



ANNUAL REPORT  
2001



Muslim Insurance Company Ltd.

Organisation  
development  
through  
self development



Muslim Insurance Company Ltd.



## Muslim Insurance Company Limited

### **MISSION STATEMENT**

Muslim Insurance Company Limited while maintaining its Entrepreneurial Posture will stay in the forefront of innovation and technological development in the Insurance Industry in Pakistan.

Muslim Insurance Company Limited will achieve Corporate success through an unwavering commitment to provide its Policyholders high quality products and services to their ultimate satisfaction.

Muslim Insurance Company Limited will vigorously promote and safeguard the interest of its employees, shareholders, reinsurers and all other business associates.



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## COMPANY INFORMATION

### BOARD OF DIRECTORS

Chairman	Yusuf H. Shirazi
Chief Executive	S. C. Subjally
Directors	Frahim Ali Khan
	Iftikhar H. Shirazi
	Jawaid Iqbal Ahmed
	Muhammad Faruque
	Saquib H. Shirazi

### GROUP EXECUTIVE COMMITTEE

President	Aamir H. Shirazi
Members	Frahim Ali Khan
	Iftikhar H. Shirazi
	Jawaid Iqbal Ahmed
	Saquib H. Shirazi
	Saleem Ahmed
Secretary	Theresa Dias

### GROUP PERSONNEL COMMITTEE

Chairman	Yusuf H. Shirazi
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### GROUP AUDIT COMMITTEE

Chairman	Sanallah Qureshi
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## COMPANY MANAGEMENT

Chief Executive	S. C. Subjally
Chief Operating Officer	Arshad P. Rana
Senior Manager Accounts	Nasim Ahmed Khan
Senior Manager Finance	Fariq M. K. Rohilla
Senior Manager Technical	Muhammad Munir
Senior Manager Administration	Pervaiz I. Malik
Senior Manager Marketing	Muhammad Munir Qazi
Auditors	Ford, Rhodes Robson, Morrow Chartered Accountants
Legal Advisors	Mohsin Tayebaly & Co. Ch. Maqsood Advocate
Tax Advisor	Mahmood Law Associates



## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 67th Annual General Meeting of the Members of the Muslim Insurance Co Ltd will be held on Friday 26th April, 2002 at 10.30 A.M. at the Registered Office of the Company at 3-Bank Square, Lahore to transact the following business.

1. To confirm the minutes of the last AGM held on 11th June, 2001.
2. To receive consider and adopt the Directors and Auditor's Report and the Audited Accounts of the Company for the year ended 31st December, 2001.
3. To consider and approve recommendations of Directors for Cash Dividend at the rate of 10% and Stock Dividend at the rate of 10% .i.e. one Bonus Share for every ten shares held.
4. To consider and if thought fit adopt with or without modification(s) the following Ordinary Resolutions:.

### RESOLVED:-

- (i) "that a sum of Rs.8,049, 280 out of the Company's Reserves for issue of Bonus Shares be capitalized and applied in paying up in full and to issue at par 804,928 Ordinary Shares of Rs. 10/- each to be allotted as fully paid and amongst the holders of the Ordinary Shares of the Company whose names stand in the Register of Members of the Company at the close of business on 18h April, 2002 and that such new shares shall rank pari passu as regards future dividends and in all other respects with the existing Ordinary Shares of the Company."
  - (ii) "that in the event of any member holding shares which are less than the number for which one bonus share is decided to be issued or in excess by exact multiple thereof the Directors be and are hereby authorized to combine them and to sell the bonus shares so combined in stock market and to pay the proceeds of sale thereof when realised to a charitable institution approved under Section 47 (1) of the Income Tax Ordinance 1979."
  - (iii) "that for the purpose of giving effect to the foregoing the Directors be and are hereby authorized to give such directions as may be necessary and as they deem fit to settle any questions or any difficulties that may arise in the distribution of the new bonus shares and in the payment of the sale proceeds of the fractions."
5. To appoint Auditors of the Company and fix their remuneration. The retiring Audotr M/s Ford Rhodes Robson Morrow, Chartered Accountants, Lahore being eligible offer themselves for reappointment.

### Special Business

6. To approve the remuneration of the Chief Executive and working Director.
7. To approve investments made in the Term Finance Certificates of Atlas Lease Limited amounting to Rs. 10,124,020/- in 2004 TFCs @ Rs. 5,051.91 per certificate.

(See appended statement as required under section 160 (1) (b) of the Companies Ordinance, 1984, in respect of above mentioned Special Business).

**Other Business**

8. To consider any other business with the permission of the Chair.

Lahore: March 26, 2002

BY ORDER OF THE BOARD  
NASIM A. KHAN  
Senior Manager Accounts

**NOTES**

1. Share transfer books of the Company for the entitlement of Dividend and Bonus Shares will be closed from 19th April 2002 to 26th April 2002 (both days inclusive).
2. The instruments appointing a proxy must be received at registered office of the Company not later than 48 hours before the time for holding of 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 the member with the Company all such instruments of proxy shall be rendered invalid. The proxy must be member of the Company.
3. The beneficial owners of the Company through Central Depository Company entitled to attend and vote at this meeting must bring his/her NIC or Passport to prove his/her identity, in case of Proxy must enclose an attested copy of his/her NIC/passport. Representatives of corporate members should bring the usual documents required for such purpose.

**STATEMENT UNDER SECTION 160 (1) (b) OF THE COMPANIES ORDINANCE, 1984**

Statement sets out the material facts concerning the special business to be transacted at the Annual General Meeting of Muslim Insurance Co. Ltd to be held on 26th April, 2002.

Item No. 6 of Agenda - Remuneration of Chief Executive of the Company and one working Director.

According to Government regulations, it is necessary to obtain Shareholders approval for the holding of office of profit by any of the Directors as well as of their remuneration. It is, therefore, proposed to consider and if thought fit, to pass with or without modification the following as an Ordinary Resolution.

"Resolved that the Company hereby authorizes the holding of offices of profit and payments as remuneration to Mr. S.C. Subjally, Chief Executive and Mr. Frahim Ali Khan, Director an amount of Rs. 4,387,139/- and Rs. 3,735,330/- per annum respectively inclusive of allowances, perquisites and retirement benefits to which they are entitled under the terms of their employment for the year ended 31st December 2001 and for each subsequent year such increase amounts as may be determined by the Board of Directors."

Mr. S.C. Subjally the Chief Executive Officer and Mr. Frahim Ali Khan the Director, are interested in this business to the extent of the remuneration payable to them individually.

Item No. 7 of the Agenda - Purchase of Term Finance Certificates of Atlas Lease Ltd.



## Muslim Insurance Company Limited

### Investment in Associated under taking

Company invests its funds in a diversified portfolio of shares and Term Finance Certificates of quoted Companies, which have a record of paying good dividend / return and have good rating. In this respect an investment for purchase of 2004 units of Term Finance Certificates of Atlas Lease Limited an associated Company was made on the following dates:

- 964 units purchased on August 31, 2001 at the rate of Rs. 5,010 per unit
- 840 units purchased on December 27, 2001 at the rate f Rs. 5,100 per unit
- 200 units purchased on January 12, 2002 at the rate of Rs. 5,050 per unit

Total investment amounting to Rs. 10,124,020/- was made through the Brokerage House of Atlas Investment Bank Ltd at Karachi Stock Exchange Ltd. This investment is within the limit prescribed for this purpose. The mark up rate on these TFC's is 15.00% per annum which is very good. These Term Finance certificates have 'A' rating by PACRA. Share Holders approval to the aforesaid investment already made, is sought under section 208 of the Company Ordinance 1984.

The Atlas Lease Limited, which has since merged into the Atlas Investment Bank Ltd. was a Public Limited Company with paid up capital of Rs.201,334,810/-.

The directors of Muslim Insurance Co Ltd. have no interest in the above transaction except that some of the directors were also on the Board of Atlas Lease Ltd.

For the purpose stated above, it is proposed that the following resolution be passed as Special Resolution namely:-

### **RESOLVED**

"that investment of Rs.10,124,020/- in 2004 units of Term Finance Certificates of Atlas Lease Ltd., an associated company, at average price of Rs. 5,051.91 per certificate bearing mark up @ 15.00%, made variously as follows

- On August 31, 2001 of 964 units at Rs. 5,010 per unit
- On December 27, 2001 of 840 units at Rs. 5,100 per unit
- On January 12, 2002 of 200 units at Rs. 5,050 per unit

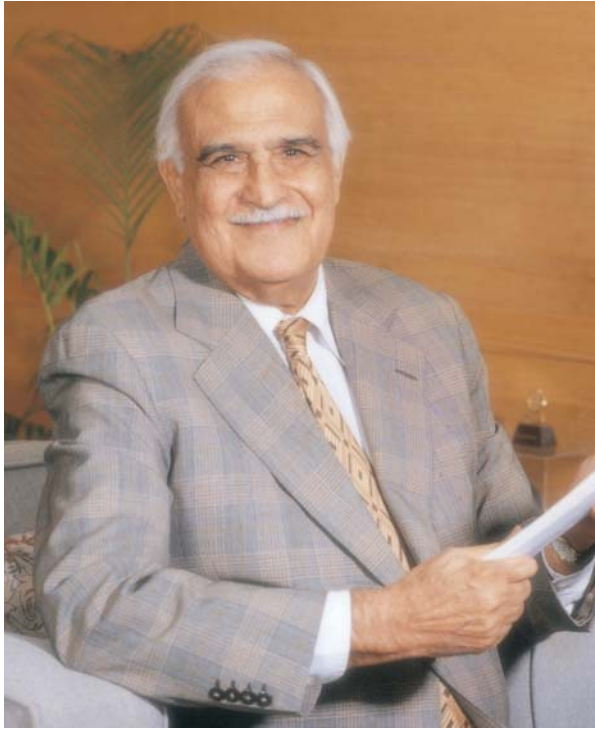
be and is hereby approved".



