



Pragati Insurance Limited

ANNUAL REPORT 1991

Pragati Insurance Limited

REGISTERED OFFICE

90-91, Motijheel Commercial Area, Uttara Bank Bhaban (9th & 10th Floor), Dhaka-1000
G.P.O. Box No. 3721, Telex: 671168 PGI BJ, Fax: 880-02-863710, Cable: Bima Pragati,
Phone: 231419, 863710, 256292, 243010, 243019 PABX: 241062-64



Pragati Insurance Limited

CONTENTS

<i>Notice of the Sixth Annual General Meeting</i>	3
<i>Board of Directors</i>	4
<i>Executives</i>	5
<i>Company's Progress at a Glance</i>	6-8
<i>Report of the Board of Directors</i>	9-14
<i>Auditors' Report</i>	15
<i>Balance Sheet</i>	16-17
<i>Profit and Loss Account</i>	18-19
<i>Profit and Loss Appropriation Account</i>	18-19
<i>Fire Insurance Revenue Account</i>	20-21
<i>Marine Insurance Revenue Account</i>	22-23
<i>Miscellaneous Insurance Revenue Account</i>	24-25
<i>Schedule of Fixed Assets</i>	26-27
<i>Notes on Accounts</i>	28-33
<i>Classified Summary of Assets</i>	34
<i>Directors' Certificate</i>	35
<i>Branches</i>	36



Pragati Insurance Limited

HEAD OFFICE : 90-91, MOTIJHEEL C/A, UTTARA BANK BHABAN, 9TH & 10TH FLOOR DHAKA
PHONE : PABX : 241062-64, DIRECT : 863710, 231419, 256292, 243019 TELEX : 671168 PGI BJ.
FAX : 88-02-863710, P.O. BOX 3721

NOTICE OF THE SIXTH ANNUAL GENERAL MEETING

Notice is hereby given that the *SIXTH ANNUAL GENERAL MEETING* of *PRAGATI INSURANCE LIMITED* will be held on Sunday the 13th September, 1992 at 12.00 noon at the Company's Head Office (90-91 Motijheel Commercial Area, 9th & 10th Floor, Uttara Bank Bhaban, Dhaka-1000) to transact the following business :

01. To confirm the Minutes of the Fifth Annual General Meeting of the Company held on 7th September, 1991.
02. To receive, consider and adopt the Directors' Report for the year ended 31st December, 1991.
03. To receive, consider and adopt the Audited Accounts of the company and the Auditors' Report thereon for the year ended 31st December, 1991.
04. To declare Dividend for the year 1991 as recommended by the Board.
05. To elect Directors in place of Retiring Directors.
06. To appoint Auditors for the year 1992 and fix their remuneration.
07. To refix remuneration of the Directors as per Controller of Capital Issue's (CCI) circular.
08. To fix up the honorarium for Chairman and Vice-chairmen of the Company.
09. Any other issue with the permission of the chair.

By order of the Board of Directors

Dated ; Dhaka
The 25 th July, 1992

Hafizur Rahman Chowdhury
Company Secretary

Notes :

- i. The share transfer register of the Company shall remain closed from 31st August to 13th September, 1992 both days inclusive.
- ii. The member of the company entitled to attend and vote at the above General Meeting may appoint any other member of the Company as his/her proxy to attend and vote on his/her behalf. Proxies must be submitted at the registered office of the Company atleast 72 hours before the meeting. The proxy form is enclosed.
- iii. As per Article No. 105 of the Company's Articles of the Association 1/3rd Directors (6 Nos.) shall retire in this Ordinary General Meeting. As per Article No. 107, they are all eligible for election subject to Insurance (Amendment) Act., 1990.



Pragati Insurance Limited

BOARD OF DIRECTORS

Chairman

M.A. Awwal

Vice Chairman

Md. Sarwar Kamal

Md. Jahangir Chowdhury

Directors

Capt. Imam Anwar Hossain

Syed M. Altaf Hussain

Engr. A. Latif

Md. Syedur Rahman Mintoo

Abdul Monem

Sufia Khanam

Nasreen Fatema

Md. Abdul Malek

Nigar Jahan Chowdhury

Ilya R. Hossain

Md. Mahbubur Rahman

Delowara Begum

Mahmud Hasan

Farida Yasmin

Md. Mizanur Rahman

Managing Director

A.K.M. Rafiqul Islam, FCA



EXECUTIVE

Managing Director

A.K.M. Rafiqul Islam, FCA

Executive Vice President

A.B.M. Mir Hossain

Khurshed Ahmed Khan

Company Secretary

Hafizur Rahman Chowdhury

Vice President

Md. Shahabuddin

Mihir Kanti Barua

S.A. Khaleque

Mahabubuddin Ahmed

Regional Vice President

Md. Fazlul Karim Majumder

Asstt. Vice President

Shamsuzzaman

Syed Feroz Ahmed

B. Ahmed

Md. Shafiullah

Mohammad Ali Khan

Mosharraf Hossain

Auditor

A Wahab & Co.

