

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন।”

“Investment in capital market involves certain degree of risks. The investors are required to read the prospectus and risk factors carefully, assess their own financial conditions and risk taking ability before making their investment decisions.”

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। বিনিয়োগকারীগণ প্রোসপেক্টাস পড়ে এবং ঝুঁকির বিষয়গুলি সতর্কতার সাথে অনুধাবন করে নিজ নিজ আর্থিক অবস্থা ও ঝুঁকিগ্রহণ করার সক্ষমতা বিবেচনা করে বিনিয়োগ সিদ্ধান্ত গ্রহণ করবেন।”

Public offer of 16,000,000 Ordinary shares

Issue date of the Prospectus: 12th October, 2020

Offer price Tk. 10.00 each (at par), total size of fund to be raised Tk. 160,000,000.00

Opening and closing date of subscription

Opening date of subscription: 10th November, 2020

Closing date of subscription: 16th November, 2020

PROSPECTUS

Name of the Issuer



Crystal Insurance Company Limited

Manager to the Issue



Sonar Bangla Capital Management Limited

Credit Rating Status	
Long Term: A ₂	Short Term: ST-2

Credit Rating Company:	Credit Rating Agency of Bangladesh (CRAB)
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(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;

Name & Address	Contact Person	Telephone, Fax, Email & Web address
Issuer		
Crystal Insurance Company Limited DR Tower (14th floor), 65/2/2, Box Culvert Road, Purana Paltan, Dhaka-1000	M. Mahfuzur Rahman, ACA DMD & CFO	Tel: +88-02-9566889 Fax: +88-02-9567205 Email: info@ciclbd.com Web: www.ciclbd.com
Issue Manager		
Sonar Bangla Capital Management Limited Paramount Heights (8 th Floor), 65/2/1, Box Culvert Road, Purana Paltan, Dhaka-1000	Emam Hossain Managing Director/CEO (In-charge)	Tel: +88-02-9511799 Fax: +88-02-9515447 Email: sbcmgtltd@gmail.com Web: www.sbcmibd.com
Underwriters		
Sonar Bangla Capital Management Limited Paramount Heights (8 th Floor), 65/2/1, Box Culvert Road, Purana Paltan, Dhaka-1000	Emam Hossain Managing Director/CEO (In-charge)	Tel: +88-02-9511799 Fax: +88-02-9515447 Email: sbcmgtltd@gmail.com Web: www.sbcmibd.com
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Auditor		
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Credit Rating Company		
Credit Rating Agency of Bangladesh D H Tower, Level 15, 6 Panthapath, Dhaka 1215	Tahmina Islam 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 202 to 214"

(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;

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

Sl No.	Name of newspapers	Date of publication
1	The Financial Express	12 October, 2020
2	The New Nation	12 October, 2020
3	Samakal	12 October, 2020
4	The Bonik Barta	12 October, 2020

(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

Registered Office	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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Table of Contents

Section I	14
Executive Summary	14
(a) About the Industry	15
(b) About the Issuer	16
(c) Financial Information	17
(d) Features of the issue and its objects	18
(e) Legal and other Information	19
(f) Promoters' Background	19
(g) Capital Structure and History of Capital Raising	21
(h) Summary of Valuation Report of Securities	21
Section II	22
Conditions Imposed by the Commission in the consent letter	22
Conditions under 2CC of the securities and exchange ordinance, 1969	23
Disclosure in respect of issuance of security in demat form	28
Section III	29
Declaration and Due Diligence Certificates	29
Declaration about the responsibility of the directors, including the ceo of the issuer in respect of the prospectus	30
Due diligence certificate by issue manager	31
Due diligence certificate by the underwriter	32
Due diligence certificate by the underwriter	33
Section IV	35
About the Issuer	35
(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	35
(b) The names of sponsors and directors of the issuer	35
© The name, logo and address of the auditors along with their telephone numbers, fax numbers, contact persons, website and e-mail addresses	36
(d) The name(s) of the stock exchanges where the specified securities are proposed to be listed	37
Section V	38

Corporate Directory of the Issuer	38
Section VI	41
Description of the Issuer	41
(a) Summary:	42
(b) General Information:	45
(c) Capital Structure	60
(d) Description of Business	69
(e) Description of Property	81
(f) Plan of Operation and Discussion of Financial Condition	90
Section VII	120
Management's Discussion and Analysis of Financial Condition	120
(a) Overview of Business and strategies	121
(b) SWOT ANALYSIS	122
(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.	123
(d) Known trends demands, commitments, events or uncertainties that are likely to have an effect on the company's business	124
(e) Trends or expected fluctuations in liquidity	124
(f) Off-balance sheet arrangements those have or likely to have a current or future effect on financial condition.	124
Section VIII	125
Directors and Officers	125
(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;	126
(b) The date on which he first became a director and the date on which his current term of office shall expire	127
© 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	128

(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	129
(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	130
(f) A very brief description of other businesses of the directors	131
(g) Short bio-data of each director	132
(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	134
(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	135
(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	136
(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	136
(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.	138
(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	138
(n) Interest of the key management persons	138
(o) All interests and facilities enjoyed by a director, whether pecuniary or non-pecuniary	139
(p) Number of shares held and percentage of shareholding (pre issue)	140
(q) Change in board of directors during last three years	141
(r) Director's engagement with similar business.	141
Section IX	142
Certain Relationships and Related Transactions	142
Section X	145
Executive Compensation	145

(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	146
(b) Aggregate amount of remuneration paid to all directors and officers as a group during the last accounting year	146
© 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	146
(d) The board meeting attendance fees received by the director including the managing director along with date of approval in AGM or EGM	147
(e) Any contract with any director or officer providing for the payment of future compensation	147
(f) If the Issuer intends to substantially increase the remuneration paid to its directors and officers in the current year, appropriate information regarding thereto	147
(g) Any other benefit or facility provided to the above persons during the last accounting year.	147
Section XI	148
Options granted to Directors, Officers and Employees	148
Section XII	150
Transaction with the Directors and Subscribers to the Memorandum	150
(a) Benefits from the Company during last five years	151
(b) Directors and Subscribers' Assets to the Company	156
Section XIII	157
Ownership of the Company's Securities	157
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 owners	158
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	159
c) The average cost of acquisition of equity shares by the directors certified by the auditors	160
d) A detail description of capital built up in respect of shareholding (name-wise) of the issuer's sponsors/directors. In this connection, a statement to be included	161
e) Detail of shares issued by the company at a price lower than the issue price	163
f) History of significant (5% or more) changes in ownership of securities from inception	164
Section XIV	165
Corporate Governance	165

a) Management disclosure regarding compliance with the requirements of Corporate Governance Guidelines of the Bangladesh Securities and Exchange Commission (BSEC)	166
b) A compliance report of Corporate Governance requirements certified by competent authority	166
c) Details relating to the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committees operate	183
Section XV	185
Valuation Report of securities prepared by the Issue Manager	185
Section XVI	190
Debt Securities	190
Section XVII	192
Parties involved and their responsibilities	192
Section XVIII	194
Material contracts	194
Section XIX	198
Outstanding Litigations, Fine or Penalty	198
Section XX	202
Risk Factors and Management's Perceptions about the Risks	202
(i) Internal risk factors may include, among others	203
(ii) External risk factors may include among others	212
Section XXI	215
Description of the Issue	215
(a) Issue Size: Tk.160,000,000.00	216
(b) Number of securities to be issued	216
(c) Authorized capital and paid-up capital	216
(d) Face value, premium and offer price per unit of securities	216
(e) Number of securities to be entitled for each category of applicants	216
(f) Holding structure of different classes of securities before and after the issue	217
(g) Objective of the issue including financing requirements and feasibility in respect of enhanced paid-up capital	217

Section XXII	218
Use of Proceeds	218
(a) Use of net proceeds of the offer indicating the amount to be used for each purpose with head-wise break-up	219
(b) Where the sponsors' contribution or privately placed fund has been brought prior to the public issue and has already been deployed by the issuer, indication of use of such funds in the cash flow statement	220
(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	220
(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	220
(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	221
(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 closed as annexure to the prospectus	221
(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	221
(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	221
(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	221
(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	222
(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	222
Section XXIII	223
Lock-in	223
Section XXIV	225
Markets for the Securities Being Offered	225

Section XXV	227
Description of securities outstanding or being offered	227
Section XXVI	229
Financial Statements	229
(a) The latest financial statements prepared and audited by the Commission's panel auditors in adherence to the provisions of the Securities and Exchange Rules, 1987, the ঠKvঔvwb AvBb, 1994, International financial Reporting and Auditing Standards as adopted in Bangladesh from time to time and Financial Reporting Act 234	
(b) Information as is required under section 186 of the ঠKvঔvwb AvBb, 1994 relating to holding company	271
(c) Selected ratios as specified in Annexure-D	271
(d) Auditors report under Section 135(1), Para 24(1) of PartII of Schedule III of the ঠKvঔvwb AvBb, 1994. The report shall include comparative income statements and balance sheet and afore mentioned 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	274
(e) Financial spread sheet analysis for the latest audited financial statements	281
(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	283
(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	283
(h) Quarterly or half-yearly EPS should not be annualized while calculating the EPS	283
(i) Net asset value (with and without considering revaluation surplus or reserve) per unit of the securities being offered atthe date of the latest audited statement of financial position	283
(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	283
(k) Following statements for the last five years or any shorter period of commercial operation certified by the auditors	284
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	284
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	284
III. Statement of unsecured loans with terms & conditions	284
IV. Statement of inventories showing amount of raw material, packing material, stock-in-process and finished goods, consumable items, store & spare sparts, inventory of trading goods etc	285
V. Statement of trade receivables showing receivable from related party and connected person	285

VI. Statement of any loan given by the issuer including loans to related party or connected persons with rate of interest and interest realized or accrued	285
VII. Statement of other income showing interest income, dividend income, discount received, other non operating income	286
VIII. Statement of turnover showing separately in cash and through banking channel	286
IX. Statement of related party transaction	287
X. Reconciliation of business income shown in tax return with net income shown in audited financial statements	288
XI. Confirmation that all receipts and payments of the issuer above Tk. 5,00,000/- (five lac) were made through banking channel	288
XII. Confirmation that Bank Statements of the issuer are in conformity with its books of accounts	289
XIII. Statement of payment status of TAX, VAT and other taxes or duties	289
XIV. Any other statement as may be required by the Commission.	289
Section XXVII	290
Credit Rating Report	290
Section XXVIII	300
Public Issue Application Procedure	300
Section XXIX	305
Others	305
(a) Disclosure regarding material change	306
(b) Disclosure regarding no way connection with the Issue Manager	306
(c) Disclosure regarding cost audit by professional accountant as per the Company Act, 1994	307
(d) Disclosure regarding holding of regular AGM	307
(e) Declaration regarding Consolidated financial, operating and other information	308
(f) Disclosure regarding compliance of all the requirements of Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 in preparing Prospectus	308
(g) Declaration regarding Consent of the Directors to Serve	309
(h) Auditors certificate regarding paid-up capital of the company	310
(i) Auditors certificate regarding summarized status of lands of Crystal Insurance Company Limited	310
(j) Auditors certificate regarding deposit of an amount equivalent to the paid up capital of Crystal Insurance Company Limited	311
(k) Disclosure regarding cost audit by professional accountant as per the Company Act, 1994	312
(l) Auditor's Certificate Regarding Holding of Regular Annual General Meeting	312
(m) Management additional disclosures	313

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, 48 insurance companies are listed in the capital market of which 11 (eleven) are life insurance providers and rest 37 are general insurance providers [source: 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 0.55% in 2017 whereas .38% in 2016 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-Dec-19		31-Dec-18		31-Dec-17
	Taka		Taka		Taka
Gross Premium	527,325,300		431,301,165		408,661,693
Re-Insurance ceded	136,431,700		128,652,309		111,148,731
Net Premium	390,893,600		302,648,856		297,512,962
Net Claim	168,603,483		98,825,680		87,930,392
Underwriting Profit	99,990,113		65,000,849		73,221,973
Net Profit Before Tax	105,777,186		79,571,490		53,796,227
Net Profit After Tax	70,165,871		62,337,008		62,280,980
Total Asset	1,055,885,907		952,326,868		892,233,450
Share capital	240,000,000		240,000,000		240,000,000
Total Reserve & Surplus	346,175,394		315,957,016		275,609,707
Retained earnings	24,613,792		32,180,451		24,273,559
Share Money Deposit	-		-		-
No. of shares	24,000,000		24,000,000		24,000,000
Face value	10		10		10
NAV per share	24.42		23.16		21.48
EPS	2.92		2.60		2.60
**EPS (Restated)	2.92		2.60		2.60

**EPS (Restated) is calculated with considering 24,000,000 outstanding shares.

(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>	
40% of total public offer shall be reserved for the Eligible Investors (EIs)	6,400,000 Ordinary shares of Tk. 10 each at par totaling Tk. 64,000,000
60% of total public offer shall be reserved for the General public	9,600,000 Ordinary shares of Tk. 10 each at par totaling Tk. 96,000,000
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 24.42
EPS (Basic)	BDT 2.92
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 11th 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 12th June, 2000 for carrying out business under the Insurance Act 1938 (replaced by Insurance Act 2010).

Name of the Company	Crystal Insurance Company Limited
Private/ Public Company	Public Limited Company
Date of Incorporation	11 th November, 1999
Date of Commencement of Business	11 th 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	001933689-0208	N/A
Trade license	TRAD/DSCC/271637/2019	30 June 2021

(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	

- Mr. Abdullah Al-Mahmud**, 57, 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 BAPLC (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 22 years under his leadership and vision; this trend is expected to continue in the foreseeable future.

2. **Mr. Md. Tajul Islam**, 74, 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 46 years of experience in different sectors of business.
3. **Mr. A.H.M. Mozammel Hoque**, 79, 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 46 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**, 59, is a founder Director of Crystal Insurance Company Ltd., has been working in the RMG and Textile sector for more than 33 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
Authorized capital	100,000,000	10.00	1,000,000,000
Paid-up capital	24,000,000	10.00	240,000,000
Total paid-up capital before IPO (A)	24,000,000	10.00	240,000,000
Initial public offering (IPO) (B)	16,000,000	10.00	160,000,000
Paid-up capital after IPO (A+B)	40,000,000	10.00	400,000,000

The history of capital rising 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
Total	24,000,000		210,000,000	30,000,000	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 2nd 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

Methods followed		Amount
Method-1:	Net assets value per share	24.42
Method-2:	Historical earning based value per share	38.79
Method-3:	Average market price per share of similar stocks	27.25
Average price		30.15

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 (Seventy Five) 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 **ক্ষতিগ্রস্থ ক্ষুদ্র বিনিয়োগকারী**. In case of under-subscription under any of sub-categories of eligible investor's 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 demitted 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 rising 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.
17. The trading of securities in the platform of the Exchange(s) shall be started within 10(ten) working days of listing approval.
18. For issuing 1,60,00,000 ordinary shares of Tk.10.00 each at par through IPO, the Issuer Company has granted a waiver from the requirements of the rule 3 (3)(c) of the Bangladesh Securities and Exchange Commission (Public Issue) Rules ,2015 regarding offer size.
19. Each eligible investor (EI) who intends to submit application through Electronic Subscription System of the Exchange(s) shall maintain a minimum investment of Tk.1,00,00,000.00 (Taka one crore only) at market price in listed securities as on the end of a working day which is immediately preceded by 5(five) Working days from the starting subscription as per rule 2(1)(e) of the Bangladesh Securities and Exchange Commission (Public Issue) Rules ,2015. The CDBL shall send a report to the exchange regarding holding of EIs in listed securities and the Exchange shall ensure the compliance in this regard.
20. The company shall invest at least 20% of the capital raised through IPO in the listed securities complying with the provisions of the Companies Act, 1993.

PART-B : Application Process

Step-1 (Applicant)

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 **25th (twenty fifth) working day** from the date of publication of abridged version of prospectus.

1. 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 সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসানিষিদ্ধকরণ) বিধিমালা, ১৯৯৫ 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 a 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.
3. 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/- (Farzana Munny) Director	Sd/- (Farhana Danesh) Director
Sd/- (Soera Zahir) Director	Sd/- (Shahzadi Begum) Director	Sd/- (Nusrat Mahmud) Director
Sd/- (Arafat Rashid) Director	Sd/- (Nabila Mahmud) Director	Sd/- (Kazi Nasim Uddin Ahmed) Independent Director
Sd/- (Dr. M. Waliuzzaman) Independent Director		Sd/- (Mia Fazle Karim, FCA) Chief Executive Officer

Date: 4thSeptember, 2020

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 have 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: 19 July, 2020

For Manager to the issue:

Sd/-

Managing Director & CEO (In-charge)

Sonar Bangla Capital Management Limited

**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. 153,999,300 (Taka Fifteen crore nine lacs ninety nine thousand three hundred) only and we have the capacity to underwrite a total amount of Tk. 769,996,500 (Taka Seventy six crore ninety nine lacs six thousand five hundred) 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.
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
5	Union Insurance Company Limited	28,000,000
Total		160,100,500

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: 19 July 2020

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

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 obligation are pending for us:
(Name of issue and amount underwritten)

Sl. No.	Name of The Company	Amount Underwritten (Taka)
1.	Energypac Power Generation Limited	65,20,000.00
2.	Cutting Edge Industries Limited	2,50,00,000.00
3.	Zaheen Spinning Limited – Rights	25,77,63,500.00
4.	Electro Battery Company Limited	3,93,75,000.00
5.	AB Bank Limited	14,00,00,000.00
	Total	46,86,58,500.00

- 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

Sd/-

Asif Rahman
Chief Executive Officer
Date: 19th July, 2020


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 12th 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	: Crystal Insurance Company Limited
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	: www.ciclbd.com
Email address	: info@ciclbd.com



(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. Soera Zahir	Director
	9. Nusrat Mahmud	Director
	10. Arafat Rashid	Director
	11. Nabila Mahmud	Director
	12. Dr. M. Waliuzzaman	Independent Director
	13. Kazi Nasim Uddin Ahmed	Independent Director

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


Particulars	Description
Name of the auditor	: Mahfel Huq & Co.
Logo	:  Mahfel Huq & Co. 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

	Dhaka Stock Exchange Limited (DSE) 9/F, Motijheel C/A, Dhaka-1000	Tel: +88-02-9564601 Fax: +88-02-9564727 Web: www.dsebd.org
	Chittagong Stock Exchange Limited (CSE) 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

Name of the Company	CRYSTAL INSURANCECOMPANY LIMITED
Logo	
Date of incorporation	11 th November 1999
Date of Certificate for Commencement of Business	11 th November 1999
Date of commercial operation	12 th June 2000
Changes in denomination of face value of shares	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 nd Extraordinary General Meeting by the shareholders of the Company and subsequently which was passed in RJSC on 13 November 2011.
Authorized Capital as on 31 December 2019	Tk. 1,000,000,000 comprising of 100,000,000 ordinary shares of Tk.10/- each.
Issued , subscribed & paid up capital as on 31 December 2019	Tk. 240,000,000 paid up capital comprising of 24,000,000 ordinary shares of Tk. 10/- each
Registered Office	DR Tower, (14 th Floor), Box Culvert Road, 65/2/2, Purana Paltan, Dhaka-1000, Bangladesh Email: info@ciclbd.com , Web: www.ciclbd.com
Head Office	DR Tower, (14 th Floor), Box Culvert Road, 65/2/2, Purana Paltan, Dhaka-1000, Bangladesh Email: info@ciclbd.com , Web: www.ciclbd.com
Board of Directors	14 directors
Auditors	MAHFEL HUQ & CO. Chartered Accountants BGIC Tower (4th Floor), 34, Topkhana Road, Dhaka – 1000. Phone: 9553143/7171316, Fax:880-2-9571005, e-mail : hmhco.fca@gmail.com
Legal Advisor	SEIK GOLAM MAKSUD 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
Tax Consultant	MAHFEL HUQ & CO. Chartered Accountants BGIC Tower (4th Floor) 34, Topkhana Road, Dhaka – 1000. Phone: 9553143/7171316, Fax:880-2-9571005, e-mail : hmhco.fca@gmail.com
Manager to the Issue	Sonar Bangla Capital Management Limited Paramount Heights (8 th 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.sbcmibd.com

Name of Underwriters	Sonar Bangla Capital Management Limited 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 GSP Investments Limited 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										
Banker for the IPO	Mutual Trust Bank Limited Principal Branch, Dhaka <table><thead><tr><th>Account No.</th><th>Currency</th></tr></thead><tbody><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></tbody></table>	Account No.	Currency	0002-0320003810	BDT	0002-0260005843	USD	0002-0260005852	EURO	0002-0260005861	GBP
Account No.	Currency										
0002-0320003810	BDT										
0002-0260005843	USD										
0002-0260005852	EURO										
0002-0260005861	GBP										
Compliance Officer	M. Mahfuzur Rahman, ACA 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]. 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 0.55% in 2017 whereas 0.38% in 2016 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

Underwriting Profit	2019		2018	
	Taka	(%)	Taka	(%)
Fire insurance revenue account	5,410,616	5.41%	(8,048,702)	-12.38%
Marine cargo and hull insurance revenue account	71,670,497	71.68%	47,223,338	72.65%
Marine Hull revenue account	(933,115)	-0.93%	672,280	1.03%
Motor insurance revenue account	16,480,476	16.48%	15,769,106	24.26%
Miscellaneous insurance revenue account	7,361,640	7.36%	9,384,827	14.44%
Total	99,990,113	100%	65,000,849	100%

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 2019, 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 2019.

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	Crystal Insurance Company Limited
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
Mr. Abul Kalam Azad <hr/> Sr. Addl. M.D. & In-Charge <hr/> Local Office <hr/> Crystal Insurance Co. Ltd. <hr/> Lal Bhaban (10 th Floor) <hr/> 18, Rajuk Avenue <hr/> Dhaka.Tel. 9571718, 9564771 <hr/> <hr/> Mob. 01711-526819 <hr/> Email: ciclocal@yahoo.com <hr/>	Mr. S.A.M. Shafiqul Hassan <hr/> Sr. Addl. M.D. & In-Charge <hr/> Corporate Branch <hr/> DR Tower (14 th Floor) <hr/> 65/2/2, Purana Paltan <hr/> Box Culvert Road <hr/> Dhaka-1000 <hr/> Tel. 9587581, 47117066 <hr/> Mob.: 01715 – 749327 <hr/> Email: ciclrjk@gmail.com <hr/>	Mrs. Minu Rahman <hr/> Addl. M.D & In-Charge <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: cicdilkusha@gmail.com <hr/>
4	5	6
Mr. Dewan M. Rahman (Golap) <hr/> Addl. M.D & In-Charge <hr/> Principal Branch <hr/> Crystal Insurance Company Ltd. <hr/> Lal Bhaban (10 th Floor) <hr/> 18, Rajuk Avenue <hr/> Dhaka. <hr/> Tel. 47119270, 9564748 <hr/> Mob. : 01713 – 032889 <hr/> Email: dmrgolap@yahoo.com <hr/>	Mr. Md. Moshfiqur Rahman <hr/> DMD & In-Charge <hr/> Bangshal Branch <hr/> Crystal Insurance Co. Ltd. <hr/> 4 No. Haji Majad Sardar Sarak <hr/> (North South Road), Dhaka <hr/> <hr/> Tel. 47114840 <hr/> Mob. : 01713 – 014344 <hr/> Email: moshfiqurrahman1966@yahoo.com <hr/>	Mr. Md. Shahadat Hossain <hr/> DMD& In-Charge <hr/> VIP Road Branch <hr/> Crystal Insurance Co. Ltd. <hr/> 36, Purana Paltan <hr/> Dhaka. <hr/> Tel. 8332436 <hr/> Mob. : 01711 – 639141 <hr/> Email: crystalinsurance3@gmail.com <hr/>
7	8	9

<p>Mr. Md. Sohrab Ali</p> <hr/> <p>DMD & In-charge</p> <hr/> <p>Sadarghat Branch</p> <hr/> <p>Crystal Insurance Co. Ltd.</p> <hr/> <p>45, Johnson Road, Dhaka.</p> <hr/> <p>Tel. 57164386, 47118474</p> <hr/> <p>Mob. : 01819 – 245901</p>	<p>Mr. Md. Mizanur Rahman</p> <hr/> <p>DMD & In-Charge</p> <hr/> <p>Imamgonj Branch</p> <hr/> <p>Crystal Insurance Co. Ltd.</p> <hr/> <p>139, Chawk Mogoltuly</p> <hr/> <p>Haji Abdul Kader Mansion</p> <hr/> <p>(4th Floor), Imamgonj, Dhaka.</p> <hr/> <p>Tel. 57319397</p> <hr/> <p>Mob. : 01707 – 245904</p> <hr/> <p>Email: ciclmizan@yahoo.com</p>	<p>Mr. Md. Showkat Ali</p> <hr/> <p>DMD & In-charge</p> <hr/> <p>Babu Bazar Branch</p> <hr/> <p>Crystal Insurance Co. Ltd.</p> <hr/> <p>Mona Complex</p> <hr/> <p>21, Armenian Street</p> <hr/> <p>Babu Bazar, Dhaka.</p> <hr/> <p>Tel. 57317372</p> <hr/> <p>Mob. : 01711 – 321638</p> <hr/> <p>Email: ciclbabubazar@gmail.com</p>
10	11	12
<p>Mrs. Nazma Akter</p> <hr/> <p>DMD & In-Charge</p> <hr/> <p>Malibagh Branch</p> <hr/> <p>Crystal Insurance Co. Ltd.</p> <hr/> <p>16/1, Mogh Bazar</p> <hr/> <p>Dhaka.</p> <hr/> <p>Tel. 9339844, 9360059</p> <hr/> <p>Mob. : 01787 – 658832</p> <hr/> <p>Email: nazma.rida17@gmail.com</p>	<p>Mr. Md. Anwar Hossen</p> <hr/> <p>SEVP & In-Charge</p> <hr/> <p>B.B. Avenue Branch</p> <hr/> <p>Crystal Insurance Co. Ltd.</p> <hr/> <p>21, B.B. Avenue</p> <hr/> <p>Dhaka.</p> <hr/> <p>Tel. 9571725</p> <hr/> <p>Mob. :- 01716 – 412320</p> <hr/> <p>Email: ciclbba@yahoo.com</p>	<p>Mr. Md. Robiul Aowal</p> <hr/> <p>P.O. & Acting In-Charge</p> <hr/> <p>Rajuk Avenue Branch</p> <hr/> <p>Crystal Insurance Company Ltd.</p> <hr/> <p>Lal Bhaban (10th Floor)</p> <hr/> <p>18, Rajuk Avenue</p> <hr/> <p>Dhaka.</p> <hr/> <p>Tel. (Disconnected)</p> <hr/> <p>Email: rajukcicl@gmail.com</p>
13	14	15
<p>Mr. Md. Shah Alam Sheikh</p> <hr/> <p>SEVP & In-Charge</p> <hr/> <p>Naya Bazar Branch</p> <hr/> <p>Crystal Insurance Co. Ltd.</p> <hr/> <p>85, Shahid Nazrul Islam Sarani</p> <hr/> <p>English Road</p> <hr/> <p>Dhaka.</p> <hr/> <p>Tel. 9567706, 9589475</p> <hr/> <p>Mob. : 01720 – 064029</p> <hr/> <p>Email: ciclnayabazar@gmail.com</p>	<p>Mr. Khandaker Shaheen</p> <hr/> <p>VP & In-Charge</p> <hr/> <p>Uttara Branch</p> <hr/> <p>Crystal Insurance Company Ltd.</p> <hr/> <p>A.H. Tower(14th Floor)</p> <hr/> <p>Plot No.56, Road No.2, Sector-3</p> <hr/> <p>Uttara, Dhaka.</p> <hr/> <p>Tel. 58951105</p> <hr/> <p>Mob. : 01712 – 070444</p> <hr/> <p>Email: cicluttra@gmail.com</p>	<p>Mr. Abdul Hakim</p> <hr/> <p>AVP & Acting In-Charge</p> <hr/> <p>Elephant Road Branch</p> <hr/> <p>Crystal Insurance Co. Ltd.</p> <hr/> <p>Khan Plaza (6th Floor)</p> <hr/> <p>32/1, Mirpur Road, Dhaka.</p> <hr/> <p>Tel. 58610787, 9677293</p> <hr/> <p>Mob. : 01720 – 280629</p> <hr/> <p>Email: ciclelp@yahoo.com</p>
16	17	18
<p>Mr. Md. Joaher Ali</p> <hr/> <p>AVP & In-Charge</p> <hr/> <p>Pragati Sarani Branch</p>	<p>Mr. Md. Sohoraf Hossain</p> <hr/> <p>SPO & Acting In-Charge</p> <hr/> <p>Paltan Branch</p>	<p>Mr. Md. Mahfuzul Haque</p> <hr/> <p>SEO-I & Acting In-Charge</p> <hr/> <p>Mirpur Branch</p>

Crystal Insurance Co. Ltd.	Crystal Insurance Co. Ltd.	Crystal Insurance Co. Ltd.
J.M. Tower (4 th Floor)	Darus Salam Arcade(6 th 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: ciclpaltan@gmail.com	Mob. : 01712 – 494020
Mob. : 01819 – 489034		Email: ciclmirpur@gmail.com

OUTSIDE DHAKA BRANCHES

19	20	21
Mr. ASM Nurus Sobhan Chow.	Mr. Syed Md. Khairul Basher	Mr. Md. Shafiqul Alam
SEVP & In-Charge	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: ciclagctg@gmail.com	Mob. 01842-555786	Email: cicltg@gmail.com
	Email: ciclktg@gmail.com	
22	23	24
Mr. Shanul Islam Suez	Mr. Pranesh Chandra Bardan	Mr. Bipulananda Halder
EVP & In-Charge	EVP & In-Charge	SVP & In-Charge
Sylhet Branch	Moulvi Bazar Branch	Jessor Branch
Crystal Insurance Co. Ltd.	Crystal Insurance Co. Ltd.	Crystal Insurance Co. Ltd.
Elegant Shipping Mall	Court Road, Moulvibazar	Jess Tower (3 rd Floor)
Jaller Pat, Sylhet	Tel. 0861-54012,	39, M.K. Road, Jessore
Mob. 01712-893107/ 01674844939	Mob. 01712-536736	Tel. 0421 – 67034
Email: ciclsylhet@gmail.com	Email: ciclmoulvibazar@gmail.com	Mob. :- 01716 – 257045
		Email: jessore.crystal@gmail.com

25	26	27
Mr. Md. Abdus Sobur <hr/> EVP & In-Charge <hr/> Rangpur Branch <hr/> Crystal Insurance Co. Ltd. <hr/> Shajahan Super Market(3 rd Fl.) <hr/> Station Road, Rangpur. <hr/> Tel. 0521 – 55562 <hr/> Mob. 0-1761-565652 <hr/> Email: ciclrng@gmail.com <hr/>	Mr. Md. Abdul Hai Sarder <hr/> DMD & In-Charge <hr/> Bogra Branch <hr/> Crystal Insurance Company Ltd. <hr/> Traffic Mour, Boro Ghola <hr/> Bogra. <hr/> Tel. 051 – 64501 <hr/> Mob. 01725-494848 <hr/> Email: ciclbogra@gmail.com <hr/>	Mr. Md. Mokhlesur Rahman <hr/> SVP & In-Charge <hr/> Narsingdi Branch <hr/> Crystal Insurance Company Ltd. <hr/> Janata Bank Building (4 th Floor) <hr/> Suta Patti, Narsingdi <hr/> Tel. 9452329 <hr/> Mob. : 01727 – 373025 <hr/> Email: nsdcicl@gmail.com <hr/>
28	29	30
Mr. Md. Habibur Rahman <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/>	Mr. Md. Nur Islam <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: dinajpurciclbd@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		
Mr. Syed Md. Shamiur Rahman <hr/> Manager & In-Charge <hr/> Mymensingh Branch <hr/> Crystal Insurance Co. Ltd. <hr/> 25/A, Swadeshi Bazar (3 rd 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	Ms. Soera Zahir	Director
9	Mr. Arafat Rashid	Director
10	Mrs. Nusrat Mahmud	Director
11	Ms. Nabila Mahmud	Director
12	Dr. M. Waliuzzaman	Independent Director
13	Mr. Kazi Nasim Uddin Ahmed	Independent Director

(iii) Names, addresses, telephone numbers, fax numbers and e-mail addresses of the chairman, managing director, whole time 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	Mrs. Farhana Danesh	Director	House No. 15, Appat.1/B, Road- 3, Old. DOHS, Banani, Dhaka.	Tel: 9571715 Fax: 9567205	farhanadanesh.cicl@gmail.com
6	Mrs. Shahzadi Begum	Director	House No.16/1/B, Tallabagh, Sobhanbagh, Dhaka	Tel: 9571715 Fax: 9567205	shahzadibegum.cicl@gmail.com
7	Mrs. Farzana Munny	Director	House No. 43, Park Road, Baridhara, Dhaka.	Tel: 9571715 Fax: 9567205	munnyomz@gmail.com
8	Ms. Soera Zahir	Director	House-30, Road-08, Gulshan-1, Dhaka	Tel: 9571715 Fax: 9567205	soera.zahir@gmail.com
9	Mrs. Nusrat Mahmud	Director	House No.10, Road No.92, Gulshan-2, Dhaka	Tel: 9571715 Fax: 9567205	nusrat.cicl@gmail.com
10	Mr. Arafat Rashid	Director	27/B-4, Dhakeshwari Road, Lalbagh, Dhaka	Tel: 9571715 Fax: 9567205	arafatrashid.cicl@gmail.com
11	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
12	Dr. M. Waliuzzaman	Independent Director	House No. 29, Block F, Road No. 7, Banani, Dhaka-1213	Tel: 9571715 Fax: 9567205	waliuzzaman.cicl@gmail.com
13	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
14	Mr. Mia Fazle Karim, FCA	Managing Director	DR Tower (14 th 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	Mr. M. Mahfuzur Rahman, ACA DR Tower (14th Floor) 65/2/2, Purana Paltan Box Culvert Road, Dhaka-1000 Tel- +88-02-9566889 Fax- +88-02-9567205 Email- info@ciclbd.com
Company Secretary	Mr. S. M. Shahidullah 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	Seik Golam Maksud 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
Auditor	MAHFEL HUQ & CO. Chartered Accountants BGIC Tower (4th Floor) 34, Topkhana Road, Dhaka – 1000. Phone: 9553143/7171316 Fax:880-2-9571005 e-mail : hmhco.fca@gmail.com
Compliance Officer	M. Mahfuzur Rahman, ACA DMD & CFO DR Tower (14th Floor) 65/2/2, Purana Paltan Box Culvert Road, Dhaka-1000 Tel- +88-02-9566889 Fax- +88-02-9567205 Email- info@ciclbd.com

(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.

Name of the Issue Manager	Sonar Bangla Capital Management Limited
Addresses of Registered Office	Paramount Heights (8 th 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	Emam Hossain Managing Director/CEO (In-charge)
Website address	www.sbcmlbd.com
Email address	sbcmgtltd@gmail.com

(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:

Name of the Credit Rating Agencies	Rating Date
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
	20 August, 2020

(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	Stable
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 ₂	ST-2	12 Apr ,2018	Stable
2019	A ₂	ST-2	27 June, 2019	Stable
2020	A ₂	ST-2	20 August, 2020	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 "A2" (pronounced Single A two) and short term rating at "ST-2". CRAB performed the rating surveillance based on audited financial statements up to 31st December 2019 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 underwriting profit and reserve for exceptional loss. However, the rating is constrained by enhanced management expenses and investment fluctuation fund.

During 2019, after reinsurance ceded of BDT 136.43 million the net premium of the Company was BDT 390.89 million. Net premium earning has enhanced by 29.16% in the same duration. During 2019, net claim of the Company was BDT 78.36 million along with 20.05% loss ratio. Of the total net claims major claims incurred in the fire class of business which shared 82.51% of total net claim where retention ratio was 70.92% in the fire class of business. Management expenses of fire class of business were BDT 60.24 million in 2019. Loss ratio of fire class business was significant in 2019 too. The outstanding net claims at the end of 2019 were BDT 32.12 million which was 16.00% of total claims. Whereas in 2019 Top 10 claim paid /settled shared 88.68% of total claim paid/settled of CICL.

Underwriting profit of CICL shared 70.27% of total revenue in 2019 where as on average underwriting profit shared 70.11% of total revenue in the last four years. Underwriting profit of CICL increased 53.83% in 2019 due to enhanced underwriting profit from marine class business. Underwriting profit margin ratio enhanced 4.10 percentage points to 25.58% in 2019 (2018: 21.48%). Net profit (before tax) of the company grew 32.93% in 2019.

During 2019, CICL's current ratio was 2.08 times. The organizations current asset to net claims was 8.14 times in 2019 enhanced from 4.73 times of 2018. CICL's liquid asset (cash and bank balance) shared 47.55% of total assets in 2019 enhanced due to FDR maintained in commercial banks & FI's (2018: 41.57%).

