

**Independent Auditor's Report
To the Shareholders of Pragati Insurance Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Pragati Insurance Limited which comprise the Statement of Financial Position as at 31 December 2020, Statement of Profit or Loss and Other Comprehensive Income, Consolidated and related Revenue Accounts, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of this report, the accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994 the Insurance Act, 2010 the Insurance Rules, 1958 the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

Basis for Qualified Opinion

1. Gratuity provision.

As disclosed in Note # 2.06 (k) (ii) the company has a funded Gratuity Scheme for all eligible employees who have completed minimum 5 years of confirmed service with the company. As per Note # 26.00 the company reported an amount of Tk. 10,030,031 as Provision for Gratuity as at 31/12/2020 whereas the balance as at 31/12/2019 was Tk. 2,530,031. The amount of Tk. 10,030,031 has been calculated for the employees who have left the company during the year after completing minimum five years service. No provision has been made for the employees who have completed 5 years service and continuing with the company. As a result, the provision for gratuity and expenses has been understated and EPS has been overstated.

2. Compliance with IDRA Regulation

The company has not made proper investment in designated instruments in the manner as prescribed in SRO No. 353-law/2019 dated 11 November 2019 issued by IDRA. As well as the company has not submitted the report on category of investment in assets in the prescribed manner as prescribed in Schedule # 1 of the said SRO.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the current year. During the course of the audit, we considered premium income and investment in other entity's shares as significant matter. To address the risk arising in the key audit matter we made sure that we do check the premium income with their individual policies of the insurer, we obtained the share portfolio and cross checked against each share transactions of the share investment and we also verified the each bank balance with their bank statements and the reconciliation. We calculate reserve for unexpired risk of premium income during the year according to Insurance Development & Regulatory Authority Bangladesh.

Risk	Our response to the risk
Premium Income	
<p>Gross premium amount of Tk. 2,217,522,331 includes amount received from public sector business for the whole year covered by contracts entered into during the year.</p> <p>Given the important nature, connections to other items to the financial statements and sensitivity of the item we believe this area pose high level of risk.</p>	<p>With respect to Premium income in respect of various types of insurance we carried out the following procedures:</p> <ul style="list-style-type: none"> ➤ The design and operating effectiveness of key controls around premium income recognition process. ➤ Carried out analytical procedures and recalculated premium income for the period. ➤ Carried out cut-off testing to ensure unearned premium income has not been included in the premium income. ➤ On a sample basis reviewed policy to ensure appropriate policy stamp was affixed to the contract and the same has been reflected in the premium register. ➤ Ensured on a sample basis that the premium income was being deposited in the designated bank account. ➤ Tested on a sample basis to see that appropriate VAT was being collected and deposited to bank through Treasury Challan. ➤ For a sample of insurance contracts tested to see if appropriate level of reinsurance was done and whether that reinsurance premium was deducted from the gross premium. ➤ Applying specialist judgment ensured if there is any impairment of the reinsurer. ➤ Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act, 2010, Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.
See Revenue Account, Annexure-B (Page-32) to the financial statements	
Estimated liability in respect of outstanding claims	
<p>Company represents Tk. 137,603,245 as the estimated liability in respect of outstanding claims from the insured and involves significant management judgment and risk of understatement.</p>	<p>We tested the design and operating effectiveness of controls around the due and intimated claim recording process.</p> <p>We additionally carried out the following substantive testing's around this item:</p> <ul style="list-style-type: none"> ➤ Obtained the claim register and tested for completeness of claim recorded in the register on a sample basis. ➤ Obtained a sample of claimed policy copy and cross check it with claim. ➤ Obtained a sample of survey reports cross checked those against respective ledger balances and in case of discrepancy carried out further investigation. ➤ Obtained and discussed with management about their basis for estimation and challenged their assumptions where appropriate. ➤ Reviewed the claim committee meeting minutes about decision about impending claims. ➤ Tasted a sample of claims payments with intimation letter, survey report, bank statement, claim payment register and general ledger. ➤ Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act, 2010, Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.
See note no. 22.00 to the financial statements	



Other Matter

The financial statements of the Company for the year ended June 30, 2019 were audited by another auditor who expressed a modified opinion on those statements on July 23, 2020. The qualification point of the previous auditor which mitigate during the period are given below:

1. Financial statements not prepared properly in accordance with IFRS,
2. Different types of reserves created without any basis,
3. Issues relating to current and deferred tax,
4. Issues related to Property, Plant and Equipment, and
5. Non-compliance with Labor Law, 2006.

Other Information

The Directors as well as Management are responsible for the other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and

appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

Report on other Legal and Regulatory Requirements

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

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books;
- c) The Company management has followed relevant provisions of laws and rules in managing the affairs of the Company and proper books of accounts, records and other statutory books have been properly maintained. Due to present pandemic situation we have not visited any branch, however, proper returns adequate for the purposes of our audit have been received from branches not visited by us;



- d) As per section 63(2) of the Insurance Act, 2010 in our opinion to the best of our knowledge and belief an according to the information and explanation given to us, all expenses of management wherever incurred and whether incurred directly or indirectly, in respect of insurance business of the company transacted in Bangladesh during the year under report have been duly debited to the related Revenue Accounts and the Statement of Profit or Loss and other Comprehensive Income of the Company;
- e) We report that to the best of our information and as shown by its books, the company during the year under report has not paid any person any commission in any form, outside Bangladesh in respect of any its business re-insured abroad;
- f) Balance Sheet, Profit and Loss Account, related Revenue Accounts, Statement of Changes in Equity and Statements of Cash Flows of the Company together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- g) The expenditure was incurred for the purpose of the Company's business.

For, A. WAHAB & CO.
CHARTERED ACCOUNTANTS



Md. Showkat Hossain, FCA
Partner
Enrollment No.-196
DVC- 2106100196AS827665

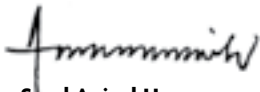
Dated: Dhaka, June 10, 2021

Statement of Financial Position

As at 31 December 2020

Particulars	Notes	2020	2019
PROPERTY & ASSETS			
Non - Current Assets			
		2,901,085,865	2,735,120,283
Office Building	3.00	1,251,120,170	1,283,082,475
Panthapath building	4.00	34,282,698	34,282,698
Freehold Land	5.00	887,627,023	887,627,023
Other Fixed Assets	6.00	78,282,890	83,048,714
Right of use (ROU) Assets	7.00	25,513,373	-
Investment	8.00	624,259,711	447,079,373
		2,243,375,085	1,937,319,292
Current Assets			
Inventory (Printing Material)		2,078,793	1,953,458
Amount due to from other persons or bodies carrying on insurance business	9.00	249,610,659	423,382,512
Interest, Dividend & Rent Receivable	10.00	3,545,828	3,432,331
Sundry Debtors	11.00	87,147,041	76,378,244
Premium Control Account	12.00	46,266,190	54,136,239
Advance Payment of Tax	13.00	450,439,297	385,995,575
Cash and cash equivalent	14.00	1,404,287,278	992,040,933
		5,144,460,950	4,672,439,575
Total Property & Assets			
Shareholder's Equity and Liabilities			
Shareholder's Equity			
		3,509,884,818	3,320,620,735
Share Capital	15.00	655,903,290	655,903,290
Reserve and surplus	16.00	2,653,729,507	2,518,905,427
Retained Earnings	17.00	200,252,021	145,812,018
		1,634,576,132	1,351,818,840
Liabilities and provisions			
Balance of fund & account	18.00	509,823,077	534,050,264
Premium Deposit	19.00	7,542,245	5,472,647
Lease Liability	20.00	26,549,602	-
Deferred Tax Liability	21.00	27,504,956	17,340,000
Estimated liabilities in respect of outstanding claims	22.00	137,603,245	92,938,352
Amount due to other persons or bodies	23.00	222,830,645	11,437,925
Loan from Bank	24.00	2,810,682	75,113,635
Un-Paid Dividend	25.00	22,605,058	17,112,298
Sundry Creditors	26.00	64,369,901	46,955,135
Provision for Income Tax	27.00	594,694,681	537,754,453
Other Liabilities	28.00	18,242,040	13,644,131
		5,144,460,950	4,672,439,575
Total Shareholder's Equity and Liabilities			
Net Asset Value Per Share of Tk. 10 each	34.00	53.51	50.63

The annexed Notes 1 to 39 form an integral part of these financial statements.



Syed Anisul Hoque
Company Secretary



Md. Rezaul Karim
Managing Director



Santosh Sharma
Independent Director



Nasir Latif
Director

Subject to our separate report of even date.



