



PAKISTAN INSURANCE CORPORATION

18th Annual Report and Accounts
FOR THE YEAR ENDED 31st DECEMBER 1970.

ESTABLISHED UNDER THE PAKISTAN INSURANCE CORPORATION
ACT NO. XXXVIII OF 1952

LIST OF DIRECTORS

MD. HAFIZUR RAHMAN, S.Q.A., C.S.P., (Rtd.,)

Chairman

MOHAMMAD CHOUDHURY

Director

MIRZA MEHDY ISPAHANI

Director

H. N. AKHTAR, P.C. & E.S.

Director

A. F. SERAJUL HOQUE, P.R.A.S.

Director

KHUDA BUKSH

Director

M. MOYEEDUL ISLAM, T. Pk.

Managing Director.

HEAD OFFICE

Pakistan Insurance Building,

M. A. Jinnah Road.,

P.O. Box No. 4777, City

Karachi-2 (Pakistan)

DACCA OFFICE

Pakistan Insurance Corporation,

121, Motijheel,

Commercial Area,

P. O. Box No. 337.

Dacca.

LAHORE OFFICE

Pakistan Insurance Corporation,

WAPDA House, 4th Floor,

Quaid-e-Azam Road,

P. O. Box No. 578,

Lahore.

AUDITORS

HASHMI & CO.

MINOO N. BAMJEE & CO.

PAKISTAN INSURANCE CORPORATION

KARACHI

Report by the Board of Directors for the year ended 31st December, 1970.

To the Shareholders,

Your Directors have pleasure in presenting herewith their 18th Annual Report together with Revenue Accounts, the Profit and Loss and Profit and Loss Appropriation Accounts for the year ended 31st December, 1970, the Balance Sheet as at 31st December, 1970, and the Report of the Auditors thereon.

A summary of the accounts is given below:

				(In lacs of rupees)				
				Fire	Marine	Miscella- neous	Life	Total
Gross Premium	...	...	...	453.57	615.90	479.65	5.33	1,554.45
Retrocession Premium	...	...	...	273.39	349.18	314.82	0.63	938.02
Net Premium	...	...	...	180.18	266.72	164.83	4.70	616.43
Net Commission	...	...	...	94.04	64.58	45.88	0.88	205.38
Net Claims	...	...	...	76.57	185.21	106.18	1.64	369.60
Expenses of Management	...	...	...	9.65	13.10	10.21	0.11	33.07
Premium Reserve Adjustment	...	...	...	(—)2.35	(—) 31.50	1.58	— (—)	32.27
Life Fund Increase	...	...	...	—	—	—	2.07	2.07
Underwriting Profit	...	...	...	2.26	35.34	0.98	—	38.58

For the year under review, returns for the fourth quarter had not been received from several ceding companies till the date of finalization of our accounts, as the companies could not close their books in time owing to non-availability of returns in respect of their business in East Pakistan. As a result, while the gross premium income for the year could not be booked in full management expenses and claims paid or outstanding had been incorporated for the whole year. However, even from these accounts it will be observed that your Corporation made good progress during the year. The Corporation earned a gross premium of Rs. 453.57 lacs in Fire business as against Rs. 436.49 lacs during 1969, Rs. 479.65 lacs in Miscellaneous business as against Rs. 438.16 lacs during 1969, and in Life which is comparatively new and under which the Corporation did not receive any compulsory cessions, the Gross premium recorded amounted to Rs. 5.33 lacs as against Rs. 3.47 lacs in the year 1969. 1970's Marine premium shows some decline owing to the fact that 1969 Marine premium figure included an adjustment of Rs. 61 lacs on account of returns pertaining to previous years but not booked earlier. The total Gross premium recorded in 1970 on the basis of incomplete returns amounted to Rs. 1,554.45 lacs against the original estimate of Rs. 1,531.35 lacs.

Profit and Loss Account :

The Profit and Loss Account, after accounting for income from investments and other sources and allowing for outgo on various heads not allocable to Revenue Accounts, discloses a Profit of Rs. 87.52 lacs, as against Rs. 76.28 lacs in 1969, as shown below:—

Underwriting Profit	...	...	...	...	Rs. 38,58,224
Income from Investments and other sources	...	...	...	...	Rs. 54,87,027
					Rs. 93,45,251
Miscellaneous	...	...	...	...	Rs. 5,93,237
					Rs. 87,52,014
Profit and Loss balance brought forward from 1969	...	...	...	...	Rs. 5,58,887
					Rs. 93,10,901
Less Dividend for 1969 paid during the year	...	...	...	...	Rs. 5,00,000
					Rs. 88,10,901