CICL's required solvency was BDT 80.90 million whereas the Company's available solvency was BDT 348.12 million which means the value of assets had been more than the liabilities. CICL kept BDT 329.81 million as reserve for exceptional losses and maintained BDT 6.50 million as general reserve. In 2019, risk retention of CICL was 74.13% (2018: 70.17%).

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 5.44% in 2019. CICL's shareholders' equity to total assets ratio was 55.52% in 2019.

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

The key risks inherent in the non-life insurance industry are derived from the cyclical nature 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 FY2019. CICL earned gross premium of BDT 527.33 million, of which 90.16% (BDT 475.44 million) was from direct business and 9.84% (BDT 9.84 million) was from govt. business in 2019. After reinsurance ceded of BDT 136.43 million the retained premium of the Company was BDT 390.89 million. Marine and fire class of business dominated net premium earnings shared 47.61% and 40.48% respectively in 2019 followed by motor 9.65% and misc. 2.25% in 2019. 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. During 2019, CICL’s current assets grew by 20.66% along with current liabilities by 11.90%. Current ratio was 2.08 times in the same period. The organizations current asset to net claims was 8.14 times in 2019 from 4.59 times of 2018 due to reduced net claim in 2019. CICL’s current liability shared 29.05% of total liability (2018: 28.79%). During 2019, liquid asset (cash and bank balance) shared 47.55% of total assets (2018: 41.47) 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 2019.. 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 is requirement of energetic, qualified professionals is expected to gear up future business. CICL had 302 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 of CICL increased 53.83% in 2019 due to enhanced underwriting profit from marine class business. Underwriting profit margin ratio enhanced 4.10 percentage points to 25.58% in 2019 (2018: 21.48%). Loss ratio of CICL reduced 16.88 percentage point resulted from reduced claim settlement in marine class of business in 2019. During 2019, total claims were 192 of BDT 200.72 million from all classes of business where 111 claims of BDT 101.40 million was new claim in the same period. Of the total claims, 92 claims of BDT 168.60 million were settled in 2019. Top 10 claims settled was significant in amount BDT 149.52 million which was 88.68% of total settled claims in 2019. CICL's claim settlement ratio was 84.00% in 2019. The outstanding claims at the end of year 2019 were 100 of BDT 32.12 million. Top 10 outstanding claims in absolute amount was BDT 96.68 million at the end of 2019.

CICL gross & net premium has been showing better performance since FY2015. Along with this, expense ratio of the Company has been increased by 4.25 percentile points in FY2019. Net premium of the Company has been increased by 29.16% in FY2019. CICL allocated management expense has been increased by 39.49% in FY2019. Overall

situation has affected the combined ratio of the Company which has been decreased to 76.95% during FY2019 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

Name and address	Contact person	Telephone & fax number and e-mail address	Amount Underwritten (BDT)
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 July 2020

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/-

(Asif Rahman)

Chief Executive Officer (CC)

GSP Investments Limited

Place: Dhaka

Date: 19 July 2020

(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
Before IPO:				
Authorized capital	100,000,000	10	10	1,000,000,000
Issued, subscribed and paid-up capital	24,000,000	10	10	240,000,000
Total paid up capital before IPO (A)	24,000,000	10	10	240,000,000
After IPO:				
To be issued as IPO (B)	16,000,000	10	10	160,000,000
Paid-up capital (Post IPO) (A+B)	40,000,000	10	10	400,000,000

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
Total			24,000,000	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 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)

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
	Total (a)			9,700,000	40.42%	24.25%	
	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	Ms. Nabila Mahmud	Director	2,000,000	8.33%	5.00%	N/A
	9	Ms. Soera Zahir	Director	2,000,000	8.33%	5.00%	N/A
	10	Mrs. Nusrat Mahmud	Director	4,000,000	16.67%	10.00%	N/A
	11	Mr. Arafat Rashid	Director	800,000	3.33%	2.00%	N/A
	Total (b)			11,355,000	47.31%	28.39%	
Other than sponsor or director	12	Mr. Iqbal Hassan Mahmood	Shareholder	375,000	1.56%	0.94%	N/A
	13	Mrs. Sarah Hasein Mahmood	Shareholder	300,000	1.25%	0.75%	N/A
	14	Mr. Rubayat Tanveer Huda	Shareholder	270,000	1.13%	0.68%	N/A
	15	Mr. Asoke Ranjan Kapuria	Shareholder	1,200,000	5.00%	3.00%	N/A
	16	Mr. Abdullah Al-Mamun (Deceased))	Shareholder	800,000	3.33%	2.00%	N/A
	Total (c)			2,945,000	12.27%	7.36%	
Grand Total (a) + (b) + (c)				24,000,000	100.00%	60.00%	

Note: Mr. Abdullah Al-Mamun, who breathed his last on 18th April, 2020 and all the transmission of share to his successor is under process. But this is a long process to go and obtain the succession certificate. After getting succession certificate, his share will be transfer to the appropriate successor.

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	Shareholder		
	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	Shareholder		
Total		3,000,000			

(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 a tabular 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 Al-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 10/05/2005	(52,560)	10	10	Cash	10-May-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									
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 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 Al-Mahmud 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%
Total (a)			9,700,000	40.42%	24.25%
5	Mrs. Farzana Munny	Director	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	Ms. Nabila Mahmud	Director	2,000,000	8.33%	5.00%
9	Ms. Soera Zahir	Director	2,000,000	8.33%	5.00%
10	Mrs. Nusrat Mahmud	Director	4,000,000	16.67%	10.00%
11	Mr. Arafat Rashid	Director	800,000	3.33%	2.00%
Total (b)			11,355,000	47.31%	28.39%
12	Mr. Iqbal Hassan Mahmood	Shareholder	375,000	1.56%	0.94%
13	Mrs. Sarah Hasein Mahmood	Shareholder	300,000	1.25%	0.75%
14	Mr. Rubayat Tanveer Huda	Shareholder	270,000	1.13%	0.67%
15	Mr. Asoke Ranjan Kapuria	Shareholder	1,200,000	5.00%	3.00%
16	Mr. Abdullah Al-Mamun (Deceased)	Shareholder	800,000	3.33%	2.00%
Total (c)			2,945,000	12.27%	7.36%
Grand Total (a) + (b) + (c)			24,000,000	100.00%	60.00%

Note: Mr. Abdullah Al-Mamun, who breathed his last on 18th April, 2020 and all the transmission of shares to his successor/s is under process. But this is a long process to go and obtain the succession certificate, and after getting succession certificate, his shares will be transfer to the appropriate successor/s.

(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	No. of shares owned	Pre IPO (%)	Types of ownership
1	Mr. Abdullah Al-Mahmud	House # 6, Road # 104, Apartment No. 4/A, Gulshan-2, Dhaka	4,000,000	16.67%	Sponsor & Director
2	Mr. Abdullah Hasan	House No. 243 (B/4), Road No.20, New DOHS, Mohakhali, Dhaka.	4,000,000	16.67%	Sponsor & Director
3	Ms. Soera Zahir	House # 30, Road # 08, Gulshan-1, Dhaka	2,000,000	8.33%	Director
4	Mr. Asoke Ranjan Kapuria	Bejpara, Main Road, Jessore	1,200,000	5.00%	Shareholder
5	Mrs. Nusrat Mahmud	House No.10, Road No.92, Gulshan-2, Dhaka	4,000,000	16.67%	Director
6	Ms. Nabila Mahmud	House No. 25, Road No. 10/A, Flat – B/2, Arcadia Apartment, Dhanmondi, Dhaka	2,000,000	8.33%	Director

(xiii) The number of securities of the Issuer owned by each of the top ten salaried officers, and all other officers or employees as 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, 2019.

(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:

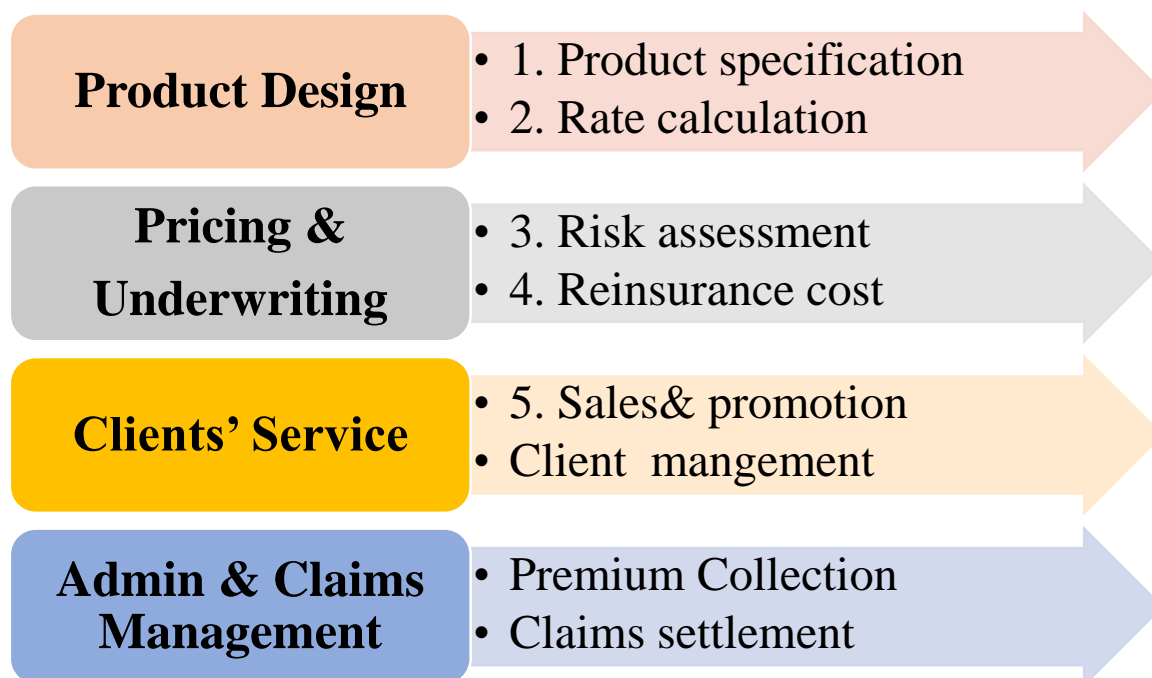
Particulars	Description
Date of incorporation as publiclimited company	November 11, 1999
Commencement of commercial operation	June 12, 2000
Conversion into public limited company	Not applicable
Denomination of face value from Tk. 100.00 to Tk. 10.00	November 13, 2011
Authorized capital	BDT. 1,000 Million
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
Date of incorporation	11 November, 1999
Private to public	N/A (Incorporated as Public Limited Company)
Date of Commencement of Business	November 11, 1999
Start of Commercial Operation	12 June, 2000
Details of facility creation	Since the Company is engaged in insurance business. So, there are no capacity or facility creation and no launching of plant, products.
Principal products or services of the Issuer	a) Fire Insurance b) Marine Insurance c) Motor Insurance d) Miscellaneous Insurance e) Liability Insurance f) Engineering Insurance
Marketing	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
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

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

Particulars	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
	Taka	Taka	Taka	Taka	Taka
Gross Premium	527,325,300	431,301,165	408,661,693	390,354,116	365,324,258
Net Premium	390,893,600	302,648,856	297,512,962	292,593,856	275,738,766
Underwriting Profit	99,990,113	65,000,849	73,221,973	52,485,536	48,719,763
Investment Income	42,226,980	35,545,759	21,552,717	16,894,437	17,682,494
Deposit Premium	69,592,387	21,621,653	13,496,717	11,535,948	24,033,492

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

Claim Settlements:

Particulars	31-Dec-19		31-Dec-18		31-Dec-17		31-Dec-16		31-Dec-15	
	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	115	60	91	73	90	67	91	54	93	48
Fire Insurance	36	15	23	14	28	30	32	14	30	7
Marine Insurance	36	16	18	14	19	11	27	15	21	1
Miscellaneous	5	1	4	0	1	0	3	0	12	2
Total	192	92	136	101	138	108	153	83	156	58

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 is a demand and supply gap remain in our country. Accordingly, Government of Bangladesh permits 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

Year	Revenue of the year(Taka)	Product	Income from the Product(Taka)	Percentage Contribution
2019	99,990,113	Fire Insurance Business	5,410,616	5%
		Marine Cargo& Hull Insurance Business	70,737,382	71%
		Motor Insurance Business	16,480,476	16%
		Miscellaneous Insurance Business	7,361,640	7%
2018	65,000,849	Fire Insurance Business	(8,048,702)	-12%
		Marine Cargo& Hull Insurance Business	47,895,618	74%
		Motor Insurance Business	15,769,106	24%
		Miscellaneous Insurance Business	9,384,827	14%
2017	73,221,973	Fire Insurance Business	(13,373,328)	-18%
		Marine Cargo& Hull Insurance Business	61,878,146	85%
		Motor Insurance Business	14,322,865	20%
		Miscellaneous Insurance Business	10,394,290	14%
2016	52,485,536	Fire Insurance Business	(13,705,989)	-26%
		Marine Cargo Insurance Business	43,313,654	83%
		Motor Insurance Business	11,489,951	22%
		Miscellaneous Insurance Business	11,387,920	22%
2015	48,719,763	Fire Insurance Business	(27,751,174)	-57%
		Marine Cargo& Hull Insurance Business	63,118,291	130%
		Motor Insurance Business	7,446,618	15%
		Miscellaneous Insurance Business	5,906,028	12%

(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 2019, 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 Plaza, 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 major competitors

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.

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 2019.

Sd/-
M. Mahfuzur Rahman, ACA
Chief Financial Officer

Sd/-
Mia Fazle Karim, FCA
Chief Executive Officer

Sd/-
Abdullah Al-Mahmud
Chairman

Date : 19 July 2020

(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	001933689-0208	30 Aug 2019	N/A
04	E-Trade License	Dhaka South City Corporation	TRAD/DSCC/271637/2019	18 th August, 2020	30 Jun 2021
05	Certificate of registration	Controller of Insurance (Duly renewed by IDRA)	CR-19/2000 (Directorate of Insurance)	01 Jan 2020	31 Dec 2020
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 302 employees as on December 31, 2019.

Part/ Full time	Number of employees		
	Head Office	Branches	Total
Full time employee	90	212	302
Part time employees	0	0	0
Grand Total	90	212	302

(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.

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

The other properties of the Company as on 31 December 2019 as per audited financial statements are follows:

Sl No	PARTICULARS	Written Down value as on 31.12.2019
1	Furniture & Fixtures	1,746,320
2	Office Equipments	2,287,232
3	Office Decoration	14,619,202
4	Sundry Assets	733,984
5	Motor Vehicles	45,766,208
6	Office Space	181,723,134
7	Land	51,872,036
TOTAL		298,748,116

The above mentioned properties are in 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 2019 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 th 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, Dhaka-1000	13,996sft	245,932,000	Fully Paid & Registered	Includes ownership of eight (8) car parking spaces on top basement floor and also proportionate land on which the building is located
Arcade Centre (2 nd 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 (LvRbv) and mutation date of lands, deed value and other costs including details of land development cost, if any and current use thereof

SL	Place	Deed No.	Date of purchase	Mutation date	Last date of current rent (LvRbv)	C.S. Dag No.	Deed Value	Area of land (Decimal)	Current use
01	Kerani Gonj		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	27.10.15	07.09.20	3228 & 3229	15,000,000	5268 Sft. Or 1.017 2 Decimal	Position hold by the company
04	Jessore	15074/17	04.01.2017		23.04.20	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 Property Development Ltd.	10 katha or 16.50 Decimal	12,000,000/-	-	12,000,000/-	No relation
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 th Floor, Room No#07, 14 Purana Paltan, Dhaka-1000.	Mr. Mohammad Mamunur Rashid & Mr. Md. Kamruzzaman	28.02.21	Advance : BDT 200,000 Monthly Rent : BDT 29,000 Space : 650 Sft	Operating Lease
2	Local Office	Lal Bhaban (10 th Floor), 18 Rajuk Avenue, Motijheel, Dhaka	Mr. Shamsul Alam & Others	31.12.24	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	31.07.23	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	30.6.21	Monthly Rent : BDT 25,000 Space : 550 Sft	Operating Lease
7	VIP Road Branch	36, Purana Paltan, Dhaka -1000.	A.B.M. Azizur Hasan	31.08.22	Advance : BDT 200,000 Monthly Rent : BDT 21,000 Space : 640 Sft	Operating Lease
8	Imamgonj Branch	139, ChawkMogoltuly, Haji Abdul Kader Mansion (4 th Floor), Imamgonj Dhaka.	Mr. Abdul Majid	31.12.24	Advance : BDT 300,000 Monthly Rent : BDT 20,900 Space : 950 Sft	Operating Lease
9	Sadarghat Branch	45, Johnson Road, Dhaka.	Mr. Abdul Jakir	31.12.20	Advance : BDT 60,000 Monthly Rent : BDT 10,000	Operating Lease
10	Elephant Road Branch	Khan Plaza (6 th Floor), 32/1, Mirpur Road, Dhaka.	Md. Liaquat Ali Khan	30.09.20	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 th Floor) 21, B.B. Avenue, Dhaka	Mr. Deen Mohammad	31.3.21	Advance : BDT 100,000 Monthly Rent : BDT 23,520 Space : 672 Sft	Operating Lease
13	Mirpur Branch	Khaleque Plaza (1 st Floor), 259/KA, Carmichael Road, Gabtoli, Mirpur, Dhaka.	Mr. Syed Abu Bakar Siddiq	31.12.21	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	31.3.21	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	28.2.21	Advance : BDT 118,800 Monthly Rent : BDT 16,500 Space : 660 Sft	Operating Lease

16	Pragati Sarani Branch	J.M. Tower (3 rd Floor), Kha/190/1, Progoti Sarani, Middle Badda, Dhaka-1212.	Md. Humayun Kabir Pintu	31.10.22	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 nd 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 th Floor), 61, Jubilee Road, Chittagong.	Mr. Nasir Ahmed	31.03.23	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	30.12.20	Advance : BDT 50,000 Monthly Rent : BDT 6,000	Operating Lease
22	Jashore Branch	Jess Tower, (3 rd Floor), 39, M.K. Road, Jessore.	Mr. Md. Motiur Rahman	31.01.22	Advance : BDT 117,450 Monthly Rent : BDT 6,525 Space : 435 Sft	Operating Lease
23	Narsingdi Branch	Janata Bank Building (4 th Floor), Sutapatti, Narsingdi.	Mr. Md. Sharif Sarkar	31.10.24	Advance : BDT 144,000 Monthly Rent : BDT 6,000 Space : 650 Sft	Operating Lease
24	Tangail Branch	Mukul Market (1 st Floor), Mymensingh Road, Tangail.	Mr. Md. Mostak Ahmed	31.01.22	Advance : BDT 200,000 Monthly Rent : BDT 9,000	Operating Lease
25	Bogura Branch	ShahjalalIslami Bank, ATM Booth Building (2 nd Floor), Borogola, Traffic Moor, Bogra.	Mr. Md. Azizul Bari	31.05.21	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	31.10.21	Advance : BDT 300,000 Monthly Rent : BDT 16,500	Operating Lease
27	Rangpur Branch	Shahjahan Super Market (3 rd Floor), Station Road, Rangpur.	Mr. Md. Maruf Hossain	31.07.21	Advance : BDT 108,000 Monthly Rent : BDT 6,000 Space : 400 Sft	Operating Lease
28	Mymensingh Branch	25/A, Swadeshi Bazar, (3 rd 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	30.04.22	Advance : BDT 12,000 Monthly Rent : BDT 6,000 Space : 700 Sft	Operating Lease

(viii) Dates of purchase of plant and machineries along with seller's name, address, years of sale, condition when purchased, country of origin, useful economic life at purchase and remaining economic 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 PSI 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	13.03.2020, 14.03.2020& 17.03.2020	
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, 2020 to March 17, 2020in 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 th Floor) 78, Agrabad C/A Chittagong (c) Arcade Centre (2 nd 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: 1 Furniture and Fixtures 2 Signboard and Hoarding 3 Office Equipment 4 Telephone 5 Computer (Hardware & Software) 6 Decoration 7 Electrical Equipment 8 Motor Vehicle 9 Air Conditioner 10 Crockery	

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 OfficeThe floor space has been registered.
	b) Floor Space	5,368.13 Sft	MakkaMadina Trade Centre(10th Floor) 78, Agrabad C/A, Chittagong	Partly being used as Chittagong branch & partly rented out
	c) Floor Space	3000 sft	Arcade Centre (2 nd Floor)44 M.K. Road, Jessore	Partly being used as Jessore branch & partly rented out, the floor space has been registered.

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:

Particulars	Amount/WDV	Description
Advance against land and office space: (Land at Riverview Green Town, Keraniganj, Dhaka)	Tk. 12,000,000/-	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 2019 under head of Advance Against Land & Office Space.
Investment Property: i) Makka Madina Trade Centre (10 th Floor)78, Agrabad Commercial Area, Chittagong. ii) Arcade Centre (2 nd Floor)39 M.K. Road, Jessore.	Tk. 37,414,897/-	i) Total area of 5268.13 Sft with cost of total 61,456,650/- which is fully paid & registered and also Includes ownership of two car parking spaces on top basement floor and also proportionate land on which the building is located. Partly used by the company and party used as investment property/rent out. ii) Total area of 3000 Sft with cost of total 16,500,000/- which is fully paid & registered and no parking space. Partly used by the company and party used as investment property/rent out.

(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:

Crystal Insurance Company Limited
Balance Sheet (Statement of Financial Position)
As at December 31, 2019, 2018, 2017, 2016, 2015

Particulars	Amount in Taka				
	2019	2018	2017	2016	2015
Shareholders' Equity & Liabilities					
Shareholders' Equity					
Authorised Capital	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
100,000,000 Ordinary shares of Tk.10 each					
Issued, Subscribed and Paid up Capital	240,000,000	240,000,000	240,000,000	60,000,000	60,000,000
24,000,000 Ordinary share of Tk. 10 each fully paid up					
Reserve & Surplus	346,175,394	315,957,016	275,609,707	334,681,937	252,266,684
Reserve for Exceptional Losses	329,814,783	277,082,253	233,952,136	193,085,967	154,050,555
Profit & Loss Appropriation Account*	24,613,792	32,180,451	24,273,559	40,558,748	41,866,129
Share money deposit	-	-	-	88,000,000	47,350,000
Investment Fluctuation Fund	(14,753,181)	1,194,312	6,384,012	2,537,222	-
General Reserve	6,500,000	5,500,000	11,000,000	10,500,000	9,000,000
Total Shareholders Equity	586,175,394	555,957,016	515,609,707	394,681,937	312,266,684
Liabilities and Provisions					
Balance of fund and accounts	157,910,934	122,231,476	120,581,415	118,233,490	111,338,319
Fire Insurance Revenue Account	63,295,852	49,513,474	49,202,775	47,415,832	49,742,293
Marine Insurance Revenue Account	73,405,808	51,168,460	48,912,750	47,110,302	39,128,741
Marine Hull Insurance Revenue Account	2,589,156	1,953,223	2,627,050	-	-
Motor Insurance Revenue Account	15,094,398	14,147,495	15,258,639	14,103,630	15,176,544
Misc. Insurance Revenue Account	3,525,720	5,448,824	4,580,201	9,603,726	7,290,741
Deposit Premium	69,592,387	21,621,653	13,496,717	11,535,948	24,033,492
Deferred Tax Liability	6,045,424	-	-	-	-
Estimated liability in respect of Outstanding claims whether due or intimated	32,119,989	99,321,911	75,124,182	52,835,149	41,445,271
Amounts due to other persons or bodies carrying on insurance business:	132,810,042	110,926,278	128,537,541	132,436,165	116,476,268
Sundry Creditors	66,194,728	42,268,534	38,883,888	44,506,817	50,789,821
Provision for WPPF	5,037,009	-	-	-	-
Total Liabilities and Provisions	469,710,513	396,369,852	376,623,743	359,547,569	344,083,171
Total Shareholders' Equity & Liabilities	1,055,885,907	952,326,868	892,233,450	754,229,506	656,349,855
NAV (Net Assets Value)	24.42	23.16	21.48	65.78	52.04

Particulars	Amount in Taka				
	2019	2018	2017	2016	2015
Property and Assets					
Non-Current assets	418,250,632	430,895,844	426,801,350	374,454,309	326,816,927
Property, Plant and Equipment	298,748,116	293,457,012	51,066,994	64,185,142	70,400,114
Advance against land & office Space	12,000,000	12,000,000	275,926,900	261,828,000	210,576,000
Investments	70,087,619	78,825,117	60,397,519	20,935,888	18,335,534
Investment Property	37,414,897	39,569,906	26,130,015	27,505,279	27,505,279
Deferred Tax Assets	-	7,043,809	13,279,922	-	-
Current assets	135,517,740	125,540,640	107,032,887	98,484,792	90,479,012
Insurance Stamps	1,259,956	1,173,391	1,361,593	1,197,046	1,297,638
Sundry Debtors (including advances, deposits and prepayments)	30,018,904	28,080,557	25,010,970	27,675,500	27,132,864
Interest receivable account	17,360,798	10,292,328	6,194,197	5,096,514	5,755,774
Amount due from other persons or bodies carrying on insurance business:	86,878,082	85,994,364	74,466,127	64,515,732	56,292,736
Cash and Cash Equivalents	502,117,535	395,890,384	358,399,213	281,290,405	239,053,916
Cash in hand	231,729	2,818,141	2,723,455	1,890,970	2,449,045
Cash In BO A/c	455,543	6,061,085	16,180,629	-	-
Cash and Bank Balances	29,612,902	25,164,988	23,387,680	106,187,601	70,631,882
Cash at Banks on CD accounts	1,267,361	3,246,170	4,707,449	5,661,834	1,222,989
Fixed Deposit Receipt (FDR) with Banks	470,550,000	358,600,000	311,400,000	167,550,000	164,750,000
Total Assets	1,055,885,907	952,326,868	892,233,450	754,229,506	656,349,855
NAV (Net Assets Value)	24.42	23.16	21.48	65.78	52.04

Crystal Insurance Company Limited
Profit and Loss Account (Statement of Profit or Loss and other Comprehensive Income)
For the year ended December 31, 2019, 2018, 2017, 2016, 2015

Particulars	Amount in Taka				
	2019	2018	2017	2016	2015
Expenses of management	36,517,120	31,310,893	41,196,832	19,965,926	22,723,499
(Not applicable to any particular fund or account)					
Advertisement & Publicity	882,657	170,350	129,066	434,525	125,270
Audit fees	405,000	400,000	300,000	275,000	230,000
Bank Charges	468,721	351,130	387,755	483,164	325,023
Credit Rating Fee	223,850	150,000	-	-	-
Excise Duty	522,917	402,321	266,300	237,494	211,576
Depreciation	28,654,382	28,103,330	26,533,231	14,497,900	12,664,204
Director's meeting attendance fees	414,000	310,500	150,000	115,000	135,000
Donation & Subscription Fees and Charges	2,694,000	230,500	269,000	956,212	621,000
Bangladesh Insurance Association	100,000	100,000	300,000	200,000	-
Business Development Expenses (SBC)	36,667	48,889	42,222	40,000	40,000
Loss on Share transaction	-	-	-	-	6,162,335
Renewal & Registration	2,114,926	1,043,873	12,819,258	2,726,631	2,209,091
Profit transferred to profit & loss appropriation account	105,777,186	79,571,490	53,796,227	50,499,862	44,224,550
Total	142,294,306	110,882,383	94,993,059	70,465,788	66,948,049
Profit/(Loss) transferred from:	99,990,113	65,000,849	73,221,973	52,485,536	48,719,763
Fire	5,410,616	(8,048,702)	(13,373,328)	(13,705,989)	(27,751,174)
Marine Cargo	71,670,497	47,223,338	61,878,146	43,313,654	63,118,291
Marine Hull	(933,115)	672,280	-	-	-
Motor	16,480,476	15,769,106	14,322,865	11,489,951	7,446,618
Miscellaneous	7,361,640	9,384,827	10,394,290	11,387,920	5,906,028
Interest Income	36,158,542	24,570,974	18,061,968	15,745,306	17,682,494
Other Income	6,145,651	11,019,060	3,709,118	2,234,946	545,792
Gain from sale of Assets	-	10,291,500	-	-	-
Total	142,294,306	110,882,383	94,993,059	70,465,788	66,948,049

Dividends:

Particulars	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
Cash dividend	12.00%	10.00%	7.00%	12%	10%
Stock dividend (Bonus Share)	Nil	Nil	Nil	50%	Nil

Crystal Insurance Company Limited
Profit and Loss Appropriation Account
For the year ended 31 December, 2019,2018,2017,2016,2015

Particulars	Amount in Taka				
	2019	2018	2017	2016	2015
Opening balance of Appropriation Account	32,180,451	24,273,559	40,558,748	41,866,129	44,928,519
Net Profit for the year brought down	105,777,186	79,571,490	53,796,227	50,499,862	44,224,550
Transfer from General Reserve	-	6,000,000	-	-	-
Total	137,957,637	109,845,049	94,354,975	92,365,991	89,153,069
	113,343,845	77,664,599	70,081,416	51,807,243	47,286,940
Reserve for Exceptional Losses	52,732,530	43,130,117	40,866,169	39,035,412	36,532,426
General Reserve during the year	1,000,000	500,000	500,000	1,500,000	1,500,000
Provision for Companies Income Tax	17,485,073	10,998,368	4,795,169	5,271,831	3,254,514
Provision for WPPF	5,037,009	-	-	-	-
Provision for deferred tax expenses/(Income)	13,089,233	6,236,114	(13,279,922)	-	-
Dividend paid from last year profit	24,000,000	16,800,000	37,200,000	6,000,000	6,000,000
Balance transferred to balance sheet	24,613,792	32,180,451	24,273,559	40,558,748	41,866,129
Total	137,957,637	109,845,049	94,354,975	92,365,991	89,153,069
EPS Basic	2.92	2.60	2.60	7.54	6.83
EPS (Restated)	2.92	2.60	3.01	5.03	4.55
**EPS (Adjusted)	2.92	2.60	2.60	1.88	1.71

**EPS (Adjusted)for all the years is calculated considering the latest outstanding number of share i.e 24,000,000

Crystal Insurance Company Limited
Consolidated Revenue Account
For the year ended 31 December, 2019, 2018, 2017, 2016, 2015

Particulars	Amount in Taka				
	2019	2018	2017	2016	2015
Claims under policies less re-insurances:	78,362,253	111,759,341	91,180,269	98,612,007	72,106,267
Claims paid during the year	168,603,483	98,825,680	87,930,392	94,817,041	48,695,639
Paid/Adjusted on PSB	1,060,347	9,887,514	16,810,307	652,388	-
Recovered/Adjusted on PSB	(797,447)	(8,920,262)	(15,496,716)	(11,714,272)	-
Recovered/Adjusted on reinsurance ceded	(23,302,208)	(12,231,320)	(20,352,747)	3,466,972	-
Claims outstanding at the end of the year	32,119,989	99,321,911	75,124,182	52,835,149	41,445,271
Claims outstanding at the end of the previous year	(99,321,911)	(75,124,182)	(52,835,149)	(41,445,271)	(18,034,643)
Agent Commission	78,510,309	56,257,734	54,066,290	50,447,357	48,130,429
Management Expenses	136,046,155	99,875,095	101,772,281	106,105,439	116,594,002
Stamp Duty	3,266	3,867	4,433	3,329	4,455
Balance of account at the end of the year	157,910,934	122,231,476	120,581,415	118,233,490	111,338,319
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) @ 100% of premium income of the year (Marine Hull)	157,910,934	122,231,476	120,581,415	118,233,490	111,338,319
Profit transferred to Profit and Loss Account	99,990,113	65,000,849	73,221,973	52,485,536	48,719,763
Total	550,823,030	455,128,362	440,826,661	425,887,158	396,893,235
Balance of Account at the beginning of the year	122,231,476	120,581,415	118,233,490	111,338,319	106,785,691
Premium less reinsurances:	390,893,600	302,648,856	297,512,962	292,593,856	275,738,766
Premium underwritten	475,441,854	364,452,127	359,687,970	347,897,622	275,738,766
Premium on PSB	51,883,446	66,849,038	48,973,723	42,456,494	
Reinsurance premium on PSB	(43,116,112)	(57,566,501)	(40,102,748)	(35,206,000)	
Reinsurance premium ceded	(93,315,588)	(71,085,808)	(71,045,983)	(62,554,260)	
Commission on reinsurances:	37,697,954	31,898,091	25,080,209	21,954,983	14,368,779
Commission earned on re-insurance ceded	31,316,349	23,618,614	18,974,700	16,432,871	14,368,779
Commission earned on PSB	6,381,605	8,279,477	6,105,509	5,522,112	
Total	550,823,030	455,128,362	440,826,661	425,887,158	396,893,236

Statement of Changes in Shareholders' Equity			
For the year ended December 31, 2019,2018,2017,2016,2015			
Particulars	Share Capital	Reserve Surplus & Retain Earning	Total
Balance as on December 31,2015	60,000,000	252,266,684	312,266,684
Balance as on December 31,2016	60,000,000	334,681,937	394,681,937
Balance as on December 31,2017	240,000,000	275,609,707	515,609,707
Balance as on December 31,2018	240,000,000	315,957,016	555,957,016
Balance as on December 31,2019	240,000,000	346,175,394	586,175,394

Crystal Insurance Company Limited
Statement of Cash Flows

For the year ended 31 December, 2019,2018,2017,2016,2015

Sl. No.	Particulars	Amount in Taka				
		2019	2018	2017	2016	2015
A.	Cash Flow from Operating Activities:					
	Collection from premium	523,412,588	372,577,063	361,648,739	341,348,533	321,273,579
	Other Income	77,213	44,275	218,369	1,085,815	545,792
	Management Expenses, Re-Insurance ,Claim & Agency Commission	(369,175,828)	(294,214,315)	(292,025,000)	(279,672,849)	(257,536,001)
	Advance Expenses	(14,113,056)	(17,376,390)	(4,203,800)	(2,434,577)	(3,784,000)
	Income Tax paid including TDS	(9,050,484)	(4,774,059)	(4,218,783)	(10,948,202)	(2,608,982)
	Net Cash Flow from Operating Activities	131,150,433	56,256,574	61,419,525	49,378,720	57,890,388
B.	Cash Flow from Investing Activities:					
	Acquisition of Fixed Assets	(33,821,977)	(20,058,363)	(12,039,819)	(8,282,928)	(11,582,504)
	Advance against Property	-	-	(14,098,900)	(51,252,000)	(61,488,000)
	Advance against Investment property	307,680	276,570	-	-	-
	Other Income	1,630,935	1,732,644	1,043,586	600,000	-
	Sale of Fixed Assets	1,972,500	10,291,500	-	-	-
	Motor Vehicle Recovery	2,400,000	-	-	-	-
	Interest Income including TDS	29,090,072	20,472,843	16,964,285	16,404,566	18,994,643
	Dividend from listed companies share including TDS	1,789,861	1,178,212	969,754	54,131	-
	Realised gain from listed companies share	2,647,642	8,063,929	1,477,409	495,000	-
	Investment in BGTB	-	-	(16,000,000)	-	-
	Investment in listed companies share	(7,209,995)	(23,617,338)	(18,137,432)	9,000	-
	Net Cash Flow from Investing Activities	(1,193,282)	(1,660,003)	(39,821,117)	(41,972,231)	(54,075,861)
C.	Cash Flow from Financing Activities:					
	Dividend Paid	(23,730,000)	(17,105,400)	(6,489,600)	(5,820,000)	(5,238,000)
	Share Money Deposit	-	-	62,000,000	40,650,000	47,350,000
	Net Cash Flow from Financing Activities	(23,730,000)	(17,105,400)	55,510,400	34,830,000	42,112,000
	Increase in Cash and Cash Equivalents (A+B+C)	106,227,151	37,491,171	77,108,808	42,236,489	45,926,527
	Add: Cash and Cash Equivalents at the beginning	395,890,384	358,399,213	281,290,405	239,053,916	193,127,389
	Cash and Cash Equivalents at the end of the year	502,117,535	395,890,384	358,399,213	281,290,405	239,053,916

(a) Internal and external sources of cash

Particulars	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
Internal source of Cash					
Share capital	240,000,000	240,000,000	240,000,000	60,000,000	60,000,000
Reserve for Exceptional Losses	329,814,783	277,082,253	233,952,136	193,085,967	154,050,555
Profit & Loss Appropriation Account*	24,613,792	32,180,451	24,273,559	40,558,748	41,866,129
Share money deposit	-	-	-	88,000,000	47,350,000
Investment Fluctuation Fund	(14,753,181)	1,194,312	6,384,012	2,537,222	-
General Reserve	6,500,000	5,500,000	11,000,000	10,500,000	9,000,000
Sub Total A	586,175,394	555,957,016	515,609,707	394,681,937	312,266,684
External Source of Cash					
Long term Loan	-	-	-	-	-
Current portion of Long term Loan	-	-	-	-	-
Finance lease	-	-	-	-	-
Current portion of Finance lease	-	-	-	-	-
Short term loan	-	-	-	-	-
Sub Total B	-	-	-	-	-
Grand Total (A+B)	586,175,394	555,957,016	515,609,707	394,681,937	312,266,684

(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-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
Revenue (Net Premium)	390,893,600	302,648,856	297,512,962	292,593,856	275,738,766
Year to year changes in revenue (%)	29.16%	1.73%	1.68%	6.11%	4.19%
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	99,990,113	65,000,849	73,221,973	52,485,536	48,719,763
Year to year changes in Gross Profit (%)	53.83%	-11.23%	39.51%	7.73%	3.90%
Operating expenses	36,517,120	31,310,893	41,196,832	19,965,926	22,723,499
Year to year changes in Operating expenses (%)	16.63%	-24.00%	106.34%	-12.14%	13.37%
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	70,165,871	62,337,008	62,280,980	45,228,031	40,970,036
Year to year changes in Net Profit after tax (%)	12.56%	0.09%	37.70%	10.39%	3.99%

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.