Chartered Accountants

Legal Advisor

Barrister M. Zahir

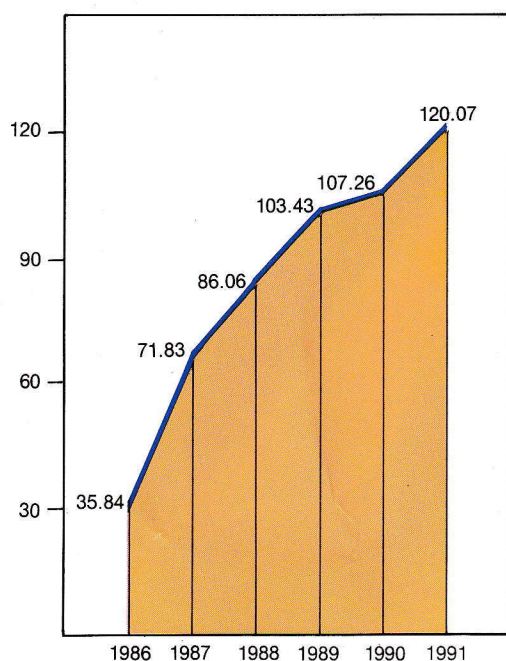


Pragati Insurance Limited

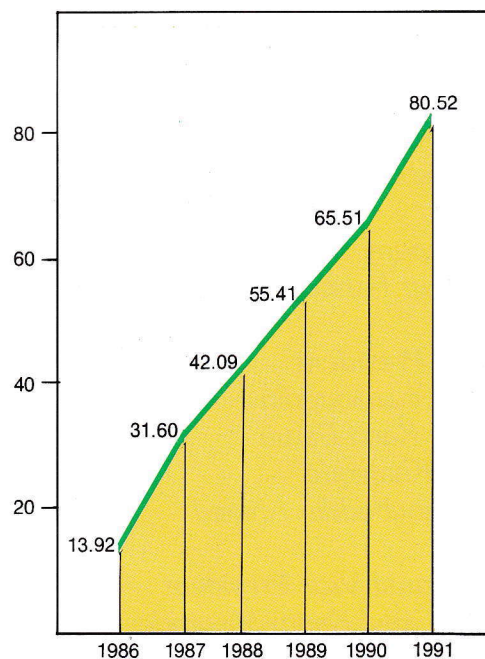
PROGRESS AT A GLANCE

Figure In Million

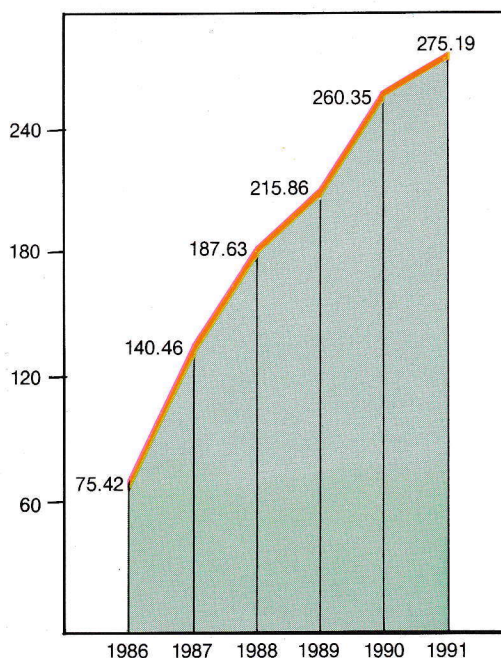
GROSS PREMIUM



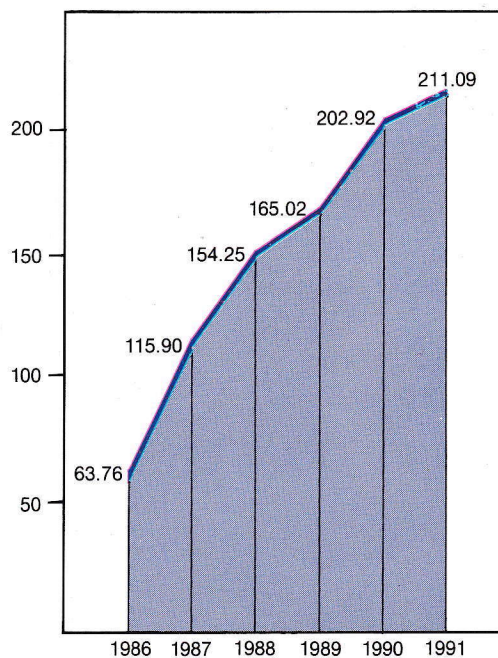
RESERVE



ASSETS



INVESTMENT AND FUND



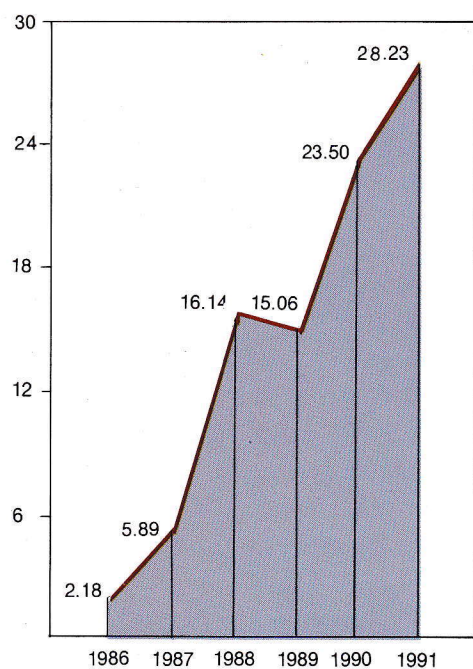
Pragati Insurance Limited



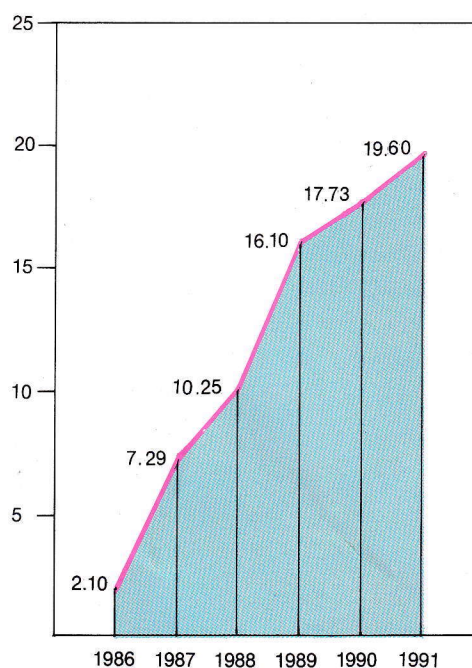
PROGRESS AT A GLANCE

Figure In Million

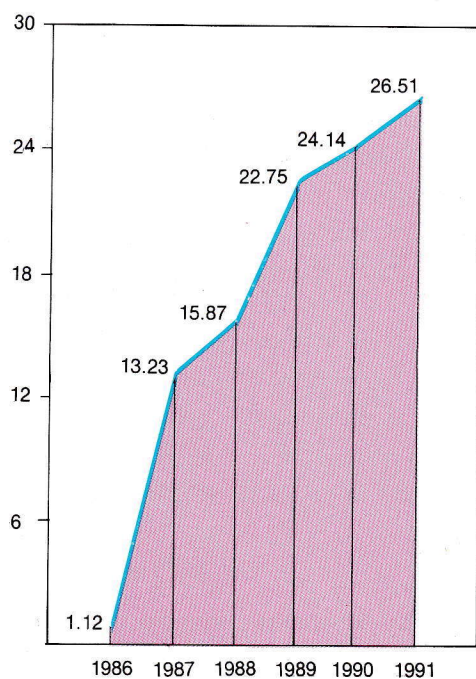
CLAIM-LESS RE-INSURANCE



INVESTMENT INCOME



NET PROFIT



INCOME AND ITS SHARING

INCOME :

Gross premium	120.07
Commission on Re-Insurance ceded	14.61
Interest, Dividend and Other Income	18.80
Taka	<u>153.48</u>

SHARING :

		%
Net claim	28.23	18.40
Re-Insurance ceded to SBC	47.12	30.70
Management expences	44.68	29.10
Depreciation and Unexpired risk adjustment etc.	6.94	4.50
Net profit	26.51	17.80
Taka	<u>153.48</u>	<u>100</u>



Pragati Insurance Limited

COMPANY'S PROGRESS - 6 YEARS AT A GLANCE

	<i>Figure in Million</i>					
	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>
<i>Gross Premium Income taken into Revenue Accounts</i>	35.84	71.83	86.06	103.43	107.26	120.07
<i>Premium Income Less Re-Insurance</i>	22.93	43.60	50.80	60.40	64.01	72.95
<i>Claim Less Re-Insurance</i>	2.18	5.89	16.14	15.06	23.50	28.23
<i>Underwriting Profit</i>	0.44	9.45	10.35	14.16	14.77	16.18
<i>Investment Income (Gross)</i>	2.10	7.29	10.25	16.10	17.73	19.60
<i>Net Profit before Tax</i>	1.12	13.23	15.87	22.75	24.14	26.51
<i>Dividend in percent</i>	—	10	12.50	18	22.50	22.50
<i>Total Reserve</i>	13.92	31.60	42.09	55.41	65.51	80.52
<i>Deposit Premium</i>	20.93	46.48	57.93	71.48	78.92	67.25
<i>Investment in Shares and Securities</i>	4.50	5.65	5.86	10.89	11.55	14.10
<i>Cash FDR and Bank Balances</i>	59.26	110.25	148.39	154.13	191.37	196.99
<i>Total Assets</i>	75.42	140.46	187.63	215.86	260.35	275.19



REPORT OF THE BOARD OF DIRECTORS

Dear Shareholders,

The Directors have great pleasure in presenting the Sixth Annual Report together with the Accounts of the Company for the year ended 31st December, 1991.

