



PROGRESSIVE INSURANCE COMPANY LTD

Annual Report 2018



PROGRESSIVE INSURANCE COMPANY LIMITED

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VISION STATEMENT

To grow as a professional and trusted business entity with the objective to play a leading role in progress of insurance industry and safeguard interest of the policy holders, share holders, re-insurance, business associate's partners as a whole.

MISSION STATEMENT

- ❖ To strengthen the roots of the company, lifting it way past other Companies to stand out and emerge as one of the leading Insurance Companies of Pakistan.
- ❖ To restore trust among shareholders and policyholders.
- ❖ To increase wealth of shareholders by procuring quality business and introducing new products with competitive edge over others.
- ❖ To Progress through good governance, recognized corporate and insurance practices and highly skilled marketing and office staff.

QUALITY POLICY

Progressive Insurance Company Limited believes in providing high quality solutions to risk exposures to the satisfaction of its, customers through:

- ❖ Developing and maintaining the best quality culture;
- ❖ Developing capabilities of employees of the Company;
- ❖ Continuous improvement and teamwork spirit;
- ❖ Updating business knowledge and techniques for betterment of each concern;
- ❖ Efficient utilization of resources and manpower of the Company; and
- ❖ Introducing high standards of professionalism globally.



COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Nasir Munir Ahmed
Mr. Syed Sabur Rehman
Mr. Barrister Rashid Munir Ahmed
Mr. Kifayat Hussain Kaifi
Mr. Abdul Haleem
Mr. Syed Ali Sarwar
Mr. Aamir Pervaiz

Chairman
Director/CEO
Director
Director
Director
Director
Director

CHIEF EXECUTIVE

Syed Sabur Rehman

COMPANY SECRETARY

Rehan Ali

REGISTERED OFFICE

Office No.502-, 5th Floor
Park Avenue Building Block-6 PECHS
Shahrah-e-Faisal, Karachi.
Tel: 021-34551045.

HEAD OFFICE

Office No.502-, 5th Floor
Park Avenue Building Block-6 PECHS
Shahrah-e-Faisal, Karachi.
Tel: 021-34551045.

BANKERS

The Bank of Khyber

AUDITORS

M/s. Junaidy Shoaib Asad
Chartered Accountants

LEGAL ADVISOR

Mr. A. Wahab Baloch,
Advocate

STOCK EXCHANGE LISTING

Progressive Insurance Company Limited is
on the Pakistan Stock Exchange Ltd.

PUBLIC INFORMATION

Financial analysts, stock brokers and media desiring
Information about the company and all types of general
Insurance should contact Mr. Rehan Ali & Chief Executive Officer,
Progressive Insurance Company Limited, at Company's Head Office, Karachi.

SHAREHOLDER INFORMATION

Inquires concerning lost share certificates,
dividend payment, change of address,
verification of transfer deeds and share
transfer should be directed to contact our
registered office 502, 5th floor, Park
Avenue Building Block-6 PECHS,
Shahrah-e-faisal.
Karachi. Tel: 021-34551045

ANNUAL GENERAL MEETING

Annual General Meeting of Progressive
Insurance Company Limited will be held at
15th June, 2019, on Saturday at 9:30 am



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the thirty two Annual General Meetings of Progressive Insurance Company Limited will be held at 09:30 a.m. at Office No. 502, 5th floor, Japan Plaza, M.A. Jinnah Road, Karachi on June 15, 2019 to transact the following business:

1. To confirm the Minutes of the last Annual General Meeting of the Company held on March 30, 2019.
2. To receive, consider and adopt the Audited Accounts for the years ended December 31, 2018 together with the Directors' and Auditors' reports thereon.
3. To appoint Auditors and fix their remuneration for the year ended December 31, 2019.
4. To transact any other business with the permission of the Chair.

Special Business

To consider and if thought fit, increase the Authorized Capital of the Company be and is hereby increased from 200,000,000/- (Rupees two hundred million) to Rs. 500,000,000/- (Rupees Five hundred Million) divided into 50,000,000 Ordinary shares of Rupees 10/- each and to passed the following Special Resolution with and Without modification.

SPECIAL RESOLUTION:

Statement Under Section 134(3) of the Companies Act 2017.

This statement sets out material facts concerning the Special Business to be transacted at the Annual General Meeting of the Company to be held on June 15, 2019.

"RESOLVED that the Authorized Shares Capital of the Company be and is hereby increased from Rs. 200,000,000/- (Rupees Two Hundred Million) to Rs. 500,000,000/- (Rupees Five hundred Million) divided into 50,000,000 Ordinary shares of Rs.10/- each.

FURTHER RESOLVED that Clause V of the Memorandum of Association and Article 4 of the Articles of Association of the Company be and are hereby amended to be read as under:

Clause.

The Capital of the Company is Rupees Five Hundred Million (Rs. 500,000,000/-) divided into Fifty Million (50,000,000) Ordinary shares of Rupees Ten (Rs.10/-) each with the rights, privileges and conditions attaching thereto as are provided by regulations of the banking company for the time being with powers to increase or reduce the capital and to sub- divide the shares in the capital for the time being into several classes, however, various classes of ordinary shares, if any, as to profit, and other benefits shall be strictly proportionate to the paid up value of shares.



Article

The Authorized Capital of the Company is Rs. 500,000,000/- divided into 50,000,000 Ordinary shares of Rs. 10/- each.

FURTHER RESOLVED that the Chief Executive and/or Secretary of the Company be and is hereby authorized to take all the necessary steps and fulfill the legal, corporate and procedural formalities in connection therewith.

There being no other business the Meeting ended with a vote of thanks of the Chair.

Karachi:

Dated: May 25, 2019

By Order of the Board

A handwritten signature in black ink, appearing to read 'Syed Sabur Rehman', is written over a light blue rectangular background.

Syed Sabur Rehman
Chief Executive Officer

NOTES:

1. The Share Transfer Book of the Company closed from May 09, 2019 to May 16, 2019 (both days inclusive).
2. A member entitled to attend and vote at this meeting may appoint another member as his/her Proxies in order to be received at the Registered Office of the Company not less the 48 hours before the time of Meetings.
3. For attending the meetings and appointing proxies CDC Account holders will further have to follow the guidelines as laid in circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.
4. Shareholders are required to inform the Company of any change in their address immediately.



DIRECTORS' REPORT

The Directors of Progressive Insurance Company Limited take pleasure in presenting the thirty two Annual Report of the Company, together with the audited financial statements for the year ended 31st, December 2018 and Auditors' Report thereon.

Operating Review

The business activities of company remain suspended during the financial year ended 2018, due to suspension of licence. However, company is endeavouring to resolve all pending issues.

Net Loss

Operating net loss by company is Rs. 814,694/- during the year 2018.

Loan from director/sponser

An amounts of Rs.664,038/- has been obtained by the company during the year from the director to meet the regulary misc. expenditures of the company, the sponser/directors of the company are continuously giving loan, as interest free, and payable to the directors as and when available with the company.

Re-Insurance

Negotiations/arrangements with many national/international re-insurers are under way.

Observation of External Auditor

Sponser and directors of the company have decided to issue right shares to meet the capital requirement and correspondence with SECP for approval to raise company paid up capital is under way. After issue of right shares minimum capital requirement will be met. The directors of company have given to SECP plans and forecast for revival of the company.

keeping in view of the facts, the company has the abilitiy to continue as a going concern because of the equity position of company is still positive.

CORPORTATE AND FINANCIAL REPORTING FRAMWORK

- The financial Statements is prepared by the management of the company, present fairly its state of affairs, the result of its operations, cash flow and changes in equity.
- Proper books of accounts have been maintained by the company.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgments.
- The International Financial Reporting Standards (IFRS) as Applicable in Pakistan, have been followed in preparation of financial statement and any departure from there has been adequately disclosed.



- The board is establishing a system of sound internal control, which will be effectively implemented at all levels within the insurer.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of Corporate Governance, as defined in our statement of CCG.
- The key operating and financial data for the last six years is annexed.
- The statement of the pattern of shareholding of the Company as at 31 December, 2018 is included in the Report.
- During the year one board of directors meeting was held and attendance of each director was as follows:

Board of Directors	Nos. of Meeting Attended
Nasir Munir Ahmed	1
Syed Sabur Rehman	1
Barriester Rashid Muneer Ahmed	1
Kifayat Hussain Kaifi	1
Syed Ali Sarwar	1
Abdul Haleem	1
Amir Pervaiz	1

Pattern Of Shareholding

The pattern of shareholding of the Company is annexed to this report.

