



PGI

**The Pakistan General
Insurance Company Limited**

**Quarterly Report
For the Period Ended
September 30, 2020**



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

Nasira Raees
Malik Ejaz Nazir
Ch. Habibullah

Underwriting Committee

Ch. Mazhar Zahoor
Zahid Iqbal Zia
Tariq Qureshi

Claims Committee

Nasira Raees
Siddiq Sabir
Zaheer Ahmed

Reinsurance and Coinsurance Committee

Ch. Habibullah
M. Tariq
Khawar Munir

Legal Advisors

Mr. Ahmad Ali Ranjah (Advocate High Court)

Auditors

Muniff Ziauddin & Co.
Chartered Accountants

Tax Consultants

Kamran & Co.
Chartered Accountants

Share Registrar

Corplink (Private) Limited

Registered and Head Office

PGI House, 5-A Bank Square
The Mall Lahore

Contacts

| | | |
|--------|------------------|------------------|
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| Fax.: | +92(42)3723-0895 | +92(42)3723-0634 |
| Email: | info@pgi.com.pk | |
| Web: | www.pgi.com.pk | |

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, 2020.

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

| | Sep 30 / 2020 Rupees | Sep 30 / 2019 Rupees | Increase / (Decrease) Rupees | % age |
|-------------------------------|-------------------------|-------------------------|---------------------------------|---------|
| Underwriting | | | | |
| Net premiums revenue | - | (13,581,432) | (13,581,432) | -100% |
| Underwriting results | (28,323,417) | (55,794,919) | 27,471,502 | -49.24% |
| Investments | | | | |
| In short-term bank placements | 2,000,000 | - | 2,000,000 | 100.00% |
| In properties | 256,954,869 | 287,494,960 | (30,540,091) | -10.62% |
| Investment income | 3,200,351 | 2,842,875 | 357,476 | 12.57% |
| Profitability / Equity | | | | |
| Share capital | 464,014,500 | 464,014,500 | - | 0.00% |
| Underwriting losses | (28,323,417) | (55,794,919) | 27,471,502 | -49.24% |
| (Loss) before tax | (17,303,686) | (59,086,342) | 41,782,656 | -70.71% |

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.
October 29, 2020


دی پاکستان جنرل انشورنس کمپنی لمیٹڈ کے ڈائریکٹرز کمپنی کے نو ماہ کے غیر اڈٹ شدہ مالیاتی حساب 30 ستمبر 2020 پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔
9 ماہ کے نتائج کا تقابلی جائزہ درج ذیل ہے۔

| | Sep 30 / 2020 Rupees | Sep 30 / 2019 Rupees | Increase / (Decrease) Rupees | % age |
|-------------------------------|----------------------------|----------------------------|---------------------------------|---------|
| Underwriting | | | | |
| Net premiums revenue | - | (13,581,432) | 13,581,432 | 100.00% |
| Underwriting results | (28,323,417) | (55,794,919) | 27,471,502 | -49.2% |
| Investments | | | | |
| In properties | 256,954,869 | 287,494,960 | (30,540,091) | -10.62% |
| Investment income | 3,200,351 | 2,842,872 | 357,476 | 12.57% |
| Profitability / Equity | | | | |
| Share capital | 464,014,500 | 464,014,500 | - | 0.00% |
| Underwriting losses | (28,323,417) | (55,794,919) | 27,471,502 | -49.2% |
| (Loss) before tax | (17,303,686) | (59,086,342) | 41,782,656 | -70.71% |

انشورنس آرڈیننس 2000 کے تحت آئی سی سی پی نے نے ایک آرڈر ایشو کیا ہے جس کے خلاف کمپنی نے نظرثانی کی درخواست دائر 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 افراط 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 29 اکتوبر 2020

