



# Shaping Tomorrow

QUARTERLY ACCOUNTS  
SEPTEMBER 30, 2009  
(UNAUDITED)



Reliance Insurance Company Limited



## OFFICES

### HEAD OFFICE

**"Reliance Insurance House"** □  
181-A, Sindhi Muslim Co-operative □  
Housing Society, Karachi. □

PABX □ : □ 4539415-17  
Fax □ : □ 4539412  
E-mail □ : □ reli-ins@cyber.net.pk □  
ric-re@cyber.net.pk □  
Web □ : □ www.relianceins.com

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

Direct □ : □ 4539413, 4539414  
Extention □ : □ 204

**Mr. Haroon A. Shakoor** □  
Chief Accountant & □  
Company Secretary

Direct □ : □ 4539409  
Extention □ : □ 203

**Mr. M. Amin Bawany** □  
Vice President (Marine & Accident) □

Direct □ : □ 4557079 □  
Extention □ : □ 201

**Mr. Muhammad Ishaque Azeem** □  
Vice President (Fire) □

Direct □ : □ 4557079  
Extention □ : □ 212

**Mr. Sadruddin Hussain** □  
Vice President (Claims) □

Direct □ : □ 4550403  
Extention □ : □ 208

**Mr. Abdul Rahim Patni** □  
Manager (Reinsurance)

Extention □ : □ 215

**Mr. Muhammad Salim Memon** □  
Manager (Investment / Shares)

Extention □ : □ 214

**Mr. Ghulam Mujaddid** □  
Deputy Chief Manager (Accounts)

Extention □ : □ 205

**Mr. Muhammad Masood Alam** □  
Manager (Administration) □

Direct □ : □ 4539411  
Extention □ : □ 206

**Mr. Muhammad Masood Ali** □  
Manager (IT)

Extention □ : □ 202

**Mr. Ramesh Kumar** □  
Assistant Manager (Internal Audit)

Extention □ : □ 220

### South Zone Office & Branches

**M. A. Jinnah Road Branch** □  
101, Japan Plaza, □  
M. A. Jinnah Road, Karachi. □

Ph □ : □ 2727076, 2729961  
Fax □ : □ 2722601 □

**Business Plaza Branch**  
407, 4th Floor, Business Plaza □  
Off, I.I. Chundrigar Road, Karachi. □

**Mr. Muhammad Iqbal Dhedhi** □  
Executive Vice President □

Ph □ : □ 2419581, 2419582  
Fax □ : □ 2421314, 2421317

**Namco Centre Branch** □  
1-A, 5th Floor, Campbell Street, □  
Karachi. □

**Mr. Iqbal Umer Bawany** □  
Vice President □

Ph □ : □ 2625176, 2624427  
Fax □ : □ 2624783

**Tariq Road Branch**  
Room No. A-2 & A-3, □  
1st Floor, Rahat Jo daro, □  
Plot No. 172/L. Block-2, PECHS, □  
Main Tariq Road, Karachi.

**Mr. Zafar A. Pasha** □  
Executive Vice President □

Ph □ : □ 4527806, 4532427  
4525376, 4322642  
Fax □ : □ 4522829

**Land Mark Plaza Branch**  
405, 4th Floor, Land Mark Plaza, □  
Off, I.I. Chundrigar Road, □  
Karachi.

**Mr. Muhammad Reza Rajani** □  
Chief Manager □

Ph □ : □ 2628777, 2628778  
Fax □ : □ 2628779

**Hyderabad Branch**  
1st Floor, Al-Falah Chamber □  
Tilak Road, Hyderabad. □

**Mr. Abdullah Ahmed** □  
Regional Manager □

Ph □ : □ 2615774  
Fax □ : □ 2623029

### North Zone Office & Branches

**Zonal Office. Lahore (North Zone)**  
4th Floor, Gardae Trust Building. No.2, □  
Napier Road, Lahore. □

**Mr. Sh. Khushnood Ashraf** □  
Executive Vice President

PABX □ : □ 7239063, 7353292  
7234255, 7351353  
Direct : □ 7354689  
Fax : □ 7312526



## North Zone Office &amp; Branches (continued)

**Regional Office. Lahore**90-A/3, 1st Floor, Canal Park, □  
Gulberg-II, Lahore. □**Mr. Basharat M. Barlas** □  
Senior Executive Vice President □Ph □ : □ 5761077, 5761078  
5763446, 5763447 □  
Fax □ : □ 5761235**Gulberg Branch**House No. 17-A, Block-E/1, □  
Gulberg-III, Lahore. □**Mr. Tehseen Ahmed Khan** □  
Executive Vice President □Ph □ : □ 5752245, 5752989  
5751971, 5756557 □  
Fax □ : □ 5756217**Eden Centre Branch**321, Eden Centre, □  
43 Ghausal Azam Road, (Jail Road) □  
Lahore. □**Mr. Khawaja Ahmed Fraz** □  
Chief Manager □Ph □ : □ 7599277, 7599377  
7589669  
Fax □ : □ 7576032**Al-Rehman Branch**2nd Floor, Al-Rehman Building, □  
Regal Cinema Lane, 65, The Mall, □  
Lahore. □**Mr. Nisar Ahmed Chughtai** □  
Senior Vice President □Ph □ : □ 7323113, 7322473  
7354848  
Fax □ : □ 7247925**Garden Town Branch**Suit No. 17, 1st Floor, Shan Arcade, □  
New Garden Town, Lahore □**Mr. Basit Anwar Butt** □  
Executive Vice President □Ph □ : □ 5889258, 5889259  
Fax □ : □ 5889260**Khan Plaza Branch**4th Floor, Khan Plaza, □  
G. T. Road, Gujranwala. □**Mr. Sohailuddin Zafar** □  
Assistant Vice President □Ph □ : □ 4215422, 4216422  
Fax □ : □ 4448139**Model Town Branch**438/1-B, Mini Market, □  
Model Town, Gujranwala. □**Mr. Ch. H.S. Asghar** □  
Vice President □Ph □ : □ 3254415, 3259421  
Fax □ : □ 3253086**Gujrat Branch**Shams Plaza, Near Prince Cinema, □  
West Circular Road, Gujrat. □**Mr. Ch. Nazir Ahmed** □  
Vice President

