

Auditors' Report

and

Financial Statements

of

Padma Islami Life Insurance Limited

Padma Life Tower, 115 Kazi Nazrul Islam Avenue,
Bangla Motor, Dhaka-1000, Bangladesh.

For the year ended December 31, 2015

Auditor:

Ahmed Zaker & Co.; Chartered Accountants

(A Member Firm of Morison KSi)

Green City Edge (Level-10)

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Independent Auditors' Report

To the Shareholders of

Padma Islami Life Insurance Limited

We have audited the accompanying financial statements of **Padma Islami Life Insurance Limited**, which comprise the Balance Sheet as at December 31, 2015 and the Life Revenue 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 Financial Reporting Standards along with Rules & Regulation Issued by the Insurance Development & Regulatory Authority (IDRA), Insurance Law 2010, Insurance Rules 1958, Bangladesh Securities and Exchange Commission rules 1987, Companies Act 1994 and other applicable laws & regulations. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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, 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 risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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 evaluating 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 with 3 emphasis of matters and referred to note no.: 17.00, based on our audit, the financial statements prepared in accordance with the Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the Balance Sheet of Padma Islami Life Insurance Limited as at December 31, 2015, Life Revenue Accounts and its Cash Flows for the year ended and comply with the Insurance Law 2010, Insurance Rules 1958, Companies Act 1994, the Securities and Exchange Commission Rules 1987 and other applicable Rules & Regulations.

Emphasis of Matters:

1. As per Fixed Assets schedule of the company, the value of Padma Life Tower was shown including Land and Building value as per agreement which is clear violation of BAS-16 para-58. The value of Land and Building should be shown separately. As result the company understated Life Insurance Fund of taka 14,580,839 for charging depreciation on said Land. During the year the company has rectified said errors by necessary adjustment BAS-08.



2. The company made an advance for taka 63,026,037 in 2013 and taka 47,255,173 in 2014 against 6th-7th floor of Padma Life Tower which has been treated as fixed assets addition for the respective year instead of showing as Advance against Capital Expenditure. As results the company has violated BAS-16 for recognition of Fixed Assets and also the company has understated of life Insurance Fund by taka 8,507,797 for charging depreciation on said fixed assets in earlier recognition. During the year the company has rectified said errors by necessary adjustment according to BAS-08.
3. The company made an advance for taka 4,438,000 in 2014 against floor space (Chandpur Branch) and treated as assets addition during the year of payment instead of treating as Advance against Capital Expenditure which results understatement of life Insurance Fund by taka 221,900 due to charging depreciation on said advance.

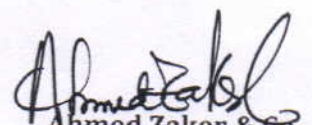
We also report on other legal and regulatory requirements subject to our separate Management Report

We also report that;

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- c) the company's balance sheet, life revenue account and statement of cash flows dealt with by the report are in agreement with the books of accounts;
- d) the balance sheet of the company as at December 31, 2015 and the revenue for the year then ended have been properly reflected in the Financial Statements, and the Financial Statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applicable in Bangladesh.
- e) the expenditure incurred and payments made were for the purpose of the company's business for the year;
- f) As per section 62(2) of the Insurance Law 2010, we certify that to the best of our knowledge and belief and according to the information and explanation given to us, all expenses of management wherever incurred and whether incurred directly or indirectly, in respect of insurance business of the company transacted in Bangladesh during the year under audit have been fully debited to the related revenue accounts of the company; and
- g) As per regulation 11 of part 1 of the third schedule of the Insurance Act, 1938 as amended 2010, we certify that to the best of our knowledge and information given to us and as shown by its books, the company during the year under audit has not paid any person any commission in any form, outside Bangladesh in respect of its re-insurance business abroad;

Place: Dhaka

Dated: November 10, 2016


Ahmed Zaker & Co.
Chartered Accountants



Padma Islami Life Insurance Ltd.
Balance Sheet
As at December 31, 2015

Notes	Amount in Taka	
	2015	2014
		Restated

CAPITAL AND LIABILITIES

SHAREHOLDERS' CAPITAL

Authorized Capital

10,00,00,000 Ordinary Shares of Tk.10/- each

1,000,000,000 1,000,000,000

Issued, Subscribed and Paid-up

3,24,00,000 Ordinary Shares of Tk.10/- each

5.00 324,000,000 324,000,000

Balance of Fund and Accounts :

Life Insurance Fund

6.00 3,167,301,532 3,157,016,112
3,142,905,649 3,132,545,468

Sadaka Fund (Padma Welfare Fund)

24,395,883 24,470,644

Liabilities and Provisions

Amount due to other persons or bodies Carrying on Insurance Business

7.00 145,950,554 168,400,566
1,815,909 847,745

Estimated Liabilities in Respect of Outstanding claims whether due or intimated

8.00 36,346,992 67,961,366

Un-realized Gain/ (Loss) on Investment

(21,281,034) (23,586,494)

Sundry Creditors

9.00 122,332,243 112,148,749

Premium Deposits

10.00 6,736,444 11,029,200

Total

3,637,252,086 3,649,416,678

These Financial Statements should be read in conjunction with the annexed notes (1 to 30)

Chief Executive Officer (CC)

Director

Director

Chairman

Signed in terms of separate report on the same date

Place: Dhaka

Dated: November 10, 2016

Ahmed Zaker & Co.
Chartered Accountants