Segmental Results

As the company was almost dormant during the year, the management is not in a position to reflect the segmental results of its' operation. Underwriting, Claims settlement. Re-Insurance and Co-Insurance Committee is being established subsequently as there was no such committee effectively in operation during the year under review, due to nominal business operation.

Management Committees & Board Committees

The board is in the process to form board committees and management committees. The Board Committees include; Ethics HR & Remuneration Committee, Nomination Committee, Investment Committee and Audit Committee and Management Committees include; Underwriting committee, claim settlement committee, Reinsurance and co-insurance committee and risk management & compliance committee.



KEY OPERATING AND FINANCIAL DATA

Following is the summary of key operating and financial data for the last 6 years:-

	2018	2017	2016	2015	2014	2013
Reserves and Retained Earnings	(44.67)	(43.51)	(42.18)	(44.73)	(37.50)	(36.17)
Investment Income	0.45	0.0028	0.0029	0.23	0.33	0.23
Direct Premium	-	-	-	-	-	-
Retained Premium	-	-	-	-	-	-
Net Claims Paid & Outstanding	-	-	-	-	-	-
Profit after Tax	(0.81)	(0.67)	(0.15)	(7.23)	(1.32)	(1.19)
Dividend declared - Cash						
- Stock						

Future Outlook

The Directors and the management of the company are quite confident for a quick and better growth of the company. It has been agreed that the major business of the Associated Companies would be transacted through our Company.

The future outlook is also dependent on improved political situation in the region, besides the continuation of economic and fiscal policies of the Government. All economic indicators are, however, positive and expected to lead to higher growth during the next year.

At present, company has 161.5 (million) paid up capital, and more efforts is being made to meet and fulfil requirement of minimum capital as required under the Insurance Ordinance 2000. The management has taken up the task afresh to launch the Company to new heights.

New areas of business are being explored and a network of viable productive branches is being planned.

Thanks and Appreciation

We are grateful to the Securities and Exchange Commission of Pakistan; peculiarly (Insurance Division) of SECP, and their staff/officer/officials of the SECP, for their guidance and support and co-operation extended for the growth and progress of the Company.

Karachi:
Date:

For and on behalf of the
Board Of Directors

Syed Sabur Rehman
Chief Executive Officer

**PATTERN OF SHARE HOLDING AS AT 31-12-2018**

NUMBER OF SHARE HOLDER	SHARE HOLDINGS	TOTAL SHARE HELD
151	1	100
200	101	500
158	501	1000
249	1001	5000
69	5001	10000
29	10001	15000
14	15001	20000
10	20001	25000
5	25001	30000
3	30001	35000
7	35001	40000
1	40001	45000
1	55001	60000
1	60001	65000
2	65001	70000
1	95001	100000
1	120001	125000
1	135001	140000
1	145001	150000
1	165001	170000
1	180001	185000
1	500001	505000
1	975001	980000
1	2900001	2905000
1	7660001	7665000
910		16,150,000



CATEGORIES OF CERTIFICATE HOLDING AS ON 31-12-2018

	<u>NO OF SHARE</u>	<u>NO OF SHARE HOLDERS</u>	<u>PERCENTAGE %</u>
<u>Associated Companies Undertaking & Related Parties</u>	1	978,000	6.06
Pakistan Industrial & Commercial Leasing Ltd.			
<u>DIRECTORS, C.E.O THEIR SPOUSE AND MINOR CHILDREN</u>	7	10,568,300	65.44
Nasir Munir Ahmed		500	
Barrister Rashid Munir Ahmed		500	
Kifayat Hussain Kaifi		500	
Abdul Haleem		500	
Syed Ali Sarwer		500	
Amir Pervaiz		500	
<u>DIRECTOR/CHIEF EXECUTIVE OFFICER</u>			
Syed Sabur Rehman		10,565,300	
<u>BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS NON BANKING FINANCIAL INSTITUTION, INSURANCE COMPANIES, MODARABAS AND MUTUAL FUNDS</u>	3	29,500	0.18
Bank Al-Falah Ltd		6,500	
First Dawood Investment Bank Ltd.		3,000	
Escort Investment Bank Ltd		20,000	
<u>SHAREHOLDING TEN PERCENT OR MORE VOTING INTEREST IN THE LISTED COMPANIES.</u>			
Syed Sabur Rehman			
<u>INDIVIDUAL</u>	875	3,361,700	20.82
<u>OTHER CORPORATE SHAREHOLDERS</u>	24	1,212,500	7.5
	<u>910</u>	<u>16,150,000</u>	<u>100</u>



Junaidy Shoaib Asad
Chartered Accountants



To the members of Progressive Insurance Company Limited

Report on the Audit of the Financial Statements

Adverse Opinion

We have audited the annexed financial statements of **Progressive Insurance Company Limited** ("the Company") which comprise the statement of financial position as at **31 December 2018**, and the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matter discussed in the *Basis for Adverse Opinion* section of our report, the statement of financial position, statement of comprehensive income, statement of cash flows and the statement of changes in equity together with the notes forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance 2000 and the Companies Act, 2017 (XIX of 2017) in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at **31 December 2018** and of the loss, the total comprehensive loss, the cash flows and the changes in equity for the year then ended.

Basis for Adverse Opinion

As explained in note 2 to the financial statements, the Company does not meet the minimum paid up capital requirement pursuant to Rule 11 of the Insurance Rules 2017. The operating activities of the Company have ceased, the trading in shares of the Company have been suspended at the PSX as the Company is placed in defaulter segment. Further, the Company is incurring recurring losses. However, the management has prepared the financial statements on going concern basis. The conditions stated above indicate existence of material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern and therefore the Company may not be able to realize its assets and discharge its liabilities in the normal course of the business. In our opinion, the management's use of the going concern assumption is inappropriate and consequently the assets and liabilities should have been stated at their realizable values respectively.

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Key audit matters

Except for the matter described in *Basis for Adverse Opinion* section of our report, we have determined, key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our

Junaidy Shoaib Asad Chartered Accountants



audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion.

Following are the key audit matter(s):

S.no	Key audit matter(s)	How the matter was addressed in our audit
1.	<p>Changes in accounting policies due to introduction of Insurance Rules, 2017 and Insurance Accounting Regulations, 2017.</p> <p>Refer note 3, 4.1 & 4.1.1 to the financial statements for changes in accounting policies.</p> <p>Insurance Rules, 2017 and Insurance Accounting Regulations, 2017 became effective from 1 January 2018. These regulations contained a new format of financial statements and changed the presentation basis. These changes also require changes in the basis of valuation of available for sale investments.</p> <p>Because of the significance of the 'change', this was identified as key audit matter.</p>	<p>Our audit procedures in respect of this matter included the following:</p> <ul style="list-style-type: none"> Evaluated the adequacy and completeness of the disclosures relating to changes in accounting policies and adjustments required in accordance with accounting and reporting standards as applicable in Pakistan; and Evaluated the adequacy and completeness of additional disclosures as required under new accounting regulations.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Insurance Ordinance 2000, Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Junaidy Shoaib Asad
Chartered Accountants



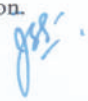
As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Junaidy Shoaib Asad
Chartered Accountants



Report on Other Legal and Regulatory Requirements

Based on our audit except for the matter discussed in the basis for adverse opinion section, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Insurance Ordinance 2000 and the Companies Act, 2017 (XIX of 2017);
- b) because of the matters described in *Basis of Adverse Opinion* section of our report, the statement of financial position, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have not been drawn up in conformity with the Insurance Ordinance 2000, the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account;
- c) investments made, expenditure incurred and guarantees extended during the period were for the purpose of the Company's business; and
- d) no zakat was deductible at source under Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **Farrukh V. Junaidy**.

Junaidy Shoaib Asad
Chartered Accountants

Karachi

Date: **29 MAY 2019**



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR INSURERS, 2016 & LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

Name of Insurer: Progressive Insurance Company Limited
Year Ended : 31st December, 2018

This statement is being presented in compliance with the Code of Corporate Governance for Insurers, 2016 (The Code) for the purpose of establishing a framework of good governance, whereby an insurer is managed in compliance with the best practices of corporate governance.

The insurer has applied the principles contained in the code in the following manner.

