

American Life Insurance Company (Pakistan) Limited
Annual Report 1998

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BOARD OF DIRECTORS

CHAIRMAN

ARIF SULTAN MUFTI

Bungalow No. 89/C, 16th Street
Phase-VI, Defence Housing Authority,
Karachi.

Chairman
Chief Executive
& Director

Chartered Accountant

DIRECTORS

ABBAS KHALAF

Verdun Street
Verdun 2000 Building, 9th Floor
P.O. Box 14-5644
Beirut- Lebanon

Director

Business Executive

BILAL AHMED QURESHI

67, Khayaban-e-Mujahid,
Defence Housing Authority
Phase V, Karachi.

Director

Business Executive

BRUCE EMMITT DOZIER

18 Quail Hollow Drive
Hockessin DE 19707-1404, USA

Director

Attorney

E. A. NOMANI

6, Embassy Villas, Clifton, Karachi.

Director

Advocate

FAZAL-UR-RAHMAN KHAN

C-1/R, North Nazimabad, Karachi.

Director

Business Executive

KHALID A. REHMAN

19/2/A, 32nd Street, Phase V,
Defence Housing Society, Karachi.

Director

Business Executive

MOHAMMED MIAN SOOMRO

D-7 Akbar Apartment
Opp. British Council Library
Bleak House Road, Karachi.

Director

Business Executive

MUHAMMAD KALIM

Director

Business Executive

11 5-C, Shahrah-e-Iran
Clifton-5, Karachi.

NISAR A. MEMON

78/2, Khayaban-e-Sehar,
Defence Housing Authority
Phase VI, Karachi.

Director

Business Executive

ROBINSON K. NOTTINGHAM

2401 Pennsylvania Avenue
Unit 1603 Wilmington DE 19806, USA

Director

Business Executive

SAIYID SAEED AKHTAR

6A-1, Third North Street,
Phase 1, DHA, Karachi-75500.

Director

Consulting Actuary

CORPORATE INFORMATION

COMPANY SECRETARY

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

AUDITORS

U/s. Taseer Hadi Khalid & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2,
Beaumont Road, Karachi.
Tel. No. 5685847-9
Fax No. 92 (21) 5685095

LEGAL ADVISERS

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

BANKERS

Muslim Commercial Bank Ltd.
Habib Bank Ltd.

REGISTERED OFFICE

Lakson Square, Bldg. No. 1, 11th Floor, Sarwar Shaheed Road,
Karachi-74200 Pakistan.
Tel. No. 5685241,5687339, 5682876, 5661146-48
Fax No. 92 (21) 5688042

SHARE DEPARTMENT

Ground Floor, Sheikh Sultan Trust Building No. 2,
Beaumont Road, Karachi
Tel. No. 5686658, 5689021
Fax No. 92 (21) 5685681

HEAD OFFICE

Lakson Square, Bldg. No. 1, 11th Floor, Sarwar Shaheed Road,
Karachi- 74200 Pakistan.
Tel. No. 5685241, 5687339, 5682876, 5661146-48
Fax No. 92 (21) 5688042

KARACHI AGENCY OFFICES

E-5, M.A. Jinnah Road, Cosmopolitan Colony,
New Town, Karachi- 5.
Tel. No. 4917398,4917399,4917420, 4917443,4917446

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

Suite No. 701-702, Park Avenue,
Shahrah-e-Faisal Block 6,
P.E.C.H.S, Karachi.
Tel. No. 4312068-79

Room No. 501, 5th Floor, Madina City Mall,
Abdullah Haroon Road, Karachi.
Tel. No. 5651530-37

LAHORE OFFICE

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Fourth Annual General Meeting of American Life Insurance Company (Pakistan) Limited will be held at Hotel Marriott, Abdullah Haroon Road, Karachi on Saturday, March 27, 1999 at 10.30 a.m. to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Annual Audited Accounts of the Company together with the Directors' and Auditors' reports thereon for the year ended December 31, 1998.
2. To appoint auditors for the year ended December 31, 1999 and to fix their remuneration. A shareholder of the Company has given notice under Section 253 of the Companies Ordinance, 1984 proposing the appointment of M/s. Coopers & Lybrand, Chartered Accountants, as auditors of the Company for the year ending December 31, 1999. The retiring auditors M/s. Taseer Hadi Khalid & Co., Chartered Accountants, being eligible also offer themselves for re-appointment.
3. To elect eight Directors of the Company, as fixed by the Board of Directors, in accordance with the provisions of Section 178(1) of the Companies Ordinance 1984, for a period of three years. The names of the present Directors who will retire on March 27, 1999 are as follows:

Mr. Robinson Kendall Nottingham
Mr. Abbas M. Khalaf
Mr. Saiyid Saeed Akhtar
Mr. Khalid A. Rehman

Mr. Bruce Emmitt Dozier
Mr. Arif Sultan Mufti
Mr. E. A. Noomani
Mr. Fazal-ur-Rehman Khan

The retiring Directors are eligible for re-election.

SPECIAL BUSINESS

4. To approve the terms and conditions of appointment of the Chief Executive.

By order of the Board

March 05, 1999
Karachi

S.G. Shahabuddin
Company Secretary

NOTES:

1. The Share Transfer Books of the Company will remain closed from March 12, 1999 to March 27, 1999 (both days inclusive).
2. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend, speak and vote instead of him. A company or corporation may, by means of a resolution of its directors, appoint a person who is not a member, as proxy or as its representative under section 162 of the companies ordinance 1984. Form of proxy is enclosed with the Annual Report.

