



**PAKISTAN
INSURANCE
CORPORATION**

19th Annual Report & Accounts

FOR THE YEAR ENDED 31st DECEMBER, 1971

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

LIST OF DIRECTORS

H.U. BEG. S.Q.A., P.T.S.

Chairman/Director

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

Director

RIAZ AHMAD NAIK P.T.S.

Director

MOHAMMAD CHOUDHURY

Director

MIRZA MEHDI ISPAHANI

Director

KHUDA BUKSH

Director

N. A. QAZI

Acting 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,

33, Dilkusha Commercial Area Motijheel,

P.O. Box No. 337

Dacca-2

LAHORE OFFICE

Pakistan Insurance Corporation,

WAPDA House, 4th Floor,

Quaid-e-Azam Road,

P. O. Box No. 578

Lahore.

AUDITORS

FEROZ SHARIF & CO.

HASHMI & CO.

PAKISTAN INSURANCE CORPORATION

KARACHI

Report by the Board of Directors for the year ended 31st December 1971

To the Shareholders.

Your Directors have pleasure in presenting herewith their 19th Annual Report together with the Revenue accounts, the Profit and Loss and Profit and Loss Appropriation Accounts for the year ended 31st December, 1971, the Balance Sheet as at 31st December, 1971 and the Report of the Auditor's thereon.

A summary of the accounts is given below:-

Revenue Accounts

(In lacs of Rupees)

	Fire		Marine		Misc.		Life		Total.	
	1970	1971	1970	1971	1970	1971	1970	1971	1970	1971
Gross Premium.	453.57	510.65	615.90	600.14	479.65	544.43	5.33	12.45	1554.45	1667.67
Retrocession Premium.	273.39	288.06	349.18	328.96	314.82	398.97	0.63	1.28	938.02	1017.27
Net Premium	180.18	222.59	266.72	271.18	164.83	145.46	4.70	11.17	616.43	650.40
Net Commission.	94.04	97.67	64.58	71.18	45.88	38.47	0.87	1.65	205.37	208.97
Net Claims.	76.57	84.36	185.21	255.25	106.18	94.76	1.64	3.96	369.60	438.33
Expenses of Management.	9.65	10.30	13.10	12.10	10.21	10.98	0.11	0.26	33.07	33.64
Premium Reserve Adjustment.	(—)2.35	16.96	(—)31.50	1.78	1.58	(—)7.76	—	—	(—)32.27	10.98
Exceptional Loss Reserve Adjustment.	—	—	—	(—)72.00	—	—	—	—	—	(—)72.00
Life Fund Increase.	—	—	—	—	—	—	2.07	5.30	2.07	5.30
Underwriting Profit.	2.26	13.30	35.34	2.87	0.98	9.01	—	—	38.58	25.18

These accounts are excluding the business of East Pakistani Companies for 3rd and 4th quarters due to non-receipt of the returns, on the basis of which our own accounts are prepared. These accounts also do not include the expenses incurred at Dacca Office during 2nd half of 1971 since the same have not yet been received. However, even from these accounts it will be observed that Corporation made good progress. The Corporation earned a gross premium of Rs. 510.65 lacs in Fire Business as against Rs. 453.57 lacs during 1970, Rs. 544.43 lacs in Miscel-

laneous business as against Rs. 479.65 lacs during 1970, 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. 12.45 lacs as against Rs. 5.33 lacs in the year 1970. 1971's Marine Premium shows some decline. The total Gross Premium recorded in 1971 on the basis of incomplete returns amounted to Rs. 1,667.67 lacs against the Gross Premium of Rs. 1,554.45 lacs during the year 1970.

There have been huge losses on Marine Business due to war with India. Since the losses due to War cannot be treated as usual Marine Losses of the Country as such these losses are intended to be met out of the Exceptional Loss Reserve which has been created for such extraordinary events. Accordingly a sum of Rs. 72 lacs has been transferred back from Exceptional Loss Reserve to the Marine Department to meet losses incurred due to destruction, capture and seizure of the Pakistani ships and Cargo during 1971 Indo-Pakistan Conflict.