Amount available for disposal which has been appropriated as under:—

Exceptional Loss Reserve	...	...	...	Rs. 61,17,000	
General Reserve	...	...	...	Rs. 15,00,000	
Taxation Reserve	...	...	...	Rs. 6,00,000	Rs. 82,17,000
Balance available for Dividend for the year under report and to be carried forward	...	...	...		Rs. 5,93,901

Balance Sheet :

The Corporation's financial and underwriting reserves which have been accumulating satisfactorily from year to year stood as under on 31-12-1970 :

(a) Paid-up Capital	...	...	...	Rs. 50,00,000
(b) <i>Financial and other Reserves</i>				
Exceptional Loss Reserve	...	...	...	Rs. 2,61,17,000
General Reserve	...	...	...	Rs. 43,00,000
Reserve for Taxation	...	...	...	Rs. 32,19,425
Reserve for Bad and Doubtful Debts	...	...	...	Rs. 1,50,000
Exchange Fluctuation Reserve	...	...	...	Rs. 3,29,802
Gratuity Fund	...	...	...	Rs. 2,80,707
				Rs. 3,43,96,934
(c) <i>Technical Reserves</i>	...	...	...
Premium Reserve	...	...	...	Rs. 2,75,40,000
Life Fund	...	...	...	Rs. 2,71,174
Reserve for outstanding Claims	...	...	...	Rs. 2,89,00,058
				Rs. 5,67,11,232
Total Capital and Reserve	...	...	...	Rs. 9,61,08,166

The investments of the Corporation at the end of 1970 amounted to Rs. 5,12,41,880. The break-up of these investments is as follows:—

Government Loans, Bonds and Certificates	Rs. 68,28,138
Debentures	Rs. 32,11,250
Shares of Semi-Government Institutions ...	Rs. 1,08,09,128
Shares of Joint Stock Companies	Rs. 1,79,48,636
Shares of Insurance Companies	Rs. 34,37,159
	<hr/>
	Rs. 4,22,34,311
Land and Buildings	Rs. 90,07,569
	<hr/>
Total: ...	Rs. 5,12,41,880

With a view to diversifying the investments and getting the best possible yield, greater share was given this year to Joint Stock Companies. The income from investment rose from Rs. 28.78 lacs in 1969 to Rs. 42.94 lacs in 1970. Additionally, we received bonus share of the face value of Rs. 7,89,500 during the year.

In order to effect timely renewal of treaties, and as part of the increasing business efficiency of your Corporation, it was decided to review the treaty results of our ceding companies and retrocessionaires well in advance. This helped a great deal in finalising the renewal of all foreign and local treaties satisfactorily and in good time.

A significant feature of the working of your Corporation during the year was the personalised service provided to the Companies. Personal contacts were made by the officers of the Corporation with senior executives of the companies to discuss and settle their reinsurance problems. As a result, our share in home treaties for 1971 rose considerably owing to ceding companies increased confidence in the Corporation.

Some problems, however, had to be faced as a result of the introduction of Cash-cum-Bonus Scheme for remittances under the foreign reinsurance contracts. The Scheme created a great deal of anxiety amongst the reinsurers abroad and a delegation of foreign reinsurers also visited Karachi and held discussions with the representatives of the insurance industry and the Managing Director of your Corporation. The Managing Director took up the matter personally with the Government and through his good offices it was possible to secure a uniform rate of exchange for the outward and inward remittances. As a result, there was better appreciation of situation among our friends in the International Market. It also helped to restore the confidence of the foreign reinsurers in the Pakistani market and the Corporation was able to secure the placement of all its excess of loss covers at reasonable terms.

Partly because of the introduction of Cash-cum-Bonus, and partly owing to heavy losses sustained by foreign reinsurers in recent years on their Pakistan business, some companies found it increasingly difficult to obtain reinsurance cover abroad. The Corporation had to come to their help and readily provided them with resinsurance cover to the maximum extent consistent with a balanced portfolio. It is hoped that overall results of 1971 will improve.

A telex machine with worldwide communication facilities was also installed during the year. This has helped a great deal in providing easier and quicker communication with our contacts abroad almost all of whom have telex connections at their end.

The Life Department continued to make good progress during the year in spite of the fact that it

did not have the advantage of receiving compulsory cessions. The premium income rose from Rs. 3.47 lacs in 1969 to Rs. 5.33 lacs in 1970 showing an increase of 54%. The Department now has treaty, facultative and group term reinsurance connections with 25 life companies in East and West Pakistan, which constitute over 60% of the total life companies operating in the country. Six of the companies, which had previously given us only 50% participation in their reinsurance have now placed 100% of their reinsurance with the Corporation. There has also been steady improvement in the underwriting service especially in respect of sub-standard and group term business and an increasing number of insurance companies are utilizing this service.

