PAKISTAN INSURANCE CORPORATION

10th Annual Report

AND STATEMENTS OF ACCOUNT
FOR THE YEAR ENDED
31ST DECEMBER 1962

ESTABLISHED UNDER THE PAKISTAN INSURANCE CORPORATION ACT NO. XXXVIII 1952

BOARD OF DIRECTORS

M. A. MAJID		*Chairman.*
QAMARUL ISLAM BURHAN ALI ABBAS AHMED DAWOOD FAKHRUDDIN VALIBHAI SYED WAJID ALI SHAH AMIR ALI H. FANCY M. R. SIDDIQUI	}	*Directors.*
K. SHAH ZAMAN		*Managing Director.*

MANAGEMENT

Managing Director	K. SHAH ZAMAN
Chief 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, 1962.

To the Shareholders :

Your Directors are pleased to present the Revenue Accounts, the Profit & Loss Account for the year ended 31st December, 1962 and the Balance Sheet as on 31st December, 1962 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	Total
			(in lakhs of rupees)	
Gross Premium ...	192.96	154.10	131.83	478.89
Retrocession Premium ...	134.00	97.99	92.87	324.86
Nett Premium ...	58.96	56.11	38.96	154.03
Nett Claims Incurred ...	26.38	24.91	18.94	70.23
Nett Commission ...	22.74	18.92	13.81	55.47
Expenses of Management ...	2.54	2.03	1.74	6.31
Premium Reserve Adjustment ...	5.84	7.76	1.88	15 48
Underwriting Profit ...	1.46	2.49	2.59	6.54

Premium Reserve in all classes has been maintained at the last year's level of 50%. Nevertheless, the Premium Reserve has increased by Rs. 15.48 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. 15,60,792.17 as shown below :-

Underwriting Profit. ...	Rs.	6,54,275.69
Income from Investments & other sources. ...	Rs.	10,06,999.60
	Rs.	16,61,275.29
Miscellaneous Outgo.	Rs.	1,00,483.12
	Rs.	15,60,792.17
Profit & Loss Balance brought forward from 1961.	Rs.	2,18,034.82
	Rs.	17,78,826.99

Less : Dividend for 1961 Paid			Rs.	2,00,000.00
Amount available for disposal which has been appropriated as under :-			Rs,	15,78,826.99
Exceptional Loss Reserve	Rs.	12,50,000.00		
Reserve for Taxation	Rs	1,25,000.00	Rs.	73,75,000.00
Balance available for dividend and to be carried forward.			Rs.	2,03,826.99

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.	63,25,000.00
Technical Reserves :				
Prem.	Rs.	77,01,737.00		
Loss	Rs.	30,05,328.96	Rs.	1,07,07,065.96
Total Reserves & Capital			Rs.	1,90, 32,065.96

The investments of the Corporation as at the end of the year amounted to Rs 1,49,01,533.50.

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 companies. The scope of operation of the Scheme has recently been enlarged to cover such insurances which could not ordinarily be underwritten in the country, *e.g.* insurance of foreign currency policies in respect of properties and/or imports under aids/loan agreements, contractors' all risks, erection and workmens' compensation policies, etc. covering gigantic projects like Indus Basin Project including Mangla Dam, insurance of P.I.A.C. fleets, etc. But for the said extension in the operations of the Scheme it would not have been possible to underwrite this business in Pakistan.

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 number of employees were enabled to pass A.C.I.I (London) Examination 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. This function has, however, been transferred to the Pakistan Insurance Institute with effect from 1st January, 1963 at the instance of the Central Government.

Pursuant to the Presidential Ordinance No. XIV of 1962, the Corporation has been charged with the responsibility of administering the Export Credit Guarantee Scheme which is intended to assist the export trade of the country. The Corporation is actively engaged in the introduction of this Scheme to the prospective exporters and has made considerable headway. It is hoped that this will go a long way in the expansion of our export trade. The accounts and report of this Scheme are however submitted separately to the Central Government in accordance with the provisions in the Act in that behalf.

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 record their sense of extreme sorrow on the sad demise of Mr. K. F. Haider, the veteran Managing Director of the Corporation. He has been replaced by Mr. K. Shah Zaman C. S. P., Joint Secretary, Ministry of Commerce, Government of Pakistan who holds the current charge of the duties of the Managing Director in addition to his other duties. In addition to this change Mr. Qamarul Islam, C. S. P., S. Q. A. replaced Mr. K. A. Waheed as representative of the Ministry of Finance on the Board of Directors of the Corporation. The Directors would like to express their deep appreciation of the services rendered by the demised Managing Director and the outgoing Director, whose wise counsel and efforts contributed materially in the progress of the Corporation. Both Mr. K. Shah Zaman and Mr. Qamarul Islam bring with them a treasure of knowledge and experience and it is hoped that under their guidance the Corportion will make further rapid progress.

