

সন্ধানী লাইফ ইনস্যুরেন্স কোম্পানী লিঃ

SANDHANI LIFE INSURANCE COMPANY LIMITED

Sandhani Life Tower, Rajuk Plot No-34, Bangla Motor, Dhaka-1000, Phone: 02-55168181-5, Fax: 88-02-9614405, Web: www.sandhanilife.com

THIRD QUARTER FINANCIAL STATEMENT-2023 (UN-AUDITED)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UN-AUDITED)			
AS AT 30 SEPTEMBER 2023			
PARTICULARS	Notes	30-09-2023 Taka	31-12-2022 Taka
CAPITAL AND LIABILITIES:			
SHAREHOLDERS' CAPITAL:			
Authorized			
200,000,000 Ordinary Shares of Tk. 10 each		2,000,000,000	2,000,000,000
Issued, Subscribed & Paid up			
109,698,633 Ordinary Shares of Tk. 10 each		1,096,986,331	1,096,986,331
Revaluation Surplus		612,532,969	613,215,587
BALANCE OF FUNDS AND ACCOUNTS:			
Life Insurance Fund	3.00	6,724,807,855	7,221,617,416
Retained Earnings (SLHDCL, SLFL & SAML)		124,924,291	126,157,945
Non Controlling Interest		5,982	5,952
LIABILITIES AND PROVISIONS:			
Amount Due to Other Persons or Bodies Carrying on Insurance Business		37,887,785	34,009,695
Estimated Liabilities in Respect of Outstanding Claims Whether Due or Intimated		18,082,174	18,910,320
Provision for Doubtful Debt		38,766,980	38,766,980
Sundry Creditors		143,466,622	115,030,221
Unclaimed Dividend Account	7.00	9,678,411	17,010,540
Provision for income tax	4.00	658,130,109	633,258,051
Dividend Payable to Shareholder		131,638,360	-
Lease Liability	11.00	5,049,146	9,906,783
Premium Deposits		13,523,348	20,637,598
TOTAL CAPITAL AND LIABILITIES		9,615,480,363	9,945,513,419
PROPERTY AND ASSETS:			
LOAN:			
On Insurance Policies within their Surrender Value		102,127,454	98,239,366
Higher Education Support Plan		79,735,224	76,499,949
Margin Loan to Clients		7,780,000	8,080,000
		14,612,230	13,659,417
INVESTMENT (AT COST):			
Statutory Deposit with Bangladesh Bank(BGTB)		4,728,918,387	4,674,336,028
Bangladesh Govt. Treasury Bond (BGTB)		15,000,000	15,000,000
Shares		3,591,100,000	3,583,300,000
IPO Share Application		898,456,856	821,924,497
Mutual Fund & Unit Fund		4,750,000	9,500,000
		219,611,531	244,611,531
Outstanding Premium		315,510,136	334,779,501
Profit/Interest, Dividend & Rents Accruing But Not Due		219,696,163	187,976,746
Sundry Debtors		169,205,390	173,152,047
Advance, Deposit & Pre Payments		961,493,099	812,607,995
Premium on BGTB		97,438,192	135,346,717
Deferred Tax Assets	5.00	25,832,019	25,781,245
Right of Use Assets	10.00	4,819,569	9,568,294
Fair Value Change Account	8.00	6,008,501	554,217
CASH, BANK AND OTHER BALANCES:			
On Fixed Deposit		1,630,536,021	2,128,939,006
On Current & STD Account with Banks		1,404,418,692	1,620,713,385
Cash in Hand		224,605,176	507,255,040
		1,512,153	970,581
OTHER ASSETS:			
Forms, Stamps and Stationery in Hand		1,353,895,432	1,364,232,257
Fixed Assets (at cost/Revaluation less Depreciation)		7,915,957	4,757,809
		1,345,979,475	1,359,474,448
TOTAL PROPERTY AND ASSETS		9,615,480,363	9,945,513,419

Md. Mizanur Rahman
Company Secretary

Md. Rafiq Ahmed
CFO

Nemai Kumar Saha
CEO

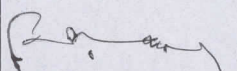
Colonel Waiss Huda (Retd.)
Director

Mojibul Islam
Chairman


Top Ranking Life Insurance Company
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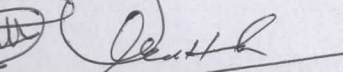
CONSOLIDATED LIFE REVENUE AND PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ACCOUNT (UN-AUDITED)
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2023

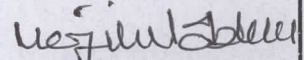
PARTICULARS	Notes	Jan to Sept 2023	Jan to Sept 2022	July to Sept 2023	July to Sept 2022
		Taka	Taka	Taka	Taka
1. BALANCE OF FUND AT THE BEGINNING OF THE PERIOD		7,221,617,416	7,562,069,339	6,864,733,917	7,001,832,742
2. BALANCE OF RETAINED EARNING AT THE BEGINNING OF THE PERIOD (SLHDCL, SLFL & SAML)		126,157,945	103,534,819	127,697,771	117,693,529
3. PREVIOUS YEAR'S ADJUSTMENT		-	(438,729)	-	(76,160)
4. PREMIUM LESS RE-INSURANCE:		1,311,045,136	1,289,239,096	447,495,771	435,725,993
First Year Premium		412,652,720	475,674,639	141,972,217	157,892,675
Renewal Premium		889,940,344	805,792,456	300,898,467	276,465,653
Group & Hospitalization Insurance Premium		13,992,200	14,124,940	5,834,315	3,767,835
Gross Premium		1,316,585,264	1,295,592,035	448,704,999	438,126,163
Less: Re-Insurance Premium		5,540,128	6,352,939	1,209,228	2,400,170
5. PROFIT/ INTEREST, DIVIDEND AND RENTS		383,504,394	401,718,968	151,659,554	170,824,361
6. OTHER INCOME:		21,746,347	45,931,144	12,990,992	15,547,623
7. ADJUSTMENT OF DEPRECIATION ON REVALUED ASSETS		682,618	682,618	227,539	227,539
8. ADJUSTMENT OF FAIR VALUE CHANGE ACCOUNT	8.00	5,454,284	(63,508,253)	(3,346,730)	(9,110,724)
A) TOTAL (1+2+3+4+5+6+7+8)		9,070,208,140	9,339,229,002	7,601,458,814	7,732,664,903
9. CLAIMS UNDER POLICIES (including provision for claims due or intimated less Re-insurance)		1,537,719,843	1,637,676,586	458,796,504	485,603,177
10. EXPENSES OF MANAGEMENT:		491,522,828	577,748,064	144,665,210	181,326,423
a) Commission & Allowances		254,142,097	341,871,828	68,173,271	106,054,195
b) Management Expenses		237,380,731	235,876,236	76,491,939	75,272,228
11. CONTRIBUTION TO CSR		500,000	430,000	-	430,000
12. OTHER EXPENSES		28,142,248	35,128,053	8,858,321	10,112,451
13. PROVISION FOR INCOME TAX:		30,952,685	41,267,551	7,768,293	8,214,221
i. Current Tax	4.00	31,003,459	40,456,266	7,458,607	8,034,525
ii. Deferred tax Expenses/(Income)	5.00	(50,774)	811,285	309,686	179,696
14. DIVIDEND		131,638,360	131,638,360	131,638,360	131,638,360
15. Balance of Retained Earning at the end of the period (SLHDCL, SLFL & SAML)		124,924,291	120,737,277	124,924,291	120,737,277
16. Non Controlling Interest		30	222	(20)	105
17. BALANCE OF FUND AT THE END OF THE PERIOD AS SHOWN IN THE FINANCIAL POSITION		6,724,807,855	6,794,602,889	6,724,807,855	6,794,602,889
B) TOTAL (9+10+11+12+13+14+15+16+17)		9,070,208,140	9,339,229,002	7,601,458,814	7,732,664,903