Underwriting Profit.

The year ended with an over all underwriting profit of Rs. 25.18 lacs after writing back a sum of Rs. 72.00 lacs from the Exceptional Loss Reserve and inspite of the financial charge of Rs. 10.98 lacs for the conventional Premium Reserve.

Profit and Loss Appropriation 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. 70.69 lacs, as against Rs. 87.52 lacs in 1970, as shown below:-

Underwriting Profit:		Rs.	25,18,185
Income from Investment and other sources.		Rs.	51,38,485
		Rs.	76,56,670
Miscellaneous Expenses.		Rs.	5,87,431
Net Profit.		Rs.	70,69,239
Profit & Loss Balance brought forward from 1970.		Rs.	5,93,901
		Rs.	76,63,140
Less Dividend for 1970 paid during the year.		Rs.	5,00,000
Amount available for disposal which has been appropriated as under.		Rs.	71,63,140
Exceptional Loss Reserve	Rs.	61,00,000	
Taxation Reserve.	Rs.	5,00,000	Rs. 66,00,000
Balance available for Dividend for the year under report and to be carried forward.		Rs.	5,63,140

Balance Sheet.

The Corporation's financial and underwriting reserves which have been accumulating satisfactorily from year to year stood as under on 31st December, 1971.

(a) Paid-up Capital.		Rs. 50,00,000
(b) Financial & other Reserves :		
Exceptional Loss Reserve.	Rs. 2,50,17,000	
General Reserve.	Rs. 43,00,000	
Reserve for Taxation.	Rs. 37,19,427	
Reserve for Bad & Doubtful Debts.	Rs. 1,50,000	
Reserve for Exchange Fluctuation.	Rs. 6,36,194	
Gratuity Fund.	Rs. 3,83,932	
		Rs. 3,42,06,553
(c) Technical Reserves :		
Premium Reserves.	Rs. 2,86,38,000	
Life Fund.	Rs. 8,01,338	
Reserve for outstanding Claims	Rs. 4,34,14,645	Rs. 7,28,53,983
Total Capital & Reserves.		Rs. 11,20,60,536

The investments of the Corporation at the end of 1971 amounted to Rs. 5,20,83,559. The break-up of these investments is as follows:-

Government Loans, Bonds and Certificates.	Rs. 70,80,388
Stock and Shares.	Rs. 3,17,86,903
Debentures.	Rs. 33,14,750
	Rs. 4,21,82,041
Land and Buildings.	Rs. 99,01,518
	Total: Rs. 5,20,83,559

The Income from Investments for the 1971 stands at Rs. 37.83 lacs as against Rs. 42.94 lacs in 1970. In addition Bonus Shares of the face value of Rs. 7.45 lacs have also been received by the Corporation during the year. The short fall in the income can mainly be attributed to uncertain economic conditions in the country which resulted in delayed declaration of Dividends and also in some cases at the reduced rates by certain Companies. The non-availability of Dividend amount of some of the East Pakistani Companies is also one of the reasons for the downfall.

In spite of uncertainties prevailing in the country during December, 1971. P.I.C. was able to negotiate and place its Excess Loss Covers at reasonable terms. Some adjustments in the Marine Hull and Cargo Reinsurance arrangements became necessary as a result of huge losses arising out of the war. Nevertheless P.I.C. was in a position to secure adequate reinsurance protection satisfactorily.

The renewal of home treaties for 1972 was completed in November, 1971 and to the satisfaction of all concerned. Some of the companies who faced difficulties in completing the placement of their reinsurance treaties due to out break of subsequent hostilities were assisted by P.I.C. by accomodating them to the best possible extent.

