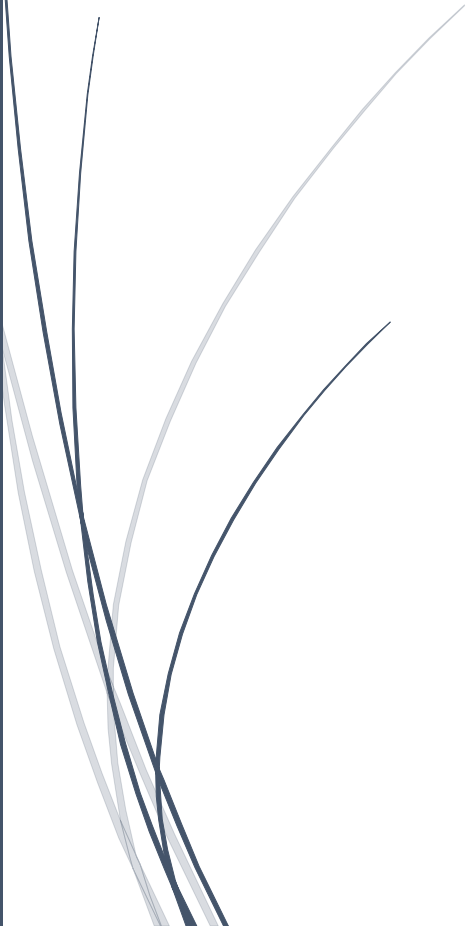




Annual Report 2023

# PROGRESSIVE INSURANCE COMPANY LIMITED



# PROGRESSIVE INSURANCE COMPANY LTD.

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

## QUALITY POLICY

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

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

# PROGRESSIVE INSURANCE COMPANY LTD.

## COMPANY INFORMATION

### BOARD OF DIRECTORS

Mr. Abdul Haleem	Chairman
Mr. Syed Sabur Rehman	Director / CEO
Mr. Asim Anwer	Director
Mr. Ziauddin Abdus Shaafi	Director
Mr. Muhammad Abdul Wahab	Director
Mr. Muhammad Haroon	Director
Mr. Om Parkash	Director

### CHIEF EXECUTIVE COMPANY SECRETARY

Syed Sabur Rehman  
Abdul Wahab

### REGISTERED OFFICE

Office No. 505-507, 5<sup>th</sup> Floor, Japan Plaza  
M.A Jinnah Road Karachi.  
Tel: 021-32712551-52.

### HEAD OFFICE

Office No. 505-507, 5<sup>th</sup> Floor, Japan Plaza  
M.A Jinnah Road Karachi.  
Tel: 021-32712551- 52.

## AUDIT COMMITTEE

Name of Person	Designation
Ziauddin Abdus Shaafi	Chairman (Non-Executive Director)
Muhammad Abdul Wahab	Member (Non-Executive Director)
Abdul Haleem	Member (Non-Executive Director)

### BANKERS

The Bank of Khyber

### SHARES REGISTRAR

F.D Registrar Service (Pvt) Ltd

### AUDITORS

M/s. S.M Suhail & Co  
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, 5<sup>th</sup> Floor, Japan  
Plaza, M.A Jinnah Road, Karachi.  
Tel: 021-32712551-52.

# PROGRESSIVE INSURANCE COMPANY LTD.

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## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Thirty Seventh Annual General Meeting of Progressive Insurance Company Limited will be held at Office No. 505-507, 5<sup>th</sup> Floor, Japan Plaza, M. A. Jinnah Road, Karachi on September 20, 2024 at 10:00 A.M to transact the following business:

### **Ordinary Business:**

1. To confirm the Minutes of the last Extra Ordinary General Meeting of the Company held on January 2, 2023.
2. To receive, consider and adopt the Audited Accounts for the years ended December 31, 2023 together with the Directors' and Auditors' reports thereon.
3. Enhancement of Paid up capital by way of other than right.
4. To appoint Auditors and fix their remuneration for the year ended December 31, 2024.
5. To transact any other business with the permission of the Chair.

### **Following Business to be passed**

#### **Special Business:**

**"Resolved"** that Enhancement of Paid up capital by way of other than right.

The existing paid up capital of the company of Rs 161,500,000 to be enhanced by the way of further issue share capital other than right to the extent of Rs. 200,000,000.

**"Further Resolved"** To consider and if thought fit, increase the Authorized Capital of the Company be and is hereby increased from 200,000,000/- (Rupees Two Hundred Million) to Rs. 2,500,000,000/- (Rupees Two Billion Five Hundred Million) divided into 250,000,000 Ordinary shares of Rupees 10/- each and to pass the following Special Resolution with and without modification.

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

"Further Resolved that right shares will be issued at Rs.1.25 @ a discount of Rs. 8.75 subject to approval of S.E.C.P.

#### **Clause.**

The Capital of the Company is Rupees Two Billion Five Hundred Million (Rs. 2,500,000,000/-) divided into Two Hundred Fifty Million (250,000,000) Ordinary shares of Rupees Ten (Rs.10/-) each with the rights, privileges and conditions attaching thereto as are provided by regulations of the banking company for the time being with powers to increase or reduce the capital and to sub- divide the shares in the capital for the time being into several classes, however, various classes of ordinary shares, if any, as to profit, and other benefits shall be strictly proportionate to the paid up value of shares.

#### **Article**

The Authorized Capital of the Company is Rs. 2,500,000,000/- divided into 250,000,000 Ordinary shares of Rs. 10/- each.

## PROGRESSIVE INSURANCE COMPANY LTD.

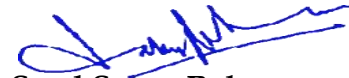
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**"Further resolved** that necessary formalities in this regard shall be completed by company secretary with the approval by board of directors of the company or as directed by the board in this regard.

Karachi:

By Order of the Board

Dated: 30 August, 2024



**Syed Sabur Rehman**  
**Chief Executive Officer**

### NOTES:

- The Share Transfer Book of the Company closed from September 14, 2024 to September 20, 2024 (both days inclusive).
- 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.
- 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.
- Shareholders are required to inform the Company of any change in their address immediately.

## CHAIRMAN REPORT

Dear Respected, Shareholders,

With great pleasure I welcome, all of you on behalf of the Board of Directors to the 37<sup>th</sup> Annual General Meeting of Progressive Insurance Co Ltd, and to present before you the Chairman Report, along with the audited financial statements as on 31st December 2023, for your kind consideration.

I thank you for your gratitude and for your presence for the Shareholders meeting.

It is worthwhile to place before you the financial position of the company at the backdrop of global economic scenario the changes that have taken place around the world, and how Pakistan experienced various functional and administrative experiences, elections etc in 23/24, including our economy.

Global Growth has slowed down to the extent that the global economy is falling into recession.

Stakeholders should make decision by highlighting emerging trends and challenges faced by the Insurance Industry.

### **GLOBAL ECONOMIC OUTLOOK:**

Global Growth has slowed to the extent that the global Economy is falling into recession. Very High inflation has triggered monetary policy tightening around the world to contain it, including major economies of the world. The Tightening was necessary for price stability, it has contributed to a significant global financial condition.

In Pakistan and some other countries Inflation has been spurred by large currency depreciation against the U.S. \$. Inflation remains high worldwide and well above central Bank Targets. The cost of living crisis tight financial conditions, it's hard for the middle and lower income class to survive in day to day needs, resulting in the decline of insurance premium and business. Global growth forecast is to slow from 6%in 2021 to almost 2.6%in 2023, this is the poorest and weakest growth profile since 2001, and it might rise to over 3% in 2024.

### **Regulatory Authority:**

Our Regulatory Authority the Securities and Exchange has no clue whatsoever and is in the doldrums, since Mr. Amir was made chairman, Neither he had the capacity to run the Apex Regulatory Body (SECP) nor he had any expertise, He was specializing in promoting, Red Tapism, particularly in the financial sector Insurance, Leasing, Investment Banking etc., which is highly contradictory to the Preamble of SECP act and ordinance which warrants the regulator to promote corporate Sector.

His incompetency is more evident from his last venture of launching leap which is complete disaster, instead of being digitized, (S.E.C.P) has shifted back to manual filing system, the backlog is for almost a year, and now the system is that much crippled down that officials of SECP are asking to submit their statutory Returns and documents are manually filed instead of online filing. Infect Mr. Amir has played a vital role in spoiling the image and efficiency of



SECP, which used to be one of the professional organization in the past. The Competent commission who had vast experience were sacked or retired, or their contracts were not renewed. The current chairman has inherited an inefficient management.

Letters to the departments are not answered for weeks, Reminders are sent but no replies, telephone calls are not properly answered, and there is lack of knowledge in the departments.

Proper and qualified staff should be hired or provisions chairman and commissioners should be kept advisers who have vast experience namely Mr.Ijazi Ms. Sadia Khan, there should be no political appointee as a regulator.

Karachi:

Date: August 28, 2024

**Chairman**

### چيئر مين رپورٹ

محترم شيئر بولڈرز،

میں بڑی خوشی کے ساتھ، بورڈ آف ڈائریکٹرز کی جانب سے پروگریسو انشورنس کمپنی لمیٹڈ کے 37ویں سالانہ اجلاس میں آپ سب کا خیرمقدم کرتا ہوں، اور آپ کے سامنے 31 دسمبر 2023 کو آڈٹ شدہ مالیاتی گوشواروں کے ساتھ چيئر مين رپورٹ پیش کرتا ہوں۔ آپ کی قسم پر غور۔ میں آپ کے شکریہ اور شيئر بولڈرز کے اجلاس میں آپ کی موجودگی کے لیے آپ کا شکریہ ادا کرتا ہوں۔

عالمی اقتصادی منظر نامے کے پس منظر میں دنیا بھر میں ہونے والی تبدیلیوں اور 24/23 میں پاکستان نے کس طرح مختلف فنکشنل اور انتظامی تجربات، انتخابات وغیرہ کا تجربہ کیا، جس میں ہماری معیشت بھی شامل ہے، کے پس منظر میں کمپنی کی مالی پوزیشن آپ کے سامنے رکھنا مفید ہے۔

عالمی شرح نمو اس حد تک کم ہو گئی ہے کہ عالمی معیشت کساد بازاری کا شکار ہو رہی ہے۔ اسٹیک بولڈرز کو ابھرتے ہوئے رجحانات اور انشورنس انڈسٹری کو درپیش چیلنجز کو اجاگر کرتے ہوئے فیصلہ کرنا چاہیے۔

### عالمی اقتصادی نقطہ نظر:

عالمی نمو اس حد تک کم ہو گئی ہے کہ عالمی معیشت کساد بازاری کا شکار ہو رہی ہے۔ بہت زیادہ افراط زر نے دنیا بھر میں مانیٹری پالیسی کو سخت کرنے کا باعث بنا ہے جس میں دنیا کی بڑی معیشتیں بھی شامل ہیں۔ قیمتوں میں استحکام کے لیے سختی ضروری تھی، اس نے ایک اہم عالمی مالیاتی حالت میں حصہ ڈالا ہے۔

پاکستان اور کچھ دوسرے ممالک میں امریکی ڈالر کے مقابلے میں کرنسی کی بڑی گراوٹ سے افراط زر کو ہوا ملی ہے۔ افراط زر دنیا بھر میں بلند ہے اور مرکزی بینک کے اہداف سے کافی زیادہ ہے۔ سخت مالی حالات میں زندگی گزارنے کی لاگت، درمیانی اور کم آمدنی والے طبقے کے لیے روز مرہ کی ضروریات میں زندہ رہنا مشکل ہے، جس کے نتیجے میں انشورنس پرمیم اور کاروبار میں کمی واقع ہوتی ہے۔ عالمی نمو کی پیشن گوئی 2021 میں 6% سے 2023 میں تقریباً 2.6% تک سست ہو جائے گی، یہ 2001 کے بعد سب سے غریب اور کمزور ترین شرح نمو ہے، اور 2024 میں یہ بڑھ کر 3% سے زیادہ ہو سکتی ہے۔

