92	3,042.49	2,417.96	2,142.08	2,208.50
Net Claims	2,088.69	2,086.88	2,831.55	1,973.39	1,447.00	1,525.29	1,450.90
Profit after Tax	392.04	218.68	(517.26)	155.93	183.50	196.40	290.50
Dividend declared - Cash	-	-	-	15.00%	22.50%	30.00%	35.00%
- Stock	15.00%	30%	-	15.00%	10.00%	10.00%	25.00%

*Restated

EARNINGS PER SHARE

The basic and diluted earnings per share of the Company were Rs.6.28 and Rs. 5.46 respectively.

PATTERN OF SHARE-HOLDING

A statement of pattern of share-holding is separately shown in the report.

TRADING IN COMPANY'S SHARES

Except as detailed below, no trading in the shares of the Company were carried out by the Directors, CEO, CFO, Company Secretary and their spouses and minor children:-

Name	No. of Shares	
	Purchased	Sold
Mr. Mohammed Choudhury	5,000	-

COMPANY'S RATING

The Company's rating was upgraded from 'A+' (A Plus) to 'AA-' (Double A Minus) last year. We are confident because of Company's excellent performance and significant growth in its reserves, investments etc, its rating would further improve, following necessary exercise to be carried out by the rating company, shortly.

FUTURE OUTLOOK OF THE COMPANY

The general economic environment of the country appears to be stable. It is expected that it will generate greater economic activities, providing opportunities to the insurance industry as well to seek appropriate growth in its premium earning. The Company, being the market leader, expects to get its due share in years to come. The future outlook of the Company, no doubt, is positive for the following reasons:-

- 1) During the year 2003, the gross direct premium income of the Company grew by 21% and this trend is continuing in 2004 too.
- 2) Consequent upon the Company having become very selective in its overseas business, its claim ratios have shown visible improvement, which hopefully, would improve Company's overall profitability.
- 3) Following Company's taking various measures in respect of its business underwriting, claim

settlements etc. the overall claim ratios have declined considerably. It is hoped, the business operations would bring about further improvement in Company's results.

ACKNOWLEDGEMENT

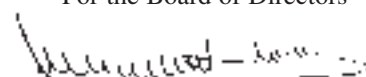
The impressive operational results of the Company for the year under report, reflect the excellent work performed by all its executives, officers, development officers and agents. We are confident, they would continue to work with the same enthusiasm and zeal in future as well to further improve the performance and image of the Company.

We are grateful to our statutory auditors, M/s Ford Rhodes Sidat Hyder & Co, Chartered Accountants who took pains to ensure that the audit work is accomplished within the stipulated time.

The role of reinsurers and brokers in the insurance business, is very vital and significant. We are, indeed, grateful to our leading reinsurers, particularly Swiss Reinsurance Company, Hannover Ruck, besides leading brokers, namely Benfield Greig Ltd, AON Ltd, Willis Limited and Marsh Ltd, for their continued valuable services, advices and support in all reinsurance arrangements.

We are, indeed, thankful to the Securities and Exchange Commission of Pakistan who continue to provide necessary guidance and support in all insurance matters. We are also grateful to the State Bank of Pakistan who have been extending their full support in matters relating to the remittances of foreign exchange in respect of our reinsurance business.

For the Board of Directors



MOHAMED HANIF ADAMJEE
Chairman

Karachi: April 23, 2004

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed financial statements comprising:

- (i) balance sheet;
- (ii) profit and loss account;
- (iii) statement of changes in equity;
- (iv) cash flow statement;
- (v) statement of premium;
- (vi) statement of claims;
- (vii) statement of expenses; and
- (viii) statement of investment income

of **ADAMJEE INSURANCE COMPANY LIMITED** as at **December 31, 2003** together with the notes forming part thereof, for the year then ended.

It is the responsibility of the Company's Board of Directors / Management to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the Approved Accounting Standards as applicable in Pakistan and the requirements of the Insurance Ordinance, 2000 (XXXIX of 2000) and the Companies Ordinance, 1984 (XLVII of 1984). Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the Auditing Standards as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as, evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (i) as stated in note 5.1.1 to the accompanying financial statements, liability for claims "Incurred But Not Reported" (IBNR) has been recorded by the company on the basis of claims reported up to January 31, 2004, which aggregated to Rs.85.388 million, as compared to the claims reported subsequent to the balance sheet date, aggregating to Rs.137.878 million, resulting in a shortfall of Rs.52.490 million therein at the end of the current year.

Had the company recorded the above referred IBNR on the basis of claims reported subsequent to the date of the balance sheet, profit before tax would have reduced by Rs.52.490 million whereas total underwriting provisions would have increased by the same sum;

- (ii) the company has categorized investment in the quoted shares of an investee company as "available for sale" and valued the same at its cost of Rs.29.809 million in the accompanying financial statements, as opposed to categorizing the said investment as "held for trading" and remeasuring the same to its fair value of Rs.95.600 million prevailing at the balance sheet date, as required under International Accounting Standard (IAS) – 39 "Financial Instruments: Recognition and Measurement" (revised 2000), resulting in non-recognition of unrealized gain of Rs.65.791 million in the financial statements of the current year, for the reasons disclosed by the management in note 13.6.

Had the company followed the requirements of the above referred IAS, profit before tax for the current year and investments at the end of the year would have increased by Rs.65.791 million each;

- (iii) the company has not recorded the Pakistan Reinsurance Company Limited (PRCL) Retrocession Business, aggregating to Rs.44.462 million, in the accompanying financial statements, as reported by the PRCL in its quarterly statements received by the company for the three Quarters ended September 30, 2003, in accordance with its policy of recording such business on the basis of statements received up to the end of the previous year, as stated in note 5.15. As a result, the PRCL Retrocession Business has not been recorded by the company in the proper accounting period.

Had the company recorded the above referred PRCL business in these financial statements, profit before tax for the current year would have reduced by Rs.44.462 million, excluding the effects of prior years, whereas "amounts due to other insurers / reinsurers" at the end of the year would have increased by the same amount; and

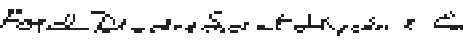
- (iv) the company has not prepared a separate cash flow statement in respect of business written outside Pakistan, required under the Securities and Exchange Commission (Insurance) Rules, 2002, as necessary information in this regard is not presently available with the company.

In our opinion -

- (a) proper books of accounts have been kept by the Company as required by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984;
- (b) the financial statements together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, except for the matters referred to in (i) and (iv) above, and the Companies Ordinance, 1984, and accurately reflect the books and records of the Company and are further in accordance with accounting policies consistently applied except for the change, as stated in note 5.14.1 to the accompanying financial statements, with which we concur;
- (c) except for the effects on the financial statements of the matters referred to in paragraphs (i), (ii) and (iii) above, and omission of separate cash flow statement, as stated in (iv) above, the financial statements together with the notes thereon present fairly, in all material respects, the state of the Company's affairs as at December 31, 2003 and of the profit, its cash flows and changes in equity for the year then ended in accordance with Approved Accounting Standards as applicable in Pakistan, and give the information required to be disclosed by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984; and
- (d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Without qualifying our opinion, we draw attention to the:

- (i) contents of note 10 to the accompanying financial statements in respect of 'Contingencies' the ultimate outcome of which cannot presently be determined and, hence, pending the resolutions thereof, no provision for any liability that may arise as a result thereof has been made in the financial statements of the current year; and
- (ii) disclosures made by the management in note 33 to the accompanying financial statements.


FORD RHODES SIDAT HYDER & CO.
Chartered Accountants.

Karachi - April 23, 2004

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

ADAMJEE INSURANCE COMPANY LIMITED Year ended December 31, 2003

This statement is being presented to comply with the Code of Corporate Governance (the Code) contained in Regulation No.37 and No.XIII of listing regulations of the Karachi Stock Exchange (Guarantee) Ltd. and the Lahore Stock Exchange (Guarantee) Ltd. respectively for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors on its Board of Directors. At present the Board includes one independent non-executive director.
2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including this Company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred in the Board during the year.
5. The Company has prepared a 'Statement of Ethics and Business Practices', which has been signed by all the directors and is in the process of being signed by the employees of the Company.
6. The Board has developed a vision/mission statement. Overall corporate strategy and significant policies of the Company in vogue, are formally to be developed.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and the executive director, have been taken by the Board.
8. All meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter. Written notices of the Board meetings, agenda and working papers were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Board has established a system of sound internal control, which is effectively implemented at all levels within the Company. It includes all the necessary aspects of internal control given in the Code.
10. All the Directors, except one who could not attend, have participated in orientation courses to apprise them of their duties and responsibilities.
11. The Board has approved the remuneration of CFO, Company Secretary and Head of Internal Audit, as determined by the CEO.
12. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
13. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
14. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
15. The Company has complied with all the corporate and financial reporting requirements of the Code.
16. The Board has formed Under Writing, Claim Settlement and Re-insurance & Co-insurance committees. The meetings of these committees were held once every quarter as required by the Code except 3rd quarter of all the committees and 4th quarter of Reinsurance & Coinsurance committee.
17. The Board has formed an audit committee. It comprises of three members, all of whom are non-executive directors including the chairman of the committee.
18. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.

19. The Company has an internal audit department and is manned by experienced and qualified personnel. The audit team is fully conversant with the policies and procedures of the Company and is involved in the internal audit function on a full time basis.
20. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.
21. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
22. We confirm that all other material principles contained in the Code have been complied with.

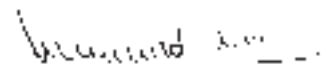


Mohammed Choudhury
*Managing Director &
 Chief Executive*

Karachi: April 23, 2004

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES ON TRANSFER PRICING FOR THE YEAR ENDED DECEMBER 31, 2003

The Company has fully complied with the Best Practices on Transfer Pricing as contained in the Listing Regulations of the Stock Exchanges.



Mohamed Hanif Adamjee
Chairman

Karachi: April 23, 2004

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of Adamjee Insurance Company Limited to comply with the Listing Regulation No.37 (Chapter XI) of Karachi Stock Exchange and Clause 43 (Chapter XIII) of the Listing Regulations of the Lahore Stock Exchange where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance for the year ended December 31, 2003.



FORD RHODES SIDAT HYDER & CO.
 Chartered Accountants

Karachi: April 23, 2004

MISSION

Being the leading insurance company of Pakistan and second best in Asia, our aim is to be a significant participant in developing Pakistan's image by providing maximum insurance protection at the most competitive price in a highly efficient manner for industrial and economic growth.

VISION

To remain the leading insurance company of Pakistan excelling in every aspect of its business and in delivering its obligations as a good corporate citizen to its clients, employees, shareholders, public and to the country

20 YEARS' PROFIT APPROPRIATION AT A GLANCE 1984 TO 2003

(Rupees in Million)

YEAR ENDED	DIVIDEND		BONUS SHARES		General Reserve	Gross Premium	Retained Premium	Profit After Tax
	Rate	Amount	Rate	Amount				
December 31,								
	%	Rs.	%	Rs.	Rs.	Rs.	Rs.	Rs.
1984	35.0	9.97	30.0	8.55	9.50	350.89	248.62	27.75
1985	55.0	20.38	30.0	11.12	6.00	405.46	246.03	37.50
1986	37.5	18.07	20.0	9.63	8.50	504.76	306.49	36.25
1987	37.5	21.68	20.0	11.56	16.50	652.97	377.98	50.04
1988	40.0	27.75	15.0	10.40	5.00	789.34	461.01	43.38
1989	45.0	35.90	10.0	7.97	8.00	822.51	510.37	52.05
1990	40.0	35.11	10.0	8.77	10.00	942.33	610.11	53.68
1991	50.0	48.27	15.0	14.48	39.00	1,096.03	675.25	101.65
1992	40.0	44.41	20.0	22.20	60.00	1,309.83	788.86	126.35
1993	40.0	53.29	20.0	26.64	75.00	1,750.78	1,140.48	155.09
1994	40.0	63.95	25.0	39.97	72.00	2,045.05	1,210.37	176.08
1995	35.0	69.95	25.0	49.96	67.00	2,458.22	1,536.85	186.55
1996	35.0	87.44	25.0	62.45	72.00	2,855.83	1,894.00	221.87
1997	35.0	109.30	25.0	78.07	103.00	3,123.26	2,208.50	290.50
1998	30.0	117.11	10.0	39.04	40.00	3,220.12	2,142.08	196.40
1999	22.5	96.62	10.0	42.94	44.00	3,511.13	2,417.96	183.50
2000	15.0	70.85	15.0	70.85	14.00	4,224.22	3,042.49	155.93
2001	-	-	-	-	(498.50)	4,233.28	2,853.92	(499.01)
2002	-	-	30.0	175.18	-	4,477.18	2,866.32	218.68
2003	-	-	15.0	107.76	420.00	5,413.55	3,444.10	392.04
Total	632.5	930.05	370.0	797.54	571.00	44,186.74	28,981.79	2,206.28
Average	31.63%	46.50	18.50%	39.88	28.55	2,209.34	1,449.09	110.31

	Note	2003 (Rupees in '000)	2002
Share capital and reserves			
Authorised share capital	6	<u>1,500,000</u>	<u>1,500,000</u>
Paid-up share capital	6	624,682	624,682
Retained earnings		81,401	217,118
Reserves			
Reserve for issue of bonus shares		201,460	93,702
Other reserves	7	633,123	213,123
		834,583	306,825
		915,984	523,943
TOTAL EQUITY		<u>1,540,666</u>	<u>1,148,625</u>
Underwriting provisions			
Provision for outstanding claims (including IBNR)		1,662,408	1,677,991
Provision for unearned premium		2,446,928	1,968,572
Commission income unearned		217,314	191,073
Total underwriting provisions		4,326,650	3,837,636
Deferred liability			
Staff retirement benefits	8	10,966	12,333
Creditors and Accruals			
Premiums received in advance		309,759	171,458
Amounts due to other insurers / reinsurers		401,631	436,789
Accrued expenses		114,381	54,927
Taxation – provision less payments		-	54,359
Other creditors and accruals	9	263,108	239,371
		1,088,879	956,904
Other liabilities			
Unclaimed dividends		8,330	8,407
TOTAL LIABILITIES		<u>5,434,825</u>	<u>4,815,280</u>
TOTAL EQUITY AND LIABILITIES		<u>6,975,491</u>	<u>5,963,905</u>
CONTINGENCIES	10		

The annexed notes from 1 to 33 form an integral part of these financial statements.

COMPANY LIMITED

DECEMBER 31, 2003

	Note	2003 (Rupees in '000)	2002
Cash and bank deposits	11		
Cash and other equivalent		139,069	62,210
Current and other accounts		543,532	413,267
Deposits maturing within 12 months		167,027	191,900
		849,628	667,377
Loans	12		
To employees or agents		37,988	40,474
Others		2,882	3,785
		40,870	44,259
Investments	13	2,218,198	2,109,244
Other assets			
Premiums due but unpaid	14	849,715	612,009
Amounts due from other insurers / Reinsurers	14	371,101	287,169
Salvage recoveries accrued		94,952	27,870
Accrued investment income	15	18,445	18,740
Reinsurance recoveries against outstanding claims	14	677,605	720,551
Taxation - payments less provision		107,216	-
Deferred commission expense		293,434	225,662
Prepayments	16	996,654	774,689
Sundry receivables	17	263,310	274,221
		3,672,432	2,940,911
Fixed Assets	18		
Tangible & Intangible			
Buildings		42,907	45,916
Furniture and fixtures		22,224	22,660
Motor vehicles		57,843	54,387
Machinery and equipment		41,972	42,809
Computers and related accessories		26,575	30,608
Capital work-in-progress		-	1,944
Intangible asset		2,842	3,790
		194,363	202,114
TOTAL ASSETS		6,975,491	5,963,905

Certificate of the Directors and Principal Officer under Section 46(6) of the Insurance Ordinance, 2000.

We certify that:

- in our opinion the annual statutory accounts of the Company set out in the forms attached to the statement have been drawn up in accordance with the Ordinance and rules made thereunder;
- the Company has at all times in the year complied with the provisions of the Ordinance and the rules made thereunder relating to paid-up capital, solvency and reinsurance arrangements; and
- as at the date of the statement, the Company continues to be in compliance with the provisions of the Ordinance and the rules made thereunder relating to paid-up capital, solvency and reinsurance arrangements.

Mohammed Choudhury
Managing Director & Chief Executive

Akhtar K. Alavi
Director

Abdul Razak Adamjee
Director

Mohamed Hanif Adamjee
Chairman

ADAMJEE INSURANCE COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2003

(Rupees in '000)

	Note	Fire and Property	Marine, Aviation and		Others	Treaty	Aggregate	
			Transport	Motor			2003	2002
Revenue account								
Net premium revenue		612,837	607,749	1,575,320	243,653	146,643	3,186,202	2,884,070
Net claims		(286,137)	(263,691)	(1,247,390)	(153,388)	(138,062)	(2,088,668)	(2,086,882)
Expenses	19	(175,730)	(170,910)	(332,562)	(68,481)	(41,755)	(789,438)	(742,848)
Net commission		68,978	(65,326)	(139,108)	41,292	(55,310)	(149,474)	(116,077)
Underwriting result		219,948	107,822	(143,740)	63,076	(88,484)	158,622	(61,737)
Investment income							421,993	340,695
Other income	20						37,809	131,537
							618,424	410,495
General and administration expenses	21						(204,931)	(158,425)
Exchange (loss) / gain – net							(17,582)	15,697
Profit before tax							395,911	267,767
Provision for taxation	22						(3,870)	(49,084)
Profit after tax							392,041	218,683
Profit and loss appropriation account								
Balance at the commencement of the year							217,118	173,617
Profit after tax for the year							392,041	218,683
Reserve for issue of bonus shares							(107,758)	(93,702)
Issue of bonus shares (interim)							-	(81,480)
Transfer to general reserve							(420,000)	-
Balance unappropriated profit at the end of the year							81,401	217,118
Basic earnings per share	23						6.28	3.50
Diluted earnings per share	23						5.46	3.04

The annexed notes from 1 to 33 form an integral part of these financial statements.



