



# *Sheltering Reliably*

QUARTERLY REPORT  
MARCH 31, 2010  
(UNAUDITED)



Reliance Insurance Company Limited



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## COMPANY INFORMATION

<b>BOARD OF DIRECTORS</b>	<b>ISMAIL H. ZAKARIA</b>	<b>Chairman</b>
<b>DIRECTORS</b>	<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>	
<b>CHIEF EXECUTIVE &amp; MANAGING DIRECTOR</b>	<b>A. RAZAK AHMED</b>	
<b>MANAGEMENT</b>	<b>BASHARAT M. BARLAS SYED RIZWAN AKHTAR</b>	<b>SEVP EVP (Operation)</b>
<b>CHIEF ACCOUNTANT AND COMPANY SECRETARY</b>	<b>HAROON A. SHAKOOR</b>	
<b>AUDIT COMMITTEE</b>	<b>A. AZIZ AYOOB IRFAN ZAKARIA BAWANY ZOHAIK ZAKARIA</b>	<b>Chairman Member Member</b>
<b>INVESTMENT COMMITTEE</b>	<b>IRFAN ZAKARIA ZOHAIK ZAKARIA AHMED ALI BAWANY A. RAZAK AHMED</b>	<b>Chairman Member Member Member</b>
<b>AUDITORS</b>	<b>HYDER BHIMJI &amp; CO. Chartered Accountants</b>	
<b>LEGAL ADVISOR</b>	<b>ABDUL SATTAR PINGAR</b>	
<b>BANKERS</b>	<b>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 FAYSAL BANK LIMITED HABIB METROPOLITAN BANK LIMITED THE BANK OF PUNJAB JS BANK LIMITED</b>	
<b>REGISTERED OFFICE</b>	<b>96-A, Sindhi Muslim Co-operative Housing Society, Karachi.</b>	
<b>HEAD OFFICE</b>	<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>	
<b>SHARES REGISTRAR</b>	<b>M/s. C &amp; K Management Associates (Pvt.) Ltd. 404-Trade Tower, Abdullah Haroon Road, Near Hotel Metropole, Karachi-75530 Tel : (021) 35687839 &amp; 35685930</b>	

## DIRECTOR'S REPORT

The Shareholders,

Your Directors are pleased to present before you the un-audited Accounts for the First quarter ended March 31, 2010.

During the period under review, your Company underwrote a Gross Premium of Rs.103.756 million as compared to last year's First quarter Premium of Rs.121.792 million – showing decrease of 14.81%. The Net Premium Income stood at 57.459 million against Rs.78.891 million – showing decline of 27.17 % over the previous year. The main factor of decline as also reported in the Annual Report 2009, has been the managements decision to revisit motor business due to extremely adverse claim experience.

Net claims incurred, however, stood at Rs.19.016 million – showing decline of 45.09% over the corresponding period of last year.

The Investment Income increased by 37.17% to Rs.8.166 million compared to Rs.5.953 million of previous year.

Profit before tax stood at Rs.6.727 million compared to Rs.15.270 million – showing decline of 55.95% over the corresponding period of last year.

Your Management looks forward to the future with confidence and envisages that the democratic government would succeed to enforce polices 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: 29th April 2010.

**CONDENSED INTERIM BALANCE SHEET (UN AUDITED)****AS AT MARCH 31, 2010**

	Notes	(Un Audited) As At March.31, 2010 Rs	(Audited) As At Dec.31, 2009 Rs
<b>Share Capital and Reserves</b>			
Authorised share capital (2008: 50,000,000 Ordinary Shares of Rs.10/— each)		500,000,000	500,000,000
Paid-up share capital	8	252,001,750	252,001,750
Accumulated Loss		(16,196,654)	(22,024,570)
Reserves		92,605,000	92,605,000
		328,410,096	322,582,180
<b>Underwriting provisions</b>			
Provision for outstanding claims (including IBNR)		217,046,363	227,471,105
Provision for unearned premium		230,406,910	232,763,085
Commission income unearned		29,532,735	33,125,313
<b>Total Underwriting Provisions</b>		<b>476,986,008</b>	<b>493,359,503</b>
<b>Creditors and accruals</b>			
Amounts due to other insurers/reinsurers		43,420,940	38,532,437
Accrued expenses		1,462,276	3,047,417
Cash losses received from reinsurers		30,264,659	-
Sundry creditors		53,131,196	46,711,534
		128,279,071	88,291,388
<b>Other liabilities</b>			
Unclaimed dividend		115,331	115,331
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>933,790,506</b>	<b>904,348,402</b>

