

বার্ষিক প্রতিবেদন ২০০১
ANNUAL REPORT 2001



প্রগতি ইন্স্যুরেন্স লিমিটেড
Pragati Insurance Limited



Notice of the Sixteenth Annual General Meeting

Notice is hereby given that the Sixteenth Annual General Meeting of Pragati Insurance Limited will be held on Thursday, the 20th June, 2002 at 11:30 a.m. at Pragati-R.P.R Centre, 20-21, Kawran Bazar, Dhaka-1215 to transact the following business:

01. To receive, consider and adopt the Directors' Report for the year ended 31st December, 2001.
02. To receive, consider and adopt the Audited Accounts of the Company and the Auditors' Report thereon for the year ended 31st December, 2001.
03. To declare Dividend for the year 2001 as recommended by the Board.
04. To elect Directors in place of retiring Directors from Group-A Shareholders.
05. To elect Directors in place of retiring Directors from Group-B Shareholders.
06. To appoint Auditors for the year 2002 and fix their remuneration.
07. To transact, with the permission of the Chair any other business which may be transacted at an Annual General Meeting.

By order of the Board of Directors

Dated, Dhaka
The 15th May, 2002


(H.R. Chowdhury)
Company Secretary

Notes:

- i. The Share Transfer Register of the Company shall remain closed from 6th June to 20th June, 2002 both days inclusive. The transfer deed received by the Company upto 5th June, 2002 will be entitled to Dividend for the year 2001 to be approved by the Shareholders in the Annual General Meeting.
- ii. A member wishing to appoint a Proxy, must deposit the Proxy Form duly stamped to the Company's Registered Office at least 72 hours before the Meeting.
- iii. Only the Shareholders or their appointed proxies can attend the meeting. A Proxy must be a member of the Company.
- iv. Entry to the Annual General Meeting is Reserved only for the Shareholder or his/her Proxy. No guests and children shall be allowed entrance in the meeting.



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Board of Directors

Chairman

Moazzem Hossain

Vice Chairman

Engr. Mohammed Abdul Malek
Akber Hossain

Directors

Engr. A. Latif
Mohammed A. Awwal
Engr. Md. Mizanur Rahman
Abdul Awal Mintoo
Abdul Monem
A.K.M. Abu Taher
Capt. Imam Anwar Hossain
Khan Mohd. Ameer
Syed M. Altaf Hussain
Md. Syedur Rahman Mintoo
Prof. Jahangir Chowdhury
Md. Sarwar Kamal
Nigar Jahan Chowdhury
Md. Mahbubur Rahman
Salim Rahman
Razia Sultana Shimul
A.J.M. Enamul Islam
Mahbub Anam
Tabith Mohd. Awal
Syed Shamsul Alam
A.S.M Mohiuddin Monem
Moazzem Hossain
Md. Ahamedul Hoque
Tahsina Rahman
Farzana Ahmed
A.S.M. Mainuddin Monem

Managing Director

A.K.M. Rafiqul Islam, FCA

Company Secretary

Hafizur Rahman Chowdhury

Auditor

A. Wahab & Co.
Chartered Accountants



Executives

Managing Director

A.K.M. Rafiqul Islam, FCA

Additional Managing Director

Reza-E-Karim Khan, MBA

Deputy Managing Director

A.B.M. Mir Hossain

Assistant Managing Director

M. Jahurul Haque Talukder, ACII

Executive Vice President

Khurshid Ahmed Khan
Hafizur Rahman Chowdhury
Md. Shahabuddin
Mahboob Uddin Ahmed
Mohammad Ali Khan

Senior Vice President

Shamsuzzaman
Kazi Shafiullah
Aminul Islam
Zabed Ali Mridha, FCA
M. M. Murshed

Vice President

Abdul Momen
S. M. B. Shamim
Taslim Bahar Chowdhury
Sharif Mustaba
M. A. Hassan
Jamal Uddin Haider
Md. Nazrul Islam

Assistant Vice President

Monjurul Haque
Farid Ahmed
Khandoker Zafor Sadeque
Kabir Ahmed
Md. Shafiqul Islam
Delwar Hossain



Company's Performance

5 Years at a Glance

	1997	1998	1999	2000	Taka in Million 2001
Financial Performance					
Gross premium	255.25	258.29	272.08	301.37	337.45
Net premium	126.94	117.43	123.48	161.88	169.35
Net claim	38.19	38.25	36.08	39.22	65.58
Underwriting profit	34.32	23.65	24.35	26.51	30.17
Investment income	36.33	31.58	32.74	26.65	26.99
Income from financial service & capital gain	11.26	7.31	2.89	10.28	9.77
Net profit before tax	75.88	43.97	47.87	51.17	53.29
Net profit after tax	57.88	31.47	34.87	42.17	43.79
Share Capital and Reserve					
Paid up Capital	73.20	73.20	73.20	73.20	73.20
Share holders Equity	296.20	312.05	491.04	539.72	566.64
Total Reserves	311.23	326.96	512.43	583.39	618.94
Assets					
Investment in Shares and Securities	120.59	133.26	92.19	84.84	94.40
Cash, FDR and Bank balances	374.73	304.03	247.50	274.69	291.82
Land	105.53	152.70	289.26	332.91	340.95
Fixed Assets	34.67	37.08	39.60	41.82	53.34
Other Assets	74.73	141.83	197.37	280.27	270.46
Total Assets	710.25	768.90	865.92	1014.53	1050.97
Ratios					
Dividend in percent	35	35	30	35	30+30 (Stock)
EPS	79.08	42.99	47.64	57.62	59.81
P/E (Times)	6.45	10.00	8.08	7.49	6.72
Book Value per Share	404.65	426.29	670.82	737.33	774.10



Directors Report-2001

Dear Shareholders,

The Directors of the Company are pleased to present before the Hon'ble shareholders of the Company the 16th Annual Report along with the Annual Accounts for the year ended 31st December, 2001 and the Auditors' Report thereon.

1. Bangladesh economy

First half of the year 2001 witnessed good economic performance with low inflation due to successive bumper crops and 9.1% growth in industrial output. Favourable weather coupled with introduction of high yielding varieties raised the estimated food production to more than 26 million tons as against 25 million tones in 2000 recording an increase of 7.5%. Substantial increase in the industrial output may be attributed partly to expansionary macro-policies and partly to rapid expansion of textile, food processing, chemicals and garments. But jute industry stagnated as before.

However, events after 30th June slowed down the economy. First, transfer of power to the Caretaker Government to supervise general election on the 1st of October created its dampening effect on the economy. But the major set-back was the Twin Tower incident in the US on the 11th September, 2001. Bangladesh, being one of the major exporters of RMG products and shrimps to USA, was hard hit. Export orders fell flat during the last quarter of 2001. As a result GDP which manifested robust growth during the 1st half witnessed slower growth specially during the last quarter and annual growth was estimated to be less than 6%.

2. Pragati Insurance -

an overview :

In keeping with economic performance of the country, Pragati's performance may be considered good. Gross premium income recorded a rise of 12% over the previous year. A brief summary of last five years will substantiate that the Company's

পরিচালকমন্ডলীর প্রতিবেদন- ২০০১

প্রিয় শেয়ারহোল্ডারবৃন্দ,

প্রগতি ইন্স্যুরেন্স লিমিটেডের পরিচালকমন্ডলী কোম্পানীর ২০০১ সালের হিসাব এবং উক্ত হিসাবের উপর নিরীক্ষকদের প্রতিবেদন সহ কোম্পানীর ১৬তম বার্ষিক প্রতিবেদন আপনাদের সমীপে পেশ করতে পেরে আনন্দিত।

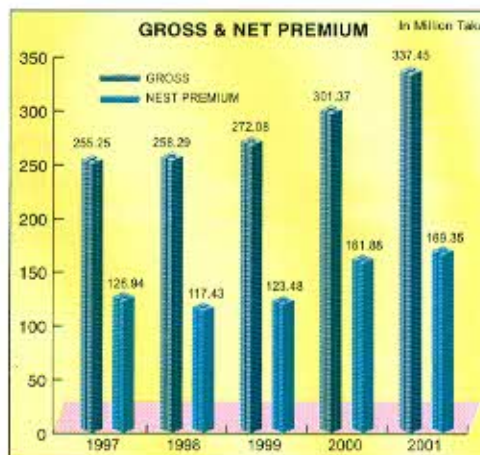
১. বাংলাদেশের অর্থনীতি

বিপত কয়েক বছর খাদ্যশস্যে উপর্যুপরি বাম্পার ফলন এবং শিল্পক্ষেত্রে ৯.১% প্রবৃদ্ধি থাকায় মুদ্রাস্ফীতি হ্রাস পায় এবং ২০০১ সালের প্রথমার্ধে অর্থনীতিতে অনেকটা তেজীভাব পরিলক্ষিত হয়। অনুকূল আবহাওয়া এবং উচ্চ ফলনশীল বীজ প্রয়োগের ফলে ২০০১ সালে খাদ্য উৎপাদন ২৬ মিলিয়ন টনের অধিক বৃদ্ধি পায় যা ২০০০ সালের তুলনায় ৭.৫% বেশী। উল্লেখ্য ২০০০ সালের খাদ্য উৎপাদনের পরিমাণ ছিল ২৫ মিলিয়ন টন। শিল্পক্ষেত্রে উল্লেখযোগ্য অগ্রগতির পিছনে রয়েছে সরকারের ক্রমবর্ধমান ম্যাক্রো পলিসি এবং বস্ত্র, খাদ্য, রসায়ণ এবং গার্মেন্টস শিল্পের প্রসার। অপারাদিকে পাট শিল্পে পূর্বের স্থবিরতাই পরিলক্ষিত হয়।

আলোচ্য বছরের ৩০ শে জুন পরবর্তী ঘটনাবলী অর্থনীতিতে কিছুটা মন্থর গতি সঞ্চার করে। প্রথমতঃ তত্ত্বাবধায়ক সরকারের নিকট ক্ষমতা হস্তান্তরের পরবর্তীকালে দেশের অর্থনীতিতে মন্দাভাব পরিলক্ষিত হয়। ১১ই সেপ্টেম্বরে যুক্তরাষ্ট্রে টুইন টাওয়ারে সংঘটিত ঘটনা দেশের অর্থনীতিতে মারাত্মক বিপর্যয় ডেকে আনে। এতে বাংলাদেশের রপ্তানী বাণিজ্যে বিশেষ করে যুক্তরাষ্ট্রে তৈরী পোষাক এবং চিংড়ি মাছ রপ্তানী প্রভূতভাবে ক্ষতিগ্রস্ত হয়। ২০০১ সালের শেষ কোয়ার্টারে রপ্তানীতে ধস নামে। দেশের জি.ডি.পি আয়ে বছরের প্রথমার্ধে যে প্রবৃদ্ধির হার পরিলক্ষিত হয়, বছরের শেষ ভাগে তা নিম্নগামী হয়। ফলে বার্ষিক উন্নয়নের হার ৬% কিংবা তারও নীচে থাকবে বলে অনুমিত হচ্ছে।

২. প্রগতি ইন্স্যুরেন্সের সার্বিক কার্যক্রম

দেশের পরিস্থিতির আলোকে প্রগতি ইন্স্যুরেন্সের সার্বিক কার্যক্রম সন্তোষজনক বিবেচনা করা যেতে পারে। আলোচ্য বছরে কোম্পানীর গ্রস প্রিমিয়াম আয় গত বছরের তুলনায় ১২% বৃদ্ধি পায়। দেশের সাধারণ বীমা ব্যবসায় নিয়োজিত কোম্পানীর সংখ্যা ২৪ থেকে ৪৩ টিতে উন্নীত হওয়া এবং তীব্র





performance is satisfactory in the face of increased number of competitors from 24 companies to 43. Compared to the country perspective our share continued to hover around 7% as shown below:

(Taka in Crore)

Year	Country's insurance business		Pragati's business	
	Gross premium	Growth rate	Gross premium	Growth rate
1996	337.41	-	22.77	-
1997	365.86	8.43%	25.53	12.11%
1998	379.29	3.67%	25.83	1.19%
1999	383.11	1.01%	27.21	5.33%
2000	426.39	11.30%	30.14	10.77%
2001	Not available	Not available	33.75	11.89%

3. Annual overall performance in 2001 is summarized below

Particulars	Taka in crore		
	2001	2000	Inc/(Dec) in%
A. Underwriting performance:			
Gross premium	33.75	30.14	11.99
Re-Insurance premium	16.81	13.95	20.50
Re-Insurance premium as % of Gross premium	49.81%	46.28%	3.53
Retained premium	16.94	16.19	4.63
Claim less Re-insurance (Net Claim)	6.56	3.92	67.34
Net Claim over retained premium (%)	38.72%	24.21%	6.91
Management expenses including commission	14.93	13.86	7.72
Management expenses as % of Gross premium	44.24%	45.99%	(1.75)
Profit from insurance operation	3.02	2.65	13.96
B. Financial operation:			
Investment income (Interest, dividend etc.)	2.70	2.67	1.12
Capital gain from share market operation	0.98	1.00	(9.00)
Profit before tax	5.33	5.12	4.10

