

48th

Annual Report 2007



UIG
Group of Companies



RATED "A-" BY PACRA

The **UNITED INSURANCE
COMPANY OF PAKISTAN LTD.**

A Member Company of United International Group



MIAN M. A. SHAHID

Chairman/Chief Executive "The United Insurance Company of Pakistan Limited"

Receiving "**1st Asian Award**" for outstanding performance from Mr. Shamim Haider, Federal Minister of Pakistan Coverage/Insurance of Corps/Livestock is relatively new field in Pakistan and only few Companies have started providing services in this sector.

The United Insurance Company of Pakistan Limited (UIC) is one of the pioneers to set un-matching standards in this field, to boost the instructions of State Bank of Pakistan.

Vision Statement

To transform the company into industry leader by offering better coverage, divergence resource mobilization and opportune risk management and personal health care and reduction in operational costs, driven by a cohesive team of professionals, on the look out for innovative benefits and coverage to the common and corporate clients.

Mission Statement

For our Customers

To provide superior services through high quality business solutions and health protection, based on expert advise and financial management and adding value to the all corporate and non corporate customers.

For our Shareholders

To maximize the shareholders' value by optimum utilization of resources.

For the Employer

To provide opportunities for self development in a highly challenging performance oriented work environment.

For Society

To ensure good governance by maintaining high ethical standards and risk coverage.

For the Government

Prompt and timely liquidation of liabilities and adherence to the policies established

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COMPANY'S EXECUTIVE



M.A SHAHID
Chairman & Chief Executive



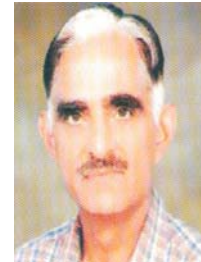
Naseer Ahmed
Advisor Chairman & .



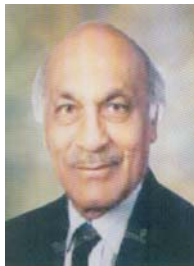
Zia Hassan Zuberi
Dy. Managing



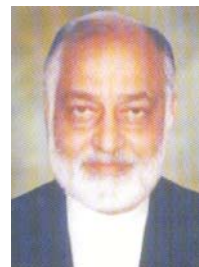
Azizullah Memon
Dy. Managing



Maj Gen (R) Asif Duraiz Akhtar
Executive Director



Javed Sadiq
Executive Director



Sheikh M. Javed
Executive Director



Muhammad Saleem Sheikh
Executive Director



Mian M.A Zahid
Executive Director

COMPANY INFORMATION



Khawas Khan Niazi
General Manager
Finance



Raja Naeem Tariq
Chief Financial Officer



Tajamal Iqbal
Chief Internal Auditor



Khawas Khan Niazi
S.V.P./General Manager
Underwriting



Muhammad Masood Malik
General Manager
Administration

BOARD OF DIRECTORS

CHAIRMAN	: Mian M.A. Shahid
DIRECTOR / PRESIDENT	: Chaudhry Habib-ur-Rehman
DIRECTORS	: Chaudhry Najeeb-ur-Rehman
	: Chaudhry Aziz-ur-Rehman
	: Chaudhry Maqsood Ahmed
	: Muhammad Ashraf Khan
	: Huma Waheed
	: Muhammad Iffikhar Hussain

MANAGEMENT

CHAIRMAN & CHIEF EXECUTIVE	: Mian M.A Shahid
DEPUTY MANAGING DIRECTOR/ COMPANY SECRETARY	: Zia Hassan Zuberi
ADVISOR TO CHAIRMEN & CHIEF EXECUTIVE	: Naseer Ahemd (Former Member Revenue CBR) (Additional Secretary Military Finance) (Additional Secretary Finance)
DEPUTY MANAGING DIRECTOR	: Aziz Ullah Memon (Former President UBL & Bob Bank}
MANAGING DIRECTOR	: Maj. Gen. (R) Asif Duraiz Akhter
MANAGING DIRECTOR	: Muhammad Saleem Sheikh (Former President/Chief Executive ABL) Javaid Sadiq
MANAGING DIRECTOR	: Javaid Sadiq (Former Chairman/Chief Executive IDBP)
MANAGING DIRECTOR	: Sheikh Muhammad Javaid (Former Member KESC Board of Director & Managing Director)
EXECUTIVE DIRECTOR	: Mian M. A. Zahid
COUNTRY MANAGER	: Dr. Murtaza Mughal
GENERAL MANAGER (FINANCE)	: Khawas Khan Niazi
CHIEF FINANCIAL OFFICER	: Raja Naeem Tariq
CHIEF INTERNAL AUDITOR	: Tajamal Iqbal
SENIOR VICE PRESIDENT	: S. M. Oaiser Imam
GENERAL MANAGER UNDERWRITING	: Muhammad Masood Malik (Former Bank Executive HBL)
GENERAL MANAGER (ADMIN)	: Mumtaz Hussain Khan
E.V.P.-RE-INSURANCE	: Muhammad Yasin Khan
CHIEF MANAGER CLAIMS	: Amir Hameed
SENIOR MANAGER RE-INSURANCE	: Dr. Muhammad Arshad
MANAGER AGRICULTURE	: Ch. Khalid Mehmood
DEPUTY GENERAL MANAGER (IT)	

COMPANY INFORMATION

EXECUTIVE MANAGEMENT COMMITTEE

Mian M. A. Shahdi	Chairman
Zia Hassan Zuberi	Member
Naseer Ahmed	Member
Aziz ullah Memon	Member
Maj Gen (R) Asif Durani Akhtar	Member
Javed Sadiq	Member
Seikh M. Javed	Member
Main M.A Zahid	Member
Muhammad Saleem Sheikh	Member

MANAGEMENT COMMITTEE

Mian M.A Shahid	Chairman
Zia Hassan Zuberi	Member
Naseer Ahmed	Member
Aziz ullah Memon	Member
Muhammad Saleem Sheikh	Member
Khawas Khan Niazi	Member
Mumtaz Hussain Khan	Member
S.M Qaiser	Member

INVESTMENT COMMITTEE

Main M.A Shahid	Chairman
Zia Hassan Zuberi	Member
Huma Waheed	Member
Khawas Khan Niazi	Member
Javed Sadiq	Member

AUDIT COMMITTEE

Ch. Aziz-ur-Rehman	Chairman
Muhammad Ashraf Khan	Member
Huma Waheed	Member

RE-INSURANCE COMMITTEE

Main M.A Shahid	Chairman
Dr. Mumtaz Mughal	Member
Khawas Khan Niazi	Member
Mumtaz Hussain Khan	Member
Amir Waheed	Member

GENERAL MANAGER (MARKETING)

Zara Ahmed Butt
Mian Kashif Rasheed
Ch. Aslam Feroz
Muhammad Sadique Sheikh
Muhammad Naseem Butt
Shakeel Ahmed

COMPANY INFORMATION

BANKERS

- Allied Bank Limited
- First Women Bank Limited
- Habib Bank Limited
- MCB Bank Limited
- National Bank of Pakistan
- United Bank Limited
- BankAl-Habib Limited
- Faysal Bank Limited
- Soneri Bank Limited
- The Bank of Punjab
- Bank Al-Falah Limited
- Askari Bank Limited
- My Bank Limited
- Crescent Commercial Bank Limited
- Atlas Bank Limited
- KASB Bank Limited
- Meezan Bank Limited
- NIB Bank Limited
- Saudi Pak Commercial Bank Limited
- SME Bank Limited
- State Bank of Pakistan
- The Bank of Khyber
- Khushhali Bank
- The First Micro Finance Bank Limited
- Atlas Investment Bank Limited
- Crescent Standard Investment Bank Limited
- Escorts Investment Bank Limited
- First International Investment Bank Limited
- Jahangir Siddiqui Investment Bank Limited
- Orix Investment Bank Pakistan Limited
- Security Investment Bank Limited
- Industrial Development Bank of Pakistan
- The Punjab Provincial Cooperative Bank Limited
- ZaraiTaraqiati Bank Limited
- National Investment Trust Limited
- ABN AMRQ Bank N.V.
- Albaraka Islamic Bank B.S,C(E.C)
- American Express Bank Limited
- Habib Metropolitan Bank Limited
- Citibank N.A,
- Oman International Bank SAQ.G
- Rupali Bank Limited
- Standard Chartered Bank Limited
- The Bank of Tokyo Mitsubishi Limited
- The Hong Kong & Shanghai Banking Corporation Limited
- Orix Leasing Company Limited
- Capital Assets Leasing Corp. Limited
- Trust Investment Bank Limited
- First Fidelity Leasing Modarba
- Grays Leasing Limited
- Dubai Islamic Bank
- SME Leasing

AUDITORS

- M/s Avais Hyder Liaquat Nauman
Chartered Accountants
- Sarwars
Chartered Accountants

INCOME TAX ADVISOR

Sarwars
Chartered Accountants

LEGAL ADVISOR

Ch. Fazal Hussain (Advocate)
M. A. Hamdani (Advocate)

REGISTERED OFFICE

302 -A, Panorama Centre
Raja Ghazanfar Ali Khan Road, Karachi.
Tel: (021) 5214651-5655248
Telex: 20919 UIC-PK
Fax: (021) 5214682
Telegram: UNITINSURE
Email: info@theunitedinsurance.com
unitedpk69@hotmail.com
Web: www.theunitedinsuTonce.com

HEAD OFFICE

Nizam Chambers, 7-Shahrah-e-Fatima Jinnah, Lahore,
Tel: (042) 63614/1,6315091, 6371420,6311078
UAN: 111-000-014 Fax:(042)6375036-6304350
Email: uicp@xcess.net.pk

NOTICE OF ANNUAL GENERAL MEETING

RATED "A" PACRA

Notice is hereby given that the 48th AGM of company's shareholders will be held at 5th Floor, Nizam Chamer, Shahrah-e-Fatima Jinnah, Lahore on Friday, March 28, 2008 at 10.00a.m to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of 47th AGM held on April 27, 2007.
2. To receive, consider and adopt Company's Audited Accounts for the year ended 31-12-2007 together with Director's and Auditor's Report thereon.
3. To appoint External Auditors for the year 2008 till next AGM and authorize Directors to fix their remuneration. The retiring auditor M/s Avais Hyder Liaquat Nauman, Lahore, Chartered Accountants being eligible offer themselves for reappointment.
4. Any other business with the permission of the Chair.

SPECIAL BUSINESS

5. To approve capitalization of Rs.50,401,130/- for the Issue of Bonus Shares and to consider if thought fit pass with or without modification the following resolutions as ordinary resolutions:

Resolved that;

- a) The sum of Rs. 50,401,130/- out of the profits available for appropriation as at December 31, 2007 be capitalized and adopted to the issue of 5,040,113 ordinary shares of Rs, 10/- each allotted as fully paid Bonus Shares (8-13) @ 20% in the proportion of one share for every 5 shares held to Company's members whose names appear on the register of members as at close of business on 21-03-2008.
- b) The Bonus Shares shall rank pari passu in all respects with the existing shares.
- c) The members entitled to a fraction of its share (s) shall be given sale proceeds of their fractional entitlement for which purpose the fractions (s) shall be consolidated into whole shares and sold in the stock market.
- d) The Company Secretary be and is hereby authorized and empowered to give effect to these resolutions and to do or cause to be done all acts, deed sand things that may be necessary or required for issue, allotment and distribution of Bonus Shares.

By order of the Board

Karachi
March 01, 2008

(Z.H ZUBERI)
Company Secretary

NOTES

1. The Share Transfer Books of the Company will remain closed from 22-03-2008 to 28-03-2008 (both days inclusive). Transfer received in Company's Registered Office, at Karachi on the close of business on 21 -03-2008 will be treated in time for entitlement to Bonus Shares to the transferees,
- 2) A shareholder entitled to attend and vote at this meeting is also entitled to appoint this/her proxy to attend the meeting. Proxies must be received at the Head Office of the Company not less than 48 hours before the time of holding the meeting.
- 3) CDC Account Holders are advised to bring their original National Identity Cards to authenticate their identity along with CDC account numbers at the meeting. However, if any proxies are granted by such shareholders, the same shall also have to be accompanied with attested copies of the National Identity Card of the guarantor, and the signature on the proxy form has to be the same as appearing on the National Identity Card
- 4) The shareholders are requested to immediately notify change, if any, in their mailing address.

STATEMENT U/S 160(1) (B) a (C) OF THE COMPANIES ORDINANCE 1984

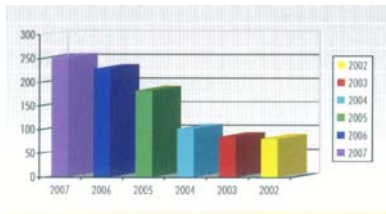
The Directors being satisfied with the reserves and profits of the Company as at December 31,2007 have recommended issue of Bonus Shores, The Directors have no interest directly or indirectly except that they are members of the Company.