The year 1991 started as a year of great expectation due to the installation of a democratically elected Government after free and fair general election in the country. But due to the devastating cyclone which ravaged through the country soon after, causing wide spread damages to men and material and various other problems confronting the new government especially in the banking and financial sectors, much expected excelleration in the economic activity in the country had not really taken place during the year under report. Besides, the trading community and industrialists lacked in the desired confidence in the economic manifestation.

This situation has adversely affected the service industry like ours. Despite our best efforts, the market constraints did not allow better performance to bring about accelerated growth. We are looking forward with optimism toward the desired recovery in the economic activity in 1992.

Company's Performance

The Company maintained its leadership in the private sector insurance industry both in respect of premium Income and Management. In 1991, Company's gross premium income stood at Tk. 120.07 million as against Tk.107.26million earned in the previous year. As reported, due to cyclone on the 29th/30th April, 1991 Company registered huge number of claims. The Company settled gross claims amounting to Tk. 84.67 million against Tk.16.47 million in 1990 which is 414% higher than previous year.

Departmentwise premium income, claims and performance has been dealt separately in the report as we proceed with the review of the respective departmental performance. Board on the basis of the Company's Performance in 1991 recommend dividend at the rate of 22.50% to the Shareholders, same as in the previous year.

Fire Insurance

The Company earned a gross premium of Tk. 35.95 million as against Tk.34.23million in the previous year. The rase of premium income stood at



Pragati Insurance Limited

10.50%. Re-insurance outgo accounted for 53.40% of the gross premium income as against 57% in the previous year. Net claim charged to revenue account stood at 68% of net premium against 57% in the previous year. The Company earned underwriting profit of Tk. 3.99 million in the current year as against Tk. 6.46 million in the previous year.

Marine Insurance

In the Marine department, premium booked in the current year's account stood at Tk. 66.21 million a rise of 11.40% over the previous year's premium income of Tk. 58.12 million. Net claim charged to Revenue Account stood at 23.23% of net premium as against 23.11% in the previous year. Profit in this department stood at Tk. 11.04 million against Tk. 6.17 million in the previous year.

Motor & Miscellaneous Insurance

In the Motor department, the Company earned a premium of Tk. 6.64 million as against Tk. 5.65 million in the previous year. Net claim charged to this account was Tk. 3.46 million against 3.31 million in the previous year. The Company earned profit Tk. 0.40 million as against loss of Tk. 0.11 million in the previous year.

In the Miscellaneous department, the Company earned gross premium of Tk. 11.26 million as against Tk. 9.25 million in the previous year.

After providing for Re-insurance premium of Tk. 4.30 million and claim amounting to Tk. 3.42 million the Company earned a profit of Tk. 0.75 million as against Tk. 2.25 million earned in the previous year.

The overall profitability of Motor and Miscellaneous Revenue Account stood at Tk. 1.14 million as against Tk. 2.14 million in the previous year.

General

The Company maintained its previous policy of providing reserves for unexpired risks as below :-

Fire	: 50% of the net premium income
Marine Cargo	: 50% of the net premium income
Marine Hull	: 100% of the net premium income
Motor & Miscellaneous	: 50% of the net premium income.

The Company also provided for exceptional losses reserve at the rate of 10% of the net premium income as is premissible both under the Insurance Act and the Income Tax Rules.

Pragati Insurance Limited



Profit and Loss Account

The Company's income from interest, dividend and rent (after deduction of levy) stood at Tk. 18.72 million as against Tk. 16.59 million i.e. a rise of 11.28% in the year under report. After taking into account the underwriting profit of Tk. 16.18 million as against Tk. 14.77 million in the previous year and providing for expenses not applicable to any fund or account, festival and incentive bonus, audit fee and depreciation, the net profit before taxation stood at Tk. 26.51 million as against Tk. 24.14 million in the previous year.

Appropriation of Profit

Profit earned in the year 1991 together with the balance of unappropriated profit brought forward from last year stood at Tk. 26.52 million. This is proposed to be appropriated as below :

01. Exceptional Losses Reserve	7.30 million
02. Provision for Income Tax	11.50 million
03. General Reserve	0.50 million
04. Proposed Dividend @ 22.50%	6.75 million
05. Balance of unappropriated profit carried forward to the next year	0.47 million
	<u><u>Tk. 26.52 million</u></u>

Investment

Investment of the Company's fund was confined mainly with banks in short and medium terms deposit. The investment stood at Tk. 198.40 million as against Tk. 191.59 million in the previous year. Summerised position is given below :

01. Pratirakkha Sanchya Patra (Deposit with Bangladesh Bank)	4.50 million
02. Shares and Debentures	9.60 million
03. Fixed Deposit with various Banks	175.76 million
04. STD Accounts	9.03 million
	<u><u>Tk. 198.89 million</u></u>

Operational Result

For convenience Board is pleased to present the operational result on the working of the Company for the year 1991 in a summarised form. This will help to appreciate performance of the Company.



Pragati Insurance Limited

RELEVANT BUSINESS FIGURE FOR THE YEAR 1991

Particulars	Fire	Marine	Motor	Misc.	Total 1991	Total 1990
Direct Premium Underwritten	35,644,927	66,209,952	6,643,554	11,241,337	119,739,770	106,825,663
Re-Insurance Premium accepted from SBC	309,862	—	—	21,305	331,167	433,832
Total Premium Underwritten	35,954,789	66,209,952	6,643,554	11,262,642	120,070,937	107,259,495
Re-Insurance Premium ceded to SBC	19,191,499	23,043,958	657,633	4,229,377	47,122,467	43,253,164
Premium Retained	16,763,290	43,165,994	5,985,921	7,033,265	72,948,470	64,006,331
Commission allowed on Re-Insurance accepted	189,690	—	—	7,654	197,344	215,877
Commission earned on Re-Insurance ceded	9,398,951	3,099,878	147,042	1,967,168	14,613,039	13,284,181
Claims Less Re-Insurance	11,331,979	10,026,829	3,456,324	3,419,230	28,234,362	23,500,694
Management expenses	9,769,516	22,691,002	1,965,297	4,166,925	38,592,740	27,810,689
Underwriting Profit	3,994,368	11,039,170	398,018	745,973	16,177,529	14,767,903

Branches

The Company has branch offices in almost all the important business places in the country. During the year 1991 new branches were opened at Cox's Bazar and Chowmuhani. There are plans to open offices in Mymensing and at Tongi, Bangshal, Elephant Road area in the Dhaka City. The total number of offices operating as on the date is 25 besides the Head Office.

