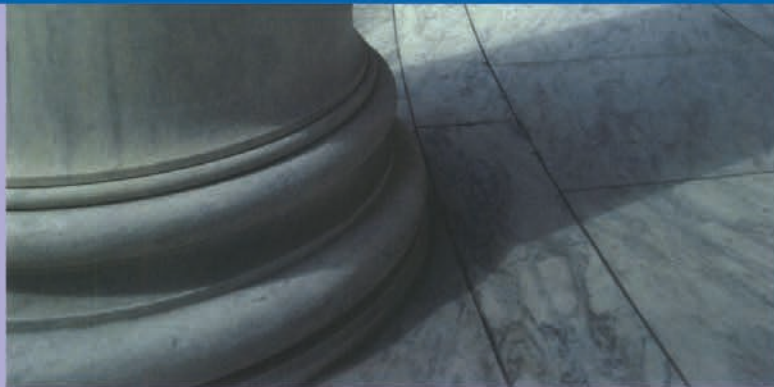


# Quarterly Report



Serving  
Reliably



**Reliance Insurance Company Limited**  
Quarter Ended March 31, 2013  
(Un-Audited)



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### COMPANY INFORMATION

<b>BOARD OF DIRECTORS</b>	ISMAIL H. ZAKARIA	Chairman
<b>DIRECTORS</b>	MOHAMMAD AMIN AHMED BAWANY A. AZIZ AYOOB IRFAN ZAKARIA BAWANY MOHAMMAD OMER BAWANY ZOHAIK ZAKARIA AHMED ALI BAWANY NOOR M. ZAKARIA ASHFAQ PATEL YASIN SIDDIK	
<b>CHIEF EXECUTIVE &amp; MANAGING DIRECTOR</b>	A. RAZAK AHMED	
<b>CHIEF ACCOUNTANT AND COMPANY SECRETARY</b>	HAROON A. SHAKOOR	
<b>AUDIT COMMITTEE</b>	A. AZIZ AYOOB IRFAN ZAKARIA BAWANY ZOHAIK ZAKARIA	Chairman Member Member
<b>INVESTMENT COMMITTEE</b>	IRFAN ZAKARIA BAWANY ZOHAIK ZAKARIA AHMED ALI BAWANY A. RAZAK AHMED	Chairman Member Member Member
<b>AUDITORS</b>	BDO EBRAHIM & CO. Chartered Accountants	
<b>LEGAL ADVISOR</b>	ABDUL SATTAR PINGAR	
<b>BANKERS</b>	HABIB BANK LIMITED NATIONAL BANK OF PAKISTAN MCB BANK LIMITED ALLIED BANK LIMITED UNITED BANK LIMITED NIB BANK LIMITED BANK ALFLAH LIMITED FAYSAL BANK LIMITED HABIB METROPOLITAN BANK LIMITED THE BANK OF PUNJAB JS BANK LIMITED	
<b>REGISTERED OFFICE</b>	96-A, Sindhi Muslim Co-operative Housing Society, Karachi.	
<b>HEAD OFFICE</b>	Reliance Insurance House, 181-A, Sindhi Muslim Co-operative Housing Society, P.O. Box No. 13356, Karachi-74400. Phone: 34539415-17 Fax: 92-21-34539412 E-mail: reli-ins@cyber.net.pk ric-re@cyber.net.pk Website: relianceins.com	
<b>SHARES REGISTRAR</b>	M/s. C & K Management Associates (Pvt.) Ltd. 404-Trade Tower, Abdullah Haroon Road, Near Hotel Metropole, Karachi-75530 Tel : (021) 35687839 & 35685930	



## DIRECTOR'S REPORT

The Shareholders,

Your Directors are pleased to present before you the un-audited Accounts for the First quarter ended March 31, 2013. During the period under review, your Company underwrote a Gross Premium of Rs.159.949 million as compared to last year's First quarter Premium of Rs.123.358 million – showing an increase of 29.66%, while Net Premium Income stood at Rs.65.094 million against Rs.52.616 million – showing an increase of 23.72 % over the previous year. Net claims incurred, however, stood at Rs.23.153 million against Rs.18.251 million of previous year showing an increase of 26.86% over the corresponding period of last year.

Investment income stood at Rs.13.621 million against of Rs.67.643 million (Restated) of last year.

