



**(a) Preliminary Information and Declarations:**

(i) Name(s), address(s), telephone number(s), web address(s), e-mail(s), fax number(s) and contact persons of the Issuer, Issue Manager(s), underwriter(s), auditors, credit rating company and valuer, where applicable;

<b>Name &amp; Address</b>	<b>Contact Person</b>	<b>Telephone, Fax, Email &amp; Web address</b>
<b>Issuer</b>		
<b>Crystal Insurance Company Limited</b> DR Tower (14th floor), 65/2/2, Box Culvert Road, Purana Paltan, Dhaka-1000	<b>M. Mahfuzur Rahman, ACA</b> DMD & CFO	Tel: +88-02-9566889 Fax: +88-02-9567205 Email: info@ciclbd.com Web: www.ciclbd.com
<b>Issue Manager</b>		
<b>Sonar Bangla Capital Management Limited</b> Paramount Heights (8 <sup>th</sup> Floor), 65/2/1, Box Culvert Road, Purana Paltan, Dhaka-1000	<b>Emam Hossain</b> Managing Director/CEO (In-charge)	Tel: +88-02-9511799 Fax: +88-02-9515447 Email: sbcmgtltd@gmail.com Web: www.sbcmibd.com
<b>Underwriters</b>		
<b>Sonar Bangla Capital Management Limited</b> Paramount Heights ( 8 <sup>th</sup> Floor), 65/2/1, Box Culvert Road, Purana Paltan, Dhaka-1000	<b>Emam Hossain</b> Managing Director/CEO (In-charge)	Tel: +88-02-9511799 Fax: +88-02-9515447 Email: sbcmgtltd@gmail.com Web: www.sbcmibd.com
<b>GSP Investments Limited</b> 1, Paribagh, Mymensingh Road Dhaka - 1000, Bangladesh	<b>Md. Zillur Rahim Chowdhury</b> Managing Director	Tel: +880 2 967 4306 Fax: +880 2 967 4194 Email: kjamanucl@gmail.com Web: www.gsp-investments.com
<b>Auditor</b>		
<b>Mahfel Huq &amp; Co.</b> BGIC Tower (4 <sup>th</sup> Floor), 34, Topkhana Road, Dhaka-1000	<b>Howlader Mahfel Huq FCA</b>	Tel: +88-02-9553143 Fax: +88-02-9571005 Email: hmhco.fca@gmail.com Web: www.mahfelhuq.com
<b>Credit Rating Company</b>		
<b>Credit Rating Agency of Bangladesh</b> D H Tower, Level 15, 6 Panthapath, Dhaka 1215	<b>Tahmina Islam</b> Analyst	Tel: +88-02-55013678 +88-02-55013681-84 Fax: +88-02-55013679 Email: info@crab.com.bd Web: www.crab.com.bd

(ii) A person interested to get a prospectus may obtain from the Issuer, and the Issue Manager(s);

(iii) “If you have any query about this document, you may consult the Issuer, Issue Manager and underwriter”;

(iv) “CONSENT OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION HAS

BEEN OBTAINED TO THE ISSUE OR OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2015. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER, MANAGING DIRECTOR, CHIEF FINANCIAL OFFICER, COMPANY SECRETARY, ISSUE MANAGER, ISSUE MANAGER'S CHIEF EXECUTIVE OFFICER, UNDERWRITERS, AUDITOR(S), VALUER AND/OR CREDIT RATING COMPANY (IF ANY)."

(v) "This being the first issue of the Issuer, there has been no formal market for the securities of the Issuer. The face value of the securities is Tk. 10.00 (ten) and the issue price is Tk 10.00 (ten), i.e. the face value. The issue price has been determined and justified by the Issuer and the Issue Manager or bidding by the eligible investors as stated under the paragraph on "Justification of Issue Price" should not be taken to be indicative of the market price of the securities after listing. No assurance can be given regarding an active or sustained trading of the securities or the price after listing."

(vi) "Investment in securities involves a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offer. For taking an investment decision, investors must rely on their own examination of the Issuer and the offer including the risks involved. The securities have not been recommended by the Bangladesh Securities and Exchange Commission (BSEC) nor does BSEC guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'risk factors' given on page number(s) "from 190 to 201".

(vii) "The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this prospectus contains all material information with regard to the Issuer and the issue, that the information contained in the red-herring prospectus or prospectus or information memorandum are true, fair and correct in all material aspects and are not misleading in any respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect."

**(b) Availability of Prospectus:**

(i) Names, addresses, telephone numbers, fax numbers, website addresses and e-mail addresses and names of contact persons of the institutions where the prospectus and abridged version of prospectus are available in hard and soft forms;

<b>Name &amp; Address</b>	<b>Contact Person</b>	<b>Telephone, Fax, Email &amp; Web address</b>
<b>Issuer</b>		
<b>Crystal Insurance Company Limited</b> DR Tower (14th floor), 65/2/2, Box Culvert Road, Purana Paltan, Dhaka-1000	<b>M. Mahfuzur Rahman,</b> <b>ACA</b> DMD & CFO	Tel: +88-02-9566889 Fax: +88-02-9567205 Email: info@ciclbd.com Web: www.ciclbd.com
<b>Issue Manager</b>		
<b>Sonar Bangla Capital Management Limited</b> Paramount Heights (8 <sup>th</sup> Floor), 65/2/1, Box Culvert Road, Purana Paltan, Dhaka-1000	<b>Emam Hossain</b> Managing Director/CEO (In-charge)	Tel: +88-02-9511799 Fax: +88-02-9515447 Email: sbcmgtltd@gmail.com Web: www.sbcmlbd.com
<b>Stock Exchanges</b>		
<b>Dhaka Stock Exchange Limited</b> 9/F, Motijheel C/A, Dhaka-1000	<b>DSE Library</b>	Tel: +88-02-9564601 Fax: +88-02-9564727, 9569755 Email: reasearch@dsebd.org Web: www.dsebd.org
<b>Chittagong Stock Exchange Ltd.</b> CSE Building, 1080 Sk. Mujib Road Agrabad C/A, Chittagong-4100 Dhaka liaison Office: 52-53, Dilkusha C/A, Dhaka-1000	<b>CSE Library</b>	Tel: +88-031-714632-3 Fax: +88-031-714101 Email: jabed@cse.com.bd Web: http://www.cse.com.bd

Prospectus would also be available on the web sites of the Issuer and Issue Manager's websites, BSEC (www.sec.gov.bd) and at the Public Reference Room of the Bangladesh Securities and Exchange Commission (BSEC) for reading and studying.

**(ii) Names and dates of the newspapers where abridged version of prospectus was published.**

<b>Sl No.</b>	<b>Name of newspapers</b>	<b>Date of publication</b>
01	[ • ]	[ • ]
02	[ • ]	[ • ]
03	[ • ]	[ • ]
04	[ • ]	[ • ]

**(iii) Definitions and Acronyms or Elaborations:****A**

AGM	Annual General Meeting
Allotment	Letter of allotment for shares

**B**

BO A/C	Beneficial Owner account or Depository account
BAS	Bangladesh Accounting Standard
BDT	Bangladeshi Taka
BSEC	Bangladesh Securities and Exchange Commission
BFRS	Bangladesh Financial Reporting Standard

**C**

CICL	Crystal Insurance Company Limited
CDBL	Central Depository Bangladesh Limited
Commission	Bangladesh Securities and Exchange Commission
Companies Act	Companies Act, 1994 (Act No. XVIII of 1994)
CSE	Chittagong Stock Exchange Limited
CIB	Credit Information Bureau

**D**

DSE	Dhaka Stock Exchange Limited
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**E**

EPS	Earnings per share
Exchanges	Stock Exchanges

**F**

FC Account	Foreign Currency Account
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**G**

GC	Going Concern
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**I**

IPO	Initial Public Offering
Issue	Public Issue
Issuer	Crystal Insurance Company Limited
Issue Manager	Sonar Bangla Capital Management Limited

**N**

NAV	Net Asset Value
NRB	Non-resident Bangladeshi

**O**

Offering Price	Price of the Securities of Crystal Insurance Company Limited being offered
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**P**

P/E	Price Earnings ratio
Pound	United Kingdom Pound

**R**

RegisteredOffice	Head Office of the Company
RJSC	Registrar of Joint Stock Companies & Firms

**S**

SBCML	Sonar Bangla Capital Management Limited
Securities	Shares of Crystal Insurance Company Limited
Sponsors	The Sponsor Shareholders of Crystal Insurance Company Limited

**T**

The Company	Crystal Insurance Company Limited
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**V**

VAT	Value Added Tax
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## Section I

### **Executive Summary**

**(a) About the Industry**

Insurance serves a number of valuable functions which are very different from those rendered by other types of financial intermediaries. The indemnification and the risk pooling properties of non-life insurance facilitate transaction and the provision of credit by mitigating losses as well as the measurement and management of risk.

Initially, the Insurance Industry of Bangladesh was governed by The Insurance Act 1938 which subsequently has been replaced by the Act of 2010. The Office of the Controller of Insurance under the Ministry of Commerce was abolished by the Insurance Development and Regulatory Authority Act 2010; and Insurance Development and Regulatory Authority (IDRA) created under the act, is functioning under the of the Ministry of Finance (previously it was under the Ministry of Commerce).

Through the enactment of Insurance Corporation Act VI, 1973 two corporations, namely the Sadharan Bima Corporation (SBC) for general insurance and the Jiban Bima Corporation (JBC) for life insurance in Bangladesh were established on 14th May, 1973. The government allowed the private sector to conduct business in all areas of insurance for the first time in 1984. The insurance market now consists of 78 companies as per record in Insurance Development Regulatory Authority (IDRA), which are:

- 02 (Two) state owned companies (Jiban Bima Corporation for life insurance, and Sadharan Bima Corporation for general insurance in the public sector), and
- 45 general insurance & 31 life insurance companies in the private sector.

Out of which, 47 insurance companies are listed in the capital market of which 11 (eleven) are life insurance providers and rest 36 are general insurance providers [source: [www.dsebd.org](http://www.dsebd.org)]. In addition, government has issued license to India's state Owned-Life Insurance Corporation (LIC).

The regulatory reforms started with the introduction of the Insurance Act 2010. It is obligatory for insurance companies to charge premium rates as determined by the Regulatory Authority. However, the tariff rates have not been reviewed for a long time in light of updated loss experience obtaining over the years and as such many clients do feel that they are being overcharged. Further short term and mid-term objective of national insurance policy and guideline were not implemented. This has further negatively impacted the public perception of the insurance industry at large thereby hindering its growth.

Sectorial share of insurance industry to the GDP at current prices is 0.38% in 2016 whereas 4.1% in 2015 found in the Bureau of Statistics, Bangladesh. Insurance penetration rate in Bangladesh is less than 1% since last consecutive years.

The further progress of Bangladesh Insurance Industry predominantly depends on how the consumers' perception of insurance as a useful and efficient vehicle of risk transfer can be bolstered. This can be achieved through sustained efforts of the industry as well as regulators by holding public conference, by providing efficient services, honoring insurance policy obligations, introducing new products, aware the public by using technology and social mechanism and by rationalizing the pricing mechanism. Crystal Insurance Company is operating general insurance business. There is only one Company in public sector namely Shadharon Bima Corporation and in private sector, there are 45 general insurance companies are operating in Bangladesh. There is immense competition amongst the companies as number of general insurance companies is large. Since Bangladesh economy is growing and GDP growth rate is up trending and steady which is favorable for the development of insurance sector of Bangladesh. Alongside newly promulgated the Insurance Act 2010 has also bought structural and legislative development for doing insurance business in the country.

Due to volume of business in Bangladesh is increasing day by day and business risk such as accident, hazard, peril, fire, theft etc. shall also increase simultaneously. The issuer is doing business in such an industry where demand for insurance coverage to reduce business risk is highly required. Currently the economy of Bangladesh has been emerged and demand for insurance coverage has been substantially increased. The last five years business performance of the issuer has been revealed that current business environment is favorable for the Company.

**(b) About the Issuer****Company at a glance**

Crystal Insurance Company Limited (CICL) was incorporated in Bangladesh as a public limited company on November 11, 1999 under the Companies Act, 1994 and licensed under the Insurance Act, 1938 in order to run all types of General Insurance Business other than Life Insurance Business. It obtained certificate of commencement of business on November 11, 1999. It got registration from Controller of Insurance on June 12, 2000. Presently the Company has been operating its business through 31 branches including the Local Office. The branches are located in different strategically important areas of the country.

**Important dates**

Incorporation of the Company	November 11, 1999
Date of Certificate of Commencement of Business	November 11, 1999
Registration from Controller of Insurance	June 12, 2000
Date of changing of face value of share to Tk. 10.00	November 13, 2011

**Nature of Business**

Crystal Insurance Company Limited is licensed under Insurance Act, 1938 to run all types of General Insurance Business other than Life Insurance Business. Like most of the general insurance companies in the industry, CICL underwrites risks in fire, marine, motor and miscellaneous business areas.

**Principal Products and Services**

Crystal Insurance Company Limited is carrying out the following types of insurance/re-insurance business:

- a) Fire Accidental Damage on Property Insurance
- b) Marine Cargo Insurance
- c) Motor Insurance
- d) Miscellaneous Insurance
- e) Liability Insurance
- f) Engineering Insurance



**(c) Financial Information**

Major financial information of Crystal Insurance Company Limited is as follows:

Particulars	31-12-18	31-12-17	31-12-16	31-12-15	31-12-14
	Taka	Taka	Taka	Taka	Taka
Gross Premium	431,301,165	408,661,693	390,354,116	365,324,258	350,464,503
Re-Insurance ceded	128,652,309	111,148,731	97,760,260	89,585,493	85,808,759
Net Premium	302,648,856	297,512,962	292,593,856	275,738,765	264,655,744
Net Claim	98,825,680	87,930,392	87,222,129	48,695,639	69,574,775
Underwriting Profit	65,000,849	73,221,973	52,485,536	48,719,764	46,890,959
Net Profit Before Tax	74,305,954	54,567,640	50,499,862	44,224,550	43,427,841
Net Profit After Tax	67,986,676	49,772,471	45,228,031	40,970,036	39,398,900
Total Asset	940,017,523	879,724,941	754,229,506	656,349,855	551,710,404
Share capital	240,000,000	240,000,000	60,000,000	60,000,000	60,000,000
Total Reserve & Surplus	308,326,761	263,101,198	334,681,937	252,266,684	169,946,648
Retained earnings	24,550,196	11,765,050	40,558,748	41,866,129	44,928,519
Share Money Deposit	0	-	88,000,000	47,350,000	-
No. of shares	24,000,000	24,000,000	6,000,000	6,000,000	6,000,000
Face value	10	10	10	10	10
NAV per share	22.85	20.96	51.11	44.15	38.33
Earnings per share (Basic)	2.83	2.07	2.54	6.83	6.67

**(d) Features of the issue and its objects**

Particulars	Description
Offer price	BDT 10.00
Number of shares	16,000,000 Ordinary shares
Offer size	BDT 160,000,000.00
<i>Of which</i>	
50% of total public offer shall be reserved for the Eligible Investors (EIs)	8,000,000 Ordinary shares of Tk. 10 each at par totaling Tk. 80,000,000
50% of total public offer shall be reserved for the General public	8,000,000 Ordinary shares of Tk. 10 each at par totaling Tk. 80,000,000
Ordinary shares outstanding prior to the issue [nos. of share]	24,000,000 Ordinary shares
Ordinary shares outstanding after the issue [nos. of share]	40,000,000 Ordinary shares
Issue Manager	Sonar Bangla Capital Management Limited
Register to the Issue	N/A
Underwriter(s)	(i) Sonar Bangla Capital Management Limited (ii) GSP Investments Limited
NAV per share	BDT 22.85
EPS (Basic)	BDT2.83
Objects of the issue	The public issue is for compliance of statutory requirement of the Company. The Company offers its shares to the public as required by the Insurance Act, 2010. The net proceeds of the present issue of 16,000,000 shares of Tk. 10 each at par totaling Tk. 160,000,000 will strengthen the capital base of the company. The fund thus raised through public issue will be used for investment in FDR, Capital Market and to meet up IPO expenses.

**(e) Legal and other Information**

Crystal Insurance Company Ltd. is a General Insurance Company was incorporated and registered in Bangladesh with the Registrar of Joint Stock Companies and Firms (RJSC) on 11<sup>th</sup> November 1999 vide Certificate no. C-39008(966)/99 as a public limited company under the Companies Act, 1994. The Chief Controller of Insurance, Government of the People's Republic of Bangladesh issued the Registration certificate no. CR-19/2000 with effect from 12<sup>th</sup> June, 2000 for carrying out business under the Insurance Act 1938 (replaced by Insurance Act 2010).

Name of the Company	Crystal Insurance Company Limited
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Private/ Public Company	Public Limited Company
Date of Incorporation	11 <sup>th</sup> November, 1999
Date of Commencement of Business	11 <sup>th</sup> November, 1999
Registration number of IDRA	CR-19/2000 (Directorate of Insurance)

The Company obtained all licenses from the respective regulatory bodies, particulars of which are as below:

List of licenses	Certificate/License No	Validity
Certificate of incorporation	C-39008(966)/99	N/A
TIN certificate	523567614984	N/A
BIN	19071027263	N/A
Trade license	030664	30 June 2019

#### (f) Promoters' Background

The following persons are the promoters of Crystal Insurance Company Limited:

Sl.	Name	Status
1	Mr. Abdullah Al-Mahmud	Subscribers to the MoA & AoA
2	Mr. Md. Tajul Islam	
3	Mr. A.H.M. Mozammel Hoque	
4	Mr. Abdullah Hasan	
5	Mr. Arman Islam	
6	Mr. Abdullah Al-Zahir	
7	Mr. Md. Yousuf Ali	
8	Mr. Syed Md. Habibul Huq	

1. **Mr. Abdullah Al-Mahmud**, 56, is the founder Chairman of Crystal Insurance Company Limited and country's one of the well-known enthusiastic and dynamic entrepreneurs. He is also the founder and major shareholder of Mahin Group, one of the vertically integrated leader in export of apparels and textiles in Bangladesh.

Upon completion of his education in the USA in 1992, Mr. Mahmud returned to Bangladesh and embarked upon as an entrepreneur. Within a span of only more than a decade, with his dedication and vision Mr. Mahmud has made a conglomerate namely Mahin Group of Companies. The modest journey began with pursuing a RMG business related Washing Plant and forward himself by setting up a specialized button making RMG unit named Mahin Apparels Ltd. in 1993, acknowledging the need for backward linkage in the industry, he eventually set up Hamid Fabrics Ltd. The Weaving Unit in 1996 and subsequently the Dyeing and Finishing unit in 2003 at Shilmandi, Narsingdi. The Journey continue with two more weaving units adopting cutting age technology under name of Hamid Weaving Mills Ltd. And Tazrian Weaving Mills Ltd. in 2008 and 2014. The senses to abide by compliance for the development of textiles industry of the country, another Weaving unit and a Yarn Dyeing facilities added in the group's wing in 2016. Towards the total composite set up, the group presently in process to set up its own spinning facilities. With diversification of business idea, henceforth, he also has made investment in IT Sector Company like Grameen Solutions Ltd., and Real Estate business named Millennium Holdings Ltd.

Mr. Mahmud, presently, is holding chair of Vice President of BTMA (Bangladesh Textile Mills Association) for the two consecutive periods since 2015 and was Member of Executive Committee of BTMA in earlier years. He is

also acting as executive committee member of BAPILC (Bangladesh Association of Publicly Listed Companies) and BIA (Bangladesh Insurance Association). Mr. Mahmud remain Member of Governing Body for NITER (National Institute of Textile Engineering and Research) since 2015 and member of General Body of FBCCI (Federation of Bangladesh Chambers of Commerce and Industry). He had been elected as Director of BGMEA (Bangladesh Garment Manufacturers & Exporters Association) for the year of 2013-15 & 2007-09. Apart from those, he is also involved in various business forums and social causes.

Mr. Mahmud had been awarded with various national recognitions as highest exporter awards from Bangladesh Government and various business associations. He has been considered as a Commercially Important Person (CIP) in Bangladesh for many years and presently also holds ‘Kor Bahadur’ recognition from National Board of Revenue for year 2016-17. The group has experienced a rapid, yet steady, growth in last 21 years under his leadership and vision; this trend is expected to continue in the foreseeable future.

2. **Mr. Md. Tajul Islam**, 73, Director of Crystal Insurance Company Limited comes of a respectable Muslim family of Chandpur. He is an MBA from Karachi University (1968). He is also an associate of the Institute of Chartered Secretaries and Managers of Bangladesh. He has in his credit more than 45 years of experience in different sectors of business.
3. **Mr. A.H.M. Mozammel Hoque**, 78, is one of the Directors of Crystal Insurance Company Limited. He completed his Bachelor of Commerce degree from Jagannath College in 1960. He has been actively involved in the textile sector for more than 16 years. He was the Deputy Chief Accountant in Bangladesh Jute Mills Corporation (BJMC) for 22 years after which he entered the RMG business in 1993. Apart from being a founder director of CICL, Mr. Hoque is also a founder Director of Hamid Weaving Mills Ltd. and Hamid Fabrics Limited.  
Mr. Mozammel also has got in his credit more than 45 years’ experience in different business areas. Since his involvement in business, he dedicated himself towards control and maintenance of accounts and finance. He oversees total management operations for all companies he is involved with. His guidance and supervision is one of the main reasons behind Mahin Group’s success.
4. **Abdullah Hassan**, 58, is a founder Director of Crystal Insurance Company Ltd., has been working in the RMG and Textile sector for more than 32 years. Prior to CICL, he was the Head of operations in Atlantic Garments in 1985, and eventually Mahin Apparels in 1993. He is a vibrant entrepreneur. His expertise and experience have been vital for the enhancement and eventual growth of the textile and garment division of Mahin Group.
5. **Arman Islam**, was a founder Director of Crystal Insurance Company Ltd., was a Master’s degree holder. He was associated with C.K. Washing Plant. Mr. Arman was a sports enthusiast and he was the Vice Chairman of Dhanmondi Cricket Club.
6. **Abdullah Al-Zahir**, a well-educated person, was a founder Director of Crystal Insurance Company Ltd. Hewas also one of the sponsor Directors of EXIM Bank Limited. He was born in a respectable Muslim family of South Chortha in the district of Comilla. A reputed Industrialist and humanitarian, Mr. Zahir is actively associated with many educational, socio-cultural organizations and sports sector of the country. Under his dynamic guidance, Blue Flying Academy Limited achieved some remarkable success.
7. **Md. Yousuf Ali**, was a founder Director of Crystal Insurance Company Ltd. He was proprietor of M/S Computer Point and Soma Radiant Garments.
8. **Syed Md. Habibul Huq**, was a founder Director of Crystal Insurance Company Ltd., hailed from a respectable Muslim family of Chakhar, Barisal. He had in his credit long experience gathered from services in various insurance companies.

#### **(g) Capital Structure and History of Capital Raising**

The present capital structure of the company is as under:

Particulars	No. of shares	Face value in BDT	Amount in BDT
<b>Authorized capital</b>	<b>100,000,000</b>	<b>10.00</b>	<b>1,000,000,000</b>
Paid-up capital	24,000,000	10.00	240,000,000
<b>Total paid-up capital before IPO (A)</b>	<b>24,000,000</b>	<b>10.00</b>	<b>240,000,000</b>
Initial public offering (IPO) (B)	16,000,000	10.00	160,000,000
<b>Paid-up capital after IPO (A+B)</b>	<b>40,000,000</b>	<b>10.00</b>	<b>400,000,000</b>

The history of capital raising of Crystal Insurance Company Limited (CICL) is as follows:

Allotments	No. of Shares	Face value	Consideration		Amount in BDT
			In cash	Other than cash	
November 11, 1999 (As per Memorandum)	6,000,000	10.00	60,000,000		60,000,000
March 22, 2017	15,000,000	10.00	150,000,000		150,000,000
April 22, 2017 (Bonus)	3,000,000	10.00		30,000,000	30,000,000
<b>Total</b>	<b>24,000,000</b>		<b>210,000,000</b>	<b>30,000,000</b>	<b>240,000,000</b>

The face value of shares was denominated from Tk. 100 per share to Tk. 10 per share vide special resolution passed on 22 September 2011 in the 2<sup>nd</sup> Extraordinary General Meeting by the shareholders of the Company and the subsequently which was passed in RJSC on 13 November 2011.

#### (h) Summary of Valuation Report of Securities

Sl.	Methods followed	Amount in BDT
Method-1	Net assets value per share	22.85
Method-2	Historical earning based value per share	37.28
Method-3	Average market price per share of similar stocks	18.24
<b>Average price</b>		<b>26.12</b>

Details of the valuation report of securities are available in the Valuation Report of securities prepared by the Issue Manager.

## Section II

### **Conditions Imposed by the Commission**

**Conditions imposed by the Commission in the Consent Letter:****PART-A**

1. The Company shall go for Initial Public Offer (IPO) for 16,000,000 ordinary shares of Tk. 10.00 each at par totaling to **Tk. 160,000,000/- (Taka sixteen crore only)** following the Securities and Exchange Ordinance, 1969, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the Depository Act, 1999 and rules made there under.
2. The abridged version of the prospectus, as approved by the Commission, shall be published by the Issuer in 4 (Four) national daily newspapers (two in Bangla and two in English), within **02 (two) working days** of issuance of this consent letter. The Issuer shall post the full prospectus, vetted by Commission, in the Issuer's website and shall also put on the websites of the Commission, Stock Exchanges, and the Issue Manager, within **3 (three) working days** from the date of issuance of this letter and shall remain posted till the closure of the subscription list. The Issuer shall submit to the Commission, the Stock Exchanges and the Issue Manager a diskette containing the text of the vetted prospectus in "MS -Word" format.
3. The Company shall submit **40 (Forty)** copies of the printed prospectus to the Commission for official record within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper.
4. The Issuer company and the Issue Manager shall ensure transmission of the prospectus and its abridged version for NRBs through email to the Bangladesh Embassies and Missions abroad within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper. A compliance report shall be submitted in this respect to the Commission jointly by the Issuer and the Issue Manager within **02 (Two) working days** from the date of said transmission of the prospectus.
5. The following declaration shall be made by the company in the prospectus, namely: -

**"Declaration about Listing of Shares with the Stock Exchange(s):**

None of the Stock Exchange(s), if for any reason, grants listing within **75 (SeventyFive) days** from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within **15 (Fifteen) days** from the date of refusal for listing by the Stock Exchanges, or from the date of expiry of the said **75 (Seventy Five) days**, as the case may be.

In case of non-refund of the subscription money within the aforesaid **15 (Fifteen) days**, the Directors of the company, in addition to the Issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of **2% (two percent)** above the bank rate, to the subscribers concerned.

The Issue Manager, in addition to the Issuer company, shall ensure due compliance of the above-mentioned conditions and shall submit compliance report thereon to the Commission within **07(Seven) days** of expiry of the aforesaid **15 (Fifteen) days'** time period allowed for refund of the subscription money."

6. All applicants shall apply for a minimum lot of 500 shares worth Taka 5,000/- (Taka five thousand only) or its multiples.
7. The IPO shall stand cancelled in case of under-subscription in any category above 35%. In such an event, the Issuer and issue manger shall inform the Commission **within 2 (two) working days** and release the subscription money within 10 (ten) working days after receiving verification report from CDBL and the information from exchanges regarding subscription.
8. 20% of the securities reserved for other general public shall be reserved for . In case of under-subscription under any of sub-categories of eligible investors category or general public category, the unsubscribed portion shall be added to other sub-category of the same category. In case of over subscription in the general public category, the Issuer and the Issue Manager shall jointly conduct an open lottery. In case of over subscription in the eligible investors category, securities shall be allotted on pro-rata basis. No eligible investor shall apply for more than 10% (ten percent) of the total securities reserved for the other eligible investors.

9. An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case, an applicant submits more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.
10. The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money.
11. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of the application money and/or forfeiture of share (unit) before or after issuance of the same by the Issuer. The said forfeited application money or share (unit) will be deposited in account of the Bangladesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.
12. The Company shall furnish the list of allottees to the Commission and the Stock Exchange(s) simultaneously in which the shares will be listed, within 24 (Twenty Four) hours of allotment.
13. Shares not allotted at the time of according this consent, but allotted after listing, in favor of sponsors, directors or shareholders having 5% or more shares through stock dividends, shall be subject to a lock-in period of 02(two) years from the date of issuance of the prospectus.
14. If any share of Sponsors/Directors/Promoters is in paper format, it shall be handed over to securities custodian registered with the Commission and shall remain held till completion of lock-in period and the name of the securities custodian shall be furnished to the Commission jointly by the Issuer and Issue Manager, along with a confirmation thereof from the custodian, within one week of listing of the shares with the stock exchange(s). Or they (shares of Sponsors/ Directors/ Promoters) can be dematted and shall remain in lock-in under CDBL system and Issuer shall submit a dematerialization confirmation report generated by CDBL and attested by Managing Director of the company along with the lock-in confirmation to the Commission within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/Directors/Promoters the Issuer will ensure their lock-in of those shares and submit a statement to this effect to the Commission.
15. The Company shall not declare any dividend/bonus shares before listing of its capital with any Exchange from the date of this consent for raising of capital.
16. The Company shall not engage itself into any merger/amalgamation or acquisition activities without taking “No Objection” from the Commission, on the scheme of the said merger/amalgamation or acquisition, as recommended by the Board of Directors, before approval by the shareholders in General Meeting.

## **PART-B**

### **Application Process**

#### **Step-1 (Applicant)**

1. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. the subscription closing date), which shall be the **25<sup>th</sup> (twenty fifth) working day** from the date of publication of abridged version of prospectus.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:
  - a) Other than non-resident Bangladeshi (NRB) and Foreign applicants shall make the application money and service charge available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.



- b) Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to the concerned Stockbroker/Merchant Banker. A Non-resident Bangladeshi (NRB) and Foreign applicant may also submit a single draft against 02(two) applications made by him/her, i.e. one in his/her own name and the other jointly with another person. The draft (FDD) shall be issued by the Bank where the applicant maintains Foreign Currency account debiting the same account and provide the customer with a certificate mentioning the FC account number which has been debited to issue the FDD. The applicant shall also submit the certificate with their application. No banker shall issue more than two drafts from any Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.

### **Step-2 (Intermediary)**

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely “Public Issue Application Account”. The Stockbroker/Merchant Banker shall:
  - a) post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;
  - b) accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the “Public Issue Application Account” maintained with its bank within the first banking hour of **next working day** of the cut-off date;
  - c) instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.
4. Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.
5. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker shall prepare a list containing the draft information against the respective applicant’s particulars.
6. The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and **within 03(three) working days** from the cut-off date, send to the respective Exchange, the lists of applicants in electronic (text format with tilde ‘~’ separator) format, the certificate(s) issued by its banker, the drafts and certificates received from Non-resident Bangladeshi (NRB) and Foreign applicants and a copy of the list containing the draft information.
7. **On the next working day**, the Exchanges shall provide the Issuer with the information received from the Stockbroker/Merchant Bankers, the drafts and certificates submitted by Non-resident Bangladeshi (NRB) and Foreign applicants and the list containing the draft information. Exchanges shall verify and preserve the bankers’ certificates in their custody.
8. The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers up to 6 months from listing of the securities with exchange.

### **Step-3 (Issuer)**

9. The Issuer shall prepare consolidated list of the applications and send the applicants’ BOIDs in electronic (text) format in a CDRom to CDBL for verification. The Issuer shall post the consolidated list of applicants on its website and websites of the Exchanges. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.
10. **On the next working day**, CDBL shall provide the Issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents’ Name, Joint Account and Bank Account information along with the verification report.

11. After receiving verification report and information from CDBL, the Issuer shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit report of final status of subscription to the Commission and the Exchanges **within 10 (ten) working days** from the date of receiving information from the Exchanges.
12. The Issuer and the Issue Manager shall conduct category wise lottery with the valid applications **within 03 (three) working days** from the date of reporting to the Commission and the Exchanges, if do not receive any observation from the Commission or the Exchanges.
13. The Issuer and Issue Manager shall arrange posting the lottery result on their websites within **06(six) hours** and on the websites of the Commission and Exchanges within **12 (twelve) hours** of lottery.
14. Within **02 (two) working days** of conducting lottery, the Issuer shall:
  - a) end category wise lists of the successful and unsuccessful applicants in electronic (text format with tilde '~' separator) format to the respective Exchange.
  - b) send category wise lists of unsuccessful applicants who are subject to penal provisions as per conditions of the Consent Letter issued by the Commission in electronic (text format with tilde '~' separator) format to the Commission and Exchanges mentioning the penalty amount against each applicant.
  - c) issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Exchange in electronic form.
  - d) send consolidated allotment data (BOID and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted shares to the respective BO accounts.

#### **Step-4 (Intermediary)**

15. **On the next working day**, Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:
  - a) remit the amount of successful (other than NRB and Foreign) applicants to the Issuer's respective Escrow Account opened for subscription purpose, and unblock the amount of unsuccessful applicants;
  - b) send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list and unblock the balance application money;
16. **On the next working day** of receiving the documents from the Exchanges, the Stockbrokers/Merchant Banker shall request its banker to:
  - a) release the amount blocked for unsuccessful (other than NRB and foreign) applicants;
  - b) remit the aggregate amount of successful applicants and the penalty amount of unsuccessful applicants (other than NRB and foreign) who are subject to penal provisions to the respective 'Escrow' accounts of the Issuer opened for subscription purpose.
17. **On the next working day** of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Issuer's 'Escrow' account.
18. **Simultaneously**, the stockbrokers/Merchant Bankers shall release the application money blocked in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts and send documents to the Exchange evidencing details of the remittances made to the respective 'Escrow' accounts of the Issuer. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions. The Stockbroker/Merchant Banker shall be entitled to recover the withdrawal charges, if any, from the applicant who wants to withdraw the application money, up to an amount of Tk. 5.00 (five) per withdrawal.
19. All drafts submitted by NRB or Foreign applicants shall be deposited in the Issuer's respective 'Escrow' accounts and refund shall be made by the Issuer by refund warrants through concerned stockbroker or merchant banker or

transfer to the applicant's bank account (FC account which has been debited to apply by NRB or foreign applicants) through banking channel within 10 (ten) working days from the date of lottery.

**Miscellaneous:**

20. The Issuer, Issue Manager(s), Stockbrokers and Merchant Bankers shall ensure compliance of the above.
21. The bank drafts (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.
22. Amount deposited and blocked in the "Public Issue Application Account" shall not be withdrawn or transferred during the blocking period. Amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.
23. The Issuer shall pay the costs related to data transmission, if claimed by the Exchange concerned up to an amount of Tk.2,00,000.00 (taka two lac) for a public issue.
24. The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk.5.00 (taka five) only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting application.
25. The Stockbroker/Merchant Banker shall provide the Issuer with a statement of the remittance and drafts sent.
26. The Issuer shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.
27. The concerned Exchange are authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

**PART-C**

1. The Issue Manager shall carefully examine and compare the published prospectus and its abridged version on the date of publication with the copies vetted by the Commission. If any discrepancy is found, both the Issuer and the Issue Manager shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to the Commission and the stock exchanges concerned. In this regard, the Issue Manager shall submit a compliance report to the Commission within 5 working days from the date of such publications.
2. The fund collected through Public Offering shall not be utilized prior to listing with Exchange(s) and that utilization of the said fund shall be affected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.
3. The Company shall furnish status report on utilization of Public Offering proceeds audited by foreign affiliated auditors and authenticated by the board of directors to the Commission and the exchanges within 15 (Fifteen) days of the closing of each month until such fund is fully utilized, as mentioned in the schedule contained in the prospectus. The Issuer shall simultaneously post the status report in its website and Exchanges shall also post the same in company information contained in websites of the Exchanges. In the event of any irregularity or inconsistency, the Commission may employ or engage any person to examine whether the Issuer has utilized the proceeds for the purpose disclosed in the prospectus.
4. While auditing the utilization of IPO proceeds, the auditors will perform their jobs under the following terms of reference (TOR) and confirm the same in their report/certificate:
  - (a) Whether IPO proceeds have been utilized for the purposes/heads as specified in the prospectus;
  - (b) Whether IPO proceeds have been utilized in line with the condition (if any) of the Commission's consent letter;

- (c) Whether utilization of IPO proceeds have been completed within the time schedule/ implementation schedule as specified in the published prospectus;
  - (d) Whether utilization of IPO proceeds is accurate and for the purpose of the company as mentioned/specified in the published prospectus; and
  - (e) The auditors should also confirm that: (i) assets have been procured/ imported/ constructed maintaining proper/ required procedure as well as at reasonable price; and (ii) auditors' report has been made on verification of all necessary documents/ papers/ vouchers in support of IPO proceeds making reconciliation with Bank Statement.
5. All transactions, excluding petty cash expenses, shall be effected by crossed cheques or bank transfers.
  6. Proceeds of the public offering shall not be transferred to any other bank account before listing with the Exchange(s). The proceeds shall not be used for any purpose other than those specified in the prospectus without any valid ground. Any deviation in respect of time or purpose of utilization must have prior approval of the shareholders in the general meeting and if approved by the shareholders, the meeting resolution shall be submitted to the Commission and the Exchanges along with reasonable explanations.
  7. If any quarter or half-year of the financial year ends after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the said quarterly/half yearly financial statements in accordance with the Commission's Notification SEC/CMRRCD/2008-183/admin/03-34 dated September 27, 2009 and Rules 13 of the Securities and Exchange Rules, 1987.
  8. In the event of arising issues concerning Price Sensitive Information as defined under the ( ) , ষা ঞ ঞ ঞ after publication of the abridge version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the information as price sensitive in accordance with the Commission's Notification No. SEC/SRMI/200-953/1950 dated October 24, 2000.

#### **PART-D**

1. As per provision of the Depository Act, 1999 & Regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the depository system of Central Depository Bangladesh Ltd. (CDBL) and any further issuance of shares (including rights/bonus) will be made in dematerialized form only.
2. The Issuer and the Issue Manager shall ensure due compliance of all the above conditions, the 'Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015' and the listing regulations of the exchanges.

The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the Issuer company.

#### **Disclosure in respect of issuance of security in Dematerialized Form:**

As per provisions of the Depository Act, 1999 and regulations made there under, shares of the Company will be issued in dematerialized form only and for this purpose Crystal Insurance Company Limited will sign an agreement with the Central Depository Bangladesh Limited (CDBL). Therefore, all transfers, transmissions, splitting or conversions will take place on the CDBL system and any further issuance of shares (including rights and bonus) will also be issued in dematerialized form only.

## Section III

### **Declaration and Due Diligence Certificates**

**Annexure- A****Declaration about the responsibility of the Directors, including the CEO of the Issuer in respect of the prospectus****[Rule 4 (1)(d)]**

This prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative actions against any or all of us as it may deem fit.

We also confirm that full and fair disclosures have been made in this prospectus to enable the investors to make a well informed decision for investment.

Sd/- (Abdullah Al-Mahmud) Chairman	Sd/- (A.H.M. Mozammel Hoque) Director	Sd/- (Abdullah Hasan) Director
Sd/- (Md. Tajul Islam) Director	Sd/- (Abdullah Al-Mamun) Director	Sd/- ( Farzana Munny) Director
Sd/- (Farhana Danesh) Director	Sd/- (Shahzadi Begum) Director	Sd/- (Nusrat Mahmud) Director
Sd/- (SoeraZahir) Director	Sd/- (Nabila Mahmud) Director	Sd/- (Arafat Rashid) Director
Sd/- (Kazi Nasim Uddin Ahmed) Independent Director	Sd/- (Dr. M. Waliuzzaman) Independent Director	Sd/- (Mia Fazle Karim, FCA) Chief Executive Officer

**Date:** 25<sup>th</sup> April, 2019

**Annexure-B****Due Diligence Certificate by Issue Manager  
[Rule 4 (1)(d)]**

To

**The Bangladesh Securities and Exchange Commission****Sub:** Public Issue of 16,000,000 Ordinary Shares of Tk. 160,000,000 by Crystal Insurance Company Limited.

Dear Sir,

We, the Issue Manager to the above-mentioned forthcoming issue, state and confirm as follows:

- (1) We have examined all the documents submitted with the application for the above mentioned public issue, visited the premises of the Issuer and interviewed the Chairperson, Directors and key management personnel of the Issuer in connection with the finalization of the prospectus pertaining to the said issue;
- (2) On the basis of such examination and the discussions with the directors, officers and auditors of the Issuer, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the Issuer.

WE CONFIRM THAT:

- a) The prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- c) The disclosures made in prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and other applicable laws;
- d) Besides ourselves, all the intermediaries named in the prospectus are registered with the Commission and that till date such registrations are valid;
- e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;
- f) The proposed activities of the Issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the Issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;
- g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus;
- h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well informed decision;
- i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the Issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the IPO for any further inspection by the Commission;
- j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 containing details such as the rule number, its text, the status of compliance, page numbers of the prospectus where the rules has been complied with and our comments, if any;
- k) We also declare that we have managed the public issue of following Issuers in the last 05 (five) years:

Serial No	Issue Month/Year	Issue Price	Dividend Payment History
1.	N/A	N/A	N/A

Place: Dhaka

Date: 13.03.2018

For Manager to the issue:

Sd/-

Managing Director &amp; CEO (In-charge)

Sonar Bangla Capital Management Limited



**Annexure-C****Due Diligence Certificate by the Underwriter  
[Rule 4 (1)(d)]**

To

**The Bangladesh Securities and Exchange Commission**

**Sub:** Public Offer of 16,000,000 Ordinary Shares of Tk. 160,000,000 (Taka sixteen crore) of Crystal Insurance Company Limited

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above-mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
2. On the basis of such examination and the discussions with the Issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the Issuer company.

**WE CONFIRM THAT:**

3. We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 137,212,000 (Taka one hundred thirty-seven million and two hundred twelve thousand) only and we have the capacity to underwrite a total amount of Tk. 686,060,000 (Taka six hundred eighty six million and sixty thousand) only as per relevant legal requirements. We have committed to underwrite for up to Tk. 132,100,500 (Taka one hundred thirty-two million one hundred thousand and five hundred) only for the upcoming issue.
4. At present, the following underwriting obligations are pending for us:

Sl. No.	Name of The Company	Amount Underwritten (Taka)
1	SBS Cables Limited	21,600,000
2	Summit Uttaranchal Power Company Limited	51,000,000
3	GQ Ball Pen Industries Limited	19,500,000
4	The Dacca Dying & Manufacturing Co. Ltd.	40,000,500
<b>Total</b>		<b>132,100,500</b>

5. All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
6. We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the Issuer; and
7. This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Emam Hossain

Managing Director / CEO (In-charge)

Sonar Bangla Capital Management Limited

Place: Dhaka



Date: 25<sup>th</sup> April, 2019

**Annexure - C****DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER (S)**

**To –  
The Bangladesh Securities and Exchange Commission**

**Sub: Public offer of [•] Ordinary Shares of Tk. 16,00,00,000.00 (Taka Sixteen crore) only of Crystal Insurance Company Limited.**

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

**WE CONFIRM THAT:**

- a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 25,00,00,000.00 (Taka twenty five crore) only and we have the capacity to underwrite a total amount of Tk. 125,00,00,000.00 (Taka one hundred twenty five crore) only as per relevant legal requirements. We have committed to underwrite for up to Tk. 2,80,00,000.00 (Taka two crore eighty lac) only for the upcoming issue.
- b) At present, the following underwriting including this issue obligations are pending for us:  
(Name of issue and amount underwritten)

Sl. No.	Name of the Company	Amount underwritten (BDT)
1.	Energypac Power Generation Limited	65,20,000.00
2.	Cutting Edge Industries Limited	2,50,00,000.00
3.	Delta Hospital Limited	80,00,000.00

4.	Esquire Knit Composite Limited	1,00,00,000.00
5.	Zaheen Spinning Limited – Rights	22,84,90,000.00
6.	Electro Battery Company Limited	3,93,75,000.00
7.	Non-convertible listed bond of Ashuganj Power Station	5,00,00,000.00
8.	AB Bank Limited	14,00,00,000.00
	<b>Total</b>	<b>50,73,85,000.00</b>

- c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- e) This underwriting commitment is unequivocal and irrevocable.

For **GSP Investments Limited**

***MD. Zillur Rahim Chowdhury***

Managing Director

Date: 16.01.2019


## Section IV

### **About the Issuer**

**(a) Name of the Issuer, dates of incorporation and commencement of its commercial operations, its logo, addresses of its Registered Office, other offices and plants, telephone number, fax number, contact person, website address and e-mail address**

**Particulars of the Company:**

Crystal Insurance Company Limited (CICL) was incorporated in Bangladesh as a Public Limited Company on 11 November 1999 under the Companies Act, 1994 and licensed under the Insurance Act, 1938 in order to run all types of general insurance business other than life insurance business. CICL obtained certificate of commencement of business on 11 November 1999. CICL got registration from Controller of Insurance on 12<sup>th</sup> June 2000. Presently the company has been operating the business through 31 branches including one Local Office at Dhaka. The branches are located in different strategically important areas of the country.

Particulars	Description
Name of the Issuer	: <b>Crystal Insurance Company Limited</b>
Date of incorporation	: November 11, 1999
Date of commencement of commercial operations	: June 12, 2000
Issuer's logo	: 
Address of the Registered Office	: DR Tower (14th floor), 65/2/2, Box Culvert Road, Dhaka-1000
Telephone number	: +88-02-9571715
Fax number	: +88-02-9567205
Contact person	: M. Mahfuzur Rahman, ACA, DMD & CFO
Website address	: <a href="http://www.ciclbd.com">www.ciclbd.com</a>
Email address	: <a href="mailto:info@ciclbd.com">info@ciclbd.com</a>

**(b) The names of the sponsors and directors of the Issuer**



Particulars	Name	Designation
Sponsors of the Issuer	1. Abdullah Al-Mahmud	Director
	2. Abdullah Hasan	Director
	3. Abdullah Al-Zahir	Director
	4. A.H.M. Mozammel Hoque	Director
	5. Arman Islam	Director
	6. Md. Tajul Islam	Director
	7. Md. Yousuf Ali	Director
	8. Syed Md. Habibul Haque	Director

Directors of the Issuer	1. Abdullah Al-Mahmud	Chairman
	2. Md. Tajul Islam	Director
	3. A.H.M. Mozammel Hoque	Director
	4. Abdullah Hasan	Director
	5. Farzana Munny	Director
	6. Farhana Danesh	Director
	7. Shahzadi Begum	Director
	8. Abdullah Al-Mamun	Director
	9. Soera Zahir	Director
	10. Nusrat Mahmud	Director
	11. Arafat Rashid	Director
	12. Nabila Mahmud	Director
	13. Dr. M. Waliuzzaman	Independent Director
	14. Kazi Nasim Uddin Ahmed	Independent Director

(c) The name, logo and address of the auditors along with their telephone numbers, fax numbers, contact persons, website and e-mail addresses


Particulars	Description
Name of the auditor	: Mahfel Huq & Co.
Logo	:  <b>Mahfel Huq &amp; Co.</b> Chartered Accountants The first registered accounting firm in independent Bangladesh
Addresses of the Auditor	: BGIC Tower (4th Floor), 34, Topkhana Road, Dhaka-1000
Telephone number	: +88-02-9553143
Fax number	: +88-02-9571005
Contact person	: Howlader Mahfel Huq FCA
Website address	: www.mahfelhuq.com
Email address	: hmhco.fca@gmail.com

(d) The name(s) of the stock exchanges where the specified securities are proposed to be listed

	<b>Dhaka Stock Exchange Limited (DSE)</b> 9/F, Motijheel C/A, Dhaka-1000	Tel: +88-02-9564601 Fax: +88-02-9564727 Web: www.dsebd.org
	<b>Chittagong Stock Exchange Limited (CSE)</b> CSE Building, 1080 Sk. Mujib Road Agrabad C/A, Chittagong	Tel: +88-031-714632 Fax: +88-031-714101 Web: www.cse.com.bd

## Section V

### **Corporate Directory of the Issuer**

<b>Name of the Company</b>	<b>CRYSTAL INSURANCECOMPANY LIMITED</b>
<b>Logo</b>	
<b>Date of incorporation</b>	11 <sup>th</sup> November 1999
<b>Date of Certificate for Commencement of Business</b>	11 <sup>th</sup> November 1999
<b>Date of commercial operation</b>	12 <sup>th</sup> June 2000
<b>Changes in denomination of face value of shares</b>	The face value of shares was denominated from Tk. 100 per share to Tk. 10 per share vide special resolution passed on 22 September 2011 in the 2 <sup>nd</sup> Extraordinary General Meeting by the shareholders of the Company and subsequently which was passed in RJSC on 13 November 2011.
<b>Authorized Capital as on 31 December 2017</b>	Tk. 1,000,000,000 comprising of 100,000,000 ordinary shares of Tk.10/- each.
<b>Issued , subscribed &amp; paid up capital as on 31 December 2017</b>	Tk. 240,000,000 paid up capital comprising of 24,000,000 ordinary shares of Tk. 10/- each
<b>Registered Office</b>	DR Tower, (14 <sup>th</sup> Floor), Box Culvert Road, 65/2/2, Purana Paltan, Dhaka-1000, Bangladesh <b>Email:</b> info@ciclbd.com, <b>Web:</b> www.ciclbd.com
<b>Head Office</b>	DR Tower, (14 <sup>th</sup> Floor), Box Culvert Road, 65/2/2, Purana Paltan, Dhaka-1000, Bangladesh <b>Email:</b> info@ciclbd.com, <b>Web:</b> www.ciclbd.com
<b>Board of Directors</b>	14 directors
<b>Auditors</b>	<b>MAHFEL HUQ &amp; CO.</b> Chartered Accountants BGIC Tower (4th Floor), 34, Topkhana Road, Dhaka – 1000. Phone: 9553143/7171316, Fax:880-2-9571005, e-mail : hmhco.fca@gmail.com
<b>Legal Advisor</b>	<b>SEIK GOLAM MAKSUD</b> Advocate, Supreme Court of Bangladesh Maksud & Associates Tropicana Tower, Suit No. 12-F (12th floor) 45 Topkhana Road, Purana Paltan, Dhaka-1000. Tel- +88-02-9570323 Cell- +880-1790-116688 & +880-1910-193090 Email: info@maksudassociates.com
<b>Tax Consultant</b>	<b>MAHFEL HUQ &amp; CO.</b> Chartered Accountants BGIC Tower (4th Floor) 34, Topkhana Road, Dhaka – 1000. Phone: 9553143/7171316, Fax:880-2-9571005, e-mail : hmhco.fca@gmail.com
<b>Manager to the Issue</b>	<b>Sonar Bangla Capital Management Limited</b> Paramount Heights (8 <sup>th</sup> Floor), 65/2/1, Box Culvert Road, Purana Paltan,Dhaka-1000 Tel 88-02-9511799 Fax 88-02-9515447 Email sbcmgtltd@gmail.com Web www.sbcmld.com

<b>Name of Underwriters</b>	<b>Sonar Bangla Capital Management Limited</b> Paramount Heights (8th Floor), 65/2/1, Box Culvert Road, Purana Paltan, Dhaka-1000 Tel 88-02-9511799 Fax 88-02-9515447 Email sbcmgtltd@gmail.com Web www.sbcmlbd.com  <b>GSP Investments Limited</b> 1, Paribagh, Mymensingh Road Dhaka - 1000, Bangladesh Tel; +880 2 967 4306 Fax: 880 2 967 4194 Email: k.jaman@gsp-investments.com Web: www.gsp-investments.com										
<b>Banker for the IPO</b>	<b>Mutual Trust Bank Limited</b> Principal Branch, Dhaka  <table><tr><td><b>Account No.</b></td><td><b>Currency</b></td></tr><tr><td>0002-0320003810</td><td>BDT</td></tr><tr><td>0002-0260005843</td><td>USD</td></tr><tr><td>0002-0260005852</td><td>EURO</td></tr><tr><td>0002-0260005861</td><td>GBP</td></tr></table>	<b>Account No.</b>	<b>Currency</b>	0002-0320003810	BDT	0002-0260005843	USD	0002-0260005852	EURO	0002-0260005861	GBP
<b>Account No.</b>	<b>Currency</b>										
0002-0320003810	BDT										
0002-0260005843	USD										
0002-0260005852	EURO										
0002-0260005861	GBP										
<b>Compliance Officer</b>	<b>M. Mahfuzur Rahman, ACA</b> DMD & CFO Tel: +88-02-9571715 Fax: +88-02-9567205 Email: info@ciclbd.com										



## Section VI

### **Description of the Issuer**

**(a) Summary:**

**(i) The summary of the industry and business environment of the Issuer. The summary shall not be one-sided or biased to highlight the issuer or the issue;**

Insurance serves a number of valuable functions which are very different from those rendered by other types of financial intermediaries. The indemnification and the risk pooling properties of non-life insurance facilitate transaction and the provision of credit by mitigating losses as well as the measurement and management of risk.

Initially, the Insurance Industry of Bangladesh was governed by The Insurance Act 1938 which subsequently has been replaced by the Act of 2010. The office of the Controller of Insurance under the Ministry of Commerce was abolished by the Insurance Development and Regulatory Authority Act 2010; and Insurance Development and Regulatory Authority (IDRA) is functioning under the of the Ministry of Finance (previously was under the Ministry of Commerce).

Through the enactment of Insurance Corporation Act VI, 1973 two corporations, namely the Sadharan Bima Corporation (SBC) for general insurance and the Jiban Bima Corporation (JBC) for life insurance in Bangladesh were established on 14th May, 1973. The government allowed the private sector to conduct business in all areas of insurance for the first time in 1984. The insurance e market now consists of 78 companies as per record in Insurance Development Regulatory Authority (IDRA), which are:

- 02 (Two) state owned companies (Jiban Bima Corporation for life insurance, and Sadharan Bima Corporation for general insurance in the public sector), and
- 45 general insurance & 31 life insurance companies in the private sector.

Out of which, 47 insurance companies are listed in the capital market of which 11 (eleven) are life insurance providers and rest 36 are general insurance providers [source: [www.dsebd.org](http://www.dsebd.org)]. Government has recently issued license to India's state owned-Life Insurance Corporation (LIC). The regulatory reforms started with the introduction of the Insurance Act 2010. It is obligatory for insurance companies to charge premium rates as determined by the Regulatory Authority. However, the tariff rates have not been reviewed for a long time in light of updated loss experience obtaining over the years and as such many clients do feel that they are being overcharged. Further short term and mid-term objective of national insurance policy and guideline were not implemented. This has further negatively impacted the public perception of the insurance industry at large thereby hindering its growth.

Sectorial share of insurance industry to the GDP at current prices is 0.38% in 2016 whereas 4.1% in 2015 found in the Bureau of Statistics, Bangladesh. Insurance penetration rate in Bangladesh is less than 1% since last consecutive years.

The further progress of Bangladesh Insurance Industry predominantly depends on how the consumers' perception of insurance as a useful and efficient vehicle of risk transfer can be bolstered. This can be achieved through sustained efforts of the industry as well as regulators by holding public conference, by providing efficient services, honoring insurance policy obligations, introducing new products, aware the public by using technology and social mechanism and by rationalizing the pricing mechanism. Crystal Insurance Company is operating general insurance business. There is only one Company in public sector namely Shadharon Bima Corporation and in private sector, there are 45 general insurance companies are operating in Bangladesh. There is immense competition amongst the companies as number of general insurance companies is large. Since Bangladesh economy is growing and GDP growth rate is up trending and steady which is favorable for the development of insurance sector of Bangladesh. Alongside newly promulgated the Insurance Act 2010 has also bought structural and legislative development for doing insurance business in the country.

Due to volume of business in Bangladesh is increasing day by day and business risk such as accident, hazard, peril, fire, theft etc. shall also increase simultaneously. The issuer is doing business in such an industry where demand for insurance coverage to reduce business risk is highly required. Currently the economy of Bangladesh has been emerged and demand for insurance coverage has been substantially increased. The last five years business performance of the issuer has been revealed that current business environment is favorable for the Company.

**Nature of business**

Crystal Insurance Company Limited (CICL) is licensed under Insurance Act, 1938 in order to run all types of general insurance business other than life insurance business. Like most of the general insurance companies in the industry, CICL underwrites risks in fire, marine, motor and miscellaneous business areas.

**Principal products and services**

Crystal Insurance Company Limited is carrying out the following types of insurance/re-insurance business:

- a) Accidental Damage on Property Insurance
  - i. Fire & Allied Perils Insurance
  - ii. Industrial All Risks Insurance
- b) Marine Cargo Insurance
- c) Motor Insurance
- d) Miscellaneous Insurance
  - i. Burglary Insurance (BUG)
  - ii. Cash-in Safe Insurance (CIS)
  - iii. Cash-in Transit Insurance (CIT)
  - iv. Cash-on-Counter Insurance (COC)
  - v. Personal Accident Insurance (PA)
  - vi. Workman's Compensation Insurance (WC)
- e) Liability Insurance
  - i. Employers' Liability Insurance (EL)
  - ii. Product Liability Insurance (PDL)
  - iii. Public Liability Insurance (PL)
- f) Engineering Insurance
  - i. Contractors' All Risks Insurance (CAR)
  - ii. Erection All Risks Insurance (EAR)
  - iii. Machinery Break-down Insurance (MBD)
  - iv. Deterioration of Stock Insurance (DOS)
  - v. Boiler & Pressure Vessel Insurance (BPV)
  - vi. Contractors' Plant & Machinery Insurance (CPM)

**Relative contribution to revenue**

Premium less reinsurance	2018		2017	
	Taka	(%)	Taka	(%)
Fire insurance revenue account	(8,048,702)	(12.38%)	(13,373,328)	(18.26%)
Marine cargo and hull insurance revenue account	47,895,618	73.68%	61,878,146	84.50%
Motor insurance revenue account	15,769,106	24.26%	14,322,865	19.56%
Miscellaneous insurance revenue account	9,384,827	14.44%	10,394,290	14.20%

**Distribution of products/services**

The Company operates its business through the Head Office at Dhaka and the branches throughout the country. As on 31 December 2018, the Company has been operating its business through 31 branches including one local office in Dhaka.

**Competitive condition in business**

Over the years the insurance business has grown very competitive. Presently, 78 insurance companies are operating in the country, of which 46 are in general insurance business and the remaining 32 are in life insurance business. CICL has to face stiff competition arising from the existing 46 general insurance companies including SBC. Despite the extreme competition, CICL's business operations show satisfactory performance.

**Sources and availability of raw materials and the names of the principal suppliers**

The Company does not procure any raw materials and as such has no principal merchandizing supplier(s).

**Sources of, and requirement for power, gas and water or any other utilities**

The Company does not require such utilities except for ordinary use in office work.

**Customer providing 10% or more revenues**

There are no customers who provided 10% or more revenue/premium during the period January-December 2018.

**Description of contract(s) with principal Suppliers/Customers**

The company has no such contract.

**Material patents, trademarks, licenses or royalty agreements**

The Company does not have any material patents, trademarks or royalty agreement except license from Controller of Insurance.

**(ii) Summary of consolidated financial, operating and other information.****Associate, subsidiary/related holding company**

The company does not have any associate, subsidiary/related holding company. So the Issuer does not prepare any consolidated financial statements.

**(b) General Information:****(i) Name and address, telephone and fax numbers of the Registered Office, corporate head office, other offices, factory, business premises and outlets of the Issuer**

Name	<b>Crystal Insurance Company Limited</b>
Registered Office	DR Tower (14th Floor) 65/2/2, Purana Paltan Box Culvert Road, Dhaka-1000.
Corporate Office	DR Tower (14th Floor) 65/2/2, Purana Paltan Box Culvert Road, Dhaka-1000.
Telephone	+88-02-9571715
Fax	+88-02-9567205

**Branches**

1	2	3
<b>Mr. Abul Kalam Azad</b> <hr/> Sr. Addl. M.D. & In-Charge <hr/> Local Office <hr/> Crystal Insurance Co. Ltd. <hr/> Lal Bhaban (10 <sup>th</sup> Floor) <hr/> 18, Rajuk Avenue <hr/> Dhaka.Tel. 9571718, 9564771 <hr/> <hr/> Mob. 01711-526819 <hr/> Email: <a href="mailto:ciclocal@yahoo.com">ciclocal@yahoo.com</a> <hr/>	<b>Mr. S.A.M. Shafiqul Hassan</b> <hr/> Sr. Addl. M.D. & In-Charge <hr/> <b>Corporate Branch</b> <hr/> DR Tower (14 <sup>th</sup> Floor) <hr/> 65/2/2, Purana Paltan <hr/> Box Culvert Road <hr/> Dhaka-1000 <hr/> Tel. 9587581, 47117066 <hr/> Mob.: 01715 – 749327 <hr/> Email: <a href="mailto:ciclrjk@gmail.com">ciclrjk@gmail.com</a> <hr/>	<b>Mrs. Minu Rahman</b> <hr/> <b>Addl. M.D &amp; In-Charge</b> <hr/> Dilkusha Branch <hr/> Crystal Insurance Co. Ltd. <hr/> Fazlur Rahman Centre (Flat-6/C) <hr/> 72, Dilkusha C/A, Dhaka-1000. <hr/> Phone: 9566906, 57165738 <hr/> Mob. 01713 – 044147 <hr/> Email: <a href="mailto:cicldilkusha@gmail.com">cicldilkusha@gmail.com</a> <hr/>
4	5	6
<b>Mr. Dewan M. Rahman (Golap)</b> <hr/> Addl. M.D & In-Charge <hr/> Principal Branch <hr/> Crystal Insurance Company Ltd. <hr/> Lal Bhaban (10 <sup>th</sup> Floor) <hr/> 18, Rajuk Avenue <hr/> Dhaka. <hr/> <b>Tel. 47119270, 9564748</b> <hr/> Mob. : 01713 – 032889 <hr/> Email: <a href="mailto:dmrgolup@yahoo.com">dmrgolup@yahoo.com</a> <hr/>	<b>Mr. Md. Moshfiqur Rahman</b> <hr/> DMD & In-Charge <hr/> <b>Bangshal Branch</b> <hr/> Crystal Insurance Co. Ltd. <hr/> 4 No. Haji Majad Sardar Sarak <hr/> <b>(North South Road), Dhaka</b> <hr/> <hr/> <b>Tel. 47114840</b> <hr/> Mob. : 01713 – 014344 <hr/> Email: <a href="mailto:moshfiqurrahman1966@yahoo.com">moshfiqurrahman1966@yahoo.co</a> <a href="mailto:moshfiqurrahman1966@yahoo.com">m</a> <hr/>	<b>Mr. Md. Shahadat Hossain</b> <hr/> <b>DMD &amp; In-Charge</b> <hr/> <b>VIP Road Branch</b> <hr/> Crystal Insurance Co. Ltd. <hr/> 36, Purana Paltan <hr/> Dhaka. <hr/> Tel. 8332436 <hr/> Mob. : 01711 – 639141 <hr/> Email: <a href="mailto:crystalinsurance3@gmail.com">crystalinsurance3@gmail.com</a> <hr/>
7	8	9
<b>Mr. Md. Sohrab Ali</b> <hr/> DMD & In-charge <hr/> Sadarghat Branch <hr/> Crystal Insurance Co. Ltd. <hr/> 45, Johnson Road, Dhaka. <hr/> Tel. 57164386, 47118474 <hr/>	<b>Mr. Md. Mizanur Rahman</b> <hr/> DMD & In-Charge <hr/> <b>Imamgonj Branch</b> <hr/> Crystal Insurance Co. Ltd. <hr/> 139, Chawk Mogoltuly <hr/> Haji Abdul Kader Mansion <hr/>	<b>Mr. Md. Showkat Ali</b> <hr/> DMD & In-charge <hr/> Babu Bazar Branch <hr/> Crystal Insurance Co. Ltd. <hr/> Mona Complex <hr/> 21, Armenian Street <hr/>

Mob. : 01819 – 245901	(4 <sup>th</sup> Floor), Imamgonj, Dhaka. Tel. 57319397 Mob. : 01707 – 245904 Email: <a href="mailto:ciclmizan@yahoo.com">ciclmizan@yahoo.com</a>	Babu Bazar, Dhaka. Tel. <b>57317372</b> Mob. : <b>01711 – 321638</b> Email: <a href="mailto:ciclbabubazar@gmail.com">ciclbabubazar@gmail.com</a>
<b>10</b>	<b>11</b>	<b>12</b>
Mrs. Nazma Akter DMD & In-Charge Malibagh Branch Crystal Insurance Co. Ltd. 16/1, Mogh Bazar Dhaka. Tel. 9339844, 9360059 Mob. : 01787 – 658832 Email: <a href="mailto:nazma.rida17@gmail.com">nazma.rida17@gmail.com</a>	<b>Mr. Md. Anwar Hossen</b> SEVP & In-Charge B.B. Avenue Branch Crystal Insurance Co. Ltd. 21, B.B. Avenue Dhaka. Tel. 9571725 Mob. :- 01716 – 412320 Email: <a href="mailto:ciclbba@yahoo.com">ciclbba@yahoo.com</a>	Mr. Md. Robiul Aowal P.O. & Acting In-Charge Rajuk Avenue Branch Crystal Insurance Company Ltd. Lal Bhaban (10 <sup>th</sup> Floor) 18, Rajuk Avenue Dhaka. Tel. (Disconnected) Email: <a href="mailto:rajukcicl@gmail.com">rajukcicl@gmail.com</a>
<b>13</b>	<b>14</b>	<b>15</b>
<b>Mr. Md. Shah Alam Sheikh</b> SEVP & In-Charge <b>Naya Bazar Branch</b> Crystal Insurance Co. Ltd. 85, Shahid Nazrul Islam Sarani English Road Dhaka.. Tel. 9567706, 9589475 Mob. : 01720 – 064029 Email: <a href="mailto:ciclnayabazar@gmail.com">ciclnayabazar@gmail.com</a>	Mr. Khandaker Shaheen VP & In-Charge Uttara Branch Crystal Insurance Company Ltd. A.H. Tower(14 <sup>th</sup> Floor) Plot No.56, Road No.2, Sector-3 Uttara, Dhaka. Tel. 58951105 Mob. : 01712 – 070444 Email: <a href="mailto:cicluttra@gmail.com">cicluttra@gmail.com</a>	Mr. Abdul Hakim AVP & Acting In-Charge <b>Elephant Road Branch</b> Crystal Insurance Co. Ltd. Khan Plaza (6 <sup>th</sup> Floor) 32/1, Mirpur Road, Dhaka. Tel. 58610787, 9677293 Mob. : 01720 – 280629 Email: <a href="mailto:ciclep@yahoo.com">ciclep@yahoo.com</a>
<b>16</b>	<b>17</b>	<b>18</b>
<b>Mr. Md. Joaher Ali</b> AVP & In-Charge Pragati Sarani Branch Crystal Insurance Co. Ltd.	Mr. Md. Sohoraf Hossain SPO & Acting In-Charge <b>Paltan Branch</b> Crystal Insurance Co. Ltd.	Mr. Md. Mahfuzul Haque SEO-I & Acting In-Charge <b>Mirpur Branch</b> Crystal Insurance Co. Ltd.

