

PROSPECTUS



**MEGHNA
INSURANCE**

COMPANY LIMITED

www.micl.com.bd

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন”

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

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। বিশেষজ্ঞদের পরামর্শে এবং ঝুঁকির বিনয়তমী পরিকল্পনা সাধে অধ্যয়ন করে নিজ নিজ আর্থিক অবস্থা ও ঝুঁকিগ্রহণ করার সক্ষমতা বিবেচনা করে বিনিয়োগ সিদ্ধান্ত গ্রহণ করবেন।”

INITIAL PUBLIC OFFERING (IPO) OF 16,000,000 ORDINARY SHARES OF TK. 10.00 (TEN) EACH AT PAR TOTALING TK. 160,000,000

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Closing date of subscription: 18 May, 2022

PROSPECTUS

Name of Issuer:



Meghna Insurance Company Limited

Name of Issue Managers:



**Asian Tiger Capital Partners Investments
Limited**



Prime Bank Investment Ltd.
Prime Bank Investment Ltd.
(A subsidiary of Prime Bank Ltd.)



PROSPECTUS - I

পূঁজিবাজারে বিনিয়োগ তুলি পূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(A) Preliminary Information and Declarations:

(i) Name(s), address(s), telephone number(s), web address(s), e-mail(s), fax number(s) and contact persons of the issuer, issue manager(s), underwriter(s), auditor(s), credit rating company and valuer, where applicable.

Issuer	Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person
Meghna Insurance Company Limited			
Head Office: Pritham Zaman Tower (4th Floor), 37/2, Purana Pallan, Dhaka-1000		Tel: +88-02-41050894-8 Fax: +88-02-41050902 Email: cs@mici.com.bd Web: www.mici.com.bd	Mr. Mohammed Hafizur Rahman, FCA, FCS Chief Financial Officer
Registered office: Pritham Zaman Tower (4th Floor), 37/2, Purana Pallan, Dhaka-1000			
Issue Manager(s)	Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person
1. Asian Tiger Capital Partners Investments Limited Kazi Heritage (3rd floor), Road # 11, House # 49, Block # H, Banani, Dhaka-1213		Tel: +88-02-222298439 Fax: +88-02-222298439 E-mail: shahed.royhan@at-capital.com Web: www.at-investments.com	Khandakar Shahed Royhan Vice President Capital Markets and Corporate Advisory
2. Prime Bank Investment Limited Tajwar Center (5th Floor), House: 34, Block-E, Road No: 19/A, Banani, Dhaka-1213		Tel: (88) 02 48810315 Fax: (88) 02 48810314 E-mail: info@pbil.com.bd Web: www.pbil.com.bd	Khandaker Raihan Ali, FCA Managing Director and CEO (cc)
3. UCB Investment Limited Plot-CWS(A) -I, Road No.-34, Gulshan Avenue, Gulshan, Dhaka-1212		Tel: +88-02-55668070 Fax: +88-02-55668070 E-mail: tanzim.alamgir@ucb.com.bd Web: ucb-investment.com	Tanzim Alamgir Managing Director and CEO

পুঁজিবাজারে বিনিয়োগ সুকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Underwriters	Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person
Asian Tiger Capital Partners Investments Limited Kazi Heritage (3rd floor), Road # 11, House # 49, Block # H, Banani, Dhaka-1213.	Prime Bank Investment Limited Tajwar Center (5th Floor), House: 34, Block-E, Road No: 19/A, Banani, Dhaka-1213	Tel: +88-02-222298439 Fax: +88-02-222298439 E-mail: shahed.royhan@at-capital.com Web: www.at-investments.com	Khandaker Shahed Royhan Vice President Capital Markets and Corporate Advisory
		Tel: (88) 02 48810315 Fax: (88) 02 48810314 E-mail: info@pbil.com.bd Web: www.pbil.com.bd	Khandaker Raihan Ali, Fco Managing Director and CEO (cc)
AFC Capital Limited Saham Sky View Tower (11th Floor), 45 Bijoy Nagar, Dhaka-1000.		Tel: +88-02-8392371 Fax: +88-02-8392372 Email: abparvez_afco@yahoo.com Web: www.afco.asia	Md. Abul Bashar Parvez Deputy Manager
EBL Investments Limited Bangladesh Shipping Corporation (BSC) Tower (4th Floor), 2-3 Rajuk Avenue, Motilheer C/A, Dhaka-1000, Bangladesh		Tel: +88-02-47111096 Fax: +88-02-47111218 E-mail: sayed@ebinvestments.com Web: www.ebinvestments.com	Mohammad Sayedur Rahman Assistant Vice President
UCB Investment Limited Plot-CWS(A) -1, Road No.-34, Gulshan Avenue, Gulshan, Dhaka-1212		Tel: +88-02-55668070 Fax: +88-02-55668070 E-mail: tanzim.alamgir@ucb.com.bd Web: ucb-investment.com	Tanzim Alamgir Managing Director and CEO UCB Investment Limited

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BMSL Investment Limited Shareef Mansion (4th Floor) 56-57 Motijheel C/A, Dhaka-1000	Tel: +88-02-9577651, +88-02-9570624 Fax: +88-02-471127218 E-mail: tsi@dhaka.net Web: www.bmslinvestment.com	Md. Riyad Matin Managing Director
Sandhani Life Finance Limited 16 Motijheel Commercial Area (2nd Floor), Dhaka - 1000	Tel: +88-02-47118505, +88-02-9515249 Fax: +88-02-9554847 E-mail: info@slfbd.com Web: www.slfbd.com	Muhammad Nazrul Islam FCMA Managing Director & CEO
Auditor	Telephone & Fax Number, E-mail, Web Address	Contact Person
MABS & J PARTNERS Chartered Accountants SMC Tower (Level - 7), 33 Kemal Ataturk Avenue, Road #17, Banani C/A, Dhaka 1213	Tel: +880-2-9821057-8; Fax: +880-2-9332936 E-mail: info@mabsl.com Web: www.mabsl.com	Mr J C Biswas, FCA Partner
Credit Rating	Name & Address	Name & Address
Alpha Credit Rating Limited Shadharan Bima Bhavan-2, 139 Motijheel C/A, Dhaka-1000	Tel: +88-02-9573026-28 Fax: N/A E-Mail: jahannur@alpharating.com.bd Web: www.alpharating.com.bd	Analyst Jahannoor khan

(ii) A declaration that a person interested to get a prospectus may obtain from the issuer, and the issue manager(s):

A person interested to get a prospectus may obtain from the issuer and the issue manager(s).

পুঁজিবাজারে বিনিয়োগ কুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(iii) "If you have any query about this document, you may consult the issuer, issue manager and underwriter"

(iv) **"CONSENT OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE OR OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2015. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER, MANAGING DIRECTOR, CHIEF FINANCIAL OFFICER, COMPANY SECRETARY, ISSUE MANAGER, ISSUE MANAGER'S CHIEF EXECUTIVE OFFICER, UNDERWRITERS, AUDITOR(S), VALUER AND/OR CREDIT RATING COMPANY (IF ANY)."**

(v) *'Risks in relation to the First Issue'*

"This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the securities is Tk. 10.00 (ten) and the issue price is Tk. 10.00, i.e. the face value. The issue price has been determined and justified by the issuer and the issue manager as stated under the paragraph on "Justification of Issue Price" should not be taken to be indicative of the market price of the securities after listing. No assurance can be given regarding an active or sustained trading of the securities or the price after listing."

(vi) *'General Risk'*

"Investment in securities involves a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offer. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended by the Bangladesh Securities and Exchange Commission (BSEC) nor does BSEC guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'risk factors' given on page number(s) 232-245"

(vii) *Meghna Insurance Company Limited's Absolute Responsibility*

"The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this prospectus contains all material information with regard to the issuer and the issue, that the information contained in the prospectus are true, fair and correct in all material aspects and are not misleading in any respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect."

পুঁজিবাজারে বিনিয়োগ বৃদ্ধি। জেনে ও বুঝে বিনিয়োগ করুন

(B) AVAILABILITY OF PROSPECTUS

- (i) Names, addresses, telephone numbers, fax numbers, website addresses and e-mail addresses and names of contact persons of the institutions where the prospectus and abridged version of prospectus are available in hard and soft form;

The Prospectus and abridged version prospectus in hard and soft forms of the Company shall be obtained from the following addresses;

Issuer	Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person
Meghna Insurance Company Limited Pritham Zaman Tower (4th Floor), 37/2, Furana Pallan, Dhaka-1000		Tel: +88-02-41050894-8 Fax: +88-02-41050902 Email: csmil@cmil.com.bd Web: www.milc.com.bd	Mr. Mohammed Hafizur Rahman, FCA, FCS Chief Financial Officer
Issue Managers	Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person
1. Asian Tiger Capital Partners Investments Limited Kazi Heritage (3rd floor), Road # 11, House # 49, Block # H, Banani, Dhaka-1213		Tel: +88-02-222298439 Fax: +88-02-222298439 E-mail: shahed.royhan@at-capital.com Web: www.at-investments.com	Khandaker Shahed Royhan Vice President Capital Markets and Corporate Advisory
2. Prime Bank Investment Limited Tajwar Center (5th Floor), House: 34, Block-E, Road No. 19/A, Banani, Dhaka-1213		Tel: (88) 02 48810315 Fax: (88) 02 48810314 E-mail: info@pbil.com.bd Web: www.pbil.com.bd	Khandaker Raihan Ali FCA Managing Director & CEO (CC)
3. UCB Investment Limited Plot-CWS(A)-1, Road No.-34, Gulshan Avenue, Gulshan, Dhaka-1212		Tel: +88-02-55668070 Fax: +88-02-55668070 E-mail: tanzim.alamgir@ucb.com.bd Web: ucb-investment.com	Tanzim Alamgir Managing Director and CEO UCB Investment Limited

পুঞ্জিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। ক্ষেত্রে ও বুঝে বিনিয়োগ করুন

Stock Exchanges		Telephone & Fax Number, E-mail, Web Address	Contact Person
Dhaka Stock Exchange Limited DSE Library, 9/F Motijheel C/A, Dhaka-1000		Tel: +88-02-9564501, 9576210-18 Fax: +88-02-9564727, +88-02-9569753 E-mail: regsearch@dsebd.org	Atalur Rahman Manager
Chittagong Stock Exchange Limited CSE Library, CSE Building, 1080, Sheikh Mujib Road Agrabad, Chittagong-4100.		Tel: 031-714632-3 Fax: 031-714101 E-mail: habib.ullah@cse.com.bd Web: www.cse.com.bd	Mohammad Habib Ullah Deputy Manager

Prospectus would also be available on the web sites of BSEC (www.sec.gov.bd) and at the Public Reference Room of the Bangladesh Securities and Exchange Commission (BSEC) for reading and studying.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

- (ii) Names and dates of the newspapers where abridged version of prospectus was published.

Names and dates of the newspapers where abridged version of prospectus was published:

SL NO.	NAME OF THE NEWSPAPER	DATE OF PUBUCATION
1	DHAKA TRIBUNE	07 April, 2022
2	THE FINANCIAL EXPRESS	
3	BONIK BARTA	
4	BANUJO PROTIDIN	

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(iii) Definitions and Acronyms or Elaborations

Acronyms or Elaborations:

A	
AGM	Annual General Meeting
Allotment	Unless the context otherwise requires, the allotment of ordinary shares pursuant to the issue to allottees
Allottees	Persons to whom ordinary shares of Meghna Insurance Company Ltd will be allotted
AOA / Articles / Articles of Association	Articles of Association of Meghna Insurance Company Limited
ATCPIL	Asian Tiger Capital Partners Investments Limited
Auditor	MABS & J PARTNERS Chartered Accountants
B	
"Board" or "Board of Directors" or "our Board" "our Board"	The Board of Directors of Meghna Insurance Company Limited, as duly constituted from time to time including any committees thereof
BB	Bangladesh Bank
BDT/Tk. /Taka	Bangladeshi Taka
BO	Beneficiary Owner
BSEC	Bangladesh Securities and Exchange Commission
BIDA	Bangladesh Investment Development Authority
C	
CDSL	Central Depository Bangladesh Limited
CFO	Chief Financial Officer
CIB	Credit Information Bureau
CS	Company Secretary
CSE	Chittagong Stock Exchange Limited
Companies Act	The Companies Act, 1994
D	
Depositories Act	The Depositories Act, 1999, as amended from time to time
Director(s)	Director(s) of Meghna Insurance Company Limited, unless otherwise specified
DSE	Dhaka Stock Exchange Limited
E	
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization
EI	Eligible Investor
E-Mail	Electronic Mail
Exchanges	Stock Exchanges
EPS	Earnings Per Share
F	
FC Account	Foreign Currency Account
FCA	Fellow Chartered Accountants
FDR	Fixed Deposit Receipt
Financial Year/ Fiscal/ FY	12 months ended on 31 December 2020, 2019, 2018, 2017, and 2016
G	
GBP	Great Britain Pound
GoB	Government of Bangladesh
GP	General Public
I	

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IAS	International Accounting Standards
IDRA	Insurance Development Regulatory Authority
IFRS	International Financial Reporting Standards
IPO	Initial Public Offer
Issue	Public Issue of Shares
Issuer	Meghna Insurance Company Ltd.
Issue Managers	Asian Tiger Capital Partners Investments Limited Prime Bank Investment Limited UCB Investment Ltd.
J	
JBC	Jibon Bima Corporation
M	
M.A	Master of Arts
MBA	Master of Business Administration
MBS	Masters of Business Studies
M. Com	Master of Commerce
"Memorandum" or "Memorandum of Association" or "MoA"	The Memorandum of Association of Meghna Insurance Company Ltd.
MICL	Meghna Insurance Company Limited
MS-Word	Microsoft word
N	
NAV	Net Asset Value
NBF	Non-Banking Financial Institution
NBR	National Board of Revenue
NOCFPS	Net Operating Cash Flow Per Share
NPAT	Net Profit after Tax
NRB	Non-resident Bangladeshi
O	
Offer Price	Price of the Securities of Meghna Insurance Company Ltd.
"Our Company"	Meghna Insurance Company Ltd, a Public Limited Company under the Companies Act 1994 and also is governed by the Insurance Act-2010
P	
PE	Price to Earnings
PBIL	Prime Bank Investment Limited
R	
RJSC	Registrar of Joint Stock Companies and Firms
S	
SBC	Sadharan Bima Corporation
Securities	Share of Meghna Insurance Company Ltd
Securities Market	The Share Market of Bangladesh
Sponsors	The sponsor shareholders of Meghna Insurance Company Ltd
Stock Exchange(s)	Unless the context requires otherwise, refers to, the Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE) where Ordinary shares of the Company will be listed.
Subscription	Application Money
T	
The Company/Issuer	Meghna Insurance Company Ltd, a Public Limited Company under the Companies Act 1994 and is governed by the Insurance Act-2010
U	
USD	United States Dollar

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

UCBIL	UCB Investment Limited
UK Pound	United Kingdom Pound
V	
VAT	Value Added Tax

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CHAPTER (I)

EXECUTIVE SUMMARY

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(a) About the Industry:

Bangladesh is the most underinsured country in the non-life insurance category, despite standing to lose as much as 0.8% of its GDP to natural disasters a year. The country's insurance gap, indicating assets at risk which are not covered by insurance, stands at \$5.5 billion, or 2.1% of GDP.

In 2018, the insurance premium earnings, which refers to the recurring fee paid by the policyholder for the insurance contract, rose by 11% to a value of \$1.47 billion. There are 77 insurance companies in total – 32 life and 45 non-life insurance providers. The main categories of insurance are health, including life insurance, property, and financial.¹

Life insurance constitutes 73.5% of Bangladesh's insurance market and non-life insurance, 26.5%. Micro-insurance and Islamic insurance (takaful) are also a part of Bangladesh's insurance sector. In 2017, 2.20 million new life and 2.36 million and new non-life insurance policies were issued. Further, the number of active life insurance policies was 10.78 million in 2017.

Compared to its South Asian counterparts, Bangladesh has the lowest premium per capita. In emerging markets, the average per capita spending on insurance increased by 13% to USD 166 in 2017. The average insurance penetration in emerging markets increased to 3.3% in 2017 (2016: 3.2%), as premium growth continued to outpace GDP growth within these economies. Egypt, like Bangladesh, is one of the countries featured on Goldman Sachs' Next Eleven (N-11), and has been implementing regulatory reforms.²

Investments in both life and non-life insurance companies have grown at an average rate of 14.95% during 2009-2017, with returns increasing from 8% to 11.5% during the same period. The life insurance sector has a competitive landscape, with market share being closely distributed among multiple players.

Although Bangladesh's insurance sector has witnessed some growth, in comparison with other emerging nations, there is a lot of room for improvement. According to the 8th Five Year Plan (2020-2025) of the Government of Bangladesh (GoB), a majority of the population across product segments (life and non-life) remains untapped by the insurance market.

The strategies for the insurance sector during the 8th Five Year plan will be as follows:

a) All the insurers will open actuarial department in their companies and to give financial assistance to the actuarial students. IDRA and Bangladesh Insurance Association will create a fund to provide financial assistance to meritorious students of actuarial science.

b) IDRA will develop a framework to store all the policy related data in a digital policy repository called Unified Messaging Platform. It will not only digitalize the information but also help IDRA to analyze insurance related data. It will also develop a communication system between the policyholders and IDRA by sending SMS and e-mail. Through this platform, e-KYC, payment gateway, e-receipt service will be provided in phases. Thus it will help to reduce money laundering and fraudulent activity

¹ The Untapped Potential of the Insurance Industry, LightCastle Partners.

² Source: Potential for growth: Transforming Bangladesh's insurance sector -PricewaterhouseCoopers

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by fake insurance agents, it will also help to control illegal commission business of insurance companies.

c) Government will introduce public health insurance to ensure health care for all the citizens. With the proceeds from the health insurance premium, the government will be able to develop hospitals in the public-private sector to provide quality health care service to the general public.

d) Both the Government and the employer will take measures to introduce the insurance for workers to cover accidental injuries and deaths at workplace.

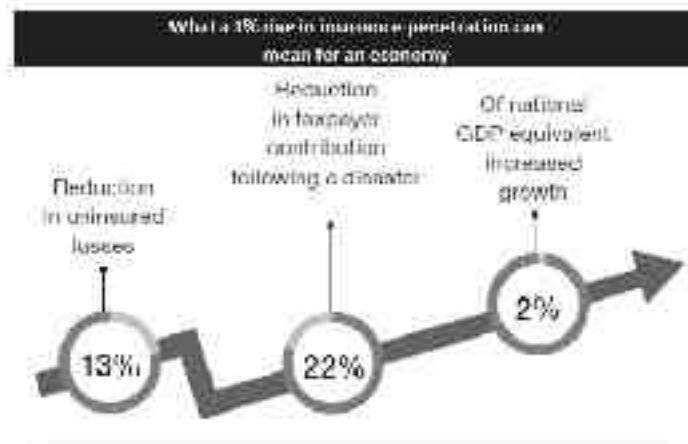
e) Public and private high rise buildings which are being commercially used or rented need to be brought under mandatory insurance coverage.

f) Measures will be taken to strengthen capacity of IDRA and other insurance related institutions.³

Added benefits of a strong insurance sector

An increase in the penetration rate can create widespread benefits for the economy. It is estimated that a 1% increase in Bangladesh's insurance penetration rate can reduce uninsured losses and markedly contribute to its GDP growth.

Fundamental macroeconomic indicators such as GDP growth, unemployment and foreign direct investment (FDI) could be strengthened by a robust insurance sector, which can promote growth by providing guaranteed access to liquidity via insurance coverage. The capital market can greatly benefit if increased savings are channeled into various financial savings instruments, including insurance. A flourishing capital market, in turn, could contribute significantly to Bangladesh's growth. A resilient insurance sector can help to curb unemployment as well. If adequate training and education are available, young graduates will be able to find various career opportunities in the insurance sector.



Source: *Potential for growth: Transforming Bangladesh's insurance sector* -PricewaterhouseCoopers

³ 8th Five Year Plan (2020-2025), Page 77

(b) About the Issuer:

Meghna Insurance Company Ltd. is a non-life Insurance Company was incorporated in Bangladesh with the Registrar of Joint Stock Companies and Firms on 18th March 1996 vide certificate no.C-30434(1650)/96 as a Public Limited Company under the Companies

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Act, 1994. The Chief Controller of Insurance, Government of the People's Republic of Bangladesh issued the registration certificate no. CR-3/96- with effect from 23rd March 1996 for carrying business under the Insurance Act 1938.

Date of incorporation as Public Limited Company	18 th March, 1996
Date of commencement of business	24 th March, 1996
Received registration certificate by	The Chief Controller of Insurance
Change of face value of share from Tk. 100/- to Tk. 10/-	The face value of shares was denominated from Tk. 100 per share to Tk. 10 per share vide special resolution was passed on 02 September, 2012 in the extra ordinary general meeting by the shareholders of the Company and the subsequently which was passed in RJS C on 25 March, 2013.
Authorized capital as on 31 March 2021	Tk. 1,000,000,000
Paid up capital as on 31 March 2021	Tk. 240,000,000
Nature of business	The Principal activities of the Company are to carry on all kinds of insurance, guarantee and indemnity business other than life insurance business.
Total employee as on 31 March 2021	600 nos.

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(c) Financial Information:

Major consolidated financial information of MICL is as follows:

Figures in BDT

Sl. No.	Particulars	31-Mar-21	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16
1	Total revenue	219,130,267	619,402,772	581,041,069	461,909,172	412,338,034	471,476,025
2	Gross profit	54,970,528	26,912,912	33,345,755	28,749,844	33,438,374	33,060,233
3	Net profit before tax	44,001,427	11,914,630	18,733,817	17,108,682	16,039,361	15,005,497
4	Net profit after tax	26,661,985	7,577,012	17,926,248	16,383,521	15,769,398	10,978,981
5	Total assets	1,097,384,820	934,561,261	799,608,119	697,984,889	678,672,117	669,320,778
6	Shareholder's equity	393,738,618	206,636,806	197,101,382	179,354,731	94,357,702	147,737,556
7	No. of shares	24,000,000	7,935,000	6,900,000	6,900,000	6,900,000	6,900,000
8	Face value Per Share	10.00	10.00	10.00	10.00	10.00	10.00
9	NAV per share	16.41	26.04	28.57	25.99	23.68	21.42
10	EPS (Basic)	1.83	0.95	2.60	2.32	2.26	1.59

(d) Features of the issue and its objects:

Offer Price Per Share	Tk. 10.00
Number of Shares	16,000,000
Offer Size	Tk. 160,000,000
Purpose of Raising Fund	Please see details in the Chapter (XXII) as titled of "Use of proceeds" of this prospectus
Date of Implementation	Within 6 months from receiving IPO fund

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(e) Legal and other information:

S/L	Name of issues (Licenses, registration, NOC and permission)	License issuer/ Issuing Authority	Registration/Certificate/ License No./Permission letter No.	Issue Date	Date of renewal	Date of expiry
1	Certificate of Incorporation	Registrar of Joint Stock Companies and Firms	C-30434(1650)/96	18 th March, 1996	N/A	N/A
2	E-Trade License certificate	Dhaka South City Corporation	TRAD/DSCC/267114/20 19	25 th November, 2019	26/08/2021	30/06/2022
3	Certificate of registration	Controller of Insurance	CR-3/96	23 rd March 1996	1 st January, 2021	31 st December, 2022
4	NOC to issue rights share among sponsor shareholders	Insurance Development Regulatory Authority (IDRA)	ইউ.ডি.আর.আর/2130/2011- 859	23 October, 2011	N/A	N/A
5	NOC to raise capital through IPO	Insurance Development Regulatory Authority (IDRA)	ইউ.ডি.আর.আর/2612/2016- 152	17 January, 2017	N/A	N/A
6	TIN Certificate	Deputy Commissioner of Taxes, Tax Circle LTU(Tax), Tax Zone Large Taxpayers unit (Tax)	TIN 238243146855	14 July, 2014	N/A	N/A
7	VAT Certificate	Customs, Excise and VAT Commissionerate, Dhaka (South), Manikheel Division	BIN: 002052013-0202	26/09/2019	N/A	N/A

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(f) Promoters' background:

At the time of incorporation following persons were the subscribers to the memorandum:

Sl. No.	Name of Promoter
1	Mr. Abu Taleb Chowdhury
2	Mr. Ifteqer Alam
3	Mr. F. K. Patwary
4	Mrs. Rowshan Ara Begum
5	Mr. Emdadul Haq
6	Mr. Joglur Rahman Khan
7	Late Mr. Abdul Wahid
8	Mr. M. A. Hannan
9	Mr. Mohammad Shahjahan

Their background is stated below:

Mr. Abu Taleb Chowdhury

Mr. Abu Taleb Chowdhury, was the Sponsor Director of Meghna Insurance Company Limited. He was born in a renowned business family. Presently, he does not hold any share in the paid-up capital of the Company. He transferred his entire share on October, 2003 and left the company.

Mr. Ifteqer Alam

Mr. Ifteqer Alam, was the Sponsor Director of Meghna Insurance Company Limited. He was born in a renowned business family. Currently, he does not hold any share in the paid-up capital of the Company. He transferred his entire share on March, 2000 and left the company.

Mr. F.K. Patwary

Mr. F.K. Patwary, was the Sponsor Director of Meghna Insurance Company Limited. He was born in a renowned business family. Currently, he is no more in shareholding position in the paid-up capital of the Company. He transferred his entire share on May, 2018 and left the company.

Mrs. Rowshan Ara Begum

Mrs. Rowshan Ara, was the Sponsor Director of Meghna Insurance Company Limited. She was born in a renowned business family. Currently, she does not hold any share in the paid-up capital of the Company. She transferred her entire share on January, 1997 and left the company.

Mr. Emdadul Hoque

Mr. Emdadul Hoque, was the Sponsor Director of Meghna Insurance Company Limited. He was born in a renowned business family. At present, he does not hold any share in the paid-up capital of the Company. He transferred his entire share on December, 2009 and left the company.

Mr. Joglur Rahman Khan

Mr. Joglur Rahman Khan, was the Sponsor Director of Meghna Insurance Company Limited. He was also born in a renowned business family. At present, he does not hold any share in the paid-up capital of the Company. He transferred his entire share on October, 2012 and left the company.

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Late. Mr. Abdul Wahid

Late. Abdul Wahid, is the Sponsor share holder of Meghna Insurance Company Limited. He was also born in a renowned business family.

Mr. M.A. Hannan

Mr. M.A. Hannan, is the Sponsor share holder of Meghna Insurance Company Limited. He was also born in a renowned business family. He transferred his partial holding to Matsy Enterprise and continuing as a Sponsor.

Mr. Mohammad Shahajan

Mr. Mohammad Shahajan, was the Sponsor Director of Meghna Insurance Company Limited. He was also born in a renowned business family. Currently, he does not hold any share in the paid-up capital of the Company. He transferred his entire share on January, 1997 and left the company.

(g) Capital structure and history of capital raising:

The Company intends to issue 16,000,000 ordinary shares of Tk. 10.00 each at par through initial public offering (IPO) totaling to Tk. 160,000,000.00 subject to regulatory approvals.

Particulars	No. of Shares	Face Value (Tk.)	Issue Price (Tk.)	Amount in Taka
Authorized Capital	100,000,000	10.00	10.00	1,000,000,000
Before IPO:				
Paid up capital	24,000,000	10.00	10.00	240,000,000
After IPO:				
To be issued through IPO	16,000,000	10.00	10.00	160,000,000
Paid up capital (Post IPO)	40,000,000	10.00	10.00	400,000,000

The Company has raised its paid-up capital in following phases:

Particulars of Allotment	Date of Allotment	Form of Consideration (No. of Shares)			Face Value of Share (Tk.)	Paid-up Capital
		In cash	Other than in cash	Bonus		
Subscriber to the Memorandum & Articles of Association at the time of incorporation	18/03/1996	20,000	-	-	100	2,000,000
1st	21/03/1996	580,000	-	-	100	58,000,000
2nd	15/09/2013	-	-	900,000	10	9,000,000
3rd	27/09/2020	-	-	1,035,000	10	10,350,000
4th	25/03/2021	16,065,000	-	-	10	160,650,000
Total					10	240,000,000

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(h) Summary of Valuation Report of securities:

Particulars	Amount (in Tk.)
Method 1: Net Asset Value (NAV) per share/Equity based valuation	16.41
Method 2: Historical Earnings based valuation	10.46
Method 3: Average market price of similar stock-based valuation	57.53

(i) Others:

- a) Declaration by the issuer as required by Rule 3 (2) of the Bangladesh Securities & Exchange Commission (Public Issue) Rules, 2015:

DECLARATION OF MATERIAL CHANGES

We, the Issuer, declare that we did not make any material changes including raising of paid-up capital after the date of audited financial statements as included in the prospectus.

Sd/-

Mohammad Abu Bakar Siddique
Chief Executive Officer

- b) Issue manager as required by Rule 3 (2) (d) of the Bangladesh Securities & Exchange Commission (Public Issue) Rules, 2015:

ISSUE MANAGERS DECLARATION IN CONNECTION WITH ISSUER

We, the Issue Manager, declare that we do not have any connection with the Issuer, nor any connected persons of us are connected with the Issuer. Moreover, we do not have any connection with the connected persons of the Issuer nor hold any securities thereof.

Sd/-

Muhammad Fuad Hussain
Managing Director & CEO
Asian Tiger Capital Partners
Investments Limited

Sd/-

Khandoker Raihan Ali, FCA
MD & CEO (CC)
Prime Bank Investment
Limited

Sd/-

Tanzim Alamgir
Managing Director and CEO
UCB Investment Limited

CHAPTER (II)

CONDITIONS IMPOSED BY THE COMMISSION

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

DISCLOSURES IN RESPECT OF ISSUANCE OF SECURITY IN DEMAT FORM:

As per provisions of the Depository Act, 1999 and regulations made there under, share of the Company will be issued in dematerialized form only and for this purpose Meghna Insurance Company Limited will sign an agreement with the Central Depository Bangladesh Limited (CDBL). Therefore, all transfers, transmissions, splitting or conversions will take place on the CDBL system and any further issuance of shares (including rights and bonus) will also be issued in dematerialized form only.

CONDITIONS UNDER 2CC OF THE SECURITIES AND EXCHANGE ORDINANCE, 1969:

PART-A

1. The Company shall go for Initial Public Offer (IPO) for 16,000,000 ordinary shares of Tk. 10.00 each at par from which 15% of securities will be reserved for the employees of the company and remaining 85% of securities will be reserved for Eligible Investors (EIs) and General Public (GP) including NRB totaling to Tk. 160,000,000/- (taka sixteen crore) approximately following the Securities and Exchange Ordinance, 1969, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the Depository Act, 1999 and rules made there under.
2. The abridged version of the prospectus, as approved and vetted by the Commission, shall be published by the issuer in 4 (Four) national daily newspapers (two in Bangla and two in English), within **05 (five) working days** from the date of issuance of this consent letter. The issuer shall post the full prospectus, vetted by Commission, in the issuer's website and shall also put on the websites of the Commission, stock exchanges, and the issue manager, within **2 (two) working days** of publication of abridged version of prospectus in the newspaper and shall remain posted till the closure of the subscription list. The issuer shall submit to the Commission, the stock exchanges and the issue manager a diskette containing the text of the vetted prospectus in "MS - Word" format.
3. The company shall submit **40 (Forty)** copies of the printed prospectus to the Commission for official record within **05 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspapers.
4. The issuer company and the issue manager shall ensure transmission of the prospectus and its abridged version for NRBs through email to the Bangladesh Embassies and Missions abroad within **05 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspapers. A compliance report shall be submitted in this respect to the Commission jointly by the issuer and the Issue Manager within **02 (Two) working days** from the date of publication of the abridged version of the prospectus in the newspapers.
5. The following declaration shall be made by the company in the prospectus, namely: -

"Declaration about Listing of Shares with the stock exchange (s):

None of the stock exchange(s), if for any reason, grants listing within **20 (twenty) working days** from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within **15 (Fifteen) days** from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said **20 (twenty) working days**, as the case may be.

In case of non-refund of the subscription money within the aforesaid **15 (Fifteen) days**, the Directors of the company, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer company, shall ensure due compliance of the above-mentioned conditions and shall submit compliance report thereon to the Commission

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within 7 (Seven) days of expiry of the aforesaid 15 (Fifteen) days' time period allowed for refund of the subscription money."

The stock exchanges shall complete the listing procedure and start of trading of securities within 20 (Twenty) working days from the closure of subscription.

6. Each General Applicant (General Public and Non-resident Bangladeshi applicants) who intends to submit application through the Electronic Subscription System (ESS) of the exchange(s) shall maintain a minimum investment of Tk.20,000/- (Taka twenty thousand only) in the listed securities (matured securities) at market price (the close price of both Exchanges whichever is higher) as on the end of a working day which is immediately preceded by 5 (five) working days from the first day of starting the subscription. **The application amount shall be Tk.10,000/- (Taka ten thousand only).** Exchanges shall send the list of BO Accounts who have applied in the IPO to the Central Depository Bangladesh Limited (CDBL). CDBL shall verify the list of BO Accounts provided by the Exchanges regarding investment of general applicants in listed securities.
7. The IPO shall stand cancelled in case of under-subscription collectively above 35%. In such an event, the issuer and issue manager shall inform the Commission **within 02 (two) working days** and release the subscription money within 07 (seven) working days after receiving verification report from CDBL and the information from exchanges regarding subscription.
8. In case of under-subscription under any of sub-categories of eligible investors' category or general public category, the unsubscribed portion shall be added to other sub-category of the same category. In case of over subscription in the general public category, the securities shall be allotted on pro-rata basis. any fraction shall be considered to the nearest integer and accumulated fractional securities shall be allotted on random basis.
9. **An applicant cannot submit more than two applications, one in his/ her own name and the other jointly with another person. In case, an applicant submits more than two applications, all applications shall be treated as invalid and shall not be considered for allotment purpose. In addition, 15% (fifteen) of the application money shall be forfeited and deposited to the Commission by the exchange(s) and the balance amount shall be refunded to the applicant.**
10. **The applicants who have applied for more than two applications using same bank account, their applications shall not be considered for allotment purpose. In addition, 15% of their subscription money shall be forfeited and deposited to the Commission by the exchange(s). The balance amount shall be refunded to the applicants.**
11. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of the application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or sale proceeds of forfeited shares (unit) shall be deposited to the Commission by the exchange(s). This is in addition to any other penalties as may be provided for by the law.
12. The company shall furnish the list of allottees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, within **24 (Twenty-Four) hours** of allotment.
13. Shares are not allotted at the time of according this consent, but allotted after listing, in favor of sponsors, directors or shareholders having 10% or more shares, other than alternative investment funds, through stock dividends, shall be subject to a lock-in period of 02(two) years from the date of issuance of the prospectus.
14. If any share of Sponsors/Directors/Promoters is in paper format, it shall be handed over to securities custodian registered with the Commission and shall remain held till completion of lock-in period and the name of the securities custodian shall be furnished to the Commission jointly by the issuer and issue manager, along with a confirmation thereof from the custodian, within one week of listing of the shares with the stock exchange(s).

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Otherwise, those shares (shares of Sponsors/ Directors/ Promoters) can be dematerialized and shall remain in lock-in under CDBL system and the issuer shall submit a dematerialization confirmation report generated by CDBL system and attested by Managing Director of the company along with the lock-in confirmation to the Commission within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/ Directors/Promoters, the issuer will ensure their lock-in of those shares and submit a statement to this effect to the Commission.

15. **The company shall not declare, approve or distribute any dividend/ bonus shares before listing with any Exchange from the date of this letter.**
16. The company shall not engage itself into any merger/amalgamation or acquisition activities without taking "No Objection" from the Commission, on the scheme of the said merger/amalgamation or acquisition, as recommended by the Board of Directors, before approval by the shareholders in General Meeting.
17. Each Eligible Investor (EI) who intends to submit application through the Electronic Subscription System (ESS) of the exchange(s) shall maintain a minimum investment of Tk. 5,000,000/- (Taka fifty lac) for approved pension funds, recognized provident funds and approved gratuity fund and other EIs of Tk.10,000,000/- (Taka one crore) in the listed securities (matured securities) at market price (the close price of both Exchanges whichever is higher) as on the end of a working day which is immediately preceded by 5 (five) working days from the first day of starting the bidding as per clause (e) of sub-rule (1) of rule 2 of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015. Exchanges shall send the list of BO Accounts who have applied in the IPO to the Central Depository Bangladesh Limited (CDBL). CDBL shall send a report to the Exchanges on the basis of the list of BO Accounts provided by the Exchanges regarding holding of EIs in listed securities and the Exchange shall ensure the compliance in this regard.
18. The company shall not increase its paid-up capital through issuance of bonus shares for next four (4) years from the first trading day at the exchange(s).
19. "The Company shall invest at least 20% of the capital raised through IPO in the listed securities complying with the provisions of "সিমা (সি-লিফ) ইমার্জেন্ট সলিড বিনিয়োগ ও সংরক্ষণ" প্রবিধানমালা, ২০২২"

PART-B

Application Process

Step-1 (Applicant):

1. An applicant for public issue of securities shall submit an application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e., the subscription closing date), which shall be the **25th (twenty fifth) working day** from the date of publication of an abridged version of the prospectus.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Total Amount and Category of the Applicant.
 - a) Eligible investors shall submit an application through the electronic subscription system of the exchange(s) and deposit the full amount intended to subscribe by the method as determined by exchange(s).
 - b) The General Public and Non-resident Bangladeshi (NRB) applicants shall submit the application in the electronic subscription system of the exchange(s) through the Stockbrokers/Merchant Bankers where the applicant maintains customer account.

Step-2 (Intermediary):

3. The registered Stock broker/Merchant Banker in the ESS shall:

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- a) Post the amount separately in the customer account equivalent to the application money;
- b) Accumulate all the applications/buy instructions received up to the cut-off date and transfer the amount to their respective Consolidated Customer Account;
4. The registered Stockbroker/Merchant Banker in the ESS shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and within **3 (three) working days** from the cut-off date, upload to the ESS, the lists of applicants in electronic (text format with tilde '~' separator) format, deposit the full amount received from the General Public and Non-Resident Bangladeshi (NRB) applicants by the method as determined by exchange(s).
5. The application/buy instructions shall be preserved by the Stock broker/Merchant Bankers up to **4 (six) months** from listing of the securities with the exchange.
6. The Exchanges shall prepare a consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification on the next working day. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not, verify more than two applications by an individual; verify more than two applications using same bank account and investment criteria.
7. **On the next working day**, CDBL shall provide the Exchanges with an updated database of the applicants containing BO Account Number, Name, Addresses, Parent s' Name and Joint Account information along with the verification report.
8. After receiving verification report and information from CDBL, the Exchanges shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications **within 5 (five) working days**.
9. **Within next working day**, the Exchanges shall provide the Commission, Issuer and Issue Manager with the soft copy of subscription result.

Step-3 (Issuer):

10. The Issuer and Issue manager shall post the final status of subscription on their **websites within 6 (six) hours** and on the websites of the Commission and Exchanges **within 12 (twelve) hours** of receiving information by the Commission and the Exchanges.
11. **Within 3 (three) working days** of receipt of the subscription result, the Issuer and Exchanges shall:
 - a) Process pro-rata allotment of securities to the General Public and Non-Resident Bangladeshi (NRB) applicants;
 - b) Prepare category wise lists of invalid applicants who are subject to penal provisions as per conditions of the consent letter issued by the Commission in electronic (text format with tilde '~' separator) format mentioning the penalty amount against each applicant;
 - c) Issuer shall issue allotment letters in the names of allottees in electronic format and
 - d) Issuer shall credit the allotted shares to the respective BO accounts on the basis of allotment data (BOID and number of securities) via their CDBL VeDAS Terminal.
12. **15% Private Offer to employees of the issuer:**

According to the compliance with the provisions of the Commission's Notification No. BSEC/CMRRCD/2009-193/27/Admin/127 dated 19 July 2021, application process of the 'employees & others' category of the Issuer in the initial public offering (IPO) through ESS

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of the Exchanges shall be conducted as follows:

- a. The issuer shall upload the list of the existing employees in the electronic subscription system of the exchange(s) in electronic (text format with tilde '~' separator) format containing Customer ID, Name (as per BO ID), BO ID, Total Quantity, Total Amount, Category of the Applicant, NID, Employee ID, Service Start Date and Designation.
- b. The existing employees of the issuer shall submit application in the electronic subscription system of the exchange(s) through the Stockbrokers/Merchant Bankers where the applicant maintains customer account.
- c. The registered Stockbroker/Merchant Banker in the ESS shall upload the lists of existing employees of the issuer in electronic (text format with tilde '~' separator) format.
- d. The Exchanges shall verify (name, BO ID, amount, duplicate, etc) the applications of existing employees and send the valid BOIDs in electronic (text) format to CDBL for verification. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.
- e. CDBL shall provide the Exchanges with an updated database of the applicants containing BO Account Number, Name, Addresses, Parent's Name and Joint Account information along with the verification report.
- f. The Existing employees of the issuer whose applications are valid and active will be allotted securities as per their applied quantities, **subject to a lock-in period of 2 (two) years from the first trading day at the exchanges.**

Step-4 (Intermediary):

13. **On the next working day**, Exchanges shall:
 - a) remit the number of allotted applicants to the issuer's respective Escrow Account opened for subscription purpose;
 - b) send the penalty amount who are subject to penal provisions to the issuer's respective Escrow Accounts along with a list; and
 - c) Distribute the information and allotment letters to the stock broker/Merchant Bankers concerned in electronic format with a request to refund the balance application money.
14. **On the next working day** of receiving the documents from the Exchanges, the Stockbrokers/Merchant Bankers shall refund the excess application money in the customer accounts and inform the applicants about allotment of securities.

Miscellaneous:

15. The issuer, Issue Manager(s), Stockbrokers, Merchant Bankers and the Exchanges shall ensure compliance of the above.
16. The issuer shall pay the costs related to process the Eligible Investors allotment if claimed by the Exchange concerned up to an amount of Tk. 2,00,000/- (Taka Two Lac) only and Tk. 8,00,000/- (Taka Eight Lac) only for processing the applications of General Public and Non-Resident Bangladeshi (NRB) applicants.
17. The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk. 5/- (Taka five) only per application irrespective of the amount or category for the service provided till withdrawal of the money. The service charge shall be paid by the applicant at the time of submitting an application.

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18. The Exchanges shall provide the issuer with a statement of the remittance.
19. The issuer shall send the penalty amount to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.
20. The concerned Exchanges are authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

PART-C

1. The issue manager(s) shall carefully examine and compare the published prospectus and its abridged version on the date of publication with the copies vetted by the Commission. If any discrepancy is found, both the issuer and the issue manager shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to the Commission and the Exchanges concerned. In this regard, the issue manager(s) shall submit a compliance report to the Commission within 5 working days from the date of such publications.
2. The fund collected through Initial Public Offer shall not be utilized prior to listing with the Exchange(s) and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.
3. The company shall furnish status report on utilization of Public Offering proceeds audited by foreign affiliated auditors and authenticated by the board of directors to the Commission and the Exchanges within 15 (Fifteen) days of the closing of each quarter until such fund is fully utilized, as mentioned in the schedule contained in the prospectus. The issuer shall simultaneously post the status report in its website and Exchanges shall also post the same in company information contained in websites of the Exchanges. In the event of any irregularity or inconsistency, the Commission may employ or engage any person to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.
4. While auditing the utilization of IPO proceeds, the auditors will perform their jobs under the following terms of reference (TOR) and confirm the same in their report/certificate:
 - (a) Whether IPO proceeds have been utilized for the purposes/heads as specified in the prospectus;
 - (b) Whether IPO proceeds have been utilized in line with the condition (if any) of the Commission's consent letter;
 - (c) Whether utilization of IPO proceeds have been completed within the time schedule/implementation schedule as specified in the published prospectus;
 - (d) Whether utilization of IPO proceeds is accurate and for the purpose of the company as mentioned/specified in the published prospectus; and
 - (e) The auditors should also confirm that: (i) assets have been procured/imported/constructed maintaining proper/required procedure as well as at reasonable price; and (ii) auditors' report has been made on verification of all necessary documents/papers/vouchers in support of IPO proceeds making reconciliation with Bank Statement.
5. All transactions, excluding petty cash expenses, shall be effective by crossed cheques or bank transfers.
6. Proceeds of the Initial Public offer shall not be transferred to any other bank account before listing with the Exchange(s). The proceeds shall not be used for any purpose other than those specified in the prospectus without any valid ground. Any deviation in this respect of purpose and time must have prior approval of at least 51% of the public shareholders, other than sponsors and directors, in a general meeting through a Board

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approved agenda thereon and due notification to the shareholders. Before the said general meeting, such deviation as recommended by the Board of Directors shall be published as price-sensitive information with detailed description and reasons for such deviation. If approved by the shareholders, the meeting resolution shall be submitted to the Commission along with reasonable explanations and the decision shall be published as price-sensitive information.

7. If any quarter of the financial year-end after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the said quarterly financial statements in accordance with the Commission's Notification BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018 and Rules 15 of the Securities and Exchange Rules, 2020.
8. In the event of arising issues concerning Price Sensitive Information as defined under the সিডিইবিআর-এর অধ্যাদেশ নং ১৯৯৫ (সিডিইবিআর-এর অধ্যাদেশ নং ১৯৯৫) বিধিমালা ১৯৯৫ after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the information as price sensitive in accordance with the Commission's Notification No. SEC/SRMI/200-953/1950 dated October 24, 2000.

PART-D

1. As per provision of the Depository Act, 1999 & Regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the depository system of Central Depository Bangladesh Limited (CDBL) and any further issuance of shares (including rights/bonus) will be made in dematerialized form only.
2. The issuer and the issue manager shall ensure due compliance of all the above conditions, the 'Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015' and the listing regulations of the Exchanges;

Provided that the Board of Directors of the issuer along with the Issue Manager(s) shall conduct a quarterly meeting with the Capital Issue Department of the Commission regarding compliance status of its business plan as mentioned in the Prospectus.

3. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company.

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CHAPTER (III)

DECLARATION AND DUE DILIGENCE CERTIFICATES

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Annexure-A

DECLARATION ABOUT THE RESPONSIBILITY OF THE DIRECTORS, INCLUDING THE CEO OF THE ISSUER IN RESPECT OF THE PROSPECTUS

[Rule 4 (1)(d)]

This prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative actions against any or all of us as it may deem fit.

We also confirm that full and fair disclosures have been made in this prospectus to enable the investors to make a well-informed decision for investment.

Sd/-
Musfiq Rahman
(Nominated by SW Holdings Ltd.)
Chairman

Sd/-
Alman Barik Choudhury
Vice Chairman

Sd/-
Manwar-Uz-Zaman
(Nominated by BARWAZ Investments LLC)
Director

Sd/-
Ms. Nahid Zaman
(Nominated by ZAMORED Investments LLC)
Director

Sd/-
Javed Kaiser Ally
Director

Sd/-
Md. Omar-Bin-Harun Khan
Independent Director

Sd/-
Ashim Chowdhury
Independent Director

Sd/-
Mohammad Abu Bakar Siddique
Chief Executive Officer

Date: 15 Feb, 2022
Dhaka

পূঁজিবাজারে বিনিয়োগ সুকির্পূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Annexure-B

DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER
(ASIAN TIGER CAPITAL PARTNERS INVESTMENTS LIMITED)
(Rule 4 (1) (d))

To

The Bangladesh Securities and Exchange Commission

Sub: Public Issue of 16,000,000 Ordinary Shares of Tk. 160,000,000.00 by Meghna Insurance Company Limited.

Dear Sir,

We, the issue manager to the above-mentioned forthcoming issue, state and confirm as follows:

- (1) We have examined all the documents submitted with the application for the above-mentioned public issue, visited the premises of the issuer and interviewed the Chairperson, Directors and key management personnel of the issuer in connection with the finalization of the prospectus pertaining to the said issue;
- (2) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

- (a) The prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- (b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- (c) The disclosures made in prospectus are true, fair and adequate to enable the investors to make a well-informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and other applicable laws;
- (d) Besides ourselves, all the intermediaries named in the prospectus are registered with the Commission and that till date such registrations are valid;
- (e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;
- (f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;
- (g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate insurance account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus;

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- (h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well-informed decision;
- (i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the IPO for any further inspection by the Commission;
- (j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 containing details such as the rule number, its text, the status of compliance, page numbers of the prospectus where the rules has been complied with and our comments, if any;
- (k) We also declare that we have managed the public issue of following issuers in the last 05 (five) years:

Serial No	Issue Month/Year	Issue Price	Dividend Payment History
1	Intraco Refueling Station Limited (February-2018)	10.00	5% 2018 Cash, 5% 2018 Bonus, 10% 2019 Bonus.
2	NRB Commercial Bank Limited (January – 2021)	10.00	7.5% Cash, 5% Bonus 2020
3	Master Feed Agrotec Limited (September-2021)	10	Nil

For the Issue Manager

SD/-

Muhammad Fuad Hussain
 Managing Director & CEO

Asian Tiger Capital Partners Investments Limited

Place: Dhaka;
 Date: 29 June, 2021

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER

Prime Bank Investment Limited

[Rule 4 (1) (d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Public Issue of 16,000,000 Ordinary Shares of Tk. 160,000,000.00 by Meghna Insurance Company Limited.

Dear Sir,

We, the issue manager to the above-mentioned forthcoming issue, state and confirm as follows:

- (3) We have examined all the documents submitted with the application for the above-mentioned public issue, visited the premises of the issuer and interviewed the Chairperson, Directors and key management personnel of the issuer in connection with the finalization of the prospectus pertaining to the said issue;
- (4) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

- (l) The prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- (m) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- (n) The disclosures made in prospectus are true, fair and adequate to enable the investors to make a well-informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and other applicable laws;
- (o) Besides ourselves, all the intermediaries named in the prospectus are registered with the Commission and that till date such registrations are valid;
- (p) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;
- (q) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;
- (r) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate insurance account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus;

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

- (s) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well-informed decision;
- (t) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the IPO for any further inspection by the Commission;
- (u) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 containing details such as the rule number, its text, the status of compliance, page numbers of the prospectus where the rules have been complied with and our comments, if any;
- (v) We also declare that we have managed the public issue of following issuers in the last 05 (five) years:

Serial No	Issue Month	Year	Issue Price	Dividend Payment History				
1	Union bank Limited	2021	4,280,000,000/-	12%B	0.00%	0.00%	5% C 6% B	0.00%
2	IBBI 2 nd Mudaraba pertual bond	2021	800,000,000/-	N/A	N/A	N/A	N/A	N/A
3	ALBL Mudaraba pertual bond	2021	500,000,000/-	N/A	N/A	N/A	N/A	N/A
4	Sea Pearl Beach resort & SPA Limited	2019	150,000,000/-	0.00%	0.00%	0.00%	5% B	1% C
5	Fortune Shoes Limited	2016	220,000,000/-	0.00%	12%B	15%B	18%B 2%	5%B 5%C

For the Issue Manager

Place: Dhaka;
Date: 29 June, 2021

Sd/-
Khandoker Raihan Ali, FCA
MD & CEO(CC)
Prime Bank Investment Limited

পুঁজিবাজারে বিনিয়োগ হ্রাসকরণ। জেনে ও বুঝে বিনিয়োগ করুন

DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER
UCB Investment Limited
[Rule 4 (1) (d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Public Issue of 16,000,000 Ordinary Shares of Tk. 160,000,000.00 by Meghna Insurance Company Limited.

Dear Sir,

We, the issue manager to the above-mentioned forthcoming issue, state and confirm as follows:

- (5) We have examined all the documents submitted with the application for the above-mentioned public issue, visited the premises of the issuer and interviewed the Chairperson, Directors and key management personnel of the issuer in connection with the finalization of the prospectus pertaining to the said issue;
- (6) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

- (w) The prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- (x) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- (y) The disclosures made in prospectus are true, fair and adequate to enable the investors to make a well-informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and other applicable laws;
- (z) Besides ourselves, all the intermediaries named in the prospectus are registered with the Commission and that till date such registrations are valid;
- (aa) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;
- (bb) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;
- (cc) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate insurance account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus;
- (dd) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 have been made in addition to other disclosures

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

which, in our view, are fair and adequate to enable the investor to make a well-informed decision;

- (ee) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the IPO for any further inspection by the Commission;
- (ff) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 containing details such as the rule number, its text, the status of compliance, page numbers of the prospectus where the rules have been complied with and our comments, if any;
- (gg) We also declare that we have managed the public issue of following issuers in the last 05 (five) years;

Serial No	Issue Month/Year	Issue Price	Issue Price (BDT)	Dividend Payment History
1	IBBL 2 nd Mudaraba Perpetual Bond By Islami Bank Bangladesh Limited (Public Offer)	2021	800,000,000/-	N/A
2	SJIBL Mudaraba Perpetual Bond By Shahjalal Islami Bank Limited (Public Offer)	2021	500,000,000/-	N/A
3	AIBL Mudaraba Perpetual Bond by Al-Arafah Islami Bank Limited (Public Offer)	2021	500,000,000/-	N/A

For the Issue Manager

Place: Dhaka;
Date: 24 February, 2021

Sd/-
Tanzim Alamgir
 Managing Director and CEO
UCB Investment Limited

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Annexure-C

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER
Prime Bank Investment Limited
[Rule 4 (1)(d)]

To
The Bangladesh Securities and Exchange Commission

Sub: Public Issue of 16,000,000 Ordinary Shares of Tk. 160,000,000.00 of Meghna Insurance Company Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above-mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant insuranceer and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 3,000,000,000 (Taka Three Hundred Crore Only) and we have the capacity to underwrite a total amount of Tk. 15,000,000,000 (Taka Fifteen Hundred Crore Only) as per relevant legal requirements. We have committed to underwrite for up to TK. 10,000,000.00 (Taka One Crore) for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

Sl.	Name of the company	Amount Underwritten (In Tk.)
1	Omera Petroleum Limited	41,726,036
2	Midland Bank Limited	20,000,000
Total		61,726,036

- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Khandoker Raihan Ali, FCA
MD & CEO(CC)
Prime Bank Investment Limited

Place: Dhaka;
Date: June 29, 2021

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Annexure-C

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER
ASIAN TIGER CAPITAL PARTNERS INVESTMENTS LIMITED
[Rule 4 (1)(d)]

To
The Bangladesh Securities and Exchange Commission

Sub: Public Issue of 16,000,000 Ordinary Shares of Tk. 160,000,000.00 by Meghna Insurance Company Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above-mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant insurer and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 250,000,000.00 (Twenty-Five Crore) and we have the capacity to underwrite a total amount of Tk. 1,250,000,000.00 (One Hundred Twenty-Five Crore) as per relevant legal requirements. We have committed to underwrite for up to Tk. 10,000,000.00 (Taka One Crore) for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

Sl.	Name of the Company	Amount Underwritten (TK.)
1	AFC Health Ltd.	19,500,000
2	BD Paints Limited	30,000,000
3	Al-Faruke Bags Limited	35,000,000
Total		84,500,000

- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Muhammad Fuad Hussain
 Managing Director & CEO
Asian Tiger Capital Partners Investments Limited
 Place: Dhaka;
 Date: June 29, 2021

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER
AFC CAPITAL LIMITED
[Rule 4 (1)(d)]

To
The Bangladesh Securities and Exchange Commission

Sub: Public Issue of 16,000,000 Ordinary Shares of Tk. 160,000,000.00 by Meghna Insurance Company Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above-mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant insuranceer and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 130,000,000.00 (Thirteen Crore) and we have the capacity to underwrite a total amount of Tk. 650,000,000.00 (Sixty-Five Crore) as per relevant legal requirements. We have committed to underwrite for up to Tk. 6,500,000.00 (Taka Sixty Five Lac) for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

Sl.	Name of the Company	Amount Underwritten (TK.)
1	Oryza Agro Industry Ltd. (QIO)	10,000,000.00
Total		10,000,000.00

- (c) All information as is relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Mahbub H. Mazumdar FCMA

Chief Executive

AFC Capital Limited

Place: Dhaka.

Date: June 29, 2021

পুঁজিবাজারে বিনিয়োগ কুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Annexure-C

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER
(UCB INVESTMENT LIMITED)
[Rule 4 (1)(d)]

To
The Bangladesh Securities and Exchange Commission

Sub: Public Issue of 16,000,000 Ordinary Shares of Tk. 160,000,000.00 by Meghna Insurance Company Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above-mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant insurance and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 1,000,000,000.00 (One Hundred crore only) and we have the capacity to underwrite a total amount of Tk. 5,000,000,000.00 (Five Hundred Crore) as per relevant legal requirements. We have committed to underwrite for up to Tk. 10,000,000.00 (One Crore only) for the upcoming issue.
- (b) At present, no underwriting obligations are pending.
- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Tanzim Alamgir

Managing Director and CEO

UCB Investment Limited

Place: Dhaka;

Date: 24 February, 2021

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Annexure-C

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER
EBL INVESTMENTS LIMITED
[Rule 4 (1)(d)]

To
The Bangladesh Securities and Exchange Commission

Sub: Public Issue of 16,000,000 Ordinary Shares of Tk. 160,000,000.00 by Meghna Insurance Company Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above-mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant insurance and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 300,000,000.00 (Taka Thirty Crore) only and we have the capacity to underwrite a total amount of Tk. 1,500,000,000.00 (Taka One Hundred and Fifty Crore) only as per relevant legal requirements. We have committed to underwrite for up to Tk. 6,500,000.00 (Taka Sixty-Five Lac) only for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

Sl. No.	Name of The Company	Amount Underwritten (in BDT)
1	Shamsul Alamin Real Estate Limited	150,000,000.00
2	AFC Health Ltd.	20,000,000.00
3	MedRx Life Science Ltd.	10,000,000.00
4	Three Angel Marine Ltd.	25,000,000.00
5	Mamun Agro Product Ltd.	52,500,000.00
6	Total:	257,500,000.00

- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

3d/-

Ahmed Arefin, FCA
Managing Director
EBL Investments Limited

Place Dhaka

Date: 29 June, 2021

পুঁজিবাজারে বিনিয়োগ বৃদ্ধি। জেনে ও বুঝে বিনিয়োগ করুন

Annexure-C

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER
BMSL INVESTMENT LIMITED
[Rule 4 (1)(d)]

To
The Bangladesh Securities and Exchange Commission

Sub: Public Offer of 16,000,000 Ordinary Shares of Tk. 160,000,000 /- of Meghna Insurance Company Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant insuranceeer and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 420,000,000.00 (Taka FortyTwo Crore Fifty Lac only) and we have the capacity to underwrite a total amount of Tk. 2,100,000,000.00 (Taka Two Hundred Ten Crore only) as per relevant legal requirements. We have committed to underwrite for up to Tk. 6,500,000.00 (Taka Six Five lac only) for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us:

Sl. No.	Name of The Company	Amount Underwritten (In BDT)
1.	Anik Trim Ltd (IPO)	35,000,000.00
2.	Mostafa Metal Ind. Ltd (QIO)	15,000,000.00
3.	Mamun Agro Products Ltd (QIO)	25,000,000.00
4.	AB Bank Ltd(Bond)	120,000,000.00
5.	AB Bank Ltd(Right)	250,000,000.00
6.	Ratanpur Steel ReRolling Mills Ltd(Right)	28,500,000.00
	Total	473,500,000.00

- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and

(e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Md. Riyad Matin
Managing Director
BMSL Investment Limited

Place: Dhaka

Date: June 27, 2021

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Annexure-C

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER
SANDHANI LIFE FINANCE LIMITED
[Rule 4 (1)(d)]

To
The Bangladesh Securities and Exchange Commission

Sub: Public Issue of 16,000,000 Ordinary Shares of Tk. 160,000,000.00 by Meghna Insurance Company Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant insuranceeer and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 250,000,000.00 (Twenty Five Crore only) and we have the capacity to underwrite a total amount of Tk. 1,250,000,000.00 (One Hundred Twenty Five Crore Only) as per relevant legal requirements. We have committed to underwrite for up to Tk. 6,500,000.00 (Taka sixty Five Lac Only) for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

Sl.	Name of the Company	Amount Underwritten (TK.)
1	Shamsul Aalam Real Estate Ltd.	100,000,000.00
2	Ratanpur Steel Re-Rolling Mills Limited	75,000,000.00
3	Krishibid Seed Limited (Small Capital)	30,000,000.00
4	Chartered Life Insurance Company Limited (Small Capital)	13,125,000.00
5	Oryza Agro Industries Ltd (Small Capital)	15,000,000.00
6	Achila Sea Foods Limited (Small Capital)	10,000,000.00
	Total	243,125,000

- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Muhammad Nazrul Islam FCMA
Managing Director & CEO
Sandhani Life Finance Limited

Place Dhaka

Date: June 29 2021

পুঞ্জিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

CHAPTER (IV)

ABOUT THE ISSUER

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(a) Name of the issuer, dates of incorporation and commencement of its commercial operations, its logo, addresses of its registered office, other offices and plants, telephone number, fax number, contact person, website address and e-mail address;

Particulars of the Company:

Particulars	Description
Name of the Issuer	Meghna Insurance Company Limited (MIGL)
Dates of Incorporation	18th March 1996
Commencement of Business	24th March 1996
Logo	 MEGHNA INSURANCE CORPORATE LIMITED
Registered office	Pritam Zaman Tower (4th Floor), 37/2, Purana Paltan, Dhaka-1000 Tel: +88-02-41050894-8 Fax: +88-02-41050902
Contact Person	Mr. Mohammed Hafizur Rahman, FCA, FCS Chief Financial Officer
Website Address	www.migl.com.bd
E-mail Address	cs@migl.com.bd

Address of its other offices and Branches:

Sl	Description	Location
1	Agrabad Branch Office	Azim court, 1110/A, Agrabad I/A, P.O-Bandar, P.S-Double muring, Chittagong.
2	Bagerhat Branch Office	Rail Road, Bagerhat
3	Banani Corporate Branch Office	House # 56, Block # C, Road # 11, Banani, Apartment # 2A, 2B.
4	Banani Branch Office	House # 317, Road # 4 (3 rd Floor), Baridhara, DOHS, Dhaka-1206.
5	Bangshal Branch Office	154, Sayed Nazrul Islam Sarani, Dhaka
6	Barishal Branch Office	Disha Bhaban, Uttar Sagordi, C& B Road, Holding-714, Ward-14, BCC, Barishal
7	B.B. Avenue Branch Office	Dan Plaza, 6th Floor, 9, B.B. Avenue, Dhaka
8	Bogura Branch Office	NAFI Plaza, Temple Road, Salmatha, Bogra.
9	CD Avenue Branch Office	No-1 Posterpar, DT Road, Dhaniyalapara, Ward No-23, North Pathantali, P.S: Bandar, P.S: Dabilmuring, Ctg.
10	Dewarhat Branch Office	530/3 Combina Building (3 rd Fl) Sheikh Majib Road Deowarhat, Chittagong
11	Dilkusha Branch Office	65 Dilkusha C/A, Dhaka 1000
12	Elephant Road Branch Office	Rajdhani Complex, 237/2, New Elephant Road 5th Floor, Dhaka
13	Faridpur Branch Office	Golam Mowla Mansion, 9/9 C/A, Alipur, Faridpur.
14	Feni Branch Office	Life Care Diagnostic Centre, 206, Trank Road, Feni.