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.*
QAMARUL ISLAM BURHAN ALI ABBAS AHMED DAWOOD FAKHRUDDIN VALIBHAI SYED WAJID ALI SHAH AMIR ALI H. FANCY M. R. SIDDIQUI	*Directors.*
K. SHAH ZAMAN	*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, 1962, 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 : *18th May, 1963.*

PAKISTAN INSURANCE CORPORATION

REVENUE ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1962.
CONSOLIDATED FOR ALL CLASSES OF BUSINESS

1961 Rs.	EXPENDITURE	Amount Rs. Ps.	Total Rs. Ps.	1961 Rs.	INCOME	Amount Rs. Ps.	Total Rs. Ps.
40,58,701	Commission Paid (Less Retrocessions).		55,47,343.48	54,44,964	Premiums Reserve brought forward from last year.		61,53,345.00
	Claims (Less Retrocessions) :			3,76,63,082	Premiums.	4,78,89,560.73	
58,56,100	Paid during the year.	65,37,726.47		2,53,56,393	Less : Retrocessions.	3,24,86,087.50	1,54,03,473.23
25,20,195	Add : total estimated liability in respect of outstanding claims at the end of the year whether due or intimated.	30,05,328.96		1,23,06,689			
83,76,295	Total ...	95,43,055.43					
22,12,951	Less : outstanding at the end of the previous year.	25,20,195.51	70,22,859.92				
61,63,344							
6,11,195	Expenses of Management.		6,30,602.14				
61,53,345	Premium Reserve being 50% of the premiums less Retrocessions for the year.		77,01,737.00				
7,65,068	Profit transferred to Profit and Loss Account.		6,54,275.69				
1,77,51,653		Total Rs. ...	2,15,56,818.23	1,77,51,653		Total Rs. ...	2,15,56,818.23

As per our report annexed.

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

FEROZE QAISER
For Feroze Sharif & Co.
Chartered Accountants

S. M. SIDDIQUE
Assistant Manager (Accounts)

MOHAMED SADIQ
Chief Manager

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AMIR ALI H. FANCY
M. R. SIDDIQUI
} *Directors.*

K. SHAH ZAMAN — *Managing Director*

Karachi, 18th May, 1963.

PAKISTAN INSURANCE CORPORATION

REVENUE ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1962.

FIRE BUSINESS

1961 Rs.	EXPENDITURE	Amount Rs. Ps.	Total Rs. Ps.	1961 Rs.	INCOME	Amount Rs. Ps.	Total Rs. Ps.
16,83,659	Commission Paid Less Retrocessions).		22,73,772,97	24,09,927	Premium Reserve brought forward from last year.	...	23,64,205.00
	Claims (Less Retrocessions) :			1,51,37,202	Premiums.	1,92,95,978.67	
18,95,483	Paid during the year.	24,87,442.29		1,04.08,792	Less : Retrocessions.	1,33,99,935.42	58,96,043-25
8,30,059	Add : total estimated liability in respect of outstanding claims at the end of the year whether due or intimated.	9,81,082.59		47,28,410			
27,25,542	Total ...	34,68,524,88					
5,79,688	Less: Outstanding at the end of the previous year.	8,30,059.07	26,38,465.81				
21,45,854							
2,45,646	Expenses of Management.		2,54,086.39				
23,64,205	Premium Reserve being 50% of the premiums less Retrocessions for the year.		29,48,022.00				
6,98,973	Profit transferred to Profit & Loss Account.		1,45,901.08				
71,38,337		Total Rs. ...	82,60,248.25	71,38,337		Total Rs. ...	82,60,248.25

As per our report annexed.

W R HASHMI
For Hashmi & Co ,
Chartered Accountants.

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For Feroze Sharif & Co.
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K. SHAH ZAMAN — *Managing Director.*

Karachi, 18th May, 1963.

PAKISTAN INSURANCE CORPORATION

REVENUE ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1962.

