

Emphasis of Matter

We draw attention to the following matters, though our opinion is not qualified in respect of the same:

- The management needs to establish the Workers Profit Participation Fund (WPPF) complying the Labor Act 2006 and as amended.
- As disclosed in the note 7 and 12 regarding amount payable to Tk. 43,090,270 and receivable Tk. 166,031,322 from Sadharan Bima Corporation balances are subject to the confirmation.
- As disclosed in note 8.01 the company has not calculated deferred tax during the reporting period as per IAS-12.

Report on Other Legal and Regulatory Requirements

We also report that:

- a) 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;
- b) 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 purpose of our audit have been received from branches not visited by us and incorporated in the accompanying accounts;
- c) the Company's Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income and Statements of Cash Flows dealt with by the report are in agreement with the books of accounts and drawn as per Insurance Act 2010;
- d) the expenditure incurred and payments made during the year were for the purposes of the company's business;
- e) As per section 63 (2) of the Insurance Act 2010 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 in indirectly, in respect of insurance business of the Company transacted in Bangladesh during the year under audit have been duly debited to the related Revenue Accounts and the Statement of Profit or Loss and other Comprehensive Income of the Company;
- f) As per Section 59(5) of the Insurance Act 2010 as amended rule 1958, we also 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 aboard.

Faruq
G. KIBRIA & Co.
 Chartered Accountants.

Place: Dhaka

Date:

26 APR 2018



Sadharan Bima Sadan (5th Floor), 24-25, Dilkusha Commercial Area, Dhaka-1000, Bangladesh.
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Central Insurance Company Limited

STATEMENT OF FINANCIAL POSITION AS

CAPITAL & LIABILITIES	NOTES	Taka 2017	Taka 2016
SHARE CAPITAL			
AUTHORISED			
100,000,000 Ordinary shares of Tk.10 each	2.00	<u>1,000,000,000</u>	<u>1,000,000,000</u>
ISSUED, SUBSCRIBED AND PAID UP			
47,082,900 Ordinary shares of Tk.10 each		470,829,000	448,408,570
SHARE PREMIUM			
11,233,580 Ordinary shares of Tk.5 each		56,167,900	56,167,900
RESERVE OR CONTINGENCY ACCOUNT	3.00	546,756,265	519,026,238
Reserve for exceptional losses		238,943,625	214,623,492
General Reserve		29,000,000	29,000,000
Investment Equalization Fund		14,600,000	14,600,000
Revaluation Reserve		206,599,638	206,599,638
Profit & Loss Appropriation Account		57,613,002	54,203,108
BALANCE OF FUND & ACCOUNT	4.00	97,682,447	97,211,979
Fire Insurance Business Account		43,114,622	38,615,232
Marine Insurance Business Account		34,278,756	41,338,847
Motor Insurance Business Account		15,585,841	13,690,584
Misc. Insurance Business Account		4,703,228	3,567,316
DEPOSIT PREMIUM	5.00	22,284,023	21,320,400
LIABILITIES & PROVISIONS			
Estimated liability in respect of outstanding-claims whether due or intimated	6.00	77,223,141	82,384,304
Amount due to other persons or bodies-carrying on insurance business	7.00	32,580,794	20,330,953
SUNDY CREDITORS	8.00	44,642,347	62,053,351
(Including provision for expenses & taxes)			
OTHER LIABILITIES (Bank Overdraft)	9.00	385,160,196	354,222,531
Total Taka :		<u>1,702,495,948</u>	<u>1,608,630,707</u>

The annexure notes form an integral part of these Financial Statements.

Date: 26.04.2018


(Md. Zahid Anwar Khan)
 Chief Executive Officer


(Md. Abdullah Zehad)
 Director

Central Insurance Company Limited

AT DECEMBER 31,2017

PROPERTY & ASSETS	NOTES	Taka 2017	Taka 2016
INVESTMENT (At cost)	10.00	224,481,833	190,863,883
INTEREST, DIVIDEND & RENT OUTSTANDING	11.00	17,515,498	17,352,262
Accrued Interest			
AMOUNT DUE FROM OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS	12.00	169,545,046	161,999,275
SUNDRY DEBTORS	13.00	304,714,484	261,242,469
CASH AND BANK BALANCES	14.00	554,415,155	546,475,806
Fixed Deposit Accounts		526,450,010	520,600,010
Current and STD Accounts		26,257,135	24,148,973
Cash and Cash Equivalents		1,708,010	1,726,823
OTHER ACCOUNTS		431,823,932	430,697,012
Property, Building & Land Development	15.00	411,585,342	409,485,276
Plant, Office Equipments & Other Fixed Assets	16.00	19,179,629	19,833,431
Stock of Stationery	17.00	461,729	414,714
Security Deposit	18.00	162,175	162,175
Insurance Stamps in hand	19.00	435,057	801,416
Total Taka :		1,702,495,948	1,608,630,707

Signed in terms of our separate report of even date


(Mohammed Musa)
 Vice Chairman


(Alhaj Md. Abu Taher Chowdhury)
 Chairman


G. Kibria & Co.
 Chartered Accountants

Central Insurance Company Limited
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR

	Taka 2017	Taka 2016
Expenses of Management		
(Not Applicable to any particular Fund or Account)	9,303,550	8,917,915
Advertisement & Publicity	375,290	614,678
Directors Meeting Fee	385,250	503,750
Audit and Retainers Fee	268,250	276,500
Legal and Professional Fees	573,583	391,500
Contribution and Subscription	1,888,986	1,372,197
Fees, Registration & Renewal	1,857,903	1,648,532
Group Insurance Premium	456,494	417,195
Rent, Rates & Taxes	164,900	15,310
Depreciation	3,332,894	3,678,253
Profit/Loss for the year transferred to Profit & Loss Appropriation Account	111,979,962	107,206,221
Total Taka :	121,283,512	116,124,136

PROFIT AND LOSS APPROPRIATION ACCOUNT FOR

	Taka 2017	Taka 2016
Reserve for Exceptional Losses	24,320,133	24,186,098
Provision for Taxation	28,940,906	29,457,200
Provision for Gruatuity Fund	1,500,000	500,000
Dividend Paid- for 2016 and 2015	53,809,029	44,840,856
Balance transferred to Balance Sheet	57,613,002	54,203,108
Total Taka :	166,183,070	153,187,262
Earnings Per Share (EPS) (Note # 22.00)	1.73	1.72

The annexure notes form an integral part of these Financial Statements.

