

**THE PAKISTAN GENRAL INSURANCE COMPANY LIMITED**

**Condensed Interim Financial Statements  
For the Nine Months Period Ended  
September 30, 2023**



# The Pakistan General Insurance Company Limited

(Incorporated in 1947)

## Company Information

### Board of Directors

Mr. Abdul Hasseb Fakih  
Mrs. Nasira Raees  
Mr. Sajid Rabbani  
Mr. Aftab Ahmad  
Mr. Abrar Ahmad Cheema  
Mr. Mohammad Asad Jaweed

Chief Executive Officer  
Mr. Abdul Hasseb Fakih

Executive Director  
Ch. Mazhar Zahoor

Company Secretary  
Syed Ali Naqi

Legal Advisors  
Naqvi & Co. Advocates & Corporate Consultants

Auditors  
Mushtaq & Co.  
Chartered Accountants

Tax & Corporate Consultants  
KPMG Taseer Hadi & Co.  
Chartered Accountants

Share Registrar  
Corplink (Private) Limited

Registered and Head Office  
PGI House, 5-A Bank Square  
The Mall Lahore

### Contacts

Tel.: +92(42)3732-4404      +92(42)3722-3224  
Fax.: +92(42)3723-0895      +92(42)3723-0634  
Email: info@pgi.com.pk  
Web: www.pgi.com.pk

## |The Pakistan General Insurance Company Limited

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**Head Office:** PGI House, 5 - Bank Square, Shahrah-e-Quaid-e-Azam, Lahore.  
Tel: +92-42-37324404, 37325382, 37352182, 37323569, Fax: +92-42-37230634

**President Office:** Gardee Trust Building, Thoronton Road, Lahore.  
Tel: +92-42-37223224, 37230892-94. Fax: +92-42-37230895  
E-mail: info@pgi.com.pk Web: www.pgi.com.pk



# The Pakistan General Insurance Company Limited

(Incorporated in 1947)

## 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 condensed interim financial statements for the nine months period ended September 30, 2023.

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

	Sep 30 / 2023 Rupees	Sep 30 / 2022 Rupees	Increase / (Decrease) Rupees	% age
<b>Underwriting</b>				
Net premiums revenue	-	-	-	0.00%
Underwriting results	(9,101,142)	(11,490,176)	2,389,034	-20.79%
<b>Investments</b>				
In properties	250,770,900	262,000,000	(11,229,100)	-4.29%
Investment income	2,577,750	2,381,616	196,134	8.24%
<b>Profitability / Equity</b>				
Share capital	464,014,500	464,014,500	-	0.00%
Underwriting losses	(9,101,142)	(11,490,176)	2,389,034	-20.79%
(Loss) before tax	(10,463,010)	(14,941,393)	4,478,383	-29.97%

Management of the Company has decided in their meeting held August 25, 2023 to revamp the Company and to comply with the legal requirements including Code of Corporate Governance.

As a part of "Revival Business Plan", management of the Company has taken the following actions by passing of resolutions in the extraordinary general meeting of the Company which was held on September 30, 2023.

Key actions and resolutions passed by the Shareholders in their Extra Ordinary General Meeting	Resolution Passed
a) Increase in the Company's authorized capital;	Special Resolution
b) Adoption of "Revival Business Plan for further submission to SECP & Pakistan Stock Exchange"	Ordinary Resolution

As a part of Revival Business Plan, management of the Company intends to raise additional funds through right shares of Rs. 36.50 million which will meet the both requirements i.e. paid-up capital requirement and minimum solvency requirement of the Company.

For and on behalf of the Board

Chairman

Lahore.