3. The instrument appointing a proxy, in order to be effective, must be received at the registered office of the Company, duly signed, stamped & witnessed, not later than forty-eight hours before the time appointed for the meeting. A member shall not be entitled to appoint more than one proxy. If more than one instrument of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

4. Members are requested to communicate promptly to the Company of any change in their address.

5. Every candidate for election of Director, whether he is a retiring Director or otherwise, shall file with the Company, not later than fourteen days before the date of the Annual General Meeting a notice of his intention to offer himself/herself for election as a Director along with his/her consent in the prescribed form to his/her appointment as Director of the Company.

STATEMENT UNDER SECTION 160 OF THE COMPANIES ORDINANCE, 1984

This statement sets out the material facts concerning the special business to be transacted at the Fourth Annual General Meeting of American Life Insurance Company (Pakistan) Limited to be held on March 27, 1999.

1. Approval of the shareholders will be sought for the remuneration payable to the Chief Executive in accordance with his terms and conditions of service. For this purpose the following Ordinary Resolution will be moved:

"RESOLVED that the Company hereby approves and authorizes by way of salary to the Chief Executive, an amount not exceeding Rs.2.6 million per annum for the year ending on December 31,1999. Increments for subsequent years shall not exceed percent as may be determined by the Board of Directors or by a Committee of the Board. The Company further hereby also approves and authorizes the provision to him of all other benefits in accordance with his terms and conditions of service with the Company."

Mr. Arif Sultan Mufti has been nominated as Chief Executive under Article 71 of the Articles of Association of the Company and is interested in the business.

FINANCIAL HIGHLIGHTS

(Rupees in 000)

	Dec 31 1998	Dec 31 1997	Dec 31 1996
Balance Sheet			
- Total Equity	325,000	130,000	130,000
- Total Liabilities (other than shareholder's equity)	36,145	16,211	8,178
- Total Assets	322,599	116,764	118,761
- Total Capital Funds (shareholder's equity)	286,454	100,553	110,583
- Policy Enforced	5,081	2,300	1,745
- Ordinary Share value (face value per share Rs.10/-)	17.50	20.85	27.50
Market Price Per Share			
- Right Share issue	150%	-	-
Revenue Account			
- Net Premium Income	64,253	34,234	20,448
- Investment and other Income	12,716	11,434	10,862
Operating Expenses			
- Net Claim	7,623	2,852	1,358
- Direct Expenses Commission	11,604	5,548	6,347
- Management Expenses	66,843	46,600	33,432

REPORT OF THE DIRECTORS

The Directors of the Company are pleased to report to you for the year ended December 31, 1998.

ECONOMY

The economic situation of Pakistan during 1998 after the nuclear tests on May 28, 1998 deteriorated drastically which has affected the common man badly. In spite of these adverse conditions your company's operating results are moving forward with positive impact in the insurance market.

OPERATIONS

Your Company has completed its third full year of operation in 1998 with record growth. Net premium income grew to Rs. 64,254,000, an increase of 88% over Rs. 34,234,500 registered in the previous year. This remarkable result was made possible by the improving performance of the agency sales force and continued quality of business being written as a result of the Company's new Agents Training Program. This has resulted in developing many qualified agents according to the company's standard established worldwide. A majority of the premiums came from individual policyholders, which augurs well for future growth and stability of the portfolio and also reflects the continued popularity of the company's products, which are becoming known to prospective customers in the market.

Disciplined underwriting, risk selection, better service to policy holders and prompt and speedy payment of claims with expense control have been maintained and contributed positively towards progress of the company. Total claims amounted to Rs. 7,623,000 only 12% of premium income, while commission expense is 18% only.

Investment income amounted to Rs. 11,833,000 making the total income of the company Rs. 76,087,000 compared to Rs. 44,899,000 in the previous year. An operating loss of Rs. 9,099,000 compared to Rs. 10,030,000 recorded in the previous year shows a 9% reduction due to growth in premium and maximization of investment income. The losses in the initial years for a Life Company are expected to vanish in subsequent years by maintaining growth in production.

MARKETING OPERATIONS

Growth of the company's agency force for the year was positively experienced by increase in extensive training and revised development program. The low attrition among both agents and managers was lower than last year and the total agency force overall reached our targets.

A Direct Sales Training School was introduced during the year with the help of ALICO's regional personnel to provide intensive training of agency recruits to better prepare them to cope with initial marketing problems and to accelerate their start into life insurance sales. This initiative proved to be a valuable aid in launching products and development of agents and in equipping them with necessary selling skills. Graduates of this program are now the mainstay of the agency force. Presently the number of agents working with us are 450 as on above date.

In addition, an experienced agency executive from the United Kingdom was assigned to the company from February 1, 1998 to assist and setup agency training and development program which has accomplished its first phase. Our competition and trophy awards program are working together to create a healthy competition in field force and meet monthly target achievements giving us some of the top scorers and produced the best agents who achieved overseas trips and good name of Alico Pakistan amongst world wide life insurance producers.

AGENCY DEVELOPMENT

Alico Pakistan experienced rapid growth in the year 1998. Two new products, Executive 3 and Pro-tech 3 were marketed that were widely welcomed by the customers. In terms of agency development, it will be worth-noting that Alico's trained sales force consists of more than 450 which is expected to cross the 1000 mark by the end of the year 1999. Moreover, your Company is expanding its wings by opening up branches all over the country. An independent agency has recently been inaugurated in Karachi.

Alico was ranked highest in Pakistan during the period 1952- 72 and it was one of the top ranking in the Middle East and Africa. We are going all out to make Alico number one again not only in Pakistan but also in the Middle East, Africa and South Asia regions as well in terms of coverage provided, premium income, stockholders' interest and above all the customer service.

