

## American Life Insurance Company (Pakistan ) Limited

Annual Report 1999

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### BOARD OF DIRECTORS

#### CHAIRMAN & CHIEF EXECUTIVE

**ARIF SULTAN MUFTI** Chartered Accountant  
Bungalow No. 85 / 1, 26th Street  
Phase-VI, Defence Housing Authority,  
Karachi.

#### DIRECTORS

**ABBAS KHALAF** Business Executive (Alternate Director) **MOHAMMAD MUQEEM**  
Verdun Street  
Verdun 2000 Building, 9th Floor  
P.O. Box 14-5644  
Beirut- Lebanon

**BILAL AHMED QURESHI** Business Executive  
67, Khayaban-e-Mujahid,  
Defence Housing Authority  
Phase V, Karachi.

**BRUCE EMMITT DOZIER** Attorney (Alternate Director) **S.G. SHAHABUDDIN**  
**18 Quail Hollow Drive**  
**Hockessin DE 19707-1404, USA**

**EHSAN AHMAD NOMANI** Advocate  
6, Embassy Villas, Clifton, Karachi.

**KHALID ANIS-UR-REHMAN** Business Executive  
19 / 2 / A, 32nd Street, Phase V,  
Defence Housing Society, Karachi.

**KHURSHID MALIK** Business Executive  
6th Floor, Sidco Avenue Centre  
Maulana Deen Mohammad Wafai Road,  
Karachi.

**MOHAMMEDMIAN SOOMRO** Business Executive  
D-7 Akbar Apartment  
Opp. British Council Library  
Bleak House Road, Karachi.

**MUHAMMAD KALIM** Business Executive  
11 5-C, Shahrah-e-Iran  
Clifton-5, Karachi.

**NISAR A. MEMON** Business Executive  
78/2, Khayaban-e-Sehar,

Defence Housing Authority  
Phase VI, Karachi.

**ROBINSON K. NOTTINGHAM** . Business Executive (Alternate Director) **MUJIB KHAN**  
**2401 Pennsylvania Avenue**  
**Unit 1603 Wilmington DE 19806, USA**

**SAIYID SAEED AKHTAR** Consulting Actuary  
6A-1, Third North Street,  
Phase 1, DHA, Karachi-75500.

**SIMON RATTRAY** Insurance Executive  
22 Maule Street, Monifieth, Angus,  
Scotland DD'54 NR

## **CORPORATE INFORMATION**

### **COMPANY SECRETARY**

S.G. Shahabuddin  
A-15, Block 'C' North Nazimabad, Karachi.  
Office Tel. No. 5683564

### **AUDITORS**

U/s. Coopers & Lybrand  
Chartered Accountants  
1104 Kashif Centre, 11th Floor  
Shahrah-e-Faisal, Karachi.  
Tel. No. 5662353, 5677376  
Fax No. 92 (21) 5683752

### **LEGAL ADVISERS**

Surridge and Beecheno  
Finlay House, I.I. Chundrigar Road, Karachi- 74000  
Tel. No. 2427292- 94 & 97  
Fax No. 92 (21) 2418298

### **BANKERS**

Muslim Commercial Bank Ltd.  
Habib Bank Ltd.

### **REGISTERED OFFICE**

Lakson Square, Bldg. No. 1, 11th Floor, Sarwar Shaheed Road,  
Karachi- 74400 Pakistan.  
Tel. No. 5685241,5687339, 5682876, 5661146-48  
Fax No. 92 (21) 5688042  
UAN: 111-111-711

### **SHARE DEPARTMENT**

Ground Floor, Sheikh Sultan Trust Building No. 2,  
Beaumont Road, Karachi.  
Tel. No. 5686658, 5689021  
Fax No. 92 (21) 5685095

### **HEAD OFFICE**

Lakson Square, Bldg. No. 1, 11th Floor, Sarwar Shaheed Road,  
Karachi- 74400 Pakistan.  
Tel. No. 5685241,5687339, 5682876, 5661146-48  
Fax No. 92 (21) 5688042

### **KARACHI AGENCY OFFICES**

Amil Colony No. 2,  
Jamshed Quarter Nariman Road, Karachi  
Tel. No. 4914142, 4913268, 4913417, 4913832  
Fax No. 4922712

Madina City Mall, 5th Floor,  
Abdullah Haroon Road, Karachi.  
Tel. No. 5651530-37  
Fax No. 5681539

Park Avenue, 7th Floor, Shahrah-e-Faisal,  
Block 6, P.E.C.H.S, Karachi.  
Tel. No. 4312068-79  
Fax No. 4312076

**LAHORE OFFICE**

AI Malik Bldg. 3rd Floor,  
 19 Davis Road Lahore- Pakistan'  
 Tel. No. 6369882, 6369807, 6375590, 6375591,6375596, 6374140  
 Fax No. 92 (42) 6375589

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Fifth Annual General Meeting of American Life Insurance Company (Pakistan) Limited will be held at Crystal Ball Room, Pearl Continental Hotel, Karachi on Thursday, April 20, 2000 at 10:30 a.m. to transact the following business:-

1. To confirm the minutes of the last Annual General Meeting of the Company held on March 27, 1999.
2. To receive, consider and adopt the Annual Audited Accounts of the Company together with the Directors' and Auditors' reports thereon for the year ended December 31, 1999.
3. To appoint auditors for the year ended December 31, 2000 and to fix their remuneration. The retiring auditors M/s. Coopers & Lybrand, Chartered Accountants, being eligible have offered themselves for re-appointment.

By order of the Board

March 29, 2000  
 Karachi

**S.G. Shahabuddin**  
 Company Secretary

**NOTES:**

1. The Share Transfer Books of the Company will remain closed from April 05, 2000 to April 20, 2000 (both days inclusive).
2. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend, speak and vote instead of him. A company or corporation may, by means of a resolution of its directors, appoint a person who is not a member, as proxy or as its representative under section 162 of the Companies Ordinance 1984. Form of proxy is enclosed with the Annual Report.
3. The instrument appointing a proxy, in order to be effective, must be received at the registered office of the Company, duly signed, stamped & witnessed, not later than forty-eight hours before the time appointed for the meeting. A member shall not be entitled to appoint more than one proxy. If more than one instrument of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
4. Members are requested to communicate promptly to the Company of any change in their address.

