



শফিক বসাক এন্ড কোং
SHAFIQ BASAK & CO.
 CHARTERED ACCOUNTANTS

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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 financial statements of Central Insurance Company Limited (the "Company"), which comprise the Statement of Financial Position as at 31 December 2021, the Statement of Profit or Loss and Other Comprehensive Income, Profit and Loss Appropriation Account, related Revenue Accounts, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

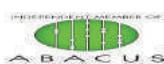
In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021, and financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the 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 conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' 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) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were most significant in the audit of the financial statements for the year 2021. These matters were addressed in the context of the



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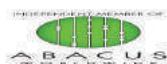
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audit of the financial statements as a whole, and in forming the auditors' opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. These results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matters	Our responses to the Key Audit Matters
<p>Premium Income</p> <p>Gross general insurance premiums comprise the total premiums received from the whole period of cover provided by contract 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 pose high level of 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"> • The design and operating effectiveness of key control around premium income recognition process. • Carried out analytical procedures and recalculated premium income for the period. • 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 stamps was affixed to the contract and same has been reflected in the premium register. • Ensure on a sample basis that the premium income was being deposited in the designated bank account. • Tested on a sample basis to see the appropriate VAT was being collected and deposited to bank through Treasury Challan. • 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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Estimated liability in respect of outstanding claims whether due or intimated	
<p>This account represents the claim due to intimated 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>At the year end, the company reported total balance under the head of estimated liability in respect of outstanding claims whether due or intimated of BDT 33,066,396 (2020: BDT. 30,217,168)</p>	<p>We tested design and operating effectiveness of control around the due and intimated claim recording process. We additionally carried out the following substantive testing 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 cross check it with claim. • Obtained a sample of survey report and crossed check those against respective ledger balances. • Obtained and discussed with management about their basis for estimation and challenged their assumption where appropriate. • 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.

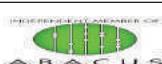
Emphasis of Matter

We draw attention to note # 42 of these financial statements, which describes matters related to non-consolidation of subsidiary (Central Insurance Investment Limited). Our opinion is not modified in respect of this matter.

Other Matters

The financial statements of the Company for the year ended December 31, 2020, were audited by **Kazi Zahir Khan & Co.**, Chartered Accountants, who expressed an unmodified opinion on those statements on May 20, 2021.

Moreover, In accordance with clause # 6 of BSEC Notification SEC/CMRRCD/2009-193/150/Admin dated August 18, 2013, related accounting entries of revaluation of fixed assets, as the report annexed



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along with these financial statements and disclosed in note # D.04, have been effected as per International Financial Reporting Standard (IFRS) although working papers in support of the revaluation were not provided with us and we do no opine on the fairness of the revaluation.

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 auditors' 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 or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that if there is a material misstatement of this other information, we are required to report that fact.

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

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.



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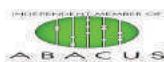
As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- 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.
- 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 Group and 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.

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 we were most significant in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.



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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 issued by Bangladesh Securities and Exchange Commission, 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 purposes of our audit and made due verification thereof;
- b) 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 examination of these books;
- c) 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 receipt from branches not visited by us;
- d) As per section 63(2) of the Insurance Act 2010, in our opinion to the best of our knowledge and belief and 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;
- e) 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;
- f) The Statements of Financial Position and statement of Comprehensive Income, Profit and loss Appropriation Account, Related Revenue Accounts, Statements 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; and
- g) The expenditure incurred was for the purposes of the Company's business.

Dated: Dhaka
April 25, 2022




Md. Shafiqul Islam FCA
Enrolment # 595
Partner
SHAFIQ BASAK & CO.
Chartered Accountants
DVC: 2204250595AS680501



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Central Insurance Company Ltd.
 STATEMENT OF FINANCIAL POSITION (Balance Sheet) AS

CAPITAL & LIABILITIES	NOTES	Taka 2021	Taka 2020
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		531,448,230	494,370,450
53,144,823 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	2,035,025,019	686,295,296
Reserve for Exceptional Losses		346,035,510	311,393,000
General Reserve		29,000,000	29,000,000
Reserve for Fair Value of Shares	10.01	(25,292,289)	19,600,000
Dividend Equalization Reserve		22,500,000	22,500,000
Revaluation Reserve	3.01	1,515,174,398	206,599,638
Profit & Loss Appropriation Account		147,607,400	97,202,658
BALANCE OF FUND & ACCOUNT	4.00	139,671,757	100,723,630
Fire Insurance Business Account		60,655,576	39,710,450
Marine Insurance Business Account		61,657,652	43,066,671
Motor Insurance Business Account		12,726,977	13,643,234
Misc. Insurance Business Account		4,631,552	4,303,275
DEPOSIT PREMIUM	5.00	57,866,227	50,677,273
LIABILITIES & PROVISIONS		171,675,858	134,414,750
Estimated liability in respect of outstanding-claims whether due or intimated	6.00	33,066,396	30,217,168
Amount due to other persons or bodies-carrying on insurance business	7.00	138,609,462	104,197,582
SUNDRY CREDITORS	8.00	597,653,078	487,959,529
(Including provision for expenses & taxes)			
OTHER LIABILITIES (Bank Overdraft)	9.00	26,317,586	14,558,197
Total Taka :		3,615,825,655	2,025,167,025

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

Date: April 25, 2022


 (Md. Zahid Anwar Khan)
 Chief Executive Officer


 (Sabbirul Kabir)
 Director

Central Insurance Company Ltd.

AT DECEMBER 31, 2021

PROPERTY & ASSETS	NOTES	Taka 2021	Taka 2020
INVESTMENT	10.00	229,131,969	234,087,682
INTEREST, DIVIDEND & RENT OUTSTANDING	11.00	27,600,020	23,867,785
AMOUNT DUE FROM OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS	12.00	244,509,418	204,935,475
SUNDRY DEBTORS	13.00	429,989,213	374,676,792
CASH AND CASH EQUIVALENTS	14.00	749,262,763	665,232,919
Fixed Deposit Accounts		727,450,000	641,325,000
Current and STD Accounts		21,532,290	23,763,975
Cash in hand		280,473	143,944
FIXED ASSETS	15.00	1,932,877,319	521,136,259
Properties, Plant and Equipments		643,385,601	521,136,259
Investment Properties		1,289,491,718	-
OTHER ASSETS		2,454,953	1,230,113
Stock of Stationery	16.00	573,567	398,518
Security Deposit	17.00	207,175	207,175
Insurance Stamps in hand	18.00	1,674,211	624,420
Total Taka :		3,615,825,655	2,025,167,025

Signed in terms of our separate report of even date


(Zoynal Abedin Chowdhury)
Vice Chairman


(Mohammed Musa)
Chairman


(Md. Shafiqul Islam FCA) , Enrolment # 595
Partner
Shafiq Basak & Co. Chartered Accountants
DVC: 2204250595AS680501



Central Insurance Company Ltd.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR

	Taka 2021	Taka 2020
Expenses of Management		
(Not Applicable to any particular Fund or Account)	34,423,392	23,401,243
Advertisement & Publicity	1,024,384	627,181
Directors Fee	976,800	660,000
Audit Fee	230,000	201,250
Legal and Professional	1,167,694	785,002
Contribution and Subscription	720,000	1,172,937
Fees, Registration & Renewal	1,469,560	1,466,935
Group Insurance Premium	777,815	629,961
Gratuity	2,557,400	5,123,434
Repair and Financial expenses of Properties	6,802,841	2,029,953
Depreciation	18,696,898	10,704,590
Profit/(Loss) for the year transferred to Profit & Loss Appropriation Account	 160,795,671	 143,453,506
Total Taka :	 195,219,063	 166,854,749

PROFIT AND LOSS APPROPRIATION ACCOUNT FOR

	Taka 2021	Taka 2020
Reserve for Exceptional Losses	34,642,510	24,582,644
Provision for Taxation	33,594,585	32,383,751
Deferred Income Tax	(685,128)	3,090,695
Dividend Paid	66,740,007	56,499,479
Balance transferred to Financial Position	147,607,400	97,202,658
Total Taka :	 281,899,374	 213,759,227

OTHER COMPREHENSIVE INCOME FOR

	Taka 2021	Taka 2020
Amount net of Fair Value of Shares (Note-10.01)	44,892,289	-
Total Comprehensive Income for the year	1,602,469,368	-
Total Taka :	 1,647,361,657	 -
Earnings Per Share (EPS) (Restated) (Note # 22.00)	 2.41	 2.03

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

Date: April 25, 2022


(Md. Zahid Anwar Khan)
 Chief Executive Officer


(Sabbirul Kabir)
 Director

Central Insurance Company Ltd.

