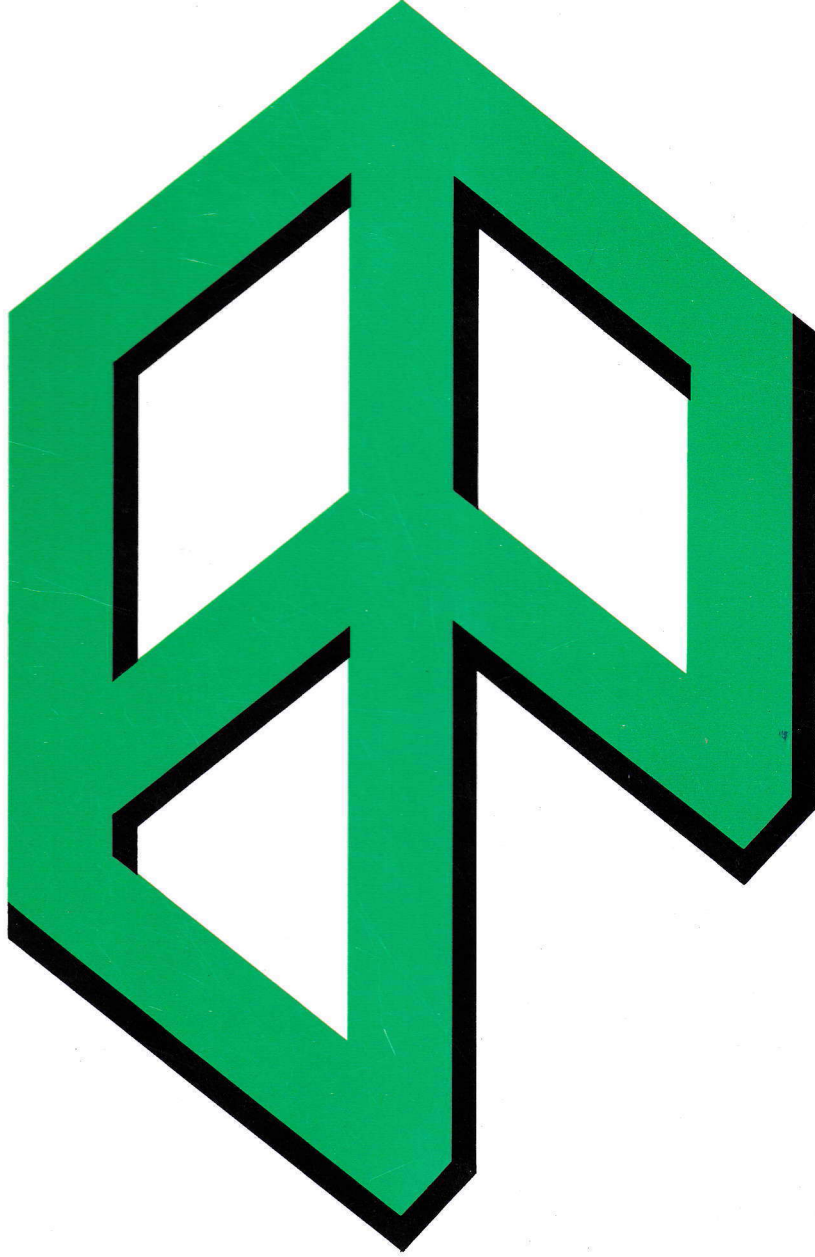


বার্ষিক প্রতিবেদন ১৯৯৭  
ANNUAL REPORT 1997



প্রগতি ইন্স্যুরেন্স লিমিটেড  
Pragati Insurance Limited

# **বার্ষিক প্রতিবেদন ১৯৯৭**

## **ANNUAL REPORT 1997**

**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: 880-2-9561398  
E-mail : [pilbima@bangla.net](mailto:pilbima@bangla.net)



## NOTICE OF THE TWELFTH ANNUAL GENERAL MEETING

Notice is hereby given that the Twelfth Annual General Meeting of Pragati Insurance Limited will be held on Wednesday, the 22nd July, 1998 at 5:00 p. m. at the Officers' Club, Baily Road, Dhaka to transact the following business :

01. To confirm the minutes of the Eleventh Annual General Meeting of the Company held on 6th August, 1997.
02. To receive, consider and adopt the Directors' Report for the year ended 31st December, 1997.
03. To receive, consider and adopt the Audited Accounts of the Company and the Auditors' Report thereon for the year ended 31st December, 1997.
04. To declare Dividend for the year 1997 as recommended by the Board.
05. To elect Directors in place of retiring Directors from Group-A shareholders.
06. To elect Directors from Group-B shareholders.
07. To appoint Auditors for the year 1998 and fix their remuneration.
08. To transact, with the permission of the chair any other business which may be transacted at an Annual General Meeting

By order of the Board of Directors.

Dated, Dhaka  
The 15th June, 1998

**H. R. Chowdhury**  
Secretary

### Notes :

- i. The Share Transfer Register of the Company shall remain closed from 2nd July to 22nd July, 1998 both days inclusive. The transfer deed received by the Company upto 1st July, 1998 will be entitled to Dividend for the year 1997 to be approved by the shareholders in the Annual General Meeting.
- 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 at least 72 hours before the meeting.



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## **Board of Directors**

### **Chairman**

Abdul Monem

### **Vice Chairman**

Md. Syedur Rahman Mintoo  
Nigar Jahan Chowdhury

### **Directors**

Eng. Md. Mizanur Rahman  
Mohammed A. Awwal  
Khan Mohammed Ameer  
Engr. A. Latif  
Sufia Khanam  
Saleem Rahman  
Ilya R. Hossain  
Capt. Imam Anwar Hossain  
Tahera Akhter  
Eng. Md. Abdul Malek  
Md. Sarwar Kamal  
Syed M. Altaf Hussain  
Nasreen Fatema  
Md. Mahbubur Rahman  
Akbar Hossain  
Prof. Md. Jahangir Chowdhury  
A.J.M. Enamul Islam  
Mrs. Farzana Ahmed  
M. Abul Hashem  
Mahbub Anam  
Dr. Abul Kalam  
Monir Ahamad  
Moazzem Hossain  
A.S.M. Mohiuddin Monem  
Syed Shamsul Alam  
A.K.M. Sanaullah Bappi

### **Managing Director**

A.K.M. Rafiqul Islam, FCA

### **Company Secretary**

Hafizur Rahman Chowdhury



## **Executives**

### **Managing Director**

A.K.M. Rafiqul Islam, FCA

### **Additional Managing Director**

R. K. Khan, MBA

### **Deputy Managing Director**

A.B.M. Mir Hossain

### **Assistant Managing Director**

M. Jahurul Haque Talukder, ACII

### **Executive Vice President**

Khurshid Ahmed Khan

### **Sr. Vice President**

Md. Shahabuddin

Mihir Kanti Barua

Mahboobuddin Ahmed

Shamsuzzaman

Mohammed Ali Khan

### **Vice President**

B. Ahmed

Quazi Shafiullah

S.M. Morshed

### **Asstt. Vice President**

Nazrul Islam

Abdul Momen

Manjurul Hoque

Farid Ahmed

Sharif Mustaba

Taslim Bahar Chowdhury

M.A. Hassan

Jamal Uddin Haider

### **Auditor**

A. Wahab & Co.

Chartered Accountants





*A view of the 11th A.G.M of the Company held on 6th August 1997 at Sonargaon Hotel, Dhaka*





A Joint-venture Project of  
Pragati Insurance & Rhone-Poulenc Rorer Bangladesh  
at Kawran Bazar





## COMPANY'S PROGRESS -10 YEARS AT A GLANCE

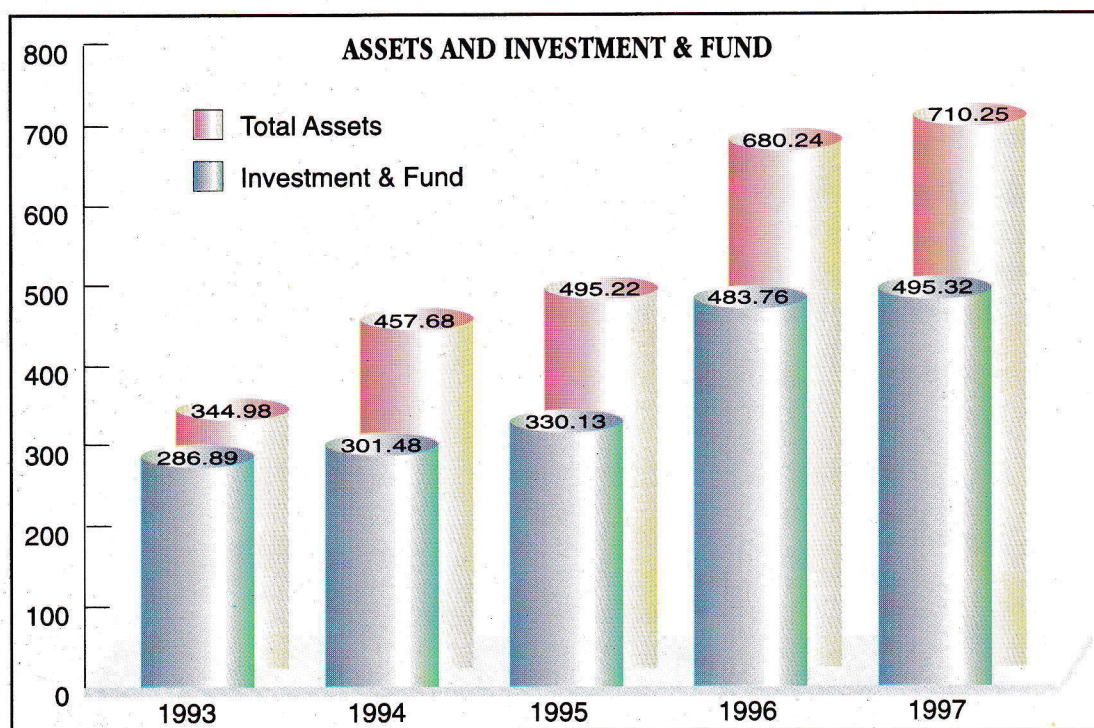
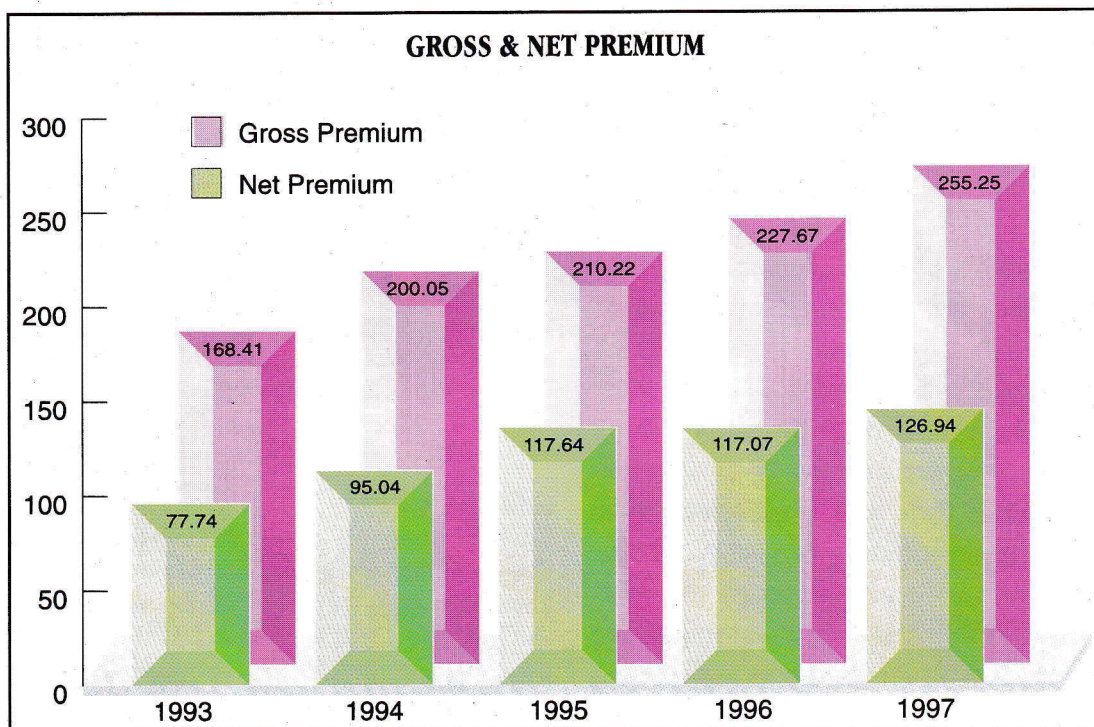
Taka in Million

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Gross premium	86.06	103.43	107.26	120.07	162.30	168.41	200.05	210.22	227.67	255.25
Net Premium	50.80	60.40	64.01	72.95	79.17	77.74	95.04	117.64	117.07	126.94
Net claim	16.14	15.06	23.50	28.23	30.93	23.69	15.37	27.37	35.06	38.19
Underwriting profit	10.35	14.16	14.77	16.18	17.15	17.99	23.54	29.99	35.06	34.32
Investment income	10.25	16.10	17.73	19.60	21.03	24.00	23.82	21.11	28.08	36.33
Income from financial service	-	-	-	-	-	-	2.92	6.20	9.26	11.26
Net profit before tax	15.87	22.75	24.14	26.51	30.39	32.33	40.07	44.53	82.97	75.88
Dividend in percent	12.50	18	22.50	22.50	25	30	35	25	30+B5:1	35
Total reserve	42.09	55.41	65.51	80.52	96.29	105.74	134.78	162.14	284.09	311.23
Premium deposit	57.93	71.48	78.92	67.25	75.82	67.66	115.04	120.86	124.55	140.64
Investment in shares and securities	5.86	10.89	11.55	14.10	24.23	34.91	41.28	68.18	106.11	120.59
Cash, FDR and Bank balances	148.39	154.13	191.37	196.99	234.42	247.98	260.20	261.96	377.65	374.73
Land at cost	-	-	-	-	-	-	101.27	101.39	102.39	105.53
Total Assets	187.63	215.86	260.35	275.19	337.64	344.98	457.68	495.22	680.24	710.25