**FINANCIAL HIGHLIGHTS**

	<b>(Rupees in 000)</b>		
	<i>Dec 31</i>	<i>Dec 31</i>	<i>Dec 31</i>
	<b>1999</b>	<b>1998</b>	<b>1997</b>
<b>Balance Sheet</b>			
- Total Equity	325,000	325,000	130,000
- Total Liabilities (other than shareholders' equity)	48,622	36,145	16,211
- Total Assets	357,489	322,599	116,764
- Total Capital Funds (Shareholders' equity)	308,867	286,454	100,553
- Ordinary Share value (Face value per share Rs.10/-)			
Market Price Per Share (Rs. 19.50 on March 15, 2000)	15.00	17.50	20.85
- Right Share issue	--	150%	--
<b>Revenue Account</b>			
- Net Premium Income	89,400	64,253	34,234
- Investment and other Income	36,499	12,716	11,434
<b>Operating Expenses</b>			
- Net Claim	12,922	7,623	2,852
- Direct Expenses Commission	14,240	11,604	5,548
- Management Expenses	74,591	66,843	46,600

**REPORT OF THE DIRECTORS**

The Directors of the Company are pleased to report to you for the year ended December 31, 1999.

### **ECONOMY**

The economic situation of Pakistan during 1999 marred by turbulences and instability. Economic environment badly affected by sanctions of IMF, World Bank and West following the nuclear tests on May 28, 1998 did not improve as yet and deteriorated further due to political unrest and changes of Government.

The present bad to worse macro economic condition with double digit inflation, negative GDP growth, poor average per capita income, low literacy rate are the main causes of concern for insignificant economic progress.

### **OPERATIONS**

Your company has completed its fourth full year of operation in 1999 with adequate growth. Net premium income grew to Rs. 89.4 million, an increase of 39% over Rs.64.2 million registered in the previous year. This good result was made possible by the improving performance and quality of the agency sales force. As a result of the Company's new Agents Training Program the development of many qualified agents has been attained according to the company's standard established worldwide. A majority of the premiums came from individual policyholders, which sounds well for future growth, persistency and stability of the portfolio. The market welcomes our unique policies reflecting the continued popularity of the company's products which are becoming known day to day in every walk of life.

### **ORDINARY LIFE**

Ordinary Life premium during 1999 amounted to Rs. 66 million recording a growth of 43.16% over 1998.

Ordinary Life premiums include those of ordinary life riders and Income Shield & Shifa Care riders. Tahafuz plan was launched in July 1999 which is specially designed to cater lower income group.

Further new riders called Muhafiz Technical and Muhafiz Executive were launched at the end of October 1999. These products were welcomed in the market with promising start and are sold by new graduates from Basic Training School (BTS) and Sales Trainees under Senior Management Trainee (SMT) program. Again these graduates will form part of field force in the near future. New graduates are the main source of our current success.

The MRG Millenium Challenge worldwide started in May 1999. Rs.4.75 million of premium was submitted during the contest period and a prize of Honda CD 70 motorcycle was awarded to a member of the field force.

### **GROUP**

Group premiums amounted to Rs. 23.4 million for the year, an increase of 29% as compared to Rs. 18.1 million in the previous year. Additional sales in the first quarter of year 2000 are encouraging and indicate that another substantial increase in income from group business, can be expected in 2000. We are confident of exciting progress in the future, for this product line and expect continued improvement. A recently developed VGA product for Group line of business is very promising and arrangements are being made to launch it very soon.

The unique features of your Company's new schemes, Managed Care is well accepted by the market. Through this scheme we have established contact with 47 hospitals covering the main cities in Pakistan.

The Employees Benefits Training School for selected agents started from March 10th 1999 in order to assist in increasing the market share of group sales by collecting information and data through various agents. So far more than 20 agents passed the Group Sales Training exam. The activity by agents was started in 2nd quarter 1999 with some business. Your company is now well positioned to handle and provides services to corporate customers having in place with latest systems and procedures in Claims, Agency, Administration and IT as well as experienced and trained personnel.

### **CLAIMS**

Risk selection, disciplined underwriting, better service to policyholders, prompt payment of claims alongwith good expense control has been laudable and contributed significantly towards the progress of the company. Total claims amounted to Rs. 12.9 million, which is only 14.4%, while commission expense is only 15.9% of premium income.

### **INVESTMENTS**

Total Investment income amounted to Rs. 35.4 million out of total income Rs. 125.9 million as compared to investment income of Rs. 11.8 million out of total income Rs. 76.9 million in the previous year. The increase in investment income is the result of careful use of additional capital and good selection for investment in high yield Government and quality Corporate bonds. The composition of income analysis given below includes investment income at 28% compared to 15% from previous year, of total income, which is well above the target.

### **OPERATING RESULTS**

Net income over outgo amounted to Rs. 22.4 million compared to negative Rs. 9.09 million recorded in the previous year, showing a complete change to positive cash flow due to consistent growth in premium and maximization of investment income. The losses in the initial years of inception for a Life Insurance Company are expected to vanish in subsequent years by maintaining growth in production. This statement has now come true and the losses of previous years are being reduced. The Life Fund will quickly move into the positive over the next couple of years.

### **AGENCY DEVELOPMENT**

Growth of the company's agency force for the year was not as expected, due to the high turnover of the field force, experienced in 1999. The high attrition among agents was a cause of concern during the year and the total agency force did not reach our

growth target.

The Direct Sales Training School which was introduced in 1998 continued during the year with the help of ALICO's regional personnel to provide intensive training of agency recruits, to better prepare them to cope with ongoing marketing challenges and to accelerate their start into life insurance sales. This initiative proved to be a valuable aid in launching products and development of agents and in equipping them with the necessary selling skills. Graduates of this program are now the mainstay of the agency force. Presently the number of agents working with us is 244 as on above date.

Further we have introduced new Senior Management Training (SMT) program to develop senior marketing staff for our future needs.

In addition, an experienced agency executive Mr. Simon Rattray from the United Kingdom was assigned to the company from February 1, 1999 to assist and setup agency training and development program which has accomplished its first phase. Our competition and trophy awards programs are working well, to create healthy competition in the field force and help with monthly target achievements giving us top scorers and high producers. Our best agents have achieved overseas trips, which have helped spread the good name of Alico Pakistan amongst our worldwide life insurance producers. For San Francisco convention, four agents qualified from our field force. For Bangkok trip, eight agents qualified. During the year Startrack daily reporting program had proved a very good tool for maintaining disciplined and quality business production.

