



# ISLAM QUAZI SHAFIQUE & CO.

Chartered Accountants

## Independent Auditor's Report to The Shareholders of Pragati Insurance Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Pragati Insurance Limited (the “company”), which comprise the Statement of Financial Position as at 31 December 2023, the Statement of Profit or Loss and Other Comprehensive Income, Consolidated Revenue Accounts, Related Revenue Accounts, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the Financial Position of the company as at 31st December 2023, and of its Financial performance and its Cash Flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the company Act 1994, the Insurance Act 2010, the Securities and Exchange Rules 2020 and other applicable laws and regulations.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) by Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

S.L.	Key Audit Report	How our audit addressed the key audit matter
1.	<p><b>Premium Income</b></p> <p>Premium income is the most financially significant item in the statement of profit and loss account. However, the company has reported gross premium income of Taka 2,341,533,745 where net premium income 1,206,023,082 for the year ended 31 December 2023.</p> <p>The Gross general insurance premium comprises the total premium received during the accounting period for which insurance policy has been issued by contracts with Pragati Insurance Limited. Because of the method of recognition of premium income &amp; due to the significance of the balance to the financial statements as a whole, we regard this as a key audit matter</p>	<p>Our procedures included obtaining an understanding of management’s premium income recognition process. We tested a sample of transactions to verify whether the revenue was accounted for in accordance with the revenue recognition policy as disclosed in Note- 2.10 of the financial statements.</p> <p>In addition, we assessed whether the disclosed revenue recognition policy was in accordance with relevant Insurance Act &amp; Insurance Rules 1958.</p> <p>For the revenue recognized throughout the year, we tested selected key controls, including results reviews by management, for their operating effectiveness and performed procedures to gain sufficient audit evidence on the accuracy of the accounting for customer contracts and related financial statement captions.</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> <li>• Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations.</li> <li>• We conducted analytical procedures &amp; recalculation of premium income.</li> <li>• On a sample basis, we reviewed policy to ensure the appropriate policy stamp was affixed to the contract and amount for deposit premium along with amount for policy stamp &amp; VAT has been reflected in the premium register.</li> <li>• We ensured that premium income was being deposited in the designated bank account on a sample basis.</li> <li>• We carried out on a sample basis if appropriate re-insurance has been done on treaty basis and moreover, appropriate re-insurance premium was deducted from the gross premium.</li> <li>• We tested on a sample basis that appropriate VAT was collected &amp; deposited through Treasury Chalan to Bank.</li> <li>• We conducted substantive testing of premium income recorded over the year using sampling techniques by examining the relevant supporting documents including policy, premium register, bank reconciliation report, bank statement and also, we confirmed selected customers’ outstanding premium at the financial position date, selected on a sample basis by considering the amount outstanding with those customers.</li> <li>• We specifically put emphasis on those transactions occurring close before or after the financial position date to obtain sufficient evidence over the accuracy of cut-off to ensure unearned premium income has not been included in the premium income.</li> <li>• 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.</li> </ul>

S.L.	Key Audit Report	How our audit addressed the key audit matter
2.	<p><b>Property, Plant &amp; Equipment</b></p> <p>The carrying value of property, plant &amp; equipment amounts to Taka 2,226,538,358 as on 31 December 2023 which represents a significant amount against financial statement of the company. However, there is a risk of:</p> <ul style="list-style-type: none"> <li>• determining which costs meet the criteria for capitalization;</li> <li>• determining the date on which the assets are recognized to property, plant and equipment and depreciation commences;</li> <li>• the estimation of economic useful lives and residual values assigned to Fixed asset. We identified the carrying value of property, plant and equipment as a key audit matter because of the high level of management judgement involved and because of its significance to the financial statements.</li> </ul> <p>See note no 2.14, 3, 4, 5 &amp; 6 &amp; annexure-A to the financial statements.</p>	<p>Our audit procedures to assess the carrying value of property, plant &amp; equipment included the following: Our audit procedures included controls testing and substantive procedures covering, in particular:</p> <ul style="list-style-type: none"> <li>• Assessing the design, implementation and operating effectiveness of key internal controls over the completeness, existence and accuracy of property, plant and equipment including the key internal controls over the estimation of useful economic lives and residual values;</li> <li>• Assessing, on a sample basis, costs capitalized during the year by comparing the costs capitalized with the relevant underlying documentation, which included purchase agreements and invoices, and assessing whether the costs capitalized met the relevant criteria for capitalization.</li> <li>• Testing the key controls over the management’s judgment in relation to the accounting estimates of the depreciable lives and residual values of property, plant and equipment.</li> <li>• Reconcile on a sample basis the additional capitalized costs for the year to the underlying invoices and supporting documents.</li> <li>• We reviewed minutes of board meetings for approval of the total capitalization cost.</li> <li>• We assessed the company’s capitalizations policy for compliance with IAS 16 and tested the expenditure capitalized against the capitalizations policy.</li> <li>• We traced payments to supporting documents.</li> <li>• We assessed the adequacy of the disclosures of the financial statements.</li> </ul>

S.L.	Key Audit Report	How our audit addressed the key audit matter
3.	<p><b>Deferred Tax Liability</b></p> <p>Company reported net deferred tax liability for an amount of Taka 49,351,953 as at 31 December 2023. Significant judgment is required in relation to deferred tax liability as their liability is dependent on forecasts of future profitability over a number of years. See note no. 2.08 (ii) &amp; 21 to the financial statements</p>	<p>Our audit procedures to assess the carrying value of Deferred Tax liability included the following:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company’s key controls over the recognition and measurement of Deferred Tax Assets and Liabilities and the assumptions used in estimating the future taxable expense of the company.</li> <li>• We also assessed the completeness and accuracy of the data used for the estimations of future taxable expense.</li> <li>• We tested the mathematical accuracy in calculation of deferred tax.</li> <li>• We evaluated the reasonableness of key assumptions, timing of reversal of temporary differences and expiration of tax loss carry forwards, recognition and measurement of Deferred Tax Liability.</li> </ul>

		<ul style="list-style-type: none"> <li>• We assessed the adequacy of the company’s disclosures setting out the basis of deferred tax liability balances and the level of estimation involved.</li> <li>• We reviewed evaluation of tax implications, reasonableness of estimations and calculations determined by management.</li> <li>• We also involved our internal experts from the tax area in the analysis of the reasonableness of the tax assumptions on the basis of the applicable legislation.</li> <li>• Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Taxes.</li> </ul>
<p><b>4.</b></p>	<p><b>Estimated liabilities in respect of outstanding claims</b></p> <p>Pragati Insurance Limited has represented the amount related with the claim due or intimated from the insured which involves management judgement &amp; risk of over &amp; understatement of the value.</p> <p>At year end 31 December 2023, the company reported total balance under the head of Estimated liabilities in respect of outstanding claims of Taka 118,706,273. See note no. 22 of the financial statements.</p>	<p>We tested the design and operating effectiveness of controls around the due and intimated claim recording process. We additionally carried out the following substantive testing’s around this item:</p> <ul style="list-style-type: none"> <li>• Obtained the claim register and tested for completeness of claims recorded in the register on a sample basis.</li> <li>• Obtained a sample of claimed policy copy and cross check it with claim.</li> <li>• Obtained a sample of survey reports cross checked those against respective ledger balances and in case of discrepancy carried out further investigation.</li> <li>• Obtained and discussed with management about their basis for estimation and challenged their assumptions where appropriate.</li> <li>• Reviewed the claim committee meeting minutes about decision for impending claims.</li> <li>• Tested a sample of claims payments with intimation letter, survey report, bank statement, claim provisional register and general ledger.</li> <li>• 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.</li> </ul>

### **Information Other than the Financial Statement and Auditors Report Thereon**

Management is responsible for the other information. The other information comprises all of the information in the annual report but does not include 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 of the Company 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, 2020 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 but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- 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 Bangladesh Securities and Exchange Rules 2020 & relevant notifications issued by Bangladesh Securities & Exchange Commission and Insurance Development Regulatory Authority, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

- (ii) in our opinion, proper books of account, records and other statutory books as required by law have been kept by the company so far as it appeared from our examination of those books;
- (iii) the company management has followed relevant provisions of laws and rules in managing the affairs of the company and proper books of accounts, records and other statutory books have been properly maintained and (where applicable) proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- (iv) as per section 63 (2) of the Insurance Act 2010, in our opinion to the best of our knowledge and belief and 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.
- (v) 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;
- (vi) the statement of financial position (balance sheet), Statement of Profit or Loss and Other Comprehensive Income, Consolidated Revenue Account, the Related Revenue Accounts, Statement of Changes in Equity and Statement of Cash Flows of the company together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- (vii) the expenditure incurred was for the purpose of the company's business.

