PAKISTAN INSURANCE CORPORATION

9th Annual Report

AND STATEMENTS OF ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1961

ESTABLISHED UNDER THE PAKISTAN INSURANCE CORPORATION ACT NO. XXXVIII 1952

BOARD OF DIRECTORS

M. A. MAJID	*Chairman.*
K. A WAHEED M. U. AHMAD AHMED DAWOOD FAKHRUDDIN VALIBHAI SYED WAJID ALI SHAH AMIR ALI H. FANCY M. R. SIDDIQUI	*Directors.*
K. F. HAIDER	*Managing Director.*

MANAGEMENT

Managing Director	K. F. HAIDER
Manager	MOHAMED SADIQ

HEAD OFFICE

Pakistan Insurance Building

Bunder Road

P. O. Box No. 4777, City

Karachi-2 Pakistan

LAHORE OFFICE

Atiya Bldg. Bank Square

The Mall

DACCA OFFICE

Muslim Insurance Building

121-Motijheel Commercial Area

AUDITORS

Feroze Sharif & Co.

Hashmi & Co.

PAKISTAN INSURANCE CORPORATION
KARACHI

Report by the Board of Directors for the year ended 31st December, 1961.

To the Shareholders :

Your Directors are pleased to present the Revenue Accounts, the Profit & Loss Account for the year ended 31st December, 1961 and the Balance Sheet as on 31st December, 1961 together with the Report of Auditors thereon.

The following summary of the accounts will be of assistance in appreciating the substantial progress made during the year :

REVENUE ACCOUNTS :

	Fire	Marine	Miscellaneous (in lakhs of rupees)	Total
Gross Premium ...	151.37	131.24	94.02	376.63
Retrocession Premium ...	104.09	90.64	58.84	253.57
Nett Premium ...	47.28	40.60	35.18	123.06
Nett Claims Incurred ...	21.46	24.25	15.92	61.63
Nett Commission ...	16.84	11.69	12.06	40.59
Expenses of Management ...	2.45	2.13	1.52	6.11
Premium Reserve Adjustment ...	(-)0.54	3.41	4.13	7.08
Underwriting Profit ...	6.98	(-)0.88	1.55	7.65

Premium Reserve in all classes has been maintained at the last year's level of 50%. Nevertheless, the Premium Reserve has increased by Rs. 7.08 lakhs, due to increase in Nett Premium.

PROFIT AND LOSS ACCOUNT :

The Profit and Loss Account after accounting for income from other sources and allowing for outgo on various accounts not allocable to any revenue account discloses a balance of Rs. 15,09,417.90 as shown below :-

Underwriting Profit.	...	Rs.	7,65,068.32
Income from Investment & other sources.	...	Rs.	8,14,175.80
		Rs.	15,79,244.12
Miscellaneous Outgo.		Rs.	69,826.22
		Rs.	15,09,417.90

Profit & Loss Balance brought forward from 1960.			Rs.	2,58,616.92
			Rs.	17,68.034.82
Less : Dividend for 1960 paid.			Rs.	2,00,000.00
			Rs.	15,68,034.82
Amount available for disposal which has been appropriated as under :-				
General Reserve	Rs.	1,00,000.00		
Reserve for Taxation	Rs.	50.000.00		
Exceptional Loss Reserve	Rs.	12,00,000.00	Rs.	13,50,000.00
Balance available for dividend and to be carried forward.			Rs.	2,18,034.82

BALANCE SHEET :

The Corporation's financial and underwriting reserves which are accumulating satisfactorily are as under :-

Paid-up Capital.				Rs.	20,00,000.00
Financial & Other Reserves.				Rs.	49,50,000.00
Technical Reserves :	(Prem.	Rs.	61,53,345.00		
	(Loss.	Rs.	25,20,195.51	Rs.	86,73,540.51
Total Reserves & Capital.				Rs.	1,56,23,540.51

The investments of the Corporation as at the end of the year amounted to Rs. 1,22,58,696.53.

The Corporation continued with still greater vigour its activities designed to provide training facilities to insurance employees during the year, as a result of which a large number of employees were enabled to pass A.C.I.I. (London) Examinations and the Life Agents and Employer of Agents Examinations conducted by the Corporation at Karachi, Dacca, Lahore and Chittagong. This is a step forward towards the manning of insurance industry with qualified and trained personnel.

The Corporation continued to act as Secretaries for the National Co-Insurance Scheme, which is intended to assist the home companies in the matter of procuring Government and Semi-Government business. All the business received by the Scheme is distributed amongst the home companiesi

The Directors have been pleased to declare a dividend of 10% which is the maximum permissible under the Act, and a bonus of two months' pay or proportionate part thereof to the management and the staff.