Ph □ : □ 3522127

**Faisal Complex Branch** □3rd Floor, Faisal Complex, □  
Bilal Road, Civil Lines, Faisalabad. □**Mr. A. Majeed Abid** □  
Vice President □Ph □ : □ 2611938, 2611939  
2626480  
Fax □ : □ 2621033**Taj Plaza Branch**Room No. 16, 2nd Floor, Taj Plaza, □  
Kotwali Road, Faisalabad. □**Mr. Muhammad Akhlaq** □  
Vice President □Ph □ : □ 2617277, 2615922, 2622182  
Fax □ : □ 2412010**Circular Road Branch**P-156, 6th Floor, Asraf Butt Center, □  
Circular Road □  
Faisalabad. □**Mr. Mushtaq Ahmed** □  
Vice President □Ph □ : □ 2638034, 2635640, 2412067  
Fax □ : □ 2412068 □**Rawalpindi Branch**43/C, 2nd Floor, Bank Road, □  
Near NBP, Rawalpindi. □**Mr. Abdul Karim Siddiqui** □  
Vice President □Ph □ : □ 5700223, 5523260  
Fax □ : □ 5514384**Peshawar Branch**T-3 & 4, Bilour Shopping Plaza, □  
3rd Floor, Saddar Road, Peshawar Cantt. □**Mr. Abdul Salam Niazi** □  
Vice President □Ph □ : □ 5274617, 5277328  
5250830 □  
Fax □ : □ 5284683**Regional Office Multan**1st Floor, 5-Commercial Plaza, □  
Opp. Civil Hospital, Abdali Road, □  
Multan. □**Mr. Syed Bahar Shah Bukhari** □  
Senior Vice President & □  
Regional HeadPh □ : □ 4517349  
Fax □ : □ 4510049**Khanpur Branch**Olf Ghalla Mandi, Khanpur, □  
Distt. Rahimyar Khan. □**Mr. Abdul Razzak Choudhry** □  
Vice President □Ph □ : □ 5572772  
Fax □ : □ 5572772**Hasilpur Branch**27-B, 1st Floor, Main Bazar, □  
Hasilpur. □**Mr. Muhammad Shafi Anjum** □  
Vice President □Ph □ : □ 2442473  
Fax □ : □ 2448073**Sahiwal Branch** □147, Railway Road, □  
Sahiwal. □**Mr. Muhammad Saeed** □  
Branch Manager

Ph □ : □ 4467477

**Sialkot Branch**Room No. 4 & 5 1st Floor, □  
Mughal Plaza, Kutchery Road, □  
Sialkot.**Mr. Ghulam Rasool Farrukh Zahidi** □  
Branch Manager □Ph □ : □ 4296075, 4296076  
Fax □ : □ 4296077**Gojra Branch**P-132, Post Road,  
Gojra.**Mrs. Shahnaz Akhter**  
Branch ManagerPh □ : □ 3511917  
Fax : □ 3513111



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## COMPANY INFORMATION

<b>BOARD OF DIRECTORS</b> □	<b>ISMAIL H. ZAKARIA</b> □ <b>MOHAMMAD AMIN AHMED BAWANY</b> □ <b>A. AZIZ AYOOB</b> □ <b>IRFAN ZAKARIA BAWANY</b> □ <b>MOHAMMAD OMER BAWANY</b> □ <b>ZOHAIR ZAKARIA</b> □ <b>AHMED ALI BAWANY</b> □ <b>NOOR M. ZAKARIA</b> □ <b>ASHFAQ PATEL</b> □ <b>YASIN SIDDIK</b> □ <b>A. RAZAK AHMED</b> □	<b>Chairman</b> □          <b>Chief Executive &amp; Managing Director</b>
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### 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

**HYDER BHIMJI & CO.** □  
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** □  
**THE ROYAL BANK OF SCOTLAND** □  
**NIB BANK LIMITED** □  
**BANK ALFLAH LIMITED** □  
**HABIB METROPOLITAN BANK LIMITED** □  
**BANK OF PUNJAB** □  
**FAYSAL BANK LIMITED** □  
**JS BANK LTD.**

### 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

### SHARES REGISTRAR

M/s. C & K Management Associates (Pvt.) Ltd. □  
404-Trade Tower, Abdullah Haroon Road, □  
Near Hotel Metropole, Karachi-75530  
Tel : (021) 5687839 & 5685930



## DIRECTOR'S REPORT

The Shareholders,  
Reliance Insurance Company Limited,

Your Directors are pleased to present before you the third quarter (Un-audited) Accounts for the period ended September 30, 2009.

