



## Contents

Company Information	2
Notice of Annual General Meeting	3
Directors' Report	4
Auditors' Report to the Members	9
Statement of Compliance with the Code of Corporate Governance	11
Auditors' Review Report to the Members on Statement of Compliance	12
Mission / Vision Statements and 20 Years' Profit Appropriation at a Glance	13
Balance Sheet	14
Profit & Loss Account	16
Statement of Changes in Equity	19
Statement of Cash Flows	20
Statement of Premiums	26
Statement of Claims	29
Statement of Expenses	32
Statement of Investment Income	35
Notes to the Financial Statements	36
Pattern of Shareholding	57
Executives of The Company	59
Branch Network in Pakistan & Overseas Offices	60
Proxy Form	



# ADAMJEE INSURANCE COMPANY LIMITED

## **BOARD OF DIRECTORS**

**SAQIB ELAHI**  
**SHAHZAD SALEEM**  
**MOHAMMED NAEEM MUKHTAR**  
**IBRAHIM SHAMSI**  
**ABDUL HAMID ADAMJEE**  
**ABDUL RAZZAK ADAMJEE**  
**WASIF MOHAMMED KHAN**  
**MOHAMMED CHOUDHURY**  
**SYED JAWAD GILLANI**

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

## **AUDIT COMMITTEE**

SAQIB ELAHI  
SHAHZAD SALEEM  
MOHAMMED NAEEM MUKHTAR  
MOHAMMED CHOUDHURY

Chairman  
Member  
Member  
Member

*Deputy Managing Director*

NASREEN RASHID, M.A., A.C.I.I. (London)

*Executive Director (Finance)*

SYED ZIAUDDIN AHMED, M.Com. F.C.A.

*Senior General Manager*

SULTAN A. SIDDIQI, B.A.

*Secretary/General Manager*

A. AZIZ CHASHMAWALA, B.Com., L.L.B.

*General Managers*

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.  
JAMEEL KHAN, M.A. L.L.B.  
IQBAL MOHAMMAD, B.A.  
AHSAN MAHMOOD ALVI, F.C.A (England & Wales)  
ABDUL HAMID, B.Com. F.C.I.I. (London), Chartered Insurer  
MIAN FAISAL USMAN, M.B.A., A.C.I.I. (London)  
KHALID HAMID, B.E. (Elec.) A.C.I.I. (London), Chartered Insurer

*Advisor*

JABBAR AKHTAR

*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.

*Senior Joint General Managers*

M. JAHANGIR CHUGHTAI, M.A.  
SHAMSUL HAQUE, A.C.I.I. (London)  
M. IQBAL VAKIL, B.Com.  
T.A. ABBASI, B.Com.  
EDRIS H.M. GOAWLA B.Com., A.C.I.I (London), Chartered Insurer

*Joint General Managers*

S.M.M. RIZVI, B.A.  
SAEED JAN AWAN, M.Com.  
GHULAM ABBAS  
SYED AGHA HAIDER, M.A  
A. SATTAR MOHAMMADI, B.A.  
SALIM RAZAK BRAMCHARI, B.Com., A.C.I.I (London) Chartered Insurer  
NADEEM AHMED  
ABDUL REHMAN MOHAMMADI, B.Com.  
NAEEM UD DIN, M.B.A.  
SATWAT MAHMOOD BUTT, M.B.A. (U.S.A)  
NAJIB NASIR SYED, M.B.A. (U.S.A.)  
NAIM ANWAR, B.Com.

*Joint General Managers  
(Development)*

ZERSIS RUSTOM BIRDIE  
JAWED USMANI

## **AUDITORS**

A. F. FERGUSON & CO.  
Chartered Accountants, Karachi

M. YOUSUF ADIL SALEEM & CO.  
Chartered Accountants, Karachi.

## **HEAD OFFICE**

Adamjee House  
P. O. Box No. 4850  
I. I. Chundrigar Road, Karachi  
Phone : PABX 2412623  
Fax : (92-21) 2412627  
Telex : 21594 & 29719 AIC PK  
Cable : ADAMJINSUR  
E-mail : info@adamjeeinsurance.com  
Website : www.adamjeeinsurance.com



# ADAMJEE INSURANCE COMPANY LIMITED

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

## NOTICE OF THE FORTYFOURTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fortyfourth 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 Friday the March 25, 2005 at 11.00 a.m. to transact the following business:-

1. To elect a Chairman of the Meeting.
2. To confirm the minutes of the 41st, 42nd and 43rd Annual General Meetings, for the calendar years 2002, 2003 and 2004 respectively, held on May 29, 2004.
3. To receive, consider and adopt the audited Accounts for the year ended December 31, 2004 and the Directors' and Auditors' reports thereon.
4. The Board of Directors, based on the recommendation of the Audit Committee, recommend the appointment of M/s A.F. Ferguson & Co., Chartered Accountants, and M/s M. Yousuf Adil Saleem & Co., Chartered Accountants, as the auditors of the Company on such remuneration as may be fixed by the Chief Executive of the Company.

### Special Business

5. 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)
6. To transact any other business with the permission of the Chair.

By Order of the Board

A.AZIZ CHASHMAWALA  
Secretary

Karachi: February 26, 2005

### Notes:

- (a) The Share Transfer Books of the Company will remain closed from March 18, 2005 to March 25, 2005 (both days inclusive).
- (b) 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.
- (c) 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.
- (d) 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 5 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 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 working Director, Mr. Mohammed Choudhury, (appointed as an Advisor of the Company initially for a period of one year w.e.f. 12th June, 2004, renewable on annual basis), consisting of monthly emoluments of Rs.150,000 and other benefits/facilities including medical expenses of self & spouse at actuals limited to Rs.250,000 per annum, servants' salary upto Rs.50,000 per month, a fully maintained car and a Company paid driver be and are hereby approved."

Mr. Mohammed Choudhury 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 of the Company for the year ended December 31, 2004.

Before giving a detailed account of the Company's performance, we would like to inform you of certain significant developments that took place during the year as explained below:-

### **APPROVAL OF ANNUAL ACCOUNTS**

As you are aware, the previous management of the Company had been under litigation with the Muslim Commercial Bank Ltd who had acquired 29.4% shares of your Company. Because of the order of the Honourable Supreme Court of Pakistan, the Company was not allowed to convene the meeting of the shareholders of the Company for the approval of its annual Accounts. The election of the Directors of the Company, which was due in June 2002, had also been deferred.

We are pleased to inform you that following the judgment of the Hon. Supreme Court of Pakistan, in March, 2004, the annual general meetings of the Company in respect of Accounts for the years 2001, 2002 and 2003 were held on May 29, 2004 and the Accounts for the 3 years were approved by the shareholders. The election of the Directors was also held in the aforesaid meeting when a new Board of Directors was elected. They took over the Management of the Company on June 12, 2004 and appointed Syed Jawad Gillani, a seasoned Insurance Executive with over 50 years experience in insurance, as the Managing Director and Chief Executive of the Company. The Board of Directors largely consists of renowned entrepreneurs who are successfully running a number of industrial organizations etc.

### **CHANGE IN THE ACCOUNTING POLICIES OF THE COMPANY DURING THE YEAR 2004**

The Company changed its accounting policies in respect of the following during the year in accordance with the International Accounting Standards in order to reflect the accurate accounting results:-

- 1) Provision for outstanding claims including claims Incurred but Not Reported (IBNR).
  - 2) Recognition of transactions and balances with Pakistan Reinsurance Company Limited (PRCL) relating to retrocession business.
  - 3) Recognition of additional provision for Unexpired Risks – Premium Deficiency Reserve.
- 1) Provision for outstanding claims including claims incurred but not reported (IBNR)**

During the course of examination of Accounts of the Company for the half year ended June 2004, which were subject to limited review by the Company's auditors, it was noted that claims incurred in previous years in UAE were reported very late and therefore were not duly reflected in the outstanding claims at the end of the previous years. For this reason, the Accounting Policy of the Company with regard to claims outstanding was reviewed and changed retrospectively, affecting the Accounts for the years 2002

and 2003. Consequent upon giving retrospective effect to the outstanding losses, a large number of claims for the years 2002 and 2003 were included in the outstanding claims, besides claims incurred but not reported (IBNR) for these years and accounting results were restated for these years. The net effect of this change with reference to the outstanding claims was that the claims aggregating to Rs.345.481 million (Net of tax) were included in the outstanding claims on December 31, 2002 and resultantly the profit for the year 2002 was turned into a loss of Rs.182.509 million which also included the effect of change in the accounting policy for recognition of transactions and balances with PRCL relating to retrocession business and the Premium Deficiency Reserve as explained below. Similarly, following change in Accounting policy, outstanding claims, (besides claims incurred but not reported) of Rs.63.752 million (Net of tax) were included in the outstanding claims of 2003 accounts and profit for the year 2003 was restated at Rs.310.385 million.

### **2) Recognition of transactions and balances with Pakistan Reinsurance Company Limited (PRCL) relating to retrocession business**

Up to the year 2003, due to very late receipt of quarterly returns under retrocession business from PRCL, business figures of previous years were accounted for in arrear by one year. During the year, this policy was changed and retrocession business of Rs.5.396 million (Net of tax) for the year 2002 and Rs.11.404 million (Net of tax) for 2003 were accounted for in 2002 and 2003 accounts, respectively.

### **3) Recognition of additional provision of Unexpired Risks – Premium Deficiency Reserves**

During the year, the Company changed its accounting policy with regard to the determination of its liability for Premium Deficiency Reserve on a class of business basis. Previously, this was being determined on an overall Company basis by comparing the aggregate premium reserve for all classes of business at the period end with the aggregate future liability expected to be incurred after the balance sheet date. This change in accounting policy has been made to comply with the requirements of the SECP (Insurance) Rules, 2002 and applied retrospectively. Consequently, additional provision for unexpired risks of Rs.48.750 million (Net of tax) and Rs.6.500 million (Net of tax) were made in the accounts of 2002 and 2003 respectively and accounting results restated accordingly.

The effect of the aforesaid changes in the Accounting Policy in respect of IBNR, Retrocession business and Premium Deficiency Reserve for the aforesaid years has been appropriately explained in the Statement of Changes in Equity. All the comparative figures for 2003 wherever applicable have been recorded as 'restated figures' in these Accounts.

### **SPECIAL SITUATION ARISING OUT OF UAE OPERATIONS**

Despite recognition of serious problems with the UAE operation in 2001, the then Board of Directors and Company Management did not install adequate and robust controls at all necessary levels. Though some minor

administrative measures were taken, these were grossly insufficient and inadequate to stem the heavy losses of the UAE operation. The lack of responsibility and breach of fiduciary responsibility by the then Directors, and failures of both omission and commission by the Head Office and UAE Company Management continued to produce heavy losses in 2002 and 2003 as well. It is now abundantly clear that no serious management strategy or controls were implemented to stop this clearly avoidable erosion of shareholder value. Thus, losses continued to mount in subsequent years. The whole matter exemplifies shameful corporate governance and highly unprofessional management practice.

The Company, in the aggregate, suffered colossal loss of Rs.1.634 billion during the period 2000 to June 2004 from its UAE operations, the break-up of which is as under:-

(Rupees in million)

Year	Amount
2000	330.240
2001	501.960
2002	327.233
2003	203.846
6 months ended June, 2004	270.630
Total:	Rs. <u>1,633.909</u>

During the above period, the following persons, as the directors of the Company, were responsible for the management of the Company's affairs:

- 1) Mr. Mohamed Hanif Adamjee - Chairman
- 2) Mr. Abdul Hamid Adamjee - Director
- 3) Mr. Abdul Razak Adamjee - Director
- 4) Mr. Abdul Gaffar Adamjee - Director
- 5) Mr. Iqbal Adamjee - Director
- 6) Mr. Akhtar K. Alavi - Director
- 7) Mian Asif Said - Director
- 8) Mr. Mohammed Choudhury - Managing Director & Chief Executive

Following election of directors on May 29, 2004, the new Board took over the Management of the Company on June 12, 2004 and immediately took various measures to improve the UAE situation, including the following:

- i) The Managing Director & Chief Executive, Syed Jawad Gillani, undertook visits of Dubai and Sharjah branches in July 2004 to ascertain in details, the causes of continued heavy losses from UAE operations. This was followed by the visit of Deputy Managing Director, Ms. Nasreen Rashid, for 'on the spot assessment' of the causes of such losses to the Company.
- ii) An Overseas Business Department was set up at the Head Office, headed by an experienced and qualified General Manager, for the effective monitoring of UAE business operations.
- iii) As the Management was quite anxious to ascertain the causes of such heavy losses over the years, they engaged M/s A.F. Ferguson & Co, Chartered Accountants, to carry out a special review of UAE operations since the year 2000. They have now submitted their report which details the causes of the losses in the UAE and suggests measures to prevent such occurrences in the future. Emphasis is being laid, in particular, on the enforcement of internal controls.
- iv) Keeping in view the to-date performance of UAE, the Management decided to stop writing motor business with effect from September 16, 2004 and finally decided to discontinue writing all classes of business in UAE, w.e.f. January 01, 2005.

The UAE operations are now on 'run off'. The Company would close down its branches in UAE, as soon as it has met all its claims and other contractual obligations.

## SAUDI ARABIA

In our report on the Accounts for the year 2002, we had informed the members of our having discontinued writing motor business in Saudi Arabia effective November 2002, because of adverse claim experience. It was reported in the Saudi Arab press that new insurance laws were in the offing and that for conducting insurance business in Saudi Arabia, it was mandatory to set up an insurance company with a minimum Paid-up Capital of Saudi Riyals 100 million. In the circumstances, the Company decided to discontinue writing insurance business there, with effect from October 01, 2003. The Company is now on 'run-off'.

## COMPANY'S OVERALL PERFORMANCE

We are pleased to report that during the year, the Company's business grew steadily. The premium income from Pakistan operations increased from Rs.4.628 billion in 2003 to Rs.4.875 billion in 2004 or an increase of Rs.247 million in its premium income. The overseas premium income, because of adverse business results in the earlier years, was reduced considerably during the year as a matter of policy, which amounted to Rs.390 million compared to Rs.956 million last year. The overall performance of the Company may be assessed from the following table:-

(Rupees in billion)

	2004	2003
Direct Premium written	5.265	5.585
Net Premium Revenue	3.678	3.066
Net Claims	2.682	2.115
Expenses	1.037	0.994
Net Commission	0.156	0.103
Pre-tax Profit	0.411	0.285
After-tax Profit	0.327	0.310

From the above, it will be noted the Company's net premium revenue at Rs.3.678 billion reflects an increase of 20% in the net premium revenue. This improvement in the premium revenue was achieved by taking innovative measures in its reinsurance arrangement, which resulted in substantial increase in the Company's retained premium during the year. The claim ratio for the year 2004 was higher at 73% compared to 69% in the previous year largely because of Company's making adequate provisions in respect of all outstanding claims including claims incurred but not reported (IBNR). The expenses along with commission accounted for 32.4% of the net premium revenue against 35.8% in 2003. Due to improved business operations during the year, the pre-tax profit increased to Rs.411 million compared to Rs.285 million in 2003. The after-tax profit also increased steadily to Rs.327 million during the year compared to Rs.310 million in the preceding year.

## UNDERWRITING RESULTS

We are pleased to report that there has been satisfactory growth in the underwriting results of the Company, which increased to Rs.74 million during the year compared to Rs.47 million in the previous year. It is a matter of satisfaction that the Company made adequate profits in all classes of business except fire business which produced loss mainly due to the Company's making large provisions for outstanding claims including claims incurred but not reported (IBNR). The break-up of underwriting results under each class of business, is given below:-



(Rupees in million)

**2004**

**Profit/(Loss)**

Fire and property	(434)
Marine, aviation and transport	287
Motor	149
Miscellaneous	54
Treaty	18
Total:	<u>74</u>

**CAPITAL GAINS**

For some years, the stock exchanges of the country have been performing very well, enabling the investors to realize maximum capital gains on their investments. Your Company also availed this opportunity and booked a sizeable capital gain of Rs.173 million from the sale of stocks/shares during the year compared to Rs.164 million earned last year.

In the context of capital gains, it is pertinent to point out here, as we did last year too, that the Government Authorities have been following discriminatory policy with regard to the tax exemption on capital gains in the case of insurance companies. It is, indeed, unfortunate to state that all other companies, firms, individuals etc. have been allowed tax exemption on capital gains whereas insurance companies have been required to pay income tax at the corporate rate. In order to encourage the insurance industry, it is highly imperative that insurance companies also, are allowed tax exemption on the sale of stocks/shares, which will be both fair and equitable.

**CASH AND BANK DEPOSITS**

The cash and bank deposits aggregated to Rs.755 million on December 31, 2004 compared to Rs.849 million at the end of the previous year. It may be stated here that the Company has been remitting adequate funds to UAE for meeting outstanding claims etc. We are confident the Company will not be required to remit significant funds beyond the year 2005. It is hoped the position of Company's funds at banks etc. will show good growth in future.

**INVESTMENT POLICY**

It has been the Company's policy to hold all its investments in stocks/shares as investments "available for sale". According to 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). The Company has accordingly, made adequate provision in respect of certain scrips whose market was lower than their book value. The book value of Company's investments in stocks/shares aggregated to Rs.1.000 billion compared to its market value of Rs.3.896 billion or an appreciation/unrealized gain of Rs.2.896 billion, which speaks volumes of the sound investment policies pursued by the Company over the years.

In the context of 'unrealized gains', it is stated here that although IAS 39 requires all companies to account for the same, your Company has not done so in view of the exemption since obtained by the insurance companies from SECP vide its letter No.SC/MF/D/229/2002 dated October 16, 2002. Further, it may be pointed out here that the 4th Schedule of the Income Tax Ordinance, 2001 which deals with the taxation of insurance companies, requires 'unrealized gains' to be taxed.

Of the Company's fixed income securities, Defence Savings Certificates, 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 in accordance with the provisions of the Securities and Exchange Commission of Pakistan (Insurance) Rules, 2002.

**INVESTMENT PORTFOLIO**

The Company continues to pursue its policy of increasing its overall investments, particularly stocks/shares as they are easily convertible into cash to meet any unforeseen claims etc. which is so important for an insurance company dealing in general insurance. We are pleased to report that the Company's investment portfolio, which comprises stocks/shares, Government Securities, NIT Units, Mutual Funds, Term Finance Certificates etc. aggregated to Rs.2.469 billion on December 31, 2004 compared to Rs.2.218 billion in the previous year or an increase of Rs.251 million, which is quite significant. These investments are made-up as under:-

(Rupees in billion)

	<b>2004</b>	<b>2003</b>
1) Stocks/shares	<b>0.956</b>	0.897
2) Government Securities	<b>1.190</b>	1.057
3) NIT Units/Mutual Funds	<b>0.285</b>	0.216
4) Modaraba Certificates	<b>0.030</b>	0.032
5) Term Finance Certificates	<b>0.008</b>	0.016
Total:	<u><b>2.469</b></u>	<u>2.218</u>

The investments of the Company along with cash and bank deposits aggregate to Rs.3.224 billion and account for over 40% of the total assets of Rs.8.004 billion of the Company on December 31, 2004 compared to its total assets of Rs.7.663 billion last year. The continuous increase in the overall investments and assets of the Company from year to year, reflect Company's steady growth in its financial position and strength.