The Life Department continued to make good progress during the year inspite of the fact that it did not have the advantage of receiving compulsory cessions. The Premium Income rose from 5.33 lacs in 1970 to 12.45 lacs in 1971 showing an increase of 133%. The Department now has treaties with 33 Life Insurance Companies including 4 foreign Companies. The Life Insurance Business has recently been nationalized. It is hoped that the reinsurance relations with the new arrangement shall continue. Due to the changed circumstances it may be necessary to re-adjust the existing treaty arrangements with different companies and it is expected that there would be no serious effect on Premium Income of the Corporation. The Department has also extended rating facilities in Group Insurance field specially to the younger and medium sized companies. It is expected that our Premium Income on this Account will also increase in coming years.

The National Co-insurance Scheme, which is being managed by P.I.C. despite disturbed political and economic conditions in the country throughout 1971, has been able to do fairly well. Against last years' premium income of Rs. 845 lacs, the premium income underwritten during the year under review, amounted to Rs. 819 lacs. However, due to lack of communications with East Pakistan, only a nominal portion of its business for 1971 could be accounted for. The total premium income of Rs. 819 lacs, includes Rs. 47 lacs only of the East Pakistan's business and the balance represents premium income emanating from Western Wing. It is, however, a matter of satisfaction that West Pakistan's premium income during 1971 rose to Rs. 772 lacs against Rs. 682 lacs in the preceding year.

The Export Credit Guarantee Scheme continued to be administered by your Corporation on behalf of the Central Government for the 10th 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 412 in 1970 to 457 in 1971.

The Corporation continued to play an active and useful role in regard to multinational regional cooperation in the field of insurance under the aegis of RCD, IPECC of FAIR. The RCD Reinsurance Pools which aim at reducing the foreign exchange outgo of the region on account of reinsurance services achieved satisfactory progress. The number of member companies stood at 47 in 1971 as against 25 at inception in 1967. The premium income of the Pools is now estimated at about \$. 1.8 million as against the actual figure of \$. 1.3 million in 1967. The ultimate aim is to transfer the Pools into an RCD Reinsurance Company for which purpose studies are being carried out. The RCD Insurance Centre at Karachi continued to make useful contribution of furthering cooperation in the field of insurance. The Centre is now headed by a whole time Director deputed by the Corporation.

The RCD International School of Insurance established last year at Tehran has been functioning successfully. At present ten students from Pakistan are studying in this School. Under the RCD Technical Cooperation Programme, three scholarships are allocated to Pakistan every year for studies in the School.

Cooperation in the field of insurance with Indonesia under IPECC is being developed on similar lines. Regular contacts between the officials of the Corporation and the Reasuransi Umum Indonesia are being maintained to expand the volume of cooperation in this field.

The Corporation continued to play an active role in the activities of the Federation of Afro-Asian Insurers and Reinsurers (FAIR). A proposal of establishing an Afro-Asian Re-insurance Pool under the aegis of the FAIR is under study.

During the year under review the Central Government entrusted to the Corporation the administration of Civil Commotion Compensation Fund and War Risks Insurance Scheme promulgated under Civil Commotion Compensation Fund Ordinance and War Risks Insurance Ordinance, 1971. The Corporation was made responsible for looking after the day to day implementation of the Ordinances and the Rules framed there under.

Since the last report there have been some changes in the constitution of the Board of Directors of the Corporation. Mr. Sirajul Haque, PRAS, was replaced by Mr. M. Mujibul Haque, CSP, as nominee of the Ministry of Commerce. Mr. H.U. Beg, SQA, PTS, joined the Board again as nominee of the Government in his capacity as Managing Director, ICP, later on as a result of the occupation of East Pakistan by the Enemy and due to the non-availability of Mr. M.H. Rahman, SQA, Mr. H.U. Beg, SQA, PTS was appointed as Chairman of the Board of Directors of the Corporation in the absence of Mr. Mohd. Hafizur Rahman, SQA. The Directors wish to place on record their deep appreciation of the valuable services rendered by the out-going Directors and 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 the greater progress under their able guidance.

The Directors wish to express their appreciation of the tireless and devoted efforts put in by the management and the 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 overseas 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% (ten per cent) which is the maximum permissible under the P.I.C. Act.

