

Platinum Insurance Company Limited

Annual Report 1999

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BOARD OF DIRECTORS

MR. SHAHNAWAZ	DIRECTOR
MR. ABDUL WAHAB G.M.	DIRECTOR
MR. IFTIKHAR AHMED	DIRECTOR
MR. MUHAMMAD ASLAM KHAN	DIRECTOR
MRS. ROZINA	DIRECTOR
MR. RAISUL GHANI	DIRECTOR
MR. MUKHTAR AHMED	DIRECTOR

MANAGEMENT

IFTIKHAR AHMED

Chief Executive

MUKHTAR AHMED

Director and Secretary

RASHEED KHAN

Manager (Accounts)

MOHAMMAD INAM

Accounts Officer & Manager Head Office

S.M. QAISER

Manager (Underwriting)

SHAMIM AHMED

Personal Department

JAVOID SOOMRO

Asstt. Accounts

SAIMA KHAN

Manager computer Deptt.

Registered & Head Office:

8th Floor, Uni Centre,
I. I. Chundrigar Road, Karachi.
Phones: 2426217 - 2410829
2419907
Telex: 20980 PICL PK
Cable: PLATINSURE
Fax : (92-21) 2420724
E-mail : psti@cyber. net. pk.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 18th Annual General Meeting, of M/s PLATINUM INSURANCE COMPANY LTD, will be held on SATURDAY the 24th June 2000, at. 11.00. a.m. at company's Registered & Head Office, 8th Floor, Uni Centre, I. I. Chundrigar Road, Karachi to transact the following business.

1. To confirm the Minutes of 17th Annual General Meeting of the Shareholders held on 19th June, 1999.
2. To receive consider and adopt the Audited Accounts for the Financial year ended 31st December '1999 and report of the Directors and Auditors thereon.
3. To consider the re-appointment of retiring auditors M/s. Sajjad Safri & Co, Chartered Accountants, Karachi for the year 2000.
4. To elect seven Director of the Company for the period of three years under section 178(1) of the Company Ordinance 1984. In place of the retiring Director namely.

1. Mr. Iftikhar Ahmed.
2. Mr. Shahnawaz.
3. Mr. Wahab G.M.
4. Mr. Mohd Aslam Khan.
5. Mrs. Rozina.
6. Mr. Rais-ul-Ghani.
7. Mr. Mukhtar Ahmed.

SPECIAL BUSINESS

5. By way of Special business to pass the amendments in the existing Articles of Association of M/s Platinum Insurance Co. Ltd, and delete redundant and inconsistent provisions.

RESOLVED AS PER SPECIAL RESOLUTION that the existing Articles of Association of M/s Platinum Insurance Co. Ltd, be and are hereby amended, in view of certain Articles, thereof need to be deleted as they have either become redundant or inconsistent with the provisions of the Companies Ordinance 1984. For that purpose the attached amendments to set of Article of Association initiated by the Director, of the Company be and is here by approved and adopted as the Articles of Association of the Company, in substitution for and to the exclusion of all existing provisions of the Articles of Association. Resolved that the Chief Executive and or the Company Secretary be and is hereby authorised to take all such steps as may be necessary or incidental for the purpose.

6. To consider any other business of the Company with the permission of the chair.

BY ORDER OF THE BOARD.

SECRETARY

N.B. A Member entitled to attend and vote at this Meeting may appoint a proxy to attend and vote instead of him

such proxy must be a Member of the Company. The proxy in order to valid must be received at Company's Registered Office not less than 48 hours before the Meeting, duly stamped.

Please get Entry Card from Office.

The share Transfer book and Register of Member, of the Company will remain closed for the period from 17th June 2000, to 24th June,2000. (both days inclusive).

Members are also required to Notifying the change of address, if any.

The proposed amendments to the Articles of Association of the Company is being sent to the members alongwith the notice.

SPECIAL RESOLUTION

Resolved that the following amendments be and is hereby made in Articles of Association of M/s Platinum Insurance Company Ltd.