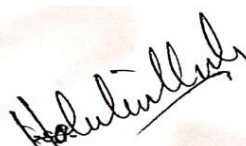
The Pakistan General Insurance Company Limited
Condensed Interim Statement of Financial Position
As at September 30, 2020

| | | Sep 30, 2020 Un - audited | Dec. 31, 2019 Audited |
|--|------|------------------------------|--------------------------|
| | Note |Rupees..... | |
| ASSETS | | | |
| Property and equipment | 5 | 97,105,862 | 101,809,348 |
| Investment property | 6 | 256,954,869 | 267,554,347 |
| Investments | | | |
| - Equity securities | 7 | 1,116,063 | 1,622,005 |
| - Debt securities | 8 | 44,737,819 | 44,737,819 |
| - Term deposits | 9 | 2,000,000 | - |
| Loans and other receivables | 10 | 9,015,433 | 10,788,433 |
| Insurance / reinsurance receivables | 11 | 102,751,486 | 116,085,669 |
| Taxation - provision less payments | 19 | 863,538 | 412,865 |
| Cash and bank | 12 | 2,866,913 | 6,378,619 |
| Total assets | | 517,411,983 | 549,389,105 |
| EQUITY AND LIABILITIES | | | |
| Capital and reserves attributable to Company's equity holders | | | |
| Ordinary share capital | 13 | 464,014,500 | 464,014,500 |
| Reserves | 14 | 51,476,775 | 51,982,717 |
| Accumulated loss | | (62,462,462) | (45,240,335) |
| Total Equity | | 453,028,813 | 470,756,882 |
| Surplus on revaluation of fixed assets | 15 | 6,152,123 | 6,233,682 |
| Liabilities | | | |
| Underwriting provisions | | - | - |
| - Outstanding claims including IBNR | | - | - |
| Deferred taxation | | - | - |
| Short- term borrowings | 16 | - | - |
| Insurance / reinsurance payables | 17 | 29,246,553 | 42,712,699 |
| Other creditors and accruals | 18 | 28,984,494 | 29,685,842 |
| | | 58,231,047 | 72,398,541 |
| Total equity and liabilities | | 517,411,983 | 549,389,105 |
| Contingencies and commitments | 20 | | |


The annexed notes from 1 to 34 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 nine months period ended September 30, 2020

| | | For three months period ended | | For nine months period ended | |
|---|----|-------------------------------|---------------------|------------------------------|---------------------|
| | | Sep 30, 2020 | Sep 30, 2019 | Sep 30, 2020 | Sep 30, 2019 |
| Note | | Rupees | | | |
| | | | | | |
| Net insurance premium | 21 | - | (4,393,944) | - | (13,581,432) |
| Net insurance claims | 22 | - | - | - | - |
| Net commission and other acquisition costs | 23 | (857,332) | (1,671,112) | (2,927,997) | (8,466,793) |
| Insurance claims and acquisition expenses | | (857,332) | (1,671,112) | (2,927,997) | (8,466,793) |
| Management expenses | | (7,141,860) | (11,010,818) | (25,395,420) | (33,746,694) |
| Underwriting results | | (7,999,192) | (17,075,874) | (28,323,417) | (55,794,919) |
| Investment income | 24 | 937,932 | 1,282,438 | 3,200,351 | 2,842,875 |
| Rental income | | 253,410 | 332,280 | 1,773,870 | 996,840 |
| Other income | 25 | 2,059,651 | 12,929,319 | 16,041,376 | 13,525,036 |
| Other expenses | | (2,384,833) | (6,807,954) | (9,952,249) | (20,557,756) |
| | | 866,160 | 7,736,083 | 11,063,348 | (3,193,005) |
| Results of operating activities | | (7,133,032) | (9,339,791) | (17,260,069) | (58,987,924) |
| Finance cost | 26 | (10,576) | (20,703) | (43,617) | (98,418) |
| Loss before tax | | (7,143,608) | (9,360,494) | (17,303,686) | (59,086,342) |
| Income tax expenses | 27 | - | - | - | - |
| Loss after tax | | (7,143,608) | (9,360,494) | (17,303,686) | (59,086,342) |
| Other comprehensive income: | | | | | |
| Items that may be reclassified subsequently to profit and loss: | | | | | |
| Unrealized loss on available-for-sale investments - net of deferred tax | | (252,971) | 64,389 | (505,942) | 85,852 |
| Other comprehensive loss for the year | | (252,971) | 64,389 | (505,942) | 85,852 |
| Total comprehensive loss for the period | | (7,396,579) | (9,296,105) | (17,809,628) | (59,000,490) |
| Losses per share | 28 | (0.15) | (0.20) | (0.37) | (1.27) |