Alico's sales force and staff comprise of professionally developed and dedicated people who keep striving to achieve the highest business and ethical standards. One of Alico's managers was qualified to represent Pakistan in an international conference held in Amsterdam.

GROUP LIFE & MEDICAL

Group insurance results show increased sales in 1998 and performed very well during the year. Group premiums amounted to Rs. 18,138,000 for the year, an increase of 123% as compared to Rs. 8,145,000 in the previous year. Additional sales in the first quarter this year are encouraging and indicate that another substantial increase in income from group can be expected in 1999. We are confident to make new progress in future for this product line and expect continued improvement going forward.

For the first time in Pakistan, Depositor's Life Insurance scheme was introduced by your Company in association with United Bank Limited. Under this scheme UBL accountholders are insured for twice the minimum amount of balance maintained in their PLS Savings accounts. We believe that Depositor's Life insurance offers promising potential to rapidly expand the number of insured's covered with us.

The unique features of your Company's new products like Managed Care are being well accepted by the market and we look forward to continued expansion in 1999.

Your company is well positioned to handle and service this type business with the latest in claims and administration systems in place as well as experienced and trained personnel with persistent overseas training programs.

OUTLOOK FOR THE FUTURE

The management will continue its policy of focusing on quality underwriting and direct sales through qualified trained agents. With the addition of new products during the year in both the individual and group life divisions, the company has started providing more attractive selection of benefits for a wider variety of clients. Most recently introduced were the Executive Three and Pro-Tech Three policies. The Executive Three and Pro-Tech Three policies offer 3 years of Carefree Worldwide Protection that provide for the holder in case of accidental loss of life or a major disability coverage, 24 hour protection, on or off the job. Executive Three caters to the Supervisory and Executives and higher salary income group whereas Pro-Tech Three caters to the manual workers and lower income groups. Both products are gathering momentum and generated good business in the year under report. They are expected to double in size in the next year.

Operating expenses are strictly controlled and investments are effectively placed. Prospects for better results in 1999 are promising.

PARENT COMPANY

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

PATTERN OF SHAREHOLDING

The pattern of Shareholding in the company as at December 31, 1998 is included with the report. American Life Insurance Company holds 51% while local shareholders hold 49% of the company's total shareholding.

DIRECTORS

Our gratitude goes to Mr. Ben Cross ex-Chief Executive and founding Director of the company for his tremendous support and insurance skills extended to the company during the current and previous years. We are lucky to have Mr. Arif S. Mufti as his worthy successor.

RIGHT SHARE

Company has recently announced and allotted Right Shares to existing shareholders to the tune of Rs. 195 million as a result of increase in Capital decided by the management during the year. The major part of Right Shares was subscribed by public shares showing strong indication in favor of your company in the market. This also indicated by the quoted share price at Rs. 17/= per share which remained constant before and after the Rights Issue.

The Capital of the company is now strengthened with solid capital base in order to support various expansions being planned by the management. Recently two more branches of the company in the heart of the Karachi city area have started functioning during the year.

YEAR 2000 COMPLIANCE

All computer systems both hardware and software are year 2000 compliant.

GRATITUDE

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

Lastly, our thanks go to our thousands of shareholders and policyholders whose confidence, continued commitment and support for the Company has been a source of encouragement and inspiration. This is well proved by maintaining more than 85% persistency for ordinary life business.

On behalf of the Board of Directors.

Arif S. Mufti
CHAIRMAN & CEO

February 18, 1999

PATTERN OF SHAREHOLDING

AS OF 31 DECEMBER 1998

No. of Share	Having Shares	Shares Held	Percentage
--------------	---------------	-------------	------------

Holders	From	To		
81	1	100	7100	0.0218%
407	101	500	186050	0.5725%
32	501	1000	28950	0.0891%
90	1001	5000	180750	0.5562%
9	5001	10000	64950	0.1998%
3	10001	15000	37100	0.1142%
4	15001	20000	75850	0.2334%
20	20001	25000	493900	1.5197%
1	25001	30000	30000	0.0923%
2	30001	35000	63400	0.1951%
1	45001	50000	49500	0.1523%
2	60001	65000	127500	0.3923%
1	65001	70000	69500	0.2138%
1	70001	75000	72000	0.2215%
1	85001	90000	88100	0.2711%
1	95001	100000	97500	0.3000%
1	100001	105000	104250	0.3208%
1	445001	450000	449300	1.3825%
1	1215001	1220000	1218000	3.7477%
1	2095001	2100000	2100000	6.4615%
1	2310001	2315000	2314000	7.1200%
1	2450001	2455000	2451050	7.5417%
1	2495001	2500000	2500000	7.6923%
1	3120001	3125000	3125000	9.6154%
1	16565001	16570000	16566250	50.9731%

665			32500000	100.0000%
=====				

CATEGORIES OF SHAREHOLDERS

Particulars	Shareholders	Shareholding	Percentage
INDIVIDUALS	655	12027500	37.0077%
INSURANCE COMPANIES	1	1000	0.0031%
JOINT STOCK COMPANIES	4	1378500	4.2415%
FINANCIAL INSTITUTIONS	4	2526750	7.7746%
FOREIGN COMPANIES	1	16566250	50.9731%

Company Total	665	32500000	100.0000%
=====			

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed Balance Sheet of American Life Insurance Company (Pakistan) Limited as at 31 December 1998 and the related Revenue Account, Profit and Loss Account and Cash Flow Statement, together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and after due verification thereof, we report that;

(a) in our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984;

(b) in our opinion:

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

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

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

c) in our opinion and to the best of our information and according to the explanations given to us and as shown by the books of the company, the Balance Sheet, Revenue Account, Profit and Loss Account and Cash Flow Statement, together with the notes forming part thereof, give the information required by the Insurance Act, 1938 in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 1998 and of the loss and the cash flows for the year then ended;

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

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

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

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

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

Taseer Hadi Khalid & Co.
Chartered Accountants

KARACHI: February 18, 1999

BALANCE SHEET AS AT 31 DECEMBER 1998

	Note	LIFE Rupees	OTHER Rupees	1998 TOTAL Rupees	1997 TOTAL Rupees
CAPITAL AND LIABILITIES					
SHARE CAPITAL					
Authorised 50,000,000 ordinary shares of Rs.10/- each		-	500,000,000	500,000,000	200,000,000
Issued, Subscribed & Paid-up 32,500,000 ordinary shares of Rs. 10/- each fully paid up in cash		-	325,000,000	325,000,000	130,000,000
Profit & Loss Account	3	-	-	(38,545,850)	(29,446,736)
		-	325,000,000	286,454,150	100,553,264
BALANCES OF FUND AND ACCOUNT					
Life Insurance Fund		(63,704,533)	-	-	-
Revenue Account		-	25,158,683	-	-
DEFERRED LIABILITY					
Staff Gratuity		956,142	-	956,142	627,069
LOANS AND ADVANCES AS PER CONTRA					
Loan from other class of business	4	64,963,598	-	64,963,598	67,018,550
Interest on loan from other class of business		42,046,692	-	42,046,692	27,435,556
		107,010,290	-	107,010,290	94,454,106
ESTIMATED LIABILITY IN RESPECT OF OUTSTANDING CLAIMS, WHETHER DUE OR INTIMATED					
		5,597,599	-	5,597,599	4,790,023

DUE TO DIRECTORS**AMOUNT DUE TO OTHER PERSONS OR BODIES**

CARRYING ON INSURANCE BUSINESS		10,560,557	-	10,560,557	4,093,080
SUNDRY CREDITORS (including outstanding and accruing expenses)	5	10,947,867	-	10,947,867	2,984,748
DEPOSIT ON APPLICATIONS		6,826,629	-	6,826,629	3,160,530
AGENTS' BALANCES		1,256,117	-	1,256,117	555,390
		-----	-----	-----	-----
		79,450,668	350,158,683	429,609,351	211,218,210
		=====	=====	=====	=====

ASSETS**LOANS**

Loan to Life Business as per contra	4	-	64,963,598	64,963,598	67,018,50
Interest Receivable on Loan to Life Business		-	42,046,692	42,046,692	27,435,556
		-	107,010,290	107,010,290	94,454,106
Loan on Insurance Policies		6,554	-	6,554	-
Other-considered good		1,878,439	-	1,878,439	1,279,246

INVESTMENTS

Deposit with State Bank of Pakistan					
Defence Saving Certificates- Maturity date 2007		24,000,000	400,000	24,400,000	24,400,000
Five Years Term Finance Certificates Packages Limited- Maturity date 2000					
[Market value 1998: Rs. 672,593 (1997: Rs. 1,008,000)]		-	665,934	665,934	999,800
Monthly Income Certificates- Maturity date 2008		-	27,000,000	27,000,000	-
Ten Years Federal Investment Bonds - Maturity date 2005		-	24,400,000	24,400,000	24,400,000
Ten Years Defence Saving Certificates - Maturity date 2007		-	8,600,000	8,600,000	8,600,000
- Maturity date 2009		-	90,000,000	90,000,000	-
		24,000,000	51,065,934	175,065,934	58,399,800
PRELIMINARY AND DEFERRED EXPENSES	6	-	4,666,704	4,666,704	1,980,734

LEASEHOLD IMPROVEMENTS, FURNITURE FIXTURES,

OFFICE EQUIPMENTS, COMPUTERS AND VEHICLES	7	21,157,270	-	21,157,270	21,403,953
AGENTS' BALANCES		111,667	-	111,667	28,550
OUTSTANDING NET PREMIUMS	8	3,817,121	-	3,817,121	2,360,585
INTEREST, DIVIDENDS AND RENTS OUTSTANDING	9	1,830,000	10,038,981	11,868,981	5,589,601

AMOUNT DUE FROM OTHER PERSONS OR BODIES

CARRYING ON INSURANCE BUSINESS		5,015,946	-	5,015,946	2,361,630
SUNDRY DEBTORS, ADVANCES, DEPOSITS AND PREPAYMENTS	10	21,633,671	-	21,633,671	10,282,817

CASH

On deposit account with banks - Net		-	76,783,872	76,783,872	12,932,634
In hand		-	592,902	592,902	144,554
		-----	-----	-----	-----
		-	77,376,774	77,376,774	13,077,188
		-----	-----	-----	-----
		79,450,668	350,158,683	429,609,351	211,218,210
		=====	=====	=====	=====

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

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

We certify that

a) The investments shown in the Balance Sheet at cost or book value and the market value of the investments are ascertained from published market report and quotations of 31 December 1998.

b) The value of the assets have been reviewed as at the date of the balance sheet and that in our belief, the assets setforth in the Balance Sheet are shown in the aggregate at amounts not exceeding their realisable or market value under the several headings.

c) No part of the Life Insurance Fund has been directly or indirectly applied in contravention of the provisions of the Act relating to the application and investment of Life Insurance Fund.