পুঁজিবাজারে বিনিয়োগ সুকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

13	Faridpur Branch Office	Galam Mowla Mansion, 9/9 C/A, Alipur, Faridpur.
14	Feni Branch Office	Life Care Diagnostic Centre, 206, Trank Road, Feni.
15	Gabtol Branch Office	Khaleque Plaza (1st Floor) 259/Ka Kamalcal Road Gabtol, Mirpur, Dhaka
16	Gazipur Branch Office	Hazi Market, Chandona Chowrasta, Gazipur
17	Hatkola Branch Office	Lilpond Centre, Floor B-15, 3 R.K. Mission Road, Motijheel, C/A, Dhaka
18	Imamganj Branch Office	69-70, Moulavi Bazar Road, Chawk Bazar, Dhaka-1211
19	Jatrabari Branch office	Khaniker Asroy, Road # 4, Shoharpoli, Haji Badsha Mia Road, South Matowali, Demra, Dhaka.
20	Jessore Branch Office	Shafiullah Complex, (2nd floor), 27 M K Road, Jessore.
21	Jubilee Road Branch Office	Hoa Plaza (3rd Floor), 263 Jubilee Road Chittagong 4000.
22	Kakrail Branch Office	Cosmic Aluminium Fabrication Cosmic Tower, 106/Ka, Nayapattan, Dhaka
23	Karwan Bazar Branch Office	57 Kazi Nazrul Islam Avenue (2nd Floor), West Tejuri Bazar, Tejgaon
24	Khatunganj Branch Office	Noor Market 279 (3rd Floor), Khatunganj Chittagong- 4000.
25	Khulna Branch Office	1, P.C. Ray Road, Angina Bhaban, (Ground Floor), Khulna.
26	Kurigram Branch Office	Zella Parishod Super Market (2nd Floor), Room No 326, Kurigram Sadar, Kurigram
27	Local Branch Office	65 Dilkusha C/A, Dhaka 1000
28	Maghbazar Branch Office	4 No. Shahid Tajuddin Ahmed Sarani, Magbazar
29	Manikgonj Branch Office	Milon Plaza, House # 2, Block # B, Joyra, Manikgonj
30	Mohakhali Branch Office	99 Amban Bhaban, Mohakhali (6th Floor) , Dhaka-1212
31	Motijheel Branch Office	Bhuiyan Mansion, Motijheel Commercial Area, Dhaka.
32	Malibagh Branch Office	23 Halimunnisa Court, Kakrail, Dhaka.
33	Mirpur Branch Office	Road No-06, Holding No-13, Senpara, Parbata, Mirpur-10, Dhaka-1216
34	Mymensingh Branch Office	34 no. Bipin Sen Road, Chota Bazar, Muktiyodha Sarani, Kotuwall, Mymensingh.
35	Nawabpur Branch Office	13, Bangsal Road, Dhaka-1100
36	Narayanganj Branch Office	20/2 SM Maleh Road (3rd Floor), Tanbazar, Narayanganj.
37	Nayabazar Branch Office	54/3, Nawab Yousuf Road, Nayabazar
38	Newmarket Branch Office	32/1, Mirpur Road, (Khan Plaza), Dhanmandi, Dhaka.
39	Paltan Branch Office	Rahmania International Complex, 28/1/C, Toyenbee Circular Road, Motijheel, Dhaka-1000
40	Principal Branch office	Bhuiyan Mansion, Motijheel Commercial Area, Dhaka.
41	Rajuk Avenue Branch Office	Motijheel square, 1/8 DIT Avenue, Motijheel Commercial Area, Dhaka
42	Rangpur Branch Office	Puraton choul Amod, House No-27 (3rd Floor), Road No-1, Singer Goll, Kotowali, Rangpur
43	Savar Branch Office	House No C-93, ward No-7, Mazidpur, Savar, Dhaka

পূঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

44	Sylhet Branch Office	Room No 105-106, Bagdad Bhaban, Lai Bazar, Bandar Bazar, Sylhet
45	Tongi Branch Office	Jall Khan Market (1st Floor), Bata ghet, Tongi, Gazipur
46	Toyenbee Road Branch Office	Motijheel Square, Suite- 501, 1/8 DIT Avenue Motijheel C/A, Dhaka 1000
47	VIP Road Branch Office	Saleh Mansion, 3/10, Naya Paltan, DIT Extension Road, Dhaka.

(b) The names of the sponsors and directors of the issuer:

Name of the Sponsors and Directors:

Sl. No.	Name of Promoters	
1	Mr. Abu Taleb Chowdhury	Resigned and subsequently transferred his entire holding to Ahsan Karim Jinnah, Mrs. Hosnera Begum Saleh Ahmed Chowdhury, Falz Ahmed, City Capital Market, Mrs. Hosnera Begum, ABC Trading Company, Md. Abul Hashem, Sayed Md. Hossain Shahi, Services Ltd and Ishlaque Ahmed Chowdhury.
2	Mr. Ifteqer Alam	Resigned and subsequently transferred his entire holding to Mohammad Fakhru Alam, Md. Abul Hashem, Ahsan Karim Jinnah and Jaglur Rahman Khan.
3	Mr. F. K. Patoary	Resigned from the position and subsequently transferred her entire holding to Marina Ahmed and Runner Trading Limited.
4	Mrs. Rowshan Ara Begum	Resigned and subsequently transferred her entire holding to Mohammad Enayetullah.
5	Mr. Emdadul Haq	Resigned and subsequently transferred his entire holding Mr. Md. Azizul Haque.
6	Mr. Jaglur Rahman Khan	Resigned and subsequently transferred his entire holding to Abu Taleb Chowdhury, Barrister Sadat Khan, Mrs. Mohsina Rahman and Zeeshan Khan.
7	Late Mr. Abdul Wahid	Sponsor
8	Mr. M. A. Hannan	Transferred his partial holding to M/S Matsy Enterprises Ltd.
9	Mr. Mohammad Shahjahan	Resigned and transferred his entire holding to Kazi Khairuzzaman, Kazi Rokhsana Zaman and Ahsan Karim Jinnah.

Directors:

Sl. No.	Name of Directors	Present Status
1	SW Holdings Ltd Represented by Mr. Mushfiq Rahman	Chairman
2	Mr. Aiman Barik Choudhury	Vice Chairman
3	Mr. Javed Kaiser Ally	Director
4	ZAMORED Investments LLC Represented by Ms. Nahid Zaman	Director
5	BARWAZ Investments LLC Represented by Mr. Manwar-Uz-Zaman	Director
6	Mr. Md. Omar-Bin-Harun Khan	Independent Director
7	Mr. Ashim Chowdhury	Independent Director

পুঁজিবাজারে বিনিয়োগ তৃকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

c) The name, logo and address of the auditors and registrar to the issue, along with their telephone numbers, fax numbers, contact persons, website and e-mail addresses:



Particulars of Auditor and Registrar to the Issue:

Particulars of Auditor	Description
Name	MABS & J PARTNERS Chartered Accountants
Logo	 : 
Address	MABS & J PARTNERS : SMC Tower (Level - 7), 33 Kemal Ataturk Avenue, Road #17, Banani C/A, Dhaka 1213
Telephone Number	: Tel: +880-2-9821057-8; +88-02-9351564, +88-02-9351682
Fax Number	: +880-2-9332936
Contact person	Mr. J C Biswas, FCA Partner
Website Address	: www.mabsj.com
E-mail Address	: info@mabsj.com

Registrar to the Issue is not applicable for Meghna Insurance Company Limited.

(d) The name(s) of the stock exchanges where the specified securities are proposed to be listed.

Name of the Stock Exchanges where the Securities to be listed:

Stock Exchanges	Dhaka Stock Exchange Limited 9/F Motijheel C/A, Dhaka 1000.		Tel: +88-02-9564601, 9576210-18 Fax: +88-02-9564727, +88-02-9569755
	Chittagong Stock Exchange Ltd. CSE Building, 1080, Sheikh Mujib Road Chittagong 4100.		Tel: +880-2-9513911-15 Fax: +880-2-9513906

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

CHAPTER (V)

CORPORATE DIRECTORY OF THE ISSUER

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Name of the Company	: Meghna Insurance Company Limited (MICL)
Logo	:  MEGHNA INSURANCE
Date of Incorporation	: 18th March 1996
Authorized Capital	: Tk. 1,000,000,000 divided into 100,000,000 Ordinary Share of Tk. 10.00 each
Paid up Capital	: Tk. 240,000,000 divided into 24,000,000 Ordinary Share of Tk. 10.00 each
Registered Office	: Pritam Zaman Tower (4th Floor), 37/2, Purana Paltan, Dhaka-1000 Tel: +88-02-41050894-8 Fax: +88-02-41050902 Email: cs@micl.com.bd Web: www.micl.com.bd
Factory	: N/A
Board of Directors	: 7 Directors
Credit Rating Report	: Alpha Credit Rating Ltd. Shadharan Bima Bhaban-2, 139 Motijheel C/A Dhaka-1000 Tel: +88-02-9573026-28 Fax: N/A E-Mail: jahannur@alpharating.com.bd Web: www.alpharating.com.bd
Auditors	: MABS & J PARTNERS SMC Tower (Level - 7), 33 Kemal Ataturk Avenue, Road #17, Banani C/A, Dhaka 1213 Tel: + 880-2-9821057-8; +88-02-9351564, +88-02-9351682 Fax: +880-2-9332936 E-mail: info@mabsj.com Web: www.mabsj.com
Legal Advisor	: Salah Uddin Ahmed & Associates Shakh Centre (10th Floor), 56, Purana Paltan, Dhaka- 1000. Cell: 02-9586308 Email: advocatesalahuddinahmed@gmail.com
Managers to the Issue	: <ol style="list-style-type: none"> Asian Tiger Capital Partners Investments Limited Kazi Heritage (3rd Floor), House # 49, Block# H, Banani-11, Dhaka- 1213 E-mail: info@at-capital.com Web: www.at-investments.com Prime Bank Investment Limited Tajwar Center (5th Floor), House: 34, Road No: 19/A, Block-E, Banani, Dhaka-1213 E-mail: info@pbil.com.bd Web: www.pbil.com.bd UCB Investment Limited Tel+88-02-55668070 Fax: +88-02-55668070 E-mail: tanzi.almamgir@ucb.com.bd Web: ucb-investment.com

পুঁজিবাজারে বিনিয়োগ সুকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Name of the Underwriters	:	<ol style="list-style-type: none"> 1. Asian Tiger Capital Partners Investments Limited 2. Prime Bank Investment Limited 3. UCB Investment Limited 4. EBL Investments Limited 5. Sandhani Life Finance Limited 6. BMSI Investment Limited 7. AFC Capital Limited
Banker to the IPO		Prime Bank Limited Foreign Exchange Branch Alhaj Tower, 82, Motijheel Commercial Area, Dhaka - 1000. Phone - 9586896
Compliance Officer	:	Mr. Md. Abdus Samad Pritam Zaman Tower (4th Floor), 37/2, Purana Paltan, Dhaka-1000 Tel: +88-02-41050894-8 Fax: +88-02-41050902 Email: samad@micl.com.bd

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

CHAPTER (VI)

DESCRIPTION OF THE ISSUER

পুঁজিবাজারে বিনিয়োগ বৃদ্ধি। জেনে ও বুঝে বিনিয়োগ করুন

(a) Summary:

- (i) The summary of the industry and business environment of the issuer. The summary shall not be one-sided or biased to highlight the issuer or the issue;

Summary of the Industry:

Bangladesh is the most underinsured country in the non-life insurance category, despite standing to lose as much as 0.8% of its GDP to natural disasters a year. The country's insurance gap, indicating assets at risk which are not covered by insurance, stands at \$5.5 billion, or 2.1% of GDP.

In 2018, the insurance premium earnings, which refers to the recurring fee paid by the policyholder for the insurance contract, rose by 11% to a value of \$1.47 billion. There are 77 insurance companies in total – 32 life and 45 non-life insurance providers. The main categories of insurance are health, including life insurance, property, and financial.*

Life insurance constitutes 73.5% of Bangladesh's insurance market and non-life insurance, 26.5%. Micro-insurance and Islamic insurance (takaful) are also a part of Bangladesh's insurance sector. In 2017, 2.20 million new life and 2.36 million and new non-life insurance policies were issued. Further, the number of active life insurance policies was 10.78 million in 2017.

Compared to its South Asian counterparts, Bangladesh has the lowest premium per capita. In emerging markets, the average per capita spending on insurance increased by 13% to USD 166 in 2017. The average insurance penetration in emerging markets increased to 3.3% in 2017 (2016: 3.2%), as premium growth continued to outpace GDP growth within these economies. Egypt, like Bangladesh, is one of the countries featured on Goldman Sachs' Next Eleven (N-11), and has been implementing regulatory reforms.[†]

Investments in both life and non-life insurance companies have grown at an average rate of 14.95% during 2009–2017, with returns increasing from 8% to 11.5% during the same period. The life insurance sector has a competitive landscape, with market share being closely distributed among multiple players.

Although Bangladesh's insurance sector has witnessed some growth, in comparison with other emerging nations, there is a lot of room for improvement. According to the 8th Five Year Plan (2020–2025) of the Government of Bangladesh (GoB), a majority of the population across product segments (life and non-life) remains untapped by the insurance market.

The strategies for the insurance sector during the 8th Five Year plan will be as follows:

- All the insurers will open actuarial department in their companies and to give financial assistance to the actuarial students. IDRA and Bangladesh Insurance Association will create a fund to provide financial assistance to meritorious students of actuarial science.
- IDRA will develop a framework to store all the policy related data in a digital policy repository called Unified Messaging Platform. It will not only digitalize the information but also help IDRA to analyze insurance related data. It will also develop a communication system between the policyholders and IDRA by sending SMS and e-mail. Through this platform, e-KYC, payment gateway, e-receipt service

* The Untapped Potential of the Insurance Industry, LightCastle Partners.

† Source: Potential for growth: Transforming Bangladesh's insurance sector -PricewaterhouseCoopers

পুঁজিবাজারে বিনিয়োগ কুঁকিপূর্ণ। জেনে ও বুকে বিনিয়োগ করুন

will be provided in phases. Thus it will help to reduce money laundering and fraudulent activity by fake insurance agents. It will also help to control illegal commission business of insurance companies.

- c) Government will introduce public health insurance to ensure health care for all the citizens. With the proceeds from the health insurance premium, the government will be able to develop hospitals in the public-private sector to provide quality health care service to the general public.
- d) Both the Government and the employer will take measures to introduce the insurance for workers to cover accidental injuries and deaths at workplace.
- e) Public and private high rise buildings which are being commercially used or rented need to be brought under mandatory insurance coverage.
- f) Measures will be taken to strengthen capacity of IDRA and other insurance related institutions.⁴

Added benefits of a strong insurance sector

An increase in the penetration rate can create widespread benefits for the economy. It is estimated that a 1% increase in Bangladesh's insurance penetration rate can reduce uninsured losses and markedly contribute to its GDP growth.

Fundamental macroeconomic indicators such as GDP growth, unemployment and foreign direct investment (FDI) could be strengthened by a robust insurance sector, which can promote growth by providing guaranteed access to liquidity via insurance coverage. The capital market can greatly benefit if increased savings are channeled into various financial savings instruments, including insurance. A flourishing capital market, in turn, could contribute significantly to Bangladesh's growth. A resilient insurance sector can help to curb unemployment as well. If adequate training and education are available, young graduates will be able to find various career opportunities in the insurance sector.



Source: Potential for growth: Transforming Bangladesh's insurance sector -PricewaterhouseCoopers

পুঁজিবাজারে বিনিয়োগ সুকির্পূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Business environment of the issuer

Meghna Insurance Company Limited is operating general insurance business. Risk is one of its most challenging and constant aspects of the human experience. By providing financial backing in case of unexpected events, insurance attempts to reduce the impact of risk on our health, belongings, and businesses. The insurance industry is not only central to the creation of a stable business environment but also critical for the reduction of the financial burden on the government during natural and economic crises.

Despite a booming economy and the expected middle-income country status by 2024, the insurance industry of Bangladesh can only be described as underdeveloped. A major reason for this is that most consumers in Bangladesh are unaware and uneducated about how insurance works, due to a lack of information dissemination.

Not all the problems arise from the demand side, however. To convince consumers to buy an insurance policy, the industry is reliant on agents who persistently contact potential clients. These agents have to be paid a portion of the first year's premium as well as a smaller percentage of future premiums collected from the customer. To encourage these agents, insurers may offer commissions up to 70% [1].

As most companies are concentrated in urban areas, there is a large market in rural areas that is not being accessed. A lack of enabling regulations, infrastructure, and market data limits the quality of insurance products, as well as their coverage.

Despite the dismal image portrayed by the current situation and numbers, Bangladesh's insurance sector has significant potential as the average income and GDP continue to rise. Moreover, as the middle and affluent class in cities throughout the country increases in size, the desirability of insurance also increases.

Source: *Potential for growth: Transforming Bangladesh's insurance sector* - PricewaterhouseCoopers

(ii) Summary of consolidated financial, operating and other information.

Meghna Insurance Company Limited has no subsidiary or belong to any holding Company. Therefore, the Company does not require any consolidated financial statements.

(b) General Information:

(i) Name and address, telephone and fax numbers of the registered office, corporate head office, other offices, factory, business premises and outlets of the issuer;

Particulars	Description									
Name	Meghna Insurance Company Limited (MICA)									
Registered office	Pritam Zaman Tower (4th Floor), 37/2, Purana Pallan, Dhaka-1000 Tel: +88-02-41050894-8 Fax: +88-02-41050902									
Factory	The issuer company does not have any factory.									
Outlets of the issuer/Branch Offices	<table><tr><th>Sl</th><th>Description</th><th>Location</th></tr><tr><td>1</td><td>Agrabad Branch Office</td><td>Azim court, 1110/A, Agrabad I/A, P.O-Bondor, P.S-Double muring, Chittagong.</td></tr><tr><td>2</td><td>Bagerhat Branch Office</td><td>Rail Road, Bagerhat</td></tr></table>	Sl	Description	Location	1	Agrabad Branch Office	Azim court, 1110/A, Agrabad I/A, P.O-Bondor, P.S-Double muring, Chittagong.	2	Bagerhat Branch Office	Rail Road, Bagerhat
	Sl	Description	Location							
	1	Agrabad Branch Office	Azim court, 1110/A, Agrabad I/A, P.O-Bondor, P.S-Double muring, Chittagong.							
2	Bagerhat Branch Office	Rail Road, Bagerhat								

পুঁজিবাজারে বিনিয়োগ সুকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

3	Banani Corporate Branch Office	House # 56, Block # C, Road # 11, Banani, Apartment # 2A, 2B.
4	Banani Branch Office	House # 317, Road # 4 (3 rd Floor), Baridhara, DOHS, Dhaka-1206.
5	Bangshal Branch Office	154, Sayed Nazrul Islam Sarani, Dhaka
6	Barishal Branch Office	Disha Bhaban, Uttar Sagordi, C& B Road, Holding-714, Ward-14, BCC, Barishal
7	B.B. Avenue Branch Office	Don Plaza, 6th Floor, 9, B.B. Avenue, Dhaka
8	Bogra Branch Office	NAFI Plaza, Temple Road, Satriatha, Bogra.
9	CD Avenue Branch Office	No-1 Posterpar, DT Road, Dhanialapara, Ward No-23, North Pathantali, P.S: Bandar, P.S: Dablemuring, Ctg.
10	Dewanhat Branch Office	530/3 Combind Building (3 rd Fl) Sheikh Majib Road Deowanhat, Chittagong
11	Dilkusha Branch Office	65 Dilkusha C/A, Dhaka 1000
12	Elephant Road Branch Office	Rajdhani Complex, 237/2, New Elephant Road 5th Floor, Dhaka
13	Faridpur Branch Office	Golam Mowla Mansion, 9/9 C/A, Alipur, Faridpur.
14	Feni Branch Office	Life Care Diagnostic Centre, 206, Trank Road, Feni.
15	Gabtol Branch Office	Khaleque Plaza (1st Floor) 259/Ka Kamaical Road Gabtol, Mirpur, Dhaka
16	Gazipur Branch Office	Hazi Market, Chandona Chowrasta, Gazipur
17	Hatkola Branch Office	Lilipond Centre, Floor B-15, 3 R.K. Mission Road, Matijheel, C/A, Dhaka
18	Imamganj Branch Office	69-70, Moulavi Bazar Road, Chawk Bazar, Dhaka-1211
19	Jatrabari Branch office	Khoniker Asroy, Road # 4, Shohorpolli, Haji Badsha Mia Road, South Matowail, Demra, Dhaka.

পুঁজিবাজারে বিনিয়োগ সুকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

20	Jessore Branch Office	Shafikulah Complex, (2 nd floor), 27 M K Road, Jessore.
21	Jubilee Road Branch Office	Hoo Plaza (3 rd Floor), 263 Jubilee Road Chittagong 4000
22	Kakrail Branch Office	Cosmic Aluminium Fabrication Cosmic Tower, 106/Ka. Nayapattan, Dhaka
23	Karwan Bazar Branch Office	57 Kazi Nazrul Islam Avenue (2 nd Floor), West Tejpur Bazar, Tejgaon
24	Khatungonj Branch Office	Noor Market 279 (3 rd Floor), Khatungonj Chittagong- 4000.
25	Khulna Branch Office	1, P.C. Roy Road, Angina Bhaban, (Ground Floor), Khulna
26	Kurigram Branch Office	Zella Parishad Super Market (2 nd Floor), Room No 326, Kurigram Sadar, Kurigram
27	Local Branch Office	65 Dikusha C/A, Dhaka 1000
28	Moghbazar Branch Office	4 No. Shahid Tajuddin Ahmed Sarani, Magbazar
29	Manikgonj Branch Office	Milon Plaza, House # 2, Block # 8, Joyra, Manikgonj
30	Mohakhali Branch Office	99 Ambon Bhaban, Mohakhali (6 th Floor) , Dhaka-1212
31	Motijheel Branch Office	Bhulyan Mansion, Motijheel Commercial Area, Dhaka.
32	Malibagh Branch Office	23 Halimunnisa Court, Kakrail, Dhaka.
33	Mirpur Branch Office	Road No-06, Holding No-13, Senpara, Parbata, Mirpur-10, Dhaka-1216
34	Mymensingh Branch Office	34 no. Bipin Sen Road, Choto Bazar, Muktiyodha Sarani, Kotuwall, Mymensingh.
35	Nawabpur Branch Office	13, Bangsal Road, Dhaka-1100
36	Narayangonj Branch Office	20/2 5M Maish Road (3 rd Floor), Tanbazar, Narayangonj.
37	Nayabazar Branch Office	54/3, Nawab Yousuf Road, Nayabazar
38	Newmarket Branch Office	32/1, Mirpur Road, (Khan Plaza), Dhanmandi, Dhaka.

পুঁজিবাজারে বিনিয়োগ সুকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

	39	Palton Branch Office	Rahmania International Complex, 28/1/C, Toyenbee Circular Road, Motijheel, Dhaka-1000
	40	Principal Branch office	Bhulyan Mansion, Motijheel Commercial Area, Dhaka.
	41	Rajuk Avenue Branch Office	Motijheel square, 1/8 DIT Avenue, Motijheel Commercial Area, Dhaka
	42	Rangpur Branch Office	Puraton choul Amod, House No-27 (3rd Floor), Road No-1, Singer Golf, Kotowali, Rangpur
	43	Savar Branch Office	House No C-93, ward No-7, Mazidpur, Savar, Dhaka
	44	Sylhet Branch Office	Room No 105-106, Bagdad Bhaban, Lal Bazar, Bandar Bazar, Sylhet
	45	Tongi Branch Office	Jalli Khan Market (1st Floor), Bata ghet, Tongi, Gazipur
	46	Toyenbee Road Branch Office	Motijheel Square, Suite- 501, 1/8 DIT Avenue Motijheel C/A, Dhaka 1000
	47	VIP Road Branch Office	Saleh Mansion, 3/10, Naya Palton, DIT Extension Road, Dhaka.

(ii) The board of directors of the issuer.

Sl. No.	Name of Directors	Present Status
1	SW Holdings Ltd Represented by Mr. Mushfiq Rahman	Chairman
2	Mr. Aiman Barik Choudhury	Vice Chairman
3	Mr. Javed Kaiser Ally	Director
4	ZAMORED Investments LLC Represented by Ms. Nahid Zaman	Director
5	BARWAZ Investments LLC Represented by Mr. Marwar-Uz-Zaman	Director
6	Mr. Md. Omar-Bin-Harun Khan	Independent Director
7	Mr. Ashim Chowdhury	Independent Director

(iii) Names, addresses, telephone numbers, fax numbers and e-mail addresses of the chairman, managing director, whole time directors, etc. of the issuer

Sl.	Name and position	Address	Telephone number	Fax number	E-mail address
1	Mr. Musfiq Rahman, Nominated by SW Holdings Ltd	Road- 96, h House- 5/A, 11, Gulshan- 2, Dhaka	880241050894-8	880241050902	musfiq123@gmail.com

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	Chairman				
2	Mr. Aiman Barik Choudhury Director	House # 56, Block # C, Banani- 11, Banani, Dhaka- 1213.	880241050894-8	880241050902	aiman.b.choudhury@gmail.com
3	Mr. Javed Kaiser Ally Director	House- 16, Apt. 504, Road- 59, Gulshan-2, Dhaka	880241050894-8	880241050902	allyjk@gmail.com
4	Mr. Mohammad Abu Bakar Siddique Chief Executive Officer	Banashilpa Bhaban (6th Floor), 73, Motijheel C/A, Dhaka	880241050894-8	880241050902	ceo@mici.com.bd
5	Ms. Nahid Zaman, Nominated by ZAMORED Investments LLC Director	House # 60D, Road # 131 Gulshan, Dhaka-1212	880241050894-8	880241050902	info@mici.com.bd
6	Mr. Manwar-Uz-Zaman, Nominated by BARWAZ Investments LLC Director	House- 43, Road- 113, Apt. A-1, Gulshan, Dhaka	880241050894-8	880241050902	zaman.vantage@gmail.com
7	Mr. Md. Omar-Bin-Harun Khan Independent Director	Momtaz Vision (Suite Vision: B-4), House -11/A, Road- 99, Gulshan -2, Dhaka	880241050894-8	880241050902	omar@legalcounselbd.com
8	Mr. Ashim Chowdhury Independent director	Fiat No. D-4, Navana Verdancy, 41 New Eskaton Road, Eskaton, Dhaka	880241050894-8	880241050902	chowdhury.ashim@gmail.com

(iv) **Names, addresses, telephone numbers, fax numbers and e-mail addresses of the CFO, company secretary, legal advisor, auditors and compliance officer;**

Sl.	Name & Address	Telephone and Fax No. & E-mail Address
1	Mr. Mohammed Hafizour Rahman, FCA, FCS Chief Financial Officer Pritam Zaman Tower (4th Floor), 37/2, Purana Pallan, Dhaka-1000	Tel: +88-02-41050894-8 Fax: +88-02-41050902 E-mail: hafiz@mici.com.bd
2	Mr. Md. Abdus Samad Company Secretary(cc)	Tel: +88-02-41050894-8 Fax: +88-02-41050902

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	Pritam Zaman Tower (4th Floor), 37/2, Purana Pallan, Dhaka-1000	E-mail: samad@mici.com.bd
3	Salah Uddin Ahmed & Associates Legal advisor Shakh Centre (10th Floor), 56, Purana Pallan, Dhaka- 1000.	Tel: 02-9586308 E-mail: advocatesalauddinahmed@gmail.com
4	MABS & J Partners Chartered Accountant SMC Tower (Level - 7), 33 Kemal Ataturk Avenue, Road #17, Banani C/A, Dhaka 1213	Tel: + 880-2-9821057-8 Fax: +880-2-9332936 E-mail: info@mabsj.com
5	Compliance Officer : Mr. Md. Abdus Samad Company Secretary(cc) Pritam Zaman Tower (4th Floor), 37/2, Purana Pallan, Dhaka-1000	Tel: +88-02-41050894-8 Fax: +88-02-41050902 E-mail: samad@mici.com.bd

v) Names, addresses, telephone numbers, fax numbers, contact person, website addresses and e-mail addresses of the issue manager(s), registrar to the issue etc.

Issue Managers		
Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person
Asian Tiger Capital Partners Investments Limited Kazi Heritage (3rd floor), Road # 11, House # 49, Block # H, Banani, Dhaka-1213	Tel: +88-02-222298439 Fax: +88-02-222298439 E-mail: shahed.royhan@at-capital.com Web: www.at-investments.com	Khandakar Shahed Royhan Vice President Capital Markets and Corporate Advisory
Prime Bank Investment Limited Tajwar Center (5th Floor), House: 34, Block-E Road No: 19/A, Banani, Dhaka-1213	Tel: (88) 02 48810315 Fax: (88) 02 48810314 E-mail: info@pbil.com.bd Web: www.pbil.com.bd	Khandoker Raihan Ali FCA Managing Director & CEO (CC)
UCB Investment Limited Plot-CWS(A) -1, Road No.-34, Gulshan Avenue, Gulshan, Dhaka-1212	Tel: +88-02-55668070 Fax: +88-02-55668070 E-mail: tanzim.alamgir@ucb.com.bd Web: ucb-investment.com	Tanzim Alamgir Managing Director and CEO UCB Investment Limited

Registrar to the Issue:

The Company is going to IPO under Fixed Price Method. So, no registrar to the issue is required as per amendments to the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015.

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(vi) The following details of credit rating, where applicable:

a) The names of all the credit rating agencies from which credit rating has been obtained.

Name of the Credit Rating Agencies	Date of declaration
National Credit Ratings Ltd	18/11/2015
National Credit Ratings Ltd	30/11/2016
National Credit Ratings Ltd	14/12/2017
National Credit Ratings Ltd	29/11/2018
Alpha Credit Rating Limited	05/12/2019
Alpha Credit Rating Limited	15/12/2020
Alpha Credit Rating Limited	19/09/2021

b) The details of all the credit ratings obtained for the issue and the issuer:

Year	Entity Rating		Rating Date	Out Look
	Long term	Short term		
2015	A+	-	18/11/2015	Stable
2016	AA-	ST-2	30/11/2016	Stable
2017	A+	-	14/12/2017	Stable
2018	A+	ST-2	29/11/2018	Stable
2019	AA-	ST-2	05/12/2019	Stable
2020	AA-	ST-2	15/12/2020	Stable
2021	AA-	ST-2	19/09/2020	Stable

c) The rationale or description of the ratings (s) so obtained, as furnished by the credit rating agency(s):

AlphaRating affirms long term rating **"AA-" (pronounced as "Double A Minus")** and short term rating **"ST-2"** on claim paying ability (CPA) of **Meghna Insurance Company Limited** (Hereinafter referred to as 'MIGL' or 'the company'). The rating is based on audited financial statement of FY 2018 to FY 2020, for the year ended 31st December and other financial information till 31 march 2021 and other qualitative factors. While assigning the rating AlphaRating has considered both favorable and unfavorable movement in overall performance of the company. The rating continues to draw comfort from established position in the market, growing assets base, experienced management team along with long track record of the promoters in the insurance industry.

The assigned rating is also supported by increased gross & net premium, agency commission within 15%, sound liquidity, moderate solvency, increase in investment, positive cash flow from operation, claim settlement period within 90 days, wide branch network, adequate reserve for un-expired risk and stronger balance sheet with standard investment policy etc.

However, the strength of the rating is partly offset by more than 100% of combined ratio, decline in underwriting profit, overall socio economic condition of Bangladesh along with inadequate paid up capital, excess management

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expense, loss from fire insurance revenue account, decline in net profit margin along with ROA & ROE etc. The rating also considers inherent business risks, unhealthy competition between the competitors and level of sophistication of the domestic insurance market.

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

Business Risk

MICL controls its business risks arising from different types of underwriting policies, underwriting professionals at branch level with the help of guideline of IDRA. The company has decentralized its underwriting functions and delegated powers to its zonal offices and branches for rendering prompt, efficient and effective services to the clients. Risks involved with policies are assessed by underwriting officers of the respective branch for underwriting policies up to a specific limit of sum insured, beyond which risk assessment of different policies are done by internal Risk Inspection Team. Skill level of employees engaged in underwriting process acts vitally behind innovation of new products and services that will help companies to attract newer clients and competitiveness in the market. MICL handles its business risks arising from different types of underwriting policies, underwriting professionals at branch level by providing them specific instruction and guidelines from the Head Office over the period of time.

It has been noted that the company mainly concentrated on fire insurance in FY 2020 and gross premium received from fire insurance represented 39.13% of total gross premium. Another significant business sector is marine cargo insurance which represented 24.90% of total gross premium while motor & miscellaneous insurance held 22.07% & 13.61% of total gross premium respectively. However, it was also noted that marine cargo & motor insurance was the most profitable business sector for the company in FY 2020. The company should focus on generating more underwriting profit to offset the business risk to some extent.

Interest Rate Risk

Volatility of money market has great influence over the interest rate structure of fund hold by MICL. Income from FDR accounts is a significant portion of total income. This income from fixed and other deposit may fall with the reduction of interest rate of commercial bank.

In order to ease up interest rate exposure, companies can invest into mutual funds to secure its revenue and also to generate capital gains. However, this source has also its own drawback. If the overall capital market position fall, then the performance of mutual fund will also decline. Thus the company should concentrate on tradition business.

Internal Control Risk

Internal control risk arises from non-compliance of rules and regulation, which ultimately puts negative impact on overall business performance.

Internal control system of the company has been designed to provide the directors with reasonable assurance that assets are safeguarded against unauthorized use. The company has placed rigorous internal control system. However, maintaining effective internal control system is a continuous process. Therefore, management should routinely check whether the internal control system is adequate and relevant with the present operational process of the company, failure to which could disrupt the operation and hamper the overall profitability.

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Insurance Risk

The risk under an insurance contract is that an insured event will occur including the uncertainty of the amount and timing of any resulting claim. Principal risk the company faces under such contracts is that the actual claims and benefit payments exceed the premiums written or the carrying amount of insurance liabilities. This is influenced by the frequency of claims; actual benefits paid being greater than originally estimated subsequent development of long-term claims.

MICL reduces this risk with the help of its experienced professionals who undertakes pre-insurance surveys of large and complicated risk. Risk management ensures proper understanding of the right level of risk acceptance, risk control and risk related expenditure. MICL also takes reinsurance coverage from SBC.

Competition in the market

Insurance sector in Bangladesh has immense potential. The sector is likely to flourish as the country is heading towards middle income country. Govt. is planning to bring more people under insurance facility. For all these reasons, the industry is very lucrative. Number of insurance company is increasing day by day. Competition amongst the insurance companies is increasing day by day which may badly affect the profitability of the company.

Despite increased competition, MICL could maintain positive revenue growth. Also, high entry and exit barriers in the industry also provide comfort to the existing companies in the market against threat of new entrants.

Human Resource

Human resource risk arises in many forms. Not having the right person in right place and with required skills needed to compete are two of those risks. Companies with an ageing workforce are even at more risk.

It is noted that, insurance industry of Bangladesh needs to transform. Lack of frequent training from developed nations' results into information gap and under development of the sector.

In order to retain its position as the market leader, MICL needs to recruit employees with relevant qualification. Not only that, the company needs to arrange proper training inside and outside country for its staff force. It will help the company to cope up with the latest business trend of the industry and also enable the corporation to introduce new products. All of these are expected to boost up the business of the company.

Regulatory Risk

The increasing intensity of regulatory requirements poses a significant role in the development of the industry. The new Insurance Development and Regulatory Authority Act-2010 and Insurance Act-2010 replaced the old insurance laws which are likely to bring significant changes in the regulation of the industry. For enhancing the solvency position, paid up capital for non-life and life insurance companies have been raised to BDT 400.00 million and BDT 300.00 million respectively.

As per the circular issued by IDRA, agents will be paid commission at a maximum rate of 15%. Moreover, Credit Rating practice for the insurance companies is expected to create a positive vibration in the industry as the institutional insured expect for good credit rating to safeguard their interest. All these requirements will make the market more reliable and uniform. The same will pressurize the underperforming insurance companies to retain their market share.

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Market & Technology Related Risk

Market risk relates to the volatility of the market price of assets. It involves exposure to movements in the level of financial variables such as stock prices, interest rates, exchange rates or commodity prices. On the other hand, technology is a continuous process of development. Innovation of new and cost effective technology may obsolete existing technology which may cause negative impact on the business. Insurance business is increasing day by day as our country is developing and peoples of the country is realizing the need of insurance which resulted into new types of insurance are coming into focus. However, the company is well acquainted with the recent change and believes that there are very low chances that recent technology may hamper the operation of the company.

Financial Risk Analysis

Underwriting Process & Quality

Revenue from underwriting is the prime source of income for MICL. The company has its separated underwriting department which is responsible for evaluation of risk associated with the clients and thereby making decision whether to accept the risk or not. During 2020, gross premium of the company has increased to BDT 619.40 million and net premium has increased to BDT 439.45 million whereas in FY 2019 gross premium was BDT 581.04 million and net premium was BDT 391.08 million. This shows that the company has higher premium collection than previous year. On the other hand, total underwriting profit was BDT 26.91 million in FY 2020 against BDT 33.35 million in 2019.

Selected Indicators

(Without considering commission on reinsurance ceded)

For the period ended and As on 31st march, 2021				
Particulars	31st marh, 2021	31st Dec 2020	31st Dec 2019	31st Dec 2018
Loss ratio (%)	61.44	12.01	20.07	15.92
Expense ratio (%)	76.37	92.70	76.19	88.81
Combined ratio (%)	137.81	104.71	96.26	104.73

Underwriting performance is measured by combined ratio which is the ratio of expenses & losses to net premiums. It has been observed that, loss ratio of the company has observed to decrease & stood at 12.01% in FY 2020. Analysis revealed that, the main reason behind such decrease in loss ratio is net claim has decreased by 32.76% in FY 2020 compared to 12.37% increase in net premium.

Moreover, expense ratio of the company has increased and stood at 92.70% in FY 2020. It has been observed that, actual management expense of MICL has been increasing over the year and during FY 2020, 36.72% increase has been observed mainly due to increase in allocated management expenses, which shows the inefficiency of the management to control the expenses. However, net premium has increased at a lower rate than increase in actual management expense, which has resulted the expense ratio to increase in FY 2020. Combined ratio of MICL is more than 100% which indicates an underwriting loss. Moreover, the company should focus on controlling its management expense in future years for better underwriting performance.

If we consider the first quarter of 2021, we can found a combined ratio of 137.81% which is significantly higher than 100%. But it is worth to mention that the novel corona virus has affected the insurance industry in both FY 2020 & 2021. And it is hoped that MICL will overcome their loss in future years when this pandemic situation will over.

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Selected Indicators

(After considering commission on reinsurance ceded)

or the period ended and As on 31st march, 2021

Particulars	31 st Mar 2021	31 st Dec 2020	31 st Dec 2019	31 st Dec 2018
Loss ratio (%)	58.82	10.86	17.87	14.14
Expense ratio (%)	73.11	83.81	67.83	78.88
Combined ratio (%)	131.94	94.67	85.70	93.02

If we consider commission on reinsurance ceded along with net premium, overall performance of the company shows better performance and combined ratio become lower than 100% in FY 2020.

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vii) Following details of underwriting:

- a) The names, addresses, telephone numbers, fax numbers, contact persons and e-mail addresses of the underwriters and the amount underwritten by them

Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person	Amount Underwritten
Asian Tiger Capital Partners Investments Limited Kazi Heritage (3rd floor), Road # 11, House # 49, Block # H, Banani, Dhaka-1213	Tel: +88-02-222298439 Fax: +88-02-222298439 E-mail: shahed.royhan@at-capital.com Web: www.at-investments.com	Khandakar Shahed Royhan Vice President Capital Markets and Corporate Advisory	10,000,000
Prime Bank Investment Limited Tajwar Center (5th Floor), House: 34, Block-E Road No: 19/A, Banani, Dhaka-1213	Tel: (88) 02 48810315 Fax: (88) 02 48810314 E-mail: info@pbi.com.bd Web: www.pbi.com.bd	Khandoker Raihan Ali FCA Managing Director & CEO (CC)	10,000,000
UCB Investment Limited CWS-(A)-1, Road No.-34, Gulshan Avenue, Dhaka-1212	Tel: +88-02-55668070 Fax: +88-02-55668070 E-mail: tanzim.alamgir@ucb.com.bd Web: ucb-investment.com	Tanzim Alamgir Managing Director and CEO	10,000,000
AFC Capital Limited Salham Sky View Tower (11th Floor), 45 Bijooy Nagar, Dhaka-1000	Tel: +88-02-8392371 Fax: +88-02-8392372 Email: capital.afc@gmail.com Web: www.afccl.asia	Md. Abul Bashar Parvez Deputy Manager	6,500,000
EBL Investments Limited Bangladesh Shipping Corporation (BSC) Tower (4th Floor), 2-3, Rajuk Avenue, Motijheel C/A, Dhaka-1000, Bangladesh	Tel: +88-02-47111096 Fax: +88-02-47111218 E-mail: sayed@eblinvestments.com Web: www.eblinvestments.com	Mohammad Sayedur Rahman Assistant Vice President	6,500,000
BMSI Investment Limited Shareef Mansion (4th Floor) 56-57 Motijheel C/A, Dhaka-1000	Tel: +88-02-9577651, +88-02-9570624 Fax: +88-02-471127218 E-mail: ssi@dhaka.net	Md. Riyad Matin Managing Director	6,500,000
Sandhani Life Finance Limited 16 Motijheel Commercial Area (2nd Floor), Dhaka - 1000	Tel: +88-02-47118505, +88-02-9515249 Fax: +88-02-9554847 E-mail: info@sllbd.com Web: www.sllbd.com	Muhammad Nazrul Islam FCMA Managing Director & CEO	6,500,000

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b) Declaration by the underwriters that they have sufficient resources as per the regulatory requirements to discharge their respective obligations.

Declaration by PRIME BANK INVESTMENT LIMITED

We are one of the underwriters of the Initial Public Offering (IPO) of Meghna Insurance Company Limited. We will underwrite BDT 10,000,000.00 (One Core taka only) for the upcoming issue on a firm commitment basis.

In this connection, we hereby declare that: We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

For the Underwriter(s):

Sd/-

Khandokar Raihan Ali, FCA
MD & CEO (CC)
Prime Bank Investment Limited

Place: Dhaka:

Date: June 29, 2021

Declaration by the Asian Tiger Capital Partners Investments Limited

We are one of the underwriters of the Initial Public Offering (IPO) of Meghna Insurance Company Limited. We will underwrite BDT 10,000,000.00 (One Core taka only) for the upcoming issue on a firm commitment basis.

In this connection, we hereby declare that: We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

For the Underwriter(s):

Sd/-

Muhammad Fuad Hussain
Managing Director & CEO
Asian Tiger Capital Partners Investments Limited

Place: Dhaka:

Date: June 29, 2021

Declaration by AFC Capital Limited

We are one of the underwriters of the Initial Public Offering (IPO) of Meghna Insurance Company Limited. We will underwrite BDT 6,500,000.00 (Sixty Five Lac taka only) for the upcoming issue on a firm commitment basis.

In this connection, we hereby declare that: We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

For the Underwriter(s):

Sd/-

Mahbub H. Mazumdar
Chief Executive
AFC Capital Limited

Place: Dhaka:

Date: June 29, 2021

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Declaration by UCB Investment Limited

We are one of the underwriters of the Initial Public Offering (IPO) of Meghna Insurance Company Limited. We will underwrite BDT 10,000,000/- for the upcoming issue on a firm commitment basis.

In this connection, we hereby declare that: We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

For the Underwriter(s):

Sd/-
Tanzim Alamgir
Managing Director and CEO
UCB Investment Limited

Place: Dhaka;
Date: June 29, 2021

Declaration by the EBL Investments Limited

We are one of the underwriters of the Initial Public Offering (IPO) of Meghna Insurance Company Limited. We will underwrite BDT 6,500,000.00 (Sixty-Five Lac taka only) for the upcoming issue on a firm commitment basis.

In this connection, we hereby declare that: We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

For the Underwriter(s):

Sd/-
Ahmed Arefin FCA,
Managing Director
EBL Investments Limited

Date: June 29, 2021

Declaration by BMSI Investment Limited

We are one of the underwriters of the Initial Public Offering (IPO) of Meghna Insurance Company Limited. We will underwrite BDT 6,500,000.00 (Sixty-Five Lac taka only) the upcoming issue on a firm commitment basis. In this connection, we hereby declare that:

We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

For the Underwriter(s):

Sd/-
Md. Riyad Malin
Managing Director
BMSI Investments Limited

Place: Dhaka
Date: June 27, 2021

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Declaration by Sandhani Life Finance Limited

We are one of the underwriters of the Initial Public Offering (IPO) of Meghna Insurance Company Limited. We will underwrite BDT 6,500,000.00 (Sixty-Five Lac taka only) for the upcoming issue on a firm commitment basis.

In this connection, we hereby declare that: We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

For the Underwriter(s):

Sd/-

Muhammad Nazrul Islam FCMA
Managing Director & CEO
Sandhani Life Finance Limited

Date: June 29, 2021

c) Major terms and conditions of the underwriting agreements.

As per guideline of Bangladesh Securities and Exchanges Commission, 35% of total securities shall have to be underwritten on a firm commitment basis by the underwriter(s), subject to the major terms stated below:

- (i) The IPO shall stand cancelled if at least collectively 65% (i.e. Eligible Investors and General Public) of the IPO is not subscribed.
- (ii) In case of under subscription in collectively (i.e. Eligible Investors and General Public) by up to 35% of the IPO the under-subscribed securities shall be taken up by the underwriters.
- (iii) Notwithstanding anything contained in the agreement in case of inconsistency between the provision of the agreement and the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the Public Issue Rules shall prevail.
- (iv) Prior to publication of the prospectus, the Company shall have obtained consent from the Bangladesh Securities and Exchange Commission permitting the issue as described in Article 2.01 and providing for payment of underwriting commission 0.30% (zero-point three zero percent) on the amount underwritten.
- (v) The Issuer shall **within 10 (Ten) days** of the closure of subscription call upon the underwriter in writing with a copy of said writing to the Bangladesh Securities and Exchange Commission, to subscribe for the shares not subscribed by the closing date and to pay for in cash in full for such unsubscribed shares **within 15 (Fifteen) days** of the date of said notice and the said amount shall have to be credited into shares subscription account within the said period.
- (vi) In any case **within 7 (seven) days** after the expiry of the aforesaid **15 (fifteen) days**, the Company shall send proof of subscription and payment by the Underwriters to the Commission.

In the case of failure by the underwriter to pay for the shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under this Agreement.

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(c) Capital Structure:

- (i) Authorized, issued, subscribed and paid-up capital (number and class of securities, allotment dates, nominal price, issue price and form of consideration):

At present the Company has the authorized capital of Tk. 10,000,000,000 and the subscribed & paid-up capital is Tk. 240,000,000 which is comprised of 24,000,000 shares @Tk. 10 per share. The detail capital structure is given below:

Sl.	Number of shares		Class of Share	Allotment date	Nominal Price	Issue Price	Amount in Taka	Form of Consideration
	@ BDT 100 per share	@ BDT 10 per share						
1	20,000	200,000	Ordinary Share	Issued & fully paid-up capital (Taka) as per memorandum as on 14 March, 1996	100	100	2,000,000	Cash
2	580,000	5,800,000	Ordinary Share	1st allotment as on 21 March, 1996	100	100	58,000,000	Cash
3	-	900,000	Ordinary Share	2nd allotment as on 15 September, 2013	10	10	9,000,000	Bonus shares
4	-	1,035,000	Ordinary Share	4th allotment as on 27 September, 2020	10	10	10,350,000	Bonus shares
5	-	16,045,000	Ordinary Share	5th allotment as on 25 March, 2021	10	10	160,450,000	Rights issue
Total		24,000,000			10	10	240,000,000	

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(ii) Size of the present issue, with break-up (number of securities, description, nominal value and issue amount):

Particulars		%	No. of Ordinary Shares	Nominal Value	Issue price	Issue Amount (Taka)
Private Offer	MICL Employees and others	15.00	2,400,000			24,000,000
Distribution of Securities excluding the portion under private offer :						
Initial Public Offering through Fixed Price Method excluding the portion of securities under private offer	Eligible investors (EI)			10	10	
		20.00	2,720,000			27,200,000
		5.00	680,000			6,800,000
	General public (GP)	70.00	9,520,000			95,200,000
			5.00			680,000
Sub Total		100.00	13,600,000			136,000,000
Total			16,000,000			160,000,000

পুঁজিবাজারে বিনিয়োগ সুকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

- (iii) **Paid up capital before and after the present issue, after conversion of convertible instruments (if any) and share premium account (before and after the issue);**

The Company has no convertible instruments and share premium account.

Particulars	Amount in BDT
Paid up capital before the present issue	240,000,000
Paid up capital after the present issue	400,000,000
Paid up capital after conversion of convertible instruments (if any)	N/A
Share premium account before the present issue	N/A
Share premium account after the present issue	N/A

- (iv) **Category wise shareholding structure with percentage before and after the present issue and after conversion of convertible instruments (if any);**

The paid-up capital of the Company is Tk. 240,000,000. The Company intends to issue 16,000,000 **ordinary** shares of Tk. 10.00 each at an issue price of Tk. 10.00 through Initial public offering (IPO) totaling to Tk. 160,000,000.00 under Fixed Price Method subject to regulatory approvals. The Company has no convertible instruments.

Category wise shareholding structure with percentage before and after the present issue is as follows:

Sl.	Category of Shareholders	No. of Ordinary Shares Hold			Percentage of Holding			
		Pre-IPO	Post-IPO (Public offer portion)	Post-IPO	Pre-IPO	Post-IPO (other than public offer portion)	Post-IPO (Public offer portion)	Post-IPO
1.	Director & Sponsor	12,100,567	-	12,100,567	50.42%	30.25%	0.00%	30.25%
2.	Institutional	6,572,512	2,720,000	9,292,512	27.39%	16.43%	6.80%	23.23%
3.	Mutual Funds and CIS	-	680,000	680,000	0.00%	0.00%	1.70%	1.70%
4.	Individual	5,326,921	11,920,000	17,246,921	22.20%	13.32%	29.80%	43.12%
5.	Non-Resident Bangladeshis (NRBs)	-	680,000	680,000	0.00%	0.00%	1.70%	1.70%
Total		24,000,000	16,000,000	40,000,000	100.00%	60.00%	40.00%	100.00%

** As per Insurance Act 2010, S.R.O no 288-Act/2016, clause 3 share holding percentage of the subscribers (sponsors, directors or transferred shares from any existing sponsor or director of the issuer to any person) is 60%

পুঁজিবাজারে বিনিয়োগ কুঁকিপূর্ণ। জেনে ও বুকে বিনিয়োগ করুন

- (v) **Where shares have been issued for consideration in other than cash at any point of time, details in a separate table, indicating the date of issue, persons to whom those are issued, relationship with the issuer, issue price, consideration and valuation thereof, reasons for the issue and whether any benefits have been accrued to the issuer out of the issue.**

Date of issue	Persons to whom those are issued	No. of shares allotted	Relationship with the issuer	Issue Price	Consideration & Valuation	Reasons for the issue	Benefit from the issue
15 September, 2013	All existing shareholders	900,000	Shareholder	10.00	Other than Cash (Bonus)	Distribution of accumulated profit	
27 September, 2020		1,035,000		10.00			

The Company did not issue any of its ordinary shares for consideration in other than cash at any point of time except Bonus Share;

- (vi) **Where shares have been allotted in terms of any merger, amalgamation or acquisition scheme, details of such scheme and shares allotted;**

The Company has not allotted any shares in terms of any merger, amalgamation, or acquisition scheme.

- (vii) **Where the issuer has issued equity shares under one or more employee stock option schemes, date-wise details of equity shares issued under the schemes, including the price at which such equity shares were issued.**

The issuer has not issued equity shares under one or more employee under stock option schemes.

- (viii) **If the issuer has made any issue of specified securities at a price lower than the issue price during the preceding two years, specific details of the names of the persons to whom such specified securities have been issued, relation with the issuer, reasons for such issue and the price thereof.**

The issuer has not made any issue of specified securities at a price lower than the issue price during the preceding two years.

