



# ANNUAL REPORT 2011



SYMBOL OF SECURITY

## PRAGATI INSURANCE LIMITED

*excellent  
service  
of*

**26 years**

**Annual  
Report**

**2011**

## Pragati Insurance Limited Awarded International Arch of Europe Award



Pragati Insurance Ltd. has been awarded 'The International Arch of Europe Award' in Diamond category in recognition of its quality and excellence. The Award was presented at the International Quality Convention - 2012 held in Frankfurt, Germany on April 30, 2012. Mr. M. Jalalul Azim, Managing Director of Pragati Insurance Ltd. received the award from the President of Business Initiative Directions Mr. Jose E. Prieto.



**Pragati Insurance Limited**



## Table of Contents

<b>Contents</b>	<b>Page</b>
Company Profile	03
Vision & Mission Statement	04
Services	05-06
Notice of 26th AGM	07
Board of Directors	08
Executives	09
Company's Performance	10-11
Value Added Statement	12
Chairman's Speech	13-15
Directors' Report	16-27
Report of the Audit Committee	28-29
25th AGM in Picture	30
Auditors' Report & Accounts 2011	31-63
Classified Summary of Assets (Form-AA)	64
Revenue Account	65
Directors' Certificate	66
Branch Offices	67-70
Proxy Form & Attendance Slip	71

# Company Profile

Incorporation	January 27, 1986
Commencement	January 30, 1986
Listing with DSE	April 04, 1996
Listing with CSE	April 06, 1996

## Registered Office :

Pragati Insurance Bhaban  
20-21, Kawran Bazar  
Dhaka-1215, Bangladesh  
Phone : PABX : 88-02-9133680-2  
Fax : 880-2-8122980  
[www.pragatiinsurance.com](http://www.pragatiinsurance.com)  
E-mail : [info@pragatiinsurance.com](mailto:info@pragatiinsurance.com)

## Auditor

A. WAHAB & CO.  
Chartered Accountants





## Vision statement



Our vision is to be the customers' first choice when selecting insurance products and services offered by the industry and to operate by code of conduct driven by a value system that promotes performance, integrity and personal growth in all dealings with stakeholders and to maintain our leading edge in the industry by striving to enhance financial strength and profitability.

## Mission statement



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



## Insurance Services //



### FIRE INSURANCE

- Fire & Allied Perils Insurance

### MOTOR INSURANCE

- Comprehensive Insurance
- Act Liability Insurance



### HEALTH & 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
- Airline Insurance
- AirTravel Insurance





## Insurance Services //



### MISCELLANEOUS INSURANCE

- Fidelity Guarantee Insurance
- Public Liability Insurance
- Products Liability Insurance
- Burglary & Housebreaking Insurance
- Cash- in-Counter Insurance
- Cash-in-Safe Insurance
- Cash-in-Transit Insurance
- Cash-in ATM Insurance
- Cash-in BPM Insurance
- Safe Deposit Box (Bank Lockers) Insurance
- Credit Shield Insurance
- SME Insurance
- Tournament Insurance
- Replacement of Lost Card/Fraud Insurance
- Consequential Loss Insurance
- Business Interruption Insurance
- Workmen's Compensation Insurance

### Our Re-Insurers //

- Sadharan Bima Corporation, Bangladesh (SBC)
- General Insurance Corporation of India (GIC Re)
- Transatlantic Re, AIG, USA
- Trust International, Bahrain
- Ecclesiastical Ins. Co., UK
- Arig, Bahrain
- Best Re Malaysia
- Malaysian Re, Malaysia
- ACR Re Takaful, Malaysia
- First Capital Re, Singapore
- Catlin, (Lloyds Syndicate)
- Beacon, (Lloyds Syndicate)
- ICICI Lombard



# Pragati Insurance Limited

Pragati Insurance Bhaban, 20-21, Kawran Bazar  
Dhaka-1215, Bangladesh  
Tel ; PABX : 9133680-2, Fax : 880-2-8122980

## Notice of the 26th Annual General Meeting

Notice is hereby given that the 26th Annual General Meeting of Pragati Insurance Limited will be held on **Thursday, the 31st May, 2012 at 12.30 P. M. at the Jamuna Resort Ltd, Bhupur, Tangail** to transact the following business :

1. To receive, consider and adopt the Directors' Report for the year ended 31st December, 2011.
2. To receive, consider and adopt the Audited Accounts of the company and the Auditors' Report thereon for the year ended 31st December 2011.
3. To declare Dividend for the year 2011 as recommended by the Board of Directors
4. To elect Directors in place of retiring Directors from Group 'A' Shareholders and from Group-B Shareholders.
5. To appoint Auditors for the year 2012 and fix their remuneration.

By order of the Board of Directors

(Md. Akram Hossain)  
Company Secretary

Date : Dhaka, 29th April, 2012.

### Note :

- (a) The record date : 19th April, 2012.
- (b) Members of the company whose name appear in the Register of Members upto the record date will be entitled to dividend for the year 2011 to be approved by the Shareholders in the 26th Annual General Meeting.
- (c) 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.
- (d) Only the Shareholders or their appointed proxies can attend the meeting. **A proxy must be a member of the company.**
- (e) Entry to the Annual General Meeting is reserved only for the shareholders or his/her proxy. **No guest and children shall be allowed entrance in the meeting.**

**বিশেষ দৃষ্টব্য :** সম্মানিত শেয়ার হোল্ডারবৃন্দ যাহারা যমুনা রিসোর্টে অনুষ্ঠিতব্য কোম্পানীর ২৬তম বার্ষিক সাধারণ সভায় যোগদানে ইচ্ছুক তাহাদের যাতায়াতের ব্যবস্থার জন্য আগামী ১০ই মে হইতে ২০ই মে ২০১২ তারিখের মধ্যে তাহাদের নাম অনুগ্রহপূর্বক কোম্পানীর প্রধান কার্যালয়ের শেয়ার বিভাগে রেজিস্ট্রী করার জন্য অনুরোধ জানানো যাইতেছে। অন্যথায় তাহাদের যাতায়াতের ব্যবস্থা করা সম্ভব হইবে না।





# Board of

# Directors



**Abdul Awal Mintoo**  
Chairman



**Khan Mohd. Ameer**  
Vice Chairman



Mohammed A. Awwal



Abdul Monem



Al Haj Khalilur Rahman



Syed M. Altaf Hussain



Md. Syedur Rahman Mirza



Prof. Jahangir Chowdhury



Mohammed A. Malek



Md. Sarwar Kamal



Tabith Mohd. Awal



A.S.M. Mahiuddin Monem



Tafsir Mohd. Awal



Nigar Johan Chowdhury



Md. Mushfiqur Rahman



Mrs. Nahreen Siddiqua



Nasir Latif



Ahmedul Haque



A.K.M. Shamsuddin  
Independent Director



M. J. Azim  
Managing Director (I. C.)



# Pragati Insurance Limited

Pragati Insurance Bhaban, 20-21, Kawran Bazar  
Dhaka-1215, Bangladesh  
Tel : PABX : 9133680-2, Fax : 880-2-8122980

## Notice of the 26th Annual General Meeting

Notice is hereby given that the 26th Annual General Meeting of Pragati Insurance Limited will be held on **Thursday, the 31st May, 2012 at 12.30 P. M. at the Jamuna Resort Ltd, Bhupur, Tangail** to transact the following business :

1. To receive, consider and adopt the Directors' Report for the year ended 31st December, 2011.
2. To receive, consider and adopt the Audited Accounts of the company and the Auditors' Report thereon for the year ended 31st December 2011.
3. To declare Dividend for the year 2011 as recommended by the Board of Directors
4. To elect Directors in place of retiring Directors from Group 'A' Shareholders and from Group-B Shareholders.
5. To appoint Auditors for the year 2012 and fix their remuneration.

By order of the Board of Directors

(Md. Akram Hossain)  
Company Secretary

Date : Dhaka, 29th April, 2012.

### Note :

- (a) The record date : 19th April, 2012.
- (b) Members of the company whose name appear in the Register of Members upto the record date will be entitled to dividend for the year 2011 to be approved by the Shareholders in the 26th Annual General Meeting.
- (c) 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.
- (d) Only the Shareholders or their appointed proxies can attend the meeting. **A proxy must be a member of the company.**
- (e) Entry to the Annual General Meeting is reserved only for the shareholders or his/her proxy. **No guest and children shall be allowed entrance in the meeting.**

**বিশেষ দৃষ্টব্য :** সম্মানিত শেয়ার হোল্ডারবৃন্দ যাহারা যমুনা রিসোর্টে অনুষ্ঠিতব্য কোম্পানীর ২৬তম বার্ষিক সাধারণ সভায় যোগদানে ইচ্ছুক তাহাদের যাতায়াতের ব্যবস্থার জন্য আগামী ১০ই মে হইতে ২০ই মে ২০১২ তারিখের মধ্যে তাহাদের নাম অনুগ্রহপূর্বক কোম্পানীর প্রধান কার্যালয়ের শেয়ার বিভাগে রেজিস্ট্রী করার জন্য অনুরোধ জানানো যাইতেছে। অন্যথায় তাহাদের যাতায়াতের ব্যবস্থা করা সম্ভব হইবে না।





## Executives

### Office

**Md. Jalalul Azim**

Managing Director (I.C)

**Shaikh Shahjahan Uddin**

Additional Managing Director  
Branch Control

**Kaiser Rahman**

Deputy Managing Director  
Health Insurance

**Md Delwar Hossain, FCA**

Deputy Managing Director & CFO

**Zabed Ali Mridha, FCA**

Asstt. Managing Director  
Investment & Co-Insurance

**Mihir Kanti Barua**

Asstt. Managing Director  
Internal Audit & MIS

**Syed Sehab Ullah Al-Manjur**

Asstt. Managing Director  
Underwriting

**Major. Syed Obayidul Karim (Retd)**

Asstt. Managing Director  
Admn.& HR

**Md. Shafiqul Islam**

Executive Vice President  
Accounts

**Kabir Ahmed**

Executive Vice President  
Re-Insurance

**Mohammad Ibrahim, ACA**

Vice President  
Audit & Inspection

**Bikash Chandra Pal**

Vice President  
Underwriting

**K.M Mohsin**

Vice President  
Board & Real Estate

**Md. Akram Hossain**  
Company Secretary

### Marketing

Deputy Managing Director

**Khandoker Zafor Sadeque**

Asstt. Managing Directors

**Sharif Mustaba**

**Md. Abul Hasan**

**Md. Nazrul Islam**

**SMB Shameem**

Sr. Executive Vice Presidents

**Fazlul Karim Alamgir**

**ASM Reazur Rahman**

**Mahboob Uddin Ahmed**

**Jamal Uddin Haider**

Executive Vice Presidents

**Mr. Md. Golam Faruque**

**Mr. Ali Fathker Kallol**

**Mr. Abdus Salam**

**Mr. Kazi Golam Haider (Dablu)**

Sr. Vice President

**Mr. Md. Azizul Hoque**

Vice Presidents

**Mr. Ahmed Faruk**

**Mr. Md. Habibur Rahman**

**Mr. Bahauddin Ahmed**

**Mr. Syed Saidul Islam**

**Mr. Ekramul Hoque**

**Mr. Murad Ahmed**

**Mr. Abdul Alim Khan**

## Company's Performance

(5 years at a glance)

Taka in Million

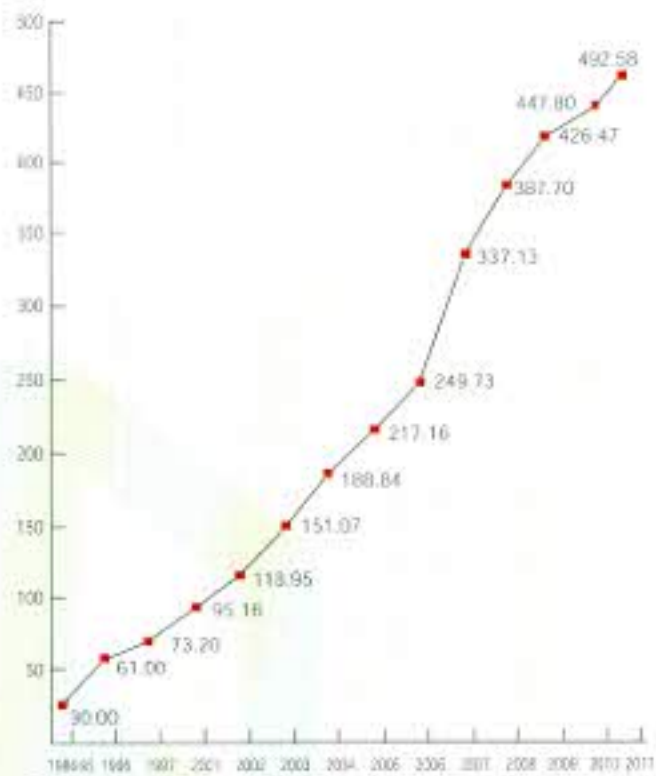
Particulars	2011	2010	2009	2008	2007
<b>Financial Performance</b>					
Gross Premium	1,137.29	1,062.26	1,035.88	979.08	802.76
Net Premium	477.20	474.69	429.11	412.81	341.97
Net Claim	60.33	110.68	92.37	48.65	58.42
Underwriting Profit	89.31	63.09	62.85	99.24	77.90
Investment Income	6.20	77.28	43.16	69.84	74.74
Income from financial service	46.30	40.97	4.50	49.46	46.72
Net profit before tax	133.38	161.52	131.38	198.82	176.84
Net profit after tax	79.82	106.95	68.54	118.07	142.66
Dividend in percent	10+15(Stock)	15+5 (Stock)	20+10(Stock)	20+15(Stock)	35 (Stock)
<b>Share Capital and Reserve</b>					
Paid up Capital	447.80	426.47	387.71	337.13	249.73
Total Reserves & Surplus	2,176.68	1,696.54	1,600.29	1,568.29	1,527.02
Share Holders Equity	2,624.48	2,123.07	2,056.59	2,023.55	1,865.56
<b>Assets</b>					
Investment in Shares and Securities	397.14	389.27	391.64	361.64	242.58
Cash, FDR and Bank balances	510.46	523.23	473.03	532.12	510.34
Land and Building	2,014.75	1,518.03	1,496.21	1,319.03	1,318.52
Total Assets	3,461.34	3,012.47	2,900.93	2,662.46	2,449.50
<b>Ratios</b>					
EPS	2.36	3.38	2.87	4.68	5.68
P/E (Times)	33.39	46.11	52.84	20.28	8.45
Solvency Surplus	2696.64	2,126.47	2,092.14	2,044.48	1,899.89
Net Asset Value Per Share	58.60	49.80	530.44	600.21	747.04
Net Cash Flow Per Share	0.94	1.16	10.88	47.08	2.01
<b>Credit Rating</b>					
Long Term	AA1	AA1	AA1	AA2	AA2
Short Term	ST1	ST1	ST1	ST1	ST1





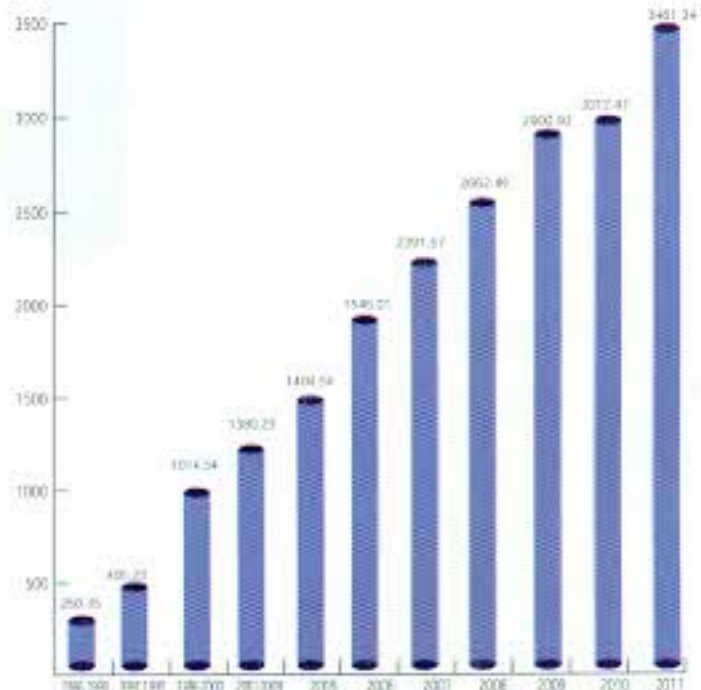
## Growth of Capital (BDT Million)

1986-1995	Sponsor's capital	30.00
1996	IPO of Tk. 31 million	61.00
1997	20% Stock dividend	73.20
2001	30% Stock dividend	95.16
2002	25% Stock dividend	118.95
2003	27% Stock dividend	151.07
2004	25% Stock dividend	188.84
2005	15% Stock dividend	217.16
2006	15% Stock dividend	249.73
2007	35% Stock dividend	337.13
2008	15% Stock dividend	447.80
2009	10% Stock dividend	426.47
2010	5% Stock dividend	447.80
2011	10% Stock dividend	492.58



## Growth of Asset (BDT Million)

1986-1990	260.35
1991-1995	495.23
1996-2000	1014.54
2001-2004	1380.25
2005	1404.54
2006	1546.01
2007	2391.57
2008	2662.46
2009	2900.93
2010	3012.47
2011	3461.34



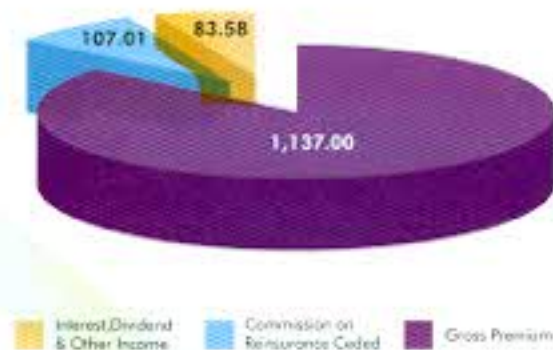
## Value added **Statement**

for the year ended 31 December, 2011

### Value Added

Gross Premium	1137.00
Commission on Reinsurance Ceded	107.01
Interest, Dividend & Other Income	83.58
<b>Total</b>	<b>1327.59</b>

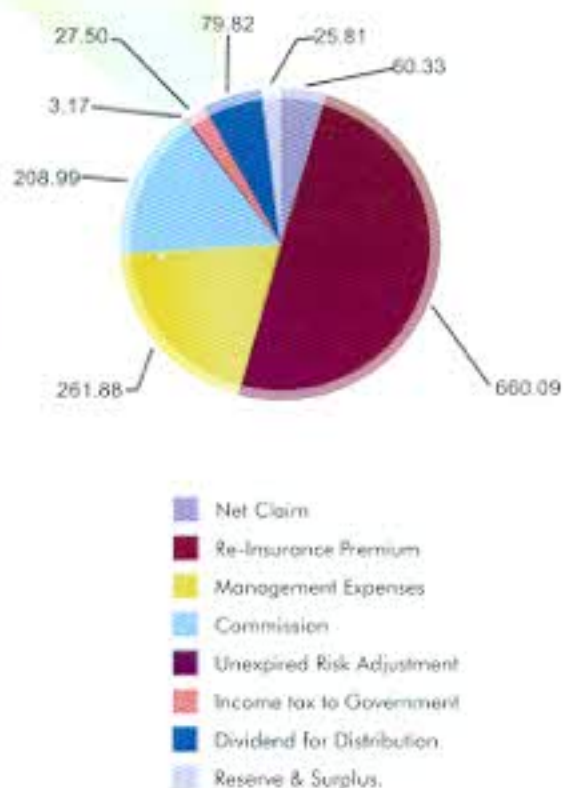
Figures in million



### Application

Net Claim	60.33
Re-Insurance Premium	660.09
Management Expenses	261.88
Commission	208.99
Unexpired Risk Adjustment	3.17
Income tax to Government	27.50
Dividend for Distribution	79.82
Reserve & Surplus.	25.81
<b>Total</b>	<b>1327.59</b>

Figures in million







## Chairman's Speech

*Bismillahir Rahmanir Rahim*

### Dear Shareholders

Assalamu Alaikum,

On behalf of the Board of Directors of Pragati Insurance Limited, it is my great pleasure to welcome you all at the 26th Annual General Meeting of your company. I take immense pride and delight in updating you on the progress of your company and present to you the Annual Report and Financial Statements for the year ended 31st December, 2011 for your valued consideration, approval and adoption.