During the period under review, your Company underwrote a Gross Premium of Rs.341.932 million as compared to Rs.455.28 million of the corresponding period of last year – decrease of 24.90%. The Net Premium Income stood at Rs.236.026 million as compared to Rs.328.073 million of last year – showing a decrease of 28.06%.

Net claims incurred, however, decreased from Rs.159.157 million to Rs.115.082 million compared to corresponding period of last year, showing an improvement of 27.69%.

Investment Income stood at Rs.20.712 million compared to Rs.19.297 million of previous year showing an increase of 7.33%, after absorbing Rs.5.00 million booked towards impairment in value of Investment as per Directives of SECP. However interest / dividend income had increased significantly during the period. □

Profit before tax for the period ended September 30, 2009 was Rs.33.586 million against Rs.43.557 million of corresponding period of last year showing a decrease of Rs. 9.971 million – a reduction of 22.89%.

Your Management looks forward to the future with confidence and envisages that the new democratic government would succeed to enforce policies 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: 31st October 2009.

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

AS AT 30TH SEPTEMBER, 2009

	Notes □	(Un Audited) □ As At Sept.30, □ 2009 □ Rs □	(Audited) □ As At Dec.31, □ 2008 □ Rs
<b>Share Capital and Reserves</b> □			
Authorised share capital □ (2008: 50,000,000 Ordinary Shares of Rs.10/— each) □		<u>500,000,000</u> □	<u>500,000,000</u> □
Paid-up share capital □	8 □	252,001,750 □	229,092,500 □
Retained earnings □		36,506,772 □	41,029,056 □
Reserves □		92,605,000 □	85,105,000 □
		381,113,522 □	355,226,556
<b>Underwriting provisions</b> □			
Provision for outstanding claims (including IBNR) □		250,467,162 □	252,838,389 □
Provision for unearned premium □		211,577,956 □	243,900,820 □
Commission income unearned □		28,399,478 □	30,344,351 □
<b>Total Underwriting Provisions</b> □		490,444,596 □	527,083,560
<b>Creditors and accruals</b> □			
Amounts due to other insurers/reinsurers □		30,479,365 □	35,324,248 □
Accrued expenses □		1,648,807 □	2,848,472 □
Taxation - provision less payments □		5,122,078 □	5,309,407 □
Sundry creditors □		6,141,908 □	7,032,961 □
		43,392,158 □	50,515,088
<b>Borrowing</b> □			
Short term running finance-secured □		1,786,655 □	5,776,363
<b>Other liabilities</b> □			
Unclaimed dividend □		115,331 □	120,535
<b>TOTAL EQUITY AND LIABILITIES</b> □		<u>916,852,262</u> □	<u>938,722,102</u> □
<b>CONTINGENCIES AND COMMITMENTS</b> □			
	10.1		

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

  
Ismail H. Zakaria  
Chairman

  
Mohammad Amin Ahmed Bawany  
Director

Karachi: 31st October, 2009

**CONDENSED INTERIM BALANCE SHEET (UN AUDITED)****FORM GA****AS AT 30TH SEPTEMBER, 2009**

	Notes □	(Un Audited) □ As At Sept 30, □ 2009 □ Rs □	(Audited) □ As At Dec.31, □ 2008 □ Rs
<b>Cash and bank deposits</b> □			
Cash and other equivalent □		166,196 □	123,719 □
Current and other accounts □		55,690,584 □	54,184,646 □
Deposit maturing within 12 months □		27,525,000 □	30,725,000 □
		<b>83,381,780 □</b>	<b>85,033,365</b>
<b>Loans ( secured )</b> □			
To employees □		1,199,149 □	964,899
<b>Investments</b> □	7 □	262,388,422 □	285,858,481
<b>Current assets-others</b> □			
Premiums due but unpaid □		149,380,097 □	106,435,031 □
Amounts due from other insurers/reinsurers □		9,951,128 □	6,225,857 □
Accrued investment income □		7,712,384 □	30,902,424 □
Reinsurance recoveries against outstanding claims □		209,635,336 □	214,067,719 □
Deferred commission expense □		41,609,374 □	47,032,113 □
Prepaid reinsurance premium ceded □		81,548,620 □	87,473,351 □
Trade deposits and prepayments □		540,494 □	540,494 □
Sundry receivables □		2,069,006 □	1,400,716 □
		<b>502,446,439 □</b>	<b>494,077,705</b>
<b>Fixed assets</b> □			
Land and buildings □		17,822,454 □	19,267,518 □
Furniture, fixtures and office equipment □		11,102,029 □	11,987,922 □
Motor vehicles □		36,684,146 □	40,255,569 □
		<b>65,608,629 □</b>	<b>71,511,009 □</b>
Capital work in progress □		1,827,843 □	1,276,643
<b>TOTAL ASSETS</b>		<b>916,852,262 □</b>	<b>938,722,102</b>

  
A. Aziz Ayoob  
Director

  
A. Razak Ahmed  
Chief Executive & Managing Director





**CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UN AUDITED)**

**FORM GB**

**FINANCIAL PERIOD ENDED SEPTEMBER 30, 2009**

(Amount in Rs.)

