

GLOBAL INSURANCE LIMITED

AL-RAZI COMPLEX (12th FLOOR)

166-167, SHAHEED SYED NAZRUL ISLAM SARANI

PURANA PALTAN, DHAKA-1000

GLOBAL INSURANCE LIMITED

FINANCIAL STATEMENTS

For the period ended 30 September, 2020

GLOBAL INSURANCE LIMITED

Balance Sheet

As at 30th September, 2020 (Un-audited)

Capital & Liabilities	Notes	Amount in Taka Sep-20	2019	Property & Assets	Notes	Amount in Taka Sep-20	2019
Share Capital							
Authorised Capital		1,000,000,000	1,000,000,000				
100 000,000 ordinary shares of Tk. 10 each							
Issued, Subscribed & Paid up Capital				National Investment Bond (NIB)	3	25,000,000	25,000,000
3,85,20,727 Ordinary Shares of Tk. 10 each	10	386,207,270	386,207,270	Investments in Shares	4	38,206,382	38,206,382
				Interest receivable	5	16,295,807	8,778,367
Reserve or Contingency Accounts:							
Reserve for Exceptional Losses		45,135,412	45,135,412				
General Reserve		4,000,000	4,000,000	Amounts due from other Persons or-			
Retained Earnings	11	81,388,686	38,850,894	Bodies carrying on insurance business	6	148,861,767	148,861,767
		130,524,098	87,986,306				
Balances of Funds and Accounts:							
Fire		44,554,677	34,481,828				
Marine (Cargo)		96,338,703	92,456,956	Sundry Debtors	7	257,596,702	319,727,541
Marine (Hull)		-	1,280,460				
Motor		30,498,339	28,990,612				
Miscellaneous		12,053,602	10,590,829	Cash and Bank Balances	8		
		183,445,321	167,800,685	Cash in Hand		693,642	588,966
				Balance with Banks		43,253,597	31,737,132
Premium Deposit	12	10,274,102	9,876,712	FDR with Banks		392,000,000	321,000,000
Loans & Overdraft	13	71,858,469	93,456,438			435,947,239	353,326,098
Deferred Tax Liability	14	5,943,573	6,259,252				
Liabilities and Provisions:							
Estimated Liability in respect of outstanding				Other Accounts:			
claims, whether due or intimated	15	42,364,633	32,554,199	Fixed Assets (At cost less accum. Depreciation)	9	96,650,321	100,749,527
Amounts due to other Persons or Bodies	16	41,238,930	58,719,298	Stock of Stationery		1,258,900	1,335,321
carrying on Insurance Business	17	149,412,923	154,625,108	Stamp in Hand		1,452,200	1,500,264
Sundry Creditors						99,361,421	103,585,112
		233,016,486	245,898,605	Total		1,021,269,318	997,485,268
Total		1,021,269,318	997,485,268				
NAV (Restated-2019)	25	13.33	11.89				

A. Rahman.
Head of Finance & Accounts

Chief Executive Officer

Director

Chairman

Company Secretary

GLOBAL INSURANCE LIMITED
Profit and Loss Appropriation Account
For the period ended 30th September 2020 (Un-audited)


Particulars	Notes	Amount in Taka		Particulars	Notes	Amount in Taka	
		Sep-20	Sep-19			Sep-20	Sep-19
Provision for Income Tax	28.1	24,324,297	14,476,210	Balance brought forward from last year	11.1	40,299,972	(44,849)
Deferred Tax expenses	14	-	155,470	Deferred Tax Adjustment		315,679	
Reserve for Exceptional Loss				Net profit for the year brought down		65,097,331	38,603,227
Balance transferred to the Balance Sheet after Tax		81,388,686	23,926,698			105,712,982	38,558,378
		<u>105,712,982</u>	<u>38,558,378</u>				


Head Of Finance & Accounts


Company Secretary


Chief Executive Officer


Director


Chairman

GLOBAL INSURANCE LIMITED
Statement Of Comprehensive Income
For the period ended 30th September-2020 (Un-audited)

Particulars	Notes	Amount in Taka		Particulars	Notes	Amount in Taka	
		Sep-20	Sep-19			Sep-20	Sep-19
Expenses of Management (Not applicable to any particular Fund or Account)				Interest Income (Not applicable to any particular Fund or Account)			14,002,327
Advertisement & Publicity		1,538,346	589,286	Dividend Income	22	22,353,479	498,300
Donation & Subscription		1,225,000	287,930	Provision for loss on Investment in Shares		2,075,440	-
Audit Fees		-	387,563	Profit on Sale of Share		-	645,120
Legal & Professional Fees		455,800	1,842,000	Office rent Income		-	-
Depreciation		7,222,944	6,214,367	Profit on Sale of Assets		24,927,219	14,647,447
Interest on loan		4,539,174	7,486,558				
Registration Fees		320,093	708,721				
Directors Fee		1,104,000	416,000	Profit transferred from :			
Meeting, Conference & AGM expenses	21	1,014,904	1,294,162	Fire Insurance Revenue Account		4,488,061	3,005,951
Provision for loss on Investment in Shares		-	1,098,741	Marine Insurance Revenue Account		33,094,760	35,495,401
Subscription		-	200,000	Motor Insurance Revenue Account		17,376,898	6,890,705
		17,420,261	20,515,327	Misc Insurance Revenue Account		2,630,655	1,006,550
						57,590,373	46,398,606
Provision for WPPF	30	-	1,927,499				
Provision For Profit bonus	31	-	-				
Balance for the period carried to Profit & Loss App. A/C		65,097,331	38,603,227			82,517,592	61,046,053
Earning per Share (Restated-2019)	23	1.06	0.62				

A. Rahman
Head Of Finance & Accounts

[Signature]
Chief Executive Officer

[Signature]
Director

[Signature]
Chairman

[Signature]
Company Secretary

GLOBAL INSURANCE LIMITED
Consolidated Business Revenue Account
For the period ended 30th September-2020 (Un-audited)

