



**PGI**

**The Pakistan General  
Insurance Company Limited**

**Half Yearly Report  
For the Period Ended  
June 30, 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 and Miscellaneous. The registered office and principal place of the Company is located at PQI 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,

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

**2.1 Basis of measurement**

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

**2.2 Functional and presentation currency**

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

**3 Going concern assessment**

On June 7, 2017, the Securities and Exchange Commission of Pakistan (SECP) issued an order preventing the Company from entering into new insurance contracts.

However 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/En/PGICL/2018/15345 dated June 13, 2018 and letter no. ID/OSM/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 successfully met these conditions, but on May 30, 2024, the SECP withdrew its earlier letter dated 29th March 2024. These conditions indicate existence of material uncertainty that may cast significant doubt on the Company's ability to continue as going concern and therefore the Company may not be able to realize its assets and discharge its liabilities in the normal course of business. These conditions lead us to believe that the management's use of going concern assumption is inappropriate and consequently the asset and liabilities should have been stated at their realizable values respectively.

**4 Material Accounting policies**

The accounting policies and the methods of computation adopted in the preparation of the condensed interim financial statements as at June 30, 2024 are the same as those adopted in the preparation of the financial statements for the year ended December 31, 2023.

**5 Critical accounting estimates and judgments**

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing these condensed interim financial statements, 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 the financial statements at and for the year ended December 31, 2023.

The Pakistan General Insurance Company Limited  
Notes to the Condensed Interim Financial Statements (Un-Audited)  
For the Six Months Period Ended June 30, 2024

	Un-audited June 30, 2024	Audited Dec-31, 2023
	Rupees	
<b>6 Property and equipment</b>		
Book value at beginning of the period / year	164,924,451	244,598,159
Additions during the period / year		6,325,590
Disposal during the period / year		(49,623,953)
Adjustment on disposal	(1,406,874)	(30,330,761)
Depreciation charge for the period / year	163,517,577	(6,044,494)
Carrying amount at end of the period / year	<u>163,517,577</u>	<u>164,924,451</u>
<b>7 Investment property</b>		
Book value at beginning of the period / year	370,714,200	259,700,000
Addition / revaluation during the year	370,714,200	111,014,200
Carrying amount at end of the period / year	<u>164,848</u>	<u>370,714,200</u>
<b>8 Investments - Equity securities</b>		
Available for sale - Investment in quoted equities (Fair value)	164,848	148,197
<b>9 Investments - Debt securities</b>		
Held to maturity		
- Pakistan Investment Bonds (PIBs)	45,594,602	45,594,602
<p>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.</p>		
<b>10 Investments - Term deposits</b>		
Deposits maturing within 12 months	-	-
<b>11 Loans and other receivables</b>		
- Considered good	46,900	46,900
Loans to employees and agents		-
Security deposits	660,050	1,400,000
Interest receivable		-
Sundry receivables	706,950	1,446,901
<b>12 Insurance / reinsurance receivables</b>		
- Unsecured but considered good		
Due from insurance contract holders	-	-
<b>13 Taxation - payments less provision</b>		
Balance at beginning of the period / year	2,407,174	1,733,503
Add: Paid / deducted during the period / year	337,819	675,638
Less: Charge for the period / year		(1,967)
Balance at end of the period / year	<u>2,744,993</u>	<u>2,407,174</u>
<b>14 Cash and bank</b>		
Cash and cash equivalents		
- Cash in hand	255	55,762
- Policy and revenue stamps, bond papers	255	-
Cash with banks		
- On current accounts	36,483,524	308,501
- On saving accounts	6,470	6,469
- With State Bank of Pakistan	92,920	92,920
	36,582,914	407,890
	<u>36,583,169</u>	<u>463,652</u>

The Pakistan General Insurance Company Limited  
Notes to the Condensed Interim Financial Statements (Un-Audited)  
For the Six Months Period Ended June 30, 2024

	Un-audited June 30, 2024	Audited Dec. 31, 2023	Un-audited June 30, 2024	Audited Dec. 31, 2023
	Number of shares		Rupees	
<b>15 Ordinary share capital</b>				
<b>15.1 Authorized share capital</b>				
Ordinary shares of Rs. 10 each	80,000,000	50,000,000	500,000,000	500,000,000
<b>15.2 Issued, subscribed and paid up capital</b>				
Ordinary shares of Rs. 10 each			200,000,000	200,000,000
- Fully paid in cash	20,000,000	20,000,000	35,985,500	-
<b>15.2.1 - Right issue during the period</b>	3,598,550	-	264,014,500	264,014,500
- Fully paid as bonus shares	26,401,450	26,401,450	500,000,000	464,014,500
	80,000,000	46,401,450		

15.2.1 In compliance with the SECP's directive issued on March 29, 2024, the Company has successfully met its minimum paid-up capital requirement of Rs. 500 Million by issuing 3,598,550 right shares at a price of Rs. 10 per share.