The Directors wish to express their thanks to the management and the staff for their tireless efforts in building up the Corporation and wish to record their appreciation of the assistance the Corporation received during the year from the Ministries of Commerce and Finance, Government of Pakistan, the Insurance Association of Pakistan, all insurers and oversease connections.

M. A. MAJID	*Chairman.*
K. A. WAHEED M. U. AHMAD AHMED DAWOOD FAKHRUDDIN VALIBHAI SYED WAJID ALI SHAH AMIR ALI H. FANCY M. R. SIDDIQUI	*Directors.*
K. F. HAIDER	*Managing Director.*

PAKISTAN INSURANCE CORPORATION

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REPORT OF THE AUDITORS TO THE SHARE-HOLDERS

We have audited the annexed Balance Sheet of the Pakistan Insurance Corporation as at 31st December, 1961, the Fire, Marine and Miscellaneous Business Revenue Accounts, the Profit & 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 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.

W. R. HASHMI
For Hashmi & Company,
Chartered Accountants.

FEROZE QAISER
For Feroze Sharif & Company,
Chartered Accountants.

KARACHI : *23rd May, 1962.*

PAKISTAN INSURANCE CORPORATION

REVENUE ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1961.
CONSOLIDATED FOR ALL CLASSES OF BUSINESS

1960 Rs.	EXPENDITURE	Amount Rs. Ps.	Total Rs. Ps.
36,76,174	Commission Paid (Less Retrocessions).		40,58,700.56
	Claims (Less Retrocessions) :		
50,58,578	Paid during the year.	58,56,100.29	
22,12,951	Add : total estimated liability in respect of outstanding claims at the end of the year whether due or intimated.	25,20,195.51	
72,71,529	Total ...	83,76,295.80	
25,93,871	Less : outstanding at the end of the previous year.	22,12,951.28	61,63,344.52
46,77,658			
6,02,025	Expenses of Management.		6,11,194.97
54,44,964	Premium Reserve being 50% of the premiums less Retrocessions for the year.		61,53,345.00
10,18,860	Profit transferred to Profit and Loss Account.		7,65,068.32
1,54,19,681		Total ...	1,77,51,653.37

1960 Rs.	INCOME	Amount Rs. Ps.	Total Rs. Ps.
45,29,755	Premium Reserve brought forward from last year.		54,44,964.00
3,31,10,332	Premiums.	3,76,63,082.82	
2,22,20,406	Less : Retrocessions.	2,53,56,393.45	1,23,06,689.37
1,08,89,926			
1,54,19,681		Total Rs. ...	1,77,51,653.37

As per our report annexed.

W. R. HASHMI
For Hashmi & Co.,
Chartered Accountants.

FEROZE QAISER
For Feroze Sharif & Co.
Chartered Accountants.

S. M. SIDDIQUE
Senior Accountant.

MOHAMED SADIQ
Manager.

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— *Directors.*

K. F. HAIDER — *Managing Director.*

Karachi, 23rd May, 1962.

PAKISTAN INSURANCE CORPORATION

REVENUE ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1961.

FIRE BUSINESS

1960 Rs.	EXPENDITURE	Amount Rs. Ps.	Total Rs. Ps.	1960 Rs.	INCOME	Amount Rs. Ps.	Total Rs. Ps.
16,82,186	Commission Paid (Less Retrocessions).		16,83,659.06	22,51,079	Premium Reserve brought forward from last year.		24,09,927.00
	Claims (Less Retrocessions) :			1,42,94,946	Premiums.	1,51,37,202.59	
24,96,346	Paid during the year.	18,95,483.64		94,75,093	Less : Retrocessions.	1,04,08,792.01	47,28,410.58
5,79,689	Add : total estimated liability in respect of outstanding claims at the end of the year whether due or intimated.	8,30,059.07		48,19,853			
30,76,035	Total ...	27,25,542.71					
7,84,707	Less: Outstanding at the end of the previous year.	5,79,688.66	21,45,854.05				
22,91,328							
2,59,916	Expenses of Management.		2,45,645.91				
24,09,927	Premium Reserve being 50% of the premiums less Retrocessions for the year.		23,64,205.00				
4,27,575	Profit transferred to Profit & Loss Account.		6,98,973.56				
70,70,932		Total Rs. ...	71,38,337.58	70,70,932		Total Rs. ...	71,38,337.58

As per our report annexed.

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Karachi, 23rd May, 1962.

PAKISTAN INSURANCE CORPORATION

REVENUE ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1961.

