



কাজী জহির খান এন্ড কোং
KAZI ZAHIR KHAN & CO.
Chartered accountants
In practice Since 1980

Independent Auditor's Report

To

The Shareholders of Central Insurance Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Central Insurance Company Limited, which comprise the Statement of Financial Position as at December 31, 2019, and the Statement of Profit or Loss and other Comprehensive Income, Profit and Loss Appropriation Account, Consolidated Insurance Revenue Account, Fire Insurance Revenue Account, Marine & Marine Hull Insurance Revenue Account, Motor Insurance Revenue Account, Miscellaneous Insurance Revenue Account, Statement of Changes in Shareholder's Equity, Statement of Cash Flows for the year then ended, Form "AA" as at December 31, 2019 and a summary of significant accounting policies and other explanatory information disclosed in Note 1- 42.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2019, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Insurance Act 2010, the Insurance rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Opinion

We conduct our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified opinion.

Matter of Emphasis

We draw attention to the following matters, though our opinion is unqualified in respect of the same:

- As per IAS-24, every entity should disclose every related party transaction. However, the company did not disclose every related party transaction.

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- As disclosed in note 8.01 the company has calculated deferred tax during the reporting period. However, computation needs to be complied with all aspects as per IAS-12;
- As per BSEC Rules every listed company should establish a gratuity fund. However, we did not observe such establishment of Gratuity Fund. Which is a non-compliance of said Rules. Anyway, we observed that provision has been made for gratuity fund;
- As disclosed in note 7 and 12 regarding amount payable and receivable were carry forwarded since long ago, management needs to take proper action to settle the balance immediately;
- We refer to the Note 15 and 16 reads with Schedule A, where the company reported Property, Plant and Office Equipment. Except Land, Building and Motor Vehicle we are unable to verify the whereabouts of other items as mentioned in said Notes and Schedule due to absence of appropriate Fixed Asset management system;
- The company revalued Land and Building in 2009. As per para-34 of IAS 16 “Property, Plant and Equipment” the frequency of revaluation should not exceed three or five years. As of report date the company did not arrange revaluation of Land and Building.

We conduct our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters were addressed in the context of our audit of the consolidated and separate financial statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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| Risk | Our response to the risk |
|---|---|
| <p>Premium Income:</p> <p>Gross general insurance premiums comprise the total premiums received for the whole period of cover provided by contracts entered into during the accounting period.</p> <p>Given the important nature, connections to other items to the financial statements and sensitivity of the item we believe this area present high level of audit risk.</p> | <p>With respect to Premium income in respect of various types of insurance we carried out the following procedures:</p> <ul style="list-style-type: none">• Carried out analytical procedures and recalculated premium income for the period.• The design and operating effectiveness of key controls around premium income recognition process.• Carried out cut-off testing to ensure unearned premium income has not been included in the premium income.• On a sample basis reviewed policy to ensure appropriate policy stamp was affixed to the contract and the same has been reflected in the premium register.• Ensured on a sample basis that the premium income was being deposited in the designated bank account.• Tested on a sample basis to see that appropriate VAT was being collected and deposited to bank through Treasury Challan.• For a sample of insurance contracts tested to see if appropriate level of reinsurance was done and whether that reinsurance premium was deducted from the gross premium.• Applying specialist judgment ensured if there is any impairment of the reinsurer.• Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines. |
| <p>Fair value reserve on Investment of marketable securities:</p> <p>The company makes a number of investments in the listed securities in stock exchange. Income generated from the investments (realized gain and dividend received) is credited to the Profit or Loss Account.</p> <p>This item has significant impact on net asset value of the company and equity balances might be prone to misreporting as large unreported fall in the value of any holding may wipe out the value of the portfolio and hamper the distribution capability of the company.</p> | <p>We tested the design and operating effectiveness of key controls around monitoring, valuation and updating of prices of the positions held by the company from trusted sources. Additionally, we performed the following:</p> <ul style="list-style-type: none">• Obtained year-end share holding positions from the company and through directional testing assessed the completeness of the report.• Ascertained the valuation of the holding as per IFRS 13.• Reviewed the assumptions used for the valuation models for any unquoted securities.• Recalculated unrealized gain or loss at the year end.• Carried out cut-off testing to ensure unrealized gain or loss was recognized in correct period.• Obtained the CICL report and share portfolio and cross checked against each other to confirm unrealized gain or loss.• Check the subsequent positioning of this unrealized amount after the year end.• Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines. |

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| | |
|--|---|
| <p>Estimated liability in respect of outstanding claims whether due or intimated and claim payment:</p> <p>This account represents the claim due or intimated, and related balance of recoverable from reinsurer, from the insured and involves significant management judgment and risk of understatement. In extreme scenario this item may have going concern implications for the company.</p> | <p>We tested the design and operating effectiveness of controls around the due and intimated claim recording process.</p> <p>We additionally carried out the following substantive testing's around this item</p> <ul style="list-style-type: none">• Obtained the claim register and tested for completeness of claims recorded in the register on a sample basis.• Obtained a sample of claimed policy copy and crosscheck it with claim.• Obtained a sample of survey reports cross checked those against respective ledger balances and in case of discrepancy carried out further investigation.• Obtained and discussed with management about their basis for estimation and challenged their assumptions where appropriate.• Reviewed the claim committee meeting minutes about decision about impending claims.• Tested a sample of claims payments with intimation letter, survey report, bank statement, claim payment register and general ledger.• Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines. |
|--|---|

Other Matter

As per Sec-232, Labor Act 2006 and as amended, if a company comply certain conditions as per said section of the Act then the company should establish a worker's profit participation fund (WPPF). CICL is eligible for establishing a WPPF as per said Act. However, they did not establish WPPF which is a non-compliance of the said Act.

We have nothing to report on going concern

We are required to report if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of the financial statements. We have nothing to report in these respects.

Other information

Management is responsible for the other information. The other information comprises all of the information in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit of otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls:

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgments and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

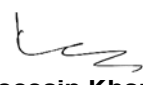
Report on other Legal and Regulatory Requirements:

In accordance with the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and relevant notifications issues by Bangladesh Securities and Exchange Commission, we also report that:

- 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;
- In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books;
- The expenditure was incurred for the purpose of the Company's business;
- The Company management has followed relevant provisions of laws and rules in managing the affairs of the Company and proper books of accounts, records and other statutory books have been properly maintained and (where applicable) proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- As per section 63(2) of the Insurance Act 2010, in our opinion to the best of our knowledge and belief an according to the information and explanation 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 Statement of Comprehensive Income of the Company;
- We report 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 its business re-insured abroad; and
- The Statement of Financial Position, Statement of Comprehensive Income, Profit and Loss Appropriation Account, related Revenue Accounts, Statement of Changes in Equity and Statement of Cash Flows of the Company together with the annexed notes dealt with by the report are in agreement with the books of account and returns.

