

Union Insurance Company of Pakistan Limited

Annual Report 1999

Board of Directors

MOHAMMAD NAEEM	Director
NAVID RAFFIQ	Director
FAZAL REHMAN	Director
JAVAID MUSTAFA	Director
FIDA HUSSAIN SAMOO	Director
SYED FAYYAZ MAZHAR	Director
NISHAT RAFFIQ	President and Chief Executive

Union Insurance
Company of
Pakistan Limited
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1999

Management

NISHAT RAFFIQ	President and Chief Executive
KHURSHID ANWAR	General Manager
MUNIR HUSSAIN	Chief Accountant

Reg Office: 3rd Floor, AI-Falah Building, Shahrah-e-Quaid-e-Azam, Lahore.

Head Office: 9th Floor, Adamjee House, I. I. Chundrigar Road, Karachi.

NOTICE OF MEETING

Notice is hereby given that the 36th Annual General Meeting' will be held at 3rd Floor AI-Falah Building the Mall Lahore on 30th June 2000 at 11 A.M. to consider the Following Agenda :-

1. To confirm the Minutes of the last Meeting.
2. To receive and adopt the Directors report and Audited Accounts for the year ended 31st December 1999.
3. To appoint Auditors for the year 2000 and fix their remuneration.
4. To elect seven Directors including chief Executive for a period of three years in accordance with Section 178 of the Companies Ordinance 1984. The Directors have fixed the number of Directors of to be elected at Seven under section 178 (1).
 - i) The retiring Directors are Messrs. Mohammad Naeem, Navid Raffiq, Fazal Rehman, Javaid Mustafa, Fida Hussain Samoo, Syed Fayyaz Mazhar and Nishat Raffiq.

Any Person who seeks to contest election shall file with the Company at '~ Registered office a notice of his intention to offer himself for election. Such notice must be filed not later than 14-days-before the-date of the AGM.

SPECIAL BUSINESS

5. Resolved that Authorised capital of the Company be and is hereby .increased from-Rs. 50,000,000 to Rs. 80,000,000 divided in to 8000000 ordinary shares of Rs. 10/= each and the necessary alterations in the Memorandum and Article of Association.
6. To consider any other business with the permission of the chair.

BY ORDER OF THE BOARD
Union Insurance Company of Pakistan Limited.

NOTE :-

- a) The share transfer books of the Company will remain closed from 21st June, 2000 to 30th June 2000 (both days inclusive) .
- b) Member unable to attend the General Meeting may. send proxy form duly stamped and attested to the Company, so as to reach the Company's ~ not later than 48 hours before the Meeting.
- c) A statement under section 160 (1) (b) of the Companies-Ordinance, 1984 showing-material facts in respect of special business is attached with the notice.
- d) Share holders are requested to notify any change in address.

DIRECTORS' REPORT TO THE SHARE HOLDERS

Your Directors are pleased to present to the members the 36th Report together with audited accounts of the Company for the year ended on 31st December' 1999.

We are closing the year under report once again in a situation where the circumstances which made the working of the company unviable continue unabated. However, determined efforts are being .made to remove the impediments and to bring back the company on the path of progress.

SHARE CAPITAL:

The paid-up capital of the company is being raised to Rs. 49.56 Millions from Rs. 27.56 Millions in the years 2000 by issuance of Right shares and the issue is in the process of completion.

Your Directors have also decided to increase the Authorised capital from Rs. 50.00 Millions to Rs. 80.00 Millions.

The class wise operational results are given below:-

FIRE DEPARTMENT:

This Department produced a net premium income of Rs. 2,707,660/- as against Rs. 1,975,852/- in the preceding year. The incurred claims have however, reduced to Rs. 314,677/- as compared to Rs. 607,772/-.

MARINE DEPARTMENT:

This Department earned a net premium income of Rs. 374,929/- as against Rs. 1,019,506/- in the preceding year. The incurred claims have however, reduced to Rs. 66,821/- as compared to Rs. 172,807/- in the preceding year.

MOTOR AND MISCELLANEOUS DEPARTMENT:

This Department earned a net premium income of Rs. 1,858,272/- as compared to Rs. 1,324,200/- in the preceding year. The incurred claims have increased to Rs. 483,362/- as compared to Rs. 284,830/- in the year 1998.