Central Insurance Company Limited

THE YEAR ENDED DECEMBER 31, 2017

	Taka 2017	Taka 2016
INTEREST, DIVIDEND AND RENTS		
(Not Applicable to any particular Fund or Account)		
Interest Received and Accrued	32,776,573	39,563,585
House Rent Income	24,470,791	23,258,300
Dividend Income	3,896,665	2,925,125
Capital Gain/(Loss) on Sale of Share	7,031,432	(1,037,277)
Revenue Gain on Sale of Car	694,381	-
	52,413,670	51,414,403
PROFIT OR (LOSS) TRANSFERRED FROM		
Fire Revenue Account	7,145,228	6,665,478
Marine Revenue Account	31,789,519	33,823,499
Motor Revenue Account	9,387,014	6,756,736
Miscellaneous Revenue Account	4,091,909	4,168,690
	121,283,512	116,124,136
Total Taka :		

THE YEAR ENDED DECEMBER 31, 2017

	Taka 2017	Taka 2016
Balance brought forward from last year		
Add: Dividend for 2015 not provided		
in 2016 P/L Appropriation A/c	-	44,840,856
Net Profit for the year	54,203,108	1,140,185
(Transferred from Profit and Loss Account)	111,979,962	107,206,221
Total Taka :	166,183,070	153,187,262

Signed in terms of our separate report of even date


(Mohammed Musa)
 Vice Chairman


(Alhaj Md. Abu Taher Chowdhury)
 Chairman


G. Kibria & Co.
 Chartered Accountants

Central Insurance Company Limited
 CONSOLIDATED BUSINESS REVENUE ACCOUNT FOR

	TAKA	TAKA
	2017	2016
CLAIMS UNDER POLICIES LESS RE-INSURANCE	31,952,291	29,504,135
Paid during the year	19,702,450	29,691,340
Total estimated liability in respect of outstanding claim at the end of the year whether due or intimated	32,580,794	20,330,953
	52,283,244	50,022,293
Less: Outstanding at the beginning of the year	20,330,953	20,518,158
Agency Commission	45,045,282	44,985,614
Expenses of Management	133,325,529	129,237,239
BALANCE OF ACCOUNT AT THE END OF THE YEAR		
as shown in the Balance Sheet :		
Reserve for unexpired risks being 100% for Marine Hull & 40% for other insurance on net premium income	97,682,447	97,211,979
Profit/(Loss) Transferred To Profit & Loss Account	52,413,670	51,414,403
Total Taka :	360,419,219	352,353,370

The annexure notes form an integral part of these Financial Statements.

Central Insurance Company Limited

THE YEAR ENDED DECEMBER 31, 2017

	TAKA 2017	TAKA 2016
Balance of Account at the beginning of the year	97,211,979	88,930,256
Premium Less Re- Insurance (Notes-20.00)	243,201,331	241,860,975
Commission on Re- Insurance ceded	20,005,909	21,562,139
Total Taka :	360,419,219	352,353,370

Signed in terms of our separate report of even date


(Mohammed Musa)
Vice Chairman


(Alhaj Md. Abu Taher Chowdhury)
Chairman


G. Kibria & Co.
Chartered Accountants

Central Insurance Company Limited

FIRE INSURANCE REVENUE ACCOUNT FOR

	TAKA	TAKA
	2017	2016
CLAIMS UNDER POLICIES LESS RE- INSURANCE	21,745,614	22,346,275
Paid during the year	7,586,151	25,089,132
Total estimated liability in respect of outstanding claims- at the end of the year whether due or intimated	18,457,009	4,297,546
	26,043,160	29,386,678
Less: Outstanding at the end of the previous year	4,297,546	7,040,403
Agency Commission	21,461,488	21,407,237
Expenses of Management	62,204,118	60,163,277
BALANCE OF ACCOUNT AT THE END OF THE YEAR	155,671,070	149,197,499
Reserve for unexpired risks @ 40 % of premium income of the year	43,114,622	38,615,232
Profit /(Loss) transferred to Profit & Loss Account	7,145,228	6,665,478
Total Taka	155,671,070	149,197,499

The annexure notes form an integral part of these Financial Statements.

Central Insurance Company Limited

THE YEAR ENDED DECEMBER 31, 2017

	TAKA	TAKA
	2017	2016
Balance of Account at the beginning of the year	38,615,232	41,062,743
Premium Less Re- Insurance	107,786,556	96,538,080
Commission on Re- Insurances ceded	9,269,282	11,596,676
Total Taka	155,671,070	149,197,499

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(Mohammed Musa)
Vice Chairman

Abdul Bari Chowdhury
(Alhaj Md. Abu Taher Chowdhury)
Chairman

Kibria
G. Kibria & Co.
Chartered Accountants

Central Insurance Company Limited

MARINE INSURANCE REVENUE ACCOUNT FOR

	TAKA	TAKA
	2017	2016
CLAIMS UNDER POLICIES LESS RE- INSURANCE	3,318,741	2,779,839
Paid during the year	6,032,512	178,763
Total estimated liability in respect of outstanding claim- at the end of the year whether due or intimated	10,793,619	13,507,390
	16,826,131	13,686,153
Less: Outstanding at the end of the previous year	13,507,390	10,906,314
Agency Commission	16,282,453	17,129,541
Expenses of Management	48,437,827	49,018,499
BALANCE OF ACCOUNT AT THE END OF THE YEAR		
Reserve for unexpired risks @ 40 % of Marine Cargo- and @ 100 % of Marine Hull premium income of the year	34,278,756	41,338,847
Profit/(Loss) transferred to Profit & Loss Account	31,789,519	33,823,499
Total Taka	134,107,296	144,090,225

The annexure notes form an integral part of these Financial Statements.

Central Insurance Company Limited

THE YEAR ENDED DECEMBER 31, 2017

	TAKA	TAKA
	2017	2016
Balance of Account at the beginning of the year	41,338,847	35,436,927
Premium Less Re- Insurance	84,692,104	102,178,144
Commission on Re- Insurance ceded	8,076,345	6,475,154
Total Taka	134,107,296	144,090,225

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(Mohammed Musa)
Vice Chairman

Abdul Bari Chowdhury
(Alhaj Md. Abu Taher Chowdhury)
Chairman

Kibria
G. Kibria & Co.
Chartered Accountants

Central Insurance Company Limited

MOTOR INSURANCE REVENUE ACCOUNT FOR

	TAKA	TAKA
	2017	2016
CLAIMS UNDER POLICIES LESS RE- INSURANCE	5,565,529	4,356,947
Paid during the year	4,761,380	4,402,371
Total estimated liability in respect of outstanding claim- at the end of the year whether due or intimated	3,245,449	2,441,300
	8,006,829	6,843,671
Less: Outstanding at the beginning of the year	2,441,300	2,486,724
Agency Commission	5,649,416	5,075,277
Expenses of Management	16,467,386	14,384,601
BALANCE OF ACCOUNT AT THE END OF THE YEAR		
Reserve for unexpired risks @ 40 % of premium income of the year	15,585,841	13,690,584
Profit/(Loss) transferred to Profit & Loss Account	9,387,014	6,756,736
Total Taka	52,655,186	44,264,145

The annexure notes form an integral part of these Financial Statements.

Central Insurance Company Limited

THE YEAR ENDED DECEMBER 31, 2017

	TAKA 2017	TAKA 2016
Balance of Account at the beginning of the year	13,690,584	10,037,685
Premium Less Re- Insurance	38,964,602	34,226,460
Commission on Re- Insurance ceded	-	-
Total Taka	52,655,186	44,264,145

Signed in terms of our separate report of even date


(Mohammed Musa)
Vice Chairman


(Alhaj Md. Abu Taher Chowdhury)
Chairman


G. Kibria & Co.
Chartered Accountants

Central Insurance Company Limited
 MISCELLANEOUS INSURANCE REVENUE ACCOUNT FOR

	TAKA	TAKA
	2017	2016
CLAIMS UNDER POLICIES LESS RE- INSURANCE	1,322,407	21,074
Paid during the year	1,322,407	21,074
Total estimated liability in respect of outstanding claim- at the end of the year whether due or intimated	84,717	84,717
	1,407,124	105,791
Less: Outstanding at the beginning of the year	84,717	84,717
Agency Commission	1,651,925	1,373,559
Expenses of Management	6,216,198	5,670,862
BALANCE OF ACCOUNT AT THE END OF THE YEAR		
Reserve for unexpired risks @ 40 % of Net premium	4,703,228	3,567,316
Profit/(Loss) transferred to Profit & Loss Account	4,091,909	4,168,690
Total Taka:	17,985,667	14,801,501

The annexure notes form an integral part of these Financial Statements.