Syed Ziauddin Ahmed
Executive Director (Finance)



Mohammed Choudhury
Managing Director &
Chief Executive



Akhtar K. Alavi
Director



Abdul Razak Adamjee
Director



Mohamed Hanif Adamjee
Chairman

Karachi: April 23, 2004

ADAMJEE INSURANCE COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2003

1. Business underwritten inside Pakistan

(Rupees in '000)

	Fire and Property	Marine, Aviation and Transport	Motor	Others	Treaty	Aggregate	
						2003	2002
Revenue account							
Net premium revenue	595,019	539,493	900,178	231,881	146,643	2,413,214	2,152,625
Net claims	(273,640)	(201,738)	(482,412)	(143,023)	(138,062)	(1,238,875)	(1,152,790)
Expenses	(169,426)	(153,615)	(256,316)	(66,026)	(41,755)	(687,138)	(629,877)
Net commission	57,650	(67,050)	(57,877)	38,499	(55,310)	(84,088)	(67,266)
Underwriting result	209,603	117,090	103,573	61,331	(88,484)	403,113	302,692
Investment income						421,993	340,695
Other income						35,119	112,148
						860,225	755,535
General and administration expenses						(195,571)	(143,953)
Exchange loss – net						(34,578)	(30,603)
Profit before tax						630,076	580,979
Provision for taxation						(3,870)	(49,084)
Profit after tax						626,206	531,895

The annexed notes from 1 to 33 form an integral part of these financial statements.



Syed Ziauddin Ahmed
Executive Director (Finance)



Mohammed Choudhury
Managing Director &
Chief Executive



Akhtar K. Alavi
Director



Abdul Razak Adamjee
Director



Mohamed Hanif Adamjee
Chairman

Karachi: April 23, 2004

ADAMJEE INSURANCE COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2003

2. Business underwritten outside Pakistan

(Rupees in '000)

	Fire and Property	Marine, Aviation and Transport	Motor	Others	Treaty	Aggregate	
						2003	2002
Revenue account							
Net premium revenue	17,818	68,256	675,142	11,772	-	772,988	731,445
Net claims	(12,497)	(61,953)	(764,978)	(10,365)	-	(849,793)	(934,092)
Expenses	(6,304)	(17,295)	(76,246)	(2,455)	-	(102,300)	(112,971)
Net commission	11,328	1,724	(81,231)	2,793	-	(65,386)	(48,811)
Underwriting result	10,345	(9,268)	(247,313)	1,745	-	(244,491)	(364,429)
Other income						2,690	19,389
						(241,801)	(345,040)
General and administration expenses						(9,360)	(14,472)
Exchange gain – net						16,996	46,300
Loss before tax						(234,165)	(313,212)
Provision for taxation						-	-
Loss after tax						(234,165)	(313,212)

The annexed notes from 1 to 33 form an integral part of these financial statements.



Syed Ziauddin Ahmed
Executive Director (Finance)



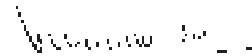
Mohammed Choudhury
Managing Director &
Chief Executive



Akhtar K. Alavi
Director



Abdul Razak Adamjee
Director



Mohamed Hanif Adamjee
Chairman

Karachi: April 23, 2004

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2003

	Share Capital	Capital Reserves			Revenue Reserves		Total
	Issued, subscribed and paid-up	Reserve for issue of bonus shares	Reserve for exceptional losses	Investment fluctuation reserve	General reserve	Retained earnings	
..... (Rupees in '000)							
Balance as at December 31, 2001	543,202	-	22,859	3,764	186,500	173,617	929,942
Issue of bonus shares (interim)	81,480	-	-	-	-	(81,480)	-
Profit after tax	-	-	-	-	-	218,683	218,683
Transfer to reserve for issue of bonus Shares	-	93,702	-	-	-	(93,702)	-
Balance as at December 31, 2002	624,682	93,702	22,859	3,764	186,500	217,118	1,148,625
Profit after tax	-	-	-	-	-	392,041	392,041
Transfer to reserve for issue of bonus shares	-	107,758	-	-	-	(107,758)	-
Transfer to general reserve	-	-	-	-	420,000	(420,000)	-
Balance as at December 31, 2003	624,682	201,460	22,859	3,764	606,500	81,401	1,540,666

The annexed notes from 1 to 33 form an integral part of these financial statements.



Syed Ziauddin Ahmed
Executive Director (Finance)



Mohammed Choudhury
Managing Director &
Chief Executive



Akhtar K. Alavi
Director



Abdul Razak Adamjee
Director



Mohamed Hanif Adamjee
Chairman

Karachi: April 23, 2004

ADAMJEE INSURANCE COMPANY LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2003

2003 2002
(Rupees in '000)

Operating Cash Flows

a) Underwriting activities

Premiums received	5,333,605	4,454,722
Reinsurance premiums paid	(1,470,398)	(728,806)
Claims paid	(3,186,139)	(2,649,565)
Surrenders paid	(61,636)	(85,707)
Reinsurance and other recoveries received	757,069	57,105
Commissions paid	(540,390)	(506,972)
Commissions received	10,551	13,950
Other underwriting payments	(756,889)	(702,437)

Net cash flow from underwriting activities **85,773** (147,710)

b) Other operating activities

Income tax paid	(165,443)	(66,350)
General management expenses paid	(116,215)	(108,374)
Loans advanced	(77,916)	(78,365)
Loan repayments received	74,527	88,051
Other payments for operating assets	(55,748)	(56,254)
Deposits received	40,269	199
Other receipts from sale of operating assets	121,632	49,536

Net cash flow from other operating activities **(178,894)** (171,557)

Total cash flow from all operating activities

(93,121) (319,267)

Investment activities

Profit / return received	10,169	10,782
Dividends received	175,175	187,019
Rentals received	140	1,265
Payments for investments	(152,739)	(69,756)
Proceeds from disposal of investments	298,121	211,548
Fixed capital expenditure	(36,444)	(39,077)
Proceeds from disposal of fixed assets	17,879	12,378
Other income received	3,417	92,265

Total cash flow from investing activities **315,718** 406,424

Financing activities

Dividends paid	(77)	(131)
----------------	------	-------

Total cash flow from financing activities **(77)** (131)

Net cash inflow from all activities **222,520** 87,026

Cash at the beginning of the year **618,323** 531,297

Cash at the end of the year **840,843** 618,323

	2003 (Rupees in '000)	2002
Reconciliation to Profit and Loss Account		
Operating cash flows	(93,121)	(319,267)
Depreciation expense	(31,292)	(32,428)
Gratuity expense	(2,140)	-
Profit on disposal of fixed assets	7,868	8,123
Increase \ (Decrease) in assets other than cash	401,894	827,959
(Increase) \ Decrease in liabilities other than running finance	(196,993)	29,942
	86,216	514,329
Others		
Profit on sale of investments	164,594	63,117
Amortisation expense	(948)	(948)
(Increase) / decrease in unearned premium	(257,893)	(825,936)
Amortization of income on Government Securities – net	132,581	80,171
Provision for funded gratuity written back	-	79,551
Net decrease in loans	(3,389)	-
Income tax paid	165,446	66,350
Gratuity paid	3,507	-
Provision for diminution in value of investments	(42,835)	-
Dividend and other investment income	185,344	197,802
Deposits received	(40,269)	(199)
Other income	3,557	93,530
	309,695	(246,562)
Profit or loss after taxation	395,911	267,767

Definition of cash

Cash comprise of cash in hand, bank balances [excluding Rs.8.785 (2002: Rs.49.054) million held under lien] 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 purposes of the Statement of Cash Flows consists of:**Cash and other equivalent**

Cash in hand	139,069	62,210
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Current and other accounts

Current accounts	460,332	326,367
Savings accounts	83,200	86,900
	543,532	413,267


Deposits maturing within 12 months

Fixed and term deposits accounts	158,242	142,846
	840,843	618,323

The annexed notes from 1 to 33 form an integral part of these financial statements.


Syed Ziauddin Ahmed
Executive Director (Finance)


Mohammed Choudhury
Managing Director &
Chief Executive


Akhtar K. Alavi
Director


Abdul Razak Adamjee
Director


Mohamed Hanif Adamjee
Chairman

Karachi: April 23, 2004



ADAMJEE INSURANCE COMPANY LIMITED

STATEMENT OF PREMIUMS FOR THE YEAR ENDED DECEMBER 31, 2003

Class	Unearned premium reserve				Premiums earned		Reinsurance Ceded		Prepaid re-insurance premium ceded		Net premium revenue	
	Premiums written	Opening	Closing	Premiums earned	Reinsurance Ceded	Opening	Closing	Reinsurance expense	2003	2002	(Rupees in '000)	
Direct and Facultative												
1 Fire and property damage	2,147,521	864,902	1,163,970	1,848,453	1,428,522	571,934	764,840	1,235,616	612,837	456,746		
2 Marine, aviation and transport	909,870	77,957	132,133	855,694	273,747	32,732	58,534	247,945	607,749	764,514		
3 Motor	1,814,511	819,563	908,917	1,725,157	141,441	68,841	60,445	149,837	1,575,320	1,296,976		
4 Miscellaneous	566,552	206,150	241,908	530,794	297,292	101,072	111,223	287,141	243,653	200,723		
Total	5,438,454	1,968,572	2,446,928	4,960,098	2,141,002	774,579	995,042	1,920,539	3,039,559	2,718,959		
Treaty	146,643	-	-	146,643	-	-	-	-	146,643	165,111		
Total	146,643	-	-	146,643	-	-	-	-	146,643	165,111		
Grand Total	5,585,097	1,968,572	2,446,928	5,106,741	2,141,002	774,579	995,042	1,920,539	3,186,202	2,884,070		

The annexed notes from 1 to 33 form an integral part of these financial statements.

Karachi: April 23, 2004

Syed Ziauddin Ahmed
Executive Director (Finance)

Mohammed Choudhury
Managing Director &
Chief Executive

Akhtar K. Alavi
Director

Abdul Razak Adamjee
Director

Mohamed Hanif Adamjee
Chairman

ADAMJEE INSURANCE COMPANY LIMITED

STATEMENT OF PREMIUMS FOR THE YEAR ENDED DECEMBER 31, 2003

1. Business underwritten inside Pakistan

Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance Ceded	Prepaid reinsurance premium ceded		Net premium revenue	
		Opening	Closing			Opening	Closing	2003	2002
Direct and Facultative									
1 Fire and property damage	2,042,376	835,588	1,134,746	1,743,218	1,346,271	547,973	746,045	595,019	441,359
2 Marine, aviation and transport	747,536	43,688	85,043	706,181	177,580	9,436	20,328	539,493	662,468
3 Motor	1,165,136	458,885	586,411	1,037,610	129,036	68,841	60,445	900,178	689,744
4 Miscellaneous	526,710	194,003	221,721	498,992	271,296	92,718	96,903	231,881	193,943
Total	4,481,758	1,532,164	2,027,921	3,986,001	1,924,183	718,968	923,721	2,266,571	1,987,514
Treaty	146,643	-	-	146,643	-	-	-	146,643	165,111
Total	146,643	-	-	146,643	-	-	-	146,643	165,111
Grand Total	4,628,401	1,532,164	2,027,921	4,132,644	1,924,183	718,968	923,721	2,413,214	2,152,625

The annexed notes from 1 to 33 form an integral part of these financial statements.



Syed Ziauddin Ahmed
Executive Director (Finance)

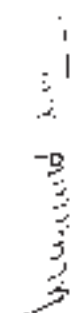


Mohammed Choudhury
Managing Director &
Chief Executive



Akhtar K. Alavi
Director

Abdul Razak Adamjee
Director



Mohamed Hanif Adamjee
Chairman

STATEMENT OF PREMIUMS FOR THE YEAR ENDED DECEMBER 31, 2003

2. Business underwritten outside Pakistan

Class	Premiums written	Unearned premium reserve		Premiums earned	Prepaid reinsurance premium ceded		Net premium revenue	
		Opening	Closing		Reinsurance Ceded	Opening	Closing	2003
Direct and Facultative								
1 Fire and property damage	105,145	29,314	29,224	105,235	82,251	23,961	18,795	17,818
2 Marine, aviation and transport	162,334	34,269	47,090	149,513	96,167	23,296	38,206	68,256
3 Motor	649,375	360,678	322,506	687,547	12,405	-	-	675,142
4 Miscellaneous	39,842	12,147	20,187	31,802	25,996	8,354	14,320	11,772
Total	956,696	436,408	419,007	974,097	216,819	55,611	71,321	772,988
								15,387
								102,046
								607,232
								6,780
								731,445

The annexed notes from 1 to 33 form an integral part of these financial statements.



Syed Ziauddin Ahmed
Executive Director (Finance)



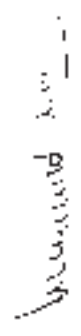
Mohammed Choudhury
Managing Director &
Chief Executive



Akhtar K. Alavi
Director



Abdul Razak Adamjee
Director



Mohamed Hanif Adamjee
Chairman

ADAMJEE INSURANCE COMPANY LIMITED

STATEMENT OF CLAIMS FOR THE YEAR ENDED DECEMBER 31, 2003

Class	Outstanding claims			Reinsurance and other recoveries in respect of outstanding claims			Net claims expense		
	Claims paid	Opening	Closing	Claims Expense	Reinsurance and other recoveries received	Opening	Closing	2003	2002
Direct and Facultative									
1 Fire and property damage	758,544	510,130	497,567	745,981	479,734	379,612	359,722	286,137	325,517
2 Marine, aviation and transport	582,766	240,142	305,421	648,045	303,600	130,051	210,805	263,691	202,430
3 Motor	1,349,119	616,313	591,456	1,324,262	72,063	50,117	54,926	1,247,390	1,331,790
4 Miscellaneous	298,396	261,391	192,371	229,376	117,525	188,641	147,104	153,388	204,394
Total	2,988,825	1,627,976	1,586,815	2,947,664	972,922	748,421	772,557	1,950,606	2,064,131
Treaty									
Proportional	112,484	50,015	75,593	138,062	-	-	-	138,062	22,751
Total	112,484	50,015	75,593	138,062	-	-	-	138,062	22,751
Grand Total	3,101,309	1,677,991	1,662,408	3,085,726	972,922	748,421	772,557	2,088,668	2,086,882

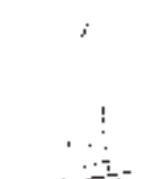
The annexed notes from 1 to 33 form an integral part of these financial statements.



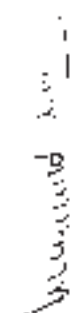
Syed Ziauddin Ahmed
Executive Director (Finance)



Akhtar K. Alavi
Director



Abdul Razak Adamjee
Director



Mohamed Hanif Adamjee
Chairman

Karachi: April 23, 2004

ADAMJEE INSURANCE COMPANY LIMITED

STATEMENT OF CLAIMS FOR THE YEAR ENDED DECEMBER 31, 2003

1. Business underwritten inside Pakistan

Class	Outstanding claims		Reinsurance and other recoveries in respect of outstanding claims		Net claims expense			
	Claims paid	Opening	Closing	Claims Expense	Reinsurance and other recoveries received	Reinsurance and other recoveries revenue	2003	2002
Direct and Facultative								
1 Fire and property damage	631,173	304,842	414,234	740,565	363,820	466,925	273,640	322,866
2 Marine, aviation and transport	482,627	130,426	218,960	571,161	259,672	369,423	201,738	185,730
3 Motor	525,424	171,380	203,047	557,091	69,870	74,679	482,412	425,046
4 Miscellaneous	267,477	249,250	148,633	166,860	92,873	23,837	143,023	196,397
Total	1,906,701	855,898	984,874	2,035,677	786,235	934,864	1,100,813	1,130,039
Treaty								
Proportional	112,484	50,015	75,593	138,062	-	-	138,062	22,751
Total	112,484	50,015	75,593	138,062	-	-	138,062	22,751
Grand Total	2,019,185	905,913	1,060,467	2,173,739	786,235	934,864	1,238,875	1,152,790

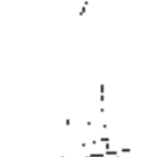
The annexed notes from 1 to 33 form an integral part of these financial statements.



Syed Ziauddin Ahmed
Executive Director (Finance)



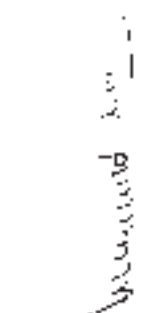
Akhtar K. Alavi
Director



Mohammed Choudhury
Managing Director &
Chief Executive



Abdul Razak Adamjee
Director




Mohamed Hanif Adamjee
Chairman


ADAMJEE INSURANCE COMPANY LIMITED

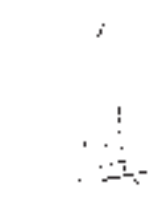
STATEMENT OF CLAIMS FOR THE YEAR ENDED DECEMBER 31, 2003


2. Business underwritten outside Pakistan		Outstanding claims				Reinsurance and other recoveries in respect of outstanding claims		Net claims expense			
		Class	Claims paid	Opening	Closing	Claims Expense	Reinsurance and other recoveries received	Opening	Closing	2003	2002
Direct and											
Facultative											
1	Fire and property damage	127,371	205,288	83,333	5,416	115,914	190,027	67,032	(7,081)	12,497	2,651
2	Marine, aviation and transport	100,139	109,716	86,461	76,884	43,928	78,136	49,139	14,931	61,953	16,700
3	Motor	823,695	444,933	388,409	767,171	2,193	-	-	2,193	764,978	906,744
4	Miscellaneous	30,919	12,141	43,738	62,516	24,652	6,850	34,349	52,151	10,365	7,997
	Total	<u>1,082,124</u>	<u>772,078</u>	<u>601,941</u>	<u>911,987</u>	<u>186,687</u>	<u>275,013</u>	<u>150,520</u>	<u>62,194</u>	<u>849,793</u>	<u>934,092</u>

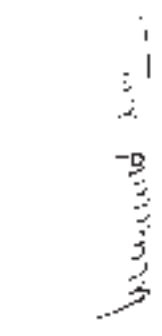
The annexed notes from 1 to 33 form an integral part of these financial statements.


 Syed Ziauddin Ahmed
 Executive Director (Finance)


 Mohammed Choudhury
 Managing Director &
 Chief Executive


 Akhtar K. Alavi
 Director


 Abdul Razak Adamjee
 Director


 Mohamed Hanif Adamjee
 Chairman

ADAMJEE INSURANCE COMPANY LIMITED

STATEMENT OF EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2003

(Rupees in '000)

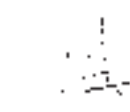
Class	Deferred Commission			Commissions paid or payable	Net commission expense (Refer note 19)	Other management expenses (Refer note 19)	Underwriting expense	Commissions from reinsurers (Refer note)	Net underwriting expense	
	Opening	Closing							2003	2002
Direct and Facultative										
1 Fire and property damage	91,060	129,532	219,714	181,242	175,730	356,972	250,220	106,752	118,786	
2 Marine, aviation and transport	8,798	21,117	114,862	102,543	170,910	273,453	37,217	236,236	203,754	
3 Motor	101,761	107,678	190,064	184,147	332,562	516,709	45,039	471,670	414,847	
4 Miscellaneous	24,043	35,107	66,178	55,114	68,481	123,595	96,406	27,189	33,415	
Total	225,662	293,434	590,818	523,046	747,683	1,270,729	428,882	841,847	770,802	
Treaty										
Proportional	-	-	55,310	55,310	41,755	97,065	-	97,065	88,123	
Total	-	-	55,310	55,310	41,755	97,065	-	97,065	88,123	
Grand Total	225,662	293,434	646,128	578,356	789,438	1,367,794	428,882	938,912	858,925	

Note: Commission from reinsurers is arrived at after taking impact of opening and closing unearned commission.

