# **Annual Report 2018**



প্রগতি ইন্সুরেন্স লিমিটেড Pragati Insurance Limited





# Annual Report 2018







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## **Letter of Transmittal**

All Shareholders;

Bangladesh Securities & Exchange Commission; Insurance Development & Regulatory Authority; Registrar of Joint Stock Companies & Firms; Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited

Sub: Annual Report for the year ended 31st December 2018

Dear Sir(s)

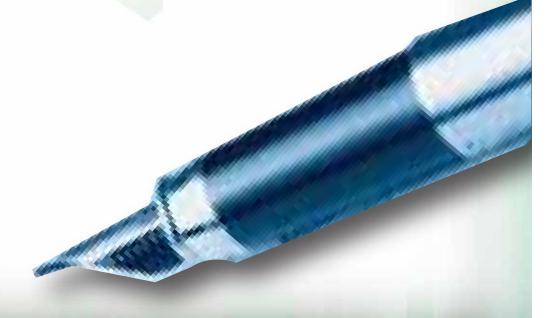
The undersigned has the privilege to forward a copy of Annual Report of Pragati Insurance Limited together with the Auditors' Report & Audited Financial Statements including Balance Sheet as at 31st December, 2018 and Income statement (Profit & Loss Account) & Cash Flow Statement for the year ended 31st December 2018 along with notes thereon for your kind information and record.

Thanking you,

Yours Sincerely,

(Syed Anisul Hoque)

Company Secretary (CC)







## Pragati Insurance Limited

Head office: Pragati Insurance Bhaban, 20-21,Kawran Bazar, Dhaka-1215. Tel: PABX: 9133680-2 Fax: 880-2-55013694

#### NOTICE OF THE 33rd ANNUAL GENERAL MEETING

Notice is hereby given to all the shareholders of Pragati Insurance Limited that the 33<sup>rd</sup> Annual General Meeting of the company will be held on Thursday, the 27<sup>th</sup> June, 2019 at 11.00 a.m. at KIB Auditorium, Krishi Khamar Sarak, Farmgate, Dhaka-1215 to transact the following businesses.

- To receive, consider and adopt the Directors' Report and the Audited Financial Statements of the company for the year ended 31<sup>st</sup> December, 2018 together with the Auditors' Report thereon.
- To declare Dividend for the year 2018 as recommended by the Board of Directors.
- 3. To retire, elect/re-elect Directors.
- 4. To appoint Auditors for the year 2019 and fix their remuneration.
- To appoint Compliance Auditor for the year 2019 as per Coroporate Governance Code-2018 and fix their remuneration.

By order of the Board of Directors

Syed Anisul Hoque Company Secretary (CC)

Dated Dhaka, the 26th May, 2019

#### Notes: -

- 1) The record date: 16th May, 2019.
- 2) Members of the Company whose names appear in the Register of members up to the record date will be entitled to dividend for the year 2018 to be approved by the shareholders in the 33<sup>rd</sup> Annual General Meeting.
- A member wishing to appoint a Proxy, must deposit the Proxy Form duly stamped to the Company's Registered Office at least 48 hours before the meeting.
- Only the shareholders or their appointed proxies can attend the meeting. A proxy must be a member of the company.
- 5) Entry to the Annual General Meeting is reserved only for the shareholders or his/her Proxy. No guests & children shall be allowed for entrance in the meeting.
- 6) Shareholders bearing BO IDs are requested to update their respective 12 digit E-TIN number through their Depository Participant (DP)and shareholders those who are bearing Folio Numbers are requested to submit their 12 digit E-TIN Number to the Share Department of the Company latest by 12<sup>th</sup> June, 2019 failing of which income tax at source will be deducted@15% instead of 10% from the cash dividend.
- 7) সকল ডিপোজেটরি পার্টিসিপেন্টদের অবগতির জন্য জানানো যাচেছ যে, যারা প্রগতি ইস্যুরেঙ্গ লিঃ এর শেয়ার মার্জিন লোন অধিভুক্ত তাদের বিবরনী আগামী জুন ১২, ২০১৯ এর মধ্যে কোম্পানী সচিব বরাবরে পৌছানোর জন্য অনুরোধ করা হলো। অন্যথায় লভ্যাংশ, বোনাস শেয়ার ইত্যাদি প্রদানে কোন ধরনের ভুল-ভ্রান্তির দায় কোম্পানী বহন করবে না।
- 8) In compliance with the Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24, 2013, no gift/ gift Coupon/ Food Box shall be distributed at the 33<sup>rd</sup> AGM of the Company.



## **Company Profile**

Incorporation January 27,1986

Commencement January 30,1986

Listing with DSE April 04,1996

Listing with CSE April 06,1996



Auditor
Hoda Vasi Chowdhury & Co
Chartered Accountants



## **Registered Office:**

## Pragati Insurance Bhaban

20-21, Kawran Bazar Dhaka-1215 Bangladesh

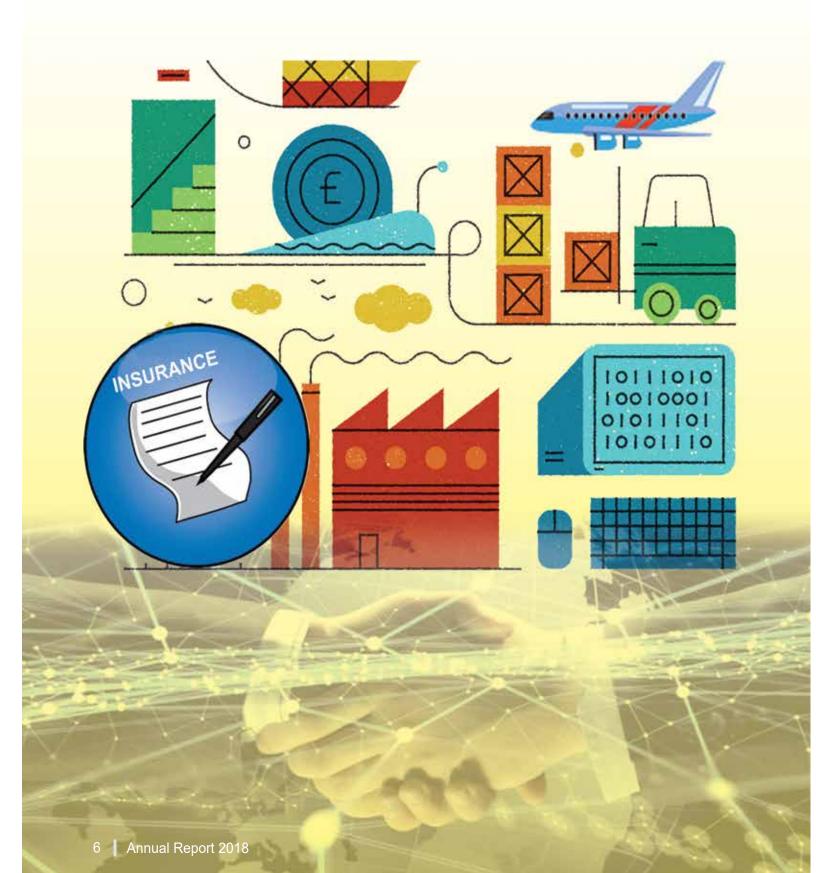
Phone: PABX: 880-02-9133680-2

Fax: 880-2-55013694

E-mail: info@pragatiinsurance.com

www.pragatiinsurance.com









## Our Vision

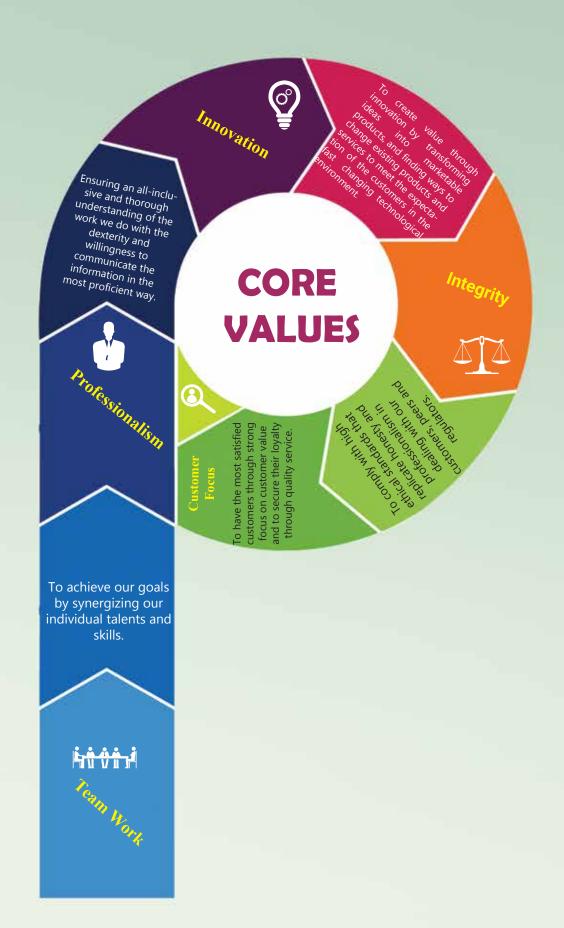
Our vision is to be the leaders in non-life insurance industry in the country by way of providing expeditious and courteous services to all our clients; to operate by code of conduct motivated by a value system that promotes integrity, performance and personal growth, and to maintain our leading edge in the industry by striving to boost our financial strength and profitability.



## **Our Mission**

Our Mission is to provide innovative and cost effective non-life insurance solutions to our clients and an acceptable return to our shareholders through committed and professional staff.







## **Business Strategy**

Our strategy is designed to achieve sustainable and profitable growth for all our stakeholders. To realize this, our fundamental goal is to have a deep understanding of our customer's need and provide them with high quality insurance services. We believe that by attending this vital goal the success will trickle down to all our stakeholders.







### **Insurance Services**

#### Fire Insurance

→ Fire & Allied Perils Insurance

#### -Motor Insurance

- **→**Comprehensive Insurance
- → Act Liability Insurance

#### -Health and Accident Insurance

- →Overseas Mediclaim Insurance
- → Personal Accident Insurance
- → Peoples Personal Accident Insurance
- → Health Care & Hospitalization Insurance

#### -Marine Insurance

- → Marine Cargo Insurance
- → Marine Hull Insurance

#### -All Risk Insurance

- → Industrial All Risk Insurance
- → Erection All Risk Insurance
- → Hotel All Risk Insurance
- → Machinery Breakdown Insurance
- → Electronic Equipment Insurance
- →Boiler & Pressure Vessels Insurance
- → Power Plant Insurance
- → Deterioration of Stock Insurance
- → Contractor's All Risk Insurance

#### -Aviation Insurance

- → General Aviation Insurance
- → Personal Accident Airline Insurance
- → Air Travel Insurance

#### Miscellaneous Insurance

- → Fidelity Guarantee Insurance
- →Public Liability Insurance
- → Products Liability Insurance
- → Burglary & Housebreaking Insurance
- → Cash-in-Safe Insurance
- → Cash-in-Transit Insurance
- → Cash-in-ATM Insurance
- → Safe Deposit Box (Bank Lockers) Insurance
- → Credit Shield Insurance Policy
- →SME Insurance
- → Tournament Insurance
- → Replacement of Lost Card/Fraud Insurance
- → Consquential Loss/Business Interrpution Insurance
- → Workman's Compensation Insurance
- → Hotel All Risk Insurance
- Weather Index-Based Insurance



# CHAIRMAN'S REPORT







#### CHAIRMAN'S REPORT -2018

Bismillahir Rahmanir Raheem Assalamu Alaikum

#### Dear Shareholders.

It is indeed my great pleasure to welcome you to the 33rd Annual General Meeting of the company.

At the very beginning, I would like to express my deepest appreciation to you all for your continued support and goodwill for the Company. Kindly allow me to present to you the Report along with the Audited Financial Statements and the Auditors' Report for the year ended on 31st December 2018 for your study and approval.

I am also extremely happy to announce that in 2018, our company has received the Credit rating of 'AAA', which is the highest rating awarded to an insurance company in the country. 'AAA' signifies 'VERY STRONG' financial security characteristics and with which an entity is adjudged to have very good financials, claim paying ability and first rate operating environment.

Bangladesh Economy in 2018 – Our economy has always been resilient to the pressures of global economy, and has continuously shown in upward growth during the entire last decade. In fiscal year 2018 it is expected to grow by 7.9 percent as per an Asian Development Bank report. This growth, up from 7.28 percent in fiscal year 2017, is the highest in South Asia and it is projected to continue to grow in the future. According to the ADB report, the GDP growth rate achieved in fiscal year 2018 is the highest for Bangladesh since 1974.

The key engine to this economic growth is due to strong increases in private consumption, gross fixed investment, exports and remittance inflows.

Agriculture sector - The growth in agriculture sector increased to 4.2% in fiscal year 2018 from 3.0 % in fiscal year 2017. This growth in agriculture sector has been mainly achieved due to favorable weather, higher crop prices in timely supply of input and finance.

**Industry sector -** The industry sector grew around 12.1 percent in fiscal year 2018, up from 10.2% in fiscal year 2017, due to robust Manufacturing and Construction activities.

Growth in Manufacturing sub sector increased to 13.4% in fiscal year 2018 from 11.0 percent in fiscal year 2017. The growth in large and medium scale industry increased to 14.3% in fiscal year 2018 from 11.2% in fiscal year 2017, while growth in Electricity, Gas and Water Supply increased to 9.2% in fiscal year 2018 form 8.5% in fiscal year 2017. Also growth in Construction increased 29.9 present in fiscal year 2018 from 8.8% in fiscal year 2017.

**Service sector -** The service sector underperformed in fiscal year 2018; growing to 6.4 percent as opposed to 6.7 percent in fiscal year 2017. Within the service sub sector, primary thrust came from the Wholesale and Retail trade, Transport and Financial Intermediation.

World Economy in 2018 - The global economic expansion that began since the post-crisis high of 2008 seems to have weakened. The International Monetary Fund through its World Economic Outlook (WEO) report, estimates that world economy will be at 3.7 percent similar to last year; while it projects that the world output would be 3.5 percent in 2019 in 3.6 percent in 2020.

This shrinkage is mainly due to the trade war between the US and China and for its residual effects on many economies. The US GDP which grew 2.9% in 2018 will contract in 2019 and further decline in 2020. Growth in the Eurozone significantly showed negative growth in France, Germany, Italy and the UK in 2018 in comparison to 2017.

Global Insurance Industry in 2018 - 2018 witnessed destruction of life and property due to natural catastrophes that inflicted huge losses to the insured. Much of these losses were due to the tropical cyclone in USA in Japan. USA as usual was ravished by the losses infected by hurricane Florence and Hurricane Michael. California also sustained devastation due to worst ever Wildfires is in its history. Similar natural disasters also occurred by way of tsunamis in Indonesian city of Palu and in the coastal regions of Java and Sumatra. As a result of these events,



Insurers were impacted in significant and far reaching ways in 2018.

Bangladesh Non-life Insurance Sector 2018 -

The overall industry-wise non-life insurance premium statistics for 2018 are not yet available. The gross premium of non-life private sector insurance companies increased from BDT 25,392.52 million in 2016 to BDT 27,373.13 million in 2017, a growth rate of 8.00 percent. The growth rate of premium of non-life insurance companies was 4.46 percent in 2016.

Going Forward - Global insurance specialist Lloyd's has found Bangladesh as one of the most underinsured country. Bangladesh has an insurance penetration rate of less than 1 percent with the insurance sector contributing only 0.67% to the country's GDP in Bangladesh, in comparison to the Indian Insurance sector, which contributes 4.1 percent to its GDP. The problems for the low penetration are manifold, among which lack of awareness about insurance products/services and about the usefulness of insurance it in the society and the lives of people. By maximizing penetration levels, we stand to greatly benefit from the growth running hand in hand with steady national economic growth.

#### **Our Business Performance in 2018**

Amid challenging business situation in the country and severe competition within the insurance sector in 2018, we were able to achieve a good business performance. Our Gross premium income and Net premium income stood Tk. 2053 Million and Tk. 817 Million respectively during the year under review.

Underwriting profit stood at Tk. 157.10 percent. The total assets of the company stood at Tk. 4546 million as at December 31, 2018 showing a growth of 5.47 percent from 2017. The company settled claim amounting to Tk. 107.69 Million during 2018 which was Tk. 82.47 million in 2017.

A summarized position of your Company's operation in the year 2018 will help you appreciate the performance of the company during the year under review:

Million Taka

Particulars	2018	2017	Increase (+)
Gross Premium	2053	1664	23.35%
Retained Premium (RP)	817	702	16.35%
Claims - retained portion	107	82	31.33%
Underwriting Profit	157.10	124.89	25.80%
Net Profit Gross	236.62	210.3	12.49%

I am happy to announce a cash dividend of 13 % and a stock dividend of 7%, which I hope will get your endorsement.

I express my sincere gratitude to all our stakeholders and reiterate my deep appreciation for the continuous guidance and support extended to us by the Ministry of Finance, IDRA, Securities and Exchange Commission, Dhaka Stock Exchange, Chittagong Stock Exchange, Sadharan Bima Corporation, our overseas Reinsurers and Brokers, Bangladesh Insurance Association, Local Bank, Insurance Companies and other Financial Industries.

I extend my sincere gratitude to the Managing Director and to all the employees of the Company for their tireless dedication, devotion and effort made to continually improve the Company's performance.

I also take the opportunity to express my appreciation to our discerning customers, business associates and stakeholders for their support and inspiration. I sincerely thank my fellow members of the Board of Directors for their wisdom and guidance.

I would like to thank all our employees, our clients, our stakeholders, our directors and all of you for being with us through these years and we are looking forward to sharing company's success with you all also in the future.

Thank you to everyone who has been a part of our development and for your steadfast support and trust which has strengthened the company to its present glory.

Thank you.

Syed M./Altaf Hussain



# Directors'





#### Chairman



Syed M. Altaf Hussain

Syed M. Altaf Hussain is the present Chairman of Pragati Insurance Ltd. He is one of the promoters and a sponsor Director of the company. He was elected Chairman of Pragati Insurance Ltd. in December, 2015 and continuing this position. He represents Pragati Insurance Ltd. in the Bangladesh Insurance Association as its member. He has got a long and distinguished career in the fields of food grains, crop nutrition, business development, high-rise building development, technology, business operations and financial institutions with over 36 years of experience. He is a sponsor director and notably the founding Chairman of Pragati Life Insurance Ltd. As Chairman and CEO of WW Grains Corp. representing Cargill Inc., USA, he pioneered large-scale trading of food grains and fertilizer commodities over three decades. Through his work, he has spent considerable time traveling internationally and had the opportunity to attain an Engineering degree from the University of Texas as well as successfully completed Grain Marketing & Agroceutical courses from North Dakota State University and Harvard Business School. Additionally, he holds the Chairman title in the following businesses: Sonic Allied Industries Ltd., WW Properties Ltd. and the editorial board of 'The Daily Janata'. He is also Co-Chairman of Jamuna Resort Ltd. and was former Chief Advisor of ATDP-II projects funded by the USAID. Several social, governmental and educational institutions at home and abroad have acknowledged his agro-based expertise.

#### Vice Chairman



Tabith Mohammed Awal

Mr. Tabith Mohammed Awal is the Vice Chairman of Pragati Insurance Limited and a member of the Directors' Audit Committee. He obtained a Bachelor of Business Administration and Masters of Science from George Washington University, USA. He is a Director of Multimode Group and presently serves as the Deputy Chief Executive Officer of Multimode Group. He is the Managing Director of Kay & Que(BD) Limited and Jongboo Multimode Chemicals Limited. He sits on the Board of all Multimode Group and Associate Concerns. He is also a Director of Pragati Life Insurance Limited. He has keen interest in Sports, Music and associated with many social and cultural Organizations. He is the President of Soccer Club, Feni and also elected the Vice President of Bangladesh Football Federation Consecutive for two terms. Mr. Tabith Awal is an elected member of the Executive Committee of the Metropolitan Chamber of Commerce and Industry (MCCI) Dhaka, for three Consecutive terms.



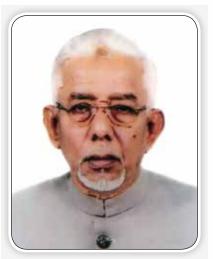


Abdul Awal Mintoo

Mr. Abdul Awal Mintoo is a Sponsor Director of Pragati Insurance Limited and past Chairman of the company. He obtained his B.Sc. and M.Sc. degree from the State University of New York. He also obtained M.Sc. in Agricultural Economics from the University of London. Mr. Mintoo is a visionary man and leading business personality in the country. He is the CEO of Multimode Group, Director of Dula Mia Cotton and Spinning Mills, Kay & Que (BD) Limited, Lal Teer Seeds Limited, North South Seeds Limited, M.F. Consumer Limited, NFM Limited, NFM Energy Limited, A & A Investment Limited and Multimode Limited. He is also a Director of Heidelberg Cement Bangladesh Ltd, United Hospital Limited and Pragati Life Insurance Limited. He is the former Chairman of National Bank Limited and Past Chairman of Bangladesh Association of Banks. He is the Chairman of Jamuna Resort Limited. He is associated with a number of Social and Trade bodies. He was elected President of FBCCI, the Apex Trade Body for two terms and has been recognized through numerous awards. He is the founder of Iqbal Memorial College in his village. He is associated with number of Social and educational institutions.

Mr. Mintoo is very widely traveled person and he already traveled most of the countries of the world. He is fond of reading and writing and has already authored few books i, e, Bangladesh Anatomy of change (Published by Athena press, London.) বাংলাদেশঃ পরিবর্তনের রেখাচিত্র, সম্ভানকে-পিতার কথামালা এবং বাংলাদেশ রাজনীতি ও রাজনৈতিক অর্থনীতি ইত্যাদি।

#### **Director**



Abdul Monem

Mr. Abdul Monem is a Sponsor Director of Pragati Insurance Limited. He was the former Chairman of the Company. He is a leading business personality in the country. He is the Chairman and Managing Director of Abdul Monem Limited (AML), one of the leading business group of the country. Abdul Monem Limited is specialized in the construction of Highways, Bridges, Airports and Flyovers. AML is the authorized bottler of Coca Cola, manufacturer of IGLOO Ice Cream. Abdul Monem Sugar Refinery Limited a sister concern of AML. He has keen interest in sports and was the former President of Dhaka Mohammadan Sporting Club. He is the Promoter of many Social and educational institutions.





Mohammed Abdul Awwal

Mr. Mohammed Abdul Awwal is a Sponsor Director of Pragati Insurance Limited and the former Chairman of the Company. He is a renowned shipping personality. Mr. Awwal joined business from early 1968. He is the Chairman of MKR Group and Bengal Shipping Line Limited, Khalil and Sons Limited, Royal Bengal Shipping, Beacon Shipping Lines Limited, Adam Garments Sourcing Limited and Beacon Engineering Limited. He is also a Director of Pragati Life Insurance Limited, Jamuna Resort Limited and Padma Oil Limited. He is the Member of Chittagong Club Limited and Gulshan Club Limited. He is the past District Governor of Rotary International, District-3280, Bangladesh. Besides, he is associated with many Social and Professional Organizations.

He is the Honorary Consul of the Republic of the Philippines in Chittagong.