J.M. Tower (4 <sup>th</sup> Floor)	Darus Salam Arcade(6 <sup>th</sup> Floor)	259/Ka, Karmaichel Road
KA 190/1, Pragati Sarani	14, Purana Paltan, Dhaka.	Mirpur, Dhaka
Middle Badda, Dhaka.	Mob. 01711-148698	Tel. 9005174
Tel. 55055189, 55055190	Email: <a href="mailto:ciclpaltan@gmail.com">ciclpaltan@gmail.com</a>	Mob. : 01712 – 494020
Mob. : 01819 – 489034		Email: <a href="mailto:ciclmirpur@gmail.com">ciclmirpur@gmail.com</a>

### OUTSIDE DHAKA BRANCHES

19	20	21
<b>Mr. ASM Nurus Sobhan Chow.</b>	<b>Mr. Syed Md. Khairul Basher</b>	<b>Mr. Md. Shafiqul Alam</b>
<b>SEVP &amp; In-Charge</b>	SEVP & In-Charge	EVP & In-Charge
Agrabad Branch	Khatungonj Branch	Jubilee Road Branch
Crystal Insurance Co. Ltd.	Crystal Insurance Co. Ltd.	Crystal Insurance Co. Ltd.
78, Agrabad, Chittagong.	S.W. Tower	61, Jubilee Road
Tel. 031-031 2511401, 2524883	304, Khatungonj	Chittagong
2529083	Chittagong	Tel. 031 – 630827-8
Mob. : 01757 – 106781	Tel. 031 – 2855907, 2853418,	Mob. : 01711 – 360275
Email: <a href="mailto:ciclagctg@gmail.com">ciclagctg@gmail.com</a>	Mob. 01842-555786	Email: <a href="mailto:ciclctg@gmail.com">ciclctg@gmail.com</a>
	Email: <a href="mailto:ciclktg@gmail.com">ciclktg@gmail.com</a>	
22	23	24
Mr. Shanul Islam Suez	Mr. Pranesh Chandra Bardan	Mr. Bipulananda Halder
<b>EVP &amp; In-Charge</b>	EVP & In-Charge	SVP & In-Charge
<b>Sylhet Branch</b>	<b>Moulvi Bazar Branch</b>	<b>Jessor Branch</b>
Crystal Insurance Co. Ltd.	Crystal Insurance Co. Ltd.	Crystal Insurance Co. Ltd.
Elegant Shipping Mall	Court Road, Moulvibazar	Jess Tower (3 <sup>rd</sup> Floor)
Jaller Pat, Sylhet	Tel. 0861-54012,	39, M.K. Road, Jessore
Mob. 01712-893107/ 01674844939	Mob. 01712-536736	<b>Tel. 0421 – 67034</b>
Email: <a href="mailto:ciclsylhet@gmail.com">ciclsylhet@gmail.com</a>	Email: <a href="mailto:ciclmoulvibazar@gmail.com">ciclmoulvibazar@gmail.com</a>	Mob. :- 01716 – 257045
		Email: <a href="mailto:jessore.crystal@gmail.com">jessore.crystal@gmail.com</a>

25	26	27
<b>Mr. Md. Abdus Sobur</b> <hr/> EVP & In-Charge <hr/> Rangpur Branch <hr/> Crystal Insurance Co. Ltd. <hr/> Shajahan Super Market(3 <sup>rd</sup> Fl.) <hr/> Station Road, Rangpur. <hr/> Tel. 0521 – 55562 <hr/> Mob. 0-1761-565652 <hr/> Email: ciclrng@gmail.com <hr/>	<b>Mr. Md. Abdul Hai Sarder</b> <hr/> DMD & In-Charge <hr/> Bogra Branch <hr/> Crystal Insurance Company Ltd. <hr/> Traffic Mour, Boro Gholo <hr/> Bogra. <hr/> Tel. 051 – 64501 <hr/> Mob. 01725-494848 <hr/> Email: ciclbogra@gmail.com <hr/>	<b>Mr. Md. Mokhlesur Rahman</b> <hr/> SVP & In-Charge <hr/> Narsingdi Branch <hr/> Crystal Insurance Company Ltd. <hr/> Janata Bank Building (4 <sup>th</sup> Floor) <hr/> Suta Patti, Narsingdi <hr/> Tel. 9452329 <hr/> Mob. : 01727 – 373025 <hr/> Email: nsdcicl@gmail.com <hr/>
28	29	30
<b>Mr. Md. Habibur Rahman</b> <hr/> Vice President & In-Charge <hr/> Tangail Branch <hr/> Crystal Insurance Co. Ltd. <hr/> Akur Takurpara <hr/> Mymensing Road <hr/> Tangail <hr/> Mob. : 01746–279363 <hr/> Email:cicltangailbranch@gmail.com <hr/>	<b>Mr. Md. Nur Islam</b> <hr/> AVP & In-Charge <hr/> Dinajpur Branch <hr/> Crystal Insurance Company Ltd. <hr/> Baro Bandar, Dinajpur-5200 <hr/> Mob. 01724-393382/ <hr/> 0531-66981 <hr/> Email: dinajpurciclb@gmail.com <hr/>	The In-Charge <hr/> Comilla Branch <hr/> Crystal Insurance Company Ltd. <hr/> Prashna Bitan Bhaban <hr/> 693/623, Jhautala <hr/> Comilla. Tel. 081-73670 <hr/> Email: comillacicl@gmail.com <hr/>
31		
<b>Mr. Syed Md. Shamiur Rahman</b> <hr/> Manager & In-Charge <hr/> Mymensingh Branch <hr/> Crystal Insurance Co. Ltd. <hr/> 25/A, Swadeshi Bazar (3 <sup>rd</sup> Floor) <hr/> Mymensingh <hr/> Tel. 091-63587 <hr/> Mob. : 01782-579324 <hr/> Email:ciclmymensingh@gmail.com <hr/>		



**(ii) The board of directors of the Issuer**

Sl	Name	Position
1	Mr. Abdullah Al-Mahmud	Chairman
2	Mr. Abdullah Hasan	Director
3	Mr. A.H.M. Mozammel Hoque	Director
4	Mr. Md. Tajul Islam	Director
5	Mrs. Farzana Munny	Director
6	Mrs. Shahzadi Begum	Director
7	Mrs. Farhana Danesh	Director
8	Mr. Abdullah Al-Mamun	Director
9	Ms. Soera Zahir	Director
10	Mr. Arafat Rashid	Director
11	Mrs. Nusrat Mahmud	Director
12	Ms. Nabila Mahmud	Director
13	Dr. M. Waliuzzaman	Independent Director
14	Mr. Kazi Nasim Uddin Ahmed	Independent Director

**(iii) Names, addresses, telephone numbers, fax numbers and e-mail addresses of the chairman, managing director, wholetime directors, etc. of the Issuer**

#	Name	Position	Address	Telephone & Fax numbers	Email address
1	Mr. Abdullah Al-Mahmud	Chairman	House # 6, Road # 104, Apartment No. 4/A, Gulshan-2, Dhaka-1212.	Tel: 9571715 Fax: 9567205	mahin.hfl@gmail.com
2	Mr. Abdullah Hasan	Director	House No. 243 (B/4), Road No.20, New DOHS, Mohakhali, Dhaka.	Tel: 9571715 Fax: 9567205	hasanabdullah.cicl@gmail.com
3	Mr. A.H.M. Mozammel Hoque	Director	Appt. -1, House No. 95, Road No.9A, Dhanmondi R/A, Dhaka	Tel: 9571715 Fax: 9567205	mozammel.cicl@gmail.com
4	Mr. Md. Tajul Islam	Director	House No.45, Road No. 6/A, Keyari Nirzhor, Dhanmondi, Dhaka.	Tel: 9571715 Fax: 9567205	tajulislam.cicl@gmail.com
5	Mr. Abdullah Al-Mamun	Director	Road No.09, Block-G, House No.22, Rupkatha (2nd floor), Banani, Dhaka.	Tel: 9571715 Fax: 9567205	almamun.cicl@gmail.com
6	Mrs. Farhana Danesh	Director	House No. 15, Appat.1/B, Road- 3, Old. DOHS, Banani, Dhaka.	Tel: 9571715 Fax: 9567205	farhanadanesh.cicl@gmail.com
7	Mrs. Shahzadi Begum	Director	House No.16/1/B, Tallabagh, Sobhanbagh, Dhaka	Tel: 9571715 Fax: 9567205	shahzadibegum.cicl@gmail.com
8	Mrs. Farzana Munny	Director	House No. 43, Park Road, Baridhara, Dhaka.	Tel: 9571715 Fax: 9567205	munnyomz@gmail.com
9	Ms. Soera Zahir	Director	House-30, Road-08, Gulshan-1, Dhaka	Tel: 9571715 Fax: 9567205	soera.zahir@gmail.com
10	Mrs. Nusrat Mahmud	Director	House No.10, Road No.92, Gulshan-2, Dhaka	Tel: 9571715 Fax: 9567205	nusrat.cicl@gmail.com

11	Mr. Arafat Rashid	Director	27/B-4, Dhakeshwari Road, Lalbagh, Dhaka	Tel: 9571715 Fax: 9567205	arafatrashid.cicl@gmail.com
12	Ms. Nabila Mahmud	Director	House No. 25, Road No. 10/A, Flat – B/2, Arcadia Apartment, Dhanmondi, Dhaka	Tel: 9571715 Fax: 9567205	nabilamahmud.cicl@gmail.com
13	Dr. M. Waliuzzaman	Independent Director	House No. 29, Block F, Road No. 7, Banani, Dhaka-1213	Tel: 9571715 Fax: 9567205	waliuzzaman.cicl@gmail.com
14	Mr. Kazi Nasim Uddin Ahmed	Independent Director	Flat # A-8, 18, Assort Baily Nest, New Baily Road, Dhaka-1217	Tel: 9571715 Fax: 9567205	nasimuddin.cicl@gmail.com
15	Mr. Mia Fazle Karim, FCA	Managing Director	DR Tower (14 <sup>th</sup> Floor), 65/2/2, Purana Paltan, Box Culvert Road, Dhaka-1000	Tel: 9571715 Fax: 9567205	ceo@ciclbd.com

(iv) Names, addresses, telephone numbers, fax numbers and e-mail addresses of the CFO, company secretary, legal advisor, auditors and compliance officer

Position	Name, address and others
CFO	<b>Mr. M. Mahfuzur Rahman, ACA</b> DR Tower (14th Floor) 65/2/2, Purana Paltan Box Culvert Road, Dhaka-1000 Tel- +88-02-9566889 Fax- +88-02-9567205 Email- <a href="mailto:info@ciclbd.com">info@ciclbd.com</a>
Company Secretary	<b>Mr. S. M. Shahidullah</b> DR Tower (14th Floor) 65/2/2, Purana Paltan Box Culvert Road, Dhaka-1000 Tel- +88-02-9566889 Fax- +88-02-956720 Cell- +880-1735-998800
Legal advisor	<b>Seik Golam Maksud</b> Advocate, Supreme Court of Bangladesh Maksud & Associates Tropicana Tower, Suit No. 12-F (12th floor) 45 Topkhana Road, Purana Paltan, Dhaka-1000. Tel- +88-02-9570323 Cell- +880-1790-116688 & +880-1910-193090 Email: <a href="mailto:info@maksudassociates.com">info@maksudassociates.com</a>
Auditor	<b>MAHFEL HUQ &amp; CO.</b> Chartered Accountants BGIC Tower (4th Floor) 34, Topkhana Road, Dhaka – 1000. Phone: 9553143/7171316 Fax: 880-2-9571005 e-mail : <a href="mailto:hmhco.fca@gmail.com">hmhco.fca@gmail.com</a>
Compliance Officer	<b>M. Mahfuzur Rahman, ACA</b> DMD & CFO

(v) Names, addresses, telephone numbers, fax numbers, contact person, website addresses and e-mail addresses of the Issue Manager(s), registrar to the issue etc.

<b>Name of the Issue Manager</b>	<b>Sonar Bangla Capital Management Limited</b>
Addresses of Registered Office	Paramount Heights (8 <sup>th</sup> Floor), 65/2/1, Box Culvert Road, Purana Paltan, Dhaka-1000.
Telephone number	+88-02-9550406, +88-02-9511799
Fax number	+88-02-9515447
Contact person	<b>Emam Hossain</b> Managing Director/CEO (In-charge)
Website address	<a href="http://www.sbcmlbd.com">www.sbcmlbd.com</a>
Email address	<a href="mailto:sbcmgtltd@gmail.com">sbcmgtltd@gmail.com</a>

(vi) Details of Credit Rating

(a) The names of all the credit rating agencies from which credit rating has been obtained

So far CICL has obtained 8 credit rating. Details of those rating are given below:

<b>Name of the Credit Rating Agencies</b>	<b>Rating Date</b>
Credit Rating Agency of Bangladesh (CRAB)	28 September, 2010
	13 April, 2011
	17 April, 2012
	30 May, 2013
	23 April, 2014
	20 August, 2015
	31 July, 2016
	6 July, 2017
	12 April, 2018
	27 June, 2019

**(b) The details of all the credit ratings obtained for the Issue and the Issuer**

Year	Entity Rating		Rating Date	Outlook
	Long Term	Short Term		
2010	BB2	ST-4	28 September, 2010	
2011	BB1	ST-4	13 April, 2011	Stable
2012	BB2	ST-3	17 April, 2012	Stable
2013	BB2	ST-3	30 May, 2013	Stable
2014	BB2	ST-3	23 April, 2014	Stable
2015	BB1	ST-3	20 August, 2015	Stable
2016	A3	ST-2	31 July, 2016	Stable
2017	A3	ST-2	6 July, 2017	Stable
2018	A <sub>2</sub>	ST-2	12-Apr-18	Stable
2019	A <sub>2</sub>	ST-2	27-June-19	Stable

**(c) The rationale or description of the rating(s) so obtained, as furnished by the credit rating agency(s)**

Credit Rating Agency of Bangladesh Limited (CRAB) has assigned the long term rating of Crystal Insurance Company Limited (hereinafter also called 'CICL' or 'the Company') at **"A<sub>2</sub>"** (pronounced Single A two) and short term rating at **"ST-2"**. CRAB performed the rating surveillance based on audited financial statements up to 31<sup>st</sup> December 2018 and other relevant information.

During 2018, after reinsurance ceded of BDT 128.65 million the net premium of the Company was BDT 302.65 million. Net premium earning was stable in nature just enhanced by 1.73% in the same duration. In 2018, net claim of the Company was BDT 111.76 million along with 36.93% loss ratio. Of the total net claims major claims incurred in the fire class of business shared 70.11% of total net claim where retention ratio was 73.57% in the same class of business. The outstanding net claims at the end of 2018 was BDT 99.32 million which was 50.04% of total claims.

Underwriting profit of CICL shared 58.62% of total revenue in 2018 where as on average underwriting profit shared 71.37% of total revenue in the last five years. Net profit (before tax) of the company grew 36.17% in 2018. Underwriting profit of CICL reduced 11.23% in 2018 due to low underwriting from marine class business. Underwriting profit margin ratio reduced 3.13 percentage points to 21.48% in 2018 (2017: 24.61%). Loss ratio of marine and fire class business was significant in the same year.

During 2018, CICL's current ratio was 1.90 times in 2018. The organizations current asset to net claims was 4.59 times in 2018 from 4.93 times of 2017. CICL's liquid asset (cash and bank balance) shared 41.47% of total assets in 2018 (2017: 38.90%).

CICL's required solvency was BDT 65.33 million whereas the Company's available solvency was BDT 410.78 million which means the value of assets had been more than the liabilities. CICL kept BDT 277.08 million as reserve for exceptional losses and maintained BDT 6.69 million as general reserve. In 2018, risk retention of CICL was 70.16% (2017: 72.80%).

**(d) Observations and risk factors as stated in the creditrating report.****Risk factors**

The key risks inherent in the non-life insurance industry are derived from the cyclicity of year-to-year results, intense competition in most sectors, challenges in predicting, pricing and reserving for losses from products with long reporting and claims settlement tails, and exposures to large “low frequency, high severity” losses such as property catastrophes.

**Business Risk:**

A non-life insurer’s business risk arises from its business mix and competitive position within its chosen market. The key factors that are considered for business risk include:

- Underwriting expertise in each line of business.
- Policy limit and retention offered by segments.
- Management of undue risk aggregate and concentration.
- Exposures to large losses such as property catastrophes
- Claims management and expertise.

A non-life insurer’s ability to manage underwriting risk is the key driver of future success.

CICL has decentralized its underwriting functions and delegated powers to its zonal offices and branches for rendering prompt, efficient and effective services to the clients. Risks involved with policies are assessed by underwriting officers of the respective branch for underwriting policies up to a specific limit of sum insured, beyond which risk assessment of different policies are done by internal Risk Inspection Team. Skill level of employees engaged in underwriting process acts vitally behind innovation of new products and services that will help companies to attract newer clients and competitiveness in the market. Thus CICL controls its business risks arising from different types of underwriting policies, underwriting professionals at branch level with the help of guideline of IDRA. The company handles its business risks arising from different types of underwriting policies, underwriting professionals at branch level by providing them specific instruction and guidelines from the Head Office over the period of time.

It has been noted that CICL mainly concentrated on fire and marine insurance business in FY2018 . Gross premium received from fire and marine business represented 39% and 39.44% of total gross premium respectively. Marine business segment gross premiums earnings enhanced 6.64% in FY2018. Other business sector included motor and miscellaneous insurance business which represented 20.88% combined of total gross premium during FY2018. Underwriting profit of CICL shared 58.62% of total revenue in 2018 where as on average underwriting profit shared 71.37% of total revenue in the last five years.. However, it was also noted that, marine & fire insurance was the most profitable business sector of CICL for the last three financial years. The Company may focus on generating more underwriting profit to offset the business risk to some extent.

**Liquidity Risk:** Liquidity risk is the risk that may arise when a company unable to meet its short term financial demands. This usually occurs due to the inability to convert a security or fixed asset to cash without a loss of capital and/or income in the process. The major liquidity risk encountered by a specific Company is the daily liquid cash required on its available cash resources in respect of claims arising from insurance contracts and maturity of investment securities. Liquidity risk also occurs more generally in relation to the ability to buy and sell investments.

CICL manages its liquidity by ensuring sufficient liquidity to meet its claims and other liabilities when due under both normal & stressed conditions without incurring unacceptable losses or risking damage to the Company’s reputation. Moreover, the company sets limit on the minimum portion of maturing funds available to cover claims at unexpected levels of demand. CICL’s investment in govt. treasury bonds and FDR with the banks has increased significantly from previous year.. Reserve for exceptional loss enhanced by CICL was BDT 277.08 million in 2018 enhanced due to addition of 10% of total gross premium annually. CICL’s liquid asset (cash and bank balance) shared 41.47% of total assets in 2018 (2017: 38.90%).

. CICL has supportive premium income, reserve funds and FDR kept in bank to meet the unforeseen claim or payment.

**Interest Rate Risk:** Interest rate risk arises out of investment decisions, variation in interest rates and acceptance of high exposures in any one type of investment instrument. There is volatility in money market which has great influence over the interest rate structure of fund hold by a Company. Interest rates are highly sensitive to inflation and other factors including Govt. fiscal and tax policies, monetary policy of Bangladesh Bank and other domestic and international economic and political condition. CICL has major investment in Govt. Treasury bond and FDR in commercial banks. There is modest investment in secondary market. CICL Interest income shared 22.16% of its total revenue in FY 2018.. Interest income from FDR and other deposit have the risk of reduction of deposit interest rate of commercial bank. Thus the Company will be benefitted more from its core business in order to minimize any loss/reduction of income arise from the investment already made.

**Internal Control Risk:** CICL has a separate internal audit department which assists in maintaining financial discipline and management of the Company. Head office receives data of revenue and expenses of each branch and branch controlling person is held responsible for review and reconcile of all the account. If any inconsistency is observed, the Company ensures proper investigation which leads to compensation charge to the responsible person.

Internal control risks have impacts on the effectiveness and efficiency of internal controls and thus affect the achievement of objectives. It usually arises from non compliance of rules and regulation which ultimately possess negative impact on overall business performance. The Company ensures formation of Management Committee that deals with operational decisions. It is observed that the CICL Board formed Audit Committee to maintain financial discipline of the Company. Internal Audit Department, headed by professional, is assigned for the purpose of regular visit the branch offices audit and investigation. Branch Control Department follow-up all the branches regarding operation and take necessary action.

**Insurance Risk:** Underwriting risk is the risk of loss, or of adverse changes in the value of insurance liabilities, due to inadequate pricing and provisioning assumptions. Non-life insurance underwriting risks are often divided into premium and catastrophe risks and reserve risk in order to separate the risks related to future claims of current insurance contracts and already incurred claims.

CICL reduces this risk with the help of its experienced underwriting team who undertakes pre-insurance surveys of large and complicated risk. The Company manages these risks through its underwriting strategy, adequate reinsurance arrangements & proactive claims handling. Underwriting dept. of the Company consist of 14 members, all member are well experienced and trained from both within and outside the country. Risk management ensures proper understanding of the right level of risk acceptance, risk control and risk related expenditure. CICL also takes reinsurance coverage from SBC. The Company has surplus treaty for all business classes other than motor business for which the Company has excess of loss treaty.

**Market competition risk:** At present, there are 45 non life insurance companies (including SBC) in Bangladesh and all of them are active in the industry and responsible of total gross premium of BDT 26,380.95 million (ref: Insurance year book 2015). Considering the gross premium received, CICL is representing only 1.38% of market share in FY2015. Whereas, other market gains like Green Delta Insurance Co. Ltd., Pioneer Insurance Co. Ltd., Progoti Insurance Ltd., & Reliance Insurance Ltd. Hold 11.82%, 9.39% 6.12% & 8.91% of market share respectively.

As a result, intense competition exists between big industry players of non life insurance companies in Bangladesh. To be competitive in the market, CICL needs to develop new products and offer excellent clientele service instead of sharing higher agency commission with the client. Moreover, the Company also needs to expand its target market otherwise the competitors may take away its business.

**Socio-political-economic Risks:** Socio/Political situation in Bangladesh is relatively stable in present year. Still there always probability of any socio/political turmoil incurrence while carrying out any business in Bangladesh. The risk arises out of changes in the country's political, social and economic environment which might negatively impacts on the overall employment, savings and thus investment of the country. For the instability in politics, may disruptive situations and created which have negative impact on every business. The people who operate various types of

businesses in our country, often experience inconvenience in running their business. Insurance business is not an exception of this impact. Political instability may negative impact on overall policy collection of the Company and number of claim against policies. The Company has cautious approach to deal with such risks.

**Human resources Risk:** Human resource risk arises from absence of experienced person in place with required skills needed to complete assigned tasks. Companies with an ageing workforce are even at more risk. It is noted that, insurance industry of Bangladesh needs to transform its workforce via training. When the employees of a company lack training/knowledge it leads to information gap and technical errors.

CICL holds insignificant portion of total non life insurance market. But the company is very proactive to develop its position. There are requirement of energetic, qualified professionals is expected to gear up future business. CICL had 266 employees of which 182 were desk employees and 84 were development employees. There are seven departments in the Head Office to administer the activities of the Company. CICL has structured service rules and pay scale. There are 17 branches in Dhaka division and 13 branches are situated outside Dhaka division. Overall 31 employee trained various course at Bangladesh Insurance Academy & and Bangladesh Insurance Association. Thus 04 employees have completed BIA diploma and 02 employees have completed Cert CII (UK) from Chartered Insurance Institute, UK.

**Regulatory Risk:** The increasing intensity of regulatory requirements poses a significant threat to the industry. The new Insurance Development and Regulatory Authority Act-2010 and Insurance Act-2010 replaced the old insurance laws which are likely to bring significant changes in the regulation of the industry. In order to make overall claim settlement procedure smooth and timely, insurance companies are required to set up a special fund known as 'policyholders' Protection Fund'. For further enhancing the solvency position, paid up capital for non-life and life insurance companies have been raised to BDT 400.00 million and BDT 300.00 million respectively. As per the circular issued by IDRA, agents will be paid commission at a maximum rate of 15% of gross premium. Moreover, Credit Rating practice for the insurance companies is expected to create a positive vibration in the industry as the institutional insured expect for good credit rating to safeguard their interest. All these requirements will make the market more reliable and uniform. The same will pressurize the underperforming insurance companies to retain their market share.

In accordance with the Insurance Act 2010, CICL has increased its paid up capital during FY 2017. The Company's paid up capital enhanced to BDT 240.00 million. The Board of Directors has raised paid up capital from BDT 60.00 million to BDT 240.00 million issuing 180, 00,000 ordinary shares which included 30,00,000 bonus shares. Experienced board members and audit committee of CICL's acting in accordance with the guidelines provided in the notification dated 7th August, 2012 of BSEC and ensuring all relevant requirements for the Company.

**Technology Related Risk:** Technology up gradation is a continuous process. Innovation of new and cost effective technology may obsolete existing technology which may cause obstructive impact on the business process. Insurance business is increasing day by day as our country is developing. Peoples are realizing the need of insurance which resulted into new types of insurance product. However, CICL is well acquainted with the recent change and believes that there are low chances that recent technology may hamper the operation of the Company. CICL is now issuing its cover notes, policy, Bill, MIS reports through its IIMS software.

**Financial Risk:** Underwriting involves measuring risk exposure and determining the premium that needs to be charged to insure that risk. CICL underwriting dept. is responsible to classify clients into appropriate risk classes and serves to protect the company from clients who misrepresent themselves fraudulently. Underwriting profit is the core sources of income of CICL; the Company takes every step to minimize underwriting risk. Underwriting profit has slightly reduced by 11.23 % in 2018. Loss ratio of CICL enhanced 6.28 percentage point resulted from claim settlement in marine class of business in 2018. During 2018, total claims were 184 of BDT 198.48 million from all classes of business where 96 claims of BDT 123.36 million was new claim in the same period. Of the total claims, 101 claims of BDT 98.83 million were settled in 2018. Top 10 claims settled was BDT 28.23 million which was 28.47% of total settled claims. CICL's claim settlement ratio was 50.00% in 2018.



CICL gross & net premium has been showing better performance since FY2014. Along with this, expense ratio of the Company has been decreased by 4.66 percentile points in FY2018. Net premium of the Company has been increased by 1.73% in FY2018. CICL allocated management expense has been decreased by 6.55% in FY2018. Overall situation has affected the combined ratio of the Company which has been increased to 89.58% during FY2018 and thus this ratio stays below than 100% threshold. As combined ratio of less than 100% indicates an underwriting profit overall situation can bring positive feedback for the Company. The Company will be more benefitted to focus on controlling its management expense in future years having better underwriting performance.

**(vii) Details of underwriting:**

**(a) The names, addresses, telephone numbers, fax numbers, contact persons and e-mail addresses of the underwriters and the amount underwritten by them**

<b>Name and address</b>	<b>Contact person</b>	<b>Telephone &amp; fax number and e-mail address</b>	<b>Amount Underwritten (BDT)</b>
Sonar Bangla Capital Management Limited	Emam Hossain	Tel- 88-02-9550406, 88-02-9511799 Fax- 88-02-9515447 Email- sbcmgtltd@gmail.com	28,000,000
GSP Investments Limited	Md. Zillur Rahim Chowdhury	Tel- 88-02-9674306 Fax- 88-02-9674149 Email: kjamanucl@gmail.com	28,000,000

**(b) Declaration by the underwriters that they have sufficient resources as per the regulatory requirements to discharge their respective obligations**

**Declaration by the Sonar Bangla Capital Management Limited**

We are one of the underwriters of the Initial Public Offering (IPO) of Crystal Insurance Company Limited. We will underwrite BDT 28,000,000.00 (Taka Two crore and eighty lacs only) for the upcoming issue on a firm commitment basis. In this connection, we hereby declare that:

We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

For the Underwriter:

Sd/-

**(Emam Hossain)**

Managing Director/CEO (In-charge)

Sonar Bangla Capital Management Limited

Place: Dhaka

Date: 19 April, 2018

**Declaration by the GSP Investments Limited**

We are one of the underwriters of the Initial Public Offering (IPO) of Crystal Insurance Company Limited. We will underwrite BDT 28,000,000.00 (Taka Two crore and eighty lacs only) for the upcoming issue on a firm commitment basis. In this connection, we hereby declare that:

We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

For the Underwriter:

Sd/-

Md. Zillur Rahim Chowdhury

Managing Director

GSP Investments Limited



Place: Dhaka

Date: 19 April 2018

**(c) Major terms and conditions of the underwriting agreements**

1. The IPO shall stand cancelled if at least 65% in any category of the IPO is not subscribed.
2. In case of under subscription in any category by up to 35% of the IPO the under-subscribed securities shall be taken up by the underwriters.
3. Notwithstanding anything contained in the agreement in case of inconsistency between the provision of the agreement and the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the Public Issue Rules shall prevail.
4. Prior to publication of the prospectus, the Company shall have obtained consent from the Bangladesh Securities and Exchange Commission permitting the issue as described in Article 2.02 and providing for payment of underwriting commission **0.50% (Zero point five zero percent)** on the amount underwritten.
5. If and to the extent that the shares offered to the public by a Prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the Closing Date, the Company shall within **10 (ten) days** of the closure of subscription call upon the underwriters in writing with a copy of the said writing to the Bangladesh Securities and Exchange Commission, to subscribe the shares not so subscribed by the closing date and to pay for in cash in full, inclusive of any premium if applicable, for such unsubscribed shares within **15 (fifteen) days** after being called upon to do so. The amount so received shall be credited to the share subscription account of the Company within the said period. If payment is made by Cheque/ Bank Draft by the Underwriter, it will be deemed that the Underwriter has not fulfilled his obligation towards his underwriting commitment under this Agreement, until such time as the Cheque/Bank Draft has been encashed and the Company's share subscription account credited.

In any case within **7 (seven) days** after the expiry of the aforesaid **15 (fifteen) days**, the Company shall send proof of subscription and payment by the Underwriters to the Commission.

In the case of failure by the underwriter to pay for the shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under this Agreement.

**(c) Capital Structure**

(i) Authorized, issued, subscribed and paid up capital (number and class of securities, allotment dates, nominal price, issue price and form of consideration)

Particulars	No. of Ordinary Shares	Nominal price	Issue price	Amount in BDT
<b>Before IPO:</b>				
<b>Authorized capital</b>	<b>100,000,000</b>	<b>10</b>	<b>10</b>	<b>1,000,000,000</b>
Issued, subscribed and paid-up capital	24,000,000	10	10	240,000,000
<b>Total paid up capital before IPO (A)</b>	<b>24,000,000</b>	<b>10</b>	<b>10</b>	<b>240,000,000</b>
<b>After IPO:</b>				
To be issued as IPO (B)	16,000,000	10	10	160,000,000
<b>Paid-up capital (Post IPO) (A+B)</b>	<b>40,000,000</b>	<b>10</b>	<b>10</b>	<b>400,000,000</b>

The Company has raised its paid-up capital in following phases:

Sl	Date of allotment	Form of Consideration	No. of shares	Amount in BDT
01	November 11, 1999	Cash	6,000,000	60,000,000
02	March 22, 2017	Cash	15,000,000	150,000,000

03	April 22, 2017	Bonus	3,000,000	30,000,000
<b>Total</b>			<b>24,000,000</b>	<b>240,000,000</b>

The face value of shares was denominated from Tk. 100 per share to Tk. 10 per share vide special resolution passed on 22 September 2011 in the 2nd Extraordinary General Meeting by the shareholders of the Company and subsequently which was passed by RJSC on 13 November 2011.

**(ii) Size of the present issue, with break-up (number of securities, description, nominal value and issue amount)**

Number of Securities to be offered	Description	Nominal value (BDT)	Issue amount (BDT)
16,000,000	Offer price BDT 10.00 each at par, total size of fund to be raised BDT 160,000,000.00	10.00	160,000,000.00

**(iii) Paid up capital before and after the present issue, after conversion of convertible instruments (if any) and share premium account (before and after the issue)**

Particulars	Before the present issue	After the present issue
Paid-up capital	BDT. 240,000,000	BDT. 400,000,000
Convertible instruments	Nil	Nil
Share premium	Nil	Nil

**(iv) Category-wise shareholding structure with percentage before and after the present issue and after conversion of convertible instruments (if any)**

Category	Sl	Name	Position	No of Share	Percentage (%)		
					Pre IPO	Post IPO	After Conversion
Sponsor and/or Director	1	Mr. Abdullah Al-Mahmud	Sponsor & Chairman	4,000,000	16.67%	10.00%	N/A
	2	Mr. Abdullah Hasan	Sponsor & Director	4,000,000	16.67%	10.00%	N/A
	3	Mr. A.H.M. Mozammel Hoque	Sponsor & Director	800,000	3.33%	2.00%	N/A
	4	Mr. Md. Tajul Islam	Sponsor & Director	900,000	3.75%	2.25%	N/A
	<b>Total (a)</b>			<b>9,700,000</b>	<b>40.42%</b>	<b>24.25%</b>	
	5	Mrs. Farzana Munny	Director	800,000	3.33%	2.00%	N/A
	6	Mrs. Shahzadi Begum	Director	800,000	3.33%	2.00%	N/A
	7	Mrs. Farhana Danesh	Director	955,000	3.98%	2.39%	N/A
	8	Mr. Abdullah Al-Mamun	Director	800,000	3.33%	2.00%	N/A
	9	Ms. Nabila Mahmud	Director	2,000,000	8.33%	5.00%	N/A
	10	Ms. Soera Zahir	Director	2,000,000	8.33%	5.00%	N/A
	11	Mrs. Nusrat Mahmud	Director	4,000,000	16.67%	10.00%	N/A
	12	Mr. Arafat Rashid	Director	800,000	3.33%	2.00%	N/A
	<b>Total (b)</b>			<b>12,155,000</b>	<b>50.64%</b>	<b>30.39%</b>	
Other than sponsors or director	13	Mr. Iqbal Hassan Mahmood	Shareholder	375,000	1.56%	0.94%	N/A
	14	Mrs. Sarah Hasein Mahmood	Shareholder	300,000	1.25%	0.75%	N/A
	15	Mr. Rubayat Tanveer Huda	Shareholder	270,000	1.13%	0.68%	N/A
	16	Mr. Asoke Ranjan Kapuria	Shareholder	1,200,000	5.00%	3.00%	N/A
	<b>Total (c)</b>						

		2,145,000	8.94%	5.36%	
<b>Grand Total (a) + (b) + (c)</b>		<b>24,000,000</b>	<b>100.00%</b>	<b>60.00%</b>	

The Company did not convert any instrument as there is none.

(v) Where shares have been issued for consideration in other than cash at any point of time, details in a separate table, indicating the date of issue, persons to whom those are issued, relationship with the Issuer, issue price, consideration and valuation thereof, reasons for the issue and whether any benefits have been accrued to the Issuer out of the issue

The Company issued bonus shares worth Tk 30,000,000 (Taka thirty million) on 22 April 2017 to the following Directors/Shareholders:

Date of Allotment	Person to Whom those are issued	No. of Share Allotted	Relationship with Person	Reason for Issue	Rational for Issue Price
22.04.2018	Ms. Soera Zahir	450,000	Director	Distribution of Accumulated Profit	Face Value
	Mrs. Farzana Munny	150,000	Shareholder		
	Ms. Sarah Hasein Mahmood	100,000	Shareholder		
	Mrs. Shahzadi Begum	90,000	Director		
	Mr. Iqbal Hassan Mahmood	125,000	Shareholder		
	Mr. Abdullah Al-Mahmud	400,000	Chairman		
	Mr. Abdullah Hasan	450,000	Director		
	Mr. A.H.M. Mozammel Hoque	150,000	Director		
	Mr. Tajul Islam	300,000	Director		
	Mrs. Farhana Nasrin	150,000	Director		
	Mr. Abdullah Al-Mamun	150,000	Director		
	Mr. Rubayat Tanvir Huda	90,000	Shareholder		
	Mr. Arafat Rashid	225,000	Director		
	Mrs. Nusrat Mahmud	20,000	Director		
	Mr. Asoke Ranjan Kapuria	150,000	Director		
<b>Total</b>		<b>3,000,000</b>			

(vi) Where shares have been allotted in terms of any merger, amalgamation or acquisition scheme, details of such scheme and shares allotted

No shares have been allotted in terms of any merger, amalgamation or acquisition scheme.

**(vii) Where the Issuer has issued equity shares under one or more employee stock option schemes, date-wise details of equity shares issued under the schemes, including the price at which such equity shares were issued**

The Company has not issued any equity shares under stock option to its employees.

**(viii) If the Issuer has made any issue of specified securities at a price lower than the issue price during the preceding two years, specific details of the names of the persons to whom such specified securities have been issued, relation with the Issuer, reasons for such issue and the price thereof**

The Company has not made any issue of specified securities at a price lower than the issue price (except the bonus share issued on 22 April 2017) during the preceding two years.

**(ix) The decision or intention, negotiation and consideration of the Issuer to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue**

The Company has no such decision or intention, negotiation and consideration to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue.

(x) The total shareholding of the sponsors and directors in atabular form, clearly stating the names, nature of issue, date of allotment, number of shares, face value, issue price, consideration, date when the shares were made fully paid up, percentage of the total pre and post issue capital, the lock in period and the number and percentage of pledged shares, if any, held by each of them

Since denomination of shares has been changed from BDT 100.00 per share to BDT 10.00 per share, we have shown all number of shares considering share value at BDT 10.00, though initially shares were issued at BDT 100.00 per share.

Name	Nature of Issue (Ordinary/ Bonus share)	Date of allotment / Transfer	Number of shares	Face value	Issue price	Consideration	Date when the shares were made fully paid up	% of the total capital		Lock in period (year)	Status of pledged shares	
								Pre-issue	Post-issue		No. of shares	%
Mr. Abdullah Al-Mahmud	Ordinary	Original subscription on 11/11/1999 as per MoA & AoA	1,200,000	10	10	Cash	11-Nov-99	16.67%	10.00%	3	N/A	N/A
	Ordinary	Sold on 11/12/2001 to Mahmuda Begum	(180,000)	10	10	Cash	11-Dec-01					
	Ordinary	Sold on 25/03/2012 to A.H.M. Mozammel Hoque	(60,000)	10	10	Cash	25-Mar-12					
	Ordinary	Sold on 25/03/2012 to Abdullah Al-Mamun	(120,000)	10	10	Cash	25-Mar-12					
	Ordinary	Transferred to Nusrat Mahmud on 14/03/2013	(40,000)	10	10	Cash	14-Mar-13					
	Ordinary	New allotment 22/03/2017	2,800,000	10	10	Cash	22-Mar-17					
	Ordinary	Stock dividend 22/04/2017	400,000	10	10	Bonus	22-Apr-17					
Total			4,000,000									
Mr. Abdullah Hasan	Ordinary	Original subscription on 11/11/1999 as per MoA & AoA	1,200,000	10	10	Cash	11-Nov-99	16.67%	10.00%	3	N/A	N/A
	Ordinary	Transferred to Farhana Danesh on 11/12/2001	(180,000)	10	10	Cash	11-Dec-01					
	Ordinary	Transferred to Farzana Munny on 25/03/2012	(120,000)	10	10	Cash	25-Mar-12					
	Ordinary	New allotment 22/03/2017	2,650,000	10	10	Cash	22-Mar-17					
	Ordinary	Stock dividend 22/04/2017	450,000	10	10	Bonus	22-Apr-17					
Total			4,000,000									
Mr. Abdullah Al-Zahir	Ordinary	Original subscription on 11/11/1999 as per MoA & AoA	1,200,000	10	10	Cash	11-Nov-99	0.00%	0.00%	N/A	N/A	N/A
	Ordinary	Transferred to Abdullah Al-Mamun on 11/12/2001	(180,000)	10	10	Cash	11-Dec-01					
	Ordinary	Transferred to Farhana Danesh on 25/03/2012	(120,000)	10	10	Cash	25-Mar-12					

	Ordinary	Transferred to Soera Zahir on 25/03/2012	(900,000)	10	10	Cash	25-Mar-12						
Total			0										
Mr. A.H.M. Mozammel Hoque	Ordinary	Original subscription on 11/11/1999 as per MoA & AoA	600,000	10	10	Cash	11-Nov-99	3.33%	2.00%	3	N/A	N/A	
	Ordinary	Sold on 11/12/2001 to Harun Ar-Rashid	(300,000)	10	10	Cash	11-Dec-01						
	Ordinary	Sold on 11/12/2001 to Asoke Ranjan Kapuria	(60,000)	10	10	Cash	11-Dec-01						
	Ordinary	Bought from Abdullah Mahmud on 25/03/2012	60,000	10	10	Cash	25-Mar-12						
	Ordinary	New allotment 22/03/2017	2,350,000	10	10	Cash	22-Mar-17						
	Ordinary	Stock dividend 22/04/2017	150,000	10	10	Bonus	22-Apr-17						
	Ordinary	Transferred to Nabila Mahmud on 13/02/2018	(2,000,000)	10	10	Cash	13-Feb-18						
Total			800,000										
Mr. Arman Islam	Ordinary	Original subscription on 11/11/1999 as per MoA & AoA	720,000	10	10	Cash	11-Nov-99	0.00%	0.00%	N/A	N/A	N/A	
	Ordinary	Transferred to Farzana Munny on 09/03/2010	(180,000)	10	10	Cash	09-Mar-10						
	Ordinary	Sold to Asoke Ranjan Kapuria on 11/12/2001	(240,000)	10	10	Cash	11-Dec-01						
	Ordinary	Sold to Iqbal Hasan Mahmood on 11/12/2001	(300,000)	10	10	Cash	11-Dec-01						
Total			0										
Mr. Md. Tajul Islam	Ordinary	Original subscription on 11/11/1999 as per MoA & AoA	600,000	10	10	Cash	11-Nov-99	3.75%	2.25%	3	N/A	N/A	
	Ordinary	Stock dividend 22/04/2017	300,000	10	10	Bonus	22-Apr-17						
Total			900,000										
Mr. Md. Yousuf Ali	Ordinary	Original subscription on 11/11/1999 as per MoA & AoA	300,000	10	10	Cash	11-Nov-99	0.00%	0.00%	N/A	N/A	N/A	
	Ordinary	Sold to Iqbal Hasan Mahmood on 11/12/2001	(150,000)	10	10	Cash	11-Dec-01						
	Ordinary	Sold to Harun Ar-Rashid on 11/12/2001	(150,000)	10	10	Cash	11-Dec-01						
Total			0										
Mr. Syed Md. Habibul Huq	Ordinary	Original subscription on 11/11/1999 as per MoA & AoA	180,000	10	10	Cash	11-Nov-99	0.00%	0.00%	N/A	N/A	N/A	
	Ordinary	Transferred to Shahzadi Begum on 10/05/2005	(22,500)	10	10	Cash	10-May-05						
	Ordinary	Transferred to Samina Mirza on	(52,560)	10	10	Cash	10-May-						

		10/05/2005					05						
	Ordinary	Transferred to Syed Salman Habib on 10/05/2005	(104,940)	10	10	Cash	10-May-05						
Total			0										
Mrs. Soera Zahir	Ordinary	Transferred from Abdullah Al-Zahir on 25/03/2012	900,000	10	10	Cash	25-Mar-12	8.33%	5.00%	3	N/A	N/A	
	Ordinary	New allotment 22/03/2017	650,000	10	10	Cash	22-Mar-17						
	Ordinary	Stock dividend 22/04/2017	450,000	10	10	Bonus	22-Apr-17						
Total			2,000,000										
Mr. Abdullah Al-Mamun	Ordinary	Transferred from Abdullah Al-Zahir on 11/12/2001	180,000	10	10	Cash	11-Dec-01	3.33%	2.00%	3	N/A	N/A	
	Ordinary	Bought from Abdullah Mahmud on 25/03/2012	120,000	10	10	Cash	25-Mar-12						
	Ordinary	New allotment 22/03/2017	350,000	10	10	Cash	22-Mar-17						
	Ordinary	Stock dividend 22/04/2017	150,000	10	10	Bonus	22-Apr-17						
Total			800,000										
Mrs. Farhana Danesh	Ordinary	Transferred from Abdullah Hasan on 11/12/2001	180,000	10	10	Cash	11-Dec-01	3.98%	2.39%	3	N/A	N/A	
	Ordinary	Transferred from Abdullah Al-Zahir on 25/03/2012	120,000	10	10	Cash	25-Mar-12						
	Ordinary	New allotment 22/03/2017	505,000	10	10	Cash	22-Mar-17						
	Ordinary	Stock dividend 22/04/2017	150,000	10	10	Bonus	22-Apr-17						
Total			955,000										
Mrs. Shahzadi Begum	Ordinary	Transferred as heir from Syed Md. Habibul Haque on 10/05/2005	22,500	10	10	Cash	10-May-05	3.33%	2.00%	3	N/A	N/A	
	Ordinary	Transferred from Samina Mirza on 10/05/2005	52,560	10	10	Cash	10-May-05						
	Ordinary	Transferred from Syed Salman Habib on 10/05/2005	104,940	10	10	Cash	10-May-05						
	Ordinary	New allotment 22/03/2017	530,000	10	10	Cash	22-Mar-17						
	Ordinary	Stock dividend 22/04/2017	90,000	10	10	Bonus	22-Apr-17						
Total			800,000										
Mr. Arafat Rashid	Ordinary	Transferred from Effat Rashid on 08/01/2012	225,000	10	10	Cash	08-Jan-12	3.33%	2.00%	3	N/A	N/A	
	Ordinary	Transferred shares to Tasneem Rashid on 08/01/2012	225,000	10	10	Cash	08-Jan-12						

	Ordinary	New allotment 22/03/2017	125,000	10	10	Cash	22-Mar-17						
	Ordinary	Stock dividend 22/04/2017	225,000	10	10	Bonus	22-Apr-17						
Total			800,000										
Ms. Nusrat Mahmud	Ordinary	Transferred from Abdullah Mahmud Al-on 14/03/2013	40,000	10	10	Cash	14-Mar-13	16.67%	10.00%	3	N/A	N/A	
	Ordinary	New allotment 22/03/2017	3,940,000	10	10	Cash	22-Mar-17						
	Ordinary	Stock dividend 22/04/2017	20,000	10	10	Bonus	22-Apr-17						
Total			4,000,000										
Ms. Nabila Mahmud	Ordinary	Transferred from A.H.M. Mozammel Hoque on 13/02/2018	2,000,000	10	10	Cash	13-Feb-18	8.33%	5.00%	3	N/A	N/A	
Total			2,000,000										
Mrs. Farzana Munny	Ordinary	Transfer from Abdulla Hasan	120,000	10	10	Cash	9-Mar-10	3.33%	2.00%	3	N/A	N/A	
	Ordinary	Transfer from Arman Islam	180,000			Cash	25-Mar-12						
	Ordinary	New allotment	350,000			Cash	22-Mar-17						
	Ordinary	Stock dividend	150,000			Bonus	22-April-						
Total			800,000										

\* Lock-in period of shares starts from the issue date of Prospectus.

\* The shares were made fully paid-up within the stipulated time, and

\* No shares are pledged with anybody.

(xi) The details of the aggregate shareholding of the sponsors and directors, the aggregate number of specified securities purchased or sold or otherwise transferred by the sponsor and/or by the directors of the Issuer and their related parties within six months immediate preceding the date of filing the prospectus.

**Aggregate shareholding of the sponsors and directors:**

Sl	Name	Category	No of Share	Pre IPO %	Post IPO%
1	Mr. Abdullah Al-Mahmud	Sponsor & Chairman	4,000,000	16.67%	10.00%
2	Mr. Abdullah Hasan	Sponsor & Director	4,000,000	16.67%	10.00%



3	Mr. A.H.M. Mozammel Hoque	Sponsor & Director	800,000	3.33%	2.00%
4	Mr. Md. Tajul Islam	Sponsor & Director	900,000	3.75%	2.25%
<b>Total (a)</b>			<b>9,700,000</b>	<b>40.42%</b>	<b>24.25%</b>
5	Mrs. Farzana Munny	<b>Director</b>	800,000	3.33%	2.00%
6	Mrs. Shahzadi Begum	Director	800,000	3.33%	2.00%
7	Mrs. Farhana Danesh	Director	955,000	3.98%	2.39%
8	Mr. Abdullah Al-Mamun	Director	800,000	3.33%	2.00%
9	Ms. Nabila Mahmud	Director	2,000,000	8.33%	5.00%
10	Ms. Soera Zahir	Director	2,000,000	8.33%	5.00%
11	Mrs. Nusrat Mahmud	Director	4,000,000	16.67%	10.00%
12	Mr. Arafat Rashid	Director	800,000	3.33%	2.00%
<b>Total (b)</b>			<b>12,155,000</b>	<b>50.64%</b>	<b>30.39%</b>
13	Mr. Iqbal Hassan Mahmood	Shareholder	375,000	1.56%	0.94%
14	Mrs. Sarah Hasein Mahmood	Shareholder	300,000	1.25%	0.75%
15	Mr. Rubayat Tanveer Huda	Shareholder	270,000	1.13%	0.68%
16	<b>Mr. Asoke Ranjan Kapuria</b>	Shareholder	<b>1,200,000</b>	<b>5.00%</b>	<b>3.00%</b>
<b>Total (c)</b>			<b>2,145,000</b>	<b>8.94%</b>	<b>5.36%</b>
<b>Grand Total (a) + (b) + (c)</b>			<b>24,000,000</b>	<b>100.00%</b>	<b>60.00%</b>

(xii) The name and address of any person who owns, beneficially or of record, 5% or more of the securities of the Issuer, indicating the amount of securities owned, whether they are owned beneficially or of record, and the percentage of the securities represented by such ownership including number of equity shares which they would be entitled to upon exercise of warrant, option or right to convert any convertible instrument

Sl	Name of Shareholder	Address	Position	No. of shares	Pre IPO (%)	Types of ownership
1	Mr. Abdullah Al-Mahmud	House # 6, Road # 104, Apartment No. 4/A, Gulshan-2, Dhaka	Chairman	4,000,000	16.67%	Sponsor Director
2	Mr. Abdullah Hasan	House No. 243 (B/4), Road No.20, New DOHS, Mohakhali, Dhaka.	Director	4,000,000	16.67%	Sponsor Director
3	Ms. Soera Zahir	House # 30, Road # 08, Gulshan-1, Dhaka	Director	2,000,000	8.33%	Director
4	Mr. Asoke Ranjan Kapuria	Bejpara, Main Road, Jessore	Director	1,200,000	5.00%	Director
5	Mrs. Nusrat Mahmud	House No.10, Road No.92, Gulshan-2, Dhaka	Director	4,000,000	16.67%	Director

6	Ms. Nabila Mahmud	House No. 25, Road No. 10/A, Flat –B/2, Arcadia Apartment, Dhanmondi, Dhaka	Shareholder	2,000,000	8.33%	Director
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(xiii) The number of securities of the Issuer owned by each of the top ten salaried officers, and all other officers or employees as a group, indicating the percentage of outstanding shares represented by the securities owned.

No officers of Crystal Insurance Company Limited own its shares as on December 31, 2018.

**(d) Description of Business**

(i) The date on which the Issuer company was incorporated and the date on which it commenced operations and the nature of the business which the company and its subsidiaries are engaged in or propose to engage in;

Crystal Insurance Company Limited was incorporated in November 11, 1999 as a Public Limited Company under Registrar of Joint Stock Companies and Firms (RJSC) vide registration number C-39008(966)/99 under the Companies Act 1994.

**Corporate information:**

Particulars	Description
Date of incorporation as public limited company	November 11, 1999
Commencement of commercial operation	June 12, 2000
Conversion into public limited company	Not applicable
Denomination of face value from Tk. 100.00 to Tk. 10.00	November 13, 2011
Authorized capital	BDT. 1,000 Million
Issued & Paid-up Capital	BDT. 240 Million
Nature of Business	General Insurance in the Private Insurance Sector

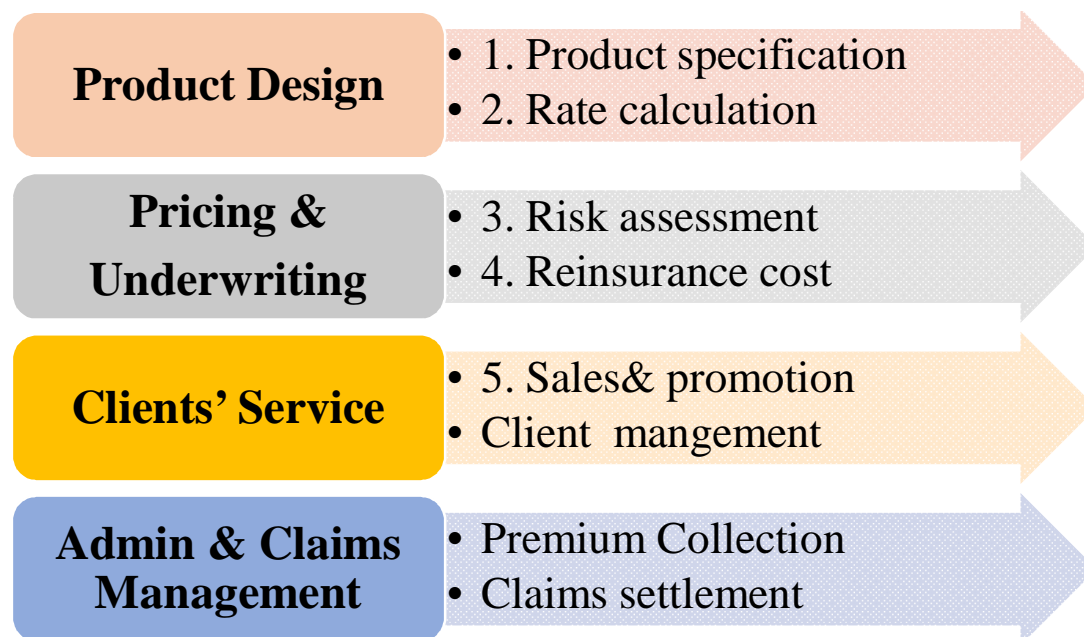
**(ii) Location of the project;**

Head Office of Crystal Insurance Company Limited (CICL) is situated at Purana Paltan, Dhaka and CICL's 31 branches including the Local Office are located in different districts at strategically important points.

**(iii) Plant, machinery, technology, process, etc.;**

**Plant & Machinery:**

Crystal Insurance Company Limited is engaged in insurance business. There is no plant, machinery & technology involved in the business process of the Issuer. However, the company has been operating with its General Insurance services going through the following processes:



(iv) Details of the major events in the history of the Issuer, including details of capacity or facility creation, launching of plant, products, marketing, change in ownership and/or key management personnel etc.;

Particulars	Status
<b>Date of incorporation</b>	11 November, 1999
<b>Private to public</b>	N/A (Incorporated as Public Limited Company)
<b>Date of Commencement of Business</b>	November 11, 1999
<b>Start of Commercial Operation</b>	12 June, 2000
<b>Details of facility creation</b>	Since the Company is engaged in insurance business. So, there are no capacity or facility creation and no launching of plant, products.
<b>Principal products or services of the Issuer</b>	<ul style="list-style-type: none"> <li>a) Fire Insurance</li> <li>b) Marine Insurance</li> <li>c) Motor Insurance</li> <li>d) Miscellaneous Insurance</li> <li>e) Liability Insurance</li> <li>f) Engineering Insurance</li> </ul>
<b>Marketing</b>	The Issuer company sells its services to individuals & corporate bodies, both directly through its officials & also through commission agents.

#### Changes in ownership

Name of sponsor (transferor)	No. of share transfer	Name of transferee	No. of share received	Date of transfer
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Abdullah Al-Mahmud	(400,000)	Mahmuda Begum	180,000	11-Dec-01
		A.H.M. Mozammel Hoque	60,000	25-Mar-12
		Abdullah Al-Mamun	120,000	25-Mar-12
		Nusrat Mahmud	40,000	14-Mar-13
Abdullah Hasan	(300,000)	Farhana Danesh	180,000	11-Dec-01
		Farzana Munny	120,000	25-Mar-12
Abdullah Al-Zahir	(1,200,000)	Abdullah Al-Mamun	180,000	11-Dec-01
		Farhana Danesh	120,000	25-Mar-12
		Soera Zahir	900,000	25-Mar-12
A.H.M. Mozammel Hoque	(2,360,000)	Harun Ar-Rashid	300,000	11-Dec-01
		Asoke Ranjan Kapuria	60,000	11-Dec-01
		Nabila Mahmud	2,000,000	13-Feb-18
Arman Islam	(720,000)	Farzana Munny	180,000	09-Mar-10
		Asoke Ranjan Kapuria	240,000	11-Dec-01
		Iqbal Hasan Mahmood	300,000	11-Dec-01
Md. Yousuf Ali	(300,000)	Iqbal Hasan Mahmood	150,000	11-Dec-01
		Harun Ar-Rashid	150,000	11-Dec-01
Syed Md. Habibul Huq	(180,000)	Shahzadi Begum	22,500	10-May-05
		Samina Mirza	52,560	10-May-05
		Syed Salman Habib	104,940	10-May-05

**Changes in key management personnel**

Managing Director & Chief Executive Officer			
Sl.	Name	Position	Incumbency
01	Mr. Syed Md. Habibul Haque	Managing Director	01.01.1999 - 31.07.2001
02	Mr. A. R. Bhuiyan	Managing Director	01.08.2001 - 20.06.2005
03	Mr.Md. Sajjad Zahir	Managing Director	21.06.2005 - 14.01.2007
04	Mr. M. A. Latif Miah	Managing Director	01.02.2007 - 31.07.2014
05	Mr.Md. Alfazuddin Ahmed	Managing Director	01.08.2014 - 16.08.2015
06	Mr. Mia Fazle Karim, FCA	Managing Director & Chief Executive Officer	27.10.2015 – Present

**Company Secretary**

Sl.	Name	Position	Incumbency
01	Mr.Md. Sibbir Ahmed	Company Secretary	01.08.1999 - 31.08.2001
02	Mr. Hafez Ahmed	Company Secretary	01.09.2001 - 31.12.2007

03	Mr. S. M. Shahidullah	Company Secretary	– 01.01.2008 - Present
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**Accounts In-Charge/Chief financial Officer**

Sl.	Name	Position	Incumbency
01	Mr.Md. Monir Hossain	AVP & In-Charge of Accounts Department	13.06.2000 - 15.09.2007
02	Mr. M. Mahfuzur Rahman, ACA	DMD & CFO	16.09.2007 – Present

**Appointment of Independent Director**

Dr. M. Waliuzzaman and Mr. Kazi Nasim Uddin Ahmed were appointed as Independent Directors on the 18th Annual General Meeting held in April 10, 2018.

**(v) Principal products or services of the Issuer and markets for such products or services. Past trends and future prospects regarding exports (if applicable) and local market, demand and supply forecasts for the sector in which the product is included with source of data**

**Principal products or services**

The company is carrying out following types of insurance businesses:

- a) Fire Insurance
  - i. Fire & Allied Perils Insurance
  - ii. Industrial All Risks Insurance
- b) Marine Insurance
  - i. Marine Cargo Insurance
  - ii. Marine Hull
- c) Motor Insurance
  - i. Motor Vehicle Insurance (Private)
  - ii. Motor Vehicle Insurance (Commercial)
- d) Miscellaneous Insurance
  - i. Burglary Insurance (BUG)
  - ii. Cash-in Safe Insurance (CIS)
  - iii. Cash-in Transit Insurance (CIT)
  - iv. Cash-on-Counter Insurance (COC)
  - v. Personal Accident Insurance (PA)
  - vi. Workman's Compensation Insurance (WC)
- e) Liability Insurance
  - i. Employers' Liability Insurance (EL)
  - ii. Product Liability Insurance (PDL)
  - iii. Public Liability Insurance (PL)
- f) Engineering Insurance
  - i. Contractors' All Risks Insurance (CAR)
  - ii. Erection All Risks Insurance (EAR)
  - iii. Machinery Break-down Insurance (MBD)

- iv. Deterioration of Stock Insurance (DOS)
- v. Boiler & Pressure Vessel Insurance (BPV)
- vi. Contractors' Plant & machinery Insurance (CPM)

### Markets for such products

The company is selling its products and services to the individuals, institutions directly and through its agents.

Past trend of service		(Amount in BDT)			
Particulars	2018	2017	2016	2015	2014
Gross Premium Income	431,301,165	408,661,693	290,354,116	365,324,258	350,464,503
Net Premium Income	302,648,856	297,512,962	292,593,856	275,738,765	264,655,744
Gross Profit/ Underwriting Profit	65,000,849	73,221,973	52,485,536	48,719,764	46,890,959
Investment Income	35,491,759	21,552,717	16,894,437	17,682,494	16,139,356
Deposit Premium	21,621,653	13,496,717	11,535,948	24,033,492	35,311,179

Since Issuer company is engaged in doing insurance business, there lies no scope of export.

### Claim Settlement

	2018		2017		2016		2015		2014	
Particulars	No. of Claim	No. of settlement	No. of Claim	No. of settlement	No. of Claim	No. of settlement	No. of Claim	No. of settlement	No. of Claim	No. of settlement
Motor Insurance	91	73	90	67	91	54	93	48	131	59
Fire Insurance	23	14	28	30	32	14	30	7	23	13
Marine Insurance	18	14	19	11	27	15	21	1	15	6
Miscellaneous	4	0	1	0	3	0	12	2	4	3
<b>Total</b>	<b>136</b>	<b>101</b>	<b>138</b>	<b>108</b>	<b>153</b>	<b>83</b>	<b>156</b>	<b>58</b>	<b>173</b>	<b>81</b>

### Past trends and future prospects of the product or service in the local market

The company sells its products only in the local market of Bangladesh.

### Future prospects:

Insurance industry, as said earlier, at the final stage of its transition. Government has taken several steps for revitalizing the sector to make it more vibrant and operationally sound. However, amendments and initiatives can't make an overnight change in the sector.

The new regulatory body should discover some mechanism to eradicate underhand commission to reduce the high procurement cost in general insurance business. Professionalism at every level of management is very crucial for overall development in the sector. The board should involve in strategic and policy aspects of the company in addition to look after into the day to day operation. All the insurance companies should have a sound HR policy that will attract the qualified people to choose the profession as a 'career' not a mere 'job'. HR development program should be a part and parcel of regular business operation for the enhancement of skills and development of professionalism. A good number of companies are still struggling for their

survival, thus huge cost of IT infrastructure is an additional burden for them. However, awareness should be built for effective use of IT infrastructure in MIS that ultimately will bring positive results in future.

Last but not the least; it is not the responsibility of the regulatory body alone to make revolutionary change, rather the respective board, the management team and above all the insured should come forward to bring the sector to the global standard. The sooner it happens; the better is for the stakeholders in particular and the country in general.

The regulatory reforms started with the introduction of the Insurance Act 2010 as the important rules /regulations under the Act have not yet been put in place. The absence of important rules/regulations has created a vacuum of insurance business in Bangladesh. It is being obligatory for insurance companies to charge premium rates as determined by the Regulatory Authority. However, the tariff rates have not been reviewed for a long time in the light of updated loss experience obtaining over the years and as such many clients do feel that they are being overcharged. Further short term and midterm objective of national insurance policy and guideline were not implemented. This has further negatively impacted on the public perception of the insurance industry at large thereby hindering its growth.

Sectorial share of insurance industry to the GDP at current prices is 0.38% in 2016 whereas 4.1% in 2015 found in the Bureau of Statistics, Bangladesh. Insurance penetration rate in Bangladesh is less than 1% since last consecutive years.

The further progress of Bangladesh Insurance Industry predominantly depends on how the consumers' perception of Insurance as a useful and efficient vehicle of risk transfer. This can be achieved through sustained efforts of the industry as well as regulators by holding public conference, by providing efficient services, honoring insurance policy obligations, introducing new products, aware the public by using technology and social mechanism and by rationalizing the pricing mechanism.

### **Demand and Supply forecast**

The demand for insurance service is correlated with the volume of business increase in the Country. It has been observed that the economy of Bangladesh is emerging and human living standard also increasing. To coverage risk, the demand for insurance service is also increasing accordingly.

Currently, there are 46 insurance companies are serving their business in our country in order to cover the risk. As business volume is increasing in our country so the demand for insurance coverage increasing day by day to the client. There are a demand and supply gap remain in our country. Accordingly, Government of Bangladesh permit year to year number of insurance companies to run their business in this sector.

**(vi) If the Issuer has more than one product or service, the relative contribution to sales and income of each product or service that accounts for more than 10% of the company's total revenues**

<b>Year</b>	<b>Revenue of the year(Taka)</b>	<b>Product</b>	<b>Income from the Product(Taka)</b>	<b>Percentage Contribution</b>
2018	65,000,849	Fire Insurance Business	(8,048,702)	(12.38)
		Marine Cargo& Hull Insurance Business	47,895,618	73.68
		Motor Insurance Business	15,769,106	24.26
		Miscellaneous Insurance Business	9,384,827	14.44
2017	73,221,973	Fire Insurance Business	(13,373,328)	(18.26)
		Marine Cargo& Hull Insurance Business	61,878,146	84.50
		Motor Insurance Business	14,322,865	19.56

		Miscellaneous Insurance Business	10,394,290	14.20
2016	52,485,536	Fire Insurance Business	(13,705,989)	(26.11)
		Marine Cargo& Hull Insurance Business	43,313,654	82.52
		Motor Insurance Business	11,489,951	21.89
		Miscellaneous Insurance Business	11,387,920	21.70
2015	48,719,763	Fire Insurance Business	(27,751,174)	(56.96)
		Marine Cargo Insurance Business	63,118,291	129.56
		Motor Insurance Business	7,446,618	15.28
		Miscellaneous Insurance Business	5,906,028	12.12
2014	46,890,959	Fire Insurance Business	(37,636,677)	(80.26)
		Marine Cargo Insurance Business	85,364,208	182.04

**(vii) Description of associates, subsidiary and holding company of the Issuer and core areas of business thereof**

Crystal Insurance Company Limited does not have any associate, subsidiary or holding company.

**(viii) How the products or services are distributed with details of the distribution channel. Export possibilities and export obligations, if any**

The Company operates its business through the Head Office at Dhaka and the branches throughout the country. As on 31 December 2018, the Company has been operating its business through 31 branches along with one local office.

Branch Name	Location
Local Office	Lal Bhaban (8th Floor), 18, Rajuk Avenue, Dhaka-1000.
Corporate Branch	DR Tower (14th Floor), 65/2/2, Purana Paltan, Box Culvert Road, Dhaka-1000.
Principal Branch	Lal Bhaban (8th Floor), 18, Rajuk Avenue Dhaka-1000,
Rajuk Avenue Branch	Lal Bhaban (10th Floor) 18, Rajuk Avenue, Dhaka-1000
Dilkusha Branch	Fazlur Rahman Centre (Flat-6/C), 72, Dilkusha C/A, Dhaka
B.B. Avenue Branch	21, B.B. Avenue, Dhaka-1000.
Paltan Branch	Darus Salam Arcade(6th Floor) Room No.07, 14, Purana Paltan Dhaka.
VIP Road Branch	36, Purana Paltan, Dhaka-1000
Malibagh Branch	Mouchak Tower, (4th Floor), 831B, Malibagh, Dhaka
Sadarghat Branch	45, Johnson Road. Dhaka.
Elephant Road Branch	Khan Plaza (6th Floor), 32/1, Mirpur Road. Dhaka.
Bangshal Branch	4 No. Haji Majed Sardar Sarak, Bangshal, Dhaka-1100.
Babu Bazar Branch	Mona Complex, 21, Armenian Street Babu Bazar, Dhaka.
Imamgonj Branch	139, ChawkMogoltuly, Imamgonj. Dhaka.
Mirpur Branch	Room No. 225, Holding No. 259/KA, Karmichel Road, Mirpur, Dhaka-1216.
Naya Bazar Branch	13/2, Malitola Lane, English Road, Dhaka.
Pragati Sharani Branch	J.M. Tower (4th Floor), Kha-190/1, ProgotiSharani Road, Middle Badda, Dhaka-1212
Narayangonj Branch	House No. 104, Road No. 94, Nabab Sirajuddowla Road, Narayangonj
Narsingdi Branch	Janata Bank Building (4th Floor) Sutapatti, Narsingdi.