AUDITORS:

M/s. Gangat & Company Chartered Accountants retire and being eligible have offered themselves for re-appointment.

ACKNOWLEDGMENT:

Your Directors are thankful to the Controller of Insurance, State Bank of .Pakistan, Securities and Exchange Commission of Pakistan, Pakistan Insurance Corporation, Our Re-Insurers abroad M/s. EUROPARE, M/s. ASIAN RE, M/S BIMEH IRAN, brokers M/s. PANA HARRISON RE-IN-SURANCE BROKER PTE LTD. Singapore & M/s. CAMERON RICHARD & SMITH INSURANCE SERVICES LTD, LONDON for their continued support and advices in respect of our re-insurance requirements.

Your Directors wish to record their appreciation of the loyal services of the officers, staff and field force of your company during the year under report.

Our thanks are also due to our esteemed clients for their continued confidence reposed by them in the Company.

For and on behalf of the
Board of Directors

NISHAT RAFFIQ
Chief Executive

Karachi Dated : 6th June, 2000.

Auditors' Report to the Members

We have audited the annexed. Balance Sheet of UNION. INSURANCE COMPANY-OF PAKISTAN. LIMITED as at December 31, 1999 and the related Fire, Marine, Motor and Miscellaneous Revenue ,Account, the Profit and loss Account, and the Profit and Loss Appropriation Account and the 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. there of, we report that :

a) In our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

b) In our opinion :

i) the Balance Sheet, the Revenue Accounts, the Profit and Loss Account and the Profit and Loss Appropriation Account have been drawn up in conformity with ~ Insurance Act, 1938, and are in agreement with the books of account and are further in accordance with accounting policies. consistently applied;

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

iii) the business conducted,. investments made and the 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, the Balance Sheet, Revenue Accounts, Profit and loss account, Profit and Loss Appropriation Account and the Cash Flow Statement, together with the notes forming part there of, 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 December 31, 1999 and of the loss and the Cash flow Statement for the year then ended; and

d) In our opinion, no Zakat was deductible at source under the Zakat and ushr Ordinance, 1980.

We further state that :

a) we have verified cash, stamps and bank balances of the Company and all securities relating to the company's investments by actual inspection or by the production of certificates;

b) as per section 40C(2) of the Insurance Act 1938 we certify that to the best of our knowledge and belief and subject to the contents of note 6, all the expenses of management and all charges incurred whether directly or indirectly in respect of Fire, Marine, Motor and Miscellaneous Insurance Business transacted in Pakistan have been fully debited in the respective Revenue Accounts as

c) as per regulation 11 of Part I of the Third schedule of 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.

GANGAT & CO
Chartered Accountants

Karachi Dated : 6th June, 2000

Fire Revenue Account For The Year Ended December 31, 1999

PARTICULARS	<i>1999</i> <i>Rupees</i>	<i>1998</i> <i>Rupees</i>
Claims under policies, less reinsurances Paid during the year	315,320	315,241
Estimated liability in respect of outstanding claims at the end of the year whether due or intimated	501,222	501,865
	-----	-----
	816,542	817,106
Less: Outstanding at the end of the previous year	501,865	209,334
	-----	-----
	314,677	607,772
Commission	--	265,528
Expenses of management	2,552,256	2,475,133
(Loss) transferred to Profit and Loss Account	(439,066)	(754,067)
Balance of account at the end of the year as shown in the Balance Sheet:		
Reserve for unexpired risks being 40% of the premium income of the year	1,083,064	790,341
	-----	-----
	3,510,931	3,384,707
	=====	=====
Balance of account at the beginning of the year:		
Reserve for unexpired risks	790,341	1,408,855
Premium less reinsurances	2,707,660	1,975,852
Commission	12,930	--
	-----	-----
	3,510,931	3,384,707
	=====	=====

The annexed notes form an integral part of this Revenue Account

We Certify that all expenses of management wherever incurred, whether directly or indirectly, and all charges incurred in respect of Fire Insurance business transacted by the Company in Pakistan have been fully debited in the above Revenue Account as expenses.