#### **Director**



Alhaj Khalilur Rahman

Alhaj Khalilur Rahman is a Sponsor Director of Pragati Insurance Limited and the former Chairman of the Company. He is the Chairman and Managing Director of KDS Group, a renowned business house in the country. He is the Chairman of Pragati Life Insurance Limited. He is a Director of National Bank Limited. He is the Founder President of Chittagong Metropolitan Chamber of Commerce and Industries. He is the Chairman of Bangladesh CR Coil Manufacturer and Exporters Association and is the Vice-President of Bangla-Inland Container Depot Association ( BICDA). He is the Life Member of Bhatiary Golf & Country Club, Chittagong & a Member of Chittagong Club Ltd. As an Industrialist, Businessman and Entrepreneur, he achieved a good number of Awards in different categories. He achieved Presi-9 times for High Export of dent Gold Trophy Ready Made Garments & he also achieved a number of awards. He is the Founder Chairman of Southern University Bangladesh. Besides he has set up a number of social and educational institutions in his native village in Chittagong i.e. Khalilur Rahman Mohila College, Khalil Mir Degree College, Khalilur Rahman Girls' School, Khalil Mir Girls High School & Shaidair Al-Haj Abul Khair Sunnia Senior Madrasha.





Khan Mohammed Ameer

Mr. Khan Mohammed Ameer is a sponsor Director of Pragati Insurance Limited and was the Vice chairman of the Company Mr. Ameer obtained his Graduation degree from the Jagannath College, Dhaka and then he started his business Career to joined with his father's printing business "The Art Press". Besides business he studied in Graphic Arts, Photography and Iscanner operation from Dr. Hell Institute, Kiel, Germany in 1967. Presently, he is the Chairman and Managing Director of Padma Group of Companies, Managing Director of Eunoos Trade Center Limited, Padma Polly Cotton & Knit Fabrics Limited, Cheque Bureau Centre Limited, Tex Print Limited, Padma Printers & Description of the Color Trade Limited, Padma Spintex Limited, Padma Real Estate Limited, Color Process Limited and Ameertex Limited. He is also a Director of Pragati Life Insurance Limited. He is also associated with other Social and educational organizations. He is a widely travelled person and has traveled all most all over the world for business and other purposes.

#### **Director**



Md. Syedur Rahman Mintoo

Mr. Md. Syedur Rahman Mintoo is a Sponsor Director and former Vice Chairman of Pragati Insurance Limited. He is the Managing Director of Pro-Star Group. He is the Chairman of K-Tex Industrial Company Limited and Process Industrial Company Limited. He is the Honorary Consul of Laos People's Democratic Republic. He is a member of Dhaka Club Limited, Gulshan Club Limited and Kurmitola Golf Club, Dhaka. He is associated with many Social and Educational institutions.





Md. Sarwar Kamal

Mr. Md. Sarwar Kamal is a Sponsor Director of Pragati Insurance Limited and a former Vice Chairman of the Company. He graduated in Economics from the North East Missouri State University of USA and obtained Masters of Human Resource Management from the North East Missouri State University of USA. He is the Managing Director of McDonald Bangladesh (Pvt.) Limited, McDonald Steel Building Products Limited, McDonald Seeds Limited, Polymer Agro Industries Limited, One Steel Limited and he is also a Director of National Tea Company Limited. He is the member of Kurmitola Golf Club, Dhaka Club, Gulshan Club Limited, Uttara Club, Dhaka and Army Golf Club, Dhaka. He is an active Social worker engaged with various activities to bring positive changes among under privileged people.

#### **Director**



Mohammed A. Malek

Mr. Mohammed A. Malek is a Director of Pragati Insurance Limited. He graduated in Marine Engineering from the Merchant Navy College, London. He also obtained DTP Class-1 Marine Engineering Certificate from England. Presently, he is engaged in Marine Technology Consultancy, Ship Owning, Ship Management and Shipping Agency. He is the Managing Director of Bengal Shipping Lines Limited, Associated Traders and Marines Limited, ADAMS Garments Sourcing Limited, Bencon Seatrans Limited and a Director of Khalil & Sons Limited. He is the Chairman of The New School, Dhaka. He was a freedom fighter in Liberation War of Bangladesh in 1971. He is a member of Chittagong Club Limited and Bhatiary Golf and Country Club, Chittagong. He is associated with many Social and educational Organizations.





A.S.M. Mohiuddin Monem

Mr. A.S.M. Mohiuddin Monem is a Director of Pragati Insurance Limited and a member of the Directors' Audit Committee. He is one of the most successful industrialists of Bangladesh. He represents the new generation of business leaders in Bangladesh. Mr. Monem received his Bachelor's degree in Industrial Engineering from North Eastern University, Boston, USA in 1991 and Master Degree in Engineering Management from the same institution in 1994, where he graduated with Honors with CUMLAUDE. After his graduation, Mr. Monem joined Abdul Monem Limited (AML). Since then he has revolutionized the way of doing business at AML. His dedication, commitment and passion for business have transformed the fortune of Abdul Monem Empire. Under his leadership, the business process at AML has gained clockwork efficiency which has been translated into unprecedented growth in Beverage, Ice-Cream, Food, Sugar and Construction units. He is also a Director of Pragati Life Insurance Limited. He has a keen eye for identifying opportunities and transforming them into profitable ventures. He has successfully setup the first USA-Bangladesh joint venture operation in Information Technology sector through Service Engine, where he serves as the Chairman. This is true reflection of his remarkable business acumen. He has been awarded CIP (Commercially Important Person)-Export in 2009 and 2011 by the Government of Bangladesh for his great contribution to export in the Information Technology sector.

Mr. Monem is a great believer in community development. He takes pride in taking the extra step to go beyond business activities in order to become a Socially responsible citizen. In this spirit, he has set-up AML foundation, a non- profit organization with a view to helping the less privileged people of the society with their education, healthcare and other amenities.

#### **Director**



**Nasir Latif** 

Mr. Nasir Latif is a Director of Pragati Insurance Limited and a member of the Directors' Audit Committee. He is the Chairman of Concord Pragatee Consortium Limited, the Concord Builders Limited, Cosmos Properties Limited, Engreen Limited and Prudent Super Mall. He is associated with many Social and Educational Organizations.





Md. Mushfiqur Rahman

Mr. Md. Mushfiqur Rahman a Electrical Engineer by Profession is a sponsor Director of Pragati Insurance Limited. He is the Managing Director of Concord Pragatee Consortium Limited, the Concord Builders Limited, Cosmos Properties Limited, Engreen Limited and Prudent Super Mall. He is associated with a number of social and educational instutions.

#### **Director**



Ms. Nahreen Siddiqua

Ms. Nahreen Siddiqua is a sponsor Director of Pragati Insurance Limited. She obtained her MSS Degree from the University of Dhaka. She joined her husband's business and holds the position of Chairperson of Purbachal Steel Mills Limited and Purbachal Exclusive Limited. She has much interest in Industry and share business. She visited many countries of the World. She is associated with a number of Social and Cultural Organizations.





Nigar Jahan Chowdhury

Mrs. Nigar Jahan Chowdhury is a Director of Pragati Insurance Limited. She is the wife of Alhaj Younus Chowdhury of Chittagong, a renowned Industrialist. She is also a Director of Chowdhury P & D Industries Limited, Chittagong and a Director of Pragati Life Insurance Ltd. She is associated with many social organizations.

#### **Director**



Ms. Tahsina Rahman

Ms. Tahsina Rahman is a Director of Pragati Insurance Limited. She obtained her BBA from USTC and MBA in IUB. She is a dynamic, resultsoriented professional with experience and visible achievements in business development startup, strategic business, partnerships and emerging markets including childcare arenas. Out-of-box thinker with visionary leadership strengths, having resourceful team player characterized by innovative entrepreneurial spirit.

She is also associated with number of Social Organizations.



#### **Independent Director**



Md. Akbar Hossain

Mr. Md. Akbar Hossain is an Independent Director of Pragati Insurance Limited. and member of the Directors Audit Committee. He is a Graduate. He is the Director of Dula Mia Cotton Spinning Mills Ltd., Kay & Que (Bangladesh) Ltd. and also a Director of Pragati Life Insurance Ltd.

He is associated with many social and educational institutions in his native village in Feni. He has keen interest in sports and social work.

#### **Independent Director**



Santosh Sharma

Mr. Santosh Sharma is an Independent Director of Pragati Insurance Limited and a Member of the Director's Audit Committee. He obtained M.S.S. degree in Political Science. He also obtained post graduate diploma in Journalism and secured First Class First position.

He is a professional journalist and involved with this profession more than 25 years. Presently he is associated with the Daily Amader Shomoy as Managing Editor.

He is associated with number of professional, social and cultural organization.



## **Managing Director & CEO**



Md. Rezaul Karim

Mr. Md. Rezaul Karim started his career in private insurance sector with Pragati Insurance Limited as Managing Director & CEO since 16th July,2017. He obtained B.Com (Hon's) and M.Com from Dhaka University in 1976. He joined Sadharan Bima Corporation, a state owned Corporation, in 1981 as Trainee Officer. He retired from Sadharan Bima Corporation after completion of four terms as Managing Director in 2016.

During his service in Sadharan Bima Corporation, he worked in various departments such as Underwriting, Claims & Re-insurance and gathered vast knowledge and experience. He attended many insurance related seminars, symposiums and workshops. He participated in various professional training courses at home and abroad. Mr. Karim is a renowned insurance personality. Mr. Karim was the Vice Chairman of Asian Reinsurance Corporation, Bangkok.

Apart from insurance Industry, Mr. Karim is well associated with various social organizations.

## **Pragati Insurance Limited**



## **Executives**

### **Office**

Md. Rezaul Karim	Md. Manjur Hussain	Md. Abdur Rahim
Managing Director & CEO	Executive Vice President	Vice President (U/W)
	Branch Control Department, Head Office	VIP Road Branch, Dhaka
Syed Sehab Ullah Al-Manjur, MBA,	Kazi Nakibul Islam	Md. Akkas Ali
ABIA, ACII (UK)	Executive Vice President	Vice President
Deputy Managing Director	Finance & Accounts Department,	Administration & HR
Underwriting & Claims Department, Head Office	Head Office	Department, Head Office
Major (Retd.) S M Aminul Hasan	Mamunul Hassan ACII(UK)	Golam Sabur Chowdhury
Deputy Managing Director	Executive Vice President	Vice President
Administration & Human Resources	Special Underwriting Department,	Re-Insurance Department,
Department, Head Office	Head Office	Head Office
Papia Rahman ACII (UK)	Md. Abu Sufian Akhand	Farida Akhter
Chartered Insurer	Senior Vice President & Head of	Vice President
Deputy Managing Director	Information Technology	Re-Insurance Department
Health & Non-Traditional Insurance	Department,	Head Office
Department, Head Office	Head Office	
Kabir Ahmed	Mostaque Ahmed	A.N.M. Abul Quasem
Assistant Managing Director	Senior Vice President	Vice President
Branch Control Department, Head Office	Claims Department, Head Office	Claims Department
		Head Office
Md. Shafiqul Islam	Md. Moniruzzaman Khan	Md. Nazrul Islam
Chief Financial Officer,	Vice President & Head of Internal	Vice President (U/W)
Head Office	Audit Department, Head Office	Elephant Road Branch, Dhaka
Kabir Ahmed	M. Abdullah	
Assistant Managing Director	Vice President, Underwriting	
Legal Department, Head Office	Department, Head Office	
Bikash Chandra Pal	Nahid Akhter Chowdhury	
Executive Vice President	Vice President, Branch Control	
Underwriting Department, Head Office	Department, Head Office	
Mahtab Uz Zaman Chowdhury, ABIA	S. M. Shaheen Akther	
Executive Vice President & In-Charge	Vice President, Branch Control	
Re-Insurance Department, Head Office	Department, Head Office	
_		

#### Marketing

<b>Deputy Managing Director</b>	Assistant Managing Director	Sr.Executive Vice President
i) Kaiser Rahman	i) Bahauddin Ahmed	i) Delwar Hossain
ii) M. A. Hassan	ii) Ahmed Faruk	ii) Humayun Kabir Majumder
iii) Sharif Mustaba	iii) Shah Jahangir Abed	iii) Syed Saidul Islam
iv) Md. Nazrul Islam		iv) Md. Abu Sarwar Hossain
v) Md. Golam Faruque		v) Abdus Salam
vi) Ali Fathker Kallol		
vii) Md. Sirajul Islam Bhuiyan (Babu)		
viii) Sk. Shakil Md. Monzur Quader		
<b>Executive Vice President</b>	Senior Vice President	Vice President
i. Md. Kazi Golam Haider (Dablu)	i. Mujtaba Ali Mahmood	i. Md. Mojibur Rahman Salim
ii. A.S.M. Emdadul Hoque	ii. Md. Shakhawath Hossain	ii. Amjad Hossain Talukder
iii. Azizul Hoque	iii. Md. Abdul Mottaleb	iii. Md. Belayet Hossain
iv. Md. Habibur Rahman	iv. G.M. Saidur Rahman	iv. A.S.M. Jubair
v. Murad Ahmed	v. Abdul Alim Khan	v. Md. Razzaqul Haider Chowdhury
vi. Ashis Kumar Barua	vi. S. M. Shamsul Alam	vi. Md. Kamrul Ahsan Khan Himu
	vii. Nazmul Alam Khan	vii. Md. Kamrul Islam (Srabon)
	viii. Mahbubul Hoque Chowdhury	viii. Monwar Ahmed
	ix. Mirza Md. Sajedul Alam	ix. Belal Ahmed Chowdhury
		x. Md. Mostafijur Rahman
		xi. Ahmed Asif
		xii. Anamul Hoque Chowdhury
		<b>Business Consultant</b>
		Md. Rafiqul Alam Chowdhury



## **Executives Images in Group**



Management Team





Senior Management Team



All Female Officers and Employees of Head Office





Branch Managers, Dhaka City



Branch Managers, Chittagong City



## **Images of Departments-wise Officers** & Executive of Head Office



Admin & HR 🕨



◀ Board Department









◆ Accounts & Finance







**◆** Underwriting





Claims >



◀ Re-insurance









**◀** IT Department

Special Underwriting >





**♦** Legal

Training •





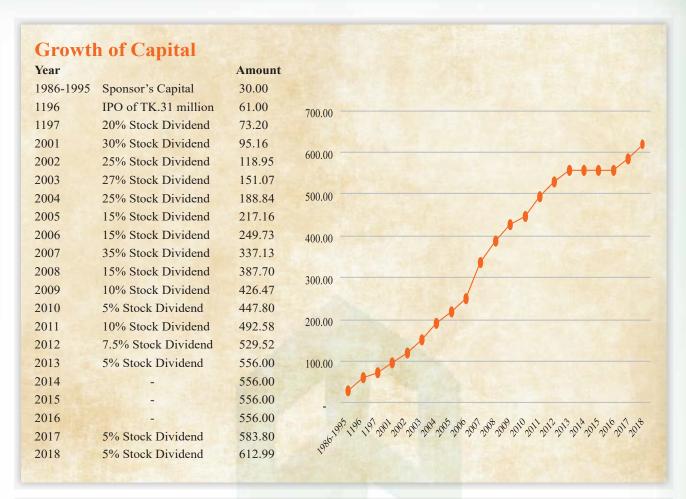
# **COMPANY'S PERFORMANCE**

# 5 Years at a glance

	in		

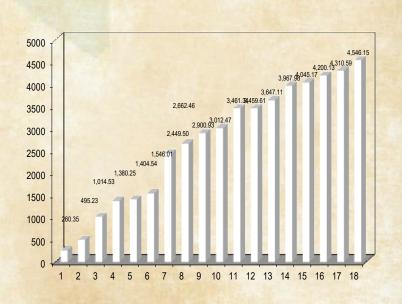
	2018	2017	2016	2015	2014
Financial Performance					
Gross premium	2,053.44	1,664.78	1,542.60	1,512.62	1,387.83
Net Premium	817.15	702.35	638.52	607.55	558.07
Net claim	107.69	82.48	76.72	92.59	136.72
Underwriting profit	157.10	124.89	93.66	23.63	1.2
Investment income	26.57	21.03	5.00	15.24	15.85
Income from financial service	48.35	48.13	63.54	58.32	81.34
Net profit before tax	236.62	210.33	186.27	121.71	109.31
Net profit after tax	185.12	117.78	84.48	48.41	53.1
Dividend in percent	13+7	13+5	10+5	10	10
	(Stock)	(Stock)	(Stock)		
Share Capital and Reserve					
Paid up Capital	612.99	583.8	556.00	556.00	556.00
Total Reserves & Surplus	2,638.88	2,600.17	2,507.22	2,326.69	2,242.42
Share Holders Equity	3,251.83	3,183.97	3,063.22	2,882.69	2,798.42
Assets					
Investment in Shares and Securities	388.65	416.66	407.66	409.89	394.11
Cash, FDR and Bank balance	712.87	586.92	552.38	582.35	528.65
Land and Building	2,218.10	2,227.24	2,205.57	2,191.79	2,174.56
Total Assets	4,546.15	4,310.59	4,200.13	4,065.18	3,967.98
Ratios					
EPS	3.02	2.66	2.38	1.74	1.67
P/E (Times)	10.30	11.16	13.4	15.57	24.73
Solvency Surplus	2,132.82	2,146.31	2,143.12	2,008	2,484.41
Net Asset Value Per Share	53.05	54.54	55.03	51.85	50.34
Net Cash Flow Per Share	0.61	0.54	0.08	0.20	0.18
Credit Rating					
Long Term	AAA	AAA	AA1	AA1	AA1
Short Term	ST1	ST1	ST1	ST1	ST1





	41	C A	
Gro	wth	ot A	sset

Year	Amount
1986-1990	260.35
1991-1995	495.23
1996-2000	1,014.53
2001-2004	1,380.25
2005	1,404.54
2006	1,546.01
2007	2,449.50
2008	2,662.46
2009	2,900.93
2010	3,012.47
2011	3,461.34
2012	3,459.61
2013	3,647.11
2014	3,967.98
2015	4,045.17
2016	4,200.13
2017	4,310.59
2018	4,546.15

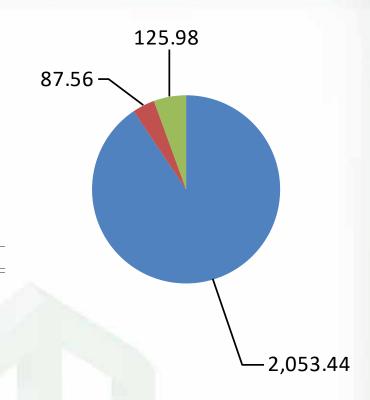


# **Value Added Statement**



# **VALUE ADDED**

**Gross Premium** 2,053.44 Commission on Reinsurance 87.56 Interest, Dividend & Other Income 125.98 Total 2,266.98



# **APPLICATION** 315.68 10.77 12.84 51.50\_ Net Claim 10.77 Re-Insurance Premium 1236.28 60.96 Management Expenses 312.05 Commission 266.90 266.90 Unexpired Risk Adjustment 60.96 Income tax to Government 51.50 Dividend for Distribution 12.84 1,236.28 Reserve & Surplus. 315.68 312.05 Total 2,266.98





# **Directors' Report 2018**

# Dear Shareholders,

The Board of Directors of Pragati Insurance Limited takes pleasure in presenting the audited financial statements of the Company, the Auditor's Report, and the Company's business performance for the year ended December 31, 2018.

World Economic Scenario 2018 - A recent World Economic Outlook (WEO) report by International Monetary Fund (IMF) projects that the global economy has slowed down in 2018 and forecast for 2019 and 2020 have been revised downwards. This October 2018 report estimates that the world growth in 2018 will be 3.7 percent which will shrink down to 3.5 percent in 2019 and 3.6 percent in 2020. This downward movement is attributed mainly due to the negative impact resulting from the tariff increase stalemate between the US and China. Other factors that affected the world economy in 2018 included the political and geopolitical uncertainties in European and Middle Eastern countries. Growth rate were down in Germany as its automobile industry battled the European Union's imposition of the automobile fuel emission standards and the UK tackled with the Brexit quagmire. Growth in large economies such as China in India was modest. In 2018 the Chinese economy is estimated to have grown by 6.5 percent as opposed to India's 7.3 percent.

**Bangladesh Economic Scenario 2018 -** According to Bangladesh Bureau of Statistics (BBS), the GDP grew by 7.86% in FY 2018 from 7.28% in FY 2017, driven by strong domestic demand with support from robust credit growth, exports, and remittance inflows. According to UN report titled "World Economic Situation and Prospects", Bangladesh will become the 3rd fastest growing economy in the world in 2019 in terms of increasing Gross Domestic Product.

**Agriculture sector** - The growth in agriculture sector increased to 4.2% in fiscal year 2018 from 3.0 % in fiscal year 2017. This growth in agriculture sector has been mainly achieved due to favorable weather, higher crop prices in timely supply of input and finance.

**Industry sector -** The industry sector grew around 12.1 percent in fiscal year 2018, up from 10.2% in fiscal year 2017, due to robust Manufacturing and Construction activities.

Growth in Manufacturing sub sector increased to 13.4% in fiscal year 2018 from 11.0 percent in fiscal year 2017. The growth in large and medium scale industry increased to 14.3% in fiscal year 2018 from 11.2% in fiscal year 2017, while growth in Electricity, Gas and Water Supply increased to 9.2% in fiscal year 2018 from 8.5% in fiscal year 2017. Also growth in Construction increased 29.9 present in fiscal year 2018 from 8.8% in fiscal year 2017.



**Service sector** - The service sector underperformed in fiscal year 2018; growing to 6.4 percent as opposed to 6.7 percent in fiscal year 2017. Within the service sub sector, primary thrust came from the Wholesale and Retail trade, Transport and Financial Intermediation.

Export growth also maintained its momentum during FY 2018. According to Bangladesh Bank, who predict that if calmness in the domestic political situation prevail and with no further escalation of global trade-related clashes, the national GDP growth will grow between 7.5 percent to 7.7 percent in FY2019.

Bangladesh Non-Life Insurance Scenario 2018 - The overall industry-wise non-life insurance premium statistics for 2018 are not yet available.

The gross premium of non-life private sector insurance companies increased from BDT 25,392.52 million in 2016 to BDT 27,373.13 million in 2017, a growth rate of 8.00 percent. The growth rate of premium of non-life insurance companies was 4.46 percent in 2016.

# Pragati Insurance Limited Operational Result 2018

#### **Gross Premium Income**

In 2018 Pragati Insurance Limited achieved significant success in earning gross premium of Tk. 2053.44 million. Gross premium income increased by Tk. 389.00 million registering a growth of 23.35 percent compared to previous year.

#### **CLASS WISE PREMIUM**

# **Fire Insurance**

The Company had underwritten a total fire insurance premium of Tk.863.99 million as against Tk.695.08 of last year. After payment/provision for re-insurance premiums, claims and management expenses, the company has incurred underwriting loss of Tk. (25.08) million against underwriting loss Tk. (25.87) million of last year.

## **Marine Insurance**

In the year 2018 gross premium earning in Marine insurance including Marine Hull was Tk.771.58 million against Tk.618.28 million of the year 2017. After providing for re-insurance and claims, we have earned underwriting profit of Tk.72.32 million against last year's underwriting profit of Tk.59.50 million.

## **Miscellaneous Insurance**

From miscellaneous insurance business our total gross premium income in 2018 was Tk.417.86 million (both in Motor and Miscellaneous departments) against Tk. 263.24 million in 2017. After meeting expenses for re-insurance, claims and management expenses, we have earned underwriting profit of Tk.109.86 million against Tk.91.26 million in 2017.



# **Investment Operation**

Pragati Insurance Limited has concentrated its focus on diversifying its investment portfolio. Despite facing all the odds the company has earned Tk.26.57 million as capital gain out of share trading in 2018 against Tk.21.03 million in 2017.

