



PROGRESSIVE INSSURANCE COMPANY

ANNUAL REPORT 2021



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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, shareholders, 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 standout 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.



PROGRESSIVE INSURANCE COMPANY LTD.

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Nasir Munir Ahmed	Chairman
Mr. Syed SaburRehman	Director / CEO
Mr. Barrister Rashid Munir Ahmed	Director
Mr. Kifayat Hussain Kaifi	Director
Mr. Abdul Haleem	Director
Mr. Syed Ali Sarwar	Director
Mr. AamirPervaiz	Director

CHIEF EXECUTIVE COMPANY SECRETARY

Syed SaburRehman
Abdul Wahab

REGISTERED OFFICE

Office No.505-507, 5th Floor, M.A Jinnah
Road Karachi.
Tel: 021-32712551.

HEAD OFFICE

Office No. 505-507, 5th Floor, M.A Jinnah
Road Karachi.
Tel: 021-32712551.

AUDIT COMMITTEE

Name of Person	Designation
Nasir Munir Ahmed	Chairman (Non-Executive Director)
Barister Rashid Munir	Member (Non-Executive Director)
Abdul Haleem	Member (Non-Executive Director)

BANKERS

The Bank of Khyber

AUDITORS

M/s. JunaidyShoaibAsad
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. Abdul Wahab& Chief Executive Officer,
Progressive Insurance Company Limited, at Company's Head Office, Karachi.

SHAREHOLDER INFORMATION

Inquiries concerning lost share certificates,
dividend payment, change of address,
verification of transfer deeds and share
transfer should be directed to contact our
registered office 505-507, 5th Floor, M.A
Jinnah Road Karachi. Tel: 021-32712551

ANNUAL GENERAL MEETING

Annual General Meeting of Progressive
Insurance Company Limited will be held
at 28thApril, 2022, on Thursday at 9:30am



NOTICE OF ANNUAL GENERAL MEETINGS

Notice is hereby given that the Thirty Five Annual General Meeting of Progressive Insurance Company Limited will be held at 09:30 a.m. at Office No. 505, 5th floor, Japan Plaza, M.A. Jinnah Road, Karachi on April 28, 2022 to transact the following business:

To confirm the Minutes of the last Annual General Meeting of the Company held on April 24, 2021.

To receive, consider and adopt the Audited Accounts for the years ended December 31, 2021 together with the Directors' and Auditors' reports thereon.

To appoint Auditors and fix their remuneration for the year ended December 31, 2022

To transact any other business with the permission of the Chair.

2. Special Business:-

To consider and if thought fit approve an increase in the authorized share capital of the Company and for this purpose pass the following special resolution, with or without any amendments and to approve the consequent amendments in the Memorandum and Articles of Association of the Company, subject to requisite approvals, if any:

"RESOLVED THAT subject to the approval of the Securities & Exchange Commission of Pakistan, the issuance of shares by ways of Right Shares, the authorized share capital of the company be and is hereby increased from the authorized share capital of the company be and is hereby increased from Rs.2,500,000,000/- divided into 250,000,000 shares Rs.10 each ranking paripassu in every respect with the existing ordinary shares of the Company.

"RESOLVED FURTHER THAT, in consequence of the said increase in the Authorized Share Capital of the Company, the existing Clause of the Memorandum & Article of Association of the Company be and hereby replaced in accordance with the regulations of the Company or subject to the provisions of the Companies Act, 2017.

"FURTHER RESOLVED THAT the Chief Executive Officer and the Chief Financial Officer and the Company Secretary of the Company be and is hereby singly authorized to take all necessary steps and execute documents including legal and corporate formalities and file all requisite documents with Securities &



PROGRESSIVE INSURANCE COMPANY LTD.

Exchange Commission of Pakistan as may be necessary or expedient for the purpose of giving effect to the spirit and intent of the above resolutions.”

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

Karachi:

Dated: April 08, 2022

By Order of the Board

Syed Sabur Rehman
Chief Executive Officer

NOTES:

1. The Share Transfer Book of the Company closed from April 22, 2022 to April 28, 2022 (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 third Annual Report of the Company, together with the audited financial statements for the year ended 31st, December 2021 and Auditors' Report thereon.

Operating Review

The business activities of the company remain suspended during the financial year ended 2021, due to suspension of license. However, companies have resolved almost all pending issues and are confident that the S.E.C.P will lift the suspension of trading of Shares of P.S.X.

Net Loss

Operating net loss by company is Rs. 9,487,342/- during the year 2021.

Loan from director/sponsor

An amount of Rs.6,031,399/- has been obtained by the company during the year from the director to meet the misc expenditures of the company, the sponsor/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

Sponsor and directors of the company have decided to issue right shares to meet the capital requirement and correspondence with SECP for approval to raise the company's 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 ability to continue as a going concern because of the equity position of company is still positive and the sponsor are willing to finance the expenses.



CORPORATE AND FINANCIAL REPORTING FRAMEWORK

- 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, 2020 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	3
Syed Sabur Rehman	3
Barrister Rashid Muneer Ahmed	3
Kifayat Hussain Kaifi	3
Syed Ali Sarwar	1
Abdul Haleem	3
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 are being established subsequently as there was no such committee effectively in operation during the year under review, due to nominal business operation.



PROGRESSIVE INSURANCE COMPANY LTD.

KEY OPERATING AND FINANCIAL DATA

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

	2021	2020	2019	2018	2017	2016
Reserves and Retained Earnings	(57.57)	(48.01)	(46.73)	(44.67)	(43.51)	(42.18)
Investment Income	0.12	0.29	0.30	0.45	0.0028	0.0029
Direct Premium	-	-	-	-	-	-
Retained Premium	-	-	-	-	-	-
Net Claims Paid & Outstanding	-	-	-	-	-	-
Profit after Tax	(9.487)	(0.175)	(0.178)	(0.81)	(0.67)	(0.15)
Divided declared – Cash						

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 and Corona Virus in the region, besides the continuation of economic and fiscal policies of the Government. All economic indicators are, however, positive and expect to lead a 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 fulfill 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; particularly (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: 7th April 2022

For and on behalf of the
Board of Directors

Syed Sabur Rehman
Chief Executive Officer



PATTERN OF SHARE HOLDING AS AT 31-12-2021

NUMBER OF SHARE HOLDER	SHARE HOLDINGS		TOTAL SHARE HELD
151	1	100	13,572
200	101	500	87,900
158	501	1000	155,895
249	1001	5000	745,800
69	5001	10000	558,250
29	10001	15000	364,883
14	15001	20000	261,000
10	20001	25000	244,000
5	25001	30000	138,800
3	30001	35000	99,500
7	35001	40000	269,500
1	40001	45000	42,000
1	55001	60000	57,000
1	60001	65000	64,500
2	65001	70000	132,700
1	95001	100000	100,000
1	120001	125000	125,000
1	135001	140000	140,000
1	145001	150000	150,000
1	165001	170000	166,400
1	180001	185000	185,000
1	500001	505000	505,000
1	975001	980000	978,000
1	2900001	2905000	2,902,000
1	7660001	7665000	7,663,300
910			16,150,000



