



**MEGHNA  
INSURANCE**  
COMPANY LIMITED

# INSPIRING SUCCESS



**Annual  
Report  
2022**



**Marine Insurance**



**Fire Insurance**



**Motor Insurance**



**Engineering Insurance**



**Miscellaneous Insurance**

**Services  
We Provide**

# Our MISSION VISION & VALUES



## Vision:

To be a market leader in providing integrated total quality and highest standard of insurance services in all areas of our work in order to uphold our status as one of the best service providers in the Insurance industry of Bangladesh.

## Mission:

Our mission is to be the best performing insurance Company in the country providing high quality product and services backed by the latest technology and a team of highly motivated personnel.

## Objectives:

- To meet customers demand with the utmost care;
- To provide insurance protection to eligible property holders;
- To ensure maximum protection of shareholder's investment;
- To provide secured employment environment;
- To develop corporate culture and promote good corporate governance;
- To maintain transparency in disclosures;

## Spirit:

We undertake our quest with the enthusiasm of entrepreneurs and excited by the constant search for innovation. We value performance achieved with integrity. We will attain success as a world class leader with each and every one of our people contributing with passion and an unmatched sense of integrity.

## Strategy:

Our strategy is to build long term partnerships with the customers/clients. With their support, we aim to maximize the potential of our business through a combination of enhanced quality of service, creative marketing, competitive pricing and cost efficiency.

## Commitment:

### We Shall

- Act courteously, fairly and reasonably in all our dealings with the customers;
- Make sure all our Policy documents and claim procedures are clear and complete information is given about our products and services;
- Deal quickly and sympathetically with the grievances of the customers and resolve efficiently through nominated 'Customer Service Officers' in all Operating Branches;
- Respond to all commercially viable general insurance needs of the citizens to provide new covers;
- Continue to provide customized insurance products for the rural and particularly for the weaker sections of the society at affordable price;
- Continue to develop a dedicated, sensitized, empowered and professional workforce for efficient execution of roles assigned to them;

# Our Standards

<b>STANDARDS FOR ACCESS TO CITIZENS</b>	<p><b>We Shall</b></p> <ul style="list-style-type: none"> <li>• Host on our website <a href="https://micl.com.bd/">https://micl.com.bd/</a> all relevant information relating to working hours, contact numbers after office hours, documents required for issuance of policies and claims settlement (hyperlink to be provided);</li> <li>• Make available information on products and services through display in office, information desks;</li> <li>• Reach out through electronic &amp; print media, intermediaries and other active communication channels available when possible;</li> <li>• Enhance the access of citizens through helpline, call centre, portal and personalized interactions;</li> </ul> <p>Earmark the time between 03.00 p.m. and 05.00 p.m. of every working day for personal interaction of customers with Officer-in-charge of the Branch Office for resolving of grievance.</p>
<b>STANDARDS FOR SERVICING</b>	<p><b>We Shall</b></p> <ul style="list-style-type: none"> <li>• Strive to achieve and excel the timelines / benchmarks set forth in the charter and those prescribed by the regulator in respect of policyholder's servicing.</li> <li>• Be clear and transparent in seeking fulfillment of requirements for settling a claim or any other services to the customer.</li> </ul>
<b>STANDARDS OF FAIRNESS AND OPENNESS</b>	<p><b>We Shall</b></p> <ul style="list-style-type: none"> <li>• Enable the customers with opportunities to provide the organization with feedback on services availed and suggest improvements through customer meets, surveys and web. Citizens are invited to provide suggestion for betterment of service through the dedicated e-mail facility at <a href="mailto:info@micl.com.bd">info@micl.com.bd</a></li> <li>• Enhance Customer satisfaction through adoption of latest technologies in the area of servicing, simplifications of processes, review of systems and methods.</li> <li>• Review the standards of services offered, annually with a view to improve the benchmarks.</li> </ul>
<b>BENCHMARKS FOR SERVICING</b>	<p><b>Decision on acceptance of Proposal for:</b></p> <ul style="list-style-type: none"> <li>• Motor, Individual Health, Personal Accident and other personal lines of insurance – within 24 hours of submission;</li> <li>• Fire, Marine, Engineering and other commercial lines of insurance – within 24 hours of submission;</li> <li>• Issuance of policies within 24 hours of acceptance of premium;</li> <li>• Issuance of Renewal Notice 15 days before expiry of policy;</li> <li>• Effecting changes in the policy will be completed within 3 days;</li> <li>• Appoint Surveyor / Investigator immediately upon intimation of claim. On holidays / weekends / and after office hours, to enable the customers to access the web-site at <a href="http://www.micl.com.bd">www.micl.com.bd</a> or Hot line no. 01788687344 of the Company for any guidance and assistance in the appointment of surveyor.</li> <li>• Provide claim status to the customers within 3 days of request to the company.</li> <li>• Make payment of claim within 3 days of receipt of loss voucher.</li> </ul> <p>Inform the customer within 07 days of receipt of required documents if the claim is not admissible.</p> <ul style="list-style-type: none"> <li>• Register grievance on the same day/monitor the grievances registered on Integrated Grievance Management System (IGMS), provide acknowledgement within 3 days and resolve the grievance within 07 days of receipt.</li> <li>• Continue to develop a dedicated, sensitized, empowered and professional workforce for efficient execution of roles assigned to them.</li> </ul> <p>This Charter is a summary of what Meghna Insurance Company Limited proposes to offer to the citizens. The charter does not in any way become a part of the policy conditions or the conditions of service of the workforce of the company. Impact of this Charter on Customer Service shall be evaluated periodically and wherever found necessary, introduction of requisite penalty provisions in cases of non-compliance of timelines shall be examined for the sake of adding to efficacy of the Charter.</p>

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# Letter of Transmittal

## All the Shareholders

Bangladesh Securities and Exchange Commission  
Registrar of Joint Stock Companies & Firms  
Dhaka Stock Exchange Limited  
Chittagong Stock Exchange PLC  
Insurance Development and Regulatory Authority

**Subject:** Annual Report for the year ended 31 December 2022

## Dear Sir(s),

We are pleased to enclose a copy of the Annual Report of Meghna Insurance Company Limited for the year 2022 together with the Audited Financial Statements for the year ended December 31, 2022 for your kind information and record.

Thank you  
Sincerely yours



**Kazi Md. Miraj Hossain ACS, CGIA**  
Vice President & Company Secretary



## Notice of the 27<sup>th</sup> Annual General Meeting

Notice is hereby given that the 27th Annual General Meeting (AGM) of Meghna Insurance Company Limited will be held on Sunday, 25 June 2023 at 11:30 A.M., through "Digital Platform" in accordance with the Bangladesh Securities and Exchange Commission's Order No. SEC/SRMIC/94-231/91; dated: 31 March 2021 to transact the following businesses:

### AGENDA

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31 December 2022 and Reports of the Directors' and Auditors' thereon;
2. To approve the recommended dividend for the year ended 31 December 2022;
3. To elect/re-elect Directors;
4. To approve the re-appointment of Independent Director;
5. To appoint Statutory Auditors of the Company for the year 2023 and to fix their remuneration;
6. To appoint Corporate Governance Auditor for the year 2023 and to fix the remuneration;

Dated: Dhaka  
1 June 2023



Link of AGM



To Download  
Annual Report

By Order of the Board of Directors

**Kazi Md. Miraj Hossain ACS, CGIA**  
Vice President & Company Secretary

#### Notes:

- i. The record date was fixed on 25 May 2023. The Shareholders, whose names appeared in the Depository Register on the 'Record Date' i.e. 25 May 2023, will be entitled to attend/participate and vote in the 27th Annual General Meeting through Digital Platform and to receive the Dividend.
- ii. A member entitled to attend/participate and vote in the Annual General Meeting through Digital Platform by following the web link: <https://meghnainsurance.agm.watch> and may also appoint a proxy to attend and vote in his/her behalf. The scanned copy of the Proxy Form, duly completed and stamped must be e-mailed to the email at [cs@micl.com.bd](mailto:cs@micl.com.bd) not later than 48 hours before the time fixed for the Annual General Meeting.
- iii. Pursuant to the BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81; dated: 20 June 2018, soft copy of the Annual Report 2022 will be sent to the Shareholders' respective email addresses as available with CDBL record. The Annual Report 2022 will be available on the Company's website at: [www.micl.com.bd](http://www.micl.com.bd)
- iv. Full login/participation process to the Digital Platform meeting will be available on the Company's website at [www.micl.com.bd](http://www.micl.com.bd)
- v. The Members will be able to submit their questions/comments and vote electronically before 24 hours of commencement of the AGM and during the AGM.
- vi. Members whose email addresses updated/changed subsequently, are requested to email us at [cs@micl.com.bd](mailto:cs@micl.com.bd) referring their full name, BO ID and email address to get the digital platform meeting invitation.
- vii. The concerned Merchant Banks and all Depository Participants (DP) are requested to provide us a statement with the details (Shareholders' Names, BO ID Numbers, Client-wise shareholding position, Gross Dividend Receivables, applicable tax rate and Net Dividend Receivables) of their Margin Loan Holders who hold Company's share, as on the 'Record Date' along with the name of the Contact Person in this connection, to the Company's Registered Office on or before 18 June 2023. The Merchant Banks and Depository Participants (DP) are also requested to provide us with their Bank Names, Account Numbers and Routing Numbers etc.
- viii. **In compliance with the Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154; dated: 24 October 2013, No Gift/Gift Coupon/Food Box shall be distributed at the upcoming AGM of the Company.**

INSURANCE DEVELOPMENT AND REGULATORY AUTHORITY  
IDRA  
BANGLADESH

নিবন্ধন নবায়নের সনদ  
(প্রবিধান ৭(৩) দ্রষ্টব্য)

নিবন্ধন নম্বর : সিআর-৩/৯৬ (বীমা অধিদপ্তর)

নিবন্ধন নবায়নের তারিখ : ০১ জানুয়ারি, ২০২৩ ইং।

বীমা আইন, ২০১০ (২০১০ সনের ১৩ নং আইন) এর ধারা ১১ মোতাবেক ০১ জানুয়ারি, ২০২৩ ইং হতে ৩১ ডিসেম্বর, ২০২৩ ইং সাল পর্যন্ত মেঘনা ইন্স্যুরেন্স কোম্পানী লিমিটেড এর নিবন্ধন সনদ এতদ্বারা নবায়ন করা হলো।

ইস্যুর তারিখ: ০২-০৪-২০২৩



চেয়ারম্যান

বীমা উন্নয়ন ও নিয়ন্ত্রণ কর্তৃপক্ষ





# BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2023/158



Date of issue : February 28, 2023

## Renewed Certificate

*This is to certify that*

**MEGHNA INSURANCE COMPANY LIMITED**

**is an Ordinary Member of Bangladesh Association of Publicly Listed Companies**  
**and is entitled to all the rights and privileges appertaining thereto.**

*This certificate remains current until 31<sup>st</sup> December 2023.*



  
Secretary General



# বাংলাদেশ ইন্স্যুরেন্স এসোসিয়েশন Bangladesh Insurance Association



সূত্র : বিআইএ-১(৩৪)/২০২২- ২৮৩ (৩০)

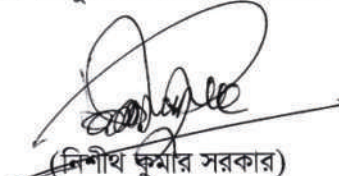
তারিখ : নভেম্বর ২৭, ২০২২

## বাংলাদেশ ইন্স্যুরেন্স এসোসিয়েশন-এর সদস্য পদ হালনাগাদ এর জন্য প্রত্যয়নপত্র

এতদ্বারা প্রত্যয়ন করা যাচ্ছে যে, মেঘনা ইন্স্যুরেন্স কোম্পানী লিমিটেড বাংলাদেশ ইন্স্যুরেন্স এসোসিয়েশন-এর সদস্য।

এই প্রত্যয়নপত্র ২০২৩ সালের জন্য লাইফ/নন-লাইফ বীমা ব্যবসা করার নিমিত্তে বীমা উন্নয়ন ও নিয়ন্ত্রন কর্তৃপক্ষ-এর নিকট থেকে নিবন্ধন নবায়নের জন্য হালনাগাদ সনদ।

বাংলাদেশ ইন্স্যুরেন্স এসোসিয়েশন-এর পক্ষে

  
(নিশীথ কুমার সরকার)  
সেক্রেটারী জেনারেল

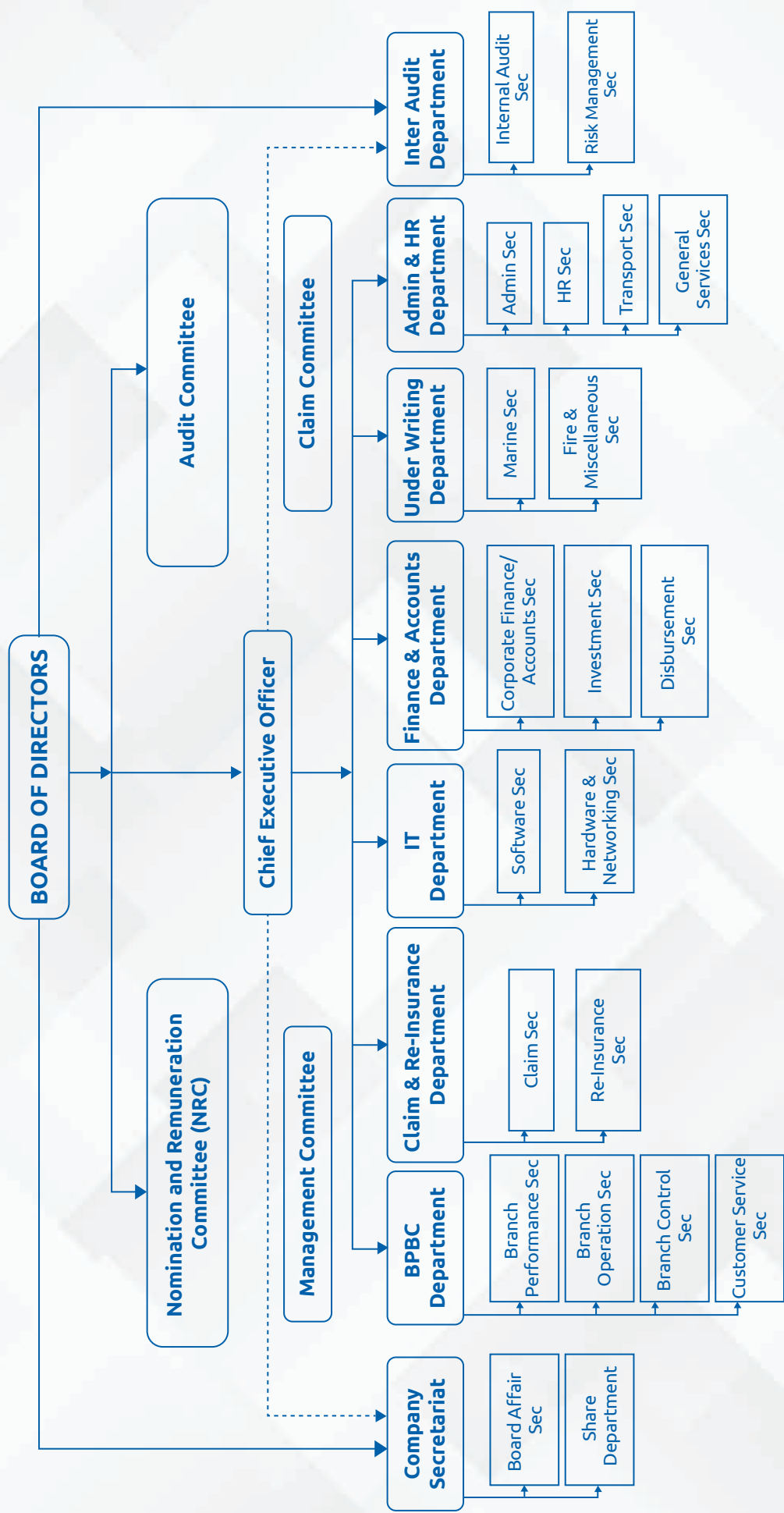
মুখ্য নির্বাহী কর্মকর্তা  
মেঘনা ইন্স্যুরেন্স কোম্পানী লিমিটেড  
প্রিতম জামান টাওয়ার (লেভেল-৪)  
৩৭/২, পুরানা পল্টন  
ঢাকা-১০০০।

# CORPORATE PROFILE

## Meghna Insurance Company Limited

<b>Incorporation</b>	:	18th March 1996
<b>Commencement of Business</b>	:	24th March 1996
<b>Registration Certificate No.</b>	:	C-30434(1650)/96
<b>Insurance Authority Certificate No.</b>	:	CR-3/96
<b>Nature of Business</b>	:	All kinds of Insurance Business and indemnity business other than life
<b>Number of Employee</b>	:	912
<b>Listing with Dhaka Stock Exchange</b>	:	June 01, 2022
<b>Listing with Chittagong Stock Exchange</b>	:	May 31, 2022
<b>Registered office</b>	:	Pritam Zaman Tower (4th Floor), 37/2, Purana Paltan, Dhaka-1000 Tel : +88-02-41050894-8, Fax : +88-02-41050902
<b>Authorized Capital</b>	:	Tk. 1,000,000,000 divided into 100,000,000 Ordinary Share of Tk. 10.00 each
<b>Paid up Capital</b>	:	Tk. 400,000,000 divided into 40,000,000 Ordinary Share of Tk. 10.00 each
<b>Credit Rating</b>	:	AA (Double A)
<b>Credit Rating Agency</b>	:	National Credit Ratings Ltd.
<b>Membership of Stock Exchanges</b>	:	Dhaka Stock Exchange Ltd. & Chittagong Stock Exchange PLC
<b>Chairman</b>	:	Mr. Musfiq Rahman
<b>Vice- Chairman</b>	:	Mr. Aiman Barik Choudhury
<b>Chief Executive Officer</b>	:	Mr. Mohammad Abu Bakar Siddique
<b>Chief Financial Officer</b>	:	Mr. Mohammad Monir Hossain
<b>Company Secretary</b>	:	Mr. Kazi Md. Miraj Hossain ACS, CGIA
<b>Auditors</b>	:	Mahfel Huq & Co (Chartered Accountants) 4th Floor, BGIC Tower 34 Topkhana Road Dhaka-1000, Bangladesh
<b>Corporate Governance Auditor</b>	:	SARashid & Associates (Chartered Secretaries) Noahali Tower (12th Floor, 13-D) 55/B Purana Paltan, Dhaka-1000
<b>Legal Advisor</b>	:	Salah Uddin Ahmed & Associates Shakh Centre (10th Floor), 56 Purana Paltan, Dhaka- 1000
<b>Website</b>	:	www.micl.com.bd
<b>e-mail address</b>	:	cs@micl.com.bd

# Meghna Insurance Company Limited Organogram





# Branch Network all over the Country

Sl. No.	Name of Branch	Branch Address
01	Agrabad	Azim court, 1110/A, Agrabad, Chattogram
02	Bagerhat	Rail Road, Bagerhat Sadar, Bagerhat
03	Bangshal	154, Sayed Nazrul Islam Sarani(2nd Floor), Dhaka
04	Barishal	Mayer Acha, H # 725/1, C & B Road, Holding-725/1, BCC, Barishal
05	B.B. Avenue	Don Plaza (11th Floor), 9 B.B. Avenue, Dhaka
06	Banani	House No 46, Road No. 10, Block-E, Kamal Attartuk Avenue, Banani, Dhaka
07	Bogura	Bitu Tower (4th Floor), Borogola, Bogura
08	CDA Avenue	No-1 Posterpar, DT Road, Dhaniaapara, Chattogram
09	Dewanhat	530/3 Combined Building (3rd Floor)Sheikh Mujib Road,Dewanhat, Chattogram
10	Dilkusha	65 Dilkusha, C/A Dhaka-1000
11	Elephant Road	Rajdhani Complex (5th floor), 237/2 New Elephant Road, Dhaka-1205
12	Feni	Life Care Diagnostic Centre, 206, Trank Road, Feni
13	Faridpur	9/9 C/A, Alipur, Faridpur
14	Gabtolli	Khaleque Plaza (1st Floor) 259/Ka Karmaical Road Gabtolli, Mirpur, Dhaka
15	Gazipur	Hazi Market, Chandona Chowrasta, Gazipur
16	Hatkhola	Lilipond Centre, Floor B-15, 3 R.K. Mission Road, Motijheel C/A, Dhaka
17	Head Office	Corporate Branch 37/2, Pritom Zaman Tower (5th Floor), Room - 502, Purana Paltan,Dhaka -1000
18	Imamgonj	35 Aga Nawab Dewry, Moulovi Bazar, Dhaka-1211

Sl. No.	Name of Branch	Branch Address
19	Jessore	Shafiullah Complex, (2nd floor), 27 M K Road, Jessore
20	Jubilee	Road Hoo Plaza (3rd Floor) 263 Jubilee Road , Chattogram- 4000
21	Jatrabari	37/2, Pritom Zaman Tower (5th Floor), Purana Paltan, Dhaka – 1000
22	Kakrail	Cosmic Aluminium Febrication Cosmic Tower, 106/Ka, Nayapaltan, Dhaka
23	Karwan Bazar	57 Kazi Nazrul Islam Avenue (1st Floor), West Tejturi Bazar, Tejgaon
24	Khatungonj	279, Noor Market (3rd Floor), Khatungonj, Chattogram- 4000
25	Khulna	58/1, Lower Jessore Road, Khulna
26	Kurigram	Zella Porishod Super Market (2nd Floor), Room No 326, Kurigram Sadar, Kurigram
27	Kushtia	Rathkhola Mor, Kushtia
28	Local Office	Fahima Tower, 42/43, Purana Paltan, Dhaka-1000
29	Moghbarar	111 No. Shahid Tajuddin Ahmed Sarani, Magbazar, Dhaka- 1217
30	Manikgonj	Milon Plaza, House # 2, Block # B, Joyra, Manikgonj
31	Mohakhali	99 Ambon Complex, Mohakhali (6th Floor) Dhaka-1212
32	Motijheel	Bhuiyan Mansion, 6, Motijheel Commercial Area, Dhaka
33	Malibagh	23 Halimunnesa Court (7th floor) Kakrail, Dhaka.
34	Mirpur	Holding No-13, Road No-06, Senpara, Parbata, Mirpur-10, Dhaka-1216
35	Mymensingh	34 no. BipinSen Road, Choto Bazar, Muktijodha Sarani, Kotuwali, Mymensingh
36	Nawabpur	13, Bangsal Road, Dhaka-1100
37	Narayangonj	20/2 SM Maleh Road (3rd Floor) Tanbazar, Narayangonj
38	Nayabazar	70, Shaheed SayedNazrul Islam sarani (3rd Floor), Bangsal, Dhaka
39	New Market	32/1 Khan Plaza(4th Floor),Mirpur Road, Dhaka-1205
40	Paltan	37/2, Pritom Zaman Tower (5th Floor), Purana Paltan, Dhaka – 1000
41	Pabna	J. P. Market (2nd Floor), Kalachandpara, Pabna
42	Principal	37/2, Pritom Zaman Tower (5th Floor), Purana Paltan, Dhaka – 1000
43	Rajuk Avenue	Motijheel square(9th Floor), 1/B DIT Avenue, Motijheel Commercial Area, Dhaka
44	Rangpur	Puraton choul Amod, House No-27 (3rd Floor), Road No-1, Station Road, Rangpur
45	Savar	House No C-93, woard No-7, Mazidpur, Savar
46	Sylhet	Room No 105-106, Bagdad Bhaban, Lal Bazar, Bandar Bazar, Sylhet
47	Tongi	Jalil Khan Market (1st Floor) Bata gate, Tongi, Gazipur
48	Toyenbee	Motijheel square(5th Floor), 1/B DIT Avenue, Motijheel Commercial Area, Dhaka-1000
49	VIP Road	3/10 Slaeh Kallayan Trust, DIT Extention Road, Nayapaltan , Dhaka-1000

# Products:

The core activities of the Company are to carry on all kinds of insurance, guarantee and indemnity business other than life insurance business.

## Fire Insurance Policy

Fire insurance is a contract under which the insurer in return for a consideration (premium) agrees to indemnify the insured for the financial loss which the latter may suffer due to destruction of or damage to property or goods, caused by fire, during a specified period.

### Coverage

- Buildings
- Machinery and Accessories
- Stock and Stock in process
- Contents including furniture & Fixture

### Coverage in details

- Private dwelling houses, Schools, Colleges, Universities, Hostels, Hospitals, Banks, Offices, Shops, Hotels, Restaurant etc.
- Industrial / Manufacturing Risks
- Utilities located outside industrial/manufacturing risks.
- Machinery and Accessories
- Storage Risk (Warehouses and Godowns in private or public occupation &/or, outside the compound of industry)

### Coverage

- Fire
- Lightning
- Explosion Boiler or gas used for domestic purpose only

### Coverage in details

This additional coverage can be extended to include other perils by the additional premium

- Riot & Strike Damage
- Aircraft damage
- Cyclone & Flood
- Impact damage
- Subsidence landslide
- Bursting or overflowing of tanks
- Explosion

## Industrial All Risk Insurance Policy

### Coverage

- Fire & all covers
- Burglary and theft
- Machinery breakdown / Boiler explosion / Electronic

### Coverage in details

- Consequential Loss following Fire

## Marine Insurance:

### Coverage

- Any loss or damage to goods in transit by Sea, Air and Rail/Lorry/Truck

### Coverage in details

- Owners or bankers of goods in transit/shipment.
- Export and import shipments
- Goods in transit by Sea, air and Rail/Lorry/Truck
- Goods carried by coastal vessels plying between the various ports within the country
- Cargo transported by small vessels or country craft over inland waters
- Goods moved from place to place by river or land transport

## The Risks Coverage

The policy covers loss/damage to the property insured due to

- Fire or explosion; stranding, sinking etc.
- Overturning, derailment (of land conveyance)
- Collision

- Discharge of cargo at port of distress
- Jettison
- General average sacrifice, salvage charges
- Earthquake, lightning
- Washing overboard
- Sea, lake or river water

#### Risk Covered

##### Institute Cargo Clauses (C)

- Fire or explosion;
- Vessel or craft being stranded, grounded, sunk or capsized.
- Overturning, derailment (of land conveyance)
- Discharge of cargo at port of distress
- Jettison
- General average sacrifice

##### Institute Cargo Clauses (B)

- Provides cover under ICC(C)
- Additional risks
  - a. Earthquake, volcanic eruption or lightning
  - b. Washing overboard
  - c. Entry of sea, lake or river water into vessel.
  - d. Total loss of package lost overboard or dropped in loading or unloading

##### Institute Cargo Clauses (A)

- Provided cover for all risks of loss or damage except the following exclusions.
- All risks means losses which are caused by accidental circumstances
- Under ICC (C) and (B) the risks covered are specified.

#### Marine Hull Insurance

Hull means the insurance of ship. The ship is always at the risk of the perils of the seas and therefore, the ship-owner can insure it against probable losses as such. The subject matter of hull insurance is usually:

- a. Hull
- b. Plant & Machinery
- c. Refrigeration Machinery etc.

#### Direct risk covered under Marine Hull Insurance

Fire, theft, jettison, collision, contact, heavy weather, stranding/ foundering, sinking, General average, Sue and labor charges. The Marine Hull policy may include liability hazards such as collision or running down.

#### Additional Risk Covered on payment of additional premium

War & Strike Riot Civil Commotion (SRCC)

#### Risks covered under following categories

- a. TC Hull (All risk )
- b. TLO With sue, Labor & Salvage (Total Loss only)

#### Motor Insurance:

##### Comprehensive Motor Insurance Cover

This insurance offers compensation for the following:

- Loss or damage to the Vehicle due to road accidents/natural calamities/fire/theft etc.
- Liabilities for a third party due to a motor accident
- Personal Accident cover for the passengers

#### Engineering Insurance:

##### 1. Machinery Breakdown Insurance

##### Brief Description

Machinery Breakdown Insurance offers you financial protection in case your machine suffers accidental, electrical and machinery breakdown requiring repairs and/or replacement. Machinery Breakdown Insurance covers all types of Industrial equipment like Turbines, Compressors, Generators, Transformers, Rectifiers, Electric Motors, Diesel Engines, Pumps, Wind Mills, etc.

##### Covered Risks

All kinds of Accidental, Electrical and Mechanical Breakdown due to internal causes, external causes, operational deficiencies and human errors. Internal damage due to faulty material, defects in casting, faulty construction, overheating of parts, short circuit, faulty erection, disruption in case of rotating bodies due to centrifugal forces, failure of operations of safety devices etc. External causes include collision or impact from lifting machines or cranes, accidental



falls during shifting Major.

## 2. Boilers and Pressure Vessels Insurance

Boilers, steam apparatus and other pressure vessels may be insured on its own through the Boiler Explosion policy. A boiler stores up substantial energy, which on being released by explosion, can cause extensive damage and sometimes bodily injury.

## 3. Contractors All Risk Insurance (CAR)

## 4. Erection All Risk Insurance (EAR)

## 5. Deterioration OF Stock Insurance (DOS)

## 6. Power Plant Insurance

## Miscellaneous Insurance

### 1. Burglary & House Breaking Insurance Policy

This policy covers contents of business premises against the risk of loss or damage by burglary and house breaking. The property that can be covered are Stock - in - trade; Goods -in- trust or on commission for which the insured is responsible; Fixtures, fittings and utensils in trade; Cash and currency notes secured in locked safe.

## Covered Risks

Burglary or house breaking of property following upon felonious entry of the premises by violent means; Damage to the premises by the burglars.

### 1. Cash- in- Transit Insurance Policy

#### Insurable Interest

The Insurer under this Policies indemnify the Insured against loss of Cash, Currency Notes, Coins, Securities for Money, Postal Orders, Stamps and Cheques etc. whilst in transit en-route to final destination and/or in locked safe.

#### Extended Coverage

The insurance can be extended to cover the following at an additional rate:

- a. For non-arms guard an additional premium of 20% of the basic rate.
- b. Assault Risks to unnamed cash carrying messengers and/or employees.
- c. Money in till (drawer for money in shop or bank etc.) and /or counter up to a reasonable limit.

### 2. Cash In ATM Insurance

### 3.General / Public Liability Insurance

### 4. Employers Liability Insurance

### 5. Workmen's Compensation Insurance

### 6. Cash on Counter Insurance

### 7. Cash in safe Insurance

### 8. Personal Accident Insurance

### 9. The Peoples Personal Accident Policy

# Profile of Directors





Mr. Musfiq Rahman, the Chairman of Meghna Insurance Company Limited, is a highly successful entrepreneur with and experience. As a prominent figure in the Insurance industry, Mr. Rahman serves as the Vice Chairman of Meghna Insurance Company Limited, contributing to the strategic direction and overall growth of the company.

In addition to his position at MICL, Mr. Rahman holds the position of Managing Director at Designer Line Pvt. Limited, Max Pure Drinking Water Limited, and Essential Accessories Limited. His multifaceted business ventures demonstrate his ability to manage diverse industries and his entrepreneurial spirit. Mr. Rahman's educational background includes a Bachelor of Business Administration (BBA) degree, which provided him with a solid foundation in business principles and management practices. As Chairman of MICL, Mr. Rahman brings his extensive knowledge, business acumen, and leadership skills to guide the company towards sustained growth and success.

## Mr. Musfiq Rahman

Chairman

Mr. Aiman Barik Choudhury, an enthusiastic entrepreneur and business professional, serves as the Vice-Chairman of Meghna Insurance Company Limited. In addition to his role at MICL, Mr. Barik holds the position of Executive Director and Shareholder at Noorani Agro & Food Complex Limited for over five years. His involvement in this esteemed organization demonstrates his entrepreneurial spirit and his ability to successfully manage diverse business ventures.

Mr. Aiman Barik Choudhury's educational background is equally impressive. He completed his Bachelor of Arts (Entrepreneurship) from the University of Lancaster. He further enhanced his knowledge and skills by obtaining a Master of Science in Human Resource Management from the University of Strathclyde. Mr. Choudhury's diverse skill set, combined with his passion for entrepreneurship and business development, enable him to make significant contributions to the success of MICL. His ability to adapt to changing market dynamics and leverage opportunities strengthens the company's position in the insurance industry. Mr. Choudhury is the member of Nomination and Remuneration Committee of MICL.



## Mr. Aiman Barik Choudhury

Vice-Chairman



**Ms. Nahid Zaman**  
Director

Ms. Nahid Zaman is a highly accomplished business professional with a remarkable career spanning 25 years in the field. With extensive experience and expertise in various business organizations, she brings a wealth of knowledge and leadership to her role as a Director at MICTL. Having completed her post-graduation (M.Sc.) from a prestigious university in Bangladesh, Ms. Nahid Zaman possesses a strong academic foundation.

As a Director at MICTL, Ms. Zaman plays a crucial role in driving the company's sustainable business performance. Throughout her career, Ms. Nahid Zaman has actively engaged in various business organizations, demonstrating her passion and commitment to professional excellence. Her experience in diverse sectors has given her a well-rounded understanding of business operations, market dynamics, and effective leadership. Ms. Zaman serves as Member of the Audit Committee of Meghna Insurance Company Limited.



**Mr. Manwar-Uz-Zaman**  
Director

Mr. Manwar-Uz-Zaman, a highly accomplished entrepreneur with 48 years of experience in the Travel Trade and Tourism sector of Bangladesh, serves as a Director of MICTL. His extensive expertise and success in the industry make him a valuable asset to the company. Mr. Zaman's educational background includes the completion of his Masters of Business Administration from a prestigious university in Bangladesh.