ARIF SULTAN MUFTI
CHAIRMAN AND CHIEF EXECUTIVE

E.A. NOMANI
DIRECTOR

SAIYID SAEED AKHTAR
DIRECTOR

**REVENUE ACCOUNT FOR THE YEAR
ENDED 31 DECEMBER 1998**

			1998	1997
			TOTAL	TOTAL
			(Within	(Within
			Pakistan)	Pakistan)
Note	LIFE	OTHER	Pakistan)	Pakistan)
	(Within	(Within	Pakistan)	Pakistan)
	Pakistan)	Pakistan)	Rupees	Rupees
	Rupees	Rupees		
CLAIMS UNDER POLICIES (including provision for claims due or intimated) Less reinsurance				
By death	7,623,043	-	7,623,043	2,851,583
Surrender Less Re-Insurance	338,419	-	338,419	14,615
EXPENSES OF MANAGEMENT				
1 (a) Commission to insurance agents (Less than on Re-insurance)	11,604,169	-	11,604,169	5,548,125
2 Salaries etc. (other than to agents and those contained in item No.1)	16,258,555	-	16,256,555	13,045,821
3 Travelling expenses	985,796	-	985,796	605,200
4 Auditors' Remuneration	130,000	-	130,000	125,000
5 Medical Fees	618,716	-	618,715	260,452
6 Advertisements	554,544	-	554,544	91,329
7 Printing and Stationery and EDP Supplies	2,565,107	-	2,565,107	2,025,181
8 Other Expenses of Management				
Bonus	912,079	-	912,079	538,928
Gratuity	322,534	-	322,534	553,523
Policy Stamps	1,404,249	-	1,404,249	460,966
Employees Benefits	1,502,673	-	1,502,673	961,499
Books and Subscriptions	534,666	-	534,666	581,596
Postage, Telegram and Telephone	4,266,947	-	4,266,947	3,404,074
Electricity and Gas	2,111,942	-	2,111,042	1,434,575
Entertainment	1,328,772	-	1,328,772	1,233,514
Vehicle Maintenance	913,412	-	913,412	1,185,172
Repairs and Maintenance	1,267,413	-	1,267,413	811,714
Legal & Professional Charges	-	-	-	70,000
Consultancy fees	961,423	-	961,423	471,283
Insurance	132,231	-	132,231	114,704
Brokerage and Commission	254,133	-	254,133	144,205
Miscellaneous Expenses	1,466,297	-	1,466,297	1,547,582
Social Security	95,086	-	95,086	66,781
Provident Fund (Co's contribution)	1,291,337	-	1,291,337	457,067
Computer Repairs and Maintenance	586,284	-	586,284	540,063
	-----	-----	-----	-----
	19,350,578	-	19,350,578	14,577,246
9 Rents of other offices occupied by the insurer	7,995,818	-	7,995,818	6,299,698
10 Agency Development	8,923,460	-	8,923,460	2,111,061
11 Furniture and Household Appliances	273,390	-	273,390	397,675
12 Other Expenditures (Including Bank Charges)	1,160,736	-	1,160,736	775,625

13 Depreciation on Leasehold Improvements, Furniture Fixtures, Office Equipments, Computers and Vehicles	4,813,412	-	4,813,412	5,023,365
14 Interest on policyholders' funds	526,352	-	526,352	-
PRELIMINARY AND DEFERRED EXPENSES WRITTEN OFF	-	990,360	990,360	990,360
INCREASE IN LOADING ON DUE PREMIUMS	12 1,359,954	-	1,359,954	257,284
	-----	-----	-----	-----
	85,080,049	990,360	86,070,409	54,999,620
	=====	=====	=====	=====

	LIFE (Within Pakistan) Rupees	OTHER (Within Pakistan) Rupees	TOTAL (Within Pakistan) Rupees	TOTAL (Within Pakistan) Rupees
--	--	---	---	---

Note

PREMIUM LESS REINSURANCE

13

(i) First year Premium, where the maximum Premium paying period is:

Ten years	-	-	-	-
Eleven years	-	-	-	-
Twelve years or over (including throughout life)	25,035,254	-	25,035,254	11,494,933

(ii) Renewal Premium	21,081,217	-	21,081,217	14,594,301
(iii) Group Premium	18,137,521	-	18,137,521	8,145,262

INTEREST AND DIVIDENDS	14 3,353,992	-	3,353,992	34,234,496
OTHER INCOME - Net	16 864,689	-	864,689	70,321

BALANCE OF FUND AND ACCOUNT AT THE END OF THE YEAR TRANSFERRED TO BALANCE SHEET/PROFIT AND LOSS ACCOUNT

	63,704,533 (25,158,683}		38,545,850	29,446,736
--	-------------------------	--	------------	------------

LESS: BALANCE OF FUND AND ACCOUNT AT THE BEGINNING OF THE YEAR

	47,118,165 (17,671,,429		29,446,736	19,416,651
	-----	-----	-----	-----

MOVEMENT OF FUND AND ACCOUNT FOR THE YEAR

	16,586,368 (7,487,254)		9,099,114	10,030,085
	-----	-----	-----	-----
	85,080,049	990,360	86,070,409	54,999,620
	=====	=====	=====	=====