প্রতিযোগিতামূলক বাজার সত্ত্বেও প্রগতি ইস্যুরেন্সের অব্যাহত অগ্রগতি নিয়ে প্রদত্ত বিগত ৫ (পাঁচ) বছরের সংক্ষিপ্ত সমীক্ষা প্রমাণ করবে। লক্ষণীয় যে বাংলাদেশের সাধারণ বীমা শিল্পের প্রবৃদ্ধির ক্ষেত্রে প্রগতি ইস্যুরেন্সের শেয়ার আনুমানিক ৭ শতাংশ।

(কোটি টাকায়)

বছর	দেশের বীমা ব্যবসা		প্রগতির ব্যবসা	
	গ্রস প্রিমিয়াম	বৃদ্ধিরহার	গ্রস প্রিমিয়াম	বৃদ্ধিরহার
১৯৯৬	৩৩৭.৪১	-	২২.৭৭	-
১৯৯৭	৩৬৫.৮৬	৮.৪৩%	২৫.৫৩	১২.১১%
১৯৯৮	৩৭৯.২৯	৩.৬৭%	২৫.৮৩	১.১৯%
১৯৯৯	৩৮৩.১১	১.০১%	২৭.২১	৫.৩৩%
২০০০	৪২৬.৩৯	১১.৩০%	৩০.১৪	১০.৭৫%
২০০১	পাওয়া যায়নি	পাওয়া যায়নি	৩৩.৭৫	১১.৯৮%

৩. ২০০১ সালে কোম্পানী বার্ষিক কার্যক্রমের সারসংক্ষেপ নিম্নে প্রদত্ত হলো

বিবরণ	কোটি টাকায়		
	২০০১	২০০০	হ্রাস/বৃদ্ধি%
ক) অবলেনন কার্যক্রম			
গ্রস প্রিমিয়াম	৩৩.৭৫	৩০.১৪	১১.৯৯
পুনর্বীমা প্রিমিয়াম	১৬.৮১	১৩.৯৫	২০.৫০
গ্রস প্রিমিয়ামের উপর পুনর্বীমার শতকরা হার	৪৯.৮১%	৪৬.২৮%	৩.৫৩
নেট প্রিমিয়াম	১৬.৯৪	১৬.১৯	৪.৬৩
নেট দাবী পরিশোধ	৬.৫৬	৩.৯২	৬৭.৩৪
নেট প্রিমিয়ামের উপর নেট দাবীর শতকরা হার	৩৮.৭৩%	২৪.২১%	৬.৯১
প্রশাসনিক খরচ ও কমিশন	১৪.৯৩	১৩.৮৬	৭.৭২
গ্রস প্রিমিয়ামের উপর প্রশাসনিক খরচের শতকরা হার	৪৪.২৪%	৪৫.৯৯%	(১.৭৫)
অবলেনন মুনাফা	৩.০২	২.৬৫	১৩.৯৬
খ) অর্থনৈতিক কার্যক্রম			
বিনিয়োগ হতে আয়	২.৭০	২.৬৭	১.১২
শেয়ার হতে অর্জিত মুনাফা	০.৯৮	১.০০	(৯.০০)
কর পূর্ব নেট মুনাফা	৫.৩৩	৫.১২	৪.১০



Some of the salient features of the Company's operation in the year 2001 were :

4. Claim

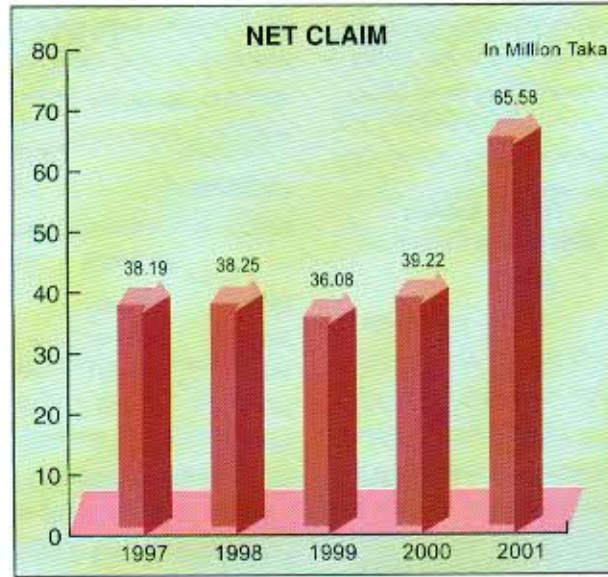
Though there was no major natural calamity during the year 2001, still the amount of net claim in 2001 increased by 67.34% because of a court decision regarding payment of interest on unpaid claim of N.C. Corporation. The claim arose during 1991 cyclone in Chittagong. Earlier provision was made for the claim amount only but no provision was made for the interest awarded by the court. The interest has been provided now in 2002. Our lawyer is taking necessary action to protect the Company from undue legal assault.

5. Financial operation

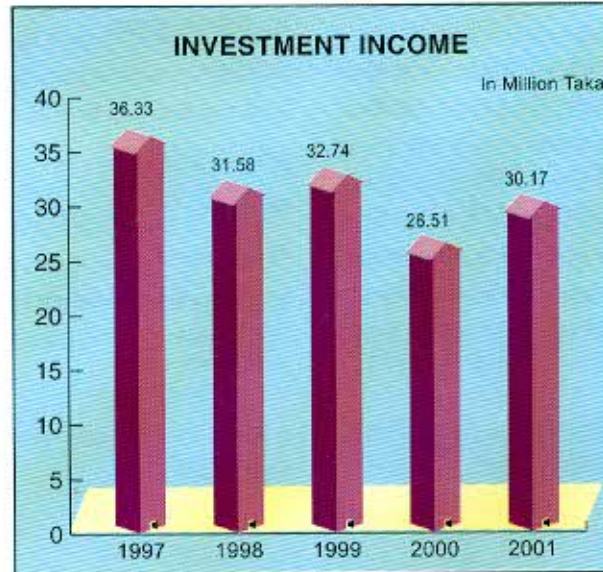
We have been in financial sector operation like share underwriting and trusteeship to the debenture issues since long. However, there were only a few IPO issues in 2001 mostly of small size. As such this year also we had no earning from this source. Although overall capital market was sluggish during the year 2001, the capital market of banking sector became active in mood since middle of 2001. We had taken advantage of that and continued cautious trading in the secondary market and earned Tk. 9.09 million as capital gain as against Tk. 9.98 million in 2000.

6. Joint venture with United Insurance Co. (Nepal) Ltd.

Three years Technical Service Agreement (TSA) between Pragati and United Insurance has expired on 16th March 2001 and both the parties have agreed not to extend the TSA for a further period on successful completion of its term.



হচ্ছে। এ ব্যাপারে অবশ্য কোম্পানীর আইন উপদেষ্টা কোম্পানীর স্বার্থ রক্ষার্থে প্রয়োজনীয় ব্যবস্থা গ্রহণ করছেন।



৬. নেপালস্থ ইউনাইটেড ইন্স্যুরেন্স কোম্পানীর সাথে যৌথ উদ্যোগ

নেপালের ইউনাইটেড ইন্স্যুরেন্স কোম্পানীর সাথে সম্পাদিত তিন বছর মেয়াদী চুক্তি বিগত ১৬ই মার্চ ২০০১ সালে সন্তোষজনকভাবে উত্তীর্ণ হবার পর উভয় পক্ষের সম্মতিতে চুক্তির মেয়াদ আর বাড়ানো হয়নি।

আলোচ্য বছরে কোম্পানীর কার্যক্রমের কয়েকটি উল্লেখযোগ্য বিষয় হচ্ছে :

৪. বীমা দাবী

যদিও ২০০১ সালে বাংলাদেশ কোন বড় ধরনের প্রাকৃতিক দুর্যোগের সম্মুখীন হয়নি তথাপিও এ সময়কালে কোম্পানীর নীট বীমা দাবী ৬৭.৩৪% বৃদ্ধি পায়। এর কারণ হচ্ছে যে এন.সি.কর্পোরেশন নামক একটি ব্যবসায়ী প্রতিষ্ঠানের একটি দাবী মামলায় আদালত প্রগতির বিরুদ্ধে দাবীর অর্থ সুদসহ পরিশোধের আদেশ প্রদান করেন। ১৯৯১ সালের চট্টগ্রামে যে ঘূর্ণিঝড় হয় তার ফলশ্রুতিতে এ দাবী উত্থাপিত হয়। ইতিপূর্বে কোম্পানীর হিসাবে কেবলমাত্র দাবীর অর্থ অন্তর্ভুক্ত ছিল কিন্তু এক্ষেত্রে আদালতের আদেশের প্রেক্ষিতে দাবীকৃত সুদের অর্থও হিসাবভুক্ত করতে

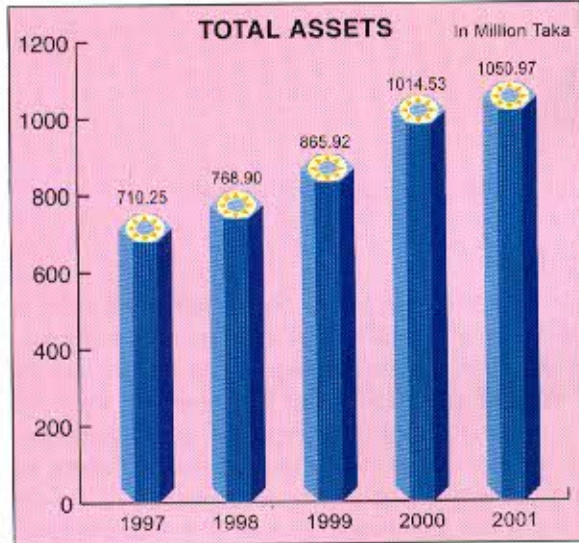
৫. আর্থিক কার্যক্রম

আপনারা অবগত আছেন যে প্রগতি ইন্স্যুরেন্স শেয়ার অবলিখন, ডিবেঞ্চর ইন্স্যু ট্রাস্টিশীপ হিসাবেও কার্যক্রম গ্রহণ করে থাকে। কিন্তু বিগত বছরে অতি সামান্য সংখ্যক কোম্পানী ক্ষুদ্রকারে তাদের শেয়ার বাজারজাত করার কারণে এ বছর এ খাতে কোন আয় হয়নি। ২০০১ সালে যদিও শেয়ার বাজারের সার্বিক গতি মন্দ্র ছিল কিন্তু ২০০১ সালের মাঝামাঝি ব্যাংকিং সেট্টরের শেয়ারে তেজিভাব পরিলক্ষিত হয়। এর প্রেক্ষিতে শেয়ার বেচাকেনার ফলে আমরা ২০০১ সালে ৯.০৯ মিলিয়ন টাকা আয় করি। ২০০০ সালে এই খাতে আয় ছিল ৯.৯৮ মিলিয়ন টাকা।



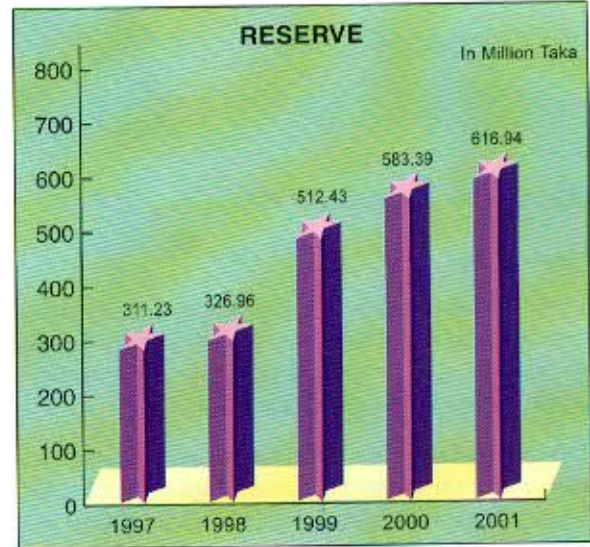
7. Land development

You are aware that the Company owns 86 katha of land in the prime location of Dhaka City. Board's Committee is examining various pros and cons to develop the said land and would submit its recommendation to the Board soon. The Company also owns a plot of land measuring 23 katha in Gulshan and another piece of land measuring 2.3 acre in Joydevpur, which is at the periphery of Dhaka Mega City and the value of which is increasing very rapidly.



