

# PROGRESSIVE INSURANCE COMPANY

Half Yearly Report 2022



# PROGRESSIVE INSURANCE COMPANY LTD.

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Head office: 505-507,  
5th Floor, Japan Plaza,  
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Tel: 021-32712551, 021-32712552

E-mail: [info@theprogressivegroup.com](mailto:info@theprogressivegroup.com)

Website: [www.theprogressivegroup.com](http://www.theprogressivegroup.com)



### 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.



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# PROGRESSIVE INSURANCE COMPANY LTD.

## COMPANY INFORMATION

### BOARD OF DIRECTORS

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

### CHIEF EXECUTIVE COMPANY SECRETARY

Syed Sabur Rehman  
Mhammad Abdul Wahab

### REGISTERED OFFICE

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

### HEAD OFFICE

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

### AUDIT COMMITTEE

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

### BANKERS

The Bank of Khyber

### AUDITORS

M/s. 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 Muhammad 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



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# PROGRESSIVE INSURANCE COMPANY LTD.

## DIRECTORS' REPORT

The Directors of Progressive Insurance Company Limited take pleasure in presenting the audited half yearly financial statement for the period ended 30<sup>th</sup>, June 2022.

### Net Loss

Operating net loss by company is Rs. 3,971,152/- during the half yearly 2022.

The statistic covers the annexed financial statement of conventional General Insurance comprising.

- Condensed Interim Statement of financial Position.
- Condensed Interim statement of Profit or Loss and other comprehensive Income.
- Condensed Interim Statement of Changes in Equity.
- Condensed Interim cash Flow Statement.

We are confident that this information would adequately apprise the valued shareholders about the affair of their company.

During the period under review non business was procured as the management is still in the process of revival of the company inshallah it will be completed soon with the cooperation of S.E.C.P.

### Thanks and Appreciation

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

Karachi:

Date: 10<sup>th</sup> October 2022

For and on behalf of the  
Board of Directors



**Syed Sabur Rehman**  
Chief Executive Officer

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**PROGRESSIVE  
INSURANCE  
COMPANY LTD.**

## ڈائریکٹرز کی رپورٹ

بروگریسو انشورنس کمپنی لمیٹڈ کے ڈائریکٹرز 30 جون 2022 کو ختم ہونے والی مدت کے لیے آڈٹ شدہ ششماہی مالیاتی بیان پیش کرنے میں خوشی محسوس کرتے ہیں۔  
نقد نقصان

کمپنی کا آپریٹنگ خالص نقصان روپے ہے۔/ 3,971,152 ششماہی 2022 کے دوران۔  
اعداد و شمار روایتی جنرل انشورنس پر مشتمل مالیاتی بیان کا احاطہ کرتا ہے۔

- مالیاتی پوزیشن کا گاڑھا عبوری بیان۔
- نفع یا نقصان اور دیگر جامع آمدنی کا گاڑھا عبوری بیان۔
- ایکویٹی میں تبدیلیوں کا گاڑھا عبوری بیان۔
- گاڑھا عبوری کیش فلو اسٹیٹمنٹ۔

شکریہ اور تعریف

ہمیں یقین ہے کہ یہ معلومات قابل قدر شیئر ہولڈرز کو ان کی کمپنی کے معاملات کے بارے میں مناسب طور پر آگاہ کرے گی۔

زیر جائزہ مدت کے دوران نان بزنس کی خریداری کی گئی کیونکہ انتظامیہ ابھی کمپنی کی بحالی کے عمل میں ہے انشاء اللہ یہ جلد ہی S.E.C.P کے تعاون سے مکمل ہو جائے گی۔

ہم سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے شکر گزار ہیں؛ خاص طور پر ایس ای سی پی کے (انشورنس ڈویژن) اور ایس ای سی پی کے ان کے عملے/افسران/افسران نے کمپنی کی ترقی اور پیشرفت کے لیے ان کی رہنمائی اور تعاون کے لیے۔

کراچی:

کے لیے اور اس کی جانب سے

بورڈ آف ڈائریکٹرز

تاریخ: 10<sup>th</sup> October 2022



سید صبور رحمان  
چیف ایگزیکٹو آفیسر

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# PROGRESSIVE INSURANCE COMPANY LTD.