The negative impact due to the Global Recession that erupted in USA and Europe in the late 2008 continued to impede domestic economic development in 2010-2011. Bangladesh economy faced enormous pressure due to massive inflation, pressure on liquidity and devaluation of local currency against the US dollar. Most of our export earnings originate from developed countries. The volatility in the economy of the developed countries affected the volume and the price of our exports. Moreover, earnings from export of manpower to developed nations were also affected due to economic downturn in the developed economies.

Amidst the risk of export earnings and the remittances inflows, the economic growth demonstrated satisfactory performance buoyed by domestic demand. The Gross Domestic Product (GDP) growth of

the country stood at 5.8%. This GDP growth was driven by a robust agricultural activities expansion and increased output in industries and service sectors.

The year in focus, 2011, was genuinely a very challenging one with 43 non life insurance companies fighting for a small insurance pie and creating an unhealthy environment. The newly formed Insurance Development & Regulatory Authority (IDRA) has undertaken the giant task of removing all forms of indiscipline accumulated over the years in this sector. The IDRA has taken over the task of development, preparation and strengthening of rules and regulations for the insurance industry in consultation with the insurance experts and Bangladesh Insurance Association. It is hoped that stringent measures of the regulator will usher a new era for insurance sector, creating a level playing field for all the players and bringing in stability and credibility to the insurance sector. Your company, being a major force in Bangladesh insurance sector will provide the leadership as it moves towards significant changes in the regulatory environment.

**Dear Shareholders,** you are aware that the year 2011 was a transitional period for the company. Some of our senior Executives including Managing Director and Additional Managing Directors who served the company for long 25 years had to leave the company. The new Managing Director who took the charge in the middle of the year had to overcome the challenges of retaining the existing clients procured by old management as well as acquiring new customers amid unfavorable external and internal environment. With the new set up in the steering wheel under the proven leadership of incumbent Board of Directors the company started its journey of achievement. The year 2012 has been declared as the 'Year of Reconsolidation' and the favorable trickledown effect will be felt in 2013 and onward. We are planning to execute strategies to neutralize the unfavorable impacts, both national and international and thus capture the most prestigious top position in the insurance sector.

**Dear Shareholders,** despite the macro economic shocks of the previous financial year and the business challenges that accompanied them, our overall operating environment did not deteriorate. Rather, your company registered a growth which was in tune with the overall industry growth in the insurance sector. This growth, I must stress, was achieved due to the renewed hard work and enthusiasm of our employees and the new management. I am glad to announce that we have emerged with a significant positive increase in Key Performance Indicators. A summarized position of your company's operation in the year 2011 will help you appreciate the performance of the company during the year under review.

Million Taka

Particulars	2011	2010	Increase (+)
Gross Premium	1137	1062	+7.06%
Retained Premium (RP)	477	475	+0.42%
Claims- retained portion	60	110	-45.45%
Underwriting Profit	89	63	+41.26%
Capital	447	426	+4.92%



It gives me immense pleasure to highlight your company's qualitative performance in the year 2011. Your company, compared to last three years:

- ❖ Earned highest gross premium in terms of amount and percentage
- ❖ Made highest Underwriting Profit
- ❖ Experienced Lowest claims
- ❖ Increased Capital to highest in the industry and above the regulatory requirements.

Unfortunately, amidst all the above mentioned successes, the bullish capital market turned bearish during 2010-2011, which resulted in poor performance of our share trading activities and our investment income in 2011. Even then, it gives me great pleasure to declare that the Board has recommended a cash dividend of 15% and stock dividend 10% which I hope would be approved by you.

**Dear Shareholders,** it is quite natural that continuous growth of the Company is expected by you. In order to achieve this goal and also other strategic objectives your Company is equipped with executives having a balanced mix of young and experienced properly furnished with necessary skills, knowledge and expertise. I want to assure you that the Board is quite conscious of the responsibility you have reposed on it and will do everything possible to take your company to newer heights of growth. In all of this, I assure you that we as a board will commit all energy and expertise in realization of all our objectives.

I now take this opportunity to thank the Members of the Board for their valuable guidance, support and prudent counsel. I and my colleagues on the Board place on record our appreciation for continued support and guidance received from the Ministry of Finance, IDRA, Securities and Exchange Commission, Dhaka Stock Exchange, Chittagong Stock Exchange, Sadharan Bima Corporation, General Insurance Corporation of India, Bangladesh Insurance Association, Banks, Insurance companies, other Financial Institutions and our numerous stakeholders.

Most of all, I am indebted to you - my dear shareholders - for your steadfast support and patronage. I continue to count on your trust and confidence in transforming your company, Pragati Insurance Limited, into a top class organization of Bangladesh.



**Abdul Awal Mintoo**  
Chairman



## Directors' Report 2011

Dear Shareholders

Assalamu Alaikum

We are delighted to offer you a pleasant welcome to this twenty-sixth Annual General Meeting of Pragati Insurance Limited. For all of you who took the trouble to take a long journey to attend this meeting here on the banks of Jamuna River and this pleasant Jamuna Resort, we hope that you are able to enjoy and successfully mix your business and leisure activities and feel rejuvenated.

### Global and Bangladesh Economic Scenario

The world economy especially the Euro Zone has passed through financial crisis during the year 2011. The US economy also suffered a significant slowdown. Economies of some of the advanced countries have fallen into sovereign debt crisis. Japan although a developed country faced a negative GDP growth (-0.9%) due to earthquake and tsunami. China, one of the developing countries attained the highest GDP growth of 9.1%. The economies of North Africa and Middle East have been severely affected by political turmoil. The global recession has been taking toll by slowing merchandise exports of Asian countries.

Bangladesh economy did well in past few years in spite of global recession. But our economy is extremely fragile and the slightest of changes and turbulence in the external situation can cause havoc in domestic market. According to latest outlook, global GDP growth projection is 2.5% for the year 2012. Bangladesh is in an advantageous position in relation to world average growth. It is slightly lagging behind in comparison to the developing Asian economies. Our GDP growth in fiscal year 2010-11 was 6.7%. The estimated GDP growth for 2011-12 has been taken at 7%. The industry and service sectors of Bangladesh

## পরিচালক মন্ডলীর প্রতিবেদন-২০১১

প্রিয় শেয়ার হোল্ডারবৃন্দ

আসসালামু আলাইকুম

প্রগতি ইন্স্যুরেন্স লিমিটেডের ২৬তম বার্ষিক সাধারণ সভায় আপনাদেরকে আন্তরিক স্বাগতম জানাতে পেরে আমরা আনন্দিত। আমরা আশা করছি আপনারা সকলে যারা কষ্টকরে দেশের বিভিন্ন অঞ্চল থেকে দীর্ঘ পথ অতিক্রম করে যমুনা নদীর তীরে মনোরম যমুনা রিসোর্টে এ সভায় যোগদানের জন্য এসেছেন সকলেই বেশ ভালো ভাবেই কর্মব্যস্ততার মাঝেও অবকাশ যাপনের নির্মল আনন্দ উপভোগ করছেন।

### বিশ্ব ও বাংলাদেশ অর্থনীতির চিত্র

২০১১ সালে বিশ্ব অর্থনীতি বিশেষ করে ইউরোজোন অর্থনৈতিক বিপর্যয়ের মধ্যে দিয়ে অতিক্রম করেছে। মার্কিন অর্থনীতিও ভয়াবহ মন্দার কবলে পতিত হয়েছে। কতিপয় উন্নত দেশের অর্থনীতিও কর্তৃ পরিশোধের সমস্যার সম্মুখীন হয়েছে। জাপান যদিও একটা উন্নত দেশ তথাপি ভয়াবহ ভূমিকম্প ও নজির বিহীন সুনামীর ফলে ঋণাত্মক (-০.৯%) প্রবৃদ্ধির মুখোমুখি হয়েছে। অন্য দিকে উন্নয়নশীল দেশ চীন ৯.১% প্রবৃদ্ধি অর্জন করেছে। রাজনৈতিক অস্থিরতার কারণে উত্তর আফ্রিকা ও মধ্য প্রাচ্যের দেশগুলোর অর্থনীতি মারাত্মক ভাবে ক্ষতিগ্রস্ত হয়েছে। বিশ্ব মন্দার কারণে পন্য রপ্তানী কমে যাওয়ায় এশিয়ার দেশগুলোর অর্থনীতির উপর বিরূপ প্রতিক্রিয়া পড়েছে।

বিশ্ব মন্দা সত্ত্বেও বাংলাদেশের অর্থনীতি বিগত বছর গুলোতে ভাল করেছে। বাংলাদেশের অর্থনীতি বেশ সংবেদনশীল-বর্ষিবিষয়ে সামান্য পরিবর্তন বা অশান্ত পরিস্থিতি আমাদের অর্থনীতিতে বিরূপ প্রভাব ফেলে। ২০১২ সালে বিশ্ব অর্থনীতির প্রবৃদ্ধি ২.৫% হবে বলে ধারণা করা হয়েছে। এ দিক থেকে বাংলাদেশের অর্থনীতির অবস্থা বিশ্ব অর্থনীতির তুলনায় সুবিধাজনক অবস্থানে আছে, যদিও এশিয়ার উন্নয়নশীল দেশ গুলোর তুলনায় একটু পিছিয়ে আছে। ২০১০-১১ সালে আমাদের জিডিপি প্রবৃদ্ধি ছিল ৬.৭% যা ২০১১-১২ সালে ধরা





secured 8.2% and 6.6% growth respectively in fiscal year 2010-11 compared to 6.5% growth of last year in both the sectors. Our growth prospects are bright, but there are challenges as well. Rising inflation is posing a great threat to our economy. Annual average inflation edged up to 12% in the financial year 2011 from 7.0% of last year mainly due to rapid rise in commodity prices in international market, higher money supply and devaluation of Taka currency. The nominal taka-dollar exchange rate remained unstable and depreciated by about 11% in 2011. Slower growth in remittance inflows is declining the current account surplus. Foreign exchange reserves showed downwards trend due to slowing export growth and repeated devaluation of Taka.

### Insurance scenario

Forty three general insurance companies are in fierce competition to have a slice of Bangladesh's insurance business. Insurers are in an unbridled competition and used to offer hefty commission to their clients. Insurance Development and Regulatory Authority (IDRA) has taken up the issue seriously and has fixed the commission to 15 percent. It may be hoped that the initiative of IDRA will save the insurance industry of the country from the route to collapse.

The year 2011 was the second year of IDRA which came into being under Insurance Act 2010. The IDRA has undertaken the giant task of removing all forms of indiscipline accumulated throughout the years since long in this sector. The IDRA has taken over the task of development and preparation of rule for insurance industry in consultation with the insurance experts and Bangladesh Insurance Association. These will hopefully bring before the insurance companies a big challenge to them along with the scope of streamlining the operational activities and getting rid of the existing unethical practices.

হয়েছে ৭%। ২০১০-১১ সালে শিল্প খাতে ৮.২% এবং সেবাখাতে ৬.৬% প্রবৃদ্ধির তুলনায় বিগত বছরে উভয়খাতে প্রবৃদ্ধি ছিল ৬.৫% করে। আমাদের প্রবৃদ্ধির সম্ভাবনা উজ্জ্বল কিন্তু প্রতিকূলতাও অনেক। ক্রমবর্ধমান মুদ্রাস্ফীতি আমাদের অর্থনীতিতে হুমকি স্বরূপ। আন্তর্জাতিক বাজারে নিত্য প্রয়োজনীয় দ্রব্যের উর্ধ্বমুখী দাম, মুদ্রার অধিক সরবরাহ এবং টাকার অবমূল্যায়নের ফলে ২০১০ সনে মুদ্রাস্ফীতি ৭% থেকে ২০১১ সনে ১২% উন্নীত হয়। ২০১১ সনে টাকার সাথে ডলারের বিনিময় হার অস্থিতিশীল ছিল ফলে টাকার অবমূল্যায়ন হয় ১১%। রেমিট্যান্স প্রবাহ কমে যাওয়াতে চলতি হিসাবে উদ্ধৃত কমেছে। রপ্তানী আয় কমে যাওয়া ও টাকার অবমূল্যায়নের কারণে বৈদেশিক মুদ্রার রিজার্ভও কমে গেছে।

### বীমা খাত

বাংলাদেশে বীমা ব্যবসার জন্য ৪৩ টি সাধারণ বীমা কোম্পানী তীব্র প্রতিযোগিতায় লিপ্ত আছে। বীমাকারী কোম্পানী সমূহ সীমাহীন প্রতিযোগিতায় নেমে মোটা অংকের টাকা কমিশন হিসাবে বীমা গ্রহীতাকে প্রদান করে আসছিল। বীমা উন্নয়ন ও নিয়ন্ত্রন কর্তৃপক্ষ বিষয়টিকে খুব গুরুত্বের সাথে হাতে নিয়েছে এবং কমিশন ১৫% নির্ধারণ করেছে। আশা করা যাচ্ছে যে বীমা কর্তৃপক্ষের এ সিদ্ধান্তের ফলে দেশের বীমা শিল্প ধংসের পথ থেকে ফিরে আসবে।

২০১০ সালে বীমা আইনের অধীনে গঠিত বীমা উন্নয়ন ও নিয়ন্ত্রন কর্তৃপক্ষ ২০১১ সালে দুই বছর পূর্ণ করেছে। বীমা খাতে জন্মগত থেকে পুঞ্জীভূত সকল অনিয়ম ও বিশৃঙ্খলা দূরীভূত করার বিরাট দায়িত্ব বীমা উন্নয়ন ও নিয়ন্ত্রন কর্তৃপক্ষ গ্রহণ করেছে। বাংলাদেশ ইন্স্যুরেন্স এসোসিয়েশন ও বীমা বিশেষজ্ঞদের সাথে আলোচনান্তে বীমা উন্নয়ন ও নিয়ন্ত্রন কর্তৃপক্ষ বীমাবিধি প্রনয়নের দায়িত্ব হাতে নিয়েছে। আশা করা যাচ্ছে, এ সকল পদক্ষেপ বীমা কার্যক্রম সহজকরণ ও বর্তমান অনৈতিক কার্যকলাপ বন্ধ করার মাধ্যমে বীমা কোম্পানী সমূহের জন্য বিরাট সম্ভাবনা নিয়ে আসবে।





## Operational Results

Operational results for the year 2011 and the comparative results of 2010 are given below:

Million Taka

Particulars	2011	2010	% change
Gross Premium	1137	1062	+7.06%
Net Premium	477	475	+0.42%
Underwriting Profit	89	63	+41.26%
Net Profit-gross	133	162	-17.42%

## Gross Premium Income

In Bangladesh, general insurance market has reached its saturation point with 43 Companies in market size of Tk.15000 million. Up-coming investments in power, textile, ship building, aviation and other sectors may give insurance industry a further prospect of sustainable growth. We are endeavoring to get a reasonable share of the upcoming businesses.

Despite tough competition, Pragati Insurance Limited earned a gross premium of Tk.1137 million this year compared to Tk.1062 in 2010 resulting in a growth of 7.06%. This is the highest premium earned so far. This was possible due to die-hard efforts of existing officers and staff.

## CLASS WISE PREMIUM

### Fire Insurance

The company earned gross fire insurance premium of Tk.484.09 million as against Tk.468.35 of last year. After payment/ provision for re-insurance premiums and claims the company has earned underwriting profit of Tk.19.33 million against Tk.10.18 million of last year.