October 26, 2023

**[The Pakistan General Insurance Company Limited**

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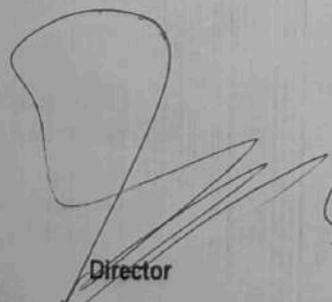
The Pakistan General Insurance Company Limited  
Condensed Interim Statement of Financial Position  
As at September 30, 2023

		Sep 30, 2023 un-audited	Dec 31, 2022 Audited
	Note	.....Rupees.....	
<b>ASSETS</b>			
Property and equipment	6	106,875,210	104,988,503
Investment property	7	250,770,900	259,700,000
Investments			
- Equity securities	8	112,131	676,929
- Debt securities	9	45,483,241	45,483,241
- Term deposits	10	-	-
Loans and other receivables	11	6,925,549	6,792,958
Insurance / reinsurance receivables	12	54,828,864	58,518,191
Taxation - provision less payments	19	1,745,010	1,733,503
Cash and bank	13	487,002	523,207
		<u>466,827,907</u>	<u>478,416,532</u>
<b>Total assets</b>			
<b>EQUITY AND LIABILITIES</b>			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital	14	464,014,500	464,014,500
Reserves	15	50,826,312	51,391,110
Accumulated loss		(105,894,185)	(95,962,817)
Total Equity		<u>408,946,627</u>	<u>419,442,793</u>
Surplus on revaluation of fixed assets	16	22,547,720	23,426,202
<b>Liabilities</b>			
Underwriting provisions		-	-
- Outstanding claims including IBNR		-	-
Deferred taxation	17	29,246,553	29,246,553
Insurance / reinsurance payables	18	6,087,007	6,300,984
Other creditors and accruals		<u>35,333,560</u>	<u>35,547,537</u>
		<u>466,827,907</u>	<u>478,416,532</u>
<b>Total equity and liabilities</b>			
Contingencies and commitments	20		

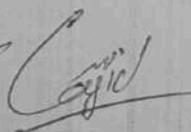
The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.



Chairman



Director



Director



Chief Executive Officer



Chief Accountant

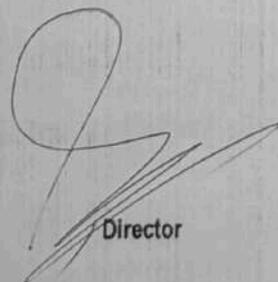
The Pakistan General Insurance Company Limited  
Condensed Interim Statement of Profit & Loss [Un-Audited]  
For the Nine Months Period Ended September 30, 2023

	Note	For three months period ended		For nine months period ended	
		Sep 30, 2023	Sep 30, 2022	Sep 30, 2023	Sep 30, 2022
<b>Rupees</b>					
Net insurance premium		-	-	-	-
Net insurance claims		-	-	-	-
Net commission and other acquisition costs		-	-	-	-
Insurance claims and acquisition expenses		-	-	-	-
Management expenses		(3,046,707)	(7,332,660)	(9,101,142)	(11,490,176)
Underwriting results		(3,046,707)	(7,332,660)	(9,101,142)	(11,490,176)
Investment income	21	678,965	1,388,701	2,577,750	2,381,616
Rental income		150,000	1,317,050	1,495,000	1,784,100
Other income	22	-	634,514	114,109	1,153,287
Other expenses		(1,803,884)	(5,358,126)	(5,528,405)	(8,747,003)
		(974,919)	(2,017,861)	(1,341,546)	(3,428,000)
Results of operating activities		(4,021,626)	(9,350,521)	(10,442,688)	(14,918,176)
Finance cost	23	(2,128)	(14,021)	(20,322)	(23,217)
Loss before tax		(4,023,752)	(9,364,542)	(10,463,010)	(14,941,393)
Income tax expenses		202,548	-	(346,840)	-
Loss after tax		(3,821,204)	(9,364,542)	(10,809,850)	(14,941,393)
Other comprehensive income:					
Items that may be reclassified subsequently to profit and loss:					
Unrealized loss on available-for-sale investments - net of deferred tax		(282,399)	(107,582)	(564,798)	(215,164)
Other comprehensive loss for the year		(282,399)	(107,582)	(564,798)	(215,164)
Total comprehensive loss for the period		(4,103,603)	(9,472,124)	(11,374,648)	(15,156,557)
Losses per share	24	(0.08)	(0.20)	(0.23)	(0.32)

