17th ANNUAL REPORT

2016



অগ্রণী ইন্স্যুরেন্স কোম্পানী লিমিটেড

AGRANI INSURANCE COMPANY LTD.

AMARSTOCK



Partial view of the participants in the Annual Business Conference 2016

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LETTER OF TRANSMITTAL

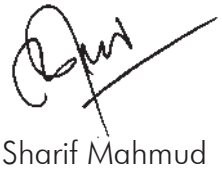
The Shareholders
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies and Firms
Dhaka Stock Exchange Limited

Sub : Annual Report for the year ended 31 December 2016

Dear Sir(s):

We are pleased to enclose a copy of the Annual Report, together with the Audited Financial Statements of Agrani Insurance Company Ltd., for the year ended 31 December 2016 for your kind information and record.

Sincerely yours



Sharif Mahmud
Company Secretary

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NOTICE OF THE

Seventeenth Annual General Meeting

The Seventeenth Annual General Meeting of Agrani Insurance Company Ltd., will be held on Monday, 12 June 2017 at 11 am at the Institution of Diploma Engineers, Bangladesh, (মুক্তিযোদ্ধা স্মৃতি মিলনায়তন Hall), 2nd floor, 160/A, Kakrail, VIP Road, Dhaka to transact the following business:

1. To consider and adopt the Directors'& Auditors' Report and the audited financial statements of the company for the year ended 31 December 2016.
2. To declare dividend for the year ended 31 December 2016.
3. To elect Directors.
4. To appoint Auditors for the year 2017 and to fix their remuneration.
5. To consider post-facto approval for renewal of employment contract of the Chief Executive Officer (CEO).
6. To consider appointment of an Independent Director.

By order of the Board

Sharif Mahmud
Company Secretary

Registered Office
45, Bijoy Nagar, 14th level,
Dhaka

24 May 2017

Notes :

a. 21 May 2017 is the "Record Date".

b. A member entitled to attend and vote at the above meeting may appoint a proxy in his/her stead. The proxy form, duly completed with a revenue stamp of BDT 20 must be deposited at the Registered Office of the Company not later than 48 hours before the meeting.

c. Shareholders bearing BO ID are requested to update their respective BO ID with 12 digits Taxpayer's Identification Number (e-TIN) through their Depository Participants (DP), failing which, Income Tax at source will be deducted from payable Dividend @15% (Fifteen Percent) instead of @10% (Ten Percent) as per amended Income Tax Law.

d. Please note that no gift/gift coupon/food box/benefit in cash or kind shall be distributed or paid/at the AGM as per BSEC Circular.

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VISION

Agrani Insurance Company Ltd., is committed to provide quality insurance services by virtues of sound professionalism and risk management expertise, to provide better coverage and satisfaction to their customers.



MISSION

To provide services beyond expectation with a will to go an extra mile. In the process, continue to upgrade technology, human resource and reinsurance protection.



CORPORATE INFORMATION

The company is listed with Dhaka Stock Exchange Ltd., as a Publicly Traded Company. The company carries its insurance activities through 29 Branches spread across the country.

Registered name of the Company

AGRANI INSURANCE COMPANY LTD.

Registered Office

Saiham Sky View Tower
45, Bijoy Nagar, (14th Floor), Dhaka-1000, Bangladesh
Phone: 8391571-4, Fax: 88-02-8391575
E-mail:agraniin@citech.net
www.agraniins.com

Date of Incorporation		**14 March, 2000**
Date of Registration from the Chief Controller of Insurance		3 April, 2000
Commencement of Business		3 April, 2000
Listing with Dhaka Stock Exchange (DSE)		5 March, 2005
Authorized Capital		
5,00,00,000 ordinary shares of	Tk. 10.00 each	500,000,000
Paid-up Capital		
26,633,809 ordinary shares of	Tk. 10.00 each	266,338,090

Chairman
Md. Shahbaz Hossain Khan

Chief Executive Officer (CEO)
Md. Anwar Hossain

Company Secretary
Sharif Mahmud

Auditors
M/s. Mahfel Huq & Co.
Chartered Accountants

Principal Bankers
Eastern Bank Ltd
Jamuna Bank Ltd

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STAR STOCK

Chairman's Address

Bismillahir Rahmanir Rahim

Assalamualaikum

Dear Stakeholders

I am delighted in presenting Annual Report along with the Audited Financial Statements for the year ended on 31 December, 2016. I believe that the presentation of the Annual Report bears immense importance for all the stakeholders for evaluation of our performance of the last year.

For the last five years, the global economy has been in a low-growth trap, with growth disappointingly low and stuck at around 3%. Persistent growth shortfalls have weighed on future output expectations and thereby reduced current spending and potential output growth. Global trade and investment have been weak, limiting the advances in labour productivity and wages that are required to support sustainable consumption growth. However, fiscal policies, both implemented and proposed, could, if effective, catalyze private economic activity and push the global economy to a modestly higher growth rate of around 3.5% by 2018.

We are committed to the continuing growth of our organization and wanted to share our financial success with you in a way that we feel proud to navigate our organization together. Keeping this in mind, the Board of Directors recommended 10% dividend for the year 2016.

On behalf of the Board, I would like to thank our shareholders, customers and business partners for their constant support, trust and patronization. We also appreciate the contribution made by our Stakeholders for their time befitting and prudent roles. My heartfelt appreciation goes to the management, all level of executives and officers for their dedicated services to forge ahead the interest of our beloved institution.

With warm regards



Md. Shahbaz Hossain Khan


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CEO'S ROUND UP

Dear Shareholders, Distinguished Ladies, and Gentlemen,

Assalamualikum,

On the occasion of the 17th Annual General Meeting we feel privileged to be able to report for the year 2016 as another exciting year for Agrani Insurance Company Ltd.

Our relentless focus on emerging opportunities has enabled the company to step forward with a positive growth in a challenging environment. In this year our net profit was Tk 72.69 million despite all adversities in the business sector. Throughout the year, Agrani Insurance has been able to maintain its substantial progress. The business has reached to Tk 407.06 million which is 13.84% higher than the preceding year. We always try to provide the best quality services to our customers. Right now we are one of the leading private sector Non-Life Insurance companies in Bangladesh having 29 branches situated in a commercially important places of the country.

Global growth almost remains within the projected threshold and hovered around 3%, while the economic growth in the USA slides during the first half of the year which may be considered as the corollary effect of Brexit but ultimately its long term impact proves to be insignificant. The world economy is expected to gain traction in the year 2017 weathering the emerging headwinds. In the year 2016, the growth trend of advanced economies had plunged to 1.6% while the growth paradigm of emerging and developing economies is expected to take up turn in the current year after experiencing 5 years of consecutive downhill trend. In advanced economies, a modest and uneven recovery is expected to continue, with a gradual narrowing of output gaps. The slowdown and rebalancing of the Chinese economy, lower commodity price, and strains in some large emerging market economies will continue to weigh on growth prospect in 2016-17. Indian growth rate is projected to be 7.6% during 2016.

On behalf of management of Agrani Insurance Company Ltd., I express my appreciation and thanks to the Insurance Development and Regulatory Authority (IDRA), Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange (DSE), and Registrar of Joint Stock Companies and Firms and other stakeholders for their continuous help and assistance, valuable guidelines and co-operation provided to us from time to time.



Md. Anwar Hossain



Profile of THE COMPANY

Agrani Insurance Company Ltd.,(AICL) came into existence as a Public Limited Company under the Company Act, 1994 and obtained registration from the then The Chief Controller of Insurance, Govt. of Bangladesh on 3 April 2000 with a paid-up capital of Tk. 60 million. Since its inception AICL has grown upto a reputed name in the insurance industry. The present Authorized Capital of the Company is Tk. 500 million while paid-up capital has increased to Tk. 266.34 Million. With an experience of over 17 years and on the basis of well governed procedures found on the highest ethical and moral practices. AICL has instituted a good business footing in the non-life insurance sector in Bangladesh. With an asset base of around 690.41 million, AICL is one of the emerging quoted insurance company in Bangladesh and has been listed with Dhaka Stock Exchange Ltd., since March 2005.

The board of Agrani Insurance Company Ltd., has been constituted with 15 Directors. Composition of the Board is as under:

11 Sponsor Directors
2 Directors from Public Shareholding and
2 Independent Directors

Agrani Insurance is one the Non-life Insurance Companies in Bangladesh having a network of 29 branches at all key places throughout Bangladesh employing officers and staffs of 327 persons. It underwrites all classes of General Insurances Business.

Over a period of decades, Agrani Insurance Company Ltd., has been holding the strong position in terms of premium collection. M/s Alpha Credit Rating Ltd., has assigned rating "A+" based on the audited financial statements of 2015.

The settlement time for claims depends on various factors such as line of business, cause of loss, the nature of claim etc. The company has improved internal procedures, for further reduction of average claims settlement time and claims outstanding.

Our portfolio is fully protected under the Reinsurance arrangements made with Sadharan Bima Corporation – a state-owned organization and a few other renowned foreigen Re-Insurers. Our Company is enlisted with almost all the leading private/public sector banks operating in the country for acceptance of our policies and cover notes.



STRATEGIC OBJECTS:

- Retain leadership position in the market.
- Explore opportunities by introducing new products and diversifying current product portfolio.
- Pursue continuous improvement and technological advancement.
- Enhance corporate capabilities and motivation through skill enhancement, management development and reward programs.

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Core VALUES:

Agrani's Core Values comprises of the following 7 key components:

Clients first:

Clients are always our first priority. We take care of them as they are our business partners. We treat all client with warmth and respect. We understand and try our level best to manage their expectations.

Integrity:

Conduct business with ethics, dignity, fairness and transparency.

Efficiency:

We focus both on external and internal training programs to increase our efficiency level in order to deliver world class operational and financial performance.

Quality:

We ensure quality both in terms of products and services. We are always open to new ideas for raising the bar.

Service:

We strive to add more value to our service that we provide to our Clients and Stakeholders.

Team Work:

We strongly promote and believe in teamwork both in in-house and external activities of the company. We teach and encourage our people to improve their performance and professionalism.

Transparency:

We are focused on the highest level of transparency in providing accurate and timely information about our performance and financial results to meet the expectations of our client as well as shareholders.

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Code
OF CONDUCT

This code of conduct is based on the values of the company. The purpose is to ensure that all employees, managers and executives within Agrani Insurance Company Limited (AICL), will live an act in accordance with these values and principles. The code is designed to give a broad and clear understanding of the conduct expected from all our employees everywhere we do business.

AICL is committed to conduct its business in an ethical, legal, and responsible manner. AICL, therefore, has established this Social Responsibility. Code of Conduct as an application and is committed to ensuring that this code is respected in all its facilities, all over Bangladesh.

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5 Years Financial Highlights

(Figures in Million)

Particulars	2016	2015	2014	2013	2012
Gross Premium	407.06	357.57	302.26	265.96	264.47
Net Premium	193.20	185.71	161.47	150.04	163.48
Net Claim	30.02	26.90	29.29	37.42	28.70
Underwriting Profit	60.27	59.71	53.05	52.25	55.31
Investment & other Income	25.34	21.69	26.92	27.18	22.18
Net Profit before Tax	72.69	70.05	68.68	65.67	65.41
Net profit after Tax	50.56	49.20	46.56	44.18	44.85
Paid-up Capital	266.34	253.66	253.66	241.58	219.62
Shareholders' Equity	456.29	418.42	394.58	360.10	315.92
Investment in Shares & Treasury Bond	79.32	81.96	80.48	80.13	61.13
Cash, FDR & Bank Balance	277.11	235.23	231.15	240.75	231.72
Current Assets	440.99	385.96	380.33	356.00	346.94
Current Liability	234.11	210.33	224.99	231.62	227.66
Total Assets	690.41	628.75	619.56	591.73	543.57
Current Ratio (Times)	1.88	1.84	1.69	1.54	1.52
Debt to Assets Ratio (%)	22.04	21.06	25.79	28.96	29.78
Debt to shareholders equity Ratio (%)	33.35	31.65	40.49	47.59	51.24
Underwriting Margin Ratio (%)	14.81	16.70	17.55	19.65	20.91
NPBT Margin Ratio (%)	17.86	19.59	22.72	24.69	24.73
NPAT Margin Ratio (%)	12.42	13.76	15.40	16.61	16.96
Return on shareholders' equity capital (%)	18.98	19.40	18.36	18.29	20.42
Return on net worth (%)	11.08	11.76	11.80	12.27	14.20
Return on Asset (%)	7.32	7.83	7.52	7.47	8.25
Net Assets Value (NAV) per share (Tk.)	17.13	16.50	15.56	14.91	14.39
Net Operating Cash Flow per Share (NOCFPS) (Tk.)	2.07	1.38	0.43	1.96	3.09
Dividend (Bonus) %	3	5	-	5	10
Dividend (Cash) %	7	5	10	5	-
Earning per share (EPS) (Tk.)	1.90	1.94	1.84	1.83	1.73

AlphaRating

05 September, 2016

Managing Director
Agrani Insurance Company Limited
45, Bijoy Nagar
14th Floor
Dhaka-1000

Subject: Credit Rating of Agrani Insurance Company Limited

Dear Sir,

We are pleased to inform you that Alpha Credit Rating Limited (AlphaRating) has assigned the following rating to **Agrani Insurance Company Limited**

Date of Declaration	Valid Till	Long Term Rating	Short Term Rating	Outlook
05 September, 2016	04 September, 2017	A+	AR-2	Stable
August 30, 2015	August 29, 2016	A+	AR-2	Stable

The long term & short term rating is valid up to the earlier of 04 September, 2017 or the limit expiry date of respective credit facility. The rating may be changed or revised prior to expiry, if warranted by extraordinary circumstances in the management, operations and/or performance of the entity rated.

We, Alpha Credit Rating Limited, while assigning this rating to the entity rating of Agrani Insurance Company Limited, hereby solemnly declare that:

(1) We, Alpha Credit Rating Limited as well as the analysts of the rating have examined, prepared, finalized and issued this report without compromising with the matters of our conflict of interest, if there by any; and

(2) We have complied with all the requirements, policy and procedures of these rules as prescribed by the Bangladesh Securities and Exchange Commission in respect of this rating.

We hope the rating will serve the intended purpose of your organization.

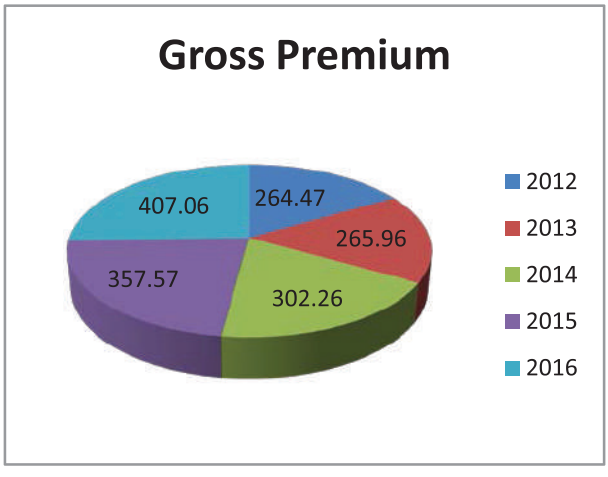
With kind regards,

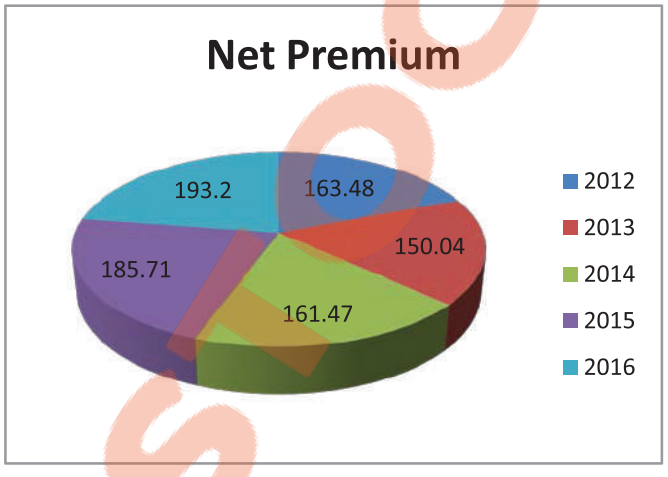
Muhammed Asadullah
Managing Director & CEO

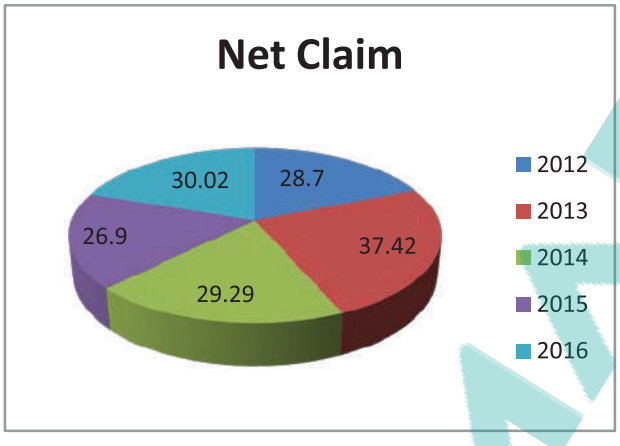
This letter forms an integral part of the credit rating report.