# **Contribution National Exchequer**

During the year under report Pragati Insurance Limited has deposited Tk.1983.82 million to the Government Exchequer as Corporate Income Tax, Withholding Tax, Stamp Duty and VAT.

### **Income Distribution**

Underwriting Profit of non-life insurance Company is not at desired level due to ever increasing operational and other expenses. Growth of insurance company is also dependent on in its investment income. It is therefore important to explore all avenues to raise the return from investment. However, due to increase in income from share trading business and rental income the company's net profit before tax stood at Tk. 236.62 million against Tk.210.33 million in the year 2017. The net profit before tax has been proposed for appropriation as follows:

Particulars	Million Taka
Reserve for Exceptional Losses	69.45
Provision for Income Tax	51.50
Balance available for distribution	128.36

Taking into consideration the financial position and working capital requirement for smooth running of the company and with an aim to have a steady growth in per share dividend, the Board of Directors of Pragati Insurance Limited recommended 13% cash and 7% Stock dividend to the shareholders of the company for the year 2018. The whole scenario will look as follows:

Particulars	Taka
General Reserve	243,578
Divisible Profit	128,368,251
Total available	128,611,829
Less: Cash & Bonus Dividend for the year	122,598,746
Balance to be carried forward for the next year	6,013,083

## **Credit Rating**

Credit Rating of Pragati Insurance Ltd. was carried out by National Credit Ratings Limited for the year 2018-2019 and their assessments are as follows:

Long Term	AAA
Short Term	ST-1



#### **Board of Directors**

In accordance with Articles 105, 106 & 107 of the company's Articles of Association, the under-noted Directors from Group-A shareholders shall retire from the office by rotation and eligible for re-election.

- 1. Mr. Mohammed A. Awwal
- 2. Engr. Md. Mushfigur Rahman
- 3. Mrs. Nahreen Siddiqua

In accordance with the Article 107 the above mentioned 3(three) Directors are eligible for re-election. Accordingly, this was placed before the Board of Directors for their kind approval. The Board of Directors already approved the same and this will be placed in the in the ensuing 33rd Annual General Meeting of the company for approval of the Group-A shareholders.

In accordance with Articles 105 & 106 of the company's Articles of Association, the under-noted Directors from Group-B shareholders shall retire from the office by rotation.

- 1. Mr. ASM Mohiuddin Monem
- 2. Mrs. Tahsina Rahman

The election to fill up the 2 (two) vacancies will be held on the day of the 33rd AGM of the company as on 27th June, 2019

As per Insurance Act 2010, Rules 1958 clause No.15B(3) the Election Notice has been published in the two national dailies.

The 2(two) shareholders i.e. (i) Mr. ASM Mohuddin Monem & (ii) Mrs. Tahsina Rahman submitted their nomination papers within the stipulated time. Since no-body else has submitted any nomination papers other than above 2(two) candidates so, they will be taken as elected Directors from Group-B shareholders in the ensuing 33rd AGM scheduled to be held on 27th June, 2019 at KIB AUDITORIUM, Krishi Khamar Sharak, Farmgate, Dhaka-1215.

# **Board meeting and Audit Committee meetings**

11(eleven) meetings of the Board of Directors and 5(five) meeting of the Director's Audit Committee were held during the year 2018. Details are given below in comparison to last 3 years

Name of the Meeting	2018	2017	2016
Board of Director's	11	13	10
Directors Audit Committee	5	4	7



## **Audit Committee**

The Audit Committee of the company met 5 (five) times during the year and reviewed the followings with special emphasis on compliance of respective recommendations:

- 1. Audit and inspection Report(s) of the Audit Team and External Auditors.
- 2. Ensuring an effective Risk Management system of the Company through ongoing review of the company's internal control system.
- 3. The financial statements of the company for the year 2018 audited by the External Auditors.
- 4. Stressing on the importance of the Compliance Culture within the Company. This is to confirm that the company's Audit Committee is constituted as per terms & condition of BSEC'S Circular No. CMRRCD/2006-/158/207/Admin/80 dated 3 June, 2018

# **Corporate Governance Compliance status**

Pursuant to the clause 9 of the BSEC's Notification No. SEC/ CMRRCD/2006-/158/207 Admin/80 dated 3 June, 2018 we attached the company's compliance status as annexure-1.

#### Auditors

M/S. Hoda Vasi Chowdhury & Co, Chartered Accountants was appointed as External Auditors of the company for the year 2018 at the 32nd Annual General Meeting. They have audited the books of account for the period covering 1st January, 2018 to 31st December 2018. This is the 2nd year that M/S. Hoda Vasi Chowdhury & Co has audited the Financial Statements of the company. M/S. Hoda Vasi Chowdhury & Co., Chartered Accountants, have consented to continue in office and being eligible, automatically qualify for reappointment under section 210 (3) of the Companies Act, 1994. A resolution will be placed at the AGM for their reappointment.



# Acknowledgement

On behalf of the Board Directors, we humbly take this opportunity to express our heartfelt gratitude to all of our valued clients, shareholders and well-wishers in home and abroad for their wholehearted co-operation. We are especially thankful to all Banks both in the private and public sector and the management of Multimode Group, Beximco Group, KDS Group, Abdul Monem Group, W & W Group, Square Group, Bata Shoe (BD) Ltd, Novartis (Bangladesh) Ltd, Heidelberg Cement Bangladesh, International Television Channel Ltd (NTV), National Television Ltd (RTV), Maasranga Television, ICDDR,B, Pacific Jeans Group of Companies, HKD Group of Companympanies, Jayson Group, Aristopharma Ltd, Karim Group, Square Air, DBL Group, MJL Bangladesh, MJL (Mobil), Saad Musa Group, Grameen Phone Ltd, Esquire Group, Mir Group, Pedrollo (NK) Ltd, PHP Group, Rahimafrooz Group, Envoy Group, Maksons Group, M.I. Cement Factory Ltd. (Crown Cement), Olympic Group, Robintex Group, Shanta Group, T.K. Group, Healthcare Pharmaceuticals Ltd. Khulna Power Companympany Ltd, Khan Jahan Ali Power Company Ltd, NEPC Consortium Power Ltd, Summit Group, United Group, High-Speed Navigation Company Ltd, RZ Power, G.B.B Power Ltd, Desh Energy Ltd, Eurostar Shipping Ltd, Peoples Shipping Ltd, Summit Shipping Ltd, Sealink Shipping Company, Poseidon Enterprise, Brave Royal Shipping, Central Navigation, Ace Bi Cycle (BD) Ltd, Denim Plus (BD) Ltd, Jay Jay Mills (BD) Pvt Ltd, J & J Industries Ltd, Jemina Accessories Ltd, Luna Lite Company. (BD) Ltd, Mamiya Op (BD) Ltd, Meghna Accessories Ltd, Merim Company. Ltd, Mitali Textile Industries (BD) Ltd, Modern Towels (BD) Ltd, Multi Safh Bags Ltd, MZM Textile Ltd, Padma Industries Ltd, Papella Shoe Ltd, Sanko Optical Company. (BD) Ltd, U-Jin Led Company. (BD) Ltd, Van Green (BD) Ltd, Kadena Sports Wear (BD) Ltd, Nawab Abdul Malek Jute Mills (BD) Ltd, Quality Feeds Ltd, Grameen Shakti, National Polymer Industries Ltd, Paxar (BD) Ltd, Care Bangladesh, Bangladesh Edible Oil Ltd, CEAT Bangladesh Ltd, Ruby Food Products, Ahad Jute Spinners Ltd, State Bank of India, Embassy of the United Arab Emirates, Alliance Française De Dhaka, Berger Paints (BD) Ltd, Asian Paints Bangladesh Ltd, Sanofi Aventis Bangladesh Ltd, Dhakarea Ltd, EXSACOMPANY Ltd, Renata Ltd, Nuvista Pharma Ltd, EPV Chittagong Ltd, Modele De Capital Ltd, North South University, Al-Muslim Group, Energypac Bangladesh, Independent Television, Paragon Group, Armana Group, IDLC, MGH Group, Pran Group, Trendex Furniture Industries Ltd, Singer Bangladesh Ltd, The Westin (Dhaka), Perfetti Van Melle Bangladesh Ltd, Global Fabrics, Campex (BD) Ltd, Social Marketing Company (SMC), Omera Petroleum Ltd, Paolo Footwear (BD) Ltd, Kenpark Bangladesh, Global Fabrics, Hopeful Textile, Denim Plus (BD) Ltd, Alita Group, Chihong Knit Ltd, Qualitex Group, Swan Lon Company, LSI Ind. Ltd, Daeyu (BD) Ltd, Lik Fung Garments, KAFCO, Queen South Textile Mills Ltd, Aventis Ltd, Monno Group of Companympanies, Navana Group, Bombay Sweets & Company., Ltd, Independent University Bangladesh, Edison Footwear Ltd, Bengal Group, Knit Plus Group, Zeil's Wear Ltd, AA Knitspin Ltd, Aman Group, Mosharaf Group, Opex-Sinha Group, Ha-Meem Group and many others for reposing their confidence in the company.



We would also like to convey our sincerest thanks to Insurance Development and Regulatory Authority, Bangladesh Securities and Exchanges Commission, Dhaka Stock Exchange, Chittagong Stock Exchange and Re-Insurers - Sadharan Bima Corporation, General Insurance Corporation of India (GIC) Best Re. Malaysia and Trust International and Re-Insurance Brokers- J.B. Boda, Protection Bahrain, Willis and others for their support and assistance. The Board also expresses its appreciation to M/S. Hoda Vasi Chowdhury & Co Chartered Accountants, the Auditor of the Company.

We take this opportunity to express my profound gratitude to the Managing Director and all the Executives, Officers and Staff of the company for their outstanding services throughout the year and look forward to the continued support and whole-hearted cooperation for the realization of the corporate goals in the year ahead. The Board of Directors has been pleased to reward its staff including Executives, Officers and Employees 2 (Two) Incentive Bonus based on individual performance to be decided by the management.

Lastly, with best regards to all our valuable shareholders, we promise to continue the growth of the company with your continued support.

Thank you all.

On behalf of the Board of Directors,

Syed M/Altaf Hussain

Chairman



# **Directors' Report to the Shareholders**

(Under Section 184 of the Companies Act 1994)

# We report that:

- i. The financial statements prepared by the management of the company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- ii. Proper books of account of the company have been maintained.
- iii. Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- iv. International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.
- v. The system of internal control is sound in design and has been effectively implemented and monitored.
- vi. There are no significant doubts upon the company's ability to continue as a going concern.
- vii. There are no significant deviations from last year operating result of the company.
- viii.During the year ended 31 December 2018 the Board of Directors held 11 (Eleven) meetings and the Directors serving on the Board attended in aggregate 55.05% of the total number of meetings.
- ix. At 31 December 2018, the pattern of shareholding are given below:
  - a) Shareholding of Parent/Subsidiary/ Associate companies and other related parties: Nil.
  - b) Shareholdings of Directors, CEO, Company Secretary, CFO and Head of Internal Audit and their spouses and minor children: Nil.







# **Compliance Report on SEC Notification**

Annexure-C [As per condition No. 1(5)(xxvii)]

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/ CMRRCD/ 2006-158/207/ Admin/80 dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969.

# (Report under Condition No. 9)

		Compliance Status		Remarks	
Condition No.	Title		ne appropriate	( if any)	
		Complied	lumn) Not complied	` ,	
1	Board of Directors:	Complica	140t complica		
1(1)	Size of the Board of Directors	√	_	_	
	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5(five) and more than 20 (twenty).				
1(2)	Independent Directors				
	All companies shall have effective representation of independent directors on their Boards, so that the Board, as a group, includes core competencies considered relevant in the context of each company; for this purpose, the companies shall comply with the following:-				
1(2)(a)	At least (1/5) of the total number of Directors in the company's Board shall be independent Directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	1	_	Complied as per Insurance Act 2010	
1(2)(b)	For the purpose of this clause "Independent Director" means a director-				
1(2)(b)(i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	1	_	-	
1(2)(b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company:  Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	1	_	-	
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;	1	_	-	
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;	1	-	-	
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	1	-	-	
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	1	-		
1(2)(b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	٨	_	-	
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies;	1	_	_	
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	1	_	_	
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude.	1	-	_	
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	1	-	_	
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	1	_	-	



Condition No.	Title	(Put √ in th	ance Status ne appropriate lumn)	Remarks ( if any)	
		Complied	Not complied		
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only; Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e. three years from his or her completion of consecutive two tenure [i.e. six years]; Provided further that the independent director shall not be subject to retirement by rotation as per the কোম্পানী আইন, ১৯৯৪ (১৯৯৪ স্লের ১৮ কং আইন) (Company Act, 1994).  Explanation: For the purpose of counting tenure or term of independent	7	_	-	
1/3\	director, any partial term of tenure shall be deemed to be a full tenure.  Qualification of Independent Director:				
1(3) 1(3)(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to business;	1	_	-	
1(3)(b)(i)	Independent director shall have following qualifications: Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	٧	-	-	
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or Explanation: Top level executive includes Managing Director (MD) or Chief Executive Officer (CEO), Additional or Deputy Managing Director (AMD or DMD), Chief Operating Officer (COO), Chief Financial Officer (CFO), Company Secretary (CS), Head of Internal Audit and Compliance (HIAC), Head of Administration and Human Resources or equivalent positions and same level or ranked or salaried officials of the company.	1	_		
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5 <sup>th</sup> Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or	-	-	N/A	
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	-	-	N/A	
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	-	-	N/A	
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	1	-	-	
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	-	-	No such deviation occurred.	
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:				
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals.	1	-	-	
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	1	-	_	
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	1	-	-	



			ance Status	Remarks
Condition No.	Title		ne appropriate	( if any)
		Complied	Not complied	,
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	1	-	_
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	ı	-	No such deviation occurred.
1(5)	The Directors' Report to Shareholders  The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):-			
1(5)(i)	An Industry outlook and possible future developments in the industry.	√	_	_
1(5)(ii)	The Segment-wise or product-wise performance.	<b>√</b>	_	_
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	4	_	_
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	1	-	_
1(5)(v)	A Discussion on continuity of any extraordinary activities and their implications( gain or loss);	-	-	No such item exists.
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	1	_	-
1(5)(vii)	A statement of utilization of proceeds raised through from public issues, rights issues and/or through any others instruments;	ı	_	No such item exists.
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering(RPO), Rights Share Offer, Direct Listing, etc.;	-	_	No such event occurred.
1(5)(ix)	An explanation on any significant variance occurs between Quarterly Financial performance and Annual Financial Statements;	-	-	No such event occurred.
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	1	-	_
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	1	_	_
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	1	-	_
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	1	-	-
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	1	-	_
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	1	-	_
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	-	_	N/A
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons thereof shall be disclosed;	1	-	-
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	-	-	N/A
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized .	1	-	_
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	-	-	N/A



Condition No.	Title	Complianc (Put √ in the colun	appropriate	Remarks
	Title	Complied Not complied	( if any)	
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	-	-	N/A
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	√	-	11 meeting with average 55.05% attendance
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	-	-	N/A
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	√	-	-
1(5)(xxiii)(c)	Executives; and	1	_	_
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name- wise details).  Explanation: For the purpose of this clause, the expression "executive"	ı	-	N/A
	means top 5 (five) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance.			
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the company shall disclose the following information to the shareholders:-			
1(5)(xxiv)(a)	a brief resume of the director;	1	-	_
1(5)(xxiv)(b)	nature of his or her expertise in specific functional areas; and	1	-	_
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	1	-	_
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others focusing on:			
	(a) accounting policies and estimation for preparation of financial statements;	1	_	_
	(b) changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	1	-	_
	(c)comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√	-	_
	(d)compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	<b>V</b>	-	-
	(e)briefly explain the financial and economic scenario of the country and the globe;	<b>V</b>	-	-
	(f)risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	<b>V</b>	-	-
	(g)future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√	-	_
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per <b>Annexure-A</b> ; and	√	-	_
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per <b>Annexure-B</b> and <b>Annexure-C</b> .	√	-	-
1(6)	Meeting of the Board of Directors		_	_
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	1		



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			(Put <b>√</b> in the appropriate column)		
Condition No.	Title	Complied	nn) Not	Remarks ( if any)	
		Complied	complied	( ii diriy)	
1(7)	Code of Conduct for the Chairperson, other Board members and chief Executive Officer	-	1	-	
	(a)The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;				
	(b)The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	I	1	-	
2	Governance of Board of Directors of Subsidiary Company:				
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	-	-	N/A	
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	-	-	N/A	
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	-	-	N/A	
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	-	-	N/A	
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	-	-	N/A	
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):				
3(1)	Appointment:  (a)The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√	-	-	
	(b) The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	1	-	-	
	(c)The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√	-	-	
	(d)The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√	-	-	
	(e)The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	-	-	N/A	
3(2)	Requirement to attend Board of Directors' Meetings The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board;	<b>V</b>	_	_	
	Provided that the CS, CFO and/or HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.				
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO):				
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:-				
3(3)(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	1	-	-	



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Condition No.	Title		appropriate	Remarks	
			nn) Not	( if any)	
		Complied	complied		
3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	1	-	-	
3(3)(b)	The MD or CEO and CFO shall also certify that There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the code of conduct for the company's Board or its members;	1	-	_	
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	1	-	-	
4	Board of Directors' Committee:-				
	For ensuring good governance in the company, the Board shall have at least following sub-committees:				
4(i)	Audit Committee; and	√	_	_	
4(ii)	Nomination and Remuneration Committee.	_	1	_	
5	Audit Committee:				
5(1)	Responsibility to the Board of Directors.				
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	1	-	-	
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	1	-	-	
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	1	-	_	
5(2)	Constitution of the Audit Committee				
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members.	1	-	_	
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	<b>V</b>	-	_	
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience.  Explanation: The term "financially literate" means the ability to read and understand the financial statements like statement of financial position, statement of comprehensive income, statement of changes in equity and Cash Flow Statement and a person will be considered to have accounting or related financial management expertise if he or she possesses professional qualification or Accounting or Finance graduate with at least 10 (ten) years of corporate management or professional experiences.	1	-	-	
5(2)(d)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee.	-	-	No such event occurred	
5(2)(e)	The company secretary shall act as the secretary of the Committee.	<b>V</b>	_	_	
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	V	-	-	
5(3)	Chairperson of the Audit Committee				
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be	V			
- (-)(u)	Chairperson of the Audit Committee, who shall be an independent director;	٧	_	_	



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Condition No	Title	(Put vin the a		Remarks ( if any)	
Condition No	True	Complied	Not complied	( 3.11)	
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	-	-	No such event occurred	
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting(AGM).  Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	٧	-	-	
5(4)	Meeting of the Audit Committee				
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year; Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	1	-	-	
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	1	-	-	
5(5)	Role of Audit Committee				
5(5)(a)	The Audit Committee shall:-  Oversee the financial reporting process;	√			
		V	_		
5(5)(b)	Monitor choice of accounting policies and principles;	1	_	_	
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately	1	_	-	
	resourced, including approval of the Internal Audit and Compliance Plan and review				
	of the Internal Audit and Compliance Report;				
5(5)(d)	Oversee hiring and performance of external auditors;	1	_	_	
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial	1	_	_	
	statements before submission to the Board for approval or adoption;				
5(5)(f)	Review along with the management, the annual financial statements before submission to the board for approval;	1	_	-	
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval;	√	_	-	
5(5)(h)	Review the adequacy of internal audit function;	√	_		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√	-	_	
5(5)(j)	Review statement of all related party transactions submitted by the management.	1	-	-	
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors.	1	-	-	
5(5)(I)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	√	-	-	
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission; Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results; Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.	-	-	N/A	



		Compliance	e Status	
		(Put √ in the a	Remarks ( if any)	
Condition No.	Title	column) Complied Not		
		Complied	complied	
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board;	<b>V</b>	_	_
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings,			
5(6)(a)(ii)(a)	if any:- report on conflicts of interests;	_	_	No such event occurred
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	-	_	No such event occurred
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	-	-	No such event occurred
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	-	-	No such event occurred
5(6)(b)	Reporting to the Authorities	_	_	No such event
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			occurred
5(7)	Reporting to the Shareholders and General Investors	_	_	No such event
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5.(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.			occurred
6	Nomination and Remuneration Committee (NRC):-			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	-	1	-
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	-	1	-
6(1)(c)	The terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition NO. 6(5)(b).	-	1	_
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	-	1	-
6(2)(b)	All members of the Committee shall be non-executive directors;	_	1	
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	_	1	_
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	-	√	-
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180(one hundred eighty) days of occurring such vacancy in the Committee;	-	√	-
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	-	1	-
6(2)(g)	The company secretary shall act as the secretary of the Committee;	_	1	_
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	-	1	-
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	-	1	-



Condition No.		Compliance (Put √ in the a	Remarks	
Condition No.	Title		column)	
		Complied	Not complied	
6(3)	Chairperson of the NRC		Complied	
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	-	1	-
6(3)(b)	In the absence of the Chairperson of the NCR, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence	-	1	
6(3)(c)	of the regular Chairperson shall be duly recorded in the minutes;  The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;  Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.	-	٨	_
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	_	1	_
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	-	1	-
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	-	1	_
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	-	1	-
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	-	1	-
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board;	-	1	_
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the board, relating to the remuneration of the directors, top level executive, considering the following:			
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	-	1	-
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	_	1	_
6(5)(b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	-	√	_
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	_	1	_
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	-	√	_
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	-	1	-
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	-	1	-
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;	_	1	-
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	-	1	-
7	External or Statutory Auditors:			
7(1)	The issuer company should not engage its external or statutory auditors to perform the following services of the company; namely:-			
7(1)(i)	Appraisal or valuation services or fairness opinions;	√	-	-
7(1)(ii)	Financial information systems design and implementation;	√	-	-
7(1)(iii)	Book-keeping or other services related to the accounting records or financial	√	_	_



Condition No.	1100		Compliance Status  (Put √ in the appropriate column)  Complied Not complied	
	statements;			
7(1)(iv)	Broker-dealer services;	√	_	_
7(1)(v)	Actuarial services;			N/A
7(1)(vi)	Internal audit services or special audit services;	√	_	_
7(1)(vii)	Any service that the Audit Committee determines;	<b>V</b>	_	_
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	1	_	_
7(1)(ix)	Any other service that creates conflict of interest.			
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:  Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	√	_	-
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	1	-	-
8	Maintaining a website by the Company:			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√	-	_
8(2)	The company shall keep the website functional from the date of listing.	<b>V</b>	_	_
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	1	_	_
9	Reporting and Compliance of Corporate Governance:			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	<b>√</b>	-	-
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	-	-	To be appointed in the AGM
9(3)	The directors of the company shall state, in accordance with the <b>Annexure-C</b> attached, in the directors' report whether the company has complied with these conditions or not.	√	-	-



# **Ownership Status**

**Shares:** 61,299,373 Nos.

**Paid up Capital:** Tk. 612,993,730.00

SL No.	Name of Director	No. shares	Spouse	Minor Children	Total	% of share
1	Syed M. Altaf Hussain	1,776,477	12,596	N/A	1,789,073	2.92
2	Mr. Tabith M. Awal	1,229,725	-	N/A	1,229,725	2.01
3	Mr. Abdul Awal Mintoo	1,229,344	474,876	N/A	1,704,220	2.78
4	Mr. Abdul Monem	1,614,097	43,666	N/A	1,657,763	2.70
5	Mr. Khalilur Rahman	3,100,004	-	N/A	3,100,004	5.06
6	Mr. Mohammed Abdul Awwal	1,335,968	446,328	N/A	1,782,296	2.91
7	Mr. Khan Mohd. Ameer	1,507,352	-	N/A	1,507,352	2.46
8	Mr. Md. Syedur Rahman Mintoo	1,233,846	12,078	N/A	1,245,924	2.03
9	Mr. Md. Sarwar Kamal	1,274,579	358,048	N/A	1,632,627	2.66
10	Mr. Mushfiqur Rahman	1,226,058	-	N/A	1,226,058	2.00
11	Mrs. Nahreen Siddiqua	1,227,146	-	N/A	1,227,146	2.00
12	Mrs. Nigar J. Chowdhury	1,310,724	-	N/A	1,310,724	2.14
13	Mr. Mohammed Abdul Malek	1,044,748	386,847	N/A	1,431,595	2.34
14	Mr. Nasir Latif	1,060,445	-	N/A	1,060,445	1.73
15	Mr. ASM Mohiuddin Monem	151,931	-	N/A	151,931	0.25
16	Mrs. Tahsina Rahman (On behalf of KIY Steel Ind Ltd.)	14,097	-	N/A	14,097	0.02
17	Mr. Md. Akbar Hossain	39,485	-	N/A	39,485	0.06
18	Mr. Santosh Sharma	-	-	-	-	0.00
19	Managing Director	-	-	N/A	-	0.00
20	Company Secretary	-	-	N/A	-	0.00
21	Chief Financial Officer	-	-	N/A	-	0.00
22	Head of Internal Audit	-	-	N/A	-	0.00



# MANAGEMENT'S DISCUSSION AND ANALYSIS

As per condition no. 1(5) (xxv) of the Corporate Governance Code 2018 issued by BSEC, the Management's Discussion and Analysis are as follows:

## **Management Responsibility:**

The Company follows International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS) in preparing financial statements, Disclosure and rules as required by Insurance Act 2010 have been complied with while preparing financial statements and also in compliance with the Companies Act 1994. In addition, the Bangladesh Securities and Exchange Commission Rules 1987. Listing Regulations of Dhaka Stock Exchange Ltd. (DSE) & Chittagong Stock Exchange Ltd.(CSE). Detailed description of accounting policies and estimation used for preparation of the financial statements of the company are disclosed in the note 2 of the financial statements.