Syed M. Altaf Hussain
Chairman



(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS
Signed By: Md. Showkat Hossain, FCA
Enrollment No.-196
DVC- 2106100196AS827665

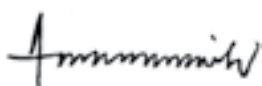
Dated: Dhaka, June 10, 2021

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2020

Particulars	Notes	2020	2019
Profit transferred from :			
Fire revenue account		(10,917,196)	(17,178,029)
Marine revenue account		203,847,818	110,528,544
Misc. revenue account		125,476,175	135,393,615
		318,406,797	228,744,130
Other income	29.00	124,883,467	99,958,197
		443,290,264	328,702,327
Expenses of Management(not applicable to any fund or account)			
Director Fees & Expenses		2,107,148	3,050,625
Registration Renewal Fee	30.00	2,886,976	2,362,448
Audit Fees	32.00	373,750	373,750
Other Expenses	33.00	13,317,294	7,127,366
Depreciation on Lease Assets		17,364,390	-
Lease Interest		3,858,999	-
Depreciation		38,009,501	34,589,429
		77,918,058	47,503,618
Profit before tax		365,372,206	281,198,709
Income tax expense:			
Current tax expense		88,229,572	72,000,000
Deferred tax (income)/expense	31.00	10,164,956	-
		98,394,528	72,000,000
Net Profit after Tax		266,977,678	209,198,709
Other comprehensive income			
Gain/(loss) from fair value changes of investment in securities	8.02.02	66,585,128	(60,724,890)
		66,585,128	(60,724,890)
Total Profit or Loss and Other Comprehensive Income		333,562,805	148,473,819
Earning Per Share	35.00	4.07	3.19

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DVC- 2106100196AS827665

Dated: Dhaka, June 10, 2021

Consolidated Revenue Account

For the year ended 31 December 2020

Particular	FIRE	Marine	Marine Hull	Motor	MISC	2020	2019
Balance of Account at the beginning of the year :							
Reserve for unexpired risk	138,564,470	192,665,520	43,564,269	118,908,339	40,347,666	534,050,263	424,186,468
Premium, Less Re-insurance	270,901,650	451,395,326	39,641,938	145,453,574	72,611,727	980,004,215	1,024,536,256
Commission on Re-Insurance ceded	52,747,560	16,923,561	5,371,409	-	7,595,796	82,638,326	105,169,918
Total	462,213,680	660,984,407	88,577,616	264,361,913	120,555,188	1,596,692,805	1,553,892,642
Claim under policies less Re-insurance :							
Claim paid during the year	8,955,645	20,380,675	788,607	32,138,530	22,163,735	84,427,192	121,956,357
Total Estimated liability in respect of outstanding claims at the end of the year under due or intimated	79,375,283	52,116,331	2,892,985	1,987,759	1,230,887	137,603,245	92,938,352
	88,330,928	72,497,007	3,681,592	34,126,289	23,394,621	222,030,437	214,894,709
Less: Outstanding Claim at the end of the previous year	42,272,232	32,465,933	572,186	8,311,850	9,316,151	92,938,352	76,426,819
	46,058,696	40,031,074	3,109,406	25,814,439	14,078,470	129,092,085	138,467,890
Expenses for management	150,780,265	110,085,706	12,143,071	31,502,546	27,586,935	332,098,523	326,588,335
Commission	140,841,090	103,751,021	11,254,327	30,904,399	20,521,486	307,272,323	326,042,025
Profit transfer to Profit & Loss Account	(10,917,196)	181,418,944	22,428,874	103,413,742	22,062,433	318,406,797	228,744,130
Balance on Account at the end of the year as shown in statement of financial position:							
Reserve for unexpired risks being 50% of Fire, Marine Cargo, Motor & Misc. and 100% of Marine Hull Premium income of the year.	135,450,825	225,697,663	39,641,938	72,726,787	36,305,863	509,823,077	534,050,263
Total	462,213,680	660,984,407	88,577,616	264,361,913	120,555,188	1,596,692,805	1,553,892,642

The annexed Notes 1 to 39 form an integral part of these financial statements.


Syed Anisul Hoque
 Company Secretary



Md. Rezaul Karim
 Managing Director


Santosh Sharma
 Independent Director


Nasir Latif
 Director


Syed M. Altaf Hussain
 Chairman

Subject to our separate report of even date.


 (A. WAHAB & CO.)
 CHARTERED ACCOUNTANTS
 Signed By: Md. Showkat Hossain, FCA
 Enrollment No.-196
 DVC- 2106100196A5827665

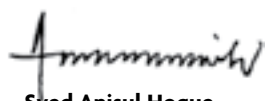
Dated: Dhaka, June 10, 2021

Fire Insurance Revenue Account

For the year ended 31 December 2020

Particulars	2020	2019
Balance of account at the beginning of the year :		
Reserve for unexpired risk	138,564,470	88,635,591
Premium less: Re-Insurance	270,901,650	277,128,939
Commission on Re-insurance ceded	52,747,560	30,314,103
	462,213,680	396,078,633
Claims under policies		
Less: Re-insurance : Paid during the year	8,955,645	32,915,003
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	79,375,283	42,272,232
	88,330,928	75,187,235
Less: Outstanding claims at the end of the previous year	(42,272,232)	(27,994,857)
	46,058,696	47,192,378
Expenses of management	150,780,265	82,998,759
Commission	140,841,090	144,501,055
Profit transferred to Statement of Profit or Loss Account	(10,917,196)	(17,178,029)
Balance of account at the end of the year as shown in statement of financial position :		
Reserve for unexpired risks, being 50% of the fire premium income of the year	135,450,825	138,564,470
	462,213,680	396,078,633

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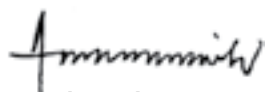
Dated: Dhaka, June 10, 2021

Marine Insurance Revenue Account

For the year ended 31 December 2020

Particulars	Marine Cargo	Marine Hull	2020	2019
Balance of Account at the beginning of the year :				
Reserve for unexpired risk	192,665,520	43,564,269	236,229,789	190,990,145
Premium Less: Re-Insurance	451,395,326	39,641,938	491,037,265	428,895,308
Commission on Re-Insurance Ceded	16,923,561	5,371,409	22,294,970	59,665,243
	660,984,407	88,577,616	749,562,024	679,550,696
Claims under Policies				
Less: Re-Insurance: Paid during the year	20,380,675	788,607	21,169,282	44,491,401
Total estimated liability in respect of Outstanding Claims at the end of the year whether due or intimated	52,116,331	2,892,985	55,009,317	33,038,119
	72,497,007	3,681,592	76,178,599	77,529,520
Less: Outstanding Claims at the end of the previous year	32,465,933	572,186	33,038,119	26,362,692
	40,031,074	3,109,406	43,140,480	51,166,828
Expenses of Management	110,085,706	12,143,071	122,228,777	166,412,242
Commission	103,751,021	11,254,327	115,005,348	115,213,294
Profit transferred to Statement of Profit or Loss Account				
Balance of Account at the end of the year as shown in statement of financial position :	181,418,944	22,428,874	203,847,818	110,528,543
Reserve for unexpired risks being 50% of the Marine Cargo Premium income 100% of the Marine Hull Premium Income of the year	225,697,663	39,641,938	265,339,601	236,229,789
	660,984,407	88,577,616	749,562,024	679,550,696

The annexed Notes 1 to 39 form an integral part of these financial statements.



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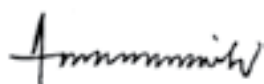
Dated: Dhaka, June 10, 2021

Motor and Miscellaneous Insurance Revenue Account

For the year ended 31 December 2020

Particulars	Motor	Misc	2020	2019
Balance of Account at the beginning of the year :				
Reserve for unexpired risk	118,908,339	40,347,666	159,256,005	144,560,732
Premium Less: Re-Insurance	145,453,574	72,611,727	218,065,300	318,512,009
Commission on Re-insurance ceded (including profit commission)	-	7,595,796	7,595,796	15,190,572
	264,361,913	120,555,188	384,917,101	478,263,313
Claims under Policies				
Less: Re-Insurance: Paid during the year	32138530	22,163,735	54,302,265	44,549,953
Total estimated liability in respect of Outstanding Claims at the end of the year whether due or intimated	1,987,759	1,230,887	3,218,646	17,628,001
	34,126,289	23,394,621	57,520,910	62,177,954
Less: Outstanding Claims at the end of the previous year	8,311,850	9,316,151	17,628,001	22,069,270
	25,814,439	14,078,470	39,892,909	40,108,684
Expenses of Management	31,502,546	27,586,935	59,089,481	77,177,334
Commission	30,904,399	20,521,486	51,425,885	66,327,676
Profit transferred to Statement of Profit or Loss Account	103,413,742	22,062,433	125,476,175	135,393,615
Balance of Account at the end of the year as shown in statement of Financial Position :				
Reserve for unexpired risks being 50% of the Motor and Miscellaneous Premium Income of the year	72,726,787	36,305,863	109,032,650	159,256,005
	264,361,913	120,555,188	384,917,101	478,263,314

The annexed Notes 1 to 39 form an integral part of these financial statements.



