



**18<sup>th</sup> Annual Report**



**Pragati Insurance Limited**



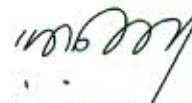
SYMBOL OF SECURITY

## Notice of the Eighteenth Annual General Meeting

Notice is hereby given that the 18th Annual General Meeting of Pragati Insurance Limited will be held on Thursday, The 10th June, 2004 at 11:00 a.m at the Head Office premises of the Company (Pragati-RPR Centre, 20-21, Kawran Bazar, Dhaka-1215) to transact the following business:

1. To receive, consider and adopt the Directors' Report for the year ended 31st December, 2003.
2. To receive, consider and adopt the Audited Accounts of the Company and the Auditors' Report thereon for the year ended 31st December, 2003.
3. To declare Dividend for the year 2003 as recommended by the Board.
4. To elect Directors in place of retiring Directors from Group-A shareholders & from Group-B shareholders.
5. To appoint Auditors for the year 2004 and fix their remuneration.

By order of the Board of Directors



(H.R. Chowdhury)  
Company Secretary

Dated Dhaka the 12th May, 2004

### Notes :

- (a) The Register of Members of the Company shall remain closed from 27th May, 2004 to 10th June, 2004 both days inclusive. Members of the Company whose name appear in the Register of Members up to 26th May, 2004 will be entitled to dividend for the year 2003 to be approved by the shareholders in the Annual General Meeting.
- (b) A member wishing to appoint a Proxy, must deposit the Proxy Form duly stamped to the Company's Registered Office at least 72 hours before the meeting.
- (c) Only the shareholders or their appointed proxies can attend the meeting. A proxy must be a member of the company.
- (d) Entry to the Annual General Meeting is reserved only for the Shareholder or his/her Proxy. No guests and children shall be allowed entrance in the meeting.

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## Board of Directors

### Chairman

Al-Haj Khalilur Rahman

### Vice Chairman

Engr. Mohammed Abdul Malek  
Akbar Hossain

### Directors

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

### Managing Director

A.K.M. Rafiqul Islam, FCA

### Company Secretary

Hafizur Rahman Chowdhury

### Auditor

A.Wahab & Co.  
Chartered Accountants

## Executives

### Managing Director

A.K.M. Rafiqul Islam, FCA.

### Additional Managing Director

A.B.M. Mir Hossain

### Deputy Managing Director

Q.A.F.M. Serajul Islam  
Sheikh Shahjahan Uddin

### Company Secretary

Hafizur Rahman Chowdhury

### Sr. Executive Vice President

Md. Shahabuddin  
Mahboob Uddin Ahmed  
Mohammed Ali Khan

Administration  
Dilkusha Branch  
Khatunganj Branch

### Executive Vice President

Shamsuzzaman

Underwriting

### Senior Vice President

Zabed Ali Mridha  
Quazi Safiullah  
S.M.B. Shameem  
Abdul Momen  
Sharif Mustaba  
Taslim Bahar Chowdhury  
S.M. Morshed  
M.A. Hasan  
Md. Nazrul Islam  
Md. Jamal Uddin Haider

Finance & Audit  
Sadarghat Branch  
Biman Bhaban Branch  
VIP Road Branch  
Elephant Road Branch  
Hatkhola Branch  
Khulna Branch  
Jubilee Road Branch  
Agrabad Branch  
Khatunganj Branch

### Vice President

Md. Shafiqul Islam  
Khondaker Zafor Sadeque  
Monjurul Hoque

Accounts  
B.B. Avenue Branch  
Development

### Deputy Vice President

Kabir Ahmed  
Farid Ahmed  
Md. Golam Faruque

Re-Insurance  
Narayanganj Branch  
Malibagh Branch

### Asstt. Vice President

Delwar Hossain  
Abdur Razzaque Sarder  
Ali Fathker Kolloi

Dilkusha Branch  
Rajshahi Branch  
Motijheel Branch

## Company's Performance

5 Years at a Glance

Taka in Million

Particulars	1999	2000	2001	2002	2003
<b>Financial Performance</b>					
Gross premium	272.08	301.37	337.45	350.39	468.74
Net Premium	123.48	161.88	169.35	176.47	225.95
Net claim	36.08	39.22	65.58	67.50	51.48
Underwriting Profit	24.35	26.51	30.17	40.99	41.56
Investment Income	32.74	26.65	26.99	24.51	25.07
Income from Financial service/Capital gain	2.89	10.28	9.77	5.06	7.27
Net Profit before Tax	47.87	51.17	53.29	56.39	58.42
Net Profit after Tax	34.87	42.17	43.79	45.89	46.42
<b>Share Capital and Reserve</b>					
Paid up Capital	73.20	73.20	73.20	95.16	118.95
Share Holders Equity	491.04	539.72	566.64	595.07	685.92
Total Reserves	512.43	583.39	616.94	627.83	722.54
<b>Assets</b>					
Investment in Shares and Securities	92.19	84.84	94.40	90.12	112.99
Cash, FDR and Bank balance	247.50	274.69	291.82	260.98	301.37
Land	289.26	332.91	340.95	348.07	413.24
Fixed Assets	39.60	41.82	53.34	60.49	63.81
Other Assets	197.24	280.27	270.46	333.51	361.83
Total Assets	865.92	1,014.53	1,050.97	1,093.17	1,253.24
<b>Ratios</b>					
Dividend in percent	30	35	30+30(Stock)	20+25(Stock)	20+27(Stock)
EPS	47.64	57.62	59.81	48.22	39.02
P/E (Times)	8.08	7.49	6.72	10.96	16.54



## Directors' Report-2003

### Dear Shareholders,

Assalamualaikum.

I have the pleasure to welcome the shareholders to the 18th Annual General Meeting of Pragati Insurance Limited on behalf of the Board of Directors and take the privilege to present the Annual Report of the company for the year 2003 alongwith the audited financial statements for the year ended December 31,2003.

### Bangladesh Economy:

Bangladesh economy is pursuing the silent path of growth and gained momentum following stabilization of fiscal and monetary policies of the Government. GDP is estimated to grow by



5.5% during 2003/2004 FY. Export growth has been estimated at 10.5% while import by 15%. Apparent gap in the balance of payment was filled-up by growth in remittance from the workers abroad, leading to a larger reserves accretion. Industrial growth, which achieved 7.3% annual growth, should receive impetus with the reduction in the rate of interest on all counts.

Bangladesh economy has fine indicators of growth. It achieved self sufficiency in food production a decade back. Population growth has fallen to 1.5% annually which is below Pakistan and India. The goal is poverty reduction which currently accounts for 50% of the total population. To reach that goal will require tapping the nation's richest resource, its people; reaching with opportunity and commitment. It needs an aggressive plan of action. What early opportunities are out there for Bangladesh? Perhaps to exploit the obvious proximity of an

## পরিচালকমন্ডলীর প্রতিবেদন-২০০৩

### প্রিয় শেয়ার হোল্ডারবৃন্দ,

আসসালামু আলাইকুম

প্রগতি ইন্স্যুরেন্স লিমিটেডের ১৮তম বার্ষিক সাধারণ সভায় আমি পরিচালকমন্ডলীর পক্ষ থেকে আপনাদের স্বাগত জানাচ্ছি এবং সেই সংগে ৩১শে ডিসেম্বর সমাপ্ত ২০০৩ সালের বার্ষিক হিসাব সহ কোম্পানীর ১৮ তম বার্ষিক প্রতিবেদন আপনাদের সমীপে পেশ করতে পেরে আনন্দিত। একই সংগে উপরোক্ত হিসাবের উপর নিরীক্ষকদের প্রতিবেদনও আপনাদের বিবেচনা ও গ্রহণের জন্য পেশ করা হলো।

### বাংলাদেশের অর্থনীতি

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার কর্তৃক গৃহীত রাজস্ব এবং মুদ্রা নীতির ফলে বাংলাদেশের অর্থনীতিতে গতি সঞ্চার এবং চাংগাভাব পরিলক্ষিত হচ্ছে। ২০০৩-২০০৪ অর্থ বছরে জিডিপি



৫.৫% অর্জিত হবে বলে ধারণা করা হচ্ছে। দেশের রপ্তানী ও আমদানী বানিজ্য যথাক্রমে ১০.৫% এবং ১৫% বৃদ্ধি পাবে বলে অনুমান করা হচ্ছে। প্রবাসী বাংলাদেশী কর্তৃক প্রেরিত অর্থের ফলে ব্যালেন্স অব পেমেণ্টের ঘাটতি পূরনসহ বৈদেশিক মুদ্রার রিজার্ভ যথেষ্ট উন্নতি হয়েছে। শিল্প ক্ষেত্রে অর্জিত সাফল্যেও হার ৭.৩%। সুদের হার হ্রাসের ফলে এ ক্ষেত্রে সমৃদ্ধির হার আরও বৃদ্ধি পাবার সম্ভাবনা রয়েছে।

বাংলাদেশের অর্থনৈতিক সমৃদ্ধির যথেষ্ট সুযোগ বিদ্যমান। এক দশক পূর্বে বাংলাদেশ খাদ্য উৎপাদনে স্বয়ংসম্পূর্ণতা অর্জন করেছে। জন্ম হার বছরে ১.৫% নেমে এসেছে যা ভারত এ পাকিস্তানের জন্মহারের নীচে। বাংলাদেশের শতকরা ৫০ ভাগ জনগন দরিদ্র। দরিদ্র বিমোচন এবং জনগোষ্ঠির উন্নতি করাই হল লক্ষ্য এবং কাম্য। এই লক্ষ্য অর্জনে দেশের মানবসম্পদই সবচাইতে বড় উৎস। মানবসম্পদকে যথাযথ সুযোগ এবং উৎসাহ প্রদান করা গেলে এই লক্ষ্য অর্জন অসম্ভব নয়। এরজন্যে প্রয়োজন অত্যন্ত গতিশীল কর্মপন্থা। সার্কদেশ সমূহের সাথে আঞ্চলিক চুক্তির মাধ্যমে ব্যবসা-বানিজ্য বৃদ্ধি এবং



enormous regional market under the umbrella of SAARC for a regional trade pact.

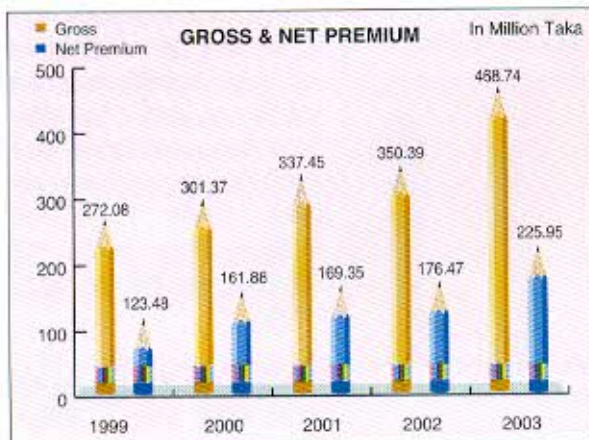
While there are opportunities ahead of Bangladesh, there are serious constraints and impediments. New industrial growth needs electricity and we are short of electricity. Exporters need to get their products to markets quickly and cheaply but we lack in effective port facilities and other infrastructure.

There are other dysfunctional elements which vitiate business environment. Natural calamities, frequent work stoppage due to political agenda, violence and criminal activities vitiate normal business schedule and divert substantial social energy to tackle the inertia. The factories cannot function if the wage bills are way laid in the broad day light claiming impunity.

The Re-insurers overseas are already nervous because of frequent natural calamities and its magnitude. On top of this, social and political impediments, which in these days of electronic media and open sky information flow era cannot be kept under the rug, poses a big problem for us to place Re-insurance abroad.

In spite of the situation prevailing in the country, company's performance in the outgoing year with 33.78% growth in the gross premium income was a manifestation of company's forward looking policies and effective, honest and sincere efforts by all concerned.

