



ANNUAL REPORT 2005



**PRAGATI
INSURANCE
LIMITED**

SYMBOL OF SECURITY





Company Profile

Incorporation

January 27, 1986

Commencement

January 30, 1986

Listing with DSE

April 04, 1996

Listing with CSE

April 06, 1996



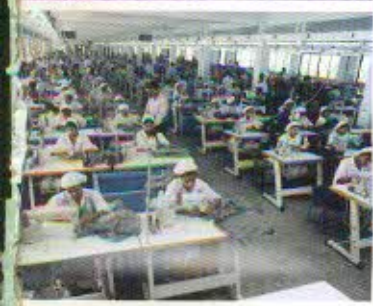
Vision Statement

- We want to take Pragati to new heights of development
- We want to build sound, dependable/reliable image for Pragati in the society
- We want Pragati to contribute to national growth both in depth & dimension
- We want Pragati to expand its wings beyond national boundaries



Mission Statement

- ▲ We are conscious of our social obligation
- ▲ We aim to provide prompt and personalized services to our clients
- ▲ We strive hard to produce new ideas for the benefit of society and consumers
- ▲ We work to deliver optimum value to our shareholders, clients, employees and add value to the nation
- ▲ We continuously adjust ourselves to the insurance scenario in & around the world
- ▲ Happy Pragati Family is our aim



Insurance Services:

- ▲ Industrial all Risks Policies
- ▲ Property and Marine Insurance
- ▲ Personal Accident including Group Personal Accident
- ▲ Motor Insurance
- ▲ Flood & Cyclone Insurance
- ▲ Tsunami and Earthquake Insurance
- ▲ CAR Insurance
- ▲ Business Interruption and Machinery Break-down Insurance
- ▲ Health Insurance including Overseas Mediclaim Insurance



Financial Services:

- Underwriting & Bridge Financing
- Trusteeship

Re-Insurers:

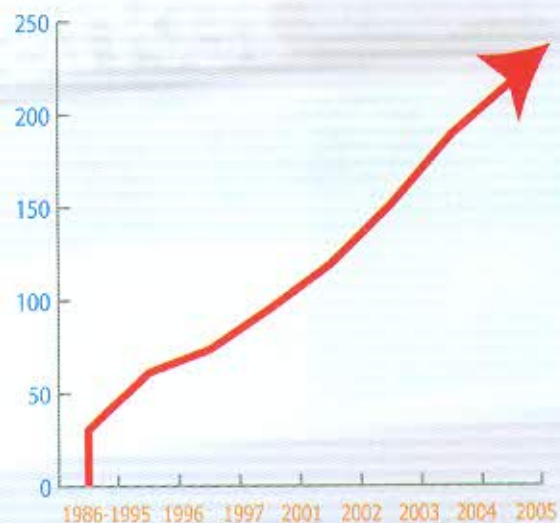
- Sadharan Bima Corporation of Bangladesh
- General Insurance Corporation of India





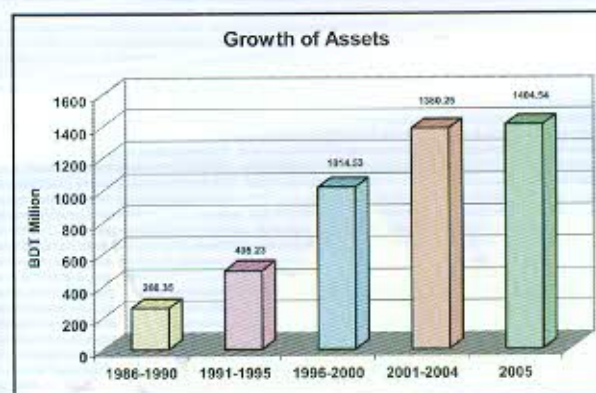
Growth of Capital (BDT Million)

1986-1995	Sponsors' capital	30.00
1996	IPO of Tk.31 million	61.00
1997	20% stock dividend	73.20
2001	30% stock dividend	95.16
2002	25% stock dividend	118.95
2003	27% stock dividend	151.07
2004	25% stock dividend	188.84
2005	15% stock dividend	217.16



Growth of Asset (BDT Million)

1986-1990	260.35
1991-1995	495.23
1996-2000	1014.53
2001-2004	1380.25
2005	1404.54





প্রগতি
ইস্যুরেন্স
লিমিটেড

Pragati Insurance Limited

HEAD OFFICE : PRAGATI-RPR CENTRE, 20-21, KAWRAN BAZAR (14TH, 15TH & 16TH FLOOR) DHAKA-1215
PHONE: PABX : 9133680-2 DIRECT : 9118303, 8118268, 9135779, 9134337, 8123075, 8117996, 9131279
E-mail: pitbma@bangla.net TLX.: 671168 PGI BJ FAX: 880-2-8122980 P.O. BOX: 3721 WEB: www.pitbma2.com

Notice of the Twentieth Annual General Meeting

Notice is hereby given that the 20th Annual General Meeting of Pragati Insurance Limited will be held on Wednesday, the 28th June, 2006 at 11:00 am at the Bashundara Convention Centre, Bashundara R.A., Baridhara, Dhaka-1212 to transact the following business:

1. To receive, consider and adopt the Directors' Report for the year ended 31st December, 2005.
2. To receive, consider and adopt the Audited Accounts of the company and the Auditors' Report thereon for the year ended 31st December 2005.
3. To declare Dividend for the year 2005 as recommended by the Board of Directors.
4. To elect Directors in place of retiring Directors from Group- "A" Shareholders and from Group "B" Shareholders.
5. To appoint Auditors for the year 2006 and fix their remuneration.

By order of the Board of Directors

(HR Chowdhury)
Company Secretary

Dated: Dhaka 22nd May, 2006

Notes:

- (a) The record date: 8th June, 2006
- (b) Members of the company whose names appear in the Register of Members upto record date will be entitled to dividend for the year 2005 to be approved by the Shareholders in the Annual General Meeting.
- (c) A member wishing to appoint a Proxy, must deposit the Proxy Form duly stamped to the Company's Registered Office at least 72 hours before the meeting.
- (d) Only the Shareholders or their appointed proxies can attend the meeting. A proxy must be a member of the company.
- (e) Entry to the Annual General Meeting is reserved only for the Shareholders or his/her proxy.

No guest and children shall be allowed entrance in the meeting.

Board of Directors



Al Haj Khalilur Rahman
Chairman



A.S.M Mainuddin Monem
Vice Chairman



Zakaria Taher
Vice Chairman



A.K.M Rafiqul Islam, FCA
Managing Director

Directors



Engr. A. Latif



Abdul Monem



Abdul Awal Mintoo



Mohammed A. Awwal



Moazzam Hossain



Syed M. Altaf Hussain



Khan Mohd Ameer



Md Syedur Rahman Mintoo



Capt. Imam Anwar Hossain



Md. Sarwar Kamal



Mohammed A. Malek



Prof. Jahangir Chowdhury



Md. Mushfiqur Rahman



Tabith Mohd Awal



Razia Sultana Shimul



A.N.M Yeahea



Md Mahbubur Rahman



Nigar Jahan Chowdhury



A.J.M Enamul Islam



A.S.M Mohiuddin Monem



Ahmecul Hocue



Tahsina Rahman



Mahbub Anam



Akbar Hossain



Moazzem Hossain



Tafsir Mohd Awal

EXECUTIVES

Managing Director:

A.K.M. Rafiqul Islam, FCA

Additional Managing Director:

A.B.M. Mir Hossain

Deputy Managing Director:

Shaikh Shahjahan Uddin

Asst. Managing Director:

Md. Shahabuddin
Mohammad Ali Khan

Company Secretary:

Hafizur Rahman Chowdhury

Sr. Executive Vice President:

Mahboob Uddin Ahmed

Executive Vice President:

Sharif Mustaba
M.A. Hasan
Md. Sirajul Mustafa
Md. Fazlul Karim Alamgir

Senior Vice President:

Zabed Ali Mridha, FCA
Md. Shafiqul Islam
SMB Shameem
Abdul Momen
S.M. Murshed
Md. Nazrul Islam
Md. Jamal Uddin Haider

Vice President:

Khondaker Zafor Sadque
Monjurul Hoque
Abdus Salam

Deputy Vice President:

Kabir Ahmed
Farid Ahmed
Md. Golam Farooque

Asst. Vice President:

Delwar Hossain
Abdur Razzaque Sarder
Ali Fathker Kollol
Bikash Chandra Pal
Md. Habibur Rahman
Md. Murad Ahmed

Auditor:

A. Wahab & Co.
Chartered Accountants





চেয়ারম্যানের বাণী

প্রিয় শেয়ারহোল্ডারবৃন্দ,
আসসালামু আলাইকুম

প্রগতি ইন্স্যুরেন্স লিমিটেড এর বোর্ড অব ডাইরেক্টরস এর পক্ষ থেকে আমি কোম্পানীর ২০তম বার্ষিক সাধারণ সভায় আপনাদেরকে স্বাগত জানাচ্ছি।


জুন মাসের এই প্রথম খরতাপ সত্ত্বেও, এই সভায় আপনাদের উপস্থিতি দেখে আমরা উৎসাহিত বোধ করছি। আপনাদেরকে ধন্যবাদ।