You are aware that the Corporation is also managing the National Co-insurance Scheme. This Scheme continued to make further progress during the year. The premium income of the Scheme rose from Rs. 775 lacs in 1969 to Rs. 845 lacs in 1970. The administrative machinery of the Scheme was particularly geared up to provide better and more efficient service to the clients on the one hand and to improve and accelerate financial settlement with the member companies on the other. Karachi Zonal office was separated from the Head Office and placed under the charge of a Chief Manager as was originally envisaged by the NCS Re-organization Committee. It was also decided to open two new branches in East Pakistan at Khulna and Rajshahi and two new branches in West Pakistan at Peshawar and Quetta. Of these, the branches at Khulna and Peshawar have already started functioning.

The Export Credits Guarantee Scheme continued to be administered by your Corporation on behalf of the Central Government for the 9th consecutive year. During the year, the Scheme rendered valuable services to the exporters in the form of Comprehensive (Shipment) Guarantee covering the exporters against non-repatriation of export proceeds from abroad arising out of commercial and political risks and to the commercial bankers through Export Finance (Pre-shipment) Guarantee covering the banks against the non-payment of pre-shipment advances made by the banks to their exporting clients. The number of policies issued by the Scheme rose from 336 in 1969 to 412 in 1970.

As in the past, the Corporation played an active and successful role in regard to multi-national and regional co-operation in the field of insurance under the RCD, IPECC and the FAIR. The RCD Reinsurance Pools which aim at reducing the foreign exchange outgo of the region witnessed further expansion, and premium income during the year under review is estimated to have risen to over \$ 2 million as against \$1.8 million during 1969. An RCD College of Insurance has also been started in Teheran to provide degree courses in Insurance and allied subjects. In order to foster closer business relations, between Pakistan and Indonesia under IPECC the Managing Director of your Corporation visited Indonesia during his tour of the Far Eastern countries in September, 1970, to explore possibilities of exchange of business between the Corporation and Indonesian Companies. As a result, an increased volume of business was exchanged with Umum Re. The Corporation offered training facilities to insurance executives of Umum Re and two of their senior executives have since visited Pakistan on attachment with the Corporation.

The Directorate of Insurance Training organised some more courses during the year. Its activities are under review.

The Corporation's 10-storeyed centrally air-conditioned commercial building at Dacca now houses our Dacca Zonal Office. Its completion has been somewhat delayed by the delay in the shipment of lift equipment from U.K. due to port strikes there.

Since the last report, a number of changes have taken place in the Board of Directors of the Corporation. M/s. A. Khalique, P.M.A.S. and H.U. Beg, P.T.S. have since been transferred and replaced by their successors M/s. Sirajul Haque, P.R.A.S. and H.N. Akhtar, P.C.&E.S. as nominees of the Ministeries of Commerce and Finance respectively. Mr. Iqbaluddin Ahmad has been deputed to World Bank and no nomination has so far been made in his place. Mr. M. Bashir who had been elected as a Shareholders' Director from Karachi area, has completed his term and in his place Mr. Mohammad Choudhury has been elected from

Karachi area. The Directors wish to express their deep appreciation of the valuable services rendered by the out going Directors and to welcome all the new Directors who bring with them rich and varied experience of Government and Commercial working. It is hoped that your Corporation will make further strides towards greater progress with their able guidance.

The Directors wish to express their appreciation of the tireless and devoted efforts put in by the management and staff of the Corporation in building up the Corporation into a sound and prosperous organisation. The Directors also wish to express their thanks to the Government of Pakistan, the Insurance Association of Pakistan, all insurers working in Pakistan and foreign reinsurers and reinsurance brokers and all of their numerous over seas associates, particularly the RCD partners for the valuable assistance received by the Corporation during the year.

The Directors are pleased to declare a dividend of 10% which is the maximum permissible under the PIC Act.

MD. HAFIZUR RAHMAN, S.Q.A., C.S.P. (Rtd.)	<i>Chairman.</i>	
MOHAMMAD CHOUDHURY	}	<i>Directors.</i>
MIRZA MEHDY ISPAHANI		
H. N. AKHTAR, P.C. & E.S.		
A. F. SIRAJUL HOQUE P.R.A.S.		
KHUDA BUKSH	}	<i>Managing Director.</i>
M. MOYEEDUL ISLAM, T. Pk.		