- 1) The total numbers of Directors are Seven as per following:

A: Male: Seven
B: Female: None

- 2) The insurer encourages representation of independent non-executive directors and directors representing minority interest on its board of directors. At present the Board includes:

Category	Names
Independent Directors	-
Executive Directors	-
Non-Executive Directors	Mr. Nasir Munir Ahmed Syed Sabur Rehman Barrister Rashid Munir Ahmed Mr. Kifayat Hussain Kiafi Mr. Abdul Haleem Syed Ali Sarwar Mr. Aamir Pervaiz

- 3) The directors have confirmed that none of them is serving as a director in more than five listed companies, including this insurer.
- 4) All the resident directors of the insurer are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company. A DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by a stock exchange.
- 5) No casual vacancy occurred on the Board during the year 2018.
- 6) The insurer is in process of preparing a Code of Conduct.
- 7) The Board has developed a vision/mission statement & overall corporate strategy and Company is in the process of developing significant policies that will be approved by the Board. A complete record of particulars of significant policies along with the dates on which they are approved or amended will be maintained.
- 8) All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other Executive Directors and key officer have been taken by the Board.



- 9) The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
- 10) The Board is establishing a system of sound internal control, which will be effectively implemented at all levels within the insurer. The insurer has adopted and complied with all the necessary aspects of internal controls given in the Code.
- 11) The Board have not arranged training programs for its directors during the year, but the directors are well aware of the prevailing laws, rules and regulations.
- 12) There are no new appointments of Chief Financial Officer, Company Secretary and Head of Internal Audit during the year. The appointment, remuneration and terms and conditions of employment of the Chief Financial Officer and Company Secretary have been approved by the Board of Directors.
- 13) The Directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
- 14) The financial statements of the insurer were duly endorsed by CEO and CFO before approval of the board.
- 15) The directors, CEO and other executives do not hold any interest in the shares of the insurer other than disclosed in the pattern of shareholding.
- 16) The insurer has complied with all the corporate and financial reporting requirements of the Code.
- 17) The Board is in the process to form Management Committees.
- 18) The Board is in the process to form Board Committees.
- 19) The Board is in the process to form an Audit Committee.
- 20) The meetings of the committees could not be held at least once every quarter because the formation of committees is in process.
- 21) The board is in process to set up an effective internal audit function.
- 22) The Chief Executive Officer, Chief Financial Officer and Company Secretary possess such qualification and experience as is required under the Code.

Name of Person	Designation
Syed Sabur Rehman	Chief Executive Officer
Syed Ali Sarwar	Chief Financial Officer
Rehan Ali	Company Secretary

- 23) The statutory auditors of the Insurer have been appointed from the panel of auditors approved by the Commission in terms of section 48 of the Insurance Ordinance, 2000 (Ordinance No.XXXIX of 2000). The statutory auditors have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Insurer and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.



- 24) The statutory auditors or the persons associated with them have not been appointed to provide other services and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- 25) The board is in process of appointment of actuary of the insurer.
- 26) The board ensure that the appointment of actuary will be as per the requirement of Code.
- 27) The board is in process of preparing investment policy in accordance of provisions of the Code.
- 28) The board is in process of preparing risk management system as per the requirement of Code.
- 29) The board is in process of preparing risk management function/department as covered under the Code.
- 30) After the formation of risk management system, the insurer will itself rated from credit rating agency.
- 31) The board in process to set up a grievance department/function.
- 32) The insurer has not obtained any exemption from the Securities and Exchange Commission of Pakistan in respect of any of the requirements of the Code.
- 33) The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchange.
- 34) Material/price sensitive information has been disseminated among all market participants at once through stock exchange.
- 35) We confirm that all other material principles enshrined in the Code, have been complied with except of the some defined above due to ceasing of business operation, toward which reasonable progress is being made by the company to seek compliance by the end of next accounting year.

For and on behalf of the Board of Directors

CHIEF EXECUTIVE OFFICER

Karachi

Date: 27th May, 2019

Junaidy Shoaib Asad
Chartered Accountants



REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the Code of Corporate Governance for Insurers, 2016 and the Listed Companies (Code of Corporate Governance) Regulations, 2017 ("the Regulations") prepared by the Board of Directors of Progressive Insurance Company Limited for the year ended 31 December 2018 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and to report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board for their review and approval, its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance with this requirement to the extent of the approval of the related party transactions by the Board upon the recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Regulations as applicable to the Company for the year ended December 31, 2018.

Further, we highlight below paragraphs of the Statement of Compliance where there are instances of non-compliance with the requirements of the Regulations.

- paragraph 2 regarding appointment of Independent Director.
- paragraph 6 regarding preparation of the Code of Conduct.
- paragraph 10 regarding establishment of a system of internal controls.
- paragraph 11 regarding arrangement of training program for Directors.



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Other Offices: Lahore, Islamabad & Multan

Junaidy Shoaib Asad
Chartered Accountants



- paragraph 17 regarding formation of Management Committees, Board Committees and Audit Committee.
- paragraph 18 regarding holding of meeting of Committees at least once in every quarter.
- paragraph 21 regarding formation of internal audit function.
- paragraph 25 regarding appointment of actuary.
- paragraph 28 regarding formation of Risk Management Department.
- paragraph 31 regarding formation of Grievance Department.

Date: May 27, 2019
Karachi

Junaidy Shoaib Asad

Junaidy Shoaib Asad
Chartered Accountants
Engagement partner: Farrukh V. Junaidy



PROGRESSIVE INSURANCE COMPANY LIMITED

Statement of Financial Position

As at December 31, 2018

		2018	2017 (Restated)	2016 (Restated)
	Note		(Rupees)	
ASSETS				
Fixed assets	6	413,958	459,953	517,869
Investment property	7	111,500,000	111,500,000	111,865,000
Investments				
- Equity securities	8	2,297,292	2,561,632	3,217,861
- Term deposits	9	1,250,000	1,250,000	1,250,000
Insurance and reinsurance receivable		-	-	-
Taxation - net		505,245	499,365	499,083
Deposit with State Bank of Pakistan		1,000,000	1,000,000	1,000,000
Sundry receivables	10	5,274,800	5,272,613	5,273,655
Cash and bank balances	11	42,720	156,281	154,236
TOTAL ASSETS		122,284,014	122,699,844	123,777,704

Capital and reserves attributable to Company's equity holders

Issued, subscribed and paid - up capital	12	161,500,000	161,500,000	161,500,000
Reserves		(44,673,271)	(43,518,756)	(42,189,111)
Total Equity		116,826,729	117,981,244	119,310,889

Liabilities

Provision for outstanding claims (including IBNR)		-	-	-
Loan from Director	13	4,623,986	3,959,948	3,771,884
Unclaimed dividend		300,755	300,755	300,755
Accrued expenses		154,171	79,524	15,803
Other creditors and accruals		378,373	378,373	378,373
Total liabilities		5,457,285	4,718,600	4,466,815

TOTAL EQUITY AND LIABILITIES		122,284,014	122,699,844	123,777,704
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Contingencies and commitments 14

JSA

The annexed notes from 1 to 24 form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer



PROGRESSIVE INSURANCE COMPANY LIMITED

Statement of Comprehensive Income


For the year ended December 31, 2018

	Note	2018 ----- (Rupees) -----	2017 (Restated) -----
Premium revenue		-	-
Premium ceded to reinsurers		-	-
Net premium revenue		-	-
Investment income	15	458,439	2,828
Management expenses		-	-
Rental income		-	-
Other income		-	-
		458,439	2,828
Net income		458,439	2,828
General and administrative expenses	16	1,272,985	676,244
Other expenses		148	-
Total expenses		(1,273,133)	(676,244)
Finance costs		-	-
Loss before tax from operations		(814,694)	(673,416)
Taxation	17	-	-
Loss after taxation		(814,694)	(673,416)
Other comprehensive income			
<i>Items that will be reclassified subsequently to profit and loss account:</i>			
Unrealized loss on available-for-sale investment - net		(339,821)	(656,229)
Total comprehensive loss for the year		<u>(1,154,515)</u>	<u>(1,329,645)</u>
Loss per share	18	<u>(0.05)</u>	<u>(0.04)</u>

The annexed notes from 1 to 24 form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer



PROGRESSIVE INSURANCE COMPANY LIMITED

Statement of Cash flows

For the year ended December 31, 2018

OPERATING CASH FLOWS

a) Underwriting activities

Insurance premium received	-	-
Reinsurance premiums paid	-	-
Claims paid	-	-
Reinsurance and other received	-	-
Commission paid	-	-
Commission received	-	-
Marketing and administrative expenses paid	-	-
Other underwriting payments.	-	-
Other underwriting receipts.	-	-
Net Cash Flow From Underwriting Activities	-	-

