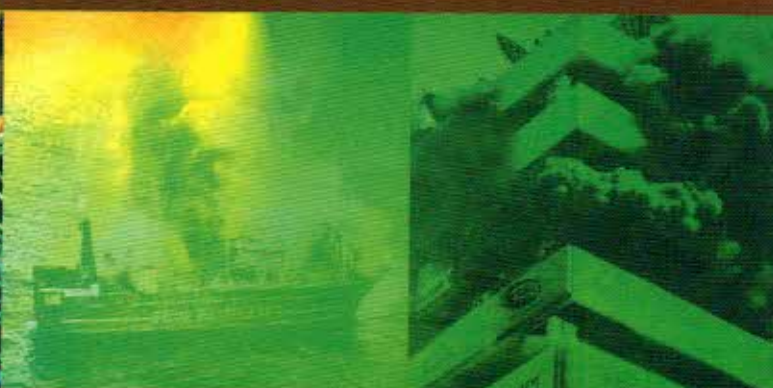


2009
annual report

24
excellent service of 24 years



**PRAGATI
INSURANCE
LIMITED**
SYMBOL OF SECURITY

excellent service of 24 years

2009
annual report

**PRAGATI
INSURANCE
LIMITED**

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Company Profile

Incorporation	January 27, 1986
Commencement	January 30, 1986
Listing with DSE	April 04, 1996
Listing with CSE	April 06, 1996

Registered Office:

Pragati Insurance Bhaban
20-21, Kawran Bazar
Dhaka-1215, Bangladesh
Phone : PABX : 88-02-9133680-2
Fax : 88-02-8122980
www.pragatiinsurance.com
E-mail: info@pragatiinsurance.com

Auditor

Hoda Vasi Chowdhury & Co.
Chartered Accountants



Vision



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

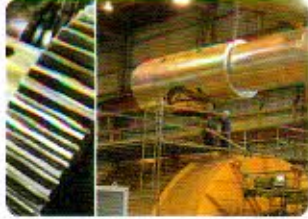


Mission Statement

- 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





Pragati Insurance Limited

Pragati Insurance Bhaban, 20-21, Kawran Bazar
Dhaka-1215, Bangladesh
Phone: PABX : 9133680-2, Fax : 880-2-8122980

Notice of the 24th Annual General Meeting

Notice is hereby given that the 24th Annual General Meeting of Pragati Insurance Limited will be held on **Tuesday, the 15th June, 2010 at 12:00 noon at the Jamuna Resort Ltd, Bhupur, Tangail** to transact the following business :

1. To receive, consider and adopt the Directors' Report for the year ended 31st December, 2009.
2. To receive, consider and adopt the Audited Accounts of the company and the Auditors' Report thereon for the year ended 31st December 2009.
3. To declare Dividend for the year 2009 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 2010 and fix their remuneration.

By order of the Board of Directors

Date : Dhaka, 9th May, 2010


(HR Chowdhury)
Company Secretary

Note :

- (a) The record date : 10th May, 2010.
- (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 2009 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 48 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 দৃষ্টব্য: সম্মানিত শেয়ার হোল্ডারবৃন্দ যাহারা যমুনা রিসোর্টে অনুষ্ঠিতব্য কোম্পানীর ২৪তম বার্ষিক সাধারণ সভায় যোগদানে ইচ্ছুক তাহাদের যাতায়াতের ব্যবস্থার জন্য আগামী ১লা জুন হইতে ৭ জুন ২০১০ তারিখের মধ্যে তাহাদের নাম অনুগ্রহপূর্বক কোম্পানীর প্রধান কার্যালয়ের শেয়ার বিভাগে রেজিস্ট্রী করার জন্য অনুরোধ জানানো যাইতেছে। অন্যথায় তাহাদের যাতায়াতের ব্যবস্থা করা সম্ভব হইবে না।



Abdul Awal Mintoo
Chairman

Board of Directors



A.S.M Mainuddin Monem



Zakaria Taher



A.K.M Rafiqul Islam, FCA
Managing Director



Abdul Monem



Al Haj Khalilur Rahman



Mohammed A. Awwal



Moezzam Hossain



Syed M. Altaf Hussain



Khan Mohd Ameer



Md Syedur Rahman Mintoo



Capt. Imran Anwar Hossain



Md. Sarwar Kamal



Mohammed A. Malek



Nigar Johan Chowdhury



Razia Sultana Shimul



Tabith Mond Awal



Ahmedul Hoque



A.K.M Shamsuddin
Independent Director



Executives

Office

Managing Director

A.K.M. Rafiqul Islam, FCA

Additional Managing Director

A.B.M. Mir Hossain (Underwriting,
Re-insurance & Claims)

Shaikh Shahjahan Uddin
(Branch Control)

Company Secretary

Hafizur Rahman Chowdhury

Deputy Managing Director

Jalalul Azim

Chief Financial Officer

Mihir Kanti Barua

Deputy Managing Director

Kaiser Rahman (Health Insurance)

Sr. Executive Vice President

Zabed Ali Mridha, FCA (Internal Audit)

Major S.M. Aminul Hasan (Retd)
(Human Resource)

Executive Vice President

Md. Shafiqul Islam (Accounts)

Sr. Vice President

Kabir Ahmed (Re-insurance)

Vice President

Md. Ibrahim (Internal Audit)

Bikash Chandra Pal (Underwriting)

Marketing

Business Consultant

Syed Zahrul Huq

Deputy Managing Director

Nizam Mohammed Uddin

Asstt. Managing Director

Mohammed Ali Khan

Sr. Executive Vice President

Mahboob Uddin Ahmed

Abdul Momen

Khandoker Zafar Sadeque

Sharif Mustaba

M. A. Hasan

Md. Nazrul Islam

S.M.B. Shameem

A.S.M. Reazur Rahman

Executive Vice President

Fazlul Karim Alamgir

Shaied-e-Manjur Murshed

Jamal Uddin Haider

Sr. Vice President

Ali Fathker Kollol

Md. Golam Farooque

Farid Ahmed

Abdus Salam

Vice President

Md. Azizul Huque



Company's Performance

5 Years at a glance

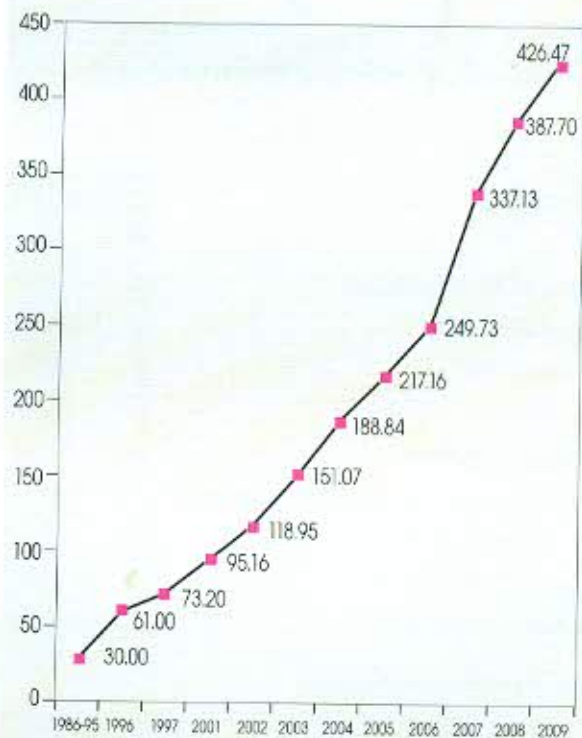
Taka in Million

Particulars	2009	2008	2007	2006	2005
Financial Performance					
Gross premium	1,035.88	979.08	802.76	695.43	632.09
Net Premium	429.11	412.81	341.97	303.68	274.98
Net claim	92.37	48.65	58.42	63.06	56.34
Underwriting profit	62.86	99.24	77.90	64.18	54.03
Income from financial service/Capital gain	103.57	125.58	121.46	76.97	64.73
Net profit before tax	131.38	198.83	176.84	121.97	98.35
Net profit after tax	68.55	118.07	142.66	94.47	78.35
Dividend in percent	20+10(Stock)	20+15(Stock)	35(Stock)	15+15(Stock)	15+15(Stock)
Share Capital and Reserve					
Paid up Capital	387.71	337.13	249.73	217.16	188.83
Total Reserves & Surplus	1668.88	1686.42	1615.88	784.20	649.98
Share Holders Equity	2,056.60	2,023.56	1,865.61	1,001.34	838.76
Assets					
Investment in Shares and Securities	391.23	361.65	242.58	220.22	163.35
Cash, FDR and Bank balances	473.04	532.12	510.34	475.59	344.67
Land and Building	1,496.21	1,319.03	1,318.52	531.91	595.84
Total Assets	2,900.94	2,662.47	2,449.50	1,546.01	1,404.54
Ratios					
Earnings per share (EPS)	28.73	46.84	56.78	43.50	41.49
P/E (Times)	24.93	20.28	8.45	6.94	9.45
Solvency Surplus	2092.14	2044.48	1899.89	1,025.32	863.64
Net Asset Value Per Share	530.44	600.21	747.04	461.12	444.21
Net Cash Flow Per Share	10.88	47.08	2.01	82.68	15.01
Credit Rating:					
Long Term	AA1	AA2	AA2		
Short Term	ST1	ST1	ST1		



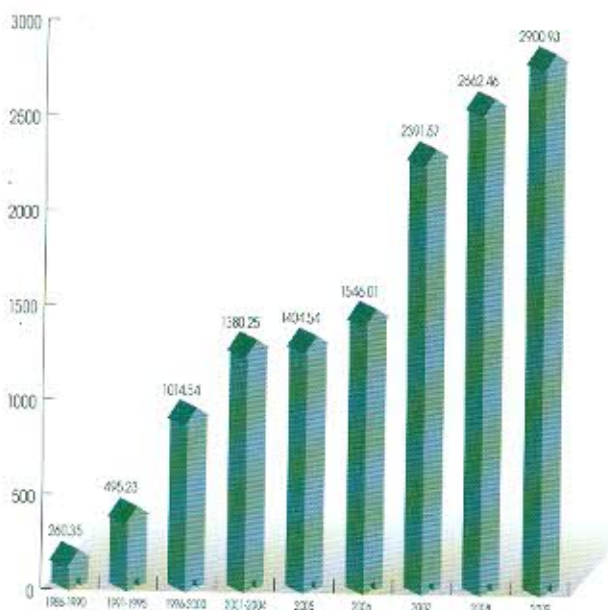
Growth of Capital (BDT Million)

1986-1995	Sponsor's capital	30.00
1996	IPO of Tk.31million	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
2007	35% Stock dividend	337.13
2008	15% Stock dividend	387.70
2009	10% Stock dividend	426.47



Growth of Asset (BDT Million)

1986-1990	260.35
1991-1995	495.23
1996-2000	1014.54
2001-2004	1380.25
2005	1404.54
2006	1546.01
2007	2391.57
2008	2662.46
2009	2900.93





Chairman's Speech

Dear Shareholders

Assalamu Alaikum,

I am very happy to be present with you again to place before you the Annual Report along with the audited financial statements for the year ended 31st December, 2009 and performance report of the company for the year we have just left behind.