<b>16 Reserves</b>				
Revenue reserves			50,985,500	50,985,500
General reserve			(27,161)	(169,106)
Revaluation reserve for unrealized (loss) / gain on available-for-sale investments - net			50,958,339	50,816,394
<b>17 Surplus on revaluation of fixed assets</b>				
Balance at beginning of the period / year			80,165,694	23,426,202
Add: Surplus recognized during the year			-	56,962,041
Less: Realization of surplus on disposal (net of tax)			(508,005)	(222,549)
Less: Incremental depreciation transferred to un-appropriated profit			79,657,689	80,165,694
Balance at end of the period / year				
<b>18 Loan from Director</b>			19,890,264	11,331,652
Loan from Director				
<b>19 Other creditors and accruals</b>				
Federal insurance fee			2,139,210	3,132,075
Accrued expenses			442,820	304,612
Withholding tax payable			12,032	12,032
Payable to employees' provident fund			657,622	657,622
Unpaid and unclaimed dividend			593,053	423,034
Others			3,844,737	4,529,375
			Un-audited June 30, 2024	Audited Dec. 31, 2023

**20 Contingencies and commitments**

The status of contingencies and commitments remain unchanged as disclosed in the annual financial statements of the company for the year ended December 31, 2023 except the following major changes:

On May 30, 2024, the SECP withdrew its earlier letter dated March 29, 2024. The Company has initiated legal proceedings by filing a case in the Lahore High Court under ICA No. 41337/2024, titled Pakistan General Insurance Company Ltd vs. SECP, etc. This case challenges the decision made in writ petition No. 347735/2024, issued on June 4, 2024 by Lahore High Court. However, the court has not yet scheduled a hearing for this case.

The Pakistan General Insurance Company Limited  
Notes to the Condensed Interim Financial Statements (Un-Audited)  
For the Six Months Period Ended June 30, 2024

	For three months period ended		For six months period ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
<b>21 Investment income</b>				
Income from debt securities			1,512,175	1,898,785
- Income from debt securities and bank placements	1,400,050	1,786,660	1,512,175	1,898,785
	1,400,050	1,786,660		
<b>22 Other income</b>				
Gain on sale of fixed assets and investments				114,169
				114,169
<b>23 Finance costs</b>				
Bank charges	6,245	15,000	6,700	18,196
	6,245	15,000	6,700	18,196
<b>24 Loss per share</b>				

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

	For three months period ended		For six months period ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Loss after tax for the period	(4,018,743)	(3,870,027)	(9,548,963)	(6,988,646)
Weighted average number of shares of Rs. 10/- each	50,000,000	46,401,450	50,000,000	46,401,450
Loss per share - basic	(0.08)	(0.08)	(0.19)	(0.15)
Loss per share - Diluted (Restated)	(0.08)	(0.09)	(0.20)	(0.16)

**25 Transactions with related parties**

The related parties comprise of directors of the company, key management personnel and post employment benefit plans. All transactions involved related parties arising in the normal course of business are conducted at agreed terms and conditions. Transactions with the key management personnel are made under their terms of employment / entitlements.

	Un-audited June 30, 2024	Un-audited June 30, 2023
Remuneration paid to executives, directors and chief executive officer	1,920,000	609,000
Proceed of right issued executives, directors and chief executive officer	12,288,430	-
Loan from directors	8,558,612	-
Contribution paid to provident fund	-	-

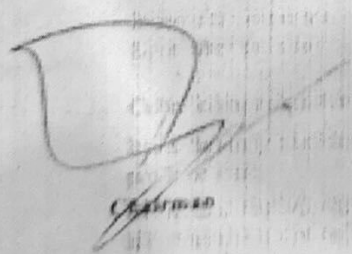
**26 Segment Reporting**

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.