PAKISTAN INSURANCE CORPORATION

KARACHI

REPORT OF THE AUDITORS TO THE SHARE-HOLDERS

We have audited the annexed Balance Sheet of the Pakistan Insurance Corporation as at 31st December, 1970 and Life, Fire, Marine and Miscellaneous Business Revenue Accounts, the Profit and Loss Account and the Profit and Loss Appropriation Account of the Corporation for the year ended on that date and report that:—

- (a) We have obtained all the information and explanations which we have required.
- (b) Such Balance Sheet with the Notes thereon is a full and fair Balance Sheet and exhibits a true and correct view of the Corporation's state of affairs, according to the best of our information and explanations given to us and as shown by the Books of the Corporation.

(HASHMI & CO.)
Chartered Accountants

(MINOO N. BAMJEE & CO.)
Chartered Accountants

Karachi: 18th June 1971.

PAKISTAN INSURANCE

REVENUE ACCOUNT FOR THE YEAR ENDED CONSOLIDATED FOR ALL CLASSES

1969 Rs.	PARTICULAR	Amount Rs.	Total Rs.
2,20,13,842	Commission Paid (Less Retrocessions)		2,05,37,737
3,43,35,779	Claims (Less Retrocessions) paid during the year	2,85,47,726	
2,04,86,435	<i>Add:</i> Total estimated liability in respect of out- standing claims at the end of the year whether due or intimated	2,89,00,058	
5,48,22,214		5,74,47,784	
1,97,44,066	<i>Less:</i> Outstanding at the end of the previous year	2,04,86,436	
3,50,78,148			3,69,61,348
24,10,412	Expenses of Management		33,06,619
3,07,67,198	Premium Reserve for the year		2,75,40,000
64,056	Balance of Life Fund at the end of year ...		2,71,174
39,38,328	Profit transferred to Profit and Loss Account		38,58,223
<u>9,42,71,984</u>		Total:	<u>9,24,75,101</u>

As per our report of date annexed.

(HASHMI & CO.)
Chartered Accountants

(MINOO N. BAMJEE & CO.)
Chartered Accountants

(YAQUB ALI)
Manager
(Accounts & Investment)

Karachi, 18th June, 1971

CORPORATION

31st DECEMBER, 1970
OF BUSINESS

1969 Rs.	PARTICULARS	Amount Rs.	Total Rs.
2,46,91,219	Premium Reserve brought forward from last year		3,07,67,198
61,991	Balance of Life Fund at the beginning of the year		64,056
15,62,90,525	Premiums	15,54,44,703	
8,67,71,751	Less: Retrocessions	9,38,00,856	
6,95,18,774			6,16,43,847
<hr/>		Total ...	9,24,75,101

MD. HAFIZUR RAHMAN, S.Q.A., C.S.P. (Rtd.)
MOHAMMAD CHOUDHURY
MIRZA MEHDY ISPAHANY
H. N. AKHTAR, P.C. & E.S.
A. F. SERAJUL HOQUE, P.R.A.S.
KHUDA BUKSH
M. MOYEEDUL ISLAM, T. Pk.

Chairman.

Directors

Managing Director.

PAKISTAN INSURANCE

REVENUE ACCOUNT FOR THE YEAR FIRE

1969 Rs.	PARTICULARS	Amount Rs.	Total Rs.
88,47,522	Commission paid (Less Retrocessions) ...		94,03,765
74,92,772	Claims (Less Retrocessions) Paid during the year	68,97,376	
44,06,107	<i>Add:</i> Total estimated liability in respect of out- standing claims at the end of the year whether due or intimated	51,66,208	
1,18,98,879		1,20,63,584	
41,74,419	<i>Less:</i> Outstanding at the end of the previous year	44,06,107	
77,24,460			76,57,477
6,73,181	Expenses of Management ...		9,64,817
86,18,058	Premium Reserve for the year ...		83,83,000
6,36,626	Profit transferred to Profit and Loss Account ...		2,26,563
2,64,99,847		Total ...	2,66,35,622

The above Accounts should be

As per our report of date annexed.

(HASHMI & CO.)
Chartered Accountants

(MINOO N. BAMJEE & CO.)
Chartered Accountants

(YAQUB ALI)
Manager,
(Accounts & Investment)

Karachi, 18th June, 1971

CORPORATION

ENDED 31 DECEMBER, 1970.
BUSINESS.

1969 Rs.	PARTICULARS	Amount Rs.	Total Rs.
78,95,203	Premium Reserve brought forward from last year		86,18,058
4,36,48,922	Premiums. ...	4,53,56,402	
2,50,44,278	Less: Retrocessions ...	2,73,38,838	
1,86,04,644			1,80,17,564
		Total:	2,66,35,622

read in conjunction with the annexed Notes.

MD. HAFIZUR RAHMAN, S.Q.A., C.S.P., (Rtd.)
MOHAMMAD CHOUDHURY
MIRZA MEHDI ISPAHANI
H. N. AKHTAR, P.C. & E.S.
A. F. SERAJUL HOQUE, P.R.A.S.
KHUDA BUKSH
M. MOYEEEDUL ISLAM, T. Pk.