A new Government took over the management of the economy piecing together the broken threads of a democratic process of governance which went missing during the Care Taker Government. This added to the additional challenge of coping with the global economic environment and conflicting forecasts. While GDP growth rate was held steady and inflation generally harnessed, success was not up to the expectation in keeping check on the upward trend of food prices. Agriculture sector however was managed well through ensuring availability of key inputs and appropriate subsidies. Above all, a fair price was ensured for the farmer's produce - not putting off balance the interest of the consumers.

In the industrial sector growth was not encouraging. Investments are still shy due to the shock given during the Care Taker Government and continued uncertainty around energy supply including gas. Export however, came out of the negative growth phase of the two quarters of 2009 and recorded a 2.62% growth in October-November, 2009. With the recovery of the major sector of the economy from recession, it would not be unreasonable to expect a double digit growth of export. During the 1st quarter of 2009 FY (July-September) import recorded a fall of 19.9% over the previous quarter.



Insurance in the country follow the footsteps of industrial progress and if there is less imports, lower industrial growth, we can not move faster than the engine that leads to our growth.

The over all business growth of 5.76% is not enough to sustain the growing needs of management costs including development expenses. We could not bring about dimensional changes in our traditional insurance business. We have taken strategy to develop health insurance as well as insurance of small business a year earlier. We have not been able to as yet enter into the core of this business but we would like to assure you that our endeavor will bring us success in future.

We have entered into Jubilee year of our operation in 2010 and the Board felt it necessary to bring in modernization in the management of the company. Accordingly, the Rule Book which was as old as 24 years has been revised and it is under process of introduction after vetting by a management consultant. We hope that it will bring vigor and energy in the mind of the people working in this organization. We want leave behind a model of modern management in the industry to witness.

The new Insurance Law has just been passed in the Parliament and controlling authority namely Insurance Development Regulatory Authority is yet to be constituted. We, in Pragati Insurance Limited have proposed to increase paid-up capital of Tk. 387 million to Tk. 426 million by proposing to issue 10% Stock Dividend for your approval. Thus, we will be making ourselves complaint of the New Insurance Act 2010 which provides for minimum capital for non-life insurance company of Tk. 400 million. The Rules and Regulations for operation of the Insurance Act 2010 is under preparation by the Govt. and hopefully when it comes, will be equally compliant to make your company a rule based operating company.

A summarized position of company's operation in the year 2009 will help appreciate the performance of the company during the year under review:

	Taka in million		
	2009	2008	(+ increase %)
Gross premium	1036	979	+6%
Retained premium (RP)	429	412	+4%
Claims - retained portion	92	49	+88%
Underwriting profit	63	99	-36%

Board has recommended to you stock dividend at the rate of 10% and cash dividend at the rate of 20%. The paid up capital of the company would raise to Tk. 426,479,190. I hope this would meet with your approval.

Finally, I want to assure you that the Board is quite conscious of the responsibility you have reposed on it and will extend continued endeavor to take the company to a newer heights with asset backed growth.

Thanking you for attending the AGM and listening to my speech. Please enjoy every moment of your stay at the Resort. Allah Hafez.

Abdul Awal Mintoo
Chairman



Directors' Report 2009

Dear Shareholders,

Assalamu Alaikum,

With pleasure we welcome you all to the 24th annual general meeting of Pragati Insurance Limited at the scenic Jamuna Resort. The year 2009 was full of expectation in view of the fact that a new elected government took reign of Bangladesh economy with promises and hopes. Business, however, was reeling through the backdrop of the recession around the world especially in American and European countries following sub-prime mortgage debacle. Although Bangladesh withstood the calamity with fortitude, but business did not pick-up immediately following the take-over by the new government. Business climate was under cloud end it took quite sometime to clear out of the woods.

Industrial growth was at the lowest end due to shortage of electricity as well as gas supply. In the backdrop of such a situation we have the pleasure to present the Annual Account along with the Auditors Report for the year 2009.

Operational Results

Consolidated operational result during 2009 along with 2008 is summarized below:

Figure in Million

Particulars	2009	2008	% change
Gross Premium	1036	979	+ 6%
Net Claim	92	49	+ 88%
Underwriting Profit	63	99	- 36%
Net Profit	131	199	-34%

পরিচালক মন্ডলীর প্রতিবেদন ২০০৯

প্রিয় শেয়ার হোল্ডারবৃন্দ,

আসসালামু আলাইকুম,

প্রগতি ইন্স্যুরেন্স লি.-এর ২৪তম বার্ষিক সাধারণ সভায় আমরা আপনাদেরকে যমুনা রিসোর্টে অত্যন্ত আনন্দের সাথে স্বাগত জানাচ্ছি। ২০০৯ সাল শুরু হয় নির্বাচিত নূতন সরকার এবং বাংলাদেশের অর্থনৈতিক উন্নয়নের আশা এবং প্রতিশ্রুতির মধ্য দিয়ে। বিশ্বজুড়ে অর্থনৈতিক বিপর্যয়ের ফলশ্রুতিতে বাংলাদেশের অর্থনৈতিক উন্নয়ন বাধাগ্রস্ত হয়। যদিও বাংলাদেশ অত্যন্ত ধৈর্য্য এবং সাহসিকতার সাথে এই পরিস্থিতি মোকাবেলা করে তথাপিও এই অর্থনৈতিক মন্দা কাটিয়ে উঠতে বেশ সময়ের প্রয়োজন হয়েছে। বিদ্যুত এবং গ্যাসের অপ্রতুলতা শিল্পক্ষেত্রে উন্নয়ন ব্যাহত হয়।

এ সকল অবস্থার প্রেক্ষিতে আমরা আপনাদের নিকট ২০০৯ সালের বার্ষিক হিসাব এবং তার উপর নীরক্ষকের প্রতিবেদন উপস্থাপন করতে পেরে আনন্দিত।

অর্জিত ফলাফল

২০০৯ সালে অর্জিত ফলাফলের একটি সারাংশ ২০০৮ সালের অর্জিত ফলাফল সহ প্রদান করা হোল:-

মিলিয়ন টাকায়

	২০০৯	২০০৮	% (তারতম্য)
গ্রস প্রিমিয়াম	১০৩৬	৯৭৯	(+) ৬%
নেট প্রিমিয়াম	৯২	৪৯	(+) ৪৪%
অবলেনন মুনাফা	৬৩	৯৯	(-) ৩৬%
নেট মুনাফা	১৩১	১৯৯	(-) ৩৪%



Gross Premium Income

In the year 2009 there was modest growth compared to 2008. We earned gross premium of Tk.1035.88 millions this year against Tk. 979.08 million in 2008 enumerating a growth of 5.76%. This was achieved through the efforts of our officers and staff.

Fire Insurance

The Company earned gross fire Insurance premium of Tk.502.78 million as against Tk. 481.16 million in the year 2008 which was 4.49% growth over the last year. After adjustment of re-insurance and claims the company made underwriting profit of Tk. 7.18 million against Tk. 16.15 million in 2008.

Marine Insurance

In this department gross premium recorded was Tk. 317.46 million against Tk. 292.75 million in the year 2008 which was 8.44% higher than last year. After meeting re-insurance and claims, we earned underwriting profit of Tk. 38.73 million against Tk. 50.78 million in the year 2008. There were number of ships sinking both locally as well as in the international waters materials with cement and cement clinker, resulting loss in our retained account.

Miscellaneous Insurance

We earned gross premium of Tk. 215.6 million (both in Motor and Miscellaneous department) against Tk. 205.18 million in the year 2008 which was 5.10% higher than last year. After meeting re-insurance and claims, the company earned underwriting profit of Tk. 16.94 million against Tk. 32.31 million in 2008. There were more motor claims than other premium. Loss in the retained account was more than the previous year on motor account.

গ্রস প্রিমিয়াম আয়

২০০৯ সালে গ্রস প্রিমিয়াম আয় হয়েছে ১০৩৫.৮৮ মিলিয়ন টাকা যা ২০০৮ সালের আয় ৯৭৯.০৮ মিলিয়ন টাকা হতে ৫.৭৬% অধিক। এটা সম্ভব হয়েছে আমাদের কর্মকর্তা ও কর্মচারীদের ঐকান্তিক প্রচেষ্টার মাধ্যমে। বিভাগওয়ারী সম্পাদিত কার্যক্রম আপনাদের অবগতির জন্য নিম্নে বর্ণনা করা হলো।

অগ্নি বীমা

২০০৯ সালে কোম্পানী অগ্নি বীমা খাতে গ্রস আয় করে ৫০২.৭৪ মিলিয়ন টাকা যা গত বছরের ৪৮১.১৬ মিলিয়ন টাকার তুলনায় ৪.৪৯% অধিক। রি-ইন্স্যুরেন্স এবং বীমা দাবী মিটিয়ে সমন্বয় করার পর ২০০৯ সালে অবলেনন মুনাফার পরিমান দাঁড়িয়েছে ৭.১৮ মিলিয়ন টাকা। ২০০৮ সালে এর পরিমান ছিল ১৬.১৫ মিলিয়ন টাকা।