(i) The estimated amount, where applicable, of future capital expenditure

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. 47,55,563.00 that has been subsequently paid vide Bangladesh Bank Challan No. T-148 & T-149, dated 09.01.2020.

The Commissioner of Customs Excise & VAT Commissionerate, Dhaka (South), Dhaka vide their letter No. 4/g~mK/8(207)/Ki dvwK/wePvi/17, ZvwiL: 24/09/2017Bs demanded an amount of VAT Tk.2,933,948 and Interest amount Taka 1,173,579 for the year 2016. The Company has submitted necessary papers and documents vide letter No. wmAvBwmGj/wmI/wnmve/2017/3572 ZvwiL: 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 Appealed Tribunal of Customs, Excise & VAT and the Authority has not given any decision till date.

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

Stamp duty: The Company had stamp duty outstanding amounting to Tk. 64,04,751.00 as on December 31, 2019 that has been paid or will be 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 2019 is as under:

Income Year	Asst. Year	Status
2007	2008-09	The tax authority assessed tax Tk. 1,33,66,504 with simple interest Tk. 18,55,449/-as per demand notice U/S 135. 1st & 2nd appeal completed. Further, Appeal has been filed to the Honourable 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 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 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 but appeal has been made against the learned CT (A) order to Taxes Appellate Tribunal. Status que order has been given by the learned 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 filed to the Taxes Appellate Division and Tribunal hearing has been completed. Appeal pending to the Honourable High court.
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 filed to the Taxes Appellate Division and Tribunal hearing has been completed. Appeal pending to the Honourable High court.
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 filed to the Taxes Appellate Division and Tribunal hearing has been completed. Appeal pending to the Honourable High court.
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 tax authority assessed tax tk 4,78,62,942 with simple interest Tk. 61,34,490/-as per demand notice U/S 135 dated 27.06.2019. 1st Appeal pending to the learned CT (A).
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"
2018	2019-20	The Income Tax Return was submitted to Deputy commissioner of Taxes, Circle -Large Taxpayer Unit (LTU), Zone-LTU Dhaka U/S 82BB."

(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 31 December 2019
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 1st 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	The Company has initiated a funded gratuity scheme. The fund is in 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. When the fund is approved by NBR, CICL will start contribution to the fund and recognize it the financial statements.
Leave Encashment Benefit	Introduced w.e.f 01.01.2008
WPPF	Introduced 1 st 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
Manager to the issue fees:		
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
BSEC fees:		
Application fee	Fixed	50,000
Consent fee	@ 0.40% on the public offer amount	640,000
Fees related to listing with the stock exchanges:		
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
CDBL fees and expenses:		
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
Commissions & expenses:		
Underwriting commission	@ 0.50% on underwriting amount	280,000
Auditor certification fee	At actual	200,000
Expenses related to printing, publication and others:		
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
Total		1,07,28,500

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

Date: 4 September 2020

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/- (Farzana Munny) Director	Sd/- (Farhana Danesh) Director
Sd/- (Soera Zahir) Director	Sd/- (Shahzadi Begum) Director	Sd/- (Nusrat Mahmud) Director
Sd/- (Arafat Rashid) Director	Sd/- (Nabila Mahmud) 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 on 31 December 2019 was Tk. 240,000,000 divided into 24,000,000 Ordinary Shares of BDT 10.00 each. Details are as follows:

Particulars of Allotment

The Capital structure of Crystal Insurance Company Limited as on 31 December 2019 was as follows:

Particulars	Number of Shares	Face Value	Amount in BDT
Authorized Capital	100,000,000	10	1,000,000,000

Issued, Subscribed and Paid up Capital

Allotments	Date of Allotment	No. of Shares			Face Value of Share (Tk.)	Paid-up Capital
		Consideration in Cash	Consideration other than in cash	Bonus Shares		
First (As per Memorandum & Articles of Association at the time on Incorporation)	11.11.1999	6,000,000	-	-	10	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 2nd Extra Ordinary General Meeting by the shareholders of the Company and subsequently was approved by the RJSC on 13 November 2011.

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

Dhaka, 19 July 2020

Sd/-
Mahfel Huq & Co.
Chartered Accountant

(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-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
1	Net Premium	390,893,600	302,648,856	297,512,962	292,593,856	275,738,766
2	Gross profit	99,990,113	65,000,849	73,221,973	52,485,536	48,719,763
3	Net profit before tax	105,777,186	79,571,490	53,796,227	50,499,862	44,224,550
4	Net Profit After Tax	70,165,871	62,337,008	62,280,980	45,228,031	40,970,036
5	Current assets	637,635,275	521,431,024	465,432,100	379,775,197	329,532,928
6	Current liabilities	311,799,579	274,138,376	256,042,328	241,314,079	232,744,852
7	Total assets	1,055,885,907	952,326,868	892,233,450	754,229,506	656,349,855
8	Shareholders' equity	586,175,394	555,957,016	515,609,707	394,681,937	312,266,684
9	No. of shares	24,000,000	24,000,000	24,000,000	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	24.42	23.16	21.48	65.78	52.04
13	Earnings Per Share (EPS)	2.92	2.60	2.60	7.54	6.83
14	EPS (Adjusted)	2.92	2.60	2.60	1.88	1.71

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

(Amount in BDT)

Particulars		31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
Revenue	Fire Insurance Business	5,410,616	(8,048,702)	(13,373,328)	(13,705,989)	(27,751,174)
	Marine Cargo Business	71,670,497	47,223,338	61,878,146	43,313,654	63,118,291
	Marine Hull Business	(933,115)	672,280	-	-	-
	Motor Insurance Business	16,480,476	15,769,106	14,322,865	11,489,951	7,446,618
	Misc. Insurance Business	7,361,640	9,384,827	10,394,290	11,387,920	5,906,028
Other income		42,304,193	45,881,534	21,771,086	17,980,252	18,228,286

Summary of major items of expenditure:

(Amount in BDT)

Particulars	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
Operating expense	36,517,120	31,310,893	41,196,832	19,965,926	22,723,499
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(Taka)	Product	Income from the Product(Taka)	Percentage Contribution
2019	99,990,113	Fire Insurance Business	5,410,616	5.41%
		Marine Cargo & Hull Insurance Business	70,737,381	70.74%
		Motor Insurance Business	16,480,476	16.48%
		Miscellaneous Insurance Business	7,361,640	7.36%
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	84.51%
		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 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 & Hull Insurance Business	63,118,291	129.55%
		Motor Insurance Business	7,446,618	15.28%
		Miscellaneous Insurance Business	5,906,028	12.12%

(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-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
Revenue including other income	142,294,306	110,882,383	94,993,059	70,465,788	66,948,049
Interest Income	36,158,542	24,570,974	18,061,968	15,745,306	17,682,494
Dividend Income	1,789,861	1,178,212	969,754	54,131	-
Gain from sale of Assets	-	10,291,500	-	-	-
Realise Gain on Share investment	2,647,642	8,063,929	1,477,409	495,000	-
Office & Garage Rent	1,630,935	1,732,644	1,043,586	600,000	-
Miscellaneous Income	77,213	44,275	218,369	1,085,815	545,792
Total Other Income	42,304,193	45,881,534	21,771,086	17,980,252	18,228,286
Other Income as % of Total Revenue	29.73%	41.38%	22.92%	25.52%	27.23%

(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:

(Amount in BDT)

Particulars	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
Revenue (Net Premium)	390,893,600	302,648,856	297,512,962	292,593,856	275,738,766
Year to year changes in revenue (%)	29.16%	1.73%	1.68%	6.11%	4.19%
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	99,990,113	65,000,849	73,221,973	52,485,536	48,719,763
Year to year changes in Gross Profit (%)	53.83%	-11.23%	39.51%	7.73%	3.90%
Operating expenses	36,517,120	31,310,893	41,196,832	19,965,926	22,723,499
Year to year changes in Operating expenses (%)	16.63%	-24.00%	106.34%	-12.14%	13.37%
Other Income	42,304,193	45,881,534	21,771,086	17,980,252	18,228,286
Year to year changes in other income (%)	-7.80%	110.75%	21.08%	-1.36%	9.94%
Financial expenses	-	-	-	-	-
Year to year changes in Financial expenses (%)	-	-	-	-	-
Depreciation	28,654,382	28,103,330	26,533,231	14,497,900	12,664,204
Year to year changes in depreciation (%)	1.96%	5.92%	83.01%	14.48%	-20.78%
Net Profit before tax	105,777,186	79,571,490	53,796,227	50,499,862	44,224,550
Year to year changes in Net Profit before tax (%)	32.93%	47.91%	6.53%	14.19%	1.83%
Net Profit After Tax	70,165,871	62,337,008	62,280,980	45,228,031	40,970,036
Year to year changes in Net Profit after tax (%)	12.56%	0.09%	37.70%	10.39%	3.99%
EPS (Basic)	2.92	2.60	2.60	7.54	6.83
Year to year changes in Basic EPS (%)	12.56%	0.09%	-65.57%	10.39%	3.93%
**EPS (Restated)	2.92	2.60	2.60	1.88	1.71
Year to year changes in Basic EPS (%)	13%	0%	38%	10%	4%

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:

Taka in Million	
Year	Total Premium Private & Public Sector
2015	26,213.00
2014	24,440.38
2013	22,947.14
2012	21,645.94
2011	19,248.83

Source: (<http://bia-bd.com/Admin/Content/File-143201763158.pdf>)

(7) Status of any publicly announced new products or business segment

There are no 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 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, 2019, 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: 4 September 2020

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/- (Farzana Munny) Director	Sd/- (Farhana Danesh) Director
Sd/- (Soera Zahir) Director	Sd/- (Shahzadi Begum) Director	Sd/- (Nusrat Mahmud) Director
Sd/- (Arafat Rashid) Director	Sd/- (Nabila Mahmud) 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 2019 have been disclosed in the prospectus. The half yearly unaudited financial statements for the year than ended 30TH June 2020 of the company submitted below:

Crystal Insurance Company Limited
Balance Sheet (Statement of Financial Position) (Unaudited)
As at June 30, 2020

Particulars	Amount in Taka 30-Jun-20	Amount in Taka 31-Dec-19
Shareholders' Equity & Liabilities		
Shareholders' Equity		
Authorised Capital	1,000,000,000	1,000,000,000
100,000,000 Ordinary shares of Tk.10 each		
Issued, Subscribed and Paid up Capital	240,000,000	240,000,000
24,000,000 Ordinary share of Tk. 10 each fully paid up		
Reserve & Surplus	329,006,652	346,175,394
Reserve for Exceptional Losses	350,537,643	329,814,783
Profit & Loss Appropriation Account*	9,655,376	24,613,792
Investment Fluctuation Fund	(33,186,367)	(14,753,181)
General Reserve	2,000,000	6,500,000
Total Shareholders Equity	569,006,652	586,175,394
Liabilities and Provisions		
Balance of fund and accounts	145,840,390	157,910,934
Fire Insurance Revenue Account	55,010,989	63,295,852
Marine Insurance Revenue Account	66,814,089	73,405,808
Marine Hull Insurance Revenue Account	1,927,478	2,589,156
Motor Insurance Revenue Account	17,043,095	15,094,398
Misc. Insurance Revenue Account	5,044,739	3,525,720
Deposit Premium	109,101,087	69,592,387
Deferred Tax Liability	6,410,548	6,045,424
Estimated liability in respect of Outstanding claims whether due or intimated	57,218,536	32,119,989
Amounts due to other persons or bodies carrying on insurance business:	149,662,356	132,810,042
Sundry Creditors	90,321,203	66,194,728
Provision for WPPF	6,950,716	5,037,009
Total Liabilities and Provisions	565,504,836	469,710,513
Total Shareholders' Equity & Liabilities	1,134,511,488	1,055,885,907

Sd/-
Mia Fazle Karim FCA
Chief Executive Officer

Sd/-
S.M Shahidullah
Company Secretary

Sd/-
M. Mahfuzur Rahman
Chief Financial Officer

Sd/-
A.H.M Mozammel Hoque
Director

Sd/-
Farhana Danesh
Director

Sd/-
Abdullah-Al-Mahmud
Chairman

Dated: Dhaka, 16 July 2020

Crystal Insurance Company Limited
Balance Sheet (Statement of Financial Position) (Unaudited)
As at June 30, 2020

Particulars	Amount in Taka	Amount in Taka
	30-Jun-20	31-Dec-19
Property and Assets		
Non-Current assets	458,437,820	418,250,632
Property, Plant and Equipment	319,808,503	298,748,116
Advance against land & office Space	12,000,000	12,000,000
Investments	90,291,924	70,087,619
Investment Property	36,337,393	37,414,897
Deferred Tax Assets	-	-
Current assets	151,771,859	135,517,740
Insurance Stamps	1,844,002	1,259,956
Sundry Debtors (including advances, deposits and prepayments)	34,289,187	30,018,904
Interest receivable account	17,842,970	17,360,798
Amount due from other persons or bodies carrying on insurance business:	97,795,700	86,878,082
Cash and Cash Equivalents	524,301,809	502,117,535
Cash in hand	258,372	231,729
Cash In BO A/c	1,876,289	455,543
Cash at Banks on STD accounts	45,113,768	29,612,902
Cash at Banks on CD accounts	4,803,380	1,267,361
Fixed Deposit Receipt (FDR) with Banks	472,250,000	470,550,000
Total Assets	1,134,511,488	1,055,885,907
Net Asset Value (NAV) Per Share	23.71	24.42

Sd/-
Mia Fazle Karim FCA
Chief Executive Officer

Sd/-
S.M Shahidullah
Company Secretary

Sd/-
M. Mahfuzur Rahman
Chief Financial Officer

Sd/-
A.H.M Mozammel Hoque
Director

Sd/-
Farhana Danesh
Director

Sd/-
Abdullah-Al-Mahmud
Chairman

Dated: Dhaka, 16 July 2020

Crystal Insurance Company Limited

Profit and Loss Account (Statement of Profit or Loss and other Comprehensive Income) (Unaudited)

for the period from January to June-2020

Particulars	2020	2019
	Amount in Taka	Amount in Taka
	January to June	January to June
Expenses of management	21,299,685	12,398,458
(Not applicable to any particular fund or account)		
Advertisement & Publicity	396,650	297,963
Bank Charge	83,742	173,759
Bima Mela	463,722	-
Exise Duty	183,950	200,500
Depreciation	17,975,069	9,959,706
Director's meeting attendance fees	132,000	165,600
Donation & Subscription	1,285,000	659,000
Business Development Expenses (SBC)	36,667	24,444
Registration & Renewal Fees	742,885	917,486
Profit transferred to profit & loss appropriation account	40,187,865	34,578,187
Total	61,487,550	46,976,645
Profit/(Loss) transferred from:	33,342,424	36,047,034
Fire	19,679,667	(7,538,158)
Marine Cargo	13,170,124	38,079,882
Marine Hull	(888,826)	946,035
Motor	127,685	(287,017)
Miscellaneous	1,253,774	4,846,292
Interest income	9,680,036	8,821,704
Other Income	18,465,090	2,107,907
Total	61,487,550	46,976,645

Sd/-
Mia Fazle Karim FCA
 Chief Executive Officer

Sd/-
S.M Shahidullah
 Company Secretary

Sd/-
M. Mahfuzur Rahman
 Chief Financial Officer

Sd/-
A.H.M Mozammel Hoque
 Director

Sd/-
Farhana Danesh
 Director

Sd/-
Abdullah-Al-Mahmud
 Chairman

Dated: Dhaka, 16 July 2020

Crystal Insurance Company Limited
Profit & Loss Appropriation Account (Unaudited)
for the period from April-2019 to June-2019

Particulars	2020 Amount in Taka January to June	2019 Amount in Taka January to June
Opening balance of Appropriation Account	24,613,792	32,180,451
General Reserve	5,000,000	-
Net Profit for the year brought down	40,187,865	34,578,187
Total	69,801,657	66,758,638
	60,146,281	35,449,520
Reserve for Exceptional Losses	20,722,860	22,165,267
General Reserve	500,000	500,000
Provision for Companies income tax	7,844,590	4,555,452
Provision for WPPF	1,913,707	1,646,580
Provision for deferred tax	365,124	6,582,221
Dividend paid from last year profit	28,800,000	-
Balance transferred to balance sheet	9,655,376	31,309,118
Total	69,801,657	66,758,638
Earning Per Share (EPS) (Tk.10 each)	1.25	0.91

Sd/-
Mia Fazle Karim FCA
Chief Executive Officer

Sd/-
S.M Shahidullah
Company Secretary

Sd/-
M. Mahfuzur Rahman
Chief Financial Officer

Sd/-
A.H.M Mozammel Hoque
Director

Sd/-
Farhana Danesh
Director

Sd/-
Abdullah-Al-Mahmud
Chairman

Dated: Dhaka, 16 July 2020

Crystal Insurance Company Limited
Statement of Changes in Shareholders' Equity (Unaudited)
For the period ended 30th June, 2020

Particulars	Paid-up Capital	Reserve for Exceptional Losses	General Reserve	Investment Fluctuation Fund	P&L Appropriation	Total
Balance on 1st January, 2020	240,000,000	329,814,783	6,500,000	(14,753,181)	24,613,792	586,175,394
Changes in fare value	-	-	-	(18,433,186)	-	(18,433,186)
Cash Dividend paid for 2019	-	-	-	-	(28,800,000)	(28,800,000)
Profit after tax	-	-	-	-	31,978,151	31,978,151
Reserve for Exceptional Losses	-	20,722,860	-	-	(20,722,860)	-
Provision for WPPF	-	-	-	-	(1,913,707)	(1,913,707)
General Reserve	-	-	(5,000,000)	-	5,000,000	-
General Reserve	-	-	500,000	-	(500,000)	-
Balance on 30 June, 2020	240,000,000	350,537,643	2,000,000	(33,186,367)	9,655,376	569,006,652

For the period ended 30th June, 2019

Particulars	Paid-up Capital	Reserve for Exceptional Losses	General Reserve	Investment Fluctuation Fund	P&L Appropriation a/c	Total
Balance on 1st January, 2019	240,000,000	277,082,253	5,500,000	1,194,312	32,180,451	555,957,016
Changes in fare value	-	-	-	(3,125,552)	-	(3,125,552)
Cash Dividend paid for 2018	-	-	-	-	-	-
Profit after tax	-	-	-	-	23,440,514	23,440,514
Reserve for Exceptional Losses	-	22,165,267	-	-	(22,165,267)	-
Provision for WPPF	-	-	-	-	(1,646,580)	(1,646,580)
General Reserve	-	-	500,000	-	(500,000)	-
Balance on 30 June, 2019	240,000,000	299,247,520	6,000,000	(1,931,240)	31,309,118	574,625,398

-

Sd/-
Mia Fazle Karim FCA
Chief Executive Officer

Sd/-
S.M Shahidullah
Company Secretary

Sd/-
M. Mahfuzur Rahman
Chief Financial Officer

Sd/-
A.H.M Mozammel Hoque
Director

Sd/-
Farhana Danesh
Director

Sd/-
Abdullah-Al-Mahmud
Chairman

Dated: Dhaka, 16 July 2020

Crystal Insurance Company Limited
Statement of Cash Flows (Unaudited)
For the period ended 30 June, 2020

	Amount in Taka 2020 as on June 30,2020	Amount in Taka 2019 as on June 30,2019
A. Cash Flow from Operating Activities:		
Collection from premium	249,302,422	212,009,153
Other Income	254,018	137,712
Management Expenses, Re-Insurance ,Claim & Agency Commission and Expenses of management	(142,185,379)	(171,489,955)
Advance Expenses	(8,363,000)	(9,633,056)
Income Tax paid including TDS	(3,062,649)	(5,137,215)
Net Cash Flow from Operating Activities	95,945,412	25,886,639
B. Cash Flow from Investing Activities:		
Acquisition of Fixed Assets	(37,957,952)	(16,999,648)
Advance against Office Premises	-	
Advance recovery from Rajuk	(1,500,000)	
Other Income	820,703	702,934
Sale of Fixed Assets	-	
Motor Vehicle Recovery	-	
Interest Income including TDS	9,197,864	126,041,041
Dividend from listed companies share including TDS	1,510,952	1,249,261
Realised gain from listed companies share	15,879,416	-
Investment in listed companies share	(36,083,721)	(5,465,550)
Net Cash Flow from Investing Activities	(48,132,738)	105,528,038
C. Cash Flow from Financing Activities:		
Dividend Paid	(25,628,400)	-
Net Cash Flow from Financing Activities	(25,628,400)	-
Increase in Cash and Cash Equivalents (A+B+C)	22,184,274	131,414,677
Add: Cash and Cash Equivalents at the beginning	502,117,535	358,399,213
Cash and Cash Equivalents at the end of the Period	524,301,809	489,813,890
Net Operating Cash Flows per share	4.00	1.08
Sd/- Mia Fazle Karim FCA Chief Executive Officer	Sd/- S.M Shahidullah Company Secretary	Sd/- M. Mahfuzur Rahman Chief Financial Officer
Sd/- A.H.M Mozammel Hoque Director	Sd/- Farhana Danesh Director	Sd/- Abdullah-Al-Mahmud Chairman

Dated: Dhaka, 16 July 2020

Crystal Insurance Company Limited
Consolidated Revenue Account (Unaudited)
for the period from January to June-2020

Particulars	2020 Amount in Taka January to June	2019 Amount in Taka January to June
Claims under policies less re-insurances:	(12,926,762)	51,232,622
Claims paid during the year	14,668,693	97,087,976
Paid/ Adjusted on PSB	14,153,772	171,538
Recovered/ Adjusted on PSB	(13,436,606)	(44,596)
Recovered/ Adjusted on reinsurance ceded	(53,411,168)	(17,375,298)
Claims outstanding at the end of the period	57,218,536	75,097,850
Claims outstanding at the end of the previous period	(32,119,989)	(103,704,848)
 Agent Commission	 37,029,807	 31,908,141
Management expenses	140,975,133	52,908,831
Stamp Duty	3,190	2,206
Balance of account at the end of the year	66,884,923	59,578,852
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)	66,252,023	57,913,727
@ 100% of premium income of the year (Marine Hull)	632,900	1,665,125
 Profit/(Loss) transferred to Profit and Loss Account (Statement of Profit or Loss and other Comprehensive Income)	 33,342,424	 36,047,034
 Total	 265,308,715	 231,677,686

Sd/-
Mia Fazle Karim FCA
Chief Executive Officer

Sd/-
S.M Shahidullah
Company Secretary

Sd/-
M. Mahfuzur Rahman
Chief Financial Officer

Sd/-
A.H.M Mozammel Hoque
Director

Sd/-
Farhana Danesh
Director

Sd/-
Abdullah-Al-Mahmud
Chairman

Dated: Dhaka, 16 July 2020

Crystal Insurance Company Limited
Consolidated Revenue Account (Unaudited)
for the period from January to June-2020

Particulars	Notes	2020 Amount in Taka January to June	2019 Amount in Taka January to June
Balance of Account at the beginning of the year		78,955,467	62,527,136
Premium less reinsurances:		166,262,958	146,449,445
Premium underwritten		209,793,722	182,766,843
Premium on PSB		66,511,077	38,885,823
Reinsurance premium on PSB		(57,871,588)	(32,672,302)
Reinsurance premium ceded		(52,170,253)	(42,530,919)
Commission on reinsurances:		20,090,290	22,701,105
Commission earned on re-insurance ceded		12,037,647	17,663,113
Commission earned on PSB		8,052,643	5,037,992
Total		265,308,715	231,677,686

-

Sd/-
Mia Fazle Karim FCA
Chief Executive Officer

Sd/-
S.M Shahidullah
Company Secretary

Sd/-
M. Mahfuzur Rahman
Chief Financial Officer

Sd/-
A.H.M Mozammel Hoque
Director

Sd/-
Farhana Danesh
Director

Sd/-
Abdullah-Al-Mahmud
Chairman

Dated: Dhaka, 16 July 2020

(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, 2020 from IDRA.

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
Strengths	1	Experienced Board of Directors
	2	Experienced Management
	3	Sound Financial Records
	4	Good Track Record for claim settlement
	5	Sound marketing policy
Weakness	1	Low market share
	2	Enlistment is not wide range
	3	Comparatively few advertisement & promotional activities
Opportunity	1	Increasing market share
	2	Diversifying utilization of capital
	3	Branding of the company
	4	Drive to improve future profitability
Threats	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-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
Revenue (Net Premium)	390,893,600	302,648,856	297,512,962	292,593,856	275,738,766
Year to year changes in revenue (%)	29.16%	1.73%	1.68%	6.11%	4.19%
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	99,990,113	65,000,849	73,221,973	52,485,536	48,719,763
Year to year changes in Gross Profit (%)	53.83%	-11.23%	39.51%	7.73%	3.90%
Operating expenses	36,517,120	31,310,893	41,196,832	19,965,926	22,723,499
Year to year changes in Operating expenses (%)	16.63%	-24.00%	106.34%	-12.14%	13.37%
Other Income	42,304,193	45,881,534	21,771,086	17,980,252	18,228,286
Year to year changes in other income (%)	-7.80%	110.75%	21.08%	-1.36%	9.94%
Financial expenses	-	-	-	-	-
Year to year changes in Financial expenses (%)	-	-	-	-	-
Depreciation	28,654,382	28,103,330	26,533,231	14,497,900	12,664,204
Year to year changes in depreciation (%)	1.96%	5.92%	83.01%	14.48%	-20.78%
Net Profit before tax	105,777,186	79,571,490	53,796,227	50,499,862	44,224,550
Year to year changes in Net Profit before tax (%)	32.93%	47.91%	6.53%	14.19%	1.83%
Net Profit After Tax	70,165,871	62,337,008	62,280,980	45,228,031	40,970,036
Year to year changes in Net Profit after tax (%)	12.56%	0.09%	37.70%	10.39%	3.99%
EPS (Basic)	2.92	2.60	2.60	7.54	6.83
Year to year changes in Basic EPS (%)	12.56%	0.09%	-65.57%	10.39%	3.93%
**EPS (Restated)	2.92	2.60	2.60	1.88	1.71
Year to year changes in Basic EPS (%)	13%	0%	38%	10%	4%

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 is 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 Techniques
- 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	57	House # 6, Road # 104, Apartment No. 4/A, Gulshan-2, Dhaka	BBA from USA	26	Chairman	N/A	N/A
Mr. Abdullah Hasan	Late Abdul Hamid Majumder	59	House No. 243 (B/4), Road No. 20, New DOHS, Mohakhali, Dhaka.	Engineer	34	Director	N/A	N/A
Mr. A.H.M. Mozammel Hoque	Late Akhtaruzzaman	59	Appt. -1, House No. 95, Road No.9A, Dhanmondi R/A, Dhaka	B.Com	47	Director	N/A	N/A
Mr. Md. Tajul Islam	Late Md. Ashraf Ullah	74	House No.45, Road No. 6/A, Keyari Nirzhor, Dhanmondi, Dhaka.	MBA	47	Director	N/A	N/A
Farzana Munny	Late Abdul Hamid Majumder	51	House No. 43, Park Road, Baridhara, Dhaka.	HSC	22	Director	N/A	N/A
Mrs. Shahzadi Begum	Late Syed Md. HabibulHaque	74	House No.16/1/B, Tallabagh, Sobhanbagh, Dhaka	B.S.S. (Hons.) M.S.S. (Dhaka University)	44	Director	N/A	N/A
Mrs. Farhana Danesh	Late Abdul Hamid Majumder	49	House NO.15, Appat.1/B, Road- 3, Old. DOHS, Banani, Dhaka	HSC	19	Director	N/A	N/A
Ms. Nabila Mahmud	Abdullah Al-Mahmud	29	House No. 25, Road No. 10/A, Flat -B/2, Arcadia Apartment, Dhanmondi, Dhaka	B. Sc & M. Sc. from USA	4	Director	N/A	N/A
Ms. Soera Zahir	Abdullah Al-Zaire	31	House No. 30, Road No. 8, Gulshan -1	Studying ACCA	5	Director	N/A	N/A
Mrs. Nusrat Mahmud	Abdullah Al-Mahmud	34	House No.10, Road No.92, Gulshan-2, Dhaka	M. Sc	7	Director	N/A	N/A
Mr. Arafat Rashid	Md. Harun-Ar-Rashid	31	27/B-4, Dakeshari Road, Lalbagh, Dhaka	Under Graduate from London	5	Director	N/A	N/A
Dr. M. Waliuzzaman	Late Moulvi Shaikh Muhammad	82	House No. 29, Block F, Road No. 7, Banani, Dhaka-1213	B.Sc., DU, M.Sc. & Ph.D. UK	59	Independent Director	N/A	N/A
Mr. Kazi Nasim Uddin Ahmed	Late Kazi Shafiuddin Ahmed	64	Flat # A-8, 18, Assort Baily Nest, New Baily Road, Dhaka-1217	CA (CC), B. Com., DU	43	Independent Director	N/A	N/A

(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	23 AGM in 2023
Mr. Abdullah Hasan	Director	11 Nov1999	23 AGM in 2023
Mr. A.H.M. Mozammel Hoque	Director	11 Nov1999	23 AGM in 2023
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
Mrs. Shahzadi Begum	Director	26Sep 2005	22 AGM in 2022
Ms. Soera Zahir	Director	14 Mar 2013	22 AGM in 2022
Mrs. Nusrat Mahmud	Director	22 Apr 2017	23 AGM in 2023
Mr. Arafat Rashid	Director	22 Apr 2017	21 AGM in 2021
Ms. Nabila Mahmud	Director	10 Apr 2018	22 AGM in 2022
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	Chairman
		Tazrian Weaving Mills Limited	Weaving, Dyeing & Finishing	Chairman
		Hamid Spinning Mills Limited	Spinning Mills	Chairman
2	Abdullah Hasan	Atlantic Garments Limited	Knit wear manufacturer	Managing Director
3	Farhana Danesh	Hamid Fabrics Limited	Solid-dyed fabrics manufacturer	Director
4	Nabila Mahmud	Hamid Fabrics Limited	Solid-dyed fabrics manufacturer	Director
		Hamid Weaving Mills Ltd	Weaving, Dyeing & Finishing	Director
		Tazrian Weaving Mills Limited	Weaving, Dyeing & Finishing	Director
		Hamid Spinning Mills Limited	Spinning Mills	Director
5	A.H.M. Mozammel Hoque	Hamid Fabrics Limited	Solid-dyed fabrics manufacturer	Chairman
		Mahin Apparels Limited	Woven garments manufacturing	Director
		Hamid Weaving Mills Ltd	Weaving, Dyeing & Finishing	Director
		Tazrian Weaving Mills Limited	Weaving, Dyeing & Finishing	Managing Director
6	Md. Tajul Islam	None		
7	Mrs. Farzana Munny	Gaan Bangla TV Channel	Entertainment & Music	Chairman
		Qubella Beauty Parlour	Parlour	Proprietor
8	Shahzadi Begum	Serve the People	Social welfare	Chairperson
9	Soera Zahir	None		
10	Nusrat Mahmud	Hamid Fabrics Limited	Solid-dyed fabrics manufacturer	Director
		Hamid Weaving Mills Ltd	Weaving, Dyeing & Finishing	Director
		Tazrian Weaving Mills Limited	Weaving, Dyeing & Finishing	Director
		Hamid Spinning Mills Limited	Spinning Mills	Director
11	Arafat Rashid	Home Textiles Limited	Readymade garments	Managing Director
12	Dr. M. Waliuzzaman	Hamid Fabrics Limited	Solid-dyed fabrics manufacturer	Independent Director
13	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 (16.07.2020)
		Year	Cash/Bonus	
Abdullah Al-Mahmud	Hamid Fabrics Limited	2018-2019	10% cash	15.7
Farhana Danesh		2017-2018	10% cash	
A.H.M. Mozammel Hoque		2016-2017	15% cash	
Nusrat Mahmud		2015-2016	15% cash	
Nabila Mahmud		2014-2015	15% cash & 5% Stock	

(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 Hasan	Director	Brother of Farhana Danesh, Abdullah Al-Mamun and Abdullah Al-Mahmud
5	Nusrat Mahmud	Director	a) Daughter of Abdullah Al-Mahmud b) Sister of Nabila Mahmud
6	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	Type of the Organization	Legal Status
1	Abdullah Al-Mahmud	Hamid Fabrics Limited	Solid-dyed fabrics manufacturer	Public Ltd. Company
		Mahin Apparels Limited	Woven garments manufacturing	Private Ltd. Company
		Hamid Weaving Mills Ltd	Weaving, Dyeing & Finishing	Private Ltd. Company
		Tazrian Weaving Mills Limited	Weaving, Dyeing & Finishing	Private Ltd. Company
		Hamid Spinning Mills Limited	Spinning Mills	Private Ltd. Company
2	Abdullah Hasan	Atlantic Garments Limited	Knit wear manufacturer	Private Ltd. Company
3	Farhana Danesh	Hamid Fabrics Limited	Solid-dyed fabrics manufacturer	Public Ltd. Company
4	Nabila Mahmud	Hamid Fabrics Limited	Solid-dyed fabrics manufacturer	Public Ltd. Company
		Hamid Weaving Mills Ltd	Weaving, Dyeing & Finishing	Private Ltd. Company
		Tazrian Weaving Mills Limited	Weaving, Dyeing & Finishing	Private Ltd. Company
		Hamid Spinning Mills Limited	Spinning Mills	Private Ltd. Company
5	A.H.M. Mozammel Hoque	Hamid Fabrics Limited	Solid-dyed fabrics manufacturer	Public Ltd. Company
		Mahin Apparels Limited	Woven garments manufacturing	Private Ltd. Company
		Hamid Weaving Mills Ltd	Weaving, Dyeing & Finishing	Private Ltd. Company
		Tazrian Weaving Mills Limited	Weaving, Dyeing & Finishing	Private Ltd. Company
6	Md. Tajul Islam	None		
7	Mrs. Farzana Munny	Gaan Bangla TV Channel	Entertainment & Music	Private Ltd. Company
		Qubella Beauty Parlour	Parlour	Proprietorship
8	Shahzadi Begum	Serve the People	Social welfare	NGO
9	Soera Zahir	None		
10	Nusrat Mahmud	Hamid Fabrics Limited	Solid-dyed fabrics manufacturer	Public Ltd. Company
		Hamid Weaving Mills Ltd	Weaving, Dyeing & Finishing	Private Ltd. Company
		Tazrian Weaving Mills Limited	Weaving, Dyeing & Finishing	Private Ltd. Company
		Hamid Spinning Mills Limited	Spinning Mills	Private Ltd. Company
11	Arafat Rashid	Home Textiles Limited	Readymade garments	Private Ltd. Company
12	Dr. M. Waliuzzaman	Hamid Fabrics Limited	Solid-dyed fabrics manufacturer	Public Ltd. Company
13	Mr. Kazi Nasim Uddin Ahmed	Hamid Weaving Mills Ltd	Weaving, Dyeing & Finishing	Private Ltd. Company

(g) Short bio-data of each director**Mr. Abdullah Al-Mahmud, Founder Chairman**

Mr. Abdullah Al-Mahmud, 57, 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.

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 BAPLC (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 26 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, 59, 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 17 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 34 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, 59, is a founder Director of Crystal Insurance Company Ltd., has been working in the RMG and Textile sector for more than 34 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. Md. Tajul Islam, Director

Mr. Md. Tajul Islam, 74, 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 47 years of experience in different sectors of business.

Mrs. Shahzadi Begum, Director

Mrs. Shahzadi Begum, 74, 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 22 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, 49, 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, c 29, 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, 51, 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 Mothers 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, 31, is Director of Crystal Insurance Company Limited. She has obtaining Association of Chartered Certified Accountants (ACCA) Degree from London.