Auditor

The Auditor Messrs. A. Wahab & Co. is to retire as Auditors in accordance with Article 149 and is eligible for reappointment. The Auditors have indicated their willingness in writing to continue as Auditors. The Board recommends their reappointment as Auditors of the Company for the year 1992 and for fixation of their remuneration.

Capital

There has been no change in the paid-up-capital since the last report which remained at Tk. 30.00 million being the Sponsors' capital. The public offering of shares of equivalent amount could not be made due to various reasons-mainly because the given date i.e. the last quarter of the year was not considered suitable for the public issue. Appreciating the difficulties, government extended the time. It is expected that the Company will be able to go to the public issue as soon as the Prospectus is approved by the Controller of Capital Issues.

Pragati Insurance Limited



Election of Directors

In accordance with Article 105 and 106 of the Company's Articles of Association, following Directors retire from the office by rotation.

01. Mr. Md. Sarwar Kamal
02. Mrs. Ilya R. Hossain
03. Mrs. Sufia Khanam
04. Mrs. Nigar Jahan Chowdhury
05. Mr. Md. Mahbubur Rahman
06. Mr. Abdul Monem

Being eligible they offer themselves for re-election.

Change in the Company's Name :

In the 2nd Extra Ordinary General Meeting held on 9th March, 1991 it was decided to change the Company's name from Pragati General Insurance Company Limited to PRAGATI INSURANCE LIMITED. Accordingly Government approval to the change of name was obtained and the new name PRAGATI INSURANCE LIMITED has been registered with the Registrar of Joint Stock Companies with effect from 22nd April., 1992

Personnel

The Company's belief that the success of a service oriented organization depends on its human resources remained the guiding factor in the selection of its manpower. With this end in view the Company has always looked for young, energetic and dedicated executives for employment in the Company. The Company arranges in-service training of its personnel and also encourages participation in professional courses for improvement of their professional knowledge. The present manpower strength of the Company is 294 of which 148 are officers and the rest are supporting staff.

General

The members of the Board of Directors take the opportunity to express their thanks to the Government of the People's Republic of Bangladesh, Controller of Insurance, Register of Joint Stock Companies, Controller of Capital Issues and other Government Agencies for their continued support and guidance during the year.

The Board specially puts on record its deep gratitude to Sadharan Bima Corporation, its re-insurers, for the guidance, cooperation and help received form time to time during the entire period.

The Board of Directors express its deep appreciation for assistance, help and much needed support received by the Company during the period under report from various banks both in the private as well as in the nationalized



Pragati Insurance Limited

sectors, D.F.Is and all private sector enterprises who have helped us in building a sound footing of the Company. We are specially grateful to the management of Bata Shoe Company (Bangladesh) Ltd., Lever Brothers (Bangladesh) Ltd., Glaxo Bangladesh Ltd., Bangladesh Tobacco Company Ltd., Beximco Group of Companies, Monno Group of Companies, A.K. Khan Group of Companies, Ciba-Geigy (Bangladesh) Ltd., Squibb of Bangladesh Ltd., Reckitt and Colman, Rhone Poulenc Bangladesh Ltd., ICI Bangladesh Ltd., Magura Paper Mills Ltd., American International School, Pfizer Laboratories Ltd., Kamaphuli Fertilizer Company Ltd. (KAFCO), for reporsing their confidence in the Company.

Above all, the Board express its profound gratitude to all its valued clients, patrons and well-wishers for their continued support active cooperation and unflinching confidence in the company.

Directors also put on record and have conveyed through the Managing Director their appreciation to all executives, officers and staff of the Company for their excellent work. With their sincere, dedicated, whole-hearted devotion and committed efforts to the challenging duty and responsibility, they hopefully look forward to achieve yet better result in the coming days. The Directors have been pleased to reward its management including the excutives, officers and employees with two incentive bonuses as in previous year in addition to the usual festival bonus.

The Company is fully concious of its social responsibilities. At the time of national crisis following devastating cyclone in April, 1991, the Company stood by the affected people and donated Tk. 0.95 million in their relief and rehabilitation.

The Company remains fully committed to its deep determination and idelogy of total client service, their satisfaction and to their financial security.

On behalf of the Board of Directors

Mohammed A. Awwal
Chairman



AUDITORS' REPORT

We have examined the annexed Balance Sheet of Pragati Insurance Limited as at 31st December, 1991 and also the annexed Fire, Marine, Motor and Miscellaneous Revenue Account as well as the annexed Profit and Loss Account and the Profit and Loss Appropriation Account of the Company for the year ended on that date. We report as under :

- a) We have obtained all the information and explanations which we considered necessary for the purpose of our audit ;*
- b) In our opinion, the annexed Balance Sheet and also the annexed Revenue Accounts as well as the annexed Profit and Loss Account and the Profit and Loss Appropriation Account have been drawn up in conformity with the law ;*
- c) Such Balance Sheet read in conjunction with the annexed Notes on Accounts, exhibits a true and correct view of the state of affairs of the Company as at 31st December, 1991 according to the best of our information and the explanations given to us and as shown by the books of the Company ;*
- d) In our opinion, proper books of accounts have been kept by the company for the year under report for each class of its insurance business and for recording all kinds of its receipts & payments, income & expenditure and assets & liabilities ;*
- e) We have verified the cash and bank balance of the Company as at 31st December, 1991 with the related statements, deposit receipts, certificates etc. as furnished by the management of the Company and the banks concerned ;*
- f) As per Section 40-C(2) of the Insurance Act, 1938 as amended, we certify that to the best of our knowledge and belief and according to the information and explanations given to us, all expenses of management, wherever incurred and whether incurred directly or indirectly, in respect of Fire, Marine, Motor and Miscellaneous Insurance Business of the Company transacted in Bangladesh during the year under report have been duly debited to the related Revenue Accounts and the Profit and Loss Account of the Company ; and*
- g) As per Regulation 11 of Part 1 of the Third Schedule of the Insurance Act, 1938 as amended, we certify that to the best of our information and as shown by its books, the Company during the year under report has not paid any person any commission in any form both within and outside Bangladesh and that the Company during the year under report has not received outside Bangladesh from any person any commission in any form in respect of any of its business re-insured abroad.*