Dated: Dhaka
June 30, 2020




Nurul Hossain Khan FCA
Membership No.-240
Kazi Zahir Khan & Co.
Chartered Accountants

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Central Insurance Company Limited

STATEMENT OF FINANCIAL POSITION AS

| CAPITAL & LIABILITIES | NOTES | Taka 2019 | Taka 2018 |
|---|-------|----------------------|----------------------|
| SHARE CAPITAL | | | |
| AUTHORISED | 2.00 | 1,000,000,000 | 1,000,000,000 |
| 100,000,000 Ordinary shares of Tk.10 each | | | |
| ISSUED, SUBSCRIBED AND PAID UP | | 470,829,000 | 470,829,000 |
| 47,082,900 Ordinary shares of Tk.10 each | | | |
| SHARE PREMIUM | | 56,167,900 | 56,167,900 |
| 11,233,580 Ordinary shares of Tk.5 each | | | |
| RESERVE OR CONTINGENCY ACCOUNT | 3.00 | 634,815,715 | 590,416,268 |
| Reserve for exceptional losses | | 286,810,356 | 263,283,496 |
| General Reserve | | 29,000,000 | 29,000,000 |
| Investment Equalization Fund | | 19,600,000 | 14,600,000 |
| Dividend Equalization Fund | | 22,500,000 | 12,500,000 |
| Revaluation Reserve | | 206,599,638 | 206,599,638 |
| Profit & Loss Appropriation Account | | 70,305,721 | 64,433,134 |
| BALANCE OF FUND & ACCOUNT | 4.00 | 96,563,582 | 98,378,162 |
| Fire Insurance Business Account | | 39,047,641 | 40,638,951 |
| Marine Insurance Business Account | | 37,874,984 | 38,066,010 |
| Motor Insurance Business Account | | 14,907,122 | 15,745,840 |
| Misc. Insurance Business Account | | 4,733,835 | 3,927,361 |
| DEPOSIT PREMIUM | 5.00 | 21,792,362 | 23,482,156 |
| LIABILITIES & PROVISIONS | | 97,396,411 | 95,372,217 |
| Estimated liability in respect of outstanding-claims whether due or intimated | 6.00 | 34,831,160 | 33,562,287 |
| Amount due to other persons or bodies-carrying on insurance business | 7.00 | 62,565,251 | 61,809,930 |
| SUNDRY CREDITORS | 8.00 | 471,032,245 | 428,951,763 |
| (Including provision for expenses & taxes) | | | |
| OTHER LIABILITIES (Bank Overdraft) | 9.00 | 11,004,631 | 42,993,984 |
| Total Taka : | | 1,859,601,846 | 1,806,591,450 |

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

Date: 30 June, 2020


(Md. Zahid Anwar Khan)
Chief Executive Officer


(A.M. Abid Chowdhury)
Director

Central Insurance Company Limited


AT DECEMBER 31, 2019

| PROPERTY & ASSETS | NOTES | Taka 2019 | Taka 2018 |
|---|-------|----------------------|----------------------|
| INVESTMENT (At cost) | 10.00 | 226,068,714 | 236,112,201 |
| OUTSTANDING PREMIUM | | - | - |
| INTEREST, DIVIDEND & RENT OUTSTANDING | 11.00 | 25,595,435 | 23,894,488 |
| Accrued Interest | | | |
| AMOUNT DUE FROM OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS | 12.00 | 189,734,497 | 176,776,831 |
| SUNDRY DEBTORS | 13.00 | 340,287,722 | 350,045,894 |
| CASH AND CASH EQUIVALENTS | 14.00 | 587,124,322 | 579,981,599 |
| Fixed Deposit Accounts | | 573,925,000 | 544,825,000 |
| Current and STD Accounts | | 13,091,538 | 33,148,633 |
| Cash in hand | | 107,784 | 2,007,966 |
| FIXED ASSETS | | 489,643,567 | 438,319,557 |
| Property, Building & Land Development | 15.00 | 459,884,581 | 412,184,443 |
| Plant, Office Equipments & Other Fixed Assets | 16.00 | 29,758,986 | 26,135,114 |
| OTHER ASSETS | | 1,147,589 | 1,460,880 |
| Stock of Stationery | 17.00 | 589,560 | 593,953 |
| Security Deposit | 18.00 | 162,175 | 162,175 |
| Insurance Stamps in hand | 19.00 | 395,854 | 704,752 |
| Total Taka : | | 1,859,601,846 | 1,806,591,450 |

Signed in terms of our separate report of even date


(Zoyan Abedin Chowdhury)
Vice Chairman


(Mohammed Musa)
Chairman


Kazi Zahir Khan & Co.
Chartered Accountants



Central Insurance Company Limited

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR

| | Taka 2019 | Taka 2018 |
|--|--------------------|--------------------|
| Expenses of Management | | |
| (Not Applicable to any particular Fund or Account) | 14,689,608 | 17,054,704 |
| Advertisement & Publicity | 477,362 | 385,404 |
| Directors Fee | 569,200 | 290,500 |
| Audit Fee | 162,500 | 143,750 |
| Legal, Professional and Retainers Fee | 395,334 | 738,582 |
| Contribution and Subscription | 1,261,204 | 1,148,124 |
| Fees, Registration & Renewal | 526,609 | 647,968 |
| Group Insurance Premium | 478,482 | 483,857 |
| Financial Cost | 2,854,768 | 4,229,007 |
| Gratuity | 1,874,198 | 5,000,000 |
| Deferred tax expenses/income | (2,427,556) | - |
| Depreciation | 8,517,507 | 3,987,512 |
| Profit/Loss for the year transferred to Profit & Loss Appropriation Account | 130,340,190 | 128,691,579 |
| Total Taka : | 145,029,798 | 145,746,283 |

PROFIT AND LOSS APPROPRIATION ACCOUNT FOR

| | Taka 2019 | Taka 2018 |
|--|--------------------|--------------------|
| Reserve for Exceptional Losses | 23,526,860 | 24,339,871 |
| Provision for Taxation | 29,441,264 | 28,532,097 |
| Dividend Equalization Fund | 10,000,000 | 12,500,000 |
| Investment Equalization Fund | 5,000,000 | - |
| Dividend Paid- for 2018 and 2017 | 56,499,479 | 56,499,479 |
| Balance transferred to Balance Sheet | 70,305,721 | 64,433,134 |
| Total Taka : | 194,773,324 | 186,304,581 |
| Earnings Per Share (EPS) (Note # 22.00) | 2.14 | 2.13 |

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

Date: 30 June, 2020


(Md. Zahid Anwar Khan)
Chief Executive Officer


(A.M. Abid Chowdhury)
Director

Central Insurance Company Limited

THE YEAR ENDED DECEMBER 31, 2019

| | Taka 2019 | Taka 2018 |
|--|----------------------|----------------------|
| INTEREST, DIVIDEND AND RENTS | | |
| (Not Applicable to any particular Fund or Account) | | |
| Interest Received and Accrued | 42,012,448 | 43,593,538 |
| Income from Properties | 29,833,694 | 23,726,743 |
| Dividend Income | 4,648,980 | 6,908,447 |
| Capital Gain/(Loss) on Sale of Share | 21,249,023 | 30,245,088 |
| Revenue Gain on Sale of Car | 1,331,513 | - |
| PROFIT OR (LOSS) TRANSFERRED FROM | 45,954,140 | 41,272,467 |
| Fire Revenue Account | 6,903,729 | 1,992,699 |
| Marine Revenue Account | 27,713,202 | 20,496,349 |
| Motor Revenue Account | 8,877,468 | 13,329,090 |
| Miscellaneous Revenue Account | 2,459,741 | 5,454,329 |
| Total Taka : | 145,029,798 | 145,746,283 |

THE YEAR ENDED DECEMBER 31, 2019

| | Taka 2019 | Taka 2018 |
|---|----------------------|----------------------|
| Balance brought forward from last year | 64,433,134 | 57,613,002 |
| Net Profit for the year (Transferred from Profit and Loss Account) | 130,340,190 | 128,691,579 |
| Total Taka : | 194,773,324 | 186,304,581 |

Signed in terms of our separate report of even date


(Zoynal Abedin Chowdhury)
Vice Chairman


(Mohammed Musa)
Chairman


Kazi Zahir Khan & Co.
Chartered Accountants



Central Insurance Company Limited
CONSOLIDATED BUSINESS REVENUE ACCOUNT FOR

| | TAKA 2019 | TAKA 2018 |
|--|--------------------|--------------------|
| CLAIMS UNDER POLICIES LESS RE-INSURANCE | 30,045,056 | 39,648,861 |
| Paid during the year | 28,776,183 | 38,667,368 |
| Total estimated liability in respect of outstanding claim at the end of the year whether due or intimated | 34,831,160 | 33,562,287 |
| | 63,607,343 | 72,229,655 |
| Less: Outstanding at the beginning of the year | 33,562,287 | 32,580,794 |
| Agency Commission | 43,039,640 | 45,211,038 |
| Expenses of Management | 141,202,687 | 138,308,275 |
| 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 | 96,563,582 | 98,378,162 |
| Profit/(Loss) Transferred To Profit & Loss Account | 45,954,140 | 41,272,467 |
| Total Taka : | 356,805,105 | 362,818,803 |