# Comparative analysis of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years.

The company consistently maintained earnings growth for the last five years.

					Taka in Millon
	2018	2017	2016	2015	2014
Financial Performance					
Gross premium	2,053.44	1,664.78	1,542.60	1,512.62	1,387.83
Net Premium	817.15	702.35	638.52	607.55	558.07
Net claim	107.69	82.48	76.72	92.59	136.72
Underwriting profit	157.10	124.89	93.66	23.63	1.20
Investment income	26.57	21.03	5.00	15.24	15.85
Income from financial service	48.35	48.13	63.54	58.32	81.34
Net profit before tax	236.62	210.33	186.27	121.71	109.31
Net profit after tax	185.12	117.78	84.48	48.41	53.10
Paid up Capital	612.99	583.8	556.00	556.00	556.00
Total Assets	4546.15	4310.59	4200.13	4065.18	3967.98
EPS	3.02	2.66	2.38	1.74	1.67
Net Asset Value Per Share	53.05	54.54	55.03	51.85	50.34
Net Cash Flow Per Share	0.61	0.54	0.08	0.20	0.18
Credit Rating					
Long Term	AAA	AAA	AA1	AA1	AA1
Short Term	ST1	ST1	ST1	ST1	ST1

# Operational Result/Performance of the company: 2018

In 2018 Pragati Insurance Limited achieved significant success in earning gross premium of Tk. 2053.44 million. Gross premium income increased by Tk. 389.00 million registering a growth of 23.35% compared to previous year.



# **Financial Analysis Ratio**

Net Asset Value (NAV) of the company stood Tk.3252.04 million in 2018 which was TK.3183.97 million in 2017. Net asset value per share is TK.53.05 in 2018 while it was TK.54.54 in 2017.

#### **Business Risk**

Pragati Insurance Ltd controls its business risk arising different types of underwriting policies, underwriting professionals at branch level with the help of guideline of IDRA. The company has decentralized its underwriting functions and delegated powers to its branches for rendering prompt, efficient and effective services to the client.

# **Solvency Margin**

An insurance Financial Strength is an assessment of an insurance company's capacity of contractual obligation that mainly constitutes claims on insurance policies, timeliness of these payments. Pragati Insurance Ltd has premier capacity to meet policyholder and contract obligation.

Pragati Insurance Ltd continues to thrive on its name recognition, customer service, technological advantages, strategic alliances in managed care, and breadth of its products and value-added services. Amid stiff and competitive market environment, Pragati Insurance Limited achieved moderate success in 2018.

Md. Rezaul Karim Managing Director & CEO



# DECLARATION BY CEO AND CFO

Annexure -VI

As per condition No.1(5)(xxvi) of CGC

The Board of Directors Pragati Insurance Limited Pragati Insurance Bhaban Head Office 20-21, Kawran Bazar Dhaka-1215.

Subject: Declaration of Financial Statements for the year ended on 31st December, 2018

#### Dear Sirs,

Pursuant to the condition No.1(5) (xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- 1. The Financial Statements of Pragati Insurance Limited for the year ended on 31st December, 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standard (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- 2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- 3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- 4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- 6. The management's use of the going concerns basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- We have received the financial statements for the year ended on 31st December,2018 and that to be best of our knowledge and belief:
  - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- i. There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely Yours,

Md. Rezaul Karim Managing Director & CEO

Md. Shafiqul Islam Chief Financial Officer (CFO)





BGIC Tower (4th Floor) 34, Topkhana Road Dhaka-1000, Bangladesh Tel: +880-2-9553143 +880-2-9581786 Fax: +88-02-9571005 Email: info@mahfelhug.com Web: www.mahfelhuq.com

[Certificate as per condition No. 1(5)(xxvii)]

# Report to the Shareholders of Pragati Insurance Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Pragati Insurance Limited for the year ended on 31 December 2018. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- d) The Governance of the company is highly satisfactory.

For Mahfel Hug & Co. Chartered Accountants

Howlader Mahfel Hug, FCA Managing Partner

Dhaka, 11 April, 2019



# **Report of the Audit Committee**

The Audit committee of the Pragati Insurance Limited is a sub-committee of the Board of Directors appointed by the Board of the company. The Audit Committee comprise of the following Directors:

01.	Mr. Santosh Sharma	Independent Director and chairman of the meeting
02.	Mr. A.S.M. Mohiuddin Monem	Co- Chairman and Director
03.	Mr. Tabith Mohd. Awal	Member and Director
04.	Mr. Md. Sarwar Kamal	Member and Director
05.	Mr. Nasir Latif	Member and Director
06.	Mr. Akbar Hossain	Member and Independent Director

The Committee operates according to the terms of reference approved by the Board and in compliance with section 5 of the Bangladesh Securities and Exchange Commission's notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018. The committee is accountable for all audit activities and report to the Board of Directors of the company. The key role of the Audit Committee is to monitor, review and examine the financial statements, corporate governance practices, internal control systems and risk management activities related with the insurance.

#### **Resolutions of the Audit Committee meeting:**

During the year 2018 under review 05 (Five) meetings of the Audit Committee were held and the Committee focused on the following activities:

- 01. Reviewed the reliability and consistency of the financial statements of the company to ensure that the internal control and compliance procedures are adequate to present a true and fair view of the company's state of affairs for the year 2018.
- 02. Reviewed that draft annual financial statement of accounts for the year 2018 that audited by the external auditors. Ensured that proper disclosure required under Accounting Standards as adopted in Bangladesh have been made and also complied with the companies Act and various rules and regulations applicable to insurance business.
- 03. Reviewed the unaudited quarterly and half yearly financial statement of accounts for their proper presentation to the shareholders and regulatory authorities.
- 04. Reviewed the various reports of the internal Auditor and their recommendations to take appropriate actions to the management where needed.
- 05. Reviewed the audit plan 2018 and also approved the internal audit plan 2019 with appropriate directions to the Internal Auditor.
- 06. Reviewed the appointment of external auditors.

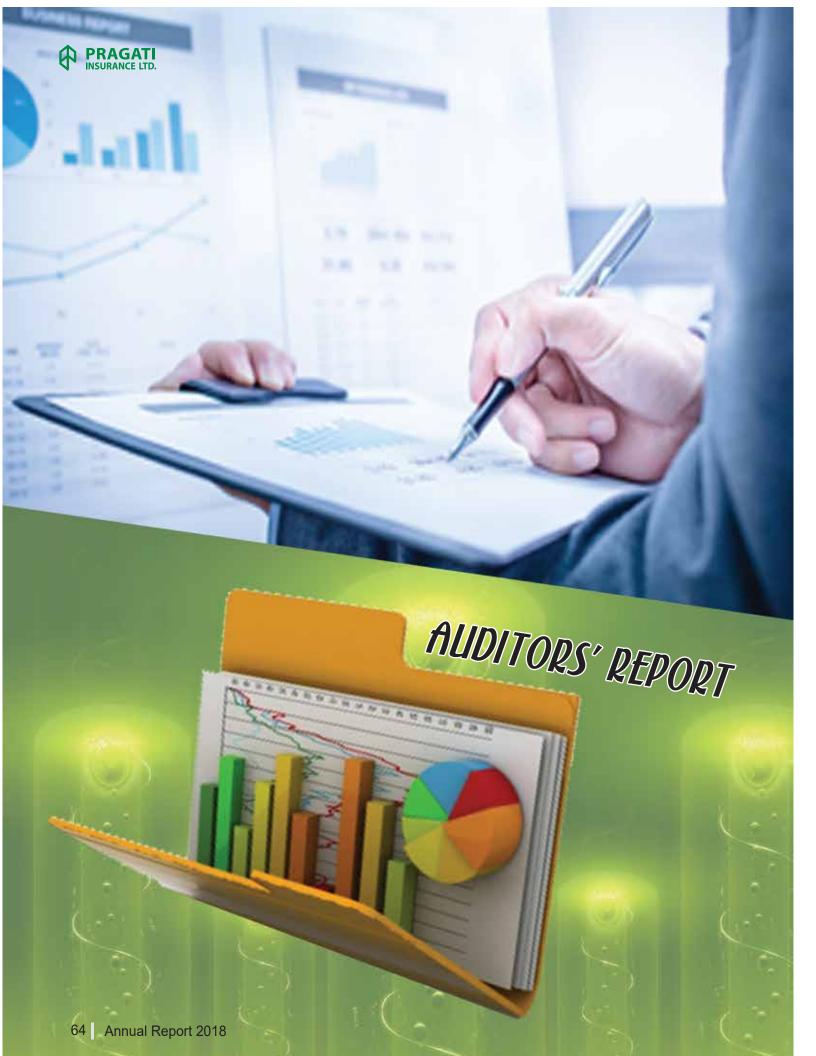
#### **Approval of Financial Statement**

The Audit Committee reviewed and examined the annual financial statements 2018 prepared by the management and audited by the external auditors and recommended the same before the Board for consideration.

#### Acknowledgement

The Directors Audit Committee expressed their sincere thanks to the members of the Board, management of the company and the auditors for their support to carry out its duties and responsibilities effectively.

Chairman





# Hoda Vasi Chowdhury & Co

To

The Shareholders **Pragati Insurance Limited** 20-21, Kawran Bazar, Dhaka-1215, Bangladesh

# **Audited Financial Statements** Of

**Pragati Insurance Limited** 

For the year ended 31 December 2018

**Conducted By:** 

Hoda Vasi Chowdhury & Co **Chartered Accountants** 

BTMC Bhaban Level - 8 7-9 Karwan Bazar, Dhaka-1215



# INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Pragati Insurance Limited

#### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Pragati Insurance Limited (the "Company"), which comprise the Statement of Financial Position as at 31 December 2018, the Statement of Profit or Loss and Other Comprehensive Income, Profit and Loss Appropriation Account, related Revenue Accounts, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements for 2018. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. These results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Risk	Our Response to the risk
Premium Income: Gross general insurance premiums comprise the total premiums received for the whole period of cover provided by contracts entered into during the accounting period.	premium income recognition process.



Given the important nature, connections to other items to the financial statements and sensitivity of the item we believe this area pose high level of audit risk.

- Carried out cut-off testing to ensure unearned premium income has not been included in the premium income.
- On a sample basis reviewed policy to ensure appropriate policy stamp was affixed to the contract and the same has been reflected in the premium register.
- Ensured on a sample basis that the premium income was being deposited in the designated bank account.
- Tested on a sample basis to see that appropriate VAT was being collected and deposited to bank through Treasury Challan.
- For a sample of insurance contracts tested to see if appropriate level of reinsurance was done and whether that re insurance premium was deducted from the gross premium.
- Applying specialist judgment ensured if there is any impairment of the reinsurer.
- Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.

#### Fair value reserve on Investment of marketable securities:

The company makes a number of investments in the listed securities in stock exchange. Income generated from the investments (realized gain and dividend received) is credited to the Profit or Loss Account. Unrealized capital gain or loss is transferred to the fair value reserve as per the policy of the company and maintain adequate deferred tax on such reserve.

This item has significant impact on net asset value of the company and equity balances might be prone to misreporting as large unreported fall in the value of any holding may wipe out the value of the portfolio and hamper the distribution capability of the company.

#### Estimated liability in respect of outstanding claims whether due intimated claim or and payment:

This account represents the claim due or intimated, and related balance of recoverable from reinsurer, from the insured

We tested the design and operating effectiveness of key controls around monitoring, valuation and updating of prices of the positions held by the company from trusted sources. Additionally, we performed the following:

- Obtained year-end share holding positions from the company and through directional testing assessed the completeness of the report.
- Ascertained the valuation of the holding as per IFRS 13.
- Reviewed the assumptions used for the valuation models for any unquoted securities.
- Recalculated unrealized gain or loss at the year end.
- Carried out cut-off testing to ensure unrealized gain or loss was recognized in correct period.
- Obtained the CDBL report and share portfolio and cross checked against each other to confirm unrealized gain or loss.
- Check the subsequent positioning of this unrealized amount after the year end.
- Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.

We tested the design and operating effectiveness of controls around the due and intimated claim recording process.

We additionally carried out the following substantive testing's around this item:

- Obtained the claim register and tested for completeness of claims recorded in the register on a sample basis.
- Obtained a sample of claimed policy copy and cross check it with claim.



significant and involves management judgment and risk of understatement. In extreme scenario this item may have going concern implications for the company.

- Obtained a sample of survey reports cross checked those against respective ledger balances and in discrepancy carried out further investigation.
- Obtained and discussed with management about their basis for estimation and challenged their assumptions where appropriate.
- Reviewed the claim committee meeting minutes about decision about impending claims.
- Tested a sample of claims payments with intimation letter, survey report, bank statement, claim payment register and general ledger.
- Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.

#### Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as

- fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



 Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on other legal and regulatory requirements

In accordance with the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and relevant notifications issues by Bangladesh Securities and Exchange Commission, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books;
- c) The Company management has followed relevant provisions of laws and rules in managing the affairs of the Company and proper books of accounts, records and other statutory books have been properly maintained and (where applicable) proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- d) As per section 63(2) of the Insurance Act 2010, in our opinion to the best of our knowledge and belief an according to the information and explanation 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 Statement of Comprehensive Income of the Company;
- e) We report 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 in respect of any its business re-insured abroad;
- f) The Statement of Financial Position, Statement of Comprehensive Income, Profit and Loss Appropriation Account, related Revenue Accounts, Statement of Changes in Equity and Statement of Cash Flows of the Company together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- g) The expenditure was incurred for the purpose of the Company's business.

Chartered Accountants



# **PRAGATI INSURANCE LIMITED**

# STATEMENT OF FINANCIAL POSITION

## As at 31 December 2018

	Notes	2018	2017
CAPITAL & LIABILITIES		BDT	BDT
Issued, Subscribed & Paid-up capital	4	612,993,730	583,803,550
Reserve or Contingency account	-	0,000,700	500,000,000
Reserve for Exceptional Losses	5	866,162,850	796,704,685
Contingency Reserve	6	105,869,651	105,869,651
Revaluation Reserve		1,412,133,735	1,412,133,735
General Reserve	7 8	243,578	243,578
Investment Fluctuation Fund (Fair Value Changes)	18.1.1	126,064,308	167,428,506
Profit & Loss Appropriation Account	18.1.1	128,368,251	117,789,414
Front & Loss Appropriation Account	9	2,638,842,373	2,600,169,569
Balance of fund & account		2,030,042,373	2,000,103,303
Fire Insurance Business		88,635,591	69,354,798
Marine Insurance Business		190,990,145	162,244,840
Misc. Insurance Business		144,560,731	131,622,278
missi misurumee Business		424,186,466	363,221,916
Premium Deposit	10	4,920,763	4,664,409
Liabilities & provision		.,==,,,,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Estimated liabilities in respect of outstanding claims	11	76,426,819	57,026,144
Amount due to other persons	12	12,659,072	9,397,315
		89,085,891	66,423,459
Loan from Bank	13	189,035,800	136,042,270
Sundry Creditors	14	103,995,345	124,667,628
Provision for Income Tax	15	465,754,453	414,254,453
Provision for Deferred Tax	16	17,340,000	17,340,000
		4,546,154,821	4,310,587,254
PROPERTY & ASSETS			
Investment			
Bangladesh Government Treasury Bond	17	25,167,444	25,106,960
Shares & debentures (at Cost)	18	363,485,092	391,551,252
		388,652,536	416,658,212
Fair Value Changes Account	18.1.1	126,064,308	167,428,506
Receivables from other persons or bodies	19	536,989,987	452,169,839
Interest, Dividend & Rent outstanding	20	4,986,426	576,426
Sundry Debtors	21	89,008,184	80,287,703
Premium Control Account	22	50,402,240	14,393,736
Advance Payment of Tax	23	336,875,232	289,643,031
Cash and Bank Balances		440 126 850	424 676 950
Fixed Deposit Accounts STD & Current Accounts		440,126,850 255,416,227	434,676,850 140,284,091
Cash, Cheque in hand & Stamp		17,336,517	11,957,523
cash, cheque in hand & stamp	24	712,879,594	586,918,464
Other accounts	24	712,873,334	380,318,404
Land (freehold)	25	887,627,023	887,115,023
Holiday Homes	26	4,130,090	4,130,090
Fixed Assets(at cost less accumulated depreciation)	27	80,454,560	73,736,050
Building	28	1,292,065,345	1,302,008,743
Panthapath building	29	34,282,698	33,982,698.0000
Stock of printing materials		1,736,599	1,538,733
		2,300,296,315	2,302,511,337
		4,546,154,822	4,310,587,254
Net Asset Value Per Share	33	53.05	55.09
Net Asset Value Fel Silale	33		

The annexed notes an integral part of these financial statements.

Md. Rezaul Karim Managing Director

Santosh Sharma

Tabith Mohd. Awal

Director

Director Auditors' Report to the Shareholders Syed M. Altaf Hussain Chairman

See annexed report of date

Dhaka, Bangladesh Dated: 11 April, 2019

Hoda Vasi Chowdhury & Co Chartered Accountants



#### **Statement of Profit or Loss and Other Comprehensive Income**

For the year ended 31 December 2018

	Notes	2018 BDT	2017 BDT
Profit transferred from :		<del></del>	
Fire revenue account		(25,077,546)	(25,872,705)
	Console	72,319,634	59,502,121
Marine revenue accont	Revenue	, ,	91,256,945
Misc. revenue account		109,862,485 <b>157,104,573</b>	124,886,361
Otherincome	30		115,553,886
Other mcome	30	125,983,481 <b>283,088,054</b>	240,440,247
Expenses of Management(not applicable to any	fund or account)	283,088,034	240,440,247
Director Fees & Expenses	rund or account)	3,251,345	1,246,250
Registration Renewal Fee	31	1,953,866	6,225,741
Audit Fees	21	373,750	361,250
	32	•	
Other expense	32	7,020,168	8,843,480
Depreciation		33,867,282	13,427,779
Profit before tax		46,466,411	30,104,502
		236,621,643	210,335,745
Income tax expense: Current tax expense	15	51,500,000	55,000,000
•	15	51,500,000	35,000,000
Deferred tax (income)/expense		51,500,000	55,000,000
Profit for the year transferred to Profit & Loss Appropr	iation Assount	185,121,643	155,335,745
Other comprehensive income	Tation Account	103,121,043	133,333,743
Gain /(loss) from fair value changes of investment	nt in socurities	126,064,308	167,428,506
Revaluation gain/ (loss)	it in securities	120,004,308	107,428,300
Deferred tax on revalaution reserve		-	- I
Deferred tax offrevalaution reserve		126,064,308	167,428,506
Total Profit or Loss and Other Comprehensive Inc	rome	311,185,951	322,764,251
Total Front of Loss and Other Comprehensive in	come	311,103,331	322,704,231
Profit or I	Loss Appropriation Acco	ount	
	ar ended 31 December		
. or the ye			
		2018	2017
Net profit for the year transferred from Profit an	d Loss Account	185,121,643	155,335,745
Balance brought forward from previous period		117,789,414	84,483,260
Dividend:			
Stock dividend		(29,190,180)	(27,800,160)
Cash dividend		(75,894,461)	(55,600,339)
Reserve for Exceptional Losses		(69,458,165)	(38,629,092)
Balance transferred to Balance Sheet		128,368,251	117,789,414
Earning Per Share	34	3.02	2.66

These financial statements should be read in conjunction with the annexed notes.

Md. Rezaul Karim
Managing Director

Santosh Sharma

Tabith Mohd. Awal

Director Director

Auditors' Report to the Shareholders See annexed report of date

**Dhaka, Bangladesh** Dated: 11 April, 2019

Hoda Vasi Chowdhury & Co Chartered Accountants

Syed M./Altaf Hussain

Chairman



#### **Consolidated Revenue Account**

For the year ended 31 December 2018

Particular	FIRE	Marine	Marine Hull	Motor	MISC	2018	2017
Balance of Account at the							
begaining of the year:							
Reserve for unexpired risk	69,354,799	138,148,132	24,096,708	103,950,223	27,672,055	363,221,916	326,939,839
Premium, Less Re-insurance	177,271,181	319,544,195	31,218,047	221,788,153	67,333,309	817,154,885	702,347,125
Commission on Re-Insurance ceded	29,239,151	39,912,777	6,544,177	-	11,860,852	87,556,957	58,364,392
Total	275,865,131	497,605,104	61,858,932	325,738,376	106,866,216	1,267,933,758	1,087,651,356
Claim under policies less Re- insurance:							
Claim paid during the year	4,282,023	32,653,194	44,214	42,763,035	8,551,722	88,294,188	103,309,924
Total Estimated liability in			·				
respect of outstanding claims at	27,994,857	24,985,496	1,377,196	8,195,000	13,874,270	76,426,819	57,026,144
the end of the year under due	27,994,657	24,965,496	1,577,190	8,195,000	13,674,270	70,420,619	37,026,144
or intimated							
	32,276,880	57,638,690	1,421,410	50,958,035	22,425,992	164,721,007	160,336,068
Less: Outstanding Claim at the end of the previous year	15,695,510	12,820,819	251,660	8,815,000	19,443,155	57,026,144	77,856,514
	16,581,370	44,817,871	1,169,750	42,143,035	2,982,837	107,694,863	82,479,554
Expenses for management	83,498,316	136,006,701	9,443,857	51,993,442	31,104,903	312,047,219	295,976,826
Commission	112,227,400	98,430,076	6,286,003	36,550,152	13,407,006	266,900,637	221,086,699
Profit transfer to Profit & Loss Account	(25,077,546)	58,578,359	13,741,275	84,157,670	25,704,815	157,104,573	124,886,361
Balance on Account at the end							
of the year as shown in Balance							
Sheet:							
Reserve for unexpired risks					7		
being 50% of Fire, Marine							
Cargo, Motor & Misc. and 100%	88,635,591	159,772,098	31,218,047	110,894,077	33,666,655	424,186,466	363,221,916
of Marine Hull Premium							
income of the year.							
Total	275,865,131	497,605,104	61,858,932	325,738,376	106,866,216	1,267,933,758	1,087,651,356

These financial statements should be read in conjunction with the annexed notes.