## Progress at a Glance

In Million Taka

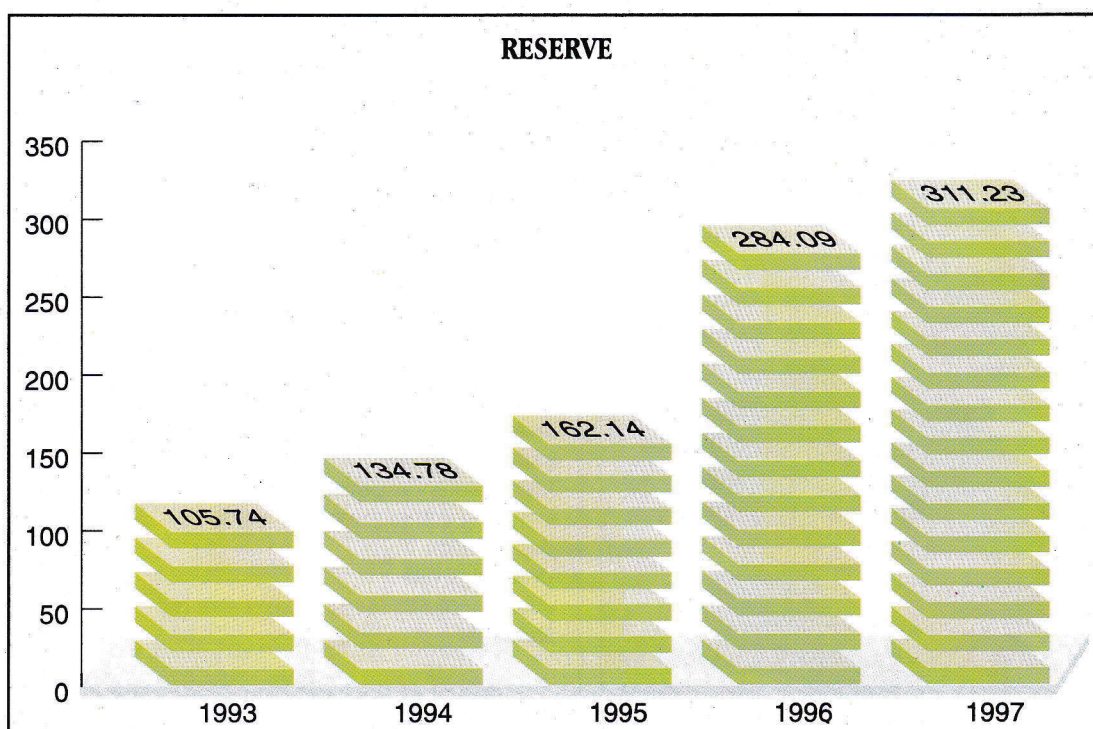
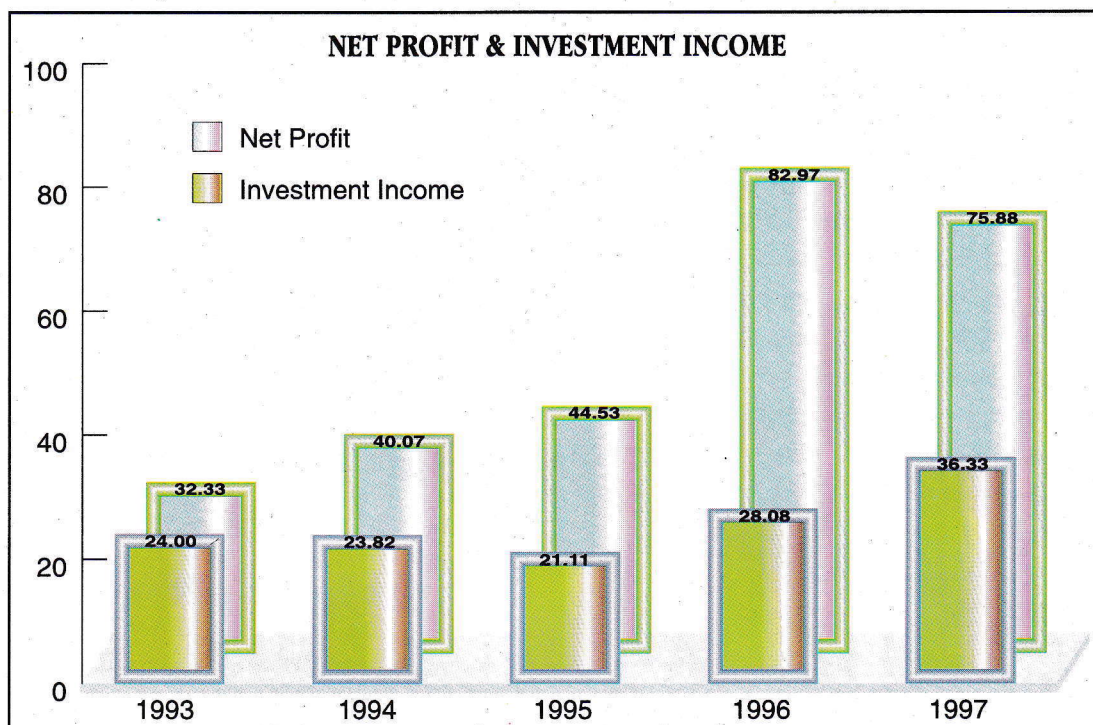






## Progress at a Glance

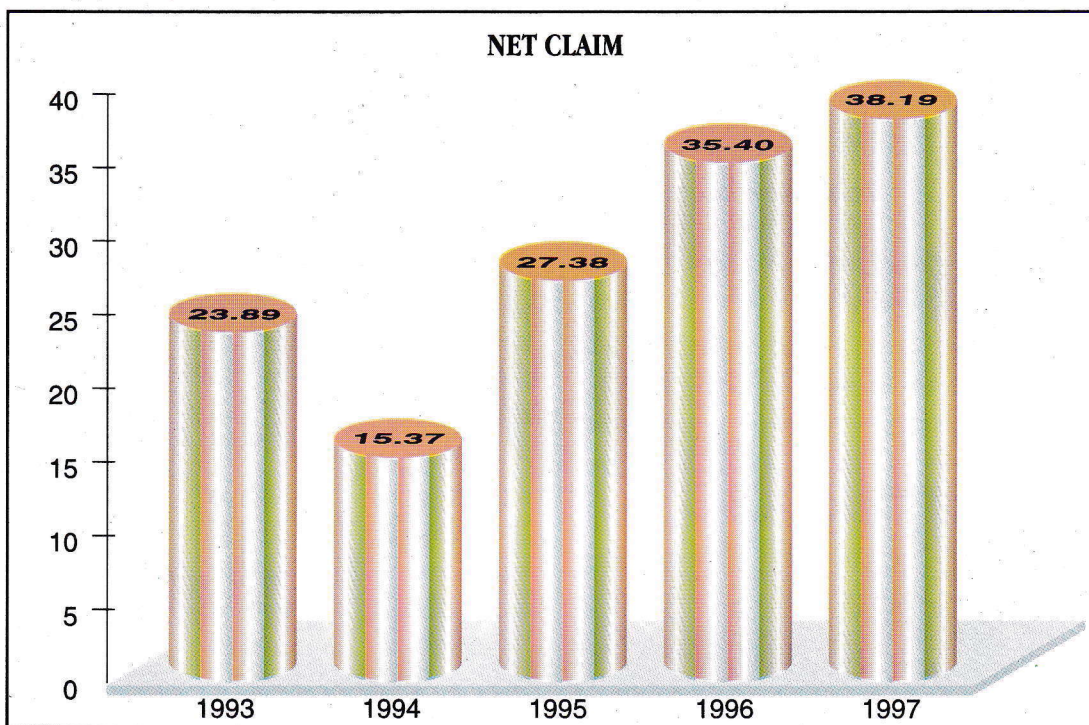
In Million Taka





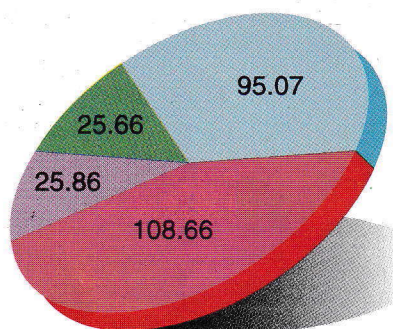
## Progress at a Glance

In Million Taka



### PREMIUM INCOME

Marine	37.25%
Motor	10.05%
Misc.	10.13%
Fire	42.57%



### INCOME AND ITS SHARING

<b>INCOME :</b>		
Gross premium	255.25	
Commission on re-insurance ceded	41.24	
Interest, Dividend & other income	57.58	
	<b>Taka</b>	<b>354.07</b>
<b>SHARING :</b>		
Net claim	38.19	10.79 %
Re-insurance ceded including other expenses to SBC	128.31	36.24 %
Management expenses including commission depreciation	107.53	30.37 %
Unexpired risk adjustment etc.	4.16	1.17 %
Net profit	75.88	21.43 %
	<b>Taka</b>	<b>354.07</b>
		<b>100.00</b>





## Directors' Report 1997

Directors of Pragati Insurance Limited take this opportunity to present before you the 12th Annual Report of the Company alongwith the Accounts for the year 1997 and Auditors Report thereon. The year began with a steady note in view of the stable political situation following installation of a democratic new government in the previous year. The new government installed in the office on 23rd June, 1996, created tremendous enthusiasm in business. As a result growth in industrial sector during the year under report registered a growth of 8%. Failure of Aman crops due to drought resulted, however, into retarded agricultural growth of 2% only. Government had to allow import of food grain to match the gap so created. Nevertheless, the GDP growth in 1997 is expected to be 6%.

### Scenario in the Insurance Market in Bangladesh :

As reported in the previous year, 8 new insurance companies entered the market and naturally, market premium was shared amongst 24 companies against 16 in the previous year. Business growth of the company as such maintained a very slow pace and recorded a rise of 12% over the previous year. We are vigorously pursuing the new market i.e. Gas extraction and Power Generation in the private sector. We hope we will be able to give you piece of good information in the next year.

The year, however, was marked by sharp fall in share price. Price index which rose to 3,600 in 1996, fell to 756 at the end of December, 1997. This has affected our portfolio, but more so, the expectation of making capital gain out of share trading vanished. Since company's port-folio of shares is well balanced with IPO shares at the issue price,

## পরিচালকমণ্ডলীর প্রতিবেদন-১৯৯৭

প্রগতি ইন্স্যুরেন্স লিমিটেডের পরিচালকমণ্ডলী কোম্পানীর ১৯৯৭ সালের হিসাব এবং উক্ত হিসাবের উপর নিরীক্ষকদের প্রতিবেদনসহ কোম্পানীর ১২তম বার্ষিক প্রতিবেদন আপনাদের সমীপে পেশ করতে পেরে আনন্দিত। ১৯৯৬ সালের ২৩শে জুন দেশে একটি গণতান্ত্রিক সরকার প্রতিষ্ঠা এবং রাজনৈতিক স্থিতিশীলতা অর্জনের পটভূমিতে ১৯৯৭ সালে বাণিজ্যিকক্ষেত্রে অভূতপূর্ব উৎসাহ সৃষ্টি হয়। ফলে ঐ বছর শিল্পক্ষেত্রে উৎপাদন ৮% বৃদ্ধি পায়। অনাবৃষ্টির কারণে আমন শস্য উৎপাদন ব্যাহত হয় এবং কৃষিক্ষেত্রে উৎপাদন মাত্র ২% বৃদ্ধি পায়। ফলে সরকারকে খাদ্যশস্য আমদানী করতে হয়। এতদসত্ত্বেও ১৯৯৭ সালে GDP বৃদ্ধির হার ৬%।

### বাংলাদেশ ইন্স্যুরেন্স ব্যবসার চালচিত্র :

৮টি নতুন বীমা কোম্পানী বাজারে আসার ফলে বীমা ব্যবসার আয়, পূর্বে যা ১৬টি কোম্পানীর মধ্যে ভাগাভাগি হতো তা এখন ২৪টি বীমা কোম্পানীর মধ্যে হচ্ছে। ফলে কোম্পানীর ব্যবসায়িক অগ্রগতি অন্যান্য বছরের তুলনায় অনেকটা সীমিত এবং পূর্ববর্তী বছরের তুলনায় মাত্র ১২% বৃদ্ধি পেয়েছে। এই পরিস্থিতিতে কোম্পানীকে নতুন নতুন ক্ষেত্রের দিকে দৃষ্টি দিতে হচ্ছে। এর মধ্যে রয়েছে বেসরকারী খাতে গ্যাস উত্তোলন এবং বিদ্যুৎ উৎপাদনসহ অন্যান্য এলাকা। আশা করছি যে এ বিষয়ে আমরা আগামীতে আপনাদেরকে কিছু সুখবর দিতে সক্ষম হব।

১৯৯৭ সালের শেয়ার বাজারের অবস্থা সম্পর্কে আপনারা সম্যকভাবে অবগত আছেন। ১৯৯৬ সালের অর্জিত মূল্যসূচক ৩৬০০, ৩১শে ডিসেম্বর, ১৯৯৭ সালে ৭৫৬-তে নেমে আসে। এতে আমরা ভীষণভাবে ক্ষতিগ্রস্ত হয়েছি এবং শেয়ার বাজার থেকে যে পরিমাণ লাভের আশা করেছিলাম তা নস্যাৎ হয়ে যায়। শেয়ারে বিনিয়োগ ইতিপূর্বে সর্বদাই কোম্পানীর জন্যে লাভজনক ছিল। আমাদের লক্ষ্য ছিল প্রাথমিক শেয়ার ক্রয়ের প্রতি। সেকেন্ডারী মার্কেট থেকে উচ্চমূল্যে খুব কম শেয়ারই ক্রয় করা হয়েছে। প্রাথমিক শেয়ার (IPO) এবং সেকেন্ডারী মার্কেট থেকে কেনা শেয়ারের মাধ্যমেই কোম্পানীর পোর্টফলিও তৈরী করা হয়। এর ফলশ্রুতিতে বাজারে যখন মূল্যসূচকে বিশাল ধস নামে তখন আমাদের শেয়ার পোর্টফলিও মূল্যের অবক্ষয় তেমন



depreciation has not dented the port-folio severely. We have made in- built provision to cover-up such deficiency. Capital gain in 1997 was Tk. 9.74 million as against Tk. 25.57 million in the previous year.