৭. জমি উন্নয়ন

আপনারা অবগত আছেন যে ঢাকা নগরীর পাছপথে কোম্পানীর ৮৬ কাঠা জমি রয়েছে। এই জমির একটি সুপরিকল্পিত ব্যবহার ও উন্নয়নের নিমিত্তে পরিচালক পরিষদের একটি কমিটি বিভিন্ন দিক পর্যালোচনা করে দেখছেন এবং অচিরেই তাদের সুপারিশ পেশ করবেন। এছাড়াও গুলশান এবং জয়দেবপুর এলাকায় কোম্পানীর যথাক্রমে ২৩ কাঠা এবং ২.৩ একর জমি রয়েছে।



8. Appropriation of profit

Pre-tax net profit of 2001 together with the un-appropriated profit brought forward from last year and transfer of Tk 10 million from provision for income tax stood at Tk. 63,420,943 as detailed below :

	2001	2000
Un-appropriated profit of last year	132,868	265,779
Net profit for the year (Pre-tax)	53,288,075	51,174,829
Transfer from income tax provision	10,000,000	-
Profit available for appropriation	63,420,943	51,440,608
Board recommends appropriation as below:		
Exceptional losses reserve	16,935,185	16,187,740
Provision for Income Tax	9,500,000	9,000,000
General Reserve	14,500,000	500,000
Proposed dividend (30%)	21,960,000	25,620,000
Balance transferred to Balance Sheet	525,758	132,868
Total	63,420,943	51,440,608

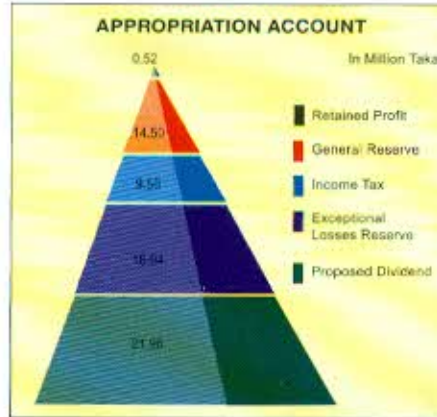
৮. মুনাফা বন্টন

বিপাত বছরের অববন্টনকৃত মুনাফা এবং গত বছরের আয়কর বরাদ্দ থেকে সম্মিলিত ১০ মিলিয়ন টাকাসহ ২০০১ সালে আয়করপূর্ব নীট মুনাফা হয়েছে ৬৩,৪২০,৯৪৩ মিলিয়ন টাকা যার বিবরণ ও বন্টন নিম্নে প্রদত্ত হল :

	২০০১	২০০০
গত বছরের অববন্টনকৃত মুনাফা	১৩২,৮৬৮	২৬৫,৭৭৯
২০০১ সালের নীট মুনাফা (করপূর্ব)	৫৩,২৮৮,০৭৫	৫১,১৭৪,৮২৯
পূর্ববর্তী বছরের আয়কর বরাদ্দ হতে স্থানান্তর	১০,০০০,০০০	-
বন্টনযোগ্য তহবিল	৬৩,৪২০,৯৪৩	৫১,৪৪০,৬০৮
পরিচালকমন্ডলী বন্টনযোগ্য তহবিল নিম্নরূপ বন্টনের সুপারিশ করেছেন :-		
অস্বাভাবিক ক্ষতির জন্য সংরক্ষিত তহবিল	১৬,৯৩৫,১৮৫	১৬,১৮৭,৭৪০
আয়করের জন্য বরাদ্দ	৯,৫০০,০০০	৯,০০০,০০০
সাধারণ সঞ্চিতি	১৪,৫০০,০০০	৫০০,০০০
প্রস্তাবিত লভ্যাংশ (৩০%)	২১,৯৬০,০০০	২৫,৬২০,০০০
অবশিষ্ট মুনাফা ব্যালেন্সশীটে স্থানান্তরিত	৫২৫,৭৫৮	১৩২,৮৬৮
মোট	৬৩,৪২০,৯৪৩	৫১,৪৪০,৬০৮



Beside cash dividend the Board also recommends stock dividend @ 30%



এছাড়াও পরিচালকমন্ডলী প্রস্তাবিত ক্যাশ ডিভিডেন্ডের অতিরিক্ত আরও ৩০% বোনাস শেয়ার প্রদানেরও সুপারিশ করেছেন।

9. Events after 31st Decembe 2001

(i) Re-insurance

After the Twin Tower disaster the re-insurance arrangement with re-insurers has become very difficult and complex. Re-insurance rates have increased and commissions have decreased resulting in decrease in profitability of insurance companies.

Sadharan Bima Corporation (SBC), the national re-insurers, have evolved new system whereby Re-insurance premium payable to SBC will depend on claims incidence of the Company. If incidence of claim is high, re-insurance commission will be less and vice versa. This is contrary to fixed commission that was being paid by SBC so long. This has made our cost of re-insurance more uncertain and unpredictable. This is because claim incidence is always fortuitous and can only be estimated.

We had been placing part of our proportional and non-proportional re-insurance through Marsh Limited, London for the last two years. Terms of Treaty Limits were far better than SBC's rate, terms, condition and limit. However, London broker Marsh Limited have declined to provide re-insurance cover to us following September 11 episode resulting billions of dollar in losses. They advised us to explore Indian market. Accordingly a delegation from the Bangladesh Insurance Association, of which our Managing Director was a member, visited Mumbai, the Headquarters of General Insurance Corporation of India and negotiated a fruitful and certain re-insurance treaty for the 50% of our treaty. As reported above SBC treaty would not be to our satisfaction.

(ii) Insurance commission

In order to bring discipline in the existing unholy and unethical competition in the insurance industry of our country government has banned payment of commission with effect from 1st March 2002. Government has also warned against entering into any underwriting contract by an insurance Company without receiving insurance premium.

৯. ৩১শে ডিসেম্বর ২০০১ এর পরবর্তী ঘটনাবলী

ক) রিইন্স্যুরেন্স

বিগত ১১ সেপ্টেম্বর যুক্তরাষ্ট্রের টুইন টাওয়ারে সংঘটিত ঘটনাবলীর পর রিইন্স্যুরেন্সের বিষয়টি মারাত্মক জটিলতার সঞ্চারিত হয়। একদিকে রিইন্স্যুরেন্সের হার বৃদ্ধি পেয়েছে অপরদিকে কমিশনের হার হ্রাস পেয়েছে। ফলে বীমা কোম্পানীসমূহের মুনাফায় ভাটা পড়েছে। রিইন্স্যুরেন্সের ক্ষেত্রে সাধারণ বীমা কর্পোরেশন নতুন পদ্ধতি প্রাইভিং গেল চালু করেছে। এতে রিইন্স্যুরেন্স কমিশন হারকে বীমা কোম্পানীর বীমা দাবী পরিশোধের হারের উপর নির্ভরশীল করা হয়েছে। বীমা দাবীর হার বেশী হলে রিইন্স্যুরেন্স কমিশনের হার কম এবং দাবীর হার কম হলে কমিশনের হার বাড়বে। এই পদ্ধতি ইতিপূর্বে প্রচলিত নির্দিষ্ট হারে কমিশন প্রদান পদ্ধতির সম্পূর্ণ বিপরীত। ফলে বীমা কোম্পানীর রিইন্স্যুরেন্স খাতের ব্যয় অনিশ্চয়তার সঞ্চারিত হয়ে পড়েছে কারণ বীমা দাবীর সঠিক পূর্বাভাস দেয়া খুবই দুষ্কর। বিগত দুই বছর আমরা আমাদের Propotional and non-propotional রিইন্স্যুরেন্সের একটি অংশ লন্ডনস্থ "মারশ লিমিটেডের" মাধ্যমে করে আসছিলাম। এদের শর্তাবলী সাধারণ বীমা কর্পোরেশনের তুলনায় অনেক বেশী গ্রহণযোগ্য ছিল। কিন্তু ১১ সেপ্টেম্বরের ঘটনার পর মারশ লিমিটেড আমাদেরকে রিইন্স্যুরেন্স কভার প্রদানে অক্ষমতা জ্ঞাপন করে। উল্লেখ্য, উক্ত ঘটনায় তারা কোটি কোটি ডলার ক্ষতিগ্রস্ত হয়। "মারশ লিমিটেড" আমাদেরকে রিইন্স্যুরেন্সের জন্য ভারতীয় মার্কেটে যোগাযোগ করার জন্য পরামর্শ দেয়। এর প্রেক্ষিতে বাংলাদেশ ইন্স্যুরেন্স এসোসিয়েশনের একটি প্রতিনিধিদল, যাতে প্রগতি ইন্স্যুরেন্স এর ব্যবস্থাপনা পরিচালকও একজন সদস্য ছিলেন, মুম্বাই-এ অবস্থিত জেনারেল ইন্স্যুরেন্স কর্পোরেশন অব ইন্ডিয়া GIC এর সঙ্গে পুনঃবীমা বিষয়ে আলোচনা করে। এই আলোচনার প্রেক্ষিতে প্রগতি ইন্স্যুরেন্স বীমা বিধির বিধান মোতাবেক কতিপয় ইনস্যুরেন্সের ৫০ শতাংশ GIC এর সাথে ন্যস্ত করার চুক্তি করে। বাকী পুনঃবীমা আপেকার মত সাধারণ বীমাতেই দেওয়া হয়। উল্লেখ্য যে GIC এর সঙ্গে সম্পাদিত চুক্তির শর্তাবলী সাধারণ বীমার চুক্তির তুলনায় অনেকাংশে ভাল ও লাভজনক এবং ক্যাপাসিটিও অনেক বেশী।

খ) ইন্স্যুরেন্স কমিশন

দেশের বীমা শিল্পে যে অসম এবং অনৈতিক প্রতিযোগিতা বিদ্যমান ছিল তা রোধকল্পে গণপ্রজাতন্ত্রী বাংলাদেশ সরকার বিগত ১লা মার্চ ২০০২ হতে কমিশন প্রদান বন্ধ করে দিয়েছেন। এছাড়াও সরকার বীমা কোম্পানী কর্তৃক বকেয়া বীমা পলিসি ইস্যুর বিরুদ্ধে হুঁশিয়ারী জ্ঞাপন করেছেন।



(iii) Enhancement of the Authorised Capital of the Company

On an application from the Company, the Chief Controller of Insurance has accorded permission to the enhancement of the Authorised capital of the company from the existing Tk. 10 crore to Tk. 25 crore. It may be mentioned here that the proposal to raise the authorised capital of the company was earlier approved by the shareholders in the 2nd Extra Ordinary General Meeting of the company held on 9th March, 1991

10. Board of Directors

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

1. Engr. A. Latif
2. Mr. Abdul Awal Mintoo
3. Mr. Moazzam Hossain
4. Mr. A.K.M. Abu Taher
5. Mr. Mohammad A. Awwal
6. Mr. Mohammad A. Malek
7. Capt. Imam Anwar Hossain

Election of 3 (three) Directors from the Group B shareholding will be held in the 16th AGM of the Company scheduled on the 20th June 2002.

It was mutually agreed that the following Directors from Group B shall retire in this meeting, of them only two namely Mrs. Tahsina Rahman and Mr. Tabith Mohd. Awal have offered themselves for re-election.

1. Mrs. Tahsina Rahman
2. Mr. Tabith Mohd. Awal
3. Mrs. Farzana Ahmed

11. Auditors

The Auditors M/s. A. Wahab & Co., Chartered Accountants is to retire as Auditor in accordance with Article 149. As per rule of the SEC an auditor who has worked as auditor for three consecutive years in a company cannot be reappointed without prior permission of the Commission. We applied to the SEC for reappointment of the existing auditors for the year 2002. SEC has accorded its approval for reappointment of M/s. A. Wahab & Co. for the year 2002. M/s. A. Wahab & Co. has also indicated their willingness in writing for reappointment as auditors. It is recommended that M/s. A. Wahab & Co. be reappointed as Auditor of the Company for the year 2002.

গ) অনুমোদিত মূলধন বৃদ্ধি

কোম্পানী আবেদনক্রমে প্রধান বীমা নিয়ন্ত্রক কোম্পানীর অনুমোদিত মূলধন ১০ কোটি টাকা স্থলে ২৫ কোটি টাকা উন্নতি করার প্রস্তাব অনুমোদন করেছেন। উল্লেখ্য কোম্পানীর অনুমোদিত মূলধন বৃদ্ধির প্রস্তাব ১৯৯১ সালের ৯ই মার্চ তারিখে অনুষ্ঠিত কোম্পানীর ২য় বিশেষ সাধারণ সভায় পাশ করা হয়।

১০. পরিচালক মন্ডলী

কোম্পানীর আর্টিকেলস অব এসোসিয়েশনের ১০৫ এবং ১০৭ ধারা অনুযায়ী "এ" গ্রুপের নিম্নলিখিত উদ্যোক্তা পরিচালক অবসরগ্রহণ করবেন এবং যোগ্য বিধায় প্রত্যেকেই পুনঃনির্বাচনের ইচ্ছা প্রকাশ করেছেনঃ-

- ১। ইঞ্জিনিয়ার এ. লতিফ
- ২। জনাব আবদুল আউয়াল মিন্টু
- ৩। জনাব মোয়াজ্জেম হোসেন
- ৪। জনাব এ.কে.এম. আবু তাহের
- ৫। জনাব মোহাম্মদ এ. আউয়াল
- ৬। জনাব মোহাম্মদ এ. মালেক
- ৭। ক্যাপ্টেন ইমাম আনোয়ার হোসেন

"বি" গ্রুপ শেয়ারহোল্ডারদের মধ্য থেকে ৩ জন পরিচালকের নির্বাচনও ২০ শে জুন ২০০২ তারিখে অনুষ্ঠিতব্য কোম্পানীর ১৬তম সাধারণ বার্ষিক সভায় অনুষ্ঠিত হবে। জেষ্ঠ্যতার ভিত্তিতে নিম্নোবর্ণিত ৩ (তিন) জন অবসরগ্রহণ করবেন। তন্মধ্যে ২ জন অর্থাৎ মিসেস তাহসিনা রহমান এবং জনাব তাবিদ মোহাম্মদ আউয়াল পুনঃনির্বাচন করার ইচ্ছা প্রকাশ করেছেন।

