

M/S. BEEMA PAKISTAN COMPANY LIMITED
BALANCE SHEET
AS AT JUNE 30 2007
Un-Audited

		Un-Audited	Audited
	Note	June 30,2007	Dec. 31 2006
Rupees in '000			
<u>EQUITY AND LIABILITIES</u>			
Share capital and reserves			
Share Capital			
Authorized			
100,000,000 shares of Rs. 10 each		1,000,000	1,000,000
Paid-up			
94,0 49,495 Ordinary shares of Rs. 10 each	2.1	940,495	416,837
41,683,739 Ordinary shares of Rs. 10 each- 2006			
5,906,000 Preference shares of Rs. 10 each	2.2	59,060	59,060
Advance against shares	2.1	-	118,658
Reserves			
Capital reserves		662	662
Revaluation Reserve		64,166	-
Accumulated losses		(100,575)	(81,501)
		(35,747)	(80,839)
TOTAL EQUITY		963,808	513,716
Underwriting provisions			
Provision for unearned premium		548	101
Provision for outstanding claim		254	254
Total underwriting provision		802	355
Creditors and accruals			
Amounts due to other insurers/reinsurers		251	222
Accrued expenses	3	7,808	6,306
Advance against sale of land		-	64,968
Taxation-provision less payment		41	40
Current portion of lease liability		50	73
Long term portion of lease liability		156	156
Other creditors and accruals		4,054	2,838
		12,360	74,603
Borrowings			
Loan from director		8,918	50,735
Other liabilities			
Unclaimed dividends		20	20
CONTINGENCIES			
TOTAL EQUITY AND LIABILITIES	4	985,908	639,429

The annexed notes form an integral part of these financial statement

Chairman

Director

		Un-Audited	Audited
	Note	June 30,2007	Dec. 31 2006
Rupees in '000			
Cash and other equivalent		8	7
Current and other account		39	87
		47	94
Investments			
	5	7,816	7,712
Advances for Investment in Ittefaq Insurance	5.5	23,000	-
Premiums due but unpaid		2	2
Amounts due from other insurers/reinsurers	6	99	99
Advances, deposit and prepayments		3,791	4,225
Advances and loans to subsidiaries	6	14,158	12,540
Markup receivable from subsidiary		2,079	1,420
Prepaid reinsurance premium ceded			67,798
Advance against purchase of properties			68
Sundry receivable		67	68
		20,196	86,152
Fixed Assets			
Owned			
Land		928,774	459,608
Immovable properties		237	80,218
Computer equipment		289	340
Office - Lahore		323	331
Lease hold improvement		791	833
Furniture and fixtures		1,355	1,411
Electronic equipment		1,331	842
Office equipment		939	988
Motor vehicles		658	731
Leased			
Motor vehicles		152	169
		934,849	545,471
		985,908	639,429

Chief Executive

BEEMA PAKISTAN COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED JUNE 30, 2007

	Un-Audited	
Note	2007	Restated 2006
Operating cash flows		
Rupees in '000		
(a) Underwriting activities		
Premium received	514	556
Claims paid	(4)	(19)
Commission Received /(Paid)	-	829
Net cash flow from underwriting	510	1,366
(b) Other operating activities		
General management expenses	(13,480)	(13,129)
Other operating payments	(19)	(986)
Income Tax Paid	-	(20)
Net cash flow from other operating activities	(13,499)	(14,135)
Total cash flow from all operating activities	(12,989)	(12,769)
Investing activities		
Dividends received	5	20
Purchase of fixed assets	(574)	(7,040)
Advance against purchase of assets	64,967	-
Advance against sale of assets	(64,967)	-
Advances & Loans to subsidiaries	(1,618)	(4,244)
Sale Proceeds of Held for Trading Investment		5,083
Held for Maturity Investment Purchased		(4,858)
Advances for investment in Ittefaq Insurance	(23,000)	-
Total cash flow from investing activities	(25,187)	(11,039)
Financing activities		
Loans received from director	38,152	24,654
Lease liability paid	(23)	(26)
Total cash flow from financing activities	38,129	24,628
Net cash inflow/(outflow) from all activities	(47)	820
Cash at the beginning of the half year	94	266
Cash at the end of the half year	47	1,086