CLAUSE 63-

Word fourteen day, replace with word twenty one day.

CLAUSE 66.

Quorum for Annual General Meeting shall be thirteen members present in person or by proxy and entitled to vote provided atleast ten persons shall be present in person.

CLAUSE 81.

The Proxy must be a member of the Company.

CLAUSE 82.

Proxies must be deposited at the office of the company before 48 hours of the meeting.

CLAUSE 86.

Member's name is entered in the register of members of the company as well as in the index of members u/s. 76(4) of the companies ordinance 1984.

CLAUSE 107.

Four directors shall be quorum of the board,

CLAUSE 114.

Resolution by circulation shall ,be valid if not less than four directors, initiated and signed.

CLAUSE 127.

Alternate director should only be share holders of the company.

DIRECTORS REPORT

GENTLEMEN

Your Directors again feel pleasure in presenting 18th Annual Report on the Accounts of the Company for the year 1999.

The overall economic condition continued to remain under pressure throughout the period under review it was witnessed one of the most turbulent time.

Insurance sector in Pakistan which portrayed rapid growth in the past both in the number of Companies and quantum of business is now faced with some formidable challenge. Now Average growth is finding it difficult to maintain sustained growth rate due to difficult economic conditions. Bank and DFIs are restricting Insurance Companies on the approved penal.

We are committed to further develop Insurance Business by concentrating on Intensifying our utmost efforts which Inshallah will result in consistent and profitable growth. We will continue in our quest to maintain high quality portfolio with prudent diversification of risks. We shall create an environment conducive to Professional growth and development of the employees, Retain and attract superior managerial talents and apply proficient technological and organization support system.

We offer our sincere thanks to our valued Clients, Bankers, Shareholders and Sponsors for the trust and confidence they have placed in the company.

We extend our appreciation to Controller of Insurance, Reinsurers, P.I.C. State Bank, D.F.I. Banks and Security exchange commission of Pakistan their continued support and guidance. We equally appreciate the hard work and commitment demonstrated by our team members in contributing towards achieving the objectives of the Company.

Your Company auditor M/s. Sajjad Safri & Co, (Chartered Accountant) are due for retirement and being eligible for re-appointment for the year 2000.

Date: 29-04-2000

Iftikhar Ahmed
Chief Executive

AUDITORS REPORT TO SHARE HOLDERS

We have audited the annexed Balance Sheet of M/s Platinum Insurance Company Limited as at 31st December, 1999 and the annexed Fire, Marine, Motor and Miscellaneous Revenue Accounts, the Profit and Loss accounts and profit and Loss Appropriation Account of the Company for the year ended 31st December 1999.

1. We have obtained all the information and explanations we have required.
2. In our opinion, the annexed Balance Sheet, the Revenue Accounts, Profit and Loss Account and Profit & Loss Appropriation Account are drawn up in conformity with the law.
3. Such Balance Sheet exhibits a true and correct view of the state of the Company's affairs according to the best of our information and explanations given to us and as shown by the books of the Company.
4. In our opinion the books of accounts have been kept by the company as required by law.
5. We have verified the Cash, Stamps and Bank balances of the Company and also securities relating the Company's investment by inspection of documents and Certificates from the Bank with whom deposits were logged.
6. We certify that Company has not paid to. any person any commission in any form outside Pakistan in respect of the insurance business transacted by the Company in Pakistan and that the Company has not received outside Pakistan from any person any commission in any form in respect of any business re-insured abroad.
7. The outstanding Claims at the close of year have been worked out to Rs. 3295417 = as a General Policy of the Company being followed constantly over the years, no provision of claims where quantum of loss is not known has been made.

