



**PAKISTAN
INSURANCE
CORPORATION**

25th Annual Report & Accounts

FOR THE YEAR ENDED 31st DECEMBER, 1977

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

PAKISTAN INSURANCE CORPORATION

BOARD OF DIRECTORS

M. YAKUB	<i>Chairman</i>
M. A. G. M. AKHTAR	<i>Director</i>
M. Z. REHMAN	<i>Director</i>
D. M. QURESHI	<i>Director</i>
AHADULLAH AKMAL	<i>Director</i>
M. W. FAROOQUI	<i>Director</i>
MAZHER ALI KHAN	<i>Director</i>

AUDITORS :

TASEER HADI KHALID & CO.
RAO & CO.

HEAD OFFICE :

Pakistan Insurance Building,
M. A. Jinnah Road,
P. O Box No. 4777, City,
Karachi-2 (Pakistan).

PAKISTAN INSURANCE CORPORATION

NOTIFICATION

The Twenty Fifth Annual General Meeting of the Shareholders of Pakistan Insurance Corporation will be held at Pakistan Insurance Building, M. A. Jinnah Road, (opp: Mereweather Tower), Karachi-2 on Wednesday, the 28th June, 1978 at 10.00 A. M. to transact the following business namely:—

- (1) Confirmation of the Minutes of the 24th Annual General Meeting held on Thursday, the 30th June, 1977.
- (2) The Balance Sheet as at 31st December, 1977, the Revenue Accounts and the Profit & Loss and the Profit and Loss Appropriation Accounts for the year ended 31st December, 1977 together with the report by the Board on the Working of the Corporation during the year and the Auditors' 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 1977 Accounts.

The Share Transfer Registers of the Corporation will remain closed for 8 days with effect from the 21st June 1978 to 28th June, 1978 (both days inclusive).

By order of the Board
(SYED ZIAUDDIN AHMED)
Chief Manager
Accounts & Investment

PAKISTAN INSURANCE CORPORATION

K A R A C H I

Report of the Board of Directors on the Working of the Corporation during the year ended 31st December, 1977.

The Shareholders,
Pakistan Insurance Corporation.

Gentlemen,

Your Directors take pleasure in presenting herewith their 25th Annual Report and the Accounts of the Corporation for the year 1977.

There has been a sizeable increase in the volume of Premium income and the business in the aggregate, continued to develop satisfactorily. The gross premium of the Corporation increased by 19.9% from Rs. 4624 lacs in 1976 to Rs. 5545 lacs this year. The net premium has also shown an almost corresponding growth of 18.6% being Rs. 2376 lacs compared to Rs. 2005 lacs in 1976.

A summary of the accounts given hereunder indicates the progress made :—

Revenue Accounts

(In lacs of Rupees)

	Fire		Marine		Misc.		Total	
	1976	1977	1976	1977	1976	1977	1976	1977
Gross Premium	1047	1259	1972	2550	1605	1736	4624	5545
Retrocession	539	762	952	1168	1128	1239	2619	3169
Net Premium	508	497	1020	1382	477	497	2005	2376
Net Commission	255	265	353	459	114	129	722	853
Net Claims	216	194	600	771	257	326	1073	1291
Premium Reserve Adjustment	(6)	(4)	34	144	15	8	43	148
Management Expenses	14	18	26	36	21	25	61	79
Underwriting Profit	29	24	7	(28)	70	9	106	5

The net claims paid during 1977 in terms of percentage of net premium, increased to 54.4% compared to 53.5% in 1976. Net commission as a percentage of net premium was marginally lower 35.9% compared to 36.0% in 1976. Management expenses have recorded an increase from 3.0% to 3.3%. The net underwriting profit has however, recorded a substantial decrease mainly due to increased provision for Premium Reserve.

Investment :

There was a very substantial increase in investment made by the Corporation in 1977 as shown below :—

	<i>(In lacs of Rupees)</i>	
	1976	1977
Government and other Securities.	952.44	1559.53
Stock and Shares.	304.84	304.84
Debentures.	75.11	76.15
Other Investments.	55.00	182.13
Total	1387.39	2122.65

This substantial improvement in the investment was mainly due to larger business done in 1977.