Chairman

Director

Chief Executive

DIRECTOR'S REPORT**FOR THE HALF YEAR ENDED ON JUNE 30, 2007**

1. A combined report had to be prepared for the 1st quarter and the 2nd quarter as the manifest half yearly accounts.
2. The overall loss of the period is Rs.19 million. This mainly consist of administrative and management expenses.
3. These accounts has to be audited by an independent auditor to meet with the requirements of the Companies Ordinance 1984 and other listing requirements, as the status of the present auditors is anfractuious because of pending litigation.
4. The anomity of the lack of audit became incumbent consequent upon the SECP's position denying and negating Annual Audited accounts for the year 2006 plus the company's status on capitalization. These actions of the SECP however have been challenged by the company through three pending constitutional petition no.D-453 of 2005 ,no.D-445 of 2007 & no.D-1014 of 2007 in the High Court of Sindh.
5. These audited accounts present a picture of assets and liabilities as they stand today, and consequent upon the outcome of the litigation position that has constrained to become the outcome, will under court order be adopted.

It is envisaged that the court will rule and adjudicate a resolution, between the positions taken by the company and by the regulators (SECP) in a manner it deems fit, that verdict ruling will see the passage and acceptability of these financial positions declared . Following the ruling of the high court your company is expected to resume it normal course of business toward identified business targets as projected in the 2006 Annual Audited and circulated accounts.

A special board resolution has been passed to see the passage of these accounts under extra – ordinary circumstances.

We take the opportunity to express our appreciation for the services render by the employees of the company.

KARACHI

On Behalf of Board of Directors
M. Shahnawaz Agha
(Chairman & Chief Executive)

NOTES TO THE ACCOUNTS
For the Half Year ended on June 30, 2007

	June 30, 2007	December 31, 2006
2 Paid Up Share Capital	Rupees in '000	
2.1 Ordinary Share Capital		
Ordinary Share Capital as on Jan 1, 2007	416,837	416,837
Ordinary shares allotted against the advance received in 2006	118,658	-
Shares issued for the purchase of Land 40,500,000 shares of Rs.10 each	405,000	-
	523,658	-
Ordinary Share Capital as on June 30, 2007	940,495	416,837
2.2 Preference Shares	59,060	59,060
3 ACCRUED EXPENSES		
Accrued expenses	6,874	5,359
Federal insurance fee	792	141
Central excise duty	142	806
	<u>7,808</u>	<u>6,306</u>

4 CONTINGENCIES

I) Company is contesting the following lawsuits:

- Suit no 1045/2004 pending in High Court of Karachi for recovery of Rs. 4,950,000. Kulsoom Zehra V/s Company. Matter is in the process of filing draft issues.
- Suit no 1365/2004 pending in the Court of VI Senior Civil Judge and Rent Controller, Karachi South. S.A.R.Hashmi Vs Company.
- Suit no 179/2004 pending in the Court of VI Senior Civil Judge and Rent Controller Karachi. South and was originally filed in High Court and then transferred to aforesaid Civil Judge as its jurisdiction enhanced upto Rs.3 million. Indus Chemicals Vs Compa
- Company Vs S.E.C.P pending in the High Court and matter is in the process of Law petition no.D-453-2005, D-445-2007, D-1014-2007

Company foresees that aforesaid cases will be decided in its favor and consequently no provision has been recognized.