The annexed notes from 1 to 33 form an integral part of these financial statements.



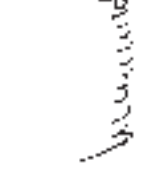
Syed Ziauddin Ahmed
Executive Director (Finance)



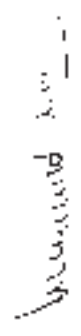
Mohammed Choudhury
Managing Director &
Chief Executive



Akhtar K. Alavi
Director



Abdul Razak Adamjee
Director



Mohamed Hanif Adamjee
Chairman

ADAMJEE INSURANCE COMPANY LIMITED

STATEMENT OF EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2003

1. Business underwritten inside Pakistan	Class	Commissions paid or payable		Deferred Commission		Net commission expense	Other management expenses	Underwriting expense	Commissions from reinsurers (Refer note)	Net underwriting expense	
		Opening	Closing	Opening	Closing					2003	2002
Direct and Facultative	1	209,672	123,698	88,141	174,115	174,115	169,426	343,541	231,765	111,776	120,781
	2	105,904	19,186	5,940	92,658	92,658	153,615	246,273	25,608	220,665	188,134
	3	115,646	67,554	51,809	99,901	99,901	256,316	356,217	42,024	314,193	266,591
	4	64,691	34,019	22,990	53,662	53,662	66,026	119,688	92,161	27,527	33,514
	Total	495,913	244,457	168,880	420,336	420,336	645,383	1,065,719	391,558	674,161	609,020
Treaty	Proportional	55,310	-	-	55,310	55,310	41,755	97,065	-	97,065	88,123
	Total	55,310	-	-	55,310	55,310	41,755	97,065	-	97,065	88,123
	Grand Total	551,223	244,457	168,880	475,646	475,646	687,138	1,162,784	391,558	771,226	697,143

Note: Commission from reinsurers is arrived at taking impact of opening and closing unearned commission.

The annexed notes from 1 to 33 form an integral part of these financial statements.

Karachi: April 23, 2004

Syed Ziauddin Ahmed
Executive Director (Finance)

Mohammed Choudhury
Managing Director &
Chief Executive

Akhtar K. Alavi
Director

Abdul Razak Adamjee
Director

Mohamed Hanif Adamjee
Chairman

ADAMJEE INSURANCE COMPANY LIMITED

STATEMENT OF EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2003

2. Business underwritten outside Pakistan

Class	Deferred Commission			Commissions paid or payable	Net commission expense	Other management expenses	Underwriting expense	Commissions from reinsurers (Refer note)	Net underwriting expense	
	Opening	Closing							2003	2002
Direct and										
Facultative										
1 Fire and property damage	2,919	5,834	7,127	6,304	13,431	18,455	(5,024)	(1,995)		
2 Marine, Aviation and Transport	2,858	1,931	9,885	17,295	27,180	11,609	15,571	15,620		
3 Motor	49,952	40,124	84,246	76,246	160,492	3,015	157,477	148,256		
4 Miscellaneous	1,053	1,088	1,452	2,455	3,907	4,245	(338)	(99)		
Total	56,782	48,977	102,710	102,300	205,010	37,324	167,686	161,782		

(Rupees in '000)

Note: Commission from reinsurers is arrived at taking impact of opening and closing unearned commission.

The annexed notes from 1 to 33 form an integral part of these financial statements.

Karachi: April 23, 2004

Syed Ziauddin Ahmed
Executive Director (Finance)

Mohammed Choudhury
Managing Director &
Chief Executive

Akhtar K. Alavi
Director

Abdul Razak Adamjee
Director

Mohamed Hanif Adamjee
Chairman



ADAMJEE INSURANCE COMPANY LIMITED

STATEMENT OF INVESTMENT INCOME FOR THE YEAR ENDED DECEMBER 31, 2003

	Note	2003 (Rupees in '000)	2002
Income from non-trading investments			
Available for sale			
Return on fixed income securities		129,517	112,675
Return on Term Finance Certificates		2,393	2,898
Dividend income		175,472	172,114
		307,382	287,687
Gain on sale of 'available for sale' investments		164,594	63,117
		471,976	350,804
Held to maturity			
Return on fixed income securities		3,063	105
		475,039	350,909
Provision for impairment in value of available for sale investments	13.1	(42,835)	-
Less: Investment related expenses		(10,211)	(10,214)
Net investment income		421,993	340,695

The annexed notes from 1 to 33 form an integral part of these financial statements.


Syed Ziauddin Ahmed
Executive Director (Finance)


Mohammed Choudhury
Managing Director &
Chief Executive


Akhtar K. Alavi
Director


Abdul Razak Adamjee
Director


Mohamed Hanif Adamjee
Chairman

Karachi: April 23, 2004

1. THE COMPANY AND ITS OPERATIONS

Adamjee Insurance Company Limited is a public limited company, incorporated in Pakistan on September 28, 1960 under the Companies Act, 1913 (now Companies Ordinance, 1984). The company is listed on the Karachi and Lahore stock exchanges and is engaged in general insurance business. The company also operates branches in the United Kingdom, the United Arab Emirates, the Kingdom of Saudi Arabia and Export Processing Zone (refer notes 5.12 and 5.22).

The registered office of the company is situated at Adamjee House, I.I. Chundrigar Road, Karachi.

2. BASIS OF PREPARATION

These financial statements have been prepared on the format of financial statements issued by the Securities and Exchange Commission of Pakistan through Securities and Exchange Commission (Insurance) Rules, 2002 [SEC (Insurance) Rules, 2002], vide S.R.O. 938 dated December 12, 2002.

3. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the requirements of SEC (Insurance) Rules, 2002, the Insurance Ordinance 2000, the Companies Ordinance, 1984 and approved accounting standards as applicable in Pakistan.

Approved accounting standards comprise of such International Accounting Standards as notified under the provisions of the Companies Ordinance 1984. Wherever, the requirements of the Insurance Ordinance, 2000, SEC (Insurance) Rules, 2002, Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of the Insurance Ordinance, 2000, SEC (Insurance) Rules, 2002, Companies Ordinance, 1984 or the requirements of the said directives take precedence.

4. BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Underwriting provisions

5.1.1 Provision for outstanding claims

The liability in respect of outstanding claims is based on the certified statements received from the branches and represents the best estimate of the claims intimated or assessed before the end of the accounting year.

Provision for outstanding claims include amounts in relation to unpaid reported claims, claims Incurred But Not Reported (IBNR) and expected claim settlement costs.

Outstanding claims comprise the estimated cost of claims incurred but not settled at the balance sheet date, whether reported or not. Provisions for reported claims not paid as at the balance sheet date are made on the basis of individual case estimates. In addition, a provision based on claims reported up to January 31 is maintained for the cost of settling claims IBNR at the balance sheet date. Accordingly, the company has recorded a sum of Rs.85.388 million as provision for IBNR.

Reinsurance recoveries against outstanding claims are recognized as an asset and are measured at the amount expected to be realized.

5.1.2 Provision for unearned premium

Provision for unearned premium represents the portion of premium written relating to the unexpired period of coverage.

Since majority of policies are issued for one year, the company recognizes the unearned portion of premium income as a liability, by applying the twenty-fourths method, in accordance with the option given under SEC (Insurance) Rules, 2002.

5.1.3 Commission income

Commission income receivable from reinsurers is taken to profit and loss account in accordance with the pattern of recognition of the reinsurance premium to which they relate.

5.2 Premium deficiency reserve

In order to comply with the SEC (Insurance) Rules, 2002, a premium deficiency reserve is required to be maintained, commencing from the current year. Where provision for unearned premium for any class of business is not adequate to meet the expected future liability, after reinsurance, from claims and other supplementary expenses, including reinsurance expense, commissions and other underwriting expenses, expected to be incurred after balance sheet date in respect of policies in that class of business in force at the balance sheet date, a premium deficiency reserve is recognised as a liability to meet the deficit. The movement in premium deficiency reserve is recorded as an expense.

No provision has been made during the current year as the cumulative unearned premium reserve for all classes of business as at the year end is adequate to meet the expected future liability after reinsurance from claims and other expenses, expected to be incurred after the balance sheet date in respect of policies in force at the balance sheet date.

5.3 Staff retirement benefits

5.3.1 Defined contribution plan

The company operates a funded contributory provident fund (defined contribution plan) for all employees. Equal monthly contributions are made, both by the company and the employees, to the fund at the rate of 8.33% of basic salary.

5.3.2 Defined benefit plans

The company operates the following defined benefit plans:

- (a) a funded gratuity scheme (defined benefit plan) in respect of the employees in Pakistan to which the company makes contribution on the basis of recommendations made by the actuary. The latest actuarial valuation was carried out as at December 31, 2002, using the Projected Unit Credit Method (note 17.2).
- (b) unfunded gratuity schemes (defined benefit plan), covering the employees of the company in the United Arab Emirates (UAE) and Saudi Arabia, as per the requirements of the legislations applicable in UAE and Saudi Arabia, in respect of which the company makes appropriate provision in its books of account. The company has not appointed an actuary to carry out actuarial valuation for these schemes, as the management is of the view that the number of employees of the company in the UAE and Saudi Arabia represents an insignificant number (46) of the total employees of the company and, hence, this exercise will not result in any additional liability in this respect.

5.3.3 Compensated absences

The company accounts for these benefits in the period in which the absences are earned.

5.4 Taxation

5.4.1 Current

Provision for taxation is based on taxable income, calculated in accordance with the Fourth Schedule to the Income Tax Ordinance, 2001, at current rates of taxation after taking into account rebates and tax credits available, if any, or turnover tax under Section 113 of the Income Tax Ordinance, 2001, whichever is higher.

5.4.2 Deferred

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or subsequently enacted at the balance sheet date.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the asset can be utilized.

5.5 Investments

5.5.1 Recognition

All investments are initially recognised at cost, being the fair value of the consideration given and include transaction costs. Subsequently, these are classified into the following categories:

- Held to maturity
- Available for sale

All 'regular way' purchases and sales of financial assets are accounted for at trade date.

5.5.2 Measurement

5.5.2.1 Held to maturity

Investments with fixed maturity, where management has both the intent and the ability to hold to maturity, are classified as held-to-maturity.

Subsequent to initial recognition at cost, these investments are measured at amortised cost, less provision for impairment in value, if any. Amortised cost is calculated taking into account any discount or premium on acquisition by using effective interest rate method.

5.5.2.2 Available-for-sale – marketable securities

Investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity or changes in interest rates are classified as available for sale.

Subsequent to initial recognition at cost, these are stated at the lower of cost or market value (market value being taken as lower if the fall is other than temporary) in accordance with the requirements of the SEC (Insurance) Rules, 2002. The company uses latest stock exchange quotations in an active market to determine the market value of its quoted investments whereas, impairment in the value of investments in delisted companies is computed by reference to net assets and financial position of the investee on the basis of the latest audited available financial statements.

Had these investments been measured at fair value as required under IAS – 39, investments at the end of the year would have been higher by Rs.1,695.870 (2002: Rs.700.268) million with the corresponding increase in profit before tax for the current year or equity at the end of the year.

5.5.2.3 Available-for-sale – fixed income investments

In view of the disposal of a substantial portion of fixed income investment (Defence Saving Certificates) in prior years, 'held to maturity' investments have been classified as 'available for sale', in accordance with the requirements of IAS – 39.

These are financial assets redeemable at a given date where the cost is different from the redemption value. The difference between the cost and the redemption value is amortised uniformly over the period between the acquisition date and the date of maturity in determining 'cost'.

Subsequent to initial recognition, these investments are measured at 'cost', as determined above, in accordance with the requirements of the SEC (Insurance) Rules, 2002.

Had the company computed the same at the effective rate of return as required under IAS – 39, profit after tax for the current year would have been lower by Rs. 261.802(2002: Rs.158.448) million.

5.6 Deferred commission expense

Commission costs incurred in obtaining and recording policies of insurance and reinsurance are being deferred and recognised as an asset in correlation with unearned premium that will be recognised in the subsequent reporting periods. Accordingly, it is recognized in the profit and loss account as an expense in accordance with the pattern of recognition of premium revenue.

5.7 Prepaid reinsurance expense

This represents the portion of reinsurance premium which is not yet recognised as an expense.

5.8 Amount due to / from other insurers / reinsurers

Amounts due to / from other insurers / reinsurers are carried at cost which is the fair value of the consideration to be received / paid in the future for services.

5.9 Salvage recoveries

This represents management's best estimate of salvage held by the management at the year end in respect of vehicles recovered / repossessed.

5.10 Fixed assets

5.10.1 Tangible

These are stated at cost less accumulated depreciation and impairment, if any, except for capital work in progress, which is stated at cost. Depreciation is charged to income applying the reducing balance method at the rates specified in note 18 to the financial statements. Depreciation is charged from the date of acquisition whereas no depreciation is charged in the year of disposal.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Gains and losses on disposal of fixed assets are taken to the profit and loss account.

5.10.2 Intangible

The intangible asset is stated at cost less accumulated amortisation and impairment, if any.

Amortisation is calculated on a straight-line basis over the estimated useful life of the asset.

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

5.11 Allocation of expenses / income to profit and loss account

Expenses have been allocated by the management to various classes of business and to the profit and loss account on a basis which appeared to them as equitable.

5.12 Foreign operations

The income and expense amounts relating to the company's business derived from its branches/agencies in the United Kingdom, Saudi Arabia and Export Processing Zone are accounted for on the basis of unaudited statements received from the respective branches/agencies whereas that of the United Arab Emirates are accounted for on the basis of audited financial statements (note 7.3).

The branch in the United Kingdom has closed its operations and is in "run-off" status with effect from January 1, 1998. Further, during the current year, the Board of Directors of the company has decided to wind up the Saudi Arabia business with effect from October 01, 2003 (note 5.22).

5.13 Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are carried at the rate of exchange ruling at the balance sheet date. All exchange gains / losses are taken to income currently.

5.14 Revenue recognition

5.14.1 Premium income earned

Premium income under a policy is recognised over the period of insurance from the date of the issue of the policy to which it relates to its expiry as follows:

- (a) For direct business, evenly over the period of the policy.
- (b) For proportional reinsurance business, evenly over the period of underlying insurance policies.
- (c) For non-proportional reinsurance business, on inception of the reinsurance contract in accordance with pattern of reinsurance service.

Where the pattern of incidence of risk varies over the period of the policy, premium is recognised as revenue in accordance with the pattern of the incidence of risk.

Administrative surcharge is recognised as premium at the time the policies are written.

CHANGE IN ACCOUNTING POLICY

Commencing from the current year, in order to comply with the requirements of SEC (Insurance) Rules, 2002, the company has changed its accounting policy for premium received in installments whereby full premium for the duration of the policy (where premiums for a policy are payable in installments) is recognised as income at the inception of the policy and a related asset is set up in respect of the premium receivable, as opposed to the past policy of recording the premium for policies receivable in installments on receipt basis.

The above change in accounting policy has been applied prospectively (with no restatement of comparatives), using the Allowed Alternative Treatment, as specified in International Accounting Standard (IAS) - 8 "Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies". Additional proforma comparative information, required as a result of the above, has not been presented in these financial statements as the management believes that it is impracticable to do so.

The effect of the change in accounting policy is an increase in premium income for the current year by Rs.283.100 million with a corresponding increase in premiums due but unpaid as at the end of the current year.

5.14.2 Income from non-trading investments – available for sale

5.14.2.1 Return on fixed income securities

Return on fixed income securities – available for sale is recognized on a time proportion basis.

5.14.2.2 Dividend

Dividend income is recognized when the right to receive such dividend is established.

5.14.2.3 Gain on sale of available for sale investments

Gain on sale of investments is included in income currently.

5.14.2.4 Return on Term Finance Certificates

Return on Term Finance Certificates (TFCs) is recognised on an accrual basis.

5.14.3 Income from non-trading investments – held to maturity

Return on fixed income securities which are held to maturity is recognized by taking into account the relevant maturity dates and the applicable markup rates in respect thereof.

5.14.4 Income from car repairs

Income from car repairs is recognized on an accrual basis.

5.15 Pakistan Reinsurance Company Limited (PRCL) Retrocession

PRCL Retrocession Business is accounted for on the basis of PRCL statements received up to the end of the previous year from the PRCL, with the exception of cash and bank transactions which are accounted for currently.

5.16 Cash and cash equivalent

Cash and cash equivalent comprises (a) cash on deposit accounts with banks (b) cash (and cheques) in hand, in transit and at banks on current accounts and (c) stamps in hand.

5.17 Financial instruments

All financial assets and liabilities are recognised at the time when the company becomes a party to the contractual provisions of the instrument. Any gain or loss on the de-recognition of the financial assets and liabilities is included in the net profit or loss for the period in which it arises.

5.18 Off setting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the company has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

5.19 Segment reporting

Primary segments

The company's operating businesses are organised and managed separately according to the nature of services provided, with each segment representing a strategic business unit that offers different services and serves different markets.

The perils covered under insurance include damages by fire, riot and strike, explosion, earthquake, atmospheric damage, flood, electric fluctuation and impact.

Marine insurance provide coverage against cargo risk, war risk and damages occurring in inland transit.

Motor insurance provides comprehensive car coverage and indemnity against third party loss.

Miscellaneous insurance provide cover against burglary, loss of cash in safe and cash in transit, personal accident money, engineering losses and other coverage.

Secondary segments

Revenues are attributed to geographical segments based on the location of the assets producing the revenues.

5.20 Loans and sundry receivables

These are recognized at cost, which is the fair value of the consideration given. However, an assessment is made at each balance sheet date to determine whether there is objective evidence that a financial asset or group of assets may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognized for the difference between the recoverable amount and the carrying amount.

5.21 Other creditors and accruals

Liabilities for creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

5.22 Discontinued operations

On September 19, 2003, the Board of Directors of the company decided to discontinue its operations in Saudi Arabia with effect from October 01, 2003. The above decision was taken pursuant to a reported amendment in the Saudi Insurance Laws, requiring every insurance company to have a minimum paid up capital of Saudi Riyal 100.00 million. Keeping in view the insignificant volume of business in Saudi Arabia, the Board of Directors of the company decided to discontinue the aforementioned operations.

