

QUARTERLY REPORT

Quarter Ended March 31, 2021
(Un-Audited)

**SERVING
RELIABLY**



Reliance Insurance
Company Limited



Window Takaful

Reliance Insurance Company Limited

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Reliance Window Takaful Operations

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COMPANY INFORMATION



BOARD OF DIRECTORS

CHAIRMAN
IRFAN ZAKARIA BAWANY

DIRECTORS

MUHAMMAD OMAR BAWANY
AHMED ALI BAWANY
NOOR M. ZAKARIA
ZIA ZAKARIA
MUHAMMAD PATEL
NAEEM AHMED SHAFI
TASNEEM YUSUF
JAHANGIR ADAM

CHIEF EXECUTIVE & MANAGING DIRECTOR

A. RAZAK AHMED

CHIEF FINANCIAL OFFICER

HAROON A. SHAKOOR

COMPANY SECRETARY & COMPLIANCE OFFICER

GHULAM HAIDER

AUDIT COMMITTEE

TASNEEM YUSUF	CHAIRPERSON
IRFAN ZAKARIA BAWANY	MEMBER
MUHAMMAD OMAR BAWANY	MEMBER

INVESTMENT COMMITTEE

IRFAN ZAKARIA BAWANY	CHAIRMAN
AHMED ALI BAWANY	MEMBER
TASNEEM YUSUF	MEMBER
MUHAMMAD PATEL	MEMBER
A. RAZAK AHMED	MEMBER
HAROON A. SHAKOOR	SECRETARY

ETHICS, HUMAN RESOURCE & REMUNERATION COMMITTEE

NAEEM AHMED SHAFI	CHAIRMAN
IRFAN ZAKARIA BAWANY	MEMBER
NOOR M. ZAKARIA	MEMBER
A. RAZAK AHMED	MEMBER

CREDIT RATING

A (SINGLE A) BY VIS
OUTLOOK "POSITIVE"

AUDITORS

KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

LEGAL ADVISOR

IRFAN ADVOCATE

SHARI'AH ADVISOR

MUFTI MUHAMMAD FARHAN FAROOQ

BANKERS

HABIB BANK LIMITED
MCB BANK LIMITED
ALLIED BANK LIMITED
SONERI BANK LIMITED
BANK ALFALAH LIMITED
NATIONAL BANK OF PAKISTAN
MEEZAN BANK LIMITED
DUBAI ISLAMIC BANK
MCB ISLAMIC BANK LIMITED
UNITED BANK LIMITED
THE BANK OF PUNJAB
FAYSAL BANK LIMITED
HABIB METROPOLITAN BANK LIMITED
JS BANK LIMITED
THE BANK OF KHYBER

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 : 34539415-17
Fax : 92-21-34539412
E-mail : reli-ins@cyber.net.pk
ric-re@cyber.net.pk
Website: www.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) 35687839 & 35685930



DIRECTORS' REVIEW

The Shareholders,
Reliance Insurance Company Limited,

Your Directors are pleased to present before you the First Quarter (Un-audited) Accounts for the period ended March 31, 2021. These Accounts have been prepared according to the Insurance Rules 2017 and Insurance Accounting Regulations 2017 as prescribed by SECP.

During the period under review, your Company underwrote a Gross Premium of Rs.138.199 million (inclusive of Takaful Contribution for Rs.12.538 million) as compared to Rs.121.431 million of the corresponding period of last year (inclusive of Takaful Contribution for Rs.16.033 million) – an increase of 13.81%. Net Premium stood at Rs.60.292 million as against Rs.57.812 million of last year showing an increase of 4.29%.

Net claims stood at Rs. 7.395 million compared to Rs. 7.367 million of corresponding period of last year, underwriting profit increased from Rs. 3.122 million to Rs. 5.202 million.

Investment income for the quarter stood at Rs. 24.582 million compared to Rs. (69.769) million of the corresponding period of last year, mainly due to positive sentiments prevailing at Pakistan Stock Exchange. Index showed marked improvement increasing from 29,232 point as at March 2020 to 44,587 points as at March 31 2021.

Profit before tax stood at Rs. 21.284 million against loss of Rs. (71.680) million of corresponding period of last year. Earnings per share (EPS) stood at Re. 0.32 compared to (LPS) of Re. (0.74) for the corresponding period of last year. There is an Accumulated surplus from Window Takaful Operators Fund of Rs. 29.956 million as at 31st March, 2021 as compared to Rs. 20.271 million of previous year

Your Management will continue to strive hard to improve upon its performance with the hope that the Government would formulate long term & consistent policies to boost economic activities and gain investors' confidence to meet challenges ahead in the wake of COVID-19 and also continue to concentrate on improving upon Law and Order situation in the Country. We are however optimistic that going forward political & economic scenario would improve.

By order of the Board



A. RAZAK AHMED
Chief Executive & Managing Director

Karachi: 29th April, 2021

ڈائریکٹرز کا جائزہ

بنام حصص یافتگان
ریلائنس انشورنس کمپنی لمیٹڈ

ڈائریکٹرز بمسرت کمپنی کے غیر آڈٹ شدہ حسابات پہلی سہ ماہی برائے مدت ختمہ 31 مارچ 2021 پیش کرتے ہیں۔ یہ اکاؤنٹس ایس ای سی پلا (SECP) کے انشورنس قوانین 2017 اور انشورنس اکاؤنٹنگ ریگولیشن 2017 کے مطابق تیار کیے گئے ہیں۔

اس مدت کے دوران، آپ کی کمپنی نے مجموعی پربہیم 138.199 ملین روپے (بشمول تکافل شراکتداری 12.538 ملین روپے) کیا جو کہ گزشتہ سال کی اسی مدت کے مجموعی پربہیم 121.431 ملین روپے بشمول تکافل شراکتداری 16.033 ملین روپے کے مقابلے میں 13.81 فیصد زائد ہے۔ خالص پربہیم آمدنی 60.292 ملین روپے ہے جب کہ گزشتہ سال 57.812 ملین روپے تھی جو کہ گزشتہ سال کے مقابلے میں 4.29 فیصد اضافہ ظاہر کرتا ہے۔

نیٹ گلیمر گزشتہ سال کے 7.367 ملین روپے کے مقابلے میں 7.395 ملین روپے رہے۔ انڈر رائٹنگ منافع 3.122 ملین روپے سے بڑھ کر 5.202 ملین روپے رہا۔

پاکستان اسٹاک ایکسچینج میں مثبت رجحان کی وجہ سے مذکورہ مدت میں سرمایہ کاری گزشتہ سال کے منفی (69.769) ملین روپے کے مقابلے میں 24.582 ملین روپے ہے انڈیکس میں نمایاں اضافہ ہوا ہے جو کہ 31 مارچ 2020 کے 29,232 سے بڑھ کر مارچ 2021 کو 44,587 پوائنٹس پر آ گیا۔

مذکورہ مدت میں کمپنی کو قبل از ٹیکس 21.284 ملین روپے کے منافع رہا جب کہ گزشتہ سال اسی مدت کے لیے (71.680) ملین روپے نقصان تھا۔ فی حصص آمدنی 0.32 روپے ہے جو گزشتہ سال اسی مدت کے لیے فی حصص نقصان (0.74) روپے تھی۔ 31 مارچ 2020 کو ختم ہونے والی مدت کے لیے ونڈو تکافل آپریٹرز فنڈ کا جمع شدہ سرپلس گزشتہ سال کے 20.271 ملین روپے کے مقابلے میں 29.956 ملین روپے رہا۔

آپ کی مینجمنٹ ان مشکل حالات میں کمپنی کی کارکردگی کو بہتر بنانے کی بھرپور کوشش کرتی رہے گی اس امید کہ ساتھ کہ آگے آنے والے چیلنجز کا سامنا کرنے کے لیے حکومت اقتصادی سرگرمیوں کو فروغ دینے کے لئے طویل مدتی اور مستحکم پالیسیوں کو تشکیل دے گی اور COVID-19 کے پیش نظر چیلنجوں کا مقابلہ کرنے کے لیے سرمایہ کاروں کا اعتماد حاصل کرے گی اور ملک میں امن و امان کی صورت حال پر بہتر بنانے پر توجہ مرکوز رکھے گی ہم اعتماد کے ساتھ پرامید ہے کہ مستقبل میں سیاسی اور معاشی صورتحال بہتر ہو جائے گی۔



محکم بورڈ

اے رزاق احمد

چیف ایگزیکٹو اور مینجنگ ڈائریکٹر

کراچی 29 اپریل 2021



OUR SERVICES

Reliance Insurance underwrites all classes of General Insurance and enjoys reputation second to none. Apart from Conventional General Insurance RIC has also commenced its General Takaful operations in the year 2016.