আপনারা নিশ্চয়ই ইতিমধ্যে অবহিত হয়েছেন যে নানান প্রতিকূলতা সত্ত্বেও প্রগতি ইন্স্যুরেন্স লিমিটেড সদ্য সমাপ্ত বছরে অর্থাৎ ২০০৫ সালে ৬০২.০৯ মিলিয়ন টাকা গ্রস প্রিমিয়াম আয় করেছে যা ২০০৪ সালের তুলনায় ২৪.৫০% অধিক। এ ছাড়া অন্যান্য খাতেও কোম্পানীর আয় পূর্ববর্তী বছরের তুলনায় ভাল হয়েছে। এটা সম্ভব হয়েছে আপনাদের পৃষ্ঠপোষকতা, সক্রিয় সহযোগিতায় এবং কোম্পানীর সকল স্তরের কর্মকর্তা, কর্মচারীদের অক্লান্ত পরিশ্রমে। সাধারণ বীমা ক্ষেত্রে ৪৩টি কোম্পানীর সাথে প্রতিযোগিতায় বাংলাদেশের মত সীমিত বাজারে কোম্পানীর অগ্রগতি অব্যাহত রাখা একটি বিরাট চ্যালেঞ্জ স্বরূপ। ভবিষ্যতে প্রতিযোগিতা আরও কঠিন হবে তা নিঃসন্দেহে বলা যেতে পারে। মুক্ত বাজার অর্থনীতিতে সম্মানজনক অবস্থান অব্যাহত রাখতে হলে প্রয়োজন সঠিক দিক নির্দেশনা, নীতি নির্ধারণ, মার্কেট স্ট্র্যাটেজি নিরূপণ এবং তা অনুসরণ, বাংলাদেশের অর্থনৈতিক উন্নয়ন কৌশলের সংগে সংগতিপূর্ণ নতুন নতুন প্রডাক্ট উদ্ভাবন এবং গ্রাহক সেবা প্রদান ইত্যাদি। ভবিষ্যত সমস্যা সম্পর্কে আমরা সচেতন এবং সজাগ দৃষ্টি রাখছি। দেশের অর্থনৈতিক উন্নয়ন নিশ্চিত হলে এবং দেশের রাজনৈতিক পরিস্থিতির উন্নতি হলে, আমাদের অগ্রগতিও নিশ্চিত হবে। সব কিছু নির্ভর করছে দেশের পরিস্থিতির উপর। তবে ইনশাআল্লাহ আমরা আশাবাদী শীগ্রই আবহাওয়া অনুকূল হবে এবং আমরাও আমাদের কাঙ্ক্ষিত লক্ষ্যে পৌঁছতে পারব।

প্রিয় শেয়ারহোল্ডারবৃন্দ, কোম্পানীর ২০০৫ সালের বার্ষিক প্রতিবেদন আপনাদের নিকট আমরা উপস্থাপন করেছি। এ থেকে আপনারা কোম্পানীর কার্যক্রমে, অগ্রগতি, সাফল্য ও ব্যর্থতা সম্পর্কে অবহিত হয়েছেন। কোম্পানীর সাফল্যে আমরা আনন্দিত। তবুও এতে আত্মতুষ্টির কোন অবকাশ নেই। নির্ধারিত লক্ষ্যের দিকে এগিয়ে যাওয়া এবং বর্তমান অগ্রগতি অক্ষুণ্ণ রাখাই আমাদের লক্ষ্য। আগামী দিনে দেশে-বিদেশে আমাদের অবস্থান ও পরিচিতি আরও বাড়ানোর কার্যক্রম আমরা ইতিমধ্যে গ্রহণ করেছি। আশা করি আমরা কোম্পানীর অগ্রগতি অব্যাহত এবং সুনাম অক্ষুণ্ণ রাখতে সক্ষম হব, ইনশাআল্লাহ। আপনাদের সহযোগিতা এবং গঠনমূলক পরামর্শ আমাদের ভবিষ্যত কার্যক্রমে সহায়ক হবে।

পরিশেষে আমি আজকের সভায় আপনাদের উপস্থিতি, সহযোগিতা এবং মূল্যবান সময় ও পরামর্শের জন্য পুনরায় ধন্যবাদ জানাচ্ছি।

আল্লাহ হাফেজ।


আলহাজ্ব খলিলুর রহমান
চেয়ারম্যান

Company's Performance

5 years at a glance

Taka in Million

Particulars	2001	2002	2003	2004	2005
Financial Performance					
Gross Premium	337.45	350.39	468.74	507.70	632.09
Net Premium	169.35	176.47	225.95	234.15	274.98
Net Claim	65.58	67.50	41.56	47.82	56.33
Underwriting Profit	30.17	40.99	41.56	47.82	54.03
Investment Income	26.99	24.51	25.07	26.99	37.51
Income from financial service/Capital gain	9.77	5.06	7.27	21.29	27.22
Net Profit before tax	53.29	56.39	58.42	75.71	98.35
Net Profit after tax	43.79	45.89	46.42	54.96	78.35
Share Capital and Reserve:					
Paid-up-capital	73.20	95.16	118.95	151.09	188.83
Shareholders equity	566.64	595.07	584.92	766.99	780.51
Total Reserve	616.94	627.83	721.54	779.29	784.92
Assets:					
Investment in shares and Securities	94.40	90.12	111.99	167.55	163.35
Cash, FDR and Bank Balance	291.82	260.98	301.37	380.93	344.67
Land	340.95	348.07	413.24	418.89	420.56
Total Assets	1050.97	1093.17	1253.24	1380.25	1,404.54
Ratios:					
Dividend in percent (cash + Stock)	30+30	20+25	20+27	20+25	15+15
EPS	59.81	48.22	39.02	36.40	41.49
P/E (Time)	6.72	10.96	16.54	19.29	9.45
Solvency Surplus	713.12	717.71	830.43	830.80	863.64



Directors' Report 2005

Dear Shareholders

Assalamu Alaikum,

It is with great pleasure we welcome the esteemed shareholders to the 20th Annual General Meeting of Pragati Insurance Limited. Board is pleased to present before you the Annual Report together with the audited Balance Sheet, Revenue Account of Fire, Marine and Miscellaneous Departments, Profit and Loss Account and Appropriation and other Financial Statements relating to the year 2005 and Auditors' Certification with notes on the Accounts Operation of the company.

Board is pleased to report to the shareholders that your company continued to maintain its growth momentum in keeping with the objectives; thus contributing to the national economy with high quality service to the valued clients.

Economy:

Economy of Bangladesh is passing through the phase of transformation from predominantly agricultural to moderately expanding industrial scenario. Contribution of industry to GDP increased from 17.08% in 1979-80 to 28.44% in the Fiscal 2004-5 while contribution of agriculture reduced to 21.91% from 33.21% in 1979-80. Service sector's contribution maintained a constant rate of 49.72% in 1979-80 and 49.65% in fiscal 2004-05.

Year 2005 started with uncertainty with the phasing out of MFA on Textile quotas. Fear of closure of Garment and related textile industry following phase out of quota regime on the 31st December, 2004 and ultimate of WTO negotiation haunted the economy as well the related industries in Bangladesh. Fear of wide-spread job loss was visualized by World Bank and other Donor Agencies. However, resilience of Bangladesh economy was evident from growth of export by 13.8% in the year 2005 and increase of remittances by 14.1% expelled all doubts and apprehension. Credit goes to the Bangladesh entrepreneurs in facing the adversity very boldly.

পরিচালকমন্ডলীর প্রতিবেদন ২০০৫

প্রিয় শেয়ারহোল্ডারবৃন্দ,

আসসালামু আলাইকুম,

প্রগতি ইন্স্যুরেন্স লিঃ-এর ২০তম বার্ষিক সাধারণ সভায় আমরা আমাদের সম্মানিত শেয়ারহোল্ডারবৃন্দকে সানন্দ স্বাগত জানাচ্ছি। একই সঙ্গে কোম্পানীর পরিচালনা পর্ষদ আপনাদের সমীপে ২০০৫ সালের বার্ষিক হিসাব সহ কোম্পানীর বার্ষিক প্রতিবেদন এবং হিসাবের উপর নিরীক্ষকদের প্রতিবেদন পেশ করতে পেরে আনন্দিত।

এতদ্ব্যতীত কোম্পানীর অব্যাহত অগ্রগতি, জাতীয় অর্থনীতিতে কোম্পানীর অবদান এবং সম্মানিত গ্রাহকবৃন্দকে অধিকতর সেবা প্রদান ইত্যাদি ক্ষেত্রেও কোম্পানীর সাফল্যের প্রতিবেদন আপনাদের সমীপে উপস্থাপন করতে পেরে পরিচালনা পর্ষদ আনন্দিত।

বাংলাদেশের অর্থনীতি :

বাংলাদেশের অর্থনীতি বর্তমানে মূলত: কৃষি ভিত্তিক অর্থনীতি থেকে শিল্প ভিত্তিক অর্থনীতির পথে এগুচ্ছে। জাতীয় জিডিপিতে ২০০৪-২০০৫ সালে শিল্প খাতের অবদান ২৮.৪৪%, যা ১৯৭৯-৮০ সালে ছিল ১৭.০৮%। অপর দিকে ১৯৭৯-৮০ সালে কৃষি খাতের অবদান ছিল ৩৩.২১% যা ২০০৪-২০০৫ সালে কমে দাড়িয়েছে ২১.৯১%। সেবা খাতের অবদান মোটামুটি একই পর্যায়ে রয়েছে। ১৯৭৯-৮০ সালে সেবা খাতের অবদান ছিল ৪৯.৭২% এবং ২০০৪-০৫ সালেও তা রয়েছে ৪৯.৬৫% শতাংশে।

আপনারা জানেন যে ২০০৫ সাল শুরু হয়েছিল অনিশ্চয়তার মাঝে। ৩১শে ডিসেম্বর ২০০৪ সালে বঙ্গশিল্পে এমএফএ ব্যবস্থা প্রত্যাহার এবং ডব্লিওটিও আলোচনার পরিনতি সম্পর্কে বাংলাদেশের পোষাক শিল্প সহ সংশ্লিষ্ট খাতে ভীতির সঞ্চার করে। এমনকি বিশ্ব ব্যাংক সহ অন্যান্য দাতাগণ বাংলাদেশে বিরাট বেকারত্বের আভাস দেন। কিন্তু বাংলাদেশের অর্থনীতি এই বিপর্যয় থেকে নিজেকে সামলে নিতে সক্ষম হয় এবং ২০০৫ সালে পোষাক শিল্প খাতে রপ্তানী ১৩.৮% বৃদ্ধি পায়। একই বৎসরে প্রবাসীদের প্রেরিত রেমিটেন্স ১৪.১% বৃদ্ধি পায়। বাংলাদেশের ব্যবসায়ী/শিল্পপতিদের অত্যন্ত সাহসী পদক্ষেপ এই বিপর্যয় থেকে বাংলাদেশকে উত্তরনে সহায়তা করে।