Mrs. Nusrat Mahmud, Director

Mrs. Nusrat Mahmud, 34, is Director of Crystal Insurance Company Limited. She has obtaining Post Graduate Degree. She is also Director of Hamid Fabrics Limited.

Mr. Arafat Rashid, Director

Mr. Arafat Rashid, 31, 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, 82, 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, 64, 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 43 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

Sl.	Name	Position	Educational Qualification	Age	Joining Date	Year of Experience	Previous Employment	Nature of Interest	Salary Paid	
									2019	2018
1	Mr. Mia Fazle Karim, FCA	CEO	B.Com (Hon's), Chartered Accountants	64	27.10.15	32	DMD & CFO, Eastland Insurance Co. Ltd.	Salary	3,828,000	2,940,000
2	Mr. S. M. Shahidullah	Addl. MD & Company Secretary	B.Sc (Hon's), M.Sc (Geography), ABIA, Cert CII (UK)	56	14.03.2005	31	DGM Sonar Bangla Insurance	Salary	1,696,000	1,596,000
3	M. Mahfuzur Rahman, ACA	DMD & CFO	M.Com, Chartered Accountants, ABIA, Cert CII (UK)	38	16.09.2007	17	Naziat Sweater Ltd.	Salary	1,596,000	1,512,000
4	Mr. Abdullah Al-Mamun	DMD & Head of Internal Audit Department	M.Com (Accounting)	46	14.03.2005	24	Republic Insurance Co. Ltd.	Salary	1,416,000	1,260,000
6	Mr. Md. Kabir Hossain	EVP & Head of Underwriting	B.Sc (Hon's), M.Sc (Statistics), ABIA, Cert CII (UK)	54	01.12.2014	26	Continental Insurance Co. Ltd.	Salary	1,021,000	873,000
7	Mr. Md. Abul Fazol	EVP & Head of Claims & Re-Insurance Dept.	M.Com (Accounting)	40	31.12.2015	16	Provati Insurance Co. Ltd.	Salary	994,500	819,000

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	57	House # 6, Road # 104, Apartment No. 4/A, Gulshan-2, Dhaka.	BBA from USA	26	Sponsor Shareholder	Chairman	1. Hamid Fabrics Limited 2. Mahin Apparels Limited 3. Hamid Weaving Mills Ltd 4. Tazrian Weaving Mills Limited 5. Hamid Spinning Mills Limited
2	Abdullah Hasan	Late Abdul Hamid Majumder	59	House No. 243 (B/4), Road No.20, New DOHS, Mohakhali, Dhaka.	Engineer	34	Sponsor Shareholder	Director	Atlantic Garments Limited
3	Abdullah Al-Zahir	Late Abdul Hamid Majumder	63	House # 8/B, Road # 82, Gulshan Circle 2, Dhaka - 1212	Bachelor of Arts	33	Sponsor Shareholder	N / A	EXIM Bank Limited
4	A.H.M. Mozammel Hoque	Late Akhtaruzzaman	79	Appt. -1, House No. 95, Road No.9A, Dhanmondi R/A, Dhaka	B. Com	47	Sponsor Shareholder	Director	1. Hamid Fabrics Limited 2. Mahin Apparels Limited 3. Hamid Weaving Mills Limited

									4. Tazrian Weaving Mills Limited
5	Arman Islam	Late A. Q. Z. Islam	54	Apt 103, House 74, Road 8A, Dhanmondi, Dhaka.	M.Com.	22	Sponsor Shareholder	N/A	N/A
6	Md. Tajul Islam	Late Md. Ashraf Uddin	74	House No.45, Road No. 6/A, Keyari Nirzhor, Dhanmondi, Dhaka	MBA	47	Sponsor Shareholder	Director	
7	Md. Yousuf Ali	Late Abdul Aziz Bhuyian	N/A	House no. 31/A, Road 6, Dhanmondi, Dhaka	N/A	N/A	Sponsor Shareholder	N/A	N/A
8	Syed Md. Habibul Huq	Late Syed Israil Haque	70	Sharif Bari, Chakhar, Barisal.	SSC	42	Sponsor Shareholder	N/A	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
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	Year	
				2019	2018
1	Mr. Mia Fazle Karim, FCA	CEO	Salary	3,828,000	2,940,000
2	Mr. S. M. Shahidullah	Addl. MD & Company Secretary	Salary	1,696,000	1,596,000
3	M. Mahfuzur Rahman, ACA	DMD & CFO	Salary	1,596,000	1,512,000
4	Mr. Abdullah Al-Mamun	DMD & Head of Internal Audit Department	Salary	1,416,000	1,260,000
6	Mr. Md. Kabir Hossain	EVP & Head of Underwriting	Salary	1,021,000	873,000
7	Mr. Md. Abul Fazol	EVP & Head of Claims & Re-Insurance Dept.	Salary	994,500	819,000

(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
		2019	2018	
1	Mr. Abdullah Al-Mahmud	40,000	39,100	The board meeting attendance fees
2	Mr. Abdullah Hasan	32,000	5,750	The board meeting attendance fees
3	Mr. A.H.M. Mozammel Hoque	40,000	39,100	The board meeting attendance fees
4	Mr. Md. Tajul Islam	40,000	39,100	The board meeting attendance fees
5	Mr. Asoke Ranjan Kapuria	Nil	29,900	The board meeting attendance fees
6	Mrs. Shahzadi Begum	40,000	39,100	The board meeting attendance fees
7	Mrs. Farhana Danesh	40,000	33,350	The board meeting attendance fees
8	Ms. Soera Zahir	24,000	29,900	The board meeting attendance fees
9	Mrs. Nusrat Mahmud	24,000	Nil	The board meeting attendance fees
10	Mr. Arafat Rashid	8,000	Nil	The board meeting attendance fees
11	Mrs. Farzana Munny	Nil	Nil	The board meeting attendance fees
12	Mr. Abdullah Al-Mamun(Deceased)	Nil	Nil	The board meeting attendance fees
13	Nabila Mahmud	Nil	Nil	The board meeting attendance fees
14	Dr. M. Waliuzzaman	32,000	27,600	The board meeting attendance fees
15	Mr. Kazi Nasim Uddin Ahmed	40,000	27,600	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 (Deceased)	Road No.09, Block-G, House No.22, Rupkatha (2 nd 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%
Total			24,000,000	100.00%

Note: Mr. Abdullah Al-Mamun, who breathed his last on 18th April, 2020 and all the transmission of shares to his successor/s is under process. But this is a long process to go and obtain the succession certificate, and after getting succession certificate, his shares will be transfer to the appropriate successor/s.

(q) 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	Remark
1	Ms. Nabila Mahmud	Director	09.07.2019	09.07.2022	Newly elected
2	Mrs. Shahzadi Begum	Director	09.07.2019	09.07.2022	Being eligible, they were re-elected as Director.
3	Ms. Soera Zahir	Director	09.07.2019	09.07.2022	
4	Mr. Abdullah Al-Mahmud	Chairman & Director	16.04.2020	16.04.2023	Newly elected
5	Mr. Abdullah Hasan	Director	16.04.2020	16.04.2023	
6	Mr. A.H.M. Mozammel Hoque	Director	16.04.2020	16.04.2023	
7	Mr. Arafat Rashid	Director	22.04.2017	N / A	Newly elected
8	Mrs. Nusrat Mahmud	Director	16.04.2020	16.04.2013	Newly elected
9	Mr. Md. Tajul Islam	Director	10.04.2018	10.04.2021	Being eligible, they were re-elected as Director
10	Mrs. Farhana Danesh	Director	10.04.2018	10.04.2021	
11	Mr. Asoke Ranjan Kapuria	Director	10.04.2018		Retired.
12	Mrs. Farzana Munny	Director	10.04.2018	10.04.2021	Newly elected
13	Mr. Abdullah Al-Mamun (Deceased)	Director	09.07.2019	N/A	As he died on 18.04.2020. So there is no way of re-elected as Director.
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; Crystal Insurance Company Limited did not enter into any transaction or proposed to enter into any transaction with related parties defined as follows:

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:

Related Party Transactions

Name of The related party	Relationship	Nature of Transaction	Premium earned				
			2019	2018	2017	2016	2015
Mahin Apparels Ltd. Hamid Fabrics Ltd, Unit-I Hamid Fabrics Ltd, Unit-II Hamid Weaving Mills Ltd Tazrian Weaving Mills Ltd RG Traders N.K Motors Eagle Paribhan	Common Director	Insurance Premium	15,586,702	19,319,226	22,065,691	23,895,504	20,852,766
Total			15,586,702	19,319,226	22,065,691	23,895,504	20,852,766

Name of The related party	Relationship	Nature of Transaction	Claim Paid				
			2019	2018	2017	2016	2015
Mahin Apparels Ltd. Hamid Fabrics Ltd, Unit-I Hamid Fabrics Ltd, Unit-II Hamid Weaving Mills Ltd Tazrian Weaving Mills Ltd RG Traders N.K Motors Eagle Paribhan	Common Director	Claim Settlement	476,000	2,809,406	2,608,821	7,478,216	1,392,750
Total			476,000	2,809,406	2,608,821	7,478,216	1,392,750

Directors Remuneration and Board Meeting Fees:

Particulars	2019	2018	2017	2016	2015
Board Meeting Attendance fees	414,000	310,500	150,000	115,000	135,000

The above balance is certified on the basis of books of accounts; records are other supporting documents for the period from 01 January 2015 to 31 December 2019.

Sd/-

Place: Dhaka

Date: 19 July 2020

MAHFEL HUQ & CO.

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-19
1	Mia Fazle Karim, FCA	CEO	Remuneration	36,00,000
2	Abul Kalam Azad	Sr. Addl. MD	Salary	36,00,000
3	SAM Shafiqul Hassan	Sr. Addl. MD	Salary	27,00,000
4	Ferdous Ara Chowdhury	Addl. MD	Salary	2,400,000
5	KMN Abu Omar	Addl. MD	Salary	2,400,000
Total				1,47,00,000

(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-19
1	Directors	Board Meeting Fee		414,000
2	Officers	Salary		88,637,587

(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. 3,60,000.00 (Taka Three lac Sixty thousand) only as board meeting attendance fees during the last accounting year.

Sl	Name of Directors	Amount paid in BDT		Date of approval in AGM
		2019	2018	
1	Mr. Abdullah Al-Mahmud	40,000	39,100	Being paid according to guideline of IDRA
2	Mr. Abdullah Hasan	32,000	5,750	
3	Mr. A.H.M. Mozammel Hoque	40,000	39,100	
4	Mr. Md. Tajul Islam	40,000	39,100	
5	Mr. Asoke Ranjan Kapuria	Nil	29,900	
6	Mrs. Shahzadi Begum	40,000	39,100	
7	Mrs. Farhana Danesh	40,000	33,350	
8	Ms. Soera Zahir	24,000	29,900	
9	Mrs. Nusrat Mahmud	24,000	Nil	
10	Mr. Arafat Rashid	8,000	Nil	
11	Mrs. Farzana Munny	Nil	Nil	
12	Mr. Abdullah Al-Mamun(Deceased)	Nil	Nil	
13	Nabila Mahmud	Nil	Nil	
14	Dr. M. Waliuzzaman	32,000	27,600	
15	Mr. Kazi Nasim Uddin Ahmed	40,000	27,600	

(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-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
Mr. Abdullah Al-Mahmud	Sponsor & Director	Received by the Sponsor & Director					
		Board Meeting Attendant Fee	40,000	39,000	15,000	15,000	20,000
		Dividend (Bonus Share)				400000 ordinary share	
		Cash Dividend	480,000	400,000	280,000	960,000	800,000
		Additional Ordinary Share			2800000 ordinary share		
		Received by the Issuer					
		Fund received against Additional Ordinary Share			28,000,000		
Mr. Md. Tajul Islam	Sponsor & Director	Received by the Sponsor & Director					
		Board Meeting Attendant Fee	40,000	39,100	15,000	15,000	20,000
		Dividend (Bonus Share)				300000 Ordinary share	
		Cash Dividend	108,000	900,000	630,000	720,000	600,000
		Additional Ordinary Share					
Mr. A.H.M. Mozammel Hoque	Sponsor & Director	Received by the Sponsor & Director					
		Board Meeting Attendant Fee	40,000	39,100	15,000	15,000	20,000
		Dividend (Bonus Share)				150000 Ordinary share	
		Cash Dividend	960,000	900,000	1,960,000	360,000	300,000
		Additional Ordinary Share			2350000 ordinary share		
		Received by the Issuer					

		Fund received against Additional Ordinary Share			23,500,000		
Mr. Abdullah Hasan	Sponsor & Director	Received by the Sponsor & Director					
		Board Meeting Attendant Fee	32,000	5,750	15,000	10,000	5,000
		Dividend (Bonus Share)				450000 Ordinary share	
		Cash Dividend	480,000	400,000	280,000	108,000	90,000
		Additional Ordinary Share			2650000 ordinary share		
		Received by the Issuer					
		Fund received against Additional Ordinary Share			26,500,000		
Mr. Arman Islam	Sponsor	Received by the Sponsor & Director					
		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
		Received by the Issuer					
		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	Received by the Sponsor & Director					
		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
		Received by the Issuer					
		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	Received by the Sponsor & Director					
		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
		Received by the Issuer					
		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	Received by the Sponsor & Director					
		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
		Received by the Issuer					
		Fund received against bonus share issue	Nil	Nil	Nil	Nil	Nil
		Fund received against Additional Ordinary Share	Nil	Nil	Nil	Nil	Nil
Mrs. Shahzadi Begum	Director	Received by the Director					
		Board Meeting Attendant Fee	40,000	39,100	15,000	15,000	20,000
		Dividend (Bonus Share)				90000 Ordinary share	
		Cash Dividend	96,000	80,000	56,000	21,600	18,000
		Additional Ordinary Share			530000 ordinary share		
		Received by the Issuer					
		Fund received against Additional Ordinary Share			5,300,000		
Mrs. Farhana Danesh	Director	Received by the Director					
		Board Meeting Attendant Fee	40,000	33,350	15,000	15,000	15,000
		Dividend (Bonus Share)				150000 Ordinary share	
		Cash Dividend	114,600	95,500	66,850	36,000	30,000
		Additional Ordinary Share			505000 ordinary share		
		Received by the Issuer					

		Fund received against Additional Ordinary Share			5,050,000		
Ms. Nabila Mahmud	Director	Received by the Director					
		Board Meeting Attendant Fee	Nil	Nil	Nil	Nil	Nil
		Bonus Share	Nil	Nil	Nil	Nil	Nil
		Cash Dividend	240,000	200,000	Nil	Nil	Nil
		Additional Ordinary Share	Nil	20,000,000	Nil	Nil	Nil
		Received by the Issuer					
		Fund received against Additional Ordinary Share	Nil	Nil	Nil	Nil	Nil
Ms. Soera Zahir	Director	Received by the Director					
		Board Meeting Attendant Fee	24,000	29,900	15,000	5,000	20,000
		Dividend (Bonus Share)				450000 Ordinary share	
		Cash Dividend	240,000	200,000	140,000	108,000	90,000
		Additional Ordinary Share			650000 ordinary share		
		Received by the Issuer					
		Fund received against Additional Ordinary Share			6,500,000		
Mrs. Nusrat Mahmud	Director	Received by the Director					
		Board Meeting Attendant Fee	24,000		10,000	0	0
		Dividend (Bonus Share)				20000 Ordinary share	
		Cash Dividend	480,000	400,000	280,000	4,800	4,000
		Additional Ordinary Share			3940000 ordinary share		
		Received by the Issuer					
		Fund received against Additional Ordinary Share			39,400,000		
Mr. Arafat Rashid	Director	Received by the Director					
		Board Meeting Attendant Fee	8,000		10,000	0	0
		Dividen (Bonus Share)				225000 Ordinary share	

		Cash Dividend	96,000	80,000	56,000	54,000	45,000
		Additional Ordinary Share			125000 ordinary share		
		Received by the Issuer					
		Fund received against Additional Ordinary Share			1,250,000		
Mrs. Farzana Munny	Director	Received by the Director					
		Board Meeting Attendant Fee	Nil	Nil	Nil	Nil	Nil
		Dividen (Bonus Share)				150000 Ordinary share	
		Cash Dividend	96,000	80,000	56,000	36,000	30,000
		Additional Ordinary Share			350000 ordinary share		
		Received by the Issuer					
		Fund received against Additional Ordinary Share			3,500,000		
Dr. M. Waliuzzaman ***	Independent Director	Received by the Director					
		Board Meeting Attendant Fee	32,000	27,600	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	Nil	535,000
		Received by the Issuer					
		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	Received by the Director					
		Board Meeting Attendant Fee	40,000	27,600	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
		Received by the Issuer					
		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 planned 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 (Deceased)	Road No.09, Block-G, House No.22, Rupkatha (2 nd 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%
Total				24,000,000	100%

Note: Mr. Abdullah Al-Mamun, who breathed his last on 18th April, 2020 and all the transmission of shares to his successor/s is under process. But this is a long process to go and obtain the succession certificate, and after getting succession certificate, his shares will be transfer to the appropriate successor/s.

(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 (year s)	Exp. (year s)	BO ID	TIN	No. of shares held (Pre-IPO)		Position held in other company	
					Shares	%		
Abdullah Al-Mahmud House # 6, Road # 104, Apartment No. 4/A, Gulshan-2, Dhaka	57	26	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	Chairman
							Tazrian Weaving Mills Ltd	Chairman
							Hamid Spinning Mills Ltd	Chairman
Abdullah Hasan House No. 243 (B/4), Road No. 20, New DOHS, Mohakhali, Dhaka	59	34	120 47800 6468 5091	2899 6584 2231	4,000,000	16.67%	Atlantic Garments Limited	Managing Director
A.H.M. Mozammel Hoque Apartment No A- 1,Road 9/A, House 95, Dhanmondi R/A, Dhaka	79	47	120 36200 1948 5830	4684 7717 7772	800,000	3.33%	Hamid Fabrics Limited	Chairman
							Mahin Apparels Limited	Director
							Hamid Weaving Mills Limited	Director
							Tazrin Weaving Mills Ltd	Managing Director
Md. Tajul Islam House No.45, Road No. 6/A, Keyari Nirzhor, Dhanmondi, Dhaka.	74	47	120 47800 6468 4657	1507 5670 5724	900,000	3.75%	None	
Farzana Munny House No. 43, Park Road, Baridhara, Dhaka.	51	22	120 47800 6468 5105	83212766453 2	800,000	3.33%	Gaan Bangla TV Channel	Chairman
							Qubella Beauty Parlour	Proprietor
Shahzadi Begum House No.16/1/B, Tallabagh, Sobhanbagh, Dhaka	74	44	120 47800 6468 4665	1734 7276 9915	800,000	3.33%	Serve the People	Chairperson
Farhana Danesh House No. 15, Appt. 1/B, Road- 3, Old DOHS, Banani, Dhaka	49	19	120 56700 5605 4937	1295 1930 4051	955,000	3.98%	Hamid Fabrics Limited	Director
Nabila Mahmud House No. 25, Road No. 10/A, Flat –B/2, Arcadia Apartment, Dhanmondi, Dhaka	29	4	120 56700 5578 5870	49241822490 5	2,000,000	8.33%	Hamid Fabrics Limited	Director
							Hamid Weaving Mills Ltd	Director
							Hamid Spinning Mills Ltd	Director
							Tazrian Weaving Mills Ltd	Director
Soera Zahir House # 30, Road # 08, Gulshan-1, Dhaka	31	5	120 47800 6480 3453	6608 6999 9366	2,000,000	8.33%	None	
Nusrat Mahmud House No.10, Road No.92, Gulshan-2, Dhaka	34	7	120 56700 5578 5177	3165 1959 2788	4,000,000	16.67%	Hamid Fabrics Limited	Director
							Hamid Weaving Mills Ltd	Director
							Hamid Spinning Mills Ltd	Director
							Tazrian Weaving Mills Ltd	Director
Arafat Rashid 27/B-4, Dakeshari Road, Lalbagh, Dhaka	31	5	120 20100 4519 0144	5284 9158 1108	800,000	3.33%	Home Textiles Limited	Managing 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 as of 31 Dec, 2019 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	Consid eration	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	10.00
		11-Dec-01	(180,000)		Cash	10	(1,800,000)	10.00
		25-Mar-12	(60,000)		Cash	10	(600,000)	10.00
		25-Mar-12	(120,000)		Cash	10	(1,200,000)	10.00
		14-Mar-13	(40,000)		Cash	10	(400,000)	10.00
		22-Mar-17	2,800,000		Cash	10	28,000,000	10.00
		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	10.00
		11-Dec-01	(180,000)		Cash	10	(1,800,000)	10.00
		25-Mar-12	(120,000)		Cash	10	(1,200,000)	10.00
		22-Mar-17	2,650,000		Cash	10	26,500,000	10.00
		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	10.00
		11-Dec-01	(300,000)		Cash	10	(3,000,000)	10.00
		11-Dec-01	(60,000)		Cash	10	(600,000)	10.00
		25-Mar-12	60,000		Cash	10	600,000	10.00
		22-Mar-17	2,350,000		Cash	10	23,500,000	10.00
		22-Apr-17	150,000		Bonus	10	1,500,000	-
		13-Feb-18	(2,000,000)		Cash	10	(20,000,000)	10.00
Mr. Md. Tajul Islam	Director	11-Nov-99	600,000	900,000	Cash	10	6,000,000	10.00
		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	10.00
		22-Mar-17	650,000		Cash	10	6,500,000	10.00
		22-Apr-17	450,000		Bonus	10	4,500,000	-
Mrs. Farzana Munny	Director	09-Mar-10	180,000	800,000	Cash	10	1,800,000	10.00
		25-Mar-12	120,000		Cash	10	1,200,000	10.00
		22-Mar-17	350,000		Cash	10	3,500,000	10.00
		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	10.00
		25-Mar-12	120,000		Cash	10	1,200,000	10.00
		22-Mar-17	505,000		Cash	10	5,050,000	10.00
		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	10.00
		10-May-05	52,560		Cash	10	525,000	10.00
		10-May-05	104,940		Cash	10	1,050,000	10.00
		22-Mar-17	530,000		Cash	10	5,300,000	10.00
		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	10.00

		08-Jan-12	225,000		Cash	10	2,250,000	10.00
		22-Mar-17	125,000		Cash	10	1,250,000	10.00
		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	10.00
		22-Mar-17	3,940,000		Cash	10	39,400,000	10.00
		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	10.00

The Company changed the face value of its ordinary share from Tk. 100 to Tk. 10 on 13 November 2011 following special resolutions passed in the 2nd 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.

Sd/-

Mahfel Huq & Co.

Chartered Accountants

Dhaka, 19 July 2020

(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				Bonus
22-Apr-17	Bonus	Ordinary	450,000	10	10				
(x) Nabila Mahmud, Director									
13-Feb-18	Cash	Ordinary	2,000,000	10	10	2,000,000	8.33%	5.00%	Gift
(xi) Farzana Munny, Director									
09-Mar-10	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
(xii) 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
(xiii) 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				Bonus
22-Mar-17	Cash	Ordinary	530,000	10	10				
22-Apr-17	Bonus	Ordinary	90,000	10	10				
(xiv) 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				Bonus
22-Apr-17	Bonus	Ordinary	225,000	10	10				
(xv) Nusrat Mahmud, Director									
14-Mar-13	Cash	Ordinary	40,000	10	10	4,000,000	16.67%	10.00%	Own source
22-Mar-17	Cash	Ordinary	3,940,000	10	10				
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 2nd Extra Ordinary General Meeting by the shareholders of the Company and subsequently which was approved by the RJSC on 13th 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 31st December 2019. 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: 10 June 2020

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 √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	Board of Directors			
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).	√		
1(2)	Independent Directors			
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;	√		
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.	√		

1(2)(b)(iii)	Who has not been an executive of the Company in immediately preceding 2 (two) financial years;	√		
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the Company or its subsidiary or associated Companies;	√		
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock Exchange.	√		
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;	√		
1(3)	Qualification of Independent Director			
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 th 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		
1(4)	Duality of Chairpersons of the Board of Directors and Managing Director or Chief Executive Officer:			
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.	√		
1(5)	The Directors' Report to Shareholders			
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);	N/A		
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.	√		
1(6)	Meetings of the Board of Directors			
	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.	√		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
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.	√		
2	Governance of Board of Directors of Subsidiary Company:			
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
3	Managing Director(MD) or Chief Executive Officer(CEO), Chief Financial Officer(CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary.-			
3(1)	Appointment			
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 filed 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).	√		
3(2)	Requirement to attend Board of Directors' Meetings			
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.	√		
4	Board of Directors' Committee:			
	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.	√		

5	Audit Committee:			
5(1)	Responsibility to the Board of Directors			
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.	√		
5(2)	Constitution of the Audit Committee			
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.	√		
5(3)	Chairperson of Audit Committee			
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);	√		
5(4)	Meeting of the Audit Committee			
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.	√		
5(5)	Role of Audit Committee			
	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		
5(6)	Reporting of the Audit Committee			
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;	√		
5(6)(b)	Reporting to the Authorities			
	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 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	N/A		

	three times or completion of a period 6(six) months from the date of first reporting to the Board, whichever is earlier.			
5(7)	Reporting to the Shareholders and General Investors			
	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		
6	Nomination and Remuneration Committee (NRC):			
6(1)	Responsibility to the Board of Directors			
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).	√		
6(2)	Constitution of NRC			
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.	√		
6(3)	Chairperson of the NRC			
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;	√		
6(4)	Meeting of NRC			
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.			
6(5)	Role of the NRC	√		
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 policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	√		
7	External or Statutory Auditors:			
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.	√		
8	Maintaining a website by the Company:			
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).			
9	Reporting and Compliance of Corporation Governance:			
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 Annexure-C 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 a summary of the terms of reference under which the committees operate.

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:

Sl	Name of committee member & position in the Company	Designation in the Committee
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.

Sd/-

(Mia Fazle Karim, FCA)

Chief Executive Officer

Date: 19 July 2020

Nomination and Remuneration Committee (NRC):

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

Sl	Name of committee member & position in the Company	Designation in the Committee
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;

Sd/-

(Mia Fazle Karim, FCA)

Chief Executive Officer

Date: 19 July 2020

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 2019, 2018, 2017, 2016, 2015, as prepared in accordance with IAS and IFRS.

Quantitative factors are as follows:

Net Asset Value (NAV) per share as on 31 December 2019 has been considered.

Earnings based value per share based on last 5 years, i.e., the year ended on 31 December 2019, 2018, 2017, 2016, 2015 weighted average net profit after tax has been considered.

Overall DSE P/E as on January 31, 2020 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 stock 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
Method-1:	Net assets value per share	24.42
Method-2:	Historical earning based value per share	38.79
Method-3:	Average market price per share of similar stocks	27.25
Average price		30.15

Method-1 (Net assets value per share)	Amount
Net assets value	586,175,394
Outstanding shares	24,000,000
Net assets value per share	24.42

Method-2 (Historical earning based value per share)

Year	Number of Share	Net Profit After Tax	Weight	Weighted Number of Profit
2019	24,000,000	70,165,871	28.57%	20,047,392
2018	24,000,000	62,337,008	28.57%	17,810,574
2017	24,000,000	62,280,980	28.57%	17,794,566
2016	6,000,000	45,228,031	7.14%	3,230,574
2015	6,000,000	40,970,036	7.14%	2,926,431
Total	84,000,000	280,981,927	100.00%	61,809,536
Weighted Average Net Profit after Tax				61,809,536
Number of shares as on December 31, 2019				24,000,000
Weighted Average Earnings per share				2.58
DSEX P/E on 31 Jan 2020				15.06
Historical earning based value per share				38.79

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, 2019 to December 31, 2019.

Average market price of similar stock based valuation

Month end close price					
Date	Paramount Insurance Company Limited	Global Insurance Company Limited	Continental Insurance Limited	Sonar Bangla Insurance Limited	Standard Insurance Limited
31-Jan-19	27	22.3	29.2	31.9	44.2
28-Feb-19	21.1	20.3	25	28.2	67.3
31-Mar-19	15	16	20	23.4	55.2
30-Apr-19	14.3	12.2	18.2	21.8	49
31-May-19	19.9	21.4	21.3	25.3	48.3
30-Jun-19	21	31.3	21.9	26.3	37.2
31-Jul-19	23.2	25.3	23.1	25.7	27.8
31-Aug-19	21.3	24.1	23.3	24.3	27.9
30-Sep-19	24.9	24	24.6	22.8	35.4
31-Oct-19	23.7	23	22.1	22.6	41.7
30-Nov-19	26.3	22.9	23.3	23.2	48.2
31-Dec-19	40.9	21.6	23.9	22.3	36.1
Average Price	23.22	22.03	22.99	24.82	43.19
Average Price of these 5 (five) Stocks					27.25

Source: DSE Monthly Review

Average market price of similar stock based valuation (Assumption)

The average month end close price of the peer Company from January 2019 to December 2019 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.) 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 2019 to December 2019 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.

Sd/-

(Emam Hossain)

Managing Director/CEO (In-charge)

Sonar Bangla Capital Management Limited

Place: Dhaka

Date: 19 July 2020

Section XVI

Debt Securities

(a) the terms and conditions of any debt securities that the Issuer company may have issued or is planning to issue within next six months, including their date of redemption or conversion, conversion or redemption features and sinking fund requirements, rate of interest payable, Yield to Maturity, encumbrance of any assets of the Issuer against such securities and 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 of holders of each class of debt securities outstanding or being offered, for example subordination provisions, limitations on the declaration of dividends, restrictions on the issuance of additional 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 class of debt securities outstanding or being offered and describe the circumstances 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 such securities.

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

SI	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

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

	<p>b. Filing of application for listing with Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. (CSE).</p> <p>c. Finalizing documentation for listing.</p> <p>d. Listing formalities with CDBL.</p> <p>COVENANTS OF THE ISSUER</p> <p>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.</p> <p>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.</p> <p>COVENANTS OF THE ISSUE MANAGER</p> <p>❖ 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.</p>
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	<p>1. Sonar Bangla Capital Management Limited</p> <p>2. GSP Investments Limited</p>
Date of Agreement	March 13, 2018
Major terms and Condition	<p>1. The IPO shall stand cancelled if at least 65% in any category of the IPO is not subscribed.</p> <p>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.</p> <p>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.</p> <p>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 zeropercent) on the amount underwritten.</p> <p>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,</p>

	<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 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.</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, Judgment 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 2019 is as under:

Income Year	Asst. Year	Status
2007	2008-09	The tax authority assessed tax Tk. 1,33,66,504 with simple interest Tk. 18,55,449/-as per demand notice U/S 135. 1st & 2nd appeal completed. Further, Appeal has been filed to the Honorable 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 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 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 but appeal has been made against the learned CT (A) order to Taxes Appellate Tribunal. Status que order has been given by the learned 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 filed to the Taxes Appellate Division and Tribunal hearing has been completed. Appeal pending to the Honorable High court.
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 filed to the Taxes Appellate Division and Tribunal hearing has been completed. Appeal pending to the Honorable High court.
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 filed to the Taxes Appellate Division and Tribunal hearing has been completed. Appeal pending to the Honorable High court.

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 tax authority assessed tax tk 4,78,62,942 with simple interest Tk. 61,34,490/-as per demand notice U/S 135 dated 27.06.2019. 1st Appeal pending to the learned CT (A).
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"
2018	2019-20	The Income Tax Return was submitted to Deputy commissioner of Taxes, Circle -Large Taxpayer Unit (LTU), Zone-LTU Dhaka U/S 82BB."

VAT: The Commissioner of Customs Excise & VAT Commissionerate, Dhaka (South), Dhaka vide their letter No. 4/g~mK/8(207)/Ki dvwK/wePvi/17, ZvwiL: 24/09/2017Bs demanded an amount of VAT Tk.2,933,948 and Interest amount Taka 1,173,579 for the year 2016. The Company has submitted necessary papers and documents vide letter No. wmAvBwmGj/wmI/wnmve/2017/3572 ZvwiL: 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 Appealed Tribunal of Customs, Excise & VAT and the Authority has not given any decision till date.

IDRA:The Issuer had to pay penalty to Insurance Development Regulatory Authority (IDRA) for delay in offering shares to general public:

Particulars	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
Amount	Nil	Nil	1,825,000	1,825,000	1,825,000

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 impediment 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 is involved in the any other business in the same line and holds any position or owns 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 are 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 creates 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 remains 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 contracts 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/g~mK/8(207)/Ki dvwK/wePvi/17, ZvwiL: 24/09/2017Bs demanded an amount of VAT Tk.2,933,948 and Interest amount Taka 1,173,579 for the year 2016. The Company has submitted necessary papers and documents vide letter No. wmAvBwmGj/wmI/wnmve/2017/3572 ZvwiL: 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 Appealed Tribunal of Customs, Excise & VAT and the Authority has not given any decision till date.

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 2019 is as under:

Income Year	Asst. Year	Status
2007	2008-09	The tax authority assessed tax Tk. 1,33,66,504 with simple interest Tk. 18,55,449/- as per demand notice U/S 135. 1st & 2nd appeal completed. Further, Appeal has been filed to the Honorable 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 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 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 but appeal has been made against the learned CT (A) order to Taxes Appellate Tribunal. Status que order has been given by the learned 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 filed to the Taxes Appellate Division and Tribunal hearing has been completed. Appeal pending to the Honorable High court.
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 filed to the Taxes Appellate Division and Tribunal hearing has been completed. Appeal pending to the Honorable High court.
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 filed to the Taxes Appellate Division and Tribunal hearing has been completed. Appeal pending to the Honorable High court.
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 tax authority assessed tax tk 4,78,62,942 with simple interest Tk. 61,34,490/- as per demand notice U/S 135 dated 27.06.2019. 1st Appeal pending to the learned CT (A).
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"
2018	2019-20	The Income Tax Return was submitted to Deputy commissioner of Taxes, Circle -Large Taxpayer Unit (LTU), Zone-LTU Dhaka U/S 82BB."

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 indicates that basic EPS never came below BDT 2.60 indicating 26% 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 Commissionerate, Dhaka (South), Dhaka vide their letter No. 4/g~mK/8(207)/Ki dvwK/wePvi/17, ZvwiL: 24/09/2017Bs demanded an amount of VAT Tk.2,933,948 and Interest amount Taka 1,173,579 for the year 2016. The Company has submitted necessary papers and documents vide letter No. wmAvBwmGj/wmI/wnmve/2017/3572 ZvwiL: 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 Appealed Tribunal of Customs, Excise & VAT and the Authority has not given any decision till date.

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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. A change 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 risk.

(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). This 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
30%	10%	50%	10%
4,800,000 shares	1,600,000 shares	8,000,000 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%
Total (a)			9,700,000	40.42%	24.25%
5	Mrs. Farzana Munny	Director	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	Ms. Nabila Mahmud	Director	2,000,000	8.33%	5.00%
9	Ms. Soera Zahir	Director	2,000,000	8.33%	5.00%
10	Mrs. Nusrat Mahmud	Director	4,000,000	16.67%	10.00%
11	Mr. Arafat Rashid	Director	800,000	3.33%	2.00%
Total (b)			11,355,000	47.31%	28.39%
12	Mr. Iqbal Hassan Mahmood	Shareholder	375,000	1.56%	0.94%
13	Mrs. Sarah Hasein Mahmood	Shareholder	300,000	1.25%	0.75%
14	Mr. Rubayat Tanveer Huda	Shareholder	270,000	1.13%	0.67%
15	Mr. Asoke Ranjan Kapuria	Shareholder	1,200,000	5.00%	3.00%
16	Mr. Abdullah Al-Mamun (Deceased)	Shareholder	800,000	3.33%	2.00%
Total (c)			2,945,000	12.27%	7.36%
Grand Total (a) + (b) + (c)			24,000,000	100.00%	60.00%

Note: Mr. Abdullah Al-Mamun, who breathed his last on 18th April, 2020 and all the transmission of shares to his successor/s is under process. But this is a long process to go and obtain the succession certificate, and after getting succession certificate, his shares will be transfer to the appropriate successor/s.

(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 & Treasury Bond.	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
	Total	160,000,000	

*** we are capable to pay minimum 10% dividend each year out of profit generated from insurance business underwriting& various investment and also with the use of issue proceeds in low return 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:13 of Statement of financial position as at 31December 2019
2	Investment in Fixed Deposit Receipt (FDR)	470,550,000	Note:21 of Statement of financial position as at 31December 2019
3	Investment in Financial Assets	45,087,619	Note:13 of Statement of financial position as at 31December 2019

(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: 19 July, 2020

Sl	Area of utilization of IPO proceeds	Amount in Tk.	Approximate date of utilization of fund
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
Total		160,000,000	

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 proposes 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

Lock-in.-Ordinary shares of the issuer, at the time of according consent to the public issue, shall be subject to lock-in, from the first trading day at the exchange in the following manner:

- (a) shares held by sponsors, directors and shareholders holding 10% (ten percent) or more, for 03 (three) years;
- (b) in case, any existing sponsor or director of the issuer transfers any share to any person, those transferred shares, for 03 (three) years;
- (c) shares allotted to any person, before 4 (four) years or more of according consent to the public issue, other than the persons mentioned in clause (a) and (b), for 01 (one) year;
- (d) shares held by alternative investment funds, for 01 (one) year;
- (e) shares held by any person, other than the shares mentioned in clause (a), (b), (c) and (d) above, for 02 (two) years;

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.