## FIFTEEN YEARS GROWTH AT A GLANCE

(Rupees in million)

Years	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987
Gross Premium	196.7	165.3	149.5	131.3	137.1	117.7	93.5	74.1	93.5	85.9	75.9	75.5	76.4	72.5	72.4
Net Premium	97.1	82.2	76.6	71.8	73.8	62.9	54.8	35.2	48.9	42.9	41.9	40.8	40.7	38.5	36.7
Gross Claims Paid	46.9	62.0	49.2	121.8	108.0	271.1	27.1	27.2	32.7	25.1	30.6	27.9	27.8	28.7	18.1
Net Claims Paid	16.4	18.3	19.7	17.9	15.1	17.6	11.5	10.5	12.5	10.3	12.3	11.0	9.2	8.5	7.7
Underwriting Profit	25.0	24.2	13.0	9.4	11.4	12.1	6.0	3.0	6.5	6.5	3.3	5.5	5.2	4.9	5.6
Investment Income	10.0	6.8	7.2	10.7	8.0	7.1	10.0	10.4	9.9	7.5	6.5	3.3	3.1	3.3	2.5
Profit Before Tax	27.1	23.7	17.5	13.3	15.4	16.2	13.4	11.6	13.6	11.2	7.2	6.7	6.7	6.3	5.9
Profit After Tax	18.5	14.5	12.2	11.7	18.6	10.7	7.3	7.0	9.6	7.7	5.3	5.0	5.0	4.6	4.2
Cash Dividend	8.0	-	-	-	7.5	5.7	2.9	4.0	3.2	2.6	1.9	1.3	2.4	2.0	2.5
Bonus Shares	8.0	13.4	11.1	11.1	7.5	4.8	2.9	3.3	5.4	3.6	2.0	2.0	1.8	2.0	1.0
Investment at Cost	106.3	68.6	42.2	40.5	49.4	45.3	66.0	63.3	57.5	48.9	45.4	33.5	27.8	26.5	21.4
Total Assets	218.2	181.4	160.7	138.9	154.8	143.3	127.2	112.5	112.3	89.7	78.7	70.7	62.8	58.3	57.2
Free Reserves	31.4	34.4	31.1	30.0	28.2	22.9	20.7	18.3	19.5	16.5	13.5	11.1	9.2	8.1	5.4
Paid-up Capital	80.5	67.1	55.9	44.7	37.3	32.4	29.5	26.8	21.4	17.9	15.8	13.8	12.0	10.0	10.0
Equity	111.9	101.5	87.0	74.7	65.5	55.3	50.2	45.1	40.9	34.4	29.3	24.9	21.2	18.1	15.4



## CHAIRMAN'S REVIEW

I am pleased to present to you the 67th Annual Report together with the audited accounts and the review of the performance of your company for the year ended 31 December 2001.

## THE ECONOMY

The September 11 debacle has influenced the global economic outlook with Pakistan economy taking its share of the toll. The biggest set back will come in exports declining visibly – short approximately US\$ 1.50 billion, against a target of US\$ 10 billion for the current year. The exports during the first half of the year amounted to US\$ 4.45 billion, lower than the corresponding period last year at US\$ 4.47 billion. Likewise, imports during the same period were US\$ 4.88 billion, lower 9.63%, the year's target being US\$ 11 billion with a trade deficit of US\$ 0.90 billion. The trade deficit thus during the period under review

amounted to US\$ 418 million against US\$ 922 million in the corresponding period last year.

On the other hand, major crops acreage cultivated i.e. cotton and wheat has been higher in the current year. Water problem has not been as acute as in the previous year. Cotton is estimated to be 10.5 million bales, less than last year's 10.7 million. Likewise, sugarcane output is expected at 46.5 million tons against 43.6 million tons last year. On the whole, the agriculture sector is thus likely to register positive growth as against negative growth of 2.5% last year. The growth in agriculture may further help the service sector. The large-scale manufacturing during the first half of the current year registered a growth of 2.9% against 2% of the last year's comparable period. The overall GDP growth rate for the current year was targeted at 4.2%, which under the present circumstances is expected to be around 3%.

The foreign currency reserves, however, increased to US\$ 5 billion. Since September 11, the rupee has appreciated about 6% against US dollar in the inter-bank market and 10% in the kerb market. The remittances from expatriates increased from US\$ 609.20 million last year to US\$ 982.32 million during the period under review for reasons of low return in dollar terms and insecurity of foreign deposits, as aftermath of 11 September operations including freezing of suspected, unexplained deposits, otherwise safe, earlier. The inflow of foreign investment during the first half was US\$ 207 million against US\$ 144 million for the corresponding period last year. Pakistan qualified for a US\$ 1.30 billion IMF Poverty Reduction and Growth Facility (PRGF). It also successfully negotiated debt rescheduling with Paris Club, extending the repayment period to 38 years, initially providing one billion dollar relief on foreign exchange outflow per year.

The SBP discount rate has been reduced by 5% since

August 2001. Increased foreign currency reserves, successful conclusion of Standby Arrangement with IMF, rescheduling of debt by Paris Club, a stronger rupee and a significant pickup in US Dollar remittances helped reduce the discount rate. The stock exchange index touched a level of 1930 against 1366 in June last year. This will result in improving the sluggish credit demand witnessed during the period under review.

All these factors will tend to putting economy back on track.

## THE INSURANCE INDUSTRY

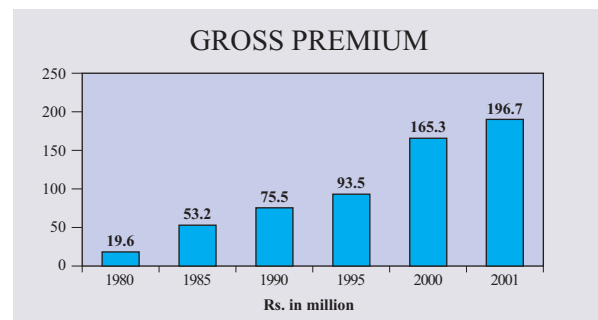
Due to September 11 debacle, the Insurance industry suffered heavy losses world wide. The International Reinsurers' attitude hardened because of heavy losses internationally and also towards Pakistani market, among others, because of close proximity to Afghanistan, a hub of anti-terrorists allies operations in addition to continuing losses for the re-insurers for some years now in Pakistan. The International Reinsurance market is in fright resulting in drastic reduction in reinsurance capacity, and tighter terms and conditions. The developing world market was thus affected very adversely by the global reinsurance policy with Pakistan, a worst sufferer.

As a result of this unprecedented tightening in the reinsurance arrangements the Pakistani insurance companies had great difficulty in getting their treaties renewed with the reliable reinsurers for the year 2002 at even much stricter terms. They have reduced coverage, lines and commission rates.

Premium figures for the year 2001 are still to be published, but the estimate is slightly over Rs.9 billion or 5% increase over 2000. The gross direct premium in the year 2000 amounted to Rs.8.72 billion as against Rs.8.35 billion in 1999. MIC's premium was Rs. 165.3 m, 10.5% increase.

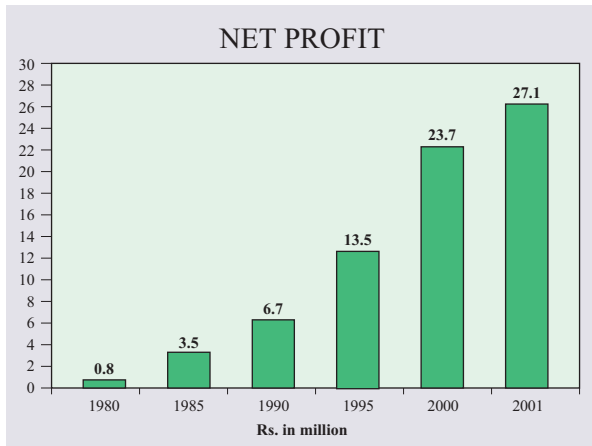
The Insurance Ordinance 2000 was promulgated in August 2000 and the revised insurance rules have just been published. Ministry of Commerce under section 172 of the Ordinance has asked Insurance Association of Pakistan to identify difficulties that would be faced by the Insurance companies in implementing these rules.

There are 35 listed companies out of which, 33 are doing general insurance business in Pakistan. The paid-up capital of these insurance companies stood at Rs.3.401 billion in 2000. Out of these, there are only 14 companies including yours with prescribed paid-up capital of Rs.80.0 million or more. After the promulgation of the new Act, smaller companies will have to increase their capital or merge or amalgamate with other companies.

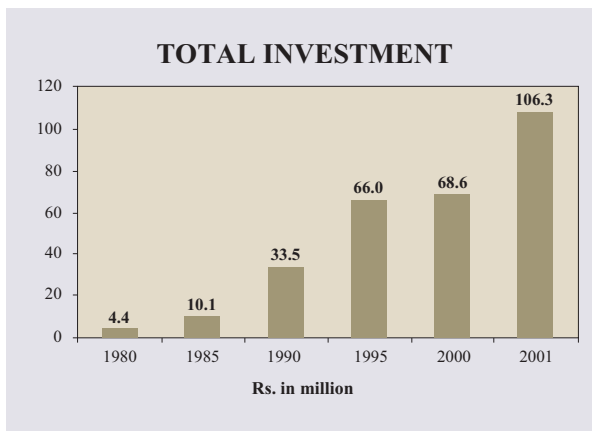


## COMPANY RESULTS

Despite several constraints, your Company did quite well during the year under review. The gross premium rose to Rs. 196.7m as against Rs. 165.3m of the previous year, up 19.00%. The net premium at Rs. 97.1m as against Rs. 82.2m of last year was up 18.1%. The underwriting profit rose to Rs. 25.0m from Rs.24.2m of the last year. Investment income was Rs. 10.0m, against last year's Rs. 6.8m. The improved underwriting profit helped to raise net profit before tax to Rs. 27.1m from Rs. 23.7m of the last year, after providing for Rs. 3.8 m. on account of diminution in the value of investment.



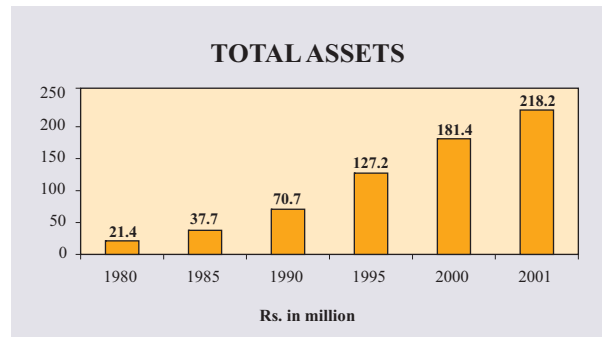
The equity has grown to Rs. 111.9m. against Rs. 2.5m. in 1980 when the Atlas Group took over the company. The investments increased to Rs. 106.3m. against Rs.68.6 m. last year.



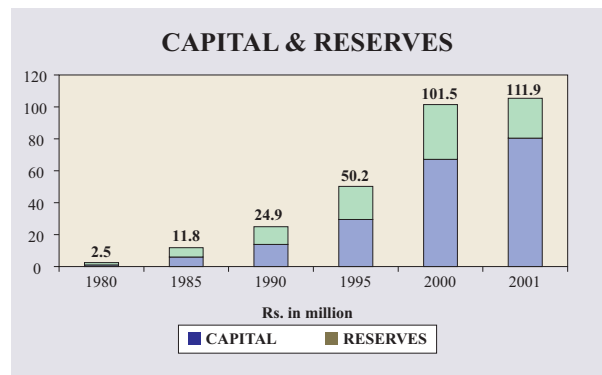
Your Company achieved a return on equity of 16.52% against last year's 14.30%, and after tax earnings per share of Rs. 2.30 against Rs. 1.80 last year. The Company contributed a sum of Rs.16.74m towards government exchequer on account of Income Tax, Central Excise duty and other government levies during the year. Given the general level of economic activity, market conditions and social order, I think the Company made a satisfactory progress during the year under review.