MARINE BUSINESS

1961 Rs.	EXPENDITURE	Amount Rs. Ps.	Total Rs. Ps.	1961 Rs.	INCOME	Amount Rs. Ps.	Total Rs. Ps.
11,68,783	Commission Paid (Less Retrocessions).		18,92,750.12	16,88,457	Premium Reserve brought forward from last year.		20,29,714.00
	Claims (Less Retrocessions) :			1,31,23,578	Premiums.	1,54,09,770.13	
25,14,950	Paid during the year.	23,03,834.66		90,64,151	Less : Retrocessions.	97,98,600.45	56,11,169.68
9,96,947	Add : total estimated liability in respect of outstanding claims at the end of the year whether due or intimated.	11,83,723.29		40,59,427			
				88,923	Loss transferred to Profit and Loss Account.		—
35,11,897	Total ...	34,87,557.95					
10,86,556	Less : Outstanding at the end of the previous year.	9,96,947.00	24,90,610.95				
24,25,341							
2,12,969	Expenses of Management.		2,02,913.41				
20,29,714	Premium Reserve being 50% of the premiums less Retrocessions for the year.		28,05,585.00				
—	Profit transferred to Profit and Loss Account.		2,49,024.20				
58,36,807		Total Rs. ...	76,40,883.68	58,36,807		Total Rs. ...	76,40,883.68

As per our report annexed.

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For Hashmi & Co.,
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— *Directors.*

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Karachi, 18th May, 1963.

PAKISTAN INSURANCE CORPORATION

REVENUE ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1962.
MISCELLANEOUS BUSINESS

1961 Rs.	EXPENDITURE	Amount Rs. Ps.	Total Rs. Ps.
12,06,258	Commission Paid (Less Retrocessions).		13,80,820.39
	Claims (Less Retrocessions).		
14,45,666	Paid during the year.	17,46,449,52	
6,93,190	Add : total estimated liability in respect of outstanding claims at the end of the year whether due or intimated.	8,40,523.08	
21,38,856	Total ...	25,86,972.60	
5,46,707	Less : Outstanding at the end of the previous year.	6,93,189.44	18,93,783.16
15,92,149			
1,52,580	Expenses of Management.		1,73,602.34
17,59,426	Premium Reserve being 50% of the Premiums less Retrocession for the year.		19,48,130.00
1,55,018	Profit transferred to Profit and Loss Account.		2,59,350.41
48,65,431	Total Rs. ...		56,55,686.30

1961 Rs.	INCOME	Amount Rs. Ps.	Total Rs. Ps.
13,46,580	Premium Reserve brought forward from last year.		17,59,426.00
94,02,301	Premiums.	1,31,83,811.93	
58,83,450	Less : Retrocessions.	92.87,551.63	38,96,260.30
35,18,851			
48,65,431	Total Rs. ...		56,55,686.30

As per our report annexed.

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K. SHAH ZAMAN — *Managing Director*

Karachi, 18th May, 1963

PAKISTAN INSURANCE CORPORATION

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1962.

1961 Rs.	PARTICULARS	Amount Rs. Ps.	Total Rs Ps.	1961 Rs.	PARTICULARS	Amount Rs. Ps.	Total Rs. Ps.
	Expenses of Management: (Not applicable to any particular Revenue Account.)			6,15,628	Interest & Dividend.		7,68,947.19
					Profit transferred from Revenue Accounts:		
16,695	Directors' Fee & T. A.	10.620.00		6.98,973	Fire	1,45.901 08	
4 500	Auditors' Fee.	4.500.00		(—) 88,923	Marine.	2,49.024.20	
16,778	Training Scheme.	17,466 28		1,55,018	Miscellaneous	2,59,350.41	6,54,275 69
18,068	Depreciation.	51,635.73		7,65,068			
2 370	Advertisement & Publicity.	616.05			Other Receipts:		
5,455	Loss on sale of Fixed Asset.	—	84,838.06	45	Share Transfer Fee.	36 00	
63,866				3,909	Profit on Sale of Investments.	1,367 19	
	Other Expenses:			—	Profit on Sale of Fixed Assets.	1,932 35	
	Interest on deposits retained			—	Rent received & accrued.	67,020.00	
5,960	from other Companies		15,645.06	1,94,594	Miscellaneous Income.	1,67,696 87	2,38,052.41
15,09,418	Nett Profit for the year carried down.		15,60,792.17	1,98,548			
15,79.244		Total Rs. ...	16,61,275.29	15,79.244		Total Rs. ...	16,61,275.29

PROFIT & LOSS APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1962.