In addition to his role at Meghna Insurance Company Limited, Mr. Manwar-Uz-Zaman holds the position of Local Representative of International SOS, based in Singapore. This role highlights his international connections and his ability to facilitate global business relationships. During his tenure as the Managing Director of Vantage Travels Services Ltd., Mr. Manwar-Uz-Zaman was recognized for his exceptional contributions. He was awarded the International Gold Star for Excellence in Corporate Image and Quality by Business Initiative Direction in Madrid, Spain, in 1993. Mr. Zaman serves as a Member of the Audit Committee of Meghna Insurance Company Limited.



Mr. Mohammad Enayet Ullah, a passionate entrepreneur and business professional, holds the position of Director at MICL. With his vast experience and successful ventures in the import and export sector of Bangladesh, he brings valuable insights and expertise to his role. In addition to his role at MICL, Mr. Enayet serves as the Managing Director of Apsara Trading Limited.

Mr. Enayet's contributions extend beyond his business roles. As a Member of the Board of Trustees and Chairman of the Finance Committee of Eastern University, he plays a vital role in shaping the educational landscape and fostering academic excellence. Additionally, as the Chairman of Enayet Ullah MOHILA college, Sonagazi, Feni, he has made significant contributions to women's education and empowerment. Notably, Mr. Enayet's dedication to philanthropy and social welfare is commendable. As a Director of Meghna Insurance Company Limited, Mr. Enayet's business expertise, leadership skills, and commitment to social welfare make him an invaluable asset to the company and insurance industry.

**Mr. Mohammad Enayet Ullah**  
Director

Ms. Ainab Choudhury, a dedicated and accomplished professional, serves as a Director at Meghna Insurance Company Limited. With her expertise in business and financial analysis, she brings a wealth of knowledge and strategic insights to the company.

Ms. Choudhury's educational background is impressive, having completed her Bachelor of Science in Development Economics from the School of Oriental and African Studies at the University of London. Additionally, she has acquired certifications from the Hong Kong Science & Technology Parks Corp. and the International Baccalaureate (IB) program at Dwight School London. These educational achievements have equipped her with a strong foundation in economic analysis and business management.

As an Outreach Advisor of the Bongogora Foundation in Dhaka, Bangladesh, Ms. Ainab Choudhury actively contributes to the development and growth of the organization. Her role in developing scalable event strategies and her expertise in strategic market research showcase her ability to drive impactful initiatives. Ms. Ainab Choudhury's vast experience and contributions have positively impacted the economy of Bangladesh and abroad.



**Ms. Ainab Choudhury**  
Director



**Ms. Farida Akhtar**  
Director

Ms. Farida Akhtar, a prominent business personality in Bangladesh, serves as a Director of Meghna Insurance Company Limited. With her remarkable achievements and contributions to the business sector, she brings valuable expertise and leadership to the company. Ms. Akhtar holds the esteemed position of Chairperson of Apsara Trading Ltd., a well-known and valued company.

Additionally, Ms. Akhtar is the proprietor of Amanat Trading House, showcasing her entrepreneurial spirit and business acumen. Her involvement in multiple businesses demonstrates her versatility and capability to manage diverse ventures. Her extensive business knowledge, combined with her experience in managing companies, provides valuable insights and perspectives to drive the growth and profitability of MICL. Through her leadership and vision, Ms. Farida Akhtar continues to make a significant impact on the success of Meghna Insurance Company Limited.

Mr. Md. Omar-Bin-Harun Khan, an esteemed legal professional, serves as an Independent Director at Meghna Insurance Company Limited. Mr. Khan's educational background showcases his commitment to legal excellence, including completing his Barrister-at-Law from the Honorable Society of Lincoln's Inn in London, a Post Graduate Diploma in Law (PGDL) from the Inns of Courts School of Law (ICSL), and an LLB (Hons.) from the University of London, UK. With 16 years of experience as a reputable advocate, Mr. Omar-Bin-Harun Khan is a member of prestigious legal bodies such as the Bangladesh Bar Council, Dhaka Bar Association, and Supreme Court Bar Association. His position as an Advocate in the Supreme Court of Bangladesh reflects his legal intelligence.

As the Managing Partner and Head of the Chambers of Legal Counsel, Mr. Khan has gained extensive experience in various areas of law, including arbitration, labor law, banking law, company law, and contract law. This diverse knowledge enables him to provide valuable insights and guidance to Meghna Insurance Company Limited in legal matters. Mr. Omar-Bin-Harun Khan serves as the Chairman of the Nomination and Remuneration Committee (NRC) of MICL.



**Mr. Md. Omar-Bin-Harun Khan**  
Independent Director



**Mr. Ashim Chowdhury**  
Independent Director

Mr. Ashim Chowdhury, an accomplished professional with over 30 years of banking experience, serves as the Independent Director of Meghna Insurance Company Limited. His extensive knowledge and expertise in the banking industry bring valuable insights to MICL. Mr. Chowdhury was a Senior Vice President and Head of Internal Control and Compliance at IFIC Bank Limited. His responsibilities in overseeing internal control measures and ensuring compliance demonstrate his commitment to upholding high standards of governance and risk management.

Mr. Ashim Chowdhury's educational background is diverse and enriching. He completed his Masters in Physics from the University of Chittagong, showcasing his analytical and problem-solving skills. Additionally, he obtained a Masters of Business Administration (MBA) from Peoples University in Dhaka, Bangladesh, further enhancing his business acumen and managerial capabilities. As an Independent Director, Mr. Ashim Chowdhury brings a wealth of experience and expertise to the board of MICL. His extensive background in the banking industry equips him with a deep understanding of financial operations, risk assessment, and regulatory compliance. Mr. Chowdhury serves as the Chairman of the Audit Committee of MICL.

# Message From The Chairman

Bismillahir Rahmanir Rahim

Honorable Shareholders

Assalamu Alaikum,

It is great pleasure and privilege for me to welcome you all to the 27th Annual General Meeting of Meghna Insurance Company Limited. On behalf of the Board of Directors, I would like to extend my good wishes and cordial greetings to you all for your sincere support and co-operation with our company.

I also employ this occasion to discuss the challenges we have had and the future course we should take to deal with the changing economic climate. In addition, I'm excited to share with you the Meghna Insurance Company Limited's 2022 Annual Report, which includes the audited financial statements and the auditors' report for the fiscal year that concluded on December 31, 2022. Bangladesh has a clear goal of creating a "Digital Bangladesh" while sustaining the sustainable GDP growth of the last ten years. The non-life insurance sector's gross premium in Bangladesh was Tk. 5413 crore in 2022 as opposed to Tk. 4147 crore in 2021, demonstrating stability in the sector.

Despite the global financial crisis, Bangladesh has been able to continue economic development. A balanced fiscal strategy, increased public and private sector investment, and a stable political environment in spite of the Ukraine war issue and the refugee crisis for the Rohingya, the GDP grew at a 7.25 percent pace in FY 2021–22. In comparison to FY 2020–21, per capita income is USD 2824 in FY 2021–22. The government was able to undertake significant infrastructure projects because to an increase in revenue from the previous year.

Under these circumstances, our company posted net profit before tax Tk. 66.07 million for the year 2022. Gross premium income stood at Tk. 1060.34 million in 2022 and Tk. 752.14 million in 2021 which representing a growth of 40.98%. Total Assets of the company at stood 1371.65 million as at 31 December 2022 showing a growth of 12.16% comparing with the last year. We hope that in the year 2022, the performance of the company will be continued in a same profitable manner also. In connection with that Meghna Insurance Company Limited has proposed 10% cash dividend.

Meghna Insurance Company Limited has also established a good market reputation for timely claim settlement and built a strong platform for continuous future growth with the merits of experienced management. I sincerely thank the Ministry of Finance, Bangladesh Bank, Insurance Development & Regulatory Authority, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange PLC, Sadharan Bima Corporation, Overseas Brokers, and all other relevant public and private organizations for their assistance and cooperation with the company.

Also deserving of my sincere gratitude to my fellow members of the management and employees of Meghna Insurance Company Limited, whose commitment, professionalism, positivity, and loyalty have been essential to the company's performance in 2022 and have paved the way for continued, easy growth in the years to come.

We are grateful to our board of directors as well for their wise counsel and timely judgments that have helped the business reach its goal. Your organization has a dedicated, genuine, and diligent workforce that can help the business realize its potential.

Finally, I want to offer my sincere appreciation to the regulators, sponsors, shareholders, stakeholders, management, policyholders, and other well-wishers for their support shown to us throughout the year 2022.

Allah Hafez Thank You



**Musfiq Rahman**  
Chairman, Board of Directors



# Message From The Chief Executive Officer

Bismillahir Rahmanir Rahim

Respected Shareholders

AssalamuAlaikum,

I truly appreciate the opportunity to extend a warm greeting to each and every one of you at the 27th Annual General Meeting of the Company. For the first time ever, the presence of the public shareholders at the company's annual general meeting brings us all great satisfaction. In this general meeting, the public shareholders have reinforced the Meghna Insurance Company Limited, which I personally embrace and congratulate.

First and foremost, I ask for and hope for your unwavering support, cooperation, confidence, and commitment to the Company's future general growth. The performance of the Company is shown in the Director's Reports, Auditors' Reports, and Annual Accounts for the year ending 2022. As you are aware, the Insurance Development and Regulatory Authority (IDRA) has implemented a number of reforms and published a number of circulars to promote good corporate practices in order to build professional management and foster a positive atmosphere in the insurance industry. All actions made by the Insurance Development and Regulatory Authority (IDRA) have been well received by industry participants. I'm also happy to inform you that compared to the prior year, premium income, etc., rose significantly throughout the review period. We are determined to keep up the trend of rising premium income this year as well. Numbers of insurance companies do not match with the size of economic activities of the country, and hence the stiff competition is still going on in the insurance industry. Non-professional practices are also another barrier to improve this sector.

The Bangladeshi economy achieved GDP growth of 7.25% in FY 2021–2022 compared to 6.9% in FY 2020–2021, which is much higher than the rate of growth experienced globally. The fact that the income per capita is rising daily is highly encouraging for the health of our national economy. Bangladesh's per capita income as per the most recent BSB data is 2824 USD. The insurance sector does not adequately contribute to the national GDP. We're still working on improving things with IDRA's assistance.

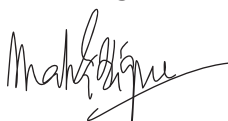
In 2022 our gross premium income stood at Tk. 1060.34 million and 2021 was Tk. 752.14 million which representing a growth of 21.43%. The total assets of the company stood Tk. 1222.97 million as at 31 December, 2021 showing a growth of 40.98% comparing with the last year. Our credit rating status is AA (pronounced as double A) by National Credit Ratings Limited (NCR) which reflects our good financial strength and claim paying ability.

Our entire team, however, is now motivated to work hard to boost sales volume to raise profits and work to diversify investments so that the performance of the current year would be better and noteworthy. I really hope that my team, particularly the Branch Managers, will work tirelessly to improve the future of the MICL family. I really appreciate the participation of the Company's employees because without their toil, sincerity, and commitment, the Company would not advance at all. I sincerely hope that they will continue to support us in the next days as well.

I am very much optimistic that Meghna Insurance Company Limited will go forward by our collective efforts and active support and guidance of our Board of Directors and shareholders. I believe that the year 2023 will be more vibrant and fruitful year for Meghna Insurance Company Limited. Moreover, we would like to express our heartfelt gratitude to the Hon. Chairman, Vice Chairman, Board of Directors, Executive Committee, Claim Committee, Audit Committee, NRC and the public shareholders for their unwavering support and cooperation in running the business.

In conclusion, on behalf of the management of Meghna Insurance Company Limited, I would like to express my heartfelt gratitude to our shareholders, stakeholders, Insurance Development & Regulatory Authority (IDRA), Bangladesh Bank, All commercial Banks, Leasing Companies, Bangladesh Insurance Association, Bangladesh Insurance Academy, Sadharan Bima Corporation, Bangladesh Securities & Exchange Commission, Dhaka stock Exchange Limited and Chittagong stock Exchange PLC, our co-insurers for the support they have been rendering to us for a long time.

With best Regards



**Mohammad Abu Bakar Siddique**  
Chief Executive Officer

# Directors' Report

For the year ended 31st December, 2022

**Bismillahir Rahmanir Raheem**

**Dear Shareholders and honorable partners in progress,**

**Assalamualaikum wa Rahmatullah,**

It gives me an immense pleasure to welcome you to the 27th Annual General Meeting of Meghna Insurance Company Limited on behalf of the Board of Directors of the Company and on my behalf. I am also pleased to present the Annual Report of the Company for the year ended in 31st December, 2022 along with the Audited Accounts containing Statement of Financial Position, Statement of Profit & Loss and other Comprehensive Income, Revenue Accounts and other relevant Financial Statements for the year 2022, other Reports and statements for your information, consideration and approval.

In compliance to the provisions of the Companies Act 1994, the Bangladesh Securities and Exchange Commission (BSEC) Rules 1987, the Corporate Governance Code 2018 issued by BSEC, IAS-1 and the Insurance Act 2010 and rules and regulations in this purpose pursued accordingly to prepare, approve and submit the Directors' Report before the respected shareholders of the company for their perusal and approval. Please note that the entire Annual Report is an integrated part of Directors' Report.

## **Insurance Industry Outlook and prospects:**

The global insurance industry is currently facing challenges related to underwriting and investments. However, efforts are being made to mitigate these pressures, although hard market conditions are expected to persist for several years. In 2022, there is projected to be a slight contraction in global premiums after adjusting for inflation. The real growth of premiums is expected to average 2.1% over the next two years, which is below the long-term trend.

Specifically, in the non-life insurance sector, there is anticipated weak real premium growth this year. However, this trend is expected to strengthen in 2023 and 2024 due to lower inflation and a hard market for commercial lines. However, caution is advised regarding the outlook for global insurance premiums due to elevated downside risks over the next two years. A negative macro-economic backdrop, persistent albeit easing inflation pressures, and volatile financial markets are factors that weigh on premium growth and profitability. The forecast predicts a 0.2% fall in global insurance premiums in 2022 (though a +5.6% growth in nominal terms) and below-trend growth of 2.1% annually on average in real terms for 2023 and 2024. (Source: Sigma Research Publication no.6/2022).

Bangladesh, situated in South Asia, is witnessing the emergence of its insurance sector due to moderate GDP growth and a high population density within the SAARC region. Over the past decade, the insurance industry in South Asia, particularly in Sri Lanka and India, has experienced significant growth. India, despite its growth being driven by agriculture and health insurance, boasts a considerable insurance penetration rate of 3.69%. The automobile insurance segment is the primary contributor to premium generation in India. To facilitate market development, the Human Capital Development Center (CRC) focuses on establishing tariff revisions/adjustments based on various components such as risk premium, expenses, profit, and commission.

When comparing the insurance markets of Sri Lanka and Bangladesh, it becomes apparent that Bangladesh has substantial potential for expansion. Despite Sri Lanka having approximately one-third of Bangladesh's population, the premium rates in Sri Lanka are higher. Although the Bangladesh insurance industry has demonstrated stable growth at around 4% in recent years, the non-life sector, primarily due to poor investments and economic slowdown caused by political unrest, experienced a decline in 2022. Experts fear that the industry may face a similar situation in 2023.

According to the Bangladesh Insurance Association (BIA), the gross premium income of non-life private sector insurance companies in Bangladesh increased from Tk. 21,038 million in 2021 to Tk. 22,670 million in 2022, reflecting a growth rate of 7.76%. In Bangladesh, marine insurance holds significant importance for the non-life insurance business. However, political unrest and disruptions in imports have negatively impacted the marine insurance market. Nevertheless, it is anticipated that the market will show improvement in 2023.

## **Meghna Insurance Company's Business Performance 2022**

In the given circumstances, Meghna Insurance Company Limited faced a challenge in maintaining its growth rate and preventing a decline in revenue earnings. However, through effective management and the active cooperation of its board, the company successfully addressed the situation and halted the downward trend in premium income during the year 2022. Despite various unfavorable factors impacting the overall insurance sector, Meghna Insurance Company Limited demonstrated a strong operational performance in 2021. The company achieved a gross premium of Tk. 10,603.38 lac during the year, marking a significant growth of 40.98% compared to the previous year's figure of Tk. 7,521.40 lac.

## **Fire Insurance**

The Company had underwritten a total fire insurance premium of Tk. 2488.60 lac including an amount of Tk.145.57 lac from the public sector. The net premium income stood at Tk. 1364.42 lac after ceding re-insurance premium of Tk. 1124.19 lac. During the year 2022, total payment of claim was Tk. 74.92 lac.

### Marine Insurance (Cargo)

The total gross premium income from marine cargo business was Tk. 6578.56 lac including premium of Tk. 235.47 lac from public sector. The net premium income of marine cargo business stood at Tk. 5973.49 lac after ceding Tk. 605.07 lac on account of re-insurance premium. In the current year an amount of Tk. 43.11 lac was paid for marine cargo claims.

### Marine Insurance (Hull)

In the year 2022, the total underwritten premium income from marine hull insurance business was Tk. 92.98 lac including premium of Tk. 23.45 lac from public sector business. The net premium income came to Tk. 6.26 lac after ceding Tk. 86.72 lac on account of re-insurance premium.

### Motor Insurance

From motor insurance business our total gross premium income was Tk. 813.32 lac including public sector business of Tk. 25.81 lac. After ceding re-insurance premium of Tk. 4.25 lac the net contribution to revenue account was Tk. 809.06 lac. During the year, net amount of motor claim to the extent of Tk. 61.09 lac was paid.

### Miscellaneous Insurance

The total gross premium income of miscellaneous business came to Tk. 629.92 lac including Tk. 531.18 lac from the public sector. In the year 2022, an amount of Tk. 537.37 lac was ceded on account of re-insurance premium. During the year, net amount of claim for Tk. 0.17 lac was paid on this account.

### Claims

The essence of insurance contract contemplates efficient service when distress falls upon the insured and demands assistance in no time most effectively to refill the loss suffered by the insured. MICL achieved built in reputation for its expeditious settlement of claim and capped with this honor stepped into 27 years of its successful operation. The Claims Department of the Company is fully equipped with devoted and efficient professionals capable of providing personalized services to the valued clients round the clock. Simple procedures and formalities are followed in settlement of claims at the earliest. The department is headed by a highly motivated and experienced Assistant Managing Directors, assisted by a host of dedicated qualified personnel. The executives of Claims Department promptly rush to the spot of incidence accompanied by a government licensed surveyor and take all necessary steps to minimize loss. Partial on account payment on the basis of preliminary survey report is also paid to the insured considering gravity of the situation. In the year of 2022 we have settled 205 numbers of claims for Tk. 179.28 lac on account of Fire, Marine, and Motor and Miscellaneous insurance business. In the year 2022 MICL has paid Tk. 17,928,850 as Claim and the outstanding claim is Tk. 59,808,301 Compare to Tk. 147,489,345 as Claim paid and Tk. 60,200,577 as outstanding claim in the year 2021. The Litigation arisen out of outstanding claims is 86.05 million. The Re-insurance arrangement with local and reputed foreign companies and Treaty Limit is 60 Crore a per the data provided by the Underwriting department. Underwriting department follows a detained underwriting manual / guideline / tariff book provided by Insurance Development and Regulatory Authority (IDRA). Following are the figures of settlement of claims during the last 05 years:

Year	2022	2021	2020	2019	2018
No. of Intimated Claims	325	331	201	357	382
Total No. of Paid Cliams	205	237	257	299	272
Total Paid Cliams amount in Tk.	17,928,850	147,489,345	-26,579,186	55,196,420	79,042,560

### Risk and Concern

The Company is well defined organization structure, predefined authority levels, documents policy guidelines and an extensive system of internal controls ensure optimal utilization and protection of resources, reporting of financial transactions and compliance with applicable laws and regulations. The Company has adequate systems of international control in place. This is to ensure that our assets are safeguarded against loss from unauthorized use of disposition. We have set very high standard to protect our people and operate our business.

### Cost of Goods Sold, Gross Profit Margin and Net Profit Margin

The company is a non-life insurance company therefore Cost of Goods Sold, Gross Profit Margin and Net Profit Margin concept is not appropriate for the company. Non-life insurance companies provide financial protection and indemnification against various risks and perils, such as property damage, liability claims, or natural disasters. Their primary business revolves around underwriting insurance policies and managing risks, rather than manufacturing or selling physical goods. Rather profit of the company is main concern for the company. Profit related information in summarized form is stated separately under title "Summarized Financial Performance of preceding Five Years and deviations".

### Extra ordinary gain or loss

There are no such activities on continuity of any extra Ordinary gain or loss occurred in the company during the year.

### Related party transaction

The Significant related party transaction (as per IAS 24) submitted by the management and it has been presented in the financial statement under Note # 36.00.

### Utilization of proceeds from Public Issues and / or through any other instrument

IPO proceeds have been utilized for the purposes/heads as specified in the prospectus and in line with the condition of the Commission's consent letter. The last date of disbursement of utilization was on 7 August, 2022. MICL Management had a very successful meeting with BSEC on 25 January 2023 regarding this issue. **We were and are fully complied as per rules, regulations and the consent letter.** Areas of utilization of IPO Fund implementation and utilization of funds received through public offer in a tabular form are as follows:

Sl. No.	Areas of Utilization of IPO Fund	Time line as per prospectus	Amount as per prospectus (BDT)	Status of Utilization			
				Total Utilization Amount (BDT)	Utilized (%)	Total Un-Utilization Amount (BDT)	Un-Utilized (%)
01	Investment in Capital Market	Within 02 (two) months	32,000,000	32,114,994	100%	-	0.00
02	Investment in Treasury Bond	Within 02 (two) months	24,000,000	24,000,000	100%	-	-
03	Investment in FDR	Within 02 (two) months	95,250,000	95,250,000	100%	-	-
04	Estimated IPO Expenses	-	8,750,000	8,749,005	100%	(995)	(0.00)
	<b>Total</b>		<b>160,000,000</b>	<b>160,113,999</b>			

The Company is being listed with Dhaka Stock Exchange (DSE) on June 01, 2022 and with Chittagong Stock Exchange (CSE) on May 31, 2022. The trade of shares in both exchanges has started on June 08, 2022. Before listing the paid up capital of the company was 24.00 crore and the company has raised 16.00 crore through IPO. The Financial Performance of MICL represents that the Company is performing better after IPO.

### Summarized Financial Performance of preceding Five Years and deviations

Particulars	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-19	31-Dec-18
<b>Revenue</b>	1,060,338,285	752,139,504	619,402,772	581,041,069	461,909,172
<b>Year to year changes in revenue (%)</b>	40.98%	21.43%	6.60%	25.79%	12.02%
<b>Gross profit (GP)</b>	76,647,649	43,323,277	26,912,912	33,345,755	28,749,843
<b>Year to year changes in GP (%)</b>	76.92%	60.97%	-19.29%	15.99%	-14.02%
<b>Operating expenses</b>	688,157,682	510,689,429	439,460,122	357,442,179	263,240,303
<b>Year to year changes in Operating exp. (%)</b>	34.75%	16.21%	22.95%	35.79%	-5.57%
<b>Financial expenses</b>	813,295	3,260,468	8,251,398	12,858,704	13,423,248
<b>Year to year changes in Financial exp. (%)</b>	-75.06%	-60.49%	-35.83%	-4.21%	-3.90%
<b>Net profit after tax</b>	44,065,544	20,327,398	7,577,013	17,926,248	16,383,521
<b>Year to year changes in PAT (%)</b>	116.78%	168.28%	-57.73%	9.42%	3.89%

Earnings Per Share (EPS) have been increased from the last year due to IPO amount inject, Increase in Premium Income, Non-operating Income & Decrease in Financial Cost; Net Operating Cash Flows Per Share (NOCFPS) and Net Asset Value Per Share (NAVPS) have been decreased from the last year due to increase number of shares (weighted average number of share) [Note: 28, 29 & 30].

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

It is seen that during the period from 2018 to 2022 volume of premium collection was increased due to changes in marketing strategy and better management of business.

#### Changes in GP (%):

As increase in overall revenue, GP to revenue (%) was increased during 2019, 2021 & 2022. In the year of 2018 & 2020 gross profit decreased where company has paid a large amount of claim payment.

#### Changes in operating expenses (%):

The company always tries to keep the expenses under control. In the above analysis of fluctuation, it is seen that operating expenses increased in the period as increased business volume. As a result, operating expense was also increased during 2018-2022 except 2018.

#### Changes in finance cost (%):

As the company purchased floor space for office and expansion of SBUs, loan amount was increased in the year of 2016 & 2017 as well as financial expense was increased. Subsequently loan was repaid gradually as well as financial expense was decreased year to year from 2018 to 2021. It is mentioned here that no loan liability of MICL exist after 23 May 2023.

### Changes in net profit after tax (%):

It is seen that, in the year 2018, 2019, 2021 & 2022 net profit after tax was increased as positive impact of premium and decrease of expenses.

### Contribution to the National Exchequer

During the year under report, an amount of Taka 147.49 million was contributed to the National Exchequer against Taka 125.75 million in the year 2021 which is a sharp increase of 17.29% over the previous year.

Particulars		Year-2021
Corporate Income Tax	30,819,470	23,468,083
VAT (Premium)	90,731,755	83,555,473
VAT at Source	4,982,854	6,980,042
Tax Collection at Source	20,958,597	11,744,798
<b>Total</b>	<b>147,492,676</b>	<b>125,748,396</b>

### Remuneration of the Directors and Independent Directors:

Name of Directors	Board Meeting		Audit Committee	NR Committee	Total Fees Paid (Tk.)
	Attendance	Fees (Tk.)	Attendance	Attendance	
Mr. Musfiq Rahman Chairman	5 out of 5	7,500	-	-	37,500
Mr Aiman Barik Choudhury Vice-Chairman	5 out of 5	7,500	-	-	37,500
Mr. Javed Kaiser Ally Director	5 out of 5	7,500	4 out of 4	-	37,500
Mr. Manwar-Uz-Zaman Director	5 out of 5	7,500	4 out of 4	-	37,500
Ms. Nahid Zaman Director	5 out of 5	7,500	-	1 out of 1	37,500
Mr. Mohammad Enayet Ullah Director	1 out of 3	7,500	-	-	7,500
Ms. Ainab Choudhury Director	3 out of 3	7,500	-	-	22,500
Mr. Md. Omar-Bin-Harun Khan Independent Director	2 out of 5	7,500	4 out of 4	1 out of 1	22,500
Mr. Ashim Chowdhury Independent Director	5 out of 5	7,500	4 out of 4	1 out of 1	37,500

\*\* Audit Committee and Nomination & Remuneration Committee members do not receive any meeting attendance fee.

### Comparative Ratio Analysis of MICL for Last 3 years

Name of the Ratio	2022	2021	2020
External Liability Ratio	34.05%	50.69%	59.04%
Internal Capital Generation Ratio	7.66%	5.41%	5.16%
Exceptional Loss Reserve to Net Premium	0.16	0.23	0.26
Capital & Fund to Total Assets	0.27	0.20	0.27
Retention Ratio	77.77%	71.66%	70.95%
Claim Ratio	2.17%	27.36%	-6.05%
Premium to Equity	1.44	1.39	2.13
Gross Underwriting Margin	9.30%	8.04%	6.12%
Return on Average Assets (ROAA)	3.40%	1.88%	0.87%

Name of the Ratio	2022	2021	2020
Return on Average Equity(ROAE)	9.16%	6.84%	1.28%
Available Solvency Margin	69.66%	71.90%	88.19%
Management Expense to Net Premium	0.72	0.85	0.75
Agency Commission to Net Premium	0.16	0.06	0.20
Underwriting Profit on Gross Premium	7.23%	5.76%	4.34%
Current Ratio	2.27	1.56	1.21
Liquid Assets to Total Insurance Fund	3.12	4.35	3.68
Total Liquid Assets to Total Assets	0.75	0.77	0.69

### The Report also States

In compliance with the BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018; the directors confirm compliance with the financial reporting framework for the following:

- The financial statements prepared by the management of MICL present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the issuer company have been maintained.
- 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.
- International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) have been followed in preparation of the financial statements and any departure there from has been adequately disclosed (Note:2).
- The system of internal control is sound in design and has been effectively implemented and monitored.
- Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;
- There are no significant doubts upon the company's ability to continue as a going concern.
- There is no significant variance between Quarterly financial performance and annual financial statements.
- The Board adopted the audited Annual Financial Statements at its 157th Board meeting. Audit Committee reports that it did not find any conflict of interest or any fraud, irregularity, material defect in the Internal Control System. There are no infringement of laws, rules and regulations also. Concurrently there are no adverse remarks in the Auditors' Report and there is adequate information relating to Financial Transparency and Disclosures. An extract of Emphasis of Matters from Independent Auditor's Report is as follows:

"We draw your attention to note no. 3.14.b regarding "Workers' Participation Fund Welfare Fund" which states that "Section 234 of chapter 15 of Labor Law 2006 (as amended in 2013) requires every company to establish a workers' Participation Fund and Welfare Fund. However, BFID, on behalf of the financial institution sector, clarification from the labor ministry regarding the applicability of the provisions for the sector. Similarly, Bangladesh Insurance Association has corresponded with Financial Ministry on this matter requesting for exemption for Insurance Companies. As no decision has been yet concluded on such communications, the participation fund amount is yet to be distributed among the workers", note no 17.00 regarding "Investment in Treasury Bond" which states that "As per S.R.O. No. 353/Ain/2019 dated: 19 November 2019, regarding Investment of Assets of Non-Life Insurer the minimum required investment in Government securities is 7.5%. The company's Investment in Government securities is lower than the mentioned amount during the year ended 31 December 2022. However, the company will invest the required amount in government securities within the shortest possible time." and also Note no. 41.00 regarding "Contingent Liability" which describe that "There was a demand of Tk. 365,119,852.00 by the income tax authority for payment of tax in excess of the amount of management expenses claimed by the company during the accounting years from 2008 to 2021. The company filed a write to the High court division of the honorable supreme court of Bangladesh. The company is very much hopeful to get Judgment in its favor as Appellate Tribunal Bench accepted excess management expenses Tk. 167,89,870 in assessment year 2008-2009". However, our opinion is not modified in respect of these matters."

- Key operating and financial data of last five years have been presented in summarized from in this report under the head "FINANCIAL HIGHLIGHTS (5 years at glance)" in a separate page.
- MICL believes in transparency and accountability. Starting from the day to day operation, vendor selection & payment, Internal & External Auditing process, Claim settlement, Dividend distribution, Compliance & regulatory reporting, Board Affairs and every where MICL Management try their best to ensure transparency and accountability. MICL has an inter Whistle Blowing policy to deal with any sort of unusual incidents.
- MICL prides itself on its strong commitment to financial integrity and responsible business practices. The company places significant emphasis on ensuring timely payments to vendors and meeting its tax obligations within stipulated time frame. The company understands that timely payments are crucial for maintaining positive relationships with stakeholders.

## Dividend

The Board of Directors of the Company after making necessary reserves and provisions as mentioned in the Appropriation of Profit proposes and recommends for declaration of **10% Cash Dividend** for all shareholders of the Company for the year 2022. The Shareholders, whose names appeared in the Depository Register on the 'Record Date' i.e. 25 May 2023, will be entitled to attend/participate and vote in the 27th Annual General Meeting through Digital Platform and to receive the Dividend, **No bonus share or stock dividend as interim dividend has been declared during the year or shall be declared in future.** The Stock has a dividend yield of 0.61%. MICL has deposited the Dividend declared amount in a separate bank account within stipulated time and paid the declared Dividend declared on time. A report on Dividend payment has submitted to the regulators within stipulated time and the same report is also available in the official website of the Company. A report on the unclaimed Dividend after the last AGM is available in the official website of the Company ([www.micl.com.bd](http://www.micl.com.bd)) and a summary of the unclaimed and unpaid dividend is as follows:

Dividend payment/credit for the concerned year: 2021	BDT.
1. Through BEFTN or directly credited to respective BO	8,045,732.07
2. Through Bank Transfer	810,170.13
3. Through any other mode as approved by Bangladesh Bank	1,894,292.85
4. Through issuance of Dividend Warrant or issue of shares to Suspense Account for non-dematerialized securities	1,249,804.95
Total Dividend paid/credited for the concerned year	11,607,678.66
Total unpaid/undistributed Dividend /accrued during the period (2021)	392,321.34

## Credit Rating Report

Credit Rating of the Company is being done every year. National Credit Ratings Limited has assigned surveillance entity rating to MICL (MICL). According to their report, our Company has been graded AA (Pronounced as Double A) in the long term and in short term "ST-2" with "Stable" Outlook, which indicate good fundamentals of the Company such as claim paying ability, satisfactory financial performance, sound solvency, experienced management team, good liquidity position, systematic internal control procedure. Adequate reinsurance arrangement with Re-insurers in home & abroad etc. has added a new dimension in the goodwill of the Company. The rating will expire on 19 September 2023. The above long term entity rating defines Very strong credit Quality. MICL thanks to its all valued stakeholders for making it occur. The Insurance Company is cheerful of further boost of its rating in future.