মেরীন বীমা

মেরীন বীমা বিভাগে গ্রস প্রিমিয়াম অর্জিত হয়েছে ৩১৭.৪৬ মিলিয়ন টাকা। গত বছরের ২৯২.৭৫ মিলিয়ন টাকার তুলনায় ৪৪% অধিক। রি-ইন্স্যুরেন্স এবং বীমা দাবী মিটিয়ে এই বিভাগে অবলেনন মুনাফার পরিমান হচ্ছে ৩৮.৭৩ মিলিয়ন টাকা যা ২০০৮ সালে ছিল ৫০.৭৪ মিলিয়ন টাকা। দেশে এবং বিদেশে কিছু নৌ দুর্ঘটনা এই ক্ষতির জন্য দায়ী। সিমেন্ট এবং সিমেন্ট ক্লিংকার বহনকারী জাহাজ সমুদ্রে নিমজ্জিত হবার কারণে এই খাতে ক্ষতি সাধিত হয়।

বিবিধ বীমা

২০০৯ সালে কোম্পানী মটর এবং অন্যান্য খাতে গ্রস প্রিমিয়াম আয় করে ২১৫.৬ মিলিয়ন টাকা। ২০০৮ সালে এর পরিমান ছিল ২০৫.১৮ মিলিয়ন টাকা। ২০০৮ সালের তুলনায় ৫.১০% বেশী। রি-ইন্স্যুরেন্স এবং বীমা দাবী মিটানোর পর ২০০৯ সালে এই খাতে অবলেনন মুনাফার পরিমান হচ্ছে ১৬.৯৪ মিলিয়ন টাকা। যা গত বছরে ছিল ৩২.৩১ মিলিয়ন টাকা। এই বছর মটর ব্যবসায় প্রচুর ক্ষতিপূরণ দিতে হয় বিধায় মুনাফার পরিমান হ্রাস পায়।



Investment Operation

Investment operation in the stock market mainly did not witness buoyancy except in the last quarter of the year. While some stock declared stock dividend @200%, we could not taken into the account of 2009 due to holding of the AGM in 2010 and as such we got the benefit in 2010 instead of 2009. This has resulted into less earned income in 2009 than in 2008. Besides, investment in the Banking Sector share did not show spurt, may be due to every one declaring stock dividend, resulting in huge supply of banking shares. We hope to show better performance in 2010.

Contribution to National Exchequer

Since company's commencement in the year 1986 Pragati Insurance Ltd. have been maintaining a pioneer role to contribute into Government Exchequer. During the year under report the company has deposited Tk.136.13 million to the Government Exchequer as corporate income tax, withholding tax, stamp and VAT.

Income Distribution:

After providing all the expenditure the company's net profit before tax stood at Tk. 131.38 million against Tk. 198.83 million in 2008. The net profit before tax including balance of profit & loss appropriation account brought forward from previous year proposed for appropriation as follows:

Reserve for exceptional losses	42.91 million
Provision for Income Tax	17.50 million
Provision for deferred Tax	2.50 million
Balance available for distribution	68.55 million

বিনিয়োগ কার্যক্রম

২০০৯ সালের শেষভাগ ছাড়া পুজি বাজারে বিনিয়োগ হতে বিশেষ সুবিধা অর্জন করা সম্ভব হয়নি। কিছু কিছু কোম্পানীর ২০০৯ সালের বার্ষিক সভা ২০১০ সালে অনুষ্ঠিত হয় ফলে তা থেকে অর্জিত মুনাফা আমরা ২০০৯ সালে দেখাতে পারিনি। ফলে ২০০৮ এর তুলনায় ২০০৯ সালে আয় কম হয়। যদিও ২০১০ সালে এর সুফল পাবো। এ খাতে অধিকাংশ ফ্রেডেই স্টক ডিভিডেন্ড ঘোষণা করা হয় এবং কোন কোন সংস্থা ২০০% পর্যন্ত স্টক ডিভিডেন্ড প্রদান করে। বেশীরভাগ ফ্রেডেই স্টক ডিভিডেন্ড ঘোষণার ফলে ব্যাংকিং সেক্টরে বিনিয়োগ বিশেষ মুনাফা অর্জিত হয় নাই। ২০১০ সালে আমরা এ খাতে ভাল মুনাফা অর্জনের আশা রাখি।

জাতীয় রাজস্ব প্রগতির অবদান

১৯৮৬ সালে কোম্পানীর জন্মলগ্ন থেকে প্রগতি জাতীয় কোষাগারে অবদানের ক্ষেত্রে মূখ্য ভূমিকা পালন করে আসছে। আলোচ্য বছরে কর্পোরেট ইনকাম ট্যাক্স, স্ট্যাম্প ডিউটি এবং ভ্যাট হিসাবে প্রগতি জাতীয় কোষাগারে মোট ১৩৬.১৩ মিলিয়ন টাকা প্রদান করেছে।

আয় বন্টন

কোম্পানীর সকল প্রকার ব্যয় সংরক্ষণের পর ২০০৯ সালে কর পূর্ববর্তী নীট মুনাফা হয়েছে ১৩১.৩৮ মিলিয়ন টাকা। ২০০৮ সালে এর পরিমাণ ছিল ১৯৮.৩৮ মিলিয়ন টাকা। আলোচ্য বছরের কর পূর্ববর্তী নীট মুনাফার সাথে ২০০৮ সালে পূর্ববর্তী বছরের ব্যালেন্স যোগ করে নিম্ন হারে আয় বন্টনের প্রস্তাব করা হয়েছেঃ

অস্বাভাবিক ক্ষতির জন্য (নীট প্রিমিয়ামের ১০%)	৪২.৯১ মিলিয়ন
আয়কর বাবদ	১৭.৫০ মিলিয়ন
পরিশোধযোগ্য ট্যাক্স	২.৫০ মিলিয়ন
বিতরণযোগ্য টাকার পরিমাণ	৬৮.৫৫ মিলিয়ন

The board of directors of Pragati Insurance Ltd. always pays deep attention and respect shareholders values to maximize their return on investment. The Board of Directors have recommenced 30% dividend (20% cash and 10% stock) to the shareholders of the company for the year 2009. 10% stock dividend will raise the paid up capital to Tk. 426,479,100.00. Law requires Tk. 400 million as the minimum capital of a non - life company and Pragati has crossed that minimum limit.

Credit Rating

Credit rating agency of Bangladesh Ltd (CRAB) rated Pragati Insurance Ltd. AA1 in the long term and conformed ST1 rating in the short term for the year 2009. The rating agency certified that your company has the following 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 & SEC

Board of Directors

In accordance with the article 105 of the company's Articles of Association, under the noted directors from Group-A shareholders will retire from the office by rotation. They are:

1. Mr. Moazzam Hossain
2. Captain Imam Anwar Hossain
3. Mrs. Nigar Jahan Chowdhury

The above mentioned 3 (three) retiring directors have not expressed their willingness for re-election. In place of their vacant posts the following 3 (three) Groups-A shareholders expressed their willingness to elect directors. The Board of Directors unanimously elects them as directors. They are:

প্রগতি ইন্স্যুরেন্সের পরিচালনা পর্ষদ কোম্পানীর শেয়ারহোল্ডারদের প্রতি সর্বদাই শ্রদ্ধাশীল এবং তারা যাতে তাদের বিনিয়োগের সর্বোচ্চ মুনাফা লাভ করতে পারে সেদিকে অত্যন্ত সচেতন। প্রগতির পরিচালনা পর্ষদ ২০০৯ সালের মুনাফা থেকে শেয়ার হোল্ডারদের জন্য ৩০% ডিভিডেন্ড (২০% ক্যাশ ডিভিডেন্ড এবং ১০% বোনাস শেয়ার) প্রদানের সুপারিশ করেছেন। এর ফলে কোম্পানীর পরিশোধিত মূলধন ৪২৬,৪৭৯,১০০/- টাকায় উন্নীত হবে। আইন অনুযায়ী সাধারণ বীমা কোম্পানী পরিশোধিত মূলধন হবে ৪০০ মিলিয়ন টাকা। এ বছর ১০% বোনাস শেয়ার প্রদানের ফলে প্রগতি ন্যূনতম মূলধনের সীমা অতিক্রান্ত করেছে।

ক্রেডিট রেটিং

ক্রেডিট রেটিং এজেন্সী অব বাংলাদেশ (CRAB) মূল্যায়নের ২০০৯ সালে প্রগতি ইন্স্যুরেন্সের রেটিং হচ্ছে নিম্নরূপঃ

Longe term AA1

Short term ST1

CRAB তাদের মূল্যায়নে বলেছে যে প্রগতি ইন্স্যুরেন্স লিঃ এর রয়েছেঃ

- বীমা ব্যবসা ক্ষেত্রে বড় একটি অংশ
- দৃঢ় আর্থিক ব্যবস্থাপনা এবং মুনাফা
- বীমা দাবী পরিশোধের ক্ষমতা
- অবলেন্স ক্ষেত্রে যোগ্য এবং বিশেষজ্ঞ টিম
- সুদৃঢ় রিজার্ভ কাঠামো
- SEC এবং CCI বিধি অনুযায়ী কর্পোরেট গবর্নেন্স যোগ্যতা

পরিচালকমন্ডলীঃ

কোম্পানীর আর্টিকেলস অব এসোসিয়েশনের ১০৫ ধারা অনুযায়ী “এ” গ্রুপের নিম্নলিখিত উদ্যোক্তা পরিচালকবৃন্দ অবসর গ্রহণ করবেন।

১. জনাব মোয়াজ্জেম হোসেন
২. ক্যাপ্টেন ইমাম আনোয়ার হোসেন
৩. মিসেস নিগার জাহান চৌধুরী

অবসর গ্রহণকারী উক্ত ৩ জন পরিচালক পুনঃনির্বাচিত হওয়ার জন্য ইচ্ছা প্রকাশ করেন নাই। তাদের স্থলে নিম্নলিখিত ৩ জন “এ” গ্রুপ শেয়ারহোল্ডার পরিচালক হওয়ার জন্য ইচ্ছা প্রকাশ করেন। পরিচালনা পর্ষদ সর্বসম্মতিক্রমে তাদেরকে পরিচালক হিসাবে নিয়োগ প্রদান করেন।



1. Prof Jahangir Chowdhury
2. Mr. Mushfiqur Rahman
3. Mr. Tafsir Mohd. Awal

Besides, the 2 (Two) directors from Group B shareholders will retire from the office in 24th Annual General Meeting, they are; Mr. A. S. M. Moinuddin Moneem and Mr. Ahamedul Hoque. With in the stipulated time Mr. A. S. M. Mohiuddin Monem and Mr. Ahamedul Hoque from Group B shareholders submitted their nomination papers to elect directors. Except these two persons none has submitted any nomination paper, so they will be treated as directors.