SI	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(Deceased)	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 Years	2,000,000
Total				24,000,000

Note: Mr. Abdullah Al-Mamun, who breathed his last on 18th April, 2020 and all the transmission of shares to his successor/s, is under process. But this is a long process to go and obtain the succession certificate, and after getting succession certificate, his shares will be transfer to the appropriate successor/s.

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 ঠKvঐúvwb AvBb, 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 (the "Company"), which comprise Statement of Financial Position as at 31 December 2019, Statement of Profit or Loss and other Comprehensive Income, Statement of Profit and Loss Appropriation account, Consolidated Insurance Revenue Accounts, Related Revenue Accounts, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 31 December 2019, 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 1938 (as amended in 2010), the Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risks	Our responses to the risks
Premium Income	
Gross premiums comprise the total premiums received for the whole period of cover provided by contracts entered into during the accounting period. Given the important nature, connections to other items to the financial statements and sensitivity of the item we believe this area pose high level of risk. At year end the 2019, the total gross premium income of BDT	With respect to Premium income in respect of various types of insurance we carried out the following procedures: <ul style="list-style-type: none"> The design and operating effectiveness of key controls around premium income recognition process; Carried out analytical procedures and recalculated premium income for the period; Carried out cut-off testing to ensure unearned

<p>527,325,300(2018: BDT431,301,165).</p>	<p>premium income has not been included in the premium income;</p> <ul style="list-style-type: none"> • On a sample basis reviewed policy to ensure appropriate policy stamp was affixed to the contract and the same has been reflected in the premium register; • Ensured on a sample basis that the premium income was being deposited in the designated bank account; • Tested on a sample basis to see that appropriate VAT was being collected and deposited to bank through Treasury Challan; • For a sample of insurance contracts tested to see if appropriate level of reinsurance was done and whether that re insurance premium was deducted from the gross premium; • Assessed the appropriateness and presentation of disclosures in accordance with relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.
<p>See Form-XL to the financial statements</p>	
<p>Property, Plant and Equipment</p>	
<p>The carrying value of property, plant & equipment amounts to BDT298,748,116 (2018: BDT 293,457,012).This represents a material amount in the company's statement of financial position as at 31 December 2019 as:</p> <ul style="list-style-type: none"> • there is a risk of determining which costs meet the criteria for capitalisation; • determining the date on which the assets is recognized to property, plant and equipment and depreciation commences; • the estimation of economic useful lives and residual values assigned to property, plant and equipment. <p>Additionally, we identified the carrying value of property, plant and equipment as a key audit matter because of the high level of management judgment involved and because of its significance to the financial statements.</p>	<p>Our audit procedures to assess the carrying value of property, plant & equipment included the following:</p> <ul style="list-style-type: none"> • Assessing the design, implementation and operating effectiveness of key internal controls over the completeness, existence and accuracy of property, plant and equipment including the key internal controls over the estimation of useful economic lives and residual values; • Assessing, on a sample basis, costs capitalized during the year by comparing the costs capitalized with the relevant underlying documentation, which included purchase agreements and invoices, and assessing whether the costs capitalized met the relevant criteria for capitalization; • Testing the key controls over the management's judgment in relation to the accounting estimates of the useful economic lives and residual values of property, plant and equipment; • Reconciling on a sample basis the additional capitalized costs for the year to the underlying invoices and supporting documents; • Assessing the company's capitalizations policy for compliance with IAS 16 and tested

	<p>the expenditure capitalized against the capitalizations policy;</p> <ul style="list-style-type: none"> Assessing the adequacy of the disclosures of the financial statements.
See note no 2.09 and 11 to the financial statements	

Other information

Management is responsible for the other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance of the company.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 1938 (as amended in 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 an according to the information and explanation given to us, all expenses of management wherever incurred and whether incurred directly or indirectly, in respect of insurance business of the company transacted in Bangladesh during the year under report have been duly debited to the related revenue accounts and the Statement of Profit or loss and Other 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 Profit or Loss and other Comprehensive Income, Statement of Profit and Loss Appropriation Account, Consolidated Insurance Revenue Accounts, 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/-

HowladerMahfelHuqFCA
For and on behalf of
MahfelHuq& Co.
Chartered Accountants

Dhaka, 02 March, 2020

Crystal Insurance Company Limited
Balance Sheet (Statement of Financial Position)
As at December 31, 2019

Particulars	Notes	Amount in Taka		
		2019	2018(Restated)	2017(Restated)
Shareholders' Equity & Liabilities				
Shareholders' Equity				
Authorised Capital				
100,000,000 Ordinary shares of Tk.10 each		1,000,000,000	1,000,000,000	1,000,000,000
Issued, Subscribed and Paid up Capital				
24,000,000 Ordinary share of Tk. 10 each fully paid up	3.00	240,000,000	240,000,000	240,000,000
Reserve or Contingency Accounts				
Reserve for Exceptional Losses	4.01	329,814,783	277,082,253	233,952,136
Profit & Loss Appropriation Account		24,613,792	32,180,451	24,273,559
Investment Fluctuation Fund	4.02	(14,753,181)	1,194,312	6,384,012
General Reserve	4.03	6,500,000	5,500,000	11,000,000
Total Shareholders Equity		586,175,394	555,957,016	515,609,707
Liabilities and Provisions				
Balance of fund and accounts	5.00	157,910,934	122,231,476	120,581,415
Fire Insurance Revenue Account		63,295,852	49,513,474	49,202,775
Marine Cargo Insurance Revenue Account		73,405,808	51,168,460	48,912,750
Marine Hull Insurance Revenue Account		2,589,156	1,953,223	2,627,050
Motor Insurance Revenue Account		15,094,398	14,147,495	15,258,639
Misc. Insurance Revenue Account		3,525,720	5,448,824	4,580,201
Deposit Premium	6.00	69,592,387	21,621,653	13,496,717
Deferred Tax Liability	6.02	6,045,424	-	-
Estimated liability in respect of Outstanding claims whether due or intimated	7.00	32,119,989	99,321,911	75,124,182
Amounts due to other persons or bodies carrying on insurance business	8.00	132,810,042	110,926,278	128,537,541
Sundry Creditors	9.00	66,194,728	42,268,534	38,883,888
Provision for WPPF	10.00	5,037,009	-	-
Total Liabilities and Provisions		469,710,513	396,369,852	376,623,743
Total Shareholders' Equity & Liabilities		1,055,885,907	952,326,868	892,233,450

Crystal Insurance Company Limited
Balance Sheet (Statement of Financial Position)
As at December 31, 2019

Particulars	Notes	Amount in Taka		
		2019	2018(Restated)	2017(Restated)
Property and Assets				
Non-Current assets		418,250,632	430,895,844	426,801,350
Property, Plant and Equipment	11.00	298,748,116	293,457,012	51,066,994
Advance against land and office space	12.00	12,000,000	12,000,000	275,926,900
Investments	13.00	70,087,619	78,825,117	60,397,519
Investment Property	14.00	37,414,897	39,569,906	26,130,015
Deferred Tax Assets	15.00	-	7,043,809	13,279,922
Current assets		135,517,740	125,540,640	107,032,887
Insurance Stamps	16.00	1,259,956	1,173,391	1,361,593
Sundry Debtors (including advances, deposits and prepayments)	17.00	30,018,904	28,080,557	25,010,970
Interest accrued but not due	18.00	17,360,798	10,292,328	6,194,197
Amount due from other persons or bodies carrying on insurance businesses	19.00	86,878,082	85,994,364	74,466,127
Cash and Cash Equivalents		502,117,535	395,890,384	358,399,213
Cash in hand		231,729	2,818,141	2,723,455
Cash in BO A/c	20.00	455,543	6,061,085	16,180,629
Cash at Banks-STD Accounts		29,612,902	25,164,988	23,387,680
Cash at Banks on CD accounts		1,267,361	3,246,170	4,707,449
Fixed Deposit Receipts (FDR) with Banks and NBFIs	21.00	470,550,000	358,600,000	311,400,000
Total Assets		1,055,885,907	952,326,868	892,233,450
Net Asset Value (NAV) Per Share	33.00	24.42	23.16	21.48

The accompanying notes 1-49 form an integral parts of these financial statements

Sd/-

Mia Fazle Karim FCA
Chief Executive Officer

Sd/-

M.Mahfuzur Rahman ACA
Chief Financial Officer

Sd/-

Abdullah-Al-Mahmud
Chairman

Sd/-

Farhana Danesh
Director

Sd/-

A.H.M. Mozammel Hoque
Director

Signed as per our separate report of even date

Sd/-

Mahfel Huq & Co.
Chartered Accountants

Dhaka, 02 March 2020

Crystal Insurance Company Limited
Profit and Loss Account (Statement of Profit or Loss and other Comprehensive Income)
For the year ended December 31, 2019

Particulars	Notes	Amount in Taka	
		2019	2018 (Restated)
Expenses of management		36,517,120	31,310,893
(Not applicable to any particular fund or account)			
Advertisement & Publicity		882,657	170,350
Audit fees		405,000	400,000
Bank Charges		468,721	351,130
Credit Rating Fee		223,850	150,000
Excise Duty		522,917	402,321
Depreciation	22.00	28,654,382	28,103,330
Director's meeting attendance fees		414,000	310,500
Donation & Subscription		2,694,000	230,500
Bangladesh Insurance Association		100,000	100,000
Business Development Expenses		36,667	48,889
Renewal & Registration		2,114,926	1,043,873
Profit transferred to profit & loss appropriation account		105,777,186	79,571,490
Total		142,294,306	110,882,383
Profit/(Loss) transferred from:		99,990,113	65,000,849
Fire		5,410,616	(8,048,702)
Marine Cargo		71,670,497	47,223,338
Marine Hull		(933,115)	672,280
Motor		16,480,476	15,769,106
Miscellaneous		7,361,640	9,384,827
Interest Income	23.00	36,158,542	24,570,974
Other Income	24.00	6,145,651	11,019,060
Gain from sale of assets	25.00	-	10,291,500
Total		142,294,306	110,882,383

The accompanying notes 1-49 form an integral parts of these financial statements

Sd/-

Mia Fazle Karim FCA
Chief Executive Officer

Sd/-

M.Mahfuzur Rahman ACA
Chief Financial Officer

Sd/-

Abdullah-Al-Mahmud
Chairman

Sd/-

Farhana Danesh
Director

Sd/-

A.H.M. Mozammel Hoque
Director

Signed as per our separate report of even date

Sd/-

Mahfel Huq & Co.
Chartered Accountants

Dhaka, 02 March 2020

Crystal Insurance Company Limited
Profit and Loss Appropriation Account
For the year ended December 31,2019

Particulars	Notes	Amount in Taka	
		2019	2018
Opening balance of Appropriation Account		32,180,451	24,273,559
Net Profit for the year brought down		105,777,186	79,571,490
Transfer from General Reserve		-	6,000,000
Total		137,957,637	109,845,049
		113,343,845	77,664,599
Reserve for Exceptional Losses	4.01	52,732,530	43,130,117
General Reserve during the year	4.03	1,000,000	500,000
Provision for Companies Income Tax	9.02	17,485,073	10,998,368
Provision for WPPF	10.00	5,037,009	-
Provision for deferred tax		13,089,233	6,236,114
Dividend paid from last year profit		24,000,000	16,800,000
Balance transferred to balance sheet		24,613,792	32,180,451
Total		137,957,637	109,845,049
Earning Per Share (EPS) (Tk.10 each)	2.21	2.92	2.60

The accompanying notes 1-49 form an integral parts of these financial statements

Sd/-

Mia Fazle Karim FCA
Chief Executive Officer

Sd/-

M.Mahfuzur Rahman ACA
Chief Financial Officer

Sd/-

Abdullah-Al-Mahmud
Chairman

Sd/-

Farhana Danesh
Director

Sd/-

A.H.M. Mozammel Hoque
Director

Signed as per our separate report of even date

Sd/-

Mahfel Huq & Co.
Chartered Accountants

Dhaka, 02 March 2020

Crystal Insurance Company Limited

Statement of Changes in Shareholders' Equity

For the year ended December 31, 2019

Particulars	Paid-up Capital	Reserve for Exceptional Losses	General Reserve	Investment Fluctuation Fund	P&L Appropriation a/c	Total
Balance on 1st January, 2019	240,000,000	277,082,253	5,500,000	1,194,312	32,180,451	555,957,016
Changes in fare value	-	-	-	(15,947,493)	-	(15,947,493)
Cash Dividend	-	-	-	-	(24,000,000)	(24,000,000)
Profit after tax	-	-	-	-	75,202,880	75,202,880
Reserve for Exceptional Losses	-	52,732,530	-	-	(52,732,530)	-
Provision for WPPF	-	-	-	-	(5,037,009)	(5,037,009)
General Reserve	-	-	1,000,000	-	(1,000,000)	-
Balance on 31st December, 2019	240,000,000	329,814,783	6,500,000	(14,753,181)	24,613,792	586,175,394

For the year ended December 31, 2018

Particulars	Paid-up Capital	Reserve for Exceptional Losses	General Reserve	Investment Fluctuation Fund	P&L Appropriation a/c	Total
Balance on 1st January, 2018	240,000,000	233,952,136	11,000,000	6,384,012	24,273,559	515,609,707
Changes in fare value	-	-	-	(5,189,700)	-	(5,189,700)
Cash Dividend	-	-	-	-	(16,800,000)	(16,800,000)
Profit after tax	-	-	-	-	62,337,008	62,337,008
Reserve transfer to Profit & Loss	-	-	(6,000,000)	-	6,000,000	-
Reserve for Exceptional Losses	-	43,130,117	-	-	(43,130,117)	-
Balance on 31st December, 2018	240,000,000	277,082,253	5,500,000	1,194,312	32,180,451	555,957,016

Sd/-

Mia Fazle Karim FCA
Chief Executive Officer

Sd/-

M.Mahfuzur Rahman, ACA
Chief Financial Officer

Sd/-

A.H.M. Mozammel Hoque
Director

Sd/-

Farhana Danesh
DirectorAbdullah-Al-Mahmud
Chairman

Signed as per our separate report of even date

Sd/-

Mahfel Huq & Co.
Chartered Accountants

Dhaka, 02 March 2020

Crystal Insurance Company Limited

Statement of Cash Flows

For the year ended 31 December, 2019

Sl. No.	Particulars	Notes	Amount in Taka	
			2019	2018 (Restated)
A.	Cash Flow from Operating Activities			
	Collection from premium	37.00	523,412,588	372,577,063
	Other Income (Restated)	38.00	77,213	44,275
	Management Expenses, Re-Insurance ,Claim & Agency Commission (Restated)	39.00	(369,175,828)	(294,214,315)
	Advance Expenses (Restated)	40.00	(14,113,056)	(17,376,390)
	Income Tax paid including TDS	41.00	(9,050,484)	(4,774,059)
	Net Cash Flow from Operating Activities		131,150,433	56,256,574
B.	Cash Flow from Investing Activities			
	Acquisition of Fixed Assets	42.00	(33,821,977)	(20,058,363)
	Advance against Office Premises	43.00	307,680	276,570
	Other Income(Restated)	24.00	1,630,935	1,732,644
	Sale of Fixed Assets	25.00	1,972,500	10,291,500
	Motor Vehicle Recovery (Restated)	40.00	2,400,000	-
	Interest Income including TDS	44.00	29,090,072	20,472,843
	Dividend from listed companies share including TDS	45.00	1,789,861	1,178,212
	Realised gain from listed companies share	46.00	2,647,642	8,063,929
	Investment in listed companies share	47.00	(7,209,995)	(23,617,338)
	Net Cash Used in Investing Activities		(1,193,282)	(1,660,003)
C.	Cash Flow from Financing Activities			
	Dividend Paid	48.00	(23,730,000)	(17,105,400)
	Net Cash Used in Financing Activities		(23,730,000)	(17,105,400)
	Increase in Cash and Cash Equivalents (A+B+C)		106,227,151	37,491,171
	Add: Cash and Cash Equivalents at the beginning		395,890,384	358,399,213
	Cash and Cash Equivalents at the end of the year	49.00	502,117,535	395,890,384
	Net Operating Cash Flows per share (NOCFPS)		5.46	2.34

The accompanying notes 1-49 form an integral parts of these financial statements

Sd/-

Mia Fazle Karim FCA
Chief Executive Officer

Sd/-

M.Mahfuzur Rahman ACA
Chief Financial Officer

Sd/-

Abdullah-Al-Mahmud
Chairman

Sd/-

Farhana Danesh
Director

Sd/-

A.H.M. Mozammel Hoque
Director

Signed in terms of our annexed report of even date.

Sd/-

Mahfel Huq & Co.
Chartered Accountants

Dhaka, 02 March 2020

Crystal Insurance Company Limited Consolidated Revenue Account For the year ended December 31,2019			
Particulars	Notes	Amount in Taka	
		2019	2018
Claims under policies less re-insurances		78,362,253	111,759,341
Claims paid during the year		168,603,483	98,825,680
Paid/Adjusted on PSB		1,060,347	9,887,514
Recovered/Adjusted on PSB		(797,447)	(8,920,262)
Recovered/Adjusted on reinsurance ceded		(23,302,208)	(12,231,320)
Claims outstanding at the end of the year		32,119,989	99,321,911
Claims outstanding at the end of the previous year		(99,321,911)	(75,124,182)
Agent Commission	26.00	78,510,309	56,257,734
Management Expenses	27.00	136,046,155	99,875,095
Stamp Duty		3,266	3,867
Balance of account at the end of the year		157,910,934	122,231,476
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)		157,910,934	122,231,476
@ 100% of premium income of the year (Marine Hull)			
Profit transferred to Profit and Loss Account		99,990,113	65,000,849
Total		550,823,030	455,128,362
Balance of Account at the beginning of the year		122,231,476	120,581,415
Premium less reinsurances		390,893,600	302,648,856
Premium underwritten		475,441,854	364,452,127
Premium on PSB		51,883,446	66,849,038
Reinsurance premium on PSB		(43,116,112)	(57,566,501)
Reinsurance premium ceded		(93,315,588)	(71,085,808)
Commission on reinsurances:		37,697,954	31,898,091
Commission earned on re-insurance ceded		31,316,349	23,618,614
Commission earned on PSB		6,381,605	8,279,477
Total		550,823,030	455,128,362
The accompanying notes 1-49 form an integral parts of these financial statements			
Sd/- Mia Fazle Karim FCA Chief Executive Officer	Sd/- M.Mahfuzur Rahman ACA Chief Financial Officer	Sd/- Abdullah-Al-Mahmud Chairman	
Sd/- Farhana Danesh Director	Sd/- A.H.M. Mozammel Hoque Director		
Signed as per our separate report of even date			
		Sd/- Mahfel Huq & Co. Chartered Accountants	
Dhaka, 02 March 2020			

Crystal Insurance Company Limited
Fire Insurance Revenue Account
For the year ended December 31, 2019

Particulars	Notes	Amount in Taka	
		2019	2018
Claims under policies less re-insurances		64,654,924	78,350,264
Claims paid during the year		129,837,217	73,248,832
Paid/Adjusted on PSB		350,330	1,392,160
Recovered/Adjusted on PSB		(326,796)	(1,021,261)
Recovered/Adjusted on reinsurance ceded		(23,302,208)	(5,510,816)
Claims outstanding at the end of the year		19,298,730	61,202,349
Claims outstanding at the end of the previous year		(61,202,349)	(50,961,000)
Agent Commission	26.00	35,399,954	24,604,945
Management Expenses	27.00	60,244,778	42,152,527
Stamp Duty		191.00	3,867.00
Balance of account at the end of the year			
as shown in the Statement of Financial Position being reserve for unexpired risks @ 40% of premium income of the year		63,295,852	49,513,474
Profit/(Loss) transferred to Profit and Loss Account		5,410,616	(8,048,702)
Total		229,006,315	186,576,375
Balance of Account at the beginning of the year		49,513,474	49,202,775
Premium less reinsurances		158,239,631	123,783,684
Premium underwritten		214,374,646	159,397,184
Premium on PSB		8,756,204	8,851,645
Reinsurance premium on PSB		(6,891,166)	(6,558,522)
Reinsurance premium ceded		(58,000,053)	(37,906,623)
Commission on reinsurances		21,253,210	13,589,916
Commission earned on re-insurance ceded		20,460,264	12,838,282
Commission earned on PSB		792,946	751,634
Total		229,006,315	186,576,375

The accompanying notes 1-49 form an integral parts of these financial statements

Sd/-	Sd/-	Sd/-
Mia Fazle Karim FCA	M.Mahfuzur Rahman ACA	Abdullah-Al-Mahmud
Chief Executive Officer	Chief Financial Officer	Chairman

Sd/-	Sd/-
Farhana Danesh	A.H.M. Mozammel Hoque
Director	Director

Signed as per our separate report of even date

Sd/-
Mahfel Huq & Co.
Chartered Accountants

Dhaka, 02 March 2020

Crystal Insurance Company Limited
Marine Cargo Insurance Revenue Account
For the year ended December 31,2019

Particulars	Notes	Amount in Taka	
		2019	2018
Claims under policies less re-insurances		7,926,892	25,621,473
Claims paid during the year		31,123,447	18,187,782
Paid/Adjusted on PSB		343,530	323,312
Recovered/Adjusted on PSB		(211,493)	(44,241)
Recovered/Adjusted on reinsurance ceded		-	(6,720,504)
Claims outstanding at the end of the year		9,062,358	32,390,950
Claims outstanding at the end of the previous year		(32,390,950)	(18,515,826)
Agent Commission	26.00	34,755,220	23,826,880
Management Expenses	27.00	59,836,171	41,358,127
Stamp Duty		-	-
Balance of account at the end of the year		73,405,808	51,168,460
as shown in the Statement of financial position being reserve for unexpired risks @ 40% of premium income of the year (Marine Cargo)		73,405,808	51,168,460
Profit/(Loss) transferred to Profit and Loss Account		71,670,497	47,223,338
Total		247,594,588	189,198,278
Balance of Account at the beginning of the year		51,168,460	48,912,750
Premium less reinsurances		183,514,520	127,921,151
Premium underwritten		210,470,279	154,356,684
Premium on PSB		17,778,330	15,751,307
Reinsurance premium on PSB		(13,502,947)	(11,853,164)
Reinsurance premium ceded		(31,231,142)	(30,333,676)
Commission on reinsurances		12,911,608	12,364,377
Commission earned on re-insurance ceded		10,211,019	10,079,090
Commission earned on PSB		2,700,589	2,285,287
Total		247,594,588	189,198,278

The accompanying notes 1-49 form an integral parts of these financial statements

Sd/-
Mia Fazle Karim FCA
 Chief Executive Officer

Sd/-
M.Mahfuzur Rahman ACA
 Chief Financial Officer

Sd/-
Abdullah-Al-Mahmud
 Chairman

Sd/-
Farhana Danesh
 Director

Sd/-
A.H.M. Mozammel Hoque
 Director

Signed as per our separate report of even date

Sd/-
Mahfel Huq & Co.
 Chartered Accountants

Dhaka, 02 March 2020

Crystal Insurance Company Limited
Marine Hull Insurance Revenue Account
For the year ended December 31,2019

Particulars	Notes	Amount in Taka	
		2019	2018
Claims under policies less re-insurances		1,049,494	1,057,892
Claims paid during the year		1,785,283	300,000
Paid/Adjusted on PSB		(6)	173,419
Recovered/Adjusted on PSB		-	(151,310)
Recovered/Adjusted on reinsurance ceded		-	-
Claims outstanding at the end of the year		-	735,783
Claims outstanding at the end of the previous year		(735,783)	-
Agent Commission	26.00	852,963	414,892
Management Expenses	27.00	1,454,919	713,795
Stamp Duty		-	-
Balance of account at the end of the year		2,589,156	1,953,223
as shown in the Statement of financial position being reserve for unexpired risks @ 100% of premium income of the year (Marine Hull)		2,589,156	1,953,223
Profit/(Loss) transferred to Profit and Loss Account		(933,115)	672,280
Total		5,013,417	4,812,082
Balance of Account at the beginning of the year		1,953,223	2,627,050
Premium less reinsurances		2,589,156	1,953,223
Premium underwritten		5,165,363	2,687,775
Premium on PSB		255,235	189,433
Reinsurance premium on PSB		(218,942)	(149,485)
Reinsurance premium ceded		(2,612,500)	(774,500)
Commission on reinsurances		471,038	231,809
Commission earned on re-insurance ceded		458,996	223,587
Commission earned on PSB		12,042	8,222
Total		5,013,417	4,812,082

The accompanying notes 1-49 form an integral parts of these financial statements

Sd/-	Sd/-	Sd/-
Mia Fazle Karim FCA	M.Mahfuzur Rahman ACA	Abdullah-Al-Mahmud
Chief Executive Officer	Chief Financial Officer	Chairman

Sd/-	Sd/-
Farhana Danesh	A.H.M. Mozammel Hoque
Director	Director

Signed as per our separate report of even date

Dhaka, 02 March 2020

Sd/-
Mahfel Huq & Co.
Chartered Accountants

Crystal Insurance Company Limited
Motor Insurance Revenue Account
For the year ended December 31, 2019

Particulars	Notes	Amount in Taka	
		2019	2018
Claims under policies less re-insurances		3,943,425	6,580,606
Claims paid during the year		5,627,553	7,089,066
Paid/Adjusted on PSB		51,578	130,347
Claims outstanding at the end of the year		1,808,901	3,544,607
Claims outstanding at the end of the previous year		(3,544,607)	(4,183,414)
Agent Commission	26.00	6,038,850	5,217,751
Management Expenses	27.00	10,323,780	8,985,792
Stamp Duty		2,559	-
Balance of account at the end of the year			
as shown in the Statement of financial position being reserve for unexpired risks @ 40% of premium income of the year		15,094,398	14,147,495
Profit/(Loss) transferred to Profit and Loss Account		16,480,476	15,769,106
Total		51,883,488	50,700,750
Balance of Account at the beginning of the year		14,147,495	15,258,639
Premium less reinsurances		37,735,993	35,368,737
Premium underwritten		36,570,003	33,801,942
Premium on PSB		2,115,990	2,502,156
Reinsurance premium on PSB		-	(188,607)
Reinsurance premium ceded		(950,000)	(746,754)
Commission on reinsurances		-	73,374
Commission earned on re-insurance ceded		-	73,374
Commission earned on PSB		-	-
Total		51,883,488	50,700,750

The accompanying notes 1-49 form an integral parts of these financial statements

Sd/-

Mia Fazle Karim FCA
Chief Executive Officer

Sd/-

M.Mahfuzur Rahman ACA
Chief Financial Officer

Sd/-

Abdullah-Al-Mahmud
Chairman

Sd/-

Farhana Danesh
Director

Sd/-

A.H.M. Mozammel Hoque
Director

Signed as per our separate report of even date

Sd/-

Mahfel Huq & Co.
Chartered Accountants

Dhaka, 02 March 2020

Crystal Insurance Company Limited
Miscellaneous Insurance Revenue Account
For the year ended December 31, 2019

Particulars	Notes	Amount in Taka	
		2019	2018
Claims under policies less re-insurances		787,518	149,106
Claims paid during the year		229,983	-
Paid/Adjusted on PSB		314,915	7,868,276
Recovered/Adjusted on PSB		(259,158)	(7,703,450)
Claims outstanding at the end of the year		1,950,000	1,448,222
Claims outstanding at the end of the previous year		(1,448,222)	(1,463,942)
Agent Commission	26.00	1,463,321	2,193,266
Management Expenses	27.00	4,186,507	6,664,854
Stamp Duty		516	-
Balance of account at the end of the year			
as shown in the Statement of financial position being reserve for unexpired risks @ 40% of premium income of the year		3,525,720	5,448,824
Profit/(Loss) transferred to Profit and Loss Account		7,361,640	9,384,827
Total		17,325,222	23,840,877
Balance of Account at the beginning of the year		5,448,824	4,580,201
Premium less reinsurances		8,814,300	13,622,061
Premium underwritten		8,861,563	14,208,542
Premium on PSB		22,977,687	39,554,497
Reinsurance premium on PSB		(22,503,057)	(38,816,723)
Reinsurance premium ceded		(521,893)	(1,324,255)
Commission on reinsurances		3,062,098	5,638,615
Commission earned on re-insurance ceded		186,070	404,281
Commission earned on PSB		2,876,028	5,234,334
Total		17,325,222	23,840,877

The accompanying notes 1-49 form an integral parts of these financial statements

Sd/-

Mia Fazle Karim FCA
Chief Executive Officer

Sd/-

M.Mahfuzur Rahman ACA
Chief Financial Officer

Sd/-

Abdullah-Al-Mahmud
Chairman

Sd/-

Farhana Danesh
Director

Sd/-

A.H.M. Mozammel Hoque
Director

Signed as per our separate report of even date

Sd/-

Mahfel Huq & Co.
Chartered Accountants

Dhaka, 02 March 2020

Crystal Insurance Company Limited (CICL)

FORM —XL

Statement showing details of re-insurance ceded and accepted by the CICL during the period ended 31st, December - 2019

Class of Business	Premium						Net Premium
	Received on			Paid on			
	Premium			ReInsurance Ceded Premium			
	Direct	PSB	Gross Premium	Own	PSB	Total	
Fire	214,374,646	8,756,204	223,130,850	58,000,053	6,891,166	64,891,219	158,239,631
Marine Cargo	210,470,279	17,778,330	228,248,609	31,231,142	13,502,947	44,734,089	183,514,520
Marine Hull	5,165,363	255,235	5,420,598	2,612,500	218,942	2,831,442	2,589,156
Motor	36,570,003	2,115,990	38,685,993	950,000	-	950,000	37,735,993
Misc.	8,861,563	22,977,687	31,839,250	521,893	22,503,057	23,024,950	8,814,300
Total	475,441,854	51,883,446	527,325,300	93,315,588	43,116,112	136,431,700	390,893,600

Class of Business	Commission						Net Commission
	Paid on			Received on			
	Agent Commission			Re-Insurance Ceded Commission			
	Direct	PSB	Total	Own	PSB	Total	
Fire	35,399,955		35,399,955	20,460,264	792,946	21,253,210	14,146,745
Marine Cargo	34,755,220		34,755,220	10,211,019	2,700,589	12,911,608	21,843,612
Marine Hull	852,963		852,963	458,996	12,042	471,038	381,925
Misc.	1,463,321		1,463,321	186,070	2,876,028	3,062,098	(1,598,777)
Total	78,510,309	-	78,510,309	31,316,349	6,381,605	37,697,954	40,812,355

Class of Business	Claim Paid						Net Claim
	Paid on			Received on			
	Claim			Re-Insurance Ceded			
	Direct	PSB	Total	Own	PSB	Total	
Fire	129,837,217	350,330	130,187,547	23,302,208	326,796	23,629,004	106,558,543
Marine Cargo	31,123,447	343,530	31,466,977		211,493	211,493	31,255,484
Marine Hull	1,785,283	(6)	1,785,277		-	-	1,785,277
Motor	5,627,553	51,578	5,679,131		-	-	5,679,131
Misc.	229,983	314,915	544,898		259,158	259,158	285,740
Total	168,603,483	1,060,347	169,663,830	23,302,208	797,447	24,099,655	145,564,175

Crystal Insurance Company Limited
FORM "AA"
Classified summary of assets as at 31st December, 2019

SL. NO.	Class of Assets	Amount (Tk)	Amount (Tk)	REMARKS
		2019	2018	
1	Investment (BGTB)	25,000,000	25,000,000	Realisable value
2	Investment in Share	45,087,619	53,825,117	Fair Value
3	Investment Property	37,414,897	39,569,906	W.D.V
4	Insurance Stamp	1,259,956	1,173,391	Cost
5	Fixed Deposit with Banks	470,550,000	358,600,000	Cost
6	Cash at Bank Balance	31,567,535	37,290,384	Realisable value
7	Interest Receivable Account	17,360,798	10,292,328	Realisable value
8	Amount Due from other person or bodies Carrying on Insurance Business	86,878,082	85,994,364	Realisable value
9	Sundry Debtors (Including Advance deposit & Prepayments)	30,018,904	28,080,557	Realisable value
10	Property, plant & equipments	298,748,116	293,457,012	W.D.V
11	Advance against land & office Space	12,000,000	12,000,000	At Cost
12	Deferred Tax Asset	-	7,043,809	At Cost
	Total	1,055,885,907	952,326,868	

Sd/-

Mia Fazle Karim FCA
Chief Executive Officer

Sd/-

M.Mahfuzur Rahman ACA
Chief Financial Officer

Sd/-

Abdullah-Al-Mahmud
Chairman

Sd/-

Farhana Danesh
Director

Sd/-

A.H.M. Mozammel Hoque
Director

Signed as per our separate report of even date

Sd/-

Mahfel Huq & Co.
Chartered Accountants

Dhaka, 02 March 2020

Crystal Insurance Company Limited
Notes to the Financial Statements
As at and for the year ended 31st December, 2019

1.00 General Information

1.01 Legal form of the Company

Crystal Insurance Company Limited (CICL) (the "Company") 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 2019 under review.

1.03 Reporting Period

The financial statements of the Company consistently cover one calendar year starting from 1st January to 31st December, 2019.

1.04 Date of Financial Statements Authorized for Issue

The Financial Statements of the company for the year ended December 31, 2019 were authorized for issue on 02 March, 2020 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 have been prepared on going concern and accrual basis under the historical cost convention. The preparation and presentation of the financial statements and the disclosure of information have been made in accordance with the Insurance Act 1938 (as amended in 2010), the Insurance Rules 1958 and in conformity with International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 1987, the listing rules of Dhaka Stock Exchange Limited and Chittagong Exchange Limited and other applicable laws & regulations in Bangladesh.

2.02 Status of compliance with IAS and IFRS

The Financial Reporting Standards that are applicable/not applicable for the financial statements for the year, include the following:

IAS 1	Presentation of Financial Statements	*
IAS 2	Inventories	N/A
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	Applied
IAS 16	Property, Plant and Equipment	Applied
IAS 19	Employee Benefits	Applied
IAS 20	Accounting for government grants and disclosure of governments assistance	N/A
IAS 21	The effect of change in foreign exchange rates	N/A
IAS 23	Borrowing cost	N/A
IAS 24	Related Party Disclosures	Applied
IAS 26	Accounting and Reporting by Retirement Benefit Plans	Applied
IAS 27	Consolidated and separate financial statements	N/A

IAS 32	Financial Instruments: Presentation	*
IAS 33	Earnings per Share	Applied
IAS 34	Interim Financial Reporting	Applied
IAS 36	Impairment of Assets	Applied
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	Applied
IAS 38	Intangible Assets	Applied
IAS 40	Investment Property	Applied
IAS 41	Agriculture	N/A
IFRS 2	Share based payment	N/A
IFRS 3	Business combination	N/A
IFRS 4	Insurance Contracts	*
IFRS 5	Non-currents assets held for sale and discontinued operation	N/A
IFRS 6	Exploration for and evaluation of mineral resources	N/A
IFRS 7	Financial instruments: disclosure	*
IFRS 8	Operating Segments	Applied
IFRS 9	Financial Instruments	*
IFRS 13	Fair Value Measurement	Applied
IFRS 16	Leases	Applied

* The management of Crystal Insurance Company Limited has followed the principles of IAS and IFRS consistently in the preparation of the financial statements to that extent as applicable and possible to Insurance Company and material departures have been explained in note 2.27.

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:

- a) Balance Sheet (Statement of Financial Position) as at December 31, 2019;
- b) Profit and Loss Account (Statement of Profit or Loss and other Comprehensive Income) for the year ended December 31 2019;
- c) Profit and Loss Appropriation Account for the year ended December 31, 2019;
- d) Statement of Changes in Equity for the year ended December 31, 2019;
- e) Statement of Cash Flows for the year ended December 31, 2019 and
- f) Consolidated Revenue Account for the year ended December 31, 2019;
- g) Fire Insurance Revenue Account for the year ended December 31, 2019;
- h) Marine Cargo Insurance Revenue Account for the year ended December 31, 2019;
- i) Marine Hull Insurance Revenue Account for the year ended December 31, 2019;
- j) Motor Insurance Revenue Account for the year ended December 31, 2019;
- k) Miscellaneous Insurance Revenue Account for the year ended December 31, 2019;
- l) Notes to the Financial Statements .

2.04 Going Concern

The accompanying financial statements have been prepared on a going concern basis, which contemplated the realization of assets and the satisfaction of liabilities in the normal course of business. The accompanying financial statements do not include any actual or proposed adjustments that would result in Crystal Insurance Company Limited being unable to continue as a going concern.

