



Authorised Capital	Rs. 200,000,000
Issued, Subscribed & Paid-up Capital	Rs. 132,500,000

**QUARTERLY ACCOUNTS
MARCH 31, 2007
(UNAUDITED)**



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COMPANY INFORMATION

BOARD OF DIRECTORS

ISMAIL H. ZAKARIA	Chairman
MOHAMMED AMIN AHMED BAWANY	
A. AZIZ AYOOB	
IRFAN ZAKARIA BAWANY	
MOHAMMAD OMER BAWANY	
ZOHAIR ZAKARIA	
AHMED ALI BAWANY	
NOOR M. ZAKARIA	
GHULAM MOHIUDDIN ZAKARIA	
HAMZA OMER BAWANY	
A. RAZAK AHMED	Chief Executive & Managing Director

MANAGEMENT

Senior Executive
Vice President

BASHARAT M. BARLAS

Chief Accountant and
Company Secretary

HAROON A. SHAKOOR

Audit Committee

A. AZIZ AYOOB
IRFAN ZAKARIA BAWANY
ZOHAIR ZAKARIA

Chairman
Member
Member

AUDITORS

GARDEZI & COMPANY
Chartered Accountants

LEGAL ADVISOR

ABDUL SATTAR PINGAR

BANKERS

HABIB BANK LIMITED
NATIONAL BANK OF PAKISTAN
MCB BANK LIMITED
ALLIED BANK OF PAKISTAN LIMITED
UNITED BANK LIMITED
PRIME COMMERCIAL BANK LIMITED
INDUSTRIAL DEVELOPMENT BANK OF PAKISTAN
BANK ALFLAH LIMITED
HABIB METROPOLITAN BANK LIMITED

ADDRESS

REGISTERED OFFICE

96-A, Sindhi Muslim Co-operative Housing Society, Karachi.

HEAD OFFICE

Reliance Insurance House,
181-A, Sindhi Muslim Co-operative Housing Society,
P.O. Box No. 13356, Karachi-74400.
Phone: 4539415-17
Fax: 92-21-4539412
E-mail: reli-ins@cyber.net.pk
ric-re@cyber.net.pk
Website: relianceins.com



DIRECTOR'S REPORT TO THE SHAREHOLDERS

Your Directors are pleased to present before you the un-audited Accounts for the First quarter ended March 31, 2007.

During the period under review, your Company underwrote a Gross Premium of Rs. 136.228 million as compared to last year's First quarter Premium of Rs. 117.040 million - an increase of 16.39%. The Net Premium Income also improved from Rs. 72.873 million to Rs. 91.750 million – showing an increase of 25.90 % over the previous year.

Net claims incurred, however, stood at Rs. 31.020 million – an increase of 48.92 % over the corresponding period of last year.

Investment Income surged to Rs. 6.192 million from 3.945 million of previous year showing a significant growth of 56.96%.

Profit before tax stood at Rs. 26.996 million compared to Rs. 23.480 million – showing improvement of 14.97% over the corresponding period of last year.

Your Management looks forward to the future with confidence and envisages sustained performance during the remaining period of the year.

By order of the Board

(A. RAZAK AHMED)

Chief Executive & Managing Director

Karachi: April 30, 2007.




Reliance Insurance Company Limited


BALANCE SHEET (UNAUDITED)

AS AT MARCH 31, 2007

	(Unaudited) As at MAR 31, 2007 Rs	(Audited) As at DEC 31, 2006 Rs
Share Capital and Reserves		
Authorised Share Capital (2006: 20,000,000 Ordinary Shares of Rs.10/- each)	<u>200,000,000</u>	<u>200,000,000</u>
Paid-up share capital	132,500,000	132,500,000
Retained earnings	19,136,663	140,849
Reserves	111,330,000	111,330,000
	262,966,663	243,970,849
Underwriting provisions		
Provision for outstanding claims (including IBNR)	101,996,511	85,222,895
Provision for unearned premium	163,715,120	161,545,997
Commission income unearned	26,432,920	26,467,399
	292,144,551	273,236,291
Creditors and Accruals		
Amounts due to other insurers/reinsurers	20,606,799	18,945,642
Accrued Expenses	1,528,039	2,900,950
Taxation - Provision less payment	29,530,609	23,728,413
	51,665,447	45,575,005
Other liabilities		
Sundry Creditors	13,293,624	12,476,687
Unclaimed Dividend	123,978	123,978
	13,417,602	12,600,665
TOTAL EQUITY AND LIABILITIES	<u>620,194,263</u>	<u>575,382,810</u>

The annexed notes form an integral part of these accounts.