SIX YEAR AT A GLANCE

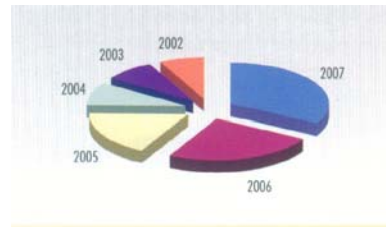
FINANCIAL DATA		2007	2006	2005	2004	2003	2002
Paid up Capital		252.006	229.096	183.277	102.533	85.444	81.375
General & Capital Reserves		175.845	98.321	49.026	29.304	23.303	13.804
Equity		429.489	329.143	232.336	132.1/3	109.256	100.960
Underwriting Provisions		211.289	72.867	152.344	54.928	43.343	34.741
Investment Cost		13.263	13.352	11.524	15.068	5.877	3.841
Total Assets book value		782.261	584.112	427.922	215.487	182.913	151.640
Fixed Assets net		260.748	193.969	138.152	72.001	64.424	57.939
Cash & Bank Deposits		191.199	149.028	124.526	90.125	72.913	50.548
Advance, Deposits & Prepayments		110.369	110.369	25.095	2.365	5.186	3.909
OPERATING DATA							
Gross Premium		501.348	341.000	283.189	120.524	67.719	46.487
Net Premium		312.658	258.296	155.326	75.240	35.578	27.307
Net Claims		83.271	50.669	23.678	14.433	03.497	03.285
Paid Underwriting		178.532	156.850	106.924	37.911	19.060	16724
Profit Investment Income		4.137	002.581	001.392	00.670	00.935	00.979
Profit Before Tax		108.080	105.638	73.933	25.397	09.4/3	06.697
Income Tax		7.733	10.556	4.530	2.480	1.175	1.050
Profit After Tax		100.346	95.081	69.403	22.917	8.296	5.647
Management Expenses		28.667	24.075	28.700	15.634	09.841	06.643
FINANCIAL RATIOS							
Profit Before Tax/Gross Premium	%	21.558	30.979	26.107	21.072	13.985	14.406
Profit Before Tax Net Premium	%	34.568	40.898	47.598	33.755	26.620	24.526
Profit After Tax/Gross Premium	%	20.015	27.883	24.508	19.015	12.250	12.147
Profit After Tax/Net Premium	%	32.094	36.811	44.682	30.459	23.317	20.681
Management Exp./Gross Premium	%	5.718	07.060	07.089	12.972	14.384	14.290
Management Exp./Net Premium	%	9.169	09.321	18.477	20.779	27.379	24.330
Underwriting Profit/Net Premium	%	57.101	60.725	68.838	50.387	53.572	61.251
Net Claims/Net Premium	%	26.633	19.617	15.244	19.183	9.829	12.031
Return on Assets	%	13.816	16.278	16.219	10.635	4.535	3.724
RETURN TO SHARE HOLDERS:							
Return on Equity-PBT	%	25.165	32.264	31.822	19.215	8.668	6.633
Return on Equity-PAT	%	23.364	29.040	29.872	17.339	7.593	5.593
Earning Per Share.	Rs.	3.982	3.770	3.030	2.680	1.020	0.694
Price Earning Ratio	Time	7.534	5.337	7.769	8.074	18.039	12.183
Market Value at end of Year		30.000	22.150	23.540	21.640	18.400	8.455
Highest Value during the Year		38.000	25.600	24.030	22.410	19.850	12.600
Lowest Value		29.000	18.450	18.000	16.000	13.750	7.450
Stock Dividend Per Share	Rs.	2.000	2.500	3.500	2.000	0.500	0
Net Assets Per Share	Time	17.051	14.360	13.940	15.469	13.426	12.284
LIQUIDITY/LEVERAGE RATIO							
Current Ratios	Time	1.481	1.915	1.668	1.755	1.630	1.774
Total Assets Turnover	Time	0.128	0.442	0.363	0.378	1.213	0.202
Fixed Assets Turnover	Time	0.385	1.332	1.124	0.941	0.515	0.584
Total Liability/Equity	Time	0.815	0.800	0.842	0.630	0.674	0.502
Return on Capital Employed	%	39.819	28.888	0.300	16.131	7.193	5.593
Paid up Capital/Total Assets	%	32.215	39.221	38.936	39.651	44.488	53.663
Equity/Total Assets	%	54.904	56.054	54.294	61.337	59.731	66.579
DISTRIBUTION							
Bonus Share	Rs.	2.000	3.500	3.500	2.000	0.500	0
Bonus Share	%	0.200	35%	35%	20%	5%	0
Total Distributions		0.200	35%	35%	20%	5%	0

SIX YEAR AT A GLANCE

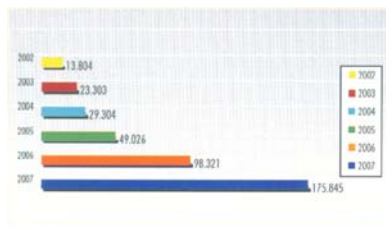
Paid up Capital



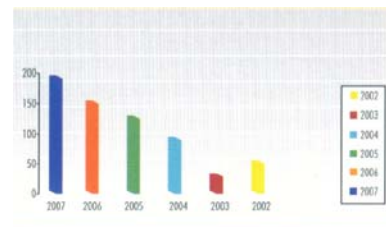
Fixed Assets



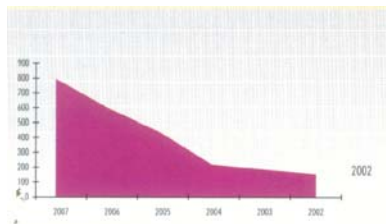
General & Capital Reserve



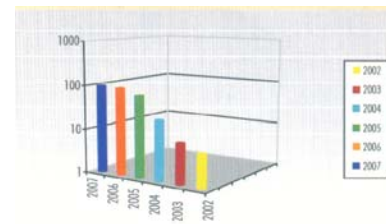
CASH & BANK DEPOSIT



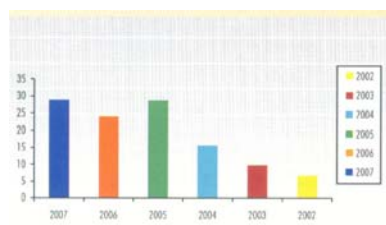
Underwriting Provisions



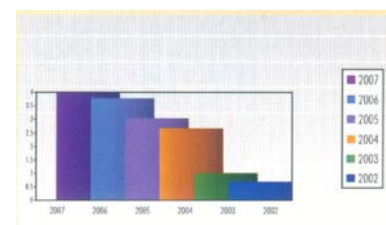
ADVANCE, DEPOSIT & PREPAYMENTS



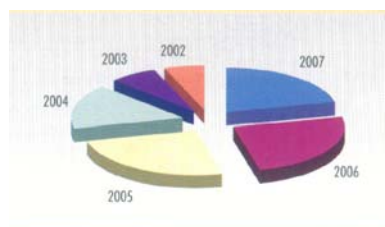
Total Assets



Profit After Tax



Return on Assets



DIRECTORS' REPORT

Your Directors are pleased to welcome you in the 48th Annual General Meeting of the Company. The Report of the Directors along with the Audited Financial Statement is presented; you will be pleased to note the healthy growth trends.

ECONOMIC SECTOR'S REVIEW

The economy of the country has favorable conditions for the over all growth of business sector. With special reference to service industries, the potential of insurance sector, have great opportunities for rapid and stable growth in the present era as they depend upon the derived demand of their customers.

The GDP of the country has raised to 7.02% during 2007 from 6.6% recorded last year, but it is still better as historic average of our country. The increase in GDP is due to increase of agricultural growth at 5% from 2.5%. Manufacturing sector growth also increased to 10% against 8.6% of last year. Other sectors like, telecommunication, banking and auto transportation have performed well. The overall performance of service sector registered growth of 10% from 8.8% of last year.

There is also increase in GDP per capita to \$925 from \$847 of last year resulting in 9.2% increase. The trade deficit has been raised to 13.56 billions as against 13 billion of last year, up by 4.3%. That was due to 18% change in imports which rose to \$30.548 billions, because of rising oil prices. On the other hand, export rose to \$16.976 billions resulting in 6% increase as compare to Fy 2006.

INSURANCE SECTOR'S REVIEW

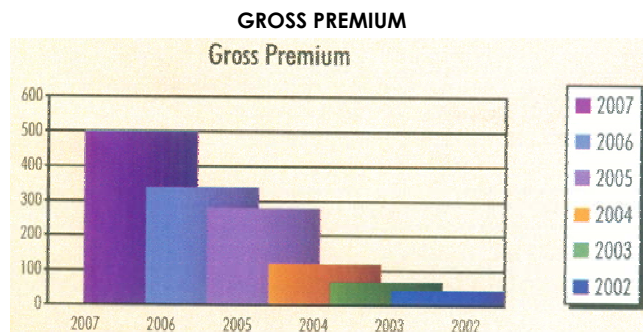
The growth economy of insurance has important role to securing assets. It has not only generated employment but also strengthened other sectors and promoting growth and stability. Despite significant insurance companies, ratio of premium to GDP is at lowest level as compared to other countries of the world. We are sure that this year will also see growth in industry premium.

The Government, Securities and Exchange Commission of Pakistan and Insurance Association of Pakistan need to play an important role to educate general public for the importance of insurance to secure assets, with making greater contribution to National Income.

The entry of new insurance companies sponsored by banks, was a welcome decision but promoted tough competition. If, therefore, competition is with positive frame of mind will be beneficial for all dependents. SECP must play an active roll to maintain discipline in the insurance industry. The growth of insurance industry will help to develop human resources. It is more important and vital for immediate action of SECP, IAP and insurance companies to focus on developing the educated and trained manpower.

COMPANY'S BUSINESS REVIEW

The overall picture of the business of your company is appreciable because of arrangements of the strong reinsurance cover and strategic disaster planning of the management. The commitments with the leading Re-insurer (Mitsui Sumitomo Re) a world class company of high repute and credibility is no doubt a golden ribbon for your company that has excellent reinsurance Treaties, claiming high strength for the company, and re-imposing confidence in the company's policies.



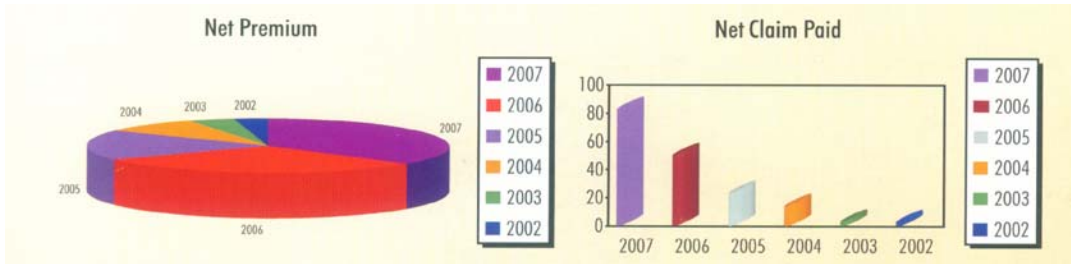
The premium income during the year under view went up to Rs. 501.348 million as against Rs. 341.00 million of last year, the management aimed to keep up remarkable growth over the years.

You will be pleased to learn that the increase registered in Gross Premium is by Rs. 160.348 million Le equal to 47.023% over the year 2006 and it has resulted increase in Net Premium by 21.004%. We hope to continue these trends over the coming years.

The management exercised conservative and extremely careful under-writing and risk assessment during the year under-review. Al-mighty Allah has been kind on your company. Though, the Net Incurred claims increased to 1.75% of the gross Premium, but it is still appreciable as compared to year 2006 increase of 6.498%.

The overall Management expenses remained limited to 5.718% of gross premium in 2007 as against 7.060% in 2006. The management had adopted prudent policies to put strict checks for avoiding un-necessary expenses but still continued its development policies.

DIRECTORS' REPORT



FIRE AND PROPERTY DAMAGE

The Net Premium Income decreased to Rs. 125.515 million as against Rs. 137.456 million in 2006 and Net Incurred losses were curtailed to Rs. 17.284 million in 2007 as against Rs. 21.760 million in 2006, being 13.771 % of the net premium income against 15.831% of last year.

MARINE AVIATION & TRANSPORT

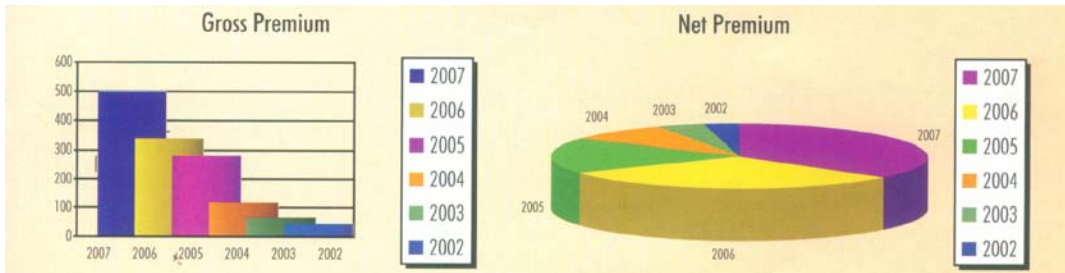
The net premium income rose to Rs. 27.666 million as against Rs. 24.096 million showing an increase in income of 14.816% over 2006 and net incurred losses in 2007 went up to Rs. 5.745 million as against Rs. 2.787 Million of last year but were still in managed position.

MOTOR

The net premium income went to Rs. 99.128 million as against Rs. 60.284 million in 2006 and Net incurred losses were Rs. 42.993 million in 2007 as against Rs. 22.268 million in 2006, being increased to 43.371 % of the net premium income against 36.938% of last year.

MISCELLANEOUS

The Net Premium Income increased to Rs. 60.349 million as against Rs. 36.459 million in 2006 and net incurred losses were Rs. 17.249 million in 2007 as against Rs. 3.853 million in 2006, being rose to 28.582% of the net premium income against 10.568% of last year.



The total premium income registered during the year 2007 was Rs. 501.348 million as against Rs. 341.00 million of 2006 and net premium income increased to Rs. 312.658 million as against Rs. 258.296 million of last year.