Agrabad Branch	MakkaMadina Trade Center (10th floor) 78, Agrabad, Chittagong.
Jubilee Road Branch	Kamal Chamber (5th Floor), 61, Jubilee Road, Chittagong.
Khatungonj Branch	S.W. Tower (2nd Floor),304, Khatungonj, Chittagong.
Dewanhat Branch	Ajma Complex (2nd Floor),200/201, D. T. Road, Dewanhat, Chittagong
Comilla Branch	ProsnaBitanBhoban,693/623, Jhautala, Comilla.
Sylhet Branch	Elegant Shopping Mall, JallerparZinda Bazar, Sylhet.
Moulvi Bazar Branch	Court Road, Moulvibazar.
Bogra Branch	Gaffar Building (1st Floor) Borogola, Santaher Road Tinpatti, Bogra.
Naogaon Branch	Shuvo Piazza, Main Road, Bridge Moor, Naogaon.
Jessore Branch	Jess Tower (3rd Floor),39, M. K. Road. Jessore.
Mymensingh Branch	25/A, Sadeshi Bazar (3rd Floor) Mymensingh.
Tangail Branch	Old Bus Stand, Tangail High Way Tangail
Rangpur Branch	Shajahan Super Market (3rd Floor) Station Road, Rangpur.

**Customers' location:**

Customers for Insurance companies doing General Insurance business are located throughout Bangladesh. Crystal Insurance Company Limited (CICL) has set up 31 branches throughout the country, mostly in the important places, to provide insurance service to a wider variety of customers at all over the country.

**Export possibilities & obligations:**

Crystal Insurance Company Limited is a General Insurance business organization doing its business in the Private Insurance Sector of Bangladesh. Insurance business products are not exportable products, besides the company has no obligation to export.

**(ix) Competitive conditions in business with names,percentage and volume of market shares of majorcompetitors**

Insurance market in Bangladesh remains fragmented and extremely competitive due to existence and operation of a large number of companies, incommensurate with the size of the market. There are 45 non-life insurance company in the private sector, in addition to the one public sector Corporations. A total of 47 non-life insurers are operating in Bangladesh. Thus insurance companies will find them in stiff competition when the new companies enter the market.

The percentage and volume of market share of major competitors based on net premium are as follows:

*As per financial statements*

Sl.	Name of the company	Net premium (Taka in mil)	Percentage of market share based on net premium	Period
1	Agrani Insurance Co. Ltd.	193.20	1.66%	2016
2	Asia Insurance Limited	319.63	2.75%	2016
3	Asia Pacific General Insurance Co. Ltd.	208.91	1.80%	2016
4	Bangladesh General Insurance Company Ltd.	382.57	3.29%	2016
5	Bangladesh National Insurance Company Limited	346.29	2.98%	2016
6	Central Insurance Company Ltd.	241.86	2.08%	2016
7	City General Insurance Co. Ltd.	247.38	2.13%	2015

8	Continental Insurance Ltd.	241.59	2.08%	2016
9	Dhaka Insurance Limited	200.18	1.72%	2015
10	Eastern Insurance Company Ltd.	207.70	1.79%	2015
11	Eastland Insurance Company Ltd.	384.10	3.31%	2015
12	Federal Insurance Company Ltd.	243.46	2.10%	2016
13	Global Insurance Company Ltd.	138.78	1.20%	2015
14	Green Delta Insurance Ltd )	1,322.03	11.38%	2016
15	Islami Insurance Bangladesh Limited	310.86	2.68%	2015
16	Janata Insurance Company Ltd.	140.38	1.21%	2015
17	Karnaphuli Insurance Company Ltd.	148.08	1.28%	2015
18	Mercantile Insurance Co. Ltd.	169.83	1.46%	2015
19	Nitol Insurance Co. Ltd.	472.22	4.07%	2015
20	Northern General Insurance Company Ltd.	241.63	2.08%	2015
21	Paramount Insurance Company Ltd.	77.42	0.67%	2015
22	Peoples Insurance Company Ltd.	353.83	3.05%	2015
23	Phoenix Insurance Company Ltd.	361.84	3.12%	2014
24	Pioneer Insurance Company Ltd.	1,031.90	8.89%	2015
25	Pragati Insurance Ltd.	607.55	5.23%	2015
26	Prime Insurance Company Ltd.	197.06	1.70%	2015
27	Provati Insurance Company Limited	317.15	2.73%	2015
28	Reliance Insurance Ltd.	334.02	2.88%	2015
29	Republic Insurance Company Limited	958.29	8.25%	2016
30	Rupali Insurance Company Ltd.	499.30	4.30%	2016
31	Sonar Bangla Insurance Ltd.	250.69	2.16%	2015
32	Takaful Islami Insurance Limited	189.09	1.63%	2015
33	United Insurance Ltd.	217.10	1.87%	2015

\* Out of 45 non- life insurance companies, we have considered 33 listed companies based on available information.

**(x) Sources and availability of raw materials, names and addresses of the principal suppliers and contingency plan in case of any disruption**

The Company does not procure any raw materials and as such has no principal merchandizing supplier(s).

**(xi) Sources of, and requirement for, power, gas and water; or any other utilities and contingency plan in case of any disruption**

The Company does not require such utilities except for ordinary use in administrative work.

(xii) Names, address(s), telephone number, web address, e-mail and fax number of the customers who account for 10% or more of the company's products or services with amount and percentage thereof

There is no such single customer who purchases or enjoys 10% or more of the Company's products/services.

(xiii) Names, address(s), telephone number, web address, e-mail and fax number of the suppliers from whom the issuer purchases 10% or more of its raw material or finished goods with amount and percentage thereof

The Issuer company is a service providing company. There are no suppliers who provided 10% or more of its raw material/ finished goods.

(xiv) Description of any contract which the Issuer has with its principal suppliers or customers showing the total amount and quantity of transaction for which the contract is made and the duration of the contract. If there is not any of such contract, a declaration is to be disclosed duly signed by CEO or MD, CFO and Chairman on behalf of Board of Directors

The Company has no such contract with principal suppliers or customers. Date : 25 April, 2019 **Declaration regarding contract with principal suppliers or customers**

We, on behalf of Board of Directors of the company hereby declare that Crystal Insurance Company did not enter into any contract with its any suppliers or customers for the year 2018.

Sd/- <b>M. Mahfuzur Rahman, ACA</b> Chief Financial Officer	Sd/- <b>Mia Fazole Karim, FCA</b> Chief Executive Officer	Sd/- <b>Abdullah Al-Mahmud</b> Chairman
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(xv) Description of licenses, registrations, NOC and permissions obtained by the Issuer with issue, renewal and expiry dates

Sl	Particulars	License Issuer/ Issuing Authority	Certificate/ license No.	Certificate Issue Date	Validity Status
01	Certificate of Incorporation	Register of Joint Stock Companies & Firms (RJSC) Bangladesh	C-39008(966)/99	11 Nov 1999	N/A
02	TIN Certificate	National Board of Revenue	523567614984	08 Jan 2014	N/A
03	BIN	Custom, Exercise & VAT Commissionerate, Dhaka	19071027263	10 Aug 2000	N/A
04	Trade License	Dhaka South City Corporation	030664	23 Mar 2016	30 Jun 2019
05	Certificate of registration	Controller of Insurance (Duly renewed by IDRA)	CR-19/2000 (Directorate of Insurance)	10 Jan 2019	31 Dec 2019
06	NOC to raise capital through IPO	Insurance Development Regulatory Authority (IDRA)	53.02.0000.051.50.004.17.04	28 Sep 2017	N/A
07	Consent for Raising Paid-up Capital	BSEC	BSEC/CI/CPLC-412/2013/381	03 Aug 2017	N/A

**(xvi) Description of any material patents, trademarks, licenses or royalty agreements**

The company does not have any material patents, trademarks, licenses or royalty agreements except as mentioned in the above licenses

**(xvii) Number of total employees and number of full-time employees.**

The Company had 266 employees as on December 31, 2018.

Part/ Full time	Number of employees		
	Head Office	Branches	Total
Full time employee	77	189	266
Part time employees	0	0	0
<b>Grand Total</b>	<b>77</b>	<b>189</b>	<b>266</b>

**(xviii) A brief description of business strategy**

Business strategies of CICL are as follows:

- (1) To improve and consolidate its position in the insurance industry with a continuous growth philosophy.
- (2) To enhance value creation through delivering insurance product to wide range of clients.
- (3) Develop and improve direct distribution capabilities and integrated multi-channel strategies.
- (4) Explore new capabilities that online strategies enable.
- (5) Guide customer-driven innovations and product speed-to-market
- (6) Define growth strategies to capture market share.
- (7) Design operating models to reduce complexity and improve effectiveness.
- (8) Create operational and technology strategies to improve market responsiveness.

**(xix) A table containing the existing installed capacities for each product or service, capacity utilization for these products or services in the previous years, projected capacities for existing as well as proposed products or services and the assumptions for future capacity utilization for the next three years in respect of existing as well as proposed products or services. If the projected capacity utilization is higher than the actual average capacity utilization, rationale to achieve the projected levels.**

Crystal Insurance Company Limited (CICL) provides Insurance services to individuals or organizations where & whenever they need such services. As such measuring the services with view point of installed capacity is not possible and so capacity utilization & projected capacities could not be assigned. Business results of CICL are generally measured through budgetary controls. Budgets of Income & Expenditures for current & future years are adopted and periodically they are reviewed to ascertain how much of the budgets could be achieved and future budgets mostly based on actual performances.

**(e) Description of Property**

**(i) Location and area of the land, building, principal plants and other property of the company and the condition thereof**

The Company's Registered Office is situated at DR Tower (14th floor), 65/2/2, Purana Paltan, Box Culvert Road, Dhaka-1000. Buying arrangement with the owner of the floor is finalized at an agreed price of total BDT 245,932,000/- and by the end of 2017 full payment has already been made against the floor at 65/2/2 Purana Paltan, Box Culvert Road, Dhaka. The area of the floor space is 13,996sft. Steps are in progress for registration of the floor space in the name of CICL. The amount paid to the seller is shown as Advance Against Land & Office space.

Particulars	Address
Head Office	DR Tower (14th floor), 65/2/2, Box Culvert Road, Purana Paltan, Dhaka-1000
Registered Office	DR Tower (14th floor), 65/2/2, Box Culvert Road, Purana Paltan, Dhaka-1000

Particulars	Location	Area	Condition
Land	Riverview Green Town, Keraniganj, Dhaka	10 Katha	(Not yet registered, only payment has been made as advance)
Building	DR Tower (14th floor), 65/2/2, Box Culvert Road, Purana Paltan, Dhaka-1000	13,996 sft	Being used as Head Office
Other property	Registered Office, Corporate office and Branch offices.		Good condition

**(ii) Whether the property is owned by the company or taken on lease**

a) Land:

Land at Riverview Green Town, Keraniganj, Dhaka

During the year 2012 the CICL has booked a plot of land of 10 Katha in the project of Bashundhara Riverview Green Town at a total cost of Taka 12,000,000.00 on installment basis. The amount has been fully paid by 2017. Registration is yet to be completed. Value of this land is included in Balance Sheets of 2017 under head of Advance Against Land & Office Space

b) Building (Floor Space):

Crystal Insurance Company Limited (CICL) owns floor spaces at three different locations to be used as office space, particulars of which are as stated below:

Location	Area (sft/Katha)	Total Agreed Costs (Taka)	Paid till 31 Dec 2018 (Tk)	Remarks
Makka Madina Trade Centre (10 <sup>th</sup> Floor) 78, Agrabad Commercial Area, Chittagong	5268.13 sft	61,456,650.00	Fully Paid & Registered	Includes ownership of two car parking spaces on top basement floor and also proportionate land on which the building is located
DR Tower (14th floor), 65/2/2, Box Culvert Road, Purana Paltan,	13,996	245,932,000	Fully Paid & Registration under process	Includes ownership of eight (8) car parking spaces on top basement floor and also

Dhaka-1000				proportionate land on which the building is located
Arcade Centre (2 <sup>nd</sup> Floor) 39 M.K. Road, Jessore	3,000	16,500,000	Fully Paid & Registered	No parking space

(iii) Dates of purchase, last payment date of current rent (L/Rb) and mutation date of lands, deed value and other costs including details of land development cost, if any and current use thereof

S L	Place	Deed No.	Date of purchase	Mutation date	Last date of current rent (L/Rb)	C.S. Dag No.	Deed Value	Area of land (Decimal)	Current use
01	Keranigonj		03.03.2012	N/A			1,20,00,000	10 Khata	Position not yet hold by the company
02	DR Tower		14.03.2013	N/A		97	245,932,000	30.32 Khata	Position hold by the company
03	Makka Modina	6781	07.05.2012	27.10.2015	5/16/2019	322 & 3229	15,000,000	5268 Sft. Or 1.0172 Decimal	Position hold by the company
04	Jessore	15074/17	04.01.2017		4/23/2019	989/1208	6,000,000	3000 sft.	Position hold by the company

(iv) The names of the persons from whom the lands has been acquired or proposed to be acquired along with the cost of acquisition and relation, if any, of such persons to the Issuer or any sponsor or director thereof

Name(s) of the person(s) from whom the lands has been acquired	Area of Land	Cost of acquisition			Relation
		Deed Value	Registration Cost	Total Cost	
East West	10 katha or	12,000,000/-	-	12,000,000/-	No relation

Property Development Ltd.	16.50 Decimal				
Abed Holdings Limited	30.32 Khata or 50.028 Decimal	245,932,000/-	-	245,932,000/-	No relation
Birds Bangladesh agencies Ltd.	5268 Sft. Or 12.09 Decimal	15,000,000/-	3,097,390/-	18,097,390/-	No relation
Sree Tapas Kumer Saha	3000 sft. Or 6.88 Decimal	6,000,000/-	1,494,900/-	7,494,900/-	No relation

**(v) Details of whether the Issuer has received all the approvals pertaining to use of the land, if required**

The land purchased from Bashundhara Group & owned by CICL is still remains vacant.

**(vi) If the property is owned by the Issuer, whether there is a mortgage or other type of charge on the property, with name of the mortgagee**

None of the property of the Issuer company is mortgaged or other type of charge created to any Bank/Financial Institution.

(vii) If the property is taken on lease, the expiration dates of the lease with name of the lessor, principal terms and conditions of the lease agreements and details of payment

#	Name of Branch	Address	Name of the Lessor	Expiry date of lease	Principal Terms	Remarks
1	Paltan Branch	Darus Salam Arcade, 6 <sup>th</sup> Floor, Room No#07, 14 Purana Paltan, Dhaka-1000.	Mr. Mohammad Mamunur Rashid & Mr. Md. Kamruzzaman	28.02.17	Advance : BDT 200,000 Monthly Rent : BDT 29,000 Space : 650 Sft	Operating Lease
2	Local Office	Lal Bhaban (10 <sup>th</sup> Floor), 18 Rajuk Avenue, Motijheel, Dhaka	Mr. Shamsul Alam & Others	31.12.26	Advance : BDT 8,068,920 Monthly Rent : BDT 134,482 Space : 3539 Sft	Operating Lease
3	Principal Branch					
4	Rajuk Avenue					
5	Dilkusha Branch	Fazlul Rahman Center (Flat-6/C), 72, Dilkusha C/A, Dhaka.	Mr. Anamur Rahman	31.7.18	Advance : BDT 1,087,200 Monthly Rent : BDT 37,600 Space : 800 Sft	Operating Lease
6	Bangshal Branch	4, Haji Majed Sardar Sarak, North South Road Dhaka.	Mr. Dulari Hossain	30.6.20	Monthly Rent : BDT 25,000 Space : 550 Sft	Operating Lease
7	VIP Road Branch	36, Purana Paltan, Dhaka -1000.	A.B.M. Azizur Hasan	31.08.19	Advance : BDT 200,000 Monthly Rent : BDT 21,000 Space : 640 Sft	Operating Lease
8	Imamgonj Branch	139, ChawkMogoltuly, Haji Abdul Kader Mansion (4 <sup>th</sup> Floor), Imamgonj Dhaka.	Mr. Abdul Majid	31.12.19	Advance : BDT 300,000 Monthly Rent : BDT 20,900 Space : 950 Sft	Operating Lease
9	Sadarghat Branch	45, Johnson Road, Dhaka.	Mr. Abdul Jakir	31.12.18	Advance : BDT 60,000 Monthly Rent : BDT 10,000	Operating Lease
10	Elephant Road Branch	Khan Plaza (6 <sup>th</sup> Floor), 32/1, Mirpur Road, Dhaka.	Md. Liaquat Ali Khan	30.09.18	Advance : BDT 120,000 Monthly Rent : BDT 28,000 Space : 910 Sft	Operating Lease
11	Babu Bazar Branch	Mona Complex, 21 Armenian Street, Babu Bazar,	Md. Nasirul Islam	31.10.20	Monthly Rent : BDT 8,572 Space : 350 Sft	Operating Lease
12	B.B. Avenue Branch	City Bhaban, (6 <sup>th</sup> Floor) 21, B.B. Avenue, Dhaka	Mr. Deen Mohammad	31.3.20	Advance : BDT 100,000 Monthly Rent :	Operating Lease



					BDT 23,520 Space : 672 Sft	
13	Mirpur Branch	Khaleque Plaza (1 <sup>st</sup> Floor), 259/KA, Carmichael Road, Gabtoli, Mirpur, Dhaka.	Mr. Syed Abu Bakar Siddiq	28.2.20	Advance : BDT 100,000 Monthly Rent : BDT 15,000 Space : 300 Sft	Operating Lease
14	Naya Bazar Branch	13/2, Malitola Lane, English Road, Dhaka.	Mrs. Shirin Rashid	31.3.19	Advance : BDT 2,00,000 Monthly Rent : BDT 20000 Space : 2 Unit	Operating Lease
15	Malibagh Branch	Al Haj Shamsuddin Mansion, 16/1, Moghbazar, New Eskaton, Dhaka.	Mr. Helel Uddin Ahmed	28.2.19	Advance : BDT 118,800 Monthly Rent : BDT 16,500 Space : 660 Sft	Operating Lease
16	Pragati Sarani Branch	J.M. Tower (3 <sup>rd</sup> Floor), Kha/190/1, Progoti Sarani, Middle Badda, Dhaka-1212.	Md. Humayun Kabir Pintu	31.10.19	Advance : BDT 200,000 Monthly Rent : BDT 13000 Space : 345 Sft	Operating Lease
17	Uttara Branch	A.H. Tower (Floor-6/C), Plot# 56, Road # 2, Sector # 3, Uttara, Dhaka-1230.	Syed Humayun Kabir	31.12.20	Advance : BDT 100,000 Monthly Rent : BDT 40,000 Space : 800 Sft	Operating Lease
18	Khatunganj Branch	S.W. Tower (2 <sup>nd</sup> Floor) ,304 Khatunganj Chittagong.	Mr. Md. Yunus Khan	28.02.20	Advance : BDT 600,000 Monthly Rent : BDT 17,000 Space : 1000 Sft	Operating Lease
19	Jubilee Road Branch	Kamal Chamber (5 <sup>th</sup> Floor), 61, Jubilee Road, Chittagong.	Mr. Nasir Ahmed	28. 2.18	Advance : BDT 200,000 Monthly Rent : BDT 20,000	Operating Lease
20	Moulvi Bazar Branch	Court Road, Chowmohona, Moulvi Bazar.	Mr. Md. Eliyas Mia	28.2.19	Monthly Rent : BDT 7,000 Space : 550 Sft	Operating Lease
21	Sylhet Branch	Elegant Shopping Mall, Jallerpar, Zinda Bazar, Sylhet.	Mr. Md. Abdul Munim Shipu	30.11.20	Advance : BDT 50,000 Monthly Rent : BDT 6,000	Operating Lease
22	Jessore Branch	Jess Tower, (3 <sup>rd</sup> Floor), 39, M.K. Road, Jessore.	Mr. Md. Motiur Rahman	31.1.19	Advance : BDT 117,450 Monthly Rent : BDT 6,525 Space : 435 Sft	Operating Lease

23	Narsingdi Branch	Janata Bank Building (4 <sup>th</sup> Floor), Sutapatti, Narsingdi.	Mr. Md. Sharif Sarkar	30.11.19	Advance : BDT 144,000 Monthly Rent : BDT 6,000 Space : 650 Sft	Operating Lease
24	Tangail Branch	Mukul Market (1 <sup>st</sup> Floor), Mymensingh Road, Tangail.	Mr. Md. Mostak Ahmed	31.12.21	Advance : BDT 200,000 Monthly Rent : BDT 9,000	Operating Lease
25	Bogra Branch	ShahjalalIslami Bank, ATM Booth Building (2 <sup>nd</sup> Floor), Borogola, Traffic Moor, Bogra.	Mr. Md. Azizul Bari	30.5.19	Advance : BDT 200,000 Monthly Rent : BDT 8,000 Space : 600 Sft	Operating Lease
26	Comilla Branch	Prosna Bitan Bhaban, 693/623, Jhautala, Comilla.	Mr. M.A. Hashem	31.10.19	Advance : BDT 300,000 Monthly Rent : BDT 16,500	Operating Lease
27	Rangpur Branch	Shahjahan Super Market (3 <sup>rd</sup> Floor), Station Road, Rangpur.	Mr. Md. Maruf Hossain	31.7.18	Advance : BDT 108,000 Monthly Rent : BDT 6,000 Space : 400 Sft	Operating Lease
28	Mymensingh Branch	25/A, Swadeshi Bazar, (3 <sup>rd</sup> Floor), Mymensingh.	Mrs. Anwara Begum	31.10.20	Monthly Rent : BDT 7,000 Space : 360 Sft	Operating Lease
29	Dinajpur Branch	Paharpur, Dinajpur.	Mr. Md. Hossain Shohid Soroar	15.1.19	Advance : BDT 12,000 Monthly Rent : BDT 6,000 Space : 700 Sft	Operating Lease

**(viii) Dates of purchase of plant and machineries along with sellersname, address, years of sale, condition when purchased, countryof origin, useful economic life at purchase and remainingeconomic life, purchase price and written down value**

The company has no plant and machineries.

**(ix) Details of the machineries required to be bought by the Issuer, cost of the machineries, name of the suppliers, date of placement of order and the date or expected date of supply, etc.**

The company has no plan to purchase plant and machineries

**(x) In case the machineries are yet to be delivered, the date of quotations relied upon for the cost estimates given shall also be mentioned**

No machineries are yet to be delivered.

**(xi) If plant is purchased in brand new condition then it should be mentioned**

No such purchase of plant & machinery.

**(xii) Details of the second hand or reconditioned machineries bought or proposed to be bought, if any, including the age of the machineries, balance estimated useful life, etc. as per PS certificates of the said machineries as submitted to the Commission;**

The Company has no re-conditioned or second-hand plant & machinery. The Company has no plan to purchase second hand or reconditioned machinery.

(xiii) A physical verification report by the Issue Manager(s) regarding the properties as submitted to the Commission;

### VISIT REPORT

Particulars		
Name of Company	Crystal Insurance Company Limited	
Date of visit	13.03.2018, 14.03.2018 & 17.03.2018	
Registered Office&Head Office	DR Tower (14th floor), 65/2/2, Box Culvert Road, Purana Paltan, Dhaka-1000	
Principal Branch	Lal Bhaban (8th Floor), 18, Rajuk Avenue Dhaka-1000	
Visited by the officials of Sonar Bangla Capital Management Ltd	Emam Hossain Managing Director/CEO (In-charge)	Md. Hasan Senior Officer
Accompanied by the officials of Issuer	S. M. Shahidullah	Company Secretary
	M. Mahfuzur Rahman, ACA	Chief Financial Officer
Purpose of Visit	The Company signed an issue management agreement on 8 November 2017with Sonar Bangla Capital Management Limited for public issue of shares through Initial Public Offering (IPO). In this respect, the management of SBCML visited the head office as a part of due diligence of Issue Manager on March 13, 2018 in order to get clear idea about all properties of the Company before the public issue of shares.	
Issuer properties details		
Properties type	<u>Land Property at</u>  River View Green Town, Keraniganj, Dhaka  (Not yet registered, only payment has been made as advance)	<u>Floor Spaces at</u>  (a) DR Tower (14th floor), 65/2/2, Box Culvert Road, Purana Paltan, Dhaka (b) Makka Madina Trade Centre (10 <sup>th</sup> Floor) 78, Agrabad C/A Chittagong (c) Arcade Centre (2 <sup>nd</sup> Floor) 44 M.K. Road, Jessore
Properties location	Land property is located at River View Green Town, Keraniganj, Dhaka	<u>Floor spaces are located:</u> (a) Purana Paltan, Dhaka (b) Agrabad C/A, Chittagong (c) Jessore town
Other Properties	Different types of: <div>1 Furniture and Fixtures</div> <div>2 Signboard and Hoarding</div> <div>3 Office Equipment</div> <div>4 Telephone</div> <div>5 Computer (Hardware &amp; Software)</div> <div>6 Decoration</div> <div>7 Electrical Equipment</div> <div>8 Motor Vehicle</div> <div>9 Air Conditioner</div> <div>10 Crockery</div>	
Details of Visit		

**Physical Existence of office equipment, furniture & fixtures, electrical equipment and others:**

We have visited the head office of Crystal Insurance Company Limited situated at DR Tower (14th floor), 65/2/2, Box Culvert Road, Purana Paltan, Dhaka-1000. The office is well decorated having modern facilities such as lift, reception and adequate space for the employees. During our visit a good number of employees were working there. We have found a signboard of the Company in front of entrance. During the course of the visit, we have found office equipment, furniture & fixtures, electrical equipment and other assets which were found in good condition.

**Description of property:**

We have identified that the Head Office of Crystal Insurance Company Limited (CICL) is located at DR Tower (14th floor), 65/2/2, Box Culvert Road, Purana Paltan, Dhaka. CICL owns the properties as mentioned below:

Properties of Crystal Insurance Company Limited				
Sl No.	Property Type	Area Sft/Katha	Location	Condition
1	Land	10 Katha	River View Green TownKeraniganj, Dhaka	Developed (Not yet registered, only payment has been made as advance)
2	a) Floor Space	13,996 Sft	DR Tower (14th floor),65/2/2, Box Culvert Road, Purana Paltan, Dhaka-1000	Being used as Head Office
	b) Floor Space	5,368.13 Sft	MakkaMadina Trade Centre(10th Floor) 78, Agrabad C/A, Chittagong	Being used as Chittagong Branch, Partly being used as Chittagong branch & partly rented out
	c) Floor Space	3000 sft	Arcade Centre (2 <sup>nd</sup> Floor)44 M.K. Road, Jessore	Partly being used as Jessore branch & partly rented out, the floor space has been registered but did not get position yet.

Beside these assets, we have found other assets like furniture & fixture, electrical equipment, computer hardware & software, fire equipment and others.

**Comments:** The Issuer company is in operation and running smoothly.

Sd/- Managing Director/CEO (In-charge) Sonar Bangla Capital Management Limited	Sd/- Company Secretary Crystal Insurance Company Limited
Sd/- Senior Officer Sonar Bangla Capital Management Limited	Sd/- Chief Financial Officer Crystal Insurance Company Limited

**(xiv) If the Issuer is entitled to any intellectual property right or intangible asset, full description of the property, whether the same are legally held by the Issuer and whether all formalities in this regard have been complied with**

The Company has no intellectual property right or intangible asset.

**(xv) Full description of other properties of the Issuer.**

The description of other properties of the company has been described as follows:

(As per audited financial statement on December 31, 2018)	
Category of properties	WDV as on 31.12.2018 (Taka)
Furniture & Fixtures	1,723,414
Office Equipment	2,605,766
Office Decoration	16,793,769
Sundry Assets	935,368
Motor Vehicles	28,322,958
Office Space	193,243,701
Land	51,872,036
<b>TOTAL</b>	<b><u>295,497,012</u></b>

**(f) Plan of Operation and Discussion of Financial Condition**

**(i) If the Issuer has not started its commercial operation, the company's plan of operations for the period which would be required to start commercial operation which shall, among others, include: -**

- (a) Projected financial statements up to the year of commercial operation
- (b) Rationale behind the projection
- (c) Any expected significant changes in the Issuer's policy or business strategies
- (d) Detail plan of capital investment with break-up
- (e) Summary of feasibility report, etc.

Crystal Insurance Company Limited was incorporated in November 11, 1999 as a Public Limited Company under Registrar of Joint Stock Companies and Firms (RJSC) vide registration number C-39008(966)/99 under the Companies Act 1994.

The Issuer company started its commercial operation w.e.f June 12, 2000 after obtaining certificate of registration from Chief Controller of Insurance.

(ii) If the Issuer had been in operation, the Issuer's revenue and results from operation, financial position and changes in financial position and cash flows for the last five years or from commercial operation, which is shorter, shall be furnished in tabular form which shall, among others, include the following information:

The Company's revenues and results from operations, statement of financial position, changes in financial position and statement of cash flows for the last five years are mentioned below:

(Figures in Taka)

Particulars	2018 (Taka)	2017 (Taka)	2016 (Taka)	2015 (Taka)	2014 (Taka)
Interest Income	24,570,974	18,061,968	15,745,306	17,682,494	16,077,997
Profit on financial Assets	8,063,929	1,477,409	54,131	-	395,704
Other Income (Misc.)	1,776,919	1,261,955	1,685,815	545,792	45,646
Capital gain on sale of fixed assets	10,291,500	-	-	-	-
Dividend Income (Share)	1,178,212	969,754	495,000	-	61,359
<b>Total</b>	<b>45,881,534</b>	<b>21,771,086</b>	<b>17,980,252</b>	<b>18,228,286</b>	<b>16,580,706</b>
<b>Balance brought down from Revenue Account</b>	<b>65,000,849</b>	<b>73,221,973</b>	<b>52,485,536</b>	<b>48,719,763</b>	<b>46,890,959</b>
Fire	(8,048,702)	(13,373,328)	(13,705,989)	(27,751,174)	(37,636,677)
Marine	47,895,618	61,878,146	43,313,654	63,118,291	85,364,208
Motor	15,769,106	14,322,865	11,489,951	7,446,618	206,056
Misc.	9,384,827	10,394,290	11,387,920	5,906,028	(1,042,628)
<b>Expenses of Management :</b>					
(Not applicable any particular fund or Account) :					
Advertisement & Publicity	170,350	129,066	434,525	125,270	147,400
Audit Fees	400,000	300,000	275,000	230,000	215,000
Bank Charge	351,130	387,755	333,164	325,023	333,651
Branch Opening Fee	-	-	150,000	-	200,000
Credit Rating	150,000	-	-	-	-
Bima Mela	-	-	406,212	-	-
Excise Duty	402,321	266,300	237,494	211,576	160,890
Depreciation	33,368,866	25,761,818	14,497,900	12,664,204	15,987,097
Director's meeting attend fees	310,500	150,000	115,000	135,000	140,000
Donation & Subscription	230,500	146,500	435,000	371,000	187,080
Fees and Charges	-	122,500	115,000	250,000	-
Bangladesh Insurance Association	100,000	300,000	200,000	-	200,000
Penalty	-	-	-	-	-
Business Development Expenses	48,889	42,222	40,000	40,000	40,930
Registration & Renewal including penalty paid to IDRA	1,043,873	12,819,258	2,726,631	2,209,091	2,431,776
Loss on Financial Assets	-	-	-	6,162,335	-
<b>Net Profit transferred to Profit &amp; Loss Appropriation A/c</b>	<b>74,305,954</b>	<b>54,567,640</b>	<b>50,499,862</b>	<b>44,224,550</b>	<b>43,427,841</b>
<b>Total</b>	<b>110,882,383</b>	<b>94,993,059</b>	<b>70,465,788</b>	<b>66,948,049</b>	<b>63,471,665</b>

<b>Statement of financial position:</b>					
Particulars	31-12-2018	31-12-2017	31-12-2016	31-12-2015	31-12-2014
<b>CAPITAL AND LIABILITIES</b>					
<b>Shareholders' Equity &amp; Liabilities:</b>					
<b>Shareholders' Equity</b>					
<b>Authorized Capital</b>					
100,000,000 Ordinary Shares of Tk. 10 each	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
<b>Issued, Subscribed and Paid up Capital</b>	240,000,000	240,000,000	60,000,000	60,000,000	60,000,000
Reserve for exceptional Losses	277,082,253	233,952,136	193,085,967	154,050,555	117,518,129
Profit & Loss Appropriation Account	24,550,196	11,765,050	40,558,748	41,866,129	44,928,519
Investment Fluctuation Fund	1,194,312	6,384,012	2,537,222	-	-
General Reserve	5,500,000	11,000,000	10,500,000	9,000,000	7,500,000
Share Money Deposit	-	-	88,000,000	47,350,000	-
<b>Balance of Funds and Accounts:</b>					
Fire Insurance Business	49,513,474	49,202,775	47,415,832	49,742,293	23,583,404
Marine Insurance Business	53,121,683	51,539,800	47,110,302	39,128,741	64,723,813
Motor Insurance Business	14,147,495	15,258,639	14,103,630	15,176,544	12,705,101
Misc. Insurance Business	5,448,824	4,580,201	9,603,726	7,290,741	5,773,373
Deposit Premium	21,621,653	13,496,717	11,535,948	24,033,492	35,311,179
Estimated Liabilities in Respect of Outstanding Claims whether due or Intimated	99,321,911	751,241,82	52,835,149	41,445,271	18,034,643
Amount due to other persons or bodies carrying on insurance business:	110,926,278	128,537,541	132,436,165	116,476,268	114,122,759
Sundry Creditors:	37,589,444	38,883,888	44,506,817	50,789,821	47,509,484
<b>Total</b>	<b>940,017,523</b>	<b>879,724,941</b>	<b>754,229,506</b>	<b>656,349,855</b>	<b>551,710,404</b>
<b>PROPERTY AND ASSETS</b>					
Property, plant & equipments	295,497,012	51,838,407	64,185,142	70,400,114	40,742,832
Advanced against Land & Office space	12,000,000	275,926,900	261,828,000	210,576,000	207,332,260
Investments	84,886,202	76,578,148	20,935,888	18,335,534	24,497,870
Investments Property	34,664,370	26,130,015	27,505,279	27,505,279	-
Inventories	1,173,391	1,361,593	1,197,046	1,297,638	1,253,191
Sundry Debtors (including advances, deposits and prepayments)	25,680,557	25,010,970	27,675,500	27,132,864	29,323,963
Interest receivable account	10,292,328	6,194,197	5,096,514	5,755,774	7,067,923
Amount due from other persons or bodies carrying on Insurance Business	85,994,364	74,466,127	64,515,732	55,315,686	46,951,043
<b>Cash and Cash equivalent:</b>					
Cash in hand	2,818,141	2,723,455	1,890,970	2,449,045	5,692,712
STD Accounts	25,164,988	23,387,680	106,187,601	70,631,882	24,107,339
CD Accounts	3,246,170	4,707,449	5,661,834	1,222,989	6,577,338
Fixed Deposit Receipt (FDR)	358,600,000	311,400,000	167,550,000	164,750,000	156,750,000
Deferred Tax Assets	-	-	-	977,050	1,413,933
<b>Total</b>	<b>940,017,523</b>	<b>879,724,941</b>	<b>754,229,506</b>	<b>656,349,855</b>	<b>551,710,404</b>
NA V per share	22.85	20.96	55.11	44.15	38.38



**Statement of changes in financial position:****For the year ended December 31, 2014 to December 31, 2018:****(Figures in Taka)**

<b>Particulars</b>	<b>Ordinary share capital</b>	<b>Reserve, Surplus and Retained earnings</b>	<b>Total</b>
Balance as on December 31, 2014	60,000,000	169,946,648	229,946,648
Balance as on December 31, 2015	60,000,000	204,916,684	264,916,684
Balance as on December 31, 2016	60,000,000	246,681,937	306,681,937
Balance as on December 31, 2017	240,000,000	263,101,198	503,101,198
Balance as on December 31, 2018	240,000,000	308,326,761	548,326,761

**Statement of cash flows:**

<b>Particulars</b>	<b>31-12-2018</b>	<b>31-12-2017</b>	<b>31-12-2016</b>	<b>31-12-2015</b>	<b>31-12-2014</b>
Share Capital	240,000,000	240,000,000	60,000,000	60,000,000	60,000,000
Reserve for exceptional Losses	277,082,253	233,952,136	193,085,967	154,050,555	117,518,129
Profit & Loss Appropriation Account	24,550,196	11,765,050	40,558,748	41,866,129	44,928,519
Investment Fluctuation Fund	1,194,312	6,384,012	2,537,222	-	-
General Reserve	5,500,000	11,000,000	10,500,000	9,000,000	7,500,000
Share Money Deposit	-	-	88,000,000	47,350,000	-
<b>Total Equity</b>	<b>548,326,761</b>	<b>503,101,198</b>	<b>394,681,937</b>	<b>312,266,684</b>	<b>229,946,648</b>

## CRYSTAL INSURANCE COMPANY LTD.

## Statement of Cash Flows

For the year ended 31st December - 2018,2017,2016,2015,2014

		2018 (Taka)	2017 (Taka)	2016 (Taka)	2015 (Taka)	2014 (Taka)
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES (Restated)</b>					
	Collection from Premium	372,577,063	361,648,739	341,348,533	321,273,579	327,868,276
	Other Income	1,776,919	2,739,364	1,739,946	545,792	45,646
	Payment for Management Exp. Agency Com. & Claim	(303,457,709)	(292,025,000)	(279,672,849)	(257,536,001)	(237,420,666)
	Advance Expenses	(6,002,890)	(4,203,800)	(2,434,577)	(3,784,000)	-
	Advance Income Tax paid	(4,774,059)	(4,218,783)	(10,948,202)	(2,608,982)	(2,778,493)
	<b>Net cash provided by from operating activities</b>	<b>60,119,324</b>	<b>63,940,520</b>	<b>50,032,851</b>	<b>57,890,388</b>	<b>87,714,763</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
	Acquisition of Fixed Assets	(22,406,339)	(12,039,819)	(8,282,928)	(11,582,504)	(92,676,058)
	Advance for property	-	(14,098,900)	(51,252,000)	(61,488,000)	-
	Sale of fixed assets	10,291,500	-	-	-	-
	Interest Income	20,472,843	16,964,285	16,404,566	18,994,643	17,933,531
	Realise gain on sale of share	8,063,929	-	-	-	-
	Dividend Received	1,178,212	969,754	495,000	-	61,359
	Investment in Shares	(13,497,754)	(34,318,061)	9,000	-	395,704
	Investment in BGDB	-	(16,000,000)	-	-	-
	<b>Net cash used by Investment</b>	<b>4,102,391</b>	<b>(58,522,741)</b>	<b>(42,626,362)</b>	<b>(54,075,861)</b>	<b>(74,285,464)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
	Share money Deposite	-	62,000,000	40,650,000	47,350,000	-
	Dividend Paid	(16,611,000)	(6,489,600)	(5,820,000)	(5,238,000)	(6,000,000)
	<b>Net Cash flow from financing activities</b>	<b>(16,611,000)</b>	<b>55,510,400</b>	<b>34,830,000</b>	<b>42,112,000</b>	<b>(6,000,000)</b>
<b>D</b>	<b>Net Increase in cash &amp; Bank (A+B+C)</b>	<b>47,610,715</b>	<b>60,928,179</b>	<b>42,236,489</b>	<b>45,926,527</b>	<b>7,429,299</b>
<b>E</b>	<b>Opening Cash &amp; Cash Equivalent</b>	<b>342,218,584</b>	<b>281,290,405</b>	<b>239,053,916</b>	<b>193,127,389</b>	<b>185,698,090</b>
<b>F</b>	<b>Closing Cash &amp; Bank Balance (D+E)</b>	<b>389,829,299</b>	<b>342,218,584</b>	<b>281,290,405</b>	<b>239,053,916</b>	<b>193,127,389</b>

Dated, Dhaka

The April 25, 2019

Sd/-

MAHFEL HUQ &amp; CO.

Chartered Accountants

**(a) Internal and external sources of cash**

(Amount in BDT)					
Particulars	31-12-2018	31-12-2017	31-12-2016	31-12-2015	31-12-2014
<b>Internal sources of Cash</b>					
Share Capital	240,000,000	240,000,000	60,000,000	60,000,000	60,000,000
Reserve for exceptional Losses	277,082,253	233,952,136	193,085,967	154,050,555	117,518,129
Profit & Loss Appropriation Account	24,550,196	11,765,050	40,558,748	41,866,129	44,928,519
Investment Fluctuation Fund	1,194,312	6,384,012	2,537,222	-	-
General Reserve	5,500,000	11,000,000	10,500,000	9,000,000	7,500,000
Share Money Deposit	-	-	88,000,000	47,350,000	-
<b>Sub-Total A</b>	<b>548,326,761</b>	<b>503,101,198</b>	<b>394,681,937</b>	<b>312,266,684</b>	<b>229,946,648</b>
<b>External sources of Cash</b>					
Long term loan net off current maturity	-	-	-	-	-
Current portion of long term loan	-	-	-	-	-
Finance lease obligation net off current maturity	-	-	-	-	-
Current portion of finance lease obligation	-	-	-	-	-
Short term loan	-	-	-	-	-
<b>Sub-Total B</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**(b) Any material commitments for capital expenditure and expected sources of funds for such expenditure**

The company has not entered into any material commitment for capital expenditure. (c) **Causes for any material changes from period to period in revenues, cost of goods sold, other operating expenses and net income**

Particulars	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15	31-Dec-14
Revenue (Net Premium)	302,648,856	297,512,962	292,593,856	275,738,766	264,655,744
Year to year changes in revenue (%)	2%	1.68%	6.11%	4.19%	22.87%
Cost of goods sold (COGS)	N/A	N/A	N/A	N/A	N/A
Year to year changes in COGS (%)	N/A	N/A	N/A	N/A	N/A
Gross profit (GP including other income)	65,000,849	73,221,793	52,845,536	48,719,764	46,890,959
Year to year changes in Gross Profit (%)	-11.23%	3.95%	7.73%	3.90%	-19.93%
Operating expenses (Management Exp.)	36,576,429	40,425,419	19,965,926	22,723,499	20,043,824
Year to year changes in Operating expenses (%)	-10%	102.47%	-12.14%	13.37%	14.66%
Financial expenses	Nil	Nil	Nil	Nil	Nil
Year to year changes in Financial expenses (%)	N/A	N/A	N/A	N/A	N/A
Net Profit After Tax	67,986,676	49,772,471	45,228,031	40,970,036	39,398,900
Year to year changes in Net Profit after tax (%)	37%	10.05%	10.39%	3.98%	-20.90%

**Causes for changes in year to year revenue (%)**

Due to changes in marketing policies and as such increase in volume of business, premium collection was increased which consequently increased the volume of revenue during the year to year.

Causes for changes in COGS to revenue (%)

Not applicable

Causes for changes in GP to revenue (%)

Due to increase in management expenses and also due to effect of inflation, GP to revenue (%) varied from year to year.

Causes for changes in operating expenses to revenue (%)

Due to increase business volume, agency commission was also increased. As a result, operating expense was also increased from year to year.

Causes for changes in financial expenses to revenue (%)

The Issuer company does not have any loan liabilities and as such there is no financial expenses.

Causes for changes in net profit after tax to revenue (%)

Due to increase in premium collection, investment income and varied management expenses, net profit after tax to revenue (%) was also varied from year to year.

**(d) Any seasonal aspects of the Issuer's business**

There is no significant seasonal aspect on the company's business.

**(e) Any known trends, events or uncertainties that may have material effect on the Issuer's future business**

There are no known trends, events or uncertainties that may affect the future businesses of the Company except followings:

- 1 Policy changes
- 2 Changes in Government Policy
- 3 Political Unrest
- 4 Natural Calamities

**(f) Any assets of the company used to pay off any liabilities**

No assets of the Company have been used to payoff any liabilities of the Company.

**(g) Any loan taken from or given to any related party or connected person of the Issuer with details of the same**

No loan was taken from or given to any related party or connected person of the Company.

**(h) Any future contractual liabilities the Issuer may enter into within next one year, and the impact, if any, on the financial fundamentals of the Issuer**

The Company has no plan to enter into any future contractual liability within next one year except normal course of business.

The Company does not have any plan for future capital expenditure. Crystal Insurance Company Limited (CICL) being an insurance service provider company does not need any processing machinery/equipment to carry on with its business.

(j) Any VAT, income tax, customs duty or other tax liability which is yet to be paid, including any contingent liabilities stating why the same was not paid prior to the issuance of the prospectus. Updated income tax status for the last 5 years or from commercial operation, which is shorter

**VAT:** The company had VAT outstanding amounting to Tk. 23,08,101.00 that has been subsequently paid vide Bangladesh Bank Challan No. 30656, dated 17.01.2019.

Moreover, the Commissioner of Customs, Excise & VAT Commissionerate, Dhaka (South), Dhaka vide their letter No. 4/gmK/8(207)/Ki dmK/uePri/17, dated 24/09/17 demanded an amount of VAT Tk. 2,933,948.00& Tk. 11,73,579/- interest for the period 2016. The Company has submitted necessary papers and documents vide letter No. umAvBwmGj/umI/umme/2017/3572 dated 19/10/2017 against such unacceptable demand of the Commissioner of Customs, Excise & VAT Commissionerate, Dhaka (South), Dhaka and the VAT Authority has not given any decision till to date. an application has been filed to the appellate tribunal against this order on 11/10/2018 and this matter is under process.

**Customs duty:** Customs duty is not applicable for the company.

**Stamp duty:** The Company had stamp duty outstanding amounting to Tk. 3,722,475.00 as on December 31, 2018 that has been paid subsequently.

**Income Tax:** Income Tax assessment of Crystal Insurance Company Limited for the financial year ended December 31, 2000 to 2006 is completed. Year wise income tax status of the company from the financial years from 2007 to 2018 is as under:

Accounting Year	Asst.Year	Status
2007	2008-09	The tax authority assessed tax tk. 133,66,504 with simple interest Tk. 18,55,449/-as per demand notice U/S 135 dated 07.06.2012 and an appeal has been made against the learned CT (LTU) order to High Court Division and the decision is pending before High Court Division.
2008	2009-10	The Income Tax Return was submitted to Deputy commissioner of Taxes, Circle -Large Taxpayer Unit (LTU), Zone-LTU Dhaka U/S 82BB. As per demand notice U/S 135 Dated 30.09.2013 present tax demand is Tk. 28,437/- but an application has been made by CICL U/S 173 for refund adjustment of Tk. 5,06,471/-.
2009	2010-11	The Income Tax Return was submitted to Deputy commissioner of Taxes, Circle -Large Taxpayer Unit (LTU), Zone-LTU Dhaka U/S 82BB. As per demand notice U/S 135 Dated 30.09.2013 present tax demand is nil but an application has been made by CICL U/S 173 for refund Tk. 17,22,097/- as DCT charged excess tax.
2010	2011-12	The tax authority assessed tax tk.98,66,812 with simple interest Tk. 14,88,007/-as per demand notice U/S 135 dated 19.09.2013 but appeal has been made against the learned CT (LTU) order to Taxes Appellate Tribunal Division. The status que order has been given by the Appellate Tribunal Division
2011	2012-13	The tax authority assessed tax tk.2,25,64,173 with simple interest Tk. 29,93,477/-as per demand notice U/S 135 dated 23.04.2015 and an appeal has been made against the learned CT (LTU) order to Taxes Appellate Division and the decision is pending before Taxes Appellate Division.
2012	2013-14	The tax authority assessed tax tk2,35,11,328 with simple interest Tk. 33,17,280/-as per demand notice U/S 135 dated 15.03.2017 and an appeal has been made against the learned CT (LTU) order to Taxes Appellate Division and the decision is pending before Taxes Appellate Division.

2013	2014-15	The tax authority assessed tax tk 2,70,81,097 with simple interest Tk. 41,19,111/-as per demand notice U/S 135 dated 15.03.2017 and an appeal has been made against the learned CT (LTU) order to Taxes Appellate Division and the decision is pending before Taxes Appellate Division.
2014	2015-16	The Income Tax Return was submitted to Deputy commissioner of Taxes, Circle -Large Taxpayer Unit (LTU), Zone-LTU Dhaka U/S 82BB. The DCT Certify that " Assessment has been completed for the assessment year 2015-2016"
2015	2016-17	The Income Tax Return was submitted to Deputy commissioner of Taxes, Circle -Large Taxpayer Unit (LTU), Zone-LTU Dhaka U/S 82BB. The DCT Certify that " Assessment has been completed for the assessment year 2016-2017"
2016	2017-18	The Income Tax Return was submitted to Deputy commissioner of Taxes, Circle -Large Taxpayer Unit (LTU), Zone-LTU Dhaka U/S 82BB. The DCT Certify that "Assessment has been completed for the assessment year 2017-2018"
2017	2018-19	The Income Tax Return was submitted to Deputy commissioner of Taxes, Circle -Large Taxpayer Unit (LTU), Zone-LTU Dhaka U/S 82BB. The DCT Certify that " Assessment has been completed for the assessment year 2018-2019"

**(k) Any financial commitment, including lease commitment, the company had entered into during the past five years or from commercial operation, which is shorter, giving details as to how the liquidation was or is to be effected**

**The Financial Commitment (Long Term)**

							Amount in Taka
Bank/FI	Purpose of Loan	Total Amount (Sanction)	Sanction Date	Date of Expiry	Rate of Interest (%)	Monthly Installment	Outstanding balance as on 31December 2017
No such financial or lease commitment							

**(l) Details of all personnel related schemes for which the company has to make provision for in future years**

In addition to company's monthly salary benefits, wages and allowances, the company also provides following benefits to the employees.

The Company considers its human resources as the most valuable assets of the company and has been continuing to train, equip and groom its employees for building a strong foundation. In order to enhance and advance the professional ability and knowledge of the employees, regular training programs are organized. The company has planned to implement attractive compensation plan and is offering festival bonus for attracting highly skilled professional staff with high degree of integrity. Other than attractive remuneration package and festival bonus, the Board of Directors in the 77th Board meeting held on 13 February 2018 has decided to introduce Gratuity facility for its employees from the year 2018 and also the Board of Directors in its 81th meeting held on 05 December, 2018 decided to introduce **Workers' Profit Participation and Welfare Fund (WPPF)** w.e.f 1<sup>st</sup> January, 2019. Summary of Personnel related schemes are given below:

Scheme	Status of Issuer Company
Provident Fund	Introduced w.e.f 01.01.2008
Gratuity	Introduced from 1 <sup>st</sup> January 2018
Leave Encashment Benefit	Introduced w.e.f 01.01.2008
WPPF	Introduced 1 <sup>st</sup> January, 2019

**(m) Break down of all expenses related to the public issue**

Detail of estimated public issue expenses are shown below:

Particulars	Nature of expenses	Amount in BDT
<b>Manager to the issue fees:</b>		
Manager to the issue fee	Maximum 1% (One Percent) of the public offer amount.	1,600,000
VAT against manager to the issue fee	@ 15% of the issue management fee	240,000
<b>BSEC fees:</b>		
Application fee	Fixed	50,000
Consent fee	@ 0.40% on the public offer amount	640,000
<b>Fees related to listing with the stock exchanges:</b>		
Prospectus submission fees to DSE & CSE	Fixed	100,000
Annual fee to DSE & CSE	0.05% Up to Tk. 100 crore and 0.02% up above Tk. 100 crore paid up capital	400,000
Listing fee to DSE & CSE	@ 0.25% on 10 crore and 0.15% on the rest amount of paid-up capital: (minimum Tk. 50 thousand, maximum Tk.1 crore for each exchange)	14,00,000
<b>CDBL fees and expenses:</b>		
Security fee	At actual	400,000
Documentation fee	At actual	2,500
IPO fee.	@ 0.015% of issue price + 0.015% of pre-IPO paid-up capital	60,000
Annual fee	At actual	100,000
Connection fee	At actual	6,000
<b>Commissions &amp; expenses:</b>		
Underwriting commission	@ 0.50% on underwriting amount	280,000
Auditor certification fee	At actual	200,000
<b>Expenses related to printing, publication and others:</b>		
Abridged version of prospectus and notice in 4 daily newspapers	(Estimated: to be paid at actual)	1,600,000
Printing of prospectus	(Estimated: to be paid at actual)	800,000
Notice for prospectus, lottery, refund etc. in 4 daily newspapers	(Estimated: to be paid at actual)	250,000
Currier expenses	(Estimated: to be paid at actual)	300,000
Lottery related expenses including BUET fee	(Estimated: to be paid at actual)	1,000,000
Data processing & software	(Estimated: to be paid at actual)	1,000,000
Administrative & stationary expense	(Estimated: to be paid at actual)	300,000
<b>Total</b>		<b>1,07,28,500</b>

Note: Actual costs may vary if above mentioned estimates differ total expenditures will be adjusted accordingly.

**(n) If the Issuer has revalued any of its assets, the name, qualification and experiences of the valuer and the reason for the revaluation, showing the value of the assets prior to the revaluation separately for each asset revalued in a manner which shall facilitate comparison between the historical value and the amount after revaluation and giving a summary of the valuation report along with basis of pricing and certificates required under the revaluation guideline of the Commission**

The Company did not revalue any of its assets since inception.

**(o) Where the Issuer is a holding or subsidiary company, full disclosure about the transactions, including its nature and amount, between the Issuer and its subsidiary or holding company, including transactions which had taken place within the last five years of the issuance of the prospectus or since the date of incorporation of the Issuer, whichever is later, clearly indicating whether the Issuer is a debtor or a creditor**

The Company has no holding/subsidiary Company. As such no transaction was incurred in this regard.

**(p) Financial Information of Group Companies and Companies under common ownership by more than 50%: following information for the last three years based on the audited financial statements, in respect of all the group companies of the Issuer, wherever applicable, along with significant notes of auditors:**

**(1) Date of Incorporation;**

**(2) Nature of Business;**

**(3) Equity Capital;**

**(4) Reserves;**

**(5) Sales;**

**(6) Profit after tax;**

**(7) Earnings per share and Diluted Earnings Per Share;**

**(8) Net Asset Value;**

**(9) The highest and lowest market price of shares during the preceding six months with disclosures for changes in capital structure during the period, if any securities of the group are listed with any exchange;**

**(10) Information regarding significant adverse factors relating to the group;**

**(11) Any of the group companies has become sick or is under winding up;**

**(12) The related business transactions within the group and their significance on the financial performance of the Issuer;**

**(13) Sales or purchase between group companies or subsidiaries or associate companies when such sales or purchases exceed in value in the aggregate ten percent of the total sales or purchases of the Issuer and also material items of income or expenditure arising out of such transactions**

Crystal Insurance Company Limited is a single entity and it has no sister concerns nor it belongs to any Group.



(q) Where the Issuer is a banking company, insurance company, non-banking financial institution or any other company which is regulated and licensed by another primary regulator, a declaration by the board of directors shall be included in the prospectus stating that all requirements of the relevant laws and regulatory requirements of its primary regulator have been adhered to by the Issuer

#### **Declaration by the Board of Directors**

Dated: 25<sup>th</sup> April, 2019

All requirements of the relevant laws and regulatory requirements of its primary regulator have been adhered to by the Issuer except Management Expenses under section 40C of the Insurance Act 1938 & under rule 40 of the Insurance Rule 1958.

Declared by the Board of Directors of Crystal Insurance Company Limited:

Sd/- (Abdullah Al-Mahmud) Chairman	Sd/- (A.H.M. Mozammel Hoque) Director	Sd/- (Abdullah Hasan) Director
Sd/- (Md. Tajul Islam) Director	Sd/- (Abdullah Al-Mamun) Director	Sd/- ( Farzana Munny) Director
Sd/- (Farhana Danesh) Director	Sd/- (Shahzadi Begum) Director	Sd/- (Nusrat Mahmud) Director
Sd/- (SoeraZahir) Director	Sd/- (Nabila Mahmud) Director	Sd/- (Arafat Rashid) Director
Sd/- (Kazi Nasim Uddin Ahmed) Independent Director	Sd/- (Dr. M. Waliuzzaman) Independent Director	Sd/- (Mia Fazle Karim, FCA) Chief Executive Officer

(r) A report from the auditors regarding any allotment of shares to any person for any consideration otherwise than cash along with relationship of that person with the Issuer and rationale of issue price of the shares

**Auditor's certificate regarding any allotment of shares to any person for any consideration otherwise than cash along with relationship of that person with the Issuer and rationale of issue price of the shares.**

This is to certify that the paid-up capital of Crystal Insurance Company Limited as of December 31, 2018, was Tk. 240,000,000 divided into 24,000,000 Ordinary Shares of BDT 10.00 each. Details are follows:

Particulars of Allotment	Date of Allotment	Form of Consideration (No. of Shares)				Face Value of Share (Tk.)	Paid-up Capital
		In Cash		Other than in cash	Bonus		
		Considering Face Value of Tk.100 each Share	Considering Face Value of Tk.10 each Share after split				
First (As per Memorandum & Articles of Association at the time on Incorporation)	11.11.1999	6,000,000				100	60,000,000
Second	22.03.2017		15,000,000			10	150,000,000
Third	22.04.2017				3,000,000	10	30,000,000
Total							240,000,000

The face value of shares was denominated from Tk. 100 per share to Tk. 10 per share vide special resolution passed on 22 September 2011 in the 2<sup>nd</sup> Extra Ordinary General Meeting by the shareholders of the Company and subsequently which was approved by the RJSC on 13 November 2011.

The above information is based on books and records provided by the management.

Sd/-

Place: Dhaka  
Date: February 12, 2020

**Mahfel Huq & Co.**  
Chartered Accountants

**(s) Any material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public**

There is no material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public.

**(t) Business strategies and future plans - projected financial statements shall be required only for companies not started commercial operation yet and authenticated by Chairman, two Directors, Managing Director, CFO, and Company Secretary**

Business Strategies

Business strategies of CICL are as follows:

- (1) To improve and consolidate its position in the insurance industry with a continuous growth philosophy.
- (2) To enhance value creation through delivering insurance product to wide range of clients.
- (3) Develop and improve direct distribution capabilities and integrated multi-channel strategies.
- (4) Explore new capabilities that online strategies enable.
- (5) Guide customer-driven innovations and product speed-to-market
- (6) Define growth strategies to capture market share.
- (7) Design operating models to reduce complexity and improve effectiveness.
- (8) Create operational and technology strategies to improve market responsiveness.

**(u) Discussion on the results of operations shall inter-alia contain the following:**

**(1) A summary of the past financial results after adjustments as given in the auditor's report containing significant items of income and expenditure**

**(Amount in BDT)**

Sl.	Particulars	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15	31-Dec-14
1	Net Premium	302,648,856	297,512,962	292,593,856	275,738,765	264,655,744
2	Gross profit	6,50,00,849	7,32,21,973	5,24,85,536	4,87,19,763	46,890,959
3	Net profit before tax	74,305,954	54,567,640	50,499,862	44,224,550	43,427,841
4	Net Profit After Tax	67,986,676	49,772,471	45,228,031	40,970,036	39,398,900
5	Current assets	512,969,939	449,251,471	379,775,197	329,532,928	279,137,442
6	Current liabilities	247,837,633	242,545,611	229,778,131	208,711,360	179,666,886
7	Total assets	940,017,523	879,724,941	754,229,506	656,349,855	551,710,404
8	Shareholders' equity	240,000,000	240,000,000	60,000,000	60,000,000	60,000,000
9	No. of shares	24,000,000	24,000,000	6,000,000	6,000,000	6,000,000

10	Face value	10	10	10	10	10
11	NAV per share with revaluation	N/A	N/A	N/A	N/A	N/A
12	NAV per share without revaluation	22.85	20.96	55.11	44.15	38.33
13	Earnings Per Share (EPS)	2.83	2.07	7.54	6.83	6.57
14	EPS ( Adjusted)	2.83	2.4	5.03	4.55	4.38

**(2) A summary of major items of income and expenditure**

(Amount in BDT)

Particulars		31-12-18	31-12-17	31-12-16	31-12-15	31-12-14
Revenue	Fire Insurance Business	-8,048,702	-13,373,328	-13,705,989	-27,751,174	-37,636,677
	Marine Cargo& Hull Insurance Business	47,895,618	61,878,146	43,313,654	63,118,291	85,364,208
	Motor Insurance Business	15,769,106	14,322,865	11,489,951	7,446,618	206,056
	Miscellaneous Insurance Business	9,384,827	10,394,290	11,387,920	5,906,028	-1,042,628
Other income		35,590,034	21,771,086	17,980,252	18,228,286	16,580,706

**Summary of major items of expenditure:**

(Amount in BDT)

Particulars	31-12-2018	31-12-2017	31-12-2016	31-12-2015	31-12-2014
Operating expense	36,576,429	40,425,419	19,965,926	22,723,499	20,043,824
Financial expenses	None	None	None	None	None

**(3) The income and sales on account of major products or services**

(Amount in BDT)

Year	Revenue of the year	Product	Income from the Product	Percentage Contribution
2018	65,000,849	Fire Insurance Business	-8,048,702	-12.38
		Marine Cargo& Hull Insurance Business	47,895,618	73.68
		Motor Insurance Business	15,769,106	24.26
		Miscellaneous Insurance Business	9,384,827	14.44
2017	73,221,973	Fire Insurance Business	-13,373,328	-18.26
		Marine Cargo& Hull Insurance Business	61,878,146	84.5
		Motor Insurance Business	14,322,865	19.56
		Miscellaneous Insurance Business	10,394,290	14.2
2016	52,485,536	Fire Insurance Business	-13,705,989	-26.11
		Marine Cargo& Hull Insurance Business	43,313,654	82.52

		Motor Insurance Business	11,489,951	21.89
		Miscellaneous Insurance Business	11,387,920	21.7
2015	48,719,763	Fire Insurance Business	-27,751,174	-56.96
		Marine Cargo& Hull Insurance Business	63,118,291	129.56
		Motor Insurance Business	7,446,618	15.28
		Miscellaneous Insurance Business	5,906,028	12.12
2014	46,890,959	Fire Insurance Business	-37,636,677	-80.26
		Marine Cargo& Hull Insurance Business	85,364,208	182.04

**(4) In case, other income constitutes more than 10% of the total income, the breakup of the same along with the nature of the income, i.e., recurring or nonrecurring;**

(Amount in BDT)

Particulars	31-12-2018	31-12-2017	31-12-2016	31-12-2015	31-12-2014
<b>Revenue including other income</b>	<b>110,882,383</b>	<b>94,993,059</b>	<b>70,465,788</b>	<b>66,948,049</b>	<b>63,075,961</b>
Interest Income	24,570,974	18,061,968	15,745,306	17,682,494	16,077,997
Dividend Income	1,178,212	969,754	495,000	Nil	61,359
Profit on Financial Assets	8,063,929	1,477,409	54,131	Nil	Nil
Office & Garage Rent	1,732,644	1,043,586	600,000	Nil	Nil
Miscellaneous Income	44,275	218,369	1,085,815	545,792	45,646
Discount received	Nil	Nil	Nil	Nil	Nil
<b>Total Other Income</b>	<b>35,590,034</b>	<b>21,771,086</b>	<b>17,980,252</b>	<b>18,228,286</b>	<b>16,185,002</b>
Other Income as % of Total Revenue	32%	22.92%	25.52%	27.23%	25.66%

**(5) If a material part of the income is dependent upon a single customer or a few major customers, disclosure of this fact along with relevant data. Similarly if any foreign customer constitutes a significant portion of the Issuer's business, disclosure of the fact along with its impact on the business considering exchange rate fluctuations;**

The Company's income is not dependent upon a single customer or a few major customers or foreign customer.

**(6) In case the Issuer has followed any unorthodox procedure for recording sales and revenues, its impact shall be analyzed and disclosed.**

The Issuer has not followed any unorthodox procedure for recording sales and revenues.

**(v) Comparison of recent financial year with the previous financial years on the major heads of the profit and loss statement, including an analysis of reasons for the changes in significant items of income and expenditure, inter-alia, containing the following:**

Particulars	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15	31-Dec-14
Revenue (Net Premium)	302,648,856	297,512,962	292,593,856	275,738,766	264,655,744
Year to year changes in revenue (%)	2%	1.68%	6.11%	4.19%	22.87%

Cost of goods sold (COGS)	N/A	N/A	N/A	N/A	N/A
Year to year changes in COGS (%)	N/A	N/A	N/A	N/A	N/A
Gross profit (GP including other income)	6,50,00,849	7,32,21,973	5,24,85,536	4,87,19,763	46,890,959
Year to year changes in Gross Profit (%)	-11.23%	3.95%	7.73%	3.90%	-19.93%
Operating expenses (Management Exp.)	36,576,429	40,425,419	19,965,926	22,723,499	20,043,824
Year to year changes in Operating expenses (%)	-10%	102.47%	-12.14%	13.37%	14.66%
Financial expenses	Nil	Nil	Nil	Nil	Nil
Year to year changes in Financial expenses (%)	N/A	N/A	N/A	N/A	N/A
Net Profit After Tax	67,986,676	49,772,471	45,228,031	40,970,036	39,398,900
Year to year changes in Net Profit after tax (%)	37%	10.05%	10.39%	3.98%	-20.90%

Causes for changes in year to year changes in revenue (%)

Crystal Insurance Company Limited maintains consistent business strategy to achieve a continuous growth. Besides these policies, changes in marketing policy volume of premium collection gradually increased from period to period

Causes for changes in GP to revenue (%)

Changes in GP occurred due to changes in Premium collection & controlling of management costs.

Causes for changes in operating expenses to revenue (%)

With increase in premium collection agency commission also increased which caused operating expenses change.

Causes for changes in financial expenses to revenue (%)

The Issuer company having no loan liability there lies no existence of financial expenses.

Causes for changes in net profit after tax to revenue (%)

Due to increase in business volume, decrease in management expense and increased investment income, net profit after tax to revenue (%) also increased from year to year.

**(1) Unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.**

There have been no transactions or events in the past which was considered unusual or infrequent.

**(2) Significant economic changes that materially affect or are likely to affect income from continuing operations**

There are no significant economic changes that materially affect or are likely to affect income from continuing operations.

**(3) Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations**

Other than matters as described in the “Plan of operation and discussion of Financial Conditions” of this prospectus, there are no known trends or uncertainties that have had or are expected to have a material adverse impact on revenues or income of the Company from continuing operations.

**(4) Future changes in relationship between costs and revenues, in case of events such as future increase in labor or material costs or prices that will cause a material change are known**

Any event such as increase in salaries & remuneration will not affect the operational result of the company, as with the passages of time, volume of net revenue is expected to increase in normal course of operation and also with introduction of new services.