Profit before tax stood at Rs.10.443 million compared to Rs.63.209 million (Restated) of last year. Earnings per share stood at Rs.0.26 against Rs.1.92 (Restated) of previous year.

Your Management looks forward to the future with confidence and envisages that the new government to be installed after the forthcoming elections would succeed to enforce policies to enhance business and industrial activities and proper allocation of gas and electricity to industrial & commercial consumers, to meet the challenges ahead, sustained growth and improved Law and Order situation in the country.

By order of the Board

**(A.RAZAK AHMED)**

Chief Executive & Managing Director

*Karachi: 30th April, 2013*

**CONDENSED INTERIM BALANCE SHEET (UN AUDITED)****AS AT MARCH 31, 2013**

	Notes	(Un Audited) As At March. 31, 2013	(Audited) As At Dec.31, 2012
		Rs	Rs
<b>Share Capital and Reserves</b>			
Authorised share capital (50,000,000 Ordinary Shares of Rs.10/— each)		<u>500,000,000</u>	<u>500,000,000</u>
Paid-up share capital	9	318,939,720	318,939,720
Retained earnings		178,266,165	169,773,078
Reserves		90,000,000	90,000,000
		<b>587,205,885</b>	578,712,798
<b>Underwriting provisions</b>			
Provision for outstanding claims (including IBNR)		542,127,995	628,606,536
Provision for unearned premium		284,930,496	288,385,550
Commission income unearned		30,824,446	30,905,965
<b>Total Underwriting Provisions</b>		<b>857,882,937</b>	947,898,051
<b>Creditors and accruals</b>			
Amounts due to other insurers/reinsurers		60,831,508	53,489,751
Accrued expenses		1,068,006	1,452,148
Taxation - provision less payments		1,086,125	556,401
Other creditors and Accruals		39,965,626	50,342,685
		<b>102,951,265</b>	105,840,985
<b>Other liabilities</b>			
Unclaimed dividend		572,523	572,523
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,548,612,610</b>	<u>1,633,024,357</u>

**CONTINGENCIES AND COMMITMENTS****10**

The annexed notes from 1 to 14 form an integral part of these financial statements.



**Mohammad Amin Ahmed Bawany**  
Director / Chairman

Karachi: 30th April, 2013



**Zohair Zakaria**  
Director

**CONDENSED INTERIM BALANCE SHEET (UN AUDITED)**

AS AT MARCH 31, 2013

	Notes	(Un Audited) As At March. 31, 2013	FORM GA (Audited) As At Dec.31, 2012
		Rs	Rs
<b>Cash and bank deposits</b>			
Cash and other equivalent		813,969	203,898
Current and other accounts		23,350,126	43,214,130
Deposit maturing within 12 months		25,357,031	25,342,411
		49,521,126	68,760,439
<b>Loans ( secured )</b>			
To employees		1,807,407	1,565,607
<b>Investments</b>	11	430,946,384	436,862,458
<b>Current assets-others</b>			
Premiums due but unpaid		212,328,064	209,872,122
Amounts due from other insurers/reinsurers		43,376,972	22,171,296
Accrued investment income		14,110,794	6,324,203
Reinsurance recoveries against outstanding claims		499,987,598	586,678,431
Deferred commission expense		46,661,956	46,561,733
Prepaid reinsurance premium ceded		185,670,989	189,196,255
Trade deposits and prepayments		824,319	780,319
Sundry receivables		1,533,154	450,839
		1,004,493,846	1,062,035,198
<b>Fixed assets</b>			
Intangible			
Land and buildings		12,325,384	12,641,419
Furniture, fixtures and office equipment		7,895,815	8,109,490
Motor vehicles		40,753,190	41,890,471
		60,974,389	62,641,380
Intangible			
Computer software		869,458	1,159,275
<b>TOTAL ASSETS</b>		<b>1,548,612,610</b>	<b>1,633,024,357</b>



A. Aziz Ayoob  
Director



A. Razak Ahmed  
Chief Executive & Managing Director



Reliance Insurance Company Limited

**CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UN AUDITED)**  
**FINANCIAL PERIOD ENDED MARCH 31, 2013****FORM GB**  
**(Amount in Rs.)**