The Total Gross Losses paid were Rs. 199.561 million during the year 2007 as against Rs. 119.238 million and net incurred losses were Rs. 83.271 million in 2007 as against Rs. 50.669 million of last year the net incurred losses were increased to 26.633% of net premium in 2007 against 19.62% of 2006.

Showing the advantageous underwriting policies of management.



DIRECTORS' REPORT

The net profit before tax comes to Rs. 108.080 million in 2007cs against Rs. 105.638 million last year.

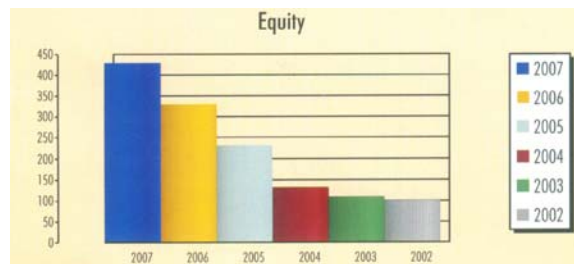
UNDERWRITING PROFIT



PROFITABILITY

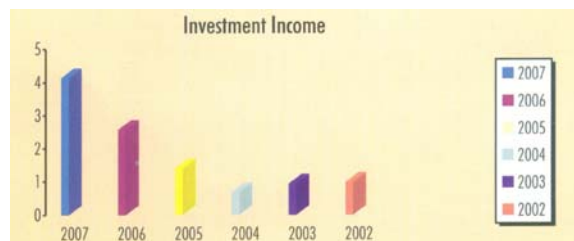
The underwriting profit of your company increased to Rs. 178.532 million against Rs. 156.850 million of last year. Profit before tax raised to Rs. 108.080 million over last year, up by 3%. The net profit after tax stood at Rs. 100.346 million compared to Rs. 95.081 million over the last year, up by 5%.

EQUITY



Your company has achieved return at 23.364% on equity of Rs. 429.489 million against 29.04% on equity of Rs. 329.143 million of the last year and accordingly after tax earning per share of Rs. 3.948 against Rs. 3.770 last year on the enhanced capital of Rs. 252.006 million obtained after issue of 10% bonus shares. The book value of total assets of the company stood at Rs. 782.261 million at the dose of the year against Rs. 584.112 million of the last year- Investment Income

INVESTMENT INCOME



INVESTMENTS

The book value of investment reduced to Rs. 13.263 million from Rs. 13.352 of the last year while market value stood at

Rs. 14.405 million against Rs. 14.333 million for the last year reflecting the day by day growth in company's financial strength and availability of beneficial resources to meet the contingencies and future requirements. The income from investment is Rs. 4.137 million against Rs. 2.581 million last year registering an increase of 60.287%.

CREDITRATING

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

Your Director's are pleased to make the following recommendations for the year ended December 31, 2007.

DIRECTORS' REPORT

Your Director's are pleased to make the following recommendations for the year ended December 31, 2007.

Net Profit after Taxation/Provisions	Rs.	100,346,375
Add: Incremental Depreciation Add:	Rs.	86262
Last Year Un appropriated profit	Rs.	295954
Profit available for appropriations	Rs.	100,728,591
Appropriated/Appropriations		
20% Final Stock dividend last year	Rs.	50401130
Transfer to General Reserve	Rs.	-
Un appropriated Profit	Rs.	503727461
Net Profit after Taxation/Provisions	Rs.	100,728,591

STATEMENT OF COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

From its inception the Company has maintain a visible record of Good Corporate Governance. This is reflected clearly by the growth of the Company over the years, the confidence reposed by its shareholders and the reputation it enjoys in the whole market. In the phase of implementing, the "Code of Corporate Governance" as envisaged in the Listing Regulations, the Company has implements all faces of the Code, of Corporate Governance and the management feels pleasure in stating that the fullest efforts have been made to comply with the provisions of the Code. In fact the Company has gone a step forward by adopting self imposed Code.

STATEMENT OF CORPORATE AND FINANCIAL REPORTING

- a. The Financial Statement prepared by the Management of the Company present fairly its state of affairs, the results of its operation Cash Flow and Changes in Equity.
- b. Proper Books of accounts of the Company have been maintained.
- c. Appropriate accounting Policies have been consistently applied in preparation of Financial Statements and Accounting Estimates are based on reasonable and prudent judgment.
- d. International Accounting Standards as applicable in Pakistan have been followed in preparation of Financial Statements and any departure there from has been adequately declared.
- e. The system of Internal Control and internal checks is sound in design and has been effectively implemented and monitored.
- f. There are no significant doubts upon the Company's ability to continue as a going concern.
- g. There has been no material departure from the best practices of Corporate Governance, as detailed in the Listing Regulations.
- h. During the year Eight (8) Meetings of the Board of Directors were held and attendance of Directors was as under:-

<u>Sr No.</u>	<u>Name of Directors</u>	<u>Meeting Attended</u>
01.	Mian M. A. Shahid.	8
02.	Ch. Habib-ur-Rehman..	8
03.	Ch. Najeeb-ur-Rehman	7
04.	Ch. Maqsood Ahmed.	8
05.	Ch. Aziz-ur- Rehman.	8
06.	Mr. Muhammad Ashraf Khan.	7
07.	Miss. Huma Waheed.	8
08.	Muhammad Iffikhar Hussain.	8

During the year 2007 the trading in Company's Share was carried out by the Company's Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary and their spouses and minor children as mentioned below:-

Sr. No.	Name	Share Purchased	Share Sold
a)	Ch. Habib-ur-Rehman	(Director/President)	1399
b)	Mrs. Mehjabeen Habib	(Spouse)	174
c)	Ch. Aziz-ur-Rehman	(Director)	1356
d)	Miss Huma Waheed	(Director)	2009
e)	Mrs. Rehana Najib	(Spouse)	798
f)	Ch. Najeeb-ur-Rehman	(Director)	1310
g)	Muhammad Ashraf Khan	(Director)	1668
h)	Muhammad Iffikhar Hussain	(Director)	1470
			10184

DIRECTORS' REPORT

INTEREST OF DIRECTORS AND THEIR RELATIVES OF SHARE HOLDING AS AT 31-12-2007

1.	Mian M. A. Shahid	(Chairman & CEO)	180958
2.	Mst. Shaguffa Parveen	(Spouse)	22924
3.	Ch. Habib-ur-Rehman	(Director/President)	13998
4.	Mrs. Mahjabeen Habib	(Spouse)	1743
5.	Ch. Najib-ur-Rehman	(Director)	13102
6.	Mrs. Rehana Najib	(Spouse)	7984
7.	Ch. Maqsood Ahmed	(Director)	50396
8.	Ch. Aziz-ur-Rehman	(Director)	13560
9.	Muhammad Ashraf Khan	(Director)	3276
10.	Miss. Huma Waheed	(Director)	4306
11.	Muhammad Iffikhar Hussain	(Director)	3923
Shares of the Company held by the Executive of the Company			316170

STATEMENT OF THE ETHICS AND BUSINESS PRACTICES

The Board has adopted "The Statement of Ethics and Business Practices". All employees are aware of this statement and are obliged to observe the rules of conduct in relation to business and regulations.

FUTURE PROSPECTS

The future prospects of the insurance business and industry are quite bright, your company has budgeted to maintain the growth of 2007 in 2008 but all this is related to overall economic management and government policies, which are conducive to insurance business at present. If the growth is sustained, of which the management is very positive, the year 2008 will witness increase in nation wide branches.

The Re-Insurance and treaty organizations have shown full confidence in the company's balance sheet and its underwriting policies and have renewed its treaties with your company on better terms.

AUDIT COMMITTEE

The Audit Committee assists the board in discharging its responsibilities for corporate control. Audit Committee had four meetings during the year 2007 on the end of each & every quarter.

AUDITORS

The Company's Auditors M/s Avais Hyder Liaquat Nauman Chartered Accountants retire and being eligible offered themselves for Re-Appointment for the year 2008 till next AGM.

THANKS & APPRECIATIONS

Yours Directors are thankful to the Securities & Exchange Commission of Pakistan, Pakistan Re-Insurance Company, State Bank of Pakistan, the Foreign Re-Insurers, Bankers and Financial Institutions for their whole hearted support and co-operation. The above results would not have been possible without the support of our valued clients" and the efforts of officers, Field Force and the Staff of your Company. Your directors record their indebtedness and thanks for this support to all of them.

Lahore:

Dated: March 01, 2008

Mian M.A Shahid
Chairman & Chief Executive

DIRECTORS' REPORT

This statement is being presented to comply with the Code of Corporate Governance contained in the listing regulations of Karachi, Lahore and Islamabad Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in com

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

- a. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes 08 independent non-executive directors and 02 non-executive directors representing minority shareholders.
- b. The directors have confirmed that none of them is serving as a director in more than listed companies including this company.
- c. All the resident directors of the Company are registered as tax payers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBF1 or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
- d. No casual vacancy occurred in the Board during the financial year 2007.
- e. The Company has prepared a 'Statement of Ethics and Business Practices', which has been signed by all the directors and employees of the company.
- f. 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.
- g. All the 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 CEO and other executive directors, have been taken by the Board.
- h. The meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter; in his absence, by a director elected by the Board for this purpose. 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.
- i. The Board also arranged various orientation meetings for its directors during the year 2007 to apprise them of their duties and responsibilities.
- j. The CFO was appointed prior to the implementation of the Code of Corporate Governance .The Board has approved appointment of Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, as determined by the CEO.
- k. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
- l. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
- m. The directors, CEO and executive do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
- n. The Company has complied with all the corporate and financial reporting requirements of the Code.
- o. The Board has formed an audit committee. It comprises three members, who all are non-executive directors including the chairman of the committee,
- p. The meetings of the audit committee were held at least once in every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.
- q. The Board has set-up an effective internal audit function who ore considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company and they are involved in the internal audit function on a full time basis.
- r. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme 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,
- s. 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 guide lines in this regard.
- t. We confirm that all other material principles contained in the Code have been complied with.

Mian M.A Shahid
Chairman & Chief Executive

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE

BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practice contained in the Code of Corporate Governance prepared by Board of Directors of THE UNITED INSURANCE COMPANY OF PAKISTAN LIMITED ("the company") to comply with the listing regulations No. 37 (Chapter XI) of Karachi Stock Exchange where the company is listed and SRO 68 dated January 21, 2003 issued by Securities and Exchange Commission of Pakistan.

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 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 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.

SARWARS
Chartered Accountants

Avais Hyder Liaquat Nauman
Chartered Accountant

Place: Lahore
Dated March 01, 2008

AUDITOR'S REPORT TO THE MEMBERS

We have audited the annexed financial statements comprising of:

- i. Balance sheet;
- ii. Profit & 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 M/s The united Insurance Company of Pakistan Limited as at December 31, 2007 with notes forming part thereof, for the year then ended.

It is the responsibility of the Company's Board of Director/Management 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 any material misstatements. An audit also includes the examining, on test basis, evidence supporting the amount 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 required by the Issuance Ordinance, 2000 and the Companies Ordinance 1984.
- b) the financial statements together with the notes thereon have been drawn up in conformity with the Issuance 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 presented fairly, in all material respects the state of Company's affairs as at December 31, 2007 and of the profit, its cash flow 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) no Zakat was deductible at source under the Zakat and Usher Ordinance, 1980.

SARWARS

Chartered Accountants

Place: Lahore

Dated March 01, 2008

Avais Hyder Liaquat Nauman

Chartered Accountant

BALANCE SHEET

FINANCIAL YEAR ENDED DECEMBER 31, 2007

	Note	2007 Rupees	2006 Rupees
Share capital and reserves			
Authorized share Capital	6	500,000,000	350,000,000
Paid-up Share capital	6	252,005,650	229,096,050
Retained earning		100,728,591	295,954
Reserve		75,115,917	98,025,517
		427,850,158	327,417,521
Surplus on revaluation of fixed assets	7	1,638,975	1,725,237
Underwriting provisions			
Provision for outstanding claims (including IBNR)		18,927,628	29,654,051
Provision for unearned premium		153,836,178	119,904,482
Commission income unearned		38,525,114	23,308,043
Total underwriting provisions		211,288,920	172,866,576
Deferred Liabilities			
Staff retirement benefits	8	5,041,292	2,178,303
Deferred tax liabilities	9	8,181,540	6,483,737
		13,222,832	8,662,040
Creditors and accruals			
Premium received in advance		292,734	988,277
Amounts due to other insurers/reinsures		17,951,742	2,839,466
Accrued expenses		4,694,759	1,924,476
Provision for taxation – net		7,225,349	5,179,865
Other creditors and accruals		27,686,190	14,362,358
		57,850,774	25,294,392
Borrowings			
Short-term bank borrowings	10	14,124,575	5,594,882
Other Liabilities			
Liabilities against assets subject to finance lease	11	56,285,240	42,551,758
Total Liabilities		352,772,341	254,969,648
TOTAL EQUITY AND LIABILITIES		782,261,474	584,112,406
Contingencies & Commitments	12	-	-
Te annexed notes 1 to 29 from an integral part of these financial statements			