FIRE REVENUE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1999

PARTICULAR	1999	1998
	(Rupees)	(Rupees)
Claims under Polices, less Re-insurance Paid during the year.	76,918	715,315

Estimated liability in respect of outstanding claims at the end of the year whether due or intimated.	1,642,500	1,572,611
	-----	-----
	1,719,418	2,287,926
Less Outstanding at the end of the Previous year.	1,572,611	2,000,007
	-----	-----
Commission	146,807	190,460
	27,237	
Expenses of Management	435,311	904,912
Profit transferred to Profit & Loss Account	4,146	334,447
Balance of Account at the end of the year as shown in the Balance Sheet.		
Reserve for unexpected risks being 40% of the	158,804	375,297
	-----	-----
Net Premium Income of the year.	772,305	2,093,035
	=====	=====
Balance of Account at the beginning of the year		
Reserve for unexpired risks.	375,297	591,845
Premium less re-Insurance	397,008	1,501,190
	-----	-----
	772,305	2,093,035
	=====	=====

We hereby certify that all expenses of management in respect of the Fire Insurance Business wherever incurred whether directly or indirectly have been fully debited in the Fire Insurance Revenue Accounts as expenses.

SAJJAD SAFRI & CO.	(RASHEED KHAN)	(MUKHTAR AHMED)	(SHAHNAWAZ)	(IFTIKHAR AHMED)
Chartered Accountants	Manager Accounts	Director	Director	Director

MARINE REVENUE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1999

PARTICULAR	1999 (Rupees)	1998 (Rupees)
Claims under Policies, less Re-insurance Paid during the year.	41,902	102,750
Estimated liability in respect of outstanding claims at the end of the year whether due or intimated.	72,717	56,275
	-----	-----
	114,619	159,025
Less Outstanding at the end of the Previous year.	56,275	25,846
	-----	-----
Commission	58,344	133,179
Expenses of Management	1,411	8,165
Profit transferred to Profit & Loss Account	98,413	231,465
	19,549	24,197
Balance of Account at the end of the year as shown in the Balance Sheet.		
Reserve for unexpected risks being 40% of the	59,874	87,906

Net Premium Income of the year.	237,591	484,912
Balance of Account at the beginning of the year Reserve for unexpired risks.	87,906	133,287
Premium less re-Insurance	1,49,685	351,625
	237,591	484,912

We hereby certify that all expenses of management in respect of the Marine Insurance Business wherever incurred whether directly or indirectly have been fully debited in the Marine Insurance Revenue Accounts as expenses.

SAJJAD SAFRI & CO. Chartered Accountants	(RASHEED KHAN) Manager Accounts	(MUKHTAR AHMED) Director	(SHAHNAWAZ) Director	(IFTIKHAR AHMED) Director
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MOTOR AND MISC REVERE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1999

PARTICULAR	1999 (Rupees)	1998 (Rupees)
Claims under Policies, less Re-insurance Paid during the year.	716,604	400,763
Estimated liability in respect of outstanding claims at the end of the year whether due or intimated.	1,580,200	1,800,000
	2,296,804	2,200,763
Less Outstanding at the end of the Previous year.	1,800,000	1,600,000
	496,804	600,763
Commission	219,603	230,428
Expenses of Management	595,731	425,210
Profit transferred to Profit & Loss Account	--	146,197
Balance of Account at the end of the year as shown in the Balance Sheet.		
Reserve for unexpected risks being 40% of the	534,726	323,060
Net Premium Income of the year.	1,846,864	1,725,658
Balance of Account at the beginning of the year Reserve for unexpired risks.	323,060	433,419
Premium less re-Insurance	13,36,815	1,292,239
Loss transferred to Profit & Loss Account	186,989	--
	1,846,864	1,725,658

=====
 We hereby certify that all expenses of management in respect of the Motor & Misc. Insurance Business wherever incurred whether directly or indirectly have been fully debited in the Motor & Misc Insurance Revenue Accounts as expenses.

SAJJAD SAFRI & CO.
Chartered Accountants

(RASHEED KHAN)
Manager Accounts

(MUKHTAR AHMED)
Director

(SHAHNAWAZ)
Director

(IFTIKHAR AHMED)
Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1999

EXPENDITURE	1999	1998
	(Rupees)	(Rupees)
Expenses of Management (Not applicable to any particular fund or Account)	401,056	974,043
Depreciation		
Profit for the year transferred to profit and Loss Appropriation Account	941,357	146,000
	--	39,815
	-----	-----
	1,342,413	1,159,858
	=====	=====

PROFIT AND LOSS APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1999.