Shareholders will be happy to know that, **Pragati Insurance Limited** has received "CERTIFICATE OF APPRECIATION" awarded by the Institute of Chartered Accountants of Bangladesh (ICAB) in recognition of the quality of its Annual Report for the year-2002



সম্প্রসারণ করতে পারলে এক্ষেত্রে দ্রুত উন্নতি সম্ভব বলে আমরা মনে করি।

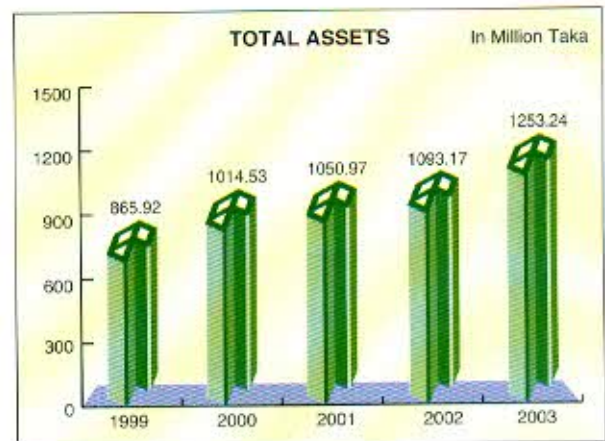
অগ্রগতি ও প্রচুর সম্ভাবনাময়ের দেশ বাংলাদেশ। তবে পাশাপাশি বেশ কিছু বাধাও বিদ্যমান। শিল্পোন্নয়নে বিদ্যুৎ এর ঘাটতি, রপ্তানী বানিজ্যে প্রয়োজনীয় নৌ-বন্দর এবং অবকাঠামোগত সুযোগ-সুবিধার অভাব রয়েছে।

এছাড়াও এমন কিছু সমস্যা রয়েছে যা ব্যবসা বানিজ্যের উন্নতির ক্ষেত্রে অন্তরায় হয়ে দাঁড়িয়েছে। প্রাকৃতিক দুর্যোগ, রাজনৈতিক অস্থিরতা, অহরহ কর্মবিরতি, সন্ত্রাসী কার্যকলাপ, অপরাধ প্রবনতা বৃদ্ধি ইত্যাদির জন্য স্বাভাবিক ব্যবসা-বানিজ্য ক্ষতিগ্রস্ত হচ্ছে। পশ্চিমদে শিল্প-কলকারখানার শ্রমিকদের বেতন ছিনতাই ইত্যাদি ঘটনায় ব্যবসায়ীরা চরম নিরাপত্তাহীনতায় ভুগছেন।

বিদেশস্থ রি-ইস্যুরেস কোম্পানীসমূহ বাংলাদেশের পরিস্থিতিতে অত্যন্ত উদ্বিগ্ন। প্রাকৃতিক দুর্যোগ ছাড়াও দেশের সামাজিক ও রাজনৈতিক পরিস্থিতি সম্পর্কে তারা অবহিত। সংবাদ আদান-প্রদান ক্ষেত্রে ইলেকট্রনিক মিডিয়া এবং আকাশ উন্মুক্ত হওয়ায় কোন কিছু তাদের অগোচরে থাকে না। ফলে বিদেশে রি-ইস্যুরেস চুক্তি সম্পাদনে আমাদেরকে যথেষ্ট সমস্যার সম্মুখীন হতে হচ্ছে।

এহেন সমস্যা সত্ত্বেও, ২০০৩ সালে প্রগতি ইস্যুরেস লিঃ এর অগ্রগতি অব্যাহত রয়েছে এবং কোম্পানীর গ্রস প্রিমিয়াম আয় ৩৩.৭৮% বৃদ্ধি পেয়েছে। এই অগ্রগতি কোম্পানীর সংশ্লিষ্ট সকলের দূরদর্শিতা, সচেতনতা, সততা, কর্মতৎপরতা এবং কর্মনিষ্ঠার পরিচয় বহন করে।

কোম্পানীর শেয়ারহোল্ডারবৃন্দ জেনে খুশী হবেন যে ২০০২ সালের বার্ষিক প্রতিবেদনের গুণগত মানের স্বীকৃতিস্বরূপ প্রগতি ইস্যুরেস লিঃ ইনিস্টিটিউট অব চার্টার্ড এ্যাকাউন্টেন্টস অব বাংলাদেশ কর্তৃক প্রদত্ত সার্টিফিকেট অব এ্যাপ্রিসিয়েশন লাভ করেছে।







### Pragati Insurance: An Overview

Salient features of 2003 Account compared to the previous year's account are shown herein below :

#### Underwriting Performance

Particulars	Tk. in Million		
	2003	2002	Inc/Dec.
Premium Income	468.74	350.39	118.35
Re-insurance Premium	242.79	173.91	68.88
Re-Insurance Premium as % of Gross Premium	51.80%	49.63%	2.17%
Net Premium	225.95	176.47	49.48
Claim Less Re-insurance (Net Claim)	51.48	67.50	(16.02)
Net Claim over Net Premium	22.80%	38.24%	-15.44%
Management expenses including commission and business development expenses	169.69	131.60	38.09
Management expenses including Commission & Business Development expenses as a percentage of Gross Premium	36.21%	37.56%	-1.35%
Underwriting Profit	41.57	40.99	0.58

#### Income from Sources other than insurance

	2003	2002	(0.76)
Profit on sale of investment	3.64	4.40	(0.76)
Building Rent (net)	3.03	-	3.03
Interest and Dividend	25.08	24.51	0.57
Others	0.60	0.66	(0.66)
<b>Total</b>	<b>32.35</b>	<b>29.57</b>	<b>2.78</b>

#### Divisible Profit

The divisible Profit for the year is made up as follows :

Underwriting Profit for the year	41.57	40.99	0.58
Income from sources other than insurance	32.35	29.57	2.78
Sub-Total	73.92	70.56	3.36
Less : Expenses charged to P&L A/c	15.50	14.17	1.33
Sub-Total	58.42	56.39	2.03
Add: Last year un-appropriated Profit	0.73	0.53	0.20
<b>Total Divisible Profit</b>	<b>59.15</b>	<b>56.92</b>	<b>2.23</b>

#### Appropriation of Profit

Exceptional Loss Reserve	22.60	17.65	4.95
Provision for Income Tax	12.00	10.50	1.50
General Reserve	-	9.00	(9.00)
Balance available for distribution	24.55	19.77	4.78
<b>Total</b>	<b>59.15</b>	<b>56.92</b>	<b>2.23</b>

It is evident that the gross premium income of 2003 exceeded the previous year's income by Tk.118.30 million.

Reinsurance premium, which is an outgo from the gross premium income, accounted for 51.80% as against 49.63% in 2002. This small increase is due to the fact that we issued some big CAR Policy on which Reinsurance outgo was 95%.+

Net premium after Reinsurance outgo stood

### প্রগতি ইন্স্যুরেন্সের সার্বিক কার্যক্রম

২০০৩ সালে কোম্পানীর কার্যক্রমের বিশেষ দিক গুলো পূর্ববর্তী বছরের সাথে তুলনামূলক ভাবে নিম্নে প্রদর্শন করা হলো :

#### ইন্স্যুরেন্স কার্যক্রম

	(মিলিয়ন টকা)		
	২০০৩	২০০২	ব্রহ্ম/বৃদ্ধি
প্রিমিয়াম আয়	৪৬৮.৭৪	৩৫০.৩৯	১১৮.৩৫
রি-ইন্স্যুরেন্স প্রিমিয়াম	২৪২.৭৯	১৭৩.৯১	৬৮.৮৮
গ্রস প্রিমিয়ামের উপর রি-ইন্স্যুরেন্স প্রিমিয়াম হার	৫১.৮০%	৪৯.৬৩%	২.১৭%
নেট প্রিমিয়াম	২২৫.৯৫	১৭৬.৪৭	৪৯.৪৮
রি-ইন্স্যুরেন্স ব্যতীত নেট দাবী	৫১.৪৮	৬৭.৫০	(১৬.০২)
নেট প্রিমিয়ামের উপর নেট দাবীর হার	২২.৮০%	৩৮.২৪%	-১৫.৪৪%
কমিশন এবং ব্যবসা অর্জন ব্যয় সহ প্রশাসনিক ব্যয়	১৬৯.৬৯	১৩১.৬০	৩৮.০৯
গ্রস প্রিমিয়ামের উপর প্রশাসনিক ব্যয়ের হার	৩৬.২১%	৩৭.৫৬%	-১.৩৫%
অবলম্বন মুনাফা	৪১.৬৭	৪০.৯৯	০.৬৮

#### অন্যান্য খাত হতে আয় (ইন্স্যুরেন্স ব্যতীত)

বিনিয়োগ হতে আয়	৩.৬৪	৪.৪০	(০.৭৬)
বাড়ী ভাড়া হতে আয়	৩.০৩	-	৩.০৩
ভিভিডেন্ড এবং সুদ হতে আয়	২৫.০৮	২৪.৫১	০.৫৭
বিবিধ খাতে আয়	০.৬০	০.৬৬	(০.০৬)
<b>মোট</b>	<b>৩২.৩৫</b>	<b>২৯.৫৭</b>	<b>২.৭৮</b>

#### বন্টনযোগ্য মুনাফা

অবলম্বন মুনাফা	৪১.৬৭	৪০.৯৯	০.৬৮
অন্যান্য খাতের আয়	৩২.৩৫	২৯.৫৭	২.৭৮
	৭৩.৯২	৭০.৫৬	৩.৩৬
(-) লাভ-ক্ষতি হিসাবে চার্জকৃত খরচ	(-) ১৫.৫০	(-) ১৪.১৭	১.৩৩
	৫৮.৪২	৫৬.৩৯	২.০৩
(+) গত বছরের অববৈতনিক মুনাফা	০.৭৩	০.৫৩	০.২০
<b>মোট বন্টন যোগ্য মুনাফা</b>	<b>৫৯.১৫</b>	<b>৫৬.৯২</b>	<b>২.২৩</b>

#### মুনাফা বন্টন

অধ্যাবসিক ক্ষতির জন্য সংরক্ষিত তহবিল	২২.৬০	১৭.৬৫	৪.৯৫
আয়করের জন্য তহবিল	১২.০০	১০.৫০	১.৫০
সাধারণ সম্ভবিত তহবিল	-	৯.০০	(৯.০০)
বন্টনযোগ্য তহবিল	২৪.৫৫	১৯.৭৭	৪.৭৮
<b>মোট</b>	<b>৫৯.১৫</b>	<b>৫৬.৯২</b>	<b>২.২৩</b>

উল্লেখ্য পূর্ববর্তী বছরের তুলনায় ২০০৩ সালে অর্জিত গ্রস প্রিমিয়াম ১১৮.৩০ মিলিয়ন টাকা অধিক।

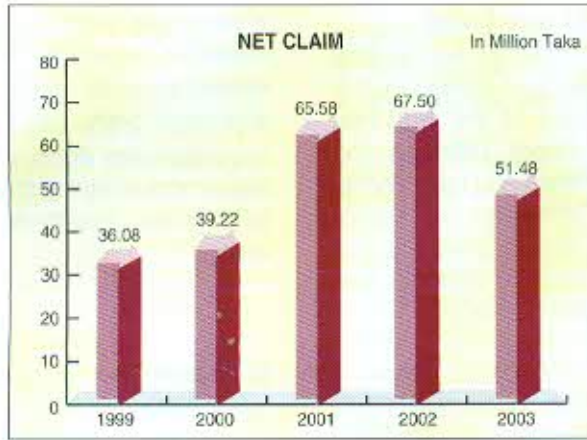


আলোচ্য বছরে রি-ইন্স্যুরেন্স খাতে ব্যয়ের হার গ্রস প্রিমিয়ামের ৫১.৮০%। পূর্ববর্তী বছরে এর হার ছিল ৪৯.৬৩%। উক্ত বৃদ্ধির কারণ হচ্ছে যে আলোচ্য বছরে আমরা কিছু বড় "কন্ট্রাক্টর অল রিস্কস পলিসি" (CAR Policy) ইস্যু করেছি যার রিইন্স্যুরেন্স এর হার ছিল ৯৫% অধিক।

রিইন্স্যুরেন্স ব্যয় মিটানোর পর নেট মুনাফা দাঁড়ায় ২২৫.৯০ মিলিয়ন



at Tk. 225.90 million as against Tk. 176.50 million in the year 2002 which is Tk. 49.40 million more than the previous year. Incidence of claims paid and provided for was Tk.51.50 million in the year 2003 as against Tk.67.50 million in the previous year i.e. Tk. 16.00 million lower than last year. Incidence of net claims on the net premium income was 22.80% in 2003 as against 38.34% in the year 2002.



টাকায় যা পূর্ববর্তী বছরের তুলনায় ৪৯.৪০ মিলিয়ন টাকা অধিক। পূর্ববর্তী বছরে নীট মুনাফার পরিমাণ ছিল ১৭৬.৫০ মিলিয়ন টাকা। বীমাদাবী খাতে আলোচ্য বছরের ব্যয় ৫১.০০ মিলিয়ন টাকা যা পূর্ববর্তী বছরের তুলনায় ১৬ মিলিয়ন টাকা কম। ২০০২ সালে এর পরিমাণ ছিল ৬৭.৫০ মিলিয়ন টাকা। নীট প্রিমিয়ামের উপর নীট দাবীর হার ২০০৩ সালে ২২.৮০% যা ২০০২ সালে ছিল ৩৮.৩৪%।

Management expenses including commission and business development expenses accounted for 36.21% in 2003 as against 37.56% incurred in the previous year.

প্রশাসনিক ব্যয়ের হার (কমিশন এবং ব্যবসা আহোরন ব্যয় সহ) ২০০৩ সালে ছিল ৩৬.২১% যা পূর্ববর্তী বছরে ছিল ৩৭.৫৬%।

Although net premium increased by Tk.49.40 million over the previous year but due to increased "Reserves" requirement, which accounted for Tk.22.90 million and increased business development expenditure, underwriting profit for 2003 was marginally higher than in the previous year. Company earned Tk. 41.60 million as underwriting profit for the year 2003 as against Tk.41.10 million earned in 2002.