H.U. BEG. S.Q.A., P.T.S.	<i>Chairman/Director</i>
H.N. AKHTAR P.C. & E.S	} <i>Directors</i>
RIAZ AHMAD NAIK P.T.S.	
MOHAMMAD CHOUDHURY	
MIRZA MEHDI ISPAHANI	
KHUDA BUKSH	
N. A. QAZI	<i>Acting Managing Director</i>

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, 1971 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 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.

(FEROZ SHARIF & CO.)
Chartered Accountants

(HASHMI & CO.)
Chartered Accountants

Karachi 20th June 1971

PAKISTAN INSURANCE

REVENUE ACCOUNT FOR THE YEAR ENDED

CONSOLIDATED FOR ALL CLASSES

1970 Rs.	PARTICULARS	Amount Rs.	Total Rs.
2,05,37,737	Commission paid (less Retrocessions)		2,08,97,144
2,85,47,726	Claims (less Retrocessions) paid during the year.	2,93,18,275.	
2,89,00,058	Add: Total estimated Liability in respect of outstanding claims at the end of the year whether due or intimated.	4,34,14,645	
5,74,47,784	Total:-	7,27,32,920	
2,04,86,436	Less: Outstanding at the end of the previous year.	2,89,00,058	4,38,32,862
3,69,61,348			33,63,558
33,06,619	Expenses of Management.		2,86,38,000
2,75,40,000	Premium Reserve for the year.		8,01,338
2,71,174	Balance of Life Fund at the end of the year.		25,18,184
38,58,223	Profit transferred to Profit & Loss Account.		
9,24,75,101		Total:-	10,00,51,086

As per report of date annexed.

(FEROZ SHARIF & CO.)
Chartered Accountants.

(HASHMI & CO.)
Chartered Accountants.

(YAQUB ALI)
Manager
(Accounts & Investment)

Karachi 20.6.1972

OF BUSINESS.

Acting Managing Director.

PAKISTAN INSURANCE

REVENUE ACCOUNT FOR THE YEAR ENDED

FIRE

1970	PARTICULARS	Amount	Total
Rs.		Rs.	Rs.
94,03,765	Commission paid (less Retrocessions)		97,66,936
68,97,376	Claims (less Retrocessions) paid during the year.	57,00,118	
	Add: Total estimated Liability in respect of outstanding Claims at the end of the year whether due or intimated.	79,01,648	
51,66,208		<u>1,36,01,766</u>	
1,20,63,584			
44,06,107	Less: Outstanding at the end of the previous year.	<u>51,66,208</u>	
76,57,477			84,35,558
9,64,817	Expenses of Management.		10,29,941
83,83,000	Premium Reserve for the year.		1,00,79,000
2,26,563	Profit transferred to Profit & Loss Account.		13,30,136
<u>2,66,35,622</u>		Total:-	<u>3,06,41,571</u>

As per report of date annexed.

(FEROZ SHARIF & CO.)
Chartered Accountants

(HASHMI & CO.)
Chartered Accountants

(YAQUB ALI)
Manager
(Accounts & Investment)

Karachi 20.6.1972

CORPORATION

31ST DECEMBER, 1971.

BUSINESS

1970	PARTICULARS	Amount	Total
Rs.		Rs.	Rs.
86,18,058	Premium Reserve brought forward from last year.		83,83,000
4,53,56,402	Premiums.	5,10,65,007	
2,73,38,838	Less: Retrocessions.	2,88,06,436	
1,80,17,564			2,22,58,571
		Total:-	3,06,41,571

H.U. BEG. S.Q.A., P.T.S.
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MOHAMMAD CHOUDHURY
MIRZA MEHDI ISPAHANI
KHUDA BUKSH
N. A. QAZI