#### **New Venture :**

Considering the fact that the insurance market in Bangladesh is already crowded with 24 companies and the Government has invited fresh application for granting license to set up new companies, Board felt quite concerned. Board has decided to go ahead with diversification which could be gainfully operated alongside its core business.

The 1st project taken by the company is a joint venture commercial building project with Rhone-Poulenc Rorer at Kawran Bazar Commercial Area in Dhaka. It will be a 16 storied building with most modern facilities. When completed the building will add to the landmark at Kawran Bazar area and hope to earn good profit for the company. The construction is off the ground and by the time this report is published, basement floor with car parking facilities would be completed.

#### **Joint Venture with United Insurance Company (Nepal) Ltd.**

We have entered into Technical Service Agreement with United Insurance Co. (Nepal) Ltd. whereby the company will participate in the overall management of the company. Besides, deputing a Chief Executive Officer (CEO), Pragati Insurance will design and install Underwriting, Claims, Re-Insurance and Financial system for the company. United Insurance Co. (Nepal) Ltd is a Public Limited Company listed in the Stock Exchange in Kathmandu. Pragati Insurance will receive Technical Services fee based on premium earned by the company.

হয়নি। শেয়ার পোর্টফলিও-র প্রতি সার্বক্ষণিক নজর এবং সম্ভাব্য অবক্ষয়ের বিরুদ্ধে যথাযথ ব্যবস্থা এবং ভারসাম্য রক্ষাই এর একমাত্র কারণ। ১৯৯৭ সালে ৯.৭৪ মিলিয়ন টাকা মূলধনী মুনাফা অর্জিত হয়। গত বছরে এর পরিমাণ ছিল ২৫.৫৭ মিলিয়ন টাকা।

#### **নতুন প্রকল্প :**

বাংলাদেশের সীমিত বাজারে ২৪টি বীমা কোম্পানীর প্রতিযোগিতা এবং অধিকতর নতুন বীমা কোম্পানী প্রতিষ্ঠার উদ্দেশ্যে সরকার কর্তৃক দরখাস্ত আহ্বানের প্রেক্ষিতে প্রগতি ইন্স্যুরেন্স লিমিটেডের পরিচালকমণ্ডলী এমন কিছু বিকল্প পরিকল্পনা গ্রহণের উদ্যোগ নিয়েছেন যা বীমা ব্যবসার পাশাপাশি লাভজনকভাবে চালিত হতে পারে।

#### **(ক) ১৬-তলাবিশিষ্ট আধুনিক ভবন নির্মাণ :**

এই পরিকল্পনার প্রথম প্রজেক্ট হচ্ছে ঢাকার কাওরান বাজার বাণিজ্যিক এলাকায় রোন-পোলাংক রোরার লিঃ এর সাথে যৌথভাবে একটি ১৬ তলা আধুনিক ভবন নির্মাণ। এই ভবনটি কোম্পানীর জন্যে লাভজনক হবে বলে আমরা আশাবাদী। ভবনটির নির্মাণ কাজ ইতিমধ্যেই শুরু হয়েছে এবং জুলাই, ১৯৯৮ নাগাদ গাড়ী পার্কিং এর জন্যে নির্মিত বেইসমেন্ট ফ্লোরের নির্মাণ কাজ শেষ হবে।

#### **(খ) নেপালস্থ ইউনাইটেড ইন্স্যুরেন্স কোম্পানী লিমিটেড-এর সাথে যৌথ উদ্যোগ :**

আপনারা জেনে খুশি হবেন যে, আমরা নেপালের ইউনাইটেড ইন্স্যুরেন্স কোম্পানী লিমিটেডের সাথে একটি Technical Service Agreement স্বাক্ষর করেছি, যার আওতায় প্রগতি ইন্স্যুরেন্স লিমিটেড উক্ত কোম্পানীর সার্বিক ব্যবস্থাপনায় অংশগ্রহণ করবে। এই চুক্তির ভিত্তিতে আমরা ইতিমধ্যেই একজন প্রধান নির্বাহী কর্মকর্তা নিয়োগ করেছি। এছাড়াও আমরা উক্ত কোম্পানীর জন্যে আন্ডাররাইটিং, দাবী আদায়, পুনঃবীমা এবং অর্থনৈতিক বিষয়সমূহের সুষ্ঠু পরিচালনার জন্যে ম্যানুয়াল প্রণয়নের ব্যবস্থা গ্রহণ করেছি। ইউনাইটেড ইন্স্যুরেন্স কোম্পানী কার্টামুভু স্টক এক্সচেঞ্জের বিধিবদ্ধ একটি পাবলিক লিমিটেড কোম্পানী। এই চুক্তির আওতায় প্রগতি ইন্স্যুরেন্স লিমিটেড উপরোল্লিখিত সার্ভিসের জন্যে নির্দিষ্ট হারে একটি 'ফি' পাবে যা ইউনাইটেড ইন্স্যুরেন্স কোম্পানীর প্রিমিয়াম আয়ের উপর নির্ভরশীল হবে।





This is a leaf forward in the technical side of the company. For the first time, a Bangladesh Insurance Company has stepped outside the country to manage another company. Under the Joint Venture Agreement, the company has option to buy 10% share in the equity of the company at a price based on the net asset value as of the date of agreement. We are awaiting audited account for valuation purpose. Both the Technical Services Agreement and the Joint Venture Agreement were signed in Kathmandu in the presence of Finance Ministers of both Bangladesh and Nepal following signing in ceremony of the minutes of the Joint Economic Commission on 18th of March, 1998.

#### **Tourism Development Project :**

Our next venture is in the Tourism industry. With the commissioning of Bangabandhu Bridge over the river Jamuna on 23rd June, 1998, the area which has been developed by the JMBA Authority, on the eastern side of Bridge has been earmarked for concession for a period of 30 years to develop tourism industry in that area. Pragati Insurance Limited found its partner with i) Sunrise Berhad, Malaysia, ii) Country Heights, Malaysia, and iii) Chaudhary Group of Nepal for developing the tourist resort in the eastern side of the Bridge under the title "Bangabandhu Bridge Tourism Development Project (BBTDP)." We have submitted the Bid documents on the 7th of June, 1998 and it appears that we are the lone bidder. The matter is lying pending before the JMBA Authority for their decision.

#### **Housing Bank :**

The company is one of the sponsors of the National Housing Finance Limited. The Housing Bank has already received formal approval from the Bangladesh Bank and is now awaiting launching sometime in September this year. This is the 2nd company in the field of Housing Finance in Bangladesh in the private sector.

বাংলাদেশের ইতিহাসে এই চুক্তি একটি মাইলফলক। বিদেশী একটি বীমা কোম্পানীর ব্যবস্থাপনার ভার গ্রহণ কোন বাংলাদেশী বীমা কোম্পানীর জন্যে এটাই সর্বপ্রথম। উপরোক্ত চুক্তির আওতায় প্রগতি ইন্স্যুরেন্স লিমিটেড নেপালের ইউনাইটেড ইন্স্যুরেন্স কোম্পানীর ১০% শেয়ার ক্রয় করার অধিকারী। এই শেয়ারের মূল্য নির্ধারিত হবে চুক্তি স্বাক্ষরিত দিনে উক্ত কোম্পানীর সম্পদের মূল্যের উপর ভিত্তি করে। ইউনাইটেড ইন্স্যুরেন্স কোম্পানীর নিরীক্ষিত হিসাব প্রাপ্তির পর এটা নির্ধারণ করা হবে। বিগত ১৮ই মার্চ, ১৯৯৮ বাংলাদেশ ও নেপাল উভয় দেশের অর্থমন্ত্রীর উপস্থিতিতে কাঠমুন্ডুতে প্রগতি ইন্স্যুরেন্স লিমিটেড এবং নেপালের ইউনাইটেড ইন্স্যুরেন্স কোম্পানী লিমিটেডের এই চুক্তি স্বাক্ষরিত হয়। উল্লেখ্য, বাংলাদেশের অর্থমন্ত্রী বাংলাদেশ-নেপাল যৌথ অর্থনৈতিক কমিশনের বৈঠকে যোগদানের উদ্দেশ্যে ঐ সময় কাঠমুন্ডুতে অবস্থান করছিলেন।

#### **(গ) পর্যটন শিল্প উন্নয়ন প্রজেক্ট :**

আমাদের পরবর্তী পদক্ষেপ পর্যটন শিল্পে। বাংলাদেশ সরকার বঙ্গবন্ধু যমুনা সেতুর পূর্বপার্শ্বস্থ এলাকা পর্যটন শিল্প এলাকা হিসেবে গড়ে তোলার উদ্দেশ্যে ঐ এলাকা ৩০ বছরের জন্যে লীজ দেয়ার সিদ্ধান্ত গ্রহণ করে দরপত্র আহ্বান করেছেন। প্রগতি ইন্স্যুরেন্স লিমিটেড মালয়েশিয়ার "সানরাইজ বারহ্যাড" ও "কান্দি হাইটস্" নামক দুটি প্রতিষ্ঠান এবং নেপালের চৌধুরী গ্রুপের সংগে "বঙ্গবন্ধু সেতু পর্যটন উন্নয়ন প্রজেক্ট" নামক প্রকল্পটি যৌথভাবে গ্রহণের উদ্যোগ নিয়েছে। বিগত ৭ই জুন, ১৯৯৮ এই উদ্দেশ্যে দরপত্র জমা দেয়া হয়েছে। বিষয়টি এখন যমুনা সেতু কর্তৃপক্ষের বিবেচনাধীন রয়েছে। প্রাপ্ত সংবাদে জানা যায় আমাদের দরপত্রই একমাত্র দরপত্র। অন্য কোন প্রতিষ্ঠান এতে অংশগ্রহণ করেনি।

#### **(ঘ) গৃহ উন্নয়ন ব্যাংক :**

গৃহ উন্নয়ন ঋণদানের উদ্দেশ্যে স্থাপিত "National Housing Finance Ltd." নামক একটি প্রতিষ্ঠানে প্রগতি ইন্স্যুরেন্স লিমিটেড একজন উদ্যোক্তা। এই কোম্পানী ইতিমধ্যেই বাংলাদেশ ব্যাংকের অনুমোদন লাভ করেছে। চলতি সালের সেপ্টেম্বর নাগাদ এর কার্যক্রম শুরু হবে বলে আশা করা যাচ্ছে। ব্যক্তিগত খাতে এটাই বাংলাদেশে দ্বিতীয় গৃহ উন্নয়ন ঋণদান প্রতিষ্ঠান।



#### **Life Insurance :**

Government has invited fresh application for granting license for setting up new insurance company. The Board has decided to sponsor a life insurance company. The company has already submitted application last year and is awaiting for Government decision.

#### **Land and Development :**

After the last Annual Report, previous owners of our land at Kawran Bazar received allotment of two plots of 10 katha each adjacent to our plot facing the Panthapath. We have agreement with the previous owners for purchasing the land as and when allotted to them by RAJUK. We are currently negotiating for purchase of one plot of the allotted land.

Although price of the land in the area has multiplied but we have not revalued the land. As such the value of the land shown in the Balance Sheet is at cost. We are looking for Joint venture partner for development of the land into a Hotel-cum-Shopping Arcade of international standard.

We have added another 2.31 acres of land in Joydevpur area at a cost of Tk. 4.11 million, the market value of which has already gone up by at least 12% in the meantime.

We now have the pleasure to present herein below a summarised position of the achievement made by the company during 1997. Comparative figure of the previous year has been shown alongside for better appreciation of 1997 performance.

#### **(ঙ) জীবন বীমা :**

সরকার বীমা ক্ষেত্রে নতুন কোম্পানীর জন্যে দরখাস্ত আহ্বান করায় কোম্পানীর পরিচালনা পরিষদ একটি জীবন বীমা কোম্পানী প্রতিষ্ঠার সিদ্ধান্ত নিয়েছেন। আমরা বিগত বছরে এই দরখাস্ত পেশ করেছি যা বর্তমানে সরকারের বিবেচনাধীন রয়েছে।

#### **(চ) জমি উন্নয়ন :**

বিগত বার্ষিক প্রতিবেদন প্রকাশের পরবর্তীকালে আমাদের কাওরানবাজারস্থ জমির পূর্বতন মালিক “রাজউক” হতে ১০ কাঠা পরিমাণের পান্থপথমুখী দু’টি প্লটের বরাদ্দ পায়। উল্লেখ্য, এই দু’টি প্লটের জন্যে উক্ত জমিতে আমাদের উন্নয়ন পরিকল্পনা বিলম্বিত হচ্ছিল। পূর্বতন মালিকের সংগে বরাদ্দকৃত প্লট ক্রয়ের জন্যে আমাদের চুক্তি রয়েছে। আমরা বর্তমানে তাঁদের সংগে একটি প্লট ক্রয়ের জন্যে আলোচনা চালাচ্ছি। যদিও পান্থপথ এলাকায় জমির মূল্য বহুগুণ বৃদ্ধি পেয়েছে, তথাপিও আমরা আমাদের জমির মূল্য পুনঃমূল্যায়ন করিনি। ব্যালেন্স শীটে ক্রয় মূল্যই দেখানো হয়েছে। আমরা এই জমিতে একটি আন্তর্জাতিক মানের হোটেল-কাম-শপিং আর্কেট গড়ে তোলার জন্যে একটি যৌথ উদ্যোগের প্রয়াস চালাচ্ছি।

এতদ্ব্যতীত জয়দেবপুরে ৪.১১ মিলিয়ন টাকা ব্যয়ে আমরা ২.৩১ একরের একটি জমি ক্রয় করেছি যার মূল্য ইতিমধ্যেই ১২% বৃদ্ধি পেয়েছে।

#### **কোম্পানীর কার্যক্রম :**

১৯৯৭ সালে কোম্পানীর কার্যক্রমের একটি সংক্ষিপ্ত প্রতিবেদন আমরা এখন আপনাদের নিকট তুলে ধরছি। মাননীয় শেয়ারহোল্ডারবৃন্দের সুবিধার্থে পূর্ববর্তী অর্থাৎ ১৯৯৬ সালের হিসাবও পাশাপাশি পেশ করা হলো :





Figure in million Tk.