CATEGORIES OF CERTIFICATE HOLDING AS ON 31-12-2021

	NO OF SHARE	NO OF SHARE HOLDERS	PERCENTAGE %
<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

 Independent member
Morison Global

INDEPENDENT AUDITOR'S REPORT

To the members of Progressive Insurance Company Limited

Report on the Audit of the Financial Statements

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 2021**, and the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies and other explanatory information for the year then ended 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, the statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof 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 give a true and fair view of the state of the Company's affairs as at **31 December 2021** and of the loss, the total comprehensive loss, the changes in equity and the cash flows for the year then ended.

Basis for Opinion

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 opinion.

Material Uncertainty relating to Going Concern

We draw attention to the note 2 to the financial statements, which states that, the insurance license of the Company has been suspended as the Company does not meet the minimum paid-up capital requirement of Rs. 500 million as required under Section 11 of the Insurance Rules 2017. Further, the trading in the shares of the Company has also been ceased as the Company has been placed in default counter list of the Pakistan Stock Exchange Limited due to non-compliance with PSX Regulation 5.11.1(b). The Company has not generated any revenue due to the suspension of insurance license and during the year ended 31 December 2021, the Company reported net loss after taxation of Rs. 9.487 million (2020: Rs. 1.754 million). These conditions indicate existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.



Junaidy Shoaib Asad
Chartered Accountants



However, the management of the Company is in the process of complying with all of the defaults notified by the Pakistan Stock Exchange & is actively pursuing with regulatory authorities to obtain necessary approvals to place the Company on Active Trading Counter so that the trading in shares of the Company can be restored and the process of issue of right shares could be initiated to meet the minimum paid-up capital requirement. The Directors of the Company have also assured to provide full financial support in shape of equity contributions and loans as and when needed. Keeping in view these facts, the financial statements have been prepared on going concern basis. Our opinion is not modified in respect of this matter.

Key audit matters

Except for the matter described in *Material Uncertainty related to Going Concern* section of our report, we have determined that there are no other key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

Report on Other Legal and Regulatory Requirements

Based on our audit, 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);



Junaidy Shoaib Asad
Chartered Accountants



- b) the statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have 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**.

Chartered Accountants
Karachi

Date: 20 APR 2022

UDIN: AR202110039LwomfYDdJ



PROGRESSIVE INSURANCE COMPANY LTD.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR INSURERS, 2016 & LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of Insurer: Progressive Insurance Company Limited

Year Ended: 31st December 2021

This statement is being presented in compliance with the Code of Corporate Governance for Insurers, 2016 (CCG 2016) and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations 2019) 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 Company has applied the principles contained in CCG 2016 and the Regulations 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 Mr. Syed Sabur Rehman Barrister Rashid Munir Ahmed Mr. Kifayat Hussain Kiafi Mr. Abdul Haleem Mr. Syed Ali Sarwar Mr. Aamir Pervaiz

- 3) The Directors have confirmed that none of them is serving as a Director in more than seven listed companies, including this Company.
- 4) All the resident Directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a development financial institution or a non-banking financial institution 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 of Directors during the year.
- 6) The Company 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 relevant matters have been taken by Board/shareholders as empowered by the relevant provisions of the Companies Act, 2017 (Act) and the Regulations 2019.
- 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. The Board has complied with the requirements of Act and the Regulations 2019 with respect to frequency, recording and circulating minutes of meeting of Board.
- 10) The Board of Directors has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and CCG 2019.
- 11) 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.
- 12) The Board has not arranged training programs for its directors during the year, but the directors are well aware of the prevailing laws, rules and regulations.
- 13) The appointment of Company Secretary was approved by the Board whereas there was no change in the Chief Financial Officer and Head of Internal Audit during the year. The appointment, remuneration and terms and conditions of employment of the Chief Financial Officer, Company Secretary and Head of Internal Audit have been approved by the Board of Directors.
- 14) The Directors' report for this year has been prepared in compliance with the requirements of the CCG 2016 and the Regulations 2019 and fully describes the salient matters required to be disclosed.
- 15) The financial statements of the insurer were duly endorsed by CEO and CFO before approval of the board.
- 16) 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.
- 17) The Company has complied with all the corporate and financial reporting requirements of CCG 2016 and the Regulations 2019.
- 18) The Board is in the process of underwriting committee, claim settlement committee, reinsurance and coinsurance committee, remuneration committee, nomination committee, ethics committee and risk management committee as required under the CCG 2016.
- 19) The Board has formed an Audit Committee. It comprises of three members, all of whom are non-executive directors. The chairman of the Committee is a non-executive director. The composition of the Audit Committee is as follows:

Audit Committee

Name of Person	Designation
Nasir Munir Ahmed	Chairman (Non-Executive Director)
Barister Rashid Munir	Member (Non-Executive Director)
Abdul Haleem	Member (Non-Executive Director)



- 20) The meeting of the Committees, except Ethics, Human Resource and Remuneration Committee, were held at least once every quarter prior to the approval of interim and final results of the Company and as required by the Code. One meeting of Ethics, Human Resource and Remuneration Committee was held during the year. The terms of references of the Committees have been formed, documented and advised to the Committees for compliance.
- 21) The Board is in process of establishing internal audit function.
- 22) The Chief Executive Officer, Chief Financial Officer and Company Secretary posses such qualification and experience as is required under the Code of Corporate Governance for Insurers, 2016.

Name of Person	Designation
Syed SaburRehman	Chief Executive Officer
Syed Ali Sarwar	Chief Financial Officer
Abdul Wahab	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 Institute ofChartered Accountants of Pakistan (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 the process of establishing a system of sound internal control, which will be effectively implemented at all levels within the Company.
- 26) The Board is in the process of appointing an actuary of the Companyand will ensure that the appointment of actuary will be as per the requirement of the CCG 2016.
- 27) The Board is in the process of preparing investment policy in accordance of provisions of the Code. The Board is in the process of setting up a risk management function/department as required the CCG 2016.
- 28) After the formation of risk management system, the Company will get itself rated from credit rating agency.
- 29) The Board is in the process of setting up a grievance department/function.
- 30) The Company has not obtained any exemption from the Securities and Exchange Commission of Pakistan in respect of any of the requirements of the Code.