Chairman.

Directors.

Managing Director.

PAKISTAN INSURANCE

REVENUE ACCOUNT FOR THE YEAR ENDED MARINE

1969 Rs.	PARTICULARS	Amount Rs.	Total Rs.
85,25,220	Commission Paid (Less Retrocessions)		64,57,705
1,87,73,335	Claims (Less Retrocessions) paid during the year	1,31,59,990	
1,16,11,065	<i>Add:</i> Total estimated liability in respect of out- standing claims at the end of the year whether due or intimated	1,69,71,948	
3,03,84,400		3,01,31,938	
1,27,85,873	<i>Less:</i> Outstanding at the end of the Previous year	1,16,11,066	
1,75,98,527			1,85,20,872
10,56,125	Expenses of Management ...		13,10,148
1,50,83,342	Premium reserve for the year ...		1,19,33,000
29,90,975	Profit transferred to Profit and Loss Account ...		35,33,527
<u>4,52,54,189</u>			<u>4,17,55,252</u>

As per our report of date annexed.

(HASHMI & CO.)
Chartered Accountants

(MINGO N. BAMJEE & CO.)
Chartered Accountants

(YAQUB ALI)
Manager,
(Accounts and Investment)

Karachi, 18th June, 1971.

CORPORATION

31st DECEMBER, 1970
BUSINESS

1969 Rs.	PARTICULARS	Amount Rs.	Total Rs.
1,07,06,598	Premium Reserve brought forward from last year		1,50,83,342
6,84,78,888	Premiums ...	6,15,89,835	
3,39,31,297	Less: Retrocessions ...	3,49,17,925	
3,45,47,591			2,66,71,910
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4,52,54,189			4,17,55,252

MD. HAFIZUR RAHMAN, S.Q.A, C.S.P. (Rtd.)
MOHAMMAD CHOUDHURY
MIRZA MEHDY ISPAHANI
H. N. AKHTAR, P.C. & E.S.
A. F. SERAJUL HAQUE, P.R.A.S.
KHUDA BUKSH
M. MOYEEDUL ISLAM, L. Pk.

Chairman.

Director

Managing Director.

PAKISTAN INSURANCE

REVENUE ACCOUNT FOR THE YEAR ENDED MISCELLANEOUS

1969 Rs.	PARTICULARS	Amount Rs.	Total Rs.
45,65,072	Commission Paid (Less Retrocessions) ...		45,88,741
79,49,935	Claims (Less Retrocessions) Paid during the year	83,39,391	
43,49,877	<i>Add: Total estimated Liability in respect of out- standing claims at the end of the year whether due or intimated</i>	66,29,294	
1,22,99,812		1,49,68,685	
27,39,944	<i>Less: Outstanding at the end of the Previous year</i>	43,49,876	
95,59,868			1,06,18,809
6,75,754	Expenses of Management		10,20,316
70,65,798	Premium Reserve for the year		72,24,000
3,10,727	Profit transferred to Profit and Loss Account ...		98,133
<u>2,21,77,219</u>		Total: ..	<u>2,35,49,999</u>

As per our report of date annexed.

(HASHMI & CO.)
Chartered Accountants

(MINOO N. BAMJEE & CO.)
Chartered Accountants

(YAQUB ALI)
Manager,
(Accounts and Investment)

Karachi, 18th June, 1971.

CORPORATION

31ST DECEMBER 1970.
BUSINESS.

1969 Rs.	PARTICULARS	Amount Rs.	Total Rs.
60,89,418	Premium Reserve brought forward from last year		70,65,798
4,38,15,729	Premium	4,79,65,038	
2,77,27,928	Less: Retrocessions	3,14,80,837	
1,60,87,801			1,64,84,201
2,21,77,219		Total: ...	2,35,49,999

MD. HAFIZUR RAHMAN, S.Q.A., C.S.P., (Rtd.)
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KHUDA BUKSH
M. MOYEEDUL ISLAM, T. Pk.

Chairman

Directors

Managing Director.

PAKISTAN INSURANCE

REVENUE ACCOUNT FOR THE YEAR ENDED LIFE

1969 Rs.	PARTICULARS	Amount Rs.	Total Rs.
76,028	Commission paid (Less Retrocessions) ...		87,526
	Claim (Less Retrocession) paid during the year ...		
1,18,788	By Death ...	1,47,857	
949	By Personal Accident ...	3,112	
1,19,737		1,50,969	
1,19,386	Add: Total Estimated Liability in respect of out- standing claims as at the end of the year whether due or intimated.	1,32,607	
2,39,123		2,83,576	
43,830	Less: Outstanding at the end of the previous year	1,19,387	
1,95,293			1,64,189
5,352	Expenses of Management		11,338
64,056	Balance of Fund at the end of the year. ...		2,71,174
3,40,729		Total :	5,34,227

As per our report of date annexed.