## Directors

For induction of Directors the Board of MICL follows the instructions of BSEC Corporate Governance Code 2018 and any other instructions, rules, regulations, Laws by the competent authorities along with the above Board has a written policy for induction of Directors. MICL ensures in house training/ knowledge sharing sessions for honorable Directors and there is a policy on training of Directors as a part of assessing Board performance. The purpose of this policy is to establish guidelines for training directors as a key component of assessing the performance of the board of directors. This policy aims to ensure that directors receive appropriate training and development opportunities to enhance their skills, knowledge, and effectiveness in fulfilling their roles and responsibilities.

The Board nomination and election process is very transparent. Any retiring Director who is eligible to re-elect expresses the interest to be a Director. As per the provision of Article of Association of the Company just after completion of AGM the Directors of the Board elect the Chairman and Vice Chairman among them through vote in a Board Meeting. The Board of MICL is vastly diversified, suitably qualified and experienced. It consists of well established business personnel of the country, young entrepreneur, Philanthropist, Financial Analyst, Barrister, and Former Bankers. Independent Director, Barrister Md. Omar-Bin-Harun Khan supports the Board with expert knowledge and responsibility regarding corporate regulatory rules, responsibilities and implications.

MICL had very interactive, fruitful and well attended 05 (five) Board Meetings and 04 (four) Audit Committee Meeting and 01 (one) Nomination and Remuneration Committee (NRC) meeting during the financial year 2022. MICL follows Institute of Chartered Secretaries of Bangladesh (ICSB) Secretarial Standards to be complied with the compliances. Annual evaluation of CEO, CFO, Company Secretary, and Head of Internal Audit carried out by the Board of Directors.

## Independent Directors

In compliance with the Corporate Governance Code 2018 at least one fifth of the total number of Directors shall be Independent Director. Mr. Omar-Bin-Harun Khan and Mr. Ashim Chowdhury are Independent Directors of MICL. To appoint Independent Directors MICL follows the Criteria of Condition# 1 (2) and 1 (3) of Corporate Governance Code- 2018 issued by Bangladesh Securities & Exchange Commission (BSEC) vide notification no: BSEC/CMRRC/2006-158/207/Admin/80 dated 3 June 2018. The 1st tenure of Mr. Md. Omar-Bin-Harun Khan as the Independent Director of MICL had expired on 26 February 2022. NRC has recommended reappointment of Mr. Md. Omar-Bin-Harun Khan as Independent Director of the MICL for the 2nd term (from 27 February 2023 to 26 February 2026) as he is an advocate practicing in the High Court Division of Bangladesh Supreme Court for more than 10 (ten) years (This Criteria for appointment of Independent Directors is complied with the Condition no. 1(3)(b)(v) and 1(3)(c) of CG Code-2018). The Board of Directors in its 156th meeting held on 22 February 2023 has accepted the recommendation and forwarded the issue for the consent of BSEC. BSEC has given their consent regarding re-appointment of Mr. Khan vide letter no. BSEC/CF-2022/272/ Part-i/1435 Dated: 27 March 2023.

The 1st tenure of Independent Director, Mr. Ashim Chowdhury who was a Senior Vice president and Head of Internal Audit and Compliance of IFIC Bank Limited will expire on 29 August 2023.

The appointment of Mr. Chowdhury was approved by the Shareholders in the 25th AGM and the appointment of Mr. Khan will be placed for approval before the Shareholders in the upcoming 27th AGM of the Company. Mr. Ashim Chowdhury is the Chairman of Audit Committee and Mr. Omar-Bin-Harun Khan is the Chairman of Nomination and Remuneration Committee (NRC).

#### **Director's Retirement and Re-appointment:**

For induction of Directors the Board of MICL follows the instructions of BSEC Corporate Governance Code 2018 and any other instructions, rules, regulations, Laws by the competent authorities along with the above Board has a written policy for induction of Directors. The following Directors will retire by rotation in the 27th Annual General Meeting as per Article 115 of the Articles of Association and being eligible have offered themselves for re-appointment:

1. Mr. Aiman Barik Choudhury
2. Mr. Manwar-Uz-Zaman Nominee of BARWAZ Investments LLC

Ms. Farida Akhter was appointed as Director of the Company after the last Annual General Meeting so she will retire in the upcoming 27th Annual General Meeting as per the regulation 86, Schedule I of the Companies Act 1994 and being eligible she has offered herself for re-appointment. The shareholders shall consider the matter of her re-appointment in the 27th Annual General Meeting. Brief resume of the above named Directors along with other Directors and Independent Directors of the company is furnished inside the Annual report of the Company.

#### **Appointment of Statutory Auditors**

M/s. Mahfel Huq & Co. Chartered Accountants has performed the auditing of financial statements of the Company for the year ended on 31 December 2022. Pursuant to the section 210 of the Company ACT 1994, the Statutory Auditors were appointed as per clause no. 2(2) of BSEC's notification No. BSEC/CMRRC/ 2006-158/208/Admin/81 dated 20 June, 2018 they are eligible for auditing the financial statements of the Company for three consecutive years. This is their first year as the Statutory Auditors. In continuation of that Mahfel Huq & Co., Chartered Accountants has expressed their interest to become the Statutory Auditors of the Company for the year ended on 31 December 2023. The matter was placed to the Audit Committee who apprised the board of Directors for placing the matter to the shareholders for approval in the 27th Annual General Meeting (AGM) of the Company.

#### **Corporate Governance**

Corporate governance is now regarded as the most important factor in the effective administration of a firm. It is regarded as a collection of internal policies and practices that guarantee the directors and top management are answerable to the stakeholders. Corporate governance is heavily emphasized by MICL (MICL) in order to encourage competent management. The Company's goal is to adhere to all legal obligations and guarantee that all stakeholders are treated fairly. It demonstrates respect for the rules of corporate ethics and social responsibility and verifies thorough and equitable disclosure of financial and other material facts.

Company Secretary is playing a vital role to stick on to all legal obligations and guarantee that all stakeholders are treated fairly. in MICL is vital in ensuring compliance with corporate governance requirements and facilitating effective communication and coordination between the Board of Directors, management, and shareholders. The Company Secretary serves as a key advisor to the Board and plays a crucial role in maintaining good corporate governance practices within the organization. Some areas responsibilities of the Company Secretary are:

- Corporate Governance
- Board Support and Communication
- Regulatory Compliance
- Shareholder Relations
- Record Keeping and Documentation
- Promoting ethical conduct and a culture of integrity within the organization

The Board of Directors, Claim Committee, Audit Committee, Nomination & Remuneration Committee (NRC), MANCOM and other Committees of the management perform their respective tasks with accountability and transparency. Besides, to support and enhance the practice of corporate governance, the Audit Committee and Nomination & Remuneration Committee (NRC), of MICL was duly constituted by the Board of Directors with a view to evaluating the activities of the Company as per guidelines laid down in the Corporate Governance Code- 2018 issued by Bangladesh Securities & Exchange Commission (BSEC) vide notification no: BSEC/CMRRC/2006-158/207/Admin/80 dated 3 June 2018, to strengthen the corporate governance practice in corporate. MICL is always keen to comply with and focus highly all the corporate governance issues.

MICL has a very expert and experience Internal Audit Department. Mr. Md. Golam Al Mamun, Assistant Managing Director is the head of Internal Audit Department. Role and responsibility of the Head of Internal Audit provided in writing and also available in the website of the Company under the tab "Investors Relations". The Board of MICL has ensured and establishes appropriate system of internal controls in Company as it is included in the ToR of Board of Directors. Internal Audit Department follows the Procurement policy, Vehicle policy, IDRA guideline among others to ensure transparency. Adequacy and sufficiency of Internal Control system is reviewed on regular basis under Audit Committee. Internal Audit Department submits internal reports before the Audit Committee on regular basis.

A well maintained and operated Investors Relationship Desk is working under the supervision of Company Secretary, Kazi Md. Miraj Hossain ACS, CGIA. and taken care by Mr. Dipak Karmakar. Moreover, MICL uploads all the latest and necessary documents and disclosures as per Listing Regulations and বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (সুবিধাজোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা, ২০২২ [hereinafter referred to as "Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading Rules) 2022"] in the official website (www.micl.com.bd) of the Company under "Investors Relation" tab. MICL tries its best to ensure a very effective Investor communication on value related information all time.



If any investors Complaint about any issue through telephone or e-mail then we first identify the problem(s) redress or resolve the issue from MICL end and inform the investor through telephone or e-mail. In most of the cases MICL redress or resolve the Complaint within 1 or 2 working days.

### **Appointment of Corporate Governance Auditor**

As per the provisions of the Corporate Governance Code 2018 the company shall have to obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report. The professional who will provide the certificate on compliance of the Corporate Governance Code shall be appointed as Corporate Governance Auditor by the shareholders in the annual general meeting.

The Board of Directors has appointed M/s. SARashid & Associates, Chartered Secretaries, as the firm has expressed their interest to become the Corporate Governance Auditor of the Company for the year ended on 31 December 2022 and to continue until conclusion of the 27th AGM. M/s. SARashid & Associates, Chartered Secretaries, has expressed their interest to be re-appointed as the Corporate Governance Auditor for the year for the year ending 31 December 2023 and to continue until conclusion of the 28th AGM. As recommended by the Audit Committee, the Board of Directors has decided to place the matter of the said appointment of Corporate Governance Auditor in the upcoming AGM for approval.

### **Corporate Social Responsibility**

MICL proudly discloses its commitment to Corporate Social Responsibility (CSR) and the initiatives undertaken to contribute to the welfare of society. We firmly believe that as a responsible corporate entity, it is our duty to operate in a manner that goes beyond mere financial performance. On the event of 26th Anniversary, MICL has handed over Life Insurance Policy to the under privilege people of the society. MICL has also distributed blanket to the poor people of the society as a part of CSR. The representation of CSR is available under Note: 25 of Annual Financial Statements-2022 of MICL.

Furthermore, we remain committed to environmental sustainability through initiatives that reduce our carbon footprint and promote eco-friendly practices. MICL has taken tree plantation program in connection to this on 11 may 2022. By disclosing our CSR efforts in the Annual Report, we aim to foster transparency, accountability, and inspire other stakeholders to join hands in creating a sustainable and inclusive society. In the year 2022 expense on Corporate Social Responsibility (CSR) was Taka 1.20 million which is 2.72% of net income, against Tk. 2.12 million in the year 2021 which is 10.44% of net income.

### **Human Resources Affairs**

Non-life (general) insurance Company's success depends on its right, professional skilled human resource towards better service and revenue increase. MICL is practicing proper HR functions through Human resource planning, recruitment, selection, training & development. We encourage regular training and development. At the same time we try to ensure best output in exchange of minimum training expense. Round the year our employees get the in house training from internal resource person and sometimes from external resource person. Therefore, training cost per employee is very minimum. MICL knows efficient people can change work environment and increase the trust of the people. MICL periodically reviews salary and benefits of the employees; besides this, the company has also decided to introduce workers profit participation policy. Like other Insurance company MICL's also having commission based Insurance agent and permanent employee. The company also nominates its employees in training programs to improve their performance conducted by Bangladesh Insurance Academy (BIA), insurance firm & others. The Total no. of employees of the company is 890 out of which 700 are Male & 190 is female and per employee average salary is Tk. 40,000.

Ensuring compliance with labor laws to prevent the employment of child labor is a paramount priority for MICL. We firmly believe in protecting the rights and well-being of children, and we actively work towards creating a safe and ethical work environment. Our robust policies and procedures strictly prohibit the engagement of child labor at any level within our.

MICL takes immense pride in fostering a culture of community engagement and social responsibility. We firmly believe that our employees are not just valuable assets to the company but also active contributors to the betterment of society. We are delighted to highlight the active participation of our employees and their immediate family members in community welfare initiatives. MICL has celebrated International Womens' Day recently. By engaging our employees in such meaningful initiatives, we not only enhance employee morale and satisfaction but also strengthen our bonds with the community. This collective effort reinforces our commitment to social responsibility and sustainable development.

MICL prioritize the well-being and financial security of employees. As part of our commitment to their welfare, MICL provide a comprehensive Provident Fund scheme that helps employees build a secure future. In addition to the Provident Fund, we are actively working on developing a Gratuity program to further enhance the benefits package for our employees. Furthermore, as a member of the Bangladesh Insurance Association, we actively participate in discussions and correspondence related to the Workers' Profit Participation Fund (WPPF). This fund, which aims to promote employee ownership and profit sharing, is an important topic of consideration for us.

MICL recognizes the importance of employee participation in management and believes in fostering a culture of inclusivity and shared decision-making. To foster a culture of inclusivity and shared decision-making, the company has implemented various initiatives. These include open communication channels, where employees are encouraged to voice their opinions, suggestions, and concerns. The company values and considers this input in decision-making processes, recognizing that diverse perspectives lead to better outcomes.

## Acknowledgement

On behalf of the Board of Directors, I like to acknowledge and extend my heartfelt gratitude to all of our stakeholders including valued clients, Reinsurers and well-wishers. I also thank the Insurance Development and Regulatory Authority (IDRA), Registrar of Joint Stock Companies and Firms, Bangladesh Securities and Exchange Commission, Government and Non-Government Organizations, Sadharan Bima Corporation, Dhaka and Chittagong Stock Exchange, Bangladesh Insurance Association and all the scheduled Banks and Leasing Companies for their sincere support and whole-hearted co-operation.

MICL is a very reputed and renowned non-Life Insurance Company of Bangladesh. The company has completed 27 years since its incorporation. The Company is being listed with Dhaka Stock Exchange (DSE) on June 01, 2022 and with Chittagong Stock Exchange (CSE) on May 31, 2022. The trade of shares in both exchanges has started on June 08, 2022. The prospective investors are requested analyze the financial performance of MICL and invest accordingly as investment in Capital Market is challenging. The Directors also take the opportunity to express their sincere appreciation for the contributions made by the executives and members of the staff for their diligent and praiseworthy efforts in ensuring continued progress of the company as well as their efforts towards putting MICL among the top insurance companies in Bangladesh. Without their dedicated and loyal services, the company could not have achieved this result.

On Behalf of the Board of Directors



**Musfiq Rahman**  
Chairman

# Shareholding Pattern

(An Integrated Part of the Directors' Report)  
As per Condition No. 1(5) (xxiii) of CG Code 2018  
Pattern of Shareholding as on record date

Name	Status	Shares held	%	Remarks
<b>Parent or Subsidiary or Associated Companies and other related parties:</b>				
SW Holdings Ltd.	Director Nomination Co.	12,17,132	3.04	
BARWAZ Investments LLC	Director Nomination Co.	29,21,116	7.30	
ZAMORED Investments LLC	Director Nomination Co.	28,90,688	7.23	
Mr. M. A. Hannan	Sponsors	4,62,875	1.16	
Late Abdul Wahid	Sponsors	66,125	0.17	
<b>Directors and Sponsors, and their Spouse and minor Children :</b>				
Mr. Musfiq Rahman (Nominated by SW Holdings Ltd.)	Chairman	Nil	Nil	
Mr. Aiman Barik Choudhury	Vice-Chairman	10,34,562	2.59	
Ms. Farida Akhter	Director	12,67,845	3.17	
Mr. Manwar-Uz-Zaman (Nominated by BARWAZ Investments LLC)	Director	Nil	Nil	
Mr. Mohammad Enayet Ullah	Director	12,67,845	3.17	
Ms. Ainab Choudhury	Director	10,34,562	2.59	
Ms. Nahid Zaman (Nominated by ZAMORED Investments LLC)	Director	Nil	Nil	
Mr. Md. Omar-Bin-Harun Khan	Independent Director	Nil	Nil	
Mr. Ashim Chowdhury	Independent Director	Nil	Nil	
<b>Total Share Holding by Directors &amp; Sponsors</b>		<b>12,162,750</b>	<b>30.41%</b>	
<b>MD/CEO, CFO, CS, HIAC, and their Spouse and minor Children:</b>				
Mr. Mohammad Abu Bakar Siddique	Chief Executive Officer	Nil	-	-
Mr. Mohammad Monir Hossain	Asst. Managing Director & CFO	100,000	-	Private offer shares
Mr. Md. Golam Al-Mamun*	Asst. Managing Director & Head of Internal Audit	100,000	-	Private offer shares
Mr. Kazi Md. Miraj Hossain ACS, CGIA	Vice President & Company Secretary	Nil	-	-
<b>5 Top-Salaried Executives other than MD/CEO, CFO, CS, HIAC and their Spouse and minor Children:</b>				
Mr. M A Zaher Chowdhury	Addl. Managing Director & Chief Coordinator of Br.	100,000	-	Private offer shares
Mr. Humayun Kabir Afsary	Addl. Managing Director	100,000	-	Private offer shares
Mr. B M Salim Reza	Addl. Managing Director	Nil	-	-
Mr. Akbar Hossain	Addl. Managing Director	25,000	-	Private offer shares
Mr. Zillur Rahman	Asst. Managing Director	10,000	-	Private offer shares
<b>PARENT/SUBSIDIARY/ASSOCIATED COMPANIES AND OTHER RELATED PARTIES:</b>				
N/A		N/A	N/A	
<b>Total Share Holdings by Directors &amp; Sponsors</b>		12,162,750	30.41%	
<b>Total Share Holdings by Others</b>		2,78,37,250	69.59%	
<b>Grand Total</b>		<b>4,00,00,000</b>	<b>100%</b>	
<b>Shareholders holding ten percent (10%) or more voting interest in the Company:</b>				
Name of the Shareholders	Status	Shares held	%	Remarks
N/A		N/A	N/A	N/A

The pattern of shareholding status in other aspects is also depicted in Note No. 4.03 of the Audited Financial Statements.

\*Spouses and minor children of Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, do not hold any significant number of shares of the Company except the spouse (Name: Mst. Rina Parvin, SVP of MICL holds 1,00,000 nos. of Private Offer share of MICL) of Head of Internal Audit and Compliance.

# Management's Discussion and Analysis

## (An Integral Part of the Directors' Report)

Dear Fellow Shareholders,

Assalamu Alaikum,

As per condition No. 5 (xxv) of Corporate Governance Code dated 03 June, 2018 the Management Discussion and Analysis are being presented before you along with the company's position and operations together with a brief discussion of changes in the financial statements.

### Accounting Policies and Estimations

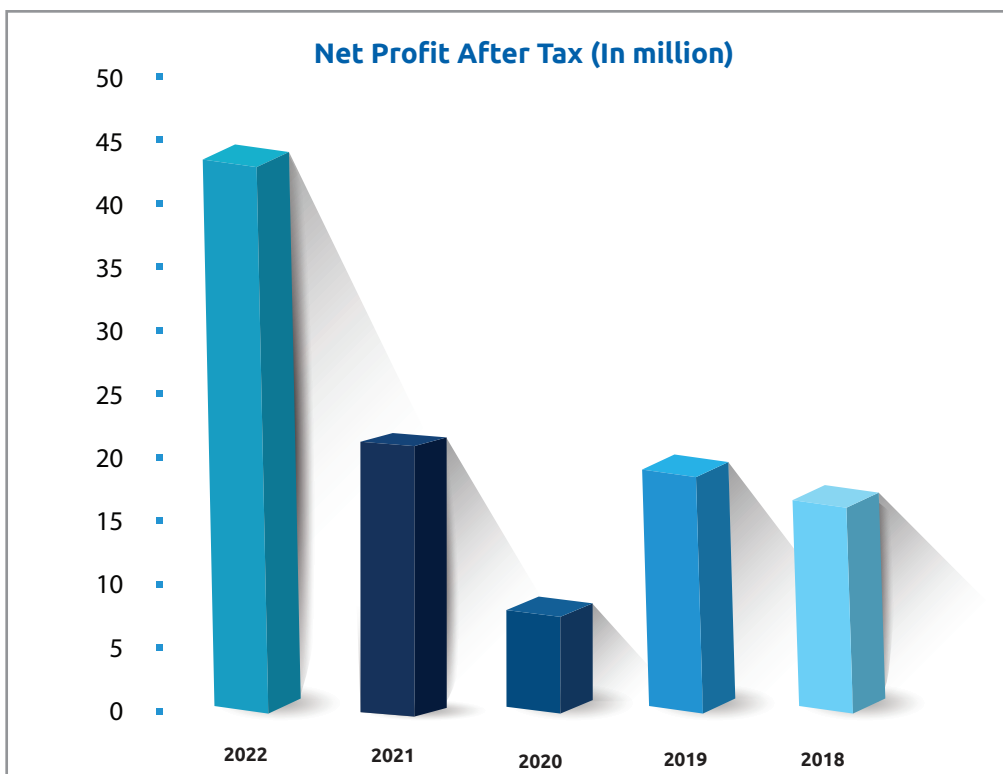
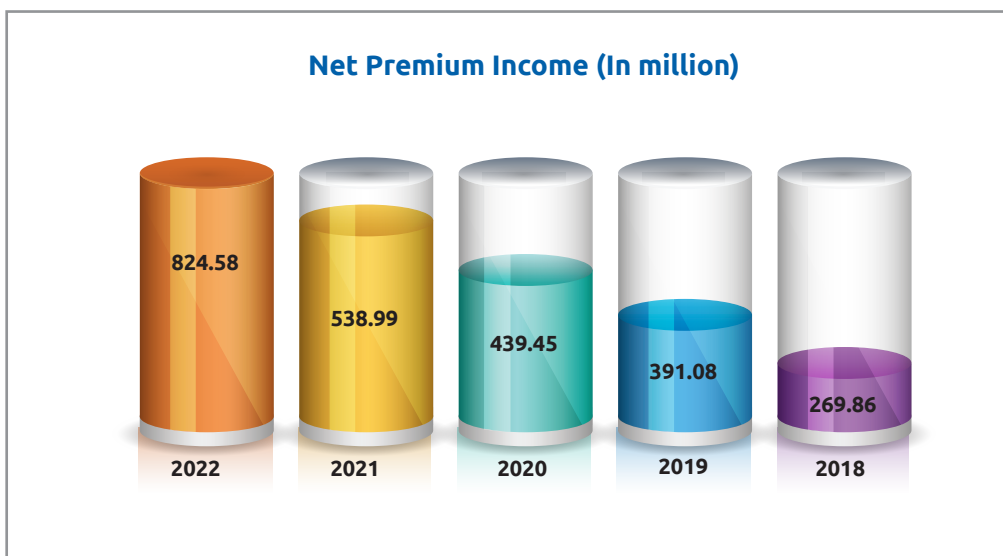
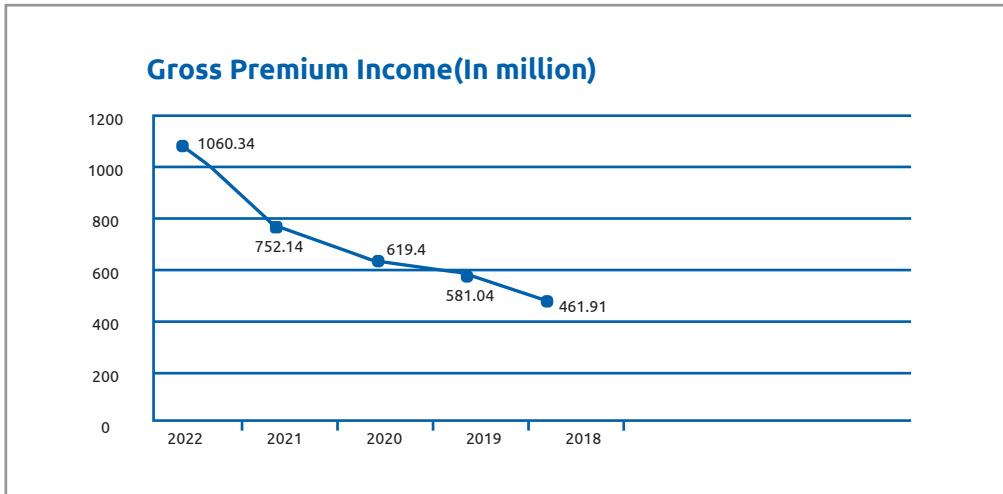
In preparing and presenting financial statements, considering relevant for the significant accounting issues of the company, following IASs & IFRS have been implemented by Meghna Insurance Company Limited, which were issued by the Institute of Chartered Accountants (ICAB) formulated in the light of the IASs & IFRS issued by the International Accounting Standards Board and the conditions and practices prevailing in Bangladesh, and valid as on the Financial Statements date:

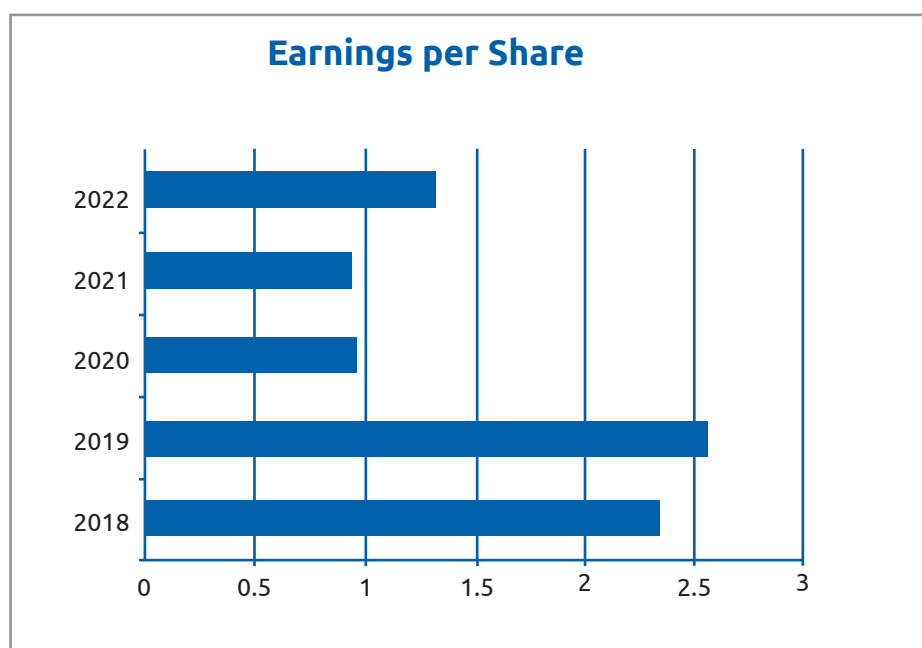
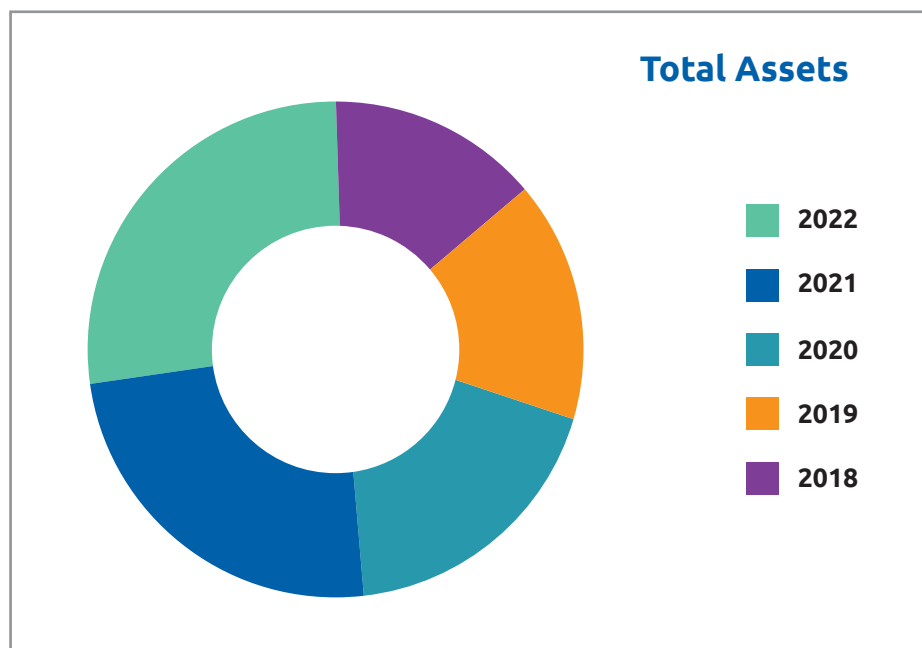
For preparing true and fair financial statements in accordance with the books of accounts and IAS - 1 Presentation of Financial Statements\*, IAS - 7 Statement of Cash Flows\*, IAS - 8 Accounting Policies, Changes in Accounting Estimates and Errors, IAS - 10 Events after the Reporting Period, IAS - 12 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 - 32 Financial Instruments: Presentation\*, IAS - 33 Earning per Share, IAS - 34 Interim Financial Reporting, IAS - 36 Impairment of Assets, IAS - 37 Provisions, Contingent Liabilities and Contingent Assets, IAS - 38 Intangible Assets, IAS - 40 Investment Property, IFRS - 4 Insurance Contracts\*, IFRS - 5 Non-currents assets held for sale and discontinued operation, IFRS - 7 Financial Instruments: Disclosure\*, IFRS - 8 Operating Segment, IFRS - 9 Financial Instruments\*, IFRS - 13 Fair Value Measurement, IFRS - 16 Lease [\*The management of Meghna Insurance Company Limited has followed the principles of IAS & IFRS consistently in the preparation of the financial statements to that extent as applicable to Insurance Company. Some of the standards have not been complied with, about which IDRA has special guideline.]

There are no changes in accounting policies and estimation, during the preparation of financial statement for the year ended on 31st December 2022.

### Comparative Analysis of Financial Performance

Particulars	Figure in Million				
	2022	2021	2020	2019	2018
Gross Premium Income	1060.34	752.14	619.40	581.04	461.91
Net Premium Income	824.58	538.99	439.45	391.08	269.86
Net Claim	17.54	66.09	52.78	78.50	42.95
Underwriting Profit	76.65	43.32	26.91	33.35	28.75
Investment Income	33.04	33.66	24.68	10.79	14.78
Profit before Tax	66.07	24.81	11.91	18.73	17.10
Profit after Tax	44.07	20.33	7.58	17.85	16.39
Paid up Capital	400.00	240.00	79.35	69.00	69.00
Share Holder's Equity	574.4	387.54	206.64	197.02	179.35
Total Liability	467.04	619.86	501.31	418.42	393.13
Total Reserve	504.61	363.11	303.42	284.48	218.32
Total Assets	1371.65	1222.97	934.56	799.60	697.98
Total Investment	608.55	412.47	283.87	253.41	230.10
Fixed Asset	271.05	240.28	244.56	208.50	213.32
Net worth	904.61	603.11	382.77	353.56	227.32
Earnings Per Share	1.32	0.94	0.95	2.56	2.32
Net Asset Value (NAV) per share	17.21	17.88	26.04	28.55	25.99
Dividend [Cash (C)/Stock(S)]	10% C (Proposed)	3% C	15% S	-	-





#### Insurance Industry in Bangladesh

The Insurance industry in Bangladesh is quite robust. The government and the Insurance Development Regulatory Authority (IDRA) are still working hard to make significant contributions in their own fields to the growth of the insurance business. The country's insurance market is being developed thanks to actions made by the government and IDRA. The Government has already promulgated National Insurance Day on 01 March. The regulatory body tries to direct insurance businesses to carry out government plans and as per Insurance Act 2010. The Bangladesh Insurance Association (BIA) is providing several instructions for successfully operating the life and non-life insurance company in compliance with the insurance Act 2010's laws and regulations. The insurance firms will be responsible for managing the business profitably and successfully

### Global Financial and Economy:

The global economy has recovered as anticipated in 2022, despite the fact that it did not do so satisfactorily in the preceding 2 (Two) years. IMF encouraged developed economies to lower public debt interest rates and boost domestic consumption to promote economic development in order to minimize the burden of public debt. According to IMF projections, the global economy would rise by roughly 3.2% in 2022 from 6.00% in 2021 (Source: <https://www.cnn.com/2022/12/28/global-economy-is-heading-in-to-a-decade-of-low-growth-economist-says.html>). Because of commodity price increase, increased demand, output, and employment throughout the year 2022, the global economy is expected to increase at a decreasing rate.

### Economic Growth & Development in Bangladesh Economy:

Bangladesh's economy continued to grow despite the previous years' global economic global disaster, but with a little reduction in export growth and new investment activity. Bangladesh's gross domestic product (GDP) is expected to grow by 5.3% in fiscal year (FY) 2023, according to the latest Asian Development Bank (ADB) report, Asian Development Outlook (ADO) April 2023.

The slower growth forecast reflects subdued domestic demand and weaker export expansion due to slow global growth following the Russian invasion of Ukraine. Inflation is forecast to accelerate from 6.2% in FY2022 to 8.7% in FY2023. The current account deficit is anticipated to narrow from 4.1% of GDP in FY2022 to 1.6% of GDP in FY2023 as imports loosen and remittances grow. The main risk to this growth projection is a greater economic slowdown in Bangladesh's major export destinations driven by global uncertainty over the prolonged political tensions. (Source: <https://www.adb.org/news/bangladesh-economy-grow-moderately-amid-global-economic-slowdown>)

### Risks and Concerns Issues Related to the Financial Statements

Risk is integral part of every business. The risk landscape of the Company encompasses risk arising from Business operations, financial risks and other risks. As per the Note# 41.00 of the audited Financial Statements there is a demand of Tk. 36,51,19,852.00 by the income tax authority for payment of tax. The company filed a write to the High court division of the honorable supreme court of Bangladesh. The company is very much hopeful to get Judgment in its favor as Appellate Tribunal Bench accepted excess management expenses Tk.167,89,870 in assessment year 2008-2009. Except this there are no contingent assets or liabilities and unrecognized contractual commitments at the balance sheet date.