Syed Anisul Hoque
Company Secretary



Md. Rezaul Karim
Managing Director



Santosh Sharma
Independent Director

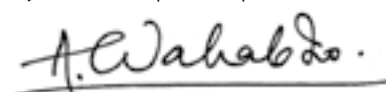


Nasir Latif
Director

Subject to our separate report of even date.



Syed M. Altaf Hussain
Chairman



(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS
Signed By: Md. Showkat Hossain, FCA
Enrollment No.-196
DVC- 2106100196AS827665

Dated: Dhaka, June 10, 2021

Statement of Changes in Equity

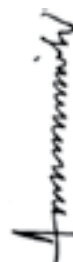
For the year ended 31 December 2020

Particulars	Share capital		Reserve for exceptional losses		Contingency Reserve for Insurance Guarantees		Asset Revaluation Surplus		Investment Fluctuation Reserve (Fair Value Changes)		General Reserve		Retained Earnings		Total equity		
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	
Balance at 1 January 2020	655,903,290	935,319,047	105,869,651	1,412,133,735	65,339,417	243,578	145,812,018	3,320,620,736									
Dividend paid (Cash)	-	-	-	-	-	-	(144,298,723)	(144,298,723)									
Net profit during the year	-	-	-	-	-	-	266,977,678	266,977,678									
Reserve for exceptional losses for the year	-	83,300,358	-	-	-	-	(83,300,358)	(83,300,358)									
Depreciation on Revalued Assets	-	-	-	(15,061,407)	-	-	-	-	66,585,128	-	-	15,061,407	-	-	-	-	-
Fair value changes during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2020	655,903,290	1,018,619,405	105,869,651	1,397,072,328	131,924,545	243,578	200,252,021	3,509,884,818									

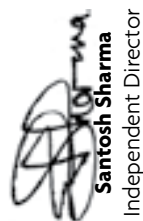
For the year ended 31 December 2019

Balance at 1 January 2019	612,993,730	866,162,850	105,869,651	1,412,133,735	126,064,307	243,578	128,368,251	3,251,836,102									
Dividend paid (Stock)	42,909,560	-	-	-	-	-	(42,909,560)	-									
Dividend paid (Cash)	-	-	-	-	-	-	(79,689,185)	(79,689,185)									
Net profit during the year	-	-	-	-	-	-	209,198,707	209,198,707									
Transferred to Reserve for exceptional losses	-	69,156,197	-	-	-	-	(69,156,197)	-									
Fair value changes during the year	-	-	-	-	(60,724,890)	-	-	(60,724,890)									
Balance at 31 December 2019	655,903,290	935,319,047	105,869,651	1,412,133,735	65,339,417	243,578	145,812,016	3,320,620,734									

The annexed Notes 1 to 39 form an integral part of these financial statements.


Syed Anisul Hoque
Company Secretary


Md. Rezaul Karim
Managing Director


Santosh Sharma
Independent Director


Nasir Latif
Director

Subject to our separate report of even date.



Syed M. Altaf Hussain
Chairman

(A. WAHAB & CO)
CHARTERED ACCOUNTANTS
Signed By: Md. Showkat Hossain, FCA
Enrollment No.-196
DVC- 2106100196AS827665

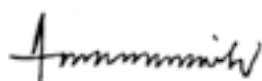
Dated: Dhaka, June 10, 2021

Statement of Cash Flows

For the year ended 31 December, 2020

Particulars	Notes	2020	2019
A. Cash Flow from operating Activities			
Collection from Premium & Other income		2,571,231,205	2,597,051,779
Payment for Expenses of Management, Re-insurance, Claim and Commission etc.		(1,710,460,208)	(1,964,313,143)
Interest Paid		(2,510,336)	(3,524,112)
VAT and Tax paid to government Treasures		(299,053,558)	(263,554,394)
Net Cash Flow From Operating Activities	36.00	559,207,103	365,660,130
B. Cash Flow from Investing Activities			
Interest & other Income		62,411,931	33,477,327
Dividend Income		9,963,721	12,979,435
Rental Income		55,018,152	55,552,338
Purchase of Fixed Assets		(4,855,860)	(14,922,085)
Land & Building		-	8,982,870
Bangladesh Government Treasure Bond		(75,479,693)	-
Net Fund adjustment with Brokers house		8,978,990	11,042,674
Net Cash Flow From Investing Activities		56,037,240	107,112,559
C. Cash Flow from Financing Activities			
Increase/(Decrease) of bank Overdraft		(72,302,953)	(113,922,165)
Dividend Paid		(130,695,045)	(79,689,185)
Net Cash Flow From Financing Activities		(202,997,998)	(193,611,350)
Increase/Decrease in Cash Flow(A+B+C)		412,246,345	279,161,339
Opening Cash and Cash equivalent		992,040,933	712,879,594
Closing Cash and Cash equivalent	14.00	1,404,287,278	992,040,933
Net operating cash flow per share of Tk. 10 each	36.00	8.53	5.57

The annexed Notes 1 to 39 form an integral part of these financial statements.



Syed Anisul Hoque
Company Secretary



Md. Rezaul Karim
Managing Director



Santosh Sharma
Independent Director



Nasir Latif
Director

Subject to our separate report of even date.



Syed M. Altaf Hussain
Chairman



(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS
Signed By: Md. Showkat Hossain, FCA
Enrollment No.-196
DVC- 2106100196AS827665

Dated: Dhaka, June 10, 2021

Pragati Insurance Limited

Notes to the Financial Statements and significant accounting policies

For the year ended December 31, 2020

1.00 General information:

1.01 Legal status and nature of the company:

(a) Legal status:

The Company was incorporated as a Public Limited Company on 27 January 1986 and obtained the Certificate of Commencement of business No. C-15249/815 from the Registrar of Joint Stock Companies and Firms, Bangladesh with effect from 30 January 1986. The Company is listed with both Dhaka and Chittagong Stock Exchange Limited.

(b) Nature of business:

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

1.02 Address of registered office and place of business of the company:

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

1.03 Date of Financial Statements authorized for issue:

Financial Statements of the company for the year ended December 31, 2020 were authorized by the Board for issue on 31st May, 2021 in accordance with a resolution of the Board of Directors of the company.

2.00 Summary of significant accounting and related policies:

2.01 Basis of preparation:

(a) These accounts have been prepared under Generally Accepted Accounting Principles (GAAP) on going concern and accrual basis under historical cost convention. The preparation and presentation of the financial statements and the disclosure of information have been made in accordance with the Insurance Act, 2010 the Insurance Rules, 1958 and in conformity with International Accounting Standards (IAS), International Financial Reporting Standards (IFRS), the Companies Act, 1994 the Securities and Exchange Rules, 1987 (as amended in 1997), the listing rules of Dhaka and Chittagong Stock Exchange and other applicable laws & regulations in Bangladesh and practice generally followed by the insurance sector.

(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.

(c) Use of estimates and judgment:

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

2.02 Adoption of International Accounting Standards (IASs):

In Preparing and presenting these financial statements, considering relevant for the significant accounting issues of the company, following IASs and IFRSs have been adopted by the company.

IAS 1 Presentation of Financial Statements

IAS 2 Inventories

IAS 7 Statement of Cash Flows

IAS 10 Events after the reporting period

IAS 12 Income taxes

IAS 14 Segment Reporting

IAS 16 Property, Plant and Equipment

IAS 19 Employees Benefit plan

IAS 24 Related party disclosure

IAS 32 Financial Instruments

IAS 33 Earning per Share

IAS 37 Provision, contingent liabilities and contingent Assets

IFRS 15 Revenue from Contracts with Customer

IFRS 16 Lease

2.03 Provision for liabilities:

According to IAS 37 the company recognizes the provision in the Balance Sheet when the company has a legal or constructive obligation as a result of past event and it is probable that an outflow of economic benefit will be required to settle the obligations.

2.04 Statement of Cash Flows:

Statement of Cash Flows is prepared in accordance with IAS 7 the Statement of Cash Flows shows the structure of and changes in cash and cash equivalents during the financial year. Cash and cash equivalents include notes and coins on hand, unrestricted balance held with the commercial banks. It is broken down into operating activities, investing activities and financing activities. The direct method is used to show the operating activities as well as a reconciliation between direct method and indirect method is shown in Note No. 36.01 to the financial statement.