**INVESTMENT INCOME**

As reported last year, the stock exchanges of the country have been performing remarkably well. The index of Karachi Stock Exchange stood at 6218 points on December 31, 2004 compared to 4471 points on December 31, 2003. Like other investors, the Company also availed the opportunity and booked capital gains of Rs.173 million in 2004 compared to Rs.164 million in 2003. The overall investment income, which consist of dividend, interest, capital gains etc. aggregated to Rs.493 million compared to Rs.421 million in 2003 or an increase of Rs.72 million over the previous year, the break up of which is given below:-

(Rupees in million)

	<b>2004</b>	<b>2003</b>
1) Dividend income	<b>189</b>	175
2) Return on fixed income Securities and TFCs etc.	<b>134</b>	135
4) Capital gains	<b>173</b>	165
	<u><b>496</b></u>	<u>475</u>
Less: Provision for Impairment in value of stock/shares	<b>(3)</b>	(53)
Total:	<u><b>493</b></u>	<u>422</u>

**DIVIDEND PAYMENT TO SHAREHOLDERS**

As you are aware, your Company's track record in the matter of distribution of profits among its shareholders has been excellent over the last 20 years, except for one year, that is 2001, when, because of heavy loss of over Rs.499

million suffered by it mainly due to highly adverse claims experience of UAE operations, the Company decided not to pay any dividend to the shareholders. We regret to inform you that the impact of UAE's adverse operations still persists on the Company's finances. The Company is required to remit substantial funds to UAE for quite some time to meet its contractual obligations there. In the circumstances, your directors have decided not to recommend any payment on account of dividend to its shareholders for the year 2004.

## STAFF RETIREMENT BENEFITS

As you are aware, the Provident Fund and Gratuity Fund Schemes of the Company are approved Funds under the provisions of Income Tax Ordinance. The investments of these Funds carry the following values on December 31, 2004:-

	(Rupees in million)
Provident Fund	148.622
Gratuity Fund	84.143

## KEY OPERATING AND FINANCIAL DATA

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

	(Rupees in million)						
	2004	*2003	*2002	2001	2000	1999	1998
Reserve and retained earnings	560.70	434.70	523.94	386.74	1,078.12	740.56	692.66
Investment Income	493.59	421.99	340.69	309.70	231.52	186.08	171.72
Direct Premium written	5,265.00	5,585.00	4,477.18	4,233.28	4,224.22	3,511.13	3,220.12
Net Premium Revenue	3,678.37	3,066.23	2,884.07	2,853.92	3,042.49	2,417.96	2,142.08
Net Claims	2,682.75	2,115.93	2,086.88	2,831.55	1,973.39	1,447.00	1,525.29
Profit after Tax	327.46	310.38	(182.50)	(517.26)	155.93	183.50	196.40
Dividend declared - cash	-	-	-	-	15.00%	22.50%	30.00%
- Stock	-	15.00%	30%	-	15.00%	10.00%	10.00%

\*Restated

## EARNING PER SHARE

The earning per share of the Company worked out to Rs.3.96.

## PREMIUM RECOGNITION

As required under the Securities and Exchange Commission of Pakistan (Insurance) Rules, 2002, the premium for the duration of the policy is being recognized as income at the inception of the policy and a related asset set up for premiums, in such cases where as per agreements with the insurers, premiums for a policy are to be paid in installments. Consequently, premiums due, but unpaid, are increasing.

## CONTINGENCIES

The auditors in para (d) of their report have drawn attention to certain contingencies. They pertain to appeals filed by the Company with Income tax authorities in respect of capital gains, management expenses etc. and have been explained fully in Note 10 of the Notes to the Accounts. We are confident their decision shall be in Company's favour. The Company, however, has paid the full amount of taxes due from it.

## STATUTORY PAYMENTS ON ACCOUNT OF TAXES, DUTIES ETC.

There are no statutory payments on account of taxes, duties, levies and charges which are outstanding except in the ordinary course of business and described in the financial statements.

## STAFF GRATUITY FUND

As reported last year, actuarial valuation of Adamjee Insurance Company Limited Employees' Gratuity Fund was due on December 31, 2004. We are pleased to inform you that actuarial valuation of Adamjee Insurance Company Limited Employees' Gratuity Fund as at December 31, 2004 has since been carried out by M/s Zahid & Zahid, Actuaries. In the light of valuation made, an amount of Rs.3.029 million has been charged in these Accounts as Gratuity expenses for the year 2004.

## AUDIT COMMITTEE

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

- 1) Mr. Saqib Elahi
- 2) Mr. Shahzad Saleem
- 3) Mr. Mohammed Choudhury
- 4) Mr. Mohammad Naeem Mukhtar

## STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The corporate laws and rules and regulations framed thereunder spell out the overall functions of the Board of Directors of the Company. The Board is fully aware of its corporate responsibilities as envisaged under the Code of Corporate Governance, prescribed by the Securities and Exchange Commission of Pakistan and is pleased to certify 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 judgment.
- 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. However, such a system is designed to manage rather than eliminate the risk of failure to achieve objectives, and provide reasonable but not absolute assurance against material misstatements or loss.

- 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 under review, 8 meetings of the Board of Directors were held and position of attendance of each Director is explained below:-

<u>Name of Directors</u>	<u>No. of Meetings held during tenure of respective directors</u>	<u>Number of Meetings attended</u>
Mr. Saqib Elahi	5	4
Mr. Shahzad Saleem	5	5
Mr. Mohammad Naeem Mukhtar	5	5
Mr. Ibrahim Shamsi	5	3
Syed Jawad Gillani	5	5
Mr. Wasif M. Khan	1	1
Mr. Burhan Muhammad Khan	4	1
Mr. Mohammed Choudhury	8	6
Mr. Mohamed Hanif Adamjee	3	3
Mr. Abdul Hamid Adamjee	8	4
Mr. Abdul Razak Adamjee	8	5
Mr. Abdul Gaffar Adamjee	3	1
Mr. Iqbal Adamjee	3	2
Mr. Akhtar K. Alavi	3	3
Mian Asif Said	3	-

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

### PATTERN OF SHARE-HOLDING

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

### TRADING IN COMPANY'S SHARES

Except as stated 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:-

<u>Name</u>	<u>No. of Shares</u>	
	<u>Purchased</u>	<u>Sold</u>
Mr. Mohammed Choudhury	-	779,900
Mrs.Hawa w/o Mr. A. Hamid Adamjee	-	30,000
Mrs.Naseem w/o Mr. A. Razak Adamjee	-	30,000
Mrs.Naseem w/o Mr. A. Razak Adamjee (Gifted to daughter)	-	30,000

### COMPANY'S RATING

As reported last year, the Company's rating has been upgraded to AA-. Keeping in view the continued satisfactory performance of the Company, we expect the rating company would be in a position to consider granting improved rating to the Company. They have since been asked to carry out their due diligence exercise, at the earliest, for the above purpose.

### FUTURE OUTLOOK OF THE COMPANY

There has been steady growth in the economic activities of the country. A number of mega projects, particularly in the infrastructure sector, are in the offing. These developments will accelerate developmental activities in the country. We are confident, the Company would be in a position to take advantage of the emerging economic growth and improve

its revenues. The future outlook of the Company appears to be quite positive due to the following reasons:-

- 1) During the year 2004, the gross direct premium income of the Company from Pakistan operations grew adequately. We trust there would be further improvement in 2005 and beyond.
- 2) Consequent upon the Company's closing down its operations in UAE with effect from January 01, 2005, the adverse impact on account of UAE operations would not be there on Company's profits. This situation would certainly result in increased profits for the Company in future.
- 3) Now that because of the change in Management of the Company, the Company is deriving support from the strong industrial and business groups. Company's overall revenue generations would be much higher than in the past when such support was not available.

### ACKNOWLEDGEMENT

The operational results for the year depict steady growth in the Company's revenue. Such good results would not have been possible, but for the excellent performance of its executives, officers marketing officers and agents. We hope they would continue to put in the best of their efforts to achieve better results in future.

During the year under review, there has been change in the auditors of the Company. M/s A.F. Ferguson & Co, Chartered Accountants and M/s M. Yousuf Adil Saleem & Co, Chartered Accountants as joint auditors, have replaced M/s Ford Rhodes Sidat Hyder & Co, Chartered Accountants who had been the Company's auditor for over 3 decades.

The Audit Committee has recommended the re-appointment of existing auditors namely, M/s A.F. Ferguson & Co, Chartered Accountants and M/s M. Yousuf Adil Saleem & Co, Chartered Accountants, as the auditors of the Company for the year 2005.

There is no doubt, no insurance company in the world, can conduct insurance business without adequate support of reinsurers and brokers. We are, indeed, grateful to the leading reinsurers, in particular, namely, Swiss Reinsurance Company, Munich Re, Hannover Ruck, besides the leading brokers, particularly, Benfield Greig Ltd, AON Ltd, Willis Limited and Marsh Ltd for their valuable professional services and advices and continued support in all reinsurance matters.

While concluding, we would like to record our appreciation for the continued guidance and support being extended to us by the regulators, namely Securities and Exchange Commission of Pakistan. We are much obliged to the State Bank of Pakistan for providing full support, particularly, in the matter of remittances of foreign exchange in respect of reinsurance business and also for meeting our contractual obligations with regard to claims emanating from UAE business operations.

For the Board of Directors

  
**Syed Jawad Gillani**  
 Managing Director &  
 Chief Executive

Lahore: February 26, 2005



## AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed financial statements comprising of:

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

of **ADAMJEE INSURANCE COMPANY LIMITED** as at **DECEMBER 31, 2004** together with the notes forming part thereof, for the year then ended.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with 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 International Standards on Auditing 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.

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 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 changes, as stated in notes 4.1, 4.3 and 4.13 to the financial statements which specify the changes made during the period in respect of accounting policies for recognition of provision for outstanding claims (including IBNR), recognition of additional provision for unexpired risks and recording of transactions and balances with Pakistan Reinsurance Company Limited respectively with which we concur;
- c) 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, 2004 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 note 10 to the financial statements which explain certain contingencies, the ultimate outcome of which cannot be presently determined. Accordingly, pending final resolution of the related matters, no provision has been made for any liability that may arise as a consequence thereof.

The financial statements of the company for the year ended December 31, 2003 were audited by another firm of Chartered Accountants whose report dated April 23, 2004 contained a qualified opinion in respect of the following matters:

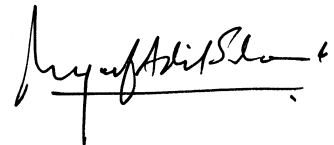
1. "The liability for claims 'Incurred But Not Reported' (IBNR) has been recorded by the company on the basis of claims reported up to January 31, 2004, which aggregated to Rs. 85.388 million, as compared to the claims reported subsequent to the balance sheet date, aggregating to Rs. 137.878 million, resulting in a shortfall of Rs. 52.490 million therein at the end of the current year."
2. "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 investments 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."
3. "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 a result, the PRCL Retrocession Business has not been recorded by the company in the proper accounting period."
4. "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."

The above-mentioned matters have been satisfactorily resolved by the company during the current year.

The previous auditors had also included an emphasis of matter paragraph to draw attention of the members to contingencies relating to taxation and certain other matters disclosed in the notes to the financial statements for the year ended December 31, 2003.



A. F. FERGUSON & CO.  
Chartered Accountants



M. YOUSUF ADIL SALEEM & CO.  
Chartered Accountants

Karachi - February 26, 2005

## STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

### ADAMJEE INSURANCE COMPANY LIMITED Year ended December 31, 2004

This statement is being presented to comply with the Code of Corporate Governance (the Code) contained in Regulation No.37 and Chapter XIII, of listing regulations of the Karachi Stock Exchange (Guarantee) Limited and the Lahore Stock Exchange (Guarantee) Limited, 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 including those representing minority interests. At present the Board includes seven non-executive directors.
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 have confirmed that they are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a Development Financial Institution or a Non Banking Finance Company and none of them is the member of any stock exchange.
4. Two casual vacancies occurred during the year, one was filled in within three days while the other was not filled as election of directors was due/held on May 29, 2004.
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 and approved a vision/mission statement. However, overall corporate strategy and significant policies of the Company in vogue are in the process of being developed/approved.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer (CEO) and the executive director, have been taken by the Board.
8. All meetings of the Board held prior to election of directors on May 29, 2004, were presided over by the Chairman of the Board. All subsequent meetings of the Board were presided over by the Chairman of the respective meeting elected by the directors from amongst their body. The Board met at least once in every quarter. Written notices of the Board meetings, agenda and working papers were circulated atleast seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. Most of the directors have attended orientation courses. Further, the directors of the company at the time of filing their consent to act as such, have given a declaration that they are aware of their duties and powers under the Companies Ordinance, 1984, the listing regulations of the stock exchange and relevant laws.
10. No new appointments of CFO, Company Secretary and the Head of Internal Audit have been made after the application of Code of Corporate Governance. However, their remunerations have been approved by the Board.
11. The directors' report has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
13. 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.
14. The Company has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an audit committee. It comprises of four members, three of whom are non-executive directors including the chairman of the committee.

16. 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.
17. 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.
18. 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.
19. 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.
20. We confirm that all other material principles contained in the Code have been complied with.



**Syed Jawad Gillani**  
*Managing Director &  
Chief Executive*

Karachi: February 26, 2005

## **REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF THE 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 of the Karachi Stock Exchange and Chapter XIII of the Lahore Stock Exchange where the Company is listed.

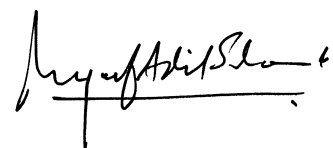
The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance 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 the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We 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 as applicable to the Company for the year ended December 31, 2004.



A. F. FERGUSON & CO.  
Chartered Accountants



M. YOUSUF ADIL SALEEM & CO.  
Chartered Accountants

Karachi - February 26, 2005

## MISSION

*Being the leading insurance company of Pakistan, 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 1985 TO 2004

(Rupees in Million)

YEAR ENDED	DIVIDEND		BONUS SHARES		General Reserve	Gross Premium / Premiums Written	Retained Premium / Net Premium Revenue	Profit After Tax
	Rate	Amount	Rate	Amount				
December 31,	%	Rs.	%	Rs.	Rs.	Rs.	Rs.	Rs.
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
2004	-	-	-	-	(420.00)	5,265.72	3,678.37	327.46
<b>Total</b>	<b>597.5</b>	<b>920.08</b>	<b>340.00</b>	<b>788.99</b>	<b>141.50</b>	<b>49,101.57</b>	<b>32,411.54</b>	<b>2,505.99</b>
<b>Average</b>	<b>29.88</b>	<b>46.00</b>	<b>17.00</b>	<b>39.45</b>	<b>7.08</b>	<b>2,455.08</b>	<b>1,620.58</b>	<b>125.30</b>



	Note	2004 (Rupees in '000)	2003 (Restated)
<b>Share capital and reserves</b>			
Authorised share capital	5	<u>1,500,000</u>	<u>1,500,000</u>
Paid-up share capital	5.2	<b>826,142</b>	624,682
Retained earnings / (accumulated loss)		<b>347,579</b>	(399,882)
Reserve for issue of bonus shares		-	201,460
Other reserves		<b>213,123</b>	633,123
	6	<u>213,123</u>	<u>834,583</u>
		<b>560,702</b>	434,701
<b>TOTAL EQUITY</b>		<u><b>1,386,844</b></u>	<u>1,059,383</u>
<b>Underwriting provisions</b>			
Provision for outstanding claims (including IBNR)		<b>3,683,380</b>	2,725,491
Provision for unearned premium		<b>1,711,276</b>	2,446,928
Additional provision for unexpired risks	7	<b>40,000</b>	85,000
Commission income unearned		<b>126,222</b>	217,314
<b>Total underwriting provisions</b>		<b>5,560,878</b>	5,474,733
<b>Deferred liability</b>			
Staff retirement benefits	8	<b>5,319</b>	10,966
<b>Creditors and Accruals</b>			
Premiums received in advance		<b>193,382</b>	309,759
Amounts due to other insurers / reinsurers		<b>359,009</b>	423,045
Accrued expenses		<b>149,607</b>	114,381
Other creditors and accruals	9	<b>342,561</b>	263,108
		<u>1,044,559</u>	<u>1,110,293</u>
<b>Other liabilities</b>			
Unclaimed dividends		<b>7,020</b>	8,330
<b>TOTAL LIABILITIES</b>		<u><b>6,617,776</b></u>	<u>6,604,322</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u><b>8,004,620</b></u></u>	<u><u>7,663,705</u></u>
<b>CONTINGENCIES</b>	10		

The annexed notes 1 to 35 form an integral part of these financial statements.

# COMPANY LIMITED

DECEMBER 31, 2004

	Note	2004 (Rupees in '000)	2003 (Restated)
<b>Cash and bank deposits</b>	11		
Cash and other equivalents		75,097	139,069
Current and other accounts		559,760	543,532
Deposits maturing within 12 months		120,212	167,027
		<b>755,069</b>	849,628
<b>Loans</b>	12		
To employees		31,246	37,988
Others		1,507	2,882
		<b>32,753</b>	40,870
<b>Investments</b>	13	<b>2,469,181</b>	2,218,198
<b>Deferred taxation</b>	14	<b>130,871</b>	235,482
<b>Other Assets</b>			
Premiums due but unpaid	15	914,302	849,715
Amounts due from other insurers / reinsurers		379,717	356,123
Salvage recoveries accrued		30,777	94,952
Premium and claim reserves retained by cedants		26,179	16,854
Accrued investment income	17	18,186	18,445
Reinsurance recoveries against outstanding claims		1,661,291	1,119,399
Taxation - payments less provision		355,372	116,278
Deferred commission expense		206,554	293,434
Prepayments	18	684,916	996,654
Sundry receivables	19	137,861	263,310
		<b>4,415,155</b>	4,125,164
<b>Fixed Assets - Tangible &amp; Intangible</b>	20		
Buildings		40,807	42,907
Furniture and fixtures		21,353	22,224
Motor vehicles		70,305	57,843
Machinery and equipment		40,073	41,972
Computers and related accessories		27,159	26,575
Intangible asset - computer software		1,894	2,842
		<b>201,591</b>	194,363
<b>TOTAL ASSETS</b>		<b>8,004,620</b>	7,663,705

Syed Ziauddin Ahmed  
Executive Director (Finance)

Syed Jawad Gillani  
Managing Director & Chief Executive

Shahzad Saleem  
Director

Wasif Mohammed Khan  
Director

Lahore: February 26, 2005



# ADAMJEE INSURANCE COMPANY LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2004

(Rupees in '000)

	Fire and Property	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	December 31, 2004	December 31, 2003 (Restated)
<b>Revenue account</b>							
Net premium revenue	863,006	789,520	1,637,817	350,671	37,354	<b>3,678,368</b>	3,066,229
Net claims	(1,135,629)	(246,869)	(1,046,518)	(259,077)	5,341	<b>(2,682,752)</b>	(2,115,928)
Premium deficiency reversal / (expenses)	-	-	45,000	-	-	<b>45,000</b>	(10,000)
Expenses - note 21	(197,500)	(179,225)	(345,042)	(79,957)	(8,591)	<b>(810,315)</b>	(789,438)
Net commission	35,354	(76,165)	(141,808)	42,128	(15,617)	<b>(156,108)</b>	(103,257)
<b>Underwriting result</b>	<b>(434,769)</b>	<b>287,261</b>	<b>149,449</b>	<b>53,765</b>	<b>18,487</b>	<b>74,193</b>	47,606
Investment income						<b>493,594</b>	421,993
Rental income						<b>494</b>	502
Other income - note 22						<b>77,230</b>	37,307
						<b>645,511</b>	507,408
General and administration expenses - note 23						<b>(227,507)</b>	(204,931)
Exchange loss - net						<b>(6,854)</b>	(17,582)
<b>Profit before tax</b>						<b>411,150</b>	284,895
Provision for taxation - note 24							
- Current						<b>20,922</b>	5,192
- Deferred						<b>(104,611)</b>	20,298
<b>Profit after tax</b>						<b>327,461</b>	310,385
<b>Profit and loss appropriation account</b>							
<b>Balance at the commencement of the year</b>						<b>(399,882)</b>	(182,509)
Profit after tax for the year						<b>327,461</b>	310,385
Transfer from/(to) general reserve						<b>420,000</b>	(420,000)
Reserve for issue of bonus shares						-	(107,758)
<b>Balance unappropriated profit / (accumulated loss) at the end of the year</b>						<b>347,579</b>	(399,882)
						<b>Amount in Rupees</b>	Amount in Rupees (Restated)
<b>Earnings per share - basic / diluted - note 25</b>						<b>3.96</b>	3.76

The annexed notes 1 to 35 form an integral part of these financial statements.