- (ix) **The decision or intention, negotiation and consideration of the issuer to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue;**

The Company has no decision or intention, negotiation and consideration to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(x) The total shareholding of the sponsors and directors in a tabular form, clearly stating the names, nature of issue, date of allotment, number of shares, face value, issue price, consideration, date when the shares were made fully paid up, percentage of the total pre and post issue capital, the lock in period and the number and percentage of pledged shares, if any, held by each of them:

Sl. No.	Name & Position	Nature of Issue	Date of Allotment and Acquisition & date of shares fully paid-up	No. of shares	Face Value & Issue Price	Consideration	% of Share holding		Source of Fund Own	Lock in Period	Status of Pledged Share
							Pre IPO %	Post IPO %			
1	Mr. Mustafiq Rahman, Nominated Director by SW Holdings Limited	Ordinary Issue	Transfer as on 01/12/2019	138,000	10	Cash					No Pledge
			Transfer as on 01/12/2019	138,000	10	Cash					
			Bonus Share as on 27/09/2020	41,400	10	Stock Dividend	5.07%	3.04%	Own	3 years	
			Right Share as on 25/03/2021	899,732	10	Right Share					
			Total	1,217,132							
2	Javed Kabir Ali	Ordinary Issue	Transfer as on 01/12/2019	99,500	10	Cash					No Pledge
			Transfer as on 01/12/2019	176,500	10	Cash					
			Bonus Share as on 27/09/2020	41,400	10	Stock Dividend	5.07%	3.04%	Own	3 years	
			Right Share as on 25/03/2021	899,732	10	Right Share					
			Total	1,217,132							
3	Mrs. Nozid Zaman, Nominated Director by Zamorad Investments LLC	Ordinary Issue	Transfer as on 27/02/2020	655,500	10	Cash					No Pledge
			Bonus Share as on 27/09/2020	98,325	10	Stock Dividend	12.04%	7.23%	Own	3 years	
			Right Share as on 25/03/2021	2,136,863	10	Right Share					
			Total	2,890,688							
4	Mr. Monwar-Uz-Zaman, Nominated	Ordinary Issue	Transfer as on 27/02/2020	289,500	10	Cash					No Pledge
			Transfer as on 27/02/2020	300,000	10	Cash	12.17%	7.30%	Own	3 years	
			Transfer as on 27/02/2020	72,900	10	Cash					

পুঁজিবাজারে বিনিয়োগ বৃদ্ধিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

	Director by BARWAZ Investment LLC	Bonus Share as on 27/09/2020	99,360	10	Stock Dividend							
		Right Share as on 25/03/2021	2,159,356	10	Right Share							
		Total	2,921,114									
		MOA and AOA 14.03.1996	20,000	10	Cash							
		Allotment as on 21.03.1996	380,000	10	Cash							
		Transfer as on 16/09/1996	(50,000)	10	Cash							
5	M. A. Hamman	Bonus Share as on 15.09.2013	50,500	10	Stock Dividend	1.93%	1.16%	Own	3 years	No Pledge		
		Bonus Share as on 27/09/2020	60,375	10	Stock Dividend							
		Total	462,875									
		MOA and AOA 14.03.1996	20,000	10	Cash							
		Allotment as on 21.03.1996	30,000	10	Cash							
6	Late Abdul Wahid	Bonus Share as on 15.09.2013	7,500	10	Stock Dividend	0.28%	0.17%	Own	3 years	No Pledge		
		Bonus Share as on 27/09/2020	8,625	10	Stock Dividend							
		Total	66,125									
		Transfer as on 28.03.2010	350,000	10	Cash							
		Transfer as on 28.12.2011	100,000	10	Cash							
		Bonus Share as on 15.09.2013	67,500	10	Stock Dividend							
		Transfer as on 01.12.2019	6,400	10	Stock Dividend							
		Transferred as on 18.01.2017	(289,500)	10	Cash							
		Bonus Share as on 27/09/2020	35,190	10	Stock Dividend							
7	Mr. Atman Bork Choudhury	Right Share as on 25/03/2021	764,772	10	Right Share	4.31%	2.59%	Own	3 years	No Pledge		
		Total	1,034,562									

পুঁজিবাজারে বিনিয়োগ হুঁকিপূর্ণ। জোনে ও বুকে বিনিয়োগ করুন

৪	Abu Toled Chowdhury	Ordinary Issue	MOA and AOA 14.03.1996	30,000	10	Cash				Own		No Pledge
			Alotment as on 21.03.1996	1,170,000	10	Cash						
			Transfer as on 28.01.1997	(50,000)	10	Cash						
			Transfer as on 28.01.1997	(600,000)	10	Cash						
			Transfer as on 28.01.1997	(500,000)	10	Cash						
			Transfer as on 17.02.1998	50,000	10	Cash						
			Transfer as on 03.08.1998	(20,000)	10	Cash						
			Transfer as on 03.08.1998	(30,000)	10	Cash						
			Transfer as on 09.06.1999	500,000	10	Cash						
			Transfer as on 24.12.2001	500,000	10	Cash						
			Transfer as on 26.07.2003	(500,000)	10	Cash						
			Transfer as on 29.05.2002	(50,000)	10	Cash						
			Transfer as on 29.05.2002	(50,000)	10	Cash						
			Transfer as on 29.05.2002	(50,000)	10	Cash						
৯	Iftekhar Alam	Ordinary Issue	Transfer as on 04.11.2003	(350,000)	10	Cash						
			Transfer as on 06.11.2003	(50,000)	10	Cash						
			Total	-								
			MOA and AOA 14.03.1996	30,000	10	Cash						
			Alotment as on 21.03.1996	1,170,000	10	Cash						
			Transfer as on 28.01.1997	(50,000)	10	Cash						
			Transfer as on 30.03.1997	(400,000)	10	Cash						
			Transfer as on 15.09.1997	(700,000)	10	Cash						
			Transfer as on 30.03.2000	(50,000)	10	Cash						
			Total	-								
			MOA and AOA 14.03.1996	20,000	10	Cash						
			Alotment as on 21.03.1996	980,000	10	Cash						
			Transfer as on 28.01.1997	(500,000)	10	Cash						
			Bonus Share as on 15.09.2013	75,000	10	Stock Dividend						
10	F.K. Pathary	Ordinary Issue	Transfer as on 13.05.2018	(575,000)	10	Cash						
			Total	-								
			MOA and AOA 14.03.1996	20,000	10	Cash						
11										Own		

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

	Mrs. Rowshan Ara	Ordinary Issue	Alotment as on 21.03.1996 Transfer as on 28.01.1997	480,000 (500,000)	10 10	Cash Cash					No Pledge
			Total	-							
12	Mrs. Emdadul Haque	Ordinary Issue	MOA and AOA 14.03.1996 Alotment as on 21.03.1996 Transfer as on 09.06.1999 Transfer as on 29.12.2009	20,000 530,000 (500,000) (50,000)	10 10 10 10	Cash Cash Cash Cash	-	Own	-	-	No Pledge
			Total	-							
13	Mr. Anwar Rahman Khan	Ordinary Issue	MOA and AOA 14.03.1996 Alotment as on 21.03.1996 Transfer as on 09.06.1999 Transfer as on 30.03.2000 Transfer as on 26.07.2000 Transfer as on 26.07.2000 Transfer as on 30.03.2000 Transfer as on 22.02.2006 Transfer as on 11.11.2012 Transfer as on 11.11.2012	20,000 730,000 (500,000) (50,000) (30,000) (30,000) 50,000 (50,000) (75,000) (75,000)	10 10 10 10 10 10 10 10 10 10	Cash Cash Cash Cash Cash Cash Cash Cash Cash Cash	-	Own	-	-	No Pledge
			Total	-							
14	Mohammad Shahaan	Ordinary Issue	MOA and AOA 14.03.1996 Alotment as on 21.03.1996 Transfer as on 28.01.1997 Transfer as on 26.06.1997 Transfer as on 06.09.1998	20,000 330,000 (200,000) (50,000) (100,000)	10 10 10 10 10	Cash Cash Cash Cash Cash	-	Own	-	-	No Pledge
			Total	-							
15	Mrs. Johana Ara Begum	Ordinary Issue	Transfer as on 29.03.2010 Bonus Share as on 15.09.2013 Bonus Share as on 27/09/2020	500,000 75,000 86,250	10 10 10	Cash Stock Dividend Stock Dividend	2.76%	Own	1.65%	3 years	No Pledge
			Total	661,250							
16			Transfer as on 30.03.2000	50,000	10	Cash	0.69%	Own	0.41%	3 years	

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[illegible]

***Mr. Abdul Wahid was died on 08/07/1996
[*From the first trading day of the securities]

পুঁজিবাজারে বিনিয়োগ কুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

- (xi) The details of the aggregate shareholding of the sponsors and directors, the aggregate number of specified securities purchased or sold or otherwise transferred by the sponsor and/or by the directors of the issuer and their related parties within six months immediately preceding the date of filing the prospectus;

The details of the aggregate shareholding of the sponsors and directors:

Sl.	Name of the Shareholders	Position	Number of Share Held	Pre IPO %	Post IPO %	Date of 1st Acquisition
1	Mr. Javed Kaiser Ally	Director	1,217,132	5.07%	3.04%	1/12/2019
2	Mr. Aiman Barik Choudhury	Director	1,034,562	4.31%	2.59%	28/03/2010
3	Mr. M.A. Hannan	Sponsor	462,875	1.93%	1.16%	14.03.1996
4	**Late Abdul Wahid	Sponsor	66,125	0.28%	0.17%	14.03.1996
5	SW Holdings Limited	Director	1,217,132	5.07%	3.04%	01.12.2019
6	ZAMORED Investments LLC	Director	2,890,688	12.04%	7.23%	27.02.2020
7	BARWAZ Investments LLC	Director	2,921,116	12.17%	7.30%	27.02.2020
8	Sadat Khan	Sponsor	165,312	0.69%	0.41%	30.03.2000
9	Mr. Zeeshan Khan	Sponsor	165,313	0.69%	0.41%	22.02.2006
10	Mr. Md. Azizul Haque	Sponsor	66,125	0.28%	0.17%	09.06.1999
11	M/S Matsy Enterprises Ltd	Sponsor	198,375	0.83%	0.50%	16.08.1998
12	Ms. Jotsna Ara Begum	Sponsor	661,250	2.76%	1.65%	29.03.2010
13	Ms Ainab Choudhury	Sponsor	1,034,562	4.31%	2.59%	29.06.2016

**Mr. Abdul Wahid was died on 08/09/1996

Aggregate number of specified securities purchased within six months immediately preceding the date of filing the prospectus:

Sl. No	Name & Position	Nature of Issue	Types of shares	No. of shares
1	Mr. Mushfiq Rahman, Nominated Directors by SW Holdings Limited	Ordinary Issue	Right Share as on 25/03/2021	899,732
2	Javed Kaiser Ally Director	Ordinary Issue	Right Share as on 25/03/2021	899,732
3	Ms. Nahid Zaman, Nominated Director by Zamored Investments LLC	Ordinary Issue	Right Share as on 25/03/2021	2,136,863
4	Mr. Manwar-Uz-Zaman, Nominated Director by BARWAZ Investments LLC	Ordinary Issue	Right Share as on 25/03/2021	2,159,356
5	Mr. Aiman Barik Choudhury Director	Ordinary Issue	Right Share as on 25/03/2021	764,772

পুঁজিবাজারে বিনিয়োগ সুকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

- (xii) **The name and address of any person who owns, beneficially or of record, 5% or more of the securities of the issuer, indicating the amount of securities owned, whether they are owned beneficially or of record, and the percentage of the securities represented by such ownership including number of equity shares which they would be entitled to upon exercise of warrant, option or right to convert any convertible instrument;**

Sl	Name of the Shareholders	Address	Relationship	Number of Shares Held	Pre IPO %
1	Mr. Javed Kaiser Ally	House-16, Apt. 504, Road-59, Gulshan-2, Dhaka	Shareholder Director	1,217,132	5.07
2	IFAD Venture Limited Represented by Mr. Taskeen Ahmed	IFAD Tower, 7 Tejgoan I/A Dhaka	Shareholder	2,427,208	10.11
3	SW Holdings Ltd Represented by Mr. Musfiq Rahman	House No.14, Flat No. A-3, Road No. 1/A, Block No. J, Baridhara, Dhaka-1212	Shareholder Director	1,217,132	5.07
4	Runner Trading Ltd. Represented by Mr. Hafizur Rahman Khan	138/1, Tejgaon I/A, Dhaka-1208	Shareholder	3,014,165	12.56
5	ZAMORED Investments LLC Represented by Ms. Nahid Zaman	Office 216A, Royal Diamond Business Centre, LG Building, Plot No. 215-389, umm Ramool, Dubai, UAE	Shareholder Director	2,890,688	12.04
6	BARWAZ Investments LLC Represented by Mr. Manwar-Uz-Zaman	043-004, Maple Leaf Business Centre, IRIS Bay tower, Plot No. 236, Business Bay, Dubai, UAE	Shareholder Director	2,921,116	12.17
7	Mr. Anisuzzaman Chowdhury	7, Sursow Road, Volkart House, Kotwali, Chittagong	Shareholder	1,217,132	5.07
8	Ms. Farida Akhter	House # 73/B, Road # 6, Banani DOHS, Dhaka	Shareholder	1,267,845	5.28
9	Mr. Mohammad Enayetullah	M/s Enuco Ltd. "Baitul Hossain" Room # 1103, Dilkusha C/A, Dhaka	Shareholder	1,267,845	5.28

There is no event or intent of exercising warrant, option or right to convert any convertible instrument.

- (xiii) **The number of securities of the issuer owned by each of the top ten salaried officers, and all other officers or employees as group, indicating the percentage of outstanding shares represented by the securities owned.**

There is no employee in Meghna Insurance Company Limited and its subsidiary who holds any shares of the Company.

পুঞ্জিবাজারে বিনিয়োগ সুকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(d) Description of Business:

- (i) The date on which the issuer company was incorporated and the date on which it commenced operations and the nature of the business which the company and its subsidiaries are engaged in or propose to engage in;

The date of incorporation	18 th March 1996
The date of commenced operations	24 th March 1996
Nature of the business of the Company	The primary activities of the Company are to carry on all kinds of non-life insurance business such as Fire, Marine, Motor, Engineering Insurance and Miscellaneous Insurance.
Nature of the business of the issuer subsidiaries	The Company has no subsidiary.

- (ii) **Location of the project:**

Registered Office:

The Registered Office of the Company is situated at Pritam Zaman Tower (4th Floor), 37/2, Purana Pallan, Dhaka-1000, Bangladesh.

Location of the Branches

There are well- displayed signboards to indicate the branches

Sl	Description	Location
1	Agrabad Branch Office	Azim court, 1110/A, Agrabad I/A, P.O-Bondor, P.S-Double muring, Chittagong.
2	Bagerhat Branch Office	Rail Road, Bagerhat
3	Banani Corporate Branch Office	House # 56, Block # C, Road # 11, Banani, Apartment # 2A, 2B.
4	Banani Branch Office	House # 317, Road # 4 (3 rd Floor), Baridhara, DOHS, Dhaka-1206.
5	Bangshal Branch Office	154, Sayed Nazrul Islam Sarani, Dhaka
6	Barishal Branch Office	Disha Bhaban, Uttar Sagordi, C& B Road, Holding-714, Ward-14, BCC, Barishal
7	B.B. Avenue Branch Office	Dan Plaza, 6th Floor, 9, B.B. Avenue, Dhaka
8	Bogura Branch Office	NAFI Plaza, Temple Road, Satmatha, Bogra.
9	CD Avenue Branch Office	No-1 Posterpar, DT Road, Dhaniatapara, Ward No-23, North Pathantall, P.S: Bandar, P.S: Dablemuring, Ctg.
10	Dewanhath Branch Office	530/3 Combind Building (3rd Fl) Sheikh Mujib Road Deowanhath, Chittagong
11	Dilkusha Branch Office	65 Dilkusha C/A, Dhaka 1000

পুঁজিবাজারে বিনিয়োগ সুকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

12	Elephant Road Branch Office	Rajdhani Complex, 237/2, New Elephant Road 5th Floor, Dhaka
13	Faridpur Branch Office	Gulam Mowla Mansion, 9/9 C/A, Alipur, Faridpur.
14	Feni Branch Office	Life Care Diagnostic Centre, 206, Trank Road, Feni.
15	Gabtolli Branch Office	Khaleque Plaza (1st Floor) 259/Ka Kamalca Road Gabtolli, Mirpur, Dhaka
16	Gazipur Branch Office	Hazi Market, Chandona Chowrasta, Gazipur
17	Hatkhola Branch Office	Lilipond Centre, Floor 8-15, 3 R.K. Mission Road, Motijheel, C/A, Dhaka
18	Imamganj Branch Office	69-70, Moulavi Bazar Road, Chawk Bazar, Dhaka-1211
19	Jatrabari Branch office	Khoniker Asroy, Road # 4, Shohorpoli, Hajj Badsha Mia Road, South Matowail, Demra, Dhaka.
20	Jessore Branch Office	Shafullah Complex, (2 nd floor), 27 M K Road, Jessore.
21	Jubilee Road Branch Office	Hoa Plaza (3rd Floor), 263 Jubilee Road Chittagong 4000
22	Kakrail Branch Office	Cosmic Aluminium Fabrication Cosmic Tower, 106/Ka, Nayapallan, Dhaka
23	Karwan Bazar Branch Office	57 Kazi Nazrul Islam Avenue (2 nd Floor), West Tejuri Bazar, Tejgaon
24	Khatunganj Branch Office	Noor Market 279 (3 rd Floor), Khatunganj Chittagong- 4000.
25	Khulna Branch Office	1, P.C. Ray Road, Angina Bhaban, (Ground Floor), Khulna
26	Kurigram Branch Office	Zella Parishod Super Market (2nd Floor), Room No 326, Kurigram Sadar, Kurigram
27	Local Branch Office	65 Dikusha C/A, Dhaka 1000
28	Moghbazar Branch Office	4 No. Shahid Tajuddin Ahmed Sarani, Magbazar
29	Manikgonj Branch Office	Milon Plaza, House # 2, Block # 8, Joyra, Manikgonj
30	Mohakhali Branch Office	99 Ambon Bhaban, Mohakhali (6th Floor) , Dhaka-1212
31	Motijheel Branch Office	Bhuiyan Mansion, Motijheel Commercial Area, Dhaka.
32	Malibagh Branch Office	23 Halimunnisa Court, Kakrail, Dhaka.
33	Mirpur Branch Office	Road No-06, Holding No-13, Senpara, Parbata, Mirpur-10, Dhaka-1216
34	Mymensingh Branch Office	34 no. Bipin Sen Road, Choto Bazar, Muktijoaha Sarani, Kotuwali, Mymensingh.
35	Nawabpur Branch Office	13, Bangsal Road, Dhaka-1100
36	Narayanganj Branch Office	20/2 SM Maleh Road (3rd Floor), Tanbazar, Narayanganj.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

37	Nayabazar Branch Office	54/3, Nawab Yousuf Road, Nayabazar
38	Newmarket Branch Office	32/1, Mirpur Road, (Khan Plaza), Dhanmondi, Dhaka.
39	Paltan Branch Office	Rahmania International Complex, 28/1/C, Toyenbee Circular Road, Motijheel, Dhaka-1000
40	Principal Branch office	Bhuiyan Mansion, Motijheel Commercial Area, Dhaka.
41	Rajuk Avenue Branch Office	Motijheel square, 1/B DIT Avenue, Motijheel Commercial Area, Dhaka
42	Rangpur Branch Office	Puraton choul Amod, House No-27 (3rd Floor), Road No-1, Singer Gali, Kotowali, Rangpur
43	Savar Branch Office	House No C-93, ward No-7, Mazidpur, Savar, Dhaka
44	Sylhet Branch Office	Room No 105-106, Bagdad Bhaban, Lal Bazar, Bandar Bazar, Sylhet
45	Tongi Branch Office	Jalil Khan Market (1st Floor), Bata ghet, Tongi, Gazipur
46	Toyenbee Road Branch Office	Motijheel Square, Suite- 501, 1/B DIT Avenue Motijheel C/A, Dhaka 1000
47	VIP Road Branch Office	Saleh Mansion, 3/10, Naya Paltan, DIT Extension Road, Dhaka.

(iii) Plant, machinery, technology, process, etc.

Technology

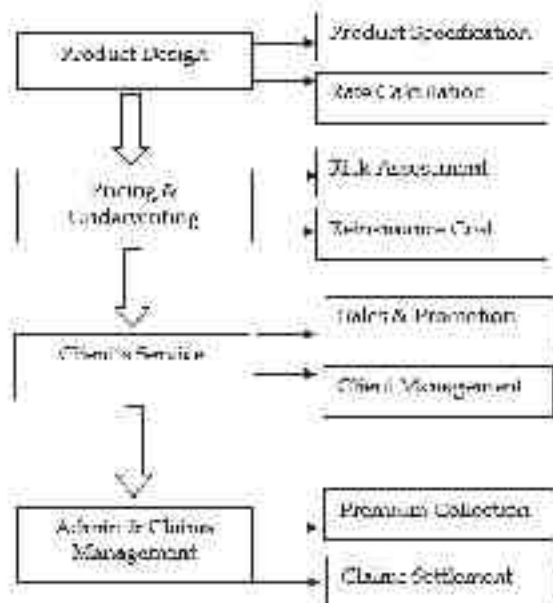
The Company has maintained up to date technology at their head office and branch offices by using Enterprise Resource Planning (ERP) based software such as Insurance Manager Software. One of the many functions of this software is to generate report for insurance policy which is to be expired in near future. This help smooth running of the business operations. The Company has also its own server which is used to preserved clients' data safely. There is sufficient number of intercoms, fax, photocopy machine, etc. for support the management for their official work.

Plant, machinery, technology, process etc:

Since Meghna Insurance Company is engaged in insurance business. So, there are no plant, machinery, technology have evolved in the business process of the issuer. However, the company has been delivered its services in the following process:

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Product/Process



- (iv) Details of the major events in the history of the issuer, including details of capacity or facility creation, launching of plant, products, marketing, change in ownership and/or key management personnel etc.:

Date of Incorporation	:18 th March 1996
The Company started its commercial operation	:24 th March 1996
Change of face value of share from Tk. 100/- to Tk. 10/-	: The face value of shares was denominated from Tk. 100 per share to Tk. 10 per share vide special resolution was passed on 02 September 2012 in the extra ordinary general meeting by the shareholders of the Company and subsequently which was passed in RJSC on 25 March 2013.
Details of capacity or facility creation, launching of plant:	: Since the Company is engaged in insurance business, So, there are no capacity or facility creation and no launching of plant in this respect.

Products:

The Principal 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

পুঁজিবাজারে বিনিয়োগ কুঁকিসূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

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

পুজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

- 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.

পুঁজিবাজারে বিনিয়োগ সুকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

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, Labour & 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)

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

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.

2. 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:

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

- 3. Cash In ATM Insurance**
- 4. General / Public Liability Insurance**
- 5. Employers Liability Insurance**
- 6. Workmen's Compensation Insurance**
- 7. Cash on Counter Insurance**
- 8. Cash In safe Insurance**
- 9. Personal Accident Insurance**
- 10. The Peoples Personal Accident Policy**

পূঁজিবাছারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Change in Key management personnel:

SL	Name	Position & Department	Period
1	Mr. M.A. Rahim	Chief Executive Officer	10 July 1996 – 31 December 1997
2	Mr. Md. Nazrul Islam	Chief Executive Officer	01 January 1998 – 31 December 2000
3	Mr. Abul Fazal Ghulam Rabbi	Chief Executive Officer	01 January 2001 – 30 June 2001
4	Mr. M. Mowla	Chief Executive Officer	01 July 2001 – 17 March 2002
5	Mr. Ashequr Rasul	Chief Executive Officer	18 March 2002 – 06 May 2002
6	Mr. Zuber Ahmed Khan	Chief Executive Officer	07 May 2002 – 15 May 2002
7	Mr. Ashequr Rasul	Chief Executive Officer	15 May 2002 – 28 July 2004
8	Mr. Golam Mohiuddin Faruk	Chief Executive Officer	29 July 2004 – 04 February 2008
9	Mr. Amar Krishna Saha	Chief Executive Officer	04 February 2008 – 03 February 2011
10	ABM Nurul Haq	Chief Executive Officer	21 July 2011 – 22 January 2012
11	Mr. Md. Zakaria Hossain Talukder	Chief Executive Officer	23 January 2012 – 31 December 2015
12	Dr. A.K.M Sarwar Jahan Zamil	Chief Executive Officer	01 January 2016 – 09 January 2020
13	Mr. Mohammad Abu Bakar Siddique	Chief Executive Officer	01 January 2020 (CC) 05 April 2020 – continuing date
14	Mr. A Wadud Bhuiyan	General Manager & CS (Board)	01 January, 1998 – 31 December, 1999
15	Shaikh Mohammad Ullah	General Manager & CS (Board)	16 July, 2000 – 31 March, 2002
16	Mr. K. M. Saidur Rahman	DMD & CS (Board)	04 July, 2005 – 31 August, 2007
17	Mr. Khondkar Habibur Rahman	GM & CS(Board)	13 September, 2007- 31 December, 2009
18	Zahangir Alam Manik, ACS, MBA	DMD & CS(Board)	18 February, 2010 – 29 February, 2012

পূর্জিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

19	Mr. Anwar Ullah	Addl. MD & CS (Board & HR)	01 January, 2018 – 10 October, 2018
20	Mr. Md. Habib Jaman, FCA	Addl. MD, CFO & CS (CC) (Accounts & Board)	11 October, 2018 – 01 January, 2019
21	Mr. Md. Noor-Alam	Deputy Manager & CS (CC) (Board)	09 January, 2019 – 15 September, 2019
22	Mr. Abdul Hamid	AGM (Head of Accounts) (Finance & Accounts)	10 June, 1997 – 11 July, 1999
24	Mr. Nurul Islam	DGM (Head of Accounts) (Finance & Accounts)	29 September, 2003 – 31 January, 2006
25	Mr. Nazrul Islam	GM (Head of Accounts) (Finance & Accounts)	02 February, 2006 – 31 May, 2012

- (v) **Principal products or services of the issuer and markets for such products or services. Past trends and future prospects regarding exports (if applicable) and local market, demand and supply forecasts for the sector in which the product is included with source of data.**

Principal products:

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

Products:

The Principal 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

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

- 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)

পূঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুকে বিনিয়োগ করুন

- 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:

- d. Hull
- e. Plant & Machinery
- f. 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)

পূঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Risks covered under following categories

- c. TC Hull (All risk)
- d. TLO With sue, Labour & 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

7. 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.

8. 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.

9. Contractors All Risk Insurance (CAR)

10. Erection All Risk Insurance (EAR)

11. Deterioration Of Stock Insurance (DOS)

12. Power Plant Insurance

Miscellaneous Insurance

11. 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.

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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.

12. 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:

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

13. Cash In ATM Insurance

14. General / Public Liability Insurance

15. Employers Liability Insurance

16. Workmen's Compensation Insurance

17. Cash on Counter Insurance

18. Cash in safe Insurance

19. Personal Accident Insurance

20. The Peoples Personal Accident Policy

Market for such Products:

The Company offers the services through its Branches in different locations of Bangladesh.

Past trends and prospects regarding local market:

The Company sells its products only in the local market of Bangladesh.

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Post trend of service

Amount In Taka

Particulars	31- March, 2021	2020	2019	2018	2017	2016
Gross Premium	219,130,267	619,402,772	581,041,069	461,909,172	412,338,034	471,476,025
Net Premium	175,899,235	439,448,041	391,081,424	269,855,446	240,150,641	353,187,363
Gross Profit	54,970,528	26,912,912	33,345,755	28,749,844	33,438,374	33,060,233
Investment Income	3,390,128	24,677,204	10,849,322	15,355,349	14,502,986	14,188,808
Deposit Premium	48,870,919	50,484,267	27,701,156	17,532,377	16,189,622	3,673,104

Claim Settlement

Particulars	March 31, 2021		2020		2019		2018		2017		2016	
	No. of claim	No. of settlement	No. of claim	No. of settlement	No. of claim	No. of settlement	No. of claim	No. of settlement	No. of claim	No. of settlement	No. of claim	No. of settlement
Motor Insurance	36	36	128	181	220	221	291	231	286	206	164	157
Fire Insurance	06	12	28	23	18	24	52	15	28	13	74	25
Marine Insurance	36	16	44	49	79	52	39	24	34	22	43	38
Miscellaneous	00	00	01	00	02	00	02	02	00	00	03	06
Total	78	64	201	253	319	297	384	272	348	241	284	226

Future prospects of the product or service in the local market

Future prospect of the business:

As a whole, 2020 was characterized by uncertainty and challenges. However, every organization did not react in the same way to survive in the rapidly changed circumstances. While some industries experienced an unfavorable impact, others found new avenues of growth.

Bangladesh is rising against all the obstacles like it did many times in the past. The economy is beginning to show signs of recovery. The Government is taking active steps in all sectors including health, infrastructure and finance to sustain our previous growth momentum.

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Several factors will be crucial in sustaining the sector's growth opportunities in 2021:

Focusing on health, safety and convenience

If there is a time when collectively everyone is thinking about safety and convenience, that time is now. As a result, safety concerns are taking precedence in customer decisions. This has also propelled faster adoption of digital technologies. Traditionally, insurance businesses relied on face-to-face interactions in selling insurance policies. However, both customers and insurers are quickly getting used to contactless, digital ways of purchasing and maintaining policies.

While Covid-19 has diminished face-to-face contact, the agent relationship is still critical to building confidence in our customers' purchasing decisions. Insurers need to keep working to identify areas where digitalization can better enable hassle-free interaction between customers and agents.

The ongoing pandemic is further reinforcing people's focus on their health and wellbeing. 2021 will likely see a rapid rise in digital health services. Insurers should incorporate value-added services into their offering that move them from being a reimbursement provider to a more holistic partner. We can see encouraging developments as organizations are utilizing digital healthcare services such as telemedicine and personal wellbeing management to create a unique value proposition for their customers.⁷

Moving forward

Despite various challenges, Bangladesh's insurance sector has tremendous potential for growth, especially given the country's favorable macroeconomic picture. Regulatory reforms and the introduction of bancassurance, health, expatriate, agriculture, education, coastal, and public pension insurance products along with deep distribution channels can catalyse growth in the insurance sector.

Regulations that focus on reducing the risk of insolvency can help build trust in the market at a global level, which in turn will increase the flow of funds into the economy. With adequate capital requirements in place, insurance companies will serve as a safeguard for investments in infrastructure bonds, thereby boosting infrastructure development.

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Strong regulations can also help strengthen the reinsurance market, which will ease the financial burden on the government arising from catastrophic events, thus directly contributing towards development opportunities for the country. Further, well-defined regulations can drive competition, enabling companies to provide the best solutions and offer more options to customers. Regulatory frameworks, ideally framed with reference to international standards and principles, will go a long way towards creating a resilient insurance sector.⁸

Source: Bangladesh's insurance industry outlook for 2021, Ala Ahmad, General Manager, MetLife Bangladesh

Demand and Supply forecast

The demand for insurance service is co related with the volume of business increase in the Country. It has been observed that the economy of Bangladesh is emerging and human living standard also increasing. To coverage risk, the demand for insurance service is also increasing accordingly.

Currently, there are 46 general insurance companies are serving their business in our country in order to cover the risk. As business volume is increasing in our country so the demand for insurance coverage increasing day by day to the client. There is a demand and supply gap remain in our country. Accordingly, Government of Bangladesh permit year to year number of insurance companies to run their business in this sector. If the issuer has more than one product or service, the relative contribution to sales and income of each product or service that accounts for more than 10% of the Company's total revenues.

- (vi) **If the issuer has more than one product or service, the relative contribution to sales and income of each product or service that accounts for more than 10% of the company's total revenues;**

The Company has several insurance products of which Fire, Marine Cargo, and Miscellaneous has contributed more than 10% of the Company's total revenues for the period ended 31 March 2021:

Sl. No.	Product	Contribution to Revenue (As on 31 March 2021)	
		Amount	%
1	Motor Insurance	26,621,957	15.22%
2	Fire Insurance	54,831,557	31.35%
3	Marine Insurance	93,444,714	53.42%

পুঁজিবাজারে বিনিয়োগ কৃকিস্পূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

- (vii) Description of associates, subsidiary and holding company of the issuer and core areas of business thereof.**

The Company has no associate, subsidiary and holding Company.

- (viii) How the products or services are distributed with details of the distribution channel. Export possibilities and export obligations, if any;**

The Company operates its business through the Head Office at Dhaka and the branches throughout the country. As on 31 March 2021, the Company has been operating its business through 47 branches along with one local office.

Sl	Description	Location
1	Agrabad Branch Office	Azim court, 1110/A, Agrabad I/A, P.O-Bondor, P.S-Double muring, Chittagong.
2	Bagerhat Branch Office	Rail Road, Bagerhat
3	Banani Corporate Branch Office	House # 56, Block # C, Road # 11, Banani, Apartment # 2A, 2B.
4	Banani Branch Office	House # 317, Road # 4 (3 rd Floor), Baridhara, DOHS, Dhaka-1206.
5	Bangshal Branch Office	154, Sayed Nazrul Islam Sarani, Dhaka
6	Barishal Branch Office	Disha Bhaban, Uttar Sagordi, C&B Road, Holding-714, Ward-14, BCC, Barishal
7	B.B. Avenue Branch Office	Don Plaza, 6th Floor, 9, B.B. Avenue, Dhaka
8	Bogra Branch Office	NAFI Plaza, Temple Road, Satmatha, Bogra.
9	CD Avenue Branch Office	No-1 Posterpar, DT Road, Dhanialapara, Ward No-23, North Pathantail, P.S: Bandar, P.S: Dablemuring, Ctg.
10	Dewanhat Branch Office	530/3 Combind Building (3rd Fl) Sheikh Mojib Road Deowanhat, Chittagong
11	Dilkusha Branch Office	65 Dilkusha C/A, Dhaka 1000
12	Elephant Road Branch Office	Rajdhani Complex, 237/2, New Elephant Road 5th Floor, Dhaka
13	Faridpur Branch Office	Golam Mowla Mansion, 9/9 C/A, Ailpur, Faridpur.
14	Feni Branch Office	Life Care Diagnostic Centre, 206, Trank Road, Feni.
15	Gabfoli Branch Office	Khaleque Plaza (1st Floor) 259/Ka Kamalcal Road Gabfoli, Mirpur, Dhaka
16	Gazipur Branch Office	Hazi Market, Chandona Chowrasta, Gazipur
17	Hatkhola Branch Office	Lilipond Centre, Floor B-15, 3 R.K. Mission Road, Motijheel, C/A, Dhaka
18	Imamgonj Branch Office	69-70, Moulevi Bazar Road, Chawk Bazar, Dhaka-1211
19	Jatrabari Branch office	Khoniker Asroy, Road # 4, Shoharpoli, Haji Badsha Mia Road, South Matowail, Demra, Dhaka.

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20	Jessore Branch Office	Shafiullah Complex, (2 nd floor), 27 M K Road, Jessore.
21	Jubilee Road Branch Office	Hoo Plaza (3rd Floor), 263 Jubilee Road Chittagong 4000
22	Kakrail Branch Office	Cosmic Aluminium Fabrication Cosmic Tower, 106/Ka, Nayapaltan, Dhaka
23	Karwan Bazar Branch Office	57 Kazi Nazrul Islam Avenue (2 nd Floor), West Tejfur Bazar, Tejgaon
24	Khatungonj Branch Office	Noor Market 279 (3 rd Floor), Khatungonj Chittagong- 4000.
25	Khulna Branch Office	1, P.C. Ray Road, Angina Bhaban, (Ground Floor), Khulna
26	Kurigram Branch Office	Zella Parishad Super Market (2 nd Floor), Room No 326, Kurigram Sadar, Kurigram
27	Local Branch Office	65 Dikusha C/A, Dhaka 1000
28	Moghbazar Branch Office	4 No. Shahid Tajuddin Ahmed Sarani, Magbazar
29	Manikgonj Branch Office	Milon Plaza, House # 2, Block # B, Joyra, Manikgonj
30	Mohakhali Branch Office	99 Amban Bhaban, Mohakhali (6 th Floor) , Dhaka-1212
31	Motijheel Branch Office	Bhulian Mansion, Motijheel Commercial Area, Dhaka.
32	Malibagh Branch Office	23 Hallmunnesa Court, Kakrail, Dhaka.
33	Mirpur Branch Office	Road No-06, Holding No-13, Senpara, Parbata, Mirpur-10, Dhaka-1216
34	Mymensingh Branch Office	34 no. Bipin Sen Road, Choto Bazar, Muktiyodha Sarani, Katowali, Mymensingh.
35	Nawabpur Branch Office	13, Bangsal Road, Dhaka-1100
36	Narayanganj Branch Office	20/2 SM Maleh Road (3 rd Floor), Tanbazar, Narayanganj.
37	Nayabazar Branch Office	54/3, Nawab Yousuf Road, Nayabazar
38	Newmarket Branch Office	32/1, Mirpur Road, (Khan Plaza), Dharimond, Dhaka.
39	Paltan Branch Office	Rahmania International Complex, 28/1/C, Toyenbee Circular Road, Motijheel, Dhaka-1000
40	Principal Branch office	Bhulian Mansion, Motijheel Commercial Area, Dhaka.
41	Rajuk Avenue Branch Office	Motijheel square, 1/8 DIT Avenue, Motijheel Commercial Area, Dhaka
42	Rangpur Branch Office	Puraton choul Amod, House No-27 (3 rd Floor), Road No-1, Singer Goh, Katowali, Rangpur
43	Savar Branch Office	House No C-93, ward No-7, Mazidpur, Savar, Dhaka
44	Sylhet Branch Office	Room No 105-106, Bagdad Bhaban, Lai Bazar, Bandar Bazar, Sylhet

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45	Tongi Branch Office	Jaili Khan Market (1st Floor), Bata ghat, Tongi, Gazipur
46	Toyenbee Road Branch Office	Motijheel Square, Suite- 501, 1/B DIT Avenue, Motijheel C/A, Dhaka 1000
47	VIP Road Branch Office	Saleh Mansion, 3/10, Naya Pallan, DIT Extension Road, Dhaka.

Export possibilities and export obligations:

Since the Company is providing general insurance services locally, there is no scope of export possibilities and export obligations.

(ix) Competitive conditions in business with names, percentage and volume of market shares of major competitors.

Insurance market in Bangladesh remains fragmented and extremely competitive due to existence and operation of many companies, incommensurate with the size of the market. There are 38 listed non-life insurance listed in Dhaka and Chittagong Stock Exchange, in addition to the one public sector corporations. A total of 47 non-life insurers are operating in Bangladesh. Thus, insurance companies will find them in stiff competition when the new companies enter the market.

The names of insurance company which are the direct competitors of Meghna Insurance Company Limited are given below:

Sl No	Name of the company	Net Premium (BDT in mn)	Percentage of market share based on net premium	Period
1	Agrani Insurance	192.3	1.11%	Dec-19
2	Asia Insurance	408.7	2.35%	Dec-19
3	Asia Pacific General Insurance	347.5	2.00%	Dec-19
4	Bangladesh General Insurance	452.4	2.60%	Dec-19
5	Bangladesh National Insurance	361.7	2.08%	Dec-19
6	Central Insurance	221.2	1.27%	Dec-19
7	City General Insurance	312.4	1.80%	Dec-19
8	Continental Insurance	477.7	2.75%	Dec-19
9	Crystal Insurance	390.9	2.25%	Dec-19
10	Desh General Insurance	168.0	0.97%	Dec-19
11	Dhaka Insurance	224.9	1.29%	Dec-19
12	Eastern Insurance	24.5	0.14%	Dec-19
13	Eastland Insurance	508.3	2.92%	Dec-19
14	Express Insurance	266.4	1.53%	Dec-19
15	Federal Insurance	336.0	1.93%	Dec-19
16	Global Insurance	417.6	2.40%	Dec-19
17	Green Delta Insurance	1,996.8	11.48%	Dec-19
18	Islami Insurance	380.5	2.19%	Dec-19
19	Janata Insurance	171.7	0.99%	Dec-19
20	Karnaphuli Insurance	191.5	1.10%	Dec-19
21	Mercantile Insurance	191.0	1.10%	Dec-19
22	Nilol Insurance	532.7	3.06%	Dec-19

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23	Northern Islami Insurance	376.8	2.17%	Dec-19
24	Paramount Insurance	151.3	0.87%	Dec-19
25	Peoples Insurance	420.8	2.42%	Dec-19
26	Phoenix Insurance	473.3	2.72%	Dec-19
27	Pioneer Insurance	1,823.2	10.48%	Dec-19
28	Pragati Insurance	1,024.5	5.89%	Dec-19
29	Prime Insurance	137.4	0.79%	Dec-19
30	Provati Insurance	638.6	3.67%	Dec-19
31	Purabi Gen. Insurance	21.0	0.12%	Dec-19
32	Reliance Insurance	1,324.7	7.61%	Dec-19
33	Republic Insurance	419.6	2.41%	Dec-19
34	Rupali Insurance	871.2	5.01%	Dec-19
35	Sonar Bangla Insurance	337.6	1.94%	Dec-18
36	Standard Insurance	285.4	1.64%	Dec-19
37	Takaful Islami Insurance	249.0	1.43%	Dec-19
38	United Insurance	272.2	1.56%	Dec-19
	Total	17,400.9	100.00%	

Source: Last Filed Audited Report with Dhaka Stock Exchnage

- (x) Sources and availability of raw materials, names and addresses of the principal suppliers and contingency plan in case of any disruption.**

The Company does not procure any raw materials and as such has no principal merchandizing supplier(s).

- (xi) Sources of, and requirement for, power, gas and water; or any other utilities and contingency plan in case of any disruption;**

The Company does not require such utilities except for ordinary use in administrative work.

- (xii) Names, address(s), telephone number, web address, e-mail and fax number of the customers who account for 10% or more of the company's products or services with amount and percentage thereof;**

There are no suppliers who provided 10% or more its raw material or finished goods.

- (xiii) Names, address(s), telephone number, web address, e-mail and fax number of the suppliers from whom the issuer purchases 10% or more of its raw material or finished goods with amount and percentage thereof;**

There are no suppliers who provided 10% or more its raw material or finished goods.

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- (xiv) Description of any contract which the issuer has with its principal suppliers or customers showing the total amount and quantity of transaction for which the contract is made and the duration of the contract. If there is not any of such contract, a declaration is to be disclosed duly signed by CEO or MD, CFO and Chairman on behalf of Board of Directors;

The Company has no such contract with principal suppliers or customers.

Declaration regarding Contract with Principal suppliers or customers

We, on behalf of Board of Directors of the Company hereby declare that Meghna Insurance Company Limited did not enter into any contract with its any suppliers or customers.

Sd/-

Mohammed Hafizour Rahman,
FCA, FCS
 Chief Financial Officer

Sd/-

Mohammad Abu Bakar Siddique
 Chief Executive Officer

Sd/-

Mr. Mushfiq Rahman
(Nominated by SW
Holdings Ltd.)
 Chairman

On behalf of Board of Directors

Place: Dhaka
 Dated: 14th Sep, 2021

পুঁজিবাজারে বিনিয়োগ সুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(xv) Description of licenses, registrations, NOC and permissions obtained by the issuer with issue, renewal and expiry dates:

The Company has neither obtained any Patent Right/Trademarks nor signed any royalty agreement with any party. However, Meghna Insurance Company Limited has several regulatory licenses and certificates to continue its operations. The table shows list of licenses:

SL	Name of issues (Licenses, registration, NOC and permission)	License issuer/ Issuing Authority	Registration/Certificate/ U-cense No./Permission letter No.	Issue Date	Date of renewal	Date of expiry
1	Certificate of Incorporation	Registrar of Joint Stock Companies and Firms	C-30434(1650)/96	18 th March, 1996	N/A	N/A
2	Commencement of Business	Registrar of Joint Stock Companies and Firms	13356	24 th March, 1996	N/A	N/A
3	E-Trade License certificate	Dhaka South City Corporation	TRAD/DSCC/267114/2019	16 th August, 2020	16/08/2021	30/06/2022
4	Certificate of registration	Controller of Insurance	CR-3/96	23 rd March 1996	1 st January, 2021	31 st December, 2021
5	NOC to issue rights share among sponsor shareholders	Insurance Development Regulatory Authority (IDRA)	নিউইনসুরেন্স/২১৩০/২০১১-৪৫৯	23 October, 2011	N/A	N/A
6	NOC to raise capital through IPO	Insurance Development Regulatory Authority (IDRA)	নিউইনসুরেন্স/২৬১২/২০১৬-১৫২	17 January, 2017	N/A	N/A
7	TIN Certificate	Deputy Commissioner of Taxes, Tax Circle LTU(Tax), Tax Zone Large Taxpayers unit (Tax)	TIN 238243146855	14 July, 2014	N/A	N/A
8	VAT Certificate	Customs, Excise and VAT Commissionerate, Dhaka (South), Motilheel Division	BIN: 002052013-0202	26/09/2019	N/A	N/A

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(xvi) Description of any material patents, trademarks, licenses, or royalty agreements.

The Company has neither obtained any Patent Right/Trademarks nor signed any royalty agreement with any party. However, it has several regulatory licenses and certificate to continue its operation.

(xvii) Number of total employees and number of full-time employees.

The total number of employees of Meghna Insurance Company Limited is 600 nos. person as on 31 March 2021. The details have been provided below:

Salary range (Monthly)	No. of full-time employees	Total employees
Below Tk. 3,000	-	-
Above Tk. 3,000	600	600
Total no. of employees	600	600

* There is no part time employee in the Company.

(xviii) A brief description of business strategy.

MICL observed that there is a noticeable change in customer behavior and preferences around products, distribution channels, and processes. Cost savings and customer retention are critical in the intensely competitive nonlife insurance industry. Most insurers across the country are transforming their business models to be better aligned with changing consumer preferences. Moreover, alternative distribution channels such as on-line channels and social media are gradually gaining prominence driven by a generational shift 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 centrality.
- ❖ 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.)

Strategy and Implementation Summary

- ❖ **Emphasize service and ongoing support.** We must avoid selling only one policy at the lowest price for each customer and concentration account selling which greatly enhances client retention.
- ❖ **Build an Insurance Partnership.** The customer does not want to shop every year for a new broker. Concentrate on building a long term relationship with our customers and make the client and our staff appreciate the value of a long-term relationship.
- ❖ **Focus on target markets.** We must focus on personal and business customers that we identify and select to insure, instead of allowing potential customers to choose us.
- ❖ **Educated & trained the branch in charge:** Different initiative would be taken to involve the branch in charged for market penetration and market development. As well as to retain the existing customers.

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Expansion Strategy:

- ❖ MICL will focus on personal and business customers to tap the untapped market i.e. market development.
- ❖ Focus will be given to retain the existing customers.
- ❖ Focus will be given to development of new products.
- ❖ Focus will be given on concentric diversification.
- ❖ More importance will be given to the profit growth of the company.

Marketing Strategy

- ❖ Short term and long term marketing strategy will be taken.
- ❖ Emphasize will be given on service and support.
- ❖ 7Ps of marketing mix will be considered
- ❖ Build a partnership business based on account selling.
- ❖ Focus on senior, claims-free personal lines business and the profitable, well-run, small family business.
- ❖ Target small, non-franchise business, and cluster type's insurance plans.
- ❖ Investigate acquiring efficient and dynamic marketing manager for insurance business.

Promotion Strategy

- ❖ Introduce internet base promotional activities, use of different social media.
- ❖ All advertising has to emphasize our differentiation point rather than price. We will be developing a "Now what do I do?" message to emphasize the need for dealing with MICL's insurance professionals so that in the event a loss occurs, you know you have the proper protection.
- ❖ MICL will focus on the awareness among the untapped group of the society specially to the rural potential area.
- ❖ Initiative will be taken to improve the image of the company by involving itself into different CSR activities.
- ❖ MICL will improve and increase its contacts with its existing clients. All clients should be contacted before renewal to ensure covers are current and adequate. Also, new insurance should be solicited. We are investigating the production of a company newsletter or use of the news portal.

Distribution Strategy

- ❖ **Select Seniors** We will give special attention to this market in our advertising. We will make a concerted effort to support and sponsor seniors' programs in our area. We will seek out Cottage associations and offer support and advice to attract new senior clients who are recently retired or about to in the near future.
- ❖ **Insurance Partners** We will include inserts in renewal, endorsements, and correspondence stressing the importance of the insured taking an active interest and responsibility for trying to control the severity and number of claims. Our staff should take every opportunity, when discussing insurance with a client, to emphasize the consequences of multiple claims.
- ❖ **Business Partners** Again we should encourage insured to take responsibility for controlling claims. MICL confirm the reinsurance with SadharonBima Corporation of Bangladesh wherever necessary to provide best support to the clients in case of accident occurs.

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Positioning Statement

Our target market is Small town District and untapped market. The ideal client is claims-free aged between 45 – 75 who owns his own home and car and is debt free if the regulator changes its circular regarding the insurance coverage of car. Has exhibited stable family patterns and is known and respected in the community. A similar profile should be used for commercial prospects with emphasis placed on the well-run, profitable business that has exhibited good claims experience.

Pricing Strategy

Our customers are especially sensitive to value. We must ensure that our price and service are perceived to be good value to our client.

Our markets must offer several payment options to our clients that are convenient to the client, not just to the company. Example – payment on insured's preferred day of month, not on the company's, and accepting payment by credit or debit card. Many insureds are on a fixed income and receive their income on a set day of each month or a paycheck on a particular day.

We encourage our companies to "Target Market." Many of our companies are now focusing on what they have perceived to be profitable niche markets, where they can offer a competitive product with little, if any, competition.

We are seeing our commercial markets now moving toward basic coverage and limiting the "bells and whistles," all-risk products available to only those clients who have modern, well-managed, profitable, low-risk operations. This should help stabilize pricing and, even more important, ensure that there is an insurance market available for most risks. Continued insistence by the industry on better protection, i.e. fire and burglar alarms, upgrading of buildings i.e. modern constructed building etc., have started to lower loss ratios.

Sales Strategy

We want to emphasize the benefit of dealing with professionals who live and work in our client's area. We know their needs and their problems and we have a local reputation to protect, unlike an out-of-town market. If the out-of-town in charge fails to provide proper cover or advice, they will lose clients. In this situation we will try to higher the competitive one who can manage the clients in a befitting manner. Competitive prices for our identified target markets with the commitment of maximum coverage of loss and ensure the claim on the time.

We will act as a partner of loss taking in case of any uncertainty happen which will help the clients to mitigate their financial loss.

Business partners provide us the opportunity to sell lower-priced, basic insurance coverage to our clients. Many clients have expressed interest in retaining part or all of the insurance risk, especially for burglary. They feel that if they have installed central alarms and bars, they can take the chance of self-insurance.

Sales Programs

We are investigating sales incentives for our branch in charge. They must encourage profitable new business and have a retention component.

Strategic Alliances

Some of our present companies have surveyed us to investigate co-operative advertising but we have not committed to any programs at present.

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Service and Support

MICL will confirm the best service and support to the clients from the inception of the business to the settlement of the claim. MICL will find out the way to delight its customers keeping in mind the interest of the shareholders.

- (xix) A table containing the existing installed capacities for each product or service, capacity utilization for these products or services in the previous years, projected capacities for existing as well as proposed products or services and the assumptions for future capacity utilization for the next three years in respect of existing as well as proposed products or services. If the projected capacity utilization is higher than the actual average capacity utilization, rationale to achieve the projected levels.

There is no capacity in this regard.

(e) Description of Property:

The written down value of Property, Plant & Equipment's owned by the company as per audited accounts as on 31st March, 2021 are stated below:

Sl. No.	Particulars	Written Down value as at 31st March, 2021
1	Furniture and Fixture	12,367,341
2	Motor Vehicles	21,358,289
3	Office Decoration	13,755,467
4	Computer	1,634,417
5	Air Conditioner	5,021,026
6	Office Equipment	12,859,282
7	Crockeries	11,183
8	Land	162,045,034
9	Office Space	18,098,373
Total		247,150,411

- (i) Location and area of the land, building, principal plants and other property of the company and the condition thereof;

The entire above-mentioned assets are located at registered office and branches offices.

- (ii) Whether the property is owned by the company or taken on lease;

The most of above-mentioned assets of the Insurance are owned by purchased except floor spaces of Head Office under Term Loan whose are deployed at registered office and branches offices.

- (iii) Dates of purchase, last payment date of current rent (খাজনা) and mutation date of lands, deed value and other costs including details of land development cost, if any and current use thereof;

Description of Land	
Date of purchase	February 22, 2017
Last payment date of Rent receipt (Khajna)	23 August, 2021
Mutation date	16 August, 2017
Deed value	Tk. 15,12,00,000

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Other cost including details of land development cost	Tk. 2,94,07,468
Current use	Corporate head office

- (iv) **The names of the persons from whom the lands has been acquired or proposed to be acquired along with the cost of acquisition and relation, if any, of such persons to the issuer or any sponsor or director thereof;**

The Company acquired the land from Pioneer Builders Limited

- (v) **Details of whether the issuer has received all the approvals pertaining to use of the land, if required.**

The Company has received all the approvals pertaining to use of the land

- (vi) **If the property is owned by the issuer, whether there is a mortgage or other type of charge on the property, with name of the mortgagee.**

The above property was mortgaged with IDLC against long term loan, The said loan fully paid off as on 06 June, 2021 and mortgaged redemption is under process MiCL does not have any mortgage of any sorts of assets with any lenders.

- (vii) **If the property is taken on lease, the expiration dates of the lease with name of the lessor, principal terms and conditions of the lease agreements and details of payment;**

No property of MiCL is taken on lease except the right-of-use asset as per IFRS 16 alias rental agreement for its following branches:

Sl.	Description	Location	Name of the lessor	Expiration date of the lease	Principal terms and Condition
1	Agrabad Branch Office	Azim court, 1110/A, Agrabad I/A, P.O-Bondar, P.S-Double muring, Chittagong.	Md. Main Uddin	30 June, 2023	Office Space- 350 sqft. Advance- 30,000 tk Rent- 13,000 tk/month Adjustment- 1,000 tk/month
2	Bagerhat Branch Office	Rail Road, Bagerhat	Md. Kawsar Hossain	30 June, 2023	Office Space- 264 sqft. Rent- 6,000 tk/month
3	Banani Corporate Branch Office	House # 56, Block # C, Road # 11, Banani, Apartment # 2A, 2B.	Mr. Taiukdar Hasibul Hasan (T.H. Hasan)	31 December, 2022	Office Space- 4000 sqft. Advance- 3,00,000 tk Rent- 1,50,000 tk/month Service Charge- 24,000 tk
4	Banani Branch Office	House # 317, Road # 4 (3rd Floor), Baridhara, DOHS, Dhaka- 1206.	Gulam Muktaar, Golam Musabbir, Golam Mustakim	31 December, 2023	Office Space- 400 sqft. Advance- 2,00,000 tk Rent- 30,000 tk/month

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5	Bangshal Branch Office	154, Sayed Nazrul Islam Sarani, Dhaka	Alhaz Md. Younus, Alhaz Sheikh Md. Islam, Ms. Salma Begum	28 February, 2024	Office Space- 680 sft. Advance- 1,00,000 tk Rent- 35,000 tk/month Adjustment- 2,000 tk/month
6	Barishal Branch Office	Disha Bhaban, Uttar Sagordi, C&B Road, Holding- 714, Ward-14, BCC, Barishal	Naushova Afroze (Shompa)	30 June, 2022	Office Space- 800 sft. Advance- 20,000 tk Rent- 9,000 tk/month
7	B.B. Avenue Branch Office	Don Plaza, 6th Floor, 9, B.B. Avenue, Dhaka	Nur Mohammad Khan, Managing Director of Beauty Shoe Supply Co.	31 May, 2022	Office Space- 260 sft. Advance- 48,000 tk Rent- 12,000 tk/month Service Charge- 800 tk
8	Bogura Branch Office	NAFI Plaza, Temple Road, Salmatha, Bogra.	Md. Khalilur Rahman	31 December, 2022	Office Space- 1000 sft. Advance- 3,00,000 tk Rent- 17,000 tk/month
9	CD Avenue Branch Office	No-1 Pasterpar, DT Road, Dhanisapara, Ward No-23, North Pathantail, P.S: Bandar, P.S: Dablemuring, Ctg.	Md. Halim Hossain	31 July, 2022	Office Space- 600 sft. Advance- 2,00,000 tk Rent- 8,000 tk/month
10	Dewarhat Branch Office	530/3 Combind Building (3rd Fl) Sheikh Majib Road Dewarhat, Chittagong	Mr. Jahir Iqbal	30 June, 2023	Office Space- 420 sft. Advance- 1,50,000 tk Rent- 9,500 tk/month
11	Dikusha Branch Office	65 Dikusha C/A Dhaka 1000	Mr. Omar Farooque (M/S GA Company Ltd.)	31 May, 2024	Office Space- 850 sft. Rent- 38,250 tk/month Service Charge- 1,000 tk.
12	Elephant Road Branch Office	Rajdhani Complex, 237/2, New Elephant Road 5th Floor, Dhaka	Dr. Ali Asker Quoreshi	31 August, 2022	Office Space- 860 sft. Advance- 3,00,000 tk Rent- 30,000 tk/month Service Charge- 600 tk.
13	Faridpur Branch Office	Golam Mowla Mansion, 9/9 C/A, Ailpur, Faridpur,	Golam Ajom Khan	30 September, 2022	Office Space- 500 sft. Advance- 1,00,800 tk Rent- 10,000 tk/month

পুঁজিবাজারে বিনিয়োগ সুকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

					Adjustment- 2,800 tk/month
14	Feni Branch Office	Life Care Diagnostic Centre, 206, Trank Road, Feni,	Md. Iqbal Hossain, Johirul Haque Milon	31 December 2023	Office Space- 400 sqft. Advance- 15,000 tk Rent- 6,000 tk/month
15	Gabtolli Branch Office	Khaleque Plaza (1st Floor) 239/Ka Kamaical Road Gabtolli, Mirpur, Dhaka	Sayed Abu Bakar Siddique	30 June, 2023	Office Space- 400 sqft. Advance- 2,88,000 tk Rent- 16,000 tk/month Adjustment- 8,000 tk/month Service Charge-400 tk
16	Gazipur Branch Office	Hazi Market, Chandona Chowrasta, Gazipur	Md. Shaheen Mahmud, (Mojibur)	31 March, 2022	Office Space- 350 sqft. Advance- 2,50,000 tk Rent- 7,000 tk/month Adjustment- 3,600 tk/month Service Charge-500 tk
17	Halkhola Branch Office	Lilipond Centre, Floor B-15, 3 R.K. Mission Road, Motijheel C/A, Dhaka	Md. Ziaul Ahsan Sayem	30 September, 2023	Office Space- 630 sqft. Advance- 1,00,000 tk Rent- 20,000 tk/month
18	Imarnagonj Branch Office	69-70, Maulavi Bazar Road, Chawk Bazar, Dhaka-1211	Mr. Hazi Md. Abdur Razzak	31 August, 2023	Office Space- 500 sqft. Advance- 90,000 tk Rent- 15,000 tk/month Adjustment- 3,750 tk/month
19	Jatrabari Branch office	Khoniker Asroy, Road # 4, Shohorpoli, Haji Badsha Mia Road, South Matowail, Demra, Dhaka.	Mastofa Jamal	31 July, 2023	Office Space- 600 sqft. Advance- 60,000 tk Rent- 15,000 tk/month Service Charge- 500 tk Adjustment- 1,000 tk/month
20	Jessore Branch Office	Shafullah Complex, (2nd floor), 27 M K Road, Jessore.	Mohammad Ullah, Md. Sadek Ullah, Mrs. Farida Begum	01 June, 2026	Office Space- 600 sqft. Advance- 2,50,000 tk Rent- 8,000 tk/month Service Charge- 200 tk Adjustment- 4,167tk/month
21	Jubilee Road Branch Office	Hoo Plaza (3rd Floor) 263 Jubilee Road Chittagong 4000	Mohammad Ali Chowdhury	30 June, 2023	Office Space- 1179 sqft. Advance- 7,20,000 tk

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

					Rent- 40,000 tk/month Adjustment- 20,000 tk/month
22	Kakrail Branch Office	Cosmic Aluminum Fabrication Cosmic Tower, 106/Ka, Nayapaltan, Dhaka	Md. Khairul hasan, Md Khairul Hossain	30 September, 2022	Office Space- 400 sft. Advance- 1,50,000 tk Rent- 21,000 tk/month Adjustment- 3,000 tk/month Service Charge- 600 tk
23	Karwan Bazar Branch Office	57 Kazi Nazrul Islam Avenue (2 nd Floor), West Tejpur Bazar, Tej	Mr. Emran Ahmed	31 December, 2023	Office Space- 500 sft. Advance- 2,50,000 tk Rent- 21,000 tk/month Service Charge- 1,500 tk Adjustment- 7,000 tk/month
24	Khatungonj Branch Office	Noor Market 279 (3rd Floor), Khatungonj Chittagong- 4000	Mrs. Marjina Begum, Md. Hossain, Md. Ismail and others	30 June, 2024	Office Space- 1200 sft. Advance- 1,92,000 tk Rent- 13,200 tk/month Adjustment- 3,200 tk/month
25	Khulna Branch Office	1, P.C. Roy Road, Angina Shaban, (Ground Floor), Khulna	Mrs. Halima Khatun	28 February, 2022	Office Space- 1000 sft. Advance- 1,00,000 tk Rent- 20,000 tk/month
26	Kurigram Branch Office	Zella Parishod Super Market (2nd Floor), Room No 326, Kurigram Sadar, Kurigram	Mr. Shahidur Rahman	31 December, 2024	Office Space- 120 sft. Advance- 30,000 tk Rent- 1,000 tk/month Adjustment- 500 tk/month
27	Local Branch Office	65 Dikusha C/A Dhaka 1000	Mr. Omar Fataoqee (M/S GA Company Ltd.)	31 May 2024	Office Space- 850 sft. Rent- 38,250 tk/month Service Charge- 1,000 tk
28	Maghbazar Branch Office	4 No. Shahid Tajuddin Ahmed Sarani, Maghbazar	Ms. Asma Jarin Jhumu	31 July, 2024	Office Space- 1130 sft. Advance- 5,00,000 tk Rent- 53,110 tk/month Adjustment- 10,000 tk/month Service Charge- 2,250 tk

পূঁজিবাজারে বিনিয়োগ কুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

29	Manikgonj Branch Office	Milon Plaza, House # 2, Block # B, Joyra, Manikgonj	Md. Moniruzzaman (Milon)	31 April, 2024	Office Space- 280sft. Advance- 1,20,000 tk Rent- 7,000 tk/month Adjustment- 2,000 tk/month
30	Mohakhali Branch Office	99 Amban Bhaban, Mohakhali (6th Floor) Dhaka-1212	Mrs. Nishat Rahman	31 July, 2027	Office Space- 1,000 sft. Rent- 50,000 tk/month
31	Motijheel Branch Office	Bhulayan Mansion, Motijheel Commercial Area, Dhaka.	Mr. Nizam Rahman Bhulayan, Taufique Rahman Bhulayan and others	30 November, 2021	Office Space- 600 sft. Advance- 75,000 tk Rent- 26,000/month Service Charge- 13,402 tk
32	Mafibagh Branch Office	23 Halimunnisa Court, Kakrali, Dhaka.	Md. Halim-Ul-Haque	31 August, 2023	Office Space- 230 sft. Advance- 1,00,000 tk Rent- 15,000/month Adjustment- 4,000 tk/month
33	Mirpur Branch Office	Road No-06, Holding No-13, Serpara, Parbata, Mirpur-10, Dhaka-1216	Mr. Ahad Hossain	31 July, 2023	Office Space- 220 sft. Advance- 2,00,000 tk Rent- 28,000/month Adjustment- 6,000 tk/month
34	Mymensingh Branch Office	34 no. Bipin Sen Road, Choto Bazar, Muktijoddha Sarani, Kotuwalli, Mymensingh.	Mr. Abdul Khaled Rafan	30 April, 2024	Office Space- 1,000 sft. Advance- 1,00,000 tk Rent- 14,000/month Service Charge- 300 tk Adjustment- 2,000 tk/month
35	Nawabpur Branch Office	13, Bangsal Road, Dhaka-1100	Mrs. Ferdous Ara Bobi, Director of Sun Yard Group of Industry	31 November, 2023	Office Space- 1,000+sft. Advance- 4,50,000 tk Rent- 30,000 tk/month
36	Narayanganj Branch Office	20/2 SM Maleh Road (3rd Floor) Tanbazar, Narayanganj.	Mr. M.A. Hannan, Chairman of Mum Securities Ltd.	30 September, 2022	Office Space- 615 sft. Advance- 1,00,000 tk Rent- 12,300/month Adjustment- 4,167 tk/month
37	Nayabazar Branch Office	54/3, Nawab Yousuf Road, Nayabazar	Md. Faysal, Md. Khaled Hossain Kayser	31 December, 2021	Office Space- 400 sft. Advance- 3,50,000 tk Rent- 13,000 tk/month

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

					Adjustment- 6,000 tk/month
38	Newmarket Branch Office	32/71, Mirpur Road, (Khan Plaza), Dhanmondi, Dhaka.	Md. Leokot Ali Khan	31 October, 2022	Office Space- 910 sqft. Advance- 4,20,000 tk Rent-35,000/month Service Charge- 2,500 tk Adjustment- 17,500 tk/month
39	Paltan Branch Office	Rahmania International Complex, 28/1/C, Toyenbee Circular Road, Motijheel, Dhaka-1000	Md. Azur Rahman	31 October, 2023	Office Space- 462 sqft. Advance- 1,50,000 tk Rent- 13,860 tk/month Service Charge- 8,316 tk
40	Principal Branch office	Bhuiyan Mansion, Motijheel Commercial Area, Dhaka.	Mr. Nizam Rahman Bhuiyan, Taufique Rahman Bhuiyan and others	30 November, 2021	Office Space- 600 sqft. Advance- 75,000 tk Rent- 26,000/month Service Charge- 13,402 tk
41	Rajuk Avenue Branch Office	Motijheel square, 1/8 DIT Avenue, Motijheel Commercial Area, Dhaka	Mr. Abul Hossain, Mr. Zakir Hossain, Mr. Ahmed Hossain	31 May, 2022	Office Space- 500 sqft. Advance- 2,00,000 tk Rent- 30,000 tk/month
42	Rangpur Branch Office	Puraton choul Amod, House No- 27 (3rd Floor), Road No-1, Singer Goli, Kotawali, Rangpur	Md. Azim	30 June, 2023	Office Space- 350 sqft. Advance- 1,00,000 tk Rent- 8,500 tk/month Adjustment- 2,778 tk/month
43	Savar Branch Office	House No C-93, ward No-7, Mazidpur, Savar, Dhaka	Md. Nasir Uddin	30 November, 2023	Office Space- 500 sqft. Advance- 1,00,000 tk Rent- 7,000 tk/month Adjustment- 1,000 tk/month
44	Sylhet Branch Office	Room No 105-106, Bagdad Bhaban, Lal Bazar, Bandar Bazar, Sylhet	Ms. Saheda Akter	31 July, 2022	Office Space- 300 sqft. Advance- 2,00,000 tk Rent- 12,000 tk/month Adjustment- 6,000 tk/month
45	Tongi Branch Office	Jalli Khan Market (1st Floor) Bata ghet, Tongi, Gazipur	Md. Ali Amad Khan	31 August, 2023	Office Space- 750 sqft. Rent- 20,000 tk/month
46	Toyenbee Road	Motijheel Square Suite- 501, 1/8 DIT	Mr. Abul Hossain,		Office Space- 600 sqft.

