

Atlas Group Companies

	<i>Year of Establishment / Acquisition*</i>
 Shirazi Investments	1962
 Atlas Honda	1963
 Atlas Battery	1966
 Shirazi Trading	1973
 Atlas Insurance	1980*
 Atlas Engineering	1981*
HONDA Honda Atlas Cars	1992
HONDA Honda Atlas Power Product	1997
 Total Atlas Lubricants	1997
 Atlas Asset Management	2002
 Atlas Bank	2005*
 Atlas Capital Markets	2006
 Atlas Power	2007

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed financial statements comprising of:

- i) balance sheet;
- ii) profit and loss account;
- iii) statement of changes in equity;
- iv) cash flow statement;
- v) statement of premiums;
- vi) statement of claims;
- vii) statement of expenses; and
- viii) statement of investment income

of Atlas Insurance Limited as at December 31, 2007, together with the notes forming part thereof, for the year then ended.

It is the responsibility of the Company's Board of Directors to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Insurance Ordinance, 2000 (XXXIX of 2000) and the Companies Ordinance, 1984 (XLVII of 1984). Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as, evaluating the overall financial statements' presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- a) proper books of accounts have been kept by the Company as required by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984;
- b) the financial statements together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000 and the Companies Ordinance, 1984, and accurately reflect the books and records of the Company and are further in accordance with accounting policies consistently applied;
- c) the financial statements together with the notes thereon present fairly, in all material respects, the state of the Company's affairs as at December 31, 2007 and of the profit, its cash flows and changes in equity for the year then ended in accordance with approved accounting standards as applicable in Pakistan, and give the information required to be disclosed by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984; and
- d) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The financial statements of the company for the year ended December 31, 2006 were audited by another auditor who expressed an unqualified opinion thereon.

Lahore: Marach 04, 2008



A. F. FERGUSON & CO.
Chartered Accountants


BALANCE SHEET


	Note	<u>2007</u> (Rupees in thousand)	<u>2006</u>
Share capital and reserves			
Authorized share capital 50,000,000 (2006: 50,000,000) ordinary shares of Rs.10 each		<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid up capital 20,649,792 (2006: 15,884,455) ordinary shares of Rs.10 each	5	206,497	158,844
Reserves	6	353,064	211,064
Retained earnings		<u>410,592</u>	<u>301,590</u>
		<u>970,153</u>	<u>671,498</u>
Underwriting provisions			
Provision for outstanding claims (including IBNR)		194,099	116,712
Provision for unearned premium		316,655	241,327
Commission income unearned		24,295	17,714
Total underwriting provisions		535,049	375,753
Deferred taxation	7	2,474	2,061
Creditors and accruals			
Premiums received in advance		67,111	552
Amounts due to other insurers/reinsurers	8	95,362	84,486
Accrued expenses	9	21,235	16,780
Taxation - provision less payments		6,792	19,304
Other creditors and accruals	10	21,074	11,991
		211,574	133,113
Other liabilities			
Deposits against performance bonds		1,391	1,391
Unclaimed dividends		12,793	7,530
Liabilities against assets subject to finance lease	11	-	129
		14,184	9,050
TOTAL LIABILITIES		763,281	519,977
CONTINGENCIES AND COMMITMENTS	12	-	-
TOTAL EQUITY AND LIABILITIES		<u>1,733,434</u>	<u>1,191,475</u>

The annexed notes 1 to 34 form an integral part of these financial statements.


AS AT DECEMBER 31, 2007

	Note	2007 (Rupees in thousand)	2006
Cash and bank deposits	13		
Cash and other equivalent		21	12
Current and other accounts		200,759	75,561
		<u>200,780</u>	<u>75,573</u>
Loans to employees - secured considered good	14	724	969
Investments	15	1,010,747	674,805
Current assets - others			
Premiums due but unpaid		85,620	94,405
Amounts due from other insurers/reinsurers	16	59,830	42,814
Salvage recoveries accrued		10,412	6,300
Accrued investment income	17	3,136	2,542
Reinsurance recoveries against outstanding claims		121,881	77,535
Deferred commission expense		18,236	12,366
Prepayments	18	162,242	86,986
Sundry receivables	19	17,001	95,246
		<u>478,358</u>	<u>418,194</u>
Fixed assets	20		
Tangible			
Land and buildings		4,551	4,730
Furniture and fixtures		2,194	180
Office equipments		4,595	1,775
Computers - owned		4,296	2,694
Motor vehicles - owned		16,628	8,606
Motor vehicles - leased		-	192
		<u>32,264</u>	<u>18,177</u>
Capital work in progress		9,415	1,471
Intangible			
Computer software		1,146	2,286
TOTAL ASSETS		<u><u>1,733,434</u></u>	<u><u>1,191,475</u></u>


Arshad P. Rana
Chief Executive


Muhammad Faruque
Director


Omar Saeed
Director


Yusuf H. Shirazi
Chairman

CASH FLOW STATEMENT

FINANCIAL YEAR ENDED DECEMBER 31, 2007

	Note	<u>2007</u>	<u>2006</u>
		(Rupees in thousand)	
Operating cash flows			
Underwriting activities			
Premiums received		837,661	607,205
Reinsurance premiums paid		(318,796)	(262,939)
Claims paid		(308,579)	(172,881)
Reinsurance and other recoveries received		111,056	39,661
Commissions paid		(41,723)	(27,402)
Commissions received		76,862	70,079
Other underwriting payments		(1,658)	(1,019)
Other underwriting receipts		9,362	9,008
Net cash inflow from underwriting activities		364,185	261,712
Other operating activities			
Income tax paid		(69,659)	(64,444)
General management expenses paid		(119,373)	(156,146)
Net cash outflow from other operating activities		(189,032)	(220,590)
Total cash inflow from all operating activities		175,153	41,122
Investment activities			
Profit/return received		26,110	26,636
Dividends received		36,284	29,821
Rental income received		1,274	1,272
Loan repayments received		245	273
Payments for purchase of investments		(874,850)	(991,954)
Proceeds from disposal of investments		832,774	796,199
Short term placements - net		61,096	73,681
Payments against purchase of assets		(27,339)	(6,598)
Proceeds from disposal of fixed assets		1,057	1,510
Total cash inflow/(outflow) from investing activities		56,651	(69,160)
Financing activities			
Dividends paid		(105,928)	(81,139)
Financial charges paid		(540)	(686)
Payments against finance lease		(129)	(440)
Total cash outflow from financing activities		(106,597)	(82,265)
Net cash inflow from all activities		125,207	(110,303)
Cash at the beginning of the year		75,573	185,876
Cash at the end of the year	13	<u>200,780</u>	<u>75,573</u>

Reconciliation to Profit and Loss Account

	<u>2007</u>	<u>2006</u>
	(Rupees in thousand)	
Operating cash flows	175,153	41,122
Depreciation	(4,880)	(3,147)
Amortization	(1,140)	(1,143)
Financial charges	(540)	(686)
Bad debts written off	(629)	-
Increase in assets other than cash	57,720	83,750
Increase in liabilities other than borrowings	(156,253)	44,321
Other adjustments		
- Decrease in provision for unearned premium	98	(81,481)
- Increase in commission income unearned	(6,581)	(4,861)
- Income on investments and current and other deposits	314,703	190,198
- Rental income	1,266	1,022
- Other income	25,059	27,582
- Increase in provision for deferred commission expense	5,870	4,042
Profit after taxation	<u>409,846</u>	<u>300,719</u>

Definition of cash

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

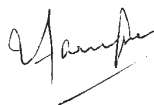
Cash for the purpose of the Statement of Cash Flows consists of:

Cash and other equivalents	21	12
Current and other accounts	200,759	75,561
	<u>200,780</u>	<u>75,573</u>

The annexed notes 1 to 34 form an integral part of these financial statements.



Arshad P. Rana
Chief Executive



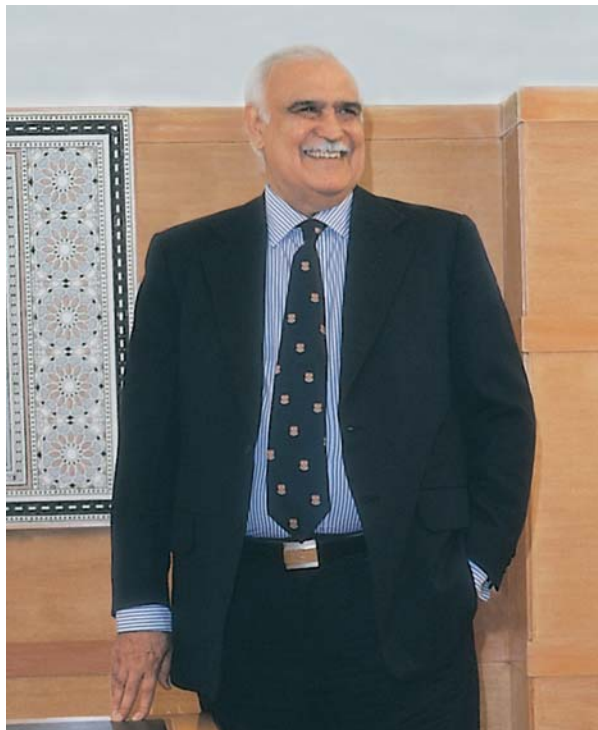
Muhammad Faruque
Director



Omar Saeed
Director



Yusuf H. Shirazi
Chairman



CHAIRMAN'S REVIEW

It is my pleasure to present to you the 73rd Annual Report and Review of the performance of your company for the year ended 31 December 2007.

THE ECONOMY

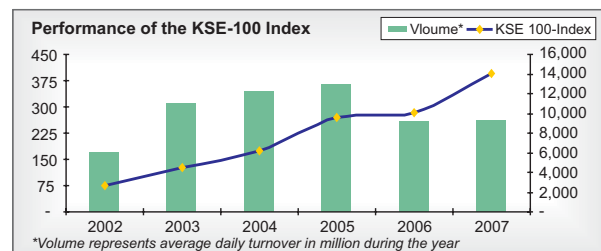
Despite the socio-political scenario prevailing in the country for sometime now, the economy seems to achieve a GDP growth of 6.5% against the target of 7.2%, owing mainly to agriculture and services sectors which are showing great resilience.

Going forward, the rising trade deficit which seems to touch 6.5% of the GDP is a great challenge. The increasing import bill on the back of rising prices of oil and other commodities and low exports have upset the original target of 5% trade deficit. Rising inflation and interest rates and rupee parity are other issues which will need an expert handling.

Remittances from overseas Pakistanis continue to show a rising trend. An amount of \$3.62 billion was received during July'07 to Jan'08, period against \$2.96 billion in the same period, last year.

Despite increase in the remittances the forex reserves dropped to \$15 billion compared to the \$16 billion on June 30, 2007. Foreign investments fell by 31% in the first half of the current fiscal year, mainly because of much lower inflows of portfolio investment. The total foreign investments fell to \$2.169 billion during July-December 2007.

The KSE-100 index started at 10,040.50 on January 1, 2007 and closed at 14,075.83 on December 31, 2007 with a significant gain of 40%. The index hit the highest level of 14,814.85 on December 26, 2007.



It witnessed two worst declines during the year, with the plunge of 635.80 points on November 5, 2007 just after declaration of emergency in the country, and the highest decline of 696.25 points on December 31, 2007, following the assassination of PPP Chairperson, Benazir Bhutto.

The overall market capitalization rose by Rs.1.558 trillion during the year and settled at Rs.4.329 trillion on December 31, 2007 against Rs.2.771 trillion the last trading day of 2006.

INSURANCE INDUSTRY

Insurance industry has been contributing positively in the growth of the economy for last many years. It has also played its role towards mitigating the huge business losses faced by the industry due to riots and disturbance in the country in the recent past. Pakistan is a developing country and in the growing economies insurance industry plays pivotal role to enhance the economic activities through safeguarding the assets and other financial interests of business sector as well as of general public. In 2006 the total premium of the non life insurance industry was Rs.38.45 billion as compared to Rs.31.49 billion in 2005, up 22%. It is estimated that insurance industry would maintain its growth in 2007 as well. Like other business sectors the insurance industry is also facing stiff competition. Through innovation and quality of service only we can get an edge over others. Further

the Pakistan economy is being gradually integrated globally which is opening new avenues for the insurance products. Very low share of Pakistan in the global insurance industry demands concerted efforts to increase the competitiveness and create insurance awareness in the country.

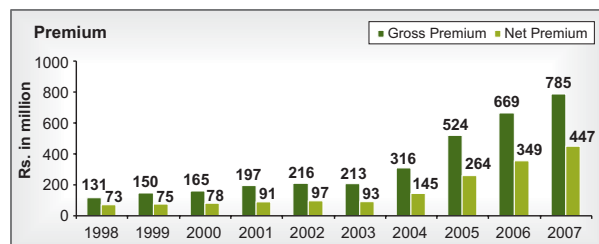
Despite considerable growth over the recent past, the insurance industry in Pakistan still lags behind many countries in the region. The ratio of premium to GDP in Pakistan remained at 0.67% as compared to 2.53% of India, 4.8% of Malaysia, 1.3% of Indonesia and 11.3% of Korea. Measured by the insurance density in Pakistan i.e. premium per capita, it stood at \$2.9 against \$16.4 of India, \$292.6 of Malaysia, \$22.2 of Indonesia and \$2,135 of Korea.

Takaful, an Islamic concept of insurance is in the introductory stage in Pakistan. The Government is said to be considering to allow Takaful business through "window operations" to the existing insurance companies as well. This would be a very positive move which among other benefits will help the existing companies increase insurance penetration by providing Islamic mode of insurance to public and institutions looking for Islamic products. The review of Insurance Policy is also required with the objective to find ways and means to increase insurance penetration, removing impediments and anomalies in the regulatory frame work, strengthening the domestic capacity of the industry and fine tuning the regulatory framework for Takaful.

THE COMPANY RESULTS

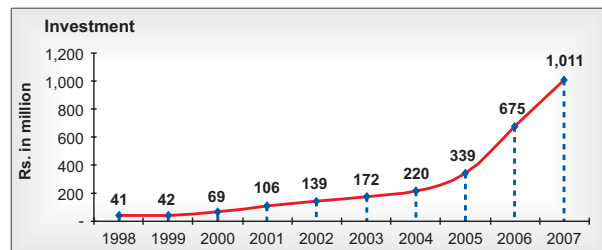
Premium

During the year under review the company performed well. The company underwrote gross premium of Rs.784.53m against Rs.668.83m of the last year, up 17.30%. The net premium also increased to Rs.447m against Rs.348.73m of the last year, up 28.20%.



Investment

Book value of the investments rose to Rs.1.01 billion from Rs.674.81m of the last year while the market value stood at Rs.1.187 billion against Rs.721.82m of the last year. The increase in the value of the investments is the reflection of the strong financial base of your company as well as utilization of company funds in profitable activities. The income from investments grew to Rs.314.70m against Rs.190.20m of the last year registering an increase of 65.46%.

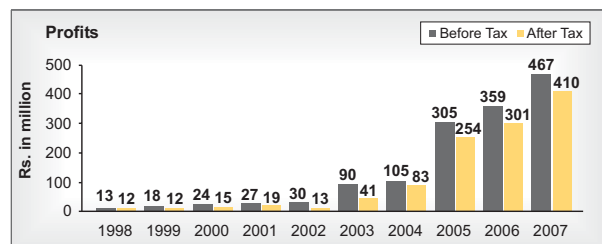


Cash Flow

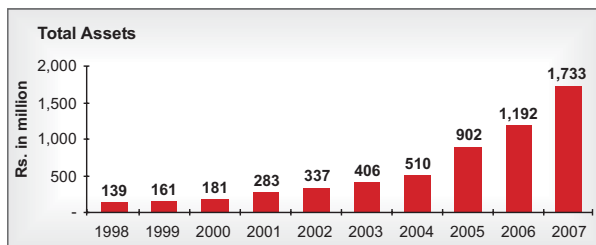
The Company generated a cash inflow of Rs.364.19m through its underwriting activities during the period under review against Rs.261.71m of the last year. Total amount of Rs.902.19m was paid for investment and fixed capital expenditures against Rs.998.55m of the last year. The bank account balances at the end of the year stood at Rs.200.78m against Rs.75.57m of the last year.