2.05 Content and presentation of financial statements:

Components of the financial statements

Following the Insurance Act, 2010 and IAS 1 the company's financial statements include the following components:

- (a) Balance Sheet (Statement of Financial Position) as at December 31, 2020;
- (b) Profit and Loss Account (Statement of Profit or Loss Account & Other Comprehensive Income) for the year ended December 31, 2020;

- (c) Profit and Loss Appropriation Account for the year ended December 31, 2020;
- (d) Consolidated all Business Revenue Account for the year ended December 31, 2020;
- (e) Fire Insurance Revenue Account for the year ended December 31, 2020;
- (f) Marine Insurance Revenue Account for the year ended December 31, 2020;
- (g) Motor Insurance Revenue Account for the year ended December 31, 2020;
- (h) Miscellaneous Insurance Revenue Account for the year ended December 31, 2020;
- (i) Statement of Changes in Equity for the year ended December 31, 2020;
- (j) Statement of Cash Flows for the year ended December 31, 2020; and
- (k) Notes to the Financial Statements and significant accounting policies.

2.06 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.100,647,137 lying with Bangladesh Bank in the form of Govt. 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 & 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) Debenture of Bangladesh Luggage Industries Ltd.:

ICB as a Trustee of the aforesaid investment in Debenture of Beximco Group lodged Artha Jari cases for recovery on behalf of institutional investors is under judgment of Artha Rin Adalat. Therefore no provision was made in the Financial statements.

(e) Management expenses:

As per section 63 of Insurance Act, 2010 all relevant management expenses for an amount of Tk. 332,098,523 have been allocated to each class of Insurance business on pro-rata basis of their respective gross premium income earned during the year from direct business in Bangladesh. Management expenses as charged to Revenue Accounts amounting to Tk. 332,098,523 represents approximately 14.97% of gross premium of Tk. 2,217,522,331. These expenses have been apportioned @ 45.40% to Fire, 33.14% to Marine Cargo, 3.66% to Marine hull, 9.49% to Motor and 8.31% to Miscellaneous business as per management decision.

(f) 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 as per consistent practice.

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

(g) Operation:

During the year, the gross premium earned by the company amounted to Tk. 2,217,522,331 including public sector business. After ceding for re-insurance premium the net premium for the year amounted to Tk. 980,004,215 and after charging direct expenses there from the net underwriting profit stood at Tk. 318,406,797 as against Tk. 228,744,126 in the previous year.

(h) Public sector business:

Public Sector Business up to June 2020 has been accounted for on the basis of statements received from Sadharan Bima Corporation.

(i) Taxation:

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

i. Current Tax

Provision for income tax has been made @ 37.5% as per Finance Act, 2020 of the profit made by the company considering taxable add-back of income and disallowance of expenditure.

ii. Deferred tax

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

iii. Tax assessment position

There were 4 (four) appeals pending in respect of the tax assessment purpose with the High Court Division against the order of Taxes Appellate Tribunal for the Assessment Year 2008-2009, 2011-2012 & 2012-2013 and 2013-2014. Return for the Assessment year 2014-2015, 2015-2016, 2016-2017 & 2017-2018, 2018-2019 and 2019-2020 duly submitted u/s 82BB of ITO.

(j) Earnings per share:

Earnings per share have been calculated in accordance with International Accounting Standard 33 and shown on the face of Profit and Loss Account and computation shown in note # 35.

i. Basic earning per share

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

ii. Weighted average number of ordinary shares outstanding during the year

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued (as bonus share) during the year multiplied by a time weighting factor. The time-weighting factor is the numbers of days the specific shares are outstanding as a proportionate of the number of days in the year.

iii. Diluted earnings per share

Diluted EPS is calculated if there is any commitment for issuance of equity shares in foreseeable future, i.e., potential shares, without inflow of resources to the Company against such issue. There was no such commitment during the year and accordingly no dilution is required in the year 2020.

(k) Employees benefits:

i. Provident fund:

Company Operates a contributory provident fund which is approved by Commissioner of Taxes for its confirm employees. The provident fund is wholly administered by a Board of Trustees and no part of the fund is included in the assets of the Company.

ii. Gratuity fund:

The company has a funded Gratuity Scheme for all eligible employees who completed minimum 5 years of confirmed service with the company. The scheme is approved by the National Board of Revenue (NBR) on 16/11/2002 and administrated by an independent Board of Trustee.

iii. Other benefits:

“In addition to above, the company provides other benefits to its employees like Group Insurance Scheme, Incentive bonus, House building loan etc.”

iv. Workers profit participation fund (WPPF):

The Board refers the matter of provision for Worker Profit Participation Fund (WPPF) and like to clarify that as per provisions of para (A to G) of section 233 of Bangladesh Labour Amendments Act, 2013 functions of Non life Insurance Companies are not similar to the functions of Industrial Relating Workers as mentioned in the aforesaid section.

Therefore, provision for Workers Profit Participation and Welfare Fund (WPPF) is not applicable for the Company. It may be mentioned here that Pragati Insurance Limited has been maintaining a Recognized Employees Provident Fund, Gratuity Scheme, Group Insurance Scheme (GIS), Incentive Bonus, House Building Loan Scheme etc. as per provision of IAS-19.

(l) General:

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



(m) Going Concern

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

2.07 Reporting Currency

The financial statements are prepared and presented in Bangladesh Taka (BDT), which is the company's financial currency.

2.08 Reporting period:

The financial statements of the company cover one calendar year from 1st January to 31st December, 2020 consistently.

2.09 Foreign Currency Translation

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

2.10 Reserve or Contingencies:

i. Reserve for Exceptional Loss

Company sets aside 8.50% of the net premium income of the year from the balance of the profit as Reserve for exception losses as per approval of the Board of Directors and para 6 of 4th schedule of the income tax ordinance, 1984 to meet the exceptional losses. Details calculation have been given in note # 16.00.

ii. Investment Fluctuation Fund

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

iii. General reserve

The Company has not transferred any amount as General Reserve from the current year profit.

iv. Revaluation reserve

The company preserve a revaluation reserve which was created on 2011 and subsequent measurement is made in accordance with the related accounting standards.

2.11 Disclosure of departure from few requirements of IAS/IFRS due to mandatory compliance of Insurance Act's requirements

The Pragati Insurance Limited (PIL) management has followed the principles of IAS & IFRS consistently in preparation of the financial statements to that extent as applicable to the PIL. Some requirements of Insurance Act, 2010 and Insurance Rules, 1958 and regulations contradict with those of financial instruments and general provision standards of IAS and IFRS. As such the PIL has departed from those contradictory requirements of IAS/IFRS in order to comply with the rules and regulations of IDRA, Bangladesh which are disclosed below along with financial impact where applicable:

3.00 Office Building:				
Particulars	Notes	2020	2019	
Owner occupied property (IAS 16)	3.01	153,691,106	157,631,904	
Building as investment property (IAS 40)	3.02	1,093,841,024	1,116,164,310	
Electrical Equipment	3.03	3,588,039	9,286,261	
Balance at the year end		1,251,120,170	1,283,082,475	
Details are shown in Annexure-'A'.				
3.01 Building space for owner occupied (IAS 16)				
Particulars		2020	2019	
Balance at the beginning of the year		197,039,880	197,039,880	
Addition during the year		-	-	
Balance at the year end		197,039,880	197,039,880	
Accumulated Depreciation:				
Balance at the beginning of the year		39,407,976	19,703,988	
Addition during the year		3,940,798	19,703,988	
Balance at the year end		43,348,774	39,407,976	
Carrying Amount		153,691,106	157,631,904	
3.02 Building as investment property (IAS, 40)				
Particulars		2020	2019	
Balance at the beginning of the year		1,116,164,310	1,116,164,310	
Addition during the year		-	-	
Sales/ Adjustment during the year		-	-	
Balance at the year end		1,116,164,310	1,116,164,310	
Accumulated Depreciation:				
Balance at the beginning of the year		-	-	
Addition during the year		22,323,286	-	
Sales/ Adjustment during the year		-	-	
Balance at the year end		22,323,286	-	
Carrying Amount		1,093,841,024	1,116,164,310	
3.03 Electrical Equipment				
Particulars		2020	2019	
Balance at the beginning of the year		28,211,948	28,211,948	
Addition during the year		-	-	
Sales/ Adjustment during the year for power substation		(6,974,612)	-	
Balance at the year end		21,237,336	28,211,948	
Accumulated Depreciation:				
Balance at the beginning of the year		18,925,687	16,368,170	
Addition during the year		2,123,734	2,557,517	
Sales/ Adjustment during the year for power substation		(3,400,124)	-	
Balance at the year end		17,649,297	18,925,687	
Carrying Amount		3,588,039	9,286,261	
4.00 Panthapath Building				
Two Storied Commercial Building under construction at panthapath land				
Particulars		2020	2019	
Opening Balance		34,282,698	34,282,698	
Addition during the year		-	-	
Total		34,282,698	34,282,698	

These assets are recognized and accounted for in accordance with IAS 40 - Investment Property except the premises is using for administrative purpose for the company.

5.00 Freehold Land - Panthapath Particulars	2020	2019
Opening balance	887,627,023	887,627,023
Addition during the year	-	-
Closing Balance	887,627,023	887,627,023

The Company has a land measuring 86 kathas on the corner of Panthapath and Sonargaon road.