Your Company ranks among the top few insurance companies in respect of financial health and overall

performance with assets of Rs. 218.2 million against Rs. 21.4 m. in 1980.



As per Insurance Ordinance 2000, the insurance Companies have to raise their paid-up capital to Rs. 50million by December 2002 and further increase it to Rs. 80 million by December 2004. I am happy to inform you that your company is one of the few companies fulfilling these requirements.



## HUMAN RESOURCE AND TRAINING

The emphasis on human resource development is the hallmark of your company as of other group companies. The company continued emphasis on training and development of human resource to improve the skills and expertise of the personnel. The current number of employees stands at 165. This includes 7 MBAs, 10 post graduates and 44 graduates. 10 Associates attended training programs at technical and professional institutes, which will be a sound base for their future growth and development. A competitive and just culture is under focus.

## FUTURE OUTLOOK

Economic growth in the country is the key to the growth of insurance industry and accordingly of your company also. Your Company has maintained a steady growth year after year. Despite several constraints your Company achieved a growth of 19.00% in Underwriting Premium. We are aiming to increase it further. Pakistan economy faces challenges in the coming years too. The Government has however taken a number of steps to restore investor's confidence and put the economy back on track. Your Company will continue to focus on the quality of management, quality of service and customer satisfaction in order to maintain its position in the Insurance Industry and achieve growth higher than the industry average.

عَدَّ ذَرَانِمٌ هُوَ تَوْبِيحٌ مِثْلٌ بَرِيٍّ زَرَّخِيذِبِي سَانِي

(A little effort does wonders for the Pakistan economy)

## ACKNOWLEDGEMENT

I thank the Board of Directors, Group Executive Committee, the Chief Executive Officer Mr. S. C. Subjally and his team for their untiring efforts, dedication and sincerity of purpose. May I also add that the results obtained by your Company are because of their prudent diligent hard work. I must also express my gratitude to all reinsurers, our valued clients, banks, SECP for their continued help, support and guidance. I am also thankful to the shareholders for their continued confidence reposed in your Company.

Yusuf H. Shirazi



## DIRECTORS' REPORT

The Directors have pleasure in submitting the 67th Annual Report of the Company together with the Audited Accounts and the Auditors' Report for the year ended December 31, 2001.

	2001 Rupees	2000 Rupees
The overall Business figures are:		
Net Premium	97,091,379	82,215,425
Net Claims	19,294,024	16,844,493
Interest and other income	11,437,116	7,719,585
Net Commission	(2,692,777)	(10,903,321)
Expenses of Management-Net	55,040,035	55,067,983
Balance of Fire, Marine, Motor and Miscellaneous Accounts	38,836,551	32,886,170

### Financial Results are as follows:

Profit for the year after Tax	18,486,469	14,509,879
Add: Balance B/F from previous year	33,483	139,074
Profit available for Appropriation	18,519,952	14,648,953
Proposed Bonus Shares @ 10% (2000 @ 20%)	8,049,280	13,415,470
Proposed Dividend @ 10% (2000 Nil)	8,049,290	-
Transferred to General Reserve	2,400,000	1,200,000
Balance Carried Forward	21,382	33,483

### CHAIRMAN'S REVIEW:

The accompanying Chairman's Review deals with the performance of the Company during the year and future outlook. The Directors of the Company endorse the contents of the review.

### PATTERN OF SHAREHOLDING:

The pattern of shareholding of the Company is annexed.

### AUDITORS:

The present Auditors Messers. Ford, Rhodes, Robson, Morrow, Chartered Accountants retire and being eligible, offer themselves for reappointment.

We express our deep appreciation and thanks to our valued clients, Bankers, Reinsurers, PRCL and the SECP for the cooperation extended to us.

We also commend the dedicated services rendered by Muslim's Officers, Staff and Field Force.

FOR THE BOARD OF DIRECTORS

S.C. SUBJALLY  
Chief Executive

## AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed Balance Sheet of Muslim Insurance Company Limited as at December 31, 2001 and the related Fire, Marine, Motor and Miscellaneous Business Revenue Accounts, Profit and Loss Account, Profit and Loss Appropriation Account, Cash Flow Statement and Statement of Changes in Equity, 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 purposes of the audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Insurance Ordinance, 2000. Our responsibility is to express an opinion on these statement based on our audit.

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

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

In our opinion;

- b) the Balance Sheet, Fire, Marine, Motor and Miscellaneous Business Revenue Accounts, Profit and Loss Account, Profit and Loss Appropriation Account, Statement of Changes in Equity and Cash Flow Statement, together with the notes thereon have been drawn up in conformity with the provisions of the Insurance Ordinance, 2000, (See Note 2(a) to the accounts) and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the change in accounting policy for valuation of investments as explained in note 2 (g) with which we concur.
  - c) the expenditure incurred during the year was for the purpose of the Company's business; and
  - d) the business conducted, investments made and expenditure incurred during the year were in accordance with the objects of the Company;
2. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, Fire, Marine, Motor and Miscellaneous Business Revenue Accounts, Profit and Loss Account, Profit and Loss Appropriation Account, Cash Flow Statement and Statement of Changes in Equity, together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Insurance Ordinance, 2000 (See note 2(a) to the accounts), 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, 2001 and of the profit, changes in equity and its cash flows for the year then ended;
  3. No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.
  4. We further report that:
    - a) We have verified that cash in hand and with banks, and the company's investments, by actual inspection or by the production of certificates or other documents;
    - b) All expenses of management wherever 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 expenses;
    - c) The company has not paid to any person any commission in any form outside Pakistan and that the company has not received outside Pakistan from any person any commission in any form in respect of any business, reinsured aboard.

Without qualifying our opinion, we draw attention to Note No. 10.1 to the accounts. The company had made these investments in associated undertaking without complying with the provision of section 208 of the Companies Ordinance, 1984. However, as the company will obtain *post facto* approval, any adverse effect of the omission has not been recognised in the accounts.

## BALANCE SHEET

	Note	2001 Rupees	2000 Rupees
<b>Capital and Liabilities</b>			
Authorised 15,000,000 (2000: 15,000,000 ) ordinary shares of Rs. 10/- each		<u>150,000,000</u>	<u>150,000,000</u>
Issued, subscribed and paid-up capital 250,000 (2000: 250,000) ordinary shares of Rs. 10/- each fully paid in cash	3	2,500,000	2,500,000
7,799,285 (2000: 6,457,738) ordinary shares of Rs. 10/- each issued as fully paid bonus shares	3	<u>77,992,850</u> 80,492,850	<u>64,577,380</u> 67,077,380
<b>Reserves and Surplus</b>			
Capital Reserve	4	2,250,789	2,250,789
General Reserve	5	15,950,000	13,550,000
Reserve for Bonus Shares		8,049,280	13,415,470
Exceptional Losses Reserve		2,164,460	2,164,460
Investment Fluctuation Reserve		<u>3,000,000</u>	<u>3,000,000</u>
		31,414,529	34,380,719
Profit and Loss Appropriation Account		21,382	33,483
		<u>31,435,911</u>	<u>34,414,202</u>
		111,928,761	101,491,582
<b>Balance of Funds and Accounts</b>			
Fire Insurance Business Account		9,295,727	8,170,317
Marine Insurance Business Account		21,212,300	14,454,779
Motor Insurance Business Account		7,052,594	8,126,731
Miscellaneous Insurance Business Account		<u>1,275,930</u>	<u>2,134,343</u>
		38,836,551	32,886,170
		150,765,312	134,377,752
<b>Long Term Liabilities</b>			
Obligation under finance lease	6	2,384,638	-
<b>Liabilities and Provisions</b>			
Estimated liability in respect of outstanding claims whether due or intimated	7	7,438,779	4,588,869
Amounts due to other persons or bodies carrying on insurance business	8	31,942,829	18,042,497
Sundry creditors (including outstanding and accruing expenses)		6,341,992	13,113,493
Current portion of obligation under finance lease	6	532,342	-
Premium received in advance and deposits		96,365	40,826
Provision for Taxation less payments		8,340,003	8,957,122
Deposits against Performance Bonds		1,391,044	1,391,044
Proposed Dividend		8,049,290	-
Un-claimed Dividend		<u>939,911</u>	<u>939,911</u>
		65,072,555	47,073,762
<b>Contingencies and Commitments</b>	9	-	-
		<u>218,222,505</u>	<u>181,451,514</u>

This Balance Sheet should be read in conjunction  
with the annexed notes.  
As per our report annexed.

Lahore: March 26, 2002

**Ford Rhodes Robson Morrow**  
Chartered Accountants



**AS AT December 31, 2001**

	Note	2001 Rupees	2000 Rupees
<b>Property and Assets</b>			
<b>Investments at Book Value</b>			
Deposits with State Bank of Pakistan - National Investment Trust Units		350,000	350,000
Cash		151	151
		<u>350,151</u>	<u>350,151</u>
Ordinary shares, TFCs and Bonds of concerns incorporated in Pakistan	10	105,953,622	68,269,445
		<u>106,303,773</u>	<u>68,619,596</u>
Deferred Cost	11	5,09,558	-
<b>Current Assets</b>			
Agents' Balances and outstanding premium	8	13,297,219	16,863,548
Dividend and interest outstanding		2,687,087	4,135,304
Dividend and interest accruing but not due		1,510,783	48,581
Amounts due from other persons or bodies carrying on insurance business	8	56,898,324	60,337,198
Advances, Deposits and Prepayments		6,608,534	6,270,473
Cash and bank balances	12	16,267,534	13,036,871
		<u>97,269,448</u>	<u>100,691,975</u>
Administrative Fixed Assets	13	14,139,726	12,139,943
		<u>218,222,505</u>	<u>181,451,514</u>

Certificate of the Directors and Principal Officer required under regulation 7 (a) and (b) Part-1 of the First Schedule of Insurance Act, 1938 (repealed). Subject to the annexed notes on the accounts, we certify that:

1. The Investments shown in the Balance Sheet have been valued as indicated therein at cost or at book value.

The market value of investments has been ascertained from last published market reports and official quotations of December 31, 2001 and where official quotations were not available these have been valued at cost, at book value or at face value or break up value.