Net Profit

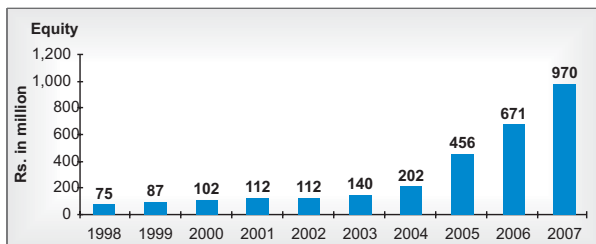
The underwriting profit at Rs.144.59m was lower against Rs.154.99m of the last year. The drop was due to increase in the net claim ratio to 49% against 38% of the last year. This increase in net claim ratio is partly attributed to the change in the mix of the premium during the period under review and partly to the increase in motor claims ratio during the period compared to the last year. However, due to good returns from investments the profit before tax rose to Rs.467.41m against Rs.358.71m of the last year, up 30%. The net profit after tax stood at Rs.409.85m compared to Rs.300.72m of the last year, up 36%.



Your company achieved return of 42.25% on equity of Rs.970.15m against 44.78% on equity of Rs.671.50m of the last year. Accordingly after tax earnings per share was Rs.19.85 against Rs.14.56 of the last year on the increased capital of Rs.206.50m after issuance of 30% bonus last year. The book value of total assets of the company stood at Rs.1.73 billion at the close of the year against Rs.1.19 billion of the last year.



The equity of the company stood at Rs.970.15m as against Rs.671.50m of the last year reflecting company's policy of capitalizing the profits through retention in the business.



COMPUTERIZATION

In order to meet the challenges of the future and growing needs of the business and industry the company has developed state of the art web based Oracle software having Oracle 10g as back end database and JAVA/HTML as front end tool. All branches of the company are linked with the Head Office through online system. All policies are issued through new system. This would help in providing even more efficient and prompt services to the clients at the same time enabling the management to monitor the day to day performance more closely and take timely decisions for smooth operations and progress of the company.

CONTRIBUTION TO THE NATIONAL EXCHEQUER

Your Company contributed a sum of Rs.114m during the year towards Government exchequer on account of Income Tax, Federal Excise Duty and other levies. The

Atlas Group, of which your Company is a constituent member, paid over Rs.15 billion to the Government under the head taxes and different levies which is approximately 2% of the total Government revenue. The management of your company strongly believes in the development of the economy through discharging the obligations by timely and accurate payment of all Government dues including taxes etc. and also donating for noble cause.

HUMAN RESOURCE

In order to manage the company affairs professionally and optimizing the utilization of the available resources the Human Resource is considered to be the most valuable asset by your company. It is very important to have the right people for right place at the right time.

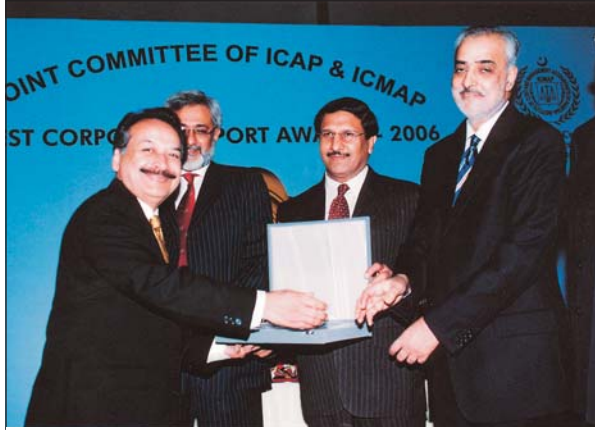
Training plays an important role in developing human resource and great emphasis is being given to train employees in a manner that is helpful to the organization as well as to the individual. Skill development and training needs of the staff are assessed on the basis of their performance, education, and experience focusing on individual career development. On the job training is provided by the department heads to groom employees and improve their skills. Employees are also sent to outside training programmes conducted by reputable institutions like LUMS, PIM, and MAP etc., on regular basis. To help them improve their education and skill levels employees are encouraged to go for various diploma courses and Executive MBAs as well. The Group of which your company is a constituent member nominates employees to the renowned institutions of the world like Harvard, Stanford and Insead for MBA and other management development programmes.

RATING BY PACRA

The Pakistan Credit Rating Agency (PACRA) has maintained the Insurer Financial Strength (IFS) rating of your company to "A+". The rating reflects AIL's strong financial base, which adequately supports the company's accelerated growth strategy. The rating also recognizes the company's sound underwriting practices that have resulted in stable income from core insurance business. PACRA has also recognized company's sound solvency margin, maintained performance, strong financial base and adequate liquidity to meet its obligations.

ICAP BEST CORPORATE REPORT AWARD & SAFA CERTIFICATE OF MERIT

In 2007 the company again won the "Best Corporate Report Award - 2006" adjudged by the joint committee of ICAP and ICMAP on the basis of 2006 balance sheet - the only insurance company to have this distinction. The company was also awarded the "Best Presented Accounts Award - 2006" by SAFA (South Asian Federation of Accountants) - the only Insurance Company in Pakistan selected for this prestigious award.



Chief Executive Officer, Mr. Arshad P. Rana receiving the Best Corporate Report Award 2006 from MD/Chairman of NIT, Mr. Tariq Iqbal Khan

AIL WEBSITE

A website of Atlas Insurance Ltd., is developed which allows the users to get the company related information about its financials, history, types of insurance available with the company and list of reinsurers etc. An online complaint system to further improve the efficiency is also available. The website is linked with the SECP. Website address: www.atlasinsurance.com.pk

FUTURE OUTLOOK

After smooth conclusion of the elections 2008 and taking over of the affairs of the country by the new government, we are confident that the economy will pick up its momentum and achieve growth of 6.5% and the insurance industry will play its part. Your management is quite capable of capitalizing the opportunities ahead.

عزیزوں را بکمند آور اے ہمت مردانہ

(let us continue to look beyond horizon)

ACKNOWLEDGMENT

I would like to thank the Board of Directors, the Group President, Mr. Aamir H. Shirazi, Group Director Financial Services, Mr. Frahim Ali Khan, the Group Executive Committee, and the Chief Executive Officer, Mr. Arshad P. Rana and his team for their efforts, dedication and sincerity of purpose. I must express my gratitude to all Reinsurers, our valued clients, banks and SECP for their continued help, support and guidance. I am thankful to the shareholders for their trust and confidence reposed in your company.

Yusuf H. Shirazi

COMPANY INFORMATION

BOARD OF DIRECTORS

Chairman	Yusuf H. Shirazi
Chief Executive	Arshad P. Rana
Directors	Ali H. Shirazi
	Frahim Ali Khan
	Jawaid Iqbal Ahmed
	Muhammad Faruque
	Omar Saeed
Company Secretary	Qudsia Naheed

AUDIT COMMITTEE

Chairman	Omar Saeed
Members	Frahim Ali Khan
	Jawaid Iqbal Ahmed
Secretary	Qudsia Naheed
Chief Internal Auditor	Saleem Mahmood Akhtar

INVESTMENT COMMITTEE

Chairman	Frahim Ali Khan
Members	Iftikhar H. Shirazi
	Arshad P. Rana
Secretary	Muhammad Zafar Riaz

UNDERWRITING COMMITTEE

Chairman	Frahim Ali Khan
Members	Arshad P. Rana
	Muhammad Munir
Secretary	Qudsia Naheed

CLAIMS SETTLEMENT COMMITTEE

Chairman	Frahim Ali Khan
Member	Arshad P. Rana
	Muhammad Munir
Secretary	Qudsia Naheed

REINSURANCE & CO-INSURANCE COMMITTEE

Chairman	Frahim Ali Khan
Members	Arshad P. Rana
	Muhammad Munir
Secretary	Qudsia Naheed

COMPANY INFORMATION
MANAGEMENT COMMITTEE

Chief Executive	Arshad P. Rana
Chief Financial Officer	Muhammad Zafar Riaz
Senior Vice President (Operations)	Muhammad Munir
Vice President (Admin. & HR)	Qudsia Naheed

Auditors A. F. Ferguson & Co.
Chartered Accountants

Legal Advisors Mohsin Tayebaly & Co.
Ch. Maqsood Advocate
Agha Faisal Barrister at Law

Tax Advisor Ford Rhodes Sidat Hyder & Co.
Chartered Accountants

Registrar and Share Transfer Office Hameed Majeed Associates (Pvt.) Ltd.
H. M. House, 7 - Bank Square
Shahrah-e-Quaid-e-Azam, Lahore
Telephone: (92-42) 7235081-82
Fax: (92-42) 7358817

Bankers Allied Bank Ltd.
Atlas Bank Ltd.
Bank Alfalah Ltd.
Habib Bank Ltd.
MCB Bank Ltd.
National Bank of Pakistan.
Standard Chartered Bank
(Pakistan) Ltd.
United Bank Ltd.

Registered & Head Office 3-Bank Square,
Shahrah-e-Quaid-e-Azam,
Lahore
Telephone: (92-42) 7320542-43,
7322271, 73, 7310658
Fax: (92-42) 7234742
Email: info@atlasinsurance.com.pk
Website: www.atlasinsurance.com.pk

COMPANY INFORMATION

BOARD OF DIRECTORS

Chairman	Yusuf H. Shirazi
Chief Executive	Arshad P. Rana
Directors	Ali H. Shirazi
	Frahim Ali Khan
	Jawaid Iqbal Ahmed
	Muhammad Faruque
	Omar Saeed
Company Secretary	Qudsia Naheed

AUDIT COMMITTEE

Chairman	Omar Saeed
Members	Frahim Ali Khan
	Jawaid Iqbal Ahmed
Secretary	Qudsia Naheed
Chief Internal Auditor	Saleem Mahmood Akhtar

INVESTMENT COMMITTEE

Chairman	Frahim Ali Khan
Members	Iftikhar H. Shirazi
	Arshad P. Rana
Secretary	Muhammad Zafar Riaz

UNDERWRITING COMMITTEE

Chairman	Frahim Ali Khan
Members	Arshad P. Rana
	Muhammad Munir
Secretary	Qudsia Naheed

CLAIMS SETTLEMENT COMMITTEE

Chairman	Frahim Ali Khan
Member	Arshad P. Rana
	Muhammad Munir
Secretary	Qudsia Naheed

REINSURANCE & CO-INSURANCE COMMITTEE

Chairman	Frahim Ali Khan
Members	Arshad P. Rana
	Muhammad Munir
Secretary	Qudsia Naheed

COMPANY INFORMATION
MANAGEMENT COMMITTEE

Chief Executive	Arshad P. Rana
Chief Financial Officer	Muhammad Zafar Riaz
Senior Vice President (Operations)	Muhammad Munir
Vice President (Admin. & HR)	Qudsia Naheed

Auditors A. F. Ferguson & Co.
Chartered Accountants

Legal Advisors Mohsin Tayebaly & Co.
Ch. Maqsood Advocate
Agha Faisal Barrister at Law

Tax Advisor Ford Rhodes Sidat Hyder & Co.
Chartered Accountants

Registrar and Share Transfer Office Hameed Majeed Associates (Pvt.) Ltd.
H. M. House, 7 - Bank Square
Shahrah-e-Quaid-e-Azam, Lahore
Telephone: (92-42) 7235081-82
Fax: (92-42) 7358817

Bankers Allied Bank Ltd.
Atlas Bank Ltd.
Bank Alfalah Ltd.
Habib Bank Ltd.
MCB Bank Ltd.
National Bank of Pakistan.
Standard Chartered Bank
(Pakistan) Ltd.
United Bank Ltd.

Registered & Head Office 3-Bank Square,
Shahrah-e-Quaid-e-Azam,
Lahore
Telephone: (92-42) 7320542-43,
7322271, 73, 7310658
Fax: (92-42) 7234742
Email: info@atlasinsurance.com.pk
Website: www.atlasinsurance.com.pk

COMPANY OFFICES
HEAD OFFICE

3 Bank Square Shahrah-e-Quaid-e-Azam, Lahore.	PABX: Fax:	7320542, 7320543, 7310658 7322271, 7322273 7234742
ARSHAD P. RANA Chief Executive Officer	Direct: Extension:	7234812 301
MUHAMMAD ZAFAR RIAZ Chief Financial Officer	Direct: Extension:	7234757 403
MUHAMMAD MUNIR Sr. Vice President (Operations)	Direct: Extension:	7314241 304
QUDSIA NAHEED Company Secretary	Direct: Extension:	7245348 303
SALEEM MEHMOOD Chief Internal Auditor	Extension:	428

**NORTH ZONE OFFICES & BRANCHES
LAHORE**

AZHAR M. PIRACHA Chief Manager	City Branch 3 - Bank Square, Shahrah-e-Quaid-e-Azam, Lahore.	7212365-6, 7312858, 7312868, 7230558-9 Fax: 7212367
MUHAMMAD MUNIR QAZI Chief Manager	Fatima Jinnah Road Branch 1st Floor, Nawa-i-Waqat Building, Fatima Jinnah Road, Lahore.	6271320, 6364906 Fax: 6371186
MUHAMMAD IJAZ Branch Manager	Al-Noor Branch Alnoor Building, 43-Bank Square Shahrah-e-Quaid-e-Azam, Lahore.	7358805 Fax: 7237343
KH. MUHAMMAD NADEEM Branch Manager	Napier Road Branch Nairobi Mansion Napier Road, Lahore.	7352560 Fax: 7358190
ZAFAR HUSSAIN JAMAL Branch Manager	Mall Road Branch Hafeez Chambers, 85- Shahrah-e-Quaid-e-Azam, Lahore.	6305595, 6271663 Fax: 6369576
MUHAMMAD WASIM PURI Branch Manager	Faisal Town Branch 753 - C, Faisal Town, Lahore.	5173551-2 Fax: 5173557

RAWALPINDI

MAHMOOD AHMED
Chief Manager

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P.O. Box 119, Rawalpindi.

5563413
Fax: 5798083

MANZAR ALI NAQVI
Manager

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FAISALABAD BRANCH - II

IRSHAD FARRUKH BHATTI
Chief Manager

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RANA SAGHIR
Branch Manager

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SAHIWAL

SALEEM TAHIR
Acting Incharge

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MULTAN

GHULAM ALI
Acting Incharge

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4544494

SIALKOT

REHAN NAZIR GHUMAN
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GUJRANWALA

REHAN NAZIR GHUMAN
Acting Incharge

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3847118
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ISLAMABAD

HALEEMA SHAHID
Acting Incharge

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4861830

SOUTH ZONE OFFICE

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Karachi

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5369394-6
5378515

ARSHAD P. RANA
Chief Executive Officer

Direct:
Fax:

5378757
201

JAWAID IRSHAD
Manager Motor Claims

Extension:

215

MUHAMMAD IMRAN
Asst. Vice President Claims & U/W

Extension:

217

SOUTH ZONE BRANCHES
KARACHI

ABDUL AZIZ
Chief Manager

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M. FAROOQ KANDLAWALA
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IMRAN SATTAR
Branch Manager

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HYDERABAD

ZAFAR AHMAD GHOURI
Chief Manager

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SUKKUR

ABDUL MAJEED QURESHI
Chief Manager

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5625965
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DIRECTORS' REPORT

The directors of your company take pleasure in presenting their report together with the Audited Financial Statements and Auditors' Report thereon for the year ended December 31, 2007.

Financial Results

Following is the overall performance of the company for the year ended December 31, 2007:

	<u>2007</u>	<u>2006</u>
	(Rupees in thousand)	
Gross Premium	<u>784,525</u>	<u>668,832</u>
Profit for the year before tax	467,406	358,706
Taxation:		
Current	57,147	61,835
Deferred	413	226
Prior years	-	(4,074)
	57,560	57,987
Profit for the year after tax	409,846	300,719
Un-appropriated profit brought forward	746	871
Profit available for appropriation	<u>410,592</u>	<u>301,590</u>
*Appropriations:		
Proposed bonus shares @ 30% (2006 : @ 30%)	61,949	47,653
Proposed cash dividend @ 70% (2006 : @ 70%)	144,548	111,191
Transferred to general reserve	204,000	142,000
	410,497	300,844
Unappropriated profit carried forward	<u>95</u>	<u>746</u>

* The Board of Directors have recommended bonus shares 30% i.e. 30 ordinary shares for every 100 ordinary shares held and cash dividend of Rs.7 per share i.e. 70% for the year ended December 31, 2007. The financial statements do not reflect these appropriations in compliance with the Fourth Schedule of the Companies Ordinance, 1984.

Earnings per share

Earnings per share after tax is Rs.19.85 per share (2006 : Rs.14.56 per share)

Chairman's Review

The chairman's review included in the Annual Report deals inter alia with the performance of the company for the year ended December 31, 2007 and future prospects. The directors endorse the contents of the review.