	Fire & Property	Marine Aviation & Transport	Motor	Misc.	2013 Aggregate	2012 Aggregate (Restated)
<b>Revenue Account</b>						
Net Premium Revenue	19,086,022	13,908,445	27,041,949	5,057,789	65,094,205	52,615,655
Net Claims	(2,870,222)	(5,196,762)	(13,862,008)	(1,223,802)	(23,152,794)	(18,251,318)
Expenses	(7,639,126)	(5,566,816)	(10,823,463)	(2,024,366)	(26,053,771)	(22,479,304)
Net Commission	(4,403,110)	(1,610,796)	(3,979,725)	(351,533)	(10,345,164)	(7,814,938)
<b>Underwriting result</b>	<u>4,173,564</u>	<u>1,534,071</u>	<u>(1,623,247)</u>	<u>1,458,088</u>	<u>5,542,476</u>	<u>4,070,095</u>
Investment Income					13,620,585	67,643,787
Other Income (Profit on Sale of Fixed Assets)					629,693	-
Financial Charges					-	(334,161)
General and administration expenses					(9,349,667)	(8,170,523)
<b>Profit before tax during the quarter</b>					<u>10,443,087</u>	<u>63,209,198</u>
<b>Provision for Taxation :</b>					<u>(1,950,000)</u>	<u>(1,900,000)</u>
<b>Profit after tax during the quarter</b>					<u>8,493,087</u>	<u>61,309,198</u>
<b>Profit and Loss Appropriation Account</b>						
<b>Balance at Commencement of the year</b>					169,773,078	106,488,467
Profit after tax during the quarter					8,493,087	61,309,198
<b>Balance Unappropriated profit at the end of the period</b>					<u>178,266,165</u>	<u>167,797,665</u>
<b>Earnings per Share - Basic and Diluted (Note.12)</b>					<u>0.26</u>	<u>1.92</u>

The annexed notes from 1 to 14 form an integral part of these financial statements.

Mohammad Amin Ahmed Bawany  
Director / Chairman

Karachi: 30th April, 2013

Zohair Zakaria  
DirectorA. Aziz Ayoob  
DirectorA. Razak Ahmed  
Chief Executive & Managing Director



Reliance Insurance Company Limited

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN AUDITED)**  
**FINANCIAL PERIOD ENDED MARCH 31, 2013**

	<b>31st March 2013 Rs.</b>	<b>31st March 2012 (Restated) Rs.</b>
Profit after tax	<b>8,493,087</b>	61,309,198
Other comprehensive income	-	-
Total comprehensive income for the quarter	<b><u>8,493,087</u></b>	<b><u>61,309,198</u></b>

The annexed notes from 1 to 14 form an integral part of these financial statements.

**Mohammad Amin Ahmed Bawany**  
Director / Chairman

**Zohair Zakaria**  
Director

**A. Aziz Ayoob**  
Director

**A. Razak Ahmed**  
Chief Executive & Managing Director


Karachi: 30th April, 2013



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN AUDITED)**  
**FINANCIAL PERIOD ENDED MARCH 31, 2013**

	Share Capital	General Reserve	Unappropriated Profit	Total
Balance as at January 01, 2012 (restated)	318,939,720	90,000,000	106,488,467	515,428,187
Total comprehensive income for the period(as reported)			23,306,632	23,306,632
Correction of prior period error	-	-	38,002,566	38,002,566
<b>Balance as at March 31, 2012 (restated)</b>	<b>318,939,720</b>	<b>90,000,000</b>	<b>167,797,665</b>	<b>576,737,385</b>
Balance as at January 01, 2013	318,939,720	90,000,000	169,773,078	578,712,798
Total comprehensive income for the period	-	-	8,493,087	8,493,087
<b>Balance as at March 31, 2013</b>	<b>318,939,720</b>	<b>90,000,000</b>	<b>178,266,165</b>	<b>587,205,885</b>

The annexed notes from 1 to 14 form an integral part of these financial statements.