যদিও ২০০৩ সালে নীট প্রিমিয়াম পূর্ববর্তী বছরের তুলনায় ৪৯.৪০ মিলিয়ন টাকা বৃদ্ধি পায় কিন্তু "রিজার্ভ" খাতে এবং ব্যবসা আহোরনের খাতে ব্যয় বৃদ্ধির কারণে অবলেনন মুনাফার হারে পূর্ববর্তী বছরের তুলনায় খুব বেশী পার্থক্য পরিলক্ষিত হয় না। আলোচ্য বছরে অবলেনন মুনাফার পরিমাণ ৪১.৬০ মিলিয়ন টাকা এবং ২০০২ সালে ৪১.১০ মিলিয়ন টাকা।

Net profit after providing for depreciation and other charges stood at Tk.59.15 million from which "Exceptional Losses Reserves" at the rate of 10% of the net premium income, which is a tax exempt statutory requirement, has been set aside; Income Tax of Tk.12 million has also been provided leaving an amount of Tk.24.55 million for distribution.

অবচয় এবং অন্যান্য ব্যয় বাদে নীট মুনাফার পরিমাণ দাঁড়ায় ৫৯.১৫ মিলিয়ন টাকা যা থেকে অস্বাভাবিক ক্ষতির জন্য সংরক্ষিত তহবিল (১০%) এবং আয়কর তহবিলে ১২ মিলিয়ন টাকা বরাদ্দের পর বিতরণযোগ্য টাকার পরিমাণ দাঁড়ায় ২৪.৫৫ মিলিয়ন টাকা।

It is therefore, recommended that a cash Dividend @20% be considered for the year 2003 leaving a balance of Tk.0.76 million to be carried forward.

এই পরিপ্রেক্ষিতে ২০০৩ সালের জন্য ২০% ক্যাশ ডিভিডেন্ডে প্রদানের প্রস্তাব বিবেচনার জন্য সুপারিশ জানানো হচ্ছে। এখানে উল্লেখ ০.৭৬ মিলিয়ন টাকা আগামী হিসাবে দেখানো হবে।

The company has been following a policy of gradual increase of its paid-up capital, commensurate with increased "Risk Retention". Also as a matter of fulfilling legal requirement of raising the paid-up capital to a minimum of Tk. 150 million, it is recommended that Stock Dividend @27% through transfer from share premium A/c to paid-up share capital A/c be also considered for approval, thus raising the paid-up capital to Tk.151,066,500.00.

আপনারা অবগত আছেন যে, পরিশোধিত মূলধন বৃদ্ধির লক্ষ্যে প্রগতি ইন্স্যুরেন্স লিঃ ইতিমধ্যে পর্যায়ক্রমে কয়েকটি পদক্ষেপ নিয়েছে। আইন অনুযায়ী কোম্পানীর পরিশোধিত মূলধন ন্যূনতম ১৫০ মিলিয়ন টাকায় উন্নীত করতে হবে। এই উদ্দেশ্যে ক্যাশ ডিভিডেন্ডে প্রদানের পাশাপাশি ২৭% স্টক ডিভিডেন্ডে প্রদানেরও সুপারিশ জানানো হচ্ছে। এই বরাদ্দ শেয়ার প্রিমিয়াম একাউন্ট হতে পরিশোধিত মূলধন খাতে স্থানান্তরিত করা হবে। ফলে প্রগতি ইন্স্যুরেন্স লিঃ এর পরিশোধিত মূলধনের পরিমাণ হবে ১৫১,০৬৬,৫০০.০০ টাকা।

### Corporate Tax and VAT :

We have made sufficient provision for tax at the enhanced rate applicable on Insurance. We have paid and provided for VAT payable on the premium income of the company. We have deducted and deposited with the Bangladesh Bank all taxes and VAT deducted as per law.

### কর্পোরেট ট্যাক্স এবং ভ্যাট :

ইন্স্যুরেন্স কোম্পানীর উপর ধার্যকৃত ট্যাক্স পরিশোধের জন্য আমরা প্রয়োজনীয় হারে অর্থ বরাদ্দ রেখেছি। এ ছাড়াও প্রিমিয়াম আয়ের উপর ভ্যাট প্রদানের জন্যও প্রয়োজনীয় অর্থ বরাদ্দ করা হয়েছে। আইন অনুযায়ী প্রদত্ত সকল প্রকার ট্যাক্স এবং ভ্যাট বাংলাদেশ ব্যাংকে জমা দেয়া হয়েছে।



### Revaluation of Investments and Land:

In accordance with the International Accounting Standard we have revalued the land owned by the company and the revised value of the land has been shown in the Balance Sheet. Likewise, the value of the investments in shares and debentures have also been revalued. Diminution in market value of investments have been adjusted with the revaluation surplus of land and the balance has been transferred to "Revaluation Reserve".

### Re-insurance:

Re-insurance arrangement has been concluded for the year 2004. 50% has been placed with SBC as a matter of legal requirement and the remaining 50% has been placed outside Bangladesh under the leadership of GIC, a Govt. of India undertaking. Terms and conditions are more or less akin to the expiring terms and conditions. Limits remain mostly constant with minor changes. Overseas Re-insurance market is slowly returning to its normal position and hopefully, if there is no major catastrophe, is likely to ease out further.

### Stock Market:

Year 2003 was almost a dormant year for the Stock Market. However, at the end of the year with the prospect of CDBL's coming into operation early in 2004, Stock Market showed partial sign of recovery. CDBL's presence in the market and policy support from SEC are likely to foster a rejuvenation of the Stock Market. Good shares continued to remain confined to service sector and a few blue chip companies to which Lafarge Cement's entry added lustre.

### Board of Directors:

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

01. Al-Haj Khalilur Rahman
02. Engr. Md. Mizanur Rahman
03. Mr. Syed M. Altaf Hussain
04. Mrs. Nigar Jahan Chowdhury

### সম্পদের পূর্ণঃ মূল্যায়ন :

আন্তর্জাতিক এ্যাকাউন্টিং অনুযায়ী আমরা কোম্পানীর জমির পূর্ণঃমূল্যায়ন করেছি এবং ইহা ব্যালেন্স শীটে দেখানো হয়েছে। অনুরূপভাবে শেয়ার এবং ডিবেঞ্চারে বিনিয়োগকৃত সম্পদেরও পূর্ণঃমূল্যায়ন করা হয়েছে। জমির মূল্যের পূর্ণঃমূল্যায়নের ফলে উদ্ধৃতির সাথে বিনিয়োগক্ষেত্রে অবমূল্যায়ন হেতু ক্ষতি সমন্বয় করে অতিরিক্ত অর্থ "রিভ্যালুয়েশন রিজার্ভ" ফান্ডে স্থানান্তরিত করা হয়েছে।

### রি-ইন্স্যুরেন্স :

২০০৪ সালের জন্য রি-ইন্স্যুরেন্স চুক্তি সম্পন্ন করা হয়েছে। ৫০% সাধারণ বীমা কর্পোরেশনকে দেয়া হয়েছে যা বিধিবদ্ধ এবং অবশিষ্ট ৫০% জেনারেল ইন্স্যুরেন্স কর্পোরেশন অব ইন্ডিয়ায় নেতৃত্বে বহির্বিদেশে ন্যস্ত করা হয়েছে। এই চুক্তির শর্তাবলী প্রায় পূর্ববর্তী বছরের মতনই। সম্প্রতি বিদেশী রি-ইন্স্যুরেন্স মার্কেটের কিছুটা উন্নতি পরিলক্ষিত হচ্ছে। আশা করা যাচ্ছে কোন অস্বাভাবিক পরিস্থিতির উদ্ভব না হলে আগামীতে এর আরও উন্নতি হবে।

### পুঁজি বাজার :

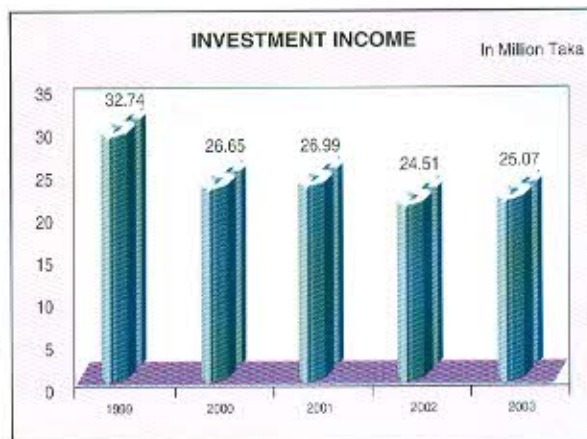
২০০৩ সালে পুঁজি বাজারে মন্দাভাব বিরাজমান ছিল। ২০০৪ সালের গোড়ার দিকে সি.ডি.বি.এল এর (সেন্ট্রাল ডিপোজিটরি বাংলাদেশ লিমিটেড) কার্যক্রম শুরু করার ঘোষনা দেয়ার পর আলোচ্য বছরের শেষভাগে পুঁজি বাজারে কিছুটা উন্নতি পরিলক্ষিত হয়। পুঁজি বাজারে সি.ডি.বি.এল এর উপস্থিতি এবং এস.ই.সি-র (সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন) সক্রিয় সাহায্য ও সহযোগিতায় পুঁজি বাজারের পরিস্থিতি উন্নতি হবে বলে আশা

করা যাচ্ছে। বাজারের ভাল শেয়ার বেশীর ভাগই সার্ভিস সেক্টরে এবং কয়েকটি নাম করা কোম্পানীর আওতাধীন রয়েছে। সম্প্রতি পুঁজি বাজারে লার্ফার্জ সিমেন্টের অন্তর্ভুক্তি বাজারে তেজীভাব আনয়নে সাহায্য করেছে।

### পরিচালক মন্ডলী :

কোম্পানীর আর্টিকেলস অব এসোসিয়েশনের ১০৫ এবং ১০৭ ধারা অনুযায়ী "এ" গ্রুপের নিম্নলিখিত উদ্যোক্তা পরিচালক অবসর গ্রহন করবেন এবং যোগ্য বিধায় প্রত্যেকেই পুনঃনির্বাচনের ইচ্ছা প্রকাশ করেছেন :-

১. জনাব আলহাজ্ব খলিলুর রহমান
২. জনাব প্রকৌশলী মোহাম্মদ মিজানুর রহমান
৩. জনাব সৈয়দ এম আলতাফ হুসেইন
৪. বেগম নিগার জাহান চৌধুরী





05. Capt. Imam Anwar Hossain  
06. Mr. Moazzam Hossain  
07. Prof. Jahangir Chowdhury

Besides, following 4(four) Directors from Group-B shareholding retire today at the 18th AGM of the company. Being eligible all four have offered themselves for re-election:

01. Mr. Ahamedul Hoque  
02. Mr. A.J.M. Enamul Islam  
03. Mr. Tabith Mohd. Awal  
04. Mr. A.S.M. Mainuddin Monem

#### Auditors:

In compliance with the Article 149 of the Articles of Association of the company, the Auditor M/s. A. Wahab & Co., Chartered Accountants is to retire as Auditor of the Company. M/s. A. Wahab & Co., has indicated their willingness in writing for appointment as auditors. Accordingly, we have written to the SEC for permission to appoint M/s. A. Wahab & Co., as the Auditor of the company for the year 2004. Subject to the approval of the Securities and Exchange Commission, it is recommended that M/s. A. Wahab & Co., be appointed as the Auditor of the company for year 2004.

#### Conclusion:

In the end, the Board express its grateful thanks and deep appreciation for the assistance, help and much needed support received by the company from various Banks both in the private as well as in the nationalized sector, DFIs and all private sector enterprises who have helped us in building a sound footing of the company. We are specially grateful to the management of Square Group, Beximco Group, KDS Group, Abdul Monem Limited, Hosaf Group, Multimode Group, Abdul Khair Group, Monno Group, KAFCO, Grameen Phone, Aktel phone, City Cell Phone, Novartis Bangladesh Ltd., Organon Bangladesh, BOC, Hoque Group, Hop-Lum, Holcim Cement, GlaxoSmithKline, Prostar Group, Progatee-Concord Group, Bengal Shipping Lines Ltd., Chowdhury Apparels, McDonald (BD) Ltd., SA Group, Gonoshashtya Trust, National Bank, DHL Worldwide, Group-4 Securities, Olympic Industries, NASA Group, NTV, ETV, American International School, Dhaka, UAE Embassy, Dhaka, Youngone Group, Pacific Jeans, HKD Group, Alita Group, Apex Weaving, Metro Spinning, Prime Textile, Dhakaria, MGH Group, Westmont Power, AES Power, Khulna Power for reposing their confidence in the company.