Since the volume of above referred business is insignificant, disclosures required under IAS – 35, "Discontinuing Operations", have not been made in these financial statements.

5.23 Transfer pricing policy

During the year, the company as per the Securities and Exchange Commission of Pakistan Notification S.R.O. 66(1)/2003 dated January 22, 2003, adopted a policy of transfer pricing for the determination of price for transactions with its associated companies / related parties.

6. SHARE CAPITAL

6.1 Authorised

Number of Shares			2003	2002
2003	2002		(Rupees in '000)	
<u>150,000,000</u>	<u>150,000,000</u>	Ordinary shares of Rs. 10 each	<u>1,500,000</u>	<u>1,500,000</u>

6.2 Paid-up

Issued, subscribed and fully paid:

Number of Shares			2003	2002
2003	2002		(Rupees in '000)	
<u>250,000</u>	<u>250,000</u>	Ordinary shares of Rs.10 each, fully paid in cash	<u>2,500</u>	<u>2,500</u>
<u>62,218,256</u>	<u>62,218,256</u>	Ordinary shares of Rs.10 each, issued as fully paid bonus shares	<u>622,182</u>	<u>622,182</u>
<u><u>62,468,256</u></u>	<u><u>62,468,256</u></u>		<u><u>624,682</u></u>	<u><u>624,682</u></u>

As at December 31, 2003, Muslim Commercial Bank Limited and Adamjee Foundation, associated undertakings, held 18,349,996 (2002: 18,349,996) and 5,495,158 (2002: 5,495,158) Ordinary shares of Rs.10 each, respectively.

7. RESERVES

	Note	2003	2002
		(Rupees in '000)	
Capital Reserves			
Reserve for exceptional losses	7.1	22,859	22,859
Investment fluctuation reserve	7.2	3,764	3,764
Reserve for issue of bonus shares			
Balance at the beginning of the year		93,702	-
Transfer from profit and loss appropriation account		107,758	93,702
		<u>201,460</u>	<u>93,702</u>
		228,083	120,325
Revenue Reserve			
General reserve			
Balance at the beginning of the year	7.3	186,500	186,500
Transfer from profit and loss appropriation account		420,000	-
		<u>606,500</u>	<u>186,500</u>
		<u>834,583</u>	<u>306,825</u>

- 7.1 The reserve for exceptional losses represent amount set aside in prior years to avail the deduction thereof in computing taxable income, as allowed previously under the old Income Tax Act of 1922. After the introduction of 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, set aside up to December 31, 1978.
- 7.2 This has been set aside in prior years to utilise the same against diminution in the value of investments.
- 7.3 As per the requirements of the insurance laws enacted in the United Arab Emirates (UAE), the company is required to increase its paid up capital to AED 50.00 million (equivalent to Rs.811.182 million). However, as more fully explained in note 33.1, the company can not hold its Annual General Meeting (AGM) in accordance with the order dated December 20, 2002 passed by the Honourable Supreme Court of Pakistan as a result of which, it was not possible for the company to increase its paid up capital. The management is of the view that, general reserve, amounting to Rs.186.500 million, is available for utilization by the company to meet the shortfall.

	2003 (Rupees in '000)	2002
8. STAFF RETIREMENT BENEFITS		
Unfunded staff gratuity		
Opening balance	12,333	8,984
Charge for the year	2,140	6,040
	<u>14,473</u>	<u>15,024</u>
Payment made during the year	(3,507)	(2,691)
	<u>10,966</u>	<u>12,333</u>
9. OTHER CREDITORS AND ACCRUALS		
Cash margin against performance bonds	76,177	66,134
Sundry creditors	34,206	48,411
Commission payable	107,706	79,123
Federal insurance fee	6,606	6,869
Central excise duty	37,172	37,013
Payable to Employees' Provident Fund	17	85
Others	1,224	1,736
	<u>263,108</u>	<u>239,371</u>

10. CONTINGENCIES

10.1 The income tax assessments of the company have been finalised up to and including the assessment year 2002-2003, corresponding to the income year ended December 31, 2001. However, the company has filed appeals in respect of assessment years 1994-95 to 1996-97 and 1999-2000 before the Honourable High Court of Sindh and in respect of assessment years 2000-2001 and 2001-2002 with the Commissioner of Income Tax (Appeals) [CIT(A)], which are currently pending therewith. These appeals relate mainly to the:

- (i) setting aside of the original assessments in respect of assessment years 1994-95 to 1996-97 by the Inspecting Additional Commissioner of Income Tax (IAC), under Section 66A of the repealed Income Tax Ordinance, 1979, maintaining that the company was not entitled to avail tax exemption on capital gains. The company, while protesting the above-referred orders of the IAC, filed an appeal thereagainst before the Income Tax Appellate Tribunal (ITAT), which was decided against the company, resulting in additional tax liability of Rs.41.774 (2002: Rs.41.774) million. The company as a result thereof, has filed an appeal before the Honourable High Court of Sindh, which is currently pending therewith; and
- (ii) finalization of assessments by the Deputy Commissioner of Income Tax (DCIT) for assessment years 1999-2000 to 2001-2002, by taxing (a) excess expenses of management under the amendment made in 1999 in Rule 5 of the Fourth Schedule to the repealed Income Tax Ordinance, 1979; (b) dividend income and capital gains at the full rate of 33% and (c) commission expense. The total tax liability of the company was assessed by the DCIT at Rs.322.656 (2002: Rs.322.656) million as opposed to the provision of Rs.153.80 (2002: Rs.153.80) million made in these financial statements, resulting in a shortfall of Rs.168.856 (2002: 168.856) million in respect of the above-referred assessment years. The company has filed appeals in this regard, which are currently pending with the relevant authorities.

Accordingly, pending resolution of these matters, no provision has been made by the company in the financial statements of the current year for an aggregate sum of Rs.210.630 (2002: Rs.210.630) million as the management is confident that these matters will be decided in favour of the company.

10.2 The company is currently making necessary efforts to recover / adjust interest accrued on tax refunds, discussed in note 17.1. Hence, pending the final outcome in this regard, no provision has been made thereagainst.

	Note	2003 (Rupees in '000)	2002
11. CASH AND BANK DEPOSITS			
Cash and other equivalent			
Cash in hand		139,069	62,210
Current and other accounts			
Current accounts		460,332	326,367
Savings accounts		83,200	86,900
		543,532	413,267
Deposits maturing within 12 months			
Fixed and term deposits	11.1	167,027	191,900
		849,628	667,377

11.1 Included herein are fixed deposits, amounting to Rs.73.642 (DHS 4.712 [2002: Rs.71.415 (DHS 4.500)]) million, deposited in accordance with the Insurance Regulations applicable in the United Arab Emirates, for the purposes of carrying on business therein. In addition, there are liens against cash deposits of Rs.6.870 (DHS 0.439 [2002: Rs.47.039 (DHS 2.964)]) million with banks outside Pakistan and Rs.1.915 (2002: Rs.2.015) million with banks in Pakistan, essentially in respect of guarantees issued by the banks on behalf of the company in respect of claims under litigation filed with the company.

	Note	2003 (Rupees in '000)	2002
12. LOANS			
Secured – Considered good			
Executives		379	2,339
Employees		37,609	38,135
Others		2,882	3,785
		40,870	44,259
Loans outstanding for period			
Exceeding three years		18,410	17,614
Others		22,460	26,645
		40,870	44,259

The secured loans to executives and employees are for the purchase of vehicles and house building. These are granted in accordance with the terms of their employment and are recoverable in monthly installments over various periods. Loans for purchase of property carries interest @ 5% (2002: 5%) per annum and are secured against title documents of the property purchased by employees.

The maximum aggregate amount due from the executives at the end of any month during the year was Rs.0.460 (2002: Rs.2.521) million.

	Note	2003 (Rupees in '000)	2002
13. INVESTMENTS			
Available for sale			
Marketable securities		1,203,763	1,184,431
Less: Provision for impairment in value of investments		42,835	-
	13.1	1,160,928	1,184,431
Fixed income investments	13.2	1,052,106	923,961
		2,213,034	2,108,392
Held to maturity			
Government Securities	13.3	-	125
Defence Saving Certificates - deposited with the State Bank of Pakistan in accordance with Section 29 of the Insurance Ordinance, 2000		5,164	727
		5,164	852
Total Book value as at December 31		2,218,198	2,109,244
Total Market value of investments as at December 31		3,672,747	1,873,293

13.1 Marketable securities

	Note	2003			2002
		Cost	Provision thereagainst	Carrying value	
..... (Rupees in '000)					
Quoted – associated companies	13.1.1	60,163	1,151	59,012	60,163
Quoted – others	13.1.2	868,158	30,397	837,761	917,619
Modaraba certificates	13.1.3	32,428	-	32,428	34,436
Term finance certificates	13.1.4	15,587	-	15,587	17,740
Unlisted / delisted shares and debentures	13.1.5	11,407	11,287	120	11,407
National Investment Trust units	13.1.6	38,165	-	38,165	64,365
Investment Corporation of Pakistan - Mutual Funds certificates	13.1.7	177,855	-	177,855	78,701
		<u>1,203,763</u>	<u>42,835</u>	<u>1,160,928</u>	<u>1,184,431</u>

No. of Shares/ Certificates		Face	Company's Name	2003		2002
2003	2002	Value		2003	2002	
			Rs.	(Rupees in '000)		
13.1.1 Quoted – associated companies						
109,807	109,807	10	Mehran Jute Mills Limited [Equity held 3.58% (2002:3.58%)]	1,150		1,150
2,899,010	2,520,879	10	Muslim Commercial Bank Limited [Equity held 0.946% (2002:0.946%)]	59,013		59,013
				<u>60,163</u>		<u>60,163</u>
13.1.2 Quoted – others						
<u>LEASING COMPANIES:</u>						
36,587	41,587	10	Pakistan Industrial & Commercial Leasing Limited	463		526
362,872	362,872	10	Saudi Pak Leasing Company Limited	8,978		8,978
<u>INVESTMENT BANK / INV COS / SEC. COS:</u>						
25,987	23,625	10	Atlas Investment Bank Limited	418		418
220,959	-	10	First Standard Investment Bank Limited (formerly First Crescent Modaraba)	1,275		-
45,458	32,470	10	Jahangir Siddiqui & Company Limited	1,549		1,030
89,180	89,180	10	Jahangir Siddiqui Investment Bank Limited	2,755		2,755
243,000	162,000	10	Orix Investment Bank Limited	2,207		1,398
1,847,336	1,654,206	10	Pakistan Industrial Credit & Investment Corporation	17,677		18,203
<u>COMMERCIAL BANKS:</u>						
763,187	647,345	10	Askari Commercial Bank Limited	12,274		10,248
1,213,556	970,845	10	Bank Al-Habib Limited	14,880		14,880
376,000	289,500	10	Faysal Bank Limited	7,096		5,870
99,045	42,692	10	KASB Bank Limited (formerly KASB and Company Limited)	1,243		1,243
312,399	152,076	10	Mashreq Bank Pakistan Limited (formerly Crescent Investment Bank Limited)	2,001		2,298
664,800	652,800	10	Metropolitan Bank Limited	10,162		9,850
111,877	111,877	10	Prime Commercial Bank Limited	2,164		2,164
798,593	798,593	10	Soneri Bank Limited	11,006		11,006
109,159	109,159	10	Union Bank Limited	1,941		1,941
<u>INSURANCE:</u>						
69,946	58,289	10	Central Insurance Company Limited	659		659
262,221	196,666	5	Habib Insurance Company Limited	2,224		2,224
46,426	61,240	10	International General Insurance Company of Pakistan Limited	827		1,254
2,285	1,987	5	New Jubilee Insurance Co. Limited	21		21
319,860	319,860	10	Pakistan Reinsurance Co. Limited	422		422
257,529	257,529	5	Premier Insurance Co. of Pakistan Limited	1,543		1,543

No. of Shares/ Certificates		Face	Company's Name	2003	2002
2003	2002	Value		2003	2002
		Rs.		(Rupees in '000)	
			<u>TEXTILE SPINNING:</u>		
40,500	61,000	10	Accord Textiles Limited	404	609
-	25,490	5	Annoor Textile Mills Limited	-	573
119,200	119,200	10	Apollo Textile Mills Limited	1,301	1,301
123,833	142,833	10	Bilal Fibres Limited	1,521	1,754
64,239	72,036	10	Dewan Khalid Textile Mills Limited	1,860	2,294
15,831	14,392	10	Dewan Mushtaq Textile Mills Limited	233	233
-	423	10	Dewan Textile Mills Limited	-	14
43,200	43,200	10	Din Textile Mills Limited	993	993
451,914	451,914	10	Fazal Cloth Mills Limited	5,475	5,475
31,625	31,625	10	Gulshan Spinning Mills Limited	747	747
-	7,900	10	Ishtiaq Textile Mills Limited	-	110
-	22,500	10	J.A. Textile Mills Limited	-	269
56,500	79,500	10	Landmark Spinning Industries Limited	563	792
50,925	50,925	10	Paramount Spinning Mills Limited	1,711	1,711
320,600	320,600	10	Reliance Cotton Spinning Mills Limited	3,195	3,195
80,000	81,000	10	Sally Textile Mills Limited	886	897
78,000	78,000	10	Service Industries (Textile) Limited	1,388	1,388
-	3,000	10	Shaheen Cotton Mills Limited	-	112
124,200	124,200	10	Shahzad Textile Mills Limited	1,539	1,539
171,267	171,267	10	Umer Fabrics Limited	3,299	3,299
			<u>TEXTILE WEAVING:</u>		
20,100	20,100	10	ICC Textile Mills Limited	258	258
20,000	20,000	10	Yousuf Weaving Mills Limited	234	234
			<u>TEXTILE COMPOSITE:</u>		
25,200	25,200	10	Burewala Textile Mills Limited	1,250	1,250
442,485	442,485	10	Crescent Textile Mills Limited	7,470	7,470
279,234	93,078	10	Dawood Cotton Mills Limited	4,003	4,003
107,239	107,239	10	Gul Ahmed Textile Mills Limited	1,893	1,893
107,014	107,014	10	Hussain Industries Limited	1,886	1,886
101,651	105,151	10	Jubilee Spinning & Weaving Mills Limited	1,167	1,207
28,566	28,566	10	Kohinoor Textile Mills Limited	526	526
223,960	223,960	10	Mohammad Farooq Textile Mills Limited	3,801	3,801
606,591	551,447	10	Nishat Mills Limited	13,252	13,252
18,000	18,000	10	Shams Textile Mills Limited	540	540
14,437	14,437	10	Zahur Textile Mills Limited	210	210
			<u>WOOLLEN:</u>		
124,600	124,600	10	Lawrencepur Woollen Mills Limited	3,193	3,193
			<u>SYNTHETIC AND RAYON:</u>		
-	101,349	10	Bengal Fibre Industries Limited	-	1,463
971,856	971,856	10	Dewan Salman Fibres Limited	32,729	32,729
10,017	10,017	10	Dilon Limited	133	133
116,410	145,610	10	Gatron Industries Limited	4,948	6,189
88,750	88,750	10	Ibrahim Fibres Limited	1,227	1,227
311,400	311,400	10	Pakistan Synthetics Limited	3,114	3,114
-	36,837	5	Polypropylene Products Limited	-	387
44,500	44,500	10	Rupali Polyester Limited	2,321	2,321
			<u>JUTE:</u>		
-	17,650	10	Amin Fabrics Limited	-	395
201,866	250,366	10	Crescent Jute Products Limited	3,904	4,842
-	52,204	10	Indus Jute Mills Limited	-	747
221,495	301,395	5	Thal Jute Mills Limited	1,955	2,660
			<u>SUGAR AND ALLIED:</u>		
95,726	95,726	10	Al-Noor Sugar Mills Limited	1,937	1,937
137,000	138,000	10	Ansari Sugar Mills Limited	1,365	1,375
104,802	154,352	10	Bawany Sugar Mills Limited	2,634	3,880
270,254	270,254	10	Crescent Sugar Mills & Distillery Limited	3,970	3,970
230,635	230,635	10	Dewan Sugar Mills Limited	7,454	7,454
86,996	86,996	10	Faran Sugar Mills Limited	1,625	1,625
241,077	241,077	5	Habib Sugar Mills Limited	3,806	3,806
15,911	15,911	10	Husein Sugar Mills Limited	309	309
6,456	6,456	10	Hamza Sugar Mills Limited	60	60
73,827	73,827	10	Mehran Sugar Mills Limited	2,293	2,293
146,236	146,236	10	Mirpurkhas Sugar Mills Limited	3,116	3,116