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

Date: 30 June, 2020


(Md. Zahid Anwar Khan)
Chief Executive Officer


(A.M. Abid Chowdhury)
Director

Central Insurance Company Limited


THE YEAR ENDED DECEMBER 31, 2019

| | TAKA 2019 | TAKA 2018 |
|---|--------------------|--------------------|
| Balance of Account at the beginning of the year | 98,378,162 | 97,682,447 |
| Premium Less Re- Insurance (Notes-20.00) | 235,268,597 | 243,398,707 |
| Commission on Re- Insurance ceded | 23,158,346 | 21,737,649 |
| Total Taka : | 356,805,105 | 362,818,803 |

Signed in terms of our separate report of even date


(Zoynal Abedin Chowdhury)
Vice Chairman


(Mohammed Musa)
Chairman


Kazi Zahir Khan & Co.
Chartered Accountants



Central Insurance Company Limited

FIRE INSURANCE REVENUE ACCOUNT FOR

| | TAKA 2019 | TAKA 2018 |
|--|------------------------|------------------------|
| CLAIMS UNDER POLICIES LESS RE- INSURANCE | 11,830,272 | 27,804,842 |
| Paid during the year | 11,751,917 | 24,200,690 |
| Total estimated liability in respect of outstanding claims- at the end of the year whether due or intimated | 22,139,516 | 22,061,161 |
| | 33,891,433 | 46,261,851 |
| Less: Outstanding at the end of the previous year | 22,061,161 | 18,457,009 |
| Agency Commission | 22,317,888 | 21,548,429 |
| Expenses of Management | 71,054,083 | 64,685,211 |
| BALANCE OF ACCOUNT AT THE END OF THE YEAR | | |
| Reserve for unexpired risks @ 40 % of premium income of the year | 39,047,641 | 40,638,951 |
| Profit /(Loss) transferred to Profit & Loss Account | 6,903,729 | 1,992,699 |
| Total Taka | 151,153,613 | 156,670,132 |

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


Date: 30 June, 2020


(Md. Zahid Anwar Khan)
 Chief Executive Officer


(A.M. Abid Chowdhury)
 Director

THE YEAR ENDED DECEMBER 31, 2019

Signed in terms of our separate report of even date


Kazi Zahir Khan & Co.
Chartered Accountants



Central Insurance Company Limited

MARINE INSURANCE REVENUE ACCOUNT FOR

| | TAKA 2019 | TAKA 2018 |
|---|--------------------|--------------------|
| CLAIMS UNDER POLICIES LESS RE- INSURANCE | 7,714,520 | 8,422,271 |
| Paid during the year | 6,492,880 | 9,825,103 |
| Total estimated liability in respect of outstanding claim- at the end of the year whether due or intimated | 10,612,427 | 9,390,787 |
| | 17,105,307 | 19,215,890 |
| Less: Outstanding at the end of the previous year | 9,390,787 | 10,793,619 |
| Agency Commission | 13,585,796 | 16,294,669 |
| Expenses of Management | 44,372,339 | 49,769,125 |
| 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 | 37,874,984 | 38,066,010 |
| Porfit/(Loss) transferred to Profit & Loss Account | 27,713,202 | 20,496,349 |
| Total Taka | 131,260,841 | 133,048,424 |

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

Date: 30 June, 2020


(Md. Zahid Anwar Khan)
Chief Executive Officer


(A.M. Abid Chowdhury)
Director


THE YEAR ENDED DECEMBER 31, 2019

| | TAKA 2019 | TAKA 2018 |
|---|--------------|--------------|
| Balance of Account at the beginning of the year | 38,066,010 | 34,278,756 |
| Premium Less Re- Insurance | 89,297,100 | 92,618,325 |
| Commission on Re- Insurance ceded | 3,897,731 | 6,151,343 |
| Total Taka | 131,260,841 | 133,048,424 |

Signed in terms of our separate report of even date


(Zoynal Abedin Chowdhury)
Vice Chairman


(Mohammed Musa)
Chairman


Kazi Zahir Khan & Co.
Chartered Accountants



Central Insurance Company Limited

MOTOR INSURANCE REVENUE ACCOUNT FOR

| | TAKA 2019 | TAKA 2018 |
|---|-----------------------|-----------------------|
| CLAIMS UNDER POLICIES LESS RE- INSURANCE | 7,221,014 | 3,219,877 |
| Paid during the year | 7,252,136 | 4,439,704 |
| Total estimated liability in respect of outstanding claim- at the end of the year whether due or intimated | 1,994,500 | 2,025,622 |
| | 9,246,636 | 6,465,326 |
| Less: Outstanding at the beginning of the year | 2,025,622 | 3,245,449 |
| Agency Commission | 5,254,383 | 5,674,761 |
| Expenses of Management | 16,753,659 | 17,080,874 |
| BALANCE OF ACCOUNT AT THE END OF THE YEAR | | |
| Reserve for unexpired risks @ 40 % of premium income of the year | 14,907,122 | 15,745,840 |
| Profit/(Loss) transferred to Profit & Loss Account | 8,877,468 | 13,329,090 |
| Total Taka | 53,013,646 | 55,050,442 |

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

Date: 30 June, 2020


(Md. Zahid Anwar Khan)
 Chief Executive Officer


(A.M. Abid Chowdhury)
 Director

Central Insurance Company Limited


THE YEAR ENDED DECEMBER 31, 2019

| | TAKA 2019 | TAKA 2018 |
|---|-------------------|-------------------|
| Balance of Account at the beginning of the year | 15,745,840 | 15,585,841 |
| Premium Less Re- Insurance | 37,267,806 | 39,364,601 |
| Commission on Re- Insurance ceded | - | 100,000 |
| Total Taka | 53,013,646 | 55,050,442 |

Signed in terms of our separate report of even date


(Zoynal Abedin Chowdhury)
Vice Chairman


(Mohammed Musa)
Chairman


Kazi Zahir Khan & Co.
Chartered Accountants



Central Insurance Company Limited

MISCELLANEOUS INSURANCE REVENUE ACCOUNT FOR

| | TAKA 2019 | TAKA 2018 |
|---|-------------------|-------------------|
| CLAIMS UNDER POLICIES LESS RE- INSURANCE | 3,279,250 | 201,871 |
| Paid during the year | 3,279,250 | 201,871 |
| Total estimated liability in respect of outstanding claim- at the end of the year whether due or intimated | 84,717 | 84,717 |
| | 3,363,967 | 286,588 |
| Less: Outstanding at the beginning of the year | 84,717 | 84,717 |
| Agency Commission | 1,881,573 | 1,693,179 |
| Expenses of Management | 9,022,606 | 6,773,065 |
| BALANCE OF ACCOUNT AT THE END OF THE YEAR | | |
| Reserve for unexpired risks @ 40 % of Net premium | 4,733,835 | 3,927,361 |
| Porfit/(Loss) transferred to Profit & Loss Account | 2,459,741 | 5,454,329 |
| Total Taka: | 21,377,005 | 18,049,805 |