Loss for previous year B.O.	--	--
Income Tax Paid	634,250	4,962
Dividend declared by	--	--
Loss current year	736,416	--
Balance at the end of the year as shown in the Balance Sheet	--	675,633
	-----	-----
	1,370,666	679,695
	=====	=====

INCOME	1999	1998
	(Rupees)	(Rupees)
Interest on Govt. Securities		
Interest on Investment (F.D.R.)		
Less Income Tax	769,291	55,107
Miscellaneous	--	600,000
Profit Transferred from Revenue Accounts		
Fire	41,461	334,447
Marine	19,549	24,197
Motor & Miscellaneous	(186,989)	1,461,971
	-----	-----
Loss Transferred to Profit & Loss Appropriation Account	736,416	504,841
	-----	-----
	1,342,413	1,159,858
	-----	-----
Profit for Previous Year	675,633	639,880
Adjustment From Reserve General	--	--
Adjustment during the year		
Profit for the year transferred from Profit and Loss Account	--	--
Balance at the end of the year as shown in Balance Sheet	--	39,815
	-----	-----
	695,033	--
	-----	-----

1,370,666 679,695

SAJJAD SAFRI & CO.
Chartered Accountants(RASHEED KHAN)
Manager Accounts(MUKHTAR AHMED)
Director(SHAHNAWAZ)
Director(IFTIKHAR AHMED)
Director**BALANCE SHEET FOR THE YEAR ENDED 31 ST DECEMBER 1999****CAPITAL AND LIABILITIES****1999** **1998**
(Rupees) **(Rupees)****SHARE CAPITAL**

Authorised Capital		
30,00,000 Ordinary Shares of Rs.10/-each	30,000,000	30,000,000
Issued, subscribed and paid up Capital	20,000,000	20,000,000
2,000.000 Ordinary Shares of Rs. 10/-each		
Profit and Loss Appropriation Account Balance	(695,033)	675,633
Deposit Against Proposed Issue	5,000,000	--

BALANCE OF FUNDS AND ACCOUNTS.

Fire Revenue Account	1,58,804	375,297
Marine Revenue Account	598,741	87,906
Motor and Miscellaneous Revenue Account	5,347,261	323,060
	-----	-----
	753,404	786,263

LIABILITIES AND PROVISIONS:

Estimated Liability in respect of Outstanding Claims Whether due or intimated	3,295,417	3,428,886
Amount due to other persons or bodies Carrying on Insurance Business	4,796,841	6,396,275
	2,979,403	380,500
	-----	-----
Sundry Creditor Including outstanding expenses	6,754,504	10,205,661

RESERVE:

On Re-Insurance Ceded	431,168	670,450
General	500,000	500,000
Dividend	--	--
	-----	-----
	32,744,043	32,838,007

PROPERTY AND ASSETS**Investment (at cost)**

1: Deposit with State Bank of Pakistan		
1) 113/4% Central Government Loan 2000	50,000	50,000.00
2) Defence Saving Certificates	200,000	200,000
3) Khas Deposit Certificates	100,000	100,000
4) Deposit Bank	--	5,000,000
5) At Banks in Deposit	462,447	2,130,575
6) Investment in Plots	2,607,532	2,551,532
	-----	-----
	3,419,979	10,032,107

Cash with Branches	836,450	820,450
Outstanding Premium & Agents Balances	1,870,000	1,950,000
Interest accrued but not yet received	150,000	1,750,000
Sundry Debtors	10,000,000	--
Amount due from other persons or bodies carrying on Insurance Business	230,410	240,520

CASH AND BANKS

Cash and Stamps in Hand 2,359		
Current account with Banks.646,820	649,179	665,387