THE YEAR ENDED DECEMBER 31, 2021

	Taka 2021	Taka 2020
INTEREST, DIVIDEND AND RENTS		
(Not Applicable to any particular Fund or Account)		
Interest Received and Accrued	40,231,224	41,463,999
Income from Properties	17,007,104	29,904,848
Dividend Income	8,112,121	2,779,271
Capital Gain/(Loss) on Sale of Share	16,976,411	3,326,237
Gain on Sale of Car	582,630	309,603
PROFIT OR (LOSS) TRANSFERRED FROM	112,309,573	89,070,791
Fire Revenue Account	26,014,987	33,856,734
Marine Revenue Account	69,199,433	38,395,650
Motor Revenue Account	10,478,726	10,505,311
Miscellaneous Revenue Account	6,616,428	6,313,095
Total Taka :	195,219,063	166,854,749

THE YEAR ENDED DECEMBER 31, 2021

	Taka 2021	Taka 2020
Balance brought forward from last year		
Revaluation Surplus Transferred to Retained Earnings		
Fair Value Reserve Transferred to Retained Earnings	4,301,045	-
Net Profit for the year	19,600,000	-
(Transferred from Profit or Loss and other comprehensive income)	160,795,671	143,453,506
Total Taka :	281,899,374	213,759,227

THE YEAR ENDED DECEMBER 31, 2021

	Taka 2021	Taka 2020
Net Profit after tax		
Amount net of Revaluation Reserve		
Total Taka :	1,647,361,657	-

Signed in terms of our separate report of even date


(Zoynal Abedin Chowdhury)

Vice Chairman


(Mohammed Musa)

Chairman


(Md. Shafiqul Islam FCA), Enrolment # 595
Partner
Shafiq Basak & Co. Chartered Accountants
DVC: 2204250595AS680501



Central Insurance Company Ltd.
CONSOLIDATED BUSINESS REVENUE ACCOUNT FOR

	TAKA	TAKA
	2021	2020
CLAIMS UNDER POLICIES LESS RE-INSURANCE	40,423,916	8,869,686
Paid during the year	37,574,688	13,483,678
Total estimated liability in respect of outstanding claim at the end of the year whether due or intimated	33,066,396	30,217,168
	70,641,084	43,700,846
Less: Outstanding at the beginning of the year	30,217,168	34,831,160
Agent Commission	40,516,066	45,059,551
Expenses of Management (Note-19.00)	135,146,298	122,988,364
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 of premium income of the year	139,671,757	100,723,630
Profit/(Loss) Transferred To Profit or Loss Account	112,309,573	89,070,791
Total Taka :	468,067,610	366,712,022

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

Date: April 25, 2022


(Md. Zahid Anwar Khan)
Chief Executive Officer


(Sabbirul Kabir)
Director

Central Insurance Company Ltd.

THE YEAR ENDED DECEMBER 31, 2021

	TAKA 2021	TAKA 2020
Balance of Account at the Beginning of the year	100,723,630	96,563,582
Premium Less Re- Insurance (Note-20.00)	346,425,102	245,826,440
Commission on Re- Insurance ceded	20,918,878	24,322,000
Total Taka :	468,067,610	366,712,022

Signed in terms of our separate report of even date



(Zoynal Abedin Chowdhury)
Vice Chairman


(Mohammed Musa)
Chairman

(Md. Shafiqul Islam FCA), Enrolment # 595
Partner
Shafiq Basak & Co. Chartered Accountants
DVC: 2204250595AS680501

Central Insurance Company Ltd.

FIRE INSURANCE REVENUE ACCOUNT FOR

	TAKA	TAKA
	2021	2020
CLAIMS UNDER POLICIES LESS RE- INSURANCE	21,774,834	(4,469,731)
Paid during the year	17,213,392	2,029,198
Total estimated liability in respect of outstanding claims- at the end of the year whether due or intimated	20,202,029	15,640,587
	37,415,421	17,669,785
Less: Outstanding at the end of the previous year	15,640,587	22,139,516
 Agent Commission	 19,240,852	 22,538,980
 Expenses of Management (Note-19.00)	 74,005,982	 59,388,165
 BALANCE OF ACCOUNT AT THE END OF THE YEAR	 Total Taka	 151,024,598
Reserve for unexpired risks being 40 % of premium income of the year	60,655,576	39,710,450
Profit /(Loss) transferred to Profit or Loss Account	26,014,987	33,856,734
	 201,692,231	 151,024,598

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

Date: April 25, 2022


(Md. Zahid Anwar Khan)
 Chief Executive Officer


(Sabbirul Kabir)
 Director

Central Insurance Company Ltd.

THE YEAR ENDED DECEMBER 31, 2021

	TAKA 2021	TAKA 2020
Balance of Account at the beginning of the year	39,710,450	39,047,641
Premium Less Re- Insurance (Note-20.00)	151,638,941	99,276,126
Commission on Re- Insurances ceded	10,342,840	12,700,831
Total Taka	201,692,231	151,024,598

Signed in terms of our separate report of even date




(Zoynal Abedin Chowdhury)
 Vice Chairman


(Mohammed Musa)
 Chairman


(Md. Shafiqul Islam FCA), Enrolment # 595
 Partner
 Shafiq Basak & Co. Chartered Accountants
 DVC: 2204250595AS680501

Central Insurance Company Ltd.
MARINE INSURANCE REVENUE ACCOUNT FOR

	TAKA	TAKA
	2021	2020
CLAIMS UNDER POLICIES LESS RE- INSURANCE	9,205,200	4,923,973
Paid during the year	8,959,980	3,994,860
Total estimated liability in respect of outstanding claim- at the end of the year whether due or intimated	11,786,760	11,541,540
	20,746,740	15,536,400
Less: Outstanding at the end of the previous year	11,541,540	10,612,427
Agent Commission	17,163,233	16,146,052
Expenses of Management (Note-19.00)	44,938,794	43,843,015
BALANCE OF ACCOUNT AT THE END OF THE YEAR		
Reserve for unexpired risks being 40 % of Marine Cargo- and 100 % of Marine Hull premium income of the year	61,657,652	43,066,671
Profit/(Loss) transferred to Profit or Loss Account	69,199,433	38,395,650
Total Taka	202,164,312	146,375,361

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

Date: April 25, 2022


(Md. Zahid Anwar Khan)
Chief Executive Officer


(Sabbirul Kabir)
Director

Central Insurance Company Ltd.

THE YEAR ENDED DECEMBER 31, 2021

	TAKA	TAKA
	2021	2020
Balance of Account at the beginning of the year	43,066,671	37,874,984
Premium Less Re- Insurance (Note-20.00)	151,389,838	101,684,042
Commission on Re- Insurance ceded	7,707,803	6,816,335
Total Taka	202,164,312	146,375,361

Signed in terms of our separate report of even date




(Zoynal Abedin Chowdhury)
 Vice Chairman


(Mohammed Musa)
 Chairman


(Md. Shafiqul Islam FCA), Enrolment # 595
 Partner
 Shafiq Basak & Co. Chartered Accountants
 DVC: 2204250595AS680501

Central Insurance Company Ltd.

MOTOR INSURANCE REVENUE ACCOUNT FOR

	TAKA	TAKA
	2021	2020
CLAIMS UNDER POLICIES LESS RE- INSURANCE	9,577,626	7,778,043
Paid during the year	11,335,060	7,022,219
Total estimated liability in respect of outstanding claim- at the end of the year whether due or intimated	992,890	2,750,324
	12,327,950	9,772,543
Less: Outstanding at the beginning of the year	2,750,324	1,994,500
 Agent Commission	 2,963,125	 4,690,480
 Expenses of Management (Note-19.00)	 9,714,223	 12,398,138
 BALANCE OF ACCOUNT AT THE END OF THE YEAR	 	
Reserve for unexpired risks being 40 % of premium income of the year	12,726,977	13,643,234
Profit/(Loss) transferred to Profit or Loss Account	10,478,726	10,505,311
 Total Taka	 45,460,677	 49,015,206

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

Date: April 25, 2022

(Md. Zahid Anwar Khan)
Chief Executive Officer


(Sabbirul Kabir)
Director

Central Insurance Company Ltd.

THE YEAR ENDED DECEMBER 31, 2021

	TAKA	TAKA
	2021	2020
Balance of Account at the beginning of the year	13,643,234	14,907,122
Premium Less Re- Insurance (Note-20.00)	31,817,443	34,108,084
Commission on Re- Insurance ceded	-	-
Total Taka	45,460,677	49,015,206

Signed in terms of our separate report of even date


(Zoynal Abedin Chowdhury)
 Vice Chairman


(Mohammed Musa)
 Chairman


(Md. Shafiqul Islam FCA), Enrolment # 595
 Partner
 Shafiq Basak & Co. Chartered Accountants
 DVC: 2204250595AS680501



Central Insurance Company Ltd.
MISCELLANEOUS INSURANCE REVENUE ACCOUNT FOR

	TAKA	TAKA
	2021	2020
CLAIMS UNDER POLICIES LESS RE- INSURANCE	(133,744)	637,401
Paid during the year	66,256	437,401
Total estimated liability in respect of outstanding claim- at the end of the year whether due or intimated	84,717	284,717
	<u>150,973</u>	<u>722,118</u>
Less: Outstanding at the beginning of the year	284,717	84,717
Agent Commission	1,148,856	1,684,039
Expenses of Management (Note-19.00)	6,487,299	7,359,046
BALANCE OF ACCOUNT AT THE END OF THE YEAR		
Reserve for unexpired risks being 40 % of premium income of the year	4,631,552	4,303,275
Profit/(Loss) transferred to Profit or Loss Account	6,616,428	6,313,095
Total Taka:	<u>18,750,391</u>	<u>20,296,856</u>

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

Date: April 25, 2022


(Md. Zahid Anwar Khan)
Chief Executive Officer


(Sabbirul Kabir)
Director

Central Insurance Company Ltd.