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


Date: 30 June, 2020


(Md. Zahid Anwar Khan)
Chief Executive Officer


(A.M. Abid Chowdhury)
Director

THE YEAR ENDED DECEMBER 31, 2019

Signed in terms of our separate report of even date


Kazi Zahir Khan & Co.
Chartered Accountants



Central Insurance Company Limited

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED DECEMBER 31, 2019

| Particulars | Share Capital | Share Premium | Reserve for Exceptional Loss | General Reserve & Investment Equalization Fund | Revaluation Reserve | Dividend Equalization Fund | Retained Earnings | Total |
|---|--------------------|-------------------|------------------------------|--|---------------------|----------------------------|-------------------|----------------------|
| Opening Balance as on 01-01-2019 | 470,829,000 | 56,167,900 | 263,283,496 | 43,600,000 | 206,599,638 | 12,500,000 | 64,433,134 | 1,117,413,168 |
| Cash Dividend | | | | | | | (56,499,479) | (56,499,479) |
| Net Profit (after taxation and provision) | | | | | | | 100,898,926 | 100,898,926 |
| Reserve for Exceptional Loss | | | 23,526,860 | | | | (23,526,860) | - |
| Investment Equalization Fund | - | | | 5,000,000 | | | (5,000,000) | - |
| Dividend Equalization Fund | | | | | | 10,000,000 | (10,000,000) | - |
| Closing Balance as on 31-12-2019 | 470,829,000 | 56,167,900 | 286,810,356 | 48,600,000 | 206,599,638 | 22,500,000 | 70,305,721 | 1,161,812,615 |
| Opening Balance as on 01-01-2018 | 470,829,000 | 56,167,900 | 238,943,625 | 43,600,000 | 206,599,638 | - | 57,613,002 | 1,073,753,165 |
| Cash Dividend | | | - | - | | | (56,499,479) | (56,499,479) |
| Net Profit (after taxation and provision) | - | | - | - | | | 100,159,482 | 100,159,482 |
| Reserve for Exceptional Loss | - | | 24,339,871 | - | | | (24,339,871) | - |
| Dividend Equalization Fund | | | | - | | 12,500,000 | (12,500,000) | - |
| Closing Balance as on 31-12-2018 | 470,829,000 | 56,167,900 | 263,283,496 | 43,600,000 | 206,599,638 | 12,500,000 | 64,433,134 | 1,117,413,168 |

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

Signed in terms of our separate report of even



(Md. Zahid Anwar Khan)
Chief Executive Officer



(A.M. Abid Chowdhury))
Director



(Zoyan Abedin Chowdhury)
Vice Chairman



(AMohammed Musa)
Chairman



Kazi Zahir Khan & Co.
Chartered Accountants




Central Insurance Company Limited

STATEMENT OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31, 2019

| | 2019 Taka | 2018 Taka |
|--|---------------------|---------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Collection from premium and other income | 382,985,283 | 407,078,870 |
| Income Tax paid | (18,409,707) | (19,322,602) |
| Payment for Management Exp. Re-Insurance & Claim | (267,117,648) | (279,818,922) |
| Net cash flow from operating activities | 97,457,928 | 107,937,346 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets (Addition) | (14,223,782) | (11,542,098) |
| Sale of Fixed Assets | 1,515,000 | - |
| Investment Enhancement | 10,043,487 | (11,630,368) |
| Net cash flow from investing activities | (2,665,295) | (23,172,466) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Overdraft | (31,989,353) | (3,398,992) |
| Dividend Paid | (55,660,557) | (55,799,444) |
| Net cash flow from Financing activities | (87,649,910) | (59,198,436) |
| D. Net inflows/(out flows) for the year (A+B+C) | 7,142,723 | 25,566,444 |
| E. Opening Cash and Bank balance | 579,981,599 | 554,415,155 |
| F. Closing Cash and Bank balances (D + E) | 587,124,322 | 579,981,599 |
| Net operating cash flow per share (NOCFPS) | 2.07 | 2.29 |

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


(A.M. Abid Chowdhury)
Director


(Zoynal Abedin Chowdhury)
Vice Chairman


(Mohammed Musa)
Chairman


Kazi Zahir Khan & Co.
Chartered Accountants



Form "AA"

CLASSIFIED SUMMARY OF ASSETS AS ON DECEMBER 31, 2019

(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 | 101,069,014 | 72,365,572 | At Cost |
| Investment in CIC Investment Ltd. | 99,999,700 | 99,999,700 | Realisable value |
| In Fixed deposit with Bank | 573,925,000 | 573,925,000 | do |
| In STD A/C. with Banks | 12,664,348 | 12,664,348 | do |
| Cash in Hand | 107,784 | 107,784 | do |
| Accrued interest | 25,595,435 | 25,595,435 | do |
| At call on short notice | 427,190 | 427,190 | do |
| OTHER ASSETS: | | | |
| Amount due from other | | | |
| Persons or bodies carrying | | | |
| on insurance business | 189,734,497 | 189,734,497 | do |
| Sundry Debtors | 340,287,722 | 340,287,722 | do |
| Stock in Stationery | 589,560 | 589,560 | At cost |
| Security Deposit | 162,175 | 162,175 | do |
| Stamps in hand | 395,854 | 395,854 | do |
| Fixed Assets | 489,643,567 | 489,643,567 | Depreciated value |
| (at cost less depreciation) | | | (Except Land and Development Cost) |
| Total | 1,859,601,846 | 1,830,898,404 | |

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 reviewed, 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


(A.M. Abid Chowdhury)
Director


(Zoynal Abedin Chowdhury)
Vice Chairman


(Mohammed Musa)
Chairman


Kazi Zahir Khan & Co.
Chartered Accountants



Central Insurance Company Limited

SCHEDULE OF PROPERTY PLANT & OFFICE EQUIPMENT AS ON DECEMBER 31, 2019

Schedule-A

| Sl # | Particulars | Cost | | | | Rate of Dep | Depreciation | | | | Written Down value as on 12/31/19 |
|------|--------------------------------------|--------------------|--------------------------|--------------------------|----------------------|-------------|-------------------|------------------------|--------------------------|----------------------|-----------------------------------|
| | | As on 1/1/2019 | Addition during the year | Adjusted during the year | Total As on 12/31/19 | | As on 1/1/19 | Charge during the year | Adjusted during the year | Total as on 12/31/19 | |
| 1 | Furniture & Fixture | 10,019,247 | 311,637 | | 10,330,884 | 10% | 7,493,936 | 277,501 | | 7,771,437 | 2,559,447 |
| 2 | Office Decoration | 28,258,117 | 2,285,477 | | 30,543,594 | 10% | 20,706,990 | 829,730 | | 21,536,720 | 9,006,874 |
| 3 | Office Equipment | 9,438,167 | | | 9,438,167 | 15% | 8,802,949 | 95,283 | | 8,898,232 | 539,935 |
| 4 | Electrical Equipment | 3,900,910 | 465,805 | | 4,366,715 | 15% | 2,179,505 | 303,414 | | 2,482,919 | 1,883,796 |
| 5 | Motor Vehicle | 36,245,395 | 4,400,405 | (2,710,000) | 37,935,800 | 20% | 26,550,434 | 2,664,394 | (2,526,513) | 26,688,315 | 11,247,485 |
| 6 | Telephone Installation | 2,801,062 | 167,920 | | 2,968,982 | 20% | 2,647,149 | 41,567 | | 2,688,716 | 280,266 |
| 7 | Air Cooler | 5,743,611 | | | 5,743,611 | 15% | 3,936,116 | 271,124 | | 4,207,240 | 1,536,371 |
| 8 | Computer & Software | 5,494,226 | 1,237,191 | | 6,731,417 | 25% | 3,503,829 | 580,465 | | 4,084,294 | 2,647,123 |
| 9 | Sign Board | 825,461 | 17,500 | | 842,961 | 25% | 770,174 | 15,098 | | 785,272 | 57,689 |
| | Sub total | 102,726,196 | 8,885,935 | (2,710,000) | 108,902,131 | | 76,591,082 | 5,078,576 | (2,526,513) | 79,143,145 | 29,758,986 |
| 10 | Building | 101,054,443 | 12,605,779 | | 113,660,222 | 2.5% | | 2,534,907 | | 2,534,907 | 111,125,315 |
| 11 | Floor Space | - | 38,533,290 | | 38,533,290 | 2.5% | | 904,024 | | 904,024 | 37,629,266 |
| | Sub total | 101,054,443 | 51,139,069 | - | 152,193,512 | | - | 3,438,931 | - | 3,438,931 | 148,754,581 |
| 12 | Land & Land Development : | | | | | | | | | | |
| a. | 7-8 Motijheel | 267,930,000 | | | 267,930,000 | | | | | | 267,930,000 |
| b. | Kawranbazar | 43,200,000 | - | | 43,200,000 | | | | | | 43,200,000 |
| | Sub total | 311,130,000 | - | - | 311,130,000 | | - | - | - | - | 311,130,000 |
| | Grand Total : | 514,910,639 | 60,025,004 | (2,710,000) | 572,225,643 | | 76,591,082 | 8,517,507 | (2,526,513) | 82,582,076 | 489,643,567 |



Central Insurance Company Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

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

A. NOTES GENERAL

A.01 Legal Form of the Company

The Central Insurance Co. Ltd. was incorporated as a Public Limited Company on 12th November, 1987 under the Companies Act, 1913 and obtained the certificate of commencement of business on 10th December, 1987. The company obtained the registration from the Chief Controller of Insurance, Government of Bangladesh on 30th November, 1987 concurrently. Being registered with the Insurance Development & Regulatory Authority (IDRA) under the Insurance Act, in 2010 the company has been providing non-life insurance services as per the Insurance Act, 2010 and the directives issued by the IDRA from time to time.

