

বার্ষিক প্রতিবেদন ১৯৯৯  
ANNUAL REPORT 1999

14<sup>th</sup>  
YEAR



প্রগতি ইন্স্যুরেন্স লিমিটেড  
Pragati Insurance Limited



## COMPANY PROFILE

Date of Incorporation : January 27, 1986  
Date of Commencement : January 30, 1986  
Registered Office : Uttara Bank Bhaban  
(9th & 10th Floor),  
90 - 91, Motijheel  
Commercial Area  
Dhaka - 1000

Branch Offices : 36

Listing with Dhaka

Stock Exchange : April 4, 1996

Listing with Chittagong

Stock Exchange : April 6, 1996





## NOTICE OF THE FOURTEENTH ANNUAL GENERAL MEETING

Notice is hereby given that the Fourteenth Annual General Meeting of Pragati Insurance Limited will be held on Saturday, the 12th August, 2000 at 11:30 a.m. at the "Jamuna Resort Ltd." (East of Bangabandhu Jamuna Multipurpose Bridge) to transact the following business:

01. To receive, consider and adopt the Directors' Report for the year ended 31st December, 1999.
02. To receive, consider and adopt the Audited Accounts of the Company and the Auditors' Report thereon for the year ended 31st December, 1999.
03. To declare Dividend for the year 1999 as recommended by the Board.
04. To elect Directors in place of retiring Directors from Group-A Shareholders.
05. To elect Directors in place of retiring Directors from Group-B Shareholders.
06. To appoint Auditors for the year 2000 and fix their remuneration.
07. 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

H.R. Chowdhury  
Company Secretary

Dated, Dhaka  
The 15th July 2000

### Notes:

- i. The Share Transfer Register of the Company shall remain closed from 29th July to 12th August, 2000 both days inclusive. The transfer deed received by the Company upto 27th July, 2000 will be entitled to Dividend for the year 1999 to be approved by the Shareholders in the Annual General Meeting.
- ii. A member wishing to appoint a Proxy, must deposit the proxy form duly stamped to the Company's Registered Office at least 72 hours before the Meeting.
- iii. Only the Shareholders or their appointed proxies can attend the meeting. A Proxy must be a member of the Company.

### N.B.:

- i. Shareholders are requested to kindly confirm their willingness to attend the meeting in the prescribed form being sent separately alongwith the Annual Report of the Company to enable us to arrange for their transportation to the meeting site.
- ii. Transport will leave the Head Office of the Company at 7.30 a.m. on 12th August 2000. Shareholders are requested to be on time.
- iii. Shareholders are requested not to bring any member of their family or guest in the meeting. Transportation to and from the Jamuna Resort Ltd. will be limited to the number of Shareholders desirous to attend the meeting.





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## BOARD OF DIRECTORS

### Chairman

Abdul Monem

### Vice Chairman

Md. Syedur Rahman Mintoo

Nigar Jahan Chowdhury

### Directors

Md. Mizanur Rahman

Khan Mohd. Ameer

Engr. A. Latif

Saleem Rahman

Capt. Imam Anwar Hossain

Razia Sultana Shimul

Eng. Md. Abdul Malek

Md. Sarwar Kamal

Syed M. Altaf Hussain

Md. Mahbubur Rahman

Akbar Hossain

Prof. Jahangir Chowdhury

Tabith Mohd. Awal

Mohammed Fazlur Rahman

Mabroor Hossain

A.N.M. Yeahea

A.J.M. Enamul Islam

Farzana Ahmed

M. Abul Hashem

Mahbub Anam

Md. Ahamedul Hoque

Monir Ahamad

A.S.M Mohiuddin Monem

Moazzem Hossain

Zakaria Taher

Syed Shamsul Alam

### Managing Director

A.K.M. Rafiqul Islam, FCA

### Company Secretary

Hafizur Rahman Chowdhury.

### Auditor

A. Wahab & Co.

Chartered Accountants





## MANAGEMENT

**Managing Director**

A.K.M. Rafiqul Islam, FCA

**Additional Managing Director**

Reza-E-Karim Khan, MBA

**Deputy Managing Director**

A.B.M. Mir Hossain

**Assistant Managing Director**

M. Jahurul Haque Talukder, ACII

## Departmental Head

Khurshid Ahmed Khan  
**Executive Vice President**

Development Department

Md. Shahabuddin  
**Executive Vice President**

Administration Department

Shamsuzzaman  
**Senior Vice President**

Branch Control Department

M. Nazmul Karim, FCA  
**Senior Vice President**

Finance & Audit Department

Kabir Ahmed  
**Assistant Vice President**

Re-Insurance Department

Md. Shafiqul Islam  
**Manager**

Accounts Department





## COMPANY'S PERFORMANCE

5 YEARS AT A GLANCE

Taka in Million

	1995	1996	1997	1998	1999
<b>Financial Performance</b>					
Gross premium	210.22	227.67	255.25	258.29	272.08
Net premium	117.64	117.07	126.94	117.43	123.48
Net claim	27.37	35.40	38.19	38.25	36.08
Underwriting profit	29.99	35.43	34.32	23.65	24.35
Investment income	21.11	28.08	36.33	31.58	32.74
Income from financial service & capital gain	6.20	9.26	11.26	7.31	2.89
Net profit before tax	44.53	82.97	75.88	43.97	47.87
Net profit after tax	28.53	60.47	57.88	31.47	34.87
<b>Share Capital and Reserve</b>					
Paid up Capital	30.50	61.00	73.20	73.20	73.20
Share holders Equity	115.02	263.94	296.20	312.05	416.49
Total Reserves	162.14	284.09	311.23	326.96	437.89
<b>Assets</b>					
Investment in Shares and Securities	68.18	106.11	120.59	133.26	92.19
Cash, FDR and Bank balances	261.96	377.65	374.73	304.03	247.50
Land	101.39	102.39	105.53	152.70	289.26
Fixed Assets	29.99	31.68	34.67	37.08	39.60
Other Assets	33.70	62.41	74.73	141.83	197.37
Total Assets	495.22	680.24	710.25	768.90	865.92
<b>Ratios</b>					
Dividend in percent	25.00	30+B 5:1	35.00	35.00	30
EPS	93.54	82.60	79.08	42.99	47.64
P/E (Times)	-	11.38	6.45	10.00	8.08
Book Value per Share	377.10	432.68	404.65	426.29	568.98





## DIRECTORS' REPORT-1999

Dear Shareholders,

Directors of the Company are pleased to present before the Hon'ble Shareholders of the Company the 14th Annual Report alongwith the Annual Accounts for the year ended 31st December, 1999 and Auditors Report thereon. The year 1999 started with the aftermath of the last century's worst flood in Bangladesh in which both agriculture and industry were badly affected. Agriculture with the immediate help and efforts of the Government and hard labour of the farmers picked up quickly and favourable climate helped in reaping the harvest. This has resulted accumulation of surplus food-grains in the Government godowns as well as in the farmer's home allowing steady price in the market of cereal. This continued for the successive 3 harvests including the present one. This has reduced pressure on the country's foreign exchange reserve needed for import of rice and wheat. However, on the industrial side there was apparent stagnation. Import growth in the productive sector was almost zero (0.72 percent per annum on average in dollar terms between 1997-98 and 1999-2000). Total imports through banking channel increased by only 0.28 percent or \$ 13.96 million in July-February 1999-2000 compared to increase of 9.04 percent during July-February 1998-1999.

During July-March 1999-2000, Bangladesh's export earnings amounted to \$4124.69 million, representing an increase of 8.41 percent or \$319.82 million compared to increase of 1.07 percent in July-March, 1998-99. This was due to the good performance of most export commodities particularly in the manufacturing sector, frozen food and raw jute in primary sector.

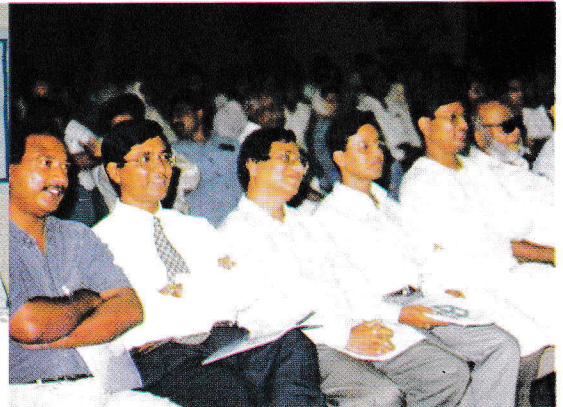
## পরিচালকমণ্ডলীর প্রতিবেদন -১৯৯৯

প্রিয় শেয়ারহোল্ডার বৃন্দ,

প্রগতি ইস্যুরেন্স লিমিটেডের পরিচালকমণ্ডলী কোম্পানীর ১৯৯৯ সালের হিসাব এবং উক্ত হিসাবের উপর নিরীক্ষকদের প্রতিবেদন সহ কোম্পানীর ১৪তম বার্ষিক প্রতিবেদন আপনাদের সমীপে পেশ করতে পেরে আনন্দিত। বিগত বছরের বন্যার ফলে দেশের কৃষি এবং শিল্পবাণিজ্য প্রভুতভাবে ক্ষতিগ্রস্ত হয়। বাংলাদেশ সরকারের গৃহিত তাত্ক্ষণিক সক্রিয় ব্যবস্থা, কৃষকদের নিরলস প্রচেষ্টা এবং অনুকূল আবহাওয়া কৃষিক্ষেত্রে দুর্যোগ কাটিয়ে উঠতে সহায়তা করে এবং দেশে রেকর্ড পরিমাণ ফসল উৎপাদিত হয়। এতে শুধুমাত্র সরকারী গুদামেই নয়, কৃষকদের শস্যভাণ্ডারে অতিরিক্ত শস্য মওজুদ হয়। ফলে দেশে খাদ্যশস্যের মূল্য স্থিতিশীলতা লাভ করে। খাদ্যশস্য ফলনে এই তেজীভাব বর্তমান মৌসুমসহ বিগত তিন মৌসুমে উপর্যুপরি পরিলক্ষিত হয়। ফলে খাদ্যশস্য আমদানীর জন্য বৈদেশিক মুদ্রার প্রয়োজনীয়তা বহুলভাবে হ্রাস পায়। শিল্পক্ষেত্রের অবস্থা অবশ্য ভিন্ন। উৎপাদনশীল ক্ষেত্রে আমদানীর পরিমাণ প্রায় শূন্যের কোটায় নেমে আসে (১৯৯৭-৯৮ এর তুলনায় ১৯৯৯-২০০০ বার্ষিক আমদানীর পরিমাণ বেড়েছে ০.৭২%)। ১৯৯৯-২০০০ সালের জুলাই-ফেব্রুয়ারী সময়ে ব্যাংকিং চ্যানেলে আমদানীর পরিমাণ মাত্র ০.২৮% বৃদ্ধি পায়। গত বছরে একই সময়ে আমদানী বৃদ্ধির পরিমাণ ছিল ৯.০৪%। ১৯৯৯-২০০০ সালের জুলাই-মার্চ সময়ে বাংলাদেশের রফতানী বাণিজ্যে আয় হয় ৪১২৪.৬৯ মার্কিন ডলার যা গত বছরের জুলাই-মার্চ সময়কালের তুলনায় শতকরা ৮.৪১% বেশী। এটা সম্ভব হয়েছে উৎপাদন খাতের রপ্তানীজাত পণ্যের এবং প্রাইমারী সেক্টরে হিমায়িত খাদ্য ও কাঁচাপাট রপ্তানীর ক্ষেত্রে উল্লেখযোগ্য রপ্তানীর ফলে।



Chairman Mr. Abdul Momen flanked by the MD and the Company Secretary addressing the 13th A G M of the Company.



Partial view of the Shareholders attending 13th A G M of the Company.

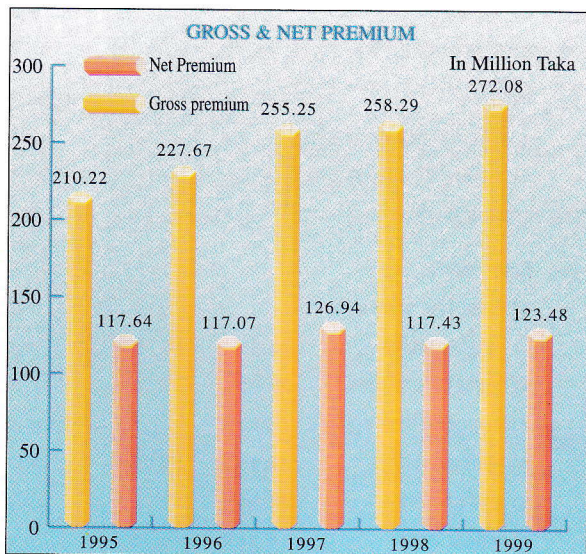




The export share of readymade garments, knitwear and hosiery increased to 76.01 percent in July-March 1999-2000 from 75.21 percent in July-March 1998-99.

## Insurance Market in Bangladesh

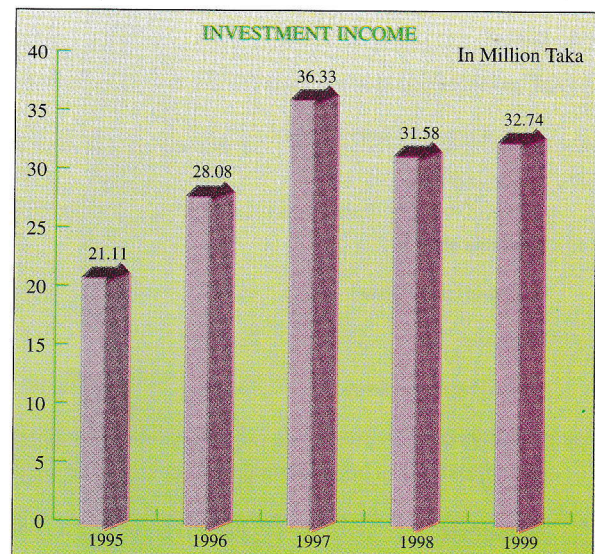
You might be aware that Government sanctioned 19 new insurance companies in the non-life sector. Of the 19, 14 have already entered into the market vying for a share of the same cake. Whereas growth in the non-life business is almost negligible owing to industrial stagnancy, entry of new companies will only aggravate the situation. To start with, sponsors of the new companies will divert their own business to their own captive company. Secondly, faced with already tough market situation, these new companies are in a position to under cut the ruling rates further. In view of the fact that their management cost is lower than the old ones and they need to survive, resorting to cash flow underwriting is obvious. We are watching the situation closely. Upto the time of reporting, business performance indicator is not showing downward trend but sign of mentionable growth is also not in sight.



