



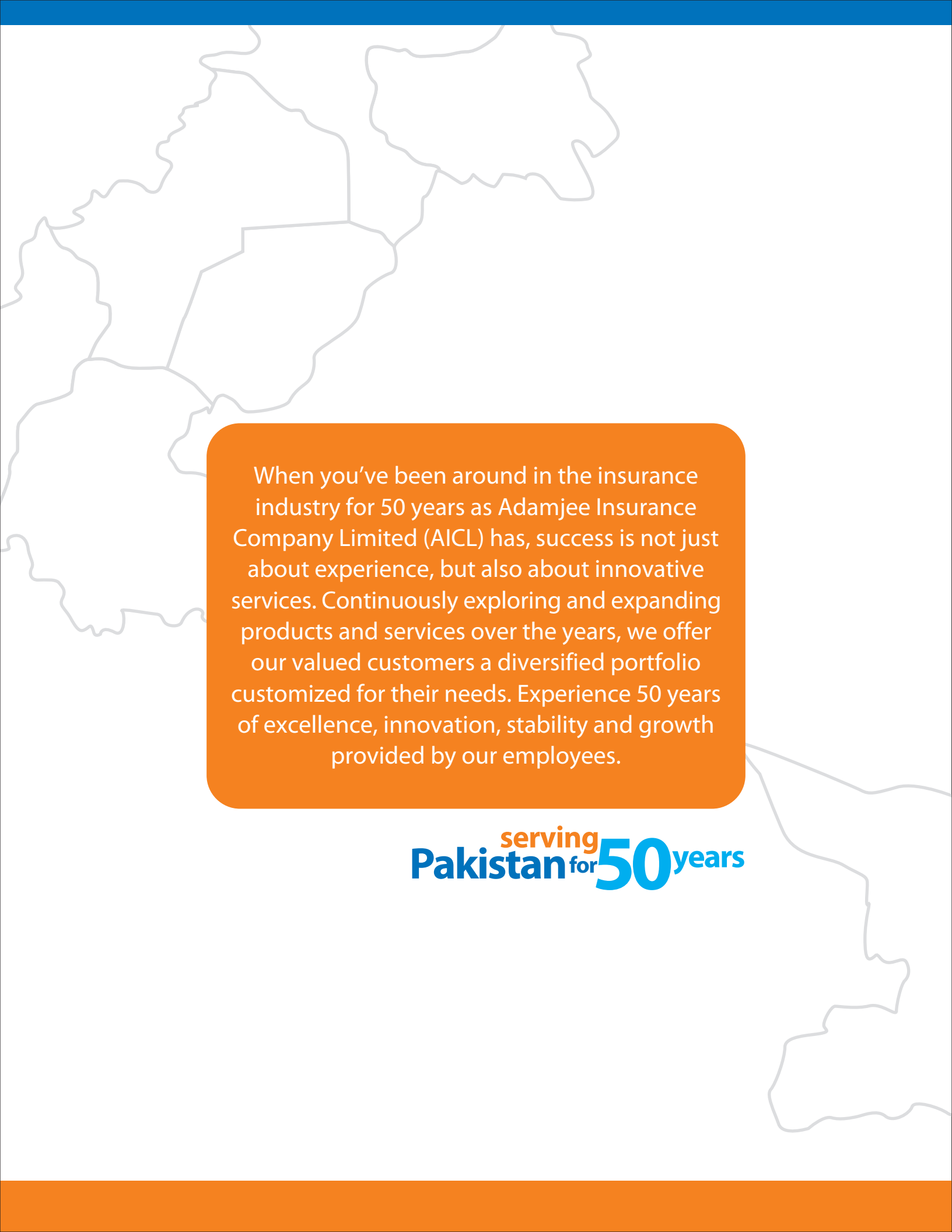
serving
Pakistan
for 50 years

Adamjee Insurance Company Limited



*for the 1st quarter ended
March 31, 2010 (unaudited)*

adamjee
insurance

A light gray outline map of Pakistan is positioned in the upper left and right corners of the page, framing the central text box.

When you've been around in the insurance industry for 50 years as Adamjee Insurance Company Limited (AICL) has, success is not just about experience, but also about innovative services. Continuously exploring and expanding products and services over the years, we offer our valued customers a diversified portfolio customized for their needs. Experience 50 years of excellence, innovation, stability and growth provided by our employees.

serving
Pakistan for **50** years

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vision

"Our will is to Explore, Innovate & Differentiate. Our passion is to provide Leadership to the Insurance Industry".

core values

- ▴ Integrity: Transparency and Honesty without Compromise
- ▴ Humility: Empathy, Self Esteem and Respect in all relationships
- ▴ Fun at Workplace: Work Life Balance
- ▴ Corporate Social Responsibility: Service to Humanity



Board of Directors

Umer Mansha	Chairman
Ahmed Ebrahim Hasham	Director
Ali Munir	Director
Alman Aslam	Director
Atif Bajwa	Director
Hassan Mansha	Director
Ibrahim Shamsi	Director
Khalid Qadeer Qureshi	Director
Nabiha Shahnawaz Cheema	Director
S. M. Jawed	Director
Muhammad Ali Zeb	Managing Director & CEO

Advisor

Mian Mohammad Mansha

Audit Committee

Umer Mansha	Chairman
Ahmed Ebrahim Hasham	Member
Ali Munir	Member
Ibrahim Shamsi	Member
S. M. Jawed	Member

Human Resource Committee

Hassan Mansha	Chairman
Ibrahim Shamsi	Member
Umer Mansha	Member
Muhammad Ali Zeb	Member

Risk Management Committee

S. M. Jawed	Chairman
Ali Munir	Member
Umer Mansha	Member

Strategic Committee

Umer Mansha	Chairman
Alman Aslam	Member
S. M. Jawed	Member
Muhammad Ali Zeb	Member

Secretary

Tameez-ul-Haque, F.C.A.

Chief Financial Officer

Mudassar Zuabir Ahmed Mirza,
A.C.A., A.C.M.A. (UK)

Head of Internal Audit

Rehan Ahmed Khan, F.C.A., A.C.M.A.

Advisor to MD

Akber D.Vazir, A.C.I.I. (London)

Executive Directors

Jehangir Bashir Nawaz
Manzar Mushtaq
Naim Anwar

Auditors

M/s Riaz Ahmad & Co.
Chartered Accountants, Karachi

Shares Registrar

Technology Trade (Pvt.) Limited
Dagia House, 241-C, Block-2, P.E.C.H.S.,
Off Shahrah-e-Quaideen, Karachi

Bankers

Askari Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Barclays Bank PLC, Pakistan
Citibank N.A.
Faysal Bank Limited
Habib Bank Limited
HSBC Middle East Bank Limited
KASHF Microfinance Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Oman International Bank S.A.O.G.
Rozgar Microfinance Bank Limited
Soneri Bank Limited
Standard Chartered Bank Limited
United Bank Limited
Zarai Taraqiati Bank Limited

Registered Office

Adamjee House
P.O. Box No. 4850
I.I. Chundrigar Road, Karachi-74000, Pakistan
Phone: PABX (92-21) 32412623 UAN: (92-21) 111-242-111
Fax: (92-21) 32412627
E-mail: info@adamjeeinsurance.com
Website: www.adamjeeinsurance.com



Directors' Report to the Members

For the Quarter ended March 31, 2010

On behalf of the Board, I am pleased to present the interim unconsolidated financial statements of the company for the first quarter of 2010.

The highlights for the period under review are as under:

	March 31, 2010	March 31, 2009
	————— (Rupees in thousand) —————	
Gross Premium	2,593,025	2,362,610
Net Premium	1,722,192	1,779,964
Underwriting Results	232,413	199,318
Investment Income	221,175	384,927
Profit Before Tax	334,315	480,478
Profit After Tax	247,562	441,444
 Earnings per Share (Rupees)	 2.20	 3.93

The Gross Premium recorded a growth of 10% and underwriting results depict an increase of 17% over the corresponding period of last year.

The Net claims have reduced by 6% from the same period last year and combined ratio has improved from 89% in the corresponding quarter of last year to 87% in this quarter.

The company's investment income shows a decrease of 43% as compared to last year, which is mainly due to the 'Reversal of provision for Available for sale investments' in the first quarter of 2009 which amounted to Rs 231 million. This quarter there is a charge of Rs 5 million. This is due to the overall position of stock markets in the country. The Profit Before and After Tax have declined by 30% and 44% respectively from comparative period of last year.

The company is committed to satisfy customer needs by offering a variety of products and improvement of its services.

We thank the regulators for their guidance and cooperation, our employees and agents for their dedication and our valued customers for their continued support and confidence in us.

On behalf of the Board of Directors

Muhammad Ali Zeb

Managing Director & Chief Executive

Karachi: April 26, 2010



Unconsolidated Financial Statements

***for the 1st quarter ended
March 31, 2010 (unaudited)***

CONDENSED INTERIM UNCONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2010

	Note	March 31, 2010 (Rupees in thousand) (Unaudited)	December 31, 2009 (Audited)
Share capital and reserves			
Authorised share capital		1,500,000	1,500,000
Paid-up share capital		1,124,586	1,124,586
Retained earnings		8,486,457	8,520,042
Reserves		1,266,611	1,136,547
		9,753,068	9,656,589
TOTAL EQUITY		10,877,654	10,781,175
Underwriting provisions			
Provision for outstanding claims (including IBNR)		3,226,600	3,575,903
Provision for unearned premium		4,434,821	4,405,817
Commission income unearned		228,886	228,439
Total underwriting provisions		7,890,307	8,210,159
Deferred liabilities			
Deferred taxation		108,437	87,834
Staff retirement benefits		14,759	13,581
		123,196	101,415
Creditors and Accruals			
Premiums received in advance		75,334	91,147
Amounts due to other insurers / reinsurers		822,970	948,716
Accrued expenses		169,882	139,319
Taxation - provision less payments		17,702	-
Other creditors and accruals		836,264	1,165,571
		1,922,152	2,344,753
Borrowings			
Liabilities against assets subject to finance lease		142,896	148,911
Other liabilities			
Unclaimed dividends		193,615	25,965
TOTAL LIABILITIES		10,272,166	10,831,203
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		21,149,820	21,612,378

The annexed notes form an integral part of this condensed interim unconsolidated financial information.

