

**AUDITORS' REPORT TO THE SHAREHOLDERS OF  
"PROVATI INSURANCE COMPANY LIMITED"**

We have jointly audited the annexed Statement of Financial Position of **PROVATI INSURANCE COMPANY LIMITED** as of 31st December, 2015 and the related Fire, Marine Cargo, Marine Hull, Motor and Miscellaneous Insurance Revenue Accounts as well as Statement of Comprehensive Income, Income Appropriation Account, Statement of Changes in Equity, the related Statement of Cash Flows for the year then ended and notes to the Financial Statements in which the returns from the branch offices certified by the branch managers have been incorporated. The preparation of these Financial Statements is the responsibility of the Company's management. Our responsibility is to express an independent opinion on these Financial Statements based on our audit.

**Scope:**

We conducted our audit in accordance with Bangladesh Standards on Auditing (**BSA**). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion.

**Opinion:**

In our opinion, the Financial Statements prepared in accordance with Bangladesh Financial Reporting Standards (**BFRS's**) including Bangladesh Accounting Standards (**BAS's**) give a true and fair view of the state of the company's affairs as of 31st December, 2015 and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act, 1994, the Insurance Act, 1938, Insurance Rules 1958, the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

We also report that:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- iii) The company's statement of financial position and revenue accounts and its cash flows dealt with by the report are in agreement with the books of account and returns;
- iv) The expenditure incurred was for the purposes of the company's business;
- v) The Statement of Financial Position and the Revenue Account have been prepared in accordance with the regulations contained in Part I and Part II (Form A) of the First Schedule and Part I and Part II (Form F) of the Third Schedule of Insurance Act, 1938. As per regulation 11 of Part I of the Third Schedule of the Insurance Act, 1938 as amended, we certify that to the best of our information and as shown by its books, the Company during the period under report has not paid any person any commission in any form outside Bangladesh and that the Company during the year under report has not received outside Bangladesh from any person any commission in any form in respect of any of its business re-insured abroad;
- vi) As per Section 40-C (2) of the Insurance Act, 1938 as amended, we certify that to the best of our knowledge and belief and according to the information and explanations given to us, all expenses of Management wherever incurred whether directly or indirectly, in respect of Fire, Marine Cargo, Marine Hull, Motor and Miscellaneous Insurance businesses 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.

Dated: 27th April, 2016  
Place: Dhaka, Bangladesh

A. Hoque & Co.  
Chartered Accountants

**PROVATI INSURANCE COMPANY LIMITED**

**STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2015**

Particulars	Notes	Amount in Taka	
		31-12-2015	31-12-2014
<b>Capital and Liabilities:</b>			
<b>Share Capital:</b>			
Authorized Share Capital	20	125,00,00,000	125,00,00,000
Issued, Subscribed and Paid up Capital	21	26,43,51,240	23,60,27,900
<b>Reserve or Contingency Account</b>	22	<b>16,55,41,665</b>	<b>14,52,00,670</b>
Reserve for Exceptional Losses		12,95,80,784	11,37,23,035
Retained Earnings		3,34,60,881	2,89,77,635
Investment Fluctuation Reserve		25,00,000	25,00,000
<b>Total Shareholders' Equity</b>		<b>42,98,92,905</b>	<b>38,12,28,570</b>
<b>Balance of Funds and Accounts:</b>	23	<b>12,68,79,061</b>	<b>9,99,74,628</b>
Fire Insurance Revenue Account		5,85,44,802	4,66,07,667
Marine Cargo Insurance Revenue Account		4,30,26,560	3,27,75,146
Marine Hull Insurance Revenue Account		28,448	2,76,484
Motor Insurance Revenue Account		2,12,65,471	1,58,05,498
Miscellaneous Insurance Revenue Account		40,13,780	45,09,833
Premium Deposits Account	24	1,98,00,426	1,70,50,500
<b>Liabilities and Provisions</b>		<b>20,75,13,172</b>	<b>18,96,26,215</b>
Sundry Creditors-Including Provision for Expenses and Taxes	25	9,01,60,615	7,58,32,722
Amount due to other persons or bodies carrying on Insurance Business	26	36,35,642	36,35,642
Deferred Tax Liability	27	94,852	1,14,780
Estimated liabilities in respect of outstanding claims whether due or intimated	28	11,36,22,063	11,00,43,071
<b>Total Shareholders' Equity and Liabilities</b>		<b>78,40,85,564</b>	<b>68,78,79,913</b>

Accounting Policies 6

The notes are integral part of the Financial Statements

Approved and authorized for issue by the board of directors on 27-04-2016 and signed for and on behalf of the Board.

Sd/  
MANAGING DIRECTOR

Sd/  
DIRECTOR

Sd/  
DIRECTOR

Sd/  
CHAIRMAN

As per our report of even date

Dated: 27th April, 2016  
Place: Dhaka, Bangladesh

A. Hoque & Co.  
Chartered Accountants

**PROVATI INSURANCE COMPANY LIMITED**

**STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2015**

Particulars	Notes	Amount in Taka	
		31-12-2015	31-12-2014
<b>Property and Assets:</b>			
<b>Investment:</b>		<b>4,28,81,442</b>	<b>4,03,61,747</b>
Investment-At cost (BGTB)	29	2,50,00,000	2,50,00,000
Investment in Shares	30	1,78,81,442	1,53,61,747
Interest Accrued but not Due	31	79,43,022	84,17,922
Amount Due from Other Persons or Bodies			
Carrying on Insurance Business	32	10,47,08,056	5,75,47,118
Sundry Debtors-Including Advances, Deposits & Prepayments	33	11,04,50,458	8,15,95,058
Cash and Bank Balances including FDR's	34	37,63,92,610	36,18,09,598
<b>Other Accounts:</b>	35	<b>14,17,09,976</b>	<b>13,81,48,470</b>
Fixed Assets -At Cost Less Depreciation		12,05,46,754	11,67,69,283
Building under Development		2,03,96,389	2,03,96,389
Stock of Printing & Stationery		7,66,833	9,82,798
<b>Total Property and Assets</b>		<b>78,40,85,564</b>	<b>68,78,79,913</b>

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**PROVATI INSURANCE COMPANY LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31ST DECEMBER, 2015**

Particulars	Notes	Amount in Taka	
		31-12-2015	31-12-2014
<b>Expenses of Management</b> -Not Applicable to any particular Fund or Account			
Directors' Fees		6,21,000	7,87,750
Meeting Expenses		27,340	53,750
Legal Expenses		31,800	22,150
Statutory Fees for Business License & Annual Registration		14,23,487	15,20,027
Advertisement & Publicity		2,90,684	2,64,895
Subscription & Donation		5,33,701	3,78,000
Professional Fees except Legal Fees		2,07,000	2,01,250
		<b>31,35,012</b>	<b>32,27,822</b>
Depreciation	35.01	70,74,119	73,27,781
Net Profit transferred to Profit & Loss App. Account		7,44,70,044	6,62,90,726
<b>Total</b>		<b>8,46,79,175</b>	<b>7,68,46,327</b>
Miscellaneous Income	36	2,96,398	0
Interest on FDR, STD and BGTB	37	3,05,50,077	3,52,53,481
Profit/(Loss) on Investment in Shares		(9,07,620)	11,68,637
Dividend Income		2,07,000	2,41,227
<b>Profit / (Loss) Transferred from:</b>		<b>5,45,33,320</b>	<b>4,01,82,984</b>
Fire Insurance Revenue Account		1,28,40,487	1,93,60,893
Marine Insurance Cargo Revenue Account		1,63,75,605	76,00,589
Marine Insurance Hull Revenue Account		98,058	7,98,552
Motor Insurance Revenue Account		1,97,55,534	1,21,41,090
Miscellaneous Insurance Revenue Account		54,63,636	2,81,860
<b>Total</b>		<b>8,46,79,175</b>	<b>7,68,46,329</b>

<b>Earning Per Share (EPS)</b>	44	1.93	1.64
<b>Price Earning Ratio (PER)</b>		6.74	10.66
<i>Accounting Policies</i>	6		

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Chartered Accountants

**PROVATI INSURANCE COMPANY LIMITED**

**INCOME APPROPRIATION ACCOUNT  
FOR THE YEAR ENDED 31ST DECEMBER, 2015**

Particulars	Notes	Amount in Taka	
		31-12-2015	31-12-2014
Balance brought forward from last year		2,89,77,635	2,53,44,321
Net Profit for the year before Tax		7,44,70,044	6,62,90,726
<b>Total</b>		<b>10,34,47,679</b>	<b>9,16,35,047</b>
Reserve for Exceptional Losses	22.01	1,58,57,749	1,24,76,092
<b>Income Tax Expenses:</b>		<b>2,33,50,891</b>	<b>2,29,06,567</b>
Current Tax	42	2,33,70,819	2,29,23,644
Deferred Tax	27(b)	(19,928)	(17,077)
Prior year's Adjustment		0	19,86,053
Unrealized Loss on Securities available for Sale		24,54,818	0
Dividend Paid		2,83,23,340	2,52,88,700
Balance Transferred to Statement of Financial Position		3,34,60,881	2,89,77,635
<b>Total</b>		<b>10,34,47,679</b>	<b>9,16,35,047</b>

<b>Earning Per Share (EPS)</b>	44	1.93	1.64
<b>Price Earning Ratio (PER)</b>		6.74	10.66

*Accounting Policies* 6

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*As per our report of even date*