PATTERN OF SHARE HOLDING AS AT 30-06-2022

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



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## CATEGORIES OF CERTIFICATE HOLDING AS ON 30-06-2022

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



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**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF  
PROGRESSIVE INSURANCE COMPANY LIMITED  
ON THE REVIEW OF THE CONDENSED INTERIM FINANCIAL STATEMENTS AS OF JUNE 30, 2022**

**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of Progressive Insurance Company Limited ("the Company") as at June 30, 2022, and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, condensed interim reconciliation to profit or loss account and notes to the financial statements for the half year then ended (here-in-after referred to as the "condensed interim financial statements"). Management of the entity is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

The figures of the condensed interim financial statements for the quarter ended June 30, 2022 and June 30, 2021, have not been reviewed and we do not express a conclusion thereon as we are required to review only cumulative figures for the half year ended June 30, 2022.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

**Emphasis of matter**

We draw attention to Note 2 to the condensed interim financial statements, which state that the Company does not meet the minimum paid-up capital requirement of Rs. 500 million as required under clause 11 of the Insurance Rules 2017. Furthermore, as the Company's shares are placed at the default counter of Pakistan Stock Exchange, due to non-compliance, the shares have ceased trading.

The Company has not generated any revenue due to the suspension of the insurance license and during the half year ended June 30, 2022, the reported net loss after taxation is Rs. 3.97 million (June 30, 2021: Rs. 4.84 million).

The engagement partner on this engagement resulting in this independent auditors' review report is Mr. S.M. Suhail, FCA.

*S.M. Suhail & Co.*

S.M. Suhail & Co.  
Chartered Accountants  
Karachi

Our Ref: SMS-A-02372023  
Date: October 10, 2022

UDIN: RR2022101974Lsl5gXWZ

**PROGRESSIVE INSURANCE COMPANY LIMITED**  
**Condensed Interim Statement of Financial Position (unaudited)**  
**As at June 30, 2022**

ASSETS	Note	30 Jun 2022	31 Dec 2021
		Un-Audited	Audited
(Amounts in PKR)			
<b>Non Current Assets</b>			
Property, plant and equipment	7	345,817	366,066
<b>Total Non Current Assets</b>		<b>345,817</b>	<b>366,066</b>
<b>Current Assets</b>			
Investments			
- In equity securities	8	2,421,157	2,648,612
- In term deposits	9	1,250,000	1,250,000
Advance tax		526,748	526,748
Deposit with State Bank of Pakistan		1,000,000	1,000,000
Advances and other receivables	10	5,543,165	5,279,855
Cash and bank balances	11	275,018	299,955
Non current assets held for sale	12	111,500,000	111,500,000
<b>Total Current Assets</b>		<b>122,516,088</b>	<b>122,505,170</b>
<b>TOTAL ASSETS</b>		<b>122,861,905</b>	<b>122,871,236</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Capital and reserves attributable to Company's equity			
Authorised share capital			
20 million (Dec 2021: 20 million) Ordinary Shares of Rs. 10 each		200,000,000	200,000,000
Issued, subscribed and paid -up capital	13	161,500,000	161,500,000
Reserves		1,610,332	1,823,786
Loan from director	14	18,972,455	14,878,180
Accumulated loss		(63,372,570)	(59,401,418)
<b>Total Equity</b>		<b>118,710,217</b>	<b>118,800,548</b>
<b>Liabilities</b>			
<b>Underwriting Provisions</b>			
Provision for outstanding claims (including IBNR)		-	-
<b>Creditors and accruals</b>			
Advance against property		3,100,000	3,100,000
Unclaimed dividend		300,755	300,755
Accrued expenses		372,560	291,560
Other creditors and accruals		378,373	378,373
<b>Total Creditors and accruals</b>		<b>4,151,688</b>	<b>4,070,688</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>122,861,905</b>	<b>122,871,236</b>
<b>Contingencies and commitments</b>	15	-	-