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31) We confirm that all other material principles enshrined in CCG 2016 and all requirements of the Regulations 2019 have been complied except those as defined above due to ceasing of business operation, toward which reasonable progress has been made by the Company to seek compliance by the end of next accounting year.

32) The frequency of meetings of the committees were as per following;

a)	Audit Committee	03 meetings
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For and on behalf of the Board of Directors

CHIEF EXECUTIVE OFFICER

Karachi

Date: 19th April 2022



PROGRESSIVE INSURANCE COMPANY LTD.

Junaidy Shoaib Asad
Chartered Accountants

 Independent member
Morison Global

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of M/s. Progressive Insurance Company Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019 and Code of Corporate Governance for Insurer 2016

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 ('the Regulations') and Code of Corporate Governance for Insurer 2016 (the code) prepared by the Board of Directors ('the Board') of **M/s. Progressive Insurance Company Limited** ('the Company') for the year ended December 31, 2021 in accordance with the requirements of regulation 36 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 whether the Statement of Compliance reflects the status of Company's compliance with the provisions of the Regulations and 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 the 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 of Directors' 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 require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of approval of the related party transactions by the Board of directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

We have highlighted that instances of non-compliance with the requirements of the Regulations as reflected in the note/paragraph reference where these are stated in the Statement of Compliance. These non-compliances are primarily due to the fact that the Company is not in operation due to suspension of license by the Pakistan Stock Exchange.



PROGRESSIVE INSURANCE COMPANY LTD.

Junaidy Shoaib Asad
Chartered Accountants

Independent member
Morison Global

Following instances of non-compliance with the requirements of the Regulations were observed which either are not stated or misstated in the Statement of Compliance:

Reference	Description of non-compliance
1.	No female director is appointed at the board as required by regulation 7 of the regulations.
2.	No independent director is being appointed on the board as required by regulation 6(1) of the Code.
6.	The Company has not prepared a code of conduct as required by the regulation 10(3) (ii) of the Code.
11.	The Company has not established a sound system of internal control as required by the regulation 10(3) (ii) of the Code.
12.	The Company has not arranged Director's training program as required by regulation 18 of the regulations.
18.	The Company has not established Underwriting committee, Claim Settlement committee, Reinsurance and Co insurance committee, Remuneration committee, Nomination committee, Ethics committee and Risk management committee
21.	The Company has not established an effective internal audit function as per the requirements of regulation 31(1) of the Code.
25.	The Company has not appointed as Actuary as per the requirements (Ixxiii) of the Code.
26.	The Company has not prepared an Investment Policy as per the requirement of the Code.
27.	The Company has not established a Risk Management Department as per the requirement of the Code
29.	The Company has not set up a Grievance Department as per the requirement of the Code.
32.	Last quarter meeting of the Audit committee is not held, as the said meeting is required to be held in every quarter as per regulation 27(2) (i) of the Code.

Based on our review, except for the above instances of non-compliance, nothing has come to our attention which causes us to believe that the statement of compliance does not apparently reflect the Company's Compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2021.

Junaidy Shoaib Asad
Karachi.

Date:



PROGRESSIVE INSURANCE COMPANY LTD.

PROGRESSIVE INSURANCE COMPANY LIMITED Statement of Financial Position As at December 31, 2021

		2021	2020
		(Rupees)	
ASSETS			
Fixed assets	6	366,066	321,184
Investment property	7	-	111,500,000
Investments			
- Equity securities	8	2,648,612	2,668,606
- Term deposits	9	1,250,000	1,250,000
Insurance and reinsurance receivable		-	-
Taxation - net		526,748	520,243
Deposit with State Bank of Pakistan		1,000,000	1,000,000
Sundry receivables	10	5,279,855	5,397,681
Cash and bank balances	11	299,955	623,842
Non-current asset classified as held for sale	12	111,500,000	-
TOTAL ASSETS		122,871,236	123,281,556
Capital and reserves attributable to Company's equity holders			
Issued, subscribed and paid - up capital	13	161,500,000	161,500,000
Reserves		(57,577,632)	(48,016,870)
Total Equity		103,922,368	113,483,130
Liabilities			
Advance against property	12	3,100,000	-
Loan from director	14	14,878,180	8,846,781
Unclaimed dividend		300,755	300,755
Accrued expenses		291,560	272,517
Other creditors and accruals		378,373	378,373
Total liabilities		18,948,868	9,798,426
Contingencies and commitments	15		
TOTAL EQUITY AND LIABILITIES		122,871,236	123,281,556

The annexed notes from 1 to 25 form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer



PROGRESSIVE INSURANCE COMPANY LTD.

PROGRESSIVE INSURANCE COMPANY LIMITED

Statement of Profit or Loss

For the year ended December 31, 2021

	Notes	2021 ----- (Rupees) -----	2020
Premium revenue		-	-
Premium ceded to reinsurers		-	-
Net premium revenue		-	-
Investment (loss) / income	16	(121,014)	292,260
Management expenses		-	-
Rental income		-	-
Other income		-	-
		(121,014)	292,260
Net income		(121,014)	292,260
General and administrative expenses	17	9,357,984	2,043,892
Other expenses		-	-
Total expenses		(9,357,984)	(2,043,892)
Finance costs		(8,344)	(2,348)
Loss before tax from operations		(9,487,342)	(1,753,980)
Taxation	18	-	-
Loss after taxation		(9,487,342)	(1,753,980)
Loss per share	19	(0.59)	(0.11)

The annexed notes from 1 to 25 form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer



PROGRESSIVE INSURANCE COMPANY LTD.

PROGRESSIVE INSURANCE COMPANY LIMITED
Statement of Other Comprehensive Income
For the year ended December 31, 2021

	Notes	2021	2020
		----- (Rupees) -----	
Loss after taxation		(9,487,342)	(1,753,980)

*Items that will be reclassified subsequently to
profit and loss account:*

Unrealized (loss) / gain on remeasurement of available-for-sale investments		(73,420)	472,636
Total comprehensive income / (loss) for the year		<u>(9,560,762)</u>	<u>(1,281,344)</u>

The annexed notes from 1 to 25 form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer




PROGRESSIVE INSURANCE COMPANY LTD.