THE YEAR ENDED DECEMBER 31, 2021

	TAKA	TAKA
	2021	2020
Balance of Account at the beginning of the year	4,303,275	4,733,835
Premium Less Re- Insurance (Note-20.00)	11,578,880	10,758,188
Commission on Re- Insurance ceded	2,868,236	4,804,833
Total Taka:	18,750,391	20,296,856

Signed in terms of our separate report of even date


(Zoynal Abedin Chowdhury)
 Vice Chairman


(Mohammed Musa)
 Chairman


(Md. Shafiqul Islam FCA), Enrolment # 595
 Partner
 Shafiq Basak & Co. Chartered Accountants
 DVC: 2204250595AS680501



Central Insurance Company Ltd.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED DECEMBER 31, 2021

Particulars	Share Capital	Share Premium	Reserve for Exceptional Loss	General Reserve	Reserve for Fair Value of Shares	Revaluation Reserve	Dividend Equalization Reserve	Retained Earnings	Total
Balance as on 01-01-2021	494,370,450	56,167,900	311,393,000	29,000,000	19,600,000	206,599,638	22,500,000	97,202,658	1,236,833,646
Dividend Paid (Stock)	37,077,780	-	-	-	-	-	-	(37,077,780)	-
Dividend Paid (Cash)								(29,662,227)	(29,662,227)
Net Profit (after taxation)								127,886,214	127,886,214
Reserve for Exceptional Lossess		34,642,510						(34,642,510)	-
Reserve for Fair Value of Shares	-				(44,892,289)			19,600,000	(25,292,289)
Revaluation Reserve						1,308,574,760		4,301,045	1,312,875,805
Balance as on 31-12-2021	531,448,230	56,167,900	346,035,510	29,000,000	(25,292,289)	1,515,174,398	22,500,000	147,607,400	2,622,641,149
Balance as on 01-01-2020	470,829,000	56,167,900	286,810,356	29,000,000	19,600,000	206,599,638	22,500,000	70,305,721	1,161,812,615
Dividend Paid (Stock)	23,541,450	-	-	-	-	-	-	(23,541,450)	-
Dividend Paid (Cash)								(32,958,029)	(32,958,029)
Net Profit (after taxation)								107,979,060	107,979,060
Reserve for Exceptional Lossess					24,582,644			(24,582,644)	-
Balance as on 31-12-2020	494,370,450	56,167,900	311,393,000	29,000,000	19,600,000	206,599,638	22,500,000	97,202,658	1,236,833,646

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


(Md. Zahid Anwar Khan)
Chief Executive Officer


(Zoynal Abedin Chowdhury)
Vice Chairman
Date: May 20, 2021


(Sabbirul Kabir)
Director


(Mohammed Musa)
Chairman


(Shafiq Basak)
Vice Chairman


(Shafiq Basak & Co. Chartered Accountants
DVC: 220425055AS680501

Signed in terms of our separate report of even



Central Insurance Company Ltd.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2021

	2021 Taka	2020 Taka
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Collection from premium and other income	484,794,509	406,756,269
Payment for Management Exp. Re-Insurance & Claim	(299,121,684)	(226,171,991)
Income Tax paid	(38,555,256)	(24,764,928)
Net cash flow from operating activities	147,117,569	155,819,350
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(23,125,903)	(40,649,322)
Sale of Fixed Assets	770,390	362,000
Investment Enhancement	(20,800,134)	(8,018,968)
Net cash flow from investing activities	(43,155,647)	(48,306,290)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Secured Overdraft	11,759,389	3,553,566
Dividend Paid	(31,691,467)	(32,958,029)
Net cash flow from Financing activities	(19,932,078)	(29,404,463)
D. Net inflows/(out flows) for the year (A+B+C)	84,029,844	78,108,597
E. Opening Cash and Bank balance	665,232,919	587,124,322
F. Closing Cash and Bank balances (D + E)	749,262,763	665,232,919
Net operating cash flow per share (NOCFPS) (Restated Note-23.00	2.77	2.93

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


(Sabbirul Kabir)
Director


(Zoynal Abedin Chowdhury)
Vice Chairman


(Mohammed Musa)
Chairman

Date: April 25, 2022


(Md. Shafiqul Islam FCA), Enrolment # 595
Partner
Shafiq Basak & Co. Chartered Accountants
DVC: 2204250595AS680501



Form "AA"

CLASSIFIED SUMMARY OF ASSETS AS ON DECEMBER 31, 2021

(IN TAKA)

PARTICULARS	BOOK VALUE AS PER BALANCE SHEET	MARKET VALUE	REMARKS
Bangladesh Government Treasury Bond	27,446,696	27,446,696	Realisable value
Investment in Share	101,685,573	101,685,574	Market Value
Investment in CIC Investment Ltd.	99,999,700	99,999,700	Realisable value
In Fixed deposit with Banks	727,450,000	727,450,000	do
In STD A/C. with Banks	19,444,231	19,444,231	do
Cash in Hand	280,473	280,473	do
Accrued interest	27,600,020	27,600,020	do
At call on short notice	2,088,059	2,088,059	do
OTHER ASSETS:			
Amount due from other Persons or bodies carrying on insurance business	244,509,418	244,509,418	do
Sundry Debtors	429,989,213	429,989,213	do
Stock of Stationery	573,567	573,567	At cost
Security Deposit	207,175	207,175	At cost
Insurance Stamps in hand	1,674,211	1,674,211	At cost
Fixed Assets, net of depreciation	1,932,877,319	1,932,877,319	Depreciated value (Except Land)
Total	3,615,825,655	3,615,825,656	

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.


 (Md. Zahid Anwar Khan)
 Chief Executive Officer


 (Sabbirul Kabir)
 Director


 (Zoynal Abedin Chowdhury)
 Vice Chairman
 
 (Mohammed Musa)
 Chairman

Date: April 25, 2022


 (Md. Shafiqul Islam FCA), Enrolment # 595
 Partner
 Shafiq Basak & Co. Chartered Accountants
 DVC: 2204250595AS680501


Central Insurance Company Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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

A. NOTES GENERAL

A.01 BACKGROUND

The Central Insurance Company 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 in the year 1995.

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 33 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 principal 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 2021 under review.

A.04 DATE OF FINANCIAL STATEMENTS AUTHORISED FOR ISSUE

Financial statements of the company for the year ended December 31, 2021 were authorised for issue on April 25, 2022 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 2020, 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 Financial Reporting Standards (IFRS) and as were adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh (ICAB) with reference to disclosures of accounting policies and valuation of investment both.

B.02 MANAGEMENT'S 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 2020 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 fare presentation of financial statements under section 183 of the Companies Act 1994, the Bangladesh Securities and Exchange Rules 2020, 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**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 2021 to 31 December 2021.



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 33 branches under its umbrella without having any overseas branch up to the year ended December 31, 2021. 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 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.07 ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND ERRORS (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 Estimates 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, Building and Floor Space stated at revalued value during the year [Note 15.00] and no depreciation has been charged on the value of land. 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 Conditioner	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-recognized 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-recognized.

D.04 REVALUATION RESERVE

The Revaluation surplus is transferred to revaluation reserve after restating the asset at the revalued amount. Any revaluation loss is directly recognized in the Statement of Comprehensive Income but any revaluation loss arising from an asset which has been previously recognized in the revaluation reserve is debited to the extent of any credit balance existing in the revaluation reserve in respect of that asset. The excess depreciation, if any, of revalued asset, difference between depreciation at revalued amount and depreciation on original cost of that asset, is transferred, after making appropriate adjustment of deferred tax from revaluation reserve to retain earning. No dividend is payable out of any revaluation surplus.

D.05 IMPAIRMENT OF ASSETS (IAS # 36)

All assets of the company shown in financial statement that are within 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.06 PROVISION FOR INCOME TAXES (IAS # 12)

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 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.08 EMPLOYEE'S BENEFIT PLAN:

The Company operates a provident fund, recognized by the Income Tax Authorities, Confirm employees of the Company are eligible for the said provident fund. Employees of the Company will contribute ten percent of their basic salary and the employer will make a matching contribution. The provident fund is wholly administered by a Board of Trustees and no part of the fund is included in the assets of the Company.

The Company also 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.



D.09 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.10 General Reserve Fund

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

D.11 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 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.12 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 recognized 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 recognized on cash basis.

D.13 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.14 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, 2020 to December 31, 2020 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.15 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.16 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.17 INVESTMENT INCOME

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

D.18 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.19 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 utilized. 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.20 STATEMENT OF CASH FLOWS : (IAS #7)

Cash flows 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 - 2020. Cash flow statement is broken down into operating activities, investing activities and financing activities.

D.21 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.