**(5) The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices**

Increases in revenues are by and large linked to increases in volume of business activity carried out as a normal course of business. There are no such material increases in net premium or revenue which are due to increased revenue volume, introduction of new products/services or increased service charges.

**(6) Total turnover of each major industry segment in which the Issuer operated**

Considering the business nature of CICL, the Company is performing its business in insurance industry (non-life sector). The turnover is considered here as premium income as nature of turnover in insurance industry is different compared to other industry's turnover. According to Bangladesh Insurance Association, the total premium income (total turnover) of non-life private & public-sector insurance companies are as below:

<b>(7) Status of any announced new business</b>	<b>Taka in Million</b>		<b>publicly products or segment</b>
	<b>Year</b>	<b>Total Premium Private &amp; Public Sector</b>	
	2015	26,213.00	
	2014	24,440.38	
	2013	22,947.14	
	2012	21,645.94	
	2011	19,248.83	

There are no *Source: (http://bia-bd.com/Admin/Content/File-143201763158.pdf)* publicly announced new products or business segment of the Company.

**(8) The extent to which the business is seasonal.**

The business of the company is not dependent on any seasonal aspects.

**(w) Defaults or rescheduling of borrowings with financial institutions or banks, conversion of loans into equity along with reasons thereof, lock out, strikes and reasons for the same etc. during the history of operation of the company**

There is no history of defaults or rescheduling of borrowings with financial institutions/banks, conversion of loans into equity, lock out, strikes etc. in case of Crystal Insurance Company Limited.

**(x) Details regarding the changes in the activities of the Issuer during the last five years which may have had a material effect on the profits or loss, including discontinuance of lines of business, loss of agencies or markets and similar factors**

There were no changes in the activities of CICL during the last five years which might have any material effect on the profits/loss, including discontinuance of lines of business, loss of agencies or markets and similar factors.

**(y) Injunction or restraining order, if any, with possible implications**

The Company has no injunction or restraining order from any authority.

**(z) Technology, market, managerial competence and capacity built-up**

**Technology:**

The Company has maintained up to date technology at their head office and branch offices. All the computers are connected through LAN. There is available broadband internet connection as well as Wi-Fi connectivity with every PC. The Issuer is using appropriate operating software in their official works. The office premises are under continuous monitoring by use of closed circuit TV (CCTV) for security purpose. There are sufficient number of intercom, fax, photocopy machine, etc. to support the management for their official work.

**Market:**

Insurance sector of Bangladesh is not properly developed and it is fragmented also. Cost of service and competition in distribution is also high. Despite the challenges, this sector has potentiality due to rate of penetration by mass people being high. Contribution GDP by premium income is also very low and it is only 0.9%. There are 78 insurance companies are operation in this sector. Though the competition is high, but demand for insurance service is rising day by day as business scopes are increasing to minimize risk. Bangladesh is a developing country where GDP growth rate is approximately 6.5% to 7.0%. The insurance sector has huge potentiality to be developed in the country due to our economic development. The market size for insurance service has been increasing over the past one decade due to business opportunity and scope is also expanding in our country. Bangladesh has a large market for the insurance business. As industry grows, the demand for skilled professionals will rise. The rise of the industry shall also create positive impact for creating employment opportunity

**Managerial competence:**

The existing management is competent enough to run the business operation. The management team has proven track record to run large organization and vast experience to minimize the operational risk. The management also appointed such personnel who are capable enough to operate the business effectively and efficiently. Even though any experienced personnel leave the organization, others have adequate expertise and skills to run the operation.

**Capacity built-up:**

The Company enhanced its capacity in respect of capital, business and human resources over the year since incorporation. Initially the paid-up capital was Tk 6.00 crore at the time of starting the business. Now as on 31 December 2018, the paid up capital is BDT 24.00 crore. In the same period business volume of the Company and capacity of human resources has also increased significantly. It is expected that, after raising of paid up capital business scope shall be increased

**(aa) Changes in accounting policies in the last three years**

There were no changes in accounting policies in the last three years.

**(bb) Significant developments subsequent to the last financial year: A statement by the directors whether in their opinion there have arisen any circumstances since the date of the last financial statements as disclosed in the red-herring prospectus or prospectus or information memorandum and which materially**



and adversely affect or is likely to affect the trading or profitability of the Issuer, or the value of its assets, or its ability to pay its liabilities within the next twelve months

**Declaration regarding significant developments subsequent to the last financial year**

**To whom it may concern**

Dated: 25<sup>th</sup> April, 2019

This is to certify that in our opinion there have not arisen any circumstances since the date of the last financial statements as disclosed in the prospectus and which materially and adversely affect or is likely to affect the trading or the profitability of the Crystal Insurance Company Limited, or the value of its assets, or its ability to pay its liabilities within the next twelve months.

Sd/- (Abdullah Al-Mahmud) Chairman	Sd/- (A.H.M. Mozammel Hoque) Director	Sd/- (Abdullah Hasan) Director
Sd/- (Md. Tajul Islam) Director	Sd/- (Abdullah Al-Mamun) Director	Sd/- (Farzana Munny) Director
Sd/- (Farhana Danesh) Director	Sd/- (Shahzadi Begum) Director	Sd/- (Nusrat Mahmud) Director
Sd/- (Soera Zahir) Director	Sd/- (Nabila Mahmud) Director	Sd/- (Arafat Rashid) Director
Sd/- (Kazi Nasim Uddin Ahmed) Independent Director	Sd/- (Dr. M. Waliuzzaman) Independent Director	Sd/- (Mia Fazle Karim, FCA) Chief Executive Officer

**(cc) If any quarter of the financial year of the Issuer ends after the period ended in the audited financial statements as disclosed in the prospectus or information memorandum, unaudited financial statements for each of the said quarters duly authenticated by the CEO and CFO of the Issuer or information memorandum, unaudited financial statements for each of the said quarters duly authenticated by the CEO and CFO of the Issuer**

The audited financial statements of the company for period ended on 31 December 2018 have been disclosed in the prospectus. The quarterly unaudited financial statements of the company will be submitted as per requirement of the authority.

**(dd) Factors that may affect the results of operations**

There are no factors that may affect the results of operations except followings:

- Changes in relevant Govt. policies
- Technological obsolescence
- Political unrest
- Natural calamities



## Section VII

### **Management's Discussion and Analysis of Financial Condition**

**(a) Overview of Business and Strategies****Background of The Company**

The Company was incorporated in Bangladesh as a Public Limited Company, liabilities of which are limited by Shares on the 11 day of November, 1999 under the Companies Act, 1994 and its Commencement of Business was started from the same date that is w.e.f. 11 day of November, 1999. Registration from the Controller of Insurance was received to start general insurance business on 12 day of June, 2000 which has been renewed up to 31 December, 2018.

**Address of Registered Office:**

The Registered Office of the Company is located at DR Tower (14th floor), 65/2/2, Purana Paltan, Box Culvert Road, Dhaka-1000. The Operation of the Company are being carried out through its 31 nos. of branches located all over Bangladesh with Head Office at DR Tower at Purana Paltan, Dhaka.

**Principal Activities and Nature of Operation**

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

**CICL business model****Service**

Tariff rate  
Risk Factor

**Client**

Risk Coverage

**Surveyor**

Risk Analysis  
Loss analysis

**Agent**

Marketing  
Commission

**Management**

Operational process  
Infrastructure  
Business strategy  
Claim settlement  
Underwriter: Premium assess as per tariff rate  
Re-insurance: Re insurance arrangement local and overseas market

**CICL major functional department**

- (1) Marketing department
- (2) Underwriting department
- (3) Accounts, Finance, Banking, Costing & Budgeting department

- (4) Corporate Affairs department
- (5) Admin and Establishment department
- (6) Re-insurance department
- (7) Claim department
- (8) Internal Audit department
- (9) IT department
- (10) Customer Service department

### Strategies of the Company

Business strategies of CICL are as follows:

- (1) To improve and consolidate its position in the insurance industry with a continuous growth philosophy.
- (2) To enhance value creation through delivering insurance product to wide range of clients.
- (3) Develop and improve direct distribution capabilities and integrated multi-channel strategies.
- (4) Explore new capabilities that online strategies enable.
- (5) Guide customer-driven innovations and product speed-to-market
- (6) Define growth strategies to capture market share.
- (7) Design operating models to reduce complexity and improve effectiveness.
- (8) Create operational and technology strategies to improve market responsiveness.

### (b) SWOT ANALYSIS

Particulars	Sl.	SWOT Variables
<b>Strengths</b>	1	Experienced Board of Directors
	2	Experienced Management
	3	Sound Financial Records
	4	Good Track Record for claim settlement
	5	Sound marketing policy
<b>Weakness</b>	1	Low market share
	2	Enlistment is not wide range
	3	Comparatively few advertisement & promotional activities
<b>Opportunity</b>	1	Increasing market share
	2	Diversifying utilization of capital
	3	Branding of the company
	4	Drive to improve future profitability
<b>Threats</b>	1	Government policies
	2	Political unrest
	3	Stiff Competition

	4	Unhealthy Industry Policy
	5	Tendency of avoiding
	6	Low premium rate
	7	Huge rate of re-insurance

(c) Analysis of the financial statements of last five years with reason(s) of fluctuating revenue or sales, other income, total income, cost of material, finance cost, depreciation and amortization expense, other expense; changes of inventories, net profit before and after tax, EPS etc.

(Amount in BDT)

Particulars	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15	31-Dec-14
Revenue (Net Premium)	302,648,856	297,512,962	292,593,856	275,738,766	264,655,744
Year to year changes in revenue (%)	2%	1.68%	6.11%	4.19%	22.87%
Cost of goods sold (COGS)	N/A	N/A	N/A	N/A	N/A
Year to year changes in COGS (%)	N/A	N/A	N/A	N/A	N/A
Gross profit (GP including other income)	6,50,00,849	7,32,21,973	5,24,85,536	4,87,19,763	46,890,959
Year to year changes in Gross Profit (%)	-11.23%	3.95%	7.73%	3.90%	-19.93%
Operating expenses (Management Exp.)	36,576,429	40,425,419	19,965,926	22,723,499	20,043,824
Year to year changes in Operating expenses (%)	-10%	102.47%	-12.14%	13.37%	14.66%
Other Income	35,590,034	21,755,086	17,980,252	18,228,286	16,580,706
Year to year changes in other income (%)	63.59%	20.99%	-1.36%	9.94%	-19.32%
Financial expenses	Nil	Nil	Nil	Nil	Nil
Year to year changes in Financial expenses (%)	N/A	N/A	N/A	N/A	N/A
Depreciation	33,368,866	25,761,818	14,497,900	12,664,204	15,987,097
Year to year changes in depreciation (%)	29.53%	77.69%	14.48%	-20.78%	14.12%
Net Profit before tax	74,305,954	54,567,640	50,499,862	44,224,550	43,427,841
Year to year changes in Net Profit before tax (%)	36.17%	8.06%	14.19%	1.83%	-29.54%
Net Profit After Tax	67,986,676	49,772,471	45,228,031	40,970,036	39,398,900
Year to year changes in Net Profit after tax (%)	36.59%	10.05%	10.39%	3.98%	-20.90%
EPS (Basic)	2.83	2.07	7.54	6.83	6.57
EPS (Restated)	2.83	2.40	5.03	4.55	4.38
Year to year changes in Basic EPS (%)	36.71%	-72.55%	10.40%	3.96%	-20.84%
Year to year changes in Restated ed EPS (%)	17.92%	-52.29%	10.55%	3.88%	-20.80%

**Revenue: Reasons of changes in revenue**

Due to changes in marketing policy, volume of premium collection was increased which consequently increased the volume of revenue during the period to period.

**Other income: Reasons of changes in other income.**

Due to changes of interest rate and changes in investments in different financial assets, other income varied from year to year.

**Total income: Reasons of changes in total income.**

Due to changes in total revenue and other income, total income was changed accordingly.

**Reasons for Changes in Cost of Revenue**

Changes in cost of revenue occurred due changes in different kinds of operating expenditures.

**Reasons for Changes in Finance cost**

Since the Issuer company does not have any loan liability, as such, there is no finance cost.

**Reasons for Changes in Depreciation and amortization expense**

Due to changes in value of depreciable assets. Further the company's preliminary expenses being nil, no cost retained to be amortized. Their amortization expense also stands nil.

**Reasons for Changes in Other expense**

Not applicable

**Reasons for Changes in Inventories**

No sort of inventories is involved in the process of providing insurance services

**Reasons for Changes in Net profit before tax**

Due to increased business volume, decreased management expenses, increased investment income net profit before tax was also increased period to period

**Reasons for Changes in Net profit after tax and EPS**

Due to increase in Net Profit Before Tax & Income Tax rate remaining same, Net Profit After Tax increased.

**(d) Known trends demands, commitments, events or uncertainties that are likely to have an effect on the company's business**

There are no known trends demands, commitments, events or uncertainties that are likely to have an effect on the Company's business except the followings:

- 1 Changes in relevant Govt. policies
- 2 Indigenous Technics
- 3 Political unrest
- 4 Natural calamities

**(e) Trends or expected fluctuations in liquidity**

There are no trends or expected fluctuations in liquidity except impact of the future expansion of operations through opening of new branches or otherwise.

**(f) Off-balance sheet arrangements those have or likely to have a current or future effect on financial condition.**

There are no off-balance sheet arrangements those have or likely to have a current or future effect on financial condition of the company.

## Section VIII

### **Directors and Officers**



(a) Name, Father's name, age, residential address, educational qualification, experience and position of each of the directors of the company and any person nominated or represented to be a director, showing the period for which the nomination has been made and the name of the organization which has nominated him;

Name	Father's name	Age (years)	Residential address	Qualification	Experience (years)	Position	Period of nomination	Name of nominated organization
Mr. Abdullah Al-Mahmud	Late Abdul Hamid Majumder	56	House # 6, Road # 104, Apartment No. 4/A, Gulshan-2, Dhaka	BBA from USA	24	Chairman	N/A	N/A
Mr. Abdullah Hasan	Late Abdul Hamid Majumder	58	House No. 243 (B/4), Road No. 20, New DOHS, Mohakhali, Dhaka.	Engineer	32	Director	N/A	N/A
Mr. A.H.M. Mozammel Hoque	Late Akhtaruzzaman	58	Appt. -1, House No. 95, Road No.9A, Dhanmondi R/A, Dhaka	B.Com	45	Director	N/A	N/A
Mr. Md. Tajul Islam	Late Md. Ashraf Ullah	73	House No.45, Road No. 6/A, Keyari Nirzhor, Dhanmondi, Dhaka.	MBA	45	Director	N/A	N/A
Farzana Munny	Late Abdul Hamid Majumder	50	House No. 43, Park Road, Baridhara, Dhaka.	HSC		Director	N/A	N/A
Mrs. Shahzadi Begum	Late Syed Md. Habibul Haque	73	House No.16/1/B, Tallabagh, Sobhanbagh, Dhaka	B.S.S. (Hons.) M.S.S. (Dhaka University)	42	Director	N/A	N/A
Mrs. Farhana Danesh	Late Abdul Hamid Majumder	48	House NO.15, Appat.1/B, Road- 3, Old. DOHS, Banani, Dhaka	HSC	17	Director	N/A	N/A
Mr. Abdullah Al-Mamun	Late Abdul Hamid Majumder	53	Road No.09, Block-G, House No. 22, Rupkatha (2 <sup>nd</sup> floor), Banani, Dhaka.	BBA	22	Director	N/A	N/A
Ms. Nabila Mahmud	Abdullah Al-Mahmud	28	House No. 25, Road No. 10/A, Flat –B/2, Arcadia Apartment, Dhanmondi, Dhaka	B. Sc & M. Sc. from USA	2	Director	N/A	N/A
Ms. Soera Zahir	Abdullah Al-Zahir	30	House No. 30, Road No. 8, Gulshan -1	Studying ACCA	3	Director	N/A	N/A
Mrs. Nusrat Mahmud	Abdullah Al-Mahmud	33	House No.10, Road No.92, Gulshan-2, Dhaka	M. Sc	5	Director	N/A	N/A
Mr. Arafat Rashid	Md. Harun-Ar-Rashid	30	27/B-4, Dakeshary Road, Lalbagh, Dhaka	Under Graduate from London	3	Director	N/A	N/A
Dr. M. Waliuzzaman	Late Moulvi Shaikh Muhammad	81	House No. 29, Block F, Road No. 7, Banani, Dhaka-1213	B.Sc., DU, M.Sc. & Ph.D. UK	57	Independent Director	N/A	N/A
Mr. Kazi Nasim	Late Kazi	63	Flat # A-8, 18, Assort	CA (CC), B.	41	Independent	N/A	N/A

Uddin Ahmed	Shafiuddin Ahmed		Baily Nest, New Baily Road, Dhaka-1217	Com., DU		nt Director		
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**(b) The date on which he first became a director and the date on which his current term of office shall expire**

Name	Position	Date of becoming director for the first time	Expiry of current term
Mr. Abdullah Al-Mahmud	Chairman	11 Nov1999	20 AGM in 2020
Mr. Abdullah Hasan	Director	11 Nov1999	20 AGM in 2020
Mr. A.H.M. Mozammel Hoque	Director	11 Nov1999	20 AGM in 2020
Mr. Md. Tajul Islam	Director	11 Nov1999	21 AGM in 2021
Mrs. Farzana Munny	Director	08 Jan 2012	21 AGM in 2021
Mrs. Farhana Danesh	Director	11 Dec 2001	21 AGM in 2021
Mr. Abdullah Al-Mamun	Director	11 Dec 2001	19 AGM in 2019
Mrs. Shahzadi Begum	Director	26Sep 2005	19 AGM in 2019
Ms. Soera Zahir	Director	14 Mar 2013	19 AGM in 2019
Mrs. Nusrat Mahmud	Director	22 Apr 2017	20 AGM in 2020
Mr. Arafat Rashid	Director	22 Apr 2017	20 AGM in 2020
Ms. Nabila Mahmud	Director	10 Apr 2018	21 AGM in 2021
Dr. M. Waliuzzaman	Independent Director	10 Apr 2018	21 AGM in 2021
Mr. Kazi Nasim Uddin Ahmed	Independent Director	10 Apr 2018	21 AGM in 2021

**(c) If any director has any type of interest in other businesses, names and types of business of such organizations. If any director is also a director of another company or owner or partner of any other concern, the names of such organizations**

Directors of Crystal Insurance Company Limited are involved with below noted organizations in capacities mentioned against each organization.

Sl	Name of Directors	Name of the other organization where directors have been involved	Type of the Organization	Position in the organization
1	Abdullah Al-Mahmud	Hamid Fabrics Limited	Solid-dyed fabrics manufacturer	Managing Director
		Mahin Apparels Limited	Woven garments manufacturing	Managing Director
		Hamid Weaving Mills Ltd	Weaving, Dyeing & Finishing	Managing Director
		Tazrian Weaving Mills Limited	Weaving, Dyeing & Finishing	Managing Director
		Tazrian Spinning Mills Limited	Spinning Mills	Managing Director
		Grameen Solution Limited	IT Solutions	Director
2	Abdullah Hasan	Atlantic Garments Limited	Knit wear manufacturer	Managing Director
3	Abdullah Al-Mamun	Virginia Washing Plant	Garments washing plant	Director
		Atlantic Apparels Limited	Manufacture of wearing apparel	Director
4	Farhana Danesh	Hamid Fabrics Limited	Solid-dyed fabrics manufacturer	Director

		Crystal Packaging Limited	Packaging services	Director
5	Nabila Mahmud	Hamid Fabrics Limited	Solid-dyed fabrics manufacturer	Director
6	A.H.M. Mozammel Hoque	Hamid Fabrics Limited	Solid-dyed fabrics manufacturer	Director
		Mahin Apparels Limited	Woven garments manufacturing	Director
		Weaving Mills Limited	Weaving	Director
		Tazrian Weaving Mills Limited	Weaving, Dyeing & Finishing	Director
7	Md. Tajul Islam	Partex Properties Limited	Real Estate business	Chief Executive Officer
		Partex Holdings Limited	Holding company of Partex group	Chief Executive Officer
		Anwar Landmark Limited	Real Estate	Managing Director
		Asset Development & Holdings Limited	Real Estate	Managing Director
		Amin Mohammad Group	Real Estate	Director
		BRAC- Aarong	Fashion retail chain	Director
8	Mrs. Farzana Munny	Gaan Bangla TV Channel	Entertainment & Music	Chairman
		Qubella Beauty Parlour	Parlour	Proprietor
9	Shahzadi Begum	Serve the People	Social welfare	Chairperson
10	Soera Zahir	None		
11	Nusrat Mahmud	Hamid Fabrics Ltd	Solid-dyed fabrics manufacturer	Director
12	Arafat Rashid	Home Textiles Limited	Readymade garments	Managing Director
		Apex Weaving Mills Limited	Weaving mill	Director
13	Dr. M. Waliuzzaman	Bangladesh University of Engineering and Technology	University	Visiting Professor
14	Mr. Kazi Nasim Uddin Ahmed	Hamid Weaving Mills Ltd	Weaving, Dyeing & Finishing	Company Secretary

**(d) Statement of if any of the directors of the Issuer are associated with the securities market in any manner. If any director of the issuer company is also a director of any Issuer of other listed securities during last three years then dividend payment history and market performance of that Issuer**

Sl	Name of Directors	Name of the Company of the securities market where directors are associated	Position	Types of Company
1	Abdullah Al-Mahmud	Hamid Fabrics Limited	Managing Director	Solid-dyed fabrics manufacturer
2	Farhana Danesh	Hamid Fabrics Limited	Director	Solid-dyed fabrics manufacturer
3	A.H.M. Mozammel Hoque	Hamid Fabrics Limited	Director	Solid-dyed fabrics manufacturer
4	Nusrat Mahmud	Hamid Fabrics Limited	Director	Solid-dyed fabrics manufacturer
5	Nabila Mahmud	Hamid Fabrics Limited	Director	Solid-dyed fabrics manufacturer

**Dividend Payment History and Market Performance of Hamid Fabrics Ltd.**

Name of the common Director	Companies	Dividend Payment		Closing Price
		Year	Cash/Bonus	
Abdullah Al-Mahmud	Hamid Fabrics Limited	2017-2018	10% cash	
Farhana Danesh		2016-2017	15% cash	
A.H.M. Mozammel Hoque		2015-2016	15% cash	24.9 (07.01.2019)
Nusrat Mahmud				
Nabila Mahmud				

**(e) Any family relationship (father, mother, spouse, brother, sister, son, daughter, spouse's father, spouse's mother, spouse's brother, spouse's sister) among the directors and top five officers**

Sl	Name of Directors	Position in Issuer company	Relationship
1	Abdullah Al-Mahmud	Chairman	a) Father of Nusrat Mahmud and Nabila Mahmud b) Brother of Farhana Danesh, Abdullah Hasan and Abdullah Al-Mamun c) Son-in law of A.H.M. Mozammel Hoque
2	Farhana Danesh	Director	Sister of Abdullah Al-Mahmud, Abdullah Hasan and Abdullah Al-Mamun
3	A.H.M. Mozammel Hoque	Director	Father-in law of Abdullah Al-Mahmud
4	Abdullah Al-Mamun	Director	Brother of Farhana Danesh, Abdullah Hasan and Abdullah Al-Mahmud
5	Abdullah Hasan	Director	Brother of Farhana Danesh, Abdullah Al-Mamun and Abdullah Al-Mahmud
6	Nusrat Mahmud	Director	a) Daughter of Abdullah Al-Mahmud b) Sister of Nabila Mahmud
7	Nabila Mahmud	Director	a) Daughter of Abdullah Al-Mahmud b) Sister of Nusrat Mahmud

**(f) A very brief description of other businesses of the directors**

Sl	Name of Directors	Name of the other organization where directors have been involved	Types of business of such organizations	Legal Status
1	Abdullah Al-Mahmud	Hamid Fabrics Limited	Solid-dyed fabrics	Public LtdCo.
		Mahin Apparels Limited	Woven garments manufacturing	Private LtdCo.
		Hamid Weaving Mills Ltd	Weaving, Dyeing & Finishing	Private LtdCo.
		Tazrian Weaving Mills Limited	Weaving, Dyeing & Finishing	Private LtdCo.
		Tazrian Spinning Mills Limited	Spinning Mills	Private LtdCo.
		Grameen Solution Limited	Software Company	Private LtdCo.
2	Abdullah Hasan	Atlantic Garments Limited	Knit wear manufacturer	Private LtdCo.
3	Abdullah Al-	Virginia Washing Plant	Garments washing plant	Private LtdCo.

	Mamun	Atlantic Apparels Limited	Manufacture of wearing apparel	Private LtdCo.
4	Farhana Danesh	Hamid Fabrics Limited	Solid-dyed fabrics	Public LtdCo.
		Crystal Packaging Limited	Packaging services	Private LtdCo.
5	Nabila Mahmud	Hamid Fabrics Limited	Solid-dyed fabrics	Public LtdCo.
		Hamid Weaving Mills Ltd	Weaving, Dyeing & Finishing	Private LtdCo.
		Tazrian Weaving Mills Limited	Weaving, Dyeing & Finishing	Private LtdCo.
6	A.H.M. Mozammel Hoque	Hamid Fabrics Limited	Solid-dyed fabrics	Public LtdCo.
		Mahin Apparels Limited	Woven garments manufacturing	Private LtdCo.
		Hamid Weaving Mills Ltd	Weaving, Dyeing & Finishing	Private LtdCo.
		Tazrian Weaving Mills Limited	Weaving, Dyeing & Finishing	Private LtdCo.
7	Md. Tajul Islam	Partex Properties Limited	Real Estate business	Private LtdCo.
		Partex Holdings Limited	Holding company of Partex group	Private LtdCo.
		Anwar Landmark Limited	Real Estate business	Private LtdCo.
		Asset Development & Holdings Limited	Real Estate business	Private LtdCo.
		Amin Mohammad Group	Real Estate business	Private LtdCo.
8	Farzana Munny	Gaan Bangla TV Channel	Entertainment & Music	Private LtdCo.
		Qubella Beauty Parlour	Parlour	Proprietor
9	Shahzadi Begum	Serve the People	Social welfare	NGO
10	Soera Zahir	None	None	None
11	Nusrat Mahmud	Hamid Fabrics Limited	Solid-dyed fabrics	Public LtdCo.
12	Arafat Rashid	Home Textiles Limited	Readymade garments	Public LtdCo.
		Apex Weaving Mills Limited	Weaving mill	Public LtdCo.

#### (g) Short bio-data of each director

##### **Mr. Abdullah Al-Mahmud, Founder Chairman**

Mr. Abdullah Al-Mahmud, 56, is the founder Chairman of Crystal Insurance Company Limited and country's one of the well-known enthusiastic and dynamic entrepreneurs. He is also the founder and major shareholder of Mahin Group, one of the vertically integrated leader in export of apparels and textiles in Bangladesh.

Upon completion of his education in the USA in 1992, Mr. Mahmud returned to Bangladesh and embarked upon as an entrepreneur. Within a span of only more than a decade, with his dedication and vision Mr. Mahmud has made a conglomerate namely Mahin Group of Companies. The modest journey began with pursuing a RMG business related Washing Plant and forward himself by setting up a specialized button making RMG unit named Mahin Apparels Ltd. in 1993, acknowledging the need for backward linkage in the industry, he eventually set up Hamid Fabrics Ltd. The Weaving Unit in 1996 and subsequently the Dyeing and Finishing unit in 2003 at Shilmandi, Narsingdi. The Journey continue with two more weaving units adopting cutting age technology under name of Hamid Weaving Mills Ltd. And Tazrian Weaving Mills Ltd. in 2008 and 2014. The senses to abide by compliance for the development of textiles industry of the country, another Weaving unit and a Yarn Dyeing facilities added in the group's wing in 2016. Towards the total composite set up, the group presently in

process to set up its own spinning facilities. With diversification of business idea, henceforth, he also has made investment in IT Sector Company like Grameen Solutions Ltd., and Real Estate business named Millennium Holdings Ltd.

Mr. Mahmud, presently, is holding chair of Vice President of BTMA (Bangladesh Textile Mills Association) for the two consecutive periods since 2015 and was Member of Executive Committee of BTMA in earlier years. He is also acting as executive committee member of BAPILC (Bangladesh Association of Publicly Listed Companies) and BIA (Bangladesh Insurance Association). Mr. Mahmud remain Member of Governing Body for NITER (National Institute of Textile Engineering and Research) since 2015 and member of General Body of FBCCI (Federation of Bangladesh Chambers of Commerce and Industry). He had been elected as Director of BGMEA (Bangladesh Garment Manufacturers & Exporters Association) for the year of 2013-15 & 2007-09. Apart from those, he is also involved in various business forums and social causes.

Mr. Mahmud had been awarded with various national recognitions as highest exporter awards from Bangladesh Government and various business associations. He has been considered as a Commercially Important Person (CIP) in Bangladesh for many years and presently also holds 'Kor Bahadur' recognition from National Board of Revenue for year 2016-17. The group has experienced a rapid, yet steady, growth in last 21 years under his leadership and vision; this trend is expected to continue in the foreseeable future.

#### **Mr. A.H.M. Mozammel Hoque, Director**

Mr. A.H.M. Mozammel Hoque, 78 , is one of the Directors of Crystal Insurance Company Limited. He completed his Bachelor of Commerce degree from Jagannath College in 1960. He has been actively involved in the textile sector for more than 16 years. He was the Deputy Chief Accountant in Bangladesh Jute Mills Corporation (BJMC) for 22 years after which he entered the RMG business in 1993. Apart from being a founder director of CICL, Mr. Hoque is also a founder Director of Hamid Weaving Mills Ltd. and Hamid Fabrics Limited.

Mr. Mozammel also has got in his credit more than 45 years' experience in different business areas. Since his involvement in business, he dedicated himself towards control and maintenance of accounts and finance. He oversees total management operations for all companies he is involved with. His guidance and supervision is one of the main reasons behind Mahin Group's success.

#### **Mr. Abdullah Hassan, Director**

Abdullah Hassan, 58 , is a founder Director of Crystal Insurance Company Ltd., has been working in the RMG and Textile sector for more than 32 years. Prior to CICL, he was the Head of operations in Atlantic Garments in 1985, and eventually Mahin Apparels in 1993. He is a vibrant entrepreneur. His expertise and experience have been vital for the enhancement and eventual growth of the textile and garment division of Mahin Group. Mr. Hassan is also a founder Director of Hamid Weaving Mills Ltd. and Hamid Fabrics Ltd.

#### **Mr. Abdullah Al-Mamun, Director**

Mr. Abdullah Al-Mamun, 52, is a founder Director of Crystal Insurance Company Limited comes of a respectable Muslim family of Comilla. He is a graduate in Business Administration (BBA) from Richmond International College, U. K. He is an energetic and established business man.

#### **Mr. Md. Tajul Islam, Director**

Mr. Md. Tajul Islam, 73 , Director of Crystal Insurance Company Limited comes of a respectable Muslim family of Chandpur. He is an MBA from Karachi University (1968). He is also an associate of the Institute of Chartered Secretaries and Managers of Bangladesh. He has in his credit more than 45 years of experience in different sectors of business.

#### **Mrs. Shahzadi Begum, Director**

Mrs. Shahzadi Begum, 73 , one of the Directors of Crystal Insurance Company Limited comes of a respectable Muslim family of Jhalkathi. She is an M. A. (Social Welfare) from Dhaka University. She is engaged in various Social activities viz Family Planning Programme, Primary Education Programme. Currently she is the Chair Person of “Serve the People” an established NGO working with BRAC, FPMD & Adarsha Gram Project in the field of Primary Education, Family Planning & Income Generating Programme to the poor people of the remote areas mainly female for the last 20 years. Her late husband Mr. Syed Md. Habibul Haque was Founding Managing Director and a Sponsor Director of the Company. In family relation, she is related with the family of Sher-E-Bangla A.K. Fazlul Huq.

**Mrs. Farhana Danesh, Director**

Mrs. Farhana Danesh, 48 , is a founder Director of Crystal Insurance Company Limited comes of a respectable Muslim family of Comilla. She is an energetic and established business woman. She is one of the Directors of Hamid Fabrics Ltd and Proprietor of Crystal Packaging.

**Ms. Nabila Mahmud, Director**

Nabila Mahmud, 28 , holds Masters of Science degree from Northeastern University College of Professional Studies, Boston, Massachusetts, USA. She has specialization in Corporate & Organizational Communications with concentration in Human Resources Management. Before that she gathered knowledge in Human Resources, Organization behavior, Human Rights, Small Business Management from Regent Business School in UK. And she attended Suffolk University Sawyer Business School, Boston, Massachusetts, USA to do her Bachelors of Science and studied global business and management.

Before going abroad for academic purpose, Ms. Nabila gathered experience through jobs with International School, Dhaka and Jago Foundation (an NGO). She served in the accounts department of Hamid Fabrics Ltd (HFL) and practically contributed in reducing labour costs of the HFL through developing smooth expense tracking system.

**Mrs. Farzana Munny, Director**

Mrs. Farzana Munny was born in 05<sup>th</sup> March 1969 is the Director of Crystal Insurance Company Limited hailed from a respectable Muslim Family of Cumilla. Her Father's name is Late Abdul Hamid Majumder and Mother's name is Mrs Ambia Khatun. She has been actively playing a vital role in Crystal Insurance limited. Apart from being a director of Crystal Insurance limited she is also a Chairman of Gaan Bangla TV Channel and Proprietor of Qubella Beauty Parlour. The family legacy and her own inherent qualities gave him a great sense of value direction. In her personal life, she is a person of pleasant personality.

**Mrs. Soera Zahir, Director**

Mrs. Soera Zahir, 30 , is Director of Crystal Insurance Company Limited. She has obtained Association of Chartered Certified Accountants (ACCA) Degree from London.

**Mrs. Nusrat Mahmud, Director**

Mrs. Nusrat Mahmud, 33 , Post Graduate is Director of Crystal Insurance Company Limited. She is also Director of Hamid Fabrics Limited.

**Mr. Arafat Rashid, Director**

Mr. Arafat Rashid, 30 , Undergraduate from Brunel University, Uxbridge, London is Director of Crystal Insurance Company Limited. He is Managing Director of Home Textiles Limited and Apex IT Solution Limited. He is also Director of Apex Green Foods Agro-based Limited. Besides, he is Shareholder of Apex Accessories Limited and Apex Trade & Commerce Limited.



**Dr. M. Waliuzzaman, Independent Director**

Dr. M. Waliuzzaman, 81 , has earned his Ph. D. in Chemical Engineering from University of Manchester, UK, is an Independent Director of Crystal Insurance Company Limited. He is a visiting professor in the Department of Chemical Engineering, BUET. In his elaborate career, he adorned many Board of Directors as Chairman at national level, namely, BPC, Eastern Lubricants Blenders Limited etc. He represented Bangladesh in many seminars and workshops abroad. He has experience in negotiating multimillion US Dollar deals. He has done many researches.

**Mr. Kazi Nasim Uddin Ahmed, Independent Director**

Mr. Kazi Nasim Uddin Ahmed, 63 , Bachelor of Commerce, University of Dhaka is an Independent Director of Crystal Insurance Company Limited. He, is currently engaged with Hamid Weaving Mills Limited as Company Secretary, has 41 years of experience in his credit. He was an athlete in his youth and currently participate in many social activities.

**(h) Loan status of the Issuer, its directors and shareholders who hold 10% or more shares in the paid-up capital of the Issuer in terms of the CIB Report of Bangladesh Bank**

Neither the Company nor any of its directors or shareholders who hold 10% or more shares in the paid-up capital of the Company is loan defaulter in terms of the CIB report of the Bangladesh Bank.

**(i) Name with position, educational qualification, age, date of joining in the company, overall experience (in year), previous employment, salary paid for the financial year of the Chief Executive Officer, Managing Director, Chief Financial Officer, Company Secretary, Advisers, Consultants and all Departmental Heads. If the Chairman, any director or any shareholder received any monthly salary than this information should also be included**



								Amount In Taka	
Sl.	Name	Position	Educational Qualification	Age	Date of Joining in the Company	Over all experience (in year)	Previous employment	Salary Paid	
								2018	2017
1	Mr. Mia Fazle Karim, FCA	CEO	B.Com. (Hons) Chartered Accountants	63	27.10.2015	31	DMD & CFO, Eastland Insurance Co. Ltd.	29,40,000	26,40,000
2	Mr. S. M. Shahidullah	Addl. MD & Company Secretary	B.Sc. (Hons), M.Sc.(Geography), ABIA, Cert	55	14.03.2005	30	DGM Sonarbangla Insurance Ltd.	1,569,000	1,449,000
3	Mr. Mahfuzur Rahman, ACA	DMD & CFO	M Com. ACA, ABIA, Cert CII (UK)	37	16.09.2007	16	Naziat Sweater Ltd.	1,512,000	1,323,000
4	Mr. Abdullah Al-Mamun	DMD & Head of Audit, MIS & BCC	B.Com. (Hons) M.Com (Accounting)	45	14.03.2005	23	Republic Insurance Co. Ltd.	1,260,000	1,176,000
6	Mr. Md. Kabir Hossain	EVP & Head of Underwriting	B.Sc. (Hons), M.Sc.(Statistics), ABIA,	53	01.12.2014	25	Continental Insurance Co. Ltd.	873,600	873,600
7	Mr. Md. Abul Fazol	EVP & Head of Claims & Re-Insurance Dept.	M.Com (Accounting)	39	31.12.2015	15	Provati Insurance Co. Ltd.	819,000	709,800
8	Mr. Raiyan Muntasir Monim	VP & Incharge	BSC Eng. (Computer Science Eng.)	27	11.12.2018	6	Fareast Islami Life Insurance Limited	80,000	0

#### Monthly Salary Statement of Chairman, Director and Other Shareholder

The Issuer did not pay any monthly salary to Chairman, Director and Other Shareholder

(j) Changes in the key management persons during the last three years. Any change otherwise than by way of retirement in the normal course in the senior key management personnel particularly in charge of production, planning, finance and marketing during the last three years prior to the date of filing the information memorandum. If the turnover of key management personnel is high compared to the industry, reasons should be discussed

Sl	Name	Position	Department in The Company	Remarks
1	Mr. Mia Fazle Karim, FCA	Managing Director & Chief Executive Officer	Overall supervision of whole affairs of the Company	Discharging duties as MD/CEO since 27 October 2015
2	Mr. S. M. Shahidullah	Company Secretary	Secretary's Department	Since 01 January 2008
3	Mr. M. Mahfuzur Rahman, ACA	DMD & CFO	Accounts & Finance	Since 16 September 2007

(k) A profile of the sponsors including their names, father's names, age, personal addresses, educational qualifications, and experiences in the business, positions or posts held in the past, directorship held, other ventures of each sponsor and present position

Sl.	Name of the sponsor	Father's names	Age (years)	Personal addresses	Educational qualifications	Experiences in the business (years)	Positions/posts held		Status of the Sponsor in other venture
							Past	Present	Name of the Company
1	Abdullah Al-Mahmud	Late Abdul Hamid Majumder	56	House # 6, Road # 104, Apartment No. 4/A, Gulshan-2, Dhaka.	BBA from USA	25	Sponsor Shareholder	Chairman	1. Hamid Fabrics Limited 2. Mahin Apparels Limited 3. Hamid Weaving Mills Ltd 4. Tazrian Weaving Mills Limited 5. Tazrian Spinning Mills Limited 6. Grameen Solution Limited
2	Abdullah Hasan	Late Abdul Hamid Majumder	58	House No. 243 (B/4), Road No. 20, New DOHS, Mohakhali, Dhaka.	Engineer	33	Sponsor Shareholder	Director	Atlantic Garments Limited
3	Abdullah Al-Zahir	Late Abdul Hamid Majumder	61	House # 8/B, Road # 82, Gulshan Circle 2, Dhaka - 1212	Bachelor of Arts	31	Sponsor Shareholder	N / A	EXIM Bank Limited
4	A.H.M. Mozammel Hoque	Late Akhtaruzzaman	78	Appt. -1, House No. 95, Road No. 9A,	B. Com	46	Sponsor Shareholder	Director	1. Hamid Fabrics Limited 2. Mahin Apparels Limited

				Dhanmondi R/A, Dhaka					3. Weaving Mills Limited 4. Tazrian Weaving Mills Limited
5	Arman Islam	Late A. Q. Z. Islam	53	Apt 103, House 74, Road 8A, Dhanmondi, Dhaka.	M.Com.	21	Sponsor Shareholder	Nil	N/A
6	Md. Tajul Islam	Late Md. Ashraf Uddin	73	House No.45, Road No. 6/A, Keyari Nirzhor, Dhanmondi, Dhaka	MBA	46	Sponsor Shareholder	Director	1. Partex Properties Limited 2. Partex Holdings Limited 3. Anwar Landmark Limited 4. Asset Development & Holdings Limited 5. Amin Mohammad Group 6. BRAC- Aarong
7	Md. Yousuf Ali	Late Abdul Aziz Bhuyian	N/A	House no. 31/A, Road 6, Dhanmondi, Dhaka	N/A	N/A	Sponsor Shareholder	Nil	N/A
8	Syed Md. Habibul Huq	Late Syed Israil Haque	69	Sharif Bari, Chakhar, Barisal.	SSC	41	Sponsor Shareholder	Nil	N/A

(l) If the present directors are not the sponsors and control of the Issuer was acquired within five years immediately preceding the date of filing prospectus details regarding the acquisition of control, date of acquisition, terms of acquisition, consideration paid for such acquisition etc.

Name	Acquisition of Control	Date of Acquisition	Terms of Acquisition	Consideration paid for such Acquisition
Soera Zahir	14-Mar-13	25-Mar-12	Future benefits from Investments and control over the company.	Cash
		22-Mar-17		Cash
		22-Apr-17		Bonus
Farzana Munny	12-Sep-15	09-Mar-10 25-Mar-12 22-Mar-17 22-April-17	Future benefits from Investments and control over the company.	Cash Cash Cash Bonus
Abdullah Al-Mamun	11-Dec-01	11-Dec-01	Future benefits from Investments and control over the company.	Cash
		25-Mar-12		Cash
		22-Mar-17		Cash
		22-Apr-17		Bonus
Farhana Danesh	11-Dec-01	11-Dec-01	Future benefits from Investments and control over the company.	Cash
		25-Mar-12		Cash
		22-Mar-17		Cash
		22-Apr-17		Bonus
Shahzadi Begum	20-May-05	10-May-05	Future benefits from Investments and control over the company.	Cash
		10-May-05		Cash
		10-May-05		Cash
		22-Mar-17		Cash
		22-Apr-17		Bonus
Arafat Rashid	22-Apr-17	08-Jan-12	Future benefits from Investments and control over the company.	Cash
		08-Jan-12		Cash
		22-Mar-17		Cash
		22-Apr-17		Bonus
Nusrat Mahmud	22-Apr-17	14-Mar-13	Future benefits from Investments and control over the company.	Cash
		22-Mar-17		Cash
		22-Apr-17		Bonus
Nabila Mahmud	10-Apr-18	13-Feb-18	Future benefits from Investments and control over the company.	Cash

(m) If the sponsors or directors do not have experience in the proposed line of business, the fact explaining how the proposed activities would be carried out or managed

Some of the sponsor directors were experienced in insurance in line of insurance business. The sponsor directors had intention in to carry on the insurance business through hiring highly experienced professionals of the line of business.

**(n) Interest of the key management persons**

Sl.	Name	Position	Nature of Interest	Amount In Taka	
				Salary Paid	
				2018	2017
1	Mr. Mia Fazle Karim, FCA	CEO	Salary	29,40,000	26,40,000
2	Mr. S. M. Shahidullah	Addl. MD& Company Secretary	Salary	1,569,000	1,449,000
3	M. Mahfuzur Rahman, ACA	DMD & CFO	Salary	1,512,000	1,323,000
4	Mr. Abdullah Al-Mamun	DMD& Head of Audit, MIS & BCC Dept.	Salary	1,260,000	1,176,000
6	Mr. Md. Kabir Hossain	EVP & Head of Underwriting	Salary	873,600	873,600
7	Mr. Md. Abul Fazol	EVP & Head of Claims & Re-Insurance Dept.	Salary	819,000	709,800
8	Mr. Raiyan Muntasir Monim	VP & Incharge	Salary	80,000	0

**(o) All interests and facilities enjoyed by a director, whether pecuniary or non-pecuniary**

There were no such interests and facilities in the form of pecuniary and non-pecuniary enjoyed by the Directors except followings:

Sl	Name of Directors	Amount in Tk.		Nature of interest
		2018	2017	
1	Mr. Abdullah Al-Mahmud	39,100	15,000	The board meeting attendance fees
2	Mr. Abdullah Hasan	5,750	15,000	The board meeting attendance fees
3	Mr. A.H.M. Mozammel Hoque	39,100	15,000	The board meeting attendance fees
4	Mr. Md. Tajul Islam	39,100	15,000	The board meeting attendance fees
5	Mr. Asoke Ranjan Kapuria	29,900	15,000	The board meeting attendance fees
6	Mrs. Shahzadi Begum	39,100	15,000	The board meeting attendance fees
7	Mrs. Farhana Danesh	33,350	15,000	The board meeting attendance fees
8	Mr. Abdullah Al-Mamun	Nil	5,000	The board meeting attendance fees
9	Mrs. Farzana Munny	Nil	5,000	The board meeting attendance fees
10	Ms. Soera Zahir	29,900	15,000	The board meeting attendance fees
11	Mrs. Nusrat Mahmud	Nil	10,000	The board meeting attendance fees
12	Mr. Arafat Rashid	Nil	10,000	The board meeting attendance fees
13	Ms. Nabila Mahmud	Nil	Nil	The board meeting attendance fees
14	Dr. M. Waliuzzaman	27,600	Nil	The board meeting attendance fees
15	Mr. Kazi Nasim Uddin Ahmed	27,600	Nil	The board meeting attendance fees

**(p) Number of shares held and percentage of shareholding (pre issue)**

#	Name of shareholder	Address	No. of shares Percent(%)	
1	Mr. Abdullah Al-Mahmud	House # 6, Road # 104, Apartment No. 4/A, Gulshan-2, Dhaka	4,000,000	16.67%
2	Mr. Abdullah Hasan	House No. 243 (B/4), Road No. 20, New DOHS, Mohakhali, Dhaka.	4,000,000	16.67%
3	Mr. A.H.M. Mozammel Hoque	Apartment No A-1,Road 9/A, House 95, Dhanmondi R/A, Dhaka.	800,000	3.33%
4	Mr. Md. Tajul Islam	House No.45, Road No. 6/A, Keyari Nirzhor, Dhanmondi, Dhaka.	900,000	3.75%
5	Mr. Asoke Ranjan Kapuria	Bejpara, Main Road, Jessore.	1,200,000	5.00%
6	Mrs. Shahzadi Begum	House No.16/1/B, Tallabagh, Sobhanbagh, Dhaka	800,000	3.33%
7	Mrs. Farhana Danesh	House NO.15, Appat.1/B, Road- 3, Old DOHS, Banani, Dhaka	955,000	3.98%
8	Mr. Abdullah Al-Mamun	Road No.09, Block-G, House No.22, Rupkatha (2 <sup>nd</sup> floor), Banani, Dhaka	800,000	3.33%
9	Mrs. Farzana Munny	House 43,Park Road, Baridhara, Dhaka	800,000	3.33%
10	Ms. Soera Zahir	House No. 30, Road No. 8, Gulshan -1	2,000,000	8.33%
11	Mrs. Nusrat Mahmud	House No.10, Road No.92, Gulshan-2, Dhaka	4,000,000	16.67%
12	Mr. Arafat Rashid	27/B-4, Dakeshari Road, Lalbagh, Dhaka	800,000	3.33%
13	Mr. Iqbal Hassan Mahmood	1/7, Asad Gate, Mohammadpur, Dhaka	375,000	1.56%
14	Mrs. Sarah Hasein Mahmood	1/7, Asad Gate, Mohammadpur, Dhaka	300,000	1.25%
15	Mr. Rubayat Tanveer Huda	House No. 5/A, Road No.137, Flat # 5, Green Castle, Gulshan-1, Dhaka	270,000	1.13%
16	Ms. Nabila Mahmud	House No. 25, Road No. 10/A, Flat –B/2, Arcadia Apartment, Dhanmondi, Dhaka	2,000,000	8.33%
<b>Total</b>			<b>24,000,000</b>	<b>100.00%</b>

**(g) Change in board of directors during last three years**

The following changes in the board of directors were happened during last three years:

Sl	Name of the directors	Last Position held	Date of appointment	Date of retirement	Remarks
1	Mr. Abdullah Al-Mamun	Director	05.10.2013	26.07.2016	Being eligible, they were re-elected as Director.
2	Mrs. Shahzadi Begum	Director	05.10.2013	26.07.2016	
3	Ms. Soera Zahir	Director	14.03.2013	26.07.2016	
4	Mr. Abdullah Al-Mahmud	Chairman & Director	28.06.2014	22.04.2017	Being eligible, they were re-elected as Director.
5	Mr. Abdullah Hasan	Director	28.06.2014	22.04.2017	
6	Mr. A.H.M. Mozammel Hoque	Director	28.06.2014	22.04.2017	
7	Mr. Arafat Rashid	Director	22.04.2017	N / A	Newly elected
8	Mrs. Nusrat Mahmud	Director	22.04.2017	N / A	Newly elected
9	Mr. Md. Tajul Islam	Director	12.09.2015	10.04.2018	Being eligible, they were re-elected as Director
10	Mrs. Farhana Danesh	Director	12.09.2015	10.04.2018	
11	Mr. Asoke Ranjan Kapuria	Director	12.09.2015	05.12.2018	Retired.
12	Mrs. Farzana Munny	Director	12.09.2015	05.12.2018	Newly elected
13	Ms. Nabila Mahmud	Director	10.04.2018	N / A	Newly elected
14	Dr. M. Waliuzzaman	Independent Director	10.04.2018	N / A	Newly appointed
15	Mr. Kazi Nasim Uddin Ahmed	Independent Director	10.04.2018	N / A	Newly appointed

**(r) Director's engagement with similar business.**

None of the Directors are involved with similar business.

## Section IX

### **Certain Relationships and Related Transactions**



(a) The prospectus shall contain a description of any transaction during the last five years, or any proposed transactions certified by the auditors, between the Issuer and any of the following persons, giving the name of the persons involved in the transaction, their relationship with the Issuer, the nature of their interest in the transaction and the amount of such interest, namely:

**Certification on statement of Related Party Transaction of Crystal Insurance Company Limited**

This is to certify that, the Crystal Insurance Company Limited does not have any transaction during the last five years, or any proposed transaction, between the Issuer and any of the following persons:

1. Any director or sponsor or executive officer of the Issuer:
2. Any person holding 5% or more of the outstanding shares of the Issuer:
3. Any related party or connected person of any of the above persons:

**Except the following transactions:**

Name of the Related Party	Nature of Relationship	Nature of Transaction	Premium earned at the year end (BDT)				
			31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15	31-Dec-14
Mahin Apparels Ltd. Hamid Fabrics Ltd. Unit-I Hamid Fabrics Ltd. Unit-II Hamid Weaving Mills Ltd. Tazrian Weaving Mills Ltd.	Common Director	Insurance	18,267,419	19,676,436	20,343,037	18,034,869	Nil
R.G. Traders N.K. Motors Eagle Paribahan (pvt) Ltd.	Common Director	Insurance	1,051,807	2,389,255	3,552,467	2,817,897	Nil
<b>Total</b>			<b>22,065,691</b>	<b>23,895,504</b>	<b>20,852,766</b>	<b>Nil</b>	

Name of the Related Party	Nature of Relationship	Nature of Transaction	Claim paid at the year end (BDT)				
			31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15	31-Dec-14
Mahin Apparels Ltd. Hamid Fabrics Ltd. Unit-I Hamid Fabrics Ltd. Unit-II Hamid Weaving Mills Ltd. Tazrian Weaving Mills Ltd.	Common Director	Insurance	589,931	Nil	5,564,168	Nil	Nil
R.G. Traders N.K. Motors Eagle Paribahan (pvt) Ltd.	Common Director	Insurance	2,219,475	2,608,821	1,914,048	1,392,750	Nil
<b>Total</b>			<b>2,608,821</b>	<b>7,478,216</b>	<b>1,392,750</b>	<b>Nil</b>	

The above balance is certified on the basis of books of accounts; records are other supporting documents for the period from 01 January 2014 to 31 December 2019.

Sd/-

Place: Dhaka

**MAHFEL HUQ & CO.**

Date: 25 April 2019

*Chartered Accountants*

**(b) Any transaction or arrangement entered into by the Issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the Issuer company or any of its subsidiaries or holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus**

There is no transaction or arrangement entered into by the Issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the Issuer company or any of its subsidiaries/ holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus except the transaction mentioned in Section (ix)(a).

**(c) Any loans either taken or given from or to any director or any person connected with the director, clearly specifying details of such loan in the prospectus, and if any loan has been taken from any such person who did not have any stake in the Issuer, its holding company or its associate concerns prior to such loan, rate of interest applicable, date of loan taken, date of maturity of loan, and present outstanding of such loan.**

No loan was taken or given from or to any Directors or any person connected with the Directors of Crystal Insurance Company Limited.

## Section X

### **Executive Compensation**

(a) The total amount of remuneration or salary or perquisites paid to the top five salaried officers of the Issuer in the last accounting year and the name and designation of each such officer

Amount in Taka				
Sl	Name	Designation	Paid as	31-Dec-18
1	Mia Fazle Karim, FCA	CEO	Remuneration	29,40,000
2	Abul Kalam Azad	Sr. Addl. MD	Salary	1,440,000
3	SAM Shafiqul Hassan	Sr. Addl. MD	Salary	1,440,000
4	Ferdous Ara Chowdhury	Addl. MD	Salary	2,400,000
5	KMN Abu Omar	Addl. MD	Salary	2,400,000
<b>Total</b>				<b>10,080,000</b>

(b) Aggregate amount of remuneration paid to all directors and officers as a group during the last accounting year

Amount in Taka			
Sl#	Particulars	Nature of Payments	31-Dec-18
1	Directors	Board Meeting Fee	310,500
2	Officers	Salary & Benefits	73,838,893

(c) If any shareholder director received any monthly salary or perquisite or benefit it must be mentioned along with date of approval in AGM or EGM, terms thereof and payments made during the last accounting year

No shareholder director received any monthly salary or perquisite or benefit.

**(d) The board meeting attendance fees received by the director including the managing director along with date of approval in AGM or EGM**

The board of directors of the Company received Tk. 3,10,500.00 (Taka Three lac ten thousand five hundred ) only as board meeting attendance fees during the last accounting year.

Sl	Name of Directors	Amount paid in BDT		Date of approval in AGM
		2018	2017	
1	Mr. Abdullah Al-Mahmud	39,100	15,000	Being paid according to guideline of IDRA
2	Ms. Abdullah Hasan	5,750	15,000	
3	Mr. A.H.M. Mozammel Hoque	39,100	15,000	
4	Mr. Md. Tajul Islam	39,100	15,000	
5	Mr. Asoke Ranjan Kapuria	29,900	15,000	
6	Mrs. Shahzadi Begum	39,100	15,000	
7	Mrs. Farhana Danesh	33,350	15,000	
8	Mr. Abdullah Al-Mamun	Nil	5,000	
9	Mrs. Farzana Munny	Nil	5,000	
10	Ms. Soera Zahir	29,900	15,000	
11	Mrs. Nusrat Mahmud	Nil	10,000	
12	Mr. Arafat Rashid	Nil	10,000	
13	Ms. Nabila Mahmud	Nil	Nil	
14	Dr. M. Waliuzzaman	27,600	Nil	
15	Mr. Kazi Nasim Uddin Ahmed	27,600	Nil	

**(e) Any contract with any director or officer providing for the payment of future compensation**

There is no such contract between the company and any of its directors or officers regarding any future compensation to be paid to them.

**(f) If the Issuer intends to substantially increase the remuneration paid to its directors and officers in the current year, appropriate information regarding thereto**

Crystal Insurance Company Limited has no plan to substantially increase the remuneration paid to its directors and officers in the current year except annual increment.

**(g) Any other benefit or facility provided to the above persons during the last accounting year.**

No other benefit or facility provided to the above persons during the last accounting year except those mentioned above.

## **Section XI**

### **Options granted to Directors, Officers and Employees**

(1) The following information in respect of any option held by each director, the salaried officers, and all other officers as a group, namely:

- (i) The date on which the option was granted;**
- (ii) The exercise price of the option;**
- (iii) The number of shares or stock covered by the option;**
- (iv) The market price of the shares or stock on the date the option was granted;**
- (v) The expiration date of the option;**
- (vi) Consideration against the option.**

The Company has not granted any option to any of the Directors, officers and employees.

(2) If such options are held by any person other than the directors, and the officers of the Issuer company, the following information shall be given in the prospectus, namely:-

- (i) The total number of shares or stock covered by all such outstanding options;**
- (ii) The range of exercise prices;**
- (iii) The range of expiration dates;**
- (iv) Justification and consideration of granting such option.**

No options have been held by any person other than the directors, and the officers of the Issuer Company.

## Section XII

### **Transaction with the Directors and Subscribers to the Memorandum**



(a) The names of the directors and subscribers to the memorandum, the nature and amount of anything of value received or to be received by the Issuer from the above persons, or by the said persons, directly or indirectly, from the Issuer during the last five years along with the description of assets, services or other consideration received or to be received.

Names of the directors and subscribers to the memorandum	Position	Nature of value received or to be received	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15	31-Dec-14
Mr. Abdullah Al-Mahmud	Sponsor & Director	<b>Received by the Sponsor &amp; Director</b>					
		Board Meeting Attendant Fee	39,100	15,000	15,000	20,000	20,000
		Dividend (Bonus Share)			400000 ordinary share		
		Cash Dividend	4,000,000	2,800,000	960,000	800,000	800,000
		Additional Ordinary Share		28,000,000			
Mr. Md. Tajul Islam	Sponsor & Director	<b>Received by the Sponsor &amp; Director</b>					
		Board Meeting Attendant Fee	39,100	15,000	15,000	20,000	20,000
		Dividend (Bonus Share)			300000 Ordinary share		
		Cash Dividend	900,000	630,000	720,000	600,000	600,000
		Additional Ordinary Share					
Mr. A.H.M. Mozammel Hoque	Sponsor & Director	<b>Received by the Sponsor &amp; Director</b>					
		Board Meeting Attendant Fee	39,100	15,000	15,000	20,000	20,000
		Dividend (Bonus Share)			150000 Ordinary share		
		Cash Dividend	900,000	1,960,000	360,000	300,000	300,000
		Additional Ordinary Share		23,500,000			
Mr. Abdullah Hasan	Sponsor & Director	<b>Received by the Sponsor &amp; Director</b>					
		Board Meeting Attendant Fee	5,750	15,000	10,000	5,000	5,000
		Dividend (Bonus Share)			450000 Ordinary share		

		Cash Dividend	4,000,000	2,800,000	1,080,000	900,000	900,000
		Additional Ordinary Share		26,500,000			
Mr. Arman Islam	Sponsor	<b>Received by the Sponsor &amp; Director</b>					
		Board Meeting Attendant Fee	Nil	Nil	Nil	Nil	Nil
		Bonus Share	Nil	Nil	Nil	Nil	Nil
		Cash Dividend	Nil	Nil	Nil	Nil	Nil
		Additional Ordinary Share	Nil	Nil	Nil	Nil	Nil
		<b>Received by the Issuer</b>					
		Fund received against bonus share issue	Nil	Nil	Nil	Nil	Nil
		Fund received against Additional Ordinary Share	Nil	Nil	Nil	Nil	Nil
Mr. Abdullah Al-Zahir	Sponsor	<b>Received by the Sponsor &amp; Director</b>					
		Board Meeting Attendant Fee	Nil	Nil	Nil	Nil	Nil
		Bonus Share	Nil	Nil	Nil	Nil	Nil
		Cash Dividend	Nil	Nil	Nil	Nil	Nil
		Additional Ordinary Share	Nil	Nil	Nil	Nil	Nil
		<b>Received by the Issuer</b>					
		Fund received against bonus share issue	Nil	Nil	Nil	Nil	Nil
		Fund received against Additional Ordinary Share	Nil	Nil	Nil	Nil	Nil
Mr. Md. Yousuf Ali	Sponsor	<b>Received by the Sponsor &amp; Director</b>					
		Board Meeting Attendant Fee	Nil	Nil	Nil	Nil	Nil
		Bonus Share	Nil	Nil	Nil	Nil	Nil
		Cash Dividend	Nil	Nil	Nil	Nil	Nil
		Additional Ordinary Share	Nil	Nil	Nil	Nil	Nil
		<b>Received by the Issuer</b>					
		Fund received against bonus share issue	Nil	Nil	Nil	Nil	Nil
		Fund received against Additional Ordinary Share	Nil	Nil	Nil	Nil	Nil
Mr. Syed Md. Habibul Huq	Sponsor	<b>Received by the Sponsor &amp; Director</b>					
		Board Meeting Attendant Fee	Nil	Nil	Nil	Nil	Nil
		Bonus Share	Nil	Nil	Nil	Nil	Nil
		Cash Dividend	Nil	Nil	Nil	Nil	Nil
		Additional Ordinary Share	Nil	Nil	Nil	Nil	Nil

		<b>Received by the Issuer</b>				
		Fund received against bonus share issue	Nil	Nil	Nil	Nil
		Fund received against Additional Ordinary Share	Nil	Nil	Nil	Nil
Mr. Asoke Ranjan Kapuria	Director	<b>Received by the Director</b>				
		Board Meeting Attendant Fee	29,900	15,000	15,000	20,000
		Dividend (Bonus Share)			150000 Ordinary share	
		Cash Dividend	1,200,000	840,000	360,000	300,000
		Additional Ordinary Share		7,500,000		
Mrs. Shahzadi Begum	Director	<b>Received by the Director</b>				
		Board Meeting Attendant Fee	39,100	15,000	15,000	20,000
		Dividend (Bonus Share)			90000 Ordinary share	
		Cash Dividend	800,000	560,000	216,000	180,000
		Additional Ordinary Share		5,300,000		
Mrs. Farhana Danesh	Director	<b>Received by the Director</b>				
		Board Meeting Attendant Fee	33,350	15,000	15,000	15,000
		Dividend (Bonus Share)			150000 Ordinary share	
		Cash Dividend	955,000	668,500	360,000	300,000
		Additional Ordinary Share		5,050,000		
Mr. Abdullah Al-Mamun	Director	<b>Received by the Director</b>				
		Board Meeting Attendant Fee	0	5,000	5,000	5,000
		Dividend (Bonus Share)			150000 Ordinary share	
		Cash Dividend	800,000	560,000	360,000	300,000
		Additional Ordinary Share		3,500,000		
Ms. Nabila Mahmud	Director	<b>Received by the Director</b>				
		Board Meeting Attendant Fee	Nil	Nil	Nil	Nil

		Bonus Share	Nil	Nil	Nil	Nil	Nil
		Cash Dividend	Nil	Nil	Nil	Nil	Nil
		Additional Ordinary Share	Nil	Nil	Nil	Nil	Nil
		<b>Received by the Issuer</b>					
		Fund received against bonus share issue	Nil	Nil	Nil	Nil	Nil
		Fund received against Additional Ordinary Share	Nil	Nil	Nil	Nil	Nil
Ms. Soera Zahir	Director	<b>Received by the Director</b>					
		Board Meeting Attendant Fee	29,900	15,000	5,000	20,000	15,000
		Dividend (Bonus Share)			450000 Ordinary share		
		Cash Dividend	2,000,000	1,400,000	1,080,000	900,000	900,000
		Additional Ordinary Share		6,500,000			
Mrs. Nusrat Mahmud	Director	<b>Received by the Director</b>					
		Board Meeting Attendant Fee	0	10,000	0	0	0
		Dividend (Bonus Share)			20000 Ordinary share		
		Cash Dividend	4,000,000	2,800,000	48,000	40,000	40,000
		Additional Ordinary Share		39,400,000			
Mr. Arafat Rashid	Director	<b>Received by the Director</b>					
		Board Meeting Attendant Fee	0	10,000	0	0	0
		Dividen (Bonus Share)			225000 Ordinary share		
		Cash Dividend	800,000	560,000	540,000	450,000	450,000
		Additional Ordinary Share		1,250,000			
Dr. M. Waliuzzaman ***	Independent Director	<b>Received by the Director</b>					
		Board Meeting Attendant Fee	27,600	Nil	Nil	Nil	Nil
		Bonus Share	Nil	Nil	Nil	Nil	Nil
		Cash Dividend	Nil	Nil	Nil	Nil	Nil
		Additional Ordinary Share	Nil	Nil	Nil	Nil	Nil
		Honorarium	Nil	Nil	Nil	535,000	642,000
		<b>Received by the Issuer</b>					

		Fund received against bonus share issue	Nil	Nil	Nil	Nil	Nil
		Fund received against Additional Ordinary Share	Nil	Nil	Nil	Nil	Nil
Mr. Kazi Nasim Uddin Ahmed	Independent Director	<b>Received by the Director</b>					
		Board Meeting Attendant Fee	27,600	Nil	Nil	Nil	Nil
		Bonus Share	Nil	Nil	Nil	Nil	Nil
		Cash Dividend	Nil	Nil	Nil	Nil	Nil
		Additional Ordinary Share	Nil	Nil	Nil	Nil	Nil
		<b>Received by the Issuer</b>					
		Fund received against bonus share issue	Nil	Nil	Nil	Nil	Nil
		Fund received against Additional Ordinary Share	Nil	Nil	Nil	Nil	Nil

\*\*\* Dr. M. Waliuzzaman acted as Advisor to Crystal Insurance Company Limited from October 1, 2000 to October 31, 2015.

**(b) If any assets were acquired or to be acquired within next two financial years from the aforesaid persons, the amount paid for such assets and the method used to determine the price shall be mentioned in the prospectus, and if the assets were acquired by the said persons within five years prior to transfer those to the issuer, the acquisition cost thereof paid by them.**

The Company did not acquire or have plan to acquire any asset from its directors and subscribers to the memorandum.

## Section XIII

### **Ownership of the Company's Securities**

(a) The names, addresses, BO ID Number of all shareholders of the company before IPO, indicating the amount of securities owned and the percentage of the securities represented by such ownership.