PROGRESSIVE INSURANCE COMPANY LIMITED Statement of Changes in Equity For the year ended December 31, 2021

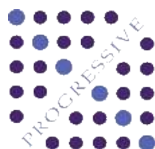
	Issued, subscribed and paid-up capital	Reserves		Total reserves	Total
		Accumulated losses	Available-for- sale investment revaluation reserve (Rupees)		
Balance as at 31 December 2019	161,500,000	(48,160,097)	1,424,571	(46,735,526)	114,764,474
Loss after taxation for the year ended December 31, 2020	-	(1,753,980)	-	(1,753,980)	(1,753,980)
Unrealised gain on available-for-sale investments	-	-	472,636	472,636	472,636
Balance as at December 31, 2020	161,500,000	(49,914,077)	1,897,207	(48,016,870)	113,483,130
Loss after taxation for the year ended December 31, 2021	-	(9,487,342)	-	(9,487,342)	(9,487,342)
Unrealised loss on available-for-sale investments	-	-	(73,420)	(73,420)	(73,420)
Balance as at December 31, 2021	161,500,000	(59,401,419)	1,823,787	(57,577,632)	103,922,368

The annexed notes from 1 to 25 form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer



PROGRESSIVE INSURANCE COMPANY LTD.

PROGRESSIVE INSURANCE COMPANY LIMITED

Statement of Cash flows

For the year ended December 31, 2021

OPERATING CASH FLOWS

Notes

2021
----- (Rupees) -----
2020

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

- -

b) Other operating activities

Income tax paid
General management expenses paid
Other operating payment
Other payments on operating assets
Other receipts in respect of operating assets

(6,505)	(4,428)
(9,290,656)	(1,916,263)
-	(33,490)
-	-
117,826	-

Total cash flow utilized in operating activities

(9,179,335) (1,954,181)

INVESTING ACTIVITIES

Investment income
Dividend received
Advance against received against sale of property
Addition to fixed assets
Proceeds from sale of shares
Purchase of shares
Total cash flow generated from investing activities

775	153,626
35,690	-
3,100,000	-
(92,400)	-
3,079,782	2,692,076
(3,299,798)	(2,355,461)
2,824,049	490,241

FINANCING ACTIVITIES

Loans received
Loans repaid
Total cash flow generated from financing activities
Net cash (used in) / generated from all activities
Cash and cash equivalents at the beginning of the year
Cash and cash equivalents at the end of the year

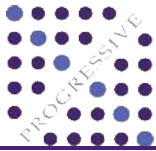
6,031,399	2,066,656
-	-
6,031,399	2,066,656
(323,887)	602,716
623,842	21,126
299,955	623,842

The annexed notes from 1 to 25 form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer



PROGRESSIVE INSURANCE COMPANY LTD.

RECONCILIATION TO PROFIT AND LOSS ACCOUNT

	2021 ----- (Rupees) -----	2020 ----- (Rupees) -----
Operating cash flows	(9,179,335)	(1,954,181)
Depreciation expense	(56,629)	(42,552)
(Loss) / gain on disposal of shares	(163,984)	138,634
Increase in assets other than cash	(111,321)	35,570
Increase in liabilities other than running finance	(19,043)	(85,077)
Provision against sundry receivables	-	-
Other Adjustments		
Markup on deposits	775	153,626
Dividend income	42,195	-
	42,970	153,626
Loss after taxation	(9,487,342)	(1,753,980)

The annexed notes from 1 to 25 form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer



PROGRESSIVE INSURANCE COMPANY LTD.

PROGRESSIVE INSURANCE COMPANY LIMITED

Notes to the Financial Statements

For the year ended December 31, 2021

1. THE COMPANY AND IT'S OPERATIONS

The Company was incorporated as a Public Limited Company in 1987 under Companies Ordinance, 1984 (now repealed after the enactment of Companies Act, 2017) and is quoted on the Pakistan Stock Exchange. 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

The Company cannot undertake any new insurance business as the Company does not meet the minimum paid-up capital required of Rs. 500 million net off any discount offered on issue of shares as required under Section 11 of the Insurance Rules 2017. As a result, the insurance license of the Company has been suspended.

Further, the trading in shares of the Company have been suspended and the Company has been placed on default counter list of Pakistan Stock Exchange ("PSX") regulations due to default of PSX regulation 5.11.1(b).

The Company has not generated any revenue and is reporting recurring losses and loss for the year ended 31 December 2021 amounted to Rs. 9,487,342 (2020: 1,753,980).

The above stated conditions indicate existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. However, the management of the Company is in the process of complying with all of the PSX regulations and is actively pursuing to obtain necessary approvals from relevant authorities requirements for removal from default counter list of PSX so that the process of issuance of right shares could be initiated to meet the paid-up capital requirement. The Company has also filed petition in November 2019 in the High Court of Sindh against SECP to issue directive to put the Company on Active Trading List so that the process of issue of right shares could be initiated. The Directors of the Company have also agreed to provide interest free funds to finance the working capital requirements of the Company as and when needed. Keeping in view these facts, these financial statements have been prepared on going concern basis.

3. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

3.1 These financial statements have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:

- International Financial Reporting Standards (IFRS) issued by International Accounting Standard Board (IASB) as are notified under the Companies Act, 2017; and
- 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 of or directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, the Insurance Rules, 2017 and the Insurance Accounting Regulations, 2017 shall prevail.

3.2 Basis of measurement

The financial statements have been under the historical cost convention except for certain investments that have been measured at fair value. Accrual basis of accounting has been used except for cash flow information.



3.3 Functional and presentation currency

These financial statements are presented in Pakistani rupees which is the Company's functional currency and presentation currency. All financial information presented in Pakistan rupees are rounded off to nearest rupees in thousand, unless otherwise stated.

3.4 Use of estimates and judgments

The preparation of 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 policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and/or various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing 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 the revision and future periods if the revision affects both current and future periods.

In the process of applying the Company's accounting policies, management has made the following accounting estimates and judgments which are significant to the financial statements:

- i) Useful life of depreciable assets
- ii) Provision for taxation
- iii) Impairment

3.5 Standards, amendments or interpretations to accounting and reporting standards as applicable in Pakistan that are effective in current year.

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 1, 2021 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore, have not been stated in these financial statements.

3.6 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are not yet effective

The following standards, amendments and interpretations of the accounting and reporting standards as applicable in Pakistan will be effective for accounting periods beginning on or after January 1, 2022:

Standards, amendments or interpretations	Effective date (period beginning on or after)
- IFRS 16 - 'Leases' (amendments)	April 1, 2021
- IAS 16 - 'Property, plant and equipment' (amendments)	January 1, 2022
- IAS 37 - 'Provisions, contingent liabilities and contingent assets' (amendments)	January 1, 2022
- IAS 1 - 'Presentation of financial statements	January 1, 2024
- IAS 8 - 'Accounting policies, changes in accounting estimates and errors' (amendments)	January 1, 2023
- IAS 12 - 'Income taxes' (amendments)	January 1, 2023
- IFRS 9 - 'Financial Instruments'	January 1, 2023



IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023 and yet to be notified by the Securities and Exchange Commission of Pakistan.