উক্ত সময়ে পোষাক তৈরী শিল্প, নীটওয়ার এবং হোসিয়ারী ক্ষেত্রে দেশের মোট রপ্তানীর ৭৬.০১% অর্জিত হয়। ১৯৯৮-৯৯ সালের অনুরূপ সময়কালে ছিল মোট রপ্তানীর ৭৫.২১%।

## বাংলাদেশে সাধারণ বীমা ব্যবসার চালচিত্র

আপনারা নিশ্চয়ই অবগত আছেন যে, বাংলাদেশ সরকার আরও ১৯টি নতুন কোম্পানীকে সাধারণ বীমা ক্ষেত্রে ব্যবসায়ের অনুমতি প্রদান করেছেন। এই ১৯টির মধ্যে ১৪টি কোম্পানী ইতিমধ্যেই তাদের কার্যক্রম শুরু করেছে। ফলে ব্যবসা প্রাপ্তিতে ইতিমধ্যেই কঠিন প্রতিযোগিতা শুরু হয়ে গেছে। আপনারা জানেন যে, শিল্পক্ষেত্রে স্থবিরতার দরুণ সাধারণ বীমা ব্যবসায় তেমন কোন উন্নতি হয়নি। নতুন কোম্পানী সমূহের আগমনের ফলে পরিস্থিতি আরও দুরূহ হয়ে উঠবে। প্রথমত: নতুন কোম্পানীর উদ্যোক্তারা তাদের ব্যবসা নিজ নিজ কোম্পানীর মাধ্যমে আবরিত করবেন। দ্বিতীয়ত: প্রতিযোগিতামূলক বাজারে নতুন কোম্পানী সমূহ ব্যবসা অর্জনের লক্ষ্যে প্রচলিত প্রিমিয়াম রেট আরও হ্রাস করার প্রচেষ্টা চালাবেন। যেহেতু তাদের প্রশাসনিক ব্যয় পুরাতন কোম্পানীর তুলনায় কম এবং যেহেতু তাদেরকে এই প্রতিযোগিতামূলক বাজারে টিকে থাকতে হবে, তাই তাদের এ ধরনের পছন্দ অবলম্বন ছাড়া বিকল্প নেই। আমরা পরিস্থিতির উপর তীক্ষ্ণ দৃষ্টি রাখছি। যদিও এই প্রতিবেদন তৈরী পর্যন্ত সময়ে আমাদের ব্যবসা ক্ষেত্রে তেমন কোন নিম্নগামী সংকেত পরিলক্ষিত হয়নি তথাপিও উল্লেখযোগ্য সমৃদ্ধিও হাতের নাগালের বাইরে থাকছে।





## Annual Report'99



In the backdrop of this scenario, company's performance during the year 1999 is produced below :

Taka in Crores			
SL. NO.	PARTICULARS	1998	1999 Inc. /(Dec)%
1.	Gross Premium	25.83	27.21 5.34
2.	Re-Insurance Premium to SBC	14.09	14.86 5.46
3.	Re-Insurance Premium to SBC as % of Gross Premium	54.55%	54.61% 0.06
4.	Net Premium (1-2) Retained :	11.74	12.35 5.20
5.	Commission received on R/I ceded	4.34	5.13 18.20
6.	Claim less : Re-Insurance	3.82	3.61 (-) 5.50
7.	Claim less : R/I in terms of Net Premium (%)	32.54%	29.23% (-) 3.31
8.	Management Expenses including Commission	12.04	12.17 1.08
9.	Management Expenses in terms of Gross Premium (%)	46.61%	44.73% (-) 1.88
10.	Underwriting Profit	2.36	2.44 3.39
11.	Investment Income	3.16	3.27 3.48
12.	Misc receipts (Underwriting, Bridge financing & financial service)	0.67	- -
13.	Gain from Share market operation	0.06	0.29 483
14.	Profit before Tax	4.40	4.79 8.86
15.	EPS (Net of Tax)	Taka 42.99	47.64 10.82
16.	Dividend	Taka 35.00	30.00 (-) 14.29
	(a) Out of Current year profit	(Taka) 21.34	30 8.66
	(b) Out of Surplus Tax Reserve	(Taka) 13.66	- (-) 100.00
17.	Reserve out of Profit	1.57	1.28 (-) 18.47
18.	Distribution of Profit :		
	Exceptional Losses Reserve	26.70%	25.78% (-) 0.92
	Tax Reserve	28.43%	27.15% (-) 1.28
	Dividend Equalisation Reserve	3.41%	- (-) 100.00
	General Reserve	5.50%	1.03% (-) 4.47
	Dividend	35.50%	45.50% 10.00
	Retained Profit	0.46%	0.54% 0.08
		<u>100.00%</u>	<u>100.00%</u> -

উপরোক্ত পটভূমির প্রেক্ষিতে ১৯৯৯সালে কোম্পানীর কার্যক্রমের একটি চিত্র নিম্নে প্রদত্ত হলো :-

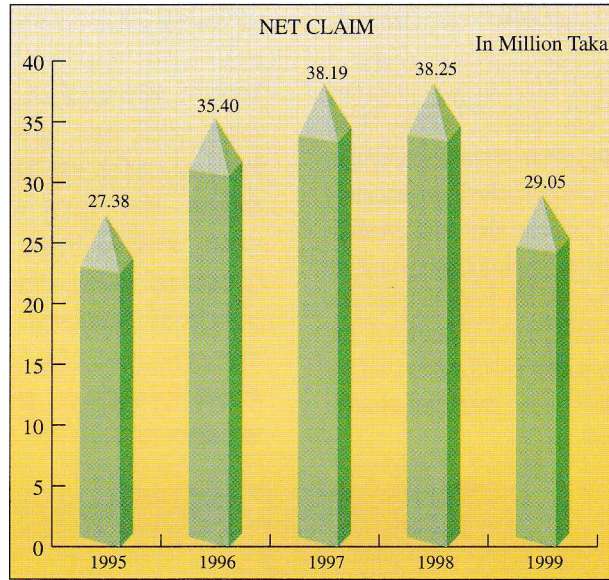
কোটি টাকায়				
ক্রমিক নং	বিবরণ	১৯৯৮	১৯৯৯	%+ / (-)
০১.	গ্রস প্রিমিয়াম	২৫.৮৩	২৭.২১	৫.৩৪
০২.	পুনঃবীমা বাবদ সাধারণ বীমাকে প্রদান	১৪.০৯	১৪.৮৬	৫.৪৬
০৩.	গ্রস প্রিমিয়ামের উপর পুনঃবীমা প্রদানের শতকরা হার	৫৪.৫৫%	৫৪.৬১%	০.০৬
০৪.	নেট প্রিমিয়াম	১১.৭৪	১২.৩৫	৫.২০
০৫.	পুনঃবীমা হতে কমিশন বাবদ আয়	৪.৩৪	৫.১৩	১৮.২০
০৬.	দাবী পূরণ (পুনঃবীমা ব্যতীত)	৩.৮২	৩.৬১	(-)৫.৫০
০৭.	নেট প্রিমিয়ামের উপর নেট দাবীর শতকরা হার (পুনঃবীমা ব্যতীত)	৩২.৫৪%	২৯.২৩%	(-)৩.৩১
০৮.	প্রশাসনিক ব্যয় ব্যবসা আহরণ খরচ সহ	১২.০৪	১২.১৭	১.০৮
০৯.	গ্রস প্রিমিয়ামের উপর প্রশাসনিক খরচের শতকরা হার (%)	৪৬.৬১%	৪৪.৭৩%	(-)১.৮৮
১০.	অবলেন্থন মুনাফা	২.৩৬	২.৪৪	৩.৩৯
১১.	বিনিয়োগ হতে আয়	৩.১৬	৩.২৭	৩.৪৮
১২.	বিবিধ আয় (অবলেন্থন, ফিন্যান্সিয়াল সার্ভিস ইত্যাদি)	০.৬৭	-	-
১৩.	শেয়ার বাজার হতে অর্জিত মুনাফা	০.০৬	০.২৯	৩৮৩
১৪.	কর পূর্ব নেট মুনাফা	৪.৪০	৪.৭৯	৮.৮৬
১৫.	শেয়ার প্রতি আয়	৪২.৯৯	৪৭.৬৪	১০.৮২
১৬.	লভ্যাংশ :	৩৫.০০	৩০.০০	(-)১৪.২৯
	ক) বর্তমান বছরের মুনাফা হতে	২১.৩৪	৩০	৮.৬৬
	খ) সংরক্ষিত ট্যাক্স রিজার্ভ হতে	১৩.৬৬	-	(-)১০০.০০
১৭.	মুনাফা হতে সঞ্চিতি	১.৫৭	১.২৮	(-)১৮.৪৭
১৮.	মুনাফা বন্টন :			
	ক) অস্বাভাবিক ক্ষতির জন্য সংরক্ষিত তহবিল	২৬.৭০%	২৫.৭৮%	(-)০.৯২
	খ) আয়করের জন্য বরাদ্দ	২৮.৪৩%	২৭.১৫%	(-)১.২৮
	গ) লভ্যাংশ সমতাকরণ সঞ্চিতি	৩.৪১%	-	(-)১০০.০০
	ঘ) সাধারণ সঞ্চিতি	৫.৫০%	১.০৩%	(-)৪.৪৭
	ঙ) প্রস্তাবিত লভ্যাংশ	৩৫.৫০%	৪৫.৫০%	১০.০০
	চ) অবশিষ্ট মুনাফা	০.৪৬%	০.৫৪%	০.০৮
		<u>১০০.০০%</u>	<u>১০০.০০%</u>	<u>-</u>





## Claim

The year 1999 did not witness natural calamity of magnitude. As a result, ratio of net claim to net premium income fell by 3.3% which resulted in improved profitability of the company. We now have the pleasure to present herein below a summarised position of net claims during 1999. Comparative figure of the previous year has been shown alongside for better appreciation of 1999 performance.



## বীমা দাবী

১৯৯৯ সালে বড় রকমের কোন প্রাকৃতিক দুর্যোগ না হওয়ায় নীট প্রিমিয়াম আয়ের তুলনায় নীট দাবীর পরিমাণ হ্রাস পায় যা কোম্পানীর মুনাফা অর্জনে সহায়ক হয়। ১৯৯৯ সালের প্রদত্ত বীমা দাবীর একটি সংক্ষিপ্ত ফিরিস্তি নিম্নে প্রদান করা হোল। সম্মানিত শেয়ারহোল্ডারদের সুবিধার্থে ১৯৯৮ সালে প্রদত্ত বীমা দাবীর বিবরণও পাশাপাশি প্রদান করা হয়েছে:

Class	1998	1999
Fire	17,760,895	15,370,142
Marine Cargo	7,320,029	6,425,948
Marine Hull	820,265	468,121
Motor	10,448,232	11,838,327
Misc.	1,898,811	1,978,220
Total :	38,248,232	36,080,758

শ্রেণী	১৯৯৮	১৯৯৯
অগ্নিবীমা	১৭,৭৬০,৮৯৫	১৫,৩৭০,১৪২
মেরিন কার্গো	৭,৩২০,০২৯	৬,৪২৫,৯৪৮
মেরিন হাল	৮২০,২৬৫	৪৬৮,১২১
মটর বীমা	১০,৪৪৮,২৩২	১১,৮৩৮,৩২৭
অন্যান্য বীমা	১,৮৯৮,৮১১	১,৯৭৮,২২০
মোট :	৩৮,২৪৮,২৩২	৩৬,০৮০,৭৫৮

## Pragati Rhone-Poulenc Rorer Joint Venture Project

When this report will reach your hands, the building would be almost completed for occupation. In the meantime, we are negotiating for a total take over of the building either by a hospitality industry or hospital. We are also discussing with probable tenants. We are also discussing possibility of selling part of our share to potential customers. We are grateful to the Almighty Allah that we could finish within the target time inspite of many hurdles. The building is a most modern one in look and it contains all modern facilities needed for a prime location.



View of the Pragati Rhone-Poulenc Rorer 16th storied Building at Kawranbazar.

## প্রগতি - রোন পোল্যাংক রোরার যৌথ প্রকল্প

এই প্রতিবেদনটি যখন আপনাদের হাতে পৌছাবে তখন কাওরান বাজারে নির্মাণাধীন ভবনটি প্রায়-সমাপ্ত পর্যায়ে থাকবে। অত্যন্ত সুদৃশ্য ভবনটিতে সর্বপ্রকার আধুনিক সুযোগ-সুবিধার ব্যবস্থা রাখা হয়েছে। বিভিন্ন বাধা বিপত্তি সত্ত্বেও নির্ধারিত সময়ে ভবনটির নির্মাণ কার্য সম্পন্ন করা সম্ভব হয়েছে বলে আমরা পরম করুণাময় আল্লাহতায়ালার নিকট কৃতজ্ঞ। বর্তমানে আমরা সম্ভাব্য বিভিন্ন গ্রাহকদের সঙ্গে আলোচনা চালাচ্ছি। এর মধ্যে রয়েছে হোটেল পরিচালনা, হাসপাতাল স্থাপনকারী ব্যক্তিবর্গ। এছাড়া ভবনটির কিছু অংশ বিক্রি অথবা ভাড়ার ব্যাপারও আমরা আলোচনা করছি।



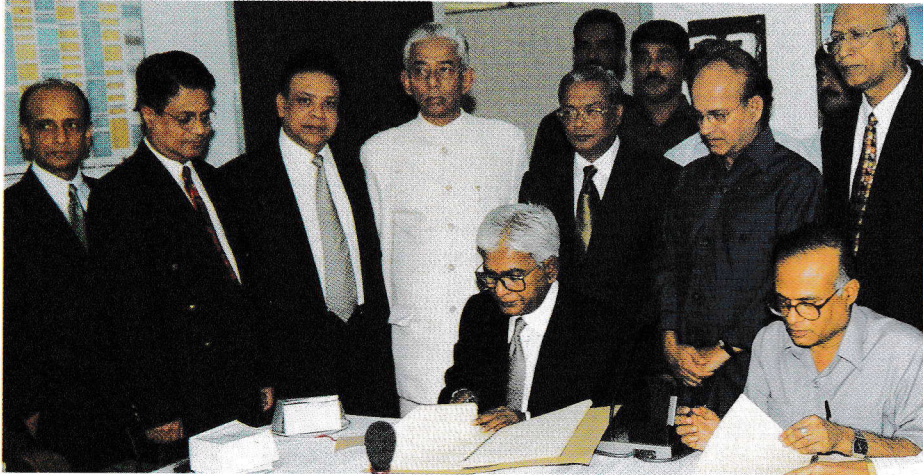


### Tourism Development Project- Jamuna Resort Limited

During the last Annual General Meeting we promised holding the 14th AGM at the JRL site. Now it's a reality. What we see today is mostly undeveloped land. Hopefully within the next 5 years there will be a Golf Course, Amusement Park, Marina, Shopping Mall, Cinema Hall and Modern Conference Centre in place. Besides, Picnic Corner would be a part of the program envisaged by JRL. We hope to build this as a milestone in the tourism industry in the country. For the shareholders of Pragati Insurance Limited there would be Discount Card (DC) which will allow them to use the facilities at a lower than usual rate.

