



PGI

**The Pakistan General
Insurance Company Limited**

**Half Yearly Report
For the Period Ended
June 30, 2021**



Company Information

Board of Directors

Ch. Mazhar Zahoor
Mrs. Nasira Raees
Mr. Muhammad Haroon
Mr. Sajid Rabbani
Ch. Habibiullah
Mr. Malik Ejaz Nazir
Mr. Shehroz Qammar

Chief Executive Officer

Ch. Mazhar Zahoor

Company Secretary

Ch. Mohsin Ali

Audit Committee

Malik Ejaz Nazir
Muhammad Haroon
Ch. Habibullah

Investment committee

Muhammad Haroon
Malik Ejaz Nazir
Ch. Habibullah
Ch. Mazhar Zahoor
Javed Iqbal Khan

Human Resource Committee

Malik Ejaz Nazir
Nasira Raees
Ch. Habibullah

Underwriting Committee

Ch. Mazhar Zahoor
Zahid Iqbal Zia
M. Tariq

Claims Committee

Nasira Raees
Siddiq Sabir
Zaheer Ahmed

Reinsurance and Coinsurance Committee

Ch. Habibullah
Aftab Ahmad
Tariq Gorski

Legal Advisors

Mr. Ahmad Ali Ranjha (Advocate High Court)

Auditors

Sarwars
Chartered Accountants

Tax Consultants

Kamran & Co.
Chartered Accountants

Share Registrar

Corplink (Private) Limited

Head Administration

Waseem Ahmad Khan Lodhi

Registered and Head Office

PGI House, 5-A Bank Square
The Mall Lahore

Contacts

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Directors' Review Report to the Shareholders

The Board of Directors of "The Pakistan General Insurance Company Limited" ("the Company") is pleased to present the unaudited but reviewed (limited) condensed interim financial statements for the half year ended June 30, 2021.

The comparative analysis of the quarterly results at a glance is as under –

	Jun 30 / 2021 Rupees	Jun 30 / 2020 Rupees	Increase / (Decrease) Rupees	% age
Underwriting				
Net premiums revenue	-	-	-	0.00%
Underwriting results	(15,030,304)	(20,324,225)	5,293,921	-26.05%
Investments				
In properties	244,346,039	262,470,436	(18,124,397)	-6.91%
Investment income	1,437,372	2,262,419	(825,047)	-36.47%
Profitability / Equity				
Share capital	464,014,500	464,014,500	-	0.00%
Underwriting losses	(15,030,304)	(20,324,225)	5,293,921	-26.05%
(Loss) before tax	(13,942,281)	(10,160,078)	(3,782,203)	37.23%

Securities and Exchange Commission of Pakistan (SECP) has passed an order dated June 07, 2017 under section 11(1) (f) and section 12(1) and (4) read with section 63 (1) and section 156 of the Insurance Ordinance, 2000. The Company had filled a writ petition with the Honorable Lahore High Court which is pending adjudication. The legal counsel the Company is of the view that there is every likelihood that the case will be settled in favour of the Company.

The Company is conscious of the challenges which are being faced by the economy due to spiraling inflation and rising energy crises have crippled the already affected economy of the country. We are striving hard to sustain our performance under these circumstances. We also hope that the macro economic challenges will be addressed soon to enable conducive environment for the growth of industry.

For and on behalf of the Board



Chairperson

Lahore.
August 30, 2021

دی پاکستان جنرل انشورنس کمپنی لمیٹڈ کے ڈائریکٹرز کمپنی کے 6 ماہ کے غیر اڈٹ شدہ مالیاتی حساب 30 جون 2021 پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔


6 ماہ کے نتائج کا تقابلی جائزہ درج ذیل ہے۔

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Underwriting				
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انشورنس آرڈیننس 2000 کے تحت آئی سی سی پی نے نے ایک آرڈر ایشو کیا ہے جس کے خلاف کمپنی نے نظرثانی کی درخواست واہر کر رکھی ہے معاملہ ابھی زیر التوا ہے تاہم قانونی ٹیم کی رائے حاصل کرنے کے بعد بادی النظر میں مینیجمنٹ سمجھتی ہے کہ معاملے کا حتمی فیصلہ کمپنی کے حق میں جاری ہوگا