2. The value of all the assets have been reviewed as at December 31, 2001 and in our belief the assets set forth in the balance sheet are shown in the aggregate at amounts not exceeding their realisable or market values under the several headings given therein.

S. C. Subjally  
Chief Executive

Iftikhar H. Shirazi  
Director

Yusuf H. Shirazi  
Chairman

**PROFIT AND LOSS ACCOUNT**

	Note	2001 Rupees	2000 Rupees
Provision for taxation - Current year	14	8,221,080	6,945,786
Expenses of Management (Not applicable to any particular fund or account)		3,764,756	3,801,161
Directors' fee		2,000	2,000
Donation	15	201,050	150,000
Zakat		66,999	67,263
Depreciation			
Furniture, fixture and office equipment	13.2	491,651	430,253
Motor vehicles	13.2	738,729	306,809
Building	13.2	242,218	247,874
		1,472,598	984,936
Mark-up on loan		-	225,619
Provision for diminution in value of investments		3,850,363	2,923,000
Profit for the year carried to Profit and Loss Appropriation Account		18,486,469	14,509,879
		<u>36,065,315</u>	<u>29,609,644</u>
Earning per share - Basic	16	<u>2.30</u>	<u>1.80</u>

**PROFIT AND LOSS APPROPRIATION ACCOUNT**

Proposed Dividend	8,049,290	-
Transferred to Reserve for Bonus Shares	8,049,280	13,415,470
Transferred to General Reserve	2,400,000	1,200,000
Balance carried to Balance Sheet	21,382	33,483
	<u>18,519,952</u>	<u>14,648,953</u>

**FOR THE YEAR ENDED DECEMBER 31, 2001**

	Note	2001 Rupees	2000 Rupees
Dividends and profit on investment		9,561,846	6,964,286
Less: Income tax thereon		<u>378,920</u>	<u>2,298,214</u>
		9,182,926	4,666,072
Profit/(Loss) transferred from -			
Fire Insurance Business Revenue Account		3,630,006	11,161,656
Marine Insurance Business Revenue Account		20,825,665	11,810,278
Motor Insurance Business Revenue Account		2,125,813	(32,683)
Miscellaneous Insurance Business Revenue Account		(1,574,365)	1,248,392
		25,007,119	24,187,643
Profit on sale of fixed assets	17	813,018	74,926
Profit / (Loss) on sale of investments		470,450	(150,338)
Miscellaneous Income		<u>591,802</u>	<u>831,341</u>
		<u>36,065,315</u>	<u>29,609,644</u>

**FOR THE YEAR ENDED DECEMBER 31, 2001**

Balance brought forward from previous year		33,483	139,074
Profit for the year brought down from			
Profit and Loss Account		<u>18,486,469</u>	<u>14,509,879</u>
		<u>18,519,952</u>	<u>14,648,953</u>

S. C. Subjally  
Chief Executive

Iftikhar H. Shirazi  
Director

Yusuf H. Shirazi  
Chairman



# Muslim Insurance Company Limited

## CONSOLIDATED REVENUE ACCOUNT

	2001 Rupees	2000 Rupees
Claims under policies, less reinsurances:		
Paid during the year	16,444,114	18,282,849
Estimated liability in respect of outstanding claims at the end of the year whether due or intimated	7,438,779	4,588,869
	<u>23,882,893</u>	<u>22,871,718</u>
Less: Outstanding at the end of the previous year	4,588,869	6,027,225
	<u>19,294,024</u>	<u>16,844,493</u>
Commission	(2,692,777)	(10,903,321)
Expenses of Management (less administrative surcharge)	49,532,632	49,837,004
Profit transferred to Profit and Loss Account	25,007,119	24,187,643
Balance of account at the end of the year -		
Reserve for unexpired risks being 40% of the premium income of the year	38,836,551	32,886,170
	<u>129,977,549</u>	<u>112,851,989</u>

Lahore: March 26, 2002

Ford Rhodes Robson Morrow  
Chartered Accountants

**FOR THE YEAR ENDED DECMEBER 31, 2001**

	2001 Rupees	2000 Rupees
Balance of account at the beginning of the year		
Reserve for unexpired risks	32,886,170	30,636,564
Premiums less Reinsurances	97,091,379	82,215,425
	<u>129,977,549</u>	<u>112,851,989</u>

S. C. Subjally  
Chief Executive

Iftikhar H. Shirazi  
Director

Yusuf H. Shirazi  
Chairman



## Muslim Insurance Company Limited

### FIRE INSURANCE BUSINESS REVENUE ACCOUNT

	2001 Rupees	2000 Rupees
Claims under policies, less reinsurances:		
Paid during the year	2,012,617	3,696,745
Estimated liability in respect of outstanding claims at the end of the year whether due or intimated	1,362,249	848,354
	<u>3,374,866</u>	<u>4,545,099</u>
Less: Outstanding at the end of the previous year	848,354	2,413,864
	<u>2,526,512</u>	<u>2,131,235</u>
Commission	1,160,857	(7,429,897)
Expenses of Management (less administrative surcharge)	14,796,533	17,039,557
Profit transferred to Profit and Loss Account	3,630,006	11,161,656
Balance of account at the end of the year -		
Reserve for unexpired risks being 40% of the premium income of the year	9,295,727	8,170,317
	<u>31,409,635</u>	<u>31,072,868</u>

As per our report annexed.

Lahore: March 26, 2002

Ford Rhodes Robson Morrow  
Chartered Accountants

**FOR THE YEAR ENDED DECMEBER 31, 2001**

	2001 Rupees	2000 Rupees
Balance of account at the beginning of the year - Reserve for unexpired risks	8,170,317	10,647,076
Premiums less Reinsurances	23,239,318	20,425,792
	<u>31,409,635</u>	<u>31,072,868</u>

As per section 40 C (2) of the Insurance Act, 1938 (repealed), we certify that all expenses of management, wherever incurred, whether directly or indirectly, and all charges incurred in respect of Fire Insurance Business have been fully debited in the above Revenue Account as expenses.

S. C. Subjally  
Chief Executive

Iftikhar H. Shirazi  
Director

Yusuf H. Shirazi  
Chairman



# Muslim Insurance Company Limited

## MARINE INSURANCE BUSINESS REVENUE ACCOUNT

	2001 Rupees	2000 Rupees
Claims under policies, less reinsurances:		
Paid during the year	3,864,233	2,603,361
Estimated liability in respect of outstanding claims at the end of the year whether due or intimated	1,497,168	1,415,544
	<u>5,361,401</u>	<u>4,018,905</u>
Less: Outstanding at the end of the previous year	1,415,544	1,315,318
	<u>3,945,857</u>	<u>2,703,587</u>
Commission	(4,420,090)	(4,666,772)
Expenses of Management (less administrative surcharge)	25,921,798	23,241,160
Profit transferred to Profit and Loss Account	20,825,665	11,810,278
Balance of account at the end of the year - Reserve for unexpired risks being 40% of the premium income of the year	21,212,300	14,454,779
	<u>67,485,530</u>	<u>47,543,032</u>

As per our report annexed.

Lahore: March 26, 2002

Ford Rhodes Robson Morrow  
Chartered Accountants



**FOR THE YEAR ENDED DECMEBER 31, 2001**

	2001 Rupees	2000 Rupees
Balance of account at the beginning of the year		
Reserve for unexpired risks	14,454,779	11,406,084
Premiums less Reinsurances	53,030,751	36,136,948
	67,485,530	47,543,032

As per section 40 C (2) of the Insurance Act, 1938 (repealed), we certify that all expenses of management, wherever incurred, whether directly or indirectly, and all charges incurred in respect of Fire Insurance Business have been fully debited in the above Revenue Account as expenses.

S. C. Subjally  
Chief Executive

Iftikhar H. Shirazi  
Director

Yusuf H. Shirazi  
Chairman

**MOTOR AND MISCELLANEOUS INSURANCE  
BUSINESS REVENUE ACCOUNT**

	Motor Rupees	Miscella- neous Rupees	Total 2001 Rupees	Total 2000 Rupees
Claims under policies, less reinsurances:				
Paid during the year	8,644,573	1,922,691	10,567,264	11,982,743
Estimated liability in respect of outstanding claims at the end of the year whether due or intimated	2,647,381	1,931,981	4,579,362	2,324,971
	11,291,954	3,854,672	15,146,626	14,307,714
Less: Outstanding at the end of the previous year	1,857,072	467,899	2,324,971	2,298,043
	9,434,882	3,386,773	12,821,655	12,009,671
Commission	281,499	284,957	566,456	1,193,348
Expenses of Management (less administrative surcharge)	6,863,427	1,950,874	8,814,301	9,556,287
Balance of Account at the end of the year				
Reserve for unexpired risks being 40% of premium income of the year	7,052,594	1,275,930	8,328,524	10,261,074
	<u>23,632,402</u>	<u>6,898,534</u>	<u>30,530,936</u>	<u>33,020,380</u>

As per our report annexed.

**FOR THE YEAR ENDED DECMEBER 31, 2001**

	Motor Rupees	Miscella- neous Rupees	Total 2001 Rupees	Total 2000 Rupees
Balance of account at the beginning of the year				
Reserve for unexpired risks	8,126,731	2,134,343	10,261,074	8,583,404
Premiums less reinsurances	17,631,484	3,189,826	20,821,310	25,652,685
Loss/(Profit) transferred to Profit & Loss Account	(2,125,813)	1,574,365	(551,448)	(1,215,709)
	<u>23,632,402</u>	<u>6,898,534</u>	<u>30,530,936</u>	<u>33,020,380</u>

As per section 40 C (2) of the Insurance Act, 1938 (repealed), we certify that all expenses of management, wherever incurred, whether directly or indirectly, and all charges incurred in respect of Fire Insurance Business have been fully debited in the above Revenue Account as expenses.