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

  
 Chief Executive


  
 Director

  
 Chief Financial Officer

**PROGRESSIVE INSURANCE COMPANY LIMITED**  
**Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (unaudited)**  
**For the Quarter and Half Year Ended June 30, 2022**

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS	Note	Quarter ended (Unaudited)		Half year ended (Unaudited)	
		30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
(Amounts in PKR)					
REVENUE ACCOUNT					
Premium revenue		-	-	-	-
Premium ceded to reinsurers		-	-	-	-
Net premium revenue		-	-	-	-
Investment income	16	-	76,573	14,447	28,247
Management expenses		-	-	-	-
Rental income		-	-	-	-
Other income		-	76,573	14,447	28,247
Net Income		-	76,573	14,447	28,247
General and administrative expenses	17	(2,044,967)	(2,164,982)	(3,984,469)	(4,859,900)
Banking charges		-	(2,260)	(1,130)	(6,084)
Other expenses		-	-	-	-
Total expenses		(2,044,967)	(2,167,242)	(3,985,599)	(4,865,984)
Loss before tax from operation		(2,044,967)	(2,090,669)	(3,971,152)	(4,837,737)
Taxation		-	-	-	-
<b>LOSS AFTER TAXATION</b>		<b>(2,044,967)</b>	<b>(2,090,669)</b>	<b>(3,971,152)</b>	<b>(4,837,737)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
The items that will be reclassified subsequently in the statement of profit or loss:					
Unrealized gain on investment available for sale -net		-	323,338	-	370,502
Unrealized gain / loss on NIT units		-	-	(156,450)	-
Unrealized gain / loss on equity investments		-	-	(57,005)	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE HALF YEAR</b>		<b>(2,044,967)</b>	<b>(1,767,331)</b>	<b>(4,184,607)</b>	<b>(4,467,235)</b>
Loss per share		(0.13)	(0.11)	(0.26)	(0.28)

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

  
 Chief Executive

  
 Director

  
 Chief Financial Officer

**PROGRESSIVE INSURANCE COMPANY LIMITED**  
**Condensed Interim Statement of Changes in Equity (unaudited)**  
**For the Half Year Ended June 30, 2022**

Particulars	(all amounts in PKR)					
	Share Capital	Reserves		Loan from Director	Accumulated Profit / (Loss)	Total
	Issued, Subscribed and Paid-up Capital	Unrealized Gain/ Loss Investment Available for Sale	Total Reserves			
Balance as at December 31, 2020	161,500,000	1,897,206	1,897,206	8,846,781	(49,914,076)	122,329,911
Loss for the year	-	-	-	-	(9,487,342)	(9,487,342)
Additional loan from director	-	-	-	6,031,399	-	6,031,399
Unrealized loss on available for Sale investments	-	(73,420)	(73,420)	-	-	(73,420)
<b>Balance as at December 31, 2021</b>	<b>161,500,000</b>	<b>1,823,786</b>	<b>1,823,786</b>	<b>14,878,180</b>	<b>(59,401,418)</b>	<b>118,800,548</b>
Loss for the period	-	-	-	-	(3,971,152)	(3,971,152)
Additional loan from director	-	-	-	4,094,275	-	4,094,275
Unrealized loss on NIT units	-	(156,450)	(156,450)	-	-	(156,450)
Unrealized loss on equity investments	-	(57,005)	(57,005)	-	-	(57,005)
<b>Balance as at June 30, 2022</b>	<b>161,500,000</b>	<b>1,610,332</b>	<b>1,610,332</b>	<b>18,972,455</b>	<b>(63,372,570)</b>	<b>118,710,217</b>