کمپنی ان چیلنجز سے بخوبی آگاہ ہے جو کہ معیشت کو درپیش ہیں افرات زر اور توانائی کے بڑھتے ہوئے بحران کی صورت میں ملکی معیشت کو پہلے ہی متاثر کر چکے ہیں ہم امید رکھتے ہیں کہ مائیکرو اور معاشی چیلنجز پر مستقبل قریب میں قابو پا لیا جائے گا جس سے انڈسٹری کی پیداوار کے لیے حوصلہ افزاء صورتحال پیدا ہو جائے گی۔

بورڈ آف ڈائریکٹرز کی جانب سے


چیئرمین

لاہور 30 اگست 2021

INDEPENDENT AUDITOR’S REVIEW REPORT

To the members of the Pakistan General Insurance Company

Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of the Pakistan General Insurance Company Limited (the Company) as at June 30, 2021 and the related condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the “interim financial statements”). Management is responsible for the preparation and presentation of this 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 financial statements based on our review. The figures for the condensed interim statement of profit or loss and other comprehensive income for the quarters ended June 30, 2021 and June 30, 2020 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2021.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of 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.

Basis for Adverse Conclusion

- a) Securities and Exchange Commission of Pakistan (SECP) vide its order dated June 07, 2017 under section 11(1) (f) and section 12(1) and (4) read with section 63 (1) and section 156 of the Insurance Ordinance, 2000, restricted the Company from entering into new contracts of insurance after July 07, 2017 and the Company is placed in defaulter segment at the Pakistan stock exchange. The Company is recurring losses and it has also not met the minimum paid up capital and minimum solvency requirements of Insurance Ordinance, 2000 and Insurance Rules, 2017. These conditions indicate existence of material uncertainty that may cast significant doubt on the Company's ability to continue as going concern and therefore the Company may not be able to realize its assets and discharge its liabilities in the normal course of business. These conditions lead us to believe that the management’s use of going concern assumption is inappropriate and consequently the asset and liabilities should have been stated at their realizable values respectively.
- b) National Accountability Bureau (NAB) accused Ch. Zahoor Ahmed (Ex CEO and Chairman) to cause loss to Pakistan Reinsurance Company Limited (PRCL) to the tune of Rs. 86.2 million, by way of 87 bogus reinsurance claims and has gained illegal pecuniary advantage by receiving the amounts against the said bogus claims. NAB through its order ACR NO. 95/PB/2017 dated December 13,

|The Pakistan General Insurance Company Limited

2017 granted approval of plea bargain of Rs. 86.2 million to Ch. Zahoor Ahmed and also disqualified him for a period of 10 years, to be reckoned from the date he discharges his liability to the matter and transaction in issue, for seeking or from being elected, chosen, appointed or nominated as a member or representative of any public body or any statutory or local authority in Pakistan or in service of Pakistan or any province. However, the said liability of Rs. 86.2 million was paid from the business account of the Company and the Company has not booked this amount as receivable from Ch. Zahoor Ahmed. Had the Company not paid this amount from the business account of the Company or booked it as receivable from Ch. Zahoor Ahmed, accumulated loss and cash and bank balances of the Company as at June 30, 2021 and prior years would have been lower and higher by Rs. 86.2 million respectively.

- c) The amount due from insurance contract holders as disclosed in note 12 to the interim financial statements, amounting to Rs. 97.79 million (2020: Rs. 100.40 million) remains unconfirmed. The Company has claimed recovery of Rs. 2.61 million during the period and booked commission expense of Rs. 0.97 million against these recoveries as disclosed in note 23 to the interim financial statements. In the absence of relevant documentation and supporting records, resultant adjustments and consequential impact thereof, if any, on the interim financial statements remains unascertained.
- d) The insurers / reinsurers payables as disclosed in Note 17 to the interim Financial Statements include Rs. 29.2 million (2020: 29.2 million) payable to Pakistan Reinsurance Company Limited (PRCL) which remain unconfirmed. The Company is in process of reconciling these balances with PRCL. In the absence of relevant documentation and supporting records, resultant adjustments and consequential impact thereof, if any, on the interim financial statements remains unascertained.

Adverse Conclusion

Our review indicates that, because of the significance of the effects of the matters as described in paragraphs (a) to (d) of the “Basis for Adverse Conclusion” section of our report, this interim financial information does not give a true and fair view of the financial position of the Company as at June 30, 2021, and of its financial performance and its cash flows for the six-month period then ended in accordance with the accounting and financial reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures of the condensed interim financial information for the three months period ended June 30, 2021 have not been reviewed as we are required to review only cumulative figures for the six-months period ended June 30, 2021.