ریگولیٹری اتھارٹی:

ہماری ریگولیٹری اتھارٹی سیکیورٹیز اینڈ ایکسچینج کا کوئی سراغ نہیں ہے اور اس کا کوئی سراغ نہیں ہے، جب سے جناب عامر کو چیئرمین بنایا گیا ہے، نہ تو وہ ایکس ریگولیٹری باڈی (SECP) کو چلانے کی صلاحیت رکھتے تھے اور نہ ہی ان کے پاس کوئی مہارت تھی، وہ فروغ دینے میں مہارت رکھتے تھے۔ ریڈ ٹیپزم، خاص طور پر مالیاتی شعبے میں انشورنس، لیزنگ، انوسٹمنٹ بینکنگ وغیرہ، جو کہ ایس ای سی پی ایکٹ اور آرڈیننس کی تمہید سے انتہائی متصادم ہے جو کارپوریٹ سیکٹر کو فروغ دینے کے لیے ریگولیٹر کی ضمانت دیتا ہے۔

اس کی نااہلی اس کی آخری چھلانگ شروع کرنے کے منصوبے سے زیادہ واضح ہوتی ہے جو کہ مکمل تباہی ہے، ڈیجیٹائزڈ ہونے کی بجائے، (SE.C.P) دستی فائلنگ سسٹم کی طرف واپس چلا گیا ہے، بیک لاگ تقریباً ایک سال سے ہے، اور اب یہ نظام بہت زیادہ خراب ہو چکا ہے۔ کہ ایس ای سی پی کے حکام اپنے قانونی گوشواروں کو جمع کرنے کو کہہ رہے ہیں اور دستاویزات آن لائن فائلنگ کے بجائے دستی طور پر فائل کی جاتی ہیں۔ انفیکٹ مسٹر عامر کا امیج اور کارکردگی خراب کرنے میں اہم کردار ادا کیا ہے۔

محکموں کو خطوط کا ہفتوں جواب نہیں دیا جاتا، یاد دہانیاں بھیجی جاتی ہیں لیکن جواب نہیں آتا، ٹیلی فون کالز کا صحیح جواب نہیں دیا جاتا اور محکموں میں علم کی کمی ہے۔ مناسب اور اہل عملے کی خدمات حاصل کی جائیں یا چیئرمین اور کمشنرز کے لیے ایسے مشیر رکھے جائیں جن کے پاس وسیع تجربہ ہو یعنی جناب اعجازی محترمہ سعیدہ خان، ریگولیٹر کے طور پر کوئی سیاسی تعینات نہ ہو۔

Karachi:

Date: August 28, 2024

Chairman

## DIRECTOR'S REPORT

**Change in the Company and Law of Life. (And those who look only in the past or present are certain to miss the Future).**

Welcome to the new era in "Agriculture, farming, produce and delivering in **"Progressive Insurance Company Limited (The Proposed Name Progressive Trading & Agriculture Company Ltd)"** on yearly basis.

I provide a report to the board of directors of in **"Progressive Insurance Company Limited (The Proposed Name Progressive Trading & Agriculture Company Ltd)"** that I will share with all of you highlighting various activities.

This year report is meant to initiate the new operations to "Progressive Trading & Agriculture Ltd".

### **Strategic plan**

The strategic plan is the plan what we do on a daily basis towards achieving our vision of outstanding care **"No exception"**.

The current company strategic plan is used as the forward for the monthly and yearly report, you will continue to hear that everything we do has to be tied back into the strategic plan.

If the work we are doing is not directly or indirectly tied into the strategic plan and does not accomplish one of the strategic directions then we will stop doing it.

The current strategic plan we have created in 2023, was when we decided to change the nature of business from insurance to agriculture and its allied products and trading.

It was created by direct involvement of the sponsor, and in the interest of majority and minor shareholders, especially to give good dividend to the minor shareholders who have been loyal to the company and voted for the change in the article of association and memorandum and the change in the nature of business.

It was also created by the direct involvement of the front line staff from across the organization.

It was created by examining both our internal and external environment and determining what our organization should focus on operationally, for the benefits of our shareholders and staff.

The directors are pleased to present the Annual Report along with the Audited Financial Statements for the year ended 31<sup>ST</sup> December 2023.

With a market of 260 million people, the growth in agriculture produce will be enormous, hence the company and its sponsors are in negotiation to purchase freehold and lease hold agriculture land **(almost Two Thousand Acres)** in various cities of Sindh.

With a population increasing every year, agriculture produce will have to be increased, and with foreign exchange reserve depleting, the agriculture sector will help in supporting to stop

the imports of farm and agriculture produce, reducing the burden on the exchequer. (This step is being taken if S.E.C.P approves the changeover in nature of business.)

Our commitment is to satisfy the needs of the country, though it will be a drop in the ocean.

**Progressive Insurance Company Limited** is committed to maintain high standards of corporate governance without any exception.

The directors are diligently working to make the company compliant with the provisions of the code of corporate governance as required by the SECP and formed as part of PSX listing regulations. Whoever due to on hold position case by SECP no statement of CCG is prepared for the year.

### **Net Loss**

Total comprehensive loss by company is Rs.8,493,669/- during the Financial year 2023.(Loss per Share Rs. 0.53)

### **Loan from Director/Sponsor**

An amount of Rs. 7,142,549/- 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.

### **Remuneration of Directors & Chief Executive.**

The Chief Executive, Directors and other Executives, have been performing voluntary services and no remuneration has been paid to them.

### **Corporate and Financial Reporting Framework**

#### **The Director confirm that:-**

- a) The financial statement prepared by the management of the company presents fairly its state of the affairs, the result of its operations, cash flow and changes in equity.
- b) Proper books of accounts of the company have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) International financial reporting standards as applicable in Pakistan and the requirements of Companies act 2017 have been followed in preparation of the financial statements, and any departure thereof has been adequately disclosed and explained.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) There are no significant doubts upon the company's ability to continue as a going concern.

## PROGRESSIVE INSURANCE COMPANY LTD.

- g) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- h) During the year atleast one Board of Directors meeting was held and attended by each director was as follows:

<b>Board of Directors</b>	<b>No of Meeting</b>
Om Parkash	1
Syed Sabur Rehman	4
Abdul Haleem	4
Ziauddin Abdus Shaafi	4
Mr.Asim Anwer	2
Muhammad Abdul Wahab	4
Muhammad Haroon	2

### **Pattern of Shareholding**

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

### **KEY OPERATING AND FINANCIAL DATA**

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

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Reserves and Retained Earnings	(16.42)	(13.91)	(57.57)	(48.01)	(46.73)	(44.67)
Investment Income	0.49	0.21	(0.12)	(0.29)	(0.30)	(0.45)
Direct Premium	-	-	-	-	-	-
Retained Premium	-	-	-	-	-	-
Net Claims Paid & Outstanding	-	-	-	-	-	-
Profit before Tax	(8.745)	(10.03)	(9.487)	(0.175)	(0.178)	(0.81)
Divided declared – Cash	-	-	-	-	-	-

### **Remuneration Policy of Non-Executive Directors**

The fee of Non-Executive and independent directors for attending the board and committee meetings of the company is determined by the board from time to time.

### **External Auditors**

M/s Suhail and Co, Chartered Accountants have completed their assignments for the year 2023 and retire at the conclusion of the 37<sup>th</sup> Annual general Meeting.

Being eligible, they have offered themselves for the reappointment and pursuant to recommendation of Board Audit Committee.

Board of Directors has enclosed and recommended same for shareholders' approval.

### **Principal Risk and Political Uncertainty**

- a) Increase input costs due to rising inflation and devaluation in currency.
- b) Macroeconomic uncertainties leading to lower GDP and economic activities which might affect demand.

## **Response to Auditor Observation**

We are fully aware of the challenges, including recurring losses however the sponsors will convert the loan into equity. The sponsors have committed to keep on injecting the money into the company till the company changes the nature of business which has been applied to SECP and is in process. Key steps include transitioning the business model from "General Insurance" to "General Trading and Agriculture," seeking cancellation of the Insurance License, and proposing a name change to better reflect the new focus.

However if the SECP does not approve the sponsors are already in process to raise the capital of the company as required by the SECP.

While these efforts have been temporarily delayed due to the pending winding-up petition by SECP, we are actively contesting this in court, with confidence in favorable outcome. Additionally we are committed to providing interest-free funds to support the Company's working capital needs. We are also prioritizing compliance with SECP and PSX regulation, aiming to restore the Company's status and remove its shares from default counter.

The financial statements are prepared on a going concern basis, reflecting the director's belief in the Company recovery.

## **Future Outlook**

We continue to have a positive outlook on the long term growth potential of the business, however we foresee certain headwinds in the short term in the form of Pak Rupees depreciation, higher inflation. This might have an impact on the overall future result.

## **Acknowledgements:**

We take this opportunity to thank our valued shareholders, employees, clients, customer, who have trust in us and continue to provide sustained support in ensuring the progress of the company. Our staff is the greatest strength, our shareholders have been loyal and have always given us the confidence and helped us in reviving the company.

Our shareholders are the ones who gave us the strength in confidence building measures and have always supported us no matter what for which the sponsors are indebted to them. Our shareholders are fundamental to everything's, we do particularly in times of the significant change inside and outside our company.

Karachi:  
Date: August 28, 2024

For and on behalf of the  
Board of Directors



**Syed Sabur Rehman**  
Chief Executive Officer

### ڈائریکٹر کی رپورٹ

کمپنی اور زندگی کے قانون میں تبدیلی۔ (اور جو لوگ صرف ماضی یا حال میں دیکھتے ہیں وہ مستقبل سے محروم ہونا یقینی ہیں)۔

سالانہ بنیادوں پر "پروگریسو انشورنس کمپنی لمیٹڈ (مجوزہ نام پروگریسو ٹریڈنگ اینڈ ایگریکلچر کمپنی لمیٹڈ)" میں زراعت، کاشتکاری، پیداوار اور فراہمی کے نئے دور میں خوش آمدید۔

میں "پروگریسو انشورنس کمپنی لمیٹڈ (مجوزہ نام پروگریسو ٹریڈنگ اینڈ ایگریکلچر کمپنی لمیٹڈ)" کے بورڈ آف ڈائریکٹرز کو ایک رپورٹ فراہم کرتا ہوں جسے میں مختلف سرگرمیوں کو اجاگر کرتے ہوئے آپ سب کے ساتھ شیئر کروں گا۔

اس سال کی رپورٹ کا مقصد "پروگریسو ٹریڈنگ اینڈ ایگریکلچر لمیٹڈ" کے لیے نئے آپریشنز کا آغاز کرنا ہے۔

### اسٹریٹجک منصوبہ

سٹریٹجک پلان وہ منصوبہ ہے جو ہم روزانہ کی بنیاد پر شاندار دیکھ بھال کے اپنے وژن کو حاصل کرنے کے لیے کرتے ہیں "کوئی رعایت نہیں"۔