(HASHMI & CO.)
Chartered Accountants

(MINOO N. BAMJEE & CO.)
Chartered Accountants

(YAQUB ALI)
Manager,
(Accounts and Investment)

Karachi, 18th June, 1971

CORPORATION

31st DECEMBER, 1970
BUSINESS

1969 Rs.	PARTICULARS	Amount Rs.	Total Rs.
61,991	Balance of Fund at the Begining of the year ...		64,056
	Premium		
2,43,802	First year premium	2,96,684	
1,03,184	Renewal Premium ...	2,36,743	
3,46,986		5,33,427	
68,248	Less: Retrocessions ...	63,256	4,70,171
2,78,738			
3,40,729		Total:	5,34,227

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Chairman.

Directors.

Managing Director.

PAKISTAN INSURANCE

PROFIT & LOSS ACCOUNT FOR THE YEAR

1969 Rs.	PARTICULARS	Rs.	Rs.
	Expenses of Management (Not applicable to any particularly Revenue Account)		
12,386	Director's Fee and TA	20,207	
10,500	Auditor's Fee	10,500	
27,642	Advertisement & Publicity	16,811	
32,949	R. C. D. Expenses	81,157	
1,18,363	D. I. T. Expenses	1,14,088	
—	Leave Salary & Pension contribution in respect of borrowed staff.	3,739	
617	F. A. I. R. Expenses	2,289	
2,02,457			2,48,791
	Other Expenses :		
	Donations		1,60,000
1,01,238	Interest paid on deposits retained from other companies		1,08,240
1,43,675	Difference in exchange		76,207
76,28,161	Net Profit for the year carried down. ...		87,52,013
80,75,531		Total: Rs.	93,45,251

PROFIT AND LOSS APPROPRIATION ACCOUNT

5,00,000	Dividend for the year 1969	5,00,000
65,00,000	Amount transferred to Exceptional Loss Reserve	61,17,000
5,25,000	Taxation Reserve	6,00,000
1,00,000	General Reserve	15,00,000
5,58,888	Balance carried forward to Balance Sheet	5,93,901
81,83,888		Total Rs. 93,10,901

As per our report of date annexed.

The above Accounts should be

(HASHMI & CO.)
Chartered Accountants

(MINOO N. BAMJEE & CO.)
Chartered Accountants

(YAQUB ALI)
Manager,
(Accounts & Investment)

Karachi, 18th June, 1971.

CORPORATION

ENDED 31ST DECEMBER, 1970

1969 Rs.	PARTICULAR	Rs.	Rs.
	<i>Investment Income:</i>		
28,18,461	Interest and Dividend		41,99,826
1,33,098	Income from Building	1,34,807	
73,676	<i>Less: Depreciation and other expenses</i>	41,072	93,735
28,77,883	Profit transferred from Revenue Accounts		42,93,561
6,36,626	Fire ...	2,26,563	
29,90,975	Marine	35,33,527	
3,10,727	Miscellaneous	98,133	
39,38,328			38,58,223
	<i>Other Receipts:</i>		
2,62,453	Interest received on deposits retained by other companies.	2,34,401	
26	Transfer Fee	15	
—	Profit on sale of Investments.	50,046	
9,96,841	Miscellaneous Income	9,09,005	
12,59,320			11,93,467
80,75,531		Total Rs.	93,45,251

FOR THE YEAR ENDED 31ST DECEMBER, 1970

5,55,726	Balance brought forward from last year	5,58,888
76,28,162	Nett Profit for the year brought forward	87,52,013
81,83,888		Total Rs. 93,10,901

read in conjunction with annexed Notes.

MD. HAFIZUR RAHMAN, S.Q.A., C.S.P., (Rtd.)
 MOHAMMAD CHOUDHURY,
 MIRZA MEHDY ISPAHANI,
 H. N. AKHTAR, P.C. & E.S.
 A. F. SERAJUL HOQUE, P.R.A.S.
 KHUDA BUKSH
 M. MOYEEDUL ISLAM, T. Pk.

Chairman.

Directors

Managing Director.