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



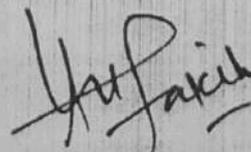
Chairman



Director



Director



Chief Executive Officer

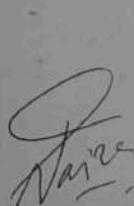


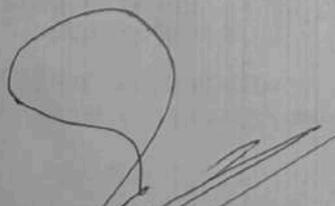
Chief Accountant

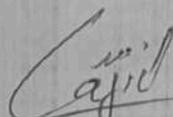
The Pakistan General Insurance Company Limited  
Condensed Interim Statement of Changes in Equity [Un-Audited]  
For the Nine Months Period Ended September 30, 2023

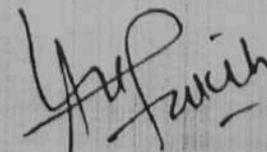
	Attributable to equity holders of the Company				Total Equity
	Share Capital	General reserves	Unrealized gains (losses) on revaluation of available for sale investments - net	Accumulated loss	
	Rupees				
Balance as at January 01, 2022 [Audited]	464,014,500	50,985,500	539,058	(88,294,583)	447,254,475
Loss after tax for the nine months period ended September 30, 2022	-	-	-	(14,941,393)	(14,941,393)
Other comprehensive income for the period	-	-	(215,164)	-	(215,164)
Total comprehensive loss for the period	-	-	(215,164)	(14,941,393)	(15,156,557)
Transfer from surplus on revaluation of fixed assets: - on incremental depreciation on fixed assets - net of tax	-	-	-	835,035	835,035
Balance as at September 30, 2022 [Un-Audited]	464,014,500	50,985,500	323,894	(82,390,941)	432,932,953
Balance as at January 01, 2023 [Audited]	464,014,500	50,985,500	405,610	(95,962,817)	419,442,793
Loss after tax for the nine months period ended September 30, 2023	-	-	-	(10,809,850)	(10,809,850)
Other comprehensive income for the year	-	-	(564,798)	-	(564,798)
Total comprehensive income for the period	-	-	(564,798)	(10,809,850)	(11,374,648)
Transfer from surplus on revaluation of fixed assets: - on incremental depreciation on fixed assets - net of tax	-	-	-	878,482	878,482
Balance as at September 30, 2023 [Un-Audited]	464,014,500	50,985,500	(159,188)	(105,894,185)	408,946,627

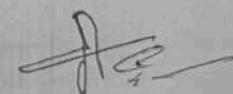
The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.

  
Chairman

  
Director

  
Director

  
Chief Executive Officer

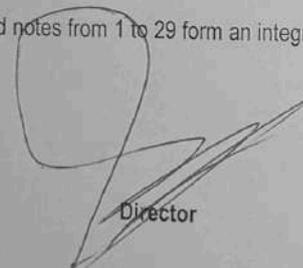
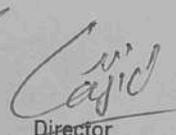
  
Chief Accountant

[The Pakistan General Insurance Company Limited

The Pakistan General Insurance Company Limited  
Condensed Interim Statement of Cash Flows (Un-Audited)  
For the Nine Months Period Ended September 30, 2023

