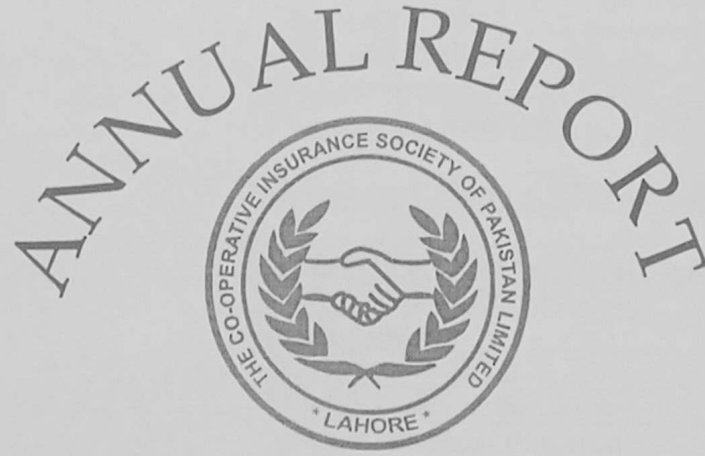




شروع اللہ تعالیٰ کے پاک نام سے جو نہایت مہربان اور رحم کرنے والا ہے



2022

**THE COOPERATIVE INSURANCE
SOCIETY OF PAKISTAN LTD**



BOARD OF DIRECTORS

Chairman	Asad-ul-Haq Piracha	
Senior Vice Chairman	Ch. Ahsun Mehmood	
Independent Director	Ayyaz Mehmood Khilji EX-Officio	
Directors	Ch. Nisar Ahmad	
	Siddique Akbar Paracha	
	Mr. Imtiaz ul Hassan	
	Muhammad Shafi	
	Ghulam Sajjad Hussain	
Auditors	Kreston Hyder Bhimji & Co.	
	Chartered Accountant	
Legal Advisor	Mohammad Shakeel Ghouri, Advocate	
Bankers	Punjab Provincial Cooperative Bank Ltd	
	Allied Bank of Pakistan Ltd.	
	Bank Alfalah	
	First Women Bank	
	Muslim Commercial Bank Ltd	
	National Bank of Pakistan	
Registered Office	23-Shahrah-e-Quaid-e-Azam, Lahore.	
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THE CO-OPERATIVE INSURANCE SOCIETY OF PAKISTAN LTD

HORIZONTAL ANALYSIS

Statement of Financial Statement	2022		2021		2020		2019	
	Rupees	%	Rupees	%	Rupees	%	Rupees	%
Assets								
Property and equipments	2,228,032,640	(0.00)	2,232,483,850	0.01	2,216,184,198	(0.032)	2,288,277,552	(0.25)
Intangible Assets	89,600	(0.50)	179,200	(0.33)	268,800	(0.25)	358,400	(0.25)
Investment property	75,252,292	0.06	70,903,000	(0.05)	68,818,000	0.43	67,631,850	0.43
Equity securities	63,941,417	(0.31)	92,037,809	(0.05)	96,895,006	(0.64)	5,091,517	(0.28)
Term deposits	3,511,450	0.17	3,011,450	0.28	3,011,450	0.28	3,011,450	0.28
Sundry receivables	3,208,037	0.36	2,350,743	0.26	1,840,911	0.23	2,571,660	0.26
Insurance / reinsurance receivables	410,739	(0.19)	507,252	(0.16)	402,859	(0.26)	59,400	(0.03)
Reinsurance recoveries against outstanding claims	105,352	(0.04)	110,044	(0.02)	130,994	(0.03)	2,030,129	(0.29)
Deferred commission expense	2,262,046	0.62	1,400,028	(0.26)	1,896,672	(0.26)	2,300,606	(0.23)
Security deposits	59,400	-	59,400	-	59,400	-	59,400	-
Taxation - payments less provision	2,306,304	0.11	2,071,234	(0.01)	2,086,347	0.03	2,030,129	0.03
Prepayments	3,849,443	0.92	2,002,971	0.22	1,643,884	(0.29)	2,300,606	(0.23)
Cash and bank	15,803,521	0.29	12,286,480	(0.17)	14,731,473	0.11	13,218,221	0.11
Total assets	2,398,832,241	(0.009)	2,419,403,461	0.00	2,407,969,994	0.01	2,385,212,948	0.01
Total assets of window takaful operations - Operator's fund	2,398,832,241	(0.009)	2,419,403,461	0.00	2,407,969,994	0.01	2,385,212,948	0.01
Equity and Liabilities								
Capital and reserves attributable to Company's equity holders	500,032,400	-	500,032,400	-	500,032,400	-	500,032,400	-
Ordinary share capital	1,752,768,026	(0.01)	1,774,321,289	0.01	1,765,411,502	(0.03)	1,815,245,878	(0.03)
Reserves	84,587,172	0.04	81,369,577	0.02	79,804,693	6.96	10,023,884	0.01
Revaluation reserve	-	-	-	-	-	-	-	-
Unappropriated profit / (loss)	2,337,387,598	(0.008)	2,355,723,266	0.00	2,345,248,595	0.01	2,325,302,162	0.01
Total equity	-	-	-	-	-	-	-	-
Surplus on revaluation of property and equipment	-	-	-	-	-	-	-	-
Liabilities								
Underwriting provisions	1,219,224	0.21	1,011,646	(0.35)	1,564,877	0.14	1,378,180	0.14
Outstanding claims including IBNR	15,065,937	0.61	9,370,003	(0.14)	10,926,437	(0.36)	17,076,866	(0.36)
Unearned premium reserves	-	-	-	-	-	-	-	-
Premium deficiency reserve	725,845	0.75	415,470	0.36	306,162	1.00	125,473	1.00
Unearned reinsurance commission	36,819,401	(0.25)	49,156,001	0.07	46,075,041	0.29	153,012	0.29
Deferred taxation	1,572,713	25.53	59,276	(0.85)	401,225	(0.72)	35,643,971	(0.72)
Insurance / reinsurance payables	-	-	-	-	978,919	(0.18)	1,425,495	(0.18)
Lease Liability	5,803,334	0.69	3,425,469	0.54	2,226,409	(0.17)	1,197,537	(0.17)
Other creditors and accruals	61,206,454	(0.04)	63,437,865	0.02	62,479,070	0.05	59,668,456	0.05
Total liabilities	2,398,594,052	(0.009)	2,419,161,131	0.00	2,407,727,665	0.01	2,384,970,618	0.01
Total equity and liabilities	238,189	(0.017)	242,330	-	242,330	-	242,330	-
Unclaimed dividend	2,398,832,241	(0.009)	2,419,403,461	0.00	2,407,969,994	0.01	2,385,212,948	0.01
Total equity and liabilities	-	-	-	-	-	-	-	-
Statement of profit or loss								
Net insurance premium	16,745,367	(0.03)	17,242,702	(0.35)	26,472,863	0.13	23,463,541	0.13
Net insurance claims	(697,858)	9.96	(63,663)	(0.98)	(4,062,466)	4.29	(768,303)	4.29
Net commission	(2,316,890)	(0.15)	(2,722,228)	(0.29)	(3,833,547)	0.15	(3,323,184)	0.15
Insurance claims and acquisition expenses	(3,014,748)	0.08	(2,785,891)	(0.65)	(7,896,013)	0.93	(4,091,487)	0.93
Premium deficiency reserve	-	-	-	-	125,473	(0.97)	4,073,175	(0.97)
Management expenses	(17,701,944)	0.33	(13,275,794)	(0.10)	(14,700,997)	(0.16)	(17,509,606)	(0.16)
Underwriting results	(3,971,325)	(4.36)	1,181,017	(0.70)	4,001,326	(0.33)	5,935,623	(0.33)
Investment income	2,607,032	(0.34)	3,956,627	0.74	2,271,514	(0.13)	2,603,719	(0.13)
Rental income	10,189,941	0.14	8,932,262	0.09	8,213,337	0.05	7,829,067	0.05
Other income	4,452,798	0.57	2,833,805	3.58	618,851	(0.30)	879,274	(0.30)
Other expenses	(15,866,159)	0.04	(15,257,433)	0.14	(13,433,607)	(0.05)	(14,128,779)	(0.05)
Finance Cost - Lease Finance Charges	1,383,612	1.97	465,261	(1.20)	(2,329,905)	(0.17)	(2,816,719)	(0.17)
Profit / (loss) before tax	(2,587,713)	(1.00)	(35,083)	(0.84)	(215,333)	100.00	(211,091)	100.00
Income tax	3,405,240	(2.61)	1,611,195	0.11	1,456,088	(0.50)	2,907,813	(0.50)
(Loss) / profit after tax	817,527	(2.29)	(2,630,877)	(0.09)	(2,877,416)	(0.05)	(3,013,887)	(0.05)
	-	(1.80)	(1,019,682)	(0.28)	(1,421,328)	12.40	(106,074)	12.40



THE CO-OPERATIVE INSURANCE SOCIETY OF PAKISTAN LTD

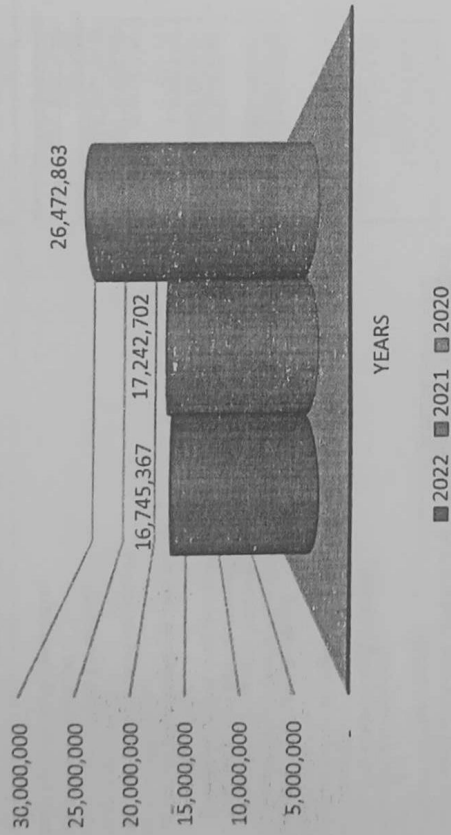
VERTICAL ANALYSIS

Statement of Financial Statement		2022		2021		2020		2019	
		Rupees	%	Rupees	%	Rupees	%	Rupees	%
Assets									
Property and equipments		2,228,032,640	92.88%	2,232,483,850	92.27%	2,216,184,198	92.04%	2,288,277,552	95.94%
Intangible Assets		89,600	0.00%	179,200	0.01%	268,800	0.01%	358,400	0.02%
Investment property		75,252,292	3.14%	70,903,000	2.93%	68,818,000	2.86%		0.00%
Equity securities		63,941,417	2.67%	92,037,809	3.80%	96,895,006	4.02%	67,631,850	2.84%
Term deposits		3,511,450	0.15%	3,011,450	0.12%	3,011,450	0.13%	3,011,450	0.13%
Sundry receivables		3,208,037	0.13%	2,350,743	0.10%	1,840,911	0.08%	5,091,517	0.21%
Insurance / reinsurance receivables		410,739	0.02%	507,252	0.02%	402,859	0.02%	555,721	0.02%
Reinsurance recoveries against outstanding claims		105,352	0.00%	110,044	0.00%	130,994	0.01%	106,442	0.00%
Deferred commission expense		2,262,046	0.09%	1,400,028	0.06%	1,896,672	0.08%	2,571,660	0.11%
Security deposits		59,400	0.00%	59,400	0.00%	59,400	0.00%	59,400	0.00%
Taxation - payments less provision		2,306,304	0.10%	2,071,234	0.09%	2,066,347	0.09%	2,030,129	0.09%
Prepayments		3,849,443	0.16%	2,002,971	0.08%	1,643,884	0.07%	2,300,606	0.10%
Cash and bank		15,803,521	0.66%	12,286,480	0.51%	14,731,473	0.61%	13,218,221	0.55%
Total assets		2,398,832,241	100.00%	2,419,403,461	100.00%	2,407,959,994	100.00%	2,385,212,948	100.00%
Total assets		2,398,832,241	100.00%	2,419,403,461	100.00%	2,407,959,994	100.00%	2,385,212,948	100.00%
Equity and Liabilities									
Capital and reserves attributable to Company's equity holders									
Ordinary share capital		500,032,400	20.84%	500,032,400	20.67%	500,032,400	20.77%	500,032,400	20.96%
Reserves		1,752,768,026	73.07%	1,774,321,289	73.34%	1,765,411,502	73.32%	1,815,245,878	76.10%
Revaluation reserve		84,587,172	3.53%	81,369,577	3.36%	79,804,693	3.31%	10,023,684	0.42%
Unappropriated profit / (loss)		2,337,387,598	97.44%	2,355,723,266	97.37%	2,345,248,595	97.40%	2,325,302,162	97.49%
Total equity									
Surplus on revaluation of property and equipment									
Liabilities									
Underwriting provisions									
Outstanding claims including IBNR		1,219,224	0.05%	1,011,646	0.04%	1,564,877	0.06%	1,378,180	0.06%
Unearned premium reserves		15,065,937	0.63%	9,370,003	0.39%	10,926,437	0.45%	17,076,866	0.72%
Premium deficiency reserve			0.00%		0.00%		0.00%	125,473	0.01%
Unearned reinsurance commission		725,845	0.03%	415,470	0.02%	306,162	0.01%	153,012	0.01%
Deferred taxation		36,819,401	1.53%	49,156,001	2.03%	46,075,041	1.91%	35,643,971	1.49%
Insurance / reinsurance payables		1,572,713	0.07%	59,276	0.00%	401,224	0.02%	1,425,495	0.06%
Lease Liability			0.00%		0.00%	978,919	0.04%	1,197,537	0.05%
Other creditors and accruals		5,803,334	0.24%	3,425,469	0.14%	2,226,409	0.09%	2,667,922	0.11%
Total liabilities		61,206,454	2.55%	63,437,865	2.62%	62,479,069	2.59%	59,668,456	2.50%
Total equity and liabilities		2,398,832,241	99.99%	2,419,161,131	99.99%	2,407,727,664	99.99%	2,384,970,618	99.99%
Unclaimed dividend		238,189	0.01%	242,330	0.01%	242,330	0.01%	242,330	0.01%
Total equity and liabilities			100.00%	2,419,403,461	100.00%	2,407,959,994	100.00%	2,385,212,948	100.00%
Statement of profit or loss									
		Rupees	%	Rupees	%	Rupees	%	Rupees	%
Net insurance premium		16,745,367	100.00%	17,242,702	100.00%	26,472,863	100.00%	23,463,541	100.00%
Net insurance claims		(697,858)	-4.17%	(63,663)	-15.35%	(4,062,466)	-15.35%	(768,303)	-3.27%
Net commission		(2,316,890)	-13.84%	(2,722,228)	-14.48%	(3,833,547)	-14.48%	(3,323,184)	-14.16%
Insurance claims and acquisition expenses		(3,014,748)	-18.00%	(2,785,891)	-29.83%	(7,896,013)	-29.83%	(4,091,487)	-17.44%
Premium deficiency reserve		(17,701,944)	-105.71%	(13,275,794)	-55.53%	(14,700,997)	-55.53%	(4,073,175)	-17.36%
Management expenses		(3,971,325)	-23.72%	1,181,017	15.11%	4,001,326	15.11%	(17,509,806)	-74.62%
Underwriting results		2,607,032	15.57%	3,956,627	8.59%	2,271,514	8.59%	5,935,623	25.30%
Investment income		10,189,941	60.85%	8,932,262	31.03%	8,213,337	31.03%	7,829,067	33.37%
Rental income		4,452,798	26.59%	2,833,805	2.34%	618,851	2.34%	879,274	3.75%
Other income		(15,866,159)	-94.75%	(15,257,433)	-50.74%	(13,433,607)	-50.74%	(14,128,779)	-60.22%
Other expenses		1,383,612	8.26%	465,261	-8.80%	(2,329,905)	-8.80%	(2,816,719)	-12.00%
Finance Cost - Lease Finance Charges		(2,587,713)	-15.45%	(35,083)	-0.81%	(215,333)	-0.81%	(211,091)	-0.90%
Profit / (loss) before tax		3,405,240	20.34%	1,611,195	5.50%	1,456,088	5.50%	2,907,813	12.39%
Income tax				(2,630,877)	-10.87%	(2,877,416)	-10.87%	(3,013,897)	-12.84%
(Loss) / profit after tax		817,527	4.88%	(1,019,682)	-5.37%	(1,421,328)	-5.37%	(1,06,074)	-0.45%

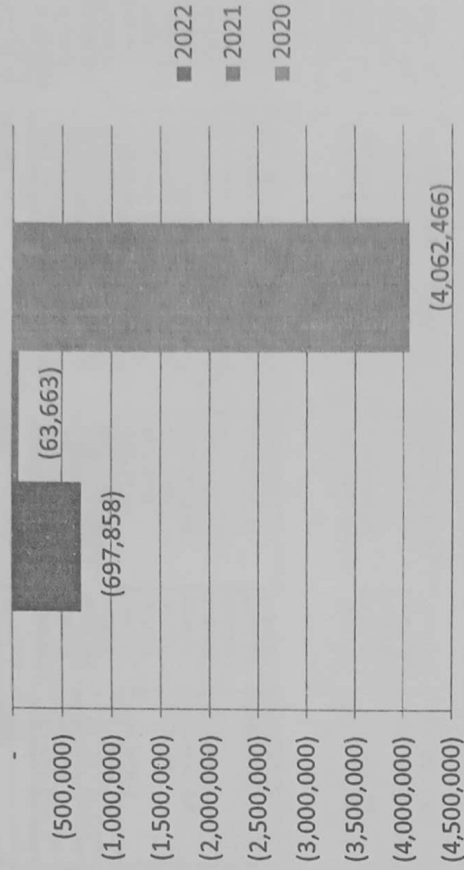


THE CO-OPERATIVE INSURANCE SOCIETY OF PAKISTAN LTD

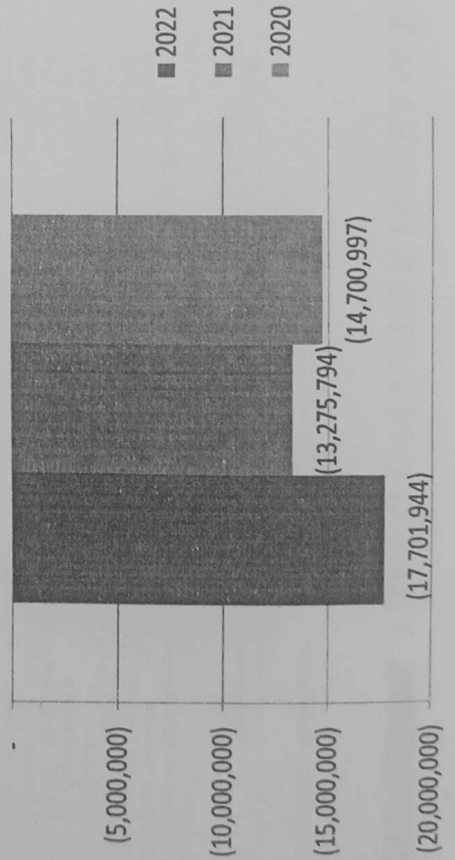
NET INSURANCE PREMIUMS (RS.)