BALANCE SHEET

FINANCIAL YEAR ENDED DECEMBER 31, 2007

	Note	2007 Rupees	2006 Rupees
Cash & Bank deposits			
Cash and the equivalents		42,455	13,787
Current and other accounts		114,163,651	95,917,066
Deposits maturing within 12 months		45,950,000	17,738,806
Deposits maturing after 12 months		31,042,972	35,358,721
		191,199,078	149,028,380
Loans (Secured)			
To employees & agents	13	1,253,534	4,833,255
Investment			
	14	13,263,145	1,352,344
Investment Property			
	15	45,198,061	46,359,633
Other assets			
Premiums due but unpaid		129,283,140	9,0709,398
Amounts due form other insurers/reinsures		18,126,380	1,3669,140
Prepaid reinsurance premium ceded		107,479,600	6,3951,319
Reinsurance recoveries against outstanding claims		9,704,828	1,7225,052
Deferred commission expense		47,097,830	3,3808,236
Accrued investment income		1,234,682	1163,761
Sundry receivables		2,889,177	2402,934
		315,797,637	22,2929,840
Fixed assets – Tangible			
Owned			
Land freehold		2,800,000	-
Buildings		60,662,854	38761340
Furniture, fixture, office & computers equipments		61,276,202	40178958
Motor vehicle		23,587,936	1673295
		148,326,992	95813593
Leased			
Motor Vehicles		67,223,027	51,795,361
TOTAL ASSETS		782,261,474	584,112,406

Mian M. A. Shahid
Chairman & Chief Executive

Huma Waheed
Director

Ch. Habib-ur-Rehman
Director/President

**PROFIT AND LOSS ACCOUNT
FINANCIAL YEAR ENDED DECEMBER 31, 2008**

Note	Fire & Property Damage		Marine Aviation & Transport		Motor		Miscellaneous		2007 Aggregate		2006 Aggregate	
	Rs	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue Account												
Net Premium	125,515,533	27,665,801	99,127,320	60,349,018	312,657,672	258,296,197						
Net Claims	(17,284,197)	(5,74,4,855)	(42933197)	(17,248,767)	(83,271,016)	(50,669,110)						
Management expenses	(13,264,766)	(2105,022)	(7,822,349)	(5,475,020)	(28,667,157)	(24,075,286)						
Net commission	1,273,663	101,739	(16,135,140)	(7,224,749)	(22,187,965)	(26,701,339)						
Underwriting results	96,240,233	19,714,185	32,176,634	30,400,482	178,531,534	156,850,462						
Investment income					4,136,558	2,580,853						
Rental income					480,000	420,000						
Other income					20,727,199	22,165,972						
General & Admin expenses					(95,795,597)	(76,379,686)						
Profit/(Loss) before tax					108,079,694	105,637,601						
Provision for taxation					(773,319)	(10,556,241)						
Profit/(Loss) after tax					100,346,375	95,081,360						
Profit & Loss appropriation account												
Balance at commencement of year					295,954	16,695,334						
Incremental depreciation net of deferred tax					86,262	-						
Profit/(Loss) after tax for the year					100,346,375	95,081,360						
Profit available for appropriation					100,728,591	111,776,694						
Transfer to reserve for issuance of bonus share					-	(45,819,210)						
Transfer un-appropriate profit at end of year					-	(16,661,530)						
Balance un-appropriated profit at end of year					-	(49,000,000)						
Basic earning per share					100,728,591	(111,480,740)						
					3.98	3.77						

The annexed notes 1 to 29 from an integral part of these financial statements.

Mian M.A. Shahid
Chairman & Chief Executive

Huma Waheed
Director

Ch. Habib-ur-Rehman
Director/President

CASH FLOW STATEMENT

FINANCIAL YEAR ENDED DECEMBER 31, 2007

	Note	2007 Rupees	2006 Rupees
Operating cash flow:			
a) Underwriting activities:			
Premium received		462,078,640	313,458,256
Reinsurance premium paid		(183,174,512)	(118,184,427)
Claims paid		(199,560,598)	(119,237,580)
Reinsurance and other recoveries received		108,626,142	60,010,462
Commission paid		(91,536,147)	(58,998,051)
Commission received		71,293,659	43,773,080
Net cash flow from underwriting		167,727,184	120,821,770
b) Other operating activities :			
Income tax paid		(5,458,100)	(4,000,000)
General management expenses paid		(72,320,364)	(67,933,847)
Other operating receipts/(Payment)		(486,243)	990,326
Loan to employees and agents received		3,579,721	7,285,361
Net cash flow from other operating activities		(74,684,986)	(63,658,160)
Total cash flow from all operating activities		93,042,198	57,163,610
Investment activities:			
Investment income received		4,065,637	2,360,429
Rental income received		480,000	420,000
Sale/Purchase of investment		89,199	(1,828,177)
Fixed capital expenditure		(60,552,414)	(56,186,910)
Proceeds from disposal of fixed assets		25,245,000	37,962,500
Net cash flow from investing activities		(30,672,578)	(17,272,158)
Financing activities			
Bank borrowings		8,529,693	(1,425,279)
Lease liability paid		(28,728,615)	(14,012,878)
Net cash flow from financing activities		(20,198,922)	(15,438,157)
Net cash inflow from all activities		42,170,698	24,453,295
Cash and cash equivalents at the beginning of the year		149,028,380	124,575,085
Cash and cash equivalents at the end of the year		191,199,078	149,028,380
Reconciliation of profit and loss account			
Net cash flow from operating activities		93,042,198	57,163,610
Depreciation		25,527,241	(17,535,535)
Investment income		4,136,558	2,580,853
Provision for gratuity		(2,862,989)	(2,178,303)
Profit on disposal of fixed assets		2,068,321	22,144,172
Lease finance charges		(6,150,097)	(4,793,610)
Provision for taxation		(7,733,319)	(10,556,241)
(Increase)/Decrease in liabilities		(70,354,863)	(30,035,225)
Increase/(Decrease) in Assets other than cash		(89,170,707)	(7,3871,639)
Rental income received		480,000	420,000
Tax paid		5,458,100	4,000,000
Profit after Taxation		100,346,375	95,081,360

The annexed notes 1 to 29 from an integral part of these financial statements

Mian M. A. Shahid
Chairman & Chief Executive
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Huma Waheed
Director

Ch. Habib-ur-Rehman
Director/President

**STATEMENT OF CHANGES IN EQUITY
FINANCIAL YEAR ENDED DECEMBER 31, 2007**

DESCRIPTION	SHARE CAPITAL	RESERVE FOR ISSUE OF BONUS SHARES	GENERAL RESERVE	UNAPPRO PRIATED PROFITS	TOTAL
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance of January 01, 2006	166,615,310	-	49,025,517	16,695,334	232,336,161
Transfer to reserve for bonus shares final issue	-	16,661,530	-	(16,001,550)	-
Bonus share reserve capitalized	16,661,530	(1,6661,530)	-	-	-
Net profit for the year	-	-	-	95,081,360	95,081,360
Transfer to reserve for bonus shares	-	45,819,210	-	(45,819,210)	-
Bonus share reserve capitalized- Interim	45,819,210	(4,519,210)	-	-	-
Transferred to general reserve	-	-	49,000,000	(49,000,000)	-
Balance as at December 31, 2006	229,096,050	-	98,025,517	295,954	327,417,521
Balance as at January 01, 2007	22,909,6050	-	98,025,517	295,954	327,417,521
Transfer to reserve for bonus shares	-	22,909,600	(22,909,600)	-	-
Bonus share reserve capitalized	22,909,600	(22,909,600)	-	86,262	86,262
Incremental depreciation net of deferred tax	-	-	-	100,346,375	100,346,375
Net profit for the year	-	-	-	-	-
Transferred to general reserve	-	-	-	-	-
Balance as at December 31, 2007	252,005,650	-	75,115,917	100,728,591	427,850,158

The annexed notes 1 to 29 from an integral part of these financial statements.

Mian M.A. Shahid
Chairman & Chief Executive

Huma Waheed
Director

Ch. Habib-ur-Rehman
Director/President

**STATEMENT OF PREMIUMS
FINANCIAL YEAR ENDED DECEMBER 31, 2007**

Class	Premium written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expenses	Net premium revenue	
		Open	Closing			Opening	Closing		2007	2006
Direct & Facultative										
1. Fire and property damage	224,473,938	54,865,735	42,918,646	236,421,027	132,442,120	49,273,807	708,104,333	110,905,494	125,515,533	137,456,348
2. Marine aviation and transport	41,592,301	11,275,575	10,014,848	42,853,028	21,732,679	5,393,483	1,193,893,511	15,187,227	27,665,801	24,095,970
3. Motor	140,814,269	36,031,216	72,362,687	104,482,798	8,880,089	1,444,247	496,885,811	5,355,478	99,127,320	60,284,439
4. Miscellaneous	94,467,367	17,731,956	28,539,997	83,659,326	35,231,900	7,839,782	1,976,137,411	23,310,308	60,349,018	36,459,440
Grand Total	501,347,875	119,904,488	15,383,6178	46,741,6179	198,286,788	63,951,319	107479600	154,758,507	312,657,672	258,296,197

The annexed notes 1 to 29 form an integral part of these financial

Mian M. A. Shahid
Chairman & Chief Executive

Huma Waheed
Director

Ch. Habibur-Rehman
Director/President

**STATEMENT OF CLAIMS
FINANCIAL YEAR ENDED DECEMBER 31, 2007**

Class	Claims Paid	Out Standing Claims		Claims Expenses	Reinsurance and other recoveries revived	Re-insurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net claims expenses	
		Open	Closing			Opening	Closing		2007	2006
Direct & Facultative										
1.Fire and property damage	95,806,843	20,800,423	6316,454	81,322,874	74,007,436	14,099,017	4,130,258	6,4038,677	1,7284,197	21,759,861
2.Marin aviation and transport	17,702,739	4,421,751	3637,037	16,918,025	12,805,902	2,872,042	1,239,310	1,1173,170	5744,855	2,787,469
3.Motor	5,025,440	4,431,877	8,853,057	54,675,620	7,661,696	253,993	4,274,720	1,1682,423	4,2993,197	22,268,318
4.Miscellaneous	35,796,576	-	121,080	35,917,656	18,608,349	-	60,540	1,8668,889	1,7248,767	3,853,462
Grand Total	199,560,598	29,654,051	18,927,628	188,834,175	113,083,383	17,225,052	9,704,828	10,5563,159	8,3271,016	50,669,110

The annexed notes 1 to 29 form an integral part of these financial

Mian M. A Shahid
Chairman & Chief Executive

Huma Waheed
Director

Ch. Habi-ur-Rehman
Director/President

**STATEMENT OF EXPENSES
FINANCIAL YEAR ENDED DECEMBER 31, 2007**

Class	Commission paid or payable	Deferred commission		Net commission expense	Other Management expense	Under writing expenses	Commission on reinsurance	Unearned commission		Net commission on reinsurance	Net claims expenses	
		Open	Closing					Opening	Closing		2007	2006
Direct & Facultative												
1. Fire and property damage	45,284,676	20,879,947	23,076,088	43,088,535	1,326,476	56,353,301	52,976,848	19,709,523	28,324,173	44,362,198	11,991,103	23,381,797
2. Marin aviation and transport	6,001,617	2,475,155	3,059,504	5,417,268	2,105,022	7,522,290	7,606,437	1,887,719	4,178,627	5,315,529	2,206,761	4,014,347
3. Motor	22,864,986	5,435,234	12,165,080	16,135,140	7,822,349	23,957,489	-	-	-	-	23,957,489	13,527,441
4. Miscellaneous	17,384,868	5,017,900	8,779,158	13,623,610	5,475,020	19,098,630	10,710,374	1,710,801	6,022,314	6,398,861	12,699,769	9,853,039
Grand Total	91,536,147	33,808,236	47,079,830	78,264,553	28,667,157	106,931,710	71,293,659	23,308,043	38,525,114	56,076,588	50,855,122	50,776,624

The annexed notes 1 to 29 form an integral part of these

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Huma Waheed
Director

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Director/President

STATEMENT OF INVESTMENT INCOME

FINANCIAL YEAR ENDED DECEMBER 31, 2007

	Note	2007 Rupees	2006 Rupees
Income from non-trading investment			
Available for sale			
Dividend income		173265	137225
Gain or loss on sale of "available for sale investments"		955698	-
		<u>1128963</u>	
Held to Maturity			
Return on other fixed income securities deposits		3007595	2443628
		<u>4136558</u>	<u>2580853</u>
Less: Investment		-	-
Net Investment		<u>4136558</u>	<u>2580853</u>

The annexed note 1 to 29 from an integral part of these financial statements.

NOTES TO THE ACCOUNTS

FINANCIAL YEAR ENDED DECEMBER 31, 2007

1. **NATURE AND STATUS OF BUSINESS**

The Company was incorporated on October 20, 1959, as a Public Limited Company and its shares are quoted on Karachi Stock Exchange (Guarantee) Limited. The Registered Office of the Company is situated at 302-A Panorama centre, 2-Raja Ghoson for Ali Khan Road, Karachi and Head Office is in Lahore. The principal activity of the Company is General Insurance Business and qualifies as a domestic insurance company under Insurance Ordinance, 2000 and undertakes Fire, Marine, Motor and Miscellaneous General insurance. It has not transacted any business outside Pakistan.

2. **BASIS OF PREPARATION**

These financial statements have been prepared on the format of financial statements issued by the Securities & Exchange Commission of Pakistan (SECP) through Securities & Exchange Commission (Insurance) Rules, 2002 [SEC (Insurance) Rules, 2002] vide SRO No. 938 dated December 12, 2002. The columns & rows of the financial statements not involving any transaction have been excluded from the given format.

The Company has adopted mercantile accounting system of accounting unless otherwise stated to the extent and manner as permissible under the Insurance Ordinance, 2000.