* The management has opted temporary exemption from the application of IFRS 9 as allowed by the International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance. Further details relating to temporary exemption from the application of IFRS 9 are given in note 3.7 below.

3.7 IFRS 9 'Financial Instruments' and IFRS 4 'Insurance Contracts'

This standard was notified by the Securities and Exchange Commission of Pakistan (SECP) to be effective from annual periods ending on or after June 30, 2019. This standard replaces the guidance in International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement'. Key changes in the new standard include requirements on the classification, measurement and derecognition of financial assets and liabilities. The standard also contains new requirements for hedge accounting and replaces the current incurred loss impairment model with an expected credit loss model.

The Company has continued to take advantage of an election under IFRS 4 that permits an insurer which meets certain conditions to temporarily be exempt from adopting IFRS 9 'Financial Instruments', that would have otherwise become effective from January 1, 2019, until January 1, 2023.

As allowed by the International Accounting Standards Board (IASB) the Company's management has continued to opt for temporary exemption from IFRS 9 on the basis that its activities are predominantly connected with insurance.

The Company qualifies for temporary exemption from applying IFRS 9 'Financial Instruments' on the grounds that it has not previously applied any version of IFRS 9 and its activities are predominantly connected with insurance, with the carrying amount of its liabilities within the scope of IFRS 4 being greater than the required threshold of the total carrying amount of all its liabilities at December 31, 2015, and with no subsequent change in its activities that warrant a reassessment of the same. Additional disclosures, as required by IASB, for being eligible to apply the temporary exemption from the application of IFRS 9 are given below.

Fair value of financial assets as at December 31, 2021 and change in the fair values during the year ended December 31, 2021:

Financial assets with contractual cash flows that meet the SPPI criteria:

**As at December
31, 2021
(Rupees)**

Term Deposit Receipts

Opening fair value	1,250,000
Increase in fair value	-
Closing fair value	<u>1,250,000</u>

Financial assets with contractual cash flows that do not meet the SPPI criteria:

Investment in equity securities

Opening fair value	2,668,606
Purchases during the year	3,328,729
Disposals during the year	(3,275,304)
Decrease in fair value during the year	(73,420)
Closing fair value	<u>2,648,612</u>



3.8 Other Standards, amendments and interpretations

In addition to the above, there are certain new standards, amendments and interpretations to accounting and reporting standards that are mandatory for the Company's accounting periods beginning on or after January 1, 2022 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this financial statements are set out below:

4.1 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.

As the business of the Company is ceased since long and no claim is expected to be raised therefore, the Company has recorded no provision for claims incurred but not reported (IBNR). The management has provided no provision on this account.

4.2 Amount due to the other insurers / reinsurers and sundry creditors

Liabilities for other insurers / reinsurers and sundry creditors are carried at cost, which is the fair value of the consideration to be paid in the future for the goods and services.

4.3 Taxation

4.3.1 Current

Provision for current taxation is based on taxable income at the current rate of taxation after taking into account rebates and tax credits available, if any.

4.3.2 Deferred

Deferred tax is provided, using the liability method, on all temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or subsequently enacted at the reporting date. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the amount can be utilized. Deferred tax asset on un-utilized tax losses has not been recognised as there is no probability of sufficient future taxable profits against which these assets can be utilized and temporary differences on accelerated depreciation has not been calculated as the effect is insignificant. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized and has not been recognised as the company does not expect sufficient taxable profits to be available against which the asset may be utilized.

4.4 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and balance with banks.



4.5 Investments

4.5.1 Classification

The classification of financial assets is determined at initial recognition and depends on the purpose for which the financial assets were acquired. Currently, the financial assets of the Company are classified into the following categories:

a) Equity securities

Surplus / (deficit) arising on revaluation of quoted securities which are classified as available-for-sale investments is taken to a separate account which is shown in the statement of financial position as revaluation surplus. The surplus / (deficit) arising on these securities is taken to the statement of comprehensive income when actually realized upon disposal or in case of impairment of securities. The unrealized surplus / (deficit) arising on revaluation of quoted securities which are classified as held for trading is taken to statement of comprehensive income. Provision for diminution in the values of securities is made after considering impairment, if any, in their value and is taken to statement of comprehensive income. Impairment is booked when there is an objective evidence of significant or prolonged decline in the value of such securities. Unquoted investments are recorded at cost less accumulated impairment losses, if any.

b) Term deposits

These are investments with fixed or determinable payments and fixed (short term) maturities which the company has the intention and ability to hold till maturity.

4.6 Management Expenses

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

4.7 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 statement of comprehensive income as an expense based on the pattern of recognition of related premium revenue.

4.8 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.

4.9 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 statement of comprehensive income.



4.10 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 reporting 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 period.

4.11 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 statement of financial position 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.

4.12 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.



4.13 Revenue recognition

4.13.1 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.

4.13.2 Profit on deposits

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

4.13.3 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.

4.13.4 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.

4.13.5 Commission income

Commission income is taken to statement of comprehensive income on a time proportioned basis in accordance with the pattern of reinsurance premium to which they relate.

4.14 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 reporting date in respect of unexpired policies in that class of business at the reporting date.

The movement in the premium deficiency reserve is recorded as an expense / income in statement of comprehensive income 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.

4.15 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.

4.16 Foreign currency transactions

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.

4.17 Non - current assets held for sale

Non current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than continuing use and sale is considered highly probable. They are stated at the lower of carrying amount and fair value less cost to sell.



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.

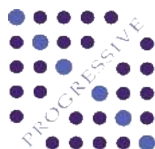
These estimates and assumptions are reviewed on frequent basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods, the areas involving 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 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.