Syed Ziauddin Ahmed  
Executive Director (Finance)

Syed Jawad Gillani  
Managing Director & Chief Executive

Shahzad Saleem  
Director

Wasif Mohammed Khan  
Director

Lahore: February 26, 2005



# ADAMJEE INSURANCE COMPANY LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2004

### BUSINESS UNDERWRITTEN INSIDE PAKISTAN

(Rupees in '000)

	Fire and Property	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	December 31, 2004	December 31, 2003  (Restated)
<b>Revenue account</b>							
Net premium revenue	848,906	755,646	1,182,372	340,720	37,354	<b>3,164,998</b>	2,293,241
Net claims	(1,088,319)	(243,086)	(679,802)	(227,383)	5,341	<b>(2,233,249)</b>	(1,176,355)
Premium deficiency reversal / (expenses)	-	-	-	-	-	-	-
Expenses	(195,236)	(173,787)	(271,928)	(78,360)	(8,591)	<b>(727,902)</b>	(687,138)
Net commission	34,695	(100,686)	(80,824)	36,160	(15,617)	<b>(126,272)</b>	(37,871)
<b>Underwriting result</b>	<b>(399,954)</b>	<b>238,087</b>	<b>149,818</b>	<b>71,137</b>	<b>18,487</b>	<b>77,575</b>	391,877
Investment income						<b>493,594</b>	421,993
Rental income						<b>494</b>	502
Other income						<b>74,395</b>	34,617
						<b>646,058</b>	848,989
General and administration expenses						<b>(215,256)</b>	(195,571)
Exchange gain/(loss) - net						<b>1,456</b>	(34,578)
<b>Profit before tax</b>						<b>432,258</b>	618,840

The annexed notes 1 to 35 form an integral part of these financial statements.

Syed Ziauddin Ahmed  
Executive Director (Finance)

Syed Jawad Gillani  
Managing Director & Chief Executive

Shahzad Saleem  
Director

Wasif Mohammed Khan  
Director

Lahore: February 26, 2005



**ADAMJEE INSURANCE COMPANY LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

**BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN**

(Rupees in '000)

	Fire and Property	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	December 31, 2004	December 31, 2003  (Restated)
<b>Revenue account</b>							
Net premium revenue	14,100	33,874	455,445	9,951	-	<b>513,370</b>	772,988
Net claims	(47,310)	(3,783)	(366,716)	(31,694)	-	<b>(449,503)</b>	(939,573)
Premium deficiency reversal / (expenses)	-	-	45,000	-	-	<b>45,000</b>	(10,000)
Expenses	(2,264)	(5,438)	(73,114)	(1,597)	-	<b>(82,413)</b>	(102,300)
Net commission	659	24,521	(60,984)	5,968	-	<b>(29,836)</b>	(65,386)
<b>Underwriting result</b>	<b>(34,815)</b>	<b>49,174</b>	<b>(369)</b>	<b>(17,372)</b>	<b>-</b>	<b>(3,382)</b>	<b>(344,271)</b>
Investment income						-	-
Rental income						-	-
Other income						<b>2,835</b>	2,690
						<b>(547)</b>	<b>(341,581)</b>
General and administration expenses						<b>(12,251)</b>	(9,360)
Exchange gain/(loss) - net						<b>(8,310)</b>	16,996
<b>Loss before tax</b>						<b>(21,108)</b>	<b>(333,945)</b>

The annexed notes 1 to 35 form an integral part of these financial statements.

Syed Ziauddin Ahmed  
Executive Director (Finance)

Syed Jawad Gillani  
Managing Director & Chief Executive

Shahzad Saleem  
Director

Wasif Mohammed Khan  
Director

Lahore: February 26, 2005





# ADAMJEE INSURANCE COMPANY LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2004

	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)							
<b>Balance at December 31, 2002 as previously reported</b>	624,682	93,702	22,859	3,764	186,500	217,118	<b>1,148,625</b>
Effect of change in accounting policy in respect of recognition of claims incurred but not reported upto the balance sheet date (net of taxation) as explained in note 4.1	-	-	-	-	-	(345,481)	<b>(345,481)</b>
Effect of change in accounting policy in respect of recognition of transactions and balances with Pakistan Reinsurance Company Limited relating to retrocession (net of taxation) as explained in note 4.13	-	-	-	-	-	(5,396)	<b>(5,396)</b>
Effect of change in accounting policy in respect of recognition of additional provision for unexpired risk - premium deficiency reserve (net of taxation) as explained in note 4.3	-	-	-	-	-	(48,750)	<b>(48,750)</b>
<b>Balance at December 31, 2002 as restated</b>	624,682	93,702	22,859	3,764	186,500	(182,509)	<b>748,998</b>
Profit for the year ended December 31, 2003 as previously reported	-	-	-	-	-	392,041	<b>392,041</b>
Effect of change in accounting policy in respect of recognition of claims incurred but not reported upto the balance sheet date (net of taxation) as explained in note 4.1	-	-	-	-	-	(63,752)	<b>(63,752)</b>
Effect of change in accounting policy in respect of recognition of transactions and balances with Pakistan Reinsurance Company Limited relating to retrocession (net of taxation) as explained in note 4.13	-	-	-	-	-	(11,404)	<b>(11,404)</b>
Effect of change in accounting policy in respect of recognition of additional provision for unexpired risk - premium deficiency reserve (net of taxation) as explained in note 4.3	-	-	-	-	-	(6,500)	<b>(6,500)</b>
Profit for the year ended December 31, 2003 as restated	-	-	-	-	-	310,385	<b>310,385</b>
Transfer to reserve for issue of bonus shares	-	107,758	-	-	-	(107,758)	-
Transfer to general reserves	-	-	-	-	420,000	(420,000)	-
<b>Balance at December 31, 2003 as restated</b>	624,682	201,460	22,859	3,764	606,500	(399,882)	<b>1,059,383</b>
Issue of bonus shares	201,460	(201,460)	-	-	-	-	-
Profit after tax for the year ended December 31, 2004	-	-	-	-	-	327,461	<b>327,461</b>
Transfer from general reserves	-	-	-	-	(420,000)	420,000	-
<b>Balance at December 31, 2004</b>	<b>826,142</b>	<b>-</b>	<b>22,859</b>	<b>3,764</b>	<b>186,500</b>	<b>347,579</b>	<b>1,386,844</b>

The annexed notes 1 to 35 form an integral part of these financial statements.

Syed Ziauddin Ahmed  
Executive Director (Finance)

Syed Jawad Gillani  
Managing Director & Chief Executive

Shahzad Saleem  
Director

Wasif Mohammed Khan  
Director

Lahore: February 26, 2005

# ADAMJEE INSURANCE COMPANY LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2004

	2004	2003
	(Rupees in '000)	
<b>Operating Cash Flows</b>		
<b>a) Underwriting activities</b>		
Premiums received	5,629,761	5,333,605
Reinsurance premiums paid	(1,816,834)	(1,470,398)
Claims paid	(3,245,277)	(3,186,139)
Surrenders paid	(63,451)	(61,636)
Reinsurance and other recoveries received	836,551	757,069
Commissions paid	(540,541)	(540,390)
Commissions received	39,667	10,551
Other underwriting payments	(110,245)	(691,005)
<b>Net cash flow from underwriting activities</b>	<b>729,631</b>	<b>151,657</b>
<b>b) Other operating activities</b>		
Income tax paid	(107,394)	(165,443)
General management expenses paid	(930,225)	(116,215)
Loans disbursed	(91,221)	(77,916)
Loan repayments received	83,104	74,527
Deposits (paid) / received	(107)	40,269
<b>Net cash flow from other operating activities</b>	<b>(1,045,843)</b>	<b>(244,778)</b>
<b>Total cash flow from all operating activities</b>	<b>(316,212)</b>	<b>(93,121)</b>
<b>Investment activities</b>		
Profit / return received	7,610	10,169
Dividends received	189,333	175,175
Investments purchased	(211,309)	(152,739)
Proceeds from disposal of investments	263,297	298,121
Fixed capital expenditure	(55,887)	(36,444)
Proceeds from disposal of fixed assets	27,413	17,879
Rental income received	494	140
Other income received	1,905	3,417
<b>Total cash flow from investing activities</b>	<b>222,856</b>	<b>315,718</b>
<b>Financing activities</b>		
Dividends paid	(1,310)	(77)
<b>Total cash flow from financing activities</b>	<b>(1,310)</b>	<b>(77)</b>
<b>Net cash (outflow) / inflow from all activities</b>	<b>(94,666)</b>	<b>222,520</b>
Cash at the beginning of the year	840,843	618,323
<b>Cash at the end of the year</b>	<b>746,177</b>	<b>840,843</b>

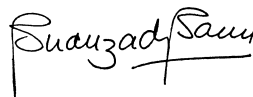
The annexed notes 1 to 35 form an integral part of these financial statements.



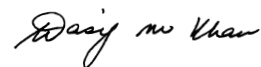
Syed Ziauddin Ahmed  
Executive Director (Finance)



Syed Jawad Gillani  
Managing Director & Chief Executive



Shahzad Saleem  
Director




Wasif Mohammed Khan  
Director

# ADAMJEE INSURANCE COMPANY LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2004

	2004 (Rupees in '000)	2003 Restated
<b>Reconciliation to Profit and Loss Account</b>		
Operating cash flows	(316,212)	(93,121)
Depreciation expense	(32,168)	(31,292)
Reversal / (provision) for gratuity	2,206	(2,140)
Other income	48,633	-
Profit on disposal of fixed assets	11,870	7,868
Rental income	494	-
Reversal / (charge) of additional provision for unexpired risks	45,000	(10,000)
Increase / (decrease) in assets other than cash	133,407	885,837
(Increase) / decrease in liabilities other than running finance	(813,203)	(781,950)
	<b>(919,973)</b>	<b>(24,798)</b>
<b>Others</b>		
Profit on sale of investments	173,438	164,594
Amortisation expense	(948)	(948)
(Increase) / decrease in unearned premium	735,652	(257,893)
Amortisation of income on Government Securities - net	132,884	132,580
(Decrease) in loans	(8,117)	(3,389)
Income tax paid	107,394	165,445
Gratuity paid	3,441	3,507
Provision for diminution in value of investments	(3,351)	(42,835)
Dividend, investment and other income received	188,990	185,344
Deposits paid / (received)	107	(40,269)
Other income	1,633	3,557
	<b>1,331,123</b>	<b>309,693</b>
<b>Profit before taxation</b>	<b>411,150</b>	<b>284,895</b>
<b>Definition of cash</b>		
Cash comprises of cash in hand, bank balances [excluding Rs. 8.892 (2003: Rs. 8.785) 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.		
<b>Cash for the purposes of the Statement of Cash Flows consists of:</b>		
<b>Cash and other equivalent</b>		
Cash in hand	75,097	139,069
<b>Current and other accounts</b>		
Current accounts	381,257	460,332
Savings accounts	178,503	83,200
	<b>559,760</b>	<b>543,532</b>
<b>Deposits maturing within 12 months</b>		
Fixed and term deposits accounts	111,320	158,242
<b>Total cash and cash equivalents</b>	<b>746,177</b>	<b>840,843</b>

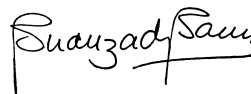
The annexed notes 1 to 35 form an integral part of these financial statements.



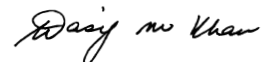
Syed Ziauddin Ahmed  
Executive Director (Finance)



Syed Jawad Gillani  
Managing Director & Chief Executive



Shahzad Saleem  
Director



Wasif Mohammed Khan  
Director

# ADAMJEE INSURANCE COMPANY LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2004

### BUSINESS UNDERWRITTEN INSIDE PAKISTAN

2004                      2003  
(Rupees in '000)

#### Operating Cash Flows

##### a) Underwriting activities

Premiums received	4,838,994	4,320,556
Reinsurance premiums paid	(1,536,668)	(1,275,970)
Claims paid	(2,267,114)	(2,010,899)
Surrenders paid	(60,323)	(53,818)
Reinsurance and other recoveries received	446,226	386,443
Commissions paid	(487,438)	(445,976)
Commissions received	39,667	10,551
Other underwriting payments	(100,344)	(601,750)
<b>Net cash flow from underwriting activities</b>	<b>873,000</b>	<b>329,137</b>

##### b) Other operating activities

Income tax paid	(107,394)	(165,443)
General management expenses paid	(842,120)	(100,879)
Loans disbursed	(89,861)	(74,458)
Loan repayments received	83,066	74,182
Deposits received	100	100
<b>Net cash flow from other operating activities</b>	<b>(956,209)</b>	<b>(266,498)</b>

#### Total cash flow from all operating activities

(83,209)                      62,639

#### Investment activities

Profit / return received	6,462	7,420
Dividends received	189,333	175,175
Investments purchased	(211,309)	(152,739)
Proceeds from disposal of investments	263,297	298,121
Fixed capital expenditure	(55,557)	(33,877)
Proceeds from disposal of fixed assets	27,138	17,879
Rental income received	494	140
Other income received	1,905	3,417
<b>Total cash flow from investing activities</b>	<b>221,763</b>	<b>315,536</b>

#### Financing activities

Dividends paid	(1,310)	(77)
<b>Total cash flow from financing activities</b>	<b>(1,310)</b>	<b>(77)</b>

#### Total cash flow from financing activities

(1,310)                      (77)

#### Net cash inflow from all activities

137,244                      378,098


#### Cash at the beginning of the year

563,649                      185,551

#### Cash at the end of the year

700,893                      563,649

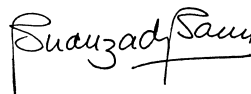
The annexed notes 1 to 35 form an integral part of these financial statements.



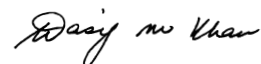
Syed Ziauddin Ahmed  
Executive Director (Finance)



Syed Jawad Gillani  
Managing Director & Chief Executive



Shahzad Saleem  
Director



Wasif Mohammed Khan  
Director

Lahore: February 26, 2005



# ADAMJEE INSURANCE COMPANY LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2004

### BUSINESS UNDERWRITTEN INSIDE PAKISTAN

	2004 (Rupees in '000)	2003 <b>Restated</b>
<b>Reconciliation to Profit and Loss Account</b>		
Operating cash flows	(83,209)	62,639
Depreciation expense	(29,802)	(28,671)
Other income	47,485	-
Profit on disposal of fixed assets	12,744	7,868
Rental income	494	-
Increase in assets other than cash	143,937	567,266
(Increase) in liabilities other than running finance	(701,097)	(303,506)
	<b>(609,448)</b>	<b>305,596</b>
<b>Others</b>		
Profit on sale of investments	173,438	164,594
Amortisation expense	(948)	(948)
(Increase) / decrease in unearned premium	449,370	(291,004)
Amortisation of income on Government Securities - net	132,884	132,580
(Decrease) in loans	(7,604)	(3,389)
Income tax paid	107,394	165,445
Provision for diminution in value of investments	(3,351)	(42,835)
Dividend, investment and other income	188,990	185,344
Deposits (received)	(100)	(100)
Other income	1,633	3,557
	<b>1,041,706</b>	<b>313,244</b>
<b>Profit before taxation</b>	<b>432,258</b>	<b>618,840</b>

The annexed notes 1 to 35 form an integral part of these financial statements.

Syed Ziauddin Ahmed  
Executive Director (Finance)

Syed Jawad Gillani  
Managing Director & Chief Executive

Shahzad Saleem  
Director

Wasif Mohammed Khan  
Director

Lahore: February 26, 2005



# ADAMJEE INSURANCE COMPANY LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2004

### BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN

2004                      2003  
(Rupees in '000)

#### Operating Cash Flows

##### a) Underwriting activities

Premiums received	790,767	1,013,049
Reinsurance premiums paid	(280,166)	(194,428)
Claims paid	(978,163)	(1,175,240)
Surrenders paid	(3,128)	(7,818)
Reinsurance and other recoveries received	390,325	370,626
Commissions paid	(53,103)	(94,414)
Other underwriting payments	(9,901)	(89,255)
<b>Net cash flow from underwriting activities</b>	<b>(143,369)</b>	<b>(177,480)</b>

##### b) Other operating activities

General management expenses paid	(88,105)	(15,336)
Loans advanced	(1,360)	(3,458)
Loan repayments received	38	345
Deposits (paid) / received	(207)	40,169
<b>Net cash flow from other operating activities</b>	<b>(89,634)</b>	<b>21,720</b>

#### Total cash flow from all operating activities

**(233,003)**                      **(155,760)**

#### Investment activities

Profit / return received	1,148	2,749
Fixed capital expenditure	(330)	(2,567)
Proceeds from disposal of fixed assets	275	-

#### Total cash flow from investing activities

**1,093**                      **182**

#### Net cash outflow from all activities

**(231,910)**                      **(155,578)**

#### Cash at the beginning of the year

**277,194**                      **432,772**

#### Cash at the end of the year

**45,284**                      **277,194**

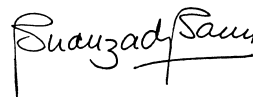
The annexed notes 1 to 35 form an integral part of these financial statements.



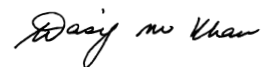
Syed Ziauddin Ahmed  
Executive Director (Finance)



Syed Jawad Gillani  
Managing Director & Chief Executive



Shahzad Saleem  
Director



Wasif Mohammed Khan  
Director

Lahore: February 26, 2005



# ADAMJEE INSURANCE COMPANY LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2004

### BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN

	2004 (Rupees in '000)	2003 <b>Restated</b>
<b>Reconciliation to Profit and Loss Account</b>		
Operating cash flows	(233,003)	(155,760)
Depreciation expense	(2,366)	(2,621)
Reversal / (provision) for gratuity	2,206	(2,140)
Other income	1,148	-
(Loss) on disposal of fixed assets	(874)	-
Reversal / (charge) of additional provision for unexpired risks	45,000	(10,000)
Increase / (decrease) in assets other than cash	(10,530)	318,571
(Increase) in liabilities other than running finance	(112,106)	(478,444)
	<b>(310,525)</b>	<b>(330,394)</b>
<b>Others</b>		
Decrease in unearned premium	286,282	33,111
(Decrease) in loans	(513)	-
Gratuity paid	3,441	3,507
Deposits paid / (received)	207	(40,169)
	<b>289,417</b>	<b>(3,551)</b>
<b>Loss before taxation</b>	<b>(21,108)</b>	<b>(333,945)</b>

The annexed notes 1 to 35 form an integral part of these financial statements.