Alico Pakistan experienced maintained growth in the year 1999. Two new products, Muhafiz and Tahafuz marketed that were widely welcomed by the customers. In terms of agency development, it will be worth-noting that Alico's trained sales force is expected to cross the 500 mark by the end of the year 2000. Moreover, your Company is expanding its wings by opening up branches all over the country. Further, 3 independent agencies have recently been inaugurated in Karachi. Additional agencies are targeted for 2000.

Alico was ranked highest in Pakistan during the period 1952- 72 and it was one of the top ranking in Middle East and Africa. We are determined to make Alico number one again and bring back past glory not only in Pakistan but also in the Middle East, Africa and South Asia regions. We will concentrate on coverage provided, premium income, stockholders' interest and above all the customer service.

Alico's sales force and staff comprise of professionally developed and dedicated individuals who are continually striving to achieve the highest of business and ethical standards. One of Alico's managers qualified to represent Pakistan in an international conference held in Amsterdam. Further, one of the senior manager who had completed his FLMI attended LOMA convention in USA. Your company is running continued education program of LOMA and there are dozen of employees and field force who have qualified various stages of LOMA examination in order to reach and qualify as FLMI, in near future.

#### **OUTLOOK FOR THE FUTURE**

The management will continue its policy of focusing on quality underwriting and direct sales through qualified trained agents. With the addition of new products during the year in both the individual and group life business, the company has started providing more attractive selection of benefits for a wider variety of clients. Most recently introduced were the Muhafiz and Tahafuz policies. These policies offer Worldwide Protection in case of accidental loss of life or a major disability coverage, 24 hour protection, on or off the job. Both products are gathering momentum and generated good business in the year under report. We expect to add to further range of products in 2000 allowing us to better serve the needs of the market place.

Our computer systems are now moving to LAN networking in order to provide speedy transfer of information between the departments and other independent agency offices.

Operating expenses are strictly controlled and investments are secured and effectively placed. Prospects for better results in 2000 are promising and good.

#### **PARENT COMPANY**

American Life Insurance Company (ALICO) incorporated in the United States of America having its registered office at ONE ALICO PLAZA, Wilmington, State of Delaware, 19899, U.S.A. is the sponsor and holding company of American Life Insurance Company (Pakistan) Limited.

#### **PATTERN OF SHAREHOLDING**

The pattern of Shareholding in the company as at December 31, 1999 is included with the report. American Life Insurance Company holds 51% while local shareholders hold 49% of the company's total shareholding.

#### **DIRECTOR**

Our gratitude goes to Mr. Saiyid Saeed Akhtar, a Senior Consulting Actuary, who is a Director of the company, for his continued guidance, insurance expertise and skills extended to the company during the year and years to come.

#### **YEAR 2000 COMPLIANCE**

The management is pleased to announce that our computer systems both hardware and software are now year 2000 compliant and company have addressed seriously to eliminate any possibility of Y2K problem in computer system presently working and attached to main frame computer. Subsequent to year end 1999 report we have tested all computer systems for working smoothly. Again this was achieved with the help and assistance of our Regional IT Department.

#### **GRATITUDE**

We take this opportunity to express our appreciation to the Government of Pakistan, Ministry of Commerce and Department of

Insurance for their invaluable assistance and guidance. We would like to also express our sincere thanks to the company's officers, field force and staff for their substantial efforts toward the company's remarkable achievements during the year, which has laid a milestone in the life insurance industry in the private insurance sector of Pakistan.

Lastly, our thanks go to thousands of shareholders and policyholders whose confidence, continued commitment and support for the Company has been a leading source of encouragement and inspiration.

On behalf of the Board of Directors.

**Arif S. Mufti**  
CHAIRMAN & CEO

March 20, 2000

## **PATTERN OF SHAREHOLDING AS OF 31 DECEMBER 1999**

<i>No. of Share Holders</i>	<i>Having Shares From</i>	<i>To</i>	<i>Shares Held</i>	<i>Percentage</i>
99	1	100	8850	0.0272%
402	101	500	183200	0.5636%
35	501	1000	31850	0.0980%
98	1001	5000	193250	0.5946%
10	5001	10000	70950	0.2183%
3	10001	15000	37100	0.1142%
4	15001	20000	75850	0.2333%
20	20001	25000	493900	1.5196%
3	25001	30000	88900	0.2735%
1	45001	50000	49500	0.1523%
1	55001	60000	58000	0.1784%
1	60001	65000	62500	0.1923%
1	65001	70000	69000	0.2123%
1	70001	75000	72000	0.2215%
1	85001	90000	88100	0.2710%
1	90001	95000	92500	0.2846%
1	100001	105000	103250	0.3176%
1	445001	450000	449300	1.3824%
1	1215001	1220000	1215700	3.7406%
1	2095001	2100000	2100000	6.4615%
1	2310001	2315000	2314000	7.1200%
1	2450001	2455000	2451050	7.5426%
1	2495001	2500000	2500000	7.6923%
1	3120001	3125000	3125000	9.6153%
1	16565001	16570000	16566250	50.9730%
-----	-----	-----	-----	-----
690			32500000	100.0000%
=====	=====	=====	=====	=====

## **CATEGORIES OF SHAREHOLDERS**

<b>Particulars</b>	<b>Shareholders</b>	<b>Shareholding</b>	<b>Percentage</b>
INDIVIDUALS	680	12035300	37.03%
INSURANCE COMPANIES	1	1000	0.00%
JOINT STOCK COMPANIES	4	1371200	4.22%
FINANCIAL INSTITUTIONS	4	2526250	7.77%
FOREIGN COMPANIES	1	16566250	50.97%
-----	-----	-----	-----
Company Total	690	32500000	100.00%
=====	=====	=====	=====

## **AUDITORS' REPORT TO THE MEMBERS**

We have audited the annexed Balance Sheet of American Life Insurance Company (Pakistan) Limited as at 31 December 1999 and the related Revenue Account, Profit and Loss Account and Cash Flow Statement, together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and after due verification thereof, we report that;

(a) in our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance,

1984;