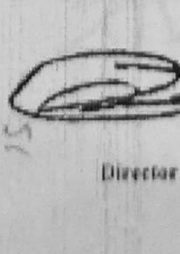
**The Pakistan General Insurance Company Limited**  
**Condensed Interim Statement of Comprehensive Income (Un-Audited)**  
**For the Six Months Period Ended June 30, 2024**

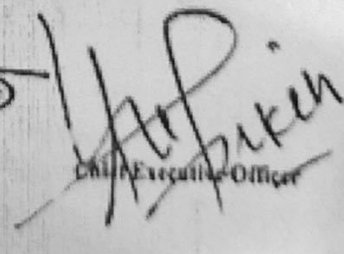
	Note	For three months period ended		For six months period ended	
		May 31, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Net insurance premiums		-	-	-	-
Net insurance claims		-	-	-	-
Net commission and other acquisition costs		-	-	-	-
Insurance claims and acquisition expenses		-	-	-	-
Management expenses		(2,501,332)	(3,609,357)	(6,103,110)	(6,054,435)
Underwriting results		(2,501,332)	(3,609,357)	(6,103,110)	(6,054,435)
Investment income	21	1,400,050	1,786,660	1,512,175	1,898,785
Rental income		505,000	565,000	1,037,500	1,345,000
Other income	22	-	-	-	114,109
Other expenses		(3,433,585)	(2,597,330)	(5,988,828)	(3,724,521)
		(1,528,535)	(245,670)	(3,439,153)	(366,627)
Results of operating activities		(4,029,867)	(3,855,027)	(9,542,263)	(6,421,062)
Finance cost	23	(6,245)	(15,000)	(6,700)	(18,196)
Loss before taxation		(4,036,112)	(3,870,027)	(9,548,963)	(6,439,258)
Income tax expenses		17,369	-	-	(549,388)
Loss after taxation		(4,018,743)	(3,870,027)	(9,548,963)	(6,988,646)
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss:					
Unrealized Profit/(loss) on available-for-sale investments - net of deferred tax		8,326	(287,358)	16,651	(574,716)
Other comprehensive loss for the period		8,326	(287,358)	16,651	(574,716)
Total comprehensive loss for the period		(4,010,417)	(4,157,385)	(9,532,312)	(7,563,362)
Loss per share - Basic	24	(0.08)	(0.08)	(0.19)	(0.15)
Loss per share - Diluted (Restated)	24	(0.08)	(0.09)	(0.20)	(0.16)

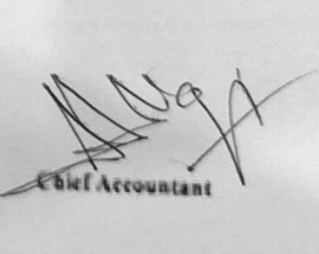
The annexed notes from 1 to 30 form an integral part of these condensed interim financial statements.

 Chairman

 Director

 Director

 Chief Executive Officer

 Chief Accountant

**The Pakistan General Insurance Company Limited**  
**Notes to the Condensed Interim Financial Statements (Un-Audited)**  
**For the Six Months Period Ended June 30, 2024**

**27 Fair value of financial instruments**

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The carrying values of all financial assets and financial liabilities approximate their fair values except for equity and debt instruments whose fair values have been disclosed in their respective notes to these financial statements. Fair value is determined on the basis of objective evidence at each reporting date. The company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in active market for identical instrument.
- Level 2: Valuation techniques based on observable inputs either directly or indirectly (i.e. derived from prices)
- Level 3: Valuation techniques using significant unobservable inputs

	Level 1	Level 2	Level 3	Un-audited June 30, 2024	Audited Dec 31, 2023
				Rupees	
Available for sale investments	164,848	-	-	164,848	148,197
Held to maturity				45,594,602	45,594,602
- Government securities	45,594,602	-	-	45,594,602	45,742,799
	45,759,450	-	-		

**28 Corresponding figures**

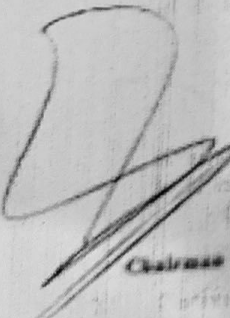
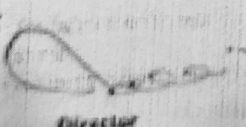

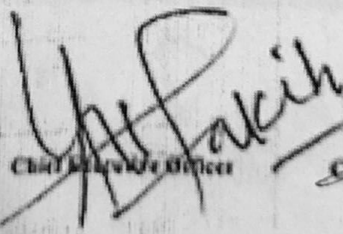
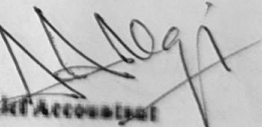
Corresponding figures have been rearranged and reclassified for better presentation, wherever considered necessary.