2.05 Revenue recognition

1. Premium is recognized when insurance policies are issued. The sum of premium income as appeared in classified Revenue Accounts is net of the refund made, Re-insurance ceded and Reinsurance premium on PSB.
2. The premium in respect of Company's share of Public Sector Insurance Business (PSB) is accounted for in the period in which the relevant statement is received from Shadharan Bima Corporation (SBC).
3. Amounts received against issue of Cover Notes, which have not been converted into Policy are recognized as income at the earlier of Cover Notes converted into Policy or after expiry of two years of cover Notes in accordance with SBC's circular.
4. Interest on Fixed Deposit Receipt (FDR), Account and bonds are recognized as revenue on accrual basis.
5. Income from marketable securities is accounted for at actual amount earned and received on its disposal.

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 about 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. 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 well 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 labor, 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 as an addition to asset 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-recognized.

iii) Depreciation

Depreciation is charged on straight line basis. Depreciation is charged on newly acquired assets from the date when asset is available for use in the manner intended by management. In case of disposal, depreciation charged up to the date of disposal. The rates of depreciation are furnished below;

<u>Category of Assets</u>	<u>Rate of Depreciation</u>
Furniture & Fixtures	10%
Office Equipment's	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-recognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset is included in the Profit and Loss Account (Statement of Profit or Loss and other Comprehensive Income in the year the asset is de-recognized).

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 indication exists.

2.10 Investment Property

Company's property, plant and equipment which are held to earn rental income have been classified as Investment Property as per IAS 40 and accounted for under cost model i.e., the asset is measured at cost less accumulated depreciation.

2.11 Investment in shares and securities

Company has invested in different types of financial assets. Investment in shares are recorded at fair value plus transaction cost. Investment Fluctuation Fund, accumulates or is adjusted for unrealized gains or losses. Realized income, gains, losses generated from the investments is credited to the Profit and Loss Account. Investment in FDR is recognized at cost and interest income from such FDR is recognized in Statement of Profit and Loss and Comprehensive Income on an accrual basis.

2.12 Employee Benefits

Crystal insurance Co. Ltd. offers a number of benefit plan for all permanent Employees of the company which includes Contributory Provident Fund, Workers Profit Participation Fund, Incentive Bonus, Gratuity, Group Life Scheme (GLS) and Car/Motor Cycle Loan Scheme which have been accounted for the accordance with the provision of international Accounting Standard IAS 19 (Employee Benefits).

(i) Provident Fund

Company operates a recognized provident fund. Permanent employees of the Company are eligible for the said provident fund. Employees of the Company contribute 10% (ten percent) of their basic salary and the employer makes a similar 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.

(ii) Group Insurance Policy

The company has been operating a group insurance policy for all its permanent employees for the family assistance after death of any employee's as per Group insurance Policy terms & condition.

(iii) Workers Profit Participation Fund (WPPF)

The Board of Directors of Crystal Insurance Company Limited in its 81st meeting held on 5 December, 2018 decided to introduce Workers' Profit Participation and Welfare Fund (WPPF) with effect from 1st January, 2019. 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.

(iv) Gratuity

The Company has initiated a funded gratuity scheme. The fund is in 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. When the fund is approved by NBR, CICL will start contribution to the fund and recognize it the financial statements.

2.13 Expenses and Taxes**i) Recognition of expenses**

All expenses relating to running of business are charged to Profit and Loss Account (Statement of Profit or Loss and other Comprehensive Income) on accrual basis.

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, is capitalized. Other borrowing costs are recognized as expenses.

2.14 Income tax

Income tax expense is recognized in the Profit and Loss Account (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 Statement of Financial Position date.

ii) Deferred tax assets / liabilities

Company recognizes deferred tax as per IAS-12 on the temporary difference between written down value of assets. Deferred tax has been included in current year accounts. Details are shown in Annexure-C.

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 General Reserve from profits is done on a lump sum basis as management deems fit. A general reserve is a reserve, which is created from appropriation of profits. The aim of creating a general reserve is to provide additional working capital or to strengthen the cash resources of the business out of profits and equalizing the rate of dividend in the years in which distributable profits are inadequate.

2.16 Allocation of total management expenses

Total related management expenses have been allocated among the different Revenue Accounts on pro-rata basis of their respective gross premium income.

2.17 Provisions relating to collection of premium

The company has complied with the section 18 of the Insurance Act, 1938 (as amended in 2010) as applicable in regard to provision of collection of premium.

2.18 Prohibition of Loans

Company has not granted any loan or temporary advance to any firm or company in which any director, auditor, officer, manager, actuary of the company or family member of these people has any interest as proprietor, partner, director, manager or managing agent without prior approval of the board of directors.

2.19 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.

2.20 Earnings per share (EPS)

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.

$$\text{EPS} = \frac{\text{Earnings attributable to ordinary shareholders}}{\text{Number of ordinary shares outstanding during the year}}$$

Net Profit Before Tax

Less : Provision for Income Tax

Less : Provision for Deferred Tax

Less : WPPF

Net Profit After Tax

Number of Ordinary Shares outstanding during the year

Earnings per share (EPS)

2019	2018
105,777,186	79,571,490
(17,485,073)	(10,998,368)
(13,089,233)	(6,236,114)
(5,037,009)	-
70,165,871	62,337,008
24,000,000	24,000,000
2.92	2.60

2.21 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 as per "International Accounting standard 24: Related party Disclosures". All transactions involving relating parties arising in normal course of business are conducted on an arm's length basis a commercial rates on the same terms and conditions as publishable to the third parties. Details of the related party transaction have been given in Note-29.

2.22 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.

2.23 Branch Accounting

Crystal Insurance Company Limited now has (32) thirty two branches with no overseas branch as of December 31, 2019. Accounts of the branches are maintained at the head office from which these financial statements are drawn up.

2.24 Employees Details:

During the year 2019, total 302 person are employed. Among them 204 employees are full-time and other 98 employees are on contractual basis. Information of the employees is given below:

No of employees' received salary more than Tk. 3,000/= per month	302	266
No of employees' received salary less than Tk. 3,000/= per month	Nil	Nil
No part time employees are employed in the company.		

2.25 Event after the reporting period**Proposed Dividend**

The proposed dividend is not recognized as a liability in the Statement of financial position in accordance with "IAS 10: Events after the reporting period". Dividend payable to the company's shareholders are recognized as a liability only when declared and the shareholders right to receive payment is established. The dividend proposed after the balance sheet date but before the financial statements are authorized for issue, is disclosed in the notes to the financial statement.

All material events occurring after the reporting period has been considered and where necessary, adjusted for or disclosed in the note: 28.

2.26 Leases: IFRS 16

"IFRS 16: Leases" effective from annual periods beginning on or after January 1, 2019 has changed how the lessee accounts for its operating lease contracts. The company leases a number of office space in addition to service sites. IFRS 16 requires all contracts that contain a lease to be recognized on the balance sheet as a right-of-use asset and lease liability by the lessee. Only certain short-term and low-value leases are exempted. In compliance with the standard, CICL has reviewed the lease agreements in place and concluded that the leased assets are either of low value or outstanding for less than 12 months. As per IFRS 16, the management has therefore elected to opt for the exemption paragraph in IFRS 16.

2.27 Disclosure of departures from few requirements of IFRS due to mandatory compliance of Insurance

- i) Gross general insurance premium comprise the total premium received for the whole period of cover provided by contracts entered into and reinsurance premium is deducted from gross premium to present net premium.
- ii) Insurance Act 1938 (as amended in 2010) has issued templates for financial statements which has to be followed by all general and life insurance companies. The templates neither include other comprehensive income (OCI) nor do the elements of other comprehensive income. As such the CICL does not prepare the other comprehensive income statement.
- iii) Investments in quoted shares and unquoted shares revalued at the year end at market price and as per book value of last audited Balance Sheet respectively. Provisions are created by netting off any unrealized gain/(loss) arising at the year end date as per industry practice which has been widely practice in insurance sector in Bangladesh. However as per requirements of IFRS 9 investment in shares falls either under "at fair value through profit and loss account" or under "fair value through other comprehensive income" where any change in the fair value at the year-end is taken to profit and loss account or other comprehensive income respectively.
- iv) General provision on insurance premium and re-insurance premium are created as per Insurance Act 1938 (as amended 2010) . However such general provision cannot satisfy the conditions as per IAS 37. At the year end the CICL has recognized provision of BDT 157,910,934 as balance of fund and liabilities in the balance sheet under liabilities.

2.28 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
Authorized Capital:

100,000,000 Ordinary shares of Tk.10.00 each

Amount in Taka	
2019	2018
1,000,000,000	1,000,000,000

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.

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.	Percentage
01. Abdullah Al-Mahmud	Chairman	4,000,000	40,000,000	16.67%
02. Abdullah Hasan	Director	4,000,000	40,000,000	16.67%
03. A.H.M. Mozammel Hoque	Director	800,000	8,000,000	3.33%
04. Tajul Islam	Director	900,000	9,000,000	3.75%
05. Shahzadi Begum	Director	800,000	8,000,000	3.33%
06. Farhana Danesh	Director	955,000	9,550,000	3.98%
07. Abdullah Al-Mamun	Director	800,000	8,000,000	3.33%
08. Farzana Munny	Director	800,000	8,000,000	3.33%
09. Arafat Rashid	Director	800,000	8,000,000	3.33%
11. Soera Zahir	Director	2,000,000	20,000,000	8.33%
12. Nabila Mahmud	Director	2,000,000	20,000,000	8.33%
13. Asoke Ranjan kapuria	Share Holder	1,200,000	12,000,000	5.00%
14. Iqbal Hasan Mahmood	Share Holder	375,000	3,750,000	1.56%
15. Sarah Hasien Mahmud	Share Holder	300,000	3,000,000	1.25%
16. Rubayet Tanvir Huda	Share Holder	270,000	2,700,000	1.13%
			240,000,000	100.00%

4.00 Reserve or Contingency Accounts

Reserve for exceptional Losses (Note 4.01)

Retained earnings (P&L App. A/C) (Restated)

Investment Fluctuation Fund (Note 4.02)

General Reserve (Note 4.03)

Total

Amount in Taka	
2019	2018
329,814,783	277,082,253
24,613,792	32,180,451
(14,753,181)	1,194,312
6,500,000	5,500,000
346,175,394	315,957,016

4.01 Reserve for Exceptional Losses

As per paragraph 6 of the Fourth Schedule of Income Tax Ordinance 1984, @ 10% of the gross premium has been transferred to reserve for exceptional losses. Calculations are given below:

Balance as on January 01, 2019

Add. Reserve made during the year

Total

277,082,253	233,952,136
52,732,530	43,130,117
329,814,783	277,082,253

Reserve for exceptional losses made during the year@ 10% on Gross Premium Tk. 52,732,530.00

Particulars	Gross Premium	% of exceptional Loss	Amount (Tk).	Amount (Tk).
Fire	223,130,850	10%	22,313,085	16,824,883
Marine Cargo	228,248,609	10%	22,824,861	17,010,799
Marine Hull	5,420,598	10%	542,060	287,721
Motor	38,685,993	10%	3,868,599	3,630,410
Misc	31,839,250	10%	3,183,925	5,376,304
Total	527,325,300		52,732,530	43,130,117

4.02 Investment Fluctuation Fund

Balance as on January 01.2019

Add: Adjustment during the Year

Balance as on December 31,2019

1,194,312	6,384,012
(15,947,493)	(5,189,700)
(14,753,181)	1,194,312

4.03 General Reserve

Balance as on January 01.2019

Less: Transfer to Profit & Loss Appropriation Account

Add: Reserve made during the Year

Balance as on December 31,2019

5,500,000	11,000,000
-	(6,000,000)
1,000,000	500,000
6,500,000	5,500,000

5.00 Balance of fund and accounts

Balance of fund and accounts consists of as follows:

Fire Insurance Revenue Account	63,295,852	49,513,474
Marine Insurance Revenue Account	73,405,808	51,168,460
Marine Hull Insurance Revenue Account	2,589,156	1,953,223
Motor Insurance Revenue Account	15,094,398	14,147,495
Misc. Insurance Revenue Account	3,525,720	5,448,824
Total	157,910,934	122,231,476

6.00 Deposit Premium

The below mentioned amount includes premium received against cover notes for which policies have not been issued within December 31, 2019. 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	152,877	2,081,202
Marine	68,744,760	17,735,567
Marine Hull	694,750	1,436,000
Motor	-	-
Misc	-	368,884
Total	69,592,387	21,621,653

6.01 Deposit Premium
Opening Balance as on 01.01.2019

Add: Premium Deposited/Collection during the year

Less: Premium Income as per policy during the year

Closing Balance as on 31.12.2019

21,621,653	13,496,717
523,412,588	372,577,063
(475,441,854)	(364,452,127)
69,592,387	21,621,653

6.02 Deferred Tax Liability/(Assets)

Written Down Value as per financial statements

Tax Base

Taxable Temporary Difference

Tax Rate

Deferred Tax Liability

336,163,013	333,026,918
321,049,453	350,636,440
15,113,560	(17,609,522)
40%	40%
6,045,424	(7,043,809)

7.00 Estimated liability in respect of Outstanding claims whether due or intimated

Fire.	19,298,730	61,202,349
Marine.	9,062,358	32,390,950
Marine hull	-	735,783
Motor.	1,808,901	3,544,607
Misc.	1,950,000	1,448,222
Total	32,119,989	99,321,911

All claims against which the Company received intimations within 31st December 2019 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

As per the quarterly statements received from SBC amount due to other persons or bodies carrying on insurance business is as follows:

Opening Balance as on 01.01.2019

Add: Payable

Less: Paid/Adjusted During the year

Amounts due to Saharan Bima Corporation

110,926,278	128,537,541
33,680,858	33,908,680
(11,797,094)	(51,519,943)
132,810,042	110,926,278

This is made up of the balance due to Saharan Bima Corporation (SBC) on account of re insurance arrangement.

9.00 Sundry Creditors

This is made up as follows :

A. Management Expense

Audit fees	700,000	350,000
Fuel & Lubricant	12,165	9,961
Office Rent	257,440	432,447
Press Release	-	178,500
Provident Fund	1,465,530	434,150
Postage & Revenue	14,133	21,360
Professional Fee	100,000	100,000
Salary & Allowances	8,277,042	6,051,068
Software Maintenance	-	60,480
Telephone Bill(Office)	-	22,142

Telephone Bill (Mobile & Res)	17,292	68,145
VAT at source	604,575	569,660
Tax at source	3,039,471	829,431
VAT on Office Rent	93,584	80,020
A. Total	14,581,232	9,207,364
B. Other payables		
Advance Deposit (Office Premises)	868,170	560,490
Dividend payable**	931,500	688,500
Office Equipment	-	59,000
Provision for Income Tax (Note 9.01)	38,573,512	25,642,604
Stamp Duty	6,404,751	3,722,475
Security Deposit (Open Policy)	80,000	80,000
VAT (December-2019) paid in January-2020	4,755,563	2,308,101
Total B	51,613,496	33,061,170
Total (A+B)	66,194,728	42,268,534

**This amount represent amount payable to one of the shareholders who had taken a loan from an NBFI. Due to non-payment of loan amount, the lender filed a writ application to Hon'ble High Court division and forwarded a copy of this to Crystal Insurance Company Limited requesting the company to not disburse any dividend until a settlement is reached.

9.01 Provision for Income Tax

This is made up as follows:

Opening Balance	25,642,604	22,572,029
Add: Provision for the year (Note 9.02) (Restated)	17,485,073	10,998,368
Less: Tax paid against assessment year 2019-2020 & adjustment previous year unadjusted balance	(4,554,165)	(7,927,793)
Total	38,573,512	25,642,604

The company introduced deferred tax from current year and appropriate adjustments were made to provision (e.g., reclassification of gains, assets etc.) resulting in restatement of prior year balances.

9.02 Provision of Income Tax for the year made up as follows

Profit before tax as per Profit and Loss account	105,777,186	79,571,490
Less: Reserve for Exceptional Loss	(52,732,530)	(43,130,117)
Less: Interest on National Investment Bond (Tax Free)	(2,308,400)	(2,308,400)
Less: Realised Gain on Investment in Shares	(2,647,642)	(8,063,929)
Less: Dividend Income	(1,789,861)	(1,178,212)
Less: Provision for WPPF	(5,037,842)	-
Less: Gain on sale of fixed Assets	-	(10,291,500)
Business Income	41,260,911	14,599,332
Add: Profit on dividend Income	1,789,861	1,178,212
Add: Realised Gain on Investment in Shares	2,647,642	8,063,929
Add: Interest on National Investment Bond (Tax Free)	2,308,400	2,308,400
Total Income	48,006,814	26,149,873
a) Tax on Business Income @40.00%	16,504,364	5,839,733
b) Tax on Realised Gain on Share @ 10%	264,764	806,393
c) Tax on Dividend income @ 20%	715,944	235,642
d) Tax on Gain on sale of fixed Assets @ 40%	-	4,116,600
Tax provision for the year	17,485,073	10,998,368

10.00 Provision for WPPF

Profit Before Tax & WPPF	105,777,186	-
Profit Before Tax (Profit before tax & WPPF/1.05)	100,740,177	-
Provision for WPPF (Profit before Tax & WPPF @ 5%)	5,037,009	-

11.00 Property, Plant and Equipment

Balance at the beginning of the year	403,892,405	179,931,495
Addition during the year (restated)	33,762,977	268,338,339
Sales/Disposal during the year	(5,450,000)	(44,377,429)
Balance at the year end	432,205,382	403,892,405
Accumulated Depreciation		
Balance at the beginning of the year (restated)	110,435,393	128,864,501
Addition during the year (restated)	26,499,373	25,948,321
Sales/Adjustment during the year	(3,477,500)	(44,377,429)
Balance at the year end	133,457,266	110,435,393
Written down value at the year end	298,748,116	293,457,012

Schedule for the detail of property, plant equipment is given in Annexure A (Fixed Assets Schedule)

12.00 Advance against land and office space					
Balance at the beginning of the year			12,000,000	275,926,900	
Addition during the year			-	-	
Less: Transfer to Investment Property (Office Space of Jessore)			-	(15,594,900)	
Less: Transfer to Land (Property, Plant & Equipment) (Note 11.01)			-	(43,980,000)	
Less: Transfer to Office Space (Property, Plant & Equipments)			-	(204,352,000)	
Total			12,000,000	12,000,000	
12.01 Transfer to land					
i) Office Space Dhaka (DR. Tower)			-	41,580,000	
ii) Office Space Jessore			-	2,400,000	
Total			-	43,980,000	
i) Land at Bashundhara: Tk.12,000,000					
The Company has booked a plot of land of 10 katha in the project of Basundhara Riverview Green Town at a total cost of Tk.12,000,000. The Company has paid the total amount of Tk.12,000,000. The registration process of this land is yet to be completed.					
13.00 Investments					
The amounts have been arrived at as under:					
Held to maturity (Note- 13.01)			25,000,000	25,000,000	
Investment in Share (Note - 13.02)			45,087,619	53,825,117	
Total			70,087,619	78,825,117	
13.01 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 2019 the Company held Tk.25,000,000.00 as Bangladesh Government Treasury Bond.					
13.02 Investment in Shares					
Investment in shares has been stated in the statement of financial position at market value as on 31 December 2019. Unrealised gain/loss is provided for in a separate fund called "Investment Fluctuation Fund".					
Total investment in shares of different public limited companies are furnished below:					
Changes in the Fair value of the share:					
Opening Balance on 01.01.2019 (Restated)			53,825,117	35,397,519	
Add: Investment during the year			11,526,635	21,614,454	
Less: Withdrawal during the year			(6,508,739)	-	
Add: Realised Gain			2,647,642	8,063,929	
Less: Closing Balance			(455,543)	(6,061,085)	
Less: Unrealised Loss			(15,947,493)	(5,189,700)	
Balance as on 31-12-2019			45,087,619	53,825,117	
Name of the company	No. of share as on 31.12.19	Avg. Cost or 31.12.2019	Value at costs as on 31.12.19	Fair Market Value as on 31.12.19	Fair Market Value as on 31.12.2018
ADNTEL	18968	30.00	569,040	569,040	569,040
ACTIVE FINE CERAMICS	-	-	-	-	3,384,000
BEX PHARMA	15000	82.78	1,241,764	1,041,000	-
BRACK BANK LTD	-	-	-	-	4,652,800
Bashundhara Paper Mills Ltd	-	-	-	-	1,811,169
COPPERTECH	4979	9.52	47,420	117,007	-
ESQUIRE NITE	10445	45.00	470,025	295,594	1,880,145
GENTEXIL	392	8.70	3,410	26,421	104,670
HFL	700000	23.86	16,703,820	11,060,000	-
HFL	496100	28.93	14,352,883	7,838,380	-
HAMID FABRICS LIMITED	-	-	-	-	27,749,520
IBP	-	-	-	-	9,143
INTRACO	-	-	-	-	7,129
KTL	-	-	-	-	280,071
ML DYEING	-	-	-	-	125,601
NEWLINE	4282	9.35	40,023	63,374	-
OMIEX Electrode limited	-	-	-	-	27,410
PTL	-	-	-	-	131,800
PIONEER INSURANCE	53000	35.07	1,858,609	1,812,600	-
QUEEN SOUTH TEXTILE MILLS LTD	-	-	-	-	112,547

RENETA	3700	1153.46	4,267,819	4,057,050	-
RUNNER AUTOMOBILES	3963	71.43	283,083	235,799	1,080,900
SEAPEARL	3916	9.52	37,300	161,731	-
SK TRIMS	-	-	-	-	256,780
SS STEEL	-	-	-	-	134,920
SUMIT POWER	-	-	-	-	591,000
SILCOPHL	4377	9.09	39,793	132,623	-
SILVA PHL	-	-	-	-	276,739
SINGER BD	30000	191.59	5,747,817	5,412,000	221,200
UPGDCL	50000	307.45	15,372,306	12,265,000	10,174,500
VFSTDL	-	-	-	-	244,032
Total Value			61,035,112	45,087,619	53,825,117

14.00 Investment Property

As per decision of the management 2,705.17 sqft. is recognized as investment property as per IAS 40, initially recognized at cost plus directly attributable cost to the asset.

Balance as on 01.01.2019

Add: Office Space (Jessore Branch)

Less: Depreciation during the year (Annexure A) (Restated)

39,569,906	26,130,015
-	15,594,900
2,155,009	2,155,009
37,414,897	39,569,906

Balance as on 31.12.2019
15.00 Deferred Tax Assets/(Liabilities)

Written Down Value of Assets As per Financial Statements

Written Down Value of Assets As per Tax Base

Taxable Temporary Difference

Tax Rate

Deferred Tax Assets/(Liabilities)

336,163,013	333,026,918
321,049,453	350,636,440
(15,113,560)	17,609,522
40%	40%
(6,045,424)	7,043,809

16.00 Insurance Stamps

Insurance Stamps

Total

1,259,956	1,173,391
1,259,956	1,173,391

17.00 Sundry Debtors (including advances, deposits and prepayments)

This is made up as follows :

Advance against office rent

Advance against office salary

Advance against Motor Vehicle (Restated)

Advance against IPO expenses

Advance deposit for land (Rajuk)

Advance against Income Tax (17.01)

Total

10,367,211	10,846,851
7,528,168	7,206,500
-	2,400,000
1,530,116	1,530,116
1,500,000	1,500,000
9,093,409	4,597,090
30,018,904	28,080,557

17.01 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

Paid Against Assessment Year-2019-2020

AIT for Tax appeal

Adjustment during the year

Total

4,597,090	7,750,824
2,751,927	1,843,523
545,000	475,000
357,972	235,642
2,000,000	2,219,894
3,395,585	-
(4,554,165)	(7,927,793)
9,093,409	4,597,090

Detailed breakdown of closing balance of Advance Income Tax (AIT) is given below:

Particulars	Income Year	Assessment Year	Amount (Tk)
AIT for Tax appeal (Appeal pending with High Court)	2007	2008-2009	1,067,925
AIT for Tax appeal	2010	2011-2012	975,000
AIT for Tax appeal	2011	2012-2013	1,128,210
AIT for Tax appeal	2012	2013-2014	913,320
AIT for Tax appeal	2013	2014-2015	1,354,055
Deduction at source:			
Deduction against Interest on FDR's & STD A/C			2,751,927
Advance Deposited against Vehicle			545,000
Deduction against Dividend on Share Investment			357,972
			9,093,409

18.00 Interest accrued but not due

Accrued interest on Fixed deposit Receipts (FDR's)

Accrued interest of National Investment Bond

Total

The amount represents interest accrued but not received during the year.

17,113,155	10,044,685
247,643	247,643
17,360,798	10,292,328

19.00 Amount due from other persons or bodies carrying on insurance businesses

The balance is made up as follows :

Receivable from Sadharan Bima Corporation (SBC)

Opening Balance as on 01.01.2019

Add: Receivable

Less: Received/Adjusted during the year

Amount due from Sadharan Bima Corporation

85,994,364	74,466,127
10,954,847	11,528,237
(10,071,129)	-
86,878,082	85,994,364

20.00 Cash and Bank Balances

Cash in Hand

BO account

Cash at Banks-STD Accounts

Cash at Banks on-CD Accounts

Total

231,729	2,818,141
455,543	6,061,085
29,612,902	25,164,988
1,267,361	3,246,170
31,567,535	37,290,384

21.00 Fixed Deposit Receipts (FDR) with Banks and NBFI's

AB Bank Ltd.

Agrani bank Ltd.

Al-Arafah Islami Bank Ltd.

Bangladesh Commerce Bank Ltd.

Bangladesh Krishi Bank Ltd.

Bank Asia Ltd.

Basic Bank Ltd.

Dhaka Bank Ltd.

Dutch Bangla bank Ltd.

Eastern Bank Ltd.

Exim Bank Ltd.

IFIC Bank Ltd.

Islami Bank Bangladesh Ltd.

Jamuna Bank Ltd.

Janata Bank Ltd.

Mercantile Bank Ltd.

Mutual Trust Bank Ltd.

NCC Bank Ltd.

National Bank Ltd.

One Bank Ltd.

Premier Bank Ltd.

Prime Bank Ltd.

Pubali Bank Ltd.

Rupali Bank Ltd.

Social Islami Bank Ltd.

Sonali bank Ltd.

Southeast Bank Ltd.

Standard Bank Ltd.

United Commercial bank Ltd.

Uttara Bank Ltd.

AB Bank Ltd.

Al-Arafah Islami Bank Ltd.

Bangladesh Commerce Bank Ltd.

Bangladesh Development Bank Ltd.

Bank Asia Ltd.

Basic Bank Ltd.

Brac Bank Ltd.

BD Finance Ltd.

Commercial Bank of Ceylon

Dhaka Bank Ltd.

Dutch Bangla bank Ltd.

Eastern Bank Ltd.

Exim Bank Ltd.

Padma Bank Ltd.

First Security Islami Bank Ltd.

500,000	500,000
500,000	500,000
2,000,000	2,000,000
1,000,000	1,000,000
1,000,000	1,000,000
4,500,000	4,500,000
500,000	500,000
2,500,000	2,500,000
1,000,000	1,000,000
2,000,000	2,000,000
3,200,000	3,200,000
3,000,000	3,000,000
1,500,000	1,500,000
1,000,000	1,000,000
500,000	500,000
2,100,000	2,100,000
2,500,000	2,500,000
1,300,000	1,300,000
5,500,000	5,500,000
1,000,000	1,000,000
200,000	200,000
3,300,000	3,300,000
1,000,000	1,000,000
4,500,000	4,500,000
1,500,000	1,500,000
500,000	500,000
2,000,000	2,000,000
300,000	300,000
200,000	200,000
400,000	400,000
14,500,000	16,500,000
9,600,000	10,600,000
10,800,000	4,800,000
1,500,000	500,000
18,000,000	11,500,000
8,500,000	3,500,000
1,500,000	500,000
-	500,000
1,000,000	-
8,500,000	6,000,000
500,000	500,000
2,500,000	500,000
16,300,000	11,300,000
-	500,000
7,000,000	1,500,000

ICB Islami Bank Ltd.	500,000	1,000,000
IFIC Bank Ltd.	11,900,000	13,900,000
IIDFC Ltd.	30,000,000	-
International Leasing	20,000,000	20,000,000
IPDC Finance Ltd.	2,000,000	-
Islami Bank Bangladesh Ltd.	11,700,000	8,500,000
Islamic Finance	20,000,000	25,000,000
Jamuna Bank Ltd.	8,150,000	5,400,000
LankaBangla Finance	500,000	10,500,000
Meghna Bank Ltd.	1,500,000	3,000,000
Mercantile Bank Ltd.	7,000,000	6,500,000
Modhumoti Bank Ltd.	1,000,000	1,000,000
Mutual Trust Bank Ltd.	19,000,000	18,000,000
National Bank Ltd.	4,300,000	1,300,000
NCC Bank Ltd.	9,100,000	3,100,000
NRB Bank Ltd.	4,000,000	500,000
NRB Commercial Bank Ltd.	7,500,000	3,000,000
NRB Global Bank Ltd.	500,000	500,000
One Bank Ltd.	4,500,000	2,000,000
Premier Bank Ltd.	14,500,000	10,500,000
Prime Bank Ltd.	9,700,000	7,700,000
Prime Finance and Investment Ltd.	10,000,000	10,000,000
Pubali Bank Ltd.	9,000,000	5,000,000
Rupali Bank Ltd.	4,500,000	4,000,000
SBAC Bank Ltd.	17,000,000	8,000,000
Shahjalal Islami Bank Ltd.	3,000,000	2,500,000
Social Islami Bank Ltd.	17,500,000	15,500,000
Southeast Bank Ltd.	10,200,000	7,200,000
Standard Bank Ltd.	24,800,000	16,800,000
The City Bank Ltd.	5,000,000	5,000,000
Trust Bank Ltd.	8,000,000	3,500,000
United Commercial bank Ltd.	8,000,000	4,000,000
Union Bank Ltd.	500,000	1,500,000
Union Capital Ltd.	9,500,000	10,000,000
Uttara Bank Ltd.	5,000,000	4,500,000
Total FDR as on 31.12.2019	470,550,000	358,600,000

Investment in FDR consists of FDR investment with Bank's and NBFI's Tk. 470.55 million as on 31st December 2019, which is readily convertible to cash at a short notice.

22.00 Depreciation

As per Fixed Assets Schedule (Note 10)	26,499,373	25,948,321
Depreciation of Investment Property (Note 13)	2,155,009	2,155,009
Total	28,654,382	28,103,330

23.00 Interest Income

Interest received on:		
FDR Accounts	26,240,656	17,852,358
STD Accounts	541,016	312,085
Government Treasury Bonds	2,308,400	2,308,400
	29,090,072	20,472,843

Less: Opening Accrued interest on:

FDR Accounts	10,044,685	5,946,554
Government Treasury Bond	247,643	247,643
	10,292,328	6,194,197

Add: Closing Accrued interest on:

FDR Accounts	17,113,155	10,044,685
Government Treasury Bond	247,643	247,643
	17,360,798	10,292,328

Total	36,158,542	24,570,974
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24.00 Other Income

Miscellaneous Income	39,043	20,431
Office Rent (Investment)	1,592,935	1,678,644
Garage Rent (Investment)	38,000	54,000
Service Charge Co Insurance & Refund Premium	38,170	23,844
Realized Gain from sale of listed companies share	2,647,642	8,063,929
Gross Dividend Income	1,789,861	1,178,212
Total	6,145,651	11,019,060

25.00 Gain from sale of assets

Sales Proceeds	1,972,500	10,291,500
Less: Written down value	(1,972,500)	-
Revenue Gain (Note 35)	-	10,291,500

26.00 Agent Commission

The Agent Commission have been made during the year 2019. Details are as follows:

Basis of allocation of Agent Commission

Particulars	Premium Income (Direct)	Expenses Ratio	Agent Commission	Agent Commission
Fire	214,374,646	45%	35,399,954	24,604,945
Marine	210,470,279	44%	34,755,220	23,826,880
Marine Hull	5,165,363	1%	852,963	414,892
Motor	36,570,003	8%	6,038,850	5,217,751
Misc.	8,861,563	2%	1,463,321	2,193,266
Total-	475,441,854	100%	78,510,309	56,257,734

Net Premium deposited as per schedule during the year ended 31 December 2019, was Tk. 523,412,588 and agents Commission paid on the net premium is Tk. 78,510,309.

27.00 Management Expenses (Note 27.01)

The management expenses incurred during the year 2019 are as follows:

27.01 Schedule of Management Expenses

This consists of the following :

Annual Conference & Picnic	276,800	519,200
Cable & Internet Bill	391,187	183,857
Car Allowance	6,598,704	3,405,000
Car Maintenance	617,674	461,122
Conveyance	1,069,767	647,461
Entertainment	918,217	692,781
Festival & Incentive Bonus	10,406,624	5,574,226
Fuel & Lubricant	159,751	294,115
Garage Rent	28,775	47,500
Gift & Tips	7,950	-
Inspection Fee	256,682	-
Insurance Premium	210,149	95,943
IPO Applied Expenses	12,000	198,000
Legal Expenses	132,250	233,800
Land Tax	2,625	-
Medical Allowance	-	50,112
Meeting Exp.	487,300	547,000
Misc. Expenses	3,000	6,963
Office Maintenance	442,257	221,604
Office Rent	7,441,559	6,850,635
Paper & Periodical Expenses	102,521	101,972
Employer's Contribution to PF	2,615,690	2,417,075
Postage & Revenue	665,136	331,619
Printing & Stationary	2,428,999	1,010,791
Professional Fee	-	118,500
Press Release	268,156	223,062
Software Maintenance	620,546	460,781
Scholarship	411,500	535,500
Water, Gas & Electrical Expenses	1,086,749	678,154
Salary & Allowance	88,637,586	64,859,667
Service Serge(Co-Ins)	200,898	179,609
Telephone (Mobile & Res)	1,071,207	814,428
Telephone (Office)	650,565	255,204
Training Fee	135,080	46,000
Travelling Allowance	423,397	298,799
VAT Paid (Office Rent)	1,007,161	960,240
Utility Bill	2,149,850	1,336,973
Wages	216,584	203,634
Management Expenses except PSB	132,154,896	94,861,327
Management Expenses (PSB)	3,891,259	5,013,768
Total	136,046,155	99,875,095

Class of Business.	Management Expenses			2019	2018
	Expenses against Direct Business	Expense Ratio(%)	PSB Business as per Statements shown by SBC	Total Management Expenses	Amount (Tk)
Fire	59,588,063	45%	656,715	60,244,778	42,152,527
Marine	58,502,796	44%	1,333,375	59,836,171	41,358,127
Marine Hull	1,435,776	1%	19,143	1,454,919	713,795
Motor	10,165,081	8%	158,699	10,323,780	8,985,792
Miscellaneous	2,463,180	2%	1,723,327	4,186,507	6,664,854
Total	132,154,896	100%	3,891,259	136,046,155	99,875,095

28.00 Events after the reporting period

The Board of directors proposed 12 % cash dividend for the year ended 31st December 2019 after the reporting period.

29.00 Related party disclosures

Crystal Insurance Company Ltd., in normal course of business, carried out of number of transactions with related parties (common directors) as per IAS 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 2019	Year-2019
				Claims paid in 2019
Mahin Apparels Ltd. Hamid Fabrics Ltd, Unit-I Hamid Fabrics Ltd, Unit-II Hamid Weaving Mills Ltd Tazrian Weaving Mills Ltd	Common Director	Insurance Premium & Claim Settlement	15,586,702	476,000
Total			15,586,702	476,000

Name of The related party	Relationship	Nature of Transaction	Premium Earned in 2018	Year-2018
				Claim paid 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 Premium & Claim Settlement	18,267,419	589,931
RG Traders N.K Motors Eagle Paribhan	Common Director	Insurance Premium & Claim Settlement	1,051,807	2,219,475
Total			19,319,226	2,809,406

30.00 VAT liability

The VAT liability amounting to Tk. 47,55,563 for the month of December-2019 was subsequently deposited with treasury in the month of January-2020 vide Challan No. T-148 and 149 and dated 09 January 2020.

31.00 Tax Assessment Position:

Details have been shown in the Annexure -B.