The annexed notes from 1 to 34 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 Changes in Equity [Un-Audited]
For nine months period ended September 30, 2020

| | Attributable to equity holders of the Company | | | | |
|---|---|------------------|--|------------------|--------------|
| | Revenue reserves | | | Accumulated loss | Total Equity |
| | Share Capital | General reserves | Unrealized gains / (losses) on revaluation of available for sale investments - net | | |
| ----- Rupees----- | | | | | |
| Balance as at December 31, 2018 | 464,014,500 | 50,985,500 | 1,198,343 | (25,824,542) | 490,373,801 |
| Total comprehensive income for the period | - | - | (293,754) | (59,000,490) | (59,294,244) |
| Balance as at September 30, 2019 | 464,014,500 | 50,985,500 | 904,589 | (84,825,032) | 431,079,557 |
| Profit for the period | - | - | - | 39,470,228 | 39,470,228 |
| Other comprehensive income for the period | - | - | 92,628 | - | 92,628 |
| Transfer from surplus on revaluation of fixed assets: - on incremental depreciation on fixed assets - net of tax | - | - | - | 114,469 | 114,469 |
| Balance as at December 31, 2019 | 464,014,500 | 50,985,500 | 997,217 | (45,240,335) | 470,756,882 |
| Loss for the period | - | - | - | (17,303,686) | (17,303,686) |
| Other comprehensive loss for the period | - | - | (505,942) | - | (505,942) |
| Transfer from surplus on revaluation of fixed assets: - on incremental depreciation on fixed assets - net of tax | - | - | - | 81,559 | 81,559 |
| Balance as at September 30, 2020 | 464,014,500 | 50,985,500 | 491,275 | (62,462,462) | 453,028,813 |

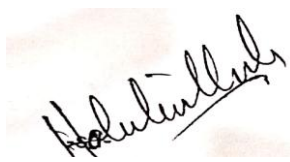
The annexed notes from 1 to 34 form an integral part of these condensed interim financial statements.



Chairman



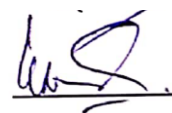
Director



Director



Chief Executive Officer



Chief Financial Officer

The Pakistan General Insurance Company Limited
Condensed Interim Statement of Cash Flows [Un-Audited]
For nine months period ended September 30, 2020

| | | For nine months period ended | |
|------|---|------------------------------|---------------------|
| | | Sep 30, 2020 | Sep 30, 2019 |
| Note | | -----Rupees----- | |
| | Operating cash flows | | |
| | a) Underwriting activities | | |
| | Insurance premiums received | 11,799,705 | 28,656,506 |
| | Reinsurance premium paid | - | (13,581,432) |
| | Commission paid | (2,927,998) | (8,466,793) |
| | Reinsurance and other recoveries received | - | (7,557,626) |
| | General and management expenses paid | (18,659,052) | (37,418,894) |
| | Net cash flow from underwriting activities | (9,787,345) | (38,368,239) |
| | b) Other operating activities | | |
| | Income tax paid | (450,673) | (346,032) |
| | Other operating payments | (134,792) | (1,130,523) |
| | Net cash flow from other operating activities | (585,465) | (1,476,555) |
| | Total cash flow from all operating activities | (10,372,810) | (39,844,794) |
| | Investing activities | | |
| | Profit / return received | 3,200,351 | 2,842,875 |
| | Rentals received | 1,773,870 | 996,840 |
| | Other income | - | 11,951,570 |
| | Proceeds from maturity of investments - Government Securities | - | 7,000,000 |
| | Proceeds from disposal of investments - Term Deposits | - | 5,000,000 |
| | Payment for acquisition of investments - Term Deposits | (2,000,000) | - |
| | Proceeds from disposal of assets and investment properties | 7,950,000 | 6,656,000 |
| | Fixed capital expenditure | (5,790,000) | (11,607,910) |
| | Total cash (out) flow from investing activities | 5,134,221 | 22,839,375 |
| | Financing activities | | |
| | Finance cost paid | (43,617) | (88,293) |
| | Loan repayments received | 1,770,500 | 328,495 |
| | Proceeds from short term borrowings | - | 20,000,000 |
| | Total cash in / (out) flow from financing activities | 1,726,883 | 20,240,202 |
| | Net cash flow from all activities | (3,511,706) | 3,234,783 |
| | Cash and cash equivalents at beginning of year | 6,378,619 | 22,564,480 |
| | Cash and cash equivalents at end of year | 2,866,913 | 25,799,263 |
| | Reconciliation to profit and loss account | | |
| | Operating cash flows | (10,372,810) | (39,844,794) |
| | Depreciation expense | (15,718,193) | (16,926,710) |
| | Bad debts | (1,534,478) | - |
| | Finance cost | (43,617) | (98,418) |
| | Investment income | 3,200,351 | 2,842,875 |
| | Rental income | 1,773,870 | 996,840 |
| | Other income | 16,041,376 | 13,525,036 |
| | Decrease in assets other than cash | (11,802,205) | (24,262,563) |
| | Decrease / (Increase) in liabilities other than borrowings | 1,152,020 | 4,681,392 |
| | Profit after taxation | (17,303,686) | (59,086,342) |