**CONTINGENCIES AND COMMITMENTS**

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

**Mohammad Amin Ahmed Bawany**  
Director/ Chairman


**A. Aziz Ayoob**  
Director

Karachi:29th April,2010

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

AS AT MARCH 31, 2010

	Notes	(Un Audited) As At March 31, 2010 Rs	FORM GA (Audited) As At Dec. 31, 2009 Rs
<b>Cash and bank deposits</b>			
Cash and other equivalent		385,205	111,273
Current and other accounts		68,369,689	34,909,559
Deposit maturing within 12 months		28,025,000	28,025,000
		96,779,894	63,045,832
<b>Loans ( secured )</b>			
To employees		1,018,517	1,061,059
<b>Investments</b>	7	281,263,959	282,689,979
<b>Current assets-others</b>			
Premiums due but unpaid		185,464,400	169,145,269
Amounts due from other insurers/reinsurers		5,286,278	8,534,726
Accrued investment income		4,134,305	10,513,780
Reinsurance recoveries against outstanding claims		133,990,594	144,013,231
Deferred commission expense		53,017,057	53,563,015
Prepaid reinsurance premium ceded		97,354,870	98,174,944
Taxation - provision less payments		6,202,099	6,095,306
Trade deposits and prepayments		528,819	540,494
Sundry receivables		901,606	662,544
		486,880,028	491,243,309
<b>Fixed assets</b>			
Land and buildings		16,907,247	17,340,766
Furniture, fixtures and office equipment		10,317,690	10,607,651
Motor vehicles		38,015,328	36,531,963
		65,240,265	64,480,380
Capital work in progress		2,607,843	1,827,843
<b>TOTAL ASSETS</b>		<b>933,790,506</b>	<b>904,348,402</b>

  
Zohair Zakaria  
Director

  
A. Razak Ahmed  
Chief Executive & Managing Director



**CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UN AUDITED)**  
**FINANCIAL PERIOD ENDED MARCH 31, 2010**

						FORM GB (Amount in Rs.)	
	Fire & Property	Marine Aviation & Transport	Motor	Misc.	31 March 2010 Aggregate	31 March 2009 Aggregate	
<b>Revenue Account</b>							
Net Premium Revenue	19,645,951	13,468,223	23,566,210	779,438	57,459,822	78,891,819	
Net Claims	(1,733,108)	(2,810,611)	(14,251,640)	(221,060)	(19,016,419)	(34,632,066)	
Expenses	(9,880,934)	(6,773,845)	(11,852,629)	(392,018)	(28,899,426)	(23,695,508)	
Net Commission	(1,304,070)	(2,721,373)	(3,449,376)	1,443,685	(6,031,134)	(6,542,291)	
<b>Underwriting result</b>	<b>6,727,839</b>	<b>1,162,394</b>	<b>(5,987,435)</b>	<b>1,610,045</b>	<b>3,512,843</b>	<b>14,021,954</b>	
Investment Income					8,166,418	5,953,675	
Other Income (Profit on Sale of Fixed Assets)					120,396	101,103	
Financial Charges					(105,237)	(136,222)	
General and administration expenses					(4,966,504)	(4,670,181)	
<b>Profit before tax during the quarter</b>					<b>6,727,916</b>	<b>15,270,329</b>	
<b>Provision for Taxation :</b>					<b>(900,000)</b>	<b>(3,750,000)</b>	
<b>Profit after tax during the quarter</b>					<b>5,827,916</b>	<b>11,520,329</b>	
<b>Profit and Loss Appropriation Account</b>							
<b>Balance at Commencement of year</b>					<b>(22,024,570)</b>	<b>41,029,056</b>	
Profit after tax during the quarter					5,827,916	11,520,329	
<b>Balance Unappropriated profit at the end of period</b>					<b>(16,196,654)</b>	<b>52,549,385</b>	
<b>Earning per Share - Basic and Diluted Note-10</b>					<b>0.23</b>	<b>0.46</b>	

