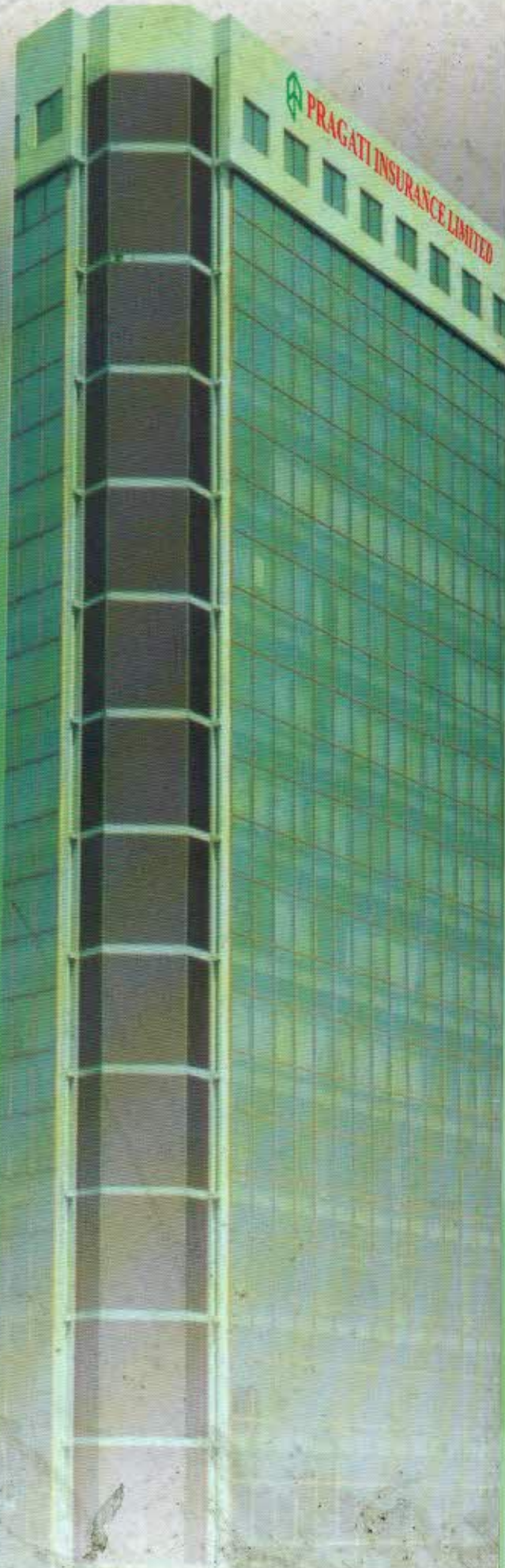




ANNUAL REPORT 2006



**PRAGATI
INSURANCE
LIMITED**
SYMBOL OF SECURITY





Let's Preserve the Nature Ever Green



Company Profile

Incorporation	January 27, 1986
---------------	------------------

Listing with DSE	April 04, 1996
------------------	----------------

Commencement	January 30, 1986
--------------	------------------

Listing with CSE	April 06, 1996
------------------	----------------



Pragati Insurance Ltd. has recently signed a Credit Rating Agreement with the Credit Rating Agency of Bangladesh Ltd. (CRAB). Photo shows Managing Director of Pragati Insurance Ltd., Mr. AKM Rafiqul Islam & the Managing Director & Economic Adviser of CRAB Dr. Masihur Rahman exchanging the documents after signing the agreement on behalf of their respective organizations.

Pragati Insurance Limited

CREDIT RATING REPORT (ENTITY RATING)

	Long Term	Short Term
Rating Outstanding (Assigned on 31 st May 2007)	AA2	ST-1
Validity of Outstanding Rating	1 (one) year	

Financial Analyst : Md. Moazzam Hossain

1. RATING DETAILS

1.1 Rating Rationale

CRAB has assigned "AA2"(pronounced Double A Two) rating to Pragati Insurance Limited in the Long Term and "ST-1" in the Short Term. General Insurance Companies rated in the Long Term "AA2"category, are adjudged to be very strong insurance company, characterized by good financials, healthy and sustainable franchises, and a first rate operating environment. This level of rating indicates very high claims paying ability, protection factors are strong, risk is modest but may vary slightly over time due to underwriting and/or economic condition. General Insurance Companies rated in the Short Term "ST-1" category, are considered to have highest capacity for timely repayment of obligations, excellent position in terms of liquidity, internal fund generation, and access to alternative sources of funds is outstanding. CRAB performed the present rating assignment based on the audited financial statements of 31 December 2006 and other relevant information. The present rating takes into account both quantitative and qualitative indicators of underwriting quality, claim paying ability, capital adequacy and solvency, corporate governance, risk involvement, asset quality, economic and business environment.

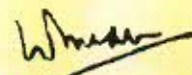
1.2 Key Rating Issues

Rating Strengths

- ♦ Large market share
- ♦ Strong financial performance and profitability
- ♦ Adequate claim meeting capacity
- ♦ Strong franchise value
- ♦ Quality underwriting expertise
- ♦ Strong reserve base
- ♦ Introducing corporate governance issues and guidelines for compliance with the regulations of CCI and SEC

Rating Concerns

- ♦ Speedy completion of the corporate governance guidelines issued by CCI and SEC



Managing Director
Credit Rating Agency
of Bangladesh Ltd.



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

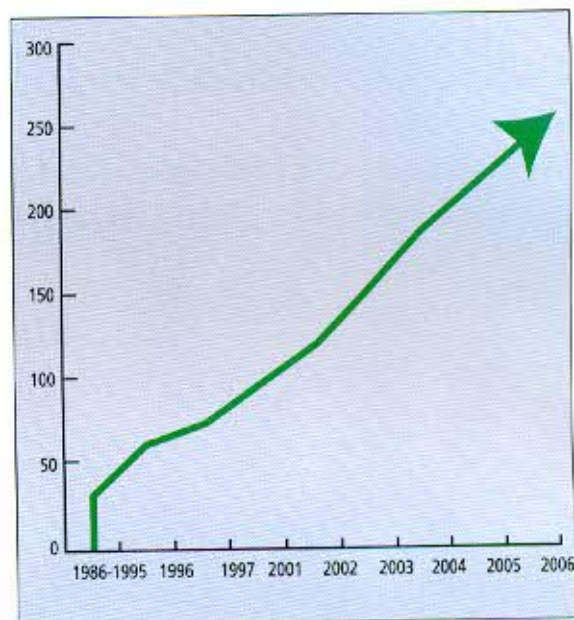
- Sadharan Bima Corporation of Bangladesh
- General Insurance Corporation of India





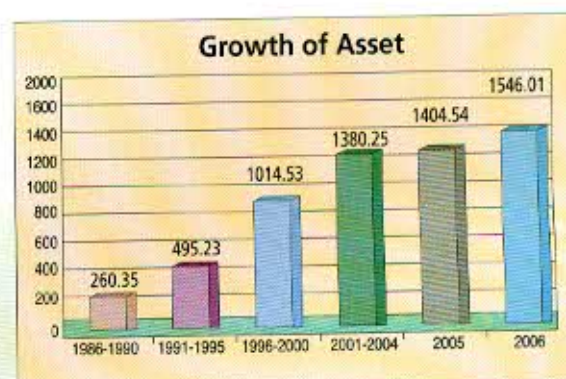
Growth of Capital (BDT Million)

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
2006	15% stock dividend	249.73



Growth of Asset (BDT Million)

1986-1990	260.35
1991-1995	495.23
1996-2000	1014.53
2001-2004	1380.25
2005	1404.54
2006	1546.01





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: 9116303, 9134335, 9134337, 8123075, 8117996, 9131279
E-mail: pilbima@bangla.net TELEX: 571168 PGI BJ FAX: 880-2-8122980 P.O. BOX 3721

Notice of the 21st Annual General Meeting

Notice is hereby given that the 21st Annual General Meeting of Pragati Insurance Limited will be held on **Thursday, the 14th June, 2007 at 12: 00 noon at the Jamuna Resort Ltd, Bhuapur, Tangail** to transact the following business :

1. To receive, consider and adopt the Directors' Report for the year ended 31st December, 2006.
2. To receive, consider and adopt the Audited Accounts of the company and the Auditors' Report thereon for the year ended 31st December 2006.
3. To declare Dividend for the year 2006 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 2007 and fix their remuneration.

By order of the Board of Directors

(HR Chowdhury)

Asstt. Managing Director
and Company Secretary

Date : Dhaka 10th May, 2007

Note :

- (a) The record date : 24th May, 2007
- (b) Members of the company whose name appear in the Register of Members upto the record date will be entitled to dividend for the year 2006 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.**

বিশেষ দ্রষ্টব্য: সম্মানিত শেয়ার হোল্ডারবৃন্দ যাহারা যমুনা রিসোর্টে অনুষ্ঠিতব্য কোম্পানীর ২১তম বার্ষিক সাধারণ সভায় যোগদানে ইচ্ছুক তাহাদেরকে যাতায়তের ব্যবস্থার জন্য আগামী ১লা জুন হইতে ৭ জুন ২০০৭ তারিখের মধ্যে তাহাদের নাম অনুগ্রহপূর্বক কোম্পানীর প্রধান কার্যালয়ের শেয়ার বিভাগে রেজিস্ট্রী করার জন্য অনুরোধ জানানো যাইতেছে। অন্যথায় তাহাদের যাতায়তের ব্যবস্থা করা সম্ভব হইবে না।



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



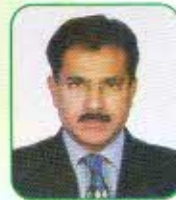
A.S.M Mohiuddin Monem



Ahmedul Hoque



Tansina 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

Md. Shahabuddin

Asstt. Managing Director

Mohammad Ali Khan

Asstt. Managing Director and Company Secretary

Hafizur Rahman Chowdhury

Sr. Executive Vice President

Mahboob Uddin Ahmed

Executive Vice President

Zabed Ali Mridha, FCA.

Abdul Momen

Sharif Mustaba

M.A. Hasan

Md. Nazrul Islam

Md. Sirajul Mustafa

Md. Fazlul Karim Alamgir

S.M.B. Shameem

Sr. Vice President

Md. Shafiqul Islam

Monjurul Hoque

Khandoker Zafor Sadeque

Shahid-e-Monzur Murshed

Md. Jamal Uddin Haider

Vice President

Kabir Ahmed

Md. Ahsan Ullah

Abdus Salam

Ali Fathker Kallol

Md. Golam Farooque

Farid Ahmed

Deputy Vice President

Bikash Chandra Pal

Asstt. Vice President

A. K. M. Nasrum Minallah

Fatema Bari

Selina Akhter

Shah Alam Sikder

Salim Sajjad Haque

Nahid Akhter Chowdhury

Delwar Hossain

Md. Habibur Rahman

Md. Murad Ahmed

Azizul Hoque

Ashis Kumar Barua

Auditor

A. Wahab & Co.

Chartered Accountants



চেয়ারম্যানের বাণী

প্রিয় শেয়ারহোল্ডারবৃন্দ,
আসসালামু আলাইকুম

প্রগতি ইন্স্যুরেন্স লিমিটেড এর পরিচালকমন্ডলীর পক্ষ থেকে আমি কোম্পানীর ২১তম বার্ষিক সাধারণ সভায় আপনাদেরকে স্বাগতঃ জানাচ্ছি।

ঢাকা থেকে ১২০ কিঃ মিঃ দূরে যমুনা রিসোর্টে কোম্পানীর বার্ষিক সভায় আপনাদের উপস্থিতি দেখে আমরা উৎসাহিত এবং আনন্দিত। এটা প্রগতি ইন্স্যুরেন্সের প্রতি আপনাদের ভালবাসার প্রতিফলন। আপনাদেরকে ধন্যবাদ।

কোম্পানীর বার্ষিক প্রতিবেদন ইতিমধ্যেই আপনাদের নিকট পাঠানো হয়েছে। নানা প্রতিকূলতা সত্ত্বেও প্রগতি ইন্স্যুরেন্স লিমিটেড সদ্য সমাপ্ত বছরে অর্থাৎ ২০০৬ সালে ৬৯৫ মিলিয়ন টাকা গ্রস প্রিমিয়াম আয় করেছে যা ২০০৫ সালের তুলনায় ১০% শতাংশ অধিক। বীমা ব্যতীত অন্যান্য খাতে অর্থাৎ income from other source থেকে আয় পূর্ববর্তী বছরের তুলনায় ভাল এবং সন্তোষজনক এবং ২০০৫ সালের তুলনায় ৩৮.৪৬% অধিক।

বাংলাদেশের মত সীমিত বাজারে ৪৩টি সাধারণ বীমা কোম্পানীর প্রতিযোগিতা অবলেনখন খাতে আয়ের পরিমান হ্রাসের কারণ। এটা প্রায় সব কোম্পানীর ক্ষেত্রেই কম-বেশী প্রযোজ্য।

আপনারা অবগত আছেন যে, ২০০৬ সালের শেষভাগে অর্থাৎ অক্টোবর, নভেম্বর, ডিসেম্বর মাসে রাজনৈতিক অস্থিতিশীলতার কারণে দেশের শিল্প, বাণিজ্য, প্রভৃতিভাবে ব্যহত হয়। বর্তমানে পরিস্থিতির অনেকটা উন্নতি হলেও, ব্যবসা-বাণিজ্যে এখন পর্যন্ত তেমন তেজীভাব পরিলক্ষিত হচ্ছে না। ফলে বীমা ব্যবসায়ও মন্দাভাব চলছে। আমরা আশা করি অচিরেই আকাশ মেঘমুক্ত হয়ে রোদেলা হবে, আমরা দেখতে পাব রোদউজ্জল সকাল।