موجودہ کمپنی کے اسٹریٹجک پلان کو ماہانہ اور سالانہ رپورٹ کے لیے فارورڈ کے طور پر استعمال کیا جاتا ہے، آپ یہ سنتے رہیں گے کہ ہم جو کچھ بھی کرتے ہیں اسے اسٹریٹجک پلان میں واپس باندھنا ہوگا۔

اگر ہم جو کام کر رہے ہیں وہ براہ راست یا بالواسطہ طور پر اسٹریٹجک پلان سے منسلک نہیں ہے اور اسٹریٹجک سمتوں میں سے کسی ایک کو پورا نہیں کرتا ہے تو ہم اسے کرنا چھوڑ دیں گے۔

موجودہ اسٹریٹجک پلان جو ہم نے 2023 میں بنایا ہے، وہ تھا جب ہم نے کاروبار کی نوعیت کو انشورنس سے زراعت اور اس سے منسلک مصنوعات اور تجارت میں تبدیل کرنے کا فیصلہ کیا۔

یہ اسپانسر کی براہ راست شمولیت، اور اکثریت اور معمولی شیئر ہولڈرز کے مفاد میں، خاص طور پر ان چھوٹے شیئر ہولڈرز کو اچھا منافع دینے کے لیے بنایا گیا تھا جو کمپنی کے وفادار رہے ہیں اور ایسوسی ایشن کے آرٹیکل اور میمورنڈم میں تبدیلی کے حق میں ووٹ دیا ہے۔ کاروبار کی نوعیت میں تبدیلی

یہ تنظیم بھر سے فرنٹ لائن عملے کی براہ راست شمولیت سے بھی بنایا گیا تھا۔



یہ ہمارے اندرونی اور بیرونی ماحول کا جائزہ لے کر اور اس بات کا تعین کر کے بنایا گیا ہے کہ ہمارے حصص یافتگان اور عملے کے فائدے کے لیے ہماری تنظیم کو عملی طور پر کس چیز پر توجہ دینی چاہیے۔

ڈائریکٹرز 31 دسمبر 2023 کو ختم ہونے والے سال کے لیے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ سالانہ رپورٹ پیش کرتے ہوئے خوش ہیں۔

260 ملین افراد کی مارکیٹ کے ساتھ، زرعی پیداوار میں بہت زیادہ اضافہ ہوگا، اس لیے کمپنی اور اس کے سپانسرز سندھ کے مختلف شہروں میں فری ہولڈ اور لیز پر زرعی زمین (تقریباً دو ہزار ایکڑ) خریدنے کے لیے بات چیت کر رہے ہیں۔

ہر سال بڑھتی ہوئی آبادی کے ساتھ، زرعی پیداوار میں اضافہ کرنا پڑے گا، اور زرمبادلہ کے ذخائر میں کمی کے ساتھ، زراعت کے شعبے کو روکنے میں مدد ملے گی

کھیت اور زرعی پیداوار کی درآمدات، خزانے پر بوجھ کو کم کرتی ہیں۔ (یہ قدم اس صورت میں اٹھایا جا رہا ہے جب S.E.C.P کاروبار کی نوعیت میں تبدیلی کی منظوری دیتا ہے۔)

ہمارا عزم ملک کی ضروریات کو پورا کرنا ہے، اگرچہ یہ سمندر میں ایک قطرہ ہوگا۔

پروگریسو انشورنس کمپنی لمیٹڈ بغیر کسی رعایت کے کارپوریٹ گورننس کے اعلیٰ معیار کو برقرار رکھنے کے لیے پرعزم ہے۔

ڈائریکٹرز پوری تبدیلی سے کمپنی کو کارپوریٹ گورننس کے ضابطوں کے مطابق بنانے کے لیے کام کر رہے ہیں جیسا کہ SECP کی طرف سے درکار ہے اور PSX کی فہرست سازی کے ضوابط کے حصے کے طور پر تشکیل دیا گیا ہے۔ ایس ای سی پی کی طرف سے جو بھی ہولڈ پوزیشن کیس کی وجہ سے سال بھر کے لیے سی سی جی کا کوئی بیان تیار نہیں کیا جاتا۔

خالص نقصان

مالی سال 2023 کے دوران کمپنی کا کل جامع نقصان 8,493,669/- روپے ہے۔ (فی شیئر نقصان 0.53 روپے)

ڈائریکٹرز/اسپانسر سے قرض

روپے کی رقم 7,142,549/- کمپنی نے سال کے دوران ڈائریکٹرز سے کمپنی کے متفرق اخراجات کو پورا کرنے کے لیے حاصل کیا ہے، اسپانسر/ڈائریکٹرز کمپنی مسلسل قرض دے رہی ہے، بطور سود، اور ڈائریکٹرز کو قابل ادائیگی جب بھی کمپنی کے پاس دستیاب ہو۔

ڈائریکٹرز اور چیف ایگزیکٹو کا معاوضہ۔

چیف ایگزیکٹو، ڈائریکٹرز اور دیگر ایگزیکٹوز رضاکارانہ خدمات سرانجام دے رہے ہیں اور انہیں کوئی معاوضہ ادا نہیں کیا گیا۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

ڈائریکٹر نے تصدیق کی کہ:-

(a) کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی بیان اس کے معاملات کی حالت، اس کے کاموں کا نتیجہ، نقد بہاؤ اور ایکویٹی میں ہونے والی تبدیلیوں کو پیش کرتا ہے۔

(ب) کمپنی کے کھاتوں کی صحیح کتابیں رکھی گئی ہیں۔

(c) مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔

(d) پاکستان میں لاگو ہونے والے بین الاقوامی مالیاتی رپورٹنگ کے معیارات اور کمپنیز ایکٹ 2017 کے تقاضوں کو مالیاتی گوشواروں کی تیاری میں فالو کیا گیا ہے، اور اس کی کسی بھی روانگی کا مناسب طور پر انکشاف اور وضاحت کی گئی ہے۔

(e) اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔

(f) کمپنی کی جاری تشویش کے طور پر جاری رکھنے کی صلاحیت پر کوئی خاص شک نہیں ہے۔

(g) کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی خارج نہیں ہوا ہے، جیسا کہ فہرست سازی کے ضوابط میں تفصیل سے بتایا گیا ہے۔

(h) سال کے دوران کم از کم ایک بورڈ آف ڈائریکٹرز کا اجلاس منعقد ہوا اور ہر ڈائریکٹر نے اس میں شرکت کی:

**Board of Directors**

Om Parkash
Syed Sabur Rehman
Abdul Haleem
Ziauddin Abdus Shaafi
Mr.Asim Anwer
Muhammad Abdul Wahab
Muhammad Haroon

**No of Meeting**

1
4
4
4
2
4
2

**Pattern of Shareholding**

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

**KEY OPERATING AND FINANCIAL DATA**

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

	2023	2022	2021	2020	2019	2018
Reserves and Retained Earnings	(16.42)	(13.91)	(57.57)	(48.01)	(46.73)	(44.67)
Investment Income	0.49	0.21	(0.12)	(0.29)	(0.30)	(0.45)
Direct Premium	-	-	-	-	-	-
Retained Premium	-	-	-	-	-	-
Net Claims Paid & Outstanding	-	-	-	-	-	-
Profit before Tax	(8.745)	(10.03)	(9.487)	(0.175)	(0.178)	(0.81)
Divided declared – Cash	-	-	-	-	-	-

غیر ایگزیکٹو ڈائریکٹرز کے معاوضے کی پالیسی

کمپنی کے بورڈ اور کمیٹی کے اجلاسوں میں شرکت کے لیے غیر ایگزیکٹو اور آزاد ڈائریکٹرز کی فیس کا تعین بورڈ وقتاً فوقتاً کرتا ہے۔

بیرونی آڈیٹرز

میسرز سہیل اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے سال 2023 کے لیے اپنی اسائنمنٹس مکمل کر لی ہیں اور 37ویں سالانہ جنرل میٹنگ کے اختتام پر ریٹائر ہو رہے ہیں۔

اہل ہونے کے ناطے، انہوں نے بورڈ آڈٹ کمیٹی کی سفارش کے مطابق دوبارہ تقرری کے لیے خود کو پیش کیا ہے۔

بورڈ آف ڈائریکٹرز نے منسلک کیا ہے اور شیئر ہولڈرز کی منظوری کے لیے اس کی سفارش کی ہے۔ بنیادی خطرہ اور سیاسی غیر یقینی صورتحال

(a) بڑھتی ہوئی افراط زر اور کرنسی کی قدر میں کمی کی وجہ سے ان پٹ لاگت میں اضافہ۔

(ب) میکرو اکنامک غیر یقینی صورتحال جس کی وجہ سے جی ڈی پی اور معاشی سرگرمیاں کم ہوتی ہیں جو طلب کو متاثر کر سکتی ہیں۔

آڈیٹر کے مشاہدے کا جواب

ہم بار بار ہونے والے نقصانات سمیت چیلنجوں سے پوری طرح واقف ہیں تاہم اسپانسرز قرض کو ایکویٹی میں تبدیل کر دیں گے۔ اسپانسرز نے اس وقت تک کمپنی میں رقم داخل کرنے کا عہد کیا ہے جب تک کمپنی کاروبار کی نوعیت کو تبدیل نہیں کر دیتی جس کا اطلاق SECP پر کیا گیا ہے اور یہ عمل جاری ہے۔ اہم اقدامات میں بزنس ماڈل کو "جنرل انشورنس" سے "جنرل ٹریڈنگ اینڈ ایگریکلچر" میں تبدیل کرنا، انشورنس لائسنس کی منسوخی کا مطالبہ کرنا، اور نئے فوکس کی بہتر عکاسی کرنے کے لیے نام کی تبدیلی کی تجویز شامل ہے۔

تاہم اگر ایس ای سی پی منظوری نہیں دیتا ہے تو اسپانسرز پہلے سے ہی ایس ای سی پی کی ضرورت کے مطابق کمپنی کے سرمائے کو بڑھانے کے عمل میں ہیں۔

اگرچہ یہ کوششیں ایس ای سی پی کی زیر التواء سمیٹنے کی پٹیشن کی وجہ سے عارضی طور پر تاخیر کا شکار ہوئی ہیں، ہم سازگار نتائج پر اعتماد کے ساتھ عدالت میں اس کا فعال طور پر مقابلہ کر رہے ہیں۔ اس کے علاوہ ہم کمپنی کی ورکنگ کیپیٹل کی ضروریات کو پورا کرنے کے لیے بلا سود فنڈز فراہم کرنے کے لیے پرعزم ہیں۔ ہم SECP اور PSX ریگولیشن کی تعمیل کو بھی ترجیح دے رہے ہیں، جس کا مقصد کمپنی کی حیثیت کو بحال کرنا اور اس کے حصص کو ڈیفالٹ کاؤنٹر سے ہٹانا ہے۔ مالیاتی گوشواروں کو تشویش کی بنیاد پر تیار کیا جاتا ہے، جو کمپنی کی بحالی پر ڈائریکٹر کے یقین کی عکاسی کرتا ہے۔

مستقبل کا آؤٹ لک

ہم کاروبار کی طویل مدتی ترقی کی صلاحیت کے بارے میں ایک مثبت نقطہ نظر رکھتے ہیں، تاہم ہم مختصر مدت میں پاک روپے کی قدر میں کمی، زیادہ افراط زر کی صورت میں کچھ اہم نتائج کی پیش گوئی کر رہے ہیں۔ اس کا اثر مستقبل کے مجموعی نتائج پر پڑ سکتا ہے۔

اعترافات:

ہم اس موقع کو اپنے قابل قدر شیئر ہولڈرز، ملازمین، کلائنٹس، گاہک کا شکریہ ادا کرنے کے لیے استعمال کرتے ہیں، جن کا ہم پر بھروسہ ہے اور کمپنی کی ترقی کو یقینی بنانے میں مسلسل مدد فراہم کرتے رہتے ہیں۔ ہمارا عملہ سب سے بڑی طاقت ہے، ہمارے شیئر ہولڈرز وفادار رہے ہیں اور انہوں نے ہمیشہ ہمیں اعتماد دیا ہے اور کمپنی کو بحال کرنے میں ہماری مدد کی ہے۔

## PROGRESSIVE INSURANCE COMPANY LTD.

ہمارے شیئر ہولڈرز وہ ہیں جنہوں نے ہمیں اعتماد سازی کے اقدامات میں طاقت دی اور ہمیشہ ہمارا ساتھ دیا چاہے اس کے لیے اسپانسرز ان سے بحث نہ کریں۔ ہمارے شیئر ہولڈرز ہر چیز کے لیے بنیادی حیثیت رکھتے ہیں، ہم خاص طور پر اپنی کمپنی کے اندر اور باہر نمایاں تبدیلی کے وقت کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی

جانب سے

سید صبور رحمان  
چیف ایگزیکٹو

کراچی:

تاریخ: August 28, 2024



**S.M. SUHAIL & CO.**  
Chartered Accountants



**INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF  
PROGRESSIVE INSURANCE COMPANY LIMITED  
ON THE STATEMENT OF COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE FOR  
INSURERS, 2016 AND LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE)  
REGULATIONS, 2019 FOR THE YEAR ENDED DECEMBER 31, 2023**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Code of Corporate Governance for Insurers, 2016 prepared by the Board of Directors of **Progressive Insurance Company Limited** (the Company) for the year ended December 31, 2023, in accordance with the requirements of regulation 36 of the Regulations.

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

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 risk and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedure 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 Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the 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 transaction were undertaken at arm's length price or not.

We have highlighted the instances of non-compliances with the Regulations below, as reflected in the corresponding paragraph reference in the Statement of Compliance. These instances of 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.

Reference	Description
0	No Annual Statement of compliance with Section 11 & 12 of the Insurance Ordinance 2000 was submitted by the management as per requirement (lxxviii) & (lxxix) of the Code of Corporate governance for Insurer 2016 (the "Code") for the year ended December 31, 2023.
1	No female director is appointed at the board as required by regulation 7 of the regulations.

*Suhail*

# PROGRESSIVE INSURANCE COMPANY LTD.



S.M. SUHAIL & CO.  
Chartered Accountants



Reference	Description
2	No independent director is being appointed on the board as required by regulation 6(1) of the Code.
5	The complete record of particulars of the significant policies along with their date of approval or updating is not being maintained by the company.
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 the Director's training program as required by the regulation 18 of the regulations.
18	The Company has not established Underwriting Committee, Claim Statement Committee, Reinsurance and Co-Insurance Committee, HR & Remuneration Committee, Nomination Committee, Ethics Committee and Risk Management Committee.
20	The quarterly and half yearly meetings were not held due to the non-existence of the committees stipulated in point 18. Further, the Audit Committee only convened three meetings, failing to fulfill the regulatory requirement of holding the last quarterly meeting as per regulation 27(2)(I) of the Code.
22	The Company has not established an effective internal audit function as per the requirements of regulation of Regulation 31(1) of the Code.
27	The Company has not appointed as Actuary as per the requirement (IXXIII) of the Code.
28	The Company has not prepared an Investment Policy as per the requirement of the Code.
29	The Company has not established a Risk Management Department as per the requirement of the Code.
31	The Company has not set up a Grievance Function as per the requirement of the Code.

Based on our review, except for the above instances of non-compliances with the Regulations, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2023.

S.M. Suhail & Co.  
Chartered Accountants  
Karachi

Our Ref: SMS-A-08472024

Date: 04 SEP 2024

UDIN: CR202310197AFsbwTSpE



**S.M. SUHAIL & CO.**  
Chartered Accountants



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF PROGRESSIVE INSURANCE COMPANY LIMITED  
ON THE AUDIT OF THE FINANCIAL STATEMENTS OF DECEMBER 31, 2023**

**OPINION**

We have audited the annexed financial statements of **Progressive Insurance Company Limited** (the Company), which comprise the statement of financial position as at December 31, 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and 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 Companies Act, 2017 and the Insurance Ordinance, 2000, in the manner so required and respectively give a true and fair view of the state of Company's affairs as at December, 31 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of 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 (the Code) 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 note 2 to these financial statements which disclose that the Company has not generated any revenue and is reporting recurring losses, and the loss for the year ended on December 31, 2023, amounted to Rs. 8.745 million (Dec 2022: Rs. 10.039 million). Additionally, it describes the matters relating to non-compliances by the Company with the minimum paid-up capital required of Rs. 500 million as per the Insurance Rule 2017, as a result the insurance license of the Company has been suspended, many years ago. Moreover, the Company has not complied with the Companies Act 2017 requirement for submission of quarterly and half-year financials statement and statement of compliance and regulatory returns with applicable law. Further, the trading of shares of the Company was suspended since June 22, 2009 and the Company's shares were placed on the default counter of Pakistan Stock Exchange ("PSX"), according to the PSX regulation 5.11.1(b) in this regard.





However, the management of the Company is striving to improve the position of the Company. The Company has undertaken several steps that include changing the business activity from "General Insurance" to "General Trading and Agriculture", application for cancellation of insurance license, proposing to change to the name to "Progressive Trading and Agriculture Company Limited", changing the year end from December to June, intend to increase the authorize share capital and incorporating these changes in the Memorandum and Articles of the Company. But, these efforts of the Company are on-hold by the SECP, because of winding up petition by the SECP is pending in the High Court for not complying with minimum share capital requirements and other matters. The Company has engaged an advocate to contest the case and he has assured that this is a winning case.

Currently, the Company in the process of complying with all of the SECP and PSX regulations and is actively pursuing for obtaining necessary approvals from relevant authorities for removal of its shares from the default counter of the PSX. Additionally, 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. On the basis of the above steps, the Financial Statements are prepared on going concern.

Our opinion is not modified in respect of the above matters.

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matters described in the Basis for Opinion section and Material Uncertainty Relating 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 AUDITOR'S 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 auditor's 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 accounting and reporting standards as applicable in Pakistan and the requirements of Insurance Ordinance, 2000 and, 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 is 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.

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:

- 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 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 the 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 Companies Act, 2017 (XIX of 2017) and the Insurance Ordinance, 2000; and
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statement thereon have been drawn up in conformity with the Companies Act, 2017 (XXI of 2017) and the Insurance Ordinance, 2000, and are in agreement with the books of account; and
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Mr. S.M. Suhail, FCA.

  
S.M. Suhail & Co.  
Chartered Accountants  
Karachi

Our Ref: SMS-A-08462024

Date: **04 SEP 2024**

UDIN: AR202310197zSA4HX0yo

# PROGRESSIVE INSURANCE COMPANY LTD.

## PROGRESSIVE INSURANCE COMPANY LIMITED Statement of Financial Position As at December 31, 2023

ASSETS	Note	2023	2022
(Amounts in PKR)			
<b>Non-Current Assets</b>			
Operating assets	5	21,786,991	393,018
<b>Total Non-Current Assets</b>		<b>21,786,991</b>	<b>393,018</b>
<b>Current Assets</b>			
Investments			
- In equity securities	6	165,952	129,964
- In open ended funds	7	2,308,950	2,093,350
- In term deposits	8	1,250,000	1,250,000
Advance tax		526,748	526,748
Accrued investment income	9	194,026	194,026
Deposit with State Bank of Pakistan		1,000,000	1,000,000
Advances and other receivables	10	5,647,188	5,518,346
Cash and bank balances	11	13,109	205,022
<b>Total Current Assets</b>		<b>11,105,972</b>	<b>10,917,456</b>
Non-current assets held for sale	12	111,500,000	111,500,000
<b>TOTAL ASSETS</b>		<b>144,392,963</b>	<b>122,810,473</b>
<b>EQUITY AND LIABILITIES</b>			
Capital and reserves attributable to Company's equity			
Authorized share capital			
20,000,000 (2022: 20,000,000) Ordinary Shares of Rs. 10 each		200,000,000	200,000,000
Issued, subscribed and paid-up capital			
16,150,000 (2022: 16,150,000) Ordinary Shares of Rs. 10 each	13	161,500,000	161,500,000
Reserves		1,642,644	1,391,057
Loan from Director	14	54,510,933	24,818,384
Accumulated losses		(78,185,312)	(69,440,056)
<b>Total Equity</b>		<b>139,468,265</b>	<b>118,269,385</b>
<b>Liabilities</b>			
<b>Underwriting Provisions</b>			
Provision for outstanding claims (including IBNR)		-	-
<b>Creditors and accruals</b>			
Unclaimed dividend		300,755	300,755
Accrued expenses	15	1,145,570	761,960
Other creditors	16	378,373	378,373
<b>Total Creditors and Accruals</b>		<b>1,824,698</b>	<b>1,441,088</b>
Advance against non-current assets held for sale	12	3,100,000	3,100,000
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>144,392,963</b>	<b>122,810,473</b>
Contingencies and commitments	17	-	-

The annexed notes from 1 to 29 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 and Other Comprehensive Income For the year ended December 31, 2023

STATEMENT OF PROFIT OR LOSS	Note	2023	2022
		(Amounts in PKR)	
<b>Premium</b>			
Premium revenue		-	-
Premium ceded to reinsurers		-	-
Net premium revenue		-	-
<b>Claims and Commission</b>			
Net insurance claims		-	-
Net commission expense		-	-
Insurance claims and commission expenses		-	-
		-	-
Management expenses		-	-
Underwriting results		-	-
<b>Other Income</b>			
Investment income	18	49,945	216,278
Rental income			-
Total other income		49,945	216,278
Results of Operating Activities		49,945	216,278
General and administrative expenses	19	(8,791,694)	(10,251,656)
Bank charges		(3,507)	(3,260)
Other expenses		-	-
Total expenses		(8,795,201)	(10,254,916)
(Loss) Before Tax from Operations		(8,745,256)	(10,038,638)
Taxation		-	-
<b>(Loss) After Taxation</b>		<b>(8,745,256)</b>	<b>(10,038,638)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Unrealized gain/ (loss) on NIT units		215,600	(337,750)
Unrealized gain/ (loss) on equity investments		35,987	(94,980)
Total other comprehensive income/ (Loss)		251,587	(432,730)
<b>Total Comprehensive (Loss) for the Year</b>		<b>(8,493,669)</b>	<b>(10,471,368)</b>
(Loss) per share		(0.53)	(0.65)