Central Insurance Company Limited

THE YEAR ENDED DECEMBER 31, 2017

	TAKA 2017	TAKA 2016
Balance of Account at the beginning of the year	3,567,316	2,392,901
Premium Less Re- Insurance	11,758,069	8,918,291
Commission on Re- Insurance ceded	2,660,282	3,490,309
Total Taka:	<u>17,985,667</u>	<u>14,801,501</u>

Signed in terms of our separate report of even date


(Mohammed Musa)
Vice Chairman


(Alhaj Md. Abu Taher Chowdhury)
Chairman


G. Kibria & Co.
Chartered Accountants

Central Insurance Company Limited

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2017

Particulars	Share Capital	Share Premium	Reserve for Exceptional Loss	General Reserve & Investment Equalization Fund	Revaluation Reserve	Retained Earnings	Total
Opening Balance as on 01-01-2017	448,408,570	56,167,900	214,623,492	43,600,000	206,599,638	54,203,108	1,023,602,708
Dividend Paid (Stock)	22,420,430	-	-	-	-	(22,420,430)	-
Cash Dividend			-	-	-	(31,388,599)	(31,388,599)
Net Profit (after taxation and provision)	-	-	-	-	-	81,539,056	81,539,056
Reserve for Exceptional Lossess	-	-	24,320,133	-	-	(24,320,133)	-
Closing Balance as on 31-12-2017	470,829,000	56,167,900	238,943,625	43,600,000	206,599,638	57,613,002	1,073,753,165
Opening Balance as on 01-01-2016	448,408,570	56,167,900	190,437,394	43,600,000	206,599,638	45,981,042	991,194,544
Cash Dividend			-	-	-	(44,840,857)	(44,840,857)
Net Profit (after taxation and provision)	-	-	-	-	-	77,249,021	77,249,021
Reserve for Exceptional Lossess	-	-	24,186,098	-	-	(24,186,098)	-
Closing Balance as on 31-12-2016	448,408,570	56,167,900	214,623,492	43,600,000	206,599,638	54,203,108	1,023,602,708

The annexure notes form an integral part of these Financial Statements.

Signed in terms of our separate report of even date


(Md. Zahid Anwar Khan)
 Chief Executive Officer

(Md. Abdullah Zehad)
 Director


(Mohammed Musa)
 Vice Chairman


(Alhaj Md. Abu Taher Chowdhury)
 Chairman


G. Kibria & Co.
 Chartered Accountants

Central Insurance Company Limited

STATEMENT OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31, 2017

	2017 Taka	2016 Taka
A. CASH FLOW FROM OPERATING ACTIVITIES		
Collection from premium and other income	369,440,967	342,268,738
Income Tax paid	(25,475,063)	(26,820,650)
Payment for Management Exp. Re-Insurance & Claim	(283,791,588)	(275,125,135)
Net cash flow from operating activities	60,174,316	40,322,953
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Addition)	(5,024,777)	(8,134,114)
Sale of Fixed Assets	940,000	-
Investment Enhancement	(33,617,950)	(5,765,530)
Net cash flow from investing activities	(37,702,727)	(13,899,644)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Overdraft	16,504,191	(24,958,229)
Dividend Paid	(31,036,431)	(44,775,498)
Net cash flow from Financing activities	(14,532,240)	(69,733,727)
D. Net inflows/(out flows) for the year (A+B+C)	7,939,349	(43,310,418)
E. Opening Cash and Bank balance	546,475,806	589,786,224
F. Closing Cash and Bank balances (D + E)	554,415,155	546,475,806
Net operating cash flow per share (NOCFPS)	1.28	0.90

The annexure notes form an integral part of these Financial Statements.

Signed in terms of our separate report of even date



(Md. Zahid Anwar Khan)
Chief Executive Officer



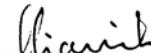
(Md. Abdullah Zehad)
Director



(Mohammed Musa)
Director



(Alhaj Md. Abu Taher Chowdhury)
Chairman



G. Kibria & Co.
Chartered Accountants

Form "AA"
CLASSIFIED SUMMARY OF ASSETS AS ON DECEMBER 31, 2017

(IN TAKA)

PARTICULARS	BOOK VALUE AS PER BALANCE SHEET	MARKET VALUE	REMARKS
Bangladesh Government Treasury Bond (BGTB)	25,000,000	25,000,000	Not quoted in market Realisable value
Investment in Share	99,482,133	90,402,875	do
Investment in CIC Investment Ltd.	99,999,700	99,999,700	do
In Fixed deposit with Bank	526,450,010	526,450,010	do
In STD A/C. with Banks	26,059,534	26,059,534	do
Cash in Hand	1,708,010	1,708,010	do
Accrued interest	17,515,498	17,515,498	do
At call on short notice	197,601	197,601	do
OTHER ASSETS:			
Amount due from other			
Persons or bodies carrying			
on insurance business	169,545,046	169,545,046	do
Sundry Debtors	304,714,484	304,714,484	do
Stock in Stationery	461,729	461,729	At cost
Security Deposit	162,175	162,175	do
Stamps in hand	435,057	435,057	do
Property, Plant & Equipments (at cost less depreciation)	430,764,971	430,764,971	Depreciated value (Except Land and Development Cost)
Total	1,702,495,948	1,693,416,690	

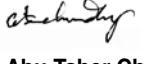
Certificate u/s 7 (a) of part of the first schedule to the Insurance Act, 1938. Certified that the value of all assets have been reviewd, that the said costs have been set forth in the balance sheet at amounts not exceeding their realizable or market value.

Notes form the integral part of these financial statements.


(Md. Zahid Anwar Khan)
 Chief Executive Officer


(Md. Abdullah Zehad)
 Director


(Mohammed Musa)
 Vice Chairman


(Alhaj Md. Abu Taher Chowdhury)
 Chairman


G. Kibria & Co.
 Chartered Accountants

Central Insurance Company Limited

SCHEDULE OF PROPERTY PLANT & OFFICE EQUIPMENT AS ON DECEMBER 31, 2017

Schedule-A

Sl #	Particulars	Cost		Depreciation			Written Down value as on 31/12/2017	
		As on 1/1/2017	Addition during the year	Total As on 31/12/2017	Rate of Dep	As on 01/01/2017	Charge during the year	
1	Furniture & Fixture	9,164,821	310,807	9,475,628	10%	6,983,073	246,078	7,229,151
2	Office Decoration	25,044,650	761,000	25,805,650	10%	19,395,025	591,358	19,986,383
3	Office Equipment	9,438,167		9,438,167	15%	8,558,973	131,879	8,690,852
4	Electrical Equipment	3,461,609	189,415	3,651,024	15%	1,606,030	288,327	1,894,357
5	Motor Vehicle	31,254,899	299,163	(1,620,000)	29,934,062	20%	24,976,666	1,280,114
6	Telephone Installation	2,732,972	31,000	2,763,972	20%	2,578,797	35,179	(1,374,381)
7	Air Cooler	4,153,963	866,463	5,020,426	15%	3,485,707	143,250	3,628,957
8	Computer & Software	4,441,546	440,563	4,882,109	25%	2,324,393	599,883	2,924,276
9	Sundry Assets	785,861	26,300	812,161	25%	736,393	16,826	753,219
	Sub total	90,478,488	2,924,711	(1,620,000)	91,783,199	70,645,057	3,332,894	(1,374,381)
10	Land & Land Development :							19,179,629
a.	7-8 Motijheel	268,172,500	-	268,172,500				268,172,500
b.	Kawranbazar	43,200,000	-	43,200,000				43,200,000
c.	Building Under Construction (K.B)	98,112,776	2,100,066	100,212,842				100,212,842
	Sub total	409,485,276	2,100,066	-	411,585,342	-	-	411,585,342
	Grand Total :	499,963,764	5,024,777	(1,620,000)	503,368,541	70,645,057	3,332,894	(1,374,381)
								72,603,570
								430,764,971