ISMAIL H. ZAKARIA
Chairman


MOHAMMED AMIN AHMED BAWANY
Director

Karachi : April 30, 2007



Reliance Insurance Company Limited

	(Unaudited) As at MAR 31, 2007 Rs	(Audited) As at DEC 31, 2006 Rs
Cash and Bank Deposits		
Cash and other equivalent	151,201	205,699
Current and other accounts	85,908,452	76,302,603
Deposit maturing within 12 months	27,725,000	28,725,000
	113,784,653	105,233,302
Loans (Secured)		
To employees	1,058,692	1,143,983
Investments	221,295,024	206,241,172
Other Assets		
Premiums due but unpaid	70,697,628	65,619,689
Amounts due from other insurers/reinsurers	2,577,937	1,462,682
Accrued investment income	29,711,558	33,311,911
Reinsurance recoveries against outstanding claims	60,169,562	45,277,140
Deferred commission expense	48,793,489	48,283,769
Trade Deposits and Prepayments	809,119	809,850
Sundry receivables	4,437,676	2,754,418
	217,196,969	197,519,459
Fixed Assets		
Land and Buildings	22,253,419	22,535,108
Furniture, Fixtures and Office Equipment	11,331,279	10,817,634
Motor Vehicles	33,274,227	31,892,152
	66,858,925	65,244,894
TOTAL ASSETS	<u>620,194,263</u>	<u>575,382,810</u>


A. AZIZ AYOUB
Director


A. RAZAK AHMED
Chief Executive & Managing Director



Reliance Insurance Company Limited


PROFIT & LOSS ACCOUNT (UN AUDITED)

FINANCIAL PERIOD ENDED MARCH 31, 2007

	Fire & Property	Marine Aviation & Transport	Motor	Misc	2007 Aggregate	2006 Aggregate
Revenue Account						
Net Premium Revenue	25,920,614	12,168,564	53,230,030	431,011	91,750,219	72,873,478
Net Claims	(4,723,560)	(1,890,491)	(23,537,134)	(868,634)	(31,019,819)	(20,829,504)
Expenses	(7,910,739)	(3,597,282)	(16,467,525)	(123,017)	(28,098,563)	(25,446,241)
Net Commission	(1,497,900)	808,435	(9,349,663)	701,405	(9,337,723)	(3,965,497)
Underwriting result	11,788,415	7,489,226	3,875,708	140,765	23,294,114	22,632,236
Investment Income					6,192,457	3,945,072
Other Income (Profit on Sale of Fixed Assets)					205,851	247,509
General and administration expenses					(2,696,608)	(3,344,830)
Profit before tax during the quarter					26,995,814	23,479,987
Provision for Taxation :						
Current					(8,000,000)	(7,100,000)
Profit after tax during the quarter					18,995,814	16,379,987
Profit and Loss Appropriation Account						
Balance at Commencement of Year					140,849	39,234
Profit after tax during the period					18,995,814	16,379,987
Balance Unappropriated profit at the end of period					19,136,663	16,419,221
Earning per Share - Basic and Diluted					1.43	1.64

The annexed notes form an integral part of these accounts.


ISMAIL H. ZAKARIA
Chairman


MOHAMMED AMIN AHMED BAWANY
Director


A. AZIZ AYOOB
Director


A. RAZAK AHMED
Chief Executive & Managing Director

Karachi : April 30, 2007




Reliance Insurance Company Limited


STATEMENT OF CASH FLOW (UNAUDITED)

FINANCIAL PERIOD ENDED MARCH 31, 2007

	January to March	
	2007	2006
	(Amount in Rs.)	
Operating Cash Flow		
a) Underwriting activities		
Premium received	116,745,003	103,582,005
Reinsurance premium paid	(41,762,766)	(41,867,824)
Claims paid	(46,789,106)	(38,304,619)
Reinsurance and other recoveries received	17,650,481	19,317,518
Commission paid	(11,648,631)	(14,739,679)
Commission received	16,171,777	15,830,079
Net cash flow from underwriting activities	50,366,758	43,817,480
b) Other operating activities		
Income tax paid	(2,197,804)	(1,971,128)
General management expenses paid	(28,098,563)	(25,446,241)
Other operating payments	(260,128)	(1,199,054)
Loans advanced / repayment received	85,291	(12,636)
Other payments on operating assets	(555,974)	283,714
Other receipts in respect of operating assets	(1,682,527)	(6,141,964)
Net cash flow from other operating activities	(32,709,705)	(34,487,309)
Total cash flow all operating activities	17,657,053	9,330,171
Investment activities		
Interest / Dividend received	9,032,790	2,205,976
Payments for Investments	(19,030,807)	(21,328,260)
Proceeds from disposal of investments	4,736,975	11,216,719
Fixed Capital Expenditures	(5,134,160)	(1,574,565)
Proceeds from disposal of fixed assets	1,289,500	830,000
Total cash flow from Investing activities	(9,105,702)	(8,650,130)
Financing activities		
Unclaimed Dividend paid	-	(3,113)
Total cash flow from financing activities	-	(3,113)
Net cash Inflow/outflow from all activities	8,551,351	676,928
Cash & cash equivalent at the begining of the year	105,233,302	87,214,534
Cash & cash equivalent at the end of the period	113,784,653	87,891,462
Reconciliation to profit and loss Account		
Operating cash flow	17,657,053	9,330,171
Depreciation expense	(2,436,480)	(2,145,776)
Profit/(loss) on disposal of fixed assets	205,851	247,509
Increase/(decrease) in assets other than cash	23,192,572	16,106,829
(Increase)/decrease in liabilities other than running finance	(25,815,639)	(11,103,818)
Investment Income	6,192,457	3,945,072
Profit after tax as per profit & loss account.	18,995,814	16,379,987