3. **STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with the requirements of SRO No. 938 issued by the SECP in December 12, 2002, the Insurance Ordinance, 2000, the requirements of the Companies Ordinance, 1984, and approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS) as 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 SECP differ with the requirements of these standards, the requirements of Insurance Ordinance, 2000, Companies Ordinance, 1984 or the requirements of the said directives take precedence,

A new series of standards called as "International Financial Reporting Standards (IFRS) have been introduced by IASB. Out of these following four IFRS have been adopted by the Institute of Chartered Accounts of Pakistan (ICAP), and also adopted by The SECP;

- i) IFRS-2 (Share based payments);
- ii) IFRS-3 (Business Combination);
- iii) IFRS-5 (Non-Current Asset held for Sale and Discontinued Operations); and
- iv) IFRS-6 (Exploration for and Evaluation of mineral Resources).

The company has complied with the requirements of above IFRS other than IFRS-6 AND IFRS-3 which are not relevant to the company, IFRS-4 shall become applicable on completion of IASB project phase 11'

The adoption of the above pronouncements is not expected to have material impact on the financial results and activities of the company and disclosure requirements of the financial statements.

4. **BASIS OF MEASUREMENT**

These financial statements have been prepared under the historical cost convention, except for certain assets, which are stated at revalued amounts.

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates,

The estimates and underlying assumptions are reviewed on an on going 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 revision and future periods if the revision affects both current and future 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 unearned premiums
- b) Provision for outstanding claims including incurred but not reported (IBNR)
- c) Classification of investments
- d) Provision for taxation
- e) Provision for doubtful receivables
- f) Determination of useful life affixed assets

Other areas where estimates and judgments involved are disclosed in respective notes to the financial statement.

NOTES TO THE ACCOUNTS

FINANCIAL YEAR ENDED DECEMBER 31, 2007

5. **SIGNIFICANT ACCOUNTING POLICIES**

5.1 **Appropriation out of Profits**

The SECP in 2Q06, in terms of provisions of Section 234(3) of the Companies Ordinance 1984 notified application of IAS-10 (Events After Balance Sheet Date), Accordingly all declaration of dividends to equity holders including declaration of bonus issues and other appropriations, except certain appropriations which are required by law (e.g. statutory reserves), after the balance sheet date, are not recognized as liabilities or changes in reserves at balance sheet date. Such declarations and appropriations are disclosed in the notes in accordance with IAS-1 as well as relevant statute.

5.2 **Employees Retirement Benefits**

The Company's retirement benefits plan comprises of gratuity fund for all the eligible employees, who have completed the minimum qualified period of service. The actuarial valuation of gratuity fund is carried out by an independent valuer as at December 31, 2007 using the projected unit credit method. The basic assumptions used for actuarial valuation are disclosed in the relevant note.

The amount recognized in the balance sheet represents the present value of defined benefit obligations as adjusted for unrecognized actuarial gains or losses and unrecognized transitional liability. Actuarial gains and losses are recognized on the basis of "minimum 10% corridor" approach.

5.3 **Taxation**

Current

Provision for current taxation is based on taxable income at current rates of taxation after taking into account tax rebates and tax credits, available, if any,

Deferred

The Company accounts for deferred tax, if any, using the liability method, on all major temporary differences at the balance sheet date, between the tax base of assets and liabilities and their carrying values for the financial reporting purposes.

Provision for deferred tax has been made in these financial statements in accordance with treatment spelled in IAS-12 (Income Taxes), using the tax rate enacted at the balance sheet date.

Deferred tax asset, if any, is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

The company also recognizes deferred tax asset/liability on deficit/surplus on revaluation, which is adjusted against the related deficit/surplus in accordance with the requirements of revised IAS-12 (Income taxes).

5.4 **Foreign Currency Translations**

Transactions in foreign currencies are translated into rupees at exchange rate prevailing on the date (or near thereto) these transactions are accounted for. The resultant differences, if any, are charged to profit and loss account

5.5 **Investments**

The company has classified its investments as under:

Available for sale

Investments of the company are stated at lower of cost or net realizable market value. Profit or loss on sale of investments is accounted for in the year of disposal. Provision is made for net diminution in value of investment at the balance sheet date, if any,

Investments intended to be held for an unidentified period of time, which may be sold in response to need for liquidity change in interest rates, exchange rates or equity price are classified as available for sale. The company has stated these investments, classified as available for sale, at lower of cost or market value; the requirements of IAS-39 have not been complied with, due to exemption granted to insurance companies by SECP, to avoid the circumstances due to tax implications, Had the company adopted IAS-39, the investment as at December 31, 2007 would have been higher by Rs.1,062,194/- (2006: Rs. 980,970/-) with the consequent increase in equity by the same amount.

All purchases and sales of investments are recognized on the trade date, which is the date that the company commits to purchase, or sell the investment. Cost of purchase includes transaction cost,

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. Initially, these investments are measured at the cost being the fair value of the consideration paid.

NOTES TO THE ACCOUNTS

FINANCIAL YEAR ENDED DECEMBER 31, 2007

Subsequent to the initial recognition at cost, these investments are measured at amortized cost less provision for impairment value, if any. Amortized cost is calculated taking into account any discount premium on acquisition which is deferred and included in the income for the period on straight line basis, over the term of the investments

5.6 **Financial Instruments**

All financial assets and liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instruments. A financial asset is de-recognized when the Company loses control of its contractual rights that comprise the financial assets, A financial liability is de-recognized when it is extinguished. Any gain or loss on de-recognition of the financial assets or liabilities are taken to profit and loss account, currently.

57 **Fixed Assets**

Company's Owned Assets

These are stated at cost less accumulated depreciation except for free hold land, which is stated at cost, and certain building which is stated at revalued amounts.

Depreciation is charged on "No. of days basis", by using the reducing balance method at the rates stated in relevant note.

Last year, the company has revalued its building. This revaluation was carried out by an independent value as on December 31, 2006, increase in carrying amount arising on revaluation of fixed assets, was credited to "Surplus on revaluation of fixed assets" as required by section 235 of Companies Ordinance, 1984.

Normal repairs and maintenance are charged to income currently where ere as major renewals and replacements are capitalized.

Gain or losses on disposal of fixed assets are included in income/(loss) currently.

Leased Assets

These are stated at lower of present value of minimum lease payments under the lease agreements and the fair value of assets acquired on lease. Aggregate amount of obligation relating to assets subject to finance lease is accounted for at net present value of liabilities.

Assets acquired are amortized over their expected useful life on reducing balance method on the basis of number of days, at the rates mentioned in the relevant note.

5.8 **Investment Properties**

The company in the current year has re-classified and restated its investment properties; such change does not affect the profitability of the company. The Investment Properties are accounted for under the cost model where land is not depreciated and building is depreciated @ 5% using the reducing balance method.

5.9 **Management and Administrative Expenses**

Expenses of management are charged on accrual basis and have been allocated to the respective accounts in proportion to the net premium income of the year. The general and administrative expenses which are not applicable to any particular business have been charged to aggregate business income.

5.10 **Zakat**

Zakat on investment income is accounted for in the year of deduction, under Zakat & Ushr Ordinance, 1980.

5.11 **Revenue Recognition Premium Income**

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

- i) For direct business, evenly over the period of the policy.
- ii) For proportional reinsurance business, evenly over the period of the underlying insurance policies.
- iii) Net premium revenue represents gross premium less re-insurance after adjustment of opening S, closing balances for risk of unearned Premium and
- iv) prepaid re-insurance premium on fire, marine, motor and miscellaneous Insurance business.
- iv) Pakistan Re- Insurance Co. Ltd. (PRCL) inward treaty business has been accounted for on the basis of statements upto December 31,2006, except for cash and bank transactions which have been accounted for currently.

NOTES TO THE ACCOUNTS

FINANCIAL YEAR ENDED DECEMBER 31, 2007

Dividend Income and Bonus Shares

Dividend Income and entitlement to bonus shares are recognized whenever such dividend and bonus shares are received by the company, irrespective of the year/period of declaration by the declarant.

Administration Surcharge

This represents the documentation and other charges recovered by the company from the policy holders in respect of policies issued @ 5% of premium. Administration Surcharge is recognized as revenue at the time, the policies are written.

Rental and Other Income

Rental and other incomes are recognized as and when accrued.

Income on Fixed Income Securities

Income on fixed income securities is recognized on accrual basis as and when the company obtains the right to recover.

Commission Income

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

5.12 **Reserve for Unearned Premium**

The provision for unearned premium represents the portion of premiums relating to unexpired period of coverage the company has opted for 1/24th method and maintained its reserves for unexpired risk in accordance with regulation 8(4)(b) of the accounting regulations for non-life insurance companies issued by Securities & Exchange Commission of Pakistan.

5.13 **Premium Deficiency Reserve**

As per SRO No. 938 issued by Securities & Exchange Commission of Pakistan a premium deficiency reserve is to be maintained, where the unearned premium liability of any class of business is not adequate to meet the expected future liability.

The management considers that the unearned premium reserve for all classes of business at the end of the period after reinsurance of claims and other expenses expected to be incurred after the balance sheet date in respect of policies in those classes of business, in force, at balance sheet date. Hence, no reserve for the same has been made in these financial statements

5.14 **Provisions**

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made.

5.15 **Impairment**

The carrying amounts of the company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated and impairment losses are recognized.

5.16 **Off Setting of Financial Assets and Liabilities**

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legally enforceable right to set off and the company intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

5.17 **Cash and Cash Equivalents**

Cash and cash equivalents for the purpose of cash flow statement comprise of cash and bank balances, deposits and instruments in hand.

5.18 **Commission Income Unearned**

The company used 1/24th method to calculate the provision of unearned commission income under the relevant provisions of SRO Mo. 938 of SEC insurance rules, 2002.

NOTES TO THE ACCOUNTS

FINANCIAL YEAR ENDED DECEMBER 31, 2007

5.19 **Deterred Commission Expense**

Commission cost incurred in obtaining and recording the insurance policies of insurance, are being deferred and recognized as an asset in correlation with the unearned premium that will be recognized in the subsequent periods.

The company uses 1/24th method to calculate the provision of unearned commission income under the relevant provisions of SRO No. 938 of SEC insurance rules, 2002.

5.20 **Premium Due But Unpaid**

These are recognized at cost, which is the fair value of the consideration given less provision for impairment, if any.

5.21 **Estimated Liability in Respect of Outstanding Claims**

The liability in respect of outstanding claims reflects the amounts intimated or assessed before the end of the financial year in respect of claims not rejected less anticipated recoveries there against.

In addition, commencing from the year 2003, the company has adopted a policy to maintain a reserve for losses incurred but not reported (IBNR) to comply with the requirements of Securities & Exchange Commission Rules 2002, Provision for IBNR as at balance sheet date is made, if any.

5.22 **Segment Reporting**

The company has four primary businesses segments for reporting purpose namely, fire & property damage, marine, motor, and miscellaneous. Assets liabilities and capital expenditures that are directly attributable to segments have been assigned to them while the currying amount of certain assets used jointly by two or more segments have been allocated to segments on premium written basis. Those assets and liabilities which cannot be allocated to a particular segment on premium written basis are reported as unallocated corporate assets and liabilities.

The fire insurance segment provides insurance covers against damages cause by fire, riot and strike, explosion, earthquake, atmospheric damage, flood, electric fluctuation and engineering losses,

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

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

Miscellaneous insurance provides cover against burglary, loss of cash in safe and cash in transit, personal accident, money and other coverages, and other not classified in above categories.

5.23 **Related Party Transactions**

Forty is 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 party. Transactions with related party are priced at comparable uncontrolled market price and are carried out at arm's length prices.

5.24 **Amount Due to /from Other Insurers/ Re-insurers**

Amount due to/from other insurers-insurers is carried out 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's is recognized for difference between the recoverable amount and the carrying amount.

5.25 **New accounting standards and IFRIC interpretations that are not yet effective**

The following standards, interpretations and amendments to approved accounting standards effective for accounting period beginning on or after January 01, 2008 are either not relevant to the company's operations or are not expected to have significant impact on the company's financial statements:

IAS-1 Presentation of Financial Statements (revised20Q7):

IAS-23 Borrowing costs (as revised);

IAS-41 Agriculture

IFRIC-11 Group and Treasury Shares Transactions;

IFRIC-12 Service Concession Arrangements;

IFRIC-13 Customer Loyalty Programmes;

IFRIC-14 The Limit on a Defined Benefit Asset Minimum Funding Requirements and their Interaction.