Board of Directors

The Board comprises of one executive and six non-executive directors. All the directors keenly take interest in the proper stewardship of the company's affairs. All the Non-Executive directors are independent from management.

No transaction in the Company's shares have been reported by the Directors, CEO, CFO, Company Secretary and their spouse and minor children during the year except sale of 1,500 shares at average rate of Rs.116.25 per share by the Chief Financial Officer.

The Board had five (5) meetings during the year. Attendance by each director was as follows:

<u>S. No.</u>	<u>Name of Directors</u>	<u>Attendance</u>
1	Mr. Yusuf H. Shirazi	5
2	Mr. Aamir H. Shirazi (Resigned effective March 01, 2007)	1
3	Mr. Ail H. Shirazi (Appointed effective March 01, 2007)	4
4	Mr. Arshad P. Rana	5
5	Mr. Frahim Ali Khan	5
6	Mr. Jawaid Iqbal Ahmed	5
7	Mr. Muhammad Faruque	4
8	Mr. Omar Saeed	5

Auditors

The present Auditors M/s. A. F. Ferguson & Co., Chartered Accountants, retire and being eligible, offer themselves for reappointment. The Audit Committee recommends and the Board endorses that they be appointed as Auditors for the year ending December 31, 2008.

The company operates a contributory provident fund scheme for all employees and defined benefit gratuity fund scheme of its management/non-management employees. The value of investments based on their respective audited accounts are as follows:

Provident Fund Rs.67.865 million (as at December 31, 2007)

Gratuity Fund

Management Staff Rs.4.038 million (as at June 30, 2007)

Non-Management Staff Rs.4.529 million (as at December 31, 2007)

Compliance with the Code of Corporate Governance and Transfer Pricing as contained in the Listing Regulations of Stock Exchanges

The directors confirm the compliance of the requirements of the Code of Corporate Governance and Transfer Pricing as set out by the Karachi and Lahore Stock Exchanges in their Listing Regulations, relevant for the year ended December 31, 2007. Separate statements to these effects are annexed.

Statement of Directors' Responsibilities

The Board regularly reviews the company's strategic direction. Annual plans and performance targets for business are set by the Chief Executive and are reviewed in total by the Board in light of the company's overall objectives. The Board is committed to maintain the high standards of good corporate governance. The company has been in compliance with the provisions set out by the Securities & Exchange Commission of Pakistan and the listing rules of the Stock Exchanges. There has been no material departure from the best practices of the corporate governance, as detailed in the listing regulations.

Financial Statements

The financial statements, prepared by the management of the company, fairly present its state of affairs, the results of its operations, cash flows and changes in equity.

Books of Accounts

The company has maintained proper books of accounts.

Accounting Policies

Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

International Accounting Standards

International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.

Internal Control System

The system of internal control is sound in design and has been effectively implemented and monitored.

Going Concern

There is no doubt about the company's ability to continue as a going concern.

Operating and Financial Data

Operating and financial data and key ratios of the company for last ten years are annexed.

Best practices of Corporate Governance

There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

Taxes and Levies

Information about taxes and levies is given in notes to the financial statements.

Audit Committee

The Audit Committee was established to assist the directors in discharging their responsibilities towards the company. Audit Committee's responsibilities includes, reviewing reports of the company's financial results, monitoring internal audit functions and compliance with the relevant statutory requirements, to assist the Board in discharging its responsibilities for safeguarding the company's assets, development and implementation of effective internal control system.

The committee constituted consists of three members. All the members including Chairman of the committee are non-executive directors.

During the year four (4) Audit Committee meetings were held and attended as follows:

<u>S. No.</u>	<u>Name of Directors</u>	<u>Attendance</u>
1	Mr. Omar Saeed (Chairman)	4
2	Mr. Frahim Ali Khan	4
3	Mr. Jawaid Iqbal Ahmed	4

Investment Committee

It provides necessary guidelines and approval for commitment and de-commitment of investments in equities, fixed income securities, government bonds and securities, continuous funding system and underwriting of new issues.

Management Committee

The Management Committee acts at the operating level in an advisory capacity to the CEO, providing recommendations relating to the business and other corporate affairs. The committee is responsible for reviewing and forwarding long term plans, capital and expense budget development and stewardship of business plans. The committee is also responsible for maintaining a healthy environment within the company as well as outside the company through channeling its financing and investment to projects producing environments friendly products.

Underwriting Committee

The Underwriting Committee formulates the underwriting policy of the company. It sets out the criteria for assessing various types of insurance risks and determines the premium policy of different insurance covers. It regularly reviews the underwriting and premium policies of the company with due regard to relevant factors such as its business portfolio and the market development.

Claims Settlement Committee

Claims Settlement Committee devises the claims setting policy of the company. It oversees the claims position of the company and ensures that adequate claims reserves are made. It pays attention to significant claims cases, which will give rise to a series of claims. The committee determines the circumstances under which the claims disputes shall be brought to its attention and decide how to deal with such claims disputes.

Re-Insurance & Co-Insurance Committee

Re-Insurance & Co-Insurance Committee ensures that adequate reinsurance arrangements are made for the company business. It pursues the proposed reinsurance arrangements prior to their execution, review the arrangements from time to time and subject to the consent of the participating reinsures, makes appropriate adjustments to those arrangements in the light of the market development. It also assesses the effectiveness of the reinsurance program for future reference.

Pattern of Shareholding

The Pattern of Shareholding of the company is annexed.

Code of Business Principles

As a leading general insurance company, reputation for high ethical standards is central to business success. Code of Business Principles has been developed and communicated. Each director and employee of the company has acknowledged the same.

Communication

Communication with the shareholders is given a high priority. Annual, half yearly and quarterly reports are distributed to them within the time specified by the Companies Ordinance, 1984 and Code of Corporate Governance. The company also has a Website (www.atlasinsurance.com.pk), which contains up to date information of the company.

Outstanding Statutory Payments

All outstanding payments are of normal and routine nature.

Safety and Environment

The company follows the safety and environment rules and regulations.

For and on behalf of the
Board of Directors



Arshad P. Rana
Chief Executive

Lahore: Marach 04, 2008

FORM OF PROXY

“I/We _____
of _____
being member(s) of Atlas Insurance Limited and holder(s) of _____ Ordinary
Shares as per Registered Folio No. _____ hereby appoint

of _____
or failing him _____ of
_____ as my/our proxy
to attend, act and vote for me/us and on my/our behalf at the 73rd Annual General Meeting of the company
to be held at the Registered Office of the company on March 31, 2008 at 3 - Bank Square, Shahrah-e-Quaid-e-
Azam, Lahore and at every adjournment thereof.

As witness my/our hand this ____ day of _____ 20.

Signature: _____

Address: _____

Witness:

Signature: _____

Address: _____

Affix Revenue Stamp Signature
--

Notes:

1. A member entitled to attend and vote at the General Meeting of the Company is entitled to appoint proxy to attend and vote instead of him/her. No person shall act, as a proxy who is not a member of the company except that a corporation may appoint a person who is not a member.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her constituted attorney or if such appointer is a corporation or company, under the common seal of such corporation or company.
3. The Form of proxy, duly completed, must be deposited at the Company's Registered Office, 3- Bank Square, Shahrah-e-Quaid-e-Azam, Lahore.”

NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED DECEMBER 31, 2007

1. The company and its operations

Atlas Insurance Limited was incorporated as a public limited company on September 06, 1934 and is listed on Lahore and Karachi stock exchanges. The company is engaged in general insurance business. The registered office of the company is situated at 3-Bank Square, Lahore.

2. Statement of compliance

2.1 Basis of presentation and statement of compliance

These financial statements have been prepared in accordance with the requirements of the Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2002, the Companies Ordinance, 1984 and approved accounting standards as applicable in Pakistan. Approved accounting standards comprise such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the provisions of the Companies Ordinance, 1984. Wherever, the requirements of the Insurance Ordinance, 2000, SEC (Insurance) Rules, 2002, the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of these standards, the requirements of the Insurance Ordinance, 2000, SEC (Insurance) Rules, 2002, Companies Ordinance, 1984 or the requirements of the said directives take precedence.

2.2 Standards, interpretations and amendments to published approved accounting standards

The following amendments to existing standards have been published that are applicable to the company's financial statements covering annual periods, beginning on or after the following dates:

2.2.1 Amendments to published standards effective in current year

Amendments to IAS - 1 'Presentation of Financial Statements' - Capital Disclosure is mandatory for the company's accounting period beginning on January 01, 2007. Its adoption by the company only impacts the format and extent of disclosures presented in the financial statements.

2.2.2 Amendments to published standards not yet effective

Certain amendments to IAS - 23 'Borrowing Costs' have been published that are applicable to the company's financial statements covering annual periods, beginning on or after January 01, 2009. Adoption of these amendments would require the company to capitalise the borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing these borrowing costs will be removed. Its adoption will not have any impact on the company's financial statements.

The Securities and Exchange Commission of Pakistan has allowed the insurance companies to defer the application of International Accounting Standard - 39 (IAS - 39) "Financial Instruments: Recognition and Measurement", in respect of "investments available for sale" until suitable amendments have been made in the laws. Accordingly, the requirements of IAS - 39, to the extent allowed by SECP, have not been considered in preparation of these financial statements.

3. Basis of measurement

These financial statements have been prepared under the historical cost convention, except for recognition of certain employee retirement benefits at present value.

The preparation of financial statements in conformity with approved financial reporting standards, as applicable in Pakistan, requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Estimates and judgments are continually evaluated and are based on the historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both periods. The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

- a) Provision for outstanding claims including incurred but not reported (IBNR)
- b) Defined benefit plans
- c) Provision for taxation

4. Significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Underwriting provisions

4.1.1 Provision for outstanding claims including IBNR

The company recognizes liability in respect of all claims incurred up to the balance sheet date which is measured at the undiscounted value of the expected future payments. The claims are considered to be incurred at the time of the incident giving rise to the claim except as otherwise expressly indicated in an insurance contract. The liability for claims includes amounts in relation to unpaid reported claims, claims incurred but not reported (IBNR) and expected claims settlement costs.

Outstanding claims comprise the estimated cost of claims incurred but not settled at the balance sheet date, whether reported or not. Provisions for reported claims not paid as at the balance sheet date are made on the basis of individual case estimates.

Reinsurance recoveries against outstanding claims are recognized as an asset and measured at the amount expected to be received.

4.1.2 Provision for unearned premium

Provision for unearned premium represents the portion of premium written relating to the unexpired period of coverage. The company maintains its provision for unearned premium net of reinsurances by applying the 1/24th method as stipulated in Accounting Regulation 5(4) of the SEC (Insurance) Rules, 2002 for non life insurance companies.

4.1.3 Commission

4.1.3.1 Commission income

Commission income from reinsurers is recognized at the time of issuance of the underlying insurance policy by the company. This income is deferred and brought to account as revenue in accordance with the pattern of recognition of the reinsurance premium to which it relates. Profit commission, if any, which the company may be entitled to under the terms of reinsurance, is recognized on accrual basis.

4.1.3.2 Commission income unearned

Unearned commission income from the reinsurers represents the portion of income relating to the unexpired period of coverage and is recognized as a liability.

4.1.4 Premium deficiency reserve

In order to comply with the Securities and Exchange Commission of Pakistan (Insurance) Rules, 2002, a premium deficiency provision is to be maintained, where the unearned premium liability for any class of business is not adequate to meet the expected future liability, after re-insurance, for claims and other expenses, including re-insurance expenses, commission, and other underwriting provision, expected to be incurred after the balance sheet date in respect of the policies in force at the balance sheet date, in that class of business.

Keeping in view the adequacy of the reserves on December 31, 2007, in line with the aforementioned provisions of the Rules, the Premium Deficiency Reserve is not required, and accordingly no provision for the same has been made in the financial statements of the current year.

4.2 Staff retirement benefits

4.2.1 Defined contribution plan

The company operates a funded contributory provident fund (defined contribution plan) for all employees. Equal monthly contributions are made, both by the company and the employees, to the fund, under the terms of the scheme.

4.2.2 Defined benefit plan

The company operates two separate funded gratuity schemes (defined benefit plans) in respect of the all permanent employees (management and non - management) to which the company makes contribution on the basis of recommendations made by the actuary. The latest actuarial valuation was carried out as at December 31, 2007, using the "Projected Unit Credit Method".

The amount recognized in the balance sheet represents the present value of defined benefit obligations as adjusted for unrecognized actuarial gains and losses.

Cumulative net unrecognized actuarial gains and losses at the end of previous year which exceed 10% of the present value of the company's gratuity obligations are amortized over the expected average remaining working lives of the employees.

4.2.3 Compensated absences

The company provides for liability in respect of employees' compensated absences in the year in which these are earned.

4.3 Taxation

4.3.1 Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the current year for such years.

4.3.2 Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the income statement, except in the case of items credited or charged to equity in which case it is included in equity.

4.4 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost.

4.5 Loans to employees

These are recognized at cost, which is the fair value of the consideration given.

4.6 Investments

4.6.1 Recognition

All investments are initially recognized at cost, being the fair value of the consideration given and include transaction costs. These are classified into the following categories:

- Held to maturity
- Available for sale

4.6.2 Measurement

4.6.2.1 Held to maturity

Investments with fixed maturity, where management has both the intent and the ability to hold to maturity, are classified as held to maturity and are initially measured at the cost being the fair value of consideration paid.

Subsequently these are measured at amortized cost using the amortized cost using the effective yield method. Any premium paid or discount availed on acquisition of held to maturity investments is deferred and included in the income for the period on a straight line basis over the term of investment.

4.6.2.2 Available for sale

Investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity or changes in interest rates are classified as available for sale and are stated at cost.

Subsequent to initial recognition at cost, these are stated at the lower of cost or market value (market value being taken as lower if the fall is other than temporary) in accordance with the requirements of the S.R.O. 938 issued by SECP in December, 2002. The company uses latest stock exchange quotations in an active market to determine the market value of its listed investments whereas, impairment of investments in unlisted companies is computed to net assets of the investee on the basis of the latest available audited/unaudited financial statements.

4.6.2.3 Sale and repurchase agreements

Securities purchased under an agreement to resell (reverse repo) are not recognized in the financial statements as investment and the amount extended to the counter party is shown as short term placement. The difference between the sale and repurchase price is recognized as mark up earned and included in the investment income.

4.7 Amounts due to/from other insurers/reinsurers

Amounts due to/from other insurers/reinsurers are carried at cost which is the fair value of the consideration to be received/paid in the future for services. However, an assessment is made at each balance sheet date to determine whether there is objective evidence that a financial asset or group of assets may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognized for the difference between the recoverable amount and the carrying amount.

4.8 Deferred commission expense

Deferred commission expense represents the portion of commission expense relating to the unexpired period of coverage. The company maintains its provision for deferred commission by applying the 1/24th method as stipulated in Accounting Regulation 5(4) of the SEC (Insurance) Rules, 2002 for non life insurance companies.

4.9 Fixed assets

4.9.1 Tangible - owned

These are stated at cost less accumulated depreciation. Cost of tangible fixed assets consists of historical cost and directly attributable cost of bringing the assets to their present location and condition. Depreciation is charged to income applying the reducing balance method at the rates given in fixed assets schedule to write off the cost of operating fixed assets over their expected useful life. Depreciation on addition to fixed assets is charged from the month in which an asset is acquired or capitalized, whereas no depreciation is charged in the month of disposal.

The carrying values of assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

Maintenance and normal repairs are charged to income as and when incurred whereas major renewals and improvements are capitalized and the assets so replaced, if any, are retired. Gain and loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

The assets' residual value and useful lives are reviewed, at each financial year end, and adjusted if impact on depreciation is significant. The company's estimate of the residual value of its fixed assets as at December 31, 2007 has not required any adjustment as its impact is considered insignificant.

4.9.2 Tangible - leased

Assets held under finance leases are initially recorded at the lower of the present value of minimum lease payments under the lease agreements and the fair value of the leased assets. The related obligations under the leases less financial charges allocated to future periods are shown as a liability.

The financial charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of interest on the outstanding liability.

Depreciation on leased assets is charged applying the reducing balance method at the rates used for similar owned assets, so as to depreciate the assets over their estimated useful lives in view of certainty of ownership of the assets at the end of the lease term.

4.9.3 Intangible

The intangible asset is stated at cost less accumulated amortization and impairment, if any. Amortization is calculated on a straight-line basis over the estimated useful life of the asset.