*Summa*

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

  
 Chief Executive

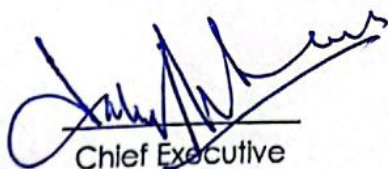
  
 Director

  
 Chief Financial Officer

**PROGRESSIVE INSURANCE COMPANY LIMITED**  
**Condensed Interim Statement of Cash Flows (unaudited)**  
**For the Half Year Ended June 30, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES	30 Jun 2022	30 Jun 2021
	Un-Audited	Un-Audited
	(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>	<b>-</b>
<b>(b) Other operating activities</b>		
Income tax paid	-	(6,505)
General management expenses paid	(3,883,219)	(4,958,469)
Other operating payment	(263,310)	(188,544)
Finance cost	(1,130)	-
<b>Total Cash Flow utilized in Operating Activities</b>	<b>(4,147,659)</b>	<b>(5,153,518)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Profit / return received	37	775
Dividend received	5,100	33,181
Proceeds from non current asset held for sale	-	3,100,000
Fixed capital expenditure	-	(92,400)
Proceed from investments	23,310	1,523,568
Payment for investments	-	(2,141,469)
<b>Total cash flow generated from investing activities</b>	<b>28,447</b>	<b>2,423,655</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loans received	4,094,275	3,723,677
<b>Total cash flow generated from financing activities</b>	<b>4,094,275</b>	<b>3,723,677</b>
Net cash (used in) / generated from all activities	(24,937)	993,814
<b>Cash and cash equivalents at the beginning of the half year</b>	<b>299,955</b>	<b>623,842</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE HALF YEAR</b>	<b>275,018</b>	<b>1,617,656</b>

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

  
 Chief Executive

  
 Director

  
 Chief Financial Officer

# PROGRESSIVE INSURANCE COMPANY LIMITED


## Reconciliation to Profit or Loss Account

For the Half Year Ended June 30, 2022

	30 Jun 2022	30 Jun 2021
	Un-Audited	Un-Audited
(Amounts in PKR)		
Operating cash flows	(4,147,659)	(5,153,518)
Depreciation expense	(20,250)	(22,219)
Gain / loss on disposal of shares	9,310	(5,709)
Increase in assets other than cash	263,310	188,965
Increase in liabilities other than running finance	(81,000)	120,788
Markup on deposits	37	775
Dividend Income	5,100	33,181
<b>LOSS AFTER TAXATION</b>	<b>(3,971,152)</b>	<b>(4,837,737)</b>

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

*Sumo*

  
Chief Executive

  
Director

  
Chief Financial Officer

# PROGRESSIVE INSURANCE COMPANY LIMITED

## Notes to the Condensed Interim Financial Statements (unaudited)

For the Half Year Ended June 30, 2022

Note	
1	<b>THE COMPANY AND IT'S OPERATIONS</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 Company is engaged in providing 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>
2	<b>GOING CONCERN ISSUE</b>
	<p>The Company cannot undertake any new insurance business as the Company does not meet the minimum paid-up capital required of Rs. 500 million net off any discount offered on issue of shares as required under clause 11 of the Insurance Rule 2017. As a result of this, the insurance license of the Company has been suspended, many years ago.</p> <p>Further, the trading of shares of the Company was 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.</p> <p>The Company has not generated any revenue and is reporting recurring losses and the loss for the half year ended on June 30, 2022, amounted to Rs. 2.909 million (Jun 2021: Rs. 4.467 million).</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 increase its paid-up capital up to the requirements of the Insurance Rules up to Rs. 500 million, and is in the process of complying with all of the PSX regulations and is actively pursuing obtaining necessary approvals from relevant authorities for removal of its shares from the default counter of the PSX, so that, the process of issuance of the right shares would be initiated to meet the paid-up capital requirement. The Company has also filed a petition in November 2019 in the High Court of Sindh, against the SECP to issue a directive to put the Company's shares on the active trading counter, so that the process of issuing of right shares could be initiated. The Directors of the Company have also agreed to provide interest-free funds to finance the working capital requirements of the Company as and when needed.</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 condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting, those comprise of:</p> <ul style="list-style-type: none"><li>- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and</li><li>- Provisions of and directives issued under the Companies Act, 2017 and the Insurance Ordinance, 2000, the Insurance Rules, 2017 and the Insurance Accounting Regulations, 2017;</li><li>- In case requirement differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, Insurance Rules, 2017 shall prevail.</li></ul> <p>These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended December 31, 2021.</p>