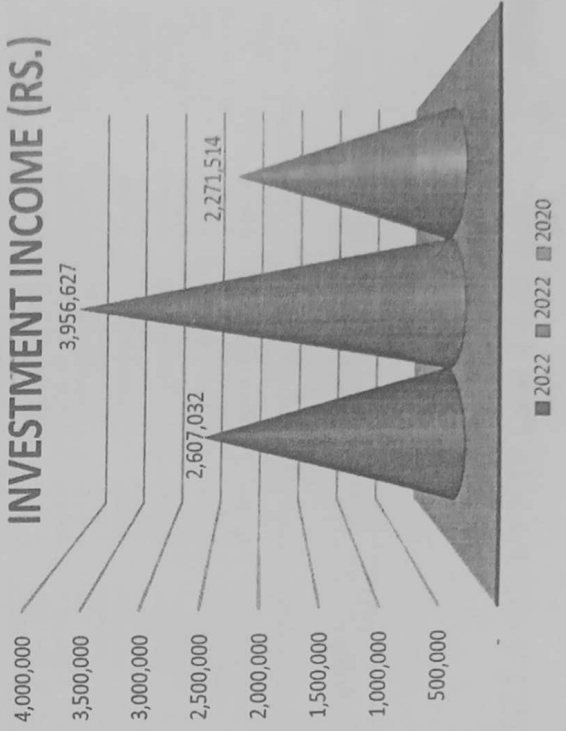
NET INSURANCE CLAIMS (RS.)



MANAGEMENT EXPENSES (RS.)



INVESTMENT INCOME (RS.)

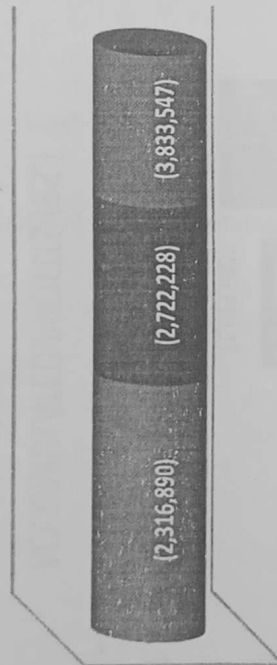




THE CO-OPERATIVE INSURANCE SOCIETY OF PAKISTAN LTD

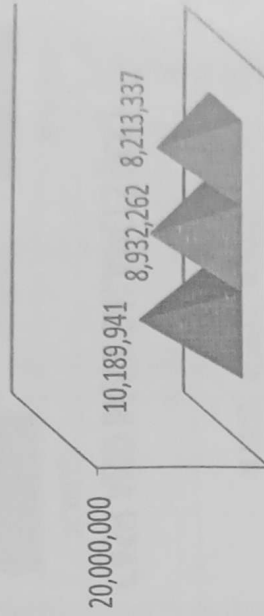
NET COMMISSION (RS.)

■ 2022 ■ 2021 ■ 2020



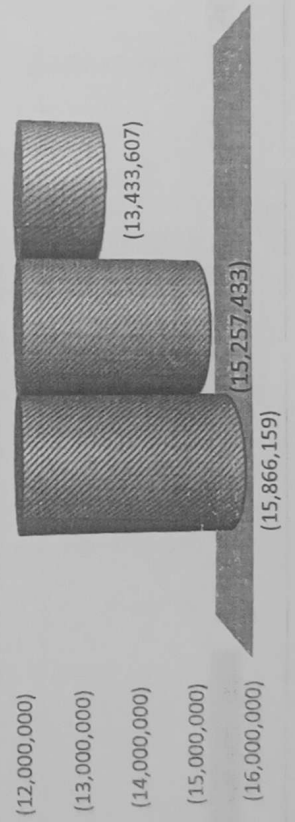
RENTAL INCOME (RS.)

■ 2022 ■ 2021 ■ 2020



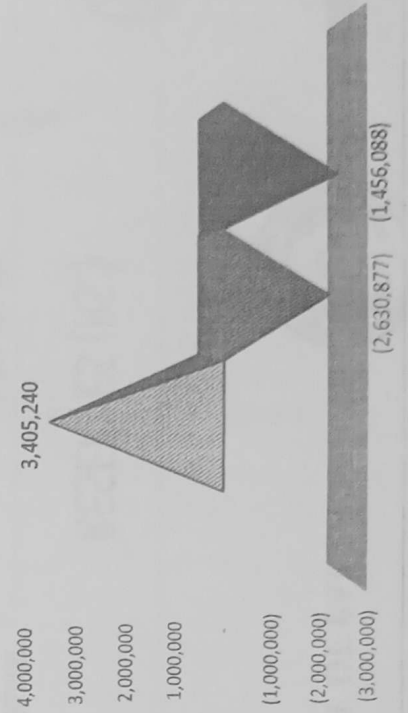
GENERAL AND ADMINISTRATIVE EXPENSES (RS.)

■ 2022 ■ 2021 ■ 2020



INCOME TAX EXPENSE (RS.)

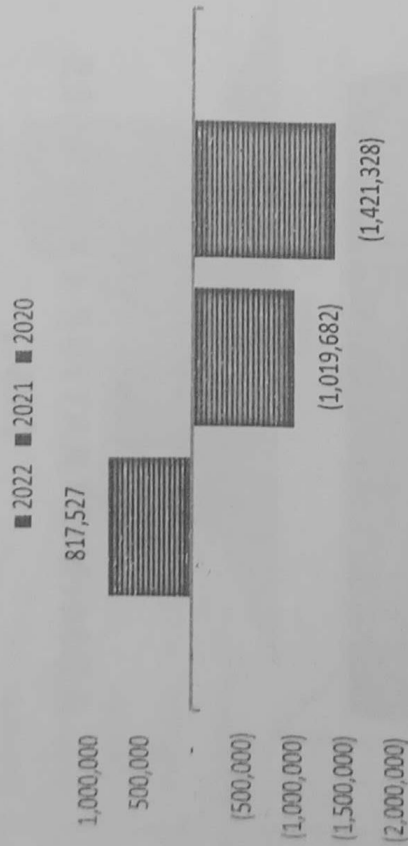
■ 2022 ■ 2021 ■ 2020



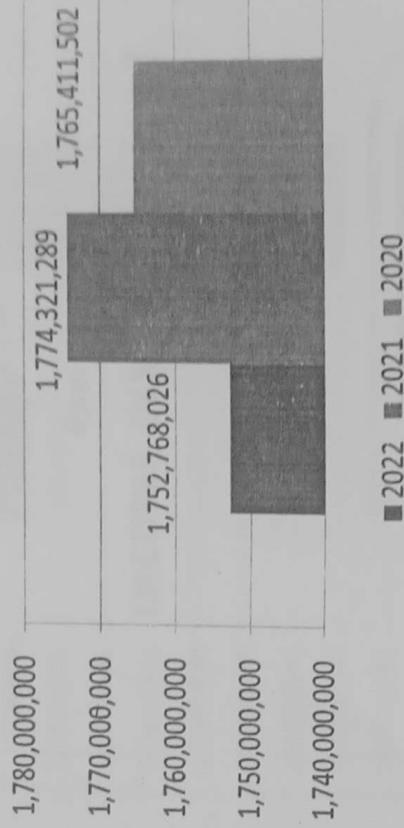


THE CO-OPERATIVE INSURANCE SOCIETY OF PAKISTAN LTD

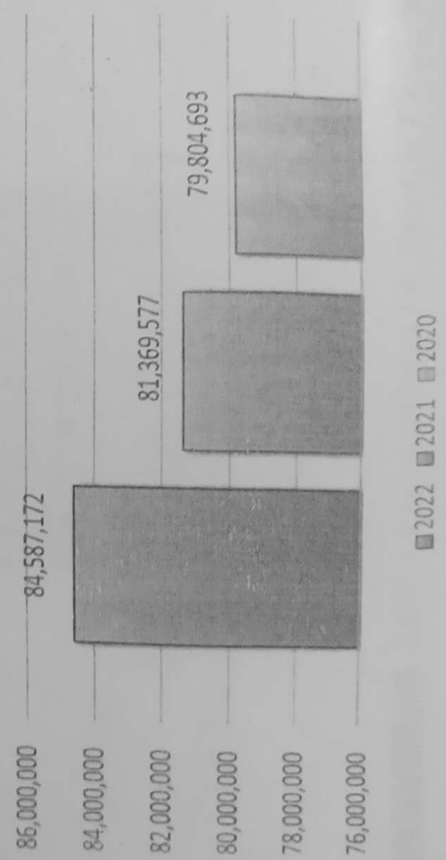
PROFIT AFTER TAX (RS.)



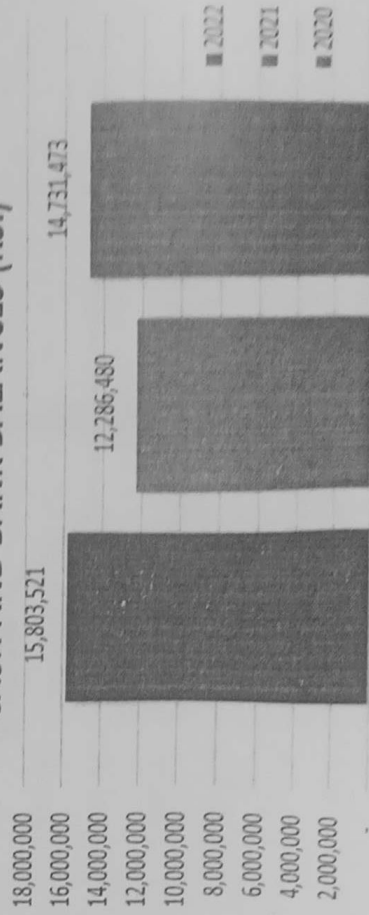
RESERVES (RS.)



ACCUMULATED PROFITS (RS.)



CASH AND BANK BALANCES (RS.)





VISION / MISSION & VALUES STATEMENT

Vision Statement

Our vision is to be the best insurance society.

Mission Statement

Our mission is to provide top quality insurance services to our valued clients, improve the business processes and quality of our human resource.

Values

Our values are:

➤ **Integrity**

We believe in honesty, integrity and transparency.

➤ **Ethics**

Ethics is one of our core values and we strictly follow ethical principals in our business conduct.

➤ **Professionalism**

We believe that professionalism can help us in achieving success and goals of our organization.

➤ **Excellence**

We strive to achieve excellence in what we do.

➤ **Commitment**

We have strong commitment towards serving our clients as per their expectations.



THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED

STATEMENT OF ETHICS & BUSINESS PRACTICE

Introduction and objective

The Cooperative Insurance Society of Pakistan Limited., is the apex cooperative society registered under the Cooperative Societies Act, 1925 on August 06, 1949 and is engaged in provision of general insurance services. The objectives of the society is to provide general insurance services, particularly to the cooperative sector in Pakistan helping them to meet their insurance needs. The Cooperative Insurance Society has an enhanced commitment and professionalism to provide expertise at a distinct level.

The Statement of Ethics and Statement of Business Practices that all members of staff and Directors are required to follow as "Code of Conduct" is given below.

Statement of Ethics

All Directors and Staff are required to:

- Act with integrity, dignity and in an ethical manner when dealing with the public, clients and peers.
- Protect the confidentiality of client information at all times except where required by law to disclose it.
- Protect the confidentiality of information relating to the Society both during the course of Directorship or employment and after retirement / termination as well.
- Obtain written permission, other than directors, from the Society's Compliance Officer /the Chief Executive Officer to hold any position, paid or unpaid, with any outside party, firm or organization.
- Maintain accurate records of business transactions related to the Society or its clients.
- Report any business or professional activities or any beneficial interests that may result in a conflict with or be competitive with the interests of the Society.
- Report any person or activity to the Compliance Officer / CEO that in their opinion is in violation of this statement.

Statement of Business Practices:

- Our business is founded on trust and we manage it ethically, lawfully and fairly.
- We hold responsibilities towards our clients in the highest regard.
- We recruit the most suitable workforce, motivate them, reward them and encourage them to innovate.
- We contribute towards our Society's financial goals and concentrate on achieving superior results.
- We believe in quality in every task assigned to us and work to the best of our efforts.
- We work hard in provision of quality services to our clients.

Chairman

Vice Chairman

CEO

Director



INDPENTENT AUDITORS'S REPORT

To the members of The Cooperative Insurance Society of Pakistan Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED** (the society), which comprise the statement of financial position as at December 31, 2022, and the statement of profit and loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant account policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit and loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Society's affairs as at December 31, 2022 and of the loss, its comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the international Ethics Standards Board for Accountants' *Code Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditors' Report Thereon.

Management is responsible for the other information. The other information comprises the information included in the director's report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we concluded that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Insurance Ordinance, 2000 and Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Boards of directors are responsible for overseeing the Society's financial reporting process.



Auditors' Responsibilities for the Audit of the Financial Statements.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosure in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosure, and whether the financial statements represent the underlying transaction and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) Proper books of account have been kept by the Society as required by the Insurance Ordinance, 2000 and the Companies Act, 2017(XIX of 2017);
- b) The statement of financial position, the statement of profit and loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account;
- c) Investment made, expenditure incurred and guarantees extended during the year were for the purpose of the Society's business;
- d) No Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980)

Other Matter

The financial statement of the Society for the year ended December 31, 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements on September 20, 2021.

The engagement partner on the audit resulting in this independent auditor's report is Syed Aftab Hameed.

Lahore: September 28, 2023
UDIN: AR202210475FcbAVwT94

KHB

KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS



THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED DECEMBER 31, 2022

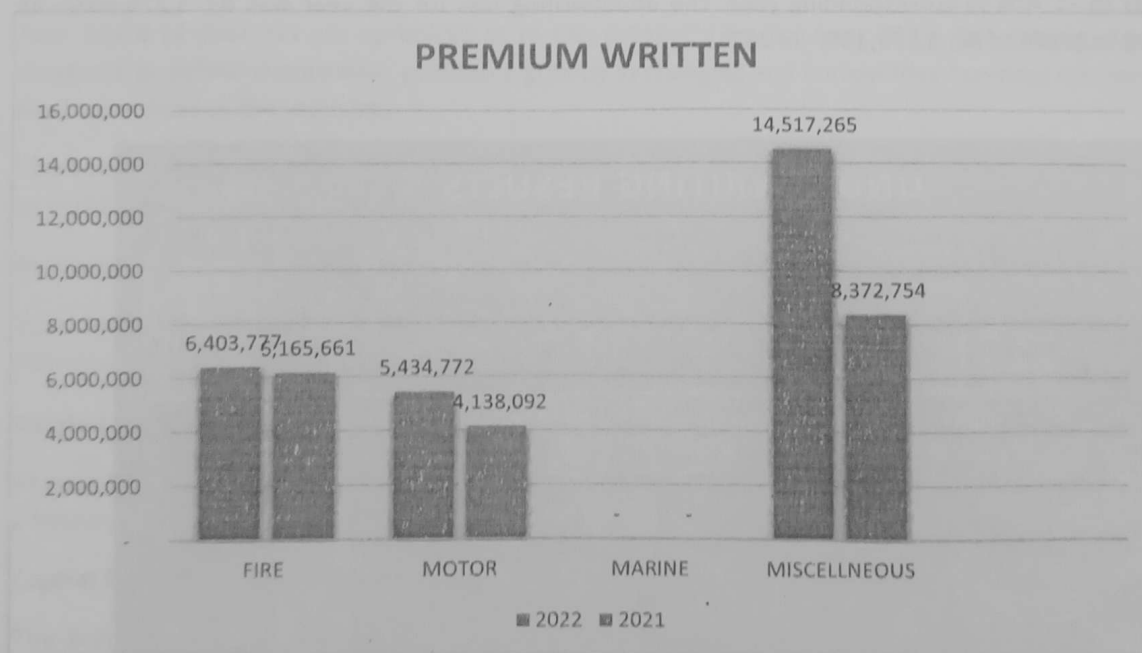
The Cooperative Insurance Society of Pakistan Limited (the Society) was incorporated on August 06, 1949, as a cooperative society under the Cooperative Societies Act, 1925. The Society is engaged in non-life insurance business.

The Directors of your Society are pleased to present the 74th Annual Report of the Society for the year ended December 31, 2022.

Your Society's profit after tax for the year 2022 was Rs. 817,527/- as compared to loss of Rs. 984,836/- in 2021 restated accounts.

Your Society has underwritten was Rs. 26,355,814/- Direct Premium inside Pakistan as compared to Rs. 18,676,507/- in 2021 showing increase of 41.12%, while the Net Premium Revenue was Rs. 16,745,367/- as compared to Rs. 17,242,702/- in 2021. Underwriting loss was Rs. 3,971,325/- as compared to Profit of Rs. 1,181,017/- in 2021.

Amounts in Rupees



Given the insurance sector's potential for expansion and growth, your Society is expected to have further growth in underwriting profits in the ensuing years.

The segment wise performance is as follows:



FIRE AND PROPERTY

The written premium increased by 3.86% to Rs. 6,403,777/- as compared to Rs. 6,165,661/- in 2021. Claim expense as percentage of net premium revenue was 1.23% against 0.33% in 2021. The underwriting result for the year 2022 Rs. 424,016/- as compared to loss in Previous year 2021 of Rs. 1,317,467/-.

MARINE, AVIATION AND TRANSPORT

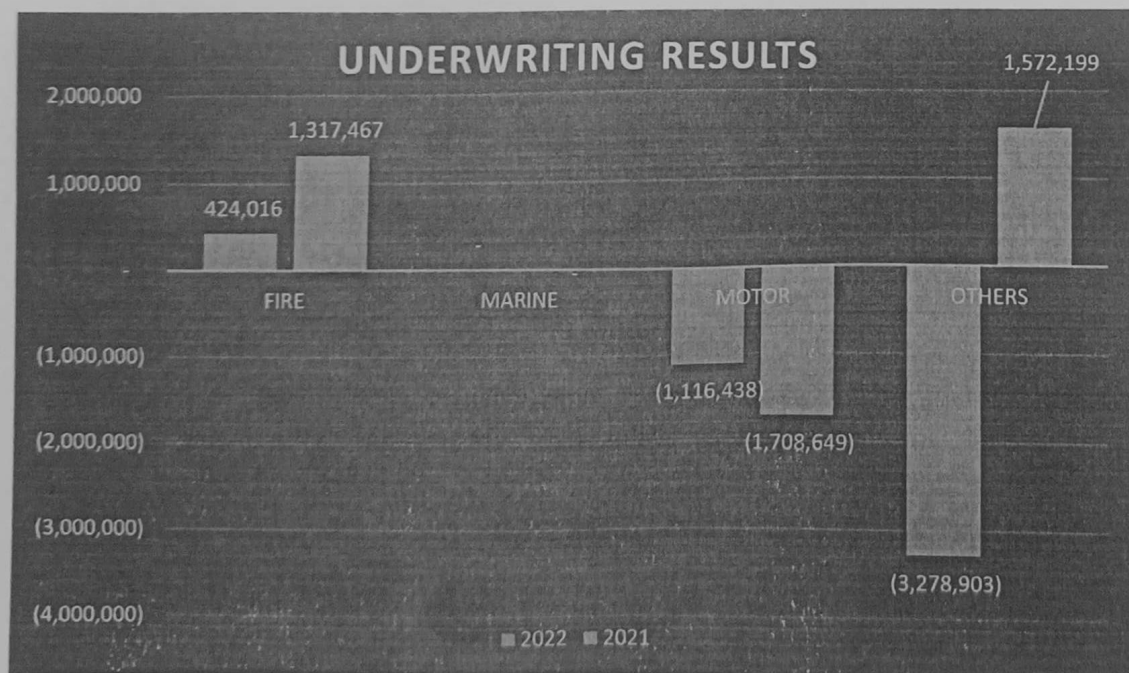
The society has not underwritten any business in this sector.