Dhaka 1st April, 1992

A. WAHAB & CO.
Chartered Accountants.



Pragati Insurance Limited

BALANCE SHEET

As at 31st December, 1991

CAPITAL & LIABILITIES	Note	1991	1990
Authorised Capital		<u>100,000,000</u>	<u>100,000,000</u>
1,000,000 Ordinary Shares of Tk. 100 each			
Issued, Subscribed & Paid-up Capital		30,000,000	30,000,000
300,000 Ordinary Shares of Tk. 100 each			
Reserve or Contingency Account		44,042, 156	33,399,546
Reserve for Exceptional Losses	8	30,294,220	22,999,373
Depreciation Fund		11,275,156	8,890,051
General Reserve		2,000,000	1,500,000
Profit & Loss Appropriation Account		472,780	10,122
Balance of Fund & Accounts		36,474,235	32,114,701
Fire Insurance Business Account		8,381,645	7,504,957
Marine Insurance Business Account		21,582,997	19,074,126
Misc. Insurance Business Account		6,509,593	5,535,618
Premium Deposit	9	67,253,826	78,923,695
Liabilities & Provision		63,868,011	57,060,295
Estimated Liabilities in respect of Outstanding Claims whether due or intimated		37,435,372	27,407,707
Amount due to other persons or bodies carrying on Insurance Business		26,432,639	29,652,588
Sundry Creditors	10	13,518,784	11,102,420
Provision for Income Tax	11	13,283,890	11,000,000
Proposed Dividend	12	6,750,000	6,750,000
Tk.		<u>275,190,902</u>	<u>260,350,657</u>

Note : Figures have been rounded off to the nearest Taka.

Dated 1st April, 1992

A.K.M. Rafiqul Islam
Managing Director

Md. Sarwar Kamal
Director

Pragati Insurance Limited



BALANCE SHEET

As at 31st December, 1991

PROPERTY & ASSETS	Note	1991	1990
Investment (at cost)		14,100,413	11,550,842
Pratirakkha Sanchaya Patra	1	4,500,000	4,500,000
Shares & Debentures	2	9,600,413	7,050,842
Outstanding Premium	3	24,982,497	31,771,150
Amount due from other persons or bodies carrying on insurance business		9,503,276	4,017,332
Interest, Dividend & Rent Outstanding (Interest on P.S.P. & Beximco Debentures)		4,045,000	2,655,000
Sundry Debtors	4	3,848,818	1,530,409
Advance Payment of Tax		1,805,381	905,291
Cash and Bank Balances		196,987,505	191,373,439
Fixed Deposit Account	5	175,767,741	162,739,438
STD & Current Accounts	6	9,035,519	17,298,572
Cash, Cheque in hand & Stamps	7	12,184,245	11,335,429
Other Accounts		19,918,012	16,547,194
Fixed Assets (at cost)		19,794,012	16,453,699
Stock of Printing Materials (at cost)		124,000	93,495
Tk.		<u>275,190,902</u>	<u>260,350,657</u>

Signed in terms of our annexed report at even date.

Md. Jahangir Chowdhury
Director

M.A. Awwal
Chairman

A. Wahab & Co.
Chartered Accountants



Pragati Insurance Limited

PROFIT AND LOSS ACCOUNT

For the year ended 31st December, 1991

	Note	1991	1990
Expenses of Management			
(Not applicable to any Fund or Account)			
Advertisement & Publicity		1,412,664	1,598,243
Directors Remuneration		68,000	68,400
Bonus (Festival & Incentive)		3,033,390	3,002,884
Audit Fees (including fee for Special Audit)		85,000	75,000
Donation	3	1,150,000	10,000
Legal Expenses		177,000	108,485
Registration Renewal Fee		160,239	154,308
Depreciation		2,385,105	2,260,595
Profit for the year transferred to			
Profit and Loss Appropriation Account		26,507,505	24,137,793
	Tk.	<u>34,978,903</u>	<u>31,415,708</u>

PROFIT AND LOSS APPROPRIATION ACCOUNT

For the year ended 31st December, 1991

Reserve for Exceptional Losses	4	7,294,847	6,400,633
Provision for Income Tax		11,500,000	11,000,000
General Reserve		500,000	—
Proposed Dividend		6,750,000	6,750,000
Balance Transferred to Balance Sheet		472,780	10,122
	Tk.	<u>26,517,627</u>	<u>24,160,755</u>

A.K.M. Rafiqul Islam
Managing Director

Md. Sarwar Kamal
Director

Md. Jahangir Chowdhury
Director

Pragati Insurance Limited



PROFIT AND LOSS ACCOUNT

For the year ended 31st December, 1991

	Note	1991	1990
Interest, Dividend and Rents (Not applicable to any Fund or Account)		18,722,938	16,593,722
Interest received & Accrued	1	17,715,692	15,696,458
Dividend and Debenture Interest	2	1,007,246	897,264
Profit Transferred From		16,177,529	14,767,903
Fire Revenue Account		3,994,368	6,461,244
Marine Revenue Account		11,039,170	6,170,426
Misc. Revenue Account		1,143,991	2,136,233
Other Income		78,436	54,083
Tk.		<u>34,978,903</u>	<u>31,415,708</u>

PROFIT AND LOSS APPROPRIATION ACCOUNT

For the year ended 31st December, 1991

Balance brought forward from previous period	10,122	22,962
Net Profit for the year transferred from Profit and Loss Account	26,507,505	24,137,793
Tk.	<u>26,517,627</u>	<u>24,160,755</u>

M.A. Awwal
Chairman

A. Wahab & Co.
Chartered Accountants



Pragati Insurance Limited

FIRE INSURANCE REVENUE ACCOUNT

For the year ended 31st December, 1991

	1991	1990
Claims under Policies		
Less : Re-Insurance :		
Paid during the year	5,301,076	3,739,010
Total estimated liability in respect of Outstanding Claims at the end of the year whether due or intimated	15,603,977	9,573,074
	20,905,053	13,312,084
Less : Outstanding Claims at the end of the previous year	9,573,074	5,353,463
	11,331,979	7,958,621
Commission on Re-Insurance Accepted	189,690	190,155
Agency Commission	—	1,975,927
Expenses of Management	9,769,516	9,152,962
Profit transferred to Profit & Loss Account	3,994,368	6,461,244
Balance of Account at the end of the year as shown in Balance Sheet :		
Reserve for unexpired risks, being 50% of the Fire premium income of the year	8,381,645	7,504,957
Tk.	<u>33,667,198</u>	<u>33,243,866</u>

A.K.M. Rafiqul Islam
Managing Director

Md. Sarwar Kamal
Director

Md. Jahangir Chowdhury
Director

Pragati Insurance Limited



FIRE INSURANCE REVENUE ACCOUNT

For the year ended 31st December, 1991

	1991	1990
<i>Balance of Account at the Beginning of the year : Reserve for unexpired risk</i>	7,504,957	8,818,965
<i>Premium Less : Re-Insurance</i>	16,763,290	15,009,914
<i>Commission on Re-Insurance Ceded (Including profit commission)</i>	9,398,951	9,414,987
Tk.	<u>33,667,198</u>	<u>33,243,866</u>