The above investment do not include investment left over in the former East Pakistan which amount to Rs. 164.73 lacs.

With the increase in investments, the investment income for the year also increased by 36% from Rs. 129.17 lacs in 1976 to Rs. 175.19 lacs in 1977.

Profit and Loss Account :

The Profit and Loss Account shows a net profit of Rs. 180.69 lacs arrived at as follows :—

	<i>(In lacs of Rupees)</i>	
Underwriting Profit.	4.86	
Investment and other Income		
(a) Investment Income.	169.97	
(b) Interest earned on short term bank deposits etc.	5.22	
(c) Other Misc. Income.	19.45	194.64
		199.50
Less:		
(a) Expenses not allocable to any particular Revenue Account.	18.64	
(b) Net assets relating to former East Pakistan written off.	0.17	18.81
Net Profit.		180.69

Allocation of Profit :

After adding a sum of Rs. 4.16 lacs brought forward from last year, the aggregate amount of Rs. 184.85 lacs is proposed to be appropriated as under :—

(a) Exceptional Loss Reserve.	Rs.	178.00	Lacs.
(b) Provision for Taxation.	Rs.	1.06	"
(c) Available for Dividend for the year 1977 and to be carried forward to next year.	Rs.	5.79	"
	Rs.	184.85	Lacs.

Balance Sheet :

There has been an overall improvement of Rs. 677 lacs (or 25.7%) in the Reserves/Provisions of the Corporation which have increased from Rs. 2629 lacs at the end of 1976 to Rs. 3307 lacs at the close of 1977. Details of these Reserves/Provisions are shown below :—

Financial Reserves/Provisions :	(In lacs of Rupees)	
Exceptional Loss Reserve.	1055	
Exchange Fluctuation Reserve.	15	
Investment Fluctuation Reserve.	5	
General Reserve	50	
Provision for Taxation	31	
Provision for Bad and Doubtful Debts.	2	
Provision for Gratuity	12	1170
Technical Reserves/Provisions :		
Premium Reserve	981	
Provision for Outstanding Claims.	1156	2137
Total Reserves/Provisions.		3307

Regional Cooperation for Development :

The Pakistan Insurance Industry has continued to play an effective role in the multi-national regional cooperation in the field of insurance. The RCD Reinsurance Pool established in 1967, has registered good progress; it has written a premium income of US \$ 3.2 million in 1976 and is expected to increase it to US \$ 4 million in 1977. The Pool has also been able to attract business from outside the Region.

2. The Corporation is also a founder member of the Federation of Afro-Asian Insurers and Reinsurers (FAIR). The FAIR Reinsurance Pool, which provides a market of high underwriting capacity within the region is progressing remarkably and the Corporation is actively supporting it by contributing substantial business and obtaining due reciprocity.

3. Likewise, cooperation in the field of insurance between the Corporation and Umum Re. of Indonesia under the aegis of IPECC is progressing satisfactorily. The volume of exchange of business has considerably increased in the recent past and is expected to grow substantially in the coming years.

Acknowledgment :

The Directors take this opportunity to express their appreciation of the good work done by the Management, Officers and Staff of the Corporation which is reflected in the increasing business and satisfactory Reserves of the Corporation. The Directors also owe their gratitude to the Government of Pakistan, the Insurance Association of Pakistan, all Insurers and also the Reinsurance Brokers and Overseas Associates for the Co-operation and assistance given by them during the year under review.

The Directors are pleased to declare a dividend of 10% for the year 1977.

PAKISTAN INSURANCE CORPORATION

25 YEARS AT A GLANCE

(Amount in lacs of Rupees)