### Marine Insurance

Gross premium earning in marine department including hull was Tk.420.03 million against Tk.361.53 million of the year 2010. This was 16.18% higher than last year. After providing for re-insurance and claims, we earned underwriting profit

## অর্জিত ফলাফল

২০১১ সাল এবং ২০১০ সালের আর্থিক ফলাফলের তুলনামূলক বিশ্লেষণ নিম্নরূপ :

মিলিয়ন টাকায়

বিবরণ	২০১১	২০১০%	(তারতম্য)
গ্রস প্রিমিয়াম	১১৩৭	১০৬২	+৭.০৬%
নেট প্রিমিয়াম	৪৭৭	৪৭৫	+০.৪২%
অবলেনন মুনাফা	৮৯	৬৩	+৪১.২৬%
নেট মুনাফা	১৩৩	১৬২	-১৭.৪২%

## গ্রস প্রিমিয়াম আয়

বাংলাদেশে বর্তমানে সর্বোচ্চ বার্ষিক ১,৫০০ কোটি টাকার বীমা মার্কেট যেখানে ৪৩টি সাধারণ বীমা কোম্পানী ব্যবসায় নিয়োজিত আছে। বিদ্যুৎ, টেক্সটাইল, জাহাজ নির্মাণ, বিমান চলাচল ও অন্যান্য খাতে আগামী দিন-গুলোতে বিনিয়োগ বাড়ার সাথে সাথে বীমা শিল্পেও প্রবৃদ্ধি আশা করা যাচ্ছে। আমরাও এই প্রবৃদ্ধি থেকে একটা অংশ পাওয়ার জন্য সর্বকম চেষ্টা চালিয়ে যাচ্ছি।

তীব্র প্রতিযোগিতা সত্ত্বেও প্রগতি ইন্স্যুরেন্স লিমিটেড ২০১০ সালে ১,০৬২ মিলিয়ন টাকার বিপরীতে ২০১১ সালে ১,১৩৭ মিলিয়ন টাকা গ্রস প্রিমিয়াম আয় করেছে, যা এ যাবৎ কালের সর্বোচ্চ। এক্ষেত্রে প্রবৃদ্ধির হার ৭.০৬%। এ অর্জন সম্ভব হয়েছে আমাদের কর্মরত কর্মকর্তা ও কর্মচারীদের আন্তরিক প্রচেষ্টার ফলে।

## শ্রেণী অনুযায়ী প্রিমিয়াম

### অগ্নি বীমা

গত বছরের ৪৬৮.৩৫ মিলিয়ন টাকার বিপরীতে ২০১১ সনে কোম্পানী ৪৮৪.০৯ মিলিয়ন টাকা এ খাতে আয় করেছে। পুনর্বীমা এবং বীমা দাবী মিটিয়ে/সমস্বয় করার পর ২০১১ সালে অবলেনন মুনাফার পরিমাণ দাঁড়িয়েছে ১৯.৩৩ মিলিয়ন টাকা যা গত বছর ছিল ১০.১৮ মিলিয়ন টাকা।

### নৌ বীমা

নৌ বীমা বিভাগে মেরীন হাল সহ গ্রস প্রিমিয়াম অর্জিত হয়েছে ৪২০.০৩ মিলিয়ন টাকা যা ২০১০ সালে ছিল ৩৬১.৫৩ মিলিয়ন টাকা। এ ক্ষেত্রে প্রবৃদ্ধির হার ১৬.১৮%। রি-ইন্স্যুরেন্স এবং বীমা দাবী মিটানোর পর ২০১১ সালে এ





Tk.39.72 million against last year's underwriting profit of Tk.42.97 million. The decrease was largely due to inclusion of Marine Hull, and Helicopter Insurance where more than 95% was re-insured which in turn benefitted us by reducing claim payment from Tk.110m to Tk.60m in 2011.

### Miscellaneous Insurance

Gross premium of Tk.233.16 million (both in Motor and Miscellaneous departments) has been earned against Tk.232.35 million in the year 2010. After meeting expenses for re-insurance and claims, we earned underwriting profit of Tk.30.27 million against Tk.9.94 million in 2010. The reason for high profit in this line of business may be attributed to lesser number of claims from our retained account and improvement in underwriting practices and strict adherence to standard guidelines.

### Investment Operation

In spite of exerting best possible efforts the contribution of company's earnings from capital market activities towards profitability was very insignificant throughout the year 2011. Stock Exchanges were very volatile and prices of the securities nosedived to the rock bottom. Efforts were made to control damage by doing selling and buying with utmost caution. You are quite aware that many companies/individuals who invested in shares just now find themselves in distressed position, to say the least.

Profit from share trading during the year was Tk.6.2 million against last year's profit of Tk. 77.2 million, somehow emerged unharmed from loss. However, by the beginning of the year 2012, we see a ray of light at the end of the tunnel.

We are going to re-organize the Investment Department by inducting skilled personnel adequately experienced and have thorough knowledge about the share market and who will monitor the share market round the clock.

খাতে অবলেনন মুনাফার পরিমাণ ৩৯.৭২ মিলিয়ন টাকা যা গত বছরে ছিল ৪২.৯৭ মিলিয়ন টাকা। এ ক্ষেত্রে মেরীন হাল ও হেলিকপ্টার ইন্স্যুরেন্স (৯৫% এর ও বেশি রি-ইন্স্যুরেন্স করা হয়েছে) করার কারণে অবলেনন মুনাফা কমে গেছে। পক্ষান্তরে বীমা দাবী ২০১০ সালে ১১০ মিলিয়ন এর স্থলে ২০১১ সালে কমে ৬০ মিলিয়ন টাকা হয়েছে।

### বিবিধ বীমা

২০১১ সালে কোম্পানী মটর ও বিবিধ বীমা খাতে গ্রস প্রিমিয়াম আয় হয় ২৩৩.১৬ মিলিয়ন টাকা যা ২০১০ সালে ছিল ২৩২.৩৫ মিলিয়ন টাকা। রি-ইন্স্যুরেন্স এবং বীমা দাবী মিটানোর পর ২০১১ সালে এ খাতে অবলেনন মুনাফার পরিমাণ দাঁড়ায় ৩০.২৭ মিলিয়ন টাকা যা গত বছরে ছিল ৯.৯৪ মিলিয়ন টাকা। এ বছর কোম্পানীর বীমা দাবীর পরিমাণ কম হওয়ায় এবং অবলেনন নিয়মনীতি ও নিয়মাবলী কঠোর ভাবে পালনের ফলে এ খাতে বেশি মুনাফা অর্জিত হয়েছে।

### বিনিয়োগ কার্যক্রম

সম্ভাব্য সকল প্রচেষ্টা চালানোর পরও ২০১১ সালে শেয়ার বাজার থেকে কোম্পানীর মুনাফা অর্জনের পরিমাণ ছিল খুবই নগণ্য। এ সময়ে শেয়ার বাজার ছিল খুবই অস্থিতিশীল এবং এক পর্যায়ে শেয়ারের দাম সর্বকালের সর্বনিম্ন পর্যায়ে পৌঁছে। অত্যধিক সতর্কতা অবলম্বন করে শেয়ার বেচা কেনা করার ফলে লোকসান ঠেকানো সম্ভব হয়েছে। আপনারা অবগত আছেন যে বিগত ২০১১ সালে অনেক ব্যক্তি/প্রতিষ্ঠান শেয়ার বাজারে বিনিয়োগ করে সর্বক্ষান্ত হয়েছে।

২০১১ সালে কোম্পানীর শেয়ার ব্যবসা থেকে ৬.২ মিলিয়ন টাকা আয় হয়। যা ২০১০ সালে ছিল ৭৭.২ মিলিয়ন টাকা। যা কোন রকমে লোকসান থেকে রক্ষা পাওয়া গেছে। যা হোক, ২০১২ সালের শুরুতে শেয়ার বাজারে কিছুটা তেজি ভাব লক্ষ্য করা যাচ্ছে যা আমাদেরকে আশার আলো দেখাচ্ছে।

দক্ষ ও অভিজ্ঞ লোকবল নিয়োগের মাধ্যমে আমরা বিনিয়োগ সেলকে পূর্ণগঠিত করতে যাচ্ছি যারা সর্বক্ষণ শেয়ার মার্কেট পর্যবেক্ষন করে বিনিয়োগে সঠিক সিদ্ধান্ত নিবে।





## Contribution to National Exchequer

Since Company's commencement in the year 1986 Pragati Insurance Limited have been maintaining a pioneer role to contribute into the Government Exchequer. During the year under report the Company has deposited Tk.161million to the Government Exchequer as corporate income tax, withholding tax, stamp and VAT.

## Income Distribution

After providing for all expenditures the company's net profit before tax stood at Tk.133.38million against Tk.161.52 million in 2010 mainly due to Tk.71 million less profit from share trading activities. The net profit before tax including balance of profit & loss appropriation account of Tk.21.655m has been brought forward from previous year proposed for appropriation as follows:

Million Taka

Reserve for exceptional losses (10% of net Premium)	47.72
Provision for income tax	25.00
Provision for deferred tax	2.50
Balance available for distribution	79.82

The board of directors of Pragati Insurance Limited always pays deep attention and respect to its shareholders and wishes to maximize their return on investment. Keeping that view in mind the Board of Directors has recommended 15% cash dividend and 10% stock dividend to the shareholders of the company for the year 2011 to be financed as follows:

General reserve	9,48,81,353
Net Profit for the year	7,98,23,734
Total	17,47,05,087
Less: Cash and Stock Dividend for the year	11,19,52,074
Balance to be brought forward	Tk. 6,27,53,013

## সরকারী কোষাগারে প্রগতির অবদান

১৯৮৬ সালে কোম্পানীর শুরু থেকে প্রগতি ইন্স্যুরেন্স জাতীয় কোষাগারে জমার ক্ষেত্রে মুখ্য ভূমিকা পালন করে আসছে। আলোচ্য বছরে কর্পোরেট ইনকাম ট্যাক্স, স্টাম্প ডিউটি এবং ভ্যাট হিসাবে প্রগতি ইন্স্যুরেন্স জাতীয় কোষাগারে মোট ১৬১ মিলিয়ন টাকা জমা দিয়েছে।

## আয় বন্টন

কোম্পানীর সকল প্রকার ব্যয় মিটানোর পর ২০১১ সালে কর পূর্ববর্তী নীট মুনাফা হয়েছে ১৩৩.৩৮ মিলিয়ন টাকা যা পূর্ববর্তী বছরে ছিল ১৬১.৫২ মিলিয়ন টাকা। শেয়ার বেচা কেনায় কম মুনাফার কারণে মোট ৭১ মিলিয়ন টাকা মুনাফা কম হয়েছে। আলোচ্য বছরে কর পূর্ববর্তী মুনাফার সাথে ২০১০ সালে অবশিষ্ট মুনাফা টাকা ২১.৬৫৫ মিলিয়ন যোগ করে নিম্নরূপ ভাবে আয় বন্টনের প্রস্তাব করা হয়েছে।

মিলিয়ন টাকা

অধ্যাহিক ঋতি জন্য সংক্ষিপ্ত ঋকি (নীট প্রিমিয়ামের ১০%)	৪৭.৭২
আয়করের জন্য তহবিল	২৫.০০
ডেফার্ড ট্যাক্সের জন্য তহবিল	২.৫০
বিতরণযোগ্য টাকার পরিমাণ	৭৯.৮২

প্রগতি ইন্স্যুরেন্সের পরিচালনা পর্ষদ কোম্পানীর শেয়ারহোল্ডারদের প্রতি সর্বদাই শ্রদ্ধাশীল এবং তারা যাতে তাদের বিনিয়োগের উপর সর্বোচ্চ মুনাফা লাভ করতে পারে সেদিকে অত্যন্ত সচেতন। প্রগতির পরিচালনা পর্ষদ ২০১১ সালে শেয়ারহোল্ডারদের জন্য নগদ ১৫% লভ্যাংশ এবং ১০% বোনাস শেয়ার নিম্ন লিখিতভাবে প্রদানের সুপারিশ করেছেন:

সাধারণ রিজার্ভ	৯৪,৮৮১,৩৫৩
নীট মুনাফা ২০১১	৭৯,৮২৩,৭৩৪
মোট	১৭৪,৭০৫,০৮৭
বাদঃ নগদ লভ্যাংশ ও	
বোনাস লভ্যাংশ	১১১,৯৫২,০৭৪
স্থিতি	৬২,৭৫৩,০১৩





## Credit Rating

Credit Rating of Pragati Insurance Ltd. was carried out by Credit Rating Agency of Bangladesh Limited (CRAB) for the year 2011 and their assessments are as follows:

Long term : AA1

Short term : ST-1

Apart from the above CRAB also mentioned the following salient features of pragati Insurance :

- Steady increase in Gross Premium income
- Adequate solvency margin
- Capacity to meet claim demand of policyholder
- Strong franchise value
- Decrease in claim due to Quality underwriting expertise
- Strong reserve base
- Introducing corporate governance issues and guidelines for compliance with the regulations of IDRA and SEC.

## Re- Valuation of Land and Building Property:

The Company follows consistent policy of revaluing its property and building every 3(three) years. Revaluation has been done by an independent professional valuer. Valuation reveals tremendous value growth of Tk.45,95,40,736 as it shown below:

Description of the Properties	Measuring	Value before revaluation	Value after revaluation
a) Commercial space with car parking Pragati Kowron Bazar, Dhaka-1215, 12 Nos. Car parking.	1,04,000 sq ft	71,00,15,904	1,16,95,56,646
<b>Total Tk.</b>		<b>71,00,15,904</b>	<b>1,16,95,56,646</b>

## Board of Directors

In accordance with article 105 & 107 of the Company's Articles of Association, one third (1/3) of the Directors representing Group-A shareholders shall retire from the office.

## ক্রেডিট রেটিং

২০১১ সালে প্রগতি ইন্স্যুরেন্স লিমিটেড এর ক্রেডিট রেটিং এ CRAB এর মূল্যায়ন নিম্নরূপঃ

Long term : AA1

Short term : ST-1

তা ছাড়া CRAB প্রগতি ইন্স্যুরেন্স লিঃ এর নিম্নলিখিত বৈশিষ্ট্যগুলো উল্লেখ করেছেঃ

- গ্রস প্রিমিয়াম আয় উত্তরোত্তর বৃদ্ধি
- প্রয়োজনের তুলনায় অধিক সলভেন্সি মার্জিন
- দৃঢ় franchise value
- বীমা দাবী পরিশোধের সক্ষমতা
- কোম্পানীর অবলম্বনে গুণগত পরিবর্তনের ফলে বীমার দাবি ট্রাস
- সুদৃঢ় রিজার্ভ কাঠামো
- SEC এবং IDRA এর বিধি অনুযায়ী কর্পোরেট গভর্নেন্স প্রবর্তন ও নিশ্চিত করন

## সম্পদের পুনঃমূল্যায়ন

প্রতি ৩ (তিন) বছর অন্তর কোম্পানী তার সম্পদের পুনঃমূল্যায়ন করে থাকে। এ বছরেও সংশ্লিষ্ট ক্ষেত্রে অভিজ্ঞ একটি প্রতিষ্ঠান দ্বারা কোম্পানীর সম্পদের পুনঃমূল্যায়ন করা হয়েছে। মূল্য বৃদ্ধির পরিমাণ টাকা ৪৫,৯৫,৪০,৭৪২ যা নিম্নে দেয়া হলঃ

সম্পদের বিবরণ	পরিমাণ	পুনঃমূল্যায়নের পূর্বের মূল্য	পুনঃমূল্যায়নের পরের মূল্য
এ। গুল্লি পল্লি টুর স্ট্রাকচার ইন্স্যুরেন্স	১,০৪,০০০ বর্গফুট	৭১,০১৫,৯০৪	১,১৬,৯৫,৫৬,৬৪৬
<b>মোট টাকা</b>		<b>৭১,০১৫,৯০৪</b>	<b>১,১৬,৯৫,৫৬,৬৪৬</b>

## পরিচালকমন্ডলী

কোম্পানীর আর্টিকেলস অব এসোসিয়েশনের ১০৫ এবং ১০৭ ধারা অনুযায়ী "এ" গ্রুপের শেয়ারহোল্ডারদের প্রতিনিধিত্বকারী এক তৃতীয়াংশ পরিচালক অবসর গ্রহন করবেন।



On the other hand one third (1/3) of the Directors from Group-B shareholders shall retire from the office. Necessary advertisement for election has been published in two local dailies on 30th March, 2012.

### Audit Committee

The Audit Committee of the company met three (3) times during the year and reviewed the followings with special emphasis on compliance of respective recommendations:

- ❖ Audit and Inspection Report(s) of the Audit Team and External Auditors.
- ❖ Ensuring an effective Risk Management system of the Company through ongoing review of the company's internal control system.
- ❖ The financial statements of the company for 2011 audited by the External Auditors.
- ❖ 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 SEC'S Circular# CMRRCD/2006-/158/Admin/02-08dated 20th February,2006.

### Auditors

M/S. A Wahab & Co, Chartered Accountants was appointed External Auditors of the company for the year 2011 at the 25th Annual General Meeting. They have audited the books of account for the period covering 1st January, 2011 to 31st December, 2011.This is the 1st year that A. Wahab & Co. has audited the Financial Statements of the company.They are eligible for re-appointment and expressed their willingness for the year 2012.The Board has recommended their appointment subject to the approval in the Annual General Meeting.