### পর্যটন শিল্প উন্নয়ন প্রকল্প- যমুনা রিসোর্ট লিমিটেড

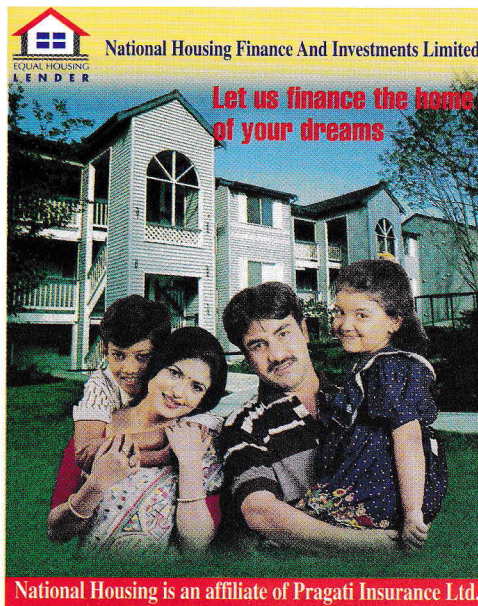
আপনাদের স্মরণ থাকবে যে, কোম্পানীর বিগত বার্ষিক সাধারণ সভায় আমরা পরবর্তী অর্থাৎ ১৪তম বার্ষিক সাধারণ সভা যমুনা রিসোর্ট লিমিটেডের প্রস্তাবিত স্থানে অনুষ্ঠানের প্রতিজ্ঞা করেছিলাম। আজকে তার বাস্তবায়ন। যদিও আজকে আপনারা এখানে শুধু ফাঁকা জমি দেখতে পাচ্ছেন, আগামী ৫ বছরের মধ্যে ইনশাআল্লাহ এখানে গলফ কোর্স বিনোদন পার্ক, মেরিনা, শপিং মল, সিনেমা হল, আধুনিক কনফারেন্স সেন্টার ইত্যাদি দেখতে পাবেন। এছাড়াও এখানে থাকবে একটি পিকনিক কর্ণার। বাংলাদেশের পর্যটন শিল্পে এটি হবে একটি মাইলফলক। আমরা আনন্দের সঙ্গে জানাচ্ছি যে, প্রগতি ইন্স্যুরেন্সের সম্মানিত শেয়ারহোল্ডারদের জন্য এখানে ডিসকাউন্ট কার্ড-এর ব্যবস্থা থাকবে।



Signing ceremony of the agreement between Jumuna Resort Limited & Bangabandhu Jumuna Multipurpose Bridge Authority

### Housing Bank

National Housing Finance and Investment Limited of which we are one of the sponsor shareholders and Directors has started its operation and progressing steadily. It has gone into the profit side within the short spell of one year. We hope this will not only help housing in the country but will also give good return to the shareholders.



### গৃহ উন্নয়ন ব্যাংক

গৃহ উন্নয়ন ব্যাংক (ন্যাশনাল হাউজিং ফাইন্যান্স এণ্ড ইনভেস্টমেন্ট লিমিটেড) ইতিমধ্যেই এর কার্যক্রম শুরু করেছে। আপনারা জানেন যে, প্রগতি ইন্স্যুরেন্স লিঃ গৃহ উন্নয়ন ব্যাংকের একজন উদ্যোক্তা এবং পরিচালক। প্রতিষ্ঠার এক বছরের মধ্যেই এই ব্যাংক মুনাফা অর্জনে সক্ষম হয়েছে। আমরা আশাবাদী যে, এই ব্যাংক শুধুমাত্র দেশের গৃহ উন্নয়নেই সহায়তা করবে না; অদূর ভবিষ্যতে শেয়ারহোল্ডারদের বিনিয়োগের উপর ভাল মুনাফা দিতেও সক্ষম হবে।





### Joint Venture with United Insurance Co. (Nepal) Ltd.

Three years TSA has already reached the final year. Company's growth has been remarkable and the share price has gone up from NRs 130 to NRs 250. Company's business has risen from NRs 2.50 crores to almost NRs 5.00 crores by now.

### Life Insurance

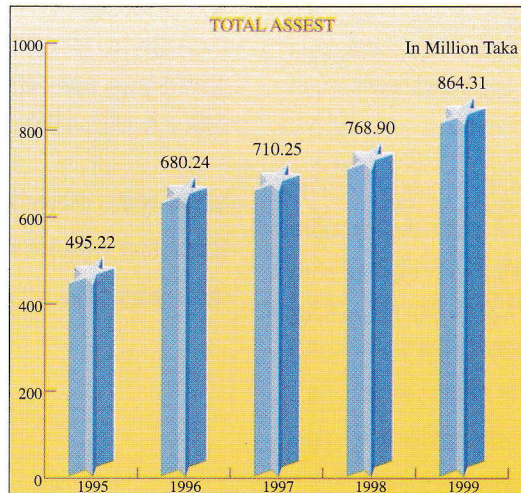
Eventually, Pragati Insurance Limited was not allowed to subscribe to the initial capital of Pragati Life Insurance by the office of the Chief Controller of Insurance. Nevertheless, we have worked hard to obtain license from the Controller of Insurance and the Company has started its operation from 11th April, 2000.

### Land Development

We are yet to do anything on the land at Panthapath. You will please appreciate that this is a prime land and indeed a very big chunk. No matter what we want to do, it would involve finance of large amount. We are in the process of discussion with international investors and reputed Hotel chain operators and hopefully, we shall be able to arrive at a firm-up decision before the next AGM of the Company. Meantime, the value has increased and revaluation depicted in the current Balance Sheet.

### Revaluation of Asset

In accordance with the International Accounting Standard we have revalued the land owned by the company and the revised value of the land has been shown in the Balance Sheet. Likewise, the value of the investments in shares and debentures have also been revalued. Diminution in market value of investments have been adjusted with the revaluation surplus of land and the balance has been transferred to "Capital Reserve".



### नेपालस्थ इन्सुरेन्स कोम्पानी लि: एर साथे योथ उद्योग

तिन बर्र मेयदी Technical Service Agreement सम्पन्न हते चलेछे। एइ चुक्तिर मेयद काले इन्सुरेन्स कोम्पानी लिमिटेडेर उल्लेखयोग्य अग्रगति साधित हयेछे। एइ कोम्पानीर शेयारमूल्य नेपाली रुपि १३० थेके नेपाली रुपि २५०-ए एवंग कोम्पानीर व्यवसा २.५० कोटि थेके ५ कोटि नेपाली रुपिते उन्नित हयेछे।

### जीवन बीमा

आपनारा जेने खुशि हबेन ये, ११इ एप्रिल, २००० इंग थेके अग्रगति जीवन बीमा लिमिटेड-एर कार्यक्रम शुरु हयेछे। एइ कोम्पानीर उद्योक्ता हिसाबे शेयार क्यपिटाले अग्रगति इन्सुरेन्स लिङ-एर अंश ग्रहणेर प्रस्ताव चीफ कन्ट्रोलर अर इन्सुरेन्स कर्तुक अनुमोदित हयनि। तथापिओ आमरा एइ कोम्पानी प्रतिष्ठाय यथासाध्य परिश्रम एवंग सहयोगिता करेछि।

### जमि उन्नयन

पाहुपथे अवस्थित कोम्पानीर जमि सम्पर्के ए यावत कोन सिद्धान्त नेया ययनि। ये कोन धरणेर प्रकल्लइ ग्रहण करा होक ना केन, एटा अताउत व्यवसाध्य हबे। ए व्यापारे आमरा विभिन्न आन्तर्जातिक होटेल चेइन एवंग विनियोगकारीदेर साथे आलोचना चालाछि। आशा करछि आगामी वार्षिक साधारण सभार पूर्वइ ए विषये एकटा सिद्धान्त ग्रहण सम्भव हबे। इतिमधे जमिर मूल्य वृद्धि पेयेछे या ए बहरेर ब्यालेस शीटे देखानो हयेछे।

### सम्पदेर पुनःमूल्यायन

आन्तर्जातिक ग्याकाउन्डिङ स्ट्यान्डार्ड अनुयायी आमरा कोम्पानीर जमिर पुनःमूल्यायन करेछि एवंग इहा ब्यालेस शीटे देखानो हयेछे। अनुकूपताबे शेयार एवंग डिबेण्डर विनियोगकृत सम्पदेरओ पुनःमूल्यायन करा हयेछे। जमिर मूल्ये पुनःमूल्यायनेर फले उद्धृतिर साथे विनियोगक्षेत्रे अवमूल्यायन हेतु ऋति समन्वय करे अतिरिक्त अर्थ "क्यापिटल रिजार्ड" फाडे स्थानांतरित करा हयेछे।

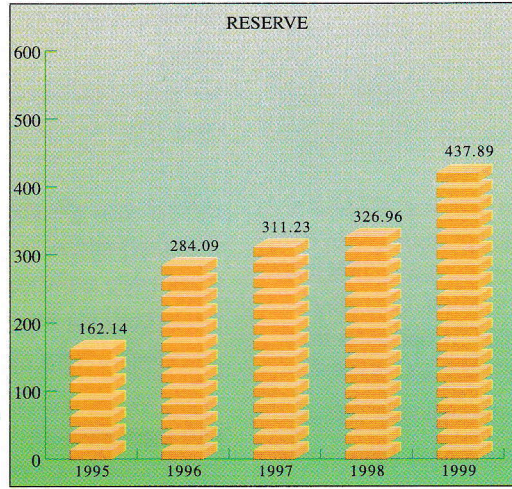




### Specific Reserve for Bond business & Tail Ended business

We underwrite Tail ended business viz; Public Liability, Performance Bond and issue guarantee to leasing companies. Tenure of these policies extend beyond normal one year cycle of non-life business.

So long we have been consuming the premium over a period of two years. Now we feel that consuming the premium does not leave any reserve for contingencies if it happens much later. Accordingly, we have decided to create specific reserve for this purpose. This has been shown separately in the Balance Sheet. We shall undertake actuarial valuation every alternate year and any surplus will be treated as profit.



### বন্ড এবং টেইল এনডেড ব্যবসার জন্য নির্দিষ্ট রিজার্ভ

আমরা এমন কিছু ব্যবসা করে থাকি যার দায়-দায়িত্ব বা রেশ প্রকল্প সম্পন্নের পরও থেকে যায়। যথা থার্ড পার্টি ইন্স্যুরেন্স, পাবলিক লাইবিলিটি ইন্স্যুরেন্স, পারফরমেন্স বন্ড, লিজিং কোম্পানীসমূহকে ইস্যুকৃত গ্যারান্টি ইত্যাদি এর আওতায় পড়ে এবং এগুলোকে “টেইল এনডেড পলিসি” বলা হয়ে থাকে।

এ সকল পলিসি থেকে প্রাপ্ত প্রিমিয়াম প্রচলিত নিয়ম অনুযায়ী দু'বছরের মধ্যে আয় হিসাবে সনাক্ত করা হয়। এর ফলে প্রকল্পভোর কালে দাবী উত্থাপিত হলে তা প্রদানের জন্য বিশেষ রিজার্ভ থাকে না। তাই এ ধরনের পরিস্থিতি মোকাবিলার জন্য একটি নির্দিষ্ট রিজার্ভ ফান্ড তৈরী করার সিদ্ধান্ত গ্রহণ করা হয়েছে এবং ব্যালেন্স শীটে তা ভিন্নভাবে দেখানো হয়েছে। প্রতি দু'বছরে এর একাকচুরিয়াল মূল্যায়ন করা হবে এবং ফান্ডের উদ্ধৃত মুনাফা হিসাবে গণ্য করা হবে।

### Financial Service

Financial Services in which we are involved namely Underwriting, Trusteeship, Issue Management etc. were almost non-existent in the last year. There were few IPO issues during the year 1999 and we were not involved in anyone. As such we have no earning from this source. On the contrary, fees for Trusteeship of Debenture remained uncollected and as such no income could be shown under this head also.

However, we continued to operate in the secondary market and have earned Tk. 2.9 million capital gain either by short-term dealing and or by releasing the gain on existing portfolio. We are not sure as to when the market will return back to an active situation.