	QUARTER ENDED SEPTEMBER 30, 2009					Quarter ended Sept. 30, 2008 Aggregate
	Fire & Property	Marine & Aviation & Transport	Motor	Misc.	2009 Aggregate	
<b>Revenue Account</b>						
Net Premium Revenue	22,723,069	13,646,408	39,443,692	1,075,950	76,889,119	105,669,357
Net Claims	(9,259,718)	(2,329,091)	(28,506,797)	(121,839)	(40,217,445)	(56,135,984)
Expenses	(6,635,804)	(3,982,002)	(11,565,088)	(469,156)	(22,652,050)	(31,083,319)
Net Commission	(2,279,774)	(1,342,437)	(5,862,022)	1,003,481	(8,480,752)	(13,319,740)
<b>Underwriting result</b>	<b>4,547,773</b>	<b>5,992,878</b>	<b>(6,490,215)</b>	<b>1,488,436</b>	<b>5,538,872</b>	<b>5,130,314</b>
Investment Income					9,053,211	7,141,793
Other Income (Profit on Sale of Fixed Assets)					141,481	100,485
Financial Charges					(21,800)	-
General and administration expenses					(4,192,151)	(3,834,978)
<b>Profit before tax during the period</b>					<b>10,519,613</b>	<b>8,537,614</b>
<b>Provision for Taxation :</b>						
Current					(2,200,000)	(1,700,000)
<b>Profit after tax during the period</b>					<b>8,319,613</b>	<b>6,837,614</b>

	NINE MONTHS ENDED SEPTEMBER 30, 2009					Nine Months ended Sept. 30, 2008 Aggregate
	Fire & Property	Marine & Aviation & Transport	Motor	Misc.	2009 Aggregate	
<b>Revenue Account</b>						
Net Premium Revenue	71,991,489	43,757,593	117,267,222	3,009,895	236,026,199	328,073,477
Net Claims	(18,464,315)	(6,093,424)	(89,712,219)	(812,402)	(115,082,360)	(159,157,513)
Expenses	(21,963,810)	(13,349,959)	(35,776,937)	(1,070,830)	(72,161,536)	(96,872,611)
Net Commission	(7,700,501)	(4,413,204)	(17,367,684)	4,591,398	(24,889,991)	(37,321,193)
<b>Underwriting result</b>	<b>23,862,863</b>	<b>19,901,006</b>	<b>(25,589,618)</b>	<b>5,718,061</b>	<b>23,892,312</b>	<b>34,722,160</b>
Investment Income					20,712,639	19,297,443
Other Income (Profit on Sale of Fixed Assets)					900,930	1,236,181
Financial Charges					(286,031)	-
General and administration expenses					(11,632,884)	(11,698,771)
<b>Profit before tax during the period</b>					<b>33,586,966</b>	<b>43,557,013</b>
<b>Provision for Taxation :</b>						
Current					(7,700,000)	(12,000,000)
<b>Profit after tax during the period</b>					<b>25,886,966</b>	<b>31,557,013</b>

<b>Profit and Loss Appropriation Account</b>		
<b>Balance at Commencement of the Period</b>	41,029,056	70,886,713
Profit after tax during the period	25,886,966	31,557,013
Transfers to reserves ( General Reserve)	(7,500,000)	(17,500,000)
Issuance of Bonus Shares for the year 2008 10% (2007:30%)	(22,909,250)	(52,867,500)
<b>Balance Unappropriated profit at the end of the period</b>	<b>36,506,772</b>	<b>32,076,226</b>
<b>Earning per Share - Basic and Diluted</b> Note 8.1	<b>1.02</b>	<b>1.25</b>

  
Ismail H. Zakaria  
Chairman

  
Mohammad Amin Ahmed Bawany  
Director

  
A. Aziz Ayoob  
Director

  
A. Razak Ahmed  
Chief Executive & Managing Director

The annexed notes from 1 to 12 form an integral part of these Condensed interim financial statements.

KARACHI : 31st October, 2009

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY(UNAUDITED)****FINANCIAL PERIOD ENDED SEPTEMBER 30, 2009**

	Share Capital	General Reserve	Permanent Diminution In Value Of Investment	Unappro- priated Profit	Total
<b>Balance as at 01-01-2007</b> -	<b>132,500,000</b>	<b>48,000,000</b>	<b>5,105,000</b>	<b>58,365,849</b>	<b>243,970,849</b>
Net Profit after tax for the year	-	-	-	70,745,864	70,745,864
Issuance of bonus shares and transferred to general reserve	43,725,000	14,500,000	-	(58,225,000)	-
<b>Balance as at 01-01-2008</b>	<b>176,225,000</b>	<b>62,500,000</b>	<b>5,105,000</b>	<b>70,886,713</b>	<b>314,716,713</b>
Net Profit after tax for the year	-	-	-	40,509,843	40,509,843
Issuance of bonus shares and transferred to general reserve	52,867,500	17,500,000	-	(70,367,500)	-
<b>Balance as at 31-12-2008</b>	<b>229,092,500</b>	<b>80,000,000</b>	<b>5,105,000</b>	<b>41,029,056</b>	<b>355,226,556</b>
Net Profit after tax for the period	-	-	-	25,886,966	25,886,966
Issuance of bonus shares and transferred to general reserve	22,909,250	7,500,000	-	(30,409,250)	-
<b>Balance as at 30-09-2009</b>	<b>252,001,750</b>	<b>87,500,000</b>	<b>5,105,000</b>	<b>36,506,772</b>	<b>381,113,522</b>