MOTOR

The written premium increased by 31.34% to Rs. 5,434,772/- as compared to Rs. 4,138,092/- in 2021. Claim expense as percentage of net premium revenue was 19.31% against 7.71% in 2021. The underwriting Loss for the year was Rs. (1,116,438)/- as compared to profit of Rs. 1,708,649/- in 2021.

MISCELLANEOUS (LIVESTOCK & OTHERS)

The written premium increased by 73.39% to Rs. 14,517,265/- as compared to Rs. 8,372,754/- in 2021. The claim expense as percentage of net premium revenue was -1.63% in the year under report as compared to -1.70% in corresponding year. The underwriting loss for the year was Rs. 3,278,903/- as compared to profit of Rs. 1,572,199/- in 2021.



**Investment Income**

The dividend income for the year was Rs. 2,542,146/- as against Rs. 3,914,295/- last year. The total investment income for the year was Rs. 2,607,032/- as against Rs. 3,956,627/- last year.

Information Technology

The Society continues to invest in technology to offer state of the art service to its customers. The Society is continuously improving the accounting software to meet the informational and reporting needs of the Society and all Society's data is cloud based. The System of the Society is secured from cyber-attacks risk in this year. The Society has taken appropriate measures to safe his information system from cyber attacks

Appropriation

During the year an amount of Rs.204,382/- Transfer to general reserve (2021. nil)

Credit Rating

Your Society is rated by JCR-VIS who has assigned rating of BB+ with stable outlook.

Prospects for 2023

Your board of directors are optimistic as to the prospects for the year 2023. Our strategy for 2023 is designed to deliver sustainable, profitable growth in changing and competitive business environment to fetch due share in the industry.

The Society intends to continue investing in people and making the Cooperative Insurance the best place to build career, invest in systems and processes to further improve service to customers.

Reinsurance

Your Society continues to enjoy very sound reinsurance arrangements with government owned entity Pakistan Reinsurance Company Limited which is 'AA' rated reinsurer.

Related Party Transactions

At each board meeting, the Board of Directors approves Society's transactions with Associated Companies / Related parties, if any. There has been no transaction with related party.

Capital Management and Liquidity

The Society maintains strong financial base. Your Society carefully administers its liquidity to ensure its ability to meet all its obligations efficiently. The Society operates and honors its obligations through the cash flow generated from its core business as well as investment and other income.

Board Committees

Your Society maintains following sub- committees of the board:



Audit Committee

The Audit Committee is assisted by the Internal Auditor in reviewing the adequacy of operational controls and in monitoring and managing risks to provide reasonable assurance that such system continues to operate satisfactorily and effectively in the Society. The principal responsibility of the Internal Auditors is to conduct periodic audits to ensure adequacy in operational controls, consistency in application of policies and procedures and compliance with applicable laws. The Board's Audit Committee comprises of the following members:

1. Mr. Ayyaz Mehmood Khilji – Chairman (Independent director)
2. Mr. Ahsun Mahmood – (Non-executive director)
3. Mr. Muhammad Shafi -- Member (Non-executive director)
4. Mr. Shahbaz Hussain Khadim (Member/secretary)

Investment Committee

The Society has a Board level investment committee to review the investment portfolio. The committee is also responsible for developing the investment policy for the Society. The Board's Investment Committee comprises of the following members:

1. Mr. Muhammad Shafi – Chairman (Non-executive director)
2. Mr. Ayyaz Mehmood Khilji (Independent director)
3. Mr. Ghulam Sajjad – Member (Non-executive director)
4. Chief Executive Officer
5. Chief Financial Officer

Remuneration Committee & Nomination Committee

The committee is responsible for recommending to the Board human resource management policies of the Society as well as the selection, evaluation, and compensation of key officers of the Society. The Board's Human Resource and Remuneration Committee comprises of the following members:

1. Mr. Asad-ul-Haq Piracha – Chairman (Non-executive director)
2. Mr. Ghulam Sajjad Hussain (Non-executive director)
3. Mr. Ahsun Mehmood – Member (Non-executive director)
4. Mr Fateh Khan Niazi - (Member Secretary)

Management Committees

As part of the Corporate Governance, your Society maintains following four management committees which meet at least once every quarter:

Underwriting Committee

The underwriting committee formulates the underwriting policy of your Society. It sets out the criteria for assessing various types of insurance risks and determines the premium policy of different insurance covers. The committee regularly reviews the underwriting and premium policies of the Society with due



regard to relevant factors such as its business portfolio and the market development. The members of underwriting committee are as follow:

1. Mr. Asad-ul-Haq Piracha – Chairman (Non-executive director)
2. Mr. Imtiaz-ul-Hassan– Member (Non-executive director)
3. Ch. Nisar Ahmed – Member (Non-executive director)
4. Malik Muhammad Ashraf (Member/ Secretary)

Claims Settlement Committee

This committee devises the claims settling policy of the Society. It oversees the claims position of the Society and ensures that adequate claims reserves are maintained. Particular attention is paid to significant claims cases or events, which give rise to a series of claims. The Claims Settlement Committee determines the circumstances under which the claims dispute to be brought to its attention and decides how to deal with such claim's disputes. It also oversees the implementation of the measures for combating fraudulent claims cases. The Committee also oversees the newly established Grievance Function of the Society. The members of Claims Settlement committee are as follow:

1. Mr. Siddique Akbar – Chairman (Non-executive director)
2. Mr. Ghulam Sajjad Hussain – Member (Non-executive director)
3. Mr. Fateh Khan Niazi (CEO)
4. Mr. Fahad Amjad (Member/ Secretary)

Reinsurance and Coinsurance Committee

This committee ensures that adequate reinsurance arrangements are made for the insurance Society's businesses. It peruses the proposed reinsurance arrangements prior to their execution, reviews the arrangements from time to time and subject to the consent of the participating reinsurers, makes appropriate adjustments to those arrangements in the light of the market development. It also assesses the effectiveness of the reinsurance program for future reference. The committee consists of following members:

1. Mr. Ahsun Mahmood – Chairman (Non-executive director)
2. Mr. Muhammad Shafi – Member (Non-executive director)
3. Mr. Muhammad Jameel – Member/Secretary

Ethics / Compliance and Risk Management Committee

The ethics / compliance and risk management committee oversee the activities of the risk management function of the Society and makes appropriate recommendations to the Board to mitigate probable risks falling within the purview of the risk management function.

The committee is also responsible for monitoring the compliance function and the insurer's risk profile in respect of compliance with the laws applicable to it as well as the internal policies and procedures. The committee consists of following members:



1. Mr. Ahsun Mahmood – Chairman (Non-executive director)
2. Mr. Saddique Akbar – Member (Non-executive director)
3. Mr. Muhammad Shafi – Member (Non-executive director)
4. Mr. Fahad Amjad – (Member/ Secretary)

Risks to Business

Business risks and mitigation factors are described in detail at Note # 29 of the audited financial statements.

Corporate Social Responsibility

The impact of our presence in society is both direct and indirect. The impact flows from the resources we consistently mobilize and the investments we make.

Energy conservation

We keep a close watch over our energy conservation. All electrical items used in our offices are energy friendly. Lights are switched off during Lunch Break.

Environmental protection measures

The Society is aware of its social responsibility in regard to environmental protection. Therefore, we encourage healthy environment and take steps which could add value to our belief.

Directors Election and Meetings

The Directors of your Society were elected at the Annual General Meeting held on October 18, 2020, for a term of three years. The attendance at the meeting is as under:

Sr. No	Name	No. of Meetings held	No. of Meetings Attend
1	Mr. Asad-ul-Haq Piracha-Non Executive	4	3
	Mr. Aziz-ul Haq Piracha -Non Executive (Retired)	4	1
2	Ch. Ahsun Mahmood-Non Executive	4	4
3	Ch. Nisar Ahmad-Non Executive	4	4
4	Mr. Imtiaz-ul- Hassan -Non Executive	4	4
5	Mr. Malik Muhammad Shafie-Non Executive	4	4
6	Mr. Saddique Akbar -Non Executive	4	4
7	Mr. Ghulam Sajjad Hussain -Non Executive	4	3
8	Mr. Ayyaz Mehmood Khilji – Assistant Registrar(I&M)Cooperative(ex-officio appointed by the Registrar Cooperatives)	4	3



Statement of Ethics and Business Practices

The Board has adopted the Statement of Ethics and Business Practices. All employees are informed of this statement and are required to observe these rules of conduct in relation to business and regulations. Statement of Ethics and Business Practices are based on integrity, dignity, culture of excellence and ethical dealing with clients, peers, and the public.

Corporate and Financial Reporting Framework

- a) The financial statements prepared by the management of the Society present fairly its situation, the result of its operations, cash flow and changes in equity.
- b) Proper books of accounts have been maintained by the Society.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgments.
- d) The International Financial Reporting Standards (IFRS) as applicable in Pakistan, have been followed in preparation of financial statements and any departure from there has been adequately disclosed.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) There are no significant doubts upon the Society's ability to continue as a going concern.
- g) There has been no material departure from the best practices of corporate governance.
- h) The key operating and financial data for the last six years is annexed.
- i) There has been no trading of shares by Chief Executive, Directors, Chief Financial Officer, Society Secretary, their spouses, and minor children as the shares of the society are not listed on any stock exchange.
- j) All the shareholders of the society are cooperative societies and is no individual shareholders as the same are barred under the law.

We would like to thank our valued customers for their continued patronage and support and to Pakistan Reinsurance Company Limited, Securities and Exchange Commission of Pakistan for their guidance and assistance. The Directors of your Society also place on record their appreciation of the efforts made by officers, field force and staff for their dedicated efforts for the Society.


Chairman
On Behalf of Board of Directors
Dated: September 28, 2023

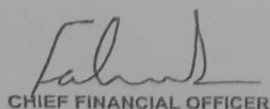


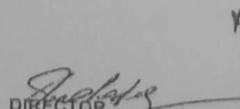
THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED
STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2022

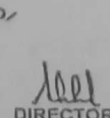
	Note	2022 Rupees	Restated 2021 Rupees
Assets			
Property and equipment	4	2,228,032,640	2,232,483,850
Intangible assets	5	89,600	179,200
Investment property	6	75,252,292	71,638,107
Investments:			
- Equity securities	7	63,941,417	92,037,809
- Term deposits		3,511,450	3,011,450
Sundry receivables	8	3,208,037	2,350,743
Insurance / reinsurance receivables		410,739	507,252
Security deposits	9	59,400	59,400
Reinsurance recoveries against outstanding claims		105,352	110,044
Deferred commission expense		2,262,046	1,400,028
Taxation - payment less provisions		2,306,304	2,046,671
Prepaid reinsurance premium		3,849,443	2,087,670
Cash and bank balances	10	15,803,521	12,286,480
Total Assets		2,398,832,241	2,420,198,704
Equity and Liabilities			
Capital and reserves attributable to Society's equity holders			
Ordinary share capital	11	500,032,400	500,032,400
Reserves	12	1,752,768,026	1,775,021,550
Unappropriated profit		84,587,172	81,464,559
Total equity		2,337,387,598	2,356,518,509
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR		1,219,224	1,011,646
Unearned premium reserves		15,065,937	9,370,003
Unearned reinsurance commission	13	725,845	415,470
Deferred taxation	14	36,819,401	49,156,001
Insurance / reinsurance payables		1,572,713	59,276
Unclaimed dividend		238,189	242,330
Other creditors and accruals	15	5,803,334	3,425,469
Total liabilities		61,444,643	63,680,195
Total equity and liabilities		2,398,832,241	2,420,198,704
Contingencies and Commitments	16	-	-

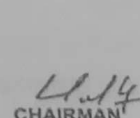
The annexed notes form an integral part of these financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR


DIRECTOR


CHAIRMAN



THE CO-OPERATIVE INSURANCE SOCIETY OF PAKISTAN LTD

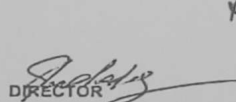
THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED DECEMBER 31, 2022

	Note	2022 Rupees	Restated 2021 Rupees
Net insurance premium	17	16,745,367	17,242,702
Net insurance claims	18	(697,858)	(63,663)
Net commission and other acquisition costs	19	(2,316,890)	(2,722,228)
Insurance claims and acquisition expenses		(3,014,748)	(2,785,891)
Premium deficiency reserve		-	-
Management expenses	20	(17,701,944)	(13,275,794)
		(17,701,944)	(13,275,794)
Underwriting results		(3,971,325)	1,181,017
Investment income	21	2,607,032	3,956,627
Rental income		10,189,941	8,932,262
Other income	22	4,452,798	2,868,651
Other expenses	23	(15,866,159)	(15,257,433)
Results of operating activities		1,383,612	500,107
Finance cost - lease finance charges		-	(35,083)
(Loss) / profit before taxation		(2,587,713)	1,646,041
Taxation	24	3,405,240	(2,630,877)
Profit / (loss) after taxation		817,527	(984,836)
Earnings / (loss) per share - Basic	25	0.016	(0.020)

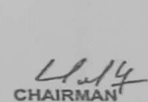
The annexed notes form an integral part of these financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR


DIRECTOR



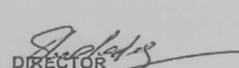

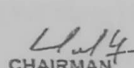

CHAIRMAN



THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2022

	Note	2022 Rupees	Restated 2021 Rupees
Profit / Loss after taxation		817,527	(984,836)
Items that will not be reclassified to profit or loss			
Unrealized loss on available for sale investments during the year	7.1.2	(28,096,392)	(4,857,197)
Deferred tax asset attributable to unrealized loss		8,147,954	1,408,587
Surplus on revaluation of property and equipment		-	18,052,429
Deferred tax liability attributable to revaluation surplus		-	(3,049,329)
Other comprehensive (loss) / income for the year		(19,948,438)	11,554,490
Total comprehensive (loss) / income for the year		(19,130,911)	10,569,654

The annexed notes form an integral part of these financial statements.

 CHIEF EXECUTIVE
  CHIEF FINANCIAL OFFICER
  DIRECTOR
  DIRECTOR
  CHAIRMAN



THE CO-OPERATIVE INSURANCE SOCIETY OF PAKISTAN LTD

THE CO-OPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2022

Description	Reserves					Unappropriated Profit	Total
	Share Capital	Capital Reserves	General Reserves	Fair value Reserves	Revaluation reserve	Subtotal	
	Paid up Share Capital						
Balance as at January 01, 2021 (Restated)	500,032,400	3,295,965	5,338,148	65,464,993	1,692,012,657	1,766,111,763	2,345,948,856
Incremental depreciation on revaluation surplus - net of tax	-	-	-	-	(2,644,702)	(2,644,702)	-
Net loss for the year	-	-	-	-	-	-	(984,836)
Other comprehensive income for the year	-	-	-	(3,448,611)	15,003,100	11,554,489	11,554,489
Transfer to general reserves	-	-	-	(3,448,611)	15,003,100	11,554,489	(984,836)
Balance as at December 31, 2021 (Restated)	500,032,400	3,295,965	5,338,148	62,016,382	1,704,371,055	1,775,021,550	2,356,518,509
Balance as at January 01, 2022	500,032,400	3,295,965	5,338,148	62,016,382	1,704,371,055	1,775,021,550	2,356,518,509
Incremental depreciation on revaluation surplus - net of tax	-	-	-	-	(2,509,468)	(2,509,468)	-
Net loss for the year	-	-	-	-	-	-	817,527
Other comprehensive income / (loss) for the year	-	-	-	(19,948,439)	-	(19,948,439)	(19,948,439)
Transfer to general reserves	-	204,382	-	(19,948,439)	-	(19,948,439)	(19,130,912)
Balance as at December 31, 2022	500,032,400	3,500,347	5,338,148	42,067,943	1,701,861,587	1,752,563,643	2,337,387,587

The annexed notes form an integral part of these financial statements.

[Signature]
CHIEF EXECUTIVE

[Signature]
CHIEF FINANCIAL OFFICER

[Signature]
DIRECTOR

[Signature]
DIRECTOR

[Signature]
CHAIRMAN



THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2022

	Note	2022 Rupees	2021 Rupees
Cash flow from operating activities			
Underwriting Activities			
Insurance premium received		26,355,814	18,676,507
Reinsurance premium paid		(5,676,286)	(3,434,025)
Claims paid		(591,760)	(1,129,910)
Reinsurance and other recoveries received		106,172	533,966
Commission paid		(3,759,277)	(2,648,667)
Commission received		890,744	532,391
Underwriting payments		(470,015)	(908,476)
Other underwriting receipts		2,079,965	462,136
Net cash inflow from underwriting activities		18,935,357	12,083,922
Other operating activities			
Income tax paid		(1,043,039)	(1,150,983)
Finance cost paid		-	(35,083)
General management expenses paid		(17,701,944)	(13,275,794)
Other operating payments		(8,697,992)	(8,134,492)
Other operating receipts		-	-
Net cash outflows from other operating activities		(27,442,975)	(22,596,352)
Total cash outflows from all operating activities		(8,507,618)	(10,512,430)
Investment activities			
Profit / return received		64,886	42,332
Dividends received		2,542,146	3,914,295
Rent received		9,498,127	8,595,979
Sale proceed of asset		175,000	-
Intangible acquired		-	-
Lease payments		-	(978,919)
Purchase of software		-	-
Fixed capital expenditure		(255,500)	(3,506,250)
Net cash inflows from investing activities		12,024,659	8,067,437



THE CO-OPERATIVE INSURANCE SOCIETY OF PAKISTAN LTD

Financing activities

Share capital issued

- -

Net cash flows from financing activities

- -

Net cash flow from all activities

3,517,041 (2,444,993)

Cash and cash equivalent at the beginning of the year

12,286,480 14,731,473

Cash and cash equivalent at the end of the year

15,803,521 12,286,480

Reconciliation of operating cash flows to profit and loss account

2022 2021
Rupees Rupees

Operating cash flow	(8,507,618)	(10,512,430)
Depreciation expense	(4,704,843)	(5,190,969)
Amortization	(89,600)	(89,600)
Gain / (Loss) on disposal of vehicle	173,133	(68,058)
Increase / (decrease) in assets other than cash	3,639,513	535,587
Increase / decrease in liabilities other than running finance	(10,101,048)	1,143,245
Interest, dividend, rental income and deferred income / (loss)	16,793,805	11,112,389
Fair value of Investment property	3,614,185	2,085,000

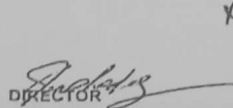
Loss after taxation

817,527 (984,836)

The annexed notes from 1 to 38 form an integral part of these financial statements


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR


DIRECTOR


CHAIRMAN



THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

1 Legal Status and Operations

The Cooperative Insurance Society of Pakistan Limited ("the Society" or "Society") was incorporated as a Cooperative Society under the Cooperative Societies Act, 1925 on August 6, 1949 and is engaged in general insurance business including fire, motor, livestock insurance.