# PROGRESSIVE INSURANCE COMPANY LIMITED

## Notes to the Condensed Interim Financial Statements (unaudited)

For the Half Year Ended June 30, 2022

<b>3.1</b>	<b>Basis of measurement</b>
	The condensed interim financial statements have been prepared under the historical cost bases except for the available-for-sale investments that have been measured at fair value.
<b>3.2</b>	<b>Functional and presentation currency</b>
	These condensed interim financial statements have been prepared and presented in Pakistani Rupees, which is the Company's functional and presentation currency.
<b>3.3</b>	<b>Standards, Interpretations and amendments to published approved accounting standards that are effective in the current year</b>
	There are certain new and amended standards and interpretations, that are mandatory for the Company's accounting periods beginning on or after January 1, 2022, but are considered not to be relevant or to have any significant effect on the Company's operations and therefore, are not disclosed in these notes to the condensed interim financial statements.
<b>3.4</b>	<b>Standards, Interpretations and amendments to published approved accounting standards that are not yet effective:</b>
	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, 2022 but are considered not to be relevant or do not have any significant effect on the Company's operations and, therefore, are no detail has reflected in these notes to the condensed interim financial statements.
<b>Note</b>	<b>ACCOUNTING ESTIMATES AND JUDGEMENTS</b>
<b>4</b>	
	The preparation of condensed interim financial statements in conformity with approved accounting standards requires management to make judgments, estimates, and assumptions, that affect the application of policies and reported amounts of assets and liabilities, income, and expenses. Actual results may differ from these estimates.
	In preparation for these condensed interim financial statements, the significant judgment made by management in applying the Company's accounting policies and the key sources of estimation, and uncertainty are the same as those that applied to the financial statement as at and for the year ended December 31, 2021.
<b>Note</b>	<b>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b>
<b>5</b>	
	The preparation of these condensed interim financial statements are in conformity with approved accounting standards which require the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.
	In preparing these condensed interim financial statement, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended on December 30, 2021.
<b>Note</b>	<b>MANAGEMENT OF INSURANCE AND FINANCE RISK</b>
<b>6</b>	
	Insurance and financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended December 30, 2021.

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**PROGRESSIVE INSURANCE COMPANY LIMITED**  
**Notes to the Condensed Interim Financial Information**

**For the Half Year Ended June 30, 2022**

Note	PROPERTY AND EQUIPMENTS	JUNE 30, 2022 (Amounts in PKR)										
		COST			DEPRECIATION			Impairment Charged / (Revaluation gain) for the Year	Book Value As at June 30, 2022	Rate %		
Particulars - Owned Assets	As at January 01, 2022	Addition	Disposal	As at June 30, 2022	As at January 01, 2022	Charge for the Year	Elimination on Disposal				As at June 30, 2022	
	Office equipment	1,364,771	-	-	1,364,771	1,162,624	10,107	-	1,172,731	-	192,040	10
	Furniture & fixtures	1,497,096	-	-	1,497,096	1,366,634	6,523	-	1,373,157	-	123,939	10
	Air conditioner	324,860	-	-	324,860	310,866	700	-	311,565	-	13,295	10
	Motor vehicles	2,642,053	-	-	2,642,053	2,622,591	2,919	-	2,625,510	-	16,543	30
	June 30, 2022	5,828,780	-	-	5,828,780	5,462,714	20,250	-	5,482,963	-	345,817	
	December 31, 2021	5,736,380	92,400	-	5,828,780	5,415,196	47,518	-	5,462,714	-	366,066	

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**PROGRESSIVE INSURANCE COMPANY LIMITED**  
**Notes to the Condensed Interim Financial Statements (unaudited)**  
**For the Half Year Ended June 30, 2022**