৫. জনাব ক্যাপ্টেন ইমাম আনোয়ার হোসেন  
৬. জনাব মোয়াজ্জেম হোসেন  
৭. জনাব অধ্যাপক জাহাঙ্গীর চৌধুরী

এতদ্ব্যতীত “বি” গ্রুপ শেয়ারহোল্ডারদের মধ্য থেকে নিম্নবর্ণিত ৪ জন পরিচালক অবসর গ্রহণ করবেন এবং যোগ্য বিধায় প্রত্যেকই পুনর্নির্বাচন করার ইচ্ছা প্রকাশ করেছেন :-

১. জনাব আহমেদুল হক  
২. জনাব এ.জে.এম. এনামুল ইসলাম  
৩. জনাব তাবিদ মোহাম্মদ আউয়াল  
৪. জনাব এ.এস.এম. মঈনউদ্দিন মোনেম

#### নিরীক্ষক :

আর্টিকেল অব এসোসিয়েশনের ১৪৯ ধারা অনুযায়ী কোম্পানীর নিরীক্ষক মেসার্স এ. ওহাব এন্ড কোং অবসর গ্রহণ করবেন। তারা প্রগতি ইন্স্যুরেন্স লিমিটেড-এ অডিটর হিসাবে নিযুক্তির আগ্রহ প্রকাশ করে পত্র দিয়েছেন। আমরা মেসার্স এ. ওহাব এন্ড কোং কে ২০০৪ সালের কোম্পানীর অডিটর নিয়োগের জন্য সিকিউরিটিজ এক্সচেঞ্জ কমিশনের অনুমতি প্রার্থনা করে পত্র দিয়েছি। সিকিউরিটিজ এক্সচেঞ্জ কমিশন-এর অনুমতি সাপেক্ষে আমরা ২০০৪ সালের জন্য মেসার্স এ. ওহাব এন্ড কোং কে কোম্পানীর অডিটর নিয়োগের সুপারিশ জানাচ্ছি।

#### উপসংহার :

পরিশেষে পরিচালকমন্ডলী কোম্পানীর কার্যক্রমে সহায়তা এবং সহযোগিতা প্রদানের জন্য সরকারী ও বেসরকারী ব্যাংক সমূহ, বিভিন্ন আর্থিক প্রতিষ্ঠান এবং ব্যক্তি মালিকানাধীন ব্যবসায়িক প্রতিষ্ঠানসমূহের প্রতি কৃতজ্ঞতা প্রকাশ করেছেন। কোম্পানীকে বর্তমান মর্যাদায় উন্নীতকরনে তাঁদের অবদান অপরিমিত। বিশেষভাবে ঝয়ার গ্রুপ, বেঞ্জিমকো গ্রুপ, কেডিএস গ্রুপ, আব্দুল মোনেম লিঃ, হোসাফ গ্রুপ, মালটিমোড গ্রুপ, আবুল খায়ের গ্রুপ, মুন্সু গ্রুপ, কর্নফুলী ফাটিলাইজার কোং লিঃ (কাফকো), গ্রামীন ফোন, গ্র্যাকটেল ফোন, সিটি সেল ফোন, নোভারটিস (বাংলাদেশ) লিঃ, অরগানন (বাংলাদেশ) লিঃ, বি.ও.সি (বাংলাদেশ), হক গ্রুপ, হোপ-লুম, হোলসিম সিমেন্ট, গ্র্যাকসো স্মিথক্লাইন, প্রো-স্টার গ্রুপ, প্রগতি-কনকর্ড গ্রুপ, বেঙ্গল শিপিং লাইনস, চৌধুরী এ্যাপারেলস, ম্যাকডোনাল্ড (বাংলাদেশ) লিঃ, এস.এ. গ্রুপ, গণস্বাস্থ্য ট্রাস্ট, ন্যাশনাল ব্যাংক, ডি.এইচ.এল ওয়ার্ল্ড-ওয়াইড, গ্রুপ-৪ সিকিউরিটিস লিঃ, অলিম্পিক ইন্ডাস্ট্রিজ, নাশা গ্রুপ, এনটিভি, ইটিভি, আমেরিকান ইন্টারন্যাশনাল স্কুল, ঢাকা, আরব আমিরাত দূতাবাস, ঢাকা, ইয়াংওয়ান গ্রুপ, প্যাসিফিক জিনস, এইচকেডি গ্রুপ, আলিটা গ্রুপ, এ্যাপেল উইডিং, মেট্রো স্পিনিং, প্রাইম টেক্সটাইল, ডাকারিয়া, এম.জি.এইচ গ্রুপ, ওয়েস্টমন্ট পাওয়ার (বাংলাদেশ) লিঃ, এ.ই.এস পাওয়ার, খুলনা পাওয়ার, প্রগতি ইন্স্যুরেন্সের উপর যে আস্থা প্রদর্শন করেছেন তার জন্য পরিচালকমন্ডলী তাঁদের নিকট গভীরভাবে কৃতজ্ঞ।



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

Above all, the Board of Directors express its profound gratitude to all its valued clients, patrons and well wishers for their continued support, active cooperation and confidence in the company.

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

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

On behalf of the Board of Directors

Al-Haj Khalilur Rahman  
Chairman

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

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

পরিচালকমন্ডলী ব্যবস্থাপনা পরিচালক মহোদয়কে ধন্যবাদ জ্ঞাপন করছেন এবং তার মাধ্যমে কোম্পানীর সকল শ্রেণীর কর্মকর্তা ও কর্মচারীর আন্তরিক কর্মনিষ্ঠা, অক্লান্ত পরিশ্রম, নিবেদিত সেবার প্রশংসা করছেন এবং আশা প্রকাশ করছেন যে ভবিষ্যতেও তারা একইভাবে তাদের প্রাচেষ্টা সমুন্নত রাখবেন এবং কোম্পানীকে উত্তরোত্তর সমৃদ্ধির পথে নিতে অগ্রণী ভূমিকা পালন করবেন। পরিচালকমন্ডলী তাঁদের আন্তরিক এবং প্রশংসনীয় কর্মোদ্যমের জন্য সকল শ্রেণীর কর্মকর্তা ও কর্মচারীবৃন্দকে ৩ টি উৎসাহ বোনাস প্রদানের সিদ্ধান্ত নিয়েছেন।

উপসংহারে পরিচালকমন্ডলী সম্মানিত গ্রাহক, পৃষ্ঠপোষক, শুভানুধ্যায়ীদের এই মর্মে আশ্বাস প্রদান করছেন যে ভবিষ্যতেও প্রগতি ইন্স্যুরেন্স লিঃ গ্রাহক সেবা এবং তাদের আর্থিক নিরাপত্তার ব্যাপারে অধিকতর সচেতনতা এবং নিরলস প্রাচেষ্টা অব্যাহত রাখবে।

পরিচালকমন্ডলীর পক্ষে

আলহাজু খলিলুর রহমান  
চেয়ারম্যান



Pragati Insurance Ltd. was awarded "Certificate of Appreciation" by ICAB in recognition of the quality of its Annual Report for the year 2002. Picture shows Mr. A.K.M Rafiqul Islam, Managing Director of Pragati Insurance Ltd. is receiving the Certificate from the Hon'ble State Minister for Energy & Mineral Resources, Mr. A.K.M Mosharraf Hossain. The award giving ceremony was also attended by the Hon'ble Minister for Finance & Planning, Mr. Saifur Rahman and Hon'ble Minister for Commerce, Mr. Amir Khosru Mahmud Chowdhury.



## Value Added Statement

For the year ended 31st December, 2003

Figure in Millon

### Value Added :

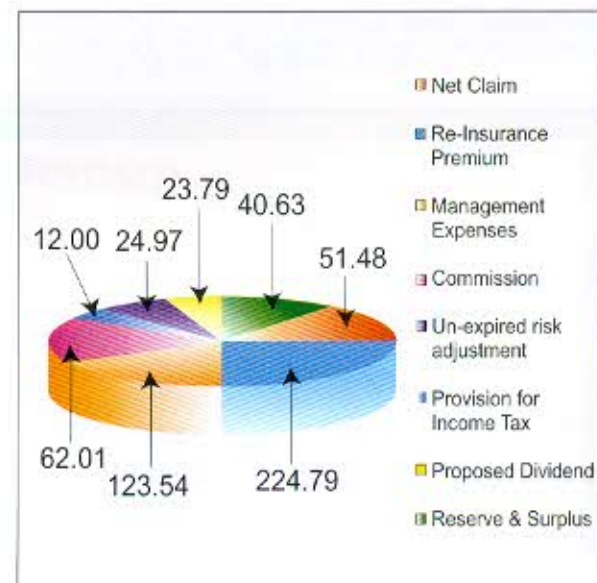
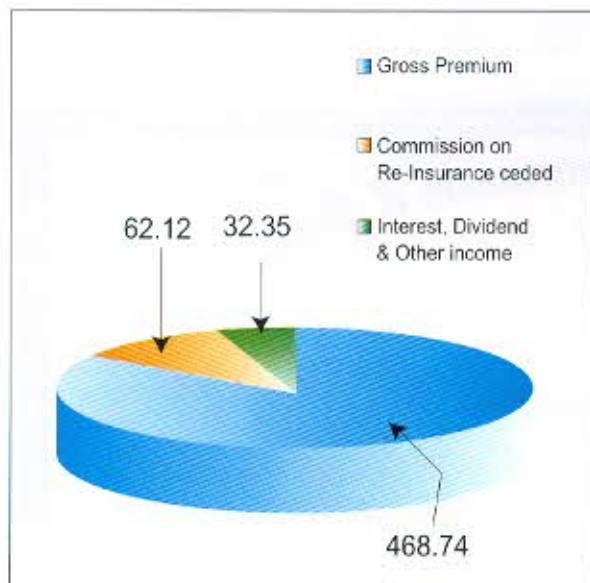
Gross Premium	468.74
Commisson on Re-Insurance Ceded	62.12
Interest, Dividend & Other Income	32.35

**Total: Taka** 563.21

### Application :

Net Claim	51.48
Re-Insurance Premium	224.79
Management Expenses	123.54
Commission	62.01
Un-expired risk adjustment	24.97
Provision for Income Tax	12.00
Proposed Dividend	23.79
Reserve & Surplus	40.63

**Total: Taka** 563.21



## AUDITOR'S REPORT TO THE SHAREHOLDERS


We have audited the accompanying Balance Sheet of Pragati Insurance Limited as of December 31, 2003 and the related Profit and Loss Account and Statement of Cash flows for the year then ended. The preparation of these Financial Statements is the responsibility of the Company's management. Our responsibility is to express an independent opinion on these Financial Statements based on our audit.

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

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BAS), give a true and fair view of the state of the company's affairs as of December 31, 2003 and of the results of its operations and its Cash Flows for the year then ended and comply with the Companies Act, 1994, Insurance Rules 1958, The Securities Exchange Rules 1987 and other applicable laws and regulations.

### We also report that:

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

  
(A. Wahab & Co.)  
Chartered Accountants

Dated: Dhaka, April 29, 2003



## Balance Sheet

AS AT DECEMBER 31, 2003

CAPITAL & LIABILITIES	NOTE	2003	2002
<b>Authorised Capital:</b> 2,500,000 Ordinary shares of Tk. 100 each.		<b>250,000,000</b>	<b>250,000,000</b>
<b>Issued, Subscribed &amp; Paid-up capital:</b> 1,189,500 Ordinary shares of Tk. 100 each	14	<b>118,950,000</b>	<b>95,160,000</b>
<b>Share Premium</b>		<b>77,235,272</b>	<b>101,025,272</b>
<b>Reserve or Contingency Account:</b>		<b>532,009,818</b>	<b>438,475,136</b>
Reserve for Exceptional Losses		189,109,796	166,514,781
Contingency Reserve for Insurance Guarantees and Tail ended Insurance Business	15	105,869,651	105,869,651
Revaluation Reserve	16	157,226,598	89,003,959
General Reserve	17	264,728	264,728
Dividend Equalisation Reserve		36,500,000	36,500,000
Depreciation Fund		42,274,161	39,587,545
Profit & Loss Appropriation Account		764,884	734,472
<b>Balance of Fund &amp; Account:</b>		<b>113,299,266</b>	<b>88,330,348</b>
Fire Insurance Business		29,536,506	16,714,284
Marine Insurance Business		49,411,832	33,923,731
Misc. Insurance Business		34,350,928	37,692,333
<b>Premium Deposit</b>	18	<b>47,732,604</b>	<b>22,774,409</b>
<b>Liabilities &amp; Provision:</b>		<b>174,574,392</b>	<b>159,373,967</b>
Estimated Liabilities in respect of outstanding claims whether due or Intimated	19	112,755,915	111,388,338
Amount due to other persons or bodies carrying on Insurance Business	20	61,818,477	47,985,629
		<b>116,921,654</b>	<b>123,049,340</b>
Loan from Bank for Building Project (Secured)	21	68,350,836	72,452,019
Loan from Bank for Gulshan Land (Secured)	21 (a)	48,570,818	50,597,321
<b>Sundry Creditors</b>	22	<b>27,233,389</b>	<b>32,825,233</b>
<b>Provision for Income Tax</b>	23	<b>21,489,024</b>	<b>13,071,132</b>
<b>Proposed Dividend</b>	24	<b>23,790,000</b>	<b>19,032,000</b>
<b>Total: Taka</b>		<b>1,253,235,419</b>	<b>1,093,116,837</b>

Notes:

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

  
A.K.M Rafiqul Islam  
Managing Director

  
Akbar Hossain  
Director

Dated: Dhaka, April 29, 2004

## Balance Sheet

AS AT DECEMBER 31, 2003

PROPERTY & ASSETS	NOTE	2003	2002
<b>Investment :</b>		<b>112,996,991</b>	<b>90,122,326</b>
National Investment Bond	1	4,500,000	4,500,000
Shares & Debentures	2	108,496,991	85,622,326
<b>Outstanding Premium</b>	3	<b>12,168,434</b>	<b>5,365,647</b>
<b>Amount due from other persons or bodies carrying on Insurance Business</b>	4	<b>132,150,668</b>	<b>109,461,779</b>
<b>Interest, Dividend &amp; Rent Outstanding</b>	5	<b>8,158,779</b>	<b>8,233,007</b>
<b>Sundry Debtors</b>	6	<b>23,279,249</b>	<b>32,374,948</b>
<b>Advance Payment of Tax</b>	7	<b>10,495,786</b>	<b>3,582,108</b>
<b>Cash and Bank Balances :</b>		<b>301,372,524</b>	<b>260,983,926</b>
Fixed Deposit Accounts	8	254,302,632	237,702,632
STD & Current Accounts	9	42,070,378	18,377,059
Cash & Stamp in Hand	10	4,999,514	4,904,235
<b>Other Accounts :</b>		<b>652,612,988</b>	<b>582,993,096</b>
Land (freehold)	11	356,038,311	296,469,582
Land at Gulshan	11 (a)	57,197,623	51,597,321
Fixed Assets (at cost)	12	63,812,761	60,495,965
Joint Venture Building Project	13	175,294,893	174,065,528
Stock of Printing Materials		269,400	364,700
<b>Total: Taka</b>		<b>1,253,235,419</b>	<b>1,093,116,837</b>

Subject to our separate report of even date.

