

Quarterly Accounts  
(Un-Audited)  
for the 1st Quarter Ended  
March 31, 2008

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## Company Information

### **BOARD OF DIRECTORS**

Hussain Dawood (Chairman)  
Viqar Siddiqui (Chief Executive)  
Aleem A. Dani  
Shahzada Dawood  
A. Samad Dawood  
Haroon Mahenti  
Aziz Moon

### **BOARD AUDIT COMMITTEE**

Aleem A. Dani (Chairman)  
Haroon Mahenti (Member)  
A. Samad Dawood (Member)  
Aziz Moon (Member)

### **COMPANY SECRETARY & CFO**

Ghulam Haider

### **EXECUTIVES AT HEAD OFFICE**

Tariq Mahmood Awan  
Mirza Akhtar  
Shehla Hashim

### **AUDITORS**

KPMG Taseer Hadi & Co.  
(Chartered Accountants)  
Sheikh Sultan Building #2,  
Beaumont Road, Karachi-75530  
Website: [www.kpmg.com.pk](http://www.kpmg.com.pk)

### **BANKERS**

Meezan Bank Limited  
Bank Al Habib Limited  
Atlas Bank Limited  
Habib Bank Limited  
Standard Chartered Bank

### **TAX CONSULTANTS**

Tanuli Qazi Law Associates  
346-Hotel Metropol, Club Road,  
Karachi.

### **LEGAL ADVISORS**

Zahid & Tariq Advocates  
65 Hussain Manzil,  
Chestnut Street,  
Garden East, Karachi

### **REGISTERED OFFICE & SHARES DEPARTMENT**

Dawood Centre,  
M.T. Khan Road, Karachi-75530

### **BRANCH OFFICE LAHORE**

35-A, Empress Road, Lahore-54000

## Directors' Report

Asslam-o-Alaikum

The directors are pleased to present un-audited quarterly results for the first quarter ended March 31, 2008.

The quarterly results show growth of 43% in the gross written Premium of Rs. 36.91 million as against Rs. 25.82 million for the corresponding period last year.

The underwriting profit for the first quarter rose to Rs. 5.06 million from Rs. 1.82 of last year, which records an increase by 178%. The steady increase in the investment income continued and it showed an increase of 15% over that of 1st quarter last year, i-e from Rs. 38.94 million to Rs. 44.90 million.

The profit before tax for the first quarter increased to Rs. 48.33 million as against Rs. 42.57 million for the corresponding quarter of the last year. Earnings per share are Rs. 2.64 as against Rs. 2.36 recorded for the 1st quarter last year.

On behalf of the Board

Karachi:  
April 24, 2008

Viqar Siddiqui  
(Chief Executive)

**BALANCE SHEET (UN-AUDITED)**  
As at March 31, 2008

	Note	31-Mar-08	31-Dec-07
(Rupees in 000')			
<b>Share Capital and Reserves</b>			
Authorised Share Capital		300,000	150,000
Paid-up share capital	4	167,801	139,834
Retained earnings		3,830,869	3,842,474
Reserves		133,088	133,088
		4,131,758	4,115,396
<b>Underwriting Provisions</b>			
Provision for outstanding claims (including IBNR)		43,459	41,021
Provision for unearned premium		78,476	70,993
Commission income unearned		6,847	5,958
Total Underwriting Provision		128,782	117,972
<b>Deferred Liabilities</b>			
Staff Retirement Benefits		820	780
<b>Creditors and Accruals</b>			
Premium received in advance		13	13
Amounts due to other insurers/reinsurers		50,418	28,272
Accrued Expenses		2,217	2,100
Other Creditors and Accruals (describe)		13,451	11,844
		66,099	42,229
<b>Other liabilities</b>			
Unclaimed dividend		36,810	27,355
<b>TOTAL LIABILITIES</b>		<b>232,511</b>	<b>188,336</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,364,269</b>	<b>4,303,732</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	5		

