



Shaping Tomorrow

QUARTERLY REPORT
MARCH 31, 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 (Fire)

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 : 2628799

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, Gardee 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 & 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 : 3523086

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

Islamabad Branch
Flat No. 8, 2nd Floor
Malik Complex, 80-E,, Jinnah Avenue,
Blue Area, Islamabad.

Ph : 2277681
Fax : 2273164

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 Head

Ph : 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 Manager

Ph : 3511917
Fax : 3513111



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COMPANY INFORMATION

BOARD OF DIRECTORS	ISMAIL H. ZAKARIA MOHAMMAD AMIN AHMED BAWANY A. AZIZ AYOOB IRFAN ZAKARIA BAWANY MOHAMMAD OMER BAWANY ZOHAIR ZAKARIA AHMED ALI BAWANY NOOR M. ZAKARIA ASHFAQ PATEL YASIN SIDDIK A. RAZAK AHMED	Chairman Chief Executive & Managing Director
MANAGEMENT Senior Executive Vice President	BASHARAT M. BARLAS	
Chief Accountant and Company Secretary	HAROON A. SHAKOOR	
Audit Committee	A. AZIZ AYOOB IRFAN ZAKARIA BAWANY ZOHAIR ZAKARIA	Chairman Member Member
AUDITORS	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	
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,

Your Directors are pleased to present before you the un-audited Accounts for the First quarter ended March 31, 2009.

During the period under review, your Company underwrote a Gross Premium of Rs.121.792 million as compared to last year's First quarter Premium of Rs.167.562 million – showing decrease of 27.32%. The Net Premium Income stood at 78.891 million against Rs.116.299 million – showing decline of 32.17 % over the previous year. The main factor of decline as also reported in the Annual Report 2008, has been the managements' decision to discontinue writing motor Leasing business due to extremely adverse claim experience.

Net claims incurred, however, stood at Rs.34.63 million – showing decline of 31.40% over the corresponding period of last year.

The Investment Income increased by 20.74% to Rs.5.953 million compared to Rs.4.931 million of previous year, after recognizing Rs.2.50 million against Impairment in value of investment.

Profit before tax stood at Rs.15.270 million compared to Rs.20.880 million – showing decline of 26.87% over the corresponding period of last year.

Your Management looks forward to the future with confidence and envisages that the new 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: 30th April 2009

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


AS AT MARCH 31, 2009

	Notes	(Un Audited) As At March.31, 2009 Rs	(Audited) As At Dec.31, 2008 Rs
Share Capital and Reserves			
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	229,092,500	229,092,500
Retained earnings		52,549,385	41,029,056
Reserves		85,105,000	85,105,000
		366,746,885	355,226,556
Underwriting provisions			
Provision for outstanding claims (including IBNR)		242,277,581	252,838,389
Provision for unearned premium		237,712,551	243,900,820
Commission income unearned		30,294,587	30,344,351
Total Underwriting Provisions		510,284,719	527,083,560
Creditors and accruals			
Amounts due to other insurers/reinsurers		30,589,971	35,324,248
Accrued expenses		1,589,593	2,848,472
Taxation - provision less payments		5,291,765	5,309,407
Sundry creditors		5,242,473	7,032,961
		42,713,802	50,515,088
Borrowings			
Short term running finance-secured		4,488,847	5,776,363
Other liabilities			
Unclaimed dividend		115,331	120,535
TOTAL EQUITY AND LIABILITIES		<u>924,349,584</u>	<u>938,722,102</u>

CONTINGENCIES AND COMMITMENTS

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


Ismail H. Zakaria
Chairman


Mohammad Amin Ahmed Bawany
Director

Karachi: 30th April, 2009

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

AS AT MARCH 31, 2009

	Notes	(Un Audited) As At March 31, 2009 Rs	FORM GA (Audited) As At Dec. 31, 2008 Rs
Cash and bank deposits			
Cash and other equivalent		518,626	123,719
Current and other accounts		55,929,577	54,184,646
Deposit maturing within 12 months		30,725,000	30,725,000
		87,173,203	85,033,365
Loans (secured)			
To employees		1,006,759	964,899
Investments	7	270,031,450	285,858,481
Current assets-others			
Premiums due but unpaid		134,665,491	106,435,031
Amounts due from other insurers/reinsurers		6,229,279	6,225,857
Accrued investment income		7,804,530	30,902,424
Reinsurance recoveries against outstanding claims		209,015,347	214,067,719
Deferred commission expense		46,075,041	47,032,113
Prepaid reinsurance premium ceded		87,302,723	87,473,351
Trade deposits and prepayments		540,494	540,494
Sundry receivables		2,008,156	1,400,716
		493,641,061	494,077,705
Fixed assets			
Land and buildings		18,785,830	19,267,518
Furniture, fixtures and office equipment		11,621,649	11,987,922
Motor vehicles		40,261,789	40,255,569
		70,669,268	71,511,009
Capital work in progress		1,827,843	1,276,643
TOTAL ASSETS		924,349,584	938,722,102