 Md. Mizanur Rahman
 Company Secretary


 Md. Rafiq Ahmed
 CFO


 Nemat Kumar Saha
 CEO


 Colonel Wais Huda (Retd.)
 Director


 Mojibul Islam
 Chairman

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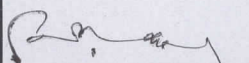
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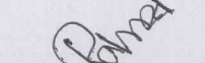
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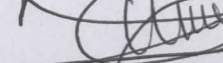
THIRD QUARTER FINANCIAL STATEMENT-2022 (UN-AUDITED)

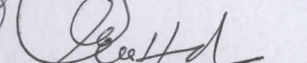
CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2023

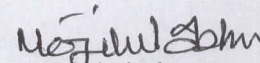
PARTICULARS	Jan to Sept 2023	Jan to Sept 2022
	Taka	Taka
A) CASH FLOWS FROM OPERATING ACTIVITIES:		
Collection from Premium/ Operating & Other Revenue	1,328,740,379	1,288,190,633
Profit/Interest, Dividend, Rents & Others received	360,735,973	399,460,561
Miscellaneous Income Received	912,798	3,349,727
Payment for Claims	(1,538,547,989)	(1,609,624,204)
Payment for Re-insurance, Management Expenses and Others	(579,979,698)	(664,625,695)
Income Tax Paid/ Deducted	(35,411,665)	(38,059,371)
Net Cash from Operating Activities	(463,550,202)	(621,308,349)
B) CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment made in Shares	(55,234,042)	(162,112,012)
Proceeds from Sales of Investment in Shares	30,556,514	40,761,906
Encashment of Bangladesh Govt. Treasury Bond (BGTB)	417,900,000	532,700,000
Premium on Purchase of Bangladesh Govt. Treasury Bond (BGTB)	37,908,525	(43,833,092)
Purchase of Bangladesh Govt. Treasury Bond (BGTB)	(444,700,000)	(699,100,000)
Acquisition of Fixed Assets	(12,959,625)	(21,110,755)
Proceeds from Disposal of Fixed Assets	5,024,206	1,284,238
Loan disbursed against Policies	(12,716,500)	(12,176,000)
Loan against Policies Realized	9,781,225	8,575,490
Margin Loan to Clients	(952,813)	1,899,240
Net Cash used in Investing Activities	(25,392,510)	(353,110,985)
C) CASH FLOWS FROM FINANCING ACTIVITIES:		
Dividend not Claimed /(paid)	(7,332,129)	409,431
Short Term Borrowing	(2,128,144)	(9,506,836)
Net Cash from Financing Activities	(9,460,273)	(9,097,405)
D) NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	(498,402,985)	(983,516,739)
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	2,128,939,006	2,854,508,610
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (D+E)	1,630,536,021	1,870,991,871
NET OPERATING CASH FLOW PER SHARE (NOCFPS)	(4.23)	(5.66)


Md. Mizanur Rahman
Company Secretary


Md. Rafiq Ahmed
CFO


Nemai Kumar Saha
CEO


Colonel Wais Huda (Retd.)
Director


Mojibul Islam
Chairman

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SANDHANI LIFE INSURANCE COMPANY LIMITED

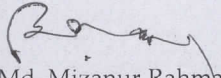
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THIRD QUARTER FINANCIAL STATEMENT-2023 (UN-AUDITED)**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN -AUDITED)
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2023**

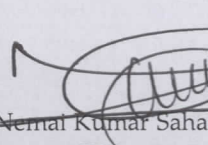
PARTICULARS	Share Capital			Retained Earnings	Non-Controlling Interest	Total
	Paid in Cash	Bonus Share	Total			
As on 01 January 2023	30,000,000	1,066,986,331	1,096,986,331	126,157,945	5,952	1,223,150,228
Addition during the Period	-	-	-	(1,233,654)	30	(1,233,624)
As on 30 September 2023	30,000,000	1,066,986,331	1,096,986,331	124,924,291	5,982	1,221,916,604

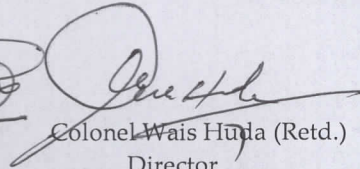
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2022

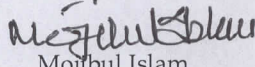
PARTICULARS	Share Capital			Retained Earnings	Non-Controlling Interest	Total
	Paid in Cash	Bonus Share	Total			
As on 01 January 2022	30,000,000	1,066,986,331	1,096,986,331	103,534,819	5,696	1,200,526,846
Addition during the Period	-	-	-	17,202,458	222	17,202,680
As on 30 September 2022	30,000,000	1,066,986,331	1,096,986,331	120,737,277	5,918	1,217,729,526


 Md. Mizanur Rahman
 Company Secretary


 Md. Rafiq Ahmed
 CFO


 Nirmal Kumar Saha
 CEO


 Colonel Wais Huda (Retd.)
 Director


 Mojibul Islam
 Chairman

SANDHANI LIFE INSURANCE COMPANY LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED ON 30 SEPTEMBER 2023

1.00 THE COMPANY & ITS NATURE OF BUSINESS

The Company was incorporated on January 23, 1990 and is mainly engaged in Ordinary Life, Islami (Takaful) Life, Group Term and Hospitalization Insurance Business. It also operates in non-traditional Micro Life Insurance Business under the name of IDPS, GIDPS, DPS, GDPS and GSB Scheme. The Company is a publicly traded company and its shares are listed on the Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.