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

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

ARIF SULTAN MUFTI
CHAIRMAN AND CHIEF EXECUTIVE

E.A. NOMANI
DIRECTOR

SAIYID SAEED AKHTAR
DIRECTOR

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDING 31ST DECEMBER 1998

	1998 Rupees	1997 Rupees
Taxes on the Insurer's Profit (not applicable to any particular fund or Account)	-	-
Expenses of Management (not applicable to any particular Fund or Account)	-	-
Loss on Realisation of Investments (not		

charged to Reserves or any particular Fund or Account)	-	-
Depreciation of Investments (not charged to Reserves or any particular Fund or Account)	-	-
Loss transferred from Revenue Accounts.	9,099,114	10,030,085
Other Expenditure	-	-
	-----	-----
	9,099,114	10,030,085
	=====	=====
	1998	1997
	Rupees	Rupees
Interest, Dividends and rents (not applicable to any particular Fund or Account)	-	-
Less- Income Tax thereon	-	-
Profit on realisation of Investments (not credited to Reserves or any particular Fund or Account).	-	-
Appreciation of Investments (not credited to Reserves or any particular Fund or Account)	-	-
Profit transferred from Revenue Account	-	-
Transfer Fees	-	-
Other Income	-	-
*Balance being loss for the year carried to Balance Sheet	9,099,114	10,030,085
	-----	-----
	9,099,114	10,030,085
	=====	=====

The loss for the year relate to loss in Life Insurance Fund and profit in Revenue Account amounting to Rs. 63,704,533 (1997:Rs.47,118,165) and Rs. 25,158,683 (1997: Rs. 17,671,429) respectively.

ARIF SULTAN MUPTI
CHAIRMAN AND CHIEF EXECUTIVE

E.A. NOMANI
DIRECTOR

SAIYID SAEED AKHTAR
DIRECTOR

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 1998**

	1998	1997
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
MOVEMENT OF FUND AND ACCOUNT FOR THE YEAR	(9,099,114)	(10,030,085)
Adjustments for:		
Depreciation	4,813,412	5,023,365
Gain on disposal of fixed assets	(490,681)	113,919
Staff gratuity	329,073	475,382
Amortization of Preliminary Expenses	990,360	990,360
Investment Income	(11,832,614)	(9,042,898)
Gain on disposal of Investments	-	(1,621,820)

 (15,289,564) (14,091,777)

**Movement of fund and account before
 working capital changes**

(Increase)/Decrease in operating assets

Agents' balances	(83,117)	4,169
Net Outstanding Premium	(1,456,536)	(2,360,585)
Sundry Debtors, Advances, Deposits and Prepayments	(10,185,485)	4,320,876
Amount due from other persons or bodies carrying on insurance business	(2,654,316)	(890,216)
	-----	-----
	(14,379,454)	1,074,244

Increase/(Decrease) in operating liabilities

Sundry creditors (including outstanding and accruing expenses)	7,963,119	325,728
Deposit on applications	3,666,099	830,170
Estimated liability in respect of outstanding claims	807,576	4,032,448
Agents' balances	700,727	110,762
Amount due to other persons or bodies carrying on insurance business	6,467,477	2,259,194
	-----	-----
	19,604,998	7,558,302
Income tax paid	(1,165,369)	(776,397)
	-----	-----
Net Cash outflow from operating activities	(11,229,389)	(6,235,628)

CASH FLOWS FROM INVESTING ACTIVITIES

Investments redeemed/sold:

Sale proceeds of Term Finance Certificates- Sui Southern Gas Company	-	10,490,000
Redemption of Term Finance Certificates- Packages Limited	333,866	200
Defence Saving Certificates	-	2,000,000
Encashment of MCB TDR	6,000,000	-

Investments purchased:

MCB TDR	(6,000,000)	-
Defence Saving Certificates	(90,000,000)	-
Monthly Income Certificates	(27,000,000)	-

Investments matured:

AI-Faysal Bank's Certificates of Deposit	-	1,000,000
First International Investment Bank's Certificate of Investment	-	1,500,000

Interest and dividend received

Sale proceeds of fixed assets	1,525,340	167,650
Purchase of fixed assets	(5,601,388)	(9,285,436)
Other Loans	(605,747)	(572,686)
	-----	-----

Net cash used from investing activities

(115,794,695) 14,724,813

CASH FLOWS FROM FINANCING ACTIVITIES

Issue of Right Shares	195,000,000	-
Organisation Expenses	(3,676,330)	-
	-----	-----
	191,323,670	-

Net (decrease)/increase in cash and cash equivalents

644,299,586 8,489,185

Cash and Cash equivalent at the end of current year	77,376,774	13,077,188
Cash and Cash equivalent at the end of previous year	13,077,188	4,588,003
	-----	-----

Net (decrease)/increase in cash and cash equivalents

64,299,586 8,489,185
 =====

**NOTES TO THE ACCOUNTS FOR THE
 YEAR ENDED 31 DECEMBER 1998**

1. STATUS AND NATURE OF BUSINESS

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting Convention

The accounts have been prepared under the historical cost convention.

2.2 Life Insurance Fund

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

Consequently first actuarial valuation under the said Act has been carried out based on the position at 31 December 1997 at which the liability on unexpired policies was determined by the Valuing Actuary as Rs. 19,871,694.

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

2.3 Taxation

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

2.4 Preliminary and deferred expenses

These are being amortised over a period of five years.

2.5 Investments

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

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

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

Rates of Depreciation

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

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

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

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

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

2.7 Revenue recognition

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

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

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

2.8 Rate of Exchange

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

2.9 Staff retirement benefits

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

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

2.10 Outstanding claims

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

	1998 Rupees	1997 Rupees
3. PROFIT AND LOSS ACCOUNT		
This is comprised of the following:		
Revenue account		
Life Insurance Fund- Deficit	(63,704,533)	(47,118,165)
Other - Surplus	25,158,683	17,671,429
	-----	-----
	(38,545,850)	(29,446,736)
	=====	=====

4. LOAN FROM OTHER CLASS OF BUSINESS

This carries mark-up at the rate of 13% per annum. The related interest income / expense has not been reflected in the Revenue Account as these have been netted off against each other.