Chairman/Director

Directors

Acting Managing Director

PAKISTAN INSURANCE

REVENUE ACCOUNT FOR THE YEAR ENDED

MARINE

1970	PARTICULARS	Amount	Total
Rs.		Rs.	Rs.
64,57,705	Commission paid (less Retrocessions)		71,17,702
1,31,59,990	Claims (less Retrocessions) paid during the year.	1,52,61,868	
	Add: Total estimated Liability in respect of outstanding Claims at the end of the year whether due or intimated.	2,72,34,808	
1,69,71,948			
3,01,31,938		4,24,96,676	
1,16,11,066	Less: Outstanding at the end of the previous year.	1,69,71,948	
1,85,20,872			2,55,24,728
13,10,148	Expenses of Management.		12,10,437
1,19,33,000	Premium Reserve for the year.		1,21,11,000
35,33,527	Profit transferred to Profit & Loss Account.		2,87,538
4,17,55,252		Total:-	4,62,51,405

As per our report of date annexed.

(FEROZ SHARIF & CO.)
Chartered Accountants

(HASHMI & CO.)
Chartered Accountants

(YAQUB ALI)
Manager
Accounts & Investment

Karachi 20.6.1972.

CORPORATION

31ST DECEMBER, 1971.

BUSINESS

1970	PARTICULARS	Amount	Total
Rs.		Rs.	Rs.
1,50,83,342	Premium Reserve brought forward from last year.		1,19,33,000
6,15,89,835	Premiums	6,00,14,216	
3,49,17,925	Less: Retrocessions.	3,28,95,811	
2,66,71,910			2,71,18,405
—	Amount transferred from Exceptional Loss Reserve.		72,00,000
4,17,55,252		Total:-	4,62,51,405

H.U. BEG. S.Q.A., P.T.S.
H.N. AKHTAR P.C. & E.S.
RIAZ AHMAD NAIK P.TS.
MOHAMMAD CHOUDHURY
MIRZA MEHDI ISPAHANI
KHUDA BUKSH
N. A. QAZI

Chairman/Director

Directors

Acting Managing Director

PAKISTAN INSURANCE

REVENUE ACCOUNT FOR THE YEAR ENDED

MISCELLANEOUS

1970 Rs.	PARTICULARS	Amount Rs.	Total Rs.
45,88,741	Commission paid (less Retrocessions)		38,46,997
83,39,391	Claims (less Retrocessions) paid during the year.	79,49,890	
	Add: Total estimated Liability in respect of outstanding claims at the end of the year whether due or intimated.	81,56,090	
66,29,294			
1,49,68,685		1,61,05,980	
43,49,876	Less: Outstanding at the end of the previous year.	66,29,294	
1,06,18,809			94,76,686
10,20,316	Expenses of Management.		10,98,070
72,24,000	Premium Reserve for the year.		64,48,000
98,133	Profit transferred to Profit & Loss Account.		9,00,510
<u>2,35,49,999</u>		Total:-	<u>2,17,70,263</u>

As per report of date annexed.

(FEROZ SHARIF & CO.)
Chartered Accountants

(HASHMI & CO.)
Chartered Accountants

(YAQUB ALI)
Manager
(Accounts & Investment)

Karachi 20.6.1972.

CORPORATION

31ST DECEMBER, 1971

BUSINESS

[illegible]

H.U. BEG. S.Q.A., P.T.S.
H.N. AKHTAR P.C. & E.S.
RIAZ AHMAD NAIK P.T.S.
MOHAMMAD CHOUDHURY
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N. A. QAZI

Chairman/ Director

Directors

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PAKISTAN INSURANCE

REVENUE ACCOUNT FOR THE YEAR ENDED

LIFE

1970	PARTICULARS	Amount	Total
Rs.		Rs.	Rs.
87,526	Commission paid (Less Retrocession).		1,65,509
	Claims (Less Retrocession) Paid during the year.		
1,47,857	By Death.	3,39,690	
—	By Maturity.	—	
—	By Surrenders.	—	
3,112	By Personal Accidents.	66,709	
—	By Annuities.	—	
1,50,969		4,06,399	
1,32,607	Add: Total estimated Liability in respect of outstanding claims as at end of the year whether due or intimated.	1,22,099	
2,83,576	Total:-	5,28,498	
1,19,387	Less: Outstanding at the end of the previous year.	1,32,608	
1,64,189			3,95,890
11,338	Expenses of Management.		25,110
2,71,174	Balance of Fund at the end of the year.		8,01,338
5,34,227	Total:-		13,87,847

See annexed report of date.