ISMAIL H. ZAKARIA
Chairman


MOHAMMED AMIN AHMED BAWANY
Director


A. AZIZ AYOORB
Director


A. RAZAK AHMED
Chief Executive & Managing Director

STATEMENT OF PREMIUMS (Unaudited)

FINANCIAL PERIOD ENDED MARCH 31, 2007


Business underwritten inside Pakistan

(Amount in Rs.)

Class	Premium written	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid Reins Premium		Reinsurance expense	2007 Net Premium revenue	2006 Net Premium revenue
		Opening	Closing			ceded opening	ceded closing			
Direct and facultative										
Fire and Property Damage	55,506,691	124,249,605	125,372,775	54,383,521	29,065,074	63,958,303	64,560,470	28,462,907	25,920,614	20,039,456
Marine, Aviation and Transport	19,696,552	10,706,624	10,464,067	19,939,109	7,672,652	4,543,173	4,445,280	7,770,545	12,168,564	12,034,587
Motor	58,206,738	96,886,290	98,808,326	56,284,702	3,164,098	3,391,221	3,500,647	3,054,672	53,230,030	39,970,125
Miscellaneous	2,818,029	8,068,595	7,904,902	2,981,722	2,406,844	6,472,420	6,328,553	2,550,711	431,011	829,310
Grand Total	136,228,010	239,911,114	242,550,070	133,589,054	42,308,668	78,365,117	78,834,950	41,838,835	91,750,219	72,873,478

The annexed notes form an integral part of these accounts.


ISMAIL H. ZAKARIA
 Chairman


MOHAMMED AMIN AHMED BAWANY
 Director


A. AZIZ AYOOB
 Director


A. RAZAK AHMED
 Chief Executive & Managing Director



STATEMENT OF CLAIMS (Unaudited)

FINANCIAL PERIOD ENDED MARCH 31, 2007

Business underwritten inside Pakistan

(Amount in Rs.)

Class	Claims Paid	Outstanding Claims		Claims Expenses	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	2007 Net claims expenses	2006 Net claims expenses
		Opening	Closing			Opening	Closing			
Direct and facultative										
Fire and Property Damage	17,189,740	37,737,970	52,393,170	31,844,940	13,504,334	25,073,528	38,690,574	27,121,380	4,723,560	2,582,889
Marine, Aviation and Transport	3,954,595	19,168,200	20,385,200	5,171,595	2,332,902	14,359,349	15,307,551	3,281,104	1,890,491	938,719
Motor	24,071,366	25,119,475	25,948,391	24,900,282	1,103,924	3,097,378	3,356,602	1,363,148	23,537,134	17,157,287
Miscellaneous	1,573,405	3,197,250	3,269,750	1,645,905	709,321	2,746,885	2,814,835	777,271	868,634	150,609
Grand Total	46,789,106	85,222,895	101,996,511	63,562,722	17,650,481	45,277,140	60,169,562	32,542,903	31,019,819	20,829,504

The annexed notes form an integral part of these accounts.



ISMAIL H. ZAKARIA
Chairman



MOHAMMED AMIN AHMED BAWANY
Director



A. AZIZ AYOUB
Director



A. RAZAK AHMED
Chief Executive & Managing Director

Karachi : April 30, 2007



Reliance Insurance Company Limited

STATEMENT OF EXPENSES (Unaudited)

FINANCIAL PERIOD ENDED MARCH 31, 2007

Business underwritten inside Pakistan

(Amount in Rs.)