2018
----- (Rupees) -----
2017

b) Other operating activities

Income tax paid	(5,880)	(283)
General management expenses paid	(1,152,491)	(188,564)
Other operating payment	-	-
Other operating receipts	-	-
Loans advanced	-	-
Loans repayments received	-	-
Other payments on operating assets	-	-
Other receipts in respect of operating assets	-	-
Total cash flow used in operating activities	(1,158,371)	(188,847)

INVESTING ACTIVITIES

Investment income	110,485	2,828
Dividend received	344,793	-
Rental received	-	-
Proceed from sale of fixed assets	-	-
Proceed from sale of shares	70,711	-
Purchase of shares	(145,217)	-
Total cash flow generated from investment activities	380,772	2,828

FINANCING ACTIVITIES

Loans received	664,038	188,064
Loans repaid	-	-
Total cash flow generated from financing activities	664,038	188,064
Net cash (used in) / generated from all activities	(113,561)	2,045
Cash and cash equivalents at the beginning of the year	156,281	154,236
Cash and cash equivalents at the end of the year	42,720	156,281



2018 2017
----- (Rupees) -----

RECONCILIATION TO PROFIT AND LOSS ACCOUNT

Operating cash flows	(1,158,371)	(188,847)
Depreciation expense	(45,995)	(57,916)
Provision for impairment of investment property		(365,000)
Gain on disposal of shares	974	-
Increase / (decrease) in assets other than cash	5,880	(759)
Increase in liabilities other than running finance	(74,647)	(63,722)
0	-	-
Provision against sundry receivables	-	-
Other Adjustments		
Markup on deposits	110,485	2,828
Dividend income	346,980	-
	457,465	2,828
Loss after taxation	(814,694)	(673,416)

The annexed notes from 1 to 24 form an integral part of these financial statements.

JSA

Chief Executive

Director

Chief Financial Officer

PROGRESSIVE INSURANCE COMPANY LIMITED
Statement of Changes in Equity
For the year ended December 31, 2018

	Reserves			
	Issued, subscribed and paid-up capital	Accumulated losses	Available-for- sale investment revaluation reserve	Total
Balance as at January 1, 2017 - as previously reported	161,500,000	(44,889,373)	-	116,610,627
Net effect of change in accounting policy (Note 4.1)	-	-	2,700,262	2,700,262
Balance as at 01 January 2017 - restated	161,500,000	(44,889,373)	2,700,262	119,310,889
Loss after taxation for the year ended December 31, 2017	-	(673,416)	-	(673,416)
Unrealised loss on available-for-sale investment - restated	-	-	(656,229)	(656,229)
Balance as at December 31, 2017	161,500,000	(45,562,789)	2,044,033	117,981,244
Loss after taxation for the year ended December 31, 2018	-	(814,694)	-	(814,694)
Unrealised loss on available-for-sale investment	-	-	(339,821)	(339,821)
Balance as at December 31, 2018	161,500,000	(46,377,483)	1,704,212	116,826,729

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The annexed notes from 1 to 24 form an integral part of these financial statements.

 _____ Chief Executive	 _____ Director	 _____ Chief Financial Officer
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Notes to the Financial Statements For the year ended December 31, 2018

1. THE COMPANY AND IT'S OPERATIONS

The Company was incorporated as a Public Limited Company in 1987 under Companies Ordinance, 1984 and is quoted on the Karachi, Lahore and Islamabad stock exchanges (now merged as Pakistan Stock Exchange) in Pakistan. The company is engaged in providing general insurance services in shape of fire, marine, motor and miscellaneous. The registered office of the company is situated at Room # 505-507, 5th floor, Japan Plaza, M.A Jinnah Road, Karachi.

2. GOING CONCERN ISSUE

As per Section 11 of the Insurance Rules 2017, the Company is required to maintain minimum paid up capital of Rs. 500 million net off any discount offered on issue of shares. Currently, the Company does not meet the said requirement and consequently the trading activities of the Company have been suspended and the Company is generating recurring losses. During the year ended 31 December 2018, the Company incurred net loss of Rs. 814,694 (2017: 673,416). However, the Company is in the process of issuance of right shares to meet the said requirement and the Directors have agreed to provide interest free funds to finance the working capital requirements of the Company. Accordingly, these financial statements have been prepared on going concern basis.

3. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017 and the Insurance Accounting Regulations, 2017. In case requirements differ, the provisions or directives of the Companies Act, 2017, Insurance Ordinance, 2000, the Insurance Rules, 2017 and the Insurance Accounting Regulations, 2017 shall prevail.

The Securities and Exchange Commission of Pakistan ("SECP") vide its S.R.O 89(1)/2017 dated 9 February, 2017 has prescribed format of the presentation of annual financial statements for general insurance companies. These financial statements have been prepared in accordance with format prescribed by the SECP (note 4.1.1)

3.1 Basis of measurement

These financial statements have been prepared under the historical cost convention except for certain financial instruments which are stated at their fair values.

3.2 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

3.3 Standards, interpretations and amendments with respect to the approved accounting standards that are effective in the current year

Securities and Exchange Commission of Pakistan ("SECP") vide S.R.O 88(1)/2017 and S.R.O 89(1)/2017 dated 9 February 2017 has issued Insurance Rules, 2017 Insurance Accounting Regulations, 2017 (the Rules and Accounting Regulations 2017). The application of these Rules and Accounting Regulations, 2017 for the purpose of preparation and presentation of the financial statements was effective from 1 April 2017.

The Rules and Accounting Regulations 2017 require significant disclosures / requirements. Which are relevant to the company includes but not limited to: Presentation of financial statements prescribed in Annexure II of the insurance Rules 2017, recognition of available-for-sale investments at fair value as per IAS 39 "Financial Instrument: Recognition and Measurement", recognition of premium receivable under an insurance policy / cover note as written from the date of attachment of risk to the policy / cover note.

The Companies Act 2017 became effective for the first time for the financial statements for the year ended 31 December 2018. As the Company's financial statements are prepared in accordance with the format prescribed by Securities and Exchange Commission of Pakistan ("SECP"), it did not have a direct impact on the financial statements.

3.4 New accounting standards and IFRIC interpretations that are not yet effective:

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 January 2019:

- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on Company's financial statements.
- IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 July 2018). IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Contracts' and IFRIC 13 'Customer Loyalty Programmes'. The application of this standard is not likely to have an impact on Company's financial statements.
- IFRS 9 'Financial Instruments' and amendment – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 July 2018 and 1 January 2019 respectively). IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The Company is currently in the process of analyzing the potential impact of changes required in classification and measurement of financial instruments and the impact of expected loss model on adoption of the standard.
- IFRS 16 'Leases' (effective for annual period beginning on or after 1 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases- Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The Company is currently in the process of analyzing the potential impact of its lease arrangements that will result in recognition of right to use assets and liabilities on adoption of the standard.
- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after 1 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on Company's financial statements.
- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 1 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments is not likely to have an impact on Company's financial statements.

- Amendment to IFRS 3 ‘Business Combinations’ – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 1 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 1 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgements when preparing their general purpose financial statements in accordance with IFRS Standards.
- Amendment to IFRS 4 ‘Insurance Contracts’- Applying IFRS 9 ‘Financial Instruments’ with IFRS 4 (effective for annual periods beginning on or after 1 July 2018). The amendment address issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 ‘Insurance Contracts’. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from 1 July 2018 onwards to remove from profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied. The amendments are not likely to have an impact on Company’s financial statements.

Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following approved accounting standards:

- IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
- IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.
- IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

The above amendments are effective from annual period beginning on or after 1 January 2019 and are not likely to have an impact on Company’s financial statements.

3.5 Standards, interpretations and amendments effective during the current year

During the year, certain new standards and amendments to existing standards became effective. However, they did not have material effect on these financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies as said below have been applied consistently to all periods presented in these financial statements except for the standards, which became effective during the current year.