### Mitigation Plan

As the Appellate Tribunal Bench allowed excess management expenses of Tk.167,89,870 in the assessment year 2008-2009, the company is highly hopeful that the judgment would be in its favor. MICL is very careful and sincere about the expenses occur by it. There is a proper guideline and policy for such expenses. Board of Directors has instructed the management to be very alert on this issue and any other issue similar to it. It is decided that Chief Financial Officer of MICL will brief about the above issue in every quarter's Management Committee Meeting.

### Future Plan

The Company foresees progress in the upcoming months, thanks to the valuable contributions of the Board of Directors, Shareholders, and the dedicated efforts of the Employees. To enhance profitability and sustainability, it is essential for all parties involved to practice prudent financial management and adopt cost-saving measures. MICL has observed a noticeable shift in customer behavior and preferences regarding products, distribution channels, and processes. In the highly competitive nonlife insurance industry, cost savings and customer retention are crucial. As a result, insurers nationwide are modifying their business models to align with evolving consumer preferences. Additionally, alternative distribution channels, such as online platforms and social media, are gaining prominence due to changes in the customer profile.

Keeping all in mind MICL will give importance on the followings:

- Increased focus on innovation driven by increasing emphasis on customer centricity.
- Gradually change in consumer preferences resulting in slow but steady growth in the internet channel (online distribution channel).
- Emergence of social media as a new alternative channel that is rapidly gaining prominence among personal lines insurance customers.
- MICL will implement the 7Ps of marketing mix in a way that will enable the company to satisfy its stakeholders (customers, government, shareholders and regulators etc.)

It is expected that with the valued suggestions of the Board of Directors, the Shareholders and relentless efforts and dedicated services of the employees, the Company will be able to upgrade the position during the remaining period of the year. Prudent and Judicious financial management combined with stringent austerity measures by all concerned is also warranted to improve the profitability and viability of the company.

We would also want to express our gratitude to the Board of Directors and Management Team for their dedication to advancing and implementing the company plan and for their consistent support, which helped the Company become an Institute with good financial standing. We would like to express our sincere gratitude for all of the company's employees' devoted and unwavering efforts.

Thanking you

On behalf of the Management



**Mohammad Abu Bakar Siddique**  
Chief Executive Officer

# Management Team







**Mr. Mohammad Abu Bakar Siddique**  
Chief Executive Officer

Mr. Mohammad Abu Bakar Siddique, Chief Executive Officer of Meghna Insurance Company Limited is a renowned insurance personality of the country. He possesses long successful & outstanding professional experience in addition to his extraordinary academic qualification achieved B.Sc. (Hon`'s), M.Sc in Physics with 1st Class from Dhaka University. He started his career at a Supervisor in AMEE Consultant Ltd and later Joined Rifles Public School and College as a Lecturer in Physics. He involved in Insurance sector by joining Pragati Insurance Ltd. & thereafter obtained Diploma in insurance (ABIA) from Bangladesh Insurance Academy, Later he became the Acting Director as well as Senior Faculty Member of Bangladesh Insurance Academy and worked there for about 10 (Ten) years, in the meantime he completed Accelerated MBA from IBAT Northern University, More than 12 of his research articles were published different National & international journals. Before joining to Global Insurance Limited he served almost 8 years in Peoples Insurance Company Ltd.

Mr. Mohammad Monir Hossain, the Assistant Managing Director and Chief Financial Officer of Meghna Insurance Company Limited, is an accomplished professional with a strong educational background and extensive experience in finance and accounting. With a Master of Commerce (M. Com) degree from Jagannath University College and completion of the CA Article ship course under A. QASEM & CO, Chartered Accountants, he possesses in-depth knowledge of financial management and international accounting standards. Mr. Hossain has also pursued Executive Level-II of the Institute of Chartered Secretaries of Bangladesh (ICSB), enhancing his expertise in corporate governance and secretarial practices. Previously, he served as the General Manager at Keno Asia Ltd., a Spanish Company. In his current role, Mr. Hossain effectively manages the financial aspects of MICTL, including financial analysis, budgeting, and strategic planning. His dedication and proficiency contribute to the company's financial stability and compliance with regulations. Mr. Mohammad Monir Hossain's expertise and professional background make him a valuable asset to MICTL, driving its success in the insurance industry.



**Mr. Mohammad Monir Hossain**  
Asst. Managing Director & CFO



Mr. Md. Kabir Ahmed, the Assistant Managing Director and Head of Claim & Re-Insurance at Meghna Insurance Company Limited has over three decades of experience in the non-life insurance industry, he has made significant contributions to the field. Mr. Ahmed's academic journey began at the University of Dhaka, and he began his professional career in 1986 at Karnaphuli Insurance Company Limited, gaining valuable industry experience. Since joining MICL in 2011, he has played a critical role in shaping the company's strategies and driving its success in claim and re-insurance operations. His profound knowledge, exceptional leadership, and meticulous attention to detail have contributed to MICL's growth and reputation. As Assistant Managing Director, he continues to uphold the company's high standards and ensure the smooth functioning of claim and re-insurance operations, further solidifying MICL's position as a trusted insurance provider in Bangladesh.

**Mr. Md. Kabir Ahmed**  
Asst. Managing Director and  
Head of Claim & Re-Insurance

Mr. Md. Golam Al Mamun is a highly skilled and experienced professional with over two decades of expertise in the insurance industry. Currently he is serving as the Head of Internal Audit & Assistant Managing Director at MICL. With a Bachelor's Degree from Ibrahim Kha University College and a Master's Degree from Ananda Mohan University College, Mr. Mamun possesses a solid educational foundation. Throughout his career, he has demonstrated meticulousness and strong analytical abilities, making significant contributions to the organizations he has worked with. Joining MICL in 2007, he has been instrumental in ensuring effective internal controls, risk management, and regulatory compliance. Mr. Mamun's leadership as the Head of Internal Audit continues to uphold the highest standards of transparency and good governance within MICL, contributing to the company's operational efficiency and risk mitigation efforts.



**Mr. Md. Golam Al Mamun**  
Asst. Managing Director (Head Of Internal Audit)



### **Mr. Md. Abdus Samad**

Vice President (Head of HR & Admin)

Mr. Md. Abdus Samad, Vice President and Head of Admin & HR at Meghna Insurance Company Limited, is a highly skilled professional with a strong background in administrative and human resources management with a Master's degree in Mathematics from the National University, Bangladesh, and a Postgraduate Diploma in Human Resources (PGD HR). Mr. Samad has gained valuable experience in managing operations and coordinating activities through his previous role at Crossing Point Limited. Additionally, his tenure at the British Council has enhanced his administrative and organizational skills. As the Head of Admin & HR at MICTL, Mr. Samad is responsible for managing employee relations, recruitment, training and development, and ensuring compliance with labor laws. His expertise in HR management, coupled with his strong leadership skills, contributes to creating a positive work environment. Mr. Md. Abdus Samad continues to make valuable contributions to MICTL, driving the success of administrative and HR processes.

Mr. Kazi Md. Miraj Hossain, ACS, CGIA, is a skilled professional serving as the Vice President & Company Secretary of Meghna Insurance Company Limited. With a strong educational background and diverse expertise, Mr. Hossain plays a vital role in ensuring corporate governance and compliance within the company.

Mr. Hossain is a Chartered Secretary (CS) and an Associate Member of the Institute of Chartered Secretaries of Bangladesh (ICSB). His qualifications in the field of corporate secretarial practices and governance demonstrate his commitment to upholding the highest standards of transparency and accountability. Mr. Hossain completed his BBA major in Marketing and MBA major in Human Resource Management from North South University.

Additionally, Mr. Hossain is a Law graduate, a Chartered Global Investment Analyst (CGIA) and a Member of the CGIA Institute. He is also an Associate Member of the Institute of Personnel Management (IPM) Bangladesh. Mr. Kazi Md. Miraj Hossain contributes significantly to MICTL, ensuring sound corporate governance, compliance, and Company matters.



### **Mr. Kazi Md. Miraj Hossain ACS, CGIA**

Vice President & Company Secretary



## Mr. Asheque Matin

Deputy Vice President (Head of IT)

Mr. Asheque Matin is an IT professional currently serving as the Deputy Vice President (IT) at MICL. With a Bachelor's of Science degree in Business Information Technology, which he obtained from the University of Greenwich in the UK in 2012, he possesses a strong academic foundation in his field. Mr. Matin embarked on his professional journey as a Technology Consultant intern at CIBL, where he gained valuable industry experience and honed his skills. Recognizing his potential and expertise, he joined MICL in 2016 and has been an integral part of the organization ever since.

As the Deputy Vice President (IT), Mr. Matin showcases his dedication, knowledge, and commitment to innovation, he plays a crucial role in enhancing the company's IT infrastructure. Mr. Asheque Matin's contributions have undoubtedly helped propel MICL to new heights in the digital landscape.

# In-Charge of Branches

## Additional Managing Director

Prof. M A Zaher Chowdhury	Jubilee Road Branch
Mr. Akbar Hossain	New Market Branch
Mr. Khudiram Samadder	Mogbazar Branch
Mr. B M Salim Reza	BB Avenue Branch
Mr. H K Afsary	Kawranbazar Branch
Mr. Md. Shahidul Alam	Bogra Branch
Mr. Abdul Momen Bhuiyan	VIP Road Branch

## Executive Vice President

Mr. Md. Gias Uddin	Dewanhat Branch
Mr. Md. Mostafa Kamal	HO CB-C
Mr. Md. Mizanur Rahman	Jessore Branch
Mr. AKM Hafizur Rahman	Imamgonj Branch
Mr. Joyanta Kumar Roy	Mohakhali Branch
Mr. Md. Amir Hossain Patwary	Rangpur Branch
Mr. Md. Haider Ali (Tushar)	Malibagh Branch

## Deputy Managing Director

Mr. Md. Khalilur Rahman	Paltan Branch
Mr. S.M. Sainik Ahmed	Toyenbee Circular Road
Mr. Md. Aminul Islam	Motijheel Branch
Mr. Mohammed Salim	CDA Avenue Branch
Mr. Khairul Amin	Dilkusha Branch
Mr. Md. Farhad Alam	Bangshal Branch
Mr. Md. Siddikur Rahman	Barisal Branch

## Senior Vice President

Mr. Md. Ariful Islam	Mymensingh Branch
Ms. Bebe Kulsum (Nepu)	Kakrail Branch
Mr. Md. Mahubul Islam	HO CB-E
Mr. Md. Murad Hossain	Jatrabari Branch

## Assistant Managing Director

Mr. Arif M Moinuddin Chowdhury	Khatungonj Branch
Mr. Md. Moula Box Khan Masum	Hatkhola Branch
Mr. Dipok Kumar Shaha	Narayangonj Branch
Mr. Md. Zillur Rahman	Elephant Road Branch
Mr. S.M Feroz Shah	RAJUK Avenue Branch
Mr. Md. Nurul Islam	Khulna Branch
Mr. Md. Golam Masud	Principal Branch
Mrs. Masuda Hosne Ara	Local Office Branch

## Vice President

Mr. Md. Mahubul Hoque	Nawabpur Branch
Mr. S.M. Osman Ali	Gabtali Branch
Mr. Md. B.M. Faruque	HO CB

## Deputy Vice President

Mr. AKM Mainul Arif	Sylhet Branch
Mr. Md. Surut Zaman	Manikgonj Branch

## Senior executive Vice President

Mr. Md. Shahjahan Ali	Savar Branch
Mr. Md. Delwar Hossain	Nayabazar Branch
Mr. Md. Nurul Islam	Tongi Branch
Mr. Md. Mahubul H. Shahin	HO CB-F
Mr. M Taslim Uddin	Agrabad Branch
Mr. Md. Mashiur Rahman Bhuiyan	Gazipur Branch
Mr. Md. Zahid Hossain	Pabna Branch

## Assistant Vice President

Mr. Md. Sujon Ahmed	Mirpur Branch
Mr. Md. Mezbaul Hoque	Feni Branch

## Senior Manager

Mr. Md. Nurun Nabi	Kurigram Branch
Mr. Md. Shah Alam	Bagerhat Branch
Mr. ATM Nurul Islam Khan	HO CB-G

# Dividend Distribution Policy

## Introduction:

This Dividend Distribution Policy of **Meghna Insurance Company Limited (“MICL” or “the Company”)** is framed by the compliance of Bangladesh Securities and Exchange Commission’s Directive No. BSEC/CMRRCD/2021-386/3- dated, 14 January 2021. The purpose of the Policy is to define the standards, criteria and parameters that the Board of Directors of the Company shall take into account at the time of recommendation for dividend.

## Period & Category of Dividends:

Dividends are paid in the form of Cash and Stock. The period is interim and final. The Board of Directors shall have the absolute power of recommending the final dividend subject to approval of the shareholder’s on the day of the Annual General Meeting (AGM). During the financial year, in line with this policy, the Board of Directors shall have the power to declare an interim dividend. Final Dividends are paid once in a financial year after finalization and audit of annual accounts. Interim dividends may be declared by the Board of Directors one or more times in a financial year as may be deemed fit.

## Parameter/Factors for Dividend Declaration:

Dividend shall be declared on per share basis of the ordinary shares of the Company. Presently, the Authorized Share Capital of the Company is divided into equity/ordinary shares of face value BDT 10 each. The Company has no other class of shares. The Board shall recommend or declare the amount of dividend on each share based on the following financial parameters:

### Financial parameters

- Company’s financial feasibility
- Liquidity position
- Profits availability
- Reserves availability
- Favorable debt-equity ratio
- Debt interest coverage ratio
- Growth of profit
- Expansion of business

## Internal Factors

**Profitability:** The dividend decision has to be made keeping the profitability into account.

**Growth Plan:** The associated capital expenditure can require the company to maintain its generation of funds to be deployed within the optimal growth or expansion possibilities for the expected leverage.

**Growth rate:** Growth rate of the past earning and predicted profits

**Free Cash Flow:** Free cash flow availability has a strong effect on the amounts to be distributed via dividends to shareholders.

**Investment Opportunities:** Dividend decisions shall be taken in the light of available investment opportunities.

Factors that are likely to have a significant impact on the Company but are not explicitly covered above.

## External Factors:

**Statutory restrictions:** The declaration and distribution of dividends will be subject to prevailing legal requirements, regulatory conditions, and restrictions;

**Shareholders’ expectations:** Shareholders’ expectations play an important role in the decision making process of dividend declaration;

**Government policies:** Policies and restrictions imposed under the Act with regard to the declaration of dividend;

Factors that are likely to have a significant impact on the Company but is not explicitly covered above:

## Declaration/recommendation of Dividend:

- Should notify the Exchanges and the Commission in advance the date and time of its board of directors’ meeting specially called for consideration/adoption of its quarterly financial statements and for declaration of any entitlement of dividend for the shareholders.
- Audit Committee should review the periodic financial statements
- Board is entitled to declare/recommend cash/bonus/interim dividend

## Interim Dividend:

- Should notify the Exchanges and the Commission in advance the date and time of its board of directors’ meeting.
- Should be declared by the Board of Directors
- Should not be declared out of reserves
- Should be a part of final dividend

## Annual Dividend:

- The Company shall notify the Exchanges and the Commission in advance the date and time of its Board of Directors’ meeting specially called for consideration/adoption of its annual audited financial statements and for declaration of any entitlement for the shareholders before 7 (seven) days of holding such meeting.
- Board of directors should recommend the dividend and the shareholders should approved in the general meeting.
- Dividend should be declared out of profit or out of reserves.

### Utilization of Retained Earnings:

The retained earnings shall be utilized for business purposes of the Company and to increase the value of the shareholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on:

- Market expansion plan
- Product expansion plan
- Modernization plan
- Diversification of business
- Long term strategic plans
- Replacement of capital assets
- Where the cost of debt is expensive
- Dividend payment
- Such other criteria as the Board may deem fit from time to time

### Entitlement to Dividend:

Only the shareholders of the Company whose names appear in the depository register maintained with Central Depository Bangladesh Ltd. and or members register of the Company. On the record date fixed by the Company shall be entitled to receive the dividend.

### Payment of Dividend:

The Company should maintain detailed information of Beneficiary Owners (BO) account, bank account, mobile Phone number, email and address of the shareholder as maintained with the Depository Participants (DP). This information shall be kept confidential.

Annual Dividend shall be paid off within 30 days from the date of its declaration in the Annual General Meeting or General Meeting of the Company, as the case may be; and Interim Dividend shall be paid off within 30 days of record date. Provided, however, that the period of 30 days shall not apply in case where-

- (i) There is a dispute regarding to right to receipt the payment; or
- (ii) The dividend has been fully adjusted by the company against any sum due to it from the shareholders; or
- (iii) There is any mismatch/ lack of information of Beneficiary Owners (BO) account; or
- (iv) There is any restraint order by any court of law.

### A. Cash dividend:

The following methods and processes must be followed when distributing cash dividends, namely:-

- (i) Within 10 (ten) days of declaration of cash dividend by the board of director 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 Company 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 may pay off such cash dividend through bank transfer or any electronic payment system as reconized by the Bangladesh Bank, if not possible to pay off through BEFTN;
- (iii) The Company, upon receiving the claim on cash dividend from a stock broker or 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 if the stock broker or merchant banker or portfolio manager fails to provide detailed information (e.g., BO account number, bank account number, intention, etc. of the client or customer including CCBA to the Company for such claim, then the Company shall immediately inform Bangladesh Securities & Exchange Commission.

- (iv) The Company, 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 send it by registered post to the shareholder or unit holder;
- (v) The Company shall 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) The Company, immediately after disbursement of cash dividend subject to deduction of Advance Income Tax or other tax, if applicable, and also after issuance of 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) The Company shall 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 shall also disclose the summary of aforesaid information in the manner report and shall also report in the statements of financial position (Quarterly/annually) as a separate line item '**Unclaimed Dividend Account**': **Provided that the Company shall 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 of the Company as maintained for this purpose within 1 (one) year from the date of declaration or record date,** as the case may be.

## B. Stock dividend or bonus shares:

The Company shall credit stock dividend or bonus shares directly to the BO Account or issue the bonus share certificate of the entitled shareholder, as applicable, within **30 (thirty) days** of declaration in Annual General Meeting/General Meeting or record date, as the case may be, subject to clearance of the exchange(s) and the Central Depository Bangladesh Limited (CDBL).

The Company shall comply with all laws, rules, regulations and other legal requirements having force of law for recommending dividend, be it cash dividend or stock dividend, including compliance of Regulation 46 of ডিপজিটরি (ব্যবহারিক) প্রবিধানমালা, ২০০৩ for issuance of stock dividend or bonus shares.

The Company shall follow the following procedures for ensuring the rightful ownership:

- (i) The Company shall send at least 3 (three) reminders to the entitled shareholders;
- (ii) In case of stock dividend or bonus shares, the **Company shall maintain a Suspense BO Account for undistributed or unclaimed stock dividend or bonus shares.** The said 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 said Suspense BO Account.
- (iii) The Company shall, upon receiving application from the allottee and/or after proper verification of identity and his entitlement, credit the bonus shares lying with the said Unclaimed Dividend Account in favour of the shareholder or the said Suspense BO Account to the BO Account of the allottee, as the case may be, or issue bonus shares to the allottee, as applicable, within 15 (fifteen) days of receiving application with an intimation to the Commission and the exchange(s);
- (iv) 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.

## Unpaid/Unclaimed Dividend:

- (i) The Company must not forfeit any unclaimed cash or stock dividend till the claim becomes barred by the law of land in force. Unclaimed dividend is paid off as per procedure set by the Bangladesh Securities and Exchange Commission and the Stock Exchanges.
- (ii) If any cash dividend remains unpaid or unclaimed or unsettled including accrued interest (after adjustment of bank charge, if any) thereon for a period of 3 (three) years from the date of declaration or record date, as the case may be, shall be transferred by the Company to the Fund as directed or prescribed by the Commission.  
Provided that the Company shall 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 shall, 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.
- (iii) 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 record date, as the case may be, shall be transferred in dematerialized form to the BO Account of the Fund as mentioned in the preceding clause. Provided that the Company shall 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, the Company shall, 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.

## Maintenance of record:

The Company, by itself 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.

## Updating Record:

The Company shall update its record upon receiving any information regarding the BO Account, bank account, mobile phone number, email and address of the shareholder or unit holder from CDBL (Central Depository Bangladesh Ltd.) or its DP (Depository Participants) for the purpose of proper distribution cash dividend or stock dividend and other compliances: Provided that in case of holding of paper share, the Company shall update the information as above.

## Clarification:

The Company shall seek clarification from Bangladesh Securities & Exchange Commission in the event of any confusion or difference of opinion on any matter whatsoever regarding the part of this Policy adopted as per direction of Bangladesh Securities & Exchange Commission under Directive No. BSEC/CMRRCD/2021-386/3- dated, 14 January 2021; and the decision of Bangladesh Securities & Exchange Commission shall be final and binding on the Company.

## Submission of Compliance Report:

The Company shall submit a compliance report to Bangladesh Securities & Exchange Commission as well as Stock Exchanges in the specified format prescribed under clause (6) of Directive No. BSEC/CMRRCD/2021-386/3- dated, 14 January 2021.



#### Amendment:

The Board of directors shall review an update of this policy as and when required basis, if needed. Any further direction from Bangladesh Securities & Exchange Commission regarding dividend will be an integrated part of this policy.

#### Disclosure:

The policy is approved by the Board of Directors in its Board Meeting and will be available on the Company's website and will also be disclosed in the Company's Annual Report.

Approval of the Policy

The Board of Directors of MICL has approved this policy in its 154th Board Meeting held on 27th October 2022.

#### Effective Date:

This policy will be effective from 27th October 2022.

## Nomination Policy, Remuneration Policy, Evaluation Criteria

The Board of Directors of Meghna Insurance Company Limited formed the Nomination and Remuneration Committee (NRC) in line with the corporate Governance condition no. 6(1) and other compliance as per 6(2) to 6(5) of BSEC notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018. NRC of Meghna Insurance Company Limited has formed the following policies and criteria. The policies and criteria are approved in 154th meeting of the Board of Directors.

### Nomination Policy

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director or top level executive and recommend to the Board for his/her appointment.
2. The nomination of directors and top level executives will be firm by the Committee and recommended to the Board for approval. The nomination shall be subject to the prior/post approval of the Company's shareholders as the case may be.
3. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/ satisfactory for the concerned position.
4. A person to be appointed for the corresponding position should possess impeccable reputation for integrity and insights in sectors/areas relevant to the Company, ability to contribute to the Company's growth, complementary skills in relation to others.
5. A person to be appointed as director or top level executive shall not hold any office except in its subsidiary/sister company at the same time as per approval of the Board.
6. Every employee must sign a performance contract that outlines the key performance standards for their specific specified function.
7. The nomination structure determined by the Board, and is revised from time to time, depending on the Company's needs.

### Remuneration Policy

1. The remuneration structure determined by the Board, and is revised from time to time, depending on individual contribution, the Company's performance;
2. The remuneration payable to each Non-Executive Director is based on the remuneration structure as determined by the Board;
3. In the case of the top level executives, increments to the existing remuneration structure may be recommended by the Committee to the Board for approval within the ceiling fixed by the Board;
4. The Non-Executive/Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as prescribed by the Board from time to time;
5. The objective is to set the total remuneration at levels to attract, motivate, and retain high-caliber and high potential personnel in a competitive global market;
6. The total remuneration level is to be reset annually based on a comparison with the relevant peer company and in accordance with the income-expenditure ratio;
7. Remuneration and reward structure mainly comprises with annual remuneration and long-term rewards. The Committee would determine and formulate the guidelines for remuneration and long-term rewards;
8. Term Incentive Plans under which incentives would be granted to eligible key employees based on their contribution to the performance of the Company, relative position in the organization, and length of service under the supervision and recommendation of the Committee;
9. The grant, vesting and other scheme details would be formulated from time to time. These schemes are implemented to attract and retain key talent in the company;

## Evaluation Criteria

The evaluation of the Directors and top level executive position of the Company is to be conducted on an annual basis. The following criteria may assist in determining how effective the performances of the Directors and top level executive officials have been:

- a) Leadership and stewardship abilities;
- b) Performance against corporate plans & objectives;
- c) Strategic Planning- Financial & Business;
- d) Identify, monitor & mitigate significant corporate risks;
- e) Review management's succession plan;
- f) Obtain adequate, relevant & timely information from external sources;
- g) Communication skills;
- h) Motivating employees, providing assistance & directions;
- i) Team work attributes;
- j) Regular monitoring of corporate results against projections;
- k) Direct, monitor & evaluate senior officials;
- l) Attendance & presence in meetings of Board & Committees;
- m) Punctuality;
- n) Leadership skills;
- o) Exercising duties diligently;
- p) Compliance with ethical standards & code of conduct;
- q) Safeguard of confidential information;

## Report of the Audit Committee

### For the year ended on 31 December 2022

The Board of Directors of Meghna Insurance Company Limited at its 157th Board meeting held on 16 April 2023 has reformed a very Competent Audit Committee in accordance with the Condition No. 5(7) of the Corporate Governance Code (No. BSEC/CMRRC-D/2002-158/207Admin/80) as adopted on 03 June, 2018 by Bangladesh Securities and Exchange Commission (BSEC). All the members of the Audit Committee are "Financially Literate" and the Chairman of the Audit Committee was a Senior Vice president and Head of Internal Audit and Compliance of IFIC Bank Limited. Audit Committee in Meghna Insurance Company Limited is a sub-committee of the Board of Directors. It assists the Board in fulfilling its oversight responsibilities.

The Company's management has the primary responsibility for the financial statements, for maintaining effective internal control over financial reporting, and for assessing the effectiveness of internal control over financial reporting.

#### Composition of the Audit Committee:

Newly formed Audit Committee Chairman and Members are as follows:

Name	Position in Company	Position in Audit Committee
Mr. Ashim Chowdhury	Independent Director	Chairman
Mr. Manwar-Uz-Zaman	Director	Member
Ms. Nahid Zaman	Director	Member

The Chief Executive Officer, Mr. Mohammad Abu Bakar Siddique; Assistant Managing Director & CFO, Mr. Mohammad Monir Hossain and Asst. Managing Director & Head of Internal Audit, Mr. Md. Golam Al Mamun, attend the meeting by invitation as and when necessary. Vice President & Company Secretary, Mr. Kazi Md. Miraj Hossain ACS, CGIA performs as the Secretary of the Audit Committee.

#### Role of the Audit Committee

The Audit Committee assisted the Board of Directors in fulfilling its responsibilities regarding the Company's accounting and financial reporting process by monitoring the following:

- The integrity of the Company's financial statements;
- The independence, qualifications and performance quality of its external auditors;
- The Company's system of internal controls;
- The performance of the Company's internal audit process;
- The Company's compliance with laws, regulations and codes of conduct with a view to safeguard the interest of all stakeholders of the Company;

#### Regularity Compliance:

The Committee examined whether the Company's compliances are in place with:

- The laws and regulations framed by the regulatory Authorities;
- Internal regulations approved by the Board of Directors;
- The Chairman of the Audit Committee was present at the last AGM of the Company;
- The Board carries out a robust assessment of Company's emerging & principal risks;

The Company is duly following the rules and regulations of the Regulatory bodies and also strictly follows areas with conflict of interest. The Board has explains the Company's current position and principal risk in the annual report and it has assessed the prospects for the company. The Committee was satisfied that the Company substantially complied with these regulatory requirements.

## Approval of Financial Policy & Procedures

Financial policy & procedures have been approved by the Board of Directors.

## Financial Reporting

The Committee assisted the Board of Directors and the management to carry out their responsibilities for preparing true and fair financial statements in accordance with the books of accounts and IAS - 1 Presentation of Financial Statements\*, IAS - 7 Statement of Cash Flows\*, IAS - 8 Accounting Policies, Changes in Accounting Estimates and Errors, IAS - 10 Events after the 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 - 32 Financial Instruments: Presentation\*, IAS - 33 Earning per Share, IAS - 34 Interim Financial Reporting, IAS - 36 Impairment of Assets, IAS - 37 Provisions, Contingent Liabilities and Contingent Assets, IAS - 38 Intangible Assets, IAS - 40 Investment Property, IFRS - 4 Insurance Contracts\*, IFRS - 5 Non-currents assets held for sale and discontinued operation, IFRS - 7 Financial Instruments: Disclosure\*, IFRS - 8 Operating Segment, IFRS - 9 Financial Instruments\*, IFRS - 13 Fair Value Measurement, IFRS - 16 Lease [\*The management of Meghna Insurance Company Limited has followed the principles of IAS & IFRS consistently in the preparation of the financial statements to that extent as applicable to Insurance Company. Some of the standards have not been complied with, about which IDRA has special guideline.] Assets by:

- Reviewing the adequacy and effectiveness of the internal control system and procedures in order to provide responsible assurance that all transactions are accurately and completely recorded in the books of accounts;
- Reviewing the integrity of the process by which financial statements are prepared from the books of account;
- Reviewing the process by which compliance of provision of all above mentioned Standards.

## The Committee also:

- Reviewed the accounting policies and principles and financial reporting process;  
Reviewed the Internal Control System and the financial statements of the first quarter, second quarter, third quarter and the Annual financial statements for the year ended on 31st December 2022 and subsequently recommended to the Board for consideration and approval;
- Discussed with the statutory auditors for review of the annual financial statements before submission to the Board for approval;
- Reviewed the first quarter, second quarter, third quarter and annual financial statements with the management before submission to the Board for approval;
- Reviewed the adequacy of internal audit function;
- Reviewed the integrity of the financial statements of the Company to ensure that these reflect a true and fair view of the Company's state of affairs for the year ended on 31st December 2022;
- Reviewed the statement of all related party transactions submitted by the management;
- Reviewed the management's discussion and analysis before disclosing in the Annual Report;
- Discussed with the statutory auditors about the nature and scope of audit as well as had post-audit discussions to address areas of concern;
- While reviewing the financial statements ensured that proper disclosure required under International Accounting Standards as adopted in Bangladesh have been made and also complied with the Companies Act and various other rules and regulations applicable to the Company;
- Approved the internal audit plan and gave direction to the Internal Auditor where appropriate for carrying out in depth audit to ensure that the Company or its assets are not exposed to undue risk;
- Reviewed the work of the Internal Audit Department and made suggestions for improvement;
- Recognized the observations of the Internal Audit Department regarding internal control and suggestions made to improve operational systems and procedures and their implementation;
- Reviewed the Internal Auditors' reports and suggested appropriate actions where needed. Internal Auditors were also advised to carry out audit of all the branches in each year. Branch audit reports are required to ensure their effectiveness and suggest appropriate information where required; and
- Reviewed the performance of External Auditors during the last year and recommended them for re-appointment.
- Recommended the appointment of Statutory Auditor;
- Recommended the appointment of Corporate Governance Auditor; and
- Recommended a Draft policy namely "Principles on Disclosure of Material Information and Price Sensitive Information";

## External Audit:

The Committee met with the external auditors at the conclusion of the annual audit and exchanged views on their Audit report. The Committee reviewed the findings and recommendations made by the external auditors in order to remove the weaknesses as detected in the external auditing process. The Committee reviewed the performance of the auditors and recommended to the Board on their appointment and fees.

## Adoption of Financial Statements

The Audit committee reviewed and examined the Annual Financial Statements ended on 31st December 2022 prepared by the Management and audited by the External Auditors Mahfel Huq & Co., Chartered Accountants and recommended to place the same before the Board for consideration and adoption. The Board adopted the audited Annual Financial Statements at its 157th Board meeting. The Committee reports that it did not find any conflict of interest or any fraud, irregularity, material defect in the Internal Control System. There are no infringement of laws, rules and regulations also. There is adequate information relating to Financial Transparency and Disclosures. An extract of Emphasis of Matters from Independent Auditor's Report is as follows:

"We draw your attention to note no. 3.14.b regarding "Workers' Participation Fund Welfare Fund" which states that "Section 234 of chapter 15 of Labor Law 2006 (as amended in 2013) requires every company to establish a workers' Participation Fund and Welfare Fund. However, BFID, on behalf of the financial institution sector, clarification from the labor ministry regarding the applicability of the provisions for the sector. Similarly, Bangladesh Insurance Association has corresponded with Financial Ministry on this matter requesting for exemption for Insurance Companies. As no decision has been yet concluded on such communications, the participation fund amount is yet to be distributed among the workers", note no 17.00 regarding "Investment in Treasury Bond" which states that "As per S.R.O. No. 353/Ain/2019 dated: 19 November 2019, regarding Investment of Assets of Non-Life Insurer the minimum required investment in Government securities is 7.5%. The company's Investment in Government securities is lower than the mentioned amount during the year ended 31 December 2022. However, the company will invest the required amount in government securities within the shortest possible time." and also Note no. 41.00 regarding "Contingent Liability" which describe that "There was a demand of Tk. 365,119,852.00 by the income tax authority for payment of tax in excess of the amount of management expenses claimed by the company during the accounting years from 2008 to 2021. The company filed a write to the High court division of the honorable supreme court of Bangladesh. The company is very much hopeful to get Judgment in its favor as Appellate Tribunal Bench accepted excess management expenses Tk. 167,89,870 in assessment year 2008-2009". However, our opinion is not modified in respect of these matters."

## Acknowledgement

The Board of Audit Committee expressed its sincere thanks to the Chairman and members of the board, management and the auditors for their support in carrying out its duties and responsibilities effectively.