The Company was listed with Dhaka Stock Exchange Ltd and Chittagong Stock Exchange Ltd as a publicly traded company from the year 1995 with the authorised capital Tk 1,000,000,000 consisting of 100,000,000 shares of Tk. 10 each.

A.02 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 30 branches located in all over Bangladesh through which company's business operations are being carried out.

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

A.03 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 principle activities of the Company during the year 2019 under review.

A.04 Date of financial statements authorised for issue

Financial statements of the company for the year ended December 31, 2019 were authorised for issue on June 30, 2020 in accordance with a resolution of the Board of Directors of the company.

B Summary of significant accounting policies and other related policy information



B.01 Basis of preparation of Financial Statements as per IAS-01

The financial statements have been prepared on the basis of going concern concept under Generally Accepted Accounting Principles (GAAP) according to historical cost convention in Bangladesh in compliance with the Companies Act 1994, the Securities and Exchange Rules 1987, Listing Regulations of Dhaka Stock Exchange Ltd. & Chittagong Stock Exchange Ltd. Disclosure of financial information as required by Insurance Act 2010 have been compiled 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 of set forth in the first, second and third schedule of the insurance Act and also in compliance with the Company Act 1994. These statements have also been prepared in accordance with applicable International Accounting Standards (IAS) and as were adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh (ICAB) under name & style International Accounting Standard (IAS) with reference to disclosures of accounting policies and valuation of investment both.

B.02 Managements Responsibility

The management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994, the Insurance Act 2010, the Insurance rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

B.03 Director's Responsibility

The Board of Directors is also responsible for the preparation and fair 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 .

B.04 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.

C Method of preparation

The financial statements have been prepared on mercantile method.

C.01 Last year's figures rearranged and adjusted (IAS # 1)

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

C.02 Functional and presentational currency

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

C.03 Reporting period

Financial statements of the company consistently cover one year from 1 January 2019 to 31 December 2019.



C.04 Going Concern Basis (IAS # 10)

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.

C.05 Branch accounting

The company has 30 branches under its umbrella without having any overseas branch up to the year ended December 31, 2019. 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.

C.06 Interim financial reporting (IAS # 34)

In accordance with International Accounting Standard (IAS-34), interim financial reporting, publicly traded entities are encouraged to provide interim financial reports that confirm 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.

C.07 Segment reporting (IFRS # 10)

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.

C.08 Comparative information (IAS # 8)

Comparative information has 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 financial statements. Previous year figure's have been restated and rearranged wherever necessary, to confirm to current year presentation as per IAS-8 "Accounting Policies, Changes in Accounting Estimate and Errors".

D. SIGNIFICANT ACCOUNTING POLICIES

D.01 INVESTMENT:

- i. Investment is 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 is accounted for in the year of receipt of such dividend.
- iv. Gain on sale of shares is accounted for on actual realization basis.

D.02 Property, Plant & Equipments (IAS # 16)

All fixed assets are stated at cost less accumulated depreciation as per IAS-16 "Property, Plant & Equipments". The cost of acquisition of an asset comprises of 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 IAS-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% | g) Sign Board | 25% |
| b) Office Equipment | 15% | h) Electrical Equipments | 15% |
| c) Office Decoration | 10% | i) Computer & Software | 25% |
| d) Air Cooler | 15% | j) Building | 2.5% |
| e) Motor Vehicles | 20% | k) Floor Space | 2.5% |
| f) Telephone Installation | 20% | | |

D.03 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.

D.04 Impairment of assets (IAS # 36)

All assets of the company shown in financial statement that are with in the scope of IAS-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 IAS-36 have not been considered necessary.

D.05 PROVISION FOR INCOME TAXES (IAS # 12)

The Company has made the income tax provision on the basis of IAS-12 "Income Taxes", Income Tax Ordinance, 1984 as amended from time to time and Finance Act 2019.

D.06 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.

D.07 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 has not yet recognised by the NBR.

D.08 EARNING PER SHARE (EPS) (IAS # 33)

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).



D.09 General Reserve Fund

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

D.10 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.

D.11 REVENUE RECOGNITION (IFRS#15)

Gross underwriting business and Re-insurance thereof as well as claim settled have been recorded separately for each class of business and the net underwriting results thereof have been reflected in the revenue accounts after due consideration of re-insurance ceded, agency commission and expenses of management recognized as well as transfer of reserve of unexpired risk.

Dividend income on investment in shares are recognised when the company is entitled to get 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 .

Interest on FDR is recognized on accrual basis after making provision for income tax deductible at source. Interest on STD account, cash dividend on investment in share and other income are recognised on cash basis.

D.12 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 Public Sector Business (PSB).

D.13 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 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 accounts for the period from January 1, 2018 to December 31, 2018 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.

D.14 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).



D.15 COVER NOTES CONVERTED INTO POLICY (CCP)

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

D.16 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.

D.17 CASH & CASH EQUIVALENTS

Cash comprises of 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, IAS-1 "Presentation of Financial Statements" also provides that cash equivalents are those which have no restriction in use considering the provision of IAS-7 and IAS-1, cash in hand and bank balance have been considered as cash and cash equivalents.

D.18 DEFERRED TAXES :(IAS# 12)

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.

D.19 CASH FLOW STATEMENT: (IAS #7)

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.

D.20 BORROWING COSTS (IAS #23)

Interest on borrowing of fund from bank against secured overdrafts is recognized as financial expenses according to IAS 23. "Borrowing Costs". Interest represented amount paid & accrued up to the end of the reporting year.

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, 2019 are noted below :

| Category of Shareholders | No. of Shares | % of Holdings | Amount Tk. |
|------------------------------------|-------------------|---------------|--------------------|
| 1. Sponsors & Directors (Group -A) | 19,591,345 | 41.61 | 195,913,450 |
| 2. ICB & Institutions (Group -B) | 4,175,442 | 8.87 | 41,754,420 |
| 3. General Public (Group-B) | 23,316,113 | 49.52 | 233,161,130 |
| 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 | 0.10 | 0.04 |
| 50,001-100,000 | - | - | 0.00 | 0 |
| 100,001-200,000 | 407,257 | 3 | 2.08 | 0.86 |
| 200,001-500,000 | 1,205,807 | 4 | 6.15 | 2.56 |
| 500,001-1,000,000 | 10,372,553 | 11 | 52.95 | 22.03 |
| 1,000,001-2,000,000 | 7,583,889 | 6 | 38.71 | 16.11 |
| Total of (A) | 19,591,345 | 26 | 100.00 | 41.61 |

ii) Group -B

| Class Interval | No. of Shares | No. of Shareholders | Total Holding% | % of Total Paid Up-Capital |
|---------------------------|-------------------|---------------------|----------------|----------------------------|
| Less than 5000 Shares | 5,762,879 | 2,835 | 20.96 | 12.24 |
| 5001-10,000 | 853,126 | 111 | 3.10 | 1.81 |
| 10,001-50,000 | 2,970,876 | 140 | 10.81 | 6.31 |
| 50,001-100,000 | 1,264,236 | 19 | 4.60 | 2.68 |
| 100,001-200,000 | 1,656,837 | 11 | 6.03 | 3.52 |
| 200,001-500,000 | 6,714,861 | 22 | 24.42 | 14.26 |
| 500,001-1,000,000 | 5,766,659 | 7 | 20.98 | 12.25 |
| 1,000,001-2,000,000 | 2,502,081 | 2 | 9.10 | 5.32 |
| 2,000,001-3,000,000 | - | - | 0.00 | 0.00 |
| 3,000,001-10,000,000 | - | 1 | 0.00 | 0.00 |
| Total of (B) | 27,491,555 | 3,148 | 100.00 | 58.39 |
| Grand Total (A +B) | 47,082,900 | 3,174 | | 100.00 |