No. of Shares/ Certificates		Face	Company's Name	2003	2002
2003	2002	Value			
		Rs.		(Rupees in '000)	
34,000	132,000	10	Sakrand Sugar Mills Limited	340	1,320
50,380	50,380	10	Sanghar Sugar Mills Limited	1,026	1,026
113,044	113,044	10	Shahtaj Sugar Mills Limited	2,626	2,626
100,000	100,000	10	Tandlianwala Sugar Mills Limited	998	998
26,418	26,418	10	Thal Industries Corporation Limited	618	618
-	24,000	10	United Sugar Mills Limited	-	466
<u>CEMENT:</u>					
705,376	805,376	10	Cherat Cement Company Limited	10,017	11,437
25,750	25,750	10	Dadabhoy Cement Industries Limited	535	535
63,080	63,080	10	Dadex Eternit Limited	1,064	1,064
940,728	940,728	10	D.G. Khan Cement Company Limited	32,401	32,401
62,557	62,557	10	Essa Cement Industries Limited	1,544	1,544
189,250	239,750	10	Gharibwal Cement Limited	3,074	3,894
-	7,420	10	Javedan Cement Limited	-	102
80,900	80,900	10	Lucky Cement Company Limited	1,632	1,632
825,000	825,000	10	Pakland Cement Limited	8,250	8,250
100,000	100,000	10	Saadi Cement Limited	1,000	1,000
-	32,182	10	Zeal Pak Cement Factory Limited	-	1,188
<u>TOBACCO:</u>					
167,065	139,221	10	Lakson Tobacco Company Limited	2,044	2,044
404,374	412,374	10	Pakistan Tobacco Company Limited	8,399	8,565
<u>REFINERY:</u>					
440,540	508,040	10	National Refinery Limited	4,832	5,572
227,001	279,501	10	Pakistan Refinery Limited	9,936	12,234
<u>POWER GENERATION & DISTRIBUTION:</u>					
1,486,500	1,461,500	10	Hub Power Company Limited	48,971	47,636
231,450	289,450	10	Karachi Electric Supply Corporation Limited	3,272	4,092
77,500	76,000	10	Sitara Energy Limited	1,416	1,381
<u>OIL & GAS MARKETING COMPANIES:</u>					
538,639	546,639	10	Pakistan State Oil Company Limited	27,383	27,790
167,857	167,857	10	Shell Pakistan Limited	14,132	14,132
24,750	24,750	10	Shell Gas LPG (Pakistan) Limited	533	533
1,649,137	1,745,137	10	Sui Northern Gas Pipelines Limited	21,229	22,464
1,786,779	1,786,779	10	Sui Southern Gas Company Limited	22,342	22,342
<u>OIL & GAS EXPLORATION COMPANIES:</u>					
8,369	-	10	Oil & Gas Development Company Limited	268	-
282,184	220,565	10	Pakistan Oilfields Limited	8,001	10,006
<u>ENGINEERING:</u>					
33,458	30,417	10	Crescent Steel & Allied Products Limited	375	375
192,339	167,252	10	International Industries Limited	3,485	3,485
92,320	116,220	10	KSB Pumps Company Limited	957	1,205
108,002	108,002	10	Metropolitan Steel Corporation Limited	1,648	1,648
<u>AUTOMOBILE ASSEMBLER:</u>					
277,426	392,026	5	Al-Ghazi Tractors Limited	2,942	4,158
45,490	36,393	10	Ghandhara Nissan Diesel Limited	1,148	1,148
77,000	137,500	10	Indus Motor Company Limited	2,028	3,621
58,080	58,080	10	Millat Tractors Limited	2,552	2,552
12,000	13,500	10	Ghandhara Industries Limited	298	336
187,100	193,200	10	Pak Suzuki Motor Company Limited	8,399	8,673
<u>AUTOMOBILE PARTS & ACCESSORIES:</u>					
31,285	31,285	5	Agriautos Industries Limited	286	286
144,544	144,544	10	Exide Pakistan Limited	4,372	4,372
<u>CABLES AND ELECTRICAL GOODS:</u>					
25,481	40,481	10	Jhonson & Phillips (Pakistan) Limited	449	714
54,076	43,261	10	Pakistan Cables Limited	1,308	1,308
60,432	126,346	10	Pak Elektron Limited	2,082	5,439
-	10,750	10	Pioneer Cables Limited	-	171
16,195	67,695	10	Refrigerators Manufacturing Company Pakistan Limited	313	1,310
233,430	235,830	10	Siemens (Pakistan) Engineering Company Limited	29,809	16,187
<u>TRANSPORT:</u>					
47,400	47,400	10	Pan Islamic Steamship Company Limited	457	457

No. of Shares/ Certificates		Face	Company's Name	2003	2002
2003	2002	Value		2003	2002
		Rs.		(Rupees in '000)	
			<u>TECHNOLOGY & COMMUNICATION:</u>		
306,000	260,000	10	Pakistan Telecommunication Company Limited	7,461	6,548
			<u>FERTILIZER:</u>		
1,865,431	1,744,611	10	Engro Chemical Pakistan Limited	71,343	68,479
200,000	193,000	10	Fauji Fertilizer Bin Qasim	3,341	3,269
616,500	672,500	10	Fauji Fertilizer Company Limited	42,372	46,221
			<u>PHARMACEUTICAL:</u>		
592,504	538,640	10	Abbot Laboratories Pakistan Limited	24,371	24,371
50,541	50,541	10	Clariant Pakistan Limited	1,150	1,150
3,422	693	10	Ferozsons Laboratories Limited	141	6
466,444	361,323	10	GlaxoSmithKline Pakistan Limited [formerly Glaxo Wellcome (Pakistan) Limited]	6,726	7,503
26,306	771,732	10	Reckitt Benckiser Pakistan Limited	1,175	34,570
57,575	57,575	10	Searle Pakistan Limited	1,233	1,233
			<u>CHEMICAL:</u>		
417,805	417,805	10	BOC Pakistan Limited	5,615	5,615
10,000	10,000	10	Buxly Paints Limited	133	133
110,270	110,270	5	Dynea Pakistan Limited	974	974
569,333	569,333	10	ICI Pakistan Limited	44,223	44,223
1,109,229	1,462,729	10	Pakistan PTA Limited	9,845	12,984
-	6,300	10	Pak Gum & Chemicals Limited	-	283
84,750	84,750	10	Sitara Chemicals Company Limited	3,318	3,318
96,750	96,750	10	Wah Nobel Chemicals Limited	1,712	1,712
			<u>PAPER AND BOARD:</u>		
-	68,300	5	Baluchistan Particle Board Limited	-	379
144,200	144,200	10	Cherat Papersack Limited	6,095	6,095
141,131	141,131	10	Crescent Boards Limited	2,123	2,123
501,041	543,141	10	Packages Limited	38,533	41,538
118,292	118,292	10	Pakistan Papersack Corporation Limited	1,131	1,131
532,997	582,597	10	Security Papers Limited	9,757	10,632
			<u>VANASPATI AND ALLIED INDUSTRIES:</u>		
12,200	12,200	10	Kakakhel Pakistan Limited	338	338
41,750	42,750	10	Wazir Ali Industries Limited	840	860
			<u>LEATHER AND TANNERIES:</u>		
57,884	57,884	10	Bata Pakistan Limited	991	991
8,350	18,350	10	Service Industries Limited (Shoes)	305	305
			<u>FOOD & PERSONAL CARE PRODUCTS:</u>		
204,130	161,700	10	Ismail Industries Limited	3,046	2,197
272,011	226,676	10	Murree Brewery Company Limited	5,607	5,607
32,583	32,583	10	Nestle Milk Pak Limited (Milkpak)	831	831
54,870	54,870	10	Rafhan Maize Products Limited (CPC Rafhan)	2,899	2,899
19,622	34,122	10	Treet Corporation Limited	297	516
25,696	23,676	50	Unilever Pakistan Limited	16,929	12,654
			<u>GLASS AND CERAMICS:</u>		
280,470	280,470	5	Baluchistan Glass Limited	2,230	2,230
-	23,482	10	Emco Industries Limited	-	559
-	62,000	10	Frontier Ceramics Limited	-	618
26,831	26,831	10	Medi Glass Limited	417	417
			<u>MISCELLANEOUS:</u>		
-	50,000	10	Gammon Pakistan Limited	-	1,210
-	15,364	10	Hashimi Can Company Limited	-	187
83,424	83,424	10	United Distributors Pakistan Limited	2,382	2,382
				868,158	917,619

No. of Shares/ Certificates		Face	Company's Name	2003	2002
2003	2002	Value		2003	2002
			Rs.	(Rupees in '000)	
13.1.3 Modaraba Certificates					
MODARABAS:					
998,101	998,101	10	B.R.R. International Modaraba	12,381	12,381
-	123,653	10	First Crescent Modaraba	-	2,142
158,322	158,322	10	First Fidelity Leasing Modaraba	2,125	2,125
711,563	696,563	10	First Grindlays Modaraba	15,822	15,352
45,926	45,926	10	First Habib Bank Modaraba	548	548
38,052	38,052	5	First Habib Modaraba	204	204
-	44,389	10	First Prudential Modaraba	-	336
68,600	68,600	10	Trust Modaraba	1,348	1,348
				32,428	34,436
13.1.4 Term Finance Certificates					
TERM FINANCE CERTIFICATES:					
-	5	-	Gatron Industries Limited	-	500
8	23	-	Dewan Salman Fibres Limited	749	2,247
50	50	-	Nishat Mills Limited	4,996	4,998
49	50	-	Orix Leasing Pakistan Limited	4,846	4,997
50	50	-	Gulistan Textile Mills Limited	4,996	4,998
				15,587	17,740
13.1.5 UNLISTED / DELISTED SHARES AND DEBENTURES					
(i) Ordinary Shares					
37,000	37,000	10	Mehran Bank Limited	1,251	1,251
33,000	33,000	10	Naveed Textile Mills Limited	491	491
436,100	436,100	10	Dannemann Fabrics Limited	4,361	4,361
38,500	38,500	5	Madina Textile Mills Limited	193	193
100,000	100,000	5	Punjab Building Products Limited	931	931
31,676	31,676	5	Prince Glass Works Limited	815	815
211,315	211,315	10	Bankers Equity Limited	2,429	2,429
10,800	10,800	10	Indus Bank Limited	185	185
41,720	41,720	10	Central Cotton Mills Limited	587	587
3,601	3,601	10	Adamjee Paper & Board Mills Limited	44	44
(ii) Debentures					
12	12	10,000	Tariq Cotton Mills Limited	120	120
				11,407	11,407
Names of the Chief Executives of the investee companies have not been given as the same are not available with the company.					
13.1.6 National Investment Trust Units					
2,912,540	4,912,540	10	N.I.T. Units (note 13.4)	38,165	64,365
13.1.7 Investment Corporation of Pakistan (ICP) Mutual Funds (note 13.5)					
650,900	276,000	10	1st ICP Mutual Fund	6,340	2,982
544,812	189,500	10	2nd ICP Mutual Fund	7,306	2,403
680,732	277,850	10	3rd ICP Mutual Fund	7,732	3,512
707,496	308,999	10	4th ICP Mutual Fund	13,282	3,779
231,005	80,350	10	5th ICP Mutual Fund	3,065	986
340,300	295,900	10	6th ICP Mutual Fund	3,036	3,036
285,630	99,350	10	7th ICP Mutual Fund	3,771	1,201
2,707,550	1,083,000	10	8th ICP Mutual Fund	31,025	11,532
1,022,350	911,500	10	9th ICP Mutual Fund	9,201	9,434
1,270,175	481,300	10	10th ICP Mutual Fund	20,011	5,196
2,128,500	860,000	10	11th ICP Mutual Fund	23,784	9,272
1,151,886	479,500	10	12th ICP Mutual Fund	11,020	4,861
263,350	229,000	10	13th ICP Mutual Fund	2,478	2,478
711,850	247,600	10	14th ICP Mutual Fund	9,545	3,138
91,180	37,600	10	15th ICP Mutual Fund	1,144	637
16,905	14,700	10	16th ICP Mutual Fund	252	252
221,087	76,900	10	17th ICP Mutual Fund	3,205	1,215
110,170	95,800	10	18th ICP Mutual Fund	1,661	1,661
116,620	47,600	10	19th ICP Mutual Fund	1,690	869
107,535	66,300	10	20th ICP Mutual Fund	1,399	1,225
278,300	121,000	10	22nd ICP Mutual Fund	3,803	2,063
762,450	541,300	10	ICP (State Enterprises) Mutual Fund	13,105	6,969
				177,855	78,701

No. of Shares/ Certificates		Face	Company's Name	2003	2002
2003	2002	Value			
Rs.			(Rupees in '000)		
13.2	Fixed income investments				
	Defence Saving Certificates			1,052,106	923,961
13.3	Held to maturity				
	Government Securities				
	-	1 125,000	Sindh Loan – 16% 2003	-	125

13.4 5,000 (2002: 5,000) Units of Rs.10 each of National Investment Trust (Units) are deposited with the Additional Session Judge, East, Karachi, as security for release of a stolen vehicle.

13.5 Subsequent to the end of the current year, the Fund Manager of 2nd, 5th, 6th, 7th, 9th, 10th, 13th, 14th, 16th, 17th, 18th and 22nd ICP Mutual Fund namely, Pakistan Industrial Credit and Investment Corporation Limited (PICIC), announced a scheme of arrangement for amalgamation of these Funds into a new closed end scheme i.e. PICIC Investment Fund. The above scheme will be approved by the certificate holders of these Funds in their respective meetings to be held on March 31, 2004. The Fund Manager has proposed the following swap ratios relating to these Funds:

**Certificates of PICIC Investment
Fund to be issued for one
thousand existing ICP Mutual
Fund Certificates on the basis of
Funds' Net Asset Value on
December 31, 2003 after
adjustment for rights issue**

Name of ICP Mutual Fund

2nd ICP Mutual Fund	927
5th ICP Mutual Fund	1,020
6th ICP Mutual Fund	1,912
7th ICP Mutual Fund	1,050
9th ICP Mutual Fund	1,494
10th ICP Mutual Fund	1,320
13th ICP Mutual Fund	2,714
14th ICP Mutual Fund	981
16th ICP Mutual Fund	811
17th ICP Mutual Fund	1,048
18th ICP Mutual Fund	872
22nd ICP Mutual Fund	794

13.6 Keeping in view the quantum of overall investment, the company does not consider it necessary to categorize a rather immaterial investment in the quoted shares of an investee company as 'held for trading' and, hence, for this reason it has not categorized investment therein as such and has not recognized gain arising from its remeasurement at fair value of Rs.65.791 million.

**14. PREMIUMS DUE BUT UNPAID, AMOUNTS DUE FROM OTHER INSURERS / REINSURERS,
AND REINSURANCE RECOVERIES AGAINST OUTSTANDING CLAIMS**

These are unsecured and considered to be good.

	Note	2003 (Rupees in '000)	2002
15. ACCRUED INVESTMENT INCOME			
Return accrued on Term Finance Certificates		579	2,261
Dividend income		16,688	16,391
Others		1,178	88
		18,445	18,740
16. PREPAYMENTS			
Prepaid reinsurance premium ceded		995,042	774,579
Others		1,612	110
		996,654	774,689

	Note	2003 (Rupees in '000)	2002
17. SUNDRY RECEIVABLES			
Secured			
Current portion of long term loans to employees		23,877	24,780
Unsecured			
Advances to employees		18,479	14,144
Sundry debtors		4,735	4,353
Branch adjustment account		-	38,331
Interest accrued on tax refunds	17.1	82,263	82,263
Staff Gratuity Fund	17.2	76,962	79,551
Stationery in hand		2,402	1,965
Long term security deposits		15,734	14,966
Miscellaneous		38,858	33,868
		239,433	269,441
Less: Provision against uncollectibles		-	20,000
		239,433	249,441
		263,310	274,221

17.1 This represents interest accrued on tax refunds relating to the years up to December 31, 1989 and from 1992 to 1997, which had previously become due to the company but not been fully adjusted/received. Under the provisions of the repealed Income Tax Ordinance, 1979, if no payment was made by the Income Tax department within three months of the due date of refunds, compensation @ 15% of refunds due could be claimed by the assessee from the expiry of the three months. Consequently, the company claimed this compensation on the basis of the date of the relevant original assessment order (or revised assessment order, as appropriate) to December 31, 2000.

17.2 Staff Gratuity Fund

General Description

The company operates a funded gratuity scheme for its confirmed employees in Pakistan. The plan is a defined benefit final salary plan invested through an exempt trust fund. The latest actuarial valuation was conducted as at December 31, 2002, using the Projected Unit Credit method.

The company has recognized the initial surplus and set the provision equal to the net surplus in the gratuity plan. In future, the company will amortise gains and losses over the expected remaining service of current members.

The principal actuarial assumptions used for the valuation of above mentioned scheme are as follows:

- Discount rate	8.00% per annum
- Expected rate of increase in salaries	5.94% per annum
- Rate of return on plan assets	8.00% per annum

	2003 (Rupees in '000)	2002
Reconciliation of receivable from defined benefit plan		
Plan assets	235,708	223,283
Obligation	(158,746)	(143,732)
Receivable	76,962	79,551
Movement of asset in the balance sheet		
Receivable at the beginning of the year	79,551	-
(Expense) / credit	(2,589)	73,551
Contributions	-	6,000
Receivable at end of the year	76,962	79,551
Charge / (Credit) for defined benefit plan		
Current service cost	8,953	8,452
Interest cost	11,293	14,856
Expected return on plan assets	(17,657)	(23,954)
Transitional asset recognized	-	(72,905)
	2,589	(73,551)

	Note	2003 (Rupees in '000)	2002
18. FIXED ASSETS			
Tangible assets	18.1	191,521	196,380
Capital work in progress	18.2	-	1,944
Intangible asset	18.3	2,842	3,790
		194,363	202,114

18.1 Tangible Assets

	COST				Rate	ACCUMULATED DEPRECIATION				WRITTEN DOWN VALUE
	As at January 1, 2003	Additions/Transfer*	(Disposals)	As at Dec 31, 2003		As at January 1, 2003	For the year	(On disposals)/Transfer*	As at Dec 31, 2003	As at Dec 31, 2003
	(Rupees in '000)					%	(Rupees in '000)			
Buildings	53,227	-	(876)	52,351	5	7,311	2,258	(125)	9,444	42,907
Furniture & fixtures	46,238	2,185	(849)	47,574	10	23,578	2,380	(608)	25,350	22,224
Motor vehicles	139,878	23,315	(19,086)	144,107	20	85,491	12,131	(11,358)	86,264	57,843
Machinery and equipment	104,483	6,275 (2,696) *	(3,683)	104,379	10	61,674	4,368	(2,402) (1,233) *	62,407	41,972
Computers and related accessories	75,401	4,669 2,696 *	(23)	82,743	30	44,793	10,155	(13) 1,233 *	56,168	26,575
December 31, 2003	419,227	36,444	(24,517)	431,154		222,847	31,292	(14,506)	239,633	191,521
December 31, 2002	479,357	38,123 (67,863)	(30,390)	419,227		280,795	32,428	(22,513) (67,863)	222,847	196,380

18.1.1 Details of tangible assets disposed off during the year are as follows:

Description	Cost	Accumulated Depreciation	Book Value	Sale Proceeds	Mode of Disposal	Particulars of purchaser
----- (Rupees in '000) -----						
BUILDINGS						
Business Arcade Office	850	121	729	1,115	Tender	Mr. & Mrs. Abdul Aziz Akhai
MOTOR VEHICLES						
Suzuki Mehran 1998-99	276	188	88	202	Tender	Nadeem Ashraf Siddiqui, Karachi
Honda Civic 1995	615	512	103	390	Negotiation	Zabar Jan, Karachi
Toyota Corolla 1994	605	524	81	300	Co.'s Scheme	A Raziq Nomani – Ex-Employee
Mehran 1997	269	198	71	110	Tender	Azra Aftab, Karachi
Honda Civic 1996	700	516	184	300	Co.'s Scheme	Jabbar Akhtar - Ex-Employee
Suzuki Margalla 1996	300	146	154	333	Tender	Mohammad Hafiz, Karachi
Mehran 1997	269	198	71	173	Co.'s Scheme	S Rizwan Ashraf Jeelani, Karachi
Suzuki Khyber 1996	275	203	72	248	Tender	M Noman Khan, Karachi
Toyota Corolla 1993	300	146	154	476	Tender	Naveed A Razzak, Karachi
Mehran 1994-1995	138	102	36	144	Tender	S. Wajid Rafat Alam, Karachi
Suzuki Mehran 1997	256	189	67	100	Tender	Shamim Ahmed Khan, Karachi
Toyota Corolla 1993	400	-	400	433	Tender	Tariq Sohail, Karachi
Nissan Sunny 1997	300	-	300	482	Tender	Mohammed Yousuf, Karachi
Suzuki Khyber 1994	175	-	175	185	Tender	Faisal Khan, Karachi
Toyota Corolla	600	354	246	507	Tender	Mohammad Sohail Ahmed, Karachi
Mehran	278	220	58	156	Tender	Faisal Sattar, Karachi
Honda Civic 1995	738	614	124	300	Negotiation	Abdul Kabir Khan, Karachi
Honda Civic 2000	905	442	463	600	Co.'s Scheme	Abdul Rahim Khan, Karachi
Suzuki Margalla 1994	337	61	276	303	Tender	S Adil Ali, Karachi
Suzuki Khyber	200	134	66	186	Negotiation	Nadeemur Rehman, Karachi
Suzuki Margalla	195	115	80	330	Tender	Mr. Mohammad Salim, Karachi
Suzuki Mehran 1996	295	137	158	172	Tender	Mr. Mohammad Arshad, Karachi
Suzuki Khyber 1995	399	231	168	226	Tender	Mr. Mohammad Arshad, Karachi
Suzuki Khyber 1995	256	189	67	215	Tender	Mr. Amir Mehmood, Karachi
Suzuki Khyber 1998	389	163	226	325	Tender	Mr. Nadir Khan, Karachi
Suzuki Maragalla 1995	470	391	79	175	Tender	Mohammed Yousuf, Karachi
Suzuki Mehran 1996	278	220	58	153	Tender	Mohammed Arif, Karachi
Honda Civic 1996	639	334	305	443	Tender	Nadeem ur Rehman, Karachi