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

  
**Mohammad Amin Ahmed Bawany**  
 Director / Chairman

  
**A. Aziz Ayoob**  
 Director

  
**Zohair Zakaria**  
 Director


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

Karachi :29th April,2010

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FINANCIAL PERIOD ENDED MARCH 31, 2010**

	<b>31 March 2010 Rs.</b>	<b>31 March 2009 Rs.</b>
Profit after tax	<b>5,827,916</b>	11,520,329
Other comprehensive income	-	-
Total comprehensive income for the quarter	<b><u>5,827,916</u></b>	<b><u>11,520,329</u></b>

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

  
**Mohammad Amin Ahmed Bawany**  
Director / Chairman

  
**A. Aziz Ayoob**  
Director

  
**Zohair Zakaria**  
Director

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

Karachi: 29th April, 2010





**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FINANCIAL PERIOD ENDED MARCH 31, 2010**

	Share Capital	General Reserve	Permanent Diminution In Value Of Investment	Unappropriated Profit	Total
<b>Balance as at 31-12-2008</b>	229,092,500	80,000,000	5,105,000	41,029,056	355,226,556
<b>Total comprehensive income for the year</b>					
Net Loss after tax for the year	-	-	-	(32,644,376)	(32,644,376)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	(32,644,376)	(32,644,376)
<b>Transactions with owners recorded directly in equity</b>					
Issuance of bonus shares and transferred to general reserve	22,909,250	7,500,000	-	(30,409,250)	-
<b>Balance as at 31-12-2009</b>	<u>252,001,750</u>	<u>87,500,000</u>	<u>5,105,000</u>	<u>(22,024,570)</u>	<u>322,582,180</u>
<b>Total comprehensive income for the quarter</b>					
Net Profit after tax for the quarter	-	-	-	5,827,916	5,827,916
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the quarter</b>	-	-	-	5,827,916	5,827,916
<b>Transactions with owners recorded directly in equity</b>					
Issuance of bonus shares and transferred to general reserve	-	-	-	-	-
<b>Balance as at 31-03-2010</b>	<u>252,001,750</u>	<u>87,500,000</u>	<u>5,105,000</u>	<u>(16,196,654)</u>	<u>328,410,096</u>