**General Insurance
(Conventional)**

Reliance Insurance commenced its general insurance business in 1981 and it underwrites all classes of traditional and non-traditional lines.

Reliance Insurance is offering a wide range of covers such as Fire & Property, Marine Cargo, Motor Vehicles (Commercial & Private), Personal Accident, Money Insurance, Burglary & Liability (Public & Product) and Workmen Compensation while non-traditional covers such as Engineering Risks (MBD, CAR, EAR), Aviation Insurance, Terrorism & Sabotage and Bonds are also being offered.



**General Takaful
(Islamic)**

Takaful is an Islamic alternate of Insurance and is growing steadily. Reliance Insurance commenced its Window Takaful Operations in June 2016 under the guidance of renowned, qualified and certified Sharia Scholars.

Reliance Takaful is offering a wide range of Sharia Compliant General Takaful Products such as Fire & Property Takaful, Marine Cargo Takaful, Motor Takaful (Private / Commercial Vehicles), Engineering Takaful, (MBD, CAR, EAR), Money Takaful, Liability (Public & Private) Takaful and Personal & Group Accident Takaful, etc.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN AUDITED)

AS AT MARCH 31, 2021

	Note	(Un-audited) March 31, 2021	(Audited) December 31, 2020
Rupees			
ASSETS			
Property and equipment	6	71,093,405	70,210,045
Intangible assets	7	-	-
Investment			
Equity securities	8	711,661,177	715,380,268
Debt securities	8.1	70,120,000	60,000,000
Term deposit	8.2	38,136,495	38,136,495
		819,917,672	813,516,763
Loan and other receivables	9	9,531,586	6,552,337
Insurance / Reinsurance receivables	10	232,506,258	231,779,728
Reinsurance recoveries against outstanding claims		177,613,740	181,534,773
Deferred Commission Expense		55,720,729	55,989,900
Deferred taxation	11	4,836,880	2,540,125
Prepayments	12	141,207,637	139,837,094
Taxation - provision less payments		216,552	283,156
Cash & Bank	13	96,970,201	111,310,340
Total Assets of Window Takaful Operatoins-Operator's Fund		101,318,427	100,419,539
TOTAL ASSETS		1,710,933,087	1,713,973,800

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN AUDITED)

AS AT MARCH 31, 2021

	Note	(Un-audited) March 31, 2021	(Audited) December 31, 2020
Rupees			
EQUITY AND LIABILITIES			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital	14	561,412,850	561,412,850
Reserves		250,000,000	250,000,000
Unappropriated Profit		199,921,649	181,859,678
Surplus on revaluation of available for sale investment		1,679,790	4,361,869
Total Equity		1,013,014,289	997,634,397
Liabilities			
Underwriting Provisions			
Outstanding claims including IBNR		207,559,637	223,490,851
Unearned premium reserves		270,133,794	269,351,727
Unearned Reinsurance Commission		30,712,361	30,887,523
Insurance / Reinsurance Payables		146,808,802	147,241,085
Other Creditors and Accruals	15	22,072,870	24,242,502
Total Liabilities of Window Takaful Operations-Operator's Fund		20,631,334	21,125,715
Total Liabilities		697,918,798	716,339,403
CONTINGENCIES AND COMMITMENTS	16	-	-
TOTAL EQUITY AND LIABILITIES		1,710,933,087	1,713,973,800

The annexed notes from 1 to 25 form an integral part of this condensed interim financial information.


Irfan Zakaria Bawany
Chairman

Karachi 29th April, 2021


Mohammad Omar Bawany
Director


Noor M. Zakaria
Director


Haroon A. Shakoor
Chief Financial Officer




A. Razak Ahmed
Chief Executive & Managing Director

CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UN AUDITED)

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

	Note	March 31, 2021	March 31, 2020
		Rupees	
Net insurance premium	17	60,292,494	57,812,381
Net insurance claims	18	(7,395,274)	(7,367,055)
Net Commission and other acquisition costs	19	(13,503,869)	(11,779,827)
Insurance claims and acquisition expenses		(20,899,143)	(19,146,882)
Management Expenses		(34,191,282)	(35,543,877)
Underwriting results		5,202,069	3,121,622
Investment Income/(Loss)	20	24,582,206	(69,769,227)
Other income		7,448	-
Other expenses		(10,121,212)	(9,323,390)
		14,468,442	(79,092,617)
Profit before tax from takaful operations-Operator's Fund		1,613,593	4,290,825
Profit / (Loss) before tax		21,284,104	(71,680,170)
Income tax expense		(3,222,133)	29,943,402
Profit / (Loss) after tax		18,061,971	(41,736,768)
Earnings after tax per share - Rupees	21	0.32	(0.74)

The annexed notes from 1 to 25 form an integral part of this condensed interim financial information.

 Irfan Zakaria Bawany
Chairman
 Mohammad Omar Bawany
Director
 Noor M. Zakaria
Director
 Haroon A. Shakoor
Chief Financial Officer
 A. Razak Ahmed
Chief Executive & Managing Director

Karachi 29th April, 2021

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN AUDITED)

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

	March 31, 2021	March 31, 2020
	————— (Rupees) —————	
Profit/(Loss) after tax	18,061,971	(41,736,768)
Other Comprehensive Income		
Defecit on revaluation of available for sale securities	(5,269,143)	(8,828,893)
Less: Net gain transferred to profit and loss on disposal / redemption of investment	1,291,824	640,877
Surplus on revaluation of available for sale securities - takaful	247,618	395,199
Impact of related deferred taxation including change in tax rate	1,047,622	2,432,134
	(2,682,079)	(5,360,683)
Total comprehensive income for the period	15,379,892	(47,097,451)

The annexed notes from 1 to 25 form an integral part of this condensed interim financial information.


Irfan Zakaria Bawany
Chairman

Karachi 29th April, 2021


Mohammad Omar Bawany
Director


Noor M. Zakaria
Director


Haroon A. Shakoor
Chief Financial Officer


A. Razak Ahmed
Chief Executive & Managing Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN AUDITED)

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

	Share capital	Revenue Reserves		Unappropriated profit / (Accumulated loss)	Total
		General reserves	Surplus (Defecit) / on revaluation of AFS investments		
	(Rupees)				
Balance as at January 01, 2020	561,412,850	250,000,000	8,752,130	113,364,249	933,529,229
Total comprehensive income for the period	-	-	(5,360,683)	(41,736,768)	(47,097,451)
Balance as at March 31, 2020	561,412,850	250,000,000	3,391,447	71,627,481	886,431,778
Balance as at January 01, 2021	561,412,850	250,000,000	4,361,869	181,859,678	997,634,397
Total comprehensive income for the period	-	-	(2,682,079)	18,061,971	15,379,892
Balance as at March 31, 2021	561,412,850	250,000,000	1,679,790	199,921,649	1,013,014,289

The annexed notes from 1 to 25 form an integral part of this condensed interim financial information.