The annexed notes from 1 to 29 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, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES	2023	2022
	(Amounts in PKR)	
<b>(a) Underwriting activity</b>		
Premium received	-	-
Reinsurance premium paid	-	-
Claims paid	-	-
Surrender paid	-	-
Reinsurance and other recoveries received	-	-
Commission paid	-	-
Commission received	-	-
Other underwriting payments	-	-
Other underwriting receipts	-	-
<b>Net Cash Flow from Underwriting Activities</b>	-	-
<b>(b) Other operating activities</b>		
Income tax paid	-	-
General management expenses paid	(7,234,406)	(9,734,674)
Other operating payments	-	(241,023)
Finance cost	(3,507)	(3,260)
Other payment on operating assets	(131,494)	-
Other receipt in respect of operating assets	-	-
<b>Total Cash (Outflow) from Operating Activities</b>	<b>(7,369,407)</b>	<b>(9,978,958)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Profit/ return received	3,395	-
Dividend received	46,550	13,797
Proceeds from non-current asset held for sale	-	-
Capital expenditure	-	(71,000)
Proceed from investments	-	23,441
Additional investments	-	(22,417)
<b>Total Cash (Outflow) from Investing Activities</b>	<b>49,945</b>	<b>(56,180)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loans received/ (repaid)	7,127,549	9,940,204
<b>Total Cash Inflow from Financing Activities</b>	<b>7,127,549</b>	<b>9,940,204</b>
<b>Net (Decrease) in Cash and cash equivalents</b>	<b>(191,913)</b>	<b>(94,933)</b>
Cash and cash equivalents at beginning of the year	205,022	299,955
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>13,109</b>	<b>205,022</b>
<b>Reconciliation to Profit and Loss Account</b>	<b>2023</b>	<b>2022</b>
Operating Cash Outflow	(7,369,407)	(9,978,958)
Depreciation	(1,171,026)	(44,049)
Gain on disposal of shares	-	8,455
Increase in assets other than cash	128,843	238,491
Increase in liabilities other than running finance	(383,610)	(470,400)
Markup on deposits	3,395	-
Markup on TDR	-	194,026
Dividend income	46,550	13,797
(Loss) after taxation	(8,745,256)	(10,038,638)

The annexed notes from 1 to 29 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, 2023

Particulars	(all amounts in PKR)				
	Capital		Reserves		Total
	Issued, Subscribed and Paid-up Capital	Loan from Director	Unrealized Gain/ (Loss) on Investment Available for Sale	Accumulated Profit / (Loss)	
Balance as at December 31, 2021	161,500,000	14,878,180	1,823,786	(59,401,418)	118,800,548
(Loss) after taxation	-	-	-	(10,038,638)	(10,038,638)
Other comprehensive (loss)	-	-	(432,730)	-	(432,730)
Additional loan from Director	-	10,637,346	-	-	10,637,346
Loan repaid to Director	-	(697,142)	-	-	(697,142)
Balance as at December 31, 2022	161,500,000	24,818,384	1,391,057	(69,440,056)	118,269,385
(Loss) after taxation	-	-	-	(8,745,256)	(8,745,256)
Other comprehensive income	-	-	251,587	-	251,587
Additional loan from Director	-	54,510,933	-	-	54,510,933
Loan repaid to Director	-	-	-	-	-
Balance as at December 31, 2023	161,500,000	79,329,317	1,642,644	(78,185,312)	164,286,649

The annexed notes from 1 to 29 form an integral part of these financial statements.

  
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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, 2023

<b>Note</b>	<b>THE COMPANY AND IT'S OPERATIONS</b>
<b>1</b>	
	<p>The Company was incorporated as a Public Limited Company in 1987 under the repealed Companies Ordinance, 1984, now the Companies Act, 2017. Its shares are quoted on the Pakistan Stock Exchange. The principal activity of the Company is to provide non-life insurance services for fire, marine, motor, and miscellaneous classes. The registered office of the company is situated at Room # 505-507, 5th floor, Japan Plaza, M.A Jinnah Road, Karachi.</p>
<b>Note</b>	<b>MATERIAL UNCERTAINTY RELATED TO GOING CONCERN</b>
<b>2</b>	
	<p>There is a material uncertainty related to going concern of the Company, it is because of the following reasons:</p> <p>The Company has not generated any revenue and is reporting recurring losses and the loss for the year ended on December 31, 2023, is amounted to Rs. 8.745 million (Dec 2022: Rs. 7.693 million).</p> <p>The Company could not 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 clause 11 of the Insurance Rule 2017. As a result of this, the insurance license of the Company has been suspended, above 14 years.</p> <p>The Company is currently not preparing statement of compliance as required by Code of Corporate Governance for Insurer 2016.</p> <p>The Company is currently not preparing statement of solvency and other statements as required by Insurance Ordinance, 2000.</p> <p>The Company is currently not preparing annual of Free-Float statement as required by PSX Regulations 5.7.2 (b).</p> <p>The Company is currently not complying with the requirement of CDC Regulations 13.7.1. Clause A (iii) for Reconciliation of CDR.</p> <p>Furthermore, the trading of shares of the Company had been suspended and the Company's shares were placed on the default counter of Pakistan Stock Exchange ("PSX"), according to the PSX regulation 5.11.1(b), in this regard, via notice by PSX dated June 22, 2009.</p> <p>In the current financial year, the Company has attempted notable changes to resolve the non-compliances and revive the business of the Company, this include the following:</p> <p>The first is the major step that, the Company has undergone a strategic shift, realigning its core focus from "General Insurance" to a more expansive arena that includes "General Trading and Agriculture". The Company initiate to engage with customers after approval of this shift. Moreover, the Company has also considered to join trading business of multiple products that includes petroleum products. Currently, the Company is also in process to consider the legal compliances to acquire the petrol pump on lease at Jamshoro Sindh. This shift reflects the Company's proactive response to prevailing circumstances.□</p> <p>The second one is the Company applied and took follow ups, for cancellation of its insurance license with the SECP Insurance Division, Islamabad. This shift reflects the Company's proactive response to prevailing circumstances.</p> <p>The third one is the Company has proposed a new name to adopt, "Progressive Trading and Agriculture Company Limited".</p>

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# PROGRESSIVE INSURANCE COMPANY LTD.

## PROGRESSIVE INSURANCE COMPANY LIMITED Notes to the Financial Statements For the year ended December 31, 2023

Note	
2	<b>MATERIAL UNCERTAINTY RELATED TO GOING CONCERN</b>
	<p>The fourth one is the Company's intended and approved in general meeting to change its financial year-end from December to June, due to attempting to a non insurance business. The inaugural short financial year was expected to conclude on June 30, 2024.</p> <p>The fifth one is the Company is considering to approve in the General Meeting to increase the Authorized Capital to Rs. 2.5 billion.□</p> <p>Lastly, the Company is also in the process of making adjustments to its rules and regulations, the Memorandum and Articles of Association, to align with the proposed changes.</p> <p>However, these modifications are on-hold, because of a petition submitted by the SECP for winding up of the Company before the Hon'ble Sindh High Court. The basis of the petition is that the Company did not meet the minimum paid-up capital requirement of Rs. 500 million as per Insurance Rule 2017. The hearing is currently pending before the Hon'ble Sindh High Court. Because of the positive remarks from Legal Consultant of the Company, the Management is confident for the favorable outcome of the case.</p> <p>Inspite of the necessary improvement steps taken above by the Company and had prepared the Half-yearly and quarterly financials statements, and the annual statement of Compliance as per Code of Corporate Governance for Insurer 2016, and other regulatory returns. But, the Company was unable to submit these as these were not accepted due to on-hold proceeding of the winding up case by the SECP.</p> <p>The above-stated conditions indicate the 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 striving to change the business from "General Insurance" to a more expansive arena that includes "Trading and Agriculture", and is in the process of complying with all of the SECP and PSX regulations and is actively pursuing for obtaining necessary approvals from relevant authorities for removal of its shares from the default counter of the PSX.</p> <p>Additionally, the Directors of the Company have assured to financially support, as well as with professional expertise to manage the affairs of the Company.</p> <p>Keeping in view of these facts, these financial statements have been prepared on going concern basis.</p>
3	<b>BASIS OF PREPARATION</b>
	<p>These financial statements have been prepared in line with the requirement and format issued by the Securities and Exchange Commission of Pakistan (SECP) through Insurance Rules, 2017 (the Rules) vide SRO 89 (I)/2017 DATED 09 February, 2017, with appropriate modifications based on the advice of the Shariah Board of the Company.</p> <p>These financial statements have been prepared under the historical cost convention.</p>

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**PROGRESSIVE INSURANCE COMPANY LIMITED**

**Notes to the Financial Statements**

**For the year ended December 31, 2023**

<b>3.1</b>	<b>Statement of Compliance</b>
	<p>These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017, 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, have been prevailed.</p>
<b>3.2</b>	<b>Use of Estimates and Judgements</b>
	<p>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 reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions 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 the assets and liabilities that are not readily apparent, from the 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.</p>
<b>3.3</b>	<b>Functional and Presentation Currency</b>
	<p>These financial statements have been prepared and presented in Pakistani Rupees, which is the Company's functional and presentation currency.</p>
<b>3.4</b>	<b>Standards, interpretations and amendments to published approved accounting standards that are effective in the current year</b>
	<p>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, 2023 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. <i>sumo</i></p>

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# PROGRESSIVE INSURANCE COMPANY LTD.

## PROGRESSIVE INSURANCE COMPANY LIMITED

### Notes to the Financial Statements

For the year ended December 31, 2023

<b>3.5</b>	<b>Standards, interpretations and amendments to published approved accounting standards that are not yet effective:</b>	
	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, 2023:	
	<b>Standards, amendments or interpretations</b>	<b>Effective date (period beginning on or after)</b>
	Classification of Liabilities as Current or Non-current - Amendments to IAS 1	January 01, 2024
	Non-current Liabilities with Covenants - Amendments to IAS 1	January 01, 2024
	- IFRS 16 - 'Leases' (amendments)	January 01, 2024
	- IAS 1 - 'Presentation of financial statements' (amendments)	January 1, 2024
	IFRS 17 - 'Insurance contracts' has been notified by the IAASB to be effective for annual periods beginning on or after January 1, 2023 but by the Securities and Exchange Commission of Pakistan notification its application is delayed till January 1 2026.	
	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 notes to these financial statements.	
	The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application, except for IFRS 17. SECP vide its SRO 1715 dated 21 November 2023 directed the application of IFRS 17 for the period commencing from 1 January 2026.	
<b>3.5.1</b>	<b>Temporary exemption from application of IFRS 9</b>	
	As an insurance company, 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 as the percentage of the total carrying amount of its liabilities connected with insurance relative to the total carrying amount of all its liabilities is greater than 90 percent and the Company doesn't engage in significant activities unconnected with insurance based on historical available information. Additional disclosures, as required by IASB, for being eligible to apply the temporary exemption from the application of IFRS 9.	

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# PROGRESSIVE INSURANCE COMPANY LTD.

## PROGRESSIVE INSURANCE COMPANY LIMITED

### Notes to the Financial Statements

For the year ended December 31, 2023

Note	MAJOR ACCOUNTING POLICY INFORMATION
4	
	<p>The significant accounting policies adopted in preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated changes in the relevant financial statements.</p>
<b>4.1</b>	<b>Operating Assets</b>
	<p>These are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is charged over the estimated useful life of the asset on a systematic basis to income applying the reducing balance method at the rates specified in the financial statements, after taking into account residual value.</p>
	<p>Depreciation on additions is charged from the month in which the asset is put to use whereas no depreciation is charged in the month the asset is disposed off.</p>
	<p>Subsequent costs are included in the assets' carrying amount or recognized as a separate asset, as appropriate, only when it is possible that the future economic benefits associated with the items will flow to the company and the cost of the item can be measured reliably. Maintenance and normal repairs are charged to the statement of profit and loss currently.</p>
	<p>An item of tangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss in the year the asset is derecognized.</p>
	<p>An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.</p>
<b>4.2</b>	<b>Impairment</b>
	<p>The carrying amount of assets are reviewed at each reporting period to determine whether there is any indication of impairment of any assets of group of assets. If any such indication exists, the recoverable amount of such assets is estimated and impairment losses are recognized immediately in the financial statements. The resulting impairment loss is taken to statement of profit and loss except for impairment loss on revalued assets, which is adjusted against related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.</p>
	<p>An impairment loss is reversed (except for impairment loss relating to goodwill), if there has been a change in the estimate used to determine the recoverable amount. Such reversals are only made to the extent that the asset's carrying amount does not exceed the amount the would have been determined if no impairment loss had been recognized.</p>
	<p>In accordance with the Company's policy, an allowance for doubtful accounts is established to account for the potential impairment of receivables. The provision for impairment is recognized based on an assessment of the likelihood of recovery of the outstanding balance. In cases where the Company determines that it is improbable that the receivable will be collected, the allowance for impairment is written off as an expense. <i>income</i></p>

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# PROGRESSIVE INSURANCE COMPANY LTD.