PAKISTAN INSURANCE

BALANCE SHEET AS AT

1969 Rs.	CAPITAL AND LIABILITIES	Life Business Rs.	General Business Rs.	Total Rs.
	Capital Authorised:			
1,00,00,000	1,00,000 Share of Rs. 100 each ...	—		1,00,00,000
	Issued and Paid-up 50,000 Shares of			
50,00,000	Rs. 100 each fully paid up ...	—	50,00,000	50,00,000
10,725	Share Premium Account ...	—	10,725	10,725
	Reserves and Provisions :			
2,00,00,000	Exceptional Loss Reserve ...	—	2,61,17,000	2,61,17,000
28,00,000	General Reserve ...	—	43,00,000	43,00,000
26,19,427	Reserve for Taxation ...	—	32,19,427	32,19,427
1,50,000	Reserve for Bad and Deoubtful Debts ...	—	1,50,000	1,50,000
3,29,801	Exchange Fluctuation Reserve ...	—	3,29,802	3,29,802
2,31,562	Gratuity Fund ...	—	2,80,708	2,80,708
5,58,887	Profit & Loss Account ...	—	5,93,901	5,93,901
	Reserve for Outstanding Claims ...			
44,06,107	Fire ...	—	51,66,208	51,66,208
1,16,11,065	Marine ...	—	1,69,71,948	1,69,71,948
43,49,877	Miscellaneous ...	—	66,29,294	66,29,294
1,19,386	Life ...	1,32,607	—	1,32,607
521,86,837	Carried over	1,32,607	6,87,69,013	6,89,01,620

CORPORATION

31ST DECEMBER, 1970

1969 Rs.	PROPERTY AND ASSETS		Life Business Rs.	General Business Rs.	Total Rs.
	Investments—At Cost.				
81,99,931	Government & other Securities ...	—		68,28,138	68,28,138
3,05,85,519	Stock & Shares ...	—		3,21,94,924	3,21,94,924
30,11,260	Debentures	—		32,11,250	32,11,250
4,17,96,710				4,22,34,312	4,22,34,312
—	(Market Value as at 31st December, 1970 Rs. 5,69,03,703)				
59,65,618	Land and Buildings	—		90,07,569	90,07,569
4,10,31,074	Amount due from persons and bodies carrying on Insurance Business ...	3,00,999		5,79,16,360	5,82,17,359
1,40,11,368	Deposits held by Ceding Companies	462		1,59,31,271	1,59,31,733
87,67,366	Cash in hand and at Banks	—		1,34,72,387	1,34,72,387
2,29,269	Interest accrued and Divident Receiveable ...	—		12,62,270	12,62,270
24,66,997	Sundry Debtors.			26,37,635	26,37,635
37,46,615	Advances, Loans, Deposits and Prepayments			37,21,342	37,21,342
11,80,15,017	Carried over	3,01,461		14,61,83,146	14,64,84,607

PAKISTAN INSURANCE

BALANCE SHEET AS AT

1969 Rs.	CAPITAL AND LIABILITIES	Life Business Rs.	General Business Rs.	Total Rs.
5,21,86,837	Brought Forward	1,32,607	6,87,69,013	6,89,01,620
	Premium Reserve and Life Fund			
86,18,058	Fire	—	83,83,000	83,83,000
1,50,83,342	Marine	—	1,19,33,000	1,19,33,000
70,65,798	Miscellaneous	—	72,24,000	72,24,000
64,056	Life	2,71,174	—	2,71,174
	Amount due to other persons and bodies			
1,82,03,809	carrying on Insurance Business	31,363	3,09,32,069	3,09,63,432
	Deposits retained and/or received from			
1,59,21,477	other companies	—	1,70,71,372	1,70,71,372
11,07,734	Sundry Creditors	—	21,55,876	21,55,876
25,623	Amount due to Life Business	—	1,33,684	1,33,684
<u>11,82,76,734</u>	Total:	<u>4,35,144</u>	<u>14,66,02,014</u>	<u>14,70,37,158</u>

Auditors Report

The above Accounts should be read

See Annexed report of date

(HASHMI & CO.)
Chartered Accountants

(MINOO N. BAMJEE & CO.)
Chartered Accountants

(YAQUB ALI)
Manager,
(Accounts and Investment)

Karachi, 18th June, 1971.

CORPORATION

31st DECEMBER, 1970

1969 Rs.	PROPERTY AND ASSETS	Life Business Rs.	General Business Rs.	Total Rs.
11,80,15,017	Brought Forward	3,01,461	14,61,83,146	14,64,84,607
	Furniture, Fixture, Office Equipment			
2,29,452	and Vehicles at cost less Depreciation	—	4,07,468	4,07,468
6,642	Stock of Stationery in hand ...	—	11,400	11,400
25,623	Amount due from General Business	1,33,683	—	1,33,683

11,82,76,734

Total:

4,35,144

14,66,02,014

14,70,37,158

in conjunction with the annexed Notes.