4.1 Application of Insurance Rules 2017 and Insurance Accounting Regulations 2017

The company has adopted these Rules and Accounting Regulations 2017 and has changed its accounting policies as follows:



4.1.1 Available-for-Sale investments

During the year, the company has changed its accounting policy for the valuation of the available-for-sale investments to comply with the requirements of the 'Insurance Rules, 2017' (the Rules) issued by Securities and Exchange Commission of Pakistan vide its S.R.O. 89(1)/ 2017 dated 09 February 2017. In line with the requirements provided in the Rules, the quoted available-for-sale investments are to be valued at market value and any unrealized gains or losses arising on revaluation of available-for-sale investments are taken to Other Comprehensive Income and transferred to revaluation reserves, whereas unquoted available-for-sale investments are valued at cost less impairment in value, if any. On de-recognition or impairment of available-for-sale investments, the cumulative gains or losses previously reported in revaluation reserves are reclassified to profit and loss account for the period. This change in accounting policy has been applied retrospectively in accordance with the requirement of IAS - 8 'Accounting Policy, Change in Accounting Estimates and Error' and comparatives have been restated to confirm to the changed policy.

Effect on statement of financial position

	As at 01 January 2017		
	Balance previously reported	Adjustment	Balance Restated
Statement of Financial Position			
Investments:			
- Equity securities	517,599	2,700,262	3,217,861
Reserves	-	2,700,262	2,700,262

Statement of Comprehensive Income

Unrealized gain on available-for-sale investments	-	2,700,262	2,700,262
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	For the year ended 31 December 2017		
	Balance previously reported	Adjustment	Balance Restated
Investments:			
- Equity securities	517,599	2,044,033	2,561,632
Reserves	-	2,044,033	2,044,033

Statement of Comprehensive Income

Unrealized loss on available-for-sale investments	-	(656,229)	(656,229)
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Previously, quoted available-for-sale investments were stated at lower of cost or market value (market value being taken as lower if the reduction is other than temporary) in accordance with the requirements of the SEC (Insurance) Rules, 2002.

Had the accounting policy not been changed, available-for-sale investments, reserves and other comprehensive would have been higher by Rs. 1,704,212.

The change in accounting policy has no impact on Profit or loss Account and Earning per share.

4.2 Provision for outstanding claims

The liability in respect of outstanding claims is based on certified returns of the branches and represents the estimates of the claims intimated or assessed before the end of the accounting year less anticipated recoveries, if any.



4.8 Deferred commission expense

Commission cost incurred in obtaining and recording policies of insurance and reinsurance are being deferred and recognized as an asset on acquisition of the related policies. Accordingly, these are charged to the profit and loss account as an expense based on the pattern of recognition of related premium revenue.

4.9 Investment property

The investments in properties are accounted for under the cost model as per IAS 40, "Investment property" and S.R.O. 938 issued by the Securities and Exchange Commission of Pakistan.

Subsequent capital expenditures on existing properties and gains or losses on disposal are accounted for in the same manner as tangible fixed assets.

4.10 Receivables and payables related to insurance contracts

Receivables and payables relating to insurance contracts are recognized when due. These include premiums due but unpaid, premiums received in advance, premium due and claims payable to insurance contract holders. These are recognized at cost, which is the fair value of the consideration given less provision for impairment, if any.

If there is an objective evidence that any premium due but unpaid is impaired, the Company reduces the carrying amount of that insurance receivable and recognizes the loss in profit and loss account.

4.11 Tangible fixed assets

Owned

These are stated at cost less accumulated depreciation and impairment, if any. Depreciation is charge to income using the reducing balance method where by the cost of an asset is written off over its estimated useful life at the rates mentioned in respective note.

Full depreciation is charged in the month of acquisition and no depreciation is charged in the month of disposals.

The carrying amount of fixed assets are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amounts.

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

Gain or losses on disposals of fixed assets are taken to the profit and loss account.

Leased

The Company accounts for assets acquired under finance lease by recording the assets and related liabilities at fair value. Depreciation is charged on these assets in the same manner as use for owned fixed asset. Financial charges under the lease agreements are allocated to periods during the lease term so as to produce a constant periodic rate of financial cost on the remaining balance of principal liabilities for each

4.12 Off-setting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Claims and reinsurance and other interrelated insurance liabilities and assets are not being set off against each other.

4.13 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' results are reviewed regularly by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.



The Company presents segments reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000 and the Insurance Rules, 2017. The reported operating segments are also consistent with the internal reporting process of the Company for allocating resources and assessing performance of the operating segments. The performance of segments is evaluated on the basis of underwriting results of each segment. All the Company's business segments operate in Pakistan only.

Based on its classification of insurance contracts issued, the Company has five primary business segments for reporting purposes namely fire, marine, motor and miscellaneous.

Assets and liabilities are allocated to particular segments on the basis of premium earned. Those assets and liabilities which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated corporate assets and liabilities. Depreciation and amortization are allocated to a particular segment on the basis of net premium earned.

4.14 Revenue recognition

4.14.1 Premium Income

Premium received / receivable under a policy is recognized as written from the date of attachment of the policy to which it relates. Premium income under a policy is recognized over the period of insurance from inception to expiry evenly over the period of the policy using twenty-fourths methods.

4.14.2 Profit on deposits

Profit on deposits is recognized on the time proportion basis that takes into account effective yield on the assets.

4.14.3 Dividend Income and Bonus shares

Dividend income and entitlement of bonus shares are recognized when right to receive such dividend and bonus shares is established.

Profit / loss on sale of investments is taken to the profit and loss account in the year of sale as per settlement date.

4.14.4 Income on Held to Maturity Investments

Income on held to maturity investments are recognized on a time proportion basis taking into account of the relevant maturity dates and the applicable mark-up in respect thereof.

4.15 Premium Deficiency Reserves

The Company is required as per Insurance Rules, 2017, to maintain a provision in respect of premium deficiency for the class of business where the unearned premium reserve is not adequate to meet the expected future liability for claims and other expenses expected to be incurred after the balance sheet date in respect of unexpired policies in that class of business at the balance sheet date. The movement in the premium deficiency reserve is recorded as an expense / income in profit and loss account for the year.

For this purpose, loss ratios for each class are estimated on historical claim development. Judgment is used in assessing the extent to which past trends may not apply in future or the effects of one-off claims.

4.16 Transactions with related parties

Transactions with related parties are made at arms length transaction price, except otherwise with the approval of the Board of Directors of the Company.

4.17 Management Expenses

Management expenses are allocated to all classes of business in proportion to the pre-determined rate.

4.18 Foreign Currency Transaction

Transactions in foreign currencies are translated into reporting currency at the rates of exchange prevailing on the date of transaction. Exchange differences on foreign currency transactions are included in income, currently.

5. USE OF ESTIMATES AND JUDGMENTS

The preparation of these financial statements in conformity with approved accounting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities and income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These estimates and assumptions are reviewed on frequent basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods, the areas involving a higher degree of judgment and complexity, or areas where assumptions and estimates are significant to these financial statements or judgment was exercised in application of accounting policies, are as follows:

- Provision for outstanding claim including claims incurred but not reported (IBNR).
- Provision for taxation including the amount relating to tax contingency.
- Provision for doubtful receivables.
- Useful lives, pattern of economic benefits and impairments - Fixed assets.
- Classification of investments.
- Premium deficiency reserve.

6. FIXED ASSETS

2018									
	Cost			Rate	Depreciation				Written down value as at 31 December 2018
	As at 01 January 2018	Additions / (disposals)	Disposals	As at 31 December 2018	%	As at 01 January 2018	For the year	Disposals	As at 31 December 2018
	(Rupees)					(Rupees)			
Office Equipment	1,272,371	-	-	1,272,371	10	1,081,627	19,074	-	1,100,701
Furniture & fixtures	1,497,096	-	-	1,497,096	10	1,298,251	19,885	-	1,318,136
Air Conditioner	324,860	-	-	324,860	10	303,530	2,133	-	305,663
Vehicles	2,642,053	-	-	2,642,053	30	2,593,019	4,903	-	2,597,922
	<u>5,736,380</u>	<u>-</u>	<u>-</u>	<u>5,736,380</u>		<u>5,276,427</u>	<u>45,995</u>	<u>-</u>	<u>5,322,422</u>

2017									
	Cost			Rate	Depreciation				Written down value as at 31 December 2017
	As at 01 January 2017	Additions / (disposals)	Disposals	As at 31 December 2017	%	As at 01 January 2017	For the year	Disposals	As at 31 December 2017
	(Rupees)					(Rupees)			
Office Equipment	1,272,371	-	-	1,272,371	10	1,060,435	21,192	-	1,081,627
Furniture & fixtures	1,497,096	-	-	1,497,096	10	1,276,155	22,096	-	1,298,251
Air Conditioner	324,860	-	-	324,860	10	301,162	2,368	-	303,530
Vehicles	2,642,053	-	-	2,642,053	30	2,580,759	12,260	-	2,593,019
	<u>5,736,380</u>	<u>-</u>	<u>-</u>	<u>5,736,380</u>		<u>5,218,511</u>	<u>57,916</u>	<u>-</u>	<u>5,276,427</u>

	Notes	2018	2017
		-----Rupees-----	
7. INVESTMENT PROPERTY			
Building - Lahore	7.1	365,000	365,000
Held for capital appreciation			
- Land		35,000,000	35,000,000
- Land		76,500,000	76,500,000
Less: provision for impairment		(365,000)	(365,000)
		<u>111,500,000</u>	<u>111,500,000</u>

7.1 The Property is not in possession of the company. The Company has filed a suite against the tenant for recovery and vacation of the property.