Audit Committee

In compliance with the directive of the SEC Audit Committee held 7 meetings during the year 2009. The Audit Committee examined and scrutinized the audited balance sheet along with financial statements and reports for the year 2009. The Committee made its recommendation to the Board for acceptance of the audit report, annual account submitted by the auditor M/s. Huda Vasi Chowdhury & Co.

Auditors

In compliance with the article 149 of the Article of Association of the company, the auditors M/s. Huda Vasi Chowdhury & Company, Chartered Accountants is to retire as auditors of the company. M/s. Huda Vasi Chowdhury & Company has indicated their willingness in writing for appointment as auditors. Accordingly, Board also recommends to appoint M/s. Huda Vasi Chowdhury & Company, as the Auditor of the company for the year 2010. It is recommended that M/s. Huda Vasi Chowdhury & Company, be appointed as the Auditors of the Company for the year 2010 and fix their remuneration.

১. অধ্যাপক জাহাঙ্গীর চৌধুরী
২. জনাব মুশফিকুর রহমান
৩. জনাব তাফসির মোহাম্মদ আউয়াল

এদ্ব্যবতীত “বি” গ্রুপ শেয়ারহোল্ডারদের মধ্য থেকে নিম্নবর্ণিত ২ জন পরিচালক ২৪তম বার্ষিক সাধারণ সভায় অবসর গ্রহণ করবেন।

১. জনাব এ.এস. এম. মঈনউদ্দিন মোনেম
২. জনাব আহমেদুল হক

নির্দিষ্ট সময়ের মধ্যে জনাব আহমেদুল হক এবং জনাব এ.এস.এম. মঈনউদ্দিন মোনেম “বি” গ্রুপের পরিচালক নির্বাচনের জন্য নমিনেশন পত্র দাখিল করেন। এই ২ জন ব্যতিত অন্য কেহ নমিনেশন পত্র দাখিল না করায় তারা নির্বাচিত বলে গণ্য হবেন।

অডিট কমিটি

সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর নির্দেশনা অনুযায়ী গঠিত কমিটি ২০০৯ সালে মোট ৭টি সভা করেছে। এছাড়াও নিরীক্ষিত আর্থিক প্রতিবেদন সহ কোম্পানীর বার্ষিক প্রতিবেদন পর্যালোচনা করে উহা গ্রহণের সুপারিশসহ পরিচালনা পর্ষদের নিকট প্রেরণ করে।

নিরীক্ষক

আর্টিকেল অব এসোসিয়েশনের ১৪৯ ধারা অনুযায়ী কোম্পানীর নিরীক্ষক মেসার্স হুদা ভাসি চৌধুরী এন্ড কোং অবসর গ্রহণ করবেন। তারা প্রগতি ইন্স্যুরেন্স লিমিটেড-এ অডিটর হিসাবে পুনঃ নিযুক্তির আহ্বাহ প্রকাশ করে পত্র দিয়েছেন। সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর নিয়ম অনুযায়ী একটি কোম্পানীর নিরীক্ষক ৩(তিন) বছর অডিটর হিসাবে নিয়োগ যোগ্য আমরা ২০১০ সালের জন্য মেসার্স হুদা ভাসি চৌধুরী এন্ড কোং কে অডিটর নিয়োগ 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) During the year ended December 31, 2009 the Board of Directors held 9 (nine) meetings and the Directors serving on the Board attended in aggregate 61% of the total number of meetings.
- (x) At December 31, 2009, 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.



Ownership Status

Sl. No	Name of Shareholding Directors	No. of Shares	Spouse	Total	% of holding
1	Abdul Awal Mintoo	31,782	68,917	100,699	2.60
2	Al-Haj Khalilur Rahman	196,071	-	196,071	5.06
4	Mr. Abdul Monem	102	-	102,091	2.63
5	Mohd.A. Awwal	86,362	32,594	118,956	3.07
6	Moazzam Hossain	60,801	42,370	103,171	2.66
7	Nigar Jahan Chowdhury	82,902	-	82,902	2.14
8	Khan Mohd.Ameer	95,339	-	95,339	2.46
9	Md. Syedur Rahman Mintoo	68,488	7,250	75,738	1.95
10	Capt. Imam Anwar Hossain	98,065	-	98,065	2.53
11	Syed M.Altaf Hussain	130,542	10,356	140,898	3.63
12	Md. Sarwar kamal	65,807	33,353	99,160	2.56
13	Moh. A. Malek	66,081	30,832	96,913	2.50
14	Razia Sultana Shimul	79,964	-	79,964	2.06
15	Tabith Mohd. Awal	25,547	-	25,547	0.66
16	Ahmedul Hoque	892	-	892	0.02
17	A.S.M Mohiuddin Monem	7,864	-	7,864	0.20
18	Zakaria Taher	13,882	-	13,882	0.36
19	A.K.M. Shamsuddin Ahmed, Independent Director	-	-	-	-
20	A.K.M Rafiqul Islam, Managing Director	30,036	-	30,036	0.77
21	Company Secretary	943	-	943	0.02
22	CFO	-	-	-	-
23	Head of Internal Audit	-	-	-	-

10% or above shareholdings of the company: Nil.



Corporate Governance :

Corporate governance is the system by which companies are directed and controlled by the management for the best interest of all shareholders which ensures transparency and accountability of the management. Keeping this in mind Pragati Insurance Ltd. gives top priority to establishing corporate governance standard at all levels and all units.

Pragati Insurance Ltd. considers that it has implemented the requirements contained in Security and Exchange Commission notification no. SEC/CMRRCD/2006-158/Admin/02-08 dated 20th February, 2006. A corporate governance compliance report as per SEC check list is given below :

Condition No.	Title	Compliance Status		Explanation for Noncompliance with the condition
		Complied	Not Complied	
1.	Board of Directors			
1.1	Board's size	Yes		
1.2 (i)	Number of Independent Director	Yes		
1.2 (ii)	Appointment of Independent Director	Yes		
1.3	Chairman of the Board & CEO	Yes		
1.4 (a)	FS present fairly its state of affairs, results of its operation cash flows and changes in equity	Yes		
1.4 (b)	Proper books of accounts maintained	Yes		
1.4(c)	Appropriate accounting policies consistently applied in FS preparation and accounting estimates are based on reasonable and prudent judgment	Yes		
1.4 (d)	IAS, as applicable in Bangladesh, followed in FS preparation & departure adequately disclosed	Yes		
1.4 (e)	The system of internal control sound in designed and effectively implemented & monitored	Yes		
1.4 (f)	No Significant doubt upon its ability to continue as a going concern.	Yes		
1.4 (g)	Significant deviations from last year in operating results	-		No such incidence
1.4 (h)	Key operating & financial data of at least preceding three years	Yes		
1.4 (i)	If the company has not declared dividend, reasons there of	Yes		
1.4 (j)	Number of Board Meeting held & attendance	Yes		9 meetings with average 61% attendance
1.4 (k)	Pattern of shareholding	Yes		



Condition No.	Title	Compliance Status		Explanation for Noncompliance with the condition
		Complied	Not Complied	
2.	Chief Financial Officer, Head of Internal Audit and Company Secretary			
2.1	Appointment of CFO, Head of internal Audit & company Secretary	Yes		
2.2	Requirement to attend Board meetings	Yes		
3.0	Audit Committee	Yes		
3.1 (i)	Composition of Audit Committee	Yes		5 members
3.1 (ii)	Appointment of Audit Committee	Yes		
3.1 (iii)	Service & tenure of Audit Committee	Yes		
3.2 (i)	Selection of the Chairman of Audit Committee	Yes		
3.2 (ii)	Qualification of the Chairman of Audit Committee	Yes		
3.3.1 (i)	Reporting of Audit Committee	Yes		
3.3.1(ii) (a)	Report on conflicts of interest	-		No such incidence
3.3.1 (ii)(b)	Suspected or presumed fraud or irregularity or material defect in the internal control system	-		No such incidence
3.3.1 (ii) (c)	Suspected infringement of laws	-		No such incidence
3.3.1 (ii) (d)	Any other matter	-		No such incidence
3.3.2	Reporting of the Authorities	Yes		
3.4	Reporting to the Shareholders & General Investors	Yes		
4.	External/Statutory Auditor			
4.00 (i)	Appraisal or valuation service or fairness opinion	Yes		
4.00 (ii)	Financial Information systems design and implementation	Yes		
4.00 (iii)	Book Keeping or other services related to accounting records or financial statements	Yes		
4.00(iv)	Broker-dealer service	Yes		
4.00 (v)	Actuarial service	Yes		
4.00 (vi)	Internal audit services	Yes		
4.00 (vii)	Any other services	Yes		
5.00	Reporting the compliance in the Directors Report.	Yes		

Acknowledgement

On behalf of The Board of Directors I express my heartfelt gratitude and deep appreciation to all of our valued clients for their continued support and cooperation to the company. We are especially grateful to all banks, both in private and public sector and the management of Square group, Beximco group, KDS group, Abdul Monem group, Hosaf group, Multimode group, Monno Group, KAFCO, AKTEL, Bata Shoes (Bangladesh) Ltd., World Telecom, Novartis Bangladesh, NuVista Bangladesh, BOC Bangladesh, Hup Lum, Holcim Cement, Heidelberg Cement, Lafarge Cement, Emirates cement, Glaxo Smithkline, Pro-star group, Chowdhury Apparels, McDonald (BD) Pvt. Ltd., Gonoshasthya group, DHL World wide, Group 4, NTV, RTV, American School, UAE Embassy, NASA group, Younggone group, Pacific jeans, HKDgGroup, Alifag group, Apex weaving, Anlima Dying, Dacca Dying, Dhakaria, MGH group, Jayson group, Shams group, NR group, Navana, Al-haj karim Textile Ltd, karim Jute Spinners Ltd., Jamuna group of industries, Westin Hotel, Radisson Dhaka, Bashundhara Group, Rankstel, Khulna Power, Quality Feeds, United Group, Techno Textile and Sena Kalyan Sangstha for reposing their confidence in the company.