Note		30 Jun 2022		31 Dec 2021			
8	EQUITY SECURITIES	Un-Audited		Audited			
(Amounts in PKR)							
	<b>Available for sale</b>						
	Quoted - Others (note 8.1)						
	Mutual funds - Nit Units (note 8.2)		146,507		217,512		
	<b>Total Equity Securities</b>		<b>2,274,650</b>		<b>2,431,100</b>		
			<b>2,421,157</b>		<b>2,648,612</b>		
Note	Investee name	Number of Shares/ Unit		Market Value per Share		Total Market Value	
8.1		30-Jun-22	31-Dec-21	30-Jun-22	31-Dec-21	30-Jun-22	31-Dec-21
	Sui Southern Gas Company Limited	297	297	9.06	9.29	2,691	2,759
	SAMBA Bank Ltd	74	74	9.84	12.45	728	921
	Bank of Punjab Limited	1,912	1,700	5.42	8.47	10,363	14,399
	K Electricity Corporation Limited	477	477	3.04	3.44	1,450	1,641
	Suraj Cotton Limited	16	15	215.00	218.00	3,440	3,270
	Orix Modaraba	359	359	16.00	16.00	5,744	5,744
	HBL growth fund - Class A	500	500	5.15	6.70	2,575	3,350
	HBL growth fund - Class B segment	500	500	14.04	-	7,020	-
	DG Khan Cement Limited	375	375	62.50	82.94	23,438	31,103
	Nirala MSR Foods Limited	2,000	2,000	-	12.76	-	25,520
	Ghani Global Limited	150	150	16.51	24.12	2,477	3,618
	Service Fabrics Limited	930	930	8.46	9.91	7,868	9,216
	Silk Bank Limited	173	173	1.18	1.45	204	251
	Saudi Pak Leasing Company Limited	2,000	2,000	-	1.89	-	3,780
	First Dawood Investment Bank	-	7,000	-	2.00	-	14,000
	Treet Corporaton Limited	1,000	1,000	29.18	41.69	29,180	41,690
	Escort Investment Bank	4,000	4,000	6.69	9.23	26,760	36,920
	Engro Power Gen Qadirpur	1,000	1,000	22.57	19.33	22,570	19,330
	<b>Quoted - Others</b>	<b>15,763</b>	<b>22,550</b>			<b>146,507</b>	<b>217,512</b>
Note	Mutual Funds	Number of Shares per unit		Market Value of Shares		Market value	
8.2		Jun' 2022	Dec' 2021	Jun' 2022	Dec' 2021	Jun' 2022	Dec' 2021
	NIT Units	35,000	35,000	64.99	69.46	2,274,650	2,431,100
	<b>Mutual Funds</b>	<b>35,000</b>	<b>35,000</b>			<b>2,274,650</b>	<b>2,431,100</b>
Note	TERM DEPOSITS	30 Jun 2022		31 Dec 2021			
9		Un-Audited		Audited			
(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>1,250,000</b>		<b>1,250,000</b>		
Note	The term deposits carry markup at rates ranging from 4% - 6%.						
9.1							

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**PROGRESSIVE INSURANCE COMPANY LIMITED**  
**Notes to the Condensed Interim Financial Statements (unaudited)**  
**For the Half Year Ended June 30, 2022**

Note	ADVANCES AND OTHER RECEIVABLES	30 Jun 2022	31 Dec 2021
		Un-Audited	Audited
10		(Amounts in PKR)	
	Advances	240,000	-
	Other receivables (note 10.2)	5,303,165	5,279,855
	<b>Total Advances and other receivables</b>	<b>5,543,165</b>	<b>5,279,855</b>
Note 10.1	This includes an amount of Rs. 5.272 million (Dec 2021: 5.272) given as advance against the purchase of a property. However, the deal did not materialize and the refund amount is outstanding.		
11	CASH AND BANK BALANCES		
	Cash in hand	29,898	29,898
	Cash at bank - Current account	245,120	270,057
	<b>Total Cash and bank balance</b>	<b>275,018</b>	<b>299,955</b>
12	NON CURRENT ASSETS HELF FOR SALE		
	The Company has entered into an agreement for the sale of its property measuring 999 acres situated at Mirpur Sakro, Thatta with an individual party, Mr. Ghulam Nabi Gandro for total consideration of Rs. 120 million. The carrying value of the said property is Rs. 111.5 million. The company has received an advance amount of 3.1 million and as per the agreement, the remaining amount will be received over 2 years period.		
13	ISSUED, SUBSCRIBED AND PAID -UP CAPITAL		
	5,000,000 ordinary shares of Rs. 10 each fully paid in cash	50,000,000	50,000,000
	11,150,000 ordinary shares of Rs. 10 each fully paid in kind	111,500,000	111,500,000
	<b>Total issued, subscribed and paid -up capital</b>	<b>161,500,000</b>	<b>161,500,000</b>
14	LOAN FROM DIRECTOR		
	Unsecured and interest free loan	14.1 18,972,455	14,878,180
	<b>Total Loan from Director</b>	<b>18,972,455</b>	<b>14,878,180</b>
Note 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, there was no contractual obligation with the Company to pay back this amount hence it is treated as a part of equity.  However, subject to approval from SECP, the company intends to settle this loan via share transfer to Mr. S. Sabur Rehman.		
15	CONTINGENCIES AND COMMITMENTS		
	Except as disclosed in Note 2 to the financial statements, there were no other contingencies and commitments as at June 30, 2022 (December 31, 2021: Nil).		