  
Abdul Monem  
Director

  
Al-Haj Khalilur Rahman  
Chairman

  
(A. Wahab & Co.)  
Chartered Accountants

## Profit And Loss Account

For The Year Ended December 31, 2003

	Note	2003	2002
<b>Expenses of Management:</b>			
(Not applicable to any Fund or Account)			
Advertisement & Publicity		3,626,171	2,374,635
Directors' Fee		1,258,905	691,750
Bonus		4,865,535	5,245,200
Registration Renewal Fee	28	525,030	501,876
Audit Fees (including fee for special audit)	29	255,000	270,000
Legal Expenses		271,912	209,850
Depreciation		4,701,629	4,877,306
Profit for the year transferred to Profit & Loss Appropriation Account		58,415,427	56,388,168
<b>Total: Taka</b>		<b>73,919,609</b>	<b>70,558,785</b>

## Profit And Loss Appropriation Account

For The Year Ended December 31, 2003

Reserve for Exceptional Losses	22,595,015	17,647,454
Provision for Income Tax	12,000,000	10,500,000
General Reserve	-	9,000,000
Proposed Dividend	23,790,000	19,032,000
Balance Transferred to Balance Sheet	764,884	734,472
<b>Total: Taka</b>	<b>59,149,899</b>	<b>56,913,926</b>

Dated: Dhaka, April 29, 2004

  
A.K.M Rafiqul Islam  
Managing Director

  
Akbar Hossain  
Director

## Profit And Loss Account

For The Year Ended December 31, 2003

	Note	2003	2002
<b>Interest, Dividend and Rent</b>			
(Not applicable to any Fund or Account)		<b>25,075,185</b>	<b>24,506,537</b>
Interest Received & Accrued	26	19,726,937	20,364,050
Dividend and Debenture Interest	27	5,348,248	4,142,487
Profit transferred from :	25	<b>41,567,776</b>	<b>40,992,287</b>
Fire Revenue account		20,508,584	20,089,642
Marine Revenue account		16,200,891	15,225,658
Misc. Revenue account		4,858,301	5,676,987
Other Income :		<b>7,276,648</b>	<b>5,059,961</b>
Misc. Receipt		600,933	655,988
Profit on Sale of Investment (Shares)		3,641,800	4,403,973
Building Rent		3,033,915	-
<b>Total: Taka</b>		<b>73,919,609</b>	<b>70,558,785</b>

## Profit And Loss Appropriation Account

For The Year Ended December 31, 2003

Balance brought forward from previous period	734,472	525,758
Net profit for the year transferred from Profit and Loss Account	58,415,427	56,388,168
<b>Total: Taka</b>	<b>59,149,899</b>	<b>56,913,926</b>

  
Abdul Monem  
Director

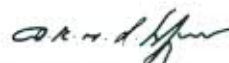
  
Al-Haj Khalilur Rahman  
Chairman

  
(A. Wahab & Co.)  
Chartered Accountants

## Fire Insurance Revenue Account

For The Year Ended December 31, 2003

	2003	2002
<b>Claims under policies Less : Re-insurance :</b>		
Paid during the year	16,201,388	16,757,632
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	37,345,167	40,471,503
	53,546,555	57,229,135
Less : Outstanding claims at the end of the previous year	40,471,503	38,502,858
	13,075,052	18,726,277
<b>Commission on Re-insurance Accepted</b>	321,638	697,576
<b>Expenses of Management</b>	34,224,632	43,433,122
<b>Commission</b>	26,544,850	12,821,990
<b>Profit transferred to Profit &amp; Loss Account</b>	20,508,584	20,089,642
<b>Balance of account at the end of the year as shown in Balance Sheet :</b>		
Reserve for unexpired risks, being 50% of the Fire Premium income of the year	29,536,506	16,714,284
<b>Total: Taka</b>	<b>124,211,262</b>	<b>112,482,891</b>



A.K.M Rafiqul Islam  
Managing Director



Akbar Hossain  
Director

Dated: Dhaka, April 29, 2004

## Fire Insurance Revenue Account

For The Year Ended December 31, 2003

	2003	2002
<b>Balance of Account at the beginning of the year :</b>		
Reserve for Unexpired Risk	16,714,284	25,207,270
Premium less : Re-insurance	59,073,012	33,428,567
Commission on Re-insurance ceded	48,423,966	53,847,054
<b>Total: Taka</b>	<b>124,211,262</b>	<b>112,482,891</b>

  
Abdul Monem  
Director

  
Al-Haj Khalilur Rahman  
Chairman

  
(A. Wahab & Co.)  
Chartered Accountants

## Marine Insurance Revenue Account

For The Year Ended December 31, 2003

	CARGO	HULL	2003	2002
<b>Claims under Policies</b>				
<b>Less : Re-Insurance:</b>				
Paid during the year	9,835,753	18,735	9,854,488	9,551,286
Total estimated liability in respect of Outstanding Claims at the end of the year whether due or intimated	37,628,369	-	37,628,369	39,308,480
	47,464,122	18,735	47,482,857	48,859,766
Less : Outstanding Claims at the end of the previous year	39,308,480	-	39,308,480	28,456,582
	<b>8,155,642</b>	<b>18,735</b>	<b>8,174,377</b>	<b>20,403,184</b>
<b>Expenses of Management</b>	<b>41,279,186</b>	<b>129,300</b>	<b>41,408,486</b>	<b>30,071,745</b>
<b>Commission</b>	<b>22,640,275</b>	<b>372,105</b>	<b>23,012,380</b>	<b>9,051,048</b>
<b>Profit transferred to Profit &amp; Loss Account</b>	<b>16,138,305</b>	<b>62,586</b>	<b>16,200,891</b>	<b>15,225,658</b>
<b>Balance of Account at the end of the year as shown in Balance Sheet :</b>				
Reserve for unexpired risks being 50% of the Marine Cargo Premium income and 100% of the Marine Hull Premium Income of the year	48,763,455	648,377	49,411,832	33,923,731
<b>Total: Taka</b>	<b>136,976,863</b>	<b>1,231,103</b>	<b>138,207,966</b>	<b>108,675,366</b>

Dated: Dhaka, April 29, 2004

  
A.K.M Rafiqul Islam  
Managing Director

  
Akbar Hossain  
Director

## Marine Insurance Revenue Account

For The Year Ended December 31, 2003

	CARGO	HULL	2003	2002
<b>Balance of Account at the beginning of the year :</b>				
Reserve for Unexpired Risk	33,737,583	186,148	33,923,731	32,670,270
<b>Premium Less : Re-Insurance</b>	97,526,911	648,377	98,175,288	67,661,313
<b>Commission on Re-Insurance Ceded</b>	5,712,369	396,578	6,108,947	8,343,783
<b>Total: Taka</b>	<b>136,976,863</b>	<b>1,231,103</b>	<b>138,207,966</b>	<b>108,675,366</b>

  
Abdul Monem  
Director

  
Al-Haj Khalilur Rahman  
Chairman

  
(A. Wahab & Co.)  
Chartered Accountants



## Miscellaneous Insurance Revenue Account

For The Year Ended December 31, 2003.

	MOTOR	MISC.	2003	2002
<b>Claims under policies less : Re-insurance:</b>				
Paid during the year	20,565,223	3,499,070	24,064,293	25,037,301
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	21,150,655	16,631,724	37,782,379	31,608,355
	41,715,878	20,130,794	61,846,672	56,645,656
Less : Outstanding claims at the end of the previous year	23,752,355	7,856,000	31,608,355	28,273,620
	<b>17,963,523</b>	<b>12,274,794</b>	<b>30,238,317</b>	<b>28,372,036</b>
<b>Commission on Re-insurance Accepted</b>	-	30,707	30,707	58,277
<b>Expenses of Management</b>	28,504,804	3,895,754	32,400,558	27,931,592
<b>Commission</b>	7,585,734	4,518,667	12,104,401	8,290,929
<b>Profit transferred to Profit &amp; Loss Account</b>	4,608,617	249,684	4,858,301	5,676,987
<b>Balance of account at the end of the year as shown in Balance Sheet :</b>				
Reserve for unexpired risks being 50% of the Motor and Misc. Premium income of the year	31,080,151	3,270,777	34,350,928	37,692,333
<b>Total: Taka</b>	<b>89,742,829</b>	<b>24,240,383</b>	<b>113,983,212</b>	<b>108,022,154</b>

Dated: Dhaka, April 29, 2004

  
A.K.M Rafiqul Islam  
Managing Director

  
Akbar Hossain  
Director

## Miscellaneous Insurance Revenue Account

For The Year Ended December 31, 2003.

	MOTOR	MISC.	2003	2002
<b>Balance of Account at the beginning of the year :</b>				
Reserve for unexpired risks	27,582,527	10,109,806	37,692,333	28,351,280
<b>Premium less : Re-insurance</b>	62,160,302	6,541,554	68,701,856	75,384,665
<b>Commission on Re-insurance ceded (including profit commission)</b>	-	7,589,023	7,589,023	4,286,209
<b>Total: Taka</b>	<b>89,742,829</b>	<b>24,240,383</b>	<b>113,983,212</b>	<b>108,022,154</b>

  
Abdul Monem  
Director

  
Al-Haj Khalilur Rahman  
Chairman

  
(A. Wahab & Co.)  
Chartered Accountants

## Statement of Changes in Equity

For The Year Ended December 31, 2003.

Particulars	Share Capital	Share Premium	Reserve for Exceptional Losses	Revaluation Reserve	General Reserve	Dividend Equalization Reserve	Income Tax Provision	Proposed Dividend	Retained Earnings	Total
December 31, 2002	95,160,000	101,025,272	166,514,781	89,003,959	264,728	36,500,000	13,071,132	19,032,000	734,472	521,306,344
Dividend Paid								(19,009,370)		(19,009,370)
Transfer to unpaid dividend								(22,630)		(22,630)
Increase share capital during the year	23,790,000									23,790,000
Adjustment of Share Premium		(23,790,000)								(23,790,000)
Revaluation Reserve during the year				68,222,639						68,222,639
Net Profit for the year 2003									58,415,427	58,415,427
Reserve for Exceptional losses			22,595,015						(22,595,015)	-
Provision for Income Tax							12,000,000		(12,000,000)	-
Proposed Dividend @ 20%								23,790,000	(23,790,000)	-
Tax adjustment during the year							(3,582,108)			(3,582,108)
<b>December 31, 2003</b> <b>Taka:</b>	<b>118,950,000</b>	<b>77,235,272</b>	<b>189,109,796</b>	<b>157,226,598</b>	<b>264,728</b>	<b>36,500,000</b>	<b>21,489,024</b>	<b>23,790,000</b>	<b>764,884</b>	<b>625,330,302</b>

See accompanying notes.