We also record our gratefulness to the Government of the People's Republic of Bangladesh, Chief Controller of Insurance, Securities and Exchanges Commission, Dhaka Stock Exchange, Chittagong Stock Exchange, Sadharan Bima corporation, General Insurance Corporation of India (GIC) for their support and assistance. The Board also expresses its appreciation to M/S. Huda Vasi Chowdhury & Co. the auditor of the company.

The Directors also put on record their thanks to the Managing Director and have conveyed their appreciation through the Managing Director to all the executives, officers and staff of the company for their excellent work. With their sincere, dedicated, whole hearted devotion and committed efforts to the challenging duty and responsibility, we may look forward to achieving better results in the coming days. The directors have been pleased to reward executives, officers and employees with two and half incentive bonus.

Finally, the Board offers thanks to the shareholders and assures them that the company committed to add to the shareholders wealth through personalized services where they have placed their trust and confidence.

Thank you all.

On behalf of the Board of Directors



Abdul Awal Mintoo
Chairman

কৃতজ্ঞতা প্রকাশ

পরিশেষে পরিচালকমন্ডলী কোম্পানীর কার্যক্রমে সহায়তা এবং সহযোগিতা প্রদানের জন্য সরকারী ও বেসরকারী ব্যাংক সমূহ, বিভিন্ন আর্থিক প্রতিষ্ঠান এবং ব্যক্তি মালিকানাধীন ব্যবসায়িক প্রতিষ্ঠানসমূহের প্রতি কৃতজ্ঞতা প্রকাশ করেছেন। কোম্পানীকে বর্তমান মর্যাদায় উন্নীতকরনে তাঁদের অবদান অপরিসীম। বিশেষভাবে ঝয়ার গ্রুপ, বেক্সিমকো গ্রুপ, কেডিএস গ্রুপ, আব্দুল মোনেম গ্রুপ, মালটিমোড গ্রুপ, মনু গ্রুপ, কর্ণফুলী ফার্মিলাইজার কোং লিঃ (কাফকো), এ্যাকটেল, বাটা সু (বাংলাদেশ) লিঃ, ওয়ারিদ টেলিকম, নোভারটিস (বাংলাদেশ) লিঃ, নুভিস্টা বাংলাদেশ, বি.ও.সি বাংলাদেশ, হোপ-লুন, হাইডেলবার্গ সিমেন্ট, হোলসিম সিমেন্ট, লাফার্জ সিমেন্ট, এমিরেটস সিমেন্ট, গ্ল্যাকসো স্মিথক্লাইন, প্রো-স্টার গ্রুপ, চৌধুরী এ্যাপারেলস, ম্যাকডোনাল্ড (বাংলাদেশ) লিঃ, গণস্থায়ী গ্রুপ, ডি.এইচ.এল ওয়ার্ল্ড-ওয়াইড, গ্রুপ ফোর, এনটিভি, আরটিভি, আমেরিকান ইন্টারন্যাশনাল স্কুল, আরব এ্যামিরাত দূতাবাস, নাশা গ্রুপ, প্যাসিফিক জিনস, এইচ কে ডি গ্রুপ, আলিটা গ্রুপ, এ্যাপেল্স উইডিং, অনলিমা ডাইং, ঢাকা ডাইং, ডাকারিয়া, এম.জি.এইচ গ্রুপ, জেসন গ্রুপ, শামস গ্রুপ, এন. আর গ্রুপ, নাভানা, আলহাজু করিম টেক্সটাইল, করিম জুট স্পিনার লিঃ, যমুনা গ্রুপ অব ইন্ডাস্ট্রিজ, হোটেল ওয়েস্টইন, ঢাকা হোটেল রেডিসন, ঢাকা, বসুন্ধরা গ্রুপ, ব্যাংগস টেল, খুলনা পাওয়ার, কোয়ালিটি ফিডস, ইউনাইটেড গ্রুপ, টেকনো টেক্সটাইল লিমিটেড এবং সেনা কল্যাণ সংস্থা প্রগতি ইন্সুরেন্সের উপর যে আস্থা প্রদর্শন করেছেন তার জন্য পরিচালকমন্ডলী তাঁদের নিকট গভীরভাবে কৃতজ্ঞ।

আমরা গণপ্রজাতন্ত্রী বাংলাদেশ সরকার, প্রধান বীমা নিয়ন্ত্রক, সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, ঢাকা স্টক এক্সচেঞ্জ, চট্টগ্রাম স্টক এক্সচেঞ্জ, সাধারণ বীমা কর্পোরেশন, জেনারেল ইন্সুরেন্স কোম্পানী এর নিকট সর্বধরনের সাহায্য সহযোগিতা পাওয়ার জন্য তাঁদের প্রতি আমাদের আন্তরিক কৃতজ্ঞতা জানাচ্ছি। পরিচালনা পর্ষদ কোম্পানীর অডিটর হোদা ভাসি চৌধুরীকেও তাঁদের কার্যক্রমের জন্য ধন্যবাদ জানান।

পরিচালকমন্ডলী ব্যবস্থাপনা পরিচালক মহোদয়কে ধন্যবাদ জ্ঞাপন করছেন এবং তার মাধ্যমে কোম্পানীর সকল শ্রেণীর কর্মকর্তা ও কর্মচারীর আন্তরিক কর্মনিষ্ঠা, অক্লান্ত পরিশ্রম, নিবেদিত সেবার প্রশংসা করছেন এবং আশা প্রকাশ করছেন যে ভবিষ্যতেও তারা একইভাবে তাঁদের প্রচেষ্টা সমুন্নত রাখবেন এবং কোম্পানীকে উত্তোরস্তর সমৃদ্ধির পথে নিতে অগ্রণী ভূমিকা পালন করবেন। পরিচালকমন্ডলী তাঁদের আন্তরিক এবং প্রশংসনীয় কর্মোদ্যমের জন্য সকল শ্রেণীর কর্মকর্তা ও কর্মচারীবৃন্দকে ২.৫০টি উৎসাহ বোনাস প্রদানের সিদ্ধান্ত নিয়েছেন।

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

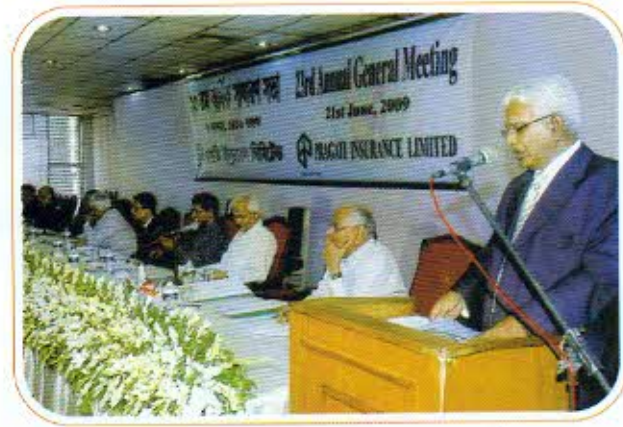
পরিচালকমন্ডলীর পক্ষে



আব্দুল আউয়াল মিন্টু
চেয়ারম্যান

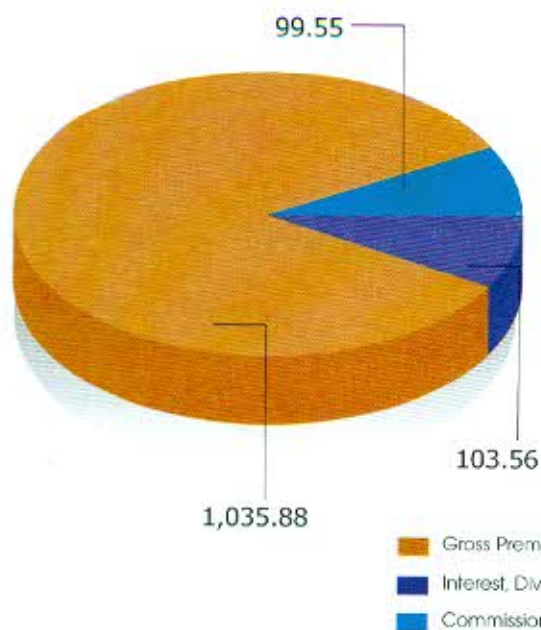


23rd AGM in Picture



Value Added Statement

for the year ended 31 December 2009



Value Added

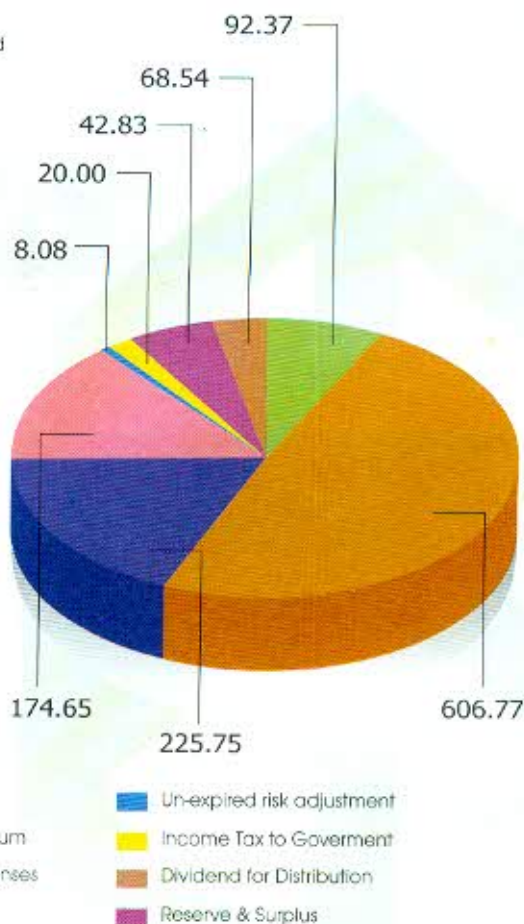
Figures in million

Gross Premium	1,035.88
Commission on Re-insurance Ceded	99.55
Interest, Dividend & Other Income	103.56
Total	1,238.99

Application

Figures in million

Net Claim	92.37
Re-insurance Premium	606.77
Management Expenses	225.75
Commission	174.65
Un-expired risk adjustment	8.08
Income Tax to Government	20.00
Dividend for Distribution	68.54
Reserve & Surplus	42.83
Total	1,238.99





PRAGATI INSURANCE LIMITED



Audit Report and Statement of Accounts
for the year ended December 31, 2009



Auditor's Report to the Shareholders

We have audited the accompanying financial statements of Pragati Insurance Limited (PIL) which comprises the balance sheet as at 31 December 2009 and the related revenue accounts as well as the profit and loss account, profit and loss appropriation account and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Insurance Rules 1958, Insurance Act 1938, the Securities and Exchanges Rules 1987 and other applicable laws and regulations. This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an 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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as at 31 December 2009 and of the results of its operations and its cash flows for the period then ended and comply with the Companies Act 1994, the Insurance Rules 1958, Insurance Act 1938, the Securities and Exchanges Rules 1987 and other applicable laws and regulations.