Irfan Zakaria Bawany
Chairman


Mohammad Omar Bawany
Director


Noor M. Zakaria
Director


Haroon A. Shakoor
Chief Financial Officer


A. Razak Ahmed
Chief Executive & Managing Director

Karachi 29th April, 2021

CONDENSED INTERIM CASH FLOW STATEMENT (UN AUDITED)

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021





	January to March	
	2021	2020
	(Rupees)	
Operating cash flow		
a) Underwriting activities		
Premium received	125,043,197	76,127,158
Reinsurance premium paid	(66,495,308)	(24,386,131)
Claims paid	(37,275,846)	(32,912,381)
Reinsurance and other recoveries received	17,870,391	13,192,878
Commission paid	(25,547,267)	(23,355,402)
Commission received	12,137,407	11,193,252
Management expenses paid	(32,328,643)	(35,543,877)
Net cash flow from underwriting activities	(6,596,069)	(15,684,503)
b) Other operating activities		
Income tax paid	(4,404,662)	(4,369,975)
Other operating payments	(9,322,938)	(6,271,572)
Loan advanced	(405)	(636,706)
Other creditors and accruals	(2,169,631)	(6,087,542)
Other (payments) / receipts in respect of operating assets	3,111,907	231,615
Net cash flow from operating activities	(12,785,729)	(17,134,180)
Total cash from all operating activities	(19,381,798)	(32,818,683)
Investment activities		
Profit / return received	1,298,241	1,666,080
Dividend received	10,064,603	8,406,688
Payments for investments	(40,806,921)	(114,255,782)
Proceeds from investments	38,022,561	107,101,451
Fixed capital expenditures	(3,547,825)	-
Proceeds from sale of property and equipment	11,000	-
Total cash flow from investing activities	5,041,659	2,918,437

CONDENSED INTERIM CASH FLOW STATEMENT (UN AUDITED)

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

	January to March	
	2021	2020
	(Rupees)	
Net cash flow from all activities	(14,340,139)	(29,900,246)
Cash and cash equivalent at the beginning of the period	111,310,340	131,227,604
Cash and cash equivalent at the end of the period	96,970,201	101,327,358
Reconciliation to profit and loss account		
Operating cash flow	(19,381,798)	(32,818,683)
Depreciation / amortization expense	(2,660,913)	(3,051,818)
Gain on disposal of fixed assets	7,448	-
Profit on disposal of investmnets	1,727,925	516,217
Dividend income	15,734,298	11,855,735
Other investment income	7,119,983	(82,141,179)
(Decrease) / Increase in assets other than cash	(5,273,920)	32,055,698
(Decrease) / Increase in liabilities other than running finance	17,926,222	(5,896,268)
Deferred taxation	1,249,133	33,452,705
Profit before tax from Takaful operations-Operators' Fund	1,613,593	4,290,825
Profit / (Loss) after taxation	18,061,971	(41,736,768)

The annexed notes from 1 to 25 form an integral part of this condensed interim financial information.

				
Irfan Zakaria Bawany Chairman	Mohammad Omar Bawany Director	Noor M. Zakaria Director	Haroon A. Shakoor Chief Financial Officer	A. Razak Ahmed Chief Executive & Managing Director

Karachi 29th April, 2021



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

Reliance Insurance Company Limited (the Company) was incorporated in Pakistan as a public limited company on November 4, 1981 and is engaged in general insurance business and has also been allowed to undertake Window Takaful operations (WTO) on May 25, 2016 by Securities & Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan. The shares of the Company are quoted on Pakistan Stock Exchange Limited.

The registered office of the Company is situated at 96-A, Sindhi Muslim Co-operative Housing Society, Karachi.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the requirements of International Accounting Standard 34: 'Interim Financial Reporting', as applicable in Pakistan and provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and SECP Takaful Rules, 2012. In case where the requirements differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, Insurance Accounting Regulations, 2017 and SECP Takaful Rules 2012 shall prevail.

The disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the Securities and Exchange Commission of Pakistan vide S.R.O 89(1)/2017 and International Accounting Standard (IAS) 34, "Interim Financial Reporting" and do not include all the information required in the annual financial statements. Accordingly, this condensed interim financial statements should be read in conjunction with the annual financial statements of the Company for the year ended 31 December, 2020.

In terms of the requirements of the Takaful Rules 2012, read with SECP Circular 25 of 2015 dated 09 July 2015, the assets, liabilities and profit and loss of the Operator's Fund of the General Takaful Operations of the Company have been presented as a single line item in the statement of financial position and statement of comprehensive income of the Company respectively.

2.1 BASIS OF MEASUREMENT

This condensed interim financial information has 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.

This condensed interim financial information has been prepared under the accrual basis of accounting except for cash flow information.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of this condensed interim financial information are in line with the audited annual accounts for the year ended December 31, 2020.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Preparation of the condensed interim financial information requires management to make judgements, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

In preparing the condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended December 31, 2020.

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 December 31, 2020.

	March 31, 2021	December 31, 2020
	(Rupees)	
6. PROPERTY AND EQUIPMENT		
Open written down value	70,210,045	83,029,726
Additions and transfers during the period / year at cost		
Land and buildings	-	-
Furniture & fixtures	172,000	527,447
Motor Vehicles	3,173,175	-
Office Equipments	166,000	-
Office Computers	36,650	87,225
	3,547,825	614,672
Written down value of disposal during the period / year		
Motor Vehcles	(3,552)	(1,396,360)
Depreciation for the period / year	(2,660,913)	(12,037,993)
Closing writtend value	71,093,405	70,210,045
7. INTANGIBLE ASSETS - Computer software		
Open written down value	3,477,823	3,477,823
Additions and transfers during the period / year at cost	-	-
Amortization	(3,477,823)	(3,477,823)
Closing writtend value	-	-

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

Note	March 31, 2021	December 31, 2020
	(Rupees)	
8. INVESTMENT IN EQUITY SECURITIES		
Available for sale		
Mutual funds	246,437,457	268,918,021
Related parties	4,850,859	5,608,117
Others	76,679,902	67,437,575
	327,968,218	341,963,713
Investments at fair value through profit and loss - held for trading	383,692,959	373,416,555
Quoted shares	711,661,177	715,380,268
8.1 INVESTMENT IN DEBT SECURITIES		
Held to maturity		
Pakistan Energy Sukuk II	8.1.2 70,120,000	60,000,000
8.1.2 Pakistan Energy Sukuk II having face value amounted to Rs.60 million (December 31, 2020: Rs.60 million) are placed with State Bank of Pakistan under Section 29 of Insurance Ordinance, 2000. These carry profit at the rate of 6 months KIBOR (-) .10 and will mature on 20 May 2030.		
8.2 TERM DEPOSIT		
Deposit maturing within 12 months	38,136,495	38,136,495
9. LOANS AND OTHER RECEIVABLES		
Loan to employees	929,485	929,080
Deposit	627,351	606,441
Accrued investment income	7,974,750	1,881,316
Advance against vehicles	-	3,135,500
	9,531,586	6,552,337
10. INSURANCE / REINSURANCE RECEIVABLE		
Due from insurance contract holders	231,696,951	231,079,551
Considered good	12,361,742	12,361,742
	244,058,693	243,441,293
Less: Allowance for impairment against doubtful of receivable from Insurance contract holders	(12,361,742)	(12,361,742)
	231,696,951	231,079,551
Due from other insurers / reinsurers	809,307	700,177
	232,506,258	231,779,728