(b) in our opinion:

i) the Balance Sheet, Revenue Account and Profit & Loss Account together with the notes thereon, have been drawn up in conformity with the provisions of the Insurance Act, 1938 and are in agreement with the books of accounts and are further in accordance with the accounting policies consistently applied;

ii) the expenditure incurred during the year was for the purpose of the company's business;

iii) the business conducted, investment made and expenditure incurred during the year were in accordance with the objects of the company;

(c) in our opinion and to the best of our information and according to the explanations given to us and as shown by the books of the company, the Balance Sheet, Revenue Account, Profit and Loss Account and Cash Flow Statement, together with the notes forming part thereof, give the information required by the Insurance Act, 1938 in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 1999 and of the profit and the cash flow statement for the year then ended;

(d) we have verified the cash and bank balances and investments by actual inspection or by the production of certificates;

(e) as required by Regulation 11 of part 1 of Third Schedule to the Insurance Act, 1938, we certify that the company has not paid to any person any commission in any form outside Pakistan in respect of the insurance business transacted by the company in Pakistan and that the company has not received, outside Pakistan, from any person any commission in any form in respect of any business reinsured abroad;

(f) pursuant to clause (a) of subsection (2) of Section 40-B of the Insurance Act, 1938, we certify that all expenses of management in respect of life insurance business transacted by the company in Pakistan have been fully debited in the Revenue Account as expenses;

(g) no part of the assets of the Life Insurance Fund has been directly or indirectly applied in contravention of the provisions of the Insurance Act relating to the application and investment of Life Insurance Funds;

(h) in our opinion no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

**Coopers & Lybrand**  
Chartered Accountants

KARACHI: March 20, 2000

## BALANCE SHEET AS AT 31 DECEMBER 1999

	<i>Note</i>	<i>1999 LIFE Rupees</i>	<i>1999 OTHER Rupees</i>	<i>1999 TOTAL Rupees</i>	<i>1998 TOTAL Rupees</i>
<b>CAPITAL AND LIABILITIES</b>					
<b>SHARE CAPITAL</b>					
Authorised 50,000,000 ordinary shares of Rs.10/- each			-- 500,000,000	500,000,000	500,000,000
=====					
Issued, Subscribed & Paid-up 32,500,000 ordinary shares of Rs. 10/- each fully paid up in cash			-- 325,000,000	325,000,000	325,000,000
<b>BALANCES OF FUND AND ACCOUNT</b>					
Life Insurance Fund	3	(69,855,602)	-- (69,855,602)	(63,704,533)	(63,704,533)
Profit and Loss Account			-- 53,722,169	53,722,169	25,158,683
<b>DEFERRED LIABILITY</b>					
Staff Gratuity		1,758,615	-- 1,758,615	956,142	956,142
<b>LOANS AND ADVANCES AS PER CONTRA</b>					
Loan from other class of business		121,786,877	-- 121,786,877	107,010,290	107,010,290
<b>ESTIMATED LIABILITY IN RESPECT OF OUTSTANDING CLAIMS, WHETHER DUE OR INTIMATED</b>					
AMOUNT DUE TO OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS		8,826,379	-- 8,826,379	5,597,599	5,597,599
		16,880,442	-- 16,880,442	10,560,557	10,560,557

<b>SUNDRY CREDITORS (including outstanding and accruing expenses)</b>	4	13,259,889	--	13,259,889	10,947,867
<b>DEPOSIT ON APPLICATIONS</b>		6,619,313	--	6,619,313	6,826,629
<b>AGENTS' BALANCES</b>		1,276,926	--	1,276,926	1,256,117
		-----		-----	-----
		100,552,839	378,722,169	479,275,008	429,609,351
=====					
<b>ASSETS</b>					
<b>LOANS AND ADVANCES AS PER CONTRA</b>					
Loan to Life Business		--	121,786,877	121,786,877	107,010,290
<b>OTHER LOANS</b>					
Loan on insurance policies		512,442	--	512,442	6,554
Other-considered good		3,366,031	--	3,366,031	1,878,439
<b>INVESTMENTS</b>					
<b>Government Securities</b>					
Ten Years Defence Saving Certificates (deposit with State Bank of Pakistan)		- Maturity date 2007	24,000,000	400,000	24,400,000
		- Maturity date 2007	--	8,600,000	8,600,000
		- Maturity date 2008	--	90,000,000	90,000,000
Ten Years Federal Investment Bonds -		- Maturity date 2005	--	24,400,000	24,400,000
Five Years Monthly Income Certificates -		- Maturity date 2003	--	27,000,000	27,000,000
Three Years Special Saving Certificates -		- Maturity date 2002	--	35,000,000	35,000,000
Term Finance Certificates					--
Dewan Salman		- Maturity date 2004	--	3,134,146	3,134,146
Gatron Industries		- Maturity date 2003	--	2,568,117	2,568,117
Pak Saudi Leasing		- Maturity date 2003	--	2,226,392	2,226,392
Packages Ltd.		- Maturity date 2000	--	332,868	332,868
Certificate of Investment					665,934
National Development Leasing Corporation - Maturity date 2000			--	3,000,000	3,000,000
			-----	-----	-----
			24,000,000	196,661,523	220,661,523
					175,065,934
<b>PRELIMINARY AND DEFERRED EXPENSES</b>	5	--	2,966,660	2,966,660	4,666,704
<b>LEASEHOLD IMPROVEMENTS, FURNITURE AND FIXTURES, OFFICE EQUIPMENTS, COMPUTERS AND VEHICLES</b>					
<b>CAPITAL WORK IN PROGRESS</b>	7	23,976,850	--	23,976,850	21,157,270
<b>AGENTS' BALANCES</b>		851,673	--	851,673	438,000
<b>OUTSTANDING NET PREMIUMS</b>	8	234,796	--	234,796	111,667
<b>INTEREST, DIVIDENDS AND RENTS OUTSTANDING</b>	9	7,787,090	--	7,787,090	3,817,121
		11,324,400	20,137,488	31,461,888	11,868,981
<b>AMOUNT DUE FROM OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS</b>					
		7,345,512	--	7,345,512	5,015,946
<b>SUNDRY DEBTORS, ADVANCES, DEPOSITS AND PREPAYMENTS</b>					
	10	21,154,045	--	21,154,045	21,131,916
<b>CASH</b>					
On deposit account with banks - Net		--	36,951,109	36,941,109	76,783,872
In hand		--	228,512	228,512	656,657
			-----	-----	-----
			--	37,169,621	37,169,621
			-----	-----	-----
		100,552,839	378,722,169	479,275,008	429,609,351
=====					

These accounts should be read in conjunction with the attached notes.