D.22 WORKERS' PROFIT PARTICIPATION AND WELFARE FUND:

Section 234 of chapter 15 of Labor law 2006 (as amended in 2013) requires every company to establish a Workers' Profit Participation and Welfare Fund. However, BFID, on behalf of the financial institution sector, requested clarification from the Labor Ministry regarding the applicability of the provisions for the sector. Similarly Bangladesh Insurance Association has corresponded with Financial Ministry on this matter requesting for exemption for Insurance Companies. As no decision has been yet concluded on such communications, we are yet to provide for the said provision.

D.21 RISK ANALYSIS:

Risk analysis for insurance business is difficult to estimate the uncertainty in taking and managing the risk by chronological identification of unascertained risk, mitigating approach of risk and continuing efforts to equate the risk at reasonable level. This, *inter alia*, includes

(a) Insurance Product Risk:

In non-life insurance business, the product selection is one of the important factors for the company. Product with less uncertainty with lower cost can facilitate to secure more risk coverage. Accordingly, high risk is more related to the capital strength and credit rating of the company. Necessary provision for un-expired risk @ 40% of net premium income on all business except Marine Hull Insurance for which provision has been made @ 100% on net premium income.

(b) Operational Risk:

This is in association of all departmental effort within the company to ensure sufficient coverage for the uncertainty of particular policy selection. It varies in accordance with the nature of products offered to the insured. Guideline for selection of offered product and monitoring the same are effective when fencing the risk at the level of estimate.

(c) Strategic Market Risk:

This indicates to identify and quantify the inherent risk of the products for the insured competitive market. Product with low risk should be encouraged to minimize risk.

(d) Underwriting Risk:

This is involved in loss events coverable under contract or agreement with the insured and the volume or size of the coverable loss. It relates to selection, pricing, monitoring and technical provision. However, risk with excessive volume is jointly shared by two or more insurers. In such circumstances, non-life insurance business with different products has been carried out with approved guideline.

(e) Reinsurance Risk:

Reinsurance has an influence basing the capital strength and rating aspects. Treaty limit is outlined by the amount of risk which can be ceded to other re-insurer. It depends on the nature of risk to be taken by the company. As such, technical provision has been estimated by way of covering the reasonable and probable obligations with respect to claims for known or un-known uncertainty.



(f) Investment Risk:

This relates to market, credit and liquidity of the company and as such, investments consist of assets covering the technical provisions and shareholders' equity. Accordingly, investment plan has been designed in such manner to accommodate inherent risk.

(g) Liquidity Risk:

This indicates to pay the claim on demand and the company needs to liquidate or convert assets to meet the obligation as and when arise.

(h) Credit Risk:

The Company follows IDRA instructions with respect to issuing of policies, that is, policies were not issued on credit.

(i) Default Risk:

It indicates default in paying off the claims on demand when third party involved in such approach. At the time, the company needs to have sufficient liquidity to pay off the claims on demand and to fulfill the contractual obligation.

(j) Legal and Regulatory Risk:

There is legal and regulatory obligation to follow and abide by the restricted rules and regulation in carrying out the business which do not conform to the competitive market for procuring business. As such, non-compliance to rules and regulation may invite risk to the employment of the company.

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. 531,448,230

53,144,823 ordinary shares of Tk.10 each

The Category wise shareholding position as on 31 December, 2021 are noted below :

Category of Shareholders	No. of Shares	% of Holdings	Amount Tk.
1. Sponsors & Directors (Group -A)	17,987,015	33.85	179,870,150
2. ICB & Institutions (Group -B)	5,765,081	10.85	57,650,810
3. General Public (Group-B)	29,392,727	55.31	293,927,270
Total	53,144,823	100.00	531,448,230



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	3,074	2	0.02	0.01
5001-10,000	-	-	-	-
10,001-50,000	-	-	-	-
50,001-100,000	216,347	3	1.20	0.41
100,001-200,000	305,368	2	1.70	0.57
200,001-500,000	502,302	2	2.79	0.95
500,001-1,000,000	-	-	-	-
1,000,001-2,000,000	14,745,587	13	81.98	27.74
2,000,001-3,000,000	2,214,337	1	12.31	4.17
Total of (A)	17,987,015	23	100.00	33.85

ii) Group -B

Class Interval	No. of Shares	No. of Shareholders	Total Holding%	% of Total Paid Up-Capital
Less than 5000 Shares	6,518,390	4,423	18.54	12.26
5001-10,000	2,375,225	315	6.76	4.47
10,001-50,000	7,084,087	336	20.15	13.33
50,001-100,000	3,144,732	43	8.95	5.92
100,001-200,000	2,283,022	17	6.49	4.30
200,001-500,000	6,127,919	20	17.43	11.53
500,001-1,000,000	2,690,865	3	7.65	5.06
1,000,001-2,000,000	4,933,568	4	14.03	9.28
Total of (B)	35,157,808	5,161	100.00	66.15
Grand Total (A +B)	53,144,823	5,184		100.00

This shares are listed with both DSE and CSE.



2021

2020

3.00 RESERVE OR CONTINGENCY ACCOUNT:

A. Reserve or contingency account :		
Opening Balance	589,092,638	564,509,994
Add: Reserve for Exceptional Loss for the year	34,642,510	24,582,644
Add: Reserve for Fair Value of Shares	(44,892,289)	-
Add: Revaluation Reserve	1,308,574,760	-
Sub Total	1,887,417,619	589,092,638
B. Profit & Loss Appropriation Account :		
Undistributed Profit up to financial statement Date	147,607,400	97,202,658
Grand Total	2,035,025,019	686,295,296

3.01 REVALUATION RESERVE:

Total Revalued Amount	1,609,824,409
Less: Deferred Tax for Revaluation Reserve	91,961,858
Less: Revaluation Reserve to Retained Earnings	2,688,153
1,515,174,398	

4.00 BALANCE OF FUND & ACCOUNT:

This has been made up as under:

Fire Revenue Account	60,655,576	39,710,450
Marine Revenue Account	61,657,652	43,066,671
Motor Revenue Account	12,726,977	13,643,234
Miscellaneous Revenue Account	4,631,552	4,303,275
Total Taka	139,671,757	100,723,630

5.00 DEPOSIT PREMIUM : Tk. 57,866,227 Tk. 50,677,273

The above balance represents the premium and stamp duty 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**YEAR WHETHER DUE OR INTIMATED:**

Fire Insurance	20,202,029	15,640,587
Marine Insurance	11,786,760	11,541,540
Motor Insurance	992,890	2,750,324
Miscellaneous Insurance	84,717	284,717
Total Taka	33,066,396	30,217,168

7.00 AMOUNT DUE TO OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS :

Sadharan Bima Corporation	136,274,358	102,645,505
Other Insurance Companies of Bangladesh	2,335,104	1,552,077
Total Taka :	138,609,462	104,197,582



8.00 SUNDY CREDITORS :

Provision for Income Tax	374,413,207	340,818,622
Security Deposit (Open Cover)	-	250,000
Advance Rent Receive	13,272,125	20,380,878
Provision for Audit Fee	235,000	206,250
Income Tax Deduction at source	2,002,284	1,608,055
VAT deducted at source	1,515,394	1,309,449
Dividend Payable	6,109,912	8,140,698
Deferred Tax (Note no.8.01)	89,203,282	2,349,698
Provision for Bonus	-	3,500,000
Excess Deposit Premium	18,569	38,569
Premium Payable on Co-Ins. Share	-	2,863,203
Advance Received Against sale of car	-	350,000
Loan from Central Insurance Investment Ltd.	99,245,000	99,245,000
Security Deposit (Printing)	30,000	-
Provident Fund (Employees Cont.)	263,446	437,439
Advance Against PF Loan	36,730	166,409
VAT Payable on Premium	1,610,220	58,608
Lease Liability/Rental Lease Obligation (Note no.8.02)	3,241,558	-
Provision for Gratuity	6,456,351	6,236,651
Total Taka	597,653,078	487,959,529

8.01 DEFERRED TAX :**A. Fixed Assets:**

Carrying Amount	210,006,259	148,754,581
Tax Base	203,740,397	150,730,571
Taxable/(Deductable) Temporary Difference	6,265,862	(1,975,990)

B. Right-of-use-Assets:

Carrying Amount	3,306,256	
Tax Base	4,149,665	
Taxable/(Deductable) Temporary Difference	(843,409)	

C. Gratuity Provision:

Carrying Amount	6,456,351	
Tax Base	-	
Taxable/(Deductable) Temporary Difference	(6,456,351)	
Net Taxable/(Deductable) Temporary Difference (A+B+C)	4,438,856	6,265,862
Applicable tax rate	37.50%	37.50%
Deferred Tax Liability/(Assets) :	1,664,571	2,349,698
Add : Deferred Tax for Revaluation Reserve	87,538,711	
Total Taka	89,203,282	



8.02 LEASE LIABILITY/RENTAL LEASE OBLIGATION :

IFRS-16 becomes applicable from 1st January 2019 as adopted by ICAB. However, management of the Company has decided to adopt the standard during the accounting year 2021. Previously, the Company used to charge the consideration paid in its books as rent expenses. IFRS 16 introduced a single, on balance sheet accounting model for leases. As a result, the Company, as a lease, has recognized the right- of- use- assets representing its right to use underlying assets and lease liabilities representing its obligation to make lease payments. The company applied IFRS 16 from 01 January 2021 for new lease agreement.