The registered office of the Society is situated at Cooperative Insurance Building, 23 Shahrah-e-Quaid-e-Azam, Lahore.

2 Basis of Preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Approved accounting standards comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are 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 of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017 and the Insurance Accounting Regulations, 2017 shall prevail.

2.2 These financial statements have been prepared in accordance with the format prescribed under Insurance Rules, 2017.

2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention without taking into account any adjustments for the effects of inflation or current values except for certain assets (freehold land & building, investment property and investments in securities) which are measured at revalued amounts / fair values.

2.4 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Society operates. Accordingly, these financial statements are presented in Pak Rupees which is the Society's functional and presentation currency. All the figures have been rounded off to the nearest rupee, unless otherwise stated.

2.5 Use of estimates and judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.



Financing activities

Share capital issued

- -

Net cash flows from financing activities

- -

Net cash flow from all activities

3,517,041 (2,444,993)

Cash and cash equivalent at the beginning of the year

12,286,480 14,731,473

Cash and cash equivalent at the end of the year

15,803,521 12,286,480

Reconciliation of operating cash flows to profit and loss account

2022 2021
Rupees Rupees

Operating cash flow

(8,507,618) (10,512,430)

Depreciation expense

(4,704,843) (5,190,969)

Amortization

(89,600) (89,600)

Gain / (Loss) on disposal of vehicle

173,133 (68,058)

Increase / (decrease) in assets other than cash

3,639,513 535,587

Increase / decrease in liabilities other than running finance

(10,101,048) 1,143,245

Interest, dividend, rental income and deferred income / (loss)

16,793,805 11,112,389

Fair value of Investment property

3,614,185 2,085,000

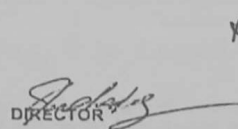
Loss after taxation

817,527 (984,836)

The annexed notes from 1 to 38 form an integral part of these financial statements


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The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Significant areas requiring the use of management estimates in these financial statements are detailed below. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities. The areas where assumptions and estimates are significant to the Society's financial statements or where judgment was exercised in application of accounting policies are as follows:

	<u>Note</u>
Provision for unearned premiums	3.9 & 18
Impairment of receivables and payables related to insurance contracts	3.7
Provision for doubtful receivables	3.8
Premium due but unpaid	3.9
Premium deficiency reserve	3.10
Provision for outstanding claims (including IBNR)	3.11 & 19
Fair values and useful lives of property and equipment	3.2 & 4
Useful lives of intangible assets	3.4 & 5
Fair values of investment property	3.5 & 6
Provision of current and deferred taxation	3.15 & 25
Impairment of financial and non-financial assets	3.27
Contingencies and commitments	3.30

2.6 Standards, interpretations and amendments with respect to the approved accounting standards that are effective during the current year

There are certain new and amended standards, interpretations and amendments that are mandatory for the Society's accounting periods beginning on or after January 01, 2022 but are considered not to be relevant or do not have any significant effect on the Society's operations and therefore not stated in these financial statements.

2.7 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective

The following standards, amendments and interpretations of accounting and reporting standards as applicable in Pakistan will be effective for accounting periods beginning on or after January 01, 2023:

Standards, Interpretations or Amendments	Effective Date
Classification of liabilities as current or non-current - Amendment to IAS 1	January 01, 2023
Definition of Accounting Estimate - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction	
Amendments to IAS 12	January 01, 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

On March 29, 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting (applicable immediately) which contains changes that will set a new direction for IFRS in future. The Conceptual Framework primarily serves as a tool for IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process - this means that the overall impact on standard setting may take some time to crystallize. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements.



IFRS 9 - Financial Instruments IFRS 9 'Financial Instruments' has become applicable, however as an insurance Society, the management has opted temporary exemption from the application of IFRS 9 as allowed by International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance. Additional disclosures, as required by the IASB, for being eligible to apply the temporary exemption from the application of IFRS 9 are given below:

The tables below set out the fair values as at the end of reporting period and the amount of change in the fair value during that period for the following two groups of financial assets separately:

- a) Financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding, excluding any financial asset that meets the definition of held for trading in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis.

- b) All other financial assets

As at December 31, 2022				
Fail the SPPI test		Pass the SPPI test		
Fair Value	Change in unrealized gain / (loss) during the period	Carrying value	Cost less impairment	Change in unrealized gain / (loss) during the period

Financial Assets

Cash and bank	15,803,521	-	-	-
Investment in equity securities	63,941,417	(28,096,392)	-	-
Investment in debt securities				
Held to maturity	-	-	10,850	-
Term deposits	-	-	1,000,000	-
Other receivables	701,316	-	-	-
Total	80,446,254	(28,096,392)	1,010,850	-

3. Summary of Significant Accounting Policies

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently, unless stated otherwise.

3.1 Insurance contracts

Insurance contracts are those contracts where the Society (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its period, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expired.



The Society underwrites non-life insurance contracts that can be categorized into fire damage, marine, motor and miscellaneous contracts. Contracts may be concluded for a fixed term of one year, for less than one year and in some cases for more than one year. However, most of the contracts are for twelve months duration.

Fire insurance contracts mainly compensate the customers for damage suffered to their property.

Marine insurance provides coverage against loss and damage to goods in transit by any means of conveyance, physical loss or damage to ships and liabilities to third parties, passengers and cargo.

Motor insurance covers physical loss or damage to the vehicle and liabilities to third parties as provided under the requirements of the Motor Vehicle Ordinance, 1965.

All other insurances are included under miscellaneous insurance cover.

3.2 Property and equipment

Owned

Property and equipment except freehold land and building are stated at cost less accumulated depreciation and impairment in value, if any. Building is stated at the revalued amount less accumulated depreciation and impairment in value, if any. Land is stated at revalued amount less accumulated impairment in value, if any.

Cost in relation to property and equipment comprises acquisition and other directly attributable costs. The cost of self constructed assets includes the cost of materials, direct labor and any other costs directly attributable to bringing the assets to a working condition for their use as intended by the management. The cost of replacing a part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Society and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Society and cost of the item can be measured reliably. All other normal repair and maintenance costs and on-going operational expenditure are charged to income during the period in which these are incurred.

Depreciation is charged to the statement of profit or loss by applying reducing balance method at the rates specified in Note 4 of these financial statements to write off the cost over useful lives of the assets. Depreciation is charged on the basis of period of use i.e. full month's depreciation is charged in the month of purchase or when the asset is available for its intended use, while no depreciation is charged in the month of disposal.

Residual value and the useful life of assets are reviewed at each financial year end, and adjusted if expectations differ significantly from previous estimates and impact on depreciation is significant. Residual values are determined by the management as the amount it expects it would receive currently for an item of property and equipment if it was already of the age and in the condition expected at the end of its useful life based on the prevailing market prices of similar assets already at the end of their useful lives.

Useful lives are determined by the management based on the expected usage of assets, physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of the assets and other similar factors.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is charged to the statement of profit or loss in the year the asset is derecognized.

Gains and losses on disposals of an asset are determined by comparing sale proceeds with the carrying amount of the assets disposed off.



3.3 Right-of-use assets and their related lease liability

At the inception of the contract, the Society assesses whether a contract is, or contains, a lease. The Society applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Society recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the lease term. The right-of-use assets are presented within note 4 and are subject to impairment in line with the Society's policy.

On initial recognition, right-of-use assets are measured at an amount equal to initial lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

Lease liabilities are initially measured as the present value of the remaining lease payments, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Society's incremental borrowing rate.

The lease liability is subsequently measured at amortized cost using the effective interest rate method. The lease liability is also remeasured to reflect any reassessment or change in lease terms. These remeasurements of lease liabilities are recognized as adjustments to the carrying amount of related right-of-use assets after the date of initial recognition.

Each lease payment is allocated between a reduction of the liability and a finance cost. The finance cost is charged to the statement of profit or loss as markup expense over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

3.4 Intangible assets

Intangible assets represent computer software, are identifiable non-monetary assets without physical substance and are recognized when it is probable that the expected future economic benefits will flow to the entity and the cost of the asset can be measured reliably. Cost of the intangible asset includes purchase cost and directly attributable expenses incidental to bring the asset for its intended use. Cost associated with maintaining intangible assets is recognized as an expense in the statement of profit or loss as and when incurred. Intangible assets acquired separately are carried at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged on a straight-line basis over a period of 5 years. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis, if the impact of amortization is significant.

Amortization is charged to income by applying straight line method at the rates prescribed in Note 5 of these financial statements to write off the cost over the useful lives of these assets, after taking into account that amortization is charged on the basis of period of use i.e. full year's amortization is charged in the year of purchase while no amortization is charged in the year of disposal.

The carrying amount of the intangible assets is reviewed for impairment whenever events or changes in the circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized in the statement of profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. Reversal of impairment losses are also recognized in the statement of profit or loss, however, it is restricted to the original cost of the asset.



An intangible asset is derecognized when the future economic benefits embodying in the asset will not flow to the Society and the amount cannot be measured reliably. Gain or loss arising on disposal of intangible asset is represented by the difference between the sale proceeds and the carrying amounts of the asset and is recognized as an income or expense in the statement of profit or loss.

3.5 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in ordinary course of business, use in production or supply of goods or services as for administrative purpose.

The Society's investment property comprises of land and building which is carried at fair value less identified impairment loss, if any.

An investment property is initially recognized at cost which is the fair value of the consideration paid. Subsequent to initial recognition, investment property whose fair value can be measured reliably without undue cost or effort on an ongoing basis is measured at fair value, at each reporting date. The changes in fair value are recognized in the statement of profit or loss. Any other investment property (whose fair value cannot be measured reliably without undue cost or effort) is measured at cost less accumulated depreciation and any impairment loss.

The fair value of investment property after initial recognition / transfer is determined at the end of each year using current market prices for comparable real estate, adjusted for any differences in nature, location and condition. The fair value of investment property is determined by an independent and professional valuer on the basis of professional assessment of the market values as disclosed in Note 6.1 of these financial statements.

In case an owner occupied property is transferred from operating fixed assets after revaluation to investment property, the revalued amount will be the fair value of such investment property on the date of transfer. However, the revaluation surplus arising on revaluation of such investment property will be credited to "Revaluation reserve" and treated as mentioned in note - 3.28.

An investment property is derecognized on disposal or when its nature of substance is changed i.e. it becomes owner occupied property and transferred to operating fixed assets or when no future economic benefits are expected from its sale. The gain or loss on disposal or retirement of investment property represented by the difference between the sale proceeds and its carrying amount is recognized as an income or expense in the statement of profit or loss.

3.6 Investments

All investments are initially recognized at cost, being the fair value of the consideration given (including transaction costs). The classification of investments depends on the purpose for which the financial assets were acquired. The Society has not classified any investments at "fair value through profit or loss" as at the reporting date.

3.6.1 Held-to-maturity

These are investments with fixed or determinable payments and fixed maturity that the Society has both intent and ability to hold to maturity. Subsequent to initial recognition, these investments are measured at amortized cost less any accumulated impairment losses.

These investments are reviewed for impairment at each reporting date and any losses arising from impairment in values are charged to the profit or loss.



3.6.2 Available-for-sale

Investments which are not eligible to be classified as "fair value through profit or loss" or "held to maturity" are classified as 'available-for-sale'. These investments are intended to be held for an indefinite period of time which may be sold in response to the need for liquidity, changes in interest rates, equity prices or exchange rates and are classified as available-for-sale.

Quoted available-for-sale investments are remeasured at fair value subsequent to initial recognition. Gains or losses on remeasurement of these investments are recognized in the statement of comprehensive income.

The value of unquoted available-for-sale investments has been included on the basis of breakup value as per the latest available financial statements of the investee companies. These are reviewed for impairment at each reporting date and any losses arising from impairment in values are charged to profit or loss.

On the disposal of these investments, the accumulated balance of fair value reserve is recycled to retained earnings in the statement of changes in equity. The fair value reserves will never be reclassified to the statement of profit or loss.

3.7 Receivables and payables related to insurance contracts

Receivables and payables related to insurance contracts are recognized when due at cost which is the fair value of the consideration given less provision for impairment, if any. If there is objective evidence that the insurance receivable is impaired, as a result of one or more events that occurred after the initial recognition, the Society reduces the carrying amount of the insurance receivables accordingly and recognizes that impairment loss in the statement of profit or loss.

Provision for impairment in premium receivables is estimated on a systematic basis after analyzing the receivables as per their aging.

3.8 Advances and other receivables

These are stated at cost less an allowance for doubtful receivables. If there is an objective evidence that the amount of overdue receivables will not be recovered in the near future based on management assessment of the amounts receivable after taking into account the ageing analysis, past trend of the parties, credit history and limits, economic conditions that may affect the financial ability of the party to honour its financial obligations towards the society, volume of transactions carried out with the party concerned etc., the management accounts for an appropriate allowance for doubtful receivables. Receivables that are considered bad are immediately written off in the statement of profit or loss.

3.9 Premium

Premium income under a policy is recognized, evenly over the period of insurance from the date of issuance of the policy till the date of its expiry.

3.10 Premium deficiency reserve

The Society is required, as per Insurance Rules, 2017 and IFRS-4, to maintain a provision in respect of premium deficiency for the class of business where the unearned premium reserve is not adequate to meet the expected future liability, after reinsurance, from claims and other expenses, including reinsurance expense, commissions and other underwriting expenses, expected to be incurred after the reporting date. The charge for premium deficiency reserve is recorded as an expense in the statement of profit or loss.

For this purpose, loss ratios for each class are estimated based on historical claim development. Judgment is used in assessing the extent to which past trends may not apply in future or the effects of one-off claims. If these ratios are adverse, premium deficiency is determined.



For this purpose, loss ratios for each class are estimated based on historical claim development. Judgment is used in assessing the extent to which past trends may not apply in future or the effects of one-off claims. If these ratios are adverse, premium deficiency is determined.

3.11 Claims

Insurance claims include all claims incurred during the year, whether reported or not, related internal and external claims handling costs that are directly related to the processing and settlement of claims, and any adjustments to claims outstanding from previous years.

The Society recognizes liability in respect of all claims incurred up to the reporting date which is measured at undiscounted value of the expected future payments. The claims are considered to be incurred at the time of the incident giving rise to the claim except otherwise expressly indicated in an insurance contract.

The liability for claims include amounts, relating to unpaid reported claims, claims incurred but not reported (IBNR), expected claims and settlement costs. Provision for liability in respect of unpaid reported claims is made on the basis of individual case estimates.

SECP, through its circular 9 of 2016 dated March 9, 2016, issued "Guidelines for estimation of incurred but not reported (IBNR) claims reserve 2016" for non-life insurance companies, with the requirement that all provisions of these guidelines be complied with, effective from July 1, 2016. The Guidelines require that this provision be estimated for each class of business, using the prescribed "Chain Ladder Method" or an alternate method as allowed under the provisions of the Guidelines.

An actuarial valuation / estimation as at December 31, 2018 has been carried out by an independent firm of actuaries for determination of IBNR for each class of business. The Society's appointed actuaries represent that the Society has a low count of claims in all lines of business, as a result of which there is insufficient data to develop triangles necessary for reserve estimation pursuant to the "Chain Ladder Method". Accordingly, an alternative method has been adopted by the actuaries whereby IBNR reserves are estimated at 5% of earned premiums.

3.12 Commission

Commission expenses incurred in obtaining and recording policies is deferred and recognized in the statement of profit or loss as an expense in accordance with the pattern of recognition of premium revenue.

Commission income from reinsurers is recognized at the time of issuance of the underlying insurance policy. These are deferred and recognized as liability and recognized in the statement of profit or loss as revenue in accordance with the pattern of recognition of the reinsurance premiums.

3.13 Reinsurance Contracts

Insurance contracts entered into by the Society with reinsurers for compensation of losses suffered on insurance contracts issued are reinsurance contracts. These reinsurance contracts include both facultative and treaty arrangement contracts and are classified in same categories of insurance contracts for the purpose of these financial statements. The Society recognizes the entitled benefits under the contract as various reinsurance assets. Outward reinsurance premiums are accounted for in the same period as the related premiums for the direct or accepted reinsurance business being reinsured.

Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract. Reinsurance assets represent balances due from reinsurance companies. Amount recoverable from reinsurers are estimated in a manner consistent with the provision for outstanding claims or settled claims associated with the reinsurance policies and are in accordance with the related reinsurance contract.

Reinsurance assets are not offset against related insurance liabilities. Income or expenses from reinsurance contract are not offset against expenses or income from related insurance assets.



Reinsurance assets are not offset against related insurance liabilities. Income or expenses from reinsurance contract are not offset against expenses or income from related insurance assets.

The deferred portion of reinsurance premium ceded is recognized as a prepayment which is calculated by using 1/24th method as prescribed by the Insurance Rules, 2017.

The Society assesses its reinsurance assets for impairment on reporting date. If there is an objective evidence that the reinsurance asset is impaired, the Society reduces the carrying amount of the reinsurance asset to its recoverable amount and recognizes that impairment loss in the statement of profit or loss.

3.14 Reinsurance recoveries against outstanding claims

Claims recoveries recoverable from the reinsurer are recognized as receivable at the same time as the claims which give rise to the right of recovery are recognized as a liability and are measured at the amount expected to be received.

3.15 Taxation

Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing law for taxation of income and is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also includes adjustments where considered necessary, to provision for tax made in previous years arising from assessments finalized during the current year for such years.

Deferred

Deferred tax is recognized using the balance sheet liability method, in respect of temporary differences arising at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are generally recognized for all the taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which the assets may be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The carrying amount of deferred tax is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recognized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the periods when the asset is utilized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax is charged or credited to other comprehensive income except in the case of items credited or charged to equity in which case it is included in equity.