Central Insurance Company Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

1.00 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES:

A. NOTES GENERAL

A.01 Legal Form of the Company

The Central Insurance Co. Ltd. was incorporated as a Public Limited Company on November 12, 1987 under the Companies Act, 1913 and obtained registration from the Chief Controller of Insurance, Government of Bangladesh on 30th November, 1987 concurrently. The Company has been registered with the Insurance Development & Regulatory Authority (IDRA) under the Insurance Act, 2010 and provides non-life insurance services as per the Insurance Act, 2010 and the directives issued by the IDRA from time to time. The Company is listed with Dhaka Stock Exchange Ltd and Chittagong Stock Exchange Ltd as a publicly traded company from the year 1995.

Address of Registered office and place of business of the company

The registered office of the Company is located at Central Insurance Bhaban (3rd & 4th Floor), 7-8, Motijheel C/A, Dhaka-1000, Bangladesh. The business operations of the Company are being carried out through its 29 branches located in all over Bangladesh.

The Company has formed another subsidiary company viz; Central Insurance Investment Ltd. with a view to carry out business activity of Merchant Bank, but the permission for operating business as Merchant Bank not yet obtained.

Principle activities of the company

The principle activity of the Company is to carry on all kinds of non-life insurance business. There were no significant changes in the nature of the principal activities of the Company during the year 2017 under review.

Date of financial statements authorised for issue

Financial statements of the company for the year ended December 31, 2017 were authorised for issue on April 26, 2018 in accordance with a resolution of the Board of Directors of the company.

A.02 Summary of significant accounting policies and other related policy information

A.02.01 Basis of accounting preparation

The financial statements of the Company under reporting have been prepared under historical cost convention on a going concern concept and accrual basis in accordance with Generally Accepted Accounting Principles and Practice in Bangladesh. Disclosure of financial information as required by Insurance Act 2010 have been complied with while preparing statement of financial position, statement of profit or loss and other comprehensive income and revenue accounts for specific classes of insurance business in the form set forth in the first, second and third schedule of the Insurance Act and also in compliance with the Companies Act, 1994.

A.02.02 Management Responsibility

The management is responsible for the preparation and fair presentation of the financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS) and existing accounting standards and applicable laws.

A.02.03 Directors Responsibility statements

The Board of Directors are also responsible for the preparation and presentation of financial statements under section 183 of the Companies Act 1994, the Bangladesh Securities and Exchange Rules 1987, Listing Regulations of Dhaka Stock Exchange Ltd and Chittagong Stock Exchange Ltd . According to the International Accounting Standard (IAS)-1 “Presentation of Financial Statements” the complete set of Financial Statements include the following components:

- i) Statement of Financial Position (Balance Sheet)
- ii) Statement of Profit or Loss and Other Comprehensive Income (Profit or Loss Account)
- iii) Statement of Profit or Loss Appropriation Account
- iv) Statement of Cash Flows
- v) Statement of Changes in Equity
- vi) Notes to the Financial Statements and Significant Accounting Policies

A.03 Basis of presentation

The balance sheet has been prepared in accordance with regulations as contained in Part -I of the First Schedule and as per Form “A” as set forth in Part-II of that schedule. Revenue Account of each class of non-life insurance business has been prepared in accordance with the regulations as contained in Part -I of the Third Schedule as per Form ‘F’ as set forth in Part-II of that schedule of the Insurance Act,1938, in absence of such Forms in the Insurance Act of 2010. The classified summary of the assets has also been prepared in accordance with form “AA” as set forth in Part-II of the aforesaid Act.

i) Method of preparation

The financial statements have been prepared on mercantile method.

ii) Compliance statements and general rules & regulations

The financial statements have been prepared and disclosures of information have been made in accordance with the requirements of Insurance Act, 2010, Insurance rules, 1958, the Companies Act,1994, the Securities and Exchange Rules,1987, the Listing Regulations of Dhaka Stock Exchange Ltd and Chittagong Stock Exchange Ltd. and Guidelines, rules and regulations issued from time to time by the Insurance Development and Regulatory Authority (IDRA).

To comply with the International Accounting Standards and International Financial Reporting Standards adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and other applicable laws and regulations.

iii) Last year's figures rearranged and adjusted

Previous year's figures have been rearranged wherever considered necessary to conform to the current year's presentation.

iv) Functional and presentational currency

These financial statements are prepared in Bangladesh Taka which is company's functional currency. All information presented in Taka has been rounded off to the nearest Taka (BDT).

v) Reporting period

Financial statements of the company consistently cover one year from 1 January 2017 to 31 December 2017.

vi) Going Concern Basis

The Company has adequate resources to continue in the operation for the foreseeable future. For this reason, the Directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and adequate resources for providing sufficient funds to meet the present requirements of its existing business and operations.

vii) Branch accounting

The company has 29 branches under its umbrella without having any overseas branch up to the year ended December 31, 2017. The accounts of the branches are maintained at the Head Office level. Only petty cash books are maintained at the branch level for meeting day to day cash expenses.

viii) Interim financial reporting

In accordance with Bangladesh Accounting Standard (BAS-34), interim financial reporting, publicly traded entities are encouraged to provide interim financial reports that conform to the recognition, measurement and disclosure principles set out in this standard. Timely and reliable interim financial reporting improves the ability of investors, creditors and others to understand an entity's capacity to generate earnings and cash flows and its financial condition and liquidity. The company applies the same accounting policies in its interim financial statement as are applied in its annual financial statements.

ix) Segment reporting

A business segment is a distinguishable component of the company that is engaged in providing services that are subject to risks and returns and are different from those of other business segments. The company accounts for segment reporting of operating result of each segment. The company has four primary business segments for reporting purposes namely Fire, Marine, Motor and Miscellaneous.

x) Comparative information

Comparative information have been disclosed in respect of the previous year for all numerical information in the financial statements including narrative and descriptive information when it is relevant for understanding of the current year's financial statements. Previous year figures have been restated and rearranged wherever necessary, to conform to current years presentation as per BAS-8 "Accounting Policies, Changes in Accounting Estimate and Errors".

B. SIGNIFICANT ACCOUNTING POLICIES

B.01 INVESTMENT:

- i. Investment are stated at cost of acquisition.
- ii. Income on Investment, Other than shares are accounted for on accrual basis.
- iii. Dividend income on Investment in shares are accounted for in the year of receipt of such dividend.
- iv. Gain on sale of shares are accounted for on actual realization basis.