On behalf of the Audit Committee,



**Ashim Chowdhury**  
Chairman, Audit Committee

## Report of the Nomination and Remuneration Committee (NRC)

For the year ended on 31 December 2022

The Board of Directors of Meghna Insurance Company Limited at its 157th Board meeting held on 16 April 2023 has reformed the NRC. It has been constituted by an Independent Director and two members of the Board in line with the corporate Governance condition no. 6(1) and other compliance as per 6(2) to 6(5) of BSEC notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018. Mr. Md. Omar-Bin-Harun Khan who represents in the Board as Independent Director is the Chairman of the Committee. Newly formed NRC Members are as follows:

Name	Position in Company	Position in NRC
Mr. Md. Omar-Bin-Harun Khan	Independent Director	Chairman
Mr. Aiman Barik Choudhury	Vice -Chairman	Member
Mr. Manwar-Uz-Zaman	Director	Member

The Chief Executive Officer, Mr. Mohammad Abu Bakar Siddique; Assistant Managing Director & CFO, Mr. Mohammad Monir Hossain and Asst. Managing Director & Head of Internal Audit, Mr. Md. Golam Al Mamun attend the meeting by invitation as and when necessary. Head of Internal Audit and other Internal Auditors report to the Auditor Committee on regular basis. Vice President & Company Secretary, Mr. Kazi Md. Miraj Hossain ACS, CGIA performs as the Secretary of the Nomination and Remuneration Committee.

### Purpose:

The Committee assists the Board in formulation of the nomination criteria or policies for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive.

### Authority:

The Nomination and Remuneration Committee is a sub-committee of the board of Meghna Insurance Company Limited from which it derives its authority and to which it regularly reports. The committee has delegated authority from the Board in respect of the functions and powers set out in these Terms of Reference.

### Constitution:

#### Chairperson

- One member of the NRC to be Chairperson of the Committee appointed by the Board, who shall be an independent director;
- In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;
- The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.

#### Membership

- The Committee Shall Comprise of at least three members including an independent director;
- All members of the Committee shall be non-executive directors;
- Members of the Committee shall be nominated and appointed by the Board;
- The Board shall have authority to remove and appoint any member of the Committee;
- In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;
- The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;

#### Secretary

- The company secretary shall act as the secretary of the Committee;

#### Proceedings of Meetings:

#### Frequency of Meetings

- The NRC Shall conduct at least one meeting in a financial year;
- The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;

#### Quorum

- The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third
- of the members of the Committee, whichever is higher,
- The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;

#### Remuneration for any Advisory

- No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or

- b) Consultancy role or otherwise, other than Director's fees or honorarium from the company.

### Minutes of Meeting

- a) The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.

### Role of NRC:

- a) NRC shall be independent and responsible or accountable to the Board and to the shareholders;
- b) NRC shall oversee, among others, the following matters and make report with recommendation to the Board;
  - i. formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following;
- c) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;
- d) The relationship of remuneration to performance is clear and meets appropriate performance bench marks; and remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- e) Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
- f) Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;
- g) Formulating the criteria for evaluation of performance of independent directors and the Board;
- h) Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and
- i) Developing, recommending and reviewing annually the company's human resources and training policies;

### Reporting By the NRC to the Board:

The NRC regularly reports on its work to the Board and the report includes a summary of the matters addressed in the meeting. The NRC expressing its view to the Board that the nomination, retirement, re-election & remuneration of directors & top level executives are adequate for presetting true and fair view of the Administration & HR department and also expressed that the internal control of the Company is quite satisfactory.

### Performance of NRC:

In the year 2022 NRC reviewed and recommended Code of Conduct, Terms of Reference (ToR) of Chairman, ToR of Chief Executive Officer, ToR of Chief Financial Officer, ToR of Company Secretary, ToR of Head of Internal Audit, ToR of Nomination and Remuneration Committee, ToR of Audit Committee, Nomination Policy, Remuneration Policy, and Evaluation Criteria to the Board for final approval. The above documents are available at the official website of the Company ([www.micl.com.bd](http://www.micl.com.bd)).

NRC has also reviewed and recommended the restructured Pay Scale of employees of MICL; the Committee has also taken initiative to formulate, reviewed and recommend the "Service Policy (Temporary Employees)-2023" of the Company. Board of Directors of MICL has scrutinize, reviewed and approved the restructured Pay Scale and "Service Policy (Temporary Employees)-2023" in its 154th meeting of the Board of Directors held on 27th October 2022.

The re-appointment of Mr. Mohammad Abu Bakar Siddique, Chief Executive Officer; re-appointment of Independent Director and Chairman of NRC Mr. Md. Omar-Bin-Harun Khan; removal of Mr. Md. Hafizour Rahman FCA, FCS, Chief Financial Officer; 2% incentive Bonus for the Branches who have achieved more than 100% of their target at the end of the year 2021 have been reviewed and recommended to the Board by the NRC in its meeting held on 15 February 2023.

The Board of Directors in its 156th meeting held on 22 February 2023 has accepted the recommendation and forwarded the issue of re-appointing of Mr. Mohammad Abu Bakar Siddique, Chief Executive Officer to Insurance Development and Regulatory Authority of Bangladesh (IDRA); in the same meeting Board of Directors has approved the removal of Mr. Md. Hafizour Rahman FCA, FCS, Chief Financial Officer; 2% incentive Bonus for the Branches who have achieved more than 100% of their target at the end of the year 2021.

Mr. Md. Omar-Bin-Harun Khan's 1st tenure as the Independent Director of MICL had been expired on 26 February 2022. NRC has recommended re-appointing Mr. Md. Omar-Bin-Harun Khan as Independent Director of the MICL for the 2nd term (from 27 February 2023 to 26 February 2026). The Board of Directors in its 156th meeting held on 22 February 2023 has accepted the recommendation and forwarded the issue for the consent of Bangladesh Securities and Exchange Commission (BSEC). BSEC has given their consent regarding re-appointment of Mr. Khan vide letter no. BSEC/CFD/2022/272/ Part-i/1435 Dated: 27 March 2023.

### Acknowledgement

The Board of NRC expressed its sincere thanks to the Chairman and members of the board, management and other stakeholders for their support in carrying out its duties and responsibilities effectively.

On behalf of the Nomination and Remuneration Committee,



**Md. Omar-Bin-Harun Khan**  
Chairman, Nomination and Remuneration Committee

# Credit Rating Information

An insurance company's credit rating shows its financial stability and capacity to fulfill its contractual obligations and pay policyholder claims. Rating offers a policyholder's perspective on the financial stability of the insurer, which may be a key factor in influencing the consumer's selection of insurance providers and products. Investors can also learn from credit ratings about a company's reliability and the level of risk associated with a particular instrument. Meghna Insurance Company Limited's current credit rating is as follows, according to National Credit Ratings Ltd. :

Year	Long Term Rating	Short Term Rating	Outlook
2021	AA	ST-2	Stable
2020	AA-	ST-2	Stable

## **ncr** National Credit Ratings Ltd.

Ref: NCRL/R(K)/2022/3244

Date: 20.09.2022

Managing Director

**Meghna Insurance Company Limited**

Pritom Zaman Tower (4th Floor), 37/2

Purana Palton, Dhaka-1000.

**SUBJECT: NEWS RELEASE**

Dear Sir,

National Credit Ratings Limited has assigned the following surveillance entity rating to "**Meghna Insurance Company Limited**" in the Rating Committee (RC) Meeting held on 20.09.2022 at 3.00 PM based on Audited Financial Statements as on December 31, 2021:

YEAR	2022
LONG TERM	AA (Double A)
SHORT TERM	ST-2
OUTLOOK	Stable

The above long term entity rating defines **Very Strong** Credit Quality. The above short term entity rating defines **Above Average** ability to meet short term financial commitments for timely payment of financial commitments.

Sincerely yours,



**(Md. Nurul Hoque)**

Deputy Managing Director

Zaman Tower (8th Floor), 37/2, Box Culvert Road, Purana Paltan, Dhaka-1000

Tel: 8802-47120156, 47120157, 47120158, Website: www.ncrbd.com

E-mail: info@ncrbd.com, ncrld10@yahoo.com

# Meghna Insurance Company Limited

## DECLARATION BY CEO AND CFO

16 April 2023

### The Board of Directors

#### Meghna Insurance Company Limited

Pritom Zaman Tower (4th floor)  
37/2 Purana Palton, Dhaka-1000

### Subject: Declaration on Financial Statements for the year ended on 31 December 2022

Dear Sirs,

Pursuant to the condition No. 1(5) (xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/ 2006-158/207/Admin/80 dated 03 June, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of **Meghna Insurance Company Limited** for the year ended on **31 December 2022** have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended on **31 December 2022** 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 collectively present true and fair view of the Company's affairs and are 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 in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



**Mohammad Abu Bakar Siddique**  
Chief Executive Officer (CEO)



**Mohammad Monir Hossain**  
Chief Financial Officer (CFO)



# Photo Gallery

## CEO on the International Womens Day



CEO, Adl. MD \_ Head of BPBC at the 26th Anniversary of MICTL



# Senior Management at the **26th** Anniversary of MICL



Female Colleagues of at the  
**26th Anniversary of MICL**

# CEO Giving

Personal Accident Policy  
to Underprivileged  
People as a part of CSR



# Claims Payment to **Valued Clients**



## Bima Mela 2022, Barisal



## Jatio Bima Dibosh-2022, Dhaka



# Debut Trading \_ Ring the Bell Ceremony of Shares at DSE Tower



## Ceremony of Pro-Rata Allotment of Shares at DSE



## Ring the Bell Ceremony of **Shares at DSE & CSE**



## Debut Trading Ring the Bell Ceremony of Shares at DSE Tower-2



## Senior Management at the Business Conference 2022



## Senior Management at the Branch Managers' Conference





## Tree Plantation 2022



Training on Compliance Affairs of Listed Companies



Senior Management on the Farewell of Cleaning Staff AppaRaw

# **SARashid & Associates**

*(Chartered Secretaries)*

Noakhali Tower (12th Floor, 13-D)

55/B Purana Paltan, Dhaka-1000, Bangladesh

Phone : +88 02 22 33 83 847, +88 01 755 944 966

E-mail : sarashid12000@yahoo.com, sarashidnasso@gmail.com

**S. Abdur Rashid FCS**

MBS, MBA (Finance), PGDHRM, LLB, FIPM

**Chartered Secretary in Practice**

Private Practice Certificate No.: 003

## **Report to the Shareholders of Meghna Insurance Company Limited. on Compliance on the Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by Meghna Insurance Company Limited. for the year ended on 31 December 2022. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

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

Place : Dhaka

Dated : 01 June 2023



For  
**SARashid & Associates**



**S. Abdur Rashid FCS**  
Chartered Secretary in Practice

## Report/Statement as per ANNEXURE-C and under Condition Nos. 1(5)(xxvii) and 9.3 of CG Code

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is presented below:

### Report under condition no. 9.00 of above referred notification

Condition No	Condition No	Compliance Status (Put ✓ in the appropriate)		Remarks (If any)
		Complied	Not Complied	
<b>1</b>	<b>Board of Directors :</b>			
<b>1 (1)</b>	<b>Board Size:</b> The number of the Board members of the Company shall not be less than 5 (five) and more than 20 (twenty)	✓		
<b>1 (2)</b>	<b>Independent Directors:</b>			
1 (2) (a)	At least one fifth (1/5) of the total number of Directors in the Company's Board shall be Independent Directors	✓		
1 (2) (b) (i)	Independent Director does not hold any share or holds less than 1% shares of the total paid-up capital	✓		
1 (2) (b) (ii)	Independent Director or his family members are not connected with the Company's any sponsor or Director or nominated Director or Shareholder of the company or any of its associates, sister concerns, subsidiary and parents or holding entities who holds 1% or moreshares	✓		
1 (2) (b) (iii)	Independent Director who has not been an executive of the company in immediately preceding 2 (two) financial years	✓		
1 (2) (b) (iv)	Independent Director does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies	✓		
1 (2) (b) (v)	Independent Director is not a member or TREC (Trading Right Entitlement Certificate) holder, Director or officer of any Stock Exchange	✓		
1 (2) (b) (vi)	Independent Director is not a shareholder, Director excepting independent director or officer of any member or RREC holder of Stock Exchange or an intermediary of the capital market	✓		
1 (2) (b)(vii)	Independent Director is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit service or audit firm conducting special audit or professional certifying compliance of Corporate Governance Code	✓		
1 (2) (b) (viii)	Independent Director shall not be an Independent Director in more than 5 (five) listed companies	✓		
1 (2) (b)(ix)	Independent Director 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 (NBF)	✓		
1 (2) (b)(x)	Independent Director has not been convicted for a criminal offence involving moral turpitude	✓		

1 (2) (c)	The Independent Director(s) shall be appointed by the Board of Directors and approved by the shareholders in the AGM	✓		
1 (2) (d)	The Post of Independent Director(s) cannot remain vacant for more than 90 (ninety) days			Not Applicable
1 (2) (e)	The tenure of office of an Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only	✓		
<b>1 (3)</b>	<b>Qualification of Independent Director (ID):</b>			
1 (3) (a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to business	✓		
1 (3) (b) (i)	Independent Director should be a Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association			Not Applicable
1 (3) (b) (ii)	Independent Director should be a Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Finance director or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company	✓		
1 (3) (b) (iii)	Independent Director should be a Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law			Not Applicable
1 (3) (b) (iv)	Independent Director should be a University Teacher who has educational background in Economics or Commerce or Business Studies or Law			Not Applicable
1 (3) (b) (v)	Independent Director should be a Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification	✓		
1 (3) (C)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in 1 (3)(b)	✓		
1 (3) (d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			Not Applicable
<b>1 (4)</b>	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:</b>			
1 (4) (a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals	✓		
1 (4) (b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company	✓		
1 (4) (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company	✓		

1 (4) (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer	✓		
1 (4) (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			Not Applicable
<b>1 (5)</b>	<b>Director Report to Shareholders:</b>			
1 (5) (i)	Industry outlook and possible future developments in the industry	✓		
1 (5) (ii)	Segment-wise or product-wise performance	✓		
1 (5) (iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any	✓		
1 (5) (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable	✓		
1 (5) (v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss)	✓		
1 (5) (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions another listed company	✓		
1 (4) (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company	✓		
1 (5) (vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments	✓		
1 (5) (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc	✓		
1 (5) (ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements	✓		
1 (5) (x)	A statement of remuneration paid to the directors including independent directors	✓		
1 (5) (xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	✓		
1 (5) (xii)	A statement that proper books of account of the issuer company have been maintained	✓		
1 (5) (xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	✓		
1 (5) (xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed	✓		
1 (5) (xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored	✓		
1 (5) (xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress	✓		

1 (5) (xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed	✓		
1 (5) (xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained	✓		
1 (5) (xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized	✓		
1 (5) (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year			Not Applicable
1 (5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend	✓		
<b>1 (5) (xxii)</b>	<b>Patterns of shareholdings :</b>			
1 (5) (xxiii) (a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details)	✓		
1 (5) (xxiii) (b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details)	✓		
1 (5) (xxiii) (c)	Executives	✓		
1 (5) (xxiii) (d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details)	✓		
<b>1 (5) (xxiv)</b>	<b>In case of the appointment / re appointment of a Director:</b>			
1 (5) (xxiv) (a)	A brief resume of the director	✓		
1 (5) (xxiv) (b)	Nature of his or her expertise in specific functional areas	✓		
1 (5) (xxiv) (c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board	✓		
<b>1 (5) (xxv)</b>	<b>Management discussion and analysis signed by CEO/MD presenting detail analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:</b>			
1 (5) (xxv) (a)	Accounting policies and estimation for preparation of financial statements	✓		
1 (5) (xxv) (b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes			Not Applicable
1 (5) (xxv) (c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof	✓		
1 (5) (xxv) (d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	✓		
1 (5) (xxv) (e)	Briefly explain the financial and economic scenario of the country and the globe	✓		
1 (5) (xxv) (f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company	✓		
1 (5) (xxv) (g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM	✓		
1 (5) (xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A	✓		

1 (5) (xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C	✓		
1 (6)	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
<b>1.(7)</b>	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer:</b>			
1 (7) (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC)	✓		
1 (7) (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior.	✓		
<b>2</b>	<b>Governance of Board of Directors of Subsidiary Company:</b>			
2 (a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			Not Applicable
2 (b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company			Not Applicable
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;			Not Applicable
2 (d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;			Not Applicable
2 (e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			Not Applicable
<b>3</b>	<b>Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC)</b>			
<b>3 (1)</b>	<b>Appointment</b>			
3 (1) (a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC)	✓		
3 (1) (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals	✓		
3 (1) (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time	✓		
3 (1) (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS	✓		
3 (1) (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		
3.2	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:	✓		

3 (3) (a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge	✓		
3 (3) (b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members	✓ ✓		
3 (3) (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.			
<b>4</b>	<b>Board of Directors' Committee:</b>			
4 (i)	There shall be an Audit Committee as a sub-committee of the Board.	✓		
4 (ii)	There shall be a Nomination and Remuneration Committee as a sub-committee of the Board.	✓		
<b>5</b>	<b>Audit Committee</b>			
5.1 (a)	The Company shall have an Audit Committee as a sub-committee of the Board of Directors	✓		
5.1 (b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	✓		
5.1 (c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing	✓		
5 (2) (a)	The Audit Committee shall be composed of at least 3 (three) members	✓		
5 (2) (b)	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	✓		
5 (2) (c)	All members of the audit committee should be "financially literate" and at least 1(one) member shall have accounting or related financial management background and 10(ten) years of such experience	✓		
5 (2) (d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee			Not Applicable
5.2 (e)	The Company Secretary shall act as the secretary of the Committee	✓		
5.2 (f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent Director	✓		
5 (3) (a)	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	✓		
5 (3) (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson forth at particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			Not Applicable



5 (3) (c)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM)	✓		
<b>5 (4)</b>	<b>Meeting of the Audit Committee</b>			
5 (4) (a)	The Audit Committee shall conduct at least its four meetings in a financial year	✓		
5 (4) (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two- third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must	✓		
<b>5.(5)</b>	<b>Role of the Audit Committee</b>			
5 (5) (a)	Oversee the financial reporting process	✓		
5 (5) (b)	Monitor choice of accounting policies and principles	✓		
5 (5) (C)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report	✓		
5 (5) (d)	Oversee hiring and performance of external auditors	✓		
5 (5) (e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption	✓		
5 (5) (f)	Review along with the management, the annual financial statements before submission to the Board for approval	✓		
5 (5) (g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval	✓		
5 (5) (h)	Review the adequacy of internal audit function	✓		
5 (5) (i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report	✓		
5 (5) (j)	Review statement of all related party transactions submitted by the management	✓		
5 (5) (k)	Review Management Letters or Letter of Internal Control Weakness issued by statutory auditors			Not Applicable
5 (5) (l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors	✓		
5 (5) (m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission	✓		
5 (6) (a) (i)	The Audit Committee shall report on its activities to the Board	✓		
5 (6) (a) (ii) (a)	Report on conflicts of interests			Not Applicable
5 (6) (a)(ii) (b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements			Not Applicable
5 (6) (a) (ii) (c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations			Not Applicable
5 (6) (a) (ii) (d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately			Not Applicable
5 (6) (b)	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the			Not Applicable

	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 for three times or completion of a period of 6(six)months from the date of first reporting to the Board, whichever is earlier.			Not Applicable
5 (7)	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No (5)(6)(a)(ii)above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
<b>6</b>	<b>Nomination and Remuneration Committee (NRC)</b>			
<b>6 (1)</b>	<b>Responsibility to the Board of Directors</b>			
6 (1) (a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board	✓		
6.1 (b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive	✓		
6 (1) (c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b)	✓		
<b>6 (2)</b>	<b>Constitution of the NRC</b>			
6 (2) (a)	The Committee shall comprise of at least three members including an independent director	✓		
6 (2) (b)	All members of the Committee shall be non-executive directors			
6 (2) (c)	Members of the Committee shall be nominated and appointed by the Board	✓		
6 (2) (d)	The Board shall have authority to remove and appoint any member of the Committee	✓		
6 (2) (e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee	✓		Resignation and re-constitution of NRC completed in same BM
6 (2) (f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s)of staff shall be required or valuable for the Committee			Not Applicable
6 (2) (g)	The company secretary shall act as the secretary of the Committee	✓		
6 (2) (h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director	✓		
6 (2) (i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company	✓		
<b>6 (3)</b>	<b>Chairperson of NRC</b>			
6 (3) (a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director	✓		

6 (3) (b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes			Not Applicable
6 (3) (c)	The Chairperson of the NRC shall attend the Annual General Meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.	✓		
<b>6 (4)</b>	<b>Meeting of the NRC:</b>			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year	✓		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC			Not Applicable
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No.6(2) (h)	✓		
6(4)(d)	The proceedings of each meeting of the NRC shall duly berecordedintheminutesandsuchminutesshallbe confirmed in the next meeting of the NRC	✓		
<b>6 (5)</b>	<b>Role of NRC:</b>			
6(5) (a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders	✓		ToR of NRC includes this Role
6(5)(b) (i) (a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully	✓		ToR of NRC includes this Role
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks	✓		ToR of NRC includes this Role
6(5)(b)(i) (c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals	✓		ToR of NRC includes this Role
6(5)(b) (ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity,educational background and nationality	✓		ToR of NRC includes this Role
6(5)(b) (iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board	✓		ToR of NRC includes this Role
6(5)(b) (iv)	Formulating the criteria for evaluation of performance of independent directors and the Board	✓		ToR of NRC includes this Role
6(5)(b) (v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria	✓		ToR of NRC includes this Role
6(5)(b) (vi)	Developing, recommending and reviewing annually the company's human resources and training policies	✓		ToR of NRC includes this Role
6 (5) (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		
<b>7</b>	<b>External or Statutory Auditors:</b>			
7 (1)	Statutory auditors not be engaged in the followingservices:	✓		
7 (1)(i)	Appraisal or valuation services or fairness opinions	✓		

7 (1)(ii)	Financial information systems design and implementation	✓		
7 (1)(iii)	Book-keeping or other services related to the accounting records or financial statements	✓		
7 (1)(iv)	Broker-dealer services	✓		
7 (1)(v)	Actuarial services	✓		
7 (1)(vi)	Internal audit services or special audit services	✓		
7 (1)(vii)	Any service that the Audit Committee determines	✓		
7 (1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1)	✓		
7 (1)(ix)	Any other service that creates conflict of interest	✓		
7 (2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	✓		
7 (3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders	✓		
<b>8</b>	<b>Maintaining a website by the Company:</b>			
8 (1)	The company shall have an official website linked with the website of the stock exchange	✓		
8 (2)	The company shall keep the website functional from the date of listing	✓		
8 (3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s)	✓		
<b>9</b>	<b>Reporting and Compliance of Corporate Governance:</b>			
9 (1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		
9 (2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the share holders in the annual general meeting	✓		
9 (3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		

Independent  
**Auditor's Report**  
and  
**Financial Statements**  
of  
**Meghna Insurance Company Limited**  
As at and for the year ended December 31, 2022



**Mahfel Huq & Co.**  
Chartered Accountants  
The first registered accounting firm in independent Bangladesh



An independent member firm of AGN International

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## **Independent Auditor's Report To the Shareholders of Meghna Insurance Company Limited**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Meghna Insurance Company Limited (the 'Company'), which comprise the Balance Sheet (Statement of Financial Position) as at December 31, 2022, and the Profit or Loss Account (Statement of Profit or Loss and Other Comprehensive Income) Profit and Loss Appropriation Account, related Revenue Accounts, Statement of Changes in Equity and statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

#### **Basis for Opinion**

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

#### **Emphasis of Matters**

We draw your attention to note no. 3.14.b regarding "Workers' Participation Fund Welfare Fund" which states that "Section 234 of chapter 15 of Labor Law 2006 (as amended in 2013) requires every company to establish a workers' Participation Fund and Welfare Fund. However, BFID, on behalf of the financial institution sector, clarification from the labor ministry regarding the applicability of the provisions for the sector. Similarly, Bangladesh Insurance Association has corresponded with Financial Ministry on this matter requesting for exemption for Insurance Companies. As no decision has been yet concluded on such communications, the participation fund amount is yet to be distributed among the workers." Note no. 17.00 regarding "Investment in Treasury Bond" which states that "As per S.R.O. No. 353/Ain/2019 dated: 19 November 2019, regarding Investment of Assets of Non-Life Insurer the minimum required investment in Government securities is 7.5%. The company's Investment in Government securities is lower than the mentioned amount during the year ended 31 December 2022. However, the company will invest the required amount in government securities within the shortest possible time." And also Note no. 41.00 regarding "Contingent Liability" which describe that "There was a demand of Tk. 365,119,852.00 by the income tax authority for payment of tax in excess of the amount of management expenses claimed by the



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company during the accounting years from 2008 to 2021. The company filed a write to the High court division of the honorable supreme court of Bangladesh. The company is very much hopeful to get Judgement in its favor as Appellate Tribunal Bench accepted excess management expenses Tk.167,89,870 in assessment year 2008-2009". However, our opinion is not modified in respect of these matters.

#### **Key Audit Matters**

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

#### **Estimated liability in respect of outstanding claims whether due or intimated and claim payment**

This account represents the claim due or intimated from the insured and involves significant management judgment and risk of understatement. In extreme scenario this item may have going concern implications for the company. At the year end, 2022, the total Estimated Liabilities in Respect of Outstanding Claims Whether Due or Intimated of BDT. 59,808,301 (2021: BDT. 60,200,577) to the financial statements.

#### **How our audit addressed the key matters**

We carried out the following substantive procedure around this line item:

- Obtained the claim register and tested for completeness of claims recorded in the register on a sample basis
- Obtained a sample of claimed policy copy and cross check it with claim.
- Obtained a sample of survey reports cross checked those against respective ledger balances and in case of discrepancy carried out further investigation.
- Obtained and discussed with management about their basis for estimation and challenged their assumptions where appropriate.
- Reviewed the claim committee meeting minutes about decision about impending claims.
- Tested a sample of claims payments with intimation letter, survey report, bank statement, claim payment register and general ledger.
- Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.

See note no. 7.00 to the financial statements

#### **Investment**

The classification and measurement of investment in securities required judgement and complex estimates. Investment in securities are needs to be classified as held to maturity or held for trading depending on the



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management intention about the investment. At the year end, the company reported short term investment of BDT. 553,454,854 (i.e. 2021: BDT.387,467,705), BGTB BDT.55,100,000 (i.e. 2021: BDT. 25,000,000).

#### **How our audit addressed the key matters**

We assessed the processes and controls put in place by the company to identify and confirm the existence of investment. We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the investment adjustment. Finally, assessed the appropriateness and presentation of disclosures against relevant accounting standards and circulars issued by IDRA

See note no. **17.00 & 23.00** to the financial statements.

#### **Premium Income**

Net general insurance premiums comprise the total premiums received for the whole period of cover provided by contracts entered into during the accounting period. Given the important nature, connections to other items to the financial statements and sensitivity of the item we believe this area pose high level of risk. At end of the year the total net premium income of BDT 824,578,561 (2021: BDT 538,991,631).

#### **How our audit addressed the key matters**

With respect to Premium income in respect of various types of insurance we carried out the following procedures:

- The design and operating effectiveness of key controls around premium income recognition process.
- Carried out analytical procedures and recalculated premium income for the period.
- Carried out cut-off testing to ensure unearned premium income has not been included in the premium income.
- On a sample basis reviewed policy to ensure appropriate policy stamp was affixed to the contract and the same has been reflected in the premium register.
- Ensured on a sample basis that the premium income was being deposited in the designated bank account.
- Tested on a sample basis to see that appropriate VAT was being collected and deposited to bank through Treasury Challan.
- For a sample of insurance contracts tested to see if appropriate level of reinsurance was done and whether that re insurance premium was deducted from the gross premium.
- Assessed the appropriateness and presentation of disclosures in accordance with relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.

See note no. **33.00** to the financial statements.

#### **Other Information**

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The





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Annual Report is expected to be made available to us after the date of this auditor's report. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, Insurance Act 2010, the Insurance Rules 1958 and other applicable Laws and Regulations, we also report the following:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the company so far as it appeared from our examinations of those books;
- c) The company management has followed relevant provisions of laws and rules in managing the affairs of the company and proper books of accounts, records and other statutory books have been properly



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maintained and (where applicable) proper returns adequate for the purposes of our audit have been received from branches not visited by us;

- d) As per section 63(2) of the Insurance Act 2010, in our opinion to the best of our knowledge and belief an according to the information and explanation given to us, all expenses of management wherever incurred and whether incurred directly or indirectly, in respect of insurance business of the company transacted in Bangladesh during the year under report have been duly debited to the related Revenue Accounts and the Statement of Comprehensive Income of the company;
- e) We report that to the best of our information and as shown by its books, the company during the year under report has not paid any person any commission in any form, outside Bangladesh in respect of any its business re-insured abroad;
- f) The Statement of Financial Position, Statement of Comprehensive Income, Profit and Loss Appropriation Account, related Revenue Accounts, Statement of Changes in Equity and Statement of Cash Flows of the company together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- g) The expenditure was incurred for the purpose of the company's business.



**Howlader Mahfel Huq, FCA**  
ICAB Enrolment No. 0105  
Managing Partner  
**Mahfel Huq & Co.**  
Chartered Accountants

DVC: **2304170105AS579748**

Dhaka, April 16, 2023

## Meghna Insurance Company Limited

Statement of Financial Position

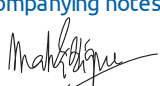
As at December 31, 2022

Particulars	Notes	Amount in Taka	
		31-Dec-22	31-Dec-21
<b>Shareholder's equity and liabilities</b>			
<b>Share capital</b>			
Authorized share capital	4.01	1,000,000,000	1,000,000,000
Issued, subscribed and paid-up-capital	4.02	<b>400,000,000</b>	<b>240,000,000</b>
<b>Reserve, surplus or contingency account</b>			
Reserve for exceptional losses	5.00	<b>174,404,191</b>	<b>147,541,577</b>
Reserve for unrealized gain/(Loss)	5.01	134,734,663	124,734,663
Revaluation Reserve		(13,050,319)	1,823,046
Profit or Loss Appropriation Account	5.02	8,700,743	-
		44,019,104	20,983,868
<b>Total shareholders' equity</b>		<b>574,404,191</b>	<b>387,541,577</b>
<b>Balances of fund and accounts</b>			
Fire insurance business	6.00	<b>330,207,168</b>	<b>215,564,345</b>
Marine insurance business (Cargo)		54,576,662	42,554,261
Marine insurance business (Hull)		238,939,576	140,875,874
Motor insurance business		626,240	(53,846)
Miscellaneous insurance business		32,362,647	30,390,394
		3,702,043	1,797,662
<b>Liabilities and provisions</b>		<b>467,039,638</b>	<b>619,863,090</b>
Estimated liability in respect of outstanding claims whether due or intimated	7.00	59,808,301	60,200,577
Amount due to other persons or bodies carrying on insurance business	8.00	96,400,990	214,802,697
Lease Liability	11.00	14,309,382	17,919,377
Premium deposit	12.00	53,248,671	131,697,952
Sundry creditors	13.00	159,206,467	133,250,029
Provision for income tax	14.01	84,065,827	61,418,609
Provision for deferred tax	14.03	-	573,849
<b>Total liabilities, fund and provisions</b>		<b>797,246,807</b>	<b>835,427,435</b>
<b>Total shareholders' equity and liabilities</b>		<b>1,371,650,998</b>	<b>1,222,969,012</b>
<b>Assets and properties</b>			
<b>Non-current assets</b>			
Property, plant and equipments	15.00	<b>326,383,461</b>	<b>265,400,553</b>
Intangible Assets	16.00	271,052,214	240,279,690
Deferred Tax Assets	14.04	164,028	120,863
Investments in treasury bond	17.00	67,219	-
		55,100,000	25,000,000
<b>Right-of-use asset</b>	18.00	<b>16,655,988</b>	<b>20,294,355</b>
<b>Current assets</b>			
Stock of printing, stationery & stamps	19.00	<b>1,028,611,549</b>	<b>937,274,104</b>
Amount due from other persons or bodies carrying on insurance business	20.00	3,279,382	3,458,320
Advance, deposit and prepayments	21.00	135,871,018	122,973,271
Interest and dividend receivable	22.00	200,052,692	179,889,436
Short term investment	23.00	19,610,611	8,697,213
Cash and cash equivalents	24.00	553,454,854	387,467,705
		116,342,992	234,788,159
<b>Total assets and properties</b>		<b>1,371,650,998</b>	<b>1,222,969,012</b>
Net asset value per share (NAVPS)	29.00	<b>17.21</b>	<b>17.88</b>

The accompanying notes from an integral part of these financial statements.



Company Secretary



Chief Executive Officer



Director



Director



Chairman

Signed as per our annexed report of even date.