This shares are listed with both DSE and CSE.



| | 2019 | | 2018 |
|---|------------------------|------------|--------------------|
| 3.00 RESERVE OR CONTINGENCY ACCOUNT: | Tk. 634,815,715 | Tk. | 590,416,268 |

This has been made up as under:

| | | | |
|---|--------------------|--|--------------------|
| A. Reserve or contingency account : | | | |
| Balance as on January 01, 2019 | 525,983,134 | | 489,143,263 |
| Add: Reserve for Exceptional Loss for the year | 23,526,860 | | 24,339,871 |
| Add: Investment Equalization Fund | 5,000,000 | | - |
| Add: Dividend Equalization Fund | 10,000,000 | | 12,500,000 |
| Sub Total | 564,509,994 | | 525,983,134 |
| B. Profit & Loss Appropriation Account : | | | |
| Undistributed Profit up to financial statement Date | 70,305,721 | | 64,433,134 |
| Grand Total | 634,815,715 | | 590,416,268 |

| | | | |
|--|-----------------------|------------|-------------------|
| 4.00 BALANCE OF FUND & ACCOUNT: | Tk. 96,563,582 | Tk. | 98,378,162 |
|--|-----------------------|------------|-------------------|

This has been made up as under:

| | | | |
|-------------------------------|-------------------|--|-------------------|
| Fire Revenue Account | 39,047,641 | | 40,638,951 |
| Marine Revenue Account | 37,874,984 | | 38,066,010 |
| Motor Revenue Account | 14,907,122 | | 15,745,840 |
| Miscellaneous Revenue Account | 4,733,835 | | 3,927,361 |
| Total Taka | 96,563,582 | | 98,378,162 |

| | | | |
|-------------------------------|-----------------------|------------|-------------------|
| 5.00 DEPOSIT PREMIUM : | Tk. 21,792,362 | Tk. | 23,482,156 |
|-------------------------------|-----------------------|------------|-------------------|

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. 34,831,160 | Tk. | 33,562,287 |
|--|-----------------------|------------|-------------------|

The break up of the above is as under:

| | | | |
|--------------------------------|-------------------|--|-------------------|
| Fire Insurance | 22,139,516 | | 22,061,161 |
| Marine Insurance | 10,612,427 | | 9,390,787 |
| Motor Insurance | 1,994,500 | | 2,025,622 |
| Miscellaneous Insurance | 84,717 | | 84,717 |
| Total Taka | 34,831,160 | | 33,562,287 |

| | | | |
|--|-----------------------|------------|-------------------|
| 7.00 AMOUNT DUE TO OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS : | Tk. 62,565,251 | Tk. | 61,809,930 |
|--|-----------------------|------------|-------------------|

The break up of the above is as follows:

| | | | |
|---|-------------------|--|-------------------|
| Sadharan Bima Corporation | 61,013,174 | | 60,257,853 |
| Other Insurance Companies of Bangladesh | 1,552,077 | | 1,552,077 |
| Total Taka : | 62,565,251 | | 61,809,930 |



8.00 SUNDRY CREDITORS : **Tk. 471,032,246** **Tk. 428,951,763**

This has been made up as under

| | | |
|--|--------------------|--------------------|
| Provision for Income Tax | 308,434,871 | 278,993,607 |
| Bills Payable | 12,822,590 | 970,016 |
| Security Deposit (Open Cover) | 250,000 | 250,000 |
| Advance Rent Receive | 29,966,838 | 27,386,563 |
| Provision for Audit Fee | 130,000 | 130,000 |
| Income Tax Deduction at source | 433,785 | 1,380,692 |
| VAT deducted at source | 240,530 | 137,328 |
| Dividend Payable | 4,781,068 | 3,942,146 |
| Deferred Tax (Note no.8.01) | (740,997) | 1,686,559 |
| Provision for Bonus | 3,500,000 | 5,067,998 |
| Excess Deposit Premium | 38,569 | 33,569 |
| Premium Payable on Co-Ins. Share | 2,547,005 | 656,198 |
| Advance Received Against sale of car | 350,000 | - |
| Loan from Central Insurance Investment Ltd. | 99,245,000 | 99,245,000 |
| Loan from Islami Finance and Investment Ltd. | 1,200,000 | 1,302,875 |
| Security Deposit (Contractor) | 930,000 | 990,000 |
| Provision for Provident Fund | 454,217 | 442,507 |
| Provision for Deduction Ag. PF Loan | 212,119 | 155,280 |
| Provision for Gruatuity | 6,236,651 | 6,181,425 |
| Total Taka | 471,032,245 | 428,951,763 |

8.01 DEFERRED TAX : **(740,997)** **Tk. 1,686,559**

| | | |
|---|--------------------|------------------|
| Written down value of Fixed Assets as per financial statement | 148,754,581 | - |
| Written down value of Fixed Assets as per tax basis | 150,730,571 | - |
| Deductable temporary difference | (1,975,990) | - |
| Applicable tax rate | 37.50% | |
| Total Taka | (740,997) | 1,686,559 |

9.00 BANK OVERDRAFT : **Tk. 11,004,631** **Tk. 42,993,984**

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 # 42221 | - | 3,088,441 |
| Social Islami Bank Ltd., Principal Br., A/c # 42243 | - | 2,524,535 |
| Social Islami Bank Ltd., Principal Br., A/c # 42232 | - | 8,350,376 |
| Mercantile Bank Ltd. Nayabazar Br. A/c # 219143 | 11,004,631 | 29,030,632 |
| Total Taka: | 11,004,631 | 42,993,984 |



10.00 INVESTMENT: Tk. 226,068,714 Tk. 236,112,201

This is made up as follows.

| | | |
|--|--------------------|--------------------|
| Bangladesh Government Treasury Bond (BGTB) | 25,000,000 | 25,000,000 |
| Investment in Share | 101,069,014 | 111,112,501 |
| Investment in CIC Investment Ltd. | 99,999,700 | 99,999,700 |
| Total Taka: | 226,068,714 | 236,112,201 |

Value of share has been shown at cost price which was inflated by Tk. 28,703,442 as per market price as on 31.12.2019 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 19,600,000 for unrealized loss on the investment in share.