3.16 Prepayments

Prepayments are recorded as an asset. These are amortized as and when due over the period.

3.17 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of statement of cash flows, cash and cash equivalents comprise cash in hand, stamps in hand and bank balances.

3.18 Creditors, accruals and provisions

Liabilities for creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Society.



Provisions are recognized when the Society has a present legal or constructive obligation as a result of past events and it is probable that an outflow of economic resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current estimate. If it is no longer probable that an outflow of economic resources embodying economic benefits will be required to settle the obligation, the provisions are reversed.

3.19 Staff retirement benefits

The staff retirement benefits comprise funded provident fund scheme which covers all permanent employees. Equal contributions are made by both the Society and the employees to the fund at the rate of 10% of basic salary.

3.20 Dividend and bonus shares

Dividend to shareholders is recognized as liability in the period in which it is approved. Similarly, reserve for issue of bonus shares is recognized in the year in which such issue is approved.

3.21 Revenue recognition

The revenue recognition policy for premiums is given under note 3.9.

The revenue recognition policy for commission income is given under note 3.12.

Income from held-to-maturity investments is recognized on a time proportion basis, taking into account the effective yield on investments. The difference between the redemption value and the purchase price of the held-to-maturity investments is amortized and taken to profit or loss over the term of the investment.

Gains / losses on sale of available-for-sale investments are recognized in profit or loss in the year of sale.

Dividend income is recognized when the Society's right to receive the dividend is established.

Rental income is recognized on accrual basis.

3.22 Management expenses

Underwriting expenses have been allocated to various classes of business on a basis deemed equitable by the management. Expenses not attributable to the underwriting business are charged as administrative expenses.

3.23 Zakat

Zakat under the Zakat and Usher Ordinance, 1980 is accounted for in the year of deduction.

3.24 Operating segments

The Society has three primary business segments for reporting purposes, namely; fire, motor vehicles and miscellaneous.

An operating segment is a component of the Society that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Society's other components. All operating segments' results are reviewed regularly by the Society to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

- an amount equal to incremental depreciation on revaluation surplus of property and equipment for the year, if any; or
- an amount equal to carrying amount of revaluation surplus of property and equipment, if any, on its disposal;



3.29 Share Capital and Reserves

Share capital represents the face value of shares that have been issued. Any transaction costs associated with the issuance of shares are deducted from share capital, net of any related income tax benefits, if any. Retained earnings include all current and prior period profits.

3.30 Contingencies and commitments

These are not accounted for in the financial statements unless these are actual liabilities and are only disclosed when:

- a) there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Society; or
- b) there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Society, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future events not wholly within the control of the Society.

The Society has disclosed significant contingent liabilities for the pending litigations and claims against the Society based on its judgment and the advice of the legal advisors for the estimated financial outcome. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the statement of financial position date. However, based on the best judgment of the Society and its legal advisors, the likely outcome of these litigations and claims is remote and there is no need to recognize any liability at the reporting date.

3.31 Earning per share

The Society presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Society by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.32 Comprehensive income

Comprehensive income is the change in equity resulting from transactions and other events, other than changes resulting from transactions with shareholders in their capacity as shareholders. Total comprehensive income comprises all components of profit or loss and other comprehensive income. Other comprehensive income comprises items of income and expense, including reclassification adjustments, that are not recognized in profit or loss as required or permitted by approved accounting standards.

3.33 Related party transactions

Transactions with related parties are carried out at arm's length prices, determined in accordance with pricing methods as approved by the Board of Directors, except in rarely extreme circumstances, subject to the approval of the Board, where it is in the interest of the Society to do so. Parties are said to be related if they are able to influence the operating and financial decisions of the Society.

3.34 Correction of error / omission

Carrying value of Sargodha building of Society being classified as investment property, has been adjusted by incorporating the impact of revaluation / fair value difference as at December 31, 2020. The adjustment has been incorporated with retrospective effect in accordance with the requirements of IAS-8 "Accounting policies, Changes in



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Accounting Estimates and errors". The effect of restatement is as follows:

	2021 Rupees	2020 Rupees
<u>Impact on the Statement of financial position</u>		
Increase in investment property	34,846	700,261
Increase in revaluation surplus	-	700,261
Increase in unappropriated profit	34,846	-
<u>Impact on the Statement of profit or loss</u>		
Increase in other income	34,846	-
Increase in profit before taxation	34,846	-
Increase in profit after taxation	34,846	-
<u>Impact on the Statement of changes in equity</u>		
Increase in reserves	-	700,261
Increase in unappropriated profit	34,846	-

*The above correction of error have no related tax consequences as the Society is earning rentals from the property which is already being taxed as per the Income Tax Ordinance, 2001. Further, the sale proceeds from sale of property is exempt from tax. Therefore, this correction of error has no impact on related deferred tax liability.

The correction of error has no impact on earnings / (loss) per share of the Society for the year ended December 31, 2021.

The correction of error has an immaterial impact on the beginning of the earliest period presented i.e. January 01, 2021, therefore the statement of financial position for that period has not been presented in accordance with para 40(a) of IAS 1, "Presentation of financial statements".



THE CO-OPERATIVE INSURANCE SOCIETY OF PAKISTAN LTD

4 Property and Equipment Operating Fixed Assets - Intangible

PARTICULARS	Cost / Revalued Amount						Accumulated Depreciation						Book value as at December 31, 2022		
	Opening balance as at January 01, 2022	Elimination of depreciation	Transfer adjustments	Additions	Revaluation surplus	Disposals	Closing balance as at December 31, 2022	Rate	Opening balance as at January 01, 2022	Elimination of depreciation	Transfer adjustments	Charge for the year		Disposals	Closing balance as at December 31, 2022
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	%	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Owned															
Freehold land	2,155,725,000	-	-	-	-	-	2,155,725,000	-	-	-	-	-	-	-	2,155,725,000
Buildings	74,498,650	-	-	-	-	-	74,498,650	5%	3,724,933	-	-	3,538,636	-	7,263,569	67,235,081
Motor vehicles	11,053,580	-	-	-	-	(392,800)	10,660,780	20%	5,492,622	-	-	1,107,972	(381,701)	6,279,053	4,431,727
Furniture and fixtures	385,116	-	-	5,800	-	-	390,916	10%	287,040	-	-	10,243	-	297,283	93,633
Office equipment	492,448	-	-	249,700	-	(12,616)	729,532	10%	149,456	-	-	47,731	(11,840)	184,329	545,185
Cycle	6,085	-	-	-	-	-	6,085	10%	4,108	-	-	198	-	4,306	1,779
Solar Gas installation	565	-	-	-	-	-	565	10%	435	-	-	13	-	448	117
	2,242,141,444	-	-	255,500	-	(385,416)	2,242,001,528		9,657,594	-	-	4,704,843	(383,548)	13,980,889	2,228,021,640
Right of use Assets															
Vehicles	-	-	-	-	-	-	-	20%	-	-	-	-	-	-	-
December 31, 2022	2,242,141,444	-	-	255,500	-	(385,416)	2,242,001,528		9,657,594	-	-	4,704,843	(383,548)	13,980,889	2,228,021,640

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PARTICULARS	Cost / Revalued Amount						Accumulated Depreciation						Book Value as at December 31, 2021	
	Opening balance as at January 01, 2021	Elimination of depreciation	Transfer adjustments	Additions	Revaluation surplus	Disposals	Closing balance as at December 31, 2021	Rate	Opening balance as at January 01, 2021	Elimination of depreciation	Transfer adjustments	Change for the year		(Disposals)
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	%	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Owned														
Freehold land	2,148,187,457	-	-	-	7,537,503	-	2,155,725,000	-	-	-	-	-	-	2,155,725,000
Buildings	93,704,526	(29,720,802)	-	-	10,514,926	-	74,498,650	5%	29,720,802	(29,720,802)	-	3,724,933	-	3,724,933
Motor vehicles	6,570,680	-	2,405,000	3,372,400	-	(1,314,500)	11,033,580	20%	4,432,264	-	986,193	1,320,807	(1,246,442)	5,492,622
Furniture and fixtures	385,116	-	-	-	-	-	385,116	10%	276,143	-	-	10,897	-	287,040
Office equipment	368,598	-	-	133,850	-	-	492,448	10%	114,309	-	-	34,147	-	148,456
Cycle	6,085	-	-	-	-	-	6,085	10%	3,888	-	-	220	-	4,108
Solar Gas Installation	565	-	-	-	-	-	565	10%	421	-	-	14	-	435
	2,249,213,067	-	(27,315,802)	3,506,250	18,052,429	(1,314,500)	2,242,141,444		34,547,827	-	(28,734,609)	5,090,818	(1,246,442)	9,657,594
Right of use Assets														
Vehicles	2,405,000	-	(2,405,000)	-	-	-	-	20%	886,042	-	(986,193)	100,151	-	-
December 31, 2021	2,251,618,967	-	(29,720,802)	3,506,250	18,052,429	(1,314,500)	2,242,141,444		35,433,869	-	(29,720,802)	5,190,969	(1,246,442)	9,657,594
														2,232,483,850



- 4.1 The Society had again revalued its land and building as at December 31, 2020 as a result of revaluation exercise carried out by an independent valuer namely, Messrs. Muhammad Siddique Associates (Private) Limited (PBA approved independent valuers) which resulted in a revaluation surplus in the sum of Rs. 18,052 million.

The basis used for the valuation of land and building were as follows;

Land:

Property brokers / dealers and real estate agents had been consulted to ascertain the asking and selling prices for properties of the same nature in the immediate neighborhood and adjoining areas. Neighboring properties which have been recently sold or purchased are investigated to ascertain a reasonable selling and buying prices. Properties that are up for sale are examined for asking price. An average of the values is then assigned to the property. In calculating these values, it is of utmost importance to ascertain the nature of property whether commercial, residential or industrial, since this status of the property has significance in pricing.

Building:

All the sections of the building and civil works with regard to their existence, condition and level of maintenance and a market survey was conducted to obtain the present market rates of construction in the surrounding area. Depending on the age of the building, the depreciation was applied at usual rates of 2.5% per annum on straight line basis to arrive at present market value. Similarly appreciation in value and rates of construction materials and present labour rates are given due consideration while calculating construction rates.

- 4.2 The depreciation charge for the year has been allocated to other expenses (Note 24).
4.3 The particulars of items of property and equipment disposed off during the year are as follows:

Particulars	Cost	Depreciation	Book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of buyer	Relationship with society
Rupees								
Motor vehicles	382,800	381,701	1,099	155,000	153,901	Negotiation	Mr. Tanveer Aslam	Third party
Office equipment	12,616	11,848	768	20,000	19,232	Negotiation		Third party
	395,416	393,549	1,867	175,000	173,133			

- 4.4 Had the revaluation of these assets not been made, the carrying value of these assets as at reporting date would have been as under:

	2022 Rupees	2021 Rupees
Freehold land	2,345,300	2,345,300
Building on freehold land	80,255	84,479
	2,425,555	2,429,779

- 4.5 Forced sale and assessed values of these items of property and equipment as at the date of revaluation i.e. December 31, 2020 was as under:

	Forced sale value Rupees	Assessed sale value Rupees
Freehold land	1,832,366,250	2,155,725,000
Building on freehold land	63,323,853	74,498,650
	1,895,690,103	2,230,223,650

Considerations for the determination of forced sale value

The following factors may cause an impact individually on the anatomy of the property, determination of its forced sales value and would influence on the value of asset are as follows:

1. Economic conditions of the area and the country.
2. Status of the property within its own section.
3. Marketability of its location.
4. Condition of its assets and their current status.
5. The age of building and its proximity.



5 Intangible Assets

Particulars	Cost			Rate	Amortization			Written Down Value as at December 31, 2022
	As at January 01, 2022	Addition	As at December 31, 2022		As at January 01, 2022	For the Year	As at December 31, 2022	
	Rupees	Rupees	Rupees	%	Rupees	Rupees	Rupees	Rupees
Computer software								
December 31, 2022	448,000	-	448,000	20%	268,800	89,600	358,400	89,600
December 31, 2021	448,000	-	448,000	20%	179,200	89,600	268,800	179,200

6 Investment Property

Note	2022			2021			Restated
	Land	Building	Total	Land	Building	Total	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at January 01, as previously reported	6.1	68,110,000	3,528,107	71,638,107	66,025,000	2,793,000	68,818,000
Effect of correction of error	3.34	-	-	-	-	700,261	700,261
Balance as at January 01, as restated		68,110,000	3,528,107	71,638,107	66,025,000	3,493,261	69,518,261
Fair value adjustments		2,780,000	834,185	3,614,185	2,085,000	-	2,085,000
Effect of correction of error	3.34	-	-	-	-	34,846	34,846
		2,780,000	834,185	3,614,185	2,085,000	34,846	2,119,846
Balance as at December 31, as restated		70,890,000	4,362,292	75,252,292	68,110,000	3,528,107	71,638,107

6.1 This represents building in Rawalpindi and Sargodha representing 1390 and 705.375 square feet respectively. Latest fair value of the investment property was determined by independent valuer M/s Muhammad Siddique Associates (Private) Limited as on December 31, 2022, having recognition on the penal of PBA. The valuer used market comparable approach to arrive at the fair value. The key observable input under this approach are the price per square feet from current year sales of comparable properties in the area (location and size). The basis used for revaluation of investment property were the same as disclosed in Note 4.1 of these financial statements. As at the reporting date, there was a fair value gain of Rs. 3.614 million (2021: Rs. 2.120 million).

6.2 The forced sale value of the investment property is assessed at Rs. 64 million (2021: Rs. 60.928 million) as at the reporting date. The factors having impact on the forced sales value and affect the value of the property are same as disclosed in Note 4.5 above.

7 Investments

	Note	2022 Rupees	2021 Rupees
Equity securities	7.1	63,941,417	92,037,809
Term deposits	7.2	3,511,450	3,011,450
		67,452,867	95,049,259



7.1 Equity securities

7.1.1 Available for sale

Number of Shares	Face Value Per Share	Company Name	Cost	Surplus / (Deficit)	Fair Value
<u>Listed equities</u>					
2,339,994	10	Pakistan Re-insurance Company Limited	131,620	15,920,739	16,052,359
5,444	10	Zeal Pakistan Cement Factory Limited	190,555	(190,555)	-
235,716	10	Ferozesons Laboratories Limited	181,030	32,241,706	32,422,736
			503,205	47,971,890	48,475,095
<u>Unlisted equities</u>					
44,426	100	Punjab Provincial Cooperative Bank Limited	4,442,600	8,751,922	13,194,522
100	100	National Cooperative Supply Corporation - (Unaudited)	10,000	2,261,800	2,271,800
			4,452,600	11,013,722	15,466,322
Total as at December 31, 2022			4,955,805	58,985,612	63,941,417

Number of Shares	Face Value Per Share	Company Name	Cost	Surplus / (Deficit)	Fair Value
<u>Listed Equities</u>					
779,998	10	Pakistan Re-insurance Company Limited	131,620	17,340,335	17,471,955
5,444	10	Zeal Pakistan Cement Factory Limited	190,555	(188,160)	2,395
196,430	10	Ferozesons Laboratories Limited	181,030	63,821,757	64,002,787
			503,205	80,973,932	81,477,137
<u>Unlisted Equities</u>					
44,426	100	Punjab Provincial Cooperative Bank Limited	4,442,600	3,841,072	8,283,672
100	100	National Cooperative Supply Corporation	10,000	2,267,000	2,277,000
			4,452,600	6,108,072	10,560,672
Total as at December 31, 2021			4,955,805	87,082,004	92,037,809

7.1.2 Movement in this head of accounts is as follows:

	Note	2022 Rupees	2021 Rupees
Opening balance		92,037,809	96,895,006
Change in fair value			
Listed equities		(33,002,042)	(4,889,311)
Unlisted equities		4,905,650	32,114
		(28,096,392)	(4,857,197)
Closing balance		63,941,417	92,037,809

7.2 Term deposits

7.2.1

3,511,450 3,011,450

7.2.1 Held to maturity

State Bank of Pakistan

7.2.1.1

- Cash deposit

2,500,600 2,500,600

- Defense saving certificates

10,850 10,850

Term deposit

7.2.1.2

1,000,000 500,000

3,511,450 3,011,450



7.2.1.1 These deposits are held as statutory deposits u/s 29 of the Insurance Ordinance, 2000 for an indefinite period. These deposits do not bear any profit.

7.2.1.2 This deposit is kept with Punjab Provincial Cooperative Bank Limited (PPCBL) for a term of one year with a maturity of up to December 31, 2022 and is renewable on maturity. It carries profit @ 8.85% per annum. (2021: 11.35% per annum).

8 Sundry Receivables

		2022	2021
		Rupees	Rupees
Rent receivable	8.1	2,703,487	1,612,819
Income taxes		302,804	302,804
Staff advance		3,000	35,000
Accrued profit on Term deposit		75,018	-
Others - Advances to branches	8.2	123,728	400,120
		<u>3,208,037</u>	<u>2,350,743</u>
8.1 Rent Receivable			
Considered good	8.1.1	2,703,487	1,612,819
Considered doubtful		608,583	608,583
		<u>3,312,070</u>	<u>2,221,402</u>
Less: Provision for doubtful receivables	8.1.2	(608,583)	(608,583)
		<u>2,703,487</u>	<u>1,612,819</u>

8.1.1 This includes Rs. 2.813 million, gross balance receivable from one of the major tenants of the Society namely; Mr. Shahid Rasheed, owner of Cookers Restaurant against which the Society has initiated legal proceedings in the court of law for the recovery of its outstanding rentals due from the said tenant. However, on August 23, 2023, both the parties have mutually made an out of court settlement whereby the tenant has undertook to pay its outstanding dues to the Society in 12 installments with immediate effect. Towards this endeavour, the tenant has paid two installments of Rs. 200,000 and Rs. 300,000 to the Society which fell due on August 23, 2023 and September 15, 2023 respectively until the terminal date. Keeping in view the firm commitment of the tenant and his current trend in honouring commitments towards the Society, the management of the society is of the view that the outstanding rent receivable from the said tenant will be recovered in due course of time as committed by him. Accordingly, no further provision for balance doubtful of recovery has been made in these financial statements in this regard.



8.1.2 Movement of the provision is as under:

	2022 Rupees	2021 Rupees
Balance as at January 01,	608,583	638,583
Amounts written off during the year	-	(60,000)
Provision charged during the year	-	30,000
Balance as at December 31,	<u>608,583</u>	<u>608,583</u>

The Society recognized a provision against rentals receivable after consideration of a number of factors, including (but not limited to) an analysis of historical bad debt experience, aging of the receivables portfolio, expected future write-offs, the nature and quantum of collateral held, and an assessment of specifically identifiable customer accounts considered at risk or uncollectible.