Company's Growth

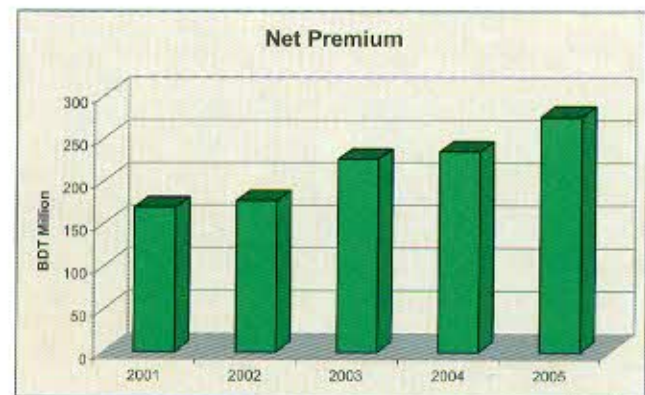
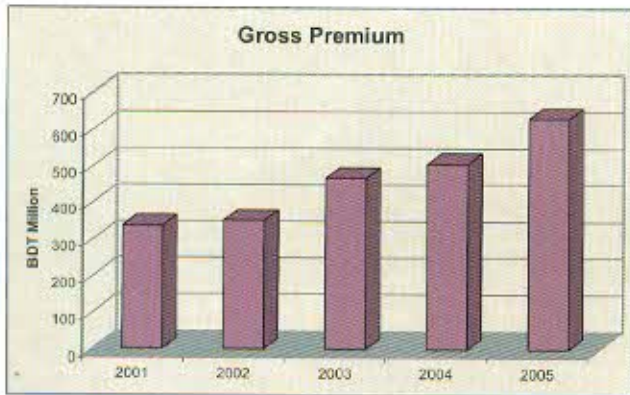
Premium Income	2005	2004	% change
(i) Fire	243.97	189.20	+28.95%
(ii) Marine (Cargo)	256.40	203.96	+25.71%
(iii) Marine (Hull)	12.69	7.75	+63.74%
(iv) Motor	71.01	66.94	+6.06%
(v) Misc.	48.02	39.85	+20.50%
Total:	632.09	507.70	+24.50%
Underwriting Profit:	54.03	47.81	+13.00%

The company has progressed well in all the departments and the annual growth of 24.50% is considered satisfactory.

২০০৫ সালে কোম্পানীর অগ্রগতি :

প্রিমিয়াম আয়:	২০০৫	২০০৪	% পরিবর্তন
১) অগ্নি	২৪৩.৯৭	১৮৯.২০	+২৮.৯৫%
২) মেরিন (কার্গো)	২৫৬.৪০	২০৩.৯৬	+২৫.৭১%
৩) মেরিন (হাল)	১২.৬৯	৭.৭৫	+৬৩.৭৪%
৪) মোটর	৭১.০১	৬৬.৯৪	+৬.০৬%
৫) বিবিধ	৪৮.০২	৩৯.৮৫	+২০.৫০%
	৬৩২.০৯	৫০৭.৭০	+২৪.৫০%
অবলেখন মুনাফা	৫৪.০৩	৪৭.৮১	+১৩.০০%

উপরোক্ত হিসাব হতে প্রতীয়মান হবে যে, সকল বিভাগে অগ্রগতি সাধিত হয়েছে। ২৪.৫০% বার্ষিক অগ্রগতি সন্তোষজনক বলে বিবেচিত হতে পারে।



Income from sources other than insurance:

	2005	2004	% change
Interest & Dividend	32.15	23.65	+36.00%
Profit on sale of Investment	25.61	20.78	+23.24%
Building Rent	5.37	3.35	+60.30%
Others	1.60	0.50	+220.00%

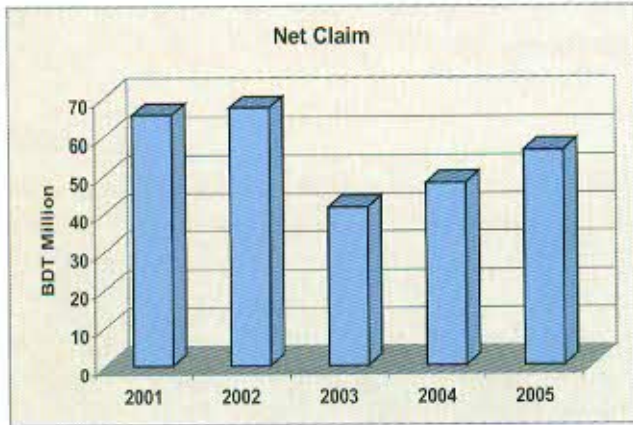
বীমা ব্যতীত অন্যান্য খাত থেকে আয় :

	২০০৫	২০০৪	% পরিবর্তন
সুদ ও লভ্যাংশ	৩২.১৫	২৩.৬৫	+৩৬.০০%
বিনিয়োগ বিক্রয় থেকে মুনাফা	২৫.৬১	২০.৭৮	+২৩.২৪%
বিল্ডিং ভাড়া	৫.৩৭	৩.৩৫	+৬০.৩০%
অন্যান্য	১.৬০	০.৫০	+২২০.০০%

Claims paid (Net of Re-insurance)

	2005	2004	
Fire	8.64	31.42	
Marine(cargo)	1.18	27.42	
Marine (Hull)	0.38	0.30	
Motor	26.04	23.58	
Misc.	20.09	12.16	
	56.33	94.88	(-) 40.64%

The company has settled the single largest claim of Abul Khair Group of Industry amounting to Tk.335.88 million partly in 2005 and the final in 2006.



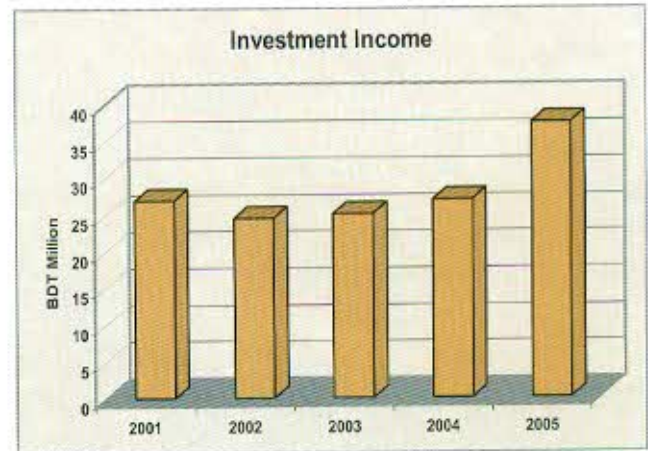
i) Expenses of Management:	125.47	137.75*	(-) 8.91%
ii) Commission	76.56*		

* Upto middle of 2005, payment of commission remained suspended by the order of the Chief Controller of Insurance. Thereafter, appointment of agents have been allowed. During the intervening period, development cost for procurement of business was charged to management expenses. Thereafter, commission paid to agents has been shown under the head of "Commission" .

বীমা দাবী পরিশোধ :

	২০০৫	২০০৪	
অগ্নি	৮.৬৪	৩১.৪২	
মেরিন (কার্গো)	১.১৮	২৭.৪২	
মেরিন (হাল)	০.৩৮	০.৩০	
মোটর	২৬.০৪	২৩.৫৮	
বিবিধ	২০.০৯	১২.১৬	
	৫৬.৩৩	৯৪.৮৮	(-) ৪০.৬৪%

মেসার্স আবুল খায়ের গ্রুপ অব ইন্ডাস্ট্রিজের এ যাবত কালের সর্ববৃহৎ একক বীমা দাবী ৩৩৫.৮৮ মিলিয়ন টাকা ২০০৫ সালে কিয়দংশ এবং ২০০৬ সালে সম্পূর্ণ পরিশোধ করা হয়েছে।



১) প্রশাসনিক ব্যয়	১২৫.৪৭	১৩৭.৭৫*	(-) ৮.৯১%
২) কমিশন	৭৬.৫৬*		

*চীফ কন্ট্রোলার অব ইন্স্যুরেন্সের নির্দেশ অনুযায়ী ২০০৫ সালের মাঝামাঝি সময় পর্যন্ত কমিশন প্রদান বন্ধ ছিল। তৎপরবর্তীকালে এজেন্ট নিয়োগ অনুমোদন করা হয়। মধ্যবর্তী সময়কালে ব্যবসা আহরন ব্যয় প্রশাসনিক ব্যয়ের অন্তর্ভুক্ত করা হয়েছে। তৎপর হতে এজেন্টদেরকে প্রদত্ত কমিশন "কমিশন" খাতে দেখানো হয়েছে।



Appropriation of Profit:

Company earned pre-tax profit of Tk. 98,346,070 in 2005 against Tk.75,705,984 in 2004 a rise of 29.90% over the previous year. After providing for exceptional losses reserve of Tk.27.50 million against Tk.23.41 in 2004, corporate tax and General Reserve, an amount of Tk.29,969,418 is available for appropriation. Board recommends cash dividend of 15% to the shareholders whose name appear on the record date of 8th June, 2006 leaving a balance of Tk.16,44,468 to be carried forward. Board also recommends 15% Stock dividend to the shareholders whose name appear on the record date from out of the share premium account and General Reserve as shown below:

	Balance 31-12-05	Adjustment	Balance
i) Share premium A/c	7,352,272.00	7,352,272.00	NIL
(ii) General Reserve A/c	22,264,728.00	20,972,678.00	12,92,050.00
	29,617,000.00	28,324,950.00	12,92,050.00

মুনাফা বন্টন :