The financial statements of the company for the year ended December 31, 2020 and six-months ended June 30, 2020 were audited and reviewed respectively by another auditor whose reports dated March 31, 2021 and August 28, 2020, expressed adverse opinion / conclusion on those statements.

The engagement partner on the review resulting in this independent auditor’s review report is Mr. Rashid Sarwar (FCA).

-sd-

Chartered Accountants

Place: Lahore

Date: August 30, 2021

|The Pakistan General Insurance Company Limited

The Pakistan General Insurance Company Limited
Condensed Interim Statement of Financial Position
As at June 30, 2021

		June 30, 2021 Un - audited	Dec. 31, 2020 Audited
	NoteRupees.....	
ASSETS			
Property and equipment	6	94,039,437	95,778,364
Investment property	7	244,346,039	251,906,598
Investments			
- Equity securities	8	996,570	1,134,318
- Debt securities	9	44,990,395	44,990,395
- Term deposits	10	-	2,500,000
Loans and other receivables	11	6,336,645	6,871,163
Insurance / reinsurance receivables	12	97,788,006	100,395,257
Taxation - provision less payments	19	1,348,390	1,036,005
Cash and bank	13	2,837,539	2,907,551
Total assets		492,683,021	507,519,651
EQUITY AND LIABILITIES			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital	14	464,014,500	464,014,500
Reserves	15	51,375,016	51,495,030
Accumulated loss		(100,143,111)	(86,209,452)
Total Equity		415,246,405	429,300,078
Surplus on revaluation of fixed assets	16	5,403,128	5,411,750
Liabilities			
Underwriting provisions			
- Outstanding claims including IBNR		-	-
Deferred taxation		-	-
Insurance / reinsurance payables	17	42,712,699	42,712,699
Other creditors and accruals	18	29,320,789	30,095,124
		72,033,488	72,807,823
Total equity and liabilities		492,683,021	507,519,651
Contingencies and commitments	20		


The annexed notes from 1 to 33 form an integral part of these condensed interim financial statements.




Chairman



Director



Director



Chief Executive Officer



Chief Financial Officer

The Pakistan General Insurance Company Limited
Condensed Interim Statement of Comprehensive Income [Un-Audited]
For the Six Months Period Ended June 30, 2021

	Note	For three months period ended		For six months period ended	
		June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Rupees					
Net insurance premium	21	-	-	-	-
Net insurance claims	22	-	-	-	-
Net commission and other acquisition costs	23	(412,192)	(560,301)	(973,877)	(2,070,665)
Insurance claims and acquisition expenses		(412,192)	(560,301)	(973,877)	(2,070,665)
Management expenses		(7,391,049)	(8,594,628)	(14,056,427)	(18,253,560)
Underwriting results		(7,803,241)	(9,154,929)	(15,030,304)	(20,324,225)
Investment income	24	835,765	1,400,294	1,437,372	2,262,419
Rental income		502,050	760,230	1,004,100	1,520,460
Other income	25	872,956	515,579	3,671,129	13,981,725
Other expenses		(2,967,135)	(2,179,612)	(5,000,769)	(7,567,416)
		(756,364)	496,491	1,111,832	10,197,188
Results of operating activities		(8,559,605)	(8,658,438)	(13,918,472)	(10,127,037)
Finance cost	26	(20,023)	(12,672)	(23,809)	(33,041)
Loss before tax		(8,579,628)	(8,671,110)	(13,942,281)	(10,160,078)
Income tax expenses	27	-	-	-	-
Loss after tax		(8,579,628)	(8,671,110)	(13,942,281)	(10,160,078)
Other comprehensive income:					
Items that may be reclassified subsequently to profit and loss:					
Unrealized loss on available-for-sale investments - net of deferred tax		(60,007)	(265,294)	(120,014)	(530,588)
Other comprehensive loss for the year		(60,007)	(265,294)	(120,014)	(530,588)
Total comprehensive loss for the period		(8,639,635)	(8,936,404)	(14,062,295)	(10,690,666)
Losses per share	28	(0.18)	(0.19)	(0.30)	(0.22)

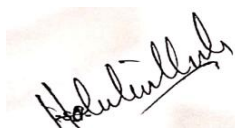
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Chairman