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

Ismail H. Zakaria  
Chairman

Mohammad Amin Ahmed Bawany  
Director

A. Aziz Ayoob  
Director

A. Razak Ahmed  
Chief Executive & Managing Director

Karachi : 31st October, 2009

**CONDENSED INTERIM STATEMENT OF CASH FLOW (UNAUDITED)****FORM GC****FINANCIAL PERIOD ENDED SEPTEMBER 30,2009**

January to September   
**2009**  **2008**   
 (Amount in Rs.)

**Operating Cash Flow****a) Underwriting activities**

Premium received	275,956,541	405,004,500
Reinsurance premium paid	(140,874,554)	(129,412,661)
Claims paid	(177,025,845)	(252,978,726)
Reinsurance and other recoveries received	64,004,641	95,279,297
Commission paid	(41,860,749)	(64,175,456)
Commission received	43,479,483	48,236,127
<b>Net cash flow from underwriting activities</b>	<b><u>23,679,517</u></b>	<b><u>101,953,081</u></b>

**b) Other operating activities**

Income tax paid	(7,887,329)	(20,481,273)
General management expenses paid	(72,161,536)	(96,872,611)
Other operating payments	(3,874,820)	(3,469,542)
Loans advanced / repayment received	(234,250)	(62,496)
Other payments on operating assets	(2,090,718)	1,582,688
Other receipts in respect of operating assets	(668,290)	(1,470,686)
<b>Net cash flow from other operating activities</b>	<b><u>(86,916,943)</u></b>	<b><u>(120,773,920)</u></b>

**Total cash flow from all operating activities**

<b><u>(63,237,426)</u></b>	<b><u>(18,820,839)</u></b>
----------------------------	----------------------------

**Investment activities**

Interest / Dividend received	45,910,639	29,366,982
Payments for Investments	(40,130,513)	(31,965,678)
Proceeds from disposal of investments	61,592,612	19,572,472
Fixed Capital Expenditures	(4,697,954)	(15,681,870)
Proceeds from disposal of fixed assets	3,192,000	4,325,000

**Total cash flow from Investing activities**

<b><u>65,866,784</u></b>	<b><u>5,616,906</u></b>
--------------------------	-------------------------

**Financing activities**

Unclaimed Dividend paid	(5,204)	(3,443)
Financial Charges paid	(286,031)	-

**Total cash flow from financing activities**

<b><u>(291,235)</u></b>	<b><u>(3,443)</u></b>
-------------------------	-----------------------

**Net cash Inflow/outflow from all activities**

2,338,123	(13,207,376)
-----------	--------------

**Cash & cash equivalent at the beginning of the period**

79,257,002	94,953,344
------------	------------

**Cash & cash equivalent at the end of the period**

<b><u>81,595,125</u></b>	<b><u>81,745,968</u></b>
--------------------------	--------------------------

**Reconciliation to profit and loss Account:**

<b>Operating cash flow</b>	<b>(63,237,426)</b>	<b>(18,820,839)</b>
Depreciation expense	(7,758,064)	(8,229,229)
Financial Charges	(286,031)	-
Profit/(loss) on disposal of fixed assets	900,930	1,236,181
Increase/(decrease) in assets other than cash	31,793,024	23,959,898
(Increase)/decrease in liabilities other than running finance	43,761,894	14,113,559
Investment Income	20,712,639	19,297,443

**Profit after tax as per profit & loss account.**

<b><u>25,886,966</u></b>	<b><u>31,557,013</u></b>
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**Definition of Cash**

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	166,196	837,625
Current and other account	55,690,584	52,183,343
Deposits Maturing Within 12 Month	27,525,000	28,725,000
	<u>83,381,780</u>	<u>81,745,968</u>
Short Term Running Finance-Secured	(1,786,655)	-
	<b><u>81,595,125</u></b>	<b><u>81,745,968</u></b>

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

Ismail H. Zakaria  
 Chairman

Mohammad Amin Ahmed Bawany  
 Director

A. Aziz Ayoob  
 Director

A. Razak Ahmed  
 Chief Executive & Managing Director

Karachi:31st October, 2009

# CONDENSED INTERIM STATEMENT OF PREMIUMS (UNAUDITED)

## FINANCIAL PERIOD ENDED SEPTEMBER 30, 2009

Business underwritten inside Pakistan.

FORM GD


(Amount in Rs.)