Stock of Stationery	207,612	240,112
	-----	-----
	13,943,651	5,666,469
Motor Cars & Scooters		
At Cost Less Depreciation	13,855,334	15,564,218
Furniture & Fixtures		
At Cost Less Depreciation	787.13	828,556
Office and Other Equipments		
At Cost Less Depreciation	237.22	249,704
Cycles	855	900
At Cost Less Depreciation	1,710	1,800
Telephone Installation		
Library		
At Cost Less Depreciation	84,550	89,000
{ Utensils		1,223
{ Telex	143,956	21,626
	-----	-----
{ Computer		112,742
	15,110,751	16,869,769
Preliminary Expenses	129,338	129,388
Deferred Expenses	140,324	140,324
	-----	-----
	32,744,043	32,838,007
	=====	=====

We Certify that:

- 1: The value of the Investment in the Government and other securities in the above Balance Sheet of the Company has been taken at cost. The Market value of the investments has been ascertained from the Published report and quotation.
- 2: The value of the Assets in the Balance Sheet has been reviewed at the date of Balance Sheet and that the Assets set forth in the Balance Sheet are shown in the aggregated at amounts not exceeding their realisable or Market value under the several heading

SAJJAD SAFRI & CO.
Chartered Accountants

(RASHEED KHAN)
Manager Accounts

(MUKHTAR AHMED)
Director

(SHAHNAWAZ)
Director

(IFTIKHAR AHMED)
Director

CLASSIFIED SUMMARY OF THE ASSETS AS AT 31ST DEC '1999

S. NO.	FORM "A.A."	MARKET VALUE	REMARKS
CLASS OF ASSETS	BOOK VALUE		
1 Government of Pakistan			Market value has been
Loan 2002 @ 113/4%	50,000.00	50,000.00	ascertained from published
2 Defence Saving Certificate	200,000.00	200,000.00	Quotation dated 31.12.99
3 Khas Deposit Certificate	100,000.00	100,000.00	Realisable value.
4 At Bank in Fixed Deposit	462,447.00	462,447.00	---do---
5 Motor Cars & Scooter			"
Cost Less Depreciation	13,855,334.00	13,855,334.00	"
6 Furniture & Fixtures			"
Cost Less Depreciation	828,556.00	828,556.00	"
7 Office & Other Equipments			"
Cost Less Depreciation	237,218.00	237,218.00	"
8 Telephone Installation			"
Cost Less Depreciation	84,550.00	84,550.00	"
9 Cycles			"
Cost Less Depreciation	855.00	855.00	"
10 Interest Accrued	150,000.00	150,000.00	"
11 Premium Outstanding	1,870,000.00	1,870,000.00	"
12 Branches Balance	836,450.00	836,450.00	"
13 Cash & Stamp in Hand &			"

Current Account with Banks	649,179.00	649,179.00	"
14 Sundry Debtors	10,000,000.00	10,000,000.00	"
15 Stock Stationery	207,612.00	207,612.00	"
16 Investment in Plots	2,607,532.00	2,607,532.00	"
17 Telex	143,956.00	143,956.00	"
18 Computers	--	--	"
	-----	-----	
	32,283,689.00	32,283,689.00	
	=====	=====	

SAJJAD SAFRI & CO.

Chartered Accountants

NOTES FOR THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1999

1. STATUS AND NATURE OF BUSINESS:

The PLATINUM INSURANCE COMPANY LIMITED was incorporated on 1st July 1981 as a Public limited company and commence its Business from 17th June, 1982. The Company is dealing in general Insurance business. Its shares are quoted on Stock exchange at Karachi and Lahore.

2. SIGNIFICANT ACCOUNTING POLICES:

These accounts have been prepared on the basis of the historical cost conversion.

(B) Claims outstanding

The liability for claims outstanding is based on claims intimated or assessed before the end of the Accounting year less anticipated recoveries.

(c) Reserve for un-expired risks:

The company maintains its reserve for un-expired risks at the end of the year at 40% of the premium net of re-insurance.

(D) Provision for Taxation:

(1) Provision for Taxation is based on taxable-income and shown as liability.