PROGRESSIVE INSURANCE COMPANY LTD.

		<i>Notes</i>		2018	2017
				-----Rupees-----	
8. INVESTMENT IN EQUITY SECURITIES					
Available for sale					
Quoted - Others				<u>2,297,292</u>	<u>2,561,632</u>
Number of Shares / Unit		Investee name	Carrying Value		
2018	2017		2018	2017	
			<i>(Restated)</i>		
			----- Rupees -----		
297	297	Sui Southern Gas Company Limited	6,861	9,056	
74	74	SAMBA Bank Ltd	595	515	
1,700	1,700	Bank of Punjab Limited	20,349	14,008	
477	477	Karachi Electricity Supply Corporation	2,833	3,010	
13	13	Suraj Cotton Limited	1,760	1,483	
259	259	Orix Modaraba	-	5,180	
-	500	PICIC Growth Fund Limited	-	14,175	
500	-	HBL growth fund - Class A	14,175	-	
500	-	HBL growth fund - Class B segment	-	-	
375	375	DG Khan Cement Limited	30,056	50,145	
2,000	2,000	Nirala MSR Foods Limited	-	-	
298	298	SilkBank Limited	373	471	
2,000	2,000	Summit Bank Limited	1,640	5,540	
Mutual funds					
35,000	35,000	NIT Units	<u>2,218,650</u>	2,458,050	
<u>59,000</u>	<u>42,993</u>		<u>2,297,292</u>	<u>2,561,632</u>	
			2018	2017	
			-----Rupees-----		
9. INVESTMENT IN TERM DEPOSITS					
Bank of Khyber			250,000	250,000	
United Bank Limited			<u>1,000,000</u>	1,000,000	
			<u>1,250,000</u>	<u>1,250,000</u>	
9.1 The term deposits carry markup at the rates ranging from 4% - 6% (31 December 2017: 4% to 6%).					
10. SUNDRY RECEIVABLE					
Unsecured					
Considered good		10.1	<u>5,274,800</u>	5,272,613	
Considered doubtful			-	-	
			5,274,800	5,272,613	
Provision for doubtful receivables			-	-	
			<u>5,274,800</u>	<u>5,272,613</u>	
10.1 The amount considered good comprises of advance given for purchase of property however the transaction is not yet accomplished and the amount is not yet returned.					
11. CASH AND BANK BALANCES					
Cash in hand			310	500	
Cash at bank - Current account			<u>42,410</u>	155,781	
			<u>42,720</u>	<u>156,281</u>	



PROGRESSIVE INSURANCE COMPANY LTD.

	<i>Notes</i>	2018 -----Rupees-----	2017
12. SHARE CAPITAL			
12.1 Authorized Capital			
20,000,000 ordinary shares of Rs. 10 each		200,000,000	200,000,000
12.2 Issued, subscribed and paid-up capital			
5,000,000 Ordinary shares of Rs. 10 each fully paid in cash		50,000,000	50,000,000
11,150,000 Ordinary shares of Rs. 10 each fully paid in kind		111,500,000	111,500,000
		161,500,000	161,500,000
13. LOAN FROM DIRECTOR			
Unsecured and interest free	<i>13.1</i>	4,623,986	3,959,948
13.1 This represents interest free loan and no repayment term has been agreed however presently it is repayable at the discretion of the Company.			
14. CONTINGENCIES AND COMMITMENT			
There were no contingencies and commitments as at December 31, 2018 (31 December 2017: Nil).			
15. INVESTMENT INCOME			
<i>Dividend income</i>			
Dividend income on securities held for trading		346,980	-
Dividend income on securities available-for-sale investments		-	-
		346,980	-
Profit on deposits		110,485	2,828
Capital gain on sale of securities		974	-
		458,439	2,828
16. GENERAL AND ADMINISTRATIVE EXPENSES			
Salaries		25,000	164,400
Electricity		3,639	8,459
Auditors' remuneration	<i>16.1</i>	75,000	75,000
Depreciation	<i>6</i>	45,995	57,916
Advertisement expense		15,957	-
Legal and professional expense		1,054,250	-
Printing expense		15,070	-
Travelling expense		10,120	-
Brokerage expense		2,954	-
Provision for impairment		-	365,000
Miscellaneous		25,000	5,470
		1,272,985	676,244
16.1 Auditors' remuneration			
Audit fee		68,000	68,000
Out-of-pocket expenses		1,444	1,444
Sindh sales tax @ 8%		5,556	5,556
		75,000	75,000



PROGRESSIVE INSURANCE COMPANY LTD.

17. TAXATION

No provision for current tax has been made as the company has not generated any revenue and/or profits during the year. The Company has filed income tax return for the tax year 2017 (financial year ended 31 December 2017) which is deemed to have been assessed under the Income Tax Ordinance, 2001 unless selected by the taxation authorities for audit purposes.

	<i>Notes</i>	2018 -----Rupees-----	2017
18. LOSS PER SHARE - BASIC AND DILUTED			
Loss after taxation for the year	<i>Rupees</i>	<u>(814,694)</u>	<u>(673,416)</u>
Weighted average number of shares outstanding during the year	<i>No. of shares</i>	<u>16,150,000</u>	<u>16,150,000</u>
Loss per share - basic and diluted	<i>Rupees</i>	<u>(0.05)</u>	<u>(0.04)</u>

19. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS & OTHER EXECUTIVES

The Directors and the Chief Executive have performed voluntary services and no remuneration has been paid to them.

20. SEGMENT INFORMATION

	For the year ended 31 December 2018				
	Fire and Property damage	Marine, Aviation and Transport	Motor	Miscellaneous	Aggregate
	----- (Rupees) -----				
Gross written premium (inclusive of surcharges)	-	-	-	-	-
Insurance premium earned	-	-	-	-	-
Insurance premium ceded to reinsurers	-	-	-	-	-
Net insurance premium	-	-	-	-	-
Commission income	-	-	-	-	-
Net underwriting income	-	-	-	-	-
Insurance claim	-	-	-	-	-
Insurance claim recovered from reinsurers	-	-	-	-	-
Net claims	-	-	-	-	-
Commission expense	-	-	-	-	-
Management expense	-	-	-	-	-
Net insurance claims and expenses	-	-	-	-	-
Underwriting results	-	-	-	-	-
Net investment income					458,439
General and administrative expenses					<u>(1,273,133)</u>
Result of operating activities					<u>(814,694)</u>
Finance costs					-
Loss before tax					<u>(814,694)</u>



PROGRESSIVE INSURANCE COMPANY LTD.

	For the year ended 31 December 2017				
	Fire and Property damage	Marine, Aviation and Transport	Motor	Miscellaneous	Aggregate
	(Rupees)				
Gross written premium (inclusive of surcharges)	-	-	-	-	-
Insurance premium earned	-	-	-	-	-
Insurance premium ceded to reinsurers	-	-	-	-	-
Net insurance premium	-	-	-	-	-
Commission income	-	-	-	-	-
Net underwriting income	-	-	-	-	-
Insurance claim	-	-	-	-	-
Insurance claim recovered from reinsurers	-	-	-	-	-
Net claims	-	-	-	-	-
Commission expense	-	-	-	-	-
Management expense	-	-	-	-	-
Net insurance claims and expenses	-	-	-	-	-
Underwriting results	-	-	-	-	-
Net investment income					2,828
General and administrative expenses					(676,244)
Result of operating activities					(673,416)
Finance costs					-
Loss before tax					(673,416)

20.1 Other information - Status of assets and liabilities

	For the year ended 31 December 2018				
	Fire and Property damage	Marine, Aviation and Transport	Motor	Miscellaneous	Total
	(Rupees)				
Segment assets	-	-	-	-	-
Unallocated assets	-	-	-	-	122,284,014
Consolidated total assets	-	-	-	-	122,284,014
Segment liabilities	-	-	-	-	-
Unallocated liabilities	-	-	-	-	5,457,285
Consolidated total liabilities	-	-	-	-	5,457,285

	For the year ended 31 December 2018				
	Fire and Property damage	Marine, Aviation and Transport	Motor	Miscellaneous	Total
	(Rupees)				
Segment assets	-	-	-	-	-
Unallocated assets	-	-	-	-	122,699,844
Consolidated total assets	-	-	-	-	122,699,844
Segment liabilities	-	-	-	-	-
Unallocated liabilities	-	-	-	-	4,718,600
Consolidated total liabilities	-	-	-	-	4,718,600

21. RELATED PARTY TRANSACTIONS

The related parties comprise principal shareholders and their affiliates, directors, executives, etc. Transactions with other related parties are entered into, at the rates negotiated with them.