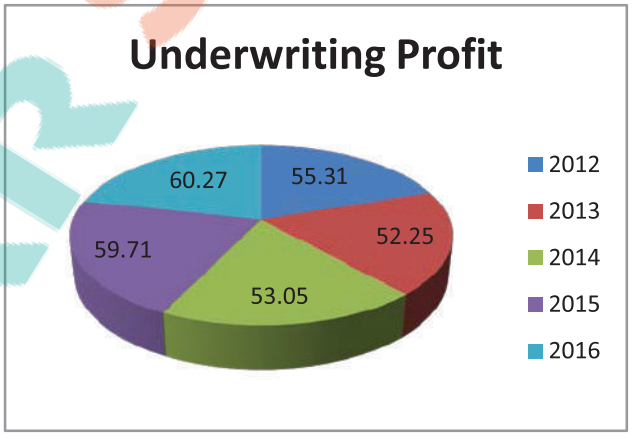
Graphical Presentation

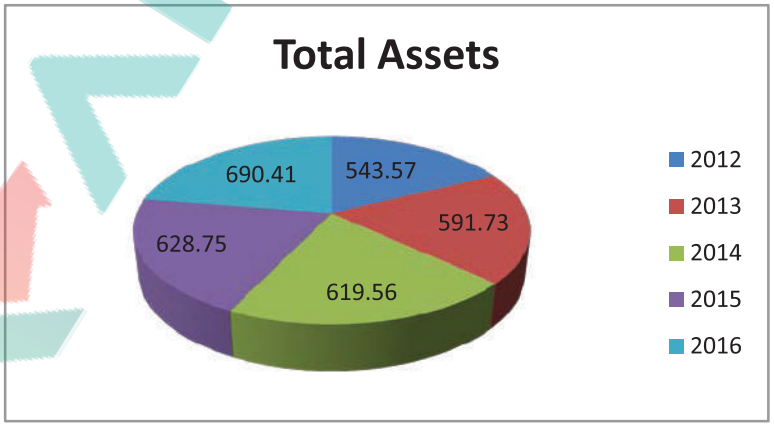
(Figures in Million)













Composition
OF THE BOARD

Chairman
Mr. Md. Shahbaz Hossain Khan

Vice Chairman
Quazi Sakhawat Hossain (Lintoo)

Directors
Mr. Rezaul Huq Khan
Mr. Mahmudul Hoque
Mr. Zaker Ahmed, FCA
Mr. Md. Mustafizur Rahman
Dr. Md. Mustahidur Rahman
Mr. H.M. Ibrahim
Mr. Abdul Kader Khan
Mr. Md. Mahbub Alam
Mr. A.Y. Shahidul Islam
Mr. S.M. Shamsul Arefin
(Rep. Uttara Finance & Investments Ltd.)
Mr. Ahmed Jamal
Mr. Md. Nasir Uddin
Mr. Md. Mahbubur Rahman

Chief Executive Officer (CEO)
Mr. Md. Anwar Hossain

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Profile

Board of Directors & The Sponsor



Md. Shahbaz Hossain Khan
Chairman

Mr. Md. Shahbaz Hossain Khan, a Sponsor Director of the company, is a Lawyer by profession. After obtaining LLM degree he started practicing in the Bangladesh Supreme Court. At present he is a Director of Rose Securities Ltd & Bangladesh Mutual Securities Ltd and Member of Dhaka Stock Exchange Ltd. He is also associated with a number of socio-cultural organizations.



Quazi Sakhawat Hossain (Lintoo)
Vice Chairman

Mr. Hossain obtained MSC degree and is a successful businessman with versatile business exposure of Bangladesh. Mr. Hossain is the Chairman MCO Trading Int. (Pvt.) Ltd.

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Rezaul Huq Khan
Director

Mr. Rezaul Huq Khan is the Managing Director of Sarban International Limited and Sarban Import Ltd., with a sound business background. He concentrated on indenting business in Bangladesh. He is also associated with socio-cultural activities. He obtained B.Com degree.



Dr. Md. Mustahidur Rahman
Director

Mr. Rahman obtained his MBBS degree and has concentrated on the field of medical services. He is the Managing Director of Multiplus Industries Limited and Polybagh Manufacturing Company Limited which are manufacturing and exporting plastic products in Bangladesh.



Mahmudul Hoque
Director

Mr. Hoque, a veteran freedom fighter, has concentrated on ready-made garments business through his enterprises. He is the Chairman of Shams D Wears Limited, MHC Fashions (Pvt.) Ltd. MHC (Pvt.) Limited, MHC Apparels (Pvt.) Ltd, MHC Wears (Pvt.) Ltd, Shams D Apparels Ltd, OMAS Packaging Ltd, Mr. Hoque obtained his M.S.S. degree in Social Science.

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Zaker Ahmed, FCA
Director

Mr. Ahmed is a successful businessman. Mr. Ahmed is the Chairman of Jamil Eye & General Hospital, Radiant Shipyard Ltd., and Managing Director of S.S. Foods Ltd. He is a Fellow Chartered Accountant. Mr. Ahmed is the Senior Partner of Ahmed Zaker & Co. Chartered Accountants.



Md. Mustafizur Rahman
Director

Mr. Rahman is a leading business personality in the field of manufacturing of plastic goods. He has diversified business across the country. Mr. Rahman is involved with plastic goods manufacturing and exporting business. He is the Chairman & Managing Director of B.H.T. Industries Limited, Dhaka Beijing Dyeing & Weaving Industry Ltd. He obtained his M.Com degree. His contributions towards socio-cultural and charitable activities are quite remarkable.



AY Shahidul Islam
Director

Mr. Islam holds Master of Science degree. He has been leading in the field of Indenting business in Bangladesh. He is the Chairman of Sarban International Ltd., and Sarban Import Ltd.

EMAP STOCK



H. M. Ibrahim
Director

Mr. H.M. Ibrahim, a Member of Parliament (MP) of the Govt. of the Peoples Republic of Bangladesh, is the Managing Director of Royal Dresses International (Pvt.) Ltd., Director, MNS Telecom, Faruque Computer, Millenium Shippers & Traders, Venus Shipping Agencies Ltd, Inland Marrytime Shippers, Blooming Dale Oil Co. Ltd, A Class Ltd, and also Proprietor of Royal Fashion, Aamra Kojon.



Abdul Kader Khan
Director

Mr. Khan holds a Bachelor of Arts degree. He has concentrated on high-power gas line business in his enterprises. He is a Director of Dhaka Gas Services Ltd.



Md. Mahbub Alam
Director

Mr. Alam is an Electrical Engineer. After completion of his education he started business. He is the Chairman of Barobi Holdings Ltd., Barobi International Ltd., Barobi Resort Ltd, Barobi Agro Ltd., and Managing Director of Western Maritime Academy.

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S. M. Shamsul Arefin
Director

Mr. Arefin obtained MSC degree and he is the Managing Director of Uttara Finance and Investments Ltd and represents Uttara Finance and Investments Ltd as a public director of Agrani Insurance Company Limited.



Ahmed Jamal
Director

Mr. Jamal is a businessman. Mr. Jamal is Proprietor of M/S. Allied Enterprise and former Director of Federation of Bangladesh Chambers of Commerce & Industry.



Md. Mahbubur Rahman
Inpependent Director

Mr. Md. Mahbubur Rahman, obtained LLB (Hons.) and LLM from the Dhaka University and qualified Bangladesh Civil Service (Judiciary), joined in the Judiciary as an Asstt. Judge in April 1983. Thereafter, he served as the Joint District Judge and Additional District Judge in Bangladesh judiciary and also served as an Asstt. Secretary and the Dy. Secretary, under the Ministry of Law, Justice and Parliamentary Affairs, and promoted as District and Sessions Judge in February 2001. He served as senior most District and Sessions Judge for 16 years i.e. upto 2016. He participated in a various training program at home and abroad. He came from a respectable Muslim family from Brahmanbaria and presently associated with a number of philanthropic activities.

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Md. Nasir Uddin
Inpependent Director

Mr. Nasir Uddin after completion of B.Sc Engineering started business in RMG Sector. Presently, he is the Managing Director of Sadma Fashion Wear Ltd., Mouchak Knit Composite Ltd., Chairman, N.K. Sweaters Ltd, Bunon Knit Wear Ltd. Apart from this, he is associated with BGMEA as Director.



Mir Nasir Hossain
Sponsor

Mr. Mir Nasir Hossain is a sponsor of Agrani Insurance Co. Ltd. and Director of Eastern Bank Ltd. He was the past Chairman of Eastern Bank Ltd. At present, he is the Managing Director of Mir Akhter Hossain Ltd, Mir Ceramic Ltd, Mir Holdings Ltd, Mir Telecom Ltd. He was the former President of Federation of Bangladesh Chamber of Commerce and Industry (FBCCI) and Sr. Vice President of SAARC Chamber of Commerce & Industry. Mr. Mir Nasir Hossain obtained his M.Com degree from the Dhaka University and he is a successful businessman with diversified exposure in the field of commercial banking, construction and manufacturing business.



Md. Anwar Hossain
Chief Executive Officer (CEO)

Mr. Md. Anwar Hossain is the Chief Executive Officer of the company. He has a long experience in insurance industry. He started his career in Finance & Accounts dept. of Janata Insurance Co. Ltd. in 1987 after completion of C. A Articleship. He is an M.com in Management from Dhaka University and passed C.A (Inter) from ICAB. He has been servicing in this company since 2000 i.e. inception. Before holding the charge of the CEO he had been holding the position of Head of Finance & Accounts and Company Secretary in this company. He travelled many countries, such as, UK, Malaysia, Singapore, Thailand, Bhutan & India and participated various training, seminar, workshop at home and abroad.

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Profile of
Mangement & the Core Executives



Md. Anwar Hossain
Chief Executive Officer (CEO)

Mr. Md. Anwar Hossain is the Chief Executive Officer of the company. He has a long experience in insurance industry. He started his career in Finance & Accounts dept. of Janata Insurance Co. Ltd. in 1987 after completion of C. A Articleship. He is an M.com in Management from Dhaka University and passed C.A (Inter) from ICAB. He has been servicing in this company since 2000 i.e. inception. Before holding the charge of the CEO he had been holding the position of Head of Finance & Accounts and Company Secretary in this company. He travelled many countries, such as, UK, Malaysia, Singapore, Thailand, Bhutan & India and participated various training, seminar, workshop at home and abroad.



Md. Azharul Islam
Sr. Addl. Managing Director

Mr. Md. Azharul Islam, an MBA, did his Masters (Mass Communication & Journalism) from Dhaka University. After completion of his education he joined United Insurance Co. Ltd., and served there about 12 years in different capacities. He joined Agrani Insurance in July 2003 as Sr. Vice President. At present, he is holding the position of Sr. Additional Managing Director and Incharge, Motijheel Branch. He participated in various training courses on Underwriting, Risk Management, Customer Relationship, etc. at home and abroad. He is associated with a few socio-cultural organizations. He travelled many countries, such as, UK, Malaysia, Singapore, Thailand, Bhutan, India, Nepal, Pakistan & Saudi Arabia.



Hussain Ahmed
Addl. Managing Director

Mr. Hussain, an insurance personality, after completion of his graduation started his career with Reliance Insurance in 1987. He joined Agrani Insurance in 2002 as AVP and presently holding the position of Additional Managing Director & Incharge of Khatungong Branch, Chittagong. He obtained Diploma Certificate on Marine Law, Underwriting & Claims from Bangladesh Insurance Academy.



Md. Abdul Hoque
Addl. Managing Director

Mr. Md. Abdul Hoque, an insurance personality, after completion of his graduation started his carrier with Janata Insurance Co. Ltd. in 1990 in the Accounts Department. Thereafter, he joined Standard Insurance Company Ltd. in 2006 and last position was hold as Deputy Managing Director & In-charge, Kawran Bazar Branch, Dhaka. At present, he is working with Agrani Insurance Company Ltd. as Additional Managing Director & In-charge, VIP Road Branch, Dhaka. He is also associated with a number of socio-cultural organizations.



Kazi Md. Pannu
Dy. Managing Director

Kazi Md. Pannu, after completion of his BBA started his career with Green Delta Insurance Co. Ltd. as a Senior Executive in 1990. At present, he is holding the position of Dy. Managing Director and Incharge of Bijoy Nagar Branch, Dhaka. Before joining Agrani he served with Eastern Insurance Co. Ltd., as Dy. Managing Director. He participated in various training programs on Insurance.



Mohasin Siddique
Dy. Managing Director

Mr. Siddiquee, after obtaining M.Com degree from the Chittagong University, started his career with Central Insurance Company Ltd. in 1998. He joined Agrani Insurance in 2005 as Sr. Vice President, presently holding the position of Dy. Managing Director and leading the Jubilee Road Branch, Chittagong, as its Incharge. He participated a traning program on Risk Management conducted by Bangladesh Insurance Academy. He is associated with Lionism.

AMIR STOCK



Md. Rustom Ali (Ripon)
Dy. Managing Director.

Mr. Md. Rustom Ali (Ripon), an MBA, after completion of his education joined Desh General Insurance Co. Ltd., as AGM and Incharge of Jamalpur Branch. Thereafter, he joined Agrani Insurance Company Ltd., in 2007 as Vice President & Incharge of Jamalpur Branch. At present he is holding the position of Dy. Managing Director & In-charge of Jamalpur Branch, Jamalpur.



Mohammed Salim
Asstt. Managing Director

Mr. Mohammed Salim, an M.A, started his carrier in Insurance Sector in 2005. Since then he joined Agrani Insurance Company Ltd as Asstt. Vice President at Khatungonj Branch, Chittagong. Presently, he is working Kadamtoli Branch, Chittagong as its In-charge and holding the position of Asstt. Managing Director



Md. Shahidul Islam
Asstt. Managing Director

Mr. Md. Shahidul Islam, after completion of Masters Degree (Philosophy) from Dhaka University, started his carrier with Janata Insurance Co. Ltd. in 1988. Since then he joined Standard Insurance Company Ltd. in 2006 as Asstt. Managing Director & In-charge, Kakrail Branch, Dhaka. Presently, he is serving with Agrani Insurance Company Ltd. as Asstt. Managing Director & In-charge, Kakrail Branch, Dhaka.

AMAR STOCK



Md. Enamul Haque
Asstt. Managing Director.

Mr. Md. Enamul Haque, after completing of his education joined with Karnaphuly Insurance Co. Ltd. in 1998. Since then he joined Agrani Insurance Company Ltd., in 2000, presently holding the position of Asstt. Managing Director and Incharge of Local Office.



Sharif Mahmud
EVP, Company Secretary
& Head of Admin.

Mr. Sharif Mahmud, after completion his graduation started his career in 1985 with Dolphin Trading & Shpping Ltd. as Business Executive. He joined Agrani Insurance Company Ltd., in 28 February 2011 and presently holding the position of Executive Vice President, Company Secretary & Head of Administration. Before joining AICL, he served in Prime Insurance Company Ltd., as Company Secretary. He possesses versatile knowledge in the areas of Board Affairs, Administration & Share Management. He attended various training program on Company Secretarial Practice, Administration and Money Laundering matters, etc.



Md. Mahbub Hasan
EVP (U/W, Branch Control & Claims)

Mr. Mahbub, as Associates of BIA, after completion of his post-graduation from the Dhaka University joined Purabi General Insurance Company Ltd., in 1989. At present he is holding the position of Executive Vice President and Head of Underwriting, Branch Control & Claims. Before joining AICL, he served in Rupali Insurance Company Ltd., as an Assistant General Manager. He participated various training programs on Claims, R/I, & specialized Underwriting.

AMPSTOCK



Md. Ahsanur Rahman Joarder
VP (Audit)

Mr. Joarder started his career in Eastern Insurance Co. Ltd. as Probationary Officer (Audit) in 1996. He joined Agrani Insurance Co. Ltd., in 2009 and at present holding the position of VP & Incharge (Internal Audit). He obtained B.com (Hon's), M.com in Accoutancy, Passed Post Graduate Diploma in Personnel Management (PGDPM) and subsequently obtained MBA degree (Major in Fiance). He participated in various training programs on Internal Control, Marketing, etc.



Dilip Kumar Ghosh
VP (F&A)

Mr. Dilip did his Master in Management. After completion of education he joined Agrani Insurance in July 2000 in the Finance & Accounts Department. Presently, he holding the position of VP & Head of Finance and Accounts. He attended various training program on financial and tax related matters.