Particulars	Notes	Amount in Taka		Particulars	Notes	Amount in Taka	
		Sep-20	Sep-19			Sep-20	Sep-19
Claims under policies less Re-insurances Paid during the year		7,040,593	11,872,390	Balance of account at the beginning of the year		167,800,685	79,407,288
Add : Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		42,384,633	58,484,162	Premium less Re-insurances	19	353,737,874	189,322,605
		49,405,226	70,356,552	Commission on Re-insurances		28,658,326	44,109,416
Less: Claims outstanding at the end of the previous year		32,554,199	47,768,679				
		16,851,027	22,587,873				
Expenses of Management	20	214,556,530	109,119,876				
Agent Commission		77,753,634	59,003,911				
Profit transferred to profit & loss account		57,590,373	46,398,606				
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 net premium income of the year		183,445,321	75,729,042				
		550,196,885	312,839,308			550,196,885	312,839,308

A. Rahman,
Head Of Finance & Accounts

[Signature]
Chief Executive Officer

[Signature]
Director

[Signature]
Chairman

[Signature]
Company Secretary

GLOBAL INSURANCE LIMITED

Fire Insurance Revenue Account

For the period ended 30th September-2020 (Un-audited)

Particulars	Notes	Amount in Taka		Particulars	Notes	Amount in Taka	
		Sep-20	Sep-19			Sep-20	Sep-19
Claims under policies less Re-insurances				Balance of account at the beginning of the year		34,481,828	7,690,209
Paid during the year		1,580,517	1,990,616	Premium less Re-insurances	19	89,835,550	31,527,001
Add : Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		18,698,143	25,318,713	Commission on Re-insurances		19,322,150	11,313,150
		20,278,660	27,309,329				
Less: Claims outstanding at the end of the previous year		16,839,422	28,660,275				
		3,439,238	(1,350,946)				
Agent Commission		25,104,467	17,879,040				
Expenses of management	20	66,053,085	26,708,667				
Profit transferred to profit & loss account		4,488,061	(5,317,201)				
Balance of account at the end of the year as shown in the balance sheet:							
Reserve for unexpired risks being 40% of net premium income of the year		44,554,677	12,610,800				
		143,639,528	50,530,360			143,639,528	50,530,360

A. Rahman

Head Of Finance & Accounts

Q. Karim

Chief Executive Officer

MD. J. J.

Director

A. J.

Chairman

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Company Secretary

GLOBAL INSURANCE LIMITED
Marine Insurance Revenue Account

For the period ended 30th September-2020 (Un-audited)

Particulars	Notes	Amount in Taka		Particulars	Notes	Amount in Taka	
		Sep-20	Sep-19			Sep-20	Sep-19
Claims under policies less Re-insurances							
Paid during the year				Balance of account at the beginning of the year		93,737,416	26,424,374
Add : Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		835,440	2,496,095	Premium less Re- insurances	19	182,260,872	120,682,441
		11,166,138	18,731,430				
		12,001,578	21,227,525	Commission on Re-insurances		6,232,202	4,528,146
Less: Claims outstanding at the end of the previous year		7,687,972	11,743,157				
		4,313,606	9,484,368				
Agent Commission		40,247,287	23,745,021				
Expenses of management	20	108,236,134	36,006,768				
Profit transferred to profit & loss account		33,094,760	33,962,771				
Balance of account at the end of the year as shown in the balance sheet:							
Reserve for unexpired risks being 40% of net premium income on marine cargo and 100% of net premium income on marine hull of the year:							
Cargo		96,338,703	48,164,272				
Hull			271,760				
		96,338,703	48,436,032				
		282,230,490	151,634,961			282,230,490	151,634,961

A. Rahman
Head Of Finance & Accounts

Chief Executive Officer
Chief Executive Officer

Company Secretary
Company Secretary

Director
Director

Chairman
Chairman

Particulars	Notes	Amount in Taka		Sep-19
		Sep-20	Total	
Claims under policies less Re-insurances				
Paid during the year			4,393,333	
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated			3,718,536	
Less: Claims outstanding at the end of the previous year			8,111,869	
Agent Commission			5,769,000	
Expenses of management			2,342,869	
Profit transferred to profit & loss account	20		8,316,529	
			21,079,410	
			12,125,901	
Balance of account at the end of the year as shown in the balance sheet:				
Reserve for unexpired risks being 40% of net premium income of the year			18,360,456	
			62,225,165	
			124,326,867	
			62,225,165	


Director


Chairman

GLOBAL INSURANCE LIMITED

Statement of Cash Flows

For the period ended 30th September-2020 (Un-audited)

	Amount in Taka	
	Sep-20	Sep-19
A) Cash flow from operating activities:		
Premium Collection & other Receipts	682,211,420	515,079,632
Payments of Magt. Exp., Commission, Ri-Ins & Claim	(544,779,969)	(449,952,939)
Income tax paid and deducted at source	(25,549,431)	(13,089,097)
Net Cash provided from operating activities	111,882,020	52,037,596
B) Cash flow from investing activities:		
Acquisition of fixed assets	(3,123,735)	(6,055,609)
Disposal of fixed assets	-	-
National Investment Bond	-	-
Investment in Share	(0)	-
Net Cash used in Investing activities	(3,123,735)	(6,055,609)
C) Cash flow from financing activities:		
SOD loan	(20,267,755)	(1,214,450)
IDLC Loan	(932,074)	(850,968)
Margin loan	(398,140)	845,768
Interest on SOD Loan	(4,539,174)	(7,486,558)
Net Cash used in Financing activities	(26,137,143)	(8,706,208)
D) Net increase in Cash & Bank balances for the year : (A+B+C)	82,621,141	37,275,779
E) Opening Cash and Bank balances	353,326,098	255,763,004
F) Closing Cash and Bank balances : (D+E)	435,947,239	293,038,783

NOCFPS (Restaed-2019)

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Chief Executive Officer



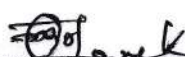
Director



Chairman



Head Of Finance & Accounts



Company Secretary

GLOBAL INSURANCE LIMITED

Statement of changes in Equity

For the period ended 30th September-2020 (Un-audited)

Amount in Taka

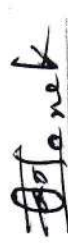
Particulars	Share Capital	Reserve for Exceptional Losses	General Reserve	Retained Earnings	Total
Balance as on 01.01.2019	367,816,450	45,135,412	4,000,000	18,345,974	435,297,836
Stock Dividend for 2018	18,390,820			(18,390,820)	-
Net Profit after tax				23,971,547	23,971,547
Reserve for Exceptional Loss				-	-
Balance as on 30.09.2019	386,207,270	45,135,412	4,000,000	23,926,701	459,269,383
Balance as on 01.01.2020	386,207,270	45,135,412	4,000,000	38,850,894	474,193,576
Stock Dividend for 2019				-	-
Net Profit after tax				40,773,035	40,773,035
Reserve for Exceptional Loss				-	-
Balance as on 30.09.2020	386,207,270	45,135,412	4,000,000	79,623,929	514,966,611


Chief Executive Officer


Director


Chairman


Head Of Finance & Accounts


Company Secretary

GLOBAL INSURANCE LIMITED

Notes to the Financial Statements for the period ended September 30, 2020

1. INTRODUCTION:

1 Legal Status:

GLOBAL INSURANCE LIMITED was incorporated as a public company limited by shares in Bangladesh vide certificate on-C-40102(2070)/2000 dated April 23, 2000 under the Companies Act, 1994 and commenced its operation as per Insurance Act, 2010. The certificate of commencement of business was obtained from the Registrar of Joint Stock Companies, Bangladesh.