6.00 Other Fixed Assets Particulars	2020	2019
Cost:		
Balance at the beginning of the year	243,729,986	234,233,901
Addition during the year	4,855,860	14,922,085
Sales/Adjustment during the year	(208,500)	(5,426,000)
Balance at the year end	248,377,346	243,729,986
Accumulated Depreciation:		
Balance at the beginning of the year	160,681,272	153,779,348
Addition during the year	9,621,684	12,327,924
Sales/ Adjustment during the year	(208,500)	(5,426,000)
Balance at the year end	170,094,456	160,681,272
Carrying Amount	78,282,890	83,048,714
Details are shown in Annexure-¹A'.		

7.00 Right of use (ROU) Assets Particulars	Notes	2020	2019
Opening Balance		-	-
Addition during the year		42,877,763	-
Accumulated Depreciation	Annexure-A	(17,364,390)	-
Closing Balance		25,513,373	-

FRS 16 – Leases' became effective for annual reporting beginning on or after 1 January 2019 which replaces the existing standard IAS 17. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The Company decided to adopt IFRS 16 lease from 1st January 2020. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

8.00 Investment Particulars	Notes	2020	2019
Bangladesh Government Treasury Bond	8.01	100,647,137	25,167,444
Investment in Shares	8.02	514,982,484	413,281,839
Investment in Debentures	8.03	4,500,000	4,500,000
Holiday Homes		4,130,090	4,130,090
Total		624,259,711	447,079,373

8.01 Bangladesh Government Treasury Bond

The amount represents 15 years Bangladesh Government Treasury Bond (BGTB) with a face value of TK.10,06,47,137 held with Bangladesh Bank as statutory Deposit under Insurance Act ,2010.

Particulars	2020	2019
Opening Balance	25,167,444	25,167,444
Addition during the year	75,479,693	-
Encashment during the year	-	-
Closing Balance	100,647,137	25,167,444

8.02 Investment in Shares

Particulars	Notes	2020	2019
Values of Shares at cost	8.02.01	360,993,010	347,907,072
Change in Fair value of shares through OCI, (5.7.10 IFRS 09)	8.02.02	131,924,545	65,339,418
Ledger Balance of Houses	8.02.03	22,064,929	35,349
Total		514,982,484	413,281,839

8.02.01	Break up of Share as on December 31, 2020	At cost	Market Value
	Coppertec Industries Ltd.	144,623	105,036
	Crystal Insurance Ltd.	111,790	428,633
	Delta Life Insurance	11,646,384	4,141,854
	Delta Speiner Ltd.	1,994,080	798,600
	Dominage Steel Building Systems 1	157,428	579,566
	Esquire Knit Composite Limited	940,050	549,407
	Family Tex Limited	1,746,573	213,928
	Golden Son Limited	8,176,875	2,058,000
	Green Delta Mutual Fund	581,740	616,000
	Int Leasing And Financial Services Limited	2,746,601	563,598
	Kay & Que Limited	8,327,896	20,377,050
	KDS Accessories Limited	1,969,569	1,677,075
	Lanka Bangla Finance Limited	8,529,587	6,202,473
	Lafars Holesim Bangladesh Limited	7,573,300	3,346,000
	Libra Infusions Limited	463,096	302,116
	Monno Fabrics Ltd.	27,125	35,000
	National Bank	30,699,858	11,730,264
	National Housing	49,932,168	214,043,372
	NCC Bank Ltd.	1,022,002	770,867
	Olympic Ind. Ltd.	18,221,037	11,408,670
	Pragati Life Insurance Ltd.	41,066,730	54,834,300
	Robi Axiata Limited	2,715,540	8,083,369
	Runner Auto Mobiles Ltd.	540,439	385,109
	Rupali Insurance	444,329	442,000
	S.S. Steel Limited	743,675	484,472
	Saif Powertec Limited	7,229,255	4,154,238
	South East Bank Ltd.	7,259,905	5,105,238
	Shahjibazar Power Company Limited	5,341,611	3,134,015
	Titas Gas Limited	1,248,735	1,232,000
	Unique Hotel & Resort Limited	6,829,905	2,554,200
		228,431,905	360,356,450
	Non- Tradable		
	Central Depository Bangladesh. Ltd	3,138,890	3,138,890
	Ind. & Infrastructure Dev. Finance Co.	31,183,820	31,183,820
	Jamuna Resort Ltd.	43,900,895	43,900,895
	United Hospital Ltd.	54,337,500	54,337,500
	Non- Tradable	132,561,105	132,561,105
	Total	360,993,010	347,907,072
8.02.02	Changes in fair value of the shares available for sale		
	Particulars	Notes	
	Fair Value of the Investment		2020
			2019
	Fair Value of the Investment		360,356,450
	Less: Cost price of the investment		280,685,383
	Fair value reserve as at 31 December 2020	16.03	228,431,905
	Less: Fair value reserve as at 1 January 2020		215,345,965
	Fair value adjustment for the year		131,924,545
			65,339,418
			65,339,417
			(60,724,889)
			22,064,929
			35,349
8.02.03	Brokerage house ledger Balance		
	The company has made investment in capital market in a large portfolio and income generated from investment (realized gain and dividend received) is credited to Statement of Comprehensive Income. Unrealized capital gain if any is transferred to investment Fluctuation Fund. Investment in shares that do not have any quoted market price in the active market and whose fair value can not be measured reliably, are recognised at cost.		
8.03	Debentures		
	Particulars		2020
			2019
	Bangladesh Luggage Industries Ltd		4,500,000
	Total		4,500,000

The above amount has subsequently been realised.

Bangladesh Luggage Industries Ltd has issued debentures that carries value 45,00,000 as at year ended 2020 but The Bangladesh Lugges industries limited pay off outstanding amount through a pay order no. FSIB-PO 2001786 dated 28.02.2021 and subsequently, the company realised this amount.

9.00	Amount due from other persons or bodies carrying on insurance business			
	Particulars		2020	2019
	Co-Insurance premium receivable		264,008	24,403,555
	Co-Insurance claim receivable		15,266,543	16,269,656
	Refund Co-Insurance premium receivable		3,699,809	3,863,885
	Sadharan Bima Corporation		200,142,912	286,805,256
	Overseas re-insurer		30,237,387	92,040,160
	Total		249,610,659	423,382,512
10.00	Interest, Dividend & Rent Receivable			
	Particulars	Notes	2020	2019
	Dividend	10.01	3,020,828	2,907,331
	Debenture Interest	10.02	525,000	525,000
	Total		3,545,828	3,432,331
10.01	Dividend Receivable			
	Particulars		2020	2019
	Opening Balance		2,907,330	4,461,425
	Addition during the year		10,077,219	2,855,905
			12,984,549	7,317,330
	Collection during the year		(9,963,721)	(4,410,000)
	Closing Balance		3,020,828	2,907,330
10.02	Debenture Interest Receivable			
	Particulars		2020	2019
	Opening Balance		525,000	525,000
	Addition during the year		-	-
	Collect during the year		-	-
	Closing Balance		525,000	525,000
11.00	Sundry Debtors (including advances, deposits and prepayments and others)			
	Particulars		2020	2019
	Advance against Salary		10,665,098	6,841,951
	Advance against Rent		12,730,801	10,899,041
	Advance against Expenses		5,793,026	4,342,981
	House Building Loan		37,544	149,716
	Jamuna Resort Ltd.		38,192,552	34,605,420
	Security Deposits		776,192	776,192
	Group Insurance		3,891,129	3,702,243
	Advance against Insurance Management Software		15,060,700	15,060,700
	Total		87,147,041	76,378,244
12.00	Premium Control Account			
	Particulars		2020	2019
	Fire		860,304	1,006,645
	Marine (Cargo & Hull)		40,134,799	46,961,876
	Motor		286,124	334,795
	Misc		4,984,963	5,832,923
	Total		46,266,190	54,136,239
13.00	Advance Payments of Tax			
	Particulars	Notes	2020	2019
	Opening balance		385,995,575	336,875,232
	Add: Advance Tax paid/deduction at source during the year	13.01	64,443,722	49,120,343
			450,439,297	385,995,575
	Less: Adjustment made during the year		-	-
	Closing Balance		450,439,297	385,995,575