Md. Rezaul Karim Managing Director

Santosh Sharma Director

**Tabith Mohd. Awal** Director

Auditors' Report to the Shareholders See annexed report of date

Dhaka, Bangladesh Dated: 11 April, 2019

Hoda Vasi Chowdhury & Co **Chartered Accountants** 

Syed M./Altaf Hussain

Chairman



#### **Fire Insurance Revenue Account**

For the year ended 31 December 2018

		2018	2017
	<u>Notes</u>	<u>BDT</u>	<u>BDT</u>
Balance of account at the beginning of the year : Reserve for unexpired risk		69,354,799	66,633,477
Premium less : Re-Insurance		177,271,181	127,000,964
Commission on Re-insurance ceded		29,239,151	38,153,973
		275,865,131	231,788,414
	1		
Claims under policies			
Less: Re-insurance: Paid during the year		4,282,023	22,934,305
Total estimated liability in respect of outstanding claims at			
the end of the year whether due or intimated		37,994,857	42,162,276
		42,276,880	65,096,581
Less: Outstanding claims at the end of the previous year		(15,695,510)	(91,780,374)
		26,581,370	(26,683,793)
Expenses of management		83,498,316	138,900,043
Commission		112,227,400	95,025,261
Profit transferred to Profit & (Loss) Account		(35,077,546)	(38,953,579)
Balance of account at the end of the year as shown in Balance Sheet:			
Reserve for unexpired risks, being 50% of the fire			
premium income of the year		88,635,591	63,500,482
	-	275,865,131	231,788,414

The annexed notes an integral part of these financial statements. These financial statements were approved by the Board of Directors on th 11th April, 2019 and were signed on its behalf.

Md. Rezaul Karim Managing Director

Santosh Sharma

Director

Tabith Mohd. Awal Director

Auditors' Report to the Shareholders See annexed report of date

Syed M. Altaf Hussain Chairman

Hoda Vasi Chowdhury & Co Chartered Accountants

Dhaka, Bangladesh Dated: 11 April, 2019



#### **Marine Insurance Revenue Account**

For the year ended 31 December 2018

	Marine Cargo	Marine Hull	2018 BDT	2017 BDT
Balance of Account at the beginning of the year:				
Reserve for unexpired risk	138,148,132	24,096,708	162,244,840	112,483,462
Premium Less : Re-Insurance	319,544,192	31,218,047	350,762,239	236,214,283
Commission on Re-Insurance Ceded	39,912,777	6,544,177	46,456,954	25,749,780
	497,605,101	61,858,932	559,464,033	374,447,525
Claims under Policies				
Less: Re-Insurance: Paid during the year	32,653,194	44,214	32,697,408	36,953,372
Total estimated liability in respect of Outstanding Claims	- ,, -	,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,, -
at the end of the year whether due or intimated	24,985,496	1,377,196	26,362,692	5,210,415
	57,638,690	1,421,410	59,060,100	42,163,787
Less: Outstanding Claims at the end of the previous year	12,820,819	251,660	13,072,479	12,158,222
	44,817,871	1,169,750	45,987,621	30,005,565
Expenses of Management	136,006,701	9,443,857	145,450,558	105,383,545
Commission	98,438,682	6,286,003	104,724,685	74,642,231
Profit transferred to Profit & (Loss) Account	58,569,751	13,741,275	72,311,026	38,631,118
Balance of Account at the end of the year as shown in Balance Sheet:				
Reserve for unexpired risks being 50% of the Marine Cargo				
Premium income 100% of the Marine Hull Premium Income	150 772 006	21 219 047	100 000 142	12E 79E 066
of the year	159,772,096 <b>497,605,101</b>	31,218,047 <b>61,858,932</b>	190,990,143 <b>559,464,033</b>	125,785,066 <b>374,447,525</b>
	497,003,101	01,030,332	333,404,033	374,447,323

The annexed notes an integral part of these financial statements. These financial statements were approved by the Board of Directors on th 11th April, 2019 and were signed on its behalf.

Md. Rezaul Karim Managing Director

Santosh Sharma

Director

Tabith Mohd. Awal Director

Auditors' Report to the Shareholders See annexed report of date

> Hoda Vasi Chowdhury & Co **Chartered Accountants**

Syed M./Altaf Hussain

Chairman

Dhaka, Bangladesh Dated: 11 April, 2019



#### **Miscellaneous Insurance Revenue Account**

For the year ended 31 December 2018

	Motor	Misc	2018 <u>BDT</u>	2017 BDT
Balance of Account at the beginning of the year : Reserve for unexpired risk	103,950,223	27,672,055	131,622,278	134,026,515
Premium Less : Re-Insurance	221,788,152	67,333,308	289,121,460	275,308,581
Commission on Re-insurance ceded (including profit commission)	-	11,860,852	11,860,852	4,352,318
	325,738,375	106,866,215	432,604,590	413,687,414
Claims under Policies				
Less: Re-Insurance: Paid during the year  Total estimated liability in respect of Outstanding	42763035	8,551,722	51,314,757	57,437,662
Claims at the end of the year whether due or intimated	8,195,000	13,874,270	22,069,270	30,483,823
	50,958,035	22425992	73,384,027	87,921,485
Less: Outstanding Claims at the end of the previous year_	8,815,000	19,443,155	28,258,155	14,525,733
	42,143,035	2,982,837	45,125,872	73,395,752
Expenses of Management	51,993,442	31,051,085	83,044,528	65,228,222
Commission	36,550,152	13,407,006	49,957,158	43,422,907
Profit transferred to Profit & (Loss) Account	84,157,670	25,758,632	109,916,302	93,986,242
Balance of Account at the end of the year as shown in Balance Sheet:				
Reserve for unexpired risks being 50% of the Marine				
Cargo Premium income 100% of the Marine Hull Premium Income of the year	110,894,076	33,666,654	144,560,730	137,654,291
	325,738,375	106,866,215	432,604,590	413,687,414

The annexed notes an integral part of these financial statements. These financial statements were approved by the Board of Directors on th 11th April, 2019 and were signed on its behalf.

Md. Rezaul Karim Managing Director Santosh Sharma Director

Tabith Mohd. Awal Director

Auditors' Report to the Shareholders See annexed report of date

Dhaka, Bangladesh Dated: 11 April, 2019

Hoda Vasi Chowdhury & Co **Chartered Accountants** 

Syed M./Altaf Hussain

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#### **Statement of Cash Flows**

For the year ended 31 December, 2018

	2018 <u>BDT</u>	2017 <u>BDT</u>
A. Cash Flow from operating Activities		
Collection from Premium & Other income	2,142,999,082	1,700,771,241
Less: Payment for Expenses of Management, Re-insurance, Claim and Commission etc.	2,060,383,239	1,633,343,355
Less:Tax paid/or deducted	47,232,201	36,094,391
Net Cash Flow From Operating Activities	35,383,642	31,333,495
B. Cash Flow from Investing Activities		
Interest & other Income	31,068,069	26,209,674
Dividend Income	19,292,750	22,725,499
Rental Income	49,048,736	45,587,926
Purchase of Fixed Assets	(18,324,280)	(1,549,767)
Land & Building	(10,572,590)	(21,664,876)
Net Fund adjustment with Brokers house	42,965,735	49,483,082
Net Cash Flow From Investting Activities	113,478,420	120,791,538
C. Cash Flow from Financing Activities		
Increase/(Decreased) of Bank Overdraft	52,993,530	(61,989,813)
Dividend Paid	(75,894,461)	(55,600,339)
Net Cash Flow From Financing Activities	(22,900,931)	(117,590,152)
Increase/Decrease in Cash Flow(A+B+C)	125,961,131	34,534,881
Opening Cash In hand & At Banks	586,918,464	552,383,589
Closing Cash In hand & At Banks	712,879,594	583,918,464
Net operating cash flow per share	0.61	0.54

The annexed notes an integral part of these financial statements. These financial statements were approved by the Board of Directors on 11th April, 2019 and were signed on its behalf.

Md. Rezaul Karim Managing Director

Santosh Sharma

Director

Auditors' Report to the Shareholders See annexed report of date

Tabith Mohd. Awal

Director

Syed M./Altaf Hussain

Hoda Vasi Chowdhury & Co Chartered Accountants

Dhaka, Bangladesh Dated: 11 April, 2019



# Pragati Insurance Limited

Statement of Changes of Shareholders Equity

For the year ended 31 December 2018

Particulars	Share capital	Reserve for exceptional losses	Contingency Reserve for Insurance Gurantees	Revaluation Reserve	Investment Fluctuation Fund (Fair Value Changes)	General reserve	Profit & loss appropriation	Total equity
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance at 1 January 2018	583,803,550	796,704,685	105,869,651	1,412,133,735	167,428,506	243,578	117,789,414	3,183,973,119
Dividend paid (Stock)	29, 190, 180	1	ı	1	ı	1	(29, 190, 180)	ı
Dividend paid (Cash)	ı		•		1	1	(75,894,461)	(75,894,461)
Transferred to Reserve for exceptional losses	ı	69,458,165	ı		ı	ı	(69,458,165)	1
Transferred to Revaluation reserve	ı	i			1	1	1	1
Transferred to profit & loss appropriation account	1	1			ı	1	185,121,643	185,121,643
Current year change	-	-	-	_	(41,364,199)	-	_	(41,364,199)
Balance at 31 December 2018	612,993,730	866,162,850	105,869,651	105,869,651 1,412,133,735	126,064,307	243,578	128,368,251	3,251,836,102

3,183,973,119 The annexed notes an integral part of these financial statements. These financial statements were approved by the Board of Directors on th 11th April, 2019 and were signed 117,789,414 243,578 167,428,506 105,869,651 1,412,133,735 796,704,685 583,803,550 Balance at 31 December 2017

on its behalf.

Santosh Sharma Director

Md. Rezaul Karim

Managing Director

Tabith Mohd. Awal Director

Syed M./Altaf Hussain Chairman

Auditors' Report to the Shareholders See annexed report of date Hoda Vasi Chowdhury & Co Chartered Accountants

**Dhaka, Bangladesh** Dated: 11 April, 2019



# **Pragati Insurance Limited**

#### **Notes to the Financial Statements**

For the year ended 31 December 2018

#### 1. Background

The Company was incorporated as a public company on 27 January 1986 and obtained the Certificate of Commencement i.e C-15249/815 of Business from the Registrar of Joint Stock Companies, Bangladesh with effect from 30 January 1986. The Company is listed with both Dhaka Stock Exchange and Chittagong Stock Exchange Limited as a Public Limited Company. The primary objectives of the company are to carry on all kinds of insurance, guarantee and indemnity business other than life insurance business.

The registered office of the Company is located at Pragati Insurance Bhaban, 20-21, Kawran Bazar, Dhaka-1215, Bangladesh. The operation of the company are being carried out through its 40 Branches located in different division of Bangladesh.

#### 1.1 Nature of business

The primary objectives of the company are to carry on all kinds of insurance, guarantee and indemnity business other than life insurance business. The offered general insurance products that includes fire and allied perils insurance, marine cargo and hull insurance, aviation insurance, automobile insurance and miscellaneous insurance. Non-life healthcare contracts provide medical cover to policyholders. Revenue under above activities is derived primarily from insurance premiums.

#### 1.2 Structure, content and presentation of financial statements

Being the general purpose financial statements, the presentation of these financial statements is in accordance with the guidelines provided by per requirement of Insurance Act 2010 and International Accounting Standard 1: Presentation of Financial Statements. A complete set of financial statements comprise:

- i) Statement of Financial Position as at 31 December 2018;
- ii) Profit and Loss Account for the year ended 31December 2018;
- iii) Profit and Loss Appropriation Account for the year ended 31 December 2018;
- iv) Statement of Changes in Equity for the year ended 31 December 2018;
- v) Statement of cash flows for the year ended 31 December 2018;
- vi) Consolidated all Business Revenue Account for the year ended 31 December 2018;
- vii) Fire Insurance Revenue Account for the year ended 31 December 2018;
- viii) Motor Insurance Revenue Account for the year ended 31 December 2018;
- ix) Marine Insurance revenue Account for the year ended 31 December 2018;
- X) Miscellaneous Insurance Revenue Account for the year ended 31 December 2018; and
- xi) Notes comprising a summary of significant accounting policies and other explanatory information to the accounts for the year ended 31 December 2018.

#### 2. Summary of significant accounting policies & basis of preparation

A summary of the principle accounting policies which have been applied consistently (unless otherwise stated), is set out below:

#### 2.01 Basis of preparation

The Financial Statements have been prepared on going concern and accrual basis under the historical cost convention. The preparation and presentation of the financial statements and the disclosure of information have been made in accordance with the Insurance Act 2010, the Insurance Rules 1958 and in conformity with International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 (as amended in 1997), the listing rules of Dhaka Stock Exchange Limited and Chittagong Exchange Limited and other applicable laws & regulations in Bangladesh.

#### 2.02 Significant accounting policies

A summary of the principle accounting policies which have been applied consistently (unless otherwise stated), is set out below.

#### 2.03 Going Concern

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The accompanying financial statements does not include any adjustments should the Pragati Insurance Limited be unable to continue as a going concern.

#### 2.04 Functional and presentation currency

These financial statements are presented in Bangladeshi Taka (BDT), which is the company's functional currency except as indicated.

#### 2.05 Use of estimates and judgments

The preparation of financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.



#### 2.06 Operation

During the year under audit, the gross premium earned by the company amounted to Tk. 2,204,253,778 including public sector business of Tk. 66,850,242. After ceding for re-insurance premium the net premium for the year amount to Tk. 817,154,885 and after charging direct expenses therefrom the net Underwriting profit stood at Tk. 157,104,573 as against Tk. 124,886,361 of previous year.

#### **Public Sector Business**

Public Sector Business up to June 2018 has been accounted for on the basis of statement received from Sadharan Bima Corporation.

#### 2.08 Taxation

Income tax on earnings for the year comprises current and deferred tax and is based on the applicable tax law in Bangladesh. It is recognized in the income statement as tax expense.

#### i. current Tax

Provision for income tax has been made @ 37.5% as per Finance Act 2018 of the profit made by the company considering taxable add-back of income and disallowance of expenditure.

#### ii. Defferred Tax

The Corporation accounted for deferred tax as per International Accounting Standard 12: Income Taxes. Deferred tax is accounted for using the comprehensive tax balance sheet method. It is generated by temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base. Deferred tax assets, including those related to the tax effects of income tax losses and credits available to be carried forward, are recognized only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses and credits can be utilized.

#### 2.09 Foreign currency translation

Transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing at the reporting date. Exchange differences are recognized currency fluctuation reserve.

#### 2.10 Revenue Recognition

#### i. Premium Income:

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 SadharanBima Corporationand General Insurance Corporation of India (GIC), 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 accounts, the effect of reinsurance 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.

#### ii. Re-insurance commission

Re-insurance commission are recognized as revenue over the period in which the related services are performed.

#### iii. Interest on Statutory and other Investments

The interest received during the year from banks on STD account and FDR Accounts has been duly credited to the Statement of Comprehensive Account

#### iv. Gain and Loss on Shares and Debentures

Gain and loss on sale of shares and dividend income earned during the year have been shown in the Statement of Comprehensive Account and the tax relief as well as the concession on the rate of tax as availed under the existing income tax law, have been given effect in the accounts.

#### 2.11 Benefits, claims and expenses recognition

#### i. Gross benefits and claims

General insurance and health claims include all claims occurring during the year and related internal and external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

#### ii. Reinsurance claims

Reinsurance claims are recognized when the related gross insurance claim is recognized according to the terms of the relevant contract.

#### 2.12 Management Expenses

Management expenses as charged to Revenue Accounts amounting to Tk.312,047,219 represents approximately 14.16% of gross premium of Tk.2,204,253,778. The expenses have been apportioned @ 8.71% to Fire, 17.92% to Marine and 19.17% to miscellaneous business as per Management decision.



#### 2.13 Provision for Unexpired Risks

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 2018.

#### 2.14 Depreciation on Fixed Assets

Depreciation on Fixed Assets has been charged on cost for full year as per Straight Line Method at the following

Category of Assets	Rate of Depreciation
Furniture	10%
Fixtures	15%
Motor Vehicles	20%
Office & Electrical Equipment	15%
Miscellaneous Items	20%

#### 2.15 Provision for outstanding claims

For non-life insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred, but not yet reported, at the reporting date.

#### 2.16 Employees' Benefit Scheme

Pragati Insurance Limited provided employees' benefit as per IAS-19 as under,

#### i. Gratuity Fund

The company has a funded Gratuity scheme for all eligible employees who completed minimum 5 years of confirmed service with the company. The scheme is approved by the National Board of Revenue (NBR) and administrated by an independent Board of Trustee.

#### ii. Contributed Provident Fund

The company has a contributed provident Fund for its regular employee. The fund is approved by Commissioner of Taxes.

#### iii. Other Benefit's

In addition to above, the company provides other benefits to its employees like group insurance scheme, Incentive bonus, House building loan etc.

#### iv. Workers profit participation fund (WPPF):

The board refers the matter of provision for Workers Profit Participation Fund (WPPF) and like to clarify as per provision of para (A to G) section 233 of Bangladesh Labour Amendments Act 2013, functions of Non-Life Insurance companies are not similar to the functions of Industrial relating workers' as mention in the aforesaid section.

Therefore, provision for Workers Profit Participation and Welfare Fund (WPPF) is not applicable for the company. It may be mentioned here that Pragati Insurance Ltd. has been maintaining a recognized Employees Provident fund, Gratuity Scheme, Group Insurance Scheme (GIS), performance bonus as per provision of IAS-19.

#### 2.17 Reserve or Contingencies

#### i. Reserve for Exceptional Loss

Reserve for Exceptional Losses as appropriated out of current year's profit before tax provision amounts to Tk. 69,458,165 being 8.5% of the net premium earned during the year.

#### ii. Foreign Currency Fluctuation Fund

The Company made investments in the capital market in a large portfolio and income generate from the investment (realized gain and dividend received) is credited to the profit & loss Account. Unrealized capital gain if any is transferred to the investment fluctuation fund subsequently.

#### iii. General reserve

The Company maitained a general reserve from the current year profit to avoid future contingency.

#### iv. Revaluation reserve

The company preserve a revaluation reserved which was created on 2009 and subsequent measurement is made in accordance with the related accounting standards.

#### 2.18 Disclosure of departure from few requirements of IFRS due to mandatory compliance of Insurance Act's requirements

These financial statements have been prepared in compliance with the requirements of the Insurance Act 2010 and regulations formed thereunder for the time being in force taking procedures over the requirements of relevent IFRS. Such departures from IFRS has been disclosed wherever applicable.

General provision on insurance premium and re-insurance premium are set up as per Insurance Act 2010 which does not meet the recognition criteria of IAS 37.

#### 2.19 Interest Expense

The Company has incurred interest and related expenses on account of overdraft, finance lease and short term loan. In terms of provision of the International Accounting Standard 1: Presentation of Financial Statements, interest expenses are recognized on accrual basis.



#### 2.20 Earnings Per share

Earnings per share have been calculated in accordance with International Accounting Standard 33: Earnings Per Share, and shown on the face of profit and loss account and computation shown in note #24.

#### i. Basic earning per share

This has been calculated by dividing the basic earning by the weighted average number of ordinary shares outstanding for the year

#### 2.21 Accounting for changes in accounting estimates

IAS 8 states that the effect of a change in an accounting estimate is to be applied prospectively by inclusion in the current accounting period and, if relevant, in future accounting period. The carrying amount of assets, liabilities, or equity may be changed following a change in accounting estimates in the period of the change.

#### 2.22 Events after the reporting period

There is no material adjusting or non adjusting events after the balance sheet date.

#### 2.23 Contingent liability and contingent assets

The company does not recognize contingent liability and contingent assets but discloses the existence of contingent liability in the financial statements. A contingent liability is probable obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events not within the control of the company or present obligation that is not recognize because outflow of resources is not likely or obligation cannot be measured reliably.

#### 2.24 Related Party Disclosures

Pragati Insurance in normal course of business carried out a number of transactions with other entities that fall within the definition of related parties contained in Bangladesh Accounting Standard 24: 'Related Parties Disclosers'. All transactions involving related parties arising the normal course of business and on a arm's length basis at commercial rates on the same terms and conditions as applicable to the third parties. Details transactions with related parties and balances with them as at December 31,2018 were as follows:

Name of the Client	Relationship	Nature of Business	Net Premium Income-2018	Premium Outstanding upto 31-12-2018	Amount Realized Subsequently	Claim Paid-2018
W & W Grains Corporation	Common Director	Insurance	1,664,688	Nil	Nil	99,468
Multimode Group	Common Director	Insurance	22,254,055	Nil	Nil	15,627,345
Abdul Monem Ltd.	Common Director	Insurance	53,956,139	Nil	Nil	18,792,914
KDS Group	Common Director	Insurance	62,692,451	Nil	Nil	3,662,727
McDonald Group	Common Director	Insurance	725,863	Nil	Nil	-
Prostar Group	Common Director	Insurance	2,244,017	Nil	Nil	571,900
Armana Group	Common Director	Insurance	43,022,650	Nil	Nil	6,386,955
Chowdhury Group	Common Director	Insurance	171,223	Nil	Nil	-
Concord Pragatee Consortium	Common Director	Insurance	755,295	Nil	Nil	1,598,673
MKR Group	Common Director	Insurance	42,329	Nil	Nil	-
Total			187,528,710	-	-	46,739,982



#### 2.25 Consistency of Presentation

In accordance with the IFRS framework for the presentation of financial statements together with IAS 1 and IAS 8, Pragati Insurance Limited applies the accounting disclosure principles consistently from one period to the next. Where selecting and applying new accounting policies, changes in accounting policies applied, correction of errors, the amounts involved are accounted for and disclosed retrospectively in accordance with the requirement of IAS 8. We have applied the consistent accounting and valuation principles.

#### 2.26 General

- i. Figures appearing in these financial statements have been rounded off to the nearest BDT amount.
- ii. Previous year's figures have been rearranged/restated/reclassified, where necessary, in order to conform to current period's presentation.

#### 2.27 Reporting Currency

The financial statements are prepared and presented in Bangladesh Taka (BDT), which is the company's financial currency. A sizeable amount have however been received in foreign currency.

#### 2.28 Reporting Period

The financial period under audit of the company covering (12) twelve months from of 01 January 2018 to 31 December 2018

#### 3. Valuation of Assets

The value of all assets at 31 December 2018 as shown in the Balance Sheet and in the Classified Summary of Assets on Form 'AA' annexed have been reviewed and the said assets have been set forth in the Balance Sheet at amounts at their respective book values which in the aggregate do not exceed their aggregate market value.

_		
4.	Sharo	capital:
4.	Julaie	capital.