	Note	For nine months period ended	
		Sep 30, 2023	Sep 30, 2022
-----Rupees-----			
<b>Operating cash flows</b>			
<b>a) Underwriting activities</b>			
Insurance premiums received		3,889,327	396,352
General and management expenses paid		(10,462,363)	(16,339,802)
Net cash flow from underwriting activities		(6,573,036)	(15,943,450)
<b>b) Other operating activities</b>			
Income tax paid		(358,347)	(598,252)
Other operating payments		196,741	1,515,506
Net cash flow from other operating activities		(157,697)	917,254
Total cash flow from all operating activities		(6,730,733)	(15,026,196)
<b>Investing activities</b>			
Profit / return received		2,364,250	2,524,336
Rentals received		1,495,000	1,784,100
Proceeds from disposal of assets		30,175,000	10,925,000
Fixed capital expenditure		(27,396,400)	(225,000)
Total cash (out) flow from investing activities		6,637,850	15,008,436
<b>Financing activities</b>			
Finance cost paid		(20,322)	(23,217)
Loan repayments received - net		77,000	6,000
Total cash in / (out) flow from financing activities		56,678	(17,217)
Net cash flow from all activities		(36,205)	(34,977)
Cash and cash equivalents at beginning of year	13	523,207	7,777,520
Cash and cash equivalents at end of year	13	487,002	7,742,543
<b>Reconciliation to profit and loss account</b>			
Operating cash flows		(6,730,733)	(15,026,196)
Depreciation expense		(4,577,902)	(4,333,537)
Finance cost		(20,322)	(23,217)
Investment income		2,577,750	2,381,616
Rental income		1,495,000	1,784,100
Other income		114,109	1,153,287
Decrease in assets other than cash		(3,893,236)	(396,352)
Decrease / (Increase) in liabilities other than borrowings		225,484	(481,094)
Profit after taxation		(10,809,850)	(14,941,393)

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

 Chairman  
 Director  
 Director  
 Chief Executive Officer  
 Chief Accountant

The Pakistan General Insurance Company Limited  
Notes to the Condensed Interim Financial Information [Un-Audited]  
For the Nine Months Period Ended September 30, 2023

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

The disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the Securities and Exchange Commission of Pakistan vide SRO 89(I)/2017 and International Accounting Standard (IAS) 34, "Interim Financial Reporting" and do not include all the information required in the annual financial statements. Accordingly, this condensed interim financial statements should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2022

2.1 Basis of measurement

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

2.2 Functional and presentation currency

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

3 Going concern assessment

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

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 September 30, 2023 are the same as those adopted in the preparation of the financial statements for the year ended December 31, 2022.

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, 2022.

The Pakistan General Insurance Company Limited  
Notes to the Condensed Interim Financial Information [Un-Audited]  
For the Nine Months Period Ended September 30, 2023

		Un - audited Sep 30, 2023	Audited Dec. 31, 2022
		-----Rupees-----	
6	<b>Property and equipment</b>		
	Book value at beginning of the period / year	104,988,503	119,080,583
	Additions during the period / year	6,325,500	3,425,000
	Disposal during the period / year	(600,000)	(18,180,760)
	Adjustment on disposal	539,109	7,234,554
	Depreciation charge for the period / year	(4,577,902)	(6,570,874)
	Carrying amount at end of the period / year	<u>106,675,210</u>	<u>104,988,503</u>
	<b>6.1 Additions during the period / year</b>		
	Office equipment	125,500	225,000
	Land and buildings	-	3,200,000
	Capital work in progress	6,200,000	-
		<u>6,325,500</u>	<u>3,425,000</u>
7	<b>Investment property</b>		
	Book value at beginning of the period / year	259,700,000	262,000,000
	Addition / revaluation during the year	21,070,900	(2,300,000)
	Disposal during the period / year	(30,000,000)	-
	Carrying amount at end of the period / year	<u>250,770,900</u>	<u>259,700,000</u>
8	<b>Investments - Equity securities</b>		
	Available for sale - Investment in quoted equities (carrying value)	<u>112,131</u>	<u>676,929</u>
9	<b>Investments - Debt securities</b>		
	Held to maturity		
	- Pakistan Investment Bonds (PIBs)	<u>45,483,241</u>	<u>45,483,241</u>
	These PIBs are deposited with State Bank of Pakistan as statutory deposit pursuant to the requirements of section 29(2)(a) of the Insurance Ordinance, 2000.		
10	<b>Investments - Term deposits</b>		
	Deposits maturing within 12 months	-	-
11	<b>Loans and other receivables</b>		
	- Considered good		
	Loans to employees and agents	47,900	124,900
	Security deposits	5,477,649	5,477,649
	Accrued interest	1,400,000	1,186,500
	Sundry receivables	-	3,909
		<u>6,925,549</u>	<u>6,792,958</u>
12	<b>Insurance / reinsurance receivables</b>		
	- Unsecured but considered good		
	Due from insurance contract holders	<u>54,628,864</u>	<u>58,518,191</u>
		<u>54,628,864</u>	<u>58,518,191</u>
13	<b>Cash and bank</b>		
	Cash and cash equivalents		
	- Cash in hand	55,929	42,606
	- Policy and revenue stamps, bond papers	123,300	123,300
		<u>179,229</u>	<u>165,906</u>
	Cash with banks		
	- On current accounts	209,336	258,864
	- On saving accounts	5,517	5,517
	- With State Bank of Pakistan	92,920	92,920
		<u>307,773</u>	<u>357,301</u>