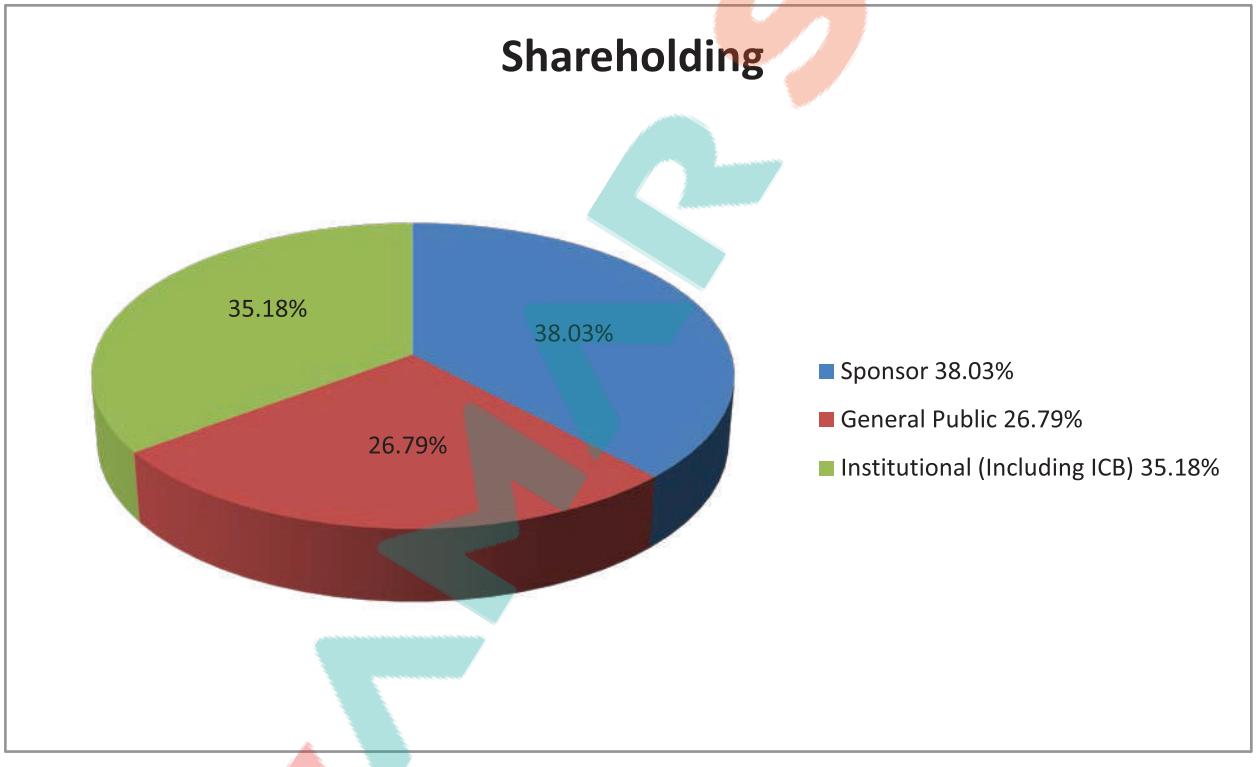
Tahzib ul Islam
AVP (Re-Insurance)

Mr. Tahzib Ul Islam after completion of his graduation from Dhaka City College started his career with Bangladesh National Insurance Co. Ltd., in 1998. He joined Agrani Insurance in 2014 as AVP and Incharge of Reinsurance department. He is also working in the Claims Dept. and assist the Head of Claims as the second man of the Dept. Mr. Islam has participated various professional training courses on Insurance.

AMAR STOCK

Shareholding
STRUCTURE

Category of Shareholders	No. of Shareholder	No. of Share	% of total Paid-up-Capital
Sponsor	14	10,130,227	38.03%
General Public	2,904	7,134,594	26.79%
Institutional Investors (Including ICB)	58	9,368,988	35.18%
	2,976	**26,633,809**	**100.00%**



AMR STOCK



PRODUCTS OF AGRANI

Fire Insurance

- Fire Insurance (Including Allied Perils)
- Industrial All Risks (IAR)
- Fire Insurance (Power Plant Operational Package Insurance)
- Fire Insurance Dwelling, House and Contents
- Fire Insurance Hotel Combined

Marine Cargo Insurance

- Marine Cargo Insurance transit by Steamer or Powered Vessel (Import/Export)
- Marine Cargo Insurance transit by Rail/Lorry/Truck (Import/Export)
- Marine Cargo Insurance transit by Inland Rail or Road Conveyance
- Marine Cargo Insurance transit by Inland Cargoes (water borne)
- Marine Cargo Insurance transit by Air Cargo (Import/Export)

Marine Hull Insurance

Engineering Insurance

- Machinery Insurance (Machinery Breakdown)
- Deterioration of Stock (DOS)
- Boiler and Pressure Vessel (BPV)
- Electronic Equipment Insurance (EEI)
- Erection All Risks (EAR)
- Contractor's All Risks (CAR)
- Engineering Insurance Consequential Loss
- Contractor's Plant & Machinery Insurance (CPM)

AMARSTOCK



PRODUCTS OF AGRANI

Motor Insurance (Comprehensive/Act Liability)

- Motor Insurances for Commercial Vehicle
- Motor Insurances for Private Vehicle
- Motor Insurances for Motor Cycle/Scooter
- Motor Trade Policy

Miscellaneous & Accident Insurance

- Burglary & House Breaking Insurance
- Cash in Safe (CIS)
- Cash in Transit (CIT)
- Cash on Counter (COC)
- People Personal Accident (PPA)
- Workmen's Compensation (WC)
- Business Interruption
- Fidelity Guarantee Insurance
- Health Insurance
- Personal Accident (PA)
- Travel Insurance (All kinds)
- Public Liability (PL) / Third Party Liability
- Professional Liability
- Money Insurance
- Bankers Blanket Bond (BBB) Insurance

AMARSTOCK

SHAREHOLDERS INFORMATION

In the 16th annual general meeting

Agrani Insurance Company Limited from its inception has been holding Annual General Meeting in each and every calendar year without fail. In the year 2016 the 16th Annual General Meeting of Agrani Insurance Company Limited was held on Sunday, 5 June 2016 at 10 am at the Spectra Convention Centre Ltd. The meeting was called to order by Mr. Md. Shahbaz Hossain Khan, Chairman of the Board of Directors of the Company.



Mr. Md. Shahbaz Hossain Khan, Chairman of the Board is addressing in the Sixteenth Annual General Meeting.



Partial view of the Shareholders' of Sixteenth Annual General Meeting.

ANNUAL BUSINESS CONFERENCE-2016

The Annual Business Conference-2016 of Agrani Insurance Company Limited was held on 1 February 2017 at Pan Pacific Sonargaon, Dhaka. Mr. Md. Shahbaz Hossain Khan, Chairman of the Board, was present in the conference.



Mr. Md. Shahbaz Hossain Khan, Chairman of the Board is addressing in the Annual Business Conference-2016



Partial view of the Annual Branch Conference-2016

CLAIM PAID



Mr. Md. Anwar Hossain, CEO, is handing over a Fire claim cheque to Mr. Md. Mojibul Hoque, Proprietor of M/S Dhaka Store.



Mr. Md. Anwar Hossain, CEO, is handing over a Fire claim cheque to Mr. Md. Abdul Hannan, Proprietor of M/S Bismillah Store.



Mr. Md. Anwar Hossain, CEO, is handing over a Marine claim cheque to Mr. A.K.M Mustafizur Rahman.

AMTOCK

CORPORATE EXECUTIVES

Chief Executive Officer (CEO)
Md. Anwar Hossain

Sr. Additional Managing Director
Md. Azharul Islam

Additional Managing Director
Hussain Ahmed
Md. Abdul Hoque

Dy. Managing Director
Mohasin Siddiquee
Kazi Md. Pannu
Anwar Hossain Munshi
Md. Imamul Hossain
H.M. Sarwardi
Md. Rustom Ali (Ripon)

Assistant Managing Director
Md. Shahidul Islam
S.M. Kamal Uddin
Mohammed Salim
Farhad Uddin Bhuiyan
Md. Enamul Haque

Sr. Executive Vice President
Golam Rabbani
Abdul Malek Begh (Babul)

Executive Vice President
Sharif Mahmud
Md. Mahbub Hasan
Drs. Miah Feroz
Md. Arif Khan
M. Atiqur Rahman Khan
Md. Humayun Kabir

Sr. Vice President
Sarwar-E-Alam Khan
Masud-un-Nabi (Kutu)
Ashim Kumar Roy
Debasish Roy Chowdhury
Golam Moyeenul Huda
Nurul Amin
Md. Mizanur Rahman
Enamul Haque (Nahid)
Monjur Hossain

Vice President
Dilip Kumar Ghosh
Ahasanur Rahman Joarder
Atul Chandra Das
Md. Kamal Hossain
Ishtiak Ahmed
Khandaker Abdul Baten
Syed Jurujul Alam
Kazi Ariful Hoque
Jibon Krishna Saha
Shafiqul Alam
Abdul Hannan
Biplob Kumar Paul
Mrs. Sajeda Parvin
Md. Showkat Ali Sheikh

Sr. Asstt. Vice President
Sharifa Sultana
Badal Kanti Ghosh
Pulokesh Saha
Musfequr Rahman
Mizanur Rahman
Md. Sharif Uddin

Asstt. Vice President
Nasrin Hashim (Nipa)
Mehbuba Begum
Rubel Hossain
Chinmoy Ghosh
Syeda Tanjina Hoque
Khadiza Begum
Mozammel Haque
Md. Shamim Hossain
Mokhlesur Rahman
Md. Abu Bakar Siddik
Md. Tanvir Ahmed
Md. Abul Kalam Azad
Nupur Akter
Saiful Hoque Chowdhury
Tahzib-Ul Islam
Sk. Atiar Rahman
Md. Mofizur Rahman
Manik Ratan
Ferdous-E-Anwar
Md. Sabur Akon
Md. Moniruzzaman
Nazmul Hoque Chowdhury
Siddiqur Rahman
Md. Khalilur Rahman
Waheduzzaman Chowdhury

FAIR STOCK

Directors' Report 2016



AMAR STOCK

Dear Shareholders:

On behalf of the Board of Directors I welcome you all to the 17th Annual General Meeting (AGM) of Agrani Insurance Company Ltd. We have the pleasure to place herewith the Directors' Report and the Auditor's Report, together with the Audited Financial Statements of the Company, for the year ended 31 December 2016 for your valued consideration, approval and adoption.

Global Economic Outlook

The global economy has now entered its sixth year of stagnation, and the growth outlook for 2017 shows a continuation of this trend. A projected stabilization in energy and commodity prices may provide a small tailwind for resource rich economies in 2017, but the medium-term trend continues to be dominated by weaker growth in key inputs, notably investment and labor supply. Modest positive signals emerge from the base scenario showing some strengthening in qualitative growth factors, such as more advanced technology, improved labor force skills, and greater productivity. But those potentially favorable factors are under pressure from ongoing political, policy, and economic uncertainties around the world. This risks further inertia caused by a wait-and-see attitude among corporate and governments. Businesses have to prepare for more disruptions from geopolitical tensions, policy uncertainty, financial market volatility, and rapid changes in technology, but they also need to stay focused on leveraging the qualitative sources of growth with investment in technology and business productivity even—or especially—in times of stagnation. Global growth in real GDP has dropped off to 2.5 percent in 2016 – its lowest rate since the end of the global recession in 2009, and is likely to increase only marginally to 2.8 percent in 2017. Among the larger economies, the United States is expected to see somewhat faster growth of 2 percent in 2017 compared to 1.6 percent in 2016. The European growth environment remains fragile as downside risks continue to linger after the 2008/09 and 2012/13 recessions. During the last five years, Euro Area average GDP growth was just 0.5 percent. The region is expected to see a 1.4 percent growth rate in 2017, somewhat below the 1.5 percent growth in 2016.

Insurance Sector Review

Just after the Liberation of Bangladesh in 1971, Sadharan Bima Corporation (SBC) and Jiban Bima Corporation (JBC) have been established under the Insurance Corporation Act 1973 as the state-owned organizations to deal with non-life and life Insurances respectively.

SBC and JBC are the state-owned reinsurance service provider. Thereafter the permission was given to Private Insurance Companies to operate in accordance with the provisions of the Insurance (Amendment) Ordinance, 1984. Additionally, the supervision of the Insurance Sector has been shifted to the Ministry of Finance from the Ministry of Commerce. In March 2010 the Parliament have passed two insurance laws in a bid to further strengthen the regulatory framework for the insurance industry and make the industry operationally vibrant. The new laws came into effect on 18 March 2010, are Insurance Act 2010 and Insurance Development Regulatory Authority Act 2010.

Insurance companies are playing a significant role in the economic development of the country but because of some impediments, such as, lack of public awareness, poor economic condition, poor financial strength of the company, higher cost of business, scope in non-traditional sector, service diversification, development of new policy, lack of business ethics, need-based product design, determining affordable prices, delivering excellent claims services and above all, an acute lack of skilled insurance professionals it has failed to achieve its goal.

By that time, the IDRA, so far been framed 17 Nos. Rules/Regulations in support of the Insurance Act 2010 for the development of the Insurance Industry. We are optimistic that if the rules and regulations are implemented and monitored properly, rights of the policy holder and other beneficiaries well be well preserved.

In 2016, the company has earned a gross premium of Tk. 407.06m as against Tk. 357.57m in 2015. Class-wise business results are as under:

Fire

Gross premium income was Tk. 162.59m as against Tk. 139.00m in the preceding year.

Marine

Gross premium income was Tk. 150.95m as against Tk. 138.72m in the preceding year.

Motor

Gross premium income was Tk. 61.45m as against Tk. 47.28m in the preceding year.

Miscellaneous

Gross premium income was Tk. as 32.06m against Tk. 32.57m in the preceding year.

Profit

The company earned a net profit before tax of Tk. 72.69m as against Tk. 70.05m in the previous year.

Assets

Total assets of the company stood at Tk. 690.41 as against Tk. 628.75m In preedecing year.

Credit Rating

The Company has been graded "A+" by the Alpha Credit Rating Ltd., based on the financial statements of 2015.

Internal Control

Internal audit performs an independent and objective assurance and consulting function that is designed to add value to our operations. Using a systematic and disciplined approach, the Internal Audit team evaluates and enhances the effectiveness of our risk management, control, and governance processes. Internal audit is responsible for carrying out periodic audits. Its function also includes independent assessment risk exposure of our various business activities, taking into account industry trends, strategic and organizational decisions, best practice and regulatory matters. Based on the results of its assessment, Internal Audit develops detailed annual audit objectives, defining areas of audit concentration and specifying resource requirements for approval by the audit Committee. Internal audit coordinates its operations with the activities of the external auditor for maximum effect.

Information & Communication Technology (ICT)

Information and Communication Technology has become the inevitable part for today's modern business process and transaction. Insurance sector of Bangladesh witnesses a technological revolution in the recent years. IT is a pioneer and powerful catalyst in addressing the needs and interests of customers in the insurance sector. IT Division is playing an integral role with a vision to make Agrani Insurance Limited a more efficient company in terms of service and profitability with the application of modern, reliable and tested technology.

Human Resources Development

At AICL's Human Resources, in its business partner role, enacts strategies to raise the performance of each team member to its maximum potential. The primary reason for our success is that our organization is built around people. Team efforts played a key role in achieving the stretched business goals. However, this was also possible through continuous review of the organizational structure, which ensured the business' stability.. Employees are rewarded based on performance, resulting in enhanced retention and motivation at all levels.

Customer Service

Agrani Insurance is a customer-centric organization. We are investing more in customer service infrastructure, systems and training to ensure that we have right people in right place to understand customers' needs and respond quickly and solve customers' issue. Agrani installed modern IT equipment in order to ensure swift service to the customers.

Acquisition of an office

You will be pleased to know that we have purchased another office space measuring 1044 sft situated at "Paltan Tower" , 87 Purana Paltan Line, Paltan, Dhaka at cost of Tk. 101,00,000.00 (Excluding registration) which was registered on 23 June 2016.

Board/Committee Meeting Attendance

During the year 2016, 7 Nos. of the board meeting was held and the attendance of the Directors is shown in annexure-1.

Compliance Report on SEC Notification

Directors' report to the shareholders as per SEC Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012, the directors report that:

i. In the preparation of annual accounts, the International Accounting Standard as adopted in Bangladesh has been followed and that there has been no material deviation.

ii. The selected accounting policies were applied and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31 December 2016 and the profit of the company for the year ended on that date.

iii. Sufficient and appropriate care has been taken to maintain adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

iv. The system of internal control is sound in design and has been effectively implemented and monitored.

v. The annual accounts have been prepared on a going concern basis.

Key Operating & Financial Data

The key operating and financial data for the last five years are shown at page No. 16

The Pattern of Shareholding

The pattern of shareholding is shown in annexure-II.

Corporate Governance Compliance Report

According to the SEC Notification No. SEC/CMRRCD/2006-158/ 134/Admin/44 dated 7 August 2012; the compliance status of the Corporate Governance is shown in annexure- III.

Moving forward in 2017

Our strategy for 2017 is designed to deliver sustainable, profitable growth in a changing and competitive business environment in order to maintain a leading position in the industry. To take AICL to the greater height, we are focusing more closely on the markets and customers' segments where we have a competitive edge, where we can offer a superior value proposition to our customers. We continue to invest in our people and systems and processes to better understand our customers' needs, serve them in the way they require, increase collaboration and improve efficiency.

Dividend

The board declared 10% dividend (7% Cash & 3% Stock) for the year 2016 subject to the approval of the shareholders at the Annual General Meeting.

Election of Directors

According to the Articles of Association of the company, the following directors will retire at the 17th Annual General Meeting and be eligible they offered themselves for re-election:

Sponsor : A

Mr. Md. Shahbaz Hossain Khan
Mr. Md. Mustafizur Rahman
Dr. Md. Mustahidur Rahman
Mr. H. M. Ibrahim

Public : B

Mr. S. M. Shamsul Arefin

A notification has been published in the newspaper for the election of directors from public shareholding. In response to the invitation, we have received the application from Mr. S. M. Shamsul Arefin.