GANGAT & CO
Chartered Accountants

NISHAT RAFFIQ
President &
Chief Executive

JAVAID MUSTAFA
Director

FAZAL REHMAN
Director

SYED FAYYAZ MAZHAR
Director

Marine Revenue Account For The Ended December 31, 1999

PARTICULARS	<i>1999</i> <i>Rupees</i>	<i>1998</i> <i>Rupees</i>
Claims under policies, less reinsurances Paid during the year	117,203	69,014
Estimated liability in respect of outstanding claims at the end of the year whether due or		

intimated	419,133	469,515
	-----	-----
	536,336	538,529
Less: Outstanding at the end of the previous year	469,515	365,722
	-----	-----
	66,821	172,807
Commission	--	21,292
Expenses of management	179,703	784,727
Profit transferred to Profit and Loss Account	406,138	108
Balance of account at the end of the year as shown in the Balance Sheet:		
Reserve for unexpired risks being 40% of the premium income of the year	149,972	407,802
	-----	-----
	802,634	1,386,736
	=====	=====

PARTICULARS

Balance of account at the beginning of the year'

Reserve for unexpired risks	407,802	367,230
Premium less reinsurances	374,929	1,019,506
Commission	19,903	--
	-----	-----
	802,634	1,386,736
	=====	=====

The annexed notes form an integral part of this Revenue Account

We Certify that all expenses of management wherever incurred, whether directly or indirectly, and all charges incurred in respect of Marine Insurance business transacted by the Company in Pakistan have been fully debited in the above Revenue Account as expenses.

GANGAT & CO
Chartered Accountants

NISHAT RAFFIQ
President &
Chief Executive

JAVAID MUSTAFA
Director

FAZAL REHMAN
Director

SYED FAYYAZ MAZHAR
Director

Motor and Miscellaneous Revenue Account For The Year Ended December 31, 1999

PARTICULARS	1999 Rupees	1998 Rupees
Claims under policies, less reinsurances Paid during the year	645,672	243,557
Estimated liability in respect of outstanding claims at the end of the year whether due or intimated	115,080	277,390
	-----	-----
	760,752	520,947
Less: Outstanding at the end of the previous year	277,390	236,117
	-----	-----
	483,362	284,830
Commission	--	223,707
Expenses of management	1,701,804	1,440,766

(Loss') transferred to Profit and Loss Account	(478,566)	(452,513)
Balance of account at the end of the year as shown in the Balance Sheet:		

Reserve for unexpired risks being 40% of the premium income of the year	743,308	529,680
	-----	-----
	2,449,908	2,026,470
	=====	=====

Balance of account at the beginning of the year:

Reserve for unexpired risks	529,680	702,270
Premium less reinsurances	1,858,272	1,324,200
Commission	61,956	--
	-----	-----
	2,449,908	2,026,470
	=====	=====

The annexed notes form an integral part of this Revenue Account

We Certify that all expenses of management wherever incurred, whether directly or indirectly, and all charges incurred in respect of Motor and Miscellaneous Insurance business transacted by the Company in Pakistan have been fully debited in the above Revenue Account as expenses.

GANGAT & CO
Chartered Accountants

NISHAT RAFFIQ
President &
Chief Executive

JAVAID MUSTAFA
Director

FAZAL REHMAN
Director

SYED FAYYAZ MAZHAR
Director

Profit and Loss Account For The Year Ended December 31, 1999

EXPENDITURES	1999 Rupees	1998 Rupees
Expenses of management (not applicable to any particular fund or account)	283,907	426,140
· Directors' Meeting fees	4,000	5,500
Depreciation	2,414,592	2,954,234
Provision for Taxation - Current	24,704	--
- prior	52,577	--
	-----	-----
	77,281	--
	-----	-----
	2,779,780	3,385,874
	=====	=====

INCOME

Dividend and interest	182,323	275,481
Profit / (Loss) transferred from Revenue Accounts		
Fire Revenue	(439,066)	(754,067)
Marine Revenue	406,138	108
Motor and Miscellaneous Revenue	(478,566)	(452,513)
	-----	-----
Profit on sale of assets	(511,494)	(1,206,472)
Net loss for the year carried to profit & loss	3,108,951	4,420

appropriation Account		4,312,445
	-----	-----
	2,779,780	3,385,874
	=====	=====

GANGAT & CO
Chartered Accountants

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President &
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Director