The Pakistan General Insurance Company Limited  
Notes to the Condensed Interim Financial Information [Un-Audited]  
For the Nine Months Period Ended September 30, 2023

	Un - audited Sep 30, 2023		Audited Dec. 31, 2022	
	-----Number of shares-----		-----Rupees-----	
			487,002	523,207
14 Ordinary share capital				
14.1 Authorized share capital				
Ordinary shares of Rs. 10 each	50,000,000	50,000,000	500,000,000	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	20,000,000
- Fully paid as bonus shares	26,401,450	26,401,450	264,014,500	26,401,450
	46,401,450	46,401,450	464,014,500	46,401,450
15 Reserves				
Revenue reserves				
General reserve			50,985,500	50,985,500
Revaluation reserve for unrealized (loss) / gain on available-for-sale investments - net			(159,188)	405,610
			50,826,312	51,391,110
16 Surplus on revaluation of fixed assets				
Balance at beginning of the period / year			23,426,202	22,267,581
Add: Surplus recognized during the year			-	2,272,000
Less: Realization of surplus on disposal (net of tax)			-	-
Less: Incremental depreciation transferred to un-appropriated profit			(878,482)	(1,113,379)
Balance at end of the period / year			22,547,720	23,426,202
17 Insurance / reinsurance payables				
Due to other insurers / reinsurers			29,246,553	29,246,553
18 Other creditors and accruals				
Government levies and taxes payable			2,612,689	2,728,375
Accrued expenses			2,080,966	2,491,684
Payable to employees' provident fund			12,032	93,303
Unpaid and unclaimed dividend			657,622	657,622
Others			723,698	330,000
			6,087,007	6,300,984
19 Taxation - provision less payments				
Balance at beginning of the period / year			(1,733,503)	(807,800)
Add: Charge for the period / year			346,840	-
Less: Paid / deducted during the period / year			(358,347)	(925,703)
Balance at end of the period / year			(1,745,010)	(1,733,503)
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, 2022.				
	For three months period ended		For nine months period ended	
	Sep 30, 2023	Sep 30, 2022	Sep 30, 2023	Sep 30, 2022
	-----Rupees-----		-----Rupees-----	
21 Investment income				
Income from debt securities				
- Income from debt securities and bank placements	678,965	1,388,701	2,577,750	2,381,616
	678,965	1,388,701	2,577,750	2,381,616

The Pakistan General Insurance Company Limited  
Notes to the Condensed Interim Financial Information [Un-Audited]  
For the Nine Months Period Ended September 30, 2023

22	Other income				
	Gain on sale of fixed assets and investments	-	634,514	114,109	1,153,287
		-	634,514	114,109	1,153,287
23	Finance costs				
	Bank charges	2,126	14,021	20,322	23,217
		2,126	14,021	20,322	23,217
24	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 nine months period ended	
	Sep 30, 2023	Sep 30, 2022	Sep 30, 2023	Sep 30, 2022
	-----Rupees-----		-----Rupees-----	
Loss after tax for the period	(3,821,204)	(9,364,542)	(10,809,850)	(14,941,393)
	----- 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	(0.08)	(0.20)	(0.23)	(0.32)

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.

25 Transactions with related parties

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

	Un - audited Sep 30, 2023	Un - audited Sep 30, 2022
	-----Rupees-----	
Remuneration paid to executives, directors and chief executive officer	913,500	1,582,875
Contribution paid to provident fund	-	36,975

26 Segment Reporting

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

27 Fair value of financial instruments

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

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