### ফাইন্যান্সিয়াল সার্ভিস

এ যাবত আমরা যে সকল ক্ষেত্রে ফাইন্যান্সিয়াল সার্ভিস দিয়ে এসেছি যথা শেয়ার আন্ডাররাইটিং, ট্রাস্টিশীপ, ইস্যু ম্যানেজমেন্ট ইত্যাদি তা গত বছরে হয়নি বললেই চলে। ১৯৯৯ সালে মাত্র কয়েকটি কোম্পানীর শেয়ার আইপিও হিসাবে বাজারে এসেছে। আমরা তাতে জড়িত ছিলাম না। তাই গত বছরে এ ক্ষেত্রে আমাদের কোন আয় নেই। উপরন্তু ডিবেন্চার ট্রাস্টিশীপের ফি আদায় না হওয়ায় এ ক্ষেত্রেও কোন আয় দেখানো সম্ভব হয়নি।

যাহোক আমরা সেকেন্ডারী মার্কেটে শেয়ার বেচা-কেনার মাধ্যমে ২.৯ মিলিয়ন টাকা মূলধন মুনাফা অর্জন করতে সক্ষম হয়েছি। পুঁজিবাজার কবে নাগাদ পুনরায় সক্রিয় অবস্থায় ফিরবে তা নির্দিষ্ট করে বলা সম্ভব নয়।

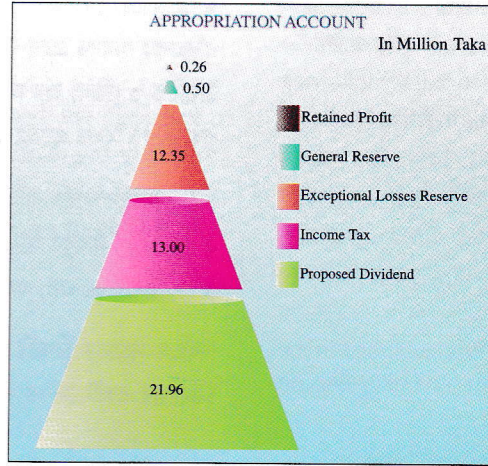


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### Appropriation

Pre-tax net profit for 1999 together with the un-appropriated profit brought forward from last year stood at Tk. 48,073,702 as detailed below :



### মুনাফা বন্টন

বিগত বছরের অবন্টনকৃত মুনাফাসহ ১৯৯৯ সালের আয়কর পূর্ব মুনাফা হয়েছে ৪৮,০৭৩,৭০২ টাকা যার বিবরণ নিম্নে দেয়া হলো এবং তার বন্টন নিম্নে দেখানো হলোঃ

	Taka
Un-appropriated profit of last year	: 202,418
Net profit for the year	: 47,871,284
Fund available for appropriation	: <u>48,073,702</u>
Board recommends appropriation as below :	
Exceptional losses reserve	: 12,347,923
Provision for Income Tax	: 13,000,000
General Reserve	: 500,000
Proposed Dividend	: 21,960,000
Balance transferred to Balance Sheet	: 265,779
Total	: <u>48,073,702</u>

	টাকা
গত বছরের অবন্টনকৃত মুনাফা	: ২০২,৪১৮
১৯৯৯ সালের নীট মুনাফা (করপূর্ব)	: ৪৭,৮৭১,২৮৪
বন্টনযোগ্য তহবিল	: <u>৪৮,০৭৩,৭০২</u>
বোর্ড বন্টনযোগ্য তহবিল নিম্নে উল্লেখিত খাতে বন্টনের সুপারিশ করেছেন:	
অস্বাভাবিক ক্ষতির জন্য সংরক্ষিত তহবিল	: ১২,৩৪৭,৯২৩
আয়করের জন্য বরাদ্দ	: ১৩,০০০,০০০
সাধারণ সঞ্চিতি	: ৫০০,০০০
প্রস্তাবিত লভ্যাংশ	: ২১,৯৬০,০০০
অবশিষ্ট মুনাফা ব্যালেন্স শীটে স্থানান্তরিত	: ২৬৫,৭৭৯
মোট	: <u>৪৮,০৭৩,৭০২</u>

### 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. Eng. A. Latif
02. Mr. Mohammed A. Malek
03. Mr. Khan Mohd. Ameer
04. Mr. Akbar Hossain
05. Mr. Md. Sarwar Kamal
06. Ms. Razia Sultana Simul
07. Mr. Mahbubur Rahman

### পরিচালকমন্ডলী

কোম্পানীর আর্টিকেলস অব এসোসিয়েশনের ১০৫ ধারা অনুযায়ী 'এ' গ্রুপের নিম্নে উল্লেখিত উদ্যোক্তা পরিচালকগণ অবসর গ্রহণ করবেন এবং যোগ্য বিধায় ১০৭ ধারা অনুযায়ী প্রত্যেকেই পুনঃনির্বাচনের ইচ্ছা প্রকাশ করেছেন :

- ১। ইঞ্জিনিয়ার এ, লতিফ
- ২। জনাব মোহাম্মদ এ, মালেক
- ৩। জনাব খান মোহাম্মদ আমীর
- ৪। জনাব আকবর হোসেন
- ৫। জনাব মোহাম্মদ সরওয়ার কামাল
- ৬। মিস রাজিয়া সুলতানা শিমুল
- ৭। জনাব মাহবুবুর রহমান



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Election of 3(three) Directors from the Group B shareholding will be held in the 14th AGM of the Company scheduled on 12th August, 2000. It was mutually agreed that the following Directors from Group B shall retire in this meeting but being eligible offer themselves for re-election.

01. Mrs. Farzana Ahmed
02. Mr. Mahbub Anam
03. Mr. A.S.M. Mohiuddin Monem

Necessary notification for the election was published in the 4(four) daily newspapers including one in Chittagong on 27th April, 2000.

### Auditors

The Auditors 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 2000 at the same remuneration fixed last year.

### 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 enterprises 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, Square Pharmaceuticals Ltd., SCANCEM Bangladesh, Hyundai, Reckitt & Colman Bangladesh Ltd., Rhone-Poulenc Rorer Bangladesh, Grameen Phone, Aktel, Khulna Power Co. Ltd., Rural Power Co. Ltd., Mitsui Engineering & Shipbuilding Co. Ltd., Westmont Power (BD) Ltd., AES Haripur Ltd., Excelsior Group, Mamiya-OP (BD), Orion Group of Companies,

অনুরূপভাবে 'বি' গ্রুপ শেয়ারহোল্ডারদের মধ্য থেকে ৩ (তিন) জন পরিচালক অবসর গ্রহণ করবেন। পারস্পরিক সমঝোতার মাধ্যমে নিম্নে উল্লিখিত ৩ (তিন) জন অবসর গ্রহণ করবেন বলে সিদ্ধান্ত গ্রহণ করেছেন এবং যোগ্য বিধায় প্রত্যেকেই পুনর্নির্বাচনের ইচ্ছা প্রকাশ করেছেন :

- ১। মিসেস ফারজানা আহমেদ
- ২। জনাব মাহবুব আনাম
- ৩। জনাব এ. এস. এম. মহিউদ্দিন মোনেম

নির্বাচন সংক্রান্ত বিজ্ঞপ্তি গত ২৭শে এপ্রিল, ২০০০ চাকার ৩টি এবং চট্টগ্রামের একটি দৈনিক সংবাদপত্রে প্রকাশিত হয়েছে।

### নিরীক্ষক

আর্টিকেলের ১৪৯ ধারা অনুযায়ী কোম্পানীর নিরীক্ষক মেসার্স এ. ওহাব এন্ড কোং অবসরগ্রহণ করবেন এবং তারা পুনর্নিয়োগের যোগ্য। মেসার্স এ. ওহাব এন্ড কোম্পানী পুনর্নিয়ুক্তির আশ্রয় প্রকাশ করে পত্র দিয়েছেন। ২০০০ সালের জন্য মেসার্স এ. ওহাব এন্ড কোম্পানী কে গত বছরের নির্ধারিত পারিশ্রমিকে পুনর্নিয়োগের জন্য সুপারিশ করা গেল।

### উপসংহার

পরিশেষে পরিচালকমন্ডলী কোম্পানীর কার্যক্রমে সহায়তা এবং সহযোগিতা প্রদানের জন্য সরকারী ও বেসরকারী ব্যাংকসমূহ, বিভিন্ন আর্থিক প্রতিষ্ঠান এবং ব্যক্তি মালিকানাধীন ব্যবসায়িক প্রতিষ্ঠানসমূহের প্রতি কৃতজ্ঞতা জানাচ্ছেন। কোম্পানীকে বর্তমান মর্যাদায় উন্নীতকরণে তাঁদের অবদান অপরিমিত। বিশেষভাবে বাটা সু কোম্পানী (বাংলাদেশ) লিঃ, বেক্সিমকো গ্রুপ অব কোম্পানীজ, লিভার ব্রাদার্স (বাংলাদেশ) লিঃ, কর্ণফুলী ফার্টিলাইজার কোং, লিঃ, (কাফকো), মুন্সু গ্রুপ অব কোম্পানীজ, ঝয়ার ফার্মাসিউটিক্যালস লিঃ, স্ক্যানসেম বাংলাদেশ, হুন্দাই, রেকিট এন্ড কোলম্যান, রোন-পোল্যাংক রোরার, গ্রামীণ ফোন, একটেল, খুলনা পাওয়ার কোং লিঃ, রুরাল পাওয়ার কোং লিঃ, মিতসুই ইঞ্জিনিয়ারিং এন্ড শিপবিল্ডিং কোং লিঃ, ওয়েস্টমন্ট পাওয়ার (বিডি) লিঃ, এ ই এস হরিপুর লিঃ, এক্সেলসিওর গ্রুপ, মামিয়া ওপি (বাংলাদেশ) লিঃ, ওরিয়ন গ্রুপ অব কোম্পানীজ, হোসাইন গ্রুপ অব ইন্ডাস্ট্রিজ, অলিম্পিক ইন্ডাস্ট্রিজ, তৃপ্তি ইন্ডাস্ট্রিজ, মাল্টিমোড গ্রুপ, কে ডি এস গ্রুপ, আবদুল মোনেম লিঃ,





Hussain Group of Industries, Olympic Industries, Tripti Industries, Multimode Group, KDS Group, Abdul Monem Ltd., Pro-star Group, Abul Khair Group, Nazaria Group, National Bank Ltd., American International School, Dhaka, UAE Embassy, Dhaka, Youngone Group, Pacific Jeans, Bangladesh Edible oil Ltd. and Jomac Limited for reposing their confidence in the company.

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

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

Directors also put on record and have conveyed through the Managing Director their appreciation to all the 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 remain fully committed to its deep determination and ideology of personalised client service, their satisfaction and their financial security.

প্রোষ্টার গ্রুপ, আবুল খায়ের গ্রুপ, নাজারিয়া গ্রুপ, ন্যাশনাল ব্যাংক লিমিটেড, আমেরিকান ইন্টারন্যাশনাল স্কুল, ঢাকা, ইউ এ ই দুতাবাস, ঢাকা, প্যাসিফিক জিনস, বাংলাদেশ এডিবল ওয়েল লিঃ, এবং জোমাক প্রগতি ইন্স্যুরেন্সের উপর যে আস্থা প্রদর্শন করেছেন তার জন্য পরিচালকমন্ডলী তাঁদের নিকট গভীরভাবে কৃতজ্ঞ।

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

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

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

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

On behalf of the Board of Directors.

প্রগতি ইন্স্যুরেন্স লিঃ পরিচালকমন্ডলীর পক্ষে-

ABDUL MONEM  
Chairman

আবদুল মোনেম  
চেয়ারম্যান।





## VALUE ADDED STATEMENT

FOR THE YEAR ENDED 31ST, DECEMBER 1999

Figure in Million

### Value Added:

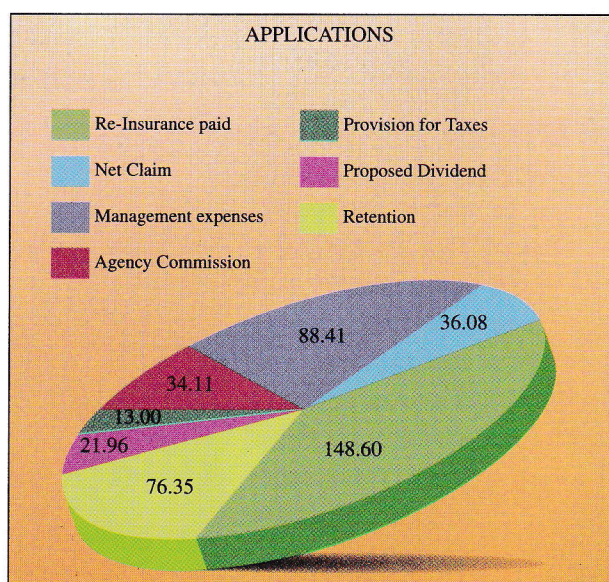
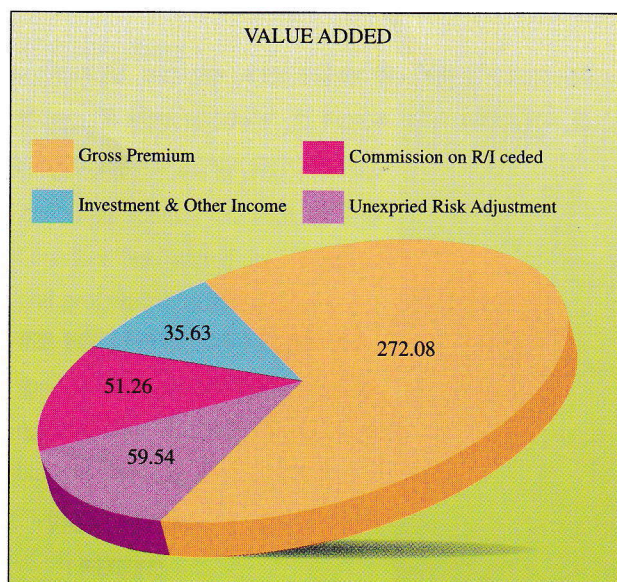
Gross Premium	272.08
Investment & Other Income	35.63
Commission on R/I ceded	51.26
Unexpired Risk Adjustment	59.54

**Total Taka :** 418.51

### Applications:

Re-Insurance	148.60
Net Claim	36.08
Management Expenses	88.41
Agency Commission	34.11
Provision for Taxes	13.00
Proposed Dividend	21.96
Retention	76.35

**Total Taka :** 418.51







## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the annexed Balance Sheet of Pragati Insurance Limited as at 31st December, 1999 and the Related Revenue Accounts as well as the Profit and Loss Account and Profit & Loss Appropriation Account for the year ended on that date together with the accompanying Cash Flow Statement and Notes thereto, as prepared by the Company in due conformance with Generally Accepted Accounting Principles, procedures and also the applicable International Accounting Standards (adopted as Bangladesh Accounting Standards) and produced to us by it for our examination and we report that :

- i) we have conducted the audit as per applicable International Standards of Auditing (adopted as Bangladesh Standards of Auditing) ;
- ii) our examination and checking of records, relevant books of accounts, registers, schedules and financial statements were sufficient to enable us to form an informed and assessed opinion on the authenticity and accuracy of the Accounts and Financial Statements;
- iii) we have obtained all the information, explanations and documents as required us;
- iv) the company's management has followed relevant provisions of law and rules in managing the affairs of the Company and that proper books of accounts, records and other statutory books have been properly maintained;
- v) the Balance Sheet and Profit and Loss Account are in agreement with the said books of account maintained by the Company and examined by us while the Cash Flow Statement conforms with the presentations laid out in the relevant International Accounting Standard;
- vi) the expenditure incurred and payments made were for the purpose of the Company's business for the year;
- vii) as per Section 40C(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 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 & Loss Account of the Company ; and
- viii) 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 outside Bangladesh and has not received outside Bangladesh from any person any commission in any form in respect of any of its business re-insured abroad.

And in our opinion the annexed Balance Sheet and Profit and Loss Account represent a true and fair view of the state of the Company's affairs as at 31st December, 1999 and of the profit earned for the year ended on that date and that these Financial Statements have been drawn up in accordance with the requirements of applicable laws and rules containing all the information in the manner required by relevant laws and rules and the International Accounting Standards (IAS) as applicable in Bangladesh.