Authorized:

200,000,000 ordinary shares of Tk 10 each

Issued, subscribed and paid up:

61,299,373 ordinary Shares of Tk 10 each Fully

6,100,000 Ordinary shares of Tk.10 each Fully paid up in cash

1,220,000 Ordinary shares of Tk.10 each Fully paid up as bonus share (20%) alloted in 1997

2,196,000 Ordinary shares of Tk.10 each Fully paid up as bonus share (30%) alloted in 2002(out of general reserve as at 31st december 2001)

2,379,000 Ordinary shares of Tk.10 each Fully paid up as bonus share (25%) alloted in 2003(out of general reserve as at 31st december 2002)

3,211,650 Ordinary shares of Tk.10 each Fully paid up as bonus share (27%) alloted in 2004(out of Share Premium)

3,776,650 Ordinary shares of Tk.10 each Fully paid up as bonus share (25%) alloted in 2005(out of Share Premium)

2,832,500 Ordinary shares of Tk.10 each Fully paid up as bonus share (15%) alloted in 2006(out of Share Premium & General reserve)

3,257,370 Ordinary shares of Tk.10 each Fully paid up as bonus share (15%) alloted in 2007(out of Share Premium & General reserve)

8,740,600 Ordinary shares of Tk.10 each Fully paid up as bonus share (35%) alloted in 2008(out of net Profit)

2018	2017
BDT	<u>BDT</u>

2,000,000,000	2,000,000,000
612,993,730	583,803,550
61,000,000	61,000,000
12,200,000	12,200,000
21,960,000	21,960,000
23,790,000	23,790,000
32,116,500	32,116,500
37,766,500	37,766,500
28,325,000	28,325,000
32,573,700	32,573,700
87,406,000	87,406,000



50,570,600 Ordinary shares of Tk.10 each Fully paid up as bonus share(15%) alloted in 2008(out of net Profit) 38,770,830 ordinary Shares of Tk 10 each Fully Paid up bonus share (10%) alloted in 2009 (Out of General Reserve and Dividend Equalisation 42,647,900 ordinary Shares of Tk 10 each Fully Paid up bonus share (5%) alloted in 2010 (Out of Net Profit) 4,478,0295 ordinary Shares of Tk 10 each Fully Paid up bonus share (10%) alloted in 2011 (Out of Net Profit & General Reserve) 3,694,374 ordinary shares of Tk.10 each fully paid up bonus share (7.5%) alloted in 2012 (out of Net profit & General reserve) 2,647,635 ordinary shares of Tk.10 each fully paid up bonus share(5%) alloted in 2013 (out of Net profit & General reserve) 2,780016 ordinary shares of Tk.10 each fully paid up bonus share(5%) alloted in 2016 (out of Net profit & General reserve) 2,919,018 ordinary shares of Tk.10 each fully paid up bonus share(5%) alloted in 2017 (out of Net profit)

29,190,180 <b>612,993,730</b>	- 583,803,550
27,800,160	27,800,160
26,476,350	26,476,350
36,943,740	36,943,740
44,780,350	44,780,350
21,323,950	21,323,950
38,770,700	38,770,700
50,570,600	50,570,600

Clarification of shareholding position of the Company at 31 December

Halding of Chares	Number of sl	Number of shareholders 2018 2017		Percentage (%) of total holdings	
Holding of Shares	2018			2017	
Less than 500	1921	2098	0.34	0.40	
500 to 5,000	1061	1009	3.20	3.16	
5,001 to 10,000	135	117	1.56	1.47	
10,001 to 20,000	84	70	1.98	1.78	
20,001 to 30,000	39	24	1.53	1.01	
30,001 to 40,000	13	19	0.77	1.21	
40,001 to 50,000	19	15	1.41	1.24	
50,001 to above	122	102	89.21	89.73	
	3,394	3,454	100	100	

#### 5. Reserve for Exceptional Losses:

Opening balance Add: Addition during the year

	69,458,165	38,629,092
	866,162,850	796,704,685
seta	side from net pr	ofit with a view to

In accordance with the Income Tax Ordinance, these amount has been setaside from net meeting up unpexpected loss may be arised in future. Current rate of the reserve is 8.5% of its net premium.

#### 6. Contingency Reserve:

Reserve for unexpired Guarantees Reserve against Tail ended insurance businees

105,869,651	105,869,651
18,789,210	18,789,210
87,080,441	87,080,441

Contingency Reserve for Insurance Gurantees & tail ended Insurance Business which can be merged with general reserve.

#### 7. Revaluation Reserve:

Opening balance Accumulated depreciation for the reserve

1,412,133,735 -	1,412,133,735
1,412,133,735	1,412,133,735

Revaluation amount inlcudes the value of land and building and value of building is depreciable as per the company policy.



243,578 243,578	8. Ger
Account: 128,368,251 117,789,414	9. Bala
ount 157,104,573 124,886,361	Unc
<b>58,526,629 52,169,488</b>	Inte
Sale of Share 77,623,152 67,427,525	Oth
<b>293,254,354 244,483,374</b>	
ated to any fund or account)	Less
<b>46,466,411 30,104,502</b>	Mar
10,166,300 4,043,127	Ove
<b>51,500,000 55,000,000</b>	Inco
108,132,711 89,147,629	
185,121,643 155,335,745	Net
50% of Net Premium) Tax free 69,458,165 38,629,092	less
	(In 2
<u>117,789,414</u> 84,483,260	Add
233,452,892 201,189,913	
	Les
<b>29,190,180 27,800,160</b>	Sto
<b>75,894,461</b> 55,600,339	Cas
105,084,641 83,400,499	
128,368,251 117,789,414	Sur
4,920,763 4,664,409	<b>10.</b> Pre
185,121,643 155,335 69,458,165 38,629 117,789,414 84,483 233,452,892 201,189 29,190,180 27,800 75,894,461 55,600 105,084,641 83,400 128,368,251 117,789	Less Stoo Cas

Balance on this account represents premium received against cover notes which were not converted into policy within 31 December 2018 because of the period of nine months from the dates of issue of cover notes

#### 11. Estimated liability in respect of outstanding claims:

Fire	27,994,857	15,695,510
Marine	26,362,692	13,072,479
Motor	8,195,000	8,815,000
Miscellaneous	13,874,270	19,443,155
	76,426,819	57,026,144

All the claims of which the management is aware of as per intimation up to the year-end have been taken into consideration.

#### 12. Amounts due to other persons or bodies

Co-insurers	12,659,072	9,397,319
	12,659,072	9,397,319

189,035,800

136,042,270

The following to the the balance payable under co-insurance scheme for payament to other insurance companies and other parties.

#### 13. Loan from Bank for office Building (Secured):

13.01 Sonali Bank		
Opening Balance	86,902,791	151,593,831
Loan Taken during the year	75,562,700	75,367,421
Interest charged during the year	11,618,107	16,440,686
	174,083,598	243,401,938
Less. Re-payement during the year	32,839,125	156,499,147
	141,244,473	86,902,791



12	റാ	IFIC	Ran	k

IDLC	25,000,000	50,000,000
	18,578,757	(860,521)
Less. Re-payement during the year	162,990,449	155,148,936
	181,569,206	154,288,415
Interest charged during the year	4,824,637	4,043,127
Loan Taken during the year	177,605,090	103,807,036
Opening Balance	(860,521)	46,438,252

#### 13.03 IDLC

#### 13.04 Delta Brac Finance Company

#### 14. Sundry creditors (including provision for expenses and taxes)

Payable against expenses
Provident fund deduction
Provident fund Loan
Income tax deduction(14.1)
Received against security
Tax deduction against Bill
VAT deduction against Bill
Un-paid dividend (14.2)
Vat payable (14.3)
Hospitalization Insurance Claim
Advance Rent Received

24,451,504	26,034,706
2,063,390	2,298,981
191,790	22,971
42,068	217,818
5,066,160	32,030,819
209,506	350,050
105,082	148,183
11,813,693	23,329,037
12,498,620	10,917,360
634,795	569,312
46,918,738	28,748,390
103,995,345	124,667,628

4,212,570

#### 14.01 Income Tax deduction

Income Tax deduction at source amounting to Tk.42,068 including income tax deduction from salary during the year which has been deposited into Bangladesh Bank subsequently.

#### 14.02 Unpaid Dividend

This represent the balance of unpaid dividend from year to year TK.11,813,693

#### 14.03 VAT Payable

VAT payable as Tk.12,498,620 represent the Vat for the month of December 2018 which has been deposited into Bangladesh Bank subsequently.

#### 15. Provision for Income Tax

The amount includes Tk. 51,500,000 being Income tax provision made for the accounting year ended on 31 December.2018(Assesment Year 2018-2019) in accordance with the best estimate of the management on lump sum basis but without considering the admissible and inadmissible expenses

	Opening Balance	414,254,453	359,254,453
	Add. Provision made during the year	51,500,000	55,000,000
	Closing Balance	465,754,453	414,254,453
16.	Provision for Deferred Tax	17,340,000	17,340,000
17.	Bangladesh Government Treasury Bond	25,167,444	25,106,959

The amnount represents 5 years Bangladesh Government Treasury Bond (BGTB) with a face value of TK.25,167,444 held with Bangladesh Bank as statutory Deposit under Insurance Act, 2010.

#### 18. Shares and Debentures Tk. 382,581,265

	363,485,091	382,581,265
Debentures (18.2)	4,500,000	4,500,000
Shares (18.1)	358,985,091	378,081,265



#### 18.1 Break up of Share and debenturs of 2018

Aman Cotton Mills Ltd. Bashundhara Paper Mills

Bd Industrial Finance Ltd.

**Bd Submarine Cable** 

Delta Life Insurance

Delta Speiner Ltd.

**Eastland Insurance** 

Eastern Cable Limited

**Envoy Textiles Limited** 

Familytex (BD) Ltd.

Golden Son Limited

Indo Bangla Pharma

Int. Leasing And FSL

Katali Textiles Ltd.

Kay & Que

**KDS Accessories Limited** 

Lafarge Holsim Cement BD

Lanakabangla

M.L Dyeing Ltd.

Monno Fabrics Ltd.

Mobile Jamuna BD.

**National Bank** 

NCC Bank Ltd.

Olympic Ind Ltd.

SK Trims & Industries Ltd.

Silva Pharmaceuticals Ltd.

Saif Powertec Ltd.

Samorita Hospital Ltd.

Southeast Bank Ltd.

Shahjibazar Power

Squre Phama

Unique Hotel & Resort

VSF Thread Dyeing Ltd.

National Housing Finance & Investment Itd

#### 18.1.1 Changes in fair value of the shares available for sale

Fair Value of the Investment

Fair value reserve as at 31 December 2018

#### Non-Tradable

Central Depository Bangladesh. Ltd

Ind. & Infrastructure Dev. Finance Co.

Jamuna Resort Ltd.

United Hospital Ltd.

Non-Tradable

Total

**Brokerage Balance** 

313,840       330,317         864,560       905,627         167,360       89,600         5,451,713       2,648,388         11,600,092       6,668,264         1,994,080       750,200         662,108       373,175         341,917       339,913         2,074,185       1,643,591         1,746,573       366,734         8,176,875       1,966,125         2,672       9,143         2,746,422       1,225,602         100,617       280,046         4,501,005       14,753,025         3,186,150       2,898,500         7,873,300       3,045,000         8,779,588       4,308,063         35,228       125,601         27,125       271,250         4,956,000       4,166,400         31,048,608       13,481,922         14,216,891       11,864,803         24,716,800       17,296,000         50,413       256,780         91,940       276,739         7,228,570       4,354,560         1,937,671       1,578,377         7,259,189       5,650,866         5,341,788       3,895,996		At cost	Market value
167,360       89,600         5,451,713       2,648,388         11,600,092       6,668,264         1,994,080       750,200         662,108       373,175         341,917       339,913         2,074,185       1,643,591         1,746,573       366,734         8,176,875       1,966,125         2,672       9,143         2,746,422       1,225,602         100,617       280,046         4,501,005       14,753,025         3,186,150       2,898,500         7,873,300       3,045,000         8,779,588       4,308,063         35,228       125,601         27,125       271,250         4,956,000       4,166,400         31,048,608       13,481,922         14,216,891       11,864,803         24,716,800       17,296,000         50,413       256,780         91,940       276,739         7,228,570       4,354,560         1,937,671       1,578,377         7,259,189       5,650,866         5,341,788       3,895,996         736,395       736,163         6,829,905       3,405,600		313,840	330,317
5,451,713       2,648,388         11,600,092       6,668,264         1,994,080       750,200         662,108       373,175         341,917       339,913         2,074,185       1,643,591         1,746,573       366,734         8,176,875       1,966,125         2,672       9,143         2,746,422       1,225,602         100,617       280,046         4,501,005       14,753,025         3,186,150       2,898,500         7,873,300       3,045,000         8,779,588       4,308,063         35,228       125,601         27,125       271,250         4,956,000       4,166,400         31,048,608       13,481,922         14,216,891       11,864,803         24,716,800       17,296,000         50,413       256,780         91,940       276,739         7,228,570       4,354,560         1,937,671       1,578,377         7,259,189       5,650,866         5,341,788       3,895,996         736,395       736,163         6,829,905       3,405,600         38,378       244,032		864,560	905,627
11,600,092       6,668,264         1,994,080       750,200         662,108       373,175         341,917       339,913         2,074,185       1,643,591         1,746,573       366,734         8,176,875       1,966,125         2,672       9,143         2,746,422       1,225,602         100,617       280,046         4,501,005       14,753,025         3,186,150       2,898,500         7,873,300       3,045,000         8,779,588       4,308,063         35,228       125,601         27,125       271,250         4,956,000       4,166,400         31,048,608       13,481,922         14,216,891       11,864,803         24,716,800       17,296,000         50,413       256,780         91,940       276,739         7,228,570       4,354,560         1,937,671       1,578,377         7,259,189       5,650,866         5,341,788       3,895,996         736,395       736,163         6,829,905       3,405,600         38,378       244,032         49,932,168       230,888,034 <th></th> <th>167,360</th> <th>89,600</th>		167,360	89,600
1,994,080       750,200         662,108       373,175         341,917       339,913         2,074,185       1,643,591         1,746,573       366,734         8,176,875       1,966,125         2,672       9,143         2,746,422       1,225,602         100,617       280,046         4,501,005       14,753,025         3,186,150       2,898,500         7,873,300       3,045,000         8,779,588       4,308,063         35,228       125,601         27,125       271,250         4,956,000       4,166,400         31,048,608       13,481,922         14,216,891       11,864,803         24,716,800       17,296,000         50,413       256,780         91,940       276,739         7,228,570       4,354,560         1,937,671       1,578,377         7,259,189       5,650,866         5,341,788       3,895,996         736,395       736,163         6,829,905       3,405,600         38,378       244,032         49,932,168       230,888,034		5,451,713	2,648,388
662,108 341,917 339,913 2,074,185 1,643,591 1,746,573 8,176,875 2,672 9,143 2,746,422 1,225,602 100,617 280,046 4,501,005 14,753,025 3,186,150 7,873,300 8,779,588 4,308,063 35,228 125,601 27,125 271,250 4,956,000 4,166,400 31,048,608 13,481,922 14,216,891 14,864,803 24,716,800 50,413 91,940 276,739 7,228,570 4,354,560 1,937,671 7,259,189 5,650,866 5,341,788 736,395 736,163 6,829,905 38,378 4,643,591 344,032 449,932,168		11,600,092	6,668,264
341,917       339,913         2,074,185       1,643,591         1,746,573       366,734         8,176,875       1,966,125         2,672       9,143         2,746,422       1,225,602         100,617       280,046         4,501,005       14,753,025         3,186,150       2,898,500         7,873,300       3,045,000         8,779,588       4,308,063         35,228       125,601         27,125       271,250         4,956,000       4,166,400         31,048,608       13,481,922         14,216,891       11,864,803         24,716,800       17,296,000         50,413       256,780         91,940       276,739         7,228,570       4,354,560         1,937,671       1,578,377         7,259,189       5,650,866         5,341,788       3,895,996         736,395       736,163         6,829,905       3,405,600         38,378       244,032         49,932,168       230,888,034		1,994,080	750,200
2,074,185       1,643,591         1,746,573       366,734         8,176,875       1,966,125         2,672       9,143         2,746,422       1,225,602         100,617       280,046         4,501,005       14,753,025         3,186,150       2,898,500         7,873,300       3,045,000         8,779,588       4,308,063         35,228       125,601         27,125       271,250         4,956,000       4,166,400         31,048,608       13,481,922         14,216,891       11,864,803         24,716,800       17,296,000         50,413       256,780         91,940       276,739         7,228,570       4,354,560         1,937,671       1,578,377         7,259,189       5,650,866         5,341,788       3,895,996         736,395       736,163         6,829,905       3,405,600         38,378       244,032         49,932,168       230,888,034		662,108	373,175
1,746,573       366,734         8,176,875       1,966,125         2,672       9,143         2,746,422       1,225,602         100,617       280,046         4,501,005       14,753,025         3,186,150       2,898,500         7,873,300       3,045,000         8,779,588       4,308,063         35,228       125,601         27,125       271,250         4,956,000       4,166,400         31,048,608       13,481,922         14,216,891       11,864,803         24,716,800       17,296,000         50,413       256,780         91,940       276,739         7,228,570       4,354,560         1,937,671       1,578,377         7,259,189       5,650,866         5,341,788       3,895,996         736,395       736,163         6,829,905       3,405,600         38,378       244,032         49,932,168       230,888,034		341,917	339,913
8,176,875       1,966,125         2,672       9,143         2,746,422       1,225,602         100,617       280,046         4,501,005       14,753,025         3,186,150       2,898,500         7,873,300       3,045,000         8,779,588       4,308,063         35,228       125,601         27,125       271,250         4,956,000       4,166,400         31,048,608       13,481,922         14,216,891       11,864,803         24,716,800       17,296,000         50,413       256,780         91,940       276,739         7,228,570       4,354,560         1,937,671       1,578,377         7,259,189       5,650,866         5,341,788       3,895,996         736,395       736,163         6,829,905       3,405,600         38,378       244,032         49,932,168       230,888,034		2,074,185	1,643,591
2,672       9,143         2,746,422       1,225,602         100,617       280,046         4,501,005       14,753,025         3,186,150       2,898,500         7,873,300       3,045,000         8,779,588       4,308,063         35,228       125,601         27,125       271,250         4,956,000       4,166,400         31,048,608       13,481,922         14,216,891       11,864,803         24,716,800       17,296,000         50,413       256,780         91,940       276,739         7,228,570       4,354,560         1,937,671       1,578,377         7,259,189       5,650,866         5,341,788       3,895,996         736,395       736,163         6,829,905       3,405,600         38,378       244,032         49,932,168       230,888,034		1,746,573	366,734
2,746,422       1,225,602         100,617       280,046         4,501,005       14,753,025         3,186,150       2,898,500         7,873,300       3,045,000         8,779,588       4,308,063         35,228       125,601         27,125       271,250         4,956,000       4,166,400         31,048,608       13,481,922         14,216,891       11,864,803         24,716,800       17,296,000         50,413       256,780         91,940       276,739         7,228,570       4,354,560         1,937,671       1,578,377         7,259,189       5,650,866         5,341,788       3,895,996         736,395       736,163         6,829,905       3,405,600         38,378       244,032         49,932,168       230,888,034		8,176,875	1,966,125
100,617       280,046         4,501,005       14,753,025         3,186,150       2,898,500         7,873,300       3,045,000         8,779,588       4,308,063         35,228       125,601         27,125       271,250         4,956,000       4,166,400         31,048,608       13,481,922         14,216,891       11,864,803         24,716,800       17,296,000         50,413       256,780         91,940       276,739         7,228,570       4,354,560         1,937,671       1,578,377         7,259,189       5,650,866         5,341,788       3,895,996         736,395       736,163         6,829,905       3,405,600         38,378       244,032         49,932,168       230,888,034		2,672	9,143
4,501,005       14,753,025         3,186,150       2,898,500         7,873,300       3,045,000         8,779,588       4,308,063         35,228       125,601         27,125       271,250         4,956,000       4,166,400         31,048,608       13,481,922         14,216,891       11,864,803         24,716,800       17,296,000         50,413       256,780         91,940       276,739         7,228,570       4,354,560         1,937,671       1,578,377         7,259,189       5,650,866         5,341,788       3,895,996         736,395       736,163         6,829,905       3,405,600         38,378       244,032         49,932,168       230,888,034		2,746,422	1,225,602
3,186,150       2,898,500         7,873,300       3,045,000         8,779,588       4,308,063         35,228       125,601         27,125       271,250         4,956,000       4,166,400         31,048,608       13,481,922         14,216,891       11,864,803         24,716,800       17,296,000         50,413       256,780         91,940       276,739         7,228,570       4,354,560         1,937,671       1,578,377         7,259,189       5,650,866         5,341,788       3,895,996         736,395       736,163         6,829,905       3,405,600         38,378       244,032         49,932,168       230,888,034		100,617	280,046
7,873,300       3,045,000         8,779,588       4,308,063         35,228       125,601         27,125       271,250         4,956,000       4,166,400         31,048,608       13,481,922         14,216,891       11,864,803         24,716,800       17,296,000         50,413       256,780         91,940       276,739         7,228,570       4,354,560         1,937,671       1,578,377         7,259,189       5,650,866         5,341,788       3,895,996         736,395       736,163         6,829,905       3,405,600         38,378       244,032         49,932,168       230,888,034		4,501,005	14,753,025
8,779,588       4,308,063         35,228       125,601         27,125       271,250         4,956,000       4,166,400         31,048,608       13,481,922         14,216,891       11,864,803         24,716,800       17,296,000         50,413       256,780         91,940       276,739         7,228,570       4,354,560         1,937,671       1,578,377         7,259,189       5,650,866         5,341,788       3,895,996         736,395       736,163         6,829,905       3,405,600         38,378       244,032         49,932,168       230,888,034		3,186,150	2,898,500
35,228 125,601 27,125 271,250 4,956,000 4,166,400 31,048,608 13,481,922 14,216,891 11,864,803 24,716,800 17,296,000 50,413 256,780 91,940 276,739 7,228,570 4,354,560 1,937,671 1,578,377 7,259,189 5,650,866 5,341,788 3,895,996 736,395 736,163 6,829,905 3,405,600 38,378 244,032 49,932,168 230,888,034		7,873,300	3,045,000
27,125       271,250         4,956,000       4,166,400         31,048,608       13,481,922         14,216,891       11,864,803         24,716,800       17,296,000         50,413       256,780         91,940       276,739         7,228,570       4,354,560         1,937,671       1,578,377         7,259,189       5,650,866         5,341,788       3,895,996         736,395       736,163         6,829,905       3,405,600         38,378       244,032         49,932,168       230,888,034		8,779,588	4,308,063
4,956,000       4,166,400         31,048,608       13,481,922         14,216,891       11,864,803         24,716,800       17,296,000         50,413       256,780         91,940       276,739         7,228,570       4,354,560         1,937,671       1,578,377         7,259,189       5,650,866         5,341,788       3,895,996         736,395       736,163         6,829,905       3,405,600         38,378       244,032         49,932,168       230,888,034		35,228	125,601
31,048,608       13,481,922         14,216,891       11,864,803         24,716,800       17,296,000         50,413       256,780         91,940       276,739         7,228,570       4,354,560         1,937,671       1,578,377         7,259,189       5,650,866         5,341,788       3,895,996         736,395       736,163         6,829,905       3,405,600         38,378       244,032         49,932,168       230,888,034		27,125	271,250
14,216,891     11,864,803       24,716,800     17,296,000       50,413     256,780       91,940     276,739       7,228,570     4,354,560       1,937,671     1,578,377       7,259,189     5,650,866       5,341,788     3,895,996       736,395     736,163       6,829,905     3,405,600       38,378     244,032       49,932,168     230,888,034		4,956,000	4,166,400
24,716,800     17,296,000       50,413     256,780       91,940     276,739       7,228,570     4,354,560       1,937,671     1,578,377       7,259,189     5,650,866       5,341,788     3,895,996       736,395     736,163       6,829,905     3,405,600       38,378     244,032       49,932,168     230,888,034		31,048,608	13,481,922
50,413 256,780 91,940 276,739 7,228,570 4,354,560 1,937,671 1,578,377 7,259,189 5,650,866 5,341,788 3,895,996 736,395 736,163 6,829,905 3,405,600 38,378 244,032 49,932,168 230,888,034			11,864,803
91,940 276,739 7,228,570 4,354,560 1,937,671 1,578,377 7,259,189 5,650,866 5,341,788 3,895,996 736,395 736,163 6,829,905 3,405,600 38,378 244,032 49,932,168 230,888,034		24,716,800	, ,
7,228,570       4,354,560         1,937,671       1,578,377         7,259,189       5,650,866         5,341,788       3,895,996         736,395       736,163         6,829,905       3,405,600         38,378       244,032         49,932,168       230,888,034		50,413	256,780
1,937,671     1,578,377       7,259,189     5,650,866       5,341,788     3,895,996       736,395     736,163       6,829,905     3,405,600       38,378     244,032       49,932,168     230,888,034	٧.		
7,259,189       5,650,866         5,341,788       3,895,996         736,395       736,163         6,829,905       3,405,600         38,378       244,032         49,932,168       230,888,034			
5,341,788       3,895,996         736,395       736,163         6,829,905       3,405,600         38,378       244,032         49,932,168       230,888,034			
736,395 736,163 6,829,905 3,405,600 38,378 244,032 49,932,168 230,888,034			
6,829,905 3,405,600 38,378 244,032 49,932,168 230,888,034			
38,378 244,032 49,932,168 230,888,034			
49,932,168 230,888,034			
		•	· · · · · · · · · · · · · · · · · · ·
215,030,126 341,094,435	_		
	_	215,030,126	341,094,435

At cost Market Value

341,094,434	402,385,255
(215,030,126)	(234,956,749)
126,064,308	167,428,506
3,138,890	3,138,890
31,183,820	31,183,820
43,900,895	43,900,895
54,337,500	54,337,500
132,561,105	132,561,105
347,591,231	473,655,540
11,393,859	11,393,859



The company has made investment in capital market in a large portfolio and income generated from investment (realized gain and dividend received) is credited to Statement of Comprehansive Income. Unrealized capital gain if any is transferred to investment Fluctuation Fund. Investment in shares that do not have any quoted market price in the active market and whose fair value can not be measured reliably, are recognised at cost.