S. C. Subjally  
Chief Executive

Iftikhar H. Shirazi  
Director

Yusuf H. Shirazi  
Chairman

## CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2001

	2001 Rupees	2000 Rupees
<b>Cash flow from operating activities</b>		
Net profit before taxation	27,086,469	23,753,879
Adjustment for:		
Depreciation	1,472,598	984,936
Investment Income	(9,561,846)	(6,964,286)
Interest Expense	-	225,619
Provision for gratuity	202,658	278,802
(Profit)/Loss on disposal of fixed assets	(813,018)	(74,926)
(Profit)/Loss on sale of investments	(470,450)	150,338
Amortization of Deferred cost	254,778	-
Increase in reserve for unexpired risks	5,950,381	2,249,606
Provision for permanent diminution in value of investment	3,850,363	2,923,000
	<u>885,464</u>	<u>(226,911)</u>
<b>Operating profit before working capital changes</b>	27,971,933	23,526,968
(Increase)/Decrease in operating assets:		
Agents' Balances and outstanding premium	3,566,329	(5,485,209)
Amounts due from other persons or bodies	3,438,874	(8,160,385)
carrying on insurance business	(2,058,468)	323,023
Advances, Deposits and Prepayments	<u>3,328,360</u>	<u>(13,322,571)</u>
<b>Increase/(Decrease) in operating liabilities:</b>		
Outstanding Claims	2,849,910	(1,438,356)
Amounts due to other persons or bodies	13,900,332	323,517
carrying on insurance business	(6,895,636)	1,112,351
Sundry creditors	55,539	(40,859)
Premium received in advance and deposits	-	(254,665)
Deposits against Performance Bonds	<u>9,910,145</u>	<u>(298,012)</u>
<b>Cash generated from operations</b>	44,549,220	9,906,385
Gratuity Paid	(78,522)	(397,091)
Income tax paid	(9,217,119)	(4,918,796)
Interest paid	-	(225,619)
	<u>35,253,579</u>	<u>4,364,879</u>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets	(1,328,716)	(2,092,328)
Deferred Cost	(764,336)	-
Sale proceeds of fixed assets	1,780,537	590,452
Purchase of investments	(42,205,337)	(29,553,363)
Sale proceeds of investments	1,141,250	139,914
Interest received	470,573	1,097,148
Dividend received	9,077,285	4,663,171
<b>Net cash used in investing activities</b>	(31,828,545)	(25,155,006)
<b>Cash flow from financing activities</b>		
Repayment of Lease finance	(194,404)	-
<b>Net cash used in financing activities</b>	(194,404)	-
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	3,230,630	(20,790,127)
<b>Cash and cash equivalents at the beginning of the year</b>	13,036,871	33,826,998
<b>Cash and cash equivalents at the end of the year</b>	<u>16,267,501</u>	<u>13,036,871</u>

S. C. Subjally  
Chief Executive

Iftikhar H. Shirazi  
Director

Yusuf H. Shirazi  
Chairman

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2001

	Share Capital	Capital Reserve	General Reserve	Reserve for Bonus Share	Exceptional Losses Reserve	Investment Fluctuation Reserve	Unappropriated Profit	Total
( R u p e e s )								
Balance as on 01-01-2000	55,897,820	2,250,789	12,350,000	11,179,560	2,164,460	3,000,000	139,074	86,981,703
Reserve for Bonus share	11,179,560	-	-	(11,179,560)	-	-	-	-
Net Profit for the year	-	-	-	-	-	-	14,509,879	14,509,879
Transfer to reserves	-	-	1,200,000	13,415,470	-	-	(14,615,470)	-
Balance as on 01-01-2001	67,077,380	2,250,789	13,550,000	13,415,470	2,164,460	3,000,000	33,483	101,491,582
Reserve for bonus share	13,415,470	-	-	(13,415,470)	-	-	-	-
Net profit for the year	-	-	-	-	-	-	18,486,469	18,486,469
Transfer to reserves	-	-	2,400,000	8,049,280	-	-	(10,449,280)	-
Proposed Dividend	-	-	-	-	-	-	(8,049,290)	(8,049,290)
Balance as on 31-12-2001	80,492,850	2,250,789	15,950,000	8,049,280	2,164,460	3,000,000	21,382	111,928,761

S. C. Subjally  
Chief Executive

Iftikhar H. Shirazi  
Director

Yusuf H. Shirazi  
Chairman



**FORM AA**

**CLASSIFIED SUMMARY OF ASSETS IN PAKISTAN**

AS AT DECEMBER 31, 2001

S.No.	Class of Assets	Book Value Rupees	Market Value Rupees	Remarks
1.	NIT Units Deposited with State Bank of Pakistan.	350,000	350,000	As per published quotation
2.	Shares and other investments of Companies incorporated in Pakistan (including NIT Units)	105,953,622	105,953,622	Realisable value as per valuation report (dated March 22, 1984) of Licenced Architect.
3.	Freehold Land	1,168,000	2,336,000	
4.	Building on Freehold Land	4,602,143	7,767,264	- do -
5.	Cash on deposits in Banks	8,461,424	8,461,424	At realisable Value
6.	Cash in hand, on Current Account with the Banks and in transit	7,803,955	7,803,955	- do -
7.	Agents' Balances and outstanding premiums	13,297,219	13,297,219	- do -
8.	Outstanding and Accrued interest	4,197,870	4,197,870	- do -
9.	Amount due from other persons or bodies carrying on insurance business	56,898,324	56,898,324	- do -
10.	Advances, Deposits and Prepayments	6,608,534	6,608,534	- do -
11.	Furniture, Office Equipment and Vehicles	8,369,583	8,369,583	- do -

Provision for the permanent diminution in value amounting to Rs.6.773(M) (2000: Rs. 2.923(M) has ben made on shares of companies incorporated in Pakistan (including NIT units)

S. C. Subjally  
Chief Executive

Iftikhar H. Shirazi  
Director

Yusuf H. Shirazi  
Chairman

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2001

### 1. STATUS AND NATURE OF BUSINESS

Muslim Insurance Company Limited was incorporated as a public limited company on September 06, 1935 and is quoted on Lahore and Karachi stock exchanges. The company is engaged in general insurance business. The registered office of the company is situated in Lahore.

### 2. ACCOUNTING POLICIES

#### a) Basis of preparation

These accounts have been prepared in accordance with the requirements of the Insurance Ordinance, 2000 and International Accounting Standards applicable in Pakistan. However, in the absence of a specific format under the Ordinance, these accounts have been prepared in the format prescribed in the Schedules to the repealed Insurance Act, 1938.

#### b) Basis of Accounting

These accounts have been prepared under the historical cost convention.

#### c) Reserve for unexpired risks

The company maintains its reserve for unexpired risks at the end of the year at 40% of net premium income.

#### d) Estimated liability in respect of outstanding claims

The liability in respect of outstanding claims is based on certified returns of the branches and represents the estimates of the claims intimated or assessed before the end of the accounting year less anticipated recoveries, if any.

#### e) Taxation

Provision for taxation is based on taxable income at current rates of taxation after taking into account tax rebates and tax credits available, if any. Income tax on dividend and profit on investments are shown separately as deducted from such income.

#### f) Employees' retirement benefits

The Company operates a recognized funded gratuity scheme and recognized contributory provident fund covering permanent employees.

Charge for gratuity in the accounts is made with reference to last drawn basic salary of that year subject to maximum benefit of Rs.100,000.

Matching contributions are made by the company and the employees to the provident fund. Contributions made by the company to the provident fund are recognized as an expense in the profit and loss account.

#### g) Investments

Investments are stated at cost. However, provision has been made for permanent diminution in the value of investments, if any on portfolio basis. Previously it was computed on individual scrip basis

which has been changed to reflect more realistic presentation of investments. Moreover, investment fluctuation reserve has also been maintained to cover possible diminution in the value of investments.

Had the basis for the provision for permanent diminution in the value of investment been consistently applied, the value of investments as on December 31, 2001 and profit before tax for the year would have been lower by Rs.12,528,546.

## **h) Fixed assets and depreciation**

### **Company owned assets**

Fixed Assets are stated at cost less accumulated depreciation calculated on reducing balance method as per rates prescribed for Income Tax purpose (refer note no.13).

Full year's depreciation is charged in the year of acquisition whereas no depreciation is charged in the year of disposal. The company has not charged any depreciation on Motor Vehicles held for sale to Company's staff on instalment basis. Gains and losses arising as a result of disposal of assets are included in the income or expense for the current period.

### **Leased assets**

Assets held under finance lease are stated at cost less accumulated depreciation at the rates and basis applicable to company's own assets. The outstanding obligations under the lease less finance charges allocated to future periods is shown as liability. The financial charges are calculated at the interest rates implicit in the lease and are charged to the profit and loss account.

## **i) Revenue recognition**

Premium income is recognised at the time of issuance of policies.

Dividend income is recognised as and when declared. Profit/ loss on sale of investments is taken to the profit and loss account in the year of sale.

Profit on term finance certificates is recognised on time proportion basis taking account of the relevant maturity dates and the applicable mark- up in respect thereof.

Other revenue is recognised on accrual basis.

## **j) Zakat**

Zakat deductible compulsorily under Zakat and Ushr Ordinance, 1980 is accounted for in the year of deduction

## **k) Expenses of management**

Expenses of Management have been allocated to various revenue accounts and to Profit and Loss account on the basis, which appeared to be equitable.

Expenses of Management have been charged after deducting therefrom Administrative Surcharge recovered with premium.



	2001 Rupees	2000 Rupees
<b>3. SHARE CAPITAL</b>		
Issued, subscribed and paid up capital:		
Number of shares fully paid in cash		
Opening balance	250,000	250,000
Issued during the year	-	-
Closing Balance	<u>250,000</u>	<u>250,000</u>
Number of shares issued as fully paid bonus shares		
Opening balance	6,457,738	5,339,782
Issued during the year	1,341,547	1,117,956
Closing Balance	<u>7,799,285</u>	<u>6,457,738</u>

**4. CAPITAL RESERVE**

This represents the balance of bonus shares included in investments at face value, credited prior to issue of applicable Technical Releases of the ICAP. The balance is being retained against future losses in investments.

**5. GENERAL RESERVE**

Opening balance	13,550,000	12,350,000
Transferred from Profit and Loss Appropriation Account	<u>2,400,000</u>	<u>1,200,000</u>
Closing balance	<u>15,950,000</u>	<u>13,550,000</u>

**6. OBLIGATION AGAINST ASSETS SUBJECT TO FINANCE LEASE**

The average rate of interest implicit in these leases is 20 % per anum. The amount of future payments and the period in which they fall due are;

Minimum lease payments due within		
1 year	1,005,960	-
2-5 years	<u>3,012,649</u>	<u>-</u>
	4,018,609	-
Less: Future financial charges	<u>1,101,629</u>	<u>-</u>
Present value of minimum lease payments	2,916,980	-
Less: Current Portion	<u>532,342</u>	<u>-</u>
	<u>2,384,638</u>	<u>-</u>

**6.1** Minimum lease payments and their present values are grouped as follows;

	2001 Rupees		2000 Rupees	
	MLP	PV of MLP	MLP	PV of MLP
Due within one year	1,005,960	532,342	-	-
Due in 2 - 5 years	3,012,649	2,384,638	-	-
	<u>4,018,609</u>	<u>2,916,980</u>	<u>-</u>	<u>-</u>

The company has the option to purchase these assets at the end of the lease period. There are no financial restrictions in the lease agreements.