পুঁজিবাজারে বিনিয়োগ সুকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

	Branch Office	Avenue Motijheel C/A, Dhaka 1000	Mr. Zakir Hossain, Mr. Ahmed Hossain	28 February, 2023	Advance- 2,00,000 tk Rent- 36,000 tk/month
47	VIP Road Branch Office	Saleh Mansion, 3/10, Naya Pallan, DIT Extension Road, Dhaka,	Mr. Sudhir Roy	31 October, 2021	Office Space- 300 sqft. Advance- 2,00,000 tk Rent- 16,500 tk/month

- (viii) **Dates of purchase of plant and machineries along with seller's name, address, years of sale, condition when purchased, country of origin, useful economic life at purchase and remaining economic life, purchase price and written down value;**

The company have no plant and machineries.

- (ix) **Details of the machineries required to be bought by the issuer, cost of the machineries, name of the suppliers, date of placement of order and the date or expected date of supply, etc.**

There are no machineries required to be bought by MICL

- (x) **In case the machineries are yet to be delivered, the date of quotations relied upon for the cost estimates given shall also be mentioned;**

There are no machineries which are yet to be delivered as Insurance did not involve in any such business activities.

- (xi) **If plant is purchased in brand new condition, then it should be mentioned;**

MICL has no plant and hence this information is applicable here.

AUDITOR'S CERTIFICATE REGARDING PURCHASED IN BRAND NEW CONDITION OF MACHINERIES

We do hereby declare that all the equipment and machineries of **Meghna Insurance Company Limited** were purchased in brand new condition. There are no re-conditioned or second-hand equipment and machineries purchased in the Company.

Furthermore, noted that above equipment and machineries are not involve in the Principal activities of the Insurance.

Place: Dhaka;
Date: 17th August, 2021

Sd/-
MABS & J PARTNERS
Chartered Accountants

- (xii) **Details of the second hand or reconditioned machineries bought or proposed to be bought, if any, including the age of the machineries, balance estimated useful life, etc., as per PSI certificates of the said machineries as submitted to the Commission;**

The MICL has neither purchased any second hand or reconditioned machineries nor any plan to purchase in future.

পুঁজিবাজারে বিনিয়োগ সুকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(xiii) A physical verification report by the Issue manager(s) regarding the properties as submitted to the Commission.

PHYSICAL VERIFICATION REPORT

OF

Meghna Insurance Company Limited

This is to certify that we have visited the Registered Office and Principal Branch of Meghna Insurance Company Limited on September 15, 2021 and we have found the Registered Office and Principal Branch as details below:

Name of Company	:	Meghna Insurance Company Limited
Date of visit	:	12th September, 2021
Registered office	:	Registered Office- Pritam Zaman Tower (4th floor), 37/2 Purana Pallon, Dhaka-1000.
Principal Branch	:	Bhuyan Mansion (3rd floor) 6, Molljheel C/A, Dhaka.
Visited by the officials of ATCPIL	:	<div> <div>1. Mr. Muhammad Fuad Hussain</div> <div>2. Mr. Mohammad Samsul Haque, ACS</div> <div>3. Mr. Shibu Saha</div> <div>4. Mr. Syed Oli Ahmed</div> </div> <div> <div>Managing Director & CEO</div> <div>COO and CS</div> <div>Associate, Issue Management & Compliance</div> <div>Compliance & Settlement Officer</div> </div>
Visited by the officials of PBIL	:	<div> <div>5. Mr. Khandoker Raihan Ali FCA</div> <div>6. Mr. H.A Mamun</div> </div> <div> <div>MD & CEO(CC)</div> <div>Head of Issue Management</div> </div>
Visited by the officials of UCBIL	:	<div> <div>7. Tanzim Alamgir</div> <div>8. Rakibul Islam Bin Yusuf, FMVA</div> </div> <div> <div>Managing Director and CEO</div> <div>Senior Officer</div> </div>
Accompanied by the officials of MICL	:	<div> <div>1. Mr. Mohammad Abu Bakar Siddique</div> <div>2. Mr. Mohammed Hafizur Rahman, FCA, FCS</div> </div> <div> <div>Chief Executive Officer</div> <div>Chief Financial Officer</div> </div>
Purpose of Visit	:	The Company signed an issue management agreement on 22 nd June 2021 with Asian Tiger Capital Partners Investments Limited, Prime Bank Investment Limited and UCB Investment for public issue of shares through Initial Public Offering (IPO). In this respect, the management of ATCPIL, PBIL and UCBIL visited the head office as a part of due diligence of issue managers on 12 th September, 2021 in order to get the operational status of the Company before public issue of shares.
Issuer properties details		
Properties type	:	Office premises & others fixed assets
Property's location	:	Pritam Zaman Tower (4th floor), 37/2 Purana Pallon, Dhaka-1000.
Properties	:	Different types of:
	:	<div>Furniture and Fixtures</div> <div>Office Equipment</div>

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

	<ul style="list-style-type: none"> <input type="checkbox"/> Office Decoration <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Air Condition <input type="checkbox"/> Land <input type="checkbox"/> Computer <input type="checkbox"/> Office Space <input type="checkbox"/> Crokaries <input type="checkbox"/> Software
Our observation	<p>We have visited the head office of Meghna Insurance Company Limited situated at Pritam Zaman Tower (4th floor), 37/2 Purana Paiton, Dhaka-1000. The office is well decorated with having modern facilities such as lift, reception and adequate space for the employees. During our visit we found that employees were working there. We communicated with several employees of the Company and they expressed their satisfaction about the official environment. We have found a signboard of the Company in front of entrance. During the course of visit, we have found office equipment, furniture & fixtures, electrical equipment and others in the office premises are in good condition,</p>

Sd/-
Muhammad Fuad Hussain
 Managing Director & CEO
 Asian Tiger Capital
Sd- Partners Investments

Sd/-
Khandoker Raihan FCA
 MD & CEO(CC)
 Prime Bank Investment
 Limited

Sd/-
Tanzim Alamgir
 Managing Director and
 CEO
 UCB Investment Limited

Date: 19th September 2021

(xv) Full description of other properties of the issuer;

Sl No.	Particulars	Written Down value as at 31st March,2021
1	Furniture and Fixture	12,367,341
2	Motor Vehicles	21,358,289
3	Office Decoration	13,755,467
4	Computer	1,634,417
5	Air Conditioner	5,021,026
6	Office Equipment	12,859,282
7	Crockeries	11,183
8	Land	162,045,034
9	Office Space	18,098,373
10	Software	143,523
Total		247,150,411

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জোনে ও মুদ্রে বিনিয়োগ করুন

(f) Plan of Operation and Discussion of Financial Condition:

(f) If the issuer has not started its commercial operation, the Company's plan of operations for the period which would be required to start commercial operation which shall, among others, include:-

The Company was incorporated as a Public Limited Company with the issuance of certificate of incorporation bearing No.: C 30434(1650)/96 on 18 March 1996 by the Registrar of Joint Stock Companies & Firms. The Company commenced its commercial operation on 24th March 1996.

(ii) The issuer's revenue and results from operation, financial position and changes in financial position and cash flows for the last five years:

Revenue and results from operation:

Particulars	Period ended 31 st March, 2021	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16
Operating Profit/(Loss) transferred from:	54,970,528	24,912,912	33,345,755	28,749,844	33,438,374	33,060,233
Fire Insurance Revenue Account	(49,832,436)	(40,683,968)	(30,546,578)	12,612,069	18,139,451	(4,649,634)
Marine Insurance Revenue Account	32,495,074	21,234,869	31,185,810	15,317,465	24,213,328	22,374,798
Marine Hull Insurance Revenue Account	200,404	(743,704)	(70,621)	65,268	123,694	8,506,921
Motor Insurance Revenue Account	52,782,019	25,319,774	22,782,266	2,430,910	(9,114,761)	14,411,157
Miscellaneous Insurance Revenue Account	19,325,473	21,785,941	9,994,878	(1,675,868)	76,662	(7,583,009)
Non-operating Income	3,389,203	24,476,553	10,849,321	15,355,349	14,502,966	14,188,808
Total Income	58,359,731	51,389,764	44,195,076	44,105,193	47,941,360	47,249,041
Expenses Of Management (Not applicable to any particular fund or account):	10,681,052	30,628,005	11,665,864	12,717,829	17,131,565	21,176,912
Finance cost	1,477,181	8,251,398	12,858,704	13,423,248	13,968,466	10,316,358
Net Profit/(Loss) before tax and WPPF	46,201,498	12,510,361	19,670,508	17,964,116	16,841,329	15,755,771
Worker's profit participation fund	2,200,071	595,732	936,691	855,434	801,968	750,275
Net Profit/(Loss) before tax	44,001,427	11,914,629	18,733,817	17,108,682	16,039,361	15,005,496

Statement of Financial Position:

	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Authorized Capital						
(10,00,00,000 Ordinary Shares of Tk.10 each)						
Issued, Subscribed and Paid up Capital						
240,000,000 Ordinary Shares of Tk.10 each	240,000,000	79,350,000	69,000,000	69,000,000	69,000,000	69,000,000
Reserve, Surplus or Contingency Account						
Profit or Loss Appropriation Account	153,738,618	127,286,806	128,101,382	110,354,731	94,357,702	78,737,556
Reserve for Exceptional Losses	34,318,454	10,656,469	23,932,808	20,620,068	17,623,039	15,002,893
Reserve for unrealized gain/(Loss)	117,734,663	114,734,663	104,734,663	89,734,663	76,734,663	63,734,663
	1,685,501	1,895,674	(566,089)	-	-	-
Total Shareholders' Equity	393,738,618	206,636,806	197,101,382	179,354,731	163,357,702	147,737,556

মুজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Balance of Fund and Accounts:	70,592,863	176,133,377	156,461,771	107,966,147	96,142,466	141,394,236
Fire Insurance Business	21,932,623	52,557,990	44,221,872	24,482,513	47,063,841	41,891,187
Marine Insurance Business (Cargo)	37,377,886	44,587,061	42,247,370	38,442,703	36,915,109	50,845,962
Motor Insurance Business	10,648,783	53,922,242	46,989,426	28,912,058	10,117,678	45,366,467
Miscellaneous Insurance Business	244,957	24,475,816	22,954,434	16,088,925	1,908,820	3,091,802
Marine Insurance Business (Hull)	388,614	590,268	48,669	39,948	137,018	198,818
Liabilities and Provisions	633,053,340	551,791,077	446,044,966	410,664,011	419,171,949	380,188,986
Amount due to other persons or bodies carrying on insurance business	165,700,356	155,432,323	181,075,394	175,107,688	143,882,260	212,106,082
Estimated liabilities in respect of outstanding claims whether due or intimated	207,809,363	141,604,092	62,241,208	38,939,446	75,023,780	7,707,107
Premium Deposit	48,870,919	50,484,267	27,701,156	17,532,377	16,189,622	3,673,104
Long Term Loan	21,853,584	33,532,603	49,499,449	63,988,044	76,577,785	81,110,017
Short Term Loan	13,876,617	17,441,247	49,483,137	45,744,198	42,363,065	-
Sundry Creditors	86,238,187	81,406,747	22,876,633	16,991,837	13,500,176	24,227,379
Lease Liability	13,859,264	14,384,190	-	-	-	-
Provision for Taxation	72,621,374	55,340,775	52,354,164	50,851,617	49,208,145	47,926,309
Provision for deferred tax	2,223,676	2,164,833	813,825	1,508,804	2,427,116	3,438,988
Total Liabilities, Fund & Provisions	703,646,202	727,924,454	602,506,737	518,630,158	515,314,415	521,583,222
Shareholders' Equity & Liabilities	1,097,384,820	934,561,261	799,608,119	697,984,889	678,672,117	669,320,778

পুঁজিবাজারে বিনিয়োগ কৃকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

ASSETS AND PROPERTY

Non-current assets:

Property, plant & equipment
Intangible Assets
Investments in treasury bond

272,293,936	269,715,352	233,498,779	238,318,723	242,857,837	55,677,859
247,150,411	244,564,272	208,309,930	213,318,723	217,857,837	30,677,859
143,525	151,079	186,849	-	-	-
25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
15,770,407	16,621,263	-	-	-	-

Right-of-use assets

Current assets:

Stock of Printing stationery & stamps
Amount due from other persons or
bodies Carrying on insurance business

809,320,477	648,224,647	566,109,340	459,666,166	435,814,280	613,642,919
3,078,597	2,719,142	2,006,124	2,916,524	2,506,931	1,590,284
114,125,180	111,275,061	99,494,593	85,360,420	73,985,366	64,044,956
125,485,302	125,057,055	113,475,379	112,086,513	107,741,290	325,394,655
5,710,952	5,964,680	6,124,216	10,551,138	4,313,287	3,665,411
262,161,311	258,871,484	228,419,882	205,099,480	192,640,174	172,109,296
298,759,134	144,337,223	116,589,146	43,652,091	54,627,232	46,838,317

Advance, deposit & prepayments
Interest and dividend receivable
Short term investment
Cash and cash equivalents

Total Assets and Properties

Net Asset Value per Share (NAVPS)

1,097,384,820	934,561,261	799,608,119	697,984,889	678,672,117	669,320,778
16.41	26.04	28.57	25.99	23.68	21.42

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Cash flows:

Particulars	Period ended 31 st March, 2021	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16
Cash Flow from Operating Activities:						
Collections of premium and other income	189,527,553	471,404,212	441,285,870	325,006,956	363,364,312	400,375,477
Payments for management expense, re-insurance and claims	(170,245,965)	(315,212,957)	(333,505,268)	(302,186,231)	(309,425,772)	(345,800,336)
Investment and others income	-	-	15,276,243	9,168,420	13,432,021	14,014,860
Income Tax Paid	(2,639,385)	(4,485,419)	(4,176,129)	(4,663,350)	(16,183,535)	(24,555,992)
Net Cash Flow from Operating Activities	16,642,203	151,705,836	118,880,716	27,325,795	51,187,026	44,034,009
Cash Flows from Investing Activities:						
Acquisition of property, plant & equipment	(6,013,527)	(44,219,200)	(1,622,564)	(3,090,487)	(47,087,662)	(1,679,041)
Disposal of property, plant & equipment	1,400	453,900	-	-	170,000	-
Investment and others income	3,643,856	25,021,968	-	-	-	-
Advance paid against purchase of office space	-	-	-	-	-	(71,771,581)
Other advance paid	2,118,638	(10,929,070)	2,787,263	318,127	-	-
Investment in shares	-	(878,481)	-	(676,987)	(3,739,239)	(515,309)
Sales of investment	-	888,200	-	680,269	3,696,423	2,127,000
Short term investment	(3,500,000)	(28,200,000)	(23,500,000)	(12,900,000)	(20,300,000)	(13,200,000)
Net Cash Flow from Investing Activities	(3,749,633)	(57,862,683)	(22,335,301)	(15,669,078)	(67,260,478)	(85,038,931)
Cash Flow from Financing Activities:						
Proceeds from issuing of share	160,650,000	-	-	-	-	-
Receipt of long term loan	(11,679,019)	(15,966,846)	(14,488,595)	(12,589,741)	(31,532,232)	(7,079,262)
Repayment of long term loan	-	-	-	-	-	-

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Receipt of short term loan	335,320	2,288,752	32,895,962	45,787,584	54,109,929	-
Repayment of short term loan	(3,899,950)	(34,330,642)	(29,157,023)	(42,406,451)	(11,746,864)	-
Lease Liability	(2,399,830)	(9,834,943)	-	-	B -	-
Interest expenses	(1,477,181)	(8,251,398)	(12,858,704)	(13,423,248)	(13,968,466)	(10,316,358)
Net cash from financing Activities	141,529,340	(66,095,076)	(23,608,360)	(22,631,856)	23,862,367	35,104,380
Net increase / (Decrease) in cash and cash equivalents during the year	154,421,910	27,748,077	72,937,055	(10,975,139)	7,788,915	(5,900,542)
Cash and cash equivalents at the beginning of the year	144,337,223	116,589,146	43,652,091	54,627,232	46,838,317	52,738,859
Cash and cash equivalents at the end of the year	298,759,133	144,337,223	116,589,146	43,652,091	54,627,232	46,838,317

(o) Internal and external sources of cash:

Particulars	31 Mar, 21	31 Dec, 20	31 Dec, 19	31 Dec, 18	31 Dec, 17	31 Dec, 16
Internal sources of cash						
Share capital	240,000,000	79,350,000	69,000,000	69,000,000	69,000,000	69,000,000
Profit or Loss Appropriation Account	34,318,453	10,656,469	23,932,808	20,620,068	17,623,039	15,002,893
Sub - total	255,423,592	91,482,845	92,932,808	89,620,068	86,623,039	84,002,893
External sources of cash						
Long term loan	21,853,584	33,532,603	49,499,449	63,968,044	76,577,785	10,316,358
Short term loan	13,876,617	17,441,247	49,483,136	45,744,198	42,363,065	-
Sub - total	35,730,201	50,973,850	98,982,587	109,732,242	118,940,850	10,316,358

(b) Any material commitments for capital expenditure and expected sources of funds for such expenditure;

The Company has not yet made any material commitment for capital expenditure except for those that are mentioned in Chapter (XXII) under the head 'Use of Proceeds' from IPO fund.

(c) Causes for any material changes from period to period in revenues, cost of goods sold, other operating expenses and net income;

The company's revenue and other income as well as operating expenses and net income have continued to change due to increase in lending and deposits.

Particulars	31-Mar-21	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16
Revenue	219,130,267	619,402,772	581,041,069	461,909,172	412,338,034	471,476,025
Year to year changes in revenue (%)	-64.62%	6.60%	25.79%	12.02%	-12.54%	58.84%
Cost of goods sold (COGS)	N/A	N/A	N/A	N/A	N/A	N/A
Year to year changes in COGS (%)	N/A	N/A	N/A	N/A	N/A	N/A
Gross profit	54,970,528	26,912,912	33,345,755	28,749,843	33,438,374	33,060,233
Year to year changes in GP (%)	104.25%	-19.29%	15.99%	-14.02%	1.14%	21.74%
Operating expenses	234,292,974	439,460,122	357,442,179	263,240,303	278,773,839	327,389,471
Year to year changes in Operating exp. (%)	-46.69%	22.95%	35.79%	-5.57%	-14.85%	12.89%
Financial expenses	1,477,181	8,251,398	12,858,704	13,423,248	13,968,466	10,316,358
Year to year changes in Financial exp. (%)	-82.10%	-35.83%	-4.21%	-3.90%	35.40%	76.44%
Net profit after tax	26,661,985	7,577,012	17,926,248	16,383,521	15,769,398	10,978,981
Year to year changes in PAT (%)	251.88%	-57.73%	9.42%	3.89%	43.63%	-49.50%

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

It is seen that during the period from 2016 to March, 2021 period volume of premium collection was increased except 2017 due to changes in marketing strategy and better management of business.

Changes in COGS (%): Not applicable.

Changes in GP (%): As increase in overall revenue, GP to revenue (%) was increased during 2016, 2017 & 2019. 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 try 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, agency commission was also increased. As a result, operating expense was also increased during 2016-2021 except 2018 & 2017.

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 June 06, 2021.

Changes in net profit after tax (%):

It is seen that, in the year 2017, 2018 & 2019 net profit after tax was increased as positive impact of premium and decrease of expenses. In 2016, 2020 & 2021 management expenses were increased for business development and incremental effect of staff's remunerations as well as PAT decreased.

(d) Any seasonal aspects of the issuer's business:

There is no seasonal aspect in insurance business of MICL.

(e) Any known trends, events or uncertainties that may have material effect on the issuer's future business:

At present, there are no known trends, events and/or uncertainties that shall have a material impact on the company's future business except for those which are naturally beyond control of human being.

The business operation of the Company may be affected by the following uncertainties:

- I. Political unrest
- II. Natural disaster
- III. Competitive business environment

(f) Any assets of the company used to pay off any liabilities.

None of the assets of the company has been disposed to pay off any liabilities of the company.

(g) Any loan taken from or given to any related party or connected person of the issuer with details of the same.

No loan was taken from or given to any related party or connected person of the Company.

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- (h) Any future contractual liabilities the issuer may enter into within next one year, and the impact, if any, on the financial fundamentals of the issuer;**

The Company has no plan to enter any contract creating future liabilities for the Company except for those that are created in the normal course of business activities.

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

The Company has no plan for capital expenditure near future.

- (j) Any VAT, income tax, customs duty or other tax liability, which is yet to be paid, including any contingent liabilities stating why the same was not paid prior to the issuance of the prospectus. Updated income tax status for the last 5 years or from commercial operation, which is shorter,**

VAT: There is no VAT liability of the Company as on 31 March 2021.

Customs Duty or other tax liabilities: There is no customs duty and Excise Duty Liability of the Company as on 31 March 2021.

Income Tax: The TIN number of the company is 238243146855 /Circle- Large Taxpayer Unit (LTU), Dhaka (Companies), Taxes Zone-Large Taxpayer Unit (LTU), Dhaka. Following are the details of income tax related information of the Company:

Assessment Year	Remarks
2020-2021	<ul style="list-style-type: none"> Tax return submitted by MICT <ul style="list-style-type: none"> ✓ The Company submitted return as on December 14, 2020. Correspondence from Tax authority <ul style="list-style-type: none"> ✓ Assessment is pending under the jurisdiction of DCT.
2019-2020	<ul style="list-style-type: none"> Tax return submitted by MICT <ul style="list-style-type: none"> ✓ The Company submitted return as on October 15, 2019. Correspondence from Tax authority <ul style="list-style-type: none"> ✓ Assessment is pending under the jurisdiction of DCT.
2018-2019	<ul style="list-style-type: none"> Tax return submitted by MICT <ul style="list-style-type: none"> ✓ The Company submitted return as on September 12, 2018. Correspondence from Tax authority <ul style="list-style-type: none"> ✓ Assessment is pending under the jurisdiction of DCT.
2017-2018	<ul style="list-style-type: none"> Tax return submitted by MICT <ul style="list-style-type: none"> ✓ The Company submitted return as on July 19, 2017. Correspondence from Tax authority <ul style="list-style-type: none"> ✓ Assessment completed by NBR on 26 December, 2018. Dispute against MICT and Tax Authority <ul style="list-style-type: none"> ✓ Tax authority demanded BDT 101,860,995 including BDT 10,027,619 as interest. Court of Appeal <ul style="list-style-type: none"> ✓ The Company as on November 21, 2019 submitted Tax appeal to the Appellate Commissioner of Taxes, which was subsequently refused on January 29, 2020 and MICT is under process to apply before Tax Appellate Tribunal. Ground of appeal <ul style="list-style-type: none"> ✓ That the order of the Ld. DCT is bad in law and on facts. ✓ That the order of the Ld. DCT erred in computing appellant's total income etc. ✓ That the CT (Appeals) disallowances Management expenses.

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	<ul style="list-style-type: none"> • Updated status <ul style="list-style-type: none"> ✓ The case is under process to apply before Tax Appellate Tribunal.
2016-2017	<ul style="list-style-type: none"> • Tax return submitted by MiCL <ul style="list-style-type: none"> ✓ The Company submitted return as on July 14, 2016. • Correspondence from Tax authority <ul style="list-style-type: none"> ✓ Assessment completed by NBR (DCT) on November 29, 2017. • Dispute against MiCL and Tax Authority <ul style="list-style-type: none"> ✓ Tax authority demanded BDT 81,674,597 including BDT 7,160,852 as interest. • Court of Appeal <ul style="list-style-type: none"> ✓ The Company as on January 21, 2018 submitted Tax appeal to the Appellate Commissioner of Taxes, which was subsequently refused on April 30, 2018. After that MiCL applied to Tax Appellate Tribunal. The Tax Appellate Tribunal passed order on November 29, 2018. Then MiCL applied to Honorable High Court against the order of Tribunal. • Ground of appeal <ul style="list-style-type: none"> ✓ That the order of The Tax Appellate Tribunal is bad in law and on facts. ✓ That the order of The DCT erred in computing appellant's total income etc. ✓ That The Tax Appellate Tribunal was not justified in disallowing partly from the claim of expenses. • Updated status <ul style="list-style-type: none"> ✓ The case is pending for hearing at Honorable High Court.

Year	Demand by tax authority	Paid Amount	Unpaid Amount	Contingent Liability
2020-21	Assessment is pending under the jurisdiction of DCT.			
2019-20	Assessment is pending under the jurisdiction of DCT.			
2018-19	Assessment is pending under the jurisdiction of DCT.			
2017-18	105,316,183	3,435,148	101,880,995	101,880,995
2016-17	81,674,597	7,826,531	73,848,066	73,848,066

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- (k) Any financial commitment, including lease commitment, the company had entered into during the past five years or from commercial operation, which is shorter, giving details as to how the liquidation was or is to be affected.

The Company has taken financial commitment obligation from 2017 which is as follows:

Name of Lender	Name of Facilities	Nature of Borrowings	Rate of Interest (%)	Term loan Agreement date	Sanction Amount	Purpose of Loan	Outstanding Loan Amount
IDLC	Secured Loan	Long term loan	15.50%	07 may, 2014	100,000,000	Purchase of Office Premises	21,853,584

- (l) Details of all personnel related schemes for which the company has to make provision for in future years;

Retirement/post-employment benefits

The retirement benefits accrued for the employees of the Insurance have been accounted for in accordance with the provision of IAS 19 "Employee Benefit". Bases of enumerating the retirement benefit schemes operated by the Insurance are outlined below:

1. Workers Profit Participation Fund (WPPF)

The Board of Directors of the company in the board meeting has decided to be implemented Workers Profit Participation Fund (WPPF) as per labour Act, 2006 (amendment on 2013) and duly made provision. The company constituted trustee board vide registration of Trust Deed no 27/2021 on 17 June, 2021

2. Provident Fund

The Company operates a contributory provident fund for its permanent employees funded by both the employees and the Insurance equally; employees contribute 10% of basic salary and the Insurance contributes an equal amount. The Insurance's contribution is made each month and recorded under salary and allowances. This fund is managed by a separate trustee board i.e. "Meghna Insurance Company Limited Employees' Provident Fund" and any investment decision out of this fund is made separately from that of the Insurance's funds. This fund has received approval from the National Board of Revenue on 1st October, 2013

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Break down of all expenses related to the public issue:

The following amount to be paid to the Issue Managers, Underwriters and other costs are as follows:

Sl.	Particulars	Basis	Amount in BDT (approx.)
A.	MANAGER TO THE ISSUE FEES		2,300,000
1	Manager to the issue fee	Maximum 2% (two percent) of the public offer amount.	2,000,000
2	VAT against Issue Management Fees	15% of Issue management fees	300,000
B.	FEES RELATED TO LISTING WITH THE STOCK EXCHANGES		2,300,000
3	Prospectus Submission Fees to DSE & CSE	Fixed	100,000
4	DSE and CSE Annual Fee	@ 0.05% on Tk. 100 Crore of paid-up capital and 0.02% on the rest amount of paid-up capital; (minimum Tk. 50 thousand and Maximum Tk. 6 lacs for each exchange)	400,000
5	Fees related to Listing with the stock exchanges	@ 0.25% on Tk. 10 Crore and 0.15% on the rest amount of paid-up capital range; (minimum 50 thousand and maximum Tk. 1 crore for each exchange)	1,400,000
6	Data Transmission Fee for DSE & CSE	Fixed	400,000
C.	BSEC FEES		690,000
7	Application fee	Fixed	50,000
8	Consent fee	fee @ 0.40% on entire offer	640,000
D.	IPO RELATED FEES		240,000
9	Underwriting commission	Commission @ 0.25% on Underwritten Amount (Maximum -1%)	140,000
10	Auditors Certification fees	At Actual	100,000
E.	CDBL FEES AND EXPENSES		668,500
11	Security Deposit	At Actual	500,000
12	Documentation fee	At Actual	2,500
13	Annual fee	At Actual	100,000
14	Connection Fee (Tk. 500 per month* 12)	At Actual	6,000

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15	Initial Public Offering fee	@.015% of issue size+.015% of Pre-IPO paid up capital	60,000	
F. PRINTING AND POST PUBLIC OFFER EXPENSES				2,974,000
16	Publication of prospectus	Estimated (to be paid at actual)	500,000	
17	Abridge Version of Prospectus and Notice in 4 daily news paper	Estimated (to be paid at actual)	500,000	
18	Notice for prospectus, Lottery, Refund etc. in 4 daily news paper	Estimated (to be paid at actual)	250,000	
19	Data Processing and Share Software Charge	Estimated (to be paid at actual)	1,137,500	
20	Stationary & Other Expenses	Estimated (to be paid at actual)	164,000	
Grand Total				8,750,000

N.B.: Actual costs will vary if above mentioned estimates differ and will be adjusted accordingly.

- (m) If the issuer has revalued any of its assets, the name, qualification and experiences of the valuer and the reason for the revaluation, showing the value of the assets prior to the revaluation separately for each asset revalued in a manner which shall facilitate comparison between the historical value and the amount after revaluation and giving a summary of the valuation report along with basis of pricing and certificates required under the revaluation guideline of the Commission;

MICL has not made any revaluation of its asset.

- (n) Where the issuer is a holding or subsidiary company, full disclosure about the transactions, including its nature and amount, between the issuer and its subsidiary or holding company, including transactions which had taken place within the last five years of the issuance of the prospectus or since the date of incorporation of the issuer, whichever is later, clearly indicating whether the issuer is a debtor or a creditor;

The Company has no holding/subsidiary Company during last five years. Therefore, no transaction was occurred in this regard.

- (o) Financial information of Group Companies and Companies under common ownership by more than 50%: following information for the last three years based on the audited financial statements, in respect of all the group companies of the issuer, wherever applicable, along with significant notes of auditors:

1. Date of Incorporation;
2. Nature of Business;
3. Equity Capital;
4. Reserves;
5. Sales;
6. Profit after tax;
7. Earnings per share and Diluted Earnings Per Share;

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8. Net Asset Value;
9. The highest and lowest market price of shares during the preceding six months with disclosures for changes in capital structure during the period, if any securities of the group are listed with any exchange;
10. Information regarding significant adverse factors relating to the group;
11. Any of the group companies has become sick or is under winding up;
12. The related business transactions within the group and their significance on the financial performance of the issuer;
13. Sales or purchase between group companies or subsidiaries or associate companies when such sales or purchases exceed in value in the aggregate ten per cent of the total sales or purchases of the issuer and also material items of income or expenditure arising out of such transactions;

The issuer is does not belong to any group of companies.

- (p) Where the issuer is a banking Company, Insurance Company, non-banking financial institution or any other Company which is regulated and licensed by another primary regulator, a declaration by the board of directors shall be included in the prospectus stating that all requirements of the relevant laws and regulatory requirements of its primary regulator have been adhered to by the issuer;

To whom it may concern

All requirements of the relevant laws and regulatory requirements of Insurance Development and Regulatory Authority (IDRA) have been adhered to by the issuer except management expense

Declared by the Board of Directors of Meghna Insurance Company Limited:

Sd/-
Musfiq Rahman
(Nominated by SW Holdings Ltd.)
Chairman

Sd/-
Aiman Barik Choudhury
Vice Chairman

Sd/-
Manwar-Uz-Zaman
(Nominated by BARWAZ Investments LLC)
Director

Sd/-
Nahid Zaman
(Nominated by ZAMORED Investments LLC)
Director

Sd/-
Javed Kaiser Ally
Director

Sd/-
Md. Omar-Bin-Harun Khan
Independent Director

Sd/-
Ashim Chowdhury
Independent Director

Sd/-
Mohammad Abu Bakar Siddique
Chief Executive Officer

Dated: Feb 15, 2021.

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- (q) A report from the auditors regarding any allotment of shares to any person for any consideration otherwise than cash along with relationship of that person with the issuer and rationale of issue price of the shares;

AUDITOR'S CERTIFICATE REGARDING ANY SHAREHOLDERS FOR ANY CONSIDERATION OTHER THAN IN CASH

This is to certify that Meghna Insurance Company Limited has made the following allotment of shares up to 31st March 2021 for consideration other than cash:

Date of Allotment	Status	Number of Shares	Face Value (Tk.)	Total Value	Relationship with issuer
3 rd	Ordinary Share (Bonus)	15 September, 2020	10.00	9,000,000	Shareholder
4 th	Ordinary Share (Bonus)	27 September, 2020	10.00	10,350,000	Shareholder
Total				19,350,000	

This certificate is issued at the request of the management for the purpose of proposed Initial Public Offering (IPO) under Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and subsequent amendments made thereafter,

Place: Dhaka;
 Date: 17th August, 2021

Sd/-
MABS & J Partners
 Chartered Accountants

- (r) Any material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public;

As on date, there is no material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public.

- (s) Business strategies and future plans - projected financial statements shall be required only for companies not started commercial operation yet and authenticated by Chairman, two Directors, Managing Director, CFO, and Company Secretary;

Strategy and Implementation Summary

- Emphasize service and ongoing support. We must avoid selling only one policy at the lowest price for each customer and concentration account selling which greatly enhances client retention.
- Build an Insurance Partnership. The customer does not want to shop every year for a new broker. Concentrate on building a long term relationship with our customers and make the client and our staff appreciate the value of a long-term relationship.
- Focus on target markets. We must focus on personal and business customers that we identify and select to insure, instead of allowing potential customers to choose us.

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- Educated & trained the branch in charge: Different Initiative would be taken to involve the branch in charged for market penetration and market development. As well as to retain the existing customers.

Expansion Strategy:

- MICL will focus on personal and business customers to tap the untapped market i.e. market development.
- Focus will be given to retain the existing customers.
- Focus will be given to development of new products.
- Focus will be given on concentric diversification.
- More importance will be given to the profit growth of the company.

Marketing Strategy

- Short term and long term marketing strategy will be taken.
- Emphasize will be given on service and support.
- 7Ps of marketing mix will be considered
- Build a partnership business based on account selling.
- Focus on senior, claims-free personal lines business and the profitable, well-run, small family business.
- Target small, non-franchise business, and cluster type's insurance plans.
- Investigate acquiring efficient and dynamic marketing manager for insurance business.

Promotion Strategy

Introduce internet base promotional activities, use of different social media.

- All advertising has to emphasize our differentiation point rather than price. We will be developing a "Now what do I do?" message to emphasize the need for dealing with MICL's insurance professionals so that in the event a loss occurs, you know you have the proper protection.
- MICL will focus on the awareness among the untapped group of the society specially to the rural potential area.
- Initiative will be taken to improve the image of the company by involving itself into different CSR activities.
- MICL will improve and increase its contacts with its existing clients. All clients should be contacted before renewal to ensure covers are current and adequate. Also, new insurance should be solicited. We are investigating the production of a company newsletter or use of the news portal.

Distribution Strategy

- Select Seniors We will give special attention to this market in our advertising. We will make a concerted effort to support and sponsor seniors programs in our area. We will seek out Cottage associations and offer support and advice to attract new senior clients who are recently retired or about to in the near future.
- Insurance Partners We will include inserts in renewal, endorsements, and correspondence stressing the importance of the insured taking an active interest and responsibility for trying to control the severity and number of claims. Our staff should take every opportunity, when discussing insurance with a client, to emphasize the consequences of multiple claims.
- Business Partners Again we should encourage insured to take responsibility for controlling claims. MICL confirms the reinsurance with Sadharon Bima Corporation

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of Bangladesh wherever necessary to provide best support to the clients in case of accident occurs.

Positioning Statement

- Our target market is Tier II and III cities and untapped market. The ideal client is claims-free aged between 45 – 75 who owns his own home and car and is debt free if the regulator changes its circular regarding the insurance coverage of car. Has exhibited stable family patterns and is known and respected in the community. A similar profile should be used for commercial prospects with emphasis placed on the well-run, profitable business that has exhibited good claims experience.

Pricing Strategy

- Our customers are especially sensitive to value. We must ensure that our price and service are perceived to be good value to our client.
- Our markets must offer several payment options to our clients that are convenient to the client, not just to the company. Example – payment on insured's preferred day of month, not on the company's, and accepting payment by credit or debit card. Many insureds are on a fixed income and receive their income on a set day of each month or a paycheck on a particular day.
- We encourage our companies to "Target Market." Many of our companies are now focusing on what they have perceived to be profitable niche markets, where they can offer a competitive product with little, if any, competition.
- We are seeing our commercial markets now moving toward basic coverage and limiting the "bells and whistles," all-risk products available to only those clients who have modern, well-managed, profitable, low-risk operations. This should help stabilize pricing and, even more important, ensure that there is an insurance market available for most risks. Continued insistence by the industry on better protection, i.e. fire and burglar alarms, upgrading of buildings i.e. modern constructed building etc., have started to lower loss ratios.

Sales Strategy

- We want to emphasize the benefit of dealing with professionals who live and work in our client's area. We know their needs and their problems and we have a local reputation to protect, unlike an out-of-town market. If the out-of-town in charge fails to provide proper cover or advice, they will lose clients. In this situation we will try to higher the competitive one who can manage the clients in a befitting manner. Competitive prices for our identified target markets with the commitment of maximum coverage of loss and ensure the claim on the time.
- We will act as a partner of loss taking in case of any uncertainty happen which will help the clients to mitigate their financial loss.
- Business partners provide us the opportunity to sell lower-priced, basic insurance coverage to our clients. Many clients have expressed interest in retaining part or all of the insurance risk, especially for burglary. They feel that if they have installed central alarms and bars, they can take the chance of self-insurance.

Sales Programs

- We are investigating sales incentives for our branch in charge. They must encourage profitable new business and have a retention component.

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Strategic Alliances

- Some of our present companies have surveyed us to investigate co-operative advertising but we have not committed to any programs at present.

Service and Support

- MiCL will confirm the best service and support to the clients from the inception of the business to the settlement of the claim. MiCL will find out the way to delight its customers keeping in mind the interest of the shareholders.

Future plan of MiCL

- MiCL observed that there is a noticeable changes in customer behavior and preferences around products, distribution channels, and processes. Cost savings and customer retention are critical in the intensely competitive nonlife insurance industry. Most insurers across the country are transforming their business models to be better aligned with changing consumer preferences. Moreover, alternative distribution channels such as on-line channels and social media are gradually gaining prominence driven by a generational shift 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.)

Projected statement of financial position for the next three years

Projected statement of financial position is not applicable for The Issuer as the Company is already in operation.

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(f) Discussion on the results of operations shall inter-alia contain the following:

- 1) A summary of the past financial results after adjustments as given in the auditor's report containing significant items of income and expenditure.

The Auditors Report did not contain any adjustment or significant items of the past financial result. Summary of last 5 years financial Performance are given below:

Particulars	31-Mar-21	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16
Total revenue	219,130,267	619,402,772	581,041,069	461,909,172	412,338,034	471,476,025
Gross profit	54,970,528	26,912,912	33,345,755	28,749,844	33,438,374	33,060,233
Net profit before tax	44,001,427	11,914,630	18,733,816	17,108,681	16,039,361	15,005,497
Net profit after tax	26,661,985	7,577,012	17,926,248	16,383,521	15,769,398	10,978,981
Total assets	1,097,384,820	934,561,261	799,608,119	697,984,889	678,672,117	669,320,778
Shareholder's equity	153,738,618	127,286,806	128,101,382	110,354,731	94,357,702	78,737,556
No. of shares	24,000,000	7,935,000	6,900,000	6,900,000	6,900,000	6,900,000
Face value	10.00	10.00	10.00	10.00	10.00	10.00
NAV per share	16.41	26.04	28.57	25.99	23.68	21.42
EPS (Basic)	1.83	0.95	2.60	2.32	2.26	1.59

- 2) A summary of major items of income and expenditure:

As per audited accounts

Particulars	31-Mar-21	31-Dec-20	30-Dec-19	30-Dec-18	30-Dec-17	30-Dec-16
Major items of income						
Revenue	219,130,267	619,402,772	581,041,069	461,909,172	412,338,034	471,476,025
Non-operating income	3,389,203	24,476,853	10,849,321	15,355,349	14,502,986	14,188,808
Major items of expenditure						
Operating expense	234,241,585	439,460,122	357,442,179	263,240,303	278,773,839	327,389,471
Financial expenses	1,477,181	8,251,398	12,858,704	13,423,248	13,968,466	10,316,358

- 3) The income and sales on account of major products or services:

The income and sales on account of major products or services are as follows:

Particulars	31-Mar-21	31-Dec-20	30-Dec-19	30-Dec-18	30-Dec-17	30-Dec-16
Fire	72,558,564	242,348,279	213,635,762	167,274,058	222,864,029	22,2864,029
Marine	104,174,029	154,220,805	148,007,511	130,789,228	127,897,002	127,897,002
Motor	26,621,957	136,715,174	121,420,497	82,578,623	32,612,907	32,612,907
Miscellaneous	14,893,732	84,326,793	97,611,399	81,077,830	28,724,250	28,724,250
Marine Hull	881985	1,791,721	365,900	189,433	239,846	239,846

- 4) In case, other income constitutes more than 10% of the total income, the breakup of the same along with the income, i.e., recurring or non-recurring:

The other income of the Company does not constitute more than 10% of the total income.

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- 5) **If a material part of the income is dependent upon a single customer or a few major customers, disclosure of this fact along with relevant data. Similarly, if any foreign customer constitutes a significant portion of the issuer's business, disclosure of the fact along with its impact on the business considering exchange rate fluctuations;**

The material part of the income of MICL is not dependent upon a single customer or a few major customers nor any foreign customer.

- 6) **In case the issuer has followed any unorthodox procedure for recording sales and revenues, its impact shall be analyzed and disclosed.**

The company has not followed any unorthodox procedure for recording its Sales and revenues. The Company always follows the International Accounting Standard for recording sales and revenues.

(u) Comparison of recent financial year with the previous financial years on the major heads of the profit and loss statement, including on analysis of reasons for the changes in significant items of income and expenditure, inter-alia, containing the following:

Particulars	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16
Revenue	619,402,772	581,041,069	461,909,172	412,338,034	471,476,025
Year to year changes in revenue (%)	6.60%	25.79%	12.02%	-12.54%	58.84%
Cost of material	N/A	N/A	N/A	N/A	N/A
Year to year changes in cost of mate. (%)	N/A	N/A	N/A	N/A	N/A
Gross profit	26,912,912	33,345,755	28,749,843	33,438,374	33,060,233
Year to year changes in COGS (%)	-19.29%	15.99%	-14.02%	1.14%	21.74%
Finance Cost	8,032,209	12,858,704	13,423,248	13,968,466	10,316,358
Year to year changes in finance cost (%)	-37.53%	-4.21%	-3.90%	35.40%	76.44%
Net profit after tax	11,253,389	17,926,248	16,383,521	15,769,398	10,978,981
Year to year changes in PAT (%)	-37.22%	9.42%	3.89%	43.63%	-49.50%
EPS	0.95	2.60	2.32	2.26	1.59
Year to year changes in EPS (%)	-63.46%	12.07%	2.65%	42.14%	-17.62%

Analysis of reasons for the changes in significant items of income and expenditure:

Changes in revenue (%): It is seen that during the 2016-2020 period volume of premium collection was increased except 2017 due to introduce market penetration and better management of business.

Changes in GP (%): As increase in overall revenue, GP to revenue (%) was increased during 2016, 2017 & 2019. In the year of 2018 & 2020 gross profit decreased where company has paid a large amount of claim payment.

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 2020. It is mentioned here that no loan liability of MICL exist after June 06, 2021.

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Changes in net profit after tax (%): It is seen that, in the year 2017, 2018 & 2019 net profit after tax was increased as positive impact of premium and decrease of expenses. In 2016 & 2020 management expenses were increased for business development and incremental effect of staff's remunerations as well as PAT decreased.

Changes in EPS (%): It is seen that, in the year 2017, 2018 & 2019 EPS increased as net profit and number of ordinary share had changed. In 2016 & 2020 management expenses were increased for business development and incremental effect of staff's remunerations as well as PAT decreased, so well as EPS decreased.

- 1) **Unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.**

There is no an unusual or infrequent event or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.

- 2) **Significant economic changes that materially affect or are likely to affect income from continuing operations;**

There are no significant economic changes that materially affect or are likely to affect income from continuing operations.

- 3) **Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations;**

At present, there are no known trends, events and/or uncertainties that shall have a material impact on the company's future business except for those which are naturally beyond control of human being.

The business operation of the Company may be affected by the following uncertainties;

- I. Political unrest
- II. Natural disaster
- III. Competitive business environment

- 4) **Future changes in relationship between costs and revenues, in case of events such as future increase in labor or material costs or prices that will cause a material change are known;**

Any event such as increase in labor or material costs or prices will not affect the operational result of the Company, because of, with the passages of time volume and prices of net sales or revenue are also expected to increase in normal course of operation and for introduction of new products or services.

- 5) **The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices;**

Increases in revenues are by and large linked to increases in volume of business activity carried out as a normal course of business. There are no such material increases in net sales or revenue is due to increased sales volume, introduction of new products or services or increased sales prices.

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6) Total turnover of each major industry segment in which the Issuer operated

Considering the business nature of MICL, the Company is assumed to operate in insurance industry as non-life sector. The turnover is considered here as premium income as nature of turnover in insurance industry is different compared to other industry's turnover.



Source: Financial Stability Report 2019, Bangladesh Bank

Concentration in General Insurance	2018		2017	
	Asset Size (in BDT bn)	Gross Premium (in BDT bn)	Asset Size (in BDT bn)	Gross Premium (in BDT bn)
Total sector	13.1	41.8	10.252	34.318
Top 5 insurance companies	2.3	2.8	6.142	17.552

Source: Financial Stability Report 2018 and 19, Bangladesh Bank

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

The Company did not announce new products or business segment.

8) The extent to which the business is seasonal.

There is no seasonal aspect on the Business of the Insurance.

(v) Defaults or rescheduling of borrowings with financial institutions or insurances, conversion of loans into equity along with reasons thereof, lock out, strikes and reasons for the same etc. during the history of operation of the company;

There is no history of defaults or rescheduling of borrowings with financial institutions/banks, conversion of loans into equity, lock out, strikes etc. during the history of operation of the company.

(w) Details regarding the changes in the activities of the Issuer during the last five years which may had a material effect on the profits or loss, including discontinuance of lines of business, loss of agencies or markets and similar factors;

There is no change in the activities of MICL during the last five years which may had a material effect on the profits/loss, including discontinuance of lines of business, loss of agencies or markets and similar factors.

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(x) Injunction or restraining order, if any, with possible implications;

The Company did not receive any injunction or restraining from any competent authority or any regulatory bodies.

(y) Technology, market, managerial competence and capacity built-up; Technology

The Company has maintained up to date technology at their head office and branch offices by using Enterprise Resource Planning (ERP) based software such as Insurance Manager Software. One of the many functions of this software is to generate report for insurance policy which is to be expired in near future. This help smooth running of the business operations. The Company has also its own server which is used to preserved clients data safely. There is sufficient number of intercoms, fax, photocopy machine, etc. for support the management for their official work.

Market

Bangladesh is the most underinsured country in the non-life insurance category, despite standing to lose as much as 0.8% of its GDP to natural disasters a year. The country's insurance gap, indicating assets at risk which are not covered by insurance, stands at \$5.5 billion, or 2.1% of GDP. In 2018, the insurance premium earnings, which refers to the recurring fee paid by the policyholder for the insurance contract, rose by 11% to a value of \$1.47 billion. There are 77 insurance companies in total – 32 life and 45 non-life insurance providers. The main categories of insurance are health, including life insurance, property, and financial.

Although Bangladesh's insurance sector has witnessed some growth, in comparison with other emerging nations, there is a lot of room for improvement. According to the 8th Five Year Plan (2020–2025) of the Government of Bangladesh (GoB), a majority of the population across product segments (life and non-life) remains untapped by the insurance market.

Managerial competence

The management of the Company aims to focus the business to build trust and strong market share and leave a positive footprint. The management also appointed such personnel who are capable enough to operate the business effectively and efficiently. The management will continue to focus on cementing the market shares by delivering great value to policyholders and investing in the quality of the service.

Capacity built-up

The Company increased its financial capital gradually since incorporation. At the time of inception, the paid-up capital was BDT 60 mn. As on 30 march 2021, the paid-up capital of the Company stands at BDT 240 mn. During the same period, the Company also invested in social and relationship capital such as a positive brand and quality relationships with customers, regulators. Additionally, the technical and managerial skills, productivity of the people – coupled with a company culture and governance systems that foster innovation and compliance – are being catered to for long-term success.

(z) Changes in accounting policies in the last three years.

The company has made changes in accounting policy regarding recognition of fair value of investment in share in the financial Statements for the year ended and as on 31st December 2020 with the retrospective impact as per IAS 8 Changes in Accounting estimates and Policy.

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- (aa) Significant developments subsequent to the last financial year: A statement by the directors whether in their opinion there have arisen any circumstances since the date of the last financial statements as disclosed in the prospectus and which materially and adversely affect or is likely to affect the trading or profitability of the issuer, or the value of its assets, or its ability to pay its liabilities within the next twelve months;

Declaration regarding significant developments subsequent to the last financial year

To Whom It May Concern

This is to certify that in our opinion there have not arisen any circumstances since the date of the last financial statements as disclosed in the prospectus and which materially and adversely affect or is likely to affect the trading or profitability of the Meghna Insurance Company Limited, or the value of its assets, or its ability to pay its liabilities within the next twelve months.

Sd/-
Musfiq Rahman
(Nominated by SW Holdings Ltd.)
Chairman

Sd/-
Aiman Barik Choudhury
Vice Chairman

Sd/-
Manwar-Uz-Zaman
(Nominated by BARWAZ Investments LLC)
Director

Sd/-
Nahid Zaman
(Nominated by ZAMORED
Investments LLC)
Director

Sd/-
Javed Kaiser Ally
Director

Sd/-
Md. Omar-Bin-Harun Khan
Independent Director

Sd/-
Ashim Chowdhury
Independent Director

Sd/-
Mohammad Abu Bakar Siddique
Chief Executive Officer

Date :15 Feb 2022

- (bb) If any quarter of the financial year of the issuer ends after the period ended in the audited financial statements as disclosed in the prospectus, unaudited financial statements for each of the said quarters duly authenticated by the CEO and CFO of the issuer;

Audited financial statements for the period ended 31st March,2021 are incorporated in the prospectus in Chapter XXVI: Financial Statements.

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(cc) Factors that may affect the results of operations.

There are no factors that may affect the results of operations except followings:

1. Changes in relevant Govt. policies
2. Political unrest
3. Natural calamities

CHAPTER (VII)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

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(a) Overview of business and strategies:

Overview of business:

The Company was incorporated in Bangladesh as a Public Limited Company by Shares on March 18th 1996 under the Companies Act, 1994 and its Commencement of Business was started from 24th day of March, 1996 and the registration from the Controller of Insurance was received to start general insurance business on 23rd March 1996 by Insurance Development and Regulatory Authority (IDRA).

Address of Registered Office

The registered office of the Company is located at Pritam Zaman Tower (4th Floor), 37/2, Purana Palton, Dhaka-1000. The Operation of the Company are being carried out through its 47 nos. of branches located all over Bangladesh with Head Office.

Principal Activities and Nature of Operation

The main objective of the Company is to carry on all kinds of Insurance, guarantee and indemnity business other than life insurance business.

MICL business model

MICL business model has been designed considering four factors.

- **Service**
 - ✓ Tariff rate
 - ✓ Risk Factor
- **Client**
 - ✓ Risk Coverage
- **Surveyor**
 - ✓ Risk Analysis
 - ✓ Loss analysis
- **Management**
 - ✓ Operational process
 - ✓ Infrastructure
 - ✓ Business strategy
 - ✓ Claim settlement
 - ✓ **Underwriter:** Premium assess as per tariff rate
 - ✓ **Re insurance:** Re insurance arrangement local and overseas market

MICL major functional department

- Marketing department
- Underwriting department
- Accounts, Finance, Banking, costing & budgeting department
- Corporate affairs department
- Admin and Establishment department
- Re insurance department
- Claim department
- Internal audit department
- IT department
- Customer service department

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Strategies:

Strategy and Implementation Summary

- **Emphasize service and ongoing support.** We must avoid selling only one policy at the lowest price for each customer and concentration account selling which greatly enhances client retention.
- **Build an Insurance Partnership.** The customer does not want to shop every year for a new broker. Concentrate on building a long term relationship with our customers and make the client and our staff appreciate the value of a long-term relationship.
- **Focus on target markets.** We must focus on personal and business customers that we identify and select to insure, instead of allowing potential customers to choose us.
- **Educated & trained the branch in charge:** Different initiative would be taken to involve the branch in charged for market penetration and market development, As well as to retain the existing customers.

Expansion Strategy:

- MICL will focus on personal and business customers to tap the untapped market i.e. market development.
- Focus will be given to retain the existing customers.
- Focus will be given to development of new products.
- Focus will be given on concentric diversification.
- More importance will be given to the profit growth of the company.

Marketing Strategy

- Short term and long term marketing strategy will be taken.
- Emphasize will be given on service and support.
- 7Ps of marketing mix will be considered
- Build a partnership business based on account selling.
- Focus on senior, claims-free personal lines business and the profitable, well-run, small family business.
- Target small, non-franchise business, and cluster type's insurance plans.
- Investigate acquiring efficient and dynamic marketing manager for insurance business.

Promotion Strategy

- Introduce internet base promotional activities, use of different social media.
- All advertising has to emphasize our differentiation point rather than price. We will be developing a "Now what do I do?" message to emphasize the need for dealing with MICL's insurance professionals so that in the event a loss occurs, you know you have the proper protection.
- MICL will focus on the awareness among the untapped group of the society specially to the rural potential area.
- Initiative will be taken to improve the image of the company by involving itself into different CSR activities.
- MICL will improve and increase its contacts with its existing clients. All clients should be contacted before renewal to ensure covers are current and adequate. Also, new insurance should be solicited. We are investigating the production of a company newsletter or use of the news portal.

Distribution Strategy

- Choose Seniors: We will give special attention to this market in our advertising. We will make a concerted effort to support and sponsor seniors programs in our area. We will

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seek out Cottage associations and offer support and advice to attract new senior clients who are recently retired or about to in the near future.

- **Insurance Partners:** We will include inserts in renewal, endorsements, and correspondence stressing the importance of the insured taking an active interest and responsibility for trying to control the severity and number of claims. Our staff should take every opportunity, when discussing insurance with a client, to emphasize the consequences of multiple claims.
- **Business Partners** Again we should encourage insured to take responsibility for controlling claims. MICL confirm the reinsurance with Sadharan Bima Corporation of Bangladesh wherever necessary to provide best support to the clients in case of accident occurs.

Positioning Statement

- Our target market is small town District and untapped market. The ideal client is claims-free aged between 45 – 75 who owns his own home and car and is debt free if the regulator changes its circular regarding the insurance coverage of car. Has exhibited stable family patterns and is known and respected in the community. A similar profile should be used for commercial prospects with emphasis placed on the well-run, profitable business that has exhibited good claims experience.

Pricing Strategy

- Our customers are especially sensitive to value. We must ensure that our price and service are perceived to be good value to our client.
- Our markets must offer several payment options to our clients that are convenient to the client, not just to the company. Example – payment on insured's preferred day of month, not on the company's, and accepting payment by credit or debit card. Many insureds are on a fixed income and receive their income on a set day of each month or a paycheck on a particular day.
- We encourage our companies to "Target Market." Many of our companies are now focusing on what they have perceived to be profitable niche markets, where they can offer a competitive product with little, if any, competition.
- We are seeing our commercial markets now moving toward basic coverage and limiting the "bells and whistles," all-risk products available to only those clients who have modern, well-managed, profitable, low-risk operations. This should help stabilize pricing and, even more important, ensure that there is an insurance market available for most risks. Continued insistence by the industry on better protection, i.e. fire and burglar alarms, upgrading of buildings i.e. modern constructed building etc., have started to lower loss ratios.

