Pakistan Insurance Corporation

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

FOURTH ANNUAL REPORT

Reports and Statements of Accounts for the year ended 31st December 1956.

Head Office
Lloyds Bank Building,
McLeod Road,
Karachi.

BOARD OF DIRECTORS

K. F. HAIDER *Chairman*

M. M. JUNAID *Govt. Director*

KHAWAJA BASHIR BAKHSH

MEHERALI SHAH BUKHARI

FAKHRUDDIN VALIBHAI

NASIM HASAN

S. M. YUSUF *Managing Director*

MANAGEMENT

Managing Director: S. M. YUSUF

Manager: MOHAMED SADIQ

HEAD OFFICE

Lloyds Bank Building,
McLeod Road,
P. O. Box No. 4777, City,
Karachi. 2 - (Pakistan)

LAHORE OFFICE

Atiya Bldg., Bank Square,
The Mall

DACCA OFFICE

Provincial Coop. Bank Bldg.,
3/10, Johnson Road,
Victoria Park

AUDITORS

Rahim Jan & Co.
M. Hussain Chaudhury & Co.

PAKISTAN INSURANCE CORPORATION

KARACHI

Report by the Board of Directors

for the Year ended 31st December, 1956.

To the Shareholders,

Your Directors are pleased to present the Revenue Accounts, the Profit & Loss Account for the year ended 31st December, 1956, and the Balance Sheet as at 31st December, 1956, together with the Report of the Auditors thereon.

Revenue Accounts for the Fire, Marine and Miscellaneous Departments have been prepared separately as required by law and the following comments are being added for your information.

FIRE BUSINESS: The nett premium income has shown an increase of Rs. 4,87,026 from Rs. 21,42,374 for 1955 to Rs. 26,29,400 for 1956. The ratio of nett losses paid to the nett premiums is remarkably good, being only 19.83% against 24.73% for 1955. Despite this improvement in the loss ratio the Premium Reserve has been increased from 40% to 50% this year to provide an extra underwriting cover. As a consequence, the profit in this Department after allowing for its proportion of expenses has declined by Rs. 22,681. We can state with confidence that our fire risks are well selected and spread over vastly different geographical areas.

MARINE BUSINESS: The nett premiums, as compared to 1955 rose [illegible] Rs. 2,98, 833. The nett loss ratio is [illegible] against 66.15% for 1955. The Premium Reserve has been maintained at 40% and there is a small profit of Rs. 63,068 under the Account.

MISCELLANEOUS BUSINESS: The nett premium income of this Department recorded an increase of Rs. 69,525 as against the 1955 figures. The ratio of nett losses to nett premiums is 54.93% as compared to 29.83% in 1955. The increase in loss ratio can be attributed to the bad experience under burglary and fidelity guarantee insurances. There is an underwriting loss of Rs. 85,100 this year due partly to a revision of the Premium Reserve to 50% from 40% [illegible] 1955.

PROFIT & LOSS ACCOUNT: The gross profit for the year is Rs. 5,74,710 against the previous year's figure of Rs. 5,09,664 and has been allocated as follows after taking into consideration the balance of Rs. 1,12,263 brought forward from 1955 :—

General Reserve	Rs. 1,50,000
Reserve for Contingencies	Rs. 25,000
Reserve for Taxation	Rs. 3,00,000

A noteworthy feature of the Account is the increase in the yield from interest and dividends—a rise of almost 50% over 1955.

BALANCE SHEET: The investments now stand at Rs. 50,98,805 i.e. Rs. 5,88,346 above those of the previous year. A major portion is in gilt-edged securities and the rest is held in carefully selected equities. There was an overall appreciation in these investments and their market value at the date of the Balance Sheet stood at Rs. 52,11,768-9-0.

The training scheme was extended to Dacca and Lahore during the year under review. Oral instructions in various subjects were continued for the benefit of the intending candidates of the Chartered Insurance Institute Examinations.

The activities of the National Co-insurance Scheme expanded substantially during the year. The premium in respect of the business falling within the scope of the Scheme increased from Rs. 1,40,460 in 1955 to Rs. 6,18,041 in 1956. All the business received by the Scheme is distributed amongst the national insurance companies.

The Directors have been pleased to declare a dividend of 5% (payable without deduction of income tax) and a bonus of one month's basic pay or a proportionate part thereof to the Management and the staff.

The Directors wish to express their thanks to the management and the staff for their zealous service and to record their appreciation of the co-operation extended during the year by the Ministries of Commerce and Finance, Government of Pakistan, the Insurance Association of Pakistan, all insurers and Overseas Associates.

K. F. HAIDER — *Chairman*

M. M. JUNAID
KHAWAJA BASHIR BAKHSH
MEHER ALI SHAH BUKHARI
FAKHRUDDIN VALIBHAI
NASIM HASAN
— *Directors*

S.M. YUSUF — *Managing Director*

PAKISTAN INSURANCE CORPORATION

REPORT OF THE AUDITORS TO THE SHAREHOLDERS

We have audited the annexed Balance Sheet of the Pakistan Insurance Corporation as at 31st December, 1956, the Fire, Marine and Miscellaneous Business Revenue Accounts, and the Profit and Loss Account of the Corporation for the year ended upon that date and report that:—

(a) We have obtained all the information and explanations which we have required.