**We also report that:**

(i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 proper returns adequate for the purpose of our audit have been received from branches not visited by us;

(iii) the company's Balance Sheet and Profit and Loss Account and its Cash Flows dealt with by the report are in agreement with the books of account and returns;

(iv) the expenditure incurred was for the purpose 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 and 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.

Dhaka.
Dated: April 29, 2010


Hoda Vasi Chowdhury & Co
Chartered Accountants

**Balance Sheet**

As at 31 December, 2009

	Notes	2009 Taka	2008 Taka
Capital & Liabilities			
Authorised Capital 5,000,000 Ordinary shares of Tk.100 each		500,000,000	500,000,000
Issued, Subscribed & Paid-up Capital 3,877,083 Ordinary shares of Tk. 100 each	4	387,708,300	337,137,700
Share Premium		52,272	52,272
Reserve or Contingency Account		1,668,836,746	1,686,369,690
Reserve for Exceptional Losses	5	388,781,311	345,870,288
Contingency Reserve for Insurance Guarantees and Tail ended Insurance Business	6	105,869,651	105,869,651
Revaluation Reserve	7	952,592,999	966,734,687
Capital Gain	8	94,881,353	91,658,690
General Reserve	9	20,666,028	20,666,028
Dividend Equalisation Reserve		37,500,000	37,500,000
Profit & Loss Appropriation Account	10	68,545,404	118,070,346
Balance of Fund & Account		215,425,192	207,342,923
Fire Insurance Business		35,283,747	34,793,332
Marine Insurance Business		88,616,396	82,940,909
Misc. Insurance Business		91,525,049	89,608,682
Premium Deposit	11	12,205,485	50,395,299
Liabilities & Provision		229,518,374	222,736,038
Estimated liabilities in respect of outstanding claims whether due or intimated	12	87,463,532	91,445,835
Amounts due to other persons or bodies for carrying on insurance business	13	142,054,842	131,290,203
Loan from Bank for Building Project (Secured)	14	178,417,329	-
Sundry Creditors	15	61,777,768	31,440,909
Provision for Income Tax	16	139,104,453	121,604,453
Provision for Deferred Tax		7,890,000	5,390,000
		2,900,935,919	2,662,469,284
Net asset value per share		530	600

A.K.M. Rafiqul Islam
Managing Director

Dated: Dhaka 29 April 2010

Md. Syedur Rahman Mintoo
Director

Syed M. Altaf Hussain
Director



Balance Sheet

As at 31 December, 2009

	Notes	2009 Taka	2008 Taka
Property & Assets			
Investment			
National Investment Bond	17	4,500,000	4,500,000
Shares & Debentures (at the cost value)	18	386,731,018	357,149,099
Outstanding Premium	19	101,929,074	83,168,061
Amount due from other persons or bodies carrying on insurance business	20	252,887,688	217,049,616
Interest, Dividend & Rent Outstanding	21	7,047,249	7,345,135
Sundry Debtors	22	34,260,946	26,655,049
Advance Payment of Tax	23	100,506,494	76,461,909
Cash and Bank Balances			
Fixed Deposit Accounts	24	353,101,813	393,029,398
STD & Current Accounts		106,619,481	131,198,408
Cash, Cheque in hand & Stamp		13,318,213	7,897,696
Other Accounts			
Land (freehold)	25	828,337,503	850,214,657
Holiday Homes	26	3,934,800	3,129,800
Fixed Assets(at cost less accumulated depreciation)	27	39,730,362	35,352,455
Building	28	667,888,778	468,824,500
Stock of Printing Materials		142,500	493,500
		2,900,935,919	2,662,469,284

Subject to our separate report of even date.


Abdul Awal Minto
Chairman


Hoda Vasi Chowdhury & Co
Chartered Accountants



Profit and Loss Account

For the year ended 31 December, 2009

	Notes	2009 Taka	2008 Taka
Expenses of Management			
(not applicable to any fund or account)			
Advertisement & Publicity		8,636,111	2,382,745
Board related Expenses		1,910,752	905,250
Bonus		10,000,000	10,000,000
Registration Renewal Fee	31	3,426,794	3,042,169
Audit Fees(including fee for special audit)	32	650,000	500,000
Legal Expenses		506,656	333,750
Depreciation		9,918,085	8,835,273
Profit for the year transferred to Profit & Loss Appropriation Account		131,384,202	198,829,839
		166,432,600	224,829,026

Profit and Loss Appropriation Account

For the year ended 31 December, 2009

Reserve for Exceptional Losses		42,911,024	41,281,578
Provision for Income Tax		17,500,000	37,500,000
Provision for Deferred Tax		2,500,000	3,390,000
Balance transferred to Balance Sheet		68,545,404	118,070,346
		131,456,428	200,241,924
Earnings per Share	33	28.73	46.84

A.K.M. Rafiqul Islam
Managing DirectorMd. Syedur Rahman Mintoo
DirectorSyed M. Altaf Hussain
Director



Profit and Loss Account

For the year ended 31 December, 2009

	Notes	2009 Taka	2008 Taka
Interest & Dividend Income			
(Not applicable to any fund or account)	29	43,507,083	49,468,161
Interest Received & Accrued		37,406,795	44,509,329
Dividend and Debenture Interest		6,100,288	4,958,832
Profit transferred from :		62,856,301	99,241,010
Fire Revenue Account		7,183,229	16,152,122
Marine Revenue Account		38,733,932	50,778,441
Misc. Revenue Account		16,939,139	32,310,447
Other Income :	30	60,069,216	76,119,855
Misc. Receipt		1,061,711	719,699
Profit on Sale of Investment (shares)		43,161,528	69,837,087
Building Rent		15,845,977	5,563,069
		166,432,600	224,829,026

Profit and Loss Appropriation Account

For the year ended 31 December, 2009

Net profit for the year transferred from Profit and Loss Account	131,384,202	198,829,839
Balance brought forward from previous period	72,226	1,412,085
	131,456,428	200,241,924


Abdul Awal Mintoo
Chairman


Hoda Vasi Chowdhury & Co
Chartered Accountants

**Consolidated Revenue Account**

For the year ended 31 December, 2009

Particulars	Fire	Marine Cargo	Marine Hull	Motor	Misc	Total 2009	2008
Claim under policies less Re-insurance :							
Claim paid during the year	11,511,944	36,601,358	164,725	41,246,813	6,829,789	96,354,629	83,486,667
Total Estimated liability in respect of outstanding claims at the end of the year whether due or intimated	41,314,924	24,731,925	-	11,577,475	9,839,208	87,463,532	91,445,835
	52,826,868	61,333,283	164,725	52,824,288	16,668,997	183,818,161	174,932,502
Less : Outstanding Claim at the end of the previous year	32,431,924	37,745,764	170,000	9,488,000	11,610,147	91,445,835	126,278,839
	20,394,944	23,587,519	(5,275)	43,336,288	5,058,850	92,372,326	48,653,663
Expenses of Management	31,360,805	77,217,120	773,333	49,591,814	31,757,233	190,700,305	167,906,309
Commission	90,190,786	45,896,216	887,611	26,587,999	11,093,120	174,655,732	150,922,296
Profit transferred to Profit & Loss Account	7,183,229	35,776,751	2,957,181	(976,035)	17,915,174	62,856,301	99,241,009
Balance of Account at the end of the year as shown in Balance Sheet :							
Reserve for unexpired risks being 50% of Fire, Marine Cargo, Motor & Misc. and 100% the Marine Hull premium income of the year.	35,283,747	86,876,256	1,740,140	61,420,738	30,104,311	215,425,192	207,342,923
Tk.	184,413,511	269,353,862	6,352,990	179,960,805	95,928,688	736,009,855	674,066,200



Consolidated Revenue Account

For the year ended 31 December, 2009

Particulars	Fire	Marine Cargo	Marine Hull	Motor	Misc	Total 2009	2008
Balance of Account at the beginning of the year :							
Reserve for unexpired risk	34,793,332	81,070,848	1,870,061	57,119,329	32,489,353	207,342,923	171,529,062
Premium Less Re-insurance	70,567,494	173,752,512	1,740,140	122,841,476	60,208,622	429,110,244	412,815,784
Commission on Re-insurance ceded	79,052,665	14,530,502	2,742,789		3,230,712	99,556,688	89,721,354
Tk.	184,413,511	269,353,862	6,352,990	179,960,805	95,928,687	736,009,855	674,066,200

**Fire Insurance Revenue Account**

For the year ended 31 December, 2009

	2009 Taka	2008 Taka
Claims under policies		
Less : Re-insurance :		
Paid during the year	11,511,944	26,806,864
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	41,314,924	32,431,924
	52,826,868	59,238,788
Less : Outstanding claims at the end of the previous year	32,431,924	40,065,669
	20,394,944	19,173,119
Expenses of Management	31,360,805	28,303,278
Commission	90,190,786	78,943,508
Profit transferred to Profit & Loss Account	7,183,229	16,152,122
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	35,283,747	34,793,332
	184,413,511	177,365,359

A.K.M. Rafiqul Islam
Managing DirectorMd. Syedur Rahman Mintoo
DirectorSyed M. Aftab Hussain
Director



Fire Insurance Revenue Account

For the year ended 31 December, 2009

	2009 Taka	2008 Taka
Balance of Account at the beginning of the year :		
Reserve for unexpired risk	34,793,332	34,569,614
Premium less : Re-insurance	70,567,494	69,586,663
Commission on Re-insurance ceded (Including profit commission)	79,052,685	73,209,082
	184,413,511	177,365,359