Dated: 27th April, 2016  
Place: Dhaka, Bangladesh

A. Hoque & Co.  
Chartered Accountants

**PROVATI INSURANCE COMPANY LIMITED**

**CONSOLIDATED ALL BUSINESS REVENUE ACCOUNT  
FOR THE YEAR ENDED 31ST DECEMBER, 2015**

Particulars	Notes	Amount in Taka	
		31-12-2015	31-12-2014
<b>Claims under the policies less Reinsurance:</b>			
Paid during the year		12,95,85,577	12,69,11,272
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	28	11,36,22,063	11,00,43,071
		24,32,07,640	23,69,54,343
Less: Outstanding claims at the end of the previous year		11,00,43,071	8,38,74,184
		<b>13,31,64,569</b>	<b>15,30,80,159</b>
Agency Commission		6,07,60,252	4,99,04,011
Management Expenses	38	6,37,52,157	5,36,47,824
Reserve for un-expired risks of Premium Income of the year		12,68,79,061	9,99,74,628
Profit Transferred to Profit & Loss Account		5,45,33,320	4,01,82,984
<b>Total</b>		<b>43,90,89,359</b>	<b>39,67,89,606</b>
Balance of Account at the beginning of the year		9,99,74,628	12,62,80,378
Premium Less Reinsurance		31,71,54,981	24,95,21,845
Commission on Reinsurance ceded		2,19,59,750	2,09,87,383
<b>Total</b>		<b>43,90,89,359</b>	<b>39,67,89,606</b>

Accounting Policies

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Dated: 27th April, 2016  
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A. Hoque & Co.  
Chartered Accountants

**PROVATI INSURANCE COMPANY LIMITED**

**FIRE INSURANCE REVENUE ACCOUNT  
FOR THE YEAR ENDED 31ST DECEMBER, 2015**

Particulars	Notes	Amount in Taka	
		31-12-2015	31-12-2014
<b>Claims under the policies less Reinsurance:</b>			
Paid during the year		4,94,13,804	6,31,16,593
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	28	7,96,22,040	5,74,41,857
		12,90,35,844	12,05,58,450
Less: Outstanding claims at the end of the previous year		5,74,41,857	6,22,79,974
		<b>7,15,93,987</b>	<b>5,82,78,476</b>
Agency Commission		2,83,51,238	2,33,17,362
Management Expenses	38	3,40,72,208	2,68,20,000
Reserve for un-expired risks being 40% of Premium Income of the year		5,85,44,802	4,66,07,667
Profit Transferred to Statement of Comprehensive Income		1,28,40,487	1,93,60,893
<b>Total</b>		<b>20,54,02,722</b>	<b>17,43,84,398</b>
Balance of Account at the beginning of the year		4,66,07,667	4,59,40,570
Premium Less Reinsurance		14,63,62,005	11,65,19,168
Commission on Reinsurance ceded		1,24,33,050	1,19,24,660
<b>Total</b>		<b>20,54,02,722</b>	<b>17,43,84,398</b>

Accounting Policies

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As per our report of even date

Dated: 27th April, 2016  
Place: Dhaka, Bangladesh

A. Hoque & Co.  
Chartered Accountants

**PROVATI INSURANCE COMPANY LIMITED**

**MARINE CARGO INSURANCE REVENUE ACCOUNT  
FOR THE YEAR ENDED 31ST DECEMBER, 2015**

Particulars	Notes	Amount in Taka	
		31-12-2015	31-12-2014
<b>Claims Under The Policies Less Reinsurance:</b>			
Paid during the year		6,14,41,216	4,95,71,080
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	28	3,04,40,124	4,08,96,632
		9,18,81,340	9,04,67,712
Less: Outstanding claims at the end of the previous year		4,08,96,632	96,24,150
		<b>5,09,84,708</b>	<b>8,08,43,562</b>
Agency Commission		2,04,26,460	1,59,99,362
Management Expenses	38	1,67,63,305	1,38,08,001
Reserve for un-expired risks being 40% of premium income of the year		4,30,26,560	3,27,75,146
Profit Transferred to Statement of Comprehensive Income		1,63,75,605	76,00,589
<b>Total</b>		<b>14,75,76,638</b>	<b>15,10,26,660</b>
Balance of Account at the beginning of the year		3,27,75,146	6,26,71,877
Premium Less Reinsurance		10,75,66,400	8,19,37,866
Commission on Reinsurance ceded		72,35,092	64,16,917
<b>Total</b>		<b>14,75,76,638</b>	<b>15,10,26,660</b>

Accounting Policies

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DIRECTOR

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As per our report of even date

Dated: 27th April, 2016  
Place: Dhaka, Bangladesh

A. Hoque & Co.  
Chartered Accountants



**PROVATI INSURANCE COMPANY LIMITED**

**MARINE HULL INSURANCE REVENUE ACCOUNT  
FOR THE YEAR ENDED 31ST DECEMBER, 2015**

Particulars	Notes	Amount in Taka	
		31-12-2015	31-12-2014
<b>Claims under the policies less Reinsurance:</b>			
Paid during the year		1,59,011	4,365
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		0	0
Less: Outstanding claims at the end of the previous year		0	0
		1,59,011	4,365
Agency Commission		0	0
Expenses of Management	38	41,099	24,864
Reserve for un-expired risks being 100% of premium income of the year		28,448	2,76,484
Profit Transferred to Statement of Comprehensive Income		98,058	7,98,552
<b>Total</b>		<b>3,26,616</b>	<b>11,04,265</b>
Balance of Account at the beginning of the year		2,76,484	8,14,534
Premium Less Reinsurance		28,448	2,76,484
Commission on Reinsurance ceded		21,684	13,247
<b>Total</b>		<b>3,26,616</b>	<b>11,04,265</b>

*Accounting Policies*

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Sd/  
**MANAGING DIRECTOR**

Sd/  
**DIRECTOR**

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**DIRECTOR**

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**CHAIRMAN**

*As per our report of even date*

Dated: 27th April, 2016  
Place: Dhaka, Bangladesh

A. Hoque & Co.  
Chartered Accountants

**PROVATI INSURANCE COMPANY LIMITED**

**MOTOR INSURANCE REVENUE ACCOUNT  
FOR THE YEAR ENDED 31ST DECEMBER, 2015**

Particulars	Notes	Amount in Taka	
		31-12-2015	31-12-2014
<b>Claims under the policies less Reinsurance:</b>			
Paid during the year		1,84,85,823	1,34,00,827
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	28	35,59,899	1,16,66,443
		2,20,45,722	2,50,67,270
Less : Outstanding claims at the end of the previous year		1,16,66,443	1,12,37,060
		<b>1,03,79,279</b>	<b>1,38,30,210</b>
Agency Commission		79,79,371	59,30,858
Expenses of Management	38	95,89,521	72,79,605
Reserve for un-expired risks being 40% of premium income of the year		2,12,65,471	1,58,05,498
Profit Transferred to Statement of Comprehensive Income		1,97,55,534	1,21,41,090
<b>Total</b>		<b>6,89,69,176</b>	<b>5,49,87,261</b>
Balance of Account at the beginning of the year		1,58,05,498	1,54,73,515
Premium Less Reinsurance		5,31,63,678	3,95,13,746
<b>Total</b>		<b>6,89,69,176</b>	<b>5,49,87,261</b>

Accounting Policies

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Sd/  
CHAIRMAN

As per our report of even date

Dated: 27th April, 2016  
Place: Dhaka, Bangladesh

A. Hoque & Co.  
Chartered Accountants

**PROVATI INSURANCE COMPANY LIMITED**

**MISCELLANEOUS INSURANCE REVENUE ACCOUNT  
FOR THE YEAR ENDED 31ST DECEMBER, 2015**

Particulars	Notes	Amount in Taka	
		31-12-2015	31-12-2014
<b>Claims under the policies less Reinsurance:</b>			
Paid during the year		85,723	8,18,407
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	28	0	38,139
Less: Outstanding claims at the end of the previous year		85,723 38,139	8,56,546 7,33,000
		<b>47,584</b>	<b>1,23,546</b>
Agency Commission		40,03,183	46,56,429
Expenses of Management	38	32,86,024	57,15,354
Reserve for un-expired risks being 40% of Misc. and accident premium income of the year		40,13,780	45,09,833
Profit Transferred to Statement of Comprehensive Income		54,63,636	2,81,860
<b>Total</b>		<b>1,68,14,207</b>	<b>1,52,87,022</b>
Balance of Account at the beginning of the year		45,09,833	13,79,882
Premium Less Re-Insurance		1,00,34,450	1,12,74,581
Commission on Re-insurance ceded		22,69,924	26,32,559
<b>Total</b>		<b>1,68,14,207</b>	<b>1,52,87,022</b>

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Sd  
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As per our report of even date

Dated: 27th April, 2016  
Place: Dhaka, Bangladesh

A. Hoque & Co.  
Chartered Accountants

**PROVATI INSURANCE COMPANY LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31ST DECEMBER, 2015**

Particulars	Share Capital	Reserve for Exceptional Losses	Investment Fluctuation Reserve	Retained Earnings	Total Shareholders Equity
At the beginning of the year	23,60,27,900	11,37,23,035	25,00,000	2,89,77,635	38,12,28,570
Net Profit for the year	0	0	0	7,44,70,044	7,44,70,044
Dividend Paid	2,83,23,340	0	0	(2,83,23,340)	0
Prior year's Adjustment	0	0	0	(24,54,818)	(24,54,818)
Provision for Income Tax	0	0	0	(2,33,50,891)	(2,33,50,891)
Transferred to Reserve for Exceptional Losses	0	1,58,57,749	0	(1,58,57,749)	0
<b>At the end of the year</b>	<b>26,43,51,240</b>	<b>12,95,80,784</b>	<b>25,00,000</b>	<b>3,34,60,881</b>	<b>42,98,92,905</b>

*Accounting Policies*

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Dated: 27th April, 2016  
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Chartered Accountants