#### **CERTIFICATES UNDER REGULATION 7 OF THE FIRST SCHEDULE TO THE INSURANCE ACT, 1938**

##### **We certify that**

- The investments shown in the balance sheet at cost or book value and the market value of the investments are ascertained from published market report and quotations of 31 December 1999.
- The value of the assets have been reviewed as at the date of the balance sheet and that in our belief, the assets set forth in the balance sheet are shown in the aggregate at amounts not exceeding their realisable or market value under the several headings.
- No part of the Life Insurance Fund has been directly or indirectly applied in contravention of the provisions of the Act relating to the

application and investment of Life Insurance Fund.

**ARIF SULTAN MUFTI** **COOPERS & LYBRAND**  
CHAIRMAN AND CHIEF EXECUTIVE OFFICER Chartered Accountants

**SAIYID SAEED AKHTAR** **E.A. NOMANI**  
DIRECTOR DIRECTOR

**REVENUE ACCOUNT FOR LIFE BUSINESS ONLY  
FOR THE YEAR ENDED 31 DECEMBER, 1999**

	<i>Note</i>	<i>1999 Rupees</i>	<i>1998 Rupees</i>
<b>CLAIMS UNDER POLICIES (including provision for claims due or intimated)</b>			
<b>Less reinsurance</b>			
By death		12,922,611	7,623,043
Surrender Less Re-Insurance		955,878	338,419
<b>EXPENSES OF MANAGEMENT</b>			
1 (a) Commission to insurance agents (Less than on Re-insurance)		14,239,523	11,604,169
2 Salaries etc. (other than to agents and those contained in item No.1)		19,032,547	16,256,555
3 Travelling expenses		971,338	985,796
4 Auditors' remuneration	11	225,000	130,000
5 Medical fees		404,911	618,716
6 Advertisements		438,360	554,544
7 Printing and stationery and EDP supplies		2,791,288	2,565,107
8 Other expenses of management			
Bonus		1,120,375	912,079
Gratuity		951,078	322,534
Policy stamps		1,302,312	1,404,249
Employees benefits		3,366,120	1,502,673
Books and subscriptions		315,047	534,666
Postage, telegram and telephone		4,972,289	4,266,947
Electricity and gas		2,641,713	2,111,042
Entertainment		801,381	1,328,772
Vehicle maintenance		842,922	913,412
Repairs and maintenance		1,588,860	1,267,413
Legal & professional charges		456,495	877,484
Consultancy fees		1,133,218	961,423
Insurance		125,379	132,231
Brokerage and commission		40,000	254,133
Miscellaneous expenses		746,116	1,466,297
Social security		117,640	95,086
Provident fund (Co's contribution)		1,171,240	1,291,337
Computer repairs and maintenance		667,607	586,284
		22,359,792	20,228,062
9 Rents of other offices occupied by the insurer		9,400,310	7,995,818
10 Agency development		9,582,538	8,923,460
11 Furniture and household appliances		367,256	273,390
12 Other expenditures (including bank charges)		809,262	283,252
13 Depreciation on leasehold improvements, furniture fixtures, office equipments, computers and vehicles		5,608,073	4,813,412
14 Interest on policyholders' funds		451,275	526,352
15 Provision for turnover tax		1,435,144	--
<b>CHANGE IN LOADING ON OUTSTANDING PREMIUMS</b>	12	(241,047)	1,359,954
<b>BALANCE OF FUND AT THE END OF THE YEAR AS SHOWN IN THE BALANCE SHEET</b>			
		(69,855,602)	(63,704,533)
		-----	-----
		31,898,457	21,375,516
<b>BALANCE OF FUND AT THE BEGINNING OF THE YEAR PREMIUM LESS REINSURANCE</b>			
	13	(63,704,533)	(47,118,165)
(i) First year premium, where the maximum Premium paying period is:			
Ten years		--	--

Eleven years		--	--
Twelve years or over (including throughout life)		28,283,450	25,035,254
(ii) Renewal premium		37,627,156	21,081,217
(iii) Group premium		23,489,403	18,137,521
		89,400,009	64,253,992
<b>INTEREST AND DIVIDENDS</b>	14	5,113,103	3,355,000
<b>OTHER INCOME - Net</b>	17	1,089,878	884,689
		-----	-----
		31,898,457	21,375,516
		=====	=====

These account should be read in conjunction with the attached notes,

**It is hereby Certified that all expenses of management in respect of Life Insurance business transacted by the Company in Pakistan have been fully debited to Revenue Account.**

**ARIF SULTAN MUFTI**  
CHAIRMAN AND CHIEF EXECUTIVE

**SAIYID SAEED AKHTAR**  
DIRECTOR

**E.A. NOMANI**  
DIRECTOR

**REVENUE ACCOUNT FOR OTHER CLASS BUSINESS ONLY  
FOR THE PERIOD ENDED 31 DECEMBER, 1999**

	<i>1999</i>	<i>1998</i>		<i>1999</i>	<i>1998</i>	
	<i>(Within Pakistan)</i>		<i>Note</i>	<i>(Within Pakistan)</i>		
<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>		<i>Rupees</i>	<i>Rupees</i>	
Preliminary and deferred expenses written off	1,732,044	990,360	Interest, dividends and rents	14	30,295,530	8,477,614
Profit & loss account for the year	28,563,486	7,487,254				
	-----	-----		-----	-----	
	30,295,530	8,477,614		30,295,530	8,477,614	
	=====	=====		=====	=====	

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER, 1999**

	<i>1999</i>	<i>1998</i>
	<i>(Within Pakistan)</i>	
<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
Reserve for taxes	--	--
Expenses of management (not applicable to any particular fund)	--	--
Balance of profit and loss account transferred to balance sheet as at December 31, 1999 / 1998	53,722,169	25,158,683
	-----	-----
	53,722,169	25,158,683
	=====	=====
Balance of profit and loss account brought forward from balance sheet as on January 01, 1999 / 1998	25,158,683	17,671,429
Interest, dividends and rates	--	--
Profit for the year ended December 31, 1999 / 1998 transferred from revenue account	28,563,486	7,487,254
	-----	-----
	53,722,169	25,158,683
	=====	=====

These account should be read in conjunction with the attached notes.