6. FIXED ASSETS

For the year ended 31 December 2021										
	Cost			Rate	Depreciation				Written down value as at 31 December 2021	
	As at 01 January 2021	Additions / (disposals)	Disposals	As at 31 December 2021	%	As at 01 January 2021	For the period	Disposals	As at 31 December 2021	
	(Rupees)					(Rupees)				
Office Equipment	1,272,371	92,400	-	1,364,771	10	1,133,318	29,305	-	1,162,623	202,148
Furniture & fixtures	1,497,096	-	-	1,497,096	10	1,352,138	14,496	-	1,366,634	130,462
Air Conditioner	324,860	-	-	324,860	10	309,311	1,555	-	310,866	13,994
Vehicles	2,642,053	-	-	2,642,053	30	2,620,429	2,162	-	2,622,591	19,462
	<u>5,736,380</u>	<u>92,400</u>	<u>-</u>	<u>5,828,780</u>		<u>5,415,196</u>	<u>47,518</u>	<u>-</u>	<u>5,462,714</u>	<u>366,066</u>

For the year ended 31 December 2020										
	Cost			Rate	Depreciation				Written down value as at 31 December 2020	
	As at 01 January 2020	Additions / (disposals)	Disposals	As at 31 December 2020	%	As at 01 January 2020	For the year	Disposals	As at 31 December 2020	
	(Rupees)					(Rupees)				
Office Equipment	1,272,371	-	-	1,272,371	10	1,117,868	15,450	-	1,133,318	139,053
Furniture & fixtures	1,497,096	-	-	1,497,096	10	1,336,032	16,106	-	1,352,138	144,958
Air Conditioner	324,860	-	-	324,860	10	307,583	1,728	-	309,311	15,549
Vehicles	2,642,053	-	-	2,642,053	30	2,611,161	9,268	-	2,620,429	21,624
	<u>5,736,380</u>	<u>-</u>	<u>-</u>	<u>5,736,380</u>		<u>5,372,644</u>	<u>42,552</u>	<u>-</u>	<u>5,415,196</u>	<u>321,184</u>



PROGRESSIVE INSURANCE COMPANY LTD.

		2021	2020
		-----Rupees-----	
7. INVESTMENT PROPERTY - at cost	Notes		
Building - Lahore	7.1	365,000	365,000
Land	7.2	-	111,500,000
Less: provision for impairment		(365,000)	(365,000)
		<u>-</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.

7.2 The land has been re-classified to non-current asset classified as held for sale (Refer note 12).

8. INVESTMENT IN EQUITY SECURITIES

Available for sale

Quoted - Others	8.1	<u>2,648,612</u>	<u>2,668,606</u>
-----------------	-----	------------------	------------------

8.1 Available-for-sale investments

Number of Shares / Unit		Investee name	Market value	
2021	2020		2021	2020
Equity shares			----- Rupees -----	
297	297	Sui Southern Gas Company Limited	2,759	4,312
74	74	SAMBA Bank Ltd	921	555
1,700	1,700	Bank of Punjab Limited	14,399	15,759
477	477	Karachi Electricity Supply Corporation Limited	1,641	1,865
15	15	Suraj Cotton Limited	3,270	3,368
359	359	Orix Modaraba	5,744	6,300
500	500	HBL growth fund - Class A	3,350	4,250
500	500	HBL growth fund - Class B segment	-	9,128
375	375	DG Khan Cement Limited	31,103	42,968
2,000	2,000	Nirala MSR Foods Limited	25,520	-
150	-	Ghani Global Limited	3,618	-
930	-	Service Fabrics Limited	9,216	-
173	298	Silk Bank Limited	251	322
2,000	-	Saudi Pak Leasing Company Limited	3,780	-
7,000	-	First Dawood Investment Bank	14,000	-
1,000	-	TREET Corporaton Limited	41,690	-
4,000	-	Escort Investment Bank	36,920	-
1,000	-	Engro Power Gen Qadirpur	19,330	-
-	7,100	HASCOL Petroleum Limited	-	104,299
-	5,500	Shaheen Insurance Company Limited	-	23,760
-	1,000	Fauji Cement Company Limited	-	21,670
Mutual funds				
35,000	35,000	NIT Units	2,431,100	2,430,050
<u>57,550</u>	<u>55,195</u>		<u>2,648,612</u>	<u>2,668,606</u>

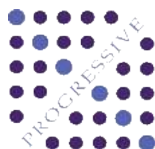
9. INVESTMENT IN TERM DEPOSITS

	Notes	2021	2020
		-----Rupees-----	
Bank of Khyber		250,000	250,000
United Bank Limited		1,000,000	1,000,000
		<u>1,250,000</u>	<u>1,250,000</u>



PROGRESSIVE INSURANCE COMPANY LTD.

	Notes	2021	2020
		-----Rupees-----	
10. SUNDRY RECEIVABLE - Unsecured			
Considered good		5,279,855	5,397,681
Considered doubtful		-	-
		5,279,855	5,397,681
Provision for doubtful receivables		-	-
		<u>5,279,855</u>	<u>5,397,681</u>
10.1	This includes an amount of Rs. 5.272 million (2020: Rs. 5.272 million) given as advance against purchase of property however the deal did not materialised and the refund amount is outstanding.		
11. CASH AND BANK BALANCES			
Cash in hand		29,898	100,000
Cash at bank - Current account		270,057	523,842
		<u>299,955</u>	<u>623,842</u>
12. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE			
The Company has entered into agreement for sale of its investment property measuring 999 acres situated at Mirpur Sakro, Thatta with an individual party, Mr. Ghulam Nabi Gandro for a total consideration of Rs. 120 million. The carrying value of the said property is Rs. 111.5 million. The Company has received advance amount of Rs. 3.1 million and as per agreement, the remaining amount will be received over 2 year period.			
13. SHARE CAPITAL			
13.1 Authorized Capital			
20,000,000 (2020: 20,000,000) ordinary shares of Rs. 10 each		<u>200,000,000</u>	<u>200,000,000</u>
13.2 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
		<u>161,500,000</u>	<u>161,500,000</u>
14. LOAN FROM DIRECTOR			
Unsecured and interest free	14.1	<u>14,878,180</u>	<u>8,846,781</u>
14.1	This represents interest free loan and no repayment term has been agreed however presently it is repayable at the discretion of the Company.		
15. CONTINGENCIES AND COMMITMENT			
Except as disclosed in note 2.2 to the financial statements, there were no other contingencies and commitments as at December 31, 2021 (31 December 2020: Nil).			
16. INVESTMENT (LOSS) / INCOME			
Dividend income on securities available-for-sale investments		42,195	-
		<u>42,195</u>	<u>-</u>
Profit on deposits		775	153,626
Capital (loss) / gain on sale of securities		(163,984)	138,634
		<u>(121,014)</u>	<u>292,260</u>



PROGRESSIVE INSURANCE COMPANY LTD.