- ১। মিসেস তাহসিনা রহমান
- ২। জনাব তাবিদ মোহাম্মদ আউয়াল
- ৩। মিসেস ফারজানা আহমেদ

১১. নিরীক্ষক

আর্টিকেল অব এসোসিয়েশনের ১৪৯ ধারা অনুযায়ী কোম্পানীর নিরীক্ষক মেসার্স এ. ওহাব এন্ড কোং অবসরগ্রহণ করবেন। সিকিউরিটি এক্সচেঞ্জ কমিশনের আইন অনুযায়ী কমিশনের পূর্ব অনুমোদন ছাড়া কোম্পানীর নিরীক্ষক পরপর তিন বছরের অধিক নিরীক্ষক থাকতে পারবেন না। আমরা মেসার্স এ. ওহাব এন্ড কোং কে পুনঃনিযুক্তির অনুমতি চেয়ে কমিশনকে পত্র দেই এবং সিকিউরিটি এক্সচেঞ্জ কমিশন ২০০২ সালের জন্য তাদের পুনঃনিযুক্তি অনুমোদন করেছেন। মেসার্স এ. ওহাব এন্ড কোং ইতিমধ্যে পুনঃনিযুক্তির আগ্রহ প্রকাশ করে পত্র দিয়েছেন। আমরা ২০০২ সালের জন্য মেসার্স এ. ওহাব এন্ড কোং কে পুনঃ নিয়োগের সুপারিশ করছি।



12. Conclusion

In the end, the Board of Directors expresses its grateful thanks and deep appreciation for the assistance, help and much needed support received by the Company during the period under report from various Banks both in the private as well as in the nationalized sector, DFIs and all private sector enterprises who have helped us in building a sound footing of the Company. We are specially grateful to the management of Bata Shoe Co. (Bangladesh) Ltd., BEXIMCO Group of Companies, Lever Brothers (BD) Ltd., Karnaphuli Fertilizer Co. Ltd. (KAFCO), Monno Group of Companies, Square Pharmaceuticals Ltd., SCANCEM Bangladesh, Hyndai, Reckit and Colman Bangladesh Ltd, Rhone-Poulenc Rorer Bangladesh, Khulna Power Co. Ltd., Rural Power Co. Ltd., Westmont Power (BD) Ltd., AES Haripur Ltd., Mamiya-OP (BD) Orion Group of Companies, Hussain Group of Industries, Olympic Industries, Tripti Industries, Multimode Group, KDS Group, Abdul Monem Ltd., Pro-star Group, Abul Khair Group, Nazaria Group., National Bank Ltd., American International School, Dhaka, UAE Embassy, Dhaka, Youngone Group, Pacific Jeans, Bangladesh Edible Oil Ltd., Jomac Limited, Aktel, Grameen Phone and City Cell for reposing their confidence in the Company.

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

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

Directors also put on record their thanks to the Managing Director and have conveyed their appreciation through the Managing Director to all the Executives, Officers and Staff of the Company for their excellent work. With their sincere, dedicated, whole-hearted devotion and committed efforts to the challenging duty and responsibility, we may look forward to achieving better result in the coming days. The Directors have been pleased to reward its staff including the Executives, Officers and Employees with three incentive Bonus.

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

On behalf of the Board of Directors,

MOAZZAM HOSSAIN
Chairman

১২. উপসংহারঃ

পরিশেষে পরিচালকমন্ডলী কোম্পানীর কার্যক্রমে সহায়তা এবং সহযোগিতা প্রদানের জন্য সরকারী ও বেসরকারী ব্যাংকসমূহ বিভিন্ন আর্থিক প্রতিষ্ঠান এবং ব্যক্তি মালিকানাধীন ব্যবসায়িক প্রতিষ্ঠানসমূহের প্রতি কৃতজ্ঞতা প্রকাশ করেছেন। কোম্পানীকে বর্তমান মর্যাদায় উন্নীতকরণে তাঁদের অবদান অপরিমিত। বিশেষভাবে বাটা সু কোম্পানী (বাংলাদেশ) লিঃ, বেঞ্জিমকো গ্রুপ অব কোম্পানীজ, লিভার ব্রাদার্স (বাংলাদেশ) লিঃ, কর্ণফুলী ফার্টিলাইজার কোং লিঃ (কাফকো), মনু গ্রুপ অব কোম্পানীজ, স্কয়ার ফার্মাসিউটিক্যালস লিঃ, স্ক্যানসেম বাংলাদেশ, হুন্দাই, রেকিট এন্ড কেলম্যান বাংলাদেশ লিঃ, রোন-পোল্যান্ড রোরার বাংলাদেশ, গ্রামীন ফোন, গ্র্যাকটেল, খুলনা পাওয়ার কোং লিঃ, রুরাল পাওয়ার কোং লিঃ, ওয়েস্টমন্ট পাওয়ার (বাংলাদেশ) লিঃ, এ.ই.এস হরিপুর লিঃ, মামিয়া অপি (বাংলাদেশ) অরিয়ন গ্রুপ অব কোম্পানীজ, হোসাইন গ্রুপ অব ইন্ডাস্ট্রিজ, অলম্পিক ইন্ডাস্ট্রিজ, তৃপ্তি ইন্ডাস্ট্রিজ, মালটিমোড গ্রুপ, কেডিএস গ্রুপ, আব্দুল মোনেম লিঃ, প্রো-স্টার লিঃ, আবুল খায়ের গ্রুপ, নাজারিয়া গ্রুপ, ন্যাশনাল ব্যাংক লিঃ, আমেরিকান ইন্টারন্যাশনাল স্কুল, ঢাকা আরব এ্যামিরেট দূতাবাস, ঢাকা, ইয়াংগো গ্রুপ, প্যাসিফিক জিনস, বাংলাদেশ এডিএবল অয়েল লিঃ, জোমাক লিঃ এবং সিটিসেল প্রগতি ইন্স্যুরেন্সের উপর যে আস্থা প্রদর্শন করেছেন তার জন্য পরিচালকমন্ডলী তাঁদের নিকট গভীরভাবে কৃতজ্ঞ।

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

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

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

উপসংহারে পরিচালকমন্ডলী সম্মানিত গ্রাহক, পৃষ্ঠপোষক, উভানুধ্যায়ীদের এইমর্মে আশ্বাস প্রদান করছেন যে, ভবিষ্যতেও প্রগতি ইন্স্যুরেন্স লিঃ গ্রাহক সেবা এবং তাদের আর্থিক নিরাপত্তার ব্যাপারে অধিকতর সচেতনতা এবং নিরলস প্রচেষ্টা অব্যাহত রাখবে।

পরিচালকমন্ডলীর পক্ষে

মোয়াজ্জেম হোসেন
চেয়ারম্যান



Value Added Statement

Figure in Million

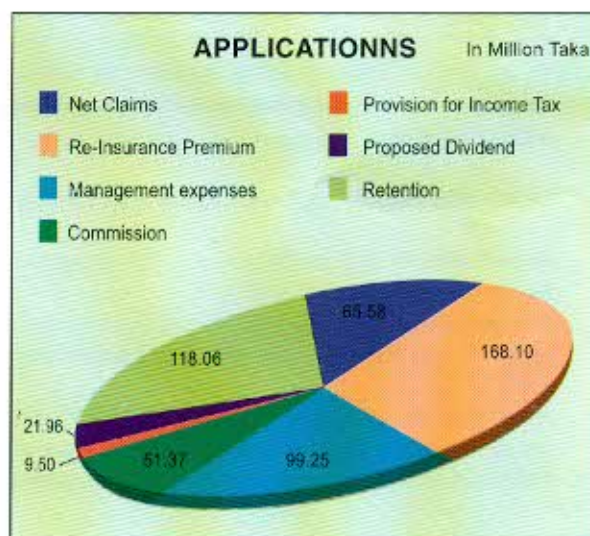
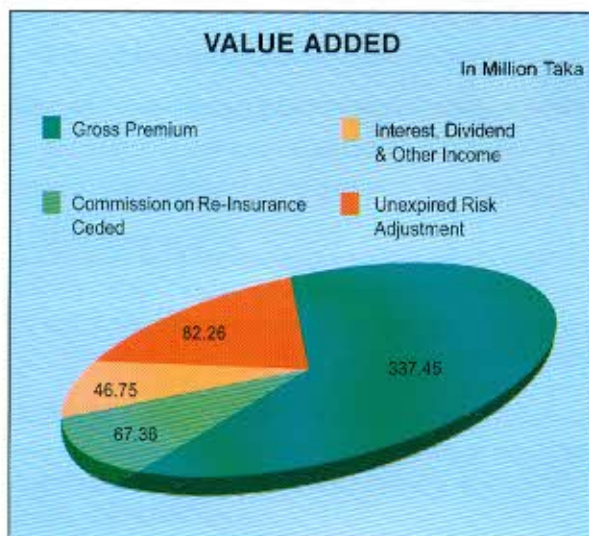
For the year ended 31st, December 1998

Value Added:

Gross Premium	337.45
Commission on Re-Insurance ceded	67.36
Interest, Dividend & Other Income	46.75
Un-expired Risk Adjustment	82.26
Total Taka :	<u>533.82</u>

Application :

Net Claims	65.58
Re-Insurance Premium	168.10
Management expenses	99.25
Commission	51.37
Provision for Income Tax	9.50
Proposed Dividend	21.96
Retention	118.06
Total Taka:	<u>533.82</u>





Auditors' Report to the Shareholders

We have audited the accompanying Balance Sheet of Pragati Insurance Limited as of December 31, 2001 and the Related Profit and Loss Account and Statement of Cash Flow for the year then ended. The preparation of these Financial Statements is the responsibility of the Company's management. Our responsibility is to express an independent opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BAS), give a true and fair view of the state of the Company's affairs as of December 31, 2001 and of the results of its operations and its Cash Flows for the year then ended and comply with the Companies Act, 1994, Insurance Rules 1958, the Securities Exchange Rules, 1987 and other applicable laws and regulations.

We also report that :

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books and (where applicable) proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- iii) the Company's Balance Sheet and Profit and Loss Account and its Cash Flow dealt with by the report are in agreement with the books of account and returns;
- iv) the expenditure incurred was for the purposes of the Company's business;
- v) As per Section 40C(2) of the Insurance Act, 1938 as amended, we certify that to the best of our knowledge and belief and according to the information and explanations given to us, all expenses of management wherever incurred and whether incurred directly or indirectly, in respect of insurance business of the Company transacted in Bangladesh during the year under report have been duly debited to the related Revenue Accounts and the Profit & Loss Account of the Company; and
- vi) As per Regulation-11 of Part-1 of the Third Schedule of the Insurance Act, 1938 as amended, we certify that to the best of our information and as shown by its books, the Company during the year under report has not paid any person any commission in any form outside Bangladesh in respect of any of its business re-insured abroad.

Dated, Dhaka, April 20, 2002

(A WAHAB & CO.)
Chartered Accountants.



Financial Statements



Balance Sheet

As at 31st December, 2001

	NOTE	2001	2000
CAPITAL & LIABILITIES			
Authorised Capital			
1,000,000 Ordinary shares of Tk. 100 each		100,000,000	100,000,000
Issued, Subscribed & Paid-up Capital			
732,000 Ordinary shares of Tk. 100 each	14	73,200,000	73,200,000
Share Premium		76,250,000	76,250,000
Reserve or Contingency Account :			
Reserve for Exceptional Losses		148,867,327	131,932,142
Contingency Reserve for Insurance Guarantees and Tail ended Insurance Business	15	105,869,651	105,869,651
Revaluation Reserve	16	87,429,377	92,338,679
General Reserve	17	38,000,000	23,500,000
Dividend Equalisation Reserve		36,500,000	36,500,000
Depreciation Fund		37,274,110	34,605,405
Profit & Loss Appropriation Account		525,758	132,868
Balance of Fund & Account :			
Fire Insurance Business		25,207,270	20,990,145
Marine Insurance Business		32,670,270	29,865,464
Misc. Insurance Business		28,351,280	31,403,907
Premium Deposit	18	41,075,748	68,904,627
Liabilities & Provision :			
Estimated Liabilities in respect of outstanding claims whether due or intimated	19	95,233,060	65,010,306
Amount due to Other Persons or Bodies carrying on Insurance Business	20	41,896,602	49,925,227
Loan from Bank for Building Project (Secured)			
Loan from Bank for Gulshan Land (Secured)	21(a)	45,151,713	40,371,986
Sundry Creditors	22	28,685,954	18,422,561
Provision for Income Tax	23	12,201,485	18,686,982
Proposed Dividend	24	21,960,000	25,620,000
	TK.	1,050,968,833	1,014,532,668

Notes :

- Contingent Liabilities (As per note-31)
- Figures have been rounded off to the nearest Taka.