M.A. Awwal
Chairman

A. Wahab & Co.
Chartered Accountants



Pragati Insurance Limited

MARINE INSURANCE REVENUE ACCOUNT

For the year ended 31st December, 1991

	1991	1990
Claims under Policies		
Less : Re-Insurance :		
Paid during the year	8,600,279	911,501
Total estimated liability in respect of Outstanding Claims at the end of the year whether due or intimated	14,581,921	13,155,371
	23,182,200	14,066,872
Less : Outstanding Claims at the end of the previous year	13,155,371	5,302,236
	10,026,829	8,764,636
Commission on Re-Insurance Accepted	—	9,458
Agency Commission	—	6,867,116
Expenses of Management	22,691,002	14,778,572
Profit transferred to Profit & Loss Account	11,039,170	6,170,426
Balance of Account at the end of the year as shown in Balance Sheet :		
Reserve for unexpired risks being 50% of the Marine Cargo premium income of the year.	21,582,997	19,074,126
Tk.	65,339,998	55,664,334

A.K.M. Rafiqul Islam
Managing Director

Md. Sarwar Kamal
Director

Md. Jahangir Chowdhury
Director

Pragati Insurance Limited



MARINE INSURANCE REVENUE ACCOUNT

For the year ended 31st December, 1991

	1991	1990
Balance of Account at the beginning of the year :		
Reserve for unexpired risk	19,074,126	15,740,458
Premium Less : Re-Insurance	43,165,994	37,925,180
Commission on Re-Insurance Ceded	3,099,878	1,998,696

Tk.	<u>65,339,998</u>	<u>55,664,334</u>
-----	-------------------	-------------------

M.A. Awwal
Chairman

A. Wahab & Co.
Chartered Accountants



Pragati Insurance Limited

MISCELLANEOUS INSURANCE REVENUE ACCOUNT

For the year ended 31st December, 1991

	Motor	Misc.	1991	1990
Claims under Policies				
Less : Re-Insurance :				
Paid during the year	3,237,930	1,067,412	4,305,342	3,289,491
Total estimates liability in respect of Outstanding Claims at the end of the year whether due or intimated	2,125,079	5,124,395	7,249,474	4,679,262
	5,363,009	6,191,807	11,554,816	7,968,753
Less : Outstanding Claims at the end of the previous year	1,906,685	2,772,577	4,679,262	1,191,316
	3,456,324	3,419,230	6,875,554	6,777,437
Commission on Re-Insurance Accepted	—	7,654	7,654	16,264
Agency Commission	—	—	—	692,744
Expenses of Management	1,965,297	4,166,925	6,132,222	3,879,155
Profit for the year transferred to Profit & Loss Account	398,018	745,973	1,143,991	2,136,233
Balance of Account at the end of the year as shown in Balance Sheet :				
Reserve for unexpired risks being 50% of the Motor and Misc. premium income of the year	2,992,960	3,516,633	6,509,593	5,535,618
Tk.	8,812,599	11,856,415	20,669,014	19,037,451

A.K.M. Rafiqul Islam
Managing Director

Md. Sarwar Kamal
Director

Md. Jahangir Chowdhury
Director

Pragati Insurance Limited



MISCELLANEOUS INSURANCE REVENUE ACCOUNT

For the year ended 31st December, 1991

	Motor	Misc.	1991	1990
Balance of Account at the beginning of the year :				
Reserve for unexpired risks	2,679,636	2,855,982	5,535,618	6,095,716
Premium				
Less : Re-Insurance	5,985,921	7,033,265	13,019,186	11,071,237
Commission on Re-Insurance Ceded (Including profit commission)	147,042	1,967,168	2,114,210	1,870,498

Tk. 8,812,599 11,856,415 20,669,014 19,037,451

M.A. Awwal
Chairman

A. Wahab & Co.
Chartered Accountants



Pragati Insurance Limited

SCHEDULE OF FIXED ASSETS

as at 31st December, 1991

Particulars	COST		
	Balance as on 1-1-1991	Addition during the year	Total as at 31-12-1991
Furniture and Fixture	4,390,467	1,805,703	6,196,170
Fixture (Plastic Sign)	462,607	1,654	464,261
Motor Vehicles	9,556,670	330,000	9,886,670
Electric Equipment	1,029,234	994,345	2,023,579
Curtain & Carpets	229,958	117,971	347,929
Office Equipment	748,938	90,640	839,578
Bi-Cycle	11,325	—	11,325
Telephone (Intercom)	24,500	—	24,500
	Tk. 16,453,699	3,340,313	19,794,012

- Note :
- i) Depreciation has been charged on cost.
 - ii) Motor Vehicles with an aggregate cost of Tk. 2,921,500 have been depreciated to the full extent and depreciation charged during the year includes Tk. 146,075 on account of such vehicles.
 - iii) Figures have been rounded off to the nearest Taka.

Pragati Insurance Limited



SCHEDULE OF FIXED ASSETS

as at 31st December, 1991

DEPRECIATION				
Rate of Dep.	Balance as at 1-1-1991	Charged during the year	Total as at 31-12-1991	Written Down Value as on 31-12-1991
10%	1,769,275	619,617	2,388,892	3,807,278
15%	273,718	69,639	343,357	120,904
15%	5,636,494	1,190,850	6,827,344	3,059,326
15%	534,526	303,537	838,063	1,185,516
20%	181,616	69,586	251,202	96,727
15%	467,342	125,936	593,278	246,300
20%	8,705	2,265	10,970	355
15%	18,375	3,675	22,050	2,450
Tk.	<u>8,890,051</u>	<u>2,385,105</u>	<u>11,275,156</u>	<u>8,518,856</u>

Pragati Insurance Limited



SCHEDULE OF FIXED ASSETS

as at 31st December, 1991

DEPRECIATION				
Rate of Dep.	Balance as at 1-1-1991	Charged during the year	Total as at 31-12-1991	Written Down Value as on 31-12-1991
10%	1,769,275	619,617	2,388,892	3,807,278
15%	273,718	69,639	343,357	120,904
15%	5,636,494	1,190,850	6,827,344	3,059,326
15%	534,526	303,537	838,063	1,185,516
20%	181,616	69,586	251,202	96,727
15%	467,342	125,936	593,278	246,300
20%	8,705	2,265	10,970	355
15%	18,375	3,675	22,050	2,450
Tk.	<u>8,890,051</u>	<u>2,385,105</u>	<u>11,275,156</u>	<u>8,518,856</u>