Sl.	Name of subscriber	Address	BO ID	Pre-IPO	
				Shares	%
1	Mr. Abdullah Al-Mahmud	House # 6, Road # 104, Apartment No. 4/A, Gulshan-2, Dhaka	120 56700 5566 6992	4,000,000	16.67%
2	Mr. Abdullah Hasan	House No. 243 (B/4), Road No. 20, New DOHS, Mohakhali, Dhaka	120 47800 6468 5091	4,000,000	16.67%
3	Mr. A.H.M. Mozammel Hoque	Apartment No A-1, Road 9/A, House 95, Dhanmondi R/A, Dhaka	120 36200 1948 5830	800,000	3.33%
4	Mr. Md. Tajul Islam	House No.45, Road No. 6/A, Keyari Nirzhor, Dhanmondi, Dhaka.	120 47800 6468 4657	900,000	3.75%
5	Mr. Asoke Ranjan Kapuria	Bejpara, Main Road, Jessore.	120 17700 2573 9291	1,200,000	5.00%
6	Mrs. Shahzadi Begum	House No.16/1/B, Tallabagh, Sobhanbagh, Dhaka	120 47800 6468 4665	800,000	3.33%
7	Mrs. Farhana Danesh	House No. 15, Appt. 1/B, Road- 3, Old DOHS, Banani, Dhaka	120 56700 5605 4937	955,000	3.98%
8	Mr. Abdullah Al-Mamun	Road No.09, Block-G, House No.22, Rupkatha (2 <sup>nd</sup> floor), Banani, Dhaka	120 47800 6480 3461	800,000	3.33%
9	Mrs. Farzana Munny	House 43, Park Road, Baridhara, Dhaka	120 47800 6468 5105	800,000	3.33%
10	Ms. Soera Zahir	House # 30, Road # 08, Gulshan-1, Dhaka	120 47800 6480 3453	2,000,000	8.33%
11	Mrs. Nusrat Mahmud	House No.10, Road No.92, Gulshan-2, Dhaka	120 56700 5578 5177	4,000,000	16.67%
12	Mr. Arafat Rashid	27/B-4, Dakeshari Road, Lalbagh, Dhaka	120 20100 4519 0144	800,000	3.33%
13	Mr. Iqbal Hassan Mahmood	1/7, Asad Gate, Mohammadpur, Dhaka	120 47800 6468 5073	375,000	1.56%
14	Mrs. Sarah Hasein Mahmood	1/7, Asad Gate, Mohammadpur, Dhaka	120 47800 6480 5005	300,000	1.25%
15	Mr. Rubayat Tanveer Huda	House No.5/A, Road No.137, Flat No.5, Green Castle, Gulshan-1, Dhaka	120 47800 6480 3437	270,000	1.13%
16	Ms. Nabila Mahmud	House No. 25, Road No. 10/A, Flat -B/2, Arcadia Apartment, Dhanmondi, Dhaka	120 56700 5578 5870	2,000,000	8.33%

<b>Total</b>	<b>24,000,000</b>	<b>100%</b>
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(b) There shall also be a table showing the name and address, age, experience, BO ID Number, TIN number, numbers of shares held including percentage, position held in other companies of all the directors before the public issue

Name and Address	Age (years)	Exp. (years)	BO ID	TIN	No. of shares held (Pre-IPO)		Position held in other company	
					Shares	%		
<b>Abdullah Al-Mahmud</b> House # 6, Road # 104, Apartment No. 4/A, Gulshan-2, Dhaka	56	25	120 56700 5566 6992	5343 2627 9194	4,000,000	16.67%	Hamid Fabrics Limited	Managing Director
							Mahin Apparels Limited	Managing Director
							Hamid Weaving Mills Ltd	Managing Director
							Tazrian Weaving Mills Ltd	Managing Director
							Tazrian Spinning Mills Ltd	Managing Director
							Grameen Solution Limited	Director
<b>Abdullah Hasan</b> House No. 243 (B/4), Road No. 20, New DOHS, Mohakhali, Dhaka	58	33	120 47800 6468 5091	2899 6584 2231	4,000,000	16.67%	Atlantic Garments Limited	Managing Director
<b>A.H.M. Mozammel Hoque</b> Apartment No A-1, Road 9/A, House 95, Dhanmondi R/A, Dhaka	78	46	120 36200 1948 5830	4684 7717 7772	800,000	3.33%	Hamid Fabrics Limited	Director
							Mahin Apparels Limited	Director
							Weaving Mills Limited	Director
							Tazrian Weaving Mills Ltd	Director
<b>Md. Tajul Islam</b> House No.45, Road No. 6/A, Keyari Nirzhor, Dhanmondi, Dhaka.	73	46	120 47800 6468 4657	1507 5670 5724	900,000	3.75%	Partex Properties Limited	Chief Executive Officer
							Partex Holdings Limited	Chief Executive Officer
							Anwar Landmark Limited	Managing Director
							Asset Development & Holdings Limited	Managing Director
							Amin Mohammad Group	Director
							BRAC- Aarong	Director
<b>Farzana Munny</b> House No. 43, Park Road, Baridhara, Dhaka.	50	11	120 47800 6468 5105	832127664532	800,000	3.33%	Gaan Bangla TV Channel Qubella Beauty Parlour	Chairman Proprietor

<b>Shahzadi Begum</b> House No.16/1/B, Tallabagh, Sobhanbagh, Dhaka	73	43	120 47800 6468 4665	1734 7276 9915	800,000	3.33%	Serve the People	Chairperson
<b>Farhana Danesh</b> House No. 15, Appt. 1/B, Road- 3, Old DOHS, Banani, Dhaka	48	18	120 56700 5605 4937	1295 1930 4051	955,000	3.98%	Hamid Fabrics Limited	Director
<b>Abdullah Al-Mamun</b> Road No.09, Block-G, House No.22, Rupkatha (2 <sup>nd</sup> floor), Banani, Dhaka	53	23	120 47800 6480 3461	1111 7885 6098	800,000	3.33%	Crystal Packaging Limited	Director
<b>Nabila Mahmud</b> House No. 25, Road No. 10/A, Flat –B/2, Arcadia Apartment, Dhanmondi, Dhaka	28	3	120 56700 5578 5870	492418224905	2,000,000	8.33%	Virginia Washing Plant	Director
<b>Soera Zahir</b> House # 30, Road # 08, Gulshan-1, Dhaka	30	4	120 47800 6480 3453	6608 6999 9366	2,000,000	8.33%	Atlantic Apparels Limited	Director
<b>Nusrat Mahmud</b> House No.10, Road No.92, Gulshan-2, Dhaka	33	6	120 56700 5578 5177	3165 1959 2788	4,000,000	16.67%	Hamid Fabrics Limited	Director
<b>Arafat Rashid</b> 27/B-4, Dakeshari Road, Lalbagh, Dhaka	30	4	120 20100 4519 0144	5284 9158 1108	800,000	3.33%	Hamid Weaving Mills Ltd	Director
							Tazrian Weaving Mills Ltd	Director
							None	
							Home Textiles Limited	Managing Director
							Apex Weaving Mills Limited	Director

**(c) The average cost of acquisition of equity shares by the directors certified by the auditors**

**Certificate on average cost of acquisition of equity share by the Directors of Crystal Insurance Company Limited**

This is to certify that the average cost of acquisition of equity shares by the Directors of Crystal Insurance Company Limited have been allotted at face value in cash and the average cost of acquisition of equity by the directors is Tk. 10.00 each. Name-wise shareholding position, allotment date and consideration are given below:

Name	Position	Transfer / Allotment		Total Shareholding	Consideration	Cost per Share (Tk.)	Total Cost (Tk.)	Average Cost per Share (Tk.)
		Date	No of Shares					
Mr. Abdullah Al-Mahmud	Chairman	11-Nov-99	1,200,000	4,000,000	Cash	10	12,000,000	10
		11-Dec-01	(180,000)		Cash	10	(1,800,000)	
		25-Mar-12	(60,000)		Cash	10	(600,000)	
		25-Mar-12	(120,000)		Cash	10	(1,200,000)	
		14-Mar-13	(40,000)		Cash	10	(400,000)	
		22-Mar-17	2,800,000		Cash	10	28,000,000	
		22-Apr-17	400,000		Bonus	10	4,000,000	
Mr. Abdullah Hasan	Director	11-Nov-99	1,200,000	4,000,000	Cash	10	12,000,000	10
		11-Dec-01	(180,000)		Cash	10	(1,800,000)	
		25-Mar-12	(120,000)		Cash	10	(1,200,000)	
		22-Mar-17	2,650,000		Cash	10	26,500,000	
		22-Apr-17	450,000		Bonus	10	4,500,000	
Mr. A.H.M. Mozammel Hoque	Director	11-Nov-99	600,000	800,000	Cash	10	6,000,000	10
		11-Dec-01	(300,000)		Cash	10	(3,000,000)	
		11-Dec-01	(60,000)		Cash	10	(600,000)	
		25-Mar-12	60,000		Cash	10	600,000	
		22-Mar-17	2,350,000		Cash	10	23,500,000	
		22-Apr-17	150,000		Bonus	10	1,500,000	
		13-Feb-18	(2,000,000)		Cash	10	(20,000,000)	
Mr. Md. Tajul Islam	Director	11-Nov-99	600,000	900,000	Cash	10	6,000,000	10
		22-Apr-17	300,000		Bonus	10	3,000,000	

Mrs. Soera Zahir	Director	25-Mar-12	900,000	2,000,000	Cash	10	9,000,000	10
		22-Mar-17	650,000		Cash	10	6,500,000	
		22-Apr-17	450,000		Bonus	10	4,500,000	
Mrs. Farzana Munny	Director	09-Mar-10	180,000	8,000,000	Cash	10	1,800,000	10
		25-Mar-12	120,000		Cash	10	1,200,000	
		22-Mar-17	350,000		Cash	10	3,500,000	
		22-Apr-17	150,000		Bonus	10	1,500,000	
Mr. Abdullah Al-Mamun	Director	11-Dec-01	180,000	800,000	Cash	10	1,800,000	10
		25-Mar-12	120,000		Cash	10	1,200,000	
		22-Mar-17	350,000		Cash	10	3,500,000	
		22-Apr-17	150,000		Bonus	10	1,500,000	
Mrs. Farhana Danesh	Director	11-Dec-01	180,000	955,000	Cash	10	1,800,000	10
		25-Mar-12	120,000		Cash	10	1,200,000	
		22-Mar-17	505,000		Cash	10	5,050,000	
		22-Apr-17	150,000		Bonus	10	1,500,000	
Mrs. Shahzadi Begum	Director	10-May-05	22,500	800,000	Cash	10	225,000	10
		10-May-05	52,560		Cash	10	525,000	
		10-May-05	104,940		Cash	10	1,050,000	
		22-Mar-17	530,000		Cash	10	5,300,000	
		22-Apr-17	90,000		Bonus	10	900,000	
Mr. Arafat Rashid	Director	08-Jan-12	225,000	800,000	Cash	10	2,250,000	10
		08-Jan-12	225,000		Cash	10	2,250,000	
		22-Mar-17	125,000		Cash	10	1,250,000	
		22-Apr-17	225,000		Bonus	10	2,250,000	
Ms. Nusrat Mahmud	Director	14-Mar-13	40,000	4,000,000	Cash	10	400,000	10
		22-Mar-17	3,940,000		Cash	10	39,400,000	
		22-Apr-17	20,000		Bonus	10	200,000	
Ms. Nabila Mahmud	Director	13-Feb-18	2,000,000	2,000,000	Cash	10	20,000,000	10

The Company changed the face value of its ordinary share from Tk. 100 to Tk. 10 on 13 November 2011 following special resolutions in the 2<sup>nd</sup> Extra Ordinary General Meeting held on 22 September 2011 and necessary amendments in the capital clause of the Memorandum of Association and Articles of Association were made accordingly.

The above information is based on books and records provided by the management.

Date: 25<sup>th</sup> April, 2019

Place: Dhaka

Sd/-  
**Mahfel Huq & Company**  
 Chartered Accountants

**(d) A detail description of capital built up in respect of shareholding(name-wise) of the Issuer's sponsors or directors.**

							% of the total capital		
Date of allotment/ transfer of fully paid-up shares	Consideration	Nature of issue	No. of equity shares	Face value (BDT)	Issue price/ acquisition price/ transfer prices	Cumulative no. of equity shares	Pre-issue	Post- issue	Sources of fund
(i)Abdullah Al-Mahmud, Chairman									
11-Nov-99	Cash	Ordinary	1,200,000	10	10	4,000,000	16.67%	10.00%	Own source
11-Dec-01	Cash	Ordinary	(180,000)	10	10				
25-Mar-12	Cash	Ordinary	(60,000)	10	10				
25-Mar-12	Cash	Ordinary	(120,000)	10	10				
14-Mar-13	Cash	Ordinary	(40,000)	10	10				
22-Mar-17	Cash	Ordinary	2,800,000	10	10				
22-Apr-17	Bonus	Ordinary	400,000	10	0				Bonus
(ii) Abdullah Hasan, Director									
11-Nov-99	Cash	Ordinary	1,200,000	10	10	4,000,000	16.67%	10.00%	Own source
11-Dec-01	Cash	Ordinary	(180,000)	10	10				
25-Mar-12	Cash	Ordinary	(120,000)	10	10				
22-Mar-17	Cash	Ordinary	2,650,000	10	10				

22-Apr-17	Bonus	Ordinary	450,000	10	10				Bonus
(iii) Abdullah Al-Zahir, Sponsor									
11-Nov-99	Cash	Ordinary	1,200,000	10	10	0	0.00%	0.00%	Own source
11-Dec-01	Cash	Ordinary	(180,000)	10	10				
25-Mar-12	Cash	Ordinary	(120,000)	10	10				
25-Mar-12	Cash	Ordinary	(900,000)	10	10				
(iv) A.H.M. Mozammel Hoque, Director									
11-Nov-99	Cash	Ordinary	600,000	10	10	800,000	3.33%	2.00%	Own source
11-Dec-01	Cash	Ordinary	(300,000)	10	10				
11-Dec-01	Cash	Ordinary	(60,000)	10	10				
25-Mar-12	Cash	Ordinary	60,000	10	10				
22-Mar-17	Cash	Ordinary	2,350,000	10	10				
22-Apr-17	Bonus	Ordinary	150,000	10	10				Bonus
13-Feb-18	Cash	Ordinary	(2,000,000)	10	10				Gift
(v) Arman Islam, Sponsor									
11-Nov-99	Cash	Ordinary	720,000	10	10	0	0.00%	0.00%	Own source
09-Mar-10	Cash	Ordinary	(180,000)	10	10				
11-Dec-01	Cash	Ordinary	(240,000)	10	10				
11-Dec-01	Cash	Ordinary	(300,000)	10	10				
(vi) Md. Tajul Islam, Director									
11-Nov-99	Cash	Ordinary	600,000	10	10	900,000	3.75%	2.25%	Own source
22-Apr-17	Bonus	Ordinary	300,000	10	10				Bonus
(vii) Md. Yousuf Ali, Sponsor									
11-Nov-99	Cash	Ordinary	300,000	10	10	0	0.00%	0.00%	Own source
11-Dec-01	Cash	Ordinary	(150,000)	10	10				
11-Dec-01	Cash	Ordinary	(150,000)	10	10				
(viii) Syed Md. Habibul Huq, Sponsor									
11-Nov-99	Cash	Ordinary	180,000	10	10	0	0.00%	0.00%	Own source
10-May-05	Cash	Ordinary	(22,500)	10	10				
10-May-05	Cash	Ordinary	(52,560)	10	10				

10-May-05	Cash	Ordinary	(104,940)	10	10				
(ix) Soera Zahir, Director									
25-Mar-12	Cash	Ordinary	900,000	10	10	2,000,000	8.33%	5.00%	Own source
22-Mar-17	Cash	Ordinary	650,000	10	10				
22-Apr-17	Bonus	Ordinary	450,000	10	10				Bonus
(x) Nabila Mahmud, Director									
13-Feb-18	Cash	Ordinary	2,000,000	10	10	2,000,000	8.33%	5.00%	Gift
(xi) Asoke Ranjan Kapuria, Director									
11-Dec-01	Cash	Ordinary	60,000	10	10	1,200,000	5.00%	3.00%	Own source
11-Dec-01	Cash	Ordinary	240,000	10	10				
22-Mar-17	Cash	Ordinary	750,000	10	10				
22-Apr-17	Bonus	Ordinary	150,000	10	10				Bonus
(xii) Abdullah Al-Mamun, Director									
11-Dec-01	Cash	Ordinary	180,000	10	10	800,000	3.33%	2.00%	Own source
25-Mar-12	Cash	Ordinary	120,000	10	10				
22-Mar-17	Cash	Ordinary	350,000	10	10				
22-Apr-17	Bonus	Ordinary	150,000	10	10				Bonus
(xiii) Farhana Danesh, Director									
11-Dec-01	Cash	Ordinary	180,000	10	10	955,000	3.98%	2.39%	Own source
25-Mar-12	Cash	Ordinary	120,000	10	10				
22-Mar-17	Cash	Ordinary	505,000	10	10				
22-Apr-17	Bonus	Ordinary	150,000	10	10				Bonus
(xiv) Shahzadi Begum, Director									
10-May-05	Cash	Ordinary	22,500	10	10	800,000	3.33%	2.00%	Own source
10-May-05	Cash	Ordinary	52,560	10	10				
10-May-05	Cash	Ordinary	104,940	10	10				
22-Mar-17	Cash	Ordinary	530,000	10	10				
22-Apr-17	Bonus	Ordinary	90,000	10	10				Bonus
(xv) Arafat Rashid, Director									
08-Jan-12	Cash	Ordinary	225,000	10	10	800,000	3.33%	2.00%	Own source

08-Jan-12	Cash	Ordinary	225,000	10	10				
22-Mar-17	Cash	Ordinary	125,000	10	10				
22-Apr-17	Bonus	Ordinary	225,000	10	10				Bonus
<b>(xvi) Nusrat Mahmud, Director</b>									
14-Mar-13	Cash	Ordinary	40,000	10	10				
22-Mar-17	Cash	Ordinary	3,940,000	10	10	4,000,000	16.67%	10.00%	Own source
22-Apr-17	Bonus	Ordinary	20,000	10	10				Bonus

\* The face value of shares was denominated from Tk. 100 per share to Tk. 10 per share vide special resolution passed on 22 September 2011 in the 2<sup>nd</sup> Extra Ordinary General Meeting by the shareholders of the Company and subsequently which was approved by the RJSC on 13 November 2011.



**(e) Detail of shares issued by the company at a price lower than the issue price**

No shares have been issued by the company at a price lower than the issue price.

**(f) History of significant (5% or more) changes in ownership of securities from inception.**

Date of allotment/ transfer of fully paid-up shares	Nature of issue	No. of equity shares	Cumulative no. of equity shares	% of the total capital	
				Pre-issue	Post-issue
A.H.M. Mozammel Hoque					
11-Nov-99	Ordinary	600,000	800,000	3.33%	2.00%
12-Nov-01	Ordinary	(300,000)			
12-Nov-01	Ordinary	(60,000)			
25-Mar-12	Ordinary	60,000			
22-Mar-17	Ordinary	2,350,000			
22-Apr-17	Ordinary	150,000			
13-Feb-18	Ordinary	(2,000,000)			
Abdullah Al-Zahir					
11-Nov-99	Ordinary	1,200,000	0	0.00%	0.00%
11-Dec-01	Ordinary	(180,000)			
25-Mar-12	Ordinary	(120,000)			
25-Mar-12	Ordinary	(900,000)			
Abdullah Al-Mahmud					
11-Nov-99	Ordinary	1,200,000	4,000,000	16.67%	10.00%
11-Dec-01	Ordinary	(180,000)			
25-Mar-12	Ordinary	(60,000)			
25-Mar-12	Ordinary	(120,000)			
14-Mar-13	Ordinary	(40,000)			
22-Mar-17	Ordinary	2,800,000			
22-Apr-17	Ordinary	400,000			
Abdullah Hasan					
11-Nov-99	Ordinary	1,200,000	4,000,000	16.67%	10.00%
11-Dec-01	Ordinary	(180,000)			
25-Mar-12	Ordinary	(120,000)			
22-Mar-17	Ordinary	2,650,000			
22-Apr-17	Ordinary	450,000			
Asoke Ranjan Kapuria					
12-Nov-01	Ordinary	60,000	1,200,000	5.00%	3.00%
12-Nov-01	Ordinary	240,000			
22-Mar-17	Ordinary	750,000			
22-Apr-17	Ordinary	150,000			
Nabila Mahmud					
13-Feb-18	Ordinary	2,000,000	2,000,000	8.33%	5.00%
Nusrat Mahmud					
14-Mar-13	Ordinary	40,000	4,000,000	16.67%	10.00%
22-Mar-17	Ordinary	3,940,000			
22-Apr-17	Ordinary	20,000			
Soera Zahir					
25-Mar-12	Ordinary	900,000	2,000,000	8.33%	5.00%
22-Mar-17	Ordinary	650,000			
22-Apr-17	Ordinary	450,000			

## Section XIV

### **Corporate Governance**

**(a) A disclosure to the effect that the Issuer has complied with the requirements of Corporate Governance Guidelines of the Commission**

This is to declare that Crystal Insurance Company Limited has been complied with the requirements of the applicable regulations of Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission (BSEC) and accordingly constituted several committees under the board for good governance. A certificate of compliance from competent authority has been incorporated accordingly.

Sd/-

Mia Fazle Karim, FCA

Chief Executive Officer

**Crystal Insurance Company Limited**

**(b) A compliance report of Corporate Governance requirements certified by competent authority**

Report to the Shareholders  
Of  
**Crystal Insurance Company Limited**  
On Compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **Crystal Insurance Company Limited** for the year ended on 31<sup>ST</sup> December 2018. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the company. Our Examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- d) The Governance of the company is satisfactory.

Place: Dhaka

**Dated:**

16.01.19

SD/-

Zaker Ahmed FCA  
Managing Partner  
Ahmed Zaker & Co.  
Chartered Accountants

**Annexure-C**

[As per condition No. 1(5) (xxvii)]

**Corporate Governance Compliance Report**

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put $\checkmark$ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
<b>1</b>	<b>Board of Directors</b>			
1(1)	Size of the Board of Directors: The total number of members of a Company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	$\checkmark$		
<b>1(2)</b>	<b>Independent Directors</b>			
1(2)(a)	At least one-fifth (1/5) of the total number of directors in the Company's Board shall be Independent Directors; any fraction shall be considered to the next integer or whole number for calculating number of Independent Director(s);			2 Independent Directors have been appointed as per Insurance Act, 2010
1(2)(b)(i)	Who either does not hold any share in the Company or holds less than one percent (1%) shares of the total paid-up shares of the Company;	$\checkmark$		
1(2)(b)(ii)	Who is not a sponsor of the Company or is not connected with the Company's any sponsor or director or nominated director or shareholder of the Company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the Company on the basis of family relationship and his or her family also shall not hold above mentioned shares in the Company.	$\checkmark$		
1(2)(b)(iii)	Who has not been an executive of the Company in immediately preceding 2 (two) financial years;	$\checkmark$		
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the Company or its subsidiary or associated Companies;	$\checkmark$		
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock Exchange.	$\checkmark$		

1(2)(b)(vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of Stock Exchange or an intermediary of the capital market;	√		
1(2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3(three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		
1(2)(b)(viii)	Who is not independent director in more than 5(five) listed companies;	√		
1(2)(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank financial Institution (NBFI); and	√		
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude;	√		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting(AGM);	√		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	√		There was no such vacancy
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1(one) tenure only;	√		
<b>1(3)</b>	<b>Qualification of Independent Director</b>			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regularity requirements and corporate laws and can make meaningful contribution to the business;	√		
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up-capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	√		
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up-capital of Tk. 100.00 million or of a listed company; or	√		
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5 <sup>th</sup> Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or	√		
1(3)(b)(iv)	University Teacher who has educational	√		

	background in Economics or Commerce or Business Studies or Law; or			
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	√		
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	N/A		
<b>1(4)</b>	<b>Duality of Chairpersons of the Board of Directors and Managing Director or Chief Executive Officer:</b>			
1(4)(a)	The positions of the Chairpersons of the Board and the Managing Director (MD) and /or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		
1(4)(b)	The Managing Director (MD) and / or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and / or Chief Executive Officer;	√		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
<b>1(5)</b>	<b>The Directors' Report to Shareholders</b>			
1(5)(i)	An industry outlook and possible future developments in the industry;	√		
1(5)(ii)	The segment-wise or product-wise performance;	√		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1(5)(iv)	A discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications(gain or loss);	N/A		The Company has no such gain/loss;
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of	√		

	transactions and basis of transactions of all related party transactions;			
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and / or any other instruments;	N/A		
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for initial Public Offering(IPO), Repeat Public Offering(RPO), Rights Share Offer, Direct Listing, etc;	N/A		
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	N/A		
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	√		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	√		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		
1(5)(xiv)	A statement that International Accounting Standards(IAS) or International Financial Reporting Standards(IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		No doubt regarding going concern issue.
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5(five) years shall be summarized;	√		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	√		
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be	√		



	declared as interim dividend;			
1(5)(xxii)	The total number of Board meeting held during the year and attendance by each director;	√		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares(along with name-wise details where stated below) held by:			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties(name-wise details);	√		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children(name-wise details);	√		
1(5)(xxiii)(c)	Executives; and	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	N/A		
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:			
1(5)(xxiv)(a)	A brief resume of the director;	√		
1(5)(xxiv)(b)	Nature of his her expertise in specific functional areas; and	√		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board;	√		
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		
1(5)(xxv)(c)	Comparative analysis(including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	√		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the	√		

	CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and			
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	√		
<b>1(6)</b>	<b>Meetings of the Board of Directors</b>			
	The company shall conduct its Board Meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		
<b>1(7)</b>	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee(NRC) at condition No. 6, for the Chairperson of the Board, other Board members and Chief Executive Officer of the Company;	√		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentially; conflict of interest, compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	√		
<b>2</b>	<b>Governance of Board of Directors of Subsidiary Company:</b>			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	N/A		CICL has no Subsidiary Company
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	N/A		CICL has no Subsidiary Company
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	N/A		CICL has no Subsidiary Company
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	N/A		CICL has no Subsidiary Company
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	N/A		CICL has no Subsidiary Company
<b>3</b>	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO),</b>			

	<b>Head of Internal Audit and Compliance (HIAC) and Company Secretary.-</b>			
<b>3(1)</b>	<b>Appointment</b>			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO), and a Head of Internal Audit and Compliance (HIAC);	√		
3(1)(b)	The position of the managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO), and Head of Internal Audit and Compliance (HIAC) shall be held by different individuals;	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		
<b>3(2)</b>	<b>Requirement to attend Board of Directors' Meetings</b>			
3(3)(a)(i)	these statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
<b>4</b>	<b>Board of Directors' Committee:</b>			
	For ensuring good governance in the company, The Board shall have at least following sub – committees:			
4(i)	Audit Committee; and	√		
4(ii)	Nomination and Remuneration Committee.	√		
<b>5</b>	<b>Audit Committee:</b>			
<b>5(1)</b>	<b>Responsibility to the Board of Directors</b>			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	√		
5(1)(b)	The Audit committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall	√		

	be clearly set forth in writing.			
<b>5(2)</b>	<b>Constitution of the Audit Committee</b>			
5(2)(a)	The Audit Committee shall be composed of at least 3(three) members;	√		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairpersons of the Board and shall include at least 1(one) independent director;	√		
5(2)(c)	All members of the audit committee should be “financially literate” and at least 1(one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any committee member to be unable to hold office before expiration of the term of service, thus making the number of the committee members to be lower than the prescribed number of 3(three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1(one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	√		
5(2)(e)	The company secretary shall act as the secretary of the Committee;	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1(one) independent director.	√		
<b>5(3)</b>	<b>Chairperson of Audit Committee</b>			
5(3)(a)	The Board shall select 1(one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting(AGM);	√		
<b>5(4)</b>	<b>Meeting of the Audit Committee</b>			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year;	√		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
<b>5(5)</b>	<b>Role of Audit Committee</b>			
	The Audit Committee shall:			

5(5)(a)	Oversee the financial reporting process;	√		
5(5)(b)	Monitor choice of accounting policies and principles;	√		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		
5(5)(d)	Oversee hiring and performance of external auditors;	√		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	√		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	N/A		
5(5)(h)	Review the adequacy of internal audit function;	√		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5(5)(j)	Review statement of all related party transactions submitted by the management;	√		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by the statutory auditors;	√		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	√		
5(5)(m)	Oversee whether the proceeds raised through Internal Public Offering (IPO) or Repeat Public Offering(RPO) or Rights Share Offer have been utilized as per the purpose stated in relevant offer document or prospectus approved by the Commission.	N/A		
<b>5(6)</b>	<b>Reporting of the Audit Committee</b>			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		
5(6)(a)(ii)(a)	Report on conflicts of interests;	N/A		
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	N/A		
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	N/A		
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	√		
<b>5(6)(b)</b>	<b>Reporting to the Authorities</b>			
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the	N/A		

	management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonable ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period 6(six) months from the date of first reporting to the Board, whichever is earlier.			
<b>5(7)</b>	<b>Reporting to the Shareholders and General Investors</b>			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	N/A		
<b>6</b>	<b>Nomination and Remuneration Committee (NRC):</b>			
<b>6(1)</b>	<b>Responsibility to the Board of Directors</b>			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	√		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		
6(1)(c)	The Terms of Reference (TOR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5) (b).	√		
<b>6(2)</b>	<b>Constitution of NRC</b>			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	√		
6(2)(b)	All members of the Committee shall be non-executive directors;	√		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	√		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	√		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180(one hundred eighty) days of occurring such vacancy in the Committee;	√		
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/ or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and / or member(s) of staff shall be required or valuable for the Committee;	√		
6(2)(g)	The company secretary shall act as the secretary of the Committee;	√		
6(2)(h)	The quorum of the NRC meeting shall not	√		

	constitute without attendance of at least an independent director;			
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	√		
<b>6(3)</b>	<b>Chairperson of the NRC</b>			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	√		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	√		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;	√		
<b>6(4)</b>	<b>Meeting of NRC</b>			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	√		
6(4)(b)	The Chairperson of the NRC may convey any emergency meeting upon request by any member of the NRC;	√		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2) (h);	√		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	√		
<b>6(5)</b>	<b>Role of the NRC</b>	√		
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	√		
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	√		
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√		
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	√		
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive	√		



	pay reflection short and long-term performance objectives appropriate to the working of the company and its goal;			
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		
6(5)(b)(iii)	Identification persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommended their appointment and removal to the Board;	√		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	√		
6(5)(b)(v)	Identification the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	√		
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resource and training policies;	√		
6(5)(c)	The company shall disclose the nomination and remuneration police and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	√		
<b>7</b>	<b>External or Statutory Auditors:</b>			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:	√		
7(1)(i)	Appraisal or valuation service or fairness opinions;	√		
7(1)(ii)	Financial information systems design and implementation;	√		
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	√		
7(1)(iv)	Broker-dealer services;	√		
7(1)(v)	Actuarial services;	√		
7(1)(vi)	Internal audit services or special audit services;	√		
7(1)(vii)	Any services that the Audit Committee determines;	√		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
7(1)(ix)	Any other service that creates conflicts of interest.	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company;	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual general Meeting or Extraordinary General Meeting) to ensure the queries of the shareholders.	√		



<b>8</b>	<b>Maintaining a website by the Company:</b>			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		
8(2)	The company shall keep the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
<b>9</b>	<b>Reporting and Compliance of Corporation Governance:</b>			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9(3)	The directors of the company shall state, in accordance with the <b>Annexure-C</b> attached, in the directors' report whether the company has complied with these condition or not.	√		

**(c) Details relating to the Issuers' audit committee and Nomination and Remuneration Committee (NRC):, including the names of the committee, members and asummary of the terms of reference under which the committeesoperate.**

#### **Audit Committee**

In accordance with the currently accepted Best Practice and Corporate Governance Guidelines adopted by Bangladesh Securities and Exchange Commission (BSEC), the Board appointed Audit Committee comprises of the following Non Executive and Independent Directors of the Company:

<b>S1</b>	<b>Name of committee member &amp; position in the Company</b>	<b>Designation in the Committee</b>
1	Dr. M. Waliuzzaman, Independent Director	Chairman
2	Kazi Nasim Uddin Ahmed, Independent Director	Member
3	Mr. A.H.M. Mozammel Hoque, Director	Member
4	Mr. Md. Tajul Islam, Director	Member
6	Ms. Farhana Danesh, Director	Member
7	Ms. Soera Zahir, Director	Member

Mr. S. M. Shahidullah, (Company Secretary) will be act as Committee Secretary.

#### **Terms of reference of Audit Committee**

The main objective of the Audit Committee is to assist the Board of Directors to effectively carry on its responsibilities relating to financial and other relevant affairs of the Company. The Committee is empowered to monitor, review and examine the following: ☐

- Oversee the financial reporting process.
- Monitor implementation/ following the accounting policies and principles.
- Monitor Internal Control Risk Management Process.
- Oversee hiring and performance of external auditors.

- Review along with the management, the Annual Financial Statements before submission to the Board for approval.
- Review along with the management, the Quarterly and Half Yearly Financial Statements before submission to the Board for approval.
- Review the adequacy of Internal Audit team performance in terms of internal audit report.
- Review statement of significant related party transactions submitted by the management.
- Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.
- When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue, the Company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the Company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.

**(Mia Fazle Karim, FCA)**

Chief Executive Officer

Date: **24 January 2019**

#### **Nomination and Remuneration Committee (NRC):**

The Nomination and Remuneration Committee (NRC): consists of the following persons:

<b>Sl</b>	<b>Name of committee member &amp; position in the Company</b>	<b>Designation in the Committee</b>
1	Dr. M. Waliuzzaman, Independent Director	Chairman
2	Mr. A.H.M. Mozammel Hoque, Director	Member
3	Mr. Md. Tajul Islam, Director	Member
4	Ms. Farhana Danesh, Director	Member
5	Mrs. Shahzadi Begum, Director	Member
6	Ms. Soera Zahir, Director	Member
7	Mr. Mia Fazle Karim, FCA, Chief Executive Officer	Member

Mr. S. M. Shahidullah, (Company Secretary) will be act as Committee Secretary.

#### **Summary of terms of reference**

The Remuneration Committee shall be responsible for all elements of the wages/salary/remuneration of all the employees as well as of the Board of Directors and the chairman of the Company, including pension rights and compensation (i.e. damages) payments. Major responsibilities of the committee, among others, include:

- To determine the policy for the wages/salary ("the Policy") (including benefits, compensation and termination payments) of the employees and ensure that the Report is put to Chairman for approval;
- To determine the policy for the remuneration ("the Policy") (including benefits, compensation and termination payments) of the Chairman of the Board, officer, the Board of Directors of the Company and ensure that the Directors' Remuneration Report is put to shareholders for approval at the AGM;
- When setting the Policy for directors, review and have regard to pay and employment conditions across the Company or group, especially when determining annual salary increases;
- To be aware of and oversee any major changes in Policy or employee benefit structures throughout the Company or group;

**(Mia Fazle Karim, FCA)**

Chief Executive Officer

Date: **24 January 2019**

## Section XV

### **Valuation Report of securities prepared by the Issue Manager**

**Valuation report of securities prepared by the Issue Manager****(Rules – 5, (B) (14), Annexure - E)**

**(a) The valuation report of securities to be offered shall be prepared and justified by the Issue Manager on the basis of the financial and all other information pertinent to the issue**

The valuation report of securities prepared and justified by the Issue Manager on the basis of the financial and all other information pertaining to the issue. The fair value is determined under different valuation methods referred in 5(B)(14) under clause no Annexure-E, of Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015.

**(b) To prepare the valuation report, the Issue Manager may consider all qualitative and quantitative factors which shall be explained in details with rationale to consider such factors, the valuation methods used, sources of information and authenticity of such information**

The Issue Manager considered the following qualitative and quantitative factors to prepare the valuation report:

**Qualitative factors**

The factors that differentiate Crystal Insurance Company Limited from their competitors and enable them to compete successfully in the industry are as follows:

- ❖ Experienced Directors
- ❖ Professional management team
- ❖ Favorable government policies for insurance sector
- ❖ No debt liability
- ❖ No default history
- ❖ Consistent Profitability record
- ❖ Good reputation for claim settlement
- ❖ Operational efficiency

**Quantitative factors**

Figures shown in this prospectus are from audited financial statements of Crystal Insurance Company Limited for the year ended on 31 December 2018, 2017, 2016, 2015, 2014, as prepared in accordance with BAS and BFRS.

**Quantitative factors are as follows:**

Net Asset Value (NAV) per share as on 31 December 2018 has been considered.

Earnings based value per share based on last 5 years, i.e., the year ended on 31 December 2018, 2017, 2016, 2015, 2014 weighted average net profit after tax has been considered.

Overall DSE P/E as on January 31, 2019 is considered for determining Earning based value per share.

**(c) While preparing the valuation report, the Issue Manager shall avoid exaggeration and biasness and shall exercise independence and due diligence**

The Issue manager avoided exaggeration and biasness and exercised independence and due diligence in preparing valuation report

The valuation report of securities shall be prepared on the basis of the financial and all other information pertaining to the issue. The fair value is determined under different valuation methods referred in 5(B)(14)

under clause no Annexure-E, of Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015.

(d) The Issue Manager(s) shall, among others, consider the following methods for valuation of the securities

(i) net asset value at historical or current costs

(ii) earning-based-value calculated on the basis of weighted average of net profit after tax for immediate preceding five years or such shorter period during which the Issuer was in commercial operation

(iii) projected earnings for the next three accounting year with rationales of the projection, if not in commercial operation

(iv) average market price per share of similar stocks for the last one year immediately prior to the offer for common stocks with reference and explanation of the similarities or in case of repeat public offering, market price per share of common stock of the Issuer for the aforesaid period.

The following table illustrates the calculation of fair value of Crystal Insurance Company Limited under different methods:

#### Summary of Valuation Report of Securities

	Methods followed	Amount in BDT
Method-1:	Net assets value per share	22.85
Method-2:	Historical earning based value per share	37.28
Method-3:	Average market price per share of similar stocks	18.24
<b>Average price</b>		<b>26.12</b>

#### Method-1 Net assets value per share

NAV=(Net Assets Value/No of outstanding shares)	
Net Assets Value	548,326,761
Outstanding shares	24,000,000
<b>NAV per share</b>	<b>22.85</b>

#### Method-2 Historical earning based value per share

Year	Number of Share	Net Profit After Tax	Weight	Weighted Number of Profit
2014	6,000,000	40,042,204	0.0909	3,640,200
2015	6,000,000	40,970,036	0.0909	3,724,549
2016		45,228,031		4,111,639

	6,000,000		0.0909	
2017	24,000,000	49,772,471	0.3636	18,099,080
2018	24,000,000	67,986,676	0.3636	24,722,428
	<b>66,000,000</b>	<b>243,999,418</b>	<b>1.0000</b>	<b>54,297,896</b>
Weighted Average Net Profit after Tax				54,297,896
Number of shares as on December 31, 2017				24,000,000
Weighted Average Earnings per share				2.26
DSEX P/E on 31 Jan 2019				16.48
Earning Based Value per share				37.28

**Method-3 Average market price per share of similar stocks**

We derived the average price from the trading prices of similar listed non -life insurance companies by taking into consideration the closing prices of those listed companies during the period from January 1, 2018 to December 31, 2018.

**Average market price of similar stock based valuation**

Month end close price						
Sl	Date	Paramount Insurance Company Limited	Global Insurance Company Limited	Continental Insurance Limited	Sonar Bangla Insurance Limited	Standard Insurance Limited
1	31-Jan-18	17.5	14.1	20.6	16.8	30.6
2	28-Feb-18	17.7	13.9	20.5	16.4	29
3	29-Mar-18	15.9	13.6	22.1	15.3	33.4
4	30-Apr-18	15.4	13.6	22.9	15.4	27.6
5	31-May-18	13	12.4	20.7	13.8	32
6	28-Jun-18	13.3	12.4	20	14.4	24
7	31-July-18	13	12.6	18.6	14.2	21.4
8	30-Aug-18	15.3	13.9	20.6	16.3	21
9	30-Sep-18	14.4	15.1	21	15.7	22.2
10	31-Oct-18	14.3	13.4	18.5	14.6	21.8
11	29-Nov-18	13.7	12	17.6	14.3	29.8
12	27-Dec-18	17.4	13.8	18.7	15	37.2
Average Price		15.07	13.4	20.06	15.18	27.5
Average Price of these 5 (five) Stocks						18.24

Source: DSE Monthly Review
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Average market price of similar stock based valuation (Assumption)

1. The average month end close price of the peer Company from January 2018 to December 2018 is considered.

**Explanation for consideration of peer companies:**

- a. Similar sector (Insurance).
- b. Only General Insurance Companies are considered.
- c. 5 listed Insurance Companies out of 47 listed Insurance Companies in DSE (Website, [www.dsebd.org](http://www.dsebd.org).) has been considered for following conservative approach.
- d. Life insurance Companies are not taken into consideration.

**Basis of calculation for determination of valuation of share price of Crystal Insurance Company Limited based on average market price of similar stock listed in DSE under Insurance sector:**

The average Close price of the similar listed companies during the last one year from January 2018 to December 2018 is considered.

**Conclusion:**

From the above calculations, derived values and considering all qualitative and quantitative factors of the Issuer and Insurance industry, performance history and future growth prospective of the Issuer, we may infer that the offered price of Crystal Insurance Company Limited at BDT 10.00/share (par value) is reasonable, since all the derived values are much higher than the offer price. Therefore, the investment by the investors are justified and will be rational.



## Section XVI

### **Debt Securities**

**(a) the terms and conditions of any debt securities that the Issuercompany may have issued or is planning to issue within next sixmonths, including their date of redemption or conversion,conversion or redemption features and sinking fundrequirements, rate of interest payable, Yield to Maturity,encumbrance of any assets of the Issuer against such securitiesand any other rights the holders of such securities may have**

Crystal Insurance Company Limited has not issued or is planning to issue any debt securities within next six months.

**(b) all other material provisions giving or limiting the rights ofholders of each class of debt securities outstanding or beingoffered, for example subordination provisions, limitations on thedeclaration of dividends, restrictions on the issuance ofadditional debt or maintenance of asset ratios**

Crystal Insurance Company Limited has not issued or is planning to issue any debt securities within next six months.

**(c) name of the trustee(s) designated by the indenture for each classof debt securities outstanding or being offered and describe thecircumstances under which the trustee must act on behalf of the debt holders**

Crystal Insurance Company Limited has not issued or is planning to issue any debt securities within next six months. Therefore, there are no such trustees for this issue.

**(d) repayment or redemption or conversion status of suchsecurities.**

Crystal Insurance Company Limited has not issued or is planning to issue any debt securities within next six months. Therefore, there are no such repayments or redemption or conversion status of such securities.

## Section XVII

### **Parties involved and their responsibilities**

Sl	Parties	Name of Parties	Key Responsibilities
(a)	Issue manager(s)	Sonar Bangla Capital Management Limited	The Issue Manager will assist the Issuer in managing the proposed initial public issue of shares under purview of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015
(b)	Underwriters	1. Sonar Bangla Capital Management Limited 2. GSP Investments Limited	In case of under-subscription in any category by up to 35% in the initial public offer, the unsubscribed portion of securities shall be taken up by the underwriter on firm commitment basis.
(c)	Statutory Auditors	Mahfel Huq& Co.	To express an opinion on the financial statements based on their audit. Auditor will conduct the audit in accordance with Bangladesh Standards on Auditing and related laws and regulations.
(d)	Cost Auditor	N / A	
(e)	Valuer	N / A	
(f)	Credit Rating Company	Credit Rating Agency of Bangladesh	The credit rating Company is responsible for conducting the rating regarding creditworthiness of The Company in short term and long term.

## Section XVIII

### **Material contracts**

**(a) Major agreements entered into by the Issuer**

The following are material contracts have been entered into by the Company:

1. Issue Management agreement between the Company and Sonar Bangla Capital Management Limited
2. Underwriting agreement between the Company and with the following underwriters:
  - a. Sonar Bangla Capital Management Limited
  - b. GSP Investments Limited

**(b) Material parts of the agreements**

Material part of the agreement with Issue Manager

<b>Particulars</b>	<b>Issue Management Agreement</b>
Name of Issue Manager	Sonar Bangla Capital Management Limited
Date of Agreement	November 8, 2017
Major terms and Condition	<p><b>Regulatory compliance</b></p> <ol style="list-style-type: none"><li>a. Filing of application of the PUBLIC ISSUE to the Bangladesh Securities and Exchange Commission (BSEC).</li><li>b. Preparation of prospectus.</li><li>c. Contacting and arranging underwriting for the amount as needed by rules of the proposed share issue.</li><li>d. Contacting and finalizing arrangement with Securities Trading Houses to collect Public Issue subscription money in consultation with the Issuer.</li><li>e. Filing of prospectus to BSEC.</li><li>f. Incorporation of modification suggested by BSEC.</li><li>g. Obtaining approval from BSEC.</li><li>h. Preparation of all necessary papers and deeds for submission to BSEC for making the PUBLIC ISSUE effective.</li><li>i. Filing of the BSEC approved prospectus with the Registrar of Joint Stock Companies and Firms (RJSC).</li><li>j. Contacting and finalizing appointment of Post Issue Manager under separate terms &amp; conditions to deal with the matters as required, upon close of subscription of the Issue.</li><li>k. Advising the Issuer, Post Issue Manager to provide compliance reports to BSEC as required by law, in obtaining basis of allotment from BSEC, in arranging lottery (if required), supervising distribution of Securities &amp; Refund Warrants.</li><li>l. Advising Company in completing formalities with CDBL &amp; Stock Exchanges for listing.</li></ol> <p><b>Underwriting Co-operation</b></p> <ol style="list-style-type: none"><li>a. Preparation of company brief for the Underwriters.</li><li>b. Documentation/preparation of underwriting agreement etc.</li><li>c. Placing of underwriting proposals.</li></ol> <p><b>Issue Arrangements</b></p> <ol style="list-style-type: none"><li>a. Contacting and finalizing arrangement with Securities Trading Houses to collect Public Issue subscription money in consultation with the Issuer.</li></ol>

	<ul style="list-style-type: none"> <li>b. Filing of application for listing with Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. (CSE).</li> <li>c. Finalizing documentation for listing.</li> <li>d. Listing formalities with CDBL.</li> </ul> <p><b>COVENANTS OF THE ISSUER</b></p> <ul style="list-style-type: none"> <li>a. Without prejudice hereby declares it agrees to comply with all statutory formalities under the Companies Act 1994, Guidelines issued by the Bangladesh Securities and Exchange Commission and other relevant Organizations to make the issue successful.</li> <li>b. Issuer undertakes and declares that all information would be made available to the Issue Manager as per requirement. It would not give any statement, which is likely to mislead the investor.</li> </ul> <p><b>COVENANTS OF THE ISSUE MANAGER</b></p> <ul style="list-style-type: none"> <li>❖ Without prejudice to other stipulations relative to the responsibility of the Manager who will remain responsible towards the strict compliance of this Agreement and to comply with all terms therein.</li> </ul>
Termination of Agreement	This agreement may be terminated by mutual written agreement.

Material part of the agreement with underwriters

Particulars	Underwriting Agreement
Name of Issue Manager	<ul style="list-style-type: none"> <li>1. Sonar Bangla Capital Management Limited</li> <li>2. GSP Investments Limited</li> </ul>
Date of Agreement	March 13, 2018
Major terms and Condition	<ul style="list-style-type: none"> <li>1. The IPO shall stand cancelled if at least 65% in any category of the IPO is not subscribed.</li> <li>2. In case of under subscription in any category by up to 35% of the IPO the under-subscribed securities shall be taken up by the underwriters.</li> <li>3. Notwithstanding anything contained in the agreement in case of inconsistency between the provision of the agreement and the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the Public Issue Rules shall prevail.</li> <li>4. Prior to publication of the prospectus, the Company shall have obtained consent from the Bangladesh Securities and Exchange Commission permitting the issue as described in Article 2.02 and providing for payment of underwriting commission <b>0.50% (Zero point five zeropercent)</b> on the amount underwritten.</li> <li>5. If and to the extent that the shares offered to the public by a Prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the Closing Date, the Company shall within <b>10 (ten) days</b> of the closure of subscription call upon the underwriters in writing with a copy of the said writing to the Bangladesh Securities and Exchange Commission, to subscribe the shares not so subscribed by the closing date and to pay for in cash in full, inclusive of any premium if applicable, for such unsubscribed shares within <b>15 (fifteen) days</b> after being called upon to do so. The amount so received shall be credited to the share subscription account of the Company within the said period. If payment is made by Cheque/ Bank Draft by the Underwriter,</li> </ul>

	<p>it will be deemed that the Underwriter has not fulfilled his obligation towards his underwriting commitment under this Agreement, until such time as the Cheque/Bank Draft has been encashed and the Company's share subscription account credited.</p> <p>In any case within <b>7 (seven) days</b> after the expiry of the aforesaid <b>15 (fifteen) days</b>, the Company shall send proof of subscription and payment by the Underwriters to the Commission.</p> <p>In the case of failure by the underwriter to pay for the shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under this Agreement.</p>
Termination of Agreement	This agreement may be terminated by mutual written agreement.

**(c) Fees payable to different parties.****Issue management fee**

Sonar Bangla Capital Management Limited is the Manager to the Issue. The Issue Management fee is BDT 1,600,000 (Sixteen Lacs) only.

**Underwriting fee**

The underwriters shall get 0.50% on the 35% of public offer amount as underwriting fee.



## Section XIX

### **Outstanding Litigations, Fine or Penalty**

**(a) The following litigations including outstanding litigations against the Issuer or any of its directors and fine or penalty imposed by any authority.**

The Issuer or Directors of Crystal Insurance Company Limited was not involved in any of the following types of legal proceedings are mentioned below:

(i) Litigation involving Civil Laws	There is no conviction of the Issuer or director (s) in a civil proceeding.
(ii) Litigation involving Criminal Laws	There is no conviction of the Issuer or director (s) in a criminal proceeding.
(iii) Litigation involving Securities, Finance and Economic Laws	There is no order, Judgement or decree of any court of competent jurisdiction against the Issuer or director(s) permanently or temporarily enjoying, barring , suspending or otherwise limiting the involvement of any director(s) or officer in any type of securities , Finance and Economic Laws.
(iv) Litigation involving Labor Laws	There is no conviction of the Issuer or director (s) in connection to applicable labor Laws.
(v) Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes or duties)	There is no conviction of the Issuer or director (s) in connection to Taxation (Income tax, VAT, Customs Duty and any other taxes/duties).
(vi) Litigation involving any other Laws	There is no Litigation involving any other Laws.

**(b) Cases including outstanding litigations filed by the Company or any of its directors:**

There are no outstanding cases filed by the Company except taxation (in 2007) or any of its directors to any of the following types of legal proceedings mentioned below:

(i) Litigation involving Civil Laws	No cases filed by the Company or any of its Directors
(ii) Litigation involving Criminal Laws	No cases filed by the Company or any of its Directors
(iii) Litigation involving Securities, Finance and Economic Laws	No cases filed by the Company or any of its Directors
(iv) Litigation involving Labor Laws	No cases filed by the Company or any of its Directors
(v) Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes or duties)	Case filed by the Company against Commissioner of taxes (LTU) in High court division. In 2007 or any of its Directors
(vi) Litigation involving any other Laws	No cases filed by the Company or any of its Directors

Information regarding Tax litigation for 2007 and other years, if any, (origination, suit filing, case No., hearing, next date of hearing, current status etc.) are required to be disclosed as per rule 5 [Annexure E (B)(18)(b)(v)] of the BSEC (PI) Rules, 2015

Origination	Suit filing	Case No	Hearing	Next date of hearing	Current status
Disallowed of excess management Expenses tk 2,88,45,762/- by appellate Tribunal	Suit filing in High Court Division (26/01/2014)	54/2014	Not Yet	Not Yet	Pending

Except as follows:

**Income tax:** Income Tax assessment of Crystal Insurance Company Limited for the financial year ended December 31, 2000 to 2006 is completed. Year wise income tax status of the company from the financial years from 2007 to 2018 is as under:

Accounting Year	Asst. Year	Status
2007	2008-09	The tax authority assessed tax tk. 133,66,504 with simple interest Tk. 18,55,449/- as per demand notice U/S 135 dated 07.06.2012 and an appeal has been made against the learned CT (LTU) order to High Court Division and the decision is pending before High Court Division.
2008	2009-10	The Income Tax Return was submitted to Deputy commissioner of Taxes, Circle -Large Taxpayer Unit (LTU), Zone-LTU Dhaka U/S 82BB. As per demand notice U/S 135 Dated 30.09.2013 present tax demand is Tk. 28,437/- but an application has been made by CICL U/S 173 for refund adjustment of Tk. 5,06,471/-.
2009	2010-11	The Income Tax Return was submitted to Deputy commissioner of Taxes, Circle -Large Taxpayer Unit (LTU), Zone-LTU Dhaka U/S 82BB. As per demand notice U/S 135 Dated 30.09.2013 present tax demand is nil but an application has been made by CICL U/S 173 for refund Tk. 17,22,097/- as DCT charged excess tax .
2010	2011-12	The tax authority assessed tax tk.98,66,812 with simple interest Tk. 14,88,007/- as per demand notice U/S 135 dated 19.09.2013 but appeal has been made against the learned CT (LTU) order to Taxes Appellate Tribunal Division. The status que order has been given by the Appellate Tribunal Division
2011	2012-13	The tax authority assessed tax tk.2,25,64,173 with simple interest Tk. 29,93,477/- as per demand notice U/S 135 dated 23.04.2015 and an appeal has been made against the learned CT (LTU) order to Taxes Appellate Division and the decision is pending before Taxes Appellate Division.
2012	2013-14	The tax authority assessed tax tk.2,35,11,328 with simple interest Tk. 33,17,280/- as per demand notice U/S 135 dated 15.03.2017 and an appeal has been made against the learned CT (LTU) order to Taxes Appellate Division and the decision is pending before Taxes Appellate Division.
2013	2014-15	The tax authority assessed tax tk 2,70,81,097 with simple interest Tk. 41,19,111/- as per demand notice U/S 135 dated 15.03.2017 and an appeal has been made against the learned CT (LTU) order to Taxes Appellate Division and the decision is pending before Taxes Appellate Division.
2014	2015-16	The Income Tax Return was submitted to Deputy commissioner of Taxes, Circle -Large Taxpayer Unit (LTU), Zone-LTU Dhaka U/S 82BB. The DCT Certify that " Assessment has been completed for the assessment year 2015-2016"
2015	2016-17	The Income Tax Return was submitted to Deputy commissioner of Taxes, Circle -Large Taxpayer Unit (LTU), Zone-LTU Dhaka U/S 82BB. The DCT Certify that " Assessment has been completed for the assessment year 2016-2017"
2016	2017-18	The Income Tax Return was submitted to Deputy commissioner of Taxes, Circle -Large Taxpayer Unit (LTU), Zone-LTU Dhaka U/S 82BB. The DCT Certify that "Assessment has been completed for the assessment year 2017-2018"
2017	2018-19	The Income Tax Return was submitted to Deputy commissioner of Taxes, Circle -Large Taxpayer Unit (LTU), Zone-LTU Dhaka U/S 82BB. The DCT Certify that " Assessment has been completed for the assessment year 2018-2019"

**VAT:** The Commissioner of Customs, Excise & VAT Commissionerate, Dhaka (South), Dhaka vide their letter No. 4/gmK/8(207)/Ki dmK/iePvi/17, dated 24/09/17 demanded an amount of VAT Tk. 2,933,948 & Tk. 11,73,579/- interest for the period 2016. The Company has submitted necessary papers and documents vide letter No. umAvBimGj/uml/umme/2017/3572 dated 19/10/2017 against such unacceptable demand of the Commissioner of Customs, Excise & VAT Commissionerate, Dhaka (South), Dhaka and the VAT Authority has not given any decision till to date. A application file in appellate tribunal against this order on 11/10/2018 and this matter in on process.

**IDRA:**

The Issuer had to pay penalty to Insurance Development Regulatory Authority (IDRA) for delay in offering shares to general public:

<u>Particulars</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Amount</b>	Nil	1,825,000	1,825,000	1,825,000	370,000

## Section XX

### **Risk Factors and Management's Perceptions about the Risks**

**The disclosures of Risk factors:**

- (i) Internal risk factors;
- (ii) External risk factors.

**(i) Internal risk factors may include, among others:****(a) Credit Risk;**

Credit risk refers to the risk that a borrower may not repay a loan and that the lender may lose the principal of the loan or the interest associated with it. Credit risk arises because borrowers expect to use future cash flows to pay current debts; it's almost never possible to ensure that borrowers will definitely have the funds to repay their debts. Interest payments from the borrower or Issuer of a debt obligation are a lender's or investor's reward for assuming credit risk.

**Management perception**

The Issuer does not provide any loans, so there is no Credit Risks for the Issuer.

**(b) Liquidity Risk;**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they are due. Liquidity risk arises due to insufficient fund to meet up short and long term liability.

**Management perception**

Crystal Insurance Company Limited has sufficient premium& as well as cash and cash equivalents (including FDR) is to ensure any unforeseen claim or payment. So it is expected that liquidity risk shall not impact on the Issuer to a large extent to run the day to day business operation.

**(c) Risk associated with the Issuer's interest in subsidiaries, joint ventures and associates;**

Return of investment of the holding Company may be eroded due to conflict of interest among the group or any significant financial loss of the subsidiary and associates Company.

**Management perception**

The Company does not have any subsidiaries, joint venture and associates companies. So there are no such possibilities of risk in this respect.

**(d) Significant revenue generated from limited number of customers, losing any one or more of which would have a material adverse effect on the Issuer;**

The revenue of the Company exposed to hindrance due to significant portion of revenue generated from concentrated customer.

**Management perception**

The revenue of Crystal Insurance Company Limited is generated from customers spread over the whole country.

**(e) Dependency on a single or few suppliers of raw materials, failure of which may affect production adversely;**

Interruption in raw material supply may impeded of smooth production process.

**Management perception**

Crystal Insurance Company Limited does not require any raw materials because the Company delivers insurance services to its clients.

**(f) More than 20% revenue of the Issuer comes from sister concern or associate or subsidiary;**

Revenue would be concentrated if it comes from sister concern or associate or subsidiary Company

**Management perception**

The Company does not have any associate or subsidiary or sister concern.

**(g) Negative earnings, negative cash flows from operating activities, declining turnover or profitability, during last five years, if any;**

Any history of negative earnings, negative cash flows from operating activities, declining turnover or profitability may impede the confidence of the investors for future potentiality of the Company

**Management perception**

The Company has positive track record of earnings and cash flow from operation last five years and expected to hold this trend in future.

**(h) Loss making associate or subsidiary or group companies of the Issuer;**

The Company may have exposed to risk of contagion which refers that the financial problem, especially insolvency, of one member of a group will bring about deterioration in the condition of all members.

**Management perception**

The Company has neither any associate or subsidiary Company nor any group which are loss making. So no risk shall be arisen in this respect.

**(i) Financial weakness and poor performance of the Issuer or any of its subsidiary or associates;**

Financial performance has material impact on the sustainability of the Company as going concern. There are certain things that can't be foreseen and even apprehend beforehand and which are absolutely beyond one's control like natural disaster or calamities, war, strike, riot, international sanction etc. Happening of such event may cause CICL financially weak and results in poor performance

**Management perception**

From the financial indicators it would be evident that the company has been running profitably since last 5 years and Management does not perceive any such event that may adversely impact the operation or financial results of the company in coming years. CICL has also taken required measures to minimize certain risks through shifting the same to third parties like insurance company for its own property & 40% of the policy business are also being reinsured by Shadharan Bima Corporation..

**(j) Decline in value of any investment;**

Investment value might rise or fall because of market conditions (market risk). Corporate decision, such as whether to expand into a new area of business or merge with another Company, can affect the value of investment

**Management perception**

ROI of the Company during the last five years was positive. So it is expected that the trend of ROI in future shall be positive. CICL has an effective & efficient management which is currently earning 13.6% ROI.

**(k) Risk associated with useful economic life of plant and machinery, if purchased in second hand or reconditioned;**

The Company shall not be able to operate its business longer period due to limited life of plant and machinery

**Management perception**

The Company provides insurance services. There are no requirement of plants and machineries.

**(l) Adverse effect on future cash flow if interest free loan given to related party or such loans taken from directors may recalled;**

There are possibilities of a holding Company to expand through the use of debt or leverage, building an intricate corporate structure which can include unrealized values, thus creating a risk if interest rates on obligations or the evaluation of assets posted as guarantee for loans alter radically

**Management perception**

Crystal Insurance Company Limited does not have any or have no plan to provide or take any interest free loan to any related parties or any of its directors.

**(m) Potential conflict of interest, if the sponsors or directors of the Issuer are involved with one or more ventures which are in the same line of activity or business as that of the Issuer and if any supplier of raw materials or major customer is related to the same sponsors or directors;**

Conflict of interest between the Issuer and its suppliers or major customer arise due to common management may create impediment in the day to day business operational process.

**Management perception**

None of the Sponsors or Directors are involved in the any other business in the same line and holds any position or own any stake in the business of its supplier or customer. So no conflict would arise in this respect.

**(n) Related party transactions entered into by the Company those may adversely affect competitive edge;**

In many cases related party transaction are under taken in the course of the normal business of an entity, in view of the nature of related party relationships and transactions they may carry a higher risk about the ability of the Company to continue in business as a going concern- if the entity's interest is constantly subordinated to that of related party. Sometimes related party relationships and transactions may be difficult to identify and reported by the entity and subject to increased risk of fraud due to extensive and complex network of relationship sometimes put in place to obfuscate control of the entity, making related party transactions difficult to unravel. Sometime risk arises in the related party transaction due to entity's information systems may not be effective in identifying and recording related party relationship and transaction.

**Management perception**

The Company provides adequate disclosures in the audited financial statements which is sufficient about its related party transaction and also have no material impact on CICL businesses & operation. So there are no such possibilities of conflict in this respect.

**(o) Any restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement for debt or preference shares or any restrictive covenants of banks in respect of the loan/ credit limit and other banking facilities;**

The future business process or revenue may hinder by any such restrictive covenants stipulated in the agreements with shareholders, with sponsor or any loan agreement with the bank or financial institutes.

**Management perception**

No such restrictive covenants persist with any shareholders, sponsor or any bank loan facility.

**(p) Business operations may be adversely affected by strikes, work stoppages or increase in wage demands by employees;**

Every industry is operating mutually by workers and management mutual understanding. Owners are always concern about the worker's demand. There was precedence in past regarding workers' violence in street,



huge vandalism and put fire on motor vehicle causes a serious damage of the Company properties. Sometimes workers demanded more salary and stopped work which also create financial loss to the Company.

**Management perception**

Crystal Insurance Company Limited is service oriented Company. There were no incidents for which the business operation of the Company was stopped.

**(q) Seasonality of the business of the Issuer;**

Revenue of the Company would be affected if the business is seasonal.

**Management perception**

The business of the Issuer does not depend on any season as demand for insurance service remain the same throughout the year.

**(r) Expiry of any revenue generating contract that may adversely affect the business;**

The revenue would be squeezed if any contract for which revenue generated had expired.

**Management perception**

There are no such contract that may adversely affect the future revenue.

**(s) Excessive dependence on debt financing which may adversely affect the cash flow;**

The Company may expose to high degree of risk and its future cash flow from operation shall be squeezed due to financial expense.

**Management perception**

Crystal Insurance Company Limited does not have any debt liability, so there no risk in this regard.

**(t) Excessive dependence on any key management personnel absence of whom may have adverse effect on the Issuer's business performance;**

Key management personnel have key role in the organization for smooth operation of the Company. If key management personnel turnover is high that's have adverse impact on the organizational day to day activities.

**Management perception**

The work responsibility is so organized that the second line of key management personnel is always existent to take over the vacant position for any key management.

**(u) Enforcement of contingent liabilities which may adversely affect financial condition;**

Contingent liabilities are likely to have a negative impact on a Company's stock share price because they threaten to reduce the Company's assets and net profitability. The extent of the impact on share price depends on the estimated probability of the contingent liabilities becoming actual liabilities.

**Management perception**

There is no possibility of enforcing contingent liabilities that may adversely affect financial condition against the Company except as follows:

**VAT:** The Commissioner of Customs, Excise & VAT Commissionerate, Dhaka (South), Dhaka vide their letter No. 4/gmK/8(207)/Ki dmk/mePri/17, dated 24/09/17 demanded an amount of VAT Tk. 2,933,948 & Tk. 11,73,579/- interest for the period 2016. The Company has submitted necessary papers and documents vide letter No. wAvBumGj/wml/wrmve/2017/3572 dated 19/10/2017 against such unacceptable demand of the Commissioner of Customs, Excise & VAT Commissionerate, Dhaka (South), Dhaka and the VAT Authority

has not given any decision till to date. A application file in appellate tribunal against this order on 11/10/2018 and this matter in on process.

**Income tax:** Income Tax assessment of Crystal Insurance Company Limited for the financial year ended December 31, 2000 to 2006 is completed. Year wise income tax status of the company from the financial years from 2007 to 2018 is as under:

Accounting Year	Asst. Year	Status
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2008	2009-10	The Income Tax Return was submitted to Deputy commissioner of Taxes, Circle -Large Taxpayer Unit (LTU), Zone-LTU Dhaka U/S 82BB. As per demand notice U/S 135 Dated 30.09.2013 present tax demand is Tk. 28,437/- but an application has been made by CICL U/S 173 for refund adjustment of Tk. 5,06,471/-.
2009	2010-11	The Income Tax Return was submitted to Deputy commissioner of Taxes, Circle -Large Taxpayer Unit (LTU), Zone-LTU Dhaka U/S 82BB. As per demand notice U/S 135 Dated 30.09.2013 present tax demand is nil but an application has been made by CICL U/S 173 for refund Tk. 17,22,097/- as DCT charged excess tax .
2010	2011-12	The tax authority assessed tax tk.98,66,812 with simple interest Tk. 14,88,007/-as per demand notice U/S 135 dated 19.09.2013 but appeal has been made against the learned CT (LTU) order to Taxes Appellate Tribunal Division. The status que order has been given by the Appellate Tribunal Division
2011	2012-13	The tax authority assessed tax tk.2,25,64,173 with simple interest Tk. 29,93,477/-as per demand notice U/S 135 dated 23.04.2015 and an appeal has been made against the learned CT (LTU) order to Taxes Appellate Division and the decision is pending before Taxes Appellate Division.
2012	2013-14	The tax authority assessed tax tk2,35,11,328 with simple interest Tk. 33,17,280/-as per demand notice U/S 135 dated 15.03.2017 and an appeal has been made against the learned CT (LTU) order to Taxes Appellate Division and the decision is pending before Taxes Appellate Division.
2013	2014-15	The tax authority assessed tax tk 2,70,81,097 with simple interest Tk. 41,19,111/-as per demand notice U/S 135 dated 15.03.2017 and an appeal has been made against the learned CT (LTU) order to Taxes Appellate Division and the decision is pending before Taxes Appellate Division.
2014	2015-16	The Income Tax Return was submitted to Deputy commissioner of Taxes, Circle -Large Taxpayer Unit (LTU), Zone-LTU Dhaka U/S 82BB. The DCT Certify that " Assessment has been completed for the assessment year 2015-2016"
2015	2016-17	The Income Tax Return was submitted to Deputy commissioner of Taxes, Circle -Large Taxpayer Unit (LTU), Zone-LTU Dhaka U/S 82BB. The DCT Certify that " Assessment has been completed for the assessment year 2016-2017"
2016	2017-18	The Income Tax Return was submitted to Deputy commissioner of Taxes, Circle -Large Taxpayer Unit (LTU), Zone-LTU Dhaka U/S 82BB. The DCT Certify that "Assessment has been completed for the assessment year 2017-2018"
2017	2018-19	The Income Tax Return was submitted to Deputy commissioner of Taxes, Circle -Large Taxpayer Unit (LTU), Zone-LTU Dhaka U/S 82BB. The DCT Certify that " Assessment has been completed for the assessment year 2018-2019"

If any unforeseen event occurs due to exercise of contingent liability in case of Income Tax, the Company shall be able to mitigate the demand through Liquidity.