Dated, Dhaka, April 20, 2002


A. K. M. Rafiqul Islam
Managing Director


Engr. A. Latif
Director



Balance Sheet

As at 31st December, 2001

	NOTE	2001	2000
PROPERTY & ASSETS			
Investment :		94,397,105	84,838,656
Pratirakkha Sanchaya Patra	1	4,500,000	9,500,000
Shares & Debentures	2	89,897,105	75,338,656
Outstanding Premium	3	6,032,117	5,259,206
Amount due from other Persons or Bodies carrying on Insurance Business	4	61,960,254	80,491,072
Interest, Dividend & Rent outstanding	5	15,223,234	21,042,637
Sundry Debtors	6	20,557,882	20,454,500
Advance Payment of Tax	7	2,590,812	5,185,497
Cash and Bank Balances :		291,825,359	274,690,536
Fixed Deposit Accounts	8	210,902,632	205,517,632
STD & Current Accounts	9	76,651,327	66,495,423
Cash & Stamp in hand	10	4,271,400	2,677,481
Other Accounts :		558,382,070	522,570,564
Land (freehold)	11	295,800,731	292,538,118
Land at Gulshan	11(a)	45,151,713	40,371,986
Fixed Assets (at cost)	12	53,337,720	41,823,559
Joint Venture Building Project	13	163,853,006	147,664,801
Stock of Printing Materials		238,900	172,100

Tk.

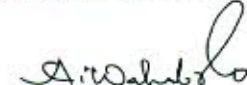
1,050,968,833

1,014,532,668

Subject to our separate report of even date.


Capt. Imam Anwar Hossain
Director


Moazzem Hossain
Chairman


(A. Wahab & Co.)
Chartered Accountants



Profit and Loss Account

For The Year Ended 31st December, 2001

	NOTE	2001	2000
Expenses of Management :			
(Not applicable to any Fund or Account)			
Advertisement & Publicity		2,434,149	2,367,173
Directors' Fee		772,200	744,800
Bonus		5,142,271	4,974,500
Registration Renewal Fee	28	448,530	405,376
Donation		-	8,500
Audit Fees (including fee for special audit)	29	210,000	160,000
Legal Expenses		259,645	125,650
Depreciation		4,375,138	3,487,556
Profit for the year transferred to Profit & Loss Appropriation Account		53,288,075	51,174,829
	Tk.	66,930,008	63,448,384

Profit and Loss Appropriation Account

For The Year Ended 31st December, 2001

Reserve for Exceptional Losses	16,935,185	16,187,740	
Provision for Income Tax	9,500,000	9,000,000	
General Reserve	14,500,000	500,000	
Proposed Dividend	21,960,000	25,620,000	
Balance transferred to Balance Sheet	525,758	132,868	
	Tk.	63,420,943	51,440,608

Dated, Dhaka, April 20, 2002


A. K. M. Rafiqul Islam
Managing Director


Engr. A. Latif
Director



Profit and Loss Account

For The Year Ended 31st December, 2001

	NOTE	2001	2000
Interest, Dividend and Rent :		26,987,920	26,653,336
(Not applicable to any Fund or Account)			
Interest Received & Accrued	26	24,698,316	22,259,661
Dividend and Debenture Interest	27	2,289,604	4,393,675
Profit transferred from :	25	30,175,114	26,511,449
Fire Revenue Account		11,056,209	9,758,401
Marine Revenue Account		14,074,636	12,303,059
Misc. Revenue Account		5,044,269	4,449,989
Other Income :		9,766,974	10,283,599
Misc. Receipt		679,521	304,943
Profit on Sale of Investment (shares)		9,087,453	9,978,656
	Tk.	66,930,008	63,448,384

Profit and Loss Appropriation Account

For The Year Ended 31st December, 2001

Balance brought forward from previous year		132,868	265,779
Excess Income Tax provision in the previous year brought forward		10,000,000	-
Net profit for the year transferred from Profit and Loss Account		53,288,075	51,174,829
	Tk.	63,420,943	51,440,608


Capt. Imam Anwar Hossain
Director


Moazzem Hossain
Chairman


(A. Wahab & Co.)
Chartered Accountants



Fire Insurance Revenue Account

For The Year Ended 31st December, 2001

	2001	2000
Claims under policies less Re-insurance :		
Paid during the year	12,018,837	20,948,062
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	38,502,858	28,861,575
	50,521,695	49,809,637
Less : Outstanding Claims at the end of the previous year	28,861,575	41,407,530
	21,660,120	8,402,107
Commission on Re-insurance Accepted	1,295,315	1,033,245
Expenses of Management	40,887,573	39,810,410
Commission	27,796,354	19,348,107
Profit transferred to Profit & Loss Account	11,056,209	9,758,401
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	25,207,270	20,990,145
	Tk. 127,902,841	99,342,415

Dated, Dhaka, April 20, 2002


A. K. M. Rafiqul Islam
Managing Director


Engr. A. Latif
Director



Fire Insurance Revenue Account

For The Year Ended 31st December, 2001

	2001	2000
Balance of Account at the beginning of the year :		
Reserve for Unexpired Risk	20,990,145	16,894,197
Premium, less Re-insurance	50,414,539	41,980,290
Commission on Re-insurance ceded	56,498,157	40,467,928
	Tk. <u>127,902,841</u>	<u>99,342,415</u>

Capt. Imam Anwar Hossain
Director

Moazzem Hossain
Chairman

(A. Wahab & Co.)
Chartered Accountants



Marine Insurance Revenue Account

For The Year Ended 31st December, 2001

	CARGO	HULL	2001	2000
Claims under policies less Re-insurance :				
Paid during the year	7,393,162	20,717	7,413,879	16,526,920
Total estimated liability in respect of Outstanding Claims at the end of the year whether due or intimated	28,091,813	364,769	28,456,582	17,919,968
	35,484,975	385,486	35,870,461	34,446,888
Less : Outstanding Claims at the end of the previous year	17,689,199	230,769	17,919,968	23,061,528
	17,795,776	154,717	17,950,493	11,385,360
Expenses of Management	19,361,374	1,920,703	21,282,077	20,661,757
Commission	10,594,645	372,867	10,967,512	10,753,823
Profit transferred to Profit & Loss Account	13,441,146	633,490	14,074,636	12,303,059
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 and 100% of the Marine Hull Premium income of the year	29,564,485	3,105,785	32,670,270	29,865,464
	Tk. <u>90,757,426</u>	<u>6,187,562</u>	<u>96,944,988</u>	<u>84,969,463</u>

Dated, Dhaka, April 20, 2002


A. K. M. Rafiqul Islam
Managing Director


Engr. A. Latif
Director



Miscellaneous Insurance Revenue Account

For The Year Ended 31st December, 2001

	MOTOR	MISC.	2001	2000
Claims under policies Less Re-insurance :				
Paid during the year	10,795,506	5,132,872	15,928,378	14,050,261
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	19,443,869	8,829,751	28,273,620	18,228,763
	30,239,375	13,962,623	44,201,998	32,279,024
Less : Outstanding Claims at the end of the previous year	12,343,276	5,885,487	18,228,763	12,837,895
	17,896,099	8,077,136	25,973,235	19,441,129
Commission on Re-insurance Accepted	-	27,255	27,255	70,612
Expenses of Management	13,787,905	9,654,964	23,442,869	22,747,326
Commission	6,348,648	4,935,332	11,283,980	13,057,782
Profit transferred to Profit & Loss Account	4,350,562	693,707	5,044,269	4,449,989
Balance of Account at the end of the year as shown in Balance Sheet :				
Reserve for Unexpired Risks being 50% of the Motor and Misc. Premium income of the year	21,458,635	6,892,645	28,351,280	31,403,907
Tk.	<u>63,841,849</u>	<u>30,281,039</u>	<u>94,122,888</u>	<u>91,170,745</u>

Dated, Dhaka, April 20, 2002


A. K. M. Rafiqul Islam
Managing Director


Engr. A. Latif
Director



Miscellaneous Insurance Revenue Account

For The Year Ended 31st December, 2001

	MOTOR	MISC.	2001	2000
Balance of Account at the beginning of the year :				
Reserve for Unexpired Risks	20,924,579	10,479,328	31,403,907	24,131,393
Premium less Re-insurance	42,917,270	13,785,291	56,702,561	62,807,814
Commission on Re-insurance ceded (including profit commission)	-	6,016,420	6,016,420	4,231,538

Tk. 63,841,849 30,281,039 94,122,888 91,170,745


Capt. Imam Anwar Hossain
Director


Moazzem Hossain
Chairman


(A. Wahab & Co.)
Chartered Accountants



Statement of Cash Flow

For The Year Ended 31st December, 2001

	2001	2000
A. Cash Flow from Operating Activities:		
Net profit after Tax:	43,788,075	42,174,829
Adjustment to reconcile net profit to net cash provided by Operating Activities :		
Depreciation	4,375,138	3,487,556
Loss /(Profit) on Sale of Assets	-	(113,920)
Loss/(Profit) on Sale of Investment	(9,087,453)	(9,864,736)
Adjustment of Excess Income Tax provision upto 31-12-2000	10,000,000	-
Reserve for Unexpired Risk	3,969,304	18,828,839
(Increase)/ Decrease in Stock of Printing	(66,800)	58,500
(Increase)/ Decrease in Advance Payment of Tax	2,594,685	455,119
(Increase)/ Decrease in Sundry Debtors	(103,382)	(4,639,087)
(Increase)/ Decrease in Interest, Dividend & Rent outstanding	5,819,403	(3,360,228)
(Increase)/ Decrease in Amount due from Other Person or Bodies carrying on Insurance Business	18,530,818	(17,745,084)
Increase / (Decrease) in Outstanding Premium	(772,911)	2,367,981
(Increase)/ Decrease in Income Tax Payable	(6,485,497)	194,158
Increase/ (Decrease) in Sundry Creditors (excluding Unpaid Dividend)	10,212,303	3,708,723
Increase/ (Decrease) in Estimated Liability in respect of Outstanding Claim whether due or intimated	30,222,754	(12,296,647)
Increase/ (Decrease) in Amount due to other person or bodies carrying on Insurance Business	(8,028,625)	3,409,501
Increase/ (Decrease) in Premium Deposit	(27,828,879)	(22,684,794)
Contingency Reserve for Insurance Guarantees and Tail ended	-	31,325,000
Net Cash Flow from Operating Activities	77,138,933	35,305,710
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(21,262,934)	(46,116,202)
Increase in Capital Work-in-Progress (Building Project)	(16,188,205)	(60,038,600)
Encashment of P.S.P.	5,000,000	-
Disposal of Fixed Assets	-	191,680
Disposal of Investment and other Assets	20,637,540	37,906,716
Investment made	(31,017,838)	(19,766,882)
Net Cash Flow from Investing Activities	(42,831,437)	(87,823,288)
C. Cash Flow from Financing Activities:		
Loan Received from Bank	13,796,237	104,030,910
Loan Repayment to Bank	(5,400,000)	(2,485,764)
Dividend Paid	(25,568,910)	(21,833,350)
Net Cash Flow from Financing Activities	(17,172,673)	79,711,796
(Increase)/Decrease in Cash and Bank Balance (A+B+C)	17,134,823	27,194,218
Cash and Bank Balance at Opening	274,690,536	247,496,318
Cash and Bank Balance at Closing	291,825,359	274,690,536
Note: Profit as per Profit & Loss Account	53,288,075	51,174,829
Less: Income tax provision for the year, 2001.	9,500,000	9,000,000
Net Profit after Tax	43,788,075	42,174,829

(A. WAHAB & CO.)
Chartered Accountant



Notes on Accounts

For The Year Ended 31st December, 2001

GENERAL

a. Significant accounting policies and relevant information :

- i) The Company is a Public Limited Company under the Companies Act, 1994 and is engaged in general insurance business as per Insurance Act, 1938. It has adopted relevant International Accounting Standards as were adopted in Bangladesh under the title Bangladesh Accounting Standards (BAS) with reference to disclosures of accounting policies, valuation of investment such as long term and current investments.
- ii) **Basis of Accounting :** The accounts have been prepared on a going concern basis under generally accepted accounting principles on historical cost convention.
- iii) **Basis of Presentation :** The Balance Sheet has been prepared in accordance with the regulations as contained in Part-I of the First Schedule, Revenue Account of each class of general insurance business has been prepared in accordance with the regulations as contained in Part-I of the Third Schedule and as per Form "F" as set forth in Part-II of Third Schedule of the Insurance Act, 1938 as amended from time to time.
- iv) **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 Sadharan Bima Corporation, the amount of re-insurance commission earned and the amount of claims less re-insurance settled during the year have all been duly accounted for in the books of account of the Company and while preparing the final statements of accounts, the effect of re-insurance accepted and re-insurance ceded as well as the effect of total estimated liabilities in respect of outstanding claims at the end of the year, whether due or intimated have also been duly reflected in order to arrive at the net underwriting profit for the year.
- v) **Interest on Statutory and Other Investments :** Interest earned on statutory investments of Tk. 45.00 lacs lying with Bangladesh Bank in the form of P.S.P has been accounted for at the prescribed rate. Besides, interest received from banks on STD accounts and FDR accounts have been duly credited to the Profit and Loss Account.
- vi) **Loss or Gain on Sale of Shares and Debentures :** Loss or Gain on sale of shares and dividend income earned during the year have been shown in the Profit and Loss Account and the tax relief as well as the concession of rate of tax as availed under the existing income tax law, have been given effect in the accounts.
- vii) **Management Expenses :** Management expenses as charged to Revenue Accounts amounting to Tk. 85,612,519 is approximately 25.37% of gross premium of Tk. 337,450,188. The expenses have been apportioned @ 47.76% to Fire, 24.86% to Marine and 27.38% to Miscellaneous business as per Management decision.
- viii) **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 2001.
- ix) **Reserve for Exceptional Loss :** Reserve for Exceptional Losses as appropriated out of current year's profit before tax amounts to Tk. 16,935,185 being 10% of the net premium earned during the year.
- x) **Depreciation on Fixed Assets :** Depreciation on Fixed Assets has been charged on cost for full year as per Straight Line Method at the following rates:

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



- xii) **Outstanding Premium** : The outstanding premium appearing in the accounts represents only the amount which was realised subsequently till March, 2002.
- xiii) **Contingency Reserve** : The Company has credited Contingency Reserve for Insurance Guarantees and Tail ended insurance business against which there exists no re-insurance arrangement although there remains risk till the expiry of the Guarantee.
- xiii) **Others** :
- Provision for Income Tax has been made in accordance with the best estimate of the management based on the prevailing Income Tax law.
 - During the year interest on investment in PSP and Debenture as well as Dividend on shares have been accounted for as income on declaration basis.
 - Figures have been rounded off to the nearest Taka and previous year's figures have been re-arranged for the purpose of comparison, where felt necessary.

b. Operation :

During the year under audit, the Company earned gross premium of Tk. 337,450,188 which includes public sector business of Tk. 168,098,333. After ceding for re-insurance, the net premium stood at Tk. 169,351,855. Underwriting Profit of Tk. 30,175,114 as against Tk. 26,511,449 in the previous year, worked out to be 17.81% of the net premium.

Public Sector Business :

Public Sector Business upto June 2001 has been accounted for on the basis of statement received from SBC.

c. Tax Assessment Position :

Income Tax Assessments of the Company have been completed upto Assessment year 2001-2002 (A/cs 31-12-2000).

BALANCE SHEET

1. Pratirakkha Sanchaya Patra : Tk. 4,500,000

The amount represents 8 years Pratirakkha Sanchaya Patra with a face value of Tk. 45.00 lacs held with Bangladesh Bank as Statutory deposit under Insurance Act, 1938.

<u>Particulars</u>	<u>Amount</u>
Opening balance	9,500,000
Less : Encashment on maturity during the year	5,000,000
Closing Balance	Taka : <u>4,500,000</u>



2. Shares and Debentures : Tk. 89,897,105

The movement of the balance is shown below :

	<u>2001</u>	<u>2000</u>
Opening Balance	75,338,656	82,693,850
Add : Purchased during the year	<u>31,017,838</u>	<u>19,766,881</u>
	106,356,494	102,460,731
Less : Sales / Redemption during the year	<u>11,550,087</u>	<u>27,928,059</u>
	94,806,407	74,532,672
Add : Share value as per market price on 31-12-2001 (Adjusted through Revaluation Reserve Account)	(4,909,302)	805,984
Closing Balance	Taka : <u>89,897,105</u>	<u>75,338,656</u>

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

(i) Shares :

(Shares in Public Limited Company)

	No of Shares	At Cost	Market value as on 31-12-2001	Remarks
IFIC Bank Ltd.	310	115,391	81,995	
Rupali Bank Ltd.	5,655	404,332	542,880	
National Bank Ltd.	5,369	1,170,135	1,523,454	
Southeast Bank Ltd.	100	27,050	32,925	
NCC Bank Ltd.	100	21,603	27,425	
Eastern Cables Ltd.	2,500	320,625	350,000	
BOC Bangladesh Ltd.	18,400	2,011,065	1,668,880	
Beach Hatchery Ltd.	7,500	75,000	75,000	
German Bangla Food Ltd.	2,000	20,000	15,200	
Tripti Industries Ltd.	31,120	1,804,960	1,213,680	
Meghna Condense Milk Ltd.	12,000	120,000	110,400	
Green Delta Insurance Co. Ltd.	10	4,500	4,200	
Ind. & Infrastructure Dev. Finance Co. Ltd.	100,000	10,000,000	10,000,000	Not Quoted.
IDLC Bangladesh Ltd.	1,500	750,000	711,000	
United Leasing Co. Ltd.	996	713,136	622,500	
National Housing Ltd.	150,000	15,000,000	15,000,000	Not Quoted.
Central Depository Bangladesh Ltd.	Nil	600,000	600,000	Not Quoted.
Chittagong Cement Ltd.	7,025	9,353,951	6,326,012	
Confidence Cement Ltd.	1,460	638,931	540,930	
Usmania Glass Sheet Factory Ltd.	5	1,850	2,475	
Beximco Pharmaceuticals Ltd.	28,937	1,938,779	1,412,126	
Orion Infusion Ltd.	30,000	967,500	840,000	
Square Pharmaceutical Ltd.	4,070	5,668,493	5,153,637	
Beximco Infusion Ltd.	800	238,600	199,800	
ACI Ltd.	5,000	281,500	267,500	
Eastern Housing Ltd.	10,900	1,278,025	1,174,475	
Shinepukur Holdings Ltd.	400	30,800	16,900	



Metro Spinning Mills Ltd.	250,000	2,500,000	2,500,000	Not Quoted.
Dulamia Cotton Spinning Mills Ltd.	2,720	78,880	108,800	
Monno Fabrics Ltd.	167,000	10,312,250	10,604,500	
Padma Textile Mills Ltd.	21,700	500,185	412,300	
Tallu Spinning Mills Ltd.	17,340	1,495,575	1,395,870	
Ashraf Textile Mills Ltd.	2,500	25,500	21,000	
Square Textile Ltd.	7,825	78,250	78,250	Not Quoted
Keya Cosmatic Ltd.	500	5000	8,450	
Total Taka (i)		<u>68,551,866</u>	<u>63,642,564</u>	

The investment in National Housing Finance Investment Ltd., Industrial & Infrastructure Development Finance Company Ltd. and Central Depository Bangladesh Ltd. are on account of purchase of Sponsor Shares each of the Company amounting to Tk. 15,000,000, Tk. 10,000,000 & Tk. 600,000.

(ii) Debentures:

Name of the Company

	At Cost
	Less : Redemption
Bangladesh Export Import Co. Ltd.	1,660,000
Bangladesh Zipper Industries Ltd.	32,400
Beximco Infusion Ltd.	56,015
Beximco Synthetics Ltd.	3,334,100
Magura Paper Mills Ltd.	2,500,000
Beximco Fisheries Ltd.	1,161,194
Beximco Textile Ltd.	2,177,500
Beximco Denims Ltd.	10,000,000
Bangladesh Luggage Industries Ltd.	4,500,000
Capital Paper & Pulp Mills Ltd.	833,332
Total Taka (ii)	<u>26,254,541</u>
Grand Total Taka (i+ii) :	<u>89,897,105</u>



3. Outstanding Premium : Tk. 6,032,117

The balance represents outstanding premium on direct account which have been realized subsequently till 31st March, 2002. It is exclusive of Tk. 41,027,789 due from other Co-insurers shown separately in note 4 below. The businesswise break-up of the outstanding premium shown above is given below :

Particulars	2001	2000
Fire	2,622,830	3,671,710
Marine	2,062,826	—
Motor	130,128	1,003,602
Misc.	1,216,333	583,894
Taka :	<u>6,032,117</u>	<u>5,259,206</u>

4. Amount due from other persons or bodies carrying on insurance business : Tk. 61,960,254

The amount is made up as follows:

Particulars	2001	2000
Co-Insurance Premium receivable (including refund premium)	41,027,789	46,042,629
Amount due from SBC	—	13,766,888
Co-Insurance Claim receivable from different Insurance Companies :		
Fire	4,051,660	3,856,682
Marine	14,919,014	15,239,348
Motor	569,952	438,976
Misc.	1,391,839	1,146,549
Taka :	<u>61,960,254</u>	<u>80,491,072</u>

5. Interest, Dividend & Rent outstanding :Tk. 15,223,234

This balance is made up as follows :

Particulars	2001	2000
Interest on PSP	6,480,000	11,305,000
Dividend	182,186	293,250
Debenture Interest	8,561,048	9,444,387
Taka :	<u>15,223,234</u>	<u>21,042,637</u>

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



6. Sundry Debtors : Tk. 20,557,882

This balance is made-up as follows :

Particulars	2001	2000
Advance against expenses	906,322	1,140,721
Advance against rent (i)	4,179,782	2,266,556
Advance against salary	172,679	36,984
Advance against investment (ii)	4,097,500	4,097,500
Advance against Motor Cycle	33,062	-
House Building Loan	2,818,300	2,981,500
Film City	5,000	5000
Security Deposit	264,000	264,000
Group Insurance Premium (due from employees)	131,444	406,167
Jamuna Resort Limited (iii)	3,645,364	3,631,164
Pragati Life Insurance Co. Ltd.	4,304,429	5,624,906
Taka :	<u>20,557,882</u>	<u>20,454,500</u>

- i) Advance against rent relates to advance paid for office rent of branch offices in different locations of the country.

This is made-up as under :

Opening Balance	2,266,556
New advance paid during the year	3,662,200
	<u>5,928,756</u>
Adjustment during the year	1,748,974
Closing balance	Taka : <u>4,179,782</u>

- ii) Advance against investment includes Tk. 97,500 as an old balance since 1991 towards bridge finance contribution under the leadership of I.C.B. The amount has not been realized till the date of audit. The amount also includes a long outstanding balance of Tk. 40.00 lacs being advance for shares in other Companies.
- iii) The amount spent for Jamuna Resort Ltd. was on account of preparatory action taken in connection with meeting the expenses relating to financial bids for the work of the project.
- iv) (a) Balance with Jamuna Resort Ltd. has been confirmed by the management of the Company.
(b) Balance with Pragati Life Insurance Ltd.(PLIL) as confirmed by the Management of PLIL stands at Tk. 3,922,170 as of December 31, 2001. The difference has been reconciled subsequently.

7. Advance Payment of Tax : Tk. 2,590,812

The entire balance relates to Accounting year ended on 31-12-2001 (Assessment year 2002-2003)

This is made-up as under:

AIT Deducted on Account of	Amount
Deducted at Source from FDR Interest	1,850,516
Deducted at Source from STD Interest	451,565
Deducted at Source from Dividend Income	288,731
Taka:	<u>2,590,812</u>

The entire amount is eligible for adjustment towards the settlement of Tax liability on finalization of assessments. The provision for income tax during the year being Tk. 9,500,000, the balance amount of the tax payable for the year needs to be paid before filing of the return.



8. Fixed Deposit Account : Tk. 210,902,632

Particulars	2001	2000
Opening balance	205,517,632	184,697,632
Addition during the year	18,500,000	26,020,000
	224,017,632	210,717,632
Encashment during the year	(13,115,000)	(5,200,000)
Closing Balance	<u>210,902,632</u>	<u>205,517,632</u>
Interest on FDR is accounted for on cash basis as per usual practice		

9. STD & Current Account : Tk. 76,651,327

The balance has been arrived at as under :

Particulars	2001	2000
STD Account	66,281,098	44,461,585
Current Account (OD)	(9,738,266)	(2,434,822)
Current Account (i)	833,051	683,868
Foreign Currency Account (ii)	19,275,446	23,784,792
	<u>76,651,327</u>	<u>66,495,423</u>

i) This includes the following bank accounts :

	Amount
a) National Bank Ltd., Dilkusha Branch	245,843
b) National Bank Ltd., Agrabad Branch	228,267
c) Uttara Bank Ltd., Corporate Branch	13,399
d) Standard Chartered Grindlays Bank, Dhaka Main Branch	139,554
e) Uttara Bank Ltd., Kawran Bazar Branch	1,000
f) Uttara Bank Ltd., Kawran Bazar Branch	49,500
g) Dhaka Bank Ltd., Kawran Bazar Branch	89,448
h) Premier Bank Ltd., Kawran Bazar Branch	66,040
	<u>833,051</u>

ii) The Balance at foreign currency account lying with Standard Chartered Grindlays Bank, Dhaka Main Branch stands at US\$ 334,643.16 equivalent to Tk. 19,275,446 @ Tk.57.60 per Dollar.

10. Cash and Stamp in hand : Tk. 4,271,400

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

Particulars	2001	2000
Petty Cash Account at Head Office	723,173	123,604
Petty Cash Account with Branches	3,505,496	2,313,091
Stamp in Hand	42,731	240,786
	<u>4,271,400</u>	<u>2,677,481</u>

Physical count of cash and stamp as on 31st December, 2001 at Head Office and some particular branches have been done. The management has furnished certificate confirming the position.