Details of transactions and balances at year end with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	Notes	2018	2017
		-----Rupees-----	
Directors			
Loan obtained		664,038	188,604
Loan repaid		-	-



	2018	2017
	-----Rupees-----	
Balances with related parties		
Directors		
Loan payable	<u>4,623,986</u>	<u>3,959,948</u>

The number of employees as at 31 December 2018 were 1 (31 December 2017: 4) where as average number of employees during the year were 1 (31 December 2017: 4).

22. MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk including interest / markup rate risk, price risk and currency risk). However as the Company is not carrying its operation since long therefore these risk does not arise. The Company's overall risk management programme focuses on the only relevant financial markets and seeks to minimize potential adverse effects on the financial performance. Overall risks arising from the Company's financial assets and liabilities are limited. The Company consistently manages its exposure to financial risk without any material change from previous period in the manner described in notes below. The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing the Company's risk management policies.

22.1 Credit risk management

Credit risk is the risk that arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposure by undertaking transactions with a large number of counterparties in various sectors and by continually assessing the credit worthiness of counterparties.

Concentration of credit risk occurs when a number of counterparties have a similar type of business activities. As a result any change in economic, political or other conditions would affect their ability to meet contractual obligations in a similar manner. The Company's credit risk exposure is not significantly different from that reflected in these unconsolidated financial statements. The management monitors and limits the Company's exposure and makes conservative estimates of provisions for doubtful assets, if any. The management is of the view that it is not exposed to significant concentration of credit risk as its financial assets are adequately diversified in entities of sound financial standing, covering various industrial

	2018	2017 (Restated)
	-----Rupees-----	
Notes		
Term deposits	1,250,000	1,250,000
Deposits with State Bank of Pakistan	1,000,000	1,000,000
Investments	2,297,292	2,561,632
Amount due from other insurers / reinsurers	-	-
Accrued investment income	-	-
Taxation - net	505,245	499,365
Sundry receivables	5,274,800	5,272,613
	<u>10,327,337</u>	<u>10,583,610</u>

Provision for impairment is made for doubtful receivables according to the Company's policy. The impairment provision is written off when the Company expects that it cannot recover the balance due. The movement in the provision for doubtful debt account is shown in notes.

The credit quality of Company's bank balance can be assessed with reference to external credit rating as

	Short term rating		
United Bank Limited	A-1+	1,000,000	1,000,000
Faysal Bank Limited	A-1+	18,000	18,000
Bank of Khyber	A-1	274,410	387,781
		<u>1,292,410</u>	<u>1,405,781</u>

22.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of adequate funds through committed credit facilities. The Company finances its operations through equity and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management follows an effective cash management.

Interest / mark - up rate risk

Yield / mark-up rate is the risk that value of the financial instrument will fluctuate due to changes in the market yield / mark-up rates. Sensitively to yield mark-up rate risk arise from mismatches of financial assets and liabilities that mature or reprice in a given period. The Company manages these mismatches through risk management strategies where significant charges in gap position can be adjusted. The company is exposed to yield / mark-up rate risk in respect of the following.

On-balance sheet financial instruments	Effective yeild/mark up rate %	Mark up Bearing		Sub total	Non Mark up Bearing		Sub total	Rupees	
		Maturity within one year	Maturity after one year		Maturity within one year	Maturity upto one year		2018 Total	2017 Total
Assets									
Term deposits	4% - 6%	2,250,000	-	2,250,000	-	-	-	2,250,000	1,250,000
Bank balances		-	-	-	42,410	155,781	198,191	42,410	155,781
Amount due from insurer/reinsurer		-	-	-	-	-	-	-	-
Accrued investment income		-	-	-	-	-	-	-	-
Advance tax		-	-	-	505,245	-	505,245	505,245	499,365
Sundry receivables		-	-	-	5,274,800	-	5,274,800	5,274,800	5,272,613
2018		2,250,000	-	2,250,000	5,822,454	155,781	5,978,235	8,072,454	7,177,759
2017		1,250,000	-	1,250,000	5,927,759	-	5,927,759	7,177,759	-
Liabilities									
Provision for outstanding claims		-	-	-	-	-	-	-	-
Amount due to other insurers / reinsurers		-	-	-	-	-	-	-	-
Accrued expenses		-	-	-	154,171	-	154,171	154,171	79,524
Other creditors and accruals		-	-	-	378,373	-	378,373	378,373	378,373
Loan from Director		-	-	-	4,623,986	-	4,623,986	4,623,986	3,959,948
Unclaimed dividend		-	-	-	300,755	-	300,755	300,755	300,755
2018		-	-	-	5,457,285	-	5,457,285	5,457,285	4,718,600
2017		-	-	-	4,718,600	-	4,718,600	4,718,600	-

22.3 Sensitivity analysis

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate will not affect the fair value of any financial instruments. For cash flow sensitivity analysis of variable rate instruments, a hypothetical change of 100 basis points in interest rates at the reporting date would have decreased /(increased) profit for the year by the amounts shown below. It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. Variation in market interest rates could produce significant changes at the time of early repayments. However as business of the Company is ceased and no payments and receipts are expected as result of assets and liabilities in the normal course of business therefore sensitive analysis is not required to be carried.

22.4 Price risk

Price risk represents the risk that the fair value of financial instruments will fluctuate because of changes in the market prices (other than those arising from interest / mark-up rate risk or currency risk), whether those changes are caused by factors specific to individual financial instrument or its issuer, or factors affecting all or similar financial instrument traded in the market. The Company is exposed to equity price risk that arises as a result of changes in the levels of PSX - Index and the value of individual shares. The equity price risk arises from the Company's investment in equity securities for which the prices in the future are uncertain. The Company policy is to manage price risk through selection of blue chip securities.

22.5 Insurance risk

The principal risk that the Company faces under insurance contracts is that the actual claims and benefit payments or the timing thereof may differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. However as the Company is not carrying any insurance business since long and no claims are further made till now therefore there is no need to ascertain and manage insurance risk as they do not exists.

22.6 Fair value of financial assets and liabilities

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values.

23. GENERAL

Figures have been rounded off to the nearest rupee.

24. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue in the Board of Directors meeting held on

_____.


JSA

A handwritten signature in black ink, appearing to be "J. Singh", written over a horizontal line.

Chief Executive

A handwritten signature in black ink, appearing to be "R. Singh", written over a horizontal line.

Director

A handwritten signature in black ink, appearing to be "A. Singh", written over a horizontal line.

Chief Financial Officer



FORM OF PROXY

I/We. _____
Of _____
Being a shareholder of Progressive Insurance Company Limited do hereby
appoint _____ of _____
also a share holder of the said Company, to be my proxy and to vote for me at the Annual
General Meeting of the Company to be held on the June 15, 2019 and at any adjournment
thereof in the same manner as I/We myself/ourselves would vote if personally present at
such meeting.

As witness my/our hand this _____ day of _____ 2019.

Signature _____

CNIC No: _____

Number of shares held _____

Folio No/ Id No: _____

Revenue
stamp

Witness: _____

Name: _____

Address: _____

Important Note:

1. This form of Proxy, duly completed, must be deposited with registered office
502, Park Avenue Block-6, PECHS , Main Shahrah-e-Faisal, Karachi
2. CDC Shareholders and their Proxies are each requested to attach attested
photocopy of their National Identity Card or Passport with this proxy from
before submission to the Company.
3. No person shall act as proxy unless he/she is a member of the Company.
4. CDC Shareholders or their Proxies are requested to bring with them their
original National Identity Card or Passport along with the Participant's ID
number and their account number at the time of attending the Annual General
Meeting in order to facilitate their identification.