Howlader Mahfel Huq, FCA

ICAB Enrolment No. 105

Managing Partner

**Mahfel Huq & Co.**

Chartered Accountants

DVC: 2304170105AS579748

Dhaka, 16 April, 2023

**Meghna Insurance Company Limited**  
Statement of Profit or Loss and Other Comprehensive income  
For the year ended December 31, 2022



Particulars	Notes	Amount in Taka	
		31-Dec-22	31-Dec-21
<b>Operating profit/(loss) transferred from:</b>		<b>76,647,649</b>	<b>43,323,277</b>
Fire insurance revenue account		(44,984,123)	(7,462,582)
Marine cargo insurance revenue account		137,701,200	10,212,609
Marine hull insurance revenue account		(4,950,156)	(682,548)
Motor insurance revenue account		11,517,510	43,352,946
Miscellaneous insurance revenue account		(22,636,782)	(2,097,148)
<b>Non-operating income</b>	27.00	<b>47,830,363</b>	<b>34,726,185</b>
Interest /profit		33,040,593	33,656,259
Dividend income		2,920,637	61,280
Miscellaneous income		(245,244)	-
Profit / (Loss) on sale of share		5,885,658	1,024,609
Profit / (Loss) on sale of assets		6,228,719	(15,963)
<b>Total Income</b>		<b>124,478,012</b>	<b>78,049,462</b>
Less: Management Expenses			
<b>Expenses of Management</b>	25.00	<b>54,289,439</b>	<b>48,734,032</b>
(not applicable to any particular fund or account)			
<b>Finance Cost</b>	26.00	<b>813,295</b>	<b>3,260,468</b>
<b>Net Profit/(Loss) before tax and WPPF</b>		<b>69,375,278</b>	<b>26,054,961</b>
<b>Workers' Profit Participation Fund</b>	13.01	<b>3,303,585</b>	<b>1,240,712</b>
<b>Net Profit after WPPF</b>		<b>66,071,693</b>	<b>24,814,249</b>
<b>Provision for taxation:</b>		<b>22,006,150</b>	<b>4,486,851</b>
Current tax	14.02	22,647,218	6,077,835
Deferred tax	14.03	(641,068)	(1,590,984)
<b>Profit after tax transferred to profit or loss appropriation account</b>		<b>44,065,544</b>	<b>20,327,397</b>
<b>Other comprehensive income</b>			
Changes in fair value of shares	23.02	(17,040,383)	340,027
Revaluation Surplus		9,670,436	-
<b>Total comprehensive income</b>		<b>36,695,597</b>	<b>20,667,424</b>
Earning Per Share (EPS)	28.00	1.32	0.94

The accompanying notes from an integral part of these financial statements.

  
Company Secretary

  
Chief Executive Officer

  
Director

  
Director

  
Chairman

Signed as per our annexed report of even date.

  
**Howlader Mahfel Huq, FCA**  
ICAB Enrolment No. 105  
Managing Partner  
**Mahfel Huq & Co.**  
Chartered Accountants  
DVC: 2304170105AS579748

Dhaka, 16 April, 2023

## Meghna Insurance Company Limited

Profit or Loss Appropriation Account  
For the year ended December 31, 2022

Particulars	Notes	Amount in Taka	
		31-Dec-22	31-Dec-21
Net profit after tax for the year brought down		44,065,544	20,327,398
Balance brought forward from last year		20,983,868	10,656,470
<b>TOTAL</b>		<b>65,049,412</b>	<b>30,983,868</b>
Reserve for exceptional losses		10,000,000	10,000,000
Stock Dividend		-	-
Cash Dividend		12,000,000	-
Prior year's adjustment		-	-
<b>Balance transferred to statement of financial position</b>		<b>43,049,412</b>	<b>20,983,868</b>
<b>TOTAL</b>		<b>65,049,412</b>	<b>30,983,868</b>

The accompanying notes from an integral part of these financial statements.



Company Secretary



Chief Executive Officer



Director



Director



Chairman

Signed as per our annexed report of even date.



**Howlader Mahfel Huq, FCA**

ICAB Enrolment No. 105

Managing Partner

**Mahfel Huq & Co.**

Chartered Accountants

Dhaka, 16 April, 2023

DVC: 2304170105AS579748

# Meghna Insurance Company Limited

Consolidated Revenue Account

For the year ended December 31, 2022

Particulars	Notes	Fire	Marine Cargo	Marine Hull	Motor	Miscellaneous	Total 2022	Total 2021
<b>CLAIMS UNDER POLICIES LESS RE-INSURANCE:</b>								
Paid during the period:	34	7,492,407	4,310,905	-	6,108,670	16,868	17,928,850	147,489,345
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated.		32,800,000	15,626,441	-	11,381,860	-	59,808,301	60,200,577
<b>Less:</b> Outstanding claims at the end of the Previous year (if any)		<b>40,292,407</b> (52,062,220)	<b>19,937,346</b> (5,250,373)	-	<b>17,490,530</b> (2,887,984)	<b>16,868</b>	<b>77,737,151</b> (60,200,577)	<b>207,689,922</b> (141,604,092)
<b>Total Claims under Policies less Reinsurances:</b>		<b>(11,769,813)</b>	<b>14,686,973</b>	-	<b>14,602,546</b>	<b>16,868</b>	<b>17,536,574</b>	<b>66,085,830</b>
Agency Commission		32,971,305	80,896,380	1,018,620	11,320,442	2,065,936	128,272,683	33,472,969
Management Expenses	35	183,099,341	280,673,445	4,755,815	41,600,228	32,219,596	542,348,425	411,130,630
<b>Profit/(Loss) transferred to Statement of Profit or Loss and Other Comprehensive income</b>		<b>(44,984,123)</b>	<b>137,701,200</b>	<b>(4,950,156)</b>	<b>11,517,510</b>	<b>(22,636,782)</b>	<b>76,647,649</b>	<b>43,323,277</b>
<b>Reserve for Unexpired Risks transferred to Balance of Funds and Account at the end of the year in the Statement of Financial Position</b>	6							
<b>Total:</b>		<b>213,893,372</b>	<b>752,897,574</b>	<b>1,450,519</b>	<b>111,403,373</b>	<b>15,367,661</b>	<b>1,095,012,499</b>	<b>769,577,051</b>
Reserve for Unexpired Risks in the Balance of Funds and Account at the beginning of the year:		42,554,261	140,875,874	(53,846)	30,390,394	1,797,662	215,564,345	176,133,377
Premium Less Re-insurance	33	136,441,655	597,348,941	626,240	80,906,618	9,255,107	824,578,561	538,991,631
Commission on Re-insurance ceded		34,897,456	14,672,759	878,125	106,361	4,314,892	54,869,593	54,452,043
<b>Total:</b>		<b>213,893,372</b>	<b>752,897,574</b>	<b>1,450,519</b>	<b>111,403,373</b>	<b>15,367,661</b>	<b>1,095,012,499</b>	<b>769,577,051</b>

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

  
Company Secretary

  
Chief Executive Officer

  
Director

  
Chairman

Signed as per our annexed report of even date.

  
**Howkader Mahfel Hug, FCA**  
ICAB Enrolment No. 105  
Managing Partner  
**Mahfel Hug & Co.**  
Chartered Accountants



## Meghna Insurance Company Limited

Fire Insurance Revenue Account

For the year ended December 31, 2022

Particulars	Notes	Amount in Taka	
		31-Dec-22	31-Dec-21
Balance of account at the beginning of the year			
Reserve for unexpired risk		42,554,261	52,557,990
Premium less re-insurance	33.00	136,441,655	106,385,653
Commission on re-insurance ceded		34,897,456	36,673,743
<b>Total</b>		<b>213,893,372</b>	<b>195,617,386</b>
Claims under policies less re-insurance			
Paid during the period:		7,492,407	117,190,058
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated.		32,800,000	52,062,220
		<b>40,292,407</b>	<b>169,252,278</b>
		(52,062,220)	(132,729,110)
<b>Less: Outstanding claims at the end of the Previous year (if any)</b>			
<b>Total Claims under Policies less Reinsurances:</b>	34.00	<b>(11,769,813)</b>	<b>36,523,168</b>
Agent commission		32,971,305	9,166,298
Expenses of management	35.00	183,099,341	114,836,241
<b>Profit/(loss) transferred to profit or loss account</b>		<b>(44,984,123)</b>	<b>(7,462,582)</b>
Balance of accounts at the end of the year	6.00	54,576,662	42,554,261
Reserve for unexpired risk			
<b>Total</b>		<b>213,893,372</b>	<b>195,617,386</b>

The accompanying notes from an integral part of these financial statements.



Company Secretary



Chief Executive Officer



Director



Director



Chairman

Signed as per our annexed report of even date.



**Howlader Mahfel Huq, FCA**

ICAB Enrolment No. 105

Managing Partner

**Mahfel Huq & Co.**

Chartered Accountants

DVC: 2304170105AS579748

Dhaka, 16 April, 2023



# Meghna Insurance Company Limited

Marine Cargo Insurance Revenue Account  
For the year ended December 31, 2022



Particulars	Notes	Amount in Taka	
		31-Dec-22	31-Dec-21
Balance of account at the beginning of the year			
Reserve for unexpired risk		140,875,874	44,587,061
Premium less re-insurance	33.00	597,348,941	352,189,684
Commission on re-insurance ceded		14,672,759	11,909,518
<b>Total</b>		<b>752,897,574</b>	<b>408,686,263</b>
Claims under policies less re-insurance			
Paid during the period:		4,310,905	19,028,608
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated.		15,626,441	5,250,373
		19,937,346	24,278,981
<b>Less: Outstanding claims at the end of the Previous year (if any)</b>		<b>(5,250,373)</b>	<b>(5,346,125)</b>
<b>Total Claims under Policies less Reinsurances:</b>	34.00	<b>14,686,973</b>	<b>18,932,856</b>
Agent commission		80,896,380	21,327,354
Expenses of management	35.00	280,673,445	217,337,570
<b>Profit/(loss) transferred to profit or loss account</b>		<b>137,701,200</b>	<b>10,212,609</b>
Balance of accounts at the end of the year	6.00	238,939,576	140,875,874
Reserve for unexpired risk			
<b>Total</b>		<b>752,897,574</b>	<b>408,686,263</b>

The accompanying notes from an integral part of these financial statements.

  
Company Secretary

  
Chief Executive Officer

  
Director

  
Director

  
Chairman

Signed as per our annexed report of even date.

  
**Howlader Mahfel Huq, FCA**  
ICAB Enrolment No. 105  
Managing Partner  
**Mahfel Huq & Co.**  
Chartered Accountants

Dhaka, 16 April, 2023

DVC: 2304170105AS579748

## Meghna Insurance Company Limited

Marine Hull Insurance Revenue Account

For the year ended December 31, 2022

Particulars	Notes	Amount in Taka	
		31-Dec-22	31-Dec-21
Balance of account at the beginning of the year			
Reserve for unexpired risk		(53,846)	590,268
Premium less re-insurance	33.00	626,240	(53,846)
Commission on re-insurance ceded		878,125	276,423
<b>Total</b>		<b>1,450,519</b>	<b>812,845</b>
Claims under policies less re-insurance			
Paid during the period:		-	-
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated.		-	-
<b>Less: Outstanding claims at the end of the Previous year (if any)</b>		-	-
Total Claims under Policies less Reinsurances:	34.00	-	-
Agent commission		1,018,620	53,324
Expenses of management	35.00	4,755,815	1,495,915
<b>Profit/(loss) transferred to profit or loss account</b>		<b>(4,950,156)</b>	<b>(682,548)</b>
Balance of accounts at the end of the year	6.00	626,240	(53,846)
Reserve for unexpired risk			
<b>Total</b>		<b>1,450,519</b>	<b>812,845</b>

The accompanying notes from an integral part of these financial statements.



**Company Secretary**



**Chief Executive Officer**



**Director**



**Director**



**Chairman**

Signed as per our annexed report of even date.



**Howlader Mahfel Huq, FCA**  
ICAB Enrolment No. 105  
Managing Partner  
**Mahfel Huq & Co.**  
Chartered Accountants

DVC: 2304170105AS579748

Dhaka, 16 April, 2023

# Meghna Insurance Company Limited

Motor Insurance Revenue Account

For the year ended December 31, 2022



Particulars	Notes	Amount in Taka	
		31-Dec-22	31-Dec-21
Balance of account at the beginning of the year			
Reserve for unexpired risk		30,390,394	53,922,242
Premium less re-insurance	33.00	80,906,618	75,975,985
Commission on re-insurance ceded		106,361	31,077
<b>Total</b>		<b>111,403,373</b>	<b>129,929,304</b>
Claims under policies less re-insurance			
Paid during the period:		6,108,670	11,087,174
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated.		11,381,860	2,887,984
		17,490,530	13,975,158
<b>Less: Outstanding claims at the end of the Previous year (if any)</b>		<b>(2,887,984)</b>	<b>(3,361,217)</b>
Total Claims under Policies less Reinsurances:	34.00	14,602,546	10,613,941
Agent commission		11,320,442	2,826,581
Expenses of management	35.00	41,600,228	42,745,442
<b>Profit/(loss) transferred to profit or loss account</b>		<b>11,517,510</b>	<b>43,352,946</b>
Balance of accounts at the end of the year	6.00	32,362,647	30,390,394
Reserve for unexpired risk			
<b>Total</b>		<b>111,403,373</b>	<b>129,929,304</b>

The accompanying notes from an integral part of these financial statements.

  
Company Secretary

  
Chief Executive Officer

  
Director

  
Director

  
Chairman

Signed as per our annexed report of even date.

  
**Howlader Mahfel Huq, FCA**  
ICAB Enrolment No. 105  
Managing Partner  
**Mahfel Huq & Co.**  
Chartered Accountants  
DVC: 2304170105AS579748

Dhaka, 16 April, 2023

## Meghna Insurance Company Limited

Miscellaneous Insurance Revenue Account

For the year ended December 31, 2022

Particulars	Notes	Amount in Taka	
		31-Dec-22	31-Dec-21
Balance of account at the beginning of the year			
Reserve for unexpired risk		1,797,662	24,475,816
Premium less re-insurance	33.00	9,255,107	4,494,155
Commission on re-insurance ceded		4,314,892	5,561,282
<b>Total</b>		<b>15,367,661</b>	<b>34,531,253</b>
Claims under policies less re-insurance			
Paid during the period:		16,868	183,505
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated.		-	-
		16,868	183,505
Less: Outstanding claims at the end of the Previous year (if any)		-	167,640
<b>Total Claims under Policies less Reinsurances:</b>	<b>34.00</b>	<b>16,868</b>	<b>15,865</b>
Agent commission		2,065,936	99,412
Expenses of management	35.00	32,219,596	34,715,462
Profit/(loss) transferred to profit or loss account		(22,636,782)	(2,097,148)
Balance of accounts at the end of the year			
Reserve for unexpired risk	6.00	3,702,043	1,797,662
<b>Total</b>		<b>15,367,661</b>	<b>34,531,253</b>

The accompanying notes from an integral part of these financial statements.



**Company Secretary**



**Chief Executive Officer**



**Director**



**Director**



**Chairman**

Signed as per our annexed report of even date.



**Howlader Mahfel Huq, FCA**

ICAB Enrolment No. 105

Managing Partner

**Mahfel Huq & Co.**

Chartered Accountants

DVC: 2304170105AS579748

Dhaka, 16 April, 2023

## Meghna Insurance Company Limited

### Statement of Change in Equity

For the year ended December 31, 2022

(Amount in Taka)

Particulars	Share Capital	Reserve for Exception Losses	Reserve for unrealized gain/(loss)	Revaluation Reserve	Profit or Loss Appropriation	Total
Balance as on January 01, 2022	240,000,000	124,734,663	1,823,046	-	20,983,867	387,541,576
Reserve for the year	-	10,000,000	-	10,391,931	(10,000,000)	10,391,931
Adjustment for the year	-	-	-	(721,495)	-	(721,495)
IPO Share Issue	160,000,000	-	-	-	(12,000,000)	160,000,000
Dividend	-	-	-	-	-	(12,000,000)
Unrealized gain/ (loss) for Investment	-	-	(17,040,383)	-	-	(17,040,383)
Adjustment on sale of share	-	-	2,167,018	-	-	2,167,018
Profit for the year	-	-	-	(969,693)	44,065,544	44,065,544
Depreciation on Revaluation Amount	-	-	-	-	969,693	-
<b>Balance as on December 31, 2022</b>	<b>400,000,000</b>	<b>134,734,663</b>	<b>-13,050,319</b>	<b>8,700,743</b>	<b>44,019,104</b>	<b>574,404,191</b>

For the year ended December 31, 2021

(Amount in Taka)

Particulars	Share Capital	Reserve for Exception Losses	Reserve for unrealized gain/(loss)	Revaluation Reserve	Profit or Loss Appropriation	Total
Balance as on January 01, 2021	79,350,000	114,734,663	1,895,673	-	10,656,470	206,636,806
Reserve for exceptional losses for the year	-	10,000,000	-	-	(10,000,000)	-
Prior year adjustment	-	-	-	-	-	-
Stock dividend	160,650,000	-	-	-	-	160,650,000
Unrealized gain/ (loss) for Investment	-	-	340,027	-	-	340,027
Adjustment on sale of share	-	-	(412,654)	-	-	(412,654)
Profit for the year	-	-	-	-	20,327,397	20,327,397
<b>Balance as on December 31, 2021</b>	<b>240,000,000</b>	<b>124,734,663</b>	<b>1,823,046</b>	<b>-</b>	<b>20,983,867</b>	<b>387,541,576</b>

  
Company Secretary

  
Chief Executive Officer

  
Director

  
Vice Chairman

  
Chairman

## Meghna Insurance Company Limited

### Statement of Cash Flows

For the year ended December 31, 2022

Particulars	Notes	Amount in Taka	
		31-Dec-22	31-Dec-21
<b>Cash flows from operating activities:</b>			
Collections of premium and other income		669,699,419	722,329,523
Payments for management expense, re-insurance and claims		(683,263,524)	(565,910,995)
Income tax paid		(30,843,870)	(23,468,083)
<b>Net Cash from operating activities</b>		<b>(44,407,975)</b>	<b>132,950,445</b>
<b>Cash flows from Investing activities:</b>			
Acquisition of property, plant & equipment		(80,132,719)	(9,992,913)
Disposal of property, plant & equipment		48,075,265	22,199
Investment & others income		24,802,588	30,985,006
Investment in shares and Others		(261,446,871)	(43,814,348)
Sales of Investment		128,447,657	3,270,602
Short term investment		(73,650,000)	(120,000,000)
<b>Net Cash used in Investing activities</b>		<b>(213,904,080)</b>	<b>(139,529,454)</b>
<b>Cash flows from Financing activities:</b>			
Receipt of Long Term Loan		-	-
Repayment of Long Term Loan		-	(33,532,603)
Issue of fresh share/IPO		160,000,000	160,650,000
Receipt of Short Term Loan		-	623,882
Repayment of Short Term Loan		-	(18,065,129)
Lease Liability		(7,319,817)	(9,385,737)
Interest Expenses		(813,295)	(3,260,468)
Cash dividend paid		(12,000,000)	-
<b>Net cash from financial activities</b>		<b>139,866,888</b>	<b>97,029,945</b>
<b>Net Increase/(Decrease) in cash &amp; cash equivalents during the year</b>		<b>(118,445,167)</b>	<b>90,450,936</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>234,788,159</b>	<b>144,337,223</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>116,342,992</b>	<b>234,788,159</b>
<b>Net Operating Cash Flows per Share (NOCFS)</b>		<b>-1.33</b>	<b>6.13</b>



Company Secretary



Chief Executive Officer



Director



Director



Chairman

Dhaka, 16 April, 2023

## Meghna Insurance Company Limited

Notes to the Financial Statements  
For the period ended 31 December 2022

### 1.00 The company and its activities

#### 1.01 Legal form of the company

Meghna Insurance Company Limited was incorporated with Registrar of Joint Stock Companies & Firms, Bangladesh as a public company limited by shares bearing certificate of incorporation number C- 30434(1650)/96 March 18, 1996 under the Companies Act (XVIII) 1994. The company went for public issue in 2022 and shares of the company is listed on both Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE).

#### 1.02 Registered office of the company

The registered office of the company is located at, Pritom Zaman Tower, 37/2 Purana Palton Dhaka-1000.

#### 1.03 Principal activities and nature of the business

The principal activities of the company are to carry on all kinds of insurance, guarantee and indemnity business other than life insurance business.

### 2.00 Basis of preparation and presentation of financial statements

#### 2.01 a) Basis of preparation

"The Financial Reporting Act, 2015 (FRA) was enacted in 2015. The Financial Reporting Council (FRC) under the FRA has been formed in 2017 but the Financial Reporting Standards (FRS) under this council is yet to be issued for public interest entities such as general insurance companies. As the FRS is yet to be issued as per the provisions of the FRA, The Financial Statements have been prepared on going concern and accrual basis under the historical cost convention. The preparation and presentation of the financial statements and the disclosure of information have been made in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Insurance Act 1938 (as amended in 2010), the Insurance Rules 1958 and in conformity the Companies Act 1994, the Securities and Exchange Rules 1987, and other applicable laws & regulations in Bangladesh.

The Statement of financial position has been prepared in accordance with the regulations as contained in Part-I of the First Schedule and as per Form "A" as set forth in Part-II of that Schedule. Statement of Profit or Loss and other Comprehensive Income and Profit and Loss Appropriation Account has been prepared in accordance with the regulations contained in Part-I of the second schedule and as per Form "B" & "C" as set forth in Part-II of that Schedule respectively of Insurance Act, 1938. Revenue Account of each class of general insurance business has been prepared in accordance with the regulations as contained in Part-I of the Third Schedule and as per form "F" as set forth in Part-II of that Schedule of the Insurance Act, 1938 (as amended in 2010). The classified summary of the assets has been prepared in accordance with Form "AA" as set forth in Part-II of the aforesaid Act. The Cash Flow Statement has been included as per requirements of the Securities and Exchange Commissions Rules 1987 as well as per guideline of IAS-7.

#### b) Compliance of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRS)

In preparing and presenting financial statements, considering relevant for the significant accounting issues of the company, following IASs & IFRS have been implemented by the company, which were issued by the Institute of Chartered Accountants (ICAB) formulated in the light of the IASs & IFRS issued by the International Accounting Standards Board and the conditions and practices prevailing in Bangladesh, and valid as on the balance sheet date:

IAS	Presentation of Financial Statements	*
IAS 7	Statement of Cash Flows	Applied
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	Applied
IAS 10	Events after the Reporting Period	Applied
IAS 12	Income Taxes	Applied
IAS 16	Property, Plant and Equipment	Applied
IAS 19	Employee Benefits	Applied
IAS 24	Related Party Disclosures	Applied
IAS 26	Accounting and Reporting by Retirement Benefit Plans	Applied
IAS 32	Financial Instruments: Presentation	*
IAS 33	Earning per Share	Applied
IAS 34	Interim Financial Reporting	Applied
IAS 36	Impairment of Assets	Applied
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	Applied
IAS 38	Intangible Assets	Applied
IAS 40	Investment Property	Applied
IFRS 4	Insurance Contracts	*
IFRS 5	Non-currents assets held for sale and discontinued operation	Applied
IFRS 7	Financial Instruments: Disclosure	*
IFRS 8	Operating Segment	Applied
IFRS 9	Financial Instruments	*
IFRS 13	Fair Value Measurement	Applied
IFRS 16	Lease	Applied

\* The management of Meghna Insurance Company Limited has followed the principles of IAS & IFRS consistently in the preparation of the financial statements to that extent as applicable to Insurance Company. Some of the standards have not been complied with, about which IDRA has special guideline.

## 2.02 Other regulatory compliance

The company also required to comply with the following laws and regulations in addition to the above-mentioned compliances:

- i) The Income Tax Ordinance, 1984
- ii) The Income Tax Rules, 1984
- iii) The Value Added Tax and Supplementary Duty Act, 2012
- iv) The Value Added Tax and Supplementary Duty Rules, 2016
- v) Stamp Act, 1899

## 2.03 Going Concern

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The accompanying financial statements do not include any adjustments should the Meghna Insurance Company Limited be unable to continue as a going concern.

Financial Statements are normally prepared on the assumption that an enterprise is a going concern and will continue in operation for the foreseeable future. Hence, it is assumed that the enterprise has neither the intention nor the need to liquidate or curtail materially the scale of its operations; if such an intention or need exists, the financial statement may have to be prepared on a different basis and, if so, the basis used is disclosed.

## 2.04 Accrual Basis

The Company prepares its financial statements, except for cash flow information, using the accrual basis of accounting. Since the accrual basis of accounting is used, the Company recognizes items as assets, liabilities, equity, income and expenses (the elements of financial statements) when it satisfies the definitions and recognition criteria for those elements in the Framework.



## 2.05 Branch accounting

The company has 49 branch offices with no overseas branch as on 31st December 2022. Accounts of the branches are maintained at the head office.

## 2.06 Segment-Wise Performance

### 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 purposes namely fire, marine, motor and miscellaneous.

In line with the general practices, the underwriting business of the company covers fire insurance, marine insurance, and motor insurance and miscellaneous insurance businesses. Out of total premium earned, it is found that major contribution is made by the fire insurance, followed by marine insurance and miscellaneous insurance. Over-all and segment-wise performance of your company is shown in tables below:

### Gross Premium Income

Year	Gross premium (in Million Taka)	Growth (%)
2,022	1060.33	40.97%
2,021	752.14	21.91%
2,020	619.4	6.60%
2,019	581.04	25.79%
2,018	461.91	12.02%

### Business Segment-wise Gross Premium Income (in Million Taka)

Business Segments	2022	2021	Growth (%)
Fire Insurance	248.86	210.09	18.45%
Marine Insurance	667.15	400.34	66.64%
Motor Insurance	81.33	78.2	4.00%
Miscellaneous Insurance	62.99	63.51	-0.81%

### Segregation of Net Premium

Business Segments	2022		2021	
	Amount (in Million Taka)	Business Mix of Net Premium (%)	Amount (in Million Taka)	Business Mix of Net Premium (%)
Fire Insurance	136.44	16.54%	106.38	19.73%
Marine Insurance	597.97	72.51%	352.13	65.33%
Motor Insurance	80.9	9.81%	75.98	14.09%
Miscellaneous Insurance	9.25	1.12%	4.49	0.83%
<b>Total</b>	<b>824.57</b>	<b>100.00%</b>	<b>538.99</b>	<b>100.00%</b>

## 2.07 Responsibility for preparation and presentation of financial statements

The Management is responsible for the preparation and presentation of financial statements under section 183 of the Companies Act, 1994 and as per the provisions of the framework for the "Presentation of Financial Statements" of International Accounting Standard (IAS)-1.

## 2.08 Reporting period

Generally, the accounting period of the company is from January to December of every Gregorian calendar year. Here, the financial statements of the company have been prepared for the period ended 31st December 2022.

## 2.09 Components of the financial statements

According to the International Accounting Standards (IASs) 1 "Presentation of Financial Statements", the complete set of financial statements includes the following components:

- i) Statement of Financial Position
- ii) Statement of Profit or Loss Account and other Comprehensive Income
- iii) Profit or loss Appropriation account
- iv) Statement of Cash Flows
- v) Statement of Changes in Equity
- vi) Notes to the financial statements
- vii) Others (following statements are included):
  1. Consolidated Revenue Account
  2. Fire Insurance Revenue Account
  3. Marine Cargo Insurance Revenue Account
  4. Marine Hull Insurance Revenue Account
  5. Motor Insurance Revenue Account
  6. Miscellaneous Insurance Revenue Account

## 2.10 Use of estimates and judgment

The preparation of financial statements in conformity with IASs/IFRSs require management to make judgments, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates and assumptions. Estimates and underlying assumptions are reviewed on going concern basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

## 2.11 Functional & presentation currency

These financial statements are prepared in Bangladeshi Taka, which is the company's functional currency as well as the presentational currency.

## 2.12 Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature of the function are presented separately unless are immaterial.

## 3.00 Significant accounting policies & applications

Specific accounting policies were selected and applied by the company's management for significant transactions and events that have a material effect within the framework of IAS-1 "Presentation of Financial Statements" in preparation and presentation of financial statements. Accounting and valuation methods are disclosed for reasons of clarity. The company classified the expenses using the function of expenses method as per IAS-1.

### 3.01 Changes in accounting policies

Accounting policies must be applied consistently to promote comparability between financial statements of different accounting periods. However, a change in accounting policy may be necessary to enhance the relevance and reliability of information contained in the financial statements. As per IAS 8 changes in accounting policies must be applied retrospectively and adjust all comparative amounts in the statements for each prior period presented. Company has retrospective effect in investment in share due to present in fair value presentation as per IFRS-9.

### 3.02 Foreign Currency Transaction

Transaction in foreign currencies are translated into Bangladeshi Taka at the rate prevailing on the date of transaction in accordance with IAS-21 "The Effect of changes in foreign Exchange Rate".

### 3.03 Statement of Cash Flows

Statement of Cash Flows has been prepared in accordance with IAS 7 "Statement of Cash Flows" and the cash flow from operating activities have been presented under direct method as considering the provision of paragraph 19 of IAS 7 which provides that "Enterprises are encouraged to report cash flow from operating activities using the direct method".

### 3.04 Cash and cash equivalents

According to IAS 7 "Statement of Cash Flows", cash in hand and demand deposit, and cash equivalents are short-term highly liquid investment that are ready to convertible to known amounts to cash and which are to an insignificant risk of changes in value. IAS 1 "Presentation of Financial Statements" provides that Cash and Cash Equivalents are not restricted in use. Considering the provisions of IAS 1 and IAS 7, cash in hand and bank balances has been considered as cash and cash equivalents.

### 3.05 Non-current asset

#### a) Property, plant and equipment

Recognition and measurement: Items of property, plant and equipment are measured initially at cost and subsequently at cost less accumulated depreciation in compliance with International Accounting Standard (IAS) 16 Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any direct cost for bringing the asset to its working condition for its intended use. Expenditures incurred after the assets have been put into use, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. Software and all up gradation/enhancement are generally charged off as revenue expenditure unless they bring similar significant additional benefits.

Subsequent expenditure on property, plant and equipment: The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive income as incurred.

Depreciation and Amortisation: Property, plant & equipment are stated at their historical cost less accumulated depreciation/amortisation and accumulated impairment loss in accordance with IAS 16 "Property, Plant and Equipment".

Depreciation is recognised in profit or loss on a reducing balance method over the estimated useful lives of each component of an item of property, plant and equipment. For addition to property, plant and equipment, depreciation has been charged on additions from the date of the asset available for use. Land is not depreciated.

The rates at which property, plant and equipment are depreciated for current period are as follows:

Particulars	Depreciation rate
Furniture & fixture	10%
Motor Vehicles	20%
Office Decoration	20%
Computer & Accessories	30%
Air-Conditioner	20%
Office Equipment	15%
Crockeries	25%
Office Space	20%
Software	20%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

#### Disposal of property, plant and equipment

Sales price of fixed assets are determined on the basis of fair value of the assets. Gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and carrying amount of the asset and is recognized in profit or loss account as per provision of IAS 16: property, plant and equipment.

#### Impairment of assets

Property, plant and equipment are reviewed for impairment whenever events indicate that the carrying amount of a cash-generating unit (smallest identifiable group of assets that generates cash flows which are largely independent of the cash flows from other assets or groups of assets) may not be recoverable. In addition, assets that have indefinite useful lives are tested annually for impairment. An impairment loss would be recognized in the statement of comprehensive income to the extent that the carrying value exceeds the higher of the asset's fair value less costs to sell and its value in use.

### 3.06 Intangible assets

As per IAS-38 Intangible assets (computer software) are recorded at historical cost less accumulated amortization, these are amortized on reducing balancing method using the rate at 20%.

### 3.07 Short term investment

Investment in FDR: The investment in fixed deposits with different banks which is not matured within the period of three months are considered as short-term investment as they are not highly liquid investment with convertible to known amount to cash.

Investment in share: Investments are initially recognized at cost including acquisition charges with the investments. After initial recognition investments in marketable ordinary shares have been valued at market price on an aggregate portfolio basis. Investment in non-marketable shares have been valued at cost. Full provision for diminution in value of shares as on closing of the period on aggregate portfolio basis is made in the financial statements.

### 3.08 Lease

Financial Reporting Principles IFRS 16 Leases effective from annual periods beginning on or after January 1, 2019 has changed how the company accounts for its lease contracts. IFRS 16 requires all contracts that contain a lease to be recognized on the balance sheet as a right-of-use asset and lease liability. Only certain short-term and low-value leases are exempted.

Implementation of IFRS 16 is replacing IAS 17 Leases. Meghna Insurance Co. Ltd has no material financial leases as well as operating lease. Accordingly, the implementation of IFRS 16 has not any material impact on the financial result and position.

As per IFRS 16 Leases, the company has made recognition, measurement and disclosure in the financial statements-2021 as Lessee. Meghna Insurance Company Ltd applies a single recognition and measurement approach for all leases, except for short-term leases, or, and lease of low value of assets. The company recognizes lease liabilities to make lease payment and right-of-use assets representing the right to use the underlying assets. If tenor of a lease contract does not exceed twelve months from the date of initiation/application, the company considers the lease period as short term in line with the recognition threshold of ROU assets as per FA policy of the company.

#### Lease Liabilities:

At the commencement of the lease, the company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed and variable lease payment (less any adjustment for initial payment), and amount is expected to be paid under residual value of guarantees. The lease payments also include the exercise price of purchase option reasonably certain to be exercised by the company and payment of penalties for terminating the lease. In 2021, the company reassessed all lease payment of existing contracts for remaining period considering a cut-off date i.e. 01 January 2023.

#### Right-of-use assets (ROU):

Right of (Rou) assets comprise of lease liabilities which is the present value of lease payments against rented premises less incentive plus initial direct payment and dismantling cost etc. Any contractual obligation for use of any rented / leased premises or assets for a period exceeding twelve months and/ or exceeding the threshold for low value asset and substantially risks and benefits related to ownership of those rented premises/assets transfer to the bank are recognized as Rou assets as per IFRS 16 Leases.