প্রিয় শেয়ারহোল্ডারবৃন্দ, বীমা শিল্পের ভবিষ্যৎ সমস্যা সম্পর্কে আমরা সচেতন এবং আমাদের সজাগদৃষ্টি রয়েছে। দেশের অর্থনৈতিক উন্নয়ন নিশ্চিত হলে আমাদের অগ্রগতিও নিশ্চিত হবে। আপনাদের পৃষ্ঠপোষকতা, সক্রিয় সহযোগিতা এবং গঠনমূলক পরামর্শ আমাদের ভবিষ্যৎ কার্যক্রমে সহায়ক হবে। ইনশাআল্লাহ কোম্পানীর অগ্রগতি অব্যাহত রাখতে এবং কোম্পানীর অবস্থান ও পরিচিতি বৃদ্ধি করতে আমরা দৃঢ় প্রতিজ্ঞ।

প্রিয় শেয়ারহোল্ডারবৃন্দ, কোম্পানীর চেয়ারম্যান হিসেবে দায়িত্ব আমার আজকেই সমাপ্ত। জনাব আব্দুল আউয়াল মিন্টু যাকে আপনারা সবাই জানেন এবং যিনি আপনাদের সংগে ব্যক্তিগতভাবে পরিচিত, তিনি আজ কোম্পানীর নূতন চেয়ারম্যান হিসেবে দায়িত্বভার গ্রহন করবেন। জনাব মিন্টুর মত একজন বিজ্ঞ, প্রতিভাশালী ব্যক্তির নিকট দায়িত্ব অর্পন করতে পেরে আমি আনন্দিত। তার নেতৃত্বে কোম্পানী আরও উন্নতি এবং সাফল্য অর্জন করবে এ বিষয়ে আমি নিশ্চিত। আমি জনাব মিন্টু এবং আপনাদের দীর্ঘায়ু, সুস্বাস্থ্য এবং সাফল্য কামনা করছি।

পরিশেষে আজকের সভায় আপনাদের উপস্থিতি সহযোগিতা, মূল্যবান সময় ও পরামর্শ দানের জন্য পুনরায় ধন্যবাদ জানিয়ে প্রগতি ইন্স্যুরেন্স লিমিটেড এর উত্তরোত্তর সাফল্য কামনা করে আপনাদের নিকট থেকে বিদায় নিচ্ছি।

আব্দুল হাফেজ।

আলহাজ্ব খলিলুর রহমান
চেয়ারম্যান



Company's Performance

5 Years at a glance

Taka in Million

Particulars	2002	2003	2004	2005	2006
Financial Performance					
Gross premium	350.39	468.74	507.70	632.09	695.43
Net Premium	176.47	225.95	234.15	274.98	303.68
Net claim	67.50	51.48	94.90	56.34	63.06
Underwriting profit	40.99	41.56	47.82	54.03	64.18
Investment income	24.51	25.07	23.64	37.51	37.09
Income from financial service/Capital	5.06	7.27	24.64	27.22	39.88
Net profit before tax	56.39	58.42	75.71	98.35	121.97
Net profit after tax	45.89	46.42	54.96	78.35	94.47
Share Capital and Reserve					
Paid up Capital	95.16	118.95	151.09	188.83	217.16
Share Holders Equity	595.07	584.92	766.99	780.51	948.14
Total Reserves	627.83	721.54	779.29	784.92	882.91
Assets					
Investment in Shares and Securities	90.12	111.99	169.35	163.35	220.22
Cash, FDR and Bank balance	260.98	301.37	380.93	344.67	475.59
Land at cost	348.07	413.24	418.89	420.57	356.63
Total Assets	1,093.17	1,252.24	1,380.24	1,404.54	1,546.01
Ratios					
Dividend in percent	20+25 (Stock)	20+27 (Stock)	20+25 (Stock)	15+15 (Stock)	15+15 (Stock)
EPS	48.22	39.02	36.40	41.49	56.17
P/E (Times)	10.96	16.54	19.29	9.45	6.94
Solvency Surplus	717.71	830.43	830.80	863.64	1022.32



Directors' Report-2006 . পরিচালকমন্ডলীর প্রতিবেদন-২০০৬

Dear Shareholders

Assalamu Alaikum,

On behalf of the Board of Directors of Pragati Insurance Limited, I have the pleasure to welcome you, the esteemed shareholders to the 21st Annual General Meeting of the company, being held in the picturesque Jamuna Resort Limited. It is indeed our pleasure to present before you the Board of Directors Report, the Audited Balance Sheet, Revenue Accounts, Profit and Loss A/C, Appropriation A/C and other Financial Statements for the year 2006 along with Auditors' Report thereon.

It is indeed also our pleasure to inform you that as per direction of the Chief Controller of Insurance, affairs of the company went through Credit Rating appraisal. Credit Rating Certificate showing our rating has also been printed in this Annual Report for your kind perusal and appreciation.

The company started its journey in 1986 with a humble beginning and treaded through the ups & downs of development during the last 21 years with impunity, dignity and social recognition. We always look back to find our short-comings and march ahead with commitment not only to correct those pitfalls in the past but also with new plan and initiatives to reach our goal of "service to our valued clients". We also strive hard to satisfy our shareholders not only with good annual return but also with our commitment to protect and preserve their interest in the company.

We always value the suggestion of our shareholders and keep our commitment to the policyholders who subscribe to the bread and butter of the company. We eagerly preserve the assets of the company to the satisfaction of our esteemed policyholders as well as of the shareholders. We always keep the confidence placed on our shoulders by the stakeholders, who are our masters with sincerity and honesty.

প্রিয় শেয়ারহোল্ডারবৃন্দ

আসসালামু আলাইকুম,

প্রগতি ইন্সুরেন্স লিঃ এর পরিচালনা পর্ষদের পক্ষ থেকে আমি কোম্পানীর সম্মানিত শেয়ারহোল্ডারগণকে আজকের এই ২১ তম বার্ষিক সাধারণ সভার স্বাগত জানাতে পেরে অত্যন্ত আনন্দিত। প্রাকৃতিক শোভায় শোভিত যমুনা রিসোর্টে এই বার্ষিক সভার আয়োজন সভাকে আরও আনন্দঘন করে তুলবে বলে আমাদের বিশ্বাস। এমনি একটি সুন্দর পরিবেশে আপনাদের সম্মুখে ২০০৬ইং সালের পরিচালকমন্ডলীর রিপোর্ট, নিরীক্ষিত ব্যালেন্সশীট রাজস্ব আয়-ব্যয়, লাভ-লোকসানের হিসাব ও বন্টন এবং নিরীক্ষকদের প্রতিবেদন সহ অন্যান্য আর্থিক প্রতিবেদন সমূহ পেশ করতে পেরে আমরা আনন্দিত।

আপনারা জেনে আনন্দিত হবেন যে, প্রধান বীমা নিয়ন্ত্রকের নির্দেশনা অনুযায়ী কোম্পানীর কার্যাবলী ট্রেডিং রেটিং এসোসিয়েশনে মাধ্যমে পর্যালোচনা করা হয়েছে এবং প্রাপ্ত রেটিং বার্ষিক প্রতিবেদনে উল্লেখ করা হয়েছে। ১৯৮৬ ইং সালে যাত্রা শুরু থেকে বিগত ২১ বছরে এই কোম্পানী নানা ঘাত-প্রতিঘাতের মাধ্যমে এর অগ্রযাত্রা অব্যাহত রাখতে সক্ষম হয়েছে। বর্তমানে কোম্পানী শুধুমাত্র সম্মানজনক স্থানেই নয় সামাজিকভাবেও স্বীকৃতি অর্জন করেছে। বিগত বছরগুলোতে আমরা আমাদের দুর্বলতা/ভুলত্রুটিসমূহ দূর করার চেষ্টা করেছি এবং সঙ্গে সঙ্গে আমাদের সম্মানিত গ্রাহকদের অধিকতর সেবা দানের ক্ষেত্রে নতুন নতুন পরিকল্পনা ও উদ্যোগ গ্রহণ করেছি। এছাড়াও সম্মানিত শেয়ারহোল্ডারবৃন্দের স্বার্থ আমরা শুধুমাত্র লভ্যাংশ প্রদানের মাধ্যমেই সীমাবদ্ধ রাখিনি বরং তাদের স্বার্থ সংরক্ষনের উদ্দেশ্যে আমাদের যে অঙ্গীকার তা রক্ষার জন্য সর্বাত্মক চেষ্টা চালিয়েছি। আমরা আমাদের সম্মানিত শেয়ারহোল্ডারবৃন্দের পরামর্শসমূহ অত্যন্ত গুরুত্বের সাথে গ্রহণ করে থাকি। এছাড়া সম্মানিত গ্রাহকদের প্রতি প্রদত্ত আমাদের অঙ্গীকার রক্ষায়ও আমরা সর্বদা সচেষ্ট। কোম্পানীর শেয়ারহোল্ডার এবং গ্রাহকবৃন্দের স্বার্থে এবং তাদের সম্পূর্ণ সন্তুষ্টি সহকারে আমরা কোম্পানীর সম্পদ রক্ষনাবেক্ষন করে থাকি। আমাদের উপর অর্পিত দায়িত্ব পালনে আমরা সর্বদা সচেতন। কারন আমরা মনে-প্রাণে বিশ্বাস করি যে, কোম্পানীর সম্মানিত শেয়ারহোল্ডার এবং সম্মানিত গ্রাহকবৃন্দই আমাদের পথ প্রদর্শক ও শুভাকাংখী।



Economic Environment:

The economy of the country during 2006 sailed through smoothly until upto the end of the elected Govt. who passed on the gable to the Care Taker Government as is mandated in the Constitution of the country. Last quarter of 2006 witnessed political unrest disturbing smooth functioning of economic activities. Movement of export and import cargos came to a almost grinding halt. Garment factories could not get their fabrics from the port imported under back to back L/C and process for export to meet the date lines. As a result, export performance which was running ahead of target upto October, fell short of the target in January 2007.

However, Economy of Bangladesh is full of resilience at times of need. This has been shown in 2006 again in the face of rising energy prices and political hick-up. The GDP growth has been estimated at 6.7% for FY 2006 from 6% in FY 2005. Growth was manifested in the agricultural sector followed by robust performance of the industry sector; as well as an enviable service sector to balance the process. Export recorded a rise of 21.62% and reached \$10.53 billion and imports increased to \$14.75 billion. Garments industry witnessed commendable growth of 24.89% led by the Knitwear sector and earned \$4.81 billion in FY 2006. The country received remittance of \$5.48 billion compared to \$4.25 billion in the previous year from the wage-earners abroad. As a result, "Foreign Exchange Reserves" stood at \$3.88 billion at the end of December, 2006. It is expected to touch \$5.00 billion at the end of the current fiscal year as is expected by the Governor of Bangladesh Bank.

Operational Results are summarized below:

Premium Income : In Million Taka

	2006	2005	% +(-)
Fire Insurance	258	244	6%+
Marine & Marine Hull	277	269	3%+
Motor & Misc. Ins.	160	119	34%+
	695	632	10%+

অর্থনীতি

২০০৬ সালে দেশের অর্থনীতি বিগত নির্বাচিত সরকারের মেয়াদপূর্তি পর্যন্ত স্বাভাবিক/সহজ গতিতেই চলছিল। দেশের শাসনতন্ত্র অনুযায়ী বিগত সরকারের মেয়াদপূর্তির পর তত্ত্বাবধায়ক সরকারের নিকট ক্ষমতা অর্পিত হয়। ২০০৬ সালের শেষ কোয়ার্টারে দেশে রাজনৈতিক অস্থিরতার কারনে অর্থনৈতিক কর্মকাণ্ড ব্যাহত হয়। আমদানী-রপ্তানী বানিজ্য স্থবির হয়ে পড়ে, তৈরী পোষাক শিল্প গুরুতর সমস্যার সম্মুখীন হয়। বন্দর থেকে আমদানীকৃত মালামাল ছাড়িয়ে পোষাক তৈরী সম্পন্ন করে সময়মত রপ্তানী করতে অসুবিধার সম্মুখীন হয়। ফলে অক্টোবর মাস পর্যন্ত যে গার্মেন্টস শিল্প টার্গেটের অতিরিক্ত রপ্তানী করেছিল তা জানুয়ারী ২০০৭ সালে এসে টার্গেট পূরনে ব্যর্থ হয়।

আনন্দের বিষয় যে বাংলাদেশের অর্থনীতি সময়ের সঙ্গে তাল মিলিয়ে চলতে সক্ষম। ২০০৬ সালেও তার প্রমান পাওয়া গেছে যখন জ্বালানী তৈলের মূল্য উর্ধগতি ধারণ করে এবং রাজনৈতিক অস্থিতিশীলতা দেশের অর্থনীতিকে ব্যাপক ভাবে ক্ষতিগ্রস্ত করে। ২০০৬ বার্ষিক অর্থনৈতিক প্রবৃদ্ধি ৬.৭% উন্নীত হয়েছে যা ২০০৫ অর্থ বছরে ৬% সীমাবদ্ধ ছিল। এর মূলে রয়েছে কৃষি ও শিল্প খাতের উন্নয়ন এবং সেবা খাতে বিনিয়োগ এবং তার অবদান। ২০০৬ সালের অর্থ বছরে দেশের রপ্তানী বানিজ্যে আয় হয় ১০.৫৩ বিলিয়ন ডলার যা ২০০৫ অর্থ বছরের আয়ের তুলনায় ২১.৬২% অধিক। আমদানী বানিজ্যের পরিমান ছিল ১৪.৭৫ বিলিয়ন ডলার। তৈরী পোষাক শিল্পে প্রশংসনীয় অগ্রগতি সাধিত হয় এবং আয় ২৪.৮৯% বৃদ্ধি পায়। নীটওয়ার শিল্প ২০০৬ সালে ৪.৮১ বিলিয়ন ডলার আয় করে এবং পোষাক শিল্পের অগ্রগতিতে মূখ্য ভূমিকা পালন করে। প্রবাসী বাংলাদেশীদের প্রেরিত অর্থের পরিমান দাড়ায় ৫.৪৮ বিলিয়ন ডলার যা ২০০৫ সালে ছিল ৪.২৫ বিলিয়ন ডলার। ফলে দেশের বৈদেশিক মুদ্রা তহবিল ২০০৬ সালের ডিসেম্বর মাসে ৩.৮৮ বিলিয়ন ডলারে উন্নীত হয়েছে। বর্তমান অর্থবছর শেষে এই তহবিলের পরিমান ৫ বিলিয়ন ডলারে উন্নীত হবে বলে বাংলাদেশ ব্যাংকের মাননীয় গভর্নর আশাবাদ ব্যক্ত করেছেন।

কোম্পানীর কার্যক্রমের সার সংক্ষেপ নিম্নে বর্ণিত হলো :

প্রিমিয়াম আয় (মিলিয়ন টাকা)

	২০০৬	২০০৫	% +(-)
অগ্নি	২৫৮	২৪৪	৬%+
মেরিন ও মেরিন হাল	২৭৭	২৬৯	৩%+
মোটর ও বিবিধ	১৬০	১১৯	৩৪%+
	৬৯৫	৬৩২	১০%+



Although our target was Tk. 727 million i.e. 15% over the last year (2005), we could only record 10% rise in view of the situation prevailing during the last quarter of 2006.