অন্য দিকে গ্রুপ বি শেয়ারহোল্ডারদের প্রতিনিধিত্বকারী এক তৃতীয়াংশ পরিচালক অবসর গ্রহন করবেন। পরিচালক নিবার্চনের জন্য ৩০ শে মার্চ, ২০১২ইং তারিখে স্থানীয় দুটি পত্রিকায় বিজ্ঞাপন দেওয়া হয়েছে।

### অডিট কমিটি

আলোচ্য বছরে অডিট কমিটি ৩ (তিন) টি সভায় মিলিত হয়েছে এবং প্রতিটি সুপারিশ বাস্তবায়নের উপর বিশেষ গুরুত্ব আরোপ সহ নিম্ন লিখিত বিষয়াদি পূর্ণ বিবেচনা করেছেঃ

১. অডিট টিম ও বহিঃ নিরীক্ষকের অডিট ও ইন্সপেকশন রিপোর্ট।
২. কোম্পানীর আভ্যন্তরীণ নিরীক্ষা কার্যক্রমের সার্বক্ষণিক পূর্ণমূল্যায়নের মাধ্যমে কোম্পানীর কার্যকরি ঝুঁকি ব্যবস্থাপনা নিশ্চিত করন।
৩. বহিঃনিরীক্ষক দল কর্তৃক কোম্পানীর ২০১১ সালের আর্থিক বিবরণীর উপর নিরীক্ষা প্রতিবেদন।
৪. কোম্পানীতে (Compliance) প্রয়োজনীয়তার উপর গুরুত্ব আরোপের অভ্যাস গড়ে তোলা।

সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর সার্ভুলার নং সিএমআরআরসিডি /২০০৬-/১৫৮/প্রশাসন/০২-০৮ তারিখ ২০শে ফেব্রুয়ারী,২০০৬ এর নির্দেশনা অনুযায়ী কোম্পানীর অডিট কমিটি গঠিত হয়েছে।

### নিরীক্ষক

কোম্পানীর ২৫তম সাধারণ বার্ষিক সভায় মেসার্স এ ওহাব এন্ড কোং, চার্টার্ড এ্যাকাউন্টেন্টস কে কোম্পানীর ২০১১ সালের বহিঃনিরীক্ষক হিসাবে নিয়োগ প্রদান করা হয়েছে। তাঁরা ১লা জানুয়ারী হতে ৩১শে ডিসেম্বর, ২০১১ সময়ের হিসাব নিরীক্ষা করেছে। এ ওহাব এন্ড কোং এর ২০১১ সাল নিরীক্ষার ১ম বছর। তাঁরা পুনঃ নিয়োগের যোগ্য এবং তারা ২০১২ সালে নিরীক্ষক হিসাবে কাজ করার আগ্রহ প্রকাশ করেছে। পরিচালনা পর্ষদ বার্ষিক সাধারণ সভায় অনুমোদন সাপেক্ষে তাদের পুনঃ নিয়োগের সুপারিশ করেছে।



## 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 2011 the Board of Directors held 12 (twelve) meetings and the Directors serving on the Board attended in aggregate 61.25% of the total number of meetings.
- ix. At 31 December 2011, 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:

## Ownership Status

Sl. No.	Name of Directors	No. shares	Spouse	Total	% of share
1	Mr. Abdul Awal Mintoo	367,060	552,930	919,990	2.05
2	Mr. Khan Mohd. Ameer	1,101,150		1,101,150	2.46
3	Al-Haj Khalilur Rahman	2,264,610		2,264,610	5.06
4	Mr. Abdul Monem	1,179,130	—	1,179,130	2.63
5	Mr. Mohd. A. Awal	975950	376,450	1,352,400	3.02
6	Mr. Md. Syedur Rahman Mintoo	651350	55,180	706,530	1.58
7	Syed M. Altaf Hussain	1297750	—	1,297,750	2.90
8	Mr. Md. Sarwar Kamal	807470	373,460	1,180,930	2.64
9	Mrs. Nahreen Siddiqua	52500	—	52,500	0.12
10	Mr. Tafsir Mohd. Awal	178890	—	178,890	0.40
11	Mrs. Nigar Jahan Chowdhury	957510	—	957,510	2.14
12	Prof. Jahangir Chowdhury	635420	—	635,420	1.42
13	Mr. Mohd. A. Malek	763210	282,600	1,045,810	2.34
14	Mr. Md. Mushfiqur Rahman	353860	—	353,860	0.79
15	Mr. Nasir A. Latif	533090	—	533,090	1.19
16	Mr. Tabith Mohd. Awal	306130	—	306,130	0.68
17	Mr. Ahamedul Hoque	10300	—	10,300	0.02
18	Mr. A.S.M. Mohiuddin Monem	110990	—	110,990	0.25
19	Mr. A.K.M. Shamsuddin Independent Director	—	—	—	—
20	Managing Director	—	—	—	—
21	Company Secretary	—	—	—	—
22	Chief Financial Officer	—	—	—	—
23	Head Of Internal Audit	—	—	—	—





## Corporate Governance

Good Corporate governance is simply building a transparent, efficient and a fair system of decision making .It aims for a high level transparency in the company's operation and will create a balance in the company where one group is not able to dominate policy or management of the company.The management strictly adheres to two basic principles of corporate governance-transparency and disclosure.Board meetings are held regularly where policy decisions are taken on the basis of the open discussion and consensus and keeping in mind the interest of all the shareholders and stakeholders of the company.

Pragati Insurance Ltd. considers that it has implemented the requirements contained in Security and Exchange Commission notification No. SEC/CMRRCD/2006-158/Admin/02-08 dated 20th February,2006. A corporate governance compliance report as per SEC check list is given below:

Condition No.	Title	Compliance Status		Explanation for Non Compliance/ Comments
		Complied	Not Complied	
1.1	Board Size	✓		
1.2(i)	Number of Independent Director	✓		
1.2(ii)	Appointment of Independent Director	✓		
1.3	Chairman of the Board & CEO	✓		
1.4(a)	FS present fairly its state of affairs, result of its operation, cash flow and changes in equity	✓		
1.4(b)	Proper Books of Accounts maintained	✓		
1.4(c)	Appropriate accounting policies consistently applied in FS preparation and accounting estimates are based on reasonable and prudent judgment	✓		
1.4(d)	IAS as applicable in Bangladesh, followed in FS preparation & departure adequately disclosed	✓		
1.4(e)	The System of Internal control sound in design and effectively implemented & monitored	✓		
1.4(f)	No significant doubt upon its ability to continue as a going concern	✓		
1.4(g)	Significant deviations from last year in operating result	✓		No such incidence
1.4(h)	Key operating & financial data of at least preceding 3 years	✓		
1.4(i)	If the company has not declared Dividend, reasons thereof	✓		
1.4(j)	Number of Board Meeting held & attendance	✓		12 Meetings with average 64.47% attendance
1.4(k)	Pattern of Shareholding	✓		
2.1	Appointment of CFO, Head of Internal Audit & Company Secretary	✓		

Condition No.	Title	Compliance Status		Explanation for Non Compliance/ Comments
		Complied	Not Complied	
2.2	Requirement to attend Board Meeting	✓		
3.0	Audit Committee	✓		
3.1(i)	Composition of Audit Committee	✓		4 members
3.1(ii)	Appointment of Audit Committee	✓		
3.1(iii)	Service & tenure of Audit committee	✓		
3.2(i)	Selection of the Chairman of Audit committee	✓		
3.2(ii)	Qualification of the Chairman of Audit Committee	✓		
3.3.1.(i)	Reporting of Audit Committee	✓		
3.3.1.(ii)(a)	Report on conflicts of Interest			No such incidence
3.3.1(ii)(b)	Suspected or presumed fraud or irregularity or material defect in the internal control system			No such incidence
3.3.1(ii)(c)	Suspected infringement of Laws			No such incidence
3.3.1(ii)(d)	Any other matter			No such incidence
3.3.2	Reporting of the Authorities	✓		
3.4	Reporting to the Shareholders & General Investors	✓		
4.00(i)	Appraisal or valuation services or fairness opinion	✓		
4.00(ii)	Financial information systems design and implementation	✓		
4.00(iii)	Book Keeping or other services related to accounting records or financial statement	✓		
4.00(iv)	Broker-dealer services	✓		
4.00(v)	Actuarial Services	✓		
4.00(vi)	Internal Audit services	✓		
4.00(vii)	Any other Services	✓		
5.00	Reporting the compliance in the Directors report	✓		





## Acknowledgement

We express our sincerest thanks and deep sense of gratitude to all of our shareholders and valued clients for their unflinching support and cooperation to the company. We are especially grateful to all Banks both in the private and public sector and the management of Multimode Group, Square Group, Besimco Group, KDS Group, Abdul Manem Ltd., Hosaf Group, Monna Group, KAFCO, Robi (Aktel), Beta Shoes (Bangladesh), Air Tel., Novartis Bangladesh, Linde Bangladesh, Hop Lun (BD) Ltd, Holcim Cement, Heidelberg cement, Glaxo Smithkline, Pro-Star Group, Chowdhury Apparels, McDonald (BD) pvt. Ltd, Gonoshasthya Group, DHL Worldwide, NTV, RTV, American International School, UAE Embassy, NASA Group, Pacific Jeans, HKD Group, Alita Group, Apex Weaving, Anima Dying, Thernax Group, Dhakarea, MGH Group, Jayson Group, Aristopharma Ltd, Shams Group, NR Group, Al-haj Karim Textile Ltd, Jamuna Group of Industries, Hotel Westin Dhaka, Hotel Radisson Dhaka, Boshundhara Group, Khulna Power, Quality Feeds, Techno Textile Ltd., Senakalyan Sangstha, Youth Group, Grameen Phone, A.K.M.Knitware, Core Bangladesh, PAXAR Bangladesh, Summit Group, Khan Jahan Ali Power Plant, Olympic Industries, Bulltrade (Pvt) Ltd, Rangp Group etc. for reposing their confidence in the company.

We thank the office of Insurance Development and Regulatory Authority, Securities and Exchanges Commission, Dhaka Stock Exchange, Chittagong Stock Exchange, Sadharan Bima Corporation, General Insurance Corporation of India (GIC), Best Re., Malaysia, Trust International, Bahrain and other Re-insurers for their support and assistance. The Board also expresses its appreciation to M/s. A.Wahab & Co, the auditor of the company.

The Board offers a very special thanks to the Managing Director and conveys 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 results in the coming days. The Directors have been pleased to reward its staff including Executives, Officers and Employees with maximum 3 (three) incentive bonus based on individual performance to be decided by the management.

We remain fully committed to our deep determination and strategy of personalized client service, their utmost satisfaction and financial security.

Thank you all,

On behalf of the Board of Directors

**Abdul Awal Mintoo**

Chairman

## কৃতজ্ঞতা স্বীকার

আমরা সম্মানিত শেয়ারহোল্ডার ও বীমা গ্রাহিকদের কে তাদের দৃঢ় সমর্থন ও সহযোগিতার জন্য আমাদের আন্তরিক ধন্যবাদ ও গভীর কৃতজ্ঞতা জ্ঞাপন করছি। আমরা বিশেষভাবে সরকারী ও বেসরকারী ব্যাংক সমূহ, মালটিমোড গ্রুপ, বেসিমকো গ্রুপ, কেডিএস গ্রুপ, আব্দুল মনোম গ্রুপ, হোসাপ গ্রুপ, মনো গ্রুপ, কর্নফুলী ফার্মাটাইলার কোং লিমিটেড (কাফকো), রবি (এ্যাকটেল), বাটা সু (বাংলাদেশ) লিমিটেড, এয়ারটেল, নোভারটিস (বাংলাদেশ) লিমিটেড, লিন্ডে বাংলাদেশ লিমিটেড, হোপা-লুন, হাইডেলবার্গ সিমেন্ট, প্রাকসো স্মিথক্লাইন, প্রো-স্টার গ্রুপ, জেমস গ্রুপ, এয়ারটেল, মোননা গ্রুপ, কাফকো (বাংলাদেশ) লিমিটেড, গনস্বাস্থ্য গ্রুপ, ডি.এইচ.এল ওয়ার্ল্ড-ওয়াইড, এনটিভি, আরটিভি, আমেরিকান ইন্টারন্যাশনাল স্কুল, আরব এ্যামিরাত দূতাবাস, ভারতীয় দূতাবাস, নাশা গ্রুপ, প্যাসিফিক জিনস, এইচ কে ডি গ্রুপ, আলিটা গ্রুপ, এ্যাপেল উইডিং, আনসিমা ডাইং, ঢাকারিয়া, এম.জি.এইচ গ্রুপ, জেসন গ্রুপ, এ্যারিস্টো ফার্মা লিমিটেড, শামস গ্রুপ, এন আর গ্রুপ, আলহাজ্ব করিম টেক্সটাইল, যমুনা গ্রুপ অব ইন্ডাস্ট্রিজ, হোটেল ওয়েস্টিন, হোটেল রেডিসন, বসুন্ধরা গ্রুপ, খুলনা পাওয়ার, কোয়ালিটি ফিডস, টেকনো টেক্সটাইল লিমিটেড, সেনা কল্যান সংস্থা, ইউস গ্রুপ, গ্রামীনফোন, এ কে এম লিমিটেড, কেয়ার বাংলাদেশ, পেঙ্গুয়ার, সামিট গ্রুপ, খানজাহান আলী পাওয়ার প্রক্ট, অলিম্পিক বাংলাদেশ লিমিটেড এবং বিলট্রেড গ্রুপ, রাংগপ গ্রুপ প্রগতি ইন্স্যুরেন্সের উপর যে আস্থা প্রদর্শন করেছেন তার জন্য পরিচালকমন্ডলী তাদের নিকট গভীরভাবে কৃতজ্ঞ।

আমরা গণপ্রজাতন্ত্রী বাংলাদেশ সরকার, বীমা উন্নয়ন ও নিয়ন্ত্রণ কর্তৃপক্ষ, সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, ঢাকা স্টক এক্সচেঞ্জ, চট্টগ্রাম স্টক এক্সচেঞ্জ, সাধারণ বীমা কর্পোরেশন, জেনারেল ইন্স্যুরেন্স কর্পোরেশন, (GIC) ভারত, বেস্ট রিই-মালয়েশিয়া, ট্রাস্ট ইন্টারন্যাশনাল-বাহরাইন এবং অন্যান্য রি-ইন্স্যুরার কে তাদের সমর্থন ও সহযোগিতার জন্য ধন্যবাদ জানাচ্ছি। পরিচালনা পর্ষদ কোম্পানীর নিরীক্ষক মেসার্স এ. ওহাব এন্ড কোং চর্চার্ট এ্যাকাউন্টেন্টসকে ও ধন্যবাদ জ্ঞাপন করছে।

পরিচালনা পর্ষদ ব্যবস্থাপনা পরিচালককে বিশেষ ভাবে ধন্যবাদ জানাচ্ছে এবং তাঁর মাধ্যমে কোম্পানীর সমস্ত নির্বাহী, কর্মকর্তা ও কর্মচারীদের কে তাদের প্রশংসনীয় কাজের জন্য ধন্যবাদ জ্ঞাপন করেছে। তাদের আন্তরিক উৎসর্গের মনোভাব, কর্মনিষ্ঠা, অক্লান্ত পরিশ্রম, ও সেবার মাধ্যমে আগামী দিনগুলোতে কোম্পানী আরো ভাল ফলাফল অর্জন করবে বলে দৃঢ় প্রত্যাশা ব্যক্ত করছি। পরিচালকমন্ডলী আন্তরিক এবং প্রশংসনীয় কর্মদিারের জন্য সকল শ্রেণীর কর্মকর্তা ও কর্মচারীদ্বন্দ্বকে সর্বোচ্চ তিনটি উৎসাহ বোনাস প্রদানের সিদ্ধান্ত গ্রহন করেছেন।

পরিশেষে আমরা আমাদের দৃঢ় সংকল্পের প্রতি গভীর অঙ্গীকার প্রকাশ করছি যে আমরা বীমা গ্রাহীতাদেরকে সেবার দ্বারা তাদের পূর্ণ আর্থিক নিরাপত্তা প্রদানের মাধ্যমে তাদের সন্তুষ্টি অর্জনে সদা সচেষ্ট থাকব।

ধন্যবাদ,

পরিচালকমন্ডলীর পক্ষে

**আব্দুল আউয়াল মিন্টু**

চেয়ারম্যান।



## 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 committee operates according to the terms of reference approved by the Board and in compliance with section 3.00 of the Securities and Exchange Commission's notification. The committee is responsible and reports to the Board of Directors. The members of the Audit Committee comprises as under.

- |                                |          |
|--------------------------------|----------|
| 1. Syed M Altaf Hussain        | Chairman |
| 2. Mr. Tabith Mohd. Awal       | Member   |
| 3. Mr. A. S. M Mohiuddin Monem | Member   |
| 4. Mr. A. K. M Shamsuddin      | Member   |

### The Committee is empowered to monitor, review and examine:

- Free access to all the company's records, documents, files and information in any form.
- Investigate any matter relating to financial and other affairs of the company.
- Review all internal and external audit and inspection programs and reports.
- Review the internal control system & procedures.
- Allowed special investigation without any restriction imposed by the operating management.

### Audit Guidelines

The committee issued the following guidelines /instructions for compliance by the management and the internal audit team.

- The internal audit team carries out the regular internal audit of all departments and branches and report on irregularities or no compliance of any rules/ regulations /office orders along with suggested measures for improvement.
- If any irregularities are detected, the matter should clearly be mentioned in the report and responsibilities have to be fixed to the persons involved.
- Ensure that corrective measures have been taken to stop recurrence of the irregularities.

### Resolutions of the Audit Committee meeting

During the year 2011 under review 3 (three) meetings of the Audit Committee were held and the Committee focused on the following activities.

1. Reviewed the draft annual financial statement of accounts for the year 2011 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.

2. Reviewed the quarterly and half yearly financial statement of accounts for their proper presentation to the shareholders and regulatory authorities.
3. Reviewed the various reports of the Internal Auditor and suggested to take appropriate actions to the management where needed.
4. Reviewed the status report of audit plan 2011 and also approved the internal audit plan 2012 with appropriate directions to the Internal Auditor.

### Approval of Financial Statement

The Audit Committee reviewed and examined the annual financial statements 2011 prepared by the management and audited by the external auditors and recommended the same before the Board for consideration.