YEAR			Gross Premium Income	Profit	Dividend declared %	Total Reserves/ Provisions	Total Investment
1953	...	...	16.38	0.13	...	7.95	10.46
1954	...	...	44.92	1.06	4	32.02	35.14
1955	...	...	56.74	5.10	4	34.62	45.10
1956	...	...	80.45	5.75	5	48.44	50.99
1957	...	...	94.61	6.34	6-1/2	64.24	60.30
1958	...	...	207.34	10.69	10	87.04	89.93
1959	...	...	250.12	15.92	10	99.95	104.55
1960	...	...	331.10	16.94	10	112.58	113.81
1961	...	...	376.63	15.09	10	136.24	122.99
1962	...	...	478.89	15.61	10	170.32	149.02
1963	...	...	571.65	16.48	10	210.69	203.06
1964	...	...	674.00	20.17	10	259.01	257.89
1965	...	...	722.98	23.34	10	355.47	310.40
1966	...	...	938.06	23.08	10	395.01	354.07
1967	...	...	1084.31	36.21	10	491.17	387.09
1968	...	...	1319.42	73.97	10	633.64	422.56
1969	...	...	1562.91	67.28	10	774.48	477.62
1970	...	...	1554.45	87.52	10	911.08	512.42
1971	...	...	1667.67	70.79	10	1070.60	520.84
1972	...	...	2152.02	62.87	10	1162.23	359.86
1973	...	...	2382.88	109.24	7-1/2	1274.00	370.75
1974	...	...	3198.87	160.22	7-1/2	1740.27	475.84
1975	...	...	3997.17	198.65	10	2077.12	927.98
1976	...	...	4623.68	265.18	10	2629.56	1387.39
1977	...	...	5544.82	180.69	10	3307.25	2122.65

PAKISTAN INSURANCE CORPORATION

K A R A C H I

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the annexed Balance Sheet of the PAKISTAN INSURANCE CORPORATION as at 31st December 1977 and the Life, Fire, Marine and Miscellaneous Insurance Revenue Accounts, the Profit and Loss Account and Profit and Loss Appropriation Account of the Corporation for the year ended on that date and we report that :

- (a) we have obtained all the information and explanations which we have required;
- (b) subject to the contents of Notes 2, 4 and 6, such Balance Sheet, together with notes thereon, exhibits a true and correct view, of the state of the Corporation's affairs according to the best of our information and explanations given to us and as shown by the books of the Corporation.

TASEER HADI KHALID & CO.
Chartered Accountants

RAO & COMPANY
Chartered Accountants

Karachi, 28th May 1978.

PAKISTAN INSURANCE

REVENUE ACCOUNT FOR THE CONSOLIDATED FOR ALL

1976	PARTICULARS	1977
Rupees		Rupees
7,21,71,378	Commission paid (Less Retrocessions)	8,52,27,806
8,21,01,102	Claims (Less Retrocessions) paid during the year	9,20,35,268
7,85,75,927	<i>Add:</i> Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	11,56,41,869
16,06,77,029		20,76,77,137
5,33,22,780	<i>Less:</i> Outstanding at the end of the previous year	7,85,75,927
10,73,54,249		12,91,01,210
60,91,384	Expenses of management	78,92,967
8,32,53,640	Premium Reserve for the year	9,80,82,712
17,919	Life fund balance at the end of the year	4,37,600
1,05,75,914	Profit transferred to Profit and Loss Account	4,85,703
27,98,64,484	Total:	32,12,27,998

Auditors' report to the shareholders is annexed.

(TASEER HADI KHALID & CO.)
Chartered Accountants

(RAO & CO.)
Chartered Accountants

Karachi, 28th May 1978

CORPORATION T21KAY

YEAR ENDED 31ST DECEMBER 1977

CLASSES OF BUSINESS

1976	PARTICULARS	1977
7,89,83,453	Premium Reserve brought forward from last year	8,32,53,640
4,17,919	Life fund - balance at the beginning of the year	4,17,919
46,23,68,477	Premiums	55,44,81,506
26,19,05,365	Less: Retrocessions	31,69,25,067
20,04,63,112		23,75,56,439

27,98,64,484

Total

32,12,27,998

D. M. QURESHI

Director

AHADULLAH AKMAL

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PAKISTAN INSURANCE

REVENUE ACCOUNT FOR THE FIRE

1976	PARTICULARS	1977
Rupees		Rupees
2,55,29,562	Commission paid (Less Retrocessions)	2,65,08,534
1,87,92,652	Claims (Less Retrocessions) paid during the year	1,21,61,022
1,59,83,928	<i>Add</i> : Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	2,32,85,316
3,47,76,580		3,54,46,338
1,31,97,280	<i>Less</i> : Outstanding at the end of the previous year	1,59,83,928
2,15,79,300		1,94,62,410
13,78,632	Expenses of management	17,92,690
2,14,79,118	Premium Reserve for the year	2,10,66,031
28,71,743	Profit transferred to Profit and Loss Account	23,76,319
7,28,38,355	Total:	7,12,05,984

Auditors' report to the shareholders is annexed.

