



PGI

**The Pakistan General
Insurance Company Limited**

**Quarterly Report
For the Period Ended
March 31, 2024**



Company Information

Board of Directors

Mr. Abdul Haseeb Fasih
Mrs. Nasira Raees
Mr. Ali Shahzad
Mr. Aftab Ahmad
Mr. Abrar Ahmad Cheema
Mr. Muhammad Asad Jaweed
Mr. Muhammad Naeem

Chief Executive Officer

Mr. Abdul Haseeb Fasih

Company Secretary

Syed Ali Naqi

Legal Advisors

Naqvi and Co.

Auditors

Mushtaq & Co.
Chartered Accountants

Share Registrar

Corplink (Private) Limited

Registered and Head Office Address

PGI House, 5-A Bank Square
The Mall Lahore

Contact

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The Pakistan General Insurance Company Limited
Condensed Interim Statement of Financial Position [Un-Audited]
As at March 31, 2024

		31 March 2024	31 December 2023
		Un - audited	Audited
		Rupees	Rupees
ASSETS			
Property and equipment	6	163,301,965	164,924,451
Investment property	7	370,714,200	370,714,200
Investments			
- Equity securities	8	160,467	148,197
- Debt securities	9	45,594,602	45,594,602
- Term deposits	10	-	-
Loans and other receivables	11	1,446,900	1,446,901
Insurance / reinsurance receivables	12	-	-
Taxation - provision less payments	17	2,427,702	2,407,174
Cash and bank balances	13	537,513	463,652
TOTAL ASSETS		584,183,349	585,699,177
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital		500,000,000	500,000,000
50,000,000 (Dec. 31, 2023: 50,000,000) ordinary shares of Rs. 10/- each			
Issued, subscribed and paid-up share capital	14	464,014,500	464,014,500
General reserves		50,953,958	50,941,688
Accumulated loss		(30,702,677)	(25,283,732)
Total equity		484,265,781	489,672,456
Surplus on revaluation of fixed assets	15	80,054,419	80,165,694
Liabilities			
Outstanding claims including IBNR		-	-
Loan from Director		15,859,917	11,331,652
Insurance / Reinsurance payables		-	-
Other creditors and accruals	16	4,003,232	4,529,375
Total liabilities		19,863,149	15,861,027
TOTAL EQUITY AND LIABILITIES		584,183,349	585,699,177
Contingencies and commitments	18		

The annexed notes from 1 to 30 form an integral part of these condensed interim financial statements.


Chairman


Director


Director


Chief Executive


Chief Accountant

The Pakistan General Insurance Company Limited
 Condensed Interim Statement of Comprehensive Income (Un-Audited)
 For the Quarter Ended March 31, 2024

	Note	Quarter Ended	
		Mar 31, 2024	Mar 31, 2023
Rupees			
Revenue account			
Net premium revenue		-	-
Net claims	19	-	-
Net commission and other acquisition cost	20	-	-
Management expenses	21	(3,601,778)	(2,445,078)
Underwriting result		(3,601,778)	(2,445,078)
Investment income			
Rental income	22	112,125	112,125
Other income	23	532,500	780,000
Other expenses		(2,555,243)	(1,127,191)
		(1,910,618)	(120,957)
Results of operating activities		(5,512,396)	(2,566,035)
Finance cost	24	(455)	(3,196)
(Loss) before tax		(5,512,851)	(2,569,231)
Provision for taxation			
- current		(17,369)	-
- deferred		-	-
		(17,369)	-
(Loss) after tax		(5,530,220)	(2,569,231)
Other comprehensive income for the period			
Incremental depreciation on revalued assets		111,275	292,827
Total other comprehensive income for the period		111,275	292,827
Total comprehensive income for the period		(5,418,945)	(2,276,404)
(Loss) / per share -	25	(0.12)	(0.06)

The annexed notes from 1 to 30 form an integral part of these condensed interim financial statements.