Renewal of employment contract of the Chief Executive Officer (CEO)

The employment contract of Mr. Md. Anwar Hossain, Chief Executive Officer (CEO), of the company was renewed by the board in its 98th meeting held on 28 December 2015 for a period of 3 years commencing 16 January 2016 and concurrence in that regard were received from the Regulatory Authority (IDRA).

Statutory Auditors

The Statutory Auditors M/s Mahfel Huq & Co. Chartered Accountants, shall retire in this AGM. The Firm, being eligible, has offered their willingness to be re-appointed. The Board recommends re-appointment for the year 2017.

Appointment of an Independent Director

According to the condition of Corporate Governance Guideline (CGG), the board appointed Mr. Md. Mahbubur Rahman, as an Independent Director, in its 107th meeting held on 9 March 2017, in place of Mr. Rafiqul Islam who completed two terms.

Acknowledgement

The Directors wish to place on record their appreciation for the co-operation and support received from the stakeholders. The Directors also acknowledge the hard work, dedication, and commitment of the employees.

On behalf of the Board of Directors



Md. Shahbaz Hossain Khan
Chairman

26 April 2017

AMARSTOCK

Meeting attended by the Directors
Of Agrani Insurance Co. Ltd during 2016

Name of the Director	Board			Audit committee			Executive Committee			Claims Committee			Finance & Investment Committee		
	Total Mtg. held	Mtg. attended	%	Total Mtg. held	Mtg. attended	%	Total Mtg. held	Mtg. attended	%	Total Mtg. held	Mtg. attended	%	Total Mtg. held	Mtg. attended	%
Mr. Md. Shahbaz Hossain Khan	7	7	100	4	4	100	2	2	100	4	4	100	-	-	-
Quazi Sakhawat Hossain(Lintoo)	7	7	100	-	-	-	2	2	100	4	4	100	2	2	100
Mr. Rezaul Huq Khan	7	7	100	-	-	-	2	2	100	4	3	75	-	-	-
Mr. Mahmudul Hoque	7	7	100	-	-	-	2	2	100	4	4	100	2	2	100
Mr. Zaker Ahmed, FCA	7	7	100	4	4	100	2	2	100	4	4	100	-	-	
Mr. Md. Mustafizur Rahman	7	3	43	-	-	-	2	-	-	-	-	-	2	1	50
Dr. Md. Mustahidur Rahman	7	7	100	4	4	100	-	-	-	4	4	100	-	-	-
Mr. H.M. Ibrahim	7	2	29	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Abdul Kader Khan	7	7	100	-	-	-	-	-	-	-	-	-	-	-	-
Mr. A.Y. Shahidul Islam	7	7	100	4	4	100	-	-	-	-	-	-	-	-	-
Mr. Md. Mahbub Alam	7	2	29	-	-	-	2	-	-	-	-	-	2	1	50
Mr. S.M. Shamsul Arefin Rep. of Uttara Fin. & Invest. Ltd	7	6	86	-	-	-	-	-	-	-	-	-	2	2	100
Mr. Ahmed Jamal	7	7	100	-	-	-	-	-	-	-	-	-	2	2	100
Mr. Rafiqul Islam	7	7	100	4	4	100	-	-	-	-	-	-	-	-	-
Mr. Md. Nasir Uddin	7	1	14	-	-	-	-	-	-	-	-	-	-	-	-

Annexure-1

ALWAR STOCK

Annexure-II

Pattern of shareholding

Sl.No	Shares held by	No .of shares held	'Percentage of Shareholding"
01	Mr. Md. Shahbaz Hossain Khan	593,496	2.23%
02	Mr. Rezaul Huq Khan	621,815	2.34%
03	Dr. Md. Mustahidur Rahman	665,837	2.50%
04	Mr. Mahmudul Haque	1,010,000	3.79%
05	Quazi Sakhawat Hossain (Lintoo)	843,396	3.17%
06	Mr. Zaker Ahmed, FCA	605,312	2.27%
07	Mr. Md. Mustafizur Rahman	665,837	2.50%
08	Mr. H.M. Ibrahim	533,609	2.00%
09	Mr. Abdul Kader Khan	534,115	2.00%
10	Mr. A.Y. Shahidul Islam	550,285	2.07%
11	Mr. Md. Mahbub Alam	967,687	3.63%
12	Mr. Mahbubur Rahman (Expired)	605,252	2.27%
Public Shareholding Directors :			
01	Mr. Ahmed Jamal	35,511	0.13%
02	Uttara Finance & Investments Ltd.	55,041	0.21%
Sponsor Shareholders:			
01	Mir Nasir Hossain	989,872	3.72%
02	Mr. Anwar Mirza	943,714	3.54%
Independent Directors :			
01	Mr. Md. Mahbubur Rahman	-	-
02	Mr. Md. Nasir Uddin	-	-
	Chief Executive Officer	-	-
	Company Secretary	-	-
	Chief Financial Officer	-	-
	Head of Internal Audit	-	-
03	Executives	-	-
04	General Public	16,413,029	61.62%
05	Shareholding 10% (Ten percent) or more voting interest in the Company		-

EMARGSTOCK

Annexure-III

Corporate Governance Compliance Report

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07th August, 2012 issued under section 2CC of the Securities and Exchange Ordinance 1969.

Condition No.	Title	Compliance status		Remarks (If any)
		Complied	Not Complied	
1.0	*BOARD OF DIRECTORS:*			
1.1	**Board's Size:** The number of the board members shall not be less than 5(five) and more than 20 (twenty)	✓		15 Directors
1.2	**Independent Directors:**			
1.2(i)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.	✓		2 Independent Directors
1.2(ii)	**For the purpose of this clause -independent directors means a director:**			
1.2(ii) a)	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 (ii)b)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the 347basis of family relationship. His/her family members also should not hold above mentioned shares in the company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	✓		
1.2(ii)c)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;	✓		
1.2(ii) d)	Who is not a member, director or officer of any stock exchange;	✓		
1.2(ii)e)	Who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	✓		
1.2(ii)f)	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;	✓		
1.2(ii) g)	Who shall not be an independent director in more than 3 (three) listed companies;	✓		
1.2(ii) h	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);	✓		
1.2(ii) i)	Who has not been convicted for a criminal offence involving moral turpitude.	✓		
1.2(iii)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	✓		
1.2(iv)	The post of independent director(s) can not remain vacant for more than 90 (ninety) days.	✓		
1.2(v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	✓		
1.2(vi)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	✓		

Condition No.	Title	Compliance status		Remarks (If any)
		Complied	Not Complied	
1.3	*Qualification of Independent Director (ID)*			
1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	✓		
1.3 (ii)	The person should be a Business Leader/Corporate Leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management, professional experiences.	✓		
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.			N/A
1.4	*Chairman of the Board and Chief Executive Officer:* The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer.	✓		
1.5	*The Directors' Report to Shareholders:*			
1.5 (i)	Industry outlook and possible future developments in the industry	✓		
1.5(ii)	Segment–wise or product product-wise performance	✓		
1.5(iii)	Risks and concerns	✓		
1.5 (iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	✓		
1.5 (v)	Discussion on continuity of any Extra- Ordinary gain or loss			N/A
1.5 (vi)	Basis for related party transactions-a statement of all related party transactions should be disclosed in the annual report.			N/A
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others 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 Offer, Direct Listing, etc.			N/A
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.			N/A
1.5 (x)	Remuneration to directors including independent directors	✓		
1.5(xi)	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)	Proper books of account of the issuer company have been maintained.	✓		
1.5 (xiii)	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.	✓		

Condition No.	Title	Compliance status		Remarks (If any)
		Complied	Not Complied	
1.5 (xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards /Bangladesh Financial Reporting Standards (BFRS), 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)	The system of internal control is sound in design and has been effectively implemented and monitored.	✓		
1.5 (xvi)	There are no significant doubts 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 thereof should be disclosed.	✓		
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.			N/A
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	✓		
1.5(xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.			N/A
1.5(xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	✓		
1.5(xxi)	**The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:**			
1.5(xxi)a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	✓		
1.5(xxi)b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	✓		
1.5(xxi)c)	Executives;	✓		
1.5(xxi)d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).			N/A
1.5(xxii)	**In case of appointment/reappointment of a director the company shall disclose the following information to the shareholders:**			
1.5(xxii)a)	A brief resume of the director;	✓		
1.5(xxii)b)	Nature of his/her expertise in specific functional areas;	✓		
1.5(xxii) c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		

Condition No.	Title	Compliance status		Remarks (If any)
		Complied	Not Complied	
2.0	*CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPANY SECRETARY (CS):*			
2.1	**Appointment:** The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	✓		
2.2	**Requirement to attend the Board Meetings:** The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	✓		
3.0	*Audit Committee:*			
3(i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	✓		
3 (ii)	The Audit Committee shall assist the Board of Directors 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.	✓		
3(iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	✓		
3.1	*Constitution of the Audit Committee:*			
3.1(i)	The Audit Committee shall be composed of at least 3 (three) members.	✓		
3.1(ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.	✓		
3.1(iii)	All members of the audit committee should be-financially literate and at least 1 (one) member shall have accounting or related financial management experience.	✓		
3.1(iv)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until 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 of Directors shall appoint the new Committee member(s) to fill up the vacancy (ies) immediately or not later than 1 (one) month from the date of vacancy (ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.	✓		
3.1(v)	The company secretary shall act as the secretary of the Committee.	✓		
3.1(vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
3.2	*Chairman of the Audit Committee:*			
3.2(i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	✓		

FINANCIAL STOCK

Condition No.	Title	Compliance status		Remarks (If any)
		Complied	Not Complied	
3.2(ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	✓		
3.3	***Role of Audit Committee :***			
3.3 (i)	Oversee the financial reporting process.	✓		
3.3 (ii)	Monitor choice of accounting policies and principles.	✓		
3.3(iii)	Monitor internal Control Risk Management process.	✓		
3.3 (iv)	Oversee hiring and performance of external auditors.	✓		
3.3(v)	Review the annual financial statements before submission to the board for approval.	✓		
3.3(vi)	Review the quarterly and half-yearly financial statements before submission to the board for approval.	✓		
3.3(vii)	Review the adequacy of internal audit function.	✓		
3.3(viii)	Review statement of significant related party transactions submitted by the management.	✓		
3.3(ix)	Review management letters/ letter of internal Control weakness issue by statutory auditors	✓		
3.3 (x)	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.			N/A
3.4	***Reporting of the audit committee:***			
3.4.1	**Reporting to the Board of Directors:**			
3.4.1(i)	The Audit Committee shall report on its activities to the Board of Directors.	✓		
3.4.1(ii)	**The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:**			
3.4.1(ii) a	Report on conflicts of interests;			N/A
3.4.1(ii)b	Suspected or presumed fraud or irregularity or material defect in the internal control system;			N/A
3.4.1(ii)c	Suspected infringement of laws, including securities related laws, rules and regulations;			N/A
3.4.1(ii)d	Any other matter which shall be disclosed to the Board of Directors immediately.			N/A

Condition No.	Title	Compliance status		Remarks (If any)
		Complied	Not Complied	
3.4.2	**Reporting to the Authorities:** If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.	✓		
3.5	**Reporting to the Shareholders and General Investors:** Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
4.0	*External/Statutory Auditors :*			
	The issuer company should not engage its external/statutory auditors to perform the following services of the company; namely:			
4 (i)	Appraisal or valuation services or Fairness opinions.	✓		
4 (ii)	Financial information systems design and implementation.	✓		
4 (iii)	Book-keeping or other services related to the accounting records or financial statements.	✓		
4(iv)	Broker- dealer services	✓		
4 (v)	Actuarial services	✓		
4(vi)	Internal audit services	✓		
4(vii)	Any other service that the Audit Committee determines.	✓		
4 (viii)	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.	✓		
5.0	*Subsidiary Company :*			
5 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary Company.			N/A
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.			N/A
5 (iii)	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
5 (iv)	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
5(v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			N/A

Condition No.	Title	Compliance status		Remarks (If any)
		Complied	Not Complied	
6.0	*Duties of Chief Executive Officer and Chief Financial Officer :*			
	The CEO and CFO shall certify to the Board that:-			
6 (i)	They have reviewed financial statements for the year and that to the best of their knowledge and belief:			
6 (i)a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓		
6 (i) b)	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.	✓		
6 (ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	✓		
7.0	*Reporting and Compliance of Corporate Governance :*			
7 (i)	The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	✓		
7(ii)	The directors of the company shall state in the directors' report whether the company has complied with these conditions.	✓		

AMARSTOCK

REPORT OF THE
AUDIT COMMITTEE FOR THE YEAR 2016

The Board is responsible for effective implementation of a sound internal control system including compliance with control procedures. The Audit Committee is assisted by the Internal Auditor in reviewing the adequacy of operational controls and in monitoring and managing risks so as to provide reasonable assurance that such system continues to operate satisfactorily and effectively in the Company and to add value and improve the Company's operations by providing independent and objective assurance. The principle responsibility of the Internal Auditors is to conduct periodic audits to ensure adequacy in operational controls, consistency in application of policies and procedures, compliance with laws and regulations. The Committee is headed by a Director who is an Independent Director of the Company.

Scope of the Audit Committee was defined as under:

* Review the financial and other system and its reporting procedure;
* Oversee the work of external auditors, including matters of disagreement between the Management and the external auditors regarding financial reporting;
* Discuss major issues concerning accounting principles and financial statements presentation;
* Conduct audit concerning material violation by the Management in carrying out operation of the Company;
* Review reports on litigation and regulatory compliance matters;
* Review internal control and the policies related to liquidity management and capital management;
* Suspected fraud or irregularity in the internal control system;

Activities during the year

* Reviewed the accounting principles and financial statements.
* Reviewed the audit reports of Branches/Head Offices and other statutory reports.
* Examined the system of financial reporting
* Reviewed the internal control system



Chairman
Audit Committee

CORPORATE GOVERNANCE

From its inception the Company has maintained a visible record of good corporate governance this is reflected merely by the growth of the company over the years. AICL considers that its corporate governance practices comply with all the aspects of BSEC Notification.

Composition of Board

The Board of the Company is composed of 16 members including the Chief Executive Officer (CEO) as ex-officio member. For better, quicker and furnished flow of information and thereby exercising effective governance, the Board has also constituted the following Committees

* Executive Committee
* Claims Committee
* Audit Committee
* Finance and Investment Committee

The role of the Board Committees is to review and appraise in the respective areas and then to advise and make recommendations to the Board. Each Committee operates in accordance with the Charter approved by the Board. The Board appoints the members and Chairman of each Committee. A brief description of each Committee is presented below:

The Executive Committee comprises of the following Board Members:

Mr. Zaker Ahmed, FCA	Chairman
Mr. Md. Shahbaz Hossain Khan	Member
Mr. Rezaul Huq Khan	Member
Mr. Mahmudul Hoque	Member
Mr. Md. Mustafizur Rahman	Member
Quazi Sakhawat Hossain (Lintoo)	Member
Mr. Md. Mahbub Alam	Member
Mr. Md. Anwar Hossain	Member

The Executive Committee guides the management in achieving the Company's Mission/Vision. The Committee ensures implementation of policies and other business proposals as per approved policy of the Board.

AMAR STOCK

The Claims Committee comprises of the following Board Members:

Quazi Sakhawat Hossain (Lintoo)	Chairman
Mr. Md. Shahbaz Hossain Khan	Member
Mr. Zaker Ahmed, FCA	Member
Mr. Rezaul Huq Khan	Member
Mr. Mahmudul Hoque	Member
Dr. Md. Mustahidur Rahman	Member
Mr. Md. Anwar Hossain	Member

The Committee approves any claim exceeding Tk. 100,000 However, the Committee, may if it is deemed necessary on the basis of gravity of the matter refer to the board. The Chief Executive Officer (CEO) shall approve any claim not exceeding Tk. 100,000 in consultation with the Chairman of the Board.

The Audit Committee comprises of the following Board members:

Mr. Md. Mahbubur Rahman	Chairman
Mr. Zaker Ahmed	Member
Dr. Md. Mustahidur Rahman	Member
Mr. AY Shahidul Islam	Member
Mr. Md. Shahbaz Hossain Khan	Member
Mr. Md. Anwar Hossain	Member

The Committee is empowered to examine any matter relating to financial affairs of the Company and to review all audit programs, internal control systems and procedures, management information system, internal audit reports process, compliance with laws and regulations, etc. The Audit Committee takes initiatives to keep the Company away from any probable disaster.

The Finance and Investment Committee comprises of the following Board members:

Mr. Mahmudul Hoque	Chairman
Quazi Sakhawat Hossain (Lintoo)	Member
Mr. S. M. Shamsul Arefin	Member
Mr. Ahmed Jamal	Member
Mr. Md. Mahbub Alam	Member
Mr. Md. Mustafizur Rahman	Member
Mr. Md. Anwar Hossain	Member

The Committee sits time to time for expansion of investment of company's fund in different profitable sectors to earn good return.