(b) Such Balance Sheet is a full and fair Balance Sheet and exhibits a true and correct view of the state of the Corporation's affairs, according to the best of our information and the explanations given to us and as shown by the books of the Corporation.

M. HUSSAIN CHAUDHURY
for M. HUSSAIN CHAUDHURY & CO.,
Registered Accountants,
Auditors.

R. M. BILIMORIA
for RAHIM JAN & CO.,
Chartered Accountants,
Registered Accountants,
Auditors.

Karachi, 24th June, 1957.

PAKISTAN INSURANCE CORPORATION

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1956.

FIRE BUSINESS

	Rs. as. p.	Rs. as. p.		Rs. as. p.	Rs. as. p.
Commission		9,46,383 3 2	Premium Reserve brought forward from last year		8,56,949 7 0
Claims Paid	12,55,526 0 3		Reserve for Outstanding Claims brought forward from last year		2,42,230 15 0
Less Recoveries under Retrocessions ...	6,58,222 13 6	5,97,303 2 9	Premiums	50,36,729 9 3	
Expenses of Management		2,09,331 8 9	Less Retrocessions	24,07,330 0 6	26,29,399 8 9
Reserve for Outstanding Claims ...		1,66,432 4 6			
Premium Reserve being 50% of the Premiums					
Less Retrocessions for the year ...		13,14,699 12 0			
Profit transferred to Profit & Loss Account		4,94,429 15 7	... ...		
	Rs.	37,28,579 14 9		Rs.	37,28,579 14 9

As per our Report annexed.

M. HUSSAIN CHAUDHURY
For M. HUSSAIN CHAUDHURY & Co.,
Registered Accountants,
Auditors.

R. M. BILIMORIA
For RAHIM JAN & Co.,
Chartered Accountants,
Registered Accountants,
Auditors.

Karachi, 24th June, 1957.

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PAKISTAN INSURANCE CORPORATION

REVENUE ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1956.

MARINE BUSINESS

	Rs. as. p.	Rs. as. p.		Rs. as. p.	Rs. as. p.
Commission		5,28,258 0 0	Premium Reserve Brought Forward from last year		5,93,738 1 0
Claims Paid	17,28,109 8 0		Reserve for Outstanding Claims brought forward from last year ...		7,68,877 0 0
Less Recoveries under Retrocessions ...	8,78,394 12 0	8,49,714 12 0	Premiums	22,11,862 1 0	
Expenses of Management ...		91,927 3 0	Less Retrocessions	4,28,683 13 0	17,83,178 4 0
Reserve for Outstanding Claims ...		8,99,554 8 0			
Premium Reserve being 40% of the Premiums Less Retrocessions for the year		7,13,271 4 0			
Profit transferred to Profit & Loss Account		63,067 10 0			
		Rs. 31,45,793 5 0			Rs. 31,45,793 5 0

As per our Report annexed.

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PAKISTAN INSURANCE CORPORATION

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1956.

MISCELLANEOUS BUSINESS

	Rs. as. p.	Rs. as. p.
Commission		2,97,962 15 0
Claims Paid	2,60,058 2 0	
Less Recoveries under Retrocessions ...	—	2,60,058 2 0
Expenses of Management		33,114 1 0
Reserve for Outstanding Claims ..		2,80,590 3 0
Premium Reserve being 50% of the Premiums Less Retrocessions for the year		3,90,371 7 0
	Rs.	12,62,096 12 0

	Rs. as. p.	Rs. as. p.
Premium Reserve brought forward from last year		2,84,487 4 0
Reserve for Outstanding Claims brought forward from last year ...		1,11,766 7 0
Premiums	7,96,759 3 0	
Less Retrocessions	16,016 5 0	7,80,742 14 0
Loss transferred to Profit & Loss Account		85,100 3 0
	Rs.	12,62,096 12 0

As per our Report annexed.

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Karachi, 24th June, 1957.

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PAKISTAN INSURANCE CORPORATION

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1956.

	Rs. as. p.	Rs. as. p.
Expenses of Management (not applicable to any Particular Revenue Account) :		
Advertisement & Publicity ...	11,085 2 6	
Auditors' Fee	4,700 0 0	
Depreciation	9,332 3 6	
Gazette Publications	2,142 10 0	
Directors' Fees & T. A.	9,103 3 0	
Training Scheme	3,537 1 0	
Loss on sale of Fixed Assets & Investments	832 9 0	
Expenses — National Co-insurance Scheme	34,183 2 0	74,915 15 0
Loss transferred from Revenue Account :		
Miscellaneous		85,100 3 0
Other Expenses :		
Difference in Exchange	1,719 1 0	
Interest on Deposits retained from other companies	7,953 1 0	9,672 2 0
Nett Profit for the year carried down ...		5,74,710 7 4
		7,44,398 11 4
Dividend for the year 1955		80,000 0 0
Amounts transferred to :		
General Reserve	1,50,000 0 0	
Reserve for Bad & Doubtful Debts ...		
Reserve for Contingencies ...	25,000 0 0	
Reserve for Taxation	3,00,000 0 0	4,75,000 0 0
Balance carried forward to the Balance Sheet		1,31,973 13 9
	Rs.	6,86,973 13 9