1.01 COMPONENTS OF THE FINANCIAL STATEMENTS

The financial statements include the following components:

- i. Statement of Financial Position
- ii. Life Revenue and Profit or Loss and Other Comprehensive Income Account
- iii. Statement of Changes in Equity
- iv. Statement of Cash Flows
- v. Accounting Policies & Explanatory Notes

2.00 SIGNIFICANT ACCOUNTING POLICIES

2.01 BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE

The Financial Statements have been prepared on the historical cost basis and therefore, do not take into consideration of the effect of inflation. The following underlying laws, rules, regulations and accounting pronouncements have been considered in preparing and presenting the Financial Statements:

- i) The Insurance Act 2010;
- ii) The Companies Act 1994;
- iii) The Securities and Exchange Rules 1987;
- iv) The Income Tax Ordinance 1984;
- v) The Listing Regulations of Dhaka stock Exchange Ltd. and Chittagong Stock Exchange Ltd;
- vi) Following IAS and IFRS are applicable for preparation and presentation of the financial statements:
 - IAS-1 Presentation of Financial Statements
 - IAS-2 Inventories
 - IAS-7 Statement of Cash Flows
 - IAS-8 Accounting Policies, Changes in Accounting Estimates and Errors
 - IAS-10 Events after Reporting period
 - IAS-12 Income Taxes
 - IAS-16 Property Plant and Equipment
 - IAS-19 Employee Benefits
 - IAS-24 Related Party Disclosures
 - IAS-26 Accounting and Reporting by Retirement Benefit Plans
 - IAS-27 Consolidated and Separate Financial Statements
 - IAS-32 Financial Instruments: Presentation
 - IAS-34 Interim Financial Statements
 - IAS-36 Impairment of Assets
 - IAS-37 Provisions, Contingent Liabilities and Contingent Assets
 - IAS-40 Investment Property
 - IFRS-3 Business Combination
 - IFRS-4 Insurance Contract
 - IFRS-7 Financial Instruments Disclosures
 - IFRS-9 Financial Instruments
 - IFRS-10 Consolidated Financial Statements
 - IFRS-13 Fair Value Measurement
 - IFRS-15 Revenue from Contracts with Customers
 - IFRS-16 Lease
- vii) Any other applicable legislation.

Where the requirements of the Companies Act 1994, The Insurance Act 2010 and The Securities and Exchange Rules 1987 differ with the requirements of these standards, the requirements of the Companies Act 1994, The Insurance Act 2010 and The Securities and Exchange Rules 1987 take precedence.

2.02 CONSOLIDATION

The Consolidated Financial Statements include the Financial Statements of Sandhani Life Insurance Company Ltd., Sandhani Life Finance Ltd. Sandhani Life Housing & Development Company Ltd. & Sandhani Asset Management Ltd. The Consolidated Financial Statements have been prepared in accordance with IFRS-10 .

2.03 RISK AND UNCERTAINTIES FOR USE OF ESTIMATES IN PREPARATION OF FINANCIAL STATEMENTS

Preparation of Financial Statements in conformity with the IFRS/IAS requires management to make estimates and assumption that effect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and revenues and expense during the period reported. Actual result could differ from those estimates. Estimates are used for accounting of certain items such as long term contracts, depreciation and amortization, employees benefit plans, taxes, reserves and contingencies.

2.04 RESPONSIBILITY FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENT

Management is responsible for the preparation and presentation of Financial Statements under section 183 of Companies Act, 1994 and as per the provision of International Financial Reporting Standard (IFRS) and International Accounting Standard (IAS) "The Frame work for the preparation and presentation of Financial Statements" issued by the International Accounting Standards Board (IASB).

2.05 FIXED ASSETS

Fixed assets are stated at cost or revaluation less accumulated depreciation in compliance with IAS-16: Property, plant and equipment.

2.06 DEPRECIATION

- i) Depreciation has been calculated on fixed assets adopting straight line method on all assets at varying rates depending on the class and estimated useful life of assets. Depreciation is charged at the rates shown below:

Name of Assets	Rate of Dep.
Telephone Installation	30%
Furniture & Fixture	15%
Office Equipments	30%
Electric Equipments	15%
Vehicles	20%
Building	1.5%-5.5 %
Land & Building (Commercial Space)	1.5%
Sign Board	20%
Software	25%

- ii) Depreciation on addition to fixed assets during the year has been charged based on the date as per para 50 of IAS 16.
- iii) Depreciation rate on Building and Land & Building was 5.5% and 1.5% respectively. Depreciation rate on Building and Land & Building (Commercial Space) has been changed due to revaluation on assets and depreciation has been calculated based on remaining life of those assets.

2.07 FORMS, STAMPS, STOCK AND STATIONERY IN HAND

This includes stock of stamps, stationery and printing materials in hand and these are valued at lower of cost and net realizable value.

2.08 TAXATION & VAT

a) Current Tax:

Income Tax of Life Insurance Companies are determined under the fourth schedule of Income Tax Act.2023 on the basis is of Actuarial Valuation Report.

Charge for the current tax is calculated following the accepted method of income assessment and using the tax rate enacted at the Statement of Financial Position date and includes adjustments, where considered necessary, relating to prior years.

b) Deferred Tax:

Deferred Tax is recognized on the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for as per provision of IAS-12: Income Taxes.

c) VAT:

VAT is exempted on life Insurance business according to section 4 of second schedule of VAT Act, 1991. VAT deduct at source for various services in accordance with relevant section of above VAT Act that has been deducted and deposited to Bangladesh Bank through Treasury Challan.

2.09 COMMISSION

Commission to Insurance Agents i.e.. Field Associates (Less that on Re-insurance) represents First Year Commission, Renewal Commission and Group Commission. Allowances and Commission (other than commission to Insurance Agents less that on Re-insurance) represent Employer of Agents which also includes Field Officers' Salary, Allowances & various incentives of Ordinary Life, Islami (Takaful) Life, IDPS, GIDPS, DPS, GDPS and GSB

2.10 STATEMENT OF CASH FLOWS

Cash Flow Statement is prepared in accordance with IAS-7 Statements of Cash Flows and Cash Flow from operating activities have been presented under direct method and Indirect method as outlined in the Securities and Exchange Rule 1987.

2.11 EMPLOYEES BENEFIT PLANS AS PER IAS # 19

Provident Fund:

The Company has implemented Provident Fund from July 2010. The company is contributing @ 10 % of basic salary of permanent employees as well as employees are contributing at the same rate. Provident Fund has been treated as Recognized Provident Fund. The Provident Fund is administered by the Board of Trustee of the Provident Fund.

Gratuity Fund:

The Company has implemented Gratuity Fund from July 2010 for all of its permanent employees. The fund is approved by the National Board of Revenue (NBR) as on 11 April 2013. Employees are entitled to get the benefit at minimum 5 years of continuous service at the rate of one basic Salary for every year. Calculation of gratuity is made on the basis of last drawn basic salary.