The annexed notes from 1 to 34 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, 2019. 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, 2019, 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 nine months ended 30 September 2019.

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 statements except the following :

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, 2019.

3 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, 2020 are the same as those adopted in the preparation of the financial statements for the year ended December 31, 2019.

4 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, 2019.

The Pakistan General Insurance Company Limited
Notes to the Condensed Interim Financial Information [Un-Audited]
For nine months period ended September 30, 2020

| | | Un - audited Sep 30, 2020 | Audited Dec. 31, 2019 |
|-----------|---|------------------------------|--------------------------|
| | | -----Rupees----- | |
| 5 | Property and equipment | | |
| | Book value at beginning of the period / year | 101,809,348 | 103,475,280 |
| | Additions during the period / year | 4,135,900 | 27,145,510 |
| | Disposal during the period / year | (3,132,421) | (20,090,849) |
| | Depreciation charge for the period / year | (5,706,965) | (8,720,593) |
| | Carrying amount at end of the period / year | 97,105,862 | 101,809,348 |
| | 5.1 Additions during the period / year | | |
| | Furniture and fixtures | - | 715,000 |
| | Office equipment | 185,900 | 1,902,600 |
| | Vehicles | 3,950,000 | 24,527,910 |
| | | 4,135,900 | 27,145,510 |
| | 5.2 Disposal during the period / year | | |
| | Vehicles | (3,132,421) | (20,090,849) |
| | | (3,132,421) | (20,090,849) |
| 6 | Investment property | | |
| | Book value at beginning of the period / year | 267,554,347 | 298,696,062 |
| | Additions during the period / year | 1,654,100 | 21,500,000 |
| | Disposal during the period / year | (2,242,349) | (37,947,305) |
| | Depreciation charge for the period / year | (10,011,229) | (14,694,410) |
| | Carrying amount at end of the period / year | 256,954,869 | 267,554,347 |
| 7 | Investments - Equity securities | | |
| | Available for sale - Investment in quoted equities (carrying value) | 1,116,063 | 1,622,005 |
| | Less: unrealized gain on remeasurement of investments | 898,588 | 1,404,530 |
| | Cost of investments | 217,475 | 217,475 |
| 8 | Investments - Debt securities | | |
| | Held to maturity | | |
| | - Pakistan Investment Bonds (PIBs) | 44,737,819 | 44,737,819 |
| 9 | Investments - Term deposits | | |
| | Deposits maturing within 12 months | 2,000,000 | - |
| 10 | Loans and other receivables | | |
| | - Considered good | | |
| | Loans to employees and agents | 2,494,100 | 4,264,600 |
| | Security deposits | 5,477,649 | 5,477,649 |
| | Accrued interest | 1,032,597 | 1,032,597 |
| | Sundry receivables | 11,087 | 13,587 |
| | | 9,015,433 | 10,788,433 |
| 11 | Insurance / reinsurance receivables | | |
| | - Unsecured but considered good | | |
| | Due from insurance contract holders | 102,751,486 | 114,551,191 |
| | Due from other insurers / reinsurers | - | 1,534,478 |
| | | 102,751,486 | 116,085,669 |
| 12 | Cash and bank | | |
| | Cash and cash equivalents | | |
| | - Cash in hand | 129,159 | 63,137 |
| | - Banking instrument (Call deposit receipt) | - | 3,000,000 |
| | - Policy and revenue stamps, bond papers | 123,300 | 123,300 |
| | | 252,459 | 3,186,437 |
| | Cash with banks | | |
| | - On current accounts | 267,892 | 845,884 |
| | - On saving accounts | 5,055 | 4,791 |
| | - With State Bank of Pakistan | 2,341,507 | 2,341,507 |
| | | 2,614,454 | 3,192,182 |
| | | 2,866,913 | 6,378,619 |