Underwriting income : In Million Taka

	2006	2005	% +(-)
Fire Insurance	(14)	23.5	(-)
Marine & Marine Hull Ins.	48	25	92%+
Motor & Misc. Ins	30	5	500%+
	64	53.5	19.6%+

For the first time, we incurred loss in the Fire Dept. Incidence of fire in 2006 was much more than previous years in frequency. We had big loss due to fire in the Bombay Sweets Packaging Factory involving Tk.270 million, in the PRAN Factory involving Tk.40 million to mention a few. These happened all in one year. Besides, smaller losses falling within our retention but without inviting treaty XL Re-insurance recovery resulted into loss in the department.

Claims paid (Net of Re-Insurance)

	2006	2005	% Change
Fire	33.32	8.64	+285.64
Marine (Cargo)	16.55	1.18	+1302.54
Marine (Hull)	0.05	0.38	-86.84
Motor	10.14	26.04	-61.06
Misc.	3.00	20.09	-85.06
Total	63.06	56.33	+11.95

যদিও আমাদের টার্গেট ছিল ৭২৭ মিলিয়ন টাকা অর্জন অর্থাৎ ২০০৫ সালের তুলনায় ১৫% বেশী কিন্তু আলোচ্য বছরের শেষভাগে দেশের সার্বিক পরিস্থিতির কারণে আমরা মাত্র ১০% প্রবৃদ্ধি অর্জন করতে সক্ষম হয়েছি।

অবলেনখন আয় (মিলিয়ন টাকা)

	২০০৬	২০০৫	% +(-)
অগ্নি	(১৪)	২৩.৫	(-)
মেরিন ও মেরিন হাল	৪৮	২৫	৯২%+
মোটর ও বিবিধ	৩০	৫	৫০০%+
	৬৪	৫৩.৫	১৯.৬%+

উল্লেখ্য, আলোচ্য বছরেই প্রথমবারের মত আমরা অগ্নি বীমা খাতে ক্ষতির সম্মুখীন হই। ২০০৬ সালে অগ্নি দুর্ঘটনা সংক্রান্ত দাবী পূর্ববর্তী বছরের তুলনায় বৃদ্ধি পায়। উদাহরণ স্বরূপ দু'টি বড় ঘটনার উল্লেখ করা যেতে পারে। প্রথম- বোম্বে সুইটস প্যাকেজিং ফ্যাক্টরীর একটি অগ্নিকাণ্ডে আমাদেরকে ২৭০ মিলিয়ন টাকা এবং প্রান ফ্যাক্টরীর অপর দুর্ঘটনায় ৪০ মিলিয়ন টাকা দাবী বহন করতে হয়। একই বছরে এই দু'টি দুর্ঘটনা সংঘটিত হয়। এতদ্ব্যতীত কিছু ছোট অগ্নি বীমা দাবী আমাদেরকে পরিশোধ করতে হয়েছে যা আমাদের নিজস্ব Retention এর মধ্যে থাকায় পুরোটাই কোম্পানীকে বহন করতে হয়। যার জন্য অগ্নি বীমা খাতে আলোচ্য বছরে আমাদেরকে লোকসানের সম্মুখীন হতে হয়েছে।

বীমা দাবী পরিশোধ

	২০০৬	২০০৫	% পরিবর্তন
অগ্নি	৩৩.৩২	৮.৬৪	+২৮৫.৬৪
মেরিন (কার্গো)	১৬.৫৫	১.১৮	+১৩০২.৫৪
মেরিন (হাল)	০.০৫	০.৩৮	-৮৬.৮৪
মোটর	১০.১৪	২৬.০৪	-৬১.০৬
বিবিধ	৩.০০	২০.০৯	-৮৫.০৬
মোট	৬৩.০৬	৫৬.৩৩	+১১.৯৫

However, loss in the Fire Dept. has been amply compensated by good performance in the Marine, Motor and Misc. dept. Thus, the bottom line shows growth of 19.6% in the underwriting profit over the previous year.

iii) Investment operation:

During the year under report, the company invested a sum of Tk. 52.5 million in the Share Capital of United Hospital. This will give an impetus in the burgeoning health sector of the country besides investment return in the form of Dividend. This, we hope, will help in enlarging our health insurance program also. Investment in Shares and Debentures rose to Tk. 215.725 million from Tk. 158.85 million in 2005.

তবে অগ্নি বিভাগের ক্ষতি আমরা সামলে নিতে পেরেছি মেরিন, মোটর এবং বিবিধ বিভাগের সফল কর্মকাণ্ডের জন্য। যার ফলে অবলেনন খাতে মুনাফা ২০০৫ সালের তুলনায় মোট ১৯.৬% বৃদ্ধি পেয়েছে।

৩) বিনিয়োগ :

আলোচ্য বছরে কোম্পানী ইউনাইটেড হাসপাতাল শেয়ার ক্যাপিটালে ৬২.৫ মিলিয়ন টাকা বিনিয়োগ করেছে। ডিভিডেন্ট আয় ছাড়া এ বিনিয়োগ দেশের চিকিৎসা ব্যবস্থার উন্নয়নে সহায়তা হবে বলে আমরা মনে করি। এতদ্ব্যতীত কোম্পানীর স্বাস্থ্য বীমা পলিসির গ্রাহক সংখ্যা বৃদ্ধি পাবে বলে আমরা আশা করছি। আলোচ্য বছরে শেয়ার এবং ডিবেন্ডারে বিনিয়োগের পরিমাণ বৃদ্ধি পেয়ে ২১৫.৭২৫ মিলিয়ন টাকায় উন্নীত হয়। ২০০৫ সালে এ খাতে বিনিয়োগের পরিমাণ ছিল ১৫৮.৮৫ মিলিয়ন টাকা।



iv) Income from Financial Operation:

The company earned Tk. 45 million in 2006 against Tk. 32.5 million in 2005, a rise of 38.46% over the previous year. This is due to active operation in the Stock Exchange.

৪) বীমা ব্যতীত অন্যান্য খাত থেকে আয় :

২০০৬ সালে প্রগতি ইন্সুরেন্স অন্যান্য খাত থেকে আয় করে ৪৫ মিলিয়ন টাকা যা ২০০৫ সালের তুলনায় ৩৮.৪৬% অধিক। বিগত বছরে এর পরিমাণ ছিল ৩২.৫ মিলিয়ন টাকা। দেশের পুঁজি বাজারে সক্রিয়ভাবে অংশ গ্রহন করার মাধ্যমে এই আয় করা সম্ভব হয়েছে।

vi) Capital Gain through sale of land:

Company sold off a part of its land stock and earned Tk. 91,658,690. This has not been included in the operational revenue or profit and loss A/C. This has been shown in the Balance Sheet as a separate item under the head "Capital Gain". The company might utilize the fund in the development of its remaining stock or buy fresh property.

vi.a) Revaluation of Land and Property:

Company has not revalued its remaining land stock although the price appreciated generally and in some places substantially.

Likewise, value of the Joint Venture Building is shown at cost without revaluation. Asking price per sqr mtr of similar building elsewhere in the city's commercial districts is far above the cost.

৬) জমি বিক্রয়ের মাধ্যমে আয় :

কোম্পানী আলোচ্য বছরে নিজস্ব সম্পত্তি থেকে একটি অংশ বিক্রি করে ৯১,৬৫৮,৬৯০ টাকা আয় করেছে। এই অর্থ কোম্পানীর রাজস্ব আয় অথবা প্রফিট এন্ড লস একাউন্টে অন্তর্ভুক্ত করা হয়নি। প্রাপ্ত এই অর্থকে ব্যালেন্স শীটে একটি ভিন্ন খাত "ক্যাপিটাল গেইন" - এ দেখানো হয়েছে। কোম্পানী এই অর্থকে বিনিয়োগ খাতের উন্নয়নে অথবা নতুন সম্পদ ক্রয়ের উদ্দেশ্যে ব্যবহার করতে পারবে।

৬-ক) সম্পদের পুনঃ মূল্যায়ন :

আলোচ্য বছরে কোম্পানীর জমির মূল্য পুনঃ মূল্যায়ন করা হয়নি। যদিও জমির মূল্য সাধারণভাবে এবং কোন কোন ক্ষেত্রে প্রচুর বৃদ্ধি পেয়েছে। একইভাবে যৌথ উদ্যোগে নির্মিত কোম্পানীর হেড অফিস ভবনের ক্ষেত্রেও মূল্য নির্মাণ ব্যয় দেখানো হয়েছে পুনঃমূল্যায়ন করা হয়নি। ঢাকা নগরীর বানিজ্যিক এলাকায় এ ধরনের ভবনের প্রতি বর্গমিটারের মূল্য নির্মাণ ব্যয়ের বহু উর্ধ্বে।


vii) Company introduces "Telebima Policy"

The company has been working for quite sometime on the Telebima Policy. Only recently, it has entered into a MOU with AKTEL to cover the post-paid clients of the operators. This will definitely augment our area of operation and consequent income in revenue.

viii) Crop Insurance Policy:

We have developed an understanding with PKSF for covering their clients on an experimental basis with respect to loss of crops and personal accident of the borrowers. Simultaneously, we are also negotiating with the World Bank on the issue of "INDEX BASED WEATHER INSURANCE" almost similar to the one we have finalized with PKSF. However, World Bank's approach is based on variation in the predicted index of an area instead of loss assessment of the farmer on identified land as a means of indemnification.

৭) "টেলিবিমা পলিসি" প্রবর্তন :

প্রগতি ইন্সুরেন্স লিঃ বেশ কিছুদিন যাবত "টেলিবিমা পলিসি" প্রবর্তনের উপর প্রচেষ্টা চালিয়ে যাচ্ছিল। সম্প্রতি আমরা "একটেল"- এর সঙ্গে একটি সমঝোতা চুক্তি স্বাক্ষর করেছি। এর অধীনে একটেলের পোস্ট পেইড গ্রাহকরা একটি বিমা পলিসির আওতায় আসবে। এর ফলে আমাদের কর্মক্ষেত্রের পরিধিই শুধু বৃদ্ধি পাবে না, আমাদের রাজস্ব আয়ও বৃদ্ধি পাবে।

৮) শস্য বিমা পলিসি :

সম্প্রতি আমরা পল্লী কর্মসংস্থান ফাউন্ডেশন(PKSF) সঙ্গে আলাপ আলোচনার মাধ্যমে শস্যহানী এবং স্বনামধন্যতার দুর্ঘটনাজনিত মৃত্যুর জন্য পরীক্ষামূলকভাবে একটি বিমা পলিসি প্রবর্তনের বিষয়ে একমত হয়েছি। একই সঙ্গে আমরা বিশ্বব্যাংকের সঙ্গে মোটামুটি একই ধরনের "INDEX BASED WEATHER INSURANCE" পলিসি প্রবর্তনের প্রস্তাব নিয়ে আলোচনা করছি যদিও বিশ্বব্যাংকের প্রস্তাবিত পদ্ধতির সাথে আমাদের প্রস্তাবিত পদ্ধতির পার্থক্য রয়েছে।



ix) Looking into the future:

First; we want to consolidate our position in the market and enhance our reputation nationally as well as international Re-insurance arena.
Secondly; our aim is to increase Shareholders value, retaining our motto of "Service above Self".
Thirdly; we want to see our employees happy.
Fourthly; we crave for the indulgence of our valued policyholders, clients and the shareholders.

Board of Directors:

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

01. Al-Haj Khalilur Rahman
02. Syed M. Altaf Hussain
03. Mrs. Nigar Jahan Chowdhury
04. Capt. Imam Anwar Hossain
05. Mr. Moazzam Hossain
06. Eng. A. Latif

Besides, following 4(four) directors from Group-B shareholding retire today at the 21st 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. A.S.M. Mainuddin Monem
04. Mr. Tafsir M. Awal

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 auditors 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 2007. 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 2007 and fix their remuneration.