4.10 Creditors, accruals and provisions

Liabilities for creditors and other accruals are carried at cost which is the fair value of the consideration to be paid in the future for the goods and/or services received, whether or not billed to the company.

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

4.11 Foreign currency translation

Transactions in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing on the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rates ruling on the balance sheet date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. Exchange differences on foreign currency translations are included in profit and loss account.

4.12 Financial instruments

All financial assets and financial liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on derecognizing of the financial assets and financial liabilities is included in the profit and loss account for the year.

Financial instruments carried on the balance sheet include cash and bank deposits, loans to employees, investments, premiums due but unpaid, amounts due from other insurers/reinsurers, salvage recoveries accrued, accrued investment income, reinsurance recoveries against outstanding claims, sundry receivables, provision for outstanding claims, amounts due to other insurers/reinsurers, accrued expenses, other creditors and accruals, deposits against performance bonds, unclaimed dividend and liabilities against assets subject to finance lease. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

4.13 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the assets and settle the liability simultaneously.

4.14 Related party transactions

Parties are said to be related if they are able to influence the operating and financial decisions of the company and vice versa. The company in the normal course of business carries out transactions with such parties. The transactions with related parties are priced at Comparable Uncontrolled Market

Price. The comparable uncontrolled price method determines whether the amount charged in a controlled transaction gives rise to an arm's length result by reference to the amount charged in a comparable uncontrolled transaction.

4.15 Revenue recognition

4.15.1 Premium income earned

Premium income under a policy is recognized over the period of insurance from the date of the issue of the policy to which it relates to its expiry as follows:

- a) for direct business, evenly over the period of the policy;
- b) for proportional reinsurance business, evenly over the period of underlying insurance policies; and

Where the pattern of incidence of risk varies over the period of the policy, premium is recognized as revenue in accordance with the pattern of the incidence of risk.

Premiums for policies receivable in instalments are recognized as receivable at the inception of the policy and is recognized as income over the period of the policy.

4.15.2 Dividend income and bonus shares

Dividend income and entitlement of bonus shares are recognized when the right to receive such dividends and bonus shares is established.

Gain/loss on sale of investments is taken to the profit and loss account in the year of sale.

4.15.3 Income on held to maturity investments

Income on held to maturity investments is recognized on a time proportion basis taking into account the effective yield on investments.

4.15.4 Administration surcharge

This represents documentation and other charges recovered by the company from policy holders in respect of policies issued, at a rate of 5% of the premium restricted to a maximum of Rs.2,000 per policy. Administrative surcharge is recognized as revenue at the time of issuance of policy.

4.15.5 Rental and other income

Rental and other income is recognized on accrual basis.

4.16 Zakat

Zakat deductible compulsorily under the Zakat and Ushr Ordinance, 1980 is accounted for in the year of deduction.

4.17 Expenses

Expenses of management include directly attributable expenses and indirect expenses allocated to various classes of business on the basis of net premium revenue. Expenses not allocable to the underwriting business are charged as administrative expenses.

4.18 Reinsurance expenses

Premium ceded to reinsurers is recognized as expense as follows:

- a) for reinsurance contracts operating on a proportional basis, on attachment of the underlying policies reinsured.
- b) for reinsurance contracts operating on a non-proportional basis, on inception of the reinsurance contract.

4.19 Pakistan Reinsurance Company Limited (PRCL) - Retrocession

PRCL retrocession business is accounted for on the basis of the statements received relating to the first two quarters of the current year and last two quarters of the previous year.

4.20 Segment reporting

4.20.1 Primary segments

The company accounts for segment reporting using the classes of business as specified under the Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002 as the primary reporting format based on the company's practice of reporting to the management on the same basis.

As the operations of the company are predominately carried out in Pakistan, information relating to geographical segment is not considered relevant.

The Fire insurance segment provides cover against damages by fire, riot and strike, explosion, earthquake, atmospheric damage, flood, electric fluctuation and impact.

Marine insurance provides coverage against cargo risk, war risk and damages occurring in inland transit.

Motor insurance provides indemnity against third party loss and other comprehensive car coverage.

Miscellaneous insurance provides cover against burglary, loss of cash in safe and cash in transit, personal accident money, engineering losses and other coverage.

The company usually accounts for the inter segment sales and transfers, if any, as if the sale and or transfers were made to third parties at fair market price.

5. Issued, subscribed and paid up capital

<u>2007</u>	<u>2006</u>		<u>2007</u>	<u>2006</u>
(Number of shares)			(Rupees in thousand)	
250,000	250,000	Ordinary shares of Rs.10 each fully paid in cash	2,500	2,500
20,399,792	15,634,455	Ordinary shares of Rs.10 each issued as fully paid bonus shares	203,997	156,344
<u>20,649,792</u>	<u>15,884,455</u>		<u>206,497</u>	<u>158,844</u>

7,022,717 shares (2006: 5,402,090 shares) are held by Shirazi Investments (Private) Limited, an associated undertaking as at December 31, 2007.

		<u>2007</u>	<u>2006</u>
		(Rupees in thousand)	
6. Reserves			
Capital reserves			
Capital reserve		2,251	2,251
Reserve for exceptional losses	- note 6.1	2,164	2,164
		<u>4,415</u>	<u>4,415</u>
Revenue reserves			
General reserve			
- Opening balance		203,649	71,649
- Transfer from the profit and loss account		142,000	132,000
- Closing balance		345,649	203,649
Investment fluctuation reserve	- note 6.2	3,000	3,000
		<u>348,649</u>	<u>206,649</u>
		<u>353,064</u>	<u>211,064</u>

6.1 This represents a specific purpose reserve for possible losses on exceptional insurance claims. The reserve was created to avail the deduction thereof in computing taxable income, as allowed previously under the Income Tax Act of 1922. After the introduction of Income Tax Ordinance, 2001 under which the said deductions are not permitted, the company discontinued the setting aside of amounts thereafter as reserve for exceptional losses.

6.2 This has been set aside in prior years to utilize the same against diminution in the value of investments.

7. Deferred taxation	<u>2007</u>	<u>2006</u>
	(Rupees in thousand)	
The liability for deferred taxation comprises temporary differences relating to:		
Accelerated tax depreciation	2,214	1,106
Provision for employee benefits	260	955
	<u>2,474</u>	<u>2,061</u>

	<u>2007</u>	<u>2006</u>
	(Rupees in thousand)	
8. Amounts due to other insurers/reinsurers		
Amounts due to coinsurers	10,484	18,435
Amounts due to reinsurers	84,878	66,051
	<u>95,362</u>	<u>84,486</u>
9. Accrued expenses		
Commission payable	6,283	5,910
Provision for bonus to staff	4,332	2,600
Provision for profit commission	2,349	3,114
Leave encashment payable	3,601	3,474
Other accrued expenses	4,670	1,682
	<u>21,235</u>	<u>16,780</u>
10. Other creditors and accruals		
Federal insurance fee	2,463	1,785
Federal excise duty	13,123	7,232
Donation payable - note 23.1	4,615	1,188
Gratuity payable - note 10.1	151	1,114
Others	722	672
	<u>21,074</u>	<u>11,991</u>

10.1 The latest valuation of scheme was carried out as at December 31, 2007 using the Projected Unit Credit Actuarial Cost Method. Provision has been made in the financial statements to cover the related obligation in accordance with the actuarial recommendations.

Following significant assumptions were used for the actuarial valuation:

- Discount rate	10% per annum compounded
- Expected rate of increase in salaries	09% per annum
- Expected return on plan assets	10% per annum

The amounts recognized in balance sheet are as follows:

	<u>Management staff</u>		<u>Non-management staff</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
	(Rupees in thousand)			
Present value of defined benefit obligation	8,725	7,719	1,640	1,465
Fair value of plan assets	(10,437)	(7,776)	(5,259)	(4,313)
	<u>(1,712)</u>	<u>(57)</u>	<u>(3,619)</u>	<u>(2,848)</u>
Unrecognized actuarial (gains)/losses	3,222	2,367	2,260	1,652
Liability/(asset) as at December 31	<u>1,510</u>	<u>2,310</u>	<u>(1,359)</u>	<u>(1,196)</u>
Opening balance	2,310	1,837	(1,196)	(1,230)
Charge for the year	227	473	(105)	70
Company's contribution	(1,027)	-	(58)	(36)
Closing balance	<u>1,510</u>	<u>2,310</u>	<u>(1,359)</u>	<u>(1,196)</u>

10.1.1 The movement in the present value of defined benefit obligation is as follows:

	<u>Management staff</u>		<u>Non-management staff</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
	(Rupees in thousand)			
Present value of defined benefit obligation	7,719	5,511	1,465	1,555
Service cost	609	465	124	139
Interest cost	547	769	158	167
Benefits paid	(1,027)	-	(59)	(36)
Experience gain	877	974	(48)	(360)
Present value of defined benefit obligation	<u>8,725</u>	<u>7,719</u>	<u>1,640</u>	<u>1,465</u>

10.1.2 The movement in fair value of plan assets is as follows:

Fair value as at January 01	7,776	7,746	4,313	3,016
Expected return on plan assets	752	395	293	236
Contributions	-	-	-	-
Benefits paid	-	-	-	-
Experience gain/(loss)	1,909	(365)	653	1,061
Fair value as at December 31	<u>10,437</u>	<u>7,776</u>	<u>5,259</u>	<u>4,313</u>

10.1.3 Charge for the year

Current service cost	609	465	124	139
Interest cost	547	769	158	167
Expected return on investments	(752)	(395)	(293)	(236)
Recognition of actuarial loss	(177)	(366)	(94)	-
Expense for the year	<u>227</u>	<u>473</u>	<u>(105)</u>	<u>70</u>
Actual return on plan assets	<u>2,107</u>	<u>843</u>	<u>1,068</u>	<u>427</u>

The present value of defined benefit obligation, fair value of plan assets and surplus or deficit of gratuity funds is as follows:

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
		<u>Management staff</u>			
	(Rupees in thousand)				
Present value of defined benefit obligation	8,725	7,719	5,511	8,389	6,363
Fair value of plan assets	(10,437)	(7,776)	(7,746)	(4,238)	(3,391)
	<u>(1,712)</u>	<u>(57)</u>	<u>(2,235)</u>	<u>4,151</u>	<u>2,972</u>
Experience adjustment on obligation	11%	18%	-18%	41%	-14%
Experience adjustment on plan assets	17%	-5%	79%	21%	46%
	<u>Non-management staff</u>				
	(Rupees in thousand)				
Present value of defined benefit obligation	1,640	1,465	1,555	1,873	1,746
Fair value of plan assets	(5,259)	(4,313)	(3,016)	(2,669)	(2,334)
	<u>(3,619)</u>	<u>(2,848)</u>	<u>(1,461)</u>	<u>(796)</u>	<u>(588)</u>
Experience adjustment on obligation	-3%	63%	-16%	23%	2%
Experience adjustment on plan assets	18%	6%	6%	7%	4%

11. Liabilities against assets subject to finance lease	<u>2007</u>	<u>2006</u>
	(Rupees in thousand)	
Present value of minimum lease payments	-	129
Less: Current maturity	-	(129)
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

The average rate of interest implicit in the lease is 10.51% (2006: 10.50% to 17%) per annum. Lease rentals are paid in monthly instalments. The company has purchased the leased asset at the maturity of lease term.

The amount of future lease payments and the period in which these payments will become due are as follows:

	Present value of			
	Minimum lease payments		minimum lease payments	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
	(Rupees in thousand)			
Not later than one year	-	132	-	129
Later than one year but not later than five years	-	-	-	-
	<u>-</u>	<u>132</u>	<u>-</u>	<u>129</u>

12. Contingencies and commitments

12.1 Contingencies

Nil (2006: Nil)

12.2 Commitments

Commitments for capital expenditure amount to Rs.5.41 million (2006: Nil)

13. Cash and bank deposits	<u>2007</u>	<u>2006</u>
	(Rupees in thousand)	
Cash in hand	21	12
Current and other accounts	- note 13.1	
Current accounts	46,183	46,522
Saving accounts	154,576	29,039
	<u>200,759</u>	<u>75,561</u>

The balances in saving accounts bear mark up which ranges from 0.10% to 8% per annum.

13.1 These amount includes Rs.154,847 thousand (2006: Rs.29,106 thousand) held with Atlas Bank Limited, an associated undertaking.

14. Loans to employees - secured considered good	<u>2007</u>	<u>2006</u>
	(Rupees in thousand)	
Executives	-	-
Others	724	969
	<u>724</u>	<u>969</u>
Less: Current maturity	(312)	(316)
	<u>412</u>	<u>653</u>

These represent the interest free loans to employees, for the purchase of motor vehicles, in accordance with the policy of the company. These loans are secured against the registration of the vehicles and are repayable in monthly instalments over period of five years.

				<u>2007</u>		<u>2006</u>	
				(Rupees in thousand)			
15.	Investments						
	The investments comprise of the following:						
	Held to maturity		- note 15.1	6,594		7,335	
	Available for sale		- note 15.2	1,004,153		667,470	
				<u>1,010,747</u>		<u>674,805</u>	
	Aggregate market value as at December 31, 2007			<u>1,186,578</u>		<u>721,820</u>	
15.1	Held to maturity						
	<u>Number of certificates</u>	<u>Face</u>	<u>Company's name</u>				
	<u>2007</u>	<u>2006</u>	<u>value</u>				
			<u>Rupees</u>				
	Term finance certificates - Quoted						
	600	600	5,000	Bank Alfalah Limited	2,994	2,995	
	1,000	1,000	5,000	Chanda Oil & Gas Securit. Co. Ltd.	3,600	4,340	
					<u>6,594</u>	<u>7,335</u>	
15.2	Available for sale						
	Related parties						
	- Mutual funds - Quoted		- note 15.2.1	138,900		75,000	
	- Ordinary shares - Quoted		- note 15.2.2	440,674		151,100	
	- Ordinary shares - Unquoted		- note 15.2.3	-		-	
				579,574		226,100	
	Others						
	- Mutual funds - Quoted		- note 15.2.4	2,674		2,525	
	- Ordinary shares - Quoted		- note 15.2.5	421,905		438,845	
				424,579		441,370	
				<u>1,004,153</u>		<u>667,470</u>	
	<u>Number of units/shares</u>	<u>Face</u>	<u>Fund's/Company's name</u>				
	<u>2007</u>	<u>2006</u>	<u>value</u>				
			<u>Rupees</u>				
15.2.1	Mutual funds - Quoted						
	100,000	100,000	500	Atlas Islamic Fund	50,000	50,000	
	104,286	26,895	500	Atlas Stock Market Fund	64,000	15,000	
	47,476	19,069	500	Atlas Income Fund	24,900	10,000	
					<u>138,900</u>	<u>75,000</u>	
15.2.2	Ordinary shares - Quoted						
	1,340,982	1,166,071	10	Atlas Honda Limited	215,296	110,100	
	354,420	354,420	10	Equity held: 2.84% (2006: 2.84%) Allwin Engineering Industries Ltd.	7,308	7,308	
	121,939	106,034	10	Equity held: 2.87% (2006: 2.87%) Atlas Battery Limited	13,795	5,278	
	1,427,931	892,457	10	Equity held: 1.74% (2006: 1.74%) Atlas Bank Limited	14,382	2,831	
	850,000	425,000	10	Equity held: 0.29% (2006: 0.29%) Honda Atlas Cars (Pakistan) Ltd.	43,191	19,437	
	1,739,267	141,846	10	Equity held: 0.60% (2006: 0.60%) Cherat Cement Company Limited	81,570	2,881	
	675,911	82,080	10	Equity held: 1.82% (2006: 0.15%) Cherat Papersack Limited	65,132	3,264	
	-	58	10	Equity held: 9.20% (2006: 1.40%) Sui Southern Gas Company Ltd.	-	1	
				Equity held: 0% (2006: 0%)	<u>440,674</u>	<u>151,100</u>	

Number of units/shares		Face value Rupees	Fund's/Company's name	2007		2006	
2007	2006			(Rupees in thousand)		(Rupees in thousand)	
15.2.3 Ordinary shares - Unquoted							
50,000	50,000	10	Arabian Sea Country Club - note 15.2.3.1	500		500	
			Less: Provision for diminution in value of investments	(500)		(500)	
				-		-	
				<u>579,574</u>		<u>226,100</u>	

15.2.3.1 The name of Chief Executive is Mr. Arif Ali Khan Abbasi. The break up value is Rs.9.36 per share (2006: Rs. 9.85 per share) based on audited accounts for the year ended June 30, 2007.