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

Hussain Dawood  
Chairman

Viqar Siddiqui  
Chief Executive and Principal officer

**BALANCE SHEET (UN-AUDITED)**  
As at March 31, 2008

	Note	31-Mar-08 (Rupees in 000')	31-Dec-07
<b>Cash and Bank Deposits</b>			
Cash and other equivalent		219	17
Current and other accounts		57,729	94,882
Deposits maturing within 12 months		2,621	2,621
		60,569	97,520
<b>Investments</b>	6	4,088,697	4,017,496
<b>Deferred taxation</b>		9,101	10,498
<b>Other Assets</b>			
Premiums due but unpaid		51,759	17,006
Taxation-Payment less provision		35,116	34,986
Amounts due from other insurers/reinsurers		19,586	29,464
Accrued investment income		293	1,437
Reinsurance recoveries against outstanding claims		21,053	20,795
Deferred commission expense		704	861
Prepayments - Prepaid reinsurance premium ceded		72,072	66,933
Sundry receivable		2,531	2,633
		203,114	174,115
<b>Fixed Assets</b>			
<b>Tangible</b>			
Furniture, Fixtures and Office Equipment		948	1,015
Motor Vehicles		1,546	2,625
Intangible - Computer Software		294	463
		2,788	4,103
<b>TOTAL ASSETS</b>		<b>4,364,269</b>	<b>4,303,732</b>

Aziz Moon  
Director

Aleem A. Dani  
Director

**PROFIT & LOSS ACCOUNT (UN-AUDITED)**  
**For the Period Ended March 31, 2008**

	Fire and Property	Marine, Aviation and Transport	Motor	Miscellaneous	31-Mar-08 Aggregate	31-Mar-07 Aggregate
	Rupees in 000'					
Revenue Account						
Net Premium Revenue	934	1,049	2,579	435	4,997	5,777
Net Claims	8	(899)	(387)	(81)	(1,359)	(1,977)
Expenses	(340)	(473)	(207)	(459)	(1,479)	(2,619)
Net Commission	1,069	1,340	4	489	2,902	640
Underwriting Result	1,671	1,017	1,989	384	5,061	1,821
Investment Income					44,900	38,940
Other Income					1,057	2,935
Financial Charges					(27)	(2)
General and Administration Expenses					(2,665)	(1,125)
					43,265	40,748
Profit before tax					48,326	42,569
Provision for taxation					(2,600)	(2,900)
Current					(1,397)	-
Deffered					(3,997)	(2,900)
Profit after tax					44,329	39,669
Profit and Loss Appropriation Accounts						
Balance at commencement of year					3,842,474	1,185,384
Profit after tax for the period					44,329	39,669
Issue of Bonus share 20% (2007 : Nil)					(27,967)	-
Final dividend for the year Dec. 31, 2007 at Rs.2 per share (2006-Rs.3.5)					(27,967)	(48,942)
					(11,605)	(9,273)
Balance unappropriated profit					3,830,869	1,176,111
Earnings per share - Rupees					2.64	2.36