NOTES TO THE ACCOUNTS

FINANCIAL YEAR ENDED DECEMBER 31, 2007

6	SHARE CAPITAL		Note	2007 Rupees	2006 Rupees
6.1	Authorised Share Capital				
	2007	2006			
	Number of	Share			
	50,000,000	35,000,000	Ordinary Shares of Rs. 10/- each	500,000,000	350,000,000
	Reconciliation of authorized share capital				
	2007	2006			
	Number of	of			
	shares				
	35,000,000	25,000,000	At the beginning of the year	35,000,000	250,000,000
	15,000,000	10,000,000	Increase during the year	150,000,000	100,000,000
	50,000,000	35,000,000	At the end of the year	500,000,000	350,000,000
6.2	Issued subscribed and paid up capital				
	2007	2006			
	Number of	Share			
	10,963,475	10,963,475	Ordinary shares of Rs. 10/-each fully paid in cash	109,634,750	109,634,750
	14,237,090	11,946,130	Ordinary shares of Rs. 10/-each issued as fully paid bonus shares	142,370,900	119,461,300
	25,200,565	22,909,605		252,005,650	229,096,050
	Reconciliation of issued subscribed and paid up share capital				
	2007	2006			
	Number of	Share			
	22,909,605	16,661,531	At the beginning of the year	109,634,750	109,634,750
	2,290,960	6,248,074	Bonus shares issued during the year	142,370,900	119,461,300
	25,200,565	22,909,605	At the end of the year	252,005,650	229,096,050
6.3	As per circular No. 303 of 2007 of Securities and Exchange Commission of Pakistan minimum paid-up capital requirement to be complied with by December 31 of each year for non-life insurers are as follows:				
	Years	Amount (in Rs. Millions)			
	2007	120			
	2008	160			
	2009	200			
	2010	250			
	2011	300			
6.4	Reserves				
	Reserve for issue of bonus shares			-	-
	General reserve			75,115,917	98,025,517
				75,115,917	98,025,517
	Reserve for issue of bonus shares:				
	Balance at the beginning of the year			-	-
	Transfer from profit and loss appropriation account			-	62,480,740
	Transfer from General reserve			22,909,600	-
	Bonus share issued			(22,909,600)	(62,480,740)
	Balance at the end of the year			-	-

NOTES TO THE ACCOUNTS

FINANCIAL YEAR ENDED DECEMBER 31, 2007

	Note	2007 Rupees	2006 Rupees
General reserve:			
Balance at the beginning of the year		98,025,517	49,025,517
Transfer from profit and loss appropriation account		-	49,000,000
Transferred reserve for issue of bonus shares		(22,909,600)	-
Balance at the end of the year		75,115,917	98,025,517
7	SURPLUS ON REVALUATION OF FIXED ASSETS		
7.1	The building of the company is revalued by the independent valuer as on December 31, 2006 resulting in surplus of Rs. 2,654,211 which was changed to Surplus on Revaluation of Fixed Assets as per Requirements of Selection 235 of Companies Ordinance 1984. Revaluation surplus is carried at the amount after adjustment of deferred taxation.		
7.2	Movement in revaluation Surplus		
	Surplus on building	2,654,211	2,654,211
	Less:		
	Incremental depreciation charged in previous years	(132,711)	-
	Incremental depreciation charged in current years	(132,711)	-
		2,521,500	2,654,211
	Related deferred tax liability	(928,974)	(928,974)
	Less: Related deferred tax liability on incremental depreciation		
	Transferred to retained earnings	46,449	-
		(882,525)	(928,974)
	Closing balance	1,638,975	1,725,237
7.3	Incremental depreciation is the difference between the actual depreciation expense and depreciation at the historical cost values		
8	STAFF RETIREMENT BENEFITS		
8.1	Balance sheet liability		
	Present value of defined benefits obligations as at the end of the year	9,646,226	6,618,547
	Unrecognized actuarial gains/(loss)	(753,070)	695,628
	Unrecognized transitional liability	(3,851,904)	(5,135,872)
	Total liability at the end of the year	5,041,292	2,178,303
8.2	Reconciliation of present value of benefits obligations		
	Present value of defined benefits obligations as at the beginning of the year	6,618,547	6,419,840
	Current service cost	1,956,988	1,180,606
	Interest cost	661,855	641,984
	Benefits paid	(1,034,193)	(928,255)
	Actuarial (gain)/ loss on present value of defined benefits obligations	(1,443,069)	(695,628)
	Present value of defined benefits obligations as the end of the year	9,646,266	6,618,547
8.3	Reconciliation of actuarial gain/ (loss)		
	Unrecognized actuarial gains/ (loss) as at the beginning of the year	695,628	-
	Actuarial gains/(loss) arising during the year	(1,443,069)	695,628
	Actuarial gains/(loss) charged to profit and loss account during the year	(5,629)	-
	Unrecognised actuarial gains/ (loss) as at the end of the year	(753,070)	695,628
8.4	Charged to Profit and Loss Account		
	Management expenses include retirement benefits in respect of gratuity, amounting to Rs. 3,897,182 (2006:3,106,558)		

NOTES TO THE ACCOUNTS

FINANCIAL YEAR ENDED DECEMBER 31, 2007

	Note	2007 Rupees	2006 Rupees
Current Service Cost		1,956,988	1,180,606
Interest Cost		661,855	641,984
Past Service Cost		-	-
Actuarial (gain/loss Charge)		(5,629)	-
Liability Amount Charged to Profit and loss Account		1,283,968	1,283,968
Total Amount Charged to Profit and Loss Account		3,897,182	3,106,558
8.5 Transitional Liability Due to Adoption of IAS			
Unrecognized Transitional Liability at the Beginning of the Year		5,135,872	6,419,840
Less: Transitional Liability Recognised during the year		(1,283,968)	(1,283,968)
Unrecognised Transitional Liability at the end of the year		3,851,904	5,135,872
8.6 Principle Actuarial Assumption			
Valuation Discount Route		10%	10%
Expected Salary Increase Rate		9%	9%
Average Expected Remaining Working life time of the Employees		6 Years	6 Years
9 Deferred Taxation			
Deferred Tax Liabilities/assets Arising in respect of:			
Accelerated Description on Property, Plant and Equipment		4,834,804	3,415,314
Liability against assets subject to Finance Lease		3,828,225	3,226,744
Provision for gratuity		(1,364,014)	(1,087,295)
Liability Relating to Revolution Surplus on Building		882,525	928,974
		8,181,540	6,483,737
10 Short Term Bank Borrowings Secured			
Bank Borrowings		14124575	5,594,882
		14124575	5,594,882

The above renewable finances have been obtained from various banking companies against sanctioned limit of Rs. 18.25 millions. These finances are secured against pledge OF TDE's/SNTD's at varying margins. The markup rates on above facilities range from 9.0% to 14%. The mark up is payable on various dates.

11. Liabilities Against Assets Subject To Finance Lease-Secured

Future minimum lease payments under finance lease together with the present value of the minimum lease payments are as follows: -

	2007		2006	
	Minimum Lease Payment (MLP)	Present Value of MLP	Minimum Lease Payment (MLP)	Present Value of MLP
Due within one year	27,409,056	22,108,094	19,771,616	19,671,231
Due after one year but not later than five year	37,469,115	34,177,145	28,989,318	22,880,527
Total minimum lease payments less:	64,878,171	56,285,239	48,760,934	42,551,758
Less:				
Lease finance charges allocable to future periods	8,592,931	-	6,209,176	-
Present value of MLP	56,285,240	56,285,239	42,551,758	42,551,758
Less:				
Current maturity under finance	22,108,094	22,108,094	19,671,231	19,671,231
Long term liability	34,177,146	34,177,145	22,880,527	22,880,527

NOTES TO THE ACCOUNTS

FINANCIAL YEAR ENDED DECEMBER 31, 2007

The company intends To exercise its option to acquire leased vehicles upon completion of lease period. The average rate of interest implicit in the lease ranges from 13% to 20% p.a. These are secured against personal guarantees of directors and chief executive of the company, demand promissory note for full lease rental plus residual value, security deposit and title of ownership of leased vehicles. The rentals are payable in equal monthly installments and there is no financial restrictions in the lease agreements.

12. CONTINGENCIES & COMMITMENTS

Contingencies

There is a contingent liability of Rs 0.361 million (2006:Rs 0.361 million) regarding civil commotion compensation funds Ordinance 1971. The company is of the view that this will never arise.

Commitments

There were no capital commitments as at balance sheet date

Note

		2007 Rupees	2006 Rupees
13	Loan to Employees and Agents Secured		
	Employee and agents	1,253,534	4,833,255
		1,253,534	4,833,255
	These are considered good and secured by securities and personal guarantees		
14.	Investment		
	Available for sale	10,763,145	9,296,628
	Held to Maturity	2,500,000	4,055,716
		13,263,145	13,352,344

14.1 Available for Sale

Shares in Quoted Companies

2007	2006	Quoted Companies		
---No of	Shares ---			
		Commercial Banks		
2,089	2,926	Askari Bank Ltd	209,300	193,409
2,094	1,560	National of Pakistan	490,400	188,649
2,000	-	United Bank Ltd	373,930	-
361	361	P.I.C.I.C (NIB Bannk Ltd)	3,009	3,009
736		Textile Spinning		
100	736	Fazal Cloth Mills Ltd	3,162	3,162
522	100	Island Textile Mills Ltd	844	844
1,150	522	Janana De Malucho Textile Mills Ltd	5,070	5,070
931	1,150	Kohat Textile Mills Ltd	11,595	11,595
232	931	Shahzad Textile Mills Ltd	8,160	8,160
	232	Sunshine Cotton Mills Ltd	1,834	1,834
250		Textile Composite		
64	7,750	Azgard Nine Ltd	-	215,112
44	64	Colony Thal Textile Mills Ltd	466	466
	44	Kohinoor Textile Mills Ltd	253	253
530		Woolen		
	530	Valika Woolen Mills Ltd	1,980	1,980
		Jute		
1,445	952	Thal Ltd	7,940	7,940
		Sugar and Allied Industries		
463	463	Bawany Sugar Mills Ltd	1,290	1,290
1,868	1,370	Habib Sugar Mills Ltd	1,606	1,606
396	396	Kohinoor Sugar Mills Ltd	3,400	3,400
415	415	Mirpurekhas Sugar Mills Ltd	5,667	5,667
122	122	Shakarangi Mills Ltd	964	964
		Refinery		
2,000	-	Pakistan Refinery Ltd	543,990	-
		Power Generation and Distribution		
	6,500	Hub Power Companies Ltd		190,469

NOTES TO THE ACCOUNTS

FINANCIAL YEAR ENDED DECEMBER 31, 2007

2007	2006	Quoted Companies	2007	2006
---No of	Shares ---		Rupees	Rupees
		Oil and Gas Exploration Companies		
2,000	3,700	Oil & Gas Development Co. Ltd.	253,580	431,178
-	1,500	Pakistan Oil Field Ltd.	-	404,790
		Engineering		
1,008	1,008	Quality Steel Mills Ltd.	5,530	5,530
		Automobile Assembler		
2,000	700	Indus Motor Company Ltd.	94,650	94,450
		Cable and Electrical Goods		
793	588	Pakistan Cables Ltd.	2,800	2,800
2,400	2,400	Climax Engineering Ltd.	88,896	88,896
		Technology and Communication		
3,200	3,200	Pakistan Telecommunication Co. Ltd.	1,997,780	1,997,780
		Fertilizer		
1,650	1,650	Fauj Fertilizer Co. Lt.d	195,704	195,704
		Pharmaceuticals		
14	14	Abbot Laboratories (Pakistan) Limited	106	106
600	484	Ferozsons Laboratories Ltd.	2,190	2,190
1,000	-	Highnoon Laboratories Ltd.	88,700	-
		Chemicals		
50	50	ICI (Pakistan) Lt.d	1,377	1,377
		Paper and Board		
1,425	1,358	Packages Ltd.	62,815	62,815
		Vanaspoti and Allied Industries		
206	206	Kakakhail Pakistan Ltd.	3,380	3,380
		Glass and Ceramics		
130	-	Tariq Glass Industries	2,875	-
		Mutual Fund (Open End)		
4,978	-	JS Income Fund	527,149	-
		Leasing		
155,000	155,000	SME Leasing	1,705,000	1,705,000
196,273	200,988		5,507,392	4040,875

Shares in Un-Quoted Companies

2007	2006	Un-Quoted/De-listed Companies	2007	2006
---No of	Shares ---		Rupees	Rupees
172	172	Adamjee Industries Ltd	1,818	1,818
640	640	Pakistan Paper Sack Ltd	206	206
33	33	Valika Usman Textile Mills Ltd	729	729
200,000	200,000	Fazal Sugar Mills Ltd	3,502,000	3,502,000
100,000	100,000	Punjab Cables Ltd	1,751,000	1,751,000
300,845	300,845		5,255,753	5,255,753
			10,763,145	9,296,628

Market value investment is quoted shares of the companies as at December 31, 2007 is Rs. 6,571,593/- (2006 Rs. 5,024,598/-). Due to non availability of break up value of investment in unquoted shares are considered to be same.