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**PROGRESSIVE INSURANCE COMPANY LIMITED**  
**Notes to the Condensed Interim Financial Statements (unaudited)**  
**For the Half Year Ended June 30, 2022**

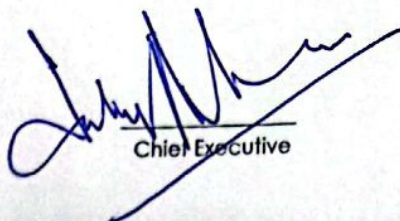
Note	INVESTMENT INCOME / LOSS	Quarter ended (Unaudited)		Half year ended (Unaudited)	
		30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
16		(Amounts in PKR)			
	Dividend Income on securities available for sale investment	-	33,181	5,100	33,181
	Capital loss/ gain on sale of securities	-	43,392	9,310	(5,709)
	Profit on deposits	-	-	37	775
	<b>Total Investment Income / loss</b>	<b>-</b>	<b>76,573</b>	<b>14,447</b>	<b>28,247</b>
Note 17	<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>				
	Salaries	547,900	414,000	1,197,800	1,239,040
	Rent expense	-	223,150	-	485,095
	Postage an courier	-	-	1,094	-
	Fees and subscriptions	-	137,000	-	247,000
	Electricity	80,875	52,717	124,648	120,990
	Auditors' remuneration	81,000	-	81,000	48,600
	Depreciation	10,125	13,108	20,250	22,219
	Communication	-	35,220	-	38,918
	Conveyance	10,000	-	23,500	-
	Repair and maintenance	121,130	294,716	280,040	787,000
	Legal and professional charges	367,622	530,500	1,092,622	1,065,604
	Printing and stationery	1,540	-	7,340	6,160
	Entertainment	86,307	40,422	153,376	87,360
	Travelling	489,769	155,718	569,762	275,202
	Fuel	119,824	-	241,227	61,460
	Internet charges	14,775	-	14,775	-
	Miscellaneous	114,100	268,431	177,035	375,252
	<b>Total General and administrative expenses</b>	<b>2,044,967</b>	<b>2,164,982</b>	<b>3,984,469</b>	<b>4,859,900</b>
Note 18	<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.				
Note 19	<b>RELATED PARTY TRANSACTIONS</b>				
	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. During the half year ended on June 30, 2022, there were no related party transactions, except as disclosed below.				
Note 19.1	<b>Transactions During the Half Year</b>		<b>30 Jun 2022</b>	<b>31 Dec 2021</b>	
	Name of related party	Relationship			
	<b>Mr. S. Sabur Rehman</b>	Chief Executive Officer			
	Loan received		4,341,417		6,031,399
	Loan repaid		(247,142)		-
Note 19.2	<b>Balances at the Half Year Ended</b>				
	Name of related party	Relationship			
	<b>Mr. S. Sabur Rehman</b>	Chief Executive Officer			
	Loan from Director		18,972,455		14,878,180
Note 20	<b>FAIR VALUE OF MEASUREMENT OF FINANCIAL INSTRUMENTS</b>				
	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.				
	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.				
	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.				
	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:				
	- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);				
	- 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				
	- Inputs for assets or liabilities that are not based on observable market data (i.e. unadjusted) inputs (Level 3).				
	Transfer between levels of the fair value hierarchy is recognized at the end of the reporting period during which the changes have occurred.				