II)

A standby guarantee of a well rated Re-insurer M/s. United Financials Reinsurer inc. has been issued favouring for a sum of 20 million dollar through arrangements made by the Chairman Mirza Shahnawaz Agha to meet the liquidity demand of claims despite and in addition to re-insurance arrangements of the company with Lloyds

Syndicate re-insurance member/broker Alsford Page & Gem Plc. London

5 Investments

Available for sale		
5.1 Listed companies	503	532
5.2 Investment in subsidiaries - at cost	928	927
Held to maturity		
5.3 Pakistan Investment Bonds	5,000	5,000
5.4 Defence Saving Certificates	1,385	1,253
	6,385	6,253
	<u>7,816</u>	<u>7,712</u>

5.5 Advances for Investment in Ittefaq Insurance

Advances for Investment in Ittefaq Insurance	23,000	-
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Beema-Pakistan Company Limited is pleased to announce the acquisition of M/S The Ittefaq General Insurance Company Limited through a fiduciary board of directors comprising seven functionaries.

The said acquisition will be back-integrated into Beema-Pakistan holdings after necessary legal formalities are addressed and post resolution of legal problems being contested by Beema-Pakistan Company Limited with SECP through three Constitutional Petiti

This Public announcement is made under directives of Mirza Shah Nawaz Agha, Chairman and Chief Executive of Beema-Pakistan Company Limited for the information and record of the Public at large and members and shareholders of both Companies in particular

6 Advances & Loans to Subsidiaries

1. Shabestan Foods (Pvt.) Ltd.	13,680	12,265
2. Phool Wala (Pvt.) Ltd.	478	275
	<u>14,158</u>	<u>12,540</u>

Management has decided to disinvest in Phool Wala (pvt.) Ltd. and Shabestan Foods (pvt.) Ltd From 1st July 2007
Management expects the recovery of full amount of advances & Loan from both the companies on or before 31 December 2007

7 Sundry Receivable

Interest earned on PIB	67	68
	<u>67</u>	<u>68</u>

8 Date of Authorization

These financial statements were authorised for issue on 27th April 2007 by the board of Directors of the company

9 Figures

Figures have been rounded off to the nearest rupee

Chairman

Director

Chief Executive

M/S. BEEMA PAKISTAN COMPANY LIMITED
PROFIT & LOSS ACCOUNT
FOR THE HALF YEAR ENDED JUNE 30, 2007

	Note	Fire and Property	Marine Aviation and Transport	Motor	Others	Un-Audited	
						2007	Restated 2006
						Rupees in '000	
Revenue account							
Net premiums		31	-	136	5	172	3,191
Administrative surcharge		-	-	25	-	25	27
Recovery or net claims		(2)	(1)	-	(1)	(4)	(19)
Expenses		(306)	-	(913)	(48)	(1,267)	(1,615)
Net commission		(2)	-	(26)	-	(28)	230
Underwriting result		(279)	(1)	(778)	(44)	(1,102)	1,814
Investment income						302	617
Misc. income-interest on advances to subsidiaries						659	432
General and administration expenses						(16,083)	(21,609)
Financial charges						(19)	(25)
						(15,141)	(20,585)
Profit / (Loss) from operation						(16,243)	(18,771)
Other Losses- On cancellation of land purchase						(2,830)	-
Profit/(Loss) before tax						(19,073)	(18,771)
Provision for taxation - current						(1)	(3)
Profit/(Loss) after tax						(19,074)	(18,774)
Profit and loss appropriation account							
Accumulated loss at the beginning of the period						(81,501)	(46,611)
Accumulated losses at the end of the period						(100,575)	(65,385)

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

Chairman

Director

Chief Executive

M/S. BEEMA PAKISTAN COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2007

	Rupees in '000					
	Issued Subscribed and Paid Up Capital	Advance Against Shares	Valuation Reserve	Reserve for Exceptional losses	Accumulated loss	Total
Balance as at Jan 01, 2005 (as restated)	475,897	-	-	662	(39,428)	437,131
Loss for the year ended Dec. 31 2005 (as restated)	-	-	-	-	(7,183)	(7,183)
Balance as at Dec. 31, 2005 (as restated)	475,897	-	-	662	(46,611)	429,948
Advance by way of consideration other than cash	-	118,658	-	-	-	118,658
Loss for the year ended Dec. 31 2006	-	-	-	-	(34,890)	(34,890)
Balance as at Dec. 31, 2006	475,897	118,658	-	662	(81,501)	513,716
shares issued against consideration other than shares-	523,658	(118,658)	-	-	-	405,000
Valuation Reserves	-	-	64,166	-	-	64,166
Loss for the half ended on June 30,2007	-	-	-	-	(19,074)	(19,074)
	999,555	-	64,166	662	(100,575)	963,808