মিলিয়ন (টাকা)

**A) Gross Performance :**

	1997	1996
Gross premium	255.25	227.67
Re-Insurance Premium	128.31	110.60
Premium retained	126.94	117.07
Net Claim	38.19	35.40
Management Expenses	62.56	63.76
Net Profit before tax	75.88	82.97

**ক) সার্বিক কার্যক্রম :**

	১৯৯৭	১৯৯৬
গ্রস প্রিমিয়াম	২৫৫.২৫	২২৭.৬৭
পুনঃবীমা প্রিমিয়াম	১২৮.৩১	১১০.৬০
সংরক্ষিত প্রিমিয়াম	১২৬.৯৪	১১৭.০৭
নেট দাবী	৩৮.১৯	৩৫.৪০
প্রশাসনিক ব্যয়	৬২.৫৬	৬৩.৭৬
আয়কর-পূর্ব মুনাফা	৭৫.৮৮	৮২.৯৭

**B) Sector-wise income**

Income from Insurance operation	34.32	35.06
Income from Financial Services	11.51	9.26
Income from Interest, Dividend & Rent	36.33	28.08
Income from Capital gain	9.74	25.57

**খ) খাত-ওয়ারী আয় :**

বীমা ব্যবসায় আয়	৩৪.৩২	৩৫.০৬
ফিনানসিয়াল সার্ভিস থেকে আয়	১১.৫১	৯.২৬
সুদ, ডিভিডেন্ড ও ভাড়া থেকে আয়	৩৬.৩৩	২৮.০৮
বিনিয়োগ থেকে অর্জিত মূলধনী লাভ	৯.৭৪	২৫.৫৭

**C) DEPARTMENT WISE PERFORMANCE :**

Department	Premium (Gross)		Claims Paid		Underwriting Profit	
	1997	1996	1997	1996	1997	1996
Fire :	108.66	98.07	44.22	21.06	13.56	14.77
Marine :	95.07	80.27	49.48	11.03	13.40	19.15
Motor:	25.66	21.40	7.51	9.11	1.93	0.62
Misc.	25.86	27.91	4.16	9.64	5.42	0.52

**গ) বিভাগ-ওয়ারী ফলাফল :**

বিভাগ	প্রিমিয়াম (গ্রস)		দাবী প্রণ		বীমা ব্যবসায় মুনাফা	
	১৯৯৭	১৯৯৬	১৯৯৭	১৯৯৬	১৯৯৭	১৯৯৬
অগ্নি	১০৮.৬৬	৯৮.০৭	৪৪.২২	২১.০৬	১৩.৫৬	১৪.৭৭
নৌ	৯৫.০৭	৮০.২৭	৪৯.৪৮	১১.০৩	১৩.৪০	১৯.১৫
মোটর	২৫.৬৬	২১.৪০	৭.৫১	৯.১১	১.৯৩	০.৬২
বিবিধ	২৫.৮৬	২৭.৯১	৪.১৬	৯.৬৪	৫.৪২	০.৫২

**Dividend :**

Pre-tax net profit for the year 1997 alongwith unappropriated profit brought forward from the last year stood at Tk. 76.11 million. The Directors recommend appropriation as under :

	(Tk in million)	
	1997	1996
Dividend @ 35.00 per share	25.62**	18.30
Exceptional Losses Reserve	12.69	11.70
Provision for Income Tax	18.00	22.50
General Reserve	12.20	20.00
Dividend Equalization	7.50	10.50
Retained Earning	0.10	0.23
Total :	76.11	83.23

\*\* Number of shares in 1997 increased to 7,32,000 from 6,10,000 in 1996 due to inclusion of 20% Stock Shares (Bonus Share)

**Board of Directors :**

In accordance with Articles 105 and 107 of the Company's Articles of Association undernoted Directors from Group A shareholders retire from office by rotation. Being eligible, they offer themselves for re-election.

- 01 Mr. Abdul Monem
- 02 Mr. Md. Mahbubur Rahman
- 03 Mrs. Nigar Jahan Chowdhury
- 04 Mr. Saleem Rahman
- 05 Mr. Md. Syedur Rahman Minto
- 06 Mrs. Tahera Akhter
- 07 Engr. Md. Mizanur Rahman

Election of 4(four) Directors from the Group-B shareholding will be held in the 12th Annual General Meeting of the Company scheduled on 22nd July, 1998. Since all the Directors from

**ডিভিডেন্ড :**

গত বছরের অবস্টনকৃত মুনাফার সাথে বর্তমান বছরের করপূর্ব মুনাফার যোগফল হচ্ছে ৭৬.১১ মিলিয়ন টাকা। কোম্পানীর পরিচালকমণ্ডলী নিম্নরূপভাবে এর সমন্বয় করার সুপারিশ করেছেন :

	(মিলিয়ন টাকায়)	
	১৯৯৭	১৯৯৬
ডিভিডেন্ড ৩৫% প্রতিটি শেয়ারের জন্যে	**২৫.৬২	১৮.৩০
Exceptional Losses Reserve	১২.৬৯	১১.৭০
আয়করের জন্যে রিজার্ভ	১৮.০০	২২.৫০
সাধারণ রিজার্ভ	১২.২০	২০.০০
ডিভিডেন্ড সমন্বয় রিজার্ভ	৭.৫০	১০.৫০
অবস্টনকৃত মুনাফা	০.১০	০.২৩
মোট :	৭৬.১১	৮৩.২৩

\*\* ২০% বোনাস শেয়ার প্রদানের ফলে ১৯৯৭ সালে মোট শেয়ারের পরিমাণ দাঁড়িয়েছে ৭,৩২,০০০ যার সংখ্যা ১৯৯৬ সালে ছিল ৬,১০,০০০।

**পরিচালকমণ্ডলী :**

কোম্পানীর আর্টিকেল অব এসোসিয়েশনের ১০৫ এবং ১০৭ ধারা অনুযায়ী নিম্নে উল্লেখিত উদ্যোক্তা পরিচালকবৃন্দ অবসর গ্রহণ করবেন এবং যোগ্য বিধায় প্রত্যেকেই পুনঃনির্বাচনের ইচ্ছা প্রকাশ করে সম্মতিপত্র দিয়েছেন :

- ১) জনাব আব্দুল মোনেম।
- ২) জনাব মোঃ মাহবুবুর রহমান।
- ৩) মিসেস নিগার জাহান চৌধুরী।
- ৪) জনাব সেলিম রহমান।
- ৫) জনাব মোঃ সাইদুর রহমান মিন্টু।
- ৬) মিসেস তাহেরা আক্তার।
- ৭) ইঞ্জিনিয়ার মোঃ মিজানুর রহমান।

২২শে জুলাই, ১৯৯৮ ইং অনুষ্ঠিতব্য কোম্পানীর ১২তম সাধারণ বার্ষিক সভায় “বি গ্রুপ” হতে ৪ (চার) জন পরিচালক নির্বাচিত হবেন। যেহেতু গত বার্ষিক সাধারণ সভায় “বি গ্রুপ” থেকে ১০ জন পরিচালক





the Group B shareholding were elected in the last Annual General Meeting, all the Directors so elected bear equal seniority. It was mutually agreed that the following Directors from Group B shall retire in this meeting but being eligible offer themselves for re-election except Dr. Abul Kalam.

01. Mr. A. J. M. Enamul Islam
02. Dr. Abul Kalam
03. Syed Shamsul Alam
04. Mr. A. K. M. Sanaullah Bappi

Necessary notification for the election was published in the 3 daily newspapers in Dhaka and Chittagong on 18-05-1998

#### Auditors :

The Auditor M/s. A. Wahab & Co, Chartered Accountants is to retire as Auditor in accordance with Article 149 and is eligible for reappointment. The Auditors have indicated their willingness in writing for reappointment as Auditors. It is recommended that M/s. A. Wahab & Co., be reappointed as Auditor of the company for the year 1998 at a remuneration to be fixed by the shareholders.

#### Conclusion :

In the end the Board of Directors express its grateful thanks and deep appreciation for the 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 nationalised sectors, DFIs and all private sector enterprise who have helped us in building a sound footing of the company. We are specially grateful to the management of Bata Shoe Co (Bangladesh) Ltd., BEXIMCO Group of Companies, Lever Brothers (BD) Ltd., Karnaphuli Fertilizer Co. Ltd. (KAFCO), Monno Group of Companies, Glaxo Bangladesh Ltd., Hyundai, Reckitt & Colman, Rhone-Poulenc Rorer, ACI Bangladesh, Excelsior Group, Mamiya- OP(BD) Ltd. Orion Group of Companies, Hussain Group of

একসঙ্গে নির্বাচিত হয়েছিলেন তাই তাঁরা পারস্পরিক সমঝোতার মাধ্যমে নিম্নে উল্লেখিত ৪(চার) জন অবসর গ্রহণ করবেন বলে সিদ্ধান্ত গ্রহণ করেছেন এবং যোগ্য বিধায় ডাঃ আবুল কালাম ব্যতীত প্রত্যেকেই পুনঃনির্বাচনের ইচ্ছা প্রকাশ করেছেন।

- ১) জনাব এ. জে. এম এনামুল ইসলাম
- ২) ডাঃ আবুল কালাম
- ৩) সৈয়দ সামসুল আলম
- ৪) জনাব এ. কে. এম সানাউল্লাহ বাপ্পি

এতদসংক্রান্ত প্রয়োজনীয় নোটিশ গত ১৮-০৫-৯৮ ইং তারিখে ঢাকা এবং চট্টগ্রামের ৩টি সংবাদপত্রে প্রকাশিত হয়েছে।

#### নিরীক্ষক :

আর্টিকেলের ১৪৯ ধারা অনুযায়ী কোম্পানীর নিরীক্ষক মেসার্স এ. ওহাব এন্ড কোং অবসর গ্রহণ করবেন এবং তাঁরা পুনঃনিয়োগের যোগ্য। মেসার্স এ. ওহাব এন্ড কোং পুনঃনিয়ুক্তির আশ্রয় প্রকাশ করে পত্র দিয়েছেন। ১৯৯৮ সালের জন্য মেসার্স এ. ওহাব এন্ড কোম্পানীকে পুনঃনিয়োগ প্রদান এবং তাঁদের ফিস নির্ধারণের জন্যে সুপারিশ করা গেল।

#### উপসংহার :

পরিশেষে পরিচালকমণ্ডলী কোম্পানীর কার্যক্রমে সহায়তা এবং সহযোগিতা প্রদানের জন্যে সরকারী ও বেসরকারী ব্যাংক-সমূহ, বিভিন্ন আর্থিক প্রতিষ্ঠান এবং ব্যক্তি মালিকানাধীন ব্যবসায়িক প্রতিষ্ঠানসমূহের প্রতি কৃতজ্ঞতা জানাচ্ছেন। কোম্পানীকে বর্তমান মর্যাদায় উন্নীতকরণে তাঁদের অবদান অপরিমিত। বিশেষভাবে বাটা সু কোম্পানী (বাংলাদেশ) লিঃ, লিভার ব্রাদার্স (বাংলাদেশ) লিঃ, গ্ল্যাক্সো বাংলাদেশ লিঃ, বেক্সিমকো গ্রুপ অব কোম্পানীজ, মুন্স গ্রুপ অব কোম্পানীজ, হুনদাই, রেকিট এন্ড কোলম্যান, রোন পোল্যাংক বাংলাদেশ লিঃ, এসিআই বাংলাদেশ লিঃ, কাফকো, এক্সেলসিওর গ্রুপ, মামিয়া ওপি (বাংলাদেশ) লিঃ, ওরিয়ন গ্রুপ অব কোম্পানীজ, হোসাইন গ্রুপ অব ইন্ডাস্ট্রিজ, অলিম্পিক ইন্ডাস্ট্রিজ, তৃপ্তি ইন্ডাস্ট্রিজ, প্রাইম টেক্সটাইল, ইসলাম গ্রুপ, আবুল খায়ের গ্রুপ, নাজারিয়া



Industries, Olympic Industries, Tripti Industries, Prime Textile, Islam Group, Abul Khair Group, Nazaria Group, KDS Group, K. Rahman Group, Multimode Group, National Bank Ltd., Commonwealth Development Corporation (CDC), Societe Generale, QC Shipping, HRC Group, Youngone Group, Azim Group, Pacific Jeans, Grameen Phone for reposing their confidence in the company.

We also record our gratefulness to the Govt. of the People's Republic of Bangladesh, Chief Controller of Insurance, Securities and Exchange Commission, Sadharan Bima Corporation for their support and assistance.

Above all, the Board express its profound gratitude to all its valued clients, patrons and well wishers for their continued support, active cooperation and 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, we may look forward to achieve yet better result in the coming days. The Directors have been pleased to reward its staff including the executives, officers and employees with three incentive bonus.