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

Note	March 31, 2021	December 31, 2020
(Rupees)		
11. DEFERRED TAXATION		
Deferred tax credits / (debits) arising in respect of:		
Provision for impairment of doubtful receivables from insurance contract holders	3,584,905	3,584,905
Unrealized loss/(gain) on held for trading investments	(1,698,865)	(2,950,257)
Impairment loss on available for sale investments	3,439,576	3,441,835
Surplus on revaluation of available for sale securities	(488,736)	(1,536,358)
	<u>4,836,880</u>	<u>2,540,125</u>
Reconciliation of deferred tax		
Opening provision	2,540,125	(4,370,718)
Credit to statement of profit or loss	1,249,133	4,875,086
(Debit)/Credit to other comprehensive income	1,047,622	2,035,757
Closing balance	<u>4,836,880</u>	<u>2,540,125</u>
12. Prepayments		
Prepaid reinsurance premium ceded	138,450,972	137,083,112
Prepaid rent	109,987	76,000
Prepaid miscellaneous expenses	2,223,678	2,259,982
Others	423,000	418,000
	<u>141,207,637</u>	<u>139,837,094</u>
13. CASH AND BANK BALANCES		
Cash and other equivalents		
Cash in hand, Policy stamps and bond paper in hand	597,503	279,708
Cash at bank		
Current accounts	55,006,656	54,652,125
Saving accounts	41,366,042	56,378,507
	<u>96,372,698</u>	<u>111,030,632</u>
	<u>96,970,201</u>	<u>111,310,340</u>
13.1		
13.1	These accounts carry profit at rates ranging between 4.50% to 6% per annum (2020: 5% to 9% per annum).	
14. SHARE CAPITAL		
14.1 Authorized Capital		
	March 31, 2021	December 31, 2020
	(Number of shares)	(Rupees)
	<u>75,000,000</u>	<u>75,000,000</u>
	<u>750,000,000</u>	<u>750,000,000</u>
	Ordinary shares of Rs. 10 each	

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

14.2 Issued, subscribed and paid-up share capital

March 31, 2021	December 31, 2020		March 31, 2021	December 31, 2020
(Number of shares)			(Rupees)	
1,156,680	1,156,680	Ordinary shares of Rs. 10 each issued as fully paid in cash	11,566,800	11,566,800
54,984,605	54,984,605	Ordinary shares of Rs.10 each issued as fully paid bonus shares	549,846,050	549,846,050
56,141,285	56,141,285		561,412,850	561,412,850

15. OTHER CREDITORS AND ACCRUALS

Accrued expenses	3,542,540	3,467,271
Unpaid and unclaimed dividend	2,170,665	2,170,665
Other creditors	16,359,665	18,604,566
	22,072,870	24,242,502

16. CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

- a. In the year 2016, the Commissioner of Inland Revenue (FBR) had issued show cause notices and then passed orders under section 122(5A) of the Income Tax Ordinance, 2001 (the Ordinance) related to preceding tax years, by initializing the concept of single/one basket income to insurance industry, i.e., clubbing all other sources of income (e.g. dividend and rental income) into business income for charging the business rate of tax under Fourth Schedule of the Ordinance. In the year 2016, the Commissioner Inland Revenue (Appeals) has annulled all the assessments under section 122(5A) in which dividend was taxed at normal corporate tax rate. The Commissioner of Inland Revenue has filed an appeal in Appellate Tribunal, Inland Revenue against the order passed by the Commissioner Inland Revenue (Appeals) which is pending adjudication. The Company has not made provision in this regard with consultation of tax advisor as it is confident that the case will be decided in the Company's favor.
- b. The Assistant Commissioner (AC) Sindh Revenue Board has passed an order for assessment under section 23(1) and (1A) of the Sindh Sales Tax on Services Act, 2011 (the Act) in respect of audit for the tax year December 2016 levied Sindh Sales tax at RS 110 Million on exempt marine activities and re-insurance under foreign treaties. The company have filed an appeal before the Commissioner-Appeals –SRB and in view of the tax advisor contesting the matter no eventual financial impact is likely to arise.

	March 31, 2021	December 31, 2020
16.2 Commitments		
The Company is committed to minimum rental payments for each of the following period as follows:		
Not more than one year	-	2,569,613

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

	March 31, 2021	March 31, 2020
	(Rupees)	
17. NET INSURANCE PREMIUM		
Written Gross Premium	125,660,597	105,398,423
Add: Unearned premium reserve opening	269,351,727	292,211,950
Less: Unearned premium reserve closing	(270,133,794)	(287,237,909)
Premium earned	124,878,530	110,372,464
Less: Reinsurance premium ceded	65,953,896	47,235,101
Add: Prepaid reinsurance premium opening	137,083,112	132,009,972
Less: Prepaid reinsurance premium closing	(138,450,972)	(126,684,990)
Reinsurance expense	64,586,036	52,560,083
Net Insurance Premium	<u>60,292,494</u>	<u>57,812,381</u>
18. NET INSURANCE CLAIMS EXPENSE		
Claim Paid	37,275,846	32,912,381
Add: Outstanding claims including IBNR closing	207,559,637	149,810,583
Less: Outstanding claims including IBNR opening	(223,490,851)	(153,319,708)
Claims expense	21,344,632	29,403,256
Less: Reinsurance and other recoveries received	17,870,391	13,192,878
Add: Reinsurance and other recoveries in respect of outstanding claims net of impairment (if any) closing	177,613,740	121,256,698
Less: Reinsurance and other recoveries in respect of outstanding claims net of impairment (if any) opening	(181,534,773)	(112,413,375)
Reinsurance and other recoveries revenue	13,949,358	22,036,201
Net claims expenses	<u>7,395,274</u>	<u>7,367,055</u>
19. NET COMMISSION EXPENSE / ACQUISITION COST		
Commission paid or payable	25,547,267	23,355,402
Add: Deferred commission expense opening	55,989,900	62,977,589
Less: Deferred commission expense closing	(55,720,729)	(61,838,590)
Net Commission	25,816,438	24,494,401
Less: Commission received or recoverable	12,137,407	11,193,252
Add: Unearned Reinsurance Commission opening	30,887,523	34,581,713
Less: Unearned Reinsurance Commission closing	(30,712,361)	(33,060,391)
Commission from reinsurers	12,312,569	12,714,574
	<u>13,503,869</u>	<u>11,779,827</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

	March 31, 2021	March 31, 2020
	(Rupees)	
20. INVESTMENT INCOME		
Income from equity securities		
Dividend income		
Available for sale investments	5,767,159	4,950,986
Held for trading investments	9,967,139	6,904,749
	15,734,298	11,855,735
Income from debt securities - Held for maturity		
Return on debt securities	572,055	-
Income from term deposits		
Return on term deposits	726,186	1,666,080
Net realised gains on investments		
Realised gains on - Equity securities		
Available for sale investments	1,646,765	116,067
Held for trading investments	81,160	400,150
	1,727,925	516,217
Net unrealised gains/(losses) on investments at fair value through profit and loss (Held for trading purposes)	5,858,156	(76,821,339)
Total investment income	24,618,620	(62,783,307)
Less: Impairment in value of available for sale securities		
Equity Securities	7,788	(6,959,873)
Investment related expenses	(44,202)	(26,047)
Net investment income / (Loss)	24,582,206	(69,769,227)
21. EARNINGS PER SHARE - BASIC AND DILUTED		
Profit after tax	18,061,971	(41,736,768)
Weighted average number of Ordinary shares of Rs. 10 each	56,141,285	56,141,285
Earning per share basic and diluted - Rupees	0.32	(0.74)

No figures for diluted earnings per share has been presented as the Company has not issued any instrument which would have dilutive effect on earnings per share when exercised.

22. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated companies, entities under common control, entities 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 "Comparable uncontrolled price method".