### Acknowledgement

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



**Syed M Altaf Hussain**

Chairman, Audit Committee

## 25th AGM in Picture





## PRAGATI INSURANCE LIMITED



### **Audit Report and Statement of Accounts For the year ended December 31, 2011**

## AUDITOR'S REPORT TO THE SHAREHOLDERS OF PRAGATI INSURANCE LIMITED

We have audited the accompanying Balance Sheet of Pragati Insurance Limited as of December 31, 2011 and the related Profit and Loss Account and Statement of Cash Flows 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) except Bangladesh Accounting Standards (BAS) 12, give a true and fair view of the state of the company's affairs as of December 31, 2011 and of the results of its operations and its Cash Flows for the year then ended and comply with the Companies Act, 1994, Insurance Act 2010 and Insurance Rules 1958, the Securities Exchange Rules 1987 and other applicable laws and regulations.

### **Subject to the accompanying notes and disclosures therein we also report that:**

- i) We have obtained 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;





- iii) The company's Balance Sheet and Profit and Loss Account and its Cash Flows 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 63(2) of the Insurance Act 2010 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 Insurance Act, 2010, 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.

*A. Wahab & Co.*

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

CHARTERED ACCOUNTANTS

Dated: Dhaka, April 16, 2012.

## Balance Sheet

As at 31 December, 2011

	Notes	2011 Taka	2010 Taka
<b>CAPITAL &amp; LIABILITIES</b>			
<b>Authorized capital</b>			
200,000,000 Ordinary shares of Tk. 10 each		2,000,000,000	500,000,000
<b>Issued, Subscribed &amp; Paid-up capital</b>			
44,780,295 Ordinary shares of Tk. 10 each	4	447,802,950	426,479,000
<b>Share Premium</b>		52,272	52,272
<b>Reserve or Contingency account</b>			
Reserve for Exceptional Losses	5	483,971,633	436,251,050
Contingency Reserve for Insurance Guarantees and Tail ended Insurance Business	6	105,869,651	105,869,651
Revaluation Reserve	7	1,412,133,735	952,592,999
General Reserve	8	94,881,353	94,881,353
Profit & Loss Appropriation Account	9	79,823,734	106,951,687
<b>Balance of fund &amp; account</b>		242,139,901	238,973,299
Fire Insurance Business		35,624,754	39,263,541
Marine Insurance Business		110,596,755	105,540,865
Misc. Insurance Business		95,918,393	94,168,893
<b>Premium Deposit</b>	10	2,354,351	5,317,229
<b>Liabilities &amp; provision</b>			
Estimated liabilities in respect of outstanding Claims whether due or intimated.	11	70,499,537	90,953,941
Amount due to other persons or bodies for carrying on insurance business.	12	69,293,198	149,669,817
<b>Loan from Bank for Building (Secured)</b>	13	176,486,506	175,637,293
Sundry creditors	14	84,037,130	64,353,991
Provision for Income Tax	15	179,104,453	154,104,453
Provision for Deferred Tax	16	12,890,000	10,390,000
		<b>3,461,340,405</b>	<b>3,012,478,035</b>
<b>Net Asset Value Per Share</b>		58.60	49.80



M. J. Azim  
Managing Director (I.C.)  
Dated : Dhaka, April 16, 2012



Tabith Mohd. Awal  
Director



A.S.M. Mohiuddin Monem  
Director





## Balance Sheet

As at 31 December, 2011

	Notes	2011 Taka	2010 Taka
<b>PROPERTY &amp; ASSETS</b>			
<b>Investment</b>		397,144,840	389,277,368
National Investment Bond	17	4,586,755	4,500,000
Shares & debentures (at Cost)	18	392,558,085	384,777,368
<b>Outstanding Premium</b>	19	117,982,046	146,439,289
<b>Amount due from other persons or bodies carrying on insurance business</b>	20	128,805,602	196,279,624
<b>Interest, Dividend &amp; Rent outstanding</b>	21	1,064,574	3,864,750
<b>Sundry Debtors</b>	22	86,558,419	70,322,137
<b>Advance Payment of Tax</b>	23	139,326,105	121,619,316
<b>Cash and Bank Balances</b>	24	510,464,310	523,234,896
Fixed Deposit Accounts		386,114,179	371,663,254
STD & Current Accounts		109,437,372	138,187,245
Cash, Cheque in hand & Stamp		14,912,759	13,384,397
<b>Other accounts</b>		2,079,994,509	1,561,440,654
Land (freehold)	25	829,624,403	829,246,403
Holiday Homes	26	4,130,090	4,130,090
Fixed Assets(at cost less accumulated depreciation)	27	64,210,876	38,427,559
Building	28	1,181,033,640	689,050,502
Stock of printing materials		995,500	586,100
		<b>3,461,340,405</b>	<b>3,012,478,035</b>

The annexed Notes 1 to 35 form an integral part of these finance statements. These financial statement were approved by the Board of Directors on 09-04-2012 and were signed on its behalf by:

Subject to our separate report of even date

Abdul Awal Mintoo  
Chairman

(A. WAHAB & CO.)  
Chartered Accountants

## Profit and Loss Account

For the year ended 31 December, 2011

Particulars	Notes	2011 Taka	2010 Taka
<b>Expenses of Management</b>			
(not applicable to any fund or account)		19,777,828	25,993,311
Director Fees & Expenses		2,379,000	2,377,150
Registration & Renewal Fee	31	4,753,045	3,625,593
Audit Fees (including fee for special audit)	32	920,675	250,000
Depreciation		11,644,774	13,030,315
Profit for the year transferred to Profit & Loss Appropriation Account		133,388,430	161,522,354
		<b>172,863,752</b>	<b>206,798,723</b>

## Profit and Loss Appropriation Account

For the year ended 31 December, 2011

Particulars	Notes	2011 Taka	2010 Taka
Reserve for Exceptional Losses		47,720,583	47,469,739
Provision for Income Tax		25,000,000	15,000,000
Provision for Deferred Tax		2,500,000	2,500,000
Balance transferred to Balance Sheet		79,823,734	106,951,687
		<b>155,044,317</b>	<b>171,921,426</b>

**Earnings Per Share**

2.36

3.38



M. J. Azim  
Managing Director (I.C.)

Dated : Dhaka, April 16, 2012



Tabith Mohd. Awal  
Director



A.S.M. Mohiuddin Monem  
Director





## Profit and Loss Account

For the year ended 31 December, 2011

Particulars	Notes	2011 Taka	2010 Taka
<b>Interest, Dividend and Rent</b>			
(Not applicable to any fund or account)	29	46,305,976	40,972,339
Interest received & accrued		41,796,442	34,527,542
Dividend and Debenture interest		4,509,534	6,444,797
<b>Profit transferred from :</b>		<b>89,319,850</b>	<b>63,099,738</b>
Fire revenue account		19,334,996	10,179,959
Marine revenue account		39,716,666	42,975,719
Misc. revenue account		30,268,188	9,944,060
<b>Other income :</b>	30	<b>37,237,926</b>	<b>102,726,646</b>
Misc. receipt		3,054,769	1,713,123
Profit on sale of investment (shares)		6,201,646	77,289,546
Building Rent		27,981,511	23,723,977
		<b>172,863,752</b>	<b>206,798,723</b>

## Profit and Loss Appropriation Account

For the year ended 31 December, 2011

Particulars	Notes	2011 Taka	2010 Taka
Net profit for the year transferred from Profit and Loss Account		133,388,430	161,522,354
Balance brought forward from previous period		21,655,887	10,399,072
		<b>155,044,317</b>	<b>171,921,426</b>

The annexed Notes 1 to 35 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 09-04-2012 and were signed on its behalf by:

Subject to our separate report of even date

Abdul Awal Mintoo  
Chairman

(A. WAHAB & CO.)  
Chartered Accountants

## Consolidated Revenue Account

For the year ended 31 December, 2011

Particulars	Fire	Marine Cargo	Marine Hull	Motor	Misc	Total 2011	2010
Claim under policies less Re-insurance : Claim paid during the year	21,331,035	16,188,700		36,508,940	6,759,530	80,788,205	107,195,691
Total Estimated liability in respect of outstanding claims at the end of the year under due or intimated	39,404,844	13,430,814		7,762,000	9,901,879	70,499,537	90,953,941
Less : Outstanding Claim at the end of the previous year	60,735,879	29,619,514	—	44,270,940	16,661,409	151,287,742	198,149,632
	56,906,811	8,047,413		10,290,000	15,709,717	90,953,941	87,463,532
Expenses for management	3,829,068	21,572,101	—	33,980,940	951,692	60,333,801	110,686,100
Commission	35,556,492	97,299,168	1,256,016	55,265,818	33,033,036	222,410,530	209,830,203
Profit transfer to Profit & Loss Account	105,071,086	62,048,281	1,196,946	26,295,253	14,378,599	208,990,165	174,126,471
Balance on Account at the end of the year as shown in Balance Sheet : Reserve for unexpired risks being 50% of Fire, Marine Cargo, Motor & Misc. and 100% the Marine Hull	19,334,996	37,778,753	1,937,913	8,061,503	22,206,685	89,319,849	63,099,739
Premium income of the year.	35,624,754	103,522,783	7,073,972	60,034,850	35,883,543	242,139,901	238,973,299
<b>Total:</b>	<b>199,416,396</b>	<b>322,221,085</b>	<b>11,464,847</b>	<b>183,638,363</b>	<b>106,453,555</b>	<b>823,194,246</b>	<b>796,715,812</b>



M. J. Azim  
Managing Director (I.C.)  
Dated : Dhaka, April 16, 2012



Tabith Mohd. Awal  
Director



A.S.M. Mohiuddin Manem  
Director





## Fire Insurance Revenue Account

For the year ended 31 December, 2011

Particulars	2011 Taka	2010 Taka
Claims under policies Less : Re-insurance :		
Paid during the year	21,331,035	12,663,000
Total estimated liability in respect of Outstanding Claims at the end of the year whether due or intimated	39,404,844	56,906,811
	60,735,879	69,569,811
Less : Outstanding claims at the end of the previous year	56,906,811	41,314,924
	3,829,068	28,254,887
<b>Expenses of management</b>	35,556,492	34,705,916
<b>Commission</b>	105,071,086	88,507,214
<b>Profit transferred to Profit &amp; Loss Account</b>	19,334,996	10,179,959
<b>Balance of account at the end of the year as shown in Balance Sheet :</b> Reserve for unexpired risks, being 50% of the fire premium income of the year	35,624,754	39,263,541
	<b>199,416,396</b>	<b>200,911,517</b>



M. J. Azim  
Managing Director (I.C.)  
Dated : Dhaka, April 16, 2012



Tabith Mohd. Awal  
Director



A.S.M. Mohiuddin Monem  
Director





## Fire Insurance Revenue Account

For the year ended 31 December, 2011

	2011 Taka	2010 Taka
Balance of account at the beginning of the year :		
Reserve for unexpired risk	39,263,541	35,283,747
Premium less : Re-insurance	71,249,508	78,527,082
Commission on Re-insurance ceded	88,903,347	87,100,688
	<b>199,416,396</b>	<b>200,911,517</b>

The annexed Notes 1 to 35 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 09-04-2012 and were signed on its behalf by:

Subject to our separate report of even date

Abdul Awal Mintoo  
Chairman

(A. WAHAB & CO.)  
Chartered Accountants

## Marine Insurance Revenue Account

For the year ended 31 December, 2011

Particulars	Cargo	Hull	2011 Taka	2010 Taka
<b>Claims under Policies</b>				
<b>Less : Re-Insurance:</b>				
Paid during the year	16,188,700	—	16,188,700	35,844,741
Total estimated liability in respect of Outstanding Claims at the end of the year whether due or intimated	13,430,814	—	13,430,814	8,047,413
	29,619,514	—	29,619,514	43,892,154
Less : Outstanding Claims at the end of the previous year	8,047,413	—	8,047,413	24,731,925
	21,572,101	—	21,572,10	19,160,229
<b>Expenses of Management</b>	97,299,168	1,256,016	98,555,184	91,884,646
<b>Commission</b>	62,048,281	1,196,946	63,245,227	51,648,023
<b>Profit transferred to Profit &amp; Loss Account</b>	37,778,753	1,937,913	39,716,666	42,975,719
<b>Balance of Account at the end of the year as shown in Balance Sheet :</b>				
Reserve for unexpired risks being 50% of the Marine Cargo Premium income 100% of the Marine Hull Premium Income of the year	103,522,783	7,073,972	110,596,755	105,540,865
	<b>322,221,085</b>	<b>11,464,847</b>	<b>333,685,932</b>	<b>311,209,482</b>



M. J. Azim  
Managing Director (I.C.)  
Dated : Dhaka, April 16, 2012



Tabith Mohd. Awal  
Director



A.S.M. Mohiuddin Monem  
Director





## Marine Insurance Revenue Account

For the year ended 31 December, 2011

Particulars	Cargo	Hull	2011 Taka	2010 Taka
Balance of Account at the beginning of the year :				
Reserve for unexpired risk	102,291,661	3,249,204	105,540,865	88,616,396
Premium Less : Re-Insurance	207,045,565	7,073,972	214,119,537	207,832,526
Commission on Re-Insurance Ceded	12,883,859	1,141,671	14,025,530	14,760,560
	<b>322,221,085</b>	<b>11,464,847</b>	<b>333,685,932</b>	<b>311,209,482</b>

The annexed Notes 1 to 35 form an integral part of these finance statements. These financial statement were approved by the Board of Directors on 09-04-2012 and were signed on its behalf by:

Subject to our separate report of even date.

Abdul Awal Mintoo  
Chairman

(A. WAHAB & CO.)  
Chartered Accountants

## Miscellaneous Insurance Revenue Account

For the year ended 31 December, 2011

Particulars	Motor	Misc.	2011 Taka	2010 Taka
Claims under policies less : Re-insurance: paid during the year	36,508,940	6,759,530	43,268,470	58,687,950
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	7,762,000	9,901,879	17,663,879	25,999,717
	44,270,940	16,661,409	60,932,349	84,687,667
Less : Outstanding claims at the end of the previous year	10,290,000	15,709,717	25,999,717	21,416,683
	33,980,940	951,692	34,932,632	63,270,984
Expenses of management	55,265,818	33,033,036	88,298,854	83,239,642
Commission	26,295,253	14,378,599	40,673,852	33,971,234
Profit & Loss Account	8,061,503	22,206,685	30,268,188	9,944,060
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	60,034,850	35,883,543	95,918,393	94,168,893
	<b>183,638,363</b>	<b>106,453,555</b>	<b>290,091,918</b>	<b>284,594,813</b>



M. J. Azim  
Managing Director (I.C.)  
Dated : Dhaka, April 16, 2012



Tabith Mohd. Awal  
Director



A.S.M. Mohiuddin Monem  
Director





## Miscellaneous Insurance Revenue Account

For the year ended 31 December, 2011

	Motor	Misc.	2011 Taka	2010 Taka
Balance of account at the beginning of the year :				
Reserve for unexpired risks	63,568,664	30,600,229	94,168,893	91,525,049
Premium less : Re-insurance	120,069,699	71,767,086	191,836,785	188,337,786
Commission on Re-insurance ceded (including profit commission)	—	4,086,240	4,086,240	4,731,978
	<u>183,638,363</u>	<u>106,453,555</u>	<u>290,091,918</u>	<u>284,594,813</u>

The annexed Notes 1 to 35 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 09-04-2012 and were signed on its behalf by:

Subject to our separate report of even date.

Abdul Awal Mintoo  
Chairman

(A. WAHAB & CO.)  
Chartered Accountants



## Statement of Changes of Shareholder's Equity

For the year ended 31 December, 2011

Particulars	Share capital		Share Premium		Reserve for exceptional losses		Contingency Reserve for Insurance Guarantees		Revaluation Reserve		General reserve		Profit & loss appropriation		Total equity		
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	
Balance at 1 January 2011	426,479,000	52,272	436,251,050	105,869,651	952,392,999	94,881,353	106,951,687	2,123,078,012									
Issue of share capital (Bonus share)	21,323,950	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Balance at 1 January 2011 (Restated)	447,802,950	52,272	436,251,050	105,869,651	952,392,999	94,881,353	106,951,687	2,123,078,012									
Transferred to Reserve for exceptional losses	—	—	47,720,583	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transferred to Revaluation Reserve	—	—	—	—	459,540,736	—	—	—	—	—	—	—	—	—	—	—	—
Transferred to profit & loss appropriation account	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Balance at 31 December 2011	447,802,950	52,272	483,971,633	105,869,651	1,412,133,737	94,881,353	79,823,734	2,624,535,328									

The annexed Notes 1 to 35 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 09-04-2012 and were signed on its behalf by:

M. J. Azim (I.C.)  
Managing Director

Tabitha Mohd. Awal  
Director

A. S.M. Mohiuddin Monem  
Director

Abdul Awal Mintoo  
Chairman

Subject to our separate report of even date.

A. WAHAB & CO  
Chartered Accountants

Dated : Dhaka, April 16, 2012





## Statement of Cash Flow

For the year ended 31 December, 2011

Particulars	2011 Taka	2010 Taka
<b>A. Cash Flow from operating Activities:</b>		
Collection from Premium & Other income	1,257,549,364	1,149,589,071
Less: Payment for Expenses of Management, Re-insurance, Claim and Commission etc.	1,197,833,255	1,079,168,048
Less: Tax paid/or deducted	17,706,789	21,112,822
<b>Net Cash Flow From Operating Activities</b>	<b>42,009,320</b>	<b>49,308,201</b>
<b>B. Cash Flow from Investing Activities:</b>		
Interest & other Income	44,851,212	36,240,665
Dividend Income	4,509,534	6,444,797
Rental Income	27,981,511	23,723,977
Purchase of Fixed Assets	(36,075,964)	(9,169,994)
Disposal Of Fixed Assets	4,191,469	1,221,970
Land & Building	(32,820,402)	1,104,190
Net Fund adjustment with Brokers' house	(11,818,532)	12,516,941
<b>Net Cash Flow From Investing Activities</b>	<b>818,828</b>	<b>72,082,546</b>
<b>C. Cash Flow from Financing Activities</b>		
Increase of bank Overdraft	849,213	(2,780,036)
Dividend Paid	(56,447,947)	(68,415,322)
<b>Net Cash Flow From Financing Activities</b>	<b>(55,598,734)</b>	<b>(71,195,358)</b>
<b>Increase/Decrease in Cash Flow(A+B+C)</b>	<b>(12,770,586)</b>	<b>50,195,389</b>
<b>Opening Cash In hand&amp; Bank</b>	<b>523,234,896</b>	<b>473,039,507</b>
<b>Closing Cash In hand&amp; Bank</b>	<b>510,464,310</b>	<b>523,234,896</b>
<b>Net operating cash flow per share</b>	<b>0.94</b>	<b>1.16</b>

The annexed Notes 1 to 35 form an integral part of these finance statements. These financial statement were approved by the Board of Directors on 09-04-2012 and were signed on its behalf by:

M. J. Azim  
Managing Director (I.C.)

Tabith Mohd. Awal  
Director

A.S.M. Mohiuddin Monem  
Director

Abdul Awal Mintoo  
Chairman

Subject to our separate report of even date.