Number of units/shares		Face value Rupees	Fund's/Company's name	2007		2006	
2007	2006			(Rupees in thousand)		(Rupees in thousand)	
15.2.4 Mutual funds - Quoted							
20,096	316	10	Unit Trust of Pakistan	1,980		1,980	
30,558	28,000	10	National Investment Trust units - note 15.2.4.1	694		545	
				<u>2,674</u>		<u>2,525</u>	

15.2.4.1 This represents 28,000 (2006: 28,000) units held as statutory deposit with The State Bank of Pakistan under section 29 of the Insurance Ordinance, 2000 and rule 9 of SECP (Insurance) Rules, 2002.

Number of units/shares		Face value Rupees	Fund's/Company's name	2007		2006	
2007	2006			(Rupees in thousand)		(Rupees in thousand)	

15.2.5 Ordinary shares - Quoted

Number of units/shares		Face value Rupees	Fund's/Company's name	2007		2006	
2007	2006			(Rupees in thousand)		(Rupees in thousand)	
Commercial Banks							
25,010	50,207	10	Askari Commercial Bank Limited	2,539		5,258	
50,000	333,332	10	Bank Al Falah Limited	2,709		18,247	
21	115,517	10	Faysal Bank Limited	1		8,303	
200	20,207	10	MCB Bank Limited	66		5,032	
175,000	35,000	10	National Bank of Pakistan	45,908		8,819	
50,000	597,243	10	The Bank Of Punjab	4,781		44,725	
72,500	-	10	United Bank Limited	13,170		-	
				<u>69,174</u>		<u>90,384</u>	
Textile Composite							
100,000	100,000	10	Nishat Chunian Limited	9,475		9,475	
75,000	220,000	10	Nishat Mills Limited	8,528		28,320	
				<u>18,003</u>		<u>37,795</u>	
Insurance							
40,000	212,500	10	Adamjee Insurance Company Limited	15,791		33,429	
85,700	-	10	EFU General Insurance Limited	23,749		-	
5,000	-	10	IGI Insurance Limited	1,936		-	
				<u>41,476</u>		<u>33,429</u>	
				<u>128,653</u>		<u>161,608</u>	
				C/F			

Number of units/shares		Face value Rupees	Fund's/Company's name	2007 (Rupees in thousand)	2006 (Rupees in thousand)
2007	2006				
			B/F	128,653	161,608
			Cement		
25,000	-	10	D. G. Khan Cement Company Limited	3,006	-
			Refinery		
20,000	14,000	10	National Refinery Limited	7,968	4,158
			Power Generation		
-	200,000	10	Kot Addu Power Company Limited	-	8,743
240,000	-	10	The HUB Power Company Ltd.	7,490	-
				7,490	8,743
			Oil & Gas Marketing		
58	-	10	Sui Southern Gas Company Limited	1	-
			Oil & Gas Exploration		
43,406	25,406	10	Oil and Gas Development Company Ltd.	5,041	3,482
25,000	40,000	10	Pakistan Oil Fields	8,701	14,562
183,150	141,500	10	Pakistan Petroleum Limited	46,189	39,488
				59,931	57,532
			Technology & Communication		
-	452,000	10	Pakistan Telecommunication Company Limited	-	20,308
			Fertilizer		
100,000	90,100	10	Engro Chemical Pakistan Limited	27,456	17,610
599,000	754,000	10	Fauji Fertilizer Bin Qasim Limited	22,139	23,245
1,050,024	861,724	10	Fauji Fertilizer Company Limited	116,382	93,380
				165,977	134,235
			Pharmaceutical		
41,781	103,581	10	Abbott Laboratories (Pakistan) Limited	2,763	6,849
62	14,850	10	Glaxosmithkline (Pakistan) Limited	1	248
				2,764	7,097
			Chemicals		
-	1,380	10	BOC Pakistan Limited	-	91
50,000	200,000	10	ICI Pakistan Limited	11,097	30,691
				11,097	30,782
			Paper and Board		
63,455	52,015	10	Packages Limited	22,506	6,889
			Food & Personal Care Products		
-	8,600	10	Rafhan Maize Products Company Ltd.	-	3,345
2,000	2,000	50	Unilever Pakistan Limited	1,816	1,816
				1,816	5,161
			Transport		
25,000	-	10	Pakistan International Container Terminal Limited	1,768	-
			Engineering		
50,000	-	10	Crescent Steel and Allied Products Ltd.	4,189	-
			Tobacco		
25,000	-	10	Pakistan Tobacco Company Limited	4,739	-
			Miscellaneous		
-	55,500	10	Tri Pack Films Limited	-	2,332
				421,905	438,845

		<u>2007</u>	<u>2006</u>
		(Rupees in thousand)	
16.	Amounts due from other insurers/reinsurers		
	Unsecured		
	- Considered good	59,830	42,814
	- Considered doubtful	1,959	1,959
		61,789	44,773
	Less: Provision for doubtful receivables	1,959	1,959
		<u>59,830</u>	<u>42,814</u>
16.1	Considered good		
	Amounts due from coinsurers	40,933	36,667
	Amounts due from reinsurers	18,897	6,147
		<u>59,830</u>	<u>42,814</u>
16.2	Provision for doubtful receivables		
	Balance as at January 01, 2007	1,959	-
	Provision made/(reversed) during the year	-	1,959
		1,959	1,959
	Bad debts written off	-	-
	Balance as at December 31, 2007	<u>1,959</u>	<u>1,959</u>
17.	Accrued investment income		
	Dividend receivable	3,064	1,639
	Interest receivable on TFCs	72	85
	Interest income on security borrowing	-	818
		<u>3,136</u>	<u>2,542</u>
18.	Prepayments		
	Prepaid reinsurance premium ceded	160,556	85,130
	Others	1,686	1,856
		<u>162,242</u>	<u>86,956</u>
19.	Sundry receivables		
	Advances to employees - unsecured, considered good	414	459
	Deposits and prepaid rent	2,264	245
	Claims receivable	2,416	3,818
	Receivable against sale of shares	-	17,721
	Short term placements	11,907	73,003
		<u>17,001</u>	<u>95,246</u>

19.1 This is a placement for reverse repo transactions through Atlas Capital Markets (Pvt.) Limited (an associated undertaking) at mark up rate which ranges from 6% to 27% (2006: 12% to 25%) per annum. The commission payable to Atlas Capital Markets (Pvt.) Limited on these transactions ranges from 15% to 20% (2006: 20%) which is linked to the profit earned on reverse repo transactions.

20. Fixed Assets

20.1 Tangible

	Cost as at January 01, 2007	Additions / adjustments	Deletions / adjustments	Cost as at December 31, 2007	Rate	Accumulated depreciation as at January 01, 2007	Charge for the year	On disposal / adjustments	Accumulated depreciation as at December 31, 2007	Book value as at December 31, 2007
	(Rupees in thousand)				%	(Rupees in thousand)				
Freehold land	1,168	-	-	1,168	-	-	-	-	-	1,168
Building on freehold land	8,500	-	-	8,500	5	4,938	179	-	5,117	3,383
Furniture and fixtures	523	2,117	-	2,412	10	343	73	-	218	2,194
Office equipments	3,019	3,180	(228)	5,937	10	1,244	301	(401)	1,342	4,595
Computers			228					198		
Owned	6,923	2,911	(675)	9,159	30	4,229	1,223	(589)	4,863	4,296
Vehicles										
Owned	14,089	11,187	(739)	25,006	20	5,483	3,078	(486)	8,378	16,628
Leased	469	469	-	-	20	277	26	303	-	-
		(469)	-					(303)		
2007	34,691	19,395	(1,904)	52,182		16,514	4,880	(1,476)	19,918	32,264
2006	30,341	7,786	(3,437)	34,691		14,716	3,147	(1,349)	16,514	18,177

20.2 Intangible

Computer software	3,429	-	-	3,429	33	1,143	1,140	-	2,283	1,146
2007	3,429	-	-	3,429		1,143	1,140	-	2,283	1,146
2006	-	3,429	-	3,429		-	1,143	-	1,143	2,286

20.3 Disposal of operating fixed assets

Particulars of the assets	Sold to	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal
(Rupees in thousand)						
Vehicles						
Honda City - LZD 5606	Mr. Pervaiz I. Malik (Ex- Executive)	333	168	165	165	Negotiation
Suzuki Khyber - LOJ 4257	Mr. Muhammad Jahangir	11	10	1	114	Tender
Suzuki Margalla - LXD 5716	Mr. Zaheer Ahmed Khan	49	40	9	150	Tender
Suzuki Margalla - ABH 542	Mr. Muhammad Faisal Arafat	50	36	14	220	Tender
Suzuki Margalla - LOY 7635	Mr. Muhammad Aqil	47	39	8	175	Tender
Suzuki Khyber - AAW 815	Mr. Muhammad Saeed	250	193	57	90	Tender
Office equipments						
Fax machine	M/s. Shirazi Trading (Private) Limited - related party	59	44	15	2	Tender
Old fax machine	M/s. Shirazi Trading (Private) Limited - related party	85	73	12	42	Tender
A/C, ceiling fan, wall fan	M/s. Waris Brothers	199	165	34	37	Tender
Computers						
UPS	M/s. Power Ware Technology	18	6	12	6	Tender
Computer	M/s. Hamdani Marketing Company	108	94	14	8	Tender
15" used monitors	M/s. Power Pack Technology	200	174	26	48	Tender

	<u>2007</u>	<u>2006</u>
	(Rupees in thousand)	
21. Expenses		
Salaries, wages and other benefits - note 21.1	76,826	63,106
Utilities	1,971	1,923
Rent, rates and taxes	4,966	4,205
Telephone and communication	4,779	2,807
Vehicle running and maintenance	7,514	6,719
Repair and maintenance	1,315	1,748
Travelling and conveyance	5,582	4,132
Printing, stationery and computer expenses	2,881	2,878
Education and training	200	197
Fee and subscriptions	2,590	3,452
Service charges	1,658	1,019
Entertainment	513	583
Advertisement expenses	1,046	2,398
Trackers	5,267	2,704
Others	4,250	3,908
	<u>121,358</u>	<u>101,779</u>

The above expenses of management allocated to the underwriting business represent directly attributable expenses and indirect expenses allocated to the various classes of business on the basis of net premium revenue.

- 21.1 Included in salaries, wages and benefits are Rs.3,162,751 (2006: Rs.2,674,302) in respect of provident fund contribution by the company.

	<u>2007</u>	<u>2006</u>
	(Rupees in thousand)	
22. Other income		
Income from financial assets		
Return on bank deposits	4,675	1,082
Income on reverse repo transactions	19,263	19,599
	23,938	20,681
Income from non-financial assets		
Gain on sale of fixed assets	629	1,039
Miscellaneous	492	5,862
	1,121	6,901
	<u>25,059</u>	<u>27,582</u>
23. General and administration expenses		
Legal and professional charges	426	25
Donations - note 23.1	10,082	1,188
Directors' fee	100	80
Auditors' remuneration - note 23.2	374	650
Depreciation	4,880	3,147
Provision for doubtful debts	-	1,959
Bad debts - written off	629	6,213
Amortization of intangible asset	1,140	1,143
Others	44	-
	<u>17,675</u>	<u>14,405</u>

23.1 Donations

This amount represents Rs.10,082 thousand (2006: Rs.1,188 thousand) donation to Atlas Foundation situated at 2nd Floor, Federation House, Clifton, Karachi - 74000, in which the following directors of the company are members of its Board of Directors:

Name of Directors

Mr. Yusuf H. Shirazi

Mr. Frahim Ali Khan

Mr. Jawaid Iqbal Ahmed

With the exception of their directorship, the directors and their spouses have no interest in the donee.

	<u>2007</u>	<u>2006</u>
	(Rupees in thousand)	
23.2 Auditors' remuneration	A.F. Ferguson & Co.	Ford Rhodes Sidat Hyder & Co.
Audit fee	175	95
Half yearly review	75	70
Tax advisory services	-	250
Audit of Provident Fund, Gratuity Fund and other certifications	100	205
Out of pocket expenses	24	30
	<u>374</u>	<u>650</u>
24. Provision for taxation		
For the year		
- Current year	57,147	61,835
- Prior year	-	(4,074)
	<u>57,147</u>	<u>57,761</u>
Deferred	413	226
	<u>57,560</u>	<u>57,987</u>
24.1 Tax charge reconciliation		
Numerical reconciliation between the average effective tax rate and the applicable tax rate	<u>2007</u>	<u>2006</u>
	%	%
Applicable tax rate	35.00	35.00
Tax effect of amounts that are:		
- Chargeable to tax at a lower rate	(2.02)	(3.03)
- Not deductible for tax purposes	-	1.39
- Exempt for tax purposes	(20.68)	(17.23)
- Effect of rounding and others	0.01	0.04
Effective tax rate	<u>12.31</u>	<u>16.17</u>
25. Earnings per share	<u>2007</u>	<u>2006</u>
	(Rupees in thousand)	
There is no dilutive effect on basic earnings per share which is based on :		
Net profit after tax	<u>409,846</u>	<u>300,719</u>
	(Number of shares)	
Weighted average number of ordinary shares	<u>20,649,792</u>	<u>20,649,792</u>
	(Rupees per share)	
Earnings per share (basic/diluted)	<u>19.85</u>	<u>14.56</u>

26. Remuneration of chief executive, directors and executives

Aggregate amounts charged in the accounts for the year for remuneration, including all benefits to Chief Executive, Director and Executives of the company are as follows:

	Chief Executive		Director		Executives	
	2007	2006	2007	2006	2007	2006
	(Rupees in thousand)					
Managerial remuneration	6,085	4,858	832	4,806	9,232	3,447
Bonus	704	352	-	1,376	2,347	250
Medical reimbursement	57	33	15	14	131	51
House rent and utility expenses	2,910	2,324	398	2,298	4,415	1,649
Retirement benefits						
a) Provident fund	582	465	80	460	742	205
b) Service gratuity	220	176	-	181	335	78
Other reimbursable expenses	278	397	41	514	1,042	463
Total	10,836	8,605	1,366	9,649	18,244	6,143
Number of persons	1	1	1	1	5	3

Fees paid to 2 non-executive directors for attending meetings during the year Rs.100,000 (2006: Rs.80,000). In addition, the Chief Executive, a Director and some of the executives are also provided with free use of company cars, in accordance with the policy of the company.

27. Transactions with associated undertakings

Related parties comprise associated undertakings, other related companies, directors of the company and post employment benefit plans. The company in the normal course of business carries out transactions with various related parties. Remuneration of directors is disclosed in note 26. Particulars of transactions with the company's staff retirement benefit scheme are disclosed in note 10 to the financial statements. Period end balances and transactions with related parties are as follows:

	2007	2006
Period end balances	(Rupees in thousand)	
Provision for outstanding claims (including IBNR)	11,162	4,886
Premium received in advance	66,376	-
Premiums due but unpaid	29,681	53,633
Transactions during the period		
Premium underwritten	365,424	328,972
Premium collected	462,386	308,130
Claims paid	38,740	36,768
Lease rentals	133	465
Vehicles purchased	7,187	4,494
Rent received	699	475
Rent paid	3,057	1,895
Interest received	4,664	1,323
Brokerage paid	11,202	13,611
Fee received	6,867	12,064
Dividends received	15,576	6,961
Dividends paid	41,061	31,585
Donations	11,252	1,188
Fixed deposits encashed	-	167,120

All transactions with related parties are at an arm's length determined using the Comparable Uncontrolled Price Method.

28. Segment reporting

The Company has four primary business segments for reporting purposes namely fire, marine, motor and miscellaneous.

Assets and liabilities, wherever possible, have been assigned to the following segments based on specific identification or allocated on the basis of gross premium earned by the segments.