	Note	2003 (Rupees in '000)	2002
19. EXPENSES			
Salaries and wages		464,407	424,507
Rent, rates and taxes		46,522	68,389
Communication		39,874	42,076
Printing and stationery		17,060	14,880
Traveling and entertainment		16,425	30,968
Repairs and maintenance		116,703	104,641
Advertisement and sales promotion		15,480	18,696
Amortisation	18.3	948	948
Others		72,019	37,743
		<u>789,438</u>	<u>742,848</u>
20. OTHER INCOME			
Gain on sale of fixed assets		7,868	8,123
Income from car repairs		14,985	10,560
Interest on loans to employees		1,105	950
Interest on reserve kept with the State Bank of Pakistan		401	411
Return on fixed deposits		8,545	9,286
Provision for funded gratuity written back		-	79,551
Miscellaneous		4,905	22,656
		<u>37,809</u>	<u>131,537</u>
21. GENERAL AND ADMINISTRATION EXPENSES			
Salaries and wages	21.1	149,383	92,493
Depreciation	18.1	31,292	32,428
Directors' fee		9	9
Legal and professional expenses		18,155	5,396
Auditors' remuneration	21.2	2,080	1,405
Donations	21.3	700	2,307
Provision against uncollectibles		-	20,000
Others		3,312	4,387
		<u>204,931</u>	<u>158,425</u>

21.1 Included herein is a sum of Rs.15.847 (2002: Rs.24.449) million in respect of staff retirement benefits.

21.2 AUDITORS' REMUNERATION

Audit fee	595	595
Other certifications and tax advisory services	1,380	697
Out-of-pocket expenses	105	113
	<u>2,080</u>	<u>1,405</u>

21.3 Donations do not include any donee in whom any director or his spouse has any interest.

22. PROVISION FOR TAXATION

Current	36,118	49,084
Prior	(32,248)	-
	<u>3,870</u>	<u>49,084</u>

The income tax assessments of the company have been finalized up to and including the assessment year 2002-2003, corresponding to the income year ended December 31, 2001 (refer note 10).

22.1 Relationship between tax expense and accounting profit

Profit before taxation	395,911	267,767
Tax at the applicable rate of 35%	138,569	93,718
Tax effect of income taxed at lower rate	(52,641)	(51,634)
Tax effect of expenses that are inadmissible in determining taxable profit	16,182	7,000
Tax effect of brought forward losses	(65,992)	-
	<u>36,118</u>	<u>49,084</u>
Effect of change in prior years' tax	(32,248)	-
	<u>3,870</u>	<u>49,084</u>

	Note	2003 (Rupees in '000)	2002
23. EARNINGS PER SHARE			
Net profit for the year after tax		<u>392,041</u>	<u>218,683</u>
		(Number of shares)	
Weighted average number of shares		<u>62,468,256</u>	<u>62,468,256</u>
		(Rupees)	
Basic earnings per share		<u>6.28</u>	<u>3.50</u>
		(Number of shares)	
Diluted weighted average number of shares	23.1	<u>71,838,456</u>	<u>71,838,456</u>
		(Rupees)	
Diluted earnings per share		<u>5.46</u>	<u>3.04</u>

23.1 The diluted weighted average number of shares represent the original number of shares plus the number of bonus shares proposed to be issued by the Board of Directors.

24. REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

	2003				2002			
	Chief Executive	Director	Executives	Total	Chief Executive	Director	Executives	Total
 (Rupees in '000)							
Managerial remuneration	3,270	1,170	177,914	182,354	2,980	949	145,107	149,036
Allowances and perquisites	1,883	697	94,237	96,817	1,785	668	75,197	77,650
	<u>5,153</u>	<u>1,867</u>	<u>272,151</u>	<u>279,171</u>	<u>4,765</u>	<u>1,617</u>	<u>220,304</u>	<u>226,686</u>
Number	1	1	813	815	1	1	686	688

In addition, the Chief Executive, a Director and Executives are also provided with free use of the company cars, certain household items, furniture and fixtures and equipment, in accordance with the practice of the company.

25. LIQUIDITY AND INTEREST RATE RISK

Liquidity risk

Liquidity risk is the risk that the company will be unable to meet its funding requirements. To guard against the risk, the company has diversified funding sources and assets are managed with liquidity in mind, maintaining a healthy balance of cash and cash equivalents and readily available marketable securities. The maturity profile is monitored to ensure adequate liquidity is maintained.

Interest rate risk

The company invests in securities and has deposits that are subject to interest rate risk. Interest rate risk to the company is the risk of changes in market interest rates reducing the overall return on its interest bearing securities. The company limits interest rate risk by monitoring changes in interest rates in the currencies in which its cash and investments are denominated.

The company's interest sensitivity and liquidity positions based on maturities is as follows:

	Effective yield / Mark-up rate	Interest / Mark-up bearing			Non-Interest / Markup bearing			Total
		Maturity upto one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	
	% (Rupees in '000)						
December 31, 2003								
FINANCIAL ASSETS								
Loans	5	20,197	37,988	58,185	3,680	2,882	6,562	64,747
Investments	11-16	749	1,072,108	1,072,857	1,145,341	-	1,145,341	2,218,198
Accrued investment income	-	-	-	-	18,445	-	18,445	18,445
Sundry receivables	-	-	-	-	64,474	15,734	80,208	80,208
Cash and bank balances	11-12	167,027	-	167,027	682,601	-	682,601	849,628
		<u>187,973</u>	<u>1,110,096</u>	<u>1,298,069</u>	<u>1,914,541</u>	<u>18,616</u>	<u>1,933,157</u>	<u>3,231,226</u>
FINANCIAL LIABILITIES								
Accrued expenses	-	-	-	-	114,382	-	114,382	114,382
Outstanding dividends	-	-	-	-	8,330	-	8,330	8,330
Other creditors and accruals	-	-	-	-	111,607	-	111,607	111,607
		<u>-</u>	<u>-</u>	<u>-</u>	<u>234,319</u>	<u>-</u>	<u>234,319</u>	<u>234,319</u>

	Effective yield / Mark-up rate	Interest / Mark-up bearing			Non-Interest / Markup bearing			Total 2002
		Maturity upto one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	
December 31, 2002		(Rupees in '000)						
%							
FINANCIAL ASSETS								
Loans	5	19,285	40,474	59,759	5,495	3,785	9,280	69,039
Investments	11-16	942,672	-	942,672	1,166,572	-	1,166,572	2,109,244
Accrued investment income	-	-	-	-	18,740	-	18,740	18,740
Sundry receivables	-	-	-	-	72,661	14,966	87,627	87,627
Cash and bank balances	11-12	191,900	-	191,900	475,477	-	475,477	667,377
		<u>1,153,857</u>	<u>40,474</u>	<u>1,194,331</u>	<u>1,738,945</u>	<u>18,751</u>	<u>1,757,696</u>	<u>2,952,027</u>
FINANCIAL LIABILITIES								
Accrued expenses	-	-	-	-	54,927	-	54,927	54,927
Outstanding dividends	-	-	-	-	8,407	-	8,407	8,407
Other creditors and accruals	-	-	-	-	116,281	-	116,281	116,281
		<u>-</u>	<u>-</u>	<u>-</u>	<u>179,615</u>	<u>-</u>	<u>179,615</u>	<u>179,615</u>

26. RISK MANAGEMENT

26.1 Credit risk and concentration of credit risk exposure

Credit risk is the risk, which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The company attempts to control credit risk by monitoring credit exposures by undertaking transactions with a large number of counterparties in various industries and by continually assessing the credit worthiness of counterparties.

Concentration of credit risk arises when a number of counterparties have a similar type of business activities. As a result, any change in economic, political or other conditions would effect their ability to meet contractual obligations in a similar manner. The company's credit risk exposure is not significantly different from that reflected in the financial statements. The management monitors and limits the company's exposure to credit risk through monitoring of client's credit exposure and review and conservative estimates of provisions for doubtful assets, if any. The management is of the view that it is not exposed to significant concentration of credit risk as its financial assets are adequately diversified in entities of sound financial standing, covering various industrial sector segments.

26.2 Foreign exchange risk

Foreign currency risk arises mainly where receivables / payables exist due to transactions with foreign undertakings. Financial assets and liabilities exposed to foreign exchange risk amounted to Rs.311.349 (2002: Rs.623.595) million and Rs.43.309 (2002: Rs.57.573) million respectively, at the end of the year.

26.3 Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market.

The company is exposed to market risk with respect to its investments.

The company limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in equity and term finance certificates (TFCs) markets. In addition, the company actively monitors the key factors that affect stock and TFCs market movements.

27. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The carrying values of all financial assets and liabilities reflected in the financial statements approximate to their fair values except for investments which are stated at cost.

	2003	2002
	(Rupees in '000)	
Carrying value of quoted investments	1,192,356	1,173,025
Market value of quoted investments	2,898,008	1,873,293

28. SEGMENT REPORTING

	Fire Insurance Business		Marine Aviation and Transport		Motor Account Liability		Miscellaneous Insurance Business		Unallocated		Total	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
..... (Rupees in '000)												
OTHER INFORMATION												
Segment assets	1,264,722	939,130	535,842	441,326	1,068,605	943,995	420,016	331,074	-	-	3,289,185	2,655,525
Unallocated assets	-	-	-	-	-	-	-	-	3,686,306	3,308,380	3,686,306	3,308,380
Total assets	1,264,722	939,130	535,842	441,326	1,068,605	943,995	420,016	331,074	3,686,306	3,308,380	6,975,491	5,963,905
Segment liabilities	2,086,537	1,680,734	884,032	789,829	1,762,984	1,689,439	692,942	592,512	-	-	5,426,495	4,752,514
Unallocated liabilities	-	-	-	-	-	-	-	-	8,330	62,766	8,330	62,766
Total liabilities	2,086,537	1,680,734	884,032	789,829	1,762,984	1,689,439	692,942	592,512	8,330	62,766	5,434,825	4,815,280
Capital expenditure	-	-	-	-	-	-	-	-	36,444	42,861	36,444	42,861

Although the operations of the company are based primarily on business segments, the company also operates in four geographical markets. The following table shows the distribution of the company's revenue, total assets and capital expenditure by geographical segments:

Location	External Premiums less reinsurance by Geographical Segments	
	2003	2002
United Arab Emirates	709,309	558,256
United Kingdom	-	-
Saudi Arabia	67,919	168,703
Pakistan	2,408,974	2,157,111
	3,186,202	2,884,070

	Carrying Amount of Segment Assets		Capital Expenditure incurred during the year	
	2003	2002	2003	2002
 (Rupees in '000)			
United Arab Emirates	723,840	806,069	2,730	2,352
United Kingdom	15,167	27,298	1,227	-
Saudi Arabia	383,172	481,223	132	114
Pakistan	5,853,312	4,649,315	32,355	40,395
	6,975,491	5,963,905	36,444	42,861

29. TRANSACTIONS WITH ASSOCIATED COMPANIES / RELATED PARTIES

Related parties comprise related group companies, local associated companies, directors and executives. The company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties, amounts due from executives and remuneration of directors and executives are disclosed in the relevant notes. Other material transactions with related parties are given below:

	2003	2002
	(Rupees in '000)	
Premium underwritten	106,721	73,354
Premium received	97,146	62,880
Claims paid	37,572	22,834
Dividend income	7,972	9,167
Rent paid	5,021	5,021
	(Number of shares)	
		-
Bonus shares received	378,131	229,170

The above transactions are at arm's length using comparable uncontrolled price method.

During the year, the company has also entered into transactions with Muslim Commercial Bank Limited, an associated company, under the normal course of business.

	2003	2002
30. NUMBER OF EMPLOYEES AS AT DECEMBER 31	1,472	1,491

31. DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on April 23, 2004 by the Board of Directors of the company.

32. CORRESPONDING FIGURES

Corresponding figures have been reclassified for the purposes of comparison. Significant reclassifications made are as follows:

	2002
	Rupees in '000
- Administrative surcharge has been reclassified from 'other income' to 'net premium revenue' as required by SEC (Insurance) Rules, 2002	69,105
- Interest on fixed and term deposits has been reclassified from 'Investment income' to 'other income' as these deposits are classified as part of cash and bank balances	9,286
- Interest accrued on Defence Saving Certificates (DSCs) has been reclassified from 'Accrued investment income' to "Investment - held to maturity" as relevant DSCs have been classified under 'held to maturity'	377

33. GENERAL

33.1 In the matter involving the company's application against Muslim Commercial Bank Limited, an associated company, and others, seeking interim reliefs, including permanent injunction, against the above-referred defendants from acquiring further shares of the company and from seeking election as Directors on the Board of Directors of the company, the Honourable High Court of Sindh in its order, announced on May 07, 2002, restrained the company to hold the Annual General Meeting and any other meeting of the shareholders. As a result, the financial statements of the company for the year ended December 31, 2001 could not be considered and adopted by the shareholders. On August 22, 2002, the Honourable High Court, further restrained the above-referred defendants from exercising any right to interfere, influence or exercise their rights to elect the directors till the decision of the Court.

Subsequently, the Honourable High Court of Sindh, acting on an application filed by the aggrieved party, reversed the order passed against the defendant and allowed Muslim Commercial Bank Limited to seek representation on the Board of Directors of the company. In return, the company filed a Constitutional petition in the Honourable Supreme Court of Pakistan. The Honourable Supreme Court of Pakistan in an interim order, dated December 20, 2002, directed that the parties shall maintain status quo. The defendants are, however, entitled to all the dividends and profits that may be declared or announced by the company.

Further, subsequent to the end of the current year, the Honourable Supreme Court of Pakistan has dismissed the Company's petition, as appeared in the Newspapers of March 26, 2004.

As stated above, the financial statements of the company for the year ended December 31, 2001 have not been considered and adopted by the shareholders of the company as the Annual General Meeting of the shareholders has not been held to-date. Similarly, the Annual General Meeting for the consideration and adoption of financial statements of the company for the year ended December 31, 2002 could not be called, in compliance with the above-referred interim order of the Honourable Supreme Court of Pakistan.

The Company will take steps for holding the Annual General Meeting, after receipt of the certified copy of the judgement.

33.2 A suit has been filed against the company by the Pakistan Oilfields Limited for recovery of an alleged claim in the sum of US \$ 8.317 million, in the Honourable High Court of Sindh.

The company, in turn, has engaged Rizvi, Isa, Afridi & Angell Advocates, to defend it. The company is also considering taking legal action against the brokers and/or reinsurers in London and filing a suit is being considered.

Pending the resolution of this matter, no provision has been made for any liability that may arise as a result thereof in the financial statements of the current year.