(A. WAHAB & CO)  
Chartered Accountants

Dated : Dhaka, April 16, 2012

## Notes on Accounts

For the year ended 31 December, 2011

### 1.00 Background

Pragati Insurance Limited (the Company) was incorporated as a public company on 27 January 1986 and obtained the Certificate of Commencement 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.

### 2.00 Basis of presenting accounts and significant accounting policies

#### 2.01 Basis of presenting accounts

- a) These accounts have been prepared under Generally Accepted Accounting Principles (GAAP) on historical cost convention. These statements are also prepared in accordance with applicable Accounting Standards as adopted by the Institute of Chartered Accountants of Bangladesh and where relevant with presentational requirement of the law.
- b) The Balance Sheet has been prepared in accordance with the regulations contained in Part I of the First Schedule and as per Form 'A' as set forth in Part II of that Schedule and the Revenue Account of each class of general insurance business has been prepared in accordance with the regulations as contained in Part I of the Third Schedule and as per Form 'F' as set forth in Part II of that Schedule of the Insurance Act 2010 as amended.

#### 2.02 Significant accounting policies

##### a) 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 and 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 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.

#### **b) Interest on Statutory and other Investments :**

Interest is accrued on statutory investment of TK.45.00 Lac lying with Bangladesh Bank in the form of Treasury Bond. Along with the aforesaid interest, the interest received during the year from banks on STD account and FDR Accounts has been duly credited to the Profit and loss Account.

#### **c) 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 Profit and Loss 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.

#### **d) Management Expenses**

Management expenses as charged to Revenue Accounts amounting to Tk.222,410,530 represents approximately 19.56% of gross premium of Tk.1,137,295,798. The expenses have been apportioned @ 15.98% to Fire, 44.32% to Marine and 39.70% to Miscellaneous business as per Management decision.

#### **e) 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 2011.

#### **f) Reserve for Exceptional Loss**

Reserve for Exceptional Losses as appropriated out of current year's profit before tax provision amounts to Tk. 47,720,583 being 10% of the net premium earned during the year.

#### **g) 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	10%
Fixtures	15%
Motor Vehicles	20%
Office & Electrical Equipment	15%
Miscellaneous Items	20%
Electrical Equipments (Building)	10%

No Depreciation has been charged on office Building except Electrical Equipment with building of the Company.

#### **h) Outstanding Premium :TK. 117,982,046**

The outstanding premium appearing in the accounts represents only the amount which was realized subsequently till February, 2012.

#### **i) Use of Estimate**

Preparation of financial Statements in conformity with International Accounting Standards requires management to make estimate and assumptions that affect the reported amounts of asset and liabilities and discloser of the contingent asset and liabilities if any at the date of the financial statements and revenues and expenses during the year reported. Actual result could differ from those estimates. Estimates are used in accounting for certain items such as depreciation, outstanding claims, taxes reserve etc.

#### **j) Issue of Bonus Share**

The company has issued 2,132,395 bonus shares as approved by the shareholders of the company in the Annual General Meeting held on 20th June 2011 out of the net profit of 2010. The amount has been credited to the share capital account in the year 2011.

#### **k) Operation**

During the year under audit, the gross premium earned by the company amounted to Tk.1,137,295,798 including public sector business of Tk.29,484,400. After ceding for re-insurance premium the net premium for the year amounted to Tk. 477,205,830 and after charging direct expenses there from the net underwriting profit stood at Tk. 89,319,849 as against Tk.63,099,740 in the previous year.





### **l) Public Sector Business**

Public Sector Business up to June 2011 has been accounted for on the basis of statements received from Sadharan Bima Corporation.

### **m) Taxation**

Provision for income tax has been made on net profit at lump sum basis in view of the prevailing rate of 42.5% as per Income Tax Ordinance, 1984 and possible disallowances of expenditure at the time of assessment.

### **n) Deferred Tax**

Provision for deferred tax has been made on lump sum basis based on best estimate and in view of temporary difference due to the carrying amount of an asset or liability and its tax base.

### **o) Tax Assessment Position**

Management has filed appeals with the High Court Division against the order of Taxes Appellate Tribunal for the assessment years 2006-2007, 2007-2008 and 2008-2009. Another appeal has been filed with the Taxes appellate Tribunal against the order of the Commissioner of Taxes (Appeal) for the assessment year 2009. Appeal has been filed with Commissioner of Tax (Appeal) against the order of Deputy Commissioner of Taxes for the assessment year 2010-2011.

### **p) Basic Earnings per Share**

This has been calculated by dividing the basic earning by the weighted average number of ordinary shares outstanding during the year as per BAS-33.

### **q) Gratuity Fund**

Gratuity fund of Pragati Insurance Ltd. is registered with National Board of Revenue.

### **r) Others**

Figures have been rounded off to the nearest Taka and previous year's figures have been re-arranged, wherever necessary for the purpose of comparison.

## **3.00 Valuation of Assets**

The value of all assets at 31 December 2011 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 do not exceed their aggregate market value.

**4.00 Share capital****Particulars****Authorized:**

200,000,000 Ordinary shares of Tk 10 each

**2011  
Taka****2010  
Taka**

2,000,000,000

500,000,000

**Issued, subscribed and paid up:**

44,780,295 Ordinary shares of Tk 10 each fully paid up bonus share (5%) allotted in 2010 (Out of Net Profit)

**447,802,950****426,479,000**

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

61,000,000

61,000,000

1,220,000 Ordinary shares of Tk 10 each fully paid

12,200,000

12,200,000

up as bonus share (20%) allotted in 1997

2,196,000 Ordinary shares of Tk 10 each fully paid up as bonus share(30%) allotted in 2002 (out of general reserve as at

21,960,000

21,960,000

31st December 2001)

2,379,000 Ordinary shares of Tk 10 each fully paid up as bonus share

23,790,000

23,790,000

(25%) allotted 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%) allotted in 2004(out of Share Premium)

32,116,500

32,116,500

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

37,766,500

37,766,500

2,832,500 Ordinary shares of Tk 10 each fully paid up as bonus share(15%) allotted in 2006(out of Share Premium &amp; General reserve)

28,325,000

28,325,000

3,257,370 Ordinary shares of Tk 10 each fully paid up as bonus share(15%) allotted in 2007(out of Share Premium &amp; General reserve)

32,573,700

32,573,700

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

87,406,000

87,406,000

50,570,600 Ordinary shares of Tk 10 each fully paid up as bonus share(15%) allotted in 2008(out of net Profit)

50,570,600

50,570,600

38,770,830 Ordinary shares of Tk 10 each fully paid up bonus share (10%) allotted in 2009 (Out of General Reserve and Dividend Equalization Reserve)

38,770,700

38,770,700

42,647,900 Ordinary shares of Tk 10 each fully paid up bonus share (5%) allotted in 2010 (Out of Net Profit)

21,323,950

—

**Total:****447,802,950****426,479,000****5.00 Reserve for Exceptional Losses: Tk. 483,971,633**

The above balance is made up as follows:

**Particulars**

Opening balance

436,251,050

388,781,311

Add: Addition during the year

47,720,583

47,469,739

**Total:****483,971,633****436,251,050**



**6.00 Contingency Reserve for Insurance Guarantees & tail ended Insurance Business: Tk. 105,869,651**

The above balance is made up as follows:

Particulars	2011 Taka	2010 Taka
Reserve for unexpired Guarantees	87,080,441	87,080,441
Reserve against Tail ended insurance business	18,789,210	18,789,210
<b>Total:</b>	<b>105,869,651</b>	<b>105,869,651</b>

**7.00 Revaluation Reserve: Tk. 1,412,133,735**

The above balance is made up as follows:

Particulars		2011 Taka	2010 Taka
Opening balance		952,592,999	952,592,999
Add: Appreciated value of H. O. Building	28.00	459,540,736	—
<b>Total:</b>		<b>1,412,133,735</b>	<b>952,592,999</b>

The value of building have been increased by Tk. 459,540,736 on the basis of revaluation done by M/S. BALTIC CONTROL (BD) LTD. which was approved by the Board of Directors in its 209th meeting held on 9th April, 2012. The revaluation report was furnished to SEC in compliance to Directive No. SEC/SRMD/2000-985/2248/PRA-02/1 dated 19 December 2000. This was also published in the newspaper as price sensitive information.

**8.00 General Reserve: Tk. 94,881,353**

The above balance is made up as follows:

Particulars		2011 Taka	2010 Taka
Opening balance		94,881,353	20,666,028
Add: Addition during the year		94,881,353	94,881,353
		94,881,353	115,547,381
Less: Adjustment against Bonus share		—	20,666,028
<b>Total:</b>		<b>94,881,353</b>	<b>94,881,353</b>

**9.00 Balance of Profit & Loss Appropriation Account: Tk. 79,823,734**

The above balance is made up as follows:

Particulars		2011 Taka	2010 Taka
Underwriting Profit as per revenue Account		89,319,849	63,099,739
Interest Income & Dividend		46,305,977	40,972,339
Other Income(Including gain on Sale of Share)		37,237,926	102,726,646
		172,863,752	206,798,724
Less: Expenses of Management (Not related to any fund or account)		39,475,322	45,276,370
Net profit for the year		133,388,430	161,522,354
Less: Reserve for Exceptional losses(10% of Net Premium) Tax free		47,720,583	47,469,739

	<b>2011 Taka</b>	<b>2010 Taka</b>
Add: Surplus Brought forward:	85,667,847	114,052,615
	21,655,887	10,399,072
	<u>107,323,734</u>	<u>124,451,687</u>
Less: Distribution		
Tax provision	25,000,000	15,000,000
Deferred Tax	2,500,000	2,500,000
	<u>27,500,000</u>	<u>17,500,000</u>
<b>Surplus Carried forward</b>	<b><u>79,823,734</u></b>	<b><u>106,951,687</u></b>

#### 10.00 Premium deposits

**2,354,351**

**5,317,229**

Balance on this account represents premium received against cover notes which were not converted into policy within 31, December 2011 because of the period of nine months from the dates of issue of cover notes had not expired.

#### 11.00 Estimated liability in respect of outstanding claims whether due or intimated: Tk. 70,499,537

The above balance is made up as follows:

##### Particulars

Fire	39,404,844	56,906,811
Marine	13,430,814	8,047,413
Motor	7,762,000	10,290,000
Miscellaneous	9,901,879	15,709,717
<b>Total:</b>	<b><u>70,499,537</u></b>	<b><u>90,953,941</u></b>

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

#### 12.00 Amounts due to other persons or bodies carrying on insurance business: Tk. 69,293,198

The following is the break-up of the balance due to overseas reinsurer on account of re-insurance arrangements and under co-insurance scheme for payment to other insurance companies.

##### Particulars

Re-insurers	53,218,119	89,692,881
Co-insurers	16,075,079	59,976,936
<b>Total:</b>	<b><u>69,293,198</u></b>	<b><u>149,669,817</u></b>

#### 13.00 Loan from Bank for office Building (Secured): Tk. 176,486,506

The above balance is made up as follows:

##### Particulars

Opening Balance	175,637,293	178,417,329
Loan taken during the year	35,000,000	—
Interest charged during the year	23,524,219	23,729,270
	<u>234,161,512</u>	<u>202,146,599</u>
Less: Re-payment during the year	57,675,006	26,509,306
<b>Total:</b>	<b><u>176,486,506</u></b>	<b><u>175,637,293</u></b>





#### 14.00 Sundry creditors (including provision for expenses and taxes): Tk. 84,037,130

The above balance is made up as follows:

Particulars	Notes	2011 Taka	2010 Taka
Share application Money		14,000	14,000
Payable against expenses	14.01	40,821,194	30,632,780
Provident fund deduction		275,796	932,817
Provident fund Loan		642,035	
Income tax deduction	14.02	1,573,093	1,549,356
Received against security		4,285,000	4,280,000
Tax deduction against Bill		143,233	288,314
VAT deduction against Bill		205,949	374,529
Un-paid dividend	14.03	9,548,113	9,548,113
Vat payable	14.04	9,753,948	7,385,696
Hospitalization Insurance Claim		1,055,905	947,134
Advance Rent Received		14,546,470	8,400,640
Jamuna Resort Ltd		1,172,394	—
Short & Excess		—	612
		<b>84,037,130</b>	<b>64,353,991</b>

#### 14.01 Payable against expenses: Tk. 40,821,194

The above balance is made up as follows:

Particulars	2011 Taka	2010 Taka
Company Contribution of PF	457,939	460,638
Incentive Bonus	16,062,982	14,000,000
Honorarium	900,000	900,000
Courier Service	20,000	20,000
Payable to Gratuity Fund	5,000,000	—
Dividend Tax	17,195,773	13,742,642
Audit Fee	1,184,500	1,509,500
	<b>40,821,194</b>	<b>30,632,780</b>

#### 14.02 Income Tax deduction

Income Tax deduction at source amounting to Tk. 1,573,093 including income tax deduction from salary during the year and yet to be deposited to Bangladesh Bank.

#### 14.03 Unpaid Dividend

This represent the balance of unpaid dividend from year to year TK.95,48,113

#### 14.03 VAT Payable

VAT Payable as Tk.9,753,948 represent the VAT for the month of December 2011 which has been deposited into Bangladesh Bank subsequently.

#### 15.00 Provision for Income Tax: Tk. 179,104,453

The amount includes Tk.25,000,000 being Income tax provision made for the accounting year ended on December 31, 2011 (Assessment Year 2012-2013) in accordance with the best estimate of the management on lump sum basis but without considering the admissible and inadmissible expenses.

Particulars	2011 Taka	2010 Taka
Opening Balance	154,104,453	139,104,453
Add: Provision made during the year	25,000,000	15,000,000
	<b>179,104,453</b>	<b>154,104,453</b>

#### 16.00 Provision for Deferred Tax: Tk. 12,890,000

The amount includes Tk.2,500,000 being Deferred tax provision made for the accounting year ended on December 31, 2011 in accordance with the best estimate of the management on lump sum basis.

Particulars	2011	2010
Opening Balance	10,390,000	7,890,000
Add: Provision made during the year	2,500,000	2,500,000
	<b>12,890,000</b>	<b>10,390,000</b>

#### 17.00 National Investment Bond: Tk. 4,586,755

The amount represents 3-year National Investment Bond with a face value of Tk. 4,586,755 held with Bangladesh Bank as statutory deposit under Insurance Act, 2010.

#### 18.00 Shares and Debentures: Tk. 392,558,085

The above balance is made up as follows:

Particulars	Notes	2011	2010
Shares	18.01	378,371,881	368,572,253
Debentures	18.02	14,186,204	16,205,115
		<b>392,558,085</b>	<b>384,777,368</b>

##### 18.1 Shares

The above balance is made up as follows:

Particulars	2011	2010
Opening balance	368,572,253	368,583,783
Add: Purchase during the year	44,980,241	89,512,506
	413,552,494	458,096,289
Less: Sale during the year	35,180,613	89,524,036
	<b>378,371,881</b>	<b>368,572,253</b>

##### 18.1.1 Break up of Shares and Debentures for 2011

	No. of Share	At cost	Market Value
AB Bank Ltd	44,570	4,023,719	3,044,131
Atlas Bangladesh Ltd.	1,160	491,313	290,000
Beximco Pharma. Ltd.	24,554	3,285,125	2,298,254





BOC Ltd	1,200	840,267	734,640
DBH Ltd	50,000	6,378,392	4,580,000
Daffodil Ltd	91	420	1,993
Delta Life Ltd	220	386,213	676,522
DESCO Ltd	86,240	9,142,472	9,788,240
Eastern Cables Ltd	4,100	280,850	234,110
Foreast Life Ins. Ltd.	21,000	6,092,350	3,402,000
Glaxosmith Ltd	1,100	1,271,839	730,950
Grameen Phone Ltd	100	9,376	16,350
Heidelberg Ltd	10,000	3,509,450	2,559,000
IBBL P Bond Ltd	1,305	1,372,985	1,312,503
ICB Ltd	5,400	17,321,028	8,766,900
IDLC Ltd	66,000	19,070,794	9,141,000
Jamuna oil Ltd	86,736	25,831,774	15,543,091
Kay & Que Ltd	65,250	2,027,760	2,799,225
Keya Cosmetics Ltd	310	7,509	22,103
Lanka Bangla Ltd	87,575	28,697,568	14,905,265
MARICO Ltd	1,000	651,605	389,500
Meghna Petroliam Ltd	12,789	3,568,577	2,403,053
MIDAS Ltd	99,000	16,740,979	6,375,600
Mi Cement Ltd	10,800	1,694,669	1,193,400
Mobil Jamuna Ltd	81,052	12,701,892	8,097,094
Monno Fabrics Ltd.	3,800	23,100	27,125
National Life Ins. Ltd	1,920	901,099	699,450
National Bank Ltd.	6,567	488,438	438,676
National Tubes Ltd.	38,400	5,816,477	2,511,360
One Bank Ltd	23,250	1,444,759	1,109,025
Olympic Industries Ltd.	60	880	7,830
Padma oil Ltd	46,400	33,614,740	34,020,480
PhoenixFin Ltd	1,910	123,652	132,936
Power Grid Ltd	40,500	3,766,051	2,551,500
Pioneer Ins Ltd	5,800	753,841	502,860
Pragati Life Ins. Ltd.	22,400	6,579,680	4,612,160
Reliance Ins. Ltd	1,350	169,463	137,835
Square Pharma. Ltd.	25,500	5,992,072	6,046,050
Summit Power Ltd	45,727	4,029,777	3,402,089
United Insurance Ltd	227	56,700	14,901
Usmania Glass Ltd.	1,340	310,613	177,684
Beximco(Bex Tex)	6,769	89,301	89,301
National Housing Ltd.	2,754,460	24,691,127	263,601,822
<b>Non-Tradable</b>			
Ind. & Infrastructure Dev. Finance Co.	422,237	21,845,700	21,845,700
Central Depository BD. Ltd.	913,889	3,138,890	3,138,890

Jamuna Resort Ltd.	392,009	43,900,895	43,900,895
United Hospital Ltd.	220,500	54,337,500	54,337,500
<b>Brokerage Balance</b>			
LRK Securities		808	808
LANKA BANGLA Securities Ltd.		475,197	475,197
AM Securities Ltd.		422,195	422,195
		<b>378,371,881</b>	<b>543,509,193</b>

#### 18.02 Debentures: Tk. 14,186,204

The above balance is made up as follows:

Particulars	2011 Taka	2010 Taka
Bangladesh Export Import Company Ltd	1,660,000	1,660,000
Beximco Fisheries Ltd	709,547	973,766
Beximco Textile Ltd	1,308,317	1,622,079
Beximco Denims Ltd	6,008,340	7,449,270
Bangladesh luggage Industries Ltd	4,500,000	4,500,000
	<b>14,186,204</b>	<b>16,205,115</b>

#### 19.00 Outstanding premium: Tk. 117,982,046

The balance represents as usual that portion of the outstanding premium which have been realized subsequently till February 29, 2012.