  
**Mohammad Amin Ahmed Bawany**  
Director / Chairman

  
**Zohair Zakaria**  
Director

  
**A. Aziz Ayoob**  
Director

  
**A. Razak Ahmed**  
Chief Executive & Managing Director

Karachi: 30th April, 2013

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN AUDITED)**

FORM GC

FINANCIAL PERIOD ENDED MARCH 31, 2013

	2013	January to March 2012 (Amount in Rs.)
<b>Operating Cash Flow</b>		
<b>a) Underwriting activities</b>		
Premium received	157,078,889	136,089,905
Reinsurance premium paid	(108,648,890)	(77,525,658)
Claims paid	(140,163,552)	(41,983,228)
Reinsurance and other recoveries received	117,223,050	18,060,489
Commission paid	(24,330,296)	(16,170,784)
Commission received	14,217,947	13,748,356
Net cash flow from underwriting activities	<u>15,377,148</u>	<u>32,219,080</u>
<b>b) Other operating activities</b>		
Income tax paid	(1,420,276)	(1,134,153)
General management expenses paid	(26,053,771)	(22,479,304)
Other operating payments	(6,799,012)	(5,610,867)
Loans advanced / repayment received	(241,800)	(533,403)
Other payments on operating assets	(10,761,201)	(34,765,121)
Other receipts in respect of operating assets	(1,126,315)	(430,724)
Net cash flow from other operating activities	<u>(46,402,375)</u>	<u>(64,953,572)</u>
<b>Total cash flow from all operating activities</b>	<u>(31,025,227)</u>	<u>(32,734,492)</u>
<b>Investment activities</b>		
Interest / Dividend received	10,921,336	8,326,976
Payments for Investments	(1,550,987)	(29,767,259)
Proceeds from disposal of investments	2,379,717	43,525,625
Fixed Capital Expenditures	(1,319,152)	(4,831,250)
Proceeds from disposal of fixed assets	1,355,000	-
<b>Total cash flow from Investing activities</b>	<u>11,785,914</u>	<u>17,254,092</u>
<b>Financing activities</b>		
Financial Charges	-	(334,161)
<b>Total cash flow from financing activities</b>	<u>-</u>	<u>(334,161)</u>
Net cash Inflow/outflow from all activities	(19,239,313)	(15,814,561)
<b>Cash &amp; cash equivalent at the beginning of the year</b>	<u>68,760,439</u>	<u>79,824,276</u>
<b>Cash &amp; cash equivalent at the end of the period</b>	<u>49,521,126</u>	<u>64,009,715</u>
<b>Reconciliation to profit and loss Account</b>		
<b>Operating cash flow</b>	(31,025,227)	(32,734,492)
Depreciation expenses	(2,260,836)	(2,269,837)
Amortization Expenses	(289,819)	(289,818)
Financial Charges	-	(334,161)
Profit/(loss) on disposal of fixed assets	629,693	-
Increase/(decrease) in assets other than cash	(65,086,143)	(6,636,558)
(Increase)/decrease in liabilities other than running finance	92,904,834	35,930,277
Investment Income	13,620,585	67,643,787
<b>Profit after tax as per profit &amp; loss account.</b>	<u>8,493,087</u>	<u>61,309,198</u>
<b>Definition of Cash</b>		
Cash in hand and at Bank, Stamps in hand and short term placements with banks		
Cash for the purposes of the Statement of Cash Flows Consists of:		
Cash and Equivalents	813,969	671,366
Current and other accounts	23,350,126	38,295,246
Deposits Maturing Within 12 Months	25,357,031	25,043,103
	<u>49,521,126</u>	<u>64,009,715</u>

The annexed notes from 1 to 14 form an integral part of these financial statements.

  
**Mohammad Amin Ahmed Bawany**  
 Director / Chairman

  
**Zohair Zakaria**  
 Director

  
**A. Aziz Ayoob**  
 Director

  
**A. Razak Ahmed**  
 Chief Executive & Managing Director

Karachi: 30th April, 2013



**FORM GD**

**CONDENSED INTERIM STATEMENT OF PREMIUMS (UN AUDITED)**

**FINANCIAL PERIOD ENDED MARCH 31, 2013**

Business underwritten inside Pakistan

(Amount in Rs.)