Director



Director



Chief Executive Officer



Chief Financial Officer

The Pakistan General Insurance Company Limited
Condensed Interim Statement of Changes in Equity [Un-Audited]
For the Six Months Period Ended June 30, 2021

	Attributable to equity holders of the Company				Total Equity
	Share Capital	General reserves	Unrealized gains / (losses) on revaluation of available for sale investments - net	Accumulated loss	
	Revenue reserves				
	----- Rupees -----				
Balance as at January 01, 2020 [Audited]	464,014,500	50,985,500	997,217	(45,240,335)	470,756,882
Loss after tax for the six months period ended June 30, 2020	-	-	-	(10,160,078)	(10,160,078)
Other comprehensive income for the period	-	-	(530,588)	-	(530,588)
Total comprehensive loss for the period	-	-	(530,588)	(10,160,078)	(10,690,666)
Transfer from surplus on revaluation of fixed assets: - on incremental depreciation on fixed assets - net of tax	-	-	-	54,373	54,373
Balance as at June 30, 2020 [Un- Audited]	<u>464,014,500</u>	<u>50,985,500</u>	<u>466,629</u>	<u>(55,346,040)</u>	<u>460,120,589</u>
Balance as at January 01, 2021 [Audited]	464,014,500	50,985,500	509,530	(86,209,452)	429,300,078
Loss after tax for the six months period ended June 30, 2021	-	-	-	(13,942,281)	(13,942,281)
Other comprehensive income for the year	-	-	(120,014)	-	(120,014)
Total comprehensive income for the period	-	-	(120,014)	(13,942,281)	(14,062,295)
Transfer from surplus on revaluation of fixed assets: - on incremental depreciation on fixed assets - net of tax	-	-	-	8,622	8,622
Balance as at June 30, 2021 [Un-Audited]	<u>464,014,500</u>	<u>50,985,500</u>	<u>389,516</u>	<u>(100,143,111)</u>	<u>415,246,405</u>

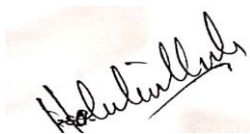
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Chairman



Director



Director



Chief Executive Officer



Chief Financial Officer

The Pakistan General Insurance Company Limited
Condensed Interim Statement of Cash Flows [Un-Audited]
For the Six Months Period Ended June 30, 2021

	For six months period ended	
	June 30, 2021	June 30, 2020
	-----Rupees-----	
Operating cash flows		
a) Underwriting activities		
Insurance premiums received	2,607,251	10,626,960
Commission paid	(973,878)	(2,070,666)
General and management expenses paid	(9,763,203)	(14,080,236)
Net cash flow from underwriting activities	(8,129,830)	(5,523,942)
b) Other operating activities		
Income tax paid	(312,385)	(308,031)
Other operating payments	(103,400)	(129,926)
Net cash flow from other operating activities	(415,785)	(437,957)
Total cash flow from all operating activities	(8,545,615)	(5,961,899)
Investing activities		
Profit / return received	2,021,612	2,262,419
Rentals received	1,004,100	1,520,460
Proceeds from disposal of investments - Term Deposits	2,500,000	-
Proceeds from disposal of investments - Available for sale	50,000	-
Proceeds from disposal of assets	6,540,000	3,648,000
Fixed capital expenditure	(3,567,300)	(5,640,100)
Total cash (out) flow from investing activities	8,548,412	1,790,779
Financing activities		
Finance cost paid	(23,809)	(33,041)
Loan repayments received - net	(49,000)	519,500
Total cash in / (out) flow from financing activities	(72,809)	486,459
Net cash flow from all activities	(70,012)	(3,684,661)
Cash and cash equivalents at beginning of year	2,907,551	6,378,619
Cash and cash equivalents at end of year	2,837,539	2,693,958
Reconciliation to profit and loss account		
Operating cash flows	(8,545,615)	(5,961,899)
Depreciation expense	(9,964,887)	(10,527,558)
Bad debts	-	(1,534,478)
Finance cost	(23,809)	(33,041)
Investment income	1,437,372	2,262,419
Rental income	1,004,100	1,520,460
Other income	3,671,129	13,981,725
Decrease in assets other than cash	(2,607,291)	(10,626,960)
Decrease / (Increase) in liabilities other than borrowings	1,086,720	759,254
Profit after taxation	(13,942,281)	(10,160,078)

Note

13
13

The annexed notes from 1 to 33 form an integral part of these condensed interim financial statements.