8.2 Others - Advances to branches	637,728	914,120
Less: Provision for balances doubtful of recovery	<u>(514,000)</u>	<u>(514,000)</u>
	<u>123,728</u>	<u>400,120</u>

9 Security Deposits - against	Note	2022 Rupees	2021 Rupees
Rented premises		50,000	50,000
Utilities		9,400	9,400
		<u>59,400</u>	<u>59,400</u>

10 Cash and Bank Balances	2022 Rupees	2021 Rupees
Cash with banks in current accounts	15,246,945	11,922,237
Cash in Hand - Policy stamp and Petty Cash	556,576	364,243
	<u>15,803,521</u>	<u>12,286,480</u>

11 Ordinary Share Capital	2022	2021	2022	2021
No. of shares			Rupees	Rupees
49,730,983	49,730,983	Ordinary shares of Rs 10 each, fully paid up in cash	497,309,830	497,309,830
272,257	272,257	Ordinary shares of Rs 10 each, bonus shares	2,722,570	2,722,570
<u>50,003,240</u>	<u>50,003,240</u>		<u>500,032,400</u>	<u>500,032,400</u>

11.1 The share capital of the Society is held by the following cooperative banks and others:

Pattern of shareholding

Name of Shareholder	2022		2021	
	Total number of shares	Percentage of shares	Total number of shares	Percentage of shares
The Punjab Provincial Cooperative Bank Limited	36,318,949	73%	36,318,949	73%



The Lahore Central Cooperative Store	3,020,198	6%	3,020,198	6%
The Frontier Cooperative Bank Limited	2,984,458	6%	2,984,458	6%
Others	7,679,635	15%	7,679,635	15%
	<u>50,003,240</u>	<u>100%</u>	<u>50,003,240</u>	<u>100%</u>

- 11.2 As per the bye-laws of the Society, no member of any Society shall have more than one vote in its affairs, provided that in the case of an equity of votes the chairman shall have a casting vote.

12 Reserves

		2022	2021
	Note	Rupees	Rupees
Capital reserves	12.1	3,500,347	3,295,965
General reserves	12.2	5,338,148	5,338,148
Fair value reserves	12.3	42,067,945	62,016,383
Revaluation reserves	12.4	1,701,861,586	1,704,371,054
		<u>1,752,768,026</u>	<u>1,775,021,550</u>

- 12.1 This represents the reserve created in accordance with the provisions of the bye-laws of the Society and will be utilized in a manner specified therein. This reserve is not available for distribution as a dividend to the members.
- 12.2 This reserve is not available for distribution as dividend to the shareholders of the Society and will be utilized in a manner as specified in the bye-laws of the Society.

12.3 Fair value reserve

Balance as at January 01,	62,016,384	65,464,994
Add: Unrealized loss on re-measurement of investments	(28,096,392)	(4,857,197)
Less: Deferred tax asset attributable to fair value loss	8,147,954	1,408,587
	<u>(19,948,438)</u>	<u>(3,448,610)</u>
Balance as at December 31,	42,067,946	62,016,384

- 12.3.1 This reserve is not available for distribution as dividend to the shareholders of the Society and will be reclassified to profit or loss on the sale of available for sale investment.

12.4 Revaluation reserve

Balance as at January 01,	1,704,371,054	1,692,012,656
Add: Surplus on revaluation during the year	-	18,052,429
Less: Deferred tax liability on surplus on revaluation	-	(3,049,329)
Less: Incremental depreciation attributed to revaluation surplus	(3,534,462)	(3,724,933)
Add: Deferred tax liability on incremental depreciation	1,024,994	1,080,231
Balance as at December 31,	1,701,861,586	1,704,371,054

The land and buildings of the Society were revalued by an independent valuer Messrs. Muhammad Siddique Associates (Private) Limited, an approved valuator of Pakistan Bank's Association on December 31, 2020 which has been adopted effective January 01, 2021.

- 12.4.1 The surplus on revaluation of property and equipment is not available for distribution to shareholders of the Society in accordance with section 241 of the Companies Act, 2017.



8.1.2 Movement of the provision is as under:

	2022 Rupees	2021 Rupees
Balance as at January 01,	608,583	638,583
Amounts written off during the year	-	(60,000)
Provision charged during the year	-	30,000
Balance as at December 31,	608,583	608,583

The Society recognized a provision against rentals receivable after consideration of a number of factors, including (but not limited to) an analysis of historical bad debt experience, aging of the receivables portfolio, expected future write-offs, the nature and quantum of collateral held, and an assessment of specifically identifiable customer accounts considered at risk or uncollectible.

8.2 Others - Advances to branches	637,728	914,120
Less: Provision for balances doubtful of recovery	(514,000)	(514,000)
	123,728	400,120

9 Security Deposits - against

	Note	2022 Rupees	2021 Rupees
Rented premises		50,000	50,000
Utilities		9,400	9,400
		59,400	59,400

10 Cash and Bank Balances

	2022 Rupees	2021 Rupees
Cash with banks in current accounts	15,246,945	11,922,237
Cash in Hand - Policy stamp and Petty Cash	556,576	364,243
	15,803,521	12,286,480

11 Ordinary Share Capital

2022	2021		2022 Rupees	2021 Rupees
No. of shares				
49,730,983	49,730,983	Ordinary shares of Rs 10 each, fully paid up in cash	497,309,830	497,309,830
272,257	272,257	Ordinary shares of Rs 10 each, bonus shares	2,722,570	2,722,570
50,003,240	50,003,240		500,032,400	500,032,400

11.1 The share capital of the Society is held by the following cooperative banks and others:

Pattern of shareholding

Name of Shareholder	2022		2021	
	Total number of shares	Percentage of shares	Total number of shares	Percentage of shares
The Punjab Provincial Cooperative Bank Limited	36,318,949	73%	36,318,949	73%



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The Lahore Central Cooperative Store	3,020,198	6%	3,020,198	6%
The Frontier Cooperative Bank Limited	2,984,458	6%	2,984,458	6%
Others	7,679,635	15%	7,679,635	15%
	<u>50,003,240</u>	<u>100%</u>	<u>50,003,240</u>	<u>100%</u>

- 11.2 As per the bye-laws of the Society, no member of any Society shall have more than one vote in its affairs, provided that in the case of an equity of votes the chairman shall have a casting vote.

12 Reserves

	Note	2022 Rupees	2021 Rupees
Capital reserves	12.1	3,500,347	3,295,965
General reserves	12.2	5,338,148	5,338,148
Fair value reserves	12.3	42,067,945	62,016,383
Revaluation reserves	12.4	<u>1,701,861,586</u>	<u>1,704,371,054</u>
		<u>1,752,768,026</u>	<u>1,775,021,550</u>

- 12.1 This represents the reserve created in accordance with the provisions of the bye-laws of the Society and will be utilized in a manner specified therein. This reserve is not available for distribution as a dividend to the members.

- 12.2 This reserve is not available for distribution as dividend to the shareholders of the Society and will be utilized in a manner as specified in the bye-laws of the Society.

12.3 Fair value reserve

Balance as at January 01,	62,016,384	65,464,994
Add: Unrealized loss on re-measurement of investments	(28,096,392)	(4,857,197)
Less: Deferred tax asset attributable to fair value loss	<u>8,147,954</u>	<u>1,408,587</u>
	<u>(19,948,438)</u>	<u>(3,448,610)</u>
Balance as at December 31,	<u>42,067,946</u>	<u>62,016,384</u>

- 12.3.1 This reserve is not available for distribution as dividend to the shareholders of the Society and will be reclassified to profit or loss on the sale of available for sale investment.

12.4 Revaluation reserve

Balance as at January 01,	1,704,371,054	1,692,012,656
Add: Surplus on revaluation during the year	-	18,052,429
Less: Deferred tax liability on surplus on revaluation	-	(3,049,329)
Less: Incremental depreciation attributed to revaluation surplus	<u>(3,534,462)</u>	<u>(3,724,933)</u>
Add: Deferred tax liability on incremental depreciation	<u>1,024,994</u>	<u>1,080,231</u>
Balance as at December 31,	<u>1,701,861,586</u>	<u>1,704,371,054</u>

The land and buildings of the Society were revalued by an independent valuer Messrs. Muhammad Siddique Associates (Private) Limited, an approved valuator of Pakistan Bank's Association on December 31, 2020 which has been adopted effective January 01, 2021.

- 12.4.1 The surplus on revaluation of property and equipment is not available for distribution to shareholders of the Society in accordance with section 241 of the Companies Act, 2017.



13 Unearned Reinsurance Commission

Particulars	Commission received or receivable	Unearned commission		Commission from reinsurers	Commission from reinsurers
		Opening	Closing		
	Rupees	Rupees	Rupees	Rupees	Rupees
Fire and property damage	90,938	55,144	79,113	66,969	65,860
Live stock and others	799,806	360,326	646,732	513,400	357,223
	890,744	415,470	725,845	580,369	423,083

14 Deferred Taxation

	Note	2022 Rupees	2021 Rupees
Deferred tax liability in respect of:			
Property & equipment and intangibles		19,713,574	20,852,891
Surplus on revaluation of property and equipment		-	3,049,329
Investment - Available for sale		17,105,827	25,253,781
Deferred tax asset in respect of:			
Unused tax losses		(1,413,375)	-
Deferred tax liability as at December 31,		35,406,026	49,156,001
Less: Deferred tax assets not recognized in statement of financial position	14.2	1,413,375	-
Net deferred tax liability recognized in statement of financial position,		36,819,401	49,156,001
Less: Deferred tax liability as at January 01,		(49,156,001)	(46,075,041)
Less: Deferred tax asset on investment credited to comprehensive income			
unrealized loss on re-measurement of investment		8,147,954	1,408,587
surplus on revaluation of property and equipment		-	(3,049,329)
		(41,008,047)	(47,715,783)
Deferred tax (income) / expense recognized in statement of profit or loss	24	(4,188,646)	1,440,218

14.1 The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position.

14.2 The deferred tax assets on unused business tax losses have not been recognized in these financial statements as the certainty of the taxable profits / taxable differences in the foreseeable future is not assured.



14.3 The breakup of movement in temporary differences is as follows:

	Balance as at January 01, 2021	Recognized in profit or loss	Recognized in other comprehensive Income	Balance as at December 31, 2021	Recognized in profit or loss	Recognized in other comprehensive Income	Balance as at December 31, 2022
	Rupees						
Taxable temporary differences							
Property and equipment	18,687,495	2,165,396	-	20,852,891	(1,139,317)	-	19,713,574
Surplus on revaluation of property and equipment	156,611	(156,611)	3,049,329	3,049,329	(3,049,329)	-	-
Assets subject to finance lease	809,970	(809,970)	-	-	-	-	-
Investment - Available for sale	26,662,368	-	(1,408,587)	25,253,781	-	(8,147,954)	17,105,827
Deductible temporary differences							
Unused tax losses	(241,403)	241,403	-	-	-	-	-
	<u>46,075,041</u>	<u>1,440,218</u>	<u>1,640,742</u>	<u>49,156,001</u>	<u>(4,188,646)</u>	<u>(8,147,954)</u>	<u>36,819,401</u>

15 Other Creditors and Accruals

	2022 Rupees	2021 Rupees
Duties and taxes payable	1,175,585	720,570
Securities against rented premises	1,380,000	1,380,000
Other payables	15.1 3,247,749	869,852
Salaries payable	-	455,047
	<u>5,803,334</u>	<u>3,425,469</u>

15.1 These include Rs. 53,122 (2021: Rs.-----) on account of employees' provident fund trust payable.

16 Contingencies and Commitments

16.1 There are a number of legal cases instituted by the Society and it has filed suits against various tenants for ejectment, which are pending adjudication at the terminal date. In addition to this, a case for rejection against the illegal occupation by State Life Insurance Corporation of Pakistan over the substantial part of the Society's property is also pending adjudication. The case was decided in favor of the Society on November 03, 1992.

However, an appeal was filed on September 10, 2018 before the Honorable High Court, Lahore against the Society wherein the tenant (State life Insurance Company) challenged the decision of Civil Judge for evacuation of the rented building which is owned by the Society. The Society is contesting the case before the concerned Honorable Court and is hopeful for a favorable outcome.

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16.2 A case was filed on February 7, 2020 before the Honorable Civil Judge against the Society and Punjab Provincial Cooperative Bank Limited wherein the policyholder, Cooperative Thrift and Credit Society, wanted to recover its research record lost in Punjab Provincial Cooperative Bank Limited. The Cooperative Insurance Society of Pakistan Limited is contesting the case before the



16.3 For the tax year 2012 the tax department has created a tax demand in the sum of Rs. 1.134 million by passing an order dated 30-06-2014 after conducting the tax audit of the Society mainly on the issue of inadmissibility and disallowance of certain expenses. Being aggrieved from the order, the Society filed an appeal before the Appellate Tribunal (ATR) which is pending adjudication at the terminal date. The Society and its tax advisor are of the firm view that the outcome of the appeal will be decided in their favour.

16.4 For the tax year 2016, the tax department has created a tax demand in the sum of Rs. 0.204 million by passing an order dated 20-04-2018 after conducting the tax audit of the Society mainly on the issue of inadmissibility and disallowance of certain expenses. Being aggrieved from the order, the Society filed an appeal before the Appellate Tribunal (ATR) which is pending adjudication at the terminal date. The Society and its tax advisor are of the firm view that the outcome of the appeal will be decided in their favour.

16.5 There are no known commitments as at December 31, 2022.(2021: Nil)

17 Net Insurance Premium

	2022	2021
	Rupees	Rupees
Written gross premium	26,355,814	18,676,507
Unearned premium reserve - opening	9,370,003	10,926,437
Unearned premium reserve - closing	15,065,937	9,370,003
Premium earned	20,659,880	20,232,941
Less:		
Reinsurance premium ceded	5,676,286	3,434,025
Prepaid reinsurance premium - opening	2,087,670	1,643,884
Prepaid reinsurance premium - closing	3,849,443	2,087,670
Reinsurance expense	3,914,513	2,990,239
	16,745,367	17,242,702

17.1 All the insurance business is provided by Meesrs. Punjab Provincial Cooperative Bank Limited (PPCBL). PPCBL holds 73% of Society's shareholding.

18 Net Insurance Claims

	2022	2021
	Rupees	Rupees
Claims paid	591,760	1,129,910
Outstanding claims including IBNR - opening	1,011,646	1,564,877
Outstanding claims including IBNR - closing	1,219,224	1,011,646
Claims expense	799,338	576,679
Less:		
Reinsurance and other recoveries received	106,172	533,966
Reinsurance and other recoveries in respect of outstanding claims - opening	110,044	130,994
Reinsurance and other recoveries in respect of outstanding claims - closing	105,352	110,044
Reinsurance and other recoveries revenue	101,480	513,016
	697,858	63,663

**19 Net Commission**

	2022	2021
	Rupees	Rupees
Commission paid or payable	3,759,277	2,648,667
Deferred commission expense - opening	1,400,028	1,896,672
Deferred commission expense - closing	2,262,046	1,400,028
Net commission	2,897,259	3,145,311
Less		
Commission received or recoverable	890,744	532,391
Unearned reinsurance commission - opening	415,470	306,162
Unearned reinsurance commission - closing	725,845	415,470
Commission from reinsurance	580,369	423,083
	2,316,890	2,722,228

20 Management Expenses

	2022	2021
	Rupees	Rupees
Salaries, wages and benefits	3,292,225	3,030,636
Branch business expenses	20.1 10,866,272	7,323,880
Staff training expense	469,750	612,370
Rent, taxes and electricity	781,381	691,955
Communication	569,575	489,345
Printing and stationery	696,427	625,458
Travelling and entertainment	446,180	409,550
Other expenses	580,134	92,600
	17,701,944	13,275,794

20.1 The breakup of branch business expenses is as follows:

Include travelling, incentives to field staff, repair, other office exp

21 Investment Income

	2022	2021
	Rupees	Rupees
Dividend income	2,542,146	3,914,295
Income from term deposits	64,886	42,332
	2,607,032	3,956,627

22 Other Income

	2022	2021
	Rupees	Rupees
Miscellaneous receipts	647,493	9,581
Gain on disposal of property and equipment	173,133	739,224
Fair value adjustment on revaluation of investment property	6 3,614,185	2,119,846
Payable to Pakistan Reinsurance Company Limited written back	17,987	-
	4,452,798	2,868,651



23 Other Expenses

	Note	2022 Rupees	2021 Rupees
Chief executive's remuneration	23.1	615,785	554,220
Salaries, wages, and benefits	23.2	2,605,225	2,167,065
Travelling and vehicle running expenses		841,875	2,133,269
Rent, rates and taxes		1,897,453	1,924,022
Repair and maintenance		1,539,134	430,861
Advertisement and publicity		39,000	30,000
Fees and subscription		283,875	381,750
Bank charges		31,141	25,996
General charges		255,191	148,280
Auditor's remuneration	24.3	300,000	300,000
Legal and professional charges		2,137,119	1,542,930
Amortization of computer software	5	89,600	89,600
Depreciation	4	4,704,843	5,190,969
Insurance		235,050	31,752
Website and software maintenance expenses		290,868	306,719
		15,866,159	15,257,433

23.1 Directors and Chief Executive remuneration

The aggregate amounts of the remuneration including all benefits to the chief executive and directors of the Society charged in these financial statements are as follows:

	2022		2021	
	Chief Executive	Directors	Chief Executive	Directors
	Rupees			
Managerial remuneration	324,625	-	357,444	-
House rent allowance	122,625	-	115,750	-
Medical allowance	87,591	-	81,026	-
Bonus	5,944	-	-	-
Travelling allowance	75,000	484,950	-	441,000
	615,785	484,950	554,220	441,000
Number	1	8	1	7

No remuneration has been paid to the directors of the society, consistent with the bye laws of the Society. In addition to the above benefits, the chief executive has been provided with a Society maintained car. Travelling and conveyance allowance has been paid to directors of the company in the sum of Rs. 484,950 (2021: Rs. 441,000) for meeting purposes as decided and approved by the Board.

23.2 These include Rs. 189,873 (2021: Rs. 163,024) on account of contribution to the employees provident fund.

23.3 Auditors' Remuneration

Audit related services

Statutory audit fee		
- financial statements	250,000	250,000
- Regulatory returns	50,000	50,000
	300,000	300,000



24 Taxation

	2022 Rupees	2021 Rupees
Current		
minimum tax	392,351	-
normal tax	-	597,165
presumptive tax	391,055	593,494
	783,406	1,190,659
Deferred tax	14 (4,188,646)	1,440,218
	(3,405,240)	2,630,877

24.1 Reconciliation of tax charge for the year

(Loss) / profit before taxation	(2,587,713)	1,646,041
Tax @ 29% (2021: 29%) on (loss) / profit before taxation	(750,437)	477,352
Tax effect on loss attributable to normal tax regime	1,506,476	(241,403)
Tax effect of minimum tax	392,351	-
Tax effect of presumptive tax regime	(364,984)	(553,928)
Tax effect of add backs / allowed deductions	-	1,508,638
Deferred taxation	(4,188,646)	1,440,218
	(3,405,240)	2,630,877

24.2 Since the society has suffered a loss before taxation and had carried forward taxable losses amounting to Rs. 4.874 million (2021: Nil), therefore no provision for taxation under normal tax regime and Alternative corporate tax regime is applicable in the instant case. Accordingly, provision for taxation is computed under the minimum tax regime (2021: normal tax regime). The society has also recognized provision for taxation under presumptive tax on dividend income at applicable rates.