B.02 Property, Plant & Equipments :

All fixed assets are stated at cost less accumulated depreciation as per BAS-16 “Property, Plant & Equipments”. The cost of acquisition of an asset comprises its purchase price and directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

Property, Plant and Equipment are depreciated following the reducing balance method on the basis of economic life expectancy of the assets in accordance with BAS-16. Depreciation on addition of fixed assets has been charged when it is available for use.

Land and land development stated at revalued price during the year [Note 16.00] and no depreciation has been charged on the value of land and land development. The property, plant & equipments are depreciated at the following rates :

Items	Rate %	Items	Rate %
a) Furniture and fixtures	10%	f) Telephone Installation	20%
b) Office Equipment	15%	g) Sundry Assets	25%
c) Office decoration	10%	h) Electrical Equipments	15%
d) Air Cooler	15%	i) Computer & Software	25%
e) Motor Vehicles	20%		

De-recognition

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

Impairment of assets

All assets of the company shown in financial statement that are within the scope of BAS-36, are in physical existence and valued on more than their recoverable amount following international accounting standards adopted by ICAB, disclosures with regards to “Impairment of Assets” as per BAS-36 have not been considered necessary.

Operating Lease :

The Company purchased 3 (three) motor vehicles by taking loans from the leasing companies. Details of operating lease of vehicles are shown below :

Particulars	Car No. 35-9239	Car No. 22-0815	Car No. 35-9410
Total Lease Amount	1,525,000	1,800,000	2,205,000
Down Payment	500,000	-	-
Monthly Installments	28,472	59,786	74,030
Total number of installments	36	36	36
Total number of installments paid	36	36	28
No. of installments over due	0	0	8

B.03 PROVISION FOR INCOME TAXES

The Company has made the income tax provision on the basis of BAS-12 "Income Taxes", Income Tax Ordinance,1984 as amended from time to time and Finance Act 2017.

B.04 CLASSIFIED SUMMARY OF ASSETS:

The value of all assets as shown in the balance sheet and in the annexed classified summary of assets drawn up in accordance with Form "AA" of part II of the First Schedule of the Insurance Act 1938, have been reviewed and the balances are in agreement with the balance sheet amount and Form "AA" amount.

B.05 EMPLOYEE'S BENEFIT PLAN:

Company has introduced gratuity benefit for its permanent employees as per board decision those who has been working since 1st April, 2006 are entitled to get this benefit and company contributes @ 10% of basic salary of the employee to contributory provident fund which is wholly administrated by a Board of Trustees. The gratuity fund was not recognised by the NBR.

B.06 EARNING PER SHARE (EPS):

The company calculates Earning Per Share (EPS) in accordance with the International Accounting Standards - IAS-33

"Earning Per share" as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

B.07 GENERAL RESERVE FUND

The company has been maintaining a general reserve fund from the current year profit to meet future contingencies.

B.08 RESERVE FOR EXCEPTIONAL LOSSES:

As per Para 6 of 4th Schedule of Income Tax Ordinance,1984 to meet the exceptional losses, the company sets aside maximum 10% of the net premium income of the year in which it is set aside from the balance of the profit to Reserve for exceptional losses. As per Insurance Act 1938 as amended 2010, maximum 10% statutory reserve be maintained out of profit by the company to meet any possible future claims on net premium income during the year. In the year under review, the Company sets aside 10% of net premium.

B.09 REVENUErecognition (BAS-18)

Revenue is recognised in accordance with Bangladesh Accounting Standard (BAS)-18. Revenue,unless otherwise mentioned or otherwise guided by the separate BAS/ BFRS or by directives of the regulatory authority.

B.10 UNDERWRITING PREMIUM INCOME

Premium income is recognised on when insurance policies are issued and premium collected. The sum of premium income as appeared in classified Revenue Accounts is net of the refund made, Re-insurance ceded and premium on PSB.

B.11 PUBLIC SECTOR BUSINESS (PSB)

As per government decision effective from April 1990, 100% public sector insurance business is being underwritten by Sadharan Bima Corporation (SBC), 50% premium being retained by SBC and the remaining balance is equally distributed among 45 private sector insurance companies. The premium in respect of company's share of Public Sector insurance Business (PSB) is accounted for in the year in which the relevant statement of accounts from Sadharan Bima corporation is received. The statements of account for the period from January 2016 to December 2016 have been received from SBC and the company's share of PSB for the aforesaid has been recognised in this financial statements accordingly. Such method of account for the Public Sector insurance Business (PSB) has been consistently followed.

B.12 RE-INSURANCE CEDED AND ACCEPTED WITH SADHARAN BIMA CORPORATION

Necessary adjustment in respect of re-insurance ceded and accepted in Bangladesh has duly been made in respective revenue account as per treaty between the company and Sadharan Bima Corporation (SBC).

B.13 COVER NOTES CONVERTED INTO POLICY (CCP)

Amounts received against issue of cover note that have not been converted into policy are not recognise as income. The cover notes which were previously issued are converted into insurance policy at the expiry of nine months from the date of issue of such cover notes as per circular of the then chief controller of insurance.

B.14 INVESTMENT INCOME

a) Interest on FDR's and Bangladesh Government Treasury Bond (BGTB) are recognised on accrual basis interest on STD/SND/PLS account and other income are recognised as and when amount credited to our account.

b) Cash dividend income and stock dividend from investment:

Dividend income on investment in shares are recognised when the company is entitled to dividend from the investee and shown in the statement of profit or loss and other comprehensive income. For stock dividend, the number of related shares of investee increases effecting decrease in average cost of investment .

B.15 CASH & CASH EQUIVALENTS :

Cash comprises cash in hand and demand deposit and cash equivalents are short term, high liquid investments that are readily convertible to know amount of cash and which are subject to an insignificant risk of changes in value, BAS-1 "Presentation of Financial Statements" also provides that cash equivalents are those which have no restriction in use considering the provision of BAS-7 and BAS-1, cash in hand and bank balance have been considered as cash and cash equivalents.

B.16 DEFERRED TAXES :

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which such differences can be utilised. Deferred tax liabilities are generally recognized for all taxable temporary differences. Accordingly tax liability is created and provided in the profit & loss appropriation account. Deferred tax calculation are shown in note no. 8.01.

B.17 CASH FLOW STATEMENT:

Cash flow statement is prepared in accordance with IAS-7 "Statement of Cash Flows" and the cash flow from operating activities has been presented under direct method as prescribed by the Securities and Exchanges Rules - 1987. Cash flow statement is broken down into operating activities, investing activities and financing activities.

2.00 SHARE CAPITAL :

Authorized shares capital Tk. 1,000,000,000

100,000,000 Ordinary Shares of Tk. 10 each.