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

Details of transactions with related parties during the period are as follows:

Relation with the Company	Nature of transaction	March 31, 2021	March 31, 2020
Transactions during the period			
(Rupees)			
Associated companies	Premium underwritten	7,506,202	6,039,536
	Premium collected	23,839,301	1,770,005
	Claims paid	4,334,694	2,063,799
	Premium due but unpaid	51,254,298	65,990,014
	Provision for outstanding claims	94,525,840	9,626,520
	Dividend received	-	18,329
Key management personnel Staff retirement benefits	Remuneration and other benefits	7,186,530	7,512,705
	Contribution to provident fund	792,426	805,832

23. SEGMENT INFORMATION

	March 31, 2021				Total
	Fire & property damage	Marine, aviation & Transport	Motor	Misc	
(Rupees)					
Gross written premium (inclusive of Administrative surcharge)	60,308,172	42,909,034	18,629,836	3,813,555	125,660,597
Insurance premium earned	59,688,272	42,718,510	18,541,570	3,930,178	124,878,530
Insurance premium ceded to reinsurers	(33,320,710)	(27,532,296)	(1,640,321)	(2,092,709)	(64,586,036)
Net insurance premium	26,367,562	15,186,214	16,901,249	1,837,469	60,292,494
Commission income	7,180,710	4,518,081	-	613,778	12,312,569
Net underwriting income	33,548,272	19,704,295	16,901,249	2,451,247	72,605,063
Insurance claims	(14,928,842)	(1,072,867)	(5,001,877)	(341,046)	(21,344,632)
Insurance claims recovered from reinsurers	13,789,881	(96,307)	-	255,784	13,949,358
Net claims	(1,138,961)	(1,169,174)	(5,001,877)	(85,262)	(7,395,274)
Commission expense	(15,805,224)	(7,460,015)	(1,807,497)	(743,702)	(25,816,438)
Management expense	(14,952,786)	(8,611,953)	(9,584,533)	(1,042,010)	(34,191,282)
Net insurance claims & expenses	(31,896,971)	(17,241,142)	(16,393,907)	(1,870,974)	(67,402,994)
Underwriting result	1,651,301	2,463,153	507,342	580,273	5,202,069
Net Investment Income					24,582,206
Other income					7,448
Other expenses					(10,121,212)
Profit before tax from takaful operations-Operators' Fund					1,613,593
Profit before tax					21,284,104
Segment assets	183,358,441	105,604,019	117,530,269	12,777,649	419,270,378
Unallocated assets					1,291,662,709
					1,710,933,087
Segment liabilities	295,247,101	170,045,515	189,249,380	20,574,803	675,116,799
Unallocated liabilities					22,801,999
					697,918,798

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021


	March 31, 2020				
	Fire & property damage	Marine, aviation & Transport	Motor	Misc	Total
	(Rupees)				
Gross written premium (inclusive of Administrative surcharge)	52,055,162	26,548,437	21,515,408	5,279,416	105,398,423
Insurance premium earned	53,414,693	29,369,609	22,255,684	5,332,478	110,372,464
Insurance premium ceded to reinsurers	(31,873,557)	(15,589,810)	(1,551,459)	(3,545,257)	(52,560,083)
Net insurance premium	21,541,136	13,779,799	20,704,225	1,787,221	57,812,381
Commission income	7,681,026	4,272,852	12,603	748,093	12,714,574
Net underwriting income	29,222,162	18,052,651	20,716,828	2,535,314	70,526,955
Insurance claims	(21,972,551)	(1,690,925)	(5,372,347)	(367,433)	(29,403,256)
Insurance claims recovered from reinsurers	20,705,920	1,041,918	13,039	275,324	22,036,201
Net claims	(1,266,631)	(649,007)	(5,359,308)	(92,109)	(7,367,055)
Commission expense	(14,199,904)	(7,084,037)	(2,171,766)	(1,038,694)	(24,494,401)
Management expense	(13,243,798)	(8,472,017)	(12,729,253)	(1,098,809)	(35,543,877)
Net insurance claims & expenses	(28,710,333)	(16,205,061)	(20,260,327)	(2,229,612)	(67,405,333)
Underwriting result	511,829	1,847,590	456,501	305,702	3,121,622
Net Investment (Loss)					(69,769,227)
Other income					-
Other expenses					(9,323,390)
Profit before tax from takaful operations-Operators' Fund					4,290,825
Loss before tax					(71,680,170)
Segment assets	143,748,133	91,955,242	138,163,265	11,926,469	385,793,108
Unallocated assets					1,163,767,278
					1,549,560,386
Segment liabilities	237,125,052	151,688,173	227,912,327	19,673,748	636,399,299
Unallocated liabilities					26,729,309
					663,128,608

24. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information has been authorized for issue on 29th April, 2021 by the Board of Directors of the Company.

25. GENERAL

Figures have been rounded off to the nearest rupee.

				
Irfan Zakaria Bawany Chairman	Mohammad Omar Bawany Director	Noor M. Zakaria Director	Haroon A. Shakoor Chief Financial Officer	A. Razak Ahmed Chief Executive & Managing Director

Karachi 29th April, 2021



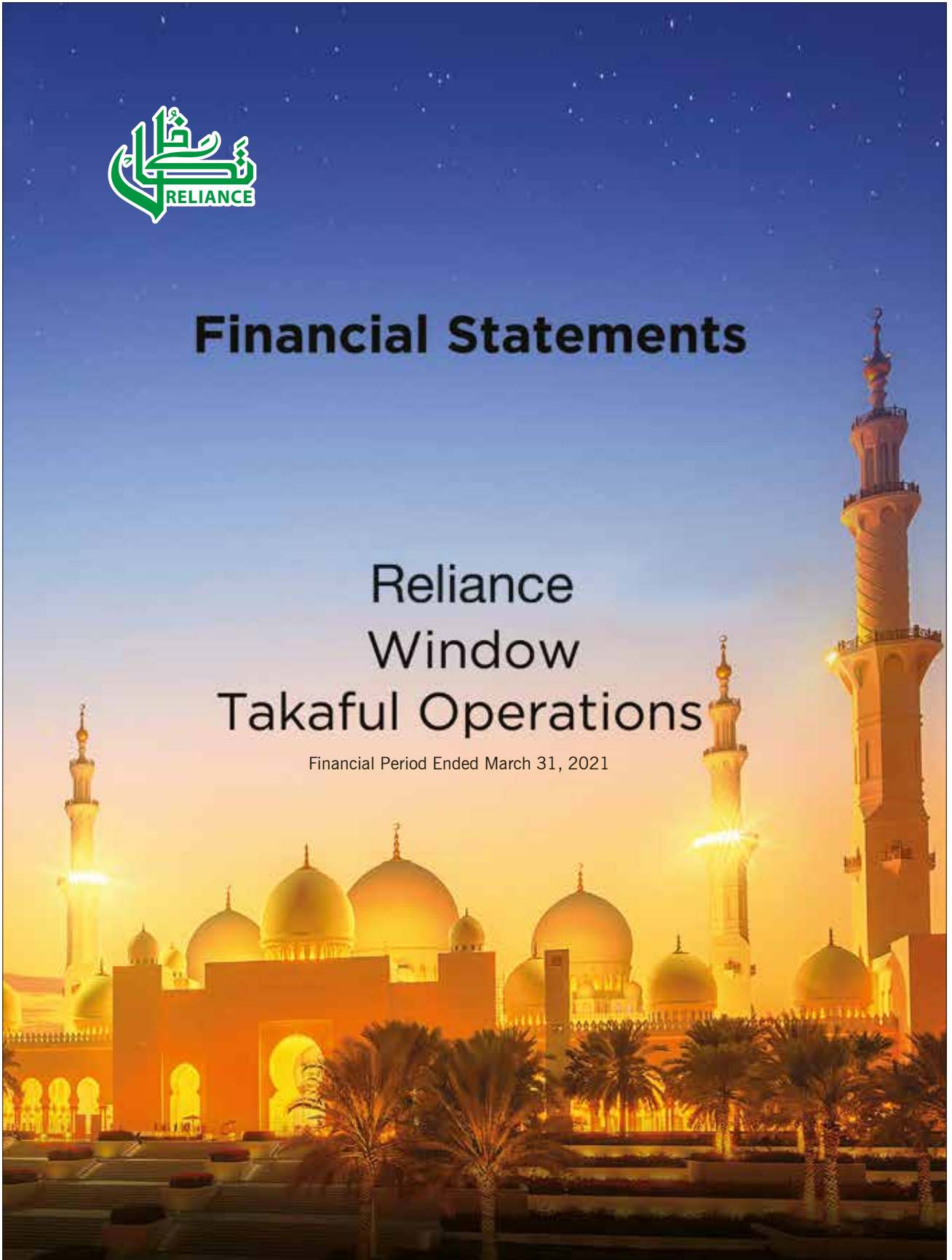
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Financial Statements

Reliance Window Takaful Operations

Financial Period Ended March 31, 2021



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN AUDITED)