25 Earnings / (loss) per share - basic and diluted

Profit / (loss) after taxation for the year attributable to ordinary shareholders	817,527	(984,836)
Weighted average number of ordinary shares	50,003,240	50,003,240
Earnings / (loss) per share - basic	0.016	(0.020)

There is no dilutive effect on the basic earnings / (loss) per share as the society has no potentially issuable instruments in issue at the terminal date.



26 Segment Information

December 31, 2022

	Fire and property damage	Marine, aviation and transport	Motor	Livestock & others	Treaty	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Premium receivable (inclusive of FED, Federal insurance fee and administrative surcharge)	7,489,906	-	6,304,809	16,632,095	-	30,426,810
Less: Sales tax	(1,021,903)	-	(815,885)	(1,970,761)	-	(3,808,549)
Federal insurance fee	(64,226)	-	(54,152)	(144,069)	-	(262,447)
Gross written premium (inclusive of administrative surcharge)	6,403,777	-	5,434,772	14,517,265	-	26,355,814
Gross direct premium	6,083,405	-	5,162,878	13,790,987	-	25,037,270
Administrative surcharge	320,372	-	271,894	726,278	-	1,318,544
	6,403,777	-	5,434,772	14,517,265	-	26,355,814
Insurance premium earned	5,972,363	-	4,414,379	10,273,138	-	20,659,880
Insurance premium ceded to reinsurers	(399,331)	-	(540,334)	(2,974,848)	-	(3,914,513)
Net insurance premium	5,573,032	-	3,874,045	7,298,290	-	16,745,367
Commission income	66,969	-	-	513,400	-	580,369
Net underwriting income (A)	5,640,001	-	3,874,045	7,811,690	-	17,325,736
Insurance claims	64,298	-	749,907	(14,867)	-	799,338
Insurance claims recovered from reinsurers	(4,248)	-	1,786	103,942	-	101,480
Net claims	68,546	-	748,121	(118,809)	-	697,858
Commission expense	846,327	-	592,085	1,458,847	-	2,897,259
Management expenses	4,301,112	-	3,650,277	9,750,555	-	17,701,944
Premium deficiency reserve	-	-	-	-	-	-
Net insurance claims and expenses (B)	5,215,985	-	4,990,483	11,090,593	-	21,297,061
Underwriting result (A-B)	424,016	-	(1,116,438)	(3,278,903)	-	(3,971,325)
Net investment income						2,607,032
Rental income						10,189,941
Other income						4,452,798
Other expenses						(15,866,159)
Finance costs						-
Profit before tax						(2,587,713)

December 31, 2021

	Fire and property damage	Marine, aviation and transport	Motor	Livestock & Others	Treaty	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Premium receivable (inclusive of FED, Federal insurance fee and administrative surcharge)	7,210,344	-	4,780,947	9,284,138	-	21,275,429
Sales tax	(982,553)	-	(600,779)	(827,752)	-	(2,411,084)
Federal insurance fee	(62,130)	-	(42,076)	(83,632)	-	(187,838)
Gross Written Premium (inclusive of administrative surcharge)	6,165,661	-	4,139,092	8,372,754	-	18,676,507
Gross direct premium	5,851,162	-	3,927,016	7,945,676	-	17,723,854
Administrative surcharge	314,499	-	211,076	427,078	-	952,653
	6,165,661	-	4,139,092	8,372,754	-	18,676,507
Insurance premium earned	7,034,208	-	2,628,249	10,570,484	-	20,232,941
Insurance premium ceded to reinsurers	(303,679)	-	(555,051)	(2,131,509)	-	(2,990,239)
Net insurance premium	6,730,529	-	2,073,198	8,438,975	-	17,242,702



THE CO-OPERATIVE INSURANCE SOCIETY OF PAKISTAN LTD

Commission income	65,860	-	-	357,223	-	423,083
Net underwriting income (A)	6,796,389	-	2,073,198	8,796,198	-	17,665,785
Insurance claims	19,214	-	660,168	(102,703)	-	576,679
Insurance claims recovered from reinsurers	(3,376)	-	500,314	16,078	-	513,016
Net claims	22,590	-	159,854	(118,781)	-	63,663
Commission expense	1,073,604	-	680,519	1,391,188	-	3,145,311
Management expenses	4,382,728	-	2,941,474	5,951,592	-	13,275,794
Premium deficiency reserve	-	-	-	-	-	-
Net insurance claims and expenses (B)	5,478,922	-	3,781,847	7,223,999	-	16,484,768
Underwriting result (A-B)	1,317,467	-	(1,708,649)	1,572,199	-	1,181,017
Net investment income						3,956,627
Rental income						8,932,262
Other income						2,833,805
Other expenses						(15,257,433)
Finance cost						(35,083)
Profit before tax						1,611,195

26.1 Segment assets and liabilities

As at December 31, 2022

Description	Fire and property damage	Motor	Live stock and others	Unallocated	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Segment assets	1,471,451	622,490	4,533,639	2,392,204,661	2,398,832,241
Segment liabilities	5,566,103	3,408,963	9,608,653	42,860,924	61,444,643

As at December 31, 2021

Description	Fire and property damage	Motor	Live stock and others	Unallocated	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Segment assets	1,305,582	503,810	2,295,602	2,416,093,710	2,420,198,704
Segment liabilities	3,650,375	2,113,033	5,092,987	52,823,800	63,680,195

26.2 Other information

All the assets of the Society are located in Pakistan and the Society is generating its revenues through its operations in Pakistan. There is no customer to whom the insurance policies have been written more than 10% of the total revenue of the Society.

Fire and property damage, motor and livestock and others represent 33.28% (2021: 39.03%), 23.14% (2021: 12.02%) and 43.58% (2021: 48.95%) respectively of the total revenue of the Society.



27 Solvency Statement

2022

Rupees

Assets

Property and equipment	2,228,032,640
Intangible assets	89,600
Investment property	75,252,292
	2,303,374,532

Investments

Listed equity securities	48,475,095
Unlisted equity securities	15,466,322
Term deposits	3,511,450
	67,452,867

Deferred commission expenses	2,262,046
Prepayments	3,849,443
Other receivables	6,089,832
	12,201,321

Cash and bank	15,803,521
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Total assets	2,398,832,241
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Inadmissible assets as per clause 32(2) of the Insurance Ordinance, 2000

Listed equities	24,237,548
Unlisted equities	14,693,006
Land and buildings	1,556,072,022
Furniture, fixture and office equipment	640,722
Intangibles	89,600
Motor vehicles	4,431,887
	1,600,164,785

Admissible assets	798,667,456
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Total liabilities

Underwriting provisions

Outstanding claims including IBNR	1,219,224
Unearned premium reserves	15,065,937
Unearned reinsurance commission	725,845
Deferred taxation	36,819,401
Insurance / reinsurance payables	1,572,713
Unclaimed dividend	238,189
Other creditors and accruals	5,803,334
Total liabilities	61,444,643

Total net admissible assets	737,222,813
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Minimum solvency requirement (higher of followings)

Under section 36 (3) (a) of Insurance Ordinance, 2000	150,000,000
Under section 36 (3) (b) of Insurance Ordinance, 2000	3,349,073
Under section 36 (3) (c) of Insurance Ordinance, 2000	2,466,073

150,000,000

587,222,813

Net admissible assets in excess of solvency requirement



28.1 Insurance risk

The principal risk the Society faces under insurance contracts is the possibility that the insured event occurs, the uncertainty of the amount of the resulting claims i.e. the frequency and severity of claims and that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. By the very nature of an insurance contract, this risk is random and therefore unpredictable. The objective of the Society is to ensure that sufficient reserves are available to cover these liabilities.

The Society manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling. The underwriting strategy aims to minimize insurance risks with a balanced mix and spread of business classes and by observing underwriting guidelines and limits. The Society underwrites mainly property, fire, motor and other miscellaneous business. These classes of insurance are generally regarded as short-term insurance contracts where claims are normally intimated and settled within a short time span, usually one year. This helps to mitigate insurance risk.

Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Society has the right not to renew individual policies, it can impose deductibles and it has the right to reject the payment of a fraudulent claim. For large risks, particularly in property segment of business, risk inspections are carried out before accepting the risks. Similarly, in case of large risks, annual renewals are also preceded by on-site surveys. Where needed, risk mitigation measures are identified and communicated to the clients to improve the risk to an acceptable level.

Reinsurance arrangements in place include treaty and facultative arrangements, on proportional and non-proportional basis and also include catastrophe cover. The effect of such reinsurance arrangements is that the Society may not suffer ultimate net insurance losses beyond the Society's risk appetite in any one year.

For reinsurance cover, the Society's 100% arrangement of reinsurance is dependent on Pakistan Reinsurance Company Limited which is a Government owned entity with sound and stable financial outlook and credit rating of AA.

a) Frequency and severity of claims

The frequency and severity of claims can be affected by several factors like political violence, environmental and economical, atmospheric disturbances, natural disasters, concentration of risks, civil riots etc. The Society manages these risks through the measures described above. The Society has limited its exposure to catastrophic and riot events by use of reinsurance arrangements. The Society monitors concentration of insurance risks primarily by class of business. The table below sets out the concentration of the claims and premium liabilities (in percentage terms) by class of business at the reporting date:

Class	2022				2021			
	Gross claims liabilities	Net claims liabilities	Gross premium liabilities	Net premium liabilities	Gross claims liabilities	Net claims liabilities	Gross premium liabilities	Net premium liabilities
	%	%	%	%	%	%	%	%
Fire and property damage	8.0	9.8	28.9	33.3	3	36	35	39
Motor	93.8	107.2	21.4	23.1	115	251	13	12
Miscellaneous	-1.9	-17.0	49.7	43.6	-18	-187	52	49
	100	100	100	100	100	100	100	100

Since the Society operates in Pakistan only, hence, all the insurance risks relate to policies written in Pakistan.

The Society class wise major gross risk exposure is as follows:

	2022 Rupees	2021 Rupees
Fire and property damage	426,918,467	411,044,067
Motor	271,738,600	206,904,600
Miscellaneous	1,401,181,122	822,376,533

Sources of uncertainty in estimation of future claim payments

The key source of estimation uncertainty at the reporting date relates to valuation of outstanding claims, whether reported or not, and includes expected claims settlement costs. Considerable judgment by management is required in the estimation of amounts due to policyholders arising from claims made under insurance contracts. Such estimates are necessarily based on assumptions about several factors involving varying and possibly significant degrees of judgment and uncertainty and actual results may differ from management's estimates resulting in future changes in estimated liabilities. Qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example one-off occurrence, changes in market factors such as public attitude to claiming and economic conditions. Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.



The key source of estimation uncertainty at the reporting date relates to valuation of outstanding claims, whether reported or not, and includes expected claims settlement costs. Considerable judgment by management is required in the estimation of amounts due to policyholders arising from claims made under insurance contracts. Such estimates are necessarily based on assumptions about several factors involving varying and possibly significant degrees of judgment and uncertainty and actual results may differ from management's estimates resulting in future changes in estimated liabilities. Qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example one-off occurrence, changes in market factors such as public attitude to claiming and economic conditions. Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

In particular, estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred but not reported (IBNR) at the reporting date.

Process used to decide on assumptions

The process used to determine the assumptions for calculating the outstanding claim reserve is intended to result in neutral estimates of the most likely or expected outcome. The nature of the business makes it very difficult to predict with certainty the likely outcome of any particular claim and the ultimate cost of notified claims. Each notified claim is assessed on a separate, case by case basis with due regard to claim circumstances, information available from surveyors and historical evidence of the size of similar claims. Case estimates are reviewed regularly and are updated as and when new information is available.

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Society, in which case information about the claim event is available. IBNR provisions are initially estimated at a gross level and a separate calculation is carried out to estimate the size of the reinsurance recoveries. The estimation process takes into account the past claims reporting pattern and details of reinsurance programs.

The premium liabilities have been determined such that the total premium liability provisions (unearned premium reserve and premium deficiency reserve) would be sufficient to service the future expected claims and expenses likely to occur on the unexpired policies as of the reporting date. The expected future liability is determined using estimates and assumptions based on the experience during the expired period of the contracts and expectations of future events that are believed to be reasonable.

Sensitivity Analysis

The Society believes that the claim liabilities under insurance contracts outstanding at the year end are adequate. However, these amounts are not certain and actual payments may differ from the claims liabilities provided in the financial statements. The impact on the profit / (loss) before tax and shareholders' equity of the changes in the claim liabilities net of reinsurance is analyzed below. The sensitivity to changes in claim liabilities net of reinsurance is determined separately for each class of business while keeping all other assumptions constant.

	Profit before tax		Shareholders' equity	
	2022	2021	2022	2021
	Rupees	Rupees	Rupees	Rupees
Impact of change in claim liabilities by +10%				
Fire and property damage	(29,862)	(35,171)	(21,202)	(24,971)
Motor	(40,695)	(13,141)	(28,893)	(9,330)
Miscellaneous	(51,366)	(52,852)	(36,470)	(37,525)
	<u>(121,923)</u>	<u>(101,164)</u>	<u>(86,565)</u>	<u>(71,826)</u>
Impact of change in claim liabilities by -10%				
Fire and property damage	29,862	35,171	21,202	24,971
Motor	40,695	13,141	28,893	9,330
Miscellaneous	51,366	52,852	36,470	37,525
	<u>121,923</u>	<u>101,164</u>	<u>86,565</u>	<u>71,826</u>

28.2 Financial Risk

28.2.1 Financial risk factors

The Society's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Society's overall risk management policies focuses on the unpredictability of financial markets and seek to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of change in market prices such as interest rates, foreign exchange rates and equity prices.



(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. As at the reporting date, the Society is not exposed to currency risk as it has no receivable or payables in foreign currency.

(ii) Interest rate risk

Interest risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of change in market interest rates. The Society has securities and deposits that are subject to interest rate risk. The Society limits interest rate risk by monitoring changes in interest rates in the currencies in which its financial assets are denominated.

As at the reporting date the interest rate profile of the Society's interest bearing financial instruments was as under:

2022						
Floating rate instruments	Interest bearing			Non-Interest bearing		
	Maturity up to 1 year	Maturity after 1 year	Sub-total	Maturity up to 1 year	Maturity after 1 year	Sub-total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Financial assets						
Cash and other equivalents	-	-	-	15,803,521	-	15,803,521
Investments	1,000,000	-	1,000,000	66,452,867	-	66,452,867
Insurance/reinsurance receivable	-	-	-	410,739	-	410,739
Reinsurance recoveries	-	-	-	105,352	-	105,352
Security deposits	-	-	-	59,400	-	59,400
Sundry receivable	-	-	-	3,208,037	-	3,208,037
	1,000,000	-	1,000,000	86,039,916	-	86,039,916
Financial Liabilities						
Outstanding claims including IBNR	-	-	-	1,219,224	-	1,219,224
Insurance/reinsurance payable	-	-	-	1,572,713	-	1,572,713
Other creditors and accruals	-	-	-	4,627,749	-	4,627,749
Unclaimed dividend	-	-	-	238,189	-	238,189
	-	-	-	7,657,875	-	7,657,875
2021						
Floating rate instruments	Interest bearing			Non-Interest bearing		
	Maturity up to 1 year	Maturity after 1 year	Sub-total	Maturity up to 1 year	Maturity after 1 year	Sub-total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Financial assets						
Cash and other equivalents	-	-	-	12,286,480	-	12,286,480
Investments	500,000	-	500,000	94,549,259	-	95,049,259
Insurance/reinsurance receivable	-	-	-	507,252	-	507,252
Reinsurance recoveries	-	-	-	110,044	-	110,044
Security deposits	-	-	-	59,400	-	59,400
Sundry receivable	-	-	-	2,350,743	-	2,350,743
	500,000	-	500,000	109,863,178	-	110,363,178



Financial Liabilities

Outstanding claims including IBNR	-	-	-	1,011,646	-	1,011,646
Insurance/reinsurance payable	-	-	-	59,276	-	59,276
Other creditors and accruals	-	-	-	2,704,899	-	2,704,899
Unclaimed dividend	-	-	-	242,330	-	242,330
	-	-	-	4,018,151	-	4,018,151

Cash flow sensitivity analysis for variable rate instruments

For cash flow sensitivity analysis of variable rate instruments a hypothetical change of 100 basis points in interest rates at the reporting date would have impacted the profit or loss for the year. During the current year, Society does not have any such instrument and is not exposed to interest rate risk.

28.3 Credit Risk

Credit risk is the risk that arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Society attempts to control credit risk by monitoring credit exposures by undertaking transactions with a large number of counterparties in various industries and by continually assessing the credit worthiness of counterparties.

Credit risk and concentration of credit risk

Concentration of credit risk occurs when a number of counterparties have a similar type of business activities. As a result, any change in economic, political or other conditions would affect their ability to meet contractual obligations in similar manner. The Society's credit risk exposure is not significantly different from the reflected in these financial statements. The management monitors and limits the Society's exposure to credit risk through monitoring of client's exposure and conservative estimates of provisions for doubtful assets, if any. The management is of the view that it is not exposed to significant concentration of credit risk as its financial assets are adequately diversified in entities of sound financial standing, covering various industrial sectors.

The carrying amount of financial assets represents the maximum credit exposure, as specified below:-

	2022	2021
	Rupees	Rupees
Investment in equity securities	63,941,417	92,037,809
Term deposits	3,511,450	3,011,450
Sundry receivable	3,208,037	2,350,743
Insurance / reinsurance receivables	410,739	507,252
Reinsurance recoveries against outstanding claims	105,352	110,044
Security deposits	59,400	59,400
Cash at bank	15,246,945	11,922,237
	86,483,340	109,998,935

The credit quality of bank balances and deposits can be assessed with reference to external credit ratings as follows:

	Rating		Rating agency	2022	2021
	Short term	Long term		Rupees	Rupees
Bank Al Falah Limited	A1+	AA+	PACRA	306,524	852,942
First Women Bank	A2	A-	PACRA	105,737	16,637
Muslim Commercial Bank	A1+	AAA	PACRA	755,328	254,339
Punjab Provincial Cooperative Bank Limited	Not Rated	Not Rated	-	11,666,470	8,094,536
Allied Bank Limited	A1+	AAA	PACRA	2,093,876	2,282,201
National Bank of Pakistan	A1+	AAA	VIS	291,058	421,170
CDC (Investor Account Services)	Not Rated	Not Rated	-	53,414	412



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The credit quality of Society's exposure on equity instruments can be assessed with reference to external rating as follows:

	Ratings	Rating agency	2022 Rupees	2021 Rupees
Pakistan Re-insurance Company Limited	AA	VIS	16,052,359	17,471,955
Zeal Pakistan Cement Factory	-	-	-	2,395
Ferozsons Laboratories Limited	-	-	32,422,736	64,002,787
Punjab Provincial Cooperative Bank Limited	-	-	13,194,522	8,283,672
National Cooperative Supply Corporation	-	-	2,271,800	2,277,000
			<u>63,941,417</u>	<u>92,037,809</u>

The management monitors exposure to credit risk in premium receivable from customers through review of credit exposure and prudent estimates of provisions for doubtful receivables, if any. As at the reporting date, all the premiums are considered good, recovered subsequent to the reporting date and are classified as due within one year.