	Note	March 31, 2010 (Rupees in thousand) (Unaudited)	December 31, 2009 (Rupees in thousand) (Audited)
Cash and bank deposits			
Cash and other equivalents		2,337	61,740
Current and other accounts		640,818	686,915
Deposits maturing within 12 months		1,597,126	1,408,449
		2,240,281	2,157,104
Loans			
To employees		23,210	28,383
Investments			
	7	9,201,030	9,658,028
Current assets - others			
Premiums due but unpaid	8	3,495,627	3,818,046
Amounts due from other insurers / reinsurers	9	914,952	716,962
Salvage recoveries accrued		131,492	115,753
Premium and claim reserves retained by cedants		24,235	24,235
Accrued investment income		146,196	41,307
Reinsurance recoveries against outstanding claims		1,664,918	1,845,562
Taxation - payments less provision		-	1,485
Deferred commission expense		466,701	399,884
Prepayments		1,583,144	1,548,922
Sundry receivables		238,014	206,392
		8,665,279	8,718,548
Fixed Assets - Tangible & Intangible			
	10		
Owned			
Land and buildings		173,783	174,660
Furniture and fixtures		30,836	29,581
Motor vehicles		195,197	190,680
Machinery and equipment		351,567	373,225
Computers and related accessories		46,630	49,324
Intangible asset - computer software		34,956	38,269
		832,969	855,739
Leased			
Motor vehicles		187,051	194,576
TOTAL ASSETS		21,149,820	21,612,378


Umer Mansha
Chairman


S.M. Jawed
Director


Ibrahim Shamsi
Director


Muhammad Ali Zeb
Managing Director & Chief Executive

CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	Quarter ended March 31, 2010	Quarter ended March 31, 2009
(Rupees in thousand)							
Revenue account							
Net premium revenue	359,775	230,742	858,140	273,535	-	1,722,192	1,779,964
Net claims	(202,814)	(98,111)	(556,723)	(209,107)	-	(1,066,755)	(1,138,724)
Expenses	(68,874)	(43,625)	(142,874)	(52,486)	-	(307,859)	(278,968)
Net commission	(26,408)	(37,195)	(56,251)	4,689	-	(115,165)	(162,954)
Underwriting result	<u>61,679</u>	<u>51,811</u>	<u>102,292</u>	<u>16,631</u>	<u>-</u>	<u>232,413</u>	<u>199,318</u>
Investment income						221,175	384,927
Rental income						554	124
Other income						37,909	43,508
						<u>492,051</u>	<u>627,877</u>
General and administration expenses						(152,788)	(147,497)
Exchange gain-net						400	98
Finance charges on lease liabilities						(5,348)	-
Profit before tax						<u>334,315</u>	<u>480,478</u>
Provision for taxation						(86,753)	(39,034)
Profit after tax						<u>247,562</u>	<u>441,444</u>
Balance at the commencement of the period						8,520,042	6,458,717
Profit after tax for the period						247,562	441,444
Final dividend for the year ended December 31, 2009 @15% (Rs.1.5/- per share) [2008:@10%(Re. 1.0/- per share)]						(168,688)	(102,235)
Reserve for issue of bonus shares						(112,459)	(102,235)
Balance unappropriated profit at the end of the period						<u>8,486,457</u>	<u>6,695,691</u>
----- (Rupees) -----							
Earnings per share - basic						<u>2.20</u>	<u>3.93</u>

The annexed notes form an integral part of this condensed interim unconsolidated financial information.


Umer Mansha
Chairman


S.M. Jawed
Director


Ibrahim Shamsi
Director


Muhammad Ali Zeb
Managing Director & Chief Executive

CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	Quarter ended March 31, 2010	Quarter ended March 31, 2009
(Rupees in thousand)							
Revenue account							
Net premium revenue	353,202	219,865	581,761	270,010	-	1,424,838	1,516,347
Net claims	(201,664)	(97,903)	(397,018)	(209,086)	-	(905,671)	(1,003,220)
Expenses	(68,146)	(42,420)	(112,244)	(52,095)	-	(274,905)	(260,468)
Net commission	(27,046)	(31,408)	(38,354)	4,244	-	(92,564)	(132,517)
Underwriting result	<u>56,346</u>	<u>48,134</u>	<u>34,145</u>	<u>13,073</u>	-	<u>151,698</u>	<u>120,142</u>
Investment income						221,175	384,927
Rental income						554	124
Other income						31,982	35,588
						<u>405,409</u>	<u>540,781</u>
General and administration expenses						(135,090)	(143,587)
Exchange gain						400	-
Finance charges on lease liabilities						(5,348)	-
Profit before tax						<u>265,371</u>	<u>397,194</u>

The annexed notes form an integral part of this condensed interim unconsolidated financial information.


Umer Mansha
Chairman


S.M. Jawed
Director


Ibrahim Shamsi
Director


Muhammad Ali Zeb
Managing Director & Chief Executive

CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN

	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Quarter ended March 31, 2010	Quarter ended March 31, 2009
(Rupees in thousand)						
Revenue account						
Net premium revenue	6,573	10,877	276,379	3,525	297,354	263,617
Net claims	(1,150)	(208)	(159,705)	(21)	(161,084)	(135,504)
Expenses	(728)	(1,205)	(30,630)	(391)	(32,954)	(18,500)
Net commission	638	(5,787)	(17,897)	445	(22,601)	(30,437)
Underwriting result	<u>5,333</u>	<u>3,677</u>	<u>68,147</u>	<u>3,558</u>	<u>80,715</u>	<u>79,176</u>
Investment income					-	-
Rental income					-	-
Other income					5,927	7,920
					<u>86,642</u>	<u>87,096</u>
General and administration expenses					(17,698)	(3,910)
Exchange gain -net					-	98
Finance charges on lease liabilities					-	-
Profit before tax					<u>68,944</u>	<u>83,284</u>

The annexed notes form an integral part of this condensed interim unconsolidated financial information.


Umer Mansha
Chairman


S.M. Jawed
Director


Ibrahim Shamsi
Director


Muhammad Ali Zeb
Managing Director & Chief Executive

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

	Quarter ended March 31, 2010	Quarter ended March 31, 2009
	(Rupees in thousand)	
Profit for the period	247,562	441,444
Other comprehensive income:		
Effect of translation of net investment in foreign branches	17,605	-
Total comprehensive income for the period	<u>265,167</u>	<u>441,444</u>

The annexed notes form an integral part of this condensed interim unconsolidated financial information.



Umer Mansha
Umer Mansha
Chairman

S.M. Jawed
S.M. Jawed
Director

Ibrahim Shamsi
Ibrahim Shamsi
Director

Muhammad Ali Zeb
Muhammad Ali Zeb
Managing Director & Chief Executive

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

	Share Capital	Capital Reserves				Revenue Reserves		Total
	Issued, subscribed and paid-up	Reserve for issue of bonus shares	Reserve for exceptional losses	Exchange translation reserve	Investment fluctuation reserve	General reserve	Retained earnings	
	(Rupees in thousand)							
Balance as at December 31, 2008	1,022,351	-	22,859	(8,308)	3,764	936,500	6,458,717	8,435,883
Profit after tax for the quarter ended March 31, 2009	-	-	-	-	-	-	441,444	441,444
Final dividend for the year ended December 31, 2008 @10% (Re.1.0/- per share)	-	-	-	-	-	-	(102,235)	(102,235)
Transfer to Reserve for Issue of Bonus shares	-	102,235	-	-	-	-	(102,235)	-
Balance as at March 31, 2009	1,022,351	102,235	22,859	(8,308)	3,764	936,500	6,695,691	8,775,092
Total comprehensive income for the Nine months ended December 31, 2009	-	-	-	181,732	-	-	1,993,039	2,174,771
Interim dividend @ 15% (Rs 1.5/- per share)	-	-	-	-	-	-	(168,688)	(168,688)
Issue of Bonus shares for the year ended December 31, 2008	102,235	(102,235)	-	-	-	-	-	-
Balance as at December 31, 2009	1,124,586	-	22,859	173,424	3,764	936,500	8,520,042	10,781,175
Total comprehensive income for the quarter ended March 31, 2010	-	-	-	17,605	-	-	247,562	265,167
Final dividend for the year ended December 31, 2009 @15% (Rs.1.5/- per share)	-	-	-	-	-	-	(168,688)	(168,688)
Transfer to Reserve for Issue of Bonus shares	-	112,459	-	-	-	-	(112,459)	-
Balance as at March 31, 2010	1,124,586	112,459	22,859	191,029	3,764	936,500	8,486,457	10,877,654

The annexed notes form an integral part of this condensed interim unconsolidated financial information.


Umer Mansha
Chairman


S.M. Jawed
Director


Ibrahim Shamsi
Director


Muhammad Ali Zeb
Managing Director & Chief Executive

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOW

FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

	Quarter ended March 31, 2010	Quarter ended March 31, 2009
	(Rupees in thousand)	
Operating Cash Flows		
a) Underwriting activities		
Premiums received	2,784,389	2,153,634
Reinsurance premiums paid	(985,951)	(829,938)
Claims paid	(1,527,910)	(1,644,539)
Surrenders paid	(34,758)	(19,501)
Reinsurance and other recoveries received	78,767	258,105
Commissions paid	(367,693)	(225,941)
Commissions received	127,543	113,317
Other underwriting payments	(401,994)	(335,533)
Net cash flow from underwriting activities	(327,607)	(530,396)
b) Other operating activities		
Income tax (paid)/refund	(46,963)	71,019
General and other expenses paid	(146,776)	(183,546)
Loans disbursed	(5,337)	(9,916)
Loan repayments received	8,669	15,079
Other receipts	2,103	3,367
Net cash flow from other operating activities	(188,304)	(103,997)
Total cash flow from all operating activities	(515,911)	(634,393)
Investment activities		
Profit / return received	17,529	42,128
Dividends received	117,727	76,546
Income on Mutual Funds	10,755	-
Investments purchased	(748,654)	(404,046)
Proceeds from disposal of investments	1,228,240	813,913
Fixed capital expenditure	(27,038)	(40,952)
Proceeds from disposal of fixed assets	5,919	8,756
Income received on Rent	2,921	-
Income received on PIBS	1,745	-
Income received on TFC	2,344	3,210
Total cash flow from investing activities	611,488	499,555
Financing activities		
Lease rentals paid	(11,362)	-
Dividends paid	(1,038)	(3,752)
Total cash flow from financing activities	(12,400)	(3,752)
Net cash outflow from all activities	83,177	(138,590)
Cash at the beginning of the period	2,152,653	1,724,106
Cash at the end of the period	2,235,830	1,585,516

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOW

FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

	Quarter ended March 31, 2010	Quarter ended March 31, 2009
	(Rupees in thousand)	
Reconciliation to Profit and Loss Account		
Operating cash flows	(515,911)	(634,393)
Depreciation expense	(43,576)	(38,696)
Provision for gratuity	(1,178)	(2,298)
Other income-bank deposits	33,640	41,092
Profit on disposal of fixed assets	2,565	189
Financial charges on lease obligations	(5,348)	-
Rental income	554	124
Decrease in assets other than cash	(158,514)	(31,672)
Decrease in liabilities other than running finance	789,159	733,918
	<u>101,391</u>	<u>68,264</u>
Others		
Income on Mutual Funds	43,344	61,690
(Loss)/Profit on sale of investments	-	(33,500)
Amortization expense	(2,878)	(2,714)
(Increase)/Decrease in unearned premium	(29,004)	97,044
Amortisation of income on Government Securities - net	2,160	12,364
Profit on Pakistan Investment Bonds	3,602	1,109
Decrease in loans	(3,332)	3,976
Income tax paid/(refund)	46,963	(71,019)
Reversal for diminution in value of investments	(4,622)	230,693
Dividend, investment and other income	170,327	105,644
Income on TFCs	6,364	6,927
	<u>232,924</u>	<u>412,214</u>
Profit before tax	<u>334,315</u>	<u>480,478</u>

Definition of cash:

Cash comprises of cash in hand, bank balances excluding Rs.4.451 million (2009: Rs 4.451 million) held under lien and other deposits which are readily convertible to cash and which are used in the cash management function on a day- to-day basis.