A. Aziz Ayoob
Director


A. Razak Ahmed
Chief Executive & Managing Director



CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UN AUDITED)
FINANCIAL PERIOD ENDED MARCH 31,2009

	Fire & Property	Marine Aviation & Transport	Motor	Misc.	FORM GB (Amount in Rs.)	
					2009 Aggregate	2008 Aggregate
Revenue Account						
Net Premium Revenue	24,492,614	14,525,378	38,895,414	978,413	78,891,819	116,299,288
Net Claims	(1,776,925)	(1,187,458)	(30,938,780)	(728,903)	(34,632,066)	(50,483,847)
Expenses	(7,356,465)	(4,362,762)	(11,682,410)	(293,871)	(23,695,508)	(35,572,880)
Net Commission	(2,274,949)	(1,428,848)	(5,748,659)	2,910,165	(6,542,291)	(10,505,109)
Underwriting result	13,084,275	7,546,310	(9,474,435)	2,865,804	14,021,954	19,737,452
Investment Income					5,953,675	4,930,965
Other Income (Profit on Sale of Fixed Assets)					101,103	235,076
Financial Charges					(136,222)	-
General and administration expenses					(4,670,181)	(4,023,292)
Profit before tax during the quarter					15,270,329	20,880,201
Provision for Taxation :					(3,750,000)	(6,000,000)
Profit after tax during the quarter					11,520,329	14,880,201
Profit and Loss Appropriation Account						
Balance at Commencement of the year					41,029,056	70,886,713
Profit after tax during the period					11,520,329	14,880,201
Transfer to reserves (General Reserve)					-	(17,500,000)
Issuance of Bonus Shares for the year (2007:30%)					-	(52,867,500)
Balance of Unappropriated profit at end of the period					52,549,385	15,399,414
Earnings per Share - Basic and Diluted					0.50	0.65

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


Ismail H. Zakaria
 Chairman


Mohammad Amin Ahmed Bawany
 Director


A. Aziz Ayoob
 Director


A. Razak Ahmed
 Chief Executive & Managing Director

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

FORM GC

FINANCIAL PERIOD ENDED MARCH 31, 2009

	2009	2008
	January to March	
	(Amount in Rs.)	
Operating Cash Flow		
a) Underwriting activities		
Premium received	89,585,218	128,848,083
Reinsurance premium paid	(53,655,570)	(46,098,746)
Claims paid	(63,098,785)	(79,132,574)
Reinsurance and other recoveries received	22,958,283	27,978,327
Commission paid	(19,230,911)	(19,425,665)
Commission received	17,572,299	19,179,661
Net cash flow from underwriting activities	<u>(5,869,466)</u>	<u>31,349,086</u>
b) Other operating activities		
Income tax paid	(3,767,642)	(4,631,639)
General management expenses paid	(23,695,508)	(35,572,880)
Other operating payments	(2,136,252)	(1,529,038)
Loans advanced / repayment received	(41,860)	46,044
Other payments on operating assets	(3,049,367)	(692,604)
Other receipts in respect of operating assets	(607,440)	20,928
Net cash flow from other operating activities	<u>(33,298,069)</u>	<u>(42,359,189)</u>
Total cash flow all operating activities	<u>(39,167,535)</u>	<u>(11,010,103)</u>
Investment activities		
Interest / Dividend received	30,414,540	18,425,262
Payments for Investments	(41,523,055)	(13,439,563)
Proceeds from disposal of investments	55,987,115	3,143,479
Fixed Capital Expenditures	(2,392,285)	(2,925,787)
Proceeds from disposal of fixed assets	250,000	1,985,000
Total cash flow from Investing activities	<u>42,736,315</u>	<u>7,188,391</u>
Financing activities		
Unclaimed Dividend paid	(5,204)	-
Financial Charges	(136,222)	-
Total cash flow from financing activities	<u>(141,426)</u>	<u>-</u>
Net cash Inflow/outflow from all activities	3,427,354	(3,821,712)
Cash & cash equivalent at the beginning of the year	79,257,002	94,953,344
Cash & cash equivalent at the end of the period	<u>82,684,356</u>	<u>91,131,632</u>
Reconciliation to profit and loss Account		
Operating cash flow	<u>(39,167,535)</u>	<u>(11,010,103)</u>
Depreciation expense	(2,533,929)	(2,494,254)
Financial Charges	(136,222)	-
Profit/(loss) on disposal of fixed assets	101,103	235,076
Increase/(decrease) in assets other than cash	22,703,110	31,145,540
(Increase)/decrease in liabilities other than running finance	24,600,127	(7,927,023)
Investment Income	5,953,675	4,930,965
Profit after tax as per profit & loss account.	<u>11,520,329</u>	<u>14,880,201</u>
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	518,626	473,824
Current and other account	55,929,577	61,932,808
Deposits Maturing Within 12 Months	30,725,000	28,725,000
Short Term Running Finance-Secured	87,173,203	91,131,632
	(4,488,847)	-
	<u>82,684,356</u>	<u>91,131,632</u>