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

  
**Mohammad Amin Ahmed Bawany**  
 Director / Chairman

  
**A. Aziz Ayoob**  
 Director

  
**Zohair Zakaria**  
 Director

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


Karachi : 29th April, 2010

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**

FORM GC

FINANCIAL PERIOD ENDED MARCH 31, 2010

	2010	January to March 2009 (Amount in Rs.)
<b>Operating Cash Flow</b>		
<b>a) Underwriting activities</b>		
Premium received	84,637,738	89,585,218
Reinsurance premium paid	(39,695,730)	(53,655,570)
Claims paid	(60,481,150)	(63,098,785)
Reinsurance and other recoveries received	41,062,626	22,958,283
Commission paid	(20,680,116)	(19,230,911)
Commission received	14,401,895	17,572,299
cash losses received from reinsurers	30,264,659	-
Net cash flow from underwriting activities	<u>49,509,922</u>	<u>(5,869,466)</u>
<b>b) Other operating activities</b>		
Income tax paid	(1,006,793)	(3,767,642)
General management expenses paid	(28,899,426)	(23,695,508)
Other operating payments	(2,641,776)	(2,136,252)
Loans advanced / repayment received	42,542	(41,860)
Other payments on operating assets	4,834,521	(3,049,367)
Other receipts in respect of operating assets	(227,387)	(607,440)
Net cash flow from other operating activities	<u>(27,898,319)</u>	<u>(33,298,069)</u>
<b>Total cash flow all operating activities</b>	<u>21,611,603</u>	<u>(39,167,535)</u>
<b>Investment activities</b>		
Interest / Dividend received	14,339,293	30,414,540
Payments for Investments	(622,573)	(41,523,055)
Proceeds from disposal of investments	2,255,193	55,987,115
Fixed Capital Expenditures	(4,369,217)	(2,392,285)
Proceeds from disposal of fixed assets	625,000	250,000
<b>Total cash flow from Investing activities</b>	<u>12,227,696</u>	<u>42,736,315</u>
<b>Financing activities</b>		
Unclaimed Dividend paid	-	(5,204)
Financial Charges	(105,237)	(136,222)
<b>Total cash flow from financing activities</b>	<u>(105,237)</u>	<u>(141,426)</u>
Net cash Inflow/outflow from all activities	33,734,062	3,427,354
<b>Cash &amp; cash equivalent at the beginning of the year</b>	<u>63,045,832</u>	<u>79,257,002</u>
<b>Cash &amp; cash equivalent at the end of the period</b>	<u>96,779,894</u>	<u>82,684,356</u>
<b>Reconciliation to profit and loss Account</b>		
<b>Operating cash flow</b>	<u>21,611,603</u>	<u>(39,167,535)</u>
Depreciation expense	(2,324,728)	(2,533,929)
Financial Charges	(105,237)	(136,222)
Profit/(loss) on disposal of fixed assets	120,396	101,103
Increase/(decrease) in assets other than cash	(23,614,188)	22,703,110
(Increase)/decrease in liabilities other than running finance	1,973,652	24,600,127
Investment Income	8,166,418	5,953,675
<b>Profit after tax as per profit &amp; loss account.</b>	<u>5,827,916</u>	<u>11,520,329</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	385,205	518,626
Current and other account	68,369,689	55,929,577
Deposits Maturing Within 12 Months	28,025,000	30,725,000
	<u>96,779,894</u>	<u>87,173,203</u>
Short Term Running Finance-Secured		(4,488,847)
	<u>96,779,894</u>	<u>82,684,356</u>

  
**Mohammad Amin Ahmed Bawany**  
 Director / Chairman  
 Karachi : 30th April, 2009

  
**A. Aziz Ayoob**  
 Director

  
**Zohair Zakaria**  
 Director

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

**CONDENSED INTERIM STATEMENT OF PREMIUMS (UN AUDITED)**  
**FINANCIAL PERIOD ENDED MARCH 31, 2010**

Business underwritten inside Pakistan.

FORM GD

(Amount in Rs.)

C l a s s	Premium written		Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid Reins Premium		Reinsurance expense	31 March 2010 Net Premium revenue	31 March 2009 Net Premium revenue
	Opening	Closing	Opening	Closing			ceded Opening	ceded Closing			
<b>Direct and facultative</b>											
Fire and Property Damage	53,384,417	142,981,455	142,643,128	53,722,744	33,856,724	80,960,674	80,740,605	34,076,793	19,645,951	24,492,614	
Marine, Aviation and Transport	21,796,330	11,792,664	10,769,481	22,819,513	8,916,180	4,942,342	4,507,232	9,351,290	13,468,223	14,525,378	
Motor	23,318,232	65,126,960	64,294,151	24,151,041	562,500	1,237,534	1,215,203	584,831	23,566,210	38,895,414	
Miscellaneous	5,257,423	12,862,006	12,700,150	5,419,279	4,497,277	11,034,394	10,891,830	4,639,841	779,438	978,413	
<b>Grand Total</b>	<u>103,756,402</u>	<u>232,763,085</u>	<u>230,406,910</u>	<u>106,112,577</u>	<u>47,832,681</u>	<u>98,174,944</u>	<u>97,354,870</u>	<u>48,652,755</u>	<u>57,459,822</u>	<u>78,891,819</u>	

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

**Mohammad Amin Ahmed Bawany**  
 Director / Chairman

**A. Aziz Ayooob**  
 Director

**Zohair Zakaria**  
 Director

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

**CONDENSED INTERIM STATEMENT OF CLAIMS (UN AUDITED)**  
**FINANCIAL PERIOD ENDED MARCH 31, 2010**

Business underwritten inside Pakistan.