Syed Ziauddin Ahmed  
Executive Director (Finance)

Syed Jawad Gillani  
Managing Director & Chief Executive

Shahzad Saleem  
Director

Wasif Mohammed Khan  
Director

Lahore: February 26, 2005

# ADAMJEE INSURANCE COMPANY LIMITED

## STATEMENT OF PREMIUMS FOR THE YEAR ENDED DECEMBER 31, 2004

Class	Unearned premium reserve		Premiums earned	Prepaid reinsurance premium ceded		Net premium revenue				
	Premiums written	Opening		Closing	Reinsurance Ceded	Opening	Closing	December 31, 2004	December 31, 2003	
1 Fire and property damage	2,008,041	1,163,970	834,567	2,337,444	1,205,994	764,840	496,396	1,474,438	863,006	612,837
2 Marine, aviation and transport	1,091,810	132,133	89,026	1,134,917	340,201	58,534	53,338	345,397	789,520	607,749
3 Motor	1,507,642	908,917	617,986	1,798,573	150,773	60,445	50,462	160,756	1,637,817	1,575,320
4 Miscellaneous	620,872	241,908	169,697	693,083	310,604	111,223	79,415	342,412	350,671	243,653
<b>Total</b>	<b>5,228,365</b>	<b>2,446,928</b>	<b>1,711,276</b>	<b>5,964,017</b>	<b>2,007,572</b>	<b>995,042</b>	<b>679,611</b>	<b>2,323,003</b>	<b>3,641,014</b>	<b>3,039,559</b>
<b>Treaty</b>										
Proportional	37,354	-	-	37,354	-	-	-	-	37,354	26,670
<b>Total</b>	<b>37,354</b>	<b>-</b>	<b>-</b>	<b>37,354</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,354</b>	<b>26,670</b>
<b>Grand Total</b>	<b>5,265,719</b>	<b>2,446,928</b>	<b>1,711,276</b>	<b>6,001,371</b>	<b>2,007,572</b>	<b>995,042</b>	<b>679,611</b>	<b>2,323,003</b>	<b>3,678,368</b>	<b>3,066,229</b>

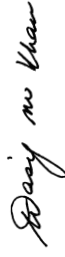
The annexed notes 1 to 35 form an integral part of these financial statements.



Syed Ziauddin Ahmed  
Executive Director (Finance)



Shauzad Sami  
Director



Wasif Mohammed Khan  
Director

# ADAMJEE INSURANCE COMPANY LIMITED

## STATEMENT OF PREMIUMS FOR THE YEAR ENDED DECEMBER 31, 2004

### 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	December 31, 2004	December 31, 2003
1	1,970,584	1,134,746	821,825	2,283,505	1,183,577	746,045	495,023	1,434,599	848,906
2	968,966	85,043	39,315	1,014,694	247,973	20,328	9,253	259,048	755,646
3	1,291,898	586,411	551,228	1,327,081	134,726	60,445	50,462	144,709	1,182,372
4	606,648	221,721	166,183	662,186	302,481	96,903	77,918	321,466	340,720
<b>Total</b>	<b>4,838,096</b>	<b>2,027,921</b>	<b>1,578,551</b>	<b>5,287,466</b>	<b>1,868,757</b>	<b>923,721</b>	<b>632,656</b>	<b>2,159,822</b>	<b>3,127,644</b>
Proportional	37,354	-	-	37,354	-	-	-	-	37,354
<b>Total</b>	<b>37,354</b>	<b>-</b>	<b>-</b>	<b>37,354</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,354</b>
<b>Grand Total</b>	<b>4,875,450</b>	<b>2,027,921</b>	<b>1,578,551</b>	<b>5,324,820</b>	<b>1,868,757</b>	<b>923,721</b>	<b>632,656</b>	<b>2,159,822</b>	<b>3,164,998</b>

The annexed notes 1 to 35 form an integral part of these financial statements.



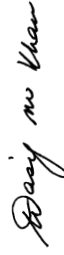
Syed Ziauddin Ahmed  
Executive Director (Finance)



Syed Jawad Gillani  
Managing Director & Chief Executive



Shahzad Saleem  
Director



Wasif Mohammed Khan  
Director

# ADAMJEE INSURANCE COMPANY LIMITED

## STATEMENT OF PREMIUMS FOR THE YEAR ENDED DECEMBER 31, 2004

### BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN

Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance Ceded	Prepaid reinsurance premium ceded		Net premium revenue		
		Opening	Closing			Opening	Closing	December 31, 2004	December 31, 2003	
1 Fire and property damage	37,457	29,224	12,742	53,939	22,417	18,795	1,373	39,839	14,100	
2 Marine, aviation and transport	122,844	47,090	49,711	120,223	92,228	38,206	44,085	86,349	33,874	
3 Motor	215,744	322,506	66,758	471,492	16,047	-	-	16,047	455,445	
4 Miscellaneous	14,224	20,187	3,514	30,897	8,123	14,320	1,497	20,946	9,951	
<b>Total</b>	<b>390,269</b>	<b>419,007</b>	<b>132,725</b>	<b>676,551</b>	<b>138,815</b>	<b>71,321</b>	<b>46,955</b>	<b>163,181</b>	<b>513,370</b>	
										<b>772,988</b>


(Rupees in '000)


(Restated)

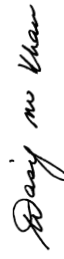
Direct and Facultative

The annexed notes 1 to 35 form an integral part of these financial statements.

  
Syed Ziauddin Ahmed  
Executive Director (Finance)

  
Syed Jawad Gillani  
Managing Director & Chief Executive

  
Shahzad Saleem  
Director

  
Wasif Mohammed Khan  
Director

Lahore: February 26, 2005



# ADAMJEE INSURANCE COMPANY LIMITED

## STATEMENT OF CLAIMS FOR THE YEAR ENDED DECEMBER 31, 2004

Class	Total Claims paid	Outstanding claims		Reinsurance and other recoveries in respect of outstanding claims		Net claims expense	
		Opening (Restated)	Closing	Opening (Restated)	Closing	December 31, 2004	December 31, 2003 (Restated)
<b>Direct and Facultative</b>							
1 Fire and property damage	754,760	497,567	1,655,925	354,076	783,134	1,135,629	286,137
2 Marine, aviation and transport	397,757	305,421	258,580	187,106	127,747	246,869	263,691
3 Motor	1,454,225	1,654,539	1,401,745	71,094	580,539	1,046,518	1,337,170
4 Miscellaneous	298,148	192,371	336,036	129,192	200,648	259,077	153,388
<b>Total</b>	<b>2,904,890</b>	<b>2,649,898</b>	<b>3,652,286</b>	<b>741,468</b>	<b>1,692,068</b>	<b>2,688,093</b>	<b>2,040,386</b>
<b>Treaty</b>							
Proportional	39,158	75,593	31,094	-	-	(5,341)	75,542
<b>Total</b>	<b>39,158</b>	<b>75,593</b>	<b>31,094</b>	<b>(5,341)</b>	<b>-</b>	<b>(5,341)</b>	<b>75,542</b>
<b>Grand Total</b>	<b>2,944,048</b>	<b>2,725,491</b>	<b>3,683,380</b>	<b>741,468</b>	<b>1,692,068</b>	<b>2,682,752</b>	<b>2,115,928</b>

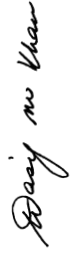
The annexed notes 1 to 35 form an integral part of these financial statements.



Syed Ziauddin Ahmed  
Executive Director (Finance)



Shahzad Saleem  
Director



Wasif Mohammed Khan  
Director

# ADAMJEE INSURANCE COMPANY LIMITED

## STATEMENT OF CLAIMS FOR THE YEAR ENDED DECEMBER 31, 2004

### BUSINESS UNDERWRITTEN INSIDE PAKISTAN

Class	Total Claims paid	Outstanding claims		Reinsurance and other recoveries in respect of outstanding claims		Net claims expense	
		Opening (Restated)	Closing	Opening (Restated)	Closing	December 31, 2004	December 31, 2003 (Restated)
<b>Direct and Facultative</b>							
1 Fire and property damage	720,232	414,234	1,540,046	292,690	743,646	1,088,319	273,640
2 Marine, aviation and transport	325,170	218,960	112,225	161,666	16,320	243,086	201,738
3 Motor	689,102	203,047	263,112	54,926	53,197	679,802	482,412
4 Miscellaneous	276,685	148,633	293,614	112,755	190,720	227,383	143,023
<b>Total</b>	<b>2,011,189</b>	<b>984,874</b>	<b>2,208,997</b>	<b>622,037</b>	<b>1,003,883</b>	<b>2,238,590</b>	<b>1,100,813</b>
<b>Treaty</b>							
Proportional	39,158	75,593	31,094	-	-	(5,341)	75,542
<b>Total</b>	<b>39,158</b>	<b>75,593</b>	<b>31,094</b>	<b>-</b>	<b>-</b>	<b>(5,341)</b>	<b>75,542</b>
<b>Grand Total</b>	<b>2,050,347</b>	<b>1,060,467</b>	<b>2,240,091</b>	<b>622,037</b>	<b>1,003,883</b>	<b>2,233,249</b>	<b>1,176,355</b>

The annexed notes 1 to 35 form an integral part of these financial statements.



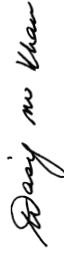
Syed Ziauddin Ahmed  
Executive Director (Finance)



Syed Jawad Gillani  
Managing Director & Chief Executive



Shahzad Saleem  
Director



Wasif Mohammed Khan  
Director

# ADAMJEE INSURANCE COMPANY LIMITED

## STATEMENT OF CLAIMS FOR THE YEAR ENDED DECEMBER 31, 2004

### BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN

Class	Total Claims paid	Outstanding claims		Claims Expenses	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	December 31, 2004	December 31, 2003	Net claims expense (Restated)
		Opening (Restated)	Closing			Opening (Restated)	Closing				
1 Fire and property damage	34,528	83,333	115,879	67,074	47,307	67,031	39,488	19,764	47,310	12,497	
2 Marine, aviation and transport	72,587	86,461	146,355	132,481	66,411	49,140	111,427	128,698	3,783	61,953	
3 Motor	765,123	1,451,492	1,138,633	452,264	-	441,794	527,342	85,548	366,716	854,758	
4 Miscellaneous	21,463	43,738	42,422	20,147	12,874	34,349	9,928	(11,547)	31,694	10,365	
<b>Total</b>	<b>893,701</b>	<b>1,665,024</b>	<b>1,443,289</b>	<b>671,966</b>	<b>126,592</b>	<b>592,314</b>	<b>688,185</b>	<b>222,463</b>	<b>449,503</b>	<b>939,573</b>	

Direct and  
Facultative

The annexed notes 1 to 35 form an integral part of these financial statements.



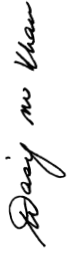
Syed Ziauddin Ahmed  
Executive Director (Finance)



Syed Jawad Gillani  
Managing Director & Chief Executive



Shahzad Saleem  
Director



Wasif Mohammed Khan  
Director

# ADAMJEE INSURANCE COMPANY LIMITED

## STATEMENT OF EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2004

Class	Commissions paid or payable		Deferred Commission		Net commission expense	Other management expenses	Underwriting expense	Commissions from reinsurer	Net underwriting expense	
	Opening	Closing	Opening	Closing					December 31, 2004	December 31, 2003
<b>Direct and Facultative</b>										
1 Fire and property damage	213,551	100,582	129,532	100,582	242,501	197,500	440,001	277,855	162,146	106,752
2 Marine, aviation and transport	141,762	12,744	21,117	12,744	150,135	179,225	329,360	73,970	255,390	236,236
3 Motor	148,693	71,533	107,678	71,533	184,838	345,042	529,880	43,030	486,850	471,670
4 Miscellaneous	63,034	21,695	35,107	21,695	76,446	79,957	156,403	118,574	37,829	27,189
<b>Total</b>	<b>567,040</b>	<b>206,554</b>	<b>293,434</b>	<b>206,554</b>	<b>653,920</b>	<b>801,724</b>	<b>1,455,644</b>	<b>513,429</b>	<b>942,215</b>	<b>841,847</b>
<b>Treaty</b>										
Proportional	15,617	-	-	-	15,617	8,591	24,208	-	24,208	50,848
<b>Total</b>	<b>15,617</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,617</b>	<b>8,591</b>	<b>24,208</b>	<b>-</b>	<b>24,208</b>	<b>50,848</b>
<b>Grand Total</b>	<b>582,657</b>	<b>206,554</b>	<b>293,434</b>	<b>206,554</b>	<b>669,537</b>	<b>810,315</b>	<b>1,479,852</b>	<b>513,429</b>	<b>966,423</b>	<b>892,695</b>

The annexed notes 1 to 35 form an integral part of these financial statements.



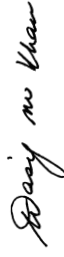
Syed Ziauddin Ahmed  
Executive Director (Finance)



Syed Jawad Gillani  
Managing Director & Chief Executive



Shahzad Saleem  
Director



Wasif Mohammed Khan  
Director


# ADAMJEE INSURANCE COMPANY LIMITED


## STATEMENT OF EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2004


### BUSINESS UNDERWRITTEN INSIDE PAKISTAN

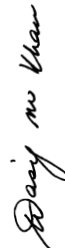
Class	Commissions paid or payable		Deferred Commission		Net commission expense	Other management expenses	Underwriting expense	Commissions from reinsurer	Net underwriting expense	
	Opening	Closing	Opening	Closing					December 31, 2004	December 31, 2003
<b>Direct and Facultative</b>										
1 Fire and property damage	206,516	123,698	96,153	234,061	195,236	429,297	268,756	160,541	111,776	
2 Marine, aviation and transport	136,198	19,186	9,649	145,735	173,787	319,522	45,049	274,473	220,665	
3 Motor	111,423	67,554	55,123	123,854	271,928	395,782	43,030	352,752	314,193	
4 Miscellaneous	61,970	34,019	21,034	74,955	78,360	153,315	111,115	42,200	27,527	
<b>Total</b>	<b>516,107</b>	<b>244,457</b>	<b>181,959</b>	<b>578,605</b>	<b>719,311</b>	<b>1,297,916</b>	<b>467,950</b>	<b>829,966</b>	<b>674,161</b>	
<b>Treaty</b>										
Proportional	15,617	-	-	15,617	8,591	24,208	-	24,208	50,848	
<b>Total</b>	<b>15,617</b>	<b>-</b>	<b>-</b>	<b>15,617</b>	<b>8,591</b>	<b>24,208</b>	<b>-</b>	<b>24,208</b>	<b>50,848</b>	
<b>Grand Total</b>	<b>531,724</b>	<b>244,457</b>	<b>181,959</b>	<b>594,222</b>	<b>727,902</b>	<b>1,322,124</b>	<b>467,950</b>	<b>854,174</b>	<b>725,009</b>	

The annexed notes 1 to 35 form an integral part of these financial statements.

  
Syed Ziauddin Ahmed  
Executive Director (Finance)

  
Syed Jawad Gillani  
Managing Director & Chief Executive

  
Shahzad Saleem  
Director

  
Wasif Mohammed Khan  
Director

Lahore: February 26, 2005

# ADAMJEE INSURANCE COMPANY LIMITED

## STATEMENT OF EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2004


### BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN


(Rupees in '000)


Class	Commissions paid or payable		Deferred Commission		Net commission expense	Other management expenses	Underwriting expense	Commissions from reinsurer	Net underwriting expense	
	Opening	Closing	Opening	Closing					December 31, 2004	December 31, 2003
1 Fire and property damage	7,035	5,834	4,429	8,440	2,264	10,704	9,099	1,605	(5,024)	
2 Marine, aviation and transport	5,564	1,931	3,095	4,400	5,438	9,838	28,921	(19,083)	15,571	
3 Motor	37,270	40,124	16,410	60,984	73,114	134,098	-	134,098	157,477	
4 Miscellaneous	1,064	1,088	661	1,491	1,597	3,088	7,459	(4,371)	(338)	
<b>Total</b>	<b>50,933</b>	<b>48,977</b>	<b>24,595</b>	<b>75,315</b>	<b>82,413</b>	<b>157,728</b>	<b>45,479</b>	<b>112,249</b>	<b>167,686</b>	

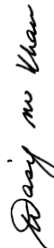
Direct and  
Facultative

The annexed notes 1 to 35 form an integral part of these financial statements.

  
Syed Ziauddin Ahmed  
Executive Director (Finance)

  
Syed Jawad Gillani  
Managing Director & Chief Executive

  
Shahzad Saleem  
Director

  
Wasif Mohammed Khan  
Director

Lahore: February 26, 2005



# ADAMJEE INSURANCE COMPANY LIMITED

## STATEMENT OF INVESTMENT INCOME FOR THE YEAR ENDED DECEMBER 31, 2004

	Note	2004 (Rupees in '000)	2003
Income from non-trading investments			
Available-for-sale			
Return on fixed income securities		132,382	129,517
Return on Term Finance Certificates		1,633	2,393
Dividend income		188,990	175,472
		323,005	307,382
Gain on sale of 'available-for-sale' investments		173,438	164,594
		496,443	471,976
<b>Held-to-maturity</b>			
Return on fixed income securities		502	3,063
		496,945	475,039
Provision for impairment in value of 'available-for-sale' investments	13.1	(3,351)	(42,835)
Less: Investment related expenses		-	(10,211)
Net investment income		493,594	421,993

The annexed notes 1 to 35 form an integral part of these financial statements.

Syed Ziauddin Ahmed  
Executive Director (Finance)

Syed Jawad Gillani  
Managing Director & Chief Executive

Shahzad Saleem  
Director

Wasif Mohammed Khan  
Director

Lahore: February 26, 2005





# ADAMJEE INSURANCE COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004

### 1. THE COMPANY AND ITS OPERATIONS

Adamjee Insurance Company Limited (the company) 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 the non-life insurance business.

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

**1.1** The company also operates branches in the United Kingdom (UK), the United Arab Emirates (UAE), the Kingdom of Saudi Arabia (KSA) and the Export Processing Zone (EPZ). The branches in the UK and KSA have closed down their operations and are in "run-off" status with effect from January 1, 1998 and October 1, 2003 respectively. During the year the Board of Directors have decided to close down the operations of the company in UAE with effect from January 1, 2005. This decision has been made with the objective of enhancing the company's profitability by ensuring greater concentration on the profitable domestic operations and after considering the adverse results of the UAE operations and on the management's expectation that the company will not be able to generate sufficient margins in the future so as to make the continuance of these operations feasible. The assets and liabilities of the UAE operations as at December 31, 2004 amounted to Rs. 778.989 million and Rs. 1,583.343 million respectively. During the year the company earned a net revenue of Rs. 499.261 million, incurred expenses of Rs. 501.715 million and incurred a loss of Rs. 2.454 million from the UAE operations. The cash outflow from operating and investing activities of the UAE operations amounted to Rs. 481.747 million and Rs. 0.632 million respectively.

Balances pertaining to the company's operations in the UK, KSA and EPZ have been accounted for in these financial statements based on the unaudited certified returns received from the respective branches/agencies whereas that of the UAE are accounted for on the basis of audited financial statements.