Group Term & Health Insurance :

The company operates Group Term and Health Insurance Schemes for its permanent employees.

Staff Welfare Fund:

The fund has been established to provide a token of appreciation or financial assistance to the employees and their family members for education, medical, construction of house etc.

2.12 INVESTMENT

Investments are stated at their cost of acquisition. Any short fall in the market value of Share on the Statement of Financial Position date over cost price is provided for in the financial statements and transferred to provision for diminution in the value of shares of listed company resulting net realizable value in accordance with IDRA Circular No. Life 4/2012 of June 2012 and Mutual Fund provision as per Bangladesh Bank DFIM Circular No -05 11 May 2015. Interest on investment is accounted for on accrual basis but dividend income is accounted for on cash basis.

2.13 REVENUE RECOGNITION

The revenue is recognized after satisfying all the conditions for revenue recognition as provided IFRS-15 "Revenue from Contracts with Customers" in compliance with IFRS-4 "Insurance Contract". Details of Income wise policy for revenue recognition are given as under:

a) Premium Income

Premiums are recognized as income when the related policies have been issued and the premiums received.

b) Profit/Interest , Dividend and Other Income

Profit/Interest on different investment is recognized on accrual basis. Dividend income has been accounted for only when right to receive the dividend is established. Profit on sale of share is recognized when it is realized.

2.14 PROVISIONS

A provision is recognized on the Statement of Financial Position date if, as a result of past events, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

2.15 CLAIMS

a) Provision for death claims on account of cases when was intimated within 30 September, 2023 has been made in accounts after adjusting re-insurance thereof.

b) Provision for maturity, Survival Benefit, Surrender and Group Hospitalization claims was intimated within 30 September, 2023 but not paid has been made in accounts.

2.16 REPORTING PERIOD

Financial Statements of the company cover one accounting Period from 01 January 2023 to 30 September 2023 consistently.

2.17 RIGHT OF USE ASSETS AND LEASE LIABILITY

IFRS 16 Leases is effective for the annual reporting periods beginning on or after 1 January 2019. IFRS 16 defines that a contract is (or contains) a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. IFRS 16 significantly changes how a lessee accounts for operating leases. Under previous IAS 17, an entity would rent an office building or a branch premises for several years with such a rental agreement being classified as operating lease would have been considered as an balance sheet item. However, IFRS 16 does not require a lease classification test and hence all leases shall be accounted for as on balance sheet item(except some limited exception i.e.short-term lease, leases for low value items).

Under IFRS 16, an entity shall be recognizing a right-of-use (ROU) asset(i.e. the right to use the Zonal office, Shakha Karjaloy & branch office etc.) and a corresponding lease liability. The asset and the liability are initially measured at the present value of unavoidable lease payments. The depreciation of the lease asset (ROU) and the interest on the lease liability is recognized in the profit or loss account over the lease during the year as heading "Interest (lease rent)".In SLIC's case ROU is the right to use the Zonal office, Shakha Karjaloy & branch office etc.

While implementing IFRS 16, the company observed that IFRS 16 is expected to have impact on various regulatory capital and liquidity ratios as well as other statutory requirements issued by various regulators. In addition, there are no direction from National Board of Revenue (NBR) regarding treatment of lease rent, depreciation on Right of use Assets (ROU) and interest on lease liability for income tax purposes and applicability of VAT on such items. SLIC recognized Right of use Assets for lease rental related to office spaces that have significant value and corresponding lease liability has also been recognized using incremental borrowing rate. For transition of IFRS 16,the company adopted modified retrospective approach for first time implementation where impact on right of use assets and lease liability had been since 01 January 2021. Finally, paragraph 5 of IFRS 16 provide the recognition exemptions to short-term leases and leases for which the underlying asset is of low value. Details are in note # 10 & 11". The interest is charged @ 9 % per annum for the interest charge on lease liability during the lease period.

2.18 WORKERS PROFIT PARTICIPATION AND WELFARE FUND (WPPF)

The Bangladesh Labour Act, 2006 (as amended in 2018) declared the status of business of certain institutions and companies along with banks and insurance companies as 'industrial undertakings'. This Act requires the industrial undertakings to maintain provisions for workers' profit participation and welfare fund (WPPF) @ 5% on net profit.

The Ministry of Finance issued a letter to the Ministry of Labor and Employment (Ref: 53.00.0000.441.99.006.19-174 dated 29.06.2023) requesting to exempt Banks and Financial Institutions from this clause.

The Bangladesh Insurance Association (BIA) the trade body representing the Insurance company's issued a letter (reference no BIA-3(58)/2023-48 dated 06-02-2023) to the Ministry of Finance requesting to exempt Insurance companies from WPPF requirements.

Furthermore, we requested IDRA (Ref: SD/161/40898/2014) our regulatory authority to clarify, from which fund the WPPF should be charged from.

Till date this issue is pending, thus we have not recognized WPPF as an expense in the income Statement. Once we get complete guideline and instructions from the authorities, we will recognize WPPF.

2.19 Dividend Policy

Dividend :

Dividend refers to a reward, cash or otherwise, that a company gives to its shareholders. Dividends can be issued in various forms, such as cash payment, stocks or any other form. Sandhani Life Insurance com. Ltd. dividend is decided by its Board of Directors and it requires the shareholders' approval from the Annual General Meeting. However, it is not obligatory for a company to pay dividend. Dividend is usually a part of the profit that the company shares with its shareholders.

Dividend, Bonus, Profit Distribution as per Insurance Act-2010:

Restriction on payment of dividends and bonuses.

- 1) No insurer shall pay any dividend on its shares until expenses on account of management expenses, share selling commission, all expenses related to brokerage, amounts of losses incurred, and any other item of expenditure, which cannot be met by adequate assets of the insurer, have been completely written off.
- 2) No insurer carrying on the life insurance business shall, for the purpose of declaring or paying any dividend to share-holders, any bonus to its policyholders, paying in relation to any kind of debentures, loans or advances, utilize directly or indirectly any portion of the insurance fund or the funds of any other class of insurance business, except a surplus shown in the valuation balance sheet submitted to the Authority as part of the abstract referred to in this Act as a result of an actuarial valuation of the assets and liabilities of the insurer; and such surplus shall not be increased by transfer of contribution by any other means, except when the reserve fund is made up of surpluses disclosed to the Authority by submission of returns unless such contributions have been brought in as revenue through the revenue account applicable to life business on or before the date of the valuation aforesaid:

Provided that payments made out of any such surplus in service of any debentures shall not exceed 50(fifty) percent of such surplus including any payment by way of interest on the debentures, and interest paid on the debentures shall not exceed 10 (ten) percent of any such surplus except when the interest paid on the debentures is offset against and credited to the fund or funds concerned in deciding the interest basis adopted in the valuation disclosing the aforesaid surplus:

Provided further that the share of any such surplus allocated to or reserved for the shareholders, including any amount for the payment of dividends guaranteed to them, whether by way of first charge or otherwise, shall not exceed such sums as may be prescribed by regulations and which shall in no case exceed :

- (a) 10 (ten) percent such surplus in case of participating policies; and
- (b) in other cases, such percentage of the whole surpluses as may be prescribed by regulations.