**29 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 August 23, 2024.

**30 General**

Figures in these interim financial statements have been rounded off to the nearest rupee, unless otherwise stated.

 Chairman  
 Director  
 Director  
 Chief Executive Officer  
 Chief Accountant

The Pakistan General Insurance Company Limited  
Condensed Interim Statement of Cash Flows [Un-Audited]  
For the Six Months Period Ended June 30, 2023

For the Month period ended  
June 30, 2023  
June 30, 2022

Operating cash flows  
a) Underwriting activities  
Insurance premiums received  
General and management expenses paid  
Net cash flow from underwriting activities  
b) Other operating activities  
Income tax paid  
Other operating receipts  
Other operating payments  
Net cash flow from other operating activities  
Total cash in / (out) flow from all operating activities

Investing activities  
Profit / return received  
Rentals received  
Proceeds from disposal of investments - Term Deposits  
Proceeds from disposal of investments - Available for sale  
Proceeds from right issue  
Proceeds from disposal of assets  
Fixed capital expenditure  
Total cash in / (out) flow from investing activities

Financing activities  
Finance cost paid  
Loan repayments received - net  
Total cash in / (out) flow from financing activities

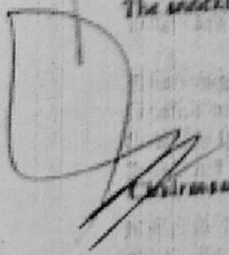


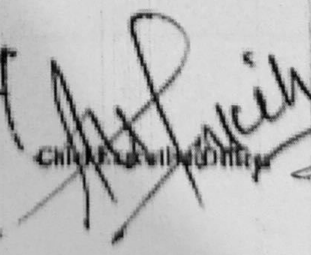
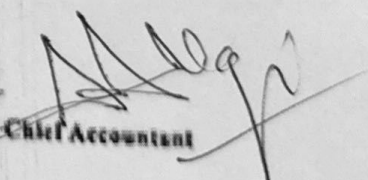
Net cash flow from all activities  
Cash and cash equivalents at beginning of year  
Cash and cash equivalents at end of year

Reconciliation to profit or loss account  
Operating cash flows  
Depreciation expense  
Finance cost  
Investment income  
Rental income  
Other income  
Decrease in assets other than cash - Term Deposits  
Decrease / (increase) in liabilities other than borrowings  
Loss after taxation

Note

	2023	2022
	3,889,127	(6,701,874)
	(11,789,391)	(11,789,391)
	(11,789,391)	(2,815,547)
	(337,818)	(141,117)
	419,591	3,999
	81,773	(439,568)
	(11,707,518)	(776,776)
	(11,707,518)	(3,592,323)
	2,252,125	2,252,125
	1,037,500	1,345,000
	-	-
	-	-
	35,985,500	175,000
	-	(125,500)
	39,275,125	3,646,625
	(6,700)	(18,196)
	8,558,610	74,000
	8,551,910	55,804
	36,119,517	110,106
14	463,652	523,207
14	36,583,169	633,313
	(11,707,518)	(3,592,323)
	(1,406,874)	(3,007,100)
	(6,700)	(18,196)
	1,512,175	1,898,785
	1,037,500	1,345,000
	-	114,109
	337,817	(3,893,237)
	684,637	164,316
	(9,548,963)	(6,988,616)

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

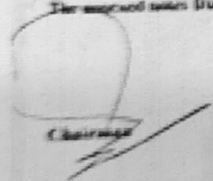
 Chairman  
 Director  
 Director  
 Chief Executive Officer  
 Chief Accountant



The Pakistan General Insurance Company Limited  
 Condensed Income Statement of Changes in Equity (Un-Audited)  
 For the Six Months Period Ended June 30, 2024