	Rs. as. p.	Rs. as. p.
Interest & Dividends less Income Tax thereon		1,44,855 4 9
Profit transferred from Revenue Accounts :		
Fire	4,94,429 15 7	
Marine	63,067 10 0	5,57,497 9 7
Other Receipts :		
Share Transfer Fees	5 0 0	
Secretarial Fees — National Co-insurance Scheme... ...	34,183 2 0	
Brokerage	7,701 8 0	
Claim Settling Fees	156 3 0	42,045 13 0
		7,44,398 11 4
Balance brought forward from last year		1,12,263 6 5
Nett Profit for the year brought down		5,74,710 7 4
	Rs.	6,86,973 13 9

As per our Report annexed.

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Karachi, 24th June, 1957.

Karachi, 24th June, 1957.

PAKISTAN INSURANCE CORPORATION

BALANCE SHEET AS AT 31st DECEMBER, 1956.

LIABILITIES	Rs.	as. p.	Rs.	as. p.
Capital :				
Authorised—				
1,00,000 shares of Rs. 100/- each ...	1,00,00,000	0 0		
Issued and Paid up—				
20,000 shares of Rs. 100/- each Fully Paid up			20,00,000	0 0
Reserves & Provisions :				
General Reserve	2,50,000	0 0		
Reserve for Bad & Doubtful Debts ...	25,000	0 0		
Reserve for Contingencies ...	1,25,000	0 0		
Reserve for Taxation	6,78,750	0 0	10,78,750	0 0
Profit & Loss Account			1,31,973	13 9
Reserve for Outstanding Claims :				
Fire	1,66,432	4 6		
Marine	8,99,554	8 0		
Miscellaneous	2,80,590	3 0	13,46,576	15 6
Premium Reserves :				
Fire	13,14,699	12 0		
Marine	7,13,271	4 0		
Miscellaneous	3,90,371	7 0	24,18,342	7 0
Amounts due to other persons or bodies carrying on Insurance Business ...			3,29,180	10 6
Deposits Retained from Other Companies...			7,71,499	12 1
Sundry Creditors			52,434	2 9
Unpaid Dividend			80,000	0 0
Note:—There is a contingent liability of Rs. 9,51,595/- in respect of calls not yet made on partly paid shares held by the Corporation as investments.		Rs.	82,08,757	13 7

ASSETS	Rs.	as. p.	Rs.	as. p.
Investments — at cost :				
Government & Other Securities ...	22,45,227	10 0		
Stocks and Shares	23,39,077	8 0		
Debentures	5,14,500	0 0		
Mortgages	—			
Land & Buildings	—		50,98,805	2 0
(Market value as at 31st December, 1956, Rs. 52,11,768-9-0).				
Amounts due from other persons and bodies carrying on Insurance Business			17,49,027	9 9
Deposits Held by Ceding Companies ...			7,06,457	8 2
Cash in hand and at Bank			3,98,883	12 3
Interest Accrued and Outstanding, less Income Tax			31,342	15 0
Sundry Debtors			37,161	3 3
Advances, Deposits and Prepaid Expenses			1,05,078	8 8
Furniture, Fixture, Office Equipment and Vehicles—at cost less depreciation ...			80,354	5 0
Stock of Stationery in Hand			1,646	13 6
		Rs.	82,08,757	13 7

As per our Report annexed.

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Karachi, 24th June, 1957.

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PAKISTAN INSURANCE CORPORATION

KARACHI

NOTIFICATION

The Fourth Annual General Meeting of the Shareholders of the Pakistan Insurance Corporation will be held at Lloyds Bank Building, McLeod Road, Karachi, on Monday, the 16th September, 1957, at 11-30 a. m. when the following business will be transacted, namely :—

(1) Confirmation of the Minutes of the Third Annual General Meeting held on 11th August, 1956.

(2) The Balance Sheet, the Revenue Accounts and the Profit and Loss Account for the year ending the previous 31st December, together with a Report by the Board on the working of the Corporation throughout 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 in respect of the 1956 Accounts declared by the Board at their Meeting held on 24th June, 1957.

(4) Election of a Shareholders' Director under sub-clause (b) of sub-section (I) of Section 10 of the Pakistan Insurance Corporation Act, 1952.

By Order of the Board

S. M. YUSUF
Managing Director

Karachi,
13th August, 1957.

The Share Transfer Register of the Corporation will remain closed for 30 days from the 19th August, 1957, to the 17th September, 1957, both days inclusive.

PROXY FORM

PAKISTAN INSURANCE CORPORATION

KARACHI

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 at

a meeting of the shareholders of the Corporation to be held at..

on the...day of..

and at any adjournment thereof.

Dated this..day of..

Signature of Shareholder.

Signature must tally with the specimen filed with the Corporation.