	Quarter ended March 31, 2010	Quarter ended March 31, 2009
	(Rupees in thousand)	
Cash for the purposes of the Statement of Cash Flows consists of:		
Cash and other equivalent		
Cash in hand	2,337	6,750
Current and other accounts		
Current and saving accounts	640,818	307,863
Deposits maturing within 12 months		
Fixed and term deposits accounts	1,592,675	1,270,903
Total cash and cash equivalents	<u>2,235,830</u>	<u>1,585,516</u>

The annexed notes form an integral part of this condensed interim unconsolidated financial information.


Umer Mansha
Chairman


S.M. Jawed
Director


Ibrahim Shamsi
Director


Muhammad Ali Zeb
Managing Director & Chief Executive

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOW

FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

	Quarter ended March 31, 2010	Quarter ended March 31, 2009
	(Rupees in thousand)	
Operating Cash Flows		
a) Underwriting activities		
Premiums received	2,313,409	1,904,831
Reinsurance premiums paid	(885,306)	(676,058)
Claims paid	(1,310,133)	(1,461,859)
Surrenders paid	(34,100)	(18,908)
Reinsurance and other recoveries received	6,985	152,382
Commissions paid	(307,113)	(201,069)
Commissions received	105,594	107,619
Other underwriting payments	(364,687)	(329,554)
Net cash flow from underwriting activities	(475,351)	(522,616)
b) Other operating activities		
Income tax (paid) /refund	(46,963)	71,019
General and other expenses paid	(121,355)	(168,483)
Loans disbursed	(4,422)	(8,274)
Loan repayments received	7,061	13,749
Other receipts	1,365	1,063
Net cash flow from other operating activities	(164,314)	(90,926)
Total cash flow from all operating activities	(639,665)	(613,542)
Investment activities		
Profit / return received	13,076	38,035
Dividends received	117,727	76,546
Income on Mutual Funds	10,755	-
Investments purchased	(748,654)	(404,046)
Proceeds from disposal of investments	1,228,240	813,913
Fixed capital expenditure	(25,769)	(40,952)
Proceeds from disposal of fixed assets	5,919	8,756
Income received on Rent	2,921	-
Income received on PIBS	1,745	-
Income received on TFC	2,344	3,210
Total cash flow from investing activities	608,304	495,462
Financing activities		
Lease rentals paid	(11,362)	-
Dividends paid	(1,038)	(3,752)
Total cash flow from financing activities	(12,400)	(3,752)
Net cash outflow from all activities	(43,761)	(121,832)
Cash at the beginning of the period	1,240,605	1,151,374
Cash at the end of the period	1,196,844	1,029,542

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOW

FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

	Quarter ended March 31, 2010	Quarter ended March 31, 2009
	(Rupees in thousand)	
Reconciliation to Profit and Loss Account		
Operating cash flows	(639,665)	(613,542)
Depreciation expense	(42,814)	(38,188)
Provision for gratuity	-	-
Other income-bank deposits	28,451	35,432
Profit on disposal of fixed assets	2,565	189
Financial charges on lease obligations	(5,348)	-
Rental income	554	124
(Decrease)/ Increase in assets other than cash	(206,760)	53,738
Decrease in liabilities other than running finance	784,915	616,778
	(78,102)	54,531
Others		
Income on Mutual Funds	43,344	61,690
Loss on sale of investments	-	(33,500)
Amortization expense	(2,878)	(2,714)
Increase in unearned premium	80,852	27,493
Amortisation of income on Government Securities - net	2,160	12,364
Profit on Pakistan Investment Bonds	3,602	1,109
Decrease in loans	(2,639)	3,976
Income tax paid / (refund)	46,963	(71,019)
(Provision) / Reversal for diminution in value of investments	(4,622)	230,693
Dividend, investment and other income	170,327	105,644
Income on TFCs	6,364	6,927
	343,473	342,663
Profit before tax	265,371	397,194

Definition of cash:

Cash comprises of cash in hand, bank balances excluding Rs.4.451 million (2009: Rs 4.451 million) held under lien and other deposits which are readily convertible to cash and which are used in the cash management function on a day- to-day basis.

	Quarter ended March 31, 2010	Quarter ended March 31, 2009
	(Rupees in thousand)	
Cash for the purposes of the Statement of Cash Flows consists of:		
Cash and other equivalent		
Cash in hand	2,108	6,532
Current and other accounts		
Current and saving accounts	491,736	272,745
Deposits maturing within 12 months		
Fixed and term deposits accounts	703,000	750,265
Total cash and cash equivalents	1,196,844	1,029,542

The annexed notes form an integral part of this condensed interim unconsolidated financial information.


Umer Mansha
Chairman


S.M. Jawed
Director


Ibrahim Shamsi
Director


Muhammad Ali Zeb
Managing Director & Chief Executive

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOW

FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN

	Quarter ended March 31, 2010	Quarter ended March 31, 2009
	(Rupees in thousand)	
Operating Cash Flows		
a) Underwriting activities		
Premiums received	470,980	248,803
Reinsurance premiums paid	(100,645)	(153,880)
Claims paid	(217,777)	(182,680)
Surrenders paid	(658)	(593)
Reinsurance and other recoveries received	71,782	105,723
Commissions paid	(60,580)	(24,872)
Commissions received	21,949	5,698
Other underwriting payments	(37,307)	(5,979)
Net cash flow from underwriting activities	147,744	(7,780)
b) Other operating activities		
Income tax refund/(paid)	-	-
General and other expenses paid	(25,421)	(15,063)
Loans disbursed	(915)	(1,642)
Loan repayments received	1,608	1,330
Other receipts	738	2,304
Net cash flow from other operating activities	(23,990)	(13,071)
Total cash flow from all operating activities	123,754	(20,851)
Investment activities		
Profit / return received	4,453	4,093
Dividends received	-	-
Income on Mutual Funds	-	-
Investments purchased	-	-
Proceeds from disposal of investments	-	-
Fixed capital expenditure	(1,269)	-
Proceeds from disposal of fixed assets	-	-
Income received on Rent	-	-
Income received on PIBS	-	-
Income received on TFC	-	-
Total cash flow from investing activities	3,184	4,093
Financing activities		
Lease rentals paid	-	-
Dividends paid	-	-
Total cash flow from financing activities	-	-
Net cash outflow from all activities	126,938	(16,758)
Cash at the beginning of the period	912,048	572,732
Cash at the end of the period	1,038,986	555,974

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOW

FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN

	Quarter ended March 31, 2010	Quarter ended March 31, 2009
	(Rupees in thousand)	
Reconciliation to Profit and Loss Account		
Operating cash flows	123,754	(20,851)
Depreciation expense	(762)	(508)
Provision for gratuity	(1,178)	(2,298)
Other income-bank deposits	5,189	5,660
Profit on disposal of fixed assets	-	-
Financial charges on lease obligations	-	-
Rental income	-	-
Increase/ (Decrease) in assets other than cash	48,246	(85,410)
Decrease in liabilities other than running finance	4,244	117,140
	179,493	13,733
Others		
Income on Mutual Funds	-	-
(Loss)/Profit on sale of investments	-	-
Amortization expense	-	-
(Increase)/Decrease in unearned premium	(109,856)	69,551
Amortisation of income on Government Securities - net	-	-
Profit on Pakistan Investment Bonds	-	-
Decrease in loans	(693)	-
Income tax paid/(refund)	-	-
Reversal for diminution in value of investments	-	-
Dividend, investment and other income	-	-
Deposits received	-	-
Income on TFCs	-	-
	(110,549)	69,551
Profit before tax	68,944	83,284

Definition of cash:

Cash comprises of cash in hand, bank balances excluding Rs.Nil (2009: Rs Nil) held under lien and other deposits which are readily convertible to cash and which are used in the cash management function on a day- to-day basis.

	Quarter ended March 31, 2010	Quarter ended March 31, 2009
	(Rupees in thousand)	
Cash for the purposes of the Statement of Cash Flows consists of:		
Cash and other equivalent		
Cash in hand	229	218
Current and other accounts		
Current and saving accounts	149,082	35,118
Deposits maturing within 12 months		
Fixed and term deposits accounts	889,675	520,638
Total cash and cash equivalents	1,038,986	555,974

The annexed notes form an integral part of this condensed interim unconsolidated financial information.


Umer Mansha
Chairman


S.M. Jawed
Director


Ibrahim Shamsi
Director


Muhammad Ali Zeb
Managing Director & Chief Executive

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PREMIUMS FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Net premium revenue	
		Opening	Closing			Opening	Closing		Quarter ended March 31, 2010	Quarter ended March 31, 2009
(Rupees in thousand)										
Direct and facultative										
Fire and property damage	759,456	1,685,968	1,562,186	883,238	515,970	1,137,049	1,129,556	523,463	359,775	328,026
Marine, aviation and transport	293,163	42,099	58,788	276,474	47,595	5,155	7,018	45,732	230,742	245,197
Motor	1,014,592	1,900,021	1,964,484	950,129	109,298	197,408	214,717	91,989	858,140	913,794
Miscellaneous	525,814	777,729	849,363	454,180	187,342	142,017	148,714	180,645	273,535	292,947
Total	2,593,025	4,405,817	4,434,821	2,564,021	860,205	1,481,629	1,500,005	841,829	1,722,192	1,779,964
Treaty										
Proportional	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Grand Total	2,593,025	4,405,817	4,434,821	2,564,021	860,205	1,481,629	1,500,005	841,829	1,722,192	1,779,964

The annexed notes form an integral part of this condensed interim unconsolidated financial information.


Umer Mansha
Chairman


S.M. Jawed
Director


Ibrahim Shamsi
Director


Muhammad Ali Zeb
Managing Director & Chief Executive

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PREMIUMS FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Net premium revenue	
		Opening	Closing			Opening	Closing		Quarter ended March 31, 2010	Quarter ended March 31, 2009
(Rupees in thousand)										
Direct and Facultative										
Fire and property damage	742,132	1,634,259	1,518,262	858,129	505,410	1,098,221	1,098,704	504,927	353,202	312,582
Marine, aviation and transport	276,039	46,726	57,244	265,521	45,651	6,399	6,394	45,656	219,865	222,615
Motor	543,966	1,024,231	978,691	589,506	7,744	1,974	1,973	7,745	581,761	694,430
Miscellaneous	518,073	766,126	836,292	447,907	183,038	136,656	141,797	177,897	270,010	286,720
Total	2,080,210	3,471,342	3,390,489	2,161,063	741,843	1,243,250	1,248,868	736,225	1,424,838	1,516,347
Treaty										
Proportional	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Grand Total	2,080,210	3,471,342	3,390,489	2,161,063	741,843	1,243,250	1,248,868	736,225	1,424,838	1,516,347

The annexed notes form an integral part of this condensed interim unconsolidated financial information.