Class	Commissions Paid or payable a	Opening Deferred commission b	Closing Deferred commission c	Net commission expense d=a+b-c	Other management expenses e	Under-writing expense f=d+e	Commission from reinsurers g	2007 Net underwriting expense h=f-g	2006 Net underwriting expense
Direct and facultative									
Fire and Property Damage	12,134,301	27,734,996	27,986,337	11,882,960	7,910,739	19,793,699	10,385,060	9,408,639	6,891,607
Marine, Aviation and Transport	3,806,667	2,141,325	2,092,813	3,855,179	3,597,282	7,452,461	4,663,614	2,788,847	3,447,236
Motor	9,686,019	16,955,101	17,291,457	9,349,663	16,467,525	25,817,188		25,817,188	19,646,988
Miscellaneous	426,712	1,452,347	1,422,882	456,177	123,017	579,194	1,157,582	(578,388)	(574,093)
Grand Total	26,053,699	48,283,769	48,793,489	25,543,979	28,098,563	53,642,542	16,206,256	37,436,286	29,411,738

The annexed notes form an integral part of these accounts.



ISMAIL H. ZAKARIA
Chairman



MOHAMMED AMIN AHMED BAWANY
Director



A. AZIZ AYOUB
Director



A. RAZAK AHMED
Chief Executive & Managing Director



Reliance Insurance Company Limited


STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FINANCIAL PERIOD ENDED MARCH 31, 2007

	Share Capital	General Reserve	Reserve For Bonus Shares	Permanent Diminution In Value Of Investment	Unappropriated Profit	Total
Balance as on 01-01-2005	88,395,030	38,000,000	11,604,970	5,105,000	294,756	143,399,756
Transfer during the year	11,604,970	-	(11,604,970)	-	-	-
Net Profit for the year	-	-	-	-	42,244,478	42,244,478
Transfer to reserve for bonus shares and general reserve	-	10,000,000	32,500,000	-	(42,500,000)	-
Balance as on 01-01-2006	100,000,000	48,000,000	32,500,000	5,105,000	39,234	185,644,234
Transfer during the year	32,500,000	-	(32,500,000)	-	-	-
Net Profit for the year	-	-	-	-	58,326,615	58,326,615
Transfer to reserve for bonus shares and general reserve	-	14,500,000	43,725,000	-	(58,225,000)	-
Balance as on 31-12-2006	132,500,000	62,500,000	43,725,000	5,105,000	140,849	243,970,849
Net Profit for the year	-	-	-	-	18,995,814	18,995,814
Balance as on 31-03-2007	132,500,000	62,500,000	43,725,000	5,105,000	19,136,663	262,966,663

The annexed notes form an integral part of these accounts.


ISMAIL H. ZAKARIA
Chairman


MOHAMMED AMIN AHMED BAWANY
Director


A. AZIZ AYOOB
Director


A. RAZAK AHMED
Chief Executive & Managing Director

Karachi : April 30, 2007



STATEMENT OF INVESTMENT INCOME (UNAUDITED)

FINANCIAL PERIOD ENDED MARCH 31, 2007


	2007 Rs	2006 Rs
Income from Non-Trading Investments		
Held to maturity		
Return on Government Securities	1,267,786	
Return on other fixed income, securities and deposits	476,426	323,566
	1,744,212	323,566
Investment Held for Trading		
Dividend Income	3,561,285	2,352,636
Available for sale		
Dividend Income	126,940	61,145
Gain on sale of 'available for sale investment'	760,020	1,207,725
Net Investment Income transferred to P&L A/c.	<u>6,192,457</u>	<u>3,945,072</u>

The annexed notes form an integral part of these accounts.

NOTES

1. The Reliance Insurance Company Limited, a General Insurance Company was incorporated in Pakistan as a public Limited Company on 4th November 1981, and its shares are quoted on Stock Exchanges of Karachi and Lahore, is presently doing business in Pakistan. The registered Office of the Company is situated at 96-A, Sindhi Muslim Co-Operative Housing Society, Karachi.
2. These Financial Statements are un-audited and are being submitted to the shareholders as required by SRO No. 764(1)2001 dated November 5, 2001 of the Securities and Exchange Commission of Pakistan. These accounts and notes have been prepared in compliance with the International Accounting Standard (IAS) 34-Interim Financial Reporting, as applicable in Pakistan.
3. The Accounting policies adopted for the preparation of these accounts are the same as those applied in the preparation of the preceding annual published accounts for the year ended December 31, 2006; and these are in compliance with the requirements of SRO. 938 issued by SECP in December 2002.
4. Amount set aside for income tax is provisional, final liabilities will be determined on the basis of annual results.
5. Pervious year's figures rearranged where necessary for the purpose of comparison.
6. Figures have been rounded off to the nearest rupee.
7. These accounts were authorized for issue by the Board of Directors on April 30, 2007.


ISMAIL H. ZAKARIA
Chairman


MOHAMMED AMIN AHMED BAWANY
Director


A. AZIZ AYOOB
Director


A. RAZAK AHMED
Chief Executive & Managing Director

Karachi : April 30, 2007