৯) ভবিষ্যত কার্যক্রম :

প্রথমত : আমরা দেশে আমাদের অবস্থান সুদৃঢ় এবং জাতীয়ভাবে এবং আন্তর্জাতিক রি-ইস্যুরেন্স মার্কেটে কোম্পানীর সুনাম বৃদ্ধি চাই;
দ্বিতীয়ত : কোম্পানীর মূল লক্ষ্য "Service above self" সমুন্নত রেখে কোম্পানীর সম্মানিত শেয়ারহোল্ডারদের স্বার্থ সংরক্ষণ করতে চাই ও গ্রাহক সেবা বৃদ্ধি করতে আমরা বদ্ধ পরিকর;
তৃতীয়ত : আমরা আমাদের সকল কর্মকর্তা/কর্মচারীবৃন্দকে সুখী দেখতে চাই;
চতুর্থত : আমরা আমাদের সম্মানিত গ্রাহকদের এবং শেয়ারহোল্ডারদের পক্ষ থেকে সকল প্রকার সাহায্য, সহমর্মিতা এবং সহযোগিতা প্রত্যাশা করি।

পরিচালকমন্ডলী :

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

- ১) জনাব আলহাজ্ব খলিলুর রহমান
- ২) জনাব সৈয়দ এম আলতাফ হুসাইন।
- ৩) মিসেস নিগার জাহান চৌধুরী।
- ৪) ক্যাপ্টেন ইমাম আনোয়ার হোসেন।
- ৫) জনাব মোয়াজ্জেম হোসেন।
- ৬) ইঞ্জিনিয়ার এ. লতিফ।

এতদ্ব্যতীত "বি" গ্রুপ শেয়ারহোল্ডারদের মধ্য থেকে নিম্নবর্ণিত ৪ জন পরিচালক ২১তম এজিএম-এ অবসর গ্রহণ করবেন। প্রত্যেকেই যোগ্য বিধায় তাঁরা পুনঃনির্বাচন করার ইচ্ছা প্রকাশ করেছেন।

- ১) জনাব আহমাদুল হক।
- ২) জনাব এজেএম এনামুল ইসলাম।
- ৩) জনাব এ.এস. এম. মাইনুদ্দিন মোনেম।
- ৪) জনাব তাফসির এম, আউয়াল।

নিরীক্ষক :

আর্টিকেল অব এসোসিয়েশনের ১৪৯ ধারা অনুযায়ী কোম্পানীর নিরীক্ষক মেসার্স এ, ওহাব এন্ড কোং অবসর গ্রহণ করবেন। তারা প্রগতি ইস্যুরেন্স লিমিটেড এ অডিটর হিসাবে নিযুক্তির আগ্রহ প্রকাশ করে পত্র দিয়েছে। আমরা মেসার্স এ, ওহাব এন্ড কোং কে ২০০৭ সালের জন্য কোম্পানীর অডিটর নিয়োগের জন্য সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের অনুমতি প্রার্থনা করে পত্র দিয়েছি। সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের অনুমতি সাপেক্ষে আমরা ২০০৭ 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, 2006, the Board of Directors held 7 (Seven) meetings and the Directors serving on the Board attended in aggregate 72 % of the total number of meetings.
- (x) At December 31, 2006, 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	84447		84447	3.888
2	Engr. A. Latif	20433		20433	0.940
3	Mohd.A. Awwal	55654	20110	75764	3.488
4	Mr. Abdul Monem	57183		57183	2.633
5	Abdul Awal Mintoo	17800	38602	56402	2.597
6	Moazzam Hossain	34057	23732	57789	2.661
7	Nigar Jahan Chowdhury	53399		53399	2.458
8	Khan Mohd.Ameer	53400		53400	2.459
9	Md. Syedur Rahman Mintoo	40073	7607	47680	2.195
10	Capt. Imam Anwar Hossain	55766		55766	2.567
11	Syed M.Altaf Hussain	76339	8277	84616	3.896
12	Prof. Jahangir Chowdhury	53400		53400	2.459
13	Md. Sarwar kamal	39159	18684	57843	2.664
14	Moh. A. Malek	37013	23080	60093	2.767
15	Razia Sultana Shimul	44791		44791	2.062
16	Engr. Mushfiqur Rahman	7245		7245	0.333
17	Tabith Mohd. Awal	14310		14310	0.658
18	A.N.M Yeahia	8237		8237	0.379
19	Md. Mahbubur Rahman	35599	17799	53398	2.458
20	Tafsir Mohd. Awal (on behalf of Security Management).	67816		67816	3.122
21	Ahmedul Hoque	1777		1777	0.081
22	Tahsina Rahman (on behalf of KDS Garments)	3558		3558	0.163
23	A.S.M Mohiuddin Monem	5386		5386	0.248
24	A.S.M Mainuddin Monem	4410		4410	0.203
25	Moazzam Hossain (on behalf of A. Monem)	121406		121406	5.590
26	Mahbub Anam	2208		2208	0.101
27	Akbar Hossain (on behalf of Security Management)	20100		20100	0.925
28	Zakaria Taher	7778		7778	0.358
29	AJM Enamul Islam	2194		2194	0.101
30	A.K.M Rafiqul Islam, Managing Director	18048		18048	0.831
31	Company Secretary	531		531	0.024
32	CFO	377		377	0.017
1.4 K)(ii)	Executive				0.000
1	ABM Mir Hossain	285	956	1241	0.057



Corporate Governance :

Most of the provision of the SEC's Notification dated 20th February 2007 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	✓		
1.2 (ii)	Appointment of Independent Director	✓		
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	✓		7 Meetings with average 72% attendance
1.4 (h)	Key operating & financial data of at least preceeding three years	✓		
1.4 (i)	If the company has not declared dividend, reasons there of	✓		
1.4 (j)	Number of Board Meeting held & attendance			
1.4 (k)	Pattem of shareholding	✓		
2.1	Appointment of CFO, Head of internal Audit & company Secretary	✓		
2.2	Requirement to attend Board meetings	✓		
3.0	Audit Committee	✓		
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, NBFIs 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, Abdul Monem Group, Hosaf Group, Multimode Group, Monno Group, KAFCO, Grameen Phone, Aktel, City Cell, Warid Telecom, Novartis Bangladesh, Nuvista Bangladesh, BOC Bangladesh, Haque Brothers, Hop Lum, Holcim Cement, Heidelberg Cement, Lafarge Cement, Larson and Turbo, Emirate Cement, Glaxo Smithkline, Prostar Group, Chowdhury Apparels, McDonald (BD) Ltd., Gonoshahya Group, DHL Worldwide, Group-4, NTV, RTV, ETV, American School, UAE Embassy, NASA Group, Youngone Group, Pacific Jeans, HKD Group, Alita Group, Apex Weaving, Anlima Dying, Thermax Group, Dhaka Dying, Dhakaria, MGH Group, Westmont Power, Jayson Group, Shams Group, NR 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, DSE, CSE, 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) incentive 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 মালিকাবীন ব্যবসায়িক প্রতিষ্ঠানসমূহের প্রতি কৃতজ্ঞতা প্রকাশ করেছেন। কোম্পানীকে বর্তমান মর্যাদার উন্নীতকরণে তাঁদের অবদান অপরিসীম। বিশেষভাবে স্কয়ার গ্রুপ, বেক্সিমকো গ্রুপ, কেডিএস গ্রুপ, মোনো গ্রুপ, হোসাফ গ্রুপ, মাল্টিমোড গ্রুপ, মনু গ্রুপ, কাফকো, গ্রামীণ ফোন, একটেল, সিটিসেল, ওয়ারিড টেলিকম, নোভারটিস বাংলাদেশ, নুভিসটা বাংলাদেশ, বিওসি, হক গ্রুপ, হোপ লোম, হোলসিম সিমেন্ট, হেইডেলবার্গ সিমেন্ট, লার্সন এন্ড টার্বো, এমিরটি সিমেন্ট, গ্রাক্স স্মিথক্লাইন, প্রোস্টার গ্রুপ, চৌধুরী এ্যাপারেলস, ম্যাকডোনাল্ড (বাংলাদেশ) লিঃ, গণস্বাস্থ্য গ্রুপ, ডিএইচএল ওয়ার্ল্ড-ওয়াইড, গ্রুপ-৪, এনটিভি, ইটিভি, আরটিভি, আমেরিকান স্কুল, ইউএই এ্যাসাসি, অলিম্পিক ইন্ডাস্ট্রিজ, নাসা গ্রুপ, ইয়াংওয়ান গ্রুপ, প্যাসিফিক জিনস, এইচকেডি গ্রুপ, অলিটা গ্রুপ, এ্যাপেক্স উইডিং, প্রাইম টেক্সটাইলস, আনলিমা ডাইয়িং, থার্মাক্স গ্রুপ, ঢাকা ডাইয়িং, ঢাকারিয়া, এমজিএইচ গ্রুপ, ওয়েস্টমন্ট পাওয়ার, খুলনা পাওয়ার, জ্যাসন গ্রুপ, সামস গ্রুপ, এন,আর, 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, ডিএসই, সিএসই, সাধারণ বীমা কর্পোরেশন এর নিকট সর্বধরনের সাহায্য সহযোগিতা পাওয়ার জন্য তাঁদের প্রতি আমাদের আন্তরিক কৃতজ্ঞতা জানাচ্ছি।

পরিচালকমন্ডলী ব্যবস্থাপনা পরিচালক মহোদয়কে ধন্যবাদ জ্ঞাপন করছেন এবং তাদের মাধ্যমে কোম্পানীর সকল শ্রেণীর কর্মকর্তা ও কর্মচারীর আন্তরিক কর্মনিষ্ঠা, অক্লান্ত পরিশ্রম, নিবেদিত সেবার প্রশংসা করছেন এবং আশা প্রকাশ করছেন যে ভবিষ্যতে ও তারা একইভাবে তাদের প্রচেষ্টা সমুন্নত রাখবেন এবং কোম্পানীকে উত্তরোত্তর সমৃদ্ধির পথে এগিয়ে নিতে আগ্রহী 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 করেছেন যে ভবিষ্যতেও প্রগতি ইন্স্যুরেন্স লিঃ গ্রাহক সেবা এবং তাদের আর্থিক নিরাপত্তার ব্যাপারে অধিকতর সচেনতা এবং নিরলস প্রচেষ্টা অব্যাহত রাখবে।

পরিচালকমন্ডলীর পক্ষে

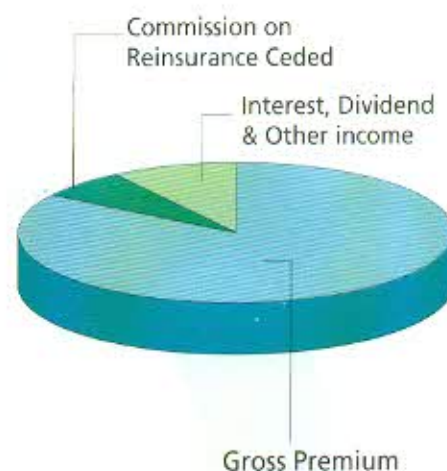
আলহাজ্ব খলিলুর রহমান
চেয়ারম্যান।



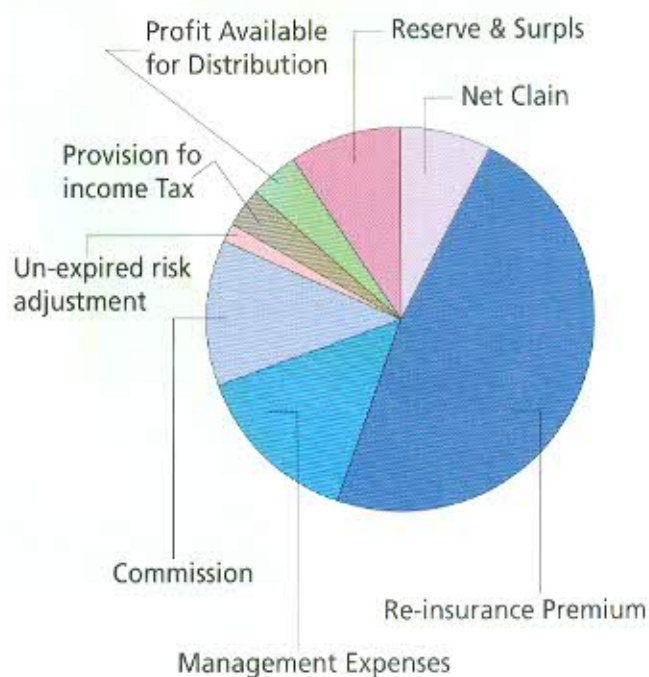
Value Added Statement

For the year ended December 2006

VALUE ADDED	BDT Million
Gross Premium	695.43
Commission on Reinsurance Ceded	54.64
Interest, Dividend & Other income	76.97
Total Tk	827.04



APPLICATION	BDT Million
Net Claim	63.06
Re-insurance Premium	391.75
Management Expenses	116.39
Commission	101.87
Un-expired risk adjustment	12.81
Provision for income Tax	27.50
Profit Available For Distribution	33.75
Reserve & Surpls	79.91
Total Tk	827.04





PRAGATI INSURANCE LIMITED

Audit Report and Statement of Accounts
for the Year Ended December 31, 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, 2006 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.

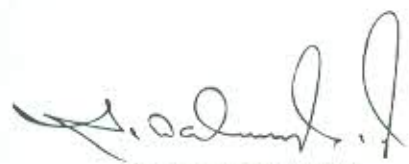
We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence 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, 2006 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.

Subject to the accompanying notes and disclosures therein 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;
- 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 08, 2007



(A. WAHAB & CO.)

CHARTERED ACCOUNTANTS



Balance Sheet

As at December 31, 2006

CAPITAL & LIABILITIES	Notes	2006	2005
Authorized Capital:			
2,500,000 Ordinary shares of Tk. 100 each.		250,000,000	250,000,000
Issued, Subscribed & Paid-up capital:			
2,171,580 Ordinary shares of Tk. 100 each	15	217,158,000	188,833,000
Share Premium		52,272	7,352,272
Reserve or Contingency Account:		784,148,050	642,633,496
Reserve for Exceptional Losses		270,390,993	240,022,686
Contingency Reserve for Insurance Guarantees and Tail ended Insurance Business	16	105,869,651	105,869,651
Revaluation Reserve	17	158,575,383	187,043,461
Capital Gain	18	91,658,690	-
General Reserve	19	33,239,728	22,264,728
Dividend Equalization Reserve		37,500,000	37,500,000
Depreciation Fund	20	53,166,137	48,288,502
Balance of Profit & Loss Appropriation Account	34 & 36	33,747,468	1,644,468
Balance of Fund & Account:		151,927,246	139,122,477
Fire Insurance Business		26,645,983	22,520,162
Marine Insurance Business		74,270,992	69,731,106
Misc. Insurance Business		51,010,271	46,871,209
Premium Deposit	21	27,989,042	5,967,447
Liabilities & Provision:		263,968,976	270,808,017
Estimated Liabilities in respect of outstanding Claims whether due or Intimated	22	164,774,321	170,032,269
Amount due to other persons or bodies carrying on Insurance Business	23	99,194,655	100,775,748
Loan from Bank for Building Project (Secured)	24	8,427,249	53,310,336
Sundry Creditors	25	40,603,582	31,340,099
Provision for Income Tax	26	51,737,505	36,848,669
Proposed Cash Dividend	27	-	28,324,950
Taka:		1,546,011,922	1,404,540,763

Notes:

- i) Contingent Liabilities note - 35
- ii) Figures have been rounded off to the nearest Taka.
- iii) Approved by the Board on May 10, 2007 and signed on its behalf by.