Place: Dhaka  
Date: 11<sup>th</sup> May 2024  
DVC: 2405111546AS740934



Abu Nasser, FCA  
Enrolment No. 1546  
Partner  
Islam Quazi Shafique & Co.  
Chartered Accountants

**PRAGATI INSURANCE LIMITED**  
**Statement of Financial Position**

As at 31 December 2023


Particulars	Notes	Amount in Taka	
		31-Dec-2023	31-Dec-2022
<b>PROPERTY &amp; ASSETS</b>			
<b>Non - Current Assets</b>		<b>3,236,042,648</b>	<b>3,234,165,237</b>
Office Building	3.00	1,168,739,879	1,195,003,963
Panthapath building	4.00	49,836,768	49,836,768
Freehold Land	5.00	887,627,023	887,627,023
Other Fixed Assets	6.00	120,334,688	81,033,122
Right of use (ROU) Assets	7.00	33,216,837	40,758,999
Investment	8.00	976,287,453	979,905,362
<b>Current Assets</b>		<b>3,104,858,524</b>	<b>2,837,748,458</b>
Inventory (Printing Material )		2,356,809	2,057,339
Receivables from other persons or bodies	9.00	220,380,643	25,807,688
Interest, Dividend & Rent Receivable	10.00	2,597,873	2,191,923
Sundry Debtors	11.00	137,294,717	152,034,573
Premium Control Account	12.00	16,530,321	16,080,422
Advance Payment of Tax	13.00	640,051,509	564,709,539
Cash and cash equivalent	14.00	2,085,646,652	2,074,866,974
		<b>6,340,901,171</b>	<b>6,071,913,695</b>
<b>Shareholder's Equity and Liabilities</b>			
<b>Shareholder's Equity</b>		<b>4,061,184,973</b>	<b>3,870,402,767</b>
Issued, Subscribed & Paid-up capital	15.00	688,698,450	655,903,290
Reserve and surplus	16.00	3,143,240,454	2,996,985,354
Retained Earnings	17.00	229,246,069	217,514,123
<b>Liabilities and provisions</b>		<b>2,279,716,198</b>	<b>2,201,510,928</b>
Balance of fund & account	18.00	509,057,036	573,983,208
Premium Deposit	19.00	7,530,750	6,930,749
Lease Liability	20.00	34,205,088	42,193,099
Deferred Tax Liability	21.00	49,351,953	49,854,896
Estimated liabilities in respect of outstanding claims	22.00	118,706,273	147,335,311
Amount due to other persons or bodies	23.00	515,058,341	554,635,793
Loan from Bank	24.00	142,086,199	23,086
Un-Paid Dividend	25.00	25,551,333	30,996,998
Sundry Creditors	26.00	125,845,768	113,251,536
Provision for Income Tax	27.00	740,681,660	667,553,335
Other Liabilities	28.00	11,641,796	14,752,918
<b>Total Shareholder's Equity and Liabilities</b>	34.00	<b>6,340,901,171</b>	<b>6,071,913,695</b>
<b>Net Asset Value Per Share of Tk. 10 each</b>		<b>58.97</b>	<b>56.20</b>

The annexed notes form an integral part of these financial statements.

  
**Syed Anisul Hoque**  
Company Secretary (CC)

  
**Amar Krishna Shil**  
Chief Financial Officer


  
**Syed Sehab Ullah Al-Manjur**  
Chief Executive Officer

  
**Muhammad Jamaluddin**  
Independent Director

  
**Syed M. Altaf Hussain**  
Chairman

Signed as per the annexed report of the same date.

Place: Dhaka  
Date: May 08, 2024  
DVC: 2405111546AS740934

  
**Abu Nasser** FCA  
Enrolment No. 1546  
Partner  
Islam Quazi Shafique & Co.  
Chartered Accountants




**PRAGATI INSURANCE LIMITED**  
**Statement of Profit or Loss and Other Comprehensive Income**


For the year ended 31 December 2023


Particulars	Notes	Amount in Taka	
		31-Dec-2023	31-Dec-2022
<b>Profit transferred from :</b>			
Fire revenue account	Console Revenue	(77,366,415)	3,230,298
Marine revenue account		302,270,069	251,735,837
Motor & Misc. revenue account		116,148,875	124,731,202
		<b>341,052,528</b>	<b>379,697,337</b>
Other income	29	247,435,929	212,778,319
		<b>588,488,458</b>	<b>592,475,655</b>
<b>Expenses of Management(not applicable to any fund or account)</b>			
Director Fees & Expenses		3,127,850	2,843,842
Registration Renewal Fee	30	2,962,197	2,882,492
Audit Fees	32	616,450	582,000
Other expense	33	24,308,007	24,524,565
Depreciation on Lease assets		12,504,535	19,466,770
Overdraft interest		6,595,185	44,346
Lease interest		2,260,406	3,810,409
Depreciation		38,170,019	33,593,825
		<b>90,544,650</b>	<b>87,748,249</b>
<b>Profit before tax</b>		<b>497,943,808</b>	<b>504,727,407</b>
<b>Income tax expense:</b>			
Current tax expense		128,983,416	122,255,200
Deferred tax (income)/expense		(502,943)	12,148,983
		<b>128,480,473</b>	<b>134,404,182</b>
<b>Net Profit</b>		<b>369,463,334</b>	<b>370,323,225</b>
Other comprehensive income			
Gain /(loss) from fair value changes of investment in securities		(14,705,301)	(30,137,798)
<b>Total Profit or Loss and Other Comprehensive Income</b>		<b>354,758,033</b>	<b>340,185,427</b>
<b>Earning Per Share of Tk. 10 each</b>	35	<b>5.36</b>	<b>5.38</b>

The annexed notes form an integral part of these financial statements.

  
**Syed Anisul Hoque**  
Company Secretary (CC)

  
**Amar Krishna Shil**  
Chief Financial Officer


  
**Syed Sehab Ullah Al-Manjur**  
Chief Executive Officer

  
**Muhammad Jamaluddin**  
Independent Director

  
**Syed M. Altaf Hussain**  
Chairman

Signed as per the annexed report of the same date.

Place: Dhaka  
Date: May 08, 2024  
DVC: 2405111546AS740934

  
**Abu Nasser, FCA**  
Enrolment No. 1546  
Partner  
Islam Quazi Shafique & Co.  
Chartered Accountants

**PRAGATI INSURANCE LIMITED**  
**Consolidated Revenue Account**  
For the year ended 31 December 2023


Particular	FIRE	Marine	Marine Hull	Motor	MISC	2023	2022
<b>Balance of Account at the beginning of the year :</b>							
Reserve for unexpired risk	101,876,581	272,975,363	44,343,941	72,741,842	82,045,481	573,983,208	406,061,375
Premium, Less Re-insurance	316,570,838	579,594,688	44,413,006	117,485,350	147,959,200	1,206,023,082	1,368,442,108
Commission on Re-Insurance ceded	107,052,104	67,130,021	1,389,782	-	4,181,382	179,753,289	179,142,476
<b>Total</b>	<b>525,499,523</b>	<b>919,700,072</b>	<b>90,146,729</b>	<b>190,227,192</b>	<b>234,186,063</b>	<b>1,959,759,579</b>	<b>1,953,645,959</b>
<b>Claim under policies less Re-insurance :</b>							
Claim paid during the year	275,503,663	77,685,357	3,382,290	24,815,972	25,776,378	407,163,660	304,588,875
Total Estimated liability in respect of outstanding claims at the end of the year under due or intimated	59,130,583	37,556,735	2,066,695	9,582,090	10,370,170	118,706,273	147,335,311
	<b>334,634,246</b>	<b>115,242,092</b>	<b>5,448,985</b>	<b>34,398,062</b>	<b>36,146,548</b>	<b>525,869,933</b>	<b>451,924,186</b>
Less: Outstanding Claim at the end of the previous year	101,183,198	29,215,753	4,485,551	4,748,744	7,702,065	147,335,311	190,225,090
Expenses for management	233,451,048	86,026,339	963,434	29,649,318	28,444,483	378,534,622	261,699,096
Commission	106,896,358	195,711,524	14,996,923	39,671,235	49,961,328	407,237,369	396,290,478
Profit transfer to Profit & Loss Account	135,890,197	125,378,921	8,248,708	25,459,679	28,900,518	323,878,024	341,975,840
	(77,366,415)	280,745,412	21,524,657	48,452,820	67,696,054	341,052,528	379,697,337
<b>Balance on Account at the end of the year as shown in statement of financial position :</b>							
Reserve for unexpired risks being 40% of Fire, Marine Cargo, Motor & Misc. and 100% of Marine Hull Premium income of the year.	126,628,335	231,837,875	44,413,006	46,994,140	59,183,680	509,057,036	573,983,208
<b>Total</b>	<b>525,499,523</b>	<b>919,700,072</b>	<b>90,146,729</b>	<b>190,227,192</b>	<b>234,186,063</b>	<b>1,959,759,579</b>	<b>1,953,645,959</b>

The annexed notes form an integral part of these financial statements.

  
**Syed Anisul Hoque**  
Company Secretary (CC)

  
**Amar Krishna Shil**  
Chief Financial Officer


  
**Syed Sehab Ullah Al-Manjur**  
Chief Executive Officer

  
**Muhammad Jamaluddin**  
Independent Director

  
**Syed M. Altaf Hussain**  
Chairman

Signed as per the annexed report of the same date.

Place: Dhaka  
Date: May 08, 2024  
DVC: 2405111546AS740934


  
**Abu Nasser FCA**  
Enrolment No. 1546  
Partner  
Islam Quazi Shafique & Co.  
Chartered Accountants


**PRAGATI INSURANCE LIMITED**  
**Marine Insurance Revenue Account**  
For the year ended 31 December 2023


Particulars	Marine Cargo	Marine Hull	Amount in Taka	
			31-Dec-2023	31-Dec-2022
Balance of Account at the beginning of the year :				
Reserve for unexpired risk	272,975,363	44,343,941	317,319,304	227,110,317
Premium Less : Re-Insurance	579,594,688	44,413,006	624,007,694	726,782,348
Commission on Re-Insurance Ceded	67,130,021	1,389,782	68,519,803	36,607,434
	<u>919,700,072</u>	<u>90,146,729</u>	<u>1,009,846,801</u>	<u>990,500,099</u>
Claims under Policies				
Less : Re-Insurance: Paid during the year	77,685,357	3,382,290	81,067,647	106,239,397
Total estimated liability in respect of Outstanding Claims at the end of the year whether due or intimated	37,556,735	2,066,695	39,623,430	33,701,304
	<u>115,242,092</u>	<u>5,448,985</u>	<u>120,691,077</u>	<u>139,940,701</u>
Less : Outstanding Claims at the end of the previous year	29,215,753	4,485,551	33,701,304	79,956,738
	<u>86,026,339</u>	<u>963,434</u>	<u>86,989,773</u>	<u>59,983,963</u>
Expenses of Management	195,711,524	14,996,923	210,708,448	210,674,102
Commission	125,378,921	8,248,708	133,627,630	150,786,894
Profit transferred to Statement of Profit or Loss	280,745,412	21,524,657	302,270,069	251,735,837
Balance of Account at the end of the year as shown in statement of financial position :				
Reserve for unexpired risks being 40% of the Marine Cargo Premium income 100% of the Marine Hull Premium Income of the year	231,837,875	44,413,006	276,250,881	317,319,304
	<u>919,700,072</u>	<u>90,146,729</u>	<u>1,009,846,801</u>	<u>990,500,099</u>

The annexed notes form an integral part of these financial statements.