13.01	Advance Tax paid/deduction at source during the year		2020	2019
Particulars				
Deduction At Source from FDR Interest		5,935,582		2,652,915
Deduction At Source from STD Interest		54,404		321,646
Deduction At Source from Dividend Income		1,992,744		2,906,689
Deduction At Source from office Rent		3,056,256		2,750,930
Tax against Motor Maintenance		695,000		527,636
Advance Income Tax Paid		52,709,736		39,960,527
Total		64,443,722		49,120,343
14.00 Cash and cash equivalent				
Particulars	Notes	2020	2019	
In Hand				
Cash in hand (Head Office and Branch)		6,626,378		8,406,000
Stamps in hand		1,364,600		777,000
		7,990,978		9,183,000
At Banks				
Fixed deposits Receipts (FDR)	14.01	1,214,226,850		745,776,850
Short term deposit (STD)& Current accounts	14.02	182,069,450		237,081,083
		1,396,296,300		982,857,933
Total		1,404,287,278		992,040,933
14.01	FDR balances consists of 974 numbers instruments maintained with 43 banks and 06 financial institutions throughout the country as at 31 December 2020.			
14.02	STD and current account balances consists of 53 numbers accounts maintained with 8 banks.			
15.00 Share capital				
Particulars		2020	2019	
Authorized:				
200,000,000 ordinary shares of Tk 10 each		2,000,000,000		2,000,000,000
Issued, subscribed and paid up:				
65,590,329 ordinary Shares of Tk 10 each fully paid up		655,903,290		655,903,290
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 up as bonus share(20%) allotted in 1997		12,200,000		12,200,000
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 31st December 2001)		21,960,000		21,960,000
2,379,000 Ordinary shares of Tk.10 each fully paid up as bonus share(25%) allotted in 2003(out of general reserve as at 31st December 2002)		23,790,000		23,790,000
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 & 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 & 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

Particulars	2020	2019
38,770,830 ordinary Shares of Tk 10 each fully Paid up bonus share (10%) allotted in 2009 (Out of General Reserve and Dividend Equalisation 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	21,323,950
4,478,0295 ordinary Shares of Tk 10 each fully Paid up bonus share (10%) allotted in 2011 (Out of Net Profit & General Reserve)	44,780,350	44,780,350
3,694,374 ordinary shares of Tk.10 each fully paid up bonus share(7.5%) allotted in 2012 (out of Net profit & General reserve)	36,943,740	36,943,740
2,647,635 ordinary shares of Tk.10 each fully paid up bonus share(5%) allotted in 2013 (out of Net profit & General reserve)	26,476,350	26,476,350
2,780,016 ordinary shares of Tk.10 each fully paid up bonus share(5%) allotted in 2016 (out of Net profit & General reserve)	27,800,160	27,800,160
2,919,018 ordinary shares of Tk.10 each fully paid up bonus share(5%) allotted in 2017 (out of Net profit)	29,190,180	29,190,180
4,290,956 ordinary shares of Tk.10 each fully paid up bonus share(5%) allotted in 2018 (out of Net profit)	42,909,560	42,909,560
Total	655,903,290	655,903,290

Category of Shareholders	2020		2019	
	No. Of share	% of holding on paid up capital	No. Of share	% of holding on paid up capital
Group - A: Sponsors & Directors	24,993,167	38.10%	26,606,033	40.56%
Group-B: Institutions	11,215,481	17.09%	19,883,443	30.31%
Group-C: Public Shareholders	29,381,681	44.81%	19,100,853	29.13%
Total	65,590,329	100.00%	65,590,329	100.00%

Class of Interval	For the Year 2020			For the Year 2019		
	No. Of share	No. of share holders	% of holding on paid up capital	No. Of share	No. of share holders	% of holding on paid up capital
Less than 500	198,247	1722	0.30	186,816	1757	0.34
500 to 5,000	2,723,969	1438	4.15	1,486,433	840	3.20
5,001 to 10,000	2,331,010	316	3.55	1,107,227	164	1.56
10,001 to 20,000	2,616,039	174	3.99	875,175	62	1.98
20,001 to 30,000	1,844,189	74	2.81	830,458	33	1.53
30,001 to 40,000	1,080,609	31	1.65	378,175	11	0.77
40,001 to 50,000	1,078,702	23	1.64	667,631	15	1.41
50,001 to above	53,717,564	111	81.90	60,058,414	96	89.21
Total	65,590,329	3889	100	65,590,329	2978	100

16.00 Reserve and surplus

Particulars	Notes	2020	2019
Reserve for Exceptional Losses	16.01	1,018,619,405	935,319,047
Contingency Reserve for Insurance Guarantees	16.02	105,869,651	105,869,651
Asset Revaluation Surplus	16.03	1,397,072,328	1,412,133,735
General Reserve	16.04	243,578	243,578
Investment Fluctuation Fund (Fair Value Changes)	8.02.02	131,924,545	65,339,416
Total		2,653,729,507	2,518,905,427

16.01 Reserve for Exceptional Losses:

Particulars	2020	2019
Opening balance	935,319,047	866,162,850
Add: Addition during the year	83,300,358	69,156,197
Closing Balance	1,018,619,405	935,319,047

These amount has been set aside from net profit with a view to meeting up unexpected loss that may be raised in future as per Income Tax Ordinance 1984. Current rate of the reserve is 8.5% of its net premium.

16.02	Contingency Reserve for Insurance Guarantees:			
	Particulars		2020	2019
	Reserve for unexpired Guarantees		87,080,441	87,080,441
	Reserve against Tail ended insurance business		18,789,210	18,789,210
	Total		105,869,651	105,869,651
	Contingency Reserve for Insurance Guarantees & tail ended Insurance Business which can be merged with general reserve.			
16.03	Asset Revaluation Surplus:			
	Particulars	Notes	2020	2019
	Opening balance		1,412,133,735	1,412,133,735
	Less: Depreciation charged during the year	Annexure-A	(15,061,407)	-
	Closing Balance		1,397,072,328	1,412,133,735
	The above revaluation reserve was created on revaluation of land and building by a professional valuer in the year 2011.			
16.04	General Reserve:			
	Particulars		2020	2019
	Opening balance		243,578	243,578
	Add: Addition during the year		-	-
	Closing Balance		243,578	243,578
17.00	Retained Earnings			
	Particulars		2020	2019
	Opening Balance		145,812,018	128,368,251
	Dividend paid during the year (Bonus & Cash)		(144,298,723)	(122,598,745)
	Net profit after Tax		266,977,678	209,198,709
	Appropriation for the period (exceptional loss)		(83,300,358)	(69,156,197)
	Depreciation on revalued Assets		15,061,407	
	Closing Balance		200,252,021	145,812,018
18.00	Balance of fund & account			
	Balance of fund & account as of following business			
	Particulars		2020	2019
	Fire Insurance Business		135,450,825	138,564,470
	Marine Insurance Business		265,339,601	236,229,789
	Misc. Insurance Business		109,032,650	159,256,005
	Total		509,823,077	534,050,264
19.00	Premium deposits:		7,542,245	5,472,647
	This represents premium received against cover notes which were not converted into policy within 31 December 2020 because of the period of nine months from the dates of issue of cover notes had not elapsed.			
20.00	Lease Liability			
	Particulars		2020	2019
	Opening Balance		-	-
	Addition during the year		42,877,763	-
	Payment made during the year		(16,328,161)	-
	Closing Balance		26,549,602	-
21.00	Deferred Tax liability			
	Particulars	Notes	2020	2019
	Opening Balance		17,340,000	17,340,000
	Add: Provided during the year	31.00	10,164,956	-
	Closing Balance		27,504,956	17,340,000

22.00 Estimated liability in respect of outstanding claims

Particulars	2020	2019
Fire	79,375,283	42,272,232
Marine	55,009,317	33,038,119
Motor	1,987,759	8,311,850
Miscellaneous	1,230,887	9,316,151
Total	137,603,245	92,938,352

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

23.00 Amounts due to other persons or bodies

Particulars	2020	2019
Co-insurers	11,170,173	11,437,925
Sadharan Bima Corporation and overseas Re-insurance	211,660,472	-
Total	222,830,645	11,437,925

The amount is payable under co-insurance scheme to other insurance companies and other parties. As a result of the covid-19 pandemic, the foreign re-insurer did not invoice properly at the end of FS 2020. The majority of the amount dues was paid subsequently.

24.00 Loan from Bank for office Building (Secured):

Particulars	A/C No.	Notes	2020	2019
Sonali Bank Ltd.	08293	24.01	11,294	71,368,672
IFIC Bank Ltd.	58001	24.02	-	6,913
Delta Brac Finance Company Ltd.	17442	24.03	2,799,388	3,738,050
Total			2,810,682	75,113,635

24.01 Sonali Bank Ltd.

Particulars	2020	2019
Opening Balance	71,368,672	141,244,473
Loan Taken during the year	-	-
Interest charged during the year	2,140,078	10,028,635
	73,508,750	151,273,108
Re-payment during the year	(73,497,456)	(79,904,436)
Closing Balance	11,294	71,368,672

The secured overdraft loan bears 9% interest and is secured by lien of FDR.