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

Hussain Dawood  
Chairman

Viqar Siddiqui  
Chief Executive and Principal officer

Aziz Moon  
Director

Aleem A. Dani  
Director

**STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
For the Period Ended March 31, 2008

	Share Capital	Capital Reserves			Revenue Reserve		Total
	Issued, Subscribed and paid-up	Reserve for exceptional losses	Reserve for bonus shares	Capital gain reserve	General Reserve	Retained earnings	
	----- Rupees in 000' -----						
Balance as at December 31, 2006	139,834	10,535	-	2,553	120,000	1,185,384	1,458,306
Final dividend Rs.3.5 per share for the year ended Dec 31, 2006	-	-	-	-	-	(48,942)	(48,942)
1st Interim Dividend Rs. 1.50 per share	-	-	-	-	-	(20,975)	(20,975)
2nd Interim Dividend at Rs. 1.50 per share	-	-	-	-	-	(20,975)	(20,975)
Net Profit for the year ended December 31, 2007	-	-	-	-	-	2,747,982	2,747,982
Balance as at December 31, 2007	139,834	10,535	-	2,553	120,000	3,842,474	4,115,396
Final dividend Rs. 2 per share for the year ended December 31, 2007	-	-	-	-	-	(27,967)	(27,967)
Issue of bonus share @ 20% for the year ended December 31, 2007	27,967	-	-	-	-	(27,967)	-
Net Profit for the quarter ended March 31, 2008	-	-	-	-	-	44,329	44,329
Balance as at March 31, 2008	167,801	10,535	-	2,553	120,000	3,830,869	4,131,758

Hussain Dawood  
Chairman

Viqar Siddiqui  
Chief Executive and Principal officer

Aziz Moon  
Director

Aleem A. Dani  
Director

**STATEMENT OF CASH FLOWS (UN-AUDITED)**  
For the Period Ended March 31, 2008

Operating Cash Flows	31-Mar-08	31-Mar-07
	(Rupees in 000')	
(a) Underwriting activities		
Premiums received	2,086	7,716
Re-insurance premiums paid	2,452	(2,915)
Claims paid	774	(2,353)
Re-insurance and other recoveries received	47	216
Commission paid	905	(3,059)
Commission received	4,976	4,607
Other underwriting receipts	74	138
Net cash flow from underwriting activities	11,314	4,350
(b) Other operating activities		
Income tax paid	(2,730)	(1,234)
General management expenses paid	(1,752)	(2,088)
Other operating payments	(2,533)	(10,983)
Other operating receipts	53	450
Advances	(102)	(24)
Net cash flow from other operating activities	(7,064)	(13,879)
Total cash flow from all operating activities	4,250	(9,529)
Investment activities		
Profit / Return received	940	2,993
Dividend received	26,614	18,251
Payments for investments	(218,309)	(77,765)
Proceeds from disposal of investments	166,906	49,446
Proceeds from disposal of fixed assets	1,160	-
Total cash (outflow) / inflow from investing activities	(22,689)	(7,075)
Financing activities		
Dividends paid	(18,512)	(55)
Total cash flow from financing activities	(18,512)	(55)
Net cash inflow from all activities	(36,951)	(16,659)
Cash at the beginning of the year	97,520	307,548
Cash at the end of the period	60,569	290,889

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

Hussain Dawood  
Chairman

Viqar Siddiqui  
Chief Executive and Principal officer

Aziz Moon  
Director

Aleem A. Dani  
Director

**STATEMENT OF PREMIUMS (UN-AUDITED)**  
For the Period Ended March 31, 2008

Class	Premiums written	Unearned premium reserve Opening	Unearned premium reserve Closing	Premiums earned	Re-insurance ceded	Prepaid re-insurance premium ceded		Re-insurance expense	Net Premium revenue 31-Mar-08	Net Premium revenue 31-Mar-07
						Opening	Closing			
(Rupees in 000)										
Direct and Facultative										
1. Fire and Property Damage	8,433	15,873	14,930	9,376	7,561	15,424	14,543	8,442	934	1,723
2. Marine, Aviation and Transport	11,947	16,893	17,950	10,890	11,078	16,250	17,487	9,841	1,049	728
3. Motor	5,308	2,787	5,398	2,697	-	291	173	118	2,579	2,931
4. Miscellaneous	11,225	35,440	40,198	6,467	10,933	34,968	39,869	6,032	435	395
Total	<u>36,913</u>	<u>70,993</u>	<u>78,476</u>	<u>29,430</u>	<u>29,572</u>	<u>66,933</u>	<u>72,072</u>	<u>24,433</u>	<u>4,997</u>	<u>5,777</u>
Treaty										
5. Proportional	-	-	-	-	-	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Grand Total	<u>36,913</u>	<u>70,993</u>	<u>78,476</u>	<u>29,430</u>	<u>29,572</u>	<u>66,933</u>	<u>72,072</u>	<u>24,433</u>	<u>4,997</u>	<u>5,777</u>