11. Land : Tk. 295,800,731

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

Particulars	Amount
Opening balance	292,538,118
Add: Final Installment for purchase of 1.5 Bigha of land at Khilkhat, Dhaka @ Tk. 4,000,000 per bigha	<u>3,000,000</u>
	295,538,118
Add: Rate, Legal and other expenses related to land purchased at Panthapath, Kawran Bazar, Dhaka	262,613
Closing Balance	Taka : <u>295,800,731</u>

11(a). Land at Gulshan : Tk.45,151,713

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

Opening Balance	40,371,986
Add : Interest Charge during the year	<u>4,779,727</u>
Closing Balance	Taka : <u>45,151,713</u>

The details of the land purchased is as under :

Plot No. NW(H)7, Holding No. 7, Road No. 51/54, Gulshan R/A-2, Dhaka.

12. Fixed Assets at cost : Tk. 53,337,720

Details break-up of Fixed Assets is given below:

Particular	Furniture and Fixture	Office and Electrical Equipment	Motor Vehicles	Other Assets	Total
As at 1st January, 2001	12,209,111	10,263,809	18,559,296	791,343	41,823,559
Addition during the year	9,604,170	2,754,310	779,819	82,295	13,220,594
Disposal during the year	(1,706,433)	-	-	-	(1,706,433)
Cost as at 31st December, 2001	<u>20,106,848</u>	<u>13,018,119</u>	<u>19,339,115</u>	<u>873,638</u>	<u>53,337,720</u>
Depreciation:					
As at 1st, January, 2001	9,425,130	8771,368	15,734,106	674,801	34,605,405
Charged for the year	1,349,206	1,094,172	1,839,259	92,501	4,375,138
Depreciation adjustment for disposal of Fixed Assets	(1,706,433)	-	-	-	(1,706,433)
Depreciation as at 31st December 2001	<u>9,067,903</u>	<u>9,865,540</u>	<u>17,573,365</u>	<u>767,302</u>	<u>37,274,110</u>
Written down value as at 31st December, 2001	<u>11,038,945</u>	<u>3,152,579</u>	<u>1,765,750</u>	<u>106,336</u>	<u>16,063,610</u>

13. Joint Venture Building Project : Tk. 163,853,006

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

Particulars	2001	2000
Opening Balance	147,664,801	87,626,201
Add: Addition of cost less adjustment during the year	<u>16,188,205</u>	<u>60,038,600</u>
Closing Balance	Taka : <u>163,853,006</u>	<u>147,664,801</u>



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

The balance represents :

Particulars	2001	2000
610,000 ordinary shares of Tk. 100 each fully paid-up in cash	61,000,000	61,000,000
122,000 ordinary shares of Tk. 100 each fully paid up as	12,200,000	12,200,000
Bonus Share (5:1) allotted during 1997		
Taka :	<u>73,200,000</u>	<u>73,200,000</u>

The categorywise shareholdings as on 31-12-2001 is noted below:

Category of Shareholders	No. of shares
1. Sponsors & Director of Group-A (50%)	366,000
2. General Public (23.87%)	174,720
3. Financial Institutions (including ICB) (13.92%)	101,887
4. Limited Companies (12.21%)	89,393
Taka :	<u>732,000</u>

Classification of Shareholders by holdings:

i) Group-A

Class Interval	No. of Shares	No. of Share-holders	Total Holdings %	% of Total paid-up capital
1-500	Nil	Nil	Nil	Nil
501-1000	Nil	Nil	Nil	Nil
1001-5000	42,749	14	11.68	5.84
5001-10000	81,518	13	22.27	11.14
10001-20000	218,400	14	59.67	29.83
20001-50000	23,333	01	6.38	3.19
Total of (i)	<u>366,000</u>	<u>42</u>	<u>100.00</u>	<u>50.00</u>

ii) Group-B

1-500	87,759	1,055	23.97	11.99
501-1000	25,236	33	6.90	3.45
1001-5000	67,019	34	18.31	9.16
5001-10000	47,616	07	13.00	6.50
10001-20000	50,795	04	13.89	6.94
20001-50000	87,575	03	23.93	11.96
Total of (ii)	<u>366,000</u>	<u>1,136</u>	<u>100.00</u>	<u>50.00</u>
Grand Total (i+ii)	<u>732,000</u>	<u>1,178</u>		<u>100.00</u>



15. Contingency Reserve for Insurance Guarantees & Tail ended Insurance Business : Tk. 105,869,651

<u>Particulars</u>	<u>2001</u>	<u>2000</u>
Reserve against unexpired Guarantees	87,080,441	87,080,441
Reserve against Tail ended Insurance Business	18,789,210	18,789,210
Taka :	<u>105,869,651</u>	<u>105,869,651</u>

16. Revaluation Reserve : Tk. 87,429,377

This balance is made up as under:

<u>Particulars</u>	<u>Amount</u>
Opening Balance	92,338,679
Less : Depreciated value of shares (68,551,866.65-63,642,564.35) at the year ended	4,909,302
Taka :	<u>87,429,377</u>

17. General Reserve : Tk. 38,000,000

The above balance is made up as follows :

<u>Particulars</u>	<u>2001</u>	<u>2000</u>
Opening Balance	23,500,000	23,000,000
Add : Appropriation for reserve during the year	14,500,000	500,000
Taka :	<u>38,000,000</u>	<u>23,500,000</u>

18. Premium Deposit : Tk. 41,075,748

The amount represents the adjusted balance of premium as received against Cover Notes over the years for which policies have not been issued within 31st December, 2001.

19. Estimated Liabilities in respect of outstanding claims whether due or intimated : Tk. 95,233,060

The break-up of the amount is noted below:

<u>Particulars</u>	<u>2001</u>	<u>2000</u>
Fire	38,502,858	28,861,575
Marine	28,456,582	17,919,968
Motor	19,443,869	12,343,276
Misc.	8,829,751	5,885,487
Taka :	<u>95,233,060</u>	<u>65,010,306</u>

20. Amount due to other persons or bodies carrying on Insurance Business : Tk. 41,896,602

The break-up of the amount is given below:

<u>Particulars</u>	<u>2001</u>	<u>2000</u>
Amount due to SBC	7,131,145	-
Payable against Co-Insurance Premium	26,997,514	49,351,372
Overseas Re-Insurer	7,767,943	573,855
Taka :	<u>41,896,602</u>	<u>49,925,227</u>



21. Loan from Bank for Building Project (Secured) : Tk. 74,619,228

The balance is made-up as under :

Particulars	2001	2000
Opening Balance	71,002,718	9,829,558
Drawn during the year	-	58,000,000
Interest charged upto December 2001	9,011,510	5,652,089
Bank charges and Excise Duty etc.	5,000	6,835
	<u>80,019,228</u>	<u>73,488,482</u>
Less : Adjusted during the year		
Closing Balance	5,400,000	2,485,764
Taka :	<u>74,619,228</u>	<u>71,002,718</u>

21(a). Loan from Bank for Gulshan Land (Secured) : Tk. 45,151,713

This is on account of Loan from National Credit and Commerce Bank Ltd., Motijheel Branch, Dhaka under the Account SOD-01403893 for procurement of land in Gulshan, Dhaka.

Particulars	Amount
Opening Balance	40,371,986
Add : Interest charged upto December, 2001	4,777,227
Bank charge and Excise Duty	2,500
	<u>4,779,727</u>
Closing Balance	Taka : <u>45,151,713</u>

22. Sundry Creditors : Tk. 28,685,954

The balance is made-up as follows:

Particulars	2001	2000
Payable against Expenses	8,571,557	8,945,163
Provident Fund	470,466	320,732
Income Tax deduction (i)	2,276,637	2,041,765
VAT payable (ii)	2,648,592	2,410,916
Unpaid Dividend	407,549	356,459
Received against Security	4,242,632	1,042,632
Tax deduction against Rent	48,980	282,965
Security against Contractor Bills	-	1,764,251
Security against Supplier Bills	-	1,234,131
Others	23,988	23,547
Vat deduction against Bills	336,776	-
Tax deduction against Bills	360,627	-
Advance Rent received	9,298,150	-
Taka :	<u>28,685,954</u>	<u>18,422,561</u>



- i) **Income tax deduction** : Income tax deduction at source amounting to Tk. 2,276,637 includes Tk. 2,226,213 as Income Tax deduction from dividend paid to Shareholders, which has been deposited to Bangladesh Bank subsequently.
- ii) **VAT payable** : VAT payable Tk. 2,648,592 represents the VAT for the month of December, 2001 which has been deposited into Bangladesh Bank subsequently.

23. Provision for Income Tax: Tk. 12,201,485

The amount includes Tk. 9,500,000 being Income Tax provision for accounting year ended on 31st December, 2001 (Assessment year 2002-2003).

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

Particulars	2001	2000
Opening balance	18,686,982	18,492,824
Less: Paid/Adjusted during the year (for Assessment year 2001-2002)	5,185,497	8,805,842
	<u>13,501,485</u>	<u>9,686,982</u>
Less : Cash paid	800,000	-
	<u>12,701,485</u>	<u>9,686,982</u>
Less : Excess provision upto December 31, 2001	10,000,000	-
	<u>2,701,485</u>	<u>9,686,982</u>
Add: Provision made for the year 2001 (Assessment year 2002-2003)	9,500,000	9,000,000
Closing Balance	Taka : <u>12,201,485</u>	<u>18,686,982</u>

Provision for tax has been made with due consideration of exemption of tax on gains on shares of public limited companies and concessional rate of tax on Dividend Income. The amount of Advance Payment of Tax relating to Assessment year 2002-2003 is inclusive of tax deducted at source on bank interests and dividend as shown under Note 7 which is eligible for adjustment against tax liability to be determined in due course.

24. Proposed Dividend : Tk. 21,960,000

The amount has been appropriated out of surplus available for distribution @ 30% on paid-up capital of Tk. 73,200,000 as on 31-12-2001 as per recommendation of the Board. Income Tax will be deducted from the proposed Dividend when paid as per Income Tax Ordinance, 1984. The Board of Directors has also recommended a stock dividend of 30% payable to the existing shareholders, out of general reserve of the Company.



25. Revenue Account : Tk. 30,175,114

i) **The summarized position of net underwriting profit earned during the year 2001 is as follows:**

Particulars	Fire	Marine	Motor & Misc.	Total 2001	Total 2000
Premium Income:					
A. Gross Premium	182,589,794	77,063,376	77,797,018	337,450,188	301,370,747
B. Re-Insurance Premium Ceded	<u>132,175,255</u>	<u>14,828,621</u>	<u>21,094,457</u>	<u>168,098,333</u>	<u>139,493,346</u>
C. Net Premium (A-B)	<u>50,414,539</u>	<u>62,234,755</u>	<u>56,702,561</u>	<u>169,351,855</u>	<u>161,877,401</u>
Direct Expenses :					
D. Commission (Net of Re-Insurance Accepted & Ceded (Net) (Note-25 (ii))	(27,406,488)	6,122,743	5,294,815	(15,988,930)	(5,910,976)
E. Claim settled & provided ((Net)(Note-25 (iii))	21,660,120	17,950,493	25,973,235	65,583,848	39,228,596
F. Management Expenses	40,887,573	21,282,077	23,442,869	85,612,519	83,219,493
G. Total Direct Expenses (D+E+F)	<u>35,141,205</u>	<u>45,355,313</u>	<u>54,710,919</u>	<u>135,207,437</u>	<u>116,537,113</u>
H. Adjusted Fund balance for Un-expired risk(Opening Balance Less Closing Balance)	(4,217,125)	(2,804,806)	3,052,627	(3,969,304)	(18,828,839)
Net underwriting profit (C-G+H) Taka :	<u>11,056,209</u>	<u>14,074,636</u>	<u>5,044,269</u>	<u>30,175,114</u>	<u>26,511,449</u>

(ii) **Commission (Net) : Tk. (15,988,930)**

Particulars	Fire	Marine	Motor & Misc.	Total 2001	Total 2000
Commission paid on Direct Business	27,796,354	10,967,512	11,283,980	50,047,846	43,159,712
Commission paid on Re-insurance Accepted	1,295,315	-	27,255	1,322,570	1,103,857
	<u>29,091,669</u>	<u>10,967,512</u>	<u>11,311,235</u>	<u>51,370,416</u>	<u>44,263,569</u>
Less: Commission earned on Re-insurance ceded	56,498,157	4,844,769	6,016,420	67,359,346	50,174,545
Net Commission Taka :	<u>(27,406,488)</u>	<u>6,122,743</u>	<u>5,294,815</u>	<u>(15,988,930)</u>	<u>(5,910,976)</u>