9.00 BANK OVERDRAFT :

Mercantile Bank Ltd. Nayabazar Br. A/c # 219143	26,317,586	14,558,197
Total Taka:	26,317,586	14,558,197

The above mentioned overdrawn facility was allowed by the bank as mentioned below against lien of Fixed Deposit of the Company.

10.00 INVESTMENT:

Bangladesh Government Treasury Bond (BGTB)	27,446,696	25,000,000
Investment in Share (Note-10.01)	101,685,573	109,087,982
Investment in Central Insurance Investment Ltd.	99,999,700	99,999,700
Total Taka:	229,131,969	234,087,682

Value of share has been shown at market price which is less than Tk. 28,102,543 of cost price as on 31.12.2021 shown in annexure-1.

10.01 PROVISION FOR FAIR VALUE OF SHARES :

Fair (Market) value of Shares as on 31/12/2021	101,685,574
Less: Cost price of listed companies shares as on 31/12/2021	<u>129,788,116</u>
Fair value reserve as on 31/12/2021	(28,102,543)
Deferred Tax	2,810,254
	(25,292,289)

OTHER COMPREHENSIVE INCOME :

Fair value reserve as on 31/12/2021	(28,102,543)
Fair value reserve as on 01/01/2021	<u>19,600,000</u>
Other Comprehensive Income/(Loss) as on 31/12/2021	(47,702,543)
Deferred Tax	2,810,254
	(44,892,289)

11.00 INTEREST, DIVIDEND & RENT OUTSTANDING: Tk.

Fixed Deposit Receipt (FDR)	26,732,040	23,012,169
Bangladesh Government Treasury Bond (BGTB)	867,980	855,616
Total Taka:	27,600,020	23,867,785

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



12.00 AMOUNT DUE FROM OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS:

Sadharan Bima Corporation	241,801,329	201,421,751
Other Insurance Companies of Bangladesh	2,708,089	3,513,724
Total Taka:	244,509,418	204,935,475

13.00 SUNDY DEBTORS :

Advance Against Salary	1,046,123	1,382,182
Advance Against Office Rent	1,478,233	1,773,556
Advance Income Tax	326,158,354	288,453,453
Advance Against Professional Fee	500,000	-
Advance Against Printing	1,591,040	1,437,500
Advance Against Car on HP	679,594	1,580,249
Advance Against Motor Cycle on HP	214,411	240,571
Advance Income Tax Against House Rent	11,367,572	10,517,217
Advance Against CIC Investment	669,066	2,726,066
Agent Balance	35,516,866	49,900,753
Bank Guarantee	50,757,954	16,655,245
Bills Receivable	10,000	10,000
Total Taka:	429,989,213	374,676,792

The above debts are considered good for realization / adjustment.

14.00 CASH AND CASH EQUIVALENTS :

A) Cash at Bank		
Short Term Deposit	19,444,231	21,213,626
Current Deposit	2,088,059	2,550,349
Fixed Deposit	<u>727,450,000</u>	<u>641,325,000</u>
	748,982,290	665,088,975
B) Cash in hand		
	280,473	143,944
Total Taka:	749,262,763	665,232,919

15.00 FIXED ASSETS : TK. 1,932,877,319 Tk. 521,136,259

15.01 LAND AND BUILDING:**AT COST :**

Land at 7-8 Motijheel	94,618,362	94,618,362
Land at Kawran Bazar Area	9,912,000	9,912,000
Building 7-8 Motijheel	4,738,073	4,859,562
Building KB Bhaban	104,815,025	107,502,590
Floor Space at Agrabad	35,771,321	36,688,534
Total Taka:	249,854,781	253,581,048



VALUATION :

Land at 7-8 Motijheel	1,349,226,638	173,311,638
Land at Kawran Bazar Area	173,488,000	33,288,000
Building 7-8 Motijheel	66,664,897	-
Building KB Bhaban	15,282,816	-
Floor Space at Agrabad	861,013	-
Total Taka:	1,605,523,364	206,599,638

TOTAL OF LAND AND BUILDING :

Land at 7-8 Motijheel	1,443,845,000	267,930,000
Land at Kawran Bazar Area	183,400,000	43,200,000
Building 7-8 Motijheel	71,402,970	4,859,562
Building KB Bhaban	120,097,841	107,502,590
Floor Space at Agrabad	36,632,334	36,688,534
Total Taka:	1,855,378,145	460,180,686

15.02 OTHER FIXED ASSETS	77,499,174	Tk.	60,955,573
	Total Taka:	1,932,877,319	521,136,259

That is above noted the Land, Building and Floor Spaces has been classified under IAS-16 and IAS-40 which has been shown in Schedule-A & B respectively also noted that the above value represents the revalued amount of Land, Building and Floor Space at the financial statement date. Fames & R, Chartered Accountants, an independent valuer revalued the Land, Building and Floor Space during the year 2020 and the revaluation report is approved by the Board of Directors on its 231st meeting held on 15-11-2021. The revalued amount of the assets will be in effect as at 31-12-2021 and also the revalued amount transferred to Revaluation Reserve.

Building 7-8 Motijheel : The Building is situated five (5) storied first class constructed building at 7-8 Motijheel C/A, Dhaka-1000 as the name of building "Central Insurance Bhaban-1"

Building KB Bhaban : The Building is situated seven (7) storied first class construction building at plot no. 31, Ward no. 26, Bir Uttam C.R. Datta Road, Bipanon C/A, Bangla Motor, Shahabag, Dhaka as the name of building " Central Insurance Bhaban".

Floor Spaces : The Floor Space in CDA Agrabad C/A, name of the building "Atlas Rangs Plaza", 2529 sft of East side of 7th floor.

16.00 STOCK OF STATIONERY :	Tk. 573,567	Tk. 398,518
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The stock of stationery was valued at cost price or net realizable value whichever is lower.

17.00 SECURITY DEPOSIT :	Tk. 207,175	Tk. 207,175
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This represents the security money deposited against Bangladesh Telephone & Telegraph Board (BTTB), Bangladesh Power Development Board (BPDB) and Dhaka Electric Supply Authority (DESA).

18.00 INSURANCE STAMP IN HAND :	Tk. 1,674,211	Tk. 624,420
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This represents unused insurance stamp in hand at the end of the period and was valued at cost price.



19.00 EXPENSES OF MANAGEMENT :

Class of Business	Expenses of Management	Expenses of Management
Fire Insurance Business Account	74,005,982	59,388,165
Marine Insurance Business Account	44,938,794	43,843,015
Motor Insurance Business Account	9,714,223	12,398,138
Miscellaneous Insurance Business Account	6,487,299	7,359,046
Total Taka:	135,146,298	122,988,364

Expenses of Management represents salary, office rent, telephone bill, printing & stationery, electric bill, public sector business expenses and other revenue expenses.

20.00 PREMIUM LESS RE-INSURANCE :

Class of Business	Gross Premium	Re-Insurance Accepted	Re-Insurance Ceded	Net Premium -2021	Net Premium -2020
Fire	201,216,556	-	49,577,615	151,638,941	99,276,126
Marine	185,915,098	-	34,525,260	151,389,838	101,684,042
Motor	31,911,966	-	94,523	31,817,443	34,108,084
Misc.	48,380,782	-	36,801,902	11,578,880	10,758,188
Total Tk.	467,424,402	-	120,999,300	346,425,102	245,826,440

This represents net premium from Direct Business and Government Business.

21.00 NET ASSETS VALUE (NAV) :

The Computation of NAV is given below:

a) Total Assets	3,615,825,655	2,025,167,025
b) Current Liabilities	993,184,506	788,333,379
c) Net Assets Value (a -b)	2,622,641,149	1,236,833,646
d) Number of Ordinary Shares	53,144,823	53,144,823
e) Net Assets Value (NAV) Per Share (c / d)	49.35	23.27

22.00 EARNING PER SHARES-BASIS:

The Computation of EPS is given below:

a) Earnings attributable to ordinary share holders (Net profit after taxation)	127,886,214	107,979,059.54
b) Weighted average no. of shares outstanding during the year	53,144,823	53,144,823
c) Earnings Per Share (EPS) (a/b)	2.41	2.03



23.00 NET OPERATING CASH FLOW PER SHARE (NOCFPS) :

a) Cash flow from operating activities	147,117,569	155,819,350
b) Weighted Average Number of Ordinary shares	53,144,823	53,144,823
c) Net operating cash flow per share (NOCFPS) (a/b)	2.77	2.93

24.00 RECONCILIATION OF CASH FLOWS (OPERATING ACTIVITIES)

Net Profit/(Loss) before Income Tax	160,795,671	143,453,506
Add: Non Cash and Non Operating Expenses and Income	1,107,164	(19,509,861)
(Increase)/Decrease in current assets	(63,634,879)	(15,401,717)
Increase/(Decrease) in current liabilities	87,404,869	72,042,350
Less : Income tax paid	(38,555,256)	(24,764,928)
Net cash flows from operating activities	147,117,569	155,819,350

25.00 POST EVENT OF FINANCIAL STATEMENT :

The Board of Director of Central Insurance Company Ltd. in its 233rd meeting held on April 25, 2022 has recommended cash dividend @ 18% for the year 2021, out of the surplus available for the year 2021 subject to approval of shareholders in the ensuing 34th Annual General Meeting.