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Director


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Managing Director & Chief Executive

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PREMIUMS FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN

Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Net premium revenue	
		Opening	Closing			Opening	Closing		Quarter ended March 31, 2010	Quarter ended March 31, 2009
(Rupees in thousand)										
Direct and Facultative										
Fire and property damage	17,324	51,709	43,924	25,109	10,560	38,828	30,852	18,536	6,573	15,444
Marine, aviation and transport	17,124	(4,627)	1,544	10,953	1,944	(1,244)	624	76	10,877	22,582
Motor	470,626	875,790	985,793	360,623	101,554	195,434	212,744	84,244	276,379	219,364
Miscellaneous	7,741	11,603	13,071	6,273	4,304	5,361	6,917	2,748	3,525	6,227
Total	512,815	934,475	1,044,332	402,958	118,362	238,379	251,137	105,604	297,354	263,617
Treaty										
Proportional	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Grand Total	512,815	934,475	1,044,332	402,958	118,362	238,379	251,137	105,604	297,354	263,617

The annexed notes form an integral part of this condensed interim unconsolidated financial information.


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Managing Director & Chief Executive

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CLAIMS

FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

Class	Total claims paid	Outstanding claims		Claims expenses	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net claims expense	
		Opening	Closing			Opening	Closing		Quarter ended March 31, 2010	Quarter ended March 31, 2009
(Rupees in thousand)										
Direct and facultative										
Fire and property damage	397,120	1,168,771	934,476	162,825	174,513	709,703	495,201	(39,989)	202,814	142,602
Marine, aviation and transport	109,134	359,826	346,033	95,341	6,585	183,873	174,518	(2,770)	98,111	82,297
Motor	762,743	1,471,832	1,362,085	652,996	69,137	705,607	732,743	96,273	556,723	679,744
Miscellaneous	258,913	552,512	561,044	267,445	26,522	362,132	393,948	58,338	209,107	223,648
Total	1,527,910	3,552,941	3,203,638	1,178,607	276,757	1,961,315	1,796,410	111,852	1,066,755	1,128,291
Treaty										
Proportional	-	22,962	22,962	-	-	-	-	-	-	10,433
Total	-	22,962	22,962	-	-	-	-	-	-	10,433
Grand Total	1,527,910	3,575,903	3,226,600	1,178,607	276,757	1,961,315	1,796,410	111,852	1,066,755	1,138,724

The annexed notes form an integral part of this condensed interim unconsolidated financial information.


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Director


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Director


Muhammad Ali Zeb
Managing Director & Chief Executive

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CLAIMS

FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

Class	Total claims paid	Outstanding claims		Claims expenses	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net claims expense	
		Opening	Closing			Opening	Closing		Quarter ended March 31, 2010	Quarter ended March 31, 2009
(Rupees in thousand)										
Direct and Facultative										
Fire and property damage	393,416	1,166,655	932,351	159,112	171,957	707,867	493,358	(42,552)	201,664	140,738
Marine, aviation and transport	108,137	351,769	338,673	95,041	6,493	183,873	174,518	(2,862)	97,903	79,426
Motor	549,793	695,339	555,083	409,537	6	100,310	112,823	12,519	397,018	549,168
Miscellaneous	258,787	551,574	560,140	267,353	26,519	362,087	393,835	58,267	209,086	223,455
Total	1,310,133	2,765,337	2,386,247	931,043	204,975	1,354,137	1,174,534	25,372	905,671	992,787
Treaty										
Proportional	-	22,962	22,962	-	-	-	-	-	-	10,433
Total	-	22,962	22,962	-	-	-	-	-	-	10,433
Grand Total	1,310,133	2,788,299	2,409,209	931,043	204,975	1,354,137	1,174,534	25,372	905,671	1,003,220

The annexed notes form an integral part of this condensed interim unconsolidated financial information.


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Director


Ibrahim Shamsi
Director


Muhammad Ali Zeb
Managing Director & Chief Executive

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CLAIMS

FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN

Class	Total claims paid	Outstanding claims		Claims expenses	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net claims expense	
		Opening	Closing			Opening	Closing		Quarter ended March 31, 2010	Quarter ended March 31, 2009
(Rupees in thousand)										
Direct and Facultative										
Fire and property damage	3,704	2,116	2,125	3,713	2,556	1,836	1,843	2,563	1,150	1,864
Marine, aviation and transport	997	8,057	7,360	300	92	-	-	92	208	2,871
Motor	212,950	776,493	807,002	243,459	69,131	605,297	619,920	83,754	159,705	130,576
Miscellaneous	126	938	904	92	3	45	113	71	21	193
Total	217,777	787,604	817,391	247,564	71,782	607,178	621,876	86,480	161,084	135,504
Treaty										
Proportional	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Grand Total	217,777	787,604	817,391	247,564	71,782	607,178	621,876	86,480	161,084	135,504

The annexed notes form an integral part of this condensed interim unconsolidated financial information.


Umer Mansha
Chairman


S.M. Jawed
Director


Ibrahim Shamsi
Director


Muhammad Ali Zeb
Managing Director & Chief Executive

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF EXPENSES

FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

Class	Commissions paid or payable	Deferred commission		Net commission expense	Other management expenses	Underwriting expense	Commission from reinsurers	Net underwriting expense	
		Opening	Closing					Quarter ended March 31, 2010	Quarter ended March 31, 2009
(Rupees in thousand)									
Direct and facultative									
Fire and property damage	122,815	203,339	223,032	103,122	68,874	171,996	76,714	95,282	86,700
Marine, aviation and transport	40,146	7,197	8,790	38,553	43,625	82,178	1,358	80,820	76,673
Motor	95,145	144,778	168,837	71,086	142,874	213,960	14,835	199,125	224,790
Miscellaneous	50,973	44,570	66,042	29,501	52,486	81,987	34,190	47,797	53,137
Total	309,079	399,884	466,701	242,262	307,859	550,121	127,097	423,024	441,300
Treaty									
Proportional	-	-	-	-	-	-	-	-	622
Total	-	-	-	-	-	-	-	-	622
Grand Total	309,079	399,884	466,701	242,262	307,859	550,121	127,097	423,024	441,922

The annexed notes form an integral part of this condensed interim unconsolidated financial information.


Umer Mansha
Chairman


S.M. Jawed
Director


Ibrahim Shamsi
Director


Muhammad Ali Zeb
Managing Director & Chief Executive

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF EXPENSES FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

Class	Commissions paid or payable	Deferred commission		Net commission expense	Other management expenses	Underwriting expense	Commission from reinsurers	Net underwriting expense	
		Opening	Closing					Quarter ended March 31, 2010	Quarter ended March 31, 2009
(Rupees in thousand)									
Direct and facultative									
Fire and property damage	118,817	198,639	217,714	99,742	68,146	167,888	72,696	95,192	84,628
Marine, aviation and transport	34,800	4,052	6,139	32,713	42,420	75,133	1,305	73,828	70,305
Motor	45,117	63,952	70,327	38,742	112,244	150,986	388	150,598	184,499
Miscellaneous	50,114	44,458	65,432	29,140	52,095	81,235	33,384	47,851	52,931
Total	248,848	311,101	359,612	200,337	274,905	475,242	107,773	367,469	392,363
Treaty									
Proportional	-	-	-	-	-	-	-	-	622
Total	-	-	-	-	-	-	-	-	622
Grand Total	248,848	311,101	359,612	200,337	274,905	475,242	107,773	367,469	392,985

The annexed notes form an integral part of this condensed interim unconsolidated financial information.


Umer Mansha
Chairman


S.M. Jawed
Director


Ibrahim Shamsi
Director


Muhammad Ali Zeb
Managing Director & Chief Executive

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF EXPENSES FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

BUSINESS UNDERWRITTEN OUTSIDE PAKISTAN

Class	Commissions paid or payable	Deferred commission		Net commission expense	Other management expenses	Underwriting expense	Commission from reinsurers	Net underwriting expense	
		Opening	Closing					Quarter ended March 31, 2010	Quarter ended March 31, 2009
(Rupees in thousand)									
Direct and facultative									
Fire and property damage	3,998	4,700	5,318	3,380	728	4,108	4,018	90	2,072
Marine, aviation and transport	5,346	3,145	2,651	5,840	1,205	7,045	53	6,992	6,368
Motor	50,028	80,826	98,510	32,344	30,630	62,974	14,447	48,527	40,291
Miscellaneous	859	112	610	361	391	752	806	(54)	206
Total	60,231	88,783	107,089	41,925	32,954	74,879	19,324	55,555	48,937
Treaty									
Proportional	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
Grand Total	60,231	88,783	107,089	41,925	32,954	74,879	19,324	55,555	48,937

The annexed notes form an integral part of this condensed interim unconsolidated financial information.


Umer Mansha
Chairman


S.M. Jawed
Director


Ibrahim Shamsi
Director


Muhammad Ali Zeb
Managing Director & Chief Executive

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF INVESTMENT INCOME

FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

Quarter ended
March 31, 2010

Quarter ended
March 31, 2009

(Rupees in thousand)

Income from non-trading investments

Available-for-sale

Return on fixed income securities	2,160	12,364
Return on Term Finance Certificates	6,364	6,927
Return on Pakistan Investment Bonds	3,602	1,109
Dividend income		
- associated undertakings	74,308	48,242
- others	96,019	57,402
	170,327	105,644
	182,453	126,044
Gain / (Loss) on sale of 'available-for-sale' investments		
- associated undertakings	40,287	58,459
- others	3,057	(30,269)
	43,344	28,190
	225,797	154,234
(Charge) / Reversal for impairment in value of 'available-for-sale' investments	(4,622)	230,693
Net investment income	221,175	384,927

The annexed notes form an integral part of this condensed interim unconsolidated financial information.


Umer Mansha
Chairman


S.M. Jawed
Director


Ibrahim Shamsi
Director


Muhammad Ali Zeb
Managing Director & Chief Executive

CONDENSED INTERIM UNCONSOLIDATED NOTES TO THE FINANCIAL INFORMATION

FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

1 THE COMPANY AND ITS OPERATIONS

Adamjee Insurance Company Limited (the company) is a public limited company incorporated in Pakistan on September 28, 1960 under the Companies Act, 1913 (now Companies Ordinance, 1984). The company is listed on all the stock exchanges in Pakistan and is engaged in the non-life insurance business.