**PROVATI INSURANCE COMPANY LIMITED**

**STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED 31ST DECEMBER, 2015**

Particulars	Amount in Taka	
	31-12-2015	31-12-2014
<b>Cash Flows from Operating Activities:</b>		
Cash Receipts from Insurers and Others	31,61,52,520	36,65,23,676
Cash Paid for Claims and Management Expenses	(25,46,44,329)	(24,20,26,845)
<b>Cash Generated from Operations</b>	<b>6,15,08,191</b>	<b>12,44,96,831</b>
Income Tax Paid & Deducted at Source	(2,67,13,800)	(1,66,84,295)
	(2,67,13,800)	(1,66,84,295)
<b>Net Cash Generated from Operating Activities</b>	<b>3,47,94,391</b>	<b>10,78,12,536</b>
<b>Cash Flows from Investing Activities:</b>		
Investment in Bonds / Shares	(25,19,694)	0
Acquisition of Property, Plant & Equipments etc.	(1,08,65,292)	(8,64,68,241)
Building under Development	0	(2,03,96,389)
Disposal of Property, Plant and Equipments etc.	13,702	0
<b>Net Cash used in Investing Activities</b>	<b>(1,33,71,284)</b>	<b>(10,68,64,630)</b>
<b>Cash Flows from Financing Activities</b>		
Share Money Re-payment	(10,000)	(30,000)
Re-payment of Short Term Loan	(68,30,094)	45,61,247
<b>Net Cash Generated/(Used) in Financing Activities</b>	<b>(68,40,094)</b>	<b>45,31,247</b>
Net Increase in Cash and Bank Balances	1,45,83,012	54,79,153
Cash and Bank Balances at the Beginning of the Year	36,18,09,598	35,63,30,445
<b>Cash and Bank Balances at the End of the Year</b>	<b>37,63,92,610</b>	<b>36,18,09,598</b>
<b>Net Operating Cash Flows per Shares</b>	<b>1.32</b>	<b>4.57</b>

Accounting Policies

6

The notes are integral part of the Financial Statements

Approved and authorized for issue by the board of directors on 27-04-2016 and signed for and on behalf of the Board.

Sd/  
MANAGING DIRECTOR

Sd/  
DIRECTOR

Sd  
DIRECTOR

Sd  
CHAIRMAN

As per our report of even date

Dated: 27th April, 2016  
Place: Dhaka, Bangladesh

A. Hoque & Co.  
Chartered Accountants

**PROVATI INSURANCE COMPANY LIMITED**

**FORM "AA"**

**CLASSIFIED SUMMARY OF ASSETS AS AT 31ST DECEMBER, 2015**

<b>Class of Assets</b>	<b>Book Value</b>	<b>Remarks</b>
Bangladesh Government Treasury Bond (BGTB)	2,50,00,000	Realizable Value
Fixed Deposit Receipt and STD Accounts with Banks	36,43,58,650	Do
Investment in Shares	1,78,81,442	Do
Cash in Hand and Current Account including BO Account	1,09,13,050	Do
Accrued Interest	79,43,022	Do
Other Assets as Specialized below:	<b>35,79,89,400</b>	
(a) Advances, Deposits & Pre-payments	11,04,50,458	Do
(b) Building under Construction	2,03,96,389	Do
(c) Fixed Assets (At cost less Depreciation)	12,05,46,754	Written Down Value
(d) Stamp in Hand	11,20,910	Realizable Value
(e) Amount due from other person or bodies carrying on Insurance Business	10,47,08,055	Do
(f) Stock of Printing & Stationery	7,66,833	At Cost
<b>Total</b>	<b>78,40,85,564</b>	

Sd/  
**MANAGING DIRECTOR**

Sd/  
**DIRECTOR**

Sd/  
**DIRECTOR**

Sd/  
**CHAIRMAN**

Dated: 27th April, 2016  
 Place: Dhaka, Bangladesh

A. Hoque & Co.  
 Chartered Accountants

**PROVATI INSURANCE COMPANY LIMITED**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 2015**

**1.00 Corporate Information–Domicile, Legal Form and Country of Incorporation**

The Company was incorporated in Bangladesh as a Public Company Limited by Shares on the 31st day of January, 1996 under the Companies Act, 1994 and permission for its commencement of business was given on 25th day of March, 1996 and the registration from the Controller of Insurance on 31st day of March, 1996 was received to start general insurance business. The company went into Initial Public Offerings (IPO) on 3rd September, 2009. The Company is listed in both Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) as a public traded company.

**Address of Registered Office**

The registered office of the Company is located at Khan Mansion, 11th Floor, 107, Motijheel Commercial Area, Dhaka-1000. The operations of the company are being carried out through its 52 nos. of branches located all over Bangladesh.

**Principal Activities and Nature of Operation**

The main objectives of the Company are to carry on all kinds of insurance, guarantee and indemnity business other than life insurance business.

**2.00 Basis of Presenting Financial Statements**

The following underlying assumptions, measurement base, laws, rules, regulations and accounting pronouncements have been considered in preparing and presenting the financial statements:

Going Concern

Accrual

Historical Cost Convention

Generally accepted accounting principles and practices in Bangladesh

The Companies Act, 1994

Insurance Act, 1938 instead of Insurance Act, 2010 as no prescribed Format was mentioned in the Insurance Act, 2010

Insurance Rule, 1958 as no rule has yet been made in pursuance of Insurance Act, 2010

The Securities and Exchange Act and Rules, 1987

The Accounting Standards adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

**3.00 Compliance of Bangladesh Financial Reporting Standards (BFRSs)**

The Financial Statements have been prepared in accordance with the *Bangladesh Financial Reporting Standards (BFRSs)*, including *Bangladesh Accounting Standards (BASs)*.

**4.00 Risk and Uncertainty for use of Estimates and Judgments**

The preparation of financial statements in conformity with the *Bangladesh Financial Reporting Standards (BFRSs)* including the *Bangladesh Accounting Standards (BASs)* require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and for contingent assets and liabilities that require disclosure during and at the date of financial statements.

Actual results could differ from those estimates. Estimates and underlying assumptions are used for accounting of certain items such as long-term contracts, provision for doubtful accounts, depreciation and amortization, taxes, reserves and contingencies.

**5.00 Adoption of Bangladesh Accounting Standards (BASs)**

In preparing and presenting these financial statements, considering relevant for the significant accounting issues of the company, following BASs have been implemented by the company, which were issued by the ICAB formulated in the light of the BASs originally issued by the International Accounting Standards Board and the conditions and practices prevailing in Bangladesh and valid as on the financial position date:

*BAS 1 Presentation of Financial Statements*  
*BAS 2 Inventories*  
*BAS 7 Statement of Cash Flows*  
*BAS 10 Events after the Financial Position Date*  
*BAS 12 Income Tax*  
*BAS 16 Property, Plant and Equipment*  
*BAS 18 Revenue*  
*BAS 24 Related Party*  
*BAS 33 Earnings Per Share*  
*BAS 36 Impairment of Assets*

6.00 **Specific Accounting Policies Selected and Applied for Significant Transactions and Events**

The specific accounting policies selected and applied by the Company's Directors for significant transactions and events that have material effect within the framework of BAS 1 "*Preparation and Presentation of Financial Statements*", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years.

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the *BAS 1 "Preparation and Presentation of Financial Statements"*.

(a) **Revenue Recognition**

Revenue represents invoiced value of policies. Revenue is recognized when policies are made. Invoices were made after satisfying the following conditions as prescribed by *BAS 18 "Revenue Recognition"*:

- (i) the significant risks and rewards of ownership of the policies have been transferred to the policyholder;
- (ii) the amount of revenue was measured reliably;
- (iii) it was probable that the economic benefits relating to the transactions will flow to the Company;
- (iv) neither continuing managerial involvement nor effective control usually associated with ownership of the policy was retained by the Company; and
- (v) cost relating to the transactions was measured reliably.

(b) **Revenue Account**

While preparing the Revenue Account, the effect of necessary adjustment has duly been given in to accounts in respect of re-insurance business ceded and accepted. Re-Insurance Premium ceded has been accounted for into accounts. Surplus or deficit on revenue have been arrived at after providing for un-expired risks @ 40% on all business except Marine Hull Insurance for which 100% provision has been created for un-expired risks.

(c) **Premium and Claim**

The total amount of premium earned on various classes insurance business underwritten during the period has been duly accounted for in the books of account of the Company and while preparing the financial statements of accounts, the effect of re-insurance ceded as well as the effect of total estimated liabilities in respect of outstanding claims at the end of the period whether due or intimated have also been reflected in order to arrive at the net underwriting profit for the year.

(d) **Management Expenses**

The management expenses charged to Revenue Account amounting to **Tk. 6,37,52,157.00** represent approximately 15.74% of Gross Premium of **Tk. 40,50,68,344.00** (including public sector business). The said management expenses have been apportioned 53.44% to fire, 26.36% to marine (cargo & hull), 15.04% to motor, 5.15% to miscellaneous business as per management decision.



(e) **Recognition of Tangible Fixed Assets**

These are capitalized at the cost of acquisition and subsequently stated at cost less accumulated depreciation in compliance with the benchmark treatment of BAS 16 "Property, Plant and 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 and other related incidental charges. Expenditure incurred after the assets have been put into operation, such as repairs & maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets.