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


Ismail H. Zakaria
Chairman


Mohammad Amin Ahmed Bawany
Director


A. Aziz Ayoob
Director


A. Razak Ahmed
Chief Executive & Managing Director

Karachi : 30th April, 2009

CONDENSED INTERIM STATEMENT OF PREMIUMS (UN AUDITED)
FINANCIAL PERIOD ENDED MARCH 31, 2009

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	2009 Net Premium revenue	2008 Net Premium revenue
	Opening	Closing	Opening	Closing			ceded Opening	ceded Closing			
Direct and facultative											
Fire and Property Damage	56,995,733	129,628,752	128,445,549	58,178,336	33,382,540	69,254,880	68,951,098	33,686,322	24,492,614	25,330,158	
Marine, Aviation and Transport	23,311,949	11,086,875	11,442,118	22,956,706	8,566,682	4,377,291	4,512,645	8,431,328	14,525,378	16,517,400	
Motor	34,115,318	88,698,266	83,255,067	39,558,517	624,743	1,565,083	1,526,723	663,103	38,895,414	73,122,871	
Miscellaneous	7,369,049	14,486,927	14,569,817	7,286,159	6,343,906	12,276,097	12,312,257	6,307,746	978,413	728,859	
Grand Total	<u>121,792,049</u>	<u>243,900,820</u>	<u>237,712,551</u>	<u>127,980,318</u>	<u>48,917,871</u>	<u>87,473,351</u>	<u>87,302,723</u>	<u>49,088,499</u>	<u>78,891,819</u>	<u>116,299,288</u>	

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

Ismail H. Zakaria
 Chairman

Mohammad Amin Ahmed Bawany
 Director

A. Aziz Ayooob
 Director

A. Razak Ahmed
 Chief Executive & Managing Director

CONDENSED INTERIM STATEMENT OF CLAIMS (UN AUDITED)
FINANCIAL PERIOD ENDED MARCH 31, 2009

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		2008 Net claims expenses
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	
Direct and facultative													
Fire and Property Damage	21,961,471	204,149,600	196,551,100	14,362,971	16,283,533	189,855,623	186,158,136	12,586,046	1,776,925				4,259,912
Marine, Aviation and Transport	5,477,543	27,454,450	24,996,250	3,019,343	3,071,070	19,177,266	17,938,081	1,831,885	1,187,458				3,632,502
Motor	32,814,690	18,378,839	16,608,731	31,044,582	1,240,302	2,675,530	1,541,030	105,802	30,938,780				42,090,782
Miscellaneous	2,845,081	2,855,500	4,121,500	4,111,081	2,363,378	2,359,300	3,378,100	3,382,178	728,903				500,651
Grand Total	63,098,785	252,838,389	242,277,581	52,537,977	22,958,283	214,067,719	209,015,347	17,905,911	34,632,066				50,483,847

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

Ismail H. Zakaria
 Chairman

Mohammad Amin Ahmed Bawany
 Director

A. Aziz Ayooob
 Director

A. Razak Ahmed
 Chief Executive & Managing Director

CONDENSED INTERIM STATEMENT OF EXPENSES (UNAUDITED)
FINANCIAL PERIOD ENDED MARCH,31 2009

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	2009 Net underwriting expense h=f-g	2008 Net Underwriting expenses
Direct and facultative									
Fire and Property Damage	12,418,432	28,902,351	28,675,790	12,644,993	7,356,465	20,001,458	10,370,044	9,631,414	10,083,302
Marine, Aviation and Transport	4,505,509	2,217,375	2,288,424	4,434,460	4,362,762	8,797,222	3,005,612	5,791,610	3,943,410
Motor	4,932,179	13,304,740	12,488,260	5,748,659	11,682,410	17,431,069	-	17,431,069	33,080,608
Miscellaneous	1,351,162	2,607,647	2,622,567	1,336,242	293,871	1,630,113	4,246,407	(2,616,294)	(1,029,331)
Grand Total	<u>23,207,282</u>	<u>47,032,113</u>	<u>46,075,041</u>	<u>24,164,354</u>	<u>23,695,508</u>	<u>47,859,862</u>	<u>17,622,063</u>	<u>30,237,799</u>	<u>46,077,989</u>