(TASEER HADI KHALID & CO.)
Chartered Accountants

Karachi, 28th May 1978

(RAO & CO.)
Chartered Accountants

CORPORATION

YEAR ENDED 31ST DECEMBER, 1977.

BUSINESS

1976	PARTICULARS	1977
Rupees		Rupees
2,20,78,773	Premium Reserve brought forward from last year	2,14,79,118
10,46,45,585	Premiums	12,59,36,584
5,38,86,003	Less: Retrocessions	7,62,09,718
5,07,59,582		4,97,26,866
7,28,38,355	Total	7,12,05,984

D. M. QURESHI

Director

AHADULLAH AKMAL

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PAKISTAN INSURANCE

REVENUE ACCOUNT FOR THE MARINE

1976	PARTICULARS	1977
Rupees		Rupees
3,52,76,899	Commission paid (Less Retrocessions)	4,58,33,898
4,58,97,784	Claims (Less Retrocessions) paid during the year	5,62,28,065
3,37,44,223	Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	5,45,90,448
7,96,42,007		11,08,18,513
1,96,05,075	Less: Outstanding at the end of the previous year	3,37,44,223
6,00,36,932		7,70,74,290
25,98,695	Expenses of management	36,29,624
4,20,77,440	Premium Reserve for the year	5,65,15,313
6,81,086	Profit transferred to Profit and Loss Account	—
14,06,71,052		18,30,53,125

Auditors' Report to the shareholders is annexed.

(TASEER HADI KHALID & CO.)
Chartered Accountants

(RAO & CO.)
Chartered Accountants

Karachi, 28th May 1978

CORPORATION

YEAR ENDED 31ST DECEMBER, 1977.

BUSINESS

1976	PARTICULARS	1977
Rupees		Rupees
3,86,35,381	Premium Reserve brought forward from last year	4,20,77,440
19,72,54,679	Premiums	25,49,81,315
9,52,19,008	Less: Retrocessions	11,68,50,963
10,20,35,671		13,81,30,352
	Loss transferred to Profit and Loss Account	28,45,333
14,06,71,052	Total:	18,30,53,125

D. M. QURESHI

Director

AHADULLAH AKMAL

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PAKISTAN INSURANCE

REVENUE ACCOUNT FOR THE MISCELLANEOUS

1976	PARTICULARS	1977
Rupees		Rupees
1,13,64,917	Commission paid (Less Retrocessions)	1,28,84,408
1,74,10,666	Claims (Less Retrocessions) paid during the year	2,36,46,181
2,84,27,672	<i>Add:</i> Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	3,73,46,002
4,58,38,338		6,09,92,183
2,01,00,321	<i>Less:</i> Outstanding at the end of the previous year	2,84,27,672
2,57,38,017		3,25,64,511
21,14,057	Expenses of management	24,70,653
1,96,97,082	Premium Reserve for the year	2,05,01,368
70,23,085	Profit transferred to Profit and Loss Account	9,54,716
6,59,37,158	Total:	6,93,75,656

Auditors' Report to the shareholders is annexed.

(TASEER HADI KHALID & CO.)
Chartered Accountants

Karachi, 28th May 1978

(RAO & CO.)
Chartered Accountants

CORPORATION

YEAR ENDED 31ST DECEMBER, 1977.