**ARIF SULTAN MUFTI**  
CHAIRMAN AND CHIEF EXECUTIVE

**SAIYID SAEED AKHTAR**  
DIRECTOR

**E.A. NOMANI**  
DIRECTOR

**STATEMENT OF CHANGES IN FINANCIAL POSITION  
FOR THE YEAR ENDED 31 DECEMBER, 1999**

	<b>1999</b>	<b>1998</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>MOVEMENT OF FUND AND ACCOUNT FOR THE YEAR</b>	22,412,417	(9,099,114)
Adjustments for:		
Depreciation	5,608,073	4,813,412
Gain on disposal of fixed assets	(500,000)	(490,681)
Staff gratuity	802,473	329,073
Amortization of Preliminary Expenses	1,732,044	990,360
Other Expenses	28,995	--
Investment Income	(35,408,633)	(11,832,614)
	-----	-----
<b>Movement of fund and account before working capital changes</b>	(5,324,631)	(15,289,564)
<b>(Increase)/Decrease in operating assets</b>		
Agents' balances	(123,129)	(83,117)
Net Outstanding Premium	(3,969,969)	(1,456,536)
Sundry Debtors, Advances, Deposits and Prepayments	2,728,507	(10,121,730)
Amount due from other persons or bodies carrying on insurance business	(2,329,566)	(2,654,316)
	-----	-----
	(3,694,157)	(14,315,699)
<b>Increase/(Decrease) in operating liabilities</b>		
Sundry creditors (including outstanding and accruing expenses)	2,312,022	7,963,119
Deposit on applications	(207,316)	3,666,099
Estimated liability in respect of outstanding claims	3,228,780	807,576
Agents' balances	20,809	700,727
Amount due to other persons or bodies carrying on insurance business	6,319,885	6,467,477
	-----	-----
	11,674,180	19,604,998
Income tax paid	(2,750,636)	(1,165,369)
	-----	-----
<b>Net Cash outflow from operating activities</b>	(95,244)	(11,165,634)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investments redeemed / sold:		
Redemption of Term Finance Certificates- Pak Saudi Leasing	312,500	--
Redemption of Term Finance Certificates- Dewan Salman	600	--
Redemption of Term Finance Certificates- Gatron Ltd.	500	--
Redemption of Term Finance Certificates- Packages Limited	333,066	333,866
Encashment of MCB Term Deposit Receipt	--	6,000,000
<b>Investments purchased:</b>		
MCB Term Deposit Receipt	--	(6,000,000)
Defence Saving Certificates	--	(90,000,000)
Monthly Income Certificates	--	(27,000,000)
Special Saving Certificates	(35,000,000)	--
Pak Saudi Leasing Term Finance Certificates	(2,546,250)	--
Dewan Salman Term Finance Certificates	(3,150,000)	--
Gatron Ltd. Term Finance Certificates	(2,575,000)	--
NDLC Certificate of Investment	(3,000,000)	--
<b>Interest and dividend received</b>	15,815,726	5,553,234
<b>Sale proceeds of fixed assets</b>	500,000	1,525,340
<b>Purchase of fixed assets</b>	(8,427,653)	(5,601,388)
<b>Capital Work in Progress</b>	(413,673)	--
<b>Other Loans</b>	(1,993,480)	(605,747)
	-----	-----
<b>Net cash used from investing activities</b>	(40,143,664)	(115,794,695)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issue of Right Shares	--	195,000,000
Organisation Expenses	(32,000)	(3,676,330)

	(32,000)	191,323,670
<b>Net (decrease)/increase in cash and cash equivalents</b>	(40,270,908)	64,363,341
Cash and Cash equivalent at the end of current year	37,169,621	77,440,529
Cash and Cash equivalent at the end of previous year	77,440,529	13,077,188
	(40,270,908)	64,363,341
	=====	

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER, 1999

### 1. STATUS AND NATURE OF BUSINESS

The Company was incorporated in Pakistan on 9 October 1994 as a Public Limited Company under the Companies Ordinance, 1984. Its shares are quoted on the Karachi and Lahore Stock Exchanges. The Company is engaged in the Life Insurance Business, and has applied to the Controller of Insurance for the license to engage in "Specified Miscellaneous Business".

The Company commenced Life Insurance operations on 25 May 1995, after registration with Controller of Insurance on 30 April 1995.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Accounting Convention

The accounts have been prepared under the historical cost convention.

#### 2.2 Life Insurance Fund

Pursuant to section 13 of the Insurance Act, 1938 the actuarial valuation of the Life Insurance Business should be conducted at least once every three years.

Consequently latest available actuarial valuation under the said Act has been carried out based on the position at 31 December 1998 at which the liability on unexpired policies was determined by the valuing Actuary as Rs. 42,874,195.

The Life Insurance fund is negative due to Excess of Expenditure over Income during 1995 to 1998.

#### 2.3 Taxation

No provision for taxation has been made in the accounts as per the provisions of Fourth Schedule to the Income Tax Ordinance, 1979. The taxation is to be based on the surplus or deficit arrived at by the actuarial valuation.

#### 2.4 Preliminary and deferred expenses

These are being amortised over a period of five years.

#### 2.5 Investments

Investments are stated at cost and market value whichever is lower. Provision is made for decline, other than temporary, in the value of investments on an individual investment basis.

#### 2.6 Leasehold Improvements, Furniture and Fixtures, Office Equipments, Computers and Vehicles

These are stated at cost less accumulated depreciation. Depreciation on these assets is charged to revenue account using straight line method at the following rates:

#### Rates of Depreciation

Leasehold improvements	10%
Furniture and fixtures	10%
Office equipments	10%
Computers	20 & 33.33%
Vehicles	33.33%

- Depreciation on all additions during the period have been charged on proportionate basis and no depreciation is charged on items sold during the year.

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

- Gains and losses on disposal of fixed assets are taken to revenue account.

- Fixed assets items costing less than Rs. 10,000 are charged to income in the year of purchase.

## 2.7 Revenue recognition

- Premiums are included in the income as and when due.