Particulars	2011	2010
Fire	43,271,865	45,856,390
Marine	54,231,014	65,137,684
Motor	11,071,222	29,747,508
Miscellaneous	9,407,945	5,697,707
	<b>117,982,046</b>	<b>146,439,289</b>

#### 20.00 Amount due from other persons or bodies carrying an insurance business: Tk. 128,805,602

The above balance is made up as follows:

Particulars	2011	2010
Co-Insurance premium receivable	42,276,269	71,858,338
Co-Insurance claim receivable	17,457,127	18,547,826
Refund Co-Insurance premium receivable	3,865,537	3,865,537
Sadharan Bima Corporation	65,206,669	102,007,923
	<b>128,805,602</b>	<b>196,279,624</b>

#### 21.00 Interest, Dividend & Rent Outstanding: Tk. 1,064,574

The above balance is made up as follows:

Particulars	Notes	2011	2010
Dividend	21.01	51,426	51,426
Debenture Interest	21.02	1,013,148	3,813,324
		<b>1,064,574</b>	<b>3,864,750</b>





### 21.01 Dividend: Tk. 51,426

The above balance is made up as follows:

Particulars	2011 Taka	2010 Taka
Metro Spinning	510	510
Beximco Fisheries	50,916	50,916
	<b>51,426</b>	<b>51,426</b>

### 21.02 Debenture Interest: Tk. 1,013,148

The above balance is made up as follows:

Particulars	2011 Taka	2010 Taka
Bangladesh Export Import Company Ltd	296,658	296,658
Beximco Fisheries Ltd	191,490	191,490
Beximco Textile Ltd	—	309,356
Beximco Denims Ltd	—	2,490,820
Bangladesh Luggage Industries Ltd	525,000	525,000
	<b>1,013,148</b>	<b>3,813,324</b>

### 22.00 Sundry Debtors (including advances, deposits and prepayments and others): Tk. 86,558,419

The above balance is made up as follows:

Particulars	2011 Taka	2010 Taka
Advance against Salary	2,829,652	2,072,145
Advance against Rent	9,092,371	3,319,864
Advance against Expenses	2,091,052	788,522
Advance against Claim	39,820,992	—
Rent receivable (LRK)	—	143,328
House Building Loan	9,278,097	11,887,679
Jamuna Resort Ltd.	—	10,824,342
Security Deposit	1,419,447	1,007,847
Group Insurance	310,222	752,676
Provident Fund Loan	—	5,811
Insurance Management Software	8,933,200	8,352,100
Receivable from Others	12,783,386	30,863,245
Receivable against Building Maintenance from Rhone Polence	—	304,578
	<b>86,558,419</b>	<b>70,322,137</b>

### 23.00 Advance Payments of Tax: Tk. 139,326,105

The above balance is made up as follows:

Particulars	2011 Taka	2010 Taka
Opening balance	121,619,316	100,506,494
Add: Advance Tax paid/Deduction at source during the year (23.1)	17,706,789	21,112,822
<b>Total:</b>	<b>139,326,105</b>	<b>121,619,316</b>

**23.1 Advance Tax paid/Deduction at source during the year: Tk. 17,706,789**

The above balance is made up as follows:

Particulars	2011 Taka	2010 Taka
Deduction at source from FDR Interest	3,657,536	3,100,752
Deduction at source from STD Interest	225,752	288,087
Deduction at source from Dividend Income	836,905	1,200,330
Deduction at source from Office Rent	1,563,258	1,766,469
Tax against Motor Maintenance	55,544	
Advance Paid	11,367,794	14,757,183
<b>Total:</b>	<b>17,706,789</b>	<b>21,112,822</b>

**24.00 Cash and bank balances: Tk. 510,464,310**

The above balance is made up as follows:

Particulars		
<b>In hand</b>		
Cash	14,427,649	12,750,007
Stamps	485,110	634,390
	<b>14,912,759</b>	<b>13,384,397</b>
<b>At banks</b>		
Fixed deposits (FDR)	386,114,179	371,663,254
Short term deposit (STD) & Current accounts	109,437,372	138,187,245
	495,551,551	509,850,499
<b>Total:</b>	<b>510,464,310</b>	<b>523,234,896</b>

**25.00 Land: Tk. 829,624,403**

The above balance is made up as follows:

Particulars		
Opening balance	829,246,403	828,337,503
Add: Rate, legal & other expenses related to land at Panthapath, Kowran Bazar, Dhaka	378,000	908,900
<b>Total:</b>	<b>829,624,403</b>	<b>829,246,403</b>

**26.00 Holiday Homes: Tk. 4,130,090**

The above balance is made up as follows:

Particulars		
Opening balance	4,130,090	3,934,800
Add: Current Year Payment	—	195,290
<b>Total</b>	<b>4,130,090</b>	<b>4,130,090</b>



**27.00 Fixed Asset: Tk. 64,210,876**

The above balance is made up as follows:

Particulars	2011 Taka	2010 Taka
Cost	152,047,139	112,214,618
Less: Accumulated depreciation (Annexure-1)	87,836,263	72,484,256
<b>Total:</b>	<b>64,210,876</b>	<b>39,730,362</b>

**28.00 Office Building: Tk. 1,181,033,640**

Head Office Building is yet to be registered in the name of the Company and therefore no depreciation has been charged except on electrical equipment. The value of the HO building is Tk. 1,169,556,640 after depreciation of electrical equipment (lift, sub-station generator etc.)

Particulars	Note		
Opening balance		689,050,502	667,888,778
Add: Interest on Sonali Bank - SOD-32008293		23,522,919	23,719,241
Add: Purchase of Floor, Jubilee Road Br.		11,477,000	—
		<b>724,050,421</b>	<b>691,608,019</b>
Less: Depreciation on electrical equipment		2,557,517	2,557,517
		721,492,904	689,050,502
Add: Revaluation of H. O. Building	7.00	459,540,736	—
<b>Total:</b>		<b>1,181,033,640</b>	<b>689,050,502</b>

**29.00 Interest and dividend income: Tk. 46,305,976**

The above balance is made up as follows:

Particulars		
Interest on:		
Fixed deposit receipts (FDR)	36,561,240	31,008,041
Short term deposit (STD) accounts	2,477,808	3,181,454
National investment bond	1,147,500	
House Building Loan Interest	1,609,894	338,047
	41,796,442	34,527,542
Dividend received during the year	4,509,534	6,444,797
<b>Total:</b>	<b>46,305,976</b>	<b>40,972,339</b>

**30.00 Other Income: Tk. 37,237,926**

The above balance is made up as follows:

Particulars		
Profit on sale of Investment	6,201,646	77,289,546
Building Rent	27,981,511	23,723,977
Others	3,054,769	1,713,123
<b>Total:</b>	<b>37,237,926</b>	<b>102,726,646</b>

**31.00 Registration & Renewal Fee Tk. 4,753,045**

The balance represents the amount deposited to Bangladesh Bank against renewal of registration for carrying on fire, marine and miscellaneous insurance business as per Section- 3A of Insurance Act-2010. Such expense amounts to Tk. 4,753,045

**32.00 Audit Fees: Tk. 250,000**

The above balance is made up as follows:

Particulars	2011 Taka	2010 Taka
Statutory audit fee	250,000	250,000
	—	250,000
<b>Total:</b>	<b>250,000</b>	<b>500,000</b>

**33.00 Earning Per Share**

The above balance is made up as follows:

Particulars	2011	2010
Profit after Tax	105,888,430	144,022,354
Number of Share	44,780,295	42,647,900
Basic Earning Per Share	2.36	3.38

**34.00 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 except that the Board of Directors of Pragati Insurance Limited in its 209th meeting held on April 09, 2012 has recommended Cash dividend @ 15% and Stock dividend @ 10% (i.e 1 Fully paid share for every 10 Shares) out of the surplus subject to approval of shareholders in the ensuing Annual General Meeting.

**35.00 Number of employees**

The number of permanent employees of the company was 506.

Board Meeting 12

Average attendance 64.47%

M. J. Azim (I.C.)  
Managing Director

Tabith Mohd. Awal  
Director

A.S.M. Mohiuddin Monem  
Director

Abdul Awal Mintoo  
Chairman

Dated : Dhaka, April 16, 2012





Annexure - A

## Fixed Assets (at cost less accumulated depreciation)

Particulars	Cost			Rate	Depreciation				WDV as at 31 December 2011	WDV as at 31 December 2010
	Opening balance	Additions during the year	Disposal during the year		Closing balance	Charged during the year	Disposal	Closing balance		
FURNITURE & FIXTURE	28,608,176	278,981	—	28,887,157	10%	1,720,133	—	24,366,551	4,520,606	59,617,58.5
FIXTURE(PLUSTIC SIGN)	1,843,758	65,540	—	1,909,298	15%	99,000	—	1,451,719	457,579	491,039
MOTOR VEHICLE	50,165,589	24,914,400	4,191,469	70,888,520	20%	4,508,710	7,986,080	33,786,135	37,102,385	17,902,084
ELECTRICAL EQUIPMENT	31,165,888	7,207,570	—	38,373,458	15%	2,785,571	—	23,321,891	15,051,567	10,129,568
OFFICE EQUIPMENT	3,037,315	29,750	—	3,067,065	15%	118,893	—	2,821,070	245,995	335,138
CURTAIN & CARPETS	679,018	—	—	679,018	20%	—	—	679,018	—	—
BI-CYCLE	23,175	—	—	23,175	20%	—	—	23,175	—	—
TELEPHONE(INTERCOM)	442,261	—	—	442,261	20%	—	—	442,261	—	—
OFFICE DECORATION	4,197,464	3,579,723	—	7,777,187	10%	354,951	—	944,444	6,832,743	3,607,971
<b>Sub-Total:</b>	<b>120,162,644</b>	<b>36,075,964</b>	<b>4,191,469</b>	<b>152,047,139</b>		<b>9,087,257</b>	<b>2,986,080</b>	<b>7,836,263</b>	<b>64,210,876</b>	<b>38,427,559</b>
<b>Building:</b>										
ELECTRICAL EQUIPMENT	25,575,170	—	—	25,575,170	10%	2,557,517	—	7,672,551	17,902,619	20,460,136
<b>Sub-Total:</b>	<b>25,575,170</b>	<b>—</b>	<b>—</b>	<b>25,575,170</b>		<b>2,557,517</b>	<b>—</b>	<b>7,672,551</b>	<b>17,902,619</b>	<b>20,460,136</b>
<b>Grand Total:</b>	<b>145,737,814</b>	<b>36,075,964</b>	<b>4,191,469</b>	<b>177,622,309</b>		<b>11,644,774</b>	<b>2,986,080</b>	<b>95,508,814</b>	<b>82,113,495</b>	<b>58,887,695</b>

## FORM 'AA'

### Classified Summary of Assets as at 31 December 2011

	2011 Taka	2010 Taka
3 - Year National Investment Bond	4,586,755	4,500,000
Shares - at cost	378,371,881	368,572,253
Debenture[At Cost]	14,186,204	16,205,115
Fixed deposit, STD and current A/C with Banks	495,551,551	509,850,499
Cash in hand and Stamp in hand	14,912,759	13,384,397
Outstanding premium and other dues	246,787,648	342,718,913
Accrued interest	1,064,574	3,864,750
Debtors (including advances, deposits and prepayments)	86,558,419	70,322,137
Stock of Printing material	995,500	586,100
Land	829,624,403	829,246,403
Holiday homes	4,130,090	4,130,090
Fixed Asset	64,210,876	38,427,559
Building	1,181,033,640	689,050,502
	<b>3,322,014,300</b>	<b>2,890,858,719</b>



M. J. Azim (I.C)  
Managing Director



Tabith Mohd. Awal  
Director

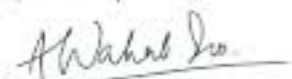


A.S.M. Mohiuddin Monem  
Director



Abdul Awal Mintoo  
Chairman

Subject to our separate report of even date.



(A. WAHAB & CO)  
Chartered Accountants

Dated : Dhaka, April 16, 2012





## Revenue Account

FOR THE YEAR ENDED DECEMBER 31, 2011

1) Summarized position of net underwriting profit earned during the year 2011 is as follows.

Particular	FIRE	MARINE	MOTOR & MISC	2011	2010
<b>Premium Income</b>					
A) Gross Premium	484,099,338	420,038,272	233,158,188	1,137,295,798	1,062,269,478
B) Re-insurance premium	412,849,830	205,918,735	41,321,403	660,089,968	587,572,083
<b>C) Net Premium (A-B)</b>	<b>71,249,508</b>	<b>214,119,537</b>	<b>191,836,785</b>	<b>477,205,830</b>	<b>474,697,395</b>
<b>Direct Expenses</b>					
D) Commission (Net of Re-insurance Accepted and Ceded)	16,167,739	49,219,697	36,587,612	101,975,048	67,533,245
E) Claim Settled & provide	3,829,068	21,572,101	34,932,632	60,333,801	110,686,100
F) Management Expenses	35,556,492	98,555,184	88,298,854	222,410,530	209,830,203
G) Allocation Of Management Expenses	14.93%	44.31%	39.70%	100%	100%
H) Total Direct Expenses (D+E+F)	55,553,299	169,346,982	159,819,098	384,719,379	388,049,548
I) Adjustment Fund Balance for Un-expired risk (Opening Balance Less closing Balance)	3,638,787	(5,055,890)	(1,749,500)	(3,166,602)	(23,548,107)
<b>Net Underwriting Profit (C-H+I)</b>	<b>19,334,996</b>	<b>39,716,666</b>	<b>30,268,188</b>	<b>89,319,849</b>	<b>63,099,740</b>
<b>Commission(Net)</b>					
Commission paid on Direct Business	105,071,086	63,245,227	40,673,852	208,990,165	174,126,471
Commission paid on Re-insurance Accepted					
	<b>105,071,086</b>	<b>63,245,227</b>	<b>40,673,852</b>	<b>208,990,165</b>	<b>174,126,471</b>
Less: Commission earned on re-insurance ceded	88,903,347	14,025,530	4,086,240	107,015,117	106,593,226
<b>Net Commission</b>	<b>16,167,739</b>	<b>49,219,697</b>	<b>36,587,612</b>	<b>101,975,048</b>	<b>67,533,245</b>
<b>Claim Settled</b>					
Gross Claim	149,336,071	30,465,334.00	50,026,313	229,827,718	200,583,355
less: Solvage received					
	149,336,071	30,465,334.00	50,026,313	229,827,718	200,583,355
Less : Re-insurance claim Recovery	128,005,036	14,276,634.00	6,757,843	149,039,513	93,387,664
<b>Paid During The Year</b>	<b>21,331,035</b>	<b>16,188,700</b>	<b>43,268,470</b>	<b>80,788,205</b>	<b>107,195,691</b>
Add: Outstanding Claim at the end of the year whether due or Intimated(Company's Share)	39,404,844	13,430,814	17,663,879	70,499,537	90,953,941
	60,735,879	29,619,514	60,932,349	151,287,742	198,149,632
Less: Outstanding claim at the end of the previous Year	56,906,811	8,047,413	25,999,717	90,953,941	87,463,532
<b>Net Claim</b>	<b>3,829,068</b>	<b>21,572,101</b>	<b>34,932,632</b>	<b>60,333,801</b>	<b>110,686,100</b>