BUSINESS

1976	PARTICULARS	1977
Rupees		Rupees
1,82,69,299	Premium Reserve brough forward from last year	1,96,97,082
16,04,68,213	Premiums	17,35,63,607
11,28,00,354	Less: Retrocessions	12,38,85,033
4,76,67,859		4,96,78,574
6,59,37,158	Total:	6,93,75,656

D. M. QURESHI

Director

AHADULLAH AKMAL

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PAKISTAN INSURANCE

REVENUE ACCOUNT FOR THE LIFE

1976	PARTICULARS	1977
Rupees		Rupees
—	Commission paid (Less Restrocessions)	966
	Claims (Less Rectrocessions) paid during the year	
—	By Death	—
—	By Maturity	—
—	By Surrenders	—
—	By Personal Accidents	—
—	By Annuities	—
4,20,104	<i>Add:</i> Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	4,20,104
4,20,104		4,20,104
4,20,104	<i>Less:</i> Outstanding at the end of the previous year	4,20,104
—		—
—	Expenses of management	—
4,17,919	Balance of fund at the end of the year transferred to Profit and Loss Account	4,37,600
4,17,919	Total	4,38,566

Auditors' report to the shareholders is annexed.

(TASEER HADI KHALID & CO.)
Chartered Accountants

(RAO & CO.)
Chartered Accountants

Karachi, 28th May 1978

CORPORATION

YEAR ENDED 31ST DECEMBER 1977.

BUSINESS

1976	PARTICULARS	1977
Rupees		Rupees
4,17,919	Balance of fund - at the beginning of the year	4,17,919
	Premiums	
	First year Premium	
	Renewal Premium	
	Less: Retrocessions	20,547
4,17,919	Total	4,38,566

D. M. QURESHI

Director

AHADULLAH AKMAL

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PAKISTAN INSURANCE

PROFIT AND LOSS ACCOUNT FOR THE

1976	PARTICULARS	1977
Rupees		Rupees
	Expenses of Management (Not allocable to any particular Revenue Account)	
	Directors' fee and T. A.	6,731
	Auditors' fee	20,500
	Advertisement and publicity	37,205
		64,436
	R. C. D. expenses	49,386
	Training and research	—
	Federation of Afro-Asian Insurers and Reinsurers	10,864
		60,250
	Interest paid on deposits retained from other companies	7,10,176
	Difference in Exchange/Devaluation	10,29,584
	Net Assets relating to East Pakistan written off	16,904
	Investment written off	—
	Net profit for the year, carried to Profit and Loss Appropriation Account	1,80,68,522
		1,99,49,872

PROFIT AND LOSS APPROPRIATION ACCOUNT

5,00,000	Dividend for the year 1976	5,00,000
2,31,00,000	Exceptional Loss Reserve	1,78,00,000
18,50,000	Provision for Taxation	1,05,782
7,00,000	General Reserve	—
9,15,868	Balance carried to Balance Sheet	5,78,608
2,70,65,868		Total: 1,89,84,390

These accounts should be read in conjunction with the annexed notes.

Auditors' report to the shareholders is annexed.

(TASEER HADI KHALID & CO.)

Chartered Accountants

Karachi, 28th May 1978

(RAO & CO.)

Chartered Accountants

CORPORATION

YEAR ENDED 31ST DECEMBER, 1977.

1976	PARTICULARS	1977
Rupees		Rupees
	Investment Income	
1,29,17,112	Interest and dividends	1,75,18,540
1,32,982	Income from building	1,32,983
1,05,841	Less: Depreciation and other expenses	1,23,365
27,141		9,618
1,29,44,253		1,75,28,158
	Profit/(Loss) transferred from Revenue Accounts :	
28,71,743	Fire	23,76,319
6,81,086	Marine	(28,45,333)
70,23,085	Miscellaneous	9,54,716
—	Life	4,37,600
1,05,75,914		9,23,302
	Other Receipts :	
18,69,776	Interest received on deposits retained by other companies	14,13,564
16,73,417	Difference in Exchange/Devaluation	—
15	Share transfer fee	19
58,715	Profit on sale of investment	13,775
72,002	Miscellaneous income	71,054
36,73,925		14,98,412
2,71,94,092	Total :	1,99,49,872

FOR THE YEAR ENDED 31st DECEMBER, 1977

5,47,325	Balance brought forward from previous year	9,15,868
2,65,18,543	Net profit for the year - as per Profit and Loss Account	1,80,68,522
2,70,65,868	Total:	1,89,84,390