  
Syed Anisul Hoque  
Company Secretary (CC)

  
Amar Krishna Shil  
Chief Financial Officer


  
Syed Sehab Ullah Al-Manjur  
Chief Executive Officer

  
Muhammad Jamaluddin  
Independent Director

  
Syed M. Altaf Hussain  
Chairman

Signed as per the annexed report of the same date.

Place: Dhaka  
Date: May 08, 2024  
DVC: 2405111546AS740934

  
Abu Nasser FCA  
Enrolment No. 1546  
Partner  
Islam Quazi Shafique & Co.  
Chartered Accountants


**PRAGATI INSURANCE LIMITED**  
**Fire Insurance Revenue Account**  
For the year ended 31 December 2023


Particulars	Amount in Taka	
	31-Dec-2023	31-Dec-2022
Balance of account at the beginning of the year :		
Reserve for unexpired risk	101,876,581	71,898,911
Premium less : Re-Insurance	316,570,838	254,691,452
Commission on Re-insurance ceded	107,052,104	129,652,819
	<b>525,499,523</b>	<b>456,243,182</b>
Claims under policies		
Less : Re-insurance : Paid during the year	275,503,663	138,587,975
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	59,130,583	101,183,198
	<b>334,634,246</b>	<b>239,771,173</b>
Less : Outstanding claims at the end of the previous year	(101,183,198)	(95,710,973)
	<b>233,451,048</b>	<b>144,060,200</b>
Expenses of management	106,896,358	73,444,966
Commission	135,890,197	133,631,138
Profit transferred to Statement of Profit or Loss	(77,366,415)	3,230,298
Balance of account at the end of the year as shown in statement of financial position :		
Reserve for unexpired risks, being 40% of the fire premium income of the year	126,628,335	101,876,581
	<b>525,499,523</b>	<b>456,243,182</b>

The annexed notes form an integral part of these financial statements.

  
**Syed Anisul Hoque**  
Company Secretary (CC)

  
**Amar Krishna Shil**  
Chief Financial Officer


  
**Syed Sehab Ullah Al-Manjur**  
Chief Executive Officer

  
**Muhammad Jamaluddin**  
Independent Director

  
**Syed M. Altaf Hussain**  
Chairman

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Place: Dhaka  
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**Abu Nasser** FCA  
Enrolment No. 1546  
Partner  
Islam Quazi Shafique & Co.  
Chartered Accountants


**PRAGATI INSURANCE LIMITED**  
**Motor & Miscellaneous Insurance Revenue Account**  
For the year ended 31 December 2023


Particulars	Motor	Misc	Amount in Taka	
			31-Dec-2023	31-Dec-2022
Balance of Account at the beginning of the year :				
Reserve for unexpired risk	72,741,842	82,045,481	154,787,323	107,052,146
Premium Less : Re-Insurance	117,485,350	147,959,200	265,444,550	386,968,308
Commission on Re-insurance ceded (including profit commission)	-	4,181,382	4,181,382	12,882,223
	<b>190,227,192</b>	<b>234,186,063</b>	<b>424,413,255</b>	<b>506,902,677</b>
Claims under Policies				
Less : Re-Insurance: Paid during the year	24,815,972	25,776,378	50,592,350	59,761,503
Total estimated liability in respect of Outstanding Claims at the end of the year whether due or intimated	9,582,090	10,370,170	19,952,260	12,450,809
	<b>34,398,062</b>	<b>36,146,548</b>	<b>70,544,610</b>	<b>72,212,312</b>
Less : Outstanding Claims at the end of the previous year	4,748,744	7,702,065	12,450,809	14,557,378
	<b>29,649,318</b>	<b>28,444,483</b>	<b>58,093,801</b>	<b>57,654,934</b>
Expenses of Management	39,671,235	49,961,328	89,632,563	112,171,410
Commission	25,459,679	28,900,518	54,360,196	57,557,809
Profit transferred to Statement of Profit or Loss	48,452,820	67,696,054	116,148,875	124,731,202
Balance of Account at the end of the year as shown in statement of Financial Position :				
Reserve for unexpired risks being 40% of the Marine Cargo Premium income 100% of the Marine Hull Premium Income of the year	46,994,140	59,183,680	106,177,820	154,787,323
	<b>190,227,192</b>	<b>234,186,063</b>	<b>424,413,255</b>	<b>506,902,677</b>

The annexed notes form an integral part of these financial statements.

  
**Syed Anisul Hoque**  
Company Secretary (CC)

  
**Amar Krishna Shil**  
Chief Financial Officer


  
**Syed Sehab Ullah Al-Manjur**  
Chief Executive Officer

  
**Muhammad Jamaluddin**  
Independent Director

  
**Syed M. Altaf Hussain**  
Chairman

Signed as per the annexed report of the same date.

Place: Dhaka  
Date: May 08, 2024  
DVC: 2405111546AS740934

  
**Abu Nasser** FCA  
Enrolment No. 1546  
Partner  
Islam Quazi Shafique & Co.  
Chartered Accountants


**PRAGATI INSURANCE LIMITED**  
**Statement of Changes of Shareholders Equity**

For the year ended 31 December 2023

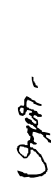
Particulars	Share capital	Reserve for exceptional losses	Contingency Reserve for Insurance Guarantees	Asset Revaluation Surplus	Investment Fluctuation Reserve (Fair Value Changes)	General Reserve	Retained Earnings	Total equity
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
<b>Balance at 1 January 2023</b>	655,903,290	1,249,737,496	150,640,334	1,366,949,514	173,391,810	56,266,199	217,514,123	3,870,402,767
Dividend paid (shares)	32,795,160	-	-	-	-	-	(32,795,160)	-
Dividend paid (cash)	-	-	-	-	-	-	(163,975,827)	(163,975,827)
Net profit during the year	-	-	-	-	-	-	369,463,334	369,463,334
Reserve for exceptional losses for the year	-	120,602,308	-	-	-	-	(120,602,308)	-
Transferred to Contingency reserve	-	-	18,473,167	-	-	-	(18,473,167)	-
Transferred to General reserve	-	-	-	-	-	36,946,333	(36,946,333)	-
Depreciation on Revalued Assets	-	-	-	(15,061,407)	-	-	15,061,407	-
Fair value changes during the year	-	-	-	-	(14,705,301)	-	-	(14,705,301)
<b>Balance at 31 December 2023</b>	<b>688,698,450</b>	<b>1,370,339,804</b>	<b>169,113,501</b>	<b>1,351,888,108</b>	<b>158,686,509</b>	<b>93,212,532</b>	<b>229,246,069</b>	<b>4,061,184,973</b>

For the year ended 31 December 2022

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
<b>Balance at 1 January 2022</b>	655,903,290	1,112,893,285	132,124,173	1,382,010,921	203,529,608	37,750,038	235,572,176	3,759,783,491
Dividend paid (Cash)	-	-	-	-	-	-	(229,566,152)	(229,566,152)
Net profit during the year	-	-	-	-	-	-	370,323,225	370,323,225
Reserve for exceptional losses for the year	-	136,844,211	-	-	-	-	(136,844,211)	-
Transferred to Contingency reserve	-	-	18,516,161	-	-	-	(18,516,161)	-
Transferred to General reserve	-	-	-	(15,061,407)	-	18,516,161	(18,516,161)	-
Depreciation on Revalued Assets	-	-	-	-	-	-	15,061,407	-
Fair value changes during the year	-	-	-	-	(30,137,798)	-	-	(30,137,798)
<b>Balance at 31 December 2022</b>	<b>655,903,290</b>	<b>1,249,737,496</b>	<b>150,640,334</b>	<b>1,366,949,514</b>	<b>173,391,810</b>	<b>56,266,199</b>	<b>217,514,123</b>	<b>3,870,402,767</b>

  
**Syed Anisul Hoque**  
Company Secretary (CC)


  
**Amar Krishna Shil**  
Chief Financial Officer

  
**Syed Sehab Ullah Al-Manjur**  
Chief Executive Officer

  
**Muhammad Jamaluddin**  
Independent Director

  
**Syed M. Altaf Hussain**  
Chairman

Signed as per the annexed report of the same date.

  
**Abu Nassef** (FCA)  
Enrolment No. 1546  
Partner  
Islam Quazi Shafique & Co.  
Chartered Accountants

**Place: Dhaka**  
**Date: May 08, 2024**  
**DVC: 2405111546AS740934**


**PRAGATI INSURANCE LIMITED**  
**Statement of Cash Flows**  
For the year ended 31 December 2023


Particulars	Notes	Amount in Taka	
		31-Dec-2023	31-Dec-2022
<b>A. Cash Flow from operating Activities</b>			
Collection from Premium & Other income		2,499,998,676	2,680,181,002
Payment for Expenses of Management, Re-insurance, Claim and Commission		(2,137,239,721)	(1,847,105,958)
Interest Paid		(6,595,185)	(44,346)
VAT and Tax paid to government Treasures		(345,658,011)	(384,382,034)
<b>Net Cash Flow From Operating Activities</b>	<b>34</b>	<b>10,505,759</b>	<b>448,648,664</b>
<b>B. Cash Flow from Investing Activities</b>			
Interest & other Income		390,439	1,170,583
Dividend Income		24,796,372	22,597,951
Rental Income		67,858,952	66,832,187
Purchase of Fixed Assets		(51,207,502)	(14,453,806)
Bangladesh Government Treasure Bond		-	(50,577,413)
Net Fund adjustment with Brokers house		(25,097,292)	(31,769,421)
<b>Net Cash Flow From Investing Activities</b>		<b>16,740,969</b>	<b>(6,199,919)</b>
<b>C. Cash Flow from Financing Activities</b>			
Increase/(Decrease) of bank Overdraft		142,063,113	(1,152,215)
Dividend Paid		(158,530,162)	(221,557,155)
<b>Net Cash Flow From Financing Activities</b>		<b>(16,467,049)</b>	<b>(222,709,370)</b>
<b>Increase/Decrease in Cash Flow(A+B+C)</b>		<b>10,779,678</b>	<b>219,739,375</b>
Opening Cash and Cash equivalent		2,074,866,974	1,855,127,599
Closing Cash and Cash equivalent		2,085,646,652	2,074,866,974
<b>Net operating cash flow per share of Tk. 10 each</b>		<b>0.15</b>	<b>6.51</b>

The annexed notes form an integral part of these financial statements.