Notwithstanding anything contained in this Act an insurer carrying on the business of life insurance shall be at liberty to declare an interim bonus or bonuses to policy-holders whose policies mature for payment by reason of death or otherwise during the inter valuation period, on the basis of the recommendation made by the investigating actuary at the last preceding valuation.

Dividend Payment System:

Dividend Payment System as per Bangladesh Securities and Exchange Commission Directive No. BSEC/CMRRCD/2021-386/03- Dated: 14 January 2021.

- 1) Sandhani Life insurance Co. Ltd. dividend distribution policy is disclosed in the annual report and its official website;
- 2) The Board of Directors of the Company consider/adopt annual audited financial statements and Actuarial valuation in the same Board of Directors meeting to fix the date of relevant annual general meeting and take specific decisions with regard to (a) recommending or not recommending dividend for the shareholders on the basis of said financial statements; and (b) the shareholders who will be entitled to such dividend, if recommended:
The decision about recommending or not recommending dividend and entitlement for such dividend, if recommended, cannot be changed prior to holding of the annual general meeting:
That no dividend will be paid other than out of profits of the year or any other undistributed profits.
- 3) Pay off the annual or final dividend to the entitled shareholder, within 30 (thirty) days of approval:
Provided that interim dividend shall be paid off to the entitled shareholder, 30 (thirty) days of record date.
- 4) **Cash dividend shall be distributed in this following matter and procedures, namely;-**
 - (i) Within 10 (ten) days of declaration of cash dividend by the Board of Directors of the Company an amount equivalent to the declared cash dividend payable for the concerned year shall be kept in a separate bank account of the dedicated for this purpose;
 - (ii) The Company shall pay off cash dividend directly to the bank account of the entitled shareholder or unit holder as available in the BO account maintained with the depository participant (DP), or the bank account as provided by the shareholder or unit holder in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN): provided that the Company pay off such cash dividend through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible to pay off through BEFTN;
 - (iii) Upon receiving the claim on dividend from a stock broker a merchant banker or a portfolio manager for the margin client or customer who has debit balance or margin loan, or as per intention of the client of stock broker or merchant banker or portfolio manager, shall pay off such cash dividend to the Consolidated Customers' Bank Account (CCBA) of the stock broker or to the separate bank account of the merchant banker or portfolio manager through BEFTN: provided that upon receiving the cash dividend, the cash dividend, the stock broker or merchant banker or portfolio manager shall immediately account for such dividend in the individual client's portfolio account: provided further that the stock broker or merchant banker or portfolio manager shall provide detailed information (e. g, BO account number, code number, bank account number, intention, etc. of the client or customer including CCBA of stock broker or separate bank account of merchant banker or portfolio manager) to the Company for such claim.
 - (iv) In case of non-availability of bank account information or not possible to distribute cash dividend through BEFTN or any electronic payment system, shall issue cash dividend warrant and shall it by post to the shareholder or unit holder;
 - (v) Pay off cash dividend to non-resident sponsor, director, shareholder, unit holder or foreign portfolio investor (FPI) through the security custodian in compliance with the rules or regulations in this regard;
 - (vi) Sandhani Life immediately after disbursement of cash dividend and issuance a certificate of tax deducted at source, if applicable, shall intimate to the shareholder or unit holder through a short message service (SMS) to the mobile number or email address as provided in the BO account or as provided by the shareholder or unit holder;

(vii) Sandhani Life maintain detailed information of unpaid or unclaimed dividend and rationale thereof, as per BO account number- wise or name- wise or folio number-wise of the shareholder or unit holder; and also disclose the summary of aforesaid information in the annual report and also report in the statements of financial position (Quarterly/ annually) as a separate line item 'Unclaimed Dividend Account': publish the year-wise summary of its unpaid or unclaimed dividend in the website: provided further that any unpaid or unclaimed cash dividend including accrued interest (after adjustment of bank charge, if any) thereon, if remains, shall be transferred to a separate bank account for this purpose, within 1 (one) year from the date of declaration or approval or record date, as the case may be.

- 5) The Company credit stock dividend directly to the BO account or issue the bonus share certificate of the entitled shareholder, as applicable, within 30 (thirty) days of declaration or approval or record date, as the case may be , subject to clearance of the exchange (s) and the Central Depository Bangladesh Limited (CDBL);
- 6) Sandhani Life , the CDBL and the exchange (s) follow the provisions of প্রবিধান 46 of the ডিপজিটরি (ব্যবহারিক) প্রবিধানমালা, 2003 for issuance of bonus shares: provided that the Company will maintain a Suspense BO Account for undistributed or unclaimed stock dividend or bonus shares and also follow the under mentioned procedures for ensuring the rightful ownership:
 - a) 3 (three) reminders to the entitled shareholder;
 - b) The Suspense BO Account shall be held under Block Module and such undistributed or unclaimed stock dividend or bonus shares shall not be transferred in any manner except. For the purpose of allotting the bonus shares as and when the allottee approaches to the Company; provided that any corporate benefit in terms of shares accrued on such undistributed or unclaimed stock dividend or bonus shares shall be credited to the Suspense BO Account.
 - c) Upon receiving application from the allottee and after proper verification of identity and his entitlement, credit the bonus shares lying with the allottee, as applicable, within 15 (fifteen) days of receiving application with an intimation to the Commission and the exchange (s);
 - d) Any voting rights on such undistributed or unclaimed stock dividend or bonus shares shall remain suspended till the rightful ownership claim of the shareholder is established.
- 7) Sandhani Life submit a compliance report to the Commission and the exchange(s) in a specified format at Annexure-A in respect of the provisions of clause (2), (3), (4) and (5) above, within 7 (seven) working days of completion of dividend distribution: provided that the Company will publish the compliance report in its website.
- 8) The Company not forfeits any unclaimed cash dividend or stock dividend till the claim becomes barred by the law of land in force.
- 9) If any cash dividend remains unpaid or unclaimed or including accrued interest (after adjustment of bank charge, if any) thereon for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be transferred by the Company to the Fund as directed or prescribed by the Commission: provide detailed information to the manager of the Fund during transfer of cash dividend as directed or prescribed by the Commission: provided further that if any shareholder or unit holder claims his cash dividend after transfer of such dividend to the Fund, within 15 (fifteen) days of receiving such claim, the Company will after proper verification of the claim, recommend to the manager of the Fund to pay off such dividend from the Fund and the manager of the Fund shall pay off such cash dividend to the claimant in accordance with the provisions and procedures as directed or prescribed by the Commission.