- Return on Government Securities, Term Finance Certificates are recognised on accrual basis.

- Return on Defence Saving Certificates is recognized on accrual basis and the return is based on assumption that these investments will be held till maturity.

## 2.8 Rate of Exchange

All monetary assets and liabilities, if any, in foreign currencies at the year end are translated into Pak Rupees at the rate of exchange prevailing on that date. Gain or losses are taken to income currently.

## 2.9 Staff retirement benefits

The company operates a defined contribution plan i.e. Provident Fund for all its permanent employees. Contributions are made monthly by the company and the employees @ 10% of basic salary.

The company also operates an unfunded gratuity scheme covering all its employees. Provisions are made annually by the employer as per rules of the scheme.

## 2.10 Outstanding claims

Full provision is made for the estimated cost of claims intimated but not settled at the date of the balance sheet, less estimated reinsurance recoveries.

## 3. LIFE INSURANCE FUND (see note no. 2.2)

Balance of life fund as at December 31, 1997	--	(47,118,165)
Balance of life fund as at December 31, 1998	(63,704,533)	--
Add: Excess of expenditure over Income for the year 1998/1999	(6,151,069)	(16,586,368)
	-----	-----
	(69,855,602)	(63,704,533)
	=====	=====

## 4. SUNDRY CREDITORS (INCLUDING OUTSTANDING AND ACCRUING EXPENSES)

Provision for Turnover Tax	1,435,144	--
Accrued expenses	7,435,185	6,000,826
Employee Bonus	--	912,079
Employee's Provident Fund	450,127	1,836,001
Other liabilities	3,939,433	2,198,961
	-----	-----
	13,259,889	10,947,867
	=====	=====

## 5. PRELIMINARY AND DEFERRED EXPENSES

Preliminary Expenses	671,317	671,317
Deferred Expenses		
Share Floatation Expenses	3,323,019	3,323,019
Brokerage and Commission on Public issue of shares	1,047,100	1,047,100
Right Share issue expenses	3,708,330	3,676,330
	-----	-----
	8,749,766	8,717,766
Less: Amortized to date	(5,783,106)	(4,051,062)
	-----	-----
	2,966,660	4,666,704
	=====	=====

## 6. LEASEHOLD IMPROVEMENTS, FURNITURE AND FIXTURES,

**OFFICE EQUIPMENTS, COMPUTERS AND VEHICLES**

	C O S T			D E P R E C I A T I O N					Written down value as at 31 December 1999	
	As at 01 January 1999	Additions	(Deletion)	As on 31 December 1999	Rate percent %	As at 01 January 1999	For the Year	(Deletion)		As on 31 December 1999
<b>Leasehold improvements</b>	9,656,075	1,439,515	--	11,095,590	10	2,044,781	1,079,900	--	3,124,681	7,970,909
<b>Computers</b>										
IBM AS400	7,68,915	2,636,868	--	9,705,783	20	4,891,911	1,413,783	--	6,305,694	3,400,089
Personal computers	1,946,525	824,630	--	2,771,55	33.33	1,291,245	5,356,171	--	1,826,862	944,293
	9,015,440	3,461,498		12,476,938		6,183,156	1,949,400	--	8,132,556	4,344,382
<b>Motor vehicles</b>	5,240,435	605,000	(1,233,750)	4,611,685	33.33	3,226,898	1,198,421	(1,233,,750)	3,191,569	1,420,116
Furniture and fixture	8,931,791	2,284,116	--	11,215,907	10	2,307,305	1,090,152	--	3,397,457	7,818,450
Office equipments	2,911,361	637,525	--	3,548,866	10	835,692	290,201	--	1,125,893	2,422,993
	11,843,152	2,921,641	--	14,764,793		3,142,997	1,380,353	--	4,523,350	10,241,443
Dec.. 31,1999 Rupees	35,755,102	8,427,654	(1,233,750)	42,949,006		14,597,832	5,608,074	(1,233,750)	18,972,156	23,976,850
Dec. 31, 1998 Rupees	32,221,642	5,601,388	(2,067,928)	35,755,102		10,817,689	4,813,412	(1,033,269)	14,597,832	21,157,270

**6.1 Disposal of fixed assets**

Detail of certain fixed assets sold during the year are as follows:

Sr. No.	Particulars of assets	Cost	Accumulated depreciation	Written down value	Sale Proceeds	Mode of disposal	Name and address of purchaser
	<b>Motor Vehicles</b>						
1	Mitsubishi Pajero	1,233,750	1,233,750	--	500,000	Sold by auction	M. Siddiqui s/o A. Hameed Karachi.
	Rupees	1,233,750	1,233,750	--	500,000		
				<b>1999</b> Rupees	<b>1998</b> Rupees		

**7. CAPITAL WORK IN PROGRESS**

Renovation work at Head Office/Madina Mall	851,673	438,000
	851,673	438,000

**8. OUTSTANDING NET PREMIUMS**

	Gross	1999		1998	
		Loading	Net	Net	Net
First Year- Ordinary	1,194,168	857,864	336,304	392,753	
Renewal- Ordinary	5,640,193	518,327	5,121,866	2,905,213	
Group Insurance	2,328,920	--	2,328,920	519,155	
Total	<b>Rupees</b> 9,163,281	1,376,191	7,787,090	3,817,121	

**8.1 Loading on outstanding premium**

Loading on outstanding premium is the allocation of expected expenses to be incurred with respect to premium outstanding.

1999	1998
Rupees	Rupees

**9. INTEREST AND DIVIDENDS OUTSTANDING**

Return:		
- on Investment	30,348,558	10,556,739
- on Deposit with bank	1,113,330	1,312,242
	-----	-----
	31,461,888	11,868,981
	=====	=====

#### 10. SUNDRY DEBTORS, ADVANCES, DEPOSITS AND PREPAYMENTS

Advance Tax	7,139,339	4,388,703
Other Advances	60,511	9,280
Advance against capital expenditure	1,489,567	1,450,000
Deposits	1,086,300	494,300
Prepayments	6,804,684	11,454,257
Receivable for Associated undertaking		
New Hampshire Insurance Company, Pakistan branch	367,085	336,268
Others	4,206,559	2,999,108
	-----	-----
	21,154,045	21,131,916
	=====	=====

#### 11. AUDITORS' REMUNERATION

Audit fee	125,000	125,000
Special audit fee	75,000	--
Out of pocket expenses	25,000	5,000
	-----	-----
	225,000	130,000
	=====	=====

The Special audit was conducted by Abbas Karjatwala & Co. under section 12-A of The Insurance Act, 1938.