**A.K.M Rafiqul Islam**  
Managing Director



**Akbar Hossain**  
Director



**Abdul Monem**  
Director



**Al-Haj Khalilur Rahman**  
Chairman



**(A. Wahab & Co.)**  
Chartered Accountants

Dated, Dhaka : April 29, 2004



## Statement of Cash Flow

For The Year Ended December 31, 2003

	2003	2002
<b>A. Cash Flow from Operating Activities :</b>		
Net Profit after Tax	46,415,427	45,888,168
Adjustment to reconcile net profit to net cash provided by Operating Activities :		
Depreciation	2,686,616	4,877,306
Loss(Profit) on Sale of Investment	-	(4,403,973)
Reserve for Unexpired Risk	24,968,918	2,101,528
Decrease in Stock of Printing	95,300	(125,800)
Increase in Advance Payment of Tax	(6,913,678)	(991,296)
Decrease in Sundry Debtors	9,095,699	(11,817,066)
Decrease in Interest, Dividend & Rent outstanding	74,228	6,990,227
Increase in Amount due from Other Person or Bodies carrying on Insurance Business	(22,688,889)	(47,501,525)
Increase in Outstanding Premium	(6,802,787)	666,470
Increase in Income Tax Payable	8,417,892	869,647
Decrease in S. Creditors (excluding unpaid Dividend)	(5,614,474)	4,036,500
Increase in Estimated Liability in respect of Outstanding Claim whether due or intimated	1,367,577	16,155,278
Increase in Amount due to other person or bodies carrying on Insurance business	13,832,848	6,089,027
Increase in Premium Deposit	24,958,195	(18,301,339)
<b>Net Cash Flow from Operating Activities</b>	<b>89,892,872</b>	<b>4,533,152</b>
<b>B. Cash Flow from Investing Activities :</b>		
Purchase of Fixed Assets	(10,928,426)	(16,836,575)
Increase in Capital Work-in-Progress (Building Project)	(1,229,365)	(10,212,522)
Disposal of Investment & other assets	11,369,628	26,694,629
Investment made during the year	(23,579,055)	(16,441,295)
<b>Net Cash Flow from Investing Activities</b>	<b>(24,367,218)</b>	<b>(16,795,763)</b>
<b>C. Cash Flow from Financing Activities :</b>		
Loan Received from Bank	15,340,094	16,578,399
Loan Repayment to Bank	(21,467,780)	(13,300,000)
Dividend Paid	(19,009,370)	(21,857,221)
<b>Net Cash Flow from Financing Activities</b>	<b>(25,137,056)</b>	<b>(18,578,822)</b>
Decrease in Cash and Bank Balance (A+B+C)	<b>40,388,598</b>	<b>(30,841,433)</b>
Cash and Bank Balance at Opening	260,983,926	291,825,359
Cash and Bank Balance at Closing	301,372,524	260,983,926

  
A.K.M Rafiqul Islam  
Managing Director

  
Akbar Hossain  
Director

  
Abdul Monem  
Director

  
Al-Haj Khalilur Rahman  
Chairman

  
(A. Wahab & Co.)  
Chartered Accountants

Dated, Dhaka : April 29, 2004

## Notes on Accounts

For The Year Ended December 31, 2003

### A. General :

#### Incorporation and Legal Form of the Company:

The company was incorporated as a public limited company on January 27, 1986, under the companies Act 1913. It commenced its commercial operation as on January 30, 1986.

The company is listed with both Dhaka and Chittagong Stock Exchange Limited as a Publicly traded company.

#### Nature of Business:

The primary objectives of the company are to carry on all kinds of insurance, guarantee and indemnity business.

### B. Significant Accounting Policies And Other Relevant Information :

- i) The Company has adopted relevant International Accounting Standards as were adopted in Bangladesh under the title Bangladesh Accounting Standards (BAS) with reference to disclosures of accounting policies, valuation of investment such as long term and current investments.
- ii) **Basis of Accounting:**  
The accounts have been prepared on a going concern basis under generally accepted accounting principles on historical cost convention.
- iii) **Basis of Presentation:**  
The Balance Sheet has been prepared in accordance with the regulations as contained in Part-I of the First Schedule. Revenue Account of each class of general insurance business has been prepared in accordance with the regulations as contained in Part-I of the Third Schedule and as per Form "F" as set forth in Part-II of Third Schedule of the Insurance Act, 1938 as amended from time to time.
- iv) **Premium Income:**  
The total amount of premium earned on various classes of insurance business underwritten during the year, the gross amount of premium earned against various policies, the amount of re-insurance premium due to Sadharan Bima Corporation, the amount of re-insurance commission earned and the amount of claims less re-insurance settled during the year have all been duly accounted for in the books of account of the Company and while preparing the final statements of accounts, the effect of re-insurance accepted and re-insurance ceded as well as the effect of total estimated liabilities in respect of outstanding claims at the end of the year, whether due or intimated have also been duly reflected in order to arrive at the net underwriting profit for the year.
- v) **Interest on Statutory and other Investments :**  
Interest accrued on statutory investment of Tk. 45.00 lacs lying with Bangladesh Bank in the form of N.I.B.s has not been accounted for. But interest received from banks on STD

Accounts and FDR Accounts have been duly credited to the Profit and Loss Account after adjusting interest on OD A/C

**vi) Loss or Gain on Sale of Shares and Investment Income:**

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

**vii) Management Expenses:**

Management expenses as charged to Revenue Accounts amounting to Tk. 108,033,676 is approximately 23.04% of gross premium of Tk. 468,742,154. The expenses have been apportioned @ 31.68% to Fire, 38.32% to Marine and 30% to Miscellaneous business as per Management decision.

**viii) Provision for Unexpired Risks :**

Before arriving at the surplus of each class of business necessary provision for un-expired risks have been created at the rate of 50% on all business except on Marine Hull business for which the provision was made @ 100% of the total premium for the year 2003.

**ix) Reserve for Exceptional Loss:**

Reserve for Exceptional Losses as appropriated out of current year's profit before tax amounts to Tk. 22,595,015 being 10% of the net premium earned during the year.

**x) Depreciation on Fixed Assets :**

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

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

No depreciation has been charged on Building Project of the Company.

**xi) Outstanding Premium :**

The outstanding premium appearing in the accounts was realized subsequently till February, 2004.

**xii) Contingency Reserve:**

The company has credited Contingency Reserve for Insurance Guarantees and tail ended insurance business against which there exists no re-insurance arrangement although there remain risk till the expiry of the Guarantee.

**Xiii) Use of Estimate:**

Preparation of Financial Statements in conformity with International Accounting Standards requires management to made estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities if any at the date

of the financial statements and revenues and expenses during the year reported. Actual result could differ from those estimates. Estimates are used in accounting for certain items such as depreciation, outstanding claims, taxes, reserves etc.

**xiv) Commission Expense:**

This refers to agency commission paid to different parties for procurement of insurance business. As per order of the Controller of Insurance (dated February 10, 2002), however, payment of agency commission for procurement of insurance business has been fully withdrawn as of March 1, 2002. However the company charged Commission in to revenue Account as per Insurance Act, 1938, See-40 A(2)

**xv) Issue of Bonus Share:**

The company has transferred an amount of Tk. 23,790,000 (bonus share @ 25% of total paid up capital of Tk. 95,160,000) from share premium account to share capital account.

**xvi) Others:**

- i) Provision for Income Tax has been made in accordance with the best estimate of the management based on the prevailing Income Tax law.
- ii) During the year interest on investments in NIB and Debenture as well as dividend on shares have been accounted for as income on declaration basis.
- iii) Figures have been rounded off to the nearest Taka and previous year's figures have been re-arranged for the purpose of comparison, where felt necessary.

**C. Operation:**

During the year under audit, the company earned gross premium of Tk. 468,742,154, which includes public sector business of Tk. 14,641,201. After ceding for re-insurance, the net premium stood at Tk. 225,950,156. Underwriting profit of Tk. 41,567,776 as against Tk. 40,992,287 in the previous year, worked out to be 18.40% of the net premium.

**Public Sector Business**

Public Sector Business for four quarters upto June 2003 has been accounted for on the basis of statements received from SBC.

**D. Tax Assessment Position:**

Income Tax Assessment of the Company has been completed upto Assessment year 2002-2003 (A/cs 31-12-2001) as per Assessment order.

## Balance Sheet :

### 01. National Investment Bond: Tk. 4,500,000

The amount represents 3-year National Investment Bond with a face value of Tk. 45.00 lacs held with Bangladesh Bank as Statutory deposit under Insurance Act, 1938.

Interest accrued on the investment has not been accounted for.

### 02. Shares and Debentures: Tk. 108,496,991

The movement of the balance is shown below:

Particulars	2003	2002
Opening Balance	85,622,326	89,897,105
Add : Purchased during the year	23,579,055	16,441,295
	109,201,381	106,338,400
Less : Sales/Redemption during the year	9,337,581	22,653,328
	99,863,800	83,685,072
Add: Difference between marketprice and book value as on 31-12-2003	8,633,191	1,937,254
(Adjusted through Revaluation Reserve Account)		
Closing Balance at Market Value	<b>Taka: 108,496,991</b>	<b>85,622,326</b>



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

**i) Shares : (Share in Public Limited Company)**

Name of the Company	No. of Shares	Book Value	Market Value as on 31-12-2003	Remarks
IFIC Bank Ltd.	453	104,303	100,679	
Rupali Bank Ltd.	325	41,519	42,819	
National Bank Ltd.	10,709	2,553,471	2,438,975	
Dhaka Bank Ltd.	800	175,150	201,000	
Prime Bank Ltd.	4,100	582,700	785,925	
Southeast Bank Ltd	2,750	541,969	666,188	
One Bank Ltd.	3,000	493,966	568,500	
Bank Asia Ltd.	250	25,000	25,000	
Oriental Bank Ltd.	550	749,933	619,300	
Mutual Trust Bank Ltd.	50,000	6,250,000	11,150,000	
BOC Bangladesh Ltd.	4,850	541,745	785,215	
Tripti Industries Ltd.	21,120	1,040,160	649,440	
Green Delta Insurance Co. Ltd.	10	5,500	7,020	
Reliance Insurance Ltd.	400	148,160	215,200	
Ind. & Infrastructure Dev. Finance Co. Ltd.	100,000	10,000,000	10,000,000	Not Quoted
United Leasing Co. Ltd.	16	13,120	17,680	
National Housing Finance & Investment Ltd.	200,000	20,000,000	20,000,000	Not Quoted
Central Depository Bangladesh Ltd.	2	2,000,000	2,000,000	Not Quoted
Confidence Cement Ltd.	1,080	258,930	153,090	
Atlas Bangladesh Ltd.	1,200	321,818	290,640	
AMCL (Pran)	200	89,761	85,100	
Pioneer Insurance Co. Ltd.	300	62,863	75,600	
1st ICB Mutul Fund	155	268,753	299,770	
5th ICB Mutul Fund	160	38,515	40,960	
6th ICB Mutul Fund	600	101,519	98,850	
7th ICB Mutul Fund	700	104,688	105,000	
First Lease International Ltd.	500	70,461	77,625	
Heidelberg Cement Bangladesh Ltd.	8,392	5,117,823	4,647,070	
Daffodials Computers Ltd.	100,000	1,000,000	1,000,000	
Lafarge Surma Cement Ltd.	108,549	10,000,000	15,251,134	
Keya Detergent Ltd.	20,000	230,690	210,000	
Beximco Pharmaceuticals Ltd.	14,440	520,708	570,380	
Orion Infusion Ltd.	7,000	458,500	512,750	
Square Pharmaceuticals Ltd.	525	314,719	458,640	
Beximco Infusion Ltd.	1,023	206,257	220,201	
Eastern Housing Ltd.	10,900	915,600	1,070,925	
Shinepukur Holding Ltd.	400	17,200	12,400	
Monno Fabrics Ltd.	167,000	14,487,250	13,067,750	
Dulamina Cotton Spinning Mills Ltd.	1,120	45,920	63,280	
Padma Textile Ltd.	27,100	379,750	318,990	
Tallu Spinning Mills Ltd.	390	32,760	39,000	
Ashraf Textile Mills Ltd.	2,500	17,250	18,500	
Square Textile Ltd.	25	633	1,078	
Usmania Glass Sheet Ltd.	5	3,642	4,223	
<b>Total: Taka (i)</b>		<b>80,332,706</b>	<b>88,965,897</b>	

The investment in National Housing Finance and Investment Ltd., Industrial & Infrastructure Development Finance Company Ltd. and Central Depository Bangladesh Ltd. are on account of purchase of Sponsor Shares of each of the Company amounting to Tk.20,000,000, Tk.10,000,000 & Tk. 2,000,000 respectively.

ii) **Debentures:**

<u>Name of the Company</u>	<b>At Cost Less: Redemption</b>
Bangladesh Export Import Company Ltd.	1,660,000
Bangladesh Zipper Industries Ltd.	32,400
Beximco Fisheries Ltd.	1,161,194
Beximco Textile Ltd.	2,177,500
Beximco Denims Ltd.	10,000,000
Bangladesh Luggage Industries Ltd.	4,500,000
<b>Total Taka (ii)</b>	<b>19,531,094</b>
<b>Grand Total Taka (i+ii)</b>	<b>108,496,991</b>

03. **Outstanding Premium: Tk. 12,168,434**

The balance represents outstanding premium on direct account, which have been realized subsequently till February 28, 2004. It is exclusive of Tk. 52,632,711 due from other Co-insurers shown separately in Note 4 below. The business wise break-up of the outstanding premium shown as above is given below:

<u>Particulars</u>	<b>2003</b>	<b>2002</b>
Fire	4,464,350	423,308
Marine	5,574,464	3,979,875
Motor	1,622,500	905,511
Misc.	507,120	56,953
<b>Taka:</b>	<b>12,168,434</b>	<b>5,365,647</b>

04. **Amount due from other persons or bodies carrying on Insurance business: Tk. 132,150,668**

The amount is made up as follows:

<u>Particulars</u>	<b>2003</b>	<b>2002</b>
Co-Insurance Premium receivable (including refund premium)	52,632,711	37,469,462
Amount due from SBC	57,311,283	49,729,860
Co-Insurance Claim receivable from different Insurance companies :		
Fire	4,344,055	4,431,879
Marine	14,971,542	15,268,450
Motor	967,421	1,076,718
Misc.	1,923,656	1,485,410
<b>Taka:</b>	<b>132,150,668</b>	<b>109,461,779</b>

**05. Interest, Dividend & Rent outstanding: Tk. 8,158,779**

The balance is made up as follows:

<u>Particulars</u>		<b>2003</b>	<b>2002</b>
Dividend	(i)	160,516	104,041
Debenture Interest	(ii)	7,998,263	8,128,966
	<b>Taka:</b>	<b>8,158,779</b>	<b>8,233,007</b>

**i) Dividend: Tk. 160,516**

This is made-up as under:

<u>Name of Company</u>	<b>Amount</b>
Eastern Housing	109,000
Metro Spinning Mills Ltd.	600
Beximco Fisheries Ltd.	50,916
<b>Taka:</b>	<b>160,516</b>

**ii) Debenture Interest: Tk. 7,998,263**

This is made-up as under:

<u>Name of Company</u>	<b>Amount</b>
Bangladesh Export Import Co. Ltd.	421,610
Beximco Textile Ltd.	1,153,918
Beximco Denims Ltd.	5,299,280
Beximco Fisheries Ltd.	598,455
Bangladesh Luggage Ltd.	525,000
<b>Taka:</b>	<b>7,998,263</b>

All of the above balance is old since long and an amount of Tk. 130,703 only has been received from Beximco Synthetics Ltd. during the year under audit.