**7. ESTIMATED LIABILITIES IN RESPECT OF OUTSTANDING CLAIMS WHETHER DUE OR INTIMATED**

The outstanding claims at the close of the year have been worked out to Rs. 7,438,779 (2000: Rs.4,588,869). As a general policy of the Company being followed consistently over the years, no provision of claims where the quantum of loss is not known has been made. Similarly, where retrocession accounts have not been received from the reinsurers, provision of outstanding claims has been made of an amount equivalent to the previous year.

**8. AGENTS' BALANCES AND OUTSTANDING PREMIUM AND DUE TO / FROM CO-INSURANCE COMPANIES**

The amounts of agents' balances and outstanding premium and the balances due from and due to other persons or bodies carrying on insurance business are not confirmed. However, the same are considered by management to have been accurately stated.

**9. CONTINGENCIES AND COMMITMENTS  
CONTINGENCIES -CLAIMS NOT ACKNOWLEDGED AS DEBT**

Claim for recovery of approximately Rs. 5.7 (M) (2000 Rs. 5.7 (M)) under guarantees has been lodged but is not accepted by the Company. The suits filed in this connection by the claimant so far have been dismissed for lack of proper jurisdiction by the various courts. The Company is advised by its lawyers that since the underlying basis of such claims is untenable, the possibility of any liability arising is unlikely. However the company has provided for the net liability of the claim after reinsurance.

**Commitments**

Commitments in respect of vehicles and office equipments under operating leases amounted to Rs. 154,710 (2000:Rs. 966,415). These are payable as follows:

	2001 Rupees	2000 Rupees
Payable within one year	154,710	811,705
Payable in 2 to 5 years	-	154,710
	<u>154,710</u>	<u>966,415</u>

**10. SCHEDULE OF INVESTMENTS**

Fully paid Ordinary Shares of Concerns incorporated in Pakistan:

Number of Shares		Face Value Rs.	Company's Name	Book Value	
2000	2001			2001 Rupees	2000 Rupees
<b>QUOTED</b>					
<b>a) ASSOCIATED UNDERTAKINGS</b>					
413,868	579,415	10	Atlas Honda (Atlas Autos) Equity Held : 2.835%	7,032,729	7,032,729
141,768	141,768	10	Allwin Engineering Equity Held : 2.873%	1,549,030	1,549,030
43,118	47,429	10	Atlas Battery Ltd. Equity Held : 1.585%	220,530	220,530
154,685	179,434	10	Atlas Leasing Co. Ltd. Equity Held : 0.768%	2,830,824	2,830,824
250,000	250,000	10	Honda Atlas Cars. Equity Held : 0.595%	3,932,500	3,932,500
				<u>15,565,613</u>	<u>15,565,613</u>
<b>b) OTHERS</b>					
55,239	58,000	10	Askari Commercial Bank	685,100	685,100
282,147	321,361	10	Muslim Commercial Bank Ltd.	4,900,105	4,266,155
1,000	1,000	10	Orix Investment Bank	8,180	8,180
79,200	79,200	10	Askari Leasing	1,211,820	1,211,820
89,000	89,000	10	Nishat Mills	2,330,600	2,330,600
155,000	193,750	10	Ibrahim Fibre	2,743,550	2,743,550
5,500	5,500	10	Dadex Eternit (Asbestos)	199,288	199,288
73,941	73,941	10	Cherat Cement	2,760,135	2,760,135
10,000	10,000	10	National Refinery	228,555	228,555
206,573	237,558	10	Sui Southern Gas	3,457,780	3,457,780
4,604	45,294	10	Sui Northern Gas	348,950	-
13,000	13,000	10	Pakistan State Oil	2,317,200	2,317,200
125,000	125,000	10	Fauji Fertilizer	6,832,380	6,832,380
212,440	21,244	10	I.C.I. Pakistan	1,621,908	3,243,814
	200	10	Bankers Equity Ltd.	-	-
33,700	35,385	10	Packages Ltd.	2,163,075	2,163,075
57,000	57,000	10	Cherat Paper Sack	3,263,600	3,263,600
11,200	11,200	10	Rafhan Maize Products Co.	1,190,820	1,190,820
5,500	5,500	10	Glaxo Welcome	248,225	248,225
60,000	60,000	10	Knoll Pharmaceutical	1,453,000	1,453,000
23,400	23,400	10	Shell Pakistan	5,354,730	5,354,730
1,150	1,150	10	B.O.C. (Pak)	90,750	90,750
248,000	248,000	10	PTCL	5,956,125	5,956,125
35,000	35,000	10	F.F.C. Jordan	674,050	674,050
-	25,000	10	Engro Chemical	1,498,250	-
-	63,732	10	Pakistan Pure Terapthalic	1,621,908	-
-	34,000	10	Tri Pack Films	1,021,450	-
				<u>54,181,534</u>	<u>50,678,932</u>
Cost of investment in quoted shares				<u>69,747,147</u>	<u>66,244,545</u>

Number of Shares		Face	Company's Name	Book Value		
2000	2001	Value Rs.		2001 Rupees	2000 Rupees	
<b>UNQUOTED</b>						
50,000	50,000	10	Arabian Sea Country Club Chief Executive : Aslam Mohsin Ali Break up value of shares is nil based on audited accounts for the year ended June 30, 2001	500,000	500,000	
Cost of investment in un quoted shares				500,000	500,000	
Cost of investments in shares of concerns incorporated in Pakistan				70,247,147	66,744,545	
Less: Provision for diminution in the value of shares				5,280,735	2,095,975	
Book value of shares of concerns incorporated in Pakistan				64,966,412	64,648,570	
Term finance certificates of concerns incorporated in Pakistan:						
<b>QUOTED</b>						
a) ASSOCIATED UNDERTAKING						
-	1,804	5,000	Atlas Lease Limited	Note 10.1	9,114,020	-
b) OTHERS						
-	2,000	5,000	Pakistan PTA		10,000,000	-
-	1,000	5,000	Dewan Salman Fibre		5,010,498	-
-	1,338	5,000	Engro Chemical		6,690,000	-
-	1,000	5,000	Pak Arab Refinery		5,075,000	-
-	400	5,000	ORIX Leasing		2,022,096	-
				28,797,594	-	
Cost of investments in term finance certificates of concerns incorporated in Pakistan				37,911,614	-	
Less: Provision for diminution in the value of Term Finance Certificates				201,614	-	
Book value of term finance certificates of concerns incorporated in Pakistan				37,710,000	-	

Number of Shares		Face	Company's Name	Book Value	
2000	2001	Value Rs.		2001 Rupees	2000 Rupees
QUOTED					
Other investments in concerns incorporated in Pakistan					
180	180	-	Unit Trust of Pakistan	1,003,500	1,003,500
28,000	28,000	10	N.I.T units with SBP	350,000	350,000
260,162	273,576	10	N.I.T units with company	3,564,725	3,444,401
				3,914,725	3,794,401
Cost of Other investments in concerns incorporated in Pakistan				4,918,225	4,797,901
Less: Provision for diminution in the value of other investments in concerns incorporated in Pakistan				1,291,014	827,025
Book value of other investments in concerns incorporated in Pakistan				3,627,211	3,970,876
<b>Book value of total investments in concerns incorporated in Pakistan</b>				<b>106,303,622</b>	<b>68,619,445</b>
Aggregated cost of investments in Pakistan as on December 31				113,076,986	71,542,446
Aggregated market value of quoted investments as on 31st December				105,803,622	68,119,445

**10.1** The company had purchased these certificates during the year and inadvertently overlooked compliance with the provision of section 208 of the Companies Ordinance 1984. The company proposes to seek share-holders' approval, as envisaged in that section, in the forthcoming annual general meeting and expects that no adverse regulatory action will result.

	Note	2001 Rupees	2000 Rupees
<b>11.DEFERRED COST</b>			
License fee for software		764,336	-
Less: Amortised during the period		254,778	-
		509,558	-
<b>12.CASH AND BANK BALANCES</b>			
With investment bank	12.1	8,461,424	2,888,848
With banks - In current accounts		7,803,955	9,465,671
In hand			
- Cheques		-	681,267
- Cash		2,122	1,085
		2,122	682,352
		16,267,501	13,036,871

**12.1** This represents registered deposit certificates with one month maturity bearing mark up at the rate of 10% (2000:10-12%) per annum in an associated undertaking.

## 13. ADMINISTRATIVE FIXED ASSETS

Particulars	Cost			Depreciation			Accumulated as at December 31, 2001	Book Value as at December 31, 2001	Rate%
	As at January 01, 2001	Additions/ (Deletions) Adjustments	As at December 31, 2001	Accumulated as at January 01, 2001	Adjustment for Deletions/ Adjustment	Charge for the year			
<b>Company Owned Assets</b>									
Land	1,168,000	-	1,168,000	-	-	-	-	1,168,000	-
Building	8,364,996	134,761	8,499,757	3,655,396	-	242,218	3,897,614	4,602,143	5%
Furniture	1,775,535	(10,135)	1,765,400	1,137,916	(8,090)	63,557	1,193,383	572,017	10%
Office equipment	5,839,259	(30,348)	6,191,286	2,604,594	(12,967)	359,966	2,951,593	3,239,693	10%
Vehicle	3,650,565	(1,715,394)	2,746,751	1,260,506	(767,101)	252,709	746,114	2,000,637	20%
	20,798,355	(1,755,877)	20,371,194	8,658,412	(788,158)	918,450	8,788,704	11,582,490	
<b>Assets Subject to Finance Lease</b>									
Office Equipment	-	681,284	681,284	-	-	68,128	68,128	613,156	10%
Vehicle	-	2,430,100	2,430,100	-	-	486,020	486,020	1,944,080	20%
	-	3,111,384	3,111,384	-	-	554,148	554,148	2,557,236	
2001	20,798,355	(1,755,877)	23,482,578	8,658,412	(788,158)	1,472,598	9,342,852	14,139,726	
2000	19,402,094	(696,067)	20,798,355	7,854,019	(180,541)	984,936	8,658,412	12,139,943	

13.1 Of the total cost of Vehicles Rs. 989,800 (2000: Rs.1,162,824) represent cost of vehicles held for sale to employees of the company on instalment basis. Out of this amount Rs. 675,052 (2000: Rs.736,620) have been recovered from the employees and these are shown as Sundry creditors. No depreciation is charged on these assets by the company.

13.2 Depreciation charge for the year has been allocated as follows:

	2001 Rupees	2000 Rupees
Furniture, fixture and office equipment	491,651	430,253
Motor vehicle	738,729	306,809
Building	242,218	260,920
	<u>1,472,598</u>	<u>997,982</u>

#### 14. NUMERICAL RECONCILIATION BETWEEN EFFECTIVE RATE OF TAX WITH APPLICABLE TAX RATE

	Note	2001 Rupees	2000 Rupees
Applicable tax rate	14.1	35.00	34.65
Effect of income taxable at rate other than 35%		(9.79)	-
Effect of disallowances		6.54	4.27
Average Effective tax rate (Tax expense divided by profit before tax)		<u>31.75</u>	<u>38.92</u>

The government enacted a change in the national tax rate from 33% to 35% in the year 2001.