 Chairman
 Director
 Director
 Chief Executive
 Chief Accountant


The Pakistan General Insurance Company Limited
Condensed Interim Statement of Changes in Equity [Un-Audited]
For the Quarter Ended March 31, 2024

	Revenue reserves			Accumulated loss	Total Equity
	Share Capital	General reserves	Unrealized gains / (losses) on revaluation of available for sale investments - net		
	Rupees				
Balance as at January 01, 2023	464,014,500	50,985,500	405,610	(95,962,817)	419,442,793
Total comprehensive income for the period					
Loss after tax for the year	-	-	-	70,456,536	70,456,536
Other comprehensive loss for the year			(449,422)	-	(449,422)
Transfer from surplus on revaluation of fixed assets on account of:					
-Incremental depreciation on fixed assets - net of tax	-	-	-	222,549	222,549
Balance as at December 31, 2023	464,014,500	50,985,500	(43,812)	(25,283,732)	489,672,456
Total comprehensive income for the period					
Net (loss) for the period	-	-	-	(5,530,220)	(5,530,220)
Other comprehensive income for the period					
Incremental depreciation on fixed assets	-	-	-	111,275	111,275
Unrealized (loss) on revaluation of available for sale investments			12,270	-	12,270
Balance as at March 31, 2024	<u>464,014,500</u>	<u>50,985,500</u>	<u>(31,542)</u>	<u>(30,702,677)</u>	<u>484,265,781</u>

The annexed notes from 1 to 30 form an integral part of these condensed interim financial statements.


Chairman


Director


Director


Chief Executive


Chief Accountant

The Pakistan General Insurance Company Limited
Condensed Interim Statement of Cash Flows [Un-Audited]
For the Quarter Ended March 31, 2024

Operating cash flows

a) Underwriting activities	
b) Other operating activities	
Income taxes paid	
General and management expenses paid	
Other operating (payments) / receipts	
Net cash generated (used in) other operating activities	
Total cash flow from all operating activities (a+b)	

Investing activities

Profit / return received	
Rentals received	
Proceeds from disposal of assets and investment properties	
Total cash (out) flow from investing activities	

Financing activities

Loan repayments received - net	
Financial charges paid	
Total cash in / (out) flow from financing activities	

Net cash inflow from all activities

Cash and cash equivalents at the beginning of the period	
Cash and cash equivalents at the end of the period	

Reconciliation to profit and loss account

Operating cash flows	
Depreciation expense	
Finance cost	
Investment income	
Rental income	
Other income	
Decrease / (Increase) in assets other than cash	
(Decrease) / Increase in liabilities other than running finance	
(Loss) after taxation	

	Mar 31, 2024	Mar 31, 2023
	Rupees	
Note		
26		
	(20,528)	(17,747)
	(5,060,678)	(1,134,112)
	(17,369)	(33,154)
	(5,098,575)	(1,185,013)
	(5,098,575)	(1,185,013)
	112,125	112,126
	532,500	780,000
	-	175,000
	644,625	1,067,126
	4,528,266	71,000
	(455)	(3,196)
	4,527,811	67,804
	73,861	(50,083)
13	463,652	523,207
13	537,513	473,124
	(5,098,575)	(1,185,013)
	(1,619,606)	(1,522,829)
	(455)	(3,196)
	112,125	112,125
	532,500	780,000
	-	114,109
	(12,270)	(3,000)
	556,061	(861,427)
	(5,530,220)	(2,569,231)

The annexed notes from 1 to 30 form an integral part of these condensed interim financial statements.


Chairman


Director


Director


Chief Executive


Chief Accountant

The Pakistan General Insurance Company Limited
Notes to the Condensed Interim Financial Information [Un-Audited]
For the Quarter Ended March 31, 2024

1 Status and nature of operations

The Pakistan General Insurance Company Limited "the Company" was incorporated as a public limited company on July 26, 1947 under the Companies Act, 1913 (now Companies Act, 2017) and was listed on Pakistan Stock Exchange (formerly Karachi, Lahore and Islamabad Stock Exchanges) on July 25, 1995. The Company is engaged in providing General Insurance Services in spheres of Fire and property damage, Marine, aviation and transport, Motor act and Miscellaneous in Pakistan. The registered office of the Company is situated at PGI House, 5-A Bank Square, Lahore, Pakistan.