	Fire		Marine		Motor		Miscellaneous		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
(Rupees in thousand)										
Revenue										
Premiums earned	195,383	138,777	200,787	237,967	280,272	165,994	32,755	16,573	709,197	559,311
Segment results	45,129	26,907	94,660	128,610	(6,129)	(5,140)	10,933	4,618	144,593	154,995
Investment income									314,703	210,879
Rental income									1,266	1,022
Other income									25,059	6,901
Financial charges									(540)	-
General and administration expenses									(17,675)	(15,091)
									322,813	203,711
Profit before tax									467,406	358,706
Provision for tax									(57,560)	(57,987)
Net profit									409,846	300,719
Other information										
Segment assets	205,302	132,055	73,305	101,722	57,563	40,936	91,717	25,171	427,887	299,884
Unallocated corporate assets									1,305,547	891,591
Consolidated total assets									1,733,434	1,191,475
Segment liabilities	216,704	138,910	76,209	95,046	220,947	176,754	93,647	33,207	607,507	443,916
Unallocated corporate liabilities									1,125,927	747,559
Consolidated total liabilities									1,733,434	1,191,475
Capital expenditure-according										
to above ratios	5,343	1,947	5,491	3,504	7,665	1,557	896	779	19,395	7,787
Depreciation/Amortization-according										
to above ratios	1,658	1,073	1,704	1,931	2,379	858	278	429	6,020	4,291

29. Financial assets and liabilities

	Interest/mark up bearing			Non Interest/mark up bearing			Total		Credit risk	
	Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	2007	2006	2007	2006
(Rupees in thousand)										
Financial assets										
On balance sheet										
Cash and other equivalents	-	-	-	21	-	21	21	12	-	-
Current and other accounts	154,576	-	154,576	46,183	-	46,183	200,759	75,561	200,759	75,561
Loans to employees	-	-	-	312	412	724	724	969	724	969
Investments	6,594	-	6,594	1,004,153	-	1,004,153	1,010,747	674,805	1,010,747	674,805
Premiums due but unpaid	-	-	-	85,620	-	85,620	85,620	94,405	85,620	94,405
Amounts due from other insurers/reinsurers	-	-	-	59,830	-	59,830	59,830	42,814	59,830	42,814
Salvage recoveries accrued	-	-	-	10,412	-	10,412	10,412	6,300	10,412	6,300
Accrued investment income	-	-	-	3,136	-	3,136	3,136	2,542	3,136	2,542
Reinsurance recoveries against										
outstanding claims	-	-	-	121,881	-	121,881	121,881	77,535	121,881	77,535
Sundry receivables	-	-	-	15,098	-	15,098	15,098	95,246	15,098	95,246
	161,170	-	161,170	1,346,646	412	1,347,058	1,508,228	1,070,189	1,508,207	1,070,177
Off balance sheet	-	-	-	-	-	-	-	-	-	-
Total	161,170	-	161,170	1,346,646	412	1,347,058	1,508,228	1,070,189	1,508,207	1,070,177
Financial liabilities										
On balance sheet										
Provision for outstanding claims										
[including IBNR]	-	-	-	194,099	-	194,099	194,099	116,712		
Amounts due to other insurers/reinsurers	-	-	-	95,362	-	95,362	95,362	84,486		
Accrued expenses	-	-	-	21,235	-	21,235	21,235	16,780		
Creditors and accrued expenses	-	-	-	5,071	-	5,071	5,071	615		
Deposits against performance bonds	-	-	-	1,391	-	1,391	1,391	1,391		
Dividend payable	-	-	-	12,793	-	12,793	12,793	7,530		
Liabilities against assets subject										
to finance lease	-	-	-	-	-	-	-	129		
	-	-	-	329,951	-	329,951	329,951	227,643		
Off balance sheet	-	-	-	-	-	-	-	-		
Total	-	-	-	329,951	-	329,951	329,951	227,643		
On balance sheet gap	161,170	-	161,170	1,016,695	412	1,017,107	1,178,277	842,546		
Off balance sheet gap	-	-	-	-	-	-	-	-		

The effective interest/mark up rates for the monetary financial assets and liabilities are mentioned in respective notes to the financial statements.

30. Risk management

30.1 Reinsurance risk

As per general practice of the insurance industry, in order to minimize financial exposure arising from large claims, the company, in the normal course of business, enters into agreements with other parties for reinsurance purposes. Such reinsurance arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from large risks, and provide additional capacity for growth. A significant portion of the reinsurance is effected under treaty, facultative and excess-of-loss reinsurance contracts.

To minimize its exposure to significant losses from reinsurers' insolvencies, the company evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsurers.

Reinsurance ceded contracts do not relieve the company from its obligations to policyholders and as a result the company remains liable for the portion of outstanding claims reinsured to the extent that the reinsurers fails to meet the obligations under the reinsurance agreements.

30.2 Credit risk and concentration of credit risk exposure

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. Out of the total financial assets of Rs.1,508,228 thousand (2006: Rs.1,070,190 thousand) the financial assets which are subject to credit risk amounted to Rs.1,507,483 thousand (2006: Rs.1,069,219 thousand). The company believes that it is not exposed to major concentration of credit risk.

The company's credit risk exposure is not significantly different from that reflected in the financial statements. The management monitors and limits company's exposure to credit risk through monitoring of client's credit exposure review and conservative estimates of provisions for doubtful receivables, if any, and through the prudent use of collateral policy. The management is of the view that it is not exposed to significant concentration of credit risk as its financial assets are adequately diversified in organization of sound financial standing covering various industrial sectors and segments.

30.3 Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in the market prices. The company has invested its funds in ordinary shares, Term Finance Certificates and National Investment Trust units, resulting in exposure due to the fluctuation in the rate of interest and dividend earned thereon and the possibility of capital gains or losses arising from the sale of these investments.

The company minimizes such risk by having a diversified investments portfolio. In addition, the company actively monitors the key factors that affect investment market.

30.4 Interest rate risk

Interest/yield rate risk arises from the possibility that changes in interest rate will affect the value of financial instruments. Yield risk is the risk of decline in earnings due to adverse movement of the yield curve. The company is exposed to interest/yield rate risk for certain deposits with the banks and liabilities against assets subject to finance leases.

30.5 Currency risk

Foreign currency risk arises mainly where receivables/payables exist due to transactions with foreign undertakings. The company is not exposed to currency risk as none of the financial assets and liabilities are payable in foreign currency, at the end of the year.

30.6 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its commitments associated with financial liabilities when they fall due. Liquidity requirements are monitored regularly and management ensures that sufficient liquid funds are available to meet any commitments as they arise.

30.7 Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide return for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

Currently the operations of the company are financed through equity. In order to maintain or adjust the capital structure, the company may adjust the amount of dividend paid out to shareholders, issue new shares, issue debt or sell assets of the company.

31. Fair value of financial instruments

The carrying value of all financial instruments reported in the financial statements approximate their fair value except for investments available for sale included in note 15.2. Fair value is determined on the basis of objective evidence at each reporting date.

32. Date of authorization for issue

These financial statements were authorized for issue on March 04, 2008 by the Board of Directors of the company.

33. General

Figures in these financial statements have been rounded off to the nearest thousand of rupees.

34. Corresponding figures

Corresponding figures have been re arranged, wherever necessary, for the purposes of comparison. Significant rearrangements are as follows:


- Return on bank deposits included in statement of investment income amounting to Rs.1,082 thousand has been reclassified to other income (note 22).
- Income on reverse repo transactions included in statement of investment income amounting to Rs.19,599 thousand has been reclassified to other income (note 22).



Arshad P. Rana
Chief Executive



Muhammad Faruque
Director



Omar Saeed
Director



Yusuf H. Shirazi
Chairman

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 73rd Annual General Meeting of the Members of the Atlas Insurance Limited will be held on Monday, March 31, 2008 at 03:00 P.M. at 3-Bank Square, Shahrah-e-Quaid-e-Azam, Lahore to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the Extra Ordinary General Meeting held on December 01, 2007.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2007 together with the Directors' and Auditors' Report thereon.
3. To approve Cash Dividend @ 70% and Stock Dividend @ 30%, as recommended by the Directors.
4. To appoint auditors and fix their remuneration for the year ending December 31, 2008. The present auditors M/s A. F. Ferguson & Co., Chartered Accountants, retire and being eligible, offer themselves for reappointment.

SPECIAL BUSINESS

5. To pass with or without modification the following resolutions as special resolutions:

Resolved:

- a) "that the approval of the shareholders of Company be and is hereby accorded in terms of Section 208 of the Companies Ordinance, 1984 for the investment of the respective amounts in the purchase of ordinary shares of the following associated companies:

Sr. No.	Name of Company	Amount to be invested (Rupees)
a)	Cherat Papersack Limited	130,000,000
b)	Cherat Cement Company Limited	80,000,000

- b) the Chief Executive Officer of the Company be and is hereby authorized to take any and all actions which may be required for the investment of the respective amounts in the purchase of ordinary shares of the above mentioned associated companies."

Further Resolved:

- c) "that all fractional Bonus Shares shall be combined and the Directors be and are hereby authorized to combine and sell the fractional shares in the Stock Market and pay the proceeds of sales thereof when realized to a charitable institution approved under the Income Tax Ordinance, 2001."

Further Resolved:

- d) “that the remuneration of the Chief Executive Officer of the Company for the financial year ending December 31, 2008 be and is hereby approved.”

OTHER BUSINESS

6. To consider any other business with the permission of the chair.

The Statement under Section 160(1) (b) of the Companies Ordinance, 1984 pertaining to the special business referred to above is being circulated to the members alongwith the Notice of Meeting.

By Order of the Board



Qudsia Naheed
Company Secretary

Lahore: March 08, 2008

NOTES:

1. Share transfer books of the company will remain closed from March 25, 2008 to March 31, 2008 (both days inclusive).
2. A member entitled to attend and vote at the meeting may appoint another person as his / her proxy to attend and vote on his / her behalf. The proxy form, must be received at the registered office of the company at 3 - Bank Square, Shahrah-e-Quaid-Azam, Lahore, duly stamped, signed and witnessed not later than forty-eight (48) hours before the meeting.
3. Shareholders whose shares are deposited with Central Depository Company (CDC) are requested to bring their Computerized National Identity Card (CNIC) along with their CDC Account Number for verification. In case of corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signatures of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.
4. For attending the meeting and appointing proxies CDC account holders will further have to follow the guidelines as laid in Circular 01 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan.
5. Members are requested to immediately inform the company's share registrar of any change in their addresses.

STATEMENT UNDER SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984

This Statement is annexed to the Notice of the 73rd Annual General Meeting of Atlas Insurance Limited to be held on March 31, 2008 at which certain special business are to be transacted. The purpose of this statement is to set forth the material facts concerning such special business.

ITEM NO. 5(a) OF THE AGENDA

In order to revalue the existing investments of the Company in its associated companies, the Board of Directors in their meeting held on March 04, 2008 approved to sell and buy the same number of ordinary shares already held by the Company at the market price prevailing on the date of transaction.

In this regard the company seeks approval of the shareholders under section 208 of the Companies Ordinance, 1984, for investment in the ordinary shares of the associated companies after selling the same.

According to SRO No. 865(i)/2000 dated December 06, 2000 the following information is required to be annexed with the notice for approval of equity investment in associated companies and for the purpose of Section 208 of the Companies Ordinance, 1984. Hence the same is set out below:

Sr. No.	Description	Information Required
a. 1	Name of the Investee Company	Cherat Papersack Limited
2	Nature, amount and extent of investment	Investment upto Rs.130,000,000 in the shares of the investee company
3	Average market price of the shares intended to be purchased during preceding six months in case of listed companies	Average market price upto February 29, 2008 is Rs.185.20 per share
4	Break-up value of shares intended to be purchased on the basis of last published financial statement	December 31, 2007: Rs.55.51 per share
5	Price at which shares will be purchased	At prevailing market rate
6	Earnings per share of the investee company in the last three completed years	2005: Rs.6.68 per share 2006: Rs.1.41 per share 2007: Rs.13.54 per share
7	Source of funds from where shares will be purchased	Own source
8	Period for which investment will be made	Not applicable being long term equity investment
9	Purpose of investment	Long term investment for the purpose of dividend income as well as prospective capital gains
10	Benefits likely accrue to the Company and the shareholders from the proposed investment	Dividend Income / Capital Gain
11	Interest of directors and their relatives in the investee company	Mr. Muhammad Faruque, Director of Atlas Insurance Limited, is also Director of Cherat Papersack Limited. He is interested in this business to the extent of his investment in this Company

Sr. No.	Description	Information Required
b. 1	Name of the Investee Company	Cherat Cement Company Limited
2	Nature, amount and extent of investment	Investment upto Rs.80,000,000 in the shares of the investee company
3	Average market price of the shares intended to be purchased during preceding six months in case of listed companies	Average market price upto February 29, 2008 is Rs.41.84 per share
4	Break-up value of shares intended to be purchased on the basis of last published financial statement	December 31, 2007: Rs.22.75 per share
5	Price at which shares will be purchased	At prevailing market rate
6	Earnings per share of the investee company in the last three completed years	2005: Rs.6.16 per share 2006: Rs.5.63 per share 2007: Rs.1.93 per share
7	Source of funds from where shares will be purchased	Own source
8	Period for which investment will be made	Not applicable being long term equity investment
9	Purpose of investment	Long term investment for the purpose of dividend income as well as prospective capital gains
10	Benefits likely accrue to the Company and the shareholders from the proposed investment	Dividend Income / Capital Gain
11	Interest of directors and their relatives in the investee company	Mr. Muhammad Faruque, Director of Atlas Insurance Limited, is also Director of Cherat Cement Company Limited. He is interested in this business to the extent of his investment in this Company

ITEM NO. 5 (d) OF THE AGENDA

Approval is being sought for the annual increase in the remuneration of the Chief Executive, working whole time with the Company. The Chief Executive is interested only in the remuneration payable to him.

STATUS OF APPROVALS FOR INVESTMENTS IN ASSOCIATED COMPANIES

As required by the SRO No. 865(I)/2000 dated December 06, 2000, the position of investments in associated companies against approvals held by the company is as under:

1. Atlas Honda Limited - Against approval of Rs.150.00 million, the company invested Rs.147.86 million. The balance amount would be invested on availability of shares at reasonable price. There was no major change in the financial position of the investee company.
2. Honda Atlas Cars (Pakistan) Limited - Against approval of Rs.45.00 million, the company invested Rs.29.38 million. The balance amount would be invested on availability of shares at reasonable price. There was no major change in the financial position of the investee company.
3. Atlas Bank Limited - Against approval of Rs.13.00 million, the company invested Rs.0.25 million. The balance amount would be invested on availability of shares at reasonable price. There was no major change in the financial position of the investee company.
4. Cherat Papersack Limited - Against approval of Rs.45.00 million, the company invested Rs.43.86 million. The balance amount would be invested on availability of shares at reasonable price. There was no major change in the financial position of the investee company.
5. Atlas Battery Limited - Against approval of Rs.15.00 million, the company invested Rs.9.90 million. The balance amount would be invested on availability of shares at reasonable price. There was no major change in the financial position of the investee company.
6. Atlas Income Fund - Against approval of Rs.300.00 million, the company invested Rs.24.90 million. The balance amount would be invested on availability of units at reasonable price. There was no major change in the financial position of the investee company.
7. Atlas Stock Market Fund - Against approval of Rs.200.00 million, the company invested Rs.64.00 million. The balance amount would be invested on availability of units at reasonable price. There was no major change in the financial position of the investee company.

**DISTRIBUTION OF SHAREHOLDING
IN CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**
AS AT DECEMBER 31, 2007

Number of Shareholders	Shareholding From	To	Total Shares held
144	1	100	7,362
132	101	500	41,466
77	501	1000	61,724
137	1001	5000	358,483
34	5001	10000	254,225
12	10001	15000	146,792
8	15001	20000	140,723
3	20001	25000	69,210
5	25001	30000	134,774
3	35001	40000	111,360
2	40001	45000	87,172
2	45001	50000	96,300
1	50001	55000	50,598
1	55001	60000	59,040
1	65001	70000	68,500
1	70001	75000	74,700
1	75001	80000	77,110
3	100001	150000	380,000
1	445001	500000	467,129
1	500001	585000	582,433
4	1400001	1500000	5,831,016
1	2025001	2050000	2,028,000
1	7020001	7025000	7,022,717
<u>575</u>			<u>18,150,834</u>

PATTERN OF SHAREHOLDING
AS AT DECEMBER 31, 2007

Number of Shareholders	Shareholding From	To	Total Shares held
229	1	100	10,222
168	101	500	50,447
120	501	1000	94,011
215	1001	5000	561,512
62	5001	10000	461,470
23	10001	15000	278,054
15	15001	20000	256,898
9	20001	25000	199,085
6	25001	30000	162,239
2	30001	35000	66,758
5	35001	40000	184,822
5	40001	45000	213,787
2	45001	50000	96,300
2	50001	55000	102,635
2	55001	60000	117,104
1	65001	70000	68,500
1	70001	75000	74,700
1	75001	80000	77,110
1	80001	85000	82,581
4	100001	150000	480,349
1	445001	500000	467,129
3	500001	585000	1,662,346
4	1400000	1500000	5,831,016
1	2025001	2050000	2,028,000
1	7020001	7025000	7,022,717
<u>883</u>			<u>20,649,792</u>

The slabs representing nil holding have been omitted.