	Notes	2021 -----Rupees-----	2020
17. GENERAL AND ADMINISTRATIVE EXPENSES			
Salaries		2,519,826	782,870
Legal and professional		1,554,604	361,200
Rent, rates and taxes		1,248,150	-
Repair & maintenance		1,002,187	37,237
Travelling & conveyance		740,553	275,521
Fees and subscriptions		594,500	164,500
Auditors' remuneration	17.1	188,428	187,988
Entertainment		288,005	45,414
Fuel		266,368	-
Utilities		287,265	15,003
Communication		60,023	-
Depreciation	6	56,629	42,552
Donations		50,000	-
Printing & stationary		35,855	9,660
Advertisement		-	16,834
Brokerage		-	2,522
Miscellaneous		465,591	102,591
		<u>9,357,984</u>	<u>2,043,892</u>

17.1 Auditors' remuneration

Annual audit fee	125,000	125,000
Interim review fee	45,000	45,000
Out-of-pocket expenses	4,470	4,063
Sindh sales tax @ 8%	13,958	13,925
	<u>188,428</u>	<u>187,988</u>

18. TAXATION

No provision for current tax has been made as the company has not generated any revenue and/or profits during the year.

19. LOSS PER SHARE - BASIC AND DILUTED

Loss after taxation for the year	Rupees	<u>(9,487,342)</u>	<u>(1,753,980)</u>
Weighted average number of shares outstanding during the year	No. of shares	<u>16,150,000</u>	<u>16,150,000</u>
Loss per share - basic and diluted	Rupees	<u>(0.59)</u>	<u>(0.11)</u>

20. 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. There were no employees during the year which falls under the definition of executives as defined under the Companies Act, 2017.

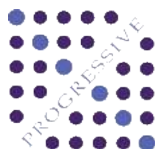


PROGRESSIVE INSURANCE COMPANY LTD.

21. SEGMENT INFORMATION

	For the year ended 31 December 2021				
	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					(121,014)
General and administrative expenses					(9,357,984)
Result of operating activities					(9,478,998)
Finance costs					(8,344)
Loss before tax					(9,487,342)

	For the year ended 31 December 2020				
	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					292,260
General and administrative expenses					(2,043,892)
Result of operating activities					(1,751,632)
Finance costs					(2,348)
Loss before tax					(1,753,980)



PROGRESSIVE INSURANCE COMPANY LTD.

21.1 Other information - Status of assets and liabilities

For the year ended 31 December 2021					
	Fire and Property damage	Marine, Aviation and Transport	Motor	Miscellaneous	Total
	(Rupees)				
Segment assets	-	-	-	-	-
Unallocated assets	-	-	-	-	122,871,236
Consolidated total assets	-	-	-	-	122,871,236
Segment liabilities	-	-	-	-	-
Unallocated liabilities	-	-	-	-	18,948,868
Consolidated total liabilities	-	-	-	-	18,948,868

For the year ended 31 December 2020					
	Fire and Property damage	Marine, Aviation and Transport	Motor	Miscellaneous	Total
	(Rupees)				
Segment assets	-	-	-	-	-
Unallocated assets	-	-	-	-	123,281,556
Consolidated total assets	-	-	-	-	123,281,556
Segment liabilities	-	-	-	-	-
Unallocated liabilities	-	-	-	-	9,798,426
Consolidated total liabilities	-	-	-	-	9,798,426

22. 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	2021	2020
		-----Rupees-----	
Directors			
Loan obtained		6,031,399	2,066,656
Loan repaid		-	20,310
Balances with related parties			
Directors			
Loan payable		14,878,180	8,846,781

The number of employees as at 31 December 2021 were 8 (31 December 2020: 3) where as average number of employees during the year were 3 (31 December 2020: 5).

23. 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.



PROGRESSIVE INSURANCE COMPANY LTD.

23.1 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 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 sectors.

	Notes	2021 -----Rupees-----	2020
Term deposits		1,250,000	1,250,000
Deposits with State Bank of Pakistan		1,000,000	1,000,000
Investments		2,648,612	2,668,606
Sundry receivables		5,279,855	5,397,681
Bank balances		270,057	523,842
		<u>10,448,524</u>	<u>10,840,129</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	2021 -----Rupees-----	2020
Bank of Khyber	A+	<u>270,057</u>	<u>523,842</u>

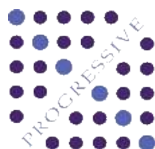
23.2 Liquidity risk

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 yield/mark up rate %	Mark up Bearing		Sub total	Rupees		Sub total	2021 Total	2020 Total
		Maturity within one year	Maturity after one year		Non Mark up Bearing				
					Maturity within one year	Maturity after one year			
Assets									
Term deposits	5% - 8%	2,250,000	-	2,250,000	-	-	-	2,250,000	2,250,000
Bank balances	-	-	-	-	270,057	-	270,057	270,057	523,842
Advance tax	-	-	-	-	526,748	-	526,748	526,748	520,243
Sundry receivables	-	-	-	-	5,279,855	-	5,279,855	5,279,855	5,397,681
2021		2,250,000	-	2,250,000	6,076,660	-	6,076,660	8,326,660	8,691,766
2020		2,250,000	-	2,250,000	6,441,766	-	6,441,766		



PROGRESSIVE INSURANCE COMPANY LTD.

On-balance sheet financial instruments	Effective yield/mark up rate %	Mark up Bearing		Sub total	Non Mark up Bearing		Sub total	2021 Total	2020 Total
		Maturity within one year	Maturity after one year		Maturity within one year	Maturity after one year			
Liabilities									
Provision for outstanding claims	-	-	-	-	-	-	-	-	-
Amount due to other insurers / reinsurers	-	-	-	-	-	-	-	-	-
Advance against property	-	-	-	-	3,100,000	-	3,100,000	3,100,000	-
Accrued expenses	-	-	-	-	291,560	-	291,560	291,560	272,517
Other creditors and accruals	-	-	-	-	378,373	-	378,373	378,373	378,373
Loan from Director	-	-	-	-	14,878,180	-	14,878,180	14,878,180	8,846,781
Unclaimed dividend	-	-	-	-	300,755	-	300,755	300,755	300,755
2021					18,948,868		18,948,868	18,948,868	9,798,426
2020					9,798,426		9,798,426	9,798,426	

23.3 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.

	<u>100 bp increase</u>	<u>100 bp decrease</u>
	<u>(Rupees)</u>	
31 December 2021		
Variable rate financial instruments	<u>22,500</u>	<u>(22,500)</u>
31 December 2020		
Variable rate financial instruments	<u>22,500</u>	<u>(22,500)</u>

23.4 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.

23.5 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.

23.6 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. The investment in equity securities have been measured at fair value as per level 1 category. All other financial assets have been classified and measured as per level 3 category.

24. GENERAL

Figures have been rounded off to the nearest rupee.



25. DATE OF AUTHORISATION FOR ISSUE

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

19 APR 2022

Chief Executive

Director

Chief Financial Officer



PROGRESSIVE INSURANCE COMPANY LTD.

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 April 24, 2021 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 _____ 2021.