২০০৫ সালের কোম্পানী ৯৮,৩৪৬,০৭০ টাকা উৎসর্গ মুনাফা অর্জন করে যা ২০০৪ সালের তুলনায় ২৯.৯০% বেশী। ২০০৪ সালে এর পরিমাণ ছিল ৭৫,৭০৫,৯৮৪ টাকা। অস্বাভাবিক ক্ষতির জন্য সংরক্ষিত তহবিলে ২৭.৫০ মিলিয়ন টাকা, কর্পোরেট ট্যাক্স এবং সাধারণ সঞ্চিতি তহবিল ইত্যাদি খাতে বরাদ্দের পর বিতরণযোগ্য টাকার পরিমাণ হচ্ছে ২৯,৯৬৯,৪১৮ টাকা। উপরোল্লিখিত ব্যাখ্যার আলোকে পরিচালনা পর্ষদ ২০০৫ সালের জন্য ৮ই জুন, ২০০৬ রেকর্ড তারিখ পর্যন্ত যে সকল শেয়ারহোল্ডারদের নাম রেজিস্ট্রিভুক্ত হবে তাদের জন্য ১৫% ক্যাশ ডিভিডেন্ড প্রদানের প্রস্তাব বিবেচনার জন্য সুপারিশ করেছেন। এর পরে উদ্ভূত ১৬,৪৪,৪৬৮ টাকা বন্টনকৃত ব্যালেন্স শীটে স্থানান্তর করা হয়েছে।

এছাড়া পরিচালনা পর্ষদ ক্যাশ ডিভিডেন্ড প্রদানের পাশাপাশি শেয়ার প্রিমিয়াম একাউন্ট এবং সাধারণ সঞ্চিতি তহবিল হতে পরিশোধিত মূলধন খাতে স্থানান্তরের মাধ্যমে ১৫% ষ্টক ডিভিডেন্ড প্রদানেরও সুপারিশ করেছেন।

	স্থিতি ৩১-১২-০৫	সম্মতকরণ	উদ্ভূত
১) শেয়ার প্রিমিয়াম হিসাব	৭,৩৫২,২৭২.০০	৭,৩৫২,২৭২.০০	-
২) সাধারণ সঞ্চিতি হিসাব	২২,২৬৪,৭২৮.০০	২০,৯৭২,৬৭৮.০০	১২,৯২,০৫০.০০
মোট:	২৯,৬১৭,০০০.০০	২৮,৩২৪,৯৫০.০০	১২,৯২,০৫০.০০



The company has been following a consistent policy of gradual increase of its paid-up capital commensurate with increase in its retention capacities as well as increase in gross premium underwritten. The paid up capital after approval would be Tk.217,157,950 against the existing paid-up capital of Tk.188,833,000

আপনারা লক্ষ্য করে থাকবেন যে কোম্পানীর অধিকতর বৃদ্ধি গ্রহণের ক্ষমতা এবং গ্রস প্রিমিয়াম অবলেন্সন ক্ষমতা বৃদ্ধির লক্ষ্যে প্রগতি ইস্যুরেন্স লি: ইতিমধ্যেই কয়েকবার পর্যায়ক্রমে মূলধন বৃদ্ধির পদক্ষেপ গ্রহণ করেছে। প্রস্তাবিত মূলধন বৃদ্ধি অনুমোদিত হলে প্রগতি ইস্যুরেন্স লি: এর পরিশোধিত মূলধন ১৮৮,৮৩৩,০০০ টাকার স্থলে ২১৭,১৫৭,৯৫০ টাকায় উন্নীত হবে।



Revaluation of Investments and land:

In accordance with the International Accounting Standard (IAS), the value of the investments in shares and debentures have been shown at the market value on 31-12-2005. Increase and /or diminution in the value has been shown in the "Revaluation Reserve " accounts separately.

Land and Building have not been re-valued this year. Value has been shown as per the last revaluation carried out by independent valuer. However, there is substantial increase in the price of urban land.

সম্পদের পুন: মূল্যায়ন :

আন্তর্জাতিক গ্র্যাকউন্টিং স্ট্যান্ডার্ড অনুযায়ী শেয়ার এবং ডিভেঞ্চারে বিনিয়োগকৃত সম্পদের মূল্য ৩১-১২-০৫ তারিখের বাজারদর অনুযায়ী মূল্যায়ন করা হয়েছে। শেয়ার/ডিভেঞ্চার মূল্যের বৃদ্ধি/হ্রাস ভিন্নভাবে "রি-ভ্যালুয়েশন রিজার্ভ" হিসাবে দেখানো হয়েছে।

এ বছর জমির মূল্য পুন:মূল্যায়ন করা হয়নি। বিগত বছরের হিসাবই প্রতিবেদনে দেখানো হয়েছে যদিও নগরীতে জমির মূল্য যথেষ্ট বৃদ্ধি পেয়েছে।



Re-insurance:

Re-insurance arrangement has been concluded for the year 2006. Across the board, we have increased our own retention over the previous year in keeping with increase in capital and reserve. Business has been placed as before with SBC (50%) and GIC (50%). 50% placed with SBC is a matter of legal requirement and the remaining 50% has been placed outside Bangladesh under the leadership of GIC, a Government of India undertaking. In spite of the impact of single largest fire loss recorded at the fag end of 2004 whose affect could not be wiped out in just one year; terms and conditions for 2006 are more or less akin to the expiring terms and conditions. Limits have been adjusted with new increased retention. Overseas Re-insurance market is slowly returning to its normal position and hopefully, if there is no major catastrophe, market is likely to ease out further.

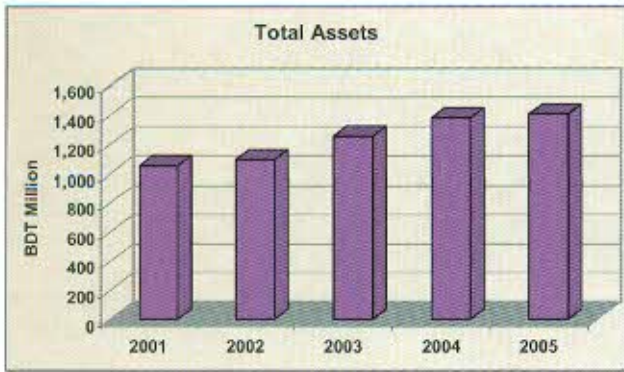
রি-ইস্যুরেন্স :

২০০৬ সালের জন্য রি-ইস্যুরেন্স চুক্তি সম্পাদন করা হয়েছে। কোম্পানীর মূলধন এবং রিজার্ভ বৃদ্ধির বিবেচনায় আলোচনার মাধ্যমে বিগত বছরের তুলনায় আমরা আমাদের ধারণ ক্ষমতা (retention) বৃদ্ধি করেছি। গত বছরের ন্যায় এবারও ৫০% সাধারণ বীমা কর্পোরেশন এবং অবশিষ্ট ৫০% জেনারেল ইস্যুরেন্স কর্পোরেশন অব ইন্ডিয়ায় নেতৃত্বে বহির্বিদেশে ন্যস্ত করা হয়েছে। ২০০৪ সালের শেষভাগে বিরাট অগ্নি দুর্ঘটনা ক্ষতি সত্ত্বেও রি-ইস্যুরেন্স চুক্তির শর্তাবলী গত বছরের কাছাকাছি রয়েছে। রি-ইস্যুরেন্স মার্কেট ক্রমাগত স্বাভাবিক পর্যায়ে ফিরে আসছে। কোন প্রকার বৃহত্তর অঘটন না ঘটলে রিইস্যুরেন্স মার্কেট আরও স্বাভাবিক পর্যায়ে ফিরে আসবে বলে আশা করা যাচ্ছে।

Stock Market:

Stock market was quite vibrant in 2005 and we were an active player in the secondary market. We earned capital gain through market operation amounting to Tk. 25.61 million which reflects our continuous engagement.

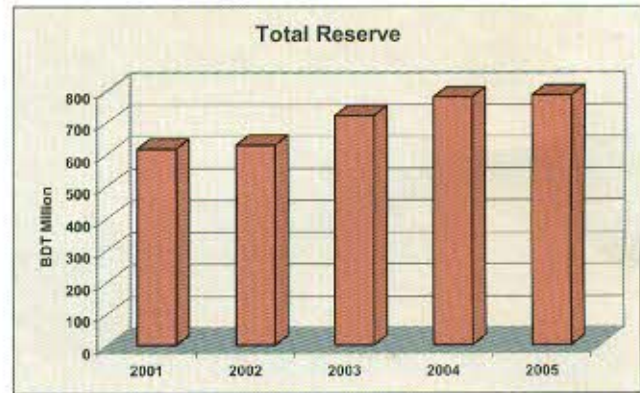
Market however, has manifested significant downward trend after the crunch in the money market and rise in bank interest rate substantially. We are hopeful that with the cheering corporate announcements, market would pick-up soon.



পুঁজি বাজার :

২০০৫ সালে পুঁজি বাজার তেজী ছিল এবং আমরাও সেকেন্ডারী মার্কেটে সক্রিয়ভাবে অংশগ্রহণ করেছি এবং আলোচ্য বছরে ২৫.৬১ মিলিয়ন টাকা মূলধন মুনাফা অর্জন করেছি।

অর্থবাজার সংকোচন এবং ব্যাংক সুদের হার বৃদ্ধির প্রেক্ষিতে পুঁজি বাজারে যথেষ্ট নিম্নগতি পরিলক্ষিত হচ্ছে। তবে অদূর ভবিষ্যতে বিভিন্ন সংস্থার বাৎসরিক ফলাফল ও লভ্যাংশ ঘোষিত হলে পুঁজি বাজার গতিশীল হয়ে উঠবে বলে আশা করা যাচ্ছে।



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. Mr. Abdul Monem
02. Mr. Khan Mohammad Ameer
03. Mr. Syedur Rahman Mintoo
04. Prof. Jahangir Chowdhury
05. Mr. Md. Sarwar Kamal
06. Ms. Razia Sultana Shimul
07. Mr. Md. Mushfiqur Rahman

পরিচালকমন্ডলী :

কোম্পানীর আর্টিকেলস অব এসোসিয়েশনের ১০৫ এবং ১০৭ ধারা অনুযায়ী “এ” গ্রুপের নিম্নলিখিত উদ্যোক্তা পরিচালকগণ অবসর গ্রহণ করবেন এবং যোগ্য বিধায় প্রত্যেকেই পুনঃনির্বাচনের ইচ্ছা প্রকাশ করেছেন :

- ১) জনাব আব্দুল মোনেম।
- ২) জনাব খান মোহাম্মদ আমীর।
- ৩) জনাব সাঈদুর রহমান মিন্টু।
- ৪) প্রফেসর জাহাঙ্গীর চৌধুরী।
- ৫) জনাব মো: সারোয়ার কামাল।
- ৬) জনাবা রাজিয়া সুলতানা শিমুল।
- ৭) জনাব মো: মুশফিকুর রহমান।



Besides, following 3(three) directors from Group-B shareholding retire today at the 20th AGM of the company.