  
**Syed Anisul Hoque**  
Company Secretary (CC)

  
**Amar Krishna Shil**  
Chief Financial Officer


  
**Syed Sehab Ullah Al-Manjur**  
Chief Executive Officer

  
**Muhammad Jamaluddin**  
Independent Director

  
**Syed M. Altaf Hussain**  
Chairman

Signed as per the annexed report of the same date.

Place: Dhaka  
Date: May 08, 2024  
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**Abu Nasser FCA**  
Enrolment No. 1546  
Partner  
Islam Quazi Shafique & Co.  
Chartered Accountants

**PRAGATI INSURANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2023

**1.00 General Information**

**1.01 Legal form of the Company**

The Company was incorporated as a public company limited by shares on 27 January 1986 and obtained the Certificate of incorporation no. C-15249/815 of Business from the Registrar of Joint Stock Companies, Bangladesh with effect from 27 January 1986. The Company is listed with both Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.

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 places of Bangladesh.

**1.02 Principal activities and nature of operations**

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

**1.03 Reporting period**

The financial statements of the Company consistently cover one calendar year starting from 1st January to 31st December.

**1.04 Date of Financial Statements authorized for issue**

Financial Statements of the Company for the year ended December 31, 2023 were authorized for issue on April 28, 2024 in accordance with a resolution of the Board of Directors.

**1.05 Structure, content and presentation of financial statements**

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

- i) Statement of Financial Position as at 31 December 2023;
- ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2023;
- iii) Statement of Changes of Shareholders Equity for the year ended 31 December 2023;
- iv) Statement of cash flows for the year ended 31 December 2023;
- v) Consolidated all Business Revenue Account for the year ended 31 December 2023;
- vi) Fire Insurance Revenue Account for the year ended 31 December 2023;
- vii) Marine Insurance Revenue Account for the year ended 31 December 2023;
- viii) Motor Insurance Revenue Account for the year ended 31 December 2023;
- ix) Miscellaneous Insurance Revenue Account for the year ended 31 December 2023; and
- x) Notes comprising a summary of significant accounting policies and other explanatory information to the accounts for the year ended 31 December 2023.

**2.00 Summary of significant accounting and related policies**

A summary of the significant accounting policies which have been applied consistently (unless otherwise



stated), is set out below:

## **2.01 Basis of preparation**

The financial statements of the Company have been prepared under historical cost convention in a going concern concept and on accrual basis in accordance with Generally Accepted Accounting Principles and practice in Bangladesh except property, plant & equipment. Disclosure of financial information as required by Insurance Act 2010 have been complied with while preparing statement of financial position, statement of profit or loss and other comprehensive income and revenue accounts for specific classes of insurance business in the form set forth in the first, second and third schedule of the Insurance Act and also in compliance with the Companies Act 1994. In addition, the Bangladesh Securities and Exchange Commission Rules 1987, Listing Regulations of Dhaka Stock Exchange Limited & Chittagong Stock Exchange Limited, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) have also been complied with.

## **2.02 Adoption of International Accounting Standards (IASs):**

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 21 The effects of Changes in Foreign Exchange Rates  
IAS 24 Related party disclosure  
IAS 27 Consolidated and separate Financial Statements  
IAS 32 Financial Instruments  
IAS 33 Earning per Share  
IAS 34 Interim Financial Reporting  
IAS 36 Impairment of Assets  
IAS 37 Provision, contingent liabilities and contingent Assets  
IAS 38 Intangible Assets  
IAS 40 Investment Property  
IFRS 4 Insurance Contracts  
IFRS 7 Financial Instruments: Disclosure  
IFRS 8 Operating Segments  
IFRS 9 Financial Instruments  
IFRS 10 Consolidate Financial Statements  
IFRS 15 Revenue from Contracts with Customer  
IFRS 16 Lease

## **2.03 Functional and presentation currency**

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

## **2.04 Use of accounting estimates and judgments**

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

## **2.05 Operation**

During the year, the gross premium earned by the company amount to Tk. 2,341,533,745 including public sector business of Tk.103,391,850. After ceding for re-insurance premium the net premium for the year amount to Tk. 1206,023,082 and after charging direct expenses therefrom the net Underwriting profit stood at Tk. 339,971,150 as against Tk. 379,697,337 of previous year.

## **2.06 Public Sector Business**

Public Sector Business up to June 2023 has been accounted for on the basis of statement received from Sadharan Bima Corporation.

## **2.07 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 statement of profit or loss and other comprehensive income statements as tax expense.

### **i. current Tax**

Provision for income tax has been made @ 37.5% as per Finance Act 2023 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.

## **2.08 Revenue Recognition**

### **i. Premium Income:**

The total amount of premium earned on various classes of insurance business underwritten during the year, the gross amount of premium earned against various policies, the amount of re-insurance premium due to SadharanBima 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.

### **ii. Re-insurance commission**

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

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

Interest on debentures, Bangladesh Government Treasury Bond and FDRs are recognized on accrual basis. Interest on STD account recognized as other income.

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

Gain and loss on sale of shares and dividend income earned during the year have been shown in the Statement of Profit or Loss and Other Comprehensive income 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.

**v. Dividend Income:**

Dividend are recognized in profit or loss only when the company's right to receipts payment of the dividend is established

**vi. Other Income:**

Any other income is recognised on accrual basis

**2.09 Benefits, claims and expenses recognition**

**i. Gross benefits and claims**

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

**ii. Reinsurance claims**

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

**2.1 Management Expenses**

Management expenses as charged to Revenue Accounts amounting to Tk.407,237,369 represents approximately 17.39% of gross premium of Tk.2,341,533,745. The expenses have been apportioned @ 36.61% to Fire, 41.38% to Marine and 22.01% to Motor & miscellaneous business as per management decision.

**2.11 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 40% on all business except on Marine Hull business for which the provision was made @ 100% of the total premium for the year 2023.

**2.12 Property, plant and equipment**

**2.12.01 Recognition and measurement**

Property, plant and equipment are recognized if there is a possibility that future economic benefits associated with the property will flow into the organization and the cost of resources can be reliably measured. Items of property, plants and equipment are measured at cost less accumulated depreciation.

**2.12.02 Revaluations**

Revaluation on freehold land and building is performed by Qualified Professional in 2011. The frequency of revaluations depends upon the movements in the fair values of the items of property, plant and equipment being revalued. The revaluation surplus is recognized in the net carrying amount of the assets and is transferred to revaluation reserve after restating the asset at the revalued amount. Any revaluation gain is directly recognized in the Statement of Other Comprehensive Income but if any revaluation loss arises which has been previously recognized in the revaluation reserve is debited to the extent of any credit balance existing in the revaluation reserve in respect of that asset.

### 2.12.03 Depreciation on Fixed Assets

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale ( or included in a disposal group that is classified as held for sale) in accordance with IFRS-5 and the date that the asset is derecognized. Asset category-wise depreciation rates are as follows:

Category of Assets	Rate of Depreciation
Building	2%
Furniture	10%
Fixtures	15%
Motor Vehicles	20%
Office & Electrical Equipment	15%
Miscellaneous Items	20%

### 2.12.04 De-recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset is included in the statement of profit or loss and other comprehensive income in the year the asset is de-recognized.

### 2.12.05 Impairment of assets

The carrying amounts of the company's non financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit or loss and other comprehensive income. Considering the present conditions of the assets, management concludes that there is no such indications exist.

### 2.13 Provision for outstanding claims

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

### 2.14 Employees' Benefit Scheme

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

#### i. Gratuity Fund

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

#### ii. Contributory Provident Fund

The company has a contributory provident Fund for its regular employee. The fund is approved by The National Board of Revenue and managed by a duly constituted Board of Trustees.

#### iii. Other Benefit's

The company also provides other benefits to its employees like group insurance scheme, Incentive bonus, House building loan etc.

#### **iv. Workers' Profit Participation Fund (WPPF):**

As per the Bangladesh Labour Act, 2006 as amended in 2018, an employer is required to pay 5% of its net profit to the (1) Worker Participation Fund (2) Worker Welfare Fund and (3) Labour Trust Foundation Fund for further appropriate disbursement to the beneficiaries as defined under the Act. There is significant ambiguity around the inclusion of Bank, Financial Institutions and Insurance Companies within the scope of chapter XV: Workers Profit Participation Fund (WPPF) under the Labour Act 2006 as amendment in 2018. As such the Bank and Financial Institution Division, Ministry of Finance Government of the People Republic of Bangladesh vide its letter dated February 14, 2017 requested the Ministry of Labour and Employment not to apply chapter XV: Workers Profit Participation Fund (WPPF) under the Labour Act 2006 as amended in 2018 for bank and financial institution which was endorsed by the Bangladesh Insurance Association to all insurance companies operating in Bangladesh. Subsequently, ministry of finance has exempted to pay 5% of its net profit to the (1) Worker Participation Fund (2) Worker Welfare Fund and (3) Labour Trust Foundation Fund for all insurance Company vide letter no. 53.00.0000.441.99.006.19.174 dated June 29, 2023. On the basis of the facts no provision for workers participation fund has been made by the company in the reporting period for the WPPF.

#### **2.15 Interest Expense**

The Company has incurred interest and related expenses on account of overdraft, leases and short term loan. Interest expenses are recognized on accrual basis.

#### **2.16 Earnings Per share**

Earnings per share have been calculated in accordance with International Accounting Standard 33: Earnings Per Share, and shown on the face of statement of profit or loss and other comprehensive income .

Basic earnings per shares have been calculated by dividing the basic earning by the weighted average number of ordinary shares outstanding for the year.

#### **2.17 Accounting for changes in accounting estimates**

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

#### **2.18 Contingent liability and contingent assets**

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

Disclosure note of contingent assets of Taka 2,13,39,143 and Taka 2,63,22,580 claimed through money suit no. 35/2023 and 33/2023 respectively:

Taka 2,13,39,143 claimed, through money suit no. 35/2023, for recovery of expenditure of settledown of suits and miscellaneous complex issues regarding land owned by Pragati Insurance Ltd. and National Bank Ltd in Panthapath area and compensation against establishment damage in PIL land portion, incurred during construction of NBL Twin Tower by National Bank Ltd.