ڈائریکٹرز رپورٹ

پروگریسیو انشورنس کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز انتہائی مسرت کے ساتھ اپنی کمپنی کے 31 دسمبر 2018 کو اختتام پزیر ہونے والی 31 ویں سالانہ آڈٹ شدہ مالیاتی گواہی جمع آڈیٹر رپورٹ پیش کر رہے ہیں۔

کارکردگی کا جائزہ:

کمپنی کی کاروباری سرگرمیاں 2018 کے مالی سال میں لائسنس کی معطلی کی وجہ سے بند رہی اور کمپنی اپنے تمام زیر التواء مسائل کو حل کرنے کی کوشش کر رہی ہے۔

خالص نقصان:

کمپنی کا 2017 کے دوران آپریٹنگ خالص نقصان -/814,694 روپے ہیں۔

ڈائریکٹرز انپانسر سے قرض:

-/664,038 کی رقم ڈائریکٹرز انپانسر سے روزمرہ کے اخراجات کو پورا کرنے کے لئے حاصل کی گئی ہیں اور کمپنی ڈائریکٹرز انپانسر مسلسل کمپنی کو فنڈ دیں رہے جو کہ Interest فری ہے اور اس وقت ادا کیا جائے گا جب کمپنی اس قابل ہوگی۔

ڈیورا بیمہ

ڈیورا بیمہ کے لئے کئی قومی و بین الاقوامی اداروں کے ساتھ مذاکرات، انتظامات جاری ہیں۔

ہیروئی آڈیٹر کا مشاہدہ:

ڈائریکٹرز انپانسر نے سرمائے کی کم سے کم حد کو پورا کرنے کے لئے (Right Shares) جاری کرنے کا فیصلہ کر لیا ہے اور اس سلسلے میں سکیورٹیز اینڈ ایکسچینج کمیشن پاکستان اجازت کے لئے خط و کتابت کی جارہی ہے۔ (Right Shares) کے اجراء کے بعد سرمائے کی کم از کم حد پوری ہو جائے گی۔ ڈائریکٹرز نے سکیورٹیز اینڈ ایکسچینج کمیشن پاکستان کو کمپنی کی بحالی کے منصوبوں سے متعلق آگاہ کر چکے ہیں۔ اس تمام صورت حال کو دیکھتے ہوئے کمپنی میں جاری رہنے کی صلاحیت ہے کیونکہ کمپنی کی ایکویٹی ابھی تک مثبت ہے۔

کارپوریٹ اور فنانسئل رپورٹنگ فریم ورک:

اے) کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی اسٹیٹمنٹ کی تمام معلومات کو صاف شفاف انداز میں واضح کرنے کے ساتھ اس کے کارکردگی کے نتائج، نقد کی آمدورفت اور ایکویٹی میں تبدیلیاں شامل ہیں۔
بی) اکاؤنٹس کی کتابیں کمپنی کی جانب سے قواعد و ضوابط کے مطابق تیار کی گئی ہیں۔
سی) موزوں اکاؤنٹنگ پالیسیوں مالیاتی اسٹیٹمنٹ اور اکاؤنٹنگ تحفہ جات کی تیاری کے لئے مستقل اپنائی جاتی ہیں جو موزوں اور محتاط اندازوں پر منحصر ہوتی ہیں۔

ڈی) انٹرنیشنل فنانسئل رپورٹنگ اسٹینڈرڈز (IFRS)، جو کہ پاکستان میں نافذ العمل ہے کے مطابق مالیاتی اسٹیٹمنٹ کی تیاری کی جاتی ہے اور کہیں اس سے انحراف کیا گیا ہو تو اس کو واضح طور پر ظاہر کر دیا جاتا ہے۔

ای) داخلی کنٹرول کا مستحکم نظام ترتیب دیا جا رہا ہے اور جس کو موثر طور پر عملدرآمد کیا جائے گا۔

ایف) کمپنی کی اس صلاحیت پر کسی قسم کے شکوک و شبہات نہیں کہ یہ چلتے رہنے والا ادارہ ہے۔

جی) کارپوریٹ گورننس کے بہترین طریقہ کار سے جیسا کہ لسٹنگ ریگولیشنز میں درج ہے کوئی قابل اثر انحراف نہیں کیا گیا۔

ایچ) گزشتہ چھ سال کے لئے نمایاں آپریٹنگ اور فنانسئل اعداد و شمار منسلک ہیں۔

آئی) کمپنی میں 31 دسمبر 2018 کو شیئر ہولڈنگ کی جو صورتحال تھی اس کا اسٹیٹمنٹ رپورٹ میں شامل ہے۔

منعقد ہونے والے اجلاسوں کی تعداد	بورڈ آف ڈائریکٹرز
1	ناصر منیر احمد
1	سید محبوب رحمان
1	برسٹر راشد منیر احمد
1	کفایت حسین کفی
1	سید علی سرور
1	عامر پرویز
1	عبداللہ حلیم

جزوی نتائج:

جیسا کہ کمپنی سال کے دوران تقریباً غیر فعال تھی۔ انتظامیہ اس آپریشن کے جزوی نتائج کی عکاسی کرنے کی حیثیت میں نہیں ہے لکھاؤٹ، ڈیوی کا تصفیہ، دوبارہ انشورنس اور شریک انشورنس کمیٹی قائم نہیں کی گئی ہے۔ اس کے علاوہ ٹاکسن کاروباری آپریشن کی وجہ سے سال کے دوران آپریشن کا جائز موثر طریقہ لینے کے لئے ایسی کمیٹی نہیں بنائی گئی۔

انتظامی اور بورڈ کمیٹیاں:

بورڈ آف ڈائریکٹرز انتظامی اور بورڈ کمیٹیاں بنانے میں معروف ہیں۔

اہم آپریٹنگ اور مالیاتی اعداد و شمار

گزشتہ چھ سالوں کے اہم آپریٹنگ اور مالی اعداد و شمار درج ذیل ہیں۔

2018	2017	2016	2015	2014	2013	
(44.67)	(43.51)	(42.18)	(44.73)	(37.50)	(36.17)	جمع پونجی اور ذخائر
0.45	0.0028	0.029	0.023	0.33	0.23	سرمایہ کاری کی آمدنی
--	--	--	--	--	--	براہ راست پریمیم
--	--	--	--	--	--	محفوظ پریمیم
--	--	--	--	--	--	خالص ڈیوی ادا کئے گئے ہیں اور بٹالیا
(0.81)	(0.67)	(0.15)	(7.23)	(1.32)	(1.19)	بعد از ٹیکس منافع

مستقبل کا نقطہ نظر:

کمپنی کے ڈائریکٹرز اور انتظامیہ کمپنی کی فوری اور بہتر ترقی کے لئے پُر اعتماد ہیں۔ اس بات پر اتفاق کیا گیا ہے کہ شلک کمپنیوں کا بڑا کاروبار ہماری کمپنی کے ذریعے منتقل ہوگا۔ مستقبل کے نقطہ نظر، علاقے کے بہتر سیاسی پر بھی منحصر ہے۔ حکومت کی اقتصادی اور مالی پالیسیوں کے تسلسل کے علاوہ تاہم تمام معاشی اشارے اگلے سال کے دوران اعلیٰ ترقی کی مثبت اور متوقع ہیں۔

اس وقت کمپنی کا موجودہ ادا شدہ سرمایہ 161.5 ملین ہے اور انشورنس آرڈیننس 2000 کے تحت لازمی طور پر کم از کم سرمایہ کی ضرورت کو پوری کرنے کی کوشش کی جارہی ہے۔ انتظامیہ نے کمپنی کو نئی بلندیوں تک لے جانے کے لئے اس کام کو نئے سرے سے شروع کیا ہے اور اس لئے نئے کاروباری کے علاقوں کو دریافت کیا جا رہا ہے۔ اور قابل عمل پیداواری شاخوں کے نیٹ ورک کی منصوبہ بندی کی جارہی ہے۔

تعریف اور حلیم

سیکیورٹیز اینڈ ایکسچینج کمیشن پاکستان کے انشورنس ڈویژن کے افسران اور عملے کے تعاون اور پیشہ ورانہ حمایت کے لئے اُن کے شکر گزار ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

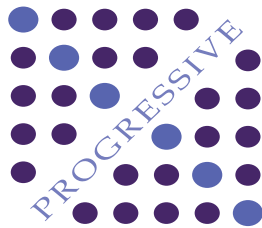
سید صبور رحمان

چیف ایکریڈیٹو

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