The company remains fully committed to its deep determination and ideology of personalized client service, their satisfaction and their financial security.

On behalf of the Board of Directors.

**Abdul Monem**  
Chairman.

গ্রুপ, কেডিএস গ্রুপ, কে রহমান গ্রুপ, মাল্টিমোড গ্রুপ, ন্যাশনাল ব্যাংক লিমিটেড, কমনওয়েলথ ডেভলপমেন্ট করপোরেশন (সিডিসি), সোসাইটি জেনারেল, কিউসি শিপিং, এইচ আর সি গ্রুপ, ইয়াংগুন গ্রুপ, আজিম গ্রুপ, প্যাসিফিক জীনস, গ্রামীণ ফোন প্রগতি ইস্যুরেন্সের উপর যে বিশ্বস্ততা ও আস্থা প্রদর্শন করেছেন তাঁর জন্যে পরিচালকমণ্ডলী তাঁদের নিকট গভীরভাবে কৃতজ্ঞ।

আমরা গণপ্রজাতন্ত্রী বাংলাদেশ সরকার, প্রধান বীমা নিয়ন্ত্রক, সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, সাধারণ বীমা করপোরেশন-এর নিকট সর্বধরনের সাহায্য সহযোগিতা পাওয়ার জন্যে তাঁদের প্রতি আমাদের আন্তরিক কৃতজ্ঞতা জানাচ্ছি।

এতদ্ব্যতীত কোম্পানীর সম্মানিত গ্রাহকবৃন্দ, শুভানুধ্যায়ী এবং পৃষ্ঠপোষকবৃন্দ কোম্পানীর কার্যক্রমে যে সক্রিয় সাহায্য, সহমর্মিতা এবং আস্থা প্রদর্শন করেছেন তৎজন্যে পরিচালকমণ্ডলী তাঁদের জানাচ্ছেন সশ্রদ্ধ ধন্যবাদ।

পরিচালকমণ্ডলী ব্যবস্থাপনা পরিচালক মহোদয়ের মাধ্যমে কোম্পানীর সকল শ্রেণীর কর্মকর্তা ও কর্মচারীর আন্তরিক কর্মনিষ্ঠা, অক্লান্ত পরিশ্রম, নিবেদিত সেবার প্রশংসা করেন এবং আশা প্রকাশ করেন যে ভবিষ্যতেও কর্মকর্তা/কর্মচারীবৃন্দ একইভাবে তাদের প্রচেষ্টা সমুন্নত রাখবেন এবং কোম্পানীকে উত্তরোত্তর সমৃদ্ধির পথে নিতে অগ্রণী ভূমিকা পালন করবেন। পরিচালকমণ্ডলী তাঁদের আন্তরিক এবং প্রশংসনীয় কর্মোদ্যমের জন্যে সকল শ্রেণীর কর্মকর্তা ও কর্মচারীবৃন্দকে ৩(তিন)টি উৎসাহ বোনাস প্রদানের সিদ্ধান্ত নিয়েছেন।

উপসংহারে পরিচালকমণ্ডলী সম্মানিত গ্রাহক, পৃষ্ঠপোষক, শুভানুধ্যায়ীদের এই মর্মে আশ্বাস প্রদান করছেন যে, ভবিষ্যতেও প্রগতি ইস্যুরেন্স লিঃ গ্রাহক সেবা এবং তাঁদের আর্থিক নিরাপত্তার ব্যাপারে অধিকতর সচেতনতা এবং নিরলস প্রচেষ্টা অব্যাহত রাখবে।

প্রগতি ইস্যুরেন্স লিঃ পরিচালকমণ্ডলীর পক্ষে-

**আব্দুল মোনেম**  
চেয়ারম্যান।





## Auditor's Report to the Shareholders

We have examined the annexed Balance Sheet of Pragati Insurance Limited as at 31st December, 1997 and also the Fire, Marine, Motor and Miscellaneous Revenue Accounts as well as the annexed Profit and Loss and the Appropriation Account together with the Notes on Accounts 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 the Revenue Accounts and Profit and Loss Account and 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 fair view of the state of affairs of the Company as at 31st December, 1997 according to the best of our information and explanations given to us and as shown by the books of the Company;
- d) In our opinion, proper books of account 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 receipt and payments, income and expenditure and assets & liabilities;
- e) We have verified the cash and bank balance of the Company as at 31st December, 1997 with the related statements, deposit slips, certificates etc. as furnished by the management of the Company and the banks concerned and we have given our comments where necessary;
- 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 expenses not related to any particular fund or account have been debited to the Profit and Loss Account; 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 to any person any commission in any form 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.

Dated, Dhaka 14th June, 1998

**A. Wahab & Co.**  
Chartered Accountants



## Balance Sheet

As at 31st December, 1997

CAPITAL & LIABILITIES	NOTE	1997	1996
<b>Authorised capital</b>			
1,000,000 Ordinary shares of Tk. 100 each		<u>100,000,000</u>	<u>100,000,000</u>
<b>Issued, Subscribed &amp; Paid-up capital</b>			
732,000 Ordinary shares of Tk. 100 each	15	73,200,000	61,000,000
<b>Share Premium</b>	16	76,250,000	76,250,000
<b>Reserve or Contingency Account</b>		171,507,466	148,536,803
Reserve for exceptional losses	17	91,653,514	78,959,949
Depreciation fund		24,755,863	21,848,495
Dividend equalisation reserve		35,000,000	27,500,000
General reserve	18	20,000,000	20,000,000
Profit & Loss Appropriation Account		98,089	228,359
<b>Balance of Fund &amp; Account</b>		63,467,823	59,304,082
Fire Insurance Business		17,582,258	17,513,250
Marine Insurance Business		28,134,259	25,147,774
Misc. Insurance Business		17,751,306	16,643,058
<b>Premium Deposit</b>	19	140,639,125	124,546,270
<b>Liabilities &amp; Provision</b>		115,894,525	149,537,335
Estimated liabilities in respect of outstanding claims whether due or intimated.	20	66,250,798	68,534,191
Amount due to other persons or bodies carrying on insurance business.	21	49,643,727	81,003,144
<b>Sundry Creditors</b>	22	12,910,423	12,275,959
<b>Provision for Income Tax</b>	23	30,765,100	30,490,272
<b>Proposed Dividend</b>	24	<u>25,620,000</u>	<u>18,300,000</u>
		<u>Tk. 710,254,462</u>	<u>680,240,721</u>

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

Dated, Dhaka, June 14, 1998

A. K. M. Rafiqul Islam  
Managing Director

Prof. Jahangir Chowdhury  
Director





## Balance Sheet

As at 31st December, 1997

PROPERTY & ASSETS	NOTE	1997	1996
<b>Investment (at cost)</b>		<b>120,592,267</b>	<b>106,112,738</b>
Pratirakkha Sanchaya Patra	1	9,500,000	9,500,000
Shares & Debentures	2	111,092,267	96,612,738
<b>Outstanding Premium</b>	3	<b>5,883,456</b>	<b>10,616,840</b>
<b>Amount due from other persons or bodies carrying on insurance business</b>	4	<b>33,561,451</b>	<b>28,055,521</b>
<b>Interest, Dividend &amp; Rent outstanding</b>	5	<b>9,358,230</b>	<b>3,375,000</b>
<b>Sundry Debtors</b>	6	<b>12,591,005</b>	<b>13,700,386</b>
<b>Advance Payment of Tax</b>	7	<b>6,094,406</b>	<b>4,921,603</b>
<b>Cash and Bank Balances</b>		<b>374,730,693</b>	<b>377,652,922</b>
Fixed Deposit Accounts	8	346,160,114	315,706,114
STD & Current Accounts	9	24,120,374	49,415,311
Cash, Cheque in hand & Stamp	10	4,450,205	12,531,497
<b>Other Accounts</b>		<b>147,442,954</b>	<b>135,805,711</b>
Land (freehold) at cost	11	105,531,600	102,391,600
Fixed Assets (at cost)	12	34,673,888	31,684,126
Joint Venture Building Project	13	6,077,331	
Stock of Printing Materials (at cost)		420,600	255,450
Expenses against Shares Issue	14	739,535	1,474,535
		<b>Tk. 710,254,462</b>	<b>680,240,721</b>

Subject to our separate report of even date.

**Tahera Akhter**  
Director

**Abdul Monem**  
Chairman

**(A Wahab & Co.)**  
Chartered Accountants



## Profit and Loss Account

For the year ended 31st December, 1997

	Note	1997	1996
<b>Expenses of Management</b>			
(not applicable to any fund or account)			
Advertisement & Publicity		3,104,117	3,856,700
Directors Remuneration		459,000	118,500
Bonus (festival & incentive)	29	6,530,722	6,048,295
Audit Fees (including fee for special audit)		150,000	125,000
Legal Expenses		1,044,135	286,622
Registration Renewal Fee	30	365,482	318,687
Depreciation		4,361,767	4,251,445
Profit for the year transferred to			
Profit & Loss Appropriation Account		75,883,296	82,970,431
		<b>Tk. 91,898,519</b>	<b>97,975,680</b>

## Profit and Loss Appropriation Account

For the Year ended 31st December, 1997

Reserve for Exceptional Losses	12,693,565	11,706,930
Provision for Income Tax	18,000,000	22,500,000
Dividend Equalisation Reserve	7,500,000	10,500,000
General Reserve	12,200,000	20,000,000
Proposed Dividend	25,620,000	18,300,000
Balance transferred to Balance Sheet	98,089	228,358
	<b>Tk. 76,111,654</b>	<b>83,235,288</b>

Dated, Dhaka, June 14, 1998

**A. K. M. Rafiqul Islam**  
Managing Director

**Prof. Jahangir Chowdhury**  
Director





## Profit and Loss Account

For the year ended 31st December, 1997

	Note	1997	1996
<b>Interest, Dividend and Rent</b>			
(Not applicable to any fund or account)		<b>36,331,118</b>	<b>28,082,036</b>
Interest Received & Accrued	26	29,581,590	22,994,226
Dividend and Debenture Interest	27	6,749,528	5,087,810
<b>Profit Transferred from:</b>		<b>34,316,492</b>	<b>35,061,117</b>
Fire Revenue Account		13,562,963	14,769,654
Marine Revenue Account		13,395,692	19,149,443
Misc. Revenue Account		7,357,837	1,142,020
<b>Other Income:</b>		<b>21,250,909</b>	<b>34,832,527</b>
Profit on Sale of investment (Share)	28	11,507,508	9260,020
Misc. Receipt (Share)		9,743,401	25,572,507
		<b>Tk. 91,898,519</b>	<b>97,975,680</b>

## Profit and Loss Appropriation Account

For the Year ended 31st December, 1997

Balance brought forward from previous period	228,358	264,857
Net Profit for the year transferred from Profit and Loss Account	75,883,296	82,970,431
	<b>Tk. 76,111,654</b>	<b>83,235,288</b>

Tahera Akhter  
Director

Abdul Monem  
Chairman

(A Wahab & Co.)  
Chartered Accountants



## Fire Insurance Revenue Account

For the year ended 31st December, 1997

### Claims under policies less : Re-Insurance :

Paid during the year

Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated

Less : Outstanding Claims at the end of the previous year

### Commission on Re-Insurance Accepted

### Expenses of Management

### Commission

### Profit transferred to

### Profit & Loss Account

### 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

	1997	1996
Paid during the year	13,620,188	7,256,050
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	34,141,519	34,884,662
	47,761,707	42,140,712
Less : Outstanding Claims at the end of the previous year	34,884,662	29,511,321
	12,877,045	12,629,391
Commission on Re-Insurance Accepted	801,230	898,449
Expenses of Management	27,576,866	29,624,048
Commission	12,083,184	4,571,906
Profit transferred to Profit & Loss Account	13,562,963	14,769,654
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	17,582,258	17,513,250
	<u>Tk. 84,483,546</u>	<u>80,006,698</u>

Dated, Dhaka, June 14, 1998

**A. K. M. Rafiqul Islam**  
Managing Director

**Prof. Jahangir Chowdhury**  
Director





Tk.	<u>84,483,546</u>	<u>80,006,698</u>
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(A Wahab & Co.)  
Chartered Accountants



## Marine Insurance Revenue Account

For the year ended 31st December, 1997

	1997	1996
<b>Claims under policies Less : Re-Insurance :</b>		
paid during the year	16,882,873	4,820,542
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	20,843,868	25,344,440
	37,726,741	30,164,982
Less : Outstanding Claims at the end of the previous year	25,344,440	24,957,315
	12,382,301	5,207,667
<b>Expenses of Management</b>	22,740,345	22,118,652
<b>Commission</b>	10,050,820	8,541,990
<b>Profit transferred to Profit &amp; Loss Account</b>	13,395,692	19,149,443
<b>Balance of Account at the end of the year as shown in Balance Sheet :</b>		
Reserve for unexpired risks being 50% of the Marine Cargo Premium income 100% of the Marine Hull Premium income of the year	28,134,259	25,147,774
	<b>Tk. 86,703,417</b>	<b>80,165,526</b>

Dated, Dhaka, June 14, 1998

**A. K. M. Rafiqul Islam**  
Managing Director

**Prof. Jahangir Chowdhury**  
Director





## Marine Insurance Revenue Account

For the year ended 31st December, 1997

	1997	1996
Balance of Account at the beginning of the year :		
Reserve for unexpired risk	25,147,774	25,608,268
Premium Less : Re-Insurance	56,268,518	48,756,689
Commission on Re-Insurance Ceded	5,287,125	5,800,569