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

The company also operates branches in the United Arab Emirates (UAE), the Kingdom of Saudi Arabia (KSA) and the Export Processing Zone (EPZ). The branch in the KSA has closed down its operations and is in "run-off" status with effect from October 01, 2003.

2 BASIS OF PREPARATION

This interim financial information is unaudited and is being submitted to the shareholders in accordance with the listing regulations of the Stock Exchanges and section 245 of the Companies Ordinance, 1984 and being presented in condensed form in accordance with the requirements of International Accounting Standard (IAS) - 34 'Interim Financial Reporting' and in the format prescribed by Insurance Division of SECP in its Circular No. 7 of 2003 dated August 27, 2003. This interim financial information do not include all the information and disclosures required in the financial statements, and should be read in conjunction with the Company's annual published financial statements for the year ended December 31, 2009.

3 BASIS OF MEASUREMENT

This interim financial information has been prepared under the historical cost convention except that obligations under certain employee benefits are measured at present value.

4 ACCOUNTING POLICIES AND COMPUTATION METHODS

The accounting policies and methods of computation adopted in the preparation of this interim financial information are the same as those applied in the preparation of the preceding annual published financial statements of the company for the year ended December 31, 2009.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Judgments and estimates made by the management in the preparation of this interim financial information are the same as those applied to the preceding annual published financial statements of the company for the year ended December 31, 2009.

6 CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

The income tax assessments of the company have been finalized up to and including the tax year 2009. However, the company has filed appeals in respect of certain assessment years mainly on account of following:

- i) The Deputy Commissioner of Income Tax (DCIT) has finalized assessments for the assessment year 1999-2000 by taxing capital gains at the full rate of 33%. The aggregate tax liability assessed by the DCIT amounted to Rupees 48.205 million against which the company has made a total provision of Rupees 44.141 million resulting in a shortfall of Rupees 4.064 million. The company filed appeals with the

CONDENSED INTERIM UNCONSOLIDATED NOTES TO THE FINANCIAL INFORMATION

FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

Commissioner of Income Tax (Appeals) and Income Tax Appellate Tribunal (ITAT) which were decided against the company. Consequently the company has filed an appeal before the Honorable High Court of Sindh and the petition is fixed for regular rehearing;

- ii) The Additional Commissioner / Taxation Officer has reopened assessments for the assessment years 2000-2001 and 2001-2002 by taxing bonus shares received by the company during the above mentioned periods resulting in an additional tax liability of Rupees 14.907 million. An appeal was filed before the Commissioner of Income Tax (Appeals) who cancelled the amended order passed by the Additional Commissioner and allowed relief to the company but the Tax Department had filed an appeal before the ITAT against the order of the Additional Commissioner, which has been decided in favour of the company. There are chances that the Tax Department will file an appeal against the decision of ITAT;
- iii) While finalizing the assessment for the assessment year 2002-2003, DCIT has reduced the business loss for the year by Rupees 88.180 million by adjusting the dividend income against this loss. The company maintains that it is entitled to carry the gross loss forward for adjustment against the future taxable income and dividend income for the year should be taxed separately at reduced rate. The appeals of the company in this respect have been rejected by the Commissioner of Income Tax (Appeals), the ITAT and the Sindh High Court. The company has now filed a reference application with the Supreme Court of Pakistan. The management is confident that the matter will eventually be decided in favor of the company and has consequently not made any provision against the additional tax liability of Rupees 26.455 million which may arise in this respect;
- iv) The Tax Authorities have also amended the assessments for tax years 2003 to 2007 on the ground that the company has not apportioned management and general administration expenses against capital gain and dividend income. The company has filed constitution petition in the High Court of Sindh against the amendment in the assessment order. The company may be liable to pay Rupees 5.881 million in the event of decision against the company, out of which Rupees 2.727 million has been provided by the company resulting in a shortfall of Rupees 3.154 million;
- v) The Taxation Officer has passed an order in the tax year 2005 and 2006 under section 221 of the Income Tax Ordinance, 2001 (the Ordinance) levying minimum tax liability aggregating to Rupees 38.358 million. An appeal had been filed before the Commissioner of Income Tax (Appeals) who upheld the order of the Taxation Officer. The Company has filed an appeal before ITAT which is pending to be heard;
- vi) The Taxation Officer has passed an order under section 161/205 of the Ordinance in Tax year 2007 creating a demand of Rupees 1.263 million. The company filed an appeal before the Commissioner of Income Tax (Appeals) which has been decided against the company. The company is filing an appeal before the Income Tax Appellate Tribunal.

Pending resolution of the above-mentioned appeals filed by the company, no provision has been made in these unconsolidated financial statements for the aggregate amount of Rupees 88.201 million (December 31, 2009: 88.201 million) as the management is confident that the eventual outcome of the above matters will be in favor of the company.

6.2 Commitments

There were no capital or other commitments as at March 31, 2010 (December 31, 2009: Nil)

CONDENSED INTERIM UNCONSOLIDATED NOTES TO THE FINANCIAL INFORMATION

FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

	Note	March 31, 2010	December 31, 2009
(Rupees in thousand)			
7 INVESTMENTS			
In related parties			
Available-for-sale			
Marketable securities		6,055,736	6,029,982
Less: Provision for impairment in value of investments		-	-
		6,055,736	6,029,982
Investment in subsidiary - Adamjee Life Assurance Company Limited		294,065	294,065
		6,349,801	6,324,047
Others			
Available-for-sale			
Marketable securities		3,397,151	3,371,193
Less: Provision for impairment in value of investments		(545,922)	(541,300)
		2,851,229	2,829,893
Fixed income investments		-	504,090
		2,851,229	3,333,983
		9,201,030	9,658,030
8 PREMIUMS DUE BUT UNPAID - Unsecured			
Considered good		3,495,627	3,818,046
Considered doubtful		119,530	119,530
		3,615,157	3,937,576
Less: Provision for doubtful balances	8.1	(119,530)	(119,530)
		3,495,627	3,818,046
8.1 Reconciliation of provision for doubtful balances			
Opening provision		119,530	46,793
Exchange loss		-	90
Charge for the period		-	90,864
Written off during the period		-	(18,217)
Closing provision		119,530	119,530
9 AMOUNTS DUE FROM OTHER INSURERS / REINSURERS - Unsecured			
Considered good		914,952	716,962
Considered doubtful		30,000	30,000
		944,952	746,962
Less: Provision for doubtful balances	9.1	(30,000)	(30,000)
		914,952	716,962

CONDENSED INTERIM UNCONSOLIDATED NOTES TO THE FINANCIAL INFORMATION

FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

	March 31, 2010	December 31, 2009
	(Rupees in thousand)	
9.1 Reconciliation of provision for doubtful balances		
Opening provision	30,000	61,396
Charge for the period	-	50,390
Written off during the period	-	(81,786)
Closing provision	<u>30,000</u>	<u>30,000</u>

	Quarter ended March 31, 2010	Quarter ended March 31, 2009
	(Rupees in thousand)	

10 FIXED ASSETS

10.1 The following capital expenditure was incurred during the period:

Furniture and fixtures	21,136	1,504
Motor vehicles	3,002	4,485
Machinery and equipment	1,435	33,664
Computer and related accessories	1,465	649
Intangible Assets	-	650
	<u>27,038</u>	<u>40,952</u>

10.2 The following are the written down values of fixed assets disposed of during the period:

Furniture and fixtures	105	342
Motor vehicles	3,026	6,277
Machinery and equipment	223	1,462
Computer and related accessories	-	486
	<u>3,354</u>	<u>8,567</u>

11 TRANSACTIONS WITH RELATED PARTIES

The company has related party relationships with its associated company, subsidiary company, employee benefit plans, key management personnel and other parties. Transactions are entered into with such related parties for the issuance of policies to and disbursements of claims incurred by them and payments of rentals for the use of premises rented from them. There are no transactions with key management personnel other than their terms of employment.

Investment in related parties have been disclosed in note 7 to the financial statements. Other transactions with related parties are summarised as follows:

	Quarter ended March 31, 2010	Quarter ended March 31, 2009
	(Rupees in thousand)	
Premium underwritten	231,181	226,869
Premium received	167,364	123,592
Premium ceded	350	7,408
Claims paid	142,425	149,439
Rent paid	3,005	745
Dividend received	74,308	48,064
	Number of shares	
Bonus shares received	2,740,126	1,922,593

CONDENSED INTERIM UNCONSOLIDATED NOTES TO THE FINANCIAL INFORMATION

FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

12 SEGMENT REPORTING

Class of business wise revenue and results have been disclosed in the profit and loss account prepared in accordance with the requirements of the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002. The following is a schedule of class of business wise assets and liabilities:

	March 31, 2010						Total
	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	Unallocated Corporate Assets/ Liabilities	
(Rupees in thousand)							
OTHER INFORMATION							
Segment assets	3,147,190	691,460	2,850,309	1,508,971	-	-	8,197,930
Unallocated assets	-	-	-	-	-	12,951,890	12,951,890
Total assets	3,147,190	691,460	2,850,309	1,508,971	-	12,951,890	21,149,820
Segment liabilities	2,886,755	506,892	3,720,582	1,651,420	22,962	-	8,788,611
Unallocated liabilities	-	-	-	-	-	1,483,555	1,483,555
Total liabilities	2,886,755	506,892	3,720,582	1,651,420	22,962	1,483,555	10,272,166
Capital expenditure	-	-	-	-	-	27,038	27,038
	December 31, 2009						
	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	Unallocated Corporate Assets/ Liabilities	Total
(Rupees in thousand)							
OTHER INFORMATION							
Segment assets	3,618,471	688,623	2,707,357	1,387,620	-	-	8,402,071
Unallocated assets	-	-	-	-	-	13,210,307	13,210,307
Total assets	3,618,471	688,623	2,707,357	1,387,620	-	13,210,307	21,612,378
Segment liabilities	3,351,127	514,526	3,789,672	1,571,735	22,962	-	9,250,022
Unallocated liabilities	-	-	-	-	-	1,581,181	1,581,181
Total liabilities	3,351,127	514,526	3,789,672	1,571,735	22,962	1,581,181	10,831,203
Capital expenditure	-	-	-	-	-	138,902	138,902

13 GENERAL

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

14 CORRESPONDING FIGURES

Corresponding amount of Rs 61.69 million has been reclassified as gain / loss on sale of 'available-for-sale-investment' in the statement of Investment Income.

15 AUTHORISATION FOR ISSUE

This interim financial information has been approved and authorised for issue on April 26, 2010 by the Board of Directors of the Company.


Umer Mansha
Chairman


S.M. Jawed
Director


Ibrahim Shamsi
Director


Muhammad Ali Zeb
Managing Director & Chief Executive



Consolidated Financial Statements

*for the 1st quarter ended
March 31, 2010 (unaudited)*

Directors' Report to the Members on Consolidated Financial Statements

For the Quarter ended March 31, 2010

On behalf of the Board of Directors, I am pleased to present report on the interim consolidated financial statements of Adamjee Insurance Company Limited and its subsidiary, Adamjee Life Assurance Company Limited for the first quarter ended March 31, 2010.