The Company is listed in Dhaka Stock Exchange Ltd. as a Publicly Traded Company.

1.02 Address of Registered Office and Principal Place of Business :

The registered office of the Company is situated in Bangladesh. Its principal business office is located at Al-Razi Complex (12th Floor), 166-167, Shahid Syed Nazrul Islam Sarani, Purana Paltan, Dhaka-1000, Bangladesh. The operation of the Company is being carried out through its 51 branches located different place in Bangladesh.

1.03 Principal Activities of the Company:

The Principal objects of the company is to carry out all kinds of insurance, guarantee and indemnity business other than life insurance business.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER RELEVANT INFORMATION:

2.01 The Company has adopted relevant International Financial Reporting Standards (IFRSs) with reference to disclosures of accounting policies and notes to the financial statements.

2.02 Basis of Accounting:

The financial statements have been prepared on the basis of going-concern concept under historical cost convention in accordance with International Financial Reporting Standards (IFRSs).

2.03 Basis of Presentation:

The balance sheet has been prepared in accordance with the regulations as contained in part I of the First Schedule and as per Form 'A' as set forth in part II of that Schedule and the revenue account of each class of general insurance business has been prepared in accordance with the regulations as contained in part I of the Third Schedule and as per Form 'F' as set forth in part II of that Schedule of the Insurance Act, 2010. The Classified summary of the assets is prepared in accordance with Form "AA" of part II of the First Schedule of the said Act.

2.04 Reporting:

The financial Statements of the company cover from January 01, 2020 to September 30, 2020.

2.05 Going Concern:

The financial statements of the entity have been prepared by the management considering the entity as a going concern and the entity is optimistic to continue its business operation for the foreseeable future.

2.06 Branch Accounting:

The Company has 54 branches without having any overseas branch up to the Quarter end September 30, 2020. The financial statements of branches are maintained at the Head office level. Only Petty cash books are maintained at the branch for meeting day to day expenses. During 2020 through the operation of 55 offices (Including Head Office) the gross premium income earned by the Company was to Tk.60,55,11,396 including Public Sector business of Tk 7,66,67,063 after ceding for re-insurance premium, the net premium for the year amounted to Tk 41,75,81,024 and after charging direct expenses there from the net underwriting profit stood at Tk 8.10.56.551.

2.07 Statement of Cash Flows:

Statement of Cash Flows is prepared in accordance with IAS 7: "Statement of Cash Flows". The Statement of Cash Flows shows the structure of and changes in cash and cash equivalents during the financial year. Cash and Cash equivalents include notes and coins on hand, unrestricted balance held with the commercial banks. It is broken down into operating activities, investing activities and financing activities. The direct method is used to show the cashflows operating activities. According to IAS 7: "Statement of Cash Flows", Cash comprises cash in hand and cash equivalents are short term, highly liquid investment that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Considering the provisions of IAS 7 and IAS 1, cash in hand, fixed deposits and bank balances have been considered as cash and cash equivalents.

2.08 Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation as per IAS-16: "Property, Plant & Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties, interest and non refundable taxes.

2.09 Depreciation on Fixed Assets:

Depreciation on Tangible Fixed Assets are charged on diminishing balance method at rates varying from 2.5% to 30% depending on the estimated useful life of the Assets. Depreciation on additions to Fixed Assets are charged from the date of acquisition and depreciation is charged to the date of disposal of assets. Gain or loss arising on the disposal or the retirement of asset is determined as the difference between the sale proceeds and the carrying amount of the asset and recognised in the profit and loss account.

2.10 Impairment of Assets:

As required by IAS-36 'Impairment of Assets' the company carried out an impairment test at the end of reporting period to ascertain impairment loss relating to an asset to recognise and disclose the same in the financial statements. But no impairment loss has been arisen in such test to recognise in the financial statements.

2.11 Public Sector Business:

The Company's share of Public Sector business for 4 quarters for the period from 1st July, 2018 to 30th June, 2019 received from Sadharan Bima Corporation and other insurance companies has been incorporated in the Company's account for the year ended 31st December, 2019. This system of accounting of public sector business is being followed consistently.

2.12 Statement of Changes in Equity:

The statement of changes in equity is prepared in accordance with IAS 1: "Presentation of Financial Statements".

2.13 Revenue Recognition:

The revenue is recognized after satisfying the relevant condition for revenue recognition as provided in IFRS 15: "Revenue from contracts with customers" in compliance with IFRS 4 "Insurance Contract". Detailed income wise policy for revenue recognition is given as under:

a) Premium Income:

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

b) Interest on Statutory Investments:

Interest on statutory investment is amounted for on accrual basis.

c) Gain or Loss on sale of Shares and Debentures:

Gain or Loss on sale of shares and debentures and dividend income during the year have been shown in the Profit and Loss Account and the tax relief as well as the concession rate of tax as availed under the existing income tax law have been given effect in the financial statements.

2.14 Management Expenses:

Management expenses as charged to Revenue Accounts amount of Tk. 192,044,019 is approximately 28.15% of gross premium of Tk.68,21,78,459. The expenses have been apportioned 29.36% to Fire, 47.76% to Marine, 12.89% to Motor and 9.98% to Miscellaneous business as per management decision. The limited of management expenses as per insurance rule is followed and it is under control.

2.15 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 relate 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 have been made @ 100% on net premium income.

(b) Operational Risk:

This is in association of all departmental effort within the company to ensure the 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 in 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 share 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 outline by the amount of risk, which can be ceded to other re-insurance. 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.

(f) 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.