A.K.M Rafiqul Islam
Managing Director

Md. Mushfiqur Rahman
Director

Engr. A. Latif
Director



Balance Sheet

As at December 31, 2006

PROPERTY & ASSETS	Notes	2006	2005
Investment		220,225,829	163,354,314
National Investment Bond	1	4,500,000	4,500,000
Shares & Debentures (Shares at market value)	2	215,725,829	158,854,314
Outstanding Premium	3	38,015,718	36,217,939
Amount due from other persons or bodies carrying on Insurance business	4	147,305,167	128,853,950
Interest, Dividend & Rent Outstanding	5	7,470,087	7,578,213
Sundry Debtors	6	23,463,862	38,525,089
(including Advance Deposit & Prepayments)			
Advance Payment of Tax	7	18,938,293	15,422,981
Cash and Bank Balances		475,590,937	344,668,476
Fixed Deposit Accounts	8	361,456,882	286,707,632
STD & Current Accounts	9	104,858,519	51,802,956
Cash & Stamp in Hand	10	9,275,536	6,157,888
Other Accounts		615,002,029	669,919,801
Land (freehold)	11	356,626,207	356,626,207
Land at Gulshan	12	-	63,935,754
Fixed Assets (at cost)	13	82,655,929	73,769,047
Joint Venture Building Project	14	175,294,893	175,294,893
Stock of Printing Materials		425,000	293,900
Taka:		1,546,011,922	1,404,540,763

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, 2006

Expenses of Management:

(not applicable to any fund or account)

Advertisement & Publicity

Directors Fee

Bonus

Registration renewal fee

Audit Fees (including fee for special audit)

Legal expenses

Depreciation

Profit for the year transferred to

Profit & Loss Appropriation Account

Notes

2006

2005

2,586,196

4,520,381

812,500

631,415

7,700,000

7,500,000

2,212,300

1,765,856

758,000

508,000

131,000

171,523

4,982,259

5,322,305

121,971,307

98,346,070

Taka:

141,153,562

118,765,550

Profit And Loss Appropriation Account

For the year ended December 31, 2006

Reserve for Exceptional Losses

Provision for Income Tax

General Reserve

Proposed Cash Dividend

Balance Transferred to Balance Sheet

26

34&36

30,368,307

27,497,887

27,500,000

20,000,000

32,000,000

21,000,000

-

28,324,950

33,747,468

1,644,468

Taka:

123,615,775

98,467,305

Approved by the Board on May 10, 2007 and signed on its behalf by.

A.K.M. Rafiqul Islam

A.K.M Rafiqul Islam
Managing Director

Md. Mushfiqur Rahman

Md. Mushfiqur Rahman
Director

Engr. A. Latif

Engr. A. Latif
Director



Profit and Loss Account

For the year ended December 31, 2006

	Notes	2006	2005
Interest, Dividend and Rent (Not applicable to any fund or account)		37,095,183	37,515,303
Interest received & accrued	29	27,574,006	26,162,932
Dividend and Debenture interest	30	4,326,991	5,984,973
Building Rent	31	5,194,186	5,367,398
Profit transferred from :	28	64,182,258	54,030,606
Fire revenue account		(14,228,988)	23,558,402
Marine revenue account		48,286,652	25,721,791
Misc. revenue account		30,124,594	4,750,413
Other income :		39,876,121	27,219,641
Misc. receipt		457,584	1,604,821
Profit on Sale of Investment (Shares)		39,418,537	25,614,820
	Taka:	141,153,562	118,765,550

Profit And Loss Appropriation Account

For the year ended December 31, 2006

Balance brought forward from previous period	1,644,468	121235
Net profit for the years transferred from Profit and Loss Account	121,971,307	98,346,070
	Taka: 123,615,775	98,467,305

Al-Haj Khalilur Rahman

Chairman

(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS



Fire Insurance Revenue Account

For the year ended December 31, 2006

	2006	2005
Claims under policies		
Less : Re-insurance :		
Paid during the year	17,194,971	11,278,880
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	75,759,980	59,638,120
	92,954,951	70,917,000
Less : Outstanding claims at the end of the previous year	59,638,120	62,278,951
	33,316,831	8,638,049
Commission on Re-insurance accepted	-	-
Expenses of management	20,425,602	24,376,864
Commission Expenses	46,970,556	31,185,599
Profit transferred to Profit & Loss Account	(14,228,988)	23,558,402
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	26,645,983	22,520,162
Taka:	113,129,984	110,279,076

A.K.M Rafiqul Islam
Managing Director

Md. Mushfiqur Rahman
Director

Engr. A. Latif
Director



Fire Insurance Revenue Account

For the year ended December 31, 2006

Balance of account at the
beginning of the year :
Reserve for unexpired risk

Premium less : Re-insurance

Commission on Re-insurance ceded

2006	2005
22,520,162	20,845,624
53,291,967	45,040,325
37,317,855	44,393,127
113,129,984	110,279,076

Taka:

Al-Haj Khalilur Rahman
Chairman

(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS



Marine Insurance Revenue Account

For the year ended December 31, 2006

	CARGO	HULL	2006	2005
Claims under Policies				
Less : Re-Insurance:				
Paid during the year	20,233,877	83,075	20,316,952	7,873,872
Total estimated liability in respect of Outstanding Claims at the end of the year whether due or intimated	48,515,720	280,554	48,796,274	52,512,898
	68,749,597	363,629	69,113,226	60,386,770
Less : Outstanding Claims at the end of the previous year	52,200,940	311,958	52,512,898	58,824,232
	16,548,657	51,671	16,600,328	1,562,538
Expenses of Management	56,290,844	320,965	56,611,809	73,595,110
Commission Expenses	32,940,811	1,390,864	34,331,675	32,054,028
Profit transferred to Profit & Loss Account	43,755,107	4,531,545	48,286,652	25,721,791
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	73,433,570	837,422	74,270,992	69,731,106
Taka:	222,968,989	7,132,467	230,101,456	202,664,573

A.K.M Rafiqul Islam
Managing Director

Md. Mushfiqur Rahman
Director

Engr. A. Latif
Director



Marine Insurance Revenue Account
For the year ended December 31, 2006

	CARGO	HULL	2006	2005
Balance of Account at the beginning of the year :				
Reserve for unexpired risk	66,465,022	3,266,084	69,731,106	54,833,749
Premium Less : Re-Insurance	146,867,141	837,422	147,704,563	136,196,129
Commission on Re-Insurance Ceded	9,636,826	3,028,961	12,665,787	11,634,695
Taka:	222,968,989	7,132,467	230,101,456	202,664,573

Manana

Al-Haj Khalilur Rahman
Chairman

S. Adhikari

(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS



Miscellaneous Insurance Revenue Account

For the year ended December 31, 2006

	MOTOR	MISC.	2006	2005
Claims under policies less : Re-insurance paid during the year	20,191,223	10,619,015	30,810,238	27,552,496
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	17,531,535	22,686,532	40,218,067	57,881,253
	37,722,758	33,305,547	71,028,305	85,433,749
Less : Outstanding claims at the end of the previous year	27,578,968	30,302,285	57,881,253	39,297,901
	10,143,790	3,003,262	13,147,052	46,135,848
Commission on Re-insurance accepted	—	—	—	—
Expenses of management	34,239,008	5,118,415	39,357,423	27,504,052
Commission Expenses	14,724,813	5,845,862	20,570,675	13,328,683
Profit & Loss Account	20,555,947	9,568,647	30,124,594	4,750,413
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	44,333,102	6,677,169	51,010,271	46,871,209
Taka:	123,996,660	30,213,355	154,210,015	138,590,205

A.K.M Rafiqul Islam
Managing Director

Md. Mushfiqur Rahman
Director

Engr. A. Latif
Director

Miscellaneous Insurance Revenue Account
For the year ended December 31, 2006

	MOTOR	MISC.	2006	2005
Balance of account at the beginning of the year :				
Reserve for unexpired risks	34,664,456	12,206,753	46,871,209	42,386,385
Premium less Re-insurance	89,332,204	13,354,339	102,686,543	93,742,416
Commission on Re-insurance ceded	—	4,652,263	4,652,263	2,461,404
Taka:	123,996,660	30,213,355	154,210,015	138,590,205

Mama

Al-Haj Khalilur Rahman
Chairman

G. Adami, J.

(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS



Statement of Changes in Equity

For the year ended December 31, 2006

Particulars	Capital Gain	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 01-01-2006		188,833,000	7,352,272	240,022,686	187,043,461	22,264,728	37,500,000	36,848,669	28,325,000	1,644,468	749,834,284
Dividend Paid (For 2005)		-	-	-	-	-	-	-	(28,325,000)	-	(28,325,000)
Share Capital Increase during the year		28,325,000	-	-	-	-	-	-	-	-	28,325,000
Adjustment of Share Premium		-	(7,300,000)	-	-	-	-	-	-	-	(7,300,000)
Adjustment of General Reserve		-	-	-	-	(21,025,000)	-	-	-	-	(21,025,000)
Capital Gain	91,658,690										91,658,690
Revaluation Reserve during the year		-	-	-	(28,468,078)	-	-	-	-	-	(28,468,078)
General Reserve out of the year Profit		-	-	-	-	32,000,000	-	-	-	(32,000,000)	-
Net Profit for the year 2006		-	-	-	-	-	-	-	-	121,971,307	121,971,307
Reserve for Exceptional losses		-	-	30,368,307	-	-	-	-	-	(30,368,307)	-
Provision for Income Tax		-	-	-	-	-	-	27,500,000	-	(27,500,000)	-
Tax adjustment during the year		-	-	-	-	-	-	(12,611,164)	-	-	(12,611,164)
December 31, 2006 Taka:	91,658,690	217,158,000	52,272	270,390,993	158,575,383	33,239,728	37,500,000	51,737,505	-	33,747,468	894,060,039

See accompanying notes.

Approved by the board on May 10, 2007 and signed on its behalf by.

Dated: Dhaka, May 08, 2007



A.K.M Rafiqul Islam
Managing Director



Md. Mushfiqur Rahman
Director



Engr. A. Latif
Director



Statement of Cash Flow

For the year ended December 31, 2006

	2006	2005
A. Cash Flow from Operating Activities :		
Collection from Premium and Other Income	802,845,065	785,771,264
Less: Payment for Expenses of Management, Re-Insurance, Claim and Commission etc.	611,318,167	757,423,246
Less: Tax paid and/or deducted	11,978,693	—
Net Cash Flow from Operating Activities	179,548,205	28,348,018
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets Including Land	(16,517,690)	(5,250,234)
Disposal of Fixed Assets Including Land	163,225,251	48,491,177
Purchase of Shares	(276,635,181)	(49,425,040)
Sale of Shares	225,423,721	—
Net Cash Flow from Investing Activities	95,496,101	(6,184,097)
C. Cash Flow from Financing Activities:		
Loan Received of Bank	—	7,218,441
Loan Repayment of Bank	(44,883,087)	(36,778,132)
Dividend Paid	(99,238,758)	(28,867,300)
Net Cash Flow from Financing Activities	(144,121,845)	(58,426,991)
D. Increase/Decrease in Cash Flow (A+B+C)	130,922,461	(36,263,070)
Opening Cash in Hand & Bank	344,668,476	380,931,546
Closing Cash in Hand & Bank	475,590,937	344,668,476

Al-Haj Khalilur Rahman
Chairman

(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS



Notes on Accounts

For The Year Ended December 31, 2006

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, notes to the financial statements, 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 NIB has not been accounted for. But interest received during the year 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) Gain on Sale of Land:**

Gain on sale of land has been accounted for and posted directly to capital gain account under reserve or contingency without recognizing as income in the profit and loss account as per decision of the Board.

viii) Management Expenses:

Management expenses as charged to Revenue Accounts and amounting to Tk. 116,394,834 is approximately 16.74% of gross premium of Tk. 695,430,772. The expenses have been apportioned @ 17.55% to Fire 48.64% to Marine and 33.81% to Miscellaneous business as per Management decision.

ix) 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 2006.

x) Reserve for Exceptional Loss:

Reserve for Exceptional Losses as appropriated out of current year's profit before tax amounts to Tk. 30,368,307 being 10% of the net premium earned during the year.

xi) 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.

xii) Outstanding Premium:

The outstanding premium appearing in the accounts represents only the amount, which was realized subsequently till March, 2007.

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 issued 283250 bonus shares totaling Tk. 28,325,000 from share premium and general reserve account to share capital account during the year which was declared in the year 2005.

**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 on income except on gain on sale of land without considering the admissible and inadmissible expenses.
- b) Provision for deferred tax has not been made during the year.
- c) Dividend on shares have been accounted for as income on declaration basis.
- d) 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 2006, the company earned gross premium of Tk. 695,430,772, which includes public sector business of Tk. 20,866,547. After ceding for re-insurance, the net premium stood at Tk. 303,683,073. Underwriting profit of Tk. 64,182,258 as against Tk. 54,030,606 in the previous year, worked out to be 21.13% of the net premium.

Public Sector Business

Public Sector Business for four quarters upto June 2006 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 upto Assessment year 2005-2006 (A/c 31-12-2004) as per Assessment Order. Assessment for the year 2006-2007 (A/c 31-12-2005) is under process.

BALANCE SHEET:**1.00 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.