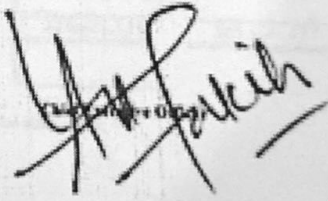
Share Capital	Attributable to equity holders of the Company				Total
	Issued, subscribed and paid up	Reserves	Capital Reserve	Other	
	General reserves	Accumulated Profit/(loss)	Unrealized gains/(losses) on revaluation of available for sale investments - net	Surplus on revaluation of fixed assets	
<b>Balance as at January 01, 2023 (Audited)</b>					
444,814,500	58,985,500	(95,962,817)	465,438	23,414,502	441,648,995
					(6,983,646)
		46,988,646			(574,718)
			(574,718)		(7,563,362)
		(6,381,646)			
				(585,655)	
				215,612	
			(187,196)	22,848,541	418,309,633
<b>Balance as at June 30, 2023 (Un-audited)</b>					
444,814,500	58,985,500	(101,345,808)	(187,196)	22,848,541	516,015,138
<b>Balance as at January 01, 2024 (Audited)</b>					
444,814,500	58,985,500	(25,283,732)	(43,812)	80,365,694	549,838,158
		(9,348,961)			(9,348,961)
			16,651		16,651
		(9,348,963)	16,651		(9,332,312)
				(1508,005)	
35,985,500		508,003			35,985,500
35,985,500		508,003		(508,003)	35,985,500
<b>Balance as at June 30, 2024 (Un-audited)</b>					
540,800,000	58,985,500	(34,314,698)	(27,161)	79,657,689	644,011,128

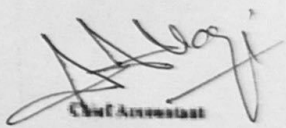
The amount shown from 1 to 30 form an integral part of these condensed interim financial statements

  
Chairman

  
Director

  
Director

  
Chief Executive Officer

  
Chief Accountant

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

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The Pakistan General Insurance Company Limited  
Condensed Interim Statement of Financial Position  
As at June 30, 2024

June 30, 2024  
Not Audited

Dec. 31, 2023  
Audited

**ASSETS**

Property and equipment  
Investment property  
Investments  
- Equity securities  
- Debt securities  
- Term deposits  
Loans and other receivables  
Insurance / reinsurance receivables  
Taxation - payments less provision  
Cash and bank

Total assets

**EQUITY AND LIABILITIES**

Capital and reserves attributable  
to Company's equity holders  
Ordinary share capital  
Reserves  
Accumulated loss  
Total Equity

Surplus on revaluation of fixed assets

**Liabilities**

Outstanding claims including IBNR  
Loan from Director  
Deferred taxation  
Insurance / reinsurance payables  
Other creditors and accruals

Total equity and liabilities

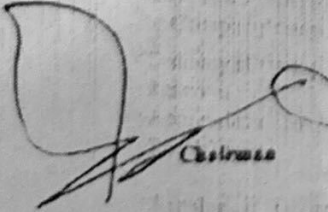
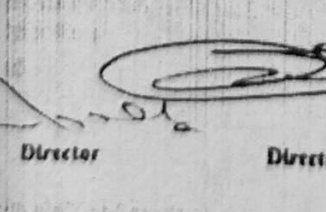
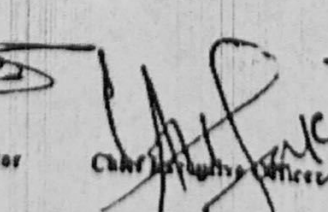
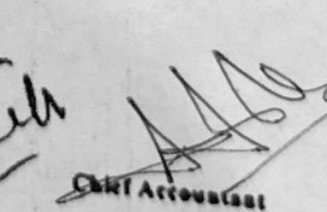

Contingencies and commitments

Note

Notes

6	163,517,577	171,921,451
7	370,714,260	370,714,260
8	164,848	148,197
9	45,594,603	45,594,602
10		
11	706,250	1,446,991
12		2,407,171
13	2,744,293	463,652
14	36,583,169	
	<u>620,026,339</u>	<u>585,699,177</u>
15	500,000,000	464,014,500
16	50,958,339	50,941,688
	(34,324,690)	(25,283,732)
	<u>516,633,649</u>	<u>489,672,456</u>
17	79,657,689	80,165,694
18	19,890,264	11,331,652
19	3,844,737	4,529,375
	<u>23,735,001</u>	<u>15,861,027</u>
	<u>620,026,339</u>	<u>585,699,177</u>
20		

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

 Chairman  
 Director  
 Director  
 Chief Executive Officer  
 Chief Accountant

(The Pakistan General Insurance Company Limited