32.00 Key Management Personnel Compensation

The compensation of key management personnel of Crystal Insurance Company Limited were as follows:

Sl. No	Name of Employee	Short Term Employee Benefit	Post Employment Benefits	Other Long Term Benefits	Retirement/ Termination Benefits	Share Based Benefits
01	Mia Fazle Karim FCA Chief Executive Officer	Salary Tk. 36,00,000 Driver Salary Tk. 1,68,000 Mobile Tk. 60,000	No	No	No	No
02	S.M. Shahidullah Additional Managing Director and Company Secretary	Salary Tk. 15,66,000 Bonus Tk. 1,30,000 Incentive Bonus & WPPF depends on declaration of Profit	PF@ 10% of Basic Salary	Group Insurance	PF	No

03	M.Mahfuzur Rahman ACA DMD and Chief Financial Officer (CFO)	Salary Tk. 14,76,000 Bonus Tk. 1,20,000 Incentive Bonus & WPPF depends on declaration of Profit	PF@ 10% of Basic Salary	Group Insurance	PF	No
04	Abdullah Al- Mamun DMD (Head of Audit and Compliance)	Salary Tk. 12,96,000 Bonus Tk. 1,20,000 Incentive Bonus & WPPF depends on declaration of Profit	PF@ 10% of Basic Salary	Group Insurance	PF	No
5	Md. Kabir Hossain EVP and In Charge (U/W)	Salary Tk.9,27,400 Bonus Tk. 93,600 Incentive Bonus & WPPF depends on declaration of Profit	PF@ 10% of Basic Salary	Group Insurance	PF	No
6	Md.Abul Fazol (Tomal) EVP and In charge (C& RI)	Salary Tk.9,00,900 Bonus Tk. 93,600 Incentive Bonus & WPPF depends on declaration of Profit	PF@ 10% of Basic Salary	Group Insurance	PF	No

Key management personnel compensation included in management expenses and no other remuneration or special payment except as mentioned above was made to the key personnel during the year 2019.

33.00 Net Asset Value (NAV) per share

Assets

Investments (at cost)	70,087,619	78,825,117
Investment Property	37,414,897	39,569,906
Property, Plants & Equipment	298,748,116	293,457,012
Advance against land & Office Space	12,000,000	12,000,000
Amount due from other persons or bodies carrying on Insurance Business	86,878,082	85,994,364
Interest accrued but not due	17,360,798	10,292,328
Sundry Debtors	30,018,904	28,080,557
Cash in hand & Bank Balances with FDR	502,117,535	395,890,384
Insurance Stamp	1,259,956	1,173,391
Deferred Tax	-	7,043,809
Total Assets (A)	1,055,885,907	952,326,868

Liabilities

Balance of Funds & Accounts	157,910,934	122,231,476
Deposit Premium	69,592,387	21,621,653
Estimated liability in respect of outstanding claim whether due or intimated	32,119,989	99,321,911
Amount due to other persons or bodies carrying on Insurance Business	132,810,042	110,926,278
Sundry Creditors	66,194,728	42,268,534
Deferred Tax	6,045,424	-
Provision For WPPF	5,037,009	-
Total Liabilities (B)	469,710,513	396,369,852
Net Assets value (A-B)	586,175,394	555,957,016
Weighted average Number of Shares	24,000,000	24,000,000
Net Assets value per share(C/D)	24.42	23.16

34.00 Contingent Asset/Liability:**VAT liability:**

The Commissioner of Customs Excise & VAT Commissionerate, Dhaka (South), Dhaka vide their letter No. **4/gmK/8(207)/K/dm/vsPr/17, ZvL: 24/09/2017** demanded an amount of VAT Tk.2,933,948 and Interest amount Taka 1,173,579 for the year 2016. The Company has submitted necessary papers and documents vide letter No. **waABnGj/wi/vme/2017/3572 ZvL: 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 Appealed Tribunal of Customs, Excise & VAT and the Authority has not given any decision till date.

Liability for Income Tax:

Detailed breakdown is given in Annexure-B.

35.00 Other Relevant Information:

35.01 The Company has paid Tk. 414,000 (including VAT) to the Directors as Board Meeting attendance fee during the year 2019.

Director's Attendance Fees

Sl. No.	Name of Directors		Total Fees	Total Fees
			2019	2018
1	Abdullah Al-Mahmud	Chairman	40,000	34,000
2	Abdullah Hasan	Director	32,000	5,000
3	A.H.M. Mozammel Ho	Director	40,000	34,000
4	Tajul Islam	Director	40,000	34,000
5	Shahzadi Begum	Director	40,000	34,000
6	Farhana Danesh	Director	40,000	29,000
7	Soera Zahir	Director	24,000	26,000
8	Nabila Mahmud	Director	-	26,000
9	MS. Nusrat Mahmud	Director	24,000	-
10	Md. Arafgat Rashid	Director	8,000	-
11	Dr. M. Waliuzzaman	Independent Director	32,000	24,000
12	Kazi Nasim Uddin	Independent Director	40,000	24,000
Add: VAT			360,000	270,000
			54,000	40,500
Total			414,000	310,500

35.02 There was no credit facility for the year ended 31.12.2019 availed by the company under any contract other than trade credit available in normal course of business.

35.03 The Company neither incurred any expenses nor earned any income in foreign currency on account of royalty, technical expert & professional advisory fees, interest etc.

35.04 Previous years figures have been reorganized wherever necessary to conform to current years' presentation.

36.00 Restatements as per IAS 8: Accounting policies, changes in accounting estimates and errors

Property, plant and equipment and investment property: Due to an internal error, CICL overstated property, plant and equipment (Tk. 2.4 million) along with depreciation expenses (Tk. 0.36 million) and understated advance, deposit and prepayment (Tk. 2.4 million) and retained earnings (Tk. 0.36 million). These have now been adjusted accordingly. Additionally, excess depreciation on investment property (Tk. 4.9 million) for the year 2018 has now been amended and reflected accordingly in the financial statements.

Reclassification: Due to an internal error, Beneficiary Owners account balances was shown as investment and the balance was overstated by Tk 6 million and Tk 16 million in 2018 and 2017 respectively and cash and cash equivalents were understated by the same amount in the same years which have now been rectified.

Deferred Tax: From 2019, company has started recognizing deferred tax as per IAS-12 and the effects of that have now been reflected in the financial statements for the relevant years.

Revenue Gain: Company erroneously classified revenue gain Tk. 10.2 million as capital gain in the financial statements of 2018. This amount has been restated in Profit and Loss Account (Statement of Profit or Loss and other Comprehensive Income) for the year ended December 31, 2018 along with the tax provision for the year 2018 in Profit and Loss Account (Statement of Profit or Loss and other Comprehensive Income) for the year ended December 31, 2018

		Amount in Taka	
		2019	2018
37.00	Collection from premium		
	Premium Income (Consolidated Revenue Account Premium underwritten)	475,441,854	364,452,127
	Less : Deposit Premium - 2018 (Note 6)	(21,621,653)	(13,496,717)
	Add : Deposit Premium - 2019 (Note 6)	69,592,387	21,621,653
	Total	523,412,588	372,577,063
38.00	Other Income (Restated) (Note no.24)		
	Miscellaneous Income	39,043	20,431
	Service Charge Co-Insurance & refund premium income	38,170	23,844
	Total	77,213	44,275
39.00	Management Expenses, Claim, Re-Insurance		
	Management Exp. as per Consolidated Revenue Account (Note 27)	136,046,155	99,875,095
	Management Expenses Profit & Loss A/C Account	36,517,120	31,310,893
	Agent Commission as per Consolidated Revenue Account	78,510,309	56,257,734
	Claim Paid as per Consolidated Revenue Account	168,603,483	98,825,680
	Paid to SBC against Re-Insurance (Note no.8.00)	11,797,094	51,519,943
	Management expenses of PSB as per schedule (Note 27.00)	(3,891,259)	(5,013,768)
	Payable -2019 as per schedule	(14,581,232)	(9,207,364)
	Payable -2018 as per schedule	9,207,364	10,251,390
	Advance from Salary adjusted as per schedule (Note 40.00)	(12,082,332)	(9,104,500)
	Business Development Expenses (SBC)	(36,667)	(48,889)
	Advance Office Rent adjusted as per schedule (Note 40.00)	(2,188,696)	(2,348,569)
	Recovery from SBC (Note 19.00)	(10,071,129)	-
	Total Cash paid during the Year	369,175,828	294,214,315
40.00	Advance Expenses		
	A. Office Rent		
	Opening Balance as on 01.01.2019 (Note 17)	(10,846,851)	(11,379,030)
	Adjustment during the year	2,188,696	2,348,569
	Closing Balance as on 31.12.2019 (Note 17)	10,367,211	10,846,851
	Paid during the year	1,709,056	1,816,390
	B. Salary		
	Opening Balance as on 01.01.2019 (Note 17)	(7,206,500)	(3,151,000)
	Adjustment during the year	12,082,332	9,104,500
	Closing Balance as on 31.12.2019 (Note 17)	7,528,168	7,206,500
	Paid during the year	12,404,000	13,160,000
	C. Advance for motor vehicle	-	2,400,000
	Total (A+B+C)	14,113,056	17,376,390
41.00	Income Tax paid including TDS		
	Opening Balance as on 01.01.2019 (Note 17.01)	(4,597,090)	(7,750,824)
	Adjustment during the year	4,554,165	7,927,793
	Closing Balance as on 31.12.2019 (Note 17.01)	9,093,409	4,597,090
	Paid during the year	9,050,484	4,774,059

42.00 Acquisition of Fixed Assets (Note 11)		
Furniture & Fixtures	482,913	187,744
Office Equipments	662,561	818,330
Office Decoration	1,294,593	1,690,200
Sundry Assets	72,910	400,065
Decrease in payables (Note 9)	59,000	52,000
Motor Vehicles	31,250,000	16,910,000
Total	33,821,977	20,058,339
43.00 Advance deposit received from Investment Property (Note 9)	307,680	276,570
44.00 Interest Income		
Interest Income as per (Note 23)	36,158,542	24,570,974
Accrued Interest -2018 (Opening Balance)	10,292,328	6,194,197
Accrued Interest -2019 (Closing Balance)	(17,360,798)	(10,292,328)
Received during the year	29,090,072	20,472,843
45.00 Dividend received from in investment in shares	1,789,861	1,178,212
46.00 Realised gain from listed companies shares	2,647,642	8,063,929
47.00 Investment in listed companies share		
Realise Gain Reinvested	2,647,642	8,063,969
Share Investment (Note No.13.02)	11,526,635	21,614,454
Withdrwal	(6,508,739)	
BO account Balance	(455,543)	(6,061,085)
Total	7,209,995	23,617,338
48.00 Dividend Paid		
Dividend Paid during the year as per Profit & Loss App. A/C	24,000,000	16,800,000
Dividend Payable - 2019	(243,000)	(170,100)
Source tax Payable on Dividend - 2019	(2,400,000)	(1,680,000)
Tax at source paid on dividend	2,373,000	2,155,500
Total	23,730,000	17,105,400
49.00 Cash and cash equivalents:		
Opening FDR Balance as on 01.01.2019 (Note 21)	358,600,000	311,400,000
Add: New FDR during the year	170,500,000	47,200,000
Less: Encashment during the year	(58,550,000)	-
Closing Balance as on 31.12.2019 (Note 21)	470,550,000	358,600,000
Cash in Hand	231,729	2,818,141
STD Account	29,612,902	25,164,988
Closing Ledger Balance of BO account	455,543	6,061,085
CD Account	1,267,361	3,246,170
Cash/Bank Balance	31,567,535	37,290,384
Cash and Cash Equivalents at the end of the year	502,117,535	395,890,384

CRYSTAL INSURANCE COMPANY LIMITED
Corporate Office, DR Tower(14th Floor), 65/02/02, Box Culvert Road, Purana Paltan, Dhaka-1000
Property, Plant and Equipment as at December 31, 2019

Annexure-A

Sl No	PARTICULARS	COST				DEPRECIATION					Written Down value as on 31.12.2019	Written Down value as on 31.12.2018
		Balance as on 01-01-2019	Addition during the year	Disposal during the year	Total as on 31-12-2019	Rate of Dep.	Balance as on 01-01-2019	Depreciation during the year	Adjustment during the year	Total as on 31-12-2019		
1	Furniture & Fixtures	8,368,636	482,913		8,851,549	10%	6,645,222	460,007		7,105,229	1,746,320	1,723,414
2	Office Equipments	13,542,010	662,561		14,204,571	15%	10,936,244	981,095		11,917,339	2,287,232	2,605,766
3	Office Decoration	42,562,792	1,294,593		43,857,385	10%	25,769,023	3,469,160		29,238,183	14,619,202	16,793,769
4	Sundry Assets	6,159,596	72,910		6,232,506	20%	5,224,228	274,294		5,498,522	733,984	935,368
5	Motor Vehicles	50,976,000	31,250,000	(5,450,000)	76,776,000	20%	24,693,042	9,794,250	(3,477,500)	31,009,792	45,766,208	26,282,958
6	Office Space	230,411,335			230,411,335	5%	37,167,634	11,520,567		48,688,201	181,723,134	193,243,701
7	Land	51,872,036			51,872,036		-			-	51,872,036	51,872,036
TOTAL		403,892,405	33,762,977	(5,450,000)	432,205,382		110,435,393	26,499,373	(3,477,500)	133,457,266	298,748,116	293,457,012

Investment Property as at December 31, 2019

Sl No	PARTICULARS	COST				DEPRECIATION					Written Down value as on 31.12.2019	Written Down value as on 31.12.2018
		Balance as on 01-01-2019	Addition during the year	Disposal during the year	Total as on 31-12-2019	Rate of Dep.	Balance as on 01-01-2019	Depreciation during the year	Adjustment during the year	Total as on 31-12-2019		
1	Investment Property (Office Space - Agrabad)	27,505,279	-		27,505,279	5%	2,750,528	1,375,264		4,125,792	23,379,487	24,754,751
2	Investment Property (Office Space - Jashore)	15,594,900	-		15,594,900	5%	779,745	779,745		1,559,490	14,035,410	14,815,155
TOTAL		43,100,179	-	-	43,100,179		3,530,273	2,155,009	-	5,685,282	37,414,897	39,569,906

Sd/
Mia Fazle Karim FCA
 Chief Executive Officer

Sd/
M.Mahfuzur Rahman, ACA
 Chief Financial Officer

Sd/
A.H.M. Mozammel Hoque
 Director

Sd/
Farhana Danesh
 Director

Sd/
Abdullah-Al-Mahmud
 Chairman

Signed as per our separate report of even date

Sd/
Mahfel Huq & Co.
 Chartered Accountants

Dhaka, 02 March, 2020

CRYSTAL INSURANCE COMPANY LIMITED
Corporate Office, DR Tower(14th Floor), 65/02/02, Box Culvert Road, Purana Paltan, Dhaka-1000
Property, Plant and Equipment as at December 31, 2018 (Restated)

SL No.	Particular	Cost				Depreciation					Written down value as on 31.12.2018	Written down value as on 31.12.2017
		Balance as on 1-01-01-2018	Addition during the year	Disposal during the year	Total as on 31-12-2018	Rate of dep.	Balance as on 01-01-2018	Depreciation during the year	Disposal during the year	Total as on 31-12-2018		
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 Equipment	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	16,910,000	(44,377,429)	50,976,000	20%	60,475,287	8,595,184	(44,377,429)	24,693,042	26,282,958	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
	Total	179,931,495	268,338,339	(44,377,429)	403,892,405		128,864,501	25,948,321	(44,377,429)	110,435,393	293,457,012	51,066,994

Investment Property as at December 31, 2018

SI No	PARTICULARS	COST				DEPRECIATION					Written down value as on 31.12.2018	Written Down Value as on 31.12.2017
		Balance as on 01-01-2018	Addition during the year	Disposal during the year	Total as on 31-12-2018	Rate of Dep.	Balance as on 01-01-2018	Depreciation during the year	Adjustment during the year	Total as on 31-12-2018		
1	Investment Property (Office Space - Agrabad)	27,505,279	-		27,505,279	5%	1,375,264	1,375,264	-	2,750,528	24,754,751	26,130,015
2	Investment Property (Office Space - Jashore)	-	15,594,900		15,594,900	5%	-	779,745	-	779,745	14,815,155	-
	TOTAL	27,505,279	15,594,900	-	43,100,179		1,375,264	2,155,009	-	3,530,273	39,569,906	26,130,015

Sd/
Mia Fazle Karim FCA
Chief Executive Officer

Sd/
M.Mahfuzur Rahman, ACA
Chief Financial Officer

Sd/
A.H.M. Mozammel Hoque
Director

Sd/
Farhana Danesh
Director

Sd/
Abdullah-Al-Mahmud
Chairman

Signed as per our separate report of even date

Dhaka, 02 March, 2020

Sd/
Mahfel Huq & Co.
Chartered Accountants

Crystal Insurance Company Limited

Income Tax Assessment Position (up to 31.12.2019)

Annexure-B

Income Year	Asst.Year	Status
2007	2008-09	The tax authority assessed tax Tk. 1,33,66,504 with simple interest Tk. 18,55,449/- as per demand notice U/S 135. 1st & 2nd appeal completed. Further, Appeal has been filed to the Honourable 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 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 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 but appeal has been made against the learned CT (A) order to Taxes Appellate Tribunal. Status que order has been given by the learned 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 filed to the Taxes Appellate Division and Tribunal hearing has been completed. Appeal pending to the Honourable High court.
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 filed to the Taxes Appellate Division and Tribunal hearing has been completed. Appeal pending to the Honourable High court.
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 filed to the Taxes Appellate Division and Tribunal hearing has been completed. Appeal pending to the Honourable High court.
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 tax authority assessed tax tk. 4,78,62,942 with simple interest Tk. 61,34,490/- as per demand notice U/S 135 dated 27.06.2019. 1st Appeal pending to the learned CT (A).
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"
2018	2019-20	The Income Tax Return was submitted to Deputy commissioner of Taxes, Circle -Large Taxpayer Unit (LTU), Zone-LTU Dhaka U/S 82BB."

Crystal Insurance Company Limited

Calculation of Deferred Tax

Annexure-C

Deferred Tax on Fixed Assets	2017	2018	2019
Carrying Amount (Accounting Base)	77,197,009	333,026,918	336,163,013
Tax Base	108,443,885	350,636,440	321,049,453
Difference	31,246,876	17,609,522	(15,113,560)
Temporary Taxable Difference	31,246,876	17,609,522	(15,113,560)
Tax Rate	42.50%	40.00%	40.00%
Deferred Tax Assets /(Liabilities)	13,279,922	7,043,809	(6,045,424)
Income/ (Expenses) for the Year	13,279,922	(6,236,114)	(13,089,233)

(b) Information as is required under section 186 of the †Κνρúvwb AvBb,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

Crystal Insurance Company Limited
Auditors' certificate regarding calculation of EPS and other ratios

We have examined the following ratios of Crystal Insurance Company Limited ("the Company") as at and for the years ended 31 December 2019, 2018, 2017, 2016 and 2015 Based on the review, we certify that the Company has properly prepared the following EPS and other ratios using stated principles on the basis of audited consolidated and stand alone financial statements as at and for the years ended 31 December 2019, 2018, 2017, 2016 and 2015.

Ratios pertinent to the prospectus are as specified in rule 4 (1)(d) /Annexure D of the Securities and Exchange Commission (Public Issue) Rules, 2015.

Sl. No	Particulars	2019	2018	2017	2016	2015
1	Liquidity Ratio:					
	Current Ratio=	1.45	1.45	1.37	1.09	0.98
	<u>Current Assets</u>	682,722,894	575,256,141	517,010,248	391,711,085	338,868,462
	<u>Current Liability</u>	469,710,513	396,369,852	376,623,743	359,547,569	344,083,171
	Quick Ratio=	1.45	1.45	1.37	1.09	0.98
	<u>(Current Assets-Inventories)</u>	681,462,938	574,082,750	515,648,655	390,514,039	337,570,824
	<u>Current Liability</u>	469,710,513	396,369,852	376,623,743	359,547,569	344,083,171
	Times Interest Earned Ratio=	N/A	N/A	N/A	N/A	N/A
	Debt to Equity Ratio=	N/A	N/A	N/A	N/A	N/A
2	Operating Ratio:					
	Accounts Receivable Turnover Ratio=	6.07	5.02	5.49	6.05	6.49
	<u>Gross Premium</u>	527,325,300	431,301,165	408,661,693	390,354,116	365,324,258
	<u>Receivable</u>	86,878,082	85,994,364	74,466,127	64,515,732	56,292,736
	Inventory Turnover Ratio=	0.002	0.003	0.003	0.003	0.004
	<u>Inventory</u>	1,259,956	1,173,391	1,361,593	1,197,046	1,297,638
	<u>Gross Premium</u>	527,325,300	431,301,165	408,661,693	390,354,116	365,324,258
	Asset Turnover Ratio=	0.50	0.45	0.46	0.52	0.56
	<u>Gross Premium</u>	527,325,300	431,301,165	408,661,693	390,354,116	365,324,258
	<u>Total Assets</u>	1,055,885,907	952,326,868	892,233,450	754,229,506	656,349,855
3	Profitability Ratios:					
	Gross Margin Ratio=	18.96%	15.07%	17.92%	13.45%	13.34%
	<u>Gross Profit</u>	99,990,113	65,000,849	73,221,973	52,485,536	48,719,763
	<u>Gross Premium</u>	527,325,300	431,301,165	408,661,693	390,354,116	365,324,258
	Operating profit Ratio=	12.04%	7.81%	7.84%	8.33%	7.12%
	<u>Operating Profit</u>	63,472,993	33,689,956	32,025,141	32,519,610	25,996,264
	<u>Gross Premium</u>	527,325,300	431,301,165	408,661,693	390,354,116	365,324,258
	Net profit Ratio=	13.31%	14.45%	15.24%	11.59%	11.21%
	<u>Net Profit after tax</u>	70,165,871	62,337,008	62,280,980	45,228,031	40,970,036
	<u>Gross Premium</u>	527,325,300	431,301,165	408,661,693	390,354,116	365,324,258
	Return on Asset Ratio=	6.65%	6.55%	6.98%	6.00%	6.24%
	<u>Net Profit after tax</u>	70,165,871	62,337,008	62,280,980	45,228,031	40,970,036
	<u>Total Assets</u>	1,055,885,907	952,326,868	892,233,450	754,229,506	656,349,855
	Return on Equity Ratio=	11.97%	11.21%	12.08%	11.46%	13.12%
	<u>Net Profit after tax</u>	70,165,871	62,337,008	62,280,980	45,228,031	40,970,036
	<u>Shareholders Equity</u>	586,175,394	555,957,016	515,609,707	394,681,937	312,266,684
	Earnings per share Ratio(EPS)=	2.92	2.60	2.60	7.54	6.83
	<u>Net Profit after tax</u>	70,165,871	62,337,008	62,280,980	45,228,031	40,970,036
	<u>No. of share</u>	24,000,000	24,000,000	24,000,000	6,000,000	6,000,000
	EBITDA Margin (Profit before interest, depreciation & tax)=	24.54%	24.97%	19.66%	16.65%	15.57%
	<u>EBITDA</u>	129,394,559	107,674,820	80,329,458	64,997,762	56,888,754
	<u>Gross Premium</u>	527,325,300	431,301,165	408,661,693	390,354,116	365,324,258
4	Coverage Ratios:					
	Debt to total Assets Ratio=	0.30	0.29	0.29	0.32	0.35
	<u>Debt</u>	311,759,579	274,138,376	256,042,328	241,314,079	232,744,852
	<u>Total Assets</u>	1,055,885,907	952,326,868	892,233,450	754,229,506	656,349,855
	Debt Service Coverage Ratio=	N/A	N/A	N/A	N/A	N/A
5	Cash Flow:					
	Net Operating Cash Flow per share=	5.46	2.34	2.56	8.23	9.65
	<u>Net Operating Cash Flow</u>	131,150,433	56,256,574	61,419,525	49,378,720	57,890,388
	<u>No. of share</u>	24,000,000	24,000,000	24,000,000	6,000,000	6,000,000
	Net Operating Cash Flow per share/EPS	1.87	0.90	0.99	1.09	1.41
	<u>Net Operating Cash Flow per share</u>	5.46	2.34	2.56	8.23	9.65
	<u>EPS</u>	2.92	2.60	2.60	7.54	6.83

The above balance is certified on the basis of books of accounts; records are other supporting documents for the period from 01 January 2015 to 31 December 2019.

Sd/-
Mahfel Huq & Co.
Chartered Accountants

Dhaka, 19 July 2020

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. No.	Name of the Ratio	2019		2018		2017		2016		2015	
		CICL	Industry Avg.	CICL	Industry Avg.	CICL	Industry Avg.	CICL	Industry Avg.	CICL	Industry Avg.
1. Liquidity Ratios											
1	Current Ratio (Times)	1.45	1.54	1.45	1.90	1.37	1.97	1.09	1.92	0.98	2.09
2	Quick Ratio	1.45	1.54	1.45	1.90	1.37	1.97	1.09	1.92	0.98	2.08
2. Operating Efficiency Ratios											
1	Accounts Receivable Turnover Ratio	6.07	2.53	5.02	2.99	5.49	3.59	6.05	4.70	6.49	6.62
2	Inventory Turnover Ratio	0.002	0.002	0.003	0.002	0.003	0.003	0.003	0.003	0.004	0.002
3	Asset Turnover Ratio	0.50	0.42	0.45	0.40	0.46	0.39	0.52	0.44	0.56	0.45
3. Profitability Ratios											
1	Gross Margin Ratio	18.96%	12.43%	15.07%	11.53%	17.92%	11.23%	13.45%	10.21%	13.34%	9.32%
2	Operating Profit Ratio	12.04%	7.96%	7.81%	6.97%	7.84%	6.33%	8.33%	5.56%	7.12%	4.54%
8	Net Profit Ratio	13.31%	11.69%	14.45%	10.86%	15.24%	10.73%	11.59%	9.56%	11.21%	8.67%
4	Return on Assets	6.65%	4.94%	6.55%	4.33%	6.98%	4.18%	6.00%	4.22%	6.24%	3.93%
5	Return on Equity Ratio	11.97%	8.76%	11.21%	7.18%	12.08%	6.51%	11.46%	6.67%	13.12%	5.93%
6	Earning Per Share (EPS) (Tk.)	2.92	3.85	2.60	3.37	2.60	3.19	7.54	2.80	6.83	2.54
7	EBITDA margin	24.54%	16.84%	24.97%	15.73%	19.66%	15.70%	16.65%	14.36%	15.57%	13.67%
4. Solvency Ratios											
1	Debt to Total Assets Ratio	0.30	0.33	0.29	0.30	0.29	0.26	0.32	0.26	0.35	0.23
2	Debt to Equity Ratio	N/A	0.01	N/A	0.01	N/A	0.02	N/A	0.02	N/A	0.02
3	Time Interest Earned Ratio	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4	Debt Service Coverage Ratio	N/A	1.29	N/A	1.69	N/A	1.50	N/A	1.73	N/A	4.98
5. Cash Flow Ratios											
1	Net Operating Cash Flow per Share (NOCFPS)	5.46	2.70	2.34	2.67	2.56	1.31	8.23	0.73	9.65	1.19
2	NOCFPS to EPS Ratio	1.87	0.75	0.90	0.87	0.99	0.53	1.09	0.40	1.41	0.52

To compare ratio between Crystal Insurance Company limited and industry, we consider five companies among insurance sector. Green Delta Insurance Company Ltd, Reliance Insurance Limited, Pioneer Insurance Company Ltd., Islami Insurance Bangladesh Ltd. and Bangladesh General Insurance Company Ltd. all are non-life homogeneous insurance companies.

(d) Auditors report under Section 135(1), Paragraph 24(1) of Part II of Schedule III of the \dagger Kvóúvw AvBb, 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, 2015 to December 31, 2019 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 Limited					
Balance Sheet (Statement of Financial Position)					
As at December 31, 2019, 2018, 2017, 2016, 2015					
Particulars	Amount in Taka				
	2019	2018	2017	2016	2015
Shareholders' Equity & Liabilities					
Shareholders' Equity					
Authorised Capital	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
100,000,000 Ordinary shares of Tk.10 each					
Issued, Subscribed and Paid up Capital	240,000,000	240,000,000	240,000,000	60,000,000	60,000,000
24,000,000 Ordinary share of Tk. 10 each fully paid up					
Reserve & Surplus	346,175,394	315,957,016	275,609,707	334,681,937	252,266,684
Reserve for Exceptional Losses	329,814,783	277,082,253	233,952,136	193,085,967	154,050,555
Profit & Loss Appropriation Account*	24,613,792	32,180,451	24,273,559	40,558,748	41,866,129
Share money deposit	-	-	-	88,000,000	47,350,000
Investment Fluctuation Fund	(14,753,181)	1,194,312	6,384,012	2,537,222	-
General Reserve	6,500,000	5,500,000	11,000,000	10,500,000	9,000,000
Total Shareholders' Equity	586,175,394	555,957,016	515,609,707	394,681,937	312,266,684
Liabilities and Provisions					
Balance of fund and accounts	157,910,934	122,231,476	120,581,415	118,233,490	111,338,319
Fire Insurance Revenue Account	63,295,852	49,513,474	49,202,775	47,415,832	49,742,293
Marine Insurance Revenue Account	73,405,808	51,168,460	48,912,750	47,110,302	39,128,741
Marine Hull Insurance Revenue Account	2,589,156	1,953,223	2,627,050	-	-
Motor Insurance Revenue Account	15,094,398	14,147,495	15,258,639	14,103,630	15,176,544
Misc. Insurance Revenue Account	3,525,720	5,448,824	4,580,201	9,603,726	7,290,741
Deposit Premium	69,592,387	21,621,653	13,496,717	11,535,948	24,033,492
Deferred Tax Liability	6,045,424	-	-	-	-
Estimated liability in respect of Outstanding claims whether due or estimated	32,119,989	99,321,911	75,124,182	52,835,149	41,445,271
Amounts due to other persons or bodies carrying on insurance business:	132,810,042	110,926,278	128,537,541	132,436,165	116,476,268
Sundry Creditors	66,194,728	42,268,534	38,883,888	44,506,817	50,789,821
Provision for WPPF	5,037,009	-	-	-	-
Total Liabilities and Provisions	469,710,513	396,369,852	376,623,743	359,547,569	344,083,171
Total Shareholders' Equity & Liabilities	1,055,885,907	952,326,868	892,233,450	754,229,506	656,349,855
NAV (Net Assets Value)	24.42	23.16	21.48	65.78	52.04
Crystal Insurance Company Limited					
Balance Sheet (Statement of Financial Position)					
As at December 31, 2019, 2018, 2017, 2016, 2015					
Particulars	Amount in Taka				
	2019	2018	2017	2016	2015
Property and Assets					
Non-Current assets	418,250,632	430,895,844	426,801,350	374,454,309	326,816,927
Property, Plant and Equipment	298,748,116	293,457,012	51,066,994	64,185,142	70,400,114
Advance against land & office Space	12,000,000	12,000,000	275,926,900	261,828,000	210,576,000
Investments	70,087,619	78,825,117	60,397,519	20,935,888	18,335,534
Investment Property	37,414,897	39,569,906	26,130,015	27,505,279	27,505,279
Deferred Tax Assets	-	7,043,809	13,279,922	-	-
Current assets	135,517,740	125,540,640	107,032,887	98,484,792	90,479,012
Insurance Stamps	1,259,956	1,173,391	1,361,593	1,197,046	1,297,638
Sundry Debtors (including advances, deposits and prepayments)	30,018,904	28,080,557	25,010,970	27,675,500	27,132,864
Interest receivable account	17,360,798	10,292,328	6,194,197	5,096,514	5,755,774
Amount due from other persons or bodies carrying on insurance business:	86,878,082	85,994,364	74,466,127	64,515,732	56,292,736
Cash and Cash Equivalents	502,117,535	395,890,384	358,399,213	281,290,405	239,053,916
Cash in hand	231,729	2,818,141	2,723,455	1,890,970	2,449,045
Cash In BO A/c	455,543	6,061,085	16,180,629	-	-
Cash and Bank Balances	29,612,902	25,164,988	23,387,680	106,187,601	70,631,882
Cash at Banks on CD accounts	1,267,361	3,246,170	4,707,449	5,661,834	1,222,989
Fixed Deposit Receipt (FDR) with Banks	470,550,000	358,600,000	311,400,000	167,550,000	164,750,000
Total Assets	1,055,885,907	952,326,868	892,233,450	754,229,506	656,349,855
NAV (Net Assets Value)	24.42	23.16	21.48	65.78	52.04
Sd/-					
Dhaka, 19 July 2020				Mahfel Huq & Co.	
				Chartered Accountants	

Crystal Insurance Company Limited					
Profit and Loss Account (Statement of Profit or Loss and other Comprehensive Income)					
For the year ended December 31, 2019,2018,2017,2016,2015					
Particulars	Amount in Taka				
	2019	2018	2017	2016	2015
Expenses of management	36,517,120	31,310,893	41,196,832	19,965,926	22,723,499
(Not applicable to any particular fund or account)					
Advertisement & Publicity	882,657	170,350	129,066	434,525	125,270
Audit fees	405,000	400,000	300,000	275,000	230,000
Bank Charges	468,721	351,130	387,755	483,164	325,023
Credit Rating Fee	223,850	150,000	-	-	-
Excise Duty	522,917	402,321	266,300	237,494	211,576
Depreciation	28,654,382	28,103,330	26,533,231	14,497,900	12,664,204
Director's meeting attendance fees	414,000	310,500	150,000	115,000	135,000
Donation & Subscription Fees and Charges	2,694,000	230,500	269,000	956,212	621,000
Bangladesh Insurance Association	100,000	100,000	300,000	200,000	-
Business Development Expenses (SBC)	36,667	48,889	42,222	40,000	40,000
Loss on Share transaction	-	-	-	-	6,162,335
Renewal & Registration	2,114,926	1,043,873	12,819,258	2,726,631	2,209,091
Profit transferred to profit & loss appropriation account	105,777,186	79,571,490	53,796,227	50,499,862	44,224,550
Total	142,294,306	110,882,383	94,993,059	70,465,788	66,948,049
Profit/(Loss) transferred from:	99,990,113	65,000,849	73,221,973	52,485,536	48,719,763
Fire	5,410,616	(8,048,702)	(13,373,328)	(13,705,989)	(27,751,174)
Marine Cargo	71,670,497	47,223,338	61,878,146	43,313,654	63,118,291
Marine Hull	(933,115)	672,280	-	-	-
Motor	16,480,476	15,769,106	14,322,865	11,489,951	7,446,618
Miscellaneous	7,361,640	9,384,827	10,394,290	11,387,920	5,906,028
Interest Income	36,158,542	24,570,974	18,061,968	15,745,306	17,682,494
Other Income	6,145,651	11,019,060	3,709,118	2,234,946	545,792
Gain from sale of Assets	-	10,291,500	-	-	-
Total	142,294,306	110,882,383	94,993,059	70,465,788	66,948,049
				Sd/-	
				Mahfel Huq & Co.	
Dhaka, 19 July 2020				Chartered Accountants	

Crystal Insurance Company Limited					
Profit and Loss Appropriation Account					
For the year ended 31 December, 2019,2018,2017,2016,2015					
Particulars	Amount in Taka				
	2019	2018	2017	2016	2015
Opening balance of Appropriation Account	32,180,451	24,273,559	40,558,748	41,866,129	44,928,519
Net Profit for the year brought down	105,777,186	79,571,490	53,796,227	50,499,862	44,224,550
Transfer from General Reserve	-	6,000,000	-	-	-
Total	137,957,637	109,845,049	94,354,975	92,365,991	89,153,069
	113,343,845	77,664,599	70,081,416	51,807,243	47,286,940
Reserve for Exceptional Losses	52,732,530	43,130,117	40,866,169	39,035,412	36,532,426
General Reserve during the year	1,000,000	500,000	500,000	1,500,000	1,500,000
Provision for Companies Income Tax	17,485,073	10,998,368	4,795,169	5,271,831	3,254,514
Provision for WPPF	5,037,009	-	-	-	-
Provision for deferred tax expenses/(Income)	13,089,233	6,236,114	(13,279,922)	-	-
Dividend paid from last year profit	24,000,000	16,800,000	37,200,000	6,000,000	6,000,000
Balance transferred to balance sheet	24,613,792	32,180,451	24,273,559	40,558,748	41,866,129
Total	137,957,637	109,845,049	94,354,975	92,365,991	89,153,069
EPS Basic	2.92	2.60	2.60	7.54	6.83
EPS (Restated)	2.92	2.60	3.01	5.03	4.55
**EPS (Adjusted)	2.92	2.60	2.60	1.88	1.71
**EPS (Adjusted)for all the years is calculated considering the latest outstanding number of share i.e 24,000,000					
				Sd/-	
				Mahfel Huq & Co.	
Dhaka, 19 July 2020				Chartered Accountants	

Statement of Cash Flows

For the year ended 31 December, 2019, 2018, 2017, 2016, 2015

Page | 279

Crystal Insurance Company Limited					
Consolidated Revenue Account					
For the year ended 31 December, 2019,2018,2017,2016,2015					
Particulars	Amount in Taka				
	2019	2018	2017	2016	2015
Claims under policies less re-insurances:	78,362,253	111,759,341	91,180,269	98,612,007	72,106,267
Claims paid during the year	168,603,483	98,825,680	87,930,392	94,817,041	48,695,639
Paid/Adjusted on PSB	1,060,347	9,887,514	16,810,307	652,388	-
Recovered/Adjusted on PSB	(797,447)	(8,920,262)	(15,496,716)	(11,714,272)	-
Recovered/Adjusted on reinsurance ceded	(23,302,208)	(12,231,320)	(20,352,747)	3,466,972	-
Claims outstanding at the end of the year	32,119,989	99,321,911	75,124,182	52,835,149	41,445,271
Claims outstanding at the end of the previous year	(99,321,911)	(75,124,182)	(52,835,149)	(41,445,271)	(18,034,643)
Agent Commission	78,510,309	56,257,734	54,066,290	50,447,357	48,130,429
Management Expenses	136,046,155	99,875,095	101,772,281	106,105,439	116,594,002
Stamp Duty	3,266	3,867	4,433	3,329	4,455
Balance of account at the end of the year	157,910,934	122,231,476	120,581,415	118,233,490	111,338,319
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) @ 100% of premium income of the year (Marine Hull)	157,910,934	122,231,476	120,581,415	118,233,490	111,338,319
Profit transferred to Profit and Loss Account	99,990,113	65,000,849	73,221,973	52,485,536	48,719,763
Total	550,823,030	455,128,362	440,826,661	425,887,158	396,893,235
Balance of Account at the beginning of the year	122,231,476	120,581,415	118,233,490	111,338,319	106,785,691
Premium less reinsurances:	390,893,600	302,648,856	297,512,962	292,593,856	275,738,766
Premium underwritten	475,441,854	364,452,127	359,687,970	347,897,622	275,738,766
Premium on PSB	51,883,446	66,849,038	48,973,723	42,456,494	
Reinsurance premium on PSB	(43,116,112)	(57,566,501)	(40,102,748)	(35,206,000)	
Reinsurance premium ceded	(93,315,588)	(71,085,808)	(71,045,983)	(62,554,260)	
Commission on reinsurances:	37,697,954	31,898,091	25,080,209	21,954,983	14,368,779
Commission earned on re-insurance ceded	31,316,349	23,618,614	18,974,700	16,432,871	14,368,779
Commission earned on PSB	6,381,605	8,279,477	6,105,509	5,522,112	
Total	550,823,030	455,128,362	440,826,661	425,887,158	396,893,236
				Sd/-	
				Mahfel Huq & Co.	
Dhaka, 19 July 2020				Chartered Accountants	

AUDITOR'S ADDITIONAL DISCLOSURES RELATED TO SECTION 135

Financial Statements for the years ended 31 December 2018 & 2017 has been restated as per IAS-8.