(f) **Depreciation of Tangible Fixed Assets**

In respect of all fixed assets, depreciation is provided to amortize the cost of the assets after commissioning, over their expected useful economic lives in accordance with the provision of BAS 16 "Property, Plant and Equipment"

Depreciation on Fixed Assets has been charged at a reducing balance method. 12 month's depreciation has been charged on the book value of Fixed Assets at the rates varying from 10% to 20%. Depreciation is charged at the rate shown below:

Furniture & Fixture	10%
Books & Periodicals	10%
Motor Vehicles	20%
Motorcycle	20%
Office Equipment	20%
Decoration	10%
Electric Fan	20%
Telephone Installation	15%
Air Cooler	15%
Carpet	20%
Electric Equipment	20%
Crockeries	20%
By Cycle	20%

(g) **Investment in FDR and Shares**

Investment is stated at its cost of acquisition and the interest earned on statutory deposits lying with the Bangladesh Bank in the form of Bangladesh Govt. Treasury Bond and the interest and profit earned on term deposit have been duly accounted for on accrual basis. The Statement of Comprehensive Income also reflects the income on account of interest on investment in FDR, Shares and Miscellaneous Income. It may be mentioned here that a fluctuation reserve had been created in order to equalize the price go down below the cost price of the shares but during the year under audit loss on Realization of Investment in Shares for price go down below the cost price of the shares has been charged directly to Comprehensive Income Statement in order to equalize the price of the shares as per Second Schedule, Part-II, Form-B of the Insurance Act, 1938 as amended.

(h) **Inventories**

In compliance with the requirement of **BAS 2 "Inventories"**, inventories are stated at the lower of cost and net realizable value.

Net realizable value is based on estimated selling price less any further cost expected to be incurred to make the sale.

(i) **Sundry Debtors (Including Advance, Deposits and Pre-Payments)**

These are carried at original invoice amounts, which represent net realizable value.

(j) **Cash and Cash Equivalents**

For the purpose of Financial Position and Statement of Cash Flows, cash in hand, fixed deposit with other banks, collection in hand, stamp in hand and bank balances represent **Cash and Cash Equivalents** considering the *BAS 1 "Preparation and Presentation of Financial Statements"* and *BAS 7 "Statement of Cash Flows"*, which provide, that cash and cash equivalents are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value and are not restricted as to use.

(k) **Other Current Assets**

Other current assets have a value on realization in the ordinary course of the company's business which is at least equal to the amount at which they are stated in the Statement of Financial Position.

(l) **Income Tax**

**Current Tax**

Current Tax has been provided on the estimated taxable profit for the year under review at 40% tax rate being the tax rate applicable for Publicly Traded Company. It also includes adjustments for earlier year's short/excess provision.

**Deferred Tax**

The company has been adopted deferred tax during the year under review in compliance with the provisions of Bangladesh Accounting Standards (BAS-12) 'Income Taxes'. The company's policy of recognition of deferred tax assets/liabilities is based on temporary differences (Taxable or deductible) between the carrying amount (Book Value) of assets, and liabilities for financial reporting purposes and its tax base, and accordingly, deferred tax income/expenses has been considered to determine net profit after tax and Earnings Per Share (EPS).

**Provision for Income Tax**

Basis of Provision for Income Tax: Net Profit - Reserve for exceptional loss x tax rate.

(m) **Proposed Dividend**

The dividend has been proposed by the Board @ 12% (6% cash & 6% stock) for the year 2015.

(n) **Cost of Post Employment Benefits**

(i) **Defined Contribution Plan**

This represents recognized contributory Provident Fund for all its permanent employees. Assets of provident fund are held in a separate trustee administered the fund as per the relevant rules and is funded by payments from employees and by the Company at pre-determined rates. The Company's contributions to the provident fund are charged off as revenue expenditure in the year to which the contributions relate.

(ii) **Defined Benefits Plan**

This represents unfunded gratuity scheme for its permanent employees. Employees are entitled to gratuity benefit after completion of minimum five years of service in the company. The gratuity is calculated on the basis of last basic pay and is payable at the rate one month basic pay for every completed year of service. The gratuity scheme is yet to be approved by the National Board of Revenue.

(iii) **Insurance Scheme**

Employees of the company are covered under personal accident insurance scheme.

(iv) **Number of Employees**

There were 725 employees at the year ended 31st December, 2015.

<b>Particulars</b>	<b>No. of Employees</b>
Managing Director	1
Adviser	1
Additional Managing Director	3
Executive Director	1
Deputy Managing Director	6
Assistant Managing Director	5
General Manager Cum Company Secretary	1
Senior General Manager	7
General Manager	25
Senior Deputy General Manager	9
Deputy General Manager	45
Assistant General Manager	89
Officers	431
Other Employees	101
<b>Total</b>	<b>725</b>

(o) **Other Corporate Debt, Accounts Payable, Trade and Other Liabilities**

These liabilities are carried at the anticipated settlement amount in respect of policies and services received, whether or not billed by the policyholder and the supplier.

(p) **Provisions**

Provisions are liabilities of uncertain timings or amount. Provisions are recognized when the company has a present legal or constructive obligation as a result of past events. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

(q) **Earnings per Share (EPS)**

The Company calculates earnings per share (EPS) in accordance with BAS 33 earnings per share" which has been shown on the face of statement of comprehensive income. The disclosure has been made in the **Note 44** in respect of numerator (net profit) and denominator (weighted average number of shares) used in the calculation of basic EPS with necessary computation and reconciliation.

**Basic Earnings**

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

**Diluted Earnings per Share**

No diluted Earnings Per Share (EPS) is required to be calculated for the year as there was no scope for dilution during the year under review.

(r) **Reserve for Exceptional Losses**

Provision for exceptional losses has been made during the year under audit as per the Fourth Schedule para 6(2) of Income Tax Ordinance, 1984.

(s) **Share of Public Sector Business**

Company's Share of Public Sector business is accounted for in the year in which the complete statement of accounts from Sadharan Bima Corporation (SBC) is received. During the year the company has included 4 (four) quarters of its share of the Public Sector business as confirmed by the Sadharan Bima Corporation (SBC) in the following manner:

Period	Particulars of Quarter	No.
1st July, 2014 to 30th Sept, 2014	3rd Quarter-2013	1 (One)
1st Oct., 2014 to 31st December, 2014	4th quarter of 2013	1 (One)
1st January, 2015 to 31st March, 2015	1st quarter of 2014	1 (One)
1st April, 2015 to 30th June, 2015	2nd quarter of 2014	1 (One)
<b>Total</b>		<b>4 (Four)</b>

(t) **Recognized Gains and Losses**

No gain or loss was directly dealt with through the shareholders equity without being recognized in the Statement of Comprehensive Income.

Therefore, net profit after tax for the year is the total recognized gains.

(u) **Historical Cost Income and Expenditure**

As there was no extra ordinary item, there was no difference in profit from ordinary activities before taxation and the net profit before tax. Furthermore, as there was no revaluation of fixed assets in previous years and during the year under review, there was no factor like the differences between historical cost depreciation and depreciation on revalued amount, realization of revenue surplus on retirement or disposal of assets etc. Therefore, no separate note of historical cost profit and loss has been presented.

(v) **Statement of Comprehensive Income**

The results for the year were not materially affected by the following:

- (a) transactions of a nature not usually undertaken by the company;
- (b) circumstances of an exceptional or non-recurring nature;
- (c) charges or credits relating to prior years.

7.00 **Classified Summary of Assets**

The valuation of all assets as at 31st December, 2015 as shown in the Statement of Financial Position and in the classified summary of assets in **Form AA** annexed with the report has been reviewed and the said assets have been set-forth in the Statement of Financial Position at amount not exceeding their realizable or market value in aggregate.

8.00 **Financial Instruments and Derivatives**  
**Primary Financial Instruments (Financial Assets and Liabilities)**

The disclosure of primary financial instruments carried at the Statement of Financial Position date alongwith the recognition methods and risks involved are summarized in **Note 46** in accordance with the provisions of **BAS 32** Financial Instruments: "Disclosure and Presentation."

9.00 **Derivative Financial Instruments**

The Company is not a party to any derivative contract at the Statement of Financial Position date, such as forward exchange contract, currency swap agreement or interest rate option contract to hedge currency exposure related to import of raw materials and others or principal and interest obligations of foreign currency loans.

10.00 **Impairment**

In accordance with the provisions of IAS 36 : Impairment of Assets, the carrying amount of non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated and impairment losses are recognized in statement comprehensive income. No such indication of impairment has been observed till to date.

11.00 **Information by Industry Segments and Geographical Areas**  
**Industry Segment Information**

No mention is made because the company does not have any segment other than the general insurance business.

**Geographic Segment Information**

Not applicable as the company does not have any business unit outside Bangladesh.

**12.00 Reporting Currency**

No Foreign Currency Transactions were transacted during the period and thus the conversion of Foreign Currency into Bangladeshi Taka Currency is not required during the year ended 31st December, 2015.

**13.00 Comparative Information and Re-Arrangement thereof**

Comparative information have been disclosed in respect of the year 2015 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year's financial statements.

Figures of the year 2014 have been rearranged whenever considered necessary to ensure comparability with the current year.

**14.00 Transactions with Related Parties**

During the year under review the Company did not carry out the transactions with the related parties in the normal course of business and on arm's length basis.

**15.00 Events after Reporting Period**

In compliance with the requirements of BAS 10: Events After Reporting Period, post Statement of Financial Position adjusting events that provide additional information about the company's position at the Statement of Financial Position date are reflected in the financial statements and events after Reporting Period that are not adjusting events are disclosed in the notes when material.

**16.00 Approval of the Financial Statements**

The financial statements were approved by the Board of Directors on 27th April, 2016.

**17.00 Reporting Period**

The Financial Statements of the Company cover a year from 1st January, 2015 to 31st December, 2015 consistently.

**18.00 Cash Flow Statement**

Statement of Cash Flow is prepared principally in accordance with *BAS 7 "Statement of Cash Flow"* and the Cash Flow from the operating activities have been presented under direct method as required by the Securities and Exchange Rules 1987 and considering the provisions of Paragraph 19 of *BAS 7* which provides that "*Enterprises are Encouraged to Report Cash Flow from Operating Activities Using the Direct Method*".