C l a s s	Premium written	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid Reins Premium		Reinsurance expense	31, March 2013 Net Premium revenue	31, March 2012 Net Premium revenue
		Opening	Closing			Opening	Closing			
Direct and facultative										
Fire and Property Damage	52,700,469	124,771,437	125,627,440	51,844,466	33,308,026	87,034,334	87,583,916	32,758,444	19,086,022	14,820,290
Marine, Aviation and Transport	71,089,167	100,789,455	95,782,875	76,095,747	58,060,301	92,729,357	88,602,356	62,187,302	13,908,445	11,864,291
Motor	27,942,922	45,992,321	46,432,184	27,503,059	468,750	944,915	952,555	461,110	27,041,949	24,201,374
Miscellaneous	8,216,830	16,832,337	17,087,997	7,961,170	2,947,894	8,487,649	8,532,162	2,903,381	5,057,789	1,729,700
<b>Grand Total</b>	<b>159,949,388</b>	<b>288,385,550</b>	<b>284,930,496</b>	<b>163,404,442</b>	<b>94,784,971</b>	<b>189,196,255</b>	<b>185,670,989</b>	<b>98,310,237</b>	<b>65,094,205</b>	<b>52,615,655</b>

The annexed notes from 1 to 14 form an integral part of these financial statements

  
**Mohammad Amin Ahmed Bawany**  
 Director / Chairman

  
**Zohair Zakaria**  
 Director

  
**A. Aziz Ayooob**  
 Director

  
**A. Razak Ahmed**  
 Chief Executive & Managing Director

Karachi: 30th April, 2013



**FORM GE**

**CONDENSED INTERIM STATEMENT OF CLAIMS (UN AUDITED)**

**FINANCIAL PERIOD ENDED MARCH 31 2013**

Business underwritten inside Pakistan

(Amount in Rs.)

C l a s s	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	31, March 2013 Net claims expenses	31, March 2012 Net claims expenses
		Opening	Closing			Opening	Closing			
Direct and facultative										
Fire and Property Damage	8,808,163	88,920,574	98,306,149	18,193,738	7,094,321	75,120,385	83,349,580	15,323,516	2,870,222	1,981,106
Marine, Aviation and Transport	114,251,911	521,779,673	426,050,603	18,522,841	108,436,345	508,819,654	413,709,388	13,326,079	5,196,762	2,433,594
Motor	13,984,840	14,509,401	15,340,129	14,815,568	837,560	854,826	970,826	953,560	13,862,008	13,409,863
Miscellaneous	3,118,638	3,396,888	2,431,114	2,152,864	854,824	1,883,566	1,957,804	929,062	1,223,802	426,755
<b>Grand Total</b>	<b>140,163,552</b>	<b>628,606,536</b>	<b>542,127,995</b>	<b>53,685,011</b>	<b>117,223,050</b>	<b>586,678,431</b>	<b>499,987,598</b>	<b>30,532,217</b>	<b>23,152,794</b>	<b>18,251,318</b>

The annexed notes from 1 to 14 form an integral part of these financial statements

**Mohammad Amin Ahmed Bawany**  
Director / Chairman

**Zohair Zakaria**  
Director

**A. Aziz Ayooob**  
Director

**A. Razak Ahmed**  
Chief Executive & Managing Director

Karachi: 30th April, 2013



## FORM GF

## CONDENSED INTERIM STATEMENT OF EXPENSES (UNAUDITED)

## FINANCIAL PERIOD ENDED MARCH 31, 2013

Business underwritten inside Pakistan

(Amount in Rs.)

Class	Commissions Paid or payable a	Opening Deferred commission b	Closing Deferred commission c	Net Commission expenses d=a+b-c	Other management expense e	underwriting expense f=d+e	Commission from reinsurers g	31, March 2013 Net underwriting expense h=f-g	31, March 2012 Underwriting expenses
Direct and facultative Fire and Property Damage	13,720,456	33,466,195	33,863,504	13,323,147	7,639,126	20,962,273	8,920,037	12,042,236	9,565,124
Marine, Aviation and Transport	5,656,223	3,166,869	2,757,785	6,065,307	5,566,816	11,632,123	4,454,511	7,177,612	6,647,165
Motor	4,045,705	6,898,848	6,964,828	3,979,725	10,823,463	14,803,188	-	14,803,188	13,895,623
Miscellaneous	1,322,469	3,029,821	3,075,839	1,276,451	2,024,366	3,300,817	924,918	2,375,899	186,330
<b>Grand Total</b>	<b>24,744,853</b>	<b>46,561,733</b>	<b>46,661,956</b>	<b>24,644,630</b>	<b>26,053,771</b>	<b>50,698,401</b>	<b>14,299,466</b>	<b>36,398,935</b>	<b>30,294,242</b>