Taka 2,63,22,580 claimed, through money suit no. 33/2023, for recovery of arrear rent revenue from National Bank Ltd against Panthapath land rented.

## 2.19 Related Party Disclosures

Pragati Insurance in normal course of business carried out a number of transactions with other entities that fall within the definition of related parties contained in Bangladesh Accounting Standard 24: 'Related Parties Disclosers'. All transactions involving related parties arising the normal course of business and on a arm's length basis at commercial rates on the same terms and conditions as applicable to the third parties. Details transactions with related parties and balances with them as at December 31,2023 were as follows:

SL No.	Name of the Client	Relationship	Nature of Business	Net Premium Jan. to Dec.-2023	Claim paid Jan. to Dec. 2023
1	W & W Grains Corporation	Common Director	Insurance	1,750,555	131,253
2	Multimode Group	Common Director	Insurance	8,130,993	12,241,265
3	Abdul Monem Ltd.	Common Director	Insurance	18,299,288	8,457,363
4	KDS Group	Common Director	Insurance	52,704,432	33,003,447
5	Prostar Group	Common Director	Insurance	1,181,482	582,100
6	Armana Group	Common Director	Insurance	37,701,785	154,250
7	Chowdhury Group	Common Director	Insurance	549,500	-
8	Concord Pragatee Consortium	Common Director	Insurance	1,505,904	-
9	MKR Group	Common Director	Insurance	109,371	-
<b>Total</b>				<b>121,933,310</b>	<b>54,569,678</b>

## 2.20 Consistency of Presentation

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

## 2.21 Reporting Currency

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

## 2.22 General

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

## 2.23 Valuation of Assets

The value of all assets at 31 December 2023 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 Statement of financial position at amounts at their respective book values which in the aggregate do not exceed their aggregate market value.

		Amount in Taka		
		31-Dec-2023	31-Dec-2022	
<b>3.00</b>	<b>Head office Building:</b>			
	Owner occupied property (IAS 16)	3.01	141,868,714	145,809,511
	Building as investment property (IAS 40)	3.02	1,026,871,165	1,049,194,451
	Electrical Equipment	3.03	-	-
	Balance at the year end		<b>1,168,739,879</b>	<b>1,195,003,963</b>
<b>3.01</b>	<b>Building space for owner occupied (IAS 16)</b>			
	<b>Balance at the beginning of the year</b>		197,039,880	197,039,880
	Addition during the year		-	-
	<b>Balance at the year end</b>		<b>197,039,880</b>	<b>197,039,880</b>
	<b>Accumulated Depreciation:</b>			
	Balance at the beginning of the year		51,230,369	47,289,571
	Addition during the year		3,940,798	3,940,798
	<b>Balance at the year end</b>		<b>55,171,166</b>	<b>51,230,369</b>
	<b>Carrying Amount</b>		<b>141,868,714</b>	<b>145,809,511</b>
<b>3.02</b>	<b>Building as investment property (IAS, 40)</b>			
	<b>Balance at the beginning of the year</b>		1,116,164,310	1,116,164,310
	Addition during the year		-	-
	Sales/ Adjustment during the year		-	-
	<b>Balance at the year end</b>		<b>1,116,164,310</b>	<b>1,116,164,310</b>
	<b>Accumulated Depreciation:</b>			
	Balance at the beginning of the year		66,969,859	44,646,572
	Addition during the year		22,323,286	22,323,286
	Sales/ Adjustment during the year		-	-
	<b>Balance at the year end</b>		<b>89,293,145</b>	<b>66,969,859</b>
	<b>Carrying Amount</b>		<b>1,026,871,165</b>	<b>1,049,194,451</b>
<b>3.03</b>	<b>Electrical Equipment</b>			
	<b>Balance at the beginning of the year</b>		21,237,336	21,237,336
	Addition during the year		-	-
	Sales/ Adjustment during the year for power substation		-	-
	<b>Balance at the year end</b>		<b>21,237,336</b>	<b>21,237,336</b>
	<b>Accumulated Depreciation:</b>			
	Balance at the beginning of the year		21,237,336	19,773,030
	Addition during the year		-	1,464,306
	Sales/ Adjustment during the year for power substation		-	-
	<b>Balance at the year end</b>		<b>21,237,336</b>	<b>21,237,336</b>
	<b>Carrying Amount</b>		<b>-</b>	<b>-</b>

Amount in Taka	
31-Dec-2023	31-Dec-2022

#### 4.00 Panthapath Building

Two Storied Commercial Building under construction at panthapath land

Opening Balance	49,836,768	34,282,698
Add: Addition during the year	-	15,554,070
	<b>49,836,768</b>	<b>49,836,768</b>

These asset are recognised 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

Opening balance	887,627,023	887,627,023
Add.: Addition during the year	-	-
Closing Balance	<b>887,627,023</b>	<b>887,627,023</b>

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

#### 6.00 Other Fixed Assets

##### Cost:

<b>Balance at the beginning of the year</b>	265,917,972	251,622,166
Addition during the year	51,207,502	14,453,806
Sales/ Adjustment during the year	(550,000)	(158,000)
<b>Balance at the year end</b>	<b>316,575,474</b>	<b>265,917,972</b>

##### Accumulated Depreciation:

Balance at the beginning of the year	184,884,850	179,177,415
Addition during the year	11,905,936	5,865,435
Sales/ Adjustment during the year	(550,000)	(158,000)
<b>Balance at the year end</b>	<b>196,240,786</b>	<b>184,884,850</b>
<b>Carrying Amount</b>	<b>120,334,688</b>	<b>81,033,122</b>

#### 7.00 Right of use (ROU) Assets

Opening Balance	40,758,999	14,864,689
Addition during the year	4,962,372	45,361,080
Less. Accumulated Depreciation	12,504,535	19,466,770
Closing Balance	<b>33,216,837</b>	<b>40,758,999</b>

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 recognise 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

Bangladesh Government Treasury Bond	8.01	357,920,776	357,920,776
Investment in Shares	8.02	614,236,586	617,854,496
Holiday Homes		4,130,090	4,130,090
		<b>976,287,453</b>	<b>979,905,362</b>



Amount in Taka	
31-Dec-2023	31-Dec-2022

#### 8.01 Bangladesh Government Treasury Bond

The amount represents 5 to 15 years Bangladesh Government Treasury Bond (BGTB) with a face value of

Opening Balance	357,920,776	307,343,363
Addition during the year	-	50,577,413
Less. Encashment during the year	-	-
<b>Closing Balance</b>	<b>357,920,776</b>	<b>357,920,776</b>

#### 8.02 Investment in Shares

Values of Shares at cost

Change in Fair value of shares through OCI, (5.7.10 IFRS 09) note 8.03

Values of Shares at cost	455,550,077	444,462,685
Change in Fair value of shares through OCI, (5.7.10 IFRS 09) note 8.03	158,686,509	173,391,810
<b>Total</b>	<b>614,236,586</b>	<b>617,854,496</b>

Break up of Share as on December 31, 2023	No of shares	At cost	Market Value
ACME Pesticides Limited	13,380	136,800	473,652
Agro Organica PLC	3,695	36,950	65,032
National Bank Ltd.	2,035,856	32,565,438	16,897,605
South Bangla Agriculture & Commerce Bank Limited	57,415	549,610	602,858
Global Islami Bank	347,164	3,309,330	2,985,610
Southeast Bank Ltd.	441,745	7,259,905	5,875,209
LafargeHolcim Bangladesh Limited	100,000	9,680,236	6,930,000
Heidelberg Cement Bangladesh Ltd.	5,000	1,213,129	1,197,500
Golden Son Ltd.	183,750	8,176,875	3,344,250
KDS Accessories Limited	38,377	1,969,569	2,955,029
Runner Automobiles Limited	7,566	540,439	366,194
S. S. Steel Limited	28,436	743,675	472,038
International Leasing & Financial Services Ltd.	93,933	2,746,601	526,025
LankaBangla Finance Ltd.	137,531	5,583,331	3,575,806
Olympic Industries Ltd.	100,200	24,381,664	15,230,400
Kay & Que (Bangladesh) Ltd.	103,162	8,327,896	23,520,936
British American Tobacco Bangladesh Company Limited	45,320	23,680,935	23,507,484
Shahjibazar Power Co. Ltd.	46,244	5,341,611	3,028,982
Grameen Phone Ltd.	5,381	1,547,771	1,542,195
Titas Gas Transmission & Dist. Co. Ltd.	73,500	2,450,479	3,006,150
Delta Life Insurance Company Ltd.	60,711	11,646,384	8,287,052
Green Delta Mutual Fund	40,000	290,870	276,000
Reliance Insurance Ltd.	50,000	4,441,295	3,425,000
Desh General Insurance Company Limited	4,702	48,851	157,517
Islami Commercial Insurance Company	8,799	90,990	274,529
Meghna Insurance co Ltd.	3,985	42,850	149,039
Bangladesh Export Import Company Ltd.	117,446	18,577,235	13,576,758
ACI (Advanced Chemical Industries) Ltd.	5,250	1,370,148	1,366,050
Square Pharmaceuticals Ltd.	166,529	37,152,079	35,021,049
Delta Speiner Ltd.	121,000	1,994,080	1,028,500
Esquire Knit Composite Limited	20,890	940,050	720,705
Square Textile Ltd.	40,028	2,709,996	2,701,890
Dulamia Cotton Spinning Mills Ltd.	51,480	3,866,525	3,644,784
Pragati Life Insurance Ltd.	669,438	41,066,730	68,349,620
Familytex (BD) Limited	76,403	1,746,573	374,375
Unique Hotel & Resorts Limited	64,500	6,829,905	3,657,150
National Housing Finance and Investments Limited	5,324,462	49,932,168	222,562,512
<b>Total</b>	<b>10,693,278</b>	<b>322,988,972</b>	<b>481,675,481</b>