**(v) Insurance coverage not adequately protect against certain risks of damages**

The Company shall expose to significant loss if its assets are not properly covered by insurance.

**Management perception**

Insurance coverage of all its assets are done with the company itself and reinsured with Sadharan Bima Corporation. In the case of high volume of insurance claim, It will be recover from Sadharan Bima Corporation by way of reinsurance ceded.

**(w) Absence of assurance that directors will continue its engagement with Company after expiry of lock in period;**

The Company may expose to certain risk to operate its day to day business operations if current directors engagement discontinue after expiry of lock in period.

**Management perception**

All the Directors of the Issuer company are either Sponsor Directors or their heirs. Their belonging to the CICL is from the inception of the company. As such it may be expected that none of the directors will discontinue their relationship with CICL after lock in period.

**(x) Ability to pay any dividends in future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure.**

Any future dividend payment depends on the future revenue generation. Any negative earnings in future shall be hindered future financial stability of the Company.

**Management perception**

Operational trends of CICL indicates positive growth in respect of revenue and net profit so it may be expected that this positive trend will continue in future years also and as such CICL is expected to face no difficulties in paying dividends to investors.

**(y) History of non-operation, if any and short operational history of the Issuer and lack of adequate background and experience of the sponsors;**

The Company may appear in disrupt of future operation if it had any non-operation history or short operational history which may repeated in future or lack of adequate background and experience of the sponsor have some operational risk due to complex nature of problem shall not be resolved without having proper knowledge.

**Management perception**

In previous years there is no history of discontinuation of operation. All the directors and shareholders being associated with the company since its inception 1999, no question of lack of experience in insurance business arise.

**(z) Risks related to engagement in new type of business, if any;**

Entrepreneurs face many challenges when starting a new business. A depressed economy, uncertain market conditions and financial struggles all pose a legitimate threat to the successful launch of a new Company.

**Management perception**

The management of Crystal Insurance Company Limited has not conceived or expected to conceive in future any new type of business under the banner of Issuer company.

**(aa) Risk in investing the securities being offered with comparison to other available investment options;**

The Company would be exposed off potential financial distress if return on invest is low compare to alternative investment options they have.

**Management perception**

Analysis of operational data for last five years indicate that EPS never came below BDT 2.41 indicating 20% earnings. None of the currently recognized and investment opportunities offer this level of return on investment. So it may be said that there is less risk in investing in securities of Crystal Insurance Company Limited.

**(bb) Any penalty or action taken by any regulatory authorities for non-compliance with provisions of any law;**

The Company shall have risk to expose of eroded its brand name and goodwill in case of penalty or action taken by the regulatory authority.

**Management perception**

The Issuer had to pay penalty to Insurance Development Regulatory Authority (IDRA) for delay in offering shares to general public.

**(cc) Litigations against the Issuer for Tax and VAT related matters and other government claims, along with the disclosures of amount, period for which such demands or claims are outstanding, financial implications and the status of the case;**

Any litigation in terms of unsettled tax, VAT or any other Govt. claim that may hamper business operation of the Issuer as well as may create future potential financial losses.

**Management perception**

There is no possibility of enforcing contingent liabilities that may adversely affect financial condition against the Company except as follows:

**VAT:** the Commissioner of Customs, Excise & VAT Comissionerate, Dhaka (South), Dhaka vide their letter No. 4/gmK/8(207)/Ki dmiK/wePri/17, dated 24/09/17 demanded an amount of VAT Tk. 2,933,948 & Tk. 11,73,579/- interest for the period 2016. The Company has submitted necessary papers and documents vide letter No. umAvBumGj/uml/umme/2017/3572 dated 19/10/2017 against such unacceptable demand of the Commissioner of Customs, Excise & VAT Comissionerate, Dhaka (South), Dhaka and the VAT Authority has not given any decision till to date. A application file in appellate tribunal against this order on 11/10/2018 and this matter in on process.

**Income Tax:** Income Tax assessment of Crystal Insurance Company Limited for the financial year ended December 31, 2000 to 2006 is completed. Year wise income tax status of the company from the financial years from 2007 to 2018 is as under:

Accounting Year	Asst.Year	Status
2007	2008-09	The tax authority assessed tax tk. 133,66,504 with simple interest Tk. 18,55,449/- as per demand notice U/S 135 dated 07.06.2012 and an appeal has been made against the learned CT (LTU) order to High Court Division and the decision is pending before High Court Division.
2008	2009-10	The Income Tax Return was submitted to Deputy commissioner of Taxes, Circle -Large Taxpayer Unit (LTU), Zone-LTU Dhaka U/S 82BB. As per demand notice U/S 135 Dated 30.09.2013 present tax demand is Tk. 28,437/- but an application has been made by CICL U/S 173 for refund adjustment of Tk. 5,06,471/-.
2009	2010-11	The Income Tax Return was submitted to Deputy commissioner of Taxes, Circle -Large Taxpayer Unit (LTU), Zone-LTU Dhaka U/S 82BB. As per demand notice U/S 135 Dated 30.09.2013 present tax demand is nil but an application has been made by CICL U/S 173 for refund Tk. 17,22,097/- as DCT charged excess tax .
2010	2011-12	The tax authority assessed tax tk.98,66,812 with simple interest Tk. 14,88,007/- as per demand notice U/S 135 dated 19.09.2013 but appeal has been made against the learned CT (LTU) order to Taxes Appellate Tribunal Division. The status que order has been given by the Appellate Tribunal Division
2011	2012-13	The tax authority assessed tax tk.2,25,64,173 with simple interest Tk. 29,93,477/- as per demand notice U/S 135 dated 23.04.2015 and an appeal has been made against the learned CT (LTU) order to Taxes Appellate Division and the decision is pending before Taxes Appellate Division.
2012	2013-14	The tax authority assessed tax tk.2,35,11,328 with simple interest Tk. 33,17,280/- as per demand notice U/S 135 dated 15.03.2017 and an appeal has been made against the learned CT (LTU) order to Taxes Appellate Division and the decision is pending before Taxes Appellate Division.
2013	2014-15	The tax authority assessed tax tk.2,70,81,097 with simple interest Tk. 41,19,111/- as per demand notice U/S 135 dated 15.03.2017 and an appeal has been made against the learned CT (LTU) order to Taxes Appellate Division and the decision is pending before Taxes Appellate Division.
2014	2015-16	The Income Tax Return was submitted to Deputy commissioner of Taxes, Circle -Large Taxpayer Unit (LTU), Zone-LTU Dhaka U/S 82BB. The DCT Certify that " Assessment has been completed for the assessment year 2015-2016"
2015	2016-17	The Income Tax Return was submitted to Deputy commissioner of Taxes, Circle -Large Taxpayer Unit (LTU), Zone-LTU Dhaka U/S 82BB. The DCT Certify that " Assessment has been completed for the assessment year 2016-2017"
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2017	2018-19	The Income Tax Return was submitted to Deputy commissioner of Taxes, Circle -Large Taxpayer Unit (LTU), Zone-LTU Dhaka U/S 82BB. The DCT Certify that " Assessment has been completed for the assessment year 2018-2019"

If any unforeseen event occurs due to exercise of contingent liability in case of Income Tax, the Company shall be able to mitigate the demand through Liquidity.

**(dd) Registered Office or factory building or place of operation is not owned by the Issuer;**

If office and factory location is not owned by the Company business operation may hamper.

**Management perception**

The Company's Registered Office is situated at DR Tower (14th floor), 65/2/2, Purana Paltan, Box Culvert Road, Dhaka-1000. Buying arrangement with the owner of the floor is finalized at an agreed price of total BDT 245,932,000/- and by the end of 2017 full payment has already been made against the floor at 65/2/2 Purana Paltan, Box Culvert Road, Dhaka. The area of the floor space is 13,996sqft. The area of floor space is registered in the name of CICL.

**(ee) Lack of renewal of existing regulatory permissions or licenses;**

Non-renewal of license may hamper day to day business operation of the Company.

**Management perception**

All licenses are valid and up dated. The company has assigned officers to look after regulatory affairs who are always careful about renewal of all its regulatory licenses in timely manner.

**(ff) Failure in holding AGM or declaring dividend or payment of interest by any listed securities of the Issuer or any of its subsidiaries or associates;**

There may have legislative impact on business operation of any group Company by any judgment of Honorable High court in case of failure of any listed Company of the group for not comply with the state laws such as The Companies Act 1994 or payment of dividend to the shareholders in due course.

**Management perception**

The Issuer company regularly conducted Annual General Meeting and there is no history of failure in paying dividend. Notable here is that the Issuer has no borrowings and there is no subsidiary or associate companies.

**(gg) Issuances of securities at lower than the IPO offer price within one year;**

If the Issuer issues share at lower than the IPO offer price within one year, there will have possibilities to arise misperception about IPO price.

**Management perception**

The Issuer never issued any securities lower than the proposed IPO offer price within one year.

**(hh) Refusal of application for public issue of any securities of the Issuer or any of its subsidiaries or associates at any time by the Commission.**

Any refusal of application for public issue of any securities of the Issuer may hinder confidence of the Company or convey negative impression about the financial status to the shareholders.

**Management perception**

The Company applied for raising of Capital through IPO in the year of 2012 which was subsequently refused by BSEC due to change of Insurance Act for capital raising. At present, there are no material impact of past application of IPO on the current Issue.

**(ii) External risk factors may include among others:****(a) Interest rate risks;**

Volatility of money market may influence the overall interest rate structure of the country. So, any unfavorable change in interest rate structure may affect the Company's business adversely.

**Management perception**

The Issuer does not have any institutional borrowing so no negative risk is apprehended from the rise of interest rate. On the other hand, Crystal Insurance Company Limited plans to part of the IPO proceeds to be invested in the capital market and parts to be invested in Fixed Deposit Receipts, so increase in interest will positively contribute in revenue.

**(b) Exchange rate risks;**

Exchange rate risk arises from currency fluctuation in international trade. If Bangladeshi Taka is devalued and/or foreign currency revalued than the price of imported raw materials will go up which will decrease the overall profit margin. Taka has been devalued significantly against dollar and it is very unlikely of any immediate appreciation of Taka.

**Management perception**

Crystal Insurance Company Limited operates in insurance service area which involves no foreign currency, so there is no risk associated with the exchange rate fluctuation.

**(c) Industry risks;**

Industry risk arises due to risk associated with business and macro-economic factors of the industry such as labor unrest, shortage of power, rising of raw material cost or shortage of raw material supply etc. If risk factor pertaining to industry is high, the growth of the industry shall be lower or may be eroded the entire potentiality of that industry.

**Management perception**

Crystal Insurance Company Limited operates in insurance service area where 45 other General Insurance company including Sadharan Bima Corporation also in operation. The company faces strong competition from in procuring business. Changes in government policies and Insurance Act may hamper the business in both positive and negative direction.

**(d) Economic and political risks;**

Economic risk arises due to some various factors such as political or regulatory policy change, including adverse impact of globalization, social disturbances due to political unrest, terrorist attacks and other acts of violence or war, natural calamities, commodity and hike commodity & energy prices and various other factors. The consequence of economic risk is that the growth of development may be eroded or hampered and any significant changes may adversely effect on business and profitability of the Company.

**Management perception:**

Revenue earning of insurance business is directly related to industrialization and global trade and commerce of the country. Changes in economic yardsticks and political situations causes the change of GDP. Such situation will have direct effect on revenue of insurance sector.



**(e) Market and technology-related risks;**

Market risk relates to the volatility of the market price of assets. It involves exposure to movements in the level of financial variables, such as stock prices, interest rates, exchange rates or commodity prices. It also includes the exposure of options to movements in the underlying asset price. Market risk also involves exposure to other unanticipated movements in financial variables or to movements in the actual or implied volatility of asset prices and options. To be competitive in the market, insurance companies need to develop new services/products and offer excellent clientele services and also to expand the market by bringing more and more items under the purview of insurance otherwise the competitors may take away Company's business.

Technology is a continuous process of development. Innovation of new and cost effective technology may obsolete existing technology, which may cause negative impact on the business. The operation of the Company is capital intensive and the quality of the products is directly related to the sophistication of the machinery in use. In case, the technology of the machineries becomes obsolete, cost advantage and quality of production of the Company may be affected adversely.

**Management perception**

Bangladesh economy is growing both in agricultural production and industrialization resulting in revenue generational area of insurance service. Insurance business does not involve any technological process, besides it is dependent on officials. So there lies no technology-related risks.

**(f) Potential or existing government regulations;**

The development of the industry is mostly depends on government support. If Government fiscal and monetary policy is unfavorable towards the Insurance industry, the growth and development of this sector would not be possible.

**Management Perceptions**

The Government of Bangladesh is highly concentrated on economic development of the Country through industrialization. Bangladesh has been considered the most emerging economy country which economy is growing continuously. As progress of economy is continuing the others sub sectors also improving. By this way insurance sector shall be developed as new business opportunity has been created through economic progress.

The Management of CICL perceives that these facilities shall remain in near future which shall have positively impact on development of insurance industry of our Country.

**(g) Potential or existing changes in global or national policies;**

The Company operates in an insurance industry. At present, government policy and global business situation is favorable for development in this sector. If any change in this condition, the profitability of the Company shall be affected.

**Management perception**

Insurance sector is a vital sector for the economic development of Bangladesh. The government incentives and subsidies are also vital to the sustainability of this sector. The Government of Bangladesh is aware of this fact. Hence, it is not expected that any undue tax or duty will be imposed that may adversely affect the sector's sustainability. Rather, the Government is keen to support the industry. Again any changes in the policy of international trade and may adversely affect the all global nations. So in that case the management of CICL shall reset their policy according to the global policy changes.



**(h) Statutory clearances and approvals those are yet to be received by the Issuer;**

To smooth running of the business operation statutory clearance is required. The Company has to comply with several specific regulations of its primary regulator i.e, Insurance Development and Regulatory Authority (IDRA). Any non-compliance of its rules and regulation may impede the Initial Public Offering Process.

**Management perception**

Crystal Insurance Company Limited has obtained No Objection Certificate (NOC) from the primary regulator Insurance Development and Regulatory Authority (IDRA). Which will be materialized after obtaining permission from BSEC.

**(i) Competitive condition of the business;****Management perception**

Over the year insurance business has grown very competitive. Presently, 78 insurance companies are operating in Bangladesh among which 46 are in General Insurance business area. Crystal Insurance Company Limited has to face strong competition from these 46 insurance companies including Sadharan Bima Corporation. Despite the competition being faced by Crystal Insurance Company Limited, its operation shows satisfactory performance.

**(j)Complementary and supplementary products or services which may have an impact on business of the Issuer.**

Complementary and supplementary product may have impact on sale of the existing product of the Company.

**Management perception**

Crystal Insurance Company Limited is not planning to provide any complementary and supplementary products or services in near future.

## Section XXI

### **Description of the Issue**

**(a) Issue size**

BDT 160,000,000.00 (Sixteen Crore) only divided into 16,000,000 (One crore sixty lac) shares of BDT 10.00 (ten) each.

**(b) Number of securities to be issued**

16,000,000 (One crore sixty lac) shares of BDT 10.00 (ten) each.

**(c) Authorized capital and paid-up capital**

Authorized capital: BDT 1,000,000,000.00 (One hundred crores)

Paid-up capital: BDT 240,000,000.00 (Twenty Four crores)

**(d) Face value, premium and offer price per unit of securities**

Face value: BDT 10.00

Premium: BDT 0.00

Offer price per unit of securities: BDT 10.00

**(e) Number of securities to be entitled for each category of applicants**

Eligible Investor (EI)		General Public (GP)	
EI excluding mutual funds and CIS	Mutual Funds and CIS	GP excluding NRB	NRB
40%	10%	40%	10%
6,400,000 shares	1,600,000 shares	6,400,000 shares	1,600,000 shares

## (f) Holding structure of different classes of securities before and after the issue

Sl	Name	Category	No of Share	Pre IPO %	Post IPO%
1	Mr. Abdullah Al-Mahmud	Sponsor & Chairman	4,000,000	16.67%	10.00%
2	Mr. Abdullah Hasan	Sponsor & Director	4,000,000	16.67%	10.00%
3	Mr. A.H.M. Mozammel Hoque	Sponsor & Director	800,000	3.33%	2.00%
4	Mr. Md. Tajul Islam	Sponsor & Director	900,000	3.75%	2.25%
<b>Total (a)</b>			<b>9,700,000</b>	<b>40.42%</b>	<b>24.25%</b>
5	Mrs. Farzana Munny	Director	800,000	3.33%	2%
6	Mrs. Shahzadi Begum	Director	800,000	3.33%	2.00%
7	Mrs. Farhana Danesh	Director	955,000	3.98%	2.39%
8	Mr. Abdullah Al-Mamun	Director	800,000	3.33%	2.00%
9	Ms. Nabila Mahmud	Director	2,000,000	8.33%	5.00%
10	Ms. Soera Zahir	Director	2,000,000	8.33%	5.00%
11	Mrs. Nusrat Mahmud	Director	4,000,000	16.67%	10.00%
12	Mr. Arafat Rashid	Director	800,000	3.33%	2.00%
<b>Total (b)</b>			<b>12,155,000</b>	<b>50.64%</b>	<b>30.39%</b>
13	Mr. Iqbal Hassan Mahmood	Shareholder	375,000	1.56%	0.94%
14	Mrs. Sarah Hasein Mahmood	Shareholder	300,000	1.25%	0.75%
15	Mr. Rubayat Tanveer Huda	Shareholder	270,000	1.13%	0.68%
16	Asoke Ranjam Kapuria	Shareholder	1,200,000	5%	3%
<b>Total (c)</b>			<b>2,145,000</b>	<b>8.94</b>	<b>5.36</b>
<b>Grand Total (a) + (b) + (c)</b>			<b>24,000,000</b>	<b>100.00%</b>	<b>60.00%</b>

## (g) Objective of the issue including financing requirements and feasibility in respect of enhanced paid-up capital.

Objective of the issue is to comply with the Statutory requirement of offering shares to general public. Since the company is already in operation and no plan to establish any new business of different nature, as such feasibility report is not required.

## Section XXII

### **Use of Proceeds**

(a) Use of net proceeds of the offer indicating the amount to be used for each purpose with head-wise break-up

Sl	Area of utilization of IPO proceeds	Amount in Tk.	Remarks
1	Investment in FDR	80,000,000	
2	Investment in Capital Market	69,271,500	
3	To meet up IPO expenses	10,728,500	Actual costs may vary if above mentioned estimates differ total expenditures will be adjusted accordingly
	<b>Total</b>	<b>160,000,000</b>	

\*\*\* we are capable to pay minimum 10% dividend each year out of profit generated from insurance underwriting & various investment and also with the use of issue proceeds in low return (not more than 10%) investment like FDR.

**(b) Utilization of the total amount of paid-up capital and share premium, if any, including the sponsors' contribution and capital raised of the Issuer at the time of submission of prospectus, in details with indication of use of such funds in the financial statements**

The sponsors of the Company has given paid up capital through cash consideration, bonus share and rights share issue which was used in ordinary course of business. Apart from that, The Company has not received any fund through private placement from any sponsor or any other person.

The Utilization of Paid up capital of the Company are as follows:

Sl	Area of Utilization	Amount in Taka	Indication in the Financial Statements
1	Investment in Government security	25,000,000	Note:12 of Statement of financial position as at 31December 2018
2	Investment in Fixed Deposit Receipt (FDR)	311,400,000	Note:18 of Statement of financial position as at 31December 2018
3	Investment in Financial Assets	51,578,148	Note:12 of Statement of financial position as at 31December 2018

**(c) If one of the objects is an investment in a joint venture, a subsidiary, an associate or any acquisition, details of the form of investment, nature of benefit expected to accrue to the Issuer as a result of the investment, brief description of business and financials of such venture**

The Company has no objective to invest its net proceeds of IPO in any Joint venture, a subsidiary, and associate or acquisition purpose.

**(d) If IPO proceeds are not sufficient to complete the project, then source of additional fund must be mentioned. In this connection, copies of contract to meet the additional funds are required to be submitted to the Commission. The means and source of financing, including details of bridge loan or other financial arrangement, which may be repaid from the proceeds of the issue along with utilization of such funds**

The Company does not require any additional fund.

**(e) A schedule mentioning the stages of implementation and utilization of funds received through public offer in a tabular form, progress made so far, giving details of land acquisition, civil works, installation of plant and machinery, the approximate date of completion of the project and the projected date of full commercial operation etc. The schedule shall be signed by the Chief Executive Officer or Managing Director, Chief Financial Officer and Chairman on behalf of Board of Directors of the Issuer**

**Schedule of utilization of funds received through IPO**

Date: 25th April 2019

Sl	Area of utilization of IPO proceeds	Amount in Tk.	Approximate date of utilization of fund
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1	Investment in FDR & Treasury Bond	80,000,000	Within 03 month after listing
2	Investment in Capital Market	69,271,500	Within 03 month after listing
3	To meet up IPO expenses	10,728,500	Time to time as and when required
<b>Total</b>		<b>160,000,000</b>	

Sd/-  
**M. Mahfuzur Rahman, ACA**  
 Chief Financial Officer

Sd/-  
**Mia Fazle Karim, FCA**  
 Chief Executive Officer

Sd/-  
**Abdullah Al-Mahmud**  
 Chairman

**(f) If there are contracts covering any of the activities of the Issuer for which the proceeds of sale of securities are to be used, such as contracts for the purchase of land or contracts for the construction of buildings, the Issuer shall disclose the terms of such contracts, and copies of the contracts shall be enclosed as annexure to the prospectus**

There is no contract covering any of the activities of the Issuer Company for which the proceeds of sale of securities from IPO is to be used.

**(g) If one of the objects of the issue is utilization of the issue proceeds for working capital, basis of estimation of working capital requirement along with the relevant assumptions, reasons for raising additional working capital substantiating the same with relevant facts and figures and also the reasons for financing short with long term investments and an item-wise break-up of last three years working capital and next two years projection**

IPO proceeds will not be utilized for working capital financing.

**(h) Where the Issuer proposes to undertake one or more activities like diversification, modernization, expansion, etc., the total project cost activity-wise or project-wise, as the case may be**

There are no such activities proposed to undertake by the Issuer.

**(i) Where the Issuer is implementing the project in a phased manner, the cost of each phase, including the phases, if any, which have already been implemented**

There are no such project shall be implemented in phase manner.

**(j) The details of all existing or anticipated material transactions in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies**

There are no such transaction occurred or shall be occurred in terms of utilization of IPO proceeds with sponsor, directors, key management personnel, associate and Group companies.



**(k) Summary of the project appraisal or feasibility report by the relevant professionals not connected with the Issuer, Issue Manager and registrar to the issue with cost of the project and means of finance, weaknesses and threats, if any, as given in the appraisal or feasibility report.**

The Company will invest IPO fund in government securities and capital market securities, so it is not required to do feasibility report in this respect.

## Section XXIII

### **Lock-in**

**(a) Provisions for lock-in as per these Rules**

Ordinary shares of the Issuer shall be subject to lock-in, from the date of issuance of prospectus or commercial operation, whichever comes later, in the following manner:

- (1) All shares held, at the time of according consent to the public offer, by sponsors, directors and shareholders holding (10%) or more shares, other than alternative investment funds, for 03(three) years;
- (2) In case any existing sponsor or director of the Issuer transfers any share to any person, other than existing shareholders, all shares held by those transferee shareholders, at the time of according consent to the public offer, for 03(three) years;
- (3) Twenty-five percent (25%) of the shares allotted to eligible investors, for 06 (six) months and other twenty-five percent (25%) of the shares allotted to them, for 09 (nine) months;
- (4) All shares held by alternative investment funds, at the time of according consent to the public offer, for 01(one) year;
- (5) All shares held, at the time of according consent to the public offer, by any person other than the persons mentioned in sub –rules (1), (2) and (3) above, for 01(one) year.

Provided that ordinary shares converted from any other type of securities shall also be subject to lock-in as mentioned above.

**(b) Statement of securities to be locked in for each shareholder along with BO account number, lock-in period and number of securities to be locked in.**

Sl	Name	BO Account	Lock in Period	No of Share
1	Mr. Abdullah Al-Mahmud	120 56700 5566 6992	3 Years	4,000,000
2	Mr. Abdullah Hasan	120 47800 6468 5091	3 Years	4,000,000
3	Mr. A.H.M. Mozammel Hoque	120 36200 1948 5830	3 Years	800,000
4	Mr. Md. Tajul Islam	120 47800 6468 4657	3Years	900,000
5	Mr. Asoke Ranjan Kapuria	120 17700 2573 9291	3 Years	1,200,000
6	Mrs. Shahzadi Begum	120 47800 6468 4665	3Years	800,000
7	Mrs. Farhana Danesh	120 56700 5605 4937	3 Years	955,000
8	Mr. Abdullah Al-Mamun	120 47800 6480 3461	3 Years	800,000
9	Mrs. Farzana Munny	120 47800 6468 5105	3 Years	800,000
10	Ms. Soera Zahir	120 47800 6480 3453	3 Years	2,000,000
11	Mrs. Nusrat Mahmud	120 56700 5578 5177	3 Years	4,000,000
12	Mr. Arafat Rashid	120 20100 4519 0144	3 Years	800,000
13	Mr. Iqbal Hassan Mahmood	120 47800 6468 5073	3 Years	375,000
14	Mrs. Sarah Hasein Mahmood	120 47800 6480 5005	3 Years	300,000
15	Mr. Rubayat Tanveer Huda	120 47800 6480 3437	3 Years	270,000
16	Ms. Nabila Mahmud	120 56700 5578 5870	3 Yearss	2,000,000
<b>Total</b>				<b>24,000,000</b>

## Section XXIV

### **Markets for the Securities Being Offered**

The Issuer shall apply to all the relevant exchanges in Bangladesh within seven working days from the date of consent for public offer accorded by the Commission.

**Dhaka Stock Exchange Limited (DSE)**

9/F, Motijheel C/A, Dhaka-1000

**Chittagong Stock Exchange Limited (CSE)**

CSE Building, 1080 Sk. Mujib Road

Agrabad C/A, Chittagong

**Declaration about listing of shares with the stock exchange(s)**

None of the stock exchange(s), if for any reason, grants listing within 75 days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (seventy five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, the company directors, in addition to the Issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The Issue Manager, in addition to the Issuer company, shall ensure due compliance of the above mentioned conditions and submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days' time period allowed for refund of the subscription money.

**Trading and settlement**

Trading and settlement regulation of the stock exchanges shall apply in respect of trading and settlement of the shares of the Company.

**The issue shall be placed in "N" Category.**

## Section XXV

### **Description of securities outstanding or being offered**

**(a) Dividend, voting and preemption rights**

The Share Capital of the company is divided into Ordinary Shares, carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act 1994 and the Articles of Association of the company. All shareholders shall have the usual voting right, voting right in person or by proxy in connection with, among others, election of Directors & Auditors and other usual agenda of General Meeting – Ordinary or Extra Ordinary. On a show of hand, every shareholder present in person and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present in person or by proxy shall have one vote for every share held by him or her.

In case of any additional issue of shares for raising further capital the existing shareholders shall be entitled to Right Issue of shares of in terms of the guidelines issued by the BSEC from time to time.

**(b) Conversion and liquidation rights**

If the company at any time issue convertible preference shares or debenture with the consent of the BSEC or other relevant regulatory authority, such holders of securities shall be entitled to convert such securities into ordinary shares if it is so determined by the company.

**Right for transfer**

In terms of the provisions of the Companies Act, 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are freely transferable. The Company shall not charge any fee for registering transfer of shares. No transfer shall be made to a firm, an infant/minor or person of unsound mind.

**(c) Dividend policy**

1. The profit of the Company, subject to any special right relating thereto created or authorized to be created by the Memorandum of Association and subject to the provisions of the Articles of Association, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.
2. Dividends will not be paid in any rate higher than that is recommended by the Directors, but the Company in its General Meeting may declare a dividend in a rate lower than that recommended by Board of Directors. The declaration of Directors as to the amount of Net Profit of the Company shall be conclusive.
3. No dividend shall be payable except out of the profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.
4. The Directors may from time to time pay the members such interim dividend as in their judgment the financial position of the Company may justify.
5. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.
6. There is no limitation on the payment dividends to the common stockholders of the Company.

**(d) Other rights of the securities holders.**

The Directors shall present the financial statements as required under the law & International Accounting Standard as adopted in Bangladesh. Financial statements will be prepared in accordance with the International Accounting Standards as adopted in Bangladesh, consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and International Accounting Standard as adopted in Bangladesh to the shareholders regarding the financial and operational position of the company. The shareholders shall have the right to receive all periodical statement and reports, audited as well as unaudited, published by the company from time to time.

The shareholder holding minimum of 10% shares of paid-up capital of the company shall have the right to requisition of Extra-ordinary General Meeting of the company as provided for the section 84 of the Companies Act 1994.

## Section XXVI

### **Financial Statements**



(a) The latest financial statements prepared and audited by any of the Commission's panel of auditors in adherence to the provisions of the Securities and Exchange Rules, 1987, the Companies Act, 1994, International Financial Reporting and Auditing Standards as adopted in Bangladesh from time to time and any other law as applicable

## **Independent Auditor's Report to the Shareholders of Crystal Insurance Company Limited**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of **Crystal Insurance Company Limited**, which comprise the Statement of Financial Position as at 31 December 2018, Statement of Comprehensive Income, Profit and Loss Appropriation account, related Revenue Account, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Reporting on other information**

Management is responsible for the other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report there on. The directors are responsible for the other information.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management of Crystal Insurance Company Limited is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations issued by the Insurance Development Regulatory Authority (IDRA), and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

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

### **Report on other Legal and Regulatory Requirements**

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

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books;
- c) The Company management has followed relevant provisions of laws and rules in managing the affairs of the Company and proper books of accounts, records and other statutory books have been properly maintained and (where applicable) proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- d) As per section 63(2) of the Insurance Act 2010, in our opinion to the best of our knowledge and belief according to the information and explanation given to us, all expenses of management wherever incurred and whether incurred directly or indirectly, in respect of insurance business of the company transacted in Bangladesh during the year under report have been duly debited to the related Revenue Accounts and the Statement of Comprehensive Income of the Company;
- e) We report that to the best of our information and as shown by its books, the company during the year under report has not paid any person any commission in any form, outside Bangladesh in respect of any its business re-insured abroad;
- f) The Statement of Financial Position, Statement of Comprehensive Income, Profit and Loss Appropriation Account, related Revenue Accounts, Statement of Changes in Equity and Statement of Cash Flows of the Company together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- g) The expenditure was incurred for the purpose of the Company's business.

Sd/-

Dated ,Dhaka, 21<sup>st</sup> April 2019

-----  
**Mahfel Huq & Co.**  
Chartered Accountants

**Crystal Insurance Company Limited**  
**Statement of Financial Position**  
**(Balance Sheet)**  
**As at December 31,2018**

Particulars	Notes	Amount in Taka	Amount in Taka
		2018	2017
<b>Shareholders' Equity &amp; Liabilities</b>			
<b>Shareholders' Equity</b>			
<b>Authorised Capital</b>		<b>1,000,000,000</b>	<b>1,000,000,000</b>
100,000,000 Ordinary shares of Tk.10 each			
<b>Issued, Subscribed &amp; Paid up Capital</b>	<b>3.00</b>	<b>240,000,000</b>	<b>240,000,000</b>
24,000,000 Ordinary share of Tk. 10 each fully paid up			
<b>Reserves and Surplus</b>	<b>4.00</b>	<b>308,326,761</b>	<b>263,101,198</b>
Reserve for Exceptional Losses		277,082,253	233,952,136
Profit & Loss Appropriation Account		24,550,196	11,765,050
Investment Fluctuation Fund		1,194,312	6,384,012
General Reserve		5,500,000	11,000,000
<b>Total Shareholders Equity</b>		<b>548,326,761</b>	<b>503,101,198</b>
<b>Liabilities and Provisions</b>			
<b>Balance of Funds and Accounts</b>	<b>5.00</b>	<b>122,231,476</b>	<b>120,581,415</b>
Fire Insurance Revenue Account		49,513,474	49,202,775
Marine Insurance Revenue Account		53,121,683	51,539,800
Motor Insurance Revenue Account		14,147,495	15,258,639
Misc. Insurance Revenue Account		5,448,824	4,580,201
Deposit Premium	<b>6.00</b>	21,621,653	13,496,717
Estimated liabilities in respect of outstanding claims whether due or intimated	<b>7.00</b>	99,321,911	75,124,182
Amounts due to other persons or bodies carrying on insurance business	<b>8.00</b>	110,926,278	128,537,541
Sundry Creditors	<b>9.00</b>	37,589,444	38,883,888
<b>Total Liability</b>		<b>391,690,762</b>	<b>376,623,743</b>
<b>Total Shareholders' Equity &amp; Liabilities</b>		<b>940,017,523</b>	<b>879,724,941</b>

The annexed notes 1 to 31 form an integral part of these financial statements

Sd/-	Sd/-	Sd/-	Sd/-
<b>Mia Fazle Karim FCA</b>	<b>A.H.M. Mozammel Hoque</b>	<b>Farhana Danesh</b>	<b>Abdullah-Al-Mahmud</b>
<b>Chief Executive Officer</b>	<b>Director</b>	<b>Director</b>	<b>Chairman</b>

Signed as per our separate report of same date

Sd/-

**Mahfel Huq & Co.**  
**Chartered Accountants**

Dhaka, 21st April, 2019

**Crystal Insurance Company Limited**  
**Statement of Financial Position**  
**(Balance Sheet)**  
**As at December 31, 2018**

Particulars	Notes	Amount in Taka	Amount in Taka
		2018	2017
<b>Property and Assets</b>			
<b>Non-Current assets</b>		<b>427,047,584</b>	<b>430,473,470</b>
Property, plant & equipments	10.00	295,497,012	51,838,407
Advance against land & office space	11.00	12,000,000	275,926,900
Investments	12.00	84,886,202	76,578,148
Investment (owner- occupied Property)	12.03	34,664,370	26,130,015
<b>Current assets</b>		<b>123,140,640</b>	<b>107,032,887</b>
Inventories	13.00	1,173,391	1,361,593
Sundry Debtors (including advances, deposits and prepayments)	14.00	25,680,557	25,010,970
Interest Accrued but not due	15.00	10,292,328	6,194,197
Amount due from other persons or bodies carrying on insurance business	16.00	85,994,364	74,466,127
<b>Cash and Cash Equivalent</b>		<b>389,829,299</b>	<b>342,218,584</b>
Cash in hand		2,818,141	2,723,455
Cash at Banks on STD accounts	17.00	25,164,988	23,387,680
Cash at Banks on CD accounts		3,246,170	4,707,449
Fixed Deposit Receipt (FDR) with Banks	18.00	358,600,000	311,400,000
<b>Total assets</b>		<b>940,017,523</b>	<b>879,724,941</b>
<b>Net Asset Value (NAV) Per Share</b>		<b>22.85</b>	<b>20.96</b>

The annexed notes 1 to 31 form an integral part of these financial statements

Sd/-	Sd/-	Sd/-	Sd/-
<b>Mia Fazle Karim FCA</b>	<b>A.H.M. Mozammel Hoque</b>	<b>Farhana Danesh</b>	<b>Abdullah-Al-Mahmud</b>
<b>Chief Executiv Officer</b>	<b>Director</b>	<b>Director</b>	<b>Chairman</b>

Signed as per our separate report of same date

Sd/-

**Mahfel Huq & Co.**

Dhaka, 21st April, 2019

Chartered Accountants

**Crystal Insurance Company Limited**  
**Statement of Profit or Loss and other Comprehensive Income**  
**(Profit and Loss Account)**  
**For the year ended December 31,2018**

Particulars	Notes	Amount in Taka	Amount in Taka
		2018	2017
<b>Expenses of management</b>		<b>36,576,429</b>	<b>40,425,419</b>
<b>(Not applicable to any particular fund or account)</b>			
Advertisement & Publicity		170,350	129,066
Audit fees		400,000	300,000
Bank Charges		351,130	387,755
Credit Rating Fee		150,000	-
Exise Duty		402,321	266,300
Depreciation	19	33,368,866	25,761,818
Director's meeting attendance fees		310,500	150,000
Donation & Subscription		230,500	146,500
Fees and Charges			122,500
Bangladesh Insurance Association		100,000	300,000
Business Development Expenses (SBC)		48,889	42,222
Renewal & Registration and Others paid to IDRA		1,043,873	12,819,258
		-	-
<b>Profit transferred to profit &amp; loss appropriation account</b>		<b>74,305,954</b>	<b>54,567,640</b>
<b>Total</b>		<b>110,882,383</b>	<b>94,993,059</b>
<b>Profit/(Loss) transferred from:</b>		<b>65,000,849</b>	<b>73,221,973</b>
Fire		(8,048,702)	(13,373,328)
Marine Cargo & Hull		47,895,618	61,878,146
Motor		15,769,106	14,322,865
Miscellaneous		9,384,827	10,394,290
Interest Income	20.00	24,570,974	18,061,968
Other Income	21.00	11,019,060	3,709,118
Capital Gain from sale of Assets	22.00	10,291,500	-
<b>Total</b>		<b>110,882,383</b>	<b>94,993,059</b>
<b>Other comprehensive income</b>			
Changes in fair value of the shares available for sale (Investment Fluctuation Fund)		(5,189,700)	3,846,790
<b>Total</b>		<b>(5,189,700)</b>	<b>3,846,790</b>

The annexed notes 1 to 31 form an integral part of these financial statements

Sd/-  
**Mia Fazle Karim FCA**  
**Chief Executive Officer**

Sd/-  
**A.H.M. Mozammel Hoque**  
**Director**

Sd/-  
**Farhana Danesh**  
**Director**

Sd/-  
**Abdullah-Al-Mahmud**  
**Chairman**

Signed as per our separate report of same date

Sd/-  
**Mahfel Huq & Co.**  
**Chartered Accountants**

Dhaka, 21st April, 2019

**Crystal Insurance Company Limited**  
**Profit and Loss Appropriation Account**  
**For the year ended December 31,2018**

Particulars	Notes	Amount in Taka	Amount in Taka
		2018	2017
Opening balance of Appropriation Account		10,993,637	40,558,748
Net Profit for the year brought down		74,305,954	54,567,640
Transfer from General Reserve		6,000,000	
<b>Total</b>		<b>91,299,591</b>	<b>95,126,388</b>
		<b>66,749,395</b>	<b>83,361,338</b>
Reserve for Exceptional Losses	4.02	43,130,117	40,866,169
Provision for Companies Income Tax	9.02	6,319,278	4,795,169
General Reserve	4.03	500,000	500,000
Dividend (Bonus Share)		-	30,000,000
Dividend paid from last year profit		16,800,000	7,200,000
Prior year adjustment for under charge of depreciation (Annexure "D" )		-	771,413
<b>Balance transferred to balance sheet</b>		<b>24,550,196</b>	<b>10,993,637</b>
<b>Total</b>		<b>91,299,591</b>	<b>94,354,975</b>
<b>Earning Per Share (EPS) (Tk.10 each)</b>		<b>2.83</b>	<b>2.07</b>

The annexed notes 1 to 31 form an integral part of these financial statements

Sd/-  
**Mia Fazle Karim FCA**  
**Chief Executiv Officer**

Sd/-  
**A.H.M. Mozammel Hoque**  
**Director**

Sd/-  
**Farhana Danesh**  
**Director**

Sd/-  
**Abdullah-Al-Mahmud**  
**Chairman**

Signed as per our separate report of same date

Dhaka, 21st April, 2019

Sd/-  
**Mahfel Huq & Co.**  
**Chartered Accountants**

**Crystal Insurance Company Limited**  
**Fire Insurance Revenue Account**  
**For the year ended December 31,2018**

Particulars	Notes	Amount in Taka	Amount in Taka
		2018	2017
<b>Claims under policies less re-insurances:</b>		<b>78,350,264</b>	<b>77,619,901</b>
Claims paid during the year		73,248,832	65,877,754
Paid/Adjusted on PSB		1,392,160	172,095
Recovered/Adjusted on PSB		(1,021,261)	-
Recovered/Adjusted on reinsurance ceded		(5,510,816)	(7,124,257)
Claims outstanding at the end of the year		61,202,349	50,961,000
Claims outstanding at the end of the previous year		(50,961,000)	(32,266,691)
Agent Commission		24,604,945	23,554,033
Management Expenses	<b>23.00</b>	42,152,527	43,220,913
Stamp Duty		3,867.00	213
<b>Balance of account at the end of the year</b>			
as shown in the Statement of financial position being reserve			
for unexpired risks @ 40% of premium income of the year		49,513,474	49,202,775
<b>Profit/(Loss) transferred to Statement of Comprehensive Income</b>		<b>(8,048,702)</b>	<b>(13,373,328)</b>
<b>Total</b>		<b>186,576,375</b>	<b>180,224,507</b>

The annexed notes 1 to 31 form an integral part of these financial statements

Sd/-	Sd/-	Sd/-	Sd/-
<b>Mia Fazle Karim FCA</b>	<b>A.H.M. Mozammel Hoque</b>	<b>Farhana Danesh</b>	<b>Abdullah-Al-Mahmud</b>
<b>Chief Executive Officer</b>	<b>Director</b>	<b>Director</b>	<b>Chairman</b>

Signed as per our separate report of same date

Dhaka, 21st April, 2019

Sd/-  
**Mahfel Huq & Co.**  
**Chartered Accountants**



**Crystal Insurance Company Limited**  
**Fire Insurance Revenue Account**  
**For the year ended December 31,2018**

Particulars	Notes	Amount in Taka	Amount in Taka
		2018	2017
<b>Balance of Account at the beginning of the year</b>		49,202,775	47,415,832
<b>Premium less reinsurances:</b>		<b>123,783,684</b>	<b>123,006,936</b>
Premium underwritten		159,397,184	157,030,225
Premium on PSB		8,851,645	5,191,636
Reinsurance premium on PSB		(6,558,522)	(4,174,412)
Reinsurance premium ceded		(37,906,623)	(35,040,513)
<b>Commission on reinsurances:</b>		<b>13,589,916</b>	<b>9,801,739</b>
Commission earned on re-insurance ceded		12,838,282	9,256,510
Commission earned on PSB		751,634	545,229
<b>Total</b>		<b>186,576,375</b>	<b>180,224,507</b>

The annexed notes 1 to 31 form an integral part of these financial statements

Sd/-	Sd/-	Sd/-	Sd/-
<b>Mia Fazle Karim FCA</b>	<b>A.H.M. Mozammel Hoque</b>	<b>Farhana Danesh</b>	<b>Abdullah-Al-Mahmud</b>
<b>Chief Executiv Officer</b>	<b>Director</b>	<b>Director</b>	<b>Chairman</b>

Signed as per our separate report of same date

Dhaka, 21st April, 2019

Sd/-  
**Mahfel Huq & Co.**  
**Chartered Accountants**

**Crystal Insurance Company Limited**  
**Marine Insurance Revenue Account**  
**For the year ended December 31,2018**

Particulars	Notes	Amount in Taka	Amount in Taka
		2018	2017
<b>Claims under policies less re-insurances:</b>		<b>26,679,365</b>	<b>4,222,734</b>
Claims paid during the year		18,487,782	12,456,851
Paid/Adjusted on PSB		496,731	5,768,164
Recovered/Adjusted on PSB		(195,551)	(4,831,421)
Recovered/Adjusted on reinsurance ceded		(6,720,504)	(13,228,490)
Claims outstanding at the end of the year		33,126,733	18,515,826
Claims outstanding at the end of the previous year		(18,515,826)	(14,458,196)
Agent Commission		24,241,772	23,227,654
Management Expenses	23.00	42,071,922	43,365,178
Stamp Duty		-	1,068
<b>Balance of account at the end of the year</b>		<b>53,121,683</b>	<b>51,539,800</b>
as shown in the Statement of financial position being reserve for unexpired risks @ 40% of premium income of the year (Marine Cargo)		51,168,460	48,912,750
@ 100% of premium income of the year (Marine Hull)		1,953,223	2,627,050
<b>Profit/(Loss) transferred to Statement of Comprehensive Income</b>		<b>47,895,618</b>	<b>61,878,146</b>
<b>Total</b>		<b>194,010,360</b>	<b>184,234,580</b>

-

The annexed notes 1 to 31 form an integral part of these financial statements

Sd/-  
**Mia Fazle Karim FCA**  
**Chief Executive Officer**

Sd/-  
**A.H.M. Mozammel Hoque**  
**Director**

Sd/-  
**Farhana Danesh**  
**Director**

Sd/-  
**Abdullah-Al-Mahmud**  
**Chairman**

Signed as per our separate report of same date

Dhaka, 21st April, 2019

Sd/-  
**Mahfel Huq & Co.**  
**Chartered Accountants**

**Crystal Insurance Company Limited**  
**Marine Insurance Revenue Account**

**For the year ended December 31,2018**

Particulars	Notes	Amount in Taka	Amount in Taka
		2018	2017
<b>Balance of Account at the beginning of the year</b>		<b>51,539,800</b>	<b>47,110,302</b>
<b>Premium less reinsurances:</b>		<b>129,874,374</b>	<b>124,908,925</b>
Premium underwritten		157,044,459	154,090,384
Premium on PSB		15,940,740	17,925,641
Reinsurance premium on PSB		(12,002,649)	(13,633,918)
Reinsurance premium ceded		(31,108,176)	(33,473,182)
<b>Commission on reinsurances:</b>		<b>12,596,186</b>	<b>12,215,353</b>
Commission earned on re-insurance ceded		<b>10,302,677</b>	<b>9,536,764</b>
Commission earned on PSB		<b>2,293,509</b>	<b>2,678,589</b>
<b>Total</b>		<b>194,010,360</b>	<b>184,234,580</b>

-

The annexed notes 1 to 31 form an integral part of these financial statements

Sd/-	Sd/-	Sd/-	Sd/-
<b>Mia Fazle Karim FCA</b>	<b>A.H.M. Mozammel Hoque</b>	<b>Farhana Danesh</b>	<b>Abdullah-Al-Mahmud</b>
<b>Chief Executiv Officer</b>	<b>Director</b>	<b>Director</b>	<b>Chairman</b>

Signed as per our separate report of same date

Dhaka, 21st April, 2019

Sd/-  
**Mahfel Huq & Co.**  
**Chartered Accountants**

**Crystal Insurance Company Limited**  
**Motor Insurance Revenue Account**  
**For the year ended December 31,2018**

Particulars	Notes	Amount in Taka	Amount in Taka
		2018	2017
<b>Claims under policies less re-insurances:</b>		<b>6,580,606</b>	<b>6,860,761</b>
Claims paid during the year		7,089,066	8,557,205
Paid/Adjusted on PSB		130,347	125,451
Claims outstanding at the end of the year		<b>3,544,607</b>	<b>4,183,414</b>
Claims outstanding at the end of the previous year		<b>(4,183,414)</b>	<b>(6,005,309)</b>
Agent Commission		5,217,751	5,373,545
Management Expenses	<b>23.00</b>	8,985,792	10,431,445
Stamp Duty		-	2,973
<b>Balance of account at the end of the year</b>			
as shown in the Statement of financial position being reserve for unexpired risks @ 40% of premium income of the year		<b>14,147,495</b>	<b>15,258,639</b>
<b>Profit/(Loss) transferred to Statement of Comprehensive Income</b>		<b>15,769,106</b>	<b>14,322,865</b>
<b>Total</b>		<b>50,700,750</b>	<b>52,250,228</b>

The annexed notes 1 to 31 form an integral part of these financial statements

Sd/-	Sd/-	Sd/-	Sd/-
<b>Mia Fazle Karim FCA</b>	<b>A.H.M. Mozammel Hoque</b>	<b>Farhana Danesh</b>	<b>Abdullah-Al-Mahmud</b>
<b>Chief Executive Officer</b>	<b>Director</b>	<b>Director</b>	<b>Chairman</b>

Signed as per our separate report of same date

Dhaka, 21st April, 2019

Sd/-  
**Mahfel Huq & Co.**  
**Chartered Accountants**

**Crystal Insurance Company Limited**  
**Motor Insurance Revenue Account**  
**For the year ended December 31,2018**

Particulars	Notes	Amount in Taka	Amount in Taka
-------------	-------	----------------	----------------

		<b>2018</b>	<b>2017</b>
<b>Balance of Account at the beginning of the year</b>		<b>15,258,639</b>	<b>14,103,630</b>
<b>Premium less reinsurances:</b>		<b>35,368,737</b>	<b>38,146,598</b>
Premium underwritten		33,801,942	35,825,638
Premium on PSB		2,502,156	2,552,342
Reinsurance premium on PSB		(188,607)	(62,632)
Reinsurance premium ceded		(746,754)	(168,750)
<b>Commission on reinsurances:</b>		<b>73,374</b>	<b>-</b>
Commission earned on re-insurance ceded		<b>73,374</b>	<b>-</b>
Commission earned on PSB		<b>-</b>	<b>-</b>
<b>Total</b>		<b>50,700,750</b>	<b>52,250,228</b>

The annexed notes 1 to 31 form an integral part of these financial statements

Sd/-	Sd/-	Sd/-	Sd/-
<b>Mia Fazle Karim FCA</b>	<b>A.H.M. Mozammel Hoque</b>	<b>Farhana Danesh</b>	<b>Abdullah-Al-Mahmud</b>
<b>Chief Executive Officer</b>	<b>Director</b>	<b>Director</b>	<b>Chairman</b>

Signed as per our separate report of same date

Dhaka, 21st April, 2019

Sd/-  
**Mahfel Huq & Co.**  
**Chartered Accountants**

**Crystal Insurance Company Limited**  
**Miscellaneous Insurance Revenue Account**  
**For the year ended December 31,2018**

<b>Particulars</b>	<b>Notes</b>	<b>Amount in Taka</b>	<b>Amount in Taka</b>
		<b>2018</b>	<b>2017</b>

**Claims under policies less re-insurances:**

	<b>149,106</b>	<b>2,476,873</b>
Claims paid during the year	-	1,038,582
Paid/Adjusted on PSB	7,868,276	10,744,597
Recovered/Adjusted on PSB	(7,703,450)	(10,665,295)
Claims outstanding at the end of the year	1,448,222	1,463,942
Claims outstanding at the end of the previous year	(1,463,942)	(104,953)
Agent Commission	2,193,266	1,911,058
Management Expenses	<b>23.00</b>	6,664,854
Stamp Duty	-	179
<b>Balance of account at the end of the year</b>		
as shown in the Statement of financial position being reserve for unexpired risks @ 40% of premium income of the year	<b>5,448,824</b>	<b>4,580,201</b>
<b>Profit/(Loss) transferred to Statement of Comprehensive Income</b>	<b>9,384,827</b>	<b>10,394,290</b>
<b>Total</b>	<b>23,840,877</b>	<b>24,117,346</b>

The annexed notes 1 to 31 form an integral part of these financial statements

Sd/-	Sd/-	Sd/-	Sd/-
<b>Mia Fazle Karim FCA</b>	<b>A.H.M. Mozammel Hoque</b>	<b>Farhana Danesh</b>	<b>Abdullah-Al-Mahmud</b>
<b>Chief Executive Officer</b>	<b>Director</b>	<b>Director</b>	<b>Chairman</b>

Signed as per our separate report of same date

Dhaka, 21st April, 2019

Sd/-  
**Mahfel Huq & Co.**  
**Chartered Accountants**

**Crystal Insurance Company Limited**  
**Miscellaneous Insurance Revenue Account**  
**For the year ended December 31,2018**

Particulars	Notes	Amount in Taka	Amount in Taka
		2018	2017

<b>Balance of Account at the beginning of the year</b>	<b>4,580,201</b>	<b>9,603,726</b>
<b>Premium less reinsurances:</b>	<b>13,622,061</b>	<b>11,450,503</b>
Premium underwritten	14,208,542	12,741,723
Premium on PSB	39,554,497	23,304,104
Reinsurance premium on PSB	(38,816,723)	(22,231,786)
Reinsurance premium ceded	(1,324,255)	(2,363,538)
<b>Commission on reinsurances:</b>	<b>5,638,615</b>	<b>3,063,117</b>
Commission earned on re-insurance ceded	404,281	181,426
Commission earned on PSB	5,234,334	2,881,691
<b>Total</b>	<b>23,840,877</b>	<b>24,117,346</b>

The annexed notes 1 to 31 form an integral part of these financial statements

Sd/-	Sd/-	Sd/-	Sd/-
<b>Mia Fazle Karim FCA</b>	<b>A.H.M. Mozammel Hoque</b>	<b>Farhana Danesh</b>	<b>Abdullah-Al-Mahmud</b>
<b>Chief Executive Officer</b>	<b>Director</b>	<b>Director</b>	<b>Chairman</b>

Signed as per our separate report of same date

Dhaka, 21st April, 2019

Sd/-  
**Mahfel Huq & Co.**  
**Chartered Accountants**

**Crystal Insurance Company Limited**  
**Consolidated Revenue Account**  
**For the year ended December 31,2018**

Particulars	Notes	Amount in Taka	Amount in Taka
		2018	2017
<b>Claims under policies less re-insurances:</b>		<b>111,759,341</b>	<b>91,180,269</b>

Claims paid during the year		98,825,680	87,930,392
Paid/Adjusted on PSB		9,887,514	16,810,307
Recovered/Adjusted on PSB		(8,920,262)	(15,496,716)
Recovered/Adjusted on reinsurance ceded		(12,231,320)	(20,352,747)
Claims outstanding at the end of the year		99,321,911	75,124,182
Claims outstanding at the end of the previous year		(75,124,182)	(52,835,149)
Agent Commission		56,257,734	54,066,290
Management Expenses	<b>23.00</b>	99,875,095	101,772,281
Stamp Duty		3,867	4,433
<b>Balance of account at the end of the year</b>		<b>122,231,476</b>	<b>120,581,415</b>
as shown in the Statement of financial position being reserve for unexpired risks @ 40% of premium income of the year (Fire, Marine Cargo, Motor & Misc)		120,278,253	117,954,365
@ 100% of premium income of the year (Marine Hull)		1,953,223	2,627,050
<b>Profit transferred to Statement of Comprehensive Income</b>		<b>65,000,849</b>	<b>73,221,973</b>
<b>Total</b>		<b>455,128,362</b>	<b>440,826,661</b>

The annexed notes 1 to 31 form an integral part of these financial statements

Sd/-	Sd/-	Sd/-	Sd/-
<b>Mia Fazle Karim FCA</b>	<b>A.H.M. Mozammel Hoque</b>	<b>Farhana Danesh</b>	<b>Abdullah-Al-Mahmud</b>
<b>Chief Executive Officer</b>	<b>Director</b>	<b>Director</b>	<b>Chairman</b>

Signed as per our separate report of same date

Dhaka, 21st April, 2019

Sd/-  
**Mahfel Huq & Co.**  
**Chartered Accountants**

**Crystal Insurance Company Limited**  
**Consolidated Revenue Account**  
**For the year ended December 31,2018**

Particulars	Notes	Amount in Taka	Amount in Taka
		2018	2017
Balance of Account at the beginning of the year		120,581,415	118,233,490
Premium less reinsurances:		302,648,856	297,512,962



Premium underwritten	364,452,127	359,687,970
Premium on PSB	66,849,038	48,973,723
Reinsurance premium on PSB	(57,566,501)	(40,102,748)
Reinsurance premium ceded	(71,085,808)	(71,045,983)
<b>Commission on reinsurances:</b>	<b>31,898,091</b>	<b>25,080,209</b>
Commission earned on re-insurance ceded	23,618,614	18,974,700
Commission earned on PSB	8,279,477	6,105,509
<b>Total</b>	<b>455,128,362</b>	<b>440,826,661</b>

The annexed notes 1 to 31 form an integral part of these financial statements

Sd/-	Sd/-	Sd/-	Sd/-
<b>Mia Fazle Karim FCA</b>	<b>A.H.M. Mozammel Hoque</b>	<b>Farhana Danesh</b>	<b>Abdullah-Al-Mahmud</b>
<b>Chief Executiv Officer</b>	<b>Director</b>	<b>Director</b>	<b>Chairman</b>

Signed as per our separate report of same date

Dhaka, 21st April, 2019

Sd/-  
**Mahfel Huq & Co.**  
**Chartered Accountants**

# Crystal Insurance Company Limited

## Statement of Changes in Shareholders' Equity

For the year ended 31st December 2018

Particulars	Paid-up Capital	Reserve for Exceptional Losses	General Reserve	Investment Fluctuation Fund	P&L Appropriation a/c	Share Money Deposit	Total
<b>Balance on 1st January, 2018</b>	<b>240,000,000</b>	<b>233,952,136</b>	<b>11,000,000</b>	<b>6,384,012</b>	<b>11,765,050</b>	<b>-</b>	<b>503,101,198</b>
Prior Year's under charges depreciation					(771,413)		(771,413)
Changes in fare value	-	-	-	(5,189,700)	-	-	(5,189,700)
Cash Dividend paid for 2018	-	-	-	-	(16,800,000)	-	(16,800,000)
Profit after tax	-	-	-		65,413,801	-	65,413,801
Reserve transfer to Profit & Loss Appropriation Account			(6,000,000)		6,000,000		-
Reserve for Exceptional Losses	-	43,130,117	-		(43,130,117)	-	-
General Reserve	-	-	500,000	-	(500,000)	-	-
<b>Balance on 31st December, 2018</b>	<b>240,000,000</b>	<b>277,082,253</b>	<b>5,500,000</b>	<b>1,194,312</b>	<b>21,977,321</b>	<b>-</b>	<b>545,753,886</b>

The annexed notes 1 to 31 form an integral part of these financial statements

Sd/-  
Mia Fazle Karim FCA  
Chief Executive Officer

Sd/-  
A.H.M. Mozammel Hoque  
Director

Sd/-  
Farhana Danesh  
Director

Sd/-  
Abdullah-Al-Mahmud  
Chairman

Signed as per our separate report of same date

Dhaka, 21st April, 2019

Sd/-  
Mahfel Huq & Co.  
Chartered Accountants

**Crystal Insurance Company Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December, 2018**

	Amount in Taka 2018	Amount in Taka 2017
<b>A. Cash Flow from Operating Activities:</b>		
Collection from premium (Restated)	372,577,063	361,648,739
Other Income (Restated)	1,776,919	2,739,364
Management Expenses, Re-Insurance ,Claim & Agency Commission (Restated)	(303,457,709)	(292,025,000)
Advance Expenses	(6,002,890)	(4,203,800)
Income Tax paid including TDS	(4,774,059)	(4,218,783)
<b>Net Cash Flow from Operating Activities</b>	<b>60,119,324</b>	<b>63,940,520</b>
<b>B. Cash Flow from Investing Activities:</b>		
Acquisition of Fixed Assets	(22,406,339)	(12,039,819)
Advance for Property (Fixed Assets)	-	(14,098,900)
Sale of Fixed Assets (Capital Gain)	10,291,500	
Interest Income	20,472,843	16,964,285
Dividend from listed companies share	1,178,212	969,754
Realised gain from listed companies share	8,063,929	
Investment on BGTB	-	(16,000,000)
Investment in listed companies share	(13,497,754)	(34,318,061)
<b>Net Cash Flow from Investing Activities</b>	<b>4,102,391</b>	<b>(58,522,741)</b>
<b>C. Cash Flow from Financing Activities:</b>		
Share Money Deposit	-	62,000,000
Dividend Paid	(16,611,000)	(6,489,600)
<b>Net Cash Flow from Financing Activities</b>	<b>(16,611,000)</b>	<b>55,510,400</b>
<b>Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>47,610,715</b>	<b>60,928,179</b>
<b>Add: Cash and Cash Equivalents at the beginning</b>	<b>342,218,584</b>	<b>281,290,405</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>389,829,299</b>	<b>342,218,584</b>
<b>Net Operating Cash Flows per share</b>	<b>2.50</b>	<b>2.66</b>

The annexed notes 1 to 31 form an integral part of these financial statements

Sd/- <b>Mia Fazle Karim FCA</b> Chief Executive Officer	Sd/- <b>A.H.M. Mozammel Hoque</b> Director	Sd/- <b>Farhana Danesh</b> Director	Sd/- <b>Abdullah-Al-Mahmud</b> Chairman
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Signed in terms of our annexed report of even date.

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

Dhaka, 21st April, 2019

**Crystal Insurance Company Limited**  
**FORM "A A"**  
**Classified summary of assets as at 31st december, 2018**

SL. NO.	Class of Assets	Amount (Tk)	Amount (Tk)	REMARKS
		2018	2017	
1	Investment	119,550,572	102,708,163	Realisable value
2	Inventories	1,173,391	1,361,593	Realisable value
3	Fixed Deposit with Banks	358,600,000	311,400,000	Realisable value
4	Cash at Bank Balance	31,229,299	30,818,584	Realisable value
5	Interest Receivable Account	10,292,328	6,194,197	Realisable value
6	Amount Due from other person or bodies Carrying on Insurance Business	85,994,364	74,466,127	Realisable value
7	Sundry Debtors (Including Advance deposit & Prements)	25,680,557	25,010,970	Realisable value
8	Property, plant & equipments	295,497,012	51,838,407	Realisable value
9	Advance against land & office Space	12,000,000	275,926,900	At Cost
		<b>940,017,523</b>	<b>879,724,941</b>	

Sd/-  
**Mia Fazle Karim FCA**  
**Chief Executive Officer**

Sd/-  
**A.H.M. Mozammel Hoque**  
**Director**

Sd/-  
**Farhana Danesh**  
**Director**

Sd/-  
**Abdullah-Al-Mahmud**  
**Chairman**

Sd/-  
**Mahfel Huq & Co.**  
**Chartered Accountants**

Dhaka, 21st April, 2019

**Crystal Insurance Company Limited**  
**Notes to the Financial Statements**  
**As at and For the year ended 31st December 2018**

**1.00 General Information**

**1.01 Legal form of the Company**

Crystal Insurance Company Limited (CICL) was incorporated as a Public Limited Company on 11th November, 1999 under the Companies Act, 1994 having registered office in Bangladesh. CICL obtained permission to commence Insurance business from Chief Controller of Insurance, Directorate of Insurance, and Government of the Peoples Republic of Bangladesh on 23rd December, 1999. The Principal place of business of the Company is at DR Tower (14th Floor), 65/2/2, Box Culvert Road, Purana Paltan, Dhaka-1000, Bangladesh which is also the registered office of the company. CICL is engaged in Non-Life Insurance business within the meaning of Insurance Act, 2010.

**1.02 Principal Activities and Nature of Operations**

The Principal activity of the company continues to be carrying on non-life insurance businesses. There was no significant change in the nature of the Principal activities of the company during the year 2018 under review.

**1.03 Reporting Period**

The financial statements of the Company consistently cover one calendar year starting from 1<sup>st</sup> January to 31st December.

**1.04 Date of Financial Statements Authorized for Issue**

Financial Statements of the company for the year ended December 31, 2018 were authorized for issue on 21st April, 2019 in accordance with a resolution of the Board of Directors.

**2.00 Summary of Significant Accounting and Related Policies**

**2.01 Basis of Preparation**

The financial Statements of the Company under reporting have been prepared under historical cost convention in a going concern concept and on accrual basis in accordance with Generally Accepted Accounting Principles and practice in Bangladesh. Disclosure of financial information as required by Insurance Act 2010 have been complied with while preparing statement of financial position, statement of comprehensive income and revenue accounts for specific classes of insurance business in the form set forth in the first, second and third schedule of the Insurance Act and also in compliance with the Companies Act 1994. In addition the Securities and Exchange rules 1987, International Accounting Standards (IAS) as adopted by the Institute of Chartered Accounts of Bangladesh (ICAB), have also been complied with.

**2.02 Application of International Financial Reporting Standards (IAS/IFRS)**

The Accounting and Financial Reporting Standards that are applicable/not applicable for the financial statements for the year under review, include the following:

IAS 1	Presentation of Financial Statements	Applied
IAS 2	Inventories	Applied
IAS 7	Statement of Cash Flows	Applied
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	Applied
IAS 10	Events after the Reporting Period	Applied
IAS 11	Construction Contracts	N/A
IAS 12	Income Taxes	N/A
IAS 16	Property, Plant and Equipment	Applied
IAS 17	Leases	N/A
IAS 18	Revenue	Applied
IAS 19	Employee Benefits	Applied

IAS 20	Accounting of Government Grants and Disclosure of Government Assistance	N/A
IAS 21	The Effects of Changes in Foreign Exchange Rates	Applicable
IAS 23	Borrowing Costs	Applicable
IAS 24	Related Party Disclosures	Applied
IAS 26	Accounting and Reporting by Retirement Benefit Plans	Applicable
IAS 27	Separate Financial Statements	N/A
IAS 28	Investments in Associates and Joint Ventures	N/A
IAS 29	Financial Reporting in Hyperinflationary Economies	N/A
IAS 32	Financial Instruments: Presentation	Applied
IAS 33	Earning per Share	Applied
IAS 34	Interim Financial Reporting	Applicable
IAS 36	Impairment of Assets	Applicable
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	Applied
IAS 38	Intangible Assets	Applicable
IAS 39	Financial Instruments: Recognition and Measurement	Applied
IAS 40	Investment Property	Applied
IAS 41	Agriculture	N/A
IFRS 1	First-time adoption of International financial Reporting Standards	N/A
IFRS 2	Share-based Payment	N/A
IFRS 3	Business Combinations	N/A
IFRS 4	Insurance Contracts	Applicable
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations	N/A
IFRS 6	Exploration for and Evaluation of Mineral Resources	N/A
IFRS 7	Financial Instruments: Disclosures	Applicable
IFRS 8	Operating Segments	Applicable
IFRS 9	Financial Instruments	Applicable
IFRS 10	Consolidated Financial Statements	N/A
IFRS 11	Joint Arrangements	N/A
IFRS 12	Disclosure of Interests in other Entities	N/A
IFRS 13	Fair Value Measurement	Applicable
IFRS 14	Regulatory Deferral Accounts	N/A
IFRS 15	Revenue from Contracts with Customers	N/A

### **2.03 Components of the Financial Statements**

Following the Insurance Act, 2010 and IAS-1 "Presentation of Financial Statements", the Company's complete set of financial statements include the following components:

- Statement of Financial Position as at December 31, 2018.
- Statement of Profit or Loss and other Comprehensive Income (Profit and Loss Account) for the year ended December 31 2018.
- Profit and Loss Appropriation Account for the year ended December 31, 2018.
- Consolidated Revenue Account for the year ended December 31, 2018.
- Fire Insurance Revenue Account for the year ended December 31, 2018.
- Marine Insurance Revenue Account for the year ended December 31, 2018.
- Motor Insurance Revenue Account for the year ended December 31, 2018.
- Miscellaneous Insurance Revenue Account for the year ended December 31, 2018.
- Statement of Changes in Equity for the year ended December 31, 2018.
- Statement of Cash Flows for the year ended December 31, 2018.
- Notes to the Financial Statements .