24.02 IFIC Bank Ltd.

Particulars	2020	2019
Opening Balance	6,913	18,578,757
Loan Taken during the year	53,087	40,648,249
Interest charged during the year	-	1,728,270
	60,000	60,955,276
Less: Re-payment during the year	60,000	60,948,363
Closing Balance	-	6,913

24.03 Delta Brac Finance Company Ltd.

Particulars	2020	2019
Opening Balance	3,738,050	4,212,570
Loan Taken during the year	-	-
Interest charged during the year	411,218	875,360
	4,149,268	5,087,930
Re-payment during the year	(1,349,880)	(1,349,880)
Closing Balance	2,799,388	3,738,050

The loan bears 12.5% interest with advance cheque till maturity.

25.00 Un-paid Dividend			2020	2019
Particulars				
From Inception to 2015			6,622,104	6,663,295
2016			813,734	822,363
2017			1,015,381	1,105,381
2018			550,160	8,521,259
2019			13,603,680	-
Total			22,605,058	17,112,298
26.00 Sundry creditors (including provision for expenses and taxes)				
Particulars	Notes		2020	2019
Payable against expenses			7,168,823	1,601,337
Provident fund deduction			2,803,446	3,306,604
Provident fund Loan			96,951	517,940
Received against security			5,066,160	5,066,160
Liability for Stamp			8,316,447	3,030,005
Provision for Gratuity	26.01		10,030,031	2,530,031
Hospitalization Insurance Claim			645,134	651,330
Rent Received in Advance			30,242,910	30,251,728
Total			64,369,901	46,955,135
26.01 Provision for Gratuity				
Particulars	Notes		2020	2019
Opening Balance			2,530,031	860,843
Add: Addition during the year			28,989,749	9,863,764
			31,519,780	10,724,607
Less: Paid/Adjustment during the year			21,489,749	8,194,576
Closing Balance			10,030,031	2,530,031
27.00 Provision for Income Tax				
Particulars	Notes		2020	2019
Opening Balance			537,754,453	465,754,453
Add: Provision made during the year	27.01		88,229,572	72,000,000
			625,984,025	537,754,453
Less: Adjustment made during the year (AY 2009-2010 & 2011-2012)			31,289,344	-
Closing Balance			594,694,681	537,754,453
27.01 Income Taxes				
Particulars	Notes		2020	2019
Current Tax			88,229,572	72,000,000
Deferred Tax	31.00		10,164,956	-
Total			98,394,528	72,000,000
Details	Income Amount	Rate %	2020	2019
Dividend on shares	9,913,721	20.00%	1,982,744	2,585,887
Exempted income from dividend	50,000	0.00%	-	-
Gain on sales shares	739,480	10.00%	73,948	(205,090)
Donation	500,000	0.00%	-	-
Capital Gain (Sales of motor vehicles)	15,750	10.00%	1,575	-
Reserve for exceptional loss	83,300,358	0.00%	-	-
Income from house Rent	28,655,465	37.50%	10,745,799	14,582,489
Exempted for Repair Maintenance	26,362,687	0.00%	-	-
Business Income	215,834,745	37.50%	80,938,029	55,036,715
	365,372,206		93,742,096	72,000,000
Provision made during the year			88,229,572	72,000,000

27.02 Year-wise break-up is as follows:

Accounting year	Assessment year	2020	2019
2004	2005-2006	18,359,333	18,359,333
2005	2006-2007	18,489,336	18,489,336
2006	2007-2008	14,888,836	14,888,836
2007	2008-2009	32,366,948	32,366,948
2008	2009-2010	37,500,000	37,500,000
2009	2010-2011	17,500,000	17,500,000
2010	2011-2012	15,000,000	15,000,000
2011	2012-2013	25,000,000	25,000,000
2012	2013-2014	33,000,000	33,000,000
2013	2014-2015	50,000,000	50,000,000
2014	2015-2016	18,550,000	18,550,000
2015	2016-2017	24,700,000	24,700,000
2016	2017-2018	53,900,000	53,900,000
2017	2018-2019	55,000,000	55,000,000
2018	2019-2020	51,500,000	51,500,000
2019	2020-2021	72,000,000	72,000,000
2020	2021-2022	56,940,228	-
Total		594,694,681	537,754,453

28.00 Other Liability

Particulars	Notes	2020	2019
Income tax deduction	28.01	44,469	54,561
VAT payable	28.02	17,868,160	13,048,915
Tax deduction against Bill		86,681	283,363
VAT deduction against Bill		242,730	257,292
Total		18,242,040	13,644,131

28.01 Income Tax deduction

Income Tax deduction at source amounting to Tk.44,469 including income tax deduction from salary during the year which has been deposited into Bangladesh Bank subsequently.

28.02 VAT Payable

VAT payable as Tk. 17,868,160 represent the Vat for the month of December 2020 which has been deposited into Bangladesh Bank subsequently.

29.00 Other income

Particulars	Notes	2020	2019
Interest on:			
Fixed deposit receipts (FDR)		58,398,310	26,465,102
Short term deposit (STD) accounts		1,693,164	8,602,838
House Building Loan Interest		856,498	469,613
		60,947,972	35,537,553
Overdraft interest		(2,510,336)	(3,524,112)
Dividend received during the year		9,963,721	12,979,435
Sundry Income		83,754	1,463,886
Revert from provident Fund	29.01	624,975	-
Profit/(Loss) on sale of shares		739,480	(2,050,903)
Profit on sale of motor vehicle		15,750	-
Building Rent		55,018,152	55,552,338
Total		124,883,467	99,958,197

29.01

As per gazette notification no. 179/FRC/FRM/2020/2 dated July 07,2020 of The Financial Reporting Council (FRC), in according to the rule of 2(8) of Financial Reporting Act, 2015, The forfeited fund of Tk. 624,975 was returned to the company's account from the contributory provident fund that left the employment without receiving the company's contribution of provident fund.

30.00	Registration Renewal Fee		2,886,976	2,362,448
	The amount represents deposit to Bangladesh Bank against renewal of registration for carrying on fire, marine and miscellaneous insurance business as per Section- 3A of Insurance Act, 2010.			
31.00	Deferred Tax			
	Particulars	Notes	2020	2019
	Opening Balance		17,340,000	17,340,000
	Add: Addition during the year	21.00	10,164,956	-
	Closing Balance		27,504,956	17,340,000
	Carrying amount of property , plant and equipment excluding land		1,329,430,668	-
	Tax base		1,256,084,118	-
	Taxable/deductible temporary difference		73,346,550	-
	Effective Tax Rate		37.50%	37.50%
	Deferred Tax Liability	21.00	27,504,956	17,340,000
32.00	Audit Fees			
	Particulars		2020	2019
	Statutory audit fee (Including Vat)		373,750	373,750
	Total		373,750	373,750
33.00	Other Expenses			
	Particulars		2020	2019
	AGM Expenses		147,550	1,647,339
	Advertisement		3,849,375	3,455,888
	Donation		500,000	432,000
	Performance Bonus		8,303,572	-
	Subscription		516,797	1,592,139
	Total		13,317,294	7,127,366
34.00	Net Asset Value Per Share			
	Particulars		2020	2019
	Net Asset Value		3,509,884,818	3,320,620,735
	Number of Shares		65,590,329	65,590,329
	Net Asset Value per share of Tk. 10 each		53.51	50.63
	Net Asset Value Per Share was increased due to increase of Investment, Dividend & Interest Receivable and Cash equivalent etc.			
35.00	Earning Per Share			
	Particulars		2020	2019
	Profit after Tax		266,977,678	209,198,707
	Number of Share		65,590,329	65,590,329
	Basic Earning Per Share per share of Tk. 10 each		4.07	3.19
	Earning per share was increased due to increase of operating income and other income.			
36.00	Net Operating cash flows per share:			
	Net operating cash flows per share (NOCFPS) has been calculated base on direct method as per IAS -7, total outstanding number of shares 65,590,329 during the year and previous year was same as outstanding number of shares 65,590,329 so there was no scope for dilution for weighted number of shares.			
	Net cash generated from operating activities		559,207,103	365,660,130
	Outstanding number of shares		65,590,329	65,590,329
	Net Operating cash flows per share per share of Tk. 10 each		8.53	5.57
	Net operating cash flow was increased due to increase of premium collection , less claim settlement, and others income etc.			