D. M. QURESHI

Director

AHADULLAH AKMAL

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PAKISTAN INSURANCE

BALANCE SHEET AS AT

1976 Rupees	CAPITAL & LIABILITIES	1977 Rupees
1,00,00,000	CAPITAL Authorised: 1,00,000 shares of Rs. 100 each	1,00,00,000
	Issued and paid-up:	
50,00,000 10,725	50,000 shares of Rs. 100 each fully paid Share premium account	50,00,000 10,725
50,10,725		50,10,725
	Reserves and Provisions:	
8,77,00,000 15,00,000 4,50,000 50,00,000 51,00,000 2,50,000 7,08,391	Exceptional loss reserve Exchange fluctuation reserve Investment fluctuation reserve General reserve Provision for Taxation Provision for bad and doubtful debts Provision for Gratuity	10,55,00,000 15,00,000 4,50,000 50,00,000 31,00,000 2,50,000 12,00,847
10,07,08,391 9,15,868	Profit and loss account	11,70,00,847 5,78,608
	PROVISION FOR OUTSTANDING CLAIMS	
1,59,83,929 3,37,44,223 2,84,27,671 4,20,104	Fire Marine Miscellaneous Life	2,32,85,316 5,45,90,448 3,73,46,002 4,20,104
7,85,75,927		11,56,41,870
	PREMIUM RESERVE AND LIFE FUND	
2,14,79,118 4,20,77,440 1,96,97,082 4,17,919	Fire Marine Miscellaneous Life	2,10,66,031 5,65,15,312 2,05,01,368 —
8,36,71,559		9,80,82,711
5,49,25,642 5,46,20,141 19,60,360 12,77,315	Amount due to other persons and bodies carrying on insurance business Deposits retained and/or received from other companies Sundry creditors Due to life business	8,26,10,124 10,28,02,771 26,24,277 —
38,16,65,928	Total:	52,43,51,933

These Accounts should be read in conjunction with the annexed notes.

Auditors' report to the shareholders is annexed

(TASEER HADI KHALID & CO.)
Chartered Accountants

(RAO & CO.)
Chartered Accountants

Karachi, 28th May 1978

CORPORATION

31st DECEMBER, 1977.

1976 Rupees	PROPERTY & ASSETS	1977 Rupees
	Investments (at cost)	
70,08,125	Government and other securities	8,91,500
8,82,35,749	Government Treasury Deposit Receipts	15,50,61,274
3,04,84,125	Stock and Shares	3,04,84,114
75,11,250	Debentures	76,15,450
55,00,000	Other Investments	1,82,13,100
13,87,39,249	Market value as at 31st December 1977 (Rs 22,01,21 031)	21,22,65,438
32,05,218	Land and Building	31,64,789
14,19,44,467		21,54,30,227
12,54,16,519	Amount due from persons and bodies carrying on Insurance business	13,68,28,703
6,31,00,385	Deposits held by ceding companies	12,87,39,203
1,47,11,981	Cash in hand and at bank	90,99,318
40,79,437	Interest accrued and outstanding	48,14,892
48,04,079	Sundry debtors	60,93,183
91,57,593	Advances, loans, deposits and prepaid expenses	60,70,925
6,62,022	Furniture, fixture, office equipments and vehicles - At Cost less depreciation	7,60,426
38,811	Stock of stationery in hand	41,737
1,64,73,319	Net Assets relating to East Pakistan	1,64,73,319
12,77,315	Due from general business	
38,16,65,928	Total:	52,43,61,933

D. M. QURESHI

Director

AHADULLAH AKMAL

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PAKISTAN INSURANCE CORPORATION

Notes to the Accounts for the year ended 31st December, 1977

1. PROVISION FOR TAXATION

The assessments of the Corporation have been finalised upto and including assessment year 1974—1975 by the Income tax department for a sum of Rs. 21,05,782 which has been adjusted against Provision for Taxation by contra credit to Advances/Deposits.

A refund of Rs. 15,74,168 upto assessment year 1974-1975 is owing to the Corporation from the tax authorities as at the year end.