### 2. STATEMENT OF COMPLIANCE

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

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

The Securities and Exchange Commission of Pakistan has allowed the insurance companies to defer the application of International Accounting Standard - 39 (IAS 39) 'Financial Instruments: Recognition and Measurement' in respect of "investments available for sale" until suitable amendments have been made in the laws. Accordingly, the requirements of IAS 39, to the extent allowed by SECP, have not been considered in the preparation of these financial statements.

### 3. BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except that obligations under certain employee benefits are measured at present value.

### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 4.1 Provision for outstanding claims including incurred but not reported (IBNR)

The company recognises liability in respect of all claims incurred upto the balance sheet date which is measured at the undiscounted value of the expected future payments. The claims are considered to be incurred at the time of the incident giving rise to the claim except as otherwise expressly indicated in an insurance contract. The liability for claims includes amounts in relation to unpaid reported claims, claims incurred but not reported (IBNR) and expected claims settlement costs.

Provision for liability in respect of unpaid reported claims is made on the basis of individual case estimates. During the year the company has changed its accounting policy in respect of accounting for IBNR. These claims are now accounted for based on the management's best estimate which takes into account the past trends, expected future patterns of reporting of claims and the claims actually reported subsequent to the balance sheet date. Previously, provision for IBNR was made based on the claims actually reported upto one month subsequent to the balance sheet date. This change has been made as in the opinion of the management the revised policy would result in a more accurate reflection of the company's obligation towards claims incurred during the current year but not reported upto the balance sheet date. The above change in the accounting policy has been applied retrospectively and the comparative information has been restated. The effect of this change in the accounting policy on the retained earnings brought forward for the year ended December 31, 2003 has been disclosed in the statement of changes in equity. Had the accounting policy not been changed, the profit before taxation for the year would have been higher by Rs. 5.055 million.

#### 4.2 Provision for unearned premium

Provision for unearned premium represents the portion of premium written relating to the unexpired period of coverage and is recognised as a liability by the company. This liability is calculated as follows:

- for marine cargo business and for motor business in the UAE, as a ratio of the unexpired period to the total period of the policy applied on the gross premium of the individual policies; and
- for other classes / lines of business, by applying the twenty-fourths method as specified in the SEC (Insurance) Rules, 2002 as majority of the remaining policies are issued for a period of one year.

#### **4.3 Additional provision for unexpired risks (Premium deficiency reserve)**

The company maintains a provision in respect of premium deficiency for the class of business where the unearned premium liability is not adequate to meet the expected future liability, after reinsurance, from claims and other supplementary expenses expected to be incurred after the balance sheet date in respect of the unexpired policies in that class of business at the balance sheet date. The movement in the premium deficiency reserve is recorded as an expense / income in the profit and loss account for the year.

During the year the company has changed its accounting policy in respect of determining the above liability and has decided to ascertain this liability on a class of business basis. Previously, this was being determined on an overall company basis by comparing the aggregate premium reserve for all classes of business at the year end with the aggregate future liability expected to be incurred after the balance sheet date in respect of unexpired risk at the balance sheet date. This change in accounting policy has been made to comply with the requirements of the SEC (Insurance) Rules, 2002. The change in policy has been applied retrospectively and the comparative information has been restated. The effect of this change in the accounting policy on the retained earnings brought forward for the year ended December 31, 2003 has been disclosed in the statement of changes in equity. Had the accounting policy not been changed, the profit before taxation for the year would have been lower by Rs. 45 million.

#### **4.4 Commission income unearned**

Unearned commission income from the reinsurers represents the portion of income relating to the unexpired period of coverage and is recognised as a liability.

#### **4.5 Staff retirement benefits**

##### **4.5.1 Defined contribution plan**

The company operates an approved contributory provident fund scheme for all its eligible employees. Equal monthly contributions are made by the company and the employees to the fund at the rate of 8.33% of basic salary.

##### **4.5.2 Defined benefit plans**

The company operates the following defined benefit plans:

- (a) an approved funded gratuity scheme for the employees in Pakistan. Contributions are made to this scheme on the basis of actuarial recommendations. Actuarial gains and losses are amortised over the expected future service of the current members;
- (b) unfunded gratuity schemes covering the employees in the UAE and KSA as per the requirements of the regulations applicable in those countries. Provision is made in the financial statements based on the management's best estimate of the liability in respect of these schemes.

#### **4.6 Employees' compensated absences**

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

#### **4.7 Amount due to / from other insurers / reinsurers**

Amounts due to / from other insurers / reinsurers are carried at cost less provision for impairment. Cost represents the fair value of the consideration to be received / paid in the future for services rendered / received.

#### **4.8 Creditors, accruals and provisions**

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 the goods and / or services received, whether or not billed to the company.

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

#### **4.9 Cash and cash equivalents**

For the purpose of cashflow statement, cash and cash equivalents include cash and bank deposits.

#### **4.10 Investments**

All investments are initially recognised at cost being the fair value of the consideration given and include transaction costs. All purchases and sales of financial assets are accounted for at the trade date.

The above investments are classified into the following categories:

- Held-to-maturity
- Available-for-sale

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

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

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

##### **4.10.2 Available-for-sale – marketable investments**

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 reduction is other than temporary) in accordance with the requirements of the SEC (Insurance) Rules, 2002. The company uses latest stock exchange quotations to determine the market value of its quoted investments whereas fair value of investments in delisted companies is determined by reference to the net assets and financial position of the investee on the basis of the latest available audited financial statements.

#### **4.10.3 Available-for-sale - fixed income investments**

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' at which these investments are stated as per the requirements of the SEC (Insurance) Rules, 2002.

### **4.11 Taxation**

#### **4.11.1 Current**

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any, or one half of one percent of turnover, whichever is higher.

#### **4.11.2 Deferred**

Deferred tax is recognised using the balance sheet liability method on all major temporary differences between the amounts attributed to assets and liabilities for financial reporting purposes and amounts used for taxation purposes. The company records deferred tax assets/liabilities using the tax rates, enacted or substantially enacted at the balance sheet date expected to be applicable at the time of its reversal.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### **4.12 Premiums due but unpaid**

These are recognised at cost, which is the fair value of the consideration given less provision for impairment, if any.

### **4.13 Transactions and balances with Pakistan Reinsurance Company Limited relating to retrocession**

During the year the company has changed its accounting policy in respect of accounting for retrocession transactions and balances with Pakistan Reinsurance Company Limited (PRCL) and has decided to account for them on accrual basis. Previously, these transactions and balances were accounted for on the basis of PRCL statements received upto the end of the previous year with the exception of cash and bank transactions which were accounted for currently. The change in the accounting policy has been made, as in the opinion of the management, the revised policy would result in a more accurate reflection of the company's transactions and balances with PRCL relating to retrocession. The above change in the accounting policy has been applied retrospectively and the comparative information has been restated. The effect of this change in the accounting policy on the retained earnings brought forward for the year ended December 31, 2003 has been disclosed in the statement of changes in equity. Had the accounting policy not been changed, the profit before taxation for the year would have been higher by Rs 3.518 million.

### **4.14 Claims recoveries**

Claims recoveries receivable from the reinsurers are recognised as an asset at the same time as the claims which give rise to the right of recovery are recognised as a liability and are measured at the amount expected to be received.

### **4.15 Deferred commission expense / acquisition cost**

Commission and other acquisition costs incurred in obtaining and recording insurance and reinsurance policies and / or treaties are deferred and recognised as an asset on the attachment of the related risks. These costs are charged to the profit and loss account based on the pattern of recognition of premium revenue.

### **4.16 Prepaid reinsurance expense**

Premium for reinsurance contracts operative on a proportional and non-proportional basis is recorded as a liability on attachment of the underlying risks reinsured or on inception of the reinsurance contract respectively. For proportional reinsurance contracts, the reinsurance expense is recognised in accordance with the pattern of recognition of premium income to which they relate. For non-proportional reinsurance contracts, the reinsurance expense is recognised evenly in the period of indemnity. The portion of reinsurance premium not recognised as an expense is shown as a prepayment.

### **4.17 Fixed assets**

#### **4.17.1 Tangible**

These are stated at cost less accumulated depreciation and any provision for impairment loss. Depreciation is charged to income applying the reducing balance method at the rates specified for calculation of depreciation without taking into account any residual value. Depreciation on additions is charged from the date of acquisition while 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 are written down to their recoverable amount.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalised 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 currently.

#### **4.17.2 Intangible**

These are stated at cost less accumulated amortisation and any provision for impairment.

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 are written down to their recoverable amount.

#### **4.18 Revenue recognition**

##### **4.18.1 Premium income earned**

Premium received/ receivable under a policy is recognised as written from the date of attachment of the policy to which it relates. Premium income under a policy is recognised over the period of insurance from inception to 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; and
- (c) For non-proportional reinsurance business, in accordance with the pattern of the 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.

#### **4.19 Expenses of management**

Expenses of management allocated to the underwriting business represent directly attributable expenses and indirect expenses allocated to the various classes of business on the basis of net premium income. Expenses not allocable to the underwriting business are charged as administrative expenses.

#### **4.20 Commission income**

Commission income from reinsurers is recognised at the time of issuance of the underlying insurance policy by the company. This income is deferred and brought to account as revenue in accordance with the pattern of recognition of the reinsurance premium to which it relates. Profit commission, if any, which the company may be entitled to under the terms of reinsurance, is recognised on accrual basis.

#### **4.21 Investment income**

##### **4.21.1 Income from available-for-sale investments**

###### **- Return on fixed income investments**

Return on fixed income securities classified as available-for-sale is recognised on a time proportion basis.

###### **- Dividend**

Dividend income is recognised when the company's right to receive the dividend is established.

###### **- Gain/ loss on sale of available-for-sale investments**

Gain/ loss on sale of available-for-sale investments is included in income currently.

###### **- Return on Term Finance Certificates**

The difference between the redemption value and the purchase price of the Term Finance Certificates is amortised and taken to the profit and loss account over the term of the investment.

##### **4.21.2 Income from held-to-maturity investments**

Income from held-to-maturity investments is recognised on a time proportion basis taking into account the effective yield on the investments.

#### **4.22 Other income**

##### **4.22.1 Income from car repairs**

Income from car repairs is recognised on accrual basis.

#### **4.23 Foreign currencies**

Transactions in foreign currencies are accounted for in Rupees at the rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Rupees at the rates of exchange which approximate those prevailing at the balance sheet date. Exchange differences are taken to the profit and loss account currently.

#### **4.24 Financial instruments**

Financial assets and liabilities are recognised at the time when the company becomes a party to the contractual provisions of the instrument and de-recognised when the company loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on the de-recognition of the financial assets and liabilities is included in the profit and loss account currently.

Financial instruments carried on the balance sheet include cash and bank, loans, investments, premiums due but unpaid, amounts due from other insurers / reinsurers, premium and claims reserves retained by cedants, accrued investment income, reinsurance recoveries against outstanding claims, sundry receivables, provision for outstanding claims, amounts due to other insurers / reinsurers, accrued expenses, other creditors and accruals and unclaimed dividends. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

#### 4.25 Off setting

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

#### 4.26 Impairment

The carrying amount of the assets is reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or a group of assets. If such indication exists, the recoverable amount of such assets is estimated and the impairment losses are recognised in the profit and loss account.

Provisions for impairment are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Changes in the provisions are recognised as income/ expense currently.

### 5. SHARE CAPITAL

#### 5.1 Authorised capital

Number of Shares			2004	2003
2004	2003		(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>

#### 5.2 Paid-up capital

Issued, subscribed and fully paid:

Number of Shares			2004	2003
2004	2003			
<b>250,000</b>	250,000	Ordinary shares of Rs.10 each, fully paid in cash	<b>2,500</b>	2,500
<b>82,364,270</b>	62,218,256	Ordinary shares of Rs.10 each, issued as fully paid bonus shares	<b>823,642</b>	622,182
<u><b>82,614,270</b></u>	<u>62,468,256</u>		<u><b>826,142</b></u>	<u>624,682</u>

As at December 31, 2004, Muslim Commerical Bank Limited and Adamjee Foundation, associated undertakings, held 24,267,868 (2003: 18,349,996) and 7,267,344 (2003: 5,495,158) ordinary shares of Rs. 10 each, respectively.

### 6. RESERVES

	Note	2004	2003
		(Rupees in '000)	
<b>Capital reserves</b>			
Reserve for exceptional losses	6.1	<b>22,859</b>	22,859
Investment fluctuation reserve	6.2	<b>3,764</b>	3,764
Reserve for issue of bonus shares			
Balance at the beginning of the year		<b>201,460</b>	93,702
Payments made		<b>(201,460)</b>	-
Transfer from profit and loss appropriation account		-	107,758
		-	201,460
		<b>26,623</b>	228,083
<b>Revenue reserve</b>			
General reserve			
Balance at the beginning of the year		<b>606,500</b>	186,500
Transfer (to) / from profit and loss appropriation account		<b>(420,000)</b>	420,000
		<b>186,500</b>	606,500
		<b>213,123</b>	834,583

**6.1** The reserve for exceptional losses represents the amount set aside in prior years upto December 31, 1978 in order to avail the deduction while computing the taxable income under the old Income Tax Act of 1922. Subsequent to the introduction of repealed Income Tax Ordinance, 1979, which did not permit the said deduction, the company discontinued the setting aside of amounts as reserve for exceptional losses.

**6.2** This amount has been set aside in prior years for utilisation against possible diminution in the value of investments.

	<b>2004</b>	2003
	<b>(Rupees in '000)</b>	<b>(Restated)</b>
<b>7. ADDITIONAL PROVISION FOR UNEXPIRED RISKS / PREMIUM DEFICIENCY RESERVE</b>		
Opening provision	<b>85,000</b>	75,000
Charge / (reversal) for the year	<b>(45,000)</b>	10,000
Closing provision	<b>40,000</b>	85,000
<b>8. STAFF RETIREMENT BENEFITS</b>		
<b>Unfunded staff gratuity</b>		
Opening balance	<b>10,966</b>	12,333
(Reversal) / charge for the year	<b>(2,206)</b>	2,140
	<b>8,760</b>	14,473
Payment made during the year	<b>(3,441)</b>	(3,507)
	<b>5,319</b>	10,966

**8.1** The above provision relates to the company's operations in KSA and UAE. Actuarial valuation has not been obtained as the liability is not material and is expected to reduce further in view of the run-off status in these territories.

	<b>2004</b>	2003
	<b>(Rupees in '000)</b>	
<b>9. OTHER CREDITORS AND ACCRUALS</b>		
Cash margin against performance bonds	<b>88,494</b>	76,177
Sundry creditors	<b>97,368</b>	34,206
Commission payable	<b>106,729</b>	107,706
Federal insurance fee	<b>8,568</b>	6,606
Central excise duty	<b>26,295</b>	37,172
Payable to Employees' Provident Fund	<b>111</b>	17
Others	<b>14,996</b>	1,224
	<b>342,561</b>	263,108

## **10. CONTINGENCIES**

The income tax assessments of the company have been finalised upto and including the tax year 2003, corresponding to the income year ended December 31, 2002. However, the company has filed appeals in respect of certain assessment years which mainly relate to the following:

- (i) The Inspecting Additional Commissioner of Income Tax (IAC) had set aside the original assessments in respect of the assessment years 1994-95 to 1996-97 on the grounds that the company was not entitled to avail tax exemption on capital gains. An appeal was filed before the Income Tax Appellate Tribunal (ITAT) which was decided against the company resulting in an additional tax liability of Rs. 41.774 million (2003: Rs. 41.774) million. The company has filed an appeal before the High Court of Sindh against the decision of the ITAT which is currently pending for adjudication; and
- (ii) The Deputy Commissioner of Income Tax (DCIT) has finalised assessments for the assessment years 1999-2000 to 2000-2001 by taxing (a) excess expenses of management (b) dividend income and capital gains at the full rate of 33% and (c) commission expense. The aggregate tax liability assessed by the DCIT amounted to Rs. 259.190 million against which company has made a total provision of Rs. 234.827 (2003: Rs. 153.800) million for the above-mentioned years resulting in a shortfall of Rs. 24.363 (2003: Rs. 105.390) million. The company has filed appeals with the Commissioner of Income Tax (Appeals) which are currently pending therewith.

Pending resolution of the above-mentioned appeals filed by the company, no provision has been made in these financial statements for the aggregate amount of Rs. 66.137 (2003: Rs. 147.164) million as the management is confident that the eventual outcome of the above matters will be in favour of the company.

	Note	2004 (Rupees in '000)	2003
<b>11. CASH AND BANK DEPOSITS</b>			
<b>Cash and other equivalents</b>			
Cash in hand		6,831	9,052
Cheques in hand		68,266	130,017
		<b>75,097</b>	139,069
<b>Current and other accounts</b>			
Current accounts		381,257	460,332
Savings accounts		178,503	83,200
		<b>559,760</b>	543,532
<b>Deposits maturing within 12 months</b>			
Fixed and term deposits	11.1	120,212	167,027
		<b>755,069</b>	<b>849,628</b>

**11.1** These include fixed deposits amounting to Rs. 77.090 (AED 4.761) [2003: Rs. 73.642 (AED 4.712)] million kept in accordance with the requirements of Insurance Regulations applicable in UAE for the purpose of carrying on business in the country. These also include liens against cash deposits of Rs. 7.077 (AED 0.437) [2003: Rs. 6.870 (AED 0.439)] million with banks outside Pakistan and Rs. 1.815 (2003: Rs. 1.915) million with banks in Pakistan essentially in respect of guarantees issued by the banks on behalf of the company for claims under litigation filed with the company.

	Note	2004 (Rupees in '000)	2003
<b>12. LOANS</b>			
<b>Considered good</b>			
Employees - secured		31,246	37,988
Others			
- Secured		178	600
- Unsecured		1,329	2,282
		<b>1,507</b>	2,882
		<b>32,753</b>	<b>40,870</b>

Loans to employees are granted in accordance with the terms of their employment for the purchase of vehicles, purchase / construction of houses and for other purposes as specified in the SEC (Insurance) Rules, 2002. These loans are recoverable in monthly installments over various periods and are secured by registration of vehicles, deposit of title documents of property with the company and against provident fund balances of the employees. The loans are interest free except for those granted for the purchase / construction of houses which carry interest at the rate of 5% (2003: 5%) per annum.

	Note	2004 (Rupees in '000)	2003
<b>13. INVESTMENTS</b>			
<b>Available-for-sale</b>			
Marketable securities		1,325,212	1,203,763
Less: Provision for impairment in value of investments	13.2	46,186	42,835
	13.3	1,279,026	1,160,928
Fixed income investments	13.4	1,174,193	1,052,106
		<b>2,453,219</b>	2,213,034
<b>Held-to-maturity</b>			
Defence Saving Certificates - deposited with the State Bank of Pakistan in accordance with Section 26 of the Insurance Ordinance, 2000		15,962	5,164
		<b>15,962</b>	5,164
		<b>2,469,181</b>	<b>2,218,198</b>

**13.1** At December 31, 2004, the fair value of available for sale securities was Rs 5,267.878 million (2003: Rs 3,951.739 million). As mentioned in note 4.10.2 to these financial statements, available for sale investments are stated at lower of cost or market value (market value being taken as lower if the reduction is other than temporary). However, International Accounting Standard 39 dealing with the recognition and measurement of financial instruments requires that these instruments should be measured at fair value. Accordingly, had these investments been measured at fair value, their carrying value as on December 31, 2004 would have been higher by Rs.2,768.474 million, while the company's equity would have been higher by Rs 1,799.508 million (net of tax).