Amount in Taka	
31-Dec-2023	31-Dec-2022

#### Non- Tradable

Break up of Share as on December 31, 2023	No of shares	At cost	Market Value
Central Depository Bangladesh. Ltd	1,142,362	3,138,890	3,138,890
Ind. & Infrastructure Dev. Finance Co.	13,380,903	31,183,820	31,183,820
Jamuna Resort Ltd.	392,009	43,900,895	43,900,895
United Hospital Ltd.	220,500	54,337,500	54,337,500
<b>Non- Tradable</b>	<b>15,135,774</b>	<b>132,561,105</b>	<b>132,561,105</b>
<b>Grand-Total</b>	<b>25,829,052</b>	<b>455,550,077</b>	<b>614,236,586</b>

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 Changes in fair value of the shares available for sale

Fair Value of the Investment	<b>481,675,481</b>	<b>485,293,391</b>
Less: Cost price of the investment	(322,988,972)	(311,901,580)
<b>Fair value reserve as at 31 December 2023</b>	<b>158,686,509</b>	<b>173,391,810</b>
Less: Fair value reserve as at 1 January 2023	173,391,810	203,529,608
Fair value adjustment for the year	<b>(14,705,301)</b>	<b>(30,137,798)</b>

#### 9.00 Amount due from other persons or bodies carrying on insurance business

Co-Insurance premium receivable	2,247,956	4,575,739
Co-Insurance claim receivable	2,770,783	4,870,786
Refund Co-Insurance premium receivable	343,006	687,612
Re insurance Receivable Overseas	215,018,898	15,673,551
	<b>220,380,643</b>	<b>25,807,688</b>

#### 10.00 Dividend & Debenture Interest Receivable

Opening Balance	2,191,923	1,947,029
Addition during the year	19,837,098	18,083,362
	<b>22,029,021</b>	<b>20,030,391</b>
Less. Collection during the year	19,431,148	17,838,468
Closing Balance	<b>2,597,873</b>	<b>2,191,923</b>

#### 11.00 Sundry Debtors (including advances, deposits and prepayments and others)

Advance against Salary	16,364,908	13,042,687
Advance against Rent	20,349,862	26,727,167
Advance against Expenses	10,466,316	30,444,839
Jamuna Resort Ltd.	38,192,552	38,192,552
Security Deposits	2,362,820	2,212,820
Group Insurance	4,732,559	4,553,809
Advance against Insurance Management Software	44,825,700	36,860,700
	<b>137,294,717</b>	<b>152,034,573</b>

Amount in Taka	
31-Dec-2023	31-Dec-2022

**12.00 Premium Control Account**

Fire	191,751	186,292
Marine (Cargo & Hull)	15,811,252	15,381,225
Motor	527,318	512,905
Misc	-	-
	<b>16,530,321</b>	<b>16,080,422</b>

Total amount of premium control account has been realised within February 2024.

**13.00 Advance Payments of Tax**

Opening balance		564,709,539	528,088,628
Add: Advance Tax paid/deduction at source during the year	13.01	126,841,970	146,061,139
		<b>691,551,509</b>	<b>674,149,767</b>
Less: Adjustment made during the year		51,500,000	109,440,228
Closing Balance		<b>640,051,509</b>	<b>564,709,539</b>

**13.01 Advance Tax paid/deduction at source during the year**

Deduction At Source from FDR Interest	23,114,232	10,238,378
Deduction At Source from BGTB Interest	1,073,514	876,264
Deduction At Source from STD Interest	707,040	615,951
Deduction At Source from Dividend Income	4,959,274	4,514,589
Deduction At Source from office Rent	3,491,657	2,752,265
Tax against Motor Maintenance	1,202,406	2,522,500
Advance Income Tax Paid	92,293,847	124,541,192
	<b>126,841,970</b>	<b>146,061,139</b>

**14.00 Cash and cash equivalent**

**In hand**

Cash in hand (Head Office and Branch)	2,058,641	2,590,800
Brokerage house ledger Balance	4,892,908	1,978,871
Stamps in hand	1,014,000	657,000
	<b>7,965,549</b>	<b>5,226,671</b>

**At banks**

Fixed deposits Receipts (FDR)	1,931,295,000	1,924,825,000
Short term deposit (STD)& Current accounts	146,386,103	144,815,303
	2,077,681,103	2,069,640,303
	<b>2,085,646,652</b>	<b>2,074,866,974</b>

Amount in Taka	
31-Dec-2023	31-Dec-2022

**15.00 Share capital:**

Authorized:

200,000,000 ordinary shares of Tk 10 each

**2,000,000,000**

**2,000,000,000**

**Issued, subscribed and paid up:**

	31-Dec-2023	31-Dec-2022
<b>68,869,845 ordinary Shares of Tk 10 each fully paid up</b>	<b>688,698,450</b>	<b>655,903,290</b>
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
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
3,279,516 ordinary shares of Tk.10 each fully paid up bonus share(5%) allotted in 2022 (out of Net profit)	32,795,160	-
	<b>688,698,450</b>	<b>655,903,290</b>

Amount in Taka	
31-Dec-2023	31-Dec-2022

Category of Shareholders	2023		2022	
	No. Of share	% of holding on paid up capital	No. Of share	% of holding on paid up capital
Group - A: Sponsors & Directors	28,919,279	41.99%	27,597,167	42.08%
Group-B: Institutions	13,548,186	19.67%	15,967,930	24.34%
Group-C: Public Shareholders	26,402,381	38.34%	22,025,232	33.58%
<b>Total</b>	<b>68,869,846</b>	<b>100.00%</b>	<b>65,590,329</b>	<b>100.00%</b>

Class of Interval	For the Year 2023			For the Year 2022		
	No. Of share	No. of shareholders	% of holding on paid up capital	No. Of share	No. of shareholders	% of holding on paid up capital
Less than 500	293,435	2,136	0.43	289,873	2,121	0.44%
500 to 5,000	3,028,994	1,874	4.40	3,555,486	2,302	5.42%
5,001 to 10,000	1,727,054	253	2.51	1,902,838	261	2.90%
10,001 to 20,000	2,003,857	145	2.91	2,210,240	147	3.37%
20,001 to 30,000	1,448,142	59	2.10	1,233,829	49	1.88%
30,001 to 40,000	840,685	25	1.22	697,929	20	1.06%
40,001 to 50,000	727,336	16	1.06	778,293	17	1.19%
50,001 to above	58,800,343	111	85.38	54,921,841	103	83.73%
<b>Total</b>	<b>68,869,846</b>	<b>4,619</b>	<b>100</b>	<b>65,590,329</b>	<b>5,020</b>	<b>100%</b>

**16.00 Reserve and surplus:**

Reserve for Exceptional Losses	16.01	1,370,339,804	1,249,737,496
Contingency Reserve	16.02	169,113,501	150,640,334
Asset Revaluation Surplus	16.03	1,351,888,107	1,366,949,514
General Reserve	16.04	93,212,532	56,266,199
Investment Fluctuation Reserve (Fair Value Changes)	8.03	158,686,509	173,391,810
		<b>3,143,240,454</b>	<b>2,996,985,354</b>

**16.01 Reserve for Exceptional Losses:**

Opening balance	1,249,737,496	1,112,893,285
Add: Addition during the year	120,602,308	136,844,211
Closing Balance	<b>1,370,339,804</b>	<b>1,249,737,496</b>

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 2023. Current rate of the reserve is 10.00% of its net premium.

**16.02 Contingency Reserve :**

Reserve for unexpired Guarantees	131,851,124	113,334,963
Reserve against Tail ended insurance business	18,789,210	18,789,210
Add: Addition during the year	18,473,167	18,516,161
	<b>169,113,501</b>	<b>150,640,334</b>

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

		Amount in Taka	
		31-Dec-2023	31-Dec-2022
<b>16.03</b>	<b>Asset Revaluation Surplus:</b>		
	Opening balance	1,366,949,514	1,382,010,921
	Less: Adjustment during the year	(15,061,407)	(15,061,407)
	Closing Balance	<b>1,351,888,107</b>	<b>1,366,949,514</b>
<p>The above revaluation reserve was created on revaluation of land and building by a professional valuer in the year 2011.</p>			
<b>16.04</b>	<b>General Reserve:</b>		
	Opening balance	56,266,199	37,750,038
	Add: Addition during the year	36,946,333	18,516,161
	Closing Balance	<b>93,212,532</b>	<b>56,266,199</b>
<b>17.00</b>	<b>Retained Earnings</b>		
	<b>Opening Balance</b>	217,514,123	235,572,176
	Dividend paid during the year (Cash, Stock)	(196,770,987)	(229,566,152)
	Net profit after Tax	369,463,334	370,323,225
	Appropriation for the period (exceptional loss)	(120,602,308)	(136,844,211)
	Appropriation for the period (General Reserve)	(36,946,333)	(18,516,161)
	Depreciation on revalued Assets	15,061,407	15,061,407
	Appropriation for the period (Contingency Reserve)	(18,473,167)	(18,516,161)
	<b>Closing Balance</b>	<b>229,246,069</b>	<b>217,514,123</b>
<b>18.00</b>	<b>Balance of fund &amp; account</b>		
	Balance of fund & account as of following business		
	Fire Insurance Business	126,628,335	101,876,581
	Marine Insurance Business	276,250,881	317,319,304
	Misc. Insurance Business	106,177,820	154,787,323
		<b>509,057,036</b>	<b>573,983,208</b>
<b>19.00</b>	<b>Premium deposits:</b>	<b>7,530,750</b>	<b>6,930,749</b>
<p>This represents premium received against cover notes which were not converted into policy within 31 December 2023 because of the period of nine months from the dates of issue of cover notes had not elapsed.</p>			
<b>20.00</b>	<b>Lease Liability</b>		
	Opening Balance	42,193,099	16,240,735
	Addition during the year	4,962,372	45,361,080
	Less. Payment made during the year	(12,950,383)	(19,408,715)
	Closing Balance	<b>34,205,088</b>	<b>42,193,099</b>
<b>21.00</b>	<b>Deferred Tax liability</b>		
	Opening Balance	49,854,896	37,705,913
	Add: Provision during the year (Note 31)	(502,943)	12,148,983
	Closing Balance	<b>49,351,953</b>	<b>49,854,896</b>

Amount in Taka	
31-Dec-2023	31-Dec-2022

**22.00 Estimated liability in respect of outstanding claims :**

Fire	59,130,583	101,183,198
Marine	39,623,430	33,701,304
Motor	9,582,090	4,748,744
Miscellaneous	10,370,170	7,702,065
	<b>118,706,273</b>	<b>147,335,311</b>