MARINE BUSINESS

1960 Rs.	EXPENDITURE	Amount Rs. Ps.	Total Rs. Ps.	1960 Rs.	INCOME	Amount Rs. Ps.	Total Rs. Ps.
10,26,224	Commission Paid (Less Retrocessions).		11,68,783.16	12,99,419	Premium Reserve brought forward from last year.		16,88,457.00
	Claims (Less Retrocessions) :			1,05,49,956	Premiums.	1,31,23,578.25	
15,58,444	Paid during the year.	25,14,950.28		71,73,042	Less : Retrocessions.	90,64,150.83	40,59,427.42
10,86,556	Add : total estimated liability in respect of outstanding claims at the end of the year whether oue or intimated.	9,96,947.00		33,76,914			
26,45,000	Total ...	35,11,897.28		—	Loss transferred to Profit and Loss Account.		88,923.35
11,22,407	Less : Outstanding at the end of the previous year.	10,86,555.56	24,25,341.72				
15,22,593							
1,91,823	Expenses of Management.		2,12,968.89				
16,88,457	Premium Reserve being 50% of the premiums less Retrocessions for the year.		20,29,714.00				
2,47,236	Profit transferred to Profit and Loss Account.		—				
46,76,333		Total Rs. ...	58,36,807.77	46,76,333		Total Rs. ...	58,36,807.77

As per our report annexed.

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K. F. HAIDER — *Managing Director.*

Karachi, 23rd May, 1962.

PAKISTAN INSURANCE CORPORATION

REVENUE ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1961. MISCELLANEOUS BUSINESS

1960 Rs.	EXPENDITURE	Amount Rs. Ps.	Total Rs. Ps.
9,67,764	Commission Paid (Less Retrocessions).		12,06,258.34
	Claims (Less Retrocessions).		
10,03,788	Paid during the year.	14,45,666.37	
5,46,707	Add : total estimated liability in respect of outstanding claims at the end of the year whether due or intimated.	6,93,189.44	
15,50,495	Total ...	21,38,855.81	
6,86,757	Less : Outstanding at the end of the previous year.	5,46,707.06	15,92,148.75
8,63,738			
1,50,285	Expenses of Management.		1,52,580.17
13,46,580	Premium Reserve being 50% of the Premiums less Retrocessions for the year.		17,59,426.00
3,44,049	Profit transferred to Profit and Loss Account.		1,55,018.11
36,72,416		Total Rs. ...	48,65,431.37

1960 Rs.	INCOME	Amount Rs. Ps.	Total Rs. Ps.
9,79,257	Premium Reserve brought forward from last year.		13,46,580.00
82,65,429	Premiums.	94,02,301.98	
55,72,270	Less : Retrocessions.	58,83,450.61	35,18,851.37
26,93,159			
36,72,416		Total Rs. ...	48,65,431.37

As per our report annexed.

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Karachi, 23rd May, 1962.

PAKISTAN INSURANCE CORPORATION

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1961.

1960 Rs.	PARTICULARS	Amount Rs. Ps.	Total Rs. Ps.
	Expenses of Management : (not applicable to any particular Revenue Account)		
1.288	Advertisement & Publicity.	2,369.97	
7,503	Depreciation.	18,068.27	
4.500	Auditors' Fee.	4.500.00	
14,374	Directors' Fee & T. A.	16.694.76	
3,826	Training Scheme.	16,778.15	
—	Loss on sale of Fixed Assets.	5,455.03	63,866.18
31,491			
	Other Expenses :		
14,807	Interest on deposits retained from other companies.		5,960.04
16,94,150	Nett Profit for the year carried down.		15,09 417.90
17,40,448	Total Rs. ...		15,79,244.12

1960 Rs.	PARTICULARS	Amount Rs. Ps.	Total Rs. Ps.
5,06,560	Interest & Dividend.		6,15,627.78
	Profit transferred from Revenue Accounts :		
4,27,575	Fire	6,98,973.56	
2,47,236	Marine.	(—) 88.923.35	
3,44,049	Miscellaneous	1,55,018.11	7,65,068.32
10,18,860			
	Other Receipts :		
59	Share Transfer Fee.	45.00	
2,13,603	Profit on Sale of Investments.	3,908.75	
—	Miscellaneous Income.	1,94,594.27	
1,366	Profit on Sale of Fixed Assets.	—	1,98,548.02
2,15,028			
17,40,448	Total Rs. ...		15,79,244.12

PROFIT & LOSS APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1961.

1960 Rs.	PARTICULARS	Amount Rs. Ps.	Total Rs. Ps.
2,00,000	Dividend for the year 1961.		2,00,000.00
	Amounts transferred to :		
10,50,000	Exceptional Loss Reserve.	12,00,000.00	
3,00,000	Taxation Reserve.	50,000.00	
3,00,000	General Reserve.	1,00,000.00	13,50,000.00
16,50,000			
2,58,617	Balance carried forward to Balance Sheet.		2,18,034.82
21,08,617	Total Rs. ...		17,68,034.82

1960 Rs.	PARTICULARS	Amount Rs. Ps.	Total Rs. Ps.
1,89,425	Balance brought forward from last year.		2,58,616.92
16,94,150	Nett profit for the year B/F.		15,09,417.90
2,25,042	Taxation Provision written back.		—
21,08,617	Total Rs. ...		17,68,034.82

As per our report annexed.