Chairman


Director


Director


Chief Executive Officer


Chief Financial Officer

1 Status and nature of operations

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

2 Basis of preparation and statement of compliance

These condensed interim financial statements have been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting and the requirements of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and the directives issued by SECP. Wherever the requirements of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of the standard, the requirements of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and the requirements of the said directives take precedence.

These condensed interim financial statements does not include all the information and disclosures required in the complete set of financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2020. Comparative figures for condensed interim statement of financial position are stated from annual audited financial statements of the Company for the year ended December 31, 2020, whereas comparatives for condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement and related notes are extracted from condensed interim financial information of the Company for the six months ended 30 June 2020.

2.1 Basis of measurement

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

2.2 Functional and presentation currency

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

2.3 Standards, amendments or interpretations

The new and revised relevant IFRSs effective in the current period had no significant impact on the amounts reported and disclosures in these condensed interim financial information except the following :

IFRS 16

The Company has adopted IFRS 16 'Leases', issued in January 2016, with the date of initial application on January 01, 2019. IFRS 16 introduces significant changes to lessee accounting. It removes the distinction between operating and finance leases under IAS 17 and requires a lessee to recognize a right-of-use asset and a lease liability at lease commencement for all leases, except for short term leases and leases of low value assets.

The Company has elected to apply the expedient allowed by IFRS 16 on its general requirements to short-term leases (i.e. one that does not include a purchase option and has a lease term at commencement date of 12 months or less) and leases of low value assets. The Company recognizes the lease payments associated with those leases as an expense on a straight-line basis over the lease term or another systematic basis if that basis is representative of the pattern of the lessee's benefits, similar to the current accounting for operating leases.

The Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated. The adoption of IFRS 16 does not have any impact on these condensed interim financial statements.

IFRS 9

The amendments introduce two approaches for entities that apply IFRS 4 to reduce the impact of deferring effective dates with IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments: an overlay approach and a temporary exemption from applying IFRS 9. The Company has adopted for a temporary exemption from application of IFRS 9.

The effective date of the amendments permitting the temporary exemption is for annual periods beginning on or after January 01, 2018. The temporary exemption is available for annual reporting periods beginning before January 01, 2022 and will expire once IFRS 17 becomes effective.

Insurance and Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended December 31, 2020.

The Pakistan General Insurance Company Limited
Notes to the Condensed Interim Financial Information [Un-Audited]
For the Six Months Period Ended June 30, 2021

3 Going concern assessment

Securities and Exchange Commission of Pakistan ('SECP') has passed an order dated June 07, 2017 under section 11(1) (f) and section 12(1) and (4) read with section 63 (1) and section 156 of the Insurance Ordinance, 2000, directing the Company to cease entering into new contract of insurance from one month from date of direction. The operations of the Company remain ceased from July 7, 2017. The Company had filed a writ petition against the above order, which is pending adjudication. The legal counsel is of the opinion that there is every likelihood that the decision of the writ petition will be in favour of the Company. In view of the legal counsel opinion, the management is confident that the company shall remain going concern and the direction to cease entering into new contract shall be revoked by SECP.

4 Summary of significant accounting policies

The accounting policies and the methods of computation adopted in the preparation of the condensed interim financial statements as at June 30, 2021 are the same as those adopted in the preparation of the financial statements for the year ended December 31, 2020.

5 Critical accounting estimates and judgments

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements at and for the year ended December 31, 2020.

	Un - audited June 30, 2021	Audited Dec. 31, 2020
	-----Rupees-----	
6 Property and equipment		
Book value at beginning of the period / year	95,778,364	101,809,348
Additions during the period / year	3,567,300	6,045,900
Disposal during the period / year	(3,328,777)	(7,020,000)
Adjustment on disposal	1,722,156	2,717,633
Depreciation charge for the period / year	(3,699,606)	(7,774,517)
Carrying amount at end of the period / year	<u>94,039,437</u>	<u>95,778,364</u>
6.1 Additions during the period / year		
Furniture and fixtures	-	48,500
Office equipment	72,300	347,400
Vehicles	3,495,000	3,950,000
Capital work in progress	-	1,700,000
	<u>3,567,300</u>	<u>6,045,900</u>
7 Investment property		
Book value at beginning of the period / year	251,906,598	267,554,347
Disposal during the period / year	(3,180,527)	(5,280,000)
Adjustment on disposal	1,885,252	2,954,602
Depreciation charge for the period / year	(6,265,284)	(13,322,351)
Carrying amount at end of the period / year	<u>244,346,039</u>	<u>251,906,598</u>
8 Investments - Equity securities		
Available for sale - Investment in quoted equities (carrying value)	<u>996,570</u>	<u>1,134,318</u>
Cost of ordinary shares of quoted companies as at June 30, 2021 is Rs. 199,741 (2020: Rs. 217,475)		
9 Investments - Debt securities		
Held to maturity		
- Pakistan Investment Bonds (PIBs)	<u>44,990,395</u>	<u>44,990,395</u>
10 Investments - Term deposits		
Deposits maturing within 12 months	<u>-</u>	<u>2,500,000</u>