Pragati Insurance Limited

NOTES ON ACCOUNTS

GENERAL

a) *Significant accounting policies and relevant information :*

- i) *The Company is a public limited company under the Companies Act, 1913 and is engaged in general insurance business as per Insurance Act, 1938. It has adopted the International Accounting Standards with regard to disclosure of Accounting Policies and relevant information in financial statements as well as accounting for property, plant & equipment and also depreciation thereon.*
- ii) *The Accounts have been prepared on a going concern basis under generally accepted accounting principles on historical cost convention.*
- iii) *The Balance Sheet has been prepared in accordance with the regulations as contained in Part I of the First Schedule and the Revenue Account of each class of general insurance business has been prepared in accordance with the regulations as contained in Part I of the Third Schedule and as per form "F" as set forth in Part II of that Schedule, of the Insurance Act, 1938 as amended time to time.*
- iv) *The total amount of premium earned on various classes of insurance business underwritten during the year, the gross amount of premium earned against various policies, the amount of re-insurance premium due to Sadharan Bima Corporation, the amount of re-insurance commission earned and the amount of claims less re-insurance settled during the year have been duly accounted for in the books of account of the Company and while preparing the final statements of accounts, the effect of re-insurance accepted and re-insurance ceded as well as the effect of total estimated liabilities in respect of outstanding claims at the end of the year whether due or intimated have also been duly reflected in order to arrive at the net underwriting profit for the year.*
- v) *Interest earned on Pratirakkha Sanchaya Patra held with Bangladesh Banks as Statutory Investment has been accounted for as usual at the flat rate of 12% per annum and interest received from banks on STD and FDR accounts after deduction of levy and deduction of OD interest has been duly credited to the Profit and Loss Account.*
- vi) *Management Expenses (Revenue Account) amounting to Tk. 38,592,740 represents approximately 32% of Gross Premium of*

Pragati Insurance Limited



Tk. 119,739,770 earned during the year. The said management expenses has been apportioned @ 25% to Fire, 59% to Marine and 16% to Miscellaneous Business approximately.

- vii) Surpluses of Revenue Accounts have been arrived at after providing for un-expired risk @ 50% on all business. There was no premium income on account of Marine Hull.
- viii) A sum of Tk. 7,294,847 being 10% of the total net premium of Tk. 72,948,470 earned during the year has been deducted from net Profit of the year and credited to "Reserved for Exceptional Losses", before providing for income tax for the assessment year 1992-93.
- ix) Depreciation on Fixed Assets has been calculated on cost as per Straight Line Method at the following rates and the total amount of depreciation of Tk. 2,385,105 provided during the year has been shown under "Depreciation Fund Account".

Category of Assets	Rate of Depreciation
Motor Vehicles	15%
Furniture & Fixture	10%
Fixture (Plastic Sign)	15%
Office Equipment	15%
Electrical Equipment	15%
Miscellaneous Items	20%

- x) Outstanding premium as on 31-12-1991 includes Tk. 7,956,423 relating to years prior to 1991. The management considers the entire amount as fully realisable.
- xi) The Margin of security of investments over liabilities of the Company has been well maintained.
- xii) Provision for Income Tax has been made in accordance with the best estimate of the management based on the prevailing Income Tax Law with due consideration of the appeals pending and subject to any change of the ensuing Finance Act, 1992.

b) Operation :

During the year under report, the net premium earned by the Company amounted to Tk. 72.95 million (app.) and the net underwriting profit was Tk. 16.18 million (app.) as against Tk. 64.01 million (app.) and Tk. 14.77 million (app.) respectively of the preceeding year. During the year the net profit was Tk. 26.51 million as against Tk. 24.14 million of the preceeding year.



Pragati Insurance Limited

BALANCE SHEET

1. Deposit with Bangladesh Bank : Tk. 4,500,000

The amount represents the value of Prtirakkha Sanchaya Patra at cost which are held with Bangladesh Bank as statutory deposit under Insurance Act, 1938.

2. Shares and Debentures : Tk. 9,600,413

The amount is made-up as follows :

	Face Value
1) IFIC Bank Ltd. 7 Shares of Tk. 100 each	700
2) Rupali Bank Ltd. 5,000 Shares of Tk. 100 each	500,000
3) Usmania Glass Sheet Factory Ltd. 5 Shares of Tk. 100 each	500
4) Apex Tannery Ltd. 75 Debentures of Tk. 2,000 each 50% convertible into Shares	150,000
5) Eastern Cables Ltd. 5,000 Shares of Tk. 100 each	500,000
6) Beximco Ltd. 2,000 Debentures of Tk. 2,500 each	5,000,000
7) Tallu Spinning Mills Ltd. 5,000 Shares of Tk. 100 each	500,000
8) Quasem Dry Cells Ltd. 2,000 Shares of Tk. 100 each	200,000
9) Chittagong Cement Clinker & Grinding Ltd. 80 Shares of Tk. 100 each	8,000
10) Desh Garments Ltd. 250 Shares of Tk. 100 each	25,000
11) Dulamia Cotton Spinning Mills Ltd. 1,600 Shares of Tk. 100 each	160,000
12) Magura paper Mills Ltd. 1,250 Debentures of Tk. 2000 each	2,500,000
13) National Polymur Corporation Ltd. 500 Shares of Tk. 100 each	50,000
14) Beximco Pharmaceuticals Ltd. 15 Shares of Tk. 100 each	1,500
15) Beximco Pharmaceuticals Ltd. (Debenture at cost after adjustment of refund)	4,713

Taka : 9,600,413

Pragati Insurance Limited



3. Outstanding Premium : Tk. 24,982,497

The amount is exclusive of Tk. 6,772,509 due from other co-insurers, against business underwritten during the year 1991. The balance is however inclusive of outstanding premium brought forward from earlier years as detailed under :

Year	Taka
1986	33,750
1987	150,128
1988	1,053,269
1989	952,532
1990	5,766,744

The management considers the entire amount as fully realisable and hence no provision has been made for bad and doubtful debts.

4. Sundry Debtors : Tk. 3,848,818

The Balance is made-up as follows :

Security deposit	403,065
Advance against rent	2,406,721
Advance against motor cycle	2,000
Advance against investment (ICB)	97,500
House building loan	336,500
Advance against group insurance premium	88,000
Advance against salaries, T.A. & other expenses	515,032
Taka :	<u>3,848,818</u>

5. Fixed Deposit Account : Tk. 175,767,741

The amount includes Tk. 2.90 million as F.D.R. with BCCI (O) Ltd. BCCI (O) Ltd. ceased operation in July, 1991.

6. STD & Current Accounts : Tk. 9,035,519

The balance has been arrived at as under :

STD Accounts	16,175,860
Current Accounts (O.D) Balances	(7,140,341)
Taka :	<u>9,035,519</u>

a) Some of the balances of non-operative STD Accounts remained unreconciled and un-confirmed for want of bank statements of the relevant accounts. Interest on current account (O.D.) have duly been adjusted with the interest income.

b) STD Accounts include Tk. 90,008 with BCCI (O) Ltd.



Pragati Insurance Limited

7. Cash, Cheques in hand & Stamps : Tk. 12,184,245

Included in the above amount there is a sum of Tk. 11,657,217 representing the aggregate of cheques in hand of which cheques to the total amount of Tk. 3,262,670 have become time-barred and need to be replaced by fresh cheques.

8. Reserve for Exceptional Losses : Tk. 30,294,220

The balance is made-up as follows :

Year	
1986 to 1990	22,999,373
1991	7,294,847
Taka :	<u><u>30,294,220</u></u>

9. Premium Deposit : Tk. 67,253,826

The balance represents the amount received against marine cover notes for which risks had not been initiated within 31st December, 1991.