14.5 Held to Maturity

Government of Pakistan Bonds	-	1,055,716
Investment in F.E.B.C	-	3,000,000
Investment in MUSHARIKA	2,500,000	-
	2,500,000	4,055,716

15. INVESTMENT PROPERTIES

	Cost		Depreciation			Written Down Value	
	As at 01 January 2007	As at 31 December 2007	Rate %	As at 01 January 2007	Transfer		For the Year
Freehold Land	23,128,210	23,128,210	-	-	-	-	23,128,210
Buildings	24,336,460	24,336,460	5%	1,105,038	-	1,161,571	22,069,851
2007-Rupees	47,464,670	47,464,670		1,105,038	-	11,61,571	45,198,061
2006-Rupees	-	47,464,670		-	509,360	595,678	46,359,633

Market value of land and building as at December 31, 2007 was Rs. 58,500,000 (2006: Rs. 50,681,423)

NOTES TO THE ACCOUNT

FINANCIAL YEAR ENDED DECEMBER 31, 2007

16. SCHEDULE OF FIXED ASSETS – TANGIBLE

	Owned Assets						Leased Assets		Grand Total	
	Freehold Land	Building	Furniture and Fixture	Office Equipments	Computer Equipments	Vehicle	Total	Vehicles		Total
Cost										
Balance as at January 01, 2006	37,296,960	41,403,040	9,566,218	3,376,515	921,473	40,288,808	132,853,014	42,854,300	175,707,314	
Additions during the year	1,909,667	20,442,567	29,746,409	1,773,080	921,012	1,394,175	56,186,910	30,329,596	86,516,506	
Disposals	(14,929,002)	-	-	-	-	(3,288,660)	(18,217,662)	-	(18,217,662)	
Transfer/Adjustment	(24,277,625)	(20,532,834)	-	-	-	9,241,300	(18,217,662)	(9,241,300)	(44,810,459)	
Balance as at December 31, 2006	-	4,132,773	39,312,627	5,149,595	1,842,485	47,635,623	(135,253,103)	63,942,596	199,195,699	
Balance at January 01, 2007	-	41,312,773	39,312,627	5,149,595	1,842,485	47,635,623	135,253,103	63,942,596	199,195,699	
Additions during the year	2,800,000	2,800,000	23,192,568	2,287,873	1,078,359	3,193,614	60,552,414	36,312,000	96,864,414	
Disposal	-	(4,500,000)	-	-	-	(2,129,288)	(6,629,288)	-	(6,629,288)	
Transfer/Adjustment	-	-	-	-	-	17,143,000	17,143,000	17,143,000	-	
Balance as at December 31, 2006	280,000	64,812,773	62,505,195	7,437,468	2,920,844	65,842,949	20,6319,229	83,111,596	289,430,825	
Depreciation										
Balance as at January 01, 2006	-	355,337	1,655,729	1,404,804	351,469	25,406,162	29,173,501	8,382,081	37,555,582	
Change for the year	-	2,705,456	2,176,969	289,264	247,514	3,068,851	8,488,054	8,451,803	16,939,857	
Depreciation on disposal	-	-	-	-	-	(2,399,334)	(2,399,334)	-	(2,399,334)	
Transfer/Adjustment	-	(509,360)	-	-	-	4,686,649	4,177,289	(4,686,649)	(509,360)	
Balance as at December 31, 2006	-	2,551,433	2,832,698	1,694,068	598,983	30,762,328	39,439,510	12,147,235	51,586,745	
Balance as at January 2007	-	2,551,433	3,832,698	1,694,068	598,983	30,762,328	39,439,510	12,147,235	51,586,745	
Charge for the year	-	2,000,871	4,435,273	459,503	566,780	4,633,147	12,095,574	12,270,096	24,365,670	
Depreciation on disposal	-	(402,385)	-	-	-	(1,669,224)	(2,071,609)	-	(2,071,609)	
Transfer/Adjustment	-	-	-	-	-	8,528,762	8,528,762	(8,528,762)	-	
Balance as at December 31, 2006	-	4,149,919	8,267,971	2,153,571	1,165,763	42,255,013	57,992,237	15,888,569	73,880,806	
Written down value as at December 31 2006	-	38,761,340	35,479,929	3,455,527	1,243,502	16,873,295	95,813,593	51,795,361	147,608,954	
Written down value as at December 31 2007	2,800,000	60,662,854	54,237,224	5,283,897	1,755,081	23,578,936	148,326,992	67,223,027	215,550,019	
Rate of depreciation in %	-	5	10	10	33.33	20	-	20	-	

NOTES TO THE ACCOUNT

FINANCIAL YEAR ENDED DECEMBER 31, 2007

16. The revaluation of fixed assets was carried out by an independent valuer M/s Frank Observers (Private) Limited, 16 Carvan Building, 8-Link McLeod Road Lahore, on December 31, 2006 resulting in surplus of Rs.2,654,211/- which was credited to surplus on revaluation of fixed assets in order to comply with the requirement of Section 235 of the Companies, Ordinance, 1984.

16.2 Had there been no revaluation, the cost, accumulated depreciation and book value of revalued assets as at December, 31, 2007 would have been as follows:

DESCRIPTION	COST			Rate (%)	DEPRECIATION			
	January 01, 2007	Additions	Deletions		December 31, 2007	For the year	Adjustment	December 31, 2007
Building	1,517,673	-	-	1,517,673	5	72,089	-	147,973
2007	1,517,673	-	-	1,517,673		72,089	-	147,973
2006	1,517,673	-	-	1,517,673		75,884	-	75,884
Particular	Cost	ated	Written	Sale Proceed	Gain/Loss	Mode of		
Vehicles	Rupees	Deprecat	Down Value	Rupees	Rupees	Disposal		
		Rupees	Rupees					
Suzuki LHR 8333 (800CC)	102228	99981	2247	55000	52753	Negotiation		
Toyota Corolla LXW 1693	1115740	833005	282735	300000	17265	Negotiation		
Suzuki Mehran LXW 5561	410760	308805	101955	100000	(1955)	Negotiation		
Suzuki Mehran LXM 2139	500560	427433	73127	40000	(33127)	Negotiation		
Sub Total	2129288	1669224	460064	495000	34963			
Building								
Building (9 Marla Multan)	4500000	402385	4097615	24750000	20652385	Negotiation		
TOTAL		2071609	4557679	25245000	20687321			

NOTES TO THE ACCOUNTS

FINANCIAL YEAR ENDED DECEMBER 31, 2007

	Note	2007 Rupees	2006 Rupees		
17 MANAGEMENT EXPENSES		5,714,486	4,047,780		
Vehicle expenses & Workshop bills		8,471,075	5,524,757		
Advertisement & selling expenses		157,459	161,200		
Fire Services charges		83,763	142,400		
Accident services charges		215,643	146,300		
Marine services charges		54,046	30,315		
Miscellaneous expenses		1,040,685	615,665		
Insurance policy & stamp paper		12,930,000	13,406,869		
Staff Salaries		28,667,157	24,075,286		
18 OTHER					
Gain on Sale of fixed assets		20,687,321	2,214,171		
Miscellaneous income		39,878	21,801		
		20,727,199	22,165,972		
19 GENERAL ADMINISTRATION EXPENSES					
Salaries, allowances and benefits		24,341,039	20,494,279		
Traveling, conveyance and vehicle charges		13,595,056	10,886,337		
Printing & stationary		2,250,097	2,563,188		
Legal & professional fee		16,859,776	14,795,776		
Auditor's remuneration		2,603,105	2,024,403		
Lease finance charges		390,000	180,000		
Depreciation		6,150,097	4,793,610		
Exchange loss		25,527,241	17,535,535		
Zakat		24,791	-		
Gratuity		157,213	-		
		3,897,182	3,106,558		
		95,795,597	76,379,686		
19.1 AUDITOR'S REMUNERATION					
		Total	Audit Fees	Other Certifications	Out of pocket expenses
2007					
Avais Hayder Liaquat Noman		195,000	170,000	15,000	10,000
Sarwars		195,000	170,000	15,000	10,000
Total		390,000	340,000	30,000	20,000
2006					
Avais Hyder Liaquat Nauman		90,000	75,000	10,000	5,000
Sarwars		90,000	75,000	10,000	5,000
Total		180,000	150,000	20,000	10,000
20 PROVISION FOR TAXATION					
Current				6,035,516	5,458,100
Prior				-	-
Deferred				1,697,803	5,098,141
				7,733,319	10,556,241

The income tax assessment of the company has been finalized upto and including tax year 2007 relevant to year ended December 31, 2006 under the deeming provisions of the of Income Tax Ordinance 2001, by virtue of this no further tax provision has been made in these accounts for the tax year 2007. see note No. 5.3 annexed.

Reconciliation between Effective and Applicable Tax Rate

	Percentage %	Percentage %
Application Tax Rate	35.00	35.00
- Effect of exempted income	(6.69)	(7.29)
- Effect of tax on amounts deductible for tax purpose	(13.08)	(17.29)
- Effect of opening deferred tax	(6.00)	(0.43)
Effective tax rate	9.23	9.99

NOTES TO THE ACCOUNT

FINANCIAL YEAR ENDED DECEMBER 31, 2007

21. FINANCIAL INSTRUMENT AND RELATED DISCLOSURES

	Interest/Markup Bearing			Non Interest/Markup Bearing		
	Maturity within year	Maturity more than 1 year but less than 5 year	Sub Total	Maturity within year	Maturity more than 1 year but less than 5 year	Sub Total
FINANCIAL ASSETS AND LIABILITIES						
FINANCIAL ASSETS						
Loan to employees and agents	-	-	-	1,253,534	-	1,253,534
Investments	-	2,500,000	2,500,000	10,763,145	-	10,763,145
Premium due but unpaid	-	-	-	12,928,3140	-	12,928,3140
Interest outstanding	-	-	-	1,234,682	-	1,234,682
Amount due from other insurers/re-insurers	-	-	-	18,126,380	-	18,126,380
Re-insurance reveries against O/S claims	-	-	-	9,704,828	-	9,704,828
Sundry receivables	-	-	-	2,889,177	-	2,889,177
Cash & Bank Balances	4,5950,000	31,042,972	76,992,972	114,206,106	-	114,206,106
	<u>45,950,000</u>	<u>33,542,972</u>	<u>79,492,972</u>	<u>28,7460,992</u>	<u>-</u>	<u>287,460,992</u>
						<u>292,735,776</u>
FINANCIAL LIABILITIES						
Claims cut-standing	-	-	-	18,927,628	-	18,927,628
Amount due to other insurers/re-insurer	-	-	-	17,951,742	-	17,951,742
Other creditors & accruals	-	-	-	32,380,949	-	32,380,949
Short term bank borrowings	14,124,575	-	14,124,575	-	-	-
Liabilities against asset subject to finance lease	22,108,094	34,177,146	56,285,240	-	-	56,285,240
	<u>36,232,669</u>	<u>70,409,815</u>	<u>69,260,319</u>	<u>69,260,319</u>	<u>-</u>	<u>139,670,134</u>
						<u>96,926,991</u>

Effective interest rates for the monetary financial certificates are mentioned in the respective notes to the accounts

NOTES TO THE ACCOUNTS

FINANCIAL YEAR ENDED DECEMBER 31, 2007

21.1 Market Risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market.

The company is exposed to market risk with respect to its investment. The company limits market risk with respect to its investment. The company limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in equity market,

21.2 Credit Risk and Concentration of Credit Risk

Credit risk is the risk, which arises with possibility that one party to a financial statement will fail to discharge its obligation and cause the other party to incur a financial loss. The company attempts to control credit risk by monitoring credit exposure by undertaking transaction with a large number of counter parties in various industries and by continually assessing the credit worthiness of counter parties.

Concentration of credit risk arises when a number of counter parties have a similar type of business activities. As a result any change in economic, political or other conditions would affect their ability to meet contractual obligations in a similar manner.

The company is exposed to its credit risk on premiums due but unpaid, amount due from insurers/reinsurers and reinsurance recoveries against outstanding claims. The management monitors and Limits Company's exposure to credit risk through monitoring of credit exposure, review and conservative estimate of provisions for doubtful receivables if any.

21.3 Fair Value of Financial Instruments

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair value estimates.

The fair value of all the financial instruments are estimated to be not significantly different from their carrying values except for quoted investment, fair values of which have been stated in relevant note.

21.4 Reinsurance Risk

Reinsurance ceded does not relieve the company from its obligation to policy holders and as a result the company remains liable for the portion of outstanding claim reinsured to the extent that reinsured fails to meet the obligation under reinsurance agreements.

In common with other insurance companies in order to minimize the financial exposure arising from large claims, the company, in the normal course of business, enters into agreement with other parties for reinsurance purposes.

To minimize its exposure to significant losses from re-insurer insolvencies, the company evaluates the financial condition of its re-insurers and monitors concentration of credit risk arising from similar geographic regions, activities or economic characteristics of re-insurers.

NOTES TO THE ACCOUNTS

FINANCIAL YEAR ENDED DECEMBER 31, 2007

22. SEGMENT REPORTING

The company has four primary segments for reporting purpose namely Fire, Marine, Motor and Miscellaneous Assets and liabilities, wherever possible have been assigned to the following segments base on specific identification or allocated on the basis of premium written by each segment

Amount in Rs.

	FIRE		MARINE		MOTOR		MISCELLANEOUS		TOTAL	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
REVENUE										
Net premium revenue	125,515,533	137,456,348	27,665,801	24,095,970	99,127,320	60,284,439	60,349,018	36,459,440	312,657,672	258,296,197
Segment results	96,240,233	92,314,690	19,714,185	17,294,154	32,176,634	24,488,680	30,400,482	22,752,939	178,531,534	156,850,463
Investment income									4,136,558	2,580,853
Other income									21,207,199	22,585,972
Expense									(95,795,597)	(76,379,686)
Profit before tax									108,079,694	105,637,602
Provision of taxation										
Current									6,035,516	5,458,100
Prior									-	-
Differed									1,697,803	5,098,141
									7,733,319	10,556,241
Net Profit									100,346,375	95,081,361
Other information										
Segment assets	164,018,048	141,162,963	28,466,984	17,582,370	62,811,774	30,106,344	56,376,974	2,763,9426	311,673,779	216,491,103
Unallocated assets									470,587,695	367,621,303
Total Assets									782,261,474	584,112,406
Segment liabilities	85,728,071	97,462,649	19,344,091	17,941,260	86,340,095	41,305,537	38,121,139	19,984,822	229,533,396	176,694,268
Unallocated									123,238,944	78,275,380
Total Liabilities									352,4772,341	254,969,648

NOTES TO THE ACCOUNTS

FINANCIAL YEAR ENDED DECEMBER 31, 2007

	Note	2007 Rupees	2006 Rupees
23 BASIC EARNING PER SHARE			
Profit attributable to Ordinary Shareholders			
Weighted average No. of Ordinary Shareholders outstanding during the year		100,346,375	95,081,360
Basic/adjusted earning per share		25,200,565	2,520,565
		<u>3.98</u>	<u>3.77</u>

No figure of diluted earning per share has been presented as the company has not issued any instrument which would have an impact n earnings per share when exercised.

