

## Industrial & Prudential Assurance Co Ltd

*Extracts from the speech of the Chairman, Shri Velji Lakhamshi, at the 39th Annual General Meeting of the Company, held on 2nd July 1953.*

**A**N increase of ten per cent in new business, a higher dividend per share and increase of 66 lakhs of rupees in the total assets of the company were the highlights of the proceedings at the 39th Annual General Meeting of the Industrial and Prudential Industrial Co Ltd, held on July 2nd when Shri Velji Lakhamshi, Chairman of the Company presided. In his speech, Shri Velji reviewed the progress of the company at large.

The total assets of the Company have increased from 590 lakhs to 656 lakhs. The Investment Reserve Fund now stands at Rs 45 lakhs. I am hopeful that since more than 45 per cent of the investments of Life Fund are represented by securities bearing fixed dates of redemption, a fairly large amount of the deficit will be recovered when these securities are redeemed on maturity.

### VALUATION

The results of the valuation of the Life Insurance business of the company as at 31st December 1951 were satisfactory. The rate of interest assumed was same as in the last valuation, viz, 2¾ per cent. The valuation disclosed a surplus of

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about Rs 7 per cwt at Rs 156-4, "Asharh" delivery. Tin declined from Rs 117 to Rs 112-8 per quarter. Business was limited. The fall in copper was due to increased arrivals and reduced consumer inquiry. Tin was down on lower foreign advices. Mercury fluctuated narrowly with little business. The quotation for "Asharh" delivery was steady at around Rs 420 per flask.

Black pepper prices declined sharply due to reduced New York inquiry and rising Indonesian competition. August delivery was down by about Rs 250 per candy at Rs 2,290. The relaxation of restriction on black pepper export had no effect on the market. United States import of Indian black pepper in the four months to April totalled 10,040,297 pounds against 8,931,917 pounds in the corresponding period of the previous year. Exports in the last few months declined considerably. Gloves were further down by Rs 60 per Bengal maund to Rs 612 due to liberalisation of imports. Cinnamon was also subdued.

Rs 26,03,848. The rate of Bonus declared was Rs 7-8 per thousand on Endowment Assurance Policies and Rs 10 on Whole Life Assurance Policies as against Rs 5 per thousand and Rs 7 per thousand respectively at the previous valuation, an increase of about 50 per cent. In the matter of declaration of Bonus, your company did not think it desirable to make any discrimination between old and new policy holders.

### FIVE-YEAR PLAN

Since we last met, the important event in the year was the publication of the full details of the Five-Year Plan. I am hopeful that the success of the various projects undertaken in the Plan is fairly assured. It is hoped that the country eventually shall enter into an era of sub-

will be compelled to contribute a part of their earnings and thus save the same. Again under this scheme while the members will be denied loans to meet day to day expenses or other expenses, they will be allowed to raise a loan for payment of Insurance Premiums. The other scheme is the first health insurance scheme in our country and is calculated to give insurance cover to about two and a half million industrial workers. The scheme is manifestly a step in the right direction.

### ESTATE DUTY BILL

I would now refer to a development which will vitally influence the future of Life Insurance in our country, the Estate Duty Bill, 1952. The present Bill proposes to levy a duty on Estates passing or deemed to pass on the death of an individual. The Bill provides a specific exemption in respect of proceeds of life assurance policies from the levy of Estate Duty, whereby moneys payable under one or more policies of life assurance effected by a deceased person on his life for the purpose of paying Estate Duty or assigned to the Government for the said purpose will be exempt to the extent of Duty payable. I feel that keeping in view the backwardness of insurance habit in our country and to give a fillip to insurance business the Government should consider exemption for moneys payable under one or more policies of insurance effected by a deceased person on fit life to the extent of at least Rs 50,000. You are all aware that to check the evils which are generated during the post-war years in the conduct of business such as acquiring control of life insurance companies, interlocking of funds, etc, the Insurance Act was amended. I, however, have a feeling that the confidence of the people in Indian Insurance cannot be sustained merely by legislations. There must be voluntary and earnest efforts on the part of companies to put their houses in order. The 'Code of Conduct' has been issued by the Executive Committee of Life Insurance Council. I feel that it is ultimately the companies who should so act as not to force the Government to undertake further drastic measures. I, therefore, hope, that the companies will co-operate in implementing the 'Code of Conduct'.

1952 Business Figures that matter		Rs.
Total Business in force	-	20,02,45,838
New Business Completed	-	2,54,24,000
Life Insurance Fund as at 31st Dec., 1952	-	5,82,94,780
First Year Premium Income		12,91,604
Renewal Premium Income		90,50,600
Single Premium Income		1,27,729
Total Assets	-	6,56,74,392

stantial increase in food, daily necessities of life and Industrial production. The successful implementation of the Plan is hoped to have very favourable effect on the Insurance Industry.

Our Government have been enacting legislations designed with a view to improving the general condition and the health of the working population. I would briefly refer to the two major legislations passed by the Government, the Employees' Provident Fund Scheme and the Employees' State Insurance Scheme. The first scheme will cover six specific industries employing a total labour force of about sixteen lakhs workers. Evidently, the scheme has provided a very necessary and useful apparatus whereby the industrial labour who are generally illiterate