



Statement of Cash Flows

Charming the Challenges

for the year ended December 31, 2009

	2009	2008
	(Rupees in '000)	
Operating cash flows		
(a) Underwriting activities		
Premiums received	4,044,175	3,515,743
Reinsurance premiums paid	(1,698,895)	(1,361,670)
Claims paid	(1,825,386)	(2,092,693)
Reinsurance and other recoveries received	337,103	508,393
Commissions paid	(323,040)	(319,369)
Commissions received	142,920	108,175
Other underwriting payments (management expenses)	(523,338)	(480,085)
Net cash inflow / (outflow) from underwriting activities	153,539	(121,506)
(b) Other operating activities		
Income tax paid	(30,999)	(43,670)
General expenses paid	(4,235)	(13,752)
Other operating payments	(471,422)	(232,525)
Other operating receipts	569,494	308,519
Loans advanced	(789)	(824)
Loans repayment received	963	873
Net cash inflow from other operating activities	63,012	18,621
Total cash inflow / (outflow) from all operating activities	216,551	(102,885)
Investment activities		
Profit / return received	175,466	103,644
Dividends received	76,849	69,747
Rentals received - net of expenses	36,631	19,120
Payments for purchase of investments / investment property	(2,898,670)	(1,659,363)
Proceeds from disposal of investments	2,853,427	1,586,394
Fixed capital expenditure	(35,532)	(37,086)
Proceeds from disposal of fixed assets	5,256	90,978
Total cash inflow from investing activities	213,427	173,434
Financing activities		
Dividends paid	(97,001)	(81,019)
Total cash (outflow) from financing activities	(97,001)	(81,019)
Net cash inflow / (outflow) from all activities	332,977	(10,470)
Cash at beginning of the year	1,669,855	1,680,325
Cash at end of the year	2,002,832	1,669,855

Statement of Cash Flows

for the year ended December 31, 2009



Charming the Challenges

	2009	2008
	(Rupees in '000)	
Reconciliation to profit and loss account		
Operating cash flows	216,551	(102,885)
Depreciation / amortisation expense	(22,166)	(26,474)
Profit on disposal of fixed assets	479	2,112
Profit on disposal of investments	355,794	98,571
Dividend income	79,205	69,775
Rental income	76,994	83,200
Other investment income / (loss)	160,283	(531,134)
Provision against doubtful balance	(6,000)	-
Increase in assets other than cash	272,882	52,286
(Increase) / decrease in liabilities other than running finance	(477,558)	87,300
Profit / (loss) after taxation	656,464	(267,249)

Definition of cash

Cash comprises of cash in hand, policy stamps, bond papers, cheques in hand, bank balances and other deposits which are readily convertible to cash in hand and which are used in the cash management function on a day-to-day basis.

Cash for the purposes of the Statement of Cash Flows consists of:

Cash and bank deposits

Cash and other equivalents

Cash	285	216
Policy stamps and bond papers in hand	3,677	2,618
	3,962	2,834

Current and other accounts

Current accounts	110,676	138,841
PLS savings accounts	617,028	290,074
	727,704	428,915

Deposits maturing within 3 months (encashable on demand)


Term deposits *	1,271,166	1,238,106
	2,002,832	1,669,855

* This does not include term deposits amounting to Rs.25 million (2008:Nil) having maturity exceeding three months and those deposits placed under lien amounting to Rs.0.3 million (2008:Rs.0.3 million). (note 12.2).

The annexed notes from 1 to 42 form an integral part of these financial statements.


Towfiq H. Chinoy
 Chairman


Akbarali Hashwani
 Director


John Joseph Metdalf
 Director


Tahir Ahmed
 Managing Director
 (Chief Executive)