- 10) If any stock dividend or bonus shares remains unclaimed or unsettled including corporate benefit in terms of bonus shares thereon for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be, shall be transferred in dematerialized form to the BO Account of the Fund as mentioned at clause (8): provide detailed information to the manager of the Fund during transfer of stock dividend or bonus shares as directed or prescribed by the Commission: provided further that if any shareholder claims his stock dividend or bonus shares after transfer of such dividend or bonus shares to the BO Account of the Fund, within 15 (fifteen) days of receiving such claim, after proper verification of the claim, recommend to the manager of the Fund to pay off or transfer such stock dividend or bonus shares from the BO Account of the Fund and the manager of the Fund shall pay off or transfer such stock dividend or bonus shares to the claimant's BO Account in accordance with the provisions and procedures as directed or prescribed by, the Commission.
- 11) Sandhani Life or by appointing an agent, shall maintain detailed information of BO account, bank account, mobile phone number, email and address of the shareholder or unit holder for the purpose of proper distribution of cash dividend or stock dividend: provided that the Company or its agent or the CDBL or its DP shall keep confidentiality of information.
- 12) Sandhani Life collect the CDBL or its DP update the information of BO account, bank account, mobile number, email address and contact address of shareholder or unit holder at least once in a year, and the CDBL shall provide such information to the Company for the purpose of proper distribution cash dividend or stock dividend and other compliances: provided that in case of holding of paper share or unit of mutual fund, the issuer shall update the information as above.

2.20 FINANCIAL RISK MANAGEMENT (IFRS-7)

2.20.1 Insurance Risk

a) Individual Life Business

Insurance underwriting risk is the risk that the Company will suffer losses due to economic situation or the rate of occurrence of an incident contrary to the forecast made at the time of setting up of the premium rate. The risk underwritten, i.e., the risk of death and critical illness may vary from division to division. The underwriting risk arises from death and sometimes due to permanent disability and critical illness. The Company may get exposed to poor risk due to unexpected experience in terms of claim severity or frequency. This can be a result of anti-selection, fraudulent claims or poor persistency. The Company faces the risk of under pricing particularly due to nature of long-term contract. In addition to this, due to poor persistency, the Company would be unable to recover expenses of policy acquisition. The Company manages these risks through its underwriting, reinsurance, claims handling policy and other related control mechanisms. The Company has a good spread of business throughout the country thereby ensuring diversification of geographical risks. The Company has a well defined medical under-writing policy and avoids selling policies to high risk individuals. Underwriting procedures have been enhanced and rules have been structured to enable the Company to strike a balance between mitigating risk, ensuring control and providing better service. This puts a check on anti-selection. The Company seeks to reduce its risk exposure by reinsuring certain levels of risk with renowned re-insurance Munich-Re.

The Company provides quality service to the policyholders and checks to minimize miss-selling and avoid poor persistency. A regular monitoring of lapsation rate is conducted. On the claims handling side, the Company has procedures in place to ensure avoidance of payment of fraudulent claim. The Claim Committee reviews high sum assured and early claims for verification and detailed investigation of all doubtful and early claims are conducted. The Company maintains adequate liquidity to cater for potentially sudden and high cash requirement.

b) Group life insurance

The major risk underwritten by the company is death which depends on mortality. Other risks underwritten include disability and major disease. Risk increases as a result of catastrophic events, business procurement without following underwriting guidelines, business procurement at low premium rate due to tough market competition and fraudulent claims. Non-receipt of premium in due time is an additional factor.

The company manages these risks through proper underwriting, reinsurance, effective claims handling and other claim control mechanism. The company also avoids underwriting group business with employees exposed to hazardous profession. Pricing is done in line with actuarial guideline, experience and the mortality exposure the concerned group faces. Moreover, premium rates of existing groups are also reviewed from time to time on the basis of claim experience. Reinsurance arrangements are made by the company with renowned re-insurer to limit the risk at affordable level. Besides, the company avoids payment of fraudulent claims through claim investigation. Strict monitoring is in place to keep the outstanding balances of premium at a minimum.

c) Group health insurance

The main risk underwritten by the company is morbidity that requires treatment as inpatient or outpatient. Risks are increased as a result of increasing incidences of fatal diseases, accident & catastrophic event, fraudulent practices, health over consciousness of insured etc. Consistent increase in charges of various hospital services, lack of adequate claim control mechanism and business procurement at low price in the competitive market are additional factors. The company manages these risks through proper underwriting and other related claim control mechanism, premium rate review on claim experience and hospital agreements with discount facility etc. The Company has a well defined medical underwriting policy to avoid underwriting Group Health business with potentially high health risk. Any pre-existing conditions are also screened at this stage. Health plans are designed and terms & condition are set in such a way that abuses of benefit utilization are minimized. Pricing is done in consultation with actuarial department on the basis of actual claim experience. Company has also pre determined charges for certain illness and investigations with its panel hospitals. The charges are treated as "Standard Rate" which is applied to restrict settlement of inflated bills. The company avoids settlement of any fraudulent claims through claims investigations which is managed by experienced technical staff.

2.20.2 Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet its funding requirements. To guard against the risk the Company has diversified funding sources and assets are managed with liquidity in mind, maintaining healthy balance of cash and cash equivalent and readily market securities.

2.20.3 Interest rate risk

The Company invests in securities and has deposits that are subject to interest rate risk. Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company limits interest risk by monitoring changes in interest rates in the money market and by diversifying into various institutions (issuers' of securities).

2.20.4 Market risk (investment pattern)

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether these changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. The Company is exposed to market risk with respect to its investment.

The Company continues to adopt a prudent policy in respect of investments. The fund of the Company has been invested as per provision of the Insurance Act. The investments are mainly in Govt. securities, Fixed Deposits Receipts (FDR's) with various commercial banks and financial institutions having acceptable performance parameters and ratings and equity shares in listed companies having good and positive fundamental and technical attributes.

The Company also limits market risk maintaining a diversified profile and by continuous monitoring of developments in Govt. securities (treasury bills) equity and term finance certificates markets. In addition, the Company actively monitors the key factors that affect the underlying value of these securities.

2.20.5 Reinsurance risk

The Company seeks to reduce its risk exposure by reinsuring certain levels of risk with re-insurer. Re-insurer ceded does not relieve the Company from its obligation to policyholders and as a result, the Company also remains liable for the portion of outstanding claims reinsured to the extent that re-insurer does not meet the obligations ultimately under the reinsurance agreements. In order to minimize the risk, the Company has obtained reinsurance cover from a renowned re-insurer, Munich-Re with proven sound financial health

2.20.6 Credit risk

Credit Risk is the risk, which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. Major credit risk is in reinsurance receivables, bank balances and investments. The management monitors exposure to credit risk through regular review of credit exposure/ CAMELS rating and assessing credit worthiness of counter parties.