2. PROVISION FOR OUTSTANDING CLAIMS

- (a) The Provision for outstanding claims for the year have been created on the basis of the Corporation's previous practice consistently applied on the advices received from insurance companies and where advices were not available the losses have been estimated by the under-writing department. In case of Marine business the provision made in the previous year for losses of Rs. 70 lacs incurred but not reported (IBNR) has been retained at the same level.
- (b) The Provision for outstanding claims includes an amount of Rs. 49,51,794 representing claims brought forward from the previous years which relate to Bangladesh (former East Pakistan) business; this is made up as follows :

	1976	1977
Fire insurance	23,82,000	23,82,000
Marine insurance	14,69,794	14,69,794
Miscellaneous insurance	11,00,000	11,00,000
	<hr/>	<hr/>
Rupees:	49,51,794	49,51,794
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No adjustment has been made in this Provision pending ascertainment of actual liabilities in this regard.

3. INVESTMENTS

Fixed Deposit receipts amounting to Rs. 55 lacs were included last year in the cash and bank balances. This year, the fixed deposit receipts are being shown as part of investments which now stand at Rs. 1,82,13,100.

4. ASSETS RELATING TO BANGLADESH (FORMER EAST PAKISTAN)

(a) Assets relating to Bangladesh (former East Pakistan) comprise of fixed assets and investments:—

	1976	1977
East Pakistan Government loans	4,99,700	4,99,700
Stock and shares	7,11,374	71,11,374
Debentures	2,50,000	2,50,000
	78,61,074	78,61,074
Land and building	86,08,167	86,08,167
Furniture and fixtures	4,078	4,078
	<u>1,64,73,319</u>	<u>1,64,73,319</u>
Rupees:		

The realisability of these assets is not determinable at the present time but no provision for the loss that may arise as a result of the Corporation losing control over these assets has been made.

(b) Net current Assets

During the year Rs. 16,904 has been written off representing the shares of Bangladesh companies on account of retroceded business.

5. LAND AND BUILDING

Land and building comprises of the following :

PIC Head Office building	5,72,953
PIC building - Plot Moulvi Tamizuddin Khan Road - Leasehold	7,51,442
PIC House - Moulvi Tamizuddin Khan Road	3,26,642
PIC Officers' Colony - Plot - Leasehold	3,08,168
PIC building - Plot - Islamabad	12,03,453
Lift	2,131
	<u>31,64,789</u>
Rupees:	

The Plot No. 32-A on Moulvi Tamizuddin Khan Road was acquired on 25 years' lease from the Karachi Port Trust for construction of Corporation's building thereon. On request from Karachi Port Trust, however, this plot has been lent to the Karachi Port Trust for serving as a working yard in connection with the construction of Napier Mole Bridge. Karachi Port Trust has agreed not to charge the rent and extension fee for the period that it is so used by Karachi Port Trust.

6. DEVALUATION/DIFFERENCE IN EXCHANGE ACCOUNT.

- (a) Difference in exchange account depicts a net loss of Rs. 10.29 lacs and represents loss on revaluation of monthly foreign currency cash book balances, remittances made/received and adjustments made in respect of various transactions.
- (b) The effect of bonus voucher scheme and devaluation on settlement with National Co-insurance Scheme in respect of business booked prior to 30th June 1970 has not been incorporated. Such effect shall be reflected as and when realised by National Co-insurance Scheme and passed on to the Corporation.
- (c) All balances in foreign currencies representing amounts due to/due from other companies, deposits held by ceding companies and deposits retained/received from other companies have been reflected at the rates prevailing on the date of the booking. However, the un-adjusted balances of cash losses received by PIC pertaining to the pre-devaluation period and appearing in 1974 accounts at the rate prevailing as at 31 December 1974 are continuing at that rate.

7. GENERAL

- (a) Expenses of management have been allocated to the various Insurance Revenue Accounts on the basis of the gross premium income earned.
- (b) Consistent with the policy of the Corporation since 1965, the premium Reserve brought forward has been increased to the extent of 40 percent of the increase in net premium income in respective Revenue Accounts.
- (c) Figures have been rounded off to the nearest rupee.

PROXY FORM

PAKISTAN INSURANCE CORPORATION

K A R A C H I

I/we _____ of _____ being
a Shareholder 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
to a meeting of the shareholders of the Corporation to be held at _____
on the _____ day _____
and at any adjournment thereof.
Dated this _____ day _____

Signature of Shareholder

Affix Forty
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.