The annexed notes from 1 to 14 form an integral part of these financial statements

  
**Mohammad Armin Ahmed Bawany**  
 Director / Chairman

  
**Zohair Zakaria**  
 Director

  
**A. Aziz Ayooob**  
 Director

  
**A. Razak Ahmed**  
 Chief Executive & Managing Director

Karachi: 30th April, 2013

**CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UNAUDITED)**  
**FINANCIAL PERIOD ENDED MARCH 31, 2013****FORM GG**

	<b>31, March 2013</b>	31, March 2012 (Restated)
	<b>Rs.</b>	Rs.
<b>Income from Non-Trading Investments</b>		
<b>Held to maturity</b>		
Return on Government Securities	3,088,681	2,297,533
Return on other fixed income, securities and deposits	362,739	276,545
	<b>3,451,420</b>	2,574,078
<b>Available for sale</b>		
Dividend Income	127,666	39,675
Gain on sale of Available for sale investment	-	686,127
Impairment reversal	295,080	-
<b>Income from Trading Investments</b>		
<b>Held for Trading</b>		
Dividend Income	15,141,195	12,523,870
Gain on sale of Investments	209,399	8,357,272
Unrealized (Loss)/gain on Held for trading Investments	(5,591,823)	43,557,903
Less: Investment related expenses	(12,352)	(95,138)
<b>Net Investment Income transferred to P&amp;L A/c.</b>	<b>13,620,585</b>	<b>67,643,787</b>

The annexed notes from 1 to 14 form an integral part of these financial statements.



**Mohammad Amin Ahmed Bawany**  
Director / Chairman



**Zohair Zakaria**  
Director



**A. Aziz Ayoob**  
Director



**A. Razak Ahmed**  
Chief Executive & Managing Director

Karachi: 30th April, 2013



## **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)**

### **FINANCIAL PERIOD ENDED MARCH 31, 2013**

#### **1. STATUS AND NATURE OF BUSINESS**

The Reliance Insurance Company Limited was incorporated in Pakistan as a Public Limited Company on 4th November 1981 and is engaged in General Insurance Business. The shares of the Company are quoted on Stock Exchanges of Karachi and Lahore. The registered Office of the Company is situated at 96-A, Sindhi Muslim Co-Operative Housing Society, Karachi.

#### **2. BASIS OF PRESENTATION**

- 2.1 These condensed interim financial statements are presented in condensed form in accordance with the requirement of international Accounting Standard 34 "Interim Financial Reporting"

The disclosures made in these condensed interim financial statements have been limited based on the formats prescribed by the insurance rules, 2002 and approved accounting standards as applicable in Pakistan for interim financial reporting. These condensed financial statements do not include all the information required for full financial statement and should be read in conjunction with the financial statement of the company for the year ended December 31, 2012.

- 2.2 These condensed interim financial statements have been presented in Pak Rupees, which is the functional and presentation currency of the company.

#### **3. BASIS OF MEASUREMENT**

These condensed interim financial statements have been prepared under the historical cost convention except for certain financial assets and liabilities which are stated at fair value or amortized cost as applicable. These condensed interim financial statements have been prepared under the accrual basis of accounting except for cash flow information.

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted in the preparation of these condensed interim financial statements are in line with the audited annual accounts for the year ended December 31, 2012.

#### **5. FINANCIAL RISK MANAGEMENT**

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended 31 December 2012.

#### **6. TAXATION**

The provision for taxation for the period and quarter ended 31 March, 2013 has been made using the estimated effective tax rate applicable to expected total annual earnings.

**7. TRANSACTIONS WITH RELATED PARTIES**

Related parties comprise of associated companies, entitles under common control, entites with common directors, major shareholders and key management personnel of the Company. Transactions with related parties are carried out at arm's length prices determined under "Comparatable uncontrolled price method". Transactions with related parties are as follows.