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	Bangladesh Luggage Industries Ltd	4,500,000	4,500,000
19.	Amount due from other persons or bodies carrying on insurance business		
	Co-Insurance premiun receivable	23,524,527	23,204,412
	Co-Insurance claim receivable	15,492,551	15,967,935
	Refund Co-Insurance premiun receivable	3,865,536	3,870,342
	Sadharan Bima Corporation	399,458,067	230,893,740
	Overseas re-insurear	94,649,306	178,233,410
		536,989,987	452,169,839
20.	Dividend & Debenture Inresest Receivable		
	Dividend (20.1)	4,461,426	51,426
	Debenture Interest (20.2)	525,000	525,000
		4,986,426	576,426
20.01	Dividend		
	Metro Spinning Mills Ltd.	510	510
	Beximco Fisheries Ltd.	50,916	50,916
	CDBL	4,410,000	-
		4,461,426	51,426
20.02	Debenture Interest		
	Bangladesh Luggage Industries Ltd	525,000	525,000
21.	Sundry Debtors (including advances, deposits and prepayments and others)		
	Advance against Salary	5,733,022	3,879,429
	Advance against Rent	14,008,495	17,849,839
	Advance against Expenses	17,147,491	11,586,277
	House Building Loan	755,187	1,623,268
	Jamuna Resort Ltd.	26,845,168	20,229,708
	Security Deposits	6,044,306	6,044,306
	Group Insurance	3,383,815	2,920,984
	Advance against Insurance Management Software	15,060,700	15,060,700
	Rent Receivable	30,000	1,093,191
		89,008,184	80,287,703
22	. Premium Control Account		
	Fire	3,488,185	4,114,789
	Marine (Cargo & Hull)	37,039,189	9,413,183
	Misc	9,874,866	865,764
		50,402,240	14,393,736
	Total amount of premium control account was realized within february 2019.		
23	. Advance Payments of Tax		
	Opening balance	289,643,031	253,548,640
	Add: Advance Tax paid/Deduction at source during the year (23.1)	47,232,201	36,094,391
		336,875,232	289,643,031



23.01	Advance Tax paid/Deduction at source during the year		
	Deduction At Source from FDR Interest	3,105,462	2,277,864
	Deduction At Source from STD Interest	344,756	217,578
	Deduction At Source from Dividend Income	2,971,601	4,545,068
	Deduction At Source from office Rent	3,777,146	2,063,020
	Tax against Motor Maintanance	59,690	60,691
	Advance Income Tax Paid	36,973,546	26,930,170
		47,232,201	36,094,391
24.	Cash and Bank balances In hand		
	Cash (Head Office and Branch)	16,735,917	11,462,782
	Stamps	600,600	494,741
		17,336,517	11,957,523
	At banks		
	Fixed deposits (FDR)	440,126,850	434,676,850
	Short term deposit (STD)& Current accounts	255,416,227	140,284,091
		695,543,077	574,960,941
		712,879,594	586,918,464
25.	Land		
	Opening balance	887,115,023	887,050,023
	Add.: Sundry cost	512,000	65,000
		887,627,023	887,115,023
26.	Holiday Homes	4,130,090	4,130,090
27.	Fixed Asset		
	Cost	234,233,901	215,909,621
	Less: Accumulated depreciation	153,779,341	142,173,571
	Written down value as per Annexure 'A'	80,454,560	73,736,050
28.	Office Building		

Head Office Building is yet to be rigistered in the name of the Company and hence no depriciation Charged so far expect electrical equipment.

Opening Balance	1,302,008,743	1,283,666,113
Add: Interest on Sonali Bank SOD-32008293	11,618,107	16,440,686
Add.Other expenses	700,000	4,459,461.00
	1,314,326,850	1,304,566,260
Less: Depreciation	22,261,505	2,557,517
Closing Balance	1,292,065,345	1,302,008,743

These assest are recognised and accounted for in accordance with IAS 40 - Investment Property except the presmises is using for administrative purpose for the company.

#### 29. Panthapath Building

Two Storied Commercial Building under construction at panthapath land
Opening Balance
Add: Rate, legal & other expenses.

34,282,698	33,982,698
300,000	3,322,246
33,982,698	30,660,452

These assest are recognised and accounted for in accordance with IAS 40 - Investment Property except the presmises is using for administrative purpose for the company.



		2018	2017
		BDT	BDT
30.			
	Interest on:		
	Fixed deposit receipts (FDR)	35,181,790	24,382,999
	Short term deposit (STD) accounts	3,741,771	4,503,476
	House Building Loan Interest	310,318	557,514
		39,233,879	29,443,989
	Overdraft interest	(10,166,300)	(4,043,127)
	Dividend received during the year	19,292,750	22,725,499
	Sundry Income	2,000,491	808,812
	Profit on sale of Investment	26,573,925	21,030,787
	Building Rent	49,048,736	45,587,926
	Total	125,983,481	115,553,886
31.	Registration Renewal Fee	1,953,866	6,225,741
	The balance represents the amount deposited to Bangladesh Bank against rene	ewal of registration	for carrying on
	fire, marine and miscellanaous insurance business as per Section- 3A of Insura	nce Act-2010. Such e	xpense amounts
	to Tk. 1,953,866		
32.	Other Expenses		
	AGM Expenses	2,077,392	2,389,591
	Performance Bonus	4,942,776	6,453,889
		7,020,168	8,843,480
33.	Net Asset Value		
	(Total Assat Current Liabilities)	2 252 040 001	2 102 072 110
	(Total Asset-Current Liabilities) Number of Share	3,252,040,091	3,183,973,119
	Net Asset Value	61,299,373 53.05	58,380,355 54.54
	Net Asset Value	33.03	54.54
	Total Asset-Current Liabilities	3,252,040,091	3,183,973,119
	Total Assets	4,565,858,808	4,310,587,254
	Current Liabilites	1,313,818,717	1,126,614,135
	Fire Insurance Business	88,635,590	69,354,798
	Marine Insurance Business	190,990,145	162,244,840
	Misc. Insurance Business	144,560,731	131,622,278
	Premium Deposit	4,920,763	4,664,409
	Estimated liabilites in respect of outstanding Claims whether due or	86,426,819	57,026,144
	Amount due to other persons or bodies for carrying on insurance business	12,659,072	9,397,315
	Loan from Bank	189,035,800	136,042,270
	Sundry Creditors	103,995,345	124,667,628
	Provision for Income Tax	475,254,453	414,254,453
	Provision for Deferred Tax	17,340,000	17,340,000
34.	Earning Per Share	<u> </u>	
54.		40	4
	Profit after Tax	185,121,643	155,335,745
	Number of Share	61,299,373	61,299,373
	Basic Earning Per Share	3.02	2.53



#### 35. Contingent liability

#### 35.1 Tax claim by NBR

Reference applications filed by the company against the taxes of Appellete Tribunal orders for the income years 2004 to 2015 where pending before the High Court Division of the Supreme Court of Bangladesh. The management of the company are confident of a favourable outcome of the pending cases and does consider to make a provision against the disputed tax demand pending disposal of the cases and by virtue of the stay orders isssued by the Hon'ble High Court.

#### 35.2 VAT Claim by NBR

A writ petition against the claim of the VAT Authority for BDT 122,101,275 being VAT on commission to insurance agents was pending at the year end before the Hon'ble High Court. The management does not consider to set up any provision against the disputed claim in view of the favourable outcome of another writ petition filed by the company in a similar case.

#### 35.3 Claims by IDRA

In view of the stay orders issued by the Hon'ble High Court in eight writ petitions filed by the company against the claims of penalty for an aggregate amount of BDT 30,300,000 imposed by IDRA on the allegation of issuance of insurance policy on credit and in consideration of the merit of the cases, the management of the company does not consider to set up any provision against the said disputed claims.

#### 36. Number of Employees

The number of permanent employees of the copmpany drawing salaries below and above TK.3000 P.M is as under

a) Salaries drawing above TK.3000

526 Nos.

b) Salaries drawing Below TK.3000

Nil

#### 37. Payaments/perquisities/ to Directors/Officers during the year

	2018	2017
Directors' Fees	2,369,562	1,246,250
MD's Salary & Emoluments	6,000,000	4,200,000
Officers Salary	187,293,311	173,986,222
Meeting Fees	881,783	1,143,341

#### 38. Post Balance Sheet Events

There was no significant event that has occurred between the balance sheet date and the date when the Financial Statements are authorized for issue by the board of Directors Of Pragati Insurance Ltd in its 266th meeting held 11th April ,2019 other than the fact that it has recommended Cash Dividend @ 13% and Stock Dividend @ 7% out of surplus subject to approval of shareholders in the 33rd Annual General Meeting.

The annexed notes from 1 to 38 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 11th April, 2019 and were signed on its behalf

Md. Rezaul Karim Managing Director

Santosh Sharma Director

Tabith Mohd. Awal Director

Sved M. Altaf Hussain Chairman



# Fixed assets (at cost less accumulated depreciation)

Annexure 'A'

		Cost	11				Depreciation	ıtion		WDV as at	WDV as at
Particulars	Opening balance	Additions Disposal during the year year	Disposal during the year	Closing balance	Rate	Opening balance	Charged during the year	Disposal	Closing balance	31 December 2018	31 December 2017
FURNITURE & FIXTURE	31,928,965	303,312		32,232,277	10%	29,327,298	2,501,328		31,828,626	403,651	2,601,667
FIXTURE(PLISTIC SIGN)	2,027,078	94,710	,	2,121,788	15%	2,025,578	•	,	2,025,578	96,210	1,500
MOTOR VEHICLE	92,417,044	6,871,000		99,288,044	70%	44,204,230	1,256,455	1	45,460,685	53,827,359	48,212,814
ELECTRICAL EQUIPMENT	866'898'898	3,669,828	1	67,038,826	15%	51,377,061	5,929,182	1	57,306,243	9,732,583	11,991,937
OFFICE EQUIPMENT	3,209,570		1	3,209,570	15%	3,182,221	27,349	1	3,209,570	٠	27,349
CURTAIN & CARPETS	679,018	•	-	679,018	20%	679,018			679,018	•	
BI-CYCLE	23,175	•	1	23,175	70%	23,175			23,175	•	
TELEPHONE(INTERCOM)	492,093			492,093	20%	492,093		1	492,093		
OFFICE DECORATION	21,763,680	7,385,430	,	29,149,110	10%	10,862,897	1,891,463		12,754,360	16,394,750	10,900,783
TOTAL : TAKA	215,909,621	18,324,280		234,233,901		142,173,571	11,605,777	•	153,779,348	80,454,553	73,736,050
Building:											
Electrical Equipment	28,211,948	•		28,211,948	10%	13,810,653	2,557,517	•	16,368,170	9,207,000	11,764,517
Building 4 No floor & Jubilee Road Flat	197,039,880			197,039,880	10%	'	19,703,988		19,703,988	177,335,892	,
TOTAL: TAKA 2018	244,121,569	18,324,280		262,445,849		155,984,224	33,867,282		170,147,518	89,661,553	85,500,567
TOTAL: TAKA 2017	246,893,024	4,186,545	6,958,000	244,121,569		149,514,445	12,427,779	6,958,000	155,984,224	85,500,567	97,378,581



FORM 'AA' CLASSIFIED SUMMARY OF ASSETS AS AT 31 DECEMBER, 2018

	2018	2017
	Taka	Taka
Bangladesh Government Treasury Bond	25,167,444	25,106,960
Shares - at cost	358,985,093	387,051,252
Debenture(At Cost)	4,500,000	4,500,000
Fixed deposit, STD and current A/C with Banks	695,543,077	574,960,941
Cash in hand and Stamp in hand	17,336,517	11,957,523
Amount due from other persons or bodies carrying on insurance business	663,054,295	619,598,345
Accrued interest	4,986,426	576,426
Debtors (including advances, deposits and prepayments)	89,008,184	80,287,703
Stock of Printing material	1736,599	1,538,733
Land	887,627,023	887,115,023
Holiday homes	4,130,090	4,130,090
Fixed Asset	80,454,560	73,736,050
Building	1,326,348,043	1,335,991,441
	4,158,877,350	4,006,550,487

The anexed notes from 1 to 38 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 30th April, 2018 and were signed on its behalf

Md. Rezaul Karim Managing Director

Santosh Sharma Director

**Tabith Mohd. Awal** Director

Syed M. Altaf Hussain Chairman



## **REVENUE ACCOUNT**

For the year ended 31 December 2018

1) Summarized position of net underwriting profit earned during the year 2018 is as follows.

Particular	FIRE	MARINE	MOTOR & MISC	2018	2017
	BDT	BDT	BDT	BDT	BDT
Premium Income					
A) Gross Premium	863,993,220	771,586,528	417,861,886	2,053,441,634	1,664,737,211
B) Re-insurance premium	686,722,039	420,824,288	128,740,426	1,236,286,753	962,390,086
C) Net Premium (A-B)	177,271,181	350,762,240	289,121,460	817,154,881	702,347,125
<b>Direct Expenses</b> D) Commission (Net of Re-insurance					
Accepted and Ceded)	82,988,249	58,259,125	38,096,306	179,343,680	162,722,307
E) Claim Settled & provide	26,581,370	45,987,621	45,125,872	117,694,863	82,479,621
F) Management Expenses	83,498,316	145,450,558	83,098,346	312,047,219	295,976,826
G) Allocation Of Management Expenses	43.85%	34.24%	21.91%	100%	100%
H) Total Direct Expenses (D+E+F)	193,067,935	249,697,304	166,320,524	609,085,762	541,178,754
expired risk (Opening Balance Less					
closing Balance)	(19,280,792)	(28,745,305)	(12,938,454)	(60,964,550)	(36,282,077)
Net Underwriting Profit (C-H+I)	(35,077,546)	72,319,632	109,862,483	147,104,569	124,886,294
Commission(Net)	100				
Commission paid on Direct Business	112,227,400	104,716,079	49,957,158	266,900,637	221,086,699
Commission paid on Re-insurance	-		- ·	-	-
Accepted	442 227 400	404 746 070	40.057.450	255 000 527	224 006 600
	112,227,400	104,716,079	49,957,158	266,900,637	221,086,699
Less: Commission earned on re-	20 220 151	46 456 054	11 000 000	97 556 057	E9 264 202
insurance ceded  Net Commission	29,239,151	46,456,954	11,860,852	87,556,957	58,364,392
Net Commission	82,988,249	58,259,125	38,096,306	179,343,680	162,722,307
Claim Settled					
Gross Claim	315,621,430	93,520,488	87,659,910	496,801,828	411,533,364
less. Salvage received	-	-	-	-	-
	315,621,430	93,520,488	87,659,910	496,801,828	411,533,364
Less : Re-insurance claim Recovery	311,339,407	60,823,080	36,345,153	408,507,640	308,223,373
Paid During The Year	4,282,023	32,697,408	51,314,757	88,294,188	103,309,991
-					
the year whether due or	27 004 057	ac aca coa	22.060.270	96 436 910	E7 026 144
Intemated(Company's Share)	37,994,857	26,362,692 59,060,100	22,069,270	86,426,819	57,026,144
Less: Outstanding claim at the end of	42,276,880	39,000,100	73,384,027	174,721,007	160,336,135
the previous Year	15,695,510	13,072,479	28,258,155	57,026,144	77,856,514
·			i		
Net Claim	26,581,370	45,987,621	45,125,872	117,694,863	82,479,621



# Directors' Certificate

As per regulations contained in the first schedule of the Insurance Act, 2010 as amended and as per section 40 of the said Act we certify that :-

*The value of investment in shares and debentures have been taken at cost and the quoted value thereof* mentioned wherever available.

The value of all assets as shown in the Balance Sheet and as classified on Form AA annexed have been duly reviewed as at 31st December, 2018 and in our belief, the said assets have been set forth in the Balance Sheet at amount not exceeding their realisable or market value under the several headings as enumerated in the annexed form.

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.

Md. Rezaul Karim Managing Director

**Shantosh Sharma** Director

**Tabith Mohd. Awal** Director

Chairman



# **List of Branches**

		Dhaka Division			
SI.No.	Branch Offices	Branch Manager	Contact	t No	
1.	Elephant Road Branch 299, Elephant Road, Pearsooons Tower, Dhaka-1205.	Sharif Mustaba Deputy Managing Director	Mob Tel Fax E-mail	:	01819238198 9661349 58616023 er@pragatiinsurance.com
2.	<b>Biman Bhaban Branch</b> "WW Tower" 11 <sup>th</sup> Floor 68, Motijheel C/A, Dhaka-1000.	Md. Azizul Hakim Senior Manager	Mob Tel E-mail	:	01712-650025 9570424, 9587652 biman@pragatiinsurance.com
3.	Malibagh Branch Manhatan Tower 83, Siddeswari Circular Road, Malibagh, Dhaka-1217.	Md. Golam Faruque Deputy Managing Director	Mob Tel Fax E-mail	: : : : : : : : : : : : : : : : : : : :	01711566735 48321844 9351265 malibagh@pragatiinsurance.com
4.	Motijheel Branch "WW Tower" 11 <sup>th</sup> Floor 68, Motijheel C/A, Dhaka-1000.	Ali Fathker (Kallol) Deputy Managing Director	Mob Tel Fax E-mail	: : : :	01713002412 9556415 / 47115066 9556415 motijheel@pragatiinsurance.com
5.	Gulshan Branch House # 55, Road # 17, Kemal Ataturk Avenue, Banani C/A, Dhaka-1213.	Bahauddin Ahmed Assistant Managing Director	Mob Tel E-mail	: : : : : : : : : : : : : : : : : : : :	01711696341 48810930 gulshan@pragatiinsurance.com
6.	Sadarghat Branch 32/Ka, Johnson Road, Dholaikhal, Dhaka.	Ahmed Faruk Assistant Managing Director	Mob Tel Fax E-mail	: : : : : : : : : : : : : : : : : : : :	01791728428 47113066 9583619 sb@pragatiinsurance.com faruk@pragatiinsurance.com
7.	Savar Branch Hashem Plaza (1 <sup>st</sup> Floor) DEPZ Gate, Ganak Bari Savar, Dhaka	Abdus Salam Sr. Executive Vice President	Mob Tel Fax E-mail	:	01775538552 7790262 7790262 savar@pragatiinsurance.com
8.	Uttara Branch House # 18 (4 <sup>th</sup> Floor), Sonargaon Janapath, Sector # 9, Uttara Model Town, Dhaka-1230.	Md. Abu Sarwar Hossain Sr. Executive Vice President	Mob Tel Fax E-mail	: : : : : : : : : : : : : : : : : : : :	01711901553, 01554344748 55080229 55080230 uttara@pragatiinsurance.com
9.	Bangabandhu Avenue Branch "WW Tower" 11 <sup>th</sup> Floor 68, Motijheel C/A, Dhaka-1000.	Delwar Hossain Sr. Executive Vice President	Mob Tel Fax E-mail	:	01911344900 9566389, 9557772 9566911 bangabandhu@pragatiinsurance.com
10.	<b>Dilkusha Branch</b> "WW Tower" 11 <sup>th</sup> Floor 68, Motijheel C/A, Dhaka-1000.	Humayun Kabir Majumder Sr.Executive Vice President	Mob Tel Fax E-mail	:	01712296516 9567861 9551685 dilkusha@pragatiinsurance.com
11.	Imamgonj Branch 31, Mitford Road, Imamgonj Dhaka.	Syed Saidul Islam Sr. Executive Vice President	Mob Tel Fax E-mail	:	01552382814, 01766146660 57319818 57319818 imamgonj@pragatiinsurance.com



Sl.No.	<b>Branch Offices</b>	Branch Manager	Contac	t No	).
12.	Tejgaon Branch	Abdul Alim Khan	Mob	:	01711696343
	EDB Trade Center (4 <sup>th</sup> Floor)	Senior Vice President	Tel	:	55012451-52
	(Northern University Building)		E-mail	:	tejgaon@pragatiinsurance.com
	93,Kazi Nazrul Islam Avenue				
42	Kawran Bazar, Tejgaon, Dhaka.	A C M. Frederick Hills	NA - I-		04744455405
13.	VIP Road Branch 69/1, Purana Paltan Lane	A.S.M. Emdadul Hoque Executive Vice President	Mob Tel	:	01711155185 48321796, 9341840
	Oriental Trade Centre (3 <sup>rd</sup> Floor)	Executive vice President	Fax	:	48316354
	Dhaka-1000.		E-mail	:	vip@pragatiinsurance.com
14.	Hatkhola Branch	Md. Abdul Mottaleb	Mob	:	01819458976
	"WW Tower" 11th Floor	Senior Vice President	Tel	:	9560214
	68, Motijheel C/A,		Fax	:	9560214/9559410
	Dhaka-1000.		E-mail	:	hatkhola@pragatiinsurance.com
15.	Tongi Branch	S.M. Shamsul Alam	Mob	:	01715327848
	Jalil Market (2 <sup>nd</sup> Floor)	Senior Vice President	Tel	:	9812888
	Tongi, Gazipur		E-mail	:	tongi@pragatiinsurance.com
16.	Mirpur Branch	Md. Razzaqul Haider	Mob	:	01711841175
	House No.127, Senpara,	Chowdhury	Tel	:	9026587
	Parbata, Begum Rokeya	Vice President	E-mail	:	mirpur@pragatiinsurnace.com
	Sharani, Mirpur-10, Dhaka-1216				
17.	Narsingdi Branch	Md. Jashim Uddin Bhuiyan	Mob	:	01817404102
	Bhuiyan Market	Assistant Vice President	Tel	:	9463009
	(Bajeer More), Sadar Road		Fax	:	9463009
	Narsingdi-1600		E-mail	:	narsingdi@pragatiinsurance.com
18.	Faridpur Branch	Khandoker Zakir Hossain	Mob	:	01715477641
	169, Mujib Sarak,	Assistant Vice President	Tel	:	063162691
	Faridpur.		Fax	:	063162691
			E-mail	:	faridpur@pragatiinsurance.com
19.	Pragati Sharani Branch	Md. Ruhul Amin	Mob	:	01552322986, 01730710566
	S.M.Bhaban (1st Floor)	Deputy Vice President	Tel		9861745
	Cha-75/C, Pragati Sharani,		Fax		9846805
20	North Badda, Dhaka-1212.	NA d. Ale d. I NA/e d. d.	E-mail	:	ps@pragatiinsurance.com
20.	Narayanganj Branch	Md. Abdul Wadud	Mob	1	01711561368
	150, B. B. Sarak,	Assistant Vice President	Tel	:	7633646
	Jibon Bima Bhabon		Fax	:	7633646
	Narayanganj-1400		E-mail	<u> </u>	narayanganj@pragatiinsurance.com