## 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, 2011 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.



M. J. Azim (I.C.)  
Managing Director



Tabith Mohd. Awal  
Director



A.S.M. Mohiuddin Monem  
Director



Abdul Awal Minto  
Chairman





## List of Branches

### Dhaka Division

Sl.No.	Branch Offices	Branch Manager	Contact No.
1	Pragati Insurance Ltd., <b>Bangabandhu Avenue Branch,</b> 13, Bangabandhu Avenue, 3rd Floor, Dhaka.	Mr. Delwar Hossain Deputy Vice President	Mob : 01911344900 Tel : 9566389 (Off.) Fax : 9566911 E-mail : bangabandhu@pragatiinsurance.com
2	Pragati Insurance Ltd., <b>Elephant Road Branch,</b> 299, Elephant Road, Dhaka.	Mr. Sharif Mustaba, Asstt. Managing Director	Mob : 01819238198 Tel : 9661349 (Off.) E-mail : er@pragatiinsurance.com
3	Pragati Insurance Ltd., <b>VIP Road Branch,</b> 69/1, Purana Paltan Lane, Oriental Trade Centre, Dhaka.	Mr. A.S.M. Emdadul Haque Asstt. Vice President	Mob : 01711155185 Tel : 8321796 (Off.) Fax : 8316354 E-mail : vip@pragatiinsurance.com
4	Pragati Insurance Ltd., <b>Tejgaon Branch,</b> BSRS Bhaban (14th floor), 12, Kowran Bazar, Dhaka.	Mr. Abdul Alim Khan, Vice President	Mob : 01711696343 Tel : 8130173 Fax : 9117671 E-mail : tejgaon@pragatiinsurance.com
5	Pragati Insurance Ltd., <b>Dilkusha Branch,</b> 76, Dilkusha C/A, Dhaka.	Mr. Humayun Kabir Majumder, Dy. Vice President	Mob : 01712296516 Tel : 9567861 Fax : 9551685 E-mail : dilkusha@pragatiinsurance.com
6	Pragati Insurance Ltd., <b>Imamgonj Branch,</b> 31, Mirford Road, Imamgonj, Dhaka.	Mr. Syed Saidul Islam, Vice President	Mob : 01552382814 Tel : 7319818 Fax : 7319818 E-mail : imamgonj@pragatiinsurance.com
7	Pragati Insurance Ltd., <b>Malibagh Branch,</b> Manhattan Tower, 83, Siddeswari, Circular Road, Malibagh, Dhaka.	Mr. Md. Golam Faruque, Executive Vice President	Mob : 01711566735 Tel : 8311078 Fax : 9351265 E-mail : malibagh@pragatiinsurance.com
8	Pragati Insurance Ltd., <b>Biman Bhaban Branch,</b> 100 Motijheel C/A Dhaka-1000	Mr. SMB Shameem, Asstt. Managing Director	Mob : 01711428507 Tel : 9570424 Fax : 9571870 E-mail : biman@pragatiinsurance.com
9	Pragati Insurance Ltd., <b>Narsingdi Branch,</b> Bhuiyan Market, (Bajien More) Sader road, Narsingdi-1600, Dhaka.	Mr. Md. Jashim Uddin Manager	Mob : 01817404102 Tel : 9463009 E-mail : narsingdi@pragatiinsurance.com
10	Pragati Insurance Ltd., <b>Tongi Branch,</b> Jalil Market (2nd floor), Tongi, Gazipur, Dhaka.	Mr. Ekramul Haque, Vice President	Mob : 01199838694 Tel : 9802786 Tel : 9802786 E-mail : tongi@pragatiinsurance.com
11	Pragati Insurance Ltd., <b>Pragati Sharani Branch,</b> Khe-208/1 Pragati Sharani, Middle Badda, Dhaka.	Mr. Md. Ruhul Amin (Tulu) Asstt. Manager	Mob : 01552322986 Tel : 9861745 Fax : 8826805 E-mail : ps@pragatiinsurance.com



12	Pragati Insurance Ltd., <b>Savar Branch,</b> 'Hashem plaza', (1st Floor), DEPZ Gate, Ganak Bari, Saver, Dhaka.	Mr. Abdus Salam Executive Vice President	Mob : 01715013439 Tel : 7790262 Fax : 77002262 E-mail : savar@pragatiinsurance.com
13	Pragati Insurance Ltd., <b>Faridpur Branch,</b> 169,Mujib Sarak, Faridpur.	Mr. Kh. Zakir Hossain. Asstt. Vice President	Mob : 01715477641 Tel : 0631-62691 E-mail : faridpur@pragatiinsurance.com
14	Pragati Insurance Ltd., <b>Uttara Branch,</b> House No.18, Road : Sonargaon, Jonapath, Sector: 9,Uttara Model Town, Dhaka-1230.	Mr. Abu Sarwar Hossain. Dy. Vice President	Mob : 01711901553 01554344748 Tel : 7913729, 7914137 Fax : 8915437 E-mail : utara@pragatiinsurance.com
15	Pragati Insurance Ltd., <b>Gulshan Branch,</b> House No.55, Road No. 17, Kamal Ataturk Avenue , Barani C/A, Dhaka.	Mr. Bahauddin Ahmed Vice President	Mob : 01711696341 Tel : 9886151 Fax : 9886151 E-mail : gulshan@pragatiinsurance.com
16	Pragati Insurance Ltd., <b>Madhabdi Branch,</b> School Super Market Complex (1st floor), Madhabdi, Narsingdi.	Mrs. Farida Yasmin, Asstt. Vice President	Mob : 01711037419 Tel : 06257978 E-mail : madhabdi@pragatiinsurance.com
17	Pragati Insurance Ltd., <b>Mymensingh Branch,</b> 10, Durgabari Road,(1st Floor), Mymensingh-2200.	Mr. AKM Kawsar Hossain Senior Manager	Mob : 01712003899 Tel : 091-64062 E-mail : mymensingh@pragatiinsurance.com
18	Pragati Insurance Ltd., <b>Mirpur Branch,</b> Alam Plaza, 3rd Floor, 152, Senpara Parbato, Rokya Sharani ,Mirpur-10,Dhaka.	Mr. Razzaqui Haider Chowdhury Dy. Vice President	Mob : 01711841175 Tel : 8060587 E-mail : mirpur@pragatiinsurance.com
19	Pragati Insurance Ltd., <b>Tangail Branch,</b> Holding No.212, Victoria Road , Tangail.	Mr. Md. Shokhawat Hossen (Mozam) Dy. Manager	Mob : 01716780366 Tel : E-mail : tangail@pragatiinsurance.com
20	Pragati Insurance Ltd., <b>Motijheel Branch,</b> Sena Kalyan Bhaban (13th Floor) 195 Motijheel C/A, Dhaka.	Mr. Ali Fathker (Kallol) Executive Vice President	Mob : 01713002412 Tel : 9556415 Fax : 9556415 E-mail : motijheel@pragatiinsurance.com
21	Pragati Insurance Ltd., <b>Sadarghat Branch,</b> 32/Ka, Johnson Road Dholikhel, Dhaka	Mr. Ahmed Faruk Vice President	Mob : 01911389736 Tel : 7113066 Fax : 7173169 E-mail : sb@pragatiinsurance.com
22	Pragati Insurance Ltd., <b>Hatkhole Branch,</b> Memun Plaza (2nd Floor) 31 Shahid Nazrul Islam Sarak, Dhaka-1203	Mr. Fazlul Karim Alamgir Sr. Ex. Vice President	Mob : 01917391910 Tel : 9559410 Fax : 9560214 E-mail : hatkhola@pragatiinsurance.com
23	Pragati Insurance Ltd., <b>Narayanganj Branch,</b> 150 B.B. Sarak Narayanganj	Mr. Abdul Wadud Dy. Manager	Mob : 01711561368 Tel : 763346 E-mail : narayanganj@pragatiinsurance.com



**Chittagong Division**

24	Pragati Insurance Ltd., <b>Corporate Branch</b> Suraiya Mansion (6th floor), 30, Agrabad C/A, Chittagong.	Mr. Jamal Uddin Haider, Senior Ex. Vice President	Mob : 01711797755 Tel : 2510032 Fax : 031-716922 E-mail : zonal@pragatiinsurance.com
25	Pragati Insurance Ltd., <b>Khatunganj Branch</b> , 410/411, Khatunganj C/A, Chittagong.	Mr. Subak Kumar Barua, Dy. Vice President	Mob : 01819376222 Tel : 031-637051 Fax : 031-636121 E-mail : khatunganj@pragatiinsurance.com
26	Pragati Insurance Ltd., <b>Agrabad Branch</b> , Ayub Trade Center (5Th Floor) 1269/B, Sheikh Mujib Road, Agrabad Commercial Area, Chittagong.	Mr. Md. Abul Hasan, Asstt. Managing Director	Mob : 01711749274 Tel : 713228 Fax : 031-2511984 E-mail : agrabadbranch@pragatiinsurance.com mahason@pragatiinsurance.com
27	Pragati Insurance Ltd., <b>Cox's Bazar Branch</b> , Ahmadia Mansion, Purba Bazar Ghata, Main Road, Cox's Bazar.	Mr. Zaber Hossain, Asstt. Manager	Mob : 01818449970 Tel : 0341-64101 E-mail : cb@pragatiinsurance.com
28	Pragati Insurance Ltd., <b>Jubilee Road Branch</b> , EPIC Ittehad Point 618, Nur Ahmed Sarak, Chittagong.	Mr. Md. Nazrul Islam, Asstt. Managing Director	Mob : 01711749273 Tel : 031-617844 Fax : 031-616022 E-mail : jr@pragatiinsurance.com
29	Pragati Insurance Ltd., <b>Chandpur Branch</b> , Aslam Mansion, J.M. Shengupta Road, Chandpur.	Mr. Pradip Kumar Pal Sr. Manager	Mob : 01711018087 Tel : 0841-63290 E-mail : chandpur@pragatiinsurance.com
30	Pragati Insurance Ltd., <b>Chowmuhani Branch</b> , Golam Rahman Mir Building (4th Floor) Feni Road, Chowmuhani	Mr. Md. Belayet Hossain, Asstt. Vice President	Mob : 01716-390848 Tel : 0321-52030 E-mail : chowmuhani@pragatiinsurance.com
31	Pragati Insurance Ltd., <b>Feni Branch</b> , Sultan Mansion, Trunk Road, Feni.	Mr. Md. Azizul Hoque, Sr. Vice President	Mob : 01554633257 Tel : 0331-74313 E-mail : fenj@pragatiinsurance.com
32	Pragati Insurance Ltd., <b>Comilla Branch</b> , Comilla Co-operative Super Market, (2nd Floor), Kandirpur, Main Road, Comilla.	Mr. M. Muzammel Hoque, Dy. Vice President	Mob : 01711972062 Tel : 081-76977 E-mail : comilla@pragatiinsurance.com

**Rajshahi Division**

33	Pragati Insurance Ltd., <b>Rajshahi Branch</b> , Shaheb Bazar, Ghoramara, Rajshahi.	Mr. Abdur Rozzaque Sarder Asstt. Vice President	Mob : 01727301415 Tel : 721-775926 E-mail : rajshahi@pragatiinsurance.com
34	Pragati Insurance Ltd., <b>Rangpur Branch</b> , Baitus Syed Super Market, Central Road, Rangpur.	Mr. Md. A.A. Solimur Reza Talukder Asstt. Manager	Mob : 01819688697 Tel : 0521-62933 E-mail : rangpur@pragatiinsurance.com
35	Pragati Insurance Ltd., <b>Natore Branch</b> , Kanai Khali, Dhaka Road, Natore.	Mr. Taposh Kumar Talukder, Manager	Mob : 01711433972 E-mail : natore@pragatiinsurance.com

**Rajshahi Division**

36	Pragati Insurance Ltd., <b>Bogra Branch,</b> Thana Road, Bogra.	Mr. Md. Nazrul Islam, Sr. Manager	Mob : 01712196500 Tel : 051-66189 E-mail : bogra@pragatiinsurance.com
37	Pragati Insurance Ltd., <b>Pabna Branch,</b> S.M. Super Market (2nd Floor), Haji Mahd. Mahsin Road, Pabna.	Mr. AHM Raihan, Manager	Mob : 01712021653 Tel : 0731-66541 E-mail : pabna@pragatiinsurance.com
38	Pragati Insurance Ltd., <b>Rajbari Branch,</b> Sarupa Plaza, Khalifa Part, (4th Floor), Rajbari.	Mr. Shamsur Rahman Sr. Officer	Mob : 01715162376 Tel : 0641-65227 E-mail : rajbari@pragatiinsurance.com
39	Pragati Insurance Ltd., <b>Dinajpur Branch,</b> Northern Plaza, (2nd floor) Holding No.74/6 Dinajpur Town, Dinajpur.	Mr. Farid Hossain Sarker, Manager	Mob : 01712138134 Tel : 0531-51105 E-mail : dinajpur@pragatiinsurance.com

**Khulna Division**

40	Pragati Insurance Ltd., <b>Khulna Branch,</b> GM Baksh Tower 22, Sir Iqbal Road, Khulna.	Mr. Md. Kazi Golam Haider Executive Vice President	Mob : 01711574966 Tel : 041-720056 Fax : 041-720056 E-mail : khulna@pragatiinsurance.com
41	Pragati Insurance Ltd., <b>Jessore Branch,</b> 'Jess Tower', (2nd Floor) M.K. Road, Jessore.	Mr. G.M. Saidur Rahman Dy. Vice President	Mob : 01711350349 Tel : 0421-68896 Fax : 0421-6896 E-mail : jessore@pragatiinsurance.com
42	Pragati Insurance Ltd., <b>Kushtia Branch,</b> Lovely Tower, 5th Floor, 55/1, Sirajuddowla Road, kushtia.	Mr. Md. Mahbubul Alam, Sr. Manager	Mob : 01712023445 Tel : 071-62223 Fax : 071-62223 E-mail : kushtia@pragatiinsurance.com

**Barishal Division**

43	Pragati Insurance Ltd., <b>Barisal Branch,</b> Sazrini Super Market (3rd Floor), East Bogre Road, Barisal.	Mr. Amjad Hossain Talukder Dy. Vice President	Mob : 01711185353 Tel : 0431-64286 E-mail : barisal@pragatiinsurance.com
----	---	--	--

**Sylhet Division**


44	Pragati Insurance Ltd., <b>Sylhet Branch,</b> Laldighir Par, Sylhet.	Mr. Debasish Kumar Singha, Sr. Officer	Mob : 01723679315 Tel : 0821-715008 E-mail : sylhet@pragatiinsurance.com
----	--	---	--

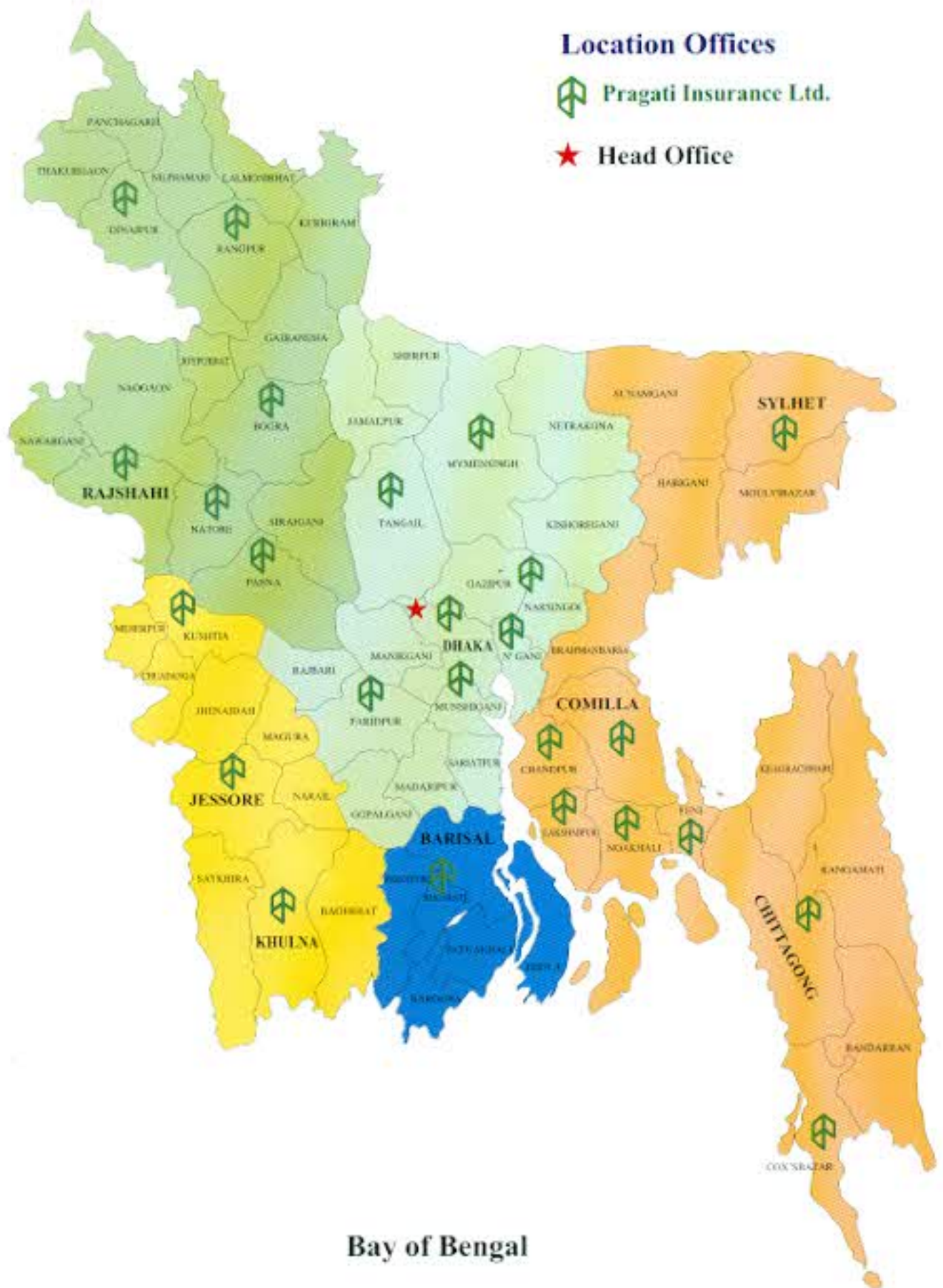




## Location Offices

 Pragati Insurance Ltd.

 Head Office







**Head Office :**

Pragati Insurance Bhaban, 20-21, Kawran Bazar, Dhaka-1215

Tel : PABX : 9133680-2, Fax : 880-2-8122980

E-mail : [info@pragatiinsurance.com](mailto:info@pragatiinsurance.com), [www.pragatiinsurance.com](http://www.pragatiinsurance.com)