### **2.04 Going Concern**

The accompanying financial statements has been prepared on a Going Concern basis which indicates that the realization of assets and discharge of liabilities will be done in the normal case of business and the management believes the entity is able to continue its operation for foreseeable future.

**2.05 Premium Recognition**

Premium is recognized when insurance policies are issued, but the premium of company's share of public sector insurance business (PSB) is accounted for in the year in which the statement of account from Sadharan Bima Corporation is received. Up to 31 December 2018 statement of account for the period 3rd & 4th Quarter-2017 and 1st & 2nd Quarter-2018 have been received and, accordingly, the company's share of PSB for that period has been recognized in these financial statements.

**2.06 Accounting Estimates**

Preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amount of assets and liabilities, Income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments amount carrying values of assets and liabilities that are not readily apparent from other sources. While management believes that the amount included in the financial statement reflect the company's best estimates and assumptions, actual result could differ from estimates.

Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets and provisions for loans. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected the result in material adjustment to the carrying amount of assets and liabilities in the next year

**2.07 Functional and presentation currency**

The financial Statements are presented in Bangladeshi Taka which is the company's functional currency except indicated otherwise.

**2.08 Materiality and aggregation**

Each material class of similar items is presented separately in the financial Statements. Item of dissimilar nature as function are presented separately unless they are immaterial.

**2.09 Property, plant and equipment****i) Recognition and measurement**

Property, plant and equipment are recognized if it is probable that future economic benefit associated with the asset will flow to the Company and cost of the asset can be measured reliably and the asset is available for use. Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost self-constructed assets includes the cost of material and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and the cost of dismantling and removing the items and restoring the site on which they are located.

Gains and losses on disposal of items of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment. When revalued assets are sold, the relevant amount included in the revaluation reserve is transferred to retained earnings.

**ii) Subsequent cost**

The cost of replacing a component of an items of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits associated with the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced component is de-recognised.

**iii) Depreciation**

Depreciation on property, plant and equipments has been charged on straight line method at the rates varying from 10% to 20% depending on the estimated useful lives of the Assets consistent with the past practice. Depreciation on additions to property, plant and equipments during the year has been charged from the date of acquisition and the asset is available for use. The rates of depreciation are furnished

<u>Category of Assets</u>	<u>Rate of Depreciation</u>
Furniture & Fixtures	10%
Office Equipments	15%
Office Decoration	10%
Sundry Assets	20%
Motor Vehicles	20%
Office Space	5%

**iv) De-recognition**

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

**v) Impairment of assets**

The carrying amounts of the company's non financial assets other than deferred tax assets are reviewed at regular interval to determine when there is any indication.

An impairment loss is recognized if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of comprehensive income. Considering the present conditions of the assets, management concludes that there is no such

**2.10 Investment in shares and securities**

All investments of Crystal Insurance Company limited are initially recognized at cost, which include transaction cost and these are classified into the following categories:

- \*Held to Maturity
- \*Available for Sale
- \*Investment property under IAS-40.

**i) Held to Maturity**

Investment with fixed maturity that the management has the intent and ability to hold to maturity are classified as held to maturity and are initially measured at cost.

**ii) Available for Sale**

Available for sale investments are those non-derivative investment that are designated as available for sale or are not classified in any other category. These are primarily those investments that are intended to be held for an undefined period of time or may be sold in response to the need for liquidity are classified as available for sale. The Company follows trade date accounting for regular way purchase

**2.11 Employee Benefits**

Company operates a provident fund, recognized by the Income Tax Authorities. Confirm employees of the Company are eligible for the said provident fund. Employees of the Company will contribute 10% (ten percent) of their basic salary and the employer will make a matching contribution. The provident fund is wholly administered by a Board of Trustees and no part of the fund is included in the assets of the Company.

**2.11.01 Defined benefit plan**

The Company also initiates a funded gratuity scheme w.e.f from 1st January 2018 in accordance with the provisions specified in IAS 19. The fund is on process for approval by the National Board of Revenue (NBR), and will be administered by the Board of Trustees. Employees are entitled to benefit at a graduated scale based on the length of service that completed 5 years on the 1st January 2018.

Calculation of gratuity is made on the basis of last drawn basic salary. An employee will receive one month's basic salary for each completed year of service if he/she completed five years & above.

Gratuity will be payable only on their separation from the company.



The Board of Directors of Crystal Insurance Company Limited in its 81th meeting held on 05 December, 2018 decided to introduce Workers' Profit Participation and Welfare Fund (WPPF) w.e. f 1st January, 2019.

#### **2.11.02 Other benefits**

In addition to the above, Crystal Insurance Company limited providing other benefits to its employees like Incentive Bonus, Group Life Scheme (GLS), Car/Motor Cycle Loan Scheme subject to fulfillment of certain terms and conditions.

### **2.12 Investment Income Recognition**

#### **i) Interest and dividend**

Interest on debentures, Bangladesh Government Treasury Bond and FDRs are recognized on accrual basis. Interest on STD/SND account, cash dividend on investment in shares and other income are recognized as and when amount credited to our account. For stock dividend that received by the company against its investment, number of shares increased and average cost of investment decreased

#### **ii) Other Income**

Other income is recognized in the Statement of Comprehensive Income on the basis of a direct association of property, plant & equipment and other non-current assets including investment have been accounted for in the statement of comprehensive income, having deducted from the proceeds on disposal, the carrying amount of the assets and related selling expenses.

### **2.13 Expenses and Taxes**

#### **i) Recognition of expenses**

Expenses are recognized in the Statement of Profit or Loss and other Comprehensive Income on the basis of a direct association between the cost incurred and the earning of specific heads of income. All expenditure incurred has been charged to the Statement of Profit or Loss and other Comprehensive Income in the running of the business and in maintaining the property, plant and equipment in a state of

#### **ii) Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition and construction of a qualifying asset form part of the cost of that asset and, therefore, should be capitalized. Other borrowing costs are recognized

### **2.14 Income tax**

Income tax expense is recognized in the statement of Statement of Profit or Loss and other Comprehensive Income

#### **i) Current Tax**

The tax currently payable is based on taxable profits for the year. Taxable profits differs from profits as reported in the Statement of Profit or Loss and other Comprehensive Income because it excludes items of income or expenses that are taxable or deductible in other year or are never taxable or deductible. Company's liability for current tax is calculated using tax rates that have been enacted the financial

#### **ii) Deferred tax assets / liabilities**

Crystal Insurance Company Limited is engaged in General Insurance Business and its taxation is calculated based on the taxable income as per the Fourth Schedule of the Income Tax Ordinance, 1984. The company does not provide for deferred taxation as current tax is based on the profits disclosed as per accounts prepared (including management judgments and estimates) complying with the provisions of the Insurance Act, 2010 and as per 4th Schedule of the ITO, 1984 and not under different heads of income. As such management believes there is no effect of deductible/taxable temporary differences leading to recognition of deferred tax expense (income) and consequential deferred liabilities (assets) as per IAS – 12.

### **2.15 Reserve or contingencies Accounts**

#### **i) Reserve for exceptional losses**

In line with Para 6, 4th Schedule of the Income Tax Ordinance 1984, to meet the exceptional losses, CICL sets aside 10% of the Gross Premium Income of the year in which it is set aside from the balance of the profit to the reserve for exceptional losses.

**ii) General Reserve**

Transfer to to General Resurve from profits is done on a lump sum basis as management deems fit.

**2.16 Segment Reporting**

A business segment is a distinguishable component of the company that in providing services that are subject to risks and returns that are different from those of other business segments. The company accounts for segment reporting of operating results using the classes of business. The performance of segments is evaluated on the basis of underwriting results of each segment. The company has four primary business segments for reporting purposes namely fire, marine, motor and miscellaneous.

**2.17 Earning per share**

The Company presents its basic earning per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the number of ordinary shares outstanding during the period.

$$\text{EPS} = \frac{\text{Earning attributable to Ordinary shareholders}}{\text{Number of ordinary share outstanding during the year}}$$

	<u>2018</u>	<u>2017</u>
<b>Net Profit After Tax</b>	67,986,676	49,772,471
Number of Ordinary Shares outstanding during the year	24,000,000	24,000,000
<b>Earning per share (EPS)</b>	<b>2.83</b>	<b>2.07</b>

**2.18 Related party disclosure**

Crystal Insurance Company Limited, in normal course of business, carried out a number of transactions with other entities that fall within the definition of related party contained in International Accounting standard 24: "Related party Disclosures. All transactions involving relating parties arising in normal course of business are conductive on an arm's length basis a commercial rates on the same terms and conditions as Publicable to the third parties. Details of the related party transaction have been given in note 26.

**2.19 Statement of Cash Flows**

The statement of cash flows has been prepared in accordance with IAS-7 and the cash from the operating activities has been presented using direct method.

**2.20 Branch Accounting**

Crystal Insurance Company Limited now has (32) thirty two branches with no overseas branch as of December 31, 2018. Accounts of the branches are maintained at the head office from which these accounts are drawn up.

**2.21 Employees Details:**

During the year under review 266 employees are employed for the full time. Information of the employees is given below:

No of employees' received salary more than Tk. 3000/= per month	<b>266</b>
No of employees' received salary less than Tk. 3000/= per month	<b>Nil</b>

No part time employees are employed in the company.

**2.22 Event after the reporting period****Proposed Dividend**

The proposed dividend is not recognized as a liability in the Financial Position in accordance with the IAS 10: Events after the Financial Position. Dividend payable to the company's shareholders are recognized as a liability only when disclosed and deducted from shareholders equity in the period in which the shareholders right to receive payment is established. International Accounting Standard (IAS) 1: Presentation of Financial Statements also requires the dividend proposed after the balance sheet date but before the financial statement are authorized for issue, be disclosed in the notes to the financial statement. Accordingly, the company has disclosed the same in the notes to the financial statements.

All material events occurring after the balance sheet date has been considered and where necessary, adjusted for or disclosed in the note 24.

**2.23 Disclosure of departure**

- i) Premium is not recognised as per IFRS 4 / IFRS 15
- ii) IAS 1 requirements are not followed for the preparation of Balance Sheet, Profit & Loss Account and revenue accounts as Insurance Act, 2010 is followed.
- iii) No deferred tax has been calculated or provided for as the income tax charge has been calculated as per fourth schedule of ITO, 1984.

**2.24 Deposit Premium Account**

Premium deposit account represents amount of premium deposited with the company against cover notes for which policies are yet to be issued up to the end of the year.

**3.00 Share Capital****Authorised Capital:**

100,000,000 Ordinary shares of Tk.10.00 each

**Issued, Subscribed and Paid up Capital**

Issued, Subscribed and Paid up Capital consist of  
24,000,000 Ordinary shares of Tk.10/- each fully paid up in cash.

Amount in Taka	Amount in Taka
2018	2017

**1,000,000,000      1,000,000,000**

**240,000,000      240,000,000**

**Share Holdings.**

The following table shows the shareholdings of the Company.

Name	Position	No. of share	Amount in Tk.	
01. Abdullah Al-Mahmud	Chairman	4,000,000	40,000,000	
02. Abdullah Hasan	Director	4,000,000	40,000,000	
03. A.H.M. Mozammel Hoque	Director	800,000	8,000,000	
04. Tajul Islam	Director	900,000	9,000,000	
05. Shahzadi Begum	Director	800,000	8,000,000	
06. Farhana Danesh	Director	955,000	9,550,000	
07. Abdullah Al-Mamun	Director	800,000	8,000,000	
08. Farzana Munny	Director	800,000	8,000,000	
09. Arafat Rashid	Director	800,000	8,000,000	
10. Nusrat Mahmud	Director	4,000,000	40,000,000	
11. Soera Zahir	Director	2,000,000	20,000,000	
12. Nabila Mahmud	Director	2,000,000	20,000,000	
13. Asoke Ranjan kapuria	Share Holder	1,200,000	12,000,000	
14. Iqbal Hasan Mahmood	Share Holder	375,000	3,750,000	
15. Sarah Hasien Mahmud	Share Holder	300,000	3,000,000	
16. Rubayet Tanvir Huda	Share Holder	270,000	2,700,000	
		<b>24,000,000</b>	<b>240,000,000</b>	

Amount in Taka	Amount in Taka
2018	2017

**4.00 Reserve & Surplus**

Reserve for exceptional Losses (Notes 4.01)

Retained earnings (P&amp;L App. A/C)

Other Comprehensive Income

General Reserve (Notes 4.03)

**Total**

277,082,253	233,952,136
24,550,196	11,765,050
1,194,312	6,384,012
5,500,000	11,000,000
<b>308,326,761</b>	<b>263,101,198</b>

**4.01 Reserve for Exceptional Losses**

As per paragraph 6 of the Fourth Schedule of Income Tax Ordinance 1984, @ 10% of the gross premium transferred to reserve for exceptional losses. Detailed calculation is given below:

Balance as on January 01, 2018

Add. Reserve made during the year (Notes 4.02)

**Total**

233,952,136	193,085,967
43,130,117	40,866,169
<b>277,082,253</b>	<b>233,952,136</b>

**4.02 Reserve for exceptional losses made during the year @ 10% on Gross Premium Tk. 43,130,117.**

Particulars	Gross Premium	%	Amount (Tk).	Amount (Tk).
Fire	168,248,829	10%	16,824,883	16,222,186
Marine Cargo & Hull	172,985,199	10%	17,298,520	17,201,602
Motor	36,304,098	10%	3,630,410	3,837,798
Misc	53,763,039	10%	5,376,304	3,604,583
<b>Total</b>	<b>431,301,165</b>		<b>43,130,117</b>	<b>40,866,169</b>

**4.03 General Reserve**

Balance as on January 01, 2018

Less: Transfer to Profit &amp; Loss Appropriation Account

Add: Reserve made during the Year

Balance as on December 31, 2018

11,000,000	10,500,000
(6,000,000)	-
500,000	500,000
<b>5,500,000</b>	<b>11,000,000</b>

**5.00 Balance of fund and accounts**

Balance of fund and accounts consists of as follows:

Fire Insurance Revenue Account

Marine Insurance Revenue Account

Motor Insurance Revenue Account

Misc. Insurance Revenue Account

**Total**

49,513,474	49,202,775
53,121,683	51,539,800
14,147,495	15,258,639
5,448,824	4,580,201
<b>122,231,476</b>	<b>120,581,415</b>

**6.00 Deposit Premium**

The below mentioned amount includes premium received against cover notes for which policies have not been issued within December 31, 2018. While the risks against non-marine and marine hull have been assumed from the issuance of cover notes, risks against marine cargo have not been assumed until shipment advices are provided and accordingly, policies are issued.

Fire.

Marine.

Marine Hull

Misc

**Total**

2,081,202	1,826,576
17,735,567	11,670,141
1,436,000	-
368,884	-
<b>21,621,653</b>	<b>13,496,717</b>

**6.01 Deposit Premium**
**Opening Balance as on 01.01.2018**

Add: Premium Deposited/Collection during the year

Less: Refund premium during the year

Less: Premium Income as per policy during the year

**Closing Balance as on 31.12.2018**

Amount in Taka	Amount in Taka
2018	2017

**13,496,717**

375,051,560

(2,474,497)

(364,452,127)

**21,621,653**
**7.00 Estimated liability in respect of Outstanding claims whether due or intimated**

Fire.

Marine.

Marine hull

Motor.

Misc.

**Total**

61,202,349	50,961,000
32,390,950	18,515,826
735,783	-
3,544,607	4,183,414
1,448,222	1,463,942
<b>99,321,911</b>	<b>75,124,182</b>

All the claims against which the Company received intimations within 31st December 2018 have been taken into consideration while estimating the liability of outstanding claims.

**8.00 Amounts due to other persons or bodies carrying on insurance business:**

We have obtained balance conformation from quarterly accounts of SBC regarding amount due to other persons or bodies carrying on insurance business:

Sadharan Bima Corporation

**Total**

<b>110,926,278</b>	<b>128,537,541</b>
<b>110,926,278</b>	<b>128,537,541</b>

This is made up of the balance due to Sadharan Bima Corporation (SBC) on account of re insurance

**9.00 Sundry Creditors**

This is made up as follows :

Audit fees

Advertisement Bill

Advance Deposit (Office Premises)

Bangladesh Insurance Association

Dividend

Fuel &amp; Lubricant

Office Rent

Office Equipment

Office Decoration

Press Release

Provident Fund

Postage &amp; Revenue

Professional Fee

Provision for Income Tax (Notes 9.01)

Salary &amp; Allowances

Stamp Duty

Security Deposit (Open Policy)

Software Maintenance

VAT at source

Tax at source

Telephone Bill(Office)

Telephone Bill (Mobile &amp; Res)

VAT (December-2018) paid in January-2019

VAT on Office Rent

**Total**

350,000	300,000
-	10,000
560,490	283,920
-	300,000
688,500	518,400
9,961	21,933
432,447	246,585
59,000	-
-	52,000
178,500	18,000
434,150	1,565,740
21,360	-
100,000	100,000
20,963,514	22,572,029
6,051,068	6,028,215
3,722,475	3,113,127
80,000	80,000
60,480	76,800
569,660	268,695
829,431	1,185,254
22,142	16,228
68,145	50,390
2,308,101	2,013,022
80,020	63,550
<b>37,589,444</b>	<b>38,883,888</b>

Amount in Taka	Amount in Taka
2018	2017

**9.01 Provision for Income Tax**

This is made up as follows:

Opening Balance

Add: Provision for the year (Notes 9.02)

Less: Tax paid against assesment year 2018-2019

Less: Adjustment previous year unadjustment balance

**Total**

22,572,029	27,022,054
6,319,278	4,795,169
(2,219,894)	-
<b>(5,707,899)</b>	<b>(9,245,194)</b>
<b>20,963,514</b>	<b>22,572,029</b>

**9.02 Provision of Income Tax for the year made up as follows :**

Profit before tax as per Profit and Loss account

Less: Reserve for Exceptional Loss

Less: Interest on National Investment Bond (Tax Free)

Less: Realised Gain on Investment in Shares

Less: Dividend Income

Less: Capital Gain on sale of fixed Assets

**Business Income (Taxable @ 40.00%)**

Add: Profit on dividend Income

Add: Realised Gain on Investment in Shares

Add: Interest on National Investment Bond (Tax Free)

**Total Income**

a) Tax on Business Income @40.00%

b) Tax on Realised Gain on Share @ 10%

c) Tax on Dividend income @ 20%

d) Tax on Capital Gain on sale of fixed Assets @ 15%

**Tax provision for the year**

74,305,954.00	54,567,640
(43,130,117.00)	(40,866,169)
(2,308,400.00)	(949,350)
(8,063,929.00)	(1,477,409)
(1,178,212.00)	(969,754)
(10,291,500)	-
<b>9,333,796.00</b>	<b>10,304,958</b>
1,178,212.00	969,754
8,063,929.00	1,477,409
2,308,400.00	949,350
<b>20,884,337.00</b>	<b>13,701,471</b>
3,733,518.00	4,379,607.00
806,393.00	221,611
235,642.00	193,951
1,543,725.00	-
<b>6,319,278.00</b>	<b>4,795,169.00</b>

**10.00 Property, plant and equipment at Cost :**

Balance at the beginning of the year

Addition during the year

Sales/Disposal during the year

Balance at the year end

**Accumulated Depreciation**

Balance at the beginning of the year

Addition during the year

Sales/Adjustment during the year

Balance at the year end

**Written down value at the year end**

179,931,495	173,394,551
270,738,339	12,039,819
(44,377,429)	
<b>406,292,405</b>	<b>185,434,370</b>
128,864,501	109,209,409
26,308,321	25,166,380
(44,377,429)	(779,826)
<b>110,795,393</b>	<b>133,595,963</b>
<b>295,497,012</b>	<b>51,838,407</b>

**Value of Land & Office Space:**

i) Value of land at cost with registration

ii) Value of Office Space at cost with registration

Less: Transfer to Investment Property in 2016 (IAS 40) ( Note 12.03)

7,892,036
53,564,614
<b>61,456,650</b>
27,505,279
<b>33,951,371</b>

The Company has recognised an assets of office space of 14,000 Sft with proportionte portion of land at DR Tower (14th Floor) at 65/2/2,Culvert Road, Purana Paltan, Dkaka-1000, along with 8 (eigh) Car parking space as per agreement. Since the Assets is being used as Corporate Office of the Company and thats why management is decided to charge of depreciation from 1st January-2018.

**Schedule for the detail of property, plant equipment may be seen in Annexure A (Fixed Assets Schedule)**

**11.00 Advance against land & office Space**

Balance at the beginning of the year	
Addition during the year (Notes 11.01)	
Less: Transfer to Investment Property (Office Space of Jessorer)	
Less: Transfer to Land (Property, Plant & Equipment) Note#11.02	
Less: Transfer to Office Space (Property, Plant & Equipments)	
<b>Total</b>	

Amount in Taka	Amount in Taka
2018	2017
275,926,900	261,828,000
-	14,098,900
(15,594,900)	-
(43,980,000)	-
(204,352,000)	-
<b>12,000,000</b>	<b>275,926,900</b>

**11.01 Break up of addition for the year**

i) Office Space Dhaka (DR. Tower)	
ii) Office Space Jessorer	
iii) Land in Bashundhara	
<b>Total</b>	

-	10,000,000
-	2,194,900
-	1,904,000
<b>-</b>	<b>14,098,900</b>

**11.02 Break up of transfer to land Tk. 43,980,000.00**

i) Office Space Dhaka (DR. Tower)	
ii) Office Space Jessorer	
<b>Total</b>	

41,580,000
2,400,000
<b>43,980,000</b>

**i) Land at Bashundhara: Tk.12,000,000.00**

During the year-2012 the Company has booked a plot of land of 10 katha in the project of Basundhara Reversion Green Town at a total cost of Tk.12,000,000. The Company has paid the total mamount of Tk.12,000,000. The registration process the land is yet to be completed.

**12.00 Investments**

The amounts have been arrived at as under:

Held to maturity ( Note-12.01)	
Available for sale of financial Assets(Note -12.02)	
<b>Total</b>	

25,000,000	25,000,000
59,886,202	51,578,148
<b>84,886,202</b>	<b>76,578,148</b>

**12.01 Held to maturity**

Investments with Fixed maturity that the management has the intent and ability to hold to maturity are classified as held to maturity. During the year 2018 the Company hold Tk.25,000,000.00 as Bangladesh Government Treasury Bond.

**12.02 Available for sale of Financial Assets**

Available for sale of investments are those non-derivative investments that are designated as available for sale or are not classified in any other category. These are primarily those investments that are intended to be held for an undefined period of time or may be sold in response to the need for liquidity are classified as available for sale. The Company follows trade date accounting for regular way purchase and sales of investments. As of December 31, 2018 Company designated the following shares as available for sale.

Details are as follows:

**Changes in Fair value the shares available for sale:**

Opening Balance on 01.01.2018	
Add: Investment during the year	
Add: Realised Gain	
Less: Unrealised Loss	
Balance as on 31-12-2018	

	51,578,148
	5,433,825
8,063,929	
(5,189,700)	2,874,229

**59,886,202**



Name of the company	No. of share as on 31.12.18	Avg. Cost on 31.12.2018	Value at costs as on 31.12.2018	
ACTIVE FINE CERAMICS	120000	37.85	4,542,254	3,384,000
BRACK BANK LTD	64000	71.41	4,570,270	4,652,800
HAMID FABRICS LIMITED	7000000	23.86	16,703,820	16,240,000
IBP	294	9.09	2,673	9,143
INTRACO	266	9.52	2,534	7,129
KTL	11070	9.09	100,640	280,071
ML DYEING	4229	8.33	35,242	125,601
PTL	2000	61.68	123,369	131,800
SILVA PHL	9194	10	91,940	276,739
SINGER BD	1000	216.05	216,046	221,200
SK TRIMS	5546	9.09	50,420	256,780
SS STEEL	13492	10	134,920	134,920
SUMIT POWER	15000	38.87	583,117	591,000
UPGDCL	35000	344.85	12,069,756	10,174,500
VFSTD	4222	9.09	38,386	244,032
HAMID FABRICS LIMITED	496100	28.93	14,352,883	11,509,520
OMIEX Electrode limited	729	8.08	5,891	27,410
QUEEN SOUTH TEXTILE MILLS LTD	2954	9.09	26,860	112,547
Bashundhara Paper Mills Ltd	21613	80	1,729,040	1,811,169
ESQUIRE KNITE	41781	45	1,880,145	1,880,145
RUNNER AUTOMOBILES	14412	75	1,080,900	1,080,900
ADNTEL	18968	30	569,040	569,040
GENTEXIL	10467	10	104,670	104,670
			<b>53,651,020</b>	<b>53,825,116</b>
<b>Add: Balance/Cash in hand</b>				6,061,085
<b>Total Value as on 31.12.2018</b>				<b>59,886,201</b>

**12.03 Investment Property**

<b>34,664,370</b>	<b>26,130,015</b>
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As per decision of the management the portion of Building 2,705.17 SFT is recognised as investment property under IAS 40, initially recognised at cost plus directly attributable cost to the asset.

**Balance as on 01.01.2018**

Add: Office Space (Jessore Branch)

Less: Depreciation during the year

**Balance as on 31.12.2018**

26,130,015	27,505,279
15,594,900	-
7,060,545	1,375,264
<b>34,664,370</b>	<b>26,130,015</b>

**13.00 Inventories**

Insurance Stamps

**Total**

1,173,391	1,361,593
<b>1,173,391</b>	<b>1,361,593</b>

**14.00 Sundry Debtors (including advances, deposits and prepayments)**

This is made up as follows :

Advance against office rent

Advance against office salary

Advance against IPO expenses

Advance deposit for land (Rajuk)

Advance against Income Tax (14.01)

**Total**

10,846,851	11,379,030
7,206,500	3,151,000
1,530,116	1,230,116
1,500,000	1,500,000
4,597,090	7,750,824
<b>25,680,557</b>	<b>25,010,970</b>



Amount in Taka	Amount in Taka
2018	2017

**14.01 Advance Income Tax**

Balance at the beginning of the year	
Deduction against Interest on FDR's & STD A/C	
Advance Deposited against vehicle	
Deduction against Dividend on Share Investment	
Adjustment during the year	
<b>Total</b>	

<b>7,750,824</b>	<b>12,777,235</b>
1,843,523	1,638,701
475,000	275,000
235,642	193,950
<b>(5,707,899)</b>	<b>(7,134,062)</b>
<b>4,597,090</b>	<b>7,750,824</b>

Detail break up of closing balance of Advance Income Tax are given below:

Particulars	Income Year	Assessment Year	Amount (Tk)
AIT for Tax appeal (Appeal pending with High Court)	2007	2008-2009	1,067,925.00
AIT for Tax appeal	2010	2011-2012	975,000.00
<b>Deduction at source:</b>			
Deduction against Interest on FDR's & STD A/C			1,843,523
Advance Deposited against Vehicle			475,000
Deduction against Dividend on Share Investment			235,642
			<b>4,597,090.00</b>

**15.00 Interest receivable account****Accrued but not due:**

Accrued interest of FDR account	
Accrued interest of National Investment Bond	
<b>Total</b>	

10,044,685	5,946,554
247,643	247,643
<b>10,292,328</b>	<b>6,194,197</b>

The amounts represent interest accrued but not received during the year.

**16.00 Amount due from other persons or bodies carrying on insurance business:**

We have obtained balance conformation from quarterly accounts of SBC regarding amount due from other persons or bodies carrying on insurance business:

The balance is made up as follows :

**Receivable from SBC****Total**

85,994,364	74,466,127
<b>85,994,364</b>	<b>74,466,127</b>

**17.00 Cash and Bank Balances**

Cash in Hand	
Cash at Banks on STD Accounts	
Cash at Banks on CD Accounts	

<b>31,229,299</b>	<b>30,818,584</b>
2,818,141	2,723,455
25,164,988	23,387,680
3,246,170	4,707,449
<b>31,229,299</b>	<b>30,818,584</b>

We have duly verified cash in hand by cash count and cash at bank balances have been confirmed with the respective bank statements and reconciliation statement as applicable has been made with the bank

**18.00 Fixed Deposit Receipt (FDR) with Banks:**

Investment in FDR consists of FDR investment in Banks total Taka. 35.86 million, which is readily convertible to cash at a short notice.

**19.00 Depreciation:**

As per Fixed Assets Schedule	
Depreciation of Investment Property (Note 12.03)	
<b>Total</b>	

<b>26,308,321</b>	<b>24,386,554</b>
7,060,545	1,375,264
<b>33,368,866</b>	<b>25,761,818</b>

**20.00 Interest Income****Interest received on:**

FDR Accounts

STD Accounts

Govt. Treasury Bond

**Less: Opening Accrued interest on:**

FDR Accounts

Govt. Treasury Bond

**Add: Closing Accrued interest on:**

FDR Accounts

Govt. Treasury Bond

**Total**

Amount in Taka	Amount in Taka
2018	2017
17,852,358	9,624,731
312,085	6,608,751
2,308,400	730,803
<b>20,472,843</b>	<b>16,964,285</b>
5,946,554	5,067,418
247,643	29,096
<b>6,194,197</b>	<b>5,096,514</b>
10,044,685	5,946,554
247,643	247,643
<b>10,292,328</b>	<b>6,194,197</b>
<b>24,570,974</b>	<b>18,061,968</b>

**21.00 Other Income**

Miscellaneous Income

Office Rent

Garage Rent

Service Charge

Realised Gain from sale of listed companies share

Dividend Income from listed companies share

**Total**

20,431	218,369
1,678,644	1,043,586
54,000	
23,844	
8,063,929	1,477,409
1,178,212	969,754
<b>11,019,060</b>	<b>3,709,118</b>

**22.00 Capital Gain from sale of Assets****10,291,500****This income derived as follows:**

Particulars	Sale Amount	Carring Amount	Capital Gain
<b>A. Vehicle:</b>			
Dhaka Metro GA-14-2155	250,000	Nil	250,000
Dhaka Metro GA-33-7776	700,000	Nil	700,000
Dhaka Metro GHA-11-6586	600,000	Nil	600,000
Dhaka Metro GHA-13-8233	3,000,000	Nil	3,000,000
Dhaka Metro GA-35-8750	1,000,000	Nil	1,000,000
Dhaka Metro KHA-12-0875	300,000	Nil	300,000
Dhaka Metro GA-23-3615	600,000	Nil	600,000
Dhaka Metro GA-27-5300	750,000	Nil	750,000
Dhaka Metro GA-33-4241	850,000	Nil	850,000
Dhaka Metro GA-19-2484	500,000	Nil	500,000
Dhaka Metro GA-35-6394	700,000	Nil	700,000
Dhaka Metro GA-35-8672	1,000,000	Nil	1,000,000
<b>B. Air Condition</b>	41,500	Nil	41,500
<b>Total</b>			<b>10,291,500</b>

**23.00 Management Expenses (Notes 21.01)**

The Management expenses have been made during the year 2018. Details are as follows:

**23.01 Schedule of Management Expenses**

This consists of the following :

	Amount in Taka	Amount in Taka
	2018	2017
Annual Conference	519,200	64,320
Cable & Internate Bill	183,857	184,242
Car Allowance	3,405,000	4,536,650
Car Maintanance	461,122	386,360
Conveyance	647,461	511,099
Earned Leave	176,439	408,788
Entertainment	692,781	634,578
Festival Bonus	5,574,226	6,150,626
Fuel & Lubc.	294,115	424,391
Garage Rent	47,500	39,400
Tax at Source	-	22,963
Inspection Fee	-	180,200
Insurance Premium	95,943	93,902
IPO Expenses	198,000	-
Legal Expenses	233,800	36,740
Medical Allowance	50,112	-
Meeting Exp.	547,000	415,000
Misc. Expenses	6,963	38,004
Office Maintanance	221,604	217,045
Office Rent	6,850,635	6,546,767
Paper & Perodical Expences	101,972	92,813
Employer's Contribution to PF	2,417,075	1,932,870
Postage & Revenue	331,619	308,863
Priting & Stationary	1,010,791	1,020,574
Professional Fee	118,500	449,127
Press Realease	223,062	48,225
Software Maintenance	460,781	586,590
Scholarship	535,500	572,500
Water, Gas & Electical Expenses	678,154	698,445
Salary & Allowance	64,683,228	67,066,337
Service Serge( Co-Ins)	179,609	260,684
Telephone (Mobile & Res)	814,428	1,069,960
Telephone (Office )	255,204	518,650
Tranning Fee	46,000	99,080
Travelling Allowance	298,799	236,053
VAT Paid (Office Rent)	960,240	762,600
Utility Bill	1,336,973	1,302,173
Wages	203,634	189,820
<b>Management Expenses except PSB</b>	<b>94,861,327</b>	<b>98,106,439</b>
<b>Management Expenses (PSB)</b>	<b>5,013,768</b>	<b>3,665,842</b>
<b>Total</b>	<b>99,875,095</b>	<b>101,772,281</b>

## Class wise allocation of Management Expenses

Class of Business.	Management Expenses		2018	2017
	Expenses against Direct Business	PSB Business as per Statements shown by SBC	Total Management Expenses	Amount (Tk)
Fire	41,488,654	663,873	42,152,527	43,220,913
Marine & Marine Hull	40,876,276	1,195,646	42,071,922	43,365,178
Motor	8,798,130	187,662	8,985,792	10,431,445
Miscellaneous	3,698,267	2,966,587	6,664,854	4,754,745
<b>Total</b>	<b>94,861,327</b>	<b>5,013,768</b>	<b>99,875,095</b>	<b>101,772,281</b>

## Basis of allocation of Management Expenses

Particulars	Premium Income (Direct)	Expenses Ratio	Management Expenses
Fire	168,248,829	39%	37,005,017.56
Marine & Marine Hull	172,985,199	40%	38,046,745.20
Motor	36,304,098	8%	7,984,803.18
Misc	53,763,039	12%	11,824,761.06
<b>Total-</b>	<b>431,301,165</b>	<b>100%</b>	<b>94,861,327</b>

## 24.00 Earnings Per Share

The Company calculates Earnings per Share (EPS) in accordance with IAS 33: Earnings Per Share, which has been shown on the face of the income statement and has been calculated by dividing the basic earnings by the number of ordinary shares outstanding for the year. Detailed calculations were as follows:

Earnings attributable to ordinary shareholders (Net profit after taxation and Provision)	<b>67,986,676</b>	<b>49,772,471</b>
Number of Ordinary Shares	24,000,000	24,000,000

**Basic earnings Per share (Taka) 2.83 2.07**

## 25.00 Events after the reporting period

There is no significant event that has occurred between the Balance Sheet date and the date when except 10% cash dividend as proposed by the Board of Directors in its meeting held on 21st April, 2019 for the year ended 31st December 2018.

Financial Statements were authorised for issue by the Board of Directors

## 26.00 Directors Involvements/Interest in other companies (Related party disclosures: IAS-24)

Crystal Insurance Company Ltd., in normal course of business, carried out of number of transactions contained in International Accounting Standard 24: Related Party Disclosures. All transactions involving related parties arising in normal course of business are conducted on an arm's length basis at commercial rates on the same terms and conditions as applicable to the third parties.

Details of transaction with related parties and balances with them were as follows:

Name of The related party	Relationship	Nature of Transaction	Premium Earned in 2018	
Mahin Apparels Ltd. Hamid Fabrics Ltd, Unit-I Hamid Fabrics Ltd, Unit-II Hamid Weaving Mills Ltd Tazrian Weaving Mills Ltd	Common   Director	Insurance	18,267,419	
RG Traders N.K. Motors Eagle Paribahan (pvt) Ltd.	Common  Director	Insurance Premium	1,051,807	
<b>Total</b>			<b>19,319,226.00</b>	

**27.00 Liability for VAT**

The Liabilities of VAT amounting to Tk. 23,08,101.00 only for the month of December-2018 which has subsequently been deposited with Bangladesh Bank in the month of January-2019

**28.00 Tax Assessment Position:**

Details have been shown in the Annexure -B.

**29.00 CEO's Remuneration:**

The Company paid during the year under Audit the following Remuneration & allowances to the CEO of the comp

	2018	2017
i). Remuneration & Festival Bonus	2,940,000	2,640,000
ii). Driver Salary & Bonus	192,000	192,000
iii). Mobile Bill	24,000	24,000
ii). Fuel & Garage rent	122,796	104,148
<b>Total</b>	<b>3,278,796</b>	<b>2,960,148</b>

**30.00 Contingement Asset/Liability:**

There is no contingent Asset or Liability of the Company as at 31-12.2018 except the followings:

**Liability for VAT:**

The Commissioner of Customs Excise & VAT Commissionerate, Dhaka (South), Dhaka vide their letter No. 4/gmK/8(207)/Ki dmK/uePri/17, Zmi L: 24/09/2017Bs demanded an amount of VAT Tk.2,933,948.00 for the year 2016. The Company has submitted necessary papers and documents vide letter No. umAvBumGj /umI /umve/2017/3572 Zmi L: 19/10/2017 against such unacceptable demand of the Commissioner of Customs, Excise & VAT Commissionerate, Dhaka (South), Dhaka . Subsequently management of CICL also appealed to the Appalet Tribunal of Customs, Exise & VAT and the Authority has not given any decision till to date.

**Liability for Tax:**

Details break up have been shown in the annexure "B"

**31.00 Other Relevent Information:**

- 31.01** The Company has paid Tk. 310,500 including VAT of Tk.40,500.00 to the Directors as Board Meeting attendance fee during the year 2018. Other than this, no amount of money or any other benefits have been given by the company for compensating member of the Board for special services rendered.
- 31.02** There was no credit facility for the year ended 31.12.2018 availed by the company under any contract other than trade credit available in course of business.
- 31.03** The Company did not incur any expenses nor dit it earn any income in foreign currency on account of royalty, technical expert & professional advisory fees, interest etc.
- 31.04** Previous years figures have been reorganised wherever necessary to conform to current years' presentation.

Crystal Insurance Company Limited												
Property, Plant and Equipments for the year ended December 31, 2018												
Annexure-A												
SL. NO.	PARTICULARS	COST				DEPRECIATION					WRITTEN DOWN	WRITTEN DOWN
		Balance as on	Addition during	Disposal	Total as on	Rate of	Balance as on	Depreciation	Adjustment	Total as on	VALUE AS ON	VALUE AS ON
		01-01-2018	the year	during the year	31-12-2018	Dep.	01-01-2018	during the year	during the year	31-12-2018	31-12-2018	31-12-2017
1	Furniture & Fixtures	8,180,892	187,744		8,368,636	10%	6,168,075	477,147		6,645,222	1,723,414	2,012,817
2	Office Equipments	12,723,680	818,330		13,542,010	15%	9,757,583	1,178,661		10,936,244	2,605,766	2,966,097
3	Office Decoration	40,872,592	1,690,200		42,562,792	10%	22,186,019	3,583,004		25,769,023	16,793,769	18,686,573
4	Sundry Assets	5,759,531	400,065	-	6,159,596	20%	4,630,470	593,758	-	5,224,228	935,368	1,129,061
5	Motor Vehicles	78,443,429	19,310,000	44,377,429	53,376,000	20%	60,475,287	8,955,184	44,377,429	25,053,042	28,322,958	17,968,142
6	Office Space	26,059,335	204,352,000		230,411,335	5%	25,647,067	11,520,567	-	37,167,634	193,243,701	412,268
7	Land	7,892,036	43,980,000	-	51,872,036		-	-	-	-	51,872,036	7,892,036
	<b>TOTAL</b>	<b>179,931,495</b>	<b>270,738,339</b>	<b>44,377,429</b>	<b>406,292,405</b>		<b>128,864,501</b>	<b>26,308,321</b>	<b>44,377,429</b>	<b>110,795,393</b>	<b>295,497,012</b>	<b>51,066,994</b>
	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
	Mia Fazle Karim FCA	A.H.M. Mozammel Hoque	Farhana Danesh	Abdullah-Al-Mahmud							Mahfel Huq & Co.	
	Chief Executive Officer	Director	Director	Chairman							Chartered Accountants	
Signed as per our separate report of same date												
Dhaka, 21st April, 2019												

**Crystal Insurance Company Limited**  
**Income Tax Assessment Position (Upto 31.12.2018)**

**Annexure - B**

<b>Accounting Year</b>	<b>Asst.Year</b>	<b>Status</b>
2007	2008-09	The tax authority assessed tax tk. 133,66,504 with simple interest Tk. 18,55,449/-as per demand notice U/S 135 dated 07.06.2012 and an appeal has been made against the learned CT (LTU) order to High Court Division and the decision is pending before High Court Division.
2008	2009-10	The Income Tax Return was submitted to Deputy commissioner of Taxes, Circle -Large Taxpayer Unit (LTU), Zone-LTU Dhaka U/S 82BB. As per demand notice U/S 135 Dated 30.09.2013 present tax demand is Tk. 28,437/- but an application has been made by CICL U/S 173 for refund adjustment of Tk. 5,06,471/-.
2009	2010-11	The Income Tax Return was submitted to Deputy commissioner of Taxes, Circle -Large Taxpayer Unit (LTU), Zone-LTU Dhaka U/S 82BB. As per demand notice U/S 135 Dated 30.09.2013 present tax demand is nil but an application has been made by CICL U/S 173 for refund Tk. 17,22,097/- as DCT charged excess tax .
2010	2011-12	The tax authority assessed tax tk.98,66,812 with simple interest Tk. 14,88,007/-as per demand notice U/S 135 dated 19.09.2013 but appeal has been made against the learned CT (LTU) order to Taxes Appellate Tribunal Division. The status que order has been given by the Appellate Tribunal Division
2011	2012-13	The tax authority assessed tax tk.2,25,64,173 with simple interest Tk. 29,93,477/-as per demand notice U/S 135 dated 23.04.2015 and an appeal has been made against the learned CT (LTU) order to Taxes Appellate Division and the decision is pending before Taxes Appellate Division.
2012	2013-14	The tax authority assessed tax tk.2,35,11,328 with simple interest Tk. 33,17,280/-as per demand notice U/S 135 dated 15.03.2017 and an appeal has been made against the learned CT (LTU) order to Taxes Appellate Division and the decision is pending before Taxes Appellate Division.
2013	2014-15	The tax authority assessed tax tk. 2,70,81,097 with simple interest Tk. 41,19,111/-as per demand notice U/S 135 dated 15.03.2017 and an appeal has been made against the learned CT (LTU) order to Taxes Appellate Division and the decision is pending before Taxes Appellate Division.
2014	2015-16	The Income Tax Return was submitted to Deputy commissioner of Taxes, Circle -Large Taxpayer Unit (LTU), Zone-LTU Dhaka U/S 82BB. The DCT Certify that " Assessment has been completed for the assessment year 2015-2016"
2015	2016-17	The Income Tax Return was submitted to Deputy commissioner of Taxes, Circle -Large Taxpayer Unit (LTU), Zone-LTU Dhaka U/S 82BB. The DCT Certify that " Assessment has been completed for the assessment year 2016-2017"
2016	2017-18	The Income Tax Return was submitted to Deputy commissioner of Taxes, Circle -Large Taxpayer Unit (LTU), Zone-LTU Dhaka U/S 82BB. The DCT Certify that "Assessment has been completed for the assessment year 2017-2018"
2017	2018-19	The Income Tax Return was submitted to Deputy commissioner of Taxes, Circle -Large Taxpayer Unit (LTU), Zone-LTU Dhaka U/S 82BB. The DCT Certify that " Assessment has been completed for the assessment year 2018-2019"

Dated, Dhaka  
The April 21, 2019

**Sd/-**  
**MAHFEL HUQ & CO.**  
Chartered Accountants

<b>Crystal Insurance Company Limited</b> <b>DR Tower (14th Floor), 65/2/2, Box Culvart Road, Purana Paltan, Dhaka.</b> <b>In preparing financial Statements, we applied following IAS and IFRS:</b>		
Annexure- C		
Name of the IAS	IAS No.	Status of application
Presentation of Financial Statements	1	Applied
Inventories	2	Applied
Cash flow Statements	7	Applied
Accounting policies, Change in Accounting estimated and errors	8	Applied
Event after Balance Sheet date	10	Applied
Construction contracts	11	N/A
Income tax	12	N/A
Property, plant & Equipments	16	Applied
Leases	17	N/A
Revenue Recognition	18	Applied
Employee Benefits	19	Applied
Accounting fo Govt. Grants and Disclosure of Govt. Assistants	20	N/A
The effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related party Disclosures	24	Applied
Accounting and reporting by retirement benefit plan	26	Applied
Consolidated Financial Statements and Accounting for Investment in	27	N/A
Accounting for Investment in Association and joint venture	28	N/A
Earning per Share	33	Applied
Provisions, contingent liabilities and contingent assets	37	Applied
Intangible Assets	38	Applied
Financial Instruments: Recognition & Measurement	39	Applied
Investment Property	40	Applied
Agriculture	41	N/A
First Adoption of BFRSs	1	N/A
Share based payment	2	N/A
Business combination	3	N/A
Insurance Contracts	4	N/A
Non-current assets Held for sales and discontinued Operation	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	Applied
Operating Segments	8	Applied
		Sd/-
		<b>Mahfel Huq &amp; Co.</b>
		<b>Chartered Accountants</b>
Dhaka, 21st April, 2019		



**(b) Information as is required under section 186 of the ~~Kyrgyz~~ *Kyrgyz* ~~Law~~ *Law*, 1994 relating to holding company**

The Issuer company under consideration does not have any subsidiary company or it is not a subsidiary of any other holding company.

**(c) Selected ratios as specified in Annexure-D**

Selected ratios as specified in Annexure-D

Ratios pertinent to the Prospectus

Rule 4 (1)(d)

Auditor's certificate regarding calculations of EPS and Other Ratios of Crystal Insurance Company Limited

The following ratios have been computed from the Audited Financial Statements of Crystal Insurance Company Limited for the years ended 31 December 2017, 2016, 2015, 2014 and 2013.

Name of ratio			31-Dec-18		31-Dec-17		31-Dec-16		31-Dec-15		31-Dec-14		
			Calculation	Results	Calculation	Results	Calculation	Results	Calculation	Results	Calculation	Results	
1 <u>Liquidity Ratio:</u>													
Current Ratio	=	Current Assets	512,969,939	1.903701	449,251,471	1.75	379,775,197	1.57	328,555,878	1.41	277,723,509	1.29	
		Current Liability	269,459,286		256,042,328		241,314,079		232,744,852		214,978,065		
Quick Ratio	=	(Current Assets-Inventories)	511,796,548	1.899346	447,889,878	1.75	378,578,151	1.57	327,258,240	1.41	276,470,318	1.29	
		Current Liability	269,459,286		256,042,328		241,314,079		232,744,852		214,978,065		
Times Interest Earned Ratio	=	(Income from operation+Finance Cost) Finance Cost	N/A		N/A		N/A		N/A		N/A		
Debt to Equity Ratio	=	Long term loan	N/A		N/A		N/A		N/A		N/A		
		Shareholders equity											
2 <u>Operating Ratio:</u>													
Accounts Receivable Turnover Ratio		Gross Premium	N/A		N/A		N/A		N/A		N/A		
		Receivable											
Inventory Turnover Ratio	=	Inventory	1,173,391	0.002721	1,361,593	0.0033	1,197,046	0.0031	1,297,638	0.0036	1,253,191	0.0036	
		Gross Premium	431,301,165		408,661,693		390,354,116		365,324,258		350,464,503		
Asset Turnover Ratio	=	Gross Premium	431,301,165	0.458822	408,661,693	0.46	390,354,116	0.52	365,324,258	0.56	350,464,503	0.64	
		Total Assets	940,017,523		879,724,941		754,229,506		656,349,855		551,710,404		
3 <u>Profitability Ratios:</u>													
Gross Margin Ratio	=	Underwriting Profit X 100	65,000,849	0.150709	73,221,793 X 100	17.92	52,485,536 X 100	13.45	48,719,763 X 100	13.34	46,890,959 X 100	13.38	
		Gross Premium	431,301,165		408,661,693		390,354,116		365,324,258		350,464,503		
Operating profit Ratio	=	Net Profit before tax X 100	74,305,954	0.245519	54,567,640 X 100	18.34	50,499,862 X 100	17.26	44,224,550 X 100	16.04	43,427,841 X 100	16.41	
		Net Premium	302,648,856		297,512,962		292,593,856		275,738,765		264,655,744		
Net profit Ratio	=	Net Profit after tax X 100	67,986,676	0.224639	49,772,471 X 100	16.73	45,228,031 X 100	15.46	40,970,036 X 100	14.86	40,042,204 X 100	15.13	
		Net Premium	302,648,856		297,512,962		292,593,856		275,738,765		264,655,744		
Return on Asset Ratio	=	Net Profit after tax X 100	67,986,676	0.074721	49,772,471 X 100	6.09	45,228,031 X 100	6.41	40,970,036 X 100	6.78	40,042,204 X 100	7.93	
		Average Assets	909,871,232		816,977,224		705,289,681		604,030,130		504,857,185		
Return on Equity Ratio	=	Net Profit after tax X 100	67,986,676	0.129323	49,772,471 X 100	12.29	45,228,031 X 100	15.83	40,970,036 X 100	16.56	40,042,204 X 100	18.78	
		Average Shareholders Equity	525,713,980		404,891,568		285,799,310		247,431,666		213,247,198		
Earnings per share Ratio(EP	=	Net Profit after tax	67,986,676	0.28	49,772,471	2.40	45,228,031	7.54	40,970,036	6.83	40,042,204	6.67	
		Waighted Avg. No. of share	240000000		20,712,328		6,000,000		6,000,000		6,000,000		
EBITDA Margin		EBITDA X 100	107674820	0.25	80,329,458 X100	19.66	64,997,762 X 100	16.65	44,224,550 X 100	12.11	43,427,841 X 100	12.39	
		Gross Premium	431,301,165		408,661,693		390,354,116		365,324,258		350,464,503		

4 Coverage Ratios:												
Debt to total Assets Ratio	=	Debt			N/A		N/A		N/A		N/A	
		Total Assets										
Debt Service Coverage Ratio	=	Net Operating Income			N/A		N/A		N/A		N/A	
		Total Debt Service										
5 Cash Flow:												
Net Operating Cash Flow per share	=	Net Operating Cash Flow	60,119,324	2.50	63,940,520	3.09	50,032,851	8.34	57,890,388	9.65	87,798,786	14.63
		No. of outstanding share	24,000,000		20,712,328		6,000,000		6,000,000		6,000,000	
Net Operating Cash Flow per share/EPS	=	Net Operating Cash Flow per share	2.50	0.89	3.09	1.49	8.34	1.11	9.65	1.41	14.63	2.19
		EPS	2.83		2.07		7.54		6.83		6.67	
The above balance is certified on the basis of books of accounts; records are other supporting documents for the period from 01 January 2014 to 31 December 2018.												

All the ratios shall be explained and compared with the industry/sectors average ratios of the same periods along with sources of the information. [As per condition 4. of Annexure-D of Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015]

**Industry Average Ratios compared to Crystal Insurance Company Limited**

Sl	Name of the Ratio	2016		2015		2014		2013		2012	
		CICL	Industry Avg.	CICL	Industry Avg.	CICL	Industry Avg.	CICL	Industry Avg.	CICL	Industry Avg.
1. Liquidity Ratios											
1	Current Ratio (Times)	1.57	2.57	1.41	2.75	1.29	2.3	1.49	2.11	3.42	2.42
2	Quick Ratio (Times)	1.57	2.29	1.41	2.13	1.29	1.78	1.48	1.73	3.4	2.48
2. Operating Efficiency Ratios											
1	Accounts Receivable Turnover Ratio (Times)	0	4.91	0	9.79	0	6.02	0	15.59	N/A	14.13
2	Inventory Turnover Ratio (Times)	0.0031	N/A	0.0036	N/A	0.0036	N/A	0.0042	N/A	N/A	N/A
3	Asset Turnover Ratio (Times)	0.52	0.47	0.56	0.48	0.64	0.95	0.7	0.35	0.84	0.42
3. Profitability Ratios											
1	Gross Margin Ratio	8.33%	13%	7.12%	11%	7.66%	14%	12.75%	22%	21.00%	21%
2	Operating Profit Ratio	17.26%	17%	16.04%	29%	16.41%	44%	28.61%	29%	33.00%	40%
3	Net Profit Ratio	15.46%	24%	14.86%	22%	15.13%	26%	21.98%	36%	48.00%	41%
4	Return on Assets	6.41%	11%	6.78%	6%	7.93%	7%	11.74%	8%	30.00%	7%
5	Return on Equity Ratio	12.80%	7%	15.11%	12%	18.78%	5%	27.39%	5%	64.00%	12%
6	Earning Per Share (EPS) (Tk.)	2.54	2.06	6.83	1.25	6.67	1.67	7.89	1.94	6.31	2.25
7	EBITDA margin	9%	25%	9%	26%	8%	28%	15%	30%	35%	31%
4. Solvency Ratios											
1	Debt to Total Assets Ratio	0	0.32	0	0.32	0	0.44	0	0.45	0	0.27
2	Debt to Equity Ratio (Times)	0	0.22	0	0.28	0	0.41	0	0.17	0	0.22
3	Time Interest Earned Ratio ( Times)	0	21.25	0	19.19	0	29.13	0	36.82	0	24.41
4	Debt Service Coverage Ratio	0	0.87	0	0.72	0	0.69	0	0.91	0	1.25
5. Cash Flow Ratios											
1	Net Operating Cash Flow per Share (NOCFPS)	8.34	1.01	9.65	1.37	14.62	1.64	18.93	2	18.32	4.04
2	NOCFPS to EPS Ratio	1.11	1.07	1.41	0.83	2.19	1.23	2.4	1.18	2.90	2.06

(d) Auditors report under Section 135(1), Paragraph 24(1) of Part II of Schedule III of the *Kvinnu AðBb*, 1994. The report shall include comparative income statements and balance sheet and aforementioned ratios for immediate preceding five accounting years of the Issuer. If the Issuer has been in commercial operation for less than five years, the above mentioned inclusion and submission will have to be made for the period since commercial operation.

**Auditors' report in pursuance of Section 135(1) under Para 24 & 25 of Part-II of the Third Schedule of the Companies Act – 1994**

We, as the auditors, have examined the financial statement of Crystal Insurance Company Limited for the years ended from December 31, 2014 to December 31, 2018 and the figures extracted from the said audited financial statements as certified, report in pursuance of Section 135(1) under Para 24 & 25 of Part-II of the Third Schedule of the Companies Act – 1994 and we report that:

CRYSTAL INSURANCE COMPANY LTD.											
Balance Sheet as at 31st December - 2018, 2017, 2016, 2015, 2014											
Particulars	2018 (Taka)	2017 (Taka)	2016 (Taka)	2015 (Taka)	2014 (Taka)	Particulars	2018 (Taka)	2017 (Taka)	2016 (Taka)	2015 (Taka)	2014 (Taka)
<b>Shareholders' Equity &amp; Liabilities:</b>						<b>ASSETS:</b>					
<b>Shareholders' Equity</b>						<b>Non-Current Assets</b>	<b>427,047,584</b>	<b>430,473,470</b>	<b>374,454,309</b>	<b>326,816,927</b>	<b>272,572,962</b>
<b>Authorized</b>											
100,000,000 Ordinary Shares of Tk. 10 each	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	Property, plant & equipments	295,497,012	51,838,407	64,185,142	70,400,114	40,742,832
						Advanced against Land & Office spae	12,000,000	275,926,900	261,828,000	210,576,000	207,332,260
<b>Issued, Subscribed and Paid up Capital:</b>						Investments	84,886,202	76,578,148	20,935,888	18,335,534	24,497,870
24,000,000 Ordinary Shares of Tk. 10 each	240,000,000	240,000,000	60,000,000	60,000,000	60,000,000	Investments Property	34,664,370	26,130,015	27,505,279	27,505,279	-
<b>Reserve for Contingency Account:</b>						<b>Current Assets</b>	<b>123,140,640</b>	<b>107,032,887</b>	<b>98,484,792</b>	<b>89,501,962</b>	<b>84,596,120</b>
<b>Reserves and Surplus</b>	<b>308,326,761</b>	<b>263,101,198</b>	<b>334,681,937</b>	<b>252,266,684</b>	<b>169,946,648</b>	Inventories	1,173,391	1,361,593	1,197,046	1,297,638	1,253,191
Reserve for exceptional Losses	277,082,253	233,952,136	193,085,967	154,050,555	117,518,129	Sundry Debtors (including advances, deposits and prepayments)	25,680,557	25,010,970	27,675,500	27,132,864	29,323,963
Profit & Loss Appropriation Account	24,550,196	11,765,050	40,558,748	41,866,129	44,928,519	Interest receivable account	10,292,328	6,194,197	5,096,514	5,755,774	7,067,923
Investment Fluctuation Fund	1,194,312	6,384,012	2,537,222	-	-	Amount due from other persons or bodies carrying on Insurance Business	85,994,364	74,466,127	64,515,732	55,315,686	46,951,043
General Reserve	5,500,000	11,000,000	10,500,000	9,000,000	7,500,000						
Share Money Deposit	-		88,000,000	47,350,000	-						
<b>Balance of Funds and Accounts:</b>	<b>122,231,476</b>	<b>120,581,415</b>	<b>118,233,490</b>	<b>111,338,319</b>	<b>106,785,691</b>	<b>Cash and Cash equivalent</b>	<b>389,829,299</b>	<b>342,218,584</b>	<b>281,290,405</b>	<b>239,053,916</b>	<b>193,127,389</b>
Fire Insurance Business	49,513,474	49,202,775	47,415,832	49,742,293	23,583,404	Cash in hand	2,818,141	2,723,455	1,890,970	2,449,045	5,692,712
Marine Insurance Business	53,121,683	51,539,800	47,110,302	39,128,741	64,723,813	STD Accounts	25,164,988	23,387,680	106,187,601	70,631,882	24,107,339
Motor Insurance Business	14,147,495	15,258,639	14,103,630	15,176,544	12,705,101	CD Accounts	3,246,170	4,707,449	5,661,834	1,222,989	6,577,338
Misc. Insurance Business	5,448,824	4,580,201	9,603,726	7,290,741	5,773,373	Fixed Deposit Receipt (FDR)	358,600,000	311,400,000	167,550,000	164,750,000	156,750,000

<b>Deposit Premium</b>	21,621,653	13,496,717	11,535,948	24,033,492	35,311,179	<b>Other Accounts:</b>					
<b>Liabilities &amp; Provision:</b>											
<b>Estimated Liabilities in Respect of Outstanding Claims whether due or Intimated</b>	<b>99,321,911</b>	<b>75,124,182</b>	<b>52,835,149</b>	<b>41,445,271</b>	<b>18,034,643</b>	Deferred Tax Assets	-	-	-	977,050	1,413,933
<b>Amount due to other persons or bodies carrying on insurance business:</b>	<b>110,926,278</b>	<b>128,537,541</b>	<b>132,436,165</b>	<b>116,476,268</b>	<b>114,122,759</b>						
<b>Sundry Creditors:</b>	<b>37,589,444</b>	<b>38,883,888</b>	<b>44,506,817</b>	<b>50,789,821</b>	<b>47,509,484</b>						
<b>Deferred Tax Liability</b>											
<b>Total</b>	<b>940,017,523</b>	<b>879,724,941</b>	<b>756,229,506</b>	<b>656,349,855</b>	<b>551,710,404</b>	<b>Total</b>	<b>940,017,523</b>	<b>879,724,941</b>	<b>754,229,506</b>	<b>656,349,855</b>	<b>551,710,404</b>
						<b>NAV(Net Asset Value) Per Share</b>	<b>22.85</b>	<b>20.96</b>	<b>51.11</b>	<b>44.15</b>	<b>38.32</b>
Dated, Dhaka The April 25, 2019										Sd/- <b>MAHFEL HUQ &amp; CO.</b> Chartered Accountants	

**CRYSTAL INSURANCE COMPANY LTD.**

### Profit And Loss Appropriation Account for the year ended 31st December - 2018, 2017, 2016, 2015, 2014

<b>Particulars</b>	<b><u>2018</u> <u>(Taka)</u></b>	<b><u>2017</u> <u>(Taka)</u></b>	<b><u>2016</u> <u>(Taka)</u></b>	<b><u>2015</u> <u>(Taka)</u></b>	<b><u>2014</u> <u>(Taka)</u></b>	<b>Particulars</b>	<b><u>2018</u> <u>(Taka)</u></b>	<b><u>2017</u> <u>(Taka)</u></b>	<b><u>2016</u> <u>(Taka)</u></b>	<b><u>2015</u> <u>(Taka)</u></b>	<b><u>2014</u> <u>(Taka)</u></b>
Reserve for Exceptional Losses	43,130,117	40,866,169	39,035,412	36,532,426	35,046,450	Balance brought forward from last year	10,993,637	40,558,748	41,866,129	44,928,519	48,076,069
General Reserve	500,000	500,000	1,500,000	1,500,000	1,500,000		6,000,000	-	-	-	-
Provision for Income Tax	6,319,278	4,795,169	4,294,781	2,817,631	3,385,637						
Provision for Deferred Tax	-	-	977,050	436,883	-	Deferred Tax Expenses (Assets)	-	-	-	-	(643,304)
Dividend	16,800,000	37,200,000	6,000,000	6,000,000	6,000,000	Net Profit for the Year Brought down	74,305,954	54,567,640	50,499,862	44,224,550	43,427,841
<b>Balance transferred to Balance Sheet</b>	24,550,196	11,765,050	40,558,748	41,866,129	44,928,519						
	<b>91,299,591</b>	<b>95,126,388</b>	<b>92,365,991</b>	<b>89,153,069</b>	<b>90,860,606</b>		<b>91,299,591</b>	<b>95,126,388</b>	<b>92,365,991</b>	<b>89,153,069</b>	<b>90,860,606</b>
Earnings per share Ratio(Basic)	2.83	2.07	7.54	6.83	6.67						
Earnings per share Ratio(Rest.)	2.83	2.40	5.03	4.55	4.45						
Dated, Dhaka The April 25, 2019									Sd/- <b>MAHFEL HUQ &amp; CO.</b> <b>Chartered Accountants</b>		



CRYSTAL INSURANCE COMPANY LTD.											
Profit And Loss Account and other comprehensive income for the year ended 31st December - 2018,2017,2016,2015,2014											
Particulars	2018 <u>(Taka)</u>	2017 <u>(Taka)</u>	2016 <u>(Taka)</u>	2015 <u>(Taka)</u>	2014 <u>(Taka)</u>	Particulars	2018 <u>(Taka)</u>	2017 <u>(Taka)</u>	2016 <u>(Taka)</u>	2015 <u>(Taka)</u>	2014 <u>(Taka)</u>
<b>Expenses of Management :</b> (Not applicable any particular fund or Account) :						<b>Interest Income</b>	24570974	18,061,968	15,745,306	17,682,494	16,077,997
Advertisement & Publicity	170,350	129,066	434,525	125,270	147,400	Profit on financial Assets	10291500	1,477,409	54,131	-	395,704
Audit Fees	400,000	300,000	275,000	230,000	215,000	<b>Other Income</b>	<b>9840848</b>	1,261,955	1,685,815	545,792	45,646
Bank Charge	351,130	387,755	333,164	325,023	333,651	Dividend Income (Share)	1178212	969,754	495,000		61,359
Branch Opening Fee	-	-	150,000	-	200,000						
Credit Rating	150,000	-	-	-	-						
Bima Mela	-	-	406,212	-	-						
Excise Duty	402,321	266,300	237,494	211,576	160,890	<b>Balance brought down</b>					
Depreciation	33,368,866	25,761,818	14,497,900	12,664,204	15,987,097	<b>from Revenue Account</b>	<b>65,000,849</b>	<b>73,221,973</b>	<b>52,485,536</b>	<b>48,719,763</b>	<b>46,890,959</b>
Director's meeting attend fees	310,500	150,000	115,000	135,000	140,000	Fire	-8048702	(13,373,328)	(13,705,989)	(27,751,174)	(37,636,677)
Donation & Subscription	230,500	146,500	435,000	371,000	187,080	Marine	47895618	61,878,146	43,313,654	63,118,291	85,364,208
Fees and Charges	-	122,500	115,000	250,000	-	Motor	15769106	14,322,865	11,489,951	7,446,618	206,056
Bangladesh Insurance Associatio	100,000	300,000	200,000	-	200,000	Misc.	9384827	10,394,290	11,387,920	5,906,028	(1,042,628)
Penalty	-	-	-	-	-						
Business Development Expenses	48,889	42,222	40,000	40,000	40,930						
Registration & Renewal including penalty paid to IDRA	1,043,873	12,819,258	2,726,631	2,209,091	2,431,776						
Loss on Financial Assets	-	-	-	6,162,335	-						
<b>Net Profit transferred to Profit &amp; Loss Appropriation A/c</b>	<b>74,305,954</b>	<b>54,567,640</b>	<b>50,499,862</b>	<b>44,224,550</b>	<b>43,427,841</b>						
<b>Total</b>	<b>110,882,383</b>	<b>94,993,059</b>	<b>70,465,788</b>	<b>66,948,049</b>	<b>63,471,665</b>	<b>Total</b>	<b>110,882,383</b>	<b>94,993,059</b>	<b>70,465,788</b>	<b>66,948,049</b>	<b>63,471,665</b>
Dated, Dhaka The April 25, 2019										Sd/- <b>MAHFEL HUQ &amp; CO.</b> <b>Chartered Accountants</b>	

**CRYSTAL INSURANCE COMPANY LTD.**
**Consolidated Revenue Account for the year ended 31st December - 2018,2017,2016,2015,2014**

Particulars	2018 (Taka)	2017 (Taka)	2016 (Taka)	2015 (Taka)	2014 (Taka)	Particulars	2018 (Taka)	2017 (Taka)	2016 (Taka)	2015 (Taka)	2014 (Taka)
<b>Claims under policies less reinsurance:</b>						Balance of Account at the beginning of the year	120,581,415	118,233,490	111,338,319	106,785,691	86,327,344
Paid during the year	87,561,612	68,891,236	87,222,129	48,695,639	69,574,775						
<b>Add:</b>						Premium less re - insurance	302,648,856	297,512,962	292,593,856	275,738,766	264,655,744
Total estimated liability in respect of outstanding claims at the end of the year whether due	99,321,911	75,124,182	52,835,149	41,445,271	18,034,643	Commission on re-insurance ceded	31,898,091	25,080,209	21,954,983	14,368,779	13,370,747
Less: Outstanding at the end of previous year	(75,124,182)	(52,835,149)	(41,445,271)	(18,034,643)	(36,449,895)						
<b>Net Claim</b>	<b>111,759,341</b>	<b>91,180,269</b>	<b>98,612,007</b>	<b>72,106,267</b>	<b>51,159,523</b>						
Agency Commission	56,257,734	54,066,290	50,447,357	48,130,429	48,034,853						
Expenses of Management	99,875,095	101,772,281	106,105,439	116,594,002	111,479,131						
Stamp Duty	3,867	4,433	3,329	4,455	3,678						
Balance of Account at the end of the year as shown in the Balance sheet											
Reserve for unexpired risks being 40% of premium income of the	122,231,476	120,581,415	118,233,490	111,338,319	106,785,691						
Profit/Loss transferred to Profit and Loss Account	65,000,849	73,221,973	52,485,536	48,719,764	46,890,959						
	<b>455,128,362</b>	<b>440,826,661</b>	<b>425,887,158</b>	<b>396,893,236</b>	<b>364,353,835</b>		<b>455,128,362</b>	<b>440,826,661</b>	<b>425,887,158</b>	<b>396,893,236</b>	<b>364,353,835</b>
Dated, Dhaka											SD/-
The April 25, 2019											<b>MAHFEL HUQ &amp; CO.</b>
											<b>Chartered Accountants</b>

**CRYSTAL INSURANCE COMPANY LTD.**
**Statement of Cash Flows**
**For the year ended 31st December - 2018,2017,2016,2015,2014**

		<b>2018</b> <b>(Taka)</b>	<b>2017</b> <b>(Taka)</b>	<b>2016</b> <b>(Taka)</b>	<b>2015</b> <b>(Taka)</b>	<b>2014</b> <b>(Taka)</b>
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES (Restated)</b>					
	Collection from Premium	372,577,063	361,648,739	341,348,533	321,273,579	327,868,276
	Other Income	1,776,919	2,739,364	1,739,946	545,792	45,646
	Payment for Management Exp. Agency Com. & Claim	(303,457,709)	(292,025,000)	(279,672,849)	(257,536,001)	(237,420,666)
	Advance Expenses	(6,002,890)	(4,203,800)	(2,434,577)	(3,784,000)	-
	Advance Income Tax paid	(4,774,059)	(4,218,783)	(10,948,202)	(2,608,982)	(2,778,493)
	<b>Net cash provided by from operating activities</b>	<b>60,119,324</b>	<b>63,940,520</b>	<b>50,032,851</b>	<b>57,890,388</b>	<b>87,714,763</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
	Acquisition of Fixed Assets	(22,406,339)	(12,039,819)	(8,282,928)	(11,582,504)	(92,676,058)
	Advance for property	-	(14,098,900)	(51,252,000)	(61,488,000)	-
	Sale of fixed assets	10,291,500	-	-	-	-
	Interest Income	20,472,843	16,964,285	16,404,566	18,994,643	17,933,531
	Realise gain on sale of share	8,063,929	-	-	-	-
	Dividend Received	1,178,212	969,754	495,000	-	61,359
	Investment in Shares	(13,497,754)	(34,318,061)	9,000	-	395,704
	Investment in BGDB	-	(16,000,000)	-	-	-
	<b>Net cash used by Investment</b>	<b>4,102,391</b>	<b>(58,522,741)</b>	<b>(42,626,362)</b>	<b>(54,075,861)</b>	<b>(74,285,464)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
	Share money Deposite	-	62,000,000	40,650,000	47,350,000	-
	Dividend Paid	(16,611,000)	(6,489,600)	(5,820,000)	(5,238,000)	(6,000,000)
	<b>Net Cash flow from financing activities</b>	<b>(16,611,000)</b>	<b>55,510,400</b>	<b>34,830,000</b>	<b>42,112,000</b>	<b>(6,000,000)</b>
<b>D.</b>	<b>Net Increase in cash &amp; Bank ( A+B+C )</b>	<b>47,610,715</b>	<b>60,928,179</b>	<b>42,236,489</b>	<b>45,926,527</b>	<b>7,429,299</b>
<b>E.</b>	<b>Opening Cash &amp; Cash Equivalent</b>	<b>342,218,584</b>	<b>281,290,405</b>	<b>239,053,916</b>	<b>193,127,389</b>	<b>185,698,090</b>
<b>F.</b>	<b>Closing Cash &amp; Bank Balance ( D+E )</b>	<b>389,829,299</b>	<b>342,218,584</b>	<b>281,290,405</b>	<b>239,053,916</b>	<b>193,127,389</b>

Dated, Dhaka  
The April 25, 2019

Sd/-  
**MAHFEL HUQ & CO.**  
Chartered Accountants

01. The Company was incorporated on 11<sup>th</sup> November, 1999 as a public limited company under the Companies Act – 1994 with the object of carrying all kinds of Insurance business other than Life Insurance.
02. The annexed statements of Assets and Liabilities (Balance Sheet) of the Company for the years ended December 31, 2014 to 2018 has been duly certified by us.
03. The annexed statements of operating results (profits and loss) of the Company for the years ended December 31, 2014 to 2018 has been duly certified by us.
04. The annexed Cash flow statements of the Company for the years ended December 31, 2014 to 2018 has been duly certified by us.
05. The Company has declared dividend for the years from 2014 to 2018 as follows:

Particulars	31-12-2018	31-12-2017	31-12-2016	31-12-2015	31-12-2014
Cash dividend	7.00%	7.00%	12%	10%	10%
Stock dividend (Bonus Share)	Nil	Nil	50%	Nil	Nil

06. The Company has no subsidiaries.
07. No proceeds or part of proceeds of the issue of shares were applied directly or indirectly by the Company in purchase of any other business.
08. The Company did not prepare any financial statements for any period subsequent to December 31, 2018.
09. Figures relating to previous years have been re-arranged wherever considered necessary.
10. We have been examined the above mentioned financial statements and found correct.