		Mymensingh Divi	sion		
21.	Mymensingh Branch	Mohd. Ashraful Hoque	Mob	:	01712721794
	10, Durgabari Road (1st floor)	Manager	Tel	:	091-64062
	Mymensingh-2200.		Fax	:	091-64062
			E-mail	:	mymensingh@pragatiinsurance.com

		Chattogram Divisi	on		
SI.No.	Branch Offices	Branch Manager	Contac	t N	lo.
22.	Agrabad Branch Ayub Trade Centre (5 <sup>th</sup> Floor) 1269/B, Sheikh Mujib Road Agrabad C/A, Chattogram.	M. A. Hassan Deputy Managing Director	Mob Tel Fax E-mail	:	01711749274 713227-8, 031-2511948 agrabadbranch@pragatiinsurance.com hassan@pragatiinsurance.com
23.	Jubilee Road Branch EPIC Ittehad Point, (5 <sup>th</sup> floor) 618, Noor Ahmed Sarak, Chattogram.	Md. Nazrul Islam Deputy Managing Director	Mob Tel Fax E-mail	: : : :	01711749273 031-617844/616847 031-616022 jr@pragatiinsurance.com
24.	<b>Khatunganj Branch</b> 305, Khatunganj C/A Chattagram.	Ashis Kumar Barua Executive Vice President	Mob Tel E-mail	: ::	01819320520 031-637051, 031-636121 khatunganj@pragatiinsurance.com



SI.No.	<b>Branch Offices</b>	Branch Manager	Contac	t N	lo.
25.	<b>Feni Branch</b> Sultan Mansion (2 <sup>nd</sup> Floor), Trunk Road, Feni.	Azizul Hoque Executive Vice President	Mob Tel E-mail	: : :	01770966656, 01819638626 0331-74313 feni@pragatiinsurance.com
26.	Chowmuhani Branch Golam Rahman Miar Building (4 <sup>th</sup> Floor), Feni Road, Chowmuhani.	Md. Belayet Hossain Vice President	Mob Tel E-mail	:	01716390848 0321-52030 chowmuhani@pragatiinsurance.com
27.	Cumilla Branch Cumilla Co-operative Super Market, 2 <sup>nd</sup> Floor, Kandirpar, Main Road, Cumilla.	Md. Zahangir Hossain Manager	Mob Tel E-mail	:	01817092502 081-76977 comilla@pragatiinsurance.com
28.	Chandpur Branch Aslam Mansion, (2 <sup>nd</sup> Floor) J.M. Shengupta Road, Chandpur-3600.	Nemai Chandra Paul Manager	Mob Tel Fax E-mail	: : :	01715044556 0841-63290 0841-63290 <u>chandpur@pragatiinsurance.com</u>
29.	Cox's Bazar Branch Ahmadia Mansion Purba Bazarghata Main Road Cox's Bazar.	Mr. Zaber Hossain Manager	Mob Tel E-mail	:	01818449970 0341-64101 cb@pragatiinsurance.com
		Rajshahi Divisio	n		
30.	Rajshahi Branch 78/2, Razia Tower, Miapara (Gonokpara), Shaheb Bazar, Rajshahi.	Monowar Ahmed Vice President	Mob Tel E-mail	: :	01710968633 0721-775926 rajshahi@pragatiinsurance.com
31.	Bogura Branch Thana Road, Bogura.	Md. Abdul Hai Shaik Assistant Manager	Mob Tel Fax E-mail	: : :	01727227049 051-66189 051-66189 bogra@pragatiinsurance.com
32.	Pabna Branch Maspo Sultana Center (4 <sup>th</sup> Floor), Panch-Mathar More, Ataikula Road, Pabna Town, Pabna.	A.H.M. Raihan Manager	Mob Tel Fax E-mail	: : :	
33.	Natore Branch Kanaikhali, Dhaka Road Natore	Priyotosh Kumar Guha Branch In-charge	Mob Tel E-mail	:	01718484412 0771-66761 natore@pragatiinsurance.com

		Rangpur Division	n		
34.	Dinajpur Branch	Farid Hossain Sarker	Mob	:	01712138134
	Northern Plaza (2 <sup>nd</sup> Floor)	Senior Manager	Tel	:	0531-51105
	Holding#74/69, Dinajpur		Fax	:	0531-51105
	Town, Dinajpur.		E-mail	:	dinajpur@pragatiinsurance.com
35.	Rangpur Branch	A. A. Selimur Reza Talukder	Mob	:	01819688697
	Baitus Sayed Super Market	Assistant Manager	Tel	:	0521-62933
	Central Road, Rangpur.		Fax	:	0521-62933
			E-mail	:	rangpur@pragatiinsurance.com

		Khulna Division	1		
36.	Khulna Branch	Shah Jahangir Abed	Mob	:	01711814066
	G.M. Baksh Tower	Assistant Managing Director	Tel	:	041-720056, 723724
	22, Sir Iqbal Road, Khulna.		E-mail	:	khulna@pragatiinsurance.com
37.	Jashore Branch	G. M. Saidur Rahman	Mob	:	01711350349
	Jess Tower, 2 <sup>nd</sup> floor	Senior Vice President	Tel	:	0421-68896
	M.K. Road, Jashore.		Fax	:	0421-68896
			E-mail	:	jessore@pragatiinsurance.com



SI.No.	Branch Offices	Branch Manager	Contac	ct N	lo.
38.	Kushtia Branch	Md. Mostafijur Rahman	Mob	:	01721750886
	Lovely Tower (5 <sup>th</sup> Floor)	Vice President	Tel	:	071-62223
	55/1, Sirajuddowla Road		E-mail	:	kushtia@pragatiinsurance.com
	Kushtia-7000.				
		Barisal Division	on		
39.	Barisal Branch	Amjad Hossain Talukder	Mob	:	01711185353
	Sazrini Super Market (3 <sup>rd</sup>	Vice President	Tel	:	0431-64286
	floor)		Fax	:	0431-64286
	East Bogra Road, Barisal.		E-mail	:	barisal@pragatiinsurance.com
		Sylhet Branc	h		
		2			
40.	Sylhet Branch	Belal Ahmed Chowdhury	Mob	:	01709663810
	Laldighir Par,	Vice President	Tel	:	0821-715008
	Sylhet		Fax	:	0821-715008
			E-mail	:	sylhet@pragatiinsurance.com





# Glimpses of 32<sup>nd</sup>AGM



Syed M. Altaf Hussain, Chairman of the Company delivering his speech at the 32nd Annual General Meeting held on 29th July, 2018

Photo Shows the Managing Director Mr.Rezaul Karim delivering his speech at the 32nd Annual General Meeting held on 29th July, 2018





Photo shows the Honorable Directors on the dias in the 32nd Annual General Meeting held on 29th July, 2018



Shareholders doing their Registration in the 32ndAnnual General Meeting held on 29th July, 2018.





Partial view of shareholders attending in the 32nd Annual General Meeting held on 29th July, 2018

Partial view of shareholders attending the 32nd Annual General Meeting held on 29th July, 2018







Partial view of Honorable Directors and shareholders attending the 32nd Annual General Meeting held on 29th July, 2018.

# Images of Board/Committee meeting

263rd Meeting of the Board of Directors of Pragati Insurance Ltd was held on 30th January, 2018 at the Head office of the Company at 20-21, Kawran Bazar, Dhaka. Photo shows Syed M. Altaf Hussain, Chairman of the Company presiding over the meeting. Besides, former Chairman Mr. Mohammed A. Awwal, Directors Mr. Md. Syedur Rahman Mintoo, Mr. Nasir Latif, Mr. Akbar Hossain, Mr. Santosh Sharma and Mr. Md. Rezaul Karim, Managing Director of the Company are also seen in the picture and other Directors also present in the meeting.





264th Meeting of the Board of Directors of Pragati Insurance Ltd was held on 22nd February, 2018 at the Head office of the Company at 20-21, Kawran Bazar, Dhaka. Photo shows Syed M. Altaf Hussain, Chairman of the Company presiding over the meeting. Besides, former Chairman, Mr. Abdul Awal Mintoo, Mr. Khalilur Rahman, Mr. Mohammed A. Awwal, Directors Mr. Mohd. A. Malek, Mrs. N.J. Chowdhury, Mr. Nasir Latif, and Mr. Md. Rezaul Karim, Managing Director of the Company are also seen in the picture and other Directors also present in the meeting.



265th Meeting of the Board of Directors of Pragati Insurance Ltd was held on 21st March, 2018 at the Head office of the Company at 20-21, Kawran Bazar, Dhaka. Photo shows Syed M. Altaf Hussain, Chairman of the Company presiding over the meeting. Besides, former Chairman, Mr. Abdul Awal Mintoo, Mr. Khalilur Rahman, Mohammed A. Awwal; Vice-chairman, Khan Mohd. Ameer; Directors Mr. Nasir Latif, Mr. Md. Akbar Hossain, Mr. Santosh Sharma and Mr. Md. Rezaul Karim, Managing Director of the Company are also seen in the picture and other Directors also present in the meeting.





267th Meeting of the Board of Directors of Pragati Insurance Ltd was held on 13th May, 2018 at the Head office of the Company at 20-21, Kawran Bazar, Dhaka. Photo shows Sved M. Altaf Hussain, Chairman of the Company presiding over the meeting. Besides, former Chairman, Mr. Abdul Awal Mintoo, Mr. Mohammed A. Awwal; Directors, Mr. Md. Syedur Rahman Mintoo, Mrs. Nahreen Siddiqua, Mr. Nasir Latif, Mr. Tabith Mohd. Awal; Independent Directors Mr. Md. Akbar Hossain, Mr. Santosh Sharma and Mr. Md. Rezaul Karim, Managing Director of the Company are also seen in the picture and other Directors also present in the meeting.

270th Meeting of the Board of Directors of Pragati Insurance Ltd was held on 5th September, 2018 at the Head office of the Company at 20-21, Kawran Bazar, Dhaka. Photo shows Syed M. Altaf Hussain, Chairman of the Company presiding over the meeting. Besides, former Chairman, Mr. Abdul Awal Mintoo, Mr. Khalilur Rahman, Mr. Mohammed A. Awwal, Vice-chairman, Khan Mohd. Ameer; Directors, Mr. Md. Syedur Rahman Mintoo, Engr. Md. Mushfiqur Rahman, Mr. Nasir Latif, Mr. Mohd. A. Malek, Mrs. Nahreen Siddiqua, Independent Directors Mr. Md. Akbar Hossain, Mr. Santosh Sharma and Mr. Md. Rezaul Karim, Managing Director of the Company are also seen in the picture and other Directors also present in the meeting.





271st Meeting of the Board of Directors of Pragati Insurance Ltd was held on 21st October, 2018 at the Head office of the Company at 20-21, Kawran Bazar, Dhaka. Photo shows Syed M. Altaf Hussain, Chairman of the Company presiding over the meeting. Besides, former Chairman, Mr.Mohammed A. Directors, Mr. Md. Syedur Awwal, Rahman Mintoo, Engr. Md. Mushfiqur Rahman, Mr. Tabith Mohd. Awal, Independent Director, Mr. Santosh Sharma and Mr. Md. Rezaul Karim, Managing Director of the Company are also seen in the picture and other Directors present in the meeting.





Meeting of the Board of Direc-272nd tors of Pragati Insurance Ltd was held on 25th November, 2018 at the Head office of the Company at 20-21, Kawran Bazar, Dhaka. Photo shows Syed M. Altaf Hussain, Chairman of the Company presiding over the meeting. Besides, former Chairman, Mr.Mohammed A. Awwal. Vice-chairman, Mr. Khan Mohd. Ameer; Directors, Mr. Md. Syedur Rahman Mintoo, Engr. Md. Mushfigur Rahman, Mr. Mohd. A. Malek, Mr. Nasir Latif; Independent Directors Mr. Md. Akbar Hossain, Mr. Santosh Sharma and Mr. Md. Rezaul Karim, Managing Director of the Company are also seen in the picture and other Directors were also present in the meeting.

273rd Meeting of the Board of Directors of Pragati Insurance Ltd was held on 13th December, 2018 at the Head office of the Company at 20-21, Kawran Bazar, Dhaka. Photo shows Syed M. Altaf Hussain, Chairman of the Company presiding over the meeting. Besides, former Chairman, Mr. Abdul Awal Mintoo, Mr. Mohammed A. Awwal, Mr. Khalilur Rahman, Vice-chairman, Mr. Khan Mohd. Ameer, Directors, Mr. Md. Syedur Rahman Mintoo, Engr. Md. Mushfiqur Rahman, Mr. Nasir Latif, Mrs. Nigar Jahan Chowdhury, Mrs. Nahreen Siddiqua, and Mr. Md. Rezaul Karim, Managing Director of the Company are also seen in the picture and other Directors were also present in the meeting.





115th Meeting of the Directors' Administrative Committee of Pragati Insurance Ltd was held on 22nd February, 2018 at the Head office of the Company at 20-21, Kawran Bazar, Dhaka. Photo shows Mr. Abdul Awal Mintoo, Chairman of the Committee presided over the meeting. Besides, Chairman of the Company Syed M. Altaf Hussain and other members of the Committee Mr. Mohammed A. Awwal, Mr. Nasir Latif; Directors Mr. Khalilur Rahman, Mr. Mohd. A. Malek, Mrs. N.J. Chowdhury and Mr. Md. Rezaul Karim, Managing Director of the Company are also seen in the picture.



# A View of Branch Manager's Meeting



Branch Manager,s view-1

Branch Manager,s view-2





Branch Manager,s view-3



### **Other Activities**

Photo shows Managing Director Mr. Md. Rezaul Karim working at his office.

# **Certificate Award Ceremony**



Pragati Insurance Ltd. achieved "AAA" in the Credit Rating. Photo shows Mr. Md. Asaduzzaman Khan, Managing Director & CEO of National Credit Ratings Limited handing over the Certificate to Mr. Md. Rezaul karim, Managing Director & CEO of Pragati Insurance Limited. The senior officials of both the organizations are also seen the picture.

# **Claim Payment**

Mr. Md. Rezaul Karim, Managing Director & CEO of Pragati Insurance Limited handover the Fire Claim cheque for Taka 4.00 Crore (Taka Four crore) only to Mr. Md. Abu Shafiullah, Sr. General Manager of M/s. Crescent Fashion & Design Ltd. (Beximco Group) on August 14, 2018.

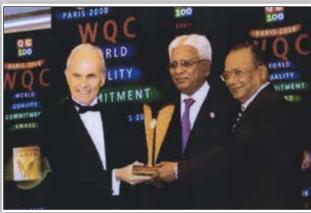




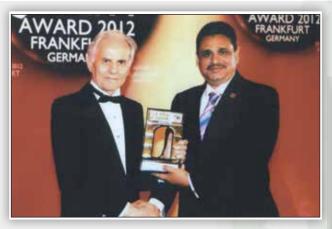
# **Our Achievements**



Al-haj Khalilur Rahman, Chairman of Pragati Insurance Ltd receiving International Star Award, Geneva – 2007. Mr. AKM Rafiqul Islam, Former Managing Director of Pragati Insurance Ltd. is also seen in the picture.



Mr. Abdul Awal Mintoo, Chairman of Pragati Insurance Ltd. receiving The World Quality Commitment Award, Paris -2008. Mr. AKM Rafiqul Islam, Former Managing Director of Pragati Insurance Ltd is also seen in the picture.



Mr. Jalalul Azim, Former Managing Director of Pragati Insurance Ltd. receiving International ARCH of Europe Award in Germany- 2012.



Pragati Insurance Ltd achieved Certificate of Best Accounts & Reports – 2002 awarded by ICAB.



Pragati Insurance Ltd achieved ICAB National Award -2003, the Best Published Accounts & Reports.



# **Training Activites of the Company**

Pragati Training Institute has organized a Training program on Marine Insurance Underwriting for mid level officers of Pragati Insurance Limited. This training will help them to better understanding about various types of Marine Insurance calculation, to prepare policy, Cover note etc. The training was held on 16th to 18th April, 2018 for 03 days at Pragati Training Institute. The training was ended by giving certificate. All the senior officer were present during the session.



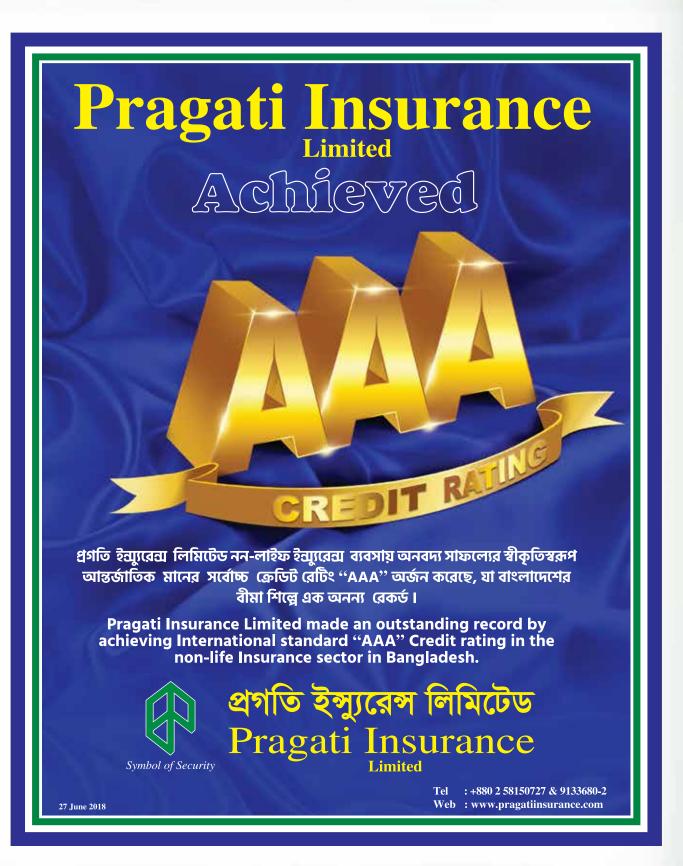


A one day long program on "Workshop on Liability Insurance" which was held in Pragati Training Institute dated on 20th March, 2018 as mid-level officers of Pragati Insurance Limited. Total Participants were 17(Seventeen). This Workshop had been designed with full course and description of Liability Insurance.



A two days long training program on "Insurance Underwriting Elementary" was held in Pragati Training Institute dated from 26th - 27th November, 2018 as mid-level officers of Pragati Insurance Limited. Total Participants was 15. The training course was designed with the introduction of Insurance Underwriting Elementary, Policy, Condition & calculation, Claim settlement and Re-Insurance procedure etc.





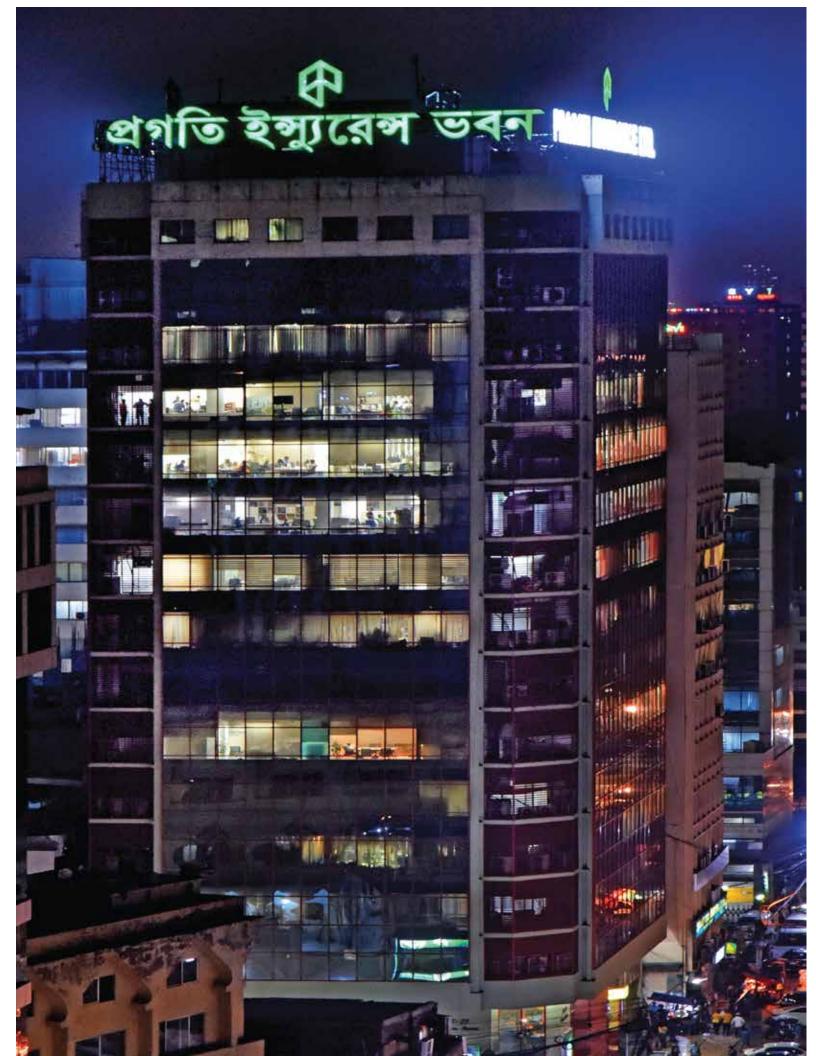


Notes

#### **PROXY FORM**

being a memb	oer of	f Pragati	Insurance	Ltd.	and	entitled	to	vote,	hereby	appoin
Ir./Mrs./Miss										
										-
oxy to attend and v			-	at the 3	3 " Ann	iuai Genera	ıı Meeti	ng oi the	Company	to be neig
on the 27 <sup>th</sup> June, 2019 at any adjournment there of.  Signed this					day of					19
Signature of the Sha									gnature of	
No. of Shares held :										
Folio No./Bo. No.										
Folio No./Bo. No.										
0-										
Reven Stam									Signature	· Verified
Stam Taka 10	p		4					 A	Signature	
Stam	PI		TIIN Shaban, 20-21,	Kawran	Bazar,	Dhaka-121		D.		
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