C l a s s	QUARTER ENDED SEPTEMBER 30, 2009										Quarter ended Sept. 30, 2008 Net Premium revenue	
	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid Reins Premium		Reinsurance expense	2009 Net Premium revenue	2008 Net Premium revenue			
	Opening	Closing			ceded Opening	ceded Closing			2008 Net Premium revenue	2008 Net Premium revenue		
Direct and facultative												
1.Fire and Property Damage	53,002,343	125,916,384	123,405,569	55,513,158	31,293,274	67,145,071	65,648,256	32,790,089	22,723,069		25,910,006	
2.Marine, Aviation and Transport	19,637,066	11,983,600	9,542,083	22,088,583	7,513,784	4,716,748	3,788,357	8,442,175	13,646,408		18,692,678	
3.Motor	30,136,973	75,687,978	65,638,640	40,186,311	55,158,550	1,317,956	1,126,922	742,619	39,443,692		60,203,171	
4.Miscellaneous	5,569,941	14,561,906	12,991,664	7,140,183	4,709,040	12,340,278	10,985,085	6,064,233	1,075,950		863,502	
<b>Grand Total</b>	<b>108,346,323</b>	<b>228,159,868</b>	<b>211,577,956</b>	<b>124,928,235</b>	<b>44,067,683</b>	<b>85,520,053</b>	<b>81,548,620</b>	<b>48,039,116</b>	<b>76,889,119</b>		<b>105,669,357</b>	


C l a s s	NINE MONTHS ENDED SEPTEMBER 30, 2009										Nine Months ended Sept. 30, 2008 Net Premium revenue	
	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid Reins Premium		Reinsurance expense	2009 Net Premium revenue	2008 Net Premium revenue			
	Opening	Closing			ceded Opening	ceded Closing			2008 Net Premium revenue	2008 Net Premium revenue		
Direct and facultative												
1.Fire and Property Damage	159,766,508	129,628,752	123,405,569	165,989,691	90,391,578	69,254,880	65,648,256	93,998,202	71,991,489		78,999,579	
2.Marine, Aviation and Transport	67,546,873	11,086,875	9,542,083	69,091,665	24,745,138	4,377,291	3,788,357	25,334,072	43,757,593		54,078,996	
3.Motor	96,407,564	88,698,266	65,638,640	119,467,190	1,761,807	1,565,083	1,126,922	2,199,968	117,267,222		192,014,187	
4.Miscellaneous	18,211,521	14,486,927	12,991,664	19,706,784	15,405,877	12,276,097	10,985,085	16,696,889	3,009,895		2,980,715	
<b>Grand Total</b>	<b>341,932,466</b>	<b>243,900,820</b>	<b>211,577,956</b>	<b>374,255,330</b>	<b>132,304,400</b>	<b>87,473,351</b>	<b>81,548,620</b>	<b>138,229,131</b>	<b>236,026,199</b>		<b>328,073,477</b>	

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

  
Ismail H. Zakaria  
Chairman

  
Muhammad Amin Ahmed Bawany  
Director

  
A. Aziz Ayooob  
Director

  
A. Razak Ahmed  
Chief Executive & Managing Director



# CONDENSED INTERIM STATEMENT OF CLAIMS (UN AUDITED)

FORM GE

## FINANCIAL PERIOD ENDED SEPTEMBER 30, 2009

Business underwritten inside Pakistan.

(Amount in Rs.)



Reliance Insurance Company Limited

Class	QUARTER ENDED SEPTEMBER 30, 2009												
	Claims Paid		Outstanding Claims		Reinsurance and other recoveries received		Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue		2009 Net claims expenses	Quarter ended Sept. 30, 2008 Net claims expenses	
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing			
Direct and facultative													
1 Fire and Property Damage	23,176,794	233,190,100	204,400,724	(5,612,582)	19,106,727	218,371,503	184,392,476	(14,872,300)	9,259,718			4,400,679	
2 Marine, Aviation and Transport	3,957,263	23,519,750	27,647,550	8,085,063	1,634,110	17,470,168	21,592,030	5,755,972	2,329,091			5,123,130	
3 Motor	29,418,239	16,058,830	15,284,388	28,643,797	122,000	966,030	981,030	137,000	28,506,797			46,232,250	
4 Miscellaneous	1,252,792	3,120,500	3,134,500	1,266,792	1,114,353	2,639,200	2,669,800	1,144,953	121,839			379,925	
<b>Grand Total</b>	<b>57,805,088</b>	<b>275,889,180</b>	<b>250,467,162</b>	<b>32,383,070</b>	<b>21,977,190</b>	<b>239,446,901</b>	<b>209,635,336</b>	<b>(7,834,375)</b>	<b>40,217,445</b>			<b>56,135,984</b>	

Class	NINE MONTHS ENDED SEPTEMBER 30, 2009												
	Claims Paid		Outstanding Claims		Reinsurance and other recoveries received		Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue		2009 Net claims expenses	Nine Months ended Sept. 30, 2008 Net claims expenses	
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing			
Direct and facultative													
1 Fire and Property Damage	60,475,496	204,149,600	204,400,724	60,726,620	47,725,452	189,855,623	184,392,476	(42,262,305)	18,464,315			11,599,575	
2 Marine, Aviation and Transport	17,005,704	27,454,450	27,647,550	17,198,804	8,690,616	19,177,266	21,592,030	11,105,380	6,093,424			14,866,279	
3 Motor	93,209,172	18,378,839	15,284,388	90,114,721	2,097,002	2,675,530	981,030	402,502	89,712,219			131,681,676	
4 Miscellaneous	6,335,473	2,855,500	3,134,500	6,614,473	5,491,571	2,359,300	2,669,800	5,802,071	812,402			1,009,983	
<b>Grand Total</b>	<b>177,025,845</b>	<b>252,838,389</b>	<b>250,467,162</b>	<b>174,654,618</b>	<b>64,004,641</b>	<b>214,067,719</b>	<b>209,635,336</b>	<b>(59,572,258)</b>	<b>115,082,360</b>			<b>159,157,513</b>	