Signature _____

CNIC No: _____

Number of shares held _____

Folio No/ Id No: _____

Witness: _____

Name: _____

Address: _____

Important Note:

- 1 This form of Proxy, duly completed, must be deposited with registered office 505-507, 5th Floor, Japan Plaza, M.A Jinnah Road 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

پروگریسو انشورنس کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز انتہائی مسرت کے ساتھ اپنی کمپنی کے 31 دسمبر 2021ء کو اختتام پذیر ہونے والی 34 ویں سالانہ آڈٹ شدہ مالیاتی گوشوارہ بمع آڈیٹر رپورٹ پیش کر رہے ہیں۔

کارکردگی کا جائزہ:

کمپنی کی کاروباری سرگرمیاں 2021ء 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 2021ء کے داران آپریٹنگ خالص نقصان -/9,487,342 روپے ہیں۔

ڈائریکٹرز/اسپانسر سے قرض:

-/6,031,399 کی رقم ڈائریکٹرز/اسپانسر سے روز مرہ کے اخراجات کو پورا کرنے کے لئے حاصل کی گئی ہیں اور کمپنی ڈائریکٹرز/اسپانسر مسلسل کمپنی کو فنڈ دے رہے جو کہ Interest فری ہے اور اس وقت ادا کیا جائے گا جب کمپنی اس قابل ہو سکے گی۔

دہرا بیمہ:

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

بیرونی آڈیٹر کا مشاہدہ:

ڈائریکٹرز/اسپانسر 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 سیکیورٹیز 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 اینڈسیکیورٹیز 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 ایکٹیویٹی ابھی مثبت ہے۔

کارپوریٹ اور فنانینشل رپورٹنگ فریم ورک:

- (اے) کمپنی کی انتظامہ کی جانب سے تیار کردہ مالیاتی اسٹیٹمیٹ کی تمام معلومات کو صاف شفاف انداز میں واضح کرنے کے ساتھ اس کی کارکردگی کے نتائج، نقد کی آمد و رفت اور ایکٹیویٹی میں تبدیلیاں شامل ہیں۔
- (بی) اکاؤنٹس کی کتابیں کمپنی کی جانب سے قوند و ضوابط کے مطابق تیار کی گئی ہیں۔
- (سی) موزوں اکاؤنٹنگ پالیسیز مالیاتی اسٹیٹمیٹ اور اکاؤنٹنگ تخمینہ جات کی تیاری کے لئے مستقل اپنائی جاتی ہیں جو موزوں اور محتاط اندازوں پر منحصر ہوتی ہیں۔
- (ڈی) انٹرنیشنل فناننشل رپورٹنگ اسٹینڈرڈز (IFRS)، جو کہ پاکستان میں نافذ العمل ہے کے مطابق مالیاتی اسٹیٹمیٹ کی تیاری کی جاتی ہیں 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 جارہا 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۔

گزشتہ چھ سال کے لئے نمایاں آپریٹنگ اور فناننشل اعداد و شمار منسلک ہیں۔

کمپنی میں 31 دسمبر 2021ء کو شیئر ہولڈنگ کی جو صورتحال تھی اس کا اسٹیٹمیٹ رپورٹ میں شامل ہے۔

منعہ ہونے والے اجلاسوں کی تعداد	بورڈ آف ڈائریکٹرز
3	ناصر منیر احمد
3	سید صبور الرحمان
3	برسٹر راشد منیر احمد
1	کفیا یت حسین کیفی
3	سید علی سرور
3	عبد الحلیم
1	عامر پرویز



PROGRESSIVE INSURANCE COMPANY LTD.

جزوی نتائج:

جیسا کہ کمپنی سال کے داران تقریباً غیر فعال تھی۔ انتظامیہ اس آپریشن کے جزوی نتائج کی عکاسی کرنے کے حیثیت میں نہیں ہے لکھاؤٹ، دعویٰ کا تصفیہ، دوبارہ انشورنس اور شریک انشورنس کمیٹی قائم نہیں کی گئی ہے۔ اس کے علاوہ ناممکن کاروباری آپریشن کی وجہ سے سال کے دوران آپریشن کا جائزہ مؤثر طریقے لینے کے لئے ایسی کمیٹی نہیں بنائی گئی۔

اہم آپریٹنگ اور مالیاتی اعداد و شمار

گزشتہ بھ سالوں کے اہم آپریٹنگ اور مالیاتی اعداد و شمار درج ذیل ہیں۔
مستقبل کا نقطہ نظر:

	2021	2020	2019	2018	2017	2016
Reserves and Retained Earnings	(57.57)	(48.01)	(46.73)	(44.67)	(43.51)	(42.18)
Investment Income	0.12	0.29	0.30	0.45	0.0028	0.0029
Direct Premium	-	-	-	-	-	-
Retained Premium	-	-	-	-	-	-
Net Claims Paid & Outstanding	-	-	-	-	-	-
Profit after Tax	(9.487)	(0.175)	(0.178)	(0.81)	(0.67)	(0.15)
Divided declared – Cash						

کمپنی کے ڈائریکٹرز اور انتظامیہ کمپنی کی فوری اور بہتر ترقی کے لئے پُر اعتماد ہیں۔ اس بات پر اتفاق کیا گیا ہے کہ منسلک کمپنیوں کا بڑا کاروبار ہماری کمپنی کے ذریعے منتقل ہوگا۔ مستقبل کے نقطہ نظر، علاقے کے بہتر سیاست پر بھی اور کورونا وائرس پر منحصر ہے حکومت کی اقتصادی اور مالی پالیسیوں کے تسلسل کے علاوہ تاہم تمام معاشی اشاری اگلے سال کے دوران اعلیٰ ترقی کی مثبت 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 کر نے کی کوشش کی جارہی ہے۔ انتظامیہ نے کمپنی کو نئی بلندیوں تک لے جانے کے لئے اس کا م کو نئے سرے سے شروع کیا ہے اور اس لئے نئے کاروباری علاقوں کو دریافت کیا جارہا ہے اور قابل عمل پیداواری شاخوں کے نیٹ ورک کی منصوبہ بندی کی جا رہ ہے۔

تعریف اور تسلیم

سیکیورٹیز اینڈ ایکسچینج کمیشن پاکستان کے انشورنس ڈویژن کے افسروان اور عملے کے تعاون اور پیشہ وارانہ حمایت کے لئے ان کے شکر گزار ہیں۔

بورڈ آف ڈائریکٹرز کی
جانب سے

سید صبور رحمان
چیف ایگزیکٹو

کراچی:
تاریخ: 07 اپریل 2022ء



PROGRESSIVE INSURANCE COMPANY LTD.

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