26.00 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.

27.00 CONTINGENT LIABILITIES:

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

28.00 CREDIT FACILITIES

There was no credit facility available to the Company under any contract and availed of as on December 31, 2021 other than trade available in the ordinary course of business.

29.00 MISC. EXPENSES

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

30.00 CAPITAL EXPENDITURE COMMITMENT :

There was no capital expenditure commitment as at 31st December 2021.

31.00 There were 397 numbers of employees.**32.00** There was no bank guarantee issued by the company on behalf of their directors.**33.00** Statutory Auditors were paid only 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 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 of 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 Reporting Period (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, 2020 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	Opening Balance	Addition During The Year	Closing Balance (31.12.2021)
Central Insurance Investment Ltd.	Subsidiaries	Intercompany	99,245,000	-	99,245,000
Madina Group	Common Director	Insurance Premium	0	187,723	187,723
Aziz Group	Common Director	Insurance Premium	0	11,726,452	11,726,452
A.s Trading Co.	Common Director	Insurance Premium	0	1,293,885	1,293,885
Royal Group	Common Director	Insurance Premium	0	8,900,986	8,900,986
Ksrm Group	Common Director	Insurance Premium	0	52,929,081	52,929,081

42.00 DISCLOSURE OF CONSOLIDATED FINANCIAL STATEMENTS (IFRS # 10) :

Investment in Central Insurance Investment Ltd (CIIL) meet the definition criteria of subsidiary company and thus consolidation becomes necessary. The CIIL is yet to get licenses from related regulatory bodies and management intends to dissolve the CICL in near future. Moreover, the CIIL does not have any financial activities except some regulatory expenses being a company. In view of this, financial statement has not been consolidated considering the requirements of IFRS-10.



43.00

Status of compliance of International Accounting Standards and International Financial Reporting Standards

Name of IAS	IAS No.	Status
Presentation of Financial Statement	1	**
Inventories	2	Complied
Cash Flow Statement	7	Complied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Complied
Events after the Reporting Period	10	Complied
Income Taxes	12	Complied
Property, Plant & Equipment	16	Complied
Employee Benefits	19	Complied
Accounting for Govt. Grants and Disclosure of Govt. Assistance	20	N/A
The Effects of changes in foreign exchange rates	21	Complied
Borrowing Cost	23	Complied
Related Party Disclosures	24	Complied
Accounting and Reporting by Retirement Benefit Plans	26	Complied
Separate Financial Statement	27	N/A
Investment in associates	28	Complied
Financial Reporting in Hyperinflationary Economics	29	N/A
Financial Instrument Presentation	32	Complied
Earning Per Share	33	Complied
Interim Financial Reporting	34	Complied
Impairment of Assets	36	Complied
Provisions, Contingent Liabilities & Contingent Assets	37	Complied
Intangible Assets	38	N/A
Financial Instrument: Recognition and Measurement	39	Complied
Investment Property	40	Complied
Agriculture	41	N/A
Name of IFRS	IFRS No.	Status
First time adoption of IFRSs	1	Complied
Share based payment	2	N/A
Business Combination	3	N/A
Insurance Contracts	4	**
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	Complied
Operating Segment	8	Complied
Financial Instrument	9	**
Consolidated Financial Statement	10	N/A
Joint Arrangement	11	N/A
Disclosure of interest in other Entities	12	Complied
Fair Value Measurement	13	Complied
Revenue from contracts with customers	15	Complied
Leases	16	Complied

**Central Insurance Company Ltd. management has followed the principles of IASs and IFRSs consistently in the preparation of the financial statements to that extent as applicable to Insurance Company. Some of the standards have not been complied with, about which IDRA has special guideline.



SCHEDULE OF FIXED ASSETS AS ON DECEMBER 31, 2021

Schedule -A

A) Plant, Office Equipments & Other Fixed Assets :

Sl #	Particulars	Cost			Rate of Dep	As on 1/1/2021	Charge During the year	Adjusted during the year	Total as on 31-12-2021	Written Down Value as on 31/12/2021
		As on 1/1/2021	Addition During the year	Disposal during the year						
1	Furniture & Fixture	10,840,187	414,861	(96)	11,254,952	10%	8,055,055	315,244	-	8,370,299
2	Office Decoration	56,226,985	15,809,107		72,036,092	10%	23,616,418	3,919,801		27,536,219
3	Office Equipment	9,449,519	-		9,449,519	15%	8,979,586	70,490		9,050,076
4	Electrical Equipment	8,058,542	233,859		8,292,401	15%	3,044,519	769,043		3,813,562
5	Motor Vehicle	39,667,990	4,791,836	(1,791,500)	42,668,326	20%	28,644,422	2,733,259	(1,603,836)	29,773,845
6	Telephone Installation	3,216,259	108,513		3,324,772	20%	2,758,535	108,702		2,867,237
7	Air Cooler	10,193,611	380,599		10,574,210	15%	4,597,025	883,006		5,480,031
8	Computer & Software	7,847,108	1,275,605		9,122,713	25%	4,892,335	878,024		5,770,359
9	Sign Board	842,961	111,523		954,484	25%	799,694	23,229		822,923
10	Right of use Assets	4,275,044			4,275,044					968,788
Total	146,343,162	27,400,947	(1,791,596)		171,952,513		85,387,589	10,669,586	(1,603,836)	94,453,339
										77,499,174

B) Properties (At Cost) :

1	Building at 7-8 Motijheel	1,718,373		1,718,373	2.5%	20,999	42,434		63,433	1,654,940	
2	Floor Space at Agrabad	38,533,290		38,533,290	2.5%	1,844,756	917,213		2,761,969	35,771,321	
3	Land at 7-8 Motijheel	33,048,819		33,048,819						33,048,819	
Total		73,300,482			-	73,300,482	1,865,755	959,647	-	2,825,402	70,475,080

C) Valuation of Properties :

1	Building at 7-8 Motijheel	24,494,495		24,494,495	2.5%				1,209,416	23,285,079
2	Floor Space at Agrabad	905,734		905,734	2.5%			44,721	44,721	861,013
3	Land at 7-8 Motijheel	471,265,254		471,265,254						471,265,254
Total		496,665,483		496,665,483						495,411,347
Total (A+B+C)	716,309,127	27,400,947	(1,791,596)	741,918,478	-	87,253,344	12,883,369	(1,603,836)	98,532,877	643,385,601



Schedule -B

A) Investment Properties (At Cost) :

Sl #	Particulars	Cost			Rate of Dep	As on 1/1/2021	Charge During the year	Adjusted during the year	Total as on 31-12-2021	Written Down Value as on 31/12/2021
		As on 1/1/2021	Addition During the year	Disposal during the year						
1	Building at 7-8 Motijheel	3,201,309			2.5%	39,121	79,055		118,176	3,083,133
2	Building at Kawranbazar	112,769,188			2.5%	5,266,598	2,687,565		7,954,163	104,815,025
3	Land at 7-8 Motijheel	61,569,543		61,569,543						61,569,543
4	Land at Kawranbazar	9,912,000		9,912,000						9,912,000
Total	187,452,040	-	-	187,452,040		5,305,719	2,766,620	-	8,072,339	179,379,701

B) Valuation of Investment Properties :

1	Building at 7-8 Motijheel	45,632,944			45,632,944	2.5%		-	2,253,127	43,379,817
2	Building at Kawranbazar	16,076,598			16,076,598	2.5%		-	793,782	15,282,816
3	Land at 7-8 Motijheel	877,961,384			877,961,384					877,961,384
4	Land at Kawranbazar	173,488,000			173,488,000					173,488,000
Total	1,113,158,926	-	-	1,113,158,926		-	3,046,909	-	3,046,909	1,110,112,017
Total (A+B)	1,300,610,966	-	-	1,300,610,966		5,305,719	5,813,529	-	11,119,248	1,289,491,718

Grand Total	2,016,920,093	27,400,947	(1,791,596)	2,042,529,444	-	92,559,063	18,696,898	(1,603,836)	109,652,125	1,932,877,319
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Annexure-1