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

  
**Ismail H. Zakaria**  
 Chairman

  
**Mohammad Amin Ahmed Bawany**  
 Director

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



FORM GF

CONDENSED INTERIM STATEMENT OF EXPENSES (UNAUDITED)  
FINANCIAL PERIOD ENDED SEPTEMBER 30, 2009

Business underwritten inside Pakistan

(Amount in Rs.)

		QUARTER ENDED SEPTEMBER 30, 2009						2009	Quarter ended
C l a s s		Commissions Paid or payable	Opening Deferred commission	Closing Deferred commission	Net Commission expenses	Other management expenses	Commission from reinsurers	Net underwriting expense	Sept. 30, 2008 Net Underwriting expenses
		a	b	c	d=a+b-c	e	g	h=f-g	
Direct and facultative									
1 Fire and Property Damage		11,669,381	28,050,078	27,516,665	12,202,794	6,635,804	9,923,020	8,915,578	10,723,432
2 Marine, Aviation and Transport		3,774,401	2,398,720	1,908,417	4,264,704	3,982,002	2,922,267	5,324,439	7,498,342
3 Motor		4,354,621	11,353,197	9,845,796	5,862,022	11,565,088	17,427,110	17,427,110	26,662,078
4 Miscellaneous		920,858	2,621,143	2,338,496	1,203,505	469,156	1,672,661	(534,325)	(480,793)
<b>Grand Total</b>		<b>20,719,261</b>	<b>44,423,138</b>	<b>41,609,374</b>	<b>23,533,025</b>	<b>22,652,050</b>	<b>15,052,273</b>	<b>31,132,802</b>	<b>44,403,059</b>
		NINE MONTHS ENDED SEPTEMBER 30, 2009						2009	Nine Months ended
C l a s s		Commissions Paid or payable	Opening Deferred commission	Closing Deferred commission	Net Commission expenses	Other management expenses	Commission from reinsurers	Net underwriting expense	Sept. 30, 2008 Net Underwriting expenses
		a	b	c	d=a+b-c	e	g	h=f-g	
Direct and facultative									
1 Fire and Property Damage		34,865,128	28,902,351	27,516,665	36,250,814	21,963,810	28,550,313	29,664,311	31,963,556
2 Marine, Aviation and Transport		13,000,468	2,217,375	1,908,417	13,309,426	13,349,959	8,896,222	17,763,163	19,084,587
3 Motor		13,908,740	13,304,740	9,845,796	17,367,684	35,776,937	53,144,621	53,144,621	84,728,481
4 Miscellaneous		3,117,272	2,607,647	2,338,496	3,386,423	1,070,830	7,977,821	(3,520,568)	(1,582,820)
<b>Grand Total</b>		<b>64,891,608</b>	<b>47,032,113</b>	<b>41,609,374</b>	<b>70,314,347</b>	<b>72,161,536</b>	<b>45,424,356</b>	<b>97,051,527</b>	<b>134,193,804</b>

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

Ismail H. Zakaria  
Chairman

Muhammad Amin Ahmed Bawany  
Director

A. Aziz Ayooob  
Director

A. Razak Ahmed  
Chief Executive & Managing Director

**CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UNAUDITED)**

FINANCIAL PERIOD ENDED SEPTEMBER 30, 2009

FORM GG

(Amount in Rs.)

Quarter ended Sep. 30		Nine Months ended Sep. 30	
2009	2008	2009	2008

**Income from Non-Trading Investments****Held to maturity**

Return on Government Securities	1,831,475	971,609	6,382,668	3,726,591
Return on other Fixed income Securities and Deposits	1,968,695	1,087,903	4,179,582	2,977,381

3,800,170	2,059,512	10,562,250	6,703,972
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**Investment Held for Trading**

Dividend Income	3,961,816	3,895,280	12,074,246	9,878,933
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**Available for sale**

Dividend Income		375,678	120,082	546,745
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**Gain on sale of 'available for sale investment'**

1,300,285	815,123	2,992,040	2,192,361
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**Impairment in value of investment**

-	-	(5,000,000)	-
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**Less: Investment related expenses**

(9,060)	(3,800)	(35,979)	(24,568)
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**Net Investment Income transferred to P&L A/c.**

9,053,211	7,141,793	20,712,639	19,297,443
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The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

Ismail H. Zakaria  
ChairmanMohammad Amin Ahmed Bawany  
DirectorA. Aziz Ayoob  
DirectorA. Razak Ahmed  
Chief Executive & Managing Director

KARACHI : 31st October, 2009

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

### FINANCIAL PERIOD ENDED SEPTEMBER 30, 2009

#### 1. STATUS AND NATURE OF BUSINESS

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

These condensed financial Statements are unaudited have been prepared in accordance with the requirement of the Insurance Ordinance, 2000 and International Accounting Standard –34 (IAS-34) "Interim Financial Reporting" and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and with the Listing regulations of the Karachi and Lahore Stock Exchanges where Company is listed. These financial statements are being presented in accordance with the format prescribed by the Securities and Exchange Commission of Pakistan for Non-Life Insurance Companies through circular # 7 of 2003 dated 27 August 2003.