Sales Strategy

- We want to emphasize the benefit of dealing with professionals who live and work in our client's area. We know their needs and their problems and we have a local reputation to protect, unlike an out-of-town market. If the out-of-town in charge fails to provide proper cover or advice, they will lose clients. In this situation we will try to higher the competitive one who can manage the clients in a befitting manner. Competitive prices for our identified target markets with the commitment of maximum coverage of loss and ensure the claim on the time.
- We will act as a partner of loss taking in case of any uncertainty happen which will help the clients to mitigate their financial loss.

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- Business partners provide us the opportunity to sell lower-priced, basic insurance coverage to our clients. Many clients have expressed interest in retaining part or all of the insurance risk, especially for burglary. They feel that if they have installed central alarms and bars, they can take the chance of self-insurance.

Sales Programs

- We are investigating sales incentives for our branch in charge. They must encourage profitable new business and have a retention component.

Strategic Alliances

- Some of our present companies have surveyed us to investigate co-operative advertising but we have not committed to any programs at present.

Service and Support

- MICL will confirm the best service and support to the clients from the inception of the business to the settlement of the claim. MICL will find out the way to delight its customers keeping in mind the interest of the shareholders.

(b) SWOT ANALYSIS:

Strengths

1. Meghna has a net premium of 431 mn in 2020 which is higher than the listed peer company median net premium of 354 mn.
2. Strong Presence across Dhaka and Tier I cities through 47 branches across the country.
3. Meghna has over 600 employees and 57 agents
4. Sound background of the promoters is driving continuous business growth.

Opportunities

1. Growing industrialization and manufacturing activities leading to increase in insurance requirement.
2. Group insurance through large corporates.
3. Expansion in tier-II cities

Weaknesses

1. Low profitability compared to the peers.
2. Leverage.
3. Lacks in marketing and promotion activities.

Threats

1. Macro-economic crisis.
2. Growth of mid to small sized insurance companies

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(c) Analysis of the financial statements of last five years with reason(s) of fluctuating revenue or sales, other income, total income, cost of material, finance cost, depreciation and amortization expense, other expense; changes of inventories, net profit before & after tax, EPS etc.

Particulars	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16
Revenue	619,402,772	581,041,069	461,909,172	412,338,034	471,476,025
Year to year changes in revenue (%)	6.60%	25.79%	12.02%	-12.54%	58.84%
Other income	24,476,853	10,849,321	15,355,349	14,502,986	14,188,808
Year to year changes in other income (%)	125.61%	-29.35%	5.88%	2.21%	-12.04%
Total income	51,389,764	44,195,076	44,105,192	47,941,360	47,249,041
Year to year changes in total income (%)	16.28%	0.20%	-8.00%	1.47%	9.15%
Cost of material	N/A	N/A	N/A	N/A	N/A
Year to year changes in cost of material (%)	N/A	N/A	N/A	N/A	N/A
Finance Cost	8,251,398	12,858,704	13,423,248	13,968,466	10,316,358
Year to year changes in finance cost (%)	-35.83%	-4.21%	-3.90%	35.40%	76.44%
Depreciation and Amortization expenses					
Depreciations	18,756,503	6,395,296	7,629,601	8,771,925	7,159,535
Year to year changes in depreciation (%)	193.29%	-16.18%	-13.02%	22.52%	-15.47%
Amortizations	37,770	47,212			
Year to year changes in amortization (%)	-20%				
Other expenses	N/A	N/A	N/A	N/A	N/A
Inventories	N/A	N/A	N/A	N/A	N/A
Net profit before tax	11,914,690	18,733,816	17,108,681	16,039,361	15,005,497
Year to year changes in PBT (%)	-36.40%	9.50%	6.67%	6.89%	-33.97%
Net profit after tax	7,577,012	17,926,248	16,383,521	15,769,398	10,978,981
Year to year changes in PAT (%)	-57.73%	9.42%	3.89%	43.63%	-49.50%
EPS	0.95	2.60	2.32	2.26	1.59
Year to year changes in EPS (%)	-63.46%	12.07%	2.65%	42.16%	-17.62%

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Causes for changes:

Changes in revenue (%) : It is seen that during the 2016- 2020 period volume of premium collection was increased except 2017 due to introduce market penetration and better management of business.

Changes in other income (%) : The company's other income have continued to increase due to business promotion and increase of short term investment in FDR. But in 2016 & 2019 other income decreased as rate of interest of FDR decreased.

Changes in total income (%) : The company's total income during period 2016, 2017, 2019 and 2020 have increased due to enhancement of revenue and reduction of expenses, business promotion efforts of the Directors and Management staffs as well as more investment in FDR. But in 2018 total income decreased as rate of interest of FDR decreased and more claim paid.

Changes in cost of material (%) : Not applicable.

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 2020. It is mentioned here that no loan liability of MCL exist after June 06, 2021.

Changes in depreciation (%) : Due to addition or deletion of tangible assets, the amount of depreciation decreased or increased.

Causes of year to year changes in amortization (%) : Due to addition or deletion of intangible assets, the amount of amortization decreased or increased.

Changes in PBT (%) : It is seen that, in the year 2017, 2018 & 2019 net profit before tax was increased as positive impact of premium and decrease of expenses. In 2016 & 2020 management expenses was increased for business development and incremental effect of staff's remunerations as well as PBT decreased.

Changes in net profit after tax (%) : It is seen that, in the year 2017, 2018 & 2019 net profit after tax was increased as positive impact of premium and decrease of expenses. In 2016, and 2020 management expenses was increased for business development and incremental effect of staff's remunerations as well as PAT decreased.

Changes in EPS (%) : It is seen that, in the year 2017, 2018 & 2019 EPS increased as net profit and number of ordinary share had changed. In 2016 & 2020 management expenses was increased for business development and incremental effect of staff's remunerations as well as PAT decreased, so well as EPS decreased.

(d) Trends demands, commitments, events or uncertainties that are likely to have an effect on the company's business:

At present, there are no known trends, events and/or uncertainties that shall have a material impact on the company's future business except for those which are naturally beyond control of human being.

The business operation of the Company may be affected by the following uncertainties:

- I. Political unrest
- II. Natural disaster
- III. Competitive business environment

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(e) Trends or expected fluctuations in liquidity:

There are no trends or expected fluctuations in liquidity.

(f) Off-balance sheet arrangements those have or likely to have a current or future effect on financial condition:

There are no off-balance sheet arrangements those have or likely to have a current or future effect on financial condition of the Company.

পুঞ্জিবাজারে বিনিয়োগ সুকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

CHAPTER (VIII)

DIRECTORS AND OFFICERS

পঞ্জিবাজারে বিনিয়োগ তৃকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(a) Name, Father's name, age, residential address, educational qualification, experience and position of each of the directors of the company and any person nominated or represented to be a director, showing the period for which, the nomination has been made and the name of the organization which has nominated him:

Sl	Name of Directors	Father's Name	Age	Residential address	Educational qualification	Experience	Position	Name of nominated organization and Period of Nomination
1	Mr. Alman Barik Choudhury	AKM Zakaria Hossain Choudhury	29 Years	House # 56, Block # C, Banani- 11, Banani, Dhaka-1213.	Bachelor of Arts (Entrepreneurship) from University of Lancaster Master of Science (Human Resource Management) from University of Strathclyde	5 Years	Director	N/A
2	Mr. Musliq Rahman	Mr. Muzibur Rahman	47 years	Flat No. CFW# 102, Flat# 20, Block # K, Road # 1, Baridhara, Dhaka-1212.	BBA	17 years	Chairman	Nominated by SW Holdings Ltd.
3	Mr. Javed Kaiser Ally	Mr. Syed Kaiser Ally	52 years	Holding# 16, Flat# 504, Road# 59, Gulshan-2, Gulshan, Dhaka-1212.	MBA	25 years	Director	N/A
4	Nahid Zaman	Sabbir Ahmed Chowdhury	60 years	House # 600, Road # 131 Gulshan, Dhaka-1212	M.Sc	25 years	Nominated Director	Nominated by ZAMORED Investments LLC
5	Mr. Mianwar-Uz-Zaman	Mr. Monir Uz Zaman	66 years	Holding# 12 B (6th Floor), Road# 55, Gulshan-1212, Dhaka.	Completed Graduation with commerce background	33 years	Nominated Director	Nominated by BARWAZ Investments LLC

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6	Mr. Md. Omar-Bin-Harun Khan	Mr. Md. Harun or Rashid Khan	36 years	Holding# 90, Baro Maghbazar, Shanti Nagar, 1217, Ramna Dhaka	Barister-at-Law from Honorable Society of Lincoln's Inn, London	15 years	Independent Director	N/A
7	Mr. Ashim Chowdhury	Mr. Arabinda Bikash Chowdhury	61 years	Holding# 41, New Estakon, Flat# D-4, Shantinagar TSO-1217, Ramna, Dhaka.	MBA Peoples University, Dhaka	30 years	Independent Director	N/A
8	Mr. Mohammad Abu Bakar Siddique	Mr. Abdus Sobahan	60 y	Banashilpa Bhawan (6th Floor), 73, Motijheel C/A, Dhaka	M.Sc. [Thesis] from University of Dhaka	33 Years	Chief Executive Officer	N/A

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(b) The date on which he first became a director and the date on which his current term of office shall expire:

Sl.	Name of the Director	Position	Date of first Directorship	Date of Expiration of Current term
1	Mr. Musfiq Rahman (Nominated by SW Holdings Ltd.)	Chairman	06 November, 2003	AGM 2021
2	Aiman Barik Choudhury	Vice Chairman	06 June, 2011	AGM 2023
3	Mr. Manwar-Uz-Zaman (Nominated by BARWAZ Investments LLC)	Director	01 December, 2019	AGM 2021
4	Ms. Nahid Zaman (Nominated by ZAMORED investments LLC)	Director	06 November, 2003	AGM 2022
5	Javed Kaiser Ally	Director	27 September, 2020	AGM 2022
6	Md. Omar-Bin-Harun Khan	Independent Director	27 February, 2020	AGM 2023
7	Ashim Chowdhury	Independent Director	30 August, 2020	AGM 2023

(c) If any director has any type of interest in other businesses, names and types of business of such organizations. If any director is also a director of another company or owner or partner of any other concern, the names of such organizations:

Sl.	Name of Directors	Name of the other organization where directors have been involved	Types of business of such organizations	Position Held
1	Mr. Musfiq Rahman	SW Holdings Ltd.	Real Estate Business	Managing Director.
		Designer Line Pvt. Ltd.	100% export oriented knit readymade garments	Director
		Max Speed Plastics Ltd.	Manufacturing	Director
		Essential Accessories Ltd.	Trading Business	Director
		Max Pure Drinking Water Ltd.	Food & Beverage business	Director
2	Mr. Aiman Barik Choudhury	Noorani Agro & Food Complex Limited	Agro & Food Industry	Executive Director & Shareholder
3	Mr. Javed Kaiser Ally	Aquamarine Ltd.	Shipping Agent Business	Managing Director
		Lighthouse Navigation Ltd.	Navigation	Managing Director
		Navana Pharmaceuticals Ltd.	Pharmaceuticals Business	Director
4	Mr. Manwar-Uz-Zaman	Nil	Nil	Nil
5	Ms. Nahid Zaman	Nil	Nil	Nil
6	Md. Omar-Bin Harun Khan	Nil	Nil	Nil
7	Mr. Ashim Chowdhury	Nil	Nil	Nil

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- (d) Statement of if any of the directors of the issuer are associated with the securities market in any manner. If any director of the issuer Company is also a director of any issuer of other listed securities during last three years, then dividend payment history and market performance of that issuer:

None of the Directors are involved in securities market and not involved with other listed securities during last three years.

- (e) Any family relationship (father, mother, spouse, brother, sister, son, daughter, spouse's father, spouse's mother, spouse's brother, spouse's sister) among the directors and top five officers:

i. Family relationship among directors

There is no family relationship among the directors.

ii. Family relationship among directors and top five officers of the company:

There is no family relationship exist among directors and top five officers.

- (f) A very brief description of other businesses of the directors:

SL	Name of Directors	Name of the other organization where directors have been involved	Types of business of such organizations	Position Held
1	Mr. Musfiq Rahman (Nominated by SW Holdings Ltd.)	SW Holdings Ltd.	Real Estate Business	Managing Director
		Designer Line Pvt. Ltd.	100% export oriented knit readymade garments	Director
		Max Speed Plastics Ltd.	Manufacturing	Director
		Essential Accessories Ltd.	Trading Business	Director
		Max Pure Drinking Water Ltd.	Food Beverage Business	Director
2	Mr. Alman Barik Choudhury	Necrani Agro & Food Complex Limited	Agro & Food Industry	Executive Director & Shareholder
3	Mr. Javed Kaiser Ally	Aquamarine Ltd.	Shipping Agent Business	Managing Director
		Lighthouse Navigation Ltd.	Lighting navigation Business	Managing Director
		Navana Pharmaceuticals Ltd.	Pharmaceuticals Business	Director
4	Mr. Manwar-Uz-Zaman (Nominated by BARWAZ Investments LLC)	Nil	Nil	Nil
5	Ms. Nahid zaman (Nominated by ZAMORED Investments LLC)	Nil	Nil	Nil
6	Mr. Md. Omar-Bin-Harun Khan	Legal Counsel	Law Firm	Head of Chambers
7	Mr. Ashim Chowdhury	Nil	Nil	Nil

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(g) Short bio-data of each director:

Mr. Musfiq Rahman, Chairman

Mr. Musfiq Rahman is the Chairman of Meghna Insurance Company Limited. He is a successful entrepreneur, hold a wide range of business knowledge throughout his career which is serving in so many businesses that he involved like; Meghna Insurance Company Limited as a Vice Chairman and as a Managing Director of Designer Line Pvt. Limited, Max Pure Drinking Water Limited, Essential Accessories Limited. He has completed Bachelor of Business Administration (BBA).

Mr. Aiman Barik Choudhury, Director

Mr. Aiman Barik Choudhury, is an energetic entrepreneur and business professional holding position as Director at Meghna Insurance Company Limited and apart from that, Mr. Barik is the Executive Director and Shareholder of Noorani Agro & Food Complex Limited over 5 years.

Mr. Barik has completed his Bachelor of Arts (Entrepreneurship) from University of Lancaster and Master of Science (Human Resource Management) from University of Strathclyde

Mr. Javed Kaiser Ally, Director

Mr. Javed Kaiser Ally, a successful entrepreneur is involved with so many businesses where he driving his profession with enthusiasm and sincerity. He has completed his Masters of Business Administration at a well reputed University in Bangladesh.

Except of being Director of Meghna Insurance Company Limited, Mr. Javed is the Managing Director of Aquamarine Limited and Lighthouse Navigation Limited. Apart from that, he is the director of Bangladesh, Palliative & Supportive Care Foundation.

Ms. Nahid Zaman, Director

Ms. Nahid Zaman, a dynamic business person and professional who have 25 years past experiences in the field of business and was actively involved in the different business organizations throughout his career. He completed his post-graduation (M.Sc.) from a well reputed university of Bangladesh.

Now, Ms. Nahid is the director of Meghna Insurance Company Limited to drive his profession for sustainable business performance of the company.

Mr. Manwar-Uz-Zaman, Director

Mr. Manwar-Uz-Zaman is the Director of Meghna Insurance Company Limited, a successful entrepreneur has 48 years wide experience in Travel Trade and Tourism sector of Bangladesh. He has completed his Masters of Business Administration at a well reputed University in Bangladesh. However, except of being Director of Meghna Insurance Company Limited, he is the Local Representative of International SOS, Singapore.

During the Managing Director of the Vantage Travels Services Ltd., was awarded International Gold Star for Excellence in Corporate Image and Quality by Business Initiative Direction at Madrid, Spain in 1993.

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

Mr. Md. Omar-Bin-Harun Khan is the Independent Director of Meghna Insurance Company Limited. He is a Barrister, completed his Barrister-at-Law from the Honorable Society of Lincoln's Inn, London, Post Graduate Diploma in Law (PGDL) awarded by the Inns of Courts School of Law (ICSL), London, LLB (Hons.), University of London, UK and he has 16 years wide range of experience in Renders Legal Service since 2005.

Apart from that, he is the Advocate, Supreme Court of Bangladesh, Member of Bangladesh Bar Council, Dhaka Bar Association & Supreme Court Bar Association and "Managing Partners & Head of the Chambers of Legal Counsel" (a full-service corporate law chambers).

Mr. Omar started his legal career as an intern in one of the most renowned law firms in Bangladesh, Dr. KamalHossain and Associates immediately after completing his graduation and continued till pursuing his Bar. Upon completion of his Bar from the Hon'ble Society of Lincoln's Inn, UK, in 2005 he joined as a Junior Associate at Hasan Associates, the largest corporate law firm of that time. Within a short time, he was promoted to associate and then to senior associate for his quality of and dedication to work. He has gained experience in Arbitration, Banking Law, Company Law, Contract Law, Negotiation etc. with the exposure to huge international and local clients of the chambers. In 2007, Barrister Omar was privileged to join Grameenphone Limited as the Head of Legal and Compliance Department leading a large team of in-house counsels.

With the continuous support from his growing clientele, he has pioneered the modern corporate law practice in Bangladesh. He has been regularly conducting corporate workshops and trainings on different legal topics and pursues pro bono activities in the western module. He has been serving clients based in over 30 countries across 6 continents. He is equally contributing to the commercial as well as development sector through his effortless legal services, FDI, Labor, Employment Law, organizational structuring, corporate laws and development sectors laws the areas where he takes keen interest. He has the pleasure to represent Governments of 14 countries in different legal matters.

Mr. Ashim Chowdhury, Independent Director

Mr. Ashim Chowdhury is the Independent Director of Meghna Insurance Company Limited. He has got wide range of 30 years banking experience throughout his career and except of being Independent Director of Meghna Insurance Company Limited, Mr. Ashim was the Senior Vice President and Head of Internal Control and Compliance of IFC Bank Limited.

He has completed Masters in Physics from University of Chittagong and Masters of Business Administration (MBA) from Peoples University, Dhaka, Bangladesh.

(h) Loan status of the issuer, its directors and shareholders who hold 10% or more shares in the paid-up capital of the issuer in terms of the CIB Report of Bangladesh Insurance:

Neither the Company nor any of its directors or shareholders who hold 10% or more shares in the paid-up capital of the Issuer is a loan defaulter in terms of the CIB Report of Bangladesh Insurance.

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- (i) Name with position, educational qualification, age, date of joining in the company, overall experience (in year), previous employment, salary paid for the financial year of the Chief Executive Officer, Managing Director, Chief Financial Officer, Company Secretary, Advisers, Consultants and all Departmental Heads. If the Chairman, any director or any shareholder received any monthly salary than this information should also be included:

Sl.	Name	Position	Educational Qualification	Age	Date of Joining in the Company	Overall experience (in year)	Previous employment	Salary Paid as on 1st January 2020 to 31st December 2020	Salary Paid as on 1st January 2021 to 31st March 2021
1	Mr. Mohammad Abu Bakar Siddique	Chief Executive Officer	M.Sc. (Thesis) from University of Dhaka	60 y	5th April, 2020	33 Years	MD of Global Insurance Co. Ltd.	42,75,000/-	12,00,000/-
2	Mr. Mohammad Hafizur Rahman, FCA, FCS,MPM(DU)	Deputy Managing Director & Chief Financial Officer	Fellow Chartered Accountant, Fellow Chartered Secretariat, Masters on Professional Marketing from University of Dhaka	44 y	12th July, 2020	31 Years	DMD & CFO of Forecast Finance & Investment Ltd.	13,50,000/-	8,76,000/-
3	Mr. Mohammad Monir Hossain	Assistant Managing Director (Head of Accounts and Audit)	M.Com. National University, Bangladesh	49 y	5th February, 2014	20 Years	General Manager at Keno Asia Ltd. From 2010-2014	12,55,800/-	3,52,800/-
4	Mr. Md. Kabir Ahmed	Assistant Managing Director (Head of Claims and Re-Insurance)	B.A (Pass)	63 y	30th July, 2015	33 Years	Executive & In-charge in Union Insurance Co. Ltd.	9,80,000/-	3,02,400/-
5	Major Md. Alamgir Hossain Dewan (Retd.)	Senior General Manager, Head of Human Resource & Admin	MBA from Trinity, USA	55 y	12th July, 2020	32 Years	Executive Director at Scandex Knitwear Ltd.	4,80,000/-	2,76,000/-
6	Mr. Md. Golam Al Mamun	Senior General Manager, Head of BPBC	M.Com from Ananda Mohan University	44 y	3rd July, 2008	24 Years	Senior Accounts Officer at Max Speed Plastics Ltd.,	10,58,400/-	3,96,000/-

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			College with Management				Designer Line Pvt. Ltd., Max Pure Drinking Water Ltd.		
7	Md. Abu Naser Miajee	Deputy General Manager, Head of Underwriting	B.A (Pass)	50 y	1st June, 1997	28 Years	Assistant Officer at Karnaphuli Insurance Co. Ltd.	5,95,200/-	1,67,400/-
8	Mr. Md. Abdus Samad	Company Secretary (CC) and Assistant General Manager, Board & Share	M. Sc in Mathematics from National University, Bangladesh	34 y	1st February, 2015	12 Years	Assistant Manager, Liaison & Coordinator at Crossing Point Limited	5,92,720/-	1,78,560/-
9	Mr. Ashique Matin	Assistant General Manager, Head of IT	BIT from Business Information Technology	35 y	1st August, 2016	8 Years	MD at Arcorp Dermis Ltd.	7,05,600/-	2,45,520/-

- Meghna Insurance Company does not have any Consultant or Advisor

(j) Changes in the key management persons during the last three years. Any change otherwise than by way of retirement in the normal course in the senior key management personnel particularly in charge of production, planning, finance and marketing during the last three years prior to the date of filing the information memorandum. If the turnover of key management personnel is high compared to the industry, reasons should be discussed:

SL	Name	Position	Department in the Company	Remarks
1	Mr. Md. Anwar Ullah	Addl. Managing Director & CS	Board Affairs	Appointed and Resigned in 2018
2	Mr. Md. Habib Jaman, FCA	Addl. Managing Director, CFO & CS (CC)	Accounts & Board Affairs	Appointed in 2018 and Resigned in 2019
3	Mr. Md. Noor-Ajam	Deputy Manager & CS (CC)	Board Affairs	Appointed and Resigned in 2019
4	Mr. Md. Abdus Samad	Assit. General Manager & CS (CC)	Board Affairs	Promoted to Company Secretary (CC) since 15 September, 2019
5	Mr. Mohammad Abu Bakar Siddique	Chief Executive Officer	-	Appointed in 2020.

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7	Mr. Mohammed Hafizour Rahman, FCA, FCS	CFO & Deputy Managing Director	Accounts	Appointed in 2020
8	Mr. Shamsuddin Ahmed	Sr. GM (Head of Audit)	Audit	Resigned in 2020
9	Major Md Alamgir Hossain (Retd.) Dewan	Sr. General Manager (Head of HR & Admin)	HR & Admin	Appointed in 2020

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- (k) A profile of the sponsors including their names, father's names, age, personal addresses, educational qualifications, and experiences in the business, positions or posts held in the past, directorship held, other ventures of each sponsor and present position:

Sl.	Name of the sponsor	Father's names	Age	Personal addresses	Educational qualifications	Experiences in the business	Position/Posts Held		Directorship Held	Status of the Sponsor in another venture	
							Past	Present		Name of the Company	Present position
1	Mr. Abu Taleb Chowdhury	Late. Abdul Majid Chowdhury	75	280, Tejgaon Industrial Area, Dhaka	Graduation	35 years	Sponsor Shareholder	Nil	Nil	n/a	n/a
2	Mr. Ifteqer Alam	Mr. Md. Ibrahim Mia	67	Road No. # 127, House No. # 07, Gulshan, Dhaka, Bangladesh	Graduation	29 years	Sponsor Shareholder	Nil	Nil	n/a	n/a
3	Mr. F. K. Patoary	Ahja Amjad Ali Patoary	82	43, Dilkusha, Industrial Area, Dhaka	Graduation	36 years	Sponsor Shareholder	Nil	Nil	n/a	n/a
4	Mrs. Roshon-Ara Begum	Mr. Ahamed Fuad Chowdhury	69	25/2, Green Road, Dhanmondi, Dhaka	Graduation	15 years	Sponsor Shareholder	Nil	Nil	n/a	n/a
6	Mr. Jaglur Rahman Khan	Late Lutfur Rahman	78	House # 38, Road # 37, Gulshan Model Town, Dhaka	Graduation	31 years	Sponsor Shareholder	Nil	Nil	n/a	n/a
7	Late Mr. Abdul Wahid	Late Haji Mohammad Yunus	-	House # 13, Road # 12, Sector -6, Uttara Model Town, Dhaka	Post Graduation	25 years	Sponsor Shareholder	Sponsor Shareholder	Nil	n/a	n/a

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8	Mr. M. A. Hannan	Late Abdul Khaleq	82	House # 31, Road # 36, Gulshan, Dhaka	Graduation	37 years	Sponsor Shareholder	Sponsor Shareholder	Nil	n/a	n/a
9	Mr. Mohammad Shahjahan	Late Mohammad Hossain	71	164, West Agargaon, Shyamoli, Dhaka	Graduation	30 years	Sponsor Shareholder	Nil	Nil	n/a	n/a

- (l) If the present directors are not the sponsors and control of the issuer was acquired within five years immediately preceding the date of filing prospectus details regarding the acquisition of control, date of acquisition, terms of acquisition, consideration paid for such acquisition etc.

The following directors are not the sponsors of the Company and control of the issuer was acquired within 5 years immediately preceding the date of filing of Prospectus is given below:

Name	Acquisition of Control	Date of Acquisition	Terms of Acquisition	Consideration paid for such Acquisition
ZAMORED Investments LLC	Director	27.02.2020	No terms of acquisition	Cash
BARWAZ Investments LLC	Director	27.02.2020	No terms of acquisition	Cash
Md. Omar bin-Harun Khan	Independent Director	N/A	N/A	N/A
Ashim Chowdhury	Independent Director	N/A	N/A	N/A

- (m) If the sponsors or directors do not have experience in the proposed line of business, the fact explaining how the proposed activities would be carried out or managed:

MICL was incorporated on 18th March 1996. The Company is doing business for the last 25 years. Therefore, the sponsors or directors are highly experienced to carry out this line of business as per Insurance Companies Act, 1991 (as amended 2018).

- (n) **Interest of the key management persons:**

There is no other interest with the key management persons except remuneration/salary received by them.

- (o) **All interests and facilities enjoyed by a director, whether pecuniary or non-pecuniary:**

There were no such interests and facilities in the form of pecuniary and non-pecuniary enjoyed by the Directors except followings:

Amount in Tk.

SL.	Name of Directors	Nature of Interest	Period end 31 st March 2021
01	Ms. Sabrina Rahman (Nominated by SW Holdings Ltd.)	The Board meeting attendance fees	7,500
02	Mr. Musliq Rahman (Nominated by SW Holdings Ltd.)	The Board meeting attendance fees	7,500
03	Mr. Javed Kaiser Ally	The Board meeting attendance fees	7,500
04	Mr. Manwar-Ul-Zaman (Nominated by BARWAZ Investments LLC)	The Board meeting attendance fees	7,500
05	Mr. Ihtlaque Ahmed Chowdhury (Nominated by ZAMORED Investments LLC)	The Board meeting attendance fees	7,500

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

06	Mr. Taskeen Ahmed (Nominated by IFAD Ventures Ltd.)	The Board meeting attendance fees	7,500
07	Mr. Hafizur Rahman Khan (Nominated by Runner Trading Ltd.)	The Board meeting attendance fees	7,500
08	Mr. Md. Omar-Bin-Harun Khan	The Board meeting attendance fees	7,500
09	Mr. Ashim Chowdhury	The Board meeting attendance fees	7,500
10	Mr. Ahmed Karim Khan Chowdhury	The Board meeting attendance fees	7,500

(p) Number of shares held and percentage of shareholding (pre issue):

SL.	Name of Shareholders	Number of securities owned (in Shares)	Shareholding % Before IPO
01	Mr. Javed Kaiser Ally	12,17,132	5.07
02	Mr. Aiman Barik Chowdhury	10,34,562	4.31
03	Ms. Ainab Chowdhury	10,34,562	4.31
04	Mr. Anisuzzaman Chowdhury	12,17,132	5.07
05	Sadat Khan	1,65,312	0.69
06	Mr. Zeeshan Khan	1,65,313	0.69
07	Ms. Farida Akhter	12,67,845	5.28
08	Mrs. Jatsna Ara Begum	6,61,250	2.76
09	Mr. Zaynal Abedin Chowdhury	3,30,625	1.38
10	Mrs. Marina Ahmed	3,30,625	1.38
11	Mr. M.A. Hannan	4,62,875	1.93
12	Mr. Mohammad Didarul Husain	9,12,849	3.80
13	Mr. Mohammad Enayelullah	12,67,845	5.28
14	Mr. Md. Azizul Haque	66,125	0.28
15	**Late Abdul Wahid	66,125	0.28
16	IFAD Venture Limited	24,27,208	10.11
17	SW Holdings Limited.	12,17,132	5.07
18	Runner Trading Ltd.	30,14,165	12.56
19	NAMSS Motors Ltd.	11,31,139	4.71
20	Masty Enterprises Ltd.	1,98,375	0.83
21	ZAMORED Investments LLC	28,90,688	12.04
22	BARWAZ Investments LLC	29,21,116	12.17
	Total	24,000,000	100.0%

**Mr. Abdul Wahid was died on 08/09/1996

(q) Change in board of directors during last three years:

SL.	Name of the directors	Last Position held	Date of appointment	Date of retirement	Present Status
1	Mr. Safiul Islam Khan	Independent Director	05 April 2017	Died on 13 May, 2019	Nil
2	Mr. Mujibur Rahman Chowdhury	Independent Director	06 October 2016	01 December, 2019	Nil
3	Ms. Nahid Zaman	Director	15 February 2015	Nil	Nominated Director

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

4	Col. Md. Abdul Mafin	Nominee Director	11 September 2000	27 February, 2020	Nill
5	Ms. Shahnaz Matin Shupri	Nominee Director	05 April 2017	27 February, 2020	Nill
6	Mr. Mohammad Alais Miah	Nominee Director	28 December 2011	27 February, 2020	Nill
7	Ms. Farida Akhter	Director	29 March, 2010	30 August, 2020	Nill
8	Mr. Safiul Alam	Independent Director	21 February, 2020	27 September, 2020	Nill
9	Md. Omar-Bin-Harun Khan	Independent Director	27 February, 2020	Nill	Independent Director
10	Mr. Ashim Chowdhury	Independent Director	30 August, 2020	Nill	Independent Director
11	Ahmed Kamal Khan Chowdhury	Independent Director	30 August, 2020	5 th January 2022	Nill
12	Mr. Taskeen Ahmed	Nominee Director	27 September, 2020	5 th January 2022	Nill
13	Mr. Hafizur Rahman Khan	Director	27 September, 2020	5 th January 2022	Nill
14	Mr. Javed Kaiser Ally	Director	01 December, 2019	Nill	Director

(r) Director's engagement with similar business:

There is no engagement of directors with similar business.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

CHAPTER (IX)

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

পূঁজিবাজারে বিনিয়োগ বুকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

- (a) The prospectus shall contain a description of any transaction during the last five years, or any proposed transactions certified by the auditors, between the issuer and any of the following persons, giving the name of the persons involved in the transaction, their relationship with the issuer, the nature of their interest in the transaction and the amount of such interest, namely: -

Certification on statement of Related Party Transaction of Meghna Insurance Company Limited

This is to certify that the financial statements of the Meghna Insurance Company Limited furnished for our audit does not have transaction during the year ended 31 December, 2016, 31 December, 2017, 31 December, 2018, 31 December, 2019 or any proposed transaction between the issuer and any of the following persons, :

- Any director or sponsor or executive officer of the issuer;
- Any person holding 5% or more of the outstanding shares of the issuer;
- Any related party or connected person of any of the above persons;

Besides this there are some related party transactions for the year ended 31 December, 2020 and for the period ended 31 March, 2021 are given below:

Related party transactions for the period ended 31st March, 2021

Name of the party	Relationship	Name of transaction	Premium earned	Premium outstanding	Claim paid
Aswad Composite Mills Ltd.	Director's wife	Insurance	3,661,393	-	-
Ayesha Clothing Co. Ltd.	Director's wife	Insurance	700,309	-	-
Arkay Knit Dyeing Mills Ltd.	Director's wife	Insurance	3,318,055	-	403,823
Nafa apparels Ltd.	Director's wife	Insurance	75,897	-	-
Marina apparels Ltd.	Director's wife	Insurance	172	-	-
Safaa Sweaters Ltd.	Director's wife	Insurance	0	-	-
Hamza Trims Ltd.	Director's wife	Insurance	44,919	-	-
Hamza Logistics Ltd.	Director's wife	Insurance	262,005		25,000
Hamza Clothing Ltd.	Director's wife	Insurance	1,337		1,210,938
Cortz Apparels Ltd.	Director's wife	Insurance	230,559	-	-
Magnam Traders	Director's wife	Insurance	11,136	-	-
Ayesha Fashion Ltd.	Director's wife	Insurance	46,720	-	-
Total			8,352,502	-	1,639,761

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Related party transactions for the period ended 31st December, 2020

Name of the party	Relationship	Name of transaction	Premium earned	Premium outstanding	Claim paid
Aswad Composite Mills Ltd.	Director's wife	Insurance	2,879,267	-	-
Ayesha Clothing Co. Ltd.	Director's wife	Insurance	1,798,377	-	-
Arkay Knit Dyeing Mills Ltd.	Director's wife	Insurance	4,220,530	-	112,954
Nafa apparels Ltd.	Director's wife	Insurance	1,584,388	-	-
Marina apparels Ltd.	Director's wife	Insurance	896,123	-	-
Safaa Sweaters Ltd.	Director's wife	Insurance	2,079	-	-
Harnza Trims Ltd.	Director's wife	Insurance	82,078	-	-
Cortz Apparels Ltd.	Director's wife	Insurance	105,384	-	-
Magnam Traders	Director's wife	Insurance	57,089	-	-
Ayesha Fashion Ltd.	Director's wife	Insurance	8,590	-	-
Total			11,633,905	-	112,954

Place: Dhaka
 Date: 17th August, 2021

Sd/-
MABS&J Partners
Chartered Accountants

- (b) **Any transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries or holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus;**

There is no transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries or holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus except the transaction mentioned in CHAPTER (IX) (a).

- (c) **Any loans either taken or given from or to any director or any person connected with the director, clearly specifying details of such loan in the prospectus, and if any loan has been taken from any such person who did not have any stake in the issuer, its holding company or its associate concerns prior to such loan, rate of interest applicable, date of loan taken, date of maturity of loan, and present outstanding of such loan.**

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। ছেনে ও বুঝে বিনিয়োগ করুন

There are no such loans taken or given from or to any director or any person connected with the director of the company.

পুঞ্জিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

CHAPTER (X)

EXECUTIVE COMPENSATION

পূঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

- (a) The total amount of remuneration or salary or perquisites paid to the top five salaried officers of the issuer in the last accounting year and the name and designation of each such officer:

SL	Name of employee	Position	Remuneration/ Salary paid for the period from 1 st January to 31 st December 2020	Remuneration/ Salary paid for the period from 1 st January to 31 st March 2021
01	Mr. Mohammad Abu Bakar Siddique	Chief Executive Officer	4,275,000/-	1,200,000/-
02	Mr. Mohammed Hafizur Rahman, FCA, FCS, MPM(DU)	Deputy Managing Director & CFO	13,50,000/-	8,76,000/-
03	Prof. M.A Zaher Chowdhury	Addl. Managing Director Chief coordinator of Branches & Branch in-charge, Jubilee Road Branch,	3,360,000/-	915,000/-
04	Mr. BM Selim Reza	Addl. Managing Director Branch in-charge, B.B Avenue Branch,	1,920,000/-	600,000/-
05	Mr. HK Afsary	Addl. Managing Director Branch in-charge, Kawran Bazar Branch,	1,188,000/-	600,000/-

- (b) Aggregate amount of remuneration paid to all directors and officers as a group during the last accounting year:

SL	Particulars	Remuneration paid as on as on 31 March, 2021	Remuneration paid as on 31 December 2020 (Taka)
01	Directors	-	-
02	Officers and Staffs	25,304,621	80,307,133
Total		25,304,621	80,307,133

- (c) If any shareholder director received any monthly salary or perquisite or benefit it must be mentioned along with date of approval in AGM or EGM, terms thereof and payments made during the last accounting year:

No shareholder director received any monthly salary or perquisite or benefit other than board meeting fees.

পুঞ্জিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(d) The board meeting attendance fees received by the director including the managing director along with date of approval in AGM or EGM:

SL.	Name of Directors	Position	Attendance fees Received as on 31 March, 2021	Attendance fees Received as on December 31, 2020	Approval in AGM or EGM
01	Ms. Sabrina Rahman (Nominated by SW Holdings Ltd.)	Director	7,500	30,000	The Board of Directors of Meghna Insurance Company Limited are eligible to receive board meeting attendance fee @BDT.8,000 per meeting as per circular no#53.03.0000.009.18.0 14.18.123 dated: May 31, 2018 published by IDRA. But the Board of Directors are paid @BDT.7,500 only per meeting. A board meeting had taken place in the last quarter as on March 31, 2021.
02	Mr. Mushfiq Rahman	Director	7,500	30,000	
03	Mr. Javed Kaiser Ally	Director	7,500	30,000	
04	Mr. Manwar-Uz-Zaman (Nominated by BARWAZ Investments LLC)	Director	7,500	22,500	
05	Mr. Ishlaque Ahmed Chowdhury (Nominated by ZAMORED Investments LLC)	Director	7,500	30,000	
06	Mr. Taskeen Ahmed (Nominated by IFAD Ventures Ltd)	Director	7,500	7,500	
07	Mr. Hafizur Rahman Khan (Nominated by Runner Trading Ltd.)	Director	7,500	7,500	
08	Barrister Omar-Bin-Harun Khan	Independent Director	7,500	15,000	
09	Mr. Ashim Chowdhury	Independent Director	7,500	15,000	
10	Mr. Ahmed Kamal Khan Chowdhury	Independent Director	7,500	7,500	
11	Col. Md. Abdul Matin (Retd)	Director	-	7,500	
12	Ms. Shahnaz Matin Shupfi	Director	-	7,500	
13	Mohammed Alias Miah	Director	-	7,500	
14	Mr. Shafiquei Alam	Director	-	7,500	
15	Mr. Aiman Barik Choudhury	Director	-	-	

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(e) Any contract with any director or officer providing for the payment of future compensation:

There is no such contract between the Company and any of directors or officers regarding any future compensation to be made to them.

(f) If the issuer intends to substantially increase the remuneration paid to its directors and officers in the current year, appropriate information regarding thereto:

The Company has no plan for substantially increasing remuneration to its directors and/or officers except for those that are paid as annual increment to their salaries.

(g) Any other benefit or facility provided to the above persons during the last accounting year:

There have been no other benefit or facility provided to the above persons during the last accounting year.

CHAPTER (XI)

OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

As per 150th and 151th meeting of Board of Directors, the following employees of Meghna Insurance Company Limited are eligible for subscription of 15% Initial Public Offer (IPO) as private offer shares

List of share distribution to employees

**Annexure-
6**

Sr. No	Name of the Employee	BO ID	Total quantity of Share	Total Amount TL	Category of the applicant	NID No.	ID Employee	Service Start Date	Designation	Lock in period
1	Mr. Abu Sayed Md. Omar Khaleem	1505930074553392	80,000	800,000	Employee	5877963303	HO-2001	27.11.1996	Sr. Manager	Two Years
2	Md. Jahangir Alam Patwary	1205600074414352	80,000	800,000	Employee	2593016119071	HO-2002	01.01.1997	Manager	Two Years
3	B.M. Faruque	1205590074536317	90,000	900,000	Employee	8204729454	HO-4001	01.05.1996	DVP	Two Years
4	Md. Abu Nasar Miaje	1205590074536333	100,000	1,000,000	Employee	19703590421349421	HO-2003	01.06.1997	DVP	Two Years
5	Mst. Khadija Begum	1205590074536341	30,000	300,000	Employee	3718844370	HO-2005	01.03.1998	Deputy Manager	Two Years
6	Parveen Akter	1201990003243975	30,000	300,000	Employee	197725668297170724	HO-2006	07.07.2000	Asst. Manager	Two Years
7	Abu Yousuf	1205590074536432	30,000	300,000	Employee	19861912763910954	HO-2009	09.04.2005	Asst. Manager	Two Years
8	Md. Golam Al Mamun	1204290054762843	100,000	1,000,000	Employee	2690815053079	HO-2012	02.07.2008	VP	Two Years
9	Bineta Barman	1202430023825296	3,000	30,000	Employee	7770729213	HO-2011	05.05.2008	Deputy Manager	Two Years
10	Md. Raseel Miah	1203810073949824	15,000	150,000	Employee	6725802536221	HO-2018	01.08.2007	Sr. Officer	Two Years
11	Shahantaz Parveen	1205590074541370	20,000	200,000	Employee	6895798313	HO-2013	03.09.2009	Asst. Manager	Two Years
12	Mst. Morriat Mahul	1205590074536499	25,000	250,000	Employee	19823222406317685	HO-2016	02.05.2012	Sr. Officer	Two Years
13	Md. Mahfuzur Rahman	1204290074537303	50,000	500,000	Employee	9100968321	HO-2014	07.03.2012	Deputy Manager	Two Years

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14	S. M. Rashmat Ullah	1203040041281975	50,000	500,000	Employee	9103096468	HO-2019	01.09.2012	Manager	Two Years
15	Muhammad Moteudur Rahman	1205590074536368	30,000	300,000	Employee	19812616860276833	HO-2020	07.10.2012	Asst. Manager	Two Years
16	Nasrin Khanam	1205590074536384	27,000	270,000	Employee	9572847664	HO-2021	31.01.2013	Asst. Manager	Two Years
17	Mrs. Md. Golam Sarwar	1202630000580408	3,000	30,000	Employee	0915438276609	HO-2022	02.05.2013	Manager	Two Years
18	Mohammad Sajim	1203810068396055	80,000	800,000	Employee	2496655338587	HO-2023	01.06.2013	AVP	Two Years
19	Shahana Akter Sonia	1205590074536424	10,000	100,000	Employee	19942699079000357	HO-2024	01.07.2013	Officer	Two Years
20	Md. Shafiqul Islam	1202630066862351	20,000	200,000	Employee	5925612109444	HO-2025	07.06.2003	Deputy Manager	Two Years
21	Mohammad Monir Hossain	1203810076497346	100,000	1,000,000	Employee	2698875745120	HO-2026	05.02.2014	Asst. MD	Two Years
22	Md. Abhis Samad	1205590073884265	100,000	1,000,000	Employee	7775865586	HO-2027	01.02.2015	AVP	Two Years
23	Sheikh Muhammad Zahidul Islam	1201960062880735	48,000	480,000	Employee	7759951507	HO-2037	01.07.2015	Deputy Manager	Two Years
24	Md. Jahurul Hoque	1203810073949808	80,000	800,000	Employee	3918563080581	HO-2028	01.04.2015	Deputy Manager	Two Years
25	Md. Kabir Ahmed	1202220006075665	100,000	1,000,000	Employee	4626432456	HO-2029	30.07.2015	Asst. Managing Director	Two Years
26	Ashique Martin Tannoy	1205590074531986	30,000	300,000	Employee	2650898499710	HO-2030	01.08.2016	AVP	Two Years
27	Md. Jahurul Islam Juel	1205590074536416	50,000	500,000	Employee	1016176636	HO-2042	24.06.2020	Assistant Manager	Two Years
28	Md. Iqbal Hossain	1201960074527132	4,000	40,000	Employee	1503002304	HO-2033	01.11.2017	Officer	Two Years
29	Md. Serajul Islam	1205590074541397	3,000	30,000	Employee	2380978761	PD-5002	01.09.1996	Sr. Messenger	Two Years
30	Md. Dulal Hossain	1203810026734603	10,000	100,000	Employee	4194269561	PD-5003	04.05.1998	Office Assistant	Two Years

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31	Mr. Nazmul Sheikh	1205590074541402	5,000	50,000	Employee	19873617847062787	PO-5023	01.07.2013	Head	Two Years
32	Mr. Jagidul Chaim Prent	1605590074545662	3,000	30,000	Employee	2659040706456	PO-5004	01.05.2005	Driver	Two Years
33	Mr. Md. Habibur Rahman Chow.	1605590074556701	3,000	30,000	Employee	1940359746	PO-5006	20.01.2011	Driver	Two Years
34	Mr. Monir Gazi	1605590074555989	3,000	30,000	Employee	6861700117	PO-5005	01.05.2010	Driver	Two Years
35	Mr. Alamgir Hossain	1205590074541437	3,000	30,000	Employee	8303321933	PO-5011	01.10.2017	Driver	Two Years
36	Mr. Sami	1205590074541410	3,000	30,000	Employee	4608897717	PO-5010	19.09.2017	Driver	Two Years
37	S.M. Ferat Shah	1201640015635023	100,000	1,000,000	Employee	2659040675183	BM-3001	15.07.1996	Asst. MD	Two Years
38	Mst. Rina Parvin	1205590074524139	100,000	1,000,000	Employee	1982260815053080	PO-380	01.04.2013	SVP	Two Years
39	Akbar Hossain	1205590074541338	25,000	250,000	Employee	7331760301	BM-3002	01.09.1996	Asst. MD	Two Years
40	Joyanta Kumar Roy	1202580012084277	10,000	100,000	Employee	26590428672677	BM-3003	12.06.1997	VP	Two Years
41	Humayun Kabir Maury	1202590040473774	100,000	1,000,000	Employee	9123557218	BM-3004	01.09.1997	Asst. MD	Two Years
42	Mr. Farhad Alam	1205150045061127	15,000	150,000	Employee	4617870615	BM-3005	27.09.1997	Asst. MD	Two Years
43	Prof. M. A. Zaher Chowdhury	1205590074528576	100,000	1,000,000	Employee	19681591017281003	BM-3006	01.06.2005	Asst. MD	Two Years
44	Mr. Md. Moiz Uddin Chy	1205590074535601	100,000	1,000,000	Employee	19681511819753773	BM-3007	01.06.2007	Asst. MD	Two Years
45	Mr. Shahidul Alam	1205590074528517	100,000	1,000,000	Employee	2793103961	BM-3008	05.04.2009	Asst. MD	Two Years
46	Mohammed Gias Uddin	1205590074530890	90,000	900,000	Employee	5962608872	BM-3018	10.04.2011	VP	Two Years
47	Mr. Mashur Rahman Bhuiyan	1204070018193051	10,000	100,000	Employee	7759156115	BM-3015	02.10.2011	SVP	Two Years
48	Mr. Feroze Miah (Feroze Shahel)	1201580072417030	5,000	50,000	Employee	2659016078812	BM-3011	01.08.2011	Asst. MD	Two Years

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

49	Abdul Momin Bhuiyan	1205590074530930	10,000	100,000	Employee	7330183083	BM-3012	23.08.2011	Asst. MD	Two Years
50	Md. Siddikur Rahman	1205590074536785	15,000	150,000	Employee	19824217315387937	BM-3019	01.01.2012	Asst. MD	Two Years
51	Md. Zilur Rahman	1205590074541354	10,000	100,000	Employee	3711181737	BM-3021	01.06.2012	SVP	Two Years
52	Mohammed Nurul Islam	1202200007044936	10,000	100,000	Employee	1925403106855	BM-3022	01.07.2012	SVP	Two Years
53	Md. Suruzzaman	1205590074538269	7,000	70,000	Employee	19852694909910409	BM-3024	18.12.2012	Sr. Manager	Two Years
54	Mosia Bx Khan Masum	1602170062551753	5,000	50,000	Employee	5506780096	BM-3025	10.09.2013	Asst. MD	Two Years
55	Beebe Kulsum	1205590074542961	5,000	50,000	Employee	6851088341	BM-3026	01.12.2013	DVP	Two Years
56	Khadim Samadder	1202240074533918	5,000	50,000	Employee	29565429463	BM-3029	04.05.2014	Asst. MD	Two Years
57	Mr. Md. Khalilur Rahman	1605590074554403	5,000	50,000	Employee	268665345443	BM-3036	01.10.2016	DMD	Two Years
58	Aminul Islam	1203140032264651	10,000	100,000	Employee	2684807847953	BM-3035	16.11.2015	DMD	Two Years
59	Md. Mostafa Kamal	1202590067204807	3,000	30,000	Employee	0116085198765	BM-3038	01.07.2017	VP	Two Years
60	Md. Khalid Amin	1205590074541346	100,000	1,000,000	Employee	4603482698	BM-3039	22.01.2017	DMD	Two Years
61	Md. Nurul Islam	1205590074536277	5,000	50,000	Employee	2926138972	BM-3040	10.04.2017	VP	Two Years
62	Md. Hafizur Rahman Lison	1205590074550801	3,000	30,000	Employee	19701916751229207	DO-4002	09.09.1996	Jr. Officer	Two Years
63	Khabir Hossain	1205590074536309	3,000	30,000	Employee	8222351722	DO-4022	17.02.2013	Deputy Manager	Two Years
64	Shelin Senta	1205590074541982	2,000	20,000	Employee	19765912410163706	DO-4003	23.09.1996	Officer	Two Years
65	Sumaiya Akter	1205590074546563	3,000	30,000	Employee	8708059061	DO-4006	27.05.2003	Deputy Manager	Two Years
66	Md. Amanat Uddin Patwary	1201640020248211	3,000	30,000	Employee	1334511694446	DO-4007	30.10.2004	Manager	Two Years

পুঞ্জিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

67	Muhammad Salim Uddin	1202090029862383	10,000	100,000	Employee	4830905646	DO-4008	01.06.2005	AVP	Two Years
68	Md. Anwarul Azim	1205590074552961	5,000	50,000	Employee	19801510863483809	DO-4010	05.06.2005	Jr. Officer	Two Years
69	Shahadat Hossain	1207140000802648	3,000	30,000	Employee	2694831453270	DO-4012	13.12.2006	Asst. Manager	Two Years
70	Md. Halder Ali	12042800061243561	5,000	50,000	Employee	9313880539288	BM-3042	25.04.2018	DVP	Two Years
Total			2,400,000	24,000,000						

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

CHAPTER (XII)

TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM

পুঁজিবাজারে বিনিয়োগ বৃত্তিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

- (a) The names of the directors and subscribers to the memorandum, the nature and amount of anything of value received or to be received by the issuer from the above persons, or by the said persons, directly or indirectly, from the issuer during the last five years along with the description of assets, services or other consideration received or to be received;**

The directors and subscriber to the memorandum have not received any benefit except meeting attendance fees.

- (b) If any assets were acquired or to be acquired within next two financial years from the aforesaid persons, the amount paid for such assets and the method used to determine the price shall be mentioned in the prospectus, and if the assets were acquired by the said persons within five years prior to transfer those to the issuer, the acquisition cost thereof paid by them.**

Directors and subscribers to the memorandum have not transferred any asset to the Company in the last five years. Besides, in the last five years the issuer Company has not received any assets or other considerations from its Directors and subscribers to the memorandum except fund against allotment of shares.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

CHAPTER (XIII)

OWNERSHIP OF THE COMPANY'S SECURITIES

পূঁজিবাজারে বিনিয়োগ বুকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

- a) The names, addresses, BO ID Number of all shareholders of the company before IPO, indicating the amount of securities owned and the percentage of the securities represented by such ownership, in tabular form:

Sl	Name of Shareholders	Address	BO ID Number	Amount of securities owned (in Shares)	Shareholding % Before IPO
01	Mr. Javed Kaiser Ally	House-16, Apt, 504, Road-59, Gulshan-2, Dhaka	1205950069498499	12,17,132	5.07
02	Mr. Aiman Barik Choudhury	277, Tejgaon I/A, Dhaka	1205950073665910	10,34,562	4.31
03	Ms. Ainab Choudhury	277, Tejgaon I/A, Dhaka	1205950073660787	10,34,562	4.31
04	Mr. Anisuzzaman Chowdhury	7, Sursow Road, Valkart House, Kotowail, Chittagong	1205590063822550	12,17,132	5.07
05	Sadat Khan	Road # 37, House # 38, Gulshan, Dhaka	1203040014680860	1,65,312	0.69
06	Mr. Zeeshan Khan	Road # 37 House # 38, Gulshan, Dhaka	1202550073744104	1,65,313	0.69
07	Ms. Farida Akhter	House # 73/B, Road # 6, Banani DOHS, Dhaka	1204240073732555	12,67,845	5.28
08	Mrs. Jatsna Ara Begum	House # 12, Road # 125, Block # CED(D), Gulshan, Dhaka	1205080074219280	6,61,250	2.76
09	Mr. Zaynal Abedin Chowdhury	688/3, Baro Mogh Bazer, Dhaka	1204490039453692	3,30,625	1.38
10	Mrs. Marina Ahmed	688/3, Baro Mogh Bazer, Dhaka	1201480073706551	3,30,625	1.38
11	Mr. M.A. Hannan	Road # 36, House # 31, Gulshan, Dhaka	1601880036568301	4,62,875	1.93
12	Mr. Mohammad Didarul Husain	40 Dilu Road, GPO-1000, Ramna, Dhaka South City Corporation, Dhaka	1605550073658058	9,12,849	3.80
13	Mr. Mohammad Enayef Ullah	M/s Enuco Ltd. "Baitul Hassain" Room # 1103, Dilkusha C/A, Dhaka	1204240073732670	12,67,845	5.28
14	Mr. Md. Azizul Hoque	House # 12, Road # 125, Block # CED (D), Gulshan, Dhaka	1602110000227716	66,125	0.28
15	**Late Abdul Wahid	Sector # 6, Road # 12, House # 13, Uttara, Dhaka		66,125	0.28
16	IFAD Venture Limited	IFAD Tower, 7 Tejgaon I/A Dhaka	1605550073659178	24,27,208	10.11

পুঁজিবাজারে বিনিয়োগ কুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

17	SW Holdings Limited	House No.14, Flat No. A-3, Road No. 1/A, Block No. J, Baridhara, Dhaka-1212	1205590073656439	12.17.132	5.07
18	Runner Trading Limited	138/1, Tejgaon I/A, Dhaka-1208	1602510073719651	30.14.165	12.56
19	NAMSS Motors Limited	Impetus Centre, 242/B Tejgaon Gulshan Link Road, Dhaka -1208	1605550073412731	11.31.139	4.71
20	Matsy Enterprise Limited	94/95, Tongi I/A, Gazipur, Dhaka	1601880073657912	1.98.375	0.83
21	ZAMORED Investments LLC	Office 216A, Royal Diamond Business Centre, LG Building, Plot No. 215-389, umm Ramaal, Dubai, UAE	1603870074634825	28.90.688	12.04
22	BARWAZ Investments LLC	D43-004, Maple Leaf Business Centre, IRIS Bay tower, Plot No. 236, Business Bay, Dubai, UAE	1603870074635094	29.21.116	12.17

****Mr. Abdul Wahid was died on 08/09/1996**

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুকে বিনিয়োগ করুন

b) There shall also be a table showing the name and address, age, experience, BO ID Number, TIN number, numbers of shares held including Percentage, position held in other companies of all the directors before the public issue:

Sl	Name of Directors	Addresses	Age	Experience (Years)	BO ID No.	ETIN No.	No. of Shares Held	Share holding (%) pre issue	Position Held in Other Companies	
									Name of the Company	Position
1	Mr. Aiman Barik Choudhury	House # 56, Block # C, Bahari- 11, Banani, Dhaka-1213	29 years	5 years	1205950073665910	756121850894	10,34,562	4.31%	Noorani Agro & Food Complex Limited	Executive Director & Shareholder
2.	Mr. Musliq Rahman (Nominated by SW Holdings Limited)	Flat No. CFW # 102, Plot # 20, Block # K, Road # 1, Baridhara, Dhaka-1212.	47 y & 02 m	22 Years of working experience	1205590073656439	395287360490	12,17,132	5.07	SW Holdings Ltd.	Managing Director
									Designer Line Pvt. Ltd.	Managing Director
									Max Speed Plastics Ltd.	Managing Director
									Essential Accessories Ltd.	Managing Director
									Max Pure Drinking Water Ltd.	Managing Director
3	Ms. Javed Kaiser Ally	House # 16, Apartment # 504, Road # 59, Gulshan-2, Dhaka-1212.	51 y & 11 m	29 Years of working experience	1205950069498499	391385915033	12,17,132	5.07	Aquamarine Ltd.	Managing Director
									Lighthouse Navigation Ltd.	Managing Director
									Navana Pharmaceuticals Ltd.	Managing Director

পুঞ্জিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

4	Ms. Nahid Zaman (Nominated by ZAMORED Investments LLC.)	House # 60D, Road # 131 Guishan, Dhaka-1212	60 years	25 years of working experience	1603870074634825 143068167301	28,90,688	12.04	Nil	Nil
5	Mr. Manwar-Uz-Zaman (Nominated by BARWAZ Investments LLC)	Holding# 12-B (5 th Floor), Road# 55, Guishan-1212.	66 y & 05 m	48 Years of working experience	1603870074635094 421358721930	2921,116	12.17	Nil	Nil
6	Mr. Md. Omar-Bin- Hanun Khan	Mamta Vision (Suite Vision; B-4), House # 11/4, Road # 99, Guishan-2, Dhaka-1212.	38 y & 04 m	16 Years of working experience	689796872529	N/A	N/A	Egal Counsel	Head of Chambers
7	Mr. Ashim Chowdhury	Flat # D-4, Navana Verdancy, 41 New Eskaton Road, Shantinagar ISO, Dhaka-1217.	60 y & 06 m	30 Years of working experience	197024697438	N/A	N/A	Nil	Nil

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

c) The average cost of acquisition of equity shares by the directors certified by the auditors:

Auditors' certificate regarding the average cost of acquisition of equity shares by the directors of Meghna Insurance Company Limited

Sl.	Name	Position	Transfer/Allotment		Total shareholding	Total amount (Tk.)	Average cost of acquisition (Tk.)	Consideration
			Date	@BDT 10 per share				
01	SW Holdings Ltd. Represented by Mustaq Rahman	Chairperson	01/12/2019	1,38,000	12,17,132	13,80,000	10	Transfer Share
			01/12/2019	1,38,000		13,80,000	10	Transfer Share
			27/09/2020	41,400		4,14,000	10	Bonus Share
			25/03/2021	8,99,732		89,97,320	10	Right Share
						1,21,71,320		
02	Javed Kaiser Ally	Director	01/12/2019	99,500	12,17,132	9,95,000	10	Transfer Share
			01/12/2019	1,76,500		17,65,000	10	Transfer Share
			27/09/2020	41,400		4,14,000	10	Bonus Share
			25/03/2021	8,99,732		89,97,320	10	Right Share
						1,21,71,320		
03	BARWAZ Investments LLC Represented by Manwar-Uz- Zaman	Nominee Director	27/02/2020	2,89,500	29,21,116	28,95,000	10	Transfer Share
			27/02/2020	3,00,000		30,00,000	10	Transfer Share
			27/02/2020	72,900		7,29,000	10	Transfer Share
			27/09/2020	99,360		9,93,600	10	Bonus Share
			25/03/2021	21,59,356		2,15,93,560	10	Right Share
						2,92,11,160		
04	ZAMORED Investments LLC Represented by Ms. Nahid Zaman	Nominee Director	27/02/2020	6,55,500	28,90,688	65,55,000	10	Transfer Share
			27/09/2020	98,325		9,83,250	10	Bonus Share
			25/03/2021	21,36,863		2,13,68,630	10	Right Share
						2,89,06,880		

পুঁজিবাজারে বিনিয়োগ বৃদ্ধিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

05	Mr. Almon Barik Choudhury	Director	28/03/2010	350,000	1,034,562	3,500,000	10	Transfer Share
			28/12/2011	100,000		1,000,000	10	Transfer Share
			15/09/2013	67,500		675,000	10	Bonus Share
			01/12/2019	6,400		66,000	10	Transfer Share
			18/01/2017	(289,500)		(2,895,000)	10	Transfer Share
			27/09/2020	35,190		351,900	10	Bonus Share
			25/03/2021	764,772		7,647,720	10	Right Share
			Total			10,345,620		

*Share Split on 02 September, 2012.