FORM GE

(Amount in Rs.)

C l a s s	Claims Paid		Outstanding Claims		Claims Expenses		Reinsurance and other recoveries received		Reinsurance recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue		31 March 2010		31 March 2009		
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Net claims expenses	Net claims expenses	Net claims expenses	Net claims expenses	
																	Net claims expenses
<b>Direct and facultative</b>																	
Fire and Property Damage	40,313,561	166,583,720	143,278,687	143,278,687	17,008,528	17,008,528	36,092,514	121,143,751	100,326,657	15,275,420	1,733,108	1,733,108	1,776,925	1,776,925			
Marine, Aviation and Transport	5,894,325	30,044,255	39,532,055	39,532,055	15,382,125	15,382,125	3,671,317	19,724,480	28,624,677	12,571,514	2,810,611	2,810,611	1,187,458	1,187,458			
Motor	12,830,160	28,368,130	30,993,110	30,993,110	15,455,140	15,455,140	-	985,000	2,188,500	1,203,500	1,203,500	1,203,500	30,938,780	30,938,780			
Miscellaneous	1,443,104	2,475,000	3,242,511	3,242,511	2,210,615	2,210,615	1,298,795	2,160,000	2,850,760	1,989,555	221,060	221,060	728,903	728,903			
<b>Grand Total</b>	<b>60,481,150</b>	<b>227,471,105</b>	<b>217,046,363</b>	<b>217,046,363</b>	<b>50,056,408</b>	<b>50,056,408</b>	<b>41,062,626</b>	<b>144,013,231</b>	<b>133,990,594</b>	<b>31,039,989</b>	<b>19,016,419</b>	<b>19,016,419</b>	<b>34,632,066</b>	<b>34,632,066</b>			

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

  
**Mohammad Amin Ahmed Bawany**  
 Director / Chairman

  
**A. Aziz Ayooob**  
 Director

  
**Zohair Zakaria**  
 Director

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

**CONDENSED INTERIM STATEMENT OF EXPENSES (UNAUDITED)**  
**FINANCIAL PERIOD ENDED MARCH, 31 2010**

Business underwritten inside Pakistan

FORM GF

(Amount in Rs.)

C l a s s	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 2010 Net underwriting expense h=f-g	31 March 2009 Net Underwriting expenses
<b>Direct and facultative</b>									
Fire and Property Damage	14,079,584	38,530,642	38,394,537	14,215,689	9,880,934	24,096,623	12,911,619	11,185,004	9,631,414
Marine, Aviation and Transport	5,233,275	2,948,168	2,692,370	5,489,073	6,773,845	12,262,918	2,767,700	9,495,218	5,791,610
Motor	3,324,455	9,769,044	9,644,123	3,449,376	11,852,629	15,302,005	-	15,302,005	17,431,069
Miscellaneous	842,335	2,315,161	2,286,027	871,469	392,018	1,263,487	2,315,154	(1,051,667)	(2,616,294)
<b>Grand Total</b>	<u>23,479,649</u>	<u>53,563,015</u>	<u>53,017,057</u>	<u>24,025,607</u>	<u>28,899,426</u>	<u>52,925,033</u>	<u>17,994,473</u>	<u>34,930,560</u>	<u>30,237,799</u>