Tk. 86,703,417

80,165,526

Tahera Akhter  
Director

Abdul Monem  
Chairman

(A Wahab & Co.)  
Chartered Accountants



## Miscellaneous Insurance Revenue Account

For the year ended 31st December, 1997

	MOTOR	MISC.	1997	1996
<b>Claims under policies</b>				
<b>less : Re-insurance :</b>				
Paid during the year	7,432,593	2,533,603	9,966,196	18,243,035
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	4,771,779	6,493,632	11,265,411	8,305,089
	12,204,372	9,027,235	21,231,607	26,548,124
Less : Outstanding Claims at the end of the previous year	2,394,165	5,910,924	8,305,089	8,984,088
	9,810,207	3,116,311	12,926,518	17,564,036
<b>Commission on Re-insurance accepted</b>	—	31,152	31,152	66,613
<b>Expenses of Management</b>	5,658,333	6,588,270	12,246,603	12,019,793
<b>Commission</b>	3,693,081	2,294,535	5,987,616	2,720,078
<b>Profit transferred to Profit &amp; Loss Account</b>	1,933,346	5,424,491	7,357,837	1,142,020
<b>Balance of Account at the end of the year as shown In Balance Sheet :</b>				
Reserve for unexpired risks being 50% of the Motor and Misc. Premium income of the year	11,270,705	6,480,601	17,751,306	16,643,058
<b>Tk.</b>	<b>32,365,672</b>	<b>23,935,360</b>	<b>56,301,032</b>	<b>50,155,598</b>

Dated, Dhaka, June 14, 1998

A. K. M. Rafiqul Islam  
Managing Director

Prof. Jahangir Chowdhury  
Director





### Miscellaneous Insurance Revenue Account

For the Year ended 31st December, 1997

	MOTOR	MISC.	1997	1996
<b>Balance of account at the beginning of the year :</b>				
Reserve for unexpired risks	9,431,853	7,211,205	16,643,058	13,043,773
<b>Premium less : Re-Insurance</b>	22,541,409	12,961,202	35,502,611	33,286,116
<b>Commission on Re-Insurance ceded</b> (including profit commission)	392,410	3,762,953	4,155,363	3,825,709

Tk.	<u>32,365,672</u>	<u>23,935,360</u>	<u>56,301,032</u>	<u>50,155,598</u>
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Tahera Akhter  
Director

Abdul Monem  
Chairman

(A Wahab & Co.)  
Chartered Accountants



## Statement of Cash Flow

For the year ended 31st December, 1997

### A. Cash Flow from Operating Activities :

Net Profit after Tax	57,883,296
Adjustment to reconcile Net Profit to net cash provided by Operating Activities:	
Depreciation	4,361,767
Expenses against Share Issue	735,000
Loss (Profit) on Sale of Assets	(227,100)
Loss (Profit) on Sale of Investment	(9,743,401.00)
Reserve for Unexpired Risk	4,163,741
(Increase)/Decrease in Stock of Printing	(165,150)
(Increase)/Decrease in Advance Payment of Tax	(1,172,803)
(Increase)/Decrease in S. Debtors	1,109,381
(Increase)/Decrease in Interest, Dividend & Rent outstanding	(5,983,230.00)
(Increase)/Decrease in Amount due from other Persons or Bodies carrying on Insurance Business	(5,505,930)
(Increase)/Decrease in Outstanding Premium	4,733,384
Increase/(Decrease) in Income Tax Payable	274,828
Increase/(Decrease) in S. Creditors	509,020
Increase/(Decrease) in Estimated Liability in respect of outstanding claim whether due or intimated	(2,283,393)
Increase/(Decrease) in Amount due to other Person or Bodies carrying on Insurance Business	(31,359,417)
Increase/(Decrease) in Premium Deposit	16,092,855
<b>Net Cash Flow from Operating Activities</b>	<b>33,422,848</b>

### B. Cash Flow from Investing Activities:

Purchase of Fixed Assets	(7,864,162)
Increase in Capital Work-in-Progress (Building Project)	(6,077,331)
Disposal of Fixed Assets	507,100
Disposal of Investment	12,993,362
Redemption of Debenture	1,924,023
Investment made	(19,653,513)
Dividend Paid	(18,174,556)
<b>Net Cash Flow from Investing Activities</b>	<b>(36,345,077)</b>

### C. Cash Flow from Financing Activities

Net Cash Flow from Financing Activities	(2,922,229)
Increase (Decrease) in Cash and Bank Balances (A+B+C)	
Cash and Bank Balances at Opening	377,652,922
Cash and Bank Balances at Closing	374,730,693





## Notes on Accounts

### GENERAL

#### a. Significant accounting policies and other relevant information

- i) The Company is a public limited Company under the Companies Act, 1994 and is engaged in general insurance business as per Insurance Act, 1938. It has adopted the International Accounting Standards as were adopted in Bangladesh, particularly with regard to disclosure of accounting policies and relevant information in financial statements as well as accounting for property and depreciation thereon and the valuation of investments and other relevant matters.
- 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 Third Schedule of the Insurance Act, 1938 as amended from 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 all 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 statutory investments lying with Bangladesh Bank in the form of P.S.P's as renewed has been accounted for on a sum of Tk. 45 lacs at the prescribed rate and on additional P.S.P. of Tk. 50 lacs, interest has been calculated on lump-sum basis. Besides, interest received from banks on STD and FDR accounts after deduction of OD interest, have been duly credited to the Profit and Loss Account.
- vi) Capital gains and dividend income earned during the year have been shown in the Profit and Loss Account and the tax relief as well as the concession of rate of tax as availed under the existing income tax law, have been given effect in the accounts.
- vii) Management expenses charged to Revenue Accounts amounting to Tk. 62,563,814 represents approximately 25% of gross premium of Tk. 255,254,166 including Government business and Share from S.B.C. aggregating to Tk. 20,977,617. Management expenses charged to revenue accounts represents 49.29% of net premium of Tk. 126,935,645 as earned during the year under audit. The expenses have been apportioned @ 44.08% to Fire, 36.35% to Marine and 19.57% to Miscellaneous business as per Management decision.
- viii) Before arriving at the surplus of each class of business necessary provision for unexpired risks have been created at the rate of 50% on all business except on Marine Hull business for which the provision was made @ 100% of the total premium for the year 1997.



- ix) Reserve for Exceptional Losses as appropriated out of current year's profit before tax provision amounts to Tk. 12,693,565 being 10% of the net premium earned during the year.
- x) Depreciation on Fixed Assets has been charged on cost for full year as per Straight Line Method at the following rates depending on the estimated useful life of the assets and the total amount of depreciation of Tk. 24,755,862 including Tk. 4,361,767 provided during the year, has been shown under "Depreciation Fund Account" as per usual practice.

Category of Assets	Rate of Depreciation
Furniture and Fixtures	10% to 15%
Motor Vehicles	15%
Office & Electrical Equipments	15%
Miscellaneous items	15% to 20%

- xi) The outstanding premium appearing in the accounts represents only the amount which was realised subsequently till March, 1998.
- xii) The margin of security of investments over liabilities of the Company has been well maintained.
- xiii) Provision for Income Tax has been made in accordance with the best estimate of the management based on the prevailing Income Tax law.
- xiv) a) Investments are stated at cost and their market or intrinsic value are not considered for periodical adjustment in the accounts.  
b) During the year Interest on investments in PSP and Debenture as well as dividend on shares have been accounted for as income on accrual basis. In the earlier year debenture interest and dividend were accounted for on receipt basis.
- xv) Figures have been rounded off and re-arranged where felt necessary.

**b. Operation :**

During the year under audit, through the operation of 34 branches the gross premium earned by the company amounted to Tk. 255,254,166 including public sector business of Tk. 19,232,905. After ceding for re-insurance premium the net premium for the year amount to Tk. 126,935,645 and after charging direct expenses therefrom the net Underwriting profit stood Tk. 34,316,492 as against Tk. 117,069,305 and Tk. 35,061,117 respectively in the preceding year.

**Public Sector Business**

Public Sector business upto June 1997 has been accounted for on the basis of statement received from SBC.

**c. Tax Assessment Position**

Income Tax Assessments of the Company have been completed upto Assessment year 1997-98 (A/cs 31-12-96). An appeal is pending for the Assessment year 1995-96. Except the above, another appeal is pending with the Supreme Court (High Court Division) for the Assessment year 1990-91.





## BALANCE SHEET

### 1. Pratirakka Sanchaya Patra Tk. 9,500,000

The amount represents 8 years Pratirakka Sanchaya Patra as per last account, out of which PSP with a face value of Tk. 45.00 lacs are held with Bangladesh Bank as Statutory deposit under Insurance Act, 1938.

### 2. Shares and Debentures Tk. 111,092,267

The amount is made-up as follows :

#### i) Shares:

Sl. No.	Shares in Public Ltd. Company	No. of Shares	At Cost
1	IFIC Bank Ltd.	10	900
2	Rupali Bank Ltd.	32,125	3,797,150
3	National Bank Ltd.	65,343	5,535,500
4	Anwar Galvanaizing Ltd.	30	3,000
5	Eastern Cables Ltd.	6,000	500,000
6	Kay & Que Ltd.	3,250	1,960,000
7	Quasem Drycells Ltd.	11,850	296,250
8	Apex Food Ltd.	360	643,942
9	Beximco Fisheries Ltd.	16,000	2,653,175
10	Meghna Vegetables Ltd.	21	2,100
11	Tripti Industries Ltd.	46,620	8,114,500
12	Mona Food Industries Ltd.	10,000	1,000,000
13	Bangladesh General Insurance Co. Ltd.	9,600	3,939,600
14	Reliance Insurance Co. Ltd.	1050	569,888
15	1st B.S.R.S. Mutul Fund	910	91,000
16	7th ICB Mutual Fund	4	400
17	8th ICB Mutual Fund	40	4,000
18	IDLC Bangladesh Ltd.	3,000	225,000
19	United Leasing Co. Ltd.	996	2,317,129
20	Uttara Leasing Co. Ltd.	4	400
21	Chittagong Cement Ltd.	780	1,414,250
22	Excelsior Shoes Ltd.	17	1,700
23	Mark (BD) Ltd.	11	2,200
24	New Dhaka Refractories Ltd.	19,910	1,991,000
25	Usmania Glass Sheet Factory Ltd.	5	500
26	MAC Enterprise Ltd.	1,996	199,600
27	Beximco Pharmaceuticals Ltd.	61,925	5,717,417
28	Orion Infusion Ltd.	30,000	3,909,500
29	Square Pharmaceuticals Ltd.	1,250	900,000
30	Eastern Housing Ltd.	5,300	705,464
31	Shine Pukur Holdings Ltd.	400	101,388
32	Apex Weaving Ltd.	2,560	256,000
33	Bangladesh Zipper Industries Ltd.	1,358	135,800
34	CMC-Kamal Textiles Mills Ltd.	10,000	1,000,000
35	Delta Millers Ltd.	10,000	975,000
36	Dulamia Cotton Spinning Mills Ltd.	2,720	272,000
37	H.R. Textiles Ltd.	139	13,900
38	Monno Fabrics Ltd.	172,000	25,800,000
39	Padma Textiles Ltd.	5,670	953,750
40	Prime Textiles Ltd.	15,000	4,500,000
41	Tallu Spinning Mills Ltd.	20,000	2,375,000
42	Beximco Textiles Ltd.	50	6,039

**Total Taka: 82,884,442**



The market value of the shares as on 31-12-97 stood at Tk. 70,935,395. The value of majority of shares showed downward trend subsequent to the Balance Sheet date.

ii) **Debentures :**

<u>Sl. No.</u>	<u>Name of the Company</u>	<u>At Cost</u>
1	Bangladesh Export Import Co., Ltd. (Debenture at cost after adjustment of refund)	1,660,000
2	IDLC Bangladesh Ltd. (Debenture at cost after adjustment of refund)	250,000
3	Beximco Infusion Ltd. (Debenture at cost after adjustment of refund)	532,015
4	Beximco Synthetics Ltd. (Debenture at cost after adjustment of refund)	4,712,400
5	Magura Paper Mills Ltd. 1,250 Debentures of Tk. 2,000 each	2,500,000
6	Beximco Fisheries Ltd. 465 Debentures of Tk. 3,000 each	1,240,910
7	Beximco Textiles Ltd. 871 Debentures of Tk. 2,500 each	2,177,500
8	Beximco Denims Ltd. 4,000 Debentures of Tk. 2,500 each	10,000,000
9	Bangladesh Luggage Industries Ltd. 2,000 Debentures of Tk. 2,500 each	5,000,000
10	Bangladesh Zipper Ltd. 54 Debentures of Tk. 2,500 each	135,000

**Total Taka :** 28,207,825

**Grand Total Taka :** 111,092,267

Dividend and Interest as received and accrued in respect of the Shares and Debentures have been duly credited to the Profit and Loss Account (Note-27).

3. **Outstanding Premium : Tk. 5,883,456**

The balance represents only the portion of the outstanding premium which was realized subsequently. It is exclusive of Tk. 22,719,955 due from other Co-insurers shown separately against business underwritten upto the year 1997. The business wise break-up of the outstanding premium shown as above is given below :

Fire	1,947,010
Marine	3,045,755
Motor	563,020
Misc.	327,671

**Tk. 5,883,456**





**4 Amount due from other persons or bodies carrying on Insurance business : Tk. 33,561,451**

The amount is made up as follows :

Co-Insurance Premium receivable (including refund premium)	22,719,955
---	------------

Co-Insurance Claim receivable :

Fire	2,863,506
Marine	6,416,922
Motor	285,015
Misc.	<u>1,276,053</u>
	10,841,496

**Tk. 33,561,451**

**5. Interest, Dividend & Rent outstanding : Tk. 9,358,230**

This balance is made-up as follows :

i) Interest on - PSP	4,705,000
ii) Dividend	712,940
iii) Debenture Interest	<u>3,940,290</u>

**Tk. 9,358,230**

- i) Dividend receivable has subsequently been received in full till the date of audit.
- ii) Debenture Interest receivable remains fully outstanding till the date of audit.