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statement for the year ended December 31, 2008.

The Security and Exchange Commission of Pakistan through its notification SRO-149(1) 2009 dated 11th February 2009, had adopted IFRS-4 on insurance contracts to be followed by insurance companies and others with effect from January 1st 2009. However the implementation of some paras in the said IFRS has been deferred by SECP through its circular # 22/2009 dated 30th June 2009, for the purpose of the quarterly accounts, for 1st, 2nd and 3rd Quarter of the year 2009. other related requirement of IFRS4 requirement have no impact on these condensed interim financial statement.

#### 3. Accounting policies

The accounting policies applied in preparation of these condensed interim financial statements are the same as those applied in the preparation of annual financial statements for the year ended 31 December 2008.

#### 4. Premium Deficiency Reserves

No provision has been made as the unearned premium reserve for each class of business as at nine months period ended is adequate to meet the expected future liability after reinsurance from claims and other expenses, expected to be incurred after the balance sheet date in respect of policies in force at the balance sheet date.

#### 5. Taxation

The amount set aside for Income Tax is provisional, final liability will be determined on the basis of annual results.

#### 6. Transactions with Related Parties

Details of major transactions with related parties for the period ended 30th september,2009 are as follows:□

	Jan - Sept 2009	Jan – Sept 2008
Premium Underwritten	11,737,474	14,686,030
Premium Collected	24,066,568	19,749,519
Claims Paid	11,431,153	14,915,575
Commission Paid	2,973,545	2,193,305

The transactions were carried out at the arm's length in accordance with the policy of the company.





<b>7. Investment</b>	<b>30th Sept. 2009</b>	<b>31st Dec. 2008</b>
The investments comprise of the following:		
Held to maturity	99,050,030	105,968,238
Available for sale	31,869,414	53,528,315
Investment held for trading	151,468,972	141,361,928
Impairment in value of investment	(20,000,000)	(15,000,000)
	<u>262,388,416</u>	<u>285,858,481</u>

7.1 The market value of investment in Shares & Securities as on 30th September 2009, was Rs. 222.731 million (as at 31st December 2008, Rs. 139.982 million).

7.2 Under SECP Circular No. 3/2009 dated 16 February, 2009 where market value of any available for sale investment as at 31 December 2008 is less than cost, the fall in value may be treated as temporary and the investment valued at cost. However, if the fall in value of available for sale investments is considered as temporary, then twenty five percent of the said fall in the value of above investments, after any adjustment/effect for price movements, is required to be taken to the Profit and Loss account on quarterly basis during the calendar year ending on 31 December 2009.

During the year 2009 the Company has charged Rs.5.00 million to Profit & Loss Account and Rs.15.00 million in December 2008.

7.3 In compliance with the directive of SECP vide its Circular No.15 of 2008, dated 7th July 2008. Pakistan Investment Bonds (PIB) for the face value of Rs.30.00 million have been deposited with State Bank of Pakistan under clause (a) of Section 29(2) of Insurance Ordinance 2000.

#### 8. Share Capital

Issued, subscribed and fully paid.

<u>Sept. 2009</u>	<u>December 2008</u>		<u>September 2009</u>	<u>December 2008</u>
<b>(Number of Shares)</b>				
1,156,680	1,156,680	Ordinary Shares of Rs.10 each	11,566,800	11,566,800
		Fully paid in cash		
24,043,495	21,752,570	Ordinary Shares of Rs.10 each	240,434,950	217,525,700
		Issued as fully paid Bonus Shares		
<u>25,200,175</u>	<u>22,909,250</u>		<u>252,001,750</u>	<u>229,092,500</u>

#### 8.1. Earnings per share

	<u>Sept 2009</u>	<u>Sept 2008</u>
Profit after tax for the period	25,886,966	31,557,013
Weighted average number of share of Rs. 10 each	25,200,175	25,200,175
Basic earning per share	<u>1.02</u>	<u>1.25</u>

Earning per share for the corresponding period have been adjusted for the effect of subsequent issue of bonus shares.

#### 9. Fixed Assets-Tangible and Intangible

The details of addition and disposals have been made in the fixed assets during the period ended September 30, 2009 are as Follows:

	<u>Additions</u>	<u>Disposals</u>
Vehicles	3,369,750	3,192,000
Furniture & Fixture	18,600	-
Office Equipments	547,834	-
Computers	210,570	-
Computer Software	551,200	-

#### 10. Contingencies and Commitments

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

#### 11. Date of Authorization for issue

These financial statements have been authorized for issue on 31st October 2009, by the Board of Directors of the Company.

#### 12. General

Figures have been rounded off to the nearest rupee.

Ismail H. Zakaria  
Chairman

Mohammad Amin Ahmed Bawany  
Director

A. Aziz Ayoob  
Director

A. Razak Ahmed  
Chief Executive & Managing Director

Karachi : 31st October, 2009



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SHARES DEPARTMENT  
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PHONES: 4539415-417