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

**Mohammad Amin Ahmed Bawany**  
 Director / Chairman

**A. Aziz Ayooob**  
 Director


**Zohair Zakaria**  
 Director

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

**CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UNAUDITED)**  
**FINANCIAL PERIOD ENDED MARCH 31, 2010**

	<b>31 March 2010 Rs.</b>	<b>FORM GG 31 March 2009 Rs.</b>
<b>Income from Non-Trading Investments</b>		
<b>Held to maturity</b>		
Return on Government Securities	1,208,332	1,791,704
Return on other fixed income, securities and deposits	915,016	788,812
	2,123,348	2,580,516
<b>Investment Held for Trading</b>		
Dividend Income	5,808,575	4,751,549
<b>Available for sale</b>		
Dividend Income	33,795	-
<b>Gain on sale of 'available for sale investment'</b>	206,600	1,137,029
<b>Impairment loss/reversal of impairment in the value of investment</b>	-	(2,500,000)
less: Investment related expenses	(5,900)	(15,419)
<b>Net Investment Income transferred to P&amp;L A/c.</b>	<u>8,166,418</u>	<u>5,953,675</u>

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

  
**Mohammad Amin Ahmed Bawany**  
Director / Chairman

  
**A. Aziz Ayoob**  
Director

  
**Zohair Zakaria**  
Director

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

Karachi: 29th April, 2010



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED) FINANCIAL PERIOD ENDED MARCH 31, 2010

### 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

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 in its circular # 7 of 2003 dated 27 August 2003.

These financial statement 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, 2009.

### 3. Accounting policies.

The accounting policies adopted in preparation of these accounts are the same as applied in preparation of financial statement for the preceding year ended December 31, 2009.

These financial statements have been presented in Pakistan rupee, which is also the company's functional currency.

### 4. Financial Risk Management

The Company' financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended 31 December 2009

### 5. Taxation

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

### 6. Transaction with Related Parties

Details of major transactions with related parties for the period ended 31st March 2010 are as follows.

	<b>Jan - Mar 2010</b>	<b>Jan -Mar 2009</b>
Premium Underwritten	6,634,033	4,503,139
Premium Collected	3,686,711	4,067,937
Claims Paid	218,697	-
Commission Paid	1,144,359	819,389

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

### 7. Investment

The investments comprise of the following:

	<b>31st Mar. 2010</b>	<b>31st Dec. 2009</b>
Held to maturity	97,242,581	98,832,706
Available for sale	25,664,285	25,664,285
Investment held for trading	154,498,408	154,334,303
In Relates Parties	6,558,148	6,558,148
Provision for impairment	(2,699,463)	(2,699,463)
	<u>281,263,959</u>	<u>282,689,979</u>

- 7.1 The market value of investments as at 31st March 2010, was Rs.333.967 million (as at 31st December 2009, Rs. 318.312 million).
- 7.2 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.

March 2010 (Number of Shares)	December 2009		March 2010	December 2009
1,156,680	1,156,680	Ordinary Shares of Rs.10 each Fully paid in cash	11,566,800	11,566,800
24,043,495	24,043,495	Ordinary Shares of Rs.10 each Issued as fully paid Bonus Shares	240,434,950	240,434,950
<u>25,200,175</u>	<u>25,200,175</u>		<u>252,001,750</u>	<u>252,001,750</u>

## 9. Fixed Assets-Tangible and Intangible.

The details of addition and disposals have been made in the fixed assets during the period ended March 31, 2010.

	Additions	Disposals
Vehicles	3,422,430	625,000
Office Furniture	13,650	-
Office Equipments	49,170	-
Computers	103,967	-
Computer Software	780,000	-

## 10. Earnings Per Share –Basic And Diluted

	Jan - Mar 2010	Jan –Mar 2009
Profit after tax for the period	5,827,916	11,520,329
Weighted average number of ordinary shares	25,200,175	25,200,175
<b>Earning per shares-basic and diluted</b>	<b>0.23</b>	<b>0.46</b>

10.1 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 .

## 11. Segment Reporting

Class of business wise revenue and results have been disclosed in the condensed interim statement of premium and condensed interim profit and loss account respectively prepared in accordance with the requirements of insurance ordinance,2000 and the SEC(insurance) Rules,2002.