Place: Dhaka

Date 25th January, 2022

Sd/-

MABS & J Partners

Chartered Accountants

পুঞ্জিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

d) A detail description of capital built up in respect of shareholding (name-wise) of the issuer's sponsors or directors. In this connection, a statement to be included: -

Sl. No	Name & Position	Nature of Issue	Date of Allotment and Acquisition & date of shares fully paid-up	No. of shares	Face Value & Issue Price	Consideration	% of Share holding		Source of Fund Own
							Pre IPO %	Post IPO %	
1	Mr. Moshfiq Rahman, Nominated Directors by SW Holdings Limited	Ordinary Issue	Transfer as on 01/12/2019	138,000	10	Cash	5.07%	3.04%	Own
			Transfer as on 01/12/2019	138,000	10	Cash			
			Bonus Share as on 27/09/2020	41,400	10	Stock Dividend			
			Right Share as on 25/03/2021	899,732	10	Right Share			
			Total	1,217,132					
2	Javed Kaiser Ally	Ordinary Issue	Transfer as on 01/12/2019	99,500	10	Cash	5.07%	3.04%	Own
			Transfer as on 01/12/2019	174,500	10	Cash			
			Bonus Share as on 27/09/2020	41,400	10	Stock Dividend			
			Right Share as on 25/03/2021	899,732	10	Right Share			
			Total	1,217,132					
3	Ms Nahid Zaman, Nominated Director by Zamored Investments LLC	Ordinary Issue	Transfer as on 27/02/2020	655,500	10	Cash	12.04%	7.30%	Own
			Bonus Share as on 27/09/2020	98,325	10	Stock Dividend			
			Right Share as on 25/03/2021	2,136,863	10	Right Share			
			Total	2,890,688					
4	Mr. Manwar-Uz-Zaman, Nominated Director by BARWAZ Investment LLC	Ordinary Issue	Transfer as on 27/02/2020	289,500	10	Cash	12.17%	7.30%	Own
			Transfer as on 27/02/2020	302,000	10	Cash			
			Transfer as on 27/02/2020	72,900	10	Cash			

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

		Bonus Share as on 27/09/2020	99,360	10	Stock Dividend			
		Right Share as on 25/03/2021	2,159,356	10	Right Share			
		Total	2,921,116					
		MQA and AOA 14.03.1996	20,000	10	Cash			
		Allotment as on 21.03.1996	380,000	10	Cash			
		Transfer as on 16/08/1998	(50,000)	10	Cash			
		Bonus Share as on 15.09.2013	52,500	10	Stock Dividend			
		Bonus Share as on 27/09/2020	60,375	10	Stock Dividend			
		Total	462,875					
		MQA and AOA 14.03.1996	20,000	10	Cash			
		Allotment as on 21.03.1996	30,000	10	Cash			
		Bonus Share as on 15.09.2013	7,500	10	Stock Dividend			
		Bonus Share as on 27/09/2020	8,625	10	Stock Dividend			
		Total	66,125					
		Transfer as on 28.03.2010	350,000	10	Cash			
		Transfer as on 28.12.2011	100,000	10	Cash			
		Bonus Share as on 15.09.2013	67,500	10	Stock Dividend			
		Transfer as on 01.12.2019	6,600	10	Stock Dividend			
		Transferred as on 18.01.2017	(289,500)	10	Cash			
		Bonus Share as on 27/09/2020	35,190	10	Stock Dividend			
		Right Share as on 25/03/2021	764,772	10	Right Share			
		Total	1,034,562					
5	M. A. Hamman	Ordinary Issue					1.93%	1.16% Own
6	Late Abdul Wahid	Ordinary Issue					0.28%	0.17% Own
7	Mr. Aiman Baki Choudhury	Ordinary Issue					4.31%	2.59% Own

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

8	Abu Taleb Chowdhury	Ordinary Issue	MOA and AOA 14.03.1996	30,000	10	Cash	-	-	Own
			Alotment as on 21.03.1996	1,170,000	10	Cash			
			Transfer as on 28.01.1997	(50,000)	10	Cash			
			Transfer as on 28.01.1997	(600,000)	10	Cash			
			Transfer as on 28.01.1997	(500,000)	10	Cash			
			Transfer as on 17.02.1998	50,000	10	Cash			
			Transfer as on 03.08.1998	(20,000)	10	Cash			
			Transfer as on 03.08.1998	(30,000)	10	Cash			
			Transfer as on 09.06.1999	500,000	10	Cash			
			Transfer as on 24.12.2001	500,000	10	Cash			
			Transfer as on 26.07.2000	(500,000)	10	Cash			
			Transfer as on 29.05.2002	(50,000)	10	Cash			
			Transfer as on 29.05.2002	(50,000)	10	Cash			
			Transfer as on 29.05.2002	(50,000)	10	Cash			
			Transfer as on 06.11.2003	(350,000)	10	Cash			
			Transfer as on 06.11.2003	(50,000)	10	Cash			
			Total	-					
9	Shafiqur Alam	Ordinary Issue	MOA and AOA 14.03.1996	30,000	10	Cash	-	-	Own
			Alotment as on 21.03.1996	1,170,000	10	Cash			
			Transfer as on 28.01.1997	(50,000)	10	Cash			
			Transfer as on 30.03.1997	(400,000)	10	Cash			
			Transfer as on 15.09.1997	(700,000)	10	Cash			
			Transfer as on 30.03.2000	(50,000)	10	Cash			
			Total	-					
10	F.K. Pathway	Ordinary Issue	MOA and AOA 14.03.1996	20,000	10	Cash	-	-	Own
			Alotment as on 21.03.1996	980,000	10	Cash			
			Transfer as on 28.01.1997	(500,000)	10	Cash			
			Bonus Share as on 15.09.2013	75,000	10	Stock Dividend			
			Transfer as on 13.05.2018	(575,000)	10	Cash			
			Total	-					
11	Mrs. Rowshan Ara		MOA and AOA 14.03.1996	20,000	10	Cash	-	-	Own

পুঁজিবাজারে বিনিয়োগ বুকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

	Ordinary Issue	Allocation as on 21.03.1994 Transfer as on 28.01.1997 Total	480,000 (500,000) -	10 10 -	Cash Cash -			
12	Mr. Emdadul Haque	Ordinary Issue	MOA and AOA 14.03.1996 Allocation as on 21.03.1996 Transfer as on 09.06.1999 Transfer as on 29.12.2009 Total	20,000 530,000 (500,000) (50,000) -	10 10 10 10 -	Cash Cash Cash Cash -	Own	-
13	Mr. Jagur Rahman Khan	Ordinary Issue	MOA and AOA 14.03.1996 Allocation as on 21.03.1996 Transfer as on 09.06.1999 Transfer as on 30.03.2000 Transfer as on 26.07.2000 Transfer as on 26.07.2000 Transfer as on 30.03.2000 Transfer as on 22.02.2006 Transfer as on 11.11.2012 Transfer as on 11.11.2012 Total	20,000 730,000 (500,000) (50,000) (20,000) (30,000) 50,000 (50,000) (75,000) (75,000) -	10 10 10 10 10 10 10 10 10 10 -	Cash Cash Cash Cash Cash Cash Cash Cash Cash Cash -	Own	-
14	Mohammad Shahajan	Ordinary Issue	MOA and AOA 14.03.1996 Allocation as on 21.03.1996 Transfer as on 28.01.1997 Transfer as on 26.06.1997 Transfer as on 06.09.1998 Total	20,000 330,000 (200,000) (50,000) (100,000) -	10 10 10 10 10 -	Cash Cash Cash Cash Cash -	Own	-
15	Mrs. Jolana Ara Begum	Ordinary Issue	Transfer as on 29.03.2010 Bonus Share as on 15.09.2013 Bonus Share as on 27.09.2020 Total	500,000 75,000 86,250 661,250	10 10 10 -	Cash Stock Dividend Stock Dividend -	Own	2.76% 1.65%
16	Sadat Khan		Transfer as on 30.03.2000 Total	50,000 661,250	10 -	Cash -	Own	0.69% 0.41%

পুঁজিবাজারে বিনিয়োগ যুক্তিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

	Ordinary Issue	Transfer as on 11.11.2012 Bonus Share as on 15.09.2013	75,000	10	Cash			
		Bonus Share as on 27/09/2020	18,750	10	Stock Dividend			
		Total	21,562	10	Stock Dividend			
17	Mr. Zeeshan Khan	Transfer as on 22.02.2006	50,000	10	Cash	0.69%	0.41%	Own
		Transfer as on 11.11.2012	75,000	10	Cash			
		Bonus Share as on 15.09.2013	18,750	10	Stock Dividend			
		Bonus Share as on 27/09/2020	21,562	10	Stock Dividend			
		Total	165,312					
18	Mr. Md. Azizul Haque	Transfer as on 09.06.1999	500,000	10	Cash	0.28%	0.17%	Own
		Transfer as on 29.12.2009	50,000	10	Cash			
		Transfer as on 29.03.2010	(500,000)	10	Cash			
		Bonus Share as on 15.09.2013	7,500	10	Stock Dividend			
		Bonus Share as on 27/09/2020	8,625	10	Stock Dividend			
		Total	44,125					
19	M/S Matiy Enterprises Ltd	Transfer as on 16.08.1998	50,000	10	Cash	0.83%	0.52%	Own
		Bonus Share as on 15.09.2013	7,500	10	Stock Dividend			
		Bonus Share as on 27/09/2020	8,625	10	Stock Dividend			
		Right Share as on 25/03/2021	132,250	10	Cash			
		Total	198,375					
20	Mr. Anab Choudhury	Transfer as on 29.06.2016	109,000	10	Cash	4.31%	2.59%	Own
		Transfer as on 08.11.2017	217,500	10	Cash			
		Transfer as on 01.12.2019	(91,900)	10	Cash			
		Bonus Share as on 27/09/2020	35,190	10	Stock Dividend			

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e) Detail of shares issued by the company at a price lower than the issue price:

All the shares are issued by the Company at face value of Tk. 10.00 before this issue.

f) History of significant (5% or more) changes in ownership of securities from inception:

The significant change of ownership of securities from inception has been presented as below.

Sl.	Name of sponsor (transferor)		Name of transferee	No. of share received	Date of transfer
1	Abu Taleb Chowdhury	2,250,000	Ahsan Karim Jinnah	50,000	28.01.1997
			Mrs. Hosnera Begum	600,000	28.01.1997
			Mrs. Mohsina Rahman	500,000	28.01.1997
			ABC Trading Company	50,000	03.08.1998
			Md. Abul Hashem	500,000	26.07.2000
			Sayed Md. Hossain Shahi	50,000	29.05.2002
			Saleh Ahmed Chowdhury	50,000	29.05.2002
			Falz Ahmed	50,000	29.05.2002
			City Capital Market Services Ltd	350,000	06.11.2003
			Ishlaque Ahmed Chowdhury	50,000	06.11.2003
2	Iftekhar Alam	1,200,000	Mohammad Fakhul Alam	50,000	28.01.1997
			Md. Abul Hashem	400,000	30.03.1997
			Ahsan Karim Jinnah	700,000	15.09.1997
			Jagur Rahman Khan	50,000	30.03.2000
3	F.K. Patwary	1,075,000	Marina Sultana	500,000	28.01.1997
			Runner Trading Limited	575,000	13.05.2018
4	Mrs. Rowshan Ara Begum	500,000	Mohammad Enayetullah	500,000	28.01.1997
5	Emdadul Hoque	550,000	Md. Azizul Haque	500,000	09.06.1999
			Md. Azizul Haque	50,000	29.12.2009
6	Jagur Rahman Khan	800,000	Abu Taleb Chowdhury	500,000	09.06.1999
			Barister Sadat Khan	50,000	30.03.2000
			Mrs. Mohsina Rahman	50,000	26.07.2000
			Zeeshan Khan	50,000	22.02.2006
			Zeeshan Khan	75,000	11.11.2012
			Barister Sadat Khan	75,000	11.11.2012
7	M.A. Hannan	50,000	Matsy Enterprise Ltd	50,000	16.08.1998
8	Mohammad Shahajan	350,000	Kazi Khairuzzaman	200,000	28.01.1997
			Kazi Roksana Zaman	50,000	30.03.1997
			Ahsan Karim Jinnah	100,000	06.09.1998
9	Mohammad Enayetullah	250,000	Mrs. Farida Akhter	250,000	29.03.2010

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10	Kazi Khairuzzaman	200,000	Zakaria Hossain Chowdhury	200,000	06.09.1998
11	Mohammad Fakhrul Alam	50,000	Ahsan Karim Jinnah	50,000	15.09.1997
12	Marina Sultana	500,000	Md. Zoynal Abedin Chowdhury	250,000	06.05.1997
			Marina Knit Fashion Ltd	250,000	16.08.1998
13	Md. Abdul Hashem	952,500	Mrs. Shamima Haider Chowdhury	50,000	03.08.1997
			Abu Taleb Chowdhury	500,000	24.12.2001
			Mohammad Didarul Husain	402,500	10.03.2019
14	Md. Zoynal Abedin Chowdhury	250,000	Marina Knit Fashion Ltd	250,000	16.08.1998
15	Ahsan Karim Jinnah	950,000	Abu Taleb Chowdhury	50,000	17.02.1998
			City Capital Market Services Ltd	750,000	17.02.1998
			City Capital Market Services Ltd	100,000	19.05.2002
			M.A. Hannan	50,000	05.08.1999
16	Mrs. Hosnera Begum	600,000	Mrs. Mohsina Rahman	600,000	27.12.1998
17	Mrs. Mohsina Rahman	1,200,000	Musfiq Rahman	50,000	20.04.2000
			Ms. Sabrina Chowdhury	50,000	11.09.2006
			Ms. Sabrina Chowdhury	500,000	29.03.2010
			Mrs. Shanaz Matin	500,000	29.03.2010
			Aiman Barik Choudhury	100,000	28.12.2011
18	Kazi Rokana Zaman	50,000	Zakaria Hossain Chowdhury	50,000	06.09.1998
19	City Capital Market Services Ltd	2,465,000	Ishfaq Ahmed Chowdhury	100,000	29.03.2010
			Mrs. Shahnaz Matin	50,000	29.03.2010
			Muzaffar Ahmed	100,000	29.03.2010
			Aiman Barik Choudhury	350,000	29.03.2010
			Manwar-Uz-Zaman	600,000	29.03.2010
			Mrs. Shanaz Matin	600,000	08.11.2017
			Ishfaq Ahmed Chowdhury	300,000	08.11.2017
			Ishfaq Ahmed Chowdhury	365,000	14.07.2019
20	Mrs. Shamima Haider Chowdhury	57,500	Mohammad Didarul Islam	57,500	10.03.2019
21	ABC Trading Co. Ltd.	50,000	Mohsina Rahman	50,000	20.04.2000
22		575,000	Marina Ahmed	287,500	16.04.2015

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	Marina Knit Fashion		Zoynal Abedin Chowdhury	287,500	16.04.2015
23	Zakaria Hossain chowdhury	250,000	Col. Md. Abdul Matin	250,000	27.12.1998
24	Col. Md. Abdul Matin (Retd) NDU, PSC	250,000	Jagannath dey	50,000	11.09.2006
			Mrs. Shanaz Matin	200,000	11.09.2006
25	Md. Azizul Haque	500,000	Jetsna Ara Begum	500,000	29.03.2010
26	Musfiq Rahman	138,000	SW Holdings Limited	138,000	01.12.2019
27	Sayed Md.Hossain Shani	50,000	Ishtiaque Ahmed Chowdhury	50,000	06.11.2003
28	Saleh Ahmed Chowdhury	50,000	Ishtiaque Ahmed Chowdhury	50,000	16.06.2004
29	Faiz Ahmed	50,000	Ms. Sabrina Chowdhury	50,000	17.01.2008
30	Ishtiaque Ahmed Chowdhury	1,065,000	Gousal Azam	50,000	15.03.2006
			City Capital Market Services Ltd	300,000	28.12.2011
			A.T.M. Harun-Ur-Rashid Chowdhury	50,000	28.12.2011
			Aiman Barik Choudhury	6,600	01.12.2019
			Zaved Kaiser Ally	176,500	01.12.2019
			IFAD Venture Limited	116,900	01.12.2019
			Runner Trading Limited	108,500	01.12.2019
			Md. Mizanur Rahman	256,500	01.12.2019
31	Gousal Azam	50,000	Mohammad Alais Miah	50,000	07.07.2009
32	Jagannath Dey	50,000	Ms Sabrina Chowdhury	50,000	29.03.2010
33	Shanaz Matin	1,184,000	Ishtiaque Ahmed Chowdhury	150,000	11.09.2006
			Saiqua Liaquat	217,000	22.06.2015
			IFAD Venture Limited	88,600	01.12.2019
			Barwaz Investments LLC	72,900	27.02.2020
			Zamored investments LLC	655,500	27.02.2020
34	Ms Sabrina Chowdhury	920,000	Nahid Zaman	138,000	15.02.2015
			Shanaz Matin	217,000	15.02.2015
			Musfiq Rahman	80,500	29.06.2016
			Ainab Chowdhury	109,000	29.06.2016
			Anisuzzaman Chowdhury	276,000	01.12.2019
			Zaved Kaiser Ally	99,500	01.12.2019
35	Mohammad Alais Miah	50,000	Manwar-Uz-Zaman	50,000	29.03.2010
36	Muzaffar Ahmed	172,500	Ms Sabrina Chowdhury	172,500	15.02.2015
37	Aiman Barik Choudhury	289,500	AA Marketing Company Limited	289,500	18.01.2017

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38	Marwar-Uz-Zaman	1,100,000	City Capital Market Services Ltd	650,000	28.12.2011
			Muzaffar Ahmed	50,000	11.11.2012
			A.T.M. Harun-Ur-Rashid Chowdhury	400,000	11.11.2012
39	A.T.M. Harun-Ur-Rashid Chowdhury	517,500	SABCO Trading Limited	300,000	18.01.2017
			Ainab Chowdhury	217,500	08.11.2017
40	Nahid Zaman	229,900	IFAD Venture Limited	91,900	01.01.2020
			SW Holdings Limited	138,000	01.12.2019
41	Saiqua Liaquat	217,000	Mrs. Shanaz Matin	217,000	29.09.2016
42	Ainab Chowdhury	91,900	Nahid Zaman	91,900	01.12.2019
43	AA Marketing Company Limited	289,500	Barwaz Investments LLC	289,500	27.02.2020
44	SABCO Trading Limited	300,000	Barwaz Investments LLC	300,000	11.02.2020
45	Mohammad Didarul Husain	253,000	IFAD Venture Limited	253,000	01.12.2019
46	Md. Mizanur Rahman	294,975	NAMSS Motors Limited	294,975	29.12.2020

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CHAPTER (XIV)

CORPORATE GOVERNANCE

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

- a) **A disclosure to the effect that the issuer has complied with the requirements of Corporate Governance Guidelines of the Commission;**

We would like to declare that we have complied with all the requirements of the applicable regulations of Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC) in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under applicable law.

Sd/-

Mohammad Abu Bakar Siddique
Chief Executive Officer
Meghna Insurance Company Limited

- b) **A compliance report of Corporate Governance requirements certified by competent authority;**

Annexure-B

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 period ended in 31 March, 2021. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, Dated: 3 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 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:

- 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.
- 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.
- 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
- The governance of the company is satisfactory.

Place: Dhaka
Dated: 20 Sep. 2021

Sd/-
Md Shamim Ahamed FCA
Principal
Ahamed Shamim & Co.
Chartered Accountants

পুঁজিবাজারে বিনিয়োগ সুকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Annexure- C

Meghna Insurance Company Limited
Status of Compliance with the Corporate Governance Code
For the period ended 31 March 2021

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

(Report under Condition No. 9.00)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	Board of Directors. -			
1(1)	Size of the Board of Directors			
	The total number of members of a company's Board of Directors (hereinafter referred to as 'Board') shall not to be less than 5 (five) and more than 20 (twenty).	✓	-	
1(2)	Independent Directors			
1(2)(a)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	✓	-	
1.2 (b)	For the purpose of this clause "independent director" means a director-			
1(2)(b)(i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓	-	
1(2)(b)(ii)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company.	✓	-	

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Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2(two) financial years;	✓	-	
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓	-	
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director, or officer of any stock exchange;	-	-	The Company doesn't have any subsidiary/associate companies
1(2)(b)(vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓	-	
1(2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓	-	
1(2)(b)(viii)	Who is not an independent director in more than 5 (five) listed companies;	✓	-	
1(2)(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to an insurance or a Non-insurance Financial Institution (NFI);	✓	-	
1(2)(b)(x)	Who has not been convicted for a criminal offense involving moral turpitude;	✓	-	
1(2)(c)	The independent director(s) shall be appointed by the	✓	-	

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Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	board of directors and approved by the shareholders in the Annual General Meeting (AGM).			
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90(ninety) days.	✓	-	
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.	✓	-	
1(3)	Qualification of Independent Director (ID)			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	✓	-	
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association;	✓	-	
1(3)(b)(ii)	Corporate Leader who is or was a top-level executive not lower than Chief Executive officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company;	✓	-	
1(3)(b)(iii)	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;			N/A

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Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;		-	N/A
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	✓	-	
1(3)(c)	The independent director(s) shall have at least 10(ten) years of experiences in any field mentioned in clause (b);	✓	-	
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.		-	Note of the independent Directors are less than 10 years of experienced
1(4)				
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	-	-	No such event occurred

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Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	directors as chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			
1(5)				
1(5)(i)	An industry outlook and possible future developments in the industry;	✓	-	
1(5)(ii)	The Segment-wise or product-wise performance;	✓	-	
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓	-	
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓	-	
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	✓	-	
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓	-	
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or through any others instruments;	-	-	The Company is not yet been listed.
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)	Explanation on any significant variance that occurs between Quarterly Financial Performance and Annual Financial Statements;	✓	-	They don't make any quarterly accounts as they are not publicly listed but this is reported for the case of annual financial statements
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓	-	

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Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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)	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;	-	-	No such event occurred
1(5)(xvii)	A statement that there is no Significant doubt upon the issuer company's ability to continue as 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;	✓	-	

পুঞ্জিযাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(ix)	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;		-	No dividend recommended
1(5)(xvi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓	-	
1(5)(xxi)	The total number of Board meetings held during the year and attendance by each director;	✓	-	
1(5)(xxii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details were stated below) held by: -			
1(5)(xxii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	-	-	N/A
1(5)(xxii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance their spouses and minor children (name-wise details);	✓	-	
1(5)(xxii)(c)	Executives;	✓	-	
1(5)(xxii)(d)	Shareholders holding ten percent (10%) or more than voting interest in the company (name-wise details);	✓	-	
1(5)(xiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders: -			
1(5)(xiv)(a)	a brief resume of the director	✓	-	-
1(5)(xiv)(b)	nature of his/her expertise in specific functional areas;	✓	-	-
1(5)(xiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	✓	-	-
1(5)(xv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in financial statements, among others, focusing on:			

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Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	✓		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓	-	
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediately preceding five years explaining reasons thereof;	✓	-	-
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓	-	-
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	✓	-	-
1(5)(xxv)(f)	risks and concerns/issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓	-	-
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓	-	-
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A ; and	✓	-	-
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C .	✓	-	-
1(6)	Meetings of the Board of Directors			
	The company shall conduct its Board meetings and record the	✓	-	-

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Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.			
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC), for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓	-	
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓	-	
2	Governance of Board of Directors of Subsidiary Company: -			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	-	-	N/A
2(b)	At least 1 (one) independent director of the Board of the holding company shall be a director on the Board of the subsidiary company;	-	-	
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	-	-	
2(d)	The minutes of the respective Board meeting of the holding company shall state that they	-	-	

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Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	have reviewed the affairs of the subsidiary company also;			
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	-	-	
3.	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO) Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):-			
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 a 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).	-	-	No Such Event occurred
3(2)	Requirement to attend Board of Director's Meetings			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board;	✓	-	-
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
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 and belief;	✓		

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Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓	-	
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓	-	
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the code of conduct for the company's Board or its member;	✓	-	
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓	-	
4.	Board of Director's Committee. - For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4(i)	Audit Committee;	✓	-	
4(ii)	Nomination and Remuneration Committee			
5.	Audit Committee.-			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓	-	
5(1)(b)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓	-	
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓	-	
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓	-	
5(2)(b)	The Board shall appoint members of the audit committee who shall	✓	-	

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Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1(one) independent director;			
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10(ten)years of such experience;	✓	-	-
5(2)(d)	When the term of service of any Committee members 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;	-	-	No such event Occurred
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)	Chairman of the Audit Committee			
5(3)(a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an Independent director;	✓	-	-
5(3)(b)	In the absence of the Chairperson of the audit committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a	-	-	No Such event occurred

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Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	quorum as required under condition No.5(4)(b) and the reason of absence of the regular chairperson shall be duly recorded in the minutes.			
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	✓	-	
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year. Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓	-	
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓	-	
5(5)	The Audit Committee shall:-			
5(5)(a)	Oversee the financial reporting process;	✓	-	
5(5)(b)	Monitor choice of accounting policies and principles;	✓	-	
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance plan and review of the Internal Audit and Compliance Report;	✓	-	
5(5)(d)	Oversee hiring and performance of external auditors.	✓	-	
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓	-	
5(5)(f)	Review along with the management, the annual financial statements before submission to the board for approval;	✓	-	

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Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5.5(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval;	-	-	N/A
5.5(h)	Review the adequacy of internal audit function;	✓	-	-
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓	-	-
5(5)(j)	Review statement of all related party transactions submitted by the management;	✓	-	-
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors.	✓	-	-
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	✓	-	-
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 purpose stated in relevant offer document or prospectus approved by the Commission;	-	-	As they are not listed with any stock exchanges
5(6)(a)	Reporting of the Audit Committee			
5(6)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓	-	-
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any: -			
5(6)(a)(ii)(a)	report on conflicts of interests;	✓		
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; control system;		-	No such event occurred
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations		-	

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Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;		-	
5(6)(b)	Reporting to the Authorities: - if the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been 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.	-	-	No such event occurred
5(7)	Reporting to the Shareholders and General Investors			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition 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.	-	-	No such event occurred
6.	Nomination and remuneration Committee (NRC).			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓	-	Formation Date 25 th march 2021
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	✓	-	Meeting held on 28 th March 2021

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Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	of directors, top level executive;			
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	✓	-	
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	✓	-	Board meeting No. 146 held on 5 th March 2021
6(2)(b)	All member 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;	-	-	No such event occurred
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;	-	-	No such event occurred
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;	-	-	No such event occurred
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;	✓	-	

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Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1(one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓	-	
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	-	-	No such event occurred
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;	✓	-	Will be ensured by the management
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	✓	-	
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	-	-	No such event occurred
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓	-	
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓	-	
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓	-	
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board;	✓	-	
6(5)(b)(i)	Formulating the criteria for determining qualifications,	✓	-	

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Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complie d	Not Complied	
	positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓	-	
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓	-	
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	✓	-	
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓	-	
6(5)(b)(iii)	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;	✓	-	
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	✓	-	
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	✓	-	
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	✓	-	
6(5)(c)	The company shall disclose the nomination and remuneration	✓	-	

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Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.			
7.	External or Statutory Auditors			
7(1)	The issuer shall not engage its external or statutory auditors to perform the following services of the company, namely :-			
7(1) (i)	Appraisal or valuation services or fairness opinions;	✓	-	
7 (1) (ii)	Financial information system design and implementation;	✓	-	
7 (1) (iii)	Book-keeping or other services related to the accounting records or financial statement;	✓	-	
7 (1) (iv)	Broker -dealer services;	✓	-	
7 (1) (v)	Actuarial services;	✓	-	
7 (1) (vi)	Internal audit services or special audit services;	✓	-	
7 (1) (vii)	Any services that the Audit Committee determines;	✓	-	
7 (1) (viii)	Audit or certification services on compliance of corporate governance as required under condition No.9(1);	✓	-	
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;	✓	-	
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.	-	-	Will be ensured by the management
8.	Maintaining a website by the Company.-			
8(1)	The Company shall have an official website linked with the website of the stock exchange;	-	-	Will be ensured by the management in due course (after listing)
8(2)	The company shall keep the website functional from the date of listing.	-	-	Will be ensured by the management in

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Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
				due course (after listing)
8(3)	The company shall make available the detailed disclosures on its website as required under the regulations of the concerned stock exchange(s)	-	-	Will be ensured by the management in due course (after listing)
9.	Reporting and Compliance of Corporate Governance.-			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	-	-	Under process and Will be ensured by the management
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the Shareholders in the annual general meeting.	✓	-	Company prepared an interim financial statements which was audited for IPO requirements. Hence the board of director in its 47 th board meeting held on 25th March, 2021 appointed the professional for certification on compliance of the corporate governance code.
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.	✓	-	

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- c) **Details relating to the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committees operate.**

The name of Audit Committee members and Nomination and Remuneration Committee are as follows:

Sl.	Name of committee member & position in the Company	Designation in the Committee
1	Mr. Ashim Chowdhury	Chairman
2	Mr. Manwar-Uz-Zaman	Member
3	Mr. Javed Kaiser Ally	Member
4	Mr. Musliq Rahman	Member
5	Mr. Md. Abdus Samad	Member Secretary

The Audit committee of the Board is formed and operates under the terms of reference in accordance with the applicable rules and regulation. The Nomination and Remuneration Committee of the Board is formed and will operate under the terms of reference after getting approval from Bangladesh Insurance.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of the following persons:

Sl.	Name of committee member & position in the Company	Designation in the Committee
01	Mr. Omar-Bin-Harun Khan	Chairman
02	Ms. Nahid Zaman	Member
03	Mr. Manwar-Uz-Zaman	Member
04	Mr. Md. Abdus Samad	Member Secretary

Summary of terms of reference

The Remuneration Committee shall be responsible for all elements of the wages/salary/remuneration of all the employees as well as of the Board of Directors and the chairman of the Company, including pension rights and compensation (i.e., damages) payments. Major responsibilities of the committee, among others, include:

- To determine the policy for the wages/salary ("the Policy") (including benefits, compensation and termination payments) of the employees and ensure that the Report is put to Chairman for approval;
- To determine the policy for the remuneration ("the Policy") (including benefits, compensation and termination payments) of the Chairman of the Board, officer, the Board of Directors of the Company and ensure that the Directors' Remuneration Report is put to shareholders for approval at the AGM;
- When setting the Policy for directors, review and have regard to pay and employment conditions across the Company or group, especially when determining annual salary increases;
- To be aware of and oversee any major changes in Policy or employee benefit structures throughout the Company or group;

CHAPTER (XV)

VALUATION REPORT OF SECURITIES PREPARED BY THE ISSUE MANAGERS

পুঁজিবাজারে বিনিয়োগ সুকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Valuation Report of securities prepared by the Issue Managers | Annexure-E

The valuation report of securities prepared and justified by the Issue Managers, Asian Tiger Capital Partners Investments Limited, Prime Bank Investment Limited and UCB Investment Limited on the basis of the financial and all other information pertaining to the issue.

However, the Issue Managers have considered the following all qualitative and quantitative factors to prepare the valuation report:

Qualitative Factors

The Qualitative Factors that help to differentiate Meghna Insurance Company Limited from the other competitors as follows:

- ✓ Experienced Directors backed by dedicated professional Management Team
- ✓ Operational efficiency
- ✓ No default history
- ✓ Good track record in claim settlements.

Quantitative Factors

The issue price at Tk. 10 each at par value is justified as details below:

Valuation Methods	Results
Method 1: Net Asset Value (NAV) per share/Equity based valuation	16.41
Method 2: Historical Earnings based valuation	10.46
Method 3: Average market price of similar stock based valuation	57.53

Method 1: Net Asset Value (NAV) per share/Equity based valuation

Particulars	Amount (In Tk.)
Share Capital/Paid-up Capital	240,000,000
Reserve, Surplus and Contingency Account	153,738,618
Total Shareholders' Equity: (A)	393,738,618
Number of Share Outstanding as on 31st March 2021: (B)	24,000,000
Net Asset Value per share (without revaluation reserve) as per Audit Report as on 31st March 2021 (A/B)	16.41

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Method 2: Historical Earnings based value per share

Earnings based Value per share based on Overall Market P/E				
Year	No. of Share	Profit after Tax	Weight (%)	Weighted Average
				Net Profit after Tax
31-Dec-16	6,900,000	10,978,981	19.42%	2,131,841
31-Dec-17	6,900,000	15,769,398	19.42%	3,062,019
31-Dec-18	6,900,000	16,383,521	19.42%	3,181,266
31-Dec-19	6,900,000	17,926,248	19.42%	3,480,825
31-Dec-20	7,935,000	7,577,012	22.33%	1,691,954
Total	35,535,000	68,099,416	100.0%	13,443,877
Weighted Average Profit after Tax				13,443,877
No. of shares outstanding before IPO				24,000,000
Diluted EPS based on weighted Average of Net Profit after Tax				0.56
Overall Market P/E (Considering lesser P/E of 18.67x, 30.28x)				18.67x
Earnings based Value per share				10.46

Calculation of Average Price Earnings of Market and Bank Sector				
Particulars	May-21	Jun-21	Jul-21	Average
Overall Market P/E	18.31x	18.50x	19.20	18.67x
Insurance Sector P/E	28.60x	31.64x	30.61	30.28x
Considering Lesser P/E of 18.67x, & 30.28x				
Source: DSE Monthly Review,				

পুঁজিবাজারে বিনিয়োগ সুকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

	30-Aug-21	30-Jul-21	30-Jun-21	31-May-21	29-Apr-21	31-Mar-21	28-Feb-21	31-Jan-21	30-Dec-20	30-Nov-20	29-Oct-20	30-Sep-20	Average	Average of all
Agrani Insurance	60.3	61.1	68.10	53.80	61.10	36.10	38.90	39.00	35.60	35.30	39.40	34.70	47.0	
Asia Insurance	97.4	99.0	103.30	110.40	108.30	94.50	95.60	101.10	107.80	114.10	78.10	38.80	95.7	
Asia Pacific General Insurance	71.0	71.3	70.50	65.50	70.30	62.80	60.40	62.40	74.90	81.00	73.00	51.40	67.9	
Bangladesh General Insurance	60.9	51.7	49.10	47.00	49.50	35.80	38.10	37.20	42.60	39.60	38.40	31.50	43.5	
Bangladesh National Insurance	141.5	128.5	127.40	139.80	124.40	73.40	58.90	55.00	73.50	45.50	37.50	29.80	86.3	
Central Insurance	62.3	65.6	57.80	58.30	58.50	65.00	57.50	51.90	62.40	59.80	50.80	40.90	57.6	
City General Insurance	49.5	41.5	39.60	39.00	36.50	22.40	24.60	26.60	30.10	31.10	30.60	23.00	32.9	
Continental Insurance	54.8	50.9	49.00	48.10	47.00	33.40	36.00	37.70	46.20	46.00	42.80	33.90	43.8	
Cystal Insurance	63.5	59.0	63.50	58.90	54.50	34.20	36.20	42.30	39.40	-	-	-	50.2	
Dhaka Insurance	80.1	80.9	86.90	80.00	78.70	41.00	42.80	43.90	54.40	58.20	50.10	44.40	61.8	
Desh General Insurance	50.1	47.3	48.20	46.90	40.90	22.50	-	-	-	-	-	-	42.7	
Eastern Insurance	116.2	115.2	120.60	129.80	126.90	94.00	100.00	96.60	106.30	109.30	78.50	103.50	108.1	
Eastland Insurance	45.8	38.7	37.30	35.60	34.90	26.50	29.80	29.20	33.90	34.20	38.60	36.70	35.1	
Federal Insurance	42.1	39.8	39.90	33.50	30.80	18.50	20.30	21.10	25.00	26.00	26.80	21.70	28.8	
Express Insurance	40.2	38.3	38.90	36.60	34.70	24.10	26.30	26.80	33.40	33.70	40.50	31.50	33.8	
Global Insurance	62.1	63.7	67.50	51.00	43.60	30.70	31.90	31.90	37.20	40.60	57.10	29.40	45.6	
													57.5	

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Green Delta Insurance	112.9	117.2	126.00	94.80	58.30	52.40	42.50	59.90	61.60	67.70	60.90	59.90	77.8
Islami Insurance	31.5	23.3	57.90	61.70	52.40	37.30	43.10	44.10	50.80	49.40	40.00	31.10	43.6
Janata Insurance	62.9	42.3	40.10	43.20	40.90	30.00	31.50	31.90	39.70	39.60	34.60	31.40	39.0
Kamaphuli Insurance	42.2	41.7	43.30	41.80	37.30	26.70	28.90	30.00	33.80	32.20	33.40	31.90	35.8
Mercantile Insurance	54.0	58.6	57.20	48.10	44.90	32.50	33.50	34.20	45.60	46.80	42.50	30.20	44.5
Nitol Insurance	61.3	57.6	59.10	56.90	57.30	48.70	49.40	53.80	63.80	66.30	56.20	73.80	58.9
Northern Islami Insurance	60.9	62.1	61.60	66.60	47.00	31.70	36.40	37.50	47.40	44.90	37.30	29.50	46.9
Paramount Insurance	89.2	96.0	93.60	84.70	102.60	118.90	113.30	121.30	130.60	131.40	138.00	136.70	113.0
Peoples Insurance	56.5	56.6	47.40	45.90	49.60	34.70	39.40	41.30	50.70	45.40	39.50	36.10	45.3
Phoenix Insurance	67.9	63.0	59.20	59.50	52.90	32.60	35.30	36.60	44.70	43.70	41.80	36.40	47.8
Pioneer Insurance	140.9	134.3	160.40	138.90	80.60	59.70	63.90	67.30	75.30	79.80	85.40	71.90	96.5
Pragati Insurance	92.2	92.7	98.90	81.80	63.60	46.60	51.10	51.50	63.30	67.80	56.00	55.90	68.5
Provali Insurance	178.9	194.2	202.30	197.00	163.20	81.70	74.30	74.60	84.40	88.00	69.50	46.70	121.2
Prime Insurance	56.8	68.7	63.90	48.50	47.30	30.50	36.00	38.60	49.20	49.90	42.90	26.50	46.6
Purabi Gen. Insurance	51.1	42.8	49.20	37.80	36.20	24.30	25.90	26.70	32.90	32.00	34.20	25.00	34.8
Reliance Insurance	101.0	105.9	110.80	71.30	59.20	53.40	57.70	55.90	62.00	67.20	61.60	61.20	72.3
Republic Insurance	63.0	58.4	59.60	58.80	56.10	44.80	53.20	54.60	55.60	47.80	47.40	42.00	53.4
Rupali Insurance	46.2	43.1	43.60	39.20	41.90	28.80	33.00	35.50	44.20	37.70	36.60	30.30	38.3
Standard Insurance	95.7	83.3	76.00	54.30	46.00	40.00	40.00	40.00	41.90	44.10	42.90	42.60	53.9

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Sonar Bangla Insurance	87.2	86.2	93.80	80.70	68.70	44.50	49.70	50.80	42.50	51.60	46.30	50.30	64.4
Takaful Insurance	60.2	59.2	59.00	56.60	51.60	40.10	42.70	42.10	47.50	48.10	45.60	40.80	49.5
United Insurance	69.7	63.3	64.00	51.80	54.10	39.60	43.90	46.90	55.00	59.20	52.50	49.00	54.1

Source: dsc.bd.com

Average market price of similar stock-based valuation (Assumption)

The average month end close price of the peer company from June 2020 to May 2021 is considered.

Rationale:

There are 50 listed Life and Non-life Insurance company in the capital market and out of that number, we have taken into consideration only 38 Non-life Insurance company because of the similarity in the nature of business.

With Consideration of all qualitative and quantitative factors, the management of the company in consultation with the issue Managers have set the issue price at 10 each at par value.

Sd/-

Muhammad Fuad Hussain
Managing Director & CEO
Asian Tiger Capital Partners Investments
Limited

Sd/-

Khandoker Raihan Ali, FCA
MD & CEO (CC)
Prime Bank Investment Limited

Sd/-

Tanzim Alamgir
Managing Director and CEO
UCB Investment Limited

Date: 16th September, 2021

পুঞ্জিবাজারে বিনিয়োগ বুকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

CHAPTER (XVI)

DEBT SECURITIES

The Company has not issued or is planning to issue any debt security within six months.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

CHAPTER (XVII)

PARTIES INVOLVED AND THEIR RESPONSIBILITIES

পুঁজিবাজারে বিনিয়োগ সুকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Major Parties Involved		Responsibilities of the Parties
Category	Name of parties	Key Responsibilities
(a) Issue Manager(s);	1. Asian Tiger Capital Partners Investments Limited 2. Prime bank Investment Ltd. 3. UCB Investment Ltd.	The Issue Managers will assist the issuer in managing the proposed public issue of shares under purview of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015
(b) Underwriters;	i. Prime Bank Investment Limited; ii. Asian Tiger Capital Partners Investments Limited; iii. AFC Capital Limited; iv. UCB Investment Limited; v. EBL Investments Limited; vi. BMSL Investment Limited & vii. Sandhani Life Finance Limited	In case of under-subscription in any category by up to 35% in an initial public offer, the unsubscribed portion of securities shall be taken up by the underwriter on firm commitment basis.
(c) Statutory Auditors;	MABS & J Partners Chartered Accountants	To express an opinion on the financial statements based on their audit. Auditor will conduct the audit in accordance with Bangladesh Standards on Auditing and related laws and regulations.
(d) Cost Auditor;	Not applicable for the Company.	
(e) Valuer;	Not applicable for the Company.	
(f) Credit rating Company.	Alpha Credit Rating Limited	The credit rating Company is responsible for conducting the rating regarding creditworthiness of The Company in short term and long term.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

CHAPTER (XVIII)

MATERIAL CONTRACTS

পূঁজিবাজারে বিনিয়োগ তুলিপুর। জেনে ও বুঝে বিনিয়োগ করুন

(a) Major agreements entered into by the Issuer:

The following are material agreements have been entered into by the Company:

1. Underwriting Agreements between the Company and the Underwriters:
 - i. Prime Bank Investment Limited;
 - ii. Asian Tiger Capital Partners Investments Limited;
 - iii. AFC Capital Limited;
 - iv. UCB Investment Limited;
 - v. EBL Investments Limited;
 - vi. BMSL Investment Limited &
 - vii. Sandhani Life Finance Limited
2. Issue Management Agreement between the Company and:
 - i. Asian Tiger Capital Partners Investments Limited
 - ii. Prime Bank Investment Limited
 - iii. UCB Investment Ltd.

(b) Material parts of the agreements:

Contract	Material parts of the agreements	
Underwriting agreements with (1) Prime Bank Investment Limited (2) Asian Tiger Capital Partners Investments Limited (3) AFC Capital Limited (4) UCB Investment Limited (5) EBL Investments Limited (6) BMSL Investment Limited (7) Sandhani Life Finance Limited	Signing Date:	With Prime Bank Investment Limited; Asian Tiger Capital Partners Investments Limited; AFC Capital Limited; UCB Investment Limited; EBL Investments Limited; BMSL Investment Limited & Sandhani Life Finance Limited: -Dated: 29 JUNE, 2021
	Tenure:	This Agreement shall be valid until completion of subscription of shares and unless this Agreement is extended or earlier terminated in accordance with the terms of this Agreement.
	Principal Terms and Condition:	(i) The IPO shall stand cancelled if at least collectively 65% (i.e., Eligible Investors and General Public) of the IPO is not subscribed, (ii) In case of under subscription in collectively (i.e., Eligible Investors and General Public) by up to 35% of the IPO the under-subscribed securities shall be taken up by the underwriters. (iii) Notwithstanding anything contained in the agreement in case of inconsistency between the provision of the agreement and the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the Public Issue Rules shall prevail. (iv) Prior to publication of the prospectus, the Company shall have obtained consent from the Bangladesh Securities and Exchange Commission permitting the issue as described in Article 2.01 and providing for payment of underwriting commission 0.50% (zero point five zero %) on the amount underwritten.

পূজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

		<p>(v) The Issuer shall within 10 (Ten) days of the closure of subscription call upon the underwriter in writing with a copy of said writing to the Bangladesh Securities and Exchange Commission, to subscribe for the shares not subscribed by the closing date and to pay for in cash in full for such unsubscribed shares within 15 (Fifteen) days of the date of said notice and the said amount shall have to be credited into shares subscription account within the said period.</p> <p>(vi) In any case within 7 (seven) days after the expiry of the aforesaid 15 (fifteen) days, the Company shall send proof of subscription and payment by the Underwriters to the Commission.</p> <p>In the case of failure by the underwriter to pay for the shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under this Agreement.</p>
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Contract	Material parts of the agreements	
Issue Management Agreements with A. Asian Tiger Capital Partners Investments Limited B. Prime Bank Investment Limited C. UCB Investment Ltd.	Signing Date:	With Asian Tiger Capital Partners Investments Limited, Prime Bank Investment Limited and UCB Investment Ltd 22 June 2021
	Tenure:	This Agreement shall be valid until completion of subscription of shares and unless this Agreement is extended or earlier terminated in accordance with the terms of this Agreement
	Principal Terms and Condition:	<p>(i) According to Article 2.2; the scope of the services to be rendered by the ISSUE MANAGERS to the ISSUER under this agreement shall cover Regulatory Compliance, Underwriting Co-operation and offer consent tasks.</p> <p>(ii) According to Article 2.3; The ISSUE MANAGERS takes the responsibility to take such steps as are necessary to ensure completion of allotment and dispatch of letters of allotment and refund warrants to the applicants according to the basis of allotment approved by the Bangladesh Securities and Exchange Commission. The ISSUER undertakes to bear all expenses relevant to share application processing, allotment, and dispatch of letters of allotment and refund warrant. The ISSUER shall also bear all expenses related to printing and issuance of share certificate and connected govt. stamps and hologram expenses.</p> <p>(iii) According to Article 3.1; without prejudice ISSUER hereby declares that it agrees to comply with all statutory formalities under Companies Act, Guidelines issued by Bangladesh Securities and Exchange Commission and other relevant status to enable it to make the issue.</p>

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

		<p>(iv) According to Article 6.1: The ISSUE MANAGERS hereby undertakes to keep in strict compliance all information (whether written or oral) proprietary documents and data secured in connection with or as a result of this Agreement (Confidential information) and shall limit the availability of such information to employees, who have a need to see and use it for the express and limited purpose stated in this Agreement.</p> <p>(v) According to Article 8.1: The Issuer and ISSUE MANAGERS shall ensure compliance of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, The Listing Regulations of Stock Exchanges, The Companies Act, 1994, the Securities and Exchange (Amendment) Act, 2012 and other relevant rules, regulations, practices, directives, guidelines etc.</p>
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(c) Fees payable to different parties:

Sl.	Name of the Parties	Role	Commission/Fees In Tk.	Fees Payable
1	Prime Bank Investment Limited	Underwriters	25,000	0.25% on 35% of the Total IPO amount
	Asian Tiger Capital Partners Investments Limited		25,000	
	AFC Capital Limited		16,250	
	UCB Investment Limited		25,000	
	EBL Investments Limited		16,250	
	BMSL Investment Limited		16,250	
	Sandhani Life Finance Limited		16,250	
	Total		140,000	
2	A. Asian Tiger Capital Partners Investments Limited	Issue Managers	1,000,000	of the public offer amount
	B. Prime Bank Investment Ltd.		500,000	
	C. UCB Investment Ltd		500,000	
	Total		2,000,000	

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

CHAPTER (XIX)

LITIGATIONS, FINE OR PENALTY

পুঞ্জিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

- (a) **The following litigations including outstanding litigations against the issuer or any of its directors and fine or penalty imposed by any authority:**

Status of case(s) outstanding against the issuer or any of its directors and fine or penalty imposed by any authority:

- (i) **Litigation Involving Civil Laws:** No case has been filed against the company except for the purpose of contesting Insurance's loan recovery. No case has been filed against any of its directors.
- (ii) **Litigation Involving Criminal Laws:** No case filed against the company or any of its directors.
- (iii) **Litigation Involving Securities, Finance and Economic Laws:** No case filed against the company or any of its directors.
- (iv) **Litigation Involving Labor Laws:** No case filed against the company or any of its directors.
- (v) **Litigation Involving Taxation (Income tax, VAT, Customs Duty and any other taxes or duties):** No case filed against the company or any of its directors. Tax assessment has been completed under income tax ordinance 1984 by appeal to Commissioner (Appeal) and Tribunal.
- (vi) **Litigation Involving any other Laws:** No case filed against the company or any of its directors.

- (b) **Cases including outstanding litigations filed by the Company or any of its directors:**

Status of case(s) filed by the issuer or any of its directors under any of the following types of legal proceedings mentioned below:

- (i) **Litigation Involving Civil Laws:** No case has been filed by the company except for the purpose of Insurance's loan recovery. No case has been filed against any of its directors.
- (ii) **Litigation Involving Criminal Laws:** No case has been filed by the company except for the purpose of Insurance's loan recovery purposes. No case has been filed against any of its directors.
- (iii) **Litigation Involving Securities, Finance and Economic Laws:** No case filed by the company or any of its directors.
- (iv) **Litigation Involving Labor Laws:** No case filed by the company or any of its directors.
- (v) **Litigation Involving Taxation (Income tax, VAT, Customs Duty and any other taxes or duties):** The company filing appeal against order of Deputy Commissioner of Tax to Commissioner (Appeal) and filing appeal against the order of Commissioner (Appeal) to the Tribunal under jurisdiction of income tax ordinance 1984. No cases filed by the Company except below:

Income Tax

Assessment Year	Remarks
2021-2022	<ul style="list-style-type: none"> • Tax return will be submitted by MICL within due time.
2020-2021	<ul style="list-style-type: none"> • Tax return submitted by MICL <ul style="list-style-type: none"> ✓ The Company submitted return as on December 14, 2020 • Correspondence from Tax authority <ul style="list-style-type: none"> ✓ Assessment is pending under the jurisdiction of DCT.
2019-2020	<ul style="list-style-type: none"> • Tax return submitted by MICL <ul style="list-style-type: none"> ✓ The Company submitted return as on October 15, 2019

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

	<ul style="list-style-type: none"> • Correspondence from Tax authority <ul style="list-style-type: none"> ✓ Assessment is pending under the jurisdiction of DCT.
2018-2019	<ul style="list-style-type: none"> • Tax return submitted by MICT <ul style="list-style-type: none"> ✓ The Company submitted return as on September 12, 2018 • Correspondence from Tax authority <ul style="list-style-type: none"> ✓ Assessment is pending under the jurisdiction of DCT.
2017-2018	<ul style="list-style-type: none"> • Tax return submitted by MICT <ul style="list-style-type: none"> ✓ The Company submitted return as on July 19, 2017 • Correspondence from Tax authority <ul style="list-style-type: none"> ✓ Assessment completed by NBR on 26 December, 2018 • Dispute against MICT and Tax Authority <ul style="list-style-type: none"> ✓ Tax authority demanded BDT 101,880,995 including BDT 10,027,619 as interest. • Court of Appeal <ul style="list-style-type: none"> ✓ The Company as on November 21, 2019 submitted Tax appeal to the Appellate Commissioner of Taxes, which was subsequently refused on January 29, 2020 and MICT is under process to apply before Tax Appellate Tribunal. • Ground of appeal <ul style="list-style-type: none"> ✓ That the order of the Id. DCT is bad in law and on facts. ✓ That the order of the Id. DCT erred in computing appellant's total income etc. ✓ That the CT (Appeals) disallowances Management expenses. • Updated status <ul style="list-style-type: none"> ✓ The case is under process to apply before Tax Appellate Tribunal.
2016-2017	<ul style="list-style-type: none"> • Tax return submitted by MICT <ul style="list-style-type: none"> ✓ The Company submitted return as on July 14, 2016. • Correspondence from Tax authority <ul style="list-style-type: none"> ✓ Assessment completed by NBR (DCT) on November 29, 2017. • Dispute against MICT and Tax Authority <ul style="list-style-type: none"> ✓ Tax authority demanded BDT 81,674,597 including BDT 7,160,852 as interest. • Court of Appeal <ul style="list-style-type: none"> ✓ The Company as on January 21, 2018 submitted Tax appeal to the Appellate Commissioner of Taxes, which was subsequently refused on April 30, 2018. After that MICT applied to Tax Appellate Tribunal. The Tax Appellate Tribunal passed order on November 29, 2018. Then MICT applied to Honorable High Court against the order of Tribunal. • Ground of appeal <ul style="list-style-type: none"> ✓ That the order of The Tax Appellate Tribunal is bad in law and on facts. ✓ That the order of The DCT erred in computing appellant's total income etc. ✓ That The Tax Appellate Tribunal was not justified in disallowing partly from the claim of expenses. • Updated status <ul style="list-style-type: none"> ✓ The case is pending for hearing at Honorable High Court.
2015-2016	<ul style="list-style-type: none"> • Tax return submitted by MICT

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	<ul style="list-style-type: none"> ✓ The Company submitted return as on September 16, 2015. • Correspondence from Tax authority <ul style="list-style-type: none"> ✓ Assessment completed by NBR on December 29, 2016. • Dispute against MICL and Tax Authority <ul style="list-style-type: none"> ✓ Tax authority demanded BDT 75,401,516 including BDT 7,853,247 as interest. • Court of Appeal <ul style="list-style-type: none"> ✓ The Company as on March 23, 2017 submitted Tax appeal to the Appellate Commissioner of Taxes, which was subsequently refused on August 27, 2017 and MICL applied to Tax Appellate Tribunal on October 25, 2017 against Appellate Commissioner of Taxes decision and decision passed by Tribunal on January 28, 2018. MICL is under processing to file Reference Application before the High Court Division against the order of Tax Appellate Tribunal. • Ground of appeal <ul style="list-style-type: none"> ✓ That the order by Ld. Tribunal is not good enough and hence not fully acceptable. ✓ That the order of the Ld. Tribunal disallowance of expenses in computing total income etc. • Updated status <ul style="list-style-type: none"> ✓ The case is pending for placing at the High Court Division.
2014-2015	<ul style="list-style-type: none"> • Tax return submitted by MICL <ul style="list-style-type: none"> ✓ The Company submitted return as on September 23, 2015. • Correspondence from Tax authority <ul style="list-style-type: none"> ✓ Assessment completed by NBR on April 27, 2016. • Dispute against MICL and Tax Authority <ul style="list-style-type: none"> ✓ Tax authority demanded BDT 43,418,978 including BDT 4,267,645 as interest. • Court of Appeal <ul style="list-style-type: none"> ✓ The Company as on June 19, 2016 submitted Tax appeal to the Appellate Commissioner of Taxes, which was subsequently refused on November 23, 2016 and MICL applied to Tax Appellate Tribunal against Appellate Commissioner of Taxes decision. Tax Appellate Tribunal passed their order on May 31, 2017. At present the case file is under Reference Application before the High Court Division against the order of Tax Appellate Tribunal. • Ground of appeal <ul style="list-style-type: none"> ✓ That the order by Ld. Tribunal is not good enough and hence not fully acceptable. ✓ That the order of the Ld. Tribunal disallowance of expenses in computing total income etc. • Updated status <ul style="list-style-type: none"> ✓ The case is pending for hearing at the High Court Division.
2013-2014	<ul style="list-style-type: none"> • Tax return submitted by MICL <ul style="list-style-type: none"> ✓ The Company submitted return as on September 22, 2013. • Correspondence from Tax authority <ul style="list-style-type: none"> ✓ Assessment completed by NBR on August 12, 2014. • Dispute against MICL and Tax Authority <ul style="list-style-type: none"> ✓ Tax authority demanded BDT 22,057,240 including BDT 2,034,980

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	<p>as interest.</p> <ul style="list-style-type: none"> • Court of Appeal <ul style="list-style-type: none"> ✓ The Company submitted Tax appeal to the Appellate Commissioner of Taxes, which was subsequently refused on February 17, 2016 and MICL applied to Tax Appellate Tribunal against Appellate Commissioner of Taxes decision. The Appellate Tribunal passed the order on August 18, 2016 disallowing the demand of MICL. The case file is under Reference Application before the High Court Division against the order of Tax Appellate Tribunal. • Ground of appeal <ul style="list-style-type: none"> ✓ That the order by The Taxes Appellant Tribunal is not good enough and hence not fully acceptable. ✓ That the order of the Taxes Appellant Tribunal disallowance of expenses in computing total income etc. • Updated status <ul style="list-style-type: none"> ✓ The case is pending for hearing at the High Court Division
2012-2013	<ul style="list-style-type: none"> • Tax return submitted by MICL <ul style="list-style-type: none"> ✓ The Company submitted return as on 14 July, 2012. • Correspondence from Tax authority <ul style="list-style-type: none"> ✓ Assessment completed by NBR on 31 December, 2014. • Dispute against MICL and Tax Authority <ul style="list-style-type: none"> ✓ Tax authority demanded BDT. 14,130,462 including BDT. 1,452,053 as interest. • Court of Appeal <ul style="list-style-type: none"> ✓ The Company as on August 23, 2015 submitted Tax appeal to the Appellate Commissioner of Taxes, which was subsequently refused on January 21, 2016 and MICL applied to Tax Appellate Tribunal against Appellate Commissioner of Taxes decision. Tax Appellate Tribunal passed the decision on August 18, 2016. Then MICL filed the case for Reference Application before the High Court Division against the order of Tax Appellate Tribunal. • Ground of appeal <ul style="list-style-type: none"> ✓ That the order by the Taxes Appellant Tribunal is not good enough and hence not fully acceptable. ✓ That the order of the Taxes Appellant Tribunal disallowance of expenses in computing total income etc. • Updated status <ul style="list-style-type: none"> ✓ The case is pending for hearing at the High Court Division.
2011-2012	<ul style="list-style-type: none"> • Tax return submitted by MICL <ul style="list-style-type: none"> ✓ The Company submitted return on due Date. • Correspondence from Tax authority <ul style="list-style-type: none"> ✓ Assessment completed by NBR on February 07, 2013. • Dispute against MICL and Tax Authority <ul style="list-style-type: none"> ✓ Tax authority demanded BDT. 13,027,445 including BDT. 1,612,041 as interest. • Court of Appeal <ul style="list-style-type: none"> ✓ The Company as on August 23, 2015 submitted Tax appeal to the Appellate Commissioner of Taxes, which was subsequently refused on January 21, 2016 and MICL applied to Tax

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	<p>Appellate Tribunal against Appellate Commissioner of Taxes decision. Tax Appellate Tribunal passed the decision on August 18, 2016. Then MICL filed the case for Reference Application before the High Court Division against the order of Tax Appellate Tribunal.</p> <ul style="list-style-type: none"> • Ground of appeal <ul style="list-style-type: none"> ✓ That the order by the Taxes Appellant Tribunal is not good enough and hence not fully acceptable. ✓ That the order of the Taxes Appellant Tribunal disallowance of expenses in computing total income etc. • Updated status <ul style="list-style-type: none"> ✓ The case is pending for hearing at the High Court Division.
2010-2011	<ul style="list-style-type: none"> • Tax return submitted by MICL <ul style="list-style-type: none"> ✓ The Company submitted return on due Date. • Correspondence from Tax authority <ul style="list-style-type: none"> ✓ Assessment completed by NBR on February 09, 2011. • Dispute against MICL and Tax Authority <ul style="list-style-type: none"> ✓ Tax authority demanded BDT. 12,527,378 including BDT. 1,438,058 as interest. • Court of Appeal <ul style="list-style-type: none"> ✓ The Company as on August 23, 2015 submitted Tax appeal to the Appellate Commissioner of Taxes, which was subsequently refused on January 21, 2016 and MICL applied to Tax Appellate Tribunal against Appellate Commissioner of Taxes decision. Tax Appellate Tribunal passed the decision on August 18, 2016. Then MICL filed the case for Reference Application before the High Court Division against the order of Tax Appellate Tribunal. • Ground of appeal <ul style="list-style-type: none"> ✓ That the order by the Taxes Appellant Tribunal is not good enough and hence not fully acceptable. ✓ That the order of the Taxes Appellant Tribunal disallowance of expenses in computing total income etc. • Updated status <ul style="list-style-type: none"> ✓ The case is pending for hearing at the High Court Division.