SANDHANI LIFE INSURANCE COMPANY LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED ON 30 SEPTEMBER 2023

Particulars	Amount in Taka	
	30-09-2023	31-12-2022
3.00 LIFE INSURANCE FUND		
Opening Balance	7,221,617,416	7,562,069,339
Add: Surplus/(Deficit) of Life Revenue Account during the period	(496,809,561)	(340,451,923)
Closing Balance	6,724,807,855	7,221,617,416

The life fund at Q3 2023 is Tk. 49.68 crore less than that of 2022. The primary reasons for the decrease in life fund are mentioned: 1. Total revenue receipt fell short of total expenditure (including claim) by Tk. 49.68 Crore (Tk. 169.26 - Tk.218.94) Crore, 2. Excess claim settled against premium receipt Tk. 22.67 crore. (Tk. 153.77 - Tk. 131.10).

4.00 Consolidated Provision for Current Tax

Opening Balance	633,258,051	579,756,128
Add: Provision during the period	31,003,459	53,876,668
	664,261,510	633,632,796
Less: Adjustment during the period (SLHDCL,SLFL & SAML)	6,131,401	374,745
Closing Balance	658,130,109	633,258,051

Calculation for Income Tax:

As per 4th Schedule Para2(A) is Higher then 4th Schedule Para (B) of Income Tax Act.2023 Profit on Life Insurance As per 4th Schedule Para2(A) of Income Tax Act. 2023.

	Income (Taka)	Tax Rate (%)	Tax Provision (Tk.)
Business Income	84,863,065	37.50%	31,823,649
Capital Gain on Share	8,400,936	10%	840,094
Dividend Income	1,061,569	20%	212,314
Total Taxable Income	94,325,570		32,876,057
Less: Short/(Excess) provision (SLFL)			(1,886,890)
Add: Short/(Excess) provision (SAML)			14,292
			31,003,459

The company's assessment of income tax up to Accounting years 2015 (Assessment year up to 2016-2017) has been completed, Accounting years 2016 & 2017 under Appeal. Assessment order of 2018 (Assessment year 2019-2020) will be appealed at NBR, 2019,2020 & 2021 are under assessment, 2022 Return submitted on due time.

5.00 Consolidated Deferred Tax Liabilities/Assets

Carrying amount of fixed assets	1,345,979,475	1,359,474,448
Tax base value of fixed assets	1,414,737,317	1,428,017,670
Taxable temporary difference	68,757,842	68,543,222
Tax rate	(37.50% & 27.50%)	(37.50% & 27.50%)
Deferred tax Assets /Liabilities (Required) end of the period	25,832,019	25,781,245
Calculation of Deferred tax Expenses		
Opening Balance of Deferred tax Assets.	25,781,245	24,526,296
Closing Balance of Deferred tax Assets.	25,832,019	25,781,245
	(50,774)	(1,254,949)
Previous Year Adjustment (SAML)	-	(200,837)
Deferred tax Expenses/(Income) during the period	(50,774)	(1,455,786)

* NB.Taxable temporary difference Tk. 69,236,118 of SLIC & SLFL on tax rate 37.50% of deferred tax Assets Tk. 25,963,545 & Tk. (478,276) of SAML on tax rate 27.50% of deferred tax Liabilities Tk.(131,526).

6.00 CONSOLIDATED CASH FLOWS:

	Amount in Taka	
	30-09-2023	30-09-2022
Total No of Share	109,698,633	109,698,633
Net cash from operating activities	(463,550,202)	(621,308,349)
Net Operating Cash Flow per share (NOCFPS)	(4.23)	(5.66)

Cash in hand, Cash at Bank & Fixed deposits have been considered as the Cash and Cash equivalents for the preparation of the Statement, which were held and available for use by the Company without any restriction and there was insignificant risk of changes in the value of these assets. In consolidated Financial Statement, Investment in FDR of Subsidiary Company has been shown under cash at bank and other balances. Net Operating Cash Flow per share (NOCFPS) stood at Tk. (4.23) for Q3 2023 against (NOCFPS) of Tk. (5.66) for the Q3 2022. There has been an improvement in overall cash operation in Q3 2023 to Q3 2022. The Reason for the shortfall in Net Operating Cash Flow per share (NOCFPS) are; a. Investment income receipts decreased Tk. (3.87) Crore, b. Management expenses decreased Tk. 8.47 crore, c. Claims Paid decreased Tk. 7.11 Crore, d. Premium Income increase Tk. 4.05 crore and Income Tax (AIT) decreased Tk. 0.26 Crore Q3 2023 than Q3 2022. So resulting Tk. (15.86) Crore decreased in cash Q3 2023 than Q3 2022.

7.00 UNCLAIMED DIVIDEND ACCOUNT

This represents dividend warrants issued in time against dividend for the years 1997 to 2021 but were not claimed and paid within 30 September 2023.

Years	Amount in Taka	
	30-09-2023	31-12-2022
1997	68,067	68,067
1998	132,072	132,072
1999	184,117	184,117
2000	138,683	138,683
2001	156,283	156,283
2002	217,010	217,010
2003	9,441	9,441
2004	45,651	45,651
2005	47,549	47,549
2006	103,963	103,963
2007	287,958	287,958
2008	389,185	389,185
2009	887,227	887,227
2010	27,492	27,492
2011	16,610	16,610
2012	19,039	19,039
2013	40,166	40,166
2014	15,427	15,427
2015	7,574	7,574
2016	5,247	5,247
2017	5,415	5,415
Total (1997-2017)		2,804,176
2018	7,851,094	8,039,632
Total (1997-2018)		10,655,270
2019	6,544,796	6,854,895
2020	1,971,124	2,116,013
2021	1,162,491	-
Total (2019-2021)		9,678,411
TOTAL	20,333,681	19,814,716
Less: Adjustment : Transfer to CMSF		10,655,270
GRAND TOTAL	9,678,411	17,010,540

With reference to BSEC Directive No. BSEC/CMRRCD/2021-386/03-dated 14th January 2021 and The Securities and Exchange Commission (Capital Market Stabilization Fund) Rules, 2021 issued on 1st June, 2021, Sandhani Life Insurance Company transferred a total of Tk. 1,06,55,270 Cash Dividend and Bonus Share 5,16,785 (details shown below) to the Capital Market Stabilization Fund which covers unclaimed dividends up to 1997 to 2018.

Date	Purpose	Cash Dividend (Taka)	Bonus Share
30th May 2022	Unclaimed shares (1997 to 2017)	-	5,16,785
29th May 2022	Unclaimed dividend (1997 to 2017)	28,04,176	
28th Aug 2023	Unclaimed dividend (2018)	78,51,094	

For the record, SLIC has not issued any right shares.