## PROGRESSIVE INSURANCE COMPANY LIMITED

### Notes to the Financial Statements

For the year ended December 31, 2023

<b>4.3</b>	<b>Premium</b>
	<p>For all the insurance contracts, premiums / cover notes issued including administrative surcharge received / receivable under a policy / cover note are recognized as written from the date of attachment of the risk to the policy / cover note and over the period of the insurance from inception to the expiry of policy. Where premiums for a policy are payable in instalments, full premium for the duration of the policy is recognized as written at the inception of the policy and related assets set up for premiums receivable at a later date. Premiums are stated gross of commission payable to intermediaries and exclusive of taxes and duties levied on premiums.</p>
<b>4.4</b>	<b>Liability Adequacy Test</b>
	<p>At each financial statement date, liability adequacy tests are performed separately for each class of business to ensure the adequacy of the unearned premium liability for that class. It is performed by comparing the expected future liability, after reinsurance, from claims and other expenses, including reinsurance expense, commissions and other underwriting expenses, expected to be incurred after consolidated financial statements date in respect of policies in force at consolidated financial statements date with the carrying amount of unearned premium liability. Any deficiency is recognized by establishing a provision (premium deficiency reserve) to meet the deficit.</p> <p>The expected future liability is estimated with reference to the experience during the expired period of the contracts, adjusted for significant individual losses, which are not expected to recur during the remaining period of the policies, and expectations of future events that are believed to be reasonable.</p> <p>The movement in the premium deficiency reserve is recognized as an expense or income in the profit and loss account for the year.</p>
<b>4.5</b>	<b>Reinsurance Contracts</b>
	<p>Reinsurance premium is recognized as an expense at the time the reinsurance is ceded. Commission on reinsurance cessions are recognized in accordance with the policy of recognizing premium revenue.</p> <p>Reinsurance assets represent balances due from reinsurance companies and reinsurance recoveries against outstanding claims. Reinsurance recoveries are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Reinsurance liabilities represent balances due to reinsurance companies and are primarily premiums payable for reinsurance contracts and are recognized at the same time when reinsurance premiums are recognized as an expense.</p> <p>Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished or expired.</p>
<b>4.6</b>	<b>Financial Instruments</b>
	<p>Financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when the contractual right to receive future cash flows from the asset expire or is transferred along with the risk and reward of the asset. Financial liabilities are de-recognized when obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on de-recognition of the financial asset and liabilities is recognized in the statement of profit and loss of the current year.</p>



# PROGRESSIVE INSURANCE COMPANY LTD.

## PROGRESSIVE INSURANCE COMPANY LIMITED

### Notes to the Financial Statements

For the year ended December 31, 2023

<b>4.7</b>	<b>Offsetting of Financial Assets and Liabilities</b>
	Financial assets and financial liabilities are only offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to set off the recognized amounts and the Company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.
<b>4.8</b>	<b>Investments</b>
<b>4.8.1</b>	<b>Recognition</b>
a.	All investments are initially recognized at cost being the fair value of the consideration given and include transaction costs, except for held for trading investments in which case transaction costs are charged to statement of profit and loss.
b.	All investments are de-recognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.
c.	Investments are recognized and classified as follows:
	- Investments at 'fair value through profit or loss'
	- Held to maturity
	- Loans and receivables
	- Available for sale
<b>4.8.2</b>	<b>Measurement</b>
(i)	- Investments at fair value through statement of profit or loss
a.	These financial assets are acquired principally for the purpose of generating profit from short term fluctuation in prices or are part of a portfolio for which there is a recent actual pattern of short term profit taking.
b.	These include held-for-trading investments and those designated under this category upon initial recognition. Subsequent to initial recognition, these are carried at fair value.
(ii)	- Held to maturity and loans and receivables
a.	Investments with fixed maturity, where management has both the intent and the ability to hold to maturity, are classified as held to maturity.
b.	Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.
c.	Subsequently, both held to maturity and loans and receivables are measured at amortized cost less provision for impairment, if any. Any premium paid or discount availed on acquisition of held to maturity investment is deferred and amortized over the term of investment using the effective yield.

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# PROGRESSIVE INSURANCE COMPANY LTD.

## PROGRESSIVE INSURANCE COMPANY LIMITED

### Notes to the Financial Statements

For the year ended December 31, 2023

(iii)	<b>- Available for sale</b>
a.	Investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity, changes in interest rates, equity prices or exchange rates are classified as available-for-sale.
b.	These are investments that do not fall under investment at "fair value through profit or loss", "loans and receivables" and "held to maturity" categories.
c.	Subsequent to initial recognition at cost, quoted investments are stated at the lower of cost or market value (market value on an individual investment basis being taken as lower if the fall is other than temporary) in accordance with the requirements of the SEC (Insurance) Rules, 2002 vide S.R.O. 938 dated December 2002.
d.	The Company uses the market values of respective investments (based on stock exchange quotations) in case of listed equity securities and net assets value announced by the respective mutual funds in case of investments in mutual funds at the reporting date to determine the market values of investments.
e.	Since the company's no longer going concern, the fair value gain on Available for sale investment was directly recorded in P&L.
(iv)	<b>- Date of recognition</b>
a.	Regular way purchases and sales of investments that require delivery within the time frame established by regulations or market convention are recognized at the trade date. Trade date is the date on which the Company commits to purchase or sell the investment.
<b>4.9</b>	<b>Cash and Cash Equivalents</b>
	Cash and cash equivalent for the purposes of Statement of cash flows statement and the statement of financial position, consist of cash in hand, policy stamps, bond papers, bank balances and short term deposits with original maturities of three months or less and, highly liquid short-term investments that are convertible in to known amount of cash and, are subject to insignificant risk of change in value.
<b>4.10</b>	<b>Creditors, Accruals and Provisions</b>
	Liabilities for creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for the services received, whether or not billed to the Company.
	Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that, an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.
<b>4.11</b>	<b>Investment Income</b>
	Income from held to maturity investments is recognized on a time proportion basis taking into account the effective yield on the investments. The difference between the redemption value and the purchase price of the held to maturity investments is amortized and taken to the statement of profit and loss.
	Dividend income from investments is recognized when the Company's right to receive the payment is established.
	Gain or loss on sale of investments is recognized when the investment is sold and to receive the payment is established.
	Profit on bank deposits and Islamic investment products is recognized on a receipt basis taking into account the effective yield. <i>sumo</i>

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# PROGRESSIVE INSURANCE COMPANY LTD.

## PROGRESSIVE INSURANCE COMPANY LIMITED

### Notes to the Financial Statements

For the year ended December 31, 2023

<b>4.12</b>	<b>Claims</b>
	Claims are charged to income as incurred based on estimated liability for compensation owed under the insurance contracts. It includes claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries and any adjustments to claims outstanding from previous years.
<b>4.13</b>	<b>Provision for Outstanding Claims (including IBNR)</b>
	A liability for outstanding claims is recognized in respect of all claims incurred up to the financial statement date, which is measured at the undiscounted value of expected future payments. Provision for outstanding claims include amounts in relation to claims reported but not settled, claims incurred but not reported (IBNR) and expected claims settlement costs.
<b>4.14</b>	<b>Taxation</b>
	Income tax charge comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss, except to the extent that it relates to items recognized directly in other comprehensive income, in which case it is recognized in other comprehensive income.
<b>4.14.1</b>	<b>Current</b>
	Provision for current taxation is based on the taxable income for the year determined in accordance with the prevailing law for taxation on income using prevailing tax rates after taking into account available tax credits and rebates, if any or minimum tax under the Income Tax Ordinance, 2001, whichever is higher. The charge for current tax also include adjustments, where considered necessary, to provision for taxation made in previous years arising from assessments finalized during the current year for such years.
<b>4.14.2</b>	<b>Deferred</b>
	Deferred tax is accounted for using the statement of financial position liability method in respect of all temporary differences at the reporting date between the tax bases and carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.
	Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax is charged or credited in the statement of profit and loss, except in the case of items credited or charged to equity in which case it is included in equity.

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# PROGRESSIVE INSURANCE COMPANY LTD.

## PROGRESSIVE INSURANCE COMPANY LIMITED

### Notes to the Financial Statements

For the year ended December 31, 2023

Note	EQUITY SECURITIES			2023	2022					
6	(Amounts in PKR)									
	<b>Available for sale</b>									
	Quoted - Others 6.1			165,952	129,964					
	Total Equity Securities			165,952	129,964					
Note	Investee name	Number of Shares/ Unit			Market Value per Share			Total Market Value		
6.1		2023	2022	2021	2023	2022	2021	2023	2022	2021
	Sui Southern Gas Company Limited	297	297	297	11.33	9.22	9.29	3,365	2,738	2,759
	SAMBA Bank Ltd	74	74	74	10.59	6.50	12.45	784	481	921
	Bank of Punjab Limited	2103	1,912	1,700	6.48	4.57	8.47	13,627	8,738	14,399
	K Electricity Corporation Limited	477	477	477	5.26	2.70	3.44	2,509	1,288	1,641
	Suraj Cotton Limited	17	16	15	124.88	150.00	218.00	2,123	2,400	3,270
	Orix Modaraba	359	359	359	12.21	12.70	16.00	4,383	4,559	5,744
	HBL growth fund - Class A	500	500	500	8.48	4.80	6.70	4,240	2,400	3,350
	HBL growth fund - Class B segment	500	500	500	19.10	11.88	-	9,549	5,940	-
	DG Khan Cement Limited	375	375	375	77.40	51.64	82.94	29,025	19,365	31,103
	Nirala MSR Foods Limited	2000	2,000	2,000	-	-	12.76	-	-	25,520
	Ghani Global Limited	165	165	150	11.21	11.25	24.12	1,850	1,856	3,618
	Ghani Chemical Industries Limited	306	306	930	11.66	12.16	9.91	3,568	3,721	9,216
	Silk Bank Limited	8673	5,173	173	1.09	0.97	1.45	9,454	5,018	251
	Saudi Pak Leasing Company Limited	2000	2,000	2,000	-	-	1.89	-	-	3,780
	First Dawood Investment Bank	0	-	7,000	1.74	-	2.00	-	-	14,000
	Treet Corporation Limited	1000	1,000	1,000	18.62	16.22	41.69	18,620	16,220	41,690
	Escort Investment Bank	3000	4,000	4,000	4.72	4.24	9.23	14,160	16,960	36,920
	Engro Power Gen Qadirpur	1000	1,000	1,000	31.92	24.78	19.33	31,920	24,780	19,330
	Ghandhara Tyre And Rubber Co.Ltd	500	500	-	33.55	27.00	-	16,775	13,500	-
	Quoted - Others	23,346	20,654	22,550				165,952	129,964	217,512
Note	OPEN ENDED FUNDS			2023	2022					
7	(Amounts in PKR)									
	Mutual funds - Nit Units 7.1			2,308,950	2,093,350					
	Total Open Ended Funds			2,308,950	2,093,350					
Note	Mutual Funds	Number of Shares/ Unit			Market Value per Share			Total Market Value		
7.1		2023	2022	2021	2023	2022	2021	2023	2022	2021
	NIT Units	35,000	35,000	35,000	65.97	59.81	69.46	2,308,950	2,093,350	2,431,100
	<b>Mutual Funds</b>	<b>35,000</b>	<b>35,000</b>	<b>35,000</b>				<b>2,308,950</b>	<b>2,093,350</b>	<b>2,431,100</b>

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# PROGRESSIVE INSURANCE COMPANY LTD.