Contingent Liability (VAT Payable):

The Commissioner of Customs Excise & VAT Commissionerate, Dhaka (South), Dhaka vide their letter No. 4/g~mK/8(207)/Ki dvwK/wePvi/17, ZvwiL: 24/09/2017 Bs demanded an amount of VAT Tk. 2,933,948 and Interest amount Tk. 1,173,579 for the year 2016. The Company has submitted necessary papers and documents vide letter No. wmAvBwmGj/wmI/wnmve/2017/3572 ZvwiL: 19/10/2017 Bs against such unacceptable demand of the Commissioner of Customs, Excise & VAT Commissionerate, Dhaka (South), Dhaka. Subsequently management of CICL also appealed to the Appealed Tribunal of Customs, Excise & VAT and the Authority has not given any decision till date.

01. The Company was incorporated on 11th 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, 2015 to 2019 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, 2015 to 2019 has been duly certified by us.
04. The annexed Cash flow statements of the Company for the years ended December 31, 2015 to 2019 has been duly certified by us.
05. The Company has declared dividend for the years from 2015 to 2019 as follows:

Particulars	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
Cash dividend	12.00%	10.00%	7.00%	12%	10%
Stock dividend (Bonus Share)	Nil	Nil	Nil	50%	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, 2019.
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: 02 March 2020

Sd/-
MAHFEL HUQ & CO.
Chartered Accountants

(e) Financial spread sheet analysis for the latest audited financial statements

Crystal Insurance Company Limited Balance Sheet (Statement of Financial Position) As at December 31, 2019		
Particulars	Amount 2019	Percentage
Shareholders' Equity		
Authorised Capital	1,000,000,000	
100,000,000 Ordinary shares of Tk.10 each		
Issued, Subscribed and Paid up Capital	240,000,000	22.73%
24,000,000 Ordinary share of Tk. 10 each fully paid up		
Reserve & Surplus	346,175,394	32.79%
Reserve for Exceptional Losses	329,814,783	31.24%
Profit & Loss Appropriation Account*	24,613,792	2.33%
Share money deposit	-	0.00%
Investment Fluctuation Fund	(14,753,181)	-1.40%
General Reserve	6,500,000	0.62%
Total Shareholders Equity	586,175,394	55.52%
Liabilities and Provisions		
Balance of fund and accounts	157,910,934	14.96%
Fire Insurance Revenue Account	63,295,852	5.99%
Marine Insurance Revenue Account	73,405,808	6.95%
Marine Hull Insurance Revenue Account	2,589,156	0.25%
Motor Insurance Revenue Account	15,094,398	1.43%
Misc. Insurance Revenue Account	3,525,720	0.33%
Deposit Premium	69,592,387	6.59%
Deferred Tax Liability	6,045,424	0.57%
Estimated liability in respect of Outstanding claims whether due or intimated	32,119,989	3.04%
Amounts due to other persons or bodies carrying on insurance business:	132,810,042	12.58%
Sundry Creditors	66,194,728	6.27%
Provision for WPPF	5,037,009	0.48%
Total Liabilities and Provisions	469,710,513	44.48%
Total Shareholders' Equity & Liabilities	1,055,885,908	100.00%

Crystal Insurance Company Limited Balance Sheet (Statement of Financial Position) As at December 31, 2019		
Particulars	Amount 2019	Percentage
Property and Assets		
Non-Current assets	418,250,633	39.61%
Property, Plant and Equipment	298,748,116	28.29%
Advance against land & office Space	12,000,000	1.14%
Investments	70,087,619	6.64%
Investment Property	37,414,897	3.54%
Deferred Tax Assets	-	0.00%
Current assets	135,517,740	12.83%
Insurance Stamps	1,259,956	0.12%
Sundry Debtors (including advances, deposits and prepayments)	30,018,904	2.84%
Interest receivable account	17,360,798	1.64%
Amount due from other persons or bodies carrying on insurance business:	86,878,082	8.23%
Cash and Cash Equivalents	502,117,535	47.55%
Cash in hand	231,729	0.02%
Cash In BO A/c	455,543	0.04%
Cash and Bank Balances	29,612,902	2.80%
Cash at Banks on CD accounts	1,267,361	0.12%
Fixed Deposit Receipt (FDR) with Banks	470,550,000	44.56%
Total Assets	1,055,885,908	100%

(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-Dec-19	31-Dec-18
Net profit after Tax	70,165,871	62,337,008
No. of shares before IPO	24,000,000	24,000,000
Earnings per share (EPS) (Basic)	2.92	2.60
Earnings Per Share (EPS) On Fully Diluted Basis	2.92	2.60
Earnings per share (EPS) (Weighted)	2.92	2.60

(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

Particulars	31-Dec-19	31-Dec-18
Net profit before Tax	105,777,186	79,571,490
Less: WPPF	5,037,009	-
Less: Income Tax Expenses	30,574,306	17,234,482
Less: Non-Operating Income (Interest & Other Income)	42,304,193	45,881,534
Net profit after Tax except other Income	27,861,679	16,455,474
No. of shares before IPO	24,000,000	24,000,000
Earnings per Share (EPS) on fully diluted basis	1.16	0.69

(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 revalued its assets.

Particulars	31-Dec-19	31-Dec-18
(A)Total Asset (No revaluation reserve)	1,055,885,907	952,326,868
(B)Total Liabilities	469,710,513	396,369,852
(C)Net Assets (A-B)	586,175,394	555,957,016
(D) Total Number of Ordinary Share	24,000,000	24,000,000
Net Asset Value Per Share (NAV)	24.42	23.16

(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: 19 July 2020

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: 19 Jul. 2020

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 obtain any unsecured loan from anybody including Banks and Financial Institutions during the period from January 01, 2015 to December 31, 2019.

Place: Dhaka
Date: 19 July 2020

Sd/-
MAHFEL HUQ & CO.
Chartered Accountants

(iv) Statement of inventories showing amount of raw material, packing material, stock-in-process and finished goods, 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 last five years;

After due verification, we certify that the statement of inventories showing amount of Insurance Stamps Crystal Insurance Company Limited for the last five years were as follows:

Particulars	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
Insurance stamps	1,259,956	1,173,391	1,361,593	1,197,046	1,297,638
Total	1,259,956	1,173,391	1,361,593	1,197,046	1,297,638

Note: 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 last five years.

Place: Dhaka
Date: 19 July 2020

Sd/-
MAHFEL HUQ & CO.
Chartered Accountants

(v) Statement of trade receivables showing receivable from related 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 last five 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: 19 July 2020

Sd/-
MAHFEL HUQ & CO.
Chartered Accountants

(vi) Statement of any loan given by the Issuer including loans to related party or connected persons with rate of interest and 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 last five years

This is to certify that Crystal Insurance Company Limited did not give any loan to any related party or connected persons during the period from 01 January 2015 to 31 December 2019.

Place: Dhaka
Date: 19 July 2020

Sd/-
MAHFEL HUQ & CO.
Chartered Accountants

(vii) Statement of other income showing interest income, dividend income, and 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	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
Revenue including other income	142,294,306	110,882,383	94,993,059	70,465,788	66,948,049
Interest Income	36,158,542	24,570,974	18,061,968	15,745,306	17,682,494
Dividend Income	1,789,861	1,178,212	969,754	54,131	-
Gain from sale of Assets	-	10,291,500	-	-	-
Realise Gain on Share investment	2,647,642	8,063,929	1,477,409	495,000	-
Office & Garage Rent	1,630,935	1,732,644	1,043,586	600,000	-
Miscellaneous Income	77,213	44,275	218,369	1,085,815	545,792
Discount received	-	-	-	-	-
Total Other Income	42,304,193	45,881,534	21,771,086	17,980,252	18,228,286

Place: Dhaka
Date: 19 July 2020

Sd/-
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-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
In Cash	Nil	Nil	Nil	Nil	Nil
Through Banking Channel	523,412,588	372,577,063	361,648,739	341,348,533	321,273,579
Total	523,412,588	372,577,063	361,648,739	341,348,533	321,273,579

Place: Dhaka
Date: 19 July, 2020

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:

Related Party Transactions

Name of The related party	Relationship	Nature of Transaction	Premium earned				
			2019	2018	2017	2016	2015
Mahin Apparels Ltd. Hamid Fabrics Ltd, Unit-I Hamid Fabrics Ltd, Unit-II Hamid Weaving Mills Ltd Tazrian Weaving Mills Ltd RG Traders N.K Motors Eagle Paribhan	Common Director	Insurance Premium	15,586,702	19,319,226	22,065,691	23,895,504	20,852,766
Total			15,586,702	19,319,226	22,065,691	23,895,504	20,852,766
Name of The related party	Relationship	Nature of Transaction	Claim Paid				
			2019	2018	2017	2016	2015
Mahin Apparels Ltd. Hamid Fabrics Ltd, Unit-I Hamid Fabrics Ltd, Unit-II Hamid Weaving Mills Ltd Tazrian Weaving Mills Ltd RG Traders N.K Motors Eagle Paribhan	Common Director	Claim Settlement	476,000	2,809,406	2,608,821	7,478,216	1,392,750
Total			476,000	2,809,406	2,608,821	7,478,216	1,392,750

Directors Remuneration and Board Meeting Fees:

Particulars	2019	2018	2017	2016	2015
Board Meeting Attendance fees	414,000	310,500	150,000	115,000	135,000

The above balance is certified on the basis of books of accounts; records are other supporting documents for the period from 01 January 2015 to 31 December 2019.

Place: Dhaka
Date: 19 July, 2020

Sd/-
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	Amount in BDT	Amount in BDT	Amount in BDT	Amount in BDT
	2018	2017	2016	2015	2014
Profit Before Tax	74,305,954*	54,567,640	50,499,862	44,224,550	43,427,841
Less: Reserve for Exceptional Losses	(43,130,117)	(40,866,169)	(39,035,412)	(36,532,426)	(35,046,450)
Less: Interest on National Investment Bond	(2,308,400)	(949,350)	(1,062,000)	(1,062,000)	(1,172,984)
Less: Realized gain on Investment in Shares	(8,063,929)	(1,477,409)	(54,131)	-	-
Less: Dividend Income	(1,178,212)	(969,754)	(495,000)	-	(61,359)
Less: Provision for WPPF	-	-	-	-	-
Less: Gain on Sale of Fixed Assets	(10,291,500)	-	-	-	-
Business Income Shown in Tax Return	9,333,797	10,304,958	9,853,319	6,630,124	7,147,048

Note:* Due to restatement of financial statements profit before tax as shown in the financial statements is different from what is presented here.

******Income tax return for the income year 2019 has not submitted yet.

Place: Dhaka
Date: 19 July, 2020

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, 2015 to 31 December, 2019.

Place: Dhaka
Date: 19 July, 2020

Sd/-
MAHFEL HUQ & CO.
Chartered Accountants

(xii) Confirmation that books of accounts of the Issuer is inconformity with its Bank Statements;**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, 2015 to 31 December, 2019 are in conformity with bank statements on a material basis.

Place: Dhaka
Date: 19 July, 2020

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 of books of account, 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				
	2019	2018	2017	2016	2015
Tax	9,050,484	4,774,059	4,218,783	10,948,202	2,608,982
VAT	38,906,051	28,546,182	27,035,597	24,959,634	25,698,199
Other taxes/ duties*	-	-	-	-	-

- Other tax /duties refer to customs tax.

Place: Dhaka
Date: 19 July, 2020

Sd/-
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

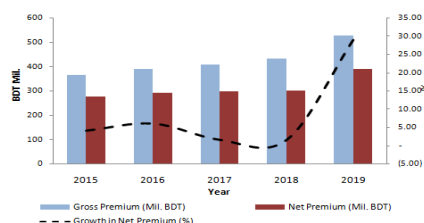
Long Term	: A ₂
Short Term	: ST-2
Outlook	: Stable
Date of Rating	: 20 August 2020
Valid Till	: 30 June 2021

Methodology: CRAB's Non-Life Insurance Rating Methodology
(www.crab.com.bd)

Financial Highlights

--Year ended December 31--

Month	(12)	
(Mil. BDT)	2019	2018
Gross Premium	527.33	431.30
Net Premium	390.89	302.65
Paid up Capital	240.00	240.00
Loss Ratio (%)	20.05	36.93
Expense Ratio (%)	56.90	52.65
ROA (%)	10.02	8.36
Underwriting Profit Margin	25.58	21.48
Risk Retention (%)	74.13	70.17
Solvency (times)	4.30x	6.29x



RATING BASED ON: Audited financial statements as of 31 December 2019 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 11th 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 2019, Company had 31 branches of which 16 branches were located in Dhaka city. CICL earned net premium of BDT 390.89 million along with underwriting profit of BDT 99.99 million in 2019. CICL's claim settlement ratio was 84.0% 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 called 'CICL' or 'the Company') at "A₂" (pronounced Single A two) and short term rating at "ST-2". CRAB performed the rating surveillance based on audited financial statements up to 31st December 2019 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 underwriting profit and reserve for exceptional loss. However, the rating is constrained by enhanced management expenses and investment fluctuation fund.

During 2019, after reinsurance ceded of BDT 136.43 million the net premium of the Company was BDT 390.89 million. Net premium earning enhanced by 29.16% in the same duration. During 2019, net claim of the Company was BDT 78.36 million along with 20.05% loss ratio. Of the net claims major claims incurred in the fire class of business which shared 82.51% of total net claim where retention ratio was 70.92% in the class of business. Management expenses of fire class of business were BDT 60.24 million in 2019. Loss ratio of fire class business was significant in 2019 too. The outstanding net claims at the end of 2019 were BDT 32.12 million which was 16.00% of total claims. Whereas in 2019 Top 10 claimants paid/settled shared 88.68% of total claim paid/settled of CICL.

Underwriting profit of CICL shared 70.27% of total revenue in 2019 where as on average underwriting profit shared 70.11% of total revenue in last four years. Underwriting profit of CICL increased 53.83% in 2019 due to enhanced underwriting profit from marine class business. Underwriting profit margin ratio enhanced 4.10 percentage points to 25.58% in 2019 (2018: 21.48%). Net profit (before tax) of the company grew 32.93% in 2019.

During 2019, CICL's current ratio was 2.08 times. The organizations current asset to net claims was 8.14 times in 2019 enhanced from 4.73 times of 2018. CICL's liquid asset (cash and bank balance) shared 47.55% of total assets in 2019 enhanced due to FDR maintained in commercial banks & FI's (2018: 41.57%).

CICL's required solvency was BDT 80.90 million whereas the Company's available solvency was BDT 348.12 million which means the value of assets had been more than the liabilities. CICL kept BDT 329.81 million as reserve for exceptional losses and maintained BDT 6.50 million as general reserve. In 2019, risk retention of CICL was 74.13% (2018: 70.17%).

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 5.44% in 2019. CICL's shareholders' equity to total assets ratio was 55.52% in 2019.

■ OPERATIONAL REVIEW

Classes of Business & Charges

CICL earned gross premium of BDT 527.33 million, of which 90.16% (BDT 475.44 million) was from direct business and 9.84% (BDT 9.84 million) was from govt. business in 2019. After reinsurance ceded of BDT 136.43 million the retained premium of the Company was BDT 390.89 million. Marine and fire class of business dominated net premium earnings shared 47.61% and 40.48% respectively in 2019 followed by motor 9.65% and misc 2.25% in 2019.

Table 1

Segregation of Net Premium

(Mil. BDT)	--Year ended December 31--								
	2019			2018			2017		
	Amount	Total (%)	Growth (%)	Amount	Total (%)	Growth (%)	Amount	Total (%)	Growth (%)
Fire	158.24	40.48	27.84	123.78	40.90	0.63	123.01	41.35	3.77
Marine	186.10	47.61	43.30	129.87	42.91	3.98	124.91	41.98	8.82
Motor	37.74	9.65	6.69	35.37	11.69	(7.28)	38.15	12.82	8.19
Misc.	8.81	2.25	(35.29)	13.62	4.50	18.96	11.45	3.85	(52.31)
Total	390.89	100.00	29.16	302.65	100.00	1.73	297.51	100.00	1.68

Net claim of the Company reduced to BDT 78.36 million where fire claims shared the major portion (82.51% of total net claim). Of the total net claim, marine class of business shared 11.45% of total net claim in 2019. Moreover motor class and miscellaneous of business shared 5.03% and 1.00% of total net claim respectively.

Table 2

Segregation of Net Claim

(Mil. BDT)	--Year ended December 31--								
	2019			2018			2017		
	Amount	Total (%)	Growth (%)	Amount	Total (%)	Growth (%)	Amount	Total (%)	Growth (%)
Fire	64.65	82.51	(17.48)	78.35	70.11	0.94	77.62	85.13	3.34
Marine	8.98	11.45	(64.97)	25.62	22.93	506.75	4.22	4.63	(66.95)
Motor	3.94	5.03	(40.08)	6.58	5.89	(4.08)	6.86	7.52	(29.79)
Misc.	0.79	1.00	428.16	0.15	0.13	(93.98)	2.48	2.72	160.17
Total	78.36	100.00	(29.88)	111.76	99.05	22.57	91.18	100.00	(7.54)

Growth Analysis

During 2019, CICL's gross premium earnings grew by 22.26%. In the same duration, net premium earnings increased moderately by 29.16%. CICL risk retention ratio was 74.13% enhanced by 3.96 percentage points from 2018.

Table 3

Key Performance Indicators

(Mil. BDT)	--Year ended December 31--					
	2019		2018		2017	
	Amount	Growth (%)	Amount	Growth (%)	Amount	Growth (%)
Gross Premium	527.33	22.26	431.30	5.54	408.66	4.69
Net Premium	390.89	29.16	302.65	1.73	297.51	1.68
Net Claim	78.36	(29.88)	111.76	22.57	91.18	(7.54)
Underwriting Profit	99.99	53.83	65.00	(11.23)	73.22	39.51
Investment & Other Income	42.30	(7.80)	45.88	110.75	21.77	21.08
Net Profit (before tax)	105.78	32.93	79.57	45.82	54.57	8.06
Management Expense	222.42	39.59	159.34	(6.55)	170.50	1.48
Shareholder's Equity	586.18	5.44	555.96	10.51	503.10	27.47
Total Assets	1,055.89	10.87	952.33	8.25	879.72	16.64

Net claim of the Company incurred was BDT 78.36 million in 2019 due to reduced claims marine and motor claims. During same period, CICL's management expense increased by 39.59% from 2018. Underwriting profit of the Company enhanced significantly by 53.83% in 2019. CICL investment & other income shrunk by 7.80% in 2019 due to reduced capital gain from secondary market. Net profit (before tax) improved by 32.93% due to underwriting profit from marine and motor class of business. Shareholders' equity grew by 5.44% through internal capital generation. Total Assets of the Company reached BDT 1,055.89 million registering a growth of 10.87% in 2019.

■ FINANCIAL REVIEW

Underwriting Quality

Loss ratio of CICL reduced 16.88 percentage point resulted from reduced claim settlement in marine class of business in 2019. In 2019, expense ratio enhanced 4.25 percentage points thus combined ratio became 76.95% which is below 100%.

Table 4
Underwriting Performance

	--Year ended December 31--			
%	2019	2018	2017	2016
Loss Ratio	20.05	36.93	30.65	33.70
Fire	40.86	63.30	63.10	63.36
Marine	4.82	20.54	3.38	11.13
Motor	10.45	18.61	17.99	27.71
Misc.	8.93	1.09	21.63	3.97
Expense Ratio	56.90	52.65	57.31	57.42
Combined Ratio	76.95	89.58	87.96	91.13

Management Expenses

During 2019 the Company incurred management expense of BDT 222.42 million which enhanced 39.49% from last year. The management expense of CICL includes agency commission, management expenses shown in the revenue account and in profit & loss account. In 2019, 28.10% of gross premium income from fire direct business and 28.42% 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)	2019	2018	2017	2016
Fire	60.24	42.15	43.22	45.97
Marine	61.29	42.07	43.37	47.58
Motor	10.32	8.99	10.43	10.05
Misc.	4.19	6.66	4.75	8.5
Total	136.05	99.88	101.77	112.11
Mgt. Expense (P/L Account)	7.86	3.21	14.66	5.47
Agency Commission	78.51	56.26	54.07	50.45
Grand Total	222.42	159.34	170.5	168.02

Claim Settlement

Company's claim related issues are carried by Claims & Re-Insurance Department supervised by Executive Vice President. During 2019, total claims were 192 of BDT 200.72 million from all classes of business where 111 claims of BDT 101.40 million was new claim in the same period. Of the total claims, 92 claims of BDT 168.60 million were settled in 2019. Top 10 claims settled was significant in amount BDT 149.52 million which was 88.68% of total settled claims in 2019. CICL's claim settlement ratio was 84.00% in 2019. The outstanding claims at the end of year 2019 were 100 of BDT 32.12 million. Top 10 outstanding claims in absolute amount was BDT 96.68 million at the end of 2019.

Table 6
Claim Settlement

	--Year ended December 31--			
(Mil. BDT)	2019	2018	2017	2016
1) Claims Outstanding at the Beginning of the Year	99.32	75.12	52.84	41.45
2) Claims Lodged during the Year	101.40	123.36	110.22	109.33
3) Total Claims (1+2)	200.72	198.48	163.05	150.78
4) Claims Paid during the Year	168.60	98.83	87.93	94.82
5) Claims Repudiated during the Year	-	0.34	-	3.13
6) Claims Settled during the Year (4+5)	168.60	99.16	87.93	97.94
7) Claims Settled as % of Total Claims	84.00	49.96	53.9	65.0
8) Claims Outstanding at the End of the Year (3-6)	32.12	99.32	75.12	52.84
9) Claims Outstanding as % of Total Claims	16.00	50.04	46.07	35.04

During 2019, CICL average claim settlement duration in all classes of non life business has different durations. 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	2019	2018	2017	2016	2015
Fire	193	283	180	147	189
Marine	260	200	123	106	52
Motor	157	134	130	139	104
Misc.	214	208	540	242	260

Profitability

Underwriting profit shared 70.27% of total revenue of CICL in 2019. Of the total revenue, BDT 99.99 million was generated from underwriting profit enhanced significantly 53.83% from 2018. During 2019, underwriting profit was dominated by the marine cargo and motor class of business. Loss ratio of marine and motor class business was comparatively low in 2019.

Table 8

Profitability Ratios (%)	2019	2018	2017	2016	2015
Return on Average Equity (ROAE)	18.52	14.13	12.16	14.29	16.31
Return on Average Asset (ROAA)	10.53	8.17	6.68	7.16	7.32
Return on Asset (ROA)	10.02	7.90	6.20	6.70	6.74
Return on Equity (ROE)	18.05	13.55	10.85	12.80	14.16
Return on Revenues (Underwriting profit/Total revenue)	70.27	58.62	77.08	74.48	72.77
Underwriting Profit Margin	25.58	21.48	24.61	17.94	17.67
Operating Profit Margin	27.06	24.55	18.34	17.26	16.04

Underwriting profit margin enhanced 4.10 percentage points in 2019 due to enhanced underwriting profit from the marine class of business. Investment & other income reduced by 7.80% due to less capital gain from secondary market. Net profit (before tax) increased 32.93% from previous year. Thus return on equity became 18.05% in 2019.

Investment profile

CICL investment portfolio enhanced significantly to BDT 540.64 million in 2019 due to enhanced FDR in commercial banks in 2019. Of the total investment portfolio 87.04% was invested in fixed deposit with different commercial banks & NBFI. CICL reduced its investment in secondary market in 2019. Thus 8.34% shared by investments in shares of 31 different companies and 4.62% shared by Govt. Treasury bond. As on 31 December 2019, the market value of the shares was BDT 45.08 million against cost value of BDT 61.03 million. The yield on investment was 8.02% in 2019, (2018: 10.28%).

Table 9

Investment Portfolio						
--Year ended December 31--						
		2019		2018		
(Mil. BDT)	Amount	Total (%)	Growth (%)	Amount	Total (%)	Growth (%)
National Investment Bond	25.00	4.62	-	25.00	5.72	-
Quoted Shares	45.09	8.34	(16.23)	53.83	12.30	4.36
Fixed Deposit	470.55	87.04	31.22	358.60	81.98	15.16
Total Investment	540.64	100.00	23.60	437.43	100.00	12.74

Capital Adequacy

During 2019 paid up capital of CICL remained same as BDT 240.00 million. Shareholders' equity grew by 5.44% on the back of internal capital generation. Company's shareholders' equity to total assets in 2019 was 55.52% (2018: 58.38%) reflects internal capital generation. Reserve for exceptional loss enhanced by CICL was BDT 329.81 million in 2019 enhanced due to addition of 10% of total gross premium annually.

Solvency Margin

CICL's solvency margin remained above the required level in 2019. CICL's required solvency was BDT 80.90 million whereas the Company's available solvency was BDT 348.12 million which means the value of assets had been more than the liabilities. So in 2019 the available solvency was 4.30x times of required solvency which was developing.

Table 10

Solvency					
--Year ended December 31--					
(Mil. BDT)	2019	2018	2017	2016	2015
Available Solvency (AS)	348.12	418.41	375.44	267.66	194.44
Required Solvency (RS)	80.90	65.33	62.26	59.8	56.39
AS/RS (times)	4.30x	6.40x	6.03x	4.48x	3.45x

Liquidity Position

During 2019, CICL's current assets grew by 20.66% along with current liabilities by 11.90%. Current ratio was 2.08 times in the same period. The organizations current asset to net claims was 8.14 times in 2019 from 4.59 times of 2018 due to reduced net claim in 2019. CICL's current liability shared 29.05% of total liability (2018: 28.79%). During 2019, liquid asset (cash and bank balance) shared 47.55% of total assets (2018: 41.47%).

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 1st April 2019 - 31st 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						
(%)	2019	2018	2017	2016	2015	2014
Fire	70.92	73.57	75.83	75.12	74.60	56.81
Marine	128.17	143.09	152.90	143.03	127.51	135.44
Motor	97.54	97.42	99.40	99.05	99.25	98.25
Misc.	27.68	25.34	31.77	55.22	52.17	44.17
Total	74.13	70.17	72.80	74.96	75.48	75.52

Usually high retention level signals inadequate reinsurance protection while low retention level hampers profitability. In 2019 risk retention ratio of CICL enhanced slightly to 74.13% (2018:70.17%). 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 329.81 million in 2019 (10% on the gross premium). The proportion of reserve for exceptional losses was 0.84 times of net premium and 4.21 times of net claim. Moreover, during the year Company's general reserve became BDT (8.25) million due to adjustment made in investment fluctuation fund. CICL's reserve to total assets was 30.45% (2018: 29.80%). 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 including 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 2019. 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 2019, 5 EC meetings were held.

■ Claims Committee

The present Claims Committee consists of 07 members. Claims Committee held 05 meetings in 2019. 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 2019, 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 2019. 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.

■ MANAGEMENT

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 31st December 2019, 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 3 employee gather training 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 2019, 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

Name	Position	No. of share	Amount in Tk.	Percentage
Abdullah Al-Mahmud	Chairman	4,000,000	40,000,000	16.67%
Abdullah Hasan	Director	4,000,000	40,000,000	16.67%
A.H.M. Mozammel Hoque	Director	800,000	8,000,000	3.33%
Tajul Islam	Director	900,000	9,000,000	3.75%
Shahzadi Begum	Director	800,000	8,000,000	3.33%
Farhana Danesh	Director	955,000	9,550,000	3.98%
Abdullah Al-Mamun	Director	800,000	8,000,000	3.33%
Farzana Munny	Director	800,000	8,000,000	3.33%
Arafat Rashid	Director	800,000	8,000,000	3.33%
Nusrat Mahmud	Director	4,000,000	40,000,000	16.67%
Soera Zahir	Director	2,000,000	20,000,000	8.33%
Nabila Mahmud	Director	2,000,000	20,000,000	8.33%
Asoke Ranjan Kapuria	Share Holder	1,200,000	12,000,000	5.00%
Iqbal Hasan Mahmood	Share Holder	375,000	3,750,000	1.56%
Sarah Hasien Mahmud	Share Holder	300,000	3,000,000	1.25%
Rubayet Tanvir Huda	Share Holder	270,000	2,700,000	1.13%
Total			240,000,000	100.00%

Auditors

Mahfel Huq & 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, ACA, Cert CII (UK)	DMD & Chief 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--						
		2019		2018		
(Mil. BDT)	Amount	Total (%)	Growth (%)	Amount	Total (%)	Growth (%)
Interest Income	36.16	85.47	47.16	24.57	66.83	36.04
Dividend	1.79	4.23	51.91	1.18	3.20	21.50
Profit from Sale of Shares	2.65	6.26	(67.17)	8.06	21.93	445.82
Other Income	1.71	4.04	(42.20)	2.96	8.04	134.53
Total	42.30	100.00	15.06	36.77	100.00	68.90

Table 1.3
Previous Rating History

Date of Ratings	Long Term	Short Term	Outlook
27 June 2019	A ₂	ST-2	Stable
12 April 2018	A ₂	ST-2	Stable
06 July 2017	A ₃	ST-2	Stable
31 July 2016	A ₃	ST-2	Stable
20 August 2015	BBB ₁	ST-3	Stable
23 April 2014	BBB ₂	ST-3	Stable
30 May 2013	BBB ₂	ST-3	Stable
17 April 2012	BBB ₃	ST-3	
13 April 2011	BB ₁	ST-4	
28 Sept 2010	BB ₂	ST-4	

**CRAB RATING SCALES AND DEFINITIONS
LONG TERM RATING: NON-LIFE INSURANCE**

RATING	DEFINITION
AAA 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.
AA₁, AA₂, AA₃* Double A (Very Strong Financial Security)	Insurance Companies rated 'AA' have VERY STRONG financial security characteristics, differing only slightly from those rated higher.
A₁, A₂, A₃ 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.
BBB₁, BBB₂, BBB₃ 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.
BB₁, BB₂, BB₃ 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.
B₁, B₂, B₃ 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.
CCC₁, CCC₂, CCC₃ 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.
CC 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.
C 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.
D (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
ST-1 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.
ST-2 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.
ST-3 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.
ST-4 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.
ST-5 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.
ST-6 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 **25th(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 paid up capital after the date of audited financial Statements

To whom it may concern

Date: 19 July, 2020

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 31 December 2019 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: 19 July, 2020

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: 19 July, 2020

This is to certify that the Company did not conduct Cost Audit by any Professional Accountant as per Company Act, 1994 till 31 December 2019.

Declaration by the management of Crystal Insurance Company Limited Sonar Bangla Capital Management Limited.

Sd/-

Emam HossainManaging Director/CEO
(In-charge)**(D). Disclosure regarding holding of regular AGM****Declaration regarding holding regular Annual General Meeting****To whom it may concern**

Date: 19 July 2020

This is to certify that the Company has been in regular in holding Annual General Meeting since incorporation date to 31st December, 2019.

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

(E). Declaration regarding consolidated financial, operating and other information**To whom it may concern**

Date: 19 July, 2020

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: 19 July, 2020

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: 19 July, 2020

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/- (Farzana Munny) Director	Sd/- (Farhana Danesh) Director
Sd/- (Soera Zahir) Director	Sd/- (Shahzadi Begum) Director	Sd/- (Nusrat Mahmud) Director
Sd/- (Arafat Rashid) Director	Sd/- (Nabila Mahmud) 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
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	Bonus Share	
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
Total		2,10,00,000	30,00,000	24,00,00,000

Place: Dhaka
Date: 19 July, 2020

Sd/-
MAHFEL HUQ & CO.
Chartered Accountants

(I). Auditors' certificate regarding summarized status of lands of Crystal Insurance Company Limited

Auditors' certificate regarding summarized status of land (at Bashundhara) of Crystal Insurance Company Limited

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.12,000,000.00 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 fair based on the books of record, deed and relevant document provided by the management.

Place: Dhaka
Date: 19 July, 2020

Sd/-
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 2019.

Allotments	Date of Allotment	No. of Shares		Amount of Shares Capital (BDT)
		Consideration in Cash	Bonus Share	
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
Total		2,10,00,000	30,00,000	24,00,00,000

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	
	Total	24,00,00,000	

Place: Dhaka
Date: 19 July, 2020

Sd/-
MAHFEL HUQ & CO.
Chartered Accountants

(K).Disclosure regarding cost audit by professional accountant as per the Company Act, 1994**Declaration regarding Cost Audit****To whom it may concern**

Date: 19 July, 2020

This is to certify that the Company did not conduct Cost Audit by any Professional Accountant as per Company Act, 1994 till 31 December 2019.

Declaration by the management of Crystal Insurance Company Limited Sonar Bangla Capital Management Limited.

Sd/-

M. Mahfuzur Rahman, ACA
Chief Financial Officer

Sd/-

Mia Fazle Karim, FCA
Chief Executive Officer

Sd/-

Abdullah Al-Mahmud
Chairman

(L) Auditor's Certificate Regarding Holding of Regular Annual General Meeting

This is to certify that Crystal Insurance Company Limited has been regularly holding Annual General Meeting (AGM) in the last 5 Years as per Section 81 of the Companies Act, 1994.

Place: Dhaka
Date: 19 July, 2020

Sd/-

MAHFEL HUQ & CO.
Chartered Accountants

Management Additional Disclosures:

1. The clarification regarding the matter: “It appears that net IPO proceeds will be utilized in investment in FDR and Treasury bond wherein rate of interest is below 10%. To be A Category Securities of the Exchange after listing, the Issuer Company must have to pay at least 10% dividend. As such, the Issuer Company is going to pay dividend out of revenue generated from IPO proceed.” is required to be substantial and to be incorporated in the draft prospectus; and

Our response: We have already paid at least 10% dividend each prior year and also capable to pay minimum 10% dividend each year out of profit generated from underwriting profit and other income from investment.

2. Comments of the Issuer Company on the matter of contravention of exgvKvixi g~jab I †kqvi aviY wewagvjv ,2016 by holding more than 10% shares (16.67% of paid-up capital) by the three of Directors of the Issuer Company are required to be disclosed.

Our response: As per exgvKvixi g~jab I †kqvi aviY wewagvjv ,2016, the percentage of share have been calculated on the basis of post IPO total number of share, as per exgvKvixi g~jab I †kqvi aviY wewagvjv ,2016 who hold the percentage of 16.67% pre IPO & 10% post IPO.

3. Reason of taking only 204 employees out of 302 full time in group insurance.

Our response: Due to shortage in documents (Nominee information, updated photograph & etc.) of 98 employees, they have not considered in group insurance contract by fareast Islamic life insurance company limited. The matter is still under process and very soon those employees will be added in the contract of group insurance.