2.00 Shares and Debentures: Tk. 215,725,829

The movement of the balance is shown below:

Particulars	2006	2005
Opening Balance	158,854,314	164,850,581
Add : Purchased during the year	276,635,181	49,425,040
	435,489,495	214,275,621
Less : Sales/Redemption during the year	225,423,721	41,619,466
	210,065,774	172,656,155
Less: Difference between Market Price & Cost Price (Adjusted through Revaluation Reserve Account)	(5,660,055)	13,801,841
Closing Balance at Market Value	215,725,829	158,854,314

Taka:



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

i) Shares: Tk. 196,706,685

Share in Public Limited Company	No. of Shares	Book Value	Market Value as on 31-12-2006
Rupali Bank Ltd.	2,025	2,634,225	3,374,156
National Bank Ltd.	3	1,800	2,282
Dhaka Bank Ltd.	29	11,693	13,507
IFIC Bank Ltd.	3	1,718	2,853
Prime Bank Ltd.	24	12,398	12,690
Southeast Bank Ltd	826	343,927	264,940
One Bank Ltd.	27	6,749	7,715
Standard Bank Ltd.	9	2,200	2,592
Al-Arafa Bank Ltd.	1	2,150	2,684
Mutual Trust Bank	36	14,077	12,320
Exim Bank Ltd.	7,324	2,423,804	2,466,357
NCCBL	4,598	109,749	132,997
Islami Bank	800	3,056,905	2,950,600
Atlas Bangladesh Ltd.	19,716	3,839,226	3,746,040
Eastern Cables	9,280	2,311,534	2,157,600
National Tubes Ltd.	400	456,616	409,600
Tripti Industries Ltd.	21,120	554,400	596,640
AMCL Pran	550	223,568	199,788
Green Delta Insurance	579	239,603	224,363
Pionner Insurance Ltd.	300	69,075	300
Reliance Insurance Ltd.	3,166	960,260	728,180
United Insurance Ltd.	440	283,910	264,000
Delta Life Insurance Ltd	20	59,620	63,905
National Life Insurance	776	772,835	913,158
Eastland Insurance Ltd	324	65,543	62,856
Prograti Life Insurance Ltd.	19,050	6,596,430	7,820,025
Ind. & Infrastructure Dev. Finance Co. Ltd.	165,600	11,500,000	11,500,000
United Leasing Co. Ltd.	10,100	5,880,645	5,610,550
National Housing Ltd.	200,000	20,000,000	20,000,000
Central Depository Bangladesh Ltd.	2	2,000,000	2,000,000
1st ICB Mutual Fund	155	405,325	434,000
5th ICB Mutual Fund	160	53,280	48,000
6th ICB Mutual Fund	600	109,200	121,050
7th ICB Mutual Fund	700	129,500	138,600
IPDC	2,400	967,800	948,600
Hedelbere Cement Bangladesh Ltd.	10,092	6,046,713	6,532,047
Usmania Glass Ltd.	451	392,883	371,624
Lafarge Surma Cement Ltd.	38,449	15,905,815	15,062,396
Bangladeah Online Ltd	42,050	2,107,495	2,203,420
BATA Shoe	6,400	839,209	776,960
National Tea	1,525	979,529	884,500
Aftab Autos	3,810	1,081,313	993,458
Summit Power	11,500	6,333,457	6,092,125
United Hospital	210,000	53,287,500	53,287,500
Jamuna Resort	225,000	22,500,000	22,500,000
Beximco Pharma Ltd.	71,244	3,862,992	3,825,803
Square Pharmaceuticals Ltd.	1,000	2,130,258	2,265,000
Reneta	3	7,665	9,298
Keya Cosmetics Ltd.	96,725	3,166,453	2,553,540
Keya Detergent Ltd.	125,300	1,853,890	2,142,630
Shinepukur Ltd.	400	11,400	13,500
Monno Fabrics Ltd.	127,000	7,556,500	7,778,750
Beximco Textiles Mills Ltd.	53,387	1,150,115	1,195,869
Square Textile Ltd.	1,818	129,872	136,168
BEXIMCO Ltd.	7,000	276,120	248,500
Total Taka (i)		196,706,685	197,303,009



ii) Debentures: Tk. 19,019,144

Name of the Company

Bangladesh Export Import Company Ltd.
 Beximco Fisheries Ltd.
 Beximco Textile Ltd.
 Beximco Denims Ltd.
 Bangladesh Luggage Industries Ltd.

At Cost Less:
Redemption

1,660,000
 1,161,194
 2,091,750
 9,606,200
 4,500,000

19,019,144

215,725,829

Total Taka (ii)

Grand Total Taka (i+ii)

3.00 Outstanding Premium: Tk. 38,015,718

The balance represents outstanding premium on direct account, which have been realized within March, 2007. The business wise break-up of the outstanding premium shown above is given below:

Particulars

Fire

Marine

Motor

Misc.

2006

15,313,859

12,475,942

3,528,998

6,696,919

2005

21,022,624

11,735,311

2,138,553

1,321,451

Taka:

38,015,718

36,217,939

4.00 Amount due from other persons or bodies carrying on

Insurance business: Tk. 147,305,167

The amount is made up as follows:

Particulars

Co-Insurance Premium receivable
(including refund premium)

Amount due from SBC

Overseas Re-insurance

Co-insurance Claim receivable from
different Insurance companies :

Fire

Marine

Motor

Misc.

2006

51,794,273

70,309,393

-

5,928,502

15,173,385

1,313,510

2,786,104

2005

51,106,796

38,371,672

15,878,228

4,486,173

15,125,278

1,049,372

2,836,431

Taka:

147,305,167

128,853,950

**5.00 Interest, Dividend & Rent outstanding: Tk. 7,470,087**

The balance is made up as follows:

Particulars	2006	2005
Dividend (i)	51,426	51,426
Debenture Interest (ii)	7,418,661	7,526,787
Taka:	7,470,087	7,578,213

i) Dividend: Tk. 51,426

The balance is made up as follows:

Name of company	2006	2005
Metro Spinning Ltd.	510	510
Beximco Fisheries Ltd.	50,916	50,916
Taka:	51,426	51,426

ii) Debenture Interest: Tk. 7,418,661

The balance is made up as follows:

Name of company	2006	2005
Bangladesh Export Import Co. Ltd.	421,610	421,610
Beximco Textile Ltd.	1,069,612	1,069,612
Beximco Denims Ltd.	4,912,110	4,912,110
Beximco Fisheries Ltd.	490,329	598,455
Bangladesh Luggage Ltd.	525,000	525,000
Taka:	7,418,661	7,526,787

No provision for accrued interest is made during the year since there has been no recovery for several years. All of the above balances are old since long. An amount of Tk. 108,126 only has been received from Beximco Fisheries Ltd. during the year.

6.00 Sundry Debtors (including Advance, Deposit and Prepayments): Tk. 23,463,862

The balance is made up as follows:

Particulars	2006	2005
Advance against expenses	50,000	—
Advance against rent (i)	4,331,347	3,296,705
Advance against salary	124,078	161,397
Advance against investment (ii)	—	2,000,000
House Building Loan	12,088,671	8,263,007
Receivable against Building Maintenance from Rhone Poulence	304,578	3,395,898
Security Deposit	653,887	653,887
Group Insurance Premium (due from employees)	1,875,208	925,277
Jamuna Resort Limited (iii)	4,036,093	19,828,918
Taka:	23,463,862	38,525,089



i) **Advance against Rent: Tk. 4,331,347**

Advance against rent relates to advance paid for office rent of branch offices at different locations in the country. The balance is made up as follows:

Particulars	2006	2005
Opening Balance as on 01-01-2006	3,296,705	4,260,953
Add: Advance paid during the year	2,907,420	981,600
	6,204,125	5,242,553
Less: Adjusted during the year	1,872,778	1,945,848
Closing Balance	4,331,347	3,296,705

Taka:

ii) **Advance Against Investment: Tk. Nil**

The balance is made up as follows:

Particulars	2006	2005
Opening Balance as on 01-01-2006	2,000,000	2,000,000
Less: Adjusted during the year	2,000,000	—
	—	2,000,000

Taka:

iii) **Jamuna Resort Ltd.: Tk. 4,036,093**

The balance is made up as follows:

Particulars	2006	2005
Opening Balance	19,828,918	7,227,278
Add: Addition during the year	8,769,675	12,601,640
	28,598,593	19,828,918
Less: Adjustment during the year	24,562,500	—
	4,036,093	19,828,918

Taka:

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 undertaken subsequently. The adjusted amount during the year as shown above has been accounted for against equity participation in the capital of the company.

7.00 **Advance Payment of Tax : Tk. 18,938,293**

This is made up as follows:

Particulars	Notes	2006	2005
Opening Balance as on 01-01-2006		15,422,981	2,981,112
Add: Addition during the year	7.01	14,647,782	12,441,869
		30,070,763	15,422,981
Less: Adjustment		11,132,470	—
		18,938,293	15,422,981

Taka:

**7.01 The balance is made up as follows:**

	2006	2005
AIT Deducted on Account of		
Deducted at Source from FDR Interest	2,507,358	2,284,045
Deducted at Source from STD Interest	269,052	241,378
Deducted at Source from Dividend Income	642,788	532,249
Deducted at Source from Office Rent	728,584	1,003,338
Advance Tax Paid	10,500,000	8,151,359
National Investment Bond	–	229,500
Taka:	14,647,782	12,441,869

The entire amount is eligible for adjustment towards the settlement of Tax liability on finalization of assessments. The provision for income tax has been made during the year for Tk. 27,500,000.

8.00 Fixed Deposit Account (FDR) : Tk. 361,456,882

The balance is made up as follows:

Particulars	2006	2005
Opening Balance as on 01-01-2006	286,707,632	278,502,632
Add : Addition during the year	75,799,250	39,150,000
	362,506,882	317,652,632
Less : Encashment during the year	1,050,000	30,945,000
Closing Balance	361,456,882	286,707,632

Taka:

9.00 STD & Current Account: Tk. 104,858,519

The balance has been arrived at as follows:

Particulars	2006	2005
STD Account	90,534,393	46,157,914
Current Account (OD)	–	(4,441,932)
Current Account	2,961,956	1,521,180
Foreign Currency Account	11,362,170	8,565,794
Taka:	104,858,519	51,802,956

Taka:

10.00 Cash and Stamp in hand: Tk. 9,275,536

The balance is made up as follows:

Particulars	2006	2005
Petty Cash Account at Head Office	9,062,613	1,554,856
Petty Cash Account with Branches	–	4,269,252
Stamp in Hand	212,923	333,780
Taka:	9,275,536	6,157,888

Taka:

The management has furnished certificate confirming the position of Tk. 9,275,536 as cash and stands lying with different branches located throughout the country and at Head Office.

11.00 Land: Tk. 356,626,207

The balance is made up as follows:

Particulars	2006	2005
Opening balance as on 01-01-2006	356,626,207	356,098,311
Add: Expenses at Panthapath Land, Kawran Bazar, Dhaka, for Construction of boundary wall	–	527,896
Closing Balance	356,626,207	356,626,207

Taka:

**12.00 Gulshan Land: Tk. Nil**

The balance is made up as follows:

Particulars

Opening balance as on 01-01-2006

Add: Interest on loan for procurement of the land charge during the year

Add: Expenses for Gulshan land Registration and others

Less: Disposal of Land (Cost Reversed)

Closing Balance (Also see Note - 18.00)

Taka:

	2006	2005
Opening balance as on 01-01-2006	63,935,754	62,796,636
Add: Interest on loan for procurement of the land charge during the year	-	939,118
Add: Expenses for Gulshan land Registration and others	7,137,556	200,000
	71,073,310	63,935,754
Less: Disposal of Land (Cost Reversed)	71,073,310	-
Closing Balance (Also see Note - 18.00)	-	63,935,754

13.00 Fixed Assets at cost: Tk. 82,655,929

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, 2006	27,246,982	18,470,783	26,967,543	1,083,739	73,769,047
Addition during the year 2006	990,680	1,827,954	6,561,500	-	9,380,134
Disposal of Fixed Assets	-	(401,451)	(91,800)	-	(493,252)
Cost as at December 31, 2006	28,237,662	19,897,286	33,437,243	1,083,739	82,655,929
Depreciation :					
As at 1st January, 2006	15,511,872	14,652,129	17,060,057	1,064,444	48,288,502
Charged for the year 2006	1,778,908	1,477,972	1,681,649	43,730	4,982,259
Depreciation adjustment for disposal of Fixed Assets	-	-	(91,800)	(12,824)	(104,624)
Depreciation as at 31-12-2006	17,290,780	16,130,101	18,649,906	1,095,350	53,166,137
Written down value as at 31-12-2006	10,946,882	3,767,185	14,787,337	(11,611)	29,489,792

14.00 Joint Venture Building Project: Tk. 175,294,893

The balance is as per last year account.

Joint Venture Building is yet to be registered in the name of the Company and hence no depreciation has been charged so far.

15.00 Issued, Subscribed & Paid up Capital: Tk. 217,158,000

The balance represents:

Particulars

610,000 ordinary shares of Tk. 100 each fully paid up in cash

122,000 Ordinary Shares of Tk. 100 each fully paid up as Bonus share (20%) allotted during 1997

219,600 Ordinary shares of Tk. 100 each fully paid up as Bonus share (30%) allotted during 2002 (Out of General Reserve Balance at 31-12-2001)

237,900 Ordinary shares of Tk. 100 each fully paid up as Bonus share (25%) allotted during 2003 (Out of Share Premium Balance at 31-12-2002)

321,165 Ordinary Share of Tk. 100 each fully paid up as Bonus share (27%) allotted during 2004 (Out of Share Premium)

377,665 Ordinary Share of Tk. 100 each fully paid up as Bonus share (25%) allotted during 2005 (Out of Share Premium)

28,325,000 Ordinary Share of Tk. 100 each fully paid up as Bonus share (15%) allotted during 2006 (Out of Share Premium & General Reserve)

Taka:

	2006	2005
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 (20%) allotted during 1997	12,200,000	12,200,000
219,600 Ordinary shares of Tk. 100 each fully paid up as Bonus share (30%) 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 (25%) allotted during 2003 (Out of Share Premium Balance at 31-12-2002)	23,790,000	23,790,000
321,165 Ordinary Share of Tk. 100 each fully paid up as Bonus share (27%) allotted during 2004 (Out of Share Premium)	32,116,500	32,116,500
377,665 Ordinary Share of Tk. 100 each fully paid up as Bonus share (25%) allotted during 2005 (Out of Share Premium)	37,766,500	37,766,500
28,325,000 Ordinary Share of Tk. 100 each fully paid up as Bonus share (15%) allotted during 2006 (Out of Share Premium & General Reserve)	28,325,000	-
	217,158,000	188,833,000

All the shares of the company are in the dematerialized form (DEMAT) with effect from May 16, 2004 under CDBL. The proportion of public and sponsor holdings are given below:

Category A (Sponsor)	50%
Category B (Public)	50%
	100%



16.00 Contingency Reserve for Insurance Guarantees and Tail ended Insurance Business: Tk. 105,869,651

The balance is made up as follows:

Particulars

Reserve against unexpired Guarantees
Reserve against Tail ended Insurance Business

	2006	2005
	87,080,441	87,080,441
	18,789,210	18,789,210
Taka:	105,869,651	105,869,651

The balance is as per last year account.