## PROGRESSIVE INSURANCE COMPANY LIMITED Notes to the Financial Statements For the year ended December 31, 2023

Note		2023	2022
8	<b>TERM DEPOSITS</b>	(Amounts in PKR)	
	<b>Investment In Term Deposits</b>		
	Bank of Khyber	250,000	250,000
	United Bank Limited	1,000,000	1,000,000
	<b>Total Term Deposits</b>	<b>1,250,000</b>	<b>1,250,000</b>
8.1	The term deposits carry markup at rates ranging from 4% - 6% (2022: 3% - 4%).		
9	<b>ACCRUED INVESTMENT INCOME</b>		
	Accrued profit on deposit receipts	194,026	194,026
	<b>Total Accrued Investment Income</b>	<b>194,026</b>	<b>194,026</b>
9.1	As of the current reporting period due to the misplacement of Term Deposit Receipts by the Bank, confirmation of accrued profits was not provided until last year. Consequently, no profits have been accrued until last year. However, upon inquiry by management from the Bank in the current year, the accrued profits till date were discovered and consequently recorded.		
10	<b>ADVANCES AND OTHER RECEIVABLES</b>		
	Advances (Note 10.1)	5,512,000	5,512,000
	Other receivables	3,694	6,346
	Advance to employees	64,000	-
	Prepaid Insurance	67,494	-
	<b>Total Advances And Other Receivables</b>	<b>5,647,188</b>	<b>5,518,346</b>
10.1	This represents an amount of Rs. 5.512 million (Dec 2022: 5.272) given as advances against the purchase of properties. However, the deals not yet materialized and the refund amount is outstanding from the parties.		
11	<b>CASH AND BANK BALANCES</b>		
	Cash in hand	11,288	29,898
	Cash at bank - Current account	1,821	175,124
	<b>Total Cash And Bank Balances</b>	<b>13,109</b>	<b>205,022</b>
12	<b>NON-CURRENT ASSETS HELD FOR SALE</b>	2023	2022
		(Amounts in PKR)	
	<b>Property</b> 12.1		
	Written down value	111,500,000	111,500,000
	Fair value less cost to sell	120,000,000	120,000,000
	Lower of written down value or fair value	111,500,000	111,500,000
	<b>Total Non-Current Assets Held for Sale</b>	<b>111,500,000</b>	<b>111,500,000</b>
12.1	On December 23, 2020, the Company entered into a contractual agreement with Mr. Ghulam Nabi Gandro, an individual party, for the sale of its property located at Mirpur Sakro, Thatta. The property spans 999 acres and was sold for a total consideration of Rs. 120 million, whereas its carrying value was recorded at Rs. 111.5 million. The payment terms stipulated in the agreement allowed for the total consideration to be received over a period of two years. However, due to unforeseen circumstances, the Company has only received a partial payment of Rs. 3.1 million to date. The Company expects to receive the remaining balance in the next financial year.		

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# PROGRESSIVE INSURANCE COMPANY LTD.

## PROGRESSIVE INSURANCE COMPANY LIMITED

### Notes to the Financial Statements

For the year ended December 31, 2023

Note		2023	2022
13	<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</b>	(Amounts in PKR)	
	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
	<b>Total Issued, Subscribed And Paid-Up Capital</b>	<b>161,500,000</b>	<b>161,500,000</b>
14	<b>LOAN FROM DIRECTOR</b>		
	Unsecured and interest free loan 14.1	54,510,933	24,818,384
	<b>Total Loan From Director</b>	<b>54,510,933</b>	<b>24,818,384</b>
14.1	This represents the funds provided by one of the Directors, Mr. S. Sabur Rehman, to meet day to day operational expenses of the Company. As per TR - 32, issued by the ICAP, it there is no contractual obligation with the Company to pay back this amount, thus, it is treated as a part of the equity. However, subject to approval from the SECP, the Company intends to settle this loan via issuance of shares other than right to Mr. S. Sabur Rehman.		
15	<b>ACCRUED EXPENSES</b>		
	Salary	-	168,000
	Audit fee	594,000	359,910
	Professional fee	398,520	81,000
	Others	153,050	153,050
	<b>Total Accrued Expenses</b>	<b>1,145,570</b>	<b>761,960</b>
16	<b>OTHER CREDITORS</b>		
	Payable to Controller Insurance (Federal)	378,373	378,373
	<b>Total Other Creditors</b>	<b>378,373</b>	<b>378,373</b>
17	<b>CONTINGENCIES AND COMMITMENTS</b>		
	There were no contingencies or commitments on the Company as of the date of statement of financial position (2022: Nil).		

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# PROGRESSIVE INSURANCE COMPANY LTD.

**PROGRESSIVE INSURANCE COMPANY LIMITED**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2023**

Note		2023	2022
<b>18</b>	<b>INVESTMENT INCOME</b>	(Amounts In PKR)	
	Dividend Income	46,550	13,797
	Capital gain/(loss) on sale of securities	-	8,456
	Markup on TDRs	-	194,026
	Profit on deposits	3,395	-
	<b>Total Investment Income</b>	<b>49,945</b>	<b>216,278</b>
<b>19</b>	<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>		
	Salaries, allowances and benefits	2,108,751	2,345,200
	Rent expense	-	1,320,000
	Postage an courier	-	4,324
	Utilities & Communication	317,532	269,148
	Auditors' remuneration (19.1)	393,825	302,400
	Advertisement	13,294	26,789
	Depreciation	1,171,026	44,049
	Conveyance	115,350	55,230
	Repair and maintenance	1,065,280	591,812
	Website maintenance	50,000	50,000
	Legal and professional charges	886,365	2,070,172
	Printing and stationery	42,384	33,100
	Entertainment	246,498	430,659
	Security charges	213,000	116,000
	Travelling	957,370	1,114,222
	Fuel	963,277	511,243
	Internet charges	32,922	24,231
	Donation	10,000	400,000
	Other expenses	-	100,000
	Miscellaneous	158,551	443,077
	Insurance	46,269	-
	<b>Total General And Administrative Expenses</b>	<b>8,791,694</b>	<b>10,251,656</b>
<b>19.1</b>	<b>Auditors' remuneration</b>		
	Annual audit fee	250,000	200,000
	Interim review fee	95,000	75,000
	Out-of-pocket expenses	21,225	5,000
	Sindh sales tax @ 8%	27,600	22,400
	<b>Total Auditors' Remuneration</b>	<b>393,825</b>	<b>302,400</b>
<b>20</b>	<b>REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND OTHER EXECUTIVES</b>		
	The Chief Executive, Directors and other Executives, have been performing voluntary services and no remuneration has been paid to them.		

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# PROGRESSIVE INSURANCE COMPANY LTD.

## PROGRESSIVE INSURANCE COMPANY LIMITED

### Notes to the Financial Statements

For the year ended December 31, 2023

Note	RELATED PARTY TRANSACTIONS				
21	RELATED PARTY TRANSACTIONS				
	Related parties comprise related group companies, associates, Directors, staff retirement funds, and key management personnel. The Company in the normal course of the business carried out transactions with various related parties on arm length basis. During the year ended on December 31, 2023, there were no related party transactions, except as disclosed below.				
21.1	Transactions During the Year			2023	2022
	Name of Related Party	Relationship	Nature of Relationship	(Amounts in PKR)	
	<b>Mr. S. Sabur Rehman</b>	<b>Director</b>	<b>Directorship</b>		
	Additional loan			7,142,549	10,637,346
	Building			22,550,000	-
	Loan repaid			-	(697,142)
21.2	Balances at End of the Year			2023	2022
	Name of Related Party	Relationship	Nature of Relationship	(Amounts in PKR)	
	<b>Mr. S. Sabur Rehman</b>	<b>Director</b>	<b>Directorship</b>		
	Loan from Director			54,510,933	24,818,384
	<b>Pearl Air Limited</b>	<b>Associated Company</b>	<b>Associated by virtue of common Directorship</b>		
	Advance against purchase of property			5,512,000	5,512,000
Note	MANAGEMENT OF INSURANCE AND FINANCIAL RISK				
22	MANAGEMENT OF INSURANCE AND FINANCIAL RISK				
	The Company is exposed to various insurance and financial risks as part of its operations. However, given its relatively short time in business, these risks have not yet materialized. To mitigate any potential negative impact on the Company's financial performance, its risk management program focuses solely on relevant financial markets. The risks arising from the Company's financial assets and liabilities are also limited. The Company consistently manages its financial exposure in a manner consistent with previous periods, as described in the notes below.				
	The Board of Directors bears ultimate responsibility for establishing and overseeing the Company's risk management framework. This includes developing policies aimed at managing risk effectively.				
Note	INSURANCE RISK				
22.1	INSURANCE RISK				
	The Company issues insurance contract which are classified in the following segments.				
	- Fire and property damage				
	- Marine, aviation and transport				
	- Motor				
	- Miscellaneous				
	The basic risk that the company faces under these contracts is that the actual claims payments or timing thereof, differs from expectation. This is influenced by the frequency of claims, severity of claims and subsequent development of claims. However, as explained in Note 1.1, the company cannot undertake any insurance business as the Company does not meet the minimum paid-up capital requirement, therefore, the insurance risk is currently Nil.				