FAZAL REHMAN
Director

SYED FAYYAZ MAZHAR
Director

Profit and Loss Appropriation Account For The Year Ended December 31, 1999

	<i>1999</i>	<i>1998</i>
	<i>Rupees</i>	<i>Rupees</i>
Balance brought down	3,108,951	4,312,445
Balance brought forward from the last year	7,984,238	3,671,793
	-----	-----
	11,093,189	7,984,238
	=====	=====
Balance at end of the year as shown in the balance sheet	11,093,189	7,984,238
	-----	-----
	11,093,189	7,984,238
	=====	=====

The annexed notes form an integral part of this Profit & Loss Account

GANGAT & CO
Chartered Accountants

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Director

FAZAL REHMAN
Director

SYED FAYYAZ MAZHAR
Director

Balance Sheet As At December 31, 1999

	<i>1999</i>	<i>1998</i>
	<i>Rupees</i>	<i>Rupees</i>
CAPITAL AND LIABILITIES		
SHARE CAPITAL:		
AUTHORISED		
5,000,000 (1998:3, 000,000) ordinary shares of Rs. 10/- each	50,000,000	30,000,000
	=====	=====
ISSUED SUBSCRIBED AND PAID UP		
2,653,750 ordinary shares of Rs. 10/-each issued as Fully paid Bonus Shares	26,537,500	26,537,500
	1,025,000	1,025,000
	-----	-----
	27,562,500	27,562,500
RESERVE AND CONTINGENCY ACCOUNTS .		
General Reserve	3,250,000	3,250,000
Investment fluctuation reserve	11,059	11,059
Reserve for exceptional losses	52,000	52,000
Reserve for bad and doubtful debts	140,000	140,000
Reinsurance ceded reserve	1,161,784	447,590
	-----	-----
	4,614,843	3,900,649
BALANCE OF FUNDS AND ACCOUNTS :		
Fire Insurance 'Business Account	1,083,064	790,341
Marine Insurance Business Account	149,972	407,802
Motor and Miscellaneous Insurance Business Account	743,308	529,680

	-----	-----
	1,976,344	1,727,823
LIABILITIES AND PROVISIONS:		
Estimated liability in respect of outstanding claims whether due or intimated	1,035,435	1,248,770
Amount due to other persons or bodies carrying on insurance business	1,479,700	1,862,340
Sundry creditors including outstanding and accrued expenses	1,765,899	647,746
	972,060	1,311,356
Premium deposits and agents' balances	77,281	--
Provision for taxation	26,264	26,264
Unpaid dividend	-----	-----
	5,256,639	5,098,476
	-----	-----
	39,410,326	39,287,448
	=====	=====
PROPERTY AND ASSETS		
INVESTMENTS (NOTE: 3)		
N.I.T. Units and Defence Saving Certificates		
Ordinary Shares of Companies incorporated in Pakistan	351,200	351,200
Statutory Deposit at State Bank of Pakistan	64,870	64,870
	-----	-----
	416,070	416,070
FIXED ASSETS:		
(At cost less depreciation)		
Furniture and Fixtures	2,773,144	3,040,147
Office Equipment	471,935	524,371
Motor Vehicles, Scooters and Cycles	7,996,245	9,995,306
Airconditioners	494,751	534,223
	-----	-----
	11,736,075	14,094,047
CURRENT ASSETS:		
Agents balances and outstanding premium	2,778,859	2,943,478
Amount due from other persons or bodies carrying on insurance business	1,860,545	1,303,804
Sundry debtors	1,248,317	918,122
Advances, deposits and prepayments (including staff advances)	6,589,740	5,932,050
Interest/dividend outstanding	107,575	139,290
Stock of Stationery	78,015	62,060
Interest accrued but not due on Defence Saving Certificates	95,281	59,943
	-----	-----
	12,758,332	11,358,747
CASH		
At Banks in Deposited Accounts	2,420,600	3,899,000
At Banks in Deposited Accounts	939,320	508,518
In - Hand In Transit and stamps in hand	46,739	26,827
	-----	-----
	3,406,659	4,434,345
	-----	-----
Loss	28,317,136	30,303,209
	11,093,189	7,984,238
NET ASSETS IN BANGLADESH		
	1	1
	-----	-----
	39,410,326	38,287,448