SHARE INVESTMENT POSITION AS ON 31-12-2021

Sl.#	Name of Items	No.of Share	Book Value	Market Rate	Market Value as on 31.12.21
A. Quoted Shares :					
1	1st Janata MF	300,000	2,035,765	6.20	1,860,000
2	ABB1STMF	800,000	5,634,720	5.50	4,400,000
3	AIBL1STMF	500,000	5,249,400	8.50	4,250,000
4	BSCCL	25,000	4,417,212	210.10	5,252,500
5	Eastland Insurance	30,381	1,566,240	38.70	1,175,745
6	EBLNRBMF	500,000	3,861,550	6.00	3,000,000
7	FBFIF	200,000	1,383,450	5.20	1,040,000
8	Grameen S-2	5,000	58,676	15.40	77,000
9	Green Delta Mutual Fund	100,000	1,000,000	7.40	740,000
10	IBBL Mudaraba Perpetual Bond	500	460,652	1,111.00	555,500
11	IFIC1STMF	600,000	4,580,899	5.50	3,300,000
12	IFILISLMF1	400,000	2,918,730	6.40	2,560,000
13	Khulna Power Co. Ltd.	210,500	18,501,714	29.90	6,293,950
14	MBL1STMF	500,000	4,748,025	7.90	3,950,000
15	National Life Insurance Co. Ltd.	14,021	3,714,586	220.60	3,093,033
16	NCCBL	14,802	222,427	15.30	226,471
17	NLI 1st MF	16,000	194,983	13.70	219,200
18	PHPMF1	300,000	2,316,930	5.40	1,620,000
19	Reliance 1	914,000	10,489,241	11.60	10,602,400
20	Singer BD Ltd.	100,000	20,451,347	169.90	16,990,000
21	Sumit Power Ltd.	19,198	1,058,517	38.90	746,802
22	United Finance Co. Ltd.	70,875	4,002,943	21.10	1,495,463
23	United Power Generation & Distribution Co Ltd	69,170	19,573,912	244.20	16,891,314
Sub Total			118,441,919		90,339,377
B. Unquoted Shares :					
24	Central Depository Bangladesh Ltd.	571,181	1,569,450		1,569,450
25	GMG Air Lines Ltd.	110,000	5,000,000		5,000,000
26	ICB Islamic Unit Fund	53,610	1,490,175		1,490,175
27	ICB AMCL 1st Unit Fund	124,100	3,286,572		3,286,572
Sub Total			11,346,197		11,346,197
Grand Total (A+B)			129,788,116		101,685,574





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Central Insurance Company Limited
 Registered Office: Central Insurance Bhaban - 1
 7-8 Motijheel C/A, Dhaka –1000

REPORT ON VALUATION OF ASSETS

Background

1. **Central Insurance Company Limited (CICL)** was incorporated in Bangladesh on 12th November, 1987 under the Companies Act, 1994 as a Private Limited Company subsequently the company is listed as a publicly traded Company and its shares are traded on the Dhaka & Chattogram Stock Exchange. The present authorized capital of the company is Taka 1,000,000,000 (One Hundred Core) divided into 100,000,000 (Ten Core) Ordinary shares of Taka 10 each and its Paid up Capital is Taka 470,829,000 divided into 47,082,900 Ordinary shares of Taka 10 each as of 31 December 2019.
2. The registered office of the company is situated at Central Insurance Bhaban – 1, 7-8 Motijheel C/A, Dhaka –1000.
3. Central Insurance Company Limited is a leading and prominent Insurance Company in the country's insurance sector having all kinds of lucrative insurance products and services. It is a first generation insurance company which was established by a group of renowned and enthusiastic business entrepreneurs of the country. Central Insurance Company Limited started its operation with a Paid- Up Capital of Taka 30 million against an authorized capital of Taka 100 million being sponsored by a group of individual linked to reputed business concern.

As per Financial statement of December 31, 2019, the Company has earned Gross Premium income Taka 362.12 Million. Total assets of the company stand Taka 1,859.60 million and investment becomes Taka 226.07 million. Since inception to December 31, 2019 the Company has paid various claims amounting around Taka 30.05 Billion in favor of the Policy holders as well as to be aligned with recent approaches of the government towards a more digitalized and brighter future of the country. Company has established leading position in country's insurance sector through paying highest dividend to his shareholder's and maximum policy bonuses to his policyholders since inception.

Introduction

4. **Central Insurance Company Limited** contacted with FAMES & R, Chartered Accountants for valuation of their assets as of 31 December 2019. Valuation is required to be done for absolutes internal consumption of the Cycle's existing Directors. CICL's has 30 numbers of Branches/ Offices all over Bangladesh. Out of which major business activities is in Dhaka and Chattogram.

Scope of the Work

5. In the above context the scope of the work has been considered to be as follows:
 - Review of all the legal documents of the company;
 - Review of last three years audit reports;
 - Physical verification of Central Insurance Bhaban land with building, Central Insurance Bhaban-2 spaces in Kawran Bazar and in Chattogram;
 - Identifying all other assets through verification by manager and also appointed valuer;

6. Basis of Valuation:

There is no hard and fast rule to determine the value of assets. In case of valuation of Floor in different locations of the country consultants considered the current value of the mentioned location in the market, based on the collected information from the local people, information of current sales cost of per square feet floor space and also the information from the local authority and local people. Individual floor space information of the company in Chottogram has given below:

Floor Spaces:

Individual one floor space in CDA Agrabad commercial area of Chottogram, name of the building “Atlas Rangs Plaza”, 2529 sft of East side of 7th floor.

7. In case of constructed building of the company consultants considered the current value of the building in the market based on the collected information from the local people, information of current sales cost of per square feet space and also collected information from the local authority and local people. Building cost has been measured by the appointed Surveyors Company considering the communication, utility and the other existing facility, present cost of the construction materials, cost of labor as well as taking into consideration the materials used for construction of the office space and the quality of the building's finishing work, fixture, fittings and also similar types of office space being purchased and sold during the last six months in the locality.

Small structural cost has been measured by the appointed Surveyors Company based on present condition of the building. Building information of the Company in different parts of the Dhaka city has been given below:

Building in Motijheel:

- I. Individual five (5) storied first class constructed building at 7-8 Motijheel C/A, Dhaka –1000 as the name of building “Central Insurance Bhaban – 1” and head office is situated in same building. As per approved plan we have seen 5961 square feet in each floor but in our physical verification we found 5738 square feet in each floor. Particulars in details about Land & Building with pictorial views have been given in Annexure – A.
- II. Individual single storied first class construction building at 7-8 Motijheel C/A, Dhaka –1000 has been used as Sub-station. Area of the building is 360 square feet. Particulars in details about Land & Building with pictorial views have been in Annexed – B.

- III. Individual Single storied second class construction building in 7-8 Motijheel C/A, Dhaka –1000 has been used as Store and total area of the building is 960 Square feet. Particulars in details about Land & Building with pictorial views have been given in Annexed – C.
- IV. Individual single storied second class construction building at 7-8 Motijheel C/A, Dhaka –1000 has been used as Security and total area of the building is 1000 Square feet. Particulars in details about Land & Building with pictorial views have been in Annexed –D.

Building in Kawran Bazar:

- I. Individual Seven (7) storied first class construction building at Plot # 31, Ward # 26, Bir Utam C.R. Datta Road, Bipanon C/A, Bangla Motor, Shahabag, Dhaka. Name of the building is “Central Insurance Bhaban”. As per approved plan we have seen total area is 17444.59 square feet but in our physical verification we found total area is 20640 square feet. Particulars in details about Land & Building with pictorial views have been given in Annexed –E.

Factors considered for revaluation of building

We have taken into account the following factors:

- Year of construction.
- Useable life, criteria of construction.
- Present cost of construction of identical nature, quantum, and quality.
- The depreciated value of the current cost of construction of the building and.
- Construction rate allowed or charged by the PWD.

The valuation of building belongs to Dhaka, Central Insurance Company Ltd. was conducted using a combination of approaches and accounting valuation technique. In order to evaluate the current market value of the Central Insurance Company's building, the price recently fixed for Building by the government of a similar type, size and purpose in the same location of Dhaka, Central Insurance Company Ltd. was obtained.

Factors considered for revaluation of Building & Accompanying Facilities:

- Location of the building.
- Commercial importance of the building.
- Accessibility/ communication to the building.
- Long term possession right on the building.
- Demand / scarcity of building in the area.
- Size of the building.
- Recent sale prices of the building adjacent to the relevant property.
- Rate of property from the point in view of respective/ concerned authorities and,
- Building actually in possession of the company.

8. In case of Land of the company, consultants considered the current value of the land in the market, based on the collected information from the local people, information of current sales cost of per decimal of land and also collected information from the local authority and local people. On many occasions, it is observed that the value of the plot may vary among the land side by side without any solid reason though both the plots have equal facilities. So, in fact it is difficult task to get the steady price of any land, which may fluctuate customer to customer. We have as such valued the land on the basis of our personal contact with the local people at random basis and also considering its situation, importance, present used, communication facilities, available utilities and similar types of land being purchased and sold during the last six months.

Other details information of land of the company in two different parts in Dhaka has been given below:

Land area:

- I. One Plot is located in Dhaka South City Corporation at Motijheel. Total commercial land is 29.77 decimal or 18.04 katha in a high value area demarcated by burnt bricks boundary wall at all sides. Accessibility of the land is very easy and in comfort zone. The land has commercial importance; particulars in details about Building in Land with pictorial views have been given in Annexed – F.
- II. One Plot is located in Dhaka South City Corporation at Plot # 31, Ward # 26, Bir Uttam C.R. Datta Road, Bipanon C/A, Bangla Motor, Shahabag, Dhaka. Total commercial land is 03.175 decimal or 5.24 katha in a high value area demarcated by burnt bricks boundary wall at all side. Accessibility of the land is very easy and in comfort zone. The land has commercial importance; particulars in details about Building in Land with pictorial views have been in Annexed – G.

Identification of the asset revalued

The Land and Building were identified through verification of documents and records, physical examination, other sources and procedures to the possible extent.