17.00 Revaluation Reserve: Tk. 158,575,383

The balance is made up as follows:

Particulars

Opening Balance as on 01-01-2006
Add: Appreciated Value of Shares

	2006	2005
	187,043,461	215,320,830
	1,192,646	-
	188,236,107	215,320,830
	29,660,724	28,277,369
Taka:	158,575,383	187,043,461

Less: Adjusted against decrease of Market value of shares

18.00 Capital Gain Tk. 91,658,690

As per decision of the Board of Directors in its 157th meeting held on August 14, 2006 land totaling 22.92 katha at Gulshan has been sold out. The proceeds from sale of land amounting to Tk. 162,732,000 has been received @ 71 Lac per katha as against total cost of land Tk. 71,073,310. Capital gain from the sale proceeds has arisen to the extent of Tk. 91,658,690. As per decision of the Board this amount has been shown directly under capital gain in the Balance Sheet instead of posting through profit and loss account (also see note - 26.00)

19.00 General Reserve: Tk. 33,239,728

The balance is made up as follows:

Particulars

Opening Balance as on 01-01-2006
Add: Addition during the year

	2006	2005
	22,264,728	1,264,728
	32,000,000	21,000,000
	54,264,728	22,264,728
	21,025,000	-
Taka:	33,239,728	22,264,728

Less: Adjustment against Bonus Share issued during the year

20.00 Depreciation Fund: Tk. 53,166,137

The balance is made up as follows:

Particulars

Opening Balance as on 01-01-2006
Add: Addition during the year

	2006	2005
	48,288,502	45,307,812
	4,982,259	5,322,305
	53,270,761	50,630,117
	104,624	2,341,615
Taka:	53,166,137	48,288,502

Less: Adjustment during the year (Motor Vehicle & Curtain)

**21.00 Premium Deposit: Tk. 27,989,042**

The amount represents unadjusted balance of premium as received against Cover Notes over the years for which policies have not been issued within 31st December, 2006. The balance is made up as follows:

Particulars	2006	2005
Deposit Premium on Marine Cover note	22,365,541	4,730,138
Stamp Duty & VAT	5,623,501	1,237,309
Taka:	27,989,042	5,967,447

22.00 Estimated Liabilities in respect of outstanding claims whether due or intimated: Tk. 164,774,321

The balance is made up as follows:

Particulars	2006	2005
Fire	75,759,980	59,638,119
Marine	48,796,274	52,512,897
Motor	17,531,535	27,578,968
Misc.	22,686,532	30,302,285
Taka:	164,774,321	170,032,269

23.00 Amount due to other persons or bodies carrying on Insurance Business: Tk. 99,194,655

The balance is made up as follows:

Particulars	2006	2005
Payable against Co-Insurance Premium	62,217,124	70,074,053
Payable against Co-Insurance Claim-Fire	4,305,591	4,305,591
Payable against Co-Insurance Claim-Marine	26,396,104	26,396,104
Overseas Re-Insurer	6,275,836	-
Taka:	99,194,655	100,775,748

24.00 Loan from Bank for Building Project (Secured): Tk. 8,427,249

The balance is made up as follows:

Particulars	2006	2005
Opening Balance	53,310,336	46,091,895
Loan Taken during the year	17,300,000	70,050,000
Interest charged upto December, 2006	5,307,845	4,007,170
Bank charges and Excise Duty	7,400	11,826
	75,925,581	120,160,891
Less : Adjusted/Re-payment during the year	67,498,332	66,850,555
Closing Balance	8,427,249	53,310,336

25.00 Sundry Creditors: Tk. 40,603,582

The balance is made up as follows:

Particulars	2006	2005
Payable against Expenses (i)	22,544,200	15,435,992
Provident Fund Loan	36,382	143,807
Income Tax deduction (ii)	4,802,699	1,831,243
VAT payable (iii)	5,379,293	6,139,023
Unpaid dividend (iv)	3,081,423	2,005,778
Received against Security	4,230,000	4,230,000
VAT deduction against Bills	114,987	98,415
Advance Rent received	-	1,181,485
Provident Fund	276,501	151,708
Tax deduction against bills	59,429	52,443
Share Application	14,000	14,000
Hospitalization Insurance Claim	64,556	56,205
Short & Excess	112	-
Taka:	40,603,582	31,340,099



- i) **Payable Against Expenses: Tk. 22,544,200**
The balance is made up as follows:

Particulars	2006	2005
Company's Contribution to PF	292,931	255,097
Incentive Bonus	8,696,285	8,111,551
Honorarium	2,185,000	2,185,000
Audit Fee (including special audit fee)	1,467,500	1,000,000
Rhone Poulence (House Rent)	—	1,884,344
Payable to United Hospitals	472,500	—
Payable against Advertisement	2,000,000	2,000,000
A. K. Group	7,429,984	—
Taka:	22,544,200	15,435,992

- ii) **Income Tax deduction: Tk. 4,802,699**
Income Tax deduction at source amounting to Tk. 4,802,699 includes income tax deducted from Dividend, Salary and other bills paid during the year and yet to be deposited to Bangladesh Bank.
- iii) **VAT Payable: Tk. 5,379,293**
VAT payable in the amount of Tk. 5,379,293 represents VAT for the month of December 2006, which has been deposited into Bangladesh Bank subsequently on 18-01-2007.
- iv) **Unpaid Dividend: Tk. 3,081,423**
This represents balance of unpaid dividend from year to year.

26.00 Provision For Income Tax: Tk. 51,737,505

The amount includes Tk. 27,500,000 being Income Tax provision made for the accounting year ended on December 31, 2006 (Assessment year 2007-2008) in accordance with the best estimate of the management on a lump sum basis but without considering the admissible and non-admissible expenses. No tax provision has been made on capital gain from sale of Gulshan land on the ground that the proceeds will be re-invested within one year and is hereby exempt from income tax u/s 32(5) of ITO 1984.

The make-up of the amount is noted below:

Particulars	2006	2005
Opening balance as on 01-01-2006	36,848,669	18,359,333
Less: Paid against the Asstt. year 2004-2005	11,132,471	—
	25,716,198	18,359,333
Less: Dividend distribution tax -2005	1,478,693	1,510,664
	24,237,505	16,848,669
Add: Provision made for the year 2006 (Asstt. year 2007-2008)	27,500,000	20,000,000
Closing Balance	51,737,505	36,848,669

Taka:

27.00 Proposed Cash Dividend:

The Board of Directors has recommended and proposed a cash dividend @ 15% on Paid-up capital of Tk. 217,158,000 i.e Tk. 15 per share of Tk. 100 each.



PROFIT AND LOSS ACCOUNT

28.00 Revenue Account: Tk. 64,182,258

i) The summarized position of net underwriting profit earned during the year 2006 is as follows :

Particulars	Fire	Marine	Motor & Misc.	2006	2005
Premium Income :					
A) Gross Premium	258,067,284	277,064,245	160,299,243	695,430,772	632,085,787
B) Re-insurance premium Ceded	204,775,317	129,359,682	57,612,700	391,747,699	357,106,917
C) Net Premium (A-B)	53,291,967	147,704,563	102,686,543	303,683,073	274,978,870
Direct Expenses :					
D) Commission {(Net of Re-Insurance Accepted and Ceded (Net) Note-28 (ii))}	9,652,701	21,665,888	15,918,412	47,237,001	18,079,084
E) Claim settled & provided {(Net) (Note-28 (iii))}	33,316,831	16,600,328	13,147,052	63,064,211	56,336,435
F) Management Expenses	20,425,602	56,611,809	39,357,423	116,394,834	125,476,026
G) Allocation of Management Expenses	17.55%	48.64%	33.81%	100%	100%
H) Total Direct expenses (D+E+F)	63,395,134	94,878,025	68,422,887	226,696,046	199,891,545
I) Adjusted Fund balance for unexpired risk (Opening Balance Less closing balance)	(4,125,821)	(4,539,886)	(4,139,062)	(12,804,769)	(21,056,719)
Net underwriting profit (C-H+I)	(14,228,988)	48,286,652	30,124,594	64,182,258	54,030,606

Taka:

ii) Commission (Net): Tk. 47,237,001

Particulars	Fire	Marine	Motor & Misc.	2006	2005
Commission paid on Direct Business	46,970,556	34,331,675	20,570,675	101,872,906	76,568,310
Commission paid on Re-Insurance Accepted	-	-	-	-	-
	46,970,556	34,331,675	20,570,675	101,872,906	76,568,310
Less : Commission earned on Re-insurance ceded	37,317,855	12,665,787	4,652,263	54,635,905	58,489,226
Net Commission	9,652,701	21,665,888	15,918,412	47,237,001	18,079,084

Taka:

iii) Claim settled (Net): Tk. 63,064,210

Particulars	Fire	Marine	Motor & Misc.	2006	2005
Gross Claim	234,991,336	28,194,630	51,205,947	314,391,913	183,226,818
Less : Salvage Received	-	-	-	-	-
	234,991,336	28,194,630	51,205,947	314,391,913	183,226,818
Less : Re-Ins. Claim Recovery during the year	217,796,366	7,877,678	20,395,709	246,069,753	136,521,568
	17,194,970	20,316,952	30,810,238	68,322,160	46,705,250
Add : Outstanding Claim at the end of the year whether due or intimated (Company's Share)	75,759,980	48,796,274	40,218,067	164,774,321	170,032,269
	92,954,950	69,113,226	71,028,305	233,096,481	216,737,519
Less : Outstanding claim at the end of the previous year	59,638,120	52,512,898	57,881,253	170,032,271	160,401,084
Net Claim	33,316,830	16,600,328	13,147,052	63,064,210	56,336,435

Taka:

29.00 Interest Received and Accrued: Tk. 27,574,006

The balance is made up as follows:

Particulars	2006	2005
Interest on FDR	25,073,590	22,840,468
Interest on STD Accounts	1,988,061	2,429,897
Interest on National Investment Bond	-	1,147,500
Interest from Land Sale	804,058	-
	27,865,708	26,417,865
Less : Interest adjusted on OD Account	291,702	254,933
Taka:	27,574,006	26,162,932

30.00 Dividend and Debenture Interest: Tk. 4,326,991

The balance is made up as follows:

Particulars	2006	2005
Dividend Income	4,326,991	5,984,973
Debenture Interest	-	-
Taka:	4,326,991	5,984,973

**31.00 Building Rent: Tk. 5,194,186**

The position has been arrived at after adjusting the interest on loan amounting to Tk. 5,307,846 and maintenance expenses including Municipal Tax amounting to Tk. 492,640 and insurance premium and other expenses Tk. 4,670,323

32.00 Registration Renewal Fee: Tk. 2,212,300

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

33.00 Audit Fee: Tk. 758,000

The balance is made up as follows:

Particulars	2006	2005
Statutory Audit (provision during the year)	258,000	208,000
Special Audit (provision during the year)	500,000	300,000
Taka:	758,000	508,000

34.00 Balance of Profit and Loss Appropriation Account: Tk. 33,747,468

The balance is made up as follows:

Particulars	2006	2005
Underwriting Profit as per Revenue Accounts	64,182,258	54,030,606
Interest Income & Dividend	37,095,183	37,515,303
Other Income (including profit on sales of shares)	39,876,121	27,219,641
	141,153,562	118,765,550
Less : Expenses of management (not related to any fund or account)	19,182,255	20,419,480
Net profit for the year	121,971,307	98,346,070
Less : Reserve for Exceptional Loss (10% of Net Premium)	30,368,307	27,497,887
	91,603,000	70,848,182
Add : Surplus brought forward	1,644,468	121,235
	93,247,468	70,969,418
Less :		
i) Tax provision for Assessment year (2007-2008) A/C 31-12-2006	27,500,000	20,000,000
ii) Dividend Equalization Reserve	—	—
iii) General Reserve	32,000,000	21,000,000
Balance available for distribution	33,747,468	29,969,418
iv) Cash Dividend Recommended	—	28,324,950
Surplus Available	33,747,468	1,644,468

Taka:



35.00 Contingent Liability:

As per Management of the company Pragati Insurance Ltd. has no contingent liabilities as of December 31, 2006.

36.00 Post Balance Sheet Events (BAS-10):

i) Cash Dividend:

Recommendation of Dividend by Board of Directors in its meeting held on May 10, 2007 was made at the rate of Tk. 15 per share of Tk. 100 each.

ii) Stock Dividend:

In addition the Board of Directors in its meeting held on May 10, 2007 recommended a stock Dividend @ 15% out of Share Premium and General Reserve, which will be given effect in due course.

37.00 General:

i) Earning per share (EPS):

The earning per share of the company is as follows:

	2006	2005
Before Tax	56.17	52.08
After Tax	43.50	41.49

ii) As at December 31, 2006 the company had 29 Board members. Board of Directors had seven (7) Board Meetings, Administration Committee had one (1), Meeting, Technical and Claim Committee had five (5) Meetings and Audit Committee (Finance and Development Committee) had twelve (12) Meetings during the year 2006. **Al-Haj Khalilur Rahman**

A.K.M Rafiqul Islam
Managing Director

Md. Mushfiqur Rahman
Director

Engr. A. Latif
Director

Al-Haj Khalilur Rahman
Chairman

(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS



Form-A

Classified Summary of Assets

As at December 31, 2006

Class of Assets

	Book Value
National Investment Bond (Tk. 45,00,000 is held with BD Bank)	4,500,000
Shares (at market value)	196,706,685
Debentures (at cost)	19,019,14
Cash on Fixed Deposit, STD and Current A/c with banks	466,315,40
Cash & Stamps in hand	9,275,536
Outstanding Premium and other dues	185,320,885
Interest accrued but not received	7,470,087
Sundry Debtors, advance & Deposits	42,402,155
Stock of Printing Materials in hand (at cost)	425,000
Land	356,626,207
Fixed Assets (at cost)	82,655,929
Joint Venture Building Project	175,294,893

Taka: 1,546,011,922

The cost of Fixed Assets is inclusive of Tk. 28,237,662 on account of Furniture & Fixtures Accumulated depreciation on Fixed Assets amounting to Tk. 53,166,138 has been shown under Depreciation Fund Account and not deducted from the cost of fixed assets shown above.