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

Ismail H. Zakaria
 Chairman

Mohammad Amin Ahmed Bawany
 Director

A. Aziz Ayoub
 Director

A. Razak Ahmed
 Chief Executive & Managing Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FINANCIAL PERIOD ENDED MARCH 31, 2009

	Share Capital	General Reserve	Permanent Diminution In Value Of Investment	Unappropriated Profit	Total
Balance as at 01-01-2007 -	132,500,000	48,000,000	5,105,000	58,365,849	243,970,849
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)	-
Balance as at 01-01-2008	176,225,000	62,500,000	5,105,000	70,886,713	314,716,713
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)	-
Balance as at 31-12-2008	229,092,500	80,000,000	5,105,000	41,029,056	355,226,556
Net Profit after tax for the quarter	-	-	-	11,520,329	11,520,329
Issuance of bonus shares and transferred to general reserve	-	-	-	-	-
Balance as at 31-03-2009	229,092,500	80,000,000	5,105,000	52,549,385	366,746,885

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



Ismail H. Zakaria
Chairman



Mohammad Amin Ahmed Bawany
Director



A. Aziz Ayoob
Director



A. Razak Ahmed
Chief Executive & Managing Director

**CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UNAUDITED)**
FINANCIAL PERIOD ENDED MARCH 31, 2009

	2009 Rs.	FORM GG 2008 Rs.
Income from Non-Trading Investments		
Held to maturity		
Return on Government Securities	1,791,704	439,661
Return on other fixed income, securities and deposits	788,812	883,047
	2,580,516	1,322,708
Investment Held for Trading		
Dividend Income	4,751,549	3,578,800
Available for sale		
Dividend Income	-	30,572
Gain on sale of 'available for sale investment'	1,137,029	4,055
Impairment in value of Investment	(2,500,000)	-
Less: Investment related expenses	(15,419)	(5,170)
Net Investment Income transferred to P&L A/c.	<u>5,953,675</u>	<u>4,930,965</u>

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


Ismail H. Zakaria
Chairman


Mohammad Amin Ahmed Bawany
Director


A. Aziz Ayoob
Director


A. Razak Ahmed
Chief Executive & Managing Director

NOTES TO THE ACCOUNTS

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 through 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, 2008.

3. Accounting policies.

The accounting policies adopted in preparation of these accounts are the same as applied in preparation of accounts for the preceding year ended December 31, 2008. The policies applied comply with the requirements of the SRO 938(I) /2002 issued by the Securities and Exchange Commission of Pakistan.

4. Premium Deficiency Reserves

No provision has been made as the unearned premium reserve for each class of business as at the period end 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. Transaction with Related Parties

Details of major transactions with related parties for the period ended 31 March 2009 are as follows:

	Jan - Mar 2009	Jan –Mar 2008
Premium Underwritten	4,503,139	5,883,773
Premium Collected	4,067,937	6,087,511
Claims Paid	-	1,030,000
Commission Paid	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:

	31st Mar. 2009	31st Dec. 2008
Held to maturity	99,116,929	105,968,238
Available for sale	41,283,858	53,528,315
Investment held for trading	147,130,663	141,361,928
Impairment in value of investment	<u>(17,500,000)</u>	<u>(15,000,000)</u>
	<u><u>270,031,450</u></u>	<u><u>285,858,481</u></u>

7.1 The market value of investment in Shares & Securities as on 31st March 2009, was Rs.178.702 million (as at 31st December 2008, Rs.139.982 million).

7.2 The impairment in value of Investment portfolio was recognized for Rs.2.50 million according to the SECP circular # 03/2009, treating the fall in value of available for sale investment as other than temporary 25% of the difference as at end of quarter between the cost and market value as at 31st December 2008, after adjusting for the price movement during the quarter, recognized through Profit & Loss Account.

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>March 2009</u>	<u>December 2008</u>		<u>March 2009</u>	<u>December 2008</u>
(Number of Shares)				
1,156,680	1,156,680	Ordinary Shares of Rs.10 each Fully paid in cash	11,566,800	11,566,800
21,752,570	21,752,570	Ordinary Shares of Rs.10 each Issued as fully paid Bonus Shares	<u>217,525,700</u>	<u>217,525,700</u>
<u><u>22,909,250</u></u>	<u><u>22,909,250</u></u>		<u><u>229,092,500</u></u>	<u><u>229,092,500</u></u>

9. Fixed Assets-Tangible and Intangible.

The details of addition and disposals of fixed assets during the period ended March 31, 2009 are as follow:

	<u>Additions</u>	<u>Disposals</u>
Vehicles	1,680,245	250,000
Office Equipments	52,420	-
Computers	108,420	-
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 30th April 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 : 30th April, 2009



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