Issued, Subscribed & Paid-up Capital : Tk.470,829,000

47,082,900 ordinary shares of Tk.10 each

The Category wise shareholding position as on 31 December, 2017 are noted below :

Category of Shareholders	No. of Shares	% of Holdings	Amount Tk.
1. Sponsors & Directors (Group -A)	20,325,982	43.17	203,259,820
2. ICB & Institutions (Group -B)	10,069,422	21.39	100,694,220
3. General Public (Group-B)	16,687,496	35.44	166,874,960
Total	47,082,900	100.00	470,829,000

Classification of Shareholders according to holding of shares :**i) Group -A**

Class Interval	No. of Shares	No. of Shareholders	Total Holding%	% of Total Paid Up-Capital
Less than 5000 Shares	2,689	1	0.01	0.01
5001-10,000	-	-	0	0
10,001-50,000	19,150	1	0.09	0.04
50,001-100,000	-	-	0.00	0
100,001-200,000	398,007	3	1.96	0.84
200,001-500,000	1,540,544	5	7.58	3.27
500,001-1,000,000	11,844,735	13	58.28	25.16
1,000,001-2,000,000	6,520,857	5	32.08	13.85
Total of (A)	20,325,982	28	100.00	43.17

ii) Group -B

Class Interval	No. of Shares	No. of Shareholders	Total Holding%	% of Total Paid Up-Capital
Less than 5000 Shares	8,332,955	2,816	31.13	17.70
5001-10,000	324,100	50	1.21	0.69
10,001-50,000	1,681,626	80	6.29	3.57
50,001-100,000	671,268	10	2.51	1.43
100,001-200,000	1,740,587	13	6.51	3.70
200,001-500,000	3,494,377	11	13.06	7.42
500,001-1,000,000	2,821,309	4	10.55	5.99
1,000,001-2,000,000	2,517,793	2	9.41	5.35
2,000,001-3,000,000	-	-	0.00	0.00
3,000,001-10,000,000	5,172,903	1	19.33	10.99
Total of (B)	26,756,918	2,987	100.00	56.83
Grand Total (A +B)	47,082,900	3,015		100.00

This shares are listed with both DSE and CSE.

	2017	2016
3.00 RESERVE OR CONTINGENCY ACCOUNT: Tk. 546,756,265	Tk. 546,756,265	Tk. 519,026,238

This has been made up as under:

A. Reserve or contingency account :		
Balance as on January 01, 2017	464,823,130	440,637,032
Add: Reserve for Exceptional Loss for the year	24,320,133	24,186,098
Sub Total	489,143,263	464,823,130
B. Profit & Loss Appropriation Account :		
Undistributed Profit up to financial statement Date	57,613,002	54,203,108
Grand Total	546,756,265	519,026,238

4.00 BALANCE OF FUND & ACCOUNT:	Tk. 97,682,447	Tk. 97,211,979
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This has been made up as under:

Fire Revenue Account	43,114,622	38,615,232
Marine Revenue Account	34,278,756	41,338,847
Motor Revenue Account	15,585,841	13,690,584
Miscellaneous Revenue Account	4,703,228	3,567,316
Total Taka	97,682,447	97,211,979

5.00 DEPOSIT PREMIUM : Tk. 22,284,023 Tk. 21,320,400

The above balance represents the premium, stamp duty and VAT received against cover-notes for which policies have not yet been issued.

6.00 ESTIMATED LIABILITY IN RESPECT OF OUTSTANDING CLAIMS AT THE END OF THE PERIOD WHETHER DUE OR INTIMATED : Tk. 32,580,794 Tk. 20,330,953

The break up of the above is as under:

Fire Insurance	18,457,009		4,297,546
Marine Insurance	10,793,619		13,507,390
Motor Insurance	3,245,449		2,441,300
Miscellaneous Insurance	84,717		84,717
Total Taka	32,580,794		20,330,953

7.00 AMOUNT DUE TO OTHER PERSONS OR BODIES

CARRYING ON INSURANCE BUSINESS : Tk. 44,642,347 Tk. 62,053,351

The break up of the above is as follows:

Sadharan Bima Corporation	43,090,270	60,501,274
Other Insurance Companies of Bangladesh	1,552,077	1,552,077
Total Taka :	44,642,347	62,053,351

8.00 SUNDY CREDITORS : Tk. 385,160,196 Tk. 354,222,531

This has been made up as under

Provision for Income Tax	250,461,510	221,520,604
Bills Payable	948,841	948,841
Security Deposit (Open Cover)	250,000	250,000
Advance Rent Receive	17,941,763	16,003,788
Provision for Audit Fee	130,000	130,000
Income Tax Deduction at source	924,938	567,828
VAT deducted at source	133,510	144,939
Dividend Payable	3,242,111	2,889,942
Deferred Income Tax (Note no.8.01)	1,686,559	1,686,559
Provision for Bonus	6,570,000	3,825,919
Excess Deposit Premium	38,195	87,353
Premium Payable on Co-Ins. Share	207,470	282,156
Death Claim Group Insurance Premium	73,125	1,956,500
Loan from Central Insurance Investment Ltd.	99,245,000	99,245,000
Loan from IDLC Finance Ltd.	-	1,663,214
Security Deposit (Contractor)	990,000	940,000
Provision for Provident Fund	441,832	552,884
Provision for Deduction Ag. PF Loan	155,567	247,554
Provision for Gruatuity (Note no.8.02)	1,719,775	1,279,450
Total Taka	385,160,196	354,222,531

8.01 DEFERRED TAX :	1,686,559	Tk.	1,686,559
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Written down value of Fixed Assets as per financial statement	-	-
Written down value of Fixed Assets as per tax basis	-	-
Taxable temporary difference	-	-
Current year Deferred tax liabilities	-	-
Add. Opening Deferred tax liabilities	1,686,559	1,686,559
Total Taka	1,686,559	1,686,559

Deferred tax is not calculated in the current year.

8.02 PROVISION FOR GRUATUITY :	Tk. 1,719,775	Tk. 1,279,450
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Opening Balance	1,279,450	868,250
Less : Paid during the year	1,059,675	88,800
	219,775	779,450
Add : Provision made during the	1,500,000	500,000
Closing Balance	1,719,775	1,279,450

9.00 BANK OVERDRAFT :	Tk. 46,392,976	Tk. 29,888,785
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The above mentioned overdrawn facility was allowed by the bank as mentioned below against lien of Fixed Deposit of the Company.

Social Islami Bank Ltd., Principal Br., A/c # 38485	-	12,731,914
Social Islami Bank Ltd., Principal Br., A/c # 38531	-	5,752,073
Social Islami Bank Ltd., Principal Br., A/c # 39058	-	6,055,594
Social Islami Bank Ltd., Principal Br., A/c # 39069	-	1,816,130
Social Islami Bank Ltd., Principal Br., A/c # 39082	-	505,074
Social Islami Bank Ltd., Principal Br., A/c # 39159	-	1,507,213
Social Islami Bank Ltd., Principal Br., A/c # 39205	-	1,520,787
Social Islami Bank Ltd., Principal Br., A/c # 39813	1,520,961	
Social Islami Bank Ltd., Principal Br., A/c # 39857	1,260,765	
Social Islami Bank Ltd., Principal Br., A/c # 39868	3,160,372	
Social Islami Bank Ltd., Principal Br., A/c # 39881	5,261,041	
Social Islami Bank Ltd., Principal Br., A/c # 39903	3,260,165	
Social Islami Bank Ltd., Principal Br., A/c # 39958	2,093,737	
Social Islami Bank Ltd., Principal Br., A/c # 39971	9,402,244	
Social Islami Bank Ltd., Principal Br., A/c # 39993	733,217	
Social Islami Bank Ltd., Principal Br., A/c # 40026	7,304,216	
Social Islami Bank Ltd., Principal Br., A/c # 40116	5,200,186	
Social Islami Bank Ltd., Principal Br., A/c # 40443	3,092,247	
Social Islami Bank Ltd., Principal Br., A/c # 40779	4,103,825	
Total Taka:	46,392,976	29,888,785

10.00 INVESTMENT: Tk. 224,481,833 Tk. 190,863,883

This is made up as follows.