##### 14.1 Explanation of changes in applicable tax rate

Notional tax rate	35.00	33.00
Surcharge levied @ 5%	-	1.65
Applicable tax rate	<u>35.00</u>	<u>34.65</u>

#### 15. DONATIONS

This represents donation made to Shirazi Foundation in which Mr. Yusuf H. Shirazi, Mr. Jawaid Iqbal Ahmad, Mr. Iftikhar H. Shirazi and Mr. Frahim Ali Khan who are directors of the company are also trustees.

#### 16. EARNINGS PER SHARE:

Earnings per share are calculated by dividing the net profit for the year by the weighted average number of shares outstanding during the year:

	2001 Rupees	2000 Rupees
Profit after tax for the year (Rupees)	18,486,469	14,509,879
Weighted Average number of shares	8,049,285	8,049,285
Basic / Adjusted earnings per share	<u>2.30</u>	<u>1.80</u>

16.1 No figure of diluted earnings per share has been presented as the company has not issued any instruments which would have an impact on earnings per share when exercised.

**17. SCHEDULE OF DISPOSAL OF FIXED ASSETS AS ON DECEMBER 31, 2001**

Particulars	Cost	Accumulated Depreciation	Book Value	Sale Price	Profit/(Loss)	Mode of disposal	Particulars of Purchaser
	( R u p e e s )						
Car No. Q-2625	200,000	118,080	81,920	125,000	43,080	Tender	Mr. Abbas Mirza
Car No. Q-1920	175,000	103,320	71,680	117,000	45,320	Tender	Mr. Zubair Ahmad
Car No. AA-5179	335,000	197,784	137,216	200,000	62,784	Tender	Mr. Muhammad Mushtaq
Car No. R-0352	315,000	153,720	161,280	188,000	26,720	Tender	Mr. Abbas Mirza
Car No. Q-2304	230,000	135,792	94,208	110,000	15,792	Tender	Mr. Muhammad Rafiq
Car No. Z-3668	66,470	39,244	27,226	380,000	352,774	Tender	Mr. Syed Riaz Ahmad
Car No. AAN-961	77,900	-	77,900	319,488	241,588	Negotiation	Mr. M Asif Arif (Ex. Employee)
Motor cycle KCW-7744	28,500	19,161	9,339	21,700	12,361	Negotiation	Mr. Abu Bakar
Car No. Z-2062	187,824	-	187,824	187,824	-	Vehicle scheme	Mr. Javaid Irshad (Employee)
Motor cycle RIW-8883	67,200	-	67,200	67,200	-	Vehicle scheme	Mr. Habib ur Rehman (Employee)
Motor cycle LHY-9521	32,500	-	32,500	32,500	-	Vehicle scheme	Mr. M. Sajjad (Employee)
	<u>1,715,394</u>	<u>767,101</u>	<u>948,293</u>	<u>1,748,712</u>	<u>800,419</u>		

17.1 No assets were sold to Chief Executive, Directors, Executives or shareholders with holding of 10% or more each.

**18. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES**

Aggregate amounts charged in the accounts for the year for remuneration, including all benefits to Chief Executive, Directors and Executives of the company are as follows:

	Chief Executive		Director		Executives	
	2001	2000	2001	2000	2001	2000
	( R u p e e s )					
Managerial remuneration	2,936,214	2,983,948	2,986,455	3,388,646	12,892,006	10,207,385
Medical Reimbursement	2,612	31,855	22,837	34,112	443,136	341,653
House Rent and Utility Expenses	1,057,056	885,050	564,702	1,004,544	4,605,900	3,949,035
Retirement Benefits						
a) Provident Fund	258,391	240,682	138,036	273,265	925,469	676,166
b) Service Gratuity	-	-	-	-	250,576	182,768
Transportation provided	67,638	82,032	-	-	1,811,334	2,098,831
Club Bills	65,228	62,680	23,300	25,560	32,905	29,581
Total	<u>4,387,139</u>	<u>4,286,247</u>	<u>3,735,330</u>	<u>4,726,127</u>	<u>20,961,326</u>	<u>17,485,419</u>
Number of Persons	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>33</u>	<u>30</u>

18.1 Fees paid to 2 non-executive Directors for attending meetings during the year Rs. 2,000 (2000: 2 Directors Rs. 2,000).



	Note	2001 Rupees	2000 Rupees
<b>19.AUDITORS' REMUNERATION</b>			
Audit Fee		40,000	40,000
Accountancy and Consultancy		80,000	80,000
Audit of Provident Fund, Gratuity Fund and Special Certification Fee		70,000	70,000
Expenses reimbursed		20,000	20,000
		<u>210,000</u>	<u>210,000</u>
<b>20.TRANSACTIONS WITH ASSOCIATED COMPANIES</b>			
1 Premium Underwritten		105,730,386	90,132,912
2 Premium Collected		113,626,802	91,989,142
3 Claims Paid		8,059,168	13,168,955
4 Commission Paid		11,761,197	12,778,825
5 Lease Rentals		1,207,616	2,165,026
6 Rent Paid		227,384	253,887
7 Rent Received		304,128	304,128
8 Interest Received		531,003	852,253
9 Mark up Paid		-	225,619
10 Dividend Received		2,155,472	1,435,531
11 Fixed Deposits		8,461,424	2,888,848
12 Shares Purchased		-	3,932,500
13 TFCs Purchased		9,114,020	-
14 Brokerage Paid for Purchase of shares		27,500	224,940
15 Brokerage Paid for Sale of shares		8,000	1,384
<b>21.CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	12	<u>16,267,501</u>	<u>13,036,871</u>
<b>22.NUMBER OF EMPLOYEES</b>			
Number of employees as at December 31		<u>165</u>	<u>181</u>

### 23. SEGMENT REPORTING

The Company has three primary business segments for reporting purposes namely fire, marine, motor and miscellaneous.

Assets and liabilities, wherever possible, have been assigned to the following segments based on specific identification or allocated on the basis of gross premium earned by the segments.

	FIRE		MARINE		MOTOR AND MISCELLANEOUS		TOTAL	
	2001	2000	2001	2000	2001	2000	2001	2000
<b>Other Information</b>	( R u p e e s )							
Segment assets	24,077,071	26,387,214	35,413,651	35,929,227	10,704,821	14,884,305	70,195,543	77,200,746
Unallocated corporate assets							148,026,962	104,250,768
Consolidated total assets							<u>218,222,505</u>	<u>181,451,514</u>
Segment liabilities	12,318,639	7,015,279	17,612,325	9,812,522	10,841,688	7,194,609	40,772,652	24,022,410
Unallocated corporate liabilities							18,635,251	23,051,352
Consolidated total liabilities							<u>59,407,903</u>	<u>47,073,762</u>
Capital expenditure	<u>455,749</u>	<u>477,242</u>	<u>670,337</u>	<u>649,820</u>	<u>202,630</u>	<u>269,199</u>	<u>1,328,716</u>	<u>1,396,261</u>
Depreciation	<u>315,028</u>	<u>336,651</u>	<u>463,358</u>	<u>458,390</u>	<u>140,064</u>	<u>189,895</u>	<u>918,450</u>	<u>984,936</u>

### 24. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

#### 24.1 Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Out of total financial assets of Rs (Thousands) 206,620 (2000 Rs (Thousands) 169,311), the financial assets which are subject to credit risk amounted to Rs (Thousands) 82,636 (2000 (Thousands) 87,655). Concentration of credit risk may arise from exposure to a single debtor or to a group of debtors having similar characteristics such that their ability to meet their obligation is effected similarly by change in economic or other conditions. As the company provide services to different sectors of the economy, the management believes that they are not exposed to significant concentration of credit risk.

#### 24.2 Fair Value Of Financial Instruments

The estimated fair value of financial instruments is not significantly different from their book value as shown in these financial statements.

### 24.3 Interest Rate Risk Exposure

The Company's exposure to Interest rate risk on its financial assets and liabilities as at December 31, are summarized as follows:

2 0 0 1										
DESCRIPTION	Interest/Mark-up bearing					Non-Interest bearing				Total Rupees
	Maturity up to one year	Maturity after one year and up to 5 years	Maturity after 5 years	Sub-total	Interest Rate	Maturity up to one year	Maturity after one year and up to 5 years	Maturity after 5 years	Sub-total	
<b>Financial assets</b>										
Investments	-	39,207,500	-	39,207,500	13%-16%	-	-	67,096,273	67,096,273	106,303,773
Agents Balances	-	-	-	-		13,297,219	-	-	13,297,219	13,297,219
Dividend & Interest	-	-	-	-		4,197,870	-	-	4,197,870	4,197,870
Due From Others	-	-	-	-		56,898,324	-	-	56,898,324	56,898,324
Advances Deposits	-	-	-	-		5,713,178	-	-	5,713,178	5,713,178
Deposits with Banks	8,461,424	-	-	8,461,424	10%	7,803,955	-	-	7,803,955	16,265,379
Cash and cheques in hand	-	-	-	-		2,122	-	-	2,122	2,122
	8,461,424	39,207,500	-	47,668,924		87,912,668	-	67,069,273	155,008,941	202,677,865
<b>Financial Liabilities</b>										
Outstanding Claim	-	-	-	-		7,438,779	-	-	7,438,779	7,438,779
Due to Others	-	-	-	-		31,942,829	-	-	31,942,829	31,942,829
Sundry Creditors	-	-	-	-		3,347,113	-	-	3,347,113	3,347,113
Prem Received in Advance	-	-	-	-		-	-	-	-	-
Deposits	-	-	-	-		1,391,044	-	-	1,391,044	1,391,044
Un-claimed Dividend	-	-	-	-		939,911	-	-	939,911	939,911
Obligation under Finance Lease	532,342	2,384,638	-	2,916,980	20%	-	-	-	-	2,916,980
	532,342	2,384,638	-	2,916,980		45,059,676	-	-	45,059,676	47,976,656
On Balance Sheet Gap	7,929,082	36,822,862	-	44,751,944		42,852,992	-	67,069,273	109,949,265	154,701,209