AMAR STOCK

The Role and Responsibility of the Board & The Management Team:

The Corporate Governance Guideline is complied with to establish the Board of Directors, Executive Committee, Claims Committee, Audit Committee, Finance & Investment Committee as well as Management Team of the Company.

The Directors of the Board are appointed by the Shareholders at the Annual General Meeting (AGM) and accountable to the Shareholders. The Board is responsible for ensuring that the business activities are soundly administered and effectively controlled. The Directors keep themselves informed about the Company's financial position and ensure that its activities, accounts and asset management are subject to adequate control. The Board also ensures that AICL Policies & Procedures and Codes of Conduct are implemented and maintained and the Company adheres to generally accepted principles for good governance and effective control of Company activities.

Management

The Chief Executive Officer is responsible for overseeing the day to day activities to ensure smooth and effective operation of the company and for implementing strategies and policies adopted by Board. He is accountable to the Board for the financial and operational performance of the Company. The Management Team of the Company is led by the Chief Executive Officer, Mr. Md. Anwar Hossain and overall functions of the Company are being looked after by the following Departments:

1. Board Affairs
2. Administration & Establishment
3. Finance & Accounts
4. Branch Control
5. Underwriting
6. Claims
7. Re-Insurance
8. Audit
9. Information Communication and Technology (ICT)
10. Investors' Relation Department

AMAR STOCK

Directors' Certificate

As per regulations contained in the First Schedule of the Insurance Act, 2010 and as per section 63 (2) of Insurance Act 2010

we certify that:

1. The value of investments as shown in the Balance Sheet has been taken at cost.

2. The values of all assets as shown in the Balance Sheet and as classified on Form "AA" annexed have been duly reviewed as at 31 December 2016 and in our belief, the said assets have been set forth in the Balance Sheet at amounts not exceeding their realizable or market values under the several headings as enumerated in the annexed form.

3. All expenses of management, wherever incurred and whether incurred directly or indirectly in respect of Fire, Marine, Motor and Miscellaneous Insurance business have been duly debited to the related Revenue Accounts and Profit & Loss Account.

Md. Shahbaz Hossain Khan
Chairman

Director

Director

Md. Anwar Hossain
Chief Executive Officer (CEO)

AMARSTOCK

ATIK KHALED CHOWDHURY
Chartered Accountants

Hasan Court (1st Floor)
23/1 Motijheel C/A
Dhaka-1000, Bangladesh
Tel: 9553407, 9564972
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website : www.atikkhaled.com

Certificate on compliance of conditions of the Corporate Governance Guidelines to the Shareholders of

Agrani Insurance Company Limited

We have examined the annexed statement on compliance of conditions of the Corporate Governance Guidelines of the Bangladesh Securities and Exchange Commission (BSEC) by Agrani Insurance Company Limited for the year ended 31 December 2016 as stipulated in the clause7(1) of the BSEC's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07thAugust 2012.

The compliance of the said conditions of Corporate Governance Guidelines of the Bangladesh Securities and Exchange Commission (BSEC) and reporting of the status thereof is the responsibility of the Company's management. Our responsibility is to provide a certificate based on our relevant examination as to whether or not the company is in compliance with the said conditions of Corporate Governance Guidelines. Our examination for the purpose of issuing this certificate was limited to the examining of procedures and implementations thereof as adopted by the Company for ensuring the compliance of the conditions of Corporate Governance and corrects reporting of compliance status on the attached statement on the basis of evidence gathered and representation received. It is neither an audit nor an expression of opinion on the financial statements of the company.

To the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance stipulated in the above-mentioned BSEC's notification dated 7thAugust 2012 issued under section 2CC of the Securities and Exchange Ordinance 1969.

Atik Khaled Chowdhury
Chartered Accountants
Dhaka, 13 May 2017

ATIK KHALED CHOWDHURY Chartered Accountants DHAKA

CEO & CFO'S DECLARATION TO THE BOARD

24 April 2017

The Board of Directors
Agrani Insurance Company Ltd
Head Office
Dhaka.

Sub : CEO & CFO's declaration to the Board

In accordance with the notification of Bangladesh Securities and Exchange Commission No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 we declare that for the financial year ended 31 December 2016:

i) we have reviewed financial statements for the year ended 31 December, 2016 and that to the best of our knowledge and belief:

a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

b) these statements together present a true and fair view of the company's affairs and in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.

Dilip Kumar Ghosh
Vice President & (CFO)

Md. Anwar Hossain
Chief Executive Officer (CEO)

AMAR STOCK

Auditors' Report

to the Shareholders 2016



AMAR STOCK

Independent Auditors' Report to the Shareholders of Agrani InsuranceCompany Limited

We have audited the accompanying financial statements of Agrani Insurance Company Limited, which comprise of the Balance Sheet (Statement of Financial Position) as at December 31, 2016 and the Profit and Loss Account (Statement of Profit or Loss and other Comprehensive Income),Profit and Loss Appropriation Account, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standard (BAS)/Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, The Insurance Act 2010, Insurance Rules 1958, the Securities and Exchange Rules 1987, guidelines provided by Insurance Development and Regulatory Authority (IDRA) and other applicable laws and regulations and for such internal control as management determines, which is necessary to enable the preparation of financial statements that are free from material misstatement, where due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluation the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Financial Statements of Agrani Insurance Company Limited, in all material

respects, give a true and fair view of the Financial Position of the company as at 31st December, 2016, of its financial performance and of its Cash Flow's for the year then ended and the Financial Statements were prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS), the Companies Act 1994, the Insurance Act 1938 (as amended in 2010), Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Report on Other Legal and Regulatory Requirements:

We also report that:

i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

ii. in our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;

iii. as per section 63 (2) of the Insurance Act 2010, in our opinion to the best of our knowledge and belief and according to the information and explanations 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 Profit and Loss Account and other comprehensive income of the company;

iv. the information and explanations required by us have been received and found satisfactory;

v. os per Regulation- 11 of part 1 of the third schedule of the Insurance Act 1938 (as amended in 2010), in our opinion to the best of our information and as shown by its books, the company during the under report hos not paid ony person ony commission in any form, outside Bangladesh in respect of ony of its business re- insured abrood;

vi. the Company's Statement of Financial Position and Statement of Comprehensive Income and its Cash Flows dealt with by the report are in agreement with the books of account and returns;

vii. the expenditure incurred was for the purposes of the Company's business.

Dated
April 26, 2017

Mahfel Huq & Co.
Chartered Accountants

Balance Sheet (Statement of Financial Position) As at 31st December, 2016

CAPITAL AND LIABILITIES	Notes	2016 Taka	2015 Taka
Share capital	3.00		
Authorised Capital			
50,000,000 ordinary shares of Tk.10 each	3.01	**500,000,000**	**500,000,000**
Issued, subscribed & paid up capital			
26,633,809 ordinary shares of Tk.10 each	3.02	**266,338,091**	**253,655,325**
Reserve or Contingency Accounts		**189,955,823**	**164,765,018**
Reserve for exceptional losses	4.00	134,226,314	114,926,314
Reserve for investment fluctuation fund	5.00	21,000,000	17,000,000
General reserve	6.00	7,700,000	7,200,000
Balance of profit & loss appropriation account		27,029,509	25,638,704
Balances of Funds and Accounts	7.00	**81,953,884**	**77,900,074**
Fire		24,337,186	22,260,497
Marine		35,572,361	35,562,750
Motor		20,380,380	14,497,136
Miscellaneous		1,663,957	5,579,691
Premium Deposits	8.00	15,368,365	11,931,775
Loan & Advances	9.00	12,732,858	3,632,035
Liabilities and Provisions		**124,057,908**	**116,866,875**
Estimated liability in respect of outstanding claims, whether due or intimated	10.00	27,078,239	18,427,369
Amount due to other persons or bodies carrying on insurance business	11.00	20,369,548	32,332,523
Sundry creditors and accruals	12.00	30,197,874	22,618,557
Provision for income tax	13.00	42,985,308	41,608,908
Provision for arrear income tax		2,124,727	577,306
Deferred tax liability	14.00	1,302,212	1,302,212
Total		**690,406,929**	**628,751,102**
Net Assets Value (NAV) per share		17.13	16.50

PROPERTY AND ASSETS	Notes	2016 Taka	2015 Taka
Non-Current Assets :		**249,420,853**	**242,792,327**
Building property (floor purchase)	15.00	136,686,284	125,466,044
Plant, office equipments & other fixed assets	16.00	33,411,711	35,368,758
Investment (at cost)	17.00	79,322,858	81,957,525
Current Assets :		**163,875,559**	**150,724,847**
Stock of stationery		686,535	597,276
Insurance stamp in hand		1,776,095	3,133,762
Interest accrued but not due	18.00	4,517,212	4,517,213
Amount due from other persons or-bodies carrying on insurance business	19.00	74,182,673	65,115,816
Sundry debtors (including advances, deposits and pre-payments)	20.00	82,713,044	77,360,780
Cash and Cash Equivalents	21.00	**277,110,517**	**235,233,928**
Investment in fixed deposit receipts (FDR)		236,000,000	196,500,000
Cash in hand		3,126,291	2,228,840
Cash at bank		37,984,226	36,505,088
Total		**690,406,929**	**628,751,102**

The annexed notes form an integral part of these financial statements.

Md. Shahbaz Hossain Khan	Rezaul Huq Khan	A.Y. Shahidul Islam	Md. Anwar Hossain	Mahfel Huq & Co.
Chairman	Director	Director	Chief Executive Officer (CEO)	Chartered Accountants

Date: 26.04.2017

Signed as per our separate report of same date.

Profit or Loss Account (Statement of other Comprehensive Income) For the Year Ended 31st December, 2016

	Notes	2016 Taka	2015 Taka
Expenses of management (not applicable to any particular fund or account)		12,914,974	11,354,079
Advertisement & publicity		659,565	461,995
Audit fees	22.00	200,000	156,000
Subscription		472,660	235,000
Professional fees		123,500	164,700
Depreciation		7,076,085	6,173,539
Registration fees		1,251,486	1,144,751
Directors fee	23.00	735,000	715,000
P.F. contribution		1,454,909	1,205,293
Interest on over draft		512,245	1,097,801
Interest on loan		429,524	
Net profit for the year carried to Profit & loss appropriation account		72,694,862	70,051,132
Total		85,609,836	81,405,211

	Notes	2016 Taka	2015 Taka
Interest, dividend and rents (not applicable to any particular fund or account)			
Interest & dividend Income	24.00	23,818,251	20,751,217
Interest income		18,516,418	19,829,986
Dividend income		1,819,833	921,231
Rental Income (Floor)		3,482,000	-
Other Income	25.00	1,521,980	939,553
Profit on sale of fixed assets		1,074,360	906,608
Profit on sale of share		447,620	32,945
Profit/(loss) transferred from :		60,269,605	59,714,441
Fire insurance revenue account		11,645,442	15,657,230
Marine insurance revenue account		29,961,606	31,687,208
Motor insurance revenue account		14,245,371	8,461,673
Miscellaneous insurance revenue account		4,417,186	3,908,330
Total		85,609,836	81,405,211

Profit or Loss Appropriation Account
For the Year Ended 31st December, 2016

	Notes	2016 Taka	2015 Taka
Reserve for exceptional losses		19,300,000	18,570,000
Dividend 2015		25,365,533	25,365,533
Provision for income tax		20,591,103	20,171,670
Provision for arrear income tax		1,547,421	577,306
Provision for deferred tax liabilites		-	100,000
Provision for investment fluctuation fund		4,000,000	5,000,000
General reserve		500,000	200,000
Balance being profit transferred to balance sheet	28.00	27,029,509	25,638,704
Total		98,333,566	95,623,213
Earning per share (EPS)	29.00	**1.90**	**1.85**

	Notes	2016 Taka	2015 Taka
Balance being profit brought forward from last year		25,638,704	25,572,081
Net profit for the period brought down from profit & loss Account		72,694,862	70,051,132
Total		98,333,566	95,623,213

The annexed notes form an integral part of these financial statements.

Md. Shahbaz Hossain Khan	Rezaul Huq Khan	A.Y. Shahidul Islam	Md. Anwar Hossain	Mahfel Huq & Co.
Chairman	Director	Director	Chief Executive Officer (CEO)	Chartered Accountants

Date: 26.04.2017

Signed as per our separate report of same date.

ANNUAL REPORT STOCK

CONSOLIDATED REVENUE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2016

	Notes	2016 Taka	2015 Taka
Claims under policies less re-insurances		30,020,592	26,895,042
Paid during the year		21,369,722	37,455,739
Add : total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		27,078,239	18,427,369
		48,447,961	55,883,108
Less: Claims outstanding at the end of the previous year		18,427,369	28,988,066
Commission expenses		54,690,204	47,966,304
Expenses of management	27.00	66,164,768	57,404,298
Profit transferred to profit & loss account		60,269,605	59,714,441
Balance of account at the end of the year as shown in the balance sheet: Reserve for unexpired risks being 100% for Marine Hull & 40% for other premium income of the year.		81,953,885	77,900,074
Total		**293,099,054**	**269,880,159**

	Notes	2016 Taka	2015 Taka
Balance of account at the beginning of the year		77,900,074	65,208,374
Premium less re-insurance ceded	26.00	193,197,544	185,711,146
Commission on re-insurance ceded		22,001,436	18,960,639
Total		**293,099,054**	**269,880,159**

The annexed notes form an integral part of these financial statements.

Md. Shahbaz Hossain Khan
Chairman

Rezaul Huq Khan
Director

A.Y. Shahidul Islam
Director

Md. Anwar Hossain
Chief Executive Officer (CEO)

Mahfel Huq & Co.
Chartered Accountants

Date: 26.04.2017

Signed as per our separate report of same date.

ANNR STOCK

FIRE INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2016

	2016 Taka	2015 Taka		2016 Taka	2015 Taka
Claims under policies less re-insurances	4,209,730	2,782,332	Balance of account at the beginning of the year	22,260,497	20,066,164
Paid during the year	1,451,134	15,306,287			
			Premium less re-insurance ceded	58,342,964	55,651,241
Add : total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	6,015,096	3,256,500	Commission on re-insurance ceded	11,486,169	9,791,065
	7,466,230	18,562,787			
Less: Claims outstanding at the end of the previous year	3,256,500	15,780,455			
Commission expenses	23,904,630	20,347,285			
Expenses of management	28,992,642	24,461,126			
Profit transferred to profit & loss account	11,645,442	15,657,230			
Balance of account at the end of the year as shown in the balance sheet:					
Reserve for unexpired risks being 40% of premium income of the year	23,337,186	22,260,497			
Total	92,089,630	85,508,470	Total	92,089,630	85,508,470

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

Md. Shahbaz Hossain Khan Chairman	Rezaul Huq Khan Director	A.Y. Shahidul Islam Director	Md. Anwar Hossain Chief Executive Officer (CEO)	Mahfel Huq & Co. Chartered Accountants

Date: 26.04.2017

Signed as per our separate report of same date.

ANNUAL STOCK

MARINE INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2016

	2016 Taka	2015 Taka
Claims under policies less re-insurances	13,371,705	8,616,089
Paid during the year	10,300,095	4,359,146
Add : total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	11,816,979	8,745,369
	22,117,074	13,104,515
Less: Claims outstanding at the end of the previous year	8,745,369	4,488,426
Commission expenses	20,042,767	18,418,766
Expenses of management	24,013,415	21,800,624
Profit transferred to profit & loss account	29,961,606	31,687,208
Balance of account at the end of the year as shown in the balance sheet:		
Reserve for unexpired risks being 40% of premium income on marine cargo and 100% of premium income on marine hull of the year.	37,172,361	35,562,750
Cargo	29,380,916	29,536,724
Hull	7,791,445	6,026,026
Total	**124,561,854**	**116,085,437**

	2016 Taka	2015 Taka
Balance of account at the beginning of the year	35,562,750	30,321,106
Premium less re- insurance ceded	81,243,736	79,867,836
Commission on re-insurance ceded	7,755,368	5,896,495
Total	**124,561,854**	**116,085,437**

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

Md. Shahbaz Hossain Khan Chairman	Rezaul Huq Khan Director	A.Y. Shahidul Islam Director	Md. Anwar Hossain Chief Executive Officer (CEO)	Mahfel Huq & Co. Chartered Accountants

Date: 26.04.2017

Signed as per our separate report of same date.

ANNARSTOCK

MOTOR INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2016

	2016 Taka	2015 Taka
Claims under policies less re-insurances	9,799,953	10,445,610
Paid during the year	5,502,953	15,692,235
Add: total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	6,222,500	1,925,500
	11,725,453	17,617,735
Less: Claims outstanding at the end of the previous year	1,925,500	7,172,125
Commission expenses	8,893,872	6,776,745
Expenses of management	10,928,511	8,253,538
Profit/(loss) transferred to profit & loss account	14,245,371	8,461,673
Balance of account at the end of the year as shown in the balance sheet:		
Reserve for unexpired risks being 40% of premium income of the year	19,580,380	14,497,136
Total	**63,448,087**	**48,434,702**

	2016 Taka	2015 Taka
Balance of account at the beginning of the year	14,497,136	11,751,861
Premium less re-insurance ceded	48,950,951	36,242,841
Commission on re-insurance ceded	-	440,000
Total	**63,448,087**	**48,434,702**

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

Md. Shahbaz Hossain Khan Chairman	Rezaul Huq Khan Director	A.Y. Shahidul Islam Director	Md. Anwar Hossain Chief Executive Officer (CEO)	Mahfel Huq & Co. Chartered Accountants

Date: 26.04.2017

Signed as per our separate report of same date.