(iii) Claim settled (Net) : Tk. 65,583,848

Particulars	Fire	Marine	Motor & Misc.	Total 2001	Total 2000
Gross claim	52,266,764	9,767,312	16,548,118	78,582,194	163,604,645
Less: Salvage Received	—	-	180,250	180,250	492,981
	<u>52,266,764</u>	<u>9,767,312</u>	<u>16,367,868</u>	<u>78,401,944</u>	<u>163,111,664</u>
Less: Re-Insurance Claim Recovery	40,247,927	2,353,433	439,490	43,040,850	111,586,421
Paid during the year	12,018,837	7,413,879	15,928,378	35,361,094	51,525,243
Add: Outstanding Claim at the end of the year whether due or intimated (Company's Share)	38,502,858	28,456,582	28,273,620	95,233,060	65,010,306
	<u>50,521,695</u>	<u>35,870,461</u>	<u>44,201,998</u>	<u>130,594,154</u>	<u>116,535,549</u>
Less: Outstanding claim at the end of the previous year	28,861,575	17,919,968	18,228,763	65,010,306	77,306,953
Net Claim	Taka : <u>21,660,120</u>	<u>17,950,493</u>	<u>25,973,235</u>	<u>65,583,848</u>	<u>39,228,596</u>

PROFIT AND LOSS ACCOUNT

26. Interest Received and Accrued : Tk. 24,698,316

The amount is made-up as follows :

Particulars	2001	2000
Interest received from Banks on FDR & STD accounts	23,020,816	20,074,661
Interest received and accrued on P. S. P.	2,375,000	2,185,000
	<u>25,395,816</u>	<u>22,259,661</u>
Less : Interest adjusted on OD Account	697,500	-
Taka :	<u>24,698,316</u>	<u>22,259,661</u>

27. Dividend and Debenture Interest (Gross) : Tk. 2,289,604

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

Particulars	2001	2000
i) Dividend Income	1,962,480	1,180,599
ii) Debenture Interest (i)	327,124	3,213,076
Taka :	<u>2,289,604</u>	<u>4,393,675</u>

i) Debenture Interest :

Name of the Company	Interest Received during the year
Beximco Infusion Ltd.	11,560
Bangladesh Zipper Industries Ltd.	3,064
Capital Paper & Pulp Mills Ltd.	312,500
Taka :	<u>327,124</u>



28. Registration Renewal Fee : Tk. 448,530

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

29. Audit Fee : Tk. 210,000

Particulars	2001	2000
Statutory Audit (provision)	100,000	100,000
Special Audit (provision and cash paid during the year)	110,000	60,000
Taka :	<u>210,000</u>	<u>160,000</u>

30. Net profit for the year and its appropriation

Particulars	2001	2000
Underwriting profit as per Revenue Accounts	30,175,114	26,511,449
Interest Income & Dividend	26,987,920	26,653,336
Other Income (including against gain on sale of shares)	9,766,974	10,283,599
	<u>66,930,008</u>	<u>63,448,384</u>
Less: Expenses of management (Not related to any fund or account)	13,641,933	12,273,555
Net profit for the year	53,288,075	51,174,829
Less: Reserve for Exceptional Losses (10% of net premium)-tax free	16,935,185	16,187,740
	<u>36,352,890</u>	<u>34,987,089</u>
Add: Surplus brought forward	132,868	265,779
	<u>36,485,758</u>	<u>35,252,868</u>
Add : Excess provision of Income Tax upto the year ended 2000 written back.	10,000,000	-
	<u>46,485,758</u>	<u>35,252,868</u>
Less:		
i) Tax provision for Assessment year (2002-2003) (A/C 31-12-2001)	9,500,000	9,000,000
ii) Proposal Dividend (30%)	21,960,000	25,620,000
iii) General Reserve	14,500,000	500,000
	<u>45,960,000</u>	<u>35,120,000</u>
Surplus Carried forward	<u>525,758</u>	<u>132,868</u>

31. Contingent Liability :

- (a) During the year an amount of Tk. 446,690 was earned as premium against 5 Guarantees issued but there was no re-insurance arrangement against guarantees so issued.
- (b) (i) As on 31-12-2001 financial guarantees amounted to Tk. 129 million (app) which will expire by different dates during 2002.
- (ii) Money suits for Tk. 1,881,505 was pending as on 31-12-2001 for Marine Insurance (Cargo) Claims which the Company disputed and so not accounted for.


(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS.



Form-AA
Classified Summary of Assets
As at 31st December, 2001

<u>Class of Assets</u>	<u>Book Value</u>
Pratirakkha Sanchaya Patra (Tk. 4,500,000 is held with BD Bank)	4,500,000
Shares at market value	63,642,564
Debentures (at cost)	26,254,541
Cash on Fixed Deposit, STD and Current A/c with Banks	287,553,959
Cash & Stamps in hand	4,271,400
Outstanding Premium and other dues	67,992,371
Interest accrued but not received	15,223,234
Sundry Debtors, Advance & Deposits	23,148,694
Stock of Printing Materials in hand (at cost)	238,900
Land	340,952,444
Fixed Assets (at cost)	53,337,720
Joint Venture Building Project	163,853,006
	Taka: <u>1,050,968,833</u>

The cost of Fixed Assets is inclusive of Tk. 20,106,848 on account of Furniture & Fixtures. Accumulated depreciation on Fixed Assets amounting to Tk. 37,274,110 has been shown under Depreciation Fund Account and not deducted from the cost of fixed assets shown above.


A. K. M. Rafiqul Islam
Managing Director


Engr. A. Latif
Director


Capt. Imam Anwar Hossain
Director


Moazzem Hossain
Chairman


(A. Wahab & Co.)
Chartered Accountants



Directors Certificate

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

1. The value of investments in shares have been taken at market value and deventures at cost and the quoted value thereof mentioned wherever available.
2. The Values of all assets as shown in the Balance Sheet and as classified on Form "AA" annexed have been duly reviewed as at 31st December, 2001 and in our belief, the said assets have been setforth in the Balance Sheet at amounts not exceeding their realisable or market values under the several headings as enumerated in the annexed form.
3. All expenses of management, wherever incurred and whether incurred directly or indirectly in respect of Fire, Marine, Motor and Miscellaneous Insurance Business have been duly debited to the related Revenue Accounts and Profit & Loss Account.

A. K. M. Rafiqul Islam
Managing Director

Engr. A. Latif
Director

Capt. Imam Anwar Hossain
Director

Moazzem Hossain
Chairman



BRANCH OFFICES

DHAKA DIVISION

01.	Dilkusha Branch 76, Dilkusha C/A, Dhaka.	Mr. Mahboob Uddin Ahmed Executive Vice President	9567861 017-696340 Fax 9551685
02.	Imamgonj Branch 85-A, Chawk Mughultuly Imamgonj, Dhaka.	S. M. B. Shameem Vice President	7319818
03.	Narayangonj Branch 150, B.B. Sarak, Narayangonj.	Mr. Farid Ahmed Asstt. Vice President	9712646 017-561368
04.	Sadarghat Branch 32-Ka, Liakat Avenue Dholaikhal, Dhaka.	Quazi Safiullah Senior Vice President	7113066 017-696346
05.	Narsingdi Branch Kazi Super Market, No. 3 C&B. Narsingdi.	Mr. Md. Jasim Uddin Bhuiyan Branch Manger	63009
06.	Tejgaon Branch 100, Kazi Nazrul Islam Avenue Kawran Bazar, Dhaka.	Mr. Md. Abdul Alim Khan Manager	8130173 017-696343
07.	Banga Bandhu Avenue Branch 13, B, B, Avenue Dhaka.	Khondaker Zafor Sadeque Asstt. Vice President	9566389 019-342422
08.	Elephant Road Branch Rajdhani Complex 237/2, New Elephant Road, Dhaka.	Mr. Sharif Mustaba Vice President	9661349 018-238198 Fax 8616023
09.	Motijheel Branch Sena Kalyan Bhaban, Room No . 1306 (13th floor), 195, Motijheel C/A, Dhaka-1000.	Mr. Ali Fathker (Kallol) Manager	9560051 Ext.-236 011-839626 Fax 9556415
10.	Biman Bhaban Branch 100, Motijheel C/A, Dhaka.	Mr. Aminul Islam Senior Vice President	9667890 017-696342
11.	V.I.P. Road Branch 69/1 (New) Purana Paltan Lane, Dhaka.	Mr. Abdul Momen Vice President	8321796 017-696338 Fax 8316354
12.	Malibagh Branch Manhattan Tower 83, Siddeshwari Circular Road Malibagh, Dhaka.	Mr. Md. Golam Farooque Manager	011-805815 Fax 8311078



13.	Hatkhola Branch Shuvechha Plaza, 32/1, Shahid Nazrul Sarak, Hatkhola, Dhaka.	Mr. Taslim Bahar Chowdhury Vice President.	9559410 9560214 018-212318
14.	Gulshan Branch House No.55, Road No. 17, Kamal Ataturk Avenue, Banani, Dhaka.	Mr. Bahauddin Ahmed Branch Manager	9886151 017-696341
15.	Tongi Branch Jalil Market (2nd floor), Tongi, Gazipur	Mr. Ekramul Hoque Branch Manager	9802786 011-838694
16.	Faridpur Branch 169, Mujib Sarak, Faridpur.	Khandoker Zakir Hossain Branch Manager	62691
17.	Tangail Unit Office Holding No. 2702, Dewla Bus Terminal, Tangail Pourashava, Tangail.	Mr. Md. Nazimul Islam Unit In-charge	-

CHITTAGONG DIVISION

18.	Khatungonj Branch 410-411, Khatungonj C/A Chittagong.	Mr. Mohammad Ali Khan Executive Vice President	636121 017-721483 Fax 624316
19.	Agrabad Branch 75-A, Agrabad C/A, Chittagong.	Mr. M. A. Hasan Vice president	713228 017-749274 Fax 713227
20.	Jubilee Road Branch 200-B, Jubilee Road (3rd floor), Chittagong.	Mr. Md. Nazrul Islam Vice President	616847 017-749273 Fax 617844
21.	Cox's Bazar Branch Ahamadia Mansion, Purba Bazarghata Main Road, Cox's Bazar.	Mr. Abdul Hannan Chowdhury Branch Manager	4101
22.	Feni Branch Sultan Mansion Road, Feni.	Mr. Jafor Ullah Majumder Manager	74313
23.	Comilla Branch Comilla Co-operative Super Market (2nd floor), Kandirpar Main Road, Comilla.	Mr. M. Muzammel Hoque Branch Manager	76977
24.	Chandpur Branch Shahid Mokitjuddha Sarak (North of Hawkers Market), Chandpur	Mr. Pradip Kumar Pal Branch Manager	3290
25.	Chowmuhani Branch Poura Super Market Chowmuhani Bazar, Chowmuhani.	Mr. Md. Belayet Hossain Branch Manager	52030



RAJSHAHI DIVISION

26.	Rajshahi Branch Shaheb Bazar, Ghoramara, Rajshahi	Mr. Atiqur Rahman Branch Manager	775926
27.	Bogra Branch Thana Road, Bogra.	Mr. Nazrul Islam Branch Manager	66189
28.	Rangpur Branch Baitus Syed Super Market Central Road, Rangpur.	Mr. Md. Habibur Rahman Branch Manager	62933
29.	Sirajgonj Branch S. S. Road, Sirajgonj.	Mr. Md. Sohrab Ali Branch Manager	72460
30.	Pabna Branch Acurangajeb Road, Pabna.	Mr. A. H. M. Raihan Branch Manager	66541
31.	Dinajpur Branch Al-Amin Market (1st floor), Shop No-60F Gonesh Tola, Dinajpur.	Mr. Farid Hossain Sarker Branch Manager	64017
32.	Natore Unit Office Kanai Khali, Dhaka Road Natore.	Mr. Taposh Kumar Talukder Unit In-charge	017-433972

KHULNA DIVISION

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

BARISAL DIVISION

36.	Barisal Branch 18, Hemayet Uddin Road, Barisal.	Mr. Md. Amjad Hossain Talukder Manager	53186 017-185353
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SYLHET DIVISION

37.	Sylhet Branch Laldighirpar, Sylhet.	Mr. Ahmed Tazdiqul Mowla Manager	715008
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PRAGATI INSURANCE LIMITED

Pragati-RPR Centre, 20-21, Kawran Bazar, Dhaka-1215, Bangladesh

PROXY FORM

I/We.....
of.....
being Shareholder (s) of PRAGATI INSURANCE LIMITED hereby appoint
Mr./Mrs./Ms.....
of.....
as my/our proxy to attend and vote for me/us and on my/our behalf at the SIXTEENTH ANNUAL GENERAL MEETING of the
Company to be held on the 20th June 2002 and/or at any adjournment thereof.
As witness my/our hand this day of 2002.

Signature of Proxy

Register Folio No.

Signature of Shareholder

Register Folio No.

Note:

A member entitled to attend and vote at the meeting may appoint another member his/her proxy to attend and vote on his/her behalf.

Forms of proxy, duly stamped and signed must be deposited at the Company's Registered Office not later than 72 hours before the time appointed for the Meeting. In default, forms of proxy will not be treated as valid.

PRAGATI INSURANCE LIMITED

Pragati-RPR Centre, 20-21, Kawran Bazar, Dhaka-1215, Bangladesh

ATTENDANCE SLIP

I hereby record my attendance at the SIXTEENTH ANNUAL GENERAL MEETING of Pragati Insurance Limited on the 20th June 2002 at "Pragati-RPR Centre, 20-21, Kawran Bazar, Dhaka-1215"

Name of Member/Proxy

Register Folio No.

Signature of Shareholder/Proxy

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