#### 12. CHANGES IN LOADING ON OUTSTANDING PREMIUM (See Note 9.1)

Ordinary Life - First Year	(455,391)	1,181,789
Ordinary Life - Renewal	214,344	178,165
	-----	-----
	(241,047)	1,359,954
	=====	=====

#### 13. PREMIUM LESS RE-INSURANCE

##### (i) Ordinary Life First Year

Collected premium when maximum paying period is 12 years or over.	30,067,622	25,069,718
Increase in outstanding premium	(511,840)	1,548,011
	-----	-----
	29,555,782	26,617,729
Less: Re-Insurance	(1,272,332)	(1,582,475)
	-----	-----
	28,283,450	25,035,254

##### (ii) Ordinary Life Renewal

Collected premium	37,959,738	21,833,340
Increase in outstanding premium	2,430,996	856,203
	-----	-----
	40,390,734	22,689,543
Less: Re-Insurance	(2,763,578)	(1,608,326)
	-----	-----
	37,627,156	21,081,217

##### (iii) Group Premium

Collected premium	24,049,970	20,997,416
Increase in outstanding premium	1,809,765	412,276
	-----	-----
	25,859,735	21,409,692
Less: Re-Insurance	(2,370,332)	(3,272,171)
	-----	-----
	23,489,403	18,137,521
	-----	-----
Total Premium	89,400,009	64,253,992
	=====	=====

#### 14. INTEREST AND DIVIDENDS

These comprise of the following:

Return on Government Securities	30,716,443	8,333,050
Profit on PLS Term Deposits and Savings Accounts	3,622,222	2,305,805
Return on Term Finance Certificates	801,843	131,836
Others	268,125	1,061,923
	-----	-----
	35,408,633	11,832,614
	=====	=====

## 15. REMUNERATION OF CHIEF EXECUTIVE AND OTHER EXECUTIVES

	1999	1998						
	<i>Chief Executive</i>	<i>Director</i>	<i>Executives</i>	<i>Total</i>	<i>Chief Executive</i>	<i>Director</i>	<i>Executives</i>	<i>Total</i>
<b>Number of Persons</b>	1	1	48	50	1	--	42	43
Managerial remuneration	2,270,520	1,693,040	13,439,796	17,403,356	1,994,525	--	13,118,055	15,112,580
Utilities	316,949	193,344	955,596	1,455,889	103,284	--	356,493	459,777
Telephone	25,614	5,880	--	31,494	29,996	--	44,355	74,351
Travel air fare	--	189,480	--	189,480	282,121	--	154,616	436,737
Other benefits	273,817	765,534	176,224	1,215,575	275,885	--	278,500	554,385
	-----	-----	-----	-----	-----	-----	-----	-----
<b>Rupees</b>	2,886,900	2,837,278	14,571,616	20,295,794	2,685,811	--	13,952,019	16,637,830
	=====	=====	=====	=====	=====	=====	=====	=====

In addition to above remuneration the Chief Executive, Director and one Executive have been provided ,;with free furnished accommodation and Company maintained car. Company's owned cars are also provided to three Executives of the Company.

## 16. PROVISION FOR TAXATION

The Company does not anticipate any tax liability due to the tax losses brought forward from previous years. The profit of other classes of business will be net-off with the results of the Life Business in the current year for the purpose of determining the tax liability. The actuarial valuation have been submitted to the Department of income tax and the assessment orders from 1996-97 to 1998-99 are expected to be received shortly.

## 17. OTHER INCOME - Net

	1999 <i>Rupees</i>	1998 <i>Rupees</i>
Mark-up on staff loans and others	261,905	127,686
Profit/(Loss) on Sale of Fixed Assets	500,000	490,681
Other	327,973	266,321
	-----	-----
	1,089,878	884,688
	=====	=====

## 18. TRANSACTION WITH ASSOCIATED UNDERTAKINGS

Reimbursable expenses incurred on behalf of an associated undertaking	416,895	121,200
	=====	=====
Premium expense incurred against insurance cover obtained	1,407,172	737,199
	=====	=====

## 19. GENERAL

19.1 Figures have been rounded off to the nearest rupee.

19.2 Prior year's figures have been re-arranged, wherever necessary, for the purpose of comparison.

**ARIF SULTAN MUFTI**  
CHAIRMAN AND CHIEF EXECUTIVE

**SAIYID SAEED AKHTAR**  
DIRECTOR

**E.A. NOMANI**  
DIRECTOR

## CLASSIFIED SUMMARY OF THE ASSETS IN PAKISTAN AS AT 31 DECEMBER, 1999 FORM AA

<b>SR. NO.</b>	<b>CLASS OF ASSETS</b>	<b>COST OR</b>	<b>MARKET</b>	<b>REMARKS</b>
		<b>BOOK VALUE</b>	<b>VALUE</b>	
		<b>RS.</b>	<b>RS.</b>	
1.	Federal Investment Bond	24,400,000	24,400,000	
2.	Pakistan Government Securities	--	--	
3.	Term Finance Certificate	8,261,523	8,261,523	Book Value
4.	Certificate of Investment	3,000,000	3,000,000	
5.	Defence Saving Certificates	123,000,000	123,000,000	
6.	Special Saving Certificates	35,000,000	35,000,000	
7.	Monthly Income Certificates	27,000,000	27,000,000	
		-----	-----	
		220,661,523		
8.	Cash on Deposit with banks in Pakistan	36,941,109	36,941,109	Book Value
9.	Cash in hand and on Current Account with banks in Pakistan	228,512	228,512	Book Value
10.	Interest, Dividend and Rent outstanding	31,461,888	31,461,888	Book Value
11.	Leasehold Improvements, Furniture and Fixtures, Office equipments, Computers and Vehicles	23,976,850	23,976,850	Book Value
12.	Other loan	23,976,850	3,366,031	Book Value
13.	Sundry Debtors, Advances, Deposits and pre payments	21,154,045	21,154,045	Book Value
		-----	-----	
		337,789,958	337,789,958	