2 0 0 0										
DESCRIPTION	Interest/Mark-up bearing					Non-Interest bearing				Total Rupees
	Maturity up to one year	Maturity after one year and up to 5 years	Maturity after 5 years	Sub-total	Interest Rate	Maturity up to one year	Maturity after one year and up to 5 years	Maturity after 5 years	Sub-total	
<b>Financial assets</b>										
Investments	-	-	-	-		-	-	68,619,447	68,619,447	68,619,447
Agents Balances	-	-	-	-		16,863,548	-	-	16,863,548	16,863,548
Dividend & Interest	-	-	-	-		4,183,885	-	-	4,183,885	4,183,885
Due From Others	-	-	-	-		60,337,198	-	-	60,337,198	60,337,198
Advances Deposits	-	-	-	-		6,270,473	-	-	6,270,473	6,270,473
Deposits with Banks	2,888,848	-	-	2,888,848	10%-12%	9,465,671	-	-	9,465,671	12,354,519
Cash and cheques in hand	-	-	-	-		682,352	-	-	682,352	682,352
	2,888,848	-	-	2,888,848		97,803,127	-	68,619,447	166,422,574	169,311,422
<b>Financial Liabilities</b>										
Outstanding Claim	-	-	-	-		4,588,869	-	-	4,588,869	4,588,869
Due to Others	-	-	-	-		18,042,497	-	-	18,042,497	18,042,497
Sundry Creditors	-	-	-	-		13,113,493	-	-	13,113,493	13,113,493
Prem Received in Advance	-	-	-	-		40,826	-	-	40,826	40,826
Deposits	-	-	-	-		-	1,391,044	-	1,391,044	1,391,044
Un-claimed Dividend	-	-	-	-		939,911	-	-	939,911	939,911
	-	-	-	-		36,725,596	1,391,044	-	38,116,640	38,116,640
On Balance Sheet Gap	2,888,848	-	-	2,888,848		61,077,531	(1,391,044)	68,619,447	128,305,934	131,194,782



**25. AUTHORISATION FOR ISSUE**

These accounts were authorised for issue on March 26, 2002 in accordance with a resolution of the Board of Directors.

**26. GENERAL**

- a) Figures in the accounts are rounded off to the nearest Rupee.
- b) Previous year's figures have been rearranged, wherever necessary for the purpose of comparison.

S. C. Subjally  
Chief Executive

Iftikhar H. Shirazi  
Director

Yusuf H. Shirazi  
Chairman

### PATTERN OF SHAREHOLDINGS AS ON DECEMBER 31, 2001

No of Share Holders	Shareholders				Total Shares Held
85	From	1	to	100	Shares 2,733
93	From	101	to	500	Shares 26,121
53	From	501	to	1000	Shares 37,197
121	From	1001	to	5000	Shares 275,598
24	From	5001	to	10000	Shares 173,577
9	From	10001	to	15000	Shares 108,611
6	From	15001	to	20000	Shares 98,723
3	From	20001	to	25000	Shares 70,999
2	From	25001	to	30000	Shares 54,122
2	From	30001	to	35000	Shares 64,382
2	From	35001	to	40000	Shares 77,741
2	From	45001	to	50000	Shares 93,869
1	From	50001	to	55000	Shares 53,614
1	From	180001	to	185000	Shares 182,088
1	From	195001	to	200000	Shares 199,608
1	From	565001	to	570000	Shares 568,880
2	From	615001	to	620000	Shares 1,235,248
1	From	620001	to	625000	Shares 624,394
1	From	630001	to	635000	Shares 634,636
1	From	3465001	to	3470000	Shares 3,467,144
<hr/>					<hr/>
411					8,049,285
<hr/>					<hr/>

Categories of Shareholders	Number	Share Held	Percentage
- Individual	405	4,369,740	54.29
- Investment Companies	5	3,479,937	43.23
- Administrator of Abandoned			
- Properties Govt. of Pakistan	1	199,608	2.48
<hr/>		<hr/>	<hr/>
411		8,049,285	100.00
<hr/>		<hr/>	<hr/>



# Muslim Insurance Company Limited

## COMPANY OFFICES

### HEAD OFFICE

3 Bank Square  
Shahrah-e-Quaid-e-Azam, Lahore.

PABX: 7320542-7320543-7322271 & 73  
Direct: 7310658-7234757  
7234812-7314241  
Fax: 7234742

S.C.SUBJALLY  
Chief Executive

Direct: 7310658  
Extension: 313

ARSHAD P. RANA  
Chief Operating Officer

Direct: 7234812  
Extension: 301

NASIM AHMED KHAN  
Sr. Manager Accounts

Direct: 7234757  
Extension: 307

MUHAMMAD MUNIR  
Sr. Manager Technical

Direct: 7314241  
Extension: 309

PERVAIZ I. MALIK  
Sr. Manager Admin.

Direct: 7314241  
Extension: 308

MUHAMMAD MUNIR QAZI  
Sr. Manager Marketing

Direct: 7234757  
Extension: 312

ASAD MEHMOOD AWAN  
Manager Marketing

Extension: 318

### NORTH ZONE OFFICES & BRANCHES

#### LAHORE

SHEIKH MUHAMMAD ASHRAF  
Chief Manager

Nairobi Mansion  
Napier Road, Lahore.

7352560  
7358190

A. A. RIZVI  
Chief Manager

Hafeez Chambers,  
85-Shahrah-e-Quaid-e-Azam,  
Lahore.

6305595

ZAFAR HUSSAIN JAMAL  
Branch Manager

Hafeez Chambers,  
85-Shahrah-e-Quaid-e-Azam,  
Lahore.

6305595

KHALID MAHMOOD  
Branch Manager

Alnoor Building,  
Bank Square,  
Shahrah-e-Quaid-e-Azam,  
Lahore.

7358805

#### FAISALABAD BRANCH-I

IRSHAD AHMED SHEIKH  
Chief Manager

Chartered Bank Chambers  
Railway Road, Faisalabad.

647194  
Fax : 635080

**FAISALABAD BRANCH-II**

IRSHAD FARRUKH BHATTI  
Branch Manager

Room: 8 to 11,  
Ismail Plaza, 3rd Floor,  
Satiana Road, Faisalabad.

721256  
Fax : 721256

**MULTAN**

BASHIR AHMED GHAURI  
Branch Manager

Atlas Honda Building  
Azmat Wasti Road, Multan

544494

M. AKRAM KHAWAJA  
Manager

Atlas Honda Building  
Azmat Wasti Road, Multan

544494

**RAWALPINDI**

MAHMOOD AHMED  
Chief Manager

101/13, Bank Road,  
Grand Hotel Building,  
P. O. Box 119, Rawalpindi.

5563413  
Fax : 5566518

**PESHAWAR**

MANZAR ALI NAQVI  
Branch Manager

15-Saddar Road,  
Peshawar Cantt.

275705  
Fax : 275705

**SAHIWAL**

HABIB-UR-REHMAN CH  
Branch Manager

147-Railway Road, Sahiwal

66044  
Fax : 66044

**SIALKOT**

AHMED SAEED RANA  
Branch Manager

Allama Iqbal Market,  
Shahrah-e-Aiwan-e-Sannat-o-Tijarat,  
Sialkot.

594520  
592863

**BAHAWALPUR**

MUHAMMAD MASOOD CH.  
Branch Manager

2nd Floor, Gulf Plaza,  
Near Erum Hotel,  
Circular Road,  
Bahawalpur. (63100).

880802

**SOUTH ZONE OFFICE**

2nd Floor, Ameerjee Chambers,  
Campbell Street,  
P.O.Box: 5126, Karachi.

PABX: 2620081-5  
Direct: 2629531, 2621924  
2621925, 2625697  
Fax: 2629532

S.C. SUBJALLY  
Chief Executive

PABX: 2620081-5 Extension:305  
Direct: 2629531

FARIQ M.K. ROHILLA  
Senior Manager Finance

Direct: 2621924  
Extension: 302

S. MUBARAK AHMED  
Manager Admin.

Extension: 316



## Muslim Insurance Company Limited

JAWAID IRSHAD  
Manager Claims

Extension : 303

MUHAMMAD IMRAN  
Manager

Extension : 309

ALI ASGHAR  
Manager Customer Service

Extension : 312

### **SOUTH ZONE BRANCHES KARACHI**

AIJAZ ALI KHAN  
Senior Manager

Karachi Branch  
2nd Floor Ameerjee Chambers  
Campbell Street,  
P.O.Box: 5126, Karachi

2620081-5  
Ext. 313  
Direct: 2621925  
Fax: 2621925

ABDUL AZIZ  
Branch Manager

Corporate Branch  
4th Floor Ameerjee Chambers  
Campbell Street,  
P.O.Box: 5126, Karachi

2620081-5  
Ext. 301 & 308  
Direct: 2636576  
Fax : 2625651

MOHAMMAD FAROOQ KANDLAWALA  
Branch Manager

Tower Branch  
State Life Building No. 7,  
Room No. 101, 1st Floor  
G.Allana Road, Karachi.

2201471  
2316503, 2315248  
Fax: 2315248

### **HYDERABAD**

ZAFAR AHMAD GHOURI  
Chief Manager

Akbar Chamber, Saddar,  
P.O.Box: 284, Hyderabad.

782659  
Fax: 782660

### **SUKKUR**














ABDUL MAJEED QURESHI  
Chief Manager

House No.C-631/13,  
Minara Road, Sukkur.

25965  
Fax: 25977



## ATLAS GROUP COMPANIES

		<i>Year of Establishment Acquisition*</i>
	Shirazi Investments (Pvt) Ltd.	1962
	Atlas Honda Ltd.	1963
	Atlas Battery Ltd.	1966
	Shirazi Trading Co. (Pvt) Ltd.	1973
	Atlas Warehousing (Pvt) Ltd.	1979
	Atlas Office Equipment (Pvt) Ltd.	1979*
	Muslim Insurance Co. Ltd.	1980*
	Allwin Engineering Industries Ltd.	1981*
	Atlas Lease Ltd.	1989
	Atlas Investment Bank Ltd.	1990
	Honda Atlas Cars (Pakistan) Ltd.	1993
	Honda Atlas Power Product (Pvt) Ltd.	1997
	Total Atlas Lubricants Pakistan (Pvt) Ltd.	1997

**FORM OF PROXY**

I, .....  
of.....  
being a Shareholder of the Muslim Insurance Company Limited do hereby appoint .....  
..... of .....  
also a Shareholder of the said Company, to be my proxy and to vote for me at the ordinary General Meeting of the  
Company to be held on the 26th April, 2002 for the year ending 31st December 2001 and at any adjournment thereof  
in the same manner as I myself would vote if personally present at such meeting.  
As witness my hand in this day of.....2002

Signature:.....

Address:.....

Holder of Shares Nos.....to.....

Witness :

Name:.....

Address:.....



AFFIX  
POSTAGE

The Secretary  
Muslim Insurance Company Ltd.,  
3 Bank Square,  
Shahrah-e-Quaid-e-Azam,  
Lahore.

Fold Here

Fold Here

Fold Here

Fold Here