Being eligible, all three have offered themselves for re-election:

01. Mr. Mahbub Anam
02. Mr. A.S.M. Mohiuddin Monem
03. Mr. Moazzem Hossain

এতদ্ব্যতীত “বি” গ্রুপ শেয়ারহোল্ডারদের মধ্য থেকে নিম্নবর্ণিত ৩ জন পরিচালক ২০তম এজিএম-এ অবসর গ্রহন করবেন। প্রত্যেকেই যোগ্য বিধায় তাঁরা পুনঃনির্বাচন করার ইচ্ছা প্রকাশ করেছেন :

- ১) জনাব মাহবুব আনাম।
- ২) জনাব এ.এস.এম, মহিউদ্দিন মোনেম।
- ৩) জনাব মোয়াজ্জেম হোসেন।



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., have 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 2006. Subject to the approval of the SEC, it is recommended that M/s. A. Wahab & Co., be appointed as the Auditor of the company for the year 2006 and fix their remuneration.

নিরীক্ষক :

আর্টিকেল অব এসোসিয়েশনের ১৪৯ ধারা অনুযায়ী কোম্পানীর নিরীক্ষক মেসার্স এ, ওহাব এন্ড কোং অবসর গ্রহন করবেন। তারা প্রগতি ইন্স্যুরেন্স লিমিটেড-এ অডিটর হিসাবে পুনঃনিযুক্তির আগ্রহ প্রকাশ করে পত্র দিয়েছে। আমরা মেসার্স এ, ওহাব এন্ড কোং কে ২০০৬ সালের জন্য কোম্পানীর অডিটর নিয়োগের জন্য সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের অনুমতি প্রার্থনা করে পত্র দিয়েছি। সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন-এর অনুমতি সাপেক্ষে আমরা ২০০৬ সালের জন্য মেসার্স এ, ওহাব এন্ড কোং কে কোম্পানীর অডিটর নিয়োগের এবং তাদের পারিতোষিক নির্ধারণের সুপারিশ জানাচ্ছি।



Directors' Report to the Shareholders (Under section 184 of the Companies Act, 1994)

We report that:

- (i) The financial statements prepared by the management of the company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- (ii) Proper books of account of the company have been maintained.
- (iii) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- (iv) International Accounting standards, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.
- (v) The system of internal control is sound in design and has been effectively implemented and monitored.
- (vi) There are no significant doubts upon the company's ability to continue as a going concern.
- (vii) There are no significant deviations from last year in operating result of the company.
- (viii) The key operating and financial data of preceeding five years have been included in the report.
- (ix) During the year ended December 31, 2005, the Board of Directors held 6(six) meetings and the Directors serving on the Board attended in aggregate 62.22% of the total number of meetings.
- (x) At December 31, 2005, the pattern of shareholding are given below:-
 - a) Shareholdings of Parent/ Subsidiary/Associate companies and other related parties. Nil.
 - b) Shareholdings of Directors, CEO, Company Secretary, CFO and Head of Internal Audit and their spouses and minor Children.



Sl. No.	Name of Directors , Company Secretary & CFO	No. of Shares	Spouse	Total	%
1	Al-Haj Khalilur Rahman	73,433	-	73,433	3.889
2	Engr. A. Latif	17,768	-	17,768	0.941
3	Mohd. A. Awwal	48,395	17,487	65,882	3.489
4	Mr. Abdul Monem	49,725	-	49,725	2.633
5	Abdul Awal Mintoo	15,478	33,567	49,045	2.597
6	Moazzam Hossain	29,615	20,637	50,252	2.661
7	Nigar Jahan Chowdhury	46,434	-	46,434	2.459
8	Khan Mohd. Ameer	46,435	-	46,435	2.459
9	Md. Syedur Rahman Mintoo	34,847	6,614	41,461	2.196
10	Capt. Imam Anwar Hossain	48,082	-	48,082	2.546
11	Syed M. Altaf Hussain	66,382	7,198	73,580	3.897
12	Prof. Jahangir Chowdhury	46,435	-	46,435	2.459
13	Md. Sarwar Kamal	34,052	16,248	50,300	2.664
14	Mohd. A. Malek	32,186	20,331	52,517	2.781
15	Razia Sultana Shimul	38,695	-	38,695	2.049
16	Engr. Mushfiqur Rahman	6,300	-	6,300	0.334
17	Tabith Mohd. Awal	12,444	-	12,444	0.659
18	A.N.M Yeahea	7,163	-	7,163	0.379
19	Md. Mahbubur Rahman	30,956	15,477	46,433	2.459
20	Tafsir Mohd. Awal (On behalf of Security Management)	58,972	-	58,972	3.123
21	Ahmedul Hoque	1,546	-	1,546	0.082
22	Tahsina Rahman (On behalf of KIY Steel Mill)	3,094	-	3,094	0.164
23	A.S.M. Mohiuddin Monem	4,686	-	4,686	0.248
24	A.S.M. Mainuddin Monem	3,836	-	3,836	0.203
25	Moazzem Hossain (On behalf of A. Monem Ltd)	105,571	-	105,571	5.591
26	Mahbub Anam	1,920	-	1,920	0.102
27	Akbar Hossain (On behalf of Security Management)	17,479	-	17,479	0.926
28	Zakaria Taher	6,764	-	6,764	0.358
29	AJM Enamul Islam	2,408	2,448	4,856	0.257
30	A.K.M. Rafiqul Islam, Managing Director	15,695	1,237	16,932	0.897
31	Company Secretary	462	-	462	0.024
32	CFO	328	-	328	0.017
			-		
1.4(K)(iii)	Executives		-		
1	ABM Mir Hossain	248	832	1,080	0.057
2	Md.Shahabuddin	1,437	-	1,437	0.076

Corporate Governance:

Most of the provisions of the SEC's Notification dated 20th February, 2006 are already in practice in the Company. However, a compliance report as per SEC Check list is given below:-

Condition No.	Title	Compliance Status		Explanation for Noncompliance /comments
		Complied	Not complied	
1.1	Board's size		✓	Under process
1.2(i)	Number of Independent Director		✓	Under process
1.2(ii)	Appointment of Independent Director		✓	Under process
1.3	Chairman of the Board & CEO	✓		
1.4(a)	FS present fairly its state of affairs, results of its operation, cash flows and changes in equity	✓		
1.4(b)	Proper books of accounts maintained	✓		
1.4(c)	Appropriate accounting policies consistently applied in FS preparation and accounting estimates are based on reasonable and prudent judgment	✓		
1.4(d)	IAS, as applicable in Bangladesh, followed in FS preparation & departure adequately disclosed	✓		
1.4(e)	The system of internal control sound in designed and effectively implemented & monitored	✓		
1.4(f)	No significant doubt upon its ability to continue as a going concern.	✓		
1.4(g)	Significant deviations from last year in operating results	✓		
1.4(h)	Key operating & financial data of at least preceeding three years	✓		
1.4(i)	If the company has not declared dividend, reasons thereof	✓		
1.4(j)	Number of Board Meeting held & attendance	✓		6 meetings with average 62.22% attendance
1.4(k)	Pattern of shareholding	✓		
2.1	Appointment of CFO, Head of Internal Audit & Company Secretary	✓		
2.2	Requirement to attend Board meetings	✓		
3.0	Audit Committee		✓	Under process
3.1(i)	Composition of Audit Committee			
3.1(ii)	Appointment of Audit Committee			
3.1(iii)	Service & tenure of Audit Committee			
3.2(i)	Selection of the Chairman of Audit Committee			
3.2(ii)	Qualification of the Chairman of Audit Committee			
3.3.1.(i)	Reporting of Audit Committee			
3.3.1(ii)(a)	Report on conflicts of interest			
3.3.1(ii)(b)	Suspected or presumed fraud or irregularity or material defect in the internal control system			
3.3.1(ii)(c)	Suspected infringement of laws			
3.3.1(ii)(d)	Any other matter			
3.3.2	Reporting of the Authorities			
3.4	Reporting to the Shareholders & General Investors			
4.00(i)	Appraisal or valuation service or fairness opinion	✓		
4.00(ii)	Financial information systems design and implementation	✓		
4.00(iii)	Book Keeping or other services related to accounting records or financial statements	✓		
4.00(iv)	Broker-dealer service	✓		
4.00(v)	Actuarial service	✓		
4.00(vi)	Internal audit services	✓		
4.00(vii)	Any other services	✓		
5.00	Reporting the compliance in the Directors Report	✓		

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 for the company. We are specially grateful to the management of Square Group, Beximco Group, KDS Group, Monem Group, Hosaf Group, Multimode Group, Abdul Khair Group, Monno Group, KAFCO, Grameen Phone, Aktel, City Cell, Novarties Bangladesh, Organon Bangladesh, BOC, Haque Group, Hop Lum, Holcim Cement, Heidelberg Cement, Lafarge Cement, Larson and Turbo, Emirate Cement, Glaxo Smithkline, Prostar Group, Chowdhury Apparels, McDonald (BD) Ltd., Gonoshashtya Group, DHL Worldwide, Group - 4, NTV, ETV, RTV, American School, UAE Embassy, Olympic Industries, NASA Group, Youngone Group, Pacific Jeans, HKD Group, Alita Group, Apex Weaving, Prime Textile, Anlima Dying, Tharmax Group, Dhaka Dying, Dhakaria, MGH Group, Westmont Power, Khulna Power, Jayson Group for reposing their confidence in the company. We have also been favoured by PHP group by placing a substantial portion of the group's business with Pragati.