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Hussain Dawood  
Chairman

Viqar Siddiqui  
Chief Executive and Principal officer

Aziz Moon  
Director

Aleem A. Dan  
Director

**STATEMENT OF CLAIMS (UN-AUDITED)**  
For the Period Ended March 31, 2008

Class	Claims paid	Outstanding Claims		Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Re-insurance and other recoveries revenue	Net Claims expense 31-Mar-08	Net Claims expense 31-Mar-07
		Opening	Closing			Opening	Closing			
----- Rupees in 000' -----										
Direct and Facultative										
1. Fire and Property Damage	-	23,998	24,303	305	-	14,365	14,678	313	(8)	633
2. Marine, Aviation and Transport	(949)	4,318	6,207	940	47	1,587	1,581	41	899	636
3. Motor	175	10,342	10,491	324	-	3,521	3,458	(63)	387	546
4. Miscellaneous	-	2,363	2,458	95	-	1,322	1,336	14	81	162
Total	(774)	41,021	43,459	1,664	47	20,795	21,053	305	1,359	1,977
Treaty										
5. Proportional	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Grand Total	(774)	41,021	43,459	1,664	47	20,795	21,053	305	1,359	1,977

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

Hussain Dawood  
Chairman

Viqar Siddiqui  
Chief Executive and Principal officer

Aziz Moon  
Director

Aleem A. Dani  
Director

**STATEMENT OF EXPENSES (UN-AUDITED)**  
For Period Ended March 31, 2008

Class	Commissions paid or payable	Opening Deferred Commission	Closing Deferred Commission	Net Commission Expenses	Other Management Expenses	Underwriting Expense	Commissions from Insurers	Net Underwriting expense 31-Mar-08	Net Underwriting expense 31-Mar-07
Rupees in 000'									
Direct and Facultative									
1. Fire and Property Damage	118	363	221	260	340	600	1,329	(729)	1,674
2. Marine, Aviation and Transport	909	431	441	899	473	1,372	2,239	(867)	(834)
3. Motor	1	16	5	12	207	219	16	203	417
4. Miscellaneous	-	51	37	14	459	473	503	(30)	722
Total	<u>1,028</u>	<u>861</u>	<u>704</u>	<u>1,185</u>	<u>1,479</u>	<u>2,664</u>	<u>4,087</u>	<u>(1,423)</u>	<u>1,979</u>
Treaty									
5. Proportional	-	-	-	-	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Grand Total	<u>1,028</u>	<u>861</u>	<u>704</u>	<u>1,185</u>	<u>1,479</u>	<u>2,664</u>	<u>4,087</u>	<u>(1,423)</u>	<u>1,979</u>

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

Hussain Dawood  
Chairman

Viqar Siddiqui  
Chief Executive and Principal officer

Aziz Moon  
Director

Aleem A. Dani  
Director

**STATEMENT OF INVESTMENT INCOME (UN-AUDITED)**  
**For the Period Ended March 31, 2008**

	31-Mar-08	31-Mar-07
	Rupees in 000'	
Income from Non-Trading Investments		
Held to Maturity		
Return on Government Securities	-	-
Return on Other Fixed Income Securities and Deposits	-	-
Available for sale	-	-
Dividend Income		
- Related parties	24,700	29,460
- Others	600	-
	25,298	29,456
Gain on Sale of available for Sale Investments	19,984	9,663
Less: Brokerage & Commission	(382)	(179)
Less: Investment related expenses		
Zakat deducted	-	-
Net Investment Income	44,900	38,940
The annexed notes form an integral part of these financial statements.		