Fair value of the available-for-sale investments have been determined on the basis of values quoted in the stock exchanges, while those of fixed maturity investments have been determined at the present value of expected future cash flows discounted at market rates.

### 13.2 Reconciliation of provision for impairment in value of investments

	Note	2004 (Rupees in '000)	2003
Opening provision		42,835	-
Charge for the year		3,351	42,835
Closing provision		<u>46,186</u>	<u>42,835</u>

### 13.3 Marketable securities

	Note	2004		2003
		Cost	Provision thereagainst	Carrying value
..... (Rupees in '000) .....				
Quoted – associated companies	13.3.1	85,732	-	59,012
Quoted – others	13.3.2	903,168	(33,304)	837,761
Modaraba certificates	13.3.3	31,080	(915)	32,428
Term finance certificates	13.3.4	7,865	-	15,587
Unlisted / delisted shares and debentures	13.3.5	11,407	(11,287)	120
National Investment Trust units	13.3.6	18,515	-	38,165
Mutual Funds certificates	13.3.7	267,445	(680)	177,855
		<u>1,325,212</u>	<u>(46,186)</u>	<u>1,160,928</u>

No. of Shares/ Certificates		Face Value	Company's Name	2004		2003
2004	2003			2004	2003	

#### 13.3.1 Quoted – associated companies

		Rs.		(Rupees in '000)	
-	109,807	10	Mehran Jute Mills Limited [Equity held 3.58%]	-	1,150
853,300	-	10	D.G. Khan Cement Company Limited [Equity held 0.46% (2003:0.56%)]	26,719	-
3,188,910	2,899,010	10	Muslim Commercial Bank Limited [Equity held 0.95% (2003:0.95%)]	59,013	59,013
				<u>85,732</u>	<u>60,163</u>

#### 13.3.2 Quoted – others

			<u>LEASING COMPANIES</u>		
20,587	36,587	10	Pakistan Industrial & Commercial Leasing Limited	260	463
417,302	362,872	10	Saudi Pak Leasing Company Limited	8,978	8,978
			<u>INVESTMENT BANK / INVESTMENT COMPANIES/ SECURITY COMPANIES</u>		
31,184	25,987	10	Atlas Investment Bank Limited	418	418
220,959	220,959	10	First Standard Investment Bank Limited	1,275	1,275
-	45,458	10	Jahangir Siddiqui & Company Limited	-	1,549
142,425	89,180	10	Jahangir Siddiqui Investment Bank Limited	1,173	2,755
309,650	243,000	10	Orix Investment Bank Limited	3,065	2,207
2,786,181	1,847,336	10	Pakistan Industrial Credit & Investment Corporation	43,882	17,677
			<u>COMMERCIAL BANKS</u>		
640,505	763,187	10	Askari Commercial Bank Limited	9,739	12,274
1,539,945	1,213,556	10	Bank Al-Habib Limited	15,876	14,880
63,750	-	10	Bank Al Falah Limited	2,526	-
454,300	376,000	10	Faysal Bank Limited	8,489	7,096
130,739	99,045	10	KASB Bank Limited	1,560	1,243
302,399	312,399	10	Mashreq Bank Pakistan Limited	1,937	2,001
828,260	664,800	10	Metropolitan Bank Limited	11,884	10,162
223,976	111,877	10	Prime Commercial Bank Limited	3,677	2,164
976,990	798,593	10	Soneri Bank Limited	10,772	11,006
132,081	109,159	10	Union Bank Limited	1,941	1,941
143,250	-	10	PICIC Commercial Bank Limited	4,412	-

No. of Shares/ Certificates		Face Value	Company's Name	2004	2003
2004	2003			2004	2003
		<b>Rs.</b>		<b>(Rupees in '000)</b>	
			<b><u>INSURANCE</u></b>		
340,887	262,221	5	Habib Insurance Company Limited	2,224	2,224
45,426	46,426	10	International General Insurance	808	827
2,627	2,285	5	New Jubilee Insurance Company Limited	21	21
269,860	319,860	10	Pakistan Reinsurance Company Limited	356	422
257,529	257,529	5	Premier Insurance Company of Pakistan Limited	1,543	1,543
76,940	69,946	10	Central Insurance Company Limited	659	659
			<b><u>TEXTILE SPINNING</u></b>		
-	40,500	10	Accord Textiles Limited	-	404
119,200	119,200	10	Apollo Textile Mills Limited	1,301	1,301
57,833	123,833	10	Bilal Fibres Limited	711	1,521
59,662	64,239	10	Dewan Khalid Textile Mills Limited	1,570	1,860
17,414	15,831	10	Dewan Mushtaq Textile Mills Limited	233	233
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
-	56,500	10	Landmark Spinning Industries Limited	-	563
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
7,500	80,000	10	Sally Textile Mills Limited	83	886
78,000	78,000	10	Service Industries (Textile) Limited	1,388	1,388
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
			<b><u>TEXTILE WEAVING</u></b>		
20,100	20,100	10	ICC Textile Mills Limited	258	258
-	20,000	10	Yousuf Weaving Mills Limited	-	234
			<b><u>TEXTILE COMPOSITE</u></b>		
-	25,200	10	Burewala Textile Mills Limited	-	1,250
442,485	442,485	10	Crescent Textile Mills Limited	7,470	7,470
-	279,234	10	Dawood Cotton Mills Limited	-	4,003
431,426	-	10	Dawood Lawrencepur Mills Limited	8,578	-
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
61,151	101,651	10	Jubilee Spinning & Weaving Mills Limited	702	1,167
31,422	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	606,591	10	Nishat Mills Limited	13,252	13,252
36,000	18,000	10	Shams Textile Mills Limited	990	540
14,437	14,437	10	Zahur Textile Mills Limited	210	210
			<b><u>WOOLEN</u></b>		
-	124,600	10	Lawrencepur Woolen Mills Limited	-	3,193
			<b><u>SYNTHETIC AND RAYON</u></b>		
1,044,745	971,856	10	Dewan Salman Fibres Limited	32,729	32,729
-	10,017	10	Dilon Limited	-	133
75,310	116,410	10	Gatron Industries Limited	3,201	4,948
88,750	88,750	10	Ibrahim Fibres Limited	1,227	1,227
311,400	311,400	10	Pakistan Synthetics Limited	3,114	3,114
44,500	44,500	10	Rupali Polyester Limited	2,321	2,321
			<b><u>JUTE</u></b>		
183,366	201,866	10	Crescent Jute Products Limited	3,546	3,904
109,807	-	10	Mehran Jute Mills Limited	1,150	-
183,895	221,495	5	Thal Jute Mills Limited	1,623	1,955
			<b><u>SUGAR AND ALLIED</u></b>		
95,726	95,726	10	Al-Noor Sugar Mills Limited	1,937	1,937
89,000	137,000	10	Ansari Sugar Mills Limited	887	1,365
-	104,802	10	Bawany Sugar Mills Limited	-	2,634
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	Hussein Sugar Mills Limited	309	309

No. of Shares/ Certificates		Face	Company's Name	2004	2003
2004	2003	Value			
		<b>Rs.</b>		<b>(Rupees in '000)</b>	
-	6,456	10	Hamza Sugar Mills Limited	-	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
-	34,000	10	Sakrand Sugar Mills Limited	-	340
20,815	50,380	10	Sanghar Sugar Mills Limited	424	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
<b><u>CEMENT</u></b>					
881,720	705,376	10	Cherat Cement Company Limited	10,017	10,017
25,750	25,750	10	Dadabhoy Cement Industries Limited	535	535
63,080	63,080	10	Dadex Eternit Limited	1,064	1,064
62,557	62,557	10	Essa Cement Industries Limited	1,544	1,544
254,530	189,250	10	Gharibwal Cement Limited	2,233	3,074
86,967	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
-	940,728	10	D.G. Khan Cement Company Limited	-	32,401
<b><u>TOBACCO</u></b>					
167,065	167,065	10	Lakson Tobacco Company Limited	2,044	2,044
362,374	404,374	10	Pakistan Tobacco Company Limited	7,526	8,399
<b><u>REFINERY</u></b>					
301,940	440,540	10	National Refinery Limited	3,311	4,832
227,001	227,001	10	Pakistan Refinery Limited	9,936	9,936
<b><u>POWER GENERATION &amp; DISTRIBUTION</u></b>					
2,098,500	1,486,500	10	Hub Power Company Limited	70,141	48,971
231,450	231,450	10	Karachi Electric Supply Corporation Limited	3,272	3,272
98,500	77,500	10	Sitara Energy Limited	2,095	1,416
<b><u>OIL AND GAS MARKETING COMPANIES</u></b>					
538,639	538,639	10	Pakistan State Oil Company Limited	27,383	27,383
167,857	167,857	10	Shell Pakistan Limited	14,132	14,132
24,750	24,750	10	Shell Gas LPG (Pakistan) Limited	533	533
1,532,137	1,649,137	10	Sui Northern Gas Pipelines Limited	19,928	21,229
1,786,779	1,786,779	10	Sui Southern Gas Company Limited	22,342	22,342
<b><u>OIL AND GAS EXPLORATION COMPANIES</u></b>					
230,369	8,369	10	Oil & Gas Development Company Limited	15,044	268
282,184	282,184	10	Pakistan Oilfields Limited	8,001	8,001
136,500	-	10	Pakistan Petroleum Limited	16,548	-
<b><u>ENGINEERING</u></b>					
36,803	33,458	10	Crescent Steel & Allied Products Limited	375	375
240,423	192,339	10	International Industries Limited	3,485	3,485
48,220	92,320	10	KSB Pumps Company Limited	500	957
108,002	108,002	10	Metropolitan Steel Corporation Limited	1,648	1,648
<b><u>AUTOMOBILE ASSEMBLER</u></b>					
275,526	277,426	5	Al-Ghazi Tractors Limited	2,922	2,942
113,725	45,490	10	Ghandhara Nissan Diesel Limited	1,148	1,148
77,000	77,000	10	Indus Motor Company Limited	2,028	2,028
87,120	58,080	10	Millat Tractors Limited	2,552	2,552
7,000	12,000	10	Ghandhara Industries Limited	174	298
162,000	187,100	10	Pak Suzuki Motor Company Limited	7,273	8,399
<b><u>AUTOMOBILE PARTS AND ACCESSORIES</u></b>					
31,285	31,285	5	Agriautos Industries Limited	286	286
-	144,544	10	Exide Pakistan Limited	-	4,372
<b><u>CABLES AND ELECTRICAL GOODS</u></b>					
-	25,481	10	Johnson & Phillips (Pakistan) Limited	-	449
81,114	54,076	10	Pakistan Cables Limited	1,308	1,308
-	60,432	10	Pak Elektron Limited	-	2,082
-	16,195	10	Refrigerators Manufacturing Company Pakistan Limited	-	313
233,430	233,430	10	Siemens (Pakistan) Engineering Company Limited	29,809	29,809

No. of Shares/ Certificates		Face Value	Company's Name	2004	2003
2004	2003			2004	2003
		<b>Rs.</b>		<b>(Rupees in '000)</b>	
			<b><u>TRANSPORT</u></b>		
47,400	47,400	10	Pan Islamic Steamship Company Limited	457	457
			<b><u>TECHNOLOGY AND COMMUNICATION</u></b>		
511,000	306,000	10	Pakistan Telecommunication Company Limited	15,765	7,461
			<b><u>FERTILIZER</u></b>		
1,613,931	1,865,431	10	Engro Chemical Pakistan Limited	61,726	71,343
316,578	200,000	10	Fauji Fertilizer Bin Qasim	5,429	3,341
761,875	616,500	10	Fauji Fertilizer Company Limited	48,801	42,372
			<b><u>PHARMACEUTICAL</u></b>		
711,004	592,504	10	Abbot Laboratories Pakistan Limited	24,371	24,371
-	50,541	10	Clariant Pakistan Limited	-	1,150
4,830	3,422	10	Ferozsons Laboratories Limited	141	141
559,732	466,444	10	GlaxoSmithKline Pakistan Limited [formerly Glaxo Wellcome (Pakistan) Limited]	6,726	6,726
-	26,306	10	Reckitt Benckiser Pakistan Limited	-	1,175
60,453	57,575	10	Searle Pakistan Limited	1,233	1,233
			<b><u>CHEMICAL</u></b>		
418,605	417,805	10	BOC Pakistan Limited	5,741	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
1,091,729	1,109,229	10	Pakistan PTA Limited	9,689	9,845
68,550	84,750	10	Sitara Chemicals Company Limited	2,685	3,318
96,750	96,750	10	Wah Nobel Chemicals Limited	1,712	1,712
50,541	-	10	Clariant Pakistan Limited	1,150	-
			<b><u>PAPER AND BOARD</u></b>		
173,040	144,200	10	Cherat Papersack Limited	6,095	6,095
-	141,131	10	Crescent Boards Limited	-	2,123
493,541	501,041	10	Packages Limited	37,956	38,533
118,292	118,292	10	Pakistan Papersack Corporation Limited	1,131	1,131
532,597	532,997	10	Security Papers Limited	9,750	9,757
			<b><u>VANASPATI AND ALLIED INDUSTRIES</u></b>		
12,200	12,200	10	Kakakhel Pakistan Limited	338	338
36,250	41,750	10	Wazir Ali Industries Limited	729	840
			<b><u>LEATHER AND TANNERIES</u></b>		
57,884	57,884	10	Bata Pakistan Limited	991	991
18,350	18,350	10	Service Industries Limited (Shoes)	305	305
			<b><u>FOOD AND PERSONAL CARE PRODUCTS</u></b>		
204,130	204,130	10	Ismail Industries Limited	3,046	3,046
340,014	272,011	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	19,622	10	Treet Corporation Limited	297	297
25,696	25,696	50	Unilever Pakistan Limited	16,929	16,929
			<b><u>GLASS AND CERAMICS</u></b>		
280,470	280,470	5	Baluchistan Glass Limited	2,230	2,230
26,831	26,831	10	Medi Glass Limited	417	417
			<b><u>MISCELLANEOUS</u></b>		
83,424	83,424	10	United Distributors Pakistan Limited	2,382	2,382
				<b>903,168</b>	<b>868,158</b>

No. of Shares/ Certificates		Face Value	Company's Name	2004	2003
2004	2003			Rs.	(Rupees in '000)
<b>13.3.3 Modaraba Certificates</b>					
998,101	998,101	10	B.R.R. International Modaraba	12,381	12,381
158,322	158,322	10	First Fidelity Leasing Modaraba	2,125	2,125
711,563	711,563	10	First Grindlays Modaraba	15,822	15,822
45,926	45,926	10	First Habib Bank Modaraba	548	548
38,052	38,052	5	First Habib Modaraba	204	204
-	68,600	10	Trust Modaraba	-	1,348
				<b>31,080</b>	<b>32,428</b>
<b>13.3.4 Term Finance Certificates</b>					
-	8	-	Dewan Salman Fibres Limited	-	749
50	50	-	Nishat Mills Limited	2,498	4,996
49	49	-	Orix Leasing Pakistan Limited	2,036	4,846
50	50	-	Gulistan Textile Mills Limited	3,331	4,996
				<b>7,865</b>	<b>15,587</b>
<b>13.3.5 Unlisted / delisted shares and debentures</b>					
<b>(i) Ordinary Shares</b>					
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
34,767	34,767	10	Central Cotton Mills Limited	587	587
3,601	3,601	10	Adamjee Paper & Board Mills Limited	44	44
<b>(ii) Debentures</b>					
12	12	10,000	Tariq Cotton Mills Limited	120	120
				<b>11,407</b>	<b>11,407</b>
Names of the Chief Executives of the investee companies have not been given as this information is not available with the company.					
<b>13.3.6 National Investment Trust Units</b>					
1,412,540	2,912,540	10	N.I.T. Units	18,515	38,165
5,000 (2003: 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.					
<b>13.3.7 Mutual Funds</b>					
1,591,865	707,496	10	ABAMCO Growth Fund	27,432	13,282
11,356,184	7,634,903	10	ABAMCO Capital Fund	83,458	84,134
400,000	-	10	ABAMCO Composite Fund	4,000	-
684,450	762,450	10	PICIC Growth Fund (formerly ICP SEMF)	11,763	13,105
11,210,205	5,295,934	10	PICIC Investment Fund	136,792	67,334
400,000	-	10	Pakistan Strategic Allocation Fund	4,000	-
				<b>267,445</b>	<b>177,855</b>
				<b>2004</b>	<b>2003</b>
				<b>(Rupees in '000)</b>	
<b>13.4 Fixed income investments</b>					
Defence Saving Certificates				<b>1,174,193</b>	<b>1,052,106</b>
<b>14. DEFERRED TAXATION</b>					
This comprises of a deferred tax asset amounting to Rs. 130.871 (2003: Rs. 235.482) million recognised in respect of carried forward tax losses.					

	Note	2004 (Rupees in '000)	2003
<b>15. PREMIUMS DUE BUT UNPAID - UNSECURED</b>			
Considered good		914,302	849,715
Considered doubtful		102,322	-
		<u>1,016,624</u>	<u>849,715</u>
Less: Provision for doubtful balances	15.1	102,322	-
		<u>914,302</u>	<u>849,715</u>
<b>15.1 Reconciliation of provision for doubtful balances</b>			
Opening provision		-	-
Charge for the year		102,322	-
Closing provision		<u>102,322</u>	<u>-</u>
<b>16. AMOUNTS DUE FROM OTHER INSURERS/REINSURERS AND REINSURANCE RECOVERIES AGAINST OUTSTANDING CLAIMS</b>			
These are unsecured and considered to be good.			
		2004 (Rupees in '000)	2003
<b>17. ACCRUED INVESTMENT INCOME</b>			
Return accrued on Term Finance Certificates		307	579
Dividend income		16,345	16,688
Others		1,534	1,178
		<u>18,186</u>	<u>18,445</u>
<b>18. PREPAYMENTS</b>			
Prepaid reinsurance premium ceded		679,611	995,042
Others		5,305	1,612
		<u>684,916</u>	<u>996,654</u>
	Note	2004 (Rupees in '000)	2003 (Restated)
<b>19. SUNDRY RECEIVABLES</b>			
<b>Secured</b>			
Current portion of long-term loans		184	497
Executives		18,932	19,299
Employees		400	400
Others		19,516	20,196
Loan to Chief executive		290	-
		<u>19,806</u>	<u>20,196</u>
<b>Unsecured</b>			
Current portion of long-term loans - others		1,318	3,681
Advances to employees		13,612	18,479
Sundry debtors		9,366	4,735
Interest accrued on tax refunds	19.1	-	82,263
Staff Gratuity Fund	19.2	73,933	76,962
Stationery in hand		2,414	2,402
Long term security deposits		17,314	15,734
Miscellaneous		19,853	38,858
		<u>137,810</u>	<u>243,114</u>
Less: Provision against uncollectibles	19.5	19,755	-
		<u>118,055</u>	<u>243,114</u>
		<u>137,861</u>	<u>263,310</u>

**19.1** Interest accrued on tax refund has been determined by the tax authorities during the current year. Accordingly, the amount has been included in the taxation balance under the head "Taxation - payments less provision".