	March 31st 2013	March 31st 2012
Premium Underwritten	5,378,884	6,425,725
Premium Collected	29,238,495	4,559,516
Claims Paid	8,515,029	442,274
Dividend received	15,870	39,675
Premium due but unpaid	28,309,288	44,883,633
Provision for outstanding claim	13,807,342	31,509,807
Key management personnel	3,957,048	3,929,579
Staff retirement benefits	485,883	454,940

**8. OPERATING FIXED ASSETS AND DEPRECIATION**

These are stated at cost less accumulated depreciation. Depreciation is charged to profit and loss account using the reducing balance method.

Depreciation on assets is charged from the month of addition while no depreciation is charged for the month in which, assets are disposed off .

Maintenance and repairs are charged to profit and loss account as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any are retired.

**9. SHARE CAPITAL**

Issued, subscribed and paid up capital.

31st March 2013	31st December 2012		31st March 2013	31st December 2012
(Number of Shares)				
1,156,680	1,156,680	Ordinary shares of Rs.10	11,566,800	11,566,800
30,737,292	30,737,292	each issued as fully paid in cash	307,372,920	307,372,920
<u>31,893,972</u>	<u>31,893,972</u>	Ordinary shares of Rs.10	<u>318,939,720</u>	<u>318,939,720</u>
		each issued as fully bonus shares		

**10. Contingencies and Commitments**

10.1. There are no material contingencies existing at the Balance Sheet date

**11. Investment.**

The investments comprise of the following:

		31st March 2013	31st December 2012
Held to maturity	11.1	100,134,813	100,863,929
Available for sale		17,493,596	17,493,596
Provision for impairment		(3,315,150)	(3,610,230)
	11.2	14,178,446	13,833,366
Held for trading		<u>316,633,125</u>	<u>322,115,163</u>
		<u>430,946,384</u>	<u>436,862,458</u>





- 11.1 The Pakistan Investment Bonds (PIB) of Rs.21.00 million and GOP Ijara sukuk for the face value of Rs 17.5 Million are placed as statutory deposit with State Bank of Pakistan in accordance with the requirement of Section 29(2)(a) of Insurance Ordinance 2000.
- 11.2 The market value of investment in shares & securities (AFS) as on 31st March, 2013, was Rs. 15.967 million (as at 31st December, 2012 Rs.15.464 million.)

	March 31,2013	(Restated) March 31, 2012
<b>12. Earnings Per Share –Basic And Diluted</b>		
Profit after tax for the period	8,493,087	61,309,198
Weighted average number of ordinary shares	31,893,972	31,893,972
<b>Earning per shares-basic and diluted</b>	<b>0.26</b>	<b>1.92</b>

- 12.1 No figure for diluted earnings per share has been presented as the Company has not issued any instrument which would have an impact on earnings per share when exercised .

### 13 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on 30th April,2013 by the Board of Directors of the Company.

### 14 GENERAL

Figures have been rounded off to the nearest rupee.

Mohammad Amin Ahmed Bawany  
Director / Chairman

Zohair Zakaria  
Director

A. Aziz Ayoob  
Director

A. Razak Ahmed  
Chief Executive & Managing Director

Karachi: 30th April, 2013

**OFFICES****Head Office**

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<b>Mr. Haroon A. Shakoor</b> Chief Accountant & Company Secretary	Direct : 34539409 Extension : 203
<b>Mr. M. Amin Bawany</b> Vice President (Marine & Accident)	Direct : 34557079 Extension : 201
<b>Mr. Muhammad Ishaque Azim</b> Vice President (Fire)	Direct : 34304068 Extension : 212
<b>Mr. Sadruddin Hussain</b> Vice President (Claims)	Direct : 34550403 Extension : 208
<b>Mr. Ghulam Mujaddid</b> Chief Manager (Accounts)	Extension : 205
<b>Mr. Abdul Rahim Patni</b> Deputy Chief Manager (Reinsurance)	Direct : 34539411 Extension : 215
<b>Mr. Muhammad Salim Memon</b> Deputy Chief Manager (Investment/shares)	Extension : 214
<b>Mr. Muhammad Masood Ali</b> Deputy Chief Manager (I.T. Deptt.)	Extension : 202
<b>Mr. Muhammad Masood Alam</b> Manager (Administration)	Direct : 34539411 Extension : 206
<b>Mr. Mahmood Shuja Baig</b> Internal Auditor	Extension : 209

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**Rahimyar Khan**  
Gulshan-e-Iqbal

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