The following appropriation of profit has been recommended by the Board of Directors:

	Rupees '000
Profit before tax	343,627
Taxation	(88,440)
Profit after tax	255,187
Profit attributable to minority interest	(3,431)
Profit attributable to ordinary share holders	251,756
Un-appropriated profit brought forward	8,522,098
Profit available for appropriation	8,773,854
Appropriations	
Final dividend for the year ended December 31, 2009	(168,688)
Reserve for issue of bonus shares for the year ended December 31, 2009	(112,459)
Total appropriations	(281,147)
	8,492,707

EARNINGS PER SHARE

The interim consolidated financial statements reflect Rs. 2.27 (March 31, 2009: Rs. 3.87) earning per share for the year under review.

On behalf of the Board of Directors



Muhammad Ali Zeb
Managing Director & Chief Executive

Karachi: April 26, 2010

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2010

	Note	March 31, 2010 (Rupees in thousand) (Unaudited)	December 31, 2009 (Audited)
Share capital and reserves			
Authorised share capital		1,500,000	1,500,000
Paid-up share capital		1,124,586	1,124,586
Retained earnings		8,492,707	8,522,098
Reserves		1,217,326	1,104,707
		9,710,033	9,626,805
Equity attributable to equity holders of the parent		10,834,619	10,751,391
Minority interest		205,387	216,230
Total equity		11,040,006	10,967,621
Balance of statutory funds		11,499	11,499
Underwriting provisions			
Provision for outstanding claims (including IBNR)		3,234,911	3,584,772
Provision for unearned premium		4,434,821	4,405,817
Commission income unearned		228,886	228,439
Total underwriting provisions		7,898,618	8,219,028
Deferred liabilities			
Deferred taxation		108,437	74,270
Staff retirement benefits		15,476	14,298
Creditors and Accruals			
Premiums received in advance		75,444	91,169
Amounts due to other insurers / reinsurers		835,559	960,748
Accrued expenses		190,377	156,626
Taxation - provision less payments		17,959	5,455
Other creditors and accruals		845,409	1,188,025
		1,964,748	2,402,023
Borrowings			
Liabilities against assets subject to finance lease		142,896	148,911
Other liabilities			
Unclaimed dividends		193,615	25,965
TOTAL LIABILITIES		10,323,790	10,884,495
CONTINGENCIES AND COMMITMENTS			
	6		
TOTAL EQUITY AND LIABILITIES		21,375,295	21,863,615

The annexed notes form an integral part of this condensed interim consolidated financial information.

	Note	March 31, 2010 <u>(Unaudited)</u>	December 31, 2009 <u>(Audited)</u>
		(Rupees in thousand)	
Cash and bank deposits			
Cash and other equivalents		3,228	61,796
Current and other accounts		658,543	702,913
Deposits maturing within 12 months		1,609,126	1,408,449
		2,270,897	2,173,158
Loans			
To employees		23,210	28,383
Investments			
	7	9,326,580	9,815,444
Deferred taxation			
		12,791	-
Current assets - others			
Premiums due but unpaid	8	3,499,357	3,841,755
Amounts due from other insurers/ reinsurers	9	914,952	716,962
Salvage recoveries accrued		131,492	115,753
Premium and claim reserves retained by cedants		24,235	24,235
Accrued investment income		148,044	47,304
Reinsurance recoveries against outstanding claims		1,664,918	1,845,562
Taxation - payments less provision		-	-
Deferred commission expense		466,701	399,884
Prepayments		1,588,274	1,555,207
Sundry receivables		231,114	200,478
		8,669,087	8,747,140
Fixed Assets - Tangible & Intangible			
Owned			
Land and buildings		173,783	174,660
Furniture and fixtures		39,838	38,843
Motor vehicles		204,181	200,253
Capital work-in-progress		-	22,575
Machinery and equipment		353,919	375,731
Computers and related accessories		56,427	54,583
Intangible asset - computer software		57,531	38,269
		885,679	904,914
Leased			
Motor vehicles		187,051	194,576
TOTAL ASSETS		21,375,295	21,863,615


Umer Mansha
Chairman


S.M. Jawed
Director


Ibrahim Shamsi
Director


Muhammad Ali Zeb
Managing Director & Chief Executive

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

	General Insurance					Life Insurance		Total	
	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Treaty	Conventional Business	Accident and Health Business	Quarter ended March 31, 2010	Quarter ended March 31, 2009
(Rupees in thousand)									
Revenue Account									
Net premium revenue	359,775	230,742	858,140	273,535	-	6,226	82	1,728,500	1,779,964
Net claims	(202,814)	(98,111)	(556,723)	(209,107)	-	(4,825)	-	(1,071,580)	(1,138,724)
Expenses	(68,874)	(43,625)	(142,874)	(52,486)	-	(26,925)	(1,609)	(336,393)	(278,968)
Net commission	(26,408)	(37,195)	(56,251)	4,689	-	(4,917)	(40)	(120,122)	(162,954)
Net Investment income - statutory fund	-	-	-	-	-	289	-	289	-
Add: Policyholder's liabilities at beginning of the year	-	-	-	-	-	11,498	1	11,499	-
Less: Policyholder's liabilities at end of the year	-	-	-	-	-	(11,498)	(1)	(11,499)	-
Capital contribution from shareholder's fund	-	-	-	-	-	30,152	1,567	31,719	-
Underwriting result	61,679	51,811	102,292	16,631	-	-	-	232,413	199,318
Investment income								233,157	398,761
Rental income								554	124
Other income								37,909	43,508
								504,033	641,711
General and administration expenses								(155,458)	(167,330)
Exchange gain								400	98
Finance charge on lease liabilities								(5,348)	-
Profit before tax								343,627	474,479
Provision for taxation								(88,440)	(39,034)
Profit after tax								255,187	435,445
Profit attributable to:									
Equity holders of the parent								251,756	438,145
Minority interest								3,431	(2,700)
Profit and loss appropriation account									
Balance at the commencement of the period								8,522,098	6,453,878
Profit after tax for the period								251,756	438,145
Final dividend for the year ended December 31, 2009 @15% (Rs.1.5/- per share) [2008: @10% (Re. 1.0/- per share)]								(168,688)	(102,235)
Reserve for issue of bonus shares								(112,459)	(102,235)
Balance unappropriated profit at the end of the period								8,492,707	6,687,553
								Rupees	Rupees
Earnings per share - basic and diluted								2.27	3.87

The annexed notes form an integral part of this condensed interim consolidated financial information.


Umer Mansha
Chairman


S.M. Jawed
Director


Ibrahim Shamsi
Director


Muhammad Ali Zeb
Managing Director & Chief Executive

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

	Quarter ended March 31, 2010	Quarter ended March 31, 2009
	(Rupees in thousand)	
Profit for the year	255,187	435,445
Other comprehensive income:		
Effect of translation of net investment in foreign branches	17,605	-
Capital contribution to statutory funds	(31,719)	-
Total comprehensive income for the year	<u>241,073</u>	<u>435,445</u>
Comprehensive income attributable to:		
Equity holders of the parent	<u>251,916</u>	<u>438,145</u>
Minority interest	<u>(10,843)</u>	<u>(2,700)</u>

The annexed notes form an integral part of this condensed interim consolidated financial information.


Umer Mansha
Chairman


S.M. Jawed
Director


Ibrahim Shamsi
Director


Muhammad Ali Zeb
Managing Director & Chief Executive

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

	Share capital	Capital reserves					Revenue reserves		Equity attributable to equity holders of the parent	Minority interest	Total
	Issued, subscribed and paid-up	Reserve for issue of bonus shares	Reserve for exceptional losses	Investment fluctuation reserve	Capital contribution to statutory funds	Exchange translation reserve	General reserve	Retained earnings			
	(Rupees in thousand)										
Balance as at December 31, 2008	1,022,351	-	22,859	115,108	-	3,764	936,500	6,453,878	8,554,460	236,639	8,791,099
Profit after tax for the quarter ended March 31, 2009	-	-	-	-	-	-	-	438,145	438,145	(2,700)	435,445
Final dividend for the year ended December 31, 2008 @10%(Re. 1.0/- per share)	-	-	-	-	-	-	-	(102,235)	(102,235)	-	(102,235)
Transfer to Reserve for Issue of Bonus shares	-	102,235	-	-	-	-	-	(102,235)	-	-	-
Balance as at March 31, 2009	1,022,351	102,235	22,859	115,108	-	3,764	936,500	6,687,553	8,890,370	233,939	9,124,309
Total comprehensive income for the Nine months ended December 31, 2009	-	-	-	58,316	(31,840)	-	-	2,003,233	2,029,709	(17,709)	2,012,000
Interim dividend @ 15% (Rs 1.5/- per share)	-	-	-	-	-	-	-	(168,688)	(168,688)	-	(168,688)
Issue of Bonus shares for the year ended December 31, 2008	102,235	(102,235)	-	-	-	-	-	-	-	-	-
Balance as at December 31, 2009	1,124,586	-	22,859	173,424	(31,840)	3,764	936,500	8,522,098	10,751,391	216,230	10,967,621
Total comprehensive income for the quarter ended March 31, 2010	-	-	-	17,605	(17,445)	-	-	251,756	251,916	(10,843)	241,073
Final dividend for the year ended December 31, 2009 @15% (Rs.1.5/- per share)	-	-	-	-	-	-	-	(168,688)	(168,688)	-	(168,688)
Transfer to Reserve for Issue of Bonus shares	-	112,459	-	-	-	-	-	(112,459)	-	-	-
Balance as at March 31, 2010	1,124,586	112,459	22,859	191,029	(49,285)	3,764	936,500	8,492,707	10,834,619	205,387	11,040,006

The annexed notes form an integral part of this condensed interim consolidated financial information.