(f) Credit Risk:

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

(f) **Default Risk:**

This 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.

(f) **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.

2.16 Provision for Unexpired Risks:

Before arriving at the surplus of each class of business necessary provision for un-expired risk have been created at the rate of 40% of all business except on Marine Hull business for which the provision was made @ 100% of the total net premium for the year 2019

2.17 Provision for Income Tax:

Provision for Income Tax have been made as per Income Tax Ordinance 1984 and Financial act-2019 on taxable income of the company.

2.18 Deferred Tax

The company has recognised deferred tax as per IAS-12 "Income Taxes". Accordingly, deferred tax liability/assets is accounted for all temporary differences arising between the tax base of the assets and liabilities and their carrying value for financial reporting purpose. Deferred tax is computed at the applicable tax rate on the company.

2.19 Reserve for Exceptional Loss:

Reserve for Exceptional loss was created up to 2013 to meet the future loss from claim or other reason as decided by the Board. There was no provision taken for Reserve for Exceptional Losses during this year.

2.20 General Reserve:

The Company creates a general reserve from the year 2007 for an amount of Tk. 4,000,000 on profit to avoid future contingency.

2.21 Employees Benefit:

The Company operates a contributory provident fund for its permanent employees from the year 2008 which is approved by the National Board of Revenue. The fund is administered by a board of trustees and funded by equal contribution from the company and the employees. The fund is invested separately from the company's assets.

2.22 Earning per Share (EPS):

The company has calculated earning per share (EPS) in accordance with IAS-33 as adopted by ICAB : "Earning per Share" which has been shown on the face of Profit and Loss Account and the computation of EPS is stated in Note

a) **Basic Earnings:**

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

b) **Basic Earnings per Share:**

This has been calculated by dividing the basic earning by the weighted average number of ordinary shares outstanding during the year.

c) **Dilated Earnings per Share:**

This has been calculated by dividing the basic earning previous year by the weighted average number of ordinary shares outstanding during the year.

2.23 Outstanding Premium:

The outstanding premium appearing in the accounts represents only the amount which relates to the accounting period in the form of cash and cheques in hand and in line with the system followed by the company.

2.24 Use of Estimate:

Preparation of financial statements in conformity with International Accounting Standards (IASs) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities if any at the date of the financial statements, and revenues and expenses during the year reported. Actual result could differ from those estimates. Estimates are used in accounting for certain items such as depreciation, outstanding claims, taxes, reserves etc.

2.25 Basis of Recognition of Income in Respect of Premium Deposits:

Amounts received against Cover notes, which have not been converted into policy are recognised as Income before the Cover notes and are converted into policy on expiry of period not exceeding six months in accordance with the Controller of Insurance Circular.

2.26 Lease:

Financial Reporting Principles IFRS 16 Leases effective from annual periods beginning on or after January 1, 2019 has changed how the company accounts for its lease contracts. The company leases a number of office space in addition to service sites. Before the adoption of IFRS 16, all lease contracts were classified as operating leases. IFRS 16 requires all contracts that contain a lease to be recognized on the balance sheet as a right-of-use asset and lease liability. Only certain short-term and low-value leases are exempted. In compliance with the standard, the company has elected to use the recognition exemptions in the standard for short-term leases and leases of low value items. In such cases the lease are accounted for as short term leases and the lease payments associated with them are recognized as an expenses from short term lease.

2.27 Investment in Shares:

Investment in shares is recognised at cost and subsequently measured at fair value and any change in the fair value is recognised in the profit and loss account for the period in which it arises as per IFRS-9 "Financial

2.28 Components of the Financial Statements:

As per Insurance Act-2010 section 27 and following the IAS-1 "Presentation of Financial Statements" (as applicable), the company's complete set of financial statements includes the following components:

- a) Statement of Financial position (Balance Sheet) as at September-30, 2020
- b) Profit and Loss Appropriation Account for the quarter ended September 30, 2020.
- c) Statement of Comprehensive Income (Profit and Loss Account) for the quarter ended September 30, 2020.
- d) Revenue Accounts for specific class of business for the quarter ended September 30, 2020.
- e) Statement of Cash Flows for the quarter ended September 30, 2020.
- f) Statement of Changes in Equity for the quarter ended September 30, 2020.
- g) Notes to the financial statements and significant accounting policies as at & for the quarter ended September 30, 2020.

2.29 General:

- a) Figures in the financial statements are presented in Bangladeshi Taka which is the companies functional and presentational currency.
- b) Figures have been rounded off to the nearest Taka.
- c) Previous year's figures have been rearranged whenever considered necessary to ensure comparability with the current year.

Amount in Taka

	<u>Sep-20</u>	<u>2019</u>
	Taka	Taka

3. NATIONAL INVESTMENT BOND:

Duration s	Issue date	Maturity date	Bank name	Rate (%)	Taka Sep-20	2019
10 Years	16.07.2014	16.07.2024	Prime Bank Ltd.	11.59	9,000,000	9,000,000
10 Years	13.03.2013	13.03.2023	Mercantile Bank Ltd.	12.10	16,000,000	16,000,000
					25,000,000	25,000,000

The amount represents investment in National Investment Bond against statutory deposit under Insuran

4. INVESTMENTS IN SHARE

Details are given below:

Name of the Company	No of Share	Cost Price per share	Total Cost	Market Price per share as on 30.09.2020	Total Market Price as on 30.09.2020
Fareast life insurance Ltd.	71,368	79.72	5,689,175	55.10	3,932,377
Green Del MF	500,000	10.00	5,000,000	7.90	3,950,000
MBL 1st mutual fund	250,000	10.00	2,500,000	7.40	1,850,000
Meghna life insurance Ltd.	22,411	179.79	4,029,276	68.40	1,532,912
Padma Oil Ltd.	11,200	341.42	3,823,925	213.40	2,390,080
Pubali Bank Ltd.	70,364	53.78	3,784,520	24.10	1,695,772
S Alam steel	108,900	77.11	8,396,956	22.10	2,406,690
SP ceramics Ltd.	40,807	66.01	2,693,784	16.20	661,073
Summit power Ltd.	48,760	46.94	2,288,748	42.30	2,062,548
Total	1,123,810		38,206,382		20,481,453

Value of shares have been shown at cost. Provision has been made for an amount of Tk. 18290682 due to fall in market price. In view of the fact that the aggregate market value of the shares as on September 30, 2020, is lower than total cost price.