(2) Deferred tax liability being im-material has not been Provided for.

(E) Expenses of management are allocated to the revenue Accounts as considered proper by the Management.

(F) Assets are valued at cost less depreciation.

(G) Figures have been rounded off to the nearest Rupees.

SAJJAD SAFRI & CO.

Chartered Accountants

PATTERN OF SHAREHOLDERS AS AT 31ST DECEMBER 1999

No of Shareholders	TOTAL Share held
173	100
8	200
9	500
5	1000
6	2000
2	4000
23	5000
16	10000

CATEGORIES OF SHAREHOLDERS AS AT 31ST DECEMBER 1999

Categories of share Holders	No. of Shares held	Percentage
Individuals	20000000	100%
Investment Companies	--	--
Insurance companies	--	--
Joint Stock Companies	--	--
Modarba Companies	--	--
others	--	--
Total	20000000	100%

STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE YEAR ENDED 31ST DECEMBER 1999

PARTICULARS	1999 (Rupees)	1998 (Rupees)
Profit & Loss App. A/C	(695,033)	675,633
Increase / Decrease Reserve for Unexpired Risks	3,295,417	3,428,886
Depreciation	941,357	146,000
Funds General from Operation	3,541,741	4,250,519
Funds from Other Sources	--	--
Issue of Shares	--	--
Proceeds of Fixed Assets	--	600,000
APPLICATION OF FUNDS:		
Purchase of Fixed Assets	56,000	38,618
Increase / Decrease of Working Capital	3,597,741	4,889,137
ANALYSIS OF CHANGES IN WORKING CAPITAL:		
Increase / Decrease in Current Assets	8,283,390	3,347,209
Decrease / Increase in Current Liability	3,451,157	1,491,577
Net Decrease / Increase in Working Capital	4,832,233	1,855,632

SAJJAD SAFRI & CO.

Chartered Accountants

BRANCHES**SINDH ZONE**

Cities	Name	Address	Telephones
1. NAWABSHAH	Mr. Pervez Akhtar A. G.M. (Devlp.)	House No. B/268, New Liaquat Market Road, Nawabshah.	61284- 4148
2. MORO	Mr. Shaukat All Mughal Development Officer	Moro	
3. KARACHI	Mr. Mohammad Hameed	10-Hoor market, Nazimabad No. 2, Karachi.	629389 626638
4. HYDERABAD	Mr. Mansoor Ahmed Development Officer		
5. SHAHDAD KOT	Mr. Wajid Ali Sheikh VP.	House No. 033, Sheikh Abdul Latif Street, Brid Mohalla, Shahdat Kot Distt: LARKANA	0742-412535

PUNJAB ZONE

1. LAHORE	Mr. Najam Bukhari S.V.P	120, C.C. Motel, 105-A, The Mail Lahore.	6302919 6346869
2. LAHORE	Mr. Ahmed Saeed Senior Vice President	4-Saleem Chambers, 1st Floor, 114-Mcleod Road, Lahore.	7122638
3. FAISALABAD	Mr. Nazir Ahmed Baig A.V.P.	Khurshid Law Chambers, 1442, Jhang Bazar.	26127
4. RAWALPINDI	Mr. Aftab Iqbal S.V.P.	47-Kashmir road, Rawalpindi.	568184 564726
5. ISLAMABAD	Mr. Zaheer Shazi S.V.P.	3/A Super Market, Markaz, F-6. Islamabad	814088
6. RAHIM YAR KHAN	Mr. Khadim Hussain Bhatti S.V.P.	New Ghsia Tent House, Sadiq Bazar.	2529
7. GUJRANWALA	Mr. Abdul Jabbar VP.	Gujranwala.	256002 213017
8. GUJRANWALA	Mr. KH. Waqar VP.	Gujranwala.	

N. W. F. P. ZONE

1. PESHAWAR CANTT	Mr. Ghazanfar Saval VP.	Bolor Plaza, Saddar, Peshawar.	284685
2. "	Mr. Amanullah Khan S.V.P.		