

## NOTES TO THE ACCOUNT

### FOR THE PERIOD ENDED March 31, 2006

#### 1 STATUS AND NATURE OF THE BUSINESS

Beema Pakistan Company Limited (Formerly Heritage Insurance Company Limited) was incorporated in the year 1960 as a Public Limited Company, is engaged in the general insurance business and is Listed on the Karachi & Lahore Stock Exchanges. The Registered Office of the company is situated at 4th Floor Muhammadi House I.I. Chundriger Road, Karachi

#### 2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These Financial statements are un-audited. These Accounts have been prepared in accordance with the requirements of International Accounting Standards (IAS) 34 "Interim Financial Reporting" as applicable in Pakistan as notified by Securities and Exchange Commission of Pakistan.

The Accounting Policies adopted for the preparation of First Quarter Accounts are the same as applied in preparation of preceding annual report of the Corporation

|                       | March 31<br>2006        | December 31<br>2005 |
|-----------------------|-------------------------|---------------------|
|                       | .....(Rs in '000')..... |                     |
| 3 ACCRUED EXPENSES    |                         |                     |
| Accrued expenses      | 4,585                   | 4,438               |
| Federal insurance fee | 140                     | 135                 |
| Central Excise Duty   | 883                     | 916                 |
|                       | 5,608                   | 5,489               |

#### 4 CONTINGENCY

- 4.1 In respect of a claim by Sind Alkalis Limited the case was given to the arbitrator for Rs. 1,750,000/-, the company's liability is Rs. 35,000/- and the rest is payable by the Re-insurance corporation. The claimant company has been fully indemnified by the supplier of the machinery, the Company has therefore, filed an application in the Court of Law to set aside the decree.

#### 5 CASH AND BANK DEPOSITS

##### 5.1 Cash and other equivalents

|              |    |     |
|--------------|----|-----|
| Cash in Hand | 16 | 235 |
|--------------|----|-----|

##### 5.2 Current and other accounts

|                  |     |    |
|------------------|-----|----|
| Current Accounts | 683 | 32 |
|------------------|-----|----|

#### 6 INVESTMENT

##### 6.1 Available for sale

|   |       |       |
|---|-------|-------|
| Less:-Provision for fluctuation in Investment | 2,457 | 2,457 |
|---|-------|-------|

##### 6.2 Investment in Funds

|  |         |         |
|--|---------|---------|
|  | (1,387) | (1,387) |
|--|---------|---------|

##### 6.3 Held to maturity

|  |       |       |
|--|-------|-------|
|  | 5,000 | 5,000 |
|--|-------|-------|

|  |       |       |
|--|-------|-------|
|  | 1,093 | 1,040 |
|--|-------|-------|

|  |       |       |
|--|-------|-------|
|  | 7,163 | 7,110 |
|--|-------|-------|

#### 7 Advances & Loans to Subsidiaries

|                                |       |       |
|--------------------------------|-------|-------|
| 1. Shabestan Foods (Pvt.) Ltd. | 8,735 | 6,894 |
|--------------------------------|-------|-------|

|                                     |       |       |
|-------------------------------------|-------|-------|
| 2. Pakistan Fire Protection Academy | 4,325 | 3,912 |
|-------------------------------------|-------|-------|

|                |       |       |
|----------------|-------|-------|
| 3 Live Rostrum | 3,211 | 2,100 |
|----------------|-------|-------|

|                          |     |     |
|--------------------------|-----|-----|
| 4 Phool Wala (Pvt.) Ltd. | 154 | 110 |
|--------------------------|-----|-----|

|  |        |        |
|--|--------|--------|
|  | 16,425 | 13,016 |
|--|--------|--------|

#### 8 SUNDRY RECEIVABLE

|                   |       |       |
|-------------------|-------|-------|
| Sundry Receivable | 2,211 | 2,182 |
|-------------------|-------|-------|

|       |  |  |
|-------|--|--|
| Less: |  |  |
|-------|--|--|

|                              |       |       |
|------------------------------|-------|-------|
| Provision for doubtful debts | (267) | (267) |
|------------------------------|-------|-------|

|  |       |       |
|--|-------|-------|
|  | 1,944 | 1,915 |
|--|-------|-------|

#### 9 DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorized for issue on April 29, 2006 by the board of directors of the company.

#### 10 FIGURES

Figures have been rounded off to the nearest rupee.

Director

Director

M. Shahnawaz Agha  
(Chairman & Chief Executive)