=====

The annexed notes form an integral part of this Balance Sheet

CERTIFICATE UNDER SCHEDULE 1.
REGULATION NO. 7 (a) and (b)

We Certify that:

1. The investments in stocks and shares shown in the Balance Sheet have been valued at cost and the Market value of the investments has been ascertained, wherever applicable, from published Quotation as on 31 st December, 1999
2. The value of the assets have been reviewed as at 31st December 1999 and in our belief, and subject to the value of investments, the assets set forth in the Balance Sheet are shown in the aggregate at amount not exceeding their realizable/market value under the several heading given therein.

GANGAT & CO
Chartered Accountants

NISHAT RAFFIQ
President &
Chief Executive

JAVAID MUSTAFA
Director

FAZAL REHMAN
Director

SYED FAYYAZ MAZHAR
Director

Notes to the Accounts For The Year Ended December 31, 1999

1. STATUS AND NATURE OF BUSINESS ·

The Company is incorporated in Pakistan as a public limited company and its shares are quoted on the Karachi and Lahore Stock Exchanges. The Company is engaged in providing general insurance services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES ·

2.1 ACCOUNTING CONVENTION

These accounts have been prepared in accordance with the historical cost convention.

2.2 RESERVE FOR UNEXPIRED RISKS

The company maintains its reserves for unexpired risks at the end of each year at 40 percent of the net premium income of the year.

2.3 PROVIDENT FUND

The Company operates a recognized Provident Fund Scheme for all confirmed employees and contribution to the Fund is made monthly to cover obligation under the scheme.

2.4 TAXATION

The company provides for taxation on the basis of taxable income.

2.5 RATE OF EXCHANGE

Revenue transaction in foreign currencies, if any, are converted into Pak Rupees at the established rate quoted by the State Bank of Pakistan.

2.6 INTEREST AND DIVIDEND INCOME

Interest income is recorded on accrual basis while dividend income is recognised when the right to receive is established.

2.7 FIXED ASSETS

These are stated at cost less accumulated depreciation. Depreciation has been charged at the normal rates prescribed by Income Tax Ordinance, 1979 on the diminishing

balance..-method.

Full year's depreciation is charged on addition during the year but no depreciation is charged on deletions.

2.8 INVESTMENT

Investments are carried at cost except bonus shares of listed companies which are stated at face value Profit or loss on sale of investments are accounted for in the year of disposal.

Bonus shares (on the company's investments in listed Companies) owned by the company as at the Balance sheet date are being carried in the accounts at their respective face values. These have accordingly been shown as investments in the Balance sheet with the resultant credit being shown as income in the Profit and Loss Account.

3. LONG TERM INVESTMENTS

<i>Number of shares/ Certificates</i>		<i>Paid Up/ Company's Name Face Value</i>		<i>Book Value</i>	
1999	1998	Rupees	Listed Companies	1999 (Rupees)	1998 (Rupees)
2,197	2,197	10	Pakistan National Shipping Corporation	21,970	21,970
3,290	3,290	10	Associated Industries Limited	40,720	40,720
173	173	10	Colony Sarhad textile Mills Limited	2,180	2,180
				-----	-----
				64,870	64,870
			GOVERNMENT SECURITIES		
13,000	13,000	10	N.I.T Units	180,700	180,700
			Defence Saving Certificates	170,500	170,500
				-----	-----
				351,200	351,200
				-----	-----
				416,070	416,070
				=====	=====
			Market value as on December 31.	540,988	459,058
				=====	=====

4. ASSETS IN BANGLADESH

The Company has written off its net assets in Bangladesh and retained it at a nominal value of Rs. 1.

5. CONTINGENT LIABILITIES

There is no contingent liabilities as on 31 December, 1999

6. EXPENSES OF MANAGEMENT

Expenses of management have been allocated by the directors to the values revenue accounts and to the Profit and Loss Account on a basis which appeared to be equitable.