2 Basis of preparation and statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, Insurance Rules, 2017 and Insurance Accounting Regulations, 2017. In case requirements differ, the provisions or directives of the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules, 2017, and Insurance Accounting Regulations, 2017 shall prevail.

The disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the Securities and Exchange Commission of Pakistan vide SRO 89(I)/2017 and International Accounting Standard (IAS) 34, "Interim Financial Reporting" and do not include all the information required in the annual financial statements. Accordingly, this condensed interim financial statements should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2023.

This condensed financial information does not include all the information and disclosures required in the complete set of financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2023.

2.1 Basis of measurement

These condensed interim financial statements has been prepared under the historical cost convention except for certain financial instruments are carried at fair value, freehold land and buildings are stated at revalued amount, available for sale investments, which are carried at fair value.

2.2 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. All financial information presented in Pak Rupees has been rounded off to nearest Pak Rupee, unless otherwise stated.

3 Going concern assessment

Securities and Exchange Commission of Pakistan (SECP) vide its order dated June 7, 2017 under section 11(1)(f) and section 12(1) and 12(4) read with section 63(1) and section 156 of the Insurance Ordinance, 2000 restricted the Company from entering into new contracts of insurance after July 7, 2017. Moreover, in the aforementioned order, it is stated that the cessation order will be revoked subject to the fulfilment of conditions mentioned therein. The management of the Company is taking steps towards fulfilment of these conditions and as at the reporting date only two conditions are yet to be complied with and had prepared a road map, which will lead the Company in revocation of the said order. The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business.

Securities and Exchange Commission of Pakistan (SECP) vide its letter Ref ID/PRDD/024-RA/2024/3145 dated March 29 2024, having being satisfied on compliance made by the company with the conditions imposed on the Company vide letters ID/Ent/PGICL/2018/15345 dated June 13, 2018 and letter no. ID/QSM/PGI/2020/1062 dated October 21, 2020, has revoked the direction issued under section 63(1) of the Ordinance, conditionally and therefore the Company will be allowed to underwrite new insurance business upon satisfactory compliance of the conditions. These conditions are mainly to meet various statutory and regulatory requirements necessary for start of operations. The Company is actively taking all necessary steps and plans to comply with conditions within Four months.

The new professional management of the Company is fully committed to revive the Company in line with Business Revival Plan submitted to SECP. The Company is being rehabilitated with the appointment of professional management, and resource mobilization. The Board of Directors in its meeting on August 25, 2023 has already approved the increase in the authorized capital from 500 to 600 Million. Increase of Paid up capital through issue of Right Shares is also in process. Furthermore, the Company has future plans to increase the Authorized and Paid-up Capital to upto PKR 750 million by the year 2028. The additional funding shall be utilized to hire a highly qualified workforce and to improve and upgrade infrastructure, enabling the Company to revive its operating activities.

The Company's is planning to offer general insurance solutions in all lines which includes Fire and Property Insurance, Motor Insurance, Marine Insurance, and Miscellaneous Insurance.

Based on the abovementioned factors, the management believes that the company is a going concern and accordingly the financial statements are prepared under going concern assumption

The Pakistan General Insurance Company Limited
Notes to the Condensed Interim Financial Information [Un-Audited]
For the Quarter Ended March 31, 2024

4 Summary of significant accounting policies

The accounting policies and the methods of computation adopted in preparation of this condensed interim financial information are the same as those applied in preparation of financial statements for the year ended December 31, 2023.

4.1 Change in accounting policy

As disclosed in financial statements for the year ended December 31, 2023, the Company had changed its accounting policy of measuring its investment properties. Previously investment properties are measured at cost i.e. cost less any accumulated depreciation and any identified impairment loss. Investment properties represent constructed buildings which include the cost of land, and the value of land cannot be easily separable and were disclosed together since acquisition. Thus the depreciation is charged on the value of land as well, therefore, to avoid this anomaly, the management changed measurement policy of its investment properties from cost model to fair value model as per the relevant provisions of IAS 40.

4.2 The Company's financial and insurance risk management objectives and policies are consistent with those that were disclosed in the annual financial statements of the Company as at and for the year ended December 31, 2023.