## 12. Contingencies and Commitments

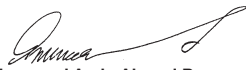
10.1. There are no material contingencies existing at the Balance Sheet date.

## 13. Date of Authorization for issue

These financial statements have been authorized for issue on 29th April 2010, 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  
 Karachi : 29h April, 2010

  
 A. Aziz Ayoob  
 Director

  
 Zohair Zakaria  
 Director

  
 A. Razak Ahmed  
 Chief Executive & Managing Director





## OFFICES

### HEAD OFFICE

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

PABX : 34539415-17  
Fax : 34539412  
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 : 34539413, 34539414  
Extention : 204

**Mr. Haroon A. Shakoore**  
Chief Accountant & Company Secretary

Direct : 34539409  
Extention : 203

**M. Syed Rizwan Akhtar**  
Executive Vice President (Operations)

Direct : 34304067  
Extention : 210

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

Direct : 34557079  
Extention : 201

**Mr. Muhammad Ishaque Azim**  
Vice President (Fire)

Direct : 34304068  
Extention : 212

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

Direct : 34550403  
Extention : 208

**Mr. Abdul Rahim Patni**  
Deputy Chief Manager (Reinsurance)

Direct : 34539411  
Extention : 215

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

Extention : 214

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

Extention : 205

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

Direct : 34539411  
Extention : 206

**Mr. Muhammad Masood Ali**  
Deputy Chief Manager (I.T. Deptt.)

Extention : 202

### South Zone Office & Branches

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**Namco Centre Branch**  
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Vice President

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

**Mr. Abdullah Ahmed**  
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### North Zone Office & Branches

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

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

PABX : (042) 7239063, 7353292  
(042) 7234255, 7351353  
Direct : (042) 7354689  
Fax : (042) 7312526

**North Zone Office & Branches (continued)****Regional Office. Lahore**

90-A/3, 1st Floor, Canal Park,  
Gulberg-II, Lahore.

**Mr. Basharat M. Barlas**  
Senior Executive Vice President

Ph : (042) 35761077, 35761078  
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**Gulberg Branch**

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**Mr. Tehseen Ahmed Khan**  
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**Eden Centre Branch**

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43 Ghausal Azam Road, (Jail Road)  
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**Al-Rehman Branch**

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**Mr. Nisar Ahmed Chughtai**  
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**Garden Town Branch**

Suit No. 17, 1st Floor, Shan Arcade,  
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**Khan Plaza Branch**

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**Model Town Branch**

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**Gujrat Branch**

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**Mr. Ch. Nazir Ahmed**  
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Bilal Road, Civil Lines, Faisalabad.

**Mr. A. Majeed Abid**  
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**Mr. Muhammad Akhlaq**  
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**Mr. Mushtaq Ahmed**  
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**Peshawar Branch**

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**Mr. Abdul Salam Niazi**  
Vice President

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5250830  
Fax : (091) 5284683

**Regional Office Multan**

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Multan.

**Mr. Syed Bahar Shah Bukhari**  
Senior Vice President &  
Regional Head

Ph : (061) 4517349  
Fax : (061) 4510049

**Khanpur Branch**

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Distt. Rahimyar Khan.

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**Hasilpur Branch**

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Hasilpur.

**Mr. Muhammad Shafi Anjum**  
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Fax : (062) 2448073

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Sahiwal.

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Branch Manager

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Fax : (040) 4467477

**Sialkot Branch**

Room No. 4 & 5 1st Floor,  
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Branch Manager

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Fax : (052) 4296077

**Gojra Branch**

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Gojra.

**Mrs. Shahnaz Akhter**  
Branch Manager

Ph : (046) 3511917  
Fax : (046) 3513111



**BOOK POST**  
**U.P.C./BY COURIER SERVICE**



*If undelivered please return to:*

**Reliance Insurance Company Limited**

SHARES DEPARTMENT

"Reliance Insurance House"

181-A, SINDHI MUSLIM CO-OPERATIVE HOUSING SOCIETY, KARACHI-74400

PHONES: 4539415-417