7. AUDITOR'S REMUNERATION

Expenses of management charged to Profit and Loss Account includes, inter alia, a sum of Rs. 30,000 (1998: Rs. 30,000) being audit fee payable to the auditors of the Company. No other

remuneration is payable to the Auditors.

8. REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS

8.1 The aggregate amount charged in the accounts for the year for remuneration to the Chief Executive, Directors and Executives of the Company are as follows:-

	Chief Executive		Directors		Executives	
	1999 (Rupees)	1998 (Rupees)	1999 (Rupees)	1998 (Rupees)	1999 (Rupees)	1998 (Rupees)
Managerial Remuneration	300,000	300,000	174,000	174,000	677,500	663,000
House rent	120,000	120,000	84,000	84,000	145,900	131,400
Utilities	--	--	--	--	15,600	15,600
Conveyance	--	--	--	--	12,000	12,000
	-----	-----	-----	-----	-----	-----
Rupees	420,000	420,000	258,000	258,000	851,000	822,000
	=====	=====	=====	=====	=====	=====
No. of persons	1	1	2	2	4	4
	-----	-----	-----	-----	-----	-----

The Chief Executive, Directors and Executives have been provided free use of Company's car and utilities. The executive has also been provided with rent free accommodation.

8.2 Meeting fee paid to 4 (1998:4) directors during the year amounted to Rs. 4;000 (1998: Rs. 5,500).

9. GENERAL

9.1 Figures of the previous year have been re-arranged wherever necessary for the purpose of comparison.

9.2 Figures have been rounded off to the nearest rupee.

FORM "AA "

CLASSIFIED SUMMARY OF ASSETS IN PAKISTAN

CLASS OF ASSETS	BOOK VALUE	MARKET VALUE	REMARKS
	RUPEES	RUPEES	
Statutory deposit with State Bank of Pakistan under section 7 of the insurance Act 1938 N.I.T. Units and Defence Saving Certificates.	351,200	366,700	Market Value have been ascertained from the published quotations as on 30th Dec. 1999 and where market quotations were not available these have been shown at estimated realizable value or at cost.
Shares of Joint Stock Companies in Pakistan	64,870	174,288	
Cash on Fixed Deposit Accounts in Banks	2,420,600	2,420,600	Realizable value
Cash and Stamps in hand cash in Banks on Current Accounts and in transit	986,059	986,059	Realizable value
Agents' Balances and outstanding premium	2,778,859	2,778,859	Realizable value

Interest and dividend receivable	202,856	202,856	Realizable value
Amount due from other persons or bodies carrying on insurance business	1,860,545	1,860,545	Realizable value
Furniture Fixtures, Office Equipment and Cars	11,736,075	11,736,075	Realizable value
Sundry debtors	1,248,317	1,248,317	Realizable value
Advances Deposits and Prepayments	6,589,740	6,589,740	Realizable value
Stock of Stationery	78,015	78,015	At cost
Net assets in Bangladesh (Note No. 4)	1	1	At book value

NISHAT RAFFIQ
President &
Chief Executive

JAVOID MUSTAFA
Director

FAZAL REHMAN
Director

SYED FAYYAZ MAZHAR
Director

Cash Flow Statement For The Year Ended December 31, 1999

	1999 (Rupees)	1998 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES:		
Loss before taxation	(3,031,670)	(4,312,445)
Adjustment for:		
Depreciation	2,414,592	2,954,234
Reserve for unexpired risks	248,521	(750,532)
Profit on sale of assets	--	(4,420)
	-----	-----
	(368,557)	(2,113,163)
(Increase) / Decrease in operating assets		
Agents balances and outstanding premium	164,619	845,111
Amount due from other persons or bodies carrying on insurance business	(556,741)	(1,134,989)
Sundry debtors	(330,195)	(401,701)
Advances deposits and prepayments	(615,444)	(4,745,150)
Interest/Dividend outstanding	31,715	30,389
Stock of stationery	(15,955)	23,948
Interest accrued but not due on Defence Saving Certificate	(35,338)	(29,222)
	-----	-----
	(1,357,339)	(5,411,614)
Increase / (decrease) in operating liabilities		
Estimated liability in respect of outstanding claims whether due or intimated	(213,335)	437,597
Amount due to other persons or bodies carrying on insurance business	331,554	(1,024,841)
Sundry creditors including outstanding & accrued expenses	1,118,153	(68,362)
Premium deposits and agents' balances	(439,296)	170,913
Increase in share capital	--	16,537,500
	-----	-----
	797,076	16,052,807