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

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 3(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

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 স্কয়ার গ্রুপ, বেক্সিমকো গ্রুপ, কেডিএস গ্রুপ, মোনেম গ্রুপ, হোসাফ গ্রুপ, মাল্টিমোড গ্রুপ, আবুল খায়ের গ্রুপ, মুন্স গ্রুপ, কাফকো, গ্রামীন ফোন, একটেল, সিটি সেল, নোভারটিস বাংলাদেশ, অর্গানন বাংলাদেশ, বিওসি, হক গ্রুপ, হোপ লোম, হোসিম সিমেন্ট, হেইডেলবার্গ সিমেন্ট, লাকার্জ সিমেন্ট, লার্সন এন্ড টার্বো, এমিরাট সিমেন্ট, গ্ল্যাক্সো স্মিথক্লাইন, প্রোস্টার গ্রুপ, চৌধুরী এ্যাপারেলস, ম্যাকডোনাল্ড (বাংলাদেশ) লি., গণস্বাস্থ্য গ্রুপ, ডিএইচএল ওয়ার্ল্ড-ওয়াইড, গ্রুপ-৪, এনটিভি, ইটিভি, আরটিভি, আমেরিকান স্কুল, ইউএই এ্যাসিসি, অলিম্পিক ইন্ডাস্ট্রিজ, নাসা গ্রুপ, ইয়াং ওয়ান গ্রুপ, প্যাসিফিক জিন্স, এইচকেডি গ্রুপ, অগিটা গ্রুপ, এ্যাপেল্স উইথিং, প্রাইম টেক্সটাইলস, আনলিমা ডাইয়িং, থার্মাক্স গ্রুপ, ঢাকা ডাইয়িং, চাকরিয়া, এমজিএইচ গ্রুপ, ওয়েস্টমন্ড পাওয়ার, খুলনা পাওয়ার, জ্যাসন গ্রুপ প্রগতি ইন্স্যুরেন্সের উপর যে আস্থা প্রদর্শন করেছেন তার জন্য পরিচালকমন্ডলী তাঁদের নিকট গভীরভাবে কৃতজ্ঞ। এছাড়াও পিএইচপি গ্রুপের ইন্স্যুরেন্স ব্যবসাও আমরা ইতিমধ্যে অর্জনে সক্ষম হয়েছি।

আমরা গণপ্রজাতন্ত্রী বাংলাদেশ সরকার, প্রধান বীমা নিয়ন্ত্রক, সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, সাধারণ বীমা কর্পোরেশন 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 ও কৃতজ্ঞতা।

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

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

পরিচালকমন্ডলীর পক্ষে

আলহাজ্জ খলিলুর রহমান
চেয়ারম্যান।



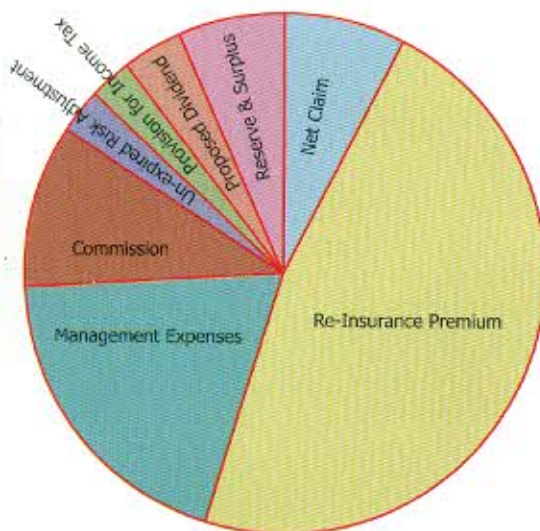
Value Added Statement:

For the year ended 31st December, 2005

Value Added

BDT Million

Gross Premium	632.09
Commission on Re-Insurance Ceded	58.49
Interest, Dividend & Other Income	<u>64.73</u>
Total Tk.	<u>755.31</u>



Application

BDT Million

Net Claim	56.33
Re-Insurance Premium	357.11
Management Expenses	145.90
Commission	76.57
Un-expired Risk Adjustment	21.06
Provision for Income Tax	20.0
Proposed Dividend	28.32
Reserve & Surplus	<u>50.02</u>
Total Tk.	<u>755.31</u>





PRAGATI INSURANCE LIMITED

AUDIT REPORT AND STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2005





AUDITORS' REPORT TO THE SHAREHOLDERS OF PRAGATI INSURANCE LIMITED

We have audited the accompanying Balance Sheet of Pragati Insurance Limited as of December 31, 2005 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, 2005 and of the results of its operations and its Cash Flows for the year then ended and comply with the Companies Act, 1994, Insurance Act 1938 and 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-I of the Third Schedule of the Insurance Act 1938 as amended, we certify that to the best of our information and as shown by its books, the Company during the year under report has not paid any person any commission in any form outside Bangladesh in respect of any of its business re-insured abroad.

Dated: Dhaka, May 22, 2006



(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS

BALANCE SHEET

As at December 31, 2005

CAPITAL & LIABILITIES	Notes	2005	2004
Authorized Capital:			
2,500,000 Ordinary shares of Tk. 100 each.		<u>250,000,000</u>	<u>250,000,000</u>
Issued, Subscribed & Paid-up capital:			
1,888,330 Ordinary shares of Tk. 100 each	15	188,833,000	151,066,500
Share Premium		7,352,272	45,118,772
Reserve or Contingency account:		642,633,496	617,909,055
Reserve for Exceptional Losses		240,022,686	212,524,799
Contingency Reserve for Insurance Guarantees and Tail ended Insurance Business	16	105,869,651	105,869,651
Revaluation Reserve	17	187,043,461	215,320,830
General Reserve	18	22,264,728	1,264,728
Dividend Equalization Reserve		37,500,000	37,500,000
Depreciation Fund	19	48,288,502	45,307,812
Balance of Profit & Loss Appropriation Account		1,644,468	121,235
Balance of Fund & Account:		139,122,477	118,065,758
Fire Insurance Business		22,520,162	20,845,624
Marine Insurance Business		69,731,106	54,833,749
Misc. Insurance Business		46,871,209	42,386,385
Premium Deposit	20	5,967,447	7,499,186
Liabilities & Provision:		270,808,017	278,699,012
Estimated Liabilities in respect of outstanding Claims whether due or Intimated	21	170,032,269	160,401,084
Amount due to other persons or bodies carrying on Insurance Business	22	100,775,748	118,297,928
		53,310,336	82,870,027
Loan from Bank for Building Project (Secured)	23	53,310,336	46,091,895
Loan from Bank for Gulshan Land (Secured)	23.01	-	36,778,132
Sundry Creditors	24	31,340,099	30,447,774
Provision for Income Tax	25	36,848,669	18,359,333
Proposed Cash Dividend	26	28,324,950	30,213,300
	Taka:	<u>1,404,540,763</u>	<u>1,380,248,717</u>

Notes:

- i) Contingent Liabilities (Note-34)
- ii) Figures have been rounded off to the nearest Taka.
- iii) Approved by the Board on May 21, 2006 and signed on its behalf by.


A.K.M Rafiqul Islam
 Managing Director


Engr. A. Latif
 Director


Syed M. Altaf Hussain
 Director

Dated: Dhaka, May 22, 2006



AUDITORS' REPORT TO THE SHAREHOLDERS OF PRAGATI INSURANCE LIMITED

We have audited the accompanying Balance Sheet of Pragati Insurance Limited as of December 31, 2005 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, 2005 and of the results of its operations and its Cash Flows for the year then ended and comply with the Companies Act, 1994, Insurance Act 1938 and 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-I of the Third Schedule of the Insurance Act 1938 as amended, we certify that to the best of our information and as shown by its books, the Company during the year under report has not paid any person any commission in any form outside Bangladesh in respect of any of its business re-insured abroad.

Dated: Dhaka, May 22, 2006




(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS

BALANCE SHEET

As at December 31, 2005

PROPERTY & ASSETS	Notes	2005	2004
Investment		163,354,314	169,350,581
National Investment Bond	1	4,500,000	4,500,000
Shares & Debentures (Shares at market value)	2	158,854,314	164,850,581
Outstanding Premium	3	36,217,939	11,479,916
Amount due from other persons or bodies carrying on insurance business	4	128,853,950	116,742,182
Interest, Dividend & Rent Outstanding	5	7,578,213	7,578,213
Sundry Debtors (including Advance Deposit & Prepayments)	6	38,525,089	25,214,900
Advance Payment of Tax	7	15,422,981	2,981,112
Cash and Bank Balances		344,668,476	380,931,546
Fixed Deposit Accounts	8	286,707,632	278,502,632
STD & Current Accounts	9	51,802,956	96,112,700
Cash & Stamp in Hand	10	6,157,888	6,316,214
Other Accounts		669,919,801	665,970,267
Land (freehold)	11	356,626,207	356,098,311
Land at Gulshan	12	63,935,754	62,796,636
Fixed Assets (at cost)	13	73,769,047	71,538,527
Joint Venture Building Project	14	175,294,893	175,294,893
Stock of Printing Materials		293,900	241,900
		1,404,540,763	1,380,248,717
	Taka:	1,404,540,763	1,380,248,717

Subject to our separate report of even date.



Al-Haj Khalilur Rahman
Chairman



(A. Wahab & Co.)
Chartered Accountants

PROFIT AND LOSS ACCOUNT

For the year ended December 31, 2005

	Note	2005	2004
Expenses of Management: (not applicable to any fund or account)			
Advertisement & Publicity		4,520,381	4,650,171
Directors Fee		631,415	1,158,440
Bonus		7,500,000	6,500,000
Registration renewal fee	31	1,765,856	1,636,539
Donation		-	1,000,000
Audit Fees (including fee for special audit)	32	508,000	500,000
Legal expenses		171,523	350,000
Depreciation		5,322,305	4,593,651
Profit for the year transferred to Profit & Loss Appropriation Account		98,346,070	75,705,984
	Taka:	118,765,550	96,094,785

PROFIT AND LOSS APPROPRIATION ACCOUNT

For the year ended December 31, 2005

Reserve for Exceptional Losses		27,497,887	23,415,003
Provision for Income Tax		20,000,000	20,721,330
General Reserve		21,000,000	1,000,000
Dividend Equalization Reserves		-	1,000,000
Proposed Cash Dividend		28,324,950	30,213,300
Balance Transferred to Balance Sheet	33	1,644,468	121,235
	Taka:	98,467,305	76,470,868

Approved by the Board on May 21, 2006 and signed on its behalf by.