 Abdul Awal Mintoo
 Chairman


 Hoda Vasi Chowdhury & Co
 Chartered Accountants

**Marine Insurance Revenue Account**

For the year ended 31 December, 2009

	Cargo	Hull	2009 Taka	2008 Taka
Claims under Policies				
Less : Re-Insurance:				
Paid during the year	36,601,358	164,725	36,766,083	24,853,600
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	24,731,925	-	24,731,925	37,915,764
	61,333,283	164,725	61,498,008	62,769,364
Less : Outstanding claims at the end of the previous year	37,745,764	170,000	37,915,764	49,267,153
	23,587,519	(5,275)	23,582,244	13,502,211
Expenses of Management	77,217,120	773,333	77,990,453	66,709,195
Commission	45,896,216	887,611	46,783,827	41,020,351
Profit transferred to Profit & Loss Account	35,776,751	2,957,181	38,733,932	50,778,441
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	86,876,256	1,740,140	88,616,396	82,940,909
	269,353,862	6,352,990	275,706,852	254,951,107

A.K.M. Rafiqul Islam
Managing DirectorMd. Syedur Rohman Mintoo
DirectorSyed M. Altaf Hussain
Director



Marine Insurance Revenue Account

For the year ended 31 December, 2009

	Cargo	Hull	2009 Taka	2008 Taka
Balance of Account at the beginning of the year :				
Reserve for unexpired risk	81,070,848	1,870,061	82,940,909	76,419,629
Premium Less : Re-insurance	173,752,512	1,740,140	175,492,652	164,011,757
Commission on Re-Insurance Ceded	14,530,502	2,742,789	17,273,291	14,519,721
	269,353,862	6,352,990	275,706,852	254,951,107


Abdul Awal Mintoo
Chairman


Hoda Vasi Chowdhury & Co
Chartered Accountants

**Miscellaneous Insurance Revenue Account**

For the year ended 31 December, 2009

	Motor	Misc	2009 Taka	2008 Taka
Claims under policies less : Re-insurance: paid during the year	41,246,813	6,829,789	48,076,602	31,826,203
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	11,577,475	9,839,208	21,416,683	21,098,147
	52,824,288	16,668,997	69,493,285	52,924,350
Less : Outstanding claims at the end of the previous year	9,488,000	11,610,147	21,098,147	36,946,017
	43,336,288	5,058,850	48,395,138	15,978,333
Expenses of Management	49,591,814	31,757,233	81,349,047	72,893,834
Commission	26,587,999	11,093,120	37,681,119	30,958,436
Profit transferred to Profit & Loss Account	(976,035)	17,915,174	16,939,139	32,310,448
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	61,420,738	30,104,311	91,525,049	89,608,683
	179,960,804	95,928,688	275,889,492	241,749,734

A.K.M. Rafiqul Islam
Managing DirectorMd. Syedur Rahman Mintoo
DirectorSyed M. Altaf Hussain
Director



Miscellaneous Insurance Revenue Account

For the year ended 31 December, 2009

	Motor	Misc	2009 Taka	2008 Taka
Balance of Account at the beginning of the year :				
Reserve for unexpired risks	57,119,329	32,489,353	89,608,682	60,539,819
Premium less : Re-insurance	122,841,475	60,208,623	183,050,098	179,217,364
Commission on Re-insurance ceded	-	3,230,712	3,230,712	1,992,551
	179,960,804	95,928,688	275,889,492	241,749,734


Abdul Awal Mintoo
Chairman


Hoda Vasi Chowdhury & Co
Chartered Accountants

**Statement of Cash Flow**

For the year ended 31 December 2009

	2009 Taka	2008 Taka
A. Cash Flow from Operating Activities		
Collection from Premium & Other income	1,116,691,683	621,140,406
Payment for Expenses of Management, Re-insurance, Claim and Commission etc.	(1,050,467,199)	(429,234,943)
Tax paid/or deducted	(24,044,585)	(33,196,811)
Net Cash Flow from Operating Activities	42,179,899	158,708,652
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(11,738,475)	(10,982,308)
Disposal of Fixed Assets	835,000	484,840
Land & Holiday Homes	(177,641,124)	(3,644,457)
Purchase/Sale of Shares Adjustment	(49,453,828)	(119,066,792)
Net Fund with drawn from Brokers Account	19,000,000	-
Net Cash Flow from Investing Activities	(218,998,427)	(133,208,717)
C. Cash Flow from Financing Activities		
Loan from Bank	178,417,319	(3,712,639)
Dividend Paid	(60,684,786)	-
Net Cash Flow from Financing Activities	117,732,533	(3,712,639)
Increase/Decrease in Cash Flow(A+B+C)	(59,085,995)	21,787,296
Opening Cash in Hand & at Bank	532,125,502	510,338,206
Closing Cash In Hand & at Bank	473,039,507	532,125,502
Net operating cash flow	10.88	47.08

A.K.M. Rafiqul Islam
Managing DirectorMd. Syedur Rahman Mintoo
DirectorSyed M. Altaf Hussain
DirectorAbdul Awal Mintoo
Chairman

Statement of Changes of Shareholders Equity

For the year ended 31 December 2009

Particulars	Share capital	Share Premium	Reserve for exceptional losses	Contingency Reserve for Insurance Guarantees	Revaluation Reserve	Capital Gain	General reserve	Dividend Equalisation Reserve	Profit & loss appropriation	Total equity
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance at 1 January 2009	337,137,700	52,272	345,870,288	105,869,651	966,734,687	91,658,690	20,666,028	37,500,000	118,070,346	2,023,559,662
Issue of share capital (Bonus share)	50,570,600	-	-	-	-	-	-	-	(50,570,600)	-
Cash Dividend	-	-	-	-	-	-	-	-	(67,427,520)	(67,427,520)
Balance (Restated)	387,708,300	52,272	345,870,288	105,869,651	966,734,687	91,658,690	20,666,028	37,500,000	72,226	1,956,132,142
Transferred to Reserve for exceptional losses, Capital Gain & Adjustment of Revaluation reserve	-	-	42,911,023	-	(141,416,888)	3,222,663	-	-	-	319,919,988
Transferred to profit & loss appropriation account	-	-	-	-	-	-	-	-	68,473,178	68,473,178
Balance at 31 December 2009	387,708,300	52,272	388,781,311	105,869,651	952,592,999	94,881,353	20,666,028	37,500,000	68,545,404	2,056,597,318


A.K.M. Rafiqul Islam
Managing Director


Md. Syedur Rahman Mintoo
Director


Syed M. Altaf Hussain
Director


Abdul Awal Mintoo
Chairman





Notes to the Financial Statements

For the year ended 31 December 2009

1.0 Background

The company was incorporated as a public company on 27 January 1986 and obtained the certificate of commencement of business from the Registrar of Joint Stock Companies, Bangladesh with effect from 30 January 1986. The Company is listed with both Dhaka Stock Exchange and Chittagong Stock Exchange as a Public Limited Company. The primary objectives of the company are to carry on all kinds of insurance, guarantee and indemnity business other than life insurance business. The Company has 40 branches with no overseas branch as on 31 December 2009.

2.0 Summary of significant accounting policies and basis of preparation of the financial statements

2.1 Basis of preparation of the Financial Statements

a) These accounts have been prepared under Generally Accepted Accounting Principles (GAAP) on historical cost convention. These statements are also prepared in accordance with applicable accounting standards as adopted by the Institute of Chartered Accountants of Bangladesh and where relevant with presentational requirement of the law.

b) The Balance Sheet has been prepared in accordance with the regulations contained in Part I of the First Schedule and as per Form "A" as set forth in Part II of that Schedule and the Revenue Account of each class of general insurance business has been prepared in accordance with the regulations as contained in Part I of the Third Schedule and as per Form "F" as set forth in Part II of that Schedule of the Insurance Act 1938 as amended.

2.2 Functional and presentation currency

These financial statements are presented in Taka, which is the functional currency of PIL, except as indicated figures have been rounded to the nearest Taka.

2.3 Comparative Information

As guided in paragraph 36 and 38 of BAS 1 Presentation of Financial Statements, comparative information in respect of the previous year have been presented in all numerical information in the financial statements and the narrative and descriptive information where, it is relevant for understanding of the current year's financial statements.

2.4 Reporting period

These financial statements cover one calendar year from 1 January to 31 December 2009.

2.5 Approval of financial statements

The financial statements were approved by the Board of Directors on 21 April 2010



2.6 General

Figures of previous year have been rearranged whenever necessary to conform the current years presentation.

2.7 Significant Accounting Policies

a) Premium Income:

The total amount of premium earned on various classes of insurance business underwritten during the year, the gross amount of premium earned against various policies, the amount of re-insurance premium due to Sadharan Bima Corporation and General Insurance Corporation of India (GIC), the amount of re-insurance commission earned and the amount of claims less re-insurance settled during the year have all been duly accounted for in the books of account of the company and while preparing the final accounts, the effect of re-insurance accepted and re-insurance ceded as well as the effect of total estimated liabilities in respect of outstanding claims at the end of the year, whether due or intimated have also been duly reflected in order to arrive at the net underwriting profit for the year.

b) Interest on Statutory and other Investments:

Interest is accrued on statutory investment of TK.45.00 Lac lying with Bangladesh Bank in the form of NIB. Along with the aforesaid interest, the interest received during the year from banks on STD account and FDR Accounts has been duly credited to the Profit and Loss Account.

C) Gain and Loss on Sale of Shares and Debentures:

Gain and Loss 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 on the rate of tax as availed under the existing income tax law, have been given effect in the accounts.

d) Management Expenses

Management expenses as charged to Revenue Account amounting to Tk 190,700,305 represents approximately 18.41% of gross premium of Tk.1035, 883,896. The expenses have been apportioned @ 16.45% to Fire, 40.90% to Marine and 42.66% to Miscellaneous business as per management decision.

e) Provision for Unexpired Risks

Before arriving at the surplus of each class of business necessary provision for unexpired risks have been created at the rate of 50% on all business except on Marine Hull business for which the provision was made @ 100% of the total premium for the year 2009.

f) Reserve for Exceptional Losses

Reserve for Exceptional Losses as appropriated out of current year's profit before tax provision amounts to Tk.42,911,024 being 10% of the net premium earned during the year.