Hussain Dawood  
Chairman

Viqar Siddiqui  
Chief Executive and Principal officer

Aziz Moon  
Director

Aleem A. Dani  
Director

**NOTES TO THE ACCOUNTS (UN-AUDITED)  
For the Period Ended March 31, 2008**

**1. Status and Nature Of Business**

Central Insurance Company Limited - a Dawood Group Company (the company) is a public limited company incorporated in Pakistan on April 23, 1960 under the Companies Act, 1913 (now Companies Ordinance, 1984. The company is listed on the Karachi and Lahore Stock Exchanges and is engaged in general insurance services in the sphere of fire, marine, motor and miscellaneous.

The registered office of the company is situated at Dawood Centre, Molvi Tamizuddin Khan Road, Karachi.

**2. Basis for Preparation of Financial Statements**

**2.1** These condensed financial statements are un-audited and submitted to shareholders as required under Section 245 of the Companies Ordinance, 1984 and Listing Regulations of Karachi & Lahore Stock Exchanges.

**2.2** These condensed financial statements have been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" as applicable in Pakistan and in the format prescribed by the Securities & Exchange Commission of Pakistan in its Circular No.7 of 2003.

**3. Accounting Policies**

All accounting policies adopted for the preparation of these quarterly accounts are the same as applied in preparation of the last annual published accounts of the Company for the year ended December 31, 2007.

**4. Share Capital**

31-Mar-08	31-Dec-07		31-Mar-08	31-Dec-07
			(Rupees in 000')	
<b>Authorised</b>				
<u>30,000,000</u>	<u>15,000,000</u>	Ordinary shares of Rs. 10-each	<u>150,000</u>	<u>150,000</u>
<b>Paid- Up</b>				
250,000	250,000	Ordinary shares of Rs 10- each	2,500	2,500
16,530,144	13,733,454	165,301,440 (2007: 13,733,454) Ordinary Shares of Rs. 10 each issued as fully paid Bonus Shares	165,301	137,334
<u>16,780,144</u>	<u>13,983,454</u>		<u>167,801</u>	<u>139,834</u>

**5. CONTINGENCIES AND COMMITMENTS**

Status of contingencies and commitments remained unchanged as disclosed in the financial statements for the year ended December 31, 2007.

**6. INVESTMENTS**

	Notes	31-Mar-08	31-Dec-07
(Rupees in 000')			
Held to maturity investment		41	41
Available for sale investments	6.1	4,088,656	4,017,455
		4,088,697	4,017,496

**6.1 Available for sale investments:**

The change in available for sale investments during the 1st quarter 2008 is as follows:

	31 March 08 (Rupees in 000')
Book value as of January 01, 2008	4,017,455
Investments made during 1 <sup>st</sup> quarter, 2008	218,309
Investments sold during 1 <sup>st</sup> quarter, 2008	(147,108)
Book value of March 31, 2008	4,088,656
Market value of March 31, 2008	4,746,934

**7. TRANSACTIONS WITH RELATED PARTIES AND ASSOCIATED UNDERTAKINGS.**

Related parties comprise local associates, staff retirement fund, directors and key management personnel.

The company in the normal course of business carries out transactions with various related parties.

Material transactions with related parties are given below:

	31-Mar-08	31-Mar-07
Rupees in 000'		
Premium under-written	36,032	21,209
Premium collected	14,286	36,647
Claims paid	16	703
Commission paid	-	5,201
Rent paid	542	542
Dividend received	23,151	29,460
Investment sold	84,577	-
Contribution to provident fund	33	13
Contribution to staff retirement funds	40	40
Remuneration of key management personnel	734	789

**8. General**

All figures in the condensed financial statements have been rounded off to the nearest thousand rupees.

Hussain Dawood  
Chairman

Viqar Siddiqui  
Chief Executive and Principal officer

Aziz Moon  
Director

Aleem A. Dani  
Director

For Comments and feedback  
[creativeunit@dawoodgroup.com](mailto:creativeunit@dawoodgroup.com)