5. INTEREST RECEIVABLE

Opening Balance	8,778,367	270,988
Add: Interest income during the year	<u>21,409,722</u>	<u>22,353,479</u>
	30,188,089	22,624,467
Less: Interest received during the year	<u>13,892,282</u>	<u>13,846,100</u>
Closing Balance	<u>16,295,807</u>	<u>8,778,367</u>

6. AMOUNTS DUE FROM OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS

These represent the amount receivable from insurance companies on account of co-insurance premium and claim as at December 31, 2019.

Amount due from Shadharon Bima Corporation :

Opening Balance	148,861,767	148,861,767
Add, Receivable from SBC against PSB	10,363,821	14,180,562
Add, Receivable from SBC against Claim	<u>159,225,588</u>	<u>163,042,329</u>
Less, Adjusted with SBC Account	<u>10,363,821</u>	<u>14,180,562</u>
	<u>148,861,767</u>	<u>148,861,767</u>

7. SUNDRY DEBTORS

Advance against office rent
Advance against other parties
Deposit clearing
Advance against salary
Collection control A/C, Note-7.1
Advance for automation
Rent receivable

Amount in Taka	
Sep-20	2019
Taka	Taka
5,641,467	5,771,900
30,000	1,270,000
40,351,482	41,033,556
506,516	401,500
207,786,067	267,969,415
1,933,330	1,933,330
1,347,840	1,347,840
Total	Total
257,596,702	319,727,541

8. CASH & BANK BALANCES

Cash in hand:

Head office
Branch offices

439,522	399,356
254,120	189,610
693,642	588,966

Cash at bank:

STD
Current deposit

39,689,226	27,553,360
3,564,371	4,183,772
43,253,597	31,737,132
392,000,000	321,000,000
435,253,597	352,737,132
Total	Total
435,947,239	353,326,098

FDR

Amount in Taka

9 FIXED ASSETS

Particulars	Cost			Rate (%)	Depreciation				Written Down Value as on 30.09.2020
	Balance as on 01.01.2020	Addition during the year	Adjustment during the year		Balance as on 01.01.2020	Charged during the year	Adjustment during the year	Balance as on 30.09.2020	
Office Space	69,903,220	20,000		2.5	10,374,833	1,116,296		11,491,129	58,432,091
Furniture & Fixture	6,610,578	923,597		10	3,576,035	254,546		3,830,581	3,703,594
Motor Vehicles	53,798,584	73,080		20	24,951,682	4,334,694		29,286,376	24,585,288
Office Decoration	13,394,238	386,947		20	10,877,069	404,882		11,281,951	2,499,234
Computer	6,943,755	712,481		30	4,641,405	595,831		5,237,236	2,419,000
Air Conditioner	3,347,408	105,248		15	1,733,110	189,783		1,922,893	1,529,763
Office Equipment	6,839,364	902,382		15	3,933,483	326,912		4,260,395	3,481,351
Total as on 30-09-20	160,837,147	3,123,735	-		60,087,617	7,222,944	-	67,310,561	96,650,321
Total as on 30-09-2019	106,255,663	24,883,324	1,477,557		50,229,509	5,875,255	1,092,645	55,012,120	74,649,310

10. SHARE CAPITAL

Amount in Taka
Sep-20 2019

Detailed break up of shareholders capital is as below:

a) Authorised capital:		
100,000,000 Ordinary shares of Tk. 10 each	1,000,000,000	1,000,000,000
b) Issued, subscribed and paid-up capital		
3,86,20,727 Ordinary shares of Tk. 10/- each	386,207,270	386,207,270

During the year 2019 the company has paid stock dividend by issuing 1,83,90,823 ordinary shares of Tk. 10 each against retained earnings of 2018.

The Category-wise share holding position as on 31 December, 2019 is as under:

Category of Shareholders	No. of Shares	(%) of Holding	Amount in Taka
Sponsor (Group-A)	591,185	1.53	5,911,850
Sponsor Director (Group-A)	10,480,430	27.14	104,804,300
General Public Shareholder Directors (Group-B)	2,576,446	6.67	25,764,460
Independent Director (Group-B)	136,396	0.35	1,363,960
Financial & Other Institution (Group-B)	4,638,991	12.01	46,389,910
General Public (Group-B)	20,197,279	52.30	201,972,790
TOTAL	38,620,727	100	386,207,270

Classification of Shareholders as per share holdings: Group-A

S/N	Class Interval	No. of Shares	No. of Shareholders	Share Holdings (%)	(%) of Total Paid up Capital
1	01-500			0.00	0.00%
2	501-5,000			0.00	0.00%
3	5,001-10,000	8,154	1	0.07	0.02%
4	10,001-20,000			0.00	0.00%
5	20,001-30,000			0.00	0.00%
6	30,001-40,000			0.00	0.00%
7	40,001-50,000			0.00	0.00%
8	50,001-1,00,000			0.00	0.00%
9	1,00,001-10,00,000	8,605,785	11	77.73	22.28%
10	10,00,001-Over	2,457,676	2	22.20	6.36%
	Total	11,071,615	14	100.00	28.67%

Classification of Shareholders as per share holdings: Group-B

S/N	Class Interval	No. of Shares	No. of Shareholders	Share Holdings (%)	(%) of Total paid up capital
1	01-500	250,822	1637	0.91	0.65%
2	501-5,000	3,658,362	1954	13.28	9.47%
3	5,001-10,000	2,534,940	334	9.20	6.56%
4	10,001-20,000	2,952,747	204	10.72	7.65%
5	20,001-30,000	1,792,724	71	6.51	4.64%
6	30,001-40,000	1,457,561	41	5.29	3.77%
7	40,001-50,000	1,010,477	22	2.62	2.62%
8	50,001-1,00,000	2,841,852	38	10.32	7.36%
9	1,00,001-10,00,000	8,901,239	30	32.31	23.05%
10	10,00,001- Over	2,148,388	2	7.80	5.56%
	Total	27,549,112	4333	100.00	71.33%
	GRAND TOTAL	38,620,727	4347		100.00%