AS AT MARCH 31, 2021






	Note	31st March 2021 (UnAudited)			31st December 2020 (Audited)		
		Operator's Fund	Participants' Fund	Aggregate	Operator's Fund	Participants' Fund	Aggregate
(Rupees)							
ASSETS							
Investment							
Equity securities	6	21,568,240	10,751,450	32,319,690	21,193,201	10,606,512	31,799,713
Loans and other receivables	7	5,581,494	266,108	5,847,602	5,114,368	343,466	5,457,834
Takaful / Re-takaful receivables	8	-	27,527,445	27,527,445	-	21,162,660	21,162,660
Retakaful recoveries against outstanding claims		-	20,588,059	20,588,059	-	22,797,076	22,797,076
Deferred Commission Expense		3,748,414	-	3,748,414	3,781,962	-	3,781,962
Prepayments	9	-	11,088,761	11,088,761	423,750	11,177,581	11,601,331
Deferred wakala fee		-	9,857,758	9,857,758	-	10,064,441	10,064,441
Cash & Bank	10	70,420,279	70,610,781	141,031,060	69,906,258	76,989,468	146,895,726
TOTAL ASSETS		<u>101,318,427</u>	<u>150,690,362</u>	<u>252,008,789</u>	<u>100,419,539</u>	<u>153,141,204</u>	<u>253,560,743</u>

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN AUDITED)

AS AT MARCH 31, 2021

Note	31st March 2021 (UnAudited)			31st December 2020 (Audited)		
	Operator's Fund	Participants' Fund	Aggregate	Operator's Fund	Participants' Fund	Aggregate
	(Rupees)					
EQUITY AND LIABILITIES						
Operator's Fund						
Statutory Fund	50,000,000	-	50,000,000	50,000,000	-	50,000,000
Accumulated profit	29,956,246	-	29,956,246	28,810,595	-	28,810,595
Surplus on revaluation of AFS investments	730,847	-	730,847	483,229	-	483,229
	80,687,093	-	80,687,093	79,293,824	-	79,293,824
Waqf/Participants' Takaful Fund						
Ceded Money	-	500,000	500,000	-	500,000	500,000
Accumulated Surplus	-	76,420,807	76,420,807	-	75,964,019	75,964,019
	-	76,920,807	76,920,807	-	76,464,019	76,464,019
Liabilities						
Underwriting Provisions						
Outstanding claims including IBNR	-	33,049,239	33,049,239	-	38,799,678	38,799,678
Unearned contribution	-	24,644,393	24,644,393	-	25,161,104	25,161,104
Unearned re-takaful rebate	-	2,227,025	2,227,025	-	2,207,592	2,207,592
Retakaful operators payable	-	7,446,389	7,446,389	-	4,638,381	4,638,381
Wakala and mudarib fee payable	-	5,261,527	5,261,527	-	4,802,908	4,802,908
Unearned wakala fee	9,857,758	-	9,857,758	10,064,441	-	10,064,441
Taxation-provision less payments	4,772,037	-	4,772,037	4,640,627	-	4,640,627
Other creditors and accruals	6,001,539	1,140,982	7,142,521	6,420,647	1,067,522	7,488,169
Total Liabilities	20,631,334	73,769,555	94,400,889	21,125,715	76,677,185	97,802,900
Contingencies and Commitments	11	-	-	-	-	-
TOTAL FUND AND LIABILITIES	<u>101,318,427</u>	<u>150,690,362</u>	<u>252,008,789</u>	<u>100,419,539</u>	<u>153,141,204</u>	<u>253,560,743</u>

The annexed notes from 1 to 23 form an integral part of this condensed interim financial information.

				
Irfan Zakaria Bawany Chairman	Mohammad Omar Bawany Director	Noor M. Zakaria Director	Haroon A. Shakoor Chief Financial Officer	A. Razak Ahmed Chief Executive & Managing Director






Karachi 29th April, 2021

CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UN AUDITED)

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

	Note	March 31, 2021	March 31, 2020
Rupees			
Revenue Account			
Participants' Takaful Fund			
Net contribution revenue	12	4,591,731	8,434,872
Wakala expense	13	(5,222,052)	(6,786,952)
Net takaful claims	14	(1,225,272)	(3,099,446)
Direct expenses	15	(190,528)	(24,154)
Re-takaful rebate	16	1,884,281	1,717,647
Underwriting result		(161,840)	241,967
Investment Income	17	1,031,046	3,347,942
Modarib's share		(412,418)	(1,339,177)
Surplus for the period		456,788	2,250,732
Revenue Account			
Operator's Fund			
Wakala fee	18	5,222,052	6,786,952
Commission expenses	19	(2,316,138)	(2,560,894)
Management expenses		(2,598,394)	(2,540,429)
		307,520	1,685,629
Investment Income	17	1,143,655	1,516,019
Modarib's shares from PTF		412,418	1,339,177
General and administrative expenses		(250,000)	(250,000)
Profit for the period		1,613,593	4,290,825
Income tax expense		(467,942)	-
Profit after tax		1,145,651	4,290,825

The annexed notes from 1 to 23 form an integral part of this condensed interim financial information.

				
Irfan Zakaria Bawany Chairman	Mohammad Omar Bawany Director	Noor M. Zakaria Director	Haroon A. Shakoor Chief Financial Officer	A. Razak Ahmed Chief Executive & Managing Director

Karachi 29th April, 2021



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN AUDITED)

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

	Quarter ended March 31	
	2021	2020
	(Rupees)	
Operators Fund		
Profit after tax	1,145,651	4,290,825
Surplus on revaluation of available for sale securities	247,618	395,199
Total comprehensive income for the period	<u>1,393,269</u>	<u>4,686,024</u>

The annexed notes from 1 to 23 form an integral part of this condensed interim financial information.



Irfan Zakaria Bawany
Chairman
Karachi 29th April, 2021



Mohammad Omar Bawany
Director



Noor M. Zakaria
Director



Haroon A. Shakoor
Chief Financial Officer



A. Razak Ahmed
Chief Executive & Managing Director






CONDENSED INTERIM STATEMENT OF CHANGES IN FUND (UN AUDITED)

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

	Operator's Fund			Total
	Statutory Fund	(Accumulated loss) / Profit	Surplus / (Defecit) on revaluation of AFS investments	
	(Rupees)			
Balance as at 1st January 2020	50,000,000	15,980,348	600,440	66,580,788
Total comprehensive income for the period	-	4,290,825	395,199	4,686,024
Balance as at March 31, 2020	50,000,000	20,271,173	995,639	71,266,812
Balance as at January 01, 2021	50,000,000	28,810,595	483,229	79,293,824
Total comprehensive income for the period	-	1,145,651	247,618	1,393,269
Balance as at March 31, 2021	50,000,000	29,956,246	730,847	80,687,093

	Participants Takaful Fund			Total
	Ceded money	(Accumulated loss) / Profit	Surplus/(Defecit) on revaluation of AFS investments	
	(Rupees)			
Balance as at 1st January 2020	500,000	58,586,636	-	59,086,636
Surplus for the period	-	2,250,732	-	2,250,732
Balance as at March 31, 2020	500,000	60,837,368	-	61,337,368
Balance as at January 01, 2021	500,000	75,964,019	-	76,464,019
Surplus for the period	-	456,788	-	456,788
Balance as at March 31, 2021	500,000	76,420,807	-	76,920,807

The annexed notes from 1 to 23 form an integral part of this condensed interim financial information.