The Pakistan General Insurance Company Limited
Notes to the Condensed Interim Financial Information [Un-Audited]
For nine months period ended September 30, 2020

| | Sep 30, 2020 | Dec. 31, 2019 | Un - audited Sep 30, 2020 | Audited Dec. 31, 2019 |
|--|----------------------------|---------------|------------------------------|--------------------------|
| | -----Number of shares----- | | -----Rupees----- | |
| 13 Ordinary share capital | | | | |
| 13.1 Authorized share capital | | | | |
| Ordinary shares of Rs. 10 each | 50,000,000 | 50,000,000 | 500,000,000 | 500,000,000 |
| 13.2 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 |
| 14 Reserves | | | | |
| Revenue reserves | | | | |
| General reserve | | | 50,985,500 | 50,985,500 |
| Revaluation reserve for unrealized (loss) / gain on available-for-sale investments - net | | | 491,275 | 997,217 |
| | | | 51,476,775 | 51,982,717 |
| 15 Surplus on revaluation of fixed assets | | | | |
| Balance at beginning of the period / year | | | 6,233,682 | 6,348,151 |
| Less: Incremental depreciation transferred to un-appropriated profit | | | (81,559) | (114,469) |
| Balance at end of the period / year | | | 6,152,123 | 6,233,682 |
| 16 Short- term borrowings | | | | |
| Last year the Company had obtained an interest free loan amounting Rs. 20 million from the Chief Executive Officer to meet the day to day working capital requirements of the Company. The entire loan was re-paid in December , 2019. | | | | |
| | | | Un - audited Sep 30, 2020 | Audited Dec. 31, 2019 |
| | | | -----Rupees----- | |
| 17 Insurance / reinsurance payables | | | | |
| Due to other insurers / reinsurers | | | 29,246,553 | 42,712,699 |
| 18 Other creditors and accruals | | | | |
| Government levies and taxes payable | | | 24,746,889 | 24,950,731 |
| Accrued expenses | | | 3,078,214 | 3,642,269 |
| Payable to employees' provident fund | | | 171,770 | 105,220 |
| Unpaid and unclaimed dividend | | | 657,622 | 657,622 |
| Others | | | 330,000 | 330,000 |
| | | | 28,984,495 | 29,685,842 |
| 19 Taxation - provision less payments | | | | |
| Balance at beginning of the period / year | | | (412,865) | 27,460,347 |
| Add: Charge for - | | | | |
| Current year | | | - | - |
| Prior period taxation | | | - | (27,460,347) |
| | | | | (27,460,347) |
| Less: Paid / deducted during the period / year | | | (450,673) | (412,865) |
| Balance at end of the period / year | | | (863,538) | (412,865) |

The Pakistan General Insurance Company Limited
Notes to the Condensed Interim Financial Information [Un-Audited]
For nine months period ended September 30, 2020

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, 2019 except the following:

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 contracts of insurance from one month from date of direction. The operations of the Company remain ceased from July 7, 2017. The Company has filed a petition against the order issued by SECP before the Honorable Lahore High Court, Lahore (the Court) however, the said petition has been dismissed by the Court.