A.K.M Rafiqul Islam
Managing Director



Engr. A. Latif
Director



Syed M. Altaf Hussain
Director

Dated: Dhaka, May 22, 2006

PROFIT AND LOSS ACCOUNT

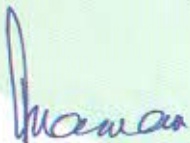
For the year ended December 31, 2005

	Note	2005	2004
Interest, Dividend and Rent (Not applicable to any fund or account)		37,515,303	26,989,593
Interest received & accrued	28	26,162,932	20,246,953
Dividend and Debenture interest	29	5,984,973	3,396,092
Building Rent	30	5,367,398	3,346,548
Profit transferred from :	27	54,030,606	47,816,305
Fire revenue account		23,558,402	19,271,385
Marine revenue account		25,721,791	21,834,538
Misc. revenue account		4,750,413	6,710,382
Other income :		27,219,641	21,288,887
Misc. receipt		1,604,821	501,406
Profit on Sale of Investment (Shares)		25,614,820	20,787,481
Taka:		118,765,550	96,094,785

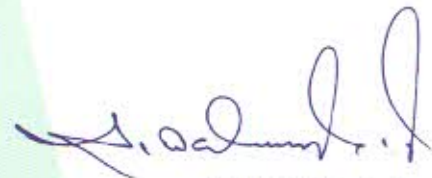
PROFIT AND LOSS APPROPRIATION ACCOUNT

For the year ended December 31, 2005

Balance brought forward from previous period	121,235	764,884
Net profit for the years transferred from Profit and Loss Account	98,346,070	75,705,984
Taka:	98,467,305	76,470,868



Al-Haj Khalilur Rahman
Chairman



(A. Wahab & Co.)
Chartered Accountants



FIRE INSURANCE REVENUE ACCOUNT

For the year ended December 31, 2005

	2005	2004
Claims under policies Less : Re-insurance : Paid during the year	11,278,880	6,492,317
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	59,638,120	62,278,951
	70,917,000	68,771,268
Less : Outstanding claims at the end of the previous year	62,278,951	37,345,167
	8,638,049	31,426,101
Commission on Re-insurance accepted	-	760,533
Expenses of management	24,376,864	36,770,107
Commission Expenses	31,185,599	-
Profit transferred to Profit & Loss Account	23,558,402	19,271,385
Balance of account at the end of the year as shown in Balance Sheet : Reserve for unexpired risks, being 50% of the fire premium income of the year	22,520,162	20,845,624
Taka:	110,279,076	109,073,750

A.K.M. Rafiqul Islam

A.K.M Rafiqul Islam
Managing Director

Engr. A. Latif

Engr. A. Latif
Director

Syed M. Altaf Hussain

Syed M. Altaf Hussain
Director

Dated: Dhaka, May 22, 2006

FIRE INSURANCE REVENUE ACCOUNT

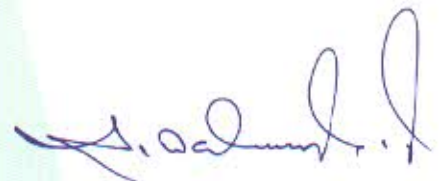
For the year ended December 31, 2005

	2005	2004
Balance of account at the beginning of the year :		
Reserve for unexpired risk	20,845,624	29,536,506
Premium less : Re-insurance	45,040,325	41,691,248
Commission on Re-insurance ceded	44,393,127	37,845,996
	110,279,076	109,073,750

Taka: 110,279,076 109,073,750



Al-Haj Khalilur Rahman
Chairman



(A. Wahab & Co.)
Chartered Accountants



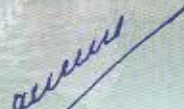
MARINE INSURANCE REVENUE ACCOUNT

For the year ended December 31, 2005

	CARGO	HULL	2005	2004
Claims under Policies Less : Re-Insurance: Paid during the year	7,727,287	146,585	7,873,872	6,524,863
Total estimated liability in respect of Outstanding Claims at the end of the year whether due or intimated	52,200,940	311,958	52,512,898	58,824,232
	59,928,227	458,543	60,386,770	65,349,095
Less : Outstanding Claims at the end of the previous year	58,749,216	75,016	58,824,232	37,628,369
	1,179,011	383,527	1,562,538	27,720,726
Expenses of Management	72,125,373	1,469,737	73,595,110	61,749,895
Commission Expenses	30,880,502	1,173,526	32,054,028	-
Profit transferred to Profit & Loss Account	24,923,000	798,791	25,721,791	21,834,538
Balance of Account at the end of the year as shown in Balance Sheet : Reserve for unexpired risks being 50% of the Marine Cargo Premium income 100% of the Marine Hull Premium Income of the year	66,465,022	3,266,084	69,731,106	54,833,749
Taka:	195,572,908	7,091,665	202,664,573	166,138,908



A.K.M Rafiqul Islam
Managing Director



Engr. A. Latif
Director



Syed M. Altaf Hussain
Director

Dated: Dhaka, May 22, 2006

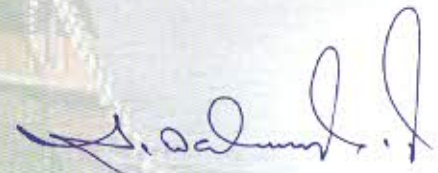
MARINE INSURANCE REVENUE ACCOUNT

For the year ended December 31, 2005

	CARGO	HULL	2005	2004
Balance of Account at the beginning of the year : Reserve for unexpired risk	52,852,271	1,981,478	54,833,749	49,411,832
Premium Less : Re-Insurance	132,930,045	3,266,084	136,196,129	107,686,020
Commission on Re-Insurance Ceded	9,790,592	1,844,103	11,634,695	9,041,056
Taka:	195,572,908	7,091,665	202,664,573	166,138,908



Al-Haj Khalilur Rahman
Chairman



(A. Wahab & Co.)
Chartered Accountants



MISCELLANEOUS INSURANCE REVENUE ACCOUNT

For the year ended December 31, 2005

	MOTOR	MISC.	2005	2004
Claims under policies less : Re-insurance paid during the year	23,339,225	4,213,271	27,552,496	34,238,894
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	27,578,968	30,302,285	57,881,253	39,297,901
	50,918,193	34,515,556	85,433,749	73,536,795
Less : Outstanding claims at the end of the previous year	24,873,607	14,424,294	39,297,901	37,782,379
	26,044,586	20,091,262	46,135,848	35,754,416
Commission on Re-insurance accepted	-	-	-	44122
Expenses of management	26,198,013	1,306,039	27,504,052	39,228,354
Commission Expenses	11,513,256	1,815,427	13,328,683	-
Profit & Loss Account	3,522,724	1,227,689	4,750,413	6,710,382
Balance of account at the end of the year as shown in Balance Sheet : Reserve for unexpired risks being 50% of the motor and misc. premium income of the year	34,664,456	12,206,753	46,871,209	42,386,385
Taka:	101,943,035	36,647,170	138,590,205	124,123,659



A.K.M Rafiqul Islam
Managing Director



Engr. A. Latif
Director



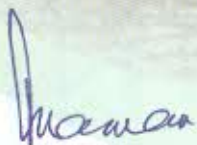
Syed M. Altaf Hussain
Director

Dated: Dhaka, May 22, 2006

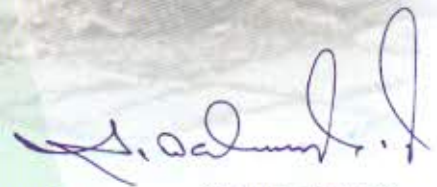
MISCELLANEOUS INSURANCE REVENUE ACCOUNT

For the year ended December 31, 2005

	MOTOR	MISC.	2005	2004
Balance of account at the beginning of the year :				
Reserve for unexpired risks	32,614,124	9,772,261	42,386,385	34,350,928
Premium less Re-insurance	69,328,911	24,413,505	93,742,416	84,772,771
Commission on Re-insurance ceded	-	2,461,404	2,461,404	4,999,960
Taka:	101,943,035	36,647,170	138,590,205	124,123,659



Al-Haj Khalilur Rahman
Chairman



(A. Wahab & Co.)
Chartered Accountants



STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2005

Particulars	Share Capital	Share Premium	Reserve for Exceptional Losses	Revaluation Reserve	General Reserve	Dividend Equalization Reserve	Income Tax Provision	Proposed Dividend	Retained Earnings	Total
Opening Balance as on 01-01-2005	151,066,500	45,118,772	212,524,799	215,320,830	1,264,728	37,500,000	18,359,333	30,213,300	121,235	711,489,497
Dividend Paid (For 2004)	-	-	-	-	-	-	-	(28,826,200)	-	(28,826,200)
Transfer to unpaid dividend	-	-	-	-	-	-	-	(1,387,100)	-	(1,387,100)
Increase share capital during the year	37,766,500	-	-	-	-	-	-	-	-	37,766,500
Adjustment of Share Premium	-	(37,766,500)	-	-	-	-	-	-	-	(37,766,500)
Revaluation Reserve during the year	-	-	-	(28,277,369)	-	-	-	-	-	(28,277,369)
General Reserve during the year	-	-	-	-	21,000,000	-	-	-	(21,000,000)	-
Dividend Equalization Reserve	-	-	-	-	-	-	-	-	-	-
Net Profit for the year 2005	-	-	-	-	-	-	-	-	98,346,070	98,346,070
Reserve for Exceptional losses	-	-	27,497,887	-	-	-	-	-	(27,497,887)	-
Provision for Income Tax	-	-	-	-	-	-	20,000,000	-	(20,000,000)	-
Proposed Dividend (2005)	-	-	-	-	-	-	-	28,324,950	(28,324,950)	-
Tax adjustment during the year	-	-	-	-	-	-	(1,510,664)	-	-	(1,510,664)
December 31, 2005	188,833,000	7,352,272	240,022,686	187,043,461	22,264,728	37,500,000	36,848,669	28,324,950	1,644,468	749,834,234

See accompanying notes.