	1998 Rupees	1997 Rupees
5. SUNDRY CREDITORS (INCLUDING OUTSTANDING AND ACCRUING EXPENSES)		
Accrued expenses	6,000,826	2,087,680
Employee Bonus	912,079	433,659
Employee's Provident Fund	1,836,001	73,444
Other liabilities	2,198,961	389,965
	-----	-----
	10,947,867	2,984,748
	=====	=====

6. PRELIMINARY AND DEFERRED EXPENSES

Preliminary Expenses	671,317	671,317
Deferred Expenses		
- Share Floatation Expenses	3,323,019	3,323,019
- Brokerage and Commission on Public issue of shares	1,047,100	1,047,100
- Right Share issue expenses	3,676,330	-
	-----	-----
	8,717,766	5,041,436
Less: Amortized todate	(4,051,062)	(3,060,702)
	-----	-----
	4,666,704	1,980,734
	=====	=====

**7. LEASEHOLD IMPROVEMENTS, FURNITURE FIXTURES,
OFFICE EQUIPMENTS, COMPUTERS AND VEHICLES**

	COST					DEPRECIATION			Written down	
	As at 01 January 1998	Additions	(Deletion)	As on 31 December 1998	Rate percent %	As at 01 January 1998	For the Year	(Deletion)	As on 31 December 1998	value as at 31 December 1998
Leasehold improvements	7,617,296	2,038,779	-	9,656,075	10	1,230,971	813,810	-	2,044,781	7,611,294
Computers										
IBM AS400	6,967,094	101,821	-	7,068,915	20	3,482,135	1,409,776	-	4,891,911	2,177,004
Personal computers	1,655,578	290,947	-	1,946,525	33.33	836,596	454,649	-	1,291,245	655,280
	8,622,672	392,768	-	9,015,440		4,318,731	1,864,425	-	6,183,156	2,832,284
Motor vehicles	5,187,705	1,871,600	(1,818,870)	5,240,435		3,157,721	1,041,092	(971,915)	3,226,898	2,013,537
Furniture & fixtures	8,126,608	1,054,241	(249,058)	8,931,791	10	1,546,801	821,658	(61,354)	2,307,305	6,624,486
Office equipments	2,667,361	244,000	-	2,911,361	10	563,465	272,227	-	835,692	2,075,669
	10,793,969	1,298,241	(249,058)	11,843,152		2,110,266	1,094,085	(61,364)	3,142,997	8,700,155
1998 Rupees	32,221,642	5,601,388	(2,067,928)	35,755,102		10,817,689	4,813,412	(1,033,269)	14,597,832	21,157,270
1997 Rupees	23,281,556	9,285,436	(345,350)	32,221,642		5,858,105	5,023,365	(63,781)	10,817,689	21,403,953

7.1 Disposal of fixed assets

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

Sr. No.	Particulars of assets	Cost	Accumulated depreciation	Written down value	Sale Proceeds	Mode of disposal	Name and address of purchaser
Furnitures & Fixtures							
1.	Bed Materess, Chest of Drawer, Night Stand, Triple Dresser	86,158	22,823	63,335	20,000	Tender negotiated	Mr. Shahnawaz H. Khan PI # 20, FI # 5-7 Comm lane, Khayaban-e- Baharia, Phase IV, Karachi.
2.	Dish Antenna, settellite	19,100	5,412	13,688	1,000	"	Mr. Syed Furqan Haider 5/1705 Shah Faisal Colony, Karachi.
3.	Living Room Bed & Accessories, Night Stand Double Dresser	24,000	5,800	18,200	4,620	"	Mrs. Abida Khawar Siddiqui 27/1, 19th street off. Tanzeem, Phase V, D.H.A, Karachi.
4.	Three Seater Sofa, Coffee Table 72x20x79	22,500	5,138	17,362	17,500	"	Mrs. Abida Khawar Siddiqui 27/1, 19th street off. Tanzeem, Phase V, D.H.A, Karachi.
5.	Beds (Mattress), Double Dresser, Night Stand	23,000	5,558	17,442	5,280	"	Mr. Iqbal Baig A-152, Long Life Bunglows block 17, Gulistan Johar, Karachi.
6.	Dining Table including glass top, 8 dining chairs	14,000	3,033	10,967	7,440	"	Mr. Iqbal Baig A-152, Long Life Bunglows block 17, Gulistan Johar, Karachi.
7.	Three Seater Sofa & 1 Chair, Cofee Table 48x24	33,000	7,675	25,325	6,500	"	Mr. Farooq Latif 79/11, 13th Street of Khayaban-e-Badar

8. China Huch	27,300	5,915	21,385	14,000	"	Phase VI, Karachi. Mrs. Jabeen Afzal GF2 Block 7, Seaview Town Ship, D.H.A, Karachi.
Motor Vehicles						
9. Honda - Civic	975,520	189,665	785,855	880,000	Stolen	Insurance claim received from New Hampshire, Finlay House, 2nd Floor, I.I. Chundrigar Road, Karachi.
10. Toyota - Corolla	782,250	782,250	-	510,000	Trade in	Toyota Southern Motors, Plot no. 13, Sector-23, Korangi Industrial Area, Karachi.
11. Honda CD 70	61,100	-	61,100	59,000	Stolen	Insurance claim received from New Hampshire, Finlay House, 2nd Floor, I.I. Chundrigar Road, Karachi.
	2,067,928	1,033,269	1,034,659	1,525,340		

