

**Statement of Cash Flow**  
**Financial Year Ended 31 December 2002**



Rupees ' 000

	Shareholders Fund	Statutory Fund			Aggregate 2002	Aggregate 2001
		Investment Linked Business	Conventional Business	Accident & Health Business		
<b>Operating Cash Flows</b>						
<b>a) Underwriting activities</b>						
Premiums received	-	781,583	317,313	7,640	1,106,536	664,884
Reinsurance premiums paid	-	-	(68,989)	-	(68,989)	-
Claims paid	-	(55,000)	(149,522)	(664)	(205,186)	(148,562)
Surrenders paid	-	(42,536)	-	-	(42,536)	(25,368)
Commissions paid	-	(152,469)	(6,991)	(1,263)	(160,723)	(92,866)
<b>Net cash flow from underwriting activities</b>	-	531,578	91,811	5,713	629,102	398,088
<b>b) Other operating activities</b>						
Income tax paid	(6,894)	-	-	-	(6,894)	(2,387)
General management expenses paid	(987)	(135,278)	(29,400)	(1,846)	(167,511)	(125,460)
Other operating payments	(6,308)	-	-	-	(6,308)	(6,100)
Loans advanced	(2,037)	-	-	-	(2,037)	(3,352)
Loan repayments received	1,769	-	-	-	1,769	5,445
Other payments on operating assets	(82)	(2,117)	(349)	(2)	(2,550)	(922)
<b>Net cash flow from other operating activities</b>	(14,539)	(137,395)	(29,749)	(1,848)	(183,531)	(132,776)
<b>Total cash flow from all operating activities</b>	(14,539)	394,183	62,062	3,865	445,571	265,312
<b>Investment activities</b>						
Profit/ Return received	4,817	71,923	8,489	428	85,657	43,972
Dividends received	743	16,091	-	-	16,834	5,665
Payments for investments	(36,313)	(542,250)	(63,998)	(3,229)	(645,790)	(869,996)
Proceeds from disposal of investments	5,786	110,370	12,847	638	129,641	512,127
Fixed Capital Expenditure	(13,166)	-	-	-	(13,166)	(7,244)
Proceeds from disposal of fixed assets	930	-	-	-	930	2,009
<b>Total cash flow from investing activities</b>	(37,203)	(343,866)	(42,662)	(2,163)	(425,894)	(313,467)
<b>Financing activities</b>						
Share capital received	-	-	-	-	-	50,000
Surplus appropriated to shareholders' fund	28,022	-	-	-	28,022	16,186
<b>Total cash flow from financing activities</b>	28,022	-	-	-	28,022	66,186
<b>Net cash inflow/outflow from all activities</b>	(23,720)	50,317	19,400	1,702	47,699	18,031
Cash at the beginning of the year	23,720	70,140	20,652	202	114,714	96,683
<b>Cash at the end of the year</b>	-	120,457	40,052	1,904	162,413	114,714

**Reconciliation to Profit and Loss Account**

Operating cash flows	445,571	265,312
Depreciation expense	(8,745)	(7,949)
Profit/(loss) on disposal of fixed assets	165	863
Write Back/(Provision) for Depreciation on Investments	13,264	(14,654)
Loss on sale of Investments	(744)	(1,008)
Deferred acquisition costs	35,801	2,119
Increase/(decrease) in assets other than cash	103,115	178,984
(Increase)/decrease in liabilities other than running finance	(563,657)	(407,066)
<b>Profit or loss after taxation</b>	24,770	16,601

**Definition of cash**

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

- 1) Stamps in hand
- 2) Bank balances
- 3) Short Term Deposits

**HASANALI ABDULLAH**  
Director

**MUNEER R. BHIMJEE**  
Director

**TAHER G. SACHAK**  
Managing Director & Chief Executive

**SAIFUDDIN N. ZOOMKAWALA**  
Chairman