Place: Dhaka  
Date: 25 April 2019

**SD/-**  
**MAHFEL HUQ & CO.**  
*Chartered Accountants*

(e) Financial spread sheet analysis for the latest audited financial statements

## Crystal Insurance Company Limited

### Statement of Financial Position

(Balance Sheet)

As at December 31, 2018

Particulars	Notes	Amount in Taka 2018	Percentage (%)
<b>Shareholders' Equity &amp; Liabilities</b>			
<b>Shareholders' Equity</b>			
<b>Authorised Capital</b>		<b><u>1,000,000,000</u></b>	
100,000,000 Ordinary shares of Tk.10 each			
<b>Issued, Subscribed &amp; Paid up Capital</b>	<b>3.00</b>	<b>240,000,000</b>	<b>25.53%</b>
24,000,000 Ordinary share of Tk. 10 each fully paid up			
<b>Reserves and Surplus</b>	<b>4.00</b>	<b>308,326,761</b>	<b>32.80%</b>
Reserve for Exceptional Losses		277,082,253	29.48%
Profit & Loss Appropriation Account		24,550,196	2.61%
Investment Fluctuation Fund		1,194,312	0.13%
General Reserve		5,500,000	0.59%
<b>Total Shareholders Equity</b>		<b>548,326,761</b>	<b>58.33%</b>
<b>Liabilities and Provisions</b>			
<b>Balance of Funds and Accounts</b>	<b>5.00</b>	<b>122,231,476</b>	<b>13.00%</b>
Fire Insurance Revenue Account		49,513,474	5.27%
Marine Insurance Revenue Account		53,121,683	5.65%
Motor Insurance Revenue Account		14,147,495	1.51%
Misc. Insurance Revenue Account		5,448,824	0.58%
Deposit Premium	<b>6.00</b>	21,621,653	2.30%
Estimated liabilities in respect of outstanding claims			
whether due or intimated	<b>7.00</b>	99,321,911	10.57%
Amounts due to other persons or bodies carrying on insurance business	<b>8.00</b>	110,926,278	11.80%
Sundry Creditors	<b>9.00</b>	37,589,444	4.00%
<b>Total Liability</b>		<b>391,690,762</b>	<b>41.67%</b>
<b>Total Shareholders' Equity &amp; Liabilities</b>		<b><u>940,017,523</u></b>	<b>100.00%</b>

**Crystal Insurance Company Limited**  
**Statement of Financial Position**  
**(Balance Sheet)**  
**As at December 31,2018**

Particulars	Notes	Amount in Taka	Percentage (%)
		2018	
Property and Assets			
Non-Current assets		427,047,584	45.43%
Property, plant & equipments	10.00	295,497,012	31.44%
Advance against land & office space	11.00	12,000,000	1.28%
Investments	12.00	84,886,202	9.03%
Investment (owner- occupied Property)	12.03	34,664,370	3.69%
Current assets		123,140,640	13.10%
Inventories	13.00	1,173,391	0.12%
Sundry Debtors (including advances, deposits and prepayments)	14.00	25,680,557	2.73%
Interest Accrued but not due	15.00	10,292,328	1.09%
Amount due from other persons or bodies carrying on insurance business	16.00	85,994,364	9.15%
Cash and Cash Equivalent		389,829,299	41.47%
Cash in hand		2,818,141	0.30%
Cash at Banks on STD accounts	17.00	25,164,988	2.68%
Cash at Banks on CD accounts		3,246,170	0.35%
Fixed Deposit Receipt (FDR) with Banks	18.00	358,600,000	38.15%
Total assets		940,017,523	100.00%

(f) Earnings Per Share (EPS) on fully diluted basis (with the total existing number of shares) in addition to the weighted average number of shares basis. Future projected Net Income should not be considered while calculating the weighted average EPS

Particulars	31 December 2018	31 December 2017
Net profit after Tax	67,986,676	49,772,471
No. of shares before IPO	24,000,000	24,000,000
Earnings per share (EPS) (Basic)	2.83	2.41
Earnings Per Share (EPS) On Fully Diluted Basis	2.83	2.41
Earnings per share (EPS) (Weighted)	2.83	2.40

(g) All extra-ordinary income or non-recurring income coming from other than core operations should be shown separately while showing the Net Profit as well as the Earnings Per Share

	2018	2017
Net profit before Tax	74,305,954	54,567,640
Less: Income Tax Expenses	(6,319,278)	(4,795,169)
Less: Non-Operating Income (Interest & Other Income)	(45,881,534)	(21,771,086)
<b>Net profit after Tax except other Income</b>	<b>22,105,142</b>	<b>28,001,385</b>
No. of shares before IPO	<b>24,000,000</b>	<b>24,000,000</b>
Earnings per Share (EPS) on fully diluted basis	<b>0.92</b>	<b>1.17</b>

(h) Quarterly or half-yearly EPS should not be annualized while calculating the EPS

The Company did not annualize quarterly or half yearly EPS.

(i) Net asset value (with and without considering revaluation surplus or reserve) per unit of the securities being offered at the date of the latest audited statement of financial position.

Crystal Insurance Company Limited did not revalue its assets.

Particulars	Amount in Taka
(A) Total Asset (No revaluation reserve)	940,017,523
(B) Total Liabilities	391,690,762
<b>(C) Net Assets (A-B)</b>	<b>548,326,761</b>
(D) Total Number of Ordinary Share	24,000,000
<b>Net Asset Value Per Share (NAV)</b>	<b>22.85</b>

**(j) The Commission may require the Issuer to re-audit the audited financial statements, if any deficiency or anomaly is found in the financial statements. In such a case, cost of audit should be borne by the concerned Issuer.**

If BSEC decides to re-audit the audited financial statements, the Issuer Company Management is ready to accept and cooperate to finalize the matter.

**(k) Following statements for the last five years or any shorter period of commercial operation certified by the auditors:**

**(i) Statement of long term and short term borrowings including borrowing from related party or connected persons with rate of interest and interest paid or accrued**

**Certification on statement of long term and short term borrowings including borrowing from related party or connected persons with rate of interest and interest paid or accrued of Crystal Insurance Company Limited**

After due verification, we certify that there is no long term and short term borrowings including borrowing from related party or connected persons of Crystal Insurance Company Limited.

Place: Dhaka  
Date: 25 April, 2019

Sd/-  
**MAHFEL HUQ & CO.**  
*Chartered Accountants*

**(ii) Statement of principal terms of secured loans and assets on which charge have been created against those loans with names of lenders, purpose, sanctioned amount, rate of interest, primary security, collateral or other security, re-payment schedule and status**

**Certification on statement of principal terms of secured loans and assets on which charge have been created against those loans with names of lenders, purpose, sanctioned amount, rate of interest, primary security, collateral or other security, re-payment schedule and status of Crystal Insurance Company Limited**

After due verification, we certify that there is no secured loan and no charge have been created any of the assets of Crystal Insurance Company Limited and there is no collateral or other security.

Place: Dhaka  
Date: 25 April, 2019

Sd/-  
**MAHFEL HUQ & CO.**  
*Chartered Accountants*

**(iii) Statement of unsecured loans with terms and conditions**

**Certificate on unsecured loans with terms & conditions of Crystal Insurance Company Limited for the last five years.**

This is to certify that Crystal Insurance Company Limited did not take any unsecured loan from anybody including Banks and Financial Institutions from January 01, 2014 to December 31, 2018.

Place: Dhaka  
Date: 25 April, 2019

Sd/-  
**MAHFEL HUQ & CO.**  
*Chartered Accountants*



(iv) Statement of inventories showing amount of rawmaterial, packing material, stock-in-process and finishedgoods, consumable items, store and spares parts,inventory of trading goods etc.

**Certification on statement of inventories of raw material, packing material, stock-in process and finished goods, consumable items, store & spare parts, inventory of trading goods etc. of Crystal Insurance Company Limited for the lastfive years;**

After due verification, we certify that the statement of inventories showing amount of Insurance Stamps of Crystal Insurance Company Limited for the last five years were as follows:

Items	31-12-2018	31-12-2017	31-12-2016	31-12-2015	31-12-2014
Insurance stamps	1,173,391	1,361,593	1,197,046	1,297,638	1,253,191
<b>Total</b>	<b>1,173,391</b>	<b>1,361,593</b>	<b>1,197,046</b>	<b>1,297,638</b>	<b>1,253,191</b>

Except insurance stamps there is no inventories of raw material, packing material, stock-in process and finished goods, consumable items, store & spare parts, inventory of trading goods etc. of Crystal Insurance Company Limited for the lastfive years

Place: Dhaka  
Date: 25 April, 2019

Sd/-  
**MAHFEL HUQ & CO.**  
*Chartered Accountants*

(v) Statement of trade receivables showing receivable fromrelated party and connected persons;

**Certification on statement of trade receivables showing receivable from related party and connected persons of Crystal Insurance Company Limited for the lastfive years.**

After due verification, we certify that there is no trade receivables from related party and connected persons of Crystal Insurance Company Limited for the last five years.

Place: Dhaka  
Date: 25 April, 2019

Sd/-  
**MAHFEL HUQ & CO.**  
*Chartered Accountants*

(vi) Statement of any loan given by the Issuer including loansto related party or connected persons with rate of interestand interest realized or accrued

**Certification on statement of any loan given by the Issuer including loan to related party or connected persons with rate of interest and interest realized/ accrued by Crystal Insurance Company Limited for the lastfive years.**

This is to certify that Crystal Insurance Company Limited did not give any loan to any related party or connected person from 01 January 2014 to 31 December 2014.

Place: Dhaka  
Date: 25 April, 2019

Sd/-  
**MAHFEL HUQ & CO.**  
*Chartered Accountants*

(vii) Statement of other income showing interest income, dividend income, discount received, other non operating income;

**Certification on statement of other income showing interest income, dividend income, discount received, other non-operating income of Crystal Insurance Company Limited for the last five years**

This is to certify that the other income showing interest income, dividend income, discount received and other non-operating income of Crystal Insurance Company Limited for the last five years were as follows:

Particulars	Amount in (BDT)					
	31-12-2018	31-12-2017	31-12-2016	31-12-2015	31-12-2014	31-12-2013
Interest Income	24,570,974	18,061,968	15,745,306	17,682,494	16,077,997	19,568,752
Dividend Income	1,178,212	969,754	495,000	-	61,359	1,617,988
Profit on Financial Assets	8,063,929	1,477,409	54,131	-	-	(1,433,337)
Office Rent	1,678,644	1,043,586	600,000	-	-	-
Garage Rent	54,000	-	-	-	-	-
Service Charge	23,844	-	-	-	-	-
Miscellaneous Income	20,431	218,369	1,085,815	545,792	45,646	798,198
Discount received	-	-	-	-	-	-
<b>Total</b>	<b>35,590,034</b>	<b>21,771,086</b>	<b>17,980,252</b>	<b>18,228,286</b>	<b>16,580,706</b>	<b>20,551,601</b>

Place: Dhaka  
Date: 25 April, 2019

**MAHFEL HUQ & CO.**  
*Chartered Accountants*

(viii) Statement of turnover showing separately in cash and through banking channel;

**Certification on statement of turnover showing separately in cash and through banking channel of Crystal Insurance Company Limited for the last five years**

After due verification, we certify that the turnover showing separately in cash and through banking channel of Crystal Insurance Company Limited during last five years were as follows:

Particulars	Amount in BDT				
	31-12-2018	31-12-2017	31-12-2016	31-12-2015	31-12-2014
<b>In Cash</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Through Banking Channel</b>	<b>372,577,063</b>	<b>361,648,739</b>	<b>341,348,533</b>	<b>321,273,579</b>	<b>327,868,276</b>
<b>Total</b>	<b>372,577,063</b>	<b>361,648,739</b>	<b>341,348,533</b>	<b>321,273,579</b>	<b>327,868,276</b>

Place: Dhaka  
Date: 25 April, 2019

Sd/-  
**MAHFEL HUQ & CO.**  
*Chartered Accountants*

**(ix) Statement of related party transaction;**
**Disclosure regarding related party transaction**
**TO WHOM IT MAY CONCERN**

This is to certify that, the Crystal Insurance Company Limited does not have any transaction during the last five years, or any proposed transaction, between the Issuer and any of the following persons:

1. Any director or sponsor or executive officer of the Issuer:
2. Any person holding 5% or more of the outstanding shares of the Issuer:
3. Any related party or connected person of any of the above persons:

Except the following transactions:

Name of the Related Party	Nature of Relationship	Nature of Transaction	Premium earned at the year end (BDT)				
			31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15	31-Dec-14
Mahin Apparels Ltd. Hamid Fabrics Ltd. Unit-I Hamid Fabrics Ltd. Unit-II Hamid Weaving Mills Ltd. Tazrian Weaving Mills Ltd.	Common Director	Insurance	18,267,419	19,676,436	20,343,037	18,034,869	Nil
R.G. Traders N.K. Motors Eagle Paribahan (pvt) Ltd.	Common Director	Insurance	1,051,807	2,389,255	3,552,467	2,817,897	Nil
<b>Total</b>				<b>22,065,691</b>	<b>23,895,504</b>	<b>20,852,766</b>	<b>Nil</b>

Name of the Related Party	Nature of Relationship	Nature of Transaction	Claim paid at the year end (BDT)				
			31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15	31-Dec-14
Mahin Apparels Ltd. Hamid Fabrics Ltd. Unit-I Hamid Fabrics Ltd. Unit-II Hamid Weaving Mills Ltd. Tazrian Weaving Mills Ltd.	Common Director	Insurance	589,931	Nil	5,564,168	Nil	Nil
R.G. Traders N.K. Motors Eagle Paribahan (pvt) Ltd.	Common Director	Insurance	2,219,475	2,608,821	1,914,048	1,392,750	Nil
<b>Total</b>				<b>2,608,821</b>	<b>7,478,216</b>	<b>1,392,750</b>	<b>Nil</b>

Place: Dhaka  
Date: 25 April, 2019

**MAHFEL HUQ & CO.**  
*Chartered Accountants*

**(x) Certification regarding reconciliation of business income shown in tax return with net income shown in audited financial statements of Crystal Insurance Company Limited for the last five years.**

This is to certify that the income of Crystal Insurance Company Limited as per audited financial statements and income shown in tax return are reconciled as follows:

Particulars	Amount in BDT (2017)	Amount in BDT (2016)	Amount in BDT (2015)	Amount in BDT (2014)	Amount in BDT (2013)
Net profit before tax as per Profit & Loss Account	54,567,640	50,499,862	44,224,550	43,427,841	61,631,730
Less: Reserve for Exceptional Loss	(40,866,169)	(39,035,412)	(36,532,526)	(35,046,450)	(32,219,771)
Less: Interest on National Investment Bond (Tax Free)	(949,350)	(1,062,000)	(1,062,000)	(1,172,984)	(738,000)
Less: Realized Gain on Investment in Shares	(1,477,409)	(54,131)	Nil	Nil	Nil
Less: Dividend Income	(969,754)	(495,000)	Nil	(61,359)	(1,617,988)
<b>Business Income shown in tax return</b>	<b>10,304,958</b>	<b>98,53,319</b>	<b>6,630,124</b>	<b>7,147,048</b>	<b>27,055,971</b>

Place: Dhaka  
Date: 25 April, 2019

Sd/-  
**MAHFEL HUQ & CO.**  
*Chartered Accountants*

**(xi) Confirmation that all receipts and payments of the Issuer above Tk.5,00,000/- (five lac) were made through banking channel;**

**Certification on receipts and payments above Tk. 500,000 (Five lac) were made through banking channel of Crystal Insurance Company Limited.**

This is to certify that all receipts and payments of Crystal Insurance Company Limited above Tk. 5,00,000 (five lac) were made through banking channel from 01 January, 2014 to 31 December, 2018.

Place: Dhaka

Sd/-  
**MAHFEL HUQ & CO.**

Date: 25 April, 2019

Chartered Accountants

**(xii) Confirmation that Bank Statements of the Issuer are in conformity with its books of accounts;****Certification on books of accounts of Crystal Insurance Company Limited are in conformity with bank statements for the last five years**

This is to certify that the books of accounts of Crystal Insurance Company Limited from 01 January, 2014 to 31 December, 2018 are in conformity with bank statements.

Place: Dhaka  
Date: 25 April, 2019

Sd/-  
**MAHFEL HUQ & CO.**  
Chartered Accountants

**(xiii) Statement of payment status of TAX, VAT and other taxes or duties; and****Certification on status of payment of Tax, VAT and other taxes/ duties of Crystal Insurance Company Limited for the last five years**

After due verification, we certify that the status of Tax, VAT and other taxes/ duties payment of Crystal Insurance Company Limited for the last five years were as follows:

Particulars	Payment Status				
	31-12-2018	31-12-2017	31-12-2016	31-12-2015	31-12-2014
Tax	4,774,059	42,187,831	10,948,202	2,608,982	2,778,493
VAT	28,841,311	28,465,354	24,953,714	25,726,889	26,514,862
Other taxes/ duties	Nil	Nil	Nil	Nil	Nil

Place: Dhaka  
Date: 24 January 2019

**MAHFEL HUQ & CO.**  
Chartered Accountants

**(xiv) Any other statement as may be required by the Commission.**

Not applicable

## Section XXVII

### **Credit Rating Report**

## Credit Rating Report (Surveillance)

### Crystal Insurance Company Limited

#### Analysts:

**Tahmina Islam**

tahmina.islam@crab.com.bd

**Shahtaj Noor**

shahtaj.noor@crab.com.bd

#### Assigned Rating

**Long Term** : A<sub>2</sub>

**Short Term** : ST-2

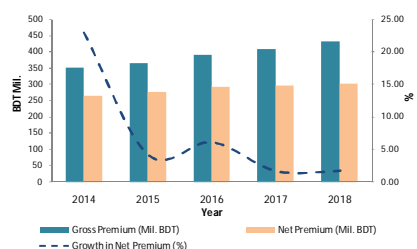
**Outlook** : Stable

**Date of Rating** : 27 June 2019

**Valid Till** : 30 June 2020

Methodology: CRAB's Non-Life Insurance Rating Methodology  
(www.crab.com.bd)

Financial Highlights		
--Year ended December 31--		
Month	(12)	
(Mil. BDT)	2018	2017
Gross Premium	431.30	408.66
Net Premium	302.65	297.51
Paid up Capital	240.00	240.00
Loss Ratio (%)	36.93	30.65
Expense Ratio (%)	52.65	57.31
ROA (%)	7.90	6.20
Underwriting Profit Margin (%)	21.48	24.61
Risk Retention (%)	70.17	72.80
Solvency (times)	6.29x	6.03x



**RATING BASED ON:** Audited financial statements as of 31 December 2018 and other relevant quantitative as well as qualitative information up to the date of rating declaration.

#### COMPANY PROFILE

Crystal Insurance Company Limited (hereinafter referred as "CICL" or "the Company") was incorporated as Public Limited Company on 11<sup>th</sup> November 1999. CICL carries out non-life insurance business with authorized and paid up capital of BDT 1,000.00 million and BDT 240.00 million respectively. During 2018, Company had 31 branches of which 16 branches were located in Dhaka city. CICL earned net premium of BDT 302.65 million along with underwriting profit BDT 65.00 million in 2018. CICL's claim settlement ratio was 50.00% in the same duration. The management team of CICL is headed by Mr. Mia Fazle Karim, FCA, designated as Chief Executive Officer who joined CICL in 2015.

#### RATIONALE

Credit Rating Agency of Bangladesh Limited (CRAB) has assigned the long term rating of Crystal Insurance Company Limited (hereinafter also called 'CICL' or 'the Company') at "A<sub>2</sub>" (pronounced Single A two) and short term rating at "ST-2". CRAB performed the rating surveillance based on audited financial statements up to 31<sup>st</sup> December 2018 and other relevant information.

Insurance Companies rated '**A**' have STRONG financial security characteristics, but are somewhat more likely to be affected by adverse business conditions than Insurers with higher ratings.

Insurance Companies rated '**ST 3**' have an ADEQUATE ability to meet their financial commitments on short-term policy obligations. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened ability of the insurers to meet their financial obligations.

The rating reflects the Company's strength in solvency ratio and profitability. However, the rating is constrained by reduced underwriting profit and settled claim payment. The Company should focus on generating more underwriting profit to offset the business risk.

During 2018, after reinsurance ceded of BDT 128.65 million the net premium of the Company was BDT 302.65 million. Net premium earning was stable in nature just enhanced by 1.73% in the same duration. In 2018, net claim of the Company was BDT 111.76 million along with 36.93% loss ratio. Of the total net claims major claims incurred in the fire class of business shared 70.11% of total net claim where retention ratio was 73.57% in the same class of business. The outstanding net claims at the end of 2018 was BDT 99.32 million which was 50.04% of total claims.

Underwriting profit of CICL shared 58.62% of total revenue in 2018 where as on average underwriting profit shared 71.37% of total revenue in the last five years. Net profit (before tax) of the company grew 36.17% in 2018. Underwriting profit of CICL reduced 11.23% in 2018 due to low underwriting from marine class business. Underwriting profit margin ratio reduced 3.13 percentage points to 21.48% in 2018 (2017: 24.61%). Loss ratio of marine and fire class business was significant in the same year.

During 2018, CICL's current ratio was 1.90 times in 2018. The organizations current asset to net claims was 4.59 times in 2018 from 4.93 times of 2017. CICL's liquid asset (cash and bank balance) shared 41.47% of total assets in 2018 (2017: 38.90%).

CICL's required solvency was BDT 65.33 million whereas the Company's available solvency was BDT 410.78 million which means the value of assets had been more than the liabilities. CICL kept BDT 277.08 million as reserve for exceptional losses and maintained BDT 6.69 million as general reserve. In 2018, risk retention of CICL was 70.16% (2017: 72.80%).

The Board of Directors of CICL raised paid up capital to BDT 240.00 million issuing 180, 00,000 ordinary shares during 2017 and is in process of initial public offering. CICL shareholders' equity increased by 8.99% in 2018. CICL's shareholders' equity to total assets ratio was 58.33% in 2018.

## ■ OPERATIONAL REVIEW

### Classes of Business & Charges

CICL earned gross premium of BDT 431.30 million, of which 84.50% (BDT 364.45 million) was from direct business and 15.46% (BDT 66.66 million) was from govt. business in 2018. After reinsurance ceded of BDT 128.65 million the retained premium of the Company was BDT 302.64 million. Marine and fire class of business dominated net premium earnings shared 42.91% and 40.90% respectively in 2018 followed by motor 11.69% and misc 4.50% in 2018.

**Table 1**

#### Segregation of Net Premium

-- Year ended December 31 --									
(Mil. BDT)	2018			2017			2016		
	Amount	Total (%)	Growth (%)	Amount	Total (%)	Growth (%)	Amount	Total (%)	Growth (%)
Fire	123.78	40.90	0.63	123.01	41.35	3.77	118.54	40.51	(4.68)
Marine	129.87	42.91	3.98	124.91	41.98	8.82	114.79	39.23	20.55
Motor	35.37	11.69	(7.28)	38.15	12.82	8.19	35.26	12.05	(7.07)
Misc.	13.62	4.50	18.96	11.45	3.85	(52.31)	24.01	8.21	31.72
<b>Total</b>	<b>302.65</b>	<b>100.00</b>	<b>1.73</b>	<b>297.51</b>	<b>100.00</b>	<b>1.68</b>	<b>292.59</b>	<b>100.00</b>	<b>6.11</b>

During 2018, net claim of the Company was BDT 111.76 million where fire claims shared the major portion (70.11% of total net claim). Of the total net claim, marine class of business shared 23.87% of total net claim in 2018. Moreover motor class and miscellaneous of business shared 5.89% and 0.13% of total net claim respectively.



Table 2

Segregation of Net Claim									
--Year ended December 31--									
(Mil. BDT)	2018			2017			2016		
	Amount	Total (%)	Growth (%)	Amount	Total (%)	Growth (%)	Amount	Total (%)	Growth (%)
Fire	78.35	70.11	0.94	77.62	85.13	3.34	75.11	76.17	44.96
Marine	26.68	23.87	531.80	4.22	4.63	(66.95)	12.78	12.96	73.99
Motor	6.58	5.89	(4.08)	6.86	7.52	(29.79)	9.77	9.91	(5.67)
Misc.	0.15	0.13	(93.98)	2.48	2.72	160.17	0.95	0.97	(63.23)
<b>Total</b>	<b>111.76</b>	<b>100.00</b>	<b>22.57</b>	<b>91.18</b>	<b>100.00</b>	<b>(7.54)</b>	<b>98.61</b>	<b>100.00</b>	<b>36.76</b>

### Growth Analysis

During 2018, CICL's gross premium earnings grew by 5.54%. In the same duration, net premium earnings increased slightly by 1.73%. CICL risk retention ratio was 71.17% reduced 2.63 percentage points from 2017.

Table 3

Key Performance Indicators						
--Year ended December 31--						
(Mil. BDT)	2018		2017		2016	
	Amount	Growth (%)	Amount	Growth (%)	Amount	Growth (%)
Gross Premium	431.30	5.54	408.66	4.69	390.35	6.85
Net Premium	302.65	1.73	297.51	1.68	292.59	6.11
Net Claim	111.76	22.57	91.18	(7.54)	98.61	36.76
Underwriting Profit	65.00	(11.23)	73.22	39.51	52.49	7.73
Investment & Other Income	45.88	110.75	21.77	21.08	17.98	(1.36)
Net Profit (before tax)	74.31	36.17	54.57	8.06	50.50	14.19
Management Expense	159.34	(6.55)	170.50	1.48	168.02	(0.36)
Shareholder's Equity	548.33	8.99	503.10	27.47	394.68	26.39
Total Assets	940.02	6.85	879.72	16.64	754.23	14.91

Net claim of the Company incurred was BDT 111.76 million in 2018 due to increased marine and motor claims. During same period, CICL's management expense slightly reduced by 6.55% compared to previous year. Underwriting profit of the Company reduced by 11.23% in 2018. Investment & other income of CICL experienced significant enhancement of 110.75% in 2018 due to interest income and capital gain from secondary market. Net profit (before tax) improved by 36.17% due to underwriting profit from marine and motor class of business. Shareholders' equity grew by 8.99% through internal capital generation. Total assets of the Company reached BDT 940.02 million registering a growth of 6.85% in 2018.

## FINANCIAL REVIEW

### Underwriting Quality

Loss ratio of CICL enhanced 6.28 percentage point resulted from claim settlement in marine class of business in 2018. For last six years (2014-17) average loss ratio was high in fire and low in marine class of business. In 2018, expense ratio reduced 4.66 percentage points thus combined ratio became 89.58% which is below 100%.

Table 4

Underwriting Performance				
--Year ended December 31--				
%	2018	2017	2016	2015
<b>Loss Ratio</b>	<b>36.93</b>	<b>30.65</b>	<b>33.70</b>	<b>26.15</b>
Fire	63.30	63.10	63.36	41.67
Marine	20.54	3.38	11.13	7.71
Motor	18.61	17.99	27.71	27.30
Misc.	1.09	21.63	3.97	14.21
<b>Expense Ratio</b>	<b>52.65</b>	<b>57.31</b>	<b>57.42</b>	<b>61.15</b>
<b>Combined Ratio</b>	<b>89.58</b>	<b>87.96</b>	<b>91.13</b>	<b>87.30</b>

### Management Expenses

During 2018 the Company incurred management expense of BDT 159.34 million which enhanced 1.48% from last year. The management expense of CICL includes agency commission, management expenses shown in the revenue account and

in profit & loss account. In 2018, 36.96% of gross premium income from fire direct business and 36.41% of gross premium income from marine cargo and hull direct business was used up as management expense.

**Table 5**

Class Wise Management Expenses				
--Year ended December 31--				
(Mil. BDT)	2018	2017	2016	2015
Fire	42.15	43.22	45.97	56.98
Marine	42.07	43.37	47.58	39.25
Motor	8.99	10.43	10.05	12.71
Misc.	6.66	4.75	8.5	7.66
<b>Total</b>	<b>99.88</b>	<b>101.77</b>	<b>112.11</b>	<b>116.59</b>
Mgt. Expense (P/L Account)	3.21	14.66	5.47	3.9
Agency Commission	56.26	54.07	50.45	48.13
<b>Grand Total</b>	<b>159.34</b>	<b>170.5</b>	<b>168.02</b>	<b>168.62</b>

### Claim Settlement

Company's claim related issues are carried by Claims & Re-Insurance Department supervised by Executive Vice President. During 2018, total claims were 184 of BDT 198.48 million from all classes of business where 96 claims of BDT 123.36 million was new claim in the same period. Of the total claims, 101 claims of BDT 98.83 million were settled in 2018. Top 10 claims settled was BDT 28.23 million which was 28.47% of total settled claims. CICL's claim settlement ratio was 50.00% in 2018. The outstanding claims at the end of year 2018 were 81 of BDT 99.32 million. Top 10 outstanding claims was BDT 90.97 million at the end of 2018 which was 91.60% of total outstanding claims.

**Table 6**

Claim Settlement				
--Year ended December 31--				
(Mil. BDT)	2018	2017	2016	2015
1) Claims Outstanding at the Beginning of the Year	75.12	52.84	41.45	112.59
2) Claims Lodged during the Year	123.36	110.22	109.33	66.72
<b>3) Total Claims (1+2)</b>	<b>198.48</b>	<b>163.05</b>	<b>150.78</b>	<b>179.31</b>
<b>4) Claims Paid during the Year</b>	<b>98.83</b>	<b>87.93</b>	<b>94.82</b>	<b>129.43</b>
5) Claims Repudiated during the Year	0.34	-	3.13	8.44
6) Claims Settled during the Year (4+5)	99.16	87.93	97.94	137.86
<b>7) Claims Settled as % of Total Claims</b>	<b>50.00</b>	<b>53.93</b>	<b>64.96</b>	<b>76.89</b>
<b>8) Claims Outstanding at the End of the Year (3-6)</b>	<b>99.32</b>	<b>75.12</b>	<b>52.84</b>	<b>41.45</b>
9) Claims Outstanding as % of Total Claims	50.04	46.07	35.04	23.11

During 2018 average claim settlement duration in all classes of non life business has enhanced. Here as claim settlement period the time difference between date of claim intimation and the date of claim settled/repudiated were considered.

**Table 7**

Avg. Claim Settlement Period				
--Year ended December 31--				
In Days	2018	2017	2016	2015
Fire	283	180	147	189
Marine	200	123	106	52
Motor	134	130	139	104
Misc.	208	540	242	260

### Profitability

Underwriting profit shared 58.62% of total revenue of CICL in 2018. Of the total revenue, BDT 65.00 million was generated from underwriting profit reduced 11.23% from previous year. During 2018 underwriting profit was dominated by the marine cargo and motor class of business. Loss ratio of marine and motor class business remained low in the same year.

**Table 8**

Profitability Ratios (%)	2018	2017	2016	2015
Return on Average Equity (ROAE)	14.13	12.16	14.29	16.31
Return on Average Asset (ROAA)	8.17	6.68	7.16	7.32
Return on Asset (ROA)	7.90	6.20	6.70	6.74

Return on Equity (ROE)	13.55	10.85	12.80	14.16
Return on Revenues (Underwriting profit/Total revenue)	58.62	77.08	74.48	72.77
Underwriting Profit Margin	21.48	24.61	17.94	17.67
Operating Profit Margin	24.55	18.34	17.26	16.04

Underwriting profit margin reduced 3.13 percentage points in 2018 due to decreased underwriting profit from the fire class of business. Investment & other income enhanced by 110.75% due to interest income from FDR and capital gain from secondary market. Net profit (before tax) increased 36.17% from previous year. Thus return on equity was 13.55% in 2018.

### Investment profile

CICL investment portfolio enhanced significantly to BDT 443.49 million in 2018 due to addition of govt. Treasury bond in 2018. Of the total investment portfolio 80.86% was invested in fixed deposit with different banks. CICL enhanced its investment in secondary market and fixed deposit in 2018. Thus 13.50% shared by investments in shares of 7 different companies and 5.64% shared by Govt. Treasury bond. As on 31 December 2018, the market value of the shares was BDT 53.82million against cost value of BDT 53.65million. The yield on investment was 10.28% in 2018, (2017: 6.91%).

**Table 9**

Investment Portfolio						
--Year ended December 31--						
(Mil. BDT)	2018			2017		
	Amount	Total (%)	Growth (%)	Amount	Total (%)	Growth (%)
National Investment Bond	25.00	5.64	-	25.00	6.44	177.78
Shares	59.89	13.50	16.11	51.58	13.29	332.13
Fixed Deposit	358.60	80.86	15.16	311.40	80.26	85.85
<b>Total Investment</b>	<b>443.49</b>	<b>100.00</b>	<b>14.31</b>	<b>387.98</b>	<b>100.00</b>	<b>105.84</b>

### Capital Adequacy

During 2018 paid up capital of CICL enhanced to BDT 240.00 million. Shareholders' equity grew by 8.99% on the back of internal capital generation. Company's shareholders' equity to total assets in 2018 was 58.33% (2017: 57.19%) reflects internal capital generation. Reserve for exceptional loss enhanced by CICL was BDT 277.08 million in 2018 enhanced due to addition of 10% of total gross premium annually.

### Solvency Margin

CICL's solvency margin remained above the required level in 2018. CICL's required solvency was BDT 65.33 million whereas the Company's available solvency was BDT 410.78 million which means the value of assets had been more than the liabilities. So in 2018 the available solvency was 6.29x times of required solvency which was developing.

**Table 10**

Solvency				
--Year ended December 31--				
(Mil. BDT)	2018	2017	2016	2015
Available Solvency (AS)	410.78	375.44	267.66	194.44
Required Solvency (RS)	65.33	62.26	59.8	56.39
AS/RS (times)	6.29x	6.03x	4.48x	3.45x

### Liquidity Position

During 2018, CICL's current assets grew by 14.18% along with current liabilities by 5.24%. Current ratio was 1.90 times in the same period. The organizations current asset to net claims was 4.59 times in 2018 from 4.93 times of 2017. CICL's current liability shared 28.67% of total liability (2017:29.10%). During 2018, liquid asset (cash and bank balance) shared 41.47% of total assets (2017: 38.90%).

### Re-Insurance Utilization

Sadharan Bima Corporation (SBC) has provided treaty reinsurance protection to CICL. Each year SBC revises the treaty retention capacity of all private general insurance companies. The retention capability for 1<sup>st</sup> April 2019 - 31<sup>st</sup> March 2020 was: Fire BDT 15.00 million; Marine Cargo BDT 1.50 million; Marine Hull (Inland) BDT 2.50 million; Misc. accident except P.A BDT 1.00 million, P.A BDT 0.50 million and Motor BDT 1.00 million.

Table 11

Risk Retention Ratio					
Year ended December 31					
(%)	2018	2017	2016	2015	2014
Fire	73.57	75.83	75.12	74.60	56.81
Marine	143.09	152.90	143.03	127.51	135.44
Motor	97.42	99.40	99.05	99.25	98.25
Misc.	25.34	31.77	55.22	52.17	44.17
<b>Total</b>	<b>70.17</b>	<b>72.80</b>	<b>74.96</b>	<b>75.48</b>	<b>75.52</b>

Usually high retention level signals inadequate reinsurance protection while low retention level hampers profitability. In 2018 risk retention ratio of CICL reduced slightly at 70.17% (2017:72.80%). At present CICL has re-insurance treaty agreement with Shadharan Bima Corporation (SBC), against all classes of general insurance business. Risk retention was high in marine class of business which was similar with the industry scenario.

### Reserve Adequacy

CICL enhanced its reserve for exceptional losses BDT 277.08 million in 2018 (10% on the gross premium). The proportion of reserve for exceptional losses was 0.92 times of net premium and 2.48 times of net claim. Moreover, during the year Company squeezed its general reserve to BDT 6.69 million. CICL's reserve to total assets was 30.19% (2017: 28.57%). However, to comply with the insurance act it maintains 40% of net premium as reserve for unexpired risk except for marine hull where it maintains 100%.

## ■ CORPORATE GOVERNANCE

### Board of Directors

The Board of CICL has 14 members included 02 independent directors and each of them has exposure in diversified industrial sectors. Mr. Abdullah Al-Mahmud is the Chairman of the Board. The Board held 5 meetings in 2018. The Board has formed the following three Committees:

#### ■ Executive Committee

Executive Committee (EC) is comprised of 06 members which assists the Board in various matters. During 2018, five EC meetings were held.

#### ■ Claims Committee

The present Claims Committee consists of 07 members. Claims Committee held 05 meetings in 2018. After scrutiny, if the Committee finds the claims to be genuine, it advises the management for settlement. The Committee has the authority to reject the claims of the insured if deemed as false or not covered.

#### ■ Audit Committee

In 2018, Board of CICL has comprised an audit committee with 6 of its directors including 2 independent directors. Dr. M. Waliuzzaman is the Chairman of this audit committee. Audit Committee held 03 meeting in 2018. The Committee is empowered to monitor, review and examine the following: -

1. Oversee the financial reporting process.
2. Monitor implementation/ following the accounting policies and principles.
3. Monitor Internal Control Risk Management Process.
4. Oversee hiring and performance of external auditors.
5. Review along with the management, the Annual Financial Statements before submission to the Board for approval.
6. Review along with the management, the Quarterly and Half Yearly Financial Statements before submission to the Board for approval.
7. Review the adequacy of Internal Audit team performance in terms of internal audit report.
8. Review statement of significant related party transactions submitted by the management.
9. Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.
10. When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue, the Company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the Company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.

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**■ MANAGEMENT**

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**Senior Management**

The management team of CICL is headed by Mr. Mia Fazle Karim, FCA, Chief Executive Officer since 2015. *Prior to joining CICL, He was "Partner" of Mahfel Huq & Company, Chartered Accountants from 2012 to 2015. Before joining as Partner of Mahfel Huq & Company, he served in Eastland Insurance Company Limited as "Deputy Managing Director & Chief Financial Officer" from 1999 to 2012 and City General Insurance Company Limited as "Chief Financial Officer" from 1.11.1996 to 31.01.1999. He is a Member of the Institute Chartered Accountants of Bangladesh (ICAB). He is assisted by experienced senior top management.*

**Human Resources Management**

As on 31<sup>st</sup> December 2018, CICL had 266 employees of which 182 were desk employees and 84 were development employees. There are seven departments in the Head Office to administer the activities of the Company. CICL has structured service rules and pay scale. There are 17 branches in Dhaka division and 13 branches are situated outside Dhaka division. Overall 31 employee trained various course at Bangladesh Insurance Academy & and Bangladesh Insurance Association. Thus 04 employees have completed BIA diploma and 02 employees have completed Cert CII (UK) from Chartered Insurance Institute, UK.

There are 6 departments of CICL.

1. Administration Dept. included HR, Admin, and Establishment & Motor pool Dept.
2. Finance and Accounts Dept.
3. Audit, MIS and Branch control & Co- ordination Dept.
4. Underwriting Dept.
5. Claims & Reinsurance Depts.
6. Information technology Dept.

Internal Audit and MIS & Branch control & co-ordination Departments contribute to the financial discipline and good management of the Company. Each department has separate In Charge. Each Department is headed by a separate in charge who with the help of departmental officers and staff undertakes departmental work as required by the management. In context of, Internal Audit and Inspection dept. the audit reports are scrutinized by the CEO prior to placing them before the Audit Committee for necessary actions. CICL's audit work includes scrutiny of the Company's business underwritten, premium collected, expenditures incurred for business procurement, claims and reinsurance, management of the fund and maintenance of the books of accounts etc.

There is a recruitment/promotion committee of CICL consisting of six members including Chief Executive Officer. Mr. A.H.M. Mozammel Hoque, Director is the Chairman of this committee. In 2018, one meeting was held under this committee. The Remuneration Committee is responsible for all elements of the wages/salary/remuneration of all the employees as well as of the Board of Directors and the Chairman of the Company, including pension rights and compensation (i.e. damages) payments.

CICL's information technology department includes software solution, hardware, networking and communication infrastructure, management information system and reporting support leadership, planning and governance. CICL is now issuing its cover notes, policy, Bill, MIS reports through its IIMS software.

**ANNEXURE 1: Corporate Information**
**Table 1.1**

Sl	Name	Position	No. of Share	Percentage (%)
1	Mr. Abdullah Al-Mahmud	Sponsor & Chairman	4,000,000	16.67%
2	Mr. Abdullah Hasan	Sponsor & Director	4,000,000	16.67%
3	Mr. A.H.M. Mozammel Hoque	Sponsor & Director	800,000	3.33%
4	Mr. Md. Tajul Islam	Sponsor & Director	900,000	3.75%
<b>Total (a)</b>			<b>9,700,000</b>	<b>40.42%</b>
5	Mrs. Farzana Munny	Director	800,000	3.33%
6	Mrs. Shahzadi Begum	Director	800,000	3.33%
7	Mrs. Farhana Danesh	Director	955,000	3.98%
8	Mr. Abdullah Al-Mamun	Director	800,000	3.33%
9	Ms. Nabila Mahmud	Director	2,000,000	8.33%
10	Ms. Soera Zahir	Director	2,000,000	8.33%
11	Mrs. Nusrat Mahmud	Director	4,000,000	16.67%
12	Mr. Arafat Rashid	Director	800,000	3.33%
<b>Total (b)</b>			<b>12,555,000</b>	<b>52.31%</b>
13	Mr. Iqbal Hassan Mahmood	Shareholder	375,000	1.56%
14	Mrs. Sarah Hasein Mahmood	Shareholder	300,000	1.25%
15	Mr. Rubayat Tanvir Huda	Shareholder	270,000	1.13%
16	Mr. Asoke Ranjan Kapuria	Shareholder	1,200,000	5.00%
<b>Total (c)</b>			<b>1,745,000</b>	<b>7.27%</b>
<b>Grand Total (a) + (b) + (c)</b>			<b>24,000,000</b>	<b>100.00%</b>

**Auditors**

Mahfel Huq &amp; Co., Chartered Accountants

**Senior Management**

Mr. Mia Fazle Karim, FCA	Chief Executive Officer
Mr. S.M. Shahidullah, Cert CII (UK)	Addl. MD & Company Secretary
Mr. M. Mahfuzur Rahman, Cert CII (UK)	DMD & Cheif Financial Officer
Mr. Abdullah Al-Mamun	DMD & In Charge of Audit, MIS & BCC Dept.
Mr. Md. Kabir Hossain	EVP & In charge of Underwriting Dept.
Mr. Md. Saydul Islam	EVP, Finance & Accounts Dept.
Mr. Md. Abul Fazol	EVP, Claims & Reinsurance Dept.
Mr. Raiyn Muntasir Monim	VP in charge of IT Dept.

**Table 1.2**
**Segregation of Investment & Other Income**

--Year ended December 31--						
		2018		2017		
(Mil. BDT)	Amount	Total (%)	Growth (%)	Amount	Total (%)	Growth (%)
Interest Income	24.57	66.83	36.04	18.06	82.97	14.71
Dividend	1.18	3.20	21.50	0.97	4.45	95.91
Profit from Sale of Shares	8.06	21.93	445.82	1.48	6.79	2,629.32
Other Income	2.96	8.04	134.53	1.26	5.79	(25.44)
<b>Total</b>	<b>36.77</b>	<b>100.00</b>	<b>68.90</b>	<b>21.77</b>	<b>100.00</b>	<b>21.04</b>

**Table 1.3**
**Previous Rating History**

Date of Ratings	Long Term	Short Term	Outlook
12 April 2018	A <sub>2</sub>	ST-2	Stable
06 July 2017	A <sub>3</sub>	ST-2	Stable
31 July 2016	A <sub>3</sub>	ST-2	Stable

20 August 2015	BBB <sub>1</sub>	ST-3	Stable
23 April 2014	BBB <sub>2</sub>	ST-3	Stable
30 May 2013	BBB <sub>2</sub>	ST-3	Stable
17 April 2012	BBB <sub>3</sub>	ST-3	
13 April 2011	BB <sub>1</sub>	ST-4	
28 Sept 2010	BB <sub>2</sub>	ST-4	

**CRAB RATING SCALES AND DEFINITIONS**  
**LONGTERM RATING: NON-LIFE INSURANCE**

<b>RATING</b>	<b>DEFINITION</b>
<b>AAA</b> Triple A (Extremely Strong Financial Security)	Insurance Companies rated 'AAA' have EXTREMELY STRONG financial security characteristics. 'AAA' is the highest Insurer Financial Strength Rating assigned by CRAB.
<b>AA<sub>1</sub>, AA<sub>2</sub>, AA<sub>3</sub>*</b> Double A (Very Strong Financial Security)	Insurance Companies rated 'AA' have VERY STRONG financial security characteristics, differing only slightly from those rated higher.
<b>A<sub>1</sub>, A<sub>2</sub>, A<sub>3</sub></b> Single A (Strong Financial Security)	Insurance Companies rated 'A' have STRONG financial security characteristics, but are somewhat more likely to be affected by adverse business conditions than Insurers with higher ratings.
<b>BBB<sub>1</sub>, BBB<sub>2</sub>, BBB<sub>3</sub></b> Triple B (Good Financial Security)	Insurance Companies rated 'BBB' have GOOD financial security characteristics, but are more likely to be affected by adverse business conditions than higher rated insurers.
<b>BB<sub>1</sub>, BB<sub>2</sub>, BB<sub>3</sub></b> Double B (Marginal Financial Security)	Insurance Companies rated 'BB' have MARGINAL financial security characteristics. Positive attributes exist, but adverse business conditions could lead to insufficient ability to meet financial commitments.
<b>B<sub>1</sub>, B<sub>2</sub>, B<sub>3</sub></b> Single B (Weak Financial Security)	Insurance Companies rated 'B' have WEAK financial security characteristics. Adverse business conditions are likely to impair their ability to meet financial commitments.
<b>CCC<sub>1</sub>, CCC<sub>2</sub>, CCC<sub>3</sub></b> Triple C (Very Weak Financial Security)	Insurance Companies rated 'CCC' have VERY WEAK financial security characteristics, and are dependent on favorable business conditions to meet financial commitments.
<b>CC</b> Double C (Extremely Weak Financial Security)	Insurance Companies rated 'CC' have EXTREMELY WEAK financial security characteristics and are likely not to meet some of their financial commitments.
<b>C</b> Single C (Near to Default)	A 'C' rating is assigned to insurance companies that are currently highly vulnerable to non-payment, having obligations with payment arrearages allowed by the terms of the documents, or have obligations subject of a bankruptcy petition or similar action though have not experienced a payment default. C is typically in default, with little prospect for meeting its financial commitments.
<b>D</b> (Default)	'D' is assigned to insurance companies which are in DEFAULT. The 'D' rating also will be used upon the filing of a bankruptcy petition or the taking of a similar action if payments on an obligation are jeopardized.

*\*Note: CRAB appends numerical modifiers 1, 2, and 3 to each generic rating classification from AA through CCC. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.*

## SHORT TERM CREDIT RATING: NON-LIFE INSURANCE

RATING	DEFINITION
<b>ST-1</b> Highest Grade	Insurance companies rated 'ST 1' have STRONG ability to meet their financial commitments on short-term policy obligations. They are rated in the highest category by CRAB.
<b>ST-2</b> High Grade	Insurance companies rated 'ST 2' have a GOOD ability to meet their financial commitments on short-term policy obligations. However, they are somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than insurers in the highest rating category.
<b>ST-3</b> Average Grade	Insurance Companies rated 'ST 3' have an ADEQUATE ability to meet their financial commitments on short-term policy obligations. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened ability of the insurers to meet their financial obligations.
<b>ST-4</b> Below Average Grade	Insurance Companies rated 'ST 4' are regarded as VULNERABLE and has significant speculative characteristics. The insurance companies currently have the ability to meet their financial commitments on short-term policy obligations; however, they may be facing major ongoing uncertainties which can lead to the insurer's inadequate ability to meet their financial obligations.
<b>ST-5</b> Inadequate Grade	Insurance Companies rated 'ST 5' are regarded as CURRENTLY VULNERABLE to non-payment and are dependent upon favorable business, financial, and economic conditions for them to meet their financial commitments on short-term policy obligations.
<b>ST-6</b> Lowest Grade	Insurance Companies rated 'ST 6' are considered to have Obligations which have a high risk of DEFAULT or which are currently in default.

*The Rating Committee of CRAB is the final authority to award a rating. The Rating Committee of CRAB is comprised of external independent persons who are not members of the Board of the Company and they ensure the independence of rating.*

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## Section XXVIII

### **Public Issue Application Procedure**

**IPO Application Process****Step-1 (Applicant)**

1. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. the subscription closing date), which shall be the **25<sup>th</sup>(twenty fifth) working day** from the date of publication of abridged version of prospectus.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:
  - a) Other than non-resident Bangladeshi (NRB) and Foreign applicants shall make the application money and service charge available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.
  - b) Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to the concerned Stockbroker/Merchant Banker. A Non-resident Bangladeshi (NRB) and Foreign applicant may also submit a single draft against 02(two) applications made by him/her, i.e. one in his/her own name and the other jointly with another person. The draft (FDD) shall be issued by the Bank where the applicant maintains Foreign Currency account debiting the same account and provide the customer with a certificate mentioning the FC account number which has been debited to issue the FDD. The applicant shall also submit the certificate with their application. No banker shall issue more than two drafts from any Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.

**Step-2 (Intermediary)**

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely “Public Issue Application Account”. The Stockbroker/Merchant Banker shall:
  - a) post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;
  - d) accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the “Public Issue Application Account” maintained with its bank within the first banking hour of **next working day** of the cut-off date;
  - e) instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.
4. Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.
5. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker shall prepare a list containing the draft information against the respective applicant’s particulars.
6. The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and **within 03(three) working days** from the cut-off date, send to the respective Exchange, the lists of applicants in electronic (text format with tilde ‘~’ separator) format, the certificate(s) issued by its banker, the drafts and certificates received from Non-resident Bangladeshi (NRB) and Foreign applicants and a copy of the list containing the draft information.

7. **On the next working day**, the Exchanges shall provide the Issuer with the information received from the Stockbroker/Merchant Bankers, the drafts and certificates submitted by Non-resident Bangladeshi (NRB) and Foreign applicants and the list containing the draft information. Exchanges shall verify and preserve the bankers' certificates in their custody.
8. The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers up to 6 months from listing of the securities with exchange.

### **Step-3 (Issuer)**

9. The Issuer shall prepare consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification. The Issuer shall post the consolidated list of applicants on its website and websites of the Exchanges. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.
10. **On the next working day**, CDBL shall provide the Issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents' Name, Joint Account and Bank Account information along with the verification report.
11. After receiving verification report and information from CDBL, the Issuer shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit report of final status of subscription to the Commission and the Exchanges **within 10 (ten) working days** from the date of receiving information from the Exchanges.
12. The Issuer and the Issue Manager shall conduct category wise lottery with the valid applications **within 03 (three) working days** from the date of reporting to the Commission and the Exchanges, if do not receive any observation from the Commission or the Exchanges.
13. The Issuer and Issue Manager shall arrange posting the lottery result on their websites within **06(six) hours** and on the websites of the Commission and Exchanges within **12 (twelve) hours** of lottery.
14. Within **02 (two) working days** of conducting lottery, the Issuer shall:
  - a) send category wise lists of the successful and unsuccessful applicants in electronic (text format with tilde '~' separator) format to the respective Exchange.
  - b) send category wise lists of unsuccessful applicants who are subject to penal provisions as per conditions of the Consent Letter issued by the Commission in electronic (text format with tilde '~' separator) format to the Commission and Exchanges mentioning the penalty amount against each applicant.
  - c) issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Exchange in electronic form.
  - d) send consolidated allotment data (BOID and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted shares to the respective BO accounts.

### **Step-4 (Intermediary)**

15. **On the next working day**, Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:
  - a) remit the amount of successful (other than NRB and Foreign) applicants to the Issuer's respective Escrow Account opened for subscription purpose, and unblock the amount of unsuccessful applicants;
  - b) send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list and unblock the balance application money;
16. **On the next working day** of receiving the documents from the Exchanges, the Stockbrokers/Merchant Banker shall request its banker to:

- a) release the amount blocked for unsuccessful (other than NRB and foreign) applicants;
  - b) remit the aggregate amount of successful applicants and the penalty amount of unsuccessful applicants (other than NRB and foreign) who are subject to penal provisions to the respective 'Escrow' accounts of the Issuer opened for subscription purpose.
17. **On the next working day** of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Issuer's 'Escrow' account.
18. **Simultaneously**, the stockbrokers/Merchant Bankers shall release the application money blocked in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts and send documents to the Exchange evidencing details of the remittances made to the respective 'Escrow' accounts of the Issuer. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions. The Stockbroker/Merchant Banker shall be entitled to recover the withdrawal charges, if any, from the applicant who wants to withdraw the application money, up to an amount of Tk. 5.00 (five) per withdrawal.
19. All drafts submitted by NRB or Foreign applicants shall be deposited in the Issuer's respective 'Escrow' accounts and refund shall be made by the Issuer by refund warrants through concerned stockbroker or merchant banker or transfer to the applicant's bank account (FC account which has been debited to apply by NRB or foreign applicants) through banking channel within 10 (ten) working days from the date of lottery.

**Miscellaneous:**

20. The Issuer, Issue Manager(s), Stockbrokers and Merchant Bankers shall ensure compliance of the above.
21. The bank drafts (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.
22. Amount deposited and blocked in the "Public Issue Application Account" shall not be withdrawn or transferred during the blocking period. Amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.
23. The Issuer shall pay the costs related to data transmission, if claimed by the Exchange concerned up to an amount of Tk.2,00,000.00 (taka two lac) for a public issue.
24. The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk.5.00 (taka five) only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting application.
25. The Stockbroker/Merchant Banker shall provide the Issuer with a statement of the remittance and drafts sent.
26. The Issuer shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.
27. The concerned Exchange are authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

## Application Form

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Interested persons are entitled to a prospectus, if they desire, and that copies of prospectus may be obtained from the Issuer and the Issue Manager

## Crystal Insurance Company Limited

## APPLICATION FOR PUBLIC ISSUE

Date:	:	_____
Name of applicant	:	_____
Client Code	:	_____
BO ID No.	:	_____
Category of applicant	:	_____
Name of the Company/Fund	:	_____
Number of Shares/Units	:	_____
Total amount	:	_____
Amount in word	:	_____
Mode of payment	:	_____
Cheque/Draft information	:	_____

Signature of Applicant(s)

Signature of Authorized Officer

Section XXIX

**Others**

**Additional Disclosure by the Management****(A). Disclosure regarding material change**

**Declaration regarding any material change including raising of paidup capital after the date of audited financial Statements**

**To whom it may concern**

Date: 25 April 2019

This is to certify that, “Crystal Insurance Company Limited” has not made any material change including rising of paid up capital after the date of audited financial Statements as on 31December 2018 as included in the prospectus.

Declaration by the management of Crystal Insurance Company Limited.

Sd/-

**M. Mahfuzur Rahman, ACA**  
Chief Financial Officer

Sd/-

**Mia Fazle Karim, FCA**  
Chief Executive Officer

Sd/-

**Abdullah Al-Mahmud**  
Chairman

**(B). Disclosure regarding no way connection with the Issue Manager**

**To whom it may concern**

Date: 25 April 2019

This is to certify that neither Crystal Insurance Company Limited nor any of its directors have any connection with Sonar Bangla Capital Management Limited (Issue Manager of Crystal Insurance Company Limited)

Declaration by the management of Crystal Insurance Company Limited.

Sd/-

**M. Mahfuzur Rahman, ACA**  
Chief Financial Officer

Sd/-

**Mia Fazle Karim, FCA**  
Chief Executive Officer

Sd/-

**Abdullah Al-Mahmud**  
Chairman

**(C). Disclosure regarding cost audit by professional accountant as per the Company Act, 1994****Declaration regarding Cost Audit****To whom it may concern**

Date: 25 April 2019

This is to certify that the Company did not conduct Cost Audit by any Professional Accountant as per Company Act, 1994 till 31 December 2018.

Declaration by the management of Crystal Insurance Company Limited & Sonar Bangla Capital Management Limited.

Sd/-	Sd/-	Sd/-	Sd/-
<b>M. Mahfuzur Rahman,</b>	<b>Mia Fazle Karim, FCA</b>	<b>Abdullah Al-Mahmud</b>	<b>Emam Hossain</b>
<b>ACA</b>	Chief Executive Officer	Chairman	Managing Director/CEO
Chief Financial Officer			(In-charge)

**(D). Disclosure regarding holding of regular AGM****Declaration regarding holding regular Annual General Meeting****To whom it may concern**

Date: 25 April 2019

This is to certify that the Company has been in regular in holding Annual General Meeting since incorporation date to financial year 2017-18.

Declaration by the management of Crystal Insurance Company Limited.

Sd/-	Sd/-	Sd/-
<b>M. Mahfuzur Rahman, ACA</b>	<b>Mia Fazle Karim, FCA</b>	<b>Abdullah Al-Mahmud</b>
Chief Financial Officer	Chief Executive Officer	Chairman



**(E). Declaration regarding consolidated financial, operating and other information****To whom it may concern**

Date: 25 April 2019

This is to certify that Crystal Insurance Company Limited has no subsidiary Company. Therefore the Company does not prepare any consolidated financial statements.

Declaration by the management of Crystal Insurance Company Limited.

Sd/-

**M. Mahfuzur Rahman, ACA**  
Chief Financial Officer

Sd/-

**Mia Fazle Karim, FCA**  
Chief Executive Officer

Sd/-

**Abdullah Al-Mahmud**  
Chairman

**(F). Disclosure regarding compliance of all the requirements of Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 in preparing Prospectus****Declaration regarding Compliance with all the requirements of Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015****To whom it may concern**

Date: 25 April 2019

This is to certify that the Company Complied with all the requirements of Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and duly amended time to time in preparing prospectus of Crystal Insurance Company Limited.

Declaration by the management of Crystal Insurance Company Limited.

Sd/-

**M. Mahfuzur Rahman, ACA**  
Chief Financial Officer

Sd/-

**Mia Fazle Karim, FCA**  
Chief Executive Officer

Sd/-

**Abdullah Al-Mahmud**  
Chairman

**(G.) Declaration regarding Consent of The Directors to Serve****Consent of the director(s) to serve as director(s)****To whom it may concern**

Date: 25 April 2019

We hereby agree that we have been serving as Director(s) of “Crystal Insurance Company Limited” and confirm to continue to act as Director(s) of the Company.

Sd/- (Abdullah Al-Mahmud) Chairman	Sd/- (A.H.M. Mozammel Hoque) Director	Sd/- (Abdullah Hasan) Director
Sd/- (Md. Tajul Islam) Director	Sd/- (Abdullah Al-Mamun) Director	Sd/- (Farzana Munny) Director
Sd/- (Farhana Danesh) Director	Sd/- (Shahzadi Begum) Director	Sd/- (Nusrat Mahmud) Director
Sd/- (Soera Zahir) Director	Sd/- (Nabila Mahmud) Director	Sd/- (Arafat Rashid) Director
Sd/- (Kazi Nasim Uddin Ahmed) Independent Director	Sd/- (Dr. M. Waliuzzaman) Independent Director	Sd/- (Mia Fazle Karim, FCA) Chief Executive Officer

(H.)

**To whom it may concern****Ref: Crystal Insurance Company Limited****Paid-up Capital of the Company**

This is to certify that the Crystal Insurance Company Limited has been incorporated under the Companies Act 1994 as a Public Limited Company having certificate of Incorporation No. C – 39008 (966)/99 dated November 11, 1999.

The Authorized Capital of the Company is Tk. 100,00,00,000.00 (Taka one hundred crore) only divided into 10,00,00,000 (Ten Crore) ordinary shares of Tk. 10.00 each.

The Paid-up Capital of the Company is Tk 24,00,00,000.00 (Taka Twenty Four Crore) only divided into 2,40,00,000 (Two Crore Forty Lac) ordinary shares of Tk. 10.00 each as follows:

**Issued, subscribed and paid-up capital:**

Allotments	Date of Allotment	No. of Shares		Amount of Shares Capital (BDT)
		Consideration in Cash	BonusShare	
First (As per Memorandum & Articles of Association at the time on Incorporation)	11.11.1999	60,00,000		6,00,00,000
Second	22.03.2017	1,50,00,000		15,00,00,000
Third	22.04.2017		30,00,000	3,00,00,000
<b>Total</b>		<b>2,10,00,000</b>	30,00,000	<b>24,00,00,000</b>

Place: Dhaka  
Date: 25 April 2019

**MAHFEL HUQ & CO.**  
*Chartered Accountants*

**(I) . Auditors' certificate regarding summarized status of lands of Crystal Insurance Company Limited**

This is to certify that status of land of Crystal Insurance Company Limited is given below:

The Company has booked a plot of land of 10 katha as on 03.03.2012 in the project of Basundhara Riverview Green Town, Corner Facing Plot # 266, Block # A, of East West Property Development (Pvt.) Ltd at a total cost of Tk.1,20,00,000 excluding the registration cost. The Company has already paid the total Tk. 12,000,000.00 as on December 31, 2017. The registration of land is yet to be completed.

We certify the above information based on the books of record, deed and relevant document provided by the management.

Place: Dhaka  
Date: 25 April 2019

**MAHFEL HUQ & CO.**  
*Chartered Accountants*

**(J) Auditors' certificate regarding deposit of an amount equivalent to the Paid up Capital of  
Crystal Insurance Company Limited**

Paid up capital of Crystal Insurance Company Limited as on 31 December 2018.

Allotments	Date of Allotment	No. of Shares		Amount of Shares Capital (BDT)
		Consideration in Cash	BonusShare	
First (As per Memorandum & Articles of Association at the time on Incorporation)	11.11.1999	60,00,000		6,00,00,000
Second	22.03.2017	1,50,00,000		15,00,00,000
Third	22.04.2017		30,00,000	3,00,00,000
<b>Total</b>		<b>2,10,00,000</b>	<b>30,00,000</b>	<b>24,00,00,000</b>

The above mentioned paid up capital has been deposited as follows;

Sl	Area of utilization of Paid up Capital	Amount in Tk.	Remarks
1.	Investment in FDR with various Banks	5,10,00,000	Lien with the IDRA
2.	Treasury Bond	2,50,00,000	As required by Insurance Act 2010
3.	Investment in FDR with various Banks & FIs	13,00,00,000	
4.	Investment in Capital Market	3,40,00,000	
	<b>Total</b>	<b>24,00,00,000</b>	

Place: Dhaka  
Date: 25 April 2019

Sd/-  
**MAHFEL HUQ & CO.**  
*Chartered Accountants*