The Pakistan General Insurance Company Limited
Notes to the Condensed Interim Financial Information [Un-Audited]
For the Six Months Period Ended June 30, 2021

			Un - audited June 30, 2021	Audited Dec. 31, 2020
11	Loans and other receivables			
	- Considered good			
	Loans to employees and agents		100,100	51,100
	Security deposits		5,477,649	5,477,649
	Accrued interest		749,687	1,333,927
	Sundry receivables		9,209	8,487
			<u>6,336,645</u>	<u>6,871,163</u>
12	Insurance / reinsurance receivables			
	- Unsecured but considered good			
	Due from insurance contract holders		97,788,006	100,395,257
			<u>97,788,006</u>	<u>100,395,257</u>
13	Cash and bank			
	Cash and cash equivalents			
	- Cash in hand		57,546	54,785
	- Policy and revenue stamps, bond papers		123,300	123,300
			<u>180,846</u>	<u>178,085</u>
	Cash with banks			
	- On current accounts		309,867	382,760
	- On saving accounts		5,319	5,199
	- With State Bank of Pakistan		2,341,507	2,341,507
			<u>2,656,693</u>	<u>2,729,466</u>
			<u>2,837,539</u>	<u>2,907,551</u>
			Un - audited June 30, 2021	Audited Dec. 31, 2020
14	Ordinary share capital			
	14.1 Authorized share capital			
	Ordinary shares of Rs. 10 each	50,000,000	50,000,000	500,000,000
	14.2 Issued, subscribed and paid up capital			
	Ordinary shares of Rs. 10 each			
	- Fully paid in cash	20,000,000	20,000,000	200,000,000
	- Fully paid as bonus shares	26,401,450	26,401,450	264,014,500
		<u>46,401,450</u>	<u>46,401,450</u>	<u>464,014,500</u>
15	Reserves			
	Revenue reserves			
	General reserve		50,985,500	50,985,500
	Revaluation reserve for unrealized (loss) / gain on available-for-sale investments - net		389,516	509,530
			<u>51,375,016</u>	<u>51,495,030</u>
16	Surplus on revaluation of fixed assets			
	Balance at beginning of the period / year		5,411,750	6,233,682
	Less: Realization of surplus on disposal (net of tax)		-	(750,723)
	Less: Incremental depreciation transferred to un-appropriated profit		(8,622)	(71,209)
	Balance at end of the period / year		<u>5,403,128</u>	<u>5,411,750</u>
17	Insurance / reinsurance payables			
	Due to other insurers / reinsurers		42,712,699	42,712,699
18	Other creditors and accruals			
	Government levies and taxes payable		24,495,467	24,670,887
	Accrued expenses		3,615,830	4,286,765
	Payable to employees' provident fund		221,870	149,850
	Unpaid and unclaimed dividend		657,622	657,622
	Others		330,000	330,000
			<u>29,320,789</u>	<u>30,095,124</u>

The Pakistan General Insurance Company Limited
Notes to the Condensed Interim Financial Information [Un-Audited]
For the Six Months Period Ended June 30, 2021

	Un - audited June 30, 2021	Audited Dec. 31, 2020
	-----Rupees-----	
19 Taxation - provision less payments		
Balance at beginning of the period / year	(1,036,005)	(412,865)
Add: Charge for -		
Current year	-	-
Prior period taxation	-	-
Less: Paid / deducted during the period / year	(312,385)	(623,140)
Balance at end of the period / year	<u>(1,348,390)</u>	<u>(1,036,005)</u>

20 Contingencies and commitments

There is no significant change in the status of contingent liabilities and commitments since the end of last annual reporting period December 31, 2020.