Dated, Dhaka the 15<sup>th</sup> May, 2000

  
A. Wahab & Co.  
Chartered Accountants



## BALANCE SHEET

AS AT 31ST DECEMBER, 1999

	NOTE	1999	1998
<b>CAPITAL &amp; LIABILITIES</b>			
<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	14	73,200,000	73,200,000
<b>Share Premium</b>	15	76,250,000	76,250,000
<b>Reserve or Contingency Account</b>		372,753,296	191,170,838
Reserve for Exceptional Losses	16	115,744,402	103,396,479
Contingency Reserve for Insurance Guarantees and Tail ended Insurance Business	17	74,544,651	—
Revaluation Reserve	18	91,532,695	—
General Reserve	19	23,000,000	22,500,000
Dividend Equalisation Reserve		36,500,000	36,500,000
Depreciation Fund		31,165,769	28,571,941
Profit & Loss Appropriation Account		265,779	202,418
<b>Balance of Funds &amp; Accounts :</b>		63,430,677	59,541,726
Fire Insurance Business Account		16,894,197	17,739,337
Marine Insurance Business Account		22,405,087	21,757,713
Misc. Insurance Business Account		24,131,393	20,044,676
<b>Premium Deposit</b>	20	91,589,421	165,796,443
<b>Liabilities &amp; Provision</b>		123,822,679	114,956,992
Estimated Liabilities in respect of outstanding claims whether due or intimated.	21	77,306,953	70,280,426
Amount due to Other Persons or Bodies carrying on Insurance Business.	22	46,515,726	44,676,566
<b>Loan from Bank for Building Project (Secured)</b>	23	9,829,558	32,270,300
<b>Sundry Creditors</b>	24	14,587,188	14,340,721
<b>Provision for Income Tax</b>	25	18,492,824	15,750,589
<b>Proposed Dividend</b>	26	21,960,000	25,620,000
	TK.	<u>865,915,643</u>	<u>768,897,609</u>

**Notes :**

- i) Contingent Liabilities (As per Note - 36)
- ii) Figures have been rounded off to the nearest Taka.

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

  
**Prof. Jahangir Chowdhury**  
 Director

Dated, Dhaka the 15<sup>th</sup> May, 2000





## BALANCE SHEET


AS AT 31ST DECEMBER, 1999

	NOTE	1999	1998
<b>PROPERTY &amp; ASSETS</b>			
<b>Investment :</b>		<b>92,193,850</b>	<b>133,263,653</b>
Pratirakkha Sanchaya Patra	1	9,500,000	9,500,000
Shares & Debentures	2	82,693,850	123,763,653
<b>Outstanding Premium</b>	3	<b>7,627,187</b>	<b>9,484,287</b>
<b>Amount due from other Persons or Bodies carrying on Insurance Business</b>	4	<b>62,745,988</b>	<b>61,133,688</b>
<b>Interest, Dividends &amp; Rents outstanding</b>	5	<b>17,682,409</b>	<b>11,897,506</b>
<b>Sundry Debtors</b>	6	<b>15,815,413</b>	<b>11,034,451</b>
<b>Advance Payment of Tax</b>	7	<b>5,640,616</b>	<b>5,890,100</b>
<b>Cash and Bank Balances :</b>		<b>247,496,318</b>	<b>304,030,559</b>
Fixed Deposit Accounts	8	184,697,632	276,257,632
STD & Current Accounts	9	50,017,933	13,055,520
Cash, Cheque in hand & Stamp	10	12,780,753	14,717,407
<b>Other Accounts :</b>		<b>416,713,862</b>	<b>232,163,365</b>
Land (Freehold)	11	289,261,000	152,697,511
Fixed Assets (at cost)	12	39,596,061	37,078,927
Joint Venture Building Project	13	87,626,201	42,091,327
Stock of Printing Materials		230,600	295,600
		<b>Tk. 865,915,643</b>	<b>768,897,609</b>

Subject to our separate report of even date.

  
**Md. Mizanur Rahman**  
 Director

  
**Abdul Monem**  
 Chairman

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

	NOTE	1999	1998
<b>Expenses of Management</b>			
(not applicable to any Particular Fund or Account)			
Advertisement & Publicity		2,027,660	2,715,431
Directors' Fee		1,001,350	1,324,000
Bonus	30	4,532,060	8,269,500
Registration Renewal Fee	31	384,308	380,264
Donation	32	6,005	1,000,000
Audit Fees	33	200,000	150,000
Legal Expenses	33(a)	299,060	912,800
Depreciation		3,660,878	3,816,078
Profit for the year transferred to Profit & Loss Appropriation Account		47,871,284	43,967,294
	<b>Tk.</b>	<b>59,982,605</b>	<b>62,535,367</b>

**FOR THE YEAR ENDED 31ST DECEMBER, 1999**

Reserve for Exceptional Losses		12,347,923	11,742,965
Provision for Income Tax		13,000,000	12,500,000
Dividend Equalisation Reserve		—	1,500,000
General Reserve		500,000	2,500,000
Proposed Dividend		21,960,000	25,620,000
Balance transferred to Balance Sheet	34	265,779	202,418
		<b>Tk. 48,073,702</b>	<b>54,065,383</b>

  
A. K. M. Rafiqul Islam  
Managing Director

  
Prof. Jahangir Chowdhury  
Director





## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER, 1999

	NOTE	1999	1998
<b>Interest, Dividends and Rents</b>			
(Not applicable to any Particular Fund or Account)		<b>32,742,061</b>	<b>31,579,877</b>
Interest Received & Accrued	28	28,172,665	27,912,931
Dividend and Debenture Interest	29	4,569,396	3,666,946
 <b>Profit Transferred from :</b>	27(i)	<b>24,351,524</b>	<b>23,647,424</b>
Fire Revenue Account		9,244,282	8,828,911
Marine Revenue Account		11,604,442	10,176,571
Misc. Revenue Account		3,502,800	4,641,942
 <b>Other Income :</b>		<b>2,889,020</b>	<b>7,308,066</b>
Misc. Receipt		—	6,675,630
Profit on Sale of Investment (shares)		2,889,020	632,436
	<b>Tk.</b>	<b>59,982,605</b>	<b>62,535,367</b>

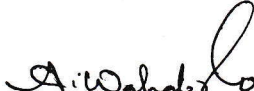
## PROFIT AND LOSS APPROPRIATION ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER, 1999

Balance brought forward from previous year		202,418	98,089
Net profit for the year brought from Profit and Loss Account		47,871,284	43,967,294
Excess Income Tax provision in the previous year brought forward		—	10,000,000
	<b>Tk.</b>	<b>48,073,702</b>	<b>54,065,383</b>

  
Md. Mizanur Rahman  
Director

  
Abdul Monem  
Chairman

  
A. Wahab & Co.  
Chartered Accountants



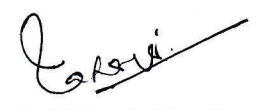
## FIRE INSURANCE REVENUE ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER, 1999

	1999	1998
<b>Claims under policies, less Re-insurance :</b>		
Paid during the year	14,374,892	11,490,134
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	41,407,530	40,412,280
	55,782,422	51,902,414
Less : Outstanding Claims at the end of the previous year	40,412,280	34,141,519
	15,370,142	17,760,895
<b>Commission</b>	15,539,001	11,275,882
<b>Commission on Re-insurance Accepted</b>	818,305	898,012
<b>Expenses of Management</b>	34,567,347	29,596,130
<b>Profit transferred to Profit &amp; Loss Account</b>	9,244,282	8,828,911
<b>Balance of Account at the end of the year as shown in Balance Sheet :</b>		
Reserve for Unexpired Risks, being 50% of the Fire premium income of the year	16,894,197	17,739,337
Tk.	92,433,274	86,099,167

Dated, Dhaka the 15<sup>th</sup> May, 2000

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

  
**Prof. Jahangir Chowdhury**  
 Director



FOR THE YEAR ENDED 31ST DECEMBER, 1999

  
Md. Mizanur Rahman  
Director

  
Abdul Monem  
Chairman

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



## MARINE INSURANCE REVENUE ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER, 1999

	1999	1998
<b>Claims under policies, less Re-insurance :</b>		
Paid during the year	3,855,730	8,960,973
Total estimated liability in respect of Outstanding Claims at the end of the year whether due or intimated	23,061,528	20,023,189
	26,917,258	28,984,162
Less : Outstanding Claims at the end of the previous year	20,023,189	20,843,868
	<b>6,894,069</b>	<b>8,140,294</b>
 <b>Commission</b>	 <b>7,999,368</b>	 <b>9,725,622</b>
 <b>Expenses of Management</b>	 <b>19,488,561</b>	 <b>25,281,281</b>
 <b>Profit transferred to Profit &amp; Loss Account</b>	 <b>11,604,442</b>	 <b>10,176,571</b>
 <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 and 100% of the Marine Hull Premium income of the year	22,405,087	21,757,713
Tk.	<u><b>68,391,527</b></u>	<u><b>75,081,481</b></u>

A. K. M. Rafiqul Islam  
Managing Director

Prof. Jahangir Chowdhury  
Director

Dated, Dhaka the 15<sup>th</sup> May, 2000







## MISCELLANEOUS INSURANCE REVENUE ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER, 1999

	MOTOR	MISC.	1999	1998
<b>Claims under policies</b>				
<b>Less, Re-insurance :</b>				
Paid during the year	8,711,765	2,111,844	10,823,609	13,767,497
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	8,868,972	3,968,923	12,837,895	9,844,957
	17,580,737	6,080,767	23,661,504	23,612,454
Less : Outstanding Claims at the end of the previous year	5,742,410	4,102,547	9,844,957	11,265,411
	11,838,327	1,978,220	13,816,547	12,347,043
<b>Commission</b>	4,233,506	5,470,696	9,704,202	8,795,809
<b>Commission on Re-insurance Accepted</b>	—	50,173	50,173	83,047
<b>Expenses of Management</b>	11,789,083	10,459,554	22,248,637	17,174,391
<b>Profit transferred to Profit &amp; Loss Account</b>	1,472,434	2,030,366	3,502,800	4,641,942
<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	14,911,378	9,220,015	24,131,393	20,044,676
<b>Tk.</b>	<b>44,244,728</b>	<b>29,209,024</b>	<b>73,453,752</b>	<b>63,086,908</b>

*A. K. M. Rafiqul Islam*

A. K. M. Rafiqul Islam  
Managing Director

*Prof. Jahangir Chowdhury*

Prof. Jahangir Chowdhury  
Director


Dated, Dhaka the 15<sup>th</sup> May, 2000



**FOR THE YEAR ENDED 31ST DECEMBER, 1999**

  
Md. Mizanur Rahman  
Director

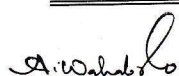
  
Abdul Monem  
Chairman

  
A. Wahab & Co.  
Chartered Accountants



**STATEMENT OF CASH FLOW**  
FOR THE YEAR ENDED 31ST DECEMBER, 1999

	1999	1998
<b>A. Cash Flow from Operating Activities:</b>		
Net profit after Tax: (Note -1)	34,871,284	31,467,294
Adjustment to reconcile net profit to net cash provided by Operating Activities :		
Depreciation	3,660,878	3,816,078
Expenses against Share Issue	—	739,535
Adjustment of Excess Income Tax provision upto 31-12-97	—	10,000,000
Loss/ (Profit) on Sale of Assets	—	—
Loss/ (Profit) on Sale of Investment (including capital income)	(2,889,020)	(632,436)
Reserve for Unexpired Risk	3,888,951	(3,926,097)
(Increase)/ Decrease in Stock of Printing	65,000	125,000
(Increase)/ Decrease in Advance Payment of Tax	249,484	204,306
(Increase)/ Decrease in Sundry Debtors	(4,780,962)	1,556,554
(Increase)/ Decrease in Interest, Dividend & Rent outstanding	(5,784,903)	(2,539,276)
(Increase)/ Decrease in Amount due from Other Persons or Bodies carrying on Insurance Business	(1,612,300)	(27,572,237)
Increase/ (Decrease) in Outstanding Premium	1,857,100	(3,600,831)
(Increase)/ Decrease in Income Tax Payable	2,742,235	(15,014,511)
Increase/ (Decrease) in Sundry Creditors (excluding Unpaid Dividend)	179,687	1,392,712
Increase/ (Decrease) in Estimated Liability in respect of Outstanding Claim whether due or intimated	7,026,527	4,029,628
(Increase)/ Decrease in amount due to other persons or bodies carrying on Insurance Business	1,839,160	(4,967,161)
(Increase)/ Decrease in Premium Deposit	(74,207,022)	25,157,318
Contingency Reserve for Insurance	74,544,651	—
Guarantees and tail ended	—	—
<b>Net Cash Flow from Operating Activities</b>	<b>41,650,750</b>	<b>20,235,876</b>
<b>B. Cash Flow from Investing Activities :</b>		
Purchase of Fixed Assets	(13,199,040)	(49,570,950)
Increase in Capital Work-in-Progress (Building Project)	(45,534,874)	(36,013,996)
Disposal of Fixed Assets	—	—
Disposal of Investment	21,007,617	7,249,484
Redemption of Debenture	922,935	1,195,200
Investment made	(13,387,667)	(20,483,634)
<b>Net Cash Flow from Investing Activities</b>	<b>(50,191,029)</b>	<b>(97,623,896)</b>
<b>C. Cash Flow from Financing Activities:</b>		
Loan Received from Bank	56,160,816	41,228,412
Loan Repayment to Bank	(78,601,558)	(8,958,112)
Dividend Paid	(25,553,220)	(25,582,414)
<b>Net Cash Flow from Financing Activities</b>	<b>(47,993,962)</b>	<b>6,687,886</b>
<b>Increase/ (Decrease) in Cash and Bank Balance ( A+B+C)</b>	<b>(56,534,241)</b>	<b>(70,700,134)</b>
Cash and Bank Balance at Opening	304,030,559	374,730,693
Cash and Bank Balance at Closing	247,496,318	304,030,559
<b>Note:</b> Net Profit as per Profit & Loss Account	47,871,284	43,967,294
Less: Income tax provision for the year , 1999.	13,000,000	12,500,000
<b>Net Profit after Tax</b>	<b>34,871,284</b>	<b>31,467,294</b>

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





## 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 relevant International Accounting Standards as were adopted in Bangladesh under the title Bangladesh Accounting Standards (BAS) with reference to disclosures of accounting policies, valuation of investment such as long term and current investments.
- 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-1 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-1 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.'s of Tk.50 lacs, interest has been calculated on lumpsum basis. Besides, interest received from banks on STD accounts after deduction of OD interest, have been duly credited to the Profit and Loss Account.
- vi) Gains and Loss on shares 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 as charged to Revenue Accounts amounting to Tk. 76,304,545 represents approximately 28.04% of gross premium of Tk. 272,079,742 including Government business and Share from S.B.C. aggregating to Tk. 17,687,564 (including acceptance business). Management expenses charged to revenue accounts represents 61.79% of net premium of Tk. 123,479,234 as earned during the year under audit. The expenses have been apportioned @ 45.30% to Fire, 25.54% to Marine and 29.16% 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 1999.
- ix) Reserve for Exceptional Losses as appropriated out of current year's profit before tax provision amounts to Tk. 12,347,923 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. 31,165,769 including Tk.3,660,878 provided during the year, has been shown under "Depreciation Fund Account" as per usual practice.