Approved by the board on May 21, 2006 and signed on its behalf by:

Dated: Dhaka, May 22, 2006


A.K.M Rafiqul Islam
Managing Director


Engr. A. Latif
Director


Syed M. Altaf Hussain
Director


Al-Haj Khalilur Rahman
Chairman


(A. Wahab & Co.)
Chartered Accountants

STATEMENT OF CASH FLOW

For the year ended December 31, 2005

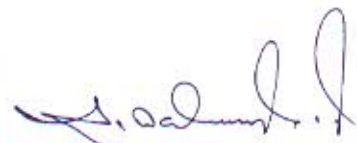
	2005	2004
A. Cash Flow from Operating Activities :		
Net Profit after Tax	78,346,070	58,005,984
Adjustment to reconcile net profit to net cash provided by Operating Activities :		
Depreciation	2,980,690	3,033,651
Reserve for Unexpired Risk	21,056,719	4,766,492
Decrease in Stock of Printing	(52,000)	27,500
Increase in Advance Payment of Tax	(12,441,868)	7,514,674
Increase in Sundry Debtors	(13,310,189)	(1,935,651)
Decrease in Interest, Dividend & Rent outstanding	-	580,566
Increase in Amount due from Other Person or Bodies carrying on Insurance Business	(12,111,768)	15,408,486
Increase in outstanding premium	(24,738,023)	688,518
Increase/Decrease in Income Tax Payable	(1,510,664)	(6,151,021)
Decrease in S. Creditors (Excluding unpaid Dividend)	(448,115)	3,082,005
Increase in Estimated Liability in respect of outstanding claim whether due or intimated	9,631,185	47,645,169
Increase in amount due to other person or bodies carrying on insurance business	(17,522,280)	56,479,451
Increase/Decrease in Premium Deposit	(1,531,739)	(40,233,418)
Net Cash Flow from Operating Activities	28,348,018	148,912,406
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets (Including Land)	(5,250,234)	(15,544,779)
Disposal of Investment & Other Assets	48,491,177	17,618,937
Investment made during the year	(49,425,040)	(13,718,295)
Net Cash Flow from Investing Activities	(6,184,097)	(11,644,137)
C. Cash Flow from Financing Activities :		
Loan Received from Bank	7,218,441	12,658,581
Loan Repayment to Bank	(36,778,132)	(46,710,208)
Dividend Paid	(28,867,300)	(23,657,620)
Net Cash Flow from Financing Activities	(58,426,991)	(57,709,247)
Decrease in Cash and Bank Balance (A+B+C)	(36,263,070)	79,559,022
Cash and Bank Balance at Opening	380,931,546	301,372,524
Cash and Bank Balance at Closing	344,668,476	380,931,546


A.K.M Rafiqul Islam
Managing Director


Engr. A. Latif
Director


Syed M. Altaf Hussain
Director


Al-Haj Khalilur Rahman
Chairman


(A. Wahab & Co.)
Chartered Accountants

Dated: Dhaka, May 22, 2006



NOTES ON ACCOUNTS

For The Year Ended December 31, 2005

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 Stock Exchange Limited 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 other than life insurance 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 has not been accounted for. But interest received during the year on maturity of NIB and 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 Debentures:

Loss or Gain on sale of shares and dividend income earned during the year have been shown in the Profit and Loss Account and the tax relief as well as the concession 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 and amounting to Tk. 125,476,026 is approximately 19.85% of gross premium of Tk. 632,085,785. The expenses have been apportioned @19.43% to Fire 58.65% to Marine and 21.92% 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 risk 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 2005.

ix) Reserve for Exceptional Loss:

Reserve for Exceptional Losses as appropriated out of current year's profit before tax amounts to Tk. 27,497,887 being 10% of the net premium earned during the year.

x) Depreciation on Fixed Assets:

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

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

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

xi) Outstanding Premium:

The outstanding premium appearing in the accounts represents only the amount which was realized subsequently till January, 2006.

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 make 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) Issue of Bonus Share:

The company has transferred an amount of Tk. 37,766,500 (bonus share @ 25% of total paid up capital of Tk. 151,066,500) from share premium account to share capital account.

xv) Others:

- a) Provision for Income Tax has been made in accordance with the best estimate of the management based on the prevailing Income Tax Law without considering the admissible and in-admissible expenses.
- b) Provision for deferred tax has not been made during the year.
- c) During the year interest on investments in NIB and Dividend on shares have been accounted for as income on declaration basis.
- d) Figures have been rounded off the nearest Taka and previous year's figures have been re-arranged for the purpose of comparison, whether felt necessary.

C. OPERATION:

During the year 2005, the company earned gross premium of Tk. 632,085,785 which includes public sector business of Tk. 20,676,001. After ceding for re-insurance, the net premium stood at Tk. 274,978,870. Underwriting Profit of Tk. 54,030,606 as against Tk. 47,816,305 in the previous year, worked out to be 19.65% of the net premium.

Public Sector business:

Public Sector business for four quarters up to June 2005 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 during the year up to Assessment year 2004-2005 (A/cs 31-12-2003) as per Assessment Order. Assessment for the year 2005-2006 (A/c 31-12-2004) is under process.

BALANCE SHEET:

1.0 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 been accounted for.

2.0 Shares and Debentures: Tk. 158,854,314

The movement of the balance is shown below:

Particulars:	2005	2004
Opening Balance	164,850,581	108,496,991
Add: Purchased during the year	49,425,040	13,718,295
	214,275,621	122,215,286
Less: Sales/Redemption during the year	41,619,466	15,458,937
	172,656,155	106,756,349
Add: Difference between Market Price & Cost Price	-	58,094,232
	172,656,155	164,850,581
Less: Difference between Market Price & Cost Price (Adjusted through Revaluation Reserve Account)	13,801,841	-
Closing Balance at Market value Taka :	158,854,314	164,850,581

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

i) Shares: Tk. 139,835,170

Share in Public Limited Company	No. of Shares	Book Value	Market Value as on 31-12-2005
Rupali Bank Ltd.	325	223,519	177,775
National Bank Ltd.	1,310	528,861	977,260
Dhaka Bank Ltd.	3,500	1,791,631	1,641,500
IFIC Bank Ltd.	93	37,851	53,243
Prime Bank Ltd.	5,810	2,418,102	3,959,514
Southeast Bank Ltd	7,050	4,246,730	3,948,000
One Bank Ltd.	6,666	2,183,249	1,946,472
Standard Bank Ltd.	508	157,604	173,355
Al-Arafa Bank Ltd.	727	2,043,393	2,226,074
Mutual Trust Bank	31,745	15,277,430	14,023,354
NCCBL	3,510	1,651,728	1,097,753
Bank Asia	2,500	1,220,176	1,219,375
Exim Bank Ltd.	6,120	3,136,838	3,121,200
1st ICB Mutul Fund	155	426,250	405,325
5th ICB Mutul Fund	160	59,920	53,280
6th ICB Mutul Fund	600	125,400	109,200
7th ICB Mutul Fund	700	146,825	129,500
Green Delta Insurance Co. Ltd.	414	267,161	239,603
Pioner Insurance	300	83,850	69,075
Reliance Insurance Ltd.	2,527	1,425,000	960,260
United Insurance Ltd.	440	319,220	283,910
Delta Life Insurance	140	429,883	417,340
National Life Insurance	621	1,016,248	772,835
Eastland Insurance Co. Ltd.	270	111,825	65,542
AMCL (Pran)	200	118,300	80,150
Ashraf Textile Mills Ltd.	2,500	15,000	10,000
Atlas Bangladesh	200	72,216	47,900
Bata shoe	1,000	151,328	148,900
Beximco Pharma Ltd.	70,694	5,800,793	4,225,931
Bangladeah Online Ltd	30,500	1,889,841	1,561,600
BOC Bangladesh Ltd.	100	14,470	10,930
Central Depository Bangladesh Ltd.	2	2,000,000	2,000,000
Daffodials Computers Ltd.	100,000	1,440,000	1,440,000
Eastern Housing Ltd.	4,580	582,805	396,170
Estern Cables	700	179,637	145,250
Grameen Mutual fund One	60,000	600,000	954,000
Hedelbere Cement Bangladesh Ltd.	9,796	10,042,178	5,229,455
Ind. & Infrastructure Dev. Finance Co. Ltd.	138,000	11,500,000	11,500,000
Keya Cosmetics Ltd.	24,500	684,600	855,050
Keya Detergent Ltd.	89,000	1,411,201	1,450,700
Lafarge Surma Cement Ltd.	87,549	38,320,913	36,420,384
Monno Fabrics Ltd.	147,550	10,918,700	8,779,225
National Housing Ltd.	200,000	20,000,000	20,000,000
National Tubes Ltd.	210	457,095	313,110
Padma Textile Ltd.	99,625	2,763,291	2,181,787
Reneta	140	427,780	420,000
Shinepukur Holding Ltd.	400	17,900	11,400
Square Pharmaceuticals Ltd.	878	2,820,905	2,146,930
Square Textile Ltd.	3,979	446,650	326,278
Tallu Spinning Mills Ltd.	50	4,154	5,313
Tripti Industries Ltd.	21,120	995,808	554,400
United Leasing Co. Ltd.	632	622,915	544,151
Usmania Glass Sheet Ltd.	5	9,835	5,411
Total Taka (i)		153,637,011	139,835,170

ii) **Debentures: Tk. 19,019,144**

Name of the Company	At Cost Less: Redemption
Bangladesh Export Import Company Ltd.	1,660,000
Beximco Fisheries Ltd.	1,161,194
Beximco Textile Ltd.	2,091,750
Beximco Denims Ltd.	9,606,200
Bangladesh Luggage Industries Ltd.	4,500,000
Total Taka (ii)	19,019,144
Grand Total Taka (i+ii)	158,854,314

3.00 **Outstanding Premium: Tk. 36,217,939**

The balance represents outstanding premium on direct account, which have been realized subsequently till January, 2006. The business wise break-up of the outstanding premium shown above is given below:

Particulars	2005	2004
Fire	21,022,624	3,234,498
Marine	11,735,311	5,007,204
Motor	2,138,553	2,574,026
Misc.	1,321,451	664,188
Taka:	36,217,939	11,479,916