Umer Mansha
Chairman


S.M. Jawed
Director


Ibrahim Shamsi
Director


Muhammad Ali Zeb
Managing Director & Chief Executive

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

	Quarter ended March 31, 2010	Quarter ended March 31, 2009
	(Rupees in thousand)	
Operating Cash Flows		
a) Underwriting activities		
Premiums received	2,820,302	2,153,634
Reinsurance premiums paid	(985,951)	(829,938)
Claims paid	(1,542,273)	(1,644,539)
Surrenders paid	(34,758)	(19,501)
Reinsurance and other recoveries received	78,767	258,105
Commissions paid	(369,770)	(225,941)
Commissions received	127,543	113,317
Other underwriting payments	(401,994)	(335,533)
Net cash flow used in underwriting activities	(308,134)	(530,396)
b) Other operating activities		
Income tax refund / (paid)	(54,560)	71,019
General and other expenses paid	(186,928)	(183,546)
Loans disbursed	(5,337)	(9,916)
Loan repayments received	8,669	15,079
Other receipts	2,103	3,367
Net cash used in other operating activities	(236,053)	(103,997)
Total cash flow used in all operating activities	(544,187)	(634,393)
Investment activities		
Profit/ return received	26,411	56,342
Preoperating expense	-	(638)
Dividends received	117,925	76,546
Interest received on Mutual Funds	10,755	-
Investments purchased	(969,564)	(404,046)
Proceeds from disposal of investments	1,488,352	813,913
Fixed capital expenditure	(32,482)	(40,952)
Proceeds from disposal of fixed assets	5,919	8,756
Income received on rent	2,921	-
Income received on PIBs	1,745	-
Income received on TFCs	2,344	3,210
Total cash flow from investing activities	654,326	513,131
Financing activities		
Lease rentals paid	(11,362)	-
Minority interest	-	-
Dividends paid	(1,038)	(3,752)
Total cash used in financing activities	(12,400)	(3,752)
Net cash flow /(used in) from all activities	97,739	(125,014)
Cash at the beginning of the year	2,168,707	2,207,453
Cash at the end of the year	2,266,446	2,082,439

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

	Quarter ended March 31, 2010	Quarter ended March 31, 2009
	(Rupees in thousand)	
Reconciliation to Profit and Loss Account		
Operating cash flows	(544,187)	(634,393)
Depreciation expense	(45,488)	(38,696)
Provision for gratuity	(1,178)	(2,298)
Other income - bank deposits	33,898	54,926
Profit on disposal of fixed assets	2,565	189
Finance charge on lease liabilities	(5,348)	-
Rental income	554	124
Decrease in assets other than cash	(183,724)	(31,672)
Decrease in liabilities other than running finance	809,880	714,085
	<u>66,972</u>	<u>62,265</u>
Others		
Income on Mutual Funds	43,527	61,690
Profit on sale of investments	3,687	(33,500)
Amortization expense	(2,878)	(2,714)
Capital contribution from shareholders fund	31,718	-
(Increase) / decrease in unearned premium	(29,004)	97,044
Amortization of income on Government Securities - net	2,160	12,364
Profit on PIBs	11,442	1,109
Decrease in loans	(3,332)	3,976
Income tax paid/(refund)	46,963	(71,019)
(Provision) / Reversal for diminution in value of investments	(4,757)	230,693
Dividend, investment and other income	170,765	105,644
Income on TFCs	6,364	6,927
	<u>276,655</u>	<u>412,214</u>
Profit before tax	<u>343,627</u>	<u>474,479</u>

Definition of cash:

Cash comprises of cash in hand, bank balances excluding Rs.4.451 million (2009: Rs 4.451 million) held under lien and other deposits which are readily convertible to cash and which are used in the cash management function on a day- to-day basis.

	Quarter ended March 31, 2010	Quarter ended March 31, 2009
	(Rupees in thousand)	
Cash for the purposes of the Statement of Cash Flows consists of:		
Cash and other equivalent	3,228	6,774
Current and other accounts	658,543	307,863
Deposits maturing within 12 months	1,604,675	1,767,802
Total cash and cash equivalents	<u>2,266,446</u>	<u>2,082,439</u>

The annexed notes form an integral part of this condensed interim consolidated financial information.


Umer Mansha
Chairman


S.M. Jawed
Director


Ibrahim Shamsi
Director


Muhammad Ali Zeb
Managing Director & Chief Executive

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PREMIUMS FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Net premium revenue	
		Opening	Closing			Opening	Closing		Quarter ended March 31, 2010	Quarter ended March 31, 2009
(Rupees in thousand)										
General insurance:										
Direct and facultative										
Fire and property damage	759,456	1,685,968	1,562,186	883,238	515,970	1,137,049	1,129,556	523,463	359,775	328,026
Marine, aviation and transport	293,163	42,099	58,788	276,474	47,595	5,155	7,018	45,732	230,742	245,197
Motor	1,014,592	1,900,021	1,964,484	950,129	109,298	197,408	214,717	91,989	858,140	913,794
Miscellaneous	525,814	777,729	849,363	454,180	187,342	142,017	148,714	180,645	273,535	292,947
	<u>2,593,025</u>	<u>4,405,817</u>	<u>4,434,821</u>	<u>2,564,021</u>	<u>860,205</u>	<u>1,481,629</u>	<u>1,500,005</u>	<u>841,829</u>	<u>1,722,192</u>	<u>1,779,964</u>
Treaty										
Proportional	-	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>2,593,025</u>	<u>4,405,817</u>	<u>4,434,821</u>	<u>2,564,021</u>	<u>860,205</u>	<u>1,481,629</u>	<u>1,500,005</u>	<u>841,829</u>	<u>1,722,192</u>	<u>1,779,964</u>
Life insurance:										
Conventional Business	15,748	-	-	15,748	9,522	-	-	9,522	6,226	-
Accident and Health Business	97	-	-	97	15	-	-	15	82	-
Total	<u>15,845</u>	<u>-</u>	<u>-</u>	<u>15,845</u>	<u>9,537</u>	<u>-</u>	<u>-</u>	<u>9,537</u>	<u>6,308</u>	<u>-</u>
Grand Total	<u>2,608,870</u>	<u>4,405,817</u>	<u>4,434,821</u>	<u>2,579,866</u>	<u>869,742</u>	<u>1,481,629</u>	<u>1,500,005</u>	<u>851,366</u>	<u>1,728,500</u>	<u>1,779,964</u>

The annexed notes form an integral part of this condensed interim consolidated financial information.


Umer Mansha
Chairman


S.M. Jawed
Director


Ibrahim Shamsi
Director


Muhammad Ali Zeb
Managing Director & Chief Executive

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CLAIMS

FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

Class	Total claims paid	Outstanding claims		Claims expenses	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net claims expense	
		Opening	Closing			Opening	Closing		Quarter ended March 31, 2010	Quarter ended March 31, 2009
(Rupees in thousand)										
General insurance:										
Direct and facultative										
Fire and property damage	397,120	1,168,771	934,476	162,825	174,513	709,703	495,201	(39,989)	202,814	142,602
Marine, aviation and transport	109,134	359,826	346,033	95,341	6,585	183,873	174,518	(2,770)	98,111	82,297
Motor	762,743	1,471,832	1,362,085	652,996	69,137	705,607	732,743	96,273	556,723	679,744
Miscellaneous	258,913	552,512	561,044	267,445	26,522	362,132	393,948	58,338	209,107	223,648
	<u>1,527,910</u>	<u>3,552,941</u>	<u>3,203,638</u>	<u>1,178,607</u>	<u>276,757</u>	<u>1,961,315</u>	<u>1,796,410</u>	<u>111,852</u>	<u>1,066,755</u>	<u>1,128,291</u>
Treaty										
Proportional	-	22,962	22,962	-	-	-	-	-	-	10,433
	-	22,962	22,962	-	-	-	-	-	-	10,433
Total	<u>1,527,910</u>	<u>3,575,903</u>	<u>3,226,600</u>	<u>1,178,607</u>	<u>276,757</u>	<u>1,961,315</u>	<u>1,796,410</u>	<u>111,852</u>	<u>1,066,755</u>	<u>1,138,724</u>
Life insurance:										
Conventional business	14,363	8,869	8,311	13,805	8,980	-	-	8,980	4,825	-
Accident and Health Business	-	-	-	-	-	-	-	-	-	-
Total	<u>14,363</u>	<u>8,869</u>	<u>8,311</u>	<u>13,805</u>	<u>8,980</u>	<u>-</u>	<u>-</u>	<u>8,980</u>	<u>4,825</u>	<u>-</u>
Grand Total	<u>1,542,273</u>	<u>3,584,772</u>	<u>3,234,911</u>	<u>1,192,412</u>	<u>285,737</u>	<u>1,961,315</u>	<u>1,796,410</u>	<u>120,832</u>	<u>1,071,580</u>	<u>1,138,724</u>

The annexed notes form an integral part of this condensed interim consolidated financial information.


Umer Mansha
Chairman


S.M. Jawed
Director


Ibrahim Shamsi
Director


Muhammad Ali Zeb
Managing Director & Chief Executive

CONDENSED INTERIM CONSOLIDATED STATEMENT OF EXPENSES

FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

Class	Commissions paid or payable	Deferred commission		Net commission expense	Other management expenses	Underwriting expense	Commission from reinsurers	Net underwriting expense	
		Opening	Closing					Quarter ended March 31, 2010	Quarter ended March 31, 2009

(Rupees in thousand)

General insurance:

Direct and facultative

Fire and property damage	122,815	203,339	223,032	103,122	68,874	171,996	76,714	95,282	86,700
Marine, aviation and transport	40,146	7,197	8,790	38,553	43,625	82,178	1,358	80,820	76,673
Motor	95,145	144,778	168,837	71,086	142,874	213,960	14,835	199,125	224,790
Miscellaneous	50,973	44,570	66,042	29,501	52,486	81,987	34,190	47,797	53,137
	309,079	399,884	466,701	242,262	307,859	550,121	127,097	423,024	441,300

Treaty

Proportional	-	-	-	-	-	-	-	-	622
	-	-	-	-	-	-	-	-	622
Total	309,079	399,884	466,701	242,262	307,859	550,121	127,097	423,024	441,922

Life insurance:

Conventional business	4,917	-	-	4,917	26,925	31,842	-	31,842	-
Accident and health business	40	-	-	40	1,609	1,649	-	1,649	-
Total	4,957	-	-	4,957	28,534	33,491	-	33,491	-
Grand Total	314,036	399,884	466,701	247,219	336,393	583,612	127,097	456,515	441,922

The annexed notes form an integral part of this condensed interim consolidated financial information.


Umer Mansha
Chairman


S.M. Jawed
Director


Ibrahim Shamsi
Director


Muhammad Ali Zeb
Managing Director & Chief Executive

CONDENSED INTERIM CONSOLIDATED STATEMENT OF INVESTMENT INCOME

FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

	Note	Quarter ended March 31, 2010	Quarter ended March 31, 2009
(Rupees in thousand)			
General insurance:			
Income from non-trading investments Available-for-sale			
Return on fixed income securities		2,160	12,364
Return on Term Finance Certificates		6,364	6,927
Return on Pakistan Investments Bonds		3,602	1,109
Dividend income			
- associated undertakings		170,327	48,242
- others		-	57,402
		170,327	105,644
		182,453	126,044
Gain on sale of 'available-for-sale' investments			
- associated undertakings		40,287	58,459
- others		3,057	(30,269)
		43,344	28,190
		225,797	154,234
(Provision) / Reversal for impairment in value of 'available-for-sale' investment		(4,622)	230,693
		221,175	384,927
Life insurance:			
Share holders' fund		-	-
Appreciation in value of quoted securities		(135)	-
Return on Government Securities		7,840	-
Return on bank deposit		152	13,834
Dividend income		438	-
Gain on sale of non trading investments		3,687	-
		11,982	13,834
Statutory Funds			
Conventional Business			
Investment income on bank deposits		106	-
Gain on sale of units of open end mutual funds		183	-
		289	-
Accident and Health Business			
Investment income on bank deposits		-	-
Gain on sale of units of open end mutual funds		-	-
		-	-
Net investment income		233,446	398,761
Net investment income - shareholders' funds		289	-
Net investment income - other		233,157	398,761
		233,446	398,761

The annexed notes form an integral part of this condensed interim consolidated financial information.