5 Critical accounting estimates and judgments

The preparation of these condensed interim financial statements are in conformity with approved accounting standards which requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed interim financial statement, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended December

	Un - audited 31 March 2024	Audited Dec. 31, 2023
	-----Rupees-----	
6 Property and equipment		
Book value at beginning of the period / year	164,924,451	92,500,000
Additions during the period / year	-	78,529,836
Disposal during the period / year	-	(600,000)
Adjustment on disposal	-	539,109
Depreciation charge for the period / year	(1,622,486)	(6,044,494)
Carrying amount at end of the period / year	<u>163,301,965</u>	<u>164,924,451</u>
6.1 Additions during the period / year		
Land and building - revaluation	-	125,500
Office equipment	-	78,404,336
	<u>-</u>	<u>78,529,836</u>
7 Investment property		
Book value at beginning of the period / year	370,714,200	252,895,870
Addition / revaluation during the year	-	117,818,330
Disposal during the period / year	-	-
Adjustment on disposal	-	-
Depreciation charge for the period / year	-	-
Carrying amount at end of the period / year	<u>370,714,200</u>	<u>370,714,200</u>
7.1 The Company had measured its investment properties at fair value since 2021 in accordance with IAS-40. Previously, investment properties were measured at cost model.		
8 Investments - Equity securities		
Available for sale - Investment in quoted equities (carrying value)	<u>160,467</u>	<u>676,929</u>
9 Investments - Debt securities		
Held to maturity		
- Pakistan Investment Bonds (PIBs)	<u>45,594,602</u>	<u>45,483,241</u>

These PIBs are deposited with State Bank of Pakistan as statutory deposit pursuant to the requirements of section 29(2)(a) of the Insurance Ordinance, 2000.

The Pakistan General Insurance Company Limited
Notes to the Condensed Interim Financial Information [Un-Audited]
For the Quarter Ended March 31, 2024

10	Investments - Term deposits		
	Deposits maturing within 12 months	-	-
11	Loans and other receivables		
	Loan to employees and agents	46,900	46,900
	Security deposits	-	-
	Accrued interest	1,400,000	1,400,000
	Sundry receivables	-	-
		<u>1,446,900</u>	<u>1,446,900</u>
12	Insurance / reinsurance receivables		
	Unsecured - considered good	-	-
	Due from insurance contract holders	-	-
		<u>-</u>	<u>-</u>
		Un - audited	Audited
		31 March 2024	Dec. 31, 2023
		-----Rupees-----	
13	Cash and bank balances		
	Cash in hand	150,150	55,762
	Cash with banks		
	- Current accounts	287,974	308,501
	- Saving accounts	6,469	6,469
	- State Bank of Pakistan	92,920	92,920
		<u>387,363</u>	<u>407,890</u>
		<u>537,513</u>	<u>463,652</u>
14	Issued, subscribed and paid-up share capital		
	20,000,000 fully paid ordinary shares of Rs. 10 each	200,000,000	200,000,000
	26,401,450 fully paid bonus shares of Rs. 10 each	264,014,500	264,014,500
		<u>464,014,500</u>	<u>464,014,500</u>
15	Surplus on revaluation of fixed assets		
	Balance at beginning of the period / year	80,165,694	23,426,202
	Add: Surplus recognized during the year	-	56,962,041
	Less: Incremental depreciation transferred to un-appropriated profit	-	(222,549)
	Balance at end of the period / year	<u>80,165,694</u>	<u>80,165,694</u>
16	Other creditors and accruals		
	Accrued expenses	1,961,176	2,491,681
	Other creditors and accruals	2,042,056	3,809,303
		<u>4,003,232</u>	<u>6,300,984</u>
17	Taxation - provision less payments		
	Balance at beginning of the period / year	2,407,174	1,733,503
	Add: Charge for the period / year	20,528	675,638
	Less: Paid / deducted during the period / year	-	(1,967)
	Balance at end of the period / year	<u>2,427,702</u>	<u>2,407,174</u>
18	Contingencies and commitments		

There have been no significant changes in the contingencies and commitments as disclosed in the annual financial statements of the Company for the year ended December 31, 2023.