The credit quality of amounts due from reinsurer and claim recoveries therefore can be assessed with reference to external credit ratings as follows:

			Reinsurance Recoveries against outstanding claims	
	Ratings	Rating agency	2022 Rupees	2021 Rupees
Pakistan Re-insurance Company Limited	AA	VIS	105,352	110,044

As at reporting date, amounts in respect of reinsurance recoveries against outstanding claims are considered good, recovered subsequent to the reporting date and are classified as due within one year.

29 Liquidity Risk

Liquidity risk is the risk that the Society will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. The Society finances its operations through equity and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. Following are the contractual maturities of financial liabilities:

		2022				
December 31, 2022	Carrying amount	On demand	Contractual cash flows	1 year or less	1-2 years	2-5 years
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Outstanding claims including IBNR	1,219,224	1,219,224	-	-	-	-
Insurance / reinsurance payables	1,572,713	1,572,713	-	-	-	-
Other creditors and accruals	4,627,749	4,627,749	-	-	-	-
Lease liability	-	-	-	-	-	-
	<u>7,419,686</u>	<u>7,419,686</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		2021				
December 31, 2021	Carrying amount	On demand	Contractual cash flows	1 year or less	1-2 years	2-5 years
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Outstanding claims including IBNR	1,011,646	1,011,646	-	-	-	-
Insurance / reinsurance payables	59,276	59,276	-	-	-	-
Other creditors and accruals	2,704,899	2,704,899	-	-	-	-
Lease liability	-	-	-	-	-	-
	<u>3,775,821</u>	<u>3,775,821</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>



Sensitivity analysis

As at the reporting date, the Society had no financial instruments valued at fair value through profit and loss. For cash flow sensitivity analysis of variable rate instruments, a hypothetical change of 100 basis points in interest rates during the year would have decreased / increased profit for the year by the amounts shown below:

	Change in basis	Effect on profit and loss before	Effect on shareholder equity
		Rupees in "000"	
December 31, 2022	100 (100)	649 (649)	461 (461)
December 31, 2021	100 (100)	423 (423)	300 (300)

30 Equity / Price Risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Society's equity investments amounting to Rs. 81.477 (2020: Rs. 86.366 million) are susceptible to market price risk arising from uncertainty about the future value of investment securities. The Society limits the market risk by diversifying its equity investment portfolio and by actively monitoring the developments in equity and money markets.

The table below summarizes the Society's market price risk as of December 31, 2021 and 2020. It shows the effect of a 10% increase and 10% decrease in the market prices of equity investments as on those dates on the Society's profit and equity. Had all listed equity investments been measured at fair values as required by IAS 39, 'Financial Instruments: Recognition and Measurement', the impact of hypothetical change would be as follows:

	2022 Rupees	2021 Rupees
Fair Value	48,475,095	81,477,137
Estimated fair value due to changes:		
10% increase	53,322,605	89,624,851
10% decrease	43,627,586	73,329,423
Effect on profit and loss before tax:		
10% increase	4,847,510	8,147,714
10% decrease	(4,847,509)	(8,147,714)
Effect on shareholder's equity		
10% increase	3,441,732	5,784,877
10% decrease	(3,441,731)	(5,784,877)

31 Earnings per share

	2022 Rupees	2021 Rupees
Earnings per share	0.016	(0.020)

**31.1 Basic earnings per share**

	2022	2021
	Rupees	Rupees
Profit / Loss for the year after taxation	817,527	(984,836)
Weighted average number of ordinary shares outstanding during the year	50,003,240	50,003,240
Earnings per shares	0.016	(0.020)

31.2 Diluted earnings per share

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

32 Capital Risk Management

The Society's objective when managing capital is to safeguard the Society's ability to continue as a going concern and meet the regulatory, solvency and paid up capital requirements so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Society manages its capital structure by monitoring return on net assets and making adjustments to it in the light of changes in economic conditions.

Return on assets / equity is computed as follows:

	2022	2021
	Rupees	Rupees
Loss before interest and tax	817,527	(984,836)
Net assets / equity	2,337,387,598	2,356,518,509
Return on net equity	0.03%	-0.04%

33 Fair Value of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

Underlying the definition of fair value is the presumption that the Modaraba is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regulatory occurring market transactions on an arms' length basis.

IFRS 13, "Fair Value Measurement" requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and



- Inputs for the assets or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).

The Society recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred. The Modaraba's policy for determining when transfers between levels in the hierarchy have occurred includes monitoring of the following factors:

- changes in market and trading activity (e.g. significant increases / decreases in activity); and
- changes in inputs used in valuation techniques (e.g. inputs becoming / ceasing to be observable in the market).

There were no transfers between level 1, 2 or 3 of the fair value hierarchy during the period.

The carrying values of all other financial assets and liabilities reflected in these condensed interim financial statements approximate their fair value.

The following table shows the carrying amounts and fair values of assets and liabilities, including their levels in the fair value hierarchy. It does not include fair value information for assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

December 31, 2022	Carrying amount					Fair value			
	FVOCI	FVTPL	Financial assets at amortised cost	Other financial liabilities - at amortised cost	Total	Level 1	Level 2	Level 3	Total
	Rupees								
Financial assets - measured at fair value									
Investments in listed securities	-	48,475,095	-	-	48,475,095	48,475,095	-	-	48,475,095
Long term investments in unlisted securities	-	15,466,322	-	-	15,466,322	-	-	15,466,322	15,466,322
Non-Financial assets - measured at fair value									
Non-current asset held for sale	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value									
Investments in debt securities	-	-	3,511,450	-	3,511,450	-	-	-	-
Advances, deposits and other receivables	-	-	12,201,321	-	12,201,321	-	-	-	-
Cash and bank balances	-	-	15,803,521	-	15,803,521	-	-	-	-
	-	63,941,417	31,516,292	-	95,457,709	48,475,095	-	15,466,322	63,941,417
Financial liabilities not measured at fair value									
Outstanding claims and unearned premium reserve	-	-	-	16,285,161	16,285,161	-	-	-	-
Unearned reinsurance commission	-	-	-	725,845	725,845	-	-	-	-
Deferred taxation	-	-	-	36,819,401	36,819,401	-	-	-	-
Other creditors and payables	-	-	-	7,376,047	7,376,047	-	-	-	-
Unclaimed dividend	-	-	-	238,189	238,189	-	-	-	-
Non-Financial liabilities not measured at fair value									
Liabilities associated with assets held for sale	-	-	-	-	-	-	-	-	-
	-	-	-	61,444,643	61,444,643	-	-	-	-
	Rupees								
December 31, 2021	Carrying amount					Fair value			
	FVOCI	FVTPL	Financial assets at amortised cost	Other financial liabilities - at amortised cost	Total	Level 1	Level 2	Level 3	Total
	Rupees								
Financial assets - measured at fair value									
Investments in listed securities	-	81,477,137	-	-	81,477,137	81,477,137	-	-	81,477,137
Long term investments in unlisted securities	-	10,560,672	-	-	10,560,672	-	-	10,560,672	10,560,672



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Non-Financial assets - measured at fair value								
Non-current asset held for sale	-	-	-	-	-	-	-	-
Financial assets not measured at fair value								
Investments in debt securities	-	-	3,011,450	-	-	3,011,450	-	-
Advances, deposits and other receivables	-	-	8,054,556	-	-	8,054,556	-	-
Cash and bank balances	-	-	12,286,480	-	-	12,286,480	-	-
	-	92,037,809	23,352,486	-	-	115,390,295	81,477,137	10,560,672
				-	-			92,037,809
Financial liabilities not measured at fair value								
Outstanding claims and unearned premium reserve	-	-	-	10,381,649	-	10,381,649	-	-
Unearned reinsurance commission	-	-	-	415,470	-	415,470	-	-
Deferred taxation	-	-	-	49,156,001	-	49,156,001	-	-
Other creditors and payables	-	-	-	3,484,745	-	3,484,745	-	-
Unclaimed dividend	-	-	-	242,330	-	242,330	-	-
Non-Financial liabilities not measured at fair value								
Liabilities associated with assets held for sale	-	-	-	-	-	-	-	-
	-	-	-	63,680,195	-	63,680,195	-	-

December 31, 2022	FVOCI	FVTPL	Carrying amount		Other liabilities	Total	Level 1	Fair value		Total
			Financial assets at amortised cost	Other financial liabilities - at amortised cost				Level 2	Level 3	
Financial assets - measured at fair value										
Investments in listed securities	-	48,475,095	-	-	-	48,475,095	48,475,095	-	-	48,475,095
Long term investments in unlisted securities	-	15,466,322	-	-	-	15,466,322	-	-	15,466,322	15,466,322
Non-Financial assets - measured at fair value										
Non-current asset held for sale	-	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value										
Investments in debt securities	-	-	3,511,450	-	-	3,511,450	-	-	-	-
Advances, deposits and other receivables	-	-	12,201,321	-	-	12,201,321	-	-	-	-
Cash and bank balances	-	-	15,803,521	-	-	15,803,521	-	-	-	-
	-	63,941,417	31,516,292	-	-	95,457,709	48,475,095	-	15,466,322	63,941,417
Financial liabilities not measured at fair value										
Outstanding claims and unearned premium reserve	-	-	-	16,285,161	-	16,285,161	-	-	-	-
Unearned reinsurance commission	-	-	-	725,845	-	725,845	-	-	-	-
Deferred taxation	-	-	-	36,819,401	-	36,819,401	-	-	-	-
Other creditors and payables	-	-	-	7,376,047	-	7,376,047	-	-	-	-
Unclaimed dividend	-	-	-	238,189	-	238,189	-	-	-	-
Non-Financial liabilities not measured at fair value										
Liabilities associated with assets held for sale	-	-	-	-	-	-	-	-	-	-
	-	-	-	61,444,643	-	61,444,643	-	-	-	-

December 31, 2021	FVOCI	FVTPL	Carrying amount		Other liabilities	Total	Level 1	Fair value		Total
			Financial assets at amortised cost	Other financial liabilities - at amortised cost				Level 2	Level 3	
Financial assets - measured at fair value										
Investments in listed securities	-	81,477,137	-	-	-	81,477,137	81,477,137	-	-	81,477,137
Long term investments in unlisted securities	-	10,560,672	-	-	-	10,560,672	-	-	10,560,672	10,560,672
Non-Financial assets - measured at fair value										
Non-current asset held for sale	-	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value										
Investments in debt securities	-	-	3,011,450	-	-	3,011,450	-	-	-	-
Advances, deposits and other receivables	-	-	8,054,556	-	-	8,054,556	-	-	-	-
Cash and bank balances	-	-	12,286,480	-	-	12,286,480	-	-	-	-
	-	92,037,809	23,352,486	-	-	115,390,295	81,477,137	-	10,560,672	92,037,809



Financial liabilities not measured at fair value									
Outstanding claims and unearned premium reserve	-	-	-	10,381,649	-	10,381,649	-	-	-
Unearned reinsurance commission	-	-	-	415,470	-	415,470	-	-	-
Deferred taxation	-	-	-	49,150,001	-	49,150,001	-	-	-
Other creditors and payables	-	-	-	3,484,745	-	3,484,745	-	-	-
Unclaimed dividend	-	-	-	242,330	-	242,330	-	-	-
Non-Financial liabilities not measured at fair value									
Liabilities associated with assets held for sale	-	-	-	63,680,195	-	63,680,195	-	-	-

34 Related Party Disclosure

Related parties comprise of directors, chief executive, other key management personnel and staff retirement benefit plans. The transactions with related parties are carried out at commercial terms and conditions except for compensation to key management personnel which are on employment terms. Outstanding balances with related parties, contribution to provident fund and remuneration to chief executive and directors of the Society have already been disclosed elsewhere in these financial statements.

35 Disclosure of Employees Provident Fund Trust -Related Party

The following information is based on the audited financial statements of the Society's fund.

	2022	2021
	Rupees	Rupees
Size of fund	1,381,595	1,153,791
Number of members	17	17
Cost of investment - Bank Balance	1,381,595	1,153,791
Percentage of investment	100%	100%

36 Number of Employees


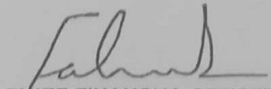
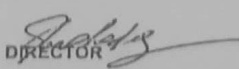


	2022	2021
	Number	Number
Employees as at December 31, 2022	21	20

37 Date of Authorization for Issue

These financial statements were approved and authorized for issue by the Board of Directors of the Society on 28th September 2023.

38 General

The figures in the financial statements have been rounded off to the nearest rupees. Corresponding figures have been re-arranged, wherever necessary, to facilitate comparison. No material re-arrangements / reclassifications have been incorporated in these financial statements.

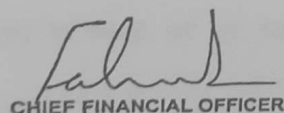
 CHIEF EXECUTIVE
 CHIEF FINANCIAL OFFICER
 DIRECTOR
 DIRECTOR
 CHAIRMAN

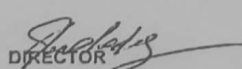


THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED
CLASSIFIED SUMMARY OF ASSETS IN PAKISTAN
AS AT DECEMBER 31, 2022

Class of Assets	2022		2021		Valuation Basis
	Cost or Book Value	Market Value	Cost or Book Value	Market Value	
	Rupees	Rupees	Rupees	Rupees	Rupees
Cash and other equivalents	15,803,521	15,803,521	12,286,480	12,286,480	Book Value
Fixed & terms deposit with scheduled banks	1,000,000	1,000,000	500,000	500,000	Book Value
Government securities with State Bank of Pakistan	2,511,450	2,511,450	2,511,450	2,511,450	Book Value
Shares	4,955,805	63,941,417	4,955,805	92,037,809	Market Value
Insurance / reinsurance receivable	410,739	410,739	507,252	507,252	Book Value
Reinsurance recoveries against outstanding claims	105,352	105,352	110,044	110,044	Book Value
Prepayment-prepaid reinsurance premium	3,849,443	3,849,443	2,087,670	2,087,670	Book Value
Deferred commission expense	2,262,046	2,262,046	1,400,028	1,400,028	Book Value
Taxation - payments less provision	2,306,304	2,306,304	2,046,671	2,046,671	Book Value
Security deposits	59,400	59,400	59,400	59,400	Book Value
Sundry receivable	3,208,037	3,208,037	2,350,743	2,350,743	Book Value
Land and buildings	2,425,555	2,222,960,031	2,429,779	2,226,498,717	Market Value
Furniture, fixture and office equipment	638,943	638,943	442,198	442,198	Book Value
Motor vehicles	4,433,666	4,433,666	5,542,935	5,542,935	Book Value
Investment property	85,546	75,252,292	85,546	71,638,107	Market Value
Intangibles	89,600	89,600	179,200	179,200	Book Value
Total Assets	44,145,407	2,398,832,241	37,495,201	2,420,198,704	


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR


DIRECTOR


CHAIRMAN



HEAD OFFICE		Phones: 37356537, 042-37352306, 37242798 Fax: 042-37352794 Email: info@coinsopl.com
Cooperative Insurance Building, 23-Shahrah-e-Quaid-e-Azam Lahore.		
Fateh Khan Niazi	Chief Executive Officer	0322-9490777
Shoaib Ahmed Waseem	Financial Advisor	0300-0803060
Fahad Amjad	Acting Chief Financial Officer	0300-2225099
Shahbaz Hussain Khadim	Head of Internal Auditor	0333-4555001
Malik Muhammad Ashraf	Manager Underwriting	0322-4545283
Atif Aslam	Asstt: Compliance Officer	0304-4946616
Muhammad Jamil Bhatti	Asstt: Manager Re-insurance	0322-4318241
	ZONAL OFFICES	
Bahawalnagar Rai Anwaar Alam Branch Manager	Chowk Tasneem Fowara	0300-7920337 0300-7585601
M. Rashid Kitchlew Zonal Manager	23-Shahrah-e-Quaide-e-Azam, Lahore	Res: 37113901 0300-4292277
Sattar Ahmed Zonal Manager	Shoaib Manzil, Chowk Chohan Park, Lahore.	Res: 37923661 0300-4870280 0323-4870280
Karachi -1	REGIONAL OFFICES	
Mirza Anwar Baig Chief Manager	Nadir House, 3 rd Floor, P.O. Box No. 4814, I.I. Chundrigarh Road, Karachi	Off: 32411840 0300-2313632
Liaquat Ali Branch Manager		0333-2136754
Karachi -2		
Tahir Mehmood Qureshi (Manager Development)	Office No. 18, Kareem Plaza, Near Civic Centre, Gulshan-e-Iqbal Karachi.	0322-2032013 0300-9237978
Multan		
Hassan Faryal Bhutta Regional Manager	Office No:1 First Floor, Clock Plaza Ghanta Ghar, Multan.	Off: 4548251 0300-6338415
Multan -2 Syed Waqar Ali Rizvi Branch Manager	Upper Store Shopping Centre No. 3, Opp: Mall Plaza, Multan Cantt.	0305-2007809 0333-6388157



BRANCH OFFICES

<u>Faisalabad</u>		
Rai Nawazish Ali Branch Manager	Quaid-e-Azam Road, Tandlianwala	0300-6581781 0342-5825565
<u>Gujranwala</u>		
Asad Javaid Malik Branch Manager	58-B, Trust Plaza, G.T. Road,	0321-7441724 0300-7593106
<u>Sheikhupura</u>		
Asad Javaid Malik Branch Manager	Sheikhupura	0300-7593106 0321-7441724
<u>Sargodha</u>		
M. Taufiq Paracha Branch Manager	Opp: City Post Office, Main Road, Block No. 5	Off: 7323459 Res: 3213459 0300-9609161
<u>Rawalpindi</u>		
Muzaffar Hussain Shah Branch Manager	53/8, Haider Road,	Off: 5566232 0333-5341722
<u>Okara</u>		
Abdul Rahim Gohar Branch Manager	C/o. Haji Motors, G.T.Road, Renala Khurd	0333-4565378
<u>Rahim Yar Khan</u>		
Khadim Hussain Bhatti Branch Manager	B-80, Umer Block, Abbasia Town	068-5877883 0333-7453191
<u>Sahiwal</u>		
Kashif Rafiq Branch Manager	House No. 775, M-Block , Fareed Town, Sahiwal.	0300-6937275 0312-6937275
<u>D.G. Khan</u>		
Mian Javed Branch Manager	Block No. 2, Qaid-e-Azam Road, Dera Ghazi Khan.	0300-6781253 0334-6781253