**19.00 Components of the Financial Statements**

According to the *International Accounting Standards (IAS) 1 "Presentation and Preparation of Financial Statements"*, the complete set of Financial Statements includes the following components:

- (i) Statement of Financial Position as at 31st December, 2015;
- (ii) Statement of Comprehensive Income for the year ended 31st December, 2015;
- (iii) Income Appropriation Account for the year ended 31st December, 2015;
- (iv) Revenue Accounts (Fire, Marine Cargo, Marine Hull, Motor, Miscellaneous Insurance Revenue Account) for the year ended 31st December, 2015;
- (v) Statement of Changes in Equity for the year ended 31st December, 2015;
- (vi) Statement of Cash Flows for the year ended 31st December, 2015;
- (vii) Accounting Policies and Explanatory Notes.

**STATEMENT OF FINANCIAL POSITION**

**CAPITAL AND LIABILITIES**

	AMOUNT (TK.) 31-12-2015	AMOUNT (TK.) 31-12-2014
<b>20.00 SHARE CAPITAL</b>		
<b>AUTHORIZED SHARE CAPITAL</b>	<b><u>Tk. 125,00,00,000</u></b>	<b><u>Tk. 125,00,00,000</u></b>
12,50,00,000 Ordinary Shares of Tk. 10/= each.		
<b>21.00 ISSUED, SUBSCRIBED AND FULLY PAID UP CAPITAL</b>	<b><u>Tk. 26,43,51,240</u></b>	<b><u>Tk. 23,60,27,900</u></b>
1,50,00,000 Ordinary Shares of Tk. 10/- each fully paid up in cash	15,00,00,000	15,00,00,000
18,00,000 Ordinary Shares of Tk. 10/- each (12% Bonus for the year, 2010)	1,80,00,000	1,80,00,000
20,16,000 Ordinary Shares of Tk. 10/- each (12% Bonus for the year, 2011)	2,01,60,000	2,01,60,000
22,57,920 Ordinary Shares of Tk. 10/- each (12% Bonus for the year, 2012)	2,25,79,200	2,25,79,200
25,28,870 Ordinary Shares of Tk. 10/- each (12% Bonus for the year, 2013)	2,52,88,700	2,52,88,700
28,32,334 Ordinary Shares of Tk. 10/- each (12% Bonus for the year, 2014)	2,83,23,340	0
	<u>26,43,51,240</u>	<u>23,60,27,900</u>

**Composition of Shareholdings:**

The composition of Shareholding position as of 31st December, 2015 are as follows:

Particulars	Number of Shareholders	Number of Shares	% of Shares
Sponsors / Director	2	9,399	0.036%
General Public	64	33,79,065	12.783%
Company	5,268	1,12,32,709	42.492%
NRB [Non-Resident Bangladeshi]	122	1,60,490	0.607%
All Investors Accounts	32	1,16,53,461	44.083%
<b>Total</b>	<b>5,488</b>	<b>2,64,35,124</b>	<b>100.00%</b>

**Distribution of Schedule:**

The distribution Schedule of 31st December, 2015 showing the number of shareholders and their shareholding in percentages is disclosed below as a requirement of the "Listing Regulation" of Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE).

Range of holdings in number of Shares	Number of Shareholders	Number of Shares	% of Share Capital
1 to 499	1,565	2,41,566	0.914
500 to 5000	3,487	44,78,987	16.943
5001 to 10000	202	14,45,598	5.469
10001 to 20000	115	15,77,814	5.969
20001 to 30000	35	8,61,131	3.258
30001 to 40000	16	5,43,818	2.057
40001 to 50000	6	2,83,410	1.072
50001 to 100000	25	16,91,893	6.400
100001 to 1000000	35	1,20,32,980	45.519
1000001 to 1000000000	2	32,77,927	12.400
<b>Total</b>	<b>5,488</b>	<b>2,64,35,124</b>	<b>100.00</b>

**22.00 RESERVE OR CONTINGENCY ACCOUNT** **Tk. 16,55,41,665** **Tk. 14,52,00,670**

This is made up as follows:

22.01 Reserve for Exceptional Losses	Tk. 12,95,80,784	Tk. 11,37,23,035
22.02 Retained Earnings	,, 3,34,60,881	,, 2,89,77,635
22.03 Investment Fluctuation Reserve	,, 25,00,000	,, 25,00,000
	<u>Tk. 16,55,41,665</u>	<u>Tk. 14,52,00,670</u>

**22.01 RESERVE FOR EXCEPTIONAL LOSSES Tk. 12,95,80,784 Tk. 11,37,23,035**

This is made up as follows:

Opening Balance	Tk. 11,37,23,035	Tk. 10,12,46,943
Add: During the year	<u>1,58,57,749</u>	<u>1,24,76,092</u>
	<u>Tk. 12,95,80,784</u>	<u>Tk. 11,37,23,035</u>

This represents profit set-aside up to the year under review as expenses to meet exceptional losses. This reserve has been created as per requirement of paragraph 6(2) of 4th Schedule of the Income Tax Ordinance, 1984.

**22.02 RETAINED EARNINGS Tk. 3,34,60,881 Tk. 2,89,77,635**

This is made up as follows:

Opening Balance	2,89,77,635	2,53,44,321
Add: Profit for the year	<u>7,44,70,044</u>	<u>6,62,90,726</u>
	10,34,47,679	9,16,35,047
Less: Reserve & Provisions:	6,99,86,798	6,26,57,412
Less: Reserve for Exceptional Losses	1,58,57,749	1,24,76,092
Less: Provision for Income Tax	2,33,70,819	2,29,23,644
Less: Deferred Tax Expenses	(19,928)	(17,077)
Less: Prior years Adjustment	0	19,86,053
Less: Unrealized Loss on Securities available for Sale	24,54,818	0
Less: Dividend Paid	<u>2,83,23,340</u>	<u>2,52,88,700</u>
	<u><b>3,34,60,881</b></u>	<u><b>2,89,77,635</b></u>

**22.03 INVESTMENT FLUCTUATION RESERVE Tk. 25,00,000 Tk. 25,00,000**

This is as per last account.

**23.00 BALANCE OF FUNDS AND ACCOUNTS Tk. 12,68,79,061 Tk. 9,99,74,628**

This represents Reserve for un-expired risks provided against the Net Premium Income including Public Sector Business of the year at the rate of 40% on different classes of business except Marine Hull Insurance for which 100% as shown below:

CLASSES OF BUSINESS	PERCENTAGE	AMOUNT (TK.) 31-12-2015	AMOUNT (TK.) 31-12-2014
Fire	40%	5,85,44,802	4,66,07,667
Marine Cargo	40%	4,30,26,560	3,27,75,146
Marine Hull	100%	28,448	2,76,484
Motor	40%	2,12,65,471	1,58,05,498
Miscellaneous	40%	40,13,780	45,09,833
<b>Total</b>		<b>12,68,79,061</b>	<b>9,99,74,628</b>

**24.00 PREMIUM DEPOSITS ACCOUNT Tk. 1,98,00,426 Tk. 1,70,50,500**

Balance on this account represents premium received against cover notes for which no policy has been issued within 31st December, 2015.

25.00 **SUNDRY CREDITORS INCLUDING PROVISION FOR EXPENSES AND TAXES** **Tk. 9,01,60,615** **Tk. 7,58,32,722**

The balance is made as under:

Particulars	31-12-2015	31-12-2014
Salary and Allowances	19,11,913	19,50,137
Office Rent, Rates & Taxes	14,13,950	16,29,929
Telephone, Telex & Trunk Call	71,469	50,376
Electricity Charges	1,15,736	91,729
Audit Fees	50,000	50,000
Provident Fund Trust	12,36,957	36,58,077
Bank Overdraft (Bank Asia Ltd, MCB Dilkusha, SOD-008330007057	38,71,130	1,07,01,224
General Public (Over Subscription)	1,45,60,000	1,45,70,000
Value Added Tax	25,44,342	25,01,196
Income Tax and VAT Deducted at Sources	10,24,317	6,20,144
Provision for Income Tax	6,33,60,801	4,00,09,910
<b>Total</b>	<b>9,01,60,615</b>	<b>7,58,32,722</b>

The unpaid amount of VAT has been subsequently deposited on 11-01-2016 and 17-01-2016.

26.00 **AMOUNT DUE TO OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS** **Tk. 36,35,642** **Tk. 36,35,642**

This represents balance of account with various Private Sectors in respect of co-insurance transactions and amount payable to co-insurers. The break up of the above amount is noted below:

NAME OF THE PERSON OR BODIES	AMOUNT (TK.) 31-12-2015	AMOUNT (TK.) 31-12-2014
Agrani Insurance Co. Ltd.	51,300	51,300
Bangladesh General Insurance Co. Ltd.	22,480	22,480
Bangladesh Co-operative Insurance Co. Ltd.	1,42,137	1,42,137
Desh General Insurance Company Ltd.	72,122	72,122
Eastland Insurance Co. Ltd.	35,480	35,480
Express Insurance Co. Ltd.	6,64,107	6,64,107
Green Delta Insurance Co. Ltd.	36,801	36,801
Janata Insurance Co. Ltd.	7,22,055	7,22,055
Meghna Insurance Co. Ltd.	3,76,301	3,76,301
Mercantile Insurance Co. Ltd.	89,082	89,082
Northern General Insurance Co. Ltd.	1,15,714	1,15,714
Prime Insurance Co. Ltd.	1,36,878	1,36,878
People's Insurance Co. Ltd.	4,309	4,309
Republic Insurance Company Ltd.	3,17,747	3,17,747
Rupali Insurance Company Ltd.	73,107	73,107
Reliance Insurance Co. Ltd.	32,138	32,138
Sonarbanla Insurance Company Ltd.	83,817	83,817
Takaful Islami Insurance Ltd.	6,60,067	6,60,067
<b>Total</b>	<b>36,35,642</b>	<b>36,35,642</b>

It is noted that no balance confirmation letters on positive request method for the confirmation directly to us were issued against the amount due to other persons or bodies carrying on insurance business and accordingly we could not confirm the above balance.