ANWAR STOCK

MISCELLANEOUS INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2016

	2016 Taka	2015 Taka		2016 Taka	2015 Taka
Claims under policies less re-insurances	2,639,204	5,051,011	Balance of account at the beginning of the year	5,579,691	3,069,243
Paid during the year	4,115,540	2,098,071			
			Premium less re-insurance ceded	4,659,893	13,949,228
Add : total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	3,023,664	4,500,000	Commission on re-insurance ceded	2,759,899	2,833,079
	7,139,204	6,598,071			
Less: Claims outstanding at the end of the previous year	4,500,000	1,547,060			
Commission expenses	1,848,935	2,423,508			
Expenses of management	2,230,200	2,889,010			
Profit/(loss) transferred to profit & loss account	4,417,186	3,908,330			
Balance of account at the end of the year as shown in the balance sheet:					
Reserve for unexpired risks being 40% of premium income of the year.	1,863,958	5,579,691			
Total	12,999,483	19,851,550	Total	12,999,483	19,851,550

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

Md. Shahbaz Hossain Khan Chairman	Rezaul Huq Khan Director	A.Y. Shahidul Islam Director	Md. Anwar Hossain Chief Executive Officer (CEO)	Mahfel Huq & Co. Chartered Accountants

Date: 26.04.2017

Signed as per our separate report of same date.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER, 2016

Particulars	2016 Taka	2015 Taka
A Cash flows from operating activites:		
Premium collection & other receipts	471,336,112	418,802,934
Payment of expenses of management, Re-Insurance, claims, commission etc.	(397,801,115)	(359,810,619)
Income tax paid and deducted at source	(18,534,516)	(24,102,777)
Net cash from operating activities	**55,000,481**	**34,889,538**
B Cash flows from investing activities:		
Purchase of shares and securities	(1,394,290)	(2,380,000)
Sale of share	4,494,007	932,404
Acquisition of fixed assets	(15,945,745)	(8,710,526)
Disposal of fixed assets	958,589	1,364,700
Dividend received	1,819,832	921,231
Net cash used in investing activities	**(10,067,607)**	**(7,872,191)**
C Cash flows from financing activities:		
Interest paid on overdraft	(512,245)	(1,097,801)
Increase / (decrease) of bank overdraft	(457,442)	(5,673,456)
Term loan received	10,000,000	-
Re-payment of term loan including interest	(871,260)	-
Dividend paid	(11,215,338)	(22,249,900)
Un-Claimed dividend	-	6,083,404
Net cash from financing activities	**(3,056,285)**	**(22,937,753)**
D Net cash increased / (decreased) :(A+B+C)	**41,876,589**	**4,079,594**
E Cash and cash equivalent at the begining of the year	**235,233,928**	**231,154,334**
F Cash and cash equivalent at the end of the year	**277,110,517**	**235,233,928**
G Net operating cash flow per share	**2.07**	**1.31**

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

Md. Shahbaz Hossain Khan	Rezaul Huq Khan	A.Y. Shahidul Islam	Md. Anwar Hossain	Mahfel Huq & Co.
Chairman	Director	Director	Chief Executive Officer (CEO)	Chartered Accountants

Date: 26.04.2017

Signed as per our separate report of same date.

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY FOR THE YEAR ENDED 31ST DECEMBER, 2016

Particulars	Share capital	Reserve for exceptional losses	General reserve	Reserve for investment fluctuation fund	Retained earnings	Total Taka
Balance as at 01.01.2016	253,655,325	114,926,314	7,200,000	17,000,000	25,638,704	418,420,343
Cash dividend 2015					(12,682,767)	(12,682,767)
Stock dividend 2015	12,682,766				(12,682,766)	-
Net profit after tax					50,556,338	50,556,338
Reserve for exceptional losses		19,300,000			(19,300,000)	-
Reserve for Investment fluctuation fund				4,000,000	(4,000,000)	-
General reserve			500,000		(500,000)	-
Balance as on 31.12. 2016	266,338,091	134,226,314	7,700,000	21,000,000	27,029,509	456,293,914
Balance as on 31.12. 2015	253,655,325	114,926,314	7,200,000	17,000,000	25,638,704	418,420,343

Note: Annexed statement form part of these accounts. This is the statement of changes in equity referred to the shareholders of even date.

Md. Shahbaz Hossain Khan	Rezaul Huq Khan	A.Y. Shahidul Islam	Md. Anwar Hossain	Mahfel Huq & Co.
Chairman	Director	Director	Chief Executive Officer (CEO)	Chartered Accountants

Date: 26.04.2017

Signed as per our separate report of same date.

ALMAR STOCK

Notes to the Financial Statements
For the year ended 31st December, 2016

1.00 General Information:

1.01 Legal form and status of the Company:

The Company was Incorporated as a Public Limited Company in Bangladesh on 14th March 2000 under the Companies Act 1994.The Company obtained certificate for commencement of business from the Registrar of Joint Stock Companies & Firms on 14th March, 2000 and obtained registration from the Chief Controller of Insurance,Government of the People's Republic of Bangladesh on 03.04.2000 under the Insurance Act 1938 (subsequent amended in 2010).The Company has also obtained registration of certificate from the Insurance Development and Regularity Authority (IDRA) after its establishment.The Company went into Initial Public Offering (IPO) on February 10, 2005 and listed with Dhaka Stock Exchange Ltd.(DSE). Registered office of the Company is situated at Shaiham Sky View Tower (14th Floor) 45, Bijoy Nagar, Dhaka-1000. The Company is engaged in Non Life Insurance Business under the Insurance Act, 1938 (as amended in 2010).

1.02 Principal Activities and Nature of Operations:

The Principal activity of the Company continued to be carrying on non-life insurance business. There was no significant change in the nature of the Principal activities of the Company during the year 2016 under review.

1.03 Date of Financial Statements authorized for issue:

Financial Statements of the Company for the year ended December 31, 2016 were authorized for issue on 26.04.2017 in accordance with a resolution of the Board of Directors.

2.00 Significant Accounting Policies and Relevant information:

2.01 Basis of Accounting:

The financial statements of the Company have been prepared on going concern concept under historical cost convention and on accrual basis in accordance with the generally accepted accounting principles and practice in Bangladesh in Compliance with the Companies Act 1994,Insurance Act 1938 (as amended 2010), Insurance Rules 1958. The Securities and Exchange Ruls 1987, listing Regulation of Dhaka Stock Exchange (DSE), International Accounting Standard (IAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), as Bangladesh Accounting Standard (BAS).

2.02 Basis of Preparation:

The Balance Sheet has been prepared in accordance with the regulation contained in Part I of the First Schedule and as per Form "A" as set forth in part II of that schedule, Profit & Loss Account and Profit & Loss Appropriation Account have been prepared in accordance with the regulation contained in part I of the second schedule and as per Form "B" & "C" set forth in part II of that schedule respectively and the Revenue Accounts of each class of insurance business has been prepared in accordance with the regulations contained in part I of the third Schedule and as per Form "F" set forth the in part II of that schedule of the Insurance Act. 2010. The classified summery of the assets is prepared in accordance with form "AA" of part-II of the First Schedule of the said Act.

2.03 Branch Accounting:

The Company has thirty branches under its umbrella without having any overseas branch for the year ended December 31, 2016. The accounts of the branches are maintained and consolidated at the head office level. Only petty cash book and premium collection book are being maintained at the respective branches to meet up the day to day expenses and collection respectively

2.04 Going Concern :

The accompanying financial statements has been prepared on going concern basis which indicates that the realization of assetes and discharge of liabilities will be done in the normal course of business and the management belives the entity is able to continue its operation for foreseeble future

2.05 Revenue/Premium recognition:

(a) Premium recognition:

Premium income is recognized when insurance policies are issued and premium is collected. Gross underwriting business as well as re-insurance thereof and claim settlement etc, have been prepared separately for each class of business and net underwriting results thereof have been reflected in the revenue accounts after due consideration of re-insurance ceded.

(b) Public Sector Business (PSB):

As per Government decision effective from April 2000, all the Public Sector Insurance Business (PSB) is being under written by Sadharan Bima Corporation and out of which 50% is being equally distributed among 45 nos. private insurance company.

Company's share of public sector business is accounted for in the year in which the statement of accounts has been received from the Sadharan Bima Corporation up to June 30, 2016. The statements of accounts for the period from July 1, 2015 to June 30, 2016 have been received from the Sadharan Bima Corporation and accordingly, the company's share of public sector business for that period has been accounted for in the accompanying accounts. This practice is being followed consistently.

(c) Investment Income recognition:

Interest on Fixed Deposit Receipts (FDR) and 10 (Ten) years Bangladesh Government Treasury Bond (BGTB) are recognized on accrual basis after making provision for income tax deductible at source. Interest on STD account and other income are recongnized on cash basis.

2.06 Investment in shares and securities :

All investments of AICL are initially recognized at cost, which include transaction cost and these are classified into the following categories :

* Held to Maturity
* Available for Sale

i) Investment with fixed maturity that the management has the intent and ability to hold to maturity are classified as held to maturity and are initially measured at cost.

ii) Available for sale investments are those non-derivative investment that are designated as available for sale or are not classified in any other category. These are primarily those investments that are intended to be held for an undefined period of time or may be sold in response to the need for liquidity are classified as available for sale. The Company follows trade date accounting for regular way purchase and sales of investment.

2.07 Functional and Presentation currency:

The financial Statements are presented in Bangladeshi Taka which is the Company's functional currency except indicated otherwise.

2.08 Materiality and aggregation:

Each material class of similar items is presented separately in the financial Statements. Item of dissimilar nature as function are presented separately unless they are immaterial.

2.09 Cash Dividend Income and Stock Dividend from Investment:

Cash dividend income on investment in share if any, is recognized on cash basis and shown in Profit & Loss account. For stock dividend, received by the company against its investment, number of shares increases and average cost of investment decreased.

2.10 Balance of Fund and Accounts:

These have been arrived at by making provision for unexpried Risks @ 40% of net premium of all business except marine Hull insurance where provision has been made @ 100% on net premium income.

2.11 Reserve for Exceptional Losses:

Reserve for exceptional losses as appropriated out of current year's profit before making provision for tax amounting to Tk. 19,300,000 being 10% of the net premium income during the year as per 4th schedule of income tax Act 1984.

2.12 Compliance withf Local Laws:

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1994, Securities and Exchange Rules 1987, Insurance Act, 2010 and Insurance Rules 1958 and other relevant local laws.

2.13 Reporting Currency:

The financial statements are presented in Bangladesh Currency (Taka) which have been rounded off to the nearest taka unless indicated otherwise.

2.14 General Reserve Fund:

The Company creates a General Reserve Fund from the current year profit to cover future contingencies.

2.15 Accounting Period:

The financial year of the Company covers one year from January 01, 2016 to December 31, 2016.

2.16 Fixed Assets:

All Fixed assets of the Company shown in financial statements that are within the scope of BAS-16, are in physical existence and valued at cost less accumulated depreciation. Following International Accounting Standards adopted by (ICAB), disclosure with regards to "Impairment of Assets" as per BAS - 36 have not been considered necessary.

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 reliable. Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulatated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost self constructed assets includes the cost of material and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and the cost of dismantling and removing the items and restoring the site on which they are located.

Gains and losses on disposal of items of properly, 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 retained earnings.

ii) Subsequent cost:

The cost of replacing a component of an items of property, plant and equipment is recognized in the carrying amount of the item if it is provable that the future economic benefits associated with the part will flow to the company and its cost can be measured reliable. The carrying amount of the replaced component is de-recognised.

iii) Depreciation:

Depreciation of Fixed Assets have been charged on reducing balance method at rates varying from 10% to 50% on estimated useful life of the assets. Depreciation on newly acquired assets charged for the period from the date of acquisition that is when it was available for use and depreciation is also charged up to the date of disposal during the year in which assets are disposed off. Assets category wise depreciation rates are as follows:

Particulars	Rate of Dep.
Decoration	10%
Furniture & Fixture	10%
Fans	20%
Typewriters	20%
Office Equipment	20%
Motor Vehicles	20%
Air Conditioner	20%
Motor Cycle	20%
Fax Machine	20%
Photocopy Machine	20%
Computer & Printer	30%
Software	50%

iv) De-recognition:

An item of properly, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset is included in the statement of Comprehensive income in the year the asset is de-recognised.

v) Impairment of assets:

The carrying amounts of the Company's non financial assets, other than deferred tax assets are reviewed at each reportintg date to determine whether there is any indication of impairment. If any such indication exists,then the assets recoverable amount is estimated. 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 imcome. Considering the present conditions of the assets, management concludes that there is no such indications exist.

2.17 Rearranged of last year's figures and adjusted:

Last year's figures have been rearranged and adjusted wherever considered necessary to confirm with the current year balances.

2.18 Employee benefit plan:

(a) Contributory provident Fund:

The Company operates a recognized contributory provident fund for its permanent employees. The fund is approved by the National Board of Revenue (NBR), administered separately by a Board of Trustee. The employees of the company contributes 10% of their basic salary and the employer contributes equal amount to the fund. No fund is included in the assets of the company.

(b) Gratuity Scheme:

The Company operates a gratuity Scheme under which regular confirmed employees entitled to benefit at a graduated scale based on the length of service. The Length of service for the purpose of gratuity shall be reckoned from the date of joining in the regular service of the company. A permanent employee who complete minimum 10 years of continuous service with the company shall be entitled to the benefit of gratuity. Calculation of gratuity is made on the basis of last drawn basic salary. An employee will receive one month's basic salary for each completed year of service.

(c) Group Insurance Policy:

The company has been operating a Group Insurance Policy for employees of the company in order to provide support to the family of the employee after his death as per terms & condition of the Group Insurance Policy.

2.19 Segment reporting :

A business segment is a distinguishable component of the Company that is engaged 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 purpose namely fire, marine, motor and miscellaneous.

2.20 Stock of Stationery & Form:

Stock of Stationery & Forms have been valued at cost.

2.21. Provision for income tax:

The Company has made the Income tax on the basis of BAS-12 "Income Tax", Income Tax Ordiance , 1984 as amended from time to time and Finance Act , 2016.

2.22 Provision for deferred tax :

The company has been making lump sum provision for deferred tax liability in order to comply with the requirements of BAS-12 "Income Taxes". The impact on the account of changes in the deferred tax assets and liabilites for the year ended december 31,2016 has been recognized in the statement of Comprehensive income (profit & loss account) as per "BAS-12" Income Taxes".

2.23 Cash flow statement:

Cash flow statement has been prepared in accordance with BAS-7 under direct method as per requirement of Securities and Exchange rules 1987.

2.24 Earnings per Share (EPS)

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss distributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

2.25 Interest on investment :

Interest on FDR and STD income from shares and other income have been duly credited to the Profit and Loss Account.

2.26 Related party disclosure:

Agrani Insurance Company Limited, in normal course of business, carried out a number of transactions with other entities that fall within the definition of related party contained in Bangladesh 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 applicable to the third parties. Details of the related party disclosures have been given in note 30.

2.27 Event after Balance Sheet Date:

The proposed dividend is not recognized as a liability in the Balance Sheet in accordance with the BAS 10 : Events after the Balance Sheet. Dividend payable to the Company's shareholders are recognized as a liability and deducted from shareholders equity in the period in which the shareholders right to receive payment is established. Bangladesh Accounting Standard (BAS) 1 : Presentation of Financial Statements also required the dividend proposed after the Balance sheet date but before the financial statements are authorized for issue, be disclosed in the notes to the financial statements. Accordingly, the Company has disclosed the same in the notes to the financial statements. All material events occurring after the balance sheet date has been considered and where necessary, adjusted for or disclosed in the note 38.

2.28 Borrowing costs:

Interest on borrowings of fund from bank against secured overdrafts is recognized as financial expenses according to BAS-23: "Borrowing Costs." Interest represents amount paid and accrued up to the end of the reporting year.

2.29 Components of the Financial Statemetns:

According to the Bangladesh Accounting Standard (BAS)-1 "Presentation of Financial Statements" the complete set of Financial Statements includes the following components:

(i) Statement of Financial position (Balance Sheet) as at December 31, 2016

(ii) Statement of Comprehensive Income (Profit and Loss Account) for the year ended December 31, 2016

(iii) Related Revenue Accounts for the year ended December 31, 2016

(iv) Statement of Cash Flows for the year ended December 31, 2016

(v) Statement of Changes in Equity for the year ended December 31, 2016

(vi) Significant Accounting Policies and Explanatory Notes.

2.30 Comparative Information:

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

2.31 Re-arrangement of Head of Accounts:

To comply with the Insurance Act 1938 (as amended in 2010), International Accounting Standards and International Financial Reporting Standards as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB),as Bangladesh Accounting Standards and Bangladesh Financial Reporting Standards, during the year 2016, we have re-arranged some Head of Accounts.