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Karachi, 23rd May, 1962.

PAKISTAN INSURANCE CORPORATION

BALANCE SHEET AS AT 31st DECEMBER, 1961.

1960. Rs.	Capital & Liabilities	Amount Rs. Ps.	Total Rs. Ps.
	Capital—Authorised :		
1,00,00,000	1,00,000 Shares of Rs. 100 each.		1,00,00,000.00
	Issued and paid up—		
20,00,000	20,000 Shares of Rs. 100 each fully paid up.		20,00,000.00
	Reserve and Provisions :		
19,50,000	Exceptional Loss Reserve.	31,50,000.00	
12,00 000	General Reserve.	13,00,000.00	
1,25,000	Reserve for Contingencies.	—	
3,00,000	Reserve for Taxation.	3,50,000.00	
25,000	Reserve for Bad & Doubtful Debts.	1,50,000.00	49,50,000.00
36,00,000			
2,58,617	Profit & Loss Account.		2,18,034.82
	Reserve for outstanding Claims:		
5,79,689	Fire	8,30,059.07	
10,86,555	Marine.	9,96,947.00	
5,46,707	Miscellaneous.	6,93,189.44	25,20,195.51
22,12,951			
	Premium Reserve :		
24,09,927	Fire.	23,64,205.00	
16,88,457	Marine.	20,29,714.00	
13,46,580	Miscellaneous.	17,59,426.00	61,53,345.00
54,44,964			
28,10,512	Amount due to other persons and bodies carrying on Insurance Business.		43,97,809.86
40,63,321	Deposits retained and or received from other Companies.		38,49,547.92
3,46,779	Sundry Creditors.		65,080.04
2,07,37,144	NOTE:—There is a contingent liability to the tune of Rs. 6,87,500/- in respect of calls not yet made on partly paid shares of companies held by the Corporation as investments.	Total Rs. ...	2,41,54,013.15

1960 Rs	Property & Assets.	Amount Rs. Ps.	Total Rs. Ps.
	Investments—At Cost :		
53,62,248	Govt. & other Securities.	52,67,404.19	
52,21,416	Stock & Shares.	60,29,920.98	
4,62,250	Debentures.	4.62.250.00	
1,10,45,914		1,17,59,575.17	
	(Market Value as at 31st. December, 1961, Rs. 1,34,97,681.06).		
3,34,671	Land and Building.	4,99,121.36	1,22,58,696.53
1,13,80,585			
47,27,413	Amount due from persons and bodies carrying on Insurance Business.		56,30,120.33
30,00,883	Deposits held by Ceding Companies.		34,64,127.46
8,54,254	Cash in hand & at Bank.		16,56,212.94
73,862	Interest accrued and outstanding		94,892.61
1,08,045	Sundry Debtors.		1,14,534.30
4,37,597	Advances, Loans, Deposits and pre-paid Expenses		8,02,087.86
1,49,887	Furniture, Fixtures, Office Equipment and Vehicles at cost less depreciation.		1,26,935,69
4,618	Stock of Stationery in hand.		6,405.43
2,07,37,144		Total Rs. ...	2,41,54,013.15

As per our report annexed.

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For Hashmi & Co.,
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Karachi, 23rd May, 1962.

PAKISTAN INSURANCE CORPORATION

KARACHI

NOTIFICATION

The Ninth Annual General Meeting of the Shareholders of the Pakistan Insurance Corporation will be held at Pakistan Insurance Building, Bunder Road, (Opp. Mereweather Tower), Karachi on Friday, the 29th June, 1962 at 11-30 A.M. when the following business, will be transacted, namely :—

(1) Confirmation of the Minutes of the Eighth Annual General Meeting held on Friday, the 30th June, 1961.

(2) The Balance Sheet as at 31st December, 1961, the Revenue Accounts and the Profit & Loss Account and Profit & Loss Appropriation Account for the year ended 31st December, 1961 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 1961 Accounts.

The Share Transfer Register of the Corporation will remain closed for 15 days from 15th June, to 29th June, 1962, both days inclusive.

By order of the Board,
K. F. HAIDER
Managing Director

PROXY FORM

PAKISTAN INSURANCE CORPORATION

KARACHI

I/We ______________________ of ______________________ being

a shareholder of 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 ______________________

and at any adjournment thereof.

Dated this ______________________ day of ______________________

Signature of Shareholder

Signature must tally with the specimen filed with the Corporation