Bangladesh Government Treasury Bond (BGTB)	25,000,000	25,000,000
Investment in Share	99,482,133	65,864,183
Investment in CIC Investment Ltd.	99,999,700	99,999,700
Total Taka:	224,481,833	190,863,883

Value of share has been shown at cost price which was inflated by Tk. 9,079,257 as per market price as on 31.12.2017 and are shown in annexure-1. Moreover unquoted shares also shown at cost price. Considering the instability in stock market the company has made a cumulative provision amounting taka 14,600,000 for unrealized loss on the investment in share and no provision was considered in this year considering that the total provision covers the total expected losses.

11.00 INTEREST, DIVIDEND & RENT OUTSTANDING: Tk. 17,515,498 Tk. 17,352,262

The amount represents interest receivable on Bangladesh Government Treasury Bond (BGTB) and Fixed Deposit Receipts (FDR) as on the date of financial statement.

Fixed Deposit Receipt (FDR)	16,481,902	16,318,666
Bangladesh Government Treasury Bond (BGTB)	1,033,596	1,033,596
Total Taka:	17,515,498	17,352,262

12.00 AMOUNT DUE FROM OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS: Tk. 169,545,046 Tk. 161,999,275

The break up of the above is as follows:

Sadharan Bima Corporation	166,031,322	158,485,551
Other Insurance Companies of Bangladesh	3,513,724	3,513,724
Total Taka:	169,545,046	161,999,275

13.00 SUNDAY DEBTORS : Tk. 304,714,484 Tk. 261,242,469

The break up of the above is as follows:

Advance Against Salary	864,514	791,142
Advance Against Floor Purchases	28,572,625	11,047,410
Advance Against Office Rent	771,198	989,469
Advance Income Tax	229,465,845	205,214,324
Advance Against Printing	315,000	300,000
Advance Against Car on HP	3,130,250	3,624,584
Advance Against Motor Cycle on HP	385,308	527,138
Advance Income Tax Against House Rent	6,554,229	5,330,688
Advance Against CIC Investment	2,720,316	2,705,389
Bills Receivable	2,017,232	1,319,699
Bank Guarantee	8,727,386	20,406,927
Agent Balance	21,190,581	8,985,699
Total Taka:	304,714,484	261,242,469

The above debts are considered good for realization / adjustment.

14.00 CASH AND BANK BALANCES: **554,415,155** Tk. **546,475,806**

The break up of the above is as follows :

A) At Bank		
Short Term Deposit	26,059,534	24,014,523
Current Deposit	197,601	134,450
Fixed Deposit	526,450,010	520,600,010
	552,707,145	544,748,983
B) Cash and Cash Equivalents	1,708,010	1,726,823
Total Taka:	554,415,155	546,475,806

15.00 PROPERTY, BUILDING & LAND DEVELOPMENT : TK. 411,585,342 Tk. 409,485,276

The above value represents the revalued price of Land and Land Development at the financial statement date. They has employed an independent valued viz. A. Wahab & Co., Chartered Accounted during the year 2009 and the value arrived as under:

Land at Kawran Bazar Area	43,200,000	43,200,000
Land and building at 7-8 Motijheel	268,172,500	268,172,500
Building Under Construction (Kawran Bazar)	100,212,842	98,112,776
Total Taka:	411,585,342	409,485,276

16.00 PLANT, OFFICE EQUIPMENTS & OTHER FIXED ASSETS : TK. 19,179,629 Tk. 19,833,431

The above balance represents written down value of the Plant, Office Equipments & Other Fixed Assets as financial statement date, Details of the fixed assets are shown in Schedule A.

17.00 STOCK OF STATIONERY : Tk. 461,729 Tk. 414,714

The stock of stationery was valued at cost price or net realizable value whichever is lower.

18.00 SECURITY DEPOSIT : Tk. **162,175** Tk. **162,175**

This represents the security money deposited against Bangladesh Telephone & Telegraph Board (BTTB), Bangladesh Power Development Board (BPDB) and Dhaka Electric Supply Authority (DESA).

19.00 INSURANCE STAMP IN HAND : Tk. **435,057** Tk. **801,416**

This represents unused insurance stamp in hand at the end of the period and was valued at cost price.

20.00 PREMIUM LESS RE-INSURANCE : Tk. **243,201,331** Tk. **241,860,975**

This represents net premium from Direct Business and Government Business.

Class of Business	Gross Premium	Re-Insurance Accepted	Re-Insurance Ceded	2017	
				Net Premium	Net Premium
Fire	147,943,199	-	40,156,643	107,786,556	96,538,081
Marine	128,674,114	-	43,982,010	84,692,104	102,178,143
Motor	40,123,315	-	1,158,713	38,964,602	34,226,460
Misc.	30,221,202	-	18,463,133	11,758,069	8,918,291
Total Tk.	346,961,830	-	103,760,499	243,201,331	241,860,975

21.00 Compliance of Insurance Act 2010 under section 148 and 63 (SRO 103-Act 2016) :

A. Insurance Act 2010 under section 148 and 63 (SRO 103-Act 2016) the limitation of Expenses Management General Insurance business the comparative figure of Management Expenses is given below:

Class	Level of Premium	Rate	Allowable Expenses	Actual Expenses	Variance	Remarks
Income from Fire Business						
First	50,000,000	35%	17,500,000			
Next	50,000,000	33%	16,500,000			
Balance	47,943,199	32%	15,341,824			
Sub-Total	147,943,199		49,341,824			
Income from Motor and Misc. Business						
First	50,000,000	35%	17,500,000			
Balance	20,344,517	33%	6,713,691			
Sub-Total	70,344,517		24,213,691			
Income from Marine Business						
First	50,000,000	26%	13,000,000			
Next	50,000,000	25%	12,500,000			
Balance	28,674,114	24%	6,881,787			
Sub-Total	128,674,114		32,381,787			
Total:	346,961,830		105,937,302	139,296,185	(33,358,883)	Adverse

B. No provision for income tax has been made for excess management expenses as per 4th Schedule of Income Tax Ordinance, 1984 because the company has applied to IDRA for condonation of contravention under Section 40C of the Insurance Act, 1938 amended Act 2010.

NOTES ON OTHERS

22.00 EARNING PER SHARES-BASIS:

The Computation of EPS is given below:

a) Earnings attributable to ordinary share holders (Net profit after taxation and provision)	81,539,056	77,249,021
b) Ordinary shares at 1st January	47,082,900	44,840,857
c) Earnings per share (EPS) (a/b)	1.73	1.72

23.00 NET ASSETS VALUE (NAV) :

The Computation of NAV is given below:

a) Total Assets	1,702,495,948	1,608,630,707
b) Current Liabilities	628,742,783	585,027,999
c) Net Assets Value (c = a - b)	1,073,753,165	1,023,602,708
d) Ordinary shares at 1st January	47,082,900	44,840,857
e) Net Assets Value (NAV) Per Share (e = c / d)	22.81	22.83

24.00 POST EVENT OF FINANCIAL STATEMENT :

The Board of Director of Central Insurance Company Ltd. in its 212th meeting held on April 26, 2018 has recommended cash dividend @ 12% for the year 2017, out of the surplus available for the year 2017 subject to approval of shareholders in the ensuing 30th Annual General Meeting.