- (vi) **Litigation involving any other Laws:** No case filed by the company or any of its directors.

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CHAPTER (XX)

RISK FACTORS AND MANAGEMENT'S PERCEPTIONS ABOUT THE RISKS

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f) Internal risk factors may include, among others:

(a) Credit Risk:

Where the borrower may not be able to or willing to repay a loan and that the lender may lose the principal of the loan or the interest associated with it. Credit risk usually occurs because of inadequate income or business failure and borrowers expect to use future cash flows to pay current debts; it's almost never possible to ensure that borrowers will definitely have the funds to repay their debts. Interest payments from the borrower or issuer of a debt obligation are a lender's or investor's reward for assuming credit risk. Credit risk also includes settlement.

MICL has exposed to this risk due to bank loan.

Management perception

Meghna Insurance Company Limited (MICL) is planning to raise capital through IPO subject to approval of regulatory authority which shall diversify the capital structure of the Company. The Company has strong credit rating history and the Company has not any loan after 6 June, 2021. Again the Company has no credit sell. So, in this circumstance it is expected that there are less exposure of credit risk in MICL.

(b) Liquidity Risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity risk arises due to insufficient fund to meet up short and long term liability. The Company may expose to liquidity risk for nonpayment of claim any contingency payment, any government payment and any other liabilities due to shortfall of liquidity.

Management perception

The Company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, The Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

(c) Risk associated with the issuer's interest in subsidiaries, joint ventures and associates;

Management perception

The Company does not have any subsidiaries, joint venture and associates companies. So there are no such possibilities of arisen risk in this respect

(d) Significant revenue generated from limited number of customers, losing any one or more of which would have a material adverse effect on the issuer;

Management perception

Meghna Insurance Company Limited is not dependent any single client. The Company has huge number of retail client who regularly takes insurance policies. The revenue of the Company is not concentrated neither to any single customer nor any Group.

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(e) Dependency on a single or few suppliers of raw materials, failure of which may affect production adversely;

Management perception

Meghna Insurance Company Limited is providing insurance service to its clients. The Company has not required any raw materials.

(f) More than 20% revenue of the issuer comes from sister concern or associate or subsidiary;

Management perception

Meghna Insurance Company Limited has no associate or subsidiary or sister concern. 100% of its revenue has come from retail customers.

(g) Negative earnings, negative cash flows from operating activities, declining turnover or profitability, during last five years, if any;

Management perception

MICL has positive track record of income and cash flow from operation last five years and projected to hold this position in upcoming years.

(h) Loss making associate or subsidiary or group companies of the issuer;

Management perception

Meghna Insurance Company Limited has neither any associate nor subsidiary Company nor any group which are loss making. So no risk shall be arisen in this respect.

(i) Financial weakness and poor performance of the issuer or any of its subsidiary or associates;

Management perception

Meghna Insurance Company Limited has a proven track record of its financial fundamentals. Again the Company has no subsidiary or associate Company. So there are less scope of arise of risk.

(j) Decline in value of any investment;

Investment value might increase or decrease because of market risk. Corporate decision, such as whether to expand into a new area of business or merge with another Company, can affect the value of investment.

Management perception

There is no other investment other than FDR which is held for maturity rather than held for trading. As a result, the rate of interest is also fixed over the investment period. So, there is less possibilities of declining in value of investments of the company.

(k) Risk associated with useful economic life of plant and machinery, if purchased in second hand or reconditioned;

Management perception

Meghna Insurance Company Limited provides insurance related services. There are no requirement of plant and machinery.

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(l) Adverse effect on future cash flows if interest free loans given to related parties or such loans taken from directors may recall.

Management perception

The business of Meghna Insurance Company Limited's volume is in increasing trend and currently, the profit of the company is also increasing year by year. It is good sign in this regard that MICL has no related party transactions.

(m) Potential conflict of interest, if the sponsors or directors of the issuer are involved with one or more ventures which are in the same line of activity or business as that of the issuer and if any supplier of raw materials or major customer is related to the same sponsors or directors;

Management perception

Sponsor or director don't hold any position or own any stake in the business of its supplier or customer. So no conflict would be arisen in this respect.

(n) Related party transactions entered into by the Company those may adversely affect competitive edge;

Management perception

Meghna Insurance Company Limited has no any related party transaction.

(o) Any restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement for debt or preference shares or any restrictive covenants of banks in respect of the loan/ credit limit and other banking facilities;

Management perception

There are no such restrictive covenants persist with any shareholders, sponsor or any bank loan facility.

(p) Business operations may be adversely affected by strikes, work stoppages or increase in wage demands by employees;

Almost every industry is operating mutually by workers and management understanding. Owners are always concern about the workers demand. Sometimes workers may demand more salary and stopped work which also creates financial loss to the Company.

Management perception

MICL is service oriented Company. There is no such worker for which the business operation of the Company was stopped. No such situation has arisen in the Company in past in this respect. However, MICL always prioritize human resources over other issues, as we believe that the success of MICL immensely depends upon the performance of its employees.

(q) Seasonality of the business of the issuer;

Management perception

The business of the Company does not depend on any season as demand for insurance service is remain throughout the year. Therefore, the Company's revenue is not affected by any seasonal factor.

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(r) Expiry of any revenue generating contract that may adversely affect the business;

Management perception

Meghna Insurance Company Limited has no such contract for which the future revenue would be constricted.

(s) Excessive dependence on debt financing which may adversely affect the cash flow;

Excessive dependence on debt causes huge interest burden of the company and high risk of insolvency that may result in bankruptcy.

Management perception

No excessive dependency on debt financing due to net worth is positive. Again the operating cash flow was positive last 5 years which indicates that the Company's cash generation capacity from operating activities is sufficient.

(t) Excessive dependence on any key management personnel absence of whom may have adverse effect on the issuer's business performance;

Key management personnel have key role in the organization for smooth operation of the Company. If key management personnel turnover is high that's have adverse impact on the organizational day to day activities.

Management perception

Since inception of the Company, the employee turnover rate is low. The organizational structure is designed in such a way that there shall have no impact on Company's overall performance if any key management person changes in the organization.

(u) Enforcement of contingent liabilities which may adversely affect financial condition;

The Company's stock share price has been negative impacted by contingent liabilities because they threaten to reduce the Company's assets and net profitability. The extent of the impact on share price depends on the estimated probability of the contingent liabilities becoming actual liabilities.

Management perception

There are no contingent liabilities against the Company except mentioned in Chapter VI, clause I

It is stated here that, the Company is generating profit from existing business. Due to IPO fund shall be invested in fixed deposit, Share market and Treasury bond, after IPO the future liquidity shall also be improved. Again, after listing the brand image of the Company shall also be increased. As a result, the Company shall be able to undertake more insurance business from local and multinational company, So, it is expected that if any unforeseen event occur due to exercise of contingent liability in case of Income Tax, the Company shall be able to mitigate that Tax liability through business income.

(v) Insurance coverage not adequately protect against certain risks of damages;

The Company shall expose to significant loss if its assets are not properly covered by insurance.

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Management perception

The Company maintain re-insurance to meet up claims. Again, there are no such assets for which insurance coverage required.

(w) Absence of assurance that directors will continue its engagement with Company after expiry of lock in period;

Meghna Insurance Company Limited may expose to certain risk to operate its day to day business operations if current director's engagement shall not continue after expiry of lock in period.

Management perception

It is expected that directors of the Company will continue after the lock in period As they are owner of the company. In this respect a declaration by the director has been given in the "Chapter xxix-Others".

(x) Ability to pay any dividends in future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure;

Any future dividend payment depends on the future revenue generation. Any negative earnings in future shall be hindered future financial stability of the Company.

Management perception

It is expected that from existing business the Company shall earn significant revenue from which it will be possible to pay dividend regularly. After listing it is expected that the brand image of the Company would be increased and MiCL would be able to expand its business operation in new business arena such as multinational company, high rated bank and other reputed organization in addition to its current product and which will positively contribute to the revenue stream of the company. Furthermore, significant portion of the fund received from IPO shall be invested in FDR which will also earn interest and will enhance cash flow of the company. So, it is presumed that the Company shall be able to pay dividend in future from its business.

(y) History of non-operation, if any and short operational history of the issuer and lack of adequate background and experience of the sponsors;

Management perception

Meghna Insurance Company Limited started its journey from 18 March, 1996 and has successfully been operating till date. Since its inception there is no history of non-operation. On the other hand all sponsors of the Company have enormous experience in business. If any problem would arise, the sponsor would mitigate that the problem as usual way.

(z) Risks related to engagement in new type of business, if any;

Management perception

Currently the Company has no plan to engage in any new type of business.

(aa) Risk in investing the securities being offered with comparison to other available investment options;

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Management perception

Like other securities, the share price of MICL may be affected by various factors such as inflation, economic and political shocks etc. Management perceives that the investors would get a reasonable return in line with future proposed dividend.

(bb) Any penalty or action taken by any regulatory authorities for non-compliance with provisions of any law;

Management perception

Meghna Insurance Company Limited had to pay penalty to Insurance Development Regulatory Authority (IDRA) for delay in offering shares to general public.

(cc) Litigations against the issuer for Tax and VAT related matters and other government claims, along with the disclosures of amount, period for which such demands or claims are outstanding, financial implications and the status of the case;

Any litigation in terms of unsettled tax, VAT or any other Govt. claim may hamper business operation of the Company as well as may create future potential financial losses.

Management perception

There is no litigation against the Company except mentioned in Chapter vi, clause i.

Financial Implication for Tax :

It is mentioned here that, the Company is generating profit from existing business. Due to IPO fund shall be invested in fixed deposit and Treasury bond, after IPO the future liquidity shall also be improved.

Again, after listing the brand image of the Company shall also be increased. As a result, the Company shall be able to undertake more insurance business from local and multinational company. So, it is expected that if any unforeseen event occur due to exercise of contingent liability in case of Income Tax, the Company shall be able to mitigate that Tax liability through business income.

(dd) Registered office or factory building or place of operation is not owned by the issuer;

If office and factory location is not owned by the Company, business operation may hamper.

Management Perception

MICL is the owner of its registered head office and the branch offices are rented for long term agreement. Therefore, no risk will be arisen in this respect.

(ee) Lack of renewal of existing regulatory permissions or licenses;

Management perception

All licenses are valid and up dated. The management of the Company always takes timely steps to renewal of all its regulatory licenses. So scope of arising any risk in this respect is low.

(ff) Failure in holding AGM or declaring dividend or payment of interest by any listed securities of the issuer or any of its subsidiaries or associates;

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Management perception

Meghna Insurance Company Limited has no listed securities nor any subsidiaries or associates Company.

(gg) Issuances of securities at lower than the IPO offer price within one year;

If the Issuer issues share at lower than the IPO offer price within one year, there will have possibilities to arise misperception about IPO price.

Management perception

Meghna Insurance Company Limited will not issue any securities at lower than the IPO offer price within one year.

(hh) Refusal of application for public issue of any securities of the issuer or any of its subsidiaries or associates at any time by the Commission.

Any refusal of application for public issue of any securities of the issuer may hinder confidence of the Company or convey negative impression about the financial status to the shareholders.

Management perception

There is no such event occurred at any time.

(i) External risk factors may include among others:

Investment in capital market involves exposure to several types of risks. Meghna Insurance Company Limited operates in an industry that is exposed to several external risk factors over which the Company has little or no control. The following includes some of the significant risk factors that may affect the value of the Company's shares. Hence, a rational investor should carefully consider all the information contained in this prospectus including the risk factors elaborated below.

(a) Interest rate risks:

Volatility of money market may influences the overall interest rate structure of the country. So, any unfavorable change in interest rate structure may affect the Company's business adversely.

Management perception

The issuer is planning to enhance capital base through IPO. Most of the IPO proceeds will be invested in FDR, whereas the rate of interest remains fixed during the tenure of FDR. As a result, MICL will be able to minimize its exposure to interest rate risk. It is also mentionable that MICL is enjoying interest free loans which was adequately disclosed under related party transactions. So, any negative movement of interest rate is less likely to adversely affect the Company. Overall, the Company's loan position is nominal. So, interest rate risk is also low.

(b) Exchange rate risks:

Exchange rate risk arises from currency fluctuation in international trade. If Bangladeshi Taka is devalued and/or foreign currency revalued than the price of imported raw materials will go up which will decrease the overall profit margin. Taka has been devalued significantly against dollar and it is very unlikely of any immediate appreciation of Taka.

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Management perception

Since MICL is not engaged into any insurance business in foreign currency, exchange rate risk is not relevant here.

(c) Industry risks;

Industry risk arises due to risk associated with business and macro-economic factors of the industry such as labor unrest, shortage of power, rising of raw material cost or shortage of raw material supply etc. If risk factor pertaining to industry is high, the growth of the industry shall be lower or may be eroded the entire potentiality of that industry.

Management perception

The Company is operating in a highly competitive industry. Presently, 46 General insurance companies including the SBC are operating in the country. MICL has to face stiff competition arising from the existing 44 general insurance companies excluding SBC.

The Company has successfully accessed the market till date with a proactive approach by a group of professional and vast experienced peoples. Therefore, the Company is working on offering services at competitive terms. Despite the extreme competition, MICL's business operation shows satisfactory performance.

(d) Economic and political risks; Economic risk

Economic risk arises due to some various factors such as political or regulatory policy change, including adverse impact of globalization, social disturbances due to political unrest, terrorist attacks and other acts of violence or war, natural calamities, commodity and hike commodity & energy prices and various other factors. The consequence of economic risk is that the growth of development may be eroded or hampered and any significant changes may adversely effect on business and profitability of the Company.

Management perception

Bangladesh economy is booming for last few years. Consistent industrial growth along with increased agricultural production has made the per capita income higher than that of recent years. In addition, favorable government policies and industry friendly policies by other regulatory bodies have proved to be congenial to the economy of the country. Bangladesh has been considered to be next emerging country in terms of economic development. This indicates the future potentiality of our country's economic strength. Despite of some economic shortfall, Bangladesh economy is going to be stands on a strong platform in terms of micro and macro economy indicators such as inflation, exchange rate, foreign reserve, GDP growth, per capital income, domestic demand, Labor rate etc. Management of the Company has keen focus on the economic movement of the country and shall be take decision accordingly to adjust any unfavorable situation in this respect

Political risk

The risk that an investment returns could suffer as a result of political changes or instability in a country. Instability affecting investment returns could stem from a change in government, legislative bodies, other foreign policy makers, or military control

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Management perception

The management of the Company believes that more effective management of political risk shall help the companies in protection of their investments and shall improve the performance of business operation. Management perceives that, this requires more integration of political risk management into a systematic process as well as shall have to be embedded in a Company's other business processes. The management of the Company is fully aware of the potential risk related with political outcome and accordingly they have taken several safe guards to prevent the financial loss of the Company.

(e) Market and technology-related risks; Market risks

Market risk relates to the volatility of the market price of assets. It involves exposure to movements in the level of financial variables, such as stock prices, interest rates, exchange rates or commodity prices. It also includes the exposure of options to movements in the underlying asset price. Market risk also involves exposure to other unanticipated movements in financial variables or to movements in the actual or implied volatility of asset prices and options. To be competitive in the market, insurance companies need to develop new services/products and offer excellent clientele services and also to expand the market by bringing more and more items under the purview of insurance otherwise the competitors may take away Company's business.

Management perception

Insurance business globally is increasing. Industrialization and other infrastructure of the country are remarkably developing, as such the general insurance business is increasing day by day. New items are coming under the cover of insurance. The market is expanding as people are realizing the importance of insurance. Because of the Company's excellent services and introduction of new products, the Company faces low risk related with market.

Technology-related risks

Technology is a continuous process of development. Innovation of new and cost-effective technology may obsolete existing technology, which may cause negative impact on the business. The operation of the Company is capital intensive and the quality of the products is directly related to the sophistication of the machinery in use. In case, the technology of the machineries becomes obsolete, cost advantage and quality of production of the Company may be affected adversely.

Management perception

As overall insurance industry is not technology driven, the Company believes that there is very low probability that the technology change may adversely impact on the Companies Business operation.

(f) Potential or existing government regulations;

The development of the industry is mostly depending on government support. If Government fiscal and monetary policy is unfavorable towards the insurance industry, the growth and development of this sector would not be possible.

Management perception

The Government of Bangladesh is highly concentrated on economic development of the Country through industrialization. Bangladesh has been considered the most emerging economy country which economy is growing continuously. As progress of economy is continuing the others sub sectors also improving. By this way insurance sector shall be developed as new business opportunity has been created through economic progress.

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The Management of MICL perceive that these facilities shall remain in near future which shall have positively impact on development of insurance industry of our Country.

(g) Potential or existing changes in global or national policies;

The Company operates in an insurance industry. At present, government policy and global business situation is favorable for development in this sector. If any change in this condition, the profitability of the Company shall be affected.

Management perception

Insurance sector is a vital sector for the economic development of Bangladesh. The Government is keen to support this industry. Again, any changes in the policy of international trade may adversely affect the all global nations. So in that case the management of MICL shall reset their policy according to the global policy changes.

(h) Statutory clearances and approvals those are yet to be received by the issuer;

To smooth running of the business operation statutory clearance is required. The Company has to comply with several specific regulations of its primary regulator i.e. Insurance Development and Regulatory Authority (IDRA). Any noncompliance of its rules and regulation may impede the Initial Public Offering Process.

Management perception

The Management of MICL has been aware about the rules and regulations of their primary regulator i.e. Insurance Development and Regulatory Authority (IDRA). In past, The Company always seeks prior approval for its capital raising from IDRA before apply to BSEC. The Company has also notified IDRA regarding raising of capital through IPO and NOC for raising capital through IPO has also been received from IDRA prior to applying to BSEC for IPO.

(i) Competitive condition of the business;

In Bangladesh, during the 1970s, government-owned JBC and SBC was the only provider of life and general insurance coverage for individual and business properties. During that time insurance products were very few in number and the industry did not take innovative efforts for product development. In the country the first private insurance Company was set up in 1985. Since then non-government insurers have shown rapid growth in terms of institutional set-up, policy design and business expansion. When non-government insurers gradually have gained the foothold in the country, real competition in the sector has begun. However, the insurance industry in Bangladesh is very small compared to its economy and the number of insurance policyholders is still not increasing satisfactorily. At present, there are 46 general (non-life) insurance and 33 life insurance companies are operating in Bangladesh which are inadequate to provide insurance services to about 160 million people.

The insurance companies of our country perform a wide range of activities such as service designing, preparing contract and policy, marketing and selling, underwriting, rating, reinsurance and other services and claim settlement. The two governments owned insurance companies i.e. the Sadharan Bima Corporation and Jiban Bima Corporation get all the government insurance business by virtue of the Insurance Act of Bangladesh. According to the rule, all insurance in the government sector is done through these two nationalized insurance companies, so they enjoy a monopoly. None of the private insurance companies is allowed to offer insurance services to government organizations. However, later on as per The Insurance Corporation (Amendment) Act-1990 Section 23 Act VI Sub section (I) of 1993 "50% of all insurance business relating to any public property

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or to any risk or liability appertaining to any public property shall be placed with the Sadharan Bima Corporation and the remaining fifty percent of such business may be placed either with the corporation or with any other insurer in Bangladesh". Furthermore, Upon request of Bangladesh Insurance Association Ministry of Commerce of Bangladesh has stated that SBC would share 50% of the premium earned from public sector businesses equally among the private insurance companies. Insurance is a form of risk management, used to hedge against the risk of a contingent loss. It involves the transfer of the risk of potential loss from one entity to another, in exchange for a risk premium. Given this role, the insurance sector fosters financial stability by enabling economic agents to undertake various transactions with the facility of transfer and dispersion of risks. As a crucial component of the financial system, life insurance plans are an important source of savings and long-term institutional investments essential for the development and growth of bond markets. The role of insurance as a financial intermediary is particularly important in countries like Bangladesh with low levels of financial penetration.

Management perception

As well as the problems mentioned above, there are many good signs for the insurance business in Bangladesh. The factors that can facilitate the insurance business in our country are discussed below. These facts can be measured as the prospective fields for insurance business in Bangladesh.

Higher GDP

The GDP of our country is increasing than the previous years which results in increase of per capital income. So this growing GDP and income holds bright prospects for insurance companies. The major problem is the incapability of our people to pay the premium charged by the insurance companies. With the growth in the income more and more people are now willing to take an insurance policy for safeguarding themselves from any danger.

Increased population

There is a big opportunity lies ahead for the insurance companies as the population of our country are increasing day by day. Although most of people of our country live under extreme poverty level and want to avoid insurance policy number of potential policy holders in Bangladesh is growing with growth of the population. There is somewhat relationship between growing populations with the number of public vehicles. As we know all public vehicle must have an insurance policy. So growing population also increase the motor insurance too. That is growth in population opens greater scope for every kind of insurance business that results in growing prospect for insurance companies.

New business's individual insurance

There are so many new businesses starting every day and manufacturing sector is booming with global demand. Every business is insured under an insurance Company to protect its Company from any kind of accident. Therefore, growing industry, mill, factories are creating better scope for the insurance companies to flourish their business.

Developing mass awareness about insurance

People are now much more conscious about their safety. So they are encouraged to take an insurance policy for making their life free from any unexpected occurrence. Increase in literacy rate is helping predominantly to create awareness among the people regarding taking insurance policy. Besides this insurance companies are also trying to eradicate the

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negative attitude of people towards the Insurance Company by organizing various programs such as seminars, programs including social responsibilities etc.

Micro Insurance

Micro insurance can be a great prospective area for the insurance business in our country. Most of the people of our country are unable to have costly and long term insurance policies. Micro insurance can be provided to individual personnel or to small business owners against little insurance premiums and with easy terms and conditions. When they will afford to minimize their risks at a lower price, they will take that opportunity and they will become to get used to it. This can cover a huge portion of the society who can be a prospective target market for this business.

insurance sector in Bangladesh is contributing to the growth and development process of the business and property by protecting all variety of assets from all types of hazards. However, the size of the insurance industry in Bangladesh is small but over-institutionalized. Only by achieving competitiveness, this sector can contribute more to the development of the economy of the country. In spite of all constraints both at macro and micro environment, good growth rate and tremendous growth potential reconfirm the brightest prospects of the insurance sector in Bangladesh. If insurance sector can be developed at optimum level by eliminating the problems identified in the study, it is expected that it will continue to march forward at an accelerated speed and bring economic benefits to the economy.

(j) Complementary and supplementary products or services which may have an impact on business of the issuer. Management perception

MICL provides insurance services which has no supplementary or complementary product at all to its users.

Other risk factors:

No provision has been made against contingent liabilities.

MICL has contingent liabilities of Tk. 59,745,022 against Income Tax filed to Tax Appellate Tribunal against demand of Tax of NBR and Tk. 5,482,044.28 against VAT which is pending for the decision of the Commissioner of Custom Excise & VAT (South). If the tribunal verdict goes against the Company then the Company has to settle all liabilities of Tax and VAT against demand. As a result a significant amount of income shall be paid for this payment which may have eroded dividend payment capacity.

So, the Company has exposed to the risk that in future these liabilities may be exercised against the company which may adversely affect the dividend payment capability of the company.

Management perception

The Company is optimistic that Appellate Tribunal may accept their appeal. However, the Company aware about any future payment may arise due to claim by NBR for settlement of Tax and VAT.

It is mentionable here that, the Company is generating profit from existing business. Due to IPO fund shall be invested in fixed deposit and Treasury bond, after IPO the future liquidity shall also be improved.

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Again, after listing the brand image of the Company shall also be increased. As a result, the Company shall be able to undertake more insurance business from local and multinational company. So, It is expected that if any unforeseen event occur due to exercise of contingent liability in case of Income Tax and VAT, the Company shall be able to mitigate that Tax and VAT liability through business income.

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CHAPTER (XXI)

DESCRIPTION OF THE ISSUE

পুঁজিবাজারে বিনিয়োগ সুকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(a) Issue Size: Taka 160,000,000.00

(b) Number of securities to be issued: The Company will offer 16,000,000 Ordinary Shares, of these 16,000,000 ordinary shares 15% (i.e. 2,400,000 ordinary shares) are reserved for private offer, 17% (i.e. 2,720,000 Ordinary Shares) are reserved for Eligible Investor (EI) excluding mutual funds and CIS and 4.25% (i.e. 680,000 Ordinary Shares) are reserved for Mutual Funds and CIS and 59.50% (i.e. 9,520,000 Ordinary Shares) to General Public (GP) and remaining 4.25% (i.e. 680,000 Ordinary Shares) are reserved for NRB.

(c) Authorized capital and paid-up capital;

Particular	Amount in Tk.
Authorized Capital 100,000,000 Ordinary Share of Tk.10.00 each	1,000,000,000
Issued, Subscribed and Paid up Capital Before IPO 24,000,000 Ordinary Shares of Taka 10.00 each	240,000,000
Initial Public Offering through Fixed Price Method 16,000,000 Ordinary Shares of Taka 10.00 each	160,000,000
Post IPO Paid up Capital	400,000,000

(d) Face value, premium and offer price per unit of securities.

Face value per Share	Tk. 10.00 each
Premium	-
Offer Price per Share	Tk. 10.00 each

(e) Number of securities to be entitled for each category of applicants;

Particulars		%	No. of Ordinary Shares	Nominal Value	Issue	Issue Amount
					price	(Taka)
Private Offer		MICL Employees and others	15.00	2,400,000		24,000,000
Distribution of Securities excluding the portion under private offer :						
Initial Public Offering through Fixed Price Method excluding the portion of securities under private offer	Eligible investors (EI)	EI excluding mutual funds and CIS	20%	2,720,000	10	27,200,000
		Mutual Funds and CIS	5.00%	680,000		6,800,000
	General public (GP)	GP excluding NRB*	70.00%	9,520,000		95,200,000
		NRB	5.00%	680,000		6,800,000
	Sub Total		100	13,600,000		136,000,000
Total			16,000,000	160,000,000		

পুঁজিবাজারে বিনিয়োগ ত্বকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(f) Holding structure of different classes of securities before and after the issue;

Sl.	Category of Shareholders	No. of Ordinary Shares Hold			Percentage of Holding			
		Pre-IPO	Post-IPO (Public offer portion)	Post-IPO	Pre-IPO	Post-IPO (other than public offer portion)	Post-IPO (Public offer portion)	Post-IPO
1	Director & Sponsor	12,100,567	-	12,100,567	50.42%	30.25%	0.00%	30.25%
2	Institutional	6,572,512	2,720,000	9,292,512	27.39%	16.43%	6.80%	23.23%
3	Mutual Funds and CIS	-	680,000	680,000	0.00%	0.00%	1.70%	1.70%
4	Individual	5,326,921	11,920,000	17,246,921	22.20%	13.32%	29.80%	43.12%
5	Non-Resident Bangladeshis (NRBs)	-	680,000	680,000	0.00%	0.00%	1.70%	1.70%
Total		24,000,000	16,000,000	40,000,000	100.00%	60.00%	40.00%	100.00%

(g) Objective of the issue including financing requirements and feasibility in respect of enhanced paid-up capital.

Initial Public Offering (IPO) will be used as per use of proceed through issuance of 16,000,000 nos. of ordinary shares at an issue price of Tk. 10.00 each at par totaling Tk. 160,000,000 will be deployed as projected below:

Area of Utilization of IPO Fund	Amount in BDT
Investment in Capital Market	32,000,000
Investment in Treasury Bond	24,000,000
Investment in FDR	95,250,000
Estimated IPO Expenses	8,750,000
IPO Proceed	160,000,000

Feasibility:

Feasibility report is not required since the Company will not start new line of business with the money raised from the Initial Public Offering.

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CHAPTER (XXII)

USE OF PROCEEDS

পুঁজিবাজারে বিনিয়োগ বৃদ্ধিসূচক। জেনে ও বুঝে বিনিয়োগ করুন

- (a) Use of net proceeds of the offer indicating the amount to be used for each purpose with head-wise break-up;

Area of Utilization of IPO Fund	Amount in BDT
Investment in Capital Market:	32,000,000
Investment in Treasury Bond	24,000,000
Investment in FDR	95,250,000
Estimated IPO Expenses	8,750,000
IPO Proceed	160,000,000

Note: The estimated IPO expenses will be paid at actual and any excess adjustment will be paid from own source.

- (b) Utilization of the total amount of paid-up capital and share premium, if any, including the sponsors' contribution and capital raised of the issuer at the time of submission of prospectus, in details with indication of use of such funds in the financial statements;

The sponsors of the company have given paid up capital through cash consideration, bonus share and rights share issue which was used in ordinary course of business. Apart of that, the company has received any fund through private placements from any sponsor or any other person.

The utilization of paid-up capital of the company as follow:

SL.	Particulars	(Amount)	% of utilization
1	Investment as Fixed Deposit in Banks	54,350,000	22.65%
2	Investment in treasury bond	25,000,000	10.42%
3	Cash at Bank*	160,650,000	-
	Total	240,000,000	

*This amount was raised up to March 31, 2021 by issuing right share to existing shareholders. The amount has been kept to pay off the long term & short-term borrowing and rest amount for investment at FDR.

- (c) If one of the objects is an investment in a joint venture, a subsidiary, an associate or any acquisition, details of the form of investment, nature of benefit expected to accrue to the issuer as a result of the investment, brief description of business and financials of such venture;

The Company has no plan to invest the IPO proceeds in any subsidiary, associate, joint venture companies or any acquisition.

- (d) If IPO proceeds are not sufficient to complete the project, then source of additional fund must be mentioned. In this connection, copies of contract to meet the additional funds are required to be submitted to the Commission. The means and source of financing, including details of bridge loan or other financial arrangement, which may be repaid from the proceeds of the issue along with utilization of such funds;

Not applicable in this case.

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- (e) A schedule mentioning the stages of implementation and utilization of funds received through public offer in a tabular form, progress made so far, giving details of land acquisition, civil works, installation of plant and machinery, the approximate date of completion of the project and the projected date of full commercial operation etc. The schedule shall be signed by the Chief Executive Officer or Managing Director, Chief Financial Officer and Chairman on behalf of Board of Directors of the issuer;

USE OF PROCEEDS FROM IPO AND IMPLEMENTATION SCHEDULE

Initial Public Offering (IPO) will be used for enhancing the Tier 1 Capital Base of the Company inter alia proceeds from IPO through issuance of 16,000,000 nos. of ordinary shares at an issue price of Tk. 10.00 each at par totaling Tk. 160,000,000 will be deployed as projected below:

Area of Utilization of IPO Fund	Amount in BDT	Implementation Schedule
Investment in Capital Market:	32,000,000	Within 2(two) months
Investment in Govt. Treasury Bond	24,000,000	Within 2(two) months
Investment in FDR	95,250,000	Within 2(two) months
Estimated IPO Expenses	8,750,000	
IPO Proceed	160,000,000	

Sd/-
MOHAMMAD ABU BAKAR
SIDDIQUE
 Chief Executive Officer

Sd/-
Mr. Mohammed
Hafizur Rahman, FCA, FCS
 Chief Financial Officer

Sd/-
Mr. Mushfiq Rahman
 Chairman

on behalf of Board of Directors

- (f) If there are contracts covering any of the activities of the issuer for which the proceeds of sale of securities are to be used, such as contracts for the purchase of land or contracts for the construction of buildings, the issuer shall disclose the terms of such contracts, and copies of the contracts shall be enclosed as annexure to the prospectus;

As per rule (B)(21)(f) of Annexure-G of Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 there is no contract covering any of the activities of the issuer Company for which the proceeds of sale of securities from IPO is to be used.

- (g) If one of the objects of the issue is utilization of the issue proceeds for working capital, basis of estimation of working capital requirement along with the relevant assumptions, reasons for raising additional working capital substantiating the same with relevant facts and figures and also the reasons for financing short with long term investments and an item-wise break-up of last three years working capital and next two years projection;

No objects of the issue are utilization of the issue proceeds for working capital.

- (h) Where the issuer proposes to undertake one or more activities like diversification, modernization, expansion, etc., the total project cost activity-wise or project-wise, as the case may be;

No objects of the issue are to undertake activities like diversification, modernization, expansion, other than in current business activities only.

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- (i) **Where the issuer is implementing the project in a phased manner, the cost of each phase, including the phases, if any, which have already been implemented;**

Described under the title Use of Proceeds and Implementation Schedule are mentioned in the prospectus.

- (j) **The details of all existing or anticipated material transactions in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies;**

There is no existing or anticipated material transaction in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies.

- (k) **Summary of the project appraisal or feasibility report by the relevant professionals not connected with the issuer, issue managers and registrar to the issue with cost of the project and means of finance, weaknesses and threats, if any, as given in the appraisal or feasibility report.**

Not applicable here.

CHAPTER (XXIII)

LOCK-IN

পুঁজিবাজারে বিনিয়োগ কুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

- (i) Ordinary shares of the issuer, at the time of according consent to the public issue, shall be subject to lock-in, from the first trading day at the exchange in the following manner:
- (a) shares held by sponsors, directors and shareholders holding 10% (ten %) or more, for 03 (three) years;
 - (b) in case, any existing sponsor or director of the issuer transfers any share to any person, those transferred shares, for 03 (three) years;
 - (c) shares allotted to any person, before 4 (four) years or more of according consent to the public issue, other than the persons mentioned in clause (a) and (b), for 01 (one) year;
 - (d) shares held by alternative investment funds, for 01 (one) year;
 - (e) shares held by any person, other than the shares mentioned in clause (a), (b), (c) and (d) above, for 02 (two) years.
- (ii) The following table indicates the Lock-in status of the shareholders of Meghna Insurance Company Limited:

Sl.	Name of the Shareholders	Position	Number of Share Held	Pre IPO %	BO IDs	Date of 1st Acquisition	Lock In Period*
1	Mr. Javed Kaiser Aliy	Director	1,217,132	5.07	1205950069498499	1.12.2019	3y
2	Mr. Aliman Barik Choudhury	Director	1,034,562	4.31	1205950073665910	29.03.2010	3y
3	Ms. Ainab Choudhury	Sponsor	1,034,562	4.31	1205950073660787	29.06.2016	3y
4	Mr. Anisuzzaman Chowdhury	Shareholder	1,217,132	5.07	1205590063822550	01.12.2019	
			276,000				3y
			41,400				2y
			899,732				2y
5	Sadat Khan	Sponsor	145,312	0.69	1203040014680860	30.03.2000	3y
6	Mr. Zeeshan Khan	Sponsor	145,313	0.69	1202550073744104	22.02.2006	3y
7	Ms. Farida Akhter	Shareholder	1,267,845	5.26	1204240073732555	29.03.2010	
			250,000				3y
			37,500				1y
			43,125				2y
			937,220				2y
8	Mrs. Jotana Ara Begum	Sponsor	661,250	2.76	1205080074219280	29.03.2010	
9	Mr. Zaynal Abedin Chowdhury	Shareholder	330,425	1.38	1204490039453692	16.08.1995	
			250,000				3y

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10	Mrs. Masina Ahmed	Shareholder	37,500	1.38	1201480073706551	16.04.2015	1y
			43,125				2y
			330,425				3y
			250,000				1y
			37,500				2y
11	M.A. Hannan	Sponsor	43,125	1.93	1601880036568301	14.03.1996	3y
			442,875				
			912,849				
			207,000				2y
			31,050				2y
12	Mr. Mohammad Didarul Husain	Shareholder	674,799	3.8	1605550073658058	10.03.2019	2y
			1,267,845				2y
			250,000				2y
			37,500				
			43,125				
13	Mr. Mohammad Enayet Ullah	Shareholder	937,220	5.28	1204240073732670	28.01.1997	3y
			66,125				1y
			50,000				2y
			7,500				2y
			8,625				
14	Mr. Md. Azizul Haque	Shareholder	66,125	0.28	1602110000227716	09.06.1999	3y
			50,000				1y
			7,500				2y
			8,625				
			66,125				3y
15	Late Abdul Wahid	Sponsor	2,427,208	10.11	1605550073659178	01.12.2019	3y
			1,217,132				3y
			3,014,165				3y
			1,131,139				3y
			294,975				
16	IFAD Venture Limited	Shareholder	836,164	4.71	1605550073412731	29.12.20	2y
			198,375				2y
							3y
17	SW Holdings Limited	Director		12.56	1602510073719651	13.05.2018	3y
18	Runner Trading Ltd.	Shareholder		0.83	1601880073657912	16.08.1998	3y
19	NAMSS Motors Ltd.	Shareholder		0.83	1601880073657912	16.08.1998	3y
20	Matsy Enterprises Ltd.	Sponsor		0.83	1601880073657912	16.08.1998	3y

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21	ZAMORED Investments LLC	Director	2,890,488	12.04	1603870074634825	27.02.2020	3y
22	BARWAZ Investments LLC	Director	2,921,116	12.17	1603870074635094	29.12.2020	3y
Total			24,000,000	100			

**Mr. Abdul Wahid was died on 08/09/1996.

*Starts from the first trading day in the stock exchange.

CHAPTER (XXIV)

MARKETS FOR THE SECURITIES BEING OFFERED

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Stock Exchanges:

The issuer shall apply to all the relevant exchanges in Bangladesh within seven working days from the date of consent for public offer accorded by the Commission.



Dhaka Stock Exchange Limited (DSE)

9/F, Motijheel C/A, Dhaka-1000; and

Chittagong Stock Exchange Limited (CSE)

CSE Building, 1080 Sheikh Mujib Road, Chittagong.

Declaration about Listing of Shares with Stock Exchanges:

None of the Stock Exchanges, if for any reason, grant listing within 75 days from the closure of subscription, any allotment in terms of this prospectus shall be void and the Company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchange, or from the date of expiry of the said 75 (seventy-five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, the Company directors, in addition to the Issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two %) per month above the insurance rate, to the subscribers concerned.

The Issue managers, in addition to the Issuer Company, shall ensure due compliance of the above-mentioned conditions and shall submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days' time period allowed for refund of the subscription money.

Trading and Settlement:

Trading and Settlement Regulation of the stock exchanges will apply in respect of trading and settlement of the shares of the Company.

THE ISSUE SHALL BE PLACED IN "N" CATEGORY

CHAPTER (XXV)

DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED

পুঁজিবাজারে বিনিয়োগ সুকির্পূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

All types of securities outstanding or being offered with date or proposed date of such issue and to whom those are offered, number of securities and issue or offer price along with the following information:

(a) Dividend, voting and preemption rights;

The Share Capital of the company is divided into Ordinary Shares, carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act 1994 and the Articles of Association of the company. All Shareholders shall have the usual voting rights in person or by proxy in connection with, among others, election of Directors & Auditors and other usual agenda of General Meeting – Ordinary or Extra-ordinary. On a show of hand, every shareholder presents in person and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present or by proxy shall have one vote for every share held by him or her.

In case of any additional issue of shares for raising further capital, the existing shareholders shall be entitled to Right Issue of shares in terms of the guidelines issued by the BSEC from time to time.

(b) Conversion and liquidation rights;

In terms of provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are freely transferable. The Company shall not charge any fee for registering transfer of shares. No transfer shall be made to a firm, an infant or person of unsound mind.

(c) Dividend policy;

- i. The profit of the Company, subject to any special right relating thereto created or authorized to be created by the Memorandum and subject to the provisions of the Articles of Association, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.
- ii. No large dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of Net profit of the Company shall be conclusive.
- iii. No dividend shall be payable except out of the profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.
- iv. The Directors may from time to time pay the members such interim dividend as in their judgment the financial position of the Company may justify.
- v. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.
- vi. No limitation in payment of dividend is stipulated in any debt instrument or otherwise.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(d) Other rights of the securities holders;

In terms of the provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee, other than Government duties for registering transfer of shares. No transfer shall be made to a minor or person of unsound mind.

The Directors shall present the financial statements as required under the law & International Accounting Standard. Financial statements will be prepared in accordance with the International Accounting Standards consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and International Accounting Standard to the shareholders regarding the financial and operational position of the company. The shareholders shall have the right to receive all periodical statement and reports, audited as well as un audited, published by the company from time to time.

The shareholder holding minimum of 10% shares of paid-up capital of the company shall have the right to requisition extra ordinary General Meeting of the company as provided for the section 84 of the Companies Act 1994.

পুঞ্জিবাজারে বিনিয়োগ কুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

CHAPTER (XXVI)

FINANCIAL STATEMENTS

পুঁজিবাজারে বিনিয়োগ কুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

- (a) The latest financial statements prepared and audited by any of the Commission's panel of auditors in adherence to the provisions of the Securities and Exchange Rules, 1987, the Companies Act, 1994, International Financial Reporting and Auditing Standards as adopted in Bangladesh from time to time and any other law as applicable;

INDEPENDENT AUDITOR'S REPORT

To the shareholders of 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 Statement of Financial Position as at 31 March 2021, the Statement of Comprehensive Income, Profit and Loss Appropriation Account, related Revenue Accounts, Statement of Changes in Equity and Statement of Cash Flows for the period from 1st January 2021 to 31st March 2021, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 31 March 2021, and its financial performance and its cash flows for the period from 1st January 2021 to 31st March 2021, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key Audit Matters	Our response to the Key Audit Matters
Premium Income	
Premium income is the most financially significant item in the statement of profit and loss account & profit and loss appropriation account. The company has reported gross premium income of Taka	Our procedures included obtaining an understanding of management's premium income recognition process. We tested a sample of transactions to verify whether the revenue was accounted for in accordance with the revenue recognition policy as disclosed in Note-3.12 of the financial statements. In addition, we assessed whether the disclosed revenue recognition policy was in accordance with relevant Insurance Act & Rules.

পূঁজিবাজারে বিনিয়োগ বৃদ্ধিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

<p>219,130,267 for the period from 1st January 2021 to 31st March 2021.</p> <p>Gross general insurance premium comprises the total premium received during the accounting period for the entire period of cover for which insurance policy has been issued by contracts with Meghna Insurance Company Limited. As the premium income recognition, due to the significance of the balance to the financial statements as a whole, we regard this as a key audit matter.</p>	<p>For the revenue recognized throughout the year, we tested selected key controls, including results reviews by management, for their operating effectiveness and performed procedures to gain sufficient audit evidence on the accuracy of the accounting for customer contracts and related financial statement captions.</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> • Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations. • We conducted analytical procedures & recalculation of premium income. • On a sample basis, we reviewed policy to ensure the appropriate policy stamp was affixed to the contract and amount for deposit premium along with amount for policy stamp & VAT has been reflected in the premium register. • We ensured that premium income was being deposited in the designated bank account on a sample basis. • We carried out on a sample basis if appropriate re-insurance has been done on treaty basis and moreover, appropriate re-insurance premium was deducted from the gross premium. • We tested on a sample basis that appropriate VAT was collected & deposited through Treasury Challan to Bank. • We conducted substantive testing of premium income recorded over the year using sampling techniques by examining the relevant supporting documents including policy, premium register, bank reconciliation report, bank statement and also, we confirmed selected customers' outstanding premium at the financial position date, selected on a sample basis by considering the amount outstanding with those customers. • We specifically put emphasis on those transactions occurring close before or after the financial position date to obtain sufficient evidence over the accuracy of cut-off to ensure unearned premium income has not been included in the premium income. • 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.
<p>Estimated liability in respect of outstanding claims whether due or intimated and claim payment</p>	
<p>Meghna Insurance Company Limited has represented the amount related with the claim due or intimated from the insured which involves management judgment & risk of over & understatement of the value.</p>	<p>We tested design and operating effectiveness of control around the due and intimated claim recording process. We additionally carried out the following substantive testing around this item:</p> <ul style="list-style-type: none"> • Obtained the claim register and tested for completeness of claim recorded in the register on a sample basis. • Obtained a sample of claimed policy copy and cross checked it with claim.

পুঞ্জিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

<p>As a result, financial statements may show distorted amount which may also concern going concern issue for the company.</p> <p>For the period from 1st January 2021 to 31st March 2021, the Group reported total balance under the head of estimated liability in respect of outstanding claims whether due or intimated and claim payment of Taka 207,809,363.</p>	<ul style="list-style-type: none"> • Obtained a sample of survey report and cross checked those against respective ledger balances. • Obtained and discussed with management about their basis of estimation and challenged their assumption where appropriate. • 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.
<p>Fair value reserve on Investment of marketable securities</p>	
<p>The company makes a number of investments in the listed securities in the stock exchange. Income generated from the investment (realized gain and dividend received) is credited to the profit or loss account. Unrealized capital gain or loss is transferred to the fair value reserve as per policy of the company and maintains adequate deferred tax on such reserve.</p> <p>This item has significant impact on net asset value of the company and equity balance might be prone to misreporting as large unreported fall in the value of any holding may wipe out the portfolio and hamper the distribution capability of the company.</p>	<p>We tested the design and operating effectiveness of controls around monitoring, valuation and updating of prices of position held by the company from trusted sources. Additionally, we performed the following:</p> <ul style="list-style-type: none"> • Obtained year-end share holding positions from the company and through directional testing assessed the completeness of the report. • Ascertained the valuation of the holding as per IFRS 13. • Reviewed and challenged the assumptions used for the valuation models for any unquoted securities. • Recalculated unrealized gain or loss at the year end. • Carried out cut-off testing to ensure unrealized gain or loss was recognized in correct period. • Obtained the CDBL report and share portfolio and cross checked against each other to confirm unrealized gain or loss • Check the subsequent positioning of this unrealized amount after the year-end. • 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.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report but does not include the financial statements and our auditor's report thereon.

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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

পূঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

পুঞ্জিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Insurance Act, 2010, the Insurance Rules, 1958, the Securities and Exchange Rules, 1987 and other relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) The Company management has followed relevant provisions of laws and rules in managing the affairs of the Company and proper books of accounts, records and other statutory books have been properly maintained and (where applicable) proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- d) As per section 63(2) of the Insurance Act, 2010 in our opinion to the best of our knowledge and belief an according to the information and explanations given to us, all expenses of management wherever incurred and whether 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 show 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 accounts and returns; and
- g) The expenditure incurred was for the purpose of the Company's business.

Dated, Dhaka
10 August 2021

Sd/-
MABS & J Partners
Chartered Accountants
Signed by: Jagadish Chandra Biswas FCA
Partner
Enrollment No: 199

পুঁজিবাজারে বিনিয়োগ সুকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Meghna Insurance Company Limited

Statement of Financial Position

As at March 31, 2021

Particulars	Notes	Amount in Taka	
		31.03.21	31.12.20
Shareholder's equity & liabilities			
Share capital			
Authorized share capital	4.00	1,000,000,000	1,000,000,000
Issued, subscribed and paid-up-capital	4.00	240,000,000	79,350,000
Reserve, surplus or contingency account	5.00	153,738,618	127,286,806
Reserve for exceptional losses	5.01	117,734,663	114,734,663
Reserve for unrealized gain		1,685,501	1,895,674
Profit or Loss Appropriation Account	5.02	34,318,454	10,656,469
Total shareholders' equity		393,738,618	206,636,806
Balances of fund & accounts	6.00	70,592,862	176,133,377
Fire insurance business		21,932,623	52,557,990
Marine insurance business (Cargo)		37,377,886	44,587,061
Marine insurance business (Hull)		388,614	590,268
Motor insurance business		10,648,783	53,922,242
Miscellaneous insurance business		244,957	24,475,816
Liabilities and provisions		633,053,340	551,791,078
Estimated liability in respect of outstanding claims whether due or intimated	7.00	207,809,363	141,604,092
Amount due to other persons or bodies carrying on insurance business	8.00	165,700,356	155,432,323
Long term loan	9.00	21,853,584	33,532,603
Short term loan	10.00	13,876,617	17,441,247
Lease Liability	11.00	13,859,264	14,384,190
Premium deposit	12.00	48,870,919	50,484,267
Sundry creditors	13.00	86,238,187	81,406,748
Provision for income tax	14.01	72,621,374	55,340,775
Provision for deferred tax	14.03	2,223,676	2,164,833
Total liabilities, fund & provisions		703,646,202	727,924,454
Total shareholders' equity & liabilities		1,097,384,820	934,561,261

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Assets and properties

Non-current assets		272,293,936	269,715,351
Property, plant & equipments	15.00	247,150,411	244,564,272
Intangible Assets	16.00	143,525	151,079
Investments in treasury bond	17.00	25,000,000	25,000,000
Right-of-use asset	18.00	15,770,407	16,621,263
Current assets		809,320,477	648,224,647
Stock of printing, stationery & stamps	19.00	3,078,597	2,719,142
Amount due from other persons or bodies carrying on insurance business	20.00	114,125,180	111,275,061
Advance, deposit & prepayments	21.00	125,485,302	125,057,055
Interest and dividend receivable	22.00	5,710,952	5,964,680
Short term investment	23.00	262,161,311	258,871,484
Cash and cash equivalents	24.00	298,759,134	144,337,223
Total assets and properties		1,097,384,820	934,561,261
Net asset value per share	29.00	16.41	26.04

Sd/-
Chief Executive Officer

Sd/-
Director

Sd/-
Vice Chairman

Sd/-
Chairman

Date: 10.08.2021
Place: Dhaka

Sd/-
MABS & J Partners
Chartered Accountants
Signed by: Jagadish Chandra
Biswas FCA
Partner
Enrollment No: 199

পুঁজিবাজারে বিনিয়োগ কুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Meghna Insurance Company Limited

Statement of Profit or Loss and Other Comprehensive Income

For the period from 1st January 2021 to 31 March 2021

Particulars	Notes	Amount in Taka	
		31.03.21	31.03.20
Operating profit/(loss) transferred from:		54,970,527	96,919,035
Fire insurance revenue account		(49,832,436)	(8,973,133)
Marine cargo insurance revenue account		32,495,074	6,721,165
Marine hull insurance revenue account		200,404	(92,470)
Motor insurance revenue account		52,782,013	38,789,343
Miscellaneous insurance revenue account		19,325,473	30,474,130
Non-operating income			
Interest /profit	27.00	3,390,128	3,457,592
Dividend income	27.00		
Miscellaneous income	27.00		180,228
Profit / (Loss) on sale of share	27.00		(103,043)
Profit / (Loss) on sale of assets	27.00	(925)	437
Total Income		58,359,730	100,454,249
Less: Management Expenses			
Expenses of Management (not applicable to any particular fund or account)	25.00	10,681,052	6,713,367
Finance Cost	26.00	1,477,181	1,659,211
Net Profit/(Loss) before tax and WPPF		46,201,498	92,081,671
Workers' Profit participation fund	13.01	2,200,071	4,384,841
Net Profit after WPPF		44,001,426	87,696,830
Provision for taxation:		17,339,442	35,331,022
Current tax	14.02	17,280,599	33,878,732
Deferred tax	14.03	58,843	1,452,290
Profit after tax transferred to profit & loss appropriation account		26,661,984	52,365,808
Other comprehensive income			
Changes in fair value of shares	23.02	(210,173)	(481,703)
Total comprehensive income		26,451,811	51,884,105
Earning Per Share (EPS)	28.00	1.83	6.60

The accompanying notes 1 to 42 and Annexure A,B,C form an integral part of these financial statements.

Sd/-
Chief Executive Officer

Sd/-
Director

Sd/-
Vice Chairman

Sd/-
Chairman

Date: 10.08.2021
Place: Dhaka

Sd/-
MABS & J Partners
Chartered Accountants
Signed by: Jagadish Chandra Biswas FCA
Partner
Enrollment No: 199

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Profit or Loss Appropriation Account

For the period ended March 31, 2021

Particulars	Notes	Amount in Taka	
		31.03.21	31.03.20
Net profit after tax for the year brought down		26,661,984	52,365,808
Balance brought forward from last year		10,656,469	23,932,808
TOTAL		37,318,454	76,298,616
Reserve for exceptional losses		3,000,000	3,000,000
Stock Dividend		-	-
Prior year's adjustment		-	471,851
Balance transferred to statement of financial position		34,318,454	72,826,765
TOTAL		37,318,454	76,298,616

The accompanying notes 1 to 42 and Annexure A,B,C form an integral part of these financial statements.

Sd/-
Chief Executive Officer

Sd/-
Director

Sd/-
Vice Chairman

Sd/-
Chairman

Date: 10.08.2021

Place: Dhaka

Sd/-
MABS & J Partners
Chartered Accountants
Signed by: Jagadish Chandra Biswas FCA
Partner
Enrollment No: 199

পুঁজিবাজারে বিনিয়োগ বৃদ্ধিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Meghna Insurance Company Limited

Statement of Cash Flows

For the period ended March 31, 2021

Particulars	Amount in Taka	
	31.03.21	31.12.20
Cash flows from operating activities :		
Collections of premium and other income	189,527,553	471,404,212
Payments for management expense, re-insurance and claims	(170,245,965)	(315,212,957)
Income tax paid	-2,639,385	-4,485,419
Net Cash from operating activities	16,642,204	151,705,836
Cash flows from Investing activities :		
Acquisition of property, plant & equipment	-6,013,527	-44,219,200
Disposal of property, plant & equipment	1,400	453,900
Investment & others income	3,643,856	25,021,968
Other advance paid	2,118,638	(10,929,070)
Investment in share	-	-878,481
Sales of Investment	-	888,200
Short term investment	-3,500,000	-28,200,000
Net Cash used in Investing activities	(3,749,633)	(57,862,684)
Cash flows from Financing activities :		
Proceeds from issuing of share	160,650,000	-
Repayment of Long Term Loan	-11,679,019	-15,966,846
Receipt of Short Term Loan	335,320	2,288,752
Repayment of Short Term Loan	-3,899,950	-34,330,642
Lease Liability	(2,399,830)	(9,834,943)
Interest on Lease Liability	(1,477,181)	(8,251,398)
Net cash from financial activities	141,529,340	(66,095,077)
Net Increase/(Decrease) in cash & cash equivalents during the year	154,421,911	27,748,077
Cash and cash equivalents at the beginning of the year	144,337,223	116,589,146
Cash and cash equivalents at the end of the year	298,759,134	144,337,223
Net Operating Cash Flows per Share (NOCFS)	1.14	19.12

The accompanying notes 1 to 41 and Annexure A,B,C form an integral part of these financial statements.

Sd/-
Chief Executive Officer

Sd/-
Director

Sd/-
Vice Chairman

Sd/-
Chairman

SD/-
MABS & J Partners
Chartered Accountants
Signed by: Jagadish Chandra
Biswas FCA
Partner
Enrollment No: 199

Date: 10.08.2021
Place: Dhaka

Meghna Insurance Company Limited
Statement of Change in Equity
For the period ended March 31, 2021

Particulars	(Amount in Taka)				
	Share Capital	Reserve for Exception Losses	Reserve for unrealized gain/loss	Profit or Loss Appropriation	Total
Balance as on January 01, 2021	79,350,000	114,734,663	1,895,674	10,656,469	206,636,806
Reserve for exceptional losses for the year	-	3,000,000	-	(3,000,000)	-
Right Share issued	160,650,000	-	-	-	160,650,000
Unrealized gains/ (loss) for Investment in share	-	-	(210,173)	-	(210,173)
Profit for the year	-	-	-	26,661,984	26,661,984
Balance as on March 31, 2021	240,000,000	117,734,663	1,685,501	34,318,454	393,738,618
Balance as on January 01, 2020	69,000,000	104,734,663	(566,089)	23,932,808	197,101,382
Reserve for exceptional losses for the year	-	12,000,000	-	(12,000,000)	-
Prior year adjustment	-	-	-	(503,351)	(503,351)
Stock dividend	10,350,000	-	-	(10,350,000)	-
Unrealized gains/ (loss) for Investment in share	-	-	2,180,626	-	2,180,626
Adjustment on sale of share	-	-	281,137	-	281,137
Profit for the year	-	-	-	7,577,012	7,577,012
Balance as on December 31, 2020	79,350,000	116,734,663	1,895,674	10,656,469	206,636,806

Sd/-
Chief Executive Officer

Sd/-
Vice Chairman

Sd/-
Chairman

Date: 10.08.2021
Place: Dhaka

Sd/-
MAHS & J Partners
Chartered Accountants
Signed by: Jagadish Chandra Biswas FCA
Partner
Enrollment No: 199

পুঁজিবাজারে বিনিয়োগ সুরক্ষিত। জেনে ও বুঝে বিনিয়োগ করুন

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Meghna Insurance Company Limited
Consolidated Revenue Account
For the period ended March 31, 2021

Particulars	Notes
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 without due or intimated	
Less: Outstanding claims at the end of the Previous year (if any)	
Total Claims under Policies less Reinsurances:	
Agency Commissions	
Management Expenses	
Profit/(Loss) transferred to Statement of Profit or Loss and Other Comprehensive Income	
Reserve for Unexpired Risks transferred to Balance of Funds and Account at the end of the year in the Statement of Financial Position	
Total:	

Flow	Marine Cargo	Marine Hull	Motor	Miscellaneous	Total	Total
					31.03.21	31.03.20
32,044,377	6,700,726	-	3,597,612	25,258	41,867,973	3,719,196
199,878,110	4,607,142	-	3,123,011	-	207,609,363	103,958,085
331,923,487	11,307,868	-	6,720,623	25,258	349,977,336	307,677,284
332,720,110	5,346,125	-	3,383,217	167,640	341,604,092	162,261,208
99,194,377	6,381,843	-	2,859,406	-342,382	108,073,244	85,436,076
8,980,469	19,556,076	26,602	2,734,203	99,412	31,396,911	21,270,276
31,397,134	45,077,602	381,648	11,519,704	6,444,732	94,830,819	74,874,224
(49,432,436)	32,499,074	200,404	(2,782,013)	19,325,473	54,970,527	96,919,035
21,932,623	37,337,886	588,614	10,648,783	244,957	70,552,862	48,109,237
111,672,167	140,670,478	897,338	80,344,199	25,972,182	359,836,364	287,608,648

Reserve for Unexpired Risks in the Balance of Funds and Account at the beginning of the year:	
Premium Less Re-insurances	
Commission on Re-insurance ceded	
Total:	

52,567,998	44,587,061	590,288	53,572,142	24,474,816	176,133,377	156,461,771
54,831,357	93,444,714	388,614	26,621,957	612,398	175,899,235	122,447,366
4,382,520	2,618,703	18,446	-	883,088	7,831,752	8,590,711
111,672,167	140,670,478	997,338	80,344,199	25,972,182	359,836,364	287,608,648

The accompanying notes 1 to 41 and Annexure A&C form an integral part of these financial statements.

Sd/-
Chief Executive Officer

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Director

Sd/-
Vice Chairman

Sd/-
Chairman

Date: 10.08.2021
Place: Dhaka

Sd/-
MASS & J Partners
Chartered Accountants
Signed by: Jagadish Chandra Biswas FCA
Partner
Enrollment No: 199

পুঞ্জিবাজারে বিনিয়োগ বৃদ্ধিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Meghna Insurance Company Limited

Fire Insurance Revenue Account

For the period ended March 31, 2021

Particulars	Notes	Amount in Taka	
		31.03.21	31.03.20
Balance of account at the beginning of the year			
Reserve for unexpired risk		52,557,990	44,221,872
Premium less re-insurance	33.00	54,831,557	45,390,026
Commission on re-insurance ceded		4,282,620	4,551,881
Total		<u>111,672,167</u>	<u>94,163,779</u>
Claims under policies less re-insurance			
Paid during the period:		32,044,377	(1,999,358)
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated.		199,879,110	96,789,246
		231,923,487	94,789,888
Less: Outstanding claims at the end of the Previous year (if any)		132,729,110	46,720,096
Total Claims under Policies less Reinsurances:	34.00	<u>99,194,377</u>	<u>48,069,792</u>
Agent commission		8,980,469	9,155,976
Expenses of management	35.00	31,397,134	27,755,134
Profit/(loss) transferred to profit or loss account		(49,832,436)	(8,973,133)
Balance of accounts at the end of the year			
Reserve for unexpired risk	6.00	21,932,623	18,156,010
Total		<u>111,672,167</u>	<u>94,163,779</u>

The accompanying notes 1 to 41 and Annexure A,B,C form an integral part of these financial statements.