33.3 Figures in these financial statements have been rounded off to the nearest thousand of rupees.



Syed Ziauddin Ahmed
Executive Director (Finance)



Mohammed Choudhury
Managing Director &
Chief Executive



Akhtar K. Alavi
Director



Abdul Razak Adamjee
Director



Mohamed Hanif Adamjee
Chairman


Karachi: April 23, 2004

ADAMJEE INSURANCE COMPANY LIMITED

PATTERN OF HOLDING OF THE SHARES HELD BY THE SHAREHOLDERS AS AT DECEMBER 31, 2003

<u>No. of shareholders</u>	<u>Shareholdings</u>	<u>Total shares held</u>
1,094	Shareholding from 1 to 100 shares	43,485
1,123	-do- 101 " 500 "	311,481
516	-do- 501 " 1,000 "	402,457
890	-do- 1,001 " 5,000 "	2,142,660
248	-do- 5,001 " 10,000 "	1,808,088
88	-do- 10,001 " 15,000 "	1,089,653
47	-do- 15,001 " 20,000 "	835,377
33	-do- 20,001 " 25,000 "	748,054
24	-do- 25,001 " 30,000 "	663,978
15	-do- 30,001 " 35,000 "	491,368
13	-do- 35,001 " 40,000 "	500,197
15	-do- 40,001 " 45,000 "	631,148
10	-do- 45,001 " 50,000 "	480,269
7	-do- 50,001 " 55,000 "	360,548
5	-do- 55,001 " 60,000 "	289,820
8	-do- 60,001 " 65,000 "	500,392
4	-do- 65,001 " 70,000 "	272,886
3	-do- 70,001 " 75,000 "	218,003
5	-do- 75,001 " 80,000 "	390,096
4	-do- 80,001 " 85,000 "	329,224
2	-do- 85,001 " 90,000 "	175,855
5	-do- 95,001 " 100,000 "	497,275
6	-do- 100,001 " 105,000 "	606,344
3	-do- 105,001 " 110,000 "	325,184
1	-do- 110,001 " 115,000 "	110,329
3	-do- 115,001 " 120,000 "	355,050
2	-do- 120,001 " 125,000 "	245,088
2	-do- 130,001 " 135,000 "	263,398
1	-do- 135,001 " 140,000 "	140,000
3	-do- 145,001 " 150,000 "	437,764
2	-do- 150,001 " 155,000 "	307,753
1	-do- 155,001 " 160,000 "	155,291
1	-do- 160,001 " 165,000 "	160,581
1	-do- 165,001 " 170,000 "	167,984
2	-do- 170,001 " 175,000 "	346,631
2	-do- 175,001 " 180,000 "	353,701
3	-do- 180,001 " 185,000 "	542,487
1	-do- 185,001 " 190,000 "	188,751
2	-do- 195,001 " 200,000 "	398,542
3	-do- 200,001 " 205,000 "	604,512
1	-do- 205,001 " 210,000 "	208,059
1	-do- 210,001 " 215,000 "	214,381
1	-do- 220,001 " 225,000 "	221,857
3	-do- 245,001 " 250,000 "	749,613
1	-do- 260,001 " 265,000 "	261,083
1	-do- 285,001 " 290,000 "	286,620
1	-do- 310,001 " 315,000 "	314,917
1	-do- 325,001 " 330,000 "	328,991
1	-do- 420,001 " 425,000 "	421,821
1	-do- 435,001 " 440,000 "	436,425
2	-do- 440,001 " 445,000 "	883,551
1	-do- 490,001 " 495,000 "	495,000
1	-do- 495,001 " 500,000 "	499,478
1	-do- 565,001 " 570,000 "	570,000
2	-do- 575,001 " 580,000 "	1,150,929
1	-do- 645,001 " 650,000 "	650,000
1	-do- 685,001 " 690,000 "	687,000
1	-do- 710,001 " 715,000 "	712,827
1	-do- 745,001 " 750,000 "	747,025
1	-do- 955,001 " 960,000 "	955,500
1	-do- 1,270,001 " 1,275,000 "	1,272,570
1	-do- 2,085,001 " 2,090,000 "	2,087,981
1	-do- 2,585,001 " 2,590,000 "	2,589,871
1	-do- 2,985,001 " 2,990,000 "	2,985,899
1	-do- 5,495,001 " 5,500,000 "	5,495,158
1	-do- 18,345,001 " 18,350,000 "	18,349,996
4,228	Total:	62,468,256

<u>Categories of shareholders</u>	<u>share held</u>	<u>percentage</u>
Directors		
Mohamed Hanif Adamjee	436,425	0.699
Abdul Hamid Adamjee	898,385	1.438
Abdul Razak Adamjee	262,153	0.420
Abdul Gaffar Adamjee	53,245	0.085
Iqbal Adamjee	4,655	0.007
Akhtar K. Alavi	56,345	0.090
Chief Executive Officer		
Mohammed Choudhury	626,640	1.003
Directors'/CEO's spouse		
Mrs.Gulshan Adamjee W/o Mr.M.Hanif Adamjee	145,475	0.233
Mrs.Hawa W/o Mr.A. Hamid Adamjee	405,308	0.649
Mrs.Naseem W/o A.Razak Adamjee	431,847	0.691
Mrs.Salma Adamjee W/o Mr.A.Gaffar Adamjee	51,635	0.083
Mrs.Fatima Adamjee W/o Mr.Iqbal Adamjee	5	-
Mrs. Nafisa Choudhury W/o Mr.Mohammed Choudhury	20,001	0.032
Executives/Executives' spouse		
	61,126	0.098
Associated companies, undertakings & related parties		
Muslim Commercial Bank Ltd.	18,349,996 *	29.375
Adamjee Foundation	5,495,158	8.797
NIT and ICP		
National Bank of Pakistan, Trustee Deptt.	9,143	0.015
Investment Corporation of Pakistan	1,451	0.002
Banks, DFIs and NBFIs		
	5,685,948	9.102
Public sector companies and corporations		
State Life Insurance Corporation of Pakistan	51,969	0.083
Insurance Companies		
	250,629	0.401
Modarabas and Mutual Funds		
	78,639	0.126
General Public		
a) Local (individuals)	20,616,315	33.003
b) Foreign companies/ organizations/individuals (on repatriable basis)	67,306	0.108
Others – See below		
	8,408,457 **	13.460
TOTAL		
	<u>62,468,256</u>	<u>100.00</u>
Shareholders holding 10% or more voting interest		
	<u>18,349,996 *</u>	
Others:		
1 The Administrator, Abandoned Properties Organisation	747,025	
2 AAL Bawany Foundation	21,315	
3 Amina Bai A. Majid Bawany Foundation	185	
4 Ebrahim Bawany Foundation	45,928	
5 Engro Chemical Pak Ltd. Provident Fund	10,000	
6 Korangi Fishries Harbour Authority	9,000	
7 MCB Empoloyees Pension Fund	2,589,871	
8 MCB Provident Fund Pak Staff	2,087,981	
9 Mobarak Begum Charitable Trust	19,955	
10 Pakistan Memon Educational & Welfare Society	100,057	
11 Joint Stock Companies	2,777,140	
	<u>8,408,457 **</u>	


Mohammed Choudhury
 Managing Director &
 Chief Executive

EXECUTIVES OF THE COMPANY

DEPUTY GENERAL MANAGERS

M. QASIM KAZMI, B.A.
 RAMESH MULRAJ BHERWANI, B.A.
 SALEEM TARIQ AHMED
 ATEEQ AHMED KHAN, M.Sc. (Agri. Eco.)
 SYED KAISER ABBAS
 M. BASHIR SEJA, B.Com.
 A. SATTAR MOHAMMADI, B.A.
 JALALUDDIN ALVI, M.A.
 A. RAHIM A. GHANI, B.Com.
 IMTIAZ AHMED PIRACHA, B.Sc.
 SALIM RAZAK BRAMCHARI, B.Com., A.C.I.I. (London) Chartered Insurer
 NADEEM AHMED
 ABDUL REHMAN MOHAMMADI, B.Com.
 MOHD. IBRAHIM KAPADIA, M.B.A.(USA), A.C.I.I.(London) Chartered Insurer
 NAEEM UD DIN, M.B.A.
 SATWAT MAHMOOD BUTT, M.B.A. (U.S.A.)
 MOHAMMAD IQBAL DADA, M.A. (Eco.), A.C.I.I. (London)
 NAJIB NASIR SYED, M.B.A. (U.S.A.)

DY. GENERAL MANAGERS (DEVELOPMENT)

ABDULLAH HAMID
 A.W. KARIM
 ASGHAR JALIL
 TABASSUM ELAHI
 MOHAMMAD UMER MEMON
 ABDUL WAHID
 ANJUM SALEEM, B.Com.
 MOHD. SALEEM KHAN

ASST. GENERAL MANAGERS

SHAHID A. ZAIDI
 KHALID M. MIRZA, B.Com.
 MUHAMMED AMIN GHANI
 AKBER ALI RAJAN
 MUHAMMAD MAZHAR SHAH, B.A.
 MALIK NAZIR AHMED
 EMMANUEL MEHR, B.Com.
 MOINUDDIN KHAN, M.SC., A.C.I.I. (London), Chartered Insurer
 M. A. BASIT, A.C.I.I. (London)
 SUNNU F. GOLWALLA (Mrs.), B.A.
 M. NAJEEB ANWAR, B.A.
 FAROOQ USMAN KOTHAWALA, B.Com.
 SYED NOMAN KADRI, M.SC. (MATHS.)
 MUHAMMAD YASEEN, B.Sc.
 RAKHSHANDA QURESHI (Mrs.), M.Sc. (Zoology)
 A.C.I.I. (London), Chartered Insurer
 SYED MOHD. IQBAL, B.Com., A.C.I.I. (London), Chartered Insurer
 SHAKIL AHMED, A.M.I.M.I. (U.K.)
 ASIF JABBAR, B.Com., A.C.I.I. (London)
 AHMED HUSSAIN ZUBERI, B.Com.
 CAPT. M. IQBAL A. QURESHI, Master Mariner
 M. SAQIB KIDWAI, B.E.(Mech.), M.S.(Mech. Eng) U.S.A.
 HASEEB MOHAMMED KHAN, A.C.A.
 NAVEED ZAFAR MIRZA, F.C.A.
 SYED ATHER ABBAS, M.B.A.
 IMRAN MUGHAL, B.Com.
 MUSAKHAR UZ ZAMAN, B.E. (Elec.)

ASST. GENERAL MANAGERS (DEVELOPMENT)

SYED ALI JAFFERY
 ARSHAD HUSSAIN
 ALI MOHD. SHEKHA, B.A.
 MOHAMMED IBRAHIM
 ALI MOHD. HAJI RAHIMTULLAH
 MOHD. YOUNUS, B.Com.
 NAJMA NAEEM (Mrs.)
 MOHAMMAD YOUSUF KHANANI
 ABDUL AZIZ ZARA
 MOHD. TARIQUE HUSSAIN, B.A.
 MOHAMMAD ALI WAHAB, B.Com.
 MOHD. KAMIL KHAN, B.A.
 ZAHEER ANWAR PASHA, B.Com.
 SYED ZAHID HUSSAIN ZAIDI
 QAMAR AHMED, B.A.
 GHULAM MOHAMMAD MANDVIA
 MOHD. SOHAIL DAWRA

SINDH AND BALOCHISTAN

KARACHI (Zonal Office)

Mackinnons Building (5th Floor)
P.O. Box No. 5380, I.I. Chundrigar Road,
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2423791, 2411630, 2427537, 2413668,
2427110 & 2427112 (9 Lines)

Fax : (92-21) 2414017

Telex: 29719 & 21594 AIC PK

Cable : ADAMJINKAR

Director & Gen. Manager: Akhtar K. Alavi, A.C.I.I. (London)

Jt. Gen. Managers : Tinku I. Johnson, B.E.(Mech), M.B.A.
Ghulam Abbas

Asst. Gen. Manager : Naveed Zafar Mirza, F.C.A.

KARACHI (Main Branch)

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P.O. Box No. 5380
I.I.Chundrigar Road
Phone : 2413584, 2418895, 2426470, 2414016, 2429615
2413687, 2418589, 2427110 & 2427112 (9 Lines)

Fax : (92-21) 2424687 Cable : ADAMJINKAR

General Manager : Salim Rafik Sidiki,
B.A. (Hons) M.A. (Eco.)

Dy. General Manager : Najib Nasir Syed, M.B.A. (U.S.A.)

Asst. General Manager : Rakhshanda Qureshi (Mrs.)
M.Sc. (Zoology),
A.C.I.I. (London), Chartered Insurer

CORPORATE DIVISION, KARACHI

Business Centre (1st Floor)
Mumtaz Hasan Road Off: I.I.Chundrigar Road
Phone : 2428306, 2411280, 2422368, 2412135, 2421915
2435723, 2414052 & 2413090 (4 Lines)

Fax : (92-21) 2423866

General Manager : Capt. Mahmood Sultan, Master Mariner,
F.I.C.S. (London), F.C.I.I.(London),
Chartered Ship Broker, Chartered Insurer

Asst. Gen. Manager : Asif Jabbar, B.Com., A.C.I.I. (London)

NEW UNIT BRANCH, KARACHI

Adamjee Insurance Bldg. (6th Floor)
I.I. Chundrigar Road
Phone : 2414919, 2419433, 2414948, 2416064, 2418563, 2422430,
2424784, 2415335 (5 Lines) & 2417936 (5 Lines)

Fax : (92-21) 2418579

Dy. Gen. Manager : Abdul Rehman Mohammadi, B.Com.

Asst. Gen. Managers : Syed Noman Kadri, M.Sc. (Maths.)
Syed Mohd. Iqbal, B.Com, A.C.I.I.
(London) Chartered Insurer

CAR CLINIC, KARACHI

Plot No. 8-A,
West Wharf Road
Phone : 2312249, 2311716, 2312294, 2312190, 2312257,
PABX : 2316094-6, 2310271-4

Fax : (92-21) 2312389

Dy. Chief Manager: Rizwan Majid, B.Sc., M.I.T.A

MOTOR CLAIMS CONTROL DEPT.

PABX : 2316094-6, 2310271-4
Phone : 2316283, 2312250, 2311891, 2316281, 2312023

Fax : (92-21) 2316284, 2312389

Chief Manager : Nadeem Shiekh, B.E. (Mech), M.B.A. (USA)

RECOVERY CELL (CAR CLINIC)

PABX : 2316094-6, 2310271-4

Phone : 2316285 & 2200035

Fax : (92-21) 2316284

Dy. General Manager : Jalaluddin Alvi, M.A.

ADAM CHAMBER BRANCH, KARACHI

Haji Adam Chambers (2nd Floor)

Altaf Husain Road

New Challi

Phone : 2415125 & 2415779

Fax : (92-21) 2411402

Chief Manager : M. Yacoob Haroon, B.A., B.S (Eco), U.S.A.

ADAMJEE BUILDING BRANCH, KARACHI

Adamjee Insurance Building (1st Floor)

I.I. Chundrigar Road,

Phone : 2414018, 2424782, 2415335 (5 Lines),
& 2417936 (5 Lines)

Fax : (92-21) 2426596

Jt. General Manager: Naqi Zamin Ali, B.Sc.(Hons.)

ADAMJEE HOUSE BRANCH, KARACHI

4th Floor, Adamjee House I.I.Chundrigar Road

Phone : 2416931, 2416932, 2416933,
2428211, 2417403, 2414793 & 2413707

Fax : (92-21) 2427690

Dy. Gen. Manager : Nadeem Ahmed

ALLAMA IQBAL ROAD BRANCH, KARACHI

Shahwar Trade Centre (1st Floor)

72/S, Block 2, P.E.C.H.S.

Allama Iqbal Road

Phone : 4551213, 4541403, 4559468 & 4550708

Fax : (92-21) 4557408

Dy. Gen. Manager : Mohammad Iqbal Dada, M.A. (Eco.),
A.C.I.I. (Lodnon)

BUNDER ROAD CENTRAL BRANCH, KARACHI

Capital Building (1st Floor)

Opp: Khaliq Dina Hall,

M.A. Jinnah Road

Phone : 2629742, 2626108 & 2621118

Fax : (92-21) 2625577

Asst. Gen. Manager : Shahid A. Zaidi

BURNS ROAD BRANCH, KARACHI

Habib Market (1st Floor)

Opp: Eidgah

M.A. Jinnah Road

Phone : 2627333, 2627334 & 2627335

Fax : (92-21) 2628041

Chief Manager : Azmatullah Sheikh, B.A.

BUSINESS CENTRE BRANCH, KARACHI

1101-1102, Business Centre,

Mumtaz Hassan Road,

Off: I.I.Chundrigar Road

Phone: 2427780, 2423669 & 2427573

Fax : (92-21) 2427781

Jt. General Manager : Shamsul Haque, A.C.I.I. (London)

BUSINESS PLAZA BRANCH, KARACHI

Office No. 502 (5th Floor) Business Plaza,
Mumtaz Hassan Road,
Off: I.I.Chundrigar Road
Phone : 2400833 & 2400834
Fax : (92-21) 2400835
Chief Manager : Mohammad Idrees, B.Com.

CAMPBELL STREET BRANCH, KARACHI

Az-Zainab Court (2nd Floor)
Campbell Street
Phone : 2626527, 2626109, 2638584, 2636530 & 2218489
Fax : (92-21) 2626096
Dy. Gen Manager : Ramesh Mulraj Bherwani, B.A.

CLIFTON BRANCH, KARACHI

404, 405 & 406 Shaheen Centre (4th Floor)
Block 7, K.D.A. Scheme No.5
Clifton
Phone : 5866516, 5865714, 5831780 & 5834202
Fax : (92-21) 5830575
Jt. General Manager : Austen B. Freitas

DENSO HALL BRANCH, KARACHI

Karimjee Building (3rd Floor)
Opp: Habib Bank Ltd.,
North Napier Road
Phone : 7732220 & 7732221
Fax : (92-21) 7773960
Chief Manager : Mohammed Ghazali Farooqi

EIDGAH BRANCH, KARACHI

Room No.57, Noor Chambers (3rd Floor)
Robson Road
Phone : 2626214 & 2628501 (3 Lines)
Fax : (92-21) 2620416
Dy. Gen. Manager : A. Sattar Mohammadi, B.A.

GUL TOWER BRANCH, KARACHI

Gul Tower (8th Floor)
I.I. Chundrigar Road
Phone : 2418290, 2418107, 2418117, 2424102 & 2418119
Fax : (92-21) 2425305
Asst.General Manager : M.A. Basit, A.C.I.I. (London)

GULSHAN-E-IQBAL BRANCH, KARACHI

207, Al-Amin Towers,
NIPA Chowrangi Main University Road
Phone : 4978114 & 4978115
Fax : (92-21) 4978116
Manager : Shahid Ahmed Quraishi, B.Com.

HABIB SQUARE BRANCH, KARACHI

State Life Building No. 6-A,(3rd Floor)
M.A. Jinnah Road
Phone : 2424666, 2424777, 2422050
2422058 & 2422059
Fax : (92-21) 2428475
Jt. General Manager : T. A. Abbasi, B.Com.

JAPAN PLAZA BRANCH, KARACHI

Room Nos. 604 & 605, Japan Plaza (6th Floor)
M.A. Jinnah Road,
Phone : 7724511, 7720425 & 7766839
Fax : (92-21) 7724511
Asst. General Manager : Syed Ather Abbas, M.B.A.

JODIA BAZAR BRANCH, KARACHI

Suleman Centre, Rambharti Street, Jodia Bazar
Phone : 2437353 & 2439831 (5 lines)
Fax : (92-21) 2417235
Jt. General Manager : M. Iqbal Vakil, B.Com.

KARIMABAD BRANCH, KARACHI

4th Floor, Adeel Shopping Centre, Block 1, Federal 'B' Area
Phone : 6314855, 6324701 & 6330433
Fax : (92-21) 6330432
Manager : Syed Sohail Ahmed, M.B.A.

KHORI GARDEN BRANCH, KARACHI

Room Nos 18-23 2nd Floor, Waqar Centre,
Rambharti Street, Jodia Bazar
Phone : 2417236, 2417237
Fax : (92-21) 2420559
Chief Manager : Mohammad Hanif

KORANGI INDUSTRIAL AREA BRANCH, KARACHI

Korangi Association of Trade & Industry Building
Plot No. St-4/2, Sector 23, Korangi Industrial Area
Phone : 5060651, 5060652 & 5060653
Fax : (92-21) 5060654
Dy. Chief Manager : M.Munir Khan

K.P.T. BRANCH, KARACHI

K.D.L.B. Building,(4th Floor)
58, West Wharf Road
Phone : 2311021 (5 Lines)
Fax : (92-21) 2311026
General Manager : A. Razzak Rahimtullah Bramchari
Dy. Gen. Manager : Salim Razzak Bramchari, B.Com.
A.C.I.I. (London), Chartered Insurer

KUTCHERY ROAD BRANCH, KARACHI

Seedat Chambers (3rd Floor)
Dr.Ziauddin Ahmed Road
Phone : 5672560, 5672561 & 5674071 (5 Lines)
Fax : (92-21) 5672559
Asst.Gen. Manager: Farooq Usman Kothawala, B.Com.