### 3.09 Financial Instruments

As per IAS 32.11 - Financial instrument means a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

IFRS -9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

#### a. Classification and measurement of financial assets

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortized cost; Fair Value through Other Comprehensive Income (FVOCI), equity investment; or Fair Value through Profit or Loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

### **b. Equity investments at FVOCI**

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Unrealized gains and losses are recognized in OCI and are never reclassified to profit or loss, as per para 5.7.10 of IFRS-9. Details have been shown in Note No. 23.02

### **c. Amortized cost**

IFRS 7 para 25 requires the disclosure of the fair value of financial assets and financial liabilities by class in a way that permits it to be compared with its carrying amount for each class of financial asset and financial liability. An entity should disclose for each class of financial instrument the methods and, when valuation techniques are used, the assumptions applied in determining fair values of each class of financial asset or financial liability. If a change in valuation technique has been made, the entity should disclose that change and the reasons for making it [IFRS 7 para 27]

Moreover, a financial asset shall be measured at amortized cost if both of the following conditions are met:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### **d. Reclassification**

The financial assets measured at FVOCI are reclassified as profit or loss statements as per para 5.7.10 of IFRS 09, at the time of disposal of such investments.

## **3.10 Financial Risk Management**

The company management has overall responsibility for the establishment and oversight of the company's risk management framework. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

### **3.11 Premium and claim**

The total amount of premium earned on various classes insurance business underwritten during the period has been duly accounted for in the books of account of the company and while preparing the financial statements the effect of re-insurance ceded as well as the effect of total estimated liabilities in respect of outstanding claims at the end of the period whether due or intimated have also been reflected in order to arrive at the net underwriting profit for the period.

## **3.12 Revenue recognition**

### **a) Premium recognition**

Premium is recognized as revenue when it is received against any insurance policies issued after satisfying the following conditions as prescribed by IFRS 4 "Insurance Contracts":

- i) The significant risks and rewards of ownership of the policies have been transferred to the policyholder;
- ii) The amount of revenue was measured reliably;
- iii) It was probable that the economic benefits relating to the transactions will flow to the company;
- iv) Neither continuing managerial involvement nor effective control usually associated with ownership of the policy was retained by the company; and
- v) Cost relating to the transactions was measured reliably.

Amounts received against issue of cover notes which have not been converted into policy are recognized as income at the earlier of cover notes converted into policy or after expiry of two years of cover notes in accordance with Sadharan Bima Corporation's circular.

The sum of premium income as appeared in classified Revenue Account in net of the refund made, Re-insurance ceded and Re-insurance premium on Public Sector Insurance Business (PSB). The premium in respect of the company's share of Public Sector Business (PSB) as well as re-insurance business is accounted for in the period with the relevant statements of the accounts from Shadharan Bima Corporation are received.

### **b) Re-insurance Commission**

Re-insurance commission are recognized as revenue over the period in which the related services are performed. Necessary adjustment in respect of re-insurance ceded and accepted in Bangladesh has been made in respect of Revenue Accounts as per Agreement made between the company and Shadharan Bima Corporation (SBC).

### **c) Investment Income**

Interest on Short Term Deposit/Fixed Deposit Receipts (FDR) and Treasury bond are recognized as revenue on accrual basis. Dividend income is recognized on accrual basis in the period in which the dividend is declared and approved in AGM whereas profit or loss arising from the sale of securities is accounted for only when shares are sold in the market and profit is realized and loss is incurred. Interest on Fixed Deposit Interest income from fixed deposit is recognized on an accrual base in the period in which the income is accrual.

### **3.13 Benefits, Claims and expenses recognition**

#### **a) Gross benefits and claims**

General insurance claims include all claims occurring during the period and related internal and external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries and any adjustments to claims outstanding from previous period.

#### **b) Re-insurance Claims**

Re-insurance claims are recognized when the related gross insurance claim is recognized according to the terms of the relevant contract.

### **3.14 Employee benefit schemes**

#### **a) Contributory provident fund**

The company has a contributory provident fund for its regular employees. The fund is approved by the National Board of Revenue (NBR), administered separately by a Board of Trustees and is contributed equally by the company and the employees.

#### **b. Workers' Participation Fund Welfare Fund**

Section 234 of chapter 15 of Labor Law 2006 (as amended in 2013) requires every company to establish a workers' Participation Fund and Welfare Fund. However, BFID, on behalf of the financial institution sector, clarification from the labor ministry regarding the applicability of the provisions for the sector. Similarly, Bangladesh Insurance Association has corresponded with Financial Ministry on this matter requesting for exemption for Insurance Companies. As no decision has been yet concluded on such communications, the participation fund amount is yet to be distributed among the workers.

#### **c. Medical assistance**

The Company provide medical assistance as per health plan policy terms & condition to all Permanent employees.

#### **d. Performance bonus**

The company has a policy namely performance bonus scheme for its employees who meets certain criteria based on their annual performance bonus is ascertained on net profit with approval in the Annual General Meeting and the expense is accounted for in the period to which same relates.

#### **e. Gratuity Scheme**

The company is going to introduced gratuity scheme as "Employee's Retirement Benefit Scheme" as soon as possible.

### **3.15 Provisions**

A provision is recognized in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the reporting date. Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted.

### **3.16 Taxation**

Income tax on earnings for the period comprise current and deferred tax and is based on the applicable tax law in Bangladesh. It is recognized in the income statement as tax expense.

#### **Current tax**

Current tax is the expected tax payable on the taxable income for the period, based on tax rates (and tax law) which are enacted at the reporting date, including any adjustment for the tax payable in previous periods. Current tax for current and prior periods is recognized as a liability (or asset) to the extent that it is unpaid (or refundable). Provision for income

tax has been made at best estimate keeping in view the provisions of Income Tax Ordinance 1984 and amendment made thereto from time to time.

### Deferred tax

The Company has accounted for deferred tax as per IAS – 12 “Income Taxes”.

### 3.17 Provision, reserve and contingencies

#### a) Provision, reserve and contingencies

For non-life insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred, but not yet reported, at the reporting date.

#### b) Provision for un-expired risk

Surplus/(Deficit) on Revenue Accounts has been arrived at after making necessary provision for un-expired risk @ 40% of net premium income on all business except Marine Hull insurance for which provision has been made @ 100% on net premium income concerned.

#### c) Reserve for exceptional losses

A reserve is maintained as requirement of paragraph 6(2) of 4th Schedule of the Income Tax Ordinance 1984.

### 3.18 Amount due to other persons or bodies carrying on Insurance business

As per treaty agreement company’s Re-insurance ceded premium for the period from 1st October 2021 to 30th September 2022 as well as Fire Excess of loss treaty, Fire Catastrophe X/L Facultative premium confirmed by Sadharan Bima Corporation (SBC) has been incorporated in the accounts for the period ended 30 September 2022. During this year the company has included 4 (four) Quarters of surplus treaty accounts in the following manner:

Period	Particulars of Quarter	Number
1st July 2021 to 30th September 2021	3rd Quarter of 2021	1 (One)
1st October 2021 to 31st December 2021	4th Quarter of 2021	1 (One)
1st January 2022 to 31st March 2022	1st Quarter of 2022	1 (One)
1st April 2022 to 30th June 2022	2nd Quarter of 2022	1 (One)

### 3.19 Allocation of total management expense

As per section 63 of Insurance Act 2010 all relevant management expenses have been allocated amongst the different Revenue Accounts in respect of Fire, Marine, Motor and Miscellaneous insurance business on pro-rata basis at their respective gross premium income.

### 3.20 Earnings Per Share

Earnings per Share (EPS) has been calculated in accordance with International Accounting Standard – 33 “Earnings Per Share” and shown on the face of profit and loss appropriation account and computation thereof is shown in note no. 26.

#### Basic Earnings Per Share

This has been calculated by dividing the basic earning by the weighted average number of ordinary shares outstanding for the period.

#### Basic Earnings

This represents earnings for the period ended on December 31, 2022 attributable to the ordinary shareholders.

#### Diluted Earnings Per Share

Diluted EPS is calculated if there is any commitment for issuance of equity shares in foreseeable future i.e, potential shares, without inflow of resources to the company against such issue. There was no such commitment during the period and accordingly no dilution is required in the year 2022.

### 3.21 Related party disclosure

As per International Accounting Standards (IAS) 24 “Related Party Disclosures”, parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making

### 3.22 Contingent liability and contingent assets

The company does not recognize contingent liability and contingent assets but discloses the existence of contingent liability in the financial statements. A contingent liability is probable obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events not within the control of the company or present obligation that is not recognized because outflow of resources is not likely or obligation cannot be measured reliably.

### 3.23 Consistency of presentation

In accordance with the IFRS framework for the presentation of financial statements together with IAS 1 and IAS 8, the company applies the accounting disclosure principles consistently from one period to the next. Where selecting and applying new accounting policies, changes in accounting policies applied, correction of errors, and amounts involved are accounted for and disclosed retrospectively in accordance with the requirement of IAS – 8.

### 3.24 Comparative Information

Comparative information has been disclosed in respect of the period ended December 31, 2021 for all numerical data in the financial statements and also the narrative and descriptive information when it is relevant for better understanding of the current period's financial statements.

### 3.25 General

Figures appearing in these Financial Statements have been rounded off to the nearest taka.

### 3.26 Disclosure of departure from few requirements of IFRS due to mandatory compliance with Insurance Act's requirements

The Meghna Insurance Company Limited management has followed the principles of IFRS in preparation of the financial statements to that extent as applicable to the Meghna Insurance Company Limited. Some requirements of Insurance Act 1938 (as amended in 2010) and Insurance Rules 1958 and regulations contradict with those of financial instruments and general provision standards of IFRS. As such the Meghna Insurance Company limited has departed from those requirements of IFRS in order to comply with the rules and regulations of IDRA which are disclosed below along with financial impact where applicable:

a) As per Insurance Act 1938 (as amended in 2010), investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provisions has been made by netting off any unrealized gain/(loss) arising at the Balance sheet date. However as per requirements of IFRS 9 investment in shares, all equity instruments are to be measured at fair value with changes reflected in either profit or loss or other comprehensive income.

b) General provision on insurance premium and re-insurance premium are followed as per Insurance Act 1938 (as amended 2010) . However such general provision cannot satisfy the conditions of provision as per IAS 37. At the year end the Meghna insurance company limited has recognized provision of BDT. 330,207,168 as balance of fund and liabilities in the balance sheet.

c) As per IDRA guidelines, financial instruments are categorized, recognized and measured differently from those prescribed in IFRS 9. As such some disclosures and presentation requirements of IFRS 7 and IAS 32 have not been made in the accounts.

d) Insurance Act 1938 has issued templates for financial statements which will strictly be followed by all general and life insurance company. The templates of financial statements issued by Insurance Act does not include Other Comprehensive Income (OCI) nor are the elements of other comprehensive income allowed to include in a single Comprehensive Income (OCI) Statement. As such Meghna Insurance Company Limited does not prepare the other comprehensive income statement.



SL. No.	Particulars	Notes	Amount in Taka		
			31-Dec-22	31-Dec-21	
<b>4.00</b>	<b>Share Capital</b>				
<b>4.01</b>	<b>Authorized Capital</b> 100,000,000 ordinary shares of Tk 10 each		<b>1,000,000,000</b>	<b>1,000,000,000</b>	
<b>4.02</b>	<b>Issued, subscribed &amp; paid up capital</b> 40,00,000 ordinary shares of Tk 10 each fully paid up		<b>400,000,000</b>	<b>240,000,000</b>	
<b>4.03</b>					
	<b>SL</b>	<b>Name of Shareholders</b>	<b>Position</b>	<b>Shareholding</b>	<b>Shareholding</b>
	1	Mr. Javed Kaiser Ally	Director	3.04%	1,217,132
	2	Mr. Aiman Barik Choudhury	Director	2.59%	1,034,562
	3	Ms Ainab Choudhury	Shareholder	2.59%	1,034,562
	4	Mr. Anisuzzaman Chowdhury	Shareholder	3.04%	1,217,132
	5	Barrister Sadat Khan	Shareholder	0.41%	165,312
	6	Mr. Zeeshan Khan	Shareholder	0.41%	165,313
	7	Ms. Farida Akhter	Shareholder	3.17%	1,267,845
	8	Ms. Jotsna Ara Begum	Shareholder	1.65%	661,250
	9	Mr. Zoynal Abedin Chowdhury	Shareholder	0.83%	330,625
	10	Mrs. Marina Ahmed	Shareholder	0.83%	330,625
	11	Mr. M.A. Hannan	Shareholder	1.16%	462,875
	12	Mr. Mohammad Didarul Husain	Shareholder	2.28%	912,849
	13	Mr. Mohammad Enayetullah	Shareholder	3.17%	1,267,845
	14	Mr. Azizul Haque	Shareholder	0.17%	66,125
	15	Late Abdul Wahid	Shareholder	0.17%	66,125
	16	IFAD Venture Limited	Corporate Shareholder	6.07%	2,427,208
	17	SW Holdings Ltd	Corporate Shareholder	3.04%	1,217,132
	18	M/S. Runner Trading	Corporate Shareholder	7.54%	3,014,165
	19	M/S. NAMSS motors Limited	Corporate Shareholder	2.83%	1,131,139
	20	M/S. Matsy Enterprises Ltd.	Corporate Shareholder	0.50%	198,375
	21	ZAMORED Investment LLC	Corporate Shareholder	7.23%	2,890,688
	22	BARWAZ Investment LLC	Corporate Shareholder	7.30%	2,921,116
		<b>Total</b>			<b>24,000,000</b>
		<b>Category of Share Holder</b>	<b>%</b>		<b>No. of Share</b>
	1	Institute	8.21%		3,284,154
	3	Foreign company	0.01%		4,054
	3	Public	31.78%		12,711,792
		<b>Sub total (B)</b>			<b>16,000,000</b>
		<b>Grand Total (A+B)</b>	<b>100%</b>		<b>40,000,000</b>
<b>5.00</b>	<b>Reserve or contingency account</b>				
	Reserve for exceptional losses	5.01	134,734,663	124,734,663	
	Profit or loss appropriation account	5.02	44,019,104	20,983,867	
	<b>Total</b>		<b>178,753,767</b>	<b>145,718,530</b>	

SL. No.	Particulars	Notes	Amount in Taka		
			31-Dec-22	31-Dec-21	
<b>5.01</b>	<b>Reserve for Exceptional losses</b>				
	Opening balance		124,734,663	114,734,663	
	Addition during the year		10,000,000	10,000,000	
	<b>Total</b>		<b>134,734,663</b>	<b>124,734,663</b>	
	As per Income Tax Ordinance-1984 paragraph 6(2) of Schedule-IV, maximum 10% of net premium could be transfer to statutory reserve.				
<b>5.02</b>	<b>Profit or loss appropriation account</b>				
	Balance brought forward from last year		20,983,867	10,656,470	
	Add: Net profit during the year		44,065,544	20,327,397	
	Depreciation on Revaluation		969,693	-	
			<b>66,019,104</b>	<b>30,983,867</b>	
	Less: Reserve for exceptional losses		(10,000,000)	(10,000,000)	
	Stock Dividend		-	-	
	Cash Dividend		(12,000,000)	-	
	Prior year adjustment		-	-	
	<b>Surplus carried forward</b>		<b>44,019,104</b>	<b>20,983,867</b>	
<b>6.00</b>	<b>Balances of fund &amp; accounts (Un-Expired Risk Reserve)</b>				
	Fire insurance business		54,576,662	42,554,261	
	Marine insurance business (Cargo)		238,939,576	140,875,874	
	Marine insurance business (Hull)		626,240	(53,846)	
	Motor insurance business		32,362,647	30,390,394	
	Miscellaneous insurance business		3,702,043	1,797,662	
	<b>Total</b>		<b>330,207,168</b>	<b>215,564,345</b>	
	These balances of fund have been arrived at after making necessary provision for un-expired risk based on following percentages on premium income including public sector business and excluding re-insurance ceded at the following rates.				
			<b>Balance of Fund</b>		
	<b>Particulars</b>	<b>Net Premium</b>	<b>%</b>		
				<b>31-Dec-22</b>	
				<b>31-Dec-21</b>	
	Fire insurance business	136,441,655	40%	54,576,662	42,554,261
	Marine insurance business (Cargo)	597,348,941	40%	238,939,576	140,875,874
	Marine insurance business (Hull)	626,240	100%	626,240	(53,846)
	Motor insurance business	80,906,618	40%	32,362,647	30,390,394
	Miscellaneous insurance business	9,255,107	40%	3,702,043	1,797,662
	<b>Total</b>	<b>824,578,561</b>		<b>330,207,168</b>	<b>215,564,345</b>
<b>7.00</b>	<b>Estimated liability in respect of outstanding claims claims whether due or intimated</b>				
	Fire		32,800,000	52,062,220	
	Marine (Cargo)		15,626,441	5,250,373	
	Marine (Hull)		-	-	
	Motor		11,381,860	2,887,984	
	Miscellaneous		-	-	
	<b>Total</b>		<b>59,808,301</b>	<b>60,200,577</b>	
<b>8.00</b>	<b>Amount due to other persons or bodies carrying on insurance business</b>				
	Amount due to Sadharan Bima Corporation (SBC)				
	Opening Balance		214,802,697	155,432,323	
	Add: Addition for the year		104,304,033	112,761,003	
			<b>319,106,730</b>	<b>268,193,326</b>	
	Less: Adjustment for the year		(222,705,740)	(53,390,629)	
	<b>Total</b>		<b>96,400,990</b>	<b>214,802,697</b>	

This represents the amount payable to Sadharan Bima Corporation on account of re-insurance premium as December 31,2021

SL. No.	Particulars	Notes	Amount in Taka	
			31-Dec-22	31-Dec-21
<b>9.00</b>	<b>Long term loan</b>			
	Opening balance		-	33,532,603
	Add: Loan taken during the year		-	-
			-	33,532,603
	Less: Loan repaid during the year		-	33,532,603
	<b>Total</b>		-	-
<b>10.00</b>	<b>Short term loan</b>			
	Opening balance		-	17,441,247
	Add: Addition during the year		-	623,882
			-	18,065,129
	Less: Loan repaid during the year		-	18,065,129
	<b>Total</b>		-	-
<b>11.00</b>	<b>Lease Liability</b>			
	Opening balance		17,919,377	14,384,190
	Add: Addition for the period		8,482,287	23,133,252
			<b>26,401,664</b>	<b>37,517,442</b>
	Less : Adjustment for the period		(12,092,282)	(19,598,065)
	<b>Closing balance</b>		<b>14,309,382</b>	<b>17,919,377</b>
<b>11.01</b>	<b>Classification of Lease Liability</b>			
	Short Term Lease Liability		6,530,431	7,251,902
	Long Term Lease Liability		7,778,951	10,667,475
	<b>Total</b>		<b>14,309,382</b>	<b>17,919,377</b>
<b>12.00</b>	<b>Premium deposit</b>			
	Marine cargo		53,248,671	131,697,952
	<b>Total</b>		<b>53,248,671</b>	<b>131,697,952</b>
	This represents amount received against cover notes for which risks have not been initiated and such amount will be adjusted upon initiation of risk and issuance of policy in due course.			
<b>13.00</b>	<b>Sundry Creditors</b>			
	Salary payable		17,145,128	45,540,702
	Audit fees payable		475,750	475,750
	Office rent payable		41,934	71,100
	Others bill payable		18,668	64,000
	<b>Utility Bill Payable:</b>		<b>97,211</b>	<b>93,818</b>
	Electricity		47,711	44,318
	Water		22,500	22,500
	Service Charge		27,000	27,000
	Stamp payable		106,963,935	70,553,538
	Excess deposit		39,053	39,053
	Provision for company con. to PF.		297,295	86,361
	Provision for employee con. to PF.		287,484	293,477
	<b>Tax Payable :</b>		<b>1,674,162</b>	<b>2,481,708</b>
	for salary		642,601	691,335
	for office rent		43,070	40,266
	for Survey fee		435,061	614,767
	for Advertisement		-	748
	Tax payable at source		170,538	68,954
	for agent commission		381,440	1,065,415
	for Printing		1,452	223
	<b>VAT Payable:</b>		<b>(9,142,264)</b>	<b>851,455</b>

SL. No.	Particulars	Notes	Amount in Taka	
			31-Dec-22	31-Dec-21
	for Survey fee		1,064,688	995,486
	for Printing		4,987	742
	for Advertisement		-	2,804
	for Office rent		129,791	114,946
	for postage		1,326	1,287
	VAT payable at source		385,348	129,766
	for Premium		(10,728,404)	(393,576)
	Security Deposit		17,377,999	213,999
	Others Payable (Car Policy)		2,039,665	-
	Performance Bonus payable		-	5,000,000
	Loan from Director		39,183	39,183
	TNS Electronics		-	58,000
	BRB Securities Ltd		-	840,205
	Dividend Payable		12,000,000	-
	Contribution to WPPF 13.01		9,851,264	6,547,680
	<b>Total</b>		<b>159,206,467</b>	<b>133,250,029</b>
<b>13.01</b>	<b>Contribution to WPPF</b>			
	Opening Balance		6,547,680	5,306,967
	Add: Contribution to WPPF in this year		3,303,585	1,240,712
	<b>Closing Balance</b>		<b>9,851,264</b>	<b>6,547,680</b>
<b>13.02</b>	<b>Contribution to WPPF in this year</b>			
	Profit before WPPF		69,375,278	26,054,961
	Contribution to WPPF @ 5% of Profit		<b>3,303,585</b>	<b>1,240,712</b>
	The amount is computed @ 5% of net profit before Income Tax (but after charging such contribution) as per provision of Bangladesh labour Law, 2006 (as amended in July 2013) has been			
<b>13.03</b>	<b>Allocation of WPPF</b>			
	A. Workers' Participation Fund (80%)		7,881,012	5,238,144
	B. Workers' Welfare Fund (10%)		985,126	654,768
	C. Bangladesh Labour Welfare Foundation (10%)		985,126	654,768
	<b>Total</b>		<b>9,851,264</b>	<b>6,547,680</b>
<b>14.00</b>	<b>Provision for income tax (Current and Deferred)</b>			
	Current tax 14.01		84,065,827	61,418,609
	Deffer tax 14.03		(67,219)	573,849
	<b>Total</b>		<b>83,998,608</b>	<b>61,992,459</b>
<b>14.01</b>	<b>Provision for income tax</b>			
	Opening Balance		61,418,609	55,340,774
	Add: Addition during the year 14.02		22,647,218	6,077,835
			84,065,827	61,418,609
	Less: Adjustment during the year		-	-
	<b>Total</b>		<b>84,065,827</b>	<b>61,418,609</b>
	<b>Classes of income</b>			
<b>14.02</b>	<b>Provision for current income tax during the year</b>			
		<b>Tax Rate</b>	<b>Income</b>	<b>2022</b>
	Business income	37.50%	57,265,398	21,474,524
	Dividend income	20.00%	2,920,637	584,127
	Share income	10.00%	5,885,658	588,566
	<b>Total</b>		<b>66,071,693</b>	<b>22,647,218</b>
				<b>2021</b>
				5,963,118
				12,256
				102,461
				<b>6,077,835</b>

SL. No.	Particulars	Notes	Amount in Taka	
			31-Dec-22	31-Dec-21
<b>14.03</b>	<b>Provision for deferred income tax</b>			
	Opening Balance		573,849	2,164,833
	Add: Addition during the year	14.04	(641,068)	(1,590,984)
			<b>(67,219)</b>	<b>573,849</b>
	Less: Adjustment during the year		-	-
			<b>(67,219)</b>	<b>573,849</b>
<b>14.04</b>	<b>Deferred Tax Liability/ (Assets)</b>			
			<b>Amount (Taka)</b>	<b>Amount (Taka)</b>
			<b>31.12.22</b>	<b>31.12.21</b>
	Book Value of Depreciable Fixed Assets (as per Financial Statements)		261,609,739	240,400,552
	Less: Tax base Book Value		261,788,989	238,960,963
	<b>Taxable Temporary difference</b>		<b>(179,250)</b>	<b>1,439,589</b>
	Applicable Tax Rate		<b>37.50%</b>	<b>37.50%</b>
	<b>Deferred Tax Liabilities</b>		<b>(67,219)</b>	<b>539,846</b>
	Unrealized gain/(loss) in investment in share		-	340,027
	Less: Tax base Value		-	-
	<b>Deferred Tax Liabilities</b>		<b>-</b>	<b>340,027</b>
	Applicable Tax Rate		<b>10.00%</b>	<b>10.00%</b>
	<b>Deferred Tax Liabilities</b>		<b>-</b>	<b>34,003</b>
	Total Deferred Tax Liabilities/ (Assets)		<b>(67,219)</b>	<b>573,849</b>
<b>14.05</b>	<b>Deferred Tax Expenses/ (Income)</b>			
			<b>Amount (Taka)</b>	<b>Amount (Taka)</b>
			<b>31-Dec-22</b>	<b>31-Dec-21</b>
	Closing Deferred Tax Liabilities		(67,219)	573,849
	Opening Deferred Tax Liabilities		573,849	2,164,833
	<b>Deferred Tax</b>		<b>(641,068)</b>	<b>(1,590,984)</b>
	Property, plant and equipment			
<b>A. Cost</b>				
	Opening balance		327,629,344	317,830,731
	Add: Revaluation of Assets		10,391,931	-
	Add: Addition during the period		44,386,614	9,992,913
			<b>382,407,889</b>	<b>327,823,644</b>
	Less: Disposal during the period		(39,123,489)	(194,300)
	<b>Total</b>		<b>343,284,400</b>	<b>327,629,344</b>
<b>B. Accumulated depreciation</b>				
	Opening balance		87,349,654	73,266,458
	Add: Charged during the period		18,057,441	14,239,334
			<b>105,407,095</b>	<b>87,505,792</b>
	Less: Adjustment for disposal during the period		(33,174,909)	(156,138)
	<b>Total</b>		<b>72,232,186</b>	<b>87,349,654</b>
<b>C. Written down value (A-B)</b>			<b>271,052,214</b>	<b>240,279,690</b>
	Aschedule of property, plant and equipment is given in Annexure - A.			
<b>16.00</b>	<b>Intangible Assets</b>			
<b>A. Cost</b>				
	Opening balance		910,000	910,000
	Add: Addition during the period		84,000	-
			<b>994,000</b>	<b>910,000</b>
	Less: Sales during the period		-	-
	<b>Total</b>		<b>994,000</b>	<b>910,000</b>

SL. No.	Particulars	Notes	Amount in Taka	
			31-Dec-22	31-Dec-21
<b>B. Amortization</b>				
	Opening balance		789,137	758,921
	Add: Charged during the period		40,835	30,216
			<b>829,972</b>	<b>789,137</b>
	Less: Adjustment during the period		-	-
	<b>Total</b>		<b>829,972</b>	<b>789,137</b>
<b>C. Written down value (A-B)</b>			<b>164,028</b>	<b>120,863</b>
	As per IAS-38 Intangible assets are recorded at historical cost less accumulated amortization, they are amortized on reducing balancing method using the rate at 20%			
<b>17.00 Investment in Treasury Bond</b>				
	Bangladesh Government Treasury Bond ( 15 Years)	12.10%	9,000,000	9,000,000
	Bangladesh Government Treasury Bond ( 10 Years)	7.79%	16,000,000	16,000,000
	Bangladesh Government Treasury Bond ( 5 Years)	7.70%	24,000,000	-
	Bangladesh Government Treasury Bond ( 10 Years)	7.10%	6,100,000	-
			<b>55,100,000</b>	<b>25,000,000</b>
	As per S.R.O. No. 353/Ain/2019 dated: 19 November 2019, regarding Investment of Assets of Non-Life Insurer the minimum required investment in Government securities is 7.5%. The company's Investment in Government securities is lower than the mentioned amount during the year ended 31 December 2022. However, the company will invest the required amount in government securities within the shortest possible time.			
<b>18.00 Right-of-use asset</b>				
<b>A. Cost</b>				
	Opening balance		30,520,921	28,051,946
	Add: Addition during the period		9,851,954	19,296,153
			<b>40,372,875</b>	<b>47,348,099</b>
	Less: Adjustment during the period		(11,944,004)	(16,827,178)
			<b>28,428,871</b>	<b>30,520,921</b>
<b>B. Amortization</b>				
	Opening balance		10,226,566	11,430,683
	Add: Charged during the period		8,922,548	12,276,029
			<b>19,149,114</b>	<b>23,706,712</b>
	Less: Adjustment during the period		(7,376,231)	(13,480,146)
			<b>11,772,883</b>	<b>10,226,566</b>
<b>C. Written down value (A-B)</b>			<b>16,655,988</b>	<b>20,294,355</b>
	A schedule of right-of-use assets is given in Annexure - A. The Right-of-use asset has been measured following the paragraph 24 of IFRS- 16 (Leases).			
<b>19.00 Stock of printing, stationery &amp; stamps</b>				
	Stationery		797,820	595,896
	Insurance stamp		2,481,562	2,862,424
	<b>Total</b>		<b>3,279,382</b>	<b>3,458,320</b>
<b>20.00 Amount due from other persons or bodies carrying on insurance business</b>				
	Opening Balance		122,973,271	111,275,061
	Add: addition for the year		12,897,747	11,698,210
			<b>135,871,018</b>	<b>122,973,271</b>
	Less: adjustment for the year		-	-
	<b>Total</b>		<b>135,871,018</b>	<b>122,973,271</b>
	This amount represents the receivable from commission, claim and other receivable from Sadharan Bima Corporation as at December 31, 2022			

SL. No.	Particulars	Notes	Amount in Taka	
			31-Dec-22	31-Dec-21
<b>21.00</b>	<b>Advance, deposit and prepayments</b>			
	Advance income tax	21.01	152,081,087	121,237,217
	Security deposits		2,798,248	3,101,844
	Advance against salary		33,349,922	43,499,313
	Others Advance		117,192	74,392
	Advanced to head of branch		5,076,469	5,076,469
	Advanced to branch		93,321	93,321
	Security deposits with T&T		127,363	127,363
	Green Delta Financial Services		558	558
	Elegant Stock & Securities Ltd.		1,959	1,959
	Moltitude architect		459,000	459,000
	Advance-codesign Ltd		600,000	600,000
	MANAS		800,000	800,000
	Brand Soup Ltd		2,562,000	2,562,000
	CLAN		-	1,200,000
	Hossain Farhad & Co.		387,500	500,000
	RIA Enterprise		-	500,000
	Advance-Confidence software		56,000	56,000
	Prime Bank Investment		19,695	-
	Asian Tiger Capital Partners Investment Ltd		1,083,712	-
	ANF Management Co. Ltd.		7,257	-
	Smart Technology (BD) Ltd		426,000	-
	BRB Securitirs Ltd		551	-
	DHS Motors		4,858	-
	<b>Total</b>		<b>200,052,692</b>	<b>179,889,436</b>
<b>21.01</b>	<b>Advance Tax</b>			
	The balance is made up as follows:			
	Opening Balance		121,237,217	97,769,134
	Add: Addition during the year		30,843,870	23,468,083
			<b>152,081,087</b>	<b>121,237,217</b>
	Less: Adjustment during the year		-	-
	<b>Closing Balance</b>	<b>21.02</b>	<b>152,081,087</b>	<b>121,237,217</b>
<b>21.02</b>	<b>Advance tax (category wise)</b>			
	Income tax		127,744,510	102,175,016
	Tax on FDR Interest		15,376,116	12,946,291
	Tax on STD interest		1,288,304	1,008,734
	Tax on interest on treasury bond		738,546	560,491
	Tax on car registration		6,287,169	4,507,771
	Tax on Trade License		12,000	3,000
	Tax on dividend		610,042	35,914
	<b>Total</b>		<b>152,056,687</b>	<b>121,237,217</b>
<b>22.00</b>	<b>Interest receivable</b>			
	Opening Balance		8,697,213	5,964,680
	Add: Addition during the year		28,183,586	20,606,617
			<b>36,880,799</b>	<b>26,571,297</b>
	Less: Adjustment during the year		17,270,188	17,874,084
	<b>Total</b>		<b>19,610,611</b>	<b>8,697,213</b>
<b>23.00</b>	<b>Short term investment</b>			
	Investment in FDR	23.01	447,000,000	373,350,000
	Investment in share	23.02	106,454,854	14,117,705
	<b>Total</b>		<b>553,454,854</b>	<b>387,467,705</b>

SL. No.	Particulars	Notes	Amount in Taka	
			31-Dec-22	31-Dec-21
<b>23.01</b>	<b>Investment in FDR</b>			
	Opening Balance		373,350,000	253,350,000
	Add: Addition during the year		161,250,000	175,500,000
			<b>534,600,000</b>	<b>428,850,000</b>
	Less: Encashment during the year		87,600,000	55,500,000
			<b>447,000,000</b>	<b>373,350,000</b>

This represents the amount invested in fixed deposits with banks which are to be matured over the period of three months, break-up of which is given below:

6 months term FDR	317,550,000	237,300,000
12 months term FDR	129,450,000	136,050,000
	<b>447,000,000</b>	<b>373,350,000</b>

A schedule of short term investment is given in Annexure - B.