	For three months period ended		For six months period ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	-----Rupees-----		-----Rupees-----	
21 Net insurance premium				
Written gross premium	-	-	-	-
Add: Unearned premium reserve opening	-	-	-	-
Less: Unearned premium reserve closing	-	-	-	-
Premium earned	-	-	-	-
Less: Reinsurance premium ceded	-	-	-	-
Add: Prepaid reinsurance premium opening	-	-	-	-
Less: Prepaid reinsurance premium closing	-	-	-	-
Reinsurance expense	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
22 Net insurance claims expense				
Claims paid	-	-	-	-
Add: Outstanding claims including IBNR closing	-	-	-	-
Less: Outstanding claims including IBNR opening	-	-	-	-
Claim expenses	-	-	-	-
Less: Reinsurance and other recoveries revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
23 Net commission and other acquisition costs				
Commission paid or payable	412,192	560,301	973,877	2,070,665
Add: Deferred commission expense opening	-	-	-	-
Less: Deferred commission expense closing	-	-	-	-
Net commission expense	<u>412,192</u>	<u>560,301</u>	<u>973,877</u>	<u>2,070,665</u>
Less: Commission received or recoverable from reinsurer	-	-	-	-
	<u>412,192</u>	<u>560,301</u>	<u>973,877</u>	<u>2,070,665</u>

The Pakistan General Insurance Company Limited
Notes to the Condensed Interim Financial Information [Un-Audited]
For the Six Months Period Ended June 30, 2021

	For three months period ended		For six months period ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	-----Rupees-----		-----Rupees-----	
24 Investment income				
Income from debt securities				
- Income from debt securities and bank placements	835,765	1,400,294	1,437,372	2,262,419
	<u>835,765</u>	<u>1,400,294</u>	<u>1,437,372</u>	<u>2,262,419</u>
25 Other income				
Liabilities no more payable	-	-	-	13,466,146
Gain on sale of fixed assets and investments	872,956	515,579	3,671,129	515,579
	<u>872,956</u>	<u>515,579</u>	<u>3,671,129</u>	<u>13,981,725</u>
26 Finance costs				
Bank charges	20,023	12,672	23,809	33,041
	<u>20,023</u>	<u>12,672</u>	<u>23,809</u>	<u>33,041</u>
27 Taxation				
Current year	-	-	-	-
Prior year	-	-	-	-
Deferred	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
28 Losses per share				

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

	For three months period ended		For six months period ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	-----Rupees-----		-----Rupees-----	
Loss after tax for the period	(8,579,628)	(8,671,110)	(13,942,281)	(10,160,078)
	-----		-----	
	----- Number of Shares -----			
Weighted average number of shares of Rs. 10/- each	46,401,450	46,401,450	46,401,450	46,401,450
	-----Rupees-----		-----Rupees-----	
Loss per share - basic	<u>(0.18)</u>	<u>(0.19)</u>	<u>(0.30)</u>	<u>(0.22)</u>

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

29 Transactions with related parties

The related parties comprise of directors of the company, key management personnel and post employment benefit plans.

	Un - audited June 30, 2021	Un - audited June 30, 2020
	-----Rupees-----	
Remuneration paid to executives, directors and chief executive officer	1,140,750	2,010,904
Contribution paid to provident fund	39,843	53,950

30 Segment Reporting

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

The Pakistan General Insurance Company Limited
Notes to the Condensed Interim Financial Information [Un-Audited]
For the Six Months Period Ended June 30, 2021

31 Fair value of financial instruments

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

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

	Level 1	Level 2	Level 3	Un - audited June 30, 2021	Audited Dec. 31, 2020
	----- Rupees -----				
Available for sale investments	996,570	-	-	996,570	1,622,005
Held to maturity					
- Government securities	-	44,990,395	-	44,990,395	44,737,819
- Term deposits	-	-	-	-	-
	<u>996,570</u>	<u>44,990,395</u>	<u>-</u>	<u>45,986,965</u>	<u>46,359,824</u>

32 Corresponding figures

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

33 Date of authorization of issue

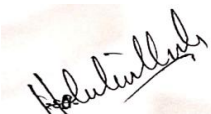
This condensed interim financial information have been approved by the Board of Directors of the Company and authorized for issue on August 30, 2021.



Chairman



Director



Director



Chief Executive Officer



Chief Financial Officer

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