8. OUTSTANDING NET PREMIUMS

	Gross	1998 Loading	Net	1997 Net
First Year- Ordinary	1,706,008	1,313,255	392,753	26,531
Renewal- Ordinary	3,209,196	303,983	2,905,213	2,227,175
Group Insurance	519,155	-	519,155	106,879
Total	5,434,359	1,617,238	3,817,121	2,360,585

8.1 Loading on due premium

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

	1998 Rupees	1997 Rupees
Return:		
- on Investment	10,556,739	5,486,085
- on Deposit with bank	1,312,242	103,516
	11,868,981	5,589,601

10. SUNDRY DEBTORS, ADVANCES, DEPOSITS AND PREPAYMENTS

Advance Tax	4,388,703	3,223,334
Other Advances	9,280	26,893
Advance against capital expenditure	1,888,000	-
Deposits	494,300	164,000
Prepayments	11,518,012	3,898,910
Receivable for Associated undertaking New Hampshire Insurance Company, USA	336,268	141,973
Others	2,999,108	2,827,707
	21,633,671	10,282,817

11. AUDITORS' REMUNERATION

Audit fee	125,000	115,000
Out of pocket expenses	5,000	10,000
	-----	-----
	130,000	125,000
	=====	=====

12. LOADING ON DUE PREMIUM (See Note 8.1)

Ordinary Life- First Year	1,181,789	131,466
Ordinary Life- Renewal	178,165	125,818
	-----	-----
	1,359,954	257,284
	=====	=====

1998	1997
Rupees	Rupees

13. PREMIUM LESS RE-INSURANCE

(i) Ordinary Life First Year		
Collected Premium when maximum paying period is 12 years or over.	25,069,718	12,064,794
Increase in Due Premium	1,548,011	157,997
	-----	-----
	26,617,729	12,222,791
Less: Re-Insurance	(1,582,475)	(727,858)
	-----	-----
	25,035,254	11,494,933
(ii) Ordinary Life Renewal		
Collected Premium	13,310,426	21,833,340
Increase in Due Premium	856,203	2,352,993
	-----	-----
	22,689,543	15,663,419
Less: Re-Insurance	(1,608,326)	(1,069,118)
	-----	-----
	21,081,217	14,594,301
(iii) Group Premium		
Collected Premium	20,997,416	8,501,433
Increase in Due Premium	412,276	106,879
	-----	-----
	21,409,692	8,608,312
Less: Re-Insurance	(3,272,171)	(463,050)
	-----	-----
	18,137,521	8,145,262
	-----	-----
Total Premium	64,253,992	34,234,496
	=====	=====

14. INTEREST AND DIVIDENDS

These comprise of the following:		
Return on Government Securities	8,333,050	8,210,393
Profit on PLS Term deposits and Savings Accounts	2,305,805	361,983
Return on Term Finance Certificates	131,836	1,826,118
Others	1,061,923	266,224
	-----	-----
	11,832,614	10,664,718
	=====	=====

15. REMUNERATION OF CHIEF EXECUTIVE AND OTHER EXECUTIVES

Chief Executive	Executives	Total	Chief Executive	Executives	Total
------------------------	-------------------	--------------	------------------------	-------------------	--------------

Number of Persons	1	42	43	1	32	33
Managerial remuneration	1,994,525	13,118,055	15,112,580	975,859	10,065,101	11,040,960
Utilities	103,284	356,493	459,777	32,569	402,100	434,669
Telephone	29,996	44,355	74,351	23,319	31,072	54,391
Travel Air fare	282,121	154,616	436,737	201,210	-	201,210
Other Benefits	275,885	278,500	554,385	124,500	718,800	843,300
	-----	-----	-----	-----	-----	-----
Rupees	2,685,811	13,952,019	16,637,830	1,357,457	11,217,073	12,574,530
	=====	=====	=====	=====	=====	=====

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

	1998 Rupees	1997 Rupees
16. OTHER INCOME - Net		
Mark-up on staff loans and others	127,686	150,123
Profit/(Loss) on Sale of Fixed Assets	490,681	(113,919)
Other	266,321	34,117
	-----	-----
	884,688	70,321
	=====	=====

17. TRANSACTION WITH ASSOCIATED UNDERTAKINGS

Reimbursable expenses incurred on behalf of an associated undertaking	121,200	295,695
	=====	=====
Premium expense incurred against insurance cover obtained	737,199	689,496
	=====	=====

18. GENERAL

18.1 Figures have been rounded off to the nearest rupee.

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

CLASSIFIED SUMMARY OF THE ASSETS IN PAKISTAN AS AT 31 DECEMBER 1998 FORM AA

SR. NO.	CLASS OF ASSETS	COST OR BOOK VALUE RS.	MARKET VALUE RS.	REMARKS
1.	Federal Investment Bond	2,440,000	24,400,000	
2.	Pakistan Government Securities	-	-	
3.	Term Finance Certificate	665,934	672,593	Book Value
4.	Defense Saving Certificates	123,000,000	123,000,000	
5.	Monthly Income Certificates	27,000,000	27,000,000	

		175,065,934		
6.	Cash on Deposit with banks in Pakistan	76,783,872	76,783,872	Book Value
7.	Cash in hand and on Current Account with banks in Pakistan	592,902	592,902	Book Value
8.	Interest, Dividend and Rent outstanding	11,868,981	11,868,981	Book Value
9.	Leasehold Improvements, Furniture Fixtures, Office equipments, Computers and Vehicles	21,157,270	21,157,270	Book Value
10.	Other loan	1,878,439	1,878,439	Book Value

11.	Sundry Debtors, Advances, Deposits and pre payments	21,633,671	21,633,671	Book Value
		-----	-----	
		308,981,069	308,987,728	
		=====	=====	