**06. Sundry Debtors: Tk. 23,279,249**

The balance is made-up as follows:

<u>Particulars</u>		<b>2003</b>	<b>2002</b>
Advance against expenses		1,141,462	978,092
Advance against rent	(i)	5,028,717	5,247,725
Advance against salary		174,565	259,645
Advance against investment	(ii)	2,097,500	12,097,500
Advance against Motor Cycle		-	15,806
House Building Loan		5,123,260	4,362,096
Receivable from Rhone Polence against Building Maintenance		1,892,601	-
Security Deposit		499,080	264,000
Group Insurance Premium (due from employees)		594,786	203,724
Jamuna Resort Limited	(iii)	6,727,278	6,727,278
Pragati Life Insurance Co. Ltd.		-	2,219,082
<b>Taka:</b>		<b>23,279,249</b>	<b>32,374,948</b>

**i) Advance against Rent: Tk. 5,028,717**

Advance against rent relates to advance paid for office rent of branch offices in different locations of the country. This is made-up as under:

Opening Balance	5,247,725
Add: Advance paid during the year	1,046,800
	6,294,525
Less: Adjusted during the year	1,265,808
Closing Balance	<b>Taka: 5,028,717</b>

**ii) Advance Against Investment: Tk. 2,097,500**

This is made-up as under:

Opening Balance	12,097,500
Less: Transferred to Investment Account (share) (100,000 Shares @ 100 of Lafarge Surma Cemant Ltd.)	10,000,000
	<b>Taka: 2,097,500</b>
ICB against Bridge Financing (a)	97,500
Other advance against share (b)	2,000,000
	<b>Taka: 2,097,500</b>

(a) This is an old balance since 1991 towards bridge finance contribution under the leadership of I.C.B. The amount has not been realized till the date of audit.

(b) This is an old balance carried forward from last year.

**iii) Jamuna Resort Ltd.: Tk. 6,727,278**

This is an old balance carried forward from last year. The amount spent for Bangabandhu Bridge Tourism Development Project is on account of preparatory action taken in connection with meeting the expenses relating to financial bids for the work of the project and miscellaneous development work under taken subsequently.

**07. Advance Payment of Tax : Tk. 10,495,786**

The entire balance relates to Accounting year ended on 31-12-2003 (Assessment year 2004-2005). This is made-up as under:

<b>AIT Deducted on Account of</b>	<b>2003</b>	<b>2002</b>
Deducted at Source from FDR Interest	1,773,280	1,835,580
Deducted at Source from STD Interest	268,627	235,957
Deducted at Source from Dividend Income	501,054	580,879
Deducted at Source from Office Rent	952,825	429,692
Advance Tax Paid	7,000,000	500,000
	<b>Taka: 10,495,786</b>	<b>3,582,108</b>

The entire amount is eligible for adjustment towards the settlement of Tax liability on finalization of assessments. The provision for income tax during the year being Tk.12,000,000, the balance amount of the tax payable for the year needs to be paid before filing of the return.

**08. Fixed Deposit Account : Tk. 254,302,632**

Particulars	2003	2002
Opening Balance	237,702,632	210,902,632
Add : Addition during the year	16,600,000	26,800,000
	254,302,632	237,702,632
Less : Encashment during the year	-	-
Closing Balance	<b>Taka: 254,302,632</b>	<b>237,702,632</b>

Interest on FDR is accounted for on cash basis as per usual practice.

**09. STD & Current Account: Tk. 42,070,378**

The balance has been arrived at as under:

Particulars	2003	2002
STD Account	36,192,492	32,695,112
Current Account (OD) (i)	(1,904,497)	(18,247,509)
Current Account (ii)	178,732	520,250
Foreign Currency Account (iii)	7,603,651	3,409,206
	<b>Taka: 42,070,378</b>	<b>18,377,059</b>

i) This includes the following bank accounts:

a) National Bank Ltd., Dilkusha Branch CD A/C # 71841	(22,848)
b) National Bank Ltd., Dilkusha Branch CD A/C # 71338	(1,644,002)
c) Dhaka Bank Ltd., Kawran Bazar, CD A/C # 15000628	(237,647)
	<b>Taka: (1,904,497)</b>

a) Balance as per Bank book stands at Tk. (32,848) after reconciliation.

b) Balance as per Bank book stands at Tk. (1,654,002) after reconciliation.

c) Balance has been reconciled with bank statement balance of Tk.197,360. The difference is due to a wrong posting by the bank in the amount of Tk.200,000 and also outstanding cheque written in November-December 2002 in the amount of Tk. 235,007.

ii) This includes the following bank accounts :

a) National Bank Ltd., Agrabad Branch, CD-3440	85,906
b) Uttara Bank Ltd., Corporate Branch, CD-11004204	26,321
c) Standard Chartered Bank Ltd.,	36,572
d) Uttara Bank Ltd., Kawran Bazar Branch, CD-732	1,000
e) Premier Bank Ltd., Kawran Bazar Branch, CD A/C # 11000016	520
f) Uttara Bank Ltd., Kawran Bazar Branch, CD-881	28,413
	<b>Taka: 178,732</b>

iii) This includes the following bank accounts:

	In US \$	Tk. Rate/\$	In BDT
Standard Chartered Bank, A/C # 01-1109278-01	103,374.13	58.55	6,052,555.31
Standard Chartered Bank, A/C # 01-1632205-01	26,491.83	58.55	1,551,096.65
<b>Total:</b>	<b>129,865.96</b>		<b>7,603,651.96</b>

**12. Fixed Assets at cost: Tk. 63,812,761**

Details break-up of Fixed Assets is given below:

Particulars	Furniture and Fixture	Office and Electrical Equipment	Motor Vehicles	Other Assets	Total
As at 1st January, 2003	23,071,441	14,180,082	22,347,054	897,388	60,495,965
Addition during the year 2003	723,010	745,042	3,846,935	33,856	5,348,843
Disposal of Fixed Assets	(3,000)	(168,600)	(1,860,447)	-	(2,032,047)
<b>Cost as at December 31, 2003</b>	<b>23,791,451</b>	<b>14,756,524</b>	<b>24,333,542</b>	<b>931,244</b>	<b>63,812,761</b>
Depreciation :					
As at 1st January, 2003	10,641,001	11,035,576	17,104,058	806,910	39,587,545
Charged for the year 2003	1,616,529	1,255,429	1,783,291	46,380	4,701,629
Depreciation adjustment for disposal of Fixed Assets	(3,000)	(168,600)	(1,843,413)	-	(2,015,013)
<b>Depreciation as at 31-12-2003</b>	<b>12,254,530</b>	<b>12,112,405</b>	<b>17,043,936</b>	<b>853,290</b>	<b>42,274,161</b>
<b>Written down value as at 31-12-2003</b>	<b>11,536,921</b>	<b>2,634,119</b>	<b>7,289,606</b>	<b>77,954</b>	<b>21,538,600</b>

**13. Joint Venture Building Project: Tk. 175,294,893**

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

Particulars	2003	2002
Opening Balance	174,065,528	163,853,006
Add : Addition of Cost less adjustment during the year	1,229,365	10,212,522
Closing Balance	<b>Taka: 175,294,893</b>	<b>174,065,528</b>

Joint Venture Building is yet to be registered in the name of the company.

**14. Issued, Subscribed & Paid up Capital: Tk. 118,950,000**

The balance represents:

Particulars	2003	2002
610,000 ordinary shares of Tk. 100 each fully paid up in cash	61,000,000	61,000,000
122,000 Ordinary Shares of Tk. 100 each fully paid up as Bonus share (5:1) allotted during 1997	12,200,000	12,200,000
219,600 Ordinary shares of Tk. 100 each fully paid up as Bonus share (10:3) allotted during 2002 (Out of General Reserve Balance at 31-12-2001)	21,960,000	21,960,000
237,900 Ordinary shares of Tk. 100 each fully paid up as Bonus share (4:1) allotted during 2003 (Out of Share Premium Balance at 31-12-2002)	23,790,000	-
<b>Taka:</b>	<b>118,950,000</b>	<b>95,160,000</b>

The category wise shareholdings as on 31-12-2003 is noted below:

Category of Shareholders	No. of Shares
1. Sponsors & Director of Group-A (50%)	594,750
2. General Public ( 23.14 %)	275,283
3. Financial Institutions and Other (including ICB & ICDDR B Endowment Fund) (14.94 %)	177,658
4. Limited Companies (11.92%)	141,809
<b>Total:</b>	<b>1,189,500</b>

**10. Cash and Stamp in hand: Tk. 4,999,514**

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

<u>Particulars</u>	<b>2003</b>	<b>2002</b>
Petty Cash Account at Head Office	808,733	713,559
Petty Cash Account with Branches	3,860,183	4,125,866
Stamp in Hand	330,598	64,810
<b>Taka:</b>	<b>4,999,514</b>	<b>4,904,235</b>

Physical count of cash and stamp at Head Office have been done as on December 31, 2003. The management has furnished certificate confirming the position of Tk. 3,860,183 difference branches located throughout the country.

**11. Land (free hold) : Tk. 356,038,311**

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

<u>Particulars</u>	<b>2003</b>	<b>2002</b>
Opening balance	296,469,582	295,800,731
Less: Adjustment with Note - 11(a)	69,774	-
	<b>296,399,808</b>	<b>295,800,731</b>
Add: Expenses :		
(i). At Panthapath land, Kawran Bazar (Legal Expenses and Salary of Security Personnel)	49,055	212,823
(ii) Khilkhet land (Registration & Other Expenses)	-	456,028
(iii) Value Addition on revaluation of Panthapath Land	59,589,448	-
Closing Balance	<b>Taka: 356,038,311</b>	<b>296,469,582</b>

The value of the land (Panthapath) has been revalued on the basis of survey report dated April 17, 2004 of G.K. Adjusters Ltd. 66 Dilkusha C/A, Dhaka-1000.