**PROGRESSIVE INSURANCE COMPANY LIMITED**  
**Notes to the Condensed Interim Financial Statements (unaudited)**  
**For the Half Year Ended June 30, 2022**

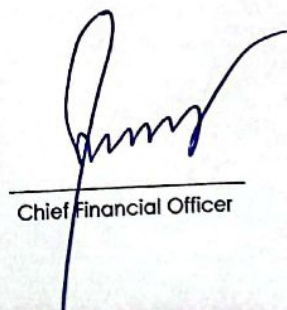
Note	SEGMENT REPORTING	For the half year ended				
		30 Jun 2022				
21		Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Aggregate
(Amounts in PKR)						
<b>Premium</b>						
	Gross premium written (inclusive of surcharge)	-	-	-	-	-
	<b>Gross insurance premium</b>	-	-	-	-	-
	Insurance premium earned	-	-	-	-	-
	Insurance premium ceded to reinsurers	-	-	-	-	-
	<b>Net insurance premium</b>	-	-	-	-	-
	Commission income	-	-	-	-	-
	<b>Net underwriting income</b>	-	-	-	-	-
<b>Claims and expenses</b>						
	Insurance claims	-	-	-	-	-
	Insurance claims recovered from reinsurers	-	-	-	-	-
	<b>Net claims</b>	-	-	-	-	-
	Commission expense	-	-	-	-	-
	Management expense	-	-	-	-	-
	<b>Net insurance claims and expenses</b>	-	-	-	-	-
	<b>Underwriting results</b>	-	-	-	-	-
	Net investment income					14,447
	General and administrative expenses					(3,984,469)
	<b>Result of operating activities</b>					<b>(3,970,022)</b>
	Banking charges					(1,130)
	<b>Loss before tax</b>					<b>(3,971,152)</b>
SEGMENT INFORMATION		For the half year ended				
		30 Jun 2021				
		Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Agregate
(Amounts in PKR)						
<b>Premium</b>						
	Gross premium written (inclusive of surcharge)	-	-	-	-	-
	<b>Gross insurance premium</b>	-	-	-	-	-
	Insurance premium earned	-	-	-	-	-
	Insurance premium ceded to reinsurers	-	-	-	-	-
	<b>Net insurance premium</b>	-	-	-	-	-
	Commission income	-	-	-	-	-
	<b>Net underwriting income</b>	-	-	-	-	-
<b>Claims and expenses</b>						
	Insurance claims	-	-	-	-	-
	Insurance claims recovered from reinsurers	-	-	-	-	-
	<b>Net claims</b>	-	-	-	-	-
	Commission expense	-	-	-	-	-
	Management expense	-	-	-	-	-
	<b>Net insurance claims and expenses</b>	-	-	-	-	-
	<b>Underwriting results</b>	-	-	-	-	-
	Net investment income					28,247
	General and administrative expenses					(4,859,900)
	<b>Result of operating activities</b>					<b>(4,831,653)</b>
	Banking charges					(6,084)
	<b>Loss before tax</b>					<b>(4,837,737)</b>

**PROGRESSIVE INSURANCE COMPANY LIMITED**  
**Notes to the Condensed Interim Financial Statements (unaudited)**  
**For the Half Year Ended June 30, 2022**

Note 22	<b>NUMBER OF EMPLOYEES</b>
	The total number of employees as on June 30, 2022, is 9 (December 31, 2021: 8). The average number of employees during the year is 9 (December 31, 2021: 8).
Note 23	<b>CORRESPONDING FIGURES</b>
	Corresponding figures have been re-arranged or reclassified wherever necessary for better presentation and disclosure. There is no material reclassification to report.
Note 24	<b>GENERAL</b>
	Figures have been rounded off to the nearest of a Pakistani Rupee.
Note 25	<b>DATE OF AUTHORISATION FOR ISSUE</b>
	These financial statements have been authorized for issue by the Board of Directors meeting held on <b>10 OCT 2022</b>

  
Chief Executive

  
Director

  
Chief Financial Officer