24 REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

	Chief Executive	Executive	Total 2007	Total 2006
Salaries	1,317,276	1,860,000	3,177,276	1,036,800
Allowance and perquisites	782,724	1,020,000	1,802,724	40,200
	<u>2,100,000</u>	<u>2,880,000</u>	<u>4,980,000</u>	<u>1,440,000</u>
Number of person	<u>1</u>	<u>3</u>	<u>4</u>	<u>1</u>

The Chief Executive is also provided with free use of the company's maintained car.

25. RELATED PARTY TRANSACTIONS

The company has relationship of associated undertakings with United Track System (Private) Limited due to common directorship. Transactions with related party are summarized as follow: -

Purchases of Track System	3,315,100	6,900,705
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26. DATE OF AUTHORIZED FOR ISSUE

These financial statements have been authorized for issue on 01-03-2008 by the Board of Directors of the company.

27. COMPARATIVES

Previous year figures have been rearranged where necessary, for the purpose of comparison. These were no major changes in the comparatives during the year, effecting the income of the company.

28. GENERAL

These figures have been rounded off to the nearest rupee.

29. EVENT SUBSEQUENT TO THE BALANCE SHEET DATE

In the meeting of board of directors approving the financial statements for the year 2007, the directors also proposed 20% stock dividend of Rs. 50,401,130/- for the year ended on December 31, 2007 on the increased paid up capital of Rs. 252,005,650/- (including last bonus issued of Rs, 22,909,600/- for the year 2006), after capitalizing the bonus shares issue for 2007 the paid up capital will stand increase to Rs. 302,406,780/-

Mian M. A. Shahid
Chairman & Chief Executive

Huma Waheed
Director

Ch. Habib-ur-Rehman
Director/President

NOTES TO THE ACCOUNTS

FINANCIAL YEAR ENDED DECEMBER 31, 2007

Share Holding		Number of Shareholder	Total Shares Held
From	To		
1	100	155	4776
101	500	71	18427
501	1000	39	28542
1001	5000	48	117704
5001	10000	26	194774
10001	20000	33	466858
20001	30000	3	78267
30001	40000	3	95499
40001	50000	3	135391
50001	60000	9	494735
60001	70000	7	448313
70001	80000	11	845166
80001	90000	8	695302
90001	100000	14	1321068
100001	200000	87	12336251
200001	300000	23	5530051
300001	400000	3	1103300
400001	600000	1	500395
600001	800000	1	785746
		545	25200565

CATEGORIES OF SHAREHOLDERS

As per Code of Corporate Governance
As At December 31, 2007

Sr No.	Categories of Shares Holders	Number of Share Holders	Share Held	Percentage
1	Associated Undertaking and Related Parties	Nil	Nil	0
2	NDFC (List "A" Attached)	1	1701	0.007
3	Director and CEO (List "B" Attached)	8	283519	1.13
4	Executives	Nil	Nil	0
5	Public Sector Corporation	Nil	Nil	0
6	Banks, Insurance and Modaraba Companies (List (List "C" Attached)	4	299933	1.19
7	Individuals	522	24322844	96.51
8	Others	10	292568	1.16
		545	25200565	100.00

PATTERN OF SHARE HOLDING

LIST "A"
NDFC

Sr No.	Name	Number of Shares
1	National Development Finance Corporation	1701.00
		1701.00

LIST "B"
PATTERN OF SHARE HOLDING
DETAILS OF CEO AND DIRECTORS

Sr No.	Name	Number of Shares
1	Ch. Habib ur Rehman	13998
2	Main M.A. Shahid CEO	180958
3	Ch. Najeeb ur Rehman	13102
4	Ch. Maqsood Ahmed	50396
5	Ch. Aziz ur Rehman	13560
6	Muhammad Ashraf Khan	3276
7	Huma Waheed	4306
8	Muhammad Ifikhar Hussain	3923
		283519

LIST "C"
BANKS, INSURANCE AND MODARABA COMPANIES

Sr No.	Name	Number of Shares
1	Eastern Federal Union Ins. Company	1035
2	Pakistan Re-Insurance Company	298266
3	Habib Bank Limited	82
4	Al-Zamin Leasing Modaraba	550
		299933

LIST "B"
PATTERN OF SHARE HOLDING
DETAILS OF CEO AND DIRECTORS

Sr No.	Name	Number of Shares
1	Alliance International	940
2	Aziz Coal Mines Ltd	14829
3	Indus Coal Mines Ltd	212267
4	Kazi & Kazi	487
	Sarfraz Mahmood (Pvt) Ltd	
5	Mehran Dastagir Textile Mills Ltd	19844
6	Mher Dastgir Leather & Footwear Industries Ltd	19844
7		96
8	Shahab Coal Mines (Pvt) Ltd	11661
9	Zahid Steel (Pvt) Ltd	6300
10	Zahid Chemicals (Pvt) Ltd	6300
		292568

NATIONAL WIDE BRANCH OFFICES

Lahore:

Sheikh Muhammad Siddique,

General Manager, 129-E, 2nd Floor,
Tahawar Plaza, Main Boulevard,
Gulberg-III,

Lahore.

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Mr. Muhammad Naseem Butt

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18-Taj Mansion,
46-Shahrah-e-QuDid-e-Azam,

Lahore.

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Mr. Mubashar Hassan

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46-Shanrah-e-Quaid-e-Azam,

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Mr. Ahsan Khurshid Haq,

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Khaleej Tower, Jail Road

Lahore. Ph. No. 752401 IS 7568522

Mr. Salman Z. Khan M.B.A

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Deputy General Manager,
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Mr. Rafique Naveed Butt Branch Manager

59-Knrim Block, Allama Iqbal Town

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Mr. Khawar Siddiqui

109-Ci II Township

Lahore: Ph No: 042-5119507

Mr. Ghulam Muhammad

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Nicholson Road,

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Mi an Muhammad Akbor

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0333-4271723

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0321-8414720

Rawalpindi

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NATIONAL WIDE BRANCH OFFICES

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Mr. Muhammad Yasin Memon

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Mr. Imran Ullah

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Jhelum

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Ch. M.Asam Feroze
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Badin

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Mr. Tariq Saeed

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Khawaja Anwaar Tasneem

Executive Vice President Al-Sheikh
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NATIONAL WIDE BRANCH OFFICES

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Mr. Rashid .M. Muffi

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Mr. Ghulam Bari Mughal

Zonel Manager,
Umer Center, Neat General Bus Stand
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Multan

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Rahim Yar Khan

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Mr. Tariq Subhan Khan
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Mr. Rai Mansab All

Zonal Manager,
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Mir Pur Khas

Mr. Muhammad Afsar Ahmed
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Mr. Alif Adrees Khan
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T Hoar, Perfection House, M.AJinnah Road,
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Faisalabad

Mr. Mian Kashif Rasheed
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Mr. Muhammad Akram Sheikh

'Regional Manager, Saghir Plaza,
MeharSadiq Market, Railway
Road, Faisalabad.
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Mr. Akram Ali Shah

Zonal Manager,
11-Cheemo Chambers, Railway
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Sheikhupura

Mr. Tanveer Ejaz

SVP/7onal Chief,
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Mr. Muhammad Rafique Javaid

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Sargodha

Mr. Waqas Manawar

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Sargodha
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Raja Muhammad Abdullah

Manager,
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Mandi Bahauddin

Mr. Malik Altaf Hussain
Koh-i-Noor Marriage Hall,
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Mandi Bahauddin
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0322-7784056

NATIONAL WIDE BRANCH OFFICES

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Mian M. Asif

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Bahawalpure

Syed M.Rafique Shah

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Mr. Raja Munir Akhtar

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Mr. Mujahid Hussain Virk

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Mr. Ch. Ejaz

RGM/GM, House No: 1408/475,
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0222-5614815, Mobile No: 0300-9311314

Muzaffar Goth

Mr. M. Tariq Khan, Branch Manager
S/o, Saeed A. Khan House No. 439, B-VII,
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Wapda 2nd Sub Division, D.G.Khan
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Bahawal Nagar

Mr. Rai Sajjad Hussain

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Abbotabad

Mr. Jamil Akhtar Bhatti

Zonal Manager,
Riaz Centre, Opp: Stylo Shoes,
Mandion,
Abbotabad. Ph.No. 0992-383720-382821
Mobile No: 0300-5644121.,0333-5115628

Gujrat

Mian Muhammad Ahsan

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Opp: N.B.P, Gujrol
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0333-8406817

Madan

Mr. Jahanzeb Ali

Branch Manager, The Moll, Mardan.
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Chichawatini

Syed Ather Raza Zaidi

Branch Manager,
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Alflaha Islamio Dawakhana,
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0321-6837646

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Khawaja Shahid Mehmood

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Peshawar

Mr. Jahanzeb Khan

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Nawab Shah

Mr. Jamshaid Akhtar Samoo

Regional Manager,
C/O Imran Painter,
Moni Bozar, Nowab Shah.
Ph.No: 0244-361284 -360228
Mobile No: 0300-3211019
0300-3200323

FORM OF PROXY

48TH ANNUAL GENERAL MEETING

I/We.....

of.....

being member of the United **The United Insurance Company of Pakistan Limited** hereby appoint.

.....

our failing him

of.....

as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Forty Eight Annual General Meeting of the Company to be held on March 28, 2008 at any adjournment thereof.

Witness:

AFFIX Revenue
Stamp of
Five Rupees

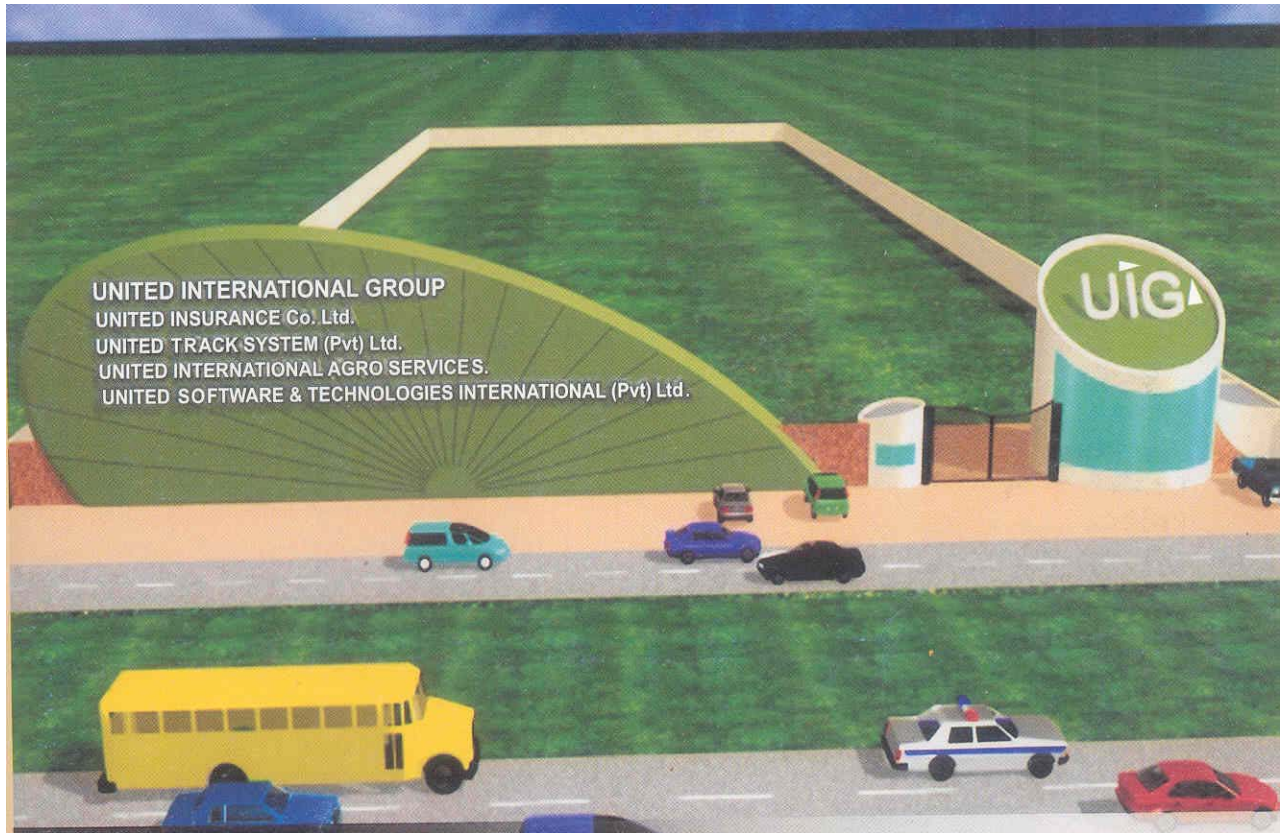
(Signature should agree
with
specimen signature
registered with the
Company)

**AFFIX
POSTAGE**

The Company Secretary

The UNITED INSURANCE COMPANY OF PAKISTAN LTD.

302-A, Panorama Centre 2,
Raja Ghazanfar Ali Khan Road,
Karachi



Proposed site for front office: -
“*The* **United Insurance Company of Pakistan Limited**”
Near Sheikhupura Motorway Interchange

UIC[▲]

Group of Companies



The **UNITED INSURANCE COMPANY OF PAKISTAN LIMITED.**

Head Office: Nizam Chambers, 7-Shahrah-e-Fatima Jinnah, Lahore.

Tel: (042) 6361471, 6315091, 6371420, 6311078 UAN: (042) 111-000-014

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