Umer Mansha
Chairman


S.M. Jawed
Director


Ibrahim Shamsi
Director


Muhammad Ali Zeb
Managing Director & Chief Executive

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

1 BASIS OF PRESENTATION

The condensed interim consolidated financial information comprises the consolidated financial information of Adamjee Insurance Company Limited and its subsidiary company, Adamjee Life Assurance Company Limited, as at March 31, 2010. The condensed interim financial information of the subsidiary companies has been consolidated on line by line basis. All inter company balances and transaction have been eliminated.

2 BASIS OF PREPARATION

This condensed interim consolidated financial information is unaudited and is being submitted to the shareholders in accordance with the listing regulations of the Stock Exchanges and section 245 of the Companies Ordinance, 1984 and being presented in condensed form in accordance with the requirements of International Accounting Standard (IAS) - 34 'Interim Financial Reporting' and in the format prescribed by Insurance Division of SECP in its Circular No. 7 of 2003 dated August 27, 2003. This condensed interim consolidated financial information do not include all the information and disclosures required in the financial statements, and should be read in conjunction with the Company's annual published financial statements for the year ended December 31, 2009.

3 BASIS OF MEASUREMENT

This condensed interim consolidated financial information has been prepared under the historical cost convention except that obligations under certain employee benefits are measured at present value.

4 ACCOUNTING POLICIES AND COMPUTATION METHODS

The accounting policies and methods of computation adopted in the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of the preceding annual published financial statements of the company for the year ended December 31, 2009.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Judgments and estimates made by the management in the preparation of this condensed interim consolidated financial information are the same as those applied to the preceding annual published financial statements of the company for the year ended December 31, 2009.

6 CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

The income tax assessments of the company have been finalized up to and including the tax year 2009. However, the company has filed appeals in respect of certain assessment years mainly on account of following:

- (i) The Deputy Commissioner of Income Tax (DCIT) has finalized assessments for the assessment year 1999-2000 by taxing capital gains at the full rate of 33%. The aggregate tax liability assessed by the DCIT amounted to Rupees 48.205 million against which the company has made a total provision of Rupees 44.141 million resulting in a shortfall of Rupees 4.064 million. The company filed appeals with the Commissioner of Income Tax (Appeals) and Income Tax Appellate Tribunal (ITAT) which were decided against the company. Consequently the company has filed an appeal before the Honorable High Court of Sindh and the petition is fixed for regular hearing;

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

- ii) The Additional Commissioner / Taxation Officer has reopened assessments for the assessment years 2000-2001 and 2001-2002 by taxing bonus shares received by the company during the above mentioned periods resulting in an additional tax liability of Rupees 14.907 million. An appeal was filed before the Commissioner of Income Tax (Appeals) who cancelled the amended order passed by the Additional Commissioner and allowed relief to the company but the Tax Department had filed an appeal before the ITAT against the order of the Additional Commissioner, which has been decided in favour of the company. There are chances that the Tax Department will file an appeal against the decision of ITAT;
- iii) While finalizing the assessment for the assessment year 2002-2003, DCIT has reduced the business loss for the year by Rupees 88.180 million by adjusting the dividend income against this loss. The company maintains that it is entitled to carry the gross loss forward for adjustment against the future taxable income and dividend income for the year should be taxed separately at reduced rate. The appeals of the company in this respect have been rejected by the Commissioner of Income Tax (Appeals), the ITAT and the Sindh High Court. The company has now filed a reference application with the Supreme Court of Pakistan. The management is confident that the matter will eventually be decided in favor of the company and has consequently not made any provision against the additional tax liability of Rupees 26.455 million which may arise in this respect;
- iv) The Tax Authorities have also amended the assessments for tax years 2003 to 2007 on the ground that the company has not apportioned management and general administration expenses against capital gain and dividend income. The company has filed constitution petition in the High Court of Sindh against the amendment in the assessment order. The company may be liable to pay Rupees 5.881 million in the event of decision against the company, out of which Rupees 2.727 million has been provided by the company resulting in a shortfall of Rupees 3.154 million;
- v) The Taxation Officer has passed an order in the tax year 2005 and 2006 under section 221 of the Income Tax Ordinance, 2001 (the Ordinance) levying minimum tax liability aggregating to Rupees 38.358 million. An appeal had been filed before the Commissioner of Income Tax (Appeals) who upheld the order of the Taxation Officer. The Company has filed an appeal before ITAT which is pending to be heard;
- vi) The Taxation Officer has passed an order under section 161/205 of the Ordinance in Tax year 2007 creating a demand of Rupees 1.263 million. The company filed an appeal before the Commissioner of Income Tax (Appeals) which has been decided against the company. The company is filing an appeal before the Income Tax Appellate Tribunal.

Pending resolution of the above-mentioned appeals filed by the company, no provision has been made in these unconsolidated financial statements for the aggregate amount of Rupees 88.201 million (December 31, 2009: 88.201 million) as the management is confident that the eventual outcome of the above matters will be in favor of the company.

6.2 Commitments

There were no capital or other commitments as at March 31, 2010 (December 31, 2009: Nil)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

	Note	March 31, 2010	December 31, 2009
(Rupees in thousand)			
7 INVESTMENTS			
Held to maturity			
1 year treasury bills		99,342	96,523
Available-for-sale In related parties			
Marketable securities		6,055,736	6,223,534
Less: Provision for impairment in value of investments		-	-
		6,055,736	6,223,534
Others			
Marketable securities		3,717,424	3,530,982
Less: Provision for impairment in value of investments		(545,922)	(541,300)
		3,171,502	2,989,682
Fixed income investments		-	504,090
		3,171,502	3,493,772
At fair value through profit or loss			
Listed equity securities		-	1,615
		<u>9,326,580</u>	<u>9,815,444</u>
8 PREMIUMS DUE BUT UNPAID - Unsecured			
Considered good		3,499,357	3,841,755
Considered doubtful		119,530	119,530
		3,618,887	3,961,285
Less: Provision for doubtful balances	8.1	(119,530)	(119,530)
		<u>3,499,357</u>	<u>3,841,755</u>
8.1 Reconciliation of provision for doubtful balances			
Opening provision		119,530	46,793
Exchange loss		-	90
Charge for the year		-	90,864
Written off during the year		-	(18,217)
Closing provision		<u>119,530</u>	<u>119,530</u>
9 AMOUNTS DUE FROM OTHER INSURERS/ REINSURERS - Unsecured			
Considered good		914,952	716,962
Considered doubtful		30,000	30,000
		944,952	746,962
Less: Provision for doubtful balances	9.1	(30,000)	(30,000)
		<u>914,952</u>	<u>716,962</u>
9.1 Reconciliation of provision for doubtful balances			
Opening provision		30,000	61,396
Charge for the year		-	50,390
Written off during the year		-	(81,786)
Closing provision		<u>30,000</u>	<u>30,000</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

	Quarter ended March 31, 2010	Quarter ended March 31, 2009
	(Rupees in thousand)	

10 FIXED ASSETS

10.1 The following capital expenditure was incurred during the period:

Furniture and fixtures	21,236	1,504
Motor vehicles	3,002	4,485
Machinery and equipment	1,435	33,664
Computer and related accessories	6,809	649
Intangible Assets	-	650
	<u>32,482</u>	<u>40,952</u>

10.2 The following are the written down values of fixed assets disposed off during the period:

Furniture and fixtures	105	342
Motor vehicles	3,026	6,277
Machinery and equipment	223	1,462
Computer and related accessories	-	486
	<u>3,354</u>	<u>8,567</u>

11 TRANSACTIONS WITH RELATED PARTIES

The company has related party relationships with its associated company, subsidiary company, employee benefit plans, key management personnel and other parties. Transactions are entered into with such related parties for the issuance of policies to and disbursements of claims incurred by them and payments of rentals for the use of premises rented from them. There are no transactions with key management personnel other than their terms of employment.

Investment in related parties have been disclosed in note 7 to the financial statements. Other transactions with related parties are summarised as follows:

	Quarter ended March 31, 2010	Quarter ended March 31, 2009
	(Rupees in thousand)	
Subsidiary company		
Associated undertakings		
Claims expense	6,405	-
Travelling expenses	33	-
Commission expense in respect of Bancassurance	7,295	-
Technical support fee	-	2,170
Holding Company		
Premium underwritten	231,181	226,869
Premium received	167,364	123,592
Premium ceded	350	7,408
Claims paid	142,425	149,439
Rent paid	3,005	745
Dividend received	74,308	48,064
		Number of shares
Bonus shares received	2,740,126	1,922,593

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

SEGMENT REPORTING

For general insurance, each class of business has been identified as reportable segment whereas, for life insurance the statutory funds are treated as reportable segments. Segment wise revenue and results have been disclosed in the profit and loss account. Following is a schedule of segment wise assets and liabilities:

	March 31, 2010		
	Segment assets	Segment liabilities (Rupees in thousand)	Net assets
General Insurance			
Fire and Property Damage	3,147,190	2,886,755	260,435
Marine, Aviation and Transport	691,460	506,892	184,568
Motor	2,850,309	3,720,582	(870,273)
Miscellaneous	1,508,971	1,651,420	(142,449)
Treaty	-	22,962	(22,962)
Life Insurance			
Conventional Business	36,409	36,409	-
Accident and Health Business	132	132	-
	Unallocated assets	Unallocated liabilities	
Unallocated corporate assets / liabilities	13,140,824	1,498,638	11,642,186
Total			11,051,505
Capital expenditure			32,482
	December 31, 2009		
	Segment assets	Segment liabilities (Rupees in thousand)	Net assets
General Insurance			
Fire and Property Damage	3,618,471	3,351,127	267,344
Marine, Aviation and Transport	688,623	514,526	174,097
Motor	2,707,357	3,789,672	(1,082,315)
Miscellaneous	1,387,620	1,571,735	(184,115)
Treaty	-	22,962	(22,962)
Life Insurance			
Conventional Business	41,398	41,398	-
Accident and Health Business	9	9	-
	Unallocated assets	Unallocated liabilities	
Unallocated corporate assets / liabilities	13,420,137	1,593,066	11,827,071
Total			10,979,120
Capital expenditure			180,434

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

12 GENERAL

Figures have been rounded off to the nearest thousand of rupees.


13 AUTHORISATION FOR ISSUE

These condensed interim consolidated financial information have been authorised for issue on April 26, 2010 by the Board of Directors of the Company.


Umer Mansha
Chairman


S.M. Jawed
Director


Ibrahim Shamsi
Director


Muhammad Ali Zeb
Managing Director & Chief Executive





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