11.00 INTEREST, DIVIDEND & RENT OUTSTANDING: Tk. 25,595,435 Tk. 23,894,488

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) | 24,739,819 | 23,038,872 |
| Bangladesh Government Treasury Bond (BGTB) | 855,616 | 855,616 |
| Total Taka: | 25,595,435 | 23,894,488 |

12.00 AMOUNT DUE FROM OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS: Tk. 189,734,497 Tk. 176,776,831

The break up of the above is as follows:

| | | |
|---|--------------------|--------------------|
| Sadharan Bima Corporation | 186,220,773 | 173,263,107 |
| Other Insurance Companies of Bangladesh | 3,513,724 | 3,513,724 |
| Total Taka: | 189,734,497 | 176,776,831 |

13.00 SUNDRY DEBTORS : Tk. 340,287,722 Tk. 350,045,894

The break up of the above is as follows:

| | | |
|---------------------------------------|--------------------|--------------------|
| Advance Against Salary | 611,027 | 441,236 |
| Advance Against Floor Purchases | - | 32,320,647 |
| Advance Against Office Rent | 908,172 | 740,708 |
| Advance Income Tax | 264,730,408 | 247,626,803 |
| Advance & Security Deposit | 45,000 | 45,000 |
| Deposit Clearing | - | 8,517,544 |
| Advance Against Printing | 612,500 | 612,500 |
| Advance Against Car on HP | 4,196,023 | 4,477,401 |
| Advance Against Motor Cycle on HP | 345,045 | 494,037 |
| Advance Income Tax Against House Rent | 9,021,975 | 7,715,873 |
| Advance Against CIC Investment | 2,726,066 | 2,720,316 |
| Bills Receivable | 1,848,085 | 1,204,748 |
| Bank Guarantee | 11,643,572 | 10,479,307 |
| Agent Balance | 43,599,849 | 32,649,774 |
| Total Taka: | 340,287,722 | 350,045,894 |

The above debts are considered good for realization / adjustment.



14.00 CASH AND CASH EQUIVALENTS : **587,124,322** **Tk.** **579,981,599**

The break up of the above is as follows :

| | | |
|------------------------|--------------------|--------------------|
| A) Cash at Bank | | |
| Short Term Deposit | 12,664,348 | 32,961,672 |
| Current Deposit | 427,190 | 186,961 |
| Fixed Deposit | 573,925,000 | 544,825,000 |
| | 587,016,538 | 577,973,633 |
| B) Cash in hand | 107,784 | 2,007,966 |
| Total Taka: | 587,124,322 | 579,981,599 |

15.00 PROPERTY, BUILDING & LAND DEVELOPMENT : TK. **459,884,581** **Tk.** **412,184,443**

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 Accountant 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 | 267,930,000 | 268,172,500 |
| Building | 111,125,315 | 100,811,943 |
| Floor Space | 37,629,266 | - |
| Total Taka: | 459,884,581 | 412,184,443 |

16.00 PLANT, OFFICE EQUIPMENTS & OTHER FIXED ASSETS : TK. **29,758,986** **Tk.** **26,135,144**

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.** **589,560** **Tk.** **593,953**

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.** **395,854** **Tk.** **704,752**

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.** **235,268,597** **Tk.** **243,398,707**

This represents net premium from Direct Business and Government Business.

| | | | | 2019 | 2018 |
|--------------------------|----------------------|------------------------------|---------------------------|--------------------|--------------------|
| Class of Business | Gross Premium | Re-Insurance Accepted | Re-Insurance Ceded | Net Premium | Net Premium |
| Fire | 159,168,760 | - | 62,299,657 | 96,869,103 | 101,597,378 |
| Marine | 111,691,255 | - | 21,894,155 | 89,797,100 | 92,618,325 |
| Motor | 37,759,524 | - | 991,718 | 36,767,806 | 39,364,601 |
| Misc. | 53,503,212 | - | 41,668,624 | 11,834,588 | 9,818,403 |
| Total Tk. | 362,122,751 | - | 126,854,154 | 235,268,597 | 243,398,707 |



21.00 NET ASSETS VALUE (NAV) :

The Computation of NAV is given below:

| | | |
|--|----------------------|----------------------|
| a) Total Assets | 1,859,601,846 | 1,806,591,450 |
| b) Current Liabilities | 697,789,231 | 689,178,282 |
| c) Net Assets Value (a -b) | 1,161,812,615 | 1,117,413,168 |
| d) Ordinary shares at 1st January | 47,082,900 | 47,082,900 |
| e) Net Assets Value (NAV) Per Share (c / d) | 24.68 | 23.73 |

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) | 100,898,926 | 100,159,482 |
| b) Ordinary shares at 1st January | 47,082,900 | 47,082,900 |
| c) Earnings per share (EPS) (a/b) | 2.14 | 2.13 |

23.00 POST EVENT OF FINANCIAL STATEMENT :

The Board of Director of Central Insurance Company Ltd. in its 224th meeting held on June 30, 2020 has recommended stock dividend 5% and cash dividend @ 7% for the year 2019, out of the surplus available for the year 2019 subject to approval of shareholders in the ensuing 32nd Annual General Meeting.

24.00 CLAIMS AGAINST COMPANY NOT ACKNOWLEDGED AS DEBT:

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

25.00 CONTINGENT LIABILITIES:

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

26.00 CREDIT FACILITIES

There was no credit facility available to the Company under any contract and availed of as on December 31, 2019 other than trade available in the ordinary course of business.

27.00 MISC. EXPENSES

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

28.00 CAPITAL EXPENDITURE COMMITMENT :

There was no capital expenditure commitment as at 31st December 2019.



29.00 Attendance Status of Board Meeting of Directors :

A. During the year from 01.01.2019 to 31.12.2019 there were 7 (Seven) Board Meetings were held. The attendance status of board meetings is as follows:

| Name of Directors | Position | No. of Meeting Held | Attended |
|-------------------------------|-----------------------------|---------------------|----------|
| Mr. Mohammed Musa | Chairman | 7 | 7 |
| Mr. Zoynal Abedin Chowdhury | Vice-Chairman | 7 | 3 |
| Mrs. Shahida Akhter | Director | 7 | 6 |
| Mrs. Rosy Rahman | Director | 7 | 5 |
| Alhaj Md. Masud Hossain | Director | 7 | 1 |
| Mr. Shabbir Ul Kabir | Director | 7 | 3 |
| Mrs. Nurun Nahar | Director | 7 | 2 |
| Mr. Md. Masud Karim | Director | 7 | 3 |
| Mr. Ifthehar Maleque | Director | 7 | 2 |
| Alhaj Md. Shahjahan | Director | 7 | 2 |
| Mr. Md. Nurul Islam | Director | 7 | 7 |
| Mr. Abu Mohammad | Director | 7 | 3 |
| Ms. Angee Chowdhury | Director | 7 | 2 |
| Mrs. Shahida Nazneen | Director | 7 | 2 |
| Mr. Mohammad A. Hafiz | Independent Director | 7 | 1 |
| Mr. A.M Abid Chowdhury | Independent Director | 7 | 2 |
| Alhaj Md. Abu Taher Chowdhury | Former Chairman | 7 | 3 |
| Mrs. Shafina Shahreen | Former Director | 7 | 3 |
| Mrs. Shamim Ara Begum | Former Director | 7 | 4 |
| Mr. Md. Abdullah Zehad | Former Independent Director | 7 | 4 |
| Mr. Md. Nurul Islam | Former Independent Director | 7 | 3 |
| Mr. Md. Zahid Anwar Khan | Chief Executive Officer | 7 | 7 |

B. During the year from 01.01.2019 to 31.12.2019 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. Zoynal Abedin Chowdhury | Chairman | 3 | 2 |
| Mrs. Shahida Akhter | Member | 3 | 3 |
| Mrs. Rosy Rahman | Member | 3 | 2 |
| Mrs. Nurun Nahar | Member | 3 | 1 |
| Mr. Md. Nurul Islam | Member | 3 | 3 |
| Mr. Abu Mohammad | Member | 3 | 2 |
| Ms. Angee Chowdhury | Member | 3 | 3 |
| Mrs. Shahida Nazneen | Member | 3 | 2 |
| Mr. Mohammed Musa | Former Chairman | 3 | 1 |
| Mrs. Shamim Ara Begum | Former Member | 3 | 1 |
| Mr. Md. Jafar Ali FCS | Member-Secretary | 3 | 3 |



C. During the year from 01.01.2019 to 31.12.2019 there were 4 (four) 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. Mohammad A. Hafiz | Chairman | 4 | 2 |
| Mr. A. M Abid Chowdhury | Member | 4 | 2 |
| Mr. Md. Masud Karim | Member | 4 | 2 |
| Mr. Md. Nurul Islam | Member | 4 | 2 |
| Mr. Md. Abdullah Zehad | Former Chairman | 4 | 2 |
| Mr. Shabbir UI Kabir | Former Member | 4 | 2 |
| Mrs. Shafina Shahreen | Former Member | 4 | 2 |
| Mr. Md. Jafar Ali FCS | Member-Secretary | 4 | 4 |

D. During the year from 01.01.2019 to 31.12.2019 there were 1 (one) Nomination & Remuneration Committee (NRC) Meetings were held.