The Pakistan General Insurance Company Limited
Notes to the Condensed Interim Financial Information [Un-Audited]
For the Quarter Ended March 31, 2024

		For the Quarter ended	
		Mar 31, 2024	Mar 31, 2023
		-----Rupees-----	
19	Net insurance premium		
	Gross premium written	-	-
	Add: Opening unearned premium reserve	-	-
	Less: Closing unearned premium reserve	-	-
	Premium earned	-	-
	Less: Reinsurance premium ceded	-	-
	Add: Opening prepaid reinsurance premium ceded	-	-
	Less: Closing prepaid reinsurance premium ceded	-	-
	Reinsurance expense	-	-
20	Net insurance claims		
	Claims paid	-	-
	Add: Closing outstanding claims (including IBNR)	-	-
	Less: Opening outstanding claims (including IBNR)	-	-
	Claim expenses	-	-
	Less: Reinsurance and other recoveries received	-	-
	Add: Closing reinsurance recoveries receivable	-	-
	Less: Opening reinsurance recoveries receivable	-	-
	Reinsurance and other recoveries revenue	-	-
21	Net commission and other acquisition cost		
	Commission paid or payable	-	-
	Add: Opening deferred commission expense	-	-
	Less: Closing deferred commission expense	-	-
	Net commission expense	-	-
	Less: Commission received/recoverable from reinsurer	-	-
22	Investment income		
	Held to maturity investments		
	- Return on deposits and bank placements	112,125	112,125
		<u>112,125</u>	<u>112,125</u>
23	Other income		
	Gain on disposal of assets	-	114,109
		<u>-</u>	<u>114,109</u>
24	Finance cost		
	Bank charges and commission	455	3,196
		<u>455</u>	<u>3,196</u>

The Pakistan General Insurance Company Limited
 Notes to the Condensed Interim Financial Information (Un-Audited)
 For the Quarter Ended March 31, 2024

25.1 Basic earning per share

Basic earning per share are calculated by dividing the net profit for the period by weighted average number of shares as at the period end as follows:

	For the Quarter ended	
	Mar 31, 2024	Mar 31, 2023
	Rupees	
(Loss) after tax for the period	(5,530,220)	(2,569,231)
	Number of Shares	
	(re-stated)	
Weighted average number of outstanding shares	46,401,450	46,401,450
	Rupees	
Basic earning per share (as re-stated)	(0.12)	(0.06)

25.2 Diluted earnings per share

No figure for diluted earnings per share has been presented as the company has not issued any instrument which would have an impact on earnings per share when exercised.

26 Underwriting activities

Insurance premiums received
 Net cash from underwriting activities

	Un-audited Mar 31, 2024	Un-audited Mar 31, 2023
	Rupees	
Insurance premiums received	-	-
Net cash from underwriting activities	-	-

27 Transactions with related parties

The related parties comprise holding company, subsidiaries and associated undertakings, other related group companies, directors of the Company, key management personnel and post employment benefit plans.

Remuneration paid to executives, directors and chief executive officer
 Contribution paid to provident fund

	Un-audited Mar 31, 2024	Un-audited Mar 31, 2023
	Rupees	
Remuneration paid to executives, directors and chief executive officer	960,000	536,625
Contribution paid to provident fund	-	-

28 Segment Reporting

As the Company is under direction from SECP to not enter into new insurance contracts, therefore the Company had not written any premium during the period. In view of the same, segment wise analysis is not reported in these financial statements

29 Corresponding figures

Corresponding figures have been re-arranged or re-classified for better presentation and disclosure in order to comply with the requirements of S.R.O. 88(I)/2017 - 'Insurance Accounting Regulations, 2017', the condensed interim statement of financial position has been compared with the balances of annual audited financial statements of preceding financial year, whereas the condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity have been compared with the balances of comparable periods of immediately preceding financial period.

30 Date of authorization of issue

This condensed interim financial information have been approved by the Board of Directors of the Company and authorized for issue on May 20, 2024.

 Chairman
 Director
 Director
 Chief Executive
 Chief Accountant