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PAKISTAN INSURANCE CORPORATION

Notes Forming part of the Accounts for the Years ended 31st, December, 1970

1. Exchange fluctuation Reserve represents the difference in exchange on transactions where remittances were effected after devaluation of the Pound Sterling in November, 1967. Balances in the following accounts effected by devaluation of the Pound Sterling will be adjusted on reconciliation of the said accounts.

Amounts due from persons and bodies carrying on insurance business.

Deposits held by Ceding Companies.

Amounts due to other persons and bodies carrying on insurance business.

Deposits retained and/or received from other Companies.

2. Included in Sundry Creditors are amounts totalling Rs. 7,84,655.15 representing credits in the Corporation's Overseas Bank Accounts for which details and clarifications are still awaited from the Banks.
- 3.1 Included in "Investments" under 'Stocks & Shares' is Rs. 500,000 being payment for 5,000 shares of East Pakistan Warehousing Corporation which shares have not yet been allotted to the Company. The payment was made through the Secretary, Agricultural Department, Government of East Pakistan.
- 3.2 Investments include Securities of the Face Value of Rs. 28,63,100 pledged with the National Bank of Pakistan against standing overdraft facilities operated during the year under sanction from the Central Government.
4. Included in land and buildings is Rs. 74,65,440.67 on account of Dacca Building under construction.
5. Commitments and contemplated expenditures for construction work sanctioned for Dacca Building (under construction) is approximately Rs. 20,00,000.
6. Expenses of Management have been allocated to the various revenue accounts including that of Life on the basis of the gross premium income earned.
7. Liability arising out of payments of Re-insurance Premia and Bonus benefits on inward remittances on Cash-cum-Bonus Scheme.

Consequent upon the introduction of Cash-cum-Bonus Scheme by the Government of Pakistan with effect from 15th July, 1970, remittances of Insurance premia including reinsurance premia on both life and non-life business has been subjected to Cash-cum-Bonus rates and correspondingly inward remittances of foreign exchange arising out of reinsurance business will be allowed Bonus under the Export Bonus Scheme.

No provision has been made for the estimated liability in this behalf nor has any income been booked which would accrue on inward remittances out of Bonus earning under Export Bonus Scheme, as the detailed procedures relating to the operation of the scheme were not clear.

Balances effected by the above scheme will be adjusted on reconciliation of the accounts.

8. There are the following contingent liabilities:—

Rs. 60,000 in respect of calls not yet made on partly paid ordinary shares of a company held by the Corporation as Investments.

There is a claim against the Company amounting to Rs. 30,695 for capital expenditure on buildings not acknowledged as a debt.

(YAQUB ALI),
Manager
(Accounts & Investment).

MD. HAFIZUR RAHMAN, S.Q.A., C.S.P., (Rtd.)
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Managing Director.

PAKISTAN INSURANCE CORPORATION

NOTIFICATION

The Eighteenth Annual General Meeting of the Share-holders of Pakistan Insurance Corporation will be held at Pakistan Insurance Building, M. A. Jinnah Road (Opp: Mereweather Tower), Karachi-2, on Wednesday, the 30th June 1971 at 11.00 a.m. to transact the following business namely:—

- (1) Confirmation of the Minutes of the 17th Annual General Meeting held on Tuesday, the 30th June 1970.
- (2) The Balance Sheet as at 31st December 1970, the Revenue Accounts and the Profit & Loss and the Profit & Loss Appropriation Accounts for the year ended 31st December 1970, together with the Report by the Board on the working of the Corporation during the year and the Auditor's Report on the said Balance Sheet and Accounts will be read and considered.
- (3) The Chairman will announce the Dividend declared by the Board in respect of the 1970 Accounts.

The Share Transfer Registers of the Corporation will remain closed for 8 days with effect from the 23rd June 1971 to the 30th June 1971 both days inclusive.

By order of the Board

(YAQUB ALI)
Manager,
(Accounts & Investment)

PROXY FORM

PAKISTAN INSURANCE CORPORATION KARACHI.

I/We _____ of _____ being
a share-holder of the Pakistan Insurance Corporation holding Shares Nos. _____
_____ hereby appoint _____
of _____ or failing him _____
of _____ as my/our proxy to vote for me/us and on my/our behalf at
a meeting of the share-holders of the Corporation to be held at _____
on the _____ day _____
and at any adjournment thereof.
Dated this _____ day of _____

Signature of Share-holder

Affix Thirty
paisas revenue
stamp

IMPORTANT:—

1. Signature must tally with the specimen filed with the Corporation.
2. No proxy shall be valid unless it is duly stamped and unless it is together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority is deposited at the Head Office of the Corporation not less than 4 clear days before the date fixed for the meeting.