8.00 CONSOLIDATED FAIR VALUE CHANGE ACCOUNT

	Amount in Taka	
	30-09-2023	30-09-2022
Adjustment/Provision during the period	5,454,284	(63,508,253)
Opening Balance	554,217	71,531,564
Closing Balance	<u>6,008,501</u>	<u>8,023,311</u>

9.00 RECONCILIATION OF CONSOLIDATED CASH FLOWS FROM OPERATING ACTIVITIES (Indirect Method)

A) Decrease in Life Fund during the quarter	(496,809,561)	(767,466,450)
B) Profit after Income Tax	(885,751)	18,286,373
C) Adjustment to reconcile net Increase/Decrease in Life Fund to net cash used by Operating Activity:	137,099,984	215,130,446
Depreciation on Fixed Assets	26,454,598	29,262,249
Current Tax Provision	30,492,462	39,549,544
Profit on Vehicle Sale	(5,024,206)	(1,284,238)
Capital Gain from Investment in Shares	(3,104,831)	(5,924,806)
Fair Value change Accounts	(5,454,284)	60,468,743
Adjustment of Depreciation on Revalued Assets	(682,618)	(682,618)
Source Tax Deduction	(37,219,497)	(37,896,788)
Dividend	131,638,360	131,638,360
D) Cash Generated from Operations before Increase/Decrease of Assets or Liabilities:	(102,954,874)	(87,258,718)
Increase/Decrease of Profit/Interest, Dividend, Rents & Others Receivable	(30,915,355)	(35,213,573)
Increase/Decrease of Advance, Deposit & Pre Payments	(117,607,382)	(108,785,722)
Increase/Decrease of Sundry Debtors	2,952,970	1,410,551
Increase/Decrease of Right of Use Assets	4,748,725	4,740,492
Increase/Decrease of Lease Liability	(4,857,637)	(4,700,875)
Increase/Decrease Deferred Tax Assets	112,348	1,073,040
Increase/Decrease of Premium Deposit	(7,114,250)	(15,138,473)
Increase/Decrease of Outstanding Premium	19,269,365	7,737,071
Increase/Decrease of Outstanding Claim	(828,146)	27,087,382
Increase/Decrease of Sundry Creditors	30,564,546	32,014,264
Increase/Decrease of Re- Insurance Premium Payable	3,878,090	4,764,703
Increase/Decrease of Forms, Stamps and Stationery in hand	(3,158,148)	(2,247,578)
Net Cash Flows From Operating Activities (A+B+C)	<u>(463,550,202)</u>	<u>(621,308,349)</u>

10.00 RIGHT OF USE ASSET(IFRS 16 - LEASE)

Opening Balance	9,568,294	11,350,248
Add: Addition made during the quarter	380,025	-
Less: Depreciation on Right of use Assets during the quarter	(5,128,750)	4,740,492
Closing Balance	<u>4,819,569</u>	<u>16,090,740</u>
In refer to note no: 2.17		

11.00 LEASE LIABILITY (IFRS 16 - LEASE)

Opening Balance	9,906,783	11,666,877
Add: Addition made during the quarter	380,025	-
Add: Interest Charge on Lease liability during the quarter	483,338	647,645
Total	10,770,146	12,314,522
Less: Adjustment/ paid during the quarter	(5,721,000)	(5,348,520)
Closing Balance	<u>5,049,146</u>	<u>6,966,002</u>
In refer to note no: 2.17		

12.00 RELATED PARTY DISCLOSURE IAS # 24

12.01 The company carried out a number of transaction with its related party in the normal course of business for the Quarter Ended 30 September 2023. The nature of these transactions and their value have been set out in accordance with the provisions of IAS-24 "Related Party Disclosures" as given below:

Sl. No.	Name of Party	Nature of Transaction	Opening Balance 01.01.2023	Received this year	Payment /Adjustment this year	Closing Balance 30.09.2023
1	Purabi General Insurance Company Ltd.	Rent & Service Charge Received & Accrued	80,000	720,000	-	80,000
		Group Hospitalization Insurance Premium Received	-	41,875	-	-
2	Panna Textile Mills Ltd.	Advance Paid	1,008,000	-	-	-
		Rent & Service Charge Paid/(Adjustment)	-	-	1,008,000	-
		Rent Payable	864,000	-	-	1,264,000
3	City University	Rent & Service Charge Received & Accrued	999,520	4,466,560	-	-
		Security Deposit	1,999,040	-	-	-
		Claim Paid	-	-	200,000	-
4	Modhumoti Bank Ltd.	Fixed Deposit (FDR)	694,359,211	-	-	694,359,211
		Intrest Received & Accrued	104,731,292	15,599,453	-	143,889,300
		Bank Balance(Total No.Of Accounts-54)	102,388,693	-	-	40,992,700
		Bank Charge & Excess duty	-	-	96,860	-
		Bank Interest on STD A/C	-	259,324	-	-
5	MH Samorita Hospital & Medical College	Medical Bill Paid	-	-	669,025	-
		Group Hospitalization Insurance Premium Received	-	888,125	-	-
		Claim Paid	-	-	228,147	-
6	Sandhani Life Finance Ltd.	Share Buy & Sale Commission & Portfolio Management Fees Paid	-	-	71,185	-
7	Mona FCS Ltd.	Share Buy & Sale Commission Paid (Brokerage Commission)	-	-	114,308	-
8	Sandhani Asset Management Ltd	Sandhani AML SLIC Fixed income Fund	100,000,000	-	-	100,000,000

Amount in Taka	
30-09-2023	30-09-2022

12.02 Managing Director's Salary and Allowances

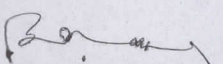
Basic Salary	1,620,000	1,620,000
Allowances	1,160,646	1,080,000
Festival Bonus	450,000	450,000
	3,230,646	3,150,000
Others Expenses	374,013	459,805
	3,604,659	3,609,805


12.03 Directors' Fees

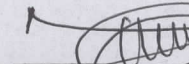
Meeting Attendance Fees	330,000	310,000
	330,000	310,000

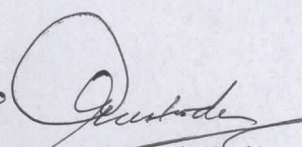
12.04 Key Management Personnel Compensation

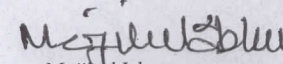
Short Term Employee Benefits (Salary, Bonus & Other Allowances)	97,999,779	97,137,998
Post Employment Benefits (Provident Fund)	3,136,413	2,674,334
	101,136,192	99,812,332


Md. Mizanur Rahman
Company Secretary


Md. Rafiq Ahmed
CFO


Nemai Kumar Saha
CEO


Colonel Wais Huda (Retd.)
Director


Mojibul Islam
Chairman