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**

Co-insurers	2,999,525	3,509,547
Sadharan Bima Corporation and others	512,058,816	551,126,246
	<b>515,058,341</b>	<b>554,635,793</b>

**24.00 Loan from Bank for office Building (Secured):**

	<b>142,086,199</b>	<b>23,086</b>
Sonali Bank A/c # 08293 24.01	136,618,271	23,086
Delta Brac Finance Company A/c # 17442 24.02	5,467,928	-

**24.01 Sonali Bank**

Opening Balance	23,086	18,109
Loan Taken during the year	220,000,000	-
Interest charged during the year	6,595,185	1,004,977
	<b>226,618,271</b>	<b>1,023,086</b>
Less. Re-payment during the year	90,000,000	1,000,000
Closing Balance	<b>136,618,271</b>	<b>23,086</b>

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

**24.02 Delta Brac Finance Company**

Opening Balance	-	1,157,192
Loan Taken during the year	6,467,928	-
Interest charged during the year	-	66,063
	<b>6,467,928</b>	<b>1,223,255</b>
Less. Re-payment during the year	1,000,000	1,223,255
Closing Balance	<b>5,467,928</b>	-

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

Amount in Taka	
31-Dec-2023	31-Dec-2022

**25.00 Un-paid Dividend**

From Inception to 2019 have been transfer to CMSF Fund

2018	-	454,364
2019	-	11,675,063
2020	8,834,398	8,837,042
2021	9,938,016	10,030,528
2022	6,778,919	-
	<b>25,551,333</b>	<b>30,996,998</b>

Capital Market Stabilization Fund (CMSF): Undistributed or unclaimed or unsettled cash dividend or non-refunded public subscription money transferred to the capital market stabilization Fund (CMSF) rule 2021 in pursuance of these rules or as per direction of the notification- BSEC/CMRRCD/2021-391/20/Admin/121. The company has been transferred the unclaimed dividend amount of Tk 12,129,167 which is more than a period of 3 (three) years ended.

**26.00 Sundry creditors (including provision for expenses and taxes)**

Payable against expenses		6,817,823	7,203,679
Provident fund deduction		1,274,667	1,362,288
Provident fund Loan		561,167	309,141
Received against security		5,066,160	5,066,160
Liability for Stamp		29,438,683	27,682,877
Provision for Gratuity	26.01	55,793,158	47,793,158
Hospitalization Insurance Claim		1,521,476	484,917
Rent Received in Advance		25,372,634	23,349,316
		<b>125,845,768</b>	<b>113,251,536</b>

**26.01 Provision for Gratuity**

Opening Balance		47,793,158	29,393,158
Add. Provision made during the year		20,000,000	30,000,000
		<b>67,793,158</b>	<b>59,393,158</b>
Less: Adjustment made during the year		12,000,000	11,600,000
Closing Balance		<b>55,793,158</b>	<b>47,793,158</b>

**27.00 Provision for Income Tax**

Opening Balance		667,553,335	684,521,652
Add. Provision made during the year	27.01	128,983,416	122,255,200
		<b>796,536,751</b>	<b>806,776,851</b>
Less: Adjustment made during the year		55,855,091	139,223,516
Closing Balance		<b>740,681,660</b>	<b>667,553,335</b>

**27.01 Income Taxes**

Current Tax		128,983,416	122,255,200
Deferred Tax	30.00	(502,943)	12,148,983
Total		<b>128,480,473</b>	<b>134,404,182</b>



Amount in Taka	
31-Dec-2023	31-Dec-2022

Details	Income Amount	Rate %	31.12.2023	31.12.2022
Dividend on shares	24,796,372	20.00%	4,959,274	4,509,590
Exempted income from dividend	500,000	0.00%	-	-
Gain on sales shares	836,679	10.00%	83,668	345,762
Capital Gain (Sales of motor vehicles)	467,500	10.00%	46,750	350
Reserve for exceptional loss	120,602,308	0.00%	-	-
Income from house Rent	47,501,266	37.50%	17,812,975	14,277,520
Exempted for Repair Maintance	20,357,686	0.00%	-	-
Business Income	282,881,996	37.50%	106,080,749	103,121,978
<b>Total</b>	<b>497,943,808</b>	<b>-</b>	<b>128,983,416</b>	<b>122,255,200</b>

Say, Provision made during The year 2023

**128,983,416**      **122,255,200**

**28.00 Other Liability**

Income tax deduction	28.01	265,166	934,210
VAT payable	28.02	10,599,294	13,153,322
Tax deduction against Bill		452,506	137,493
VAT deduction against Bill		324,830	527,893
		<b>11,641,796</b>	<b>14,752,918</b>

**28.01 Income Tax deduction**

Income Tax deduction at source amounting to Tk.265,166 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.10,599,294 represent the Vat for the month of December 2023 which has been deposited into Bangladesh Bank subsequently.

		Amount in Taka	
		31-Dec-2023	31-Dec-2022
<b>29.00</b>	<b>Other income</b>		
	<b>Interest on:</b>		
	Fixed deposit receipts (FDR)	128,412,727	96,503,286
	Bangladesh Govt. treasure Bond (BGTB)	21,470,280	17,525,280
	Short term deposit (STD) accounts	3,130,936	4,687,914
	House Building Loan Interest	283,230	539,136
		<b>153,297,173</b>	<b>119,255,616</b>
	Dividend received during the year		
	Sundry Income	24,796,372	22,597,951
	Revert from provident Fund	107,209	631,447
	Profit on sale of shares	72,044	-
	Profit on sale of motor vehicle/Electric Equipment	836,679	3,457,618
	Building Rent	467,500	3,500
	<b>Total</b>	<b>67,858,952</b>	<b>66,832,187</b>
		<b>247,435,929</b>	<b>212,778,319</b>
<b>29.01</b>	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, During the year 2023, Tk.72,044/- has been returned to the company's account from the contributory provident fund.		
<b>30.00</b>	<b>Registration Renewal Fee</b>	<b>2,962,197</b>	<b>2,882,492</b>
	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. 2,962,197		
<b>31.00</b>	<b>Deferred Tax</b>		
	Opening Balance	49,854,896	37,705,913
	Add: Addition during the year	(502,943)	12,148,983
	Closing Balance	<b>49,351,953</b>	<b>49,854,896</b>
	Carrying amount of property , plant and equipment excluding land	1,296,133,697	1,276,037,086
	Tax base	1,164,528,489	1,143,090,698
	Taxable/deductible temporary difference	<b>131,605,208</b>	<b>132,946,388</b>
	Effective Tax Rate	37.50%	37.50%
	<b>Deferred Tax Liability</b>	<b>49,351,953</b>	<b>49,854,896</b>
<b>32.00</b>	<b>Audit Fees</b>	<b>616,450</b>	<b>582,000</b>
	Statutory audit fee		
<b>33.00</b>	<b>Other Expenses</b>		
	AGM Expenses	141,906	202,537
	Advertisement	7,052,212	6,409,762
	Donation	749,550	507,500
	Performance Bonus	15,926,295	16,949,339
	Subscription	438,044	455,427
		<b>24,308,007</b>	<b>24,524,565</b>

Amount in Taka	
31-Dec-2023	31-Dec-2022

### 34.00 Net Asset Value Per Share

Net Asset Value	4,061,184,973	3,870,402,767
Number of Shares	68,869,845	68,869,845
<b>Net Asset Value per share of Tk. 10 each</b>	<b>58.97</b>	<b>56.20</b>
Net Asset Value Per Share was increased due to increase of Investment, Dividend & Interest Receivable and Cash equivalent etc.		
<b>Total Asset-Current Liabilities</b>	<b>4,061,184,973</b>	<b>3,870,402,767</b>
<b>Total Assets</b>	<b>6,340,901,171</b>	<b>6,071,913,695</b>
<b>Current Liabilities</b>	<b>2,279,716,198</b>	<b>2,201,510,928</b>

### 35.00 Earning Per Share

Profit after Tax		
Number of Share	369,463,334	370,323,225
Basic Earning Per Share per share of Tk. 10 each	68,869,845	68,869,845
	<b>5.36</b>	<b>5.38</b>

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 68,869,845 during the year but previous year was same as outstanding number of shares 65,590,329 so there was a scope for dilution for weighted number of shares

Net cash generated from operating activities

Outstanding number of shares	10,505,759	448,648,664
<b>Net Operating cash flows per share per share of Tk. 10 each :</b>	<b>68,869,845</b>	<b>68,869,845</b>
	<b>0.15</b>	<b>6.51</b>

Net operating cash flow was increased due to increase of premium collection , less claim settlement, and others income etc.

### 36.01 Cash Flow from operating Activities

<b>Net profit during the year</b>	<b>497,943,808</b>	<b>504,727,407</b>
Adjustment:		
Depreciation	50,674,554	53,060,595
Interest Income	3,130,936	4,687,914
Profit on sales of fixed assets	467,500	3,500
Profit/Loss on sales share	836,679	3,457,618
<b>Changes in working capital:</b>		
Increase/ (decrease) the balance of fund	(64,926,171)	167,921,833
Increase/ (decrease) the premium deposit	600,001	(1,419,551)
Increase/ (decrease) of Outstanding claims	(28,629,038)	(42,889,778)
Increase/ (decrease) of sundry creditor except payable for fixed asset and tax payable	60,778,817	120,185,650
(Increase) / decrease of Advance, deposit & prepayment except AIT , Advance for fixed assets & collection control a/c	(382,422,988)	(233,320,494)
(Increase) / decrease of premium control account	(449,899)	11,121,901
(Increase) / decrease Stock of printing & stationery	(299,470)	(207,213)
(Increase) / decrease Insurance stamp in hand	(357,000)	542,800
Income tax paid	(126,841,970)	(139,223,516)
<b>Net cash generated from operating activities</b>	<b>10,505,759</b>	<b>448,648,664</b>

Amount in Taka	
31-Dec-2023	31-Dec-2022

**37.00 Number of Employees**

The number of permanent employees of the company drawing salaries below and above TK.10,000 P.M is as under

a) Salaries drawing above TK.10,000 575 Nos.

b) Salaries drawing Below TK.10,000 Nil

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

Directors' Fees	2,526,400	2,460,800
Advisor's Salary	9,600,000	8,700,000
MD's Salary & Emoluments	5,780,000	2,940,000
Officers Salary	261,021,413	254,487,661
Meeting Fees	601,450	383,042
	<b>279,529,263</b>	<b>268,971,503</b>

**39.00 Event after reporting period**

**39.01 Approval of Financial Statements**

The Board of Directors in its meeting held on April 28, 2024, approved the financial statement for the year 2023 and also authorised the same for issue.