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

Chairman

Director

Chief Executive

M/S. BEEMA PAKISTAN COMPANY LIMITED
STATEMENT OF CLAIMS
For the half year ended on June 30,2007

Class of Business	Claims Paid	<u>Outstanding claims</u>		Claim expense	Re-insurance and other recoveries received	Re-insurance and other recoveries in respect of <u>outstanding claims</u>		Re-insurance and other recoveries	Un-Audited Rupees in '000	
		Opening	Closing			Opening	Closing		2007 Net Claims expenses	2006 Net Claims expenses
Direct and Facultative										
1 Fire and property damage	2	135	135	2	-	62	62	-	2	12
2 Marine, aviation and transport	1	115	115	1	-	37	37	-	1	7
3 Motor				-	-	-	-	-	-	-
4 Miscellaneous	1	4	4	1	-	-	-	-	1	-
Total	<u>4</u>	<u>254</u>	<u>254</u>	<u>4</u>	<u>-</u>	<u>99</u>	<u>99</u>	<u>-</u>	<u>4</u>	<u>19</u>

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Chairman

Director

Chief Executive

M/S. BEEMA PAKISTAN COMPANY LIMITED
STATEMENT OF EXPENSES
For the half year ended on June 30,2007

Un-Audited
Rupees in '000

Class of Business	Commission paid or payable	Deferred commission		Net Commission expense	Other management expenses	Underwriting expense	Commission from reinsurers	2007	2006
		Opening	Closing					Underwriting expense	Underwriting expense
Direct and Facultative									
1 Fire and property damage	2	-	-	2	306	308	-	308	310
2 Marine, aviation and transport		-	-	-		-	-	-	855
3 Motor	26	-	-	26	913	939	-	939	-
4 Miscellaneous		-	-	-	48	48	-	48	220
Total	<u>28</u>	<u>-</u>	<u>-</u>	<u>28</u>	<u>1,267</u>	<u>1,295</u>	<u>-</u>	<u>1,295</u>	<u>1,385</u>

Chairman

Director

Chief Executive

M/S. BEEMA PAKISTAN COMPANY LIMITED
STATEMENT OF INVESTMENT INCOME
For the half year ended on June 30,2007

	<u>Un-Audited</u>	
	<u>30-Jun</u>	
	2007	2006
	Rupees in '000	
Income from non-trading investments		
Available for sale		
Surplus/(diminution) in value of available for sale investment	(34)	-
Dividend income	5	20
	(29)	20
Held to maturity		
Return on government securities	133	106
Discount on PIB's		285
Interest income on PIB's	198	124
Gain on conversion from UMMF to PIB's		82
	331	597
Net investment income	302	617

The annexed note form an integral part of these financial statements.

Chairman

Director

Chief Executive

M/S. BEEMA PAKISTAN COMPANY LIMITED
STATEMENT OF PREMIUM
For the half year ended on June 30,2007

Class of Business	Premiums written	<u>Unearned premium reserve</u>		Premiums earned	Re-insurance ceded	Prepaid reinsurance Premium ceded		Reinsurance expense	30-Jun	
		Opening	Closing			Opening	Closing		Net Premium	Revent
									2007	2006
Direct and Facultative										
1 Fire and property damage	0	31	-	31	-	-	-	-	31	667
2 Marine, aviation and transport	-	-	-	-	-	-	-	-	-	1958
3 Motor	489	65	418	136	-	-	-	-	136	
4 Miscellaneous	-	5	-	5	-	-	-	-	5	566
Total	<u>489</u>	<u>101</u>	<u>418</u>	<u>172</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>172</u>	<u>3,191</u>

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

Chairman

Director

Chief Executive