(FEROZ SHARIF & CO.)
Chartered Accountants

(HASHMI & CO.)
Chartered Accountants

(YAQUB ALI
Manager
(Accounts & Investment))

Karachi 20.6.1972.

CORPORATION

31ST DECEMBER, 1971.

BUSINESS

[illegible]

H.U. BEG. S.Q.A., P.T.S.
H.N. AKHTAR P.C. & E.S.
RIAZ AHMAD NAIK P.T.S.
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N. A. QAZI

Chairman/Director

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Acting Managing Director.

PAKISTAN INSURANCE

PROFIT & LOSS ACCOUNT FOR THE YEAR

1970	PARTICULARS	Rupees	Rupees
Rs.			
	Expenses of Management Not applicable to any particular Revenue account).		
20,207	Director's Fee & T. A.	2,382	
10,500	Auditor's Fee	16,500	
16,811	Advertisement & Publicity	7,487	26,369
81,157	R. C. D. Expenses	82,340	
1,14,088	D. I. T. Expenses	60,349	
3,739	Leave Salary & Pension Contribution in Respect of Borrowed Staff	—	
2,289	F.A.I.R. Expenses	2,656	
2,48,791			1,45,345
1,60,000	Donation		2,59,000
1,08,240	Interest paid on deposits retained from other companies		1,56,717
76,207	Difference in Exchange.		—
87,52,013	Net Profit for the year carried down.		70,69,238
93,45,251		Total:-	76,56,669

PROFIT AND LOSS APPROPRIATION ACCOUNT

5,00,000	Dividend for the year 1970.		5,00,000
	Amount transferred to :-		
61,17,000	Exceptional Loss Reserve	61,00,000	
6,00,000	Taxation Reserve.	5,00,000	
15,00,000	General Reserve.	—	66,00,000
5,93,901	Balance carried forward to Balance Sheet.		5,63,139
93,10,901		Total:-	76,63,139

As per our report of date annexed.

The above Accounts should be

(FEROZ SHARIF & CO.)
Chartered Accountants

(HASHMI & CO.)
Chartered Accountants

(YAQUB ALI)
Manager
Accounts & Investment

Karachi 20.6.1972

CORPORATION

ENDED 31ST DECEMBER, 1971

1970 Rs.	PARTICULARS	Rupees	Rupees
	Investment Income.		
41,99,826	Interest Dividend & other Income.	36,89,066	
1,34,807	Income from Building.	1,32,983	
41,072	Less: Depreciation and other expenses.	39,031	
42,93,561			
	Profit transferred from Revenue Accounts:	93,952	37,83,018
2,26,563	Fire.	13,30,136	
35,33,527	Marine	2,87,538	
98,133	Miscellaneous	9,00,510	
38,58,223			25,18,184
	Other Receipts: Profit on sale of Assets.		
2,34,401	Interest received on deposits retained by other companies.	2,52,047	
15	Transfer Fee.	31	
50,046	Profit on sale of Investments	2,670	
9,09,005	Miscellaneous Income	9,55,871	
11,93,467	Difference in Exchange.	1,44,848	13,55,467
93,45,251		Total:-	76,56,669
FOR THE YEAR ENDED 31ST DECEMBER, 1971			
5,58,888	Balance brought forward from last year.		5,93,901
87,52,013	Net Profit for the year brought forward		70 69 238
93,10,901		Total:-	76,63,139

read in conjunction with annexed Notes.

H.U. BEG. S.Q.A., P.T.S.
H.N. AKHTAR P.C. & E.S.
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Chairman/Director

Directors.

Acting Managing Director.