		Amount in Taka	
		Sep-20	2019
11. RETAINED EARNINGS			
Balance brought forward from last year		19,540,531	(44,845)
Add: Net profit during the year after Tax & WPPF		40,773,035	38,895,739
		60,313,565	38,850,894
Less: Reserve for exceptional losses		-	-
		60,313,565	38,850,894
11.1 BALANCE BROUGHT FORWARD FROM LAST YEAR			
Net profit before dividend		38,850,894	18,345,975
Less: Dividend paid		19,310,364	18,390,820
		19,540,531	(44,845)
12. PREMIUM DEPOSIT			
		10,274,102	9,876,712
The amount represents the un-adjusted balance of premium as received against cover notes over the years for which policies have not been issued within December 31, 2019.			
13. LOANS & OVERDRAFT			
Loans (13.1)		44,891,864	65,159,619
Car Loan		4,826,745	5,758,819
Margin Loan from Marcantile Bank Securities Ltd.		22,139,860	22,538,000
Total		71,858,469	93,456,438
13.1 Loans			
United Commercial Bank Ltd., A/c No-107174800037			9,987,297
United Commercial Bank Ltd., A/c No-107174800028		23,489,435	25,340,859
United Commercial Bank Ltd., A/c No-107174800039		21,402,429	23,627,827
SOD Loan (EXIM Bank, Paltan Branch)		-	-
Mercantile Bank Ltd., A/c no-11337150448835			6,203,636
Sub-Total		44,891,864	65,159,619
13.2 SOD Loan (UCBL & MBL, Bijoy Nagar Branch)			
SOD loan account no-1071748000000028:- SOD Limit of Tk. 250.00 Lac have been obtained from United			
(a) Commercial Bank Ltd.(UCBL) Bijoy Nagar Branch against security of lien FDR valuing Tk.312.50 lac. Rate of Interest 2% of above FDR .			
SOD loan account no-1071748000000039:- SOD Limit of Tk. 230.00 Lac have been obtained from United			
(b) Commercial Bank Ltd.(UCBL) Bijoy Nagar Branch against security of lien FDR valuing Tk.289.00 lac. Rate of Interest 2% of above FDR .			

14. Deferred Tax Liability

	Amount in Taka	
	Sep-20	2019
Opening Balance	6,259,252	2,169,913
Add, Provision made during the year		4,089,339
	6,259,252	6,259,252
Less, Adjusted during the year	315,679	
Closing Balance	5,943,573	6,259,252

Calculation of Deferred Tax :

Particulars	Account Base	Tax Base	Difference	Applicable Rat	Deferred Tax	Deferred Tax
Fixed Assets	96,650,321	80,800,792	15,849,529	37.50%	5,943,573	6,259,252
		-	-		-	
Total					5,943,573	6,259,252

15. ESTIMATED LIABILITY IN RESPECT OF OUTSTANDING CLAIMS WHETHER DUE OR INTIMATED

Fire	18,698,143	16,839,422
Marine (Cargo)	11,166,138	7,687,972
Miscellaneous (Motor)	8,670,352	4,196,805
Miscellaneous	3,830,000	3,830,000
Total	42,364,633	32,554,199

16. AMOUNTS DUE TO OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS

Shadharon Bima Corporation :	41,238,930	58,719,298
Opening Balance	58,719,298	97,875,470
Add, Ceded in this year	44,560,179	111,897,738
	103,279,477	209,773,208
Less, Paid in this year	51,676,726	37,194,336
Less, Adjustment with Claim paid		99,679,012
Less, Adjustment with PSB	10,363,821	14,180,562
Closing Balance	41,238,930	58,719,298

17. SUNDRY CREDITORS

Provision for office rent		62,600	62,600
Provision for audit fee		864,250	864,250
Provision For Utility and Telephone Bills		123,757	123,757
VAT deducted at source		274,668	274,668
Salary income tax payable		242,900	242,900
Income tax deduction (Office rent)		24,106	24,106
Security deposit against office rent		800,536	800,536
I.T. deduction at source		121,931	121,931
GIL foundation		5,000	5,000
Share application money refundable		830,699	830,699
Provision for loss on investment in shares	Note No-19	17,724,929	19,800,369
Provision for Salary & Allowance		22,556,786	19,350,665
Provision for employees Contribution(P.F)			
Claim payable to party		76,797,646	76,797,646
Payable to Other party			4,877,812
Provision for profit bonus		4,250,000	4,250,000
Provision for WPPF		946,208	1,981,128
Premium VAT payable		8,672,655	7,877,655
Provision for company's Contribution(P.F)		270,409	270,409
Income tax payable , Note no-24		14,843,843	16,068,977
Total		149,412,923	154,625,108

18. Provision for unrealised Investment in Share

Opening Balance	19,800,369	16,538,255
Less: Provision written back (Due to rise in market price)	2,075,440	-
	17,724,929	16,538,255
Add: Provision Made (Due to fall down in market price)		3,262,114
Closing Balance	17,724,929	19,800,369

19. PREMIUM INCOME LESS RE-INSURANCE

Business	Gross Premium			Re-Insurance ceded	Net Premium	Net Premium
	Private	Public	Total			
Fire	167,363,115	8,509,608	175,872,723	86,037,173	89,835,550	86,204,571
Marine	268,315,244	20,900,911	289,216,155	106,955,283	182,260,872	232,422,849
Motor	57,044,193	2,365,214	59,409,407	1,282,691	58,126,716	72,476,531
Miscellaneous	25,635,009	22,430,105	48,065,114	24,550,378	23,514,736	26,477,073
Total	518,357,561	54,205,838	572,563,399	218,825,525	353,737,874	417,581,024

20. EXPENSES OF MANAGEMENT

The expenses have been charged to Revenue Accounts on product basis of Gross Premium earned or direct business as under:

Fire	30.79	66,053,085	56,389,550
Marine	50.45	108,236,134	91,721,113
Motor	10.37	22,252,942	24,749,249
Miscellaneous	8.39	18,014,368	19,184,107
Total	100%	214,556,530	192,044,019