27.00 **DEFERRED TAX LIABILITY** **Tk. 94,851** **Tk. 1,14,780**

(a) Deferred Tax Liability are arrived at as follows:

Particulars	2015	2014
Book Value of Depreciable Fixed Assets	12,05,46,753	11,67,69,283
Less: Tax Base Value	12,03,09,624	11,64,99,213
<b>Net Taxable Temporary Difference</b>	<b>2,37,129</b>	<b>2,70,070</b>
Effective Tax Rate	40.0%	42.5%
<b>Deferred Tax Liability</b>	<b>94,851</b>	<b>1,14,780</b>



(b) Deferred Tax Expenses / (Income) are arrived at as follows:

Particulars	2015	2014
Closing Deferred Tax Liabilities	94,851	1,14,780
Opening Deferred Tax Liabilities	1,14,780	1,31,857
<b>Deferred Tax Expenses / (Income)</b>	<b>(19,928)</b>	<b>(17,077)</b>

(c) The effective income tax rate of 40% has been considered as this tax rate is applicable for publicly traded companies.

28.00 **ESTIMATED LIABILITIES IN RESPECT OF OUTSTANDING CLAIMS WHETHER DUE OR INTIMATED** **Tk. 11,36,22,063** **Tk. 11,00,43,071**

The break up of the above amount is noted below:

CLASSES OF BUSINESS	TOTAL 31-12-2015	TOTAL 31-12-2014
Fire	7,96,22,040	5,74,41,857
Marine Cargo	3,04,40,124	4,08,96,632
Motor	35,59,899	1,16,66,443
Miscellaneous	0	38,139
<b>Total</b>	<b>11,36,22,063</b>	<b>11,00,43,071</b>

**PROPERTY AND ASSETS**

29.00 **INVESTMENTS -AT COST** **Tk. 2,50,00,000** **Tk. 2,50,00,000**

The above amount represents the value of 5 (Five) and 10 (Ten) years Bangladesh Government Treasury Bond at cost kept with National Credit & Commerce Bank Limited according to the provision of Section 7 (I) of Insurance Act (Act IV of 1998 and 7th Schedule item 2 (f) of the said Act (Section 17 of the Insurance Amendments Ordinance, 1984) as detailed below:

PARTICULARS	AMOUNT (TK.) 31-12-2015	AMOUNT (TK.) 31-12-2014
1 Nos. 5 (Five) years Bangladesh Government Treasury Bond of Face Value of Tk. 90,00,000.00 each vide Auction No. 2012001581, dated 09-05-2012	90,00,000	90,00,000
2 Nos. 10 (Ten) years Bangladesh Government Treasury Bond of Face Value of Tk. 1,60,00,000.00 each vide Auction No. 2013001779, dated 13-03-2013	1,60,00,000	1,60,00,000
	<b>2,50,00,000</b>	<b>2,50,00,000</b>

It is noted that the above investment to be renewed after the expiration of the above mentioned 5 (Five) years period and 10 (Ten) years period respectively.

30.00 **INVESTMENT IN SHARES** **Tk. 1,78,81,442** **Tk. 1,53,61,747**

The market price of investment in shares as per requirement para 19 of BAS-25 have been shown as under:

Name of Company	Face Value	Nos. of Shares	Acquisition Cost	Market Value
AB Bank Ltd	10	50,000	1,134,331	1,045,000
BSRM Steel	10	5,000	734,564	481,500
City Bank	10	25,000	451,021	510,000
Eastland Ins.	10	10,000	224,003	194,000
Keya cosmetics	10	60,000	1,044,178	720,000
MTBL	10	79,900	1,779,863	1,558,050
NAVANA CNG	10	17,500	1,891,626	869,750
Nitol Ins	10	30,000	707,869	726,000
One Bank	10	24,000	328,712	367,200

Name of Company	Face Value	Nos. of Shares	Acquisition Cost	Market Value
SAPORT	10	20,000	1,222,979	1,206,000
SPPCL	10	14,370	862,658	793,224
Tosrifa	10	15,000	400,293	253,500
Unique Hotel & Resort	10	23,000	1,500,000	1,163,800
TitasGas		14,000	724,345	663,600
<b>Sub Total</b>			<b>13,006,442</b>	<b>10,551,624</b>
<b>Unlisted Securities - at cost:</b>				
GMG Airlines Ltd.	50	50,000	2,500,000	2,500,000
Energy Prima Ltd.	95	25,000	2,375,000	2,375,000
<b>Sub Total</b>			<b>4,875,000</b>	<b>4,875,000</b>
<b>G. Total</b>			<b>17,881,442</b>	<b>15,426,624</b>

The un-realized loss on investment in shares has been shown in the Income Appropriation Account.

31.00 **INTEREST ACCRUED BUT NOT DUE** **Tk. 79,43,022** **Tk. 84,17,922**  
**(On FDR & National Investment Bond)**

This is made up as follows:

PARTICULARS	AMOUNT (TK.) 31-12-2015	AMOUNT (TK.) 31-12-2014
Interest on FDR	73,83,132	76,93,604
Interest on 3 (Three) years National Investment Bonds	5,59,890	7,24,318
<b>Total</b>	<b>79,43,022</b>	<b>84,17,922</b>

32.00 **AMOUNT DUE FROM OTHER PERSONS OR** **Tk. 10,47,08,056** **Tk. 5,75,47,118**  
**BODIES CARRYING ON INSURANCE BUSINESS**

The above amount represents the total receivable from various persons or bodies carrying on insurance business as co-insurance and reinsurance as on 31st December, 2015. The details of which are given below:

NAME OF PERSONS OR BODIES	AMOUNT (TK.) 31-12-2015	AMOUNT (TK.) 31-12-2014
Bangladesh National Ins. Co. Ltd.	84,735.	84,735
City General Insurance Co. Ltd.	89,857	89,857
Central Insurance Co. Ltd.	274,252	274,252
Crystal Insurance Co. Ltd.	15,309	15,309
Continental Insurance Co. Ltd.	106,702	106,702
Dhaka Insurance Co. Ltd.	39,270	39,270
Federal Insurance Co. Ltd.	151,015	151,015
Islami Insurance Co. Ltd.	1,099	1,099
Islami Commercial Ins. Co. Ltd.	173,727	173,727
Karnaphuli Insurance Co. Ltd.	101,495	101,495
Purubi General Insurance Co. Ltd.	35,433	35,433
Phoenix Insurance Co. Ltd.	26,615	26,615
Pragati Insurance Company Ltd.	678,515	678,515
Standard Insurance Co. Ltd.	2,507	2,507
United Insurance Co. Ltd.	9,281	9,281
Sadharan Bima Corporation	102,918,244	55,757,306
<b>Total</b>	<b>104,708,056</b>	<b>57,547,118</b>

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**CHARTERED ACCOUNTANTS**

It is noted that balance confirmation letters on positive request method for the confirmation directly to us were issued against the amount due from other persons or bodies carrying on insurance business and accordingly we have obtained all the letters as were despatched to the parties for confirmation and we have found thereon none of the parties were in disagreement with the balances as per records of the books of accounts of the Company.

33.00 **SUNDRY DEBTORS (INCLUDING ADVANCES, DEPOSITS & PREPAYMENTS)** **Tk.11,04,50,458 Tk.8,15,95,058**

The break up of the above is as under:

PARTICULARS	AMOUNT (TK.) 31-12-2015	AMOUNT (TK.) 31-12-2014
Advance against Floor Purchase	5,34,74,000	4,65,20,000
Advance against Salary & Allowances	1,00,000	0
Advance against Office Rent	54,11,817	54,59,732
Advance Income Tax and deducted at sources	4,48,43,167	2,26,25,759
Security Deposits (Telephone & CDBL)	3,79,000	3,79,000
Advance against Purchase	62,42,474	66,10,567
<b>Total</b>	<b>11,04,50,458</b>	<b>8,15,95,058</b>

- (a) The advance income tax deducted at source is called for adjustment against the assessment of assessed tax of the Company;
- (b) No amount was due by directors, managers and other officer of the Company and any of them severally or jointly with any other person except as stated above;
- (c) No amount was due by the related party.