**19.2 Staff Gratuity Fund**

The company operates an approved funded gratuity scheme for all employees. Actuarial valuation is carried out every year and the latest valuation was carried out as at December 31, 2004. The following significant assumptions have been used for valuation of this scheme:

- Valuation discount rate	9.46% per annum
- Expected rate of increase in salary level	7.38 % per annum
- Rate of return on plan assets	9.46% per annum

The fair value of the scheme's assets and liabilities for past services of the employees at the latest valuation date are as follows:

	<b>2004</b>	2003
	<b>(Rupees in '000)</b>	
Fair value of plan assets	<b>279,748</b>	235,708
Present value of defined benefit obligations	<b>(202,824)</b>	(158,746)
Net actuarial gains not recognized	<b>(2,991)</b>	-
	<u><b>73,933</b></u>	<u>76,962</u>

**19.3 Movement in receivable from defined benefit plan**

Opening balance		<b>76,962</b>	79,551
Charge for the year	19.4	<b>(3,029)</b>	(2,589)
		<u><b>73,933</b></u>	<u>76,962</u>

**19.4 Expense for defined benefit plan**

Current service cost		<b>9,485</b>	8,953
Interest cost		<b>13,456</b>	11,293
Expected return on plan assets		<b>(19,772)</b>	(17,657)
Actuarial gains recognized during the year		<b>(140)</b>	-
		<u><b>3,029</b></u>	<u>2,589</u>

**19.5 Reconciliation of provision against uncollectibles**

Opening provision		-	20,000
Charge / (reversal) for the year		<b>19,755</b>	(20,000)
Closing provision		<u><b>19,755</b></u>	<u>-</u>



	Note	2004 (Rupees in '000)	2003
<b>20. FIXED ASSETS</b>			
Tangible assets	20.1	<b>199,697</b>	191,521
Intangible asset	20.2	<b>1,894</b>	2,842
		<b>201,591</b>	194,363

### 20.1 Tangible Assets

	COST				Rate	ACCUMULATED DEPRECIATION				WRITTEN DOWN VALUE
	As at January 1, 2004	Additions	(Disposals)	As at Dec 31, 2004		As at January 1, 2004	For the year	On (disposals)	As at Dec 31, 2004	As at Dec 31, 2004
	(Rupees in '000)					%	(Rupees in '000)			
Buildings	52,351	47	-	52,398	5	9,444	2,147	-	11,591	40,807
Furniture	47,574	2,519	(2,728)	47,365	10	25,350	2,226	(1,564)	26,012	21,353
Motor vehicles	144,107	37,367	(30,746)	150,728	20	86,264	14,465	(20,306)	80,423	70,305
Machinery and equipment	104,379	5,762	(8,881)	101,260	10	62,407	4,110	(5,330)	61,187	40,073
Computers and related accessories	82,743	10,192	(1,509)	91,426	30	56,168	9,220	(1,121)	64,267	27,159
<b>December 31, 2004</b>	<b>431,154</b>	<b>55,887</b>	<b>(43,864)</b>	<b>443,177</b>		<b>239,633</b>	<b>32,168</b>	<b>(28,321)</b>	<b>243,480</b>	<b>199,697</b>
<b>December 31, 2003</b>	<b>419,227</b>	<b>36,444</b>	<b>(24,517)</b>	<b>431,154</b>		<b>222,847</b>	<b>31,292</b>	<b>(14,506)</b>	<b>239,633</b>	<b>191,521</b>

#### 20.1.1 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) -----						
<b>Furniture and fixtures</b>	90	2	88	88	Employee Service Rule	Azfar Arshad - Ex-Employee
	1,664	908	756	415	Negotiation	Abu Saud, Saudi Arabia
Items having book value below Rs. 50,000	974	654	320	117		
	2,728	1,564	1,164	620		
<b>Motor vehicles</b>	499	432	67	200	Negotiation	Fatima Moiz Shaikh, Karachi
	113	21	92	350	Employee Service Rule	Qammar ud duja - Ex-Employee
	400	333	67	244	Tender	Syed Adil Ali, Karachi
	396	66	330	254	Tender	Mrs Mohsin Hafiz, Karachi
	2,615	2,335	280	915	Tender	Danish R. B. Chughati, Karachi
	889	740	149	566	Tender	M.Sohail Hameed, Karachi
	275	185	90	237	Tender	Syed Adil Ali, Karachi
	550	370	180	556	Tender	Abdul Hameed, Karachi
	650	384	266	560	Tender	Khan Bahadur, Karachi
	256	202	54	281	Tender	Abdul Hameed Khan, Karachi
	600	293	307	510	Tender	Akbar Shah, Karachi
	500	244	256	410	Tender	Muhammad Akhlaq, Karachi
	1,169	139	1,030	1,030	Employee Service Rule	M. Choudhury - Ex-Employee
	605	524	81	505	Tender	Tariq Mahmood, Karachi
	500	369	131	548	Tender	Bilal Aziz, Karachi
	150	-	150	161	Tender	S. Muqaddas Ali, Karachi
	350	-	350	341	Tender	Ahmed Ali, Karachi
	580	-	580	656	Tender	Syed Hussain Tariq, Karachi
	400	269	131	330	Tender	Abdul Razzak, Karachi

Description	Cost	Accumulated Depreciation	Book Value	Sale Proceeds	Mode of Disposal	Particulars of purchaser
----- (Rupees in '000) -----						
	550	370	180	428	Tender	Shahzad, Karachi
	300	19	281	281	Employee Service Rule	M. Choudhury - Ex-Employee
	848	706	142	561	Tender	Abdul Razzak, Karachi
	500	336	164	400	Negotiation	Fatima Muhammadi, Karachi
	500	336	164	475	Tender	M. Idress Siddiqui, Karachi
	550	268	282	580	Tender	Muhammad Tariq, Karachi
	293	197	96	175	Negotiation	Areena Lakhani, Karachi
	350	258	92	320	Tender	Ali Ahmed, Karachi
	275	134	141	326	Tender	Talat Majeed, Karachi
	385	259	126	490	Tender	Abdul Razzak, Karachi
	250	148	102	286	Tender	Tariq Mahmood, Karachi
	396	329	67	228	Tender	Ahmed Waqas, Karachi
	450	-	450	505	Tender	Bilal Aziz, Karachi
	300	110	190	441	Tender	Faisal Khan, Karachi
	180	121	59	322	Tender	Khawaja M. Salman, Karachi
	200	24	176	302	Tender	Atta Rabbani, Karachi
	639	532	107	505	Tender	Faisal Khan, Karachi
	188	126	62	313	Tender	Syed Adil Ali, Karachi
	319	188	131	175	Negotiation	Mrs Shamim, Karachi
	505	419	86	200	Negotiation	Mushtaq Ahmed, Lahore
	598	353	245	300	Negotiation	Azmat Imtiaz, Lahore
	350	235	115	279	Tender	S.Adil Ali, Karachi
	1,306	880	426	390	Negotiation	Abu Saud, Saudi Arabia
	968	572	396	312	Negotiation	Ahmed Al-Ghamdi, Saudi Arabia
Items having book value below Rs. 50,000	8,049	6,480	1,569	6,007		
	30,746	20,306	10,440	23,255		
<b>Machinery and equipment</b>	922	464	458	459	Employee Service Rule	M. Choudhury - Ex-Employee
	350	176	174	174	Employee Service Rule	M. Choudhury - Ex-Employee
	117	5	112	112	Employee Service Rule	M. Choudhury - Ex-Employee
	57	1	56	56	Employee Service Rule	M. Choudhury - Ex-Employee
	57	-	57	57	Employee Service Rule	M. Choudhury - Ex-Employee
	60	-	60	60	Employee Service Rule	Uzair Mirza Ex-Employee
	1,531	972	559	702	Negotiation	Abu Saud, Saudi Arabia
Items having book value below Rs. 50,000	5,787	3,712	2,075	1,664		
	8,881	5,330	3,551	3,284		
<b>Computers</b>	904	677	227	102	Negotiation	Abu Saud, Saudi Arabia
Items having book value below Rs. 50,000	605	444	161	152		
	1,509	1,121	388	254		
	43,864	28,321	15,543	27,413		

## 20.2 Intangible asset

Description	Cost as at January 01, 2004	Additions	Cost as at December 31, 2004	Amortisation as at January 01, 2004	For the year	Amortisation as at December 31, 2004	Written down value as at December 31, 2004	Rate per annum
----- (Rupees in '000) -----								%
<b>Computer Software</b>	<b>4,738</b>	<b>-</b>	<b>4,738</b>	<b>1,896</b>	<b>948</b>	<b>2,844</b>	<b>1,894</b>	<b>20</b>
Dec. 31, 2003	4,738	-	4,738	948	948	1,896	2,842	20

	Note	2004 (Rupees in '000)	2003
<b>21. EXPENSES</b>			
Salaries and wages	23.1	513,557	476,689
Rent, rates and taxes		35,526	34,676
Utilities		33,554	34,846
Communication		35,985	38,714
Printing and stationery		16,081	18,221
Travelling and entertainment		37,469	43,377
Repairs and maintenance		101,191	105,700
Advertisement and sales promotion		25,046	24,379
Amortisation of intangible asset	20.2	948	948
Others		10,958	11,888
		<u>810,315</u>	<u>789,438</u>
<b>22. OTHER INCOME</b>			
Gain on sale of fixed assets		11,870	7,868
Income from car repairs		14,259	14,985
Interest on loans to employees		1,035	1,105
Interest on reserve kept with the State Bank of Pakistan		541	401
Return on fixed deposits		7,966	8,545
Reversal of tax deducted at source on dividend income		28,527	-
Liability in respect of central excise duty no longer required written back		12,140	-
Miscellaneous		892	4,403
		<u>77,230</u>	<u>37,307</u>
<b>23. GENERAL AND ADMINISTRATION EXPENSES</b>			
Salaries and wages	23.1	146,922	136,374
Depreciation	20.1	32,168	31,292
Directors' fee		13	9
Legal and professional expenses		35,755	29,514
Auditors' remuneration	23.2	6,556	2,080
Donations	23.3	858	700
Others		5,235	4,962
		<u>227,507</u>	<u>204,931</u>

23.1 These include Rs. 14.558 (2003: Rs 15.847) million in respect of staff retirement benefits.

	A. F. Ferguson & Co.	M. Yousuf Adil Saleem & Co.	2004	2003
..... (Rupees in '000) .....				

#### 23.2 AUDITORS' REMUNERATION

Audit fee	298	298	596	595
Other certifications and tax advisory services	3,778	1,263	5,041	1,380
Out-of-pocket expenses	847	72	919	105
	<u>4,923</u>	<u>1,633</u>	<u>6,556</u>	<u>2,080</u>

23.3 None of the directors or their spouses are interested in the donee.

	2004 (Rupees in '000)	2003 (Restated)
<b>24. PROVISION FOR TAXATION</b>		
Current		
for the year	9,450	18,281
for prior years	(30,372)	(23,473)
	<u>(20,922)</u>	<u>(5,192)</u>
Deferred	104,611	(20,298)
	<u>83,689</u>	<u>(25,490)</u>

2004  
(Rupees in '000)

#### 24.1 Relationship between tax expense and accounting profit

Profit before taxation	411,150
Tax at the applicable rate of 35%	143,903
Tax effect of income taxed at lower rate	(56,697)
Effect of change in brought forward losses	26,855
	<u>114,061</u>
Effect of change in prior years' tax	(30,372)
	<u>83,689</u>

	2004 (Rupees in '000)	2003 (Restated)
<b>25. EARNINGS PER SHARE</b>		
Net profit for the year after tax	<u>327,461</u>	<u>310,385</u>
	(Number of shares)	
Weighted average number of shares	<u>82,614,270</u>	<u>82,614,270</u>
	(Rupees)	
Basic / diluted earnings per share	<u>3.96</u>	<u>3.76</u>

## 26. REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

	2004				2003			
	Chief Executive	Director	Executives	Total	Chief Executive	Director	Executives	Total
	(Rupees in '000)							
	(Restated)							
Managerial remuneration	1,327	2,062	29,413	32,802	3,270	1,170	24,668	182,354
Allowances and perquisites	824	453	23,799	25,076	1,883	697	15,440	96,817
	<u>2,151</u>	<u>2,515</u>	<u>53,212</u>	<u>57,878</u>	<u>5,153</u>	<u>1,867</u>	<u>40,108</u>	<u>279,171</u>
Number	1	1	39	41	1	1	33	35

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

## 27. LIQUIDITY AND INTEREST RATE RISK

### Liquidity risk

Liquidity risk is the the risk that the company will not be able 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 that 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)						
<b>FINANCIAL ASSETS</b>								
Cash and bank balances	1-6	298,715	-	298,715	388,088	-	388,088	686,803
Loans	5	-	24,093	24,093	-	8,660	8,660	32,753
Investments	13-18	6,318	1,191,820	1,198,138	1,185,311	-	1,185,311	2,383,449
Premiums due but unpaid		-	-	-	914,302	-	914,302	914,302
Amounts due from other insurers/ reinsurers		-	-	-	379,717	-	379,717	379,717
Premium and claim reserves retained by cedants		-	-	-	26,179	-	26,179	26,179
Accrued investment income		-	-	-	18,186	-	18,186	18,186
Reinsurance recoveries against outstanding claims		-	-	-	1,661,291	-	1,661,291	1,661,291
Sundry receivables	5	3,719	-	3,719	26,771	17,314	44,085	47,804
		<u>308,752</u>	<u>1,215,913</u>	<u>1,524,665</u>	<u>4,599,845</u>	<u>25,974</u>	<u>4,625,819</u>	<u>6,150,484</u>
<b>FINANCIAL LIABILITIES</b>								
Provision for outstanding claims		-	-	-	3,683,380	-	3,683,380	3,683,380
Amounts due to other insurers/ reinsurers		-	-	-	359,009	-	359,009	359,009
Accrued expenses		-	-	-	149,607	-	149,607	149,607
Other creditors and accruals		-	-	-	307,587	-	307,587	307,587
Unclaimed dividends		-	-	-	7,020	-	7,020	7,020
		<u>-</u>	<u>-</u>	<u>-</u>	<u>4,506,603</u>	<u>-</u>	<u>4,506,603</u>	<u>4,506,603</u>

## 28. RISK MANAGEMENT

### 28.1 Credit risk and concentration of credit risk exposure

Credit risk is the risk that 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 occurs 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 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 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.

### 28.2 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. 1,256.733 (2003: Rs. 311.349) million and Rs. 2,092.291 (2003: Rs 43.309) million respectively, at the end of the year.

### 28.3 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 TFC market movements.

## 29. 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.

	<b>2004</b>	2003
	<b>(Rupees in '000)</b>	
Carrying value of quoted investments	<b>1,278,906</b>	1,192,356
Market value of quoted investments	<b>3,896,101</b>	2,898,008

### 30. SEGMENT REPORTING

	Fire Insurance Business		Marine, Aviation and Transport		Motor Account Liability		Miscellaneous Insurance Business		Treaty Business		Unallocated		Total	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
..... (Rupees in '000) .....														
<b>OTHER INFORMATION</b>														
Segment assets	1,486,636	1,432,496	808,312	606,926	1,116,170	1,210,363	459,657	377,916	27,655	97,818	-	-	3,898,430	3,725,519
Unallocated assets	-	-	-	-	-	-	-	-	-	-	4,106,189	3,938,186	4,106,189	3,938,186
<b>Total assets</b>	<b>1,486,636</b>	<b>1,432,496</b>	<b>808,312</b>	<b>606,926</b>	<b>1,116,170</b>	<b>1,210,363</b>	<b>459,657</b>	<b>377,916</b>	<b>27,655</b>	<b>97,818</b>	<b>4,106,189</b>	<b>3,938,186</b>	<b>8,004,619</b>	<b>7,663,705</b>
<b>Segment liabilities</b>	<b>2,520,960</b>	<b>2,536,219</b>	<b>1,370,694</b>	<b>1,074,555</b>	<b>1,892,743</b>	<b>2,142,935</b>	<b>779,463</b>	<b>669,097</b>	<b>46,895</b>	<b>173,186</b>	<b>-</b>	<b>-</b>	<b>6,610,755</b>	<b>6,595,992</b>
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	7,020	8,330	7,020	8,330
<b>Total liabilities</b>	<b>2,520,960</b>	<b>2,536,219</b>	<b>1,370,694</b>	<b>1,074,555</b>	<b>1,892,743</b>	<b>2,142,935</b>	<b>779,463</b>	<b>669,097</b>	<b>46,895</b>	<b>173,186</b>	<b>7,020</b>	<b>8,330</b>	<b>6,617,775</b>	<b>6,604,322</b>
Capital expenditure	-	-	-	-	-	-	-	-	-	-	55,887	36,444	55,887	36,444

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 company's revenue, total assets and capital expenditure by geographical segments:

Location	External Premiums less reinsurance by Geographical Segments	
	2004	2003
Pakistan	3,169,451	2,289,001
United Arab Emirates	499,261	709,309
United Kingdom	-	-
Saudi Arabia	9,656	67,919
	<b>3,678,368</b>	<b>3,066,229</b>

	Carrying Amount of Segment Assets		Capital Expenditure incurred during the year	
	2004	2003	2004	2003
..... (Rupees in '000) .....				
(Restated)				
Pakistan	6,918,929	6,541,526	55,557	32,355
United Arab Emirates	805,088	723,840	330	2,730
United Kingdom	28,844	15,167	-	1,227
Saudi Arabia	251,759	383,172	-	132
	<u>8,004,620</u>	<u>7,663,705</u>	<u>55,887</u>	<u>36,444</u>

### 31. 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:

	2004	2003
	(Rupees in '000)	
Premium underwritten	166,978	106,721
Premium received	107,768	97,146
Claims paid	62,457	37,572
Dividend income	9,136	7,972
Rent paid	5,508	5,021
Amounts due to related parties	16	51
	(Number of shares)	
Bonus shares received	367,472	378,131
Bonus shares issued	7,690,058	-
	2004	2003
	<u>1,426</u>	<u>1,472</u>

### 32. NUMBER OF EMPLOYEES AT DECEMBER 31

### 33. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. Significant reclassifications are as follows:

- Loans and advances to executives and remuneration of executives have been restated due to the amendment in definition of 'executive'.
- Disclosure of loans and advances outstanding for period exceeding three years has been removed.

The above changes have been made to comply with the disclosure requirements arising on account of amendments in the Fourth Schedule to the Companies Ordinance, 1984.

### 34. GENERAL

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

### 35. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue on February 26, 2005 by the Board of Directors of company.