2.32 Status of Compliance of Bangladesh Accounting Standard and Bangladesh Financial Reporting Standards:

In preparing financial Statements, we applied following BAS and BFRS :

Name of the BAS /BFRS	BAS/BFRS No.	Status of application
Presentation of Financial Statements	1	Applied
Inventories	2	Applied
Cash flow Statements	7	Applied
Accounting policies, Changes in Accounting Estimates & Errors	8	Applied
Event after Balance Sheet date	10	Applied
Construction contacts	11	N/A
Income tax	12	Applied

Name of the BAS /BFRS	BAS/BFRS No.	Status of application
Property, plant & Equipments	16	Applied
Leases	17	N/A
Revenue Recognition	18	Applied
Employee Benefits	19	Applied
Accounting of Govt. Grants and Disclosure	20	N/A
The effects of Changes in Foreign Exchange rate	21	Applied
Borrowing Costs	23	Applied
Related party Disclosures	24	Applied
Consolidated and Seperate Financial Statements	27	N/A
Accounting for investments in Association	28	N/A
Interests in Joint Venture	31	N/A
Earning per Share	33	Applied
Provisions, contingent Liabilities and contingent Assets	37	Applied
Intangible Assets	38	N/A
Financial Instruments : Recognition & Measurement	39	Applied
Investment Property	40	Applied
Agriculture	41	N/A
First Adoption of BFRS	1	N/A
Share based payment	2	N/A
Business combination	3	N/A
Insurance Contracts	4	Applied
Non-current assets Held for sale	5	N/A
Exploration for and Evaluation of Mineral	6	N/A
Financial Instruments : Disclosures	7	Applied
Operating Segments	8	Applied

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3.00 Share Capital :

3.01 Authorized Capital : Tk. 500,000,000

Divided into 50,000,000 ordinary shares of Tk. 10 each.

3.02 Issued, Subscribed & Paid up Capital : Tk. 266,338,091

26,633,809 ordinary shares of Tk. 10 each.

Category	No. of Shareholders	No. of Shares	% of total Paid-up-Capital
Sponsor Director	14	10,130,227	38.03%
General Public	2,904	7,134,593	26.79%
Institutional Investors (Including ICB)	58	9,368,989	35.18%
	2,976	**26,633,809**	**100.00%**

Classification of Shareholders by holding:

No. of Holders	Holdings	No. of Share	Total Holding %
1220	001-500	168,659	0.63
1482	501-5000	2,062,022	7.74
124	5001-10000	858,356	3.22
60	10001-20000	830,503	3.12
19	20001-30000	465,366	1.75
12	30001-40000	422,263	1.59
10	40001-50000	443,156	1.66
11	50001-100000	731,714	2.75
19	100001-500000	4,617,679	17.34
16	500001-1000000	11,161,263	41.91
3	1000001-3000000	4,872,828	18.29
2,976		**26,633,809**	**100.00**

4.00 Reserve For Exceptional Losses: Tk. 134,226,314

As per paragraph 2 of the 4th schedule of income tax ordinance 1984, not exceeding 10% of the net premium income has been transferred to reserve for exceptional losses. Details are as under :

Particulars	Amount (In Taka)	
	2016	2015
Balance as on January 01, 2016	114,926,314	96,356,314
Add: Reserve made during the year	19,300,000	18,570,000
Total:	**134,226,314**	**114,926,314**

5.00 Reserve for Investment Fluctuation Fund : Tk. 21,000,000

The above amount has been arrived as under :

Particulars	Amount (In Taka)	
	2016	2015
Balance as on January 01, 2016	17,000,000	12,000,000
Add: Reserve made during the year	4,000,000	5,000,000
Total:	**21,000,000**	**17,000,000**

6.00 General Reserve : Tk. 7,700,000

The above fund has been arrived as under :

Particulars	Amount (In Taka)	
	2016	2015
Balance as on January 01, 2016	7,200,000	7,000,000
Add: Reserve made during the year	500,000	200,000
Total:	**7,700,000**	**7,200,000**

7.00 Balance of Funds and Accounts : Tk. 81,953,884

Classwise break up is as under :

Particulars	Amount (In Taka)	
	2016	2015
Fire Insurance Business Accounts	24,337,186	22,260,497
Marine Insurance Business Accounts	35,572,361	35,562,750
Motor Insurance Business Account	20,380,380	14,497,136
Miscellaneous Insurance Business Account	1,663,957	5,579,691
Total:	**81,953,884**	**77,900,074**

8.00 Premium Deposits: Tk. 15,368,365

The above balance represents premium received against cover notes for which policies have not been issued within December 31, 2016. While the risks against non marine and marine hull can be assumed from the issuance of cover note but risks against marine cargo can not be assumed until shipment advices are provided and accordingly policies are issued.

9.00 Loan & Advances : Tk. 12,732,858

This represents the sum of dues payable to Jamuna Bank Ltd. Motijheel Branch, Dhaka, towards overdraft facility sanctioned against lien of FDR for Tk.1.65 crore.

10.00 Estimated Liability In respect of outstanding Claims whether due or Intimated :Tk. 27,078,239

Classwise break up of the above amount is as under :

The make-up of the sum is as under :

Particulars	Amount (In Taka)	
	2016	2015
Fire	6,015,096	3,256,500
Marine	11,816,979	8,745,369
Motor	6,222,500	1,925,500
Miscellaneous	3,023,664	4,500,000
Total:	**27,078,239**	**18,427,369**

11.00 Amount Due To Other Persons Or Bodies Carrying On Insurance Business:Tk. 20,369,548

The break up of the above amount is as under :

Particulars	Amount (In Taka)	
	2016	2015
Sadharan Bima Corporation	17,903,828	29,866,803
Federal Insurance Company Ltd.	17,226	17,226
Bangladesh General Insurance Co. Ltd.	314,628	314,628
Nitol Insurance Co. Ltd.	432,753	432,753
Central Insurance Co. Ltd.	118,125	118,125
Asia Insurance Co. Ltd.	419,509	419,509
Standard Insurance Co. Ltd.	165,375	165,375
Republic Insurance Co. Ltd.	417,159	417,159
Prime Insurance Co. Ltd.	537,630	537,630
Asia Pacific Insurance Co. Ltd.	43,315	43,315
Total:	**20,369,548**	**32,332,523**

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12.00 Sundry Creditors: Tk.30,197,874

The break up of the above amount is as under :

Particulars	Amount (In Taka)	
	2016	2015
Audit fees payable	928,600	803,350
Insurance Stamps on Deposit Premium	1,769,210	1,851,882
Office rent tax Payable	27,457	25,674
Client Income Tax Payable	2,260	2,424
Client VAT Payable	21,991	31,589
Employees' Income Tax Payable	131,961	129,483
Salary Payable	6,990,558	,953,719
VAT Payable	1,710,080	1,453,231
Tax Payable on agency Commission	820,547	666,689
P.F. contribution	4,408,142	5,362,112
Bills Payable	-	1,255,000
Un-Claimed Dividend	6,771,268	6,083,404
Advanced Rent Received	6,615,800	-
Total:	**30,197,874**	**22,618,557**

13.00 Provision For Income Tax: Tk. 42,985,308

Particulars	Amount (In Taka)	
	2016	2015
The above amount has been arrived as under:		
Balance as at 1st January 2016	41,608,908	66,039,229
Less: Adjustment made during the year	19,214,703	44,601,991
	22,394,205	**21,437,238**
Add: Provision made during the year	20,591,103	20,171,670
Total	**42,985,308**	**41,608,908**

13.00 Income Tax:

Income Tax Assessment has been completed up to the Assessment Year 2015-2016 and adjustment has been made up to 2015-2016. The assessment for the assessment year 2016-2017 is under process and Income Tax Return for the Assessment Year 2016-2017 will be filed after approval of the financial statement in the AGM.

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14.00 Deferred Tax Liability: Tk. 1,302,212

This has been made up as under :

Particulars	Amount (In Taka)	
	2016	2015
Balance as on 01.01.2016	1,302,212	1,202,212
Add. Provision made during the year	-	100,000
Total:	**1,302,212**	**1,302,212**

15.00 Building Property (Floor purchase) : Tk. 136,686,284

The company purchased 4 Nos Floor space and the details of the floor space alongwith cost price on stated below:

Particulars	Location of space	Area of space (Sft)	Amount (In Taka)	
			2016	2015
City Centre	Motijheel	13,928	84,467,164	84,467,164
Saiham Sky View Tower (14th floor)	Bijoynagar	6,340	20,902,825	20,902,825
Saiham Sky View Tower (16th floor)	Bijoynagar	1,352	20,096,055	20,096,055
Palton Tower (2nd floor)	Purana Palton	1,044	11,220,240	-
Total:			**136,686,284**	**125,466,044**

16.00 Plant, office equipments & other Fixed assets : 33,411,711

The above Fixed assets are stated cost less accumulated depreciation. Details are shown in the Annexure-A1

17.00 Investment (at cost) : Tk. 79,322,858

The break up of the above amount is as under:

Particulars	Amount (In Taka)	
	2016	2015
Investment in Treasury Bond	25,000,000	25,000,000
Investment in Shares (Note 17.01)	54,322,858	56,957,525
Total:	**79,322,858**	**81,957,525**

17.01 Investment in shares of listed securities :

Sl. No.	Name of Company	No of Shares	Average cost per share Tk.	Total Cost Value Tk.	Average Market priceTk.	Total Market Value Tk.
01	AB Bank Ltd	8,462	73.02	617,895.24	22.30	188,702.60
02	Al-Arafa Islami Bank	127,203	23.62	3,004,534.86	15.90	2,022,527.70
03	Bank Asia Ltd.	24,014	12.29	295,132.06	17.90	429,850.60
04	BD Finance	2,856	86.12	245,958.72	14.70	41,983.20
05	City Bank Ltd	11,260	42.27	475,960.20	27.20	306,272.00
06	Eastern Bank Ltd	2,300	28.27	65,021.00	29.00	66,700.00
07	EBL 1st Mutual Fund	376,090	7.97	2,997,437.30	6.20	2,331,758.00
08	Exim Bank Ltd.	391,735	14.78	5,789,843.30	11.70	4,583,299.50
09	First Security Islami Bank	26,832	20.75	556,764.00	13.90	372,964.80
10	ICB Islami Bank	400	9.95	3,980.00	5.10	2,040.00
11	IFIC Bank Ltd	5,171	54.25	280,526.75	20.90	108,073.90
12	Jamuna Bank Ltd	30,613	10.54	322,661.02	15.60	477,562.80
13	Mercantile Bank Ltd	186,187	15.33	2,854,246.71	15.10	2,811,423.70
14	M.I. Cement	806	75.53	60,877.18	82.50	66,495.00
15	Mutual Trust Bank	329,859	21.89	7,220,613.51	23.10	7,619,742.90
16	National Bank LTd	6,957	16.36	113,816.52	10.20	70,961.40
17	Ncc Bank Ltd.	343,954	19.59	6,738,058.86	12.60	4,333,820.40
18	One Bank Ltd	22,767	6.19	140,927.73	18.30	416,636.10
19	Popular Life 1st M.F.	661,472	7.55	4,994,113.60	5.40	3,571,948.80
20	Permier Bank Ltd	136,021	9.55	1,299,000.55	9.80	1,333,005.80
21	Premier Leasing	21,829	33.17	724,067.93	14.20	309,971.80
22	Prime Finance & Inv.	17,444	47.65	831,206.60	9.80	170,951.20
23	Pubali Bank Ltd	24,645	33.38	822,650.10	24.00	591,480.00
24	Rupali Insurance Co.	2,094	37.98	79,530.12	18.50	38,739.00
25	Summit Aliance Port	7,553	70.73	534,223.69	51.50	388,979.50
26	Shahjalal Islami Bank	21,368	15.24	325,648.32	15.00	320,520.00
27	Social Islami Bank	18,183	21.39	388,934.37	18.40	334,567.20
28	Southeast Bank Ltd	75,322	25.12	1,892,088.64	18.70	1,408,521.40
29	Standard Bank Ltd	499,708	15.16	7,575,573.28	11.90	5,946,525.20
30	Sumit Power	2,495	57.85	144,335.75	37.00	92,315.00
31	Trust Bank Ltd	89,119	28.08	2,502,461.52	23.80	2,121,032.20
32	Union Capital Ltd	2,616	43.63	114,137.00	20.50	53,628.00
33	Uttara Bank Ltd	3,339	82.22	274,532.58	24.70	82,473.30
34	Uttara Finance & Inv.	378	95.50	36,099.00	61.30	23,171.40
	Total			**54,322,858.01**		**43,038,644.40**

18.00 Interest, Dividend And Rents Accrue But Not Due: Tk. 4,517,212

Break up of which are as under :

Particulars	Amount (In Taka)	
	2016	2015
Accrued interest on Fixed Deposit (FDR)	3,557,212	3,557,213
Accrued interest on Treasury Bond	960,000	960,000
Total	**4,517,212**	**4,517,213**

19.00 Amount Due From Other Persons Or Bodies Carrying On Insurance Business: Tk. 74,182,673

The break up of the above amount is as under;

Particulars	Amount (In Taka)	
	2016	2015
Sadharan Bima Corporation	70,995,202	61,795,158
Reliance Insurance Co. Ltd.	301,847	301,847
City General Insurance Co. Ltd.	5,443	5,443
Karnafuli Insurance Co. Ltd.	99,508	99,508
Green Delta Insurance Co. Ltd.	144,205	144,205
Mercantile Insurance Co. Ltd.	9,609	9,609
Progati Insurance Co. Ltd.	886,735	886,735
Sonar Bangla Insurance Co. Ltd.	16,320	16,320
Bangldesh General Insurance Co.	394,406	394,406
Takaful Insurance Co. Ltd.	22,837	22,837
Standard Insurance Co. Ltd.	1,101,235	1,101,235
Eastland Insurance Co. Ltd.	-	133,187
Provati Insurance Co. Ltd.	80,921	80,921
Islami Commercial Insurance Co. Ltd.	84,930	84,930
Pioneer Insurance Co. Ltd.	8,960	8,960
Continental Insurance Co. Ltd.	30,515	30,515
Total	**74,182,673**	**65,115,816**

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20.00 Sundry Debtors: (Including Advances, deposit and Pre-payment) Tk. 82,713,044

Headwise break up is as under :

Particulars	Amount (In Taka)	
	2016	2015
Premium collection control account	46,211,193	39,304,457
Advance office rent	3,623,828	4,531,435
Tax deducted at source from the interest of FDR (Note - 20.01)	3,468,092	4,006,172
Tax deducted at source from the interest of STD	115,353	122,15
Advance against salary	101,000	225,000
Advance against income Tax (Note - 20.02)	20,878,743	20,584,216
Advance tax on dividend	508,697	358,847
Advance commission	2,305,255	2,789,766
Advance payment of advertisement	4,341,363	4,823,736
Advance tax on car	695,000	615,000
Advance tax deducted office rent	174,100	-
Security deposit IDLC	290,420	-
Total	**82,713,044**	**77,360,780**

20.01 Tax deducted at source from the interest earned on FDR & STD Account: 3,468,092

Year wise break up of tax deducted at source from the interest on FDR, STD and account

Year	Tax deducted on FDR interest	Tax deducted on STD accounts interest	Total Taka
2015	1,933,054	58,935	1,991,989
2016	1,535,038	56,418	1,591,456
Total	**3,468,092**	**115,353**	**3,583,445**

The above amount has not been adjusted up to December 31, 2016

20.02 Advance against income tax: Tk. 20,878,743

This made up as under :

Assessment Year	Amount (In Taka)	
	2016	2015
2015-2016	-	16,584,216
2016-2017	16,378,743	4,000,000
2017-2018	4,500,000	-
Total	**20,878,743**	**20,584,216**

21.00 Cash and Cash Equivatent: Tk. 277,110,517

The break-up of the above amount is as under:

Particulars	Amount (In Taka)	
	2016	2015
Cash in hand	3,126,291	2,228,840
Short term deposit	31,258,997	27,090,927
Current deposits	6,725,229	9,414,161
Fixed deposit	236,000,000	196,500,000
Total	**277,110,517**	**235,233,928**

22.00 Audit Fee: Tk. 200,000

The break-up of the above amount is as under:

Particulars	Amount (In Taka)	
	2016	2015
Statutory audit fee	100,000	56,000
Special audit fee	100,000	100,000
Total	**200,000**	**156,000**

23.00 Directors Fee: Tk. 735,000

During the year under review an amount of Tk. 735,000 has been paid to the directors of the company as Board/Committee meeting fee. The Board of Directors received no remuneration from the company other than fees for attending Board/Committee meeting.