Categories of Shareholders	Number of Shareholders	Number of Shares held	Percentage of Shares held
Directors, CEO their spouse and minor children	6	1,964,849	9.52
*Associated Companies, undertakings & related parties	3	7,625,597	36.93
NIT and ICP	1	376	0.00
Banks, DFIs & NEFCs - Local	1	61,938	0.30
Banks, DFIs & NEFCs - Foreign	1	2,028,000	9.82
Insurance Companies	1	50,000	0.24
Modaraba and Mutual Funds	3	293,200	1.42
Public Sector Companies & Corporations	1	582,433	2.82
Shareholders holding 10% or more voting interest in the Company	-	-	-
Individuals:			
Resident Pakistani	832	7,401,776	35.84
Non-Resident Pakistani	4	9,410	0.05
Others:			
Joint Stock Companies	25	91,386	0.44
Others	5	540,827	2.62
	<u>883</u>	<u>20,649,792</u>	<u>100.00</u>

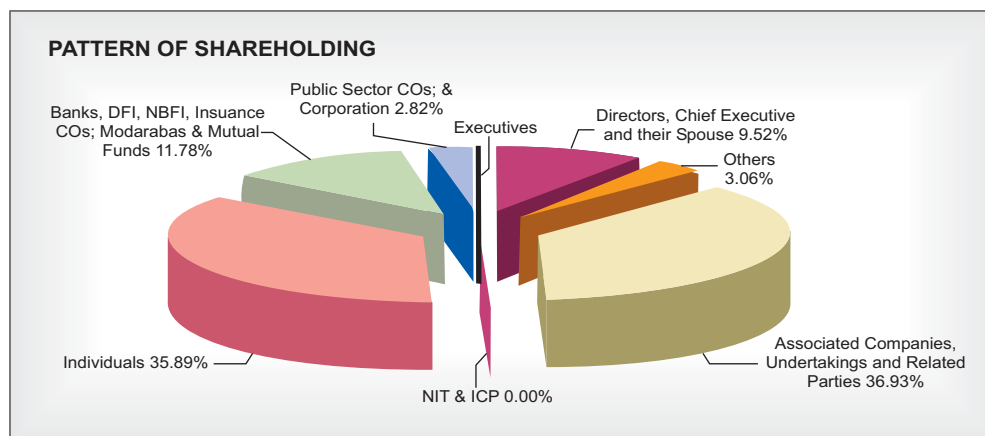
Note: Included in Associated Companies

*Shirazi Investments (Pvt.) Limited 7,022,717 shares

PATTERN OF SHAREHOLDING AS AT DECEMBER 31, 2007

Information required under the Code of Corporate Governance

Categories of Shareholders	Number of Shareholders	Number of Shares held	Holding %
Associated Companies, Undertakings and Related Parties (NameWise Detail)			
Shirazi Investments (Pvt.) Limited	1	7,022,717	34.01
Atlas Foundation	1	567,840	2.75
Batool Benefit Trust	1	35,040	0.17
NIT and ICP			
Investment Corporation of Pakistan	1	376	0.00
Director, Chief Executive and their spouse and minor children			
Mr. Yusuf H. Shirazi & Mrs. Khawar S. Shirazi	1	467,129	2.26
Mr. Ali H. Shirazi	1	1,486,143	7.20
Mr. Frahim Ali Khan	1	4,056	0.02
Mr. Jawaid Iqbal Ahmed	1	202	0.00
Mr. Muhammad Faruque	1	169	0.00
Mr. Arshad P. Rana	1	7,150	0.03
Executives			
-	-	-	-
Public Sector Companies & Corporation			
State Life Insurance Corporation of Pakistan	1	582,433	2.82
Banks, Development Finance Institutions Non-Banking Financial Institutions Insurance Companies, Modarabas and Mutual Funds			
6	2,433,138	11.78	
Shareholders holding 10% or more voting interest			
-	-	-	-
Individuals			
835	7,411,186	35.89	
Others			
30	632,213	3.06	
	<u>883</u>	<u>20,649,792</u>	<u>100.00</u>



1,500 shares at average rate of Rs.116.25 per share were sold by Chief Financial Officer in 2007.

PROFIT AND LOSS ACCOUNT

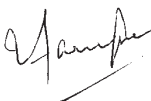
FINANCIAL YEAR ENDED DECEMBER 31, 2007

Note	Fire & property	Marine, aviation & transport	Motor	Miscellaneous	Treaty	Total 2007	Total 2006
(Rupees in thousand)							
Revenue account							
Net premium revenue	35,046	130,124	270,314	11,494	22	447,000	348,725
Net claims	(7,545)	(18,020)	(186,961)	(2,259)	(319)	(215,104)	(133,190)
Expenses	21 (10,491)	(35,135)	(72,473)	(3,259)	-	(121,358)	(101,779)
Net commission	28,429	17,706	(17,009)	4,977	(48)	34,055	41,239
Underwriting result	45,439	94,675	(6,129)	10,953	(345)	144,593	154,995
Investment income						314,703	190,198
Rental income						1,266	1,022
Other income	22					25,059	27,582
Financial charges						(540)	(686)
General and administration expenses	23					(17,675)	(14,405)
						322,813	203,711
Profit before taxation						467,406	358,706
Provision for taxation	24					(57,560)	(57,987)
Profit after taxation						409,846	300,719
Profit and loss appropriation account							
Balance at commencement of the year						301,590	255,059
Profit after taxation for the year						409,846	300,719
Final dividend for 2006 @ Rs.7 per share (2005: Rs.7 per share)						(111,191)	(85,532)
Transfer to general reserve						(142,000)	(132,000)
Transfer to reserve for issue of bonus shares						(47,653)	(36,656)
Balance unappropriated profit at the end of the year						410,592	301,590
Basic earnings per share - Rupees	25					19.85	14.56

The annexed notes 1 to 34 form an integral part of these financial statements.



 Arshad P. Rana
Chief Executive



 Muhammad Faruque
Director



 Omar Saeed
Director



 Yusuf H. Shirazi
Chairman

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of Atlas Insurance Limited to comply with the Listing Regulation No. 37 (Chapter XI) of the Karachi Stock Exchange (Guarantee) Limited, Chapter XIII of the Listing Regulations of the Lahore Stock Exchange (Guarantee) Limited.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended December 31, 2007.

Lahore: March 04, 2008



A. F. FERGUSON & CO.
Chartered Accountants

STATEMENT OF CLAIMS

FINANCIAL YEAR ENDED DECEMBER 31, 2007

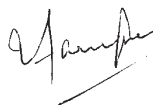
Business underwritten inside Pakistan

Class	Claims paid	Outstanding Claims		Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net claims expense	
		Opening	Closing			Opening	Closing		December 31, 2007	December 31, 2006
(Rupees in thousand)										
Direct and facultative										
Fire and property damage	62,218	27,865	84,692	119,045	58,655	25,800	78,645	111,500	7,545	3,131
Marine, aviation and transport	70,381	44,578	37,303	63,106	54,858	36,154	26,382	45,086	18,020	15,477
Motor	166,965	22,451	48,775	193,289	6,458	212	82	6,328	186,961	112,333
Miscellaneous	5,986	18,037	19,548	7,497	3,835	15,369	16,772	5,238	2,259	1,358
Total	305,550	112,931	190,318	382,937	123,806	77,535	121,881	168,152	214,785	132,299
Treaty										
Fire and property damage	276	1,756	1,756	276	-	-	-	-	276	530
Marine, aviation and transport	22	1,939	1,939	22	-	-	-	-	22	304
Miscellaneous	21	86	86	21	-	-	-	-	21	57
Total	319	3,781	3,781	319	-	-	-	-	319	891
Grand Total	305,869	116,712	194,099	383,256	123,806	77,535	121,881	168,152	215,104	133,190

The annexed notes 1 to 34 form an integral part of these financial statements.



Arshad P. Rana
Chief Executive



Muhammad Faruque
Director



Omar Saeed
Director



Yusuf H. Shirazi
Chairman

**STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES ON TRANSFER PRICING
FOR THE YEAR ENDED DECEMBER 31, 2007**

The Company has fully complied with the best practices of Transfer Pricing as contained in the Listing Regulation No. 38 of the Karachi Stock Exchange (Gurantee) Limited and chapter XIV of Listing Regulations of the Lahore Stock Exchange (Gurantee) Limited.

For and on behalf of the
Board of Directors



Arshad P. Rana
Chief Executive

Lahore: March 04, 2008

**STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE
FOR THE YEAR ENDED DECEMBER 31, 2007**

This statement is being presented to comply with the Code of Corporate Governance (the Code) contained in the Listing Regulation No. 37 and Chapter XIII, of Karachi Stock Exchange (Guarantee) Limited and Lahore Stock Exchange (Guarantee) Limited, respectively, for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the Code in the following manner:

1. The company encourages representation of independent non-executive directors on its Board of Directors. At present the Board includes six independent non-executive directors out of seven.
2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including this company.
3. All the directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI. No director in the Board is a member of any of the stock exchanges in Pakistan.
4. There were no causal vacancies in the Board during the year.
5. The company has prepared a 'Statement of Ethics and Business Practices' which has been signed by all the directors and employees of the company.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer (CEO) and other executive directors, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Board has established a system of sound internal control, which is effectively implemented at all levels within the company. The company includes all necessary aspects of internal control given in the Code.
10. The Board had previously arranged an orientation course for its members to apprise them of their duties and responsibilities.

11. The Board has approved appointment of Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, as determined by the CEO.
12. The Directors' Report has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
13. The financial statements of the company were duly endorsed by CEO and CFO before approval of the Board.
14. The Directors, CEO and executives do not hold any interest in the shares of company other than that disclosed in the pattern of shareholding.
15. The company has complied with the corporate and financial reporting requirements of the Code.
16. The Board formed Underwriting, Claims Settlement, Re-insurance and Co-insurance Committees. The meetings of the committees were held once in every quarter.
17. The Board has formed an Audit Committee comprising three non-executive directors as members including the chairman of the committee.
18. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.
19. The Board has set-up an effective internal audit function which is manned by experienced and qualified personnel. The audit team is fully conversant with the policies and procedures of the company and is involved in the internal audit function on a full time basis.
20. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by Institute of Chartered Accountants of Pakistan.
21. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
22. We confirm that all other material principles contained in the Code have been complied with.

For and on behalf of the
Board of Directors



Arshad P. Rana
Chief Executive

Lahore: March 04, 2008

STATEMENT OF EXPENSES

FINANCIAL YEAR ENDED DECEMBER 31, 2007

Business underwritten inside Pakistan

Class	Commissions paid or payable	Deferred commission		Net commission expenses	Other management expenses	Underwriting expense	Commissions from reinsurers	Net underwriting expense	
		Opening	Closing					December 31, 2007	December 31, 2006
(Rupees in thousand)									
Direct and facultative									
Fire and property damage	11,382	5,585	5,920	11,047	10,491	21,538	39,476	(17,938)	(17,974)
Marine, aviation and transport	6,946	513	863	6,596	35,135	41,731	24,302	17,429	24,443
Motor	21,570	5,907	10,459	17,018	72,473	89,491	9	89,482	54,275
Others including miscellaneous	2,150	361	994	1,517	3,259	4,776	6,494	(1,718)	(423)
Total	42,048	12,366	18,236	36,178	121,358	157,536	70,281	87,255	60,321
Treaty									
Fire and property damage	38	-	-	38	-	38	-	38	68
Marine, aviation and transport	10	-	-	10	-	10	-	10	149
Others including miscellaneous	-	-	-	-	-	-	-	-	2
Total	48	-	-	48	-	48	-	48	219
Grand Total	42,096	12,366	18,236	36,226	121,358	157,584	70,281	87,303	60,540

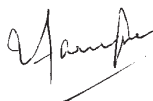
Note:

Commission from reinsurers is arrived at after taking impact of opening and closing unearned commission.

The annexed notes 1 to 34 form an integral part of these financial statements.



 Arshad P. Rana
Chief Executive



 Muhammad Faruque
Director



 Omar Saeed
Director



 Yusuf H. Shirazi
Chairman

STATEMENT OF INVESTMENT INCOME
FINANCIAL YEAR ENDED DECEMBER 31, 2007

	2007	2006
	(Rupees in thousand)	
Income from non-trading investments		
Held to maturity		
Return on fixed income securities and deposits	848	1,096
Available for sale		
Return on N.I.T. and U.T.P.	174	2,844
Dividend income		
- from related parties	15,576	6,715
- from others	21,959	21,605
	37,535	28,320
Gain on sale of non-trading investments	280,343	165,300
Less: Investment related expenses	4,197	7,362
Net investment income	<u>314,703</u>	<u>190,198</u>

The annexed notes 1 to 34 form an integral part of these financial statements.



Arshad P. Rana
Chief Executive



Muhammad Faruque
Director



Omar Saeed
Director



Yusuf H. Shirazi
Chairman

STATEMENT OF PREMIUMS

FINANCIAL YEAR ENDED DECEMBER 31, 2007

Business underwritten inside Pakistan

Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Net premium revenue	
		Opening	Closing			Opening	Closing		December 31, 2007	December 31, 2006
(Rupees in thousand)										
Direct and facultative										
Fire and property damage	210,999	87,981	103,601	195,379	174,711	72,208	86,586	160,333	35,046	12,542
Marine, aviation and transport	198,353	11,991	9,574	200,770	69,203	7,186	5,743	70,646	130,124	168,964
Motor	285,392	128,816	133,936	280,272	9,958	-	-	9,958	270,314	161,468
Miscellaneous	89,759	12,539	69,544	32,754	83,751	5,736	68,227	21,260	11,494	5,612
Total	784,503	241,327	316,655	709,175	337,623	85,130	160,556	262,197	446,978	348,586
Treaty										
Fire and property damage	4	-	-	4	-	-	-	-	4	120
Marine, aviation and transport	17	-	-	17	-	-	-	-	17	19
Miscellaneous	1	-	-	1	-	-	-	-	1	-
Total	22	-	-	22	-	-	-	-	22	139
Grand Total	784,525	241,327	316,655	709,197	337,623	85,130	160,556	262,197	447,000	348,725

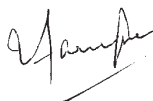
Note:

Premium written includes administration surcharge amounting to Rs.9,362 thousand (2006: Rs.9,008 thousand)

The annexed notes 1 to 34 form an integral part of these financial statements.