Fair Value

The Fair Value of Land and Building & Accompanying Facilities have been shown in the Annexure-A-1.

We confirm that the “Fair Value” reported above, for the purpose of financial reporting under International Financial Reporting Standards (IFRS’s), is effectively the same as “Market Value”. Our opinion of Fair Value and Market Value is based upon the scope of work and source of information attached.

Ownership

Our valuation only pertains to the total value of each property and on the assumption that each asset can be sold under full management control. Our valuation does not take account of any liability to pay guarantees to any co-investors and lender in respect of Land and Building and Accompanying Facilities.

Market Conditions

In respect of the assets located in Bangladesh:

During our valuation work we did not observe any seller who intends to sell the same or similar type of Land, floor space and building in the locality but different types of land and floor space sales information has been collected from the locality.

Without the benefit of stabilized market conditions, lack of liquidity in the market and no transactional evidence, it is very difficult to quantify, with any certainty, the impact such risks associated with the country on the valuation of assets. Whilst we believe the valuation provided with a reasonable assessment of the value of the assets in a more stable market, it would be very difficult to achieve a successful sale of the properties in the short term, and any such sale could potentially achieve a price lower than the figures reported. Our valuations should therefore not be relied upon without further investigation and advice being obtained. We recommend that the situation and the valuations of this asset should be under regular review.

Detail approach of valuation:

Net worth of the Company

9. Net worth of the Company computed from their audited balance sheet as on December 31 2019 is Tk.1,258,376,197. Say Taka 126 Crore. According to our current valuation, reevaluated amount of only “Floor Space and Land & Building” comes to Taka 1,863,109,352 as against Written down value of Taka 459,884,581. Item –wise value is as under:

Particular of the Assets	Written Down Value	Amount of Revaluation	Revaluation Surplus
Floor Spaces	37,629,266	38,535,000	905,734
Land (Motijheel)	267,930,000	1,443,845,000	1,175,915,000
Land (Bangla Motor)	43,200,000	183,400,000	140,200,000
Building (Motijheel)	820,561	70,948,000	70,127,439
Building (Bangla Motor)	110,304,754	126,381352	16,076,598
Total :	459,884,581	1,863,109,352	1,403,224,771

10. To determine the current value of Land, Building and floor Spaces, we have considered the following major issues:

- Area of Flat/ Floor spaces & Location of Land Map;
- Accessibility, Connectivity and Communications;
- Commercial importance of Land;
- Long term possession right to the Land;
- Size of the Land in Motijheel C/A area;
- Recent sale prices of the Land adjacent to the relevant property;

- Construction structural design of the building & material used;
- Utilities Facilities availed;
- Fixture & Fittings;
- Demand /Scarcity of the Flat/Floor spaces in that particular areas and
- Scarcity of the Land in that particular area.

Considering the CICL's almost all existing assets like Flat/Floor Spaces, Building and Lands are in posh area in Dhaka & Chattogram Cities. So, the current values of the assets are very much valuable and market sensitive.

The Valuation Report

11. As per assignment the consultant is required to conduct an analysis about the existing business policy and various documents provided by the management of the company. Some other relevant information has been collected from same business community.

For valuation purpose, Company's audited financial statements of December 31, 2019 have been considered.

12. To reach at the market value of the net worth items as described in the above paragraphs are considered and computation made as follows:

Annexure-A-1

Summary of Fixed Asset Valuation
As at 31st December, 2019

Sl No.	Particular of Assets	Written Down Value	Amount of Revaluation	Revaluation Surplus
	Floor Spaces :			
1	“Atlas Rangs Plaza”, Plot # 07, Ward # 36, Agrabad Commercial Area, Doulbemoring, Chittagong	37,629,266	38,535,000	905,734
2	Sub- total (A)	37,629,266	38,535,000	905,734
3	Building :			-
4	“Central Insurance Bhaban”, Plot # 31, Ward # 26, Bir Uttam C.R. Datta Road, Bipanon C/A, Bangla Motor, Shahabag, Dhaka	110,304,754	126,381,352	16,076,598
5	“CIC Tower”, Plot # 7 & 8, Ward # 09, Motijheel C/A, Motijheel, Dhaka-1000	820,561	70,948,000	70,127,439
6	Sub Total : (B)	11,125,315	197,329,352	86,204,037
7	Free Land :			
8	Motijheel Land	267,930,000	1,443,845,000	1,175,915,000
9	Bangla Motor Land	43,200,000	183,400,000	140,200,000
10	Sub Total : (C)	311,130,000	1,627,245,000	1,316,115,000
11	Grand Total : (A+B+C)	459,884,581	1,863,109,352	1,403,224,771

13. Re-casted Balance Sheet as on December 31, 2019 giving effect of the above computation is shown below:

Restated Balance Sheet	
as at December 31, 2019	
Particulars	2019 (Taka)
CAPITAL AND LIABILITIES	
SHAREHOLDERS CAPITAL	
Authorized:	
100,000,000 Ordinary Shares of Tk. 10 each fully paid up	1,000,000,000
Issued, Subscribed and Paid up:	
47,082,900 Ordinary Shares of Tk. 10 each fully paid up	470,829,000
Share Premium	
11,233,580 Ordinary shares of Tk. 5 each	56,167,900
Reserve for Contingency Account	2,038,040,486
Reserve for exceptional losses	286,810,356
General Reserve	29,000,000
Investment Equalization Fund	19,600,000
Dividend Equalization Fund	22,500,000
Revaluation Reserve	1,609,824,409
Profit & Loss Appropriation Account	70,305,721
Balance of Fund & Account	96,563,582
Fire Insurance Business Account	39,047,641
Marine Insurance Business Account	37,874,984
Motor Insurance Business Account	14,907,122
Misc. Insurance Business Account	4,733,835
Deposit Premium	21,792,362
Liabilities & Provisions	97,396,411
Estimated liability in respect of outstanding claims whether due or intimated	34,831,160
Amount due to other persons or bodies carrying on insurance business	62,565,251
Sundry Creditors	471,032,245
(Including provisions for expenses & Taxes)	11,004,631
Other Liabilities (Bank Overdraft)	
Total:	3,262,826,617

Particulars	2019 (Taka)
Investment (at cost)	226,068,714
Outstanding Premium	-
Interest, Dividend & Rent Outstanding	25,595435
Accrued Interest	-
Amount due from other persons or bodies carrying on insurance business	189,734,497
Sundry Debtors	340,287,722
Cash and Cash Equivalents	587,124,322
Fixed Deposits Accounts	573,925,000
Current and STD Accounts	13,091,538
Cash in Hand	107,784
Fixed Assets	1,892,868,338
Property, Building and Land Development	1,863,109,352
Plant, Office Equipments & Other Fixed Assets	29,758,986
Other Assets	1,147,589
Stock of Stationery	589,560
Security Deposit	162,175
Insurance Stamps in Hand	395,854
Total:	3,262,826,617

14. Composition of team

Considering the importance of the work and the Asset needed to be identified and valued, a team consisting of members with different esteemed professional background and experience was formed. The team consisted of the following professionals:

Name of Professional	Qualification	Assigned position	Experience
Mr. A S Manjurul Hoque, FCA	B.Com (Hon's) M.Com (Acct.), Dhaka University, Dhaka	Review Partner	28 Years
Ms Fouzia Haque, FCA	M.Com, Dhaka University, Dhaka.	Engagement Partner	12 Years
Mr. Al-Amin	B.S.S , National University	Senior Surveyor	14 Years
Mr. Kabir Hossain	CA Part-1 Qualified	Manager	6 Years
Mr. Tahsin Tofa	Asst. Manager	Team Member	5 Years

Concluding declaration with Fairness Opinion, Observation and Limitation

15. The physical inspection and survey was carried out by FAMES & R, Chartered Accountants and Modern Surveyors Limited respectively.

- The valuation has been undertaken in accordance with the International Valuation Standards (IVS) and verified the ownership, possession and use of the assets are due to the Company. In conducting the valuation other relevant standards has also been considered.
- We certify that the valuation as detailed above is fair and reasonable as on date and our responsibility is restricted within the physical existence of the property and the value thereof. Our responsibility is limited to excise of reasonable care.
- In conducting the valuation we have maintained the fundamental principles of ethical conduct. We have tried our best to maintain integrity and objectivity in every step to complete the valuation.
- It is hereby declare that apart from working as professional surveyor and valuator, we FAMES & R, Chartered Accountants and Modern Surveyors Limited have no interest whatsoever directly or indirectly in the subject matter of this report.
- We hereby declare that we have no interest directly or indirectly in any manner whatsoever in the subject matter in this report. We have maintained our professional behavior and also proved our professional competency to complete the report.
- It may be mentioned here that, legal matters of the proposed property(s) have not verified by us. This report does not intend to relieve any party from its contractual obligation and is issued without any prejudice.
- We also hereby declare that we will maintain the confidentiality of the report with a high level of professional manners.

We would like to thank the management and staffs of the company for their assistance and co-operation during the valuation process.



Fouzia Haque, FCA
Partner
FAMES & R
Chartered Accountants



Date : 14th March, 2021
Place : Dhaka