25.00 CLAIMS AGAINST COMPANY NOT ACKNOWLEDGED AS DEBT:

There was no claim against Company, which is not acknowledged as debt other than normal course of business.

26.00 CONTINGENT LIABILITIES:

There was no contingent liabilities other than normal course of business.

27.00 CREDIT FACILITIES:

There was no credit facility available to the Company under any contract and availed of as on December 31, 2017 other than trade available in the ordinary course of business.

28.00 MISC. EXPENSES:

No single transaction under this head of accounts Miscellaneous exceeded Tk. 5,000.

29.00 CAPITAL EXPENDITURE COMMITMENT :

There was no capital expenditure commitment as at 31st December 2017.

30.00 Attendance Status of Board Meeting of Directors :

A. During the year from 01.01.2017 to 31.12.2017 there were 5 (five) Board Meetings were held. The attendance status of board meetings is as follows:

Name of Directors	Position	No. of Meeting Held	Attended
Alhaj Md. Abu Taher Chowdhury	Chairman & Director	5	5
Mr. Mohammed Musa	Vice-Chairman & Director	5	5
Mr. Md. Nurul Islam	Director	5	3
Mr. Mohd. Masud Hossain	Director	5	2
Mr. Md. Masud Karim	Director	5	5
Mr. Md. Sazzad-un-Newaz	Director	5	2
Mr. Tauhid Rahman	Director	5	2
Mrs. Nurun Nahar	Director	5	2
Mrs. Shamim Ara Begum	Director	5	2
Mr. Ifthehar Maleque	Director	5	2
Mrs. Rokeya Begum	Director	5	2
Mrs. Jahanara Yousuf	Director	5	2
Mrs. Tayeeba Alam	Director	5	3
Mrs. Rosy Rahman	Director	5	5
Mrs. Shahida Nazneen	Director	5	2
Mr. Sabbirul Kabir	Director	5	1
Ms. Anjee Chowdhury	Director	5	2
Mr. Zoynal Abedin Chowdhury	Director	5	4
Mr. Md. Abdullah Zehad	Independent Director	5	5
Mr. Md. Nurul Islam	Independent Director	5	5
Mr. Md. Zahid Anwar Khan	Chief Executive Officer	5	5

B. During the year from 01.01.2017 to 31.12.2017 there were 3 (three) Executive Committee Meetings were held. The attendance status of executive committee meetings is as follows:

Name of Directors	Position	No. of Meeting Held	Attended
Mr. Mohammed Musa	Chairman	3	3
Mr. Md. Masud Hossain	Member	3	1
Mrs. Rosy Rahman	Member	3	3
Mr. Zoynal Abedin Chowdhury	Member	3	2
Mr. Ifthehar Maleque	Member	3	2
Mrs. Jahanara Yousuf	Member	3	2
Mr. Md. Masud Karim	Member	3	2
Mr. Tauhid Rahman	Member	3	1

C. During the year from 01.01.2017 to 31.12.2017 there were 3 (three) Audit Committee Meetings were held. The attendance status of audit committee meetings is as follows:

Name of Directors	Position	No. of Meeting Held	Attended
Mr. Md. Abdullah Zehad	Chairman	4	3
Mr. Md. Nurul Islam	Member	4	3
Mr. Md. Sazzad un Newaz	Member	4	3
Mr. Md. Jafar Ali FCS	Member Secretary	4	4

General :

31.00 There were 335 numbers of employees.

32.00 There was no bank guarantee issued by the company on behalf of their directors.

33.00 Auditors were paid only statutory audit fee duly approved by the shareholders in the last AGM.

34.00 There was capital work in progress at the end of the accounting year (Note no. 15).

35.00 No expenses were paid as royalty and salary to technical experts etc.

36.00 During the year the company was not entered into any agreement with the third party.

37.00 There was no event occurred after financial statement date, which might effect financial position of the company as on financial statement date.

38.00 No remuneration was given to the director except the board meeting fees.

39.00 Internal Control :

The following steps have been taken for implementation of an effective internal control procedure of the Company:

i) A strong internal control and compliance division has been formed with a view to establish a well designated system of internal control.

ii) Regular review of internal audit reports with view to implement the suggestion of internal auditors in respect if internal control technique.

iii) To establish an effective management system that includes planning, organizing and supervising culture in branches of the company as well as at head office.

40.00 Subsequent Disclosure of Events after the financial statement Date - Under BAS 10 :

There is no non-adjusting post financial statement event of such importance, non disclosure of which would affect the ability to the users of the financial statements to proper evaluation and decision.

41.00 Approval of the financial statements:

These financial statements were authorized for issue in accordance with a resolution of the company's Board of Directors on April 26, 2018.

42.00 Credit Rating Report :

Credit Rating Information and Services Limited (CRISL) has assigned the Claim Paying Ability (CPA) rating of the company to 'A+' (pronounced as Single A plus) based on the audited Financial Statements up to December 31, 2016 and other relevant qualitative and quantitative information up-to the date of rating. The above ratings have been done after due consideration to its fundamentals such as improving financial performance, good liquidity, good FDR base, diversified investment portfolio, etc.

SHARE INVESTMENT POSITION AS ON DECEMBER 31, 2017

Annexure-1

Sl.#	Name of Items	No.of Share	Book Value	Market Rate	Market Value as on 31.12.17
1	Central Depository Bangladesh Ltd.	571,181	1,569,450	2.75	1,569,450
2	Eastern Housing Limited	85,000	4,698,568	49.20	4,182,000
3	Eastland Insurance	24,890	1,566,240	23.80	592,382
4	Fareast Islami Life Insurance Ltd.	4,928	5,000	71.50	352,352
5	Generation Next Fashions Limited	53,337	851,548	9.40	501,368
6	Global Heavy Chemicals Limited	10,000	606,718	39.70	397,000
7	GMG Air Lines Ltd.	110,000	5,000,000	45.45	5,000,000
8	Green Delta Mutual Fund	100,000	1,000,000	9.20	920,000
9	IBBL Mudaraba Perpetual Bond	500	460,652	983.00	491,500
10	ICB Islamic Unit Fund	53,610	1,490,175	27.80	1,490,175
11	ICB AMCL 1st Unit Fund	124,100	3,286,572	26.48	3,286,572
12	ICB Islamic Bank Ltd.	200	2,000	7.00	1,400
13	Khulna Power Co. Ltd.	223,177	17,663,533	58.50	13,055,855
14	Matin Spinning Mills Ltd	3,000	139,224	38.60	115,800
15	Orion Pharma Ltd.	225,000	12,601,150	48.70	10,957,500
16	Reliance 1st MF	300,000	3,100,514	11.00	3,300,000
17	Singer BD Ltd.	56,675	11,687,786	195.50	11,079,963
18	Southeast Bank	20,000	390,751	22.20	444,000
19	Square Pharmaceuticals Ltd.	362	79,722	307.50	111,315
20	Sumit Power Ltd.	19,198	1,058,517	35.90	689,208
21	Titas Gas	157	13,513	44.20	6,939
22	Trust Bank 1st MF	107,593	646,453	6.70	720,873
23	United Commercial Bank Ltd	200,000	4,540,711	23.60	4,720,000
24	United Finance Co. Ltd.	67,501	4,002,943	23.80	1,606,524
25	United Power Generation & Distribution Co Ltd	137,000	23,020,395	181.10	24,810,700
	Total :		99,482,133		90,402,875