Irfan Zakaria Bawany Chairman
Mohammad Omar Bawany Director
Noor M. Zakaria Director
Haroon A. Shakoor Chief Financial Officer
A. Razak Ahmed Chief Executive & Managing Director

Karachi 29th April, 2021

CONDENSED INTERIM STATEMENT OF CASH FLOW (UN AUDITED)

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021






	31st March 2021			31st March 2020
	Operator's Fund	Participants' Fund	Aggregate	Aggregate
	(Rupees)			
Operating Cash Flow				
a) Takaful activities				
Contribution received	-	10,415,570	10,415,570	9,864,802
Retakaful contribution paid	-	(9,808,507)	(9,808,507)	(3,817,933)
Claims paid	-	(8,249,619)	(8,249,619)	(4,825,302)
Retakaful and other recoveries received	-	3,482,925	3,482,925	466,501
Commission paid	(2,282,590)	-	(2,282,590)	(2,386,931)
General, administration and management expenses paid	(2,848,394)	(190,528)	(3,038,922)	(2,814,583)
Retakaful rebate received	-	1,903,714	1,903,714	1,518,485
Wakala fee received / (paid)	4,556,751	(4,556,751)	-	-
Net cash flow from takaful activities	(574,233)	(7,003,196)	(7,577,429)	(1,994,961)
b) Other operating activities				
Income tax paid	(336,532)	-	(336,532)	-
Other payments on operating assets	4,642	-	4,642	553,090
Other receipts in respect of operating assets	-	73,460	73,460	(1,486,702)
Net cash lows from other operating activities	(331,890)	73,460	(258,430)	(933,612)
Total cash flow from all operating activities	(906,123)	(6,929,736)	(7,835,859)	(2,928,573)
Investment activities				
Increase in investments	(127,420)	(144,939)	(272,359)	(20,138,598)
Mudaraba shares received / (paid)	412,418	(412,418)	-	-
Profit received	1,135,146	1,108,406	2,243,552	4,153,509
Total cash flow from investing activities	1,420,144	551,049	1,971,193	(15,985,089)
Financing activities				
Contribution to the Operator's Fund	-	-	-	-
Ceded money	-	-	-	-
Net cash inflows from financing activities	-	-	-	-
Net cash flow from all activities	514,021	(6,378,687)	(5,864,666)	(18,913,662)
Cash and cash equivalent at the beginning of the year	69,906,258	76,989,468	146,895,726	161,774,116
Cash and cash equivalent at the end of the period	70,420,279	70,610,781	141,031,060	142,860,454

CONDENSED INTERIM STATEMENT OF CASH FLOW (UN AUDITED)

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

	31st March 2021			31st March 2020
	Operator's Fund	Participants' Fund	Aggregate	Aggregate
	(Rupees)			
Reconciliation to profit and loss Account				
Operating cash flows	(906,123)	(6,929,736)	(7,835,859)	(2,928,573)
Increase in assets other than cash	1,320	3,860,266	3,861,586	11,794,554
Increase in liabilities other than running finance	494,381	2,907,630	3,402,011	(7,188,385)
Investment income	1,556,073	618,628	2,174,701	4,863,961
Surplus for the period	<u>1,145,651</u>	<u>456,788</u>	<u>1,602,439</u>	<u>6,541,557</u>

The annexed notes from 1 to 23 form an integral part of this condensed interim financial information.

Irfan Zakaria Bawany Chairman
Mohammad Omar Bawany Director
Noor M. Zakaria Director
Haroon A. Shakoor Chief Financial Officer
A. Razak Ahmed Chief Executive & Managing Director

Karachi 29th April, 2021



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

Reliance Insurance Company Limited (the Operator) has been allowed to undertake Window Takaful Operations (WTO) on May 25, 2016 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan. For the purpose of carrying on the Takaful business, the Operator has formed a Waqf (Participants' Takaful Fund (PTF)) on May 30, 2016 under the Waqf deed with a Cede money of Rs. 500,000. The Waqf deed and PTF policies (Waqf Rules) which govern the relationship of Operator, Waqf and Participants for management of Takaful operations, investment of Waqf and Operator's Fund are approved by the Shariah Advisor of the Operator. The accounts of the Waqf are maintained by the Operator in a manner that the assets and liabilities of Waqf remain separately identifiable. The condensed interim financial information of the Operator are prepared such that the financial position and results from the operations of Waqf and the Operator are shown separately.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

- 2.1 These condensed interim financial information has been prepared in accordance with the requirement of the International Accounting Standard 34 - Interim Financial Reporting as applicable in Pakistan, provision of and directives issued under the Companies Act 2017, Insurance Ordinance 2000, Insurance Rules 2017, Takaful Rules 2017. In case requirements differ, the provisions or directives of the Companies Act, 2017, Insurance Ordinance 2000, Insurance Rules 2017 and Takaful Rules 2012 have been followed.
- 2.2 This condensed interim financial statements reflect the financial position and results of operations of both the Operator's Fund (OPF) and Participants' Takaful Fund (PTF) in a manner that the assets, liabilities, income and expenses of the Operator and PTF remain separately identifiable.
- 2.3 This condensed interim financial statements does not include all the information and disclosures required in the annual financial statements. Accordingly these condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2020.
- 2.4 These financial statements are presented in Pak Rupees which is also the Company's functional currency. All financial information presented in Pak Rupees has been rounded to nearest Rupees, unless otherwise stated.
- 2.5 These financial statements have been prepared under the historical cost convention except investments which are carried at fair value.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies and method of computation adopted in the preparation of this condensed interim financial statements are consistent with those disclosed in the annual financial statements of the Operator as at and for the year ended 31 December 2020.

4. ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial information in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The estimates / judgments and associated assumptions used in the preparation of the financial statements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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 December 31, 2020.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

	OPF		PTF	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
	(Rupees)			
6. EQUITY SECURITIES -OPF				
Available for sale Mutual funds	<u>21,568,240</u>	<u>21,193,201</u>	<u>10,751,450</u>	<u>10,606,512</u>
7. LOANS AND OTHER RECEIVABLES				
Wakala and mudarib fees receivables	<u>5,261,527</u>	4,802,908	-	-
Accrued investment income	<u>319,967</u>	<u>311,460</u>	<u>266,108</u>	<u>343,466</u>
	<u>5,581,494</u>	<u>5,114,368</u>	<u>266,108</u>	<u>343,466</u>
8. TAKAFUL / RE-TAKAFUL RECEIVABLES				
Contribution due but unpaid	-	-	<u>12,394,618</u>	10,271,766
Amount due from other takaful / retakaful operators	-	-	<u>15,132,827</u>	10,890,894
	-	-	<u>27,527,445</u>	<u>21,162,660</u>
9. PREPAYMENTS				
Prepaid re-takaful contribution ceded	-	-	<u>11,088,761</u>	11,177,581
Prepaid expenses	-	423,750	-	-
	-	<u>423,750</u>	<u>11,088,761</u>	<u>11,177,581</u>
10. CASH AND BANK				
Cash and other equivalents				
Stamps in hand	-	-	<u>48,830</u>	83,970
Saving accounts	<u>70,420,279</u>	<u>69,906,258</u>	<u>70,561,951</u>	<u>76,905,498</u>
	<u>70,420,279</u>	<u>69,906,258</u>	<u>70,610,781</u>	<u>76,989,468</u>

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at the March 31, 2021.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

	March 31, 2021	March 31, 2020
	(Rupees)	
12. NET CONTRIBUTION REVENUE		
Written Gross Contributions	12,538,422	16,033,294
Add: Unearned contributions reserve opening	25,161,104	53,579,610
Less: Unearned contributions reserve closing	(24,644,393)	(52,645,510)
contributions earned	13,055,133	16,967,394
Less: Re-takaful contributions ceded	8,374,582	7,589,832
Add: Prepaid re-takaful contributions opening	11,177,581	12,813,627
Less: Prepaid re-takaful contributions closing	(11,088,761)	(11,870,937)
Re-takaful expense	8,463,402	8,532,522
Net contributions revenue	<u>4,591,731</u>	<u>8,434,872</u>
13. WAKALA EXPENSE		
Gross Wakala fee	5,015,369	6,413,313
Add: Deferred wakala fee Opening	10,064,441	21,431,843
Less: Deferred wakala fee closing	(9,857,758)	(21,058,204)
	<u>5,222,052</u>	<u>6,786,952</u>
14. NET TAKAFUL CLAIMS EXPENSE		
Claims Paid	8,249,619	4,825,302
Add: Outstanding claims including IBNR closing	33,049,239	9,473,542
Less: Outstanding claims including IBNR opening	(38,799,678)	(9,719,558)
Claims expense	2,499,180	4,579,286
Less: Reinsurance and other recoveries received	3,482,925	466,501
Add: Reinsurance and other recoveries in respect of outstanding claims net of impairment (if any) closing	20,588,059	2,017,463
Less: Reinsurance and other recoveries in respect of outstanding claims net of impairment (if any) opening	(22,797,076)	(1,004,124)
Reinsurance and other recoveries revenue	1,273,908	1,479,840
Net Takaful claims expenses	<u>1,225,272</u>	<u>3,099,446</u>
15. DIRECT EXPENSES		
Fire and property damage	74,744	2,966
Marine, Aviation and Transport	36,334	2,976
Motor	79,107	18,026
Miscellaneous	343	186
	<u>190,528</u>	<u>24,154</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