**g) 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	10%
Fixtures	15%
Motor Vehicles	20%
Office & Electrical Equipment	15%
Miscellaneous Items	20%

No depreciation has been charged on head office building of the company except its electrical equipments.

h) Outstanding Premium: TK.101, 929,074

The outstanding premium appearing in the accounts was realized subsequently till March 2009.

i) Use of Estimate

Preparation of financial statements in the conformity with International Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of asset and liabilities and discloser of the contingent asset 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 reserve etc.

j) Capital Gain

The capital gain amounting to Tk. 94,881,353 represents the capital gain arising from the sale of land totaling 22.92 katha at Gulshan that was sold in 2006 and 140 katha at Joydebpur and 30 katha at kilkhet sold in 2009.

k) Issue of Bonus Share

The company has issued 5,057,060 bonus shares from net profit appropriation account to the share capital account during the year, which was declared for the year 2008.

l) Operation

During the year under audit, the gross premium earned by the company amounted to Tk 1,035,883,896 including public sector business of Tk.22,768,512. After ceding for re-insurance premium the net premium for the year amounting to TK.429,110,242 and after charging direct expenses thereon the underwriting profit stood at TK.62,856,301 as against Tk.99, 241,010 of previous year.



m) Public Sector Business

Public Sector Business up to June 2009 has been accounted for on the basis of statement received from SBC.

n) Taxation

Provision for income tax has been made @42.5% as prescribed in finance ordinance 2009 of the profit made by the company considering taxable add-back of income and disallowance of expenditure.

o) Deferred Tax

The company recognized deferred tax in accordance with the provision of BAS-12. Deferred Tax arises due to temporary difference deductible or taxable for the events or transaction recognized in the income statement. A temporary difference is the difference between the tax bases of an asset or liability and its carrying amount/reported amount in the financial statement. Deferred tax assets or liability is the amount of income tax payable or recoverable in future period(s) recognized in the current period. The deferred tax assets/expenses do not create a legal liability/recoverability to and from the income tax authority.

p) Tax Assessment Position

Income Tax Assessment of the company has been completed upto Assessment year 2006-2007(for 2005). Management has filed an appeal against the order of the Deputy Commissioner of Taxes for the year 2007-2008 (for 2006).

q) Basic Earning per share

This has been calculated by dividing the basic earning by the weighted average number of ordinary shares outstanding during the year as per BAS-33.

r) Gratuity Fund

Gratuity fund of Pragati Insurance Ltd. is registered with National Board of Revenue.

s) Others

Figures have been rounded off to the nearest Taka and previous year's figures have been re-arranged for comparison purpose where felt necessary.

3. Valuation of Assets

The value of all assets at 31 December 2009 as shown in the Balance Sheet and in the Classified Summary of Assets on Form 'AA' annexed have been reviewed and the said assets have been set forth in the Balance Sheet at amounts at their respective book values which in the aggregate do not exceed their aggregate market value.



Notes to the Financial Statements

For the year ended 31 December 2009

4 Share Capital

Authorized:

5,000,000 ordinary shares of Tk 100 each

2009 Taka	2008 Taka
500,000,000	500,000,000

Issued, subscribed and paid up:

3,877,083 ordinary shares of Tk. 100 each

387,708,300	337,137,700
-------------	-------------

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

12,200,000 12,200,000

as bonus share(20%) allotted in 1997

219,600 Ordinary shares of Tk.100 each Fully paid up as bonus share(30%)
allotted in 2002(out of general reserve as at 31st december 2001)

21,960,000 21,960,000

237,900 Ordinary shares of Tk.100 each Fully paid up as bonus share(25%)
allotted in 2003(out of general reserve as at 31st december 2002)

23,790,000 23,790,000

321,165 Ordinary shares of Tk.100 each Fully paid up as bonus share(27%)
allotted in 2004(out of Share Premium)

32,116,500 32,116,500

377,665 Ordinary shares of Tk.100 each Fully paid up as bonus share(25%)
allotted in 2005(out of Share Premium)

37,766,500 37,766,500

283,250 Ordinary shares of Tk.100 each Fully paid up as bonus share(15%)
allotted in 2006(out of Share Premium & General reserve)

28,325,000 28,325,000

325,737 Ordinary shares of Tk.100 each Fully paid up as bonus share(15%)
allotted in 2007(out of Share Premium & General reserve)

32,573,700 32,573,700

874,060 Ordinary shares of Tk.100 each Fully paid up as bonus share(35%)
allotted in 2008(out of net Profit)

87,406,000 87,406,000

5,057,060 Ordinary shares of Tk.100 each Fully paid up as bonus share(15%)
allotted in 2008(out of net Profit)

50,570,600 -

387,708,300	337,137,700
-------------	-------------

5 Reserve for Exceptional Losses

Opening balance

345,870,288 304,588,710

Add: Addition during the year

42,911,023 41,281,578

388,781,311	345,870,288
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6 Contingency Reserve for Insurance Guarantees & Tail ended Insurance Business

Reserve for unexpired Guarantees

87,080,441 87,080,441

Reserve against Tailended insurance businesses

18,789,210 18,789,210

105,869,651	105,869,651
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	2009 Taka	2008 Taka
7 Revaluation Reserve		
Opening balance	966,734,687	966,734,687
Less: Adjustment against Sale of Land	14,141,688	-
	<u>952,592,999</u>	<u>966,734,687</u>
8 Capital Gain		
Opening balance	91,658,690	91,658,690
Add: Current Year Gain	3,222,663	-
	<u>94,881,353</u>	<u>91,658,690</u>
9 General Reserve	<u>20,666,028</u>	<u>20,666,028</u>
10 Profit & Loss Appropriation Account		
Underwriting Profit as per Revenue Account	62,856,301	99,241,010
Interest Income & Dividend	43,507,083	49,468,161
Other Income(Including gain on Sale of Share)	60,069,216	76,119,855
	166,432,600	224,829,026
Less: Expenses of Management (Not related to any fund or account)	35,048,398	25,999,187
Net profit for the year	131,384,202	198,829,839
less: Reserve for Exceptional losses(10% of Net Premium) Tax free	42,911,024	41,281,578
	88,473,178	157,548,261
Surplus brought forward:	72,226	88,818,085
Bonus Share Issue		(87,406,000)
	88,545,404	158,960,346
Less : Distribution		
Tax provision	17,500,000	37,500,000
Deferred Tax	2,500,000	3,390,000
Surplus carried forward	68,545,404	118,070,346
11 Premium Deposit		
Balance on this account represents premium received against cover notes which were not converted into policy within 31 December 2009 because of the period of nine months from the dates of issue of cover notes had not expired.		
Deposit Premium on Marine Cover Note	7,562,352	39,376,720
Stamp & VAT	4,643,133	11,018,579
	<u>12,205,485</u>	<u>50,395,299</u>

**12 Estimated liability in respect of outstanding claims whether due or intimated**

	2009 Taka	2008 Taka
Fire	41,314,924	32,431,924
Marine	24,731,925	37,915,764
Motor	11,577,475	9,488,000
Miscellaneous	9,839,208	11,610,147
	87,463,532	91,445,835

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

13 Amounts due to other persons or bodies carrying on insurance business

The following is the break-up of the balance due to overseas on account of re-insurance arrangements and under co-insurance scheme for payment to other insurance companies.

Re-insurers	82,497,951	74,134,692
Co-insurers	59,556,891	57,155,511
	142,054,842	131,290,203

14 Loan from Bank for Building Project(Secured)

Opening Balance	-	3,712,639
Loan Taken during the year	181,000,000	-
Interest charged during the year	12,625,285	-
	193,625,285	3,712,639
Less. Adjusted/Re-payment during the year	15,207,956	3,712,639
	178,417,329	-

15 Sundry Creditors (Including provision for expenses and taxes)

Share application money	14,000	14,000
Payable against expenses (15.1)	24,538,880	13,971,409
Provident fund deduction	826,647	549,554
Provident fund loan	-	13,727
Income tax deduction(15.2)	1,975,538	1,603,236
Received against security	4,280,000	4,280,000
Tax deduction against Bill	132,501	110,227
VAT deduction against Bill	216,248	177,874
Un-paid dividend	6,783,931	1,980,115
VAT payable (15.3)	7,731,101	4,662,277
Hospitalization Insurance Claim	1,171,100	137,577
Salary Payable	-	69,301
Advance Rent Received	14,107,210	3,871,000
Short & Excess	612	612
	61,777,768	31,440,909



15.1 Payable against expenses

Company Contribution of PF
 Incentive Bonus
 Honorarium
 Payable against Advertisement
 Courier Service
 Expense against Appraisal Fee
 Dividend Tax
 Audit Fee

	2009 Taka	2008 Taka
	462,680	413,956
	10,000,000	10,000,000
	1,627,000	1,627,000
	-	328,953
	20,000	-
	2,940,000	-
	7,987,700	-
	1,501,500	1,601,500
	24,538,880	13,971,409

15.2 Income Tax deduction

Income Tax deduction at source amounting to TK.1,975,538 including income tax deduction from salary during the year and yet to be deposited to Bangladesh Bank.

15.3 VAT Payable

VAT Payable as Tk. 7,731,101 represent the Vat for the month of December 2009 which has been deposited into Bangladesh Bank subsequently.

16 Provision for Income Tax

The amount includes Tk.17,500,000 being Income Tax provision made for the accounting year ended on 31 December, 2009 (Assessment Year 2010-2011) in accordance with the best estimate of the management on lump sum basis but without considering the admissible and inadmissible expenses.

Opening Balance	121,604,453	84,104,453
Add: Provision made during the year	17,500,000	37,500,000
	139,104,453	121,604,453

17 National Investment Bond

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

18 Shares and Debentures

Shares (18.1)
 Debentures (18.2)

	368,583,783	338,129,955
	18,147,235	19,019,144
	386,731,018	357,149,099
	338,129,955	219,063,163
	49,453,828	119,066,792
	387,583,783	338,129,955
	19,000,000	-
	368,583,783	338,129,955

18.1 Shares

Opening balance
 Add: Purchase/Sale adjustment during the year

Less: Net fund withdrawn from Brokers Account