*Sumo*  


# PROGRESSIVE INSURANCE COMPANY LTD.

## PROGRESSIVE INSURANCE COMPANY LIMITED

### Notes to the Financial Statements

For the year ended December 31, 2023

Note	FINANCIAL RISK		
22.2			
	<p>The Board of Director of the company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from use of financial instruments.</p> <ul style="list-style-type: none"> <li>- Liquidity risk</li> <li>- Credit risk</li> <li>- Market risk</li> </ul>		
<b>21.2.1</b>	<b>Liquidity Risk</b>		
	<p>Liquidity risk refers to the potential that a company may experience challenges in meeting its financial obligations as they become due. Effective liquidity risk management practices necessitate maintaining adequate cash and marketable securities, as well as ensuring access to adequate funds through committed credit facilities. To minimize risk, the company finances its operations through equity and working capital while preserving an appropriate balance between various sources of financing.</p> <p>The management is committed to implementing an effective cash management system, which facilitates the company's ability to maintain adequate liquidity levels. By monitoring cash flows, identifying potential liquidity challenges, and taking proactive steps to mitigate risks, the company aims to safeguard its ability to meet financial obligations as they arise.</p>		
<b>21.2.2</b>	<b>Credit Risk</b>		
	<p>Credit risk is a significant risk factor that arises when one party involved in a financial instrument fails to meet their obligation, potentially causing financial losses for the other party. The Company recognizes the importance of managing credit risk effectively and employs several strategies to mitigate it, including closely monitoring credit exposure, conducting transactions with a diversified pool of counterparties across various sectors, and continuously evaluating the creditworthiness of counterparties to ensure they meet the established standards. By implementing these measures, the Company aims to maintain a robust credit risk management framework that mitigates potential losses and enables it to continue conducting business operations with confidence.</p> <p>Concentration of credit risk arises when several counterparties share similar business activities, and any change in economic, political, or other conditions could affect their ability to meet contractual obligations in the same way. The Company recognizes this risk and takes proactive steps to manage its credit risk exposure effectively. The Company's credit risk exposure is not significantly different from that reflected in its financial statements. The management monitors and limits the Company's exposure to concentration of credit risk and maintains conservative estimates of provisions for doubtful assets, if any. Based on its assessment, the management believes that the Company's financial assets are adequately diversified among entities of sound financial standing, covering various industrial sectors, as noted in notes above, and that it is not exposed to significant concentration of credit risk.</p> <p>The credit quality of the Company's bank balance can be assessed with reference to external credit rating as:</p>		
		<b>2023</b>	<b>2022</b>
	<b>Facility</b>	<b>(Amounts in PKR)</b>	
	<b>Short term rating</b>		
	Bank of Khyber	1,821	175,124
	A+		

*Sumo*  


# PROGRESSIVE INSURANCE COMPANY LTD.

## PROGRESSIVE INSURANCE COMPANY LIMITED

### Notes to the Financial Statements

For the year ended December 31, 2023

<b>21.2.3 Market Risk</b>			
<p>Market risk refers to the possibility that the value of financial instruments held by an organization may experience fluctuations due to changes in market prices. These fluctuations may arise from factors specific to individual securities or issuers, or from general market trends affecting all traded securities. The organization under consideration is exposed to equity price risk, which arises from changes in the levels of the PSX-Index and the value of individual shares.</p> <p>To manage market risk, the organization has implemented a policy of selecting blue-chip securities, which are typically large, stable, and well-established companies with a history of steady performance. Additionally, the organization has diversified its portfolio by investing in various sectors, thereby reducing the potential impact of losses in any one sector. By adopting these risk management strategies, the organization aims to minimize the potential impact of market risk on its financial position and performance.</p>			
<b>Fair value of financial assets as at December 31, 2023 and change in the fair values during the year ended December 31, 2023</b>			
			<b>2023</b>
			<b>(Amounts in PKR)</b>
<b>Equity Securities - Available for sale</b>			
Opening fair value			129,964
Increase/ (decrease) in fair value			35,987
Closing fair value			<u>165,952</u>
<b>21.2.4 Interest Rate Risk</b>			
<p>Interest rate risk refers to the potential for the value of financial instruments to fluctuate as a result of changes in market yield. This risk arises due to discrepancies between the maturity or repricing of financial assets and liabilities within a given timeframe, resulting in sensitivity to yield mark-up rates. The management of such discrepancies is carried out by the company through the implementation of risk management strategies, which can allow for the adjustment of significant gap position changes. The company acknowledges exposure to interest rate risk in relation to the following:</p>			
		<b>2023</b>	<b>2022</b>
		<b>(Amounts in PKR)</b>	
<b>Financial Instrument</b>	<b>Effective Interest Rate</b>		
Term deposit receipt	4% - 6%	1,250,000	1,250,000
<b>Sensitivity Analysis</b>			
<p>The Company does not utilize fair value through profit or loss accounting for any fixed-rate financial assets or liabilities. Consequently, changes in interest rates will not impact the fair value of any financial instruments. To perform cash flow sensitivity analysis on variable-rate instruments, a hypothetical 100 basis point interest rate adjustment at the reporting date is used to determine the expected increase or decrease in profit for the year, as indicated below. The assumption is that these changes occur uniformly and immediately across each instrument category containing interest rate risk.</p> <p>It is worth noting that market interest variations could result in significant changes if early repayments occur. However, given that the Company is not currently engaged in any business activities and no payments or receipts are expected from assets and liabilities in the normal course of business, a sensitivity analysis is not necessary.</p>			

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## PROGRESSIVE INSURANCE COMPANY LIMITED

### Notes to the Financial Statements

For the year ended December 31, 2023

<b>Note</b>	<b>CAPITAL MANAGEMENT RISK</b>
<b>23</b>	
	<p>The Company's objective when managing capital is to safeguard the Company's ability to continue as going concern so that it continues to provide returns to the shareholders and other benefits to the stakeholders. The Company manages its capital structure by monitoring return on assets and makes adjustment in the light of changes in economic conditions.</p> <p>The interest cover ratio of the Company as at June 30, 2023 is Nil (2022: is Nil).</p>
<b>Note</b>	<b>FAIR VALUE OF MEASUREMENT OF FINANCIAL INSTRUMENTS</b>
<b>24</b>	
	<p>Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.</p> <p>Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.</p> <p>A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.</p> <p>IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurement in a fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value. It has the following levels:</p> <ul style="list-style-type: none"> <li>- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);</li> <li>- Inputs other than quoted prices included within level 1 that are observable for the assets or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and</li> <li>- Inputs for assets or liabilities that are not based on observable market data (i.e. unadjusted) inputs (Level 3).</li> </ul> <p>Transfer between levels of the fair value hierarchy is recognized at the end of the reporting period during which the changes have occurred.</p>

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# PROGRESSIVE INSURANCE COMPANY LTD.

## PROGRESSIVE INSURANCE COMPANY LIMITED

### Notes to the Financial Statements

For the year ended December 31, 2023

Note	SEGMENT REPORTING	(Amounts in PKR)				
25		Fire and property damage	Marine, aviation and transport	Motor	Miscellan eous	Aggregate
25.1	For the year ended December 31, 2023					
	<b>Premium</b>					
	Gross premium written (inclusive of surcharge)	-	-	-	-	-
	Gross Insurance Premium	-	-	-	-	-
	Insurance premium earned	-	-	-	-	-
	Insurance premium ceded to reinsurers	-	-	-	-	-
	Net Insurance Premium	-	-	-	-	-
	Commission income	-	-	-	-	-
	<b>Net Underwriting Income</b>	-	-	-	-	-
	<b>Claims and expenses</b>					
	Insurance claims	-	-	-	-	-
	Insurance claims recovered from reinsurers	-	-	-	-	-
	Net Claims	-	-	-	-	-
	Commission expense	-	-	-	-	-
	Management expense	-	-	-	-	-
	<b>Net Insurance Claims and Expenses</b>	-	-	-	-	-
	<b>Underwriting Results</b>	-	-	-	-	-
	Net investment income					49,945
	General and administrative expenses					(8,791,694)
	Result of Operating Activities					(8,741,749)
	Bank charges					(3,507)
	<b>(Loss) Before Tax</b>					(8,745,256)
25.2	For the year ended December 31, 2022					
	<b>Premium</b>					
	Gross premium written (inclusive of surcharge)	-	-	-	-	-
	Gross Insurance Premium	-	-	-	-	-
	Insurance premium earned	-	-	-	-	-
	Insurance premium ceded to reinsurers	-	-	-	-	-
	Net Insurance Premium	-	-	-	-	-
	Commission income	-	-	-	-	-
	<b>Net Underwriting Income</b>	-	-	-	-	-
	<b>Claims and expenses</b>					
	Insurance claims	-	-	-	-	-
	Insurance claims recovered from reinsurers	-	-	-	-	-
	Net Claims	-	-	-	-	-
	Commission expense	-	-	-	-	-
	Management expense	-	-	-	-	-
	<b>Net Insurance Claims and Expenses</b>	-	-	-	-	-
	<b>Underwriting results</b>	-	-	-	-	-
	Net investment income					216,278
	General and administrative expenses					(10,251,656)
	Result of Operating Activities					(10,035,378)
	Bank charges					(3,260)
	<b>(Loss) Before Tax</b>					(10,038,638)

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# PROGRESSIVE INSURANCE COMPANY LTD.

## PROGRESSIVE INSURANCE COMPANY LIMITED

### Notes to the Financial Statements

For the year ended December 31, 2023

<b>Note</b>	<b>NUMBER OF EMPLOYEES</b>
<b>26</b>	
	The total number of employees as on December 31, 2023, is 7 (December 31, 2022: 8). The average number of employees during the year is 7 (December 31, 2022: 8).
<b>Note</b>	<b>CORRESPONDING FIGURES</b>
<b>27</b>	
	Corresponding figures have been re-arranged or reclassified wherever necessary for better presentation and disclosure. There is no material reclassification to report in the financial statements.
<b>Note</b>	<b>GENERAL</b>
<b>28</b>	
	Figures have been rounded off to the nearest of a Pakistani Rupee.
<b>Note</b>	<b>DATE OF AUTHORISATION FOR ISSUE</b>
<b>29</b>	
	These financial statements have been authorized for issue by the Board of Directors meeting held on <b>04 SEP 2024</b> <i>2024</i>

  
Chief Executive

  
Director

  
Chief Financial Officer

# PROGRESSIVE INSURANCE COMPANY LTD.

## PATTERN OF SHARE HOLDING AS AT 31-12-2023

NUMBER OF SHARE HOLDER	SHARE HOLDINGS		TOTAL SHARE HELD
151	1	100	13,572
204	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
<b>914</b>			<b>16,150,000</b>

# PROGRESSIVE INSURANCE COMPANY LTD.

## CATEGORIES OF CERTIFICATE HOLDING AS ON 31-12-2023

	NO OF SHARE HOLDERS	NO OF SHARES HODERS	PERCENTAGE %
<u>ASSOCIATED COMPANIES</u>	1	978,000	6.06
<u>UNDERTAKING &amp; RELATED PARTIES</u>			
<u>PAKISTAN INDUSTRIAL &amp; COMMERCIAL LEASING COMPANY LTD.</u>			
<u>DIRECTORS C.E.O THEIR SPOUSE AND CHILDREN</u>	7	10,053,300	65.41
Mr.Abdul Haleem	500		
Ziauddin Abdus Shaafi	500		
Mr.Asim Anwer	500		
Muhammad Abdul Wahab	500		
Muhammad Haroon	500		
Om Parkash	500		
<u>Chief Executive Officer /Director</u>			
SYED SABUR REHMAN	10,050,300		
<u>BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS</u>			
<u>NON BANKING FINANCIAL INSTITUTIONS, INSURANCE</u>		29,500	0.18
<u>COMPANIES, MODARABAS &amp; MUTUAL FUNDS.</u>	3		
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</u>			
<u>INTEREST IN THE LISTED COMPANIES.</u>			
MR. SABUR REHMAN			
<u>INDIVIDUAL</u>	879	3,876,700	20.85
<u>OTHER CORPORATE SHAREHOLDERS</u>	24	1,212,500	7.50
	<b>914</b>	<b>16,150,000</b>	<b>100</b>

# PROGRESSIVE INSURANCE COMPANY LTD.

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## 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 28, 2023 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 \_\_\_\_\_ 2023.

Signature \_\_\_\_\_

CNIC No: \_\_\_\_\_

Number of shares held \_\_\_\_\_

Folio No/ Id No: \_\_\_\_\_

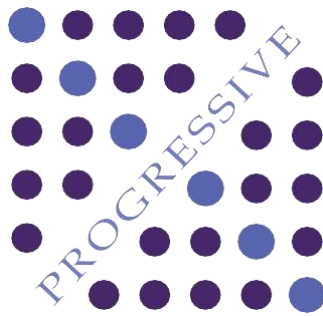
Witness: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

### Important Note:

- 1 This form of Proxy, duly completed, must be deposited with registered office 505-507, 5<sup>th</sup> 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.



Office No. 505-507 , 5<sup>th</sup> Floor, Japan Plaza M.A Jinnah Road Karachi  
Tel: 021-32712551