The attendance status of nomination & remuneration committee meetings is as follows:

| Name of Directors | Position | No. of Meeting Held | Attended |
|--------------------------|------------------|----------------------------|-----------------|
| Mr. A. M Abid Chowdhury | Chairman | 1 | 1 |
| Alhaj Md. Masud Hossain | Member | 1 | 1 |
| Mr. Shabbir UI Kabir | Member | 1 | 1 |
| Mr. Md. Jafar Ali FCS | Member-Secretary | 1 | 1 |

30.00 There were 303 numbers of employees.

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

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

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

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

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

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

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



38.00 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.

39.00 Subsequent Disclosure of Events after the financial statement Date - Under IAS 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.

40.00 Credit Rating Report :

Credit Rating Information and Services Limited (CRISL) has assigned the Claim Paying Ability (CPA) rating of the company to 'AA-' (very high claims paying ability) based on the audited Financial Statements up to December 31, 2018 and other relevant qualitative and quantitative information up-to the date of rating. The rating has been upgraded on the basis of profitable underwriting performance, good capital base, good FDR base, experienced and professional management team etc.

41.00 Related Party Transactions (IAS # 24) :

The Company has centered into transactions with other entities in normal course of business that fall within the definition of related party as per International Accounting Standard-24 "Related Party Disclosure". The items of related party transaction are not significantly different from those that could have been obtained from their parties. The significant related party transactions are as follows :

| Name of the related party | Relationship | Nature of Transaction | Premium earned during 2019 | Closing Balance (31.12.2019) |
|-----------------------------------|-----------------|-----------------------|----------------------------|------------------------------|
| Central Insurance Investment Ltd. | Subsidiaries | Intercompany | - | 99,999,700 |
| KSRM Group | Common Director | Insurance Premium | 6,547,869 | |
| Aziz Group | Common Director | Insurance Premium | 1,552,054 | |



42.00 In preparing Financial Statement, we applied following IAS avnd IFRS.

| Name of IAS | IAS No. | Status of application |
|--|----------------|------------------------------|
| Presentation of Financial Statements | 1 | Applied |
| Inventories | 2 | Applied |
| The Statements of Cash Flows | 7 | Applied |
| Accounting Policies, Changes in Accounting Estimates & Errors | 8 | Applied |
| Events After the Reporting Period | 10 | Applied |
| Income Tax | 12 | Applied |
| Property, Plant & Equipment | 16 | Applied |
| Employee Benefits | 19 | Applied |
| Accounting for Govt. Grants and Disclosure of Govt. Assistance | 20 | N/A |
| The Effects Changes in Foreign Exchange Rates | 21 | Applied |
| Borrowing Costs | 23 | Applied |
| Related Party Disclosures | 24 | Applied |
| Accounting & reporting by Retirement Benefit Plans | 26 | Applied |
| Separate Financial Statements | 27 | N/A |
| Investment In Associates & joint Ventures | 28 | Applied |
| Financial Reporting In Hyperinflationary Economic | 29 | N/A |
| Financial Instrument Presentation | 32 | Applied |
| Earnings Per Share | 33 | Applied |
| Interim Financial Reporting | 34 | Applied |
| Impairment Of Assets | 36 | Applied |
| Provisions, Contingent Liabilities & Contingent Assets | 37 | Applied |
| Intangible Assets | 38 | Applied |
| Investment Property | 40 | Applied |
| Agriculture | 41 | N/A |

| Name of IFRS | IFRS No. | Status of application |
|--|-----------------|------------------------------|
| First time Adoption of IFRSs | 1 | Applied |
| Share based payment | 2 | Applied |
| Business Combination | 3 | N/A |
| Insurance Contracts | 4 | Applied |
| Non-Current Assets Held for Sales & Discontinued Operation | 5 | N/A |
| Exploration for and Evaluation of Mineral Resources | 6 | N/A |
| Financial Instrument: Disclosure | 7 | Applied |
| Operating Segment | 8 | Applied |
| Financial Instrument | 9 | Applied |
| Consolidated Financial Statements | 10 | N/A |
| Joint Arrangement | 11 | N/A |
| Disclosure of interest in other Entitles | 12 | Applied |
| Fair Value Measurement | 13 | Applied |
| Regulatory Deferred Accounts | 14 | Applied |
| Revenue From Contracts with Customers | 15 | Applied |



SHARE INVESTMENT POSITION AS ON DECEMBER 31, 2019

Annexure-1

| Sl.# | Name of Items | No.of Share | Book Value | Market Rate | Market Value as on 31.12.19 |
|------|---|-------------|--------------------|-------------|-----------------------------|
| 1 | Central Depository Bangladesh Ltd. | 571,181 | 1,569,450 | 2.75 | 1,569,450 |
| 2 | Eastland Insurance | 28,093 | 1,566,240 | 24.60 | 691,088 |
| 3 | Fareast Islami Life Insurance Ltd. | 4,928 | 5,000 | 49.60 | 244,429 |
| 4 | Generation Next Fashions Limited | 58,669 | 851,548 | 2.70 | 158,406 |
| 5 | Global Heavy Chemicals Limited | 10,000 | 606,718 | 25.60 | 256,000 |
| 6 | GMG Air Lines Ltd. | 110,000 | 5,000,000 | 45.45 | 5,000,000 |
| 7 | Grameen S-2 | 5,000 | 58,676 | 11.80 | 59,000 |
| 8 | Green Delta Mutual Fund | 100,000 | 1,000,000 | 8.00 | 800,000 |
| 9 | IBBL Mudaraba Perpetual Bond | 500 | 460,652 | 937.00 | 468,500 |
| 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 | 3.00 | 600 |
| 13 | IPDC | 100,000 | 2,276,810 | 25.60 | 2,560,000 |
| 14 | Khulna Power Co. Ltd. | 360,500 | 31,685,834 | 46.70 | 16,835,350 |
| 15 | Matin Spinning Mills Ltd | 3,000 | 139,224 | 33.20 | 99,600 |
| 16 | NCCBL | 13,500 | 222,427 | 12.00 | 162,000 |
| 17 | NLI 1st MF | 16,000 | 194,983 | 10.60 | 169,600 |
| 18 | Orion Pharma Ltd. | 225,000 | 12,601,150 | 26.90 | 6,052,500 |
| 19 | Reliance 1st MF | 300,000 | 3,100,514 | 8.10 | 2,430,000 |
| 20 | Reliance Insurance Co. Ltd. | 50,000 | 2,295,322 | 43.50 | 2,175,000 |
| 21 | Singer BD Ltd. | 100,000 | 20,451,347 | 180.40 | 18,040,000 |
| 22 | Southeast Bank | 25,300 | 390,751 | 13.40 | 339,020 |
| 23 | Square Pharmaceuticals Ltd. | 362 | 79,722 | 190.00 | 68,780 |
| 24 | Sumit Power Ltd. | 19,198 | 1,058,517 | 36.30 | 696,887 |
| 25 | Titas Gas | 157 | 13,513 | 30.90 | 4,851 |
| 26 | Trust Bank 1st MF | 114,826 | 646,453 | 4.80 | 551,165 |
| 27 | United Finance Co. Ltd. | 70,875 | 4,002,943 | 17.30 | 1,226,138 |
| 28 | United Power Generation & Distribution Co Ltd | 28,253 | 6,012,475 | 245.30 | 6,930,461 |
| | Total : | | 101,069,014 | | 72,365,572 |