34.00 **CASH AND BANK BALANCES** **Tk. 37,63,92,610 Tk. 36,18,09,598**

The above amount is made up as follows:

PARTICULARS	AMOUNT (TK.) 31-12-2015	AMOUNT (TK.) 31-12-2014
Fixed Deposit Receipts	31,01,33,237	28,59,80,558
Cash balance with BO A/c. 1202630016927226	30,078	12,376
Short Term Deposit Account	4,84,25,609	4,38,78,059
Jamuna Bank -STD A/c. 32000164-IPO	6,97,942	1,39,21,397
Jamuna Bank -STD FC Account-IPO	8,72,887	8,72,887
Current Accounts	11,14,667	10,04,113
Cash in Hand	97,68,305	90,91,045
Stamps in Hand	11,20,910	10,37,410
Cash in Transit	42,28,975	60,11,753
<b>Total</b>	<b>37,63,92,610</b>	<b>36,18,09,598</b>

(i) **Fixed Deposit Receipts:**

The detailed bank wise position of Fixed Deposit Receipt are as under:

Name of Bank	Total (Tk.) 31-12-2015	Total (Tk.) 31-12-2014
AB Bank Ltd.	3,80,39,862	347,69,024
Agrani Bank Ltd	28,77,515	25,45,387
Al-Arafah Islami Bank Ltd	2,14,55,790	2,16,54,140
Bangladesh Development Bank	5,00,000	5,00,000
Bangladesh Krishi Bank	1,35,667	2,35,887
Bank Asia Ltd.	1,84,27,039	1,49,89,189
BASIC Bank Ltd.	22,92,809	19,08,550
Bangladesh Commerce Bank Ltd	28,39,591	27,92,677

Name of Bank	Total (Tk.) 31-12-2015	Total (Tk.) 31-12-2014
Commercial Bank of Ceylon plc	26,02,965	21,02,965
Dhaka Bank Ltd	1,12,01,853	99,42,080
Dutch Bangla Bank Ltd	9,99,459	10,00,000
EXIM Bank Ltd.	1,23,88,958	1,03,89,638
Farmers Bank Ltd	30,00,000	5,00,000
FAS Finance Investment Ltd	5,00,000	0
First Finance Ltd	10,00,000	0
First Security Bank Ltd	12,00,000	12,00,000
ICB Islami Bank Ltd	7,24,740	32,13,334
IFIC Bank Ltd	1,31,85,217	99,17,394
Islami Bank BD. Ltd.	1,98,34,514	1,69,41,134
Jamuna Bank Ltd.	4,13,82,019	3,56,31,166
Janata Bank	10,75,150	10,00,545
Lanka Bangla Finance Ltd	5,00,000	0
Meghna Bank Ltd.	9,07,600	9,09,550
Mercantile Bank Ltd.	38,43,033	20,93,358
Midland Bank Ltd.	10,00,000	5,00,000
Mutual Trust Bank	1,34,29,187	1,17,89,929
National Bank Ltd.	1,69,02,796	1,61,94,817
National Bank of Pakistan	10,69,031	10,83,672
National Credit & Commerce Bank Ltd	92,36,844	84,88,743
NRB Commercial Bank Ltd	83,43,025	8,00,000
One Bank Ltd.	12,07,326	42,84,757
Premier Bank Ltd.	16,66,197	14,87,175
Prime Bank Ltd.	23,48,912	23,19,277
Pubali Bank Ltd.	37,08,461	52,84,150
Rajshahi Krishi U. Bank	16,09,553	15,33,337
Rupali Bank Ltd.	10,69,870	20,50,000
Shajalal Islami Bank Ltd.	73,40,061	75,39,757
Social Islami Bank Ltd.	23,00,000	28,00,000
Sonali Bank Ltd.	8,55,536	7,40,281
South Bangla Agriculture Ltd	12,18,000	2,00,000
Southeast Bank Ltd.	1,69,66,097	1,73,49,396
Standard Bank Ltd.	51,22,902	41,91,074
Trust Bank Ltd	9,00,000	9,00,000
United Commercial Bank Ltd	1,03,41,164	1,90,52,205
Uttara Bank Ltd	25,84,494	31,55,970
<b>Total</b>	<b>31,01,33,237</b>	<b>28,59,80,558</b>

(ii) **Short Term Deposit, Current Account and Cash in hand**

The branch wise balance position of Short Term Deposit Accounts, Current Accounts & Cash in Hand are as under:

Name of the Branch	Cash in Hand	Current Account	STD Account
Agrabad	33,772	3,092	13,72,624
Arichaghat	0	0	1,30,120
Asadgonj	11,912	1	1,99,520
B. B. Avenue	2,34,739	1,875	7,79,912
Bangshal	1,86,825	7,607	5,45,751
Barisal	1,31,727	312	1,83,048
Bogra	336	700	5,82,256
Chuadanga	27,958	17,614	3,23,575
Chowmuhani	2,66,452	11,877	2,30,396

**A. HOQUE & CO.**  
**CHARTERED ACCOUNTANTS**

Name of the Branch	Cash in Hand	Current Account	STD Account
Comilla	2,16,867	39,931	5,46,018
Dewanhat	1,86,829	1,003	4,53,642
Dikusha	96,555	2,216	13,25,320
Dikusha Corporate	2,229	82,166	70,98,865
Dinajpur	1,24,486	505	66,448
Faridpur	2,30,599	436	2,89,545
Feni	2,99,240	463	1,65,892
Gabtoi	1,72,555	10,195	2,25,712
Gaibandha	80,592	45,737	10,61,546
Gulshan	80,400	1,665	2,63,101
H.O.Booth	2,55,732	2,407	10,10,957
Hatkhola	15,411	1,338	7,25,312
Imamgonj	3,56,364	3,081	38,91,326
Jamalpur	1,97,631	712	67,719
Jessore	4,65,948	903	9,02,219
Jhenaidah	2,74,970	10,394	3,32,603
Jubilee Road	1,11,764	1,77,330	5,67,277
Kawran bazar	2,90,925	8,967	2,30,494
Khatungonj	5,15,431	21,855	2,82,330
Kuriagram	2,44,165	22,645	13,95,255
Kushtia	93,516	40,995	4,78,027
Laldighi	1,99,609	48,164	7,63,149
Local Office	24,500	857	4,44,447
Local Corp	2,37,803	4,679	5,31,481
Laksham	1,42,536	0	3,68,368
Moghbazar	2,96,208	947	14,15,318
Motijheel	5,26,282	500	10,08,202
Moulvibazar	1,19,216	1,090	1,77,808
Mymensingh	4,18,106	7,859	8,76,203
Naogaon	39,393	48,776	25,70,801
N.gonj	4,16,829	592	17,37,240
Natore	3,16,715	2,016	3,68,920
Nawabpur	68,737	39,549	27,42,267
Nayabazar	55,538	50,735	3,01,592
Nayapolton	2,75,085	16,493	3,90,631
Pabna	0	0	89,696
Principal	3,13,975	2,637	4,14,937
Rangpur	83,236	23,816	5,36,494
Sayedpur	20,256	649	11,80,892
Sylhet	3,86,640	3,276	4,41,384
Sena Kalyan	53,182	75	5,07,395
Sherpur	67,874	705	2,37,836
Sadarghat	1,31,376	1,115	2,61,795
Tangail	54,049	4,741	3,07,968
Uttara	1,41,779	2,125	13,508
Head Office	1,73,451	3,35,249	50,10,467
<b>Total</b>	<b>97,68,305</b>	<b>11,14,667</b>	<b>4,84,25,609</b>

The cash in hand of different branches has been certified by the concerned persons of the different branches. The bank balances have been verified with the concerned bank statements.

35.00 **OTHER ACCOUNTS**

**Tk. 14,17,09,976 Tk. 13,81,48,470**

This is made up as follows:

35.01 Fixed Assets (At Cost Less Depreciation. Note 35.01)	12,05,46,754	11,67,69,283
35.02 Building under Development	2,03,96,389	2,03,96,389
35.03 Stock of Printing & Stationery	7,66,833	9,82,798
	<u>14,17,09,976</u>	<u>13,81,48,470</u>

**35.01 FIXED ASSETS -AT COST LESS DEPRECIATION Tk. 12,05,46,754 Tk. 11,67,69,283**

This is arrived at as under:

Cost as on 01-01-2015	20,27,70,701	11,63,02,460
Add: Addition during the year	1,08,65,292	8,64,68,241
Less: Sale Adjustment	1,91,200	0
	<u>21,34,44,793</u>	<u>20,27,70,701</u>
Less: Depreciation:		
Dep. as on 01-01-2015	8,60,01,418	7,86,73,637
Deprecation charged during the year	70,74,119	73,27,781
Less: Deprecation Adjusted	1,77,498	0
	<u>9,28,98,039</u>	<u>8,60,01,418</u>
Balance as on 31-12-2015	<u>12,05,46,754</u>	<u>11,67,69,283</u>

**35.03 STOCK OF PRINTING & STATIONERY Tk. 7,66,833 Tk. 9,82,798**

This is made up as follows:

Balance as on 01-01-2015	9,82,798	10,14,463
Add: Purchased during the year	9,06,669	19,34,891
	<u>18,89,467</u>	<u>29,49,354</u>
Less: Consumed during the year	11,22,634	19,66,556
Balance as on 31-12-2015	<u>7,66,833</u>	<u>9,82,798</u>

**36.00 MISCELLANEOUS INCOME Tk. 2,96,398 Tk. 0**

Its represents the gain on sale of assets.

**37.00 INTEREST ON FDR, STD AND NIB Tk. 3,05,50,076 Tk. 3,52,53,481**

This is made up as follows:

PARTICULARS	AMOUNT (TK.) 31-12-2015	AMOUNT (TK.) 31-12-2014
Interest on STD Account	12,89,108	18,75,218
Interest on FDR	2,64,63,395	3,04,05,655
Interest on National Investment Bond	27,97,573	29,72,608
<b>Total</b>	<b>3,05,50,076</b>	<b>3,52,53,481</b>

**38.00 ALLOCATION OF MANAGEMENT EXPENSES (APPLICABLE TO FUND) Tk. 6,37,52,157 Tk. 5,36,47,824**

NAME OF BUSINESS	APPORTIONED EXPENSES	DIRECT CHARGE	AMOUNT (TK.) 31-12-2015	AMOUNT (TK.) 31-12-2014
Fire	3,36,68,209	4,03,999	3,40,72,208	2,68,20,000
Marine Cargo	1,67,63,305	0	1,67,63,305	1,38,08,001
Marine Hull	41,099	0	41,099	24,864
Motor	93,31,242	2,58,279	95,89,521	72,79,605
Miscellaneous	32,73,786	12,238	32,86,024	57,15,354
<b>Total</b>	<b>6,30,77,641</b>	<b>6,74,516</b>	<b>6,37,52,157</b>	<b>5,36,47,824</b>

39.00 **AGENCY COMMISSION** **Tk. 6,07,60,252** **Tk. 4,99,04,011**

This is made up as follows:

CLASS OF BUSINESS	DIRECT	GOVT.	AMOUNT (TK.) 2015	AMOUNT (TK.) 2014
Fire	2,83,51,238	0	2,83,51,238	2,33,17,362
Marine Cargo	2,04,26,460	0	2,04,26,460	1,59,99,362
Marine Hull	0	0	0	0
Motor	79,79,371	0	79,79,371	59,30,858
Miscellaneous	40,03,183	0	40,03,183	46,56,429
<b>Total</b>	<b>6,07,60,252</b>	<b>0</b>	<b>6,07,60,252</b>	<b>4,99,04,011</b>

40.00 **GROSS PREMIUM INCOME** **Tk. 40,50,68,344** **Tk. 33,26,93,404**

Class wise Private & Govt. Gross Premium Income is as follows:

CLASS OF BUSINESS	DIRECT	GOVT.	AMOUNT (TK.) 2015	AMOUNT (TK.) 2014
Fire	18,56,54,561	33,53,689	18,90,08,250	15,54,49,080
Marine Cargo	12,02,52,156	1,54,68,558	13,57,20,714	10,61,38,438
Marine Hull	0	4,55,689	4,55,689	5,23,972
Motor	5,10,99,137	20,96,667	5,31,95,804	3,95,39,060
Miscellaneous	1,02,70,666	1,64,17,221	2,66,87,887	3,10,42,854
<b>Total</b>	<b>36,72,76,520</b>	<b>3,77,91,824</b>	<b>40,50,68,344</b>	<b>33,26,93,404</b>

41.00 **NET PREMIUM INCOME** **Tk. 31,71,54,981** **Tk. 24,95,21,845**

Class wise Private & Govt. Net Premium Income is as follows:

CLASS OF BUSINESS	DIRECT	GOVT.	AMOUNT (TK.) 2015	AMOUNT (TK.) 2014
Fire	14,53,81,837	9,80,168	14,63,62,005	11,65,19,168
Marine Cargo	10,38,36,365	37,30,035	10,75,66,400	8,19,37,866
Marine Hull	0	28,448	28,448	2,76,484
Motor	5,10,99,137	20,64,541	5,31,63,678	3,95,13,746
Miscellaneous	94,67,026	5,67,424	1,00,34,450	1,12,74,581
<b>Total</b>	<b>30,97,84,365</b>	<b>73,70,616</b>	<b>31,71,54,981</b>	<b>24,95,21,845</b>

42.00 **CASH AND BANK BALANCES** **Tk. 37,63,92,610** **Tk. 36,18,09,598**

The above amount is made up as follows:

PARTICULARS	AMOUNT (TK.) 31-12-2015	AMOUNT (TK.) 31-12-2014
Fixed Deposit Receipts	31,01,33,237	28,59,80,558
Cash balance with BO A/c. 1202630016927226	30,078	12,376
Short Term Deposit Account	4,84,25,609	4,38,78,059
Jamuna Bank -STD A/c. 32000164-IPO	6,97,942	1,39,21,397
Jamuna Bank -STD FC Account-IPO	8,72,887	8,72,887
Current Accounts	11,14,667	10,04,113
Cash in Hand	97,68,305	90,91,045
Stamps in Hand	11,20,910	10,37,410
Cash in Transit	42,28,975	60,11,753
<b>Total</b>	<b>37,63,92,610</b>	<b>36,18,09,598</b>

43.00 **CALCULATION OF PROVISION FOR INCOME TAX** **Tk. 2,33,70,819** **Tk. 2,29,23,644**

This is made up as follows:

PARTICULARS	AMOUNT (TK.)	AMOUNT (TK.)
	2015	2014
Profit before Tax	7,44,70,044	6,62,90,726
Less: Reserve for Exceptional Losses	1,58,57,749	1,24,76,092
Capital Gain	2,96,398	0
Profit other than capital gain and sale of shares	5,83,15,897	5,38,14,634
Tax on profit other than capital gain and sale of shares @ 40%	2,33,26,359	2,29,23,644
Tax on capital gain @ 15%	44,460	0
Provision for Income Tax	2,33,70,819	2,29,23,644

In our opinion, the actual provision for Income Tax should be made into accounts.

44.00 **EARNINGS PER SHARE (EPS) AS PER BAS 33**

Basic Earnings per Share (EPS)

$$\text{Basic EPS} = \frac{\text{Earnings Attributable to Ordinary Shareholders}}{\frac{(\text{Net profit after tax and reserve for exceptional losses})}{\text{Weighted Average No. of Shares Outstanding during the year}}}$$

Computation of Earnings Attributable to Ordinary Shareholders:

<b>Net Profit before Tax</b>	Tk. 7,44,70,044	Tk. 6,62,90,726
Less: Provision for Income Tax	Tk. 2,33,70,819	Tk. 2,29,23,644
	Tk. 2,33,70,819	Tk. 2,29,23,644
	Tk. 5,10,99,225	Tk. 4,33,67,082
Number of Shares	2,64,35,124	2,64,35,124
EPS	1.93	1.64

Computation of weighted average number of Shares Outstanding.

Date	No. of Shares Issued	Period	Days	Weight	Weighted average no.
Opening	2,36,02,790	01-01-2015-31-12-2015	365	365/365	2,36,02,790
During the year	28,32,334	01-01-2015-31-12-2015	365	365/365	28,32,334
<b>Total</b>					<b>2,64,35,124</b>

45.00 **INTRINSIC VALUE OR NET ASSETS VALUE**

The Intrinsic Value or Net Assets Value of Provati Insurance Co. Ltd. is given below:

Particulars	Amount (Tk.) 31-12-2015	Amount (Tk.) 31-12-2014
<b>A. Assets:</b>		
Investment at cost	4,28,81,442	14,29,02,907
Interest Accrued but not due	79,43,022	84,17,922
Amount due from other persons or bodies carrying on Insurance Business	10,47,08,056	5,41,05,958
Sundry Debtors (Including Advances, Deposits & Prepayments)	11,04,50,458	8,15,95,058
Cash and Bank Balances	37,63,92,610	36,18,09,598
Other Accounts (Fixed Assets & Stock of Stationery)	14,17,09,976	3,90,48,470
<b>Total</b>	<b>78,40,85,564</b>	<b>68,78,79,913</b>
<b>B. Liabilities:</b>		
Balance of Funds and Accounts	12,68,79,061	9,99,74,628
Estimated Liabilities in respect of outstanding claims whether due or intimated	11,36,22,063	11,00,43,071
Amount due to other persons or bodies carrying on Insurance Business	36,35,642	36,35,642
Deferred Tax Liability	94,851	1,14,780
Sundry Creditors (Including provision for expenses and Taxes)	9,01,60,615	7,58,32,722
Other Sums Owing (Premium Deposit Account)	1,98,00,426	1,70,50,500
<b>Total Current Liabilities</b>	<b>35,41,92,658</b>	<b>30,66,51,343</b>
<b>Net Assets (A-B)</b>	<b>42,98,92,906</b>	<b>38,12,28,570</b>
No. of Shares	2,64,35,124	2,36,02,790
Intrinsic Value / Net Assets Value per Share	16.26	16.15



We have examined the above calculation of Net Assets Value (NAV) of the Company which appears to be correct.

**46.00 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURE UNDER BAS 32 "FINANCIAL INSTRUMENTS: DISCLOSURE AND PRESENTATION".**

Setout below is a year-ended balance of carrying amounts (book value) of all financial assets and liabilities (Financial Instruments):

Particulars	Interest Bearing		Non Interest Bearing	Total
	Maturity within one year	Maturity after one year		
<b>Financial Assets</b>				
Bangladesh Govt. Treasury Bonds	0	25,000,000	0	25,000,000
Investment in FDR	0	310,133,235	0	310,133,235
Investment in Shares	17,881,442	0	0	17,881,442
Accounts Receivable	0	0	110,450,458	110,450,458
Cash and Cash Equivalent	53,352,526	0	12,906,847	66,259,375
<b>Total</b>	<b>71,233,968</b>	<b>335,133,235</b>	<b>123,357,305</b>	<b>529,724,510</b>
<b>Financial Liabilities</b>				
Bank Overdraft	3,871,130			3,871,130
Outstanding Claims	0		113,622,063	113,622,063
Creditors	0		86,289,485	86,289,485
<b>Total</b>	<b>3,871,130</b>		<b>199,911,548</b>	<b>203,782,678</b>
<b>Net Financial Assets/Liabilities</b>	<b>67,362,840</b>	<b>335,133,235</b>	<b>(76,554,243)</b>	<b>325,941,832</b>

**47.00 RELATED PARTY TRANSACTIONS-DISCLOSURE UNDER BAS 24 "RELATED PARTY DISCLOSURE"**

During the year under review the Company did not carry out the transactions with the related parties in the normal course of business and on arm's length basis.

**48.00 PAYMENT / PERQUISITES TO DIRECTORS**

No amount of money was spent by the Company for compensating any member of the Board for services rendered other than Board Meeting Fee.

**49.00 CAPITAL EXPENDITURE COMMITMENT**

There was no commitment for capital expenditure and also not incurred or provided for the year ended 31st December, 2015.

**50.00 SUBSEQUENT EVENTS-DISCLOSURES UNDER BAS 10 "EVENTS AFTER THE REPORTING PERIOD"**

There were no non-adjusting post Statement of Financial Position events of such importance, non disclosure of which would affect the ability of the users of financial statements to make proper evaluations and decisions.

**51.00 COMPLIANCE OF SCHEDULE XI PAR II OF THE COMPANIES ACT, 1994**

The slab of employees remuneration is given below:

Particulars	Number of Employees
Below Tk. 36,000 per year	0
Tk. 36,000 and above	725
<b>Total</b>	<b>725</b>