**6. Sundry Debtors : Tk. 12,591,005**

This balance is made-up as follows :

Advance against expenses	350,000
Advance against Salary	59,640
Advance against rent	5,931,769
Advance against investment	6,097,500
Group Insurance Premium (Due from employees)	<u>152,096</u>

**Tk. 12,591,005**

- i) Advance against investment includes Tk. 97,500 as an old balance since 1991, towards bridge finance contribution under the leadership of I.C.B. The amount has not been realized till the date of audit, neither the management has taken any decision to write off this long outstanding balance.  
In support of the rest of the balance of advance against investment no scripts were available till the date of audit nor any income was accounted therefor.
- ii) As regards advances the restriction prescribed in Insurance Rule 1958 needs to be complied with.



**7. Advance Payment of Tax : Tk. 6,094,406**

The entire amount relates to the Accounting year 31.12.97 (Asstt. 1998-99). Besides the cash deposit of Tk. 3,000,000 during the year, the amount is inclusive of Tk. 2,590,715 being the sum deducted at source from FDR interest and Tk. 234,444 from STD interest. Further, it includes Tk. 269,247 being the deduction from dividend income relating to the accounting year 1997 corresponding to Assessment year 1998-99, which is eligible for adjustment towards the settlement of Tax liability on finalisation of assessments. Subsequent to the Balance Sheet date a further sum of Tk. 80 lacs was paid as advance tax towards the Assessment year 1998-99.

**8. Fixed Deposit Account : Tk. 346,160,114**

Interest on FDR is accounted for on cash basis as per usual practice.

**9. STD & Current Accounts Tk. 24,120,374**

The balance has been arrived at as under :

STD Accounts	28,548,718
Current Account	(4,428,344)

**Tk. 24,120,374**

**10. Cash, Cheque in hand & Stamp : Tk. 4,450,205**

The amount is inclusive of Tk. 1,652,743 being the aggregate of that portion of cheques in hand which was collected subsequently.

**11. Land : Tk. 105,531,600**

The above balance includes Tk. 41.15 lacs representing the cost of 2.31 acres of land as purchased during the year and includes registration and other expenses.

**12. Fixed Assets : Tk. 34,673,888**

Detailed break-up of Fixed Assets is given below :

Cost	Furniture and Fixture	Office and Electrical Equipments	Motor Vehicles	Other Assets	Total
As at 1st January, 1997	9,666,850	7,307,275	14,299,318	413,683	31,684,126
Addition during the year 1997.	457,547	1,211,405	2,767,000	288,210	4,724,162
Disposal of Fixed Assets	—	—	(1,734,400)	—	(1,734,400)
As at 31st December, 1997.	10,121,397	8,518,680	15,331,918	701,893	34,673,888
<b>Depreciation</b>					
As at 1st, January, 1997.	6,762,172	5,110,043	9,565,898	410,383	21,848,496
Charged for the year, 1997.	591,911	980,685	2,731,029	58,142	4,361,767
Depreciation on Disposal of fixed Assets.	—	—	(1,454,400)	—	(1,454,400)
As at 31st December, 1997.	7,354,083	6,090,728	10,842,527	468,525	24,755,863
<b>Written down value</b>					
As at 31st December, 1997.	2,767,314	2,427,952	4,489,391	233,368	9,918,025





### Sale of Fixed Assets

Sl. No.	Particulars	Vehicle No./Yr. pur	Original Cost	Accumulated Depreciation	Book Value	Sale proceeds	Gain/ (Loss)	Mode of Disposal	Purchaser
1	Motor Vehicles	Dhaka-Metro-Cha-9268/88	245,000	245,000	—	131,000	131,000	Tender	Mr. Waziullah, Feni
2	Motor Cycle	Rangpur-La-488/88	44,400	44,400	—	40,000	40,000	Negotiation	Mr. Reajul Hossain, Rangpur
3	Motor Vehicles	KA-03-6322/93	480,000	312,000	168,000	137,000	(31,000)	Tender	Khandoker Parts House Manikgonj
4	Motor Vehicles	Cha-02-2681/93	320,000	208,000	112,000	164,100	52,100	Tender	Md. Akterul Islam, Dhaka
5	Motor Vehicles	Ka-02-0748/89	645,000	645,000	—	35,000	35,000	Tender	Mr. Khaza Moinuddin Dhaka
			1,734,400	1,454,400	280,000	507,100	227,100		

### 13. Joint Venture Building Project : Tk. 6,077,331 (Construction-in-Progress)

The project has been undertaken on the basis of an agreement dated 14th December, 1996 with Rhone Poulenc Rorer (BD) Ltd. the owner of a piece of land measuring more or less 9 Kathas 14 Chatak 19 sqft located at Kawran Bazar Commercial Area, Dhaka under the terms and conditions of sharing the total constructed space and auxiliary facilities as stipulated in the agreement entered into between the Company and the owner of the land as above.

### 14. Expenses against Share Issue : Tk. 739,535

The balance is made up as follows :

Opening balance	1,474,535
Add: Expenses during the year	15,000
	<u>1,489,535</u>
Less : Adjustment during the year	750,000
	<u><u>Tk. 739,535</u></u>

### 15. Issued, Subscribed & Paid-up Capital : Tk. 73,200,000

The balance represents :

610,000 ordinary shares of Tk. 100 each fully paid up in cash	61,000,000
122,000 ordinary shares of Tk. 100 each fully paid up as Bonus Share (5:1) as issued during the year 1997	12,200,000
	<u><u>Tk. 73,200,000</u></u>



The Bonus Shares were issued as per recommendation of the Board and as approved by the shareholders in the last Annual General Meeting.

**16. Share Premium : Tk. 76,250,000**

The amount represents premium received @ Tk. 250 per share against issue of 305,000 ordinary shares to the public, in the year 1996.

**17. Reserve for Exceptional Losses : Tk. 91,653,514**

This balance is made-up as follows :

Balance b/f from 1996	78,959,949
Add: Appropriation out of Profit for 1997	12,693,565
	<u>Tk. 91,653,514</u>

The amount for the year 1997 represents 10% of the Net Premium of Tk. 126,935,645 as earned during the year under audit. The amount is tax exempt.

**18. General Reserve : Tk. 20,000,000**

The above balance is made-up as follows :

Opening balance as on 01-01-1997	20,000,000
Less : Transferred to Share Capital Account (as conversion into Bonus share)	12,200,000
	<u>7,800,000</u>
Add: Reserve during the year	12,200,000
	<u><u>Tk. 20,000,000</u></u>

**19. Premium Deposit : Tk. 140,639,125**

The amount was received against Cover Notes over the years for which policies have not been issued within 31st December, 1997, although the fact remains that some of the receipts are old for several years.

**20. Estimated Liabilities in respect of outstanding claims whether due or intimated : Tk. 66,250,798**

The break-up of the amount is noted below :

Fire	34,141,519
Marine	20,843,868
Motor	4,771,779
Misc.	6,493,632
	<u>Tk. 66,250,798</u>





**21. Amount due to other persons or bodies carrying on Insurance Business : Tk. 49,643,727**

The break-up of the amount is given below :

Amount due to SBC	11,489,129
Other Insurance Companies :	
Payable against Co-Insurance Premium	36,122,080
Payable against Co-Insurance Claim (Marine)	2,026,716
Payable against Co-Insurance Claim (Fire)	5,802
	<u>38,154,598</u>
	<b>Tk. 49,643,727</b>

The balance of SBC represents the cumulative balance due to them as on 31-12-97 on account of re-insurance business with SBC after adjusting commission and claim settled on their behalf and against Government business.

**22. Sundry Creditors : Tk. 12,910,423**

The balance is made-up as follows :

Payable against Expenses (including incentive bonus of Tk. 39.45 lacs)	6,766,170
Provident Fund	164,220
Income Tax deduction	1,963,377
Vat Payable	2,601,041
Unpaid Dividend	125,444
Received against Security	1,071,632
Tax deduction against Rent	196,285
Others	22,254

**Tk. 12,910,423**

**23. Provision for Income Tax: Tk. 30,765,100**

The amount includes Tk. 18,000,000 as Income Tax provision for the accounting year ended on 31st December, 1997 (Assessment year 1998-99).

The make up of the balance of provision is noted below :

Opening balance as on 1-1-97	
Less: Paid/adjusted during the year (For Asstt. Yr. 1997-98)	30,490,272
Relating to Pending Assessments	<u>17,725,172</u>
	12,765,100
Add: Provision made for the year 1997 (Assessment year 1998-99)	<u>18,000,000</u>
Balance as on 31.12.1997	<b>Tk. 30,765,100</b>

Provision for tax has been made with due consideration of exemption of tax on gains on shares of public limited companies and concessional rate of tax on Dividend Income. The amount of Advance Payment of Tax relating to Assessment year 1998-99 and inclusive of tax deducted at source on bank interests and dividend, as shown under Note 7 is eligible for adjustment against tax liability to be determined in due course.



**24. Proposed Dividend : Tk. 25,620,000**

The amount has been appropriated out of surplus available for distribution @ 35% on paid-up capital of Tk. 73,200,000 as on 31-12-97, as per recommendation of the Board.

**25. Revenue Account :**

i) The summarized position of net underwriting profit earned during the year 1997 is as follows :

Particulars	Fire	Marine	Motor & Misc.	Total 1997
A. Gross Premium (including SBC & Govt. Business)	108,662,028	95,069,463	51,522,675	255,254,166
B. Re-Insurance Premium Ceded	73,497,512	38,800,945	16,020,064	128,318,521
C. Net Premium (A-B)	35,164,516	56,268,518	35,502,611	126,935,645
<b>Direct Expenses</b>				
D. Commission (Net off Re-insurance Accepted & Ceded) (Note-25 (D))	(18,921,366)	4,763,695	1,863,405	(12,294,266)
E. Claim settled & provided (Net) (Note-25(E))	12,877,045	12,382,301	12,926,518	38,185,864
F. Management Expenses (Note-25 (F))	27,576,866	22,740,345	12,246,603	62,563,814
G. Total Direct Expenses (D+E+F)	21,532,545	39,886,341	27,036,526	88,455,412
H. Adjusted Fund balance for Un-expired risk (Opening Balance less closing Balance)	(69,008)	(2,986,485)	(1,108,248)	(4,163,714)
<b>Net Underwriting Profit (C- G+H)</b>	<b>13,562,963</b>	<b>13,395,692</b>	<b>7,357,837</b>	<b>34,316,492</b>

**25 (D).Commission (Net) Tk. (12,294,266)**

Particulars	Fire	Marine	Motor & Misc.	Total
Comision paid on Direct Business	12,083,184	10,050,820	5,987,616	28,121,620
Commission paid on Re-insurqnce Accepted	801,230	—	31,152	832,282
	12,884,414	10,050,820	6,018,768	28,954,002
Less: Commission earned on Re-insurance ceded	31,805,780	5,287,125	4,155,363	41,248,268
<b>Net Commission Tk.</b>	<b>(18,921,366)</b>	<b>4,763,695</b>	<b>1,863,405</b>	<b>(12,294,266)</b>





**25(C). Claim Settled (Net) Tk. 38,185,864**

<u>Particulars</u>	<u>Fire</u>	<u>Marine</u>	<u>Motor &amp; Misc.</u>	<u>Total</u>
Gross Claim	43,496,558	49,481,716	11,664,980	104,643,254
Less: Salvage Received	340,220	1,377,119	91,600	1,808,939
	43,156,338	48,104,597	11,573,380	102,834,315
Less : Re-Insurance Claim Recovery	29,536,150	31,221,724	1,607,184	62,365,058
	13,620,188	16,882,873	9,966,196	40,469,257
Paid during the year				
Add: Outstanding Claim at the end of the year whether due or intimated (Company's share)	34,141,519	20,843,868	11,265,411	66,250,798
	47,761,707	37,726,741	21,231,607	106,720,055
Less : Outstanding claim at the end of the previous year	34,884,662	25,344,440	8,305,089	68,534,191
Net amount	12,877,045	12,382,301	12,926,518	38,185,864

**25 (F). Management Expenses :**

The expenses have been charged to Revenue Accounts on product basis of Gross Premium earned on direct business as under.

<u>Revenue Accounts</u>	<u>Percentage</u>	<u>Amount</u>
Fire	44.08	27,576,866
Marine	36.35	22,740,345
Motor & Misc.	19.57	12,246,603
	100.00	Tk. 62,563,814

**PROFIT AND LOSS ACCOUNT :**

**26. Interest Received and Accrued : Tk. 29,581,590**

The amount is made-up as follows :

Interest received from banks on FDR & STD accounts	28,251,590
Interest received and accrued on P.S.P.	1,330,000
<b>Tk. 29,581,590</b>	

Interest from banks have been shown after deducting interest of Tk. 118,713 on account of Bank Overdraft.