Cash Generated from operation	(928,820)	8,528,030
Less: Cash outflow for:		
Taxes paid	(42,246)	(78,286)
Net Cash (outflow) / inflow from operating activities	(971,066)	8,449,744
CASH FLOW FROM INVESTING ACTIVITIES'		
Fixed capital expenditure	(56,620)	(9,363,132)
Sale proceeds of fixed assets		242,500
Net cash outflow from investing activities	(56,620)	9,120,632
Net decrease in cash & cash equivalent	(1,027,686)	(670,888)
Cash and cash equivalent at beginning of the year	4,434,345	5,105,233
	3,406,659	4,434,345

Pattern of Shareholding as at December 31, 1999

<i>No. of Shareholders</i>	<i>From</i>	<i>Size of Share holding To</i>	<i>Total Shares held</i>	
3	1	--	100	53
11	101	--	500	2955
3	501	--	1000	2499
8	1001	--	5000	15275
1	5001	--	10000	5512
2	10001	--	15000	24255
2	15001	--	20000	35892
4	20001	--	25000	90537
8	25001	--	30000	222602
3	30001	--	35000	96467
4	35001	--	40000	146333
2	45001	--	50000	98765
2	50001	--	55000	105010
3	55001	--	60000	166893
5	60001	--	65000	303185
2	65001	--	70000	135055
1	70001	--	75000	72772
4	75001	--	80000	315132
1	80001	--	85000	82737
1	85001	--	90000	88200
1	90001	--	95000	90955
1	95001	--	100000	95090
1	100001	--	105000	104737
1	105001	--	110000	106775
1	155001	--	160000	159862
1	185001	--	190000	188702
76				2756250

<i>Categories of Share holders</i>	<i>No. of Shares held</i>	<i>Percentage of Total</i>
Individuals	2695503	97.80%
Investment Companies	5622	0.20%

Insurance Companies	55125	2.00%
Joint Stock Companies	--	--
Modaraba Companies	--	--
Others	--	--
	-----	-----
	2756250	100.00%

BRANCHES

PUNJAB

1. 3rd Floor AI-Falah Building,
Post Box No. 904 Shahrah-e-Quaid-e-Azam,
Lahore.
Phone: 6302085 - 6302785

2. Room NO. 124, Abid Market,
Queens Road, Lahore.
Ph.

3. 312/1, Qadri Chamber,
5, Mcleod Road,
Lahore.
Mobile Ph. No. 0300409553.

4. P-109 Circular Road,
Faisalabad.
Phone No. 640967

5. 261/Y Qasr-e-Chaudhry
Scheme No. 3
Farid Town,
Sahiwal
Ph. No. 77247 - 53703

6. Office 7/5/1/2, Jalal Town
Opp. Govt Sutluj Boys High School
G. T. Road, Okara.
Ph. No. 522420

7. Mohd. Gulistan Plaza
Mezzanine Floor, Office No. M-4,
82-East Fazal-e-Haq Road,
Blue Area, Islamabad
Ph. No.

8. 88/D, Scheme No. 3,
Gulshan-e-Iqbal,
Rahimyarkhan.
Ph. No. (0731) 71708.

SINDH

9. Minara Road,
Sukkur,
Ph. No. 00619 - 26091

10. House No. A-1180, Akhtar Manzil,
Gharibabad,
Nawabshah
Ph. No. 4252 - 4222 - 63966

N.W.F.P.

11. No. 6, 1st Floor No. 132 & 133
Saddar Road,
Peshawar
Ph. No. 278801

12. C/O. Ahmed Clinic
Opp. National Bank of Pakistan
Hevelian Branch,
Distt. Abbottabad.
Ph. No.

13. Mohammad Zai House,
Mohallah Lal Shah,
Dera Ismail Khan.
Ph. No.: 710870