PAKISTAN INSURANCE

BALANCE SHEET AS AT

1970	CAPITAL AND LIABILITIES	Life Business	General Business	Total
Rs.		Rs.	Rs.	Rs.
	Capital authorised:			
100,00,000	1,00,000 Shares of Rs. 100 each.			1,00,00,000
	Issued and paid up:			
50,00,000	50,000 Shares of Rs. 100 each fully paid up.	—	50,00,000	50,00,000
10,725	Share Premium Account.	—	10,725	10,725
	Reserves and Provisions:			
2,61,17,000	Exceptional Loss Reserve.	—	2,50,17,000	2,50,17,000
43,00,000	General Reserve.	—	43,00,000	43,00,000
32,19,427	Reserve for Taxation.	—	37,19,427	37,19,427
1,50,000	Reserve for Bad & Doubtful Debts.	—	1,50,000	1,50,000
3,29,802	Reserve for Exchange Fluctuation.	—	6,36,194	6,36,194
2,80,708	Gratuity Fund.	—	3,83,932	3,83,932
5,93,901	Profit and Loss Account.	—	5,63,139	5,63,139
	Reserve for Outstanding Claims.			
51,66,208	Fire.	—	79,01,648	79,01,648
1,69,71,948	Marine.	—	2,72,34,808	2,72,34,808
66,29,294	Miscellaneous.	—	81,56,090	81,56,090
1,32,607	Life.	1,22,099	—	1,22,099
	Premium Reserve & Life Fund.			
83,83,000	Fire.	—	1,00,79,000	1,00,79,000
1,19,33,000	Marine.	—	1,21,11,000	1,21,11,000
72,24,000	Miscellaneous.	—	64,48,000	64,48,000
2,71,174	Life.	8,01,338	—	8,01,338
9,67,12,794	Carried over	Rs. 9,23,437	11,17,10,963	11,26,34,400

CORPORATION

31ST DECEMBER, 1971.

1970	PROPERTY & ASSETS	Life Business	General Business	Total
Rs.		Rs.	Rs.	Rs.
	Investments—At Cost.			
68,28,138	Government & other Securities.	—	70,80,388	70,80,388
3,21,94,924	Stock & Shares.	—	3,17,86,903	3,17,86,903
32,11,250	Debentures.	—	33,14,750	33,14,750
4,22,34,312			4,21,82,041	4,21,82,041
	Market value as at 31st December, 1971. (Rs. 4,77,07,926)			
90,07,569	Land and Building.	—	99,01,518	99,01,518
5,12,41,881			5,20,83,559	5,20,83,559
	Amount due from persons and bodies carrying on Insurance Business.	4,52,220	7,26,16,759	7,30,68,979
1,59,31,733	Deposits held by Ceding Companies	445	1,56,19,232	1,56,19,677
1,34,72,387	Cash in hand and at Banks.	—	2,06,69,548	2,06,69,548
12,62,270	Interest accrued and outstanding.	—	11,84,006	11,84,006
26,37,635	Sundry Debtors.	—	30,08,130	30,08,130
37,21,342	Advances, Loans, Deposits and Prepaid expenses.	—	40,64,059	40,64,059
14,64,84,607	Carried over	Rs. 452,665	16,92,45,293	16,96,97,958

PAKISTAN INSURANCE

BALANCE SHEET AS AT

1970	CAPITAL AND LIABILITIES	Life Business	General Business	Total
Rs.		Rs.	Rs.	Rs.
9,67,12,794	Brought Forward	9,23,457	11,17,10,963	11,26,34,400
	Amount due to other persons and bodies			
3,09,63,432	carrying on Insurance Business.	1,61,003	4,26,90,999	4,28,52,002
	Deposits retained and/or received from			
1,70,71,372	other Companies	—	1,10,04,411	1,10,04,411
21,55,876	Sundry Creditors.	—	8,64,961	8,64,961
—	Bonus Voucher Accounts.	—	28,75,836	28,75,836
1,33,684	Amount due to Life Business...	—	6,31,775	6,31,775
<u>14,70,37,158</u>		<u>10,84,440</u>	<u>16,97,78,945</u>	<u>17,08,63,385</u>

Auditors' Report
See annexed report of date.