**11(a). Land at Gulshan: Tk. 57,197,623**

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

<u>Particulars</u>	<b>2003</b>	<b>2002</b>
Opening Balance	51,597,321	45,151,713
Add: Adjustment with Note-11	69,774	-
Interest on Loan for procurement of the Land	5,473,497	6,445,608
Expenses (Boundary Wall)	57,031	-
Closing Balance	<b>Taka: 57,197,623</b>	<b>51,597,321</b>

The details of the land purchased is as under:

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

**i) Group-A**

Class Interval	No. of Shares	No. of Share Holders	Total Holdings %	% of Total Paid-up Capital
1-500	-	-	-	-
501-1000	-	-	-	-
1001-5000	24,085	8	4.05	2.02
5001-10000	152,484	17	25.64	12.82
10001-20000	113,165	7	19.03	9.51
20001-50000	305,016	11	51.28	25.65
<b>Total of (i)</b>	<b>594,750</b>	<b>43</b>	<b>100.00</b>	<b>50.00</b>

**ii) Group-B**

1-500	109,351	1,028	18.41	9.21
501-1000	34,359	50	5.77	2.88
1001-5000	133,553	62	22.45	11.23
5001-10000	36,824	6	6.19	3.09
10001-20000	22,070	2	3.71	1.85
20001-50000	258,593	6	43.47	21.74
<b>Total of (ii)</b>	<b>594,750</b>	<b>1,154</b>	<b>100.00</b>	<b>50.00</b>
<b>Grand Total (i + ii)</b>	<b>1,189,500</b>	<b>1,197</b>	<b>-</b>	<b>100.00</b>

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

Particulars	2003	2002
Reserve against unexpired Guarantees	87,080,441	87,080,441
Reserve against Tail ended Insurance Business	18,789,210	18,789,210
<b>Taka:</b>	<b>105,869,651</b>	<b>105,869,651</b>

**16. Revaluation Reserve: Tk. 157,226,598**

This balance is made up as under:

Particulars	2003
Opening Balance	89,003,959
Add: Appreciated value of shares (88,965,897-80,332,706)	8,633,191
	97,637,150
Add: Revaluation of Panthapath Land	59,589,448
<b>Taka:</b>	<b>157,226,598</b>



**17. General Reserve: Tk. 264,728**

The above balance is made up as follows:

<u>Particulars</u>	2003
Opening balance	264,728
Add: Addition during the year	-
	264,728
Less: Adjustment during the year	-
<b>Taka:</b>	<b>264,728</b>

**18. Premium Deposit: Tk. 47,732,604**

The amount represents the adjusted balance of premium as received against Cover Notes over the years for which policies have not been issued within 31st December, 2003. The balance is made up as under:

<u>Particulars</u>	2003
Deposit Premium on Marine Cover note	39,558,178
Stamp Duty	8,174,426
<b>Taka:</b>	<b>47,732,604</b>

**19. Estimated Liabilities in respect of outstanding claims whether due or intimated: Tk. 112,755,915**

The break-up of the amount is noted below:

<u>Particulars</u>	2003	2002
Fire	37,345,167	40,471,503
Marine	37,628,369	39,308,480
Motor	21,150,655	23,752,355
Misc.	16,631,724	7,856,000
<b>Taka:</b>	<b>112,755,915</b>	<b>111,388,338</b>

**20. Amount due to other persons or bodies carrying on Insurance Business: Tk. 61,818,477**

The break-up of the amount is given below:

<u>Particulars</u>	2003	2002
Amount due to SBC (Port-folio Premium)	-	9,838,361
Payable against Co-Insurance Premium	44,941,164	37,308,093
Overseas Re-Insurer	15,747,931	-
Co-Insurance Claim	1,129,382	839,175
<b>Taka:</b>	<b>61,818,477</b>	<b>47,985,629</b>

**21. Loan from Bank for Building Project (Secured): Tk. 68,350,836**

The balance is made-up as under:

<u>Particulars</u>	<b>2003</b>	<b>2002</b>
Opening Balance	72,452,019	74,619,228
Interest charges upto December, 2003	9,291,597	10,127,791
Bank charges and Excise Duty	5,000	5,000
	<u>81,748,616</u>	<u>84,752,019</u>
Less : Adjusted/Payment during the year	13,397,780	12,300,000
Closing Balance	<b>Taka: 68,350,836</b>	<b>72,452,019</b>

**21(a) Loan from Bank for Gulshan land (Secured): Tk. 48,570,818**

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

<u>Particulars</u>	<b>2003</b>	<b>2002</b>
Opening Balance	50,597,321	45,151,713
Add: Interest charged upto December, 2003	6,040,997	6,443,108
Bank charge and Excise Duty	2,500	2,500
	<u>56,640,818</u>	<u>51,597,321</u>
Less: Payment during the year	8,070,000	1,000,000
Closing Balance	<b>Taka: 48,570,818</b>	<b>50,597,321</b>

**22. Sundry Creditors: Tk. 27,233,389**

The balance is made-up as follows:

<u>Particulars</u>	<b>2003</b>	<b>2002</b>
Payable against Expenses (i)	12,184,665	10,790,057
Provident Fund	127,589	158,490
Income Tax deduction (ii)	1,858,931	1,904,673
VAT payable (iii)	4,766,287	4,145,000
Unpaid dividend (iv)	532,958	510,328
Received against Security	3,296,000	3,496,000
Tax deduction against Rent	48,980	48,980
Vat deduction against Bills	56,628	63,390
Advance Rent received (v)	4,164,550	11,540,733
Provident Fund Loan Deduction	145,008	156,586
Tax deduction against bills	19,932	17,044
Share Application	14,000	14,000
Pragati Life Insurance Limited	6,900	-
Others	10,961	9,952
	<u>Taka: 27,233,389</u>	<u>32,855,233</u>

**i) Payable against Expenses: Tk. 12,184,665**

This is made up of the following:

<b>Particulars</b>	<b>Amount</b>
Company's Contribution to PF	230,104
Incentive Bonus	7,545,009
Honurarium	2,185,000
Audit Fee	475,000
Rhone Poulance (House Rent)	1,749,552
<b>Taka:</b>	<b>12,184,665</b>

**ii) Income Tax deduction: Tk. 1,858,931**

Income Tax deduction at source amounting to Tk. 1,858,931 includes Tk. 1,653,104 as Income Tax deduction from Dividend paid to the Shareholders, which has been deposited to Bangladesh Bank subsequently.

**iii) VAT Payable: Tk. 4,766,287**

VAT payable in the amount of Tk. 4,766,287 represents VAT for the month of December 2003 which has been deposited into Bangladesh Bank subsequently. No provision has been made for additional demand for VAT as per VAT audit.

**iv) Unpaid Dividend: Tk. 532,958**

This represents balance of unpaid dividend from year to year.

**v) Advance Rent Received: Tk. 4,164,550**

This balance will be adjusted over the period of lease from rental income.

**23. Provision for Income Tax: Tk. 21,489,024**

The amount includes Tk. 12,000,000 being Income Tax provision for accounting year ended on 31st December, 2003 (Assessment year 2004-2005).

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

<b>Particulars</b>	<b>2003</b>	<b>2002</b>
Opening balance	13,071,132	12,201,485
Less : Paid/Adjusted during the year (for Asstt. year 2002-03)	3,582,108	7,590,813
	9,489,024	4,610,672
Less : Cash paid	-	2,039,540
	9,489,024	2,571,132
Add: Provision made for the year 2002 (Asstt. year 2003-04)	12,000,000	10,500,000
Closing Balance	<b>21,489,024</b>	<b>13,071,132</b>

**24. Proposed Dividend: Tk. 23,790,000**

The amount has been appropriated out of surplus available for distribution @ 20% on paid-up capital of Tk. 118,950,000 as on 31-12-2003 as per recommendation of the Board. The Board of Directors has also recommended a stock dividend of 27% payable to the existing shareholders, out of Share Premium Account of the Company.

## Profit and Loss Account

### 25. Underwriting Profit: Tk. 41,567,776

i) The summarized position of net underwriting profit earned during the year 2003 is as follows :

Particulars	Fire	Marine	Motor & Misc.	2003	2002
<b>Premium Income :</b>					
A) Gross Premium	173,773,708	178,028,726	116,939,720	468,742,154	350,389,058
B) Re-Insurance premium Ceded	114,700,696	79,853,438	48,237,864	242,791,998	173,914,513
C) Net Premium (A-B)	<b>Taka: 59,073,012</b>	<b>98,175,288</b>	<b>68,701,856</b>	<b>225,950,156</b>	<b>176,474,545</b>
<b>Direct Expenses :</b>					
D) Commission {(Net of Re-Insurance Accepted and Ceded (Net) Note-25 (ii))	(21,557,478)	16,903,433	4,546,085	(107,960)	(35,557,226)
E) Claim settled & provided {(Net) (Note-25 (iii))	13,075,052	8,174,377	30,238,317	51,487,746	67,501,497
F) Management Expenses	34,224,632	41,408,486	32,400,558	108,033,676	101,436,459
G) Allocation of Management Expenses	31.68%	38.32%	30%	100%	100%
H) Total Direct expenses (D+E+F)	25,742,206	66,486,296	67,184,960	159,413,462	133,380,730
I) Adjusted Fund balance for unexpired risk (opening balance less closing balance)	(12,822,222)	(15,488,101)	3,341,405	(24,968,918)	(2,101,528)
Net underwriting profit (C-H+I)	<b>Taka: 20,508,584</b>	<b>16,200,891</b>	<b>4,858,301</b>	<b>41,567,776</b>	<b>40,992,287</b>

### ii) Commission (Net): Tk. (107,960)

Particulars	Fire	Marine	Motor & Misc.	2003	2002
Commission paid on Direct Business	26,544,850	23,012,380	12,104,401	61,661,631	30,163,967
Commission paid on Re-Insurance Accepted	321,638	-	30,707	352,345	755,853
	26,866,488	23,012,380	12,135,108	62,013,976	30,919,820
Less : Commission earned on Re-insurance ceded	48,423,966	6,108,947	7,589,023	62,121,936	66,477,046
Net Commission	<b>Taka: (21,557,478)</b>	<b>16,903,433</b>	<b>4,546,085</b>	<b>(107,960)</b>	<b>(35,557,226)</b>

### iii) Claim settled (Net): Tk. 51,487,746

Particulars	Fire	Marine	Motor & Misc.	2003	2002
Gross Claim	57,298,294	153,525,756	43,962,929	254,786,979	126,644,594
Less : Salvage Received	-	-	-	-	-
	57,298,294	153,525,756	43,962,929	254,786,979	126,644,594
Less : Re-Insurance claim recovery	41,096,906	143,671,268	19,898,636	204,666,810	75,298,375
Paid during the year	16,201,388	9,854,488	24,064,293	50,120,169	51,346,219
Add : Outstanding Claim at the end of the year whether due or intimated (Company s Share)	37,345,167	37,628,369	37,782,379	112,755,915	111,388,338
	53,546,555	47,482,857	61,846,672	162,876,084	162,734,557
Less : Outstanding Claim at the end of the previous year	40,471,503	39,308,480	31,608,355	111,388,338	95,233,060
Net Claim	<b>Taka: 13,075,052</b>	<b>8,174,377</b>	<b>30,238,317</b>	<b>51,487,746</b>	<b>67,501,497</b>

**26. Interest Received and Accrued: Tk. 19,726,937**

The amount is made-up as follows:

<u>Particulars</u>	<b>2003</b>	<b>2002</b>
Interest on FDR	17,732,800	18,357,800
Interest on STD Accounts	2,679,817	2,560,128
	20,412,617	20,917,928
Less : Interest adjusted on OD Account	685,680	553,878
<b>Taka:</b>	<b>19,726,937</b>	<b>20,364,050</b>

**27. Dividend and Debenture Interest (Gross): Tk. 5,348,248**

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

<u>Particulars</u>	<b>2003</b>	<b>2002</b>
Dividend Income	3,953,515	3,883,088
Debenture Interest (i)	1,394,733	259,399
<b>Taka:</b>	<b>5,348,248</b>	<b>4,142,487</b>

**i) Debenture Interest: 1,394,733**

<u>Name of the Company</u>	<u>Interest received during the year</u>
Beximco Synthetic Ltd.	382,233
Magura Paper Mills Ltd.	1,012,500
<b>Taka:</b>	<b>1,394,733</b>

**28. Registration Renewal Fee: Tk. 525,030**

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

**29. Audit Fee: Tk. 255,000**

<u>Particulars</u>	<b>2003</b>	<b>2002</b>
Statutory Audit (provision during the year)	175,000	150,000
Special Audit (provision during the year)	80,000	120,000
<b>Taka:</b>	<b>255,000</b>	<b>270,000</b>

**30. Net Profit for the year and its appropriation:**

<u>Particulars</u>	<b>2003</b>	<b>2002</b>
Underwriting Profit as per Revenue Accounts	41,567,776	40,992,287
Interest Income & Dividend	25,075,185	24,506,537
Other Income (including against gain on sales of shares)	7,276,648	5,059,961
	<u>73,919,609</u>	<u>70,558,785</u>
Less : Expenses of Management (not related to any fund or account)	15,504,182	14,170,617
Net profit for the year	<u>58,415,427</u>	<u>56,388,168</u>
Less : Reserve for Exceptional Losses (10% of Net Premium) tax free	22,595,015	17,647,454
	<u>35,820,412</u>	<u>38,740,714</u>
Add : Surplus brought forward	734,472	525,758
	<u>36,554,884</u>	<u>39,266,472</u>
Less :		
i) Tax provision for Assessment year (2003-2004) A/C 31-12-2003	12,000,000	10,500,000
ii) General Reserve	-	9,000,000
iii) Balance available for distribution	24,554,884	19,766,472
iv) Dividend Paid	23,790,000	19,032,000
Surplus Carried forward	<u><b>764,884</b></u>	<u><b>734,472</b></u>

Taka :

**31. Contingent Liability :**

- a) During the year an amount of Tk. 1,110,699 was earned as premium against 22 Guarantees issued but there was no re-insurance arrangement against guarantees so issued.
- b)
  - i) As on 31-12-2003 financial Guarantees amounted to Tk. 85 million (app), which will expire on different dates during 2004.
  - ii) Money suits for Tk. 127,260,892 was pending as on 31-12-2003 for Marine Insurance (Cargo) Claims which the company disputed and so not accounted for.