	March 31, 2021	March 31, 2020
	(Rupees)	
16. RE-TAKAFUL REBATE		
Gross repate from retakaful operators	1,903,714	1,518,485
Add: Unearned retakaful rebate Opening	2,207,592	2,390,941
Less: Unearned retakaful rebate Closing	(2,227,025)	(2,191,779)
	<u>1,884,281</u>	<u>1,717,647</u>

	OPF		PTF	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	(Rupees)			
17. INVESTMENT INCOME				
Profit on bank deposits	944,885	1,516,019	860,531	3,184,887
Dividend income	198,770	-	170,515	163,055
Total investment income	<u>1,143,655</u>	<u>1,516,019</u>	<u>1,031,046</u>	<u>3,347,942</u>

	March 31, 2021	March 31, 2020
	(Rupees)	
18. WAKALA FEE INCOME-OPF		
Gross wakala fee	5,015,369	6,413,313
Add: Unearned wakala fee opening	10,064,441	21,431,843
Less: Unearned wakala fee closing	(9,857,758)	(21,058,204)
	<u>5,222,052</u>	<u>6,786,952</u>

	March 31, 2021	March 31, 2020
19. COMMISSION EXPENSE-OPF		
Commission paid or payable	2,282,590	2,386,931
Add: Deferred commission expense opening	3,781,962	6,786,091
Less: Deferred commission expense closing	(3,748,414)	(6,612,128)
Commission expenses	<u>2,316,138</u>	<u>2,560,894</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

20. RELATED PARTY TRANSACTIONS

Related parties comprise companies having common directorship, group companies, directors, key management personnel and retirement benefit funds. Remuneration to the key management personnel are these financial statements and are determined in accordance with the terms of their appointment.

Relation with the Company	Nature of transaction	March 31, 2021	March 31, 2020
Transactions during the period		(Rupees)	
Associated companies	Contribution underwritten	3,065,801	1,601,959
	Contribution collected	2,852,609	35,000
Key management personnel	Remuneration and other benefits	502,500	472,500
Staff retirement benefits	Contribution to provident fund	7,938	7,626
Balances as at the period ended			
Associated companies	Contribution due but unpaid	5,258,186	7,687,555

21. SEGMENT INFORMATION

	March 31, 2021				Total
	Fire & property damage	Marine, aviation & Transport	Motor	Misc	
	(Rupees)				
Gross Contributions (inclusive of Administrative surcharge)	7,249,927	3,858,464	1,398,999	31,032	12,538,422
Contributions earned	7,166,424	3,782,286	2,080,045	26,378	13,055,133
Takaful contribution ceded to retakaful operators	(5,364,877)	(2,906,820)	(173,614)	(18,091)	(8,463,402)
Net Contribution	1,801,547	875,466	1,906,431	8,287	4,591,731
Rebate from re-takaful	1,211,824	668,568	-	3,889	1,884,281
Net revenue	3,013,371	1,544,034	1,906,431	12,176	6,476,012
Takaful claims	(200,000)	3,309,625	(5,608,805)	-	(2,499,180)
Takaful claims recovered from retakaful operators	155,000	(2,647,700)	3,766,608	-	1,273,908
Net claims	(45,000)	661,925	(1,842,197)	-	(1,225,272)
Wakala expense	(2,866,568)	(1,512,913)	(832,020)	(10,551)	(5,222,052)
Direct expense	(74,744)	(36,334)	(79,107)	(343)	(190,528)
Net takaful claims & expenses	(2,986,312)	(887,322)	(2,753,324)	(10,894)	(6,637,852)
Underwriting result	27,059	656,712	(846,893)	1,282	(161,840)
Net Investment income					1,031,046
Modarib's shares					(412,418)
Surplus for the period					456,788
Segment assets	17,114,375	17,165,501	103,989,515	1,066,102	139,335,493
Unallocated assets					11,354,869
					150,690,362
Segment liabilities	8,920,861	8,947,511	54,204,495	555,705	72,628,573
Unallocated liabilities					1,140,982
					73,769,555

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

	March 31, 2020				
	Fire & property damage	Marine, aviation & Transport	Motor	Misc	Total
	(Rupees)				
Gross written premium (inclusive of Administrative surcharge)	4,459,230	4,194,703	7,364,876	14,485	16,033,294
Contributions earned	4,562,325	4,858,644	7,304,691	241,734	16,967,394
Takaful contribution ceded to retakful operators	(3,526,282)	(3,819,506)	(1,009,538)	(177,196)	(8,532,522)
Net Contribution	1,036,043	1,039,138	6,295,153	64,538	8,434,872
Rebate from re-takful	801,063	878,486	-	38,098	1,717,647
Net revenue	1,837,106	1,917,624	6,295,153	102,636	10,152,519
Takaful claims	(34,200)	(99,001)	(4,446,085)	-	(4,579,286)
Takaful claims recovered from retakful operators	25,650	79,190	1,375,000	-	1,479,840
Net claims	(8,550)	(19,811)	(3,071,085)	-	(3,099,446)
Wakala expense	(1,824,929)	(1,943,457)	(2,921,872)	(96,694)	(6,786,952)
Direct expense	(2,966)	(2,976)	(18,026)	(186)	(24,154)
Net takaful claims & expenses	(1,836,445)	(1,966,244)	(6,010,983)	(96,880)	(9,910,552)
Underwriting result	661	(48,620)	284,170	5,756	241,967
Net Investment income					3,347,942
Modarib's shares					(1,339,177)
Surplus for the period					2,250,732
Segment assets	18,650,424	18,706,139	113,322,779	1,161,786	151,841,128
Unallocated assets					12,746,108
					164,587,236
Segment liabilities	12,536,459	12,573,910	76,173,410	780,930	102,064,709
Unallocated liabilities					1,185,159
					103,249,868

22. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information has been authorized for issue on 29th April, 2021 by the Board of Directors of the Company.

23. GENERAL

Figures have been rounded off to the nearest rupee.


Irfan Zakaria Bawany
Chairman


Mohammad Omar Bawany
Director


Noor M. Zakaria
Director


Haroon A. Shakoor
Chief Financial Officer


A. Razak Ahmed
Chief Executive & Managing Director

Karachi 29th April, 2021



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Chief Executive & Managing Director

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Chief Financial Officer

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Mr. Ghulam Haider
Company Secretary & Compliance Officer

Extension : 209

Mr. Syed Rizwan Akhtar
Executive Vice President (Operations)

Direct : 34304067
Extension : 210

Mr. Muhammad Siddique
Deputy Chief Manager (Claims)

Direct : 34550403
Extension : 208

Mr. Najamullah Khan
Head of Takaful

Direct : 34557079
Extension : 201

Mr. Muhammad Kashif Wadiwala
Shariah Complaine Officer

Extension : 216

Mr. Ghulam Mujaddid
Chief Manager (Accounts)

Extension : 205

Mr. Abdul Rahim Patni
Deputy Chief Manager (Reinsurance)

Direct : 34539411
Extension : 215

Mr. Muhammad Saleem Memon
Deputy Chief Manager (Investment/shares)

Extension : 214

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

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Mr. Muhammad Masood Alam
Manager (Administration)

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Mr. Anees Memon
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Reliance Insurance Company Limited

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