## Category of Assets

## Rate of Depreciation

Furniture and Fixture	10% to 15%
Motor Vehicles	20%
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, 2000.
- xii) The Company has credited Contingency Reserve for Insurance Guarantees and Tail ended insurance business against which there exists no re-insurance arrangement although there remains risk till the expiry of the Guarantee. Such Reserve was credited with approximately 25% of the Guarantees remaining unexpired as at 31st December, 1999 along with Tail ended Insurance business premium with necessary adjustment of the premium deposit account.
- xiii) The margin of security of investments over liabilities of the Company has been well maintained as appeared from the Balance Sheet.
- xiv) Provision for Income Tax has been made in accordance with the best estimate of the management based on the prevailing Income Tax law.
- xv) a) Land has been revalued by professional valuers and appreciation has been credited to Revaluation Reserve Account. Similarly investments in shares in companies have been valued at lower of the cost and quoted price as on 31-12-99 and the resultant diminution in value has been debited to the Revaluation Reserve Account instead of Profit and Loss Account.  
  
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.
- xvi) Figures have been rounded off to the nearest Taka and previous year's figures have been re-arranged for comparison purpose where felt necessary.





**b. Operation :**

During the year under audit, through the operation of 36 branches the gross premium earned by the Company amounted to Tk. 272,079,739.84 including public sector business of Tk. 15,858,361.67. After ceding for re-insurance premium the net premium for the year amount to Tk. 123,479,232.26 and after charging direct expenses therefrom the Net Underwriting Profit stood Tk. 24,351,524 as against Tk. 23,647,424 of the last year.

**Public Sector Business :**

Public Sector business upto June 1999 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 1999-2000 (A/cs 31-12-98). An appeal is pending with the Supreme Court (High Court Division) for the Assessment year 1990-91.

**BALANCE SHEET**

**1. Pratirakkha Sanchaya Patra : Tk. 9,500,000**

The amount represents 8 years Pratirakkha 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. 82,693,850**

The movement of the balance is shown below :

	<b>1999</b>	<b>1998</b>
Opening Balance as on 01-01-99	123,763,653	111,092,267
Add : Purchase during the year	13,387,667	20,483,634
	137,151,320	131,575,901
Less : Sales / Redemption during the year	19,041,532	7,812,248
	<b>118,109,788</b>	<b>123,763,653</b>
Less : Diminution in share value as per market price (Adjusted through Revaluation Reserve Account)	35,415,938	-
Balance as on 31-12-99.	<b>Tk. 82,693,850</b>	<b>123,763,653</b>

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The Companywise break-up of the above balance is under :

### (i) Shares :

Shares in Public Ltd. Company	No of Shares	At Cost	Market value as on 31-12-99
IFIC Bank Ltd.	10	900	1,080
Rupali Bank Ltd.	32,125	3,797,150	2,206,024
National Bank Ltd.	65,343	5,535,500	4,025,129
Eastern Cables Ltd.	6,000	500,000	536,100
Quasem Drycells Ltd.	10	135	130
Apex Food Ltd.	360	643,942	107,626
Beximco Fisheries Ltd.	16,000	2,653,175	1,122,080
Meghna Vegetables Oil Ltd.	21	2,100	1,442
Tripti Industries Ltd.	39,085	6,821,775	2,287,254
Bangladesh General Insurance Co. Ltd.	8,000	3,939,600	1,680,000
Reliance Insurance Ltd.	1,050	569,888	333,900
1st B.S.R.S. Mutual Fund	910	91,000	44,135
IDLC Bangladesh Ltd.	1,500	161,074	669,375
United Leasing Co. Ltd.	996	2,317,129	548,298
Chittagong Cement Ltd.	4,250	3,610,290	3,581,773
Excelsior Shoes Ltd.	17	1,700	624
Mark (BD) Ltd.	11	2,200	466
Usmania Glass Sheet Ltd.	5	500	1,020
MAC Enterprise Ltd.	1,996	199,600	79,840
Beximco Pharmaceuticals Ltd.	58,937	3,312,841	1,904,254
Orion Infusion Ltd.	30,000	3,909,500	3,909,500
Square Pharmaceutical Ltd.	2,050	1,424,369	1,338,630
Eastern Housing Ltd.	5,300	705,464	573,407
Shinepukur Holdings Ltd.	400	101,388	18,688
Apex Weaving Ltd.	2,560	256,000	110,925
Bangladesh Zipper Industries Ltd.	8	800	612
CMC-Kamal Textiles Ltd.	10,000	1,000,000	685,000
Delta Millers Ltd.	100	39,750	5,315
Dulamia Cotton Spinning Mills Ltd.	2,720	272,000	112,200
H.R. Textiles Ltd.	39	3,900	2,399
Monno Fabrics Ltd.	172,000	25,800,000	12,289,400
Padma Textile Ltd.	2,170	365,015	314,194
Prime Textile Ltd.	15,000	4,500,000	658,500
Tallu Spinning Mills Ltd.	20,000	2,375,000	1,530,000
Gachihata Aquaculture Farm Ltd.	19,200	1,920,000	738,432
National Housing Finance And Investment Ltd.	1	10,000,000	10,000,000 (Cost)
Beximco Infusion Ltd.	800	186,413	186,408
<b>Total of (i)</b>		<b>87,020,098</b>	<b>51,604,160</b>



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Notes: a) During the year under review, the company paid Tk. 10,000,000 to National Housing Finance And Investment Ltd. against purchase of one (1) share as per decision of Board of Directors as one of the sponsor shareholders of National Housing Finance And Investment Ltd.

b) The market value of the shares has indicated down ward trend in most of the cases.

### (ii) Debentures:

<u>Name of the Company</u>	<u>Value</u>
Bangladesh Export Import Co. Ltd.	1,660,000
(Debenture at cost after adjustment of refund)	
Bangladesh Zipper Industries Ltd.	91,800
(Debenture at cost after adjustment of refund)	
Beximco Infusion Ltd.	328,015
(Debenture at cost after adjustment of refund)	
Beximco Synthetics Ltd.	3,924,800
(Debenture at cost after adjustment of refund)	
Magura Paper Mills Ltd.	2,500,000
(1,250 Debentures of Tk. 2,000 each)	
Beximco Fisheries Ltd.	1,240,910
(465 Debentures of Tk. 3,000 each)	
Beximco Textile Ltd.	2,177,500
(871 Debentures of Tk. 2,500 each)	
Beximco Denims Ltd.	10,000,000
(4,000 Debentures of Tk. 2,500 each)	
Bangladesh Luggage Industries Ltd.	5,000,000
(2,000 Debentures of Tk. 2,500 each)	
Capital Paper & Pulp Mills Ltd.	4,166,665
( Debenture at cost after adjustment of refund)	
<b>Total of (ii)</b>	<b>31,089,690</b>
<b>Grand Total of ( i+ii) Taka :</b>	<b>82,693,850</b>

Dividend and interest as received and accrued in respect of Shares and Debentures have been duly credited to the Profit and Loss Account (Note-29). except interest on Magura Paper Mills Ltd's debentures.



### 3. Outstanding Premium : Tk. 7,627,187

The balance represents as usual that portion of the outstanding premium which was realized subsequently till 31st March 2000. It is exclusive of Tk. 46,639,585 due from other Co-insurers shown separately against business underwritten upto the year 1999. The business wise break-up of the outstanding premium shown above is given below :

	<b>1999</b>	<b>1998</b>
Fire	2,988,953	5,526,434
Marine	2,540,284	2,652,809
Motor	983,934	494,159
Misc.	1,114,016	810,885
<b>Taka :</b>	<b>7,627,187</b>	<b>9,484,287</b>

### 4. Amount due from other persons or bodies carrying on Insurance business : Tk. 62,745,988

The amount is made up as follows:

	<b>1999</b>	<b>1998</b>
Co-Insurance Premium receivable (including refund premium)	46,639,585	39,335,111
Amount due from SBC	—	2,845,881
Co-Insurance Claim receivable from different Insurance Companies		
Fire	4,515,892	3,288,026
Marine	10,249,901	14,156,072
Motor	303,612	231,796
Misc.	1,036,998	1,276,802
<b>Taka :</b>	<b>62,745,988</b>	<b>61,133,688</b>

### 5. Interest, Dividend & Rent outstanding :Tk. 17,682,409

This balance is made up as follows :

	<b>1999</b>	<b>1998</b>
Interest on PSP	9,120,000	6,130,000
Dividend	410,427	502,571
Debenture Interest	8,151,982	5,264,935
<b>Taka :</b>	<b>17,682,409</b>	<b>11,897,506</b>

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





### 6. Sundry Debtors : Tk. 15,815,413

This balance is made-up as follows :

	1999	1998
Advance against expenses	706,617	191,617
Advance against Rent	2,903,676	3,895,369
Advance against Salary	90,914	282,535
Advance against Travelling Allowance	—	35,000
Advance against investment	4,097,500	4,217,500
House Building Loan	1,642,300	1,510,300
Security Deposit	241,600	264,000
Group Insurance Premium (Due from employees)	267,039	220,034
Jamuna Resort Limited	3,612,343	418,096
Pragati Life Insurance Co. Ltd.	2,253,424	—
<b>Taka :</b>	<b>15,815,413</b>	<b>11,034,451</b>

- i) Advance against investment includes Tk. 97,500 as an old balance since 1991 towards bridge finance contribution under the leadership of ICB. The amount has not been realised till date of audit. The amount also includes Tk. 40 lacs since previous year being advance for share in other Companies.
- ii) The amount spent for Jamuna Resort Limited was on account of preparatory action taken in connection with meeting the expenses relating to financial bids for the work on the project.

### 7. Advance Payment of Tax : Tk. 5,640,616

The balance has been arrived at as under :

	1999	1998
Opening balance as on 01-01-1999	5,890,100	6,094,406
Add : Advance Tax paid/deducted at source during the year	5,640,616	5,890,100
	11,530,716	11,984,506
Less : Adjustment during the year against assessment year 1999-2000 (A/c 31-12-98)	5,890,100	6,094,406
<b>Taka :</b>	<b>5,640,616</b>	<b>5,890,100</b>

The entire balance relates to Accounting year 31-12-99 (Assessment year 2000-2001). Besides the cash deposit of Tk. 3,000,000 during the year, the amount, is inclusive of Tk. 2,263,190 being the sum deducted at source from FDR interest and Tk. 255,076 from STD interest. Further, it includes Tk. 122,350 being the deduction from dividend income relating to the accounting year 1999 corresponding to Assessment year 2000-2001 which is eligible for adjustment towards the settlement of Tax liability on finalisation of assessments. The balance amount of the corresponding tax payable for the year needs to be paid before filing of the return.



### 8. Fixed Deposit Account : Tk. 184,697,632

	1999	1998
Opening balance as on 01-01-1999	276,257,632	346,160,114
Add : Addition during the year	24,310,000	64,715,000
	300,567,632	410,875,114
Less : Encashment during the year	115,870,000	134,617,482
Balance as on 31-12-1999	<b>Taka : 184,697,632</b>	<b>276,257,632</b>
Interest on FDR is accounted for on cash basis as per usual practice		

### 9. STD & Current Account : Tk. 50,017,933

The balance has been arrived at as under :

	1999	1998
STD Account	34,247,158	33,739,670
Current Account (OD)	(7,135,034)	(13,914,956)
Current Account	1,348,415	1,530,075
Foreign Currency Account	21,557,394	17,953,845
Loan General	—	(26,253,114)
Taka :	<b>50,017,933</b>	<b>13,055,520</b>

Foreign currency account lying with ANZ Grindlays Bank, Dhaka equivalent to US\$ 420,467.98 @ Tk. 51.27 per Dollar.

### 10. Cash, cheque in hand & stamp : Tk. 12,780,753

The break-up of the above balance is as under :

	1999	1998
Petty Cash Account at Head Office	581,524	
Petty Cash Account with Branches	<u>2,758,206</u>	2,267,464
Cheques in Hand	9,009,868	12,356,438
Stamp in Hand	431,155	93,505
Taka :	<b>12,780,753</b>	<b>14,717,407</b>

Physical count of cash and stamp as on 31st December, 1999 at Head Office and some particular branches have been done. But cheques in hand could not be verified during the course of audit since the amount has been realised in full subsequently. The management has furnished certificate confirming the position.





### 11. Land : Tk. 289,261,000

The make up of the above balance of cost of land acquired is as under.

	1999	1998
Opening balance as on 01-01-1999	152,697,511	105,531,600
Add: Cost of 14 Katha of Land at Gazipur as purchased in previous year (including interest capitalized on bank loan)	—	46,528,111
Add: Registration and other expenses	9,614,856	637,800
	162,312,367	152,697,511
Add : Appreciation of Land during the year	126,948,633	—
<b>Taka :</b>	<b>289,261,000</b>	<b>152,697,511</b>
The break-up of the appreciated value (Location-wise) of Land is as under :		
Land at Panthapath, Kawran Bazar 86.17 Katha @ Tk. 3,300,000 per Katha	284,361,000	
Land at Joydebpur, Gazipur 140 Katha @ Tk. 35,000 per Katha	4,900,000	
<b>Taka :</b>	<b>289,261,000</b>	

### 12. Fixed Assets: Tk. 39,596,061

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, 1999.	10,969,126	9,015,990	16,391,918	701,893	37,078,927
Addition during the year 1999.	450,786	524,180	2,551,218	58,000	3,584,184
Disposal of Fixed Assets	—	—	(1,064,500)	(2,550)	(1,067,050)
Cost as at 31st December, 1999	<b>11,419,912</b>	<b>9,540,170</b>	<b>17,878,636</b>	<b>757,343</b>	<b>39,596,061</b>
Depreciation:					
As at 1st January, 1999	8,023,538	7,123,178	12,898,558	526,667	28,571,941
Charged for the year 1999	673,334	895,330	2,017,572	74,642	3,660,878
Depreciation adjustment for disposal of Fixed Assets	—	—	(1,064,500)	(2,550)	(1,067,050)
	<b>8,696,872</b>	<b>8,018,508</b>	<b>13,851,630</b>	<b>598,759</b>	<b>31,165,769</b>
Written down value as at 31st December, 1999	<b>2,723,040</b>	<b>1,521,662</b>	<b>4,027,006</b>	<b>158,584</b>	<b>8,430,292</b>

### 13. Joint Venture Building Project: Tk. 87,626,201 (Construction-in-Progress)

The break-up of the Project Cost of the Joint Venture Building Project with Rhone Poulenc Rorer (BD.) Ltd. is given below:

	1999	1998
Opening Balance as on 01-01-99	42,091,327	6,077,331
Add: Addition during the year	45,534,874	36,013,996
Balance as on 31-12-99	<b>87,626,201</b>	<b>42,091,327</b>

The finishing works are at the final stage.