**27. Dividend and Debenture Interest (Gross) : Tk. 6,749,528**

The break-up of the above amount as follows :

i) Dividend Income	1,825,058
ii) Debenture Interest	4,924,470
<b>Tk. 6,749,528</b>	



The company wise break-up of above balances are given below :

<b>i) Dividend Income</b>	
<u>Name of the Company</u>	<u>Amount</u>
IFIC Bank Ltd.	22
Eastern Cables Ltd.	50,000
Quasem Drycells Ltd.	11,700
Bangladesh General Insurance Co Ltd.	192,000
Reliance Insurance Co. Ltd.	31,500
7th ICB Mutul Fund	8,547
IDLC Bangladesh Ltd.	52,500
United Leasing Co. Ltd.	21,913
Chittagong Cement Ltd.	7,800
National Polymer Ltd.	40,000
Square Pharmaceuticals Ltd.	43,750
Eastern Housing Ltd.	79,500
Shinepukur Holdings Ltd.	50,000
Padma Textile Mills Ltd.	118,125
Prime Textile Mills Ltd.	70,750
Tallu Spinning Mills Ltd.	200,000
Kay & Que (BD) Ltd.	40,625
Apex Food Ltd.	14,400
Mark (BD) Ltd.	2,321
Beximco Pharmaceuticals Ltd.	185,667
Bangladesh Zipper Industries Ltd.	14,938
Delta Millers Ltd.	100,000
Beximco Fisheries Ltd.	480,000
	<b>Total of (I) 1,825,058</b>
<b>ii) Debentures Interest :</b>	
Beximco Pharmaceuticals Ltd.	36
IDLC Bangladesh Ltd.	100,750
Beximco Infusion Ltd.	122,060
Beximco Synthetics Ltd.	742,434
Bangladesh Zipper Industries Ltd.	18,900
Bangladesh Export Import Co. Ltd.	1,340,140
Beximco Textile Ltd.	304,850
Beximco Denims Ltd.	1,400,000
Beximco Fisheries Ltd.	195,300
Bangladesh Luggage Industries Ltd.	700,000
	<b>Total of (II) 4,924,470</b>
	<b>Grand Total (I+II) 6,749,528</b>



**28. Misc. Receipt : Tk. 11,507,508**

This amount is made-up as follows :

Income from financial service (Note-28.01)	11,255,362
Profit on sale of Motor Vehicles	227,100
Others	25,046
	<u>11,507,508</u>

**28.01 Income from Financial Services : Tk. 11,255,362**

The amount is inclusive of Trustee Fee, Underwriting commission etc. as reduced by Co-Trustee Fee paid to NCCBL.

**a) Trustee Fee :**

Easter Housing Ltd.	7,695,030	
Beximco Knitting Ltd.	1,000,000	
Beximco Infusion Ltd.	232,832	
Beximco Fisheries Ltd.	600,000	
Bangladesh Zipper Industries Ltd.	400,000	
Bangladesh Luggage Industries Ltd.	1,500,000	
	<u>11,427,862</u>	
Less: Co-Trustee fee paid to NCCBL		760,000
		<u>10,667,862</u>

**b) Underwriting Commission :**

Mark Shoe Ltd.	150,000	
H.R. Textiles Ltd.	125,000	
Anlima Yarn Dying Ltd.	125,000	
Maq paper Ltd.	125,000	
Excelsior Shoe Ltd.	62,500	
	<u>587,500</u>	

**Total Tk. 11,255,362**

**29 Bonus : Tk. 6,530,722**

The Break-up of the amount is as follows :

Festival Bonus	2,755,351
Incentive Bonus	3,775,371
	<u>Tk. 6,530,722</u>





**30. Registration renewal fee : Tk. 365,482**

The balance represents the amount deposited to Bangladesh Bank against renewal of Fire, Marine and Miscellaneous insurance business as per Section 3A of Insurance Act, 1938.

**31. Net profit for the year and its appropriation :**

Underwriting Profit as per Revenue Accounts	34,316,492
Interest Income & Dividend	36,331,118
Other Income (including gains on sale of shares)	21,250,909
	<hr/>
	91,898,519
Less : Expenses of management (Not related any fund or account)	16,015,223
Net Profit for the year	75,883,296
Less: Reserve for Exceptional Losses (10% of net Premium)	12,693,565
	<hr/>
	63,189,731
Add: Surplus brought forward	228,358
	<hr/>
	63,418,089
Less :	
i) Tax provision	18,000,000
ii) Proposed Dividend	25,620,000
iii) Dividend Equalization Reserve	7,500,000
iv) General Reserve	12,200,000
	<hr/>
	63,320,000
Surplus Carried forward	<hr/> <b>Tk. 98,089</b>

**32. RELEVANT INFORMATION**

- During the under review an amount of Tk. 459,000 was paid to the directors of the company as board meeting attendance fee.
- During the year under review no compensation except Managing Director's remuneration was allowed to the chief executive or officers of the company or any member of the Board for special services rendered.
- During the year an amount of Tk. 2,338,654 was earned as premium against 37 guarantees issued against which Tk. 603,723 was settled as claim. But there was no re-insurance arrangement against guarantees so issued.
- There was no credit facilities as on 31st December, 1997 availed by the Company under any contract other than trade credit availed in the course of business

**(A. WAHAB & CO.)**  
Chartered Accountants.



## Form-AA

### Classified Summary of Assets

as at 31st December, 1997

Class of Assets	Book Value	Market Value
Partirakkha Sanchaya Patra (Tk. 4,500,000 is held with BD Bank)	9,500,000	
Shares (at cost)	82,884,442	70,935,395
Debentures (at cost)	28,207,825	
Cash on Fixed Deposit, STD and Current Accounts with banks	370,280,488	
Cash, Cheques in hand & Stamps	4,450,205	
Outstanding Premium and other due	39,444,907	
Interest accrued but not received	9,358,230	
Sundry Debtors, Advance & Deposits	18,685,411	
Stock of Printing Materials in hand (at cost)	420,600	
Land (Freehold) at cost	105,531,600	
Fixed Assets (at cost)	34,673,888	
Joint Venture Building Project (WIP)	6,077,331	
	<u>Tk. 709,514,927</u>	

\* The cost of Fixed Assets is inclusive of Tk. 9,424,097 on account of Furniture & Fixtures. Accumulated depreciation on Fixed Assets amounting to Tk. 24,755,863 has been shown under Depreciation Fund Account and not deducted from the cost of fixed assets shown above.

A. K. M Rafiqul Islam  
Managing Director

Prof. Jahangir Chowdhury  
Director

Tahera Akhter  
Director

Abdul Monem  
Chairman

A Wahab & Co.  
Chartered Accountants



## Directors' Certificate

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

1. The value 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, 1997 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

**Prof. Jahangir Chowdhury**  
Director

**Tahera Akhter**  
Director

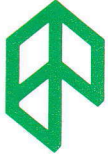
**Abdul Monem**  
Chairman





## Branch Office

<u>Sl.</u>	<u>Address</u>	<u>Officer-in Charge</u>	<u>Telephone</u>
01	<b>Dilkusha branch</b> 76, Dilkusha C/A, Dhaka.	<b>Mr.Mahboob Uddin Ahmed</b> Senior Vice President	9567861 9551685
02	<b>Imamgonj Branch</b> 85-A,Chawk Mughultuly Imamgonj, Dhaka.	<b>Mr. Manjurul Hoque</b> Asstt.Vice President	239818
03	<b>Narayangonj Branch</b> 150, B. B Sarak, Narayangonj.	<b>Mr.Farid Ahmed</b> Asstt.Vice president.	9712646
04	<b>Sadarghat Branch</b> 51/12, Johnson Road Sadarghat, Dhaka.	<b>Mr. Quazi Safiullah</b> Vice President.	233066
05	<b>Tejgaon Branch</b> 100, Kazi Nazrul Islam Avenue Kawran Bazar, Dhaka.	<b>Mr.Md. Abdul Alim Khan</b> Branch Manager	326956 9131279
06	<b>Bangshal Branch</b> Mazed Court Bhaban, 16/1, Siddique Bazar, North South Road, Dhaka.	<b>Mr.Khondaker Zafor Sadeque</b> Branch Manager	9566389
07	<b>Elephant Road Branch</b> Rajdhani Complex 237/2, New Elephant Road, Dhaka.	<b>Mr. Sharif Mustaba</b> Asstt.Vice President	9661349 866023
08	<b>Motijheel Branch</b> Sena Kalyan Bhaban, Room No- 1306 (13th floor), 195, Motijheel, C/A, Dhaka-1000.	<b>Mr. B. Ahmed</b> Vice President	9556415
09	<b>V.I.P.Road Branch</b> 30, VIP Road, Kakrail, Dhaka.	<b>Mr. Abdul Momen</b> Asstt. Vice President	841796 836354
10	<b>Hatkhola Branch</b> Suvechchha Plaza, 32/1, Shahid Nazrul Sarak, Hatkhola, Dhaka.	<b>Mr. Taslim Bahar Chowdhury</b> Asstt. Vice President	9559410 9560214
11	<b>Gulshan Branch</b> House No-55, RoadNo-17, Kamal Ataturk Avenue, Banani, Dhaka.	<b>Mr. Bahauddin Ahmed</b> Branch Manager	9886151
12	<b>Khatungonj Branch</b> 410-411, Khatungonj C/A, Chittagong.	<b>Mr. Mohammad Ali Khan</b> Senior Vice President	624316 636121 227051
13	<b>Agrabad Branch</b> 75-a, Agrabad C/A, Chittagong.	<b>Mr.M.A. Hasan</b> Asstt. Vice President	713227 713228
14	<b>Jubilee Road Branch</b> 200-B, Jubilee Road (3rd floor), Chittagong.	<b>Mr.Nazrul Islam</b> Asstt. Vice President	617844 616847
15	<b>Cox's Bazar Branch</b> Ahamadia Mansion, Purba Bazarghata Main Road, Cox's Bazar.	<b>Mr. Abdul Hannan Chowdhury</b> Branch Manager	4101
16	<b>Sylhet Branch</b> Laldighirpar, Sylhet.	<b>Mr. Ahmed Tazdiqul Mowla</b> Branch Manager	715008
17	<b>Feni Branch</b> Sultan Mansion, Trunk Road, Feni.	<b>Mr. Md. Liaquat Ali Khan</b> Branch Manager	74313



## Branch Office

<u>Sl.</u>	<u>Address</u>	<u>Officer-in Charge</u>	<u>Telephone</u>
18	<b>Comilla Branch</b> Comilla Co-operative Super Market (2nd floor) Kandirpar, Main Road, Comilla.	<b>Mr.M. Muzammel Hoque</b> Branch Manager	6977
19	<b>Bogra Branch</b> Thana Road, Bogra.	<b>Mr. Anisul Hoque Khan</b> Branch Manager	6189
20	<b>Rangpur Branch</b> Baitus Syed Super Market, Central Road, Rangpur.	<b>Mr.Shushanta Chandra Bhowmic</b> Branch Manager	2933
21	<b>Rajshahi Branch</b> Shaheb Bazar, Ghoramara, Rajshahi.	<b>Mr.Nazrul Islam</b> Branch Manager	775926
22	<b>Chandpur Branch</b> Stadium Road, (Baby Stand), Chandpur.	<b>Mr.Gopal Chandra pal</b> Branch Manager	3290
23	<b>Jessore Branch</b> Jess Tower (2nd floor) M.K. Road, Jessore.	<b>Mr. G. M. Saidur Rahman</b> Branch Manager	72396
24	<b>Khulna Branch</b> 25,Sir Iqbal Road, Khulna.	<b>Mr. S. M. Morshed</b> Vice President	720056 723724
25	<b>Barisal Branch,</b> 18, Hemayet uddin Road,Barisal.	<b>Mr. Md. Amjad Hossain Talukder</b> Branch Manager	53186
26	<b>Sirajgonj Branch</b> S. S. Road, Sirajgonj.	<b>Mr. A. S. M.Helal Uddin</b> Branch Manager	72460
27	<b>Narsingdi Branch</b> Kazi Super Market, No- 3 C&B Road, Narsingdi.	<b>Mr. Md.Jasim Uddin</b> Branch Manager	3009
28	<b>Faridpur Branch</b> 169, Mujib Sarak, Faridpur.	<b>Mr. Khandoker Zakir Hossain</b> Branch Manager	2691
29	<b>Pabna Branch</b> Aourangajeb Road, Pabna.	<b>Mr. Anisuzzaman</b> Branch Manager	6541
30	<b>Tongi Branch</b> Jalil Market (2nd floor), Tonjgi, Gazipur.	<b>Mr. Ekramul Hoque</b> Branch Manager	9802786
31	<b>Chowmuhani Branch</b> Poura Super market Chowmuhani Bazar, Chowmuhani.	<b>Mr. Md. Belayet Hossain</b> Branch Manager	4030
32	<b>Kushtia Branch</b> 92, N.S. Road, Thanapara, Kushtia-7000.	<b>Mr. Mahabubul Alam</b> Branch Manager	53728
33	<b>Dinajpur Branch</b> Al-Amin Market (1st floor), Shop No-60 F Gonesh Tola, Dinajpur.	<b>Mr. Farid Hossain Sarker</b> Branch Manager	
34	<b>Biman Bhaban Branch</b> 100, Motijheel C/A, Dhaka.	<b>Mr. Aminul Islam</b> Senior Vice President	
35	<b>Noapara Unit Office</b> Noapara Bazar, (Near Khulna Road), Jessore.		
36.	<b>Natore Unit Office</b> Kanai Khali, Dhaka Road, Nator.		



# Pragati Insurance Limited

90-91 Motijheel C.A., Uttara Bank Bhaban (9th & 10th floor), Dhaka-1000

## Proxy Form

I/We.....  
of .....  
being shareholder(s) of PRAGATI INSURANCE LIMITED hereby appoint  
Mr./Mrs./Ms.....  
of .....  
as my/our proxy to attend and vote for me/us and on my/our behalf at the TWELVETH  
ANNUAL GENERAL MEETING of the Company to be held on 22nd July 1998 and/or at any  
adjournment thereof.  
As witness my/our hand this .....day of .....1998.

Signature of Proxy  
Register Folio No. ....

Signature of Shareholder  
Register Folio No. ....

### Note:

1. A member entitled to attend and vote at the meeting may appoint another member his/her proxy to attend and vote on his/her behalf.
2. Forms of proxy, duly stamped and signed must be deposited at the Company's Registered Office not later than 72 hours before the time appointed for the meeting. In default, forms of proxy will not be treated as valid.



# Pragati Insurance Limited

90-91 Motijheel C.A., Uttara Bank Bhaban (9th & 10th floor), Dhaka-1000

## Attendance Slip

I hereby record my attendance at the TWELVETH ANNUAL GENERAL MEETING of Pragati Insurance Limited on 22nd July 1998 at the Officers' Club, Baily Road, Dhaka.

Name of Member/Proxy

Register Folio No:

Signature of Shareholder/Proxy

Note: Please complete this attendance slip and hand it over at the entrance of the hall.