MEREWETHER TOWER BRANCH, KARACHI

State Life Building No.7 (1st Floor), G. Allana Road
Phone : 2314382, 2204107, 2204108 & 2204095
Fax : (92-21) 2310046
Dy. Gen. Manager : Ateeq Ahmed Khan, M.Sc.(Agri. Eco.)

MUHAMMADI HOUSE BRANCH, KARACHI

Muhammadi House (1st Floor), I. I. Chundrigar Road
Phone : 2416840 & 2426591 (5 Lines)
Fax : (92-21) 2411535
General Manager: Syed Basit Hussain, B.Com.

NAZIMABAD BRANCH, KARACHI

7/2, 2nd Floor, Saeed Chambers
above Allied Bank Ltd,
Firdous Colony 1st Chowrangi, Nazimabad
Phone : 6684328, 6684546 & 6689708
Fax : (92-21) 6689705
Dy. Chief Manager : Syed Aboobaker, B.Com.

NORTH NAZIMABAD BRANCH, KARACHI

Muhammadi Manzil (2nd Floor) Plot No. SB-1, Block 'K'
North Nazimabad
Phone : 6626208 & 6624590
Fax : (92-21) 6626209
Chief Manager : Saeed Muzaffar Zuberi, B.A.,
A.C.I.I. (London)

NEW CHALLI BRANCH, KARACHI

Haji Adam Chambers (5th Floor), New Challi
Phone : 2414160, 2414178, & 2414169
Fax : (92-21) 2424133
Dy. General Manager : Saleem Tariq Ahmed

P.I.D.C. HOUSE BRANCH, KARACHI

P.I.D.C. House (6th Floor), Dr. Ziauddin Ahmed Road
Phone : 5680909, 5689131, 5688658, 5683586 & 5684468
Fax : (92-21) 5683480
Dy. Gen. Manager : Mohd. Ibrahim Kapadia, M.B.A.(U.S.A),
A.C.I.I. (London), Chartered Insurer

PLAZA BRANCH, KARACHI

Rehman Centre (1st Floor), M. A. Jinnah Road
Phone : 7763853, 7763741, 7721486, 7725940 & 7730101
Fax : (92-21) 7760067
Jt. General Manager : S.M.M. Rizvi, B.A.

SADDAR BRANCH, KARACHI

Hajra Mansion (1st Floor), Zaibun-Nisa Street
Phone : 5670417, 5670418, 5675632, 5675633, 5670436, 5670423
& 5675600
Fax : (92-21) 5687628
Jt. General Manager: Edris H. M. Goawala, B.Com.,
A.C.I.I. (London), Chartered Insurer

SHAFI COURT BRANCH, KARACHI

Shafi Court (1st Floor), Mereweather Road
Phone : 5684982, 5684985, 5688643 & 5219619
Fax : (92-21) 5688643
Asst. Gen. Manager : Akber Ali Rajan

SHAHEED-E-MILLAT ROAD BRANCH, KARACHI

502-503 Amber Estate,
Corner Shaheed-e-Millat Road & Sharea Faisal
Phone : 4520196, 4520198 4541925 & 4542903
Fax : (92-21) 4529218
Asst. Gen. Manager : Khalid M. Mirza, B.Com.

SHAREA FAISAL BRANCH, KARACHI

Faiyaz Centre (1st Floor), Room Nos.101 & 102, 3-A, S.M.C.H.S.,
Phone : 4553372, 4540466 & 4556103 (3 Lines)
Fax : (92-21) 4551822
Jt. General Manager : M. Jahangir Chughtai, M.A.

S.I.T.E. BRANCH, KARACHI

Allied Plaza (1st Floor), S.I.T.E.
Phone : 2570832, 2570806 & 2570785
Fax : (92-21) 2570785
Dy. Chief Manager : Syed Hasan Ali

TARIQ ROAD BRANCH, KARACHI

Shahwar Trade Centre (1st Floor)
72/S, Block 2, P.E.C.H.S.
Allama Iqbal Road
Phone : 4524758, 4531482 & 4536708
Fax : (92-21) 4543117
Asst. General Manager : Ahmed Hussain Zuberi, B.Com.

TIMBER MARKET BRANCH, KARACHI

Panjetani House (1st Floor)
Siddiq Wahab Road
Old Haji Camp
Phone : 7725888, 7735480 & 7777594
Fax : (92-21) 7764429
Chief Manager : Mohd. Siddique, M.A.(Eco.), LL.B.

UNI CENTRE BRANCH, KARACHI

Uni Centre (1st Floor), I. I. Chundrigar Road
Phone : 2424543, 2400250 & 2412577 (3 Lines)
Fax : (92-21) 2424543
Dy. Gen. Manager : Syed Kaiser Abbas

WEST WHARF BRANCH, KARACHI

A & K Chamber (2nd Floor)
14, West Wharf Road
Phone : 2311746, 2311738 & 2315646
Fax : (92-21) 2315645
Dy. Chief Manager : Syed M. Alim Kazmi

EXPORT PROCESSING ZONE BRANCH, KARACHI

Extension Landhi Industrial Area
Mehran Highway, Landhi, P.O. Box No. 17016
Phone : 5082027-8
Chief Manager: Syed Sadiq Ali Jafri, B.A.

HYDERABAD BRANCH

Tilak Incline,
Phone : 615518 & 618852
Fax : (92-0221) 610227
Chief Manager : Mohd. Yacoob Memon, M.A.

NAWABSHAH (SUB-OFFICE)

Tayyaba Shopping Centre,
1st Floor, Kutchery Road
Phone : (0241) 72331
Fax : (0241) 64342
Dy. Ch. Manager (Dev.) Mohammad Saleem Rao, B.A.

MIRPURKHAS (SUB-OFFICE)

1st Floor, Building No. P-15 C.S. No.646 to 650 Ward 'B'
M.A.Jinnah Road
Phone : (0231) 72490
Fax : (0231) 72490

TANDO ADAM (SUB-OFFICE)

Khoso Centre (1st floor)
M.A.Jinnah Road
Phone : (02221) 75869
Fax : (02221) 75869
Executive Officer (Dev.): Ghulam Akber Memon

SUKKUR BRANCH

Shafi Chamber,
Jama Masjid Road
Phone : (071) 24985
Fax : (071) 24958
Chief Manager : Syed Rafique Ali

QUETTA BRANCH

Agha Siraj Complex (2nd Floor)
Circular Road,
Phone : (081) 844966 & 820260
Fax : (081) 844955
Dy. Gen. Manager : M. Bashir Seja, B.Com.

PUNJAB & NWFP

LAHORE (Zonal Office)

Suite No.217 (2nd Floor), Eden Centre,
43, Ghaus-Ul-Azam (Jail Road), P.O.Box No.220
Phone : 7571523,7567597, 7552406 & 7560001-4
Fax : (042) 7576024
Cable : ADAMJINSUR
Jt. General Manager : Mian Faisal Usman, M.B.A.,
A.C.I.I.(London)

MAIN BRANCH, LAHORE

M.C.B. Building, Bank Square,
Phone : 7222478-3, 7238036, 7357070 & 7314155
Fax : (042) 7122615
Cable : ADAMJINSUR
Dy. Gen. Manager: Naeem Ud Din, M.B.A.

CANAL VIEW BRANCH, LAHORE

Suite No.302 (3rd Floor), Eden Centre,
43-Ghaus-ul-Azam (Jail Road),
Phone : 7569204, 7569205, 7530432 & 7565744
Fax : (042) 7595748
Dy. Gen. Manager : Satwat Mahmood Butt, M.B.A. (U.S.A.)

CAR CLINIC, LAHORE

Al-Noor Building, Bank Square,
Phone : (042) 7244569
Fax : (042) 7238271
Service Manager : Manzoor Ahmed Khan, D.A.E.(Auto)

CITY BRANCH, LAHORE

Al-Noor Building, 43- Bank Square,
Phone : 7244568, 7124779 & 7311216
Fax : (042) 7238271
Chief Manager Abdul Hayee Mughal, M.B.E.

CORPORATE BRANCH, LAHORE

Apartment No.T-17, 3rd Floor,
Al-Hafiz Centre, 74-75/E-1,
Main Boulevard, Gulberg III
Phone : 5752420, 5873986, 5716294 & 5716295
Fax : (042) 5878607
Dy. Chief Manager : Syed Muhammad Kausar Ali

EDEN CENTRE BRANCH, LAHORE

Suit No. 318, (3rd floor), Eden Centre,
43-Ghaus-Ul-Azam Road (Jail Road)
Phone : 7579005 & 7579504
Fax : (042) 7579504
Manager : Amjad Ali Shaida, B.A.

EGERTON ROAD BRANCH, LAHORE

Associated House, Building No.2
(2nd Floor), 7,Kashmir/Egerton Road,
Phone : 6370462, 6278965 & 6302660
Fax : (042) 6303474
Jt. General Manager : Syed Agha Haider, M.A.

EMPRESS ROAD BRANCH, LAHORE

Empress House (2nd Floor), 28-Empress Road
Phone : 6364365, 6372602 & 6371611
Fax : (042) 6374684
Chief Manager : Mohammad Arif Khan, B.A., LL.B.

GARDEN TOWN BRANCH, LAHORE

Flat No.10 (1st Floor), Shan Arcade, Civic Centre
Barket Market, New Garden Town,
Phone : 5830243, 5880229, 5862281 & 5866670
Fax : (042) 5830243
Dy. General Manager : Imtiaz Ahmed Piracha, B.Sc.

GHAUSIA BRANCH, LAHORE

23, Patiala Ground, Link Mcleod Road
Phone : 7238751 & 7230657
Fax : (042) 7239030
Manager : Nadeem Mushtaq, M.B.A.

KOT LAKHPAT BRANCH, LAHORE

Glamour Plaza, Flat No.5(Ist Floor),
Peco Road Township
Phone : 5111033, 5151587 & 5151588
Fax : (042) 5111087
Asst. Gen. Manager: Syed Muhammad Mazhar Shah, B.A.

LATIF CENTRE BRANCH, LAHORE

106, Latif Centre, 99/101,Ferozepur Road
Phone : 7572655, 7576944 & 7569875
Fax : (042) 7572655
Asst. Gen. Manager: M. Najeeb Anwar, B.A.

NAWA-E-WAQT HOUSE BRANCH, LAHORE

Nawa-e-Waqt Building, Shahrah-e-Fatima Jinnah
Phone : 6363913, 6303913 & 6303914
Fax : (042) 6303914
Chief Manager : Asif Mahmood Malik, B.B.A.(U.S.A.)

SERVICE CENTRE, NEW UNIT,LAHORE

23-B. F.C.C., Syed Muratab Ali Road, Gulberg IV
Phone : 5750207, 5750218, 5750870 & 5750871
Fax : (042) 5750857
Asst. Gen. Manager: Imran Mughal, B.Com.

VENUS PLAZA BRANCH,LAHORE

Venus Plaza (2nd Floor) 7/E, Egerton Road
Phone : 6375752, 6375754, 6374353 & 6374327
Fax : (042) 6375754
Dy. Chief Manager : Mian Allah Nawaz, BL, M.A.

BRANCH OFFICES AND OFFICIALS

GUJRANWALA OFFICE

Al-Azhar Arcade, (1st Floor)
Opp. Iqbal High School, G.T. Road
Phone : 710629, 857767 & 252573
Fax : (0431) 710629
Dy. Chief Manager : Ch. Ghulam Murtaza

SIALKOT OFFICE

Flat No. 1 & 2, Javed Market,
Karimpura Road, Ramtalai
Phone : 581236 & 596584
Fax : (0432) 581236
Dy. Chief Manager : M. Iqbal Butt, A.C.I.I.(London),
Chartered Insurer

RAWALPINDI (Divisional Office)

43-C, (1st Floor), Kirpa Ram Compound
P.O. Box No. 92
Bank Road
Phone : 5567849, 5517332, 5517335, 5519802 & 5566920
Fax : (051) 5517336
General Manager : Kh. Khalid Mustafa, M.A.
Asst. Gen. Manager : Muhammad Yaseen, B.Sc.

ISLAMABAD OFFICE

Office No. 4, Block 87-West
Abbas Centre, (1st floor),
Fazal-Ul-Haq Road, Blue Area
Phone : 2270516, 2270517, 2270518 & 2273871
Fax : (051) 2270519
Dy. Chief Manager : Abdur Rauf, B.A.

TERBELA BRANCH

Mini Plaza, G. T. Road
District Attock Kamra
Phone : 640621
Fax : (0597) 640622
Branch Manager : Shamshair H. Khan, M.A.

PESHAWAR BRANCH

State Life Bldg. (6th Floor)
34-The Mall, P.O. Box No. 45
Phone : 273635, 276235 & 272310
Fax : (091) 274076
Jt. Gen. Manager : Saeed Jan Awan, M.Com.

FAISALABAD (Regional Office)

M.C.B. Building, 4th floor
Circular Road
P.O. Box No.32
Phone : 643788, 644810 & 614810
Fax : (041) 648368
General Manager : Iqbal Mohammad Ch., B.A.

PEOPLE'S COLONY BRANCH, FAISALABAD

P-834, 1st floor, Bilal Plaza
Liaquat Road
Phone : 628456
Fax : (041) 628456

CLOCK TOWER BRANCH, FAISALABAD

P-834 1st floor, Bilal Plaza, Liaquat Road
Phone : 628457
Fax : (041) 628457
Manager : Mohammad Ilyas Malik, B.A.

JHANG OFFICE

Session Chowk
Katchery Road
Near D C House,
Jhang Saddar
Phone : (0471) 622587
Manager (Dev.) : Sh. Tahir Abbas

SAHIWAL OFFICE

Room No. 11 & 12, (1st Floor), Sattar Complex
Stadium Road, P.O. Box No. 1
Phone : (0441) 67015
Fax : (0441) 60786
Manager : S. Wilayat Ali, B.A.

MULTAN (Zonal Office)

F-1, Hassan Arcade,
Nusrat Road, P. O. Box No. 93
Phone : 589848, 543976 & 548614
Fax : (061) 545978
Asst. Gen. Manager : Malik Nazir Ahmed
Branch Manager : Mohammed Rafique

RAHIM YAR KHAN OFFICE

18, Shahi Road,, P. O. Box No. 61
Phone : (0731) 77198
Executive Officer (Dev.) : Ch. Muhammad Rafique

BHAWALPUR OFFICE

Room No. 908/B-V, 2nd floor
Near Abbaseen Hotel Circular Road
P.O. Box No. 85,
Phone : 877232
Fax : (0621) 877232
Dy. Chief Manager : Mohammed Rafique



OVERSEAS OFFICES

UNITED ARAB EMIRATES

General Manager for Middle East: Tahir Ahmed, B.E. (Met.), M.B.A., A.C.I.I. (London), Chartered Insurer

DUBAI (Zonal Office for Middle East)

Deira Tower, Suit No.0307
Post Box No.4256, Deira Dubai
Phone : 971-4-2224098 (6 Lines), 2227389 & 2285295
Fax : 971-4-2285600
Telex : 47357 AIC EM
Cable : ADAMJINSUR

General Manager : Tahir Ahmed, B.E. (Met.), M.B.A.,
A.C.I.I (London), Chartered Insurer

Asst. Gen. Manager: Haseeb Mohammed Khan, A.C.A.

SHARJAH BRANCH

Meena Building
Mezannine Floor, Flat No. 1
Meena Road, P. O. Box 4521
Sharjah

Phone : 971-6-5616120

Fax : 971-6-5625344

Asst. Gen. Manager: Shakil Ahmed, A.M.I.M.I. (U.K)

JEBEL ALI FREE ZONE OFFICE

Lob # 16
Jebel Ali
Phone : 971-4-8872434
Manager (Dev) : Ateeq Ahmed

KINGDOM OF SAUDI ARABIA

JEDDAH BRANCH

Adamjee Insurance Company Limited
Sponsors : M/s Gulf Orbit Trading Establishment
308, Saudi Business Centre, Madina Road, P.O. Box 17002
Jeddah 21484
Phone : 966-2-6524669, 6524675 & 6524722, 6524761
Fax : 966-2- 6524722
Dy. Chief Manager : Baber A. Farooqui , M.A.

AL KHOBAR BRANCH

Adamjee Insurance Company Limited
Sponsors : M/s. Gulf Orbit Trading Establishment
P.O. Box 31151
Al Khobar 31952
Phone : 966-3-8643228, 8995873
Fax : 966-3-8643229
Branch Incharge: Syed Aliuddin

LONDON BRANCH

The City Business Centre
Suit No. 18, 2 London Wall Building
London Wall
London EC2M 5UU
United Kingdom
Phone : 020-75885506
Fax : 020-75885509
Dy. General Manager : M. Qasim Kazmi, B.A.



ADAMJEE INSURANCE COMPANY LIMITED

Registered Office: Adamjee House, I.I. Chundrigar Road, Karachi

PROXY FORM

I/We..... of being a member of Adamjee Insurance Company Limited hereby appoint Mr..... of or failing him Mr of as my/our Proxy to vote for me/us and on my/our behalf at the fortythird Annual General Meeting of the Company to be held on May 29, 2004 at the auditorium of the Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, G-31/8, Kehkashan, Clifton, Karachi on conclusion of the preceding two AGMs on the same date and venue (of which the 41st AGM is scheduled at 11.00 a.m. followed by 42nd AGM) and at any adjournment thereof.

Signed this..... day of.....2004

WITNESSES:

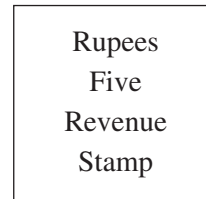
1- Signature

Name.....

Address

.....

NIC No



2- Signature

Name

Address.....

.....

NIC No.

Signature

Holder ofOrdinary Shares

Share Register Folio No.

"CDC" Participant's I.D.No, A/c No.

(Please see Notes on reverse)

NOTES

1. A member entitled to attend and vote at the General Meeting is entitled to appoint another member as a proxy to attend and vote instead of him/her.
2. Proxies must be received at the Registered Office of the Company not less than 48 hours before the time appointed for the Meeting.
3. The signature on the instrument of proxy must conform to the specimen signature recorded with the Company.
4. CDC Account Holders will further have to follow the under-mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

A. For attending the Meeting

- (i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original National Identity Card (NIC) or original passport at the time of attending the meeting.
- (ii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. For Appointing Proxies

- (i) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
- (ii) The proxy form shall be witnessed by two persons whose names, addresses and NIC numbers shall be mentioned on the form.
- (iii) Attested copies of NIC or the passport of the beneficial owners and of the proxy shall be furnished with the proxy form.
- (iv) The proxy shall produce his/her original NIC or original passport at the time of the Meeting.
- (v) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signatures shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.