## 14. 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  
122,000 ordinary shares of Tk. 100 each fully paid-up as  
Bonus Share (5:1) allotted during 1997

1999	1998
61,000,000	61,000,000
12,200,000	12,200,000
<b>73,200,000</b>	<b>73,200,000</b>

The categorywise shareholdings as on 31-12-99 is noted below:

### Category of Shareholders

1. Sponsors & Director of Group-A (50%)
2. General Public (24.5%)
3. Financial Institutions (including ICB) (18%)
4. Limited Companies (7.5%)

	No. of shares
1. Sponsors & Director of Group-A (50%)	366,000
2. General Public (24.5%)	179,146
3. Financial Institutions (including ICB) (18%)	132,015
4. Limited Companies (7.5%)	54,839
<b>Total :</b>	<b>732,000</b>

Classification of Shareholders by holdings:

### i) Group-A

Class Interval	No. of Shares	No. of Share holders	Total Holdings %	% of Total paid up capital
1-500	Nil	Nil	Nil	Nil
501-1000	600	001	0.16	0.08
1001-5000	34,749	012	9.50	4.75
5001-10000	79,918	013	21.84	10.92
10001-20000	227,400	015	62.13	31.06
20001-50000	23,333	1	6.37	3.19
<b>Total of (i)</b>	<b>366,000</b>	<b>42</b>	<b>100.00</b>	<b>50.00</b>

### ii) Group-B

1-500	102,798	1,064	28.09	14.05
501-1000	30,476	39	8.33	4.17
1001-5000	67,230	35	18.37	9.18
5001-10000	40,036	6	10.94	5.47
10001-20000	59,335	5	16.21	8.10
20001-50000	66,125	3	18.06	9.03
<b>Total of (ii)</b>	<b>366,000</b>	<b>1,152</b>	<b>100.00</b>	<b>50.00</b>
<b>Grand Total (i+ii)</b>	<b>732,000</b>	<b>1,194</b>		<b>100.00</b>





### 15. Share Premium: Tk. 76,250,000

The amount represents premium received @ Tk. 250.00 per share against issue of 305,000 ordinary shares to the public, in the year 1996.

### 16. Reserve for Exceptional Losses: Tk. 115,744,402

This balance is made-up as follows:

Balance b/f from 1998	103,396,479
Add: Charged against Profit for 1999	12,347,923
<b>Taka :</b>	<b><u>115,744,402</u></b>

The amount for the year 1999 represents 10% of the Net Premium of Tk. 12,347,923 of the year under audit. The amount is eligible for tax relief under the Fourth Schedule of Income Tax Ordinance, 1984.

### 17. Contingency Reserve for Insurance Guarantees and Tail ended Insurance Business : Tk. 74,544,651

The break-up of this amount as under :

Reserve against unexpired Guarantees	55,755,441
Reserve against Tail ended Insurance Business	18,789,210
(Foreign Currencies Insurance Policy)	<b><u>74,544,651</u></b>
<b>Taka :</b>	

### 18. Revaluation Reserve : Tk. 91,532,695

Revaluation of Land has been carried out by Professional Valuers :

<u>Location of Properties</u>		<u>Value Price</u>
Panthapath Kawran Bazar 86.17 Katha		284,361,000
@ Tk. 33,00,000 per Katha		
Joydebpur, Gazipur 140.00 Katha		4,900,000
@ Tk. 35,000 per Katha		<u>289,261,000</u>
Less : Actual cost of Land :		
At Panthapath, Karwan Bazar	158,137,567	
At Joydebpur	<u>4,174,800</u>	<u>162,312,367</u>
Appreciation of value		Taka : 126,948,633
Less : Adjusted with diminution in share value		
(87,020,096—51,604,160)		35,415,938
Revaluation Reserve		<b><u>Taka : 91,532,695</u></b>

Out of Tk. 126,948,633 being appreciation of land value, Tk. 91,532,695 has been shown as Revaluation Reserve.



### 19. General Reserve : Tk. 23,000,000

The above balance is made-up as follows:

	1999	1998
Opening balance as on 01-01-1999	22,500,000	20,000,000
Add: Appropriation for reserve during the year	500,000	2,500,000
<b>Taka :</b>	<b>23,000,000</b>	<b>22,500,000</b>

### 20. Premium Deposit : Tk. 91,589,421

The amount represents the adjusted balance of premium received against Cover Notes over the years for which policies have not been issued within 31st December, 1999.

### 21. Estimated Liabilities in respect of outstanding claims whether due or intimated : Tk. 77,306,953

The break-up of the amount is noted below:

	1999	1998
Fire	41,407,530	40,412,280
Marine	23,061,528	20,023,189
Motor	8,868,972	5,742,410
Misc.	3,968,923	4,102,547
<b>Taka :</b>	<b>77,306,953</b>	<b>70,280,426</b>

### 22. Amount due to other persons or bodies carrying on Insurance Business: Tk. 46,515,726

The break-up of the amount is given below:

	1999	1998
Amount due to SBC	13,524,490	—
Payable against Co-Insurance Premium	32,991,236	44,676,566
<b>Taka :</b>	<b>46,515,726</b>	<b>44,676,566</b>

Payable against Co-Insurance Premium : Tk. 32,991,236

The Company-wise break-up of this amount is as under :

<u>Name of the Company</u>	<u>Amount</u>
Reliance Insurance Ltd.	2,341,096
United Insurance Co. Ltd.	3,145,997
Phoenix Insurance Co. Ltd.	882,666
Bangladesh General Insurance Co. Ltd.	2,155,143
Karnaphuli Insurance Co. Ltd.	1,662,168
Janata Insurance Co. Ltd.	155,707
Peoples Insurance Co. Ltd.	516,628





Green Delta Insurance Co. Ltd.	16,414,749
Rupali Insurance Co. Ltd.	169,897
Purabi Insurance Co. Ltd.	62,711
Eastern Insurance Co. Ltd.	328,408
Federal Insurance Co. Ltd.	314,635
Eastland Insurance Co. Ltd.	3,619,658
Provati Insurance Co. Ltd.	80,772
Central Insurance Co. Ltd.	266,261
Northern Insurance Co. Ltd.	66,606
Prime Insurance Co. Ltd.	354,920
Pioneer Insurance Co. Ltd.	147,614
Bangladesh National Insurance Co. Ltd.	153,162
Meghna Insurance Co. Ltd.	152,438
<b>Taka :</b>	<b>32,991,236</b>

## 23. Loan from Bank for Building Project (Secured) : Tk. 9,829,558

The loan was taken from NBL Dilkusha Branch as SOD (Gen) loan under the following terms and conditions :

Mode of Re-payment will start after total draw down of the loan i.e. July 1999. Full re-payment have to be completed within 30-06-2001. However the Bank has adjusted Tk. 53,442,234 against FDR's encashment and interest thereon. The balance as on 31-12-99 is worked out below :

	1999	1998
Opening Balance	32,270,300	-
Further loan drawn during the year	54,000,000	40,315,000
Interest charged upto December 1999	2,111,831	913,412
Bank charged and Excise Duty etc.	48,985	-
	88,431,116	41,228,412
Less : Adjusted during the year against lien of FDRs :		8,958,112
FDR's Encashment with interest	53,442,234	
Cash payment during the year	25,159,324	
Closing Balance	<b>Taka : 9,829,558</b>	<b>32,270,300</b>

## 24. Sundry Creditors: Tk. 14,587,188

The balance is made-up as follows:

	1999	1998
Amount payable against Expenses (including incentive bonus)	8,106,774	7,678,001
Provident Fund	223,648	169,258
Income Tax deduction	2,478,053	2,575,944
VAT payable	2,230,172	2,546,274
Unpaid Dividend	229,809	163,029
Received against Security	1,042,632	952,632
Tax deduction against Rent	196,726	213,224
Tax deduction against bills	41,331	20,000
VAT deduction against bills	15,865	-
Others	22,178	22,359
<b>Taka :</b>	<b>14,587,188</b>	<b>14,340,721</b>



- i) Income tax deduction at source amounting to Tk. 2,478,053 includes Tk. 2,421,013 as income tax deduction from dividend paid to shareholders which has been deposited to Bangladesh Bank subsequently.
- ii) VAT payable Tk. 2,230,172 represents the VAT for the month of December, 1999 which has been deposited into Bangladesh Bank subsequently.

### 25. Provision for Income Tax: Tk. 18,492,824

The amount includes Tk. 13,000,000 being Income Tax provision for the accounting year ended on 31st December, 1999 (Assessment year 2000-2001).

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

	1999	1998
Opening balance as on 01-01-99	15,750,589	30,765,100
Less: Paid/Adjusted during the year (For Assessment year 1999-2000)	10,257,765	17,514,511
	5,492,824	13,250,589
Less: Excess Provision upto the year ended 31-12-97 written back	—	10,000,000
	5,492,824	3,250,589
Add: Provision made for the year 1999 (Assessment year 2000-2001)	13,000,000	12,500,000
Balance as on 31-12-99	<b>Taka : 18,492,824</b>	<b>15,750,589</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 2000-2001 is inclusive of tax deducted at source on bank interests and dividend as shown under Note 7 which is eligible for adjustment against tax liability to be determined in due course.

The balance of Tk. 5,492,824 as worked out above relates to the Assessments lying pending and referred to earlier (Assessment year 1990-91).

### 26. Proposed Dividend : Tk. 21,960,000

The amount has been appropriated out of surplus available for distribution @ 30% on paid-up capital of Tk. 73,200,000 as on 31-12-99 as per recommendation of the Board. Income tax will be deducted from the proposed Dividend when paid as per Income Tax Ordinance, 1984.





## 27. Revenue Account:

i) The summarized position of net underwriting profit earned during the year 1999 is as follows:

Particulars	Fire	Marine	Motor & Misc.	Total 1999	Total 1998
A. Gross Premium (including SBC & Govt. Business)	143,798,731	63,143,657	65,137,354	272,079,742	258,293,258
B. Re-Insurance Premium Ceded	110,010,337	21,715,603	16,874,568	148,600,508	140,863,609
C. Net Premium (A-B)	<u>33,788,394</u>	<u>41,428,054</u>	<u>48,262,786</u>	<u>123,479,234</u>	<u>117,429,649</u>
<b>Direct Expenses</b>					
D. Commission {Net of Re-Insurance Accepted & Ceded {(Net) (Note-27 (ii))}	(24,548,237)	2,793,608	4,608,085	(17,146,544)	(12,591,712)
E. Claim settled & provided {(Net)(Note-27(iii))}	15,370,142	6,894,069	13,816,547	36,080,758	38,248,232
F. Management Expenses {(Note-27 iv)}	<u>34,567,347</u>	<u>19,488,561</u>	<u>22,248,637</u>	<u>76,304,545</u>	<u>72,051,802</u>
G. Total Direct Expenses (D+E+F)	<u>25,389,252</u>	<u>29,176,238</u>	<u>40,673,269</u>	<u>95,238,759</u>	<u>97,708,322</u>
H. Adjusted Fund balance for Un-expired risk (Opening balance less closing balance)	845,140	(647,374)	(4,086,717)	(3,888,951)	3,926,097
Net underwriting profit (C-G+H) Taka :	<u><u>9,244,282</u></u>	<u><u>11,604,442</u></u>	<u><u>3,502,800</u></u>	<u><u>24,351,524</u></u>	<u><u>23,647,424</u></u>

## (ii) Commission (Net) Tk. (17,146,544)

Particulars	Fire	Marine	Motor & Misc.	Total 1999	Total 1998
Commission paid on Direct Business	15,539,001	7,999,368	9,704,202	33,242,571	29,797,313
Commission paid on Re-insurance Accepted	818,305	—	50,173	868,478	981,059
	<u>16,357,306</u>	<u>7,999,368</u>	<u>9,754,375</u>	<u>34,111,049</u>	<u>30,778,372</u>
Less: Commission earned on Re-insurance ceded	40,905,543	5,205,760	5,146,290	51,257,593	43,370,084
Net Commission Taka :	<u><u>(24,548,237)</u></u>	<u><u>2,793,608</u></u>	<u><u>4,608,085</u></u>	<u><u>(17,146,544)</u></u>	<u><u>(12,591,712)</u></u>



## (iii). Claim settled (Net) : Tk. 36,080,758

Particulars	Fire	Marine	Motor & Misc.	Total 1999	Total 1998
Gross claim	73,040,373	9,927,629	12,391,176	95,359,178	124,958,741
Less: Salvage Received	—	—	150,000	150,000	203,510
	73,040,373	9,927,629	12,241,176	95,209,178	124,755,231
Less: Re-Insurance Claim Recovery	58,665,481	6,071,899	1,417,567	66,154,947	90,536,627
Paid during the year	14,374,892	3,855,730	10,823,609	29,054,231	34,218,604
Add: Outstanding Claim at the end of the year whether due or intimated (Company's Share )	41,407,530	23,061,528	12,837,895	77,306,953	70,280,426
	55,782,422	26,917,258	23,661,504	106,361,184	104,499,030
Less: Outstanding claim at the end of the previous year	40,412,280	20,023,189	9,844,957	70,280,426	66,250,798
Net Amount	<b>Taka : 15,370,142</b>	<b>6,894,069</b>	<b>13,816,547</b>	<b>36,080,758</b>	<b>38,248,232</b>

## (iv). Management Expenses : Tk. 76,304,545

The expenses have been charged to Revenue Accounts at the ratio of Gross Premium earned on direct business as under :

Revenue Accounts	Percentage	Amount 1999	Amount 1998
Fire	45.30	34,567,347	29,596,130
Marine	25.54	19,488,561	25,281,281
Motor & Misc.	29.16	22,248,637	17,174,391
	<b>100%</b>	<b>76,304,545</b>	<b>72,051,802</b>

## PROFIT AND LOSS ACCOUNT

## 28. Interest Received and Accrued : Tk. 28,172,665

The amount is made-up as follows :

	1999	1998
Interest received from Banks on FDR & STD accounts	25,182,665	26,487,931
Interest accrued on P. S. P.	2,990,000	1,425,000
<b>Taka :</b>	<b>28,172,665</b>	<b>27,912,931</b>





## 29. Dividend and Debenture Interest (Gross) : Tk. 4,569,396

The break -up of the above amount is as follows :

	1999	1998
i) Dividend Income	815,669	1,258,961
ii) Debenture Interest	3,753,727	2,407,985
<b>Taka :</b>	<b>4,569,396</b>	<b>3,666,946</b>

The Companywise break-up of above balances are given below :