Syed Ziauddin Ahmed  
Executive Director (Finance)

Syed Jawad Gillani  
Managing Director & Chief Executive

Shahzad Saleem  
Director

Wasif Mohammed Khan  
Director

Lahore: February 26, 2005





# ADAMJEE INSURANCE COMPANY LIMITED

## PATTERN OF HOLDING OF THE SHARES HELD BY THE SHAREHOLDERS AS AT DECEMBER 31, 2004

<u>No. of shareholders</u>		<u>Shareholdings</u>			<u>Total shares held</u>	
1,174	Shareholding from	1	to	100	shares	46,917
1,283	-do-	101	"	500	"	366,461
662	-do-	501	"	1,000	"	527,001
1,208	-do-	1,001	"	5,000	"	2,944,978
307	-do-	5,001	"	10,000	"	2,261,268
112	-do-	10,001	"	15,000	"	1,386,257
66	-do-	15,001	"	20,000	"	1,146,393
49	-do-	20,001	"	25,000	"	1,118,261
39	-do-	25,001	"	30,000	"	1,079,008
26	-do-	30,001	"	35,000	"	854,954
12	-do-	35,001	"	40,000	"	459,690
14	-do-	40,001	"	45,000	"	593,806
7	-do-	45,001	"	50,000	"	333,840
9	-do-	50,001	"	55,000	"	467,558
6	-do-	55,001	"	60,000	"	346,246
5	-do-	60,001	"	65,000	"	308,772
11	-do-	65,001	"	70,000	"	733,519
4	-do-	70,001	"	75,000	"	288,717
4	-do-	75,001	"	80,000	"	311,674
9	-do-	80,001	"	85,000	"	739,741
3	-do-	85,001	"	90,000	"	267,439
5	-do-	90,001	"	95,000	"	462,392
3	-do-	95,001	"	100,000	"	296,943
4	-do-	100,001	"	105,000	"	410,857
6	-do-	105,001	"	110,000	"	653,251
2	-do-	110,001	"	115,000	"	226,486
1	-do-	115,001	"	120,000	"	119,409
2	-do-	120,001	"	125,000	"	240,442
4	-do-	125,001	"	130,000	"	510,414
9	-do-	130,001	"	135,000	"	1,191,350
2	-do-	140,001	"	145,000	"	285,066
1	-do-	145,001	"	150,000	"	150,000
3	-do-	150,001	"	155,000	"	455,385
6	-do-	155,001	"	160,000	"	952,026
1	-do-	165,001	"	170,000	"	166,740
1	-do-	170,001	"	175,000	"	174,000
2	-do-	180,001	"	185,000	"	368,530
1	-do-	190,001	"	195,000	"	193,900
1	-do-	210,001	"	215,000	"	211,299
3	-do-	220,001	"	225,000	"	666,605
2	-do-	225,001	"	230,000	"	457,099
1	-do-	230,001	"	235,000	"	234,939
1	-do-	235,001	"	240,000	"	240,000
1	-do-	240,001	"	245,000	"	241,791
2	-do-	245,001	"	250,000	"	493,714
1	-do-	250,001	"	255,000	"	250,649
1	-do-	260,001	"	265,000	"	262,571
1	-do-	275,001	"	280,000	"	276,909
1	-do-	320,001	"	325,000	"	325,000
1	-do-	330,001	"	335,000	"	330,113
1	-do-	335,001	"	340,000	"	339,916
1	-do-	340,001	"	345,000	"	345,000
2	-do-	345,001	"	350,000	"	696,689
1	-do-	415,001	"	420,000	"	415,107
1	-do-	500,001	"	505,000	"	500,562
1	-do-	505,001	"	510,000	"	506,018
1	-do-	610,001	"	615,000	"	615,000
1	-do-	660,001	"	665,000	"	660,558
1	-do-	710,001	"	715,000	"	714,878
1	-do-	740,001	"	745,000	"	741,703
1	-do-	905,001	"	910,000	"	907,087
1	-do-	940,001	"	945,000	"	942,713
1	-do-	985,001	"	990,000	"	987,925
1	-do-	1,185,001	"	1,190,000	"	1,188,113
1	-do-	2,760,001	"	2,765,000	"	2,761,354
1	-do-	3,425,001	"	3,430,000	"	3,425,104
1	-do-	3,945,001	"	3,950,000	"	3,948,851
1	do-	3,950,001	"	3,955,000	"	3,952,100
1	-do-	7,265,001	"	7,270,000	"	7,267,344
1	-do-	24,265,001	"	24,270,000	"	24,267,868
<u>5,100</u>				<u>Total:</u>		<u>82,614,270</u>

<u>Categories of shareholders</u>	<u>share held</u>	<u>percentage</u>
<b>Directors</b>		
Mr. Saqib Elahi	5,323	0.006
Mr. Shahzad Saleem	3,802	0.005
Mr. Mohammed Naeem Mukhtar	6,612	0.008
Mr. Ibrahim Shamsi	3,967	0.005
Mr. Abdul Hamid Adamjee	1,188,113	1.438
Mr. Abdul Razak Adamjee	346,697	0.420
Mr. Wasif Mohammed Khan	2,500	0.003
Mr. Mohammed Choudhury	48,830	0.059
<b>Chief Executive Officer</b>		
Syed Jawad Gillani	3,967	0.005
<b>Directors'/CEO's spouse</b>		
Mrs.Hawa W/o Mr.A. Hamid Adamjee	506,018	0.612
Mrs.Naseem W/o A.Razak Adamjee	134,691	0.163
Mrs. Nafisa Choudhury W/o Mr.Mohammed Choudhury	26,451	0.032
<b>Executives/Executives' spouse</b>		
	14,917	0.018
<b>Associated companies, undertakings &amp; related parties</b>		
Muslim Commercial Bank Ltd.	24,267,868 *	29.375
Adamjee Foundation	7,267,344	8.797
<b>NIT and ICP</b>		
National Bank of Pakistan, Trustee Deptt.	241,791	0.293
Investment Corporation of Pakistan	1,618	0.002
<b>Banks, DFIs and NBFIs</b>		
	11,018,669	13.337
<b>Public sector companies and corporations</b>		
	-	-
<b>Insurance Companies</b>		
	504,012	0.610
<b>Modarabas and Mutual Funds</b>		
	250,112	0.303
<b>General Public</b>		
a) Local (individuals)	28,002,619	33.896
b) Foreign companies/ organizations/individuals (on repatriable basis)	77,809	0.094
<b>Others – See below</b>		
	8,690,540 **	10.519
<b>TOTAL</b>		
	<u>82,614,270</u>	<u>100.00</u>
<b>Shareholders holding 10% or more voting interest</b>		
	<u>24,267,868 *</u>	
<b>Others:</b>		
1 The Administrator, Abandoned Properties Organisation	987,925	
2 MCB Empoloyees Pension Fund	3,425,104	
3 MCB Provident Fund Pak Staff	2,761,354	
4 Mobarak Begum Charitable Trust	16,969	
5 Pakistan Memon Educational & Welfare Society	132,325	
6 Trustees The Memon Welfare Society	19	
7 Ismailia Youth Services	2,645	
8 Trustee-D.G.Khan Cement Co.Emp.P.Fund	3,967	
9 Trustee-Crosby Dragon Fund	83,225	
10 Joint Stock Companies	1,277,007	
	<u>8,690,540 **</u>	



**Syed Jawad Gillani**  
Managing Director &  
Chief Executive Officer

## EXECUTIVES OF THE COMPANY

### *Deputy General Managers*

M. QASIM KAZMI, MB.A.  
 RAMESH MULRAJ BHERWANI, B.A.  
 SALEEM TARIQ AHMED  
 ATEEQ AHMED KHAN, M. Sc. (Agri. Eco.)  
 SYED KAISER ABBAS  
 JALAUDDIN ALAVI, M.A.  
 A. RAHIM A. GHANI, B.Com.  
 IMTIAZ AHMED PIRACHA, B.Sc.  
 MOHD. IBRAHIM KAPADIA, M.B.A (USA) A.C.I.I (London) Chartered Insurer  
 SHAHID A. ZAIDI  
 KHALID M. MIRZA, B.Com.  
 EMMANUEL MEHR, B.Com.  
 MOINUDDIN KHAN, M. Sc., A.C.I.I. (London), Chartered Insurer  
 FAROOQ USMAN KOTHAWALA, B.Com.  
 SYED NOMAN KADRI, M. Sc. (Maths.)  
 ASIF JABBAR, B.Com., A.C.I.I (London)  
 M. SAQIB KIDWAI, B.E (Mech.), M.S. (Mech. Eng.) U.S.A.  
 AKHTAR ALI BAIG, B.Com. A.C.I.I. (London)  
 ABDUL HAYEE MUGHAL, M.B.E.  
 NASEERUDDIN HUMAYUN, B.E., M.B.A.  
 KH. GHULAM WAJATULLAH, M.Sc. (U.K), A.C.I.I. (London)  
 CAPT. MOHAMMAD AKRAM, Master Mariner, M.A., L.L.B.  
 M. I. C. S (London)  
 ATHER RAHAT SIDDIQUI, B.Com. A. C. I. I. (London) Chartered Insurer  
 SALMAN MOIN, M. Sc., M.C.S.

### *Deputy General Managers (Development)*

ABDULLAH HAMID  
 A. W. KARIM  
 ASGHAR JALIL  
 TABASSUM ELAHI  
 ABDUL WAHID  
 ANJUM SALEEM, B.Com.  
 MOHD. SALEEM KHAN  
 NAJMA NAEEM (Mrs.)  
 MOHAMMAD ALI WAHAB, B.Com.  
 MOHAMMAD KAMIL KHAN, B.A.

### *Assistant General Managers*

MUHAMMAD AMIN GHANI  
 AKBER ALI RAJAN  
 MUHAMMAD MAZHAR SHAH, B.A.  
 M. A. BASIT, A.C.I.I. (London)  
 SUNNU F. GOLWALLA (Mrs.) B.A.  
 M. NAJEEB ANWAR, B.A.  
 MUHAMMAD YASEIN, 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)  
 AHMED HUSSAIN ZUBERI, B.Com.  
 HASEEB MOHAMMED KHAN, A.C.A.  
 IMRAN MUGHAL, B.Com.  
 RIFFAT RAZA, M.A., A.C.I.I. (London)  
 MOHAMMAD SIDDIQUE, M.A., L.L.B.  
 MOHAMMAD IDRESS, B.Com. L.L.B.  
 GUL MUNAWAR KHAN, B.Com.  
 SYED FARMAN KAZMI, B.Com.  
 MOHAMMAD JAVED ANWAR, B.Com.  
 RUBINA QURESHI, M.A., A.C.I.I. (London)  
 MOHAMMED SHOAB, M.A.  
 ASIF MEHMOOD MALLIK, B.B.A. (U.S.A.)  
 NADEEM SHAIKH, B.E., M.B.A. (U.S.A.)  
 SYED SADIQ ALI JAFRI, B.A.  
 AZHAR ALI, B.Com.  
 M. IQBAL A. K., B.Com.

### *Assistant General Managers (Development)*

SYED ALI JAFFERY  
 ARSHAD HUSSAIN  
 ALI MOHD. SHEKHA, B.A.  
 MOHAMMAD IBRAHIM  
 MOHD. YOUNUS, B.Com.  
 MOHAMMAD YOUSUF KHANANI  
 ABDUL AZIZ ZARA  
 MOHD. TARIQUE HUSSAIN, B.A.  
 ZAHEER ANWAR PASHA, B.Com  
 SYED ZAHID HUSSAIN ZAIDI  
 QAMAR AHMED, B.A.  
 GHULAM MOHAMMAD MANDVIA  
 MOHD. SOHAIL DAWRA  
 MIRZA FARRUKH SAEED, B.A. L.L.B.  
 KAYMERZ B. GOLWALLA, M. B. A.  
 ZAINA BANKWALLA, M. B. A.  
 SHER BANO MUNAF  
 SYED ALI ZAHEER, B.Com.  
 MUSADDAR MUHSIN ALI, B.Com

## BRANCH OFFICES AND OFFICIALS

### SINDH AND BALOCHISTAN

#### KARACHI (Zonal Office)

Mackinnons Building (5th Floor)  
P.O. Box No. 5380, I.I. Chundrigar Road,  
Phone : 2410791, 2416762, 2412073, 2418932, 2423791,  
2411630, 2427537, 2413668, 2427110 & 2427112 (9 Lines)  
Fax : (92-21) 2414017  
Telex : 29719 & 21594 AIC PK  
Cable : ADAMJINKAR  
Jt. Gen. Managers : Najib Nasir Syed, M.B.A. (U.S.A.)  
Dy. Gen. Manager : Jalaluddin Alvi, M.A.  
Asst. Gen. Manager : Azhar Ali, B.Com. C.A. (Intermediate)

#### KARACHI (Main Branch)

Mackinnons Building (4th Floor)  
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  
Sr. Jt. General Manager: Edris H. M. Goawala, B.Com.,  
A.C.I.I. (London), Chartered Insurer  
Dy. General Manager : Ahter Rahat Siddiqui, B.Com.,  
A.C.I.I. (London) Chartered Insurer  
Asst. General Manager : Sannu F. Golwalla (Mrs.) B.A.

#### 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  
Dy. Gen. Manager : Asif Jabbar, B.Com., A.C.I.I. (London)  
Asst. Gen. Managers : Rubina Qureshi (Miss.) B.A. M.A. (Eco.)  
A.C.I.I. (London) Chartered Insurer  
Mohammad Javed Anwer, B.Com  
C.A. (Intermediate)

#### 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  
Jt. Gen. Manager : Abdul Rehman Mohammadi, B.Com.  
Dy. Gen. Manager : Syed Noman Kadri, M.Sc. (Maths.)  
Asst. Gen. Managers : Syed Mohd. Iqbal, B.Com.,  
A.C.I.I. (London) Chartered Insurer  
M. Iqbal A. Karim, B.Com.

#### 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  
Asst. Gen. 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  
Asst. Gen. Manager : Nadeem Shiekh, B.E. (Mech),  
M.B.A. (USA)

#### ADAM CHAMBER BRANCH, KARACHI

Haji Adam Chambers (2nd Floor)  
Altat Husain Road  
New Challi  
Phone : 2415125 & 2415779  
Fax : (92-21) 2411402  
Chief Manager : M. Yacoub 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  
Dy. General Manager : Saleem Tariq Ahmed

#### ADAMJEE HOUSE BRANCH, KARACHI

4th Floor, Adamjee House  
I.I. Chundrigar Road  
Phone : 24174903, 2416931 (3 lines)  
2414793, 2413707  
Fax : (92-21) 2427690  
Jt. Gen. Manager : Nadeem Ahmed

#### 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  
Sr. Jt. General Manager : Shamsul Haque, A.C.I.I. (London)  
Asst. General Manager : Rakhshanda Qureshi (Mrs.)  
M.Sc. A.C.I.I. (London), Chartered Insurer

#### 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  
Asst. Gen. 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  
Chief Manager (Dev) Aamir Ahmed

### **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

### **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**

M.A. Jinnah Road  
Phone : 2424666, 2424777, 2422050  
2422058 & 2422059  
Fax : (92-21) 2428475  
Sr.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 : 2724511, 2720425 & 2766839  
2744363, 2744364  
Fax : (92-21) 2724511  
Jt. Gen. Manager : A. Sattar Mohammadi, B.A.

### **JODIA BAZAR BRANCH, KARACHI**

Suleman Centre, Rambharti Street, Jodia Bazar  
Phone : 2437353 & 2439831 (5 lines)  
Fax : (92-21) 2417235  
Sr.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  
Dy.. Gen. Manager : Shahid A. Zaidi

### **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  
Jt. 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  
Dy. Gen. Manager : Farooq Usman Kothawala, B.Com.

### **MEREWEATHER 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.  
Asst.Gen.Manager Muhammad Shoaib, B.Com.  
M.A. (Pl.Sc.)

### **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)

### **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.Gen.Manager Naim Anwar, B.Com.

**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  
Dy. 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  
Sr.Jt. General Manager : M. Jahangir Chughtai, M.A.  
Asst. General Manager : Riffat Raza (Mrs) B.A. M.A. (Sociology)  
A.C.I.I. (London) Chartered Insurer

**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  
Phone: 2416931, 2416932, 2416933,  
2428211, 2417403, 2414793, 2413707  
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 : 2725888, 2735480 & 2777594  
Fax : (92-21) 2764429 Asst.Gen. 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  
Asst.Gen. 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  
Branch Head Saleem Raza, 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) 7566024  
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  
Jt. Gen. Manager : Satwat M. 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  
Dy. Gen. 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 & 7582354  
Fax : (042) 7579504  
Dy. Chief 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, 7227956 & 7227903  
Fax : (042) 7239030  
Dy. Chief Manager : Nadeem Mushtaq, M.B.A.

**KOT LAKHPAT BRANCH, LAHORE**

Glamour Plaza, Flat No.5(1st Floor),  
Peco Road Township  
Phone : 5111033, 5151587 & 5151588  
Fax : (042) 5111087  
Chief Manager : M. Akram Chema

**LATIF CENTRE BRANCH, LAHORE**

100, 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) 6307365  
Asst. Gen. 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 & 6374527  
Fax : (042) 6375754  
Dy. Chief Manager : Mian Allah Nawaz, BL, M.A.



**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  
Chief Manager : M. Iqbal Butt, A.C.I.I.(London),  
Chartered Insurer

**DIVISIONAL OFFICE RAWALPINDI**

43-C, (1st Floor),  
Kirpa Ram Compound  
P.O. Box No. 92  
Bank Road  
Phone : 5567849, 5517332, 5519802, 5566920 & 5517336  
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.

**INFRASTRUCTURE DEVELOPMENT PROJECT DIVISION  
(PUNJAB AND SARHAD ZONE)**

Office No. 4, Block 87-West  
Abbas Centre, 1st Floor  
Fazal-ul-Haq Road, Blue Area  
Phone : 2273871 & 2270516-8  
Fax : (051) 2270519  
Asst. General Manager : Syed Muhammad Mazhar Shah, B.A.

**PESHAWAR BRANCH**

6th Floor, State Life Bldg.  
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.M. Building, 4th floor  
Circular Road  
P.O. Box No.32  
Phone : 2643788, 2644810, 2614810 & 2612134  
Fax : (041) 2648368  
General Manager : Iqbal Mohammad Ch., B.A.

**CLOCK TOWER BRANCH, FAISALABAD**

P-834 1st floor, Bilal Plaza,  
Liaquat Road  
Phone : 2628456  
Fax : (041) 2628457  
Dy. Chief 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 : 67015  
Fax : (0441) 60786  
Dy Chief 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  
Chief Manager : Anjum Kamal Khan, B.A.

**RAHIM YAR KHAN OFFICE**

18, Shahi Road,  
P. O. Box No. 61  
Phone : (068) 5877198  
Executive Officer (Dev.) : Ch. Muhammad Rafique

**BHAWALPUR OFFICE**

1-A, Trust Colony  
Near Quaid-e-Azam Medical College  
Circular Road,  
P.O. Box No. 85,  
Phone : 877232  
Fax : (0621) 877232  
Assistant Manager (Dev.): Sajjad Haider Khan

**DERA GHAZI KHAN OFFICE**

Hajana Plaza Blakh Sarwar City  
2nd Floor Oppt.  
D.H. Q. Hospital,  
Jampur road  
Phone : 473434  
Fax : (0621) 473434  
Manager (Dev.) : Malik Ghulam Shabbir





## OVERSEAS OFFICES

### UNITED ARAB EMIRATES

#### 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  
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) 561620  
Fax : (971-6) 562544  
Asst. Gen. Manager: Shakil Ahmed, A.M.I.M.I. (U.K)

### LONDON BRANCH

The City Business Centre  
Suit No. 18, 2 London Wall Building  
London Wall  
London EC2M 5UU  
United Kingdom  
Phone : 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 fortyfourth Annual General Meeting of the Company to be held on March 25, 2005 at 11:00 a.m. at the auditorium of the Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, G-31/8, Kehkashan, Clifton, Karachi and at any adjournment thereof.

Signed this..... day of.....2005

### WITNESSES:

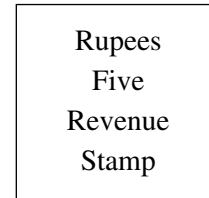
1- Signature .....

Name.....

Address .....

.....

NIC No .....



2- Signature .....

Name .....

Address.....

.....

NIC No. ....

Signature .....

Holder of .....Ordinary 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.