1961 Rs.	PARTICULARS	Amount Rs. Ps.	Total Rs Ps.	1961 Rs.	PARTICULARS	Amount Rs. Ps.	Total Rs. Ps.
2,00.000	Dividend for the year 1961.		2,00,000.00	2,58,617	Balance brought forward from last year.		2,18,034.82
	Amounts transferred to:						
12,00,000	Exceptional Loss Reserve.	12.50.00.00		15,09,418	Nett profit for the year brought forward.		15,60,792.17
50 000	Taxation Reserve.	1,25,000.00					
1,00,000	General Reserve.	—	13,75,000.00				
13,50,000							
2,18,035	Balance carried forward to Balance Sheet.		2,03,826.99				
17,68.035		Total Rs. ...	17,78,826.99	17,68,035		Total Rs. ...	17,78 826.99

As per our report annexed.

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K. SHAH ZAMAN — *Managing Director*

Karachi, 18th May, 1963

PAKISTAN INSURANCE CORPORATION

BALANCE SHEET AS AT 31st DECEMBER, 1962.

1961. 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 :		
31,50,000	Exceptional Loss Reserve.	44,00,000.00	
13,00 000	General Reserve.	13.00,000.00	
3,50,000	Reserve for Taxation.	4,75 000 00	
1,50.000	Reserve for Bad & Doubtful Debts.	1,50,000 00	63,25,000.00
49,50,000			
2,18,035	Profit & Loss Account.		2,03,826.99
	Reserve for outstanding Claims:		
8,30,059	Fire	9,81,082.59	
9,96,947	Marine.	11,83,723 29	
6,93,189	Miscellaneous.	8,40,523.08	30,05,329.96
25,20,195			
	Premium Reserve :		
23,64,205	Fire.	29,48,022.00	
20,29,714	Marine.	28.05.585.00	
17,59,426	Miscellaneous.	19,48.130.00	77,01,737.00
61,53,345			
43,97,810	Amount due to other persons and bodies carrying on Insurance Business.		78,15,546.15
38,49.548	Deposits retained and or received from other Companies.		43,91.354.31
65,080	Sundry Creditors.		1.80,347.50
2,41,54,013	Total Rs. ...		3,16,23,140.91

NOTE:—There is a contingent liability to the tune of Rs. 6,48,500/- in respect of calls not yet made on partly paid shares of companies held by the Corporation as investments.

1961 Rs.	Property & Assets.	Amount Rs. Ps.	Total Rs. Ps.
	Investments—At Cost :		
52,67,404	Govt. & other Securities.	60,13,321.38	
60,29,921	Stock & Shares.	67,54,365.98	
4,62,250	Debentures.	14.62.250.00	
1,17,59,575		1,42,29,937.36	
	(Market Value as at 31st. December, 1962, Rs. 1,78,67,067.63).		
4,99,21	Land and Building.	6,71,596.14	1,49,01,533.50
1,22,58,696			
56,30,120	Amount due from persons and bodies carrying on Insurance Business.		88,69,362.88
34,64,128	Deposits held by Ceding Companies.		41,49,373.12
16,56,213	Cash in hand & at Bank.		24,23,343.29
94.893	Interest accrued and outstanding		1,16,491.59
1,14,534	Sundry Debtors.		42,371.26
8,02,088	Advances, Loans, Deposits and pre-paid Expenses		9,83,140.81
1,26,936	Furniture, Fixtures, Office Equipment and Vehicles at cost less depreciation.		1,32,761.36
6,405	Stock of Stationery in hand.		4,763.10
2,41,54,013	Total Rs. ...		3,16,23,140.91

As per our report annexed.

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

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K. SHAH ZAMAN — *Managing Director*

Karachi, 18th May, 1963.

PAKISTAN INSURANCE CORPORATION

KARACHI

NOTIFICATION

The Tenth Annual General Meeting of the Shareholders of Pakistan Insurance Corporation will be held at Pakistan Insurance Building, Bunder Road, (Opp: Mereweather Tower), Karachi-2, on Saturday, the 29th June, 1963 at 11-30 A.M. to transact the following business, namely :—

(1) Confirmation of the Minutes of the ninth Annual General Meeting held on Friday, the 29th June, 1962.

(2) The Balance Sheet as at 31st December, 1962, the Revenue Accounts and the Profit & Loss Account and Profit & Loss Appropriation Account for the year ended 31st December, 1962 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 1962 Accounts.

The Share Transfer Register will remain closed for 8 days from 22nd June, 1963 to 29th June, 1963, both days inclusive.

By order of the Board,
K. SHAH ZAMAN
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