(FEROZ SHARIF & CO:)
Chartered Accountants.

(HASHMI & CO:)
Chartered Accountants.

YAQUB ALI
Manager
(Accounts & Investment)

Karachi 20.6.1972

The above Accounts should be read

CORPORATION

31ST DECEMBER 1971

1970	PROPERTY & ASSETS	Life Business	General Business	Total
Rs.		Rs.	Rs.	Rs.
14,64,84,607	Brought Forward	4,52,665	16,92,45,293	16,96,97,958
	Furniture, Fixture, Office Equipment and			
4,07,468	Vehicles at cost less Depreciation.	—	4,80,857	4,80,857
11,400	Stock of Stationery in hand.	—	16,098	16,098
1,33,683	Amount due from General Business.	6,31,775	—	6,31,775
—	Stock of Bonus Vouchers	—	36,697	36,697
<u>14,70,37,158</u>		<u>10,84,440</u>	<u>16,97,78,945</u>	<u>17,08,63,385</u>

in conjunction with the annexed notes.

H.U. BEG. S.Q.A., P.T.S.
H.N. AKHTAR P.C. & E.S.
RIAZ AHMAD NAIK P.T.S.
MOHAMMAD CHOUDHURY
MIRZA MEHDI ISPAHANI
KHUDA BUKSH
N. A. QAZI

Chairman/Director

Directors

Acting Managing Director.

PAKISTAN INSURANCE CORPORATION

Notes Forming part of the Accounts for the year ended 31st December, 1971

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. The transfer of Rs. 72,00,000/- from Exceptional Loss Reserve to meet the Exceptional Loss of Marine Business is responsible for converting a net loss of Rs. 1,30,761.65 into a net profit of Rs. 70,69,238.35 for the year.
3. The Bonus Voucher Account represents the surplus on account of Bonus Vouchers earnings/payments on the Cash-cum-Bonus foreign/Pak. Currency remittance of premium received/paid during the year. Provision for accrued liability/income has not been made in the accounts.
4. 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 Central Government.
5. Included in land and buildings is Rs. 82,41,198.79 on account of Dacca Building under construction.
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. The accounts of Dacca Branch have been incorporated on the basis of the Trial Balance received from Dacca. Trial Balance subsequent to June, 1971 has not been received by P.I.C. and, therefore, transactions relating to the period July to December, 1971 have not been incorporated in the accounts.

8. The net Fixed and Current Assets in East Pakistan amounted to approximately Rs. 2,44,02,000.00 as at 31st December, 1971. This does not include balances of Eastern Federal Union Insurance Co. Ltd., whose Head Office was transferred to West Pakistan subsequent to 31st December, 1971. The realisability or otherwise of the net assets of Rs. 2,44,02,598.57 in East Pakistan can not be ascertained unless and until the matters are settled by the Government.

(YAQUB ALI)
Manager
(Accounts & Investment)

H.U. BEG. S.Q.A., P.T.S.
H.N. AKHTAR P.C. & E.S.
RIAZ AHMAD NAIK P.T.S.
MOHAMMAD CHOUDHURY
MIRZA MEHDI ISPAHANI
KHUDA BUKSH
N. A. QAZI

Chairman/Director

Directors

Acting Managing Director

PAKISTAN INSURANCE CORPORATION

NOTIFICATION

The Nineteenth 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 Friday, the 30th June, 1972 at 10.00 A.M. to transact the following business namely:-

- (1) Confirmation of the Minutes of the 18th Annual General Meeting held on Wednesday, the 30th June, 1971.
- (2) The Balance Sheet as at 31st December, 1971, the Revenue Accounts and the Profit & Loss and the Profit & Loss Appropriation Accounts for the year ended 31st December, 1971, 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 1971 Accounts.

The Share Transfer Registers of the Corporation will remain closed for 8 days with effect from the 23rd June, 1972 to the 30th June, 1972 both days inclusive.

By order of the Board.

(YAQUB ALI)

Manager

Accounts & Investment