24.00 Interest & Dividend Income: Tk. 23,818,251

The break-up of the above amount is as under :

Particulars	Amount (In Taka)	
	2016	2015
Interest on Treasury Bond	2,950,500	2,950,500
Interest on Fixed Deposit	15,139,465	16,428,338
Interest on Short Term Deposit	426,453	451,148
Dividend Income	1,819,833	921,231
Rental Income	3,482,000	-
Total	**23,818,251**	**20,751,217**

25.00 Other Income : Tk. 1,521,980

The break up of the above amount is as under :

Particulars	Amount (In Taka)	
	2016	2015
Profit on Sale of Fixed Assets	1,074,360	906,608
Profit on Sale of Share	447,620	32,945
Total	**1,521,980**	**939,553**

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26.00 Premium Income Less Re-Insurance: Tk. 193,197,544

The break up of the above amount is as under :

Class of Business	Gross Premium	Re-insurance accepted	Re-insurance ceded	2016 Net Premium	2015 Net Premium
Fire	162,591,470	-	104,248,506	58,342,964	55,651,241
Marine	150,954,901	-	69,711,165	81,243,736	79,867,836
Motor	61,450,951	-	12,500,000	48,950,951	36,242,841
Miscellaneous	32,060,531	-	27,400,638	4,659,893	13,949,228
Total	**407,057,853**	**-**	**213,860,309**	**193,197,544**	**185,711,146**

27.00 Expenses of Management: Tk. 66,164,768

The break up of the above amount is as under :

Class of Business	Percentage (%)	2016 Taka	2015 Taka
Fire	43.71	28,992,642	24,461,127
Marine	36.65	24,013,415	21,800,624
Motor	16.26	10,928,511	8,253,538
Miscellaneous	3.38	2,230,200	2,889,009
Total	**100.00**	**66,164,768**	**57,404,298**

28.00 Net Profit for the year and its appropriations: 27,029,509

Particulars			2016 Taka
Balance as on 01.01.2016			25,638,704
Net Profit for the year			72,694,862
Balance available for appropriation			98,333,566
Less:	Provision for income tax	20,591,103	
	Provision for arrear income tax	1,547,421	
	Provision for deferred tax liability	-	
	Reserve for exceptional losses	19,300,000	
	Dividend for 2015	25,365,533	
	General reserve	500,000	
	Provision for Investment fluctuation fund	4,000,000	71,304,057
Balance of P&L Appropriation A/c as on 31.12.2016			**27,029,509**

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29.00 Earniang Per Share (EPS) :

The Company calculates Earnings Per Share (EPS) in accordance with BAS 33: Earnings Per Share, which has been shown on the face of the income statement and this has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding for the year. Details calculations are as follows:

Particulars	Amount (In Taka)	
	2016	2015
(Net profit after taxes)	50,556,338	49,202,156
Ordinary Shares at 1st January, 2016	25,365,533	25,365,533
Bonus Shares Issued	1,268,276	-
Weighted Average number of ordinary Shares outstanding during the year.	26,633,809	25,365,533
Basic earnings Per Share	1.90	1.94

Earning per share in 2015 was Tk. 1.85 while restating EPS of 2015 as per para 64 of BAS 33, an adjustment has been given for 1,268,276 number of shares in 2016.

30.00 Transaction with related parties :

Detail transactions with related parties and balances with them for the year 2016 were as follows.

Name of the related Party	Relation	Nature of transaction	Premium earned	Claim Paid
Polybag Manufacturing Co. Ltd.	Director	Insurance	2,661,324	2,403,139
BHT Indueties Ltd.	Director	Insurance	2,474,987	-
Royal Shipping Lines,	Director	Insurance	510,000	-
S.S. Foods Ltd. Z & Z Associate	Director	Insurance	1,292,180	-
Sarban Import Ltd.	Director	Insurance	477,382	-

31.00 Management expenses :

Management expenses as charged to Revenue accounts amounting to Tk. 66,164,768 represents 16.25% of the gross premium of Tk. 407,057,853 have been apportioned @ 43.71% to Fire for Tk. 28,992,642, @ 36.65% to Marine for Tk. 24,013,415, @ 16.26% to Motor for Tk. 10,928,511 and @ 3.38% to Miscellaneous income for Tk. 2,230,200 proportionately on the business of gross premium income during the year under audit. Moreover an amount of Tk. 4,785,000 was paid to the Director and the Chief Executive Officers as fees and remuneration.

32.00 Compensation (Board & CEO):

No Compensation was allowed to the Chief Executive Officer or any Member of the Board for any special service rendered except as noted in note no .31.

33.00 Commission, Brokerage or Discount against sales :

Commission was incurred or paid to agents as per insurance Act. 2010 but no brokerage or discount was incurred or paid against sales.

34.00 Disclosure as per requirement of Schedule XI, Part II of the Company Act. 1984

a) Disclosure as per requirement of Schedule XI, Part II, Note 5 of Para 3

a (i) Employees engaged :

The total number of employees as on 31.12.2016 was 327 and drawing monthly salary of Tk. 4,000 and above.

b) Disclosure as per requirement of Schedule XI, Part II, Para 4 :

(i) Period of payment of remuneration to the Directors is from 1st January 2016 to 31 December' 2016.

(ii) The Directors of the company did not take any benefit from the company other than the remuneration for attending Board Meeting.

a. Expense reimbursed to the managing agent -Nil

b. Commission or other remuneration payable separately to a managing agent or his associate -Nil.

c. Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into such concerned with the company-Nil

d. The money value of the contracts for the sale or purchase of goods and materials or suppy of services, entered into by the company with the managing agent or his associate during the financial year

e. Any other perquisites or benefit in cash or in kind stating - Nil.

f. Other allowances and commission including guarantee commission - Nil.

35.00 Approval of the financial statements :

These financial statements were authorized to issue in accordance with the resolution of the compnay's 108th meeting of the Board of Directors held on 26.04.2017.

36.00 Internal Control :

The following steps have been taken for implementation of an effective internal control procedure of the Company :

A strong internal control and compliance division has been formed with a view to establish a well designated system of internal regular review of internal audit reports with a view to implement the suggestion of internal auditors in respect if to establish an effective management system that includes planning, organizing and supervising culture in the organization.

37.00 General Comments and Observations :

Previous period's figure have been regrouped/reclassified wherever considered necessary to confirm the current period's financial statements.

All shares have not been fully called and paid up.

Auditor's are paid only statutory audit fees.

No foreign exchange remitted to the relevant shareholders during the period under audit.

No amount of money was expended by the company for compensating any members of the Board for special service rendered.

There was no bank guarantee issued by the company on behalf of Directors.

38.00 Post Balance sheet events :

The Board of Directors has recommended 7% Cash and 3% Stock dividend for the year ended December 31, 2016. No other material event occurred after the reporting period except those mentioned above, which could materially affect the amounts or disclosures in these financial statements.

39.00 Other Relevant Information:

Workers Profit Participation Fund (WPPF).

(i) The matter of provision for Workers Profit Participation Fund (WPPF) was referred to company's lawer and as per his opinion, WPPF is not applicable for insurance companies.

(ii) There was no credit facility as on 31st December 2016 availed by the company under any contract other than trade credit availed in course of business.

(iii) The company did not incur any expenses nor did it earn any income in foreign currency on account of royalty, technical expert & professional advisory fees, interest etc.

Sd/	Sd/	Sd/	Sd/
Chief Executive Officer (CEO)	Director	Director	Chairman

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SCHEDULE OF FIXED ASSETS SCHEDULE OF FIXED ASSETS FOR THE YEAR 31ST DECEMBER 2016

Annexure. -A1

Sl no.	Description	Cost					Depreciation				Written down value as on 31st December 2016
		As on 1st January 2016	Addition during the year	Sales/adjustment during the year	Total cost as on 31st December 2016	Rate of Dep.	As on 1st January 2016	Charged during the year	Dep. sale/adjustment	Acc. Dep. as on 31st December 2016	
1	2	3	4	5	6	7	8	9	10	11	12
1	Motor Car / Vehicles	21,294,357	3,800,000	1,740,000	23,354,357	20%	6,269,251	4,114,313	2,228,516	8,155,048	15,199,309
2	Motor Cycle/ By Cycle	1,934,363	190,000	72,500	2,051,863	20%	920,597	234,419	67,517	1,087,499	964,364
3	Furniture & Fixtures	9,543,283	114,350	-	9,657,633	10%	5,296,969	435,718	-	5,732,687	3,924,946
4	Building/Floor	125,466,044	11,220,240	-	136,686,284	0%	-	-	-	-	136,686,284
5	Decoration	16,698,609	84,000	90,000	16,692,609	10%	5,504,399	1,122,221	-	6,626,620	10,065,989
6	Fans	104,713	-	-	104,713	20%	77,396	5,464	-	82,860	21,853
7	Air Cooler	3,140,376	161,380	-	3,301,756	20%	2,034,222	246,355	-	2,280,577	1,021,179
8	Typewriters	284,049	-	-	284,049	20%	225,772	11,655	-	237,427	46,622
9	Office equipment	1,547,771	133,175	-	1,680,946	20%	972,841	133,531	-	1,106,372	574,574
10	Computer & Printer	3,857,084	242,600	-	4,099,684	30%	2,457,559	476,145	-	2,933,704	1,165,980
11	Software	2,559,618		-	2,559,618	50%	2,054,180	252,720	-	2,306,900	252,718
12	Photocopy Machine	333,457	-	-	333,457	20%	193,235	28,044	-	221,279	112,178
13	Fax Machine	183,614	-	-	183,614	20%	106,115	15,500	-	121,615	61,999
	Total	**186,947,338**	**15,945,745**	**1,902,500**	**200,990,583**		**26,112,536**	**7,076,085**	**2,296,033**	**30,892,588**	**170,097,995**

FORM"AA"

Classified Summary of Assets in Bangladesh of the Company
As at 31st December, 2016

Class of Assets	BOOK VALUE	MARKET VALUE	REMARKS
Statutory deposit	25,000,000	25,000,000	Realizable Value
Investment in shares	54,322,858	43,038,644	Market Value
Fixed deposit	236,000,000	236,000,000	Realizable Value
Bank balance	37,984,226	37,984,226	Realizable Value
Cash in hand	3,126,291	3,126,291	Realizable Value
Interest,dividend and rent outstanding	4,517,212	4,517,212	Realizable Value
Sundry debtors	82,713,044	82,713,044	Realizable Value
Amount due from other persons or bodies carrying on insurance business	74,182,673	74,182,673	Realizable Value
Fixed assets (at cost less dep)	170,097,995	170,097,995	Written down Value
Stock of stationery & stamp	2,462,630	2,462,630	At cost price
Total	**690,406,929**	**679,122,715**	

Md. Shahbaz Hossain Khan
Chairman

Rezaul Huq Khan
Director

A.Y. Shahidul Islam
Director

Md. Anwar Hossain
Chief Executive Officer (CEO)

Mahfel Huq & Co.
Chartered Accountants

Date: 26.04.2017

Signed as per our separate report of same date.

AMARSTOCK

Our Branches

	Branch Name & Location	Contact No.
Dhaka Division	**Motijheel Branch** Saiham Sky View Tower 45, Bijoy Nagar (15th Floor), Dhaka-1000.	**Tel : 8391571-4** Fax : 8391578
	Local Office Navana Ardent Tower (7th Floor) 185, Shahid Syed Nazrul Islam Sharani, Dhaka.	**Tel : 9360299**
	Principal Branch 44, Dilkusha C/A, Dhaka-1000.	**Tel : 9558959** Fax : 9558959
	Dilkusha Branch 44, Dilkusha C/A, Dhaka-1000.	**Tel : 9558991** Fax : 9566583
	Bijoy Nagar Branch Eastern Arju Complex (3rd Floor) 61, Bijoy Nagar, Dhaka-1000.	**Tel : 8391912** Fax : 8391575
	VIP Road Branch Paltan Tower (2nd Floor) 87, Purana Paltan Line, Dhaka.	**Mob : 01711-591426** Tel : 9361270
	Kakrail Branch Rokeya Mansion 36, Purana Paltan Lane (6th Floor) Dhaka-1000.	**Mob : 01727-346530** Tel : 58313924
	Banani Corporate Branch D.C.C. Ka-43 (3rd Floor) Bir Uttam Rafiqul Islam (Progati Sharani), Shahzadpur Gulshan-2, Dhaka-1212.	**Tel : 9855143** Mob : 01716-862884
	Uttara Branch Road # 16, House # 06 Sector # 14 Uttara, Dhaka.	**Tel : 8963094** Mob : 01732-770733
	Narayangonj Branch 50 S.M Melah Road Sattar Tower (3rd Floor) Tanbazar, Narayangonj.	Tel : 7644982 Fax : 7644984
	Manikgonj Branch Harali Mansion (1st Floor) Bus Stand, Manikgonj.	**Tel : 02-7711592** Mob : 01711-425535
	Jamalpur Branch New Collage Road, Jamalpur.	Tel : 0981-64396 Mob : 01918-893669
	Tangail Branch Yeasin Super Market (1st Floor) Victoria Road, Tangail.	Mob : 01720-809505

Our Branches

	Branch Name & Location	Contact No.
Dhaka Division	**Faridpur Branch** 124 Arju Super Market, 1st Floor Zhiltoli Majzid Bari Sarak, 8 Ahiltuli, Faridpur.	**Tel : 0631-65476**
	Mymensingh Branch 36, Baro Bazar, Mymensingh.	**Tel : 091-66223** Mob : 01711-687787
Chittagong Division	**Khatungonj Branch** 305, Khatungonj (2nd Floor) Chittagong.	**Tel : 031-612090** Fax : 031-2852084 Mob : 01790-211432
	Jubilee Road Branch Wazhico Tower (3rd Floor) 263, Jubilee Road, Chittagong.	**Tel : 031-2855149** Fax : 031-2859040 Mob : 01819-394799
	Kadamtoli Branch 1, Postar Par, DT Road Doniala Para, Chittagong.	**Tel : 031-721498** Fax : 031-721499
	Laldighi Branch Orion Tower 1 No. K.B. Aman Ali Road Lal Dighi, Uttarpar,Chittagong.	**Mob : 01819-339309** Tel : 031-2851281
	Maijdee Court Branch Main Road, Maijdee Court, Noakhali	**Mob : 01712-872529** Tel : 032-163432
Barisal Division	**Barisal Branch** 104, Rashid Plaza (3rd Floor) Sadar Road, Fakir Bari, Barisal.	**Tel : 0431-64095** Mob : 01718-014664
Khulna Division	**Khulna Branch** Chamber Mansion (5th Floor) 5, KDA C/A, Khulna.	**Tel : 041-811861** Mob : 01711-579996
	Jessore Branch 7, Islam Market (2nd Floor), Garikhana Road, Jessore	**Tel : 0421-62822** Mob : 01818-242197
	Satkhira Branch National Bank Road Satkhira	**Mob : 01711-450020**

Our Branches

	Branch Name & Location	Contact No.
Rajshahi Division	**Bogra Branch** Jhowtola, Bogra	**Mob : 01713-939219**
Rangpur Division	**Rangpur Branch** Near Bhaban (2nd Floor) Nearest Salak Pump, Station Road, Rangpur	**Tel : 0521-52306** Fax : 0521-52306
	Dinajpur Branch Zabed Super Market (1st Floor) Station Road, Kotowali Dinajpur.	**Mob : 01772-858499**
Sylhet Division	**Sylhet Branch** Sylmart Complex (3rd Floor) Baruth Khana, East Zinda Bazar, Sylhet	**Tel : 0821-715522** Mob : 01711-376245
	Sunamgonj Branch Jamal Complex Old Bus Stand,Sunamgonj	Mob : 01717-093024

AMARSTOCK

AGRANI INSURANCE COMPANY LTD.

Registered Office : Saiham Sky View Tower, (14th floor), 45, Bijoy Nagar, Dhaka-1000, Bangladesh

PROXY FORM

I/We _____

of _____

_____ being a member of Agrani Insurance Company Limited do hereby

appoint Mr./Mrs. _____

of _____ as my/our proxy to vote for me/us on my/our behalf at the 17th Annual General Meeting of the Company to be held on Monday, 12 June 2017 at 11 am at Institution of Diploma Engineers, Bangladesh, (মুক্তিযোদ্ধা স্মৃতি মিলনায়তন Hall), 2nd floor, 160/A, Kakrail, VIP Road, Dhaka and any adjournment thereof.

Signed this _____ day of _____ 2017.

Signature of Proxy
B.O. No. _____

Revenue Stamp (Tk. 20/-)

Signature of Shareholder (s)
B.O. No. _____

N.B.: IMPORTANT:

1. This from of proxy, duly completed, must be deposited at least 48 hours before the meeting at the Company's Registered Office. Proxy is invalid if not signed and stamped as explained above.
2. Signature of the Shareholder and the Proxy should agree with the Specimen Signature registered with the company.
3. As per Articles of Association of the company, Proxy can be given only to the person who is a member (Shareholder) of the company.

* **No gift or benefit in cash or kind shall be paid/offered to the Shareholders in AGM as per BSEC Circular No. SEC/CMRRCD/2009/193/154 dated 24/10/2013**

AGRANI INSURANCE COMPANY LTD.

Registered Office : Saiham Sky View Tower, (14th floor), 45, Bijoy Nagar, Dhaka-1000, Bangladesh

Attendance Slip

I hereby record my attendance at the 17th Annual General Meeting of the company to be held on Monday, 12 June 2017.

Name of the Member/Proxy _____

B.O.A/c. No. _____ holding of _____ ordinary shares.

N.B. Please submit this slip at the reception desk

Signature of Shareholder(s)/Proxy

Registration Counter shall remain open from 8.00 a.m.

* **No gift or benefit in cash or kind shall be paid/offered to the Shareholders in AGM as per BSEC Circular No. SEC/CMRRCD/2009/193/154 dated 24/10/2013**