### (i) Dividend Income

<u>Name of the Company</u>	<u>Amount</u>
IDLC Bangladesh Ltd.	66,500
Quasem Drycells Ltd.	6,631
Bangladesh General Insurance Co. Ltd.	167,080
Reliance Insurance Ltd.	31,500
Bangladesh Zipper Industries Ltd.	17,908
1st B.S.R.S. Mutual Fund	7,280
United Leasing Co. Ltd.	24,900
Chittagong Cement Ltd.	51,200
Meghna Vegetables Ltd.	315
Square Pharmaceuticals Ltd.	68,750
Eastern Housing Ltd.	63,600
Eastern Cables Ltd.	72,000
Padma Textile Mills Ltd.	10,850
CMC Kamal Textile Ltd.	50,000
Imam Button Inds. Ltd.	750
Beximco Pharmaceuticals Ltd.	88,405
Beximco Fisheries Ltd.	80,000
Beximco Infusion Ltd.	8,000
<b>Total of (i)</b>	<b>815,669</b>

### (ii) Debentures Interest

<u>Name of the Company</u>	<u>Interest received</u>	<u>Interest due</u>	<u>Total</u>
Beximco Infusion Ltd.	42,840	28,900	71,740
Beximco Synthetics Ltd.	-	521,906	521,906
Bangladesh Zipper Industries Ltd.	11,340	-	11,340
Capital Paper & Pulp Mills Ltd.	812,500	-	812,500
Beximco Fisheries Ltd.	-	160,425	160,425
Beximco Textile Ltd.	-	293,936	293,936
Beximco Denims Ltd.	-	1,349,880	1,349,880
Bangladesh Luggage Industries Ltd.	-	532,000	532,000
<b>Total of (ii)</b>	<b>866,680</b>	<b>2,887,047</b>	<b>3,753,727</b>



(iii) No dividend was received on investments made in 20 Companies as under showing the cost of investments :

Name of the Company	Cost
IFIC Bank Ltd.	900
Rupali Bank Ltd.	3,797,150
National Bank Ltd.	5,535,500
Apex Food Ltd.	643,942
Apex Weaving Ltd.	256,000
Tripti Industries Ltd	6,821,775
Gachihata Aquaculture Farms Ltd.	1,920,000
MAC Enterprise Ltd.	199,600
Excelsior Shoes Ltd.	1,700
Mark (Bd.) Ltd.	2,200
Prime Textile Ltd.	4,500,000
HR Textile Ltd.	3,900
Orion Infusion Ltd.	3,909,500
Shinepukur Holdings Ltd.	101,388
Osmania Glass Sheet Ltd.	500
Delta Millers Ltd.	39,750
Dulamia Cotton Spinning Mills Ltd.	272,000
Monno Fabrics Ltd.	25,800,000
Tallu Spinning Mills Ltd.	2,375,000
National Housing Finance And Investment Ltd.	10,000,000
<b>Taka:</b>	<b><u><u>66,180,805</u></u></b>

## 30. Bonus : Tk. 4,532,060

The break-up of the amount is as follows:

	1999	1998
Festival Bonus-Paid	—	3,269,500
Incentive Bonus (Provision)	4,532,060	5,000,000
<b>Taka:</b>	<b><u><u>4,532,060</u></u></b>	<b><u><u>8,269,500</u></u></b>

Festival Bonus during the year amounting to Tk. 5,474,256 has been charged to Management Expenses as per decision of the Management.

## 31. Registration Renewal Fee : Tk. 384,308

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.





### 32. Donation/Subscription : Tk. 6,005

The amount was paid to M/s. A. K. Jute Trading Co., M/s. Eastern Traders & M/s. F.R. Jute Trading Co. Ltd. as subscription as per approval of the Management.

### 33. Audit Fee : Tk. 200,000

	Amount
Statutory Audit	100,000
Special Audit (provision)	100,000
<b>Taka :</b>	<b>200,000</b>

### 33 (a). Legal Expenses : Tk. 299,060

The amount includes Tk. 200,000 as professional fees to M/s. Mahfel Huq & Co. in connection with Income Tax matters for Assessment year 1999-2000 (A/cs 31-12-98) and Tk 25,000 paid to Mr. S.K. Hushamul Kabir in connection with registration of title deed of land of the company.

### 34. Net profit for the year and its appropriation:

	1999	1998
Underwriting profit as per Revenue Accounts	24,351,524	23,647,424
Interest Income & Dividend	32,742,061	31,579,877
Other Income (including against gain on sale of shares)	2,889,020	7,308,066
	59,982,605	62,535,367
Less: Expenses of management (Not related to any fund or account)	12,111,321	18,568,073
Net profit for the year	47,871,284	43,967,294
Less: Reserve for Exceptional Losses (10% of net premium)-tax free	12,347,923	11,742,965
	35,523,361	32,224,329
Add: Surplus brought forward	202,418	98,089
	35,725,779	32,322,418
Add: Excess provision of Income tax upto the year ended 1997 written back	—	10,000,000
	<b>35,725,779</b>	<b>42,322,418</b>
<b>Less:</b>		
i) Tax provision for Assessment year (2000-2001) (A/c 31-12-99)	13,000,000	12,500,000
ii) Proposed Dividend (30% in 1999 & 35% in 1998)	21,960,000	25,620,000
iii) Dividend Equalization Reserve	—	1,500,000
iv) General Reserve	500,000	2,500,000
	35,460,000	42,120,000
Surplus Carried forward	<b>265,779</b>	<b>202,418</b>
<b>Taka :</b>		



### 35. Payments of Salaries and Perquisites to Directors/Officers

The aggregate amount paid/provided during the year in respect of Managing Director and Officers of the company as defined in the Securities and Exchange Rules 1987 are disclosed below :

	Managing Director	Officer
Managing Director Emolument	300,000	—
Salary	—	29,492,862
Gratuity	—	1,049,360
Company's contribution to Provident Fund	96,000	1,881,355
Bonus	150,000	4,532,060
<b>Perquisites</b>		
Housing	270,000	6,057,500
Medical allowance	12,000	1,661,900
Conveyance allowance	—	108,400

### 36. Contingent Liability :

- (a) During the year an amount of Tk. 2,304,813 was earned as premium against 31 Guarantees issued but there was no re-insurance arrangement against guarantees so issued.
- (b) (i) As on 31-12-99 financial guarantees amounted to Tk. 218 million (app) which will expire by different dates during 2000.
- (ii) Money suits for Tk. 1,881,505 was pending as on 31-12-99 for Marine Insurance (Cargo) Claims which the Company disputed and so not accounted for.

### 37. Other Relevant Information

- a) During the year under review an amount of Tk. 1,001,350 was paid to the Directors of the company as board meeting and committee meeting attendance fee.
- b) During the year under review no compensation except Managing Director's remuneration was allowed to the Chief Executive Officer of the Company or any member of the Board for special services rendered.
- c) There was no credit facilities as on 31st December, 1999 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, 1999.


Class of Assets	Book Value
Pratirakkha Sanchaya Patra (Tk. 4,500,000 is held with BD Bank)	9,500,000
Shares (at Market Value )	51,604,160
Debentures (at cost after adjustment of refund)	31,089,690
Cash on Fixed Deposit, STD and Current A/c with Banks	234,715,565
Cash, Cheques in hand & Stamp	12,780,753
Outstanding Premium and other dues	70,373,175
Interest accrued but not received	17,682,409
Sundry Debtors, Advance & Deposits	21,456,029
Stock of Printing Materials in hand (at cost)	230,600
Land (revalued)	289,261,000
Fixed Assets (at cost)	39,596,061
Joint Venture Building Project (WIP)	87,626,201
<b>Taka:</b>	<b><u>865,915,643</u></b>

The cost of Fixed Assets is inclusive of Tk. 11,419,912 on account of Furniture & Fixtures. Accumulated depreciation on Fixed Assets amounting to Tk. 31,165,769 has been shown under Depreciation Fund Account and not deducted from the cost of Fixed Assets as shown above.

  
A. K. M. Rafiqul Islam  
Managing Director

  
Prof. Jahangir Chowdhury  
Director

  
Md. Mizanur Rahman  
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 have been taken at market value and debentures at cost.
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, 1999 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

Md. Mizanur Rahman  
Director

Abdul Monem  
Chairman





## BRANCH OFFICE

## DHAKA DIVISION

01.	<b>Dilkusha Branch</b> 76, Dilkusha C/A, Dhaka.	<b>Mahboob Uddin Ahmed</b> Executive Vice President	9567861 9551685
02.	<b>Imamgonj Branch</b> 85-A, Chawk Mughultuly Imamgonj, Dhaka.	<b>S. M. B. Shameem</b> Vice President	7319818
03.	<b>Sadarghat Branch</b> 32-Ka, Liakat Avenue Dholaikhal, Dhaka.	<b>Quazi Safiullah</b> Sr. Vice President	233066
04.	<b>Tejgaon Branch</b> 100, Kazi Nazrul Islam Avenue Kawran Bazar, Dhaka.	<b>Md. Abdul Alim Khan</b> Manager	326956 9131279
05.	<b>Bangshal Branch</b> Mazed Court Bhaban, 16/1, Siddique Bazar North South Road, Dhaka.	<b>Khondaker Zafor Sadeque</b> Asstt. Vice President	9566389
06.	<b>Elephant Road Branch</b> Rajdhani Complex 237/2, New Elephant Road, Dhaka.	<b>Sharif Mustaba</b> Asstt. Vice President	9661349 8616023
07.	<b>Motijheel Branch</b> Sena Kalyan Bhaban, Room No. 1306 (13th floor), 195, Motijheel C/A, Dhaka-1000.	<b>B. Ahmed</b> Sr. Vice President	9556415
08.	<b>V.I.P. Road Branch</b> 30, VIP Road, Kakrail, Dhaka.	<b>Abdul Momen</b> Vice President	8321796 831635
09.	<b>Hatkola Branch</b> Suvechchha Plaza, 32/1, Shahid Nazrul Sarak Hatkola, Dhaka.	<b>Taslim Bahar Chowdhury</b> Asstt. Vice President	9559410 9560214
10.	<b>Gulshan Branch</b> House No.55, Road No. 17, Kamal Ataturk Avenue, Banani, Dhaka.	<b>Bahauddin Ahmed</b> Branch Manager	9886151
11.	<b>Biman Bhaban Branch</b> 100, Motijheel C/A, Dhaka.	<b>Aminul Islam</b> Senior Vice President	9667890
12.	<b>Malibagh Branch</b> Manhattan Tower 83, Siddeshwari Circular Road Malibagh, Dhaka.	<b>Md. Golam Farooque</b> Branch Manager	8311078
13.	<b>Narayangonj Branch</b> 150, B.B. Sarak, Narayangonj.	<b>Farid Ahmed</b> Asstt. Vice president	9712646
14.	<b>Narsingdi Branch</b> Kazi Super Market, No. 3 C&B. Narsingdi.	<b>Md. Jasim Uddin</b> Branch Manger	3009
15.	<b>Tongi Branch</b> Jalil Market (2nd floor), Tongi, Gazipur	<b>Ekramul Hoque</b> Branch Manager	9802786
16.	<b>Faridpur Branch</b> 169, Mujib Sarak, Faridpur.	<b>Khandoker Zakir Hossain</b> Branch Manager	2691

## CHITTAGONG DIVISION

17.	<b>Khatungonj Branch</b> 410-411, Khatungonj C/A, Chittagong.	<b>Mohammad Ali Khan</b> Senior Vice President	624316 636121
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18.	<b>Agrabad Branch</b> 75-A, Agrabad C/A, Chittagong.	<b>M. A. Hasan</b> Asstt. Vice president	713227 713228
19.	<b>Jubilee Road Branch</b> 200-B, Jubilee Road (3rd floor), Chittagong.	<b>Md. Nazrul Islam</b> Asstt. Vice President	617844 616847
20.	<b>Cox's Bazar Branch</b> Ahamadia Mansion, Purba Bazarghata Main Road, Cox's Bazar.	<b>Abdul Hannan Chowdhury</b> Branch Manager	4101
21.	<b>Feni Branch</b> Sultan Mansion Road, Feni.	<b>Md. Liaquat Ali Khan</b> Manager	74313
22.	<b>Comilla Branch</b> Comilla Co-operative Super Market (2nd floor), Kandirpar Main Road, Comilla.	<b>M. Muzammel Hoque</b> Branch Manager	6977
23.	<b>Chandpur Branch</b> Stadium Road (Baby Stand), Chandpur.	<b>Gopal Chandra Pal</b> Regional Manager	3290
24.	<b>Chowmuhani Branch</b> Poura Super Market Chowmuhani Bazar, Chowmuhani.	<b>Md. Belayet Hossain</b> Branch Manager	4030

#### RAJSHAHI DIVISION

25.	<b>Rajshahi Branch</b> Shaheb Bazar, Ghoramara, Rajshahi	<b>Nazrul Islam</b> Branch Manager	775926
26.	<b>Bogra Branch</b> Thana Road, Bogra.	<b>Anisul Hoque Khan</b> Branch Manager	6189
27.	<b>Rangpur Branch</b> Baitus Syed Super Market Central Road, Rangpur.	<b>Shushanta Chandra Bhowmic</b> Branch Manager	2933
28.	<b>Sirajgonj Branch</b> S. S. Road, Sirajgonj.	<b>A. S. M. Helal Uddin</b> Branch Manager	72460
29.	<b>Pabna Branch</b> Aourangajeb Road, Pabna.	<b>A. H. M. Raihan</b> Branch Manager	6541
30.	<b>Dinajpur Branch</b> Al-Amin Market (1st floor), Shop No-60F Gonesh Tola, Dinajpur.	<b>Farid Hossain Sarker</b> Branch Manager	4017
31.	<b>Natore Unit Office</b> Kanai Khali, Dhaka Road, Natore.	<b>Taposh Kumar Talukder</b> Jr. Officer	

#### KHULNA DIVISION

32.	<b>Khulna Branch</b> 25, Sir Iqbal Road, Khulna.	<b>S. M. Murshed</b> Vice President	720056 723724
33.	<b>Jessore Branch</b> Jess Tower (2nd Floor), M.K. Road, Jessore.	<b>G. M. Saidur Rahman</b> Manager	72396
34.	<b>Kushtia Branch</b> 92, N.S. Road, Thanapara, Kushtia- 7000.	<b>Md. Mahabubul Alam</b> Branch Manager	53728

#### BARISAL DIVISION

35.	<b>Barisal Branch</b> 18, Hemayet Uddin Road, Barisal.	<b>Md. Amjad Hossain Talukder</b> Manager	53186
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#### SYLHET DIVISION

36.	<b>Sylhet Branch</b> Laldighirpar, Sylhet.	<b>Ahmed Tazdiqui Mowla</b> Manager	715008
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## LOCATION OF OFFICES