**39.02 Recommendation of Dividend**


The Board of Directors have recommend 20% Cash dividend and 7% Stock dividend for the year ended 2023 which is subject to approval by the shareholder in the coming 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 (CC)

  
**Amar Krishna Shil**  
Chief Financial Officer


  
**Syed Sehab Ullah Al-Manjur**  
Chief Executive Officer

  
**Muhammad Jamaluddin**  
Independent Director

  
**Syed M. Altaf Hussain**  
Chairman

Signed as per the annexed report of the same date.

Place: Dhaka  
Date: May 08, 2024  
DVC: 2405111546AS740934

  
**Abu Nasser FCA**  
Enrolment No. 1546  
Partner  
Islam Quazi Shafique & Co.  
Chartered Accountants

**PRAGATI INSURANCE LIMITED**  
**Schedule of Property, Plant & Equipments**  
(at cost less accumulated depreciation)

Annexure 'A'

Particulars	Cost				Depreciation				WDV as at 31 December 2022		
	Opening balance	Additions during the year	Disposal during the year	Closing balance	Rate	Opening balance	Charged during the year	Disposal		Closing balance	WDV as at 31 December 2023
FURNITURE & FIXTURE	33,989,430	101,402	-	34,090,832	10%	33,358,531	241,430	-	33,599,961	490,871	630,899
FIXTURE(PLISTIC SIGN)	9,655,213	-	-	9,655,213	15%	5,904,191	1,253,263	-	7,157,453	2,497,760	3,751,022
MOTOR VEHICLE	94,456,232	6,433,970	550,000	100,340,202	20%	43,814,894	1,584,632	550,000	44,849,526	55,490,676	50,641,338
ELECTRICAL EQUIPMENT	81,992,045	7,077,981	-	89,070,026	15%	75,938,126	3,826,577	-	79,764,703	9,305,323	6,053,919
OFFICE EQUIPMENT	3,264,265	-	-	3,264,265	15%	3,236,765	12,307	-	3,249,072	15,193	27,500
CURTAIN & CARPETS	692,051	54,725	-	746,776	20%	686,839	13,552	-	700,391	46,385	5,212
BI-CYCLE	23,175	-	-	23,175	20%	23,175	-	-	23,175	-	-
TELEPHONE(INTERCOM)	565,739	269,818	-	835,557	20%	549,196	68,692	-	617,888	217,669	16,544
OFFICE DECORATION	41,279,822	37,269,606	-	78,549,428	10%	21,373,133	4,905,483	-	26,278,616	52,270,812	19,906,689
<b>TOTAL : A</b>	<b>265,917,972</b>	<b>51,207,502</b>	<b>550,000</b>	<b>316,575,474</b>		<b>184,884,850</b>	<b>11,905,936</b>	<b>550,000</b>	<b>196,240,785</b>	<b>120,334,689</b>	<b>81,033,122</b>
<b>Office Building:</b>											
Electrical Equipment	21,237,336	-	-	21,237,336	10%	21,237,336	-	-	21,237,336	-	-
Owner occupied	197,039,880	-	-	197,039,880	2%	51,230,369	3,940,797.60	-	55,171,166	141,868,714	145,809,511
Investment property	1,116,164,310	-	-	1,116,164,310	2%	66,969,859	22,323,286	-	89,293,145	1,026,871,165	1,049,194,451
<b>TOTAL : B</b>	<b>1,334,441,526</b>	<b>-</b>	<b>-</b>	<b>1,334,441,526</b>		<b>139,437,563</b>	<b>26,264,084</b>	<b>-</b>	<b>165,701,647</b>	<b>1,168,739,879</b>	<b>1,195,003,963</b>
<b>GRAND TOTAL (A+B)</b>	<b>1,600,359,498</b>	<b>51,207,502</b>	<b>550,000</b>	<b>1,651,017,000</b>		<b>324,322,413</b>	<b>38,170,019</b>	<b>550,000</b>	<b>361,942,432</b>	<b>1,289,074,568</b>	<b>1,276,037,085</b>
Revaluation reserve (Building)	753,070,343	-	-	753,070,343	2%	45,184,221	15,061,407	-	60,245,627	692,824,716	707,886,122
Right of use of Assets (ROU)	88,238,843	4,962,372	-	93,201,215	-	47,479,844	12,504,535	-	59,984,379	33,216,836	40,758,999
<b>TOTAL IN 2023</b>	<b>841,309,186</b>	<b>4,962,372</b>	<b>4,962,372</b>	<b>846,271,558</b>		<b>92,664,065</b>	<b>27,565,942</b>	<b>-</b>	<b>120,230,006</b>	<b>726,041,552</b>	<b>748,645,121</b>

## REVENUE ACCOUNT

For the year ended 31 December 2023


1) Summarized position of net underwriting profit earned during the year 2023 is as follows.


Particular	FIRE	MARINE	MOTOR & MISC	2023	2022
	BDT	BDT	BDT	BDT	BDT
<b>Premium Income</b>					
A) Gross Premium	1,024,849,909	897,933,947	418,749,889	2,341,533,745	2,574,083,826
B) Re-insurance premium	708,279,071	273,926,253	153,305,339	1,135,510,663	1,205,641,718
C) Net Premium (A-B)	<b>316,570,838</b>	<b>624,007,694</b>	<b>265,444,550</b>	<b>1,206,023,082</b>	<b>1,368,442,108</b>
<b>Direct Expenses</b>					
D) Commission (Net of Re-insurance Accepted and Ceded)	28,838,093	65,107,827	50,178,814	144,124,735	162,833,364
E) Claim Settled & provide	233,451,048	86,989,773	58,093,801	378,534,622	261,699,096
F) Management Expenses	106,896,358	210,708,448	89,632,563	407,237,369	396,290,478
G) Allocation Of Management Expenses	26.25%	51.74%	22.01%	100.00%	100.00%
H) Total Direct Expenses (D+E+F)	369,185,499	362,806,047	197,905,179	929,896,725	820,822,938
I) Adjustment Fund Balance for Un-expired risk (Opening Balance Less closing Balance)	(24,751,754)	41,068,423	48,609,503	64,926,171	(167,921,833)
<b>Net Underwriting Profit (C-H+I)</b>	<b>(77,366,415)</b>	<b>302,270,069</b>	<b>116,148,875</b>	<b>341,052,528</b>	<b>379,697,337</b>
<b>Commission(Net)</b>					
Commission paid on Direct Business	135,890,197	133,627,630	54,360,196	323,878,024	341,975,840
Commission paid on Re-insurance Accepted	135,890,197	133,627,630	54,360,196	323,878,024	341,975,840
Less: Commission earned on re-insurance ceded	107,052,104	68,519,803	4,181,382	179,753,289	179,142,476
<b>Net Commission</b>	<b>28,838,093</b>	<b>65,107,827</b>	<b>50,178,814</b>	<b>144,124,735</b>	<b>162,833,364</b>
<b>Claim Settled</b>					
Gross Claim	703,521,230	139,394,268	58,534,777	901,450,275	571,097,717
less. Salvage received	-	-	1,400,000	1,400,000	-
	<b>703,521,230</b>	<b>139,394,268</b>	<b>57,134,777</b>	<b>900,050,275</b>	<b>571,097,717</b>
Less : Re-insurance claim Recovery	428,017,568	58,326,621	6,542,427	492,886,616	266,508,842
Paid During The Year	275,503,663	81,067,647	50,592,350	407,163,660	304,588,875
Add: Outstanding Claim at the end of the year whether due or Intemated(Company's Share)	59,130,583	39,623,430	19,952,260	118,706,273	147,335,311
	<b>334,634,246</b>	<b>120,691,077</b>	<b>70,544,610</b>	<b>525,869,933</b>	<b>451,924,186</b>
Less: Outstanding claim at the end of the previous Year	101,183,198	33,701,304	12,450,809	147,335,311	190,225,090
<b>Net Claim</b>	<b>233,451,048</b>	<b>86,989,773</b>	<b>58,093,801</b>	<b>378,534,622</b>	<b>261,699,096</b>


**FORM 'AA'**  
**CLASSIFIED SUMMARY OF ASSETS AS AT 31 DECEMBER 2023**  
For the year ended 31 December 2023

Particulars	Amount in Taka	
	31-Dec-2023	31-Dec-2022
Bangladesh Government Treasury Bond	357,920,776	357,920,776
Shares - at cost	455,550,077	444,462,685
Fixed deposit, STD and current A/C with Banks	2,077,681,103	2,069,640,303
Cash in hand and Stamp in hand	7,965,549	3,247,800
Amount due from other persons or bodies carrying on insurance business	220,380,643	25,807,688
Accrued interest	2,597,873	2,191,923
Debtors (including advances, deposits and prepayments)	137,294,717	152,034,573
Stock of Printing material	2,356,809	2,057,339
Land	887,627,023	887,627,023
Holiday homes	4,130,090	4,130,090
Fixed Asset	120,334,688	81,033,122
Building	1,218,576,647	1,244,840,731
<b>Total</b>	<b>5,492,415,996</b>	<b>5,274,994,054</b>

  
**Syed Anisul Hoque**  
Company Secretary (CC)

  
**Amar Krishna Shil**  
Chief Financial Officer


  
**Syed Sehab Ullah Al-Manjur**  
Chief Executive Officer

  
**Muhammad Jamaluddin**  
Independent Director

  
**Syed M. Altaf Hussain**  
Chairman

Signed as per the annexed report of the same date.

Place: Dhaka  
Date: May 08, 2024  
DVC: 2405111546AS740934

  
**Abu Nasseer, FCA**  
Enrolment No. 1546  
Partner  
Islam Quazi Shafique & Co.  
Chartered Accountants