| | For three months period ended | | For nine months period ended | |
|---|-------------------------------|--------------|------------------------------|--------------|
| | Sep 30, 2020 | Sep 30, 2019 | Sep 30, 2020 | Sep 30, 2019 |
| | -----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 | - | 4,393,944 | - | 13,581,432 |
| Add: Prepaid reinsurance premium opening | - | - | - | - |
| Less: Prepaid reinsurance premium closing | - | - | - | - |
| Reinsurance expense | - | 4,393,944 | - | 13,581,432 |
| | - | (4,393,944) | - | (13,581,432) |
| 22 Net insurance claims expense | | | | |
| Claims paid | - | - | - | - |
| Add: Outstanding claims including IBNR closing | - | 41,200,000 | - | 41,200,000 |
| Less: Outstanding claims including IBNR opening | - | 41,200,000 | - | 41,200,000 |
| Claim expenses | - | - | - | - |
| Less: Reinsurance and other recoveries revenue | - | - | - | - |
| | - | - | - | - |
| 23 Net commission and other acquisition costs | | | | |
| Commission paid or payable | 857,332 | 1,671,112 | 2,927,997 | 8,466,793 |
| Add: Deferred commission expense opening | - | - | - | - |
| Less: Deferred commission expense closing | - | - | - | - |
| Net commission expense | 857,332 | 1,671,112 | 2,927,997 | 8,466,793 |
| Less: Commission received or recoverable from reinsurer | - | - | - | - |
| | 857,332 | 1,671,112 | 2,927,997 | 8,466,793 |
| 24 Investment income | | | | |
| Income from debt securities | | | | |
| - Income from debt securities | 937,932 | 1,282,438 | 3,200,351 | 2,842,875 |
| - Return on term deposits | - | - | - | - |
| | 937,932 | 1,282,438 | 3,200,351 | 2,842,875 |
| 25 Other income | | | | |
| Liabilities no more payable | - | 11,951,570 | 13,466,146 | 11,951,570 |
| Gain on sale of fixed asset | 2,059,651 | 977,749 | 2,575,230 | 1,573,466 |
| | 2,059,651 | 12,929,319 | 16,041,376 | 13,525,036 |
| 26 Finance costs | | | | |
| Bank charges | 10,576 | 20,703 | 43,617 | 98,418 |
| | 10,576 | 20,703 | 43,617 | 98,418 |
| 27 Taxation | | | | |
| Current year | - | - | - | - |
| Prior year | - | - | - | - |
| Deferred | - | - | - | - |
| | - | - | - | - |

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 nine months period ended | |
|--|-------------------------------|--------------|------------------------------|--------------|
| | Sep 30, 2020 | Sep 30, 2019 | Sep 30, 2020 | Sep 30, 2019 |
| | -----Rupees----- | | -----Rupees----- | |
| Loss after tax for the period | (7,143,608) | (9,360,494) | (17,303,686) | (59,086,342) |
| | ----- 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 | (0.15) | (0.20) | (0.37) | (1.27) |

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 Sep 30, 2020 | Un - audited Sep 30, 2019 |
|--|------------------------------|------------------------------|
| | -----Rupees----- | |
| Remuneration paid to executives, directors and chief executive officer | 2,010,904 | 3,618,044 |
| Contribution paid to provident fund | 80,285 | 91,930 |

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.

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 Sep 30, 2020 | Audited Dec. 31, 2019 |
|--------------------------------|--------------------|-------------------|----------|------------------------------|--------------------------|
| | ----- Rupees ----- | | | | |
| Available for sale investments | 1,116,063 | - | - | 1,116,063 | 1,622,005 |
| Held to maturity | | | | | |
| - Government securities | - | 44,737,819 | - | 44,737,819 | 44,737,819 |
| | <u>1,116,063</u> | <u>44,737,819</u> | <u>-</u> | <u>45,853,882</u> | <u>46,359,824</u> |

32 Impact of COVID-19

A novel strain of coronavirus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on March 11, 2020, impacting countries globally. Measures taken to contain the spread of the virus, including lock-downs, travel bans, quarantines, social distancing, and closures of non-essential services and factories triggered significant disruptions to businesses worldwide and in Pakistan, resulting in an economic slowdown.

General economic activities in Pakistan also slowed down during the year. The operations of the Company were not materially effected from COVID-19 as the primary operations of the Company are already closed.

33 Corresponding figures

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

34 Date of authorization of issue

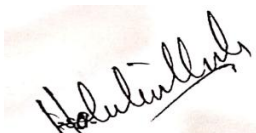
This condensed interim financial information have been approved by the Board of Directors of the Company and authorized for issue on October 29, 2020.



Chairman



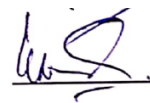
Director



Director



Chief Executive Officer



Chief Financial Officer

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