 Arshad P. Rana
Chief Executive



 Muhammad Faruque
Director



 Omar Saeed
Director

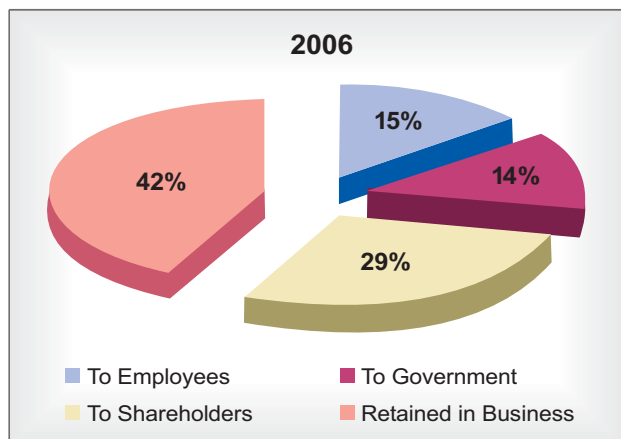
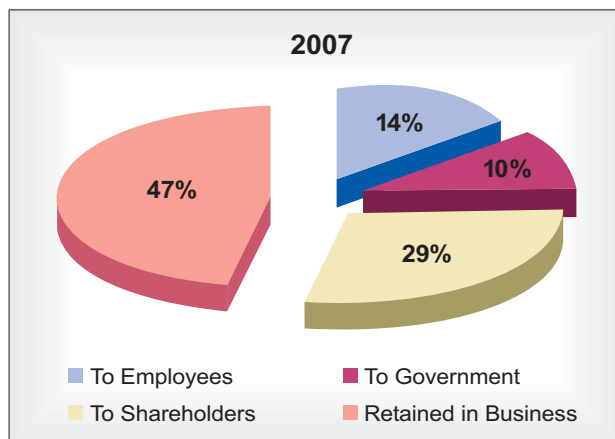


 Yusuf H. Shirazi
Chairman

STATEMENT OF VALUE ADDITION

(Rupees in thousand)

	2007		2006	
	Rupees	%	Rupees	%
WEALTH GENERATED				
Gross Premium	784,525		668,832	
Commission Income	34,055		41,239	
Investment and Other Income	341,028		219,013	
	1,159,608		929,084	
Management and Other Expenses	610,496		504,125	
	549,112	100.00%	424,959	100.00%
WEALTH DISTRIBUTED				
To Employees	76,826	13.99%	63,106	14.85%
To Government	57,560	10.48%	57,987	13.65%
To Shareholders				
Cash Dividend	111,191	20.25%	85,532	20.13%
Stock Dividend	47,635	8.67%	36,656	8.63%
	158,826	28.92%	122,188	28.75%
Retained in Business				
Depreciation and Amortization	4,880	0.89%	3,147	0.74%
Statutory Reserves	142,000	25.86%	132,000	31.06%
Retained Profit	109,020	19.85%	46,531	10.95%
	255,900	46.60%	181,678	42.75%
	549,112	100.00%	424,959	100.00%



TEN YEARS AT A GLANCE

(Rupees in million)

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
FINANCIAL DATA										
Paid-up Capital	206.5	158.8	122.2	101.8	88.5	88.5	80.5	67.1	55.9	44.7
General & Capital Reserves	763.7	512.7	334.1	100.4	51.3	23.5	31.4	34.4	31.1	30.0
Equity	970.2	671.5	456.3	202.2	139.9	112.0	111.9	101.5	87.0	74.7
Underwriting Premium Reserves	535.0	375.8	221.2	194.7	33.5	36.4	38.8	32.9	30.6	28.7
Investments - at cost	1,010.7	674.8	338.8	219.5	172.1	138.5	106.3	68.6	42.2	40.5
Total Assets - At Book Value	1,733.4	1,191.5	902.0	509.8	406.0	337.1	282.6	181.4	160.7	138.9
Fixed Assets - Net	42.8	21.9	19.0	14.0	12.1	14.2	14.1	6.2	5.4	5.8
Cash and Bank Deposits	200.8	75.6	185.9	17.7	15.9	13.2	16.3	13.0	33.8	16.3
Advances, Deposits and Prepayments	179.2	182.2	208.6	63.8	3.7	3.0	6.6	6.3	6.6	5.8
OPERATING DATA										
Gross Premium	784.5	668.8	523.6	315.6	212.7	215.6	196.7	165.3	149.5	131.3
Net Premium	447.0	348.7	264.1	145.0	93.2	97.4	91.1	78.0	74.7	72.6
Net Claims Paid	215.1	133.2	64.4	40.2	18.2	17.5	19.3	16.8	15.2	16.2
Underwriting Profit	144.6	155.0	152.2	59.0	30.7	8.6	18.1	17.0	6.5	2.8
Investment Income	314.7	190.2	159.8	54.6	57.7	25.4	6.2	3.9	8.9	9.1
Profit Before Tax (PBT)	467.4	358.7	304.7	104.9	90.1	30.2	27.1	23.7	17.5	13.3
Income Tax	57.5	58.0	50.6	22.2	48.9	16.8	8.6	9.2	5.3	1.6
Profit After Tax (PAT)	409.9	300.7	254.1	82.7	41.2	13.4	18.5	14.5	12.2	11.7
FINANCIAL RATIOS										
Profitability										
Profit Before Tax / Gross Premium (%)	59.6	53.6	58.2	33.2	42.4	14.0	13.8	14.3	11.7	10.1
Profit Before Tax / Net Premium (%)	104.6	102.9	115.4	72.3	96.7	31.0	29.7	30.4	23.4	18.3
Profit After Tax / Gross Premium (%)	52.2	45.0	48.5	26.2	19.4	6.2	9.4	8.8	8.2	8.9
Profit After Tax / Net Premium (%)	91.7	86.2	96.2	57.0	44.2	13.8	20.3	18.6	16.3	16.1
Management Expenses / Gross Premium (%)	17.8	17.5	20.0	29.7	40.5	37.9	28.0	33.3	35.4	40.0
Management Expenses / Net Premium (%)	31.2	33.5	39.7	64.7	92.5	83.9	60.4	70.6	70.9	70.3
Underwriting Profit / Net Premium (%)	32.3	44.4	57.6	40.7	32.9	8.8	19.9	21.8	8.7	3.9
Net Claims / Net Premium (%)	48.1	38.2	24.4	27.7	19.5	18.0	21.2	21.5	20.3	22.3

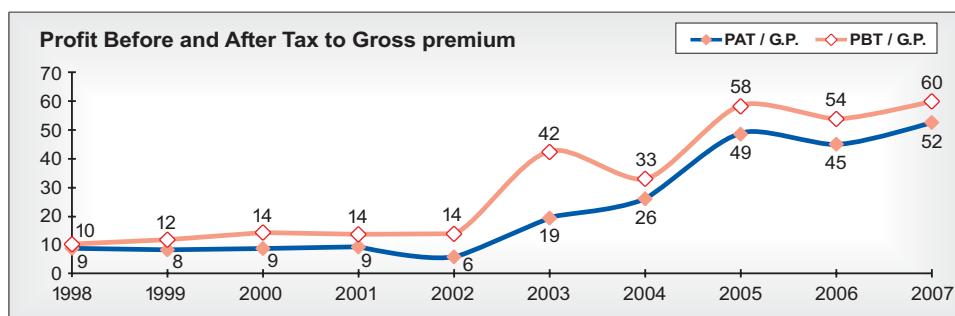
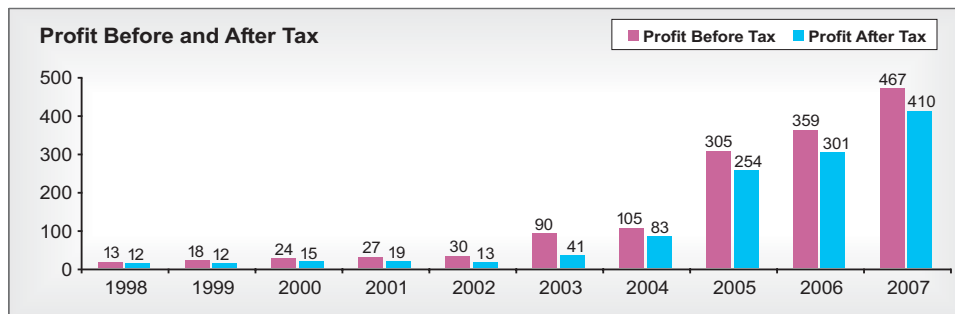
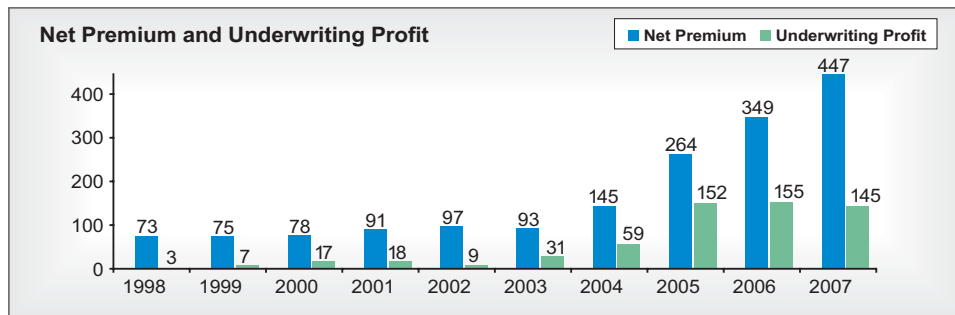
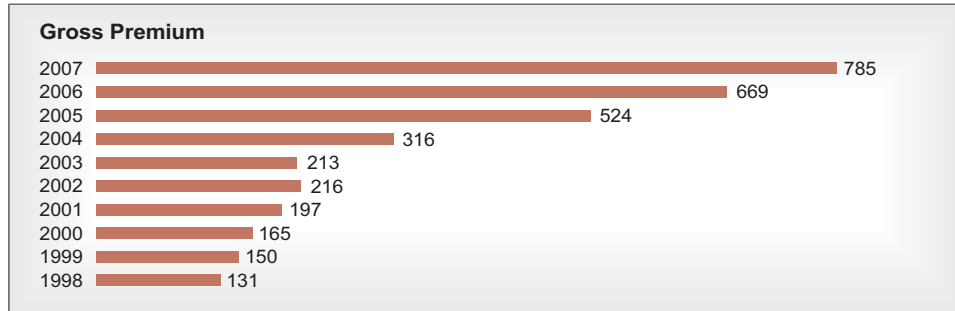
TEN YEARS AT A GLANCE

(Rupees in million)

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Return to Shareholders										
Return on Equity - PBT (%)	48.2	53.4	66.8	51.9	64.4	27.0	24.2	23.3	20.1	17.8
Return on Equity - PAT (%)	42.3	44.8	55.7	40.9	29.5	12.0	16.6	14.3	14.0	15.6
Earnings Per Share (Rs.)	19.9	18.9	16.0	6.8	4.7	1.5	2.3	2.2	2.2	2.6
Price Earning Ratio (Times)	7.0	6.2	7.3	5.4	6.0	12.6	8.7	6.9	6.4	6.5
Market Value Per Share (Rs.)										
Market value at the of the year	138.0	117.9	116.6	37.0	28.0	19.1	20.0	15.0	14.0	17.0
Highest value during the year	143.9	162.1	116.6	42.5	36.5	20.0	20.0	19.8	17.1	23.0
Lowest value during the year	77.5	78.0	37.5	28.1	17.5	14.8	13.1	12.1	14.0	13.0
Cash Dividend Per Share (Rs.)	7.0	7.0	7.0	2.0	1.5	1.5	1.0	-	-	-
Stock Dividend Per Share (Rs.)	3.0	3.0	3.0	2.0	1.5	-	1.0	2.0	2.0	2.5
Dividend Yield (%)	5.1	5.9	6.0	5.4	5.4	7.9	5.0	-	-	-
Dividend Pay out (%)	50.4	52.8	48.1	49.2	64.6	99.3	86.4	92.4	91.0	95.0
Net Assets Per Share (Times)	47.0	42.3	37.3	19.9	15.8	12.7	13.9	15.1	15.6	16.7
Return on Assets (%)	28.0	28.7	36.0	18.1	11.1	4.3	8.0	8.5	8.1	8.0
Liquidity / Leverage										
Current Ratio (Times)	1.6	1.9	1.8	1.4	1.3	1.8	1.5	2.1	2.5	2.4
Total Assets Turnover (Times)	0.5	0.6	0.7	0.7	0.6	0.7	0.8	1.0	1.0	0.9
Fixed Assets Turnover (Times)	24.2	32.7	31.7	24.2	16.2	15.2	19.3	28.4	26.6	22.3
Total Liabilities / Equity (Times)	0.8	0.8	1.0	1.5	1.9	2.0	1.0	0.8	0.8	0.9
Return on Capital Employed (%)	31.2	32.2	42.1	26.6	13.9	5.1	12.2	8.8	10.4	11.3
Paid-up Capital / Total Assets (%)	11.9	13.3	13.5	20.0	21.8	26.3	28.5	37.0	34.8	32.2
Equity / Total Assets (%)	56.0	56.4	50.6	39.7	34.5	33.2	39.6	56.0	54.1	53.8
DISTRIBUTION										
Cash Dividend (Rs.)	144.5	111.2	85.5	20.4	13.3	13.3	8.0	-	-	-
Cash Dividend (%)	70%	70%	70%	20%	15%	15%	10%	0%	0%	0%
Bonus Shares (Rs.)	61.9	47.7	36.7	20.4	13.3	-	8.0	13.4	11.1	11.1
Bonus Shares (%)	30%	30%	30%	20%	15%	0%	10%	20%	20%	25%
Total Distribution (%)	100%	100%	100%	40%	30%	15%	20%	20%	20%	25%

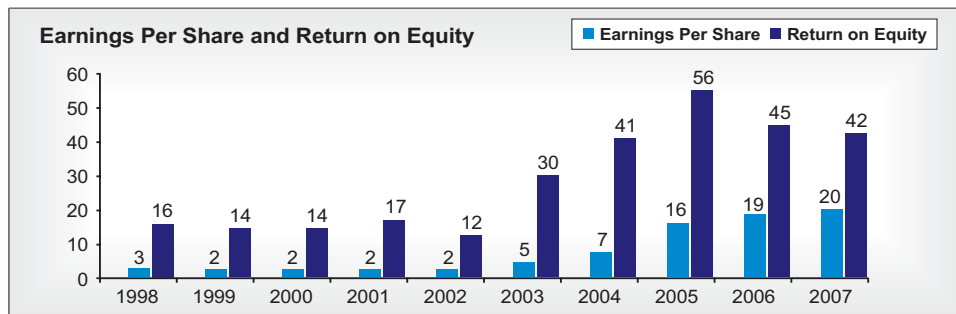
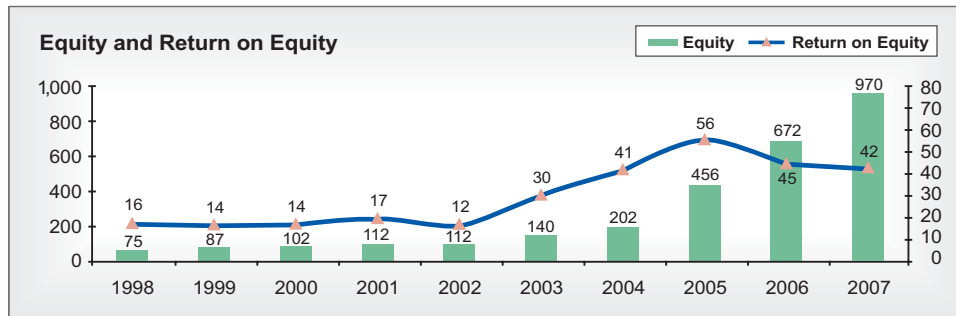
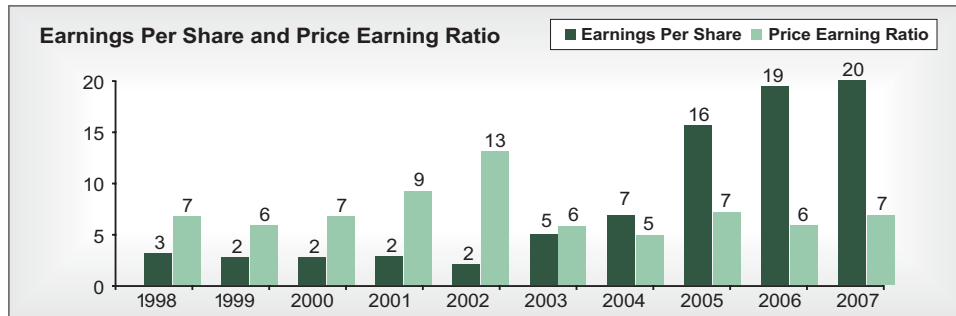
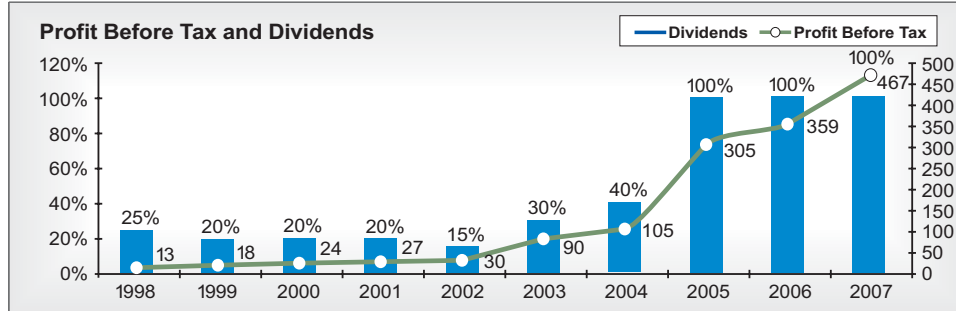
PERFORMANCE AT A GLANCE (GRAPHICAL PRESENTATION)

(Rupees in million)



PERFORMANCE AT A GLANCE
(GRAPHICAL PRESENTATION)

(Rupees in million)



PERFORMANCE AT A GLANCE (GRAPHICAL PRESENTATION)

(Rupees in million)