SI	Head of Accounts	Sep-20	2019
1	Bank charges	245,066	436,669
2	Books, papers & periodicals	191,042	121,166
3	Brokerage commission	500	-
4	Car Allowance	3,816,780	5,306,072
5	Car fuel	246,924	259,029
6	Car maintenance	1,463,308	1,875,376
7	Conveyance	1,706,687	1,761,078
8	Cookeries	2,370	1,820
9	Electricity & WASA expenses	856,509	1,871,007
10	Entertainment	8,017,960	2,233,181
11	Fee and Charges	1,718,240	574,787
12	Festival & Incentive	17,781,513	13,132,391
13	Group Insurance Premium	1,755,969	-
14	Insurance premium Car	2,691	99,068
15	Internet Bill	770,388	946,136
16	Office maintenance	1,866,341	2,484,322
17	Office rent, rates & taxes	6,916,775	10,667,796
18	New Year celebration	34,482	271,892
19	PF Contribution	1,728,356	2,298,202
20	Postage, revenue stamps & telegram	484,555	663,928
21	Printing & stationery	8,640,031	5,457,665
22	Salary & allowances	148,070,827	123,632,556
23	SBC expenses on PSB	4,105,126	5,803,181
24	Office Service charges	347,505	602,806
25	Surveyor Fees	1,044,223	2,542,367
26	Telephone & telex	1,936,263	2,440,654
27	Training Fee	46,400	404,663
28	Traveling	479,059	807,549
29	Uniform	-	215,608
Sub Total		214,275,890	186,910,969
Insurance Stamp Expenses			
1	Fire	234,550	397,500
2	Marine		
3	Motor	19,590	4,510,900
4	Miscellaneous	26,500	224,650
Sub Total		280,640	5,133,050
Total Expenses		214,556,530	192,044,019

	Amount in Taka	
	Sep-20	2019
21. DIRECTORS FEE	1,104,000	2,903,000

During the year under review an amount of Tk.29,03,000 was paid to the Directors of the company as Board and committee meeting attendance fee.

22. INTEREST INCOME

Interest on National Investment Bond (NIB)	2,979,100	2,979,100
Interest on Fixed Deposit	19,271,257	19,271,257
Interest on STD	103,122	103,122
Total	22,353,479	22,353,479

23. EARNING PER SHARE (EPS)

The earning per share of the company is as follows:

Earning attributable to ordinary share holders (Profit after tax & WPPF)	41,088,714	38,895,739
Weighted average number of ordinary shares outstanding during the y	38,620,727	38,620,727
EARNING PER SHARE (EPS) (Restated-2019)	1.06	1.01

24. Net Assets Valu Per Share (NAV)

Net Assets Valu per share of the company is as follows:

Net Assets	514,966,611	474,193,576
Weighted average number of ordinary shares outstanding during the y	38,620,727	38,620,727
Net Assets Valu Per Share (NAV)(Restated-2019)	13.33	12.28

25. Net Operating Cash Flow Per Share (NOCFPS)

Net Operating Cash Flow per share of the company is as follows:

Cash Flows from Operating Activities – Preferred Dividends	111,882,020	140,064,354
Weighted average number of ordinary shares outstanding during the y	38,620,727	38,620,727
Net Operating Cash Flow Per Share (NOCFPS) (Restated-2019)	2.90	3.63

26. Key management personnel compensation:

As per IAS-24 paragraph 17 "Related Party Disclosure" the company has not any key management personnel compensation each of the following categories:

- a) Short-term employee benefits;
- b) Post -employment benefits;
- c) Other long -term benefits;
- d) Termination benefits; and
- e) Share based payment.

27. Related Party transactions:

As per International Accounting Standards: 24 Related Party Disclosures, parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The company has not any related party transaction during the periods covered by the financial statements.

28. Current Tax assets/(Liability):

Provision for income tax	Note-28.1	228,369,976	204,045,679
IncomeTax Paid in advance	Note-28.2	213,526,133	187,976,702
		<u>14,843,843</u>	<u>16,068,977</u>

28.1 Provision for income tax:

Opening Balance	204,045,679	178,656,456
Add. Provision made during the year	24,324,297	25,389,223
	<u>228,369,976</u>	<u>204,045,679</u>
Less: Adjustment on completion of assessment	-	-
Closing Balance	<u>228,369,976</u>	<u>204,045,679</u>

28.2 Provision for income tax consists of the following:

Income year-2005(AY:-2006-2007)	16,176,903	16,176,903
Income year-2006(AY:-2007-2008)	6,200,363	6,200,363
Income year-2007(AY:-2008-2009)	7,094,131	7,094,131
Income year-2008(AY:-2009-2010)	9,661,284	9,661,284
Income year-2009(AY:-2010-2011)	4,486,640	4,486,640
Income year-2010(AY:-2011-2012)	4,937,744	4,937,744
Income year-2011(AY:-2012-2013)	12,986,800	12,986,800
Income year-2012(AY:-2013-2014)	18,837,088	18,837,088
Income year-2013(AY:-2014-2015)	21,821,380	21,821,380
Income year-2014(AY:-2015-2016)	22,901,711	22,901,711
Income year-2015(AY:-2016-2017)	20,358,489	20,358,489
Income year-2016(AY:-2017-2018)	11,795,662	11,795,662
Income year-2017(AY:-2018-2019)	9,653,370	9,653,370
Income year-2018(AY:-2019-2020)	11,744,891	11,744,891
Income year-2019(AY:-2020-2021)	25,389,223	25,389,223
Income year-2020(AY:-2020-2021)	24,324,297	
Total	<u>228,369,976</u>	<u>204,045,679</u>

28.3 Income tax paid in advance:

Opening Balance	187,976,702	172,368,970
Add. Tax paid during the year	25,549,431	15,607,732
	<u>213,526,133</u>	<u>187,976,702</u>
Less: Adjustment on completion of assessment	-	-
Closing Balance	<u>213,526,133</u>	<u>187,976,702</u>

28.4 Income Tax Paid in Advance:

Direct Income Tax paid	24,194,947
Tax deduct at source:	
From FDR interest	1,031,490
From dividend income	99,660
From Others	223,334
Total	<u>25,549,431</u>

28.5 Income tax paid consists of the following:

Income year-2005(AY:-2006-2007)	8,297,547	8,297,547
Income year-2006(AY:-2007-2008)	6,185,042	6,185,042
Income year-2007(AY:-2008-2009)	5,234,917	5,234,917
Income year-2008(AY:-2009-2010)	7,500,813	7,500,813
Income year-2009(AY:-2010-2011)	5,190,099	5,190,099
Income year-2010(AY:-2011-2012)	6,122,069	6,122,069
Income year-2011(AY:-2012-2013)	15,121,518	15,121,518
Income year-2012(AY:-2013-2014)	19,654,852	19,654,852
Income year-2013(AY:-2014-2015)	22,251,812	22,251,812
Income year-2014(AY:-2015-2016)	23,249,371	23,249,371
Income year-2015(AY:-2016-2017)	21,528,077	21,528,077
Income year-2016(AY:-2017-2018)	12,089,221	12,089,221
Income year-2017(AY:-2018-2019)	8,198,741	8,198,741
Income year-2018(AY:-2019-2020)	11,744,891	11,744,891
Income year-2019(AY:-2020-2021)	15,607,732	15,607,732
Income year-2020(AY:-2020-2021)	25,549,431	
Total	213,526,133	187,976,702