36.01 Reconciliation of Cash Flows

The reconciliation of Net Cash Flow from operating activities between Direct and Indirect method as follows:

Particulars	2020	2019
Cash flow from Operating Activities:		
As per direct method	559,207,103	365,660,130
Net profit during the year	365,372,206	281,198,709
Adjustment:		
Depreciation	55,373,891	34,589,429
Interest Income	1,693,164	8,602,838
Profit on sales of fixed assets	15,750	-
Profit/Loss on sales share	739,480	(2,050,903)
Changes in working capital:		
Increase/ (decrease) the balance of fund	(24,227,187)	109,863,798
Increase/ (decrease) the premium deposit	2,069,598	551,884.00
Increase/ (decrease) of Outstanding claims	44,664,893	16,511,533
Increase/ (decrease) of sundry creditor	78,952,903	(26,283,780)
(Increase) / decrease of Advance, deposit & prepayment	121,176,156	(3,858,918)
(Increase) / decrease of premium control account	7,870,049	(3,733,999)
(Increase) / decrease Stock of printing & stationery	(125,335)	(216,859)
(Increase) / decrease Insurance stamp in hand	1,364,600	(393,259)
Income tax paid	(95,733,066)	(49,120,343)
Net cash generated from operating activities	559,207,103	365,660,130

37.00 Number of Employees

The number of permanent employees of the company drawing salaries below and above TK.5000 P.M is as under

- a) Salaries drawing above TK.5000 528 Nos. (2019:548 Nos.)
b) Salaries drawing Below TK.5000 Nil

38.00 Payments/ Perquisites/ to Directors/Officers during the year

Particulars	2020	2019
Directors' Fees	1,992,000	2,570,598
MD's Salary & Emoluments	6,000,000	6,000,000
Officers Salary	229,618,927	202,581,515
Meeting Fees	115,148	480,027
	237,726,075	211,632,140

39.00 Event after the reporting period

39.01 Approval of Financial Statements

The Board of Directors in its 297th meeting held on 31st May, 2021 approved the financial statement for the year 2020 and also authorised the same for issue.

39.02 Recommendation of Dividend

The Board of Directors have recommend 30% Cash dividend for the year ended 2020 which is subject to approval by the shareholder in the 35th Annual General Meeting.

39.03 Other Significant Events

No other significant event occurred after the reporting period, except those mentioned above, which has material affect and disclosure in these financial statements.

Syed Anisul Hoque
Company Secretary

Md. Rezaul Karim
Managing Director

Santosh Sharma
Independent Director

Nasir Latif
Director

Syed M. Altaf Hussain
Chairman

Dated: Dhaka, June 10, 2021

Subject to our separate report of even date.

(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS
Signed By: Md. Showkat Hossain, FCA
Enrollment No.-196
DVC- 2106100196AS827665

Schedule of Fixed Assets

As at 31 December 2020

Particulars	Cost			Depreciation			WDV as at 31 December 2020	WDV as at 31 December 2019
	Opening balance	Additions during the year	Disposal during the year	Closing balance	Rate	Charged during the year		
				31.12.2007				31.12.2007
Furniture & Fixture	32,822,940	287,229	-	33,110,169	10%	419,767	32,652,044	458,125
Fixture (Plastic Sign)	9,584,689	70,524	-	9,655,213	15%	1,149,827	3,493,673	6,161,540
Motor Vehicle	93,862,044	3,376,205	208,500	93,655,544	20%	498,493	42,955,326	50,698,218
Electrical Equipment	73,515,963	37,495	-	76,892,168	15%	4,989,503	68,641,096	8,251,072
Office Equipment	3,226,770	692,051	-	3,264,265	15%	2,581	3,212,151	52,114
Curtain & Carpets	692,051	23,175	-	692,051	20%	2,607	681,625	10,426
Bi-Cycle	23,175	-	-	23,175	20%	-	23,175	-
Telephone(Intercom)	492,284	27,455	-	519,739	20%	27,645	519,738	191
Office Decoration	29,510,070	1,056,952	-	30,567,022	10%	2,531,261	17,915,627	12,651,395
TOTAL: A	243,729,986	4,855,860	208,500	248,377,346		9,621,684	170,094,456	78,282,890
Office Building:								
Electrical Equipment	28,211,948	6,974,612	-	21,237,336	10%	2,123,734	17,649,297	3,588,039
Owner occupied	197,039,880	-	-	197,039,880	2%	3,940,798	43,348,774	153,691,106
Investment property	1,116,164,310	-	-	1,116,164,310	2%	22,323,286	22,323,286	1,093,841,024
TOTAL: B	1,341,416,138	6,974,612	6,974,612	1,334,441,526		28,387,817	83,321,356	1,251,120,170
GRAND TOTAL (A+B)	1,585,146,124	4,855,860	7,183,112	1,582,818,872		38,009,501	253,415,812	1,329,403,060
Revaluation reserve (Building)	753,070,343	42,877,763	-	753,070,343	2%	15,061,407	15,061,407	738,008,936
Right of use of Assets (ROU)				42,877,763	-	17,364,390	17,364,390	25,513,373
TOTAL IN 2020	753,070,343	42,877,763	-	795,948,106		32,425,797	32,425,797	763,522,309
								83,048,715

REVENUE ACCOUNT

For the year ended 31 December 2020

1) Summarized position of net underwriting profit earned during the year 2020 is as follows.

Annexure-B

Particular	FIRE	MARINE	MOTOR & MISC	2020	2019
	BDT	BDT	BDT	BDT	BDT
Premium Income					
A) Gross Premium	1,006,805,456	816,158,530	394,558,345	2,217,522,331	2,406,529,123
B) Re-insurance premium	735,903,806	325,121,265	176,493,045	1,237,518,116	1,381,992,867
C) Net Premium (A-B)	270,901,650	491,037,265	218,065,300	980,004,215	1,024,536,256
Direct Expenses					
D) Commission (Net of Re-insurance Accepted and Ceded)	88,093,530	92,710,378	43,830,089	224,633,997	220,872,107
E) Claim Settled & provide	46,058,696	43,140,480	38,092,909	127,292,085	138,467,890
F) Management Expenses	150,780,265	122,228,777	59,089,481	332,098,523	326,588,336
G) Allocation Of Management Expenses					
H) Total Direct Expenses (D+E+F)	284,932,491	258,079,634	141,012,479	684,024,605	685,928,333
I) Adjustment Fund Balance for Un-expired risk (Opening Balance Less closing Balance)	3,113,645	(29,109,812)	50,223,354	24,227,187	(109,863,797)
Net Underwriting Profit (C-H+I)	(10,917,196)	203,847,818	127,276,175	320,206,797	228,744,126
Commission(Net)					
Commission paid on Direct Business	140,841,090	115,005,348	51,425,885	307,272,323	326,042,025
Commission paid on Re-insurance Accepted					
	140,841,090	115,005,348	51,425,885	307,272,323	326,042,025
Less: Commission earned on re-insurance ceded	52,747,560	22,294,970	7,595,796	82,638,326	105,169,918
Net Commission	88,093,530	92,710,378	43,830,089	224,633,997	220,872,107
Claim Settled					
Gross Claim	80,838,537	78,175,177	62,772,810	221,786,523	263,381,836
Less: Salvage received	-	-	-	-	-
	80,838,537	78,175,177	62,772,810	221,786,523	263,381,836
Less: Re-insurance claim Recovery	71,882,892	57,005,895	8,470,545	137,359,331	141,425,479
Paid During The Year	8,955,645	21,169,282	54,302,265	84,427,192	121,956,357
Add: Outstanding Claim at the end of the year whether due or Intemated (Company's Share)	79,375,283	55,009,317	3,218,645	137,603,245	92,938,352
	88,330,928	76,178,599	57,520,910	222,030,437	214,894,709
Less: Outstanding claim at the end of the previous Year	42,272,232	33,038,119	17,628,001	92,938,352	76,426,819
Net Claim	46,058,696	43,140,480	39,892,909	129,092,085	138,467,890

PRAGATI INSURANCE LIMITED
FORM 'AA'
 CLASSIFIED SUMMARY OF ASSETS
 AS AT 31 DECEMBER 2020

1) Summarized position of net underwriting profit earned during the year 2020 is as follows.

Particulars	Annexure-B	
	2020	2019
Bangladesh Government Treasury Bond	100,647,137	25,167,444
Shares - at cost	360,993,010	347,942,419
Debenture(At Cost)	4,500,000	4,500,000
Fixed deposit, STD and current A/C with Banks	1,396,296,300	982,857,933
Cash in hand and Stamp in hand	7,990,978	9,183,000
Amount due from other persons or bodies carrying on insurance business	249,610,659	488,721,929
Accrued interest	3,545,828	3,432,331
Debtors (including advances, deposits and prepayments)	87,147,041	76,378,244
Stock of Printing material	2,078,793	1,953,458
Land	887,627,023	887,627,023
Holiday homes	4,130,090	4,130,090
Fixed Asset	78,282,890	83,048,714
Building	1,285,402,868	1,317,365,173
	4,468,252,617	4,232,307,758


Syed Anisul Hoque
 Company Secretary



Md. Rezaul Karim
 Managing Director


Santosh Sharma
 Independent Director


Nasir Latif
 Director


Syed M. Altaf Hussain
 Chairman

Subject to our separate report of even date.


 (A. WAHAB & CO.)
 CHARTERED ACCOUNTANTS
 Signed By: Md. Showkat Hossain, FCA
 Enrollment No.-196
 DVC- 2106100196AS827665

Dated: Dhaka, June 10, 2021