A.K.M Rafiqul Islam
Managing Director


Md. Mushfiqur Rahman
Director


Engr. A. Latif
Director


Al-Haj Khalilur Rahman
Chairman


(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS



Directors' Certificate

As per regulations contained in the first schedule in the Insurance Act, 1938 as amended as per Section 40-C of the said Act, we certify that :

The value of investment in shares have been taken at market value and debentures at cost and the quoted value there of mentioned wherever available.

The value of all assets as shown in the Balance Sheet and as classified on form AA annexed have been duly reviewed as at 31st December, 2006 and in our belief, the said assets have been set forth in the Balance Sheet at amounts not exceeding their realizable or market values under the several heading as enumerated the annexed form.

All expenses of management, wherever incurred and whether incurred directly or indirectly in respect of Fire, Marine, Motor and Miscellaneous Insurance Business have been duly debited to the related Revenue Accounts and Profit & Loss Account.


A.K.M Rafiqul Islam
Managing Director


Md. Mushfiqur Rahman
Director


Engr. A. Latif
Director


Al-Haj Khalilur Rahman
Chairman


(A. WAHAB & CO.)
CHARTERED ACCOUNTANTS



Branch Offices

Dhaka Division

01 Dilkusha Branch 76, Dilkusha C/A Dhaka-1000	Mahboob Uddin Ahmed Sr. Executive Vice President	Tel: 9567861 Fax: 9551685 Res: 9338126 Mob: 01819258655
02 Imamgonj Branch 31, Mitford Road, Imamgonj Dhaka-1000	Nazrul Islam Talukder Branch In-Charge	Tel: 739818, 7319818 Mob: 01819-288291
03 Elephant Road Branch 299, New Elephant Road Dhaka	Sharif Mustaba Executive Vice President	Tel: 9661349 Fax: 8616023 Res: 8615028 Mob: 01819-238198
04 Motijheel Branch Sena Kalyan Bhaban, Room # 1306 (13th floor), 195, Motijheel C/A Dhaka-1000	Ali Fathker (Kallol) Vice President	Tel: 7115066 Fax: 9556415 Res: 8021464 Mob: 01713-002412
05 VIP Road Branch Oriental Trade Center 69/1 (New) Purana Paltan Lane Dhaka-1000	Abdul Momen Executive Vice President	Tel: 8321796 Fax: 8316354 Res: 9123054 Mob: 01711-696338
06 Biman Bhaban Branch 100 Motijheel C/A Dhaka-1000	S.M.B Shameem Executive Vice President	Tel: 9570424 Fax: 7169618 Mob: 01911-351699
07 Sadarghat Branch 32-Ka, Liakat Avenue, Dholaikhal Dhaka-1100	Ahmed Faruk Branch In-Charge	Tel: 7113066 Mob: 01911-389736
08 Malibagh Branch Manhattan Tower, 83, Siddeswhari Circular Road, Malibagh Dhaka-1217	Md. Golam Faruque Vice President	Tel: 8311078 Fax: 8311078 Res: 9870658 Mob: 01711-566735
09 Tejgaon Branch BSRS Bhaban, 14th Floor 12, Kawran Bazar Dhaka-1215	Md. Abdul Alim Khan Asstt. Vice President	Tel: 8130173 Mob: 01711-696343
10 Hatkhola Branch Suvechchha Plaza 32/1-Shahid Nazrul Islam Sarak Hatkhola, Dhaka-1203	Fazlul Karim Alamgir Executive Vice President	Tel: 9559410 Fax: 9560214 Res: 9361749 Mob: 01818225291



Branch Offices

Dhaka Division

11	Gulshan Branch House # 55, Road # 17 Kamal Ataturk Avenue, Banani Dhaka-1213	Bahauddin Ahmed Branch In-Charge	Tel: 9886151 Res: 7281321 Mob: 01711841175
12	Mirpur Branch Central Plaza (4th floor), 231, Sen Para Parbata, Rokeya Sarani, Mirpur-10 Dhaka-1213	Md. Razzaqul Haider Chowdhury Branch In-Charge	Tel: 8060587 Mob: 01715013021 01711841175
13	Bangabandhu Avenue Branch 13, B.B. Avenue, Dhaka-1000	Khandoker Zafor Sadeque Senior Vice President	Tel: 9566389 Res: 8610299 Mob: 01911317492
14	Narayanganj Branch 150, B.B. Sarak, Narayanganj	Farid Ahmed Vice President	Tel: 9712646 Mob: 01711-561368
15	Savar Branch Hasem Plaza, EPZ (Gate) Ganakbari Savar, Dhaka	Abdus Salam Vice President	Tel: 7702262 Mob: 01715-013439
16	Tongi Branch Jalil Market (2nd floor) Tongi, Gazipur	Ekramul Hoque Branch In-Charge	Tel: 9802786 Mob: 01199-838694
17	Madhabdi Branch Chandina Dokan Viti Holding No-36, Madhabdi Bazar Narsingdi	Farida Yesmin Branch In-Charge	Tel: 06257-978 Mob: 01711-037419
18	Narsingdi Branch H.M. Plaza, 20 West Kandapara Sadar Road, Narsingdi	Md. Jashim Uddin Branch In-Charge	Tel: 0628-63009 Mob: 01199-071258 01817404102
19	Faridpur Branch 169, Mujib Sarak, Faridpur	Khandoker Zakir Hossain Branch In-Charge	Tel: 62691 Res: 62848 Mob: 01712-061053
20	Mymensingh Branch 10, Durgabari Road Mymensingh	A.K.M. Kawsar Hossain Branch In-Charge	Tel: 64062 Mob: 01712-003899
21	Tangail Branch Holding No-212 Victoria Road-Tangail	Shakhawat Hossain Branch In-Charge	Mob: 01716780366

*Branch Offices*Chittagong Division

22	Khatunganj Branch 410-411, Khatunganj C/A Chittagong	Jamal Uddin Haider Senior Vice President	Tel: 636121, 624316 Fax: 637051 Res: 717991 Mob: 01711-797755
23	Agrabad Branch Ayub Trade Centre 1269, Sheikh Mujib Road, Agrabad C/A Chittagong	M.A. Hasan Ex. Vice President	Tel: 713228 Res: 651697 Fax: 713227 Mob: 01711-749274
24	Jubilee Road Branch Pedrollo Plaza (3rd floor) 5, Jubilee Road Chittagong	Md. Nazrul Islam Executive Vice President	Tel: 616847 Res: 620662 Fax: 617844 Mob: 01711-749273
25	Cox's Bazar Branch Ahamadia Mansion, Purba Bazar Ghata Main Road, Chittagong	Abdul Hannan Chowdhury Branch In-Charge	Tel: 64101 Res: 63468 Mob: 01711447622
26	Feni Branch Sultan Mansion Trunk Road, Feni	Azizul Hoque Asstt. Vice President	Tel: 74313 Res: 0154-633257
27	Comilla Branch Comilla Co-operative Super Market (2nd Floor), Kandirpar, Main Road Comilla.	M. Muzammel Hoque Branch In-Charge	Tel: 76977, 64645 Res: 64645 Mob: 01711-972062
28	Chandpur Branch 136/2, Shahid Muktijudha Sarak Chandpur	Pradip Kumar Pal Branch In-Charge	Tel: 63290 Mob: 01711-018087
29	Chowmuhani Branch Poura Super Market Chowmuhani Bazar, Chowmuhani	Md. Belayet Hossain Branch In-Charge	Tel: 52030 Mob: 01716390848

Rajshahi Division

30	Rajshahi Branch Shaheb Bazar, Ghoramara Rajshahi	Abdur Razzaque Sarder Asstt. Vice President	Tel: 775926
31	Bogra Branch Thana Road Bogra	Md. Nazrul Islam Branch In-Charge	Tel: 66189 Mob: 01712196500
32	Rangpur Branch Baitus Syed Super Market Central Road, Rangpur	Md. Reazul Hoque Khandker Branch In-Charge	Tel: 62933 Mob: 01717114681



Branch Offices

Rajshahi Division

33 Pabna Branch S.M. Super Market Haji Mohd. Mohsin Road Pabna	A.H.M. Raihan Branch In-Charge	Tel: 66541 Mob: 01712021653
34 Dinajpur Branch Northern Plaza Holding No. 74/69 Dinajpur Town, Dinajpur	Farid Hossain Sarker Branch In-Charge	Tel: 51105 Mob: 01712138134

Khulna Division

35 Khulna Branch 25, Sir Iqbal Road, Khulna	S.M. Murshed Senior Vice President	Tel: 723724 Res: 760207 Fax: 720056 Mob: 01711-321702
36 Jessore Branch Jess Tower (2nd floor) M.K. Road, Jessore	G.M. Saidur Rahman Branch In-Charge	Tel: 68896 Res: 68897 Mob: 01711350349
37 Kushtia Branch Lovely Tower (6th Floor) 55/1, Sirajuddowla Road, Kushtia	Md. Mahbubul Alam Branch In-Charge	Tel: 62223 Mob: 01712023445

Barisal Division

38 Barisal Branch 18, Hemayet Uddin Road Barisal	Amjad Hossain Talukder Astt. Vice President	Tel: 64286 Mob: 0152483202
--	--	-------------------------------

Sylhet Division

39 Sylhet Branch Laldighirpar Sylhet	Ahmed Tazdiqul Mowla Branch In-Charge	Tel: 715008 Res: 714009 Mob: 01711-388586
--	--	---



Pragati Insurance Limited

Pragati-RPR Centre, 20-21, Kawran Bazar, Dhaka-1215, Bangladesh

Proxy Form

I/We
of
being a member of Pragati Insurance Ltd. and entitled to vote, hereby appoint Mr./Mrs./Miss of as my/our Proxy to attend and vote for me/us and on my/our behalf of the 21st Annual General Meeting of the Company to be held on the 14th June, 2007 or at any adjournment thereof.

Signed this day of 2007

.....
Signature of Proxy

.....
Signature of Member

Folio No./ Bo. No.

No. of shares held

Revenue Stamp

N.B : A member entitled to attend and vote at the meeting may appoint another member his/her proxy to attend and vote on his/her behalf.

Form of Proxy, duly stamped and signed must be deposited at the Company's Registered office not later than 72 hours before time appointed for the meeting. In default, forms of proxy will not be treated as valid.



Pragati Insurance Limited

Pragati-RPR Centre, 20-21, Kawran Bazar, Dhaka-1215, Bangladesh

ATTENDANCE SLIP

I hereby record my attendance at the 21st Annual General Meeting of Pragati Insurance Limited on the 14th June, 2007 at Jamuna Resort Ltd., Bhuapur, Tangail.

Name of Member/Proxy

Folio No./B.O. No

.....
Signature of Shareholder/Proxy

N.B. Please complete the Attendance Slip and hand it over at the entrance of the meeting hall.

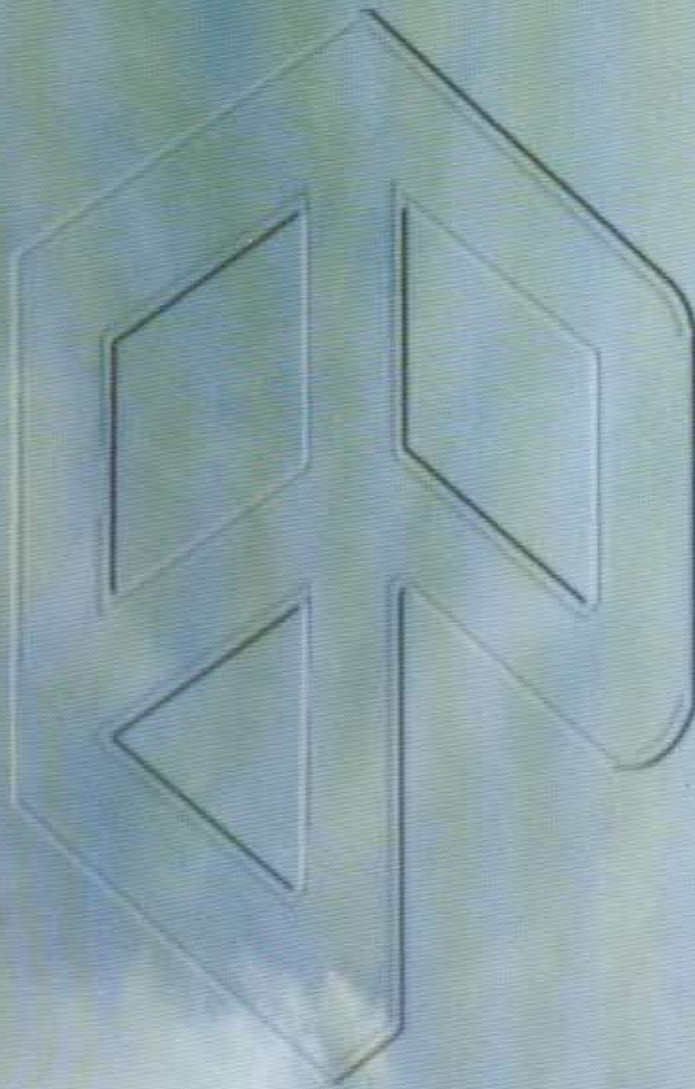


Notes



Notes





PRAGATI INSURANCE LIMITED

www.pilbima.com

REGISTERED OFFICE:

Pragati-RPR Centre
20-21, Kawran Bazar
Dhaka-1215
Tel.: PABX: 9133680-2
Fax: 880-2-8122980
E-mail: pilbima@bol-online.com