29 Taxable Income and Income Tax Liability

Net income as per Profit & Loss Account 65,097,331

Less: Reserve for Exceptional Loss
(Exempted from Tax as per 4th Schedule
Clause# 6 (2) of ITO 1984)

Total Income: 65,097,331

Less:

Other Income (Misc. Income)

Office Rent Income

Interest Income 22,353,479

Dividend Income 498,300

Provision for loss on Investment in share 2,075,440

Profit on sale of Assets

Profit on sale of Shares of Listed Companies 24,927,219

Income/(loss) from Insurance Business 40,170,112

Computation of Income Tax:

1) Tax on Business Income @ 37.5% 15,063,792

2) Tax on Other Income @ 37.5% -

3) Tax on Office Rent Income @ 37.5% -

4) Tax on Interest Income @ 37.5% 8,382,555

5) Tax on Dividend Income @ 20% 99,660

6) Tax on provision on investment in share @ 37.5% 778,290

7) Tax on Capital gain @ 37.5% -

8) Tax on profit on sale of share of listed company @ 37.5% 24,324,297

Income Tax liability for the year 24,324,297

30 Provision For WPPF

Particulars	Amount in Taka	
	Sep-20	2019
Balance as on 1st January	1,981,128	4,406,058
Add, Provision made during the year	-	-
	1,981,128	4,406,058
Less, Payment & Adjustment during the year	1,034,920	2,424,930
Closing Balance of WPPF	946,208	1,981,128

As per letter no:-BIA-3(91)/2019-512 date- 26/12/2019 from Bangladesh Insurance Association and bank and financial institution division ministry of finance bangladesh latter no- 53.00.0000.311.22.002.17-130 dated 14/02/2017 no provision was made for this financial year.

31 Provision for profit bonus

Balance as on 1st January	4,250,000	-
Add, Provision made during the year	-	4,250,000
	4,250,000	4,250,000
Less, payment & Adjustment during the year	-	-
Closing Balance	4,250,000	4,250,000

As per board approval, one month basic salaries of all employees are paid each year as profit bonus for which provision has been made.

32 Cashflow from operating activities under indirect method

Net profit before tax	65,097,331	68,374,300
Add: Adjustment for non-cash item		
Depreciation	7,222,944	7,522,111
Profit on sale of assets	-	(469,960)
	72,320,275	75,426,451
Changes in Working capital:		
Increase/(Decrease) of interest receivable	(7,517,440)	(8,507,379)
Increase/(Decrease) Amount due from other	-	-
Increase/(Decrease) of Sundry debtors	62,130,839	(70,943,228)
Increase/(Decrease) of Stationery	76,421	(508,211)
Increase/(Decrease) of Stamp in hand	48,064	(585,564)
Increase/(Decrease) of Balance of fund and accounts	15,644,636	88,393,397
Increase/(Decrease) of premium deposit	397,390	7,655,677
(Increase)/Decrease of Estimated liability in respect of outstanding claims, where due or intimation	9,810,434	(15,214,480)
(Increase)/Decrease amount due to other persons or bodies carrying on insurance business	(17,480,368)	(39,156,172)
(Increase)/Decrease of Sundry creditor and others	(3,987,051)	107,784,041
	59,122,926	68,918,081
Tax paid during the year	(25,549,431)	(15,607,732)
Interest expense	4,539,174	11,327,553
	110,432,944	140,064,354

33 CONTINGENT LIABILITIES

a) Income Tax:

The Income Tax Authority has claimed Tk. 143,890,446 for the assessment year 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 & 2017-18 in excess of income tax paid for the respective years. However, the company filed a writ with the Honorable High Court for the assessment year 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16 and appeal to appellate tribunal for the assessment years 2016-17 and appeal to appellate for the year 2017-18. The Honorable High Court given decision in

34 BOARD MEETING

During the year 2019 the Company had 17 members Board of Directors and held 06 Board meetings. Board of Directors of the Company has formed other Committees and Sub-committees like Executive Committee, Claims Committee and Audit Committee. Regular meetings of those Committees were also held during the current year.

35 EMPLOYEES

Total number of employees of the company is 630. None of them received salary below Tk. 5,000 per month. There was no credit facility available to the company under any contract availed of as on 31st December, 2019 other than trade credit available in the ordinary course of business.

36 EVENTS AFTER THE REPORTING PERIOD :

- (i) There was no significant event that has occurred between the balance sheet date and the date when the financial statements are authorized for issue by the Board of Directors except the following:

Proposed stock Dividend: Tk

The Board of Directors has recommended for payment of stock dividend to the amount of Tk. 00,000,000 @ 00% on paid up capital out of the surplus available for distribution at the end of the year 2019, as decided by the Board of Director in their meeting held on *****, which is subject to the approval of shareholders in the forthcoming Annual General Meeting of the company.

37 Impact of Covid-19:

Subsequent to year-end, on 11 March 2020, World Health Organization (WHO) declared a global pandemic due to Corona Virus related respiratory disease commonly called as COVID-19. To contain the spread of this disease, along with many other countries of the world, Government of Bangladesh has also taken a number of measures such as declaration of general holiday, enforcement of lock down, social distancing etc. As a result of these measures, all business and economic activities were adversely affected and those also impacted the insurance company as well. Management considered COVID-19 as a subsequent event and in accordance with IAS 10 this is a non-adjusting event (i.e. an event after the reporting period that is indicative of a condition arising after the end of the reporting period); because the significant changes in business activities and economic conditions as a result of COVID-19 had taken place well after the reporting date of 31 December 2019. Although the business operation and profitability of the Insurance were affected due to COVID-19, the situation is constantly changing and there is no certainty at present as to how long the situation will prevail. The potential impact of COVID 19 related matters on the Insurance's operation and financial results cannot be reasonably assessed. There is no impact of the stimulus packages declared by Government of Bangladesh for the industries in Bangladesh to the financial statements of the Insurance for the financial year ended 31 December 2019 regarding COVID-19.