### 23.02 Investment in shares

This represents company's investment in shares of the following public limited company:

Share in Public Limited Company	No. of Share	Cost as on 31.12.22	Fair Value as on 31.12.22	Un-realized gain/ (loss)
BBS	145000	3,826,452	3,132,000	(694,452)
BDCOM	24300	1,074,357	913,680	(160,677)
IFIC1STMF	100000	551,650	510,000	(41,650)
MAKSONSPIN	40000	1,031,084	892,000	(139,084)
MALEKSPIN	10000	275,825	271,000	(4,825)
METROSPIN	10000	469,404	438,000	(31,404)
SQURPHARMA	3,600	784,146	755,280	(28,866)
SUMITPOWER	50,000	1,710,123	1,700,000	(10,123)
UNITEDINS	13,000	610,133	594,100	(16,033)
EXIM1STMF	100,000	611,830	580,000	(31,830)
FORTUNE	52,500	3,986,925	3,974,250	(12,675)
INDEXAGRO	9,000	1,111,497	932,400	(179,097)
LHBL	59,290	4,572,325	3,841,992	(730,333)
PTL	15,000	1,167,693	1,155,000	(12,693)
SAIFPOWER	37,000	1,259,200	1,098,900	(160,300)
<b>Total</b>	<b>668,690</b>	<b>23,042,644</b>	<b>20,788,602</b>	<b>(2,254,042)</b>

### Investment in shares

This represents company's investment in shares of the following public limited company:

Share in Public Limited Company	No. of Share	Cost as on 31.12.22	Fair Value as on 31.12.22	Un-realized gain/ (loss)
BSCCL	16500	3815463	3,611,850	(203,613)
BATBC	11000	6439190	5,705,700	(733,490)
BXPHARMA	60000	11809350	8,772,000	(3,037,350)
GP	30000	10730469	8,598,000	(2,132,469)
GPHISPAT	58025	3195152	2,599,520	(595,632)
SQUARETEXT	55000	3886196	3,712,500	(173,696)
SQURPHARMA	20000	4448312	4,196,000	(252,312)
UPGDCL	20000	5,186,856	4,674,000	(512,856)
<b>Total</b>	<b>270,525</b>	<b>49,510,988</b>	<b>41,869,570</b>	<b>(7,641,418)</b>

### Investment in shares

This represents company's investment in shares of the following public limited company:

Share in Public Limited Company	No. of Share	Cost as on 31.12.22	Fair Value as on 31.12.22	Un-realized gain/ (loss)
BATBC	35000	20280299	18,154,500	(2,125,799)
BSCCL	5180	1,190,886	1,133,902	(56,984)
BSRMLTD	28000	2,958,732	2,520,000	(438,732)
GP	39900	11,634,381	11,435,340	(199,041)
SQURPHARMA	50300	10,887,243	10,552,940	(334,303)
<b>Total</b>	<b>158,380</b>	<b>46,951,541</b>	<b>43,796,682</b>	<b>(3,154,859)</b>



SL. No.	Particulars	Notes	Amount in Taka	
			31-Dec-22	31-Dec-21
<b>24.01</b>	<b>Cash in hand</b>			
	Head office		36,897	31,761
	Branch office		14,086,741	15,162,271
	<b>Total</b>		<b>14,123,638</b>	<b>15,194,032</b>
<b>24.02</b>	<b>Cash at bank</b>			
	Fixed Deposit		16,500,000	2,000,000
	Short term deposit [Annexure-B]		83,826,273	163,461,846
	Current deposit [Annexure-B]		1,893,081	54,132,281
	<b>Total</b>		<b>102,219,354</b>	<b>219,594,127</b>
	Aschedule of Bank Balance is given in Annexure -B.			
<b>25.00</b>	<b>Expenses of management</b>			
	(not applicable to any particular fund or account)			
	Board Meeting fee & expenses		378,050	328,583
	Audit fees		373,750	1,154,750
	Depreciation/Amortization		18,098,276	14,269,550
	Amortization on right of use asset		8,922,548	10,783,040
	Advertisement and publicity		2,044,333	603,993
	Donation and subscription		650,000	455,987
	Fine & Penalty		12,135,000	9,600,000
	Consultancy		25,000	62,500
	Corporate social responsibility		1,199,792	2,122,000
	Legal and professional fees		4,341,540	6,442,900
	Meeting and conference		4,147,179	1,949,477
	Registration fees		1,025,499	785,043
	Credit Rating Fee		139,750	140,000
	Web pagee Development		808,724	36,205
	<b>Total</b>		<b>54,289,439</b>	<b>48,734,032</b>
<b>26.00</b>	<b>Finance Cost</b>			
	Interest on loan		-	2,571,279
	Interest on Lease Liability		813,295	689,189
	<b>Total</b>		<b>813,295</b>	<b>3,260,468</b>
	At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate can not be readily determined, the lessee shall use the lessee's incremental borrowing rate has been considered.			
<b>27.00</b>	<b>Investment and others income</b>			
	Interest /profit		33,040,593	33,656,259
	(not applicable to any particular fund or account)			
	Dividend income		2,920,637	61,280
	Miscellaneous income		(245,244)	-
	Profit / (Loss) on sale of share		5,885,658	1,024,609
	Profit / (Loss) on sale of assets		6,228,719	(15,963)
	<b>Total</b>		<b>47,830,363</b>	<b>34,726,185</b>

SL. No.	Particulars	Notes	Amount in Taka	
			31-Dec-22	31-Dec-21
<b>28.00</b>	<b>Earning Per share (EPS)</b>			
	<b>A. Number of shares</b>			
	Shares outstanding at the beginning of the year		24,000,000	7,935,000
	Stock dividend issued during the year		-	-
	Fresh Share issued during the year		-	16,065,000
	IPO share issue		16,000,000	
	<b>Total</b>		<b>40,000,000</b>	<b>24,000,000</b>
	<b>Weight</b>			
	Shares outstanding at the beginning of the year		100.00%	100.00%
	Stock dividend issued during the year		0.00%	0.00%
	Fresh Share issued during the year		0.00%	85.51%
	IPO share issue		58.63%	0.00%
	<b>Weighted average number of shares</b>			
	Shares outstanding at the beginning of the year		24,000,000	7,935,000
	Stock dividend issued during the year		-	-
	Fresh Share issued during the year		-	13,736,675
	IPO share issue		9,380,800	
	<b>Total</b>		<b>33,380,800</b>	<b>21,671,675</b>
	<b>B. Earnings attributable to shareholders</b>			
	Earning attributable to ordinary share holders (profit after tax)		<b>44,065,544</b>	<b>20,327,397</b>
	<b>C. Basic Earning per share [B/A]</b>		<b>1.32</b>	<b>0.94</b>
	Earning per share is calculated in accordance with IAS33 "Earning Per Share" which has been shown on the face on Profit & Loss Appropriation Accounts.			
<b>29.00</b>	<b>Net Assets value per share (NAVPS)</b>			
	Net asset value Per Share has been calculated on weighted average number of 400,00,000 shares outstanding as at December 31,2022 after Initial Public Offer share issued. Details calculations are as follows:			
	Net Assets		574,404,191	387,541,577
	Weighted average number of ordinary shares		33,380,800	21,671,675
	<b>Net asset value Per Share</b>		<b>17.21</b>	<b>17.88</b>
	Due to reduction of market value of investment in shares, value of investment as well as net asset value (NAV) of MICL as of December 31, 2022 has been decreased.			
<b>30.00</b>	<b>Net operating cash flows per share (NOCPS)</b>			
	Net Operating Cash Flows Per Share(NOCFPS) has been calculated based on Weighted average number 33,380,800 shares outstanding during the period. Details calculation are as follows			
	Net cash generated from operating activities		(44,407,975)	132,950,445
	Weighted average number of ordinary shares		33,380,800	21,671,675
	<b>Net Operating Cash Flows per Share</b>		<b>(1.33)</b>	<b>6.13</b>
	Net Operating Cash Flows Per Share decreased due to decrease of premium collection and increase of management expenses.			

SL. No.	Particulars	Notes	Amount in Taka	
			31-Dec-22	31-Dec-21
<b>31.00</b>	<b>Reconciliation of net profit with cash flow from operating activities</b>			
	<b>Net Profit before tax</b>		<b>66,071,693</b>	<b>24,814,249</b>
	Depreciation		27,020,824	25,052,590
	(Increase)/decrease in provision for taxation		(22,647,218)	(5,670,060)
	Increase/(decrease) in deferred tax		(641,068)	(1,590,985)
	Increase/(decrease) the balance of fund		114,642,823	39,430,968
	Increase/(decrease) the premium deposit		(78,449,281)	81,213,685
	Increase/(decrease) of amount due to other person or body		(118,401,707)	59,370,374
	Increase/(decrease) in estimated liabilities in respect of		(392,276)	(81,403,515)
	Increase/(decrease) in sundry creditors		15,793,692	47,397,709
	Increase/(decrease) in Lease Liability		(3,609,995)	3,535,187
	(Increase)/decrease of stock of stamps		380,862	(600,577)
	(Increase)/decrease of stock of printing		(201,924)	(138,601)
	(Increase)/decrease in Advance, deposit & prepayment		10,680,614	(27,678,502)
	(Increase)/decrease in advance income tax		(30,843,870)	(16,351,334)
	(Increase)/decrease of amount due from other person or body		(12,897,747)	(11,698,210)
	(Increase)/decrease in interest outstanding		(10,913,398)	(2,732,533)
	<b>Net cash flow from operating activities</b>		<b>(44,407,975)</b>	<b>132,950,445</b>

**32.00 Disclosure as per requirement of Schedule XI, Part II of the Companies Act, 1994:**
**A. Disclosure as pre requirement of Schedule XI, Part II Note 5 of Para 3:**
**Employee position of the company as on 31st December 2022:**

Salary (Monthly)	Total Employees
Below Tk. 3,000	-
Above Tk. 3,000	912
<b>Total</b>	<b>912</b>

**B. Remuneration of Directors, Managers, Executives and Officers**

Remuneration of Directors, Managers, Executives and Officers have been described as under:

Empolyess	Amount in Taka	
	2022	2021
Directors	Nil	Nil
Executives	77,575,789	62,117,433
Managers	16,675,611	12,988,328
Officer	16,943,606	37,416,435
	<b>111,195,006</b>	<b>112,522,196</b>

**C. Disclosure as per requirement of Schedule XI, Part II, Para 4:**

Name of Directors	Designation	Remuneration	Festival Bonus	Total Payment
Mr. Musfiq Rahman	Chairman	Nil	Nil	Nil
Mr. Aiman Barik Choudhury	Vice-Chairman	Nil	Nil	Nil
Mr. Javed Kaiser Ally	Director	Nil	Nil	Nil
Mr. Manwar-Uz-Zaman	Director	Nil	Nil	Nil
Ms. Nahid Zaman	Director	Nil	Nil	Nil
Mr. Mohammad Enayet Ullah	Director	Nil	Nil	Nil
Ms. Ainab Choudhury	Director	Nil	Nil	Nil
Mr. Ashim Chowdhury	Independent Director	Nil	Nil	Nil
Mr. Md. Omar-Bin-Harun Khan	Independent Director	Nil	Nil	Nil
<b>Total</b>				

**Period of payment to Directors is from 01 January 2022 to 31 December 2022**

SL. No.	Particulars	Notes	Amount in Taka	
			31-Dec-22	31-Dec-21

The above Directors of the Company did not take any benefit from the company except attendance fees for Board meeting and others are as follows:

a. Expenses reimbursed to the managing agent	Nil	Nil
b. Commission or other remuneration payable separately to a managing agent or his associate	Nil	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 concerns with company	Nil	Nil
d. The money value of the contracts for the sale or purchase of goods and materials or supply of services, enter into by the company with the managing agent or his associate during the comission the financial years	Nil	Nil
e. Any other perquisites or benefits in cash or in kind	Nil	Nil
f. Other allowances and commission including guarantee commission	Nil	Nil

#### Pensions, etc.

1) Pensions	Nil	Nil
2) Gratuittes	Nil	Nil
3) Payment from provided fund	Nil	Nil
4) Compensation	Nil	Nil
5) Consideration in connection with rettement from office	Nil	Nil

#### 33.00 Premium less re-insurance

Class of Business	Gross Premium	Re-insurance accepted	Re-insurance ceded	Net premium 2022	Net premium 2021
Fire	248,860,263	-	112,418,608	136,441,655	106,385,653
Marine (Cargo)	657,855,821	-	60,506,880	597,348,941	352,189,684
Marine (Hull)	9,298,032	-	8,671,792	626,240	-53,846
Motor	81,332,059	-	425,441	80,906,618	75,975,985
Miscellaneous	62,992,110	-	53,737,003	9,255,107	4,494,155
				-	-
<b>Total</b>	<b>1,060,338,285</b>	<b>-</b>	<b>235,759,724</b>	<b>824,578,561</b>	<b>538,991,631</b>

#### 34.00 Claims under policies less re-insurance

Class of Business	Paid	Estimated liability	Previous year's balance	Net claim 31.12.22	Net claim 31.12.21
Fire	7,492,407	32,800,000	52,062,220	(11,769,813)	36,523,168
Marine (Cargo)	4,310,905	15,626,441	5,250,373	14,686,973	18,932,856
Marine (Hull)	-	-	-	-	-
Motor	6,108,670	11,381,860	2,887,984	14,602,546	10,613,941
Miscellaneous	16,868	-	-	16,868	15,865
<b>Total</b>	<b>17,928,850</b>	<b>59,808,301</b>	<b>60,200,577</b>	<b>17,536,574</b>	<b>66,085,830</b>

### 35.00 Expenses of management;

These expenses have been charged to revenue account on product basis of gross premium earned or direct business as under:

Class of Business	Amount in Taka	
	31-Dec-22	31-Dec-21
Fire	183,099,341	114,836,241
Marine (Cargo)	280,673,445	217,337,570
Marine (Hull)	4,755,815	1,495,915
Motor	41,600,228	42,745,442
Miscellaneous	32,219,596	34,715,462
<b>Total</b>	<b>542,348,425</b>	<b>411,130,630</b>

### 36.00 Transaction with Related Parties:

Meghna Insurance Company Ltd, in normal course of business, carried out a number of transactions with other entities that fall within the definition of related party transaction as per IAS- 24 and under the condition no.1.5(vi) of the Corporate governance guideline of the Bangladesh Securities and Exchange Commission rules and regulations disclosures all transactions involving related parties arising in normal course of business are conducted on an arm's length basis at commercial rates on the same terms and conditions as applicable to the third parties, Details transactions with related parties and balances with them as at December 2022 are as follows:

Name of the related party	Relationship	Name of transaction	Premium earned	Premium outstanding	Claim paid
Aswad Composite Mills Ltd	Director's wife	Insurance	7,659,350		
Ayesha Clothing Co.Ltd	Director's wife	Insurance	2,914,398		
Arkay Knit Dyeing Mills Ltd	Director's wife	Insurance	5,747,479		
Safaa Sweaters Ltd	Director's wife	Insurance	92,418		
Nafa Apparels Ltd	Director's wife	Insurance	1,652,781		
K.M Apparels Ltd	Director's wife	Insurance	8,168		
Marina Apparels Ltd	Director's wife	Insurance	24,295		
Hamza Trims Ltd	Director's wife	Insurance	306,608		
Cortz Apparels Ltd	Director's wife	Insurance	209,003		
Hamza Clothing Ltd	Director's wife	Insurance	9,938		
Magnam Traders	Director's wife	Insurance	500		
Hamza Logistics Ltd	Director's wife	Insurance	4,121,694		
Navana Pharmaceuticals Ltd	Director	Insurance	3,481,280		815,725
Runner Lube & Energy Ltd	Shareholder	Insurance	244,545		
Runner Trading Ltd	Shareholder	Insurance	178,114		
Runner Motors Ltd	Shareholder	Insurance	9,644,829		1,506,422
Runner Footwear Ltd	Shareholder	Insurance	174,337		
Runner Automobiles Ltd	Shareholder	Insurance	952,784		
<b>Total</b>			<b>37,422,521</b>	<b>-</b>	<b>2,322,147</b>

### 37.00 Board Meeting

During this year, the company had a Board of Directors consisting of 9 (Nine) members and held 5 (five) meeting throughout the year. Board of Directors of the company has formed other committees and sub committees like Executive Committee, Claims Committee and Audit Committee. Regular meeting of these committees were also held during this year.

### 37.01 Disclosure as per requirement of Schedule XI, Part II of the Companies Act, 1994

#### Attendance status of Board meeting of Directors

During the year 2022 there were 5 (five) board meeting were held. The attendance status of board meeting is as follows:

Name of Directors	Position	No. of meeting held	Attended
Mr. Musfiq Rahman	Chairman	5	5
Mr. Aiman Barik Choudhury	Vice-Chairman	5	5
Mr. Javed Kaiser Ally	Director	5	5
Mr. Manwar-Uz-Zaman	Director	5	5
Ms. Nahid Zaman	Director	5	5
Mr. Mohammad Enayet Ullah	Director	5	1
Ms. Ainab Choudhury	Director	5	3
Mr. Ashim Chowdhury	Independent Director	5	5
Mr. Md. Omar-Bin-Harun Khan	Independent Director	5	2

### 38.0 Capital Expenditures Commitment

There was no capital expenditure commitment as at 31st December, 2022.

### 39.0 Claim not acknowledged as debt

There was no claim against the company acknowledged as debt as on 31st December, 2022.

### 40.0 Un-availed credit facilities

There was no credit facility available to the company from any Non-Banking financial institution and Schedule Banks.

### 41.0 Contingent Liability

There was a demand of Tk. 36,51,19,852.00 by the income tax authority for payment of tax in excess of the amount of management expenses claimed by the company during the accounting years from 2008 to 2021. The company filed a write to the High court division of the honorable supreme court of Bangladesh. The company is very much hopeful to get Judgement in its favor as Appellate Tribunal Bench accepted excess management expenses Tk.167,89,870 in assessment year 2008-2009. Except this there are no contingent assets or liabilities and unrecognized contractual commitments at the balance sheet date.

Accounting year	Assessment year	Tax Outstanding/ Demanded	Current Status
2008	2009-10	5,582,708	Writ to High Court
2009	2010-11	6,910,938	Writ to High Court
2010	2011-12	9,394,572	Writ to High Court
2011	2012-13	8,784,979	Writ to High Court
2012	2013-14	10,980,046	Writ to High Court
2013	2014-15	23,522,314	Writ to High Court
2104	2015-16	59,353,118	Writ to High Court
2015	2016-17	73,848,066	Writ to High Court
2016	2017-18	79,198,641	Writ to High Court
2017	2018-19	44,200,628	Appeal before Tribunal
2018	2019-20	20,771,532	1st Appeal under process
2019	2020-21	22,572,310	1st Appeal under process
2020	2021-22	-	Assessment under process
2021	2022-23	-	Return submitted
<b>Total</b>		<b>365,119,852</b>	

#### 42.0 Insurance Act Relevant Information

- During the year under review nothing was paid to the directors of the company other than board meeting and committee meeting attendance fee.
- During the year under review no compensation was allowed to the chief executive officer of the company or any member of the board for special service rendered.
- During the year nothing was earned as per premium against guarantees issued.

#### 43.0 Events after Reporting Period

Board of Directors in its meeting held on 16 April, 2023 proposed 10% cash dividend for the year 2022 subject to approval of shareholders of the company in its forthcoming 27th Annual General Meeting.

#### 43.0 Date of Authorisation

Financial statements of the company for the year ended December 31, 2022 were authorized by the Board for issue on 16 April, 2023 in accordance with a resolution of the Board of Directors of the company

## Meghna Insurance Company Limited

Classified Summary of Assets Form "AA"

For the year ended December 31, 2022

Class of assets	Amount in Taka		Remarks
	31-Dec-22	31-Dec-21	
Investments in treasury bond			
i) Bangladesh Treasury Bond.	55,100,000	25,000,000	At Cost
(10 years Investment Bond @ 12.10% Interest)	16,000,000	16,000,000	
(15 years Investment Bond @ 7.79% Interest)	9,000,000	9,000,000	
(5 years Investment Bond @ 7.70% Interest)	24,000,000	-	
(10 years Investment Bond @ 7.1% Interest)	6,100,000	-	
iii) Amount due from other persons or bodies	135,871,018	122,973,271	Book Value
Cash, cash equivalent & short term investment:	669,797,846	622,255,864	
i) Short term investment	553,454,854	387,467,705	Book Value
ii) Cash at Bank	102,219,354	219,594,127	Book Value
iii) Cash in hand	14,123,638	15,194,032	Book Value
Interest and dividend receivable	19,610,611	8,697,213	Book Value
Advance, deposit and prepayments	200,052,692	179,889,436	Book Value
Property, plant and equipments	271,052,214	240,279,690	Written down value
Intangible Assets	164,028	120,863	Written down value
Right-of-use asset	16,655,988	20,294,355	Written down value
Stock of printing, stationery & stamps	3,279,382	3,458,320	Book Value
	<b>1,371,583,779</b>	<b>1,222,969,012</b>	



**Company Secretary**



**Chief Executive Officer**



**Director**



**Director**



**Chairman**

Dhaka, 16 April, 2023



# Meghna Insurance Company Limited

## Schedule of Fixed Assets

As at 31 December, 2022

Annexure - A

SL No.	Particulars	Cost			Revaluation			Rate of Dep. (%)	Depreciation			Written Down Value as on 31.12.2021		
		Opening Balance	Addition during the year	Adjustment During The Year	Closing Balance	Opening Balance	Adjustment during the year		Adjustment During The Year	Closing Balance	Written Down Value as on 31.12.2022			
1	Furniture and Fixture	16,492,475	277,730	22,800	16,747,405	10,391,931	721,495	9,670,436	16,747,405	1,209,519	14,676	5,748,892	10,998,513	11,938,426
2	Motor Vehicles	70,696,463	-	37,972,494	32,723,969	-	37,183,405	9,670,436	42,394,405	4,649,965	32,782,446	24,420,597	17,973,808	18,143,385
3	Motor Vehicles on HP	-	37,183,405	-	37,183,405	-	-	-	37,183,405	3,687,152	-	3,687,152	33,496,253	-
4	Office Decoration	22,631,131	2,698,379	9,500	25,320,010	10,391,931	721,495	9,670,436	25,320,010	3,115,890	1,734	12,612,584	12,707,426	13,132,703
5	Computer	5,025,018	491,339	349,200	5,167,157	-	-	-	5,167,157	565,507	333,255	3,655,904	1,511,787	1,601,900
6	Air Conditioner	9,665,318	532,415	48,000	10,149,733	-	-	-	10,149,733	1,023,894	42,798	5,905,904	4,243,829	4,740,510
7	Office Equipment	22,361,148	3,203,346	-	25,564,494	-	-	-	25,564,494	2,132,658	-	12,531,212	13,033,282	11,962,594
8	Crockeries	150,323	-	-	150,323	-	-	-	150,323	2,237	-	143,613	6,710	8,947
9	Land	162,045,034	-	-	162,045,034	-	-	-	162,045,034	0%	-	-	162,045,034	162,045,034
10	Office Space	18,562,434	-	-	18,562,434	-	-	-	18,562,434	10%	1,670,619	3,526,862	15,035,572	16,706,191
	<b>Total-2022</b>	<b>327,629,344</b>	<b>44,386,614</b>	<b>38,401,994</b>	<b>333,613,964</b>	<b>10,391,931</b>	<b>721,495</b>	<b>9,670,436</b>	<b>343,284,400</b>	<b>18,057,441</b>	<b>33,174,909</b>	<b>72,232,186</b>	<b>271,052,214</b>	<b>240,279,690</b>
	<b>Total-2021</b>	<b>317,830,731</b>	<b>9,992,913</b>	<b>194,300</b>	<b>327,629,344</b>				<b>327,629,344</b>	<b>14,239,334</b>	<b>156,138</b>	<b>87,349,654</b>	<b>240,279,690</b>	

## Schedule of Intangible Assets

As at 31 December, 2022

SL No.	Particulars	Cost			Rate of Dep. (%)	Amortization			Written Down Value as on 31.12.2021		
		Opening Balance	Addition during the year	Adjustment During The Year		Opening Balance	Addition during the year	Adjustment During The Year		Written Down Value as on 31.12.2022	
1	Software	910,000	84,000	-	994,000	2.0%	789,137	40,835	829,972	164,028	120,863
	<b>Total-2021</b>	<b>910,000</b>	<b>-</b>	<b>-</b>	<b>910,000</b>		<b>758,921</b>	<b>30,216</b>	<b>789,137</b>	<b>120,863.00</b>	

## Schedule of Right-of-use asset

As at 31 December 2022

SL No.	Particulars	Cost			Opening Balance	Charged during the year	Adjustment during the year	Written Down Value as on 31.12.2021
		Opening Balance	Addition during the year	Adjustment During The Year				
1.	Right-of-use asset	30,520,921	9,851,954	11,944,004	28,428,871	8,922,548	7,376,231	16,655,988
	<b>Total-2021</b>	<b>28,051,946</b>	<b>19,296,153</b>	<b>30,520,921</b>	<b>10,226,566</b>	<b>12,276,029</b>	<b>20,294,355</b>	<b>20,294,355.00</b>

## Meghna Insurance Company Limited

Schedule of Bank Balance

As at 31 December 2022

### Annexure - B Amount in Taka

#### List of Short Notice Deposit

SL	Bank Name	Branch Name	Account Number	2022	2021
01	BASIC Bank Ltd	Main Branch	# 216-01-0000443	24,789,696	1,451,644
02	BASIC Bank Ltd	Main Branch	# 0216-01-0001531	12,353,445	55,372,535
03	NCC Bank Ltd	NCC Bhaban Branch	# 0103-032-5000535	17,844,955	43,316,992
04	Social Islami Bank Ltd	Corporate office Branch	# 127-136-0000-258	13,897,794	60,529,706
05	IFIC Bank Ltd	Gulshan Branch	# 0180048947041	2,822,922	2,785,969
06	AB Bank Ltd	Kakrail Branch	# 4009-780993-430	69,187	-
07	Prime Bank	Foreign Exchange Br	#2126318011379	12,048,274	5,000
<b>Total</b>				<b>83,826,273</b>	<b>163,461,846</b>

#### List of Current Deposit

SL	Bank Name	Branch Name	Account Number	2022	2021
01	BASIC Bank Ltd	Main Branch	0210-01-0012310	-	1,524
02	BASIC Bank Ltd	Main Branch	0210-01-0012297	245,795	50,555,077
03	BASIC Bank Ltd	Bogura Br	1210-01-0005302	1,061	2,128
04	BASIC Bank Ltd	Feni Br	721-01-0000-260	1,982	3,283
05	BASIC Bank Ltd	Jashore Br	1810-01-0015030	(411)	850
06	BASIC Bank Ltd	Jubilee Rd	1310-01-0003385	173,024	(481)
07	BASIC Bank Ltd	Kawran Bazar Br	3110-01-0007734	-	2,433
08	BASIC Bank Ltd	Main Branch	0210-01-0012304	671	1,855
09	BASIC Bank Ltd	Tan Bazar Br	1410-01-0003790	2,119	3,769
10	BASIC Bank Ltd	Main Branch	0210-01-0012281	290	1,480
11	NCC Bank Ltd	NCC Bhaban Branch	01030210004481	204,668	4,975
12	NCC Bank Ltd	Agrabad	0003-0210031336	942	473
13	NCC Bank Ltd	Banani Br	0050-0210009604	2,747	2,747
14	NCC Bank Ltd	Nawabpur Br	0047-0210039765	2,750	2,243
15	NCC Bank Ltd	Kadamtoli Br	00190210021492	4,106	5,233
16	NCC Bank Ltd	Dilkusha Br	0028-0210021339	1,415	1,211
17	NCC Bank Ltd	Elephant Rd	00430210014188	1,374	2,762
18	NCC Bank Ltd	Faridpur br	0115-02-10001408	994	1,971
19	NCC Bank Ltd	Darus-Salam Br	01020210007881	5,033	6,542
20	NCC Bank Ltd	Bhaban Br	0103-0210004276	3,938	444
21	NCC Bank Ltd	Dilkusha Br	0028-0210021348	1,553	1,652
22	NCC Bank Ltd	Maghbazar Br	00110210031354	2,212	592
23	NCC Bank Ltd	Motijheel Main Br	00020210033657	897	2,278
24	NCC Bank Ltd	Mymensingh Br	00720210010990	892	1,979
25	NCC Bank Ltd	Bangshal Br	00220210022816	1,055	1,640
26	NCC Bank Ltd	Motijheel Br	0002-0210033675	768	5,505
27	NCC Bank Ltd	Foreign Exchange	0031-021-0024528	6,862	1,766
28	NCC Bank Ltd	Toynbee Br	0031-0210024537	1,307	(601)
29	NCC Bank Ltd	Foreign Exchange	0031-021-0024500	266	4,876
30	Social Islami Bank Ltd	Bagerhat	0881330006135	889	2,419

SL	Bank Name	Branch Name	Account Number	2022	2021
31	Social Islami Bank Ltd	Barishal Br	0731330005521	(151)	4,133
32	Social Islami Bank Ltd	Corporate Br	1271330003495	104,258	14,024
33	Social Islami Bank Ltd	Dewanhat br	0801330005809	492	998
34	Social Islami Bank Ltd	Joydebpur Chowrasta Br	1231330002433	2,261	114
35	Social Islami Bank Ltd	Moulvi Bazar Br	0101330015059	(8,747)	(1,865)
36	Social Islami Bank Ltd	Foreign Exchange	0181330018232	1,523	1,401
37	Social Islami Bank Ltd	Khatungong Br	0141330020735	2,298	4,409
38	Social Islami Bank Ltd	khulna br	0051330019159	(2,090)	2,290
39	Social Islami Bank Ltd	Kakrail Br	1031330002431	2,887	54
40	Social Islami Bank Ltd	Mohakhali Br	0701330007081	1,765	1,835
41	Social Islami Bank Ltd	Bangshal Br	0711330010794	892	678
42	Social Islami Bank Ltd	Gausia Br	0981330005877	1,028	868
43	Social Islami Bank Ltd	Foreign Exchange	0181330018287	(563)	55
44	Social Islami Bank Ltd	Rangpur Br	0681330006739	175	1,505
45	Social Islami Bank Ltd	Savar Br	0301330014692	2,075	1,605
46	Social Islami Bank Ltd	Tongi Br	0741330007355	1,850	381
47	Agrani Bank Ltd	Manikgonj Br	0200009018675	9,371	4,918
48	Islami Bank BD Ltd	Matuail Br	20507770101040600	2,068	2,068
49	Islami Bank BD Ltd	Kurigram Br	1950100262214	1,217	367
50	Mutual Trust Bank	Principal Branch	# 00020210034147	129,483	146,418
51	Premier Bank	Motijheel Branch	# 111-17656	516,557	3,192,694
52	Sonali Bank Ltd	NCTB Branch	# 1601402000657	451,664	130,706
53	Social Islami Bank Ltd	Pabna Br.	#0751330008627	2,809	
54	Social Islami Bank Ltd	Principal Branch	#0021330458064	760	
<b>Total</b>				<b>1,893,081</b>	<b>54,132,281</b>

## Directors' Certificate

As per Regulations contained in the first Schedule of the Insurance Act 2010 (previously 1938) as per Section 40-C of the said Act, 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 31st December, 2022 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 or Loss and other comprehensive Income.



**Company Secretary**



**Chief Financial Officer**



**Chief Executive Officer**



**Director**



**Director**



**Chairman**



**Meghna Insurance Company Limited**

Pritom Zaman Tower (4th floor), 37/2 Purana Palton, Dhaka-1000  
 Phone: +88-02-41050894-8, Hotline: +88-01788687399, Fax: +88-02-41050902  
 E-mail: info@micl.com.bd, Website: www.micl.com.bd

## Proxy Form

I/We.....  
 of.....  
 being a member of Bangladesh National Insurance Limited do hereby appoint Mr. / Mrs. / Miss.....  
 of..... as my our  
 proxy, to vote For me / us and on my / our behalf at the 27th Annual General Meeting of Meghna Insurance Company  
 Limited will be held on 25 June 2023 at 11:30 am Meeting will be held virtually by using Digital Platform (As per BSEC  
 order no. SEC/SRMIC/94-231/935 dated 11 June 2020) through the link <https://meghnainurance.agm.watch>

Signature of Proxy .....

Signature of Shareholder .....

Date: .....

Date: .....

BO ID No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

**Revenue  
Stamp  
TK. 100/-**

**Notes :**

- 1. This Proxy Form, duly completed, signed and affixed with revenue stamp of TK. 100/- must be deposited at least 48 Hours before the meeting of the company’s Head Office. Proxy will be invalid if not signed and Stamp as explained above.
- 2. Signature of the Shareholder should match with the Specimen Signature Registered with the Company;
- 3. As the AGM will be held through Digital Platform the attendance of the shareholders will be taken automatically during login by following the above meeting link.



**Meghna Insurance Company Limited**  
Pritom Zaman Tower (4th floor), 37/2 Purana Palton, Dhaka-1000  
Phone: +88-02-41050894-8, Hotline: +88-01788687399, Fax: +88-02-41050902  
E-mail: info@micl.com.bd, Website: www.micl.com.bd

# Notes

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**MEGHNA  
INSURANCE**  
COMPANY LIMITED

Corporate Office:  
Pritom Zaman Tower 4th Floor 37/2  
Purana Palton, Dhaka Paltan, 1000

[www.meghnainsurance.com](http://www.meghnainsurance.com)