10. Sundry Creditors : Tk. 13,518,784

This is made-up as follows :

Creditors for expenses (Including incentive bonus of Tk. 1.8 million)	1,968,939
Creditors for other finance (Including deduction of tax of Tk. 119,900)	334,520
Payable against business development expenses	4,357,711
Loan against F.D.R. with BCCI (O) Ltd.	1,500,000
Insurance Tax payable	2,745,364
Unpaid Dividend	<u>2,612,250</u>
Taka :	<u><u>13,518,784</u></u>

11. Provision for Income Tax : 13,283,890

The amount includes Tk. 11,500,000 as income tax provision on the profit for the year 1991. Deduction of tax at source an advance tax for the relevant assessment year needs to be adjusted against the provision.

12. Proposed Dividend : Tk. 6,750,000

The amount has been appropriated as per board resolution @ 22½% on paid up capital out of surplus available for distribution.

Pragati Insurance Limited



PROFIT AND LOSS ACCOUNT

1. Interest Received and Accrued : Tk. 17,715,692

The amount is made-up as follows :

Interest (net) received from Banks on F.D.R. & STD Accounts	17,175,692
Interest accrued on P.S.P.	540,000
Taka :	<u>17,715,692</u>

2. Dividend & Debenture Interest : Tk. 1,007,246

The amount credited comprises the following :

Beximco Pharmaceuticals Ltd.	1,621
Beximco Ltd.	850,000
Apex Tannery Ltd.	13,875
Tallu Spinning Mills Ltd.	45,000
Usmania Glass Sheet Factory Ltd.	90
Quasem Drycell Ltd.	27,000
Eastern Cables Ltd.	67,500
Chittagong Cement Clinker & Grinding Ltd.	2,160
Taka :	<u>1,007,246</u>

3. Donation : Tk. 1,150,000

The amount includes Tk. 950,000 as donation to Prime Minister's Cyclone & Flood Relief Fund and Tk. 200,000 as donation to Mohamedan Sporting Club.

4. Reserve for Exceptional Losses : Tk. 7,294,847

The amount has been taken out of net Profit of the year at the rate of 10% of the net premium of Tk. 72,948,470.



Pragati Insurance Limited

FORM AA

Classified Summary of Assets as at 31st December, 1991

<i>Class of Assets</i>	<i>Book Value</i>	<i>Market Value</i>
Deposit with Bangladesh Bank (Pratirakkha Sanchaya patra)	4,500,000	—
Shares & Debentures	9,600,413	9,511,906
Cash on Fixed Deposit, STD and Current Accounts with Banks	* 184,803,260	
Cash, Cheque in hand & Stamps	12,184,245	
Outstanding Premium and other dues	34,485,773	
Interest accrued but not received	4,045,000	
Sundry Debtors, Advance & Deposits	5,654,199	
Stock of Printing Materials in hand (at cost)	124,000	
Fixed Assets (at cost)	** 19,794,012	
	Tk. <u>275,190,902</u>	

Remarks

* Tk. 2.99 million lying in FDR & STD Account with BCCI (O) Ltd. which ceased operation since 6th July 1991. Against the amount the company availed a loan of Tk. 1.5 million from Agrani Bank.

**The cost of fixed assets is inclusive of Tk. 6,660,431 on account of furniture and fixtures, accumulated depreciation on fixed assets amounting to Tk. 11,275,156 has been shown under Depreciation Fund Account.

A.K.M. Rafiqul Islam
Managing Director

Md. Sarwar Kamal
Director

Md. Jahangir Chowdhury
Director

M.A. Awwal
Chairman

A. Wahab & Co.
Chartered Accountants



DIRECTORS' CERTIFICATE

As per Regulations contained in the First Schedule of the Insurance Act, 1938 as amended and as per Section 40-C of the said Act, we certify that :

- 1. The values of investments in shares and debentures have been taken at cost and the quoted value thereof mentioned wherever available.*
- 2. The values of all assets as shown in the Balance Sheet and as classified on form 'AA' annexed have been duly reviewed as at 31st December, 1991 and in our belief, the said assets have been set forth in the Balance Sheet at amounts not exceeding their realisable or market values under the several headings as enumerated in the annexed form.*
- 3. All expenses of management, wherever incurred and whether incurred directly or indirectly in respect of Fire, Marine, Motor and Miscellaneous Insurance Business have been duly debited to the related Revenue Accounts and Profit & Loss Account.*

A.K.M. Rafiqul Islam
Managing Director

Md. Sarwar Kamal
Director

Md. Jahangir Chowdhury
Director

M.A. Awwal
Chairman



Pragati Insurance Limited

BRANCHES

<i>Address</i>	<i>Telephone</i>	<i>Address</i>	<i>Telephone</i>
1. Dilkusha Branch 76, Dilkusha C/A, Dhaka.	238505 241156	15. Barisal Branch 18, Hemayet Uddin Road, Barisal	3186
2. Imamgonj Branch 85-A, Chawk Mughultuly, Dhaka	238651	16. Comilla Branch Rajganj, Kapuria Patty, Comilla	6977
3. Narayangonj Branch 150, B.B. Sarak, Narayangonj.	72646	17. Sirajgonj Branch Jubilee Road, Sirajgonj.	2360
4. Sadarghat Branch 51/52, Johnson Road, Dhaka.	233066	18. Narsingdi Branch Kazi Super Market No. 3, C & B Road (1st Floor) Narsingid.	326956
5. Khatungonj Branch 336, Khatungonj, Chittagong	226121 227051	19. Tejgaon Branch 59, Kazi Nazrul Islam Avenue, West Testori Bazar, Dhaka.	2691
6. Agrabad Branch 75-A, Agrabad C.A, Chittagong.	503834 502997	20. Faridpur Branch Thana Road Chalk Bazar, Faridupur	207844
7. Bogra Branch Borogola, Bogra.	6189	21. Jubilee Road Branch 200/3, Jubilee Road 3rd Floor, Chittagong.	4030
8. Rangpur Branch Madrasha Building Central Road, Rangpur.	3933	22. Pabna Branch Aourangajeb Road, Pabna.	4101
9. Rajshahi Branch Shaheb Bazar Ghoramara, Rajshahi.	5926	23. Chowmuhani Branch Poura Super Market, 1st Floor Chowmuhani.	4101
10. Chandpur Branch Stadium Road (Baby Stand) Chandpur.	3290	24. Cox's Bazar Branch Ahmadia Mansion, Purba Bazarghata Main Road, Cox's Bazar	4101
11. Jessore Branch Bango Bazar Netaji Shubash Chandra Road Jessore.	6996	25. Bangshal Branch Mazed Court Building (2nd Floor) 16/1, Siddique Bazar North-South Road, Dhaka.	4101
12. Sylhet Branch Laldighipar, Sylhet.	5008	26. Elephant Road Branch Rajdhani Complex 237/2, New Elephant Road Dhaka.	4101
13. Feni Branch Sultan Mansion Trunk Road, Feni.	4313		
14. Khulna Branch 118, Sir Iqbal Road, Khulna.	20056		