Sd/-
Chief Executive Officer

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Director

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Vice Chairman

Sd/-
Chairman

Date: 10.08.2021
Place: Dhaka

Sd/-
MABS & J Partners
Chartered Accountants
Signed by: Jagadish Chandra Biswas FCA
Partner
Enrollment No: 199

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Meghna Insurance Company Limited Marine Cargo Insurance Revenue Account

For the period ended March 31, 2021

Particulars	Notes	Amount in Taka	
		31.03.21	31.03.20
Balance of account at the beginning of the year			
Reserve for unexpired risk		44,587,061	42,247,370
Premium less re-insurance	33.00	93,444,714	51,644,086
Commission on re-insurance ceded		2,638,703	3,353,801
Total		140,670,478	97,245,257
Claims under policies less re-insurance			
Paid during the period:		6,700,726	2,012,001
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated.		4,807,242	2,380,476
		11,507,968	4,392,477
Less: Outstanding claims at the end of the Previous year (if any)		5,346,125	4,512,691
Total Claims under Policies less Reinsurances:	34.0	6,161,843	(120,214)
Agent commission		19,558,075	8,407,301
Expenses of management	35.0	45,077,601	31,579,371
Profit/(loss) transferred to profit or loss account		32,495,074	36,721,165
Balance of accounts at the end of the year			
Reserve for unexpired risk	6.00	37,377,886	20,657,634
Total		140,670,478	97,245,257

The accompanying notes 1 to 41 and Annexure A,B,C form an integral part of these financial statements.

Sd/-
Chief Executive Officer

Sd/-
Director

Sd/-
Vice Chairman

Sd/-
Chairman

Date: 10.08.2021
Place: Dhaka

Sd/-
MABS & J Partners
Chartered Accountants
Signed by: Jagadish Chandra Biswas FCA
Partner
Enrollment No: 199

পুঞ্জিবাক্সে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Meghna Insurance Company Limited

Marine Hull Insurance Revenue Account

For the period ended March 31, 2021

Particulars	Notes	Amount in Taka	
		31.03.21	31.03.20
Balance of account at the beginning of the year			
Reserve for unexpired risk		590,268	48,669
Premium less re-insurance	33.00	388,614	217,152
Commission on re-insurance ceded		18,446	23,145
Total		997,328	288,966
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.		-	-
Less: Outstanding claims at the end of the Previous year (if any)		-	-
Total Claims under Policies less Reinsurances:		-	-
Agent commission	34.00	26,662	31,500
Expenses of management	35.00	381,648	132,784
Profit/(loss) transferred to profit or loss account		200,404	-92,470
Balance of accounts at the end of the year			
Reserve for unexpired risk	6.00	388,614	217,152
Total		997,328	288,966

The accompanying notes 1 to 41 and Annexure A,B,C form an integral part of these financial statements.

Sd/-
Chief Executive Officer

Sd/-
Director

Sd/-
Vice Chairman

Sd/-
Chairman

Date: 10.08.2021
Place: Dhaka

Sd/-
MABS & J Partners
Chartered Accountants
Signed by: Jagadish Chandra Biswas FCA
Partner
Enrollment No: 199

পুঁজিবাজারে বিনিয়োগ কুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Meghna Insurance Company Limited
Motor Insurance Revenue Account
For the period ended March 31, 2021

Particulars	Notes	Amount in Taka	
		31.03.21	31.03.20
Balance of account at the beginning of the year			
Reserve for unexpired risk		53,922,242	46,989,426
Premium less re-insurance	33.00	26,621,957	24,324,887
Commission on re-insurance ceded			
Total		80,544,199	71,314,313
Claims under policies less re-insurance			
Paid during the period:		3,097,612	3,255,328
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated.		3,123,011	1,620,724
		6,220,623	4,876,052
Less: Outstanding claims at the end of the Previous year (if any)		3,361,217	498,421
Total Claims under Policies less Reinsurances:	34.0	2,859,406	4,377,631
Agent commission		2,734,293	3,543,180
Expenses of management	35.00	11,519,704	14,874,204
Profit/(loss) transferred to profit or loss account		52,782,013	38,789,343
Balance of accounts at the end of the year:			
Reserve for unexpired risk	6.00	10,648,783	9,729,955
Total		80,544,199	71,314,313

The accompanying notes 1 to 41 and Annexure A,B,C form an integral part of these financial statements.

Sd/-
Chief Executive Officer

Sd/-
Director

Sd/-
Vice Chairman

Sd/-
Chairman

Date: 10.08.2021
Place: Dhaka

Sd/-
MABS & J Partners
Chartered Accountants
Signed by: Jagadish Chandra Biswas FCA
Partner
Enrollment No: 199

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Meghna Insurance Company Limited

Miscellaneous Insurance Revenue Account

For the period ended March 31, 2021

Particulars	Notes	Amount in Taka	
		31.03.21	31.03.20
Balance of account at the beginning of the year			
Reserve for unexpired risk		24,475,816	22954434
Premium less re-insurance	33.00	612,393	871,215
Commission on re-insurance ceded		883,983	770,884
Total		25,972,192	24,596,533
Claims under policies less re-insurance			
Paid during the period:		25,258	451,227
		-	3,167,640
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated,		25,258	3,618,867
Less: Outstanding claims at the end of the Previous year (if any)		167,640	10,510,000
Total Claims under Policies less Reinsurances:	34.00	-142,382	-6,891,133
Agent commission		99,412	132,319
Expenses of management	35.00	6,444,732	532,731
Profit/(loss) transferred to profit or loss account		19,325,473	30,474,130
Balance of accounts at the end of the year			
Reserve for unexpired risk	6.00	244,957	348,486
Total		25,972,192	24,596,533

The accompanying notes 1 to 41 and Annexure A,B,C form an integral part of these financial statements.

Sd/-
Chief Executive Officer

Sd/-
Director

Sd/-
Vice Chairman

Sd/-
Chairman

Date: 10.08.2021
Place: Dhaka

Sd/-
MABS & J Partners
Chartered Accountants
Signed by: Jagadish Chandra Biswas FCA
Partner
Enrollment No: 199

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Meghna Insurance Company Limited Notes to the Financial Statements For the period 1st January to 31st March 2021

1. The company and its activities

1.1 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.

1.2 Registered office of the company

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

1.3 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. Basis of preparation and presentation of financial statements

2.1 a) Statement of compliance

The financial statements of the Company have been prepared in conformity with the International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Insurance Act 1938 (as amended in 2010), the Insurance Rules 1958, and other rules & regulations applicable in Bangladesh. The policies, wherever appropriate, are explained in the succeeding notes.

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:

Sl No.	Name of IAS	No of IAS / IFRS		Status
1	Presentation of Financial Statements	IAS	1	Complied
2	Statements of Cash Flows	IAS	7	Complied
3	Accounting Policies, Changes in Accounting Estimates and Errors	IAS	8	Complied
4	Events after the Reporting Period	IAS	10	Complied
5	Income Tax	IAS	12	Complied
6	Property, plant and equipment	IAS	16	Complied
7	Insurance Contracts	IFRS	4	Complied
8	Financial Instruments: Disclosures	IFRS	7	Complied
9	Financial Instruments	IFRS	9	Complied
10	Fair Value Measurement	IFRS	13	Complied
11	Leases	IFRS	16	Complied
13	Related party transaction	IAS	24	Complied
14	Financial instruments' presentation	IAS	32	Complied
15	Earnings per share	IAS	33	Complied

পুঁজিবাজারে বিনিয়োগ সুকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

16	Impairment of Assets	IAS	36	
17	Provision, Contingent Liabilities and Contingent Assets	IAS	37	Complied
18	Intangible Assets	IAS	38	Complied
19	Financial Instruments: Recognition and Measurement	IAS	39	Complied

2.2 Other regulatory compliance

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

- The Income Tax Ordinance, 1984
- The Income Tax Rules, 1984
- The Value Added Tax Act, 1991
- The Value Added Tax Rules, 1991
- Stamp Act, 1899

2.3 Implication of Covid-19 on our business:

The outbreak of the pandemic caused by the novel coronavirus (COVID -19) in 2020, has triggered an immense change in terms of lifestyle, economical drift and the behavior of customer across the world. The grievous impact of the pandemic had hit hard the global economy including global share markets, job market, travels, health care industries, insurance industry, different service industries and had many economies plunge into recession in 2020. The International Monetary Fund estimated that the global economy has shrunk by 4.4% in 2020 and claimed that it the worst since Great Depression of the 1930s is a clear indication where the global economy is heading.

Due to the outbreak of pandemic the real GDP growth of Bangladesh has decelerated 5.2% in FY 2019-2020 only for the sharp fall in RMG sector's revenue, decrease private investments and business interruption. The insurance industry of Bangladesh has always been struck with many pullbacks, even without the pandemics. Yet only 6% of the population of the country is protected by a range of insurance products. In the year 2019, the insurance penetration of the country was around only 0.6% whereas the global average is 2.8%. Though the insurance penetration was consistently low over the years, the industry has observed a gradual growth over the last few years starting from 2011 till 2019 in terms of premium income and claim payment as well.

The insurance gap, which indicates assets at risk that are not covered by insurance, stands at \$5.5 billion, or 2.1% of the GDP. The high economic development of Bangladesh seems to have no relation with the insurance sector, a puzzle that needs to be solved to take the country towards a path of sustainable growth. In a recent analysis, research firm Light Castle Partners found that Bangladesh is the most underinsured country in the non-life insurance category, despite standing to lose as much as 0.8% of its GDP to natural disasters a year. Data by Swiss Re Institute, a leading global re-insurer, also shows overall insurance penetration in Bangladesh stood at a meagre 0.57% in 2018 – the lowest among emerging Asian countries. Penetration rate is measured as the ratio of premium underwritten in a particular year to the GDP.

Insurance penetration was 5.27% in Thailand in 2018, followed by 4.77% in Malaysia, 4.22% in China, 3.70% in India, 2.42% in Vietnam, 1.95% in Indonesia, 1.82% in the Philippines and 1.15% in Sri Lanka. Taiwan has the highest penetration rate with 18%.

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Main impact of Covid-19 on MICL relates to decline commission income in 2020. Lockdown resulted to deferral in policy renewals and auto renewal of motor policies were renewed later post lockdown. Management expenses has been increased due to nonperformance of several branches. However, 6.60% growth was achieved in overall all class wise business.

Business continuity activity to move to home working has been put in place with a focus on maintaining acceptable levels of service for claims and existing customer renewals without material customer detriment. The Company continues to work closely with its suppliers to understand and manage the impact of COVID-19 on our supply chain. The COVID-19 development has led to significant reductions in market values in the early part of 2020 and heightened volatility. Management are regularly assessing the impact on the financial, liquidity and solvency position with actions in place to respond where appropriate. The impact of COVID-19 is continuing to evolve at a fast pace, and therefore it is not practicable to quantify the potential financial impact on the Company at the time of writing.

2.4. 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 does 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.

2.5 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

2.6 Basis of preparation

The financial statements of the Company have been prepared under historical cost convention in a going concern concept and on accrual basis in accordance with Generally Accepted Accounting Principles and practice in Bangladesh except property, plant & equipment. Disclosure of financial information as required by Insurance Act 2010 have been complied with while preparing statement of financial position, statement of comprehensive income and revenue accounts for specific classes of insurance business in the form set forth in the first, second and third schedule of the Insurance Act and also in compliance with the Companies Act 1994. In addition, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

2.7 Branch accounting

The company has 47 branch offices with no overseas branch as on 31st March 2021. Accounts of the branches are maintained at the head office.

পুঁজিবাজারে বিনিয়োগ তৃকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

2.8 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, 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 (%)
2020	619.40	6.60%
2019	581.04	25.79%
2018	461.91	12.02%
2017	412.34	-12.54%
2016	471.47	12.30%

During the period from January 01, 2021 to 31st March 2021 Gross Premium Income was 219.13 million in Taka.

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

Business Segments	2020	2019	Growth (%)
Fire Insurance	242.35	213.64	13.44%
Marine Insurance	156.01	148.01	5.15%
Motor Insurance	136.72	121.42	12.60%
Miscellaneous Insurance	84.33	97.61	-13.61%

During the period from January 01, 2021 to 31st March 2021 Business Segment-wise Gross Premium Income (in Million Taka)

Business Segments	March 2021
Fire Insurance	72.56
Marine Insurance	105.06
Motor Insurance	26.62
Miscellaneous Insurance	14.89

Segregation of Net Premium

Business Segments	2020		2019		Growth (%)
	Amount (in Million Taka)	Business Mix of Net Premium (%)	Amount (in Million Taka)	% of Total Net Premium	
Fire Insurance	131.17	29.94%	110.55	28.27%	18.65%
Marine Insurance	110.80	25.29%	105.67	27.02%	4.85%
Motor Insurance	134.41	30.68%	117.47	30.04%	14.42%
Miscellaneous Insurance	61.66	14.08%	57.39	14.67%	7.45%
Total	438.04	100.00%	391.08	100.00%	12.01%

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During the period from January 01, 2021 to 31st March 2021 Business Segment-wise Net Premium Income (in Million Taka)

Business Segments	March 2021
Fire Insurance	54.83
Marine Insurance	93.83
Motor Insurance	26.62
Miscellaneous Insurance	0.61

2.8 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.

2.9 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 March, 2021.

2.10 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) Other 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

2.11 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.

2.12 Functional & presentation currency

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

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2.13 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.

3.0 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.

3.1 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.

3.2 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"

3.3 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".

3.2 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.

3.4. Events after the Reporting Period

In compliance with the requirements of IAS 10: Events after the Reporting period, Post balance sheet event that provide additional information about the company's position at the balance sheet date are reflected in the financial statements where applicable and events after the balance sheet date that are disclosed in the notes when material. There is no material adjusting or not-adjusting events after the reporting period.

3.5 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

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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.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

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

Depreciation is recognised in profit or loss on a diminishing 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 years 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

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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.

3.6 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%.

3.7 Short term investment:

3.7.1 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.

3.7.2 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 year on aggregate portfolio basis is made in the financial statements

3.8. 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. In case of low value

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

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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 2021.

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

3.9 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.

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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.

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 year with the relevant statements of the accounts from Shadharan Bima Corporation are received.

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 Shadharan Bima Corporation's Circular.

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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 Shadharani 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 year 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 year.

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

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.

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, we are yet to provide for the said provision.

Medical assistance:

The Company has been operating a Health Plan Policy for all Permanent employees for the supporting of medical assistance as per health plan policy terms & condition.

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

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approval in the Annual General Meeting and the expense is accounted for in the year to which same relates.

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 year 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 year, 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 for outstanding claims

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.

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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 2020 to 31st December 2021 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 31 March 2021. During the period the company has included 1 (one) Quarters of surplus treaty accounts in the following manner:

Period	Particulars of Quarter	No
1 st October 2020 to 31 st December 2020	3 rd Quarter of 2020	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 year.

Basic Earnings:

This represents earnings for the period 1st January 2021 to 31 March, 2021 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 year and accordingly no dilution is required in the year 2021.

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 financial and operating decisions. The company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties.

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, 2019 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 year's financial statements.

3.25 General

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

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Particulars	Amount in Taka	
	31.03.21	31.12.20
4.00 Share Capital		
4.01 Authorized Capital		
100,000,000 ordinary shares of Tk 10 each	1,000,000,000	1,000,000,000
4.02 Issued, subscribed & paid up capital		
240,00,000 ordinary shares of Tk 10 each fully paid up	240,000,000	79,350,000

4.03	Sl	Name of Shareholders	Position	Shareholding	Shareholding %
	01	Mr. Javed Kaiser Ally	Director	1,217,132	5.07%
	02	Mr. Aiman Barik Choudhury	Shareholder	1,034,562	4.31%
	03	Ms Alhab Choudhury	Shareholder	1,034,562	4.31%
	04	Mr. Anisuzzaman Chowdhury	Shareholder	1,217,132	5.07%
	05	NAMSS motors Limited	Corporate Shareholder	1,131,139	4.71%
	06	Barister Sadat Khan	Shareholder	165,312	0.69%
	07	Mr. Zeeshan Khan	Shareholder	165,313	0.69%
	08	Ms. Farida Akhter	Shareholder	1,267,845	5.28%
	09	Ms. Jalsna Ara Begum	Shareholder	661,250	2.76%
	10	Mr. Zoynal Abedin Chowdhury	Shareholder	330,625	1.38%
	11	Mrs. Marina Ahmed	Shareholder	330,625	1.38%
	12	Mr. M.A. Hannan	Shareholder	462,875	1.93%
	13	Mr. Mohammad Didarul Husain	Shareholder	912,849	3.80%
	14	Mr. Mohammad Enayetullah	Shareholder	1,267,845	5.28%
	15	Mr. Azizul Haque	Shareholder	66,125	0.28%
	16	Late Abdul Wahid	Shareholder	66,125	0.28%
	17	IFAD Venture Limited	Corporate Shareholder	2,427,208	10.11%
	18	SW Holdings Ltd	Corporate Shareholder	1,217,132	5.07%
	19	Runner Trading Ltd.	Corporate Shareholder	3,014,165	12.56%
	20	Matsy Enterprises Ltd.	Corporate Shareholder	198,375	0.83%
	21	ZAMORED Investments LLC	Corporate Shareholder	2,890,688	12.04%
	22	BARWAZ Investments LLC	Corporate Shareholder	2,921,116	12.17%
	Total			24,000,000	100.00%

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5.00 Reserve or contingency account

Reserve for exceptional losses	117,734,663	114,734,663
Profit or loss appropriation account	34,318,454	10,656,469
	152,053,117	125,391,132

5.01 Reserve for Exceptional losses

Opening balance	114,734,663	104,734,663
Addition during the year	3,000,000	10,000,000
	117,734,663	114,734,663

As per Income Tax Ordinance-1984 paragraph 6(2) of Schedule-IV, maximum 10% of net premium could be transfer to statutory reserve.

5.02 Profit or loss appropriation account

Balance brought forward from last year	10,656,469	23,932,808
Add: Net profit during the year	26,661,984	7,577,012
	37,318,454	31,509,820
Less: Reserve for exceptional losses	3,000,000	10,000,000
Stock Dividend	-	10,350,000
Prior year adjustment	-	503,351
Surplus carried forward	34,318,454	10,656,469

6.00 Balances of fund & accounts

Fire insurance business	21,932,623	52,557,990
Marine insurance business (Cargo)	37,377,886	44,587,061
Marine insurance business (Hull)	388,614	590,268
Motor insurance business	10,648,783	53,922,242
Miscellaneous insurance business	244,957	24,475,816
	70,592,862	176,133,377

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

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Particulars	Net Premium	%	Balance of Fund	
			31.03.21	31.12.20
Fire insurance business	54,831,557	40%	21,932,623	52,557,990
Marine insurance business (Cargo)	93,444,714	40%	37,377,886	44,587,061
Marine insurance business (Hull)	388,614	100%	388,614	590,268
Motor insurance business	26,621,957	40%	10,648,783	53,922,242
Miscellaneous insurance business	612,393	40%	244,957	24,475,816
	175,899,235		70,592,862	176,133,377

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

The break-up of the amount is noted below:

Fire	199,879,110	132,729,110
Marine (Cargo)	4,807,242	5,346,125
Marine (Hull)	-	-
Motor	3,123,011	3,361,217
Miscellaneous	-	167,640
	207,809,363	141,604,092

8.00 Amount due to other person or bodies carrying on Insurance business

Opening Balance	155,432,323	181,075,394
Add: Addition for the year	21,344,273	128,855,221
	176,776,596	309,930,615
Less: Adjustment for the year	11,076,240	154,498,292
	165,700,356	155,432,323

This represents the amount payable to Sadharan Bima Corporation on account of re-insurance premium as March 31, 2020

9.00 Long term loan

Opening balance	33,532,603	49,499,449
Add: Loan taken during the year	-	-
	33,532,603	49,499,449
Less: Loan repaid during the year	11,679,019	15,966,846
Closing balance	21,853,584	33,532,603

This represent loan from IDLC Finance Ltd which is repayable within 7 years. The loan is secured against registered mortgage of Flat value Tk.18,06,07,468.00

পুঁজিবাজারে বিনিয়োগ কুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Details of the long terms loan is as under:

Account No	Amount	Amount
1026102041641001	-	3,243,710
1026102041641002	-	2,960,721
1026102041641003	21,853,584	23,965,869
1026102041641004	-	3,362,303
	21,853,584	33,532,603

10.00 Short term loan :

Opening balance	17,441,247	49,483,137
Add: Loan taken during the year	335,320	2,288,752
	17,776,567	51,771,889
Less: Loan repaid during the year	3,899,950	34,330,642
Closing balance	13,876,617	17,441,247

Details of short term loan is as under

Short term loan with SIBL	9,092,579	11,455,577
Short term loan with BASIC	4,784,038	5,985,670
	13,876,617	17,441,247

11.00 Lease Liability

Opening balance	14,384,190	-
Add: Addition for the period	1,874,904	24,438,322
	16,259,094	24,438,322
Less : Adjustment for the period	2,399,830	10,054,132
Closing balance	13,859,264	14,384,190

12.00 Premium deposit

Marine cargo	48,870,919	50,484,267
	48,870,919	50,484,267

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.

13.00 Sundry Creditors

The balance is made-up as follows:

Salary payable	23,001,519	25,208,847
Audit fees payable	414,950	214,950
Office rent payable	-	603,299
Utility Bill Payable:	125,137	74,437

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Stamp payable	42,173,767	26,306,286
Excess deposit	7,498	100,685
Provision for company con. to PF.	102,183	103,072
Provision for employee con. to PF.	274,637	275,528
Tax Payable :	2,717,443	3,557,366
VAT Payable	5,009,613	10,647,111
Loan from Directors	39,183	-
Security Deposit	213,999	213,999
EMKLEY Enterprise Ltd	340,000	4,794,200
Envelope & Co	253,219	-
TNS Electronics	58,000	-
Performance Bonus payable	4,000,000	4,000,000
Contribution to WPPF	7,507,039	5,306,968
	86,238,187	81,406,748
13.01 Contribution to WPPF		
This is made up as follows:		
Opening Balance	5,306,968	4,711,236
Add: Contribution this year	2,200,071	595,732
	7,507,039	5,306,968
Profit before WPPF	46,201,498	12,510,362
Contribution to WPPF	2,200,071	595,732
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 provided in the year.		
13.02 Allocation of WPPF		
A.Workers' Participation Fund (80%)	6,005,631	4,245,574
B.Workers' Welfare Fund (10%)	750,704	530,697
C.Bangladesh Labour Welfare Foundation (10%)	750,704	530,697
	7,507,039	5,306,968
14.00 Provision for Income tax		
Current tax [Note-14.01]	72,621,374	55,340,775
Deffer tax [Note-14.03]	2,223,676	2,164,833
	74,845,050	57,505,608
14.01 Provision for current income tax		
Opening Balance	55,340,775	52,354,165
Add: Addition during the year [Note-14.02]	17,280,599	2,986,610
	72,621,374	55,340,775
Less: Adjustment during the year	-	-
	72,621,374	55,340,775

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

14.02 Provision for current income tax

<u>Classes of income</u>	<u>Tax Rate</u>		
Business income	40.00%	17,280,599	2,986,610
Dividend income	20.00%	-	-
Share income	10.00%	-	-
		17,280,599	2,986,610

14.03 Provision for deferred income tax

Opening Balance		2,164,833	813,825
Add: Addition during the year	14.04	58,843	1,351,008
		2,223,676	2,164,833
Less: Adjustment during the year		-	-
		2,223,676	2,164,833

14.04 Deferred Tax Liability

Deferred Tax liability is arrived at as follows:

Particulars	Amount (Taka) 31.03.21	Amount (Taka) 31.12.20
Book Value of Depreciable Fixed Assets	247,372,974	241,425,786
Less: Tax base Value	241,603,611	238,194,329
Taxable Temporary difference	5,769,363	3,231,457
Unrealized gain/(loss) in investment in share	-210,173	2,180,626
Less: Tax base Value	-	-
Deductable Temporary difference	-210,173	2,180,626
Net Taxable Temporary Difference	5,559,190	5,412,083
Applicable Tax Rate	40.00%	40.00%
Deferred Tax Liabilities	2,223,676	2,164,833

Deferred Tax

Particulars	Amount (Taka) 31.03.21	Amount (Taka) 31.12.20
Closing Deferred Tax Liabilities	2,223,676	2,164,833
Opening Deferred Tax Liabilities	2,164,833	813,825
Deferred Tax	58,843	1,351,008

পুঁজিবাজারে বিনিয়োগ কুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

15.00 Property, plant and equipment

Cost

Opening balance	317,830,731	276,344,131
Add: Addition during the period	6,013,527	44,219,200
	323,844,258	320,563,331
Less: Sales during the period	6,000	2,732,600
	323,838,258	317,830,731

Accumulated depreciation

Opening balance	73,266,459	68,034,201
Add: Charged during the period	3,425,063	7,325,821
	76,691,522	75,360,022
Less: Adjustment during the period	3,675	2,093,563
	76,687,847	73,266,459
Written down value (A-B)	247,150,411	244,564,272

16.00 Intangible Assets

Cost

Opening balance	910,000	910,000
Add: Addition during the period	-	-
	910,000	910,000
Less: Sales during the period	-	-
	910,000	910,000

Accumulated depreciation

Opening balance	758,921	721,151
Add: Charged during the period	7,554	37,770
	766,475	758,921
Less: Adjustment during the period	-	-
	766,475	758,921
Written down value (A-B)	143,525	151,079

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%

17.00 Investment in Treasury Bond

Bangladesh Government Treasury Bond (15 Years)	9,000,000	9,000,000
Bangladesh Government Treasury Bond (10 Years)	16,000,000	16,000,000
	25,000,000	25,000,000

পুঁজিবাজারে বিনিয়োগ কুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

This amount represents investment in 15 years & 10 Years Treasury Bond at the simple interest rate of 12.10% and 7.79% p.a. which is considered as statutory deposit under section 23 and 24 of the Insurance Act, 2010 (The First Schedule item 2(B)).

18.00	Right of use Asset		
	Opening balance:	28,051,946	-
	Add: Addition during the period	1,967,403	28,051,946
		<u>30,019,349</u>	<u>28,051,946</u>
	Less: Adjustment during the period	-	-
		<u>30,019,349</u>	<u>28,051,946</u>
	Accumulated depreciation		
	Opening balance	11,430,683	-
	Add: Charged during the period	2,818,259	11,430,683
		<u>14,248,942</u>	<u>11,430,683</u>
	Less: Adjustment during the period	-	-
		<u>14,248,942</u>	<u>11,430,683</u>
	Written down value (A-B)	<u>15,770,407</u>	<u>16,621,263</u>

19.00	Stock of printing, stationery & stamps		
	Stationery	482,913	457,295
	Insurance stamp	2,595,684	2,261,847
		<u>3,078,597</u>	<u>2,719,142</u>

20.00	Amount due from other persons or bodies carrying on insurance business		
	Receivable from Sadharan Bima Corporation (SBC) & Others		
	Opening Balance	111,275,061	99,494,593
	Add: addition for the year	2,850,119	11,780,468
		<u>114,125,180</u>	<u>111,275,061</u>
	Less: adjustment for the year	-	-
		<u>114,125,180</u>	<u>111,275,061</u>

This amount represents the receivable from commission, claim and other receivable from Sadharan Bima Corporation as at March 31, 2021

21.00	Advance, deposit & prepayments		
	Advance income tax	100,408,519	97,769,134
	Advance against office rent	2,290,571	2,314,768

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Advance against salary	12,765,838	12,950,333
Advanced to head of branch	5,076,469	5,076,469
Advanced to branch	93,321	93,321
Agent balance	-	3,768,946
Security deposits with T&T	127,363	122,863
Green Delta Financial Services	558	558
SB Securities Ltd.	1,663	1,663
Moltitude architect	459,000	459,000
Prime Finance Capital Mgt Ltd	300,000	300,000
Codesign Ltd	600,000	600,000
Dof Printing & Packaging	-	700,000
MANAS	800,000	800,000
Kazi & Khan Associates	-	100,000
Brand soup ltd	2,562,000	-
	125,485,302	125,057,055
21.01 Advance tax :		
Income tax	84,562,156	82,562,156
Tax on FDR Interest	10,883,315	10,518,930
Tax on STD interest	607,433	607,433
Tax on interest on treasury bond	428,636	428,636
Tax on car registration	3,903,321	3,628,321
Tax on dividend	23,658	23,658
	100,408,519	97,769,134
22.00 Interest receivable		
The balance is made up as follows:		
Opening Balance	5,964,680	6,124,216
Add: Addition during the year	3,390,128	5,964,680
	9,354,808	12,088,896
Less: Adjustment during the year	3,643,856	6,124,216
	5,710,952	5,964,680
23.00 Short term investment		
Investment in FDR [23.01]	256,850,000	253,350,000
Investment in share [23.02]	5,311,311	5,521,484
	262,161,311	258,871,484
23.01 Investment in FDR		
The balance is made up as follows:		
Opening Balance	253,350,000	225,150,000
Add: Addition during the year	5,000,000	42,500,000
	258,350,000	267,650,000
Less: Encashment during the year	1,500,000	14,300,000
	256,850,000	253,350,000

পূঁজিবাজারে বিনিয়োগ কুঁকিসূঁঁর্প । জেনে ও বুঝে বিনিয়োগ করুন

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	62,600,000	59,100,000
12 months term FDR	194,250,000	194,250,000
	256,850,000	253,350,000

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 price as on 31.03.2021	Fair Value As on 31.03.2021	Un-realized gain/ (loss)	Fair Value as on 31.12.2020
BSCCL	30,640	3,158,084	5,006,576	1,047,592	5,059,304
ILFSL	51,650	354,066	734,995	(119,071)	337,900
NORTHERNINS	2,200	112,760	69,740	(43,020)	104,200
	87,490	3,625,810	5,311,311	1,685,501	5,521,484

This represents company's investment in shares of the following public limited company:					
Share in Public Limited Company	No. of Share	Cost price as on 31.12.20	Fair Value As on 31.12.20	Un-realized gain/ (loss)	31.12.19
BSCCL	30,640	3,158,084	5,089,304	1,930,320	2,874,032
ILFSL	51,650	354,066	377,900	(26,166)	395,850
NORTHERNINS	2,200	112,760	104,280	(8,480)	-
	87,490	3,625,810	5,521,484	1,895,674	3,269,882

Investment in listed securities have been presented in the fair value as per IFRS-09 through Other Comprehensive Income unrealized gain/(loss) has been charged in Reserved for unrealized gain

24.00 Cash and cash equivalents

Cash in hand (Note 24.01)	16,669,813	19,097,789
Cash at bank (Note 24.02)	282,089,321	125,239,434
	298,759,134	144,337,223

24.01 Cash in hand

Head office	598,733	269,941
Branch office	16,071,080	18,827,848
	16,669,813	19,097,789

পুঁজিবাজারে বিনিয়োগ কুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

24.02 Cash at bank

Fixed Deposit	[Annex-B]	1,500,000	1,500,000
Short term deposit	[Annex-C]	277,590,085	113,231,004
Current deposit	[Annex-C]	2,999,236	10,508,430
		282,089,321	125,239,434

25.00 Expenses of management

Board Meeting fee & expenses	84,375	101,250
Audit fees	200,000	59,338
Depreciation	3,432,617	1,847,750
Depreciation on right-of-use asset	2,818,259	2,630,126
Advertisement and publicity	330,853	133,336
Donation and subscription	-	20,000
AGM Expenses	-	58,017
Corporate social responsibility	-	1,645,500
Legal and professional fees	2,052,500	51,250
Meeting and conference	1,761,552	75,000
Registration fees	895	460
Credit Rating Fee	-	63,125
Web page Development	-	28,215
	10,681,051	6,713,367

26.00 Finance Cost

Interest on loan	1,290,489	1,462,665
Interest on Lease Liability	186,692	196,546
	1,477,181	1,659,211

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 cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate. Here incremental borrowing rate has been considered.

27.00 Investment & others income

Interest / profit (not applicable to any particular fund or account)	3,390,128	3,457,592
Dividend income	-	-
Miscellaneous income	-	180,228
Profit / (Loss) on sale of share	-	(103,043)
Profit / (Loss) on sale of assets	(925)	437
	3,389,203	3,535,214

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28.00 Earning Per share (EPS)

The earning per share of the company is as follows:

A. Number of shares:

Shares outstanding at the beginning of the year	7,935,000	6,900,000
Stock dividend issued during the year	-	10,35,000
Fresh Share issued during the period	16,065,000	-
	24,000,000	7,935,000

Weight:

Shares outstanding at the beginning of the year	100.00%	100.00%
Stock dividend issued during the year	41.22%	0.00%

Weighted average number of shares:

Shares outstanding at the beginning of the year	7,935,000	6,900,000
Stock dividend issued during the period	-	1,035,000
Fresh Share issued during the year	6,622,349	-
	14,557,349	7,935,000

B. Earnings attributable to shareholders

Earning attributable to ordinary share holders (profit after tax)	26,661,984	52,365,808
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C. Basic Earning per share [B/A]

1.83	6.60
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Earning per share is calculated in accordance with IAS 33 "Earning Per Share" which has been shown on the face on Profit & Loss Appropriation Accounts.

29.00 Net Assets value per share (NAV)

Based on 24,00,000 shares Net asset value Per Share as at March 31, 2021 has also been calculated as stated below:

Net Assets	393,738,618	197,667,470
Ordinary Shares at 1st January	7,935,000	6,900,000
Issued Share /Stock dividend Issued	16,065,000	
Weighted average number of ordinary shares outstanding during the year	24,000,000	6,900,000
Weighted average number of ordinary shares	24,000,000	6,900,000
Net asset value Per Share	16.41	28.65

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

30.00 Net operating cash flows per share (NOCPS)

Net Operating Cash Flows Per Share(NOCFPS) has been calculated based on Weighted average number 14,557,349 shares Details calculation are as follows:

Net cash generated from operating activities	16,642,204	64,933,233
Weighted average number of ordinary shares	14,557,349	7,935,000
Net Operating Cash Flows per Share	1.14	8.18

31.00 Reconciliation of net profit with cash flow from operating activities

Reconciliation of net profit to net operating cash flow		
Net Profit before tax	44,001,454	11,914,680
Depreciation	3,432,617	7,363,591
(Increase)/decrease in provision for taxation	(17,380,699)	(2,936,610)
Increase/(decrease) in deferred tax	11,149	1,301,008
Increase/(decrease) the balance of fund	(103,540,515)	19,671,505
Increase/(decrease) the premium deposit	(1,613,343)	22,753,111
Increase/(decrease) of amount due to other person or body	10,263,033	(25,643,071)
whether paid or intimated	66,205,271	79,662,564
Increase/(decrease) in sundry creditors	17,300,700	51,105,718
Increase/(decrease) in Lease Liability	(521,926)	14,381,190
(Increase)/decrease of stock of stamps	(563,557)	(1,096,019)
(Increase)/decrease of stock of printing	(25,410)	335,671
(Increase)/decrease in Advance, deposit & prepayment	5,396,931	(10,782,033)
(Increase)/decrease in advance income tax	(2,039,385)	(4,435,419)
(Increase)/decrease of amount due from other person or body	(2,550,119)	(11,760,468)
(Increase)/decrease in interest outstanding	253,723	159,836
Net cash flow from operating activities	16,642,204	151,705,336

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 March 2020:

Salary (Monthly)	Total Employees
Below Tk. 3,000	
Above Tk. 3,000	600
Total	600

পুঁজিবাজারে বিনিয়োগ সুকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

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

Empolyess	Amount in Taka	
	31.03.2021	31.03.2020
Directors	Nil	Nil
Executives	16,287,557	-
Managers	7,844,409	-
Officer	1,172,655	-
	25,304,621	-

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

Name of Directors	Designation	Remuneration	Festival Bonus	Total Payment
Sabrina Choudhury	Chairman	Nil	Nil	Nil
Musfiq Rahman	Director	Nil	Nil	Nil
Javed Kasier Ally	Director	Nil	Nil	Nil
Farida Akter	Director	Nil	Nil	Nil
Col. Md. Abdul matin (Retd)	Director	Nil	Nil	Nil
Shahnaz Matin Shupri	Director	Nil	Nil	Nil
Mohammed Alaís Miah	Director	Nil	Nil	Nil
Ishlaque Ahmed Chowdhury	Director	Nil	Nil	Nil
Total				

Period of payment to Directors is from 01 January 2021 to 31 March 2021

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
b. Commission or other remuneration payable separately to a managing agent or his associate	Nil
c. Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into such concerns with company	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 financial year	Nil
e. Any other perquisites or bene fits in cash or in kind statting	Nil

পুঁজিবাজারে বিনিয়োগ সুরক্ষিত। জেনে ও বুঝে বিনিয়োগ করুন

f. Other allowances and commission including guarantee commission	Nil
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Pensions, etc.

1) pensions	Nil
2) Gratuites	Nil
3) Payment from provided fund	Nil
4) Compensation	Nil
5) Consideration in connection with retirement from office	Nil

33.00 Premium less re-insurance

Class of Business	Gross Premium	Reinsurance Accepted	Re-insurance ceded	Net premium 31.03.21	Net premium 31.03.20
Fire	72,558,564		17,727,007	54,831,557	45,390,026
Marine (Cargo)	104,174,029		10,729,315	93,444,714	51,644,086
Marine (Hull)	881,985		493,371	388,614	217,152
Motor	26,621,957		-	26,621,957	24,324,887
Miscellaneous	14,893,732		14,281,339	612,393	871,215
	219,130,267		43,231,032	175,899,235	122,447,366

34.00 Claims under policies less re-insurance

Class of Business	Paid	Estimated Liability	Previous year's balance	Net claim 31.03.21	Net claim 31.03.20
Fire	32,044,377	199,879,110	132,729,110	99,194,377	48,069,792
Marine (Cargo)	6,700,726	4,807,242	5,346,125	6,161,843	-120,214
Marine (Hull)	-	-	-	-	-
Motor	3,097,612	3,123,011	3,361,217	2,859,406	4,377,631
Miscellaneous	25,258	-	167,640	(142,382)	6,891,133
	41,867,973	207,809,363	141,604,092	108,073,244	45,436,076

পুঁজিবাজারে বিনিয়োগ সুকির্পূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

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	
	31.03.21	31.03.20
Fire	31,397,134	27,755,134
Marine (Cargo)	45,077,601	31,579,371
Marine (Hull)	381,648	132,784
Motor	11,519,704	14,874,204
Miscellaneous	6,444,732	532,731
	94,820,819	74,874,224

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 March 31, 2021 are as follows:

Name Of the Party	Relationship	Name of the transaction	Premium earned	Premium outstanding	Claim Paid
Aswad Composite Mills Ltd	Director's wife	Insurance	3,661,393		
Ayesha Clothing Co. Ltd	Director's wife	Insurance	700,309		-
Arkay Knit Dyeing Mills Ltd	Director's wife	Insurance	3,318,055		403,823
Nafa Apparels Ltd	Director's wife	Insurance	75,897		-
Marina Apparels Ltd	Director's wife	Insurance	172		-
Safaa Sweaters Ltd	Director's wife	Insurance	-		-
Hamza Trims Ltd	Director's wife	Insurance	44,919		-
Hamza Logistics Ltd	Director's wife	Insurance	262,005		25,000.00

পুঁজিবাজারে বিনিয়োগ বৃদ্ধিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Hamza Clothing Ltd	Director's wife	Insurance	1,337		1,210,938
Cortz Apparels Ltd	Director's wife	Insurance	230,559		-
Magnum Traders	Director's wife	Insurance	11,136		-
Ayesha Fashion Ltd	Director's wife	Insurance	46,720		-
			8,352,502		1,639,761

37.00 Board Meeting

During this period 2021, the company had a Board of Directors consisting of 8(eight) members and held 1 (one) 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 period 2021 there were 1 (one) board meeting were held. The attendance status of board meeting is as follows:

Name of Directors	Position	No. of meeting held	Attended
Sabrina Choudhury	Chairman	1	1
Musfiq Rahman	Vice-Chairman	1	1
Javed Kasier Ally	Director	1	1
Farida Akter	Director	1	1
Col. Md. Abdul Matin (Retd)	Director	1	1
Shahnaz Matin Shupri	Director	1	1
Mohammed Alaia Miah	Director	1	1
Ishfiqua Ahmed Chowdhury	Director	1	1

38.00 Capital Expenditures Commitment

There was no capital expenditure commitment as at 31st March, 2021.

39.00 Claim not acknowledged as debt

There was no claim against the company acknowledged as debt as on 31st March, 2021.

40.00 Un-availed credit facilities

There was a credit facility available to the company from IDLC Finance Ltd and Schedule Banks under any contract availed of as on 31st March, 2021 other than trade credit available in the ordinary course of business.

পূঁজিবাজারে বিনিয়োগ বৃদ্ধি। জেনে ও বুঝে বিনিয়োগ করুন

41.00 Contingent Liability

There was a demand of Tk.31,17,70,159 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 2016. The company filed a writ 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 Demanded	Current Status
2008	2009-10	Tk. 55,82,708.00	Writ to High Court
2009	2010-11	Tk. 74,10,938.00	Writ to High Court
2010	2011-12	Tk. 93,94,572.00	Writ to High Court
2011	2012-13	Tk. 87,84,979.00	Writ to High Court
2012	2013-14	Tk. 1,09,80,046.00	Writ to High Court
2013	2014-15	Tk. 2,35,22,314.00	Writ to High Court
2014	2015-16	Tk. 6,83,65,501.00	Writ to High Court
2015	2016-17	Tk. 7,58,48,066.00	Writ to High Court
2016	2017-18	Tk. 10,18,81,035.00	Appeal before Tribunal
2017	2018-19		Assessment under process
2018	2019-20		Assessment under process
2019	2020-21	...	Assessment under process
Total		Tk. 31,17,70,159	

42.00 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.

শুজিবাজারে বিনিয়োগ কৃত্তিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Meghna Insurance Company Limited
Classified Summary of Assets Form "AA"
For the period ended March 31, 2021

Class of assets	Amount in Taka		
	31.03.21	31.12.20	
Investments in treasury bond	25,000,000	25,000,000	At Cost
i) Bangladesh Treasury Bond,			
(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	
iii) Amount due from other persons or bodies carrying on insurance business	114,125,180.48	111,275,061.48	Book Value
Cash, cash equivalent & short term investment:	560,920,445	403,208,707	Book Value
i) Short term investment	262,161,311	258,871,484	
ii) Cash at Bank	282,089,321	125,239,434	
iii) Cash in hand	16,669,813	19,097,789	
Interest and dividend receivable	5,710,952	5,964,680	Book Value
Advance, deposit & prepayments	125,485,302	125,057,055	Book Value
Property, plant & equipments	247,150,411	244,564,272	
Intangible Assets	143,525	151,079	
Right-of-use asset	15,770,407	16,621,263	
Stock of printing, stationery & stamps	3,078,597	2,719,142	
	1,097,384,820	934,561,261	

Sd/-
Chief Executive Officer

Sd/-
Director

Sd/-
Vice Chairman

Sd/-
Chairman

Sd/-
MABS & J Partners
Chartered Accountants
Signed by: Jagadish Chandra
Biswas FCA
Partner
Enrollment No: 199

Date: 10.08.2021
Place: Dhaka

Figure 4

Sl. No.	Particulars	Amount during the period	Rate / Adjustment this year	Amount before changing depreciation (Rs)	Rate of Dep. (%)	Amount during the period	Depreciation Adjustment this year	Δ A. 31.03.2021	Written Down Value as on 31.03.2020
1.	Office Furniture	15,958.00	0.020	1,12,02,014	1.00	3,818.355	3,818	-3,818.355	1,08,201,199
2.	Office Furniture	16,777.00	0.020	1,10,00,000	1.00	3,800.000	3,800	-3,800.000	1,06,197,000
3.	Office Furniture	11,024.888	0.020	5,64,68,615	1.00	5,58,79,205	5,58,79,205	-	14,45,77,500
4.	Computer	4,50,000	-	1,65,00,000	1.00	2,98,00,000	1,77,00,000	1,77,00,000	1,37,00,000
5.	AI, Camcorder	6,15,218	-	7,45,22,235	1.00	3,87,94,7	2,54,28,5	4,41,11,2	5,21,11,2
6.	Office Equipment	9,94,912	0.020	2,75,00,000	1.00	8,90,00,000	1,87,50,000	1,87,50,000	1,07,50,000
7.	Computer	4,50,000	-	1,65,22,235	1.00	1,77,00,000	2,76,00,000	2,76,00,000	1,38,00,000
8.	AI	1,10,00,000	0.020	1,10,00,000	1.00	1,10,00,000	-	-	1,10,00,000
9.	Office Space	18,55,131	0.020	1,55,52,183	1.00	1,55,52,183	1,55,52,183	1,55,52,183	18,55,131
	Total-2020	1,17,00,000	0.020	1,23,10,000	1.00	75,66,439	75,66,439	75,66,439	2,44,56,479
	100%	2,53,444.13	0.041399	2,62,77,28.94	0.0850	88,01,94.20	88,01,94.20	88,01,94.20	2,13,19,68.99

Schedule of Information Assets

Sr	Particulars	Amt. 01.01.2021	Ans. during the day	Date / Adjustment	Ans. before charging depr.	Tax or Dep.	Ans. after charging depr.	Charged during the day	Ans. 01.01.2021	Ans. 21.02.2021	Written Down Value as on 31.12.2020
2	Salvage	9,00,000	-	-	87,600	2%	86,724	86,724	86,724	86,724	151,079
	Total Ans.	910,000	-	-	87,600	-	86,724	86,724	86,724	86,724	151,079

Submission of Rights of Invention
As of 17 March 2011

SL. No	Particulars	Cost added during the year	Amortisation charged over the period	W. H. & B. Value as on 31.03.2021	W. H. & B. Value as on 31.03.2020
1.	Right-of-use asset	10,01,910	1,80,549	1,153,603	13,770,497
	Total	78,837,167	3,43,763	9,62,532	16,09,034

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Meghna Insurance Company Limited
Schedule of Fixed Deposit Recalpt
As at 31 March 2021

Annexure - B

Sl	Bank Name	Branch Name	FDR Number	31.03.2021	2020
1	AB Bank Ltd	Kokrai Branch	3572115	1,000,000	1,000,000
2		Kokrai Branch	3454209	500,000	500,000
3		Khalungonj Branch	3458887/06/2017		
4		Khushi Branch	3247234	500,000	500,000
5		Khushi Branch	3374147	2,000,000	2,000,000
6		Mipur Branch	3289353	1,000,000	1,000,000
7		Nazu Mah Hal Branch	3368859	1,000,000	1,000,000
8		Port Connecting Road Branch	3288659	500,000	500,000
9		Principal Branch	3147775	1,500,000	1,500,000
10		Principal Branch	3545246	200,000	200,000
11		Principal Branch	3703719	500,000	500,000
12		Imamgong Branch	3613524	500,000	500,000
13		Imamgong Branch	3613660	500,000	500,000
14		Nawabpur Road Branch	3580896	500,000	500,000
15	Agrani Bank	Principal Branch	0272380/90693/10057800	2,000,000	2,000,000
16		Nawabpur Branch	0814335/1213208748	500,000	500,000
17		Gallamari Branch	96132003589		
18		Gallamari Branch	96132003995		
19		Nababpur Branch	121320874988	1,000,000	1,000,000
20		South Jafraabai Branch	771320002745	500,000	500,000
21		Barani Branch	0070905/0201330012672	500,000	500,000
22		Bhairab Branch	177693/52132000392	500,000	500,000
23		Bhairab Branch	177761 / 521320000428	1,000,000	1,000,000
24		Motijheel Crepener Branch	93706/0151330217652	500,000	500,000
25		Gulshan Branch	302910/1320000624	500,000	500,000
26		Jafraabai Branch(West)	253253 /511330001391	300,000	300,000
27		Jafraabai Branch(West)	253763/511330001601	400,000	400,000
28		Jafraabai Branch(West)	457544/ 51132000221	500,000	500,000
29	Al Arafah Islami Bank Ltd.	Jessore Branch	301320099616	500,000	500,000
30		Kalafra Branch	400282/ 81132000008*	500,000	500,000
31		Maulabibazar Branch	144899/31330007198	200,000	200,000
32		Maulabibazar Branch	31330008018	500,000	500,000
33		Mipur Branch	0155986/18188	100,000	100,000
34		Mipur Branch	0174442/18998	200,000	200,000
35		Mohakhali Branch	15178/ 1261330000118	500,000	500,000
36		Motijheel Corporate Branch	391362/ 151320017923	1,000,000	1,000,000
37		Nawabpur branch	0246771/ -321320871794	500,000	500,000
38		North South Road Branch	336124/191320062786	500,000	500,000
39		North South Road Branch	62734/ 0191330063532	200,000	200,000
40		Panthapath Branch	505455/ 0841330000617	500,000	500,000
41		Pragati Sarani Branch	0343249/ 451330005057	500,000	500,000
42		Pragati Sarani Branch	242826/451330004855	250,000	250,000
43		Pragati Sarani Branch	243589/451330005248	500,000	500,000
44		Pragati Sarani Branch	243994/ 451320001366	1,000,000	1,000,000
45		Pragati Sarani Branch	742447/ 451330010075	500,000	500,000
46		South Jafraabai Branch	0771330001723	1,000,000	1,000,000
47		South Jafraabai Branch	232913/771320000160	500,000	500,000
48		South Jafraabai Branch	432364/771320000277	500,000	500,000
49		Station Road Branch,Ctg	228290/881320003341	1,000,000	1,000,000
50		Station Road Branch,Ctg	0717707/0881330002175	1,000,000	1,000,000
51	Al Arafah Islami Bank Ltd.	Brigade Branch	1111320001808	500,000	500,000
52		VIP Road Branch	474317/141330017563	500,000	500,000
53		Station Road Branch,Ctg	0717918/20000197	500,000	500,000
54		Kowranibazar Branch	20005168	500,000	500,000
55		Benapole Branch	20005409	1,000,000	1,000,000
56		Motijheel Branch	030065/0021330000654	500,000	500,000

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57		Bangora Branch	552/00150100056217	500,000	500,000
58		Bangora Branch	405/00100100046780	500,000	500,000
59		Bangora Branch	227/2710007120	500,000	500,000
60		Bangorahat Branch	048/01/45100100110	1,000,000	1,000,000
61		Bogra Branch	040809/00000052	1,000,000	1,000,000
62		Bogra Branch	0401/06/19100100000000	1,000,000	1,000,000
63		Bogra Branch	040809	500,000	500,000
64		Bogra Branch	00/4/12100100100000	1,000,000	1,000,000
65		Dhaka Branch	017264/00002500	400,000	400,000
66		Dhaka Branch	0113001/00000000	500,000	500,000
67		Jessore Branch	158018	500,000	500,000
68		Jessore Branch	110107/1010010013075	500,000	500,000
69		Tongi Branch	1478-01-0007420	500,000	500,000
70	BASIC Bank Ltd	Chittagong Branch	712607/0010000000	500,000	500,000
71		Chittagong Branch	99040/4510010005661	500,000	500,000
72		Kowar Branch	006976/7	500,000	500,000
73		Kowar Branch	040089/011801000008	500,000	500,000
74		Kishoreganj Branch	2676/210010002031	1,000,000	1,000,000
75		Maddur Branch	045140/40/2010	500,000	500,000
76		Maddur Branch	097760/07/2010	500,000	500,000
77		Mair Branch	055779/00011956	500,000	500,000
78		Mair Branch	043293/00020011	500,000	500,000
79		Mair Branch	05037/0718/01000000	500,000	500,000
80		Rongpur Branch	054/81/00100100000071	500,000	500,000
81		Rongpur Branch	49746/001001000100	500,000	500,000
82		Rongpur Branch	0018/00100100020710	500,000	500,000
83		Saidpur Branch	000000/00000000	500,000	500,000
84		Syenpur Branch	26410/201001000102	500,000	500,000
85		Sylhet Branch	76410/00100100000011	500,000	500,000
86		Tarapur Branch	116888/40719	500,000	500,000
87		Tarapur Branch	0100000/10	500,000	500,000
88		Tarapur Branch	102440/508		
89		Tarapur Branch	0100000/10		
90		Tarapur Branch	102073/741		
91		Tarapur Branch	101000/401	500,000	500,000
92		Tarapur Branch	165072/1064	500,000	500,000
93	SCBL	Tarapur Branch	0100000/10	500,000	500,000
94		Tarapur Branch	165072/1064	500,000	500,000
95		Tarapur Branch	0100000/10	500,000	500,000
96		Tarapur Branch	165072/1064	500,000	500,000
97		Tarapur Branch	0100000/10	500,000	500,000
98		Tarapur Branch	165072/1064	500,000	500,000
99		Tarapur Branch	0100000/10	500,000	500,000
100	BRAC Bank Ltd.	Tarapur Branch	165072/1064	500,000	500,000
101		Tarapur Branch	0100000/10	500,000	500,000
102		Tarapur Branch	165072/1064	500,000	500,000
103	Bangladesh Krishi Bank	Tarapur Branch	0100000/10	500,000	500,000
104		Tarapur Branch	165072/1064	500,000	500,000

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57		Bangladesh Branch	552/66/8010005977/	500,000	500,000
58		Bangladesh Branch	628/74/8010006070	500,000	500,000
59		Bangladesh Branch	22762/10007123	500,000	500,000
60		Bangladesh Branch	013616/18/80100010	1,000,000	1,000,000
61		Bogra Branch	063639/03302052	1,000,000	1,000,000
62		Bogra Branch	043516/121801000023	1,000,000	1,000,000
63		Bogra Branch	040835	500,000	500,000
64		Bogra Branch	10762/1018010010388	2,000,000	2,000,000
65		Dhaka Branch	017544/09009561	400,000	400,000
66		Dhaka Branch	011002/03302046	500,000	500,000
67		Jessore Branch	10012	400,000	400,000
68		Jessore Branch	112187/1818010010876	500,000	500,000
69		Tarabagar Branch	1418-01-0037420	500,000	500,000
70	BASIS Bank Ltd	Chittagong Branch	71288/481801000707	500,000	500,000
71		Chittagong Branch	99040/481801000961	500,000	500,000
72		Barisal Branch	40055/577	500,000	500,000
73		Khulna Branch	06308/781/00100000	500,000	500,000
74		Khatungang Branch	2696/2113010002631	1,000,000	1,000,000
75		Madadai Branch	048142/42/2012	500,000	500,000
76		Madadai Branch	097768/07/2013	500,000	500,000
77		Mam Branch	035799/03011956	500,000	500,000
78		Mam Branch	045798/03014014	500,000	500,000
79		Mam Branch	50037/021041-000323	400,000	400,000
80		Rongpur Branch	061461/021801000007	400,000	400,000
81		Rongpur Branch	40146/021801000126	500,000	500,000
82		Rongpur Branch	0245/0218010002719	500,000	500,000
83		Shantinagar Branch	020636/03003438	500,000	500,000
84		Syedpur Branch	26410/261801000113	500,000	500,000
85		Mulbari Branch	26410/2618010000311	500,000	500,000
86		Narayanganj Branch	118000/02719	400,000	400,000
87	BCBL	Bangladesh Branch	0102319710	500,000	500,000
88		Dandura Branch	102442/808		
89		Bangladesh Branch	0102319710		
90		Bangladesh Branch	199578/741		
91		Bangladesh Branch	101577/659	500,000	500,000
92		Chitala Branch	603927/061	400,000	400,000
93		Chitala Branch	603917/069	400,000	400,000
94		Dhaka Branch	16045/1624	500,000	500,000
95		Dhaka Branch	4134108/1066	500,000	500,000
96		Principal Branch	168871/4570	500,000	500,000
97		A.B. Khan Mouda Br. Ctg	712940/03010007030	500,000	500,000
98		A.B. Khan Mouda Br. Ctg	5033500214	500,000	500,000
99		Sonargaon Road Branch	186241/1112	400,000	400,000
100	BRAC Bank Ltd.	Sonargaon Branch	1532830/0310/0001	400,000	400,000
101		Gulshan Branch	1501200101870004	500,000	500,000
102		Local Principal Office	254649	500,000	500,000
103	Bangladesh Krishi Bank	Dhaka Branch	41027	500,000	500,000
104		Local Principal Office	890957/14916	500,000	500,000

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শুজিবাজারে বিনিয়োগ কৃকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

148		Head Office	2265/0100320/40073	300,000	300,000
149	First Ladies Finance & Investment Ltd.	Head Office	2265/0100320/40073	300,000	300,000
150	First Security Islami Bank Ltd.	Kowsha Branch	1211443		
151		Bangsha Branch	80007/2018	300,000	300,000
152		Bangsha Branch	1421631/244990	300,000	300,000
153		Bangsha Branch	1000990/111111	300,000	300,000
154		Bangsha Branch	8512567/43340	300,000	300,000
155		Bogra Branch	0014533/1441017	300,000	300,000
156		Bogra Branch	1114354/1144714	300,000	300,000
157		Bogra Branch	1211133/2006	300,000	300,000
158		Bogra Branch	1000990/111111	300,000	300,000
159		Foreign Branches Branch	232054/020710	300,000	300,000
160		Concord Branch	1107004/140604	300,000	300,000
161		Concord Branch	1141100/1001	300,000	300,000
162		Concord Branch	1141100/1001	300,000	300,000
163		Concord Branch	1391670/1111	300,000	300,000
164		Concord Branch	2000387000020000	300,000	300,000
165		Concord Branch	1111111/1111	300,000	300,000
166		Concord Branch	1111111/1111	300,000	300,000
167		Concord Branch	1111111/1111	300,000	300,000
168		Concord Branch	1111111/1111	300,000	300,000
169		Concord Branch	1111111/1111	300,000	300,000
170		Concord Branch	1111111/1111	300,000	300,000
171		Concord Branch	1111111/1111	300,000	300,000
172		Concord Branch	1111111/1111	300,000	300,000
173		Concord Branch	1111111/1111	300,000	300,000
174		Concord Branch	1111111/1111	300,000	300,000
175		Concord Branch	1111111/1111	300,000	300,000
176		Concord Branch	1111111/1111	300,000	300,000
177		Concord Branch	1111111/1111	300,000	300,000
178		Concord Branch	1111111/1111	300,000	300,000
179		Concord Branch	1111111/1111	300,000	300,000
180		Concord Branch	1111111/1111	300,000	300,000
181	ICB Islami Bank	Concord Branch	1111111/1111	300,000	300,000
182		Concord Branch	1111111/1111	300,000	300,000
183		Concord Branch	1111111/1111	300,000	300,000
184		Concord Branch	1111111/1111	300,000	300,000
185		Concord Branch	1111111/1111	300,000	300,000
186		Concord Branch	1111111/1111	300,000	300,000
187		Concord Branch	1111111/1111	300,000	300,000
188		Concord Branch	1111111/1111	300,000	300,000
189		Concord Branch	1111111/1111	300,000	300,000
190		Concord Branch	1111111/1111	300,000	300,000
191		Concord Branch	1111111/1111	300,000	300,000
192		Concord Branch	1111111/1111	300,000	300,000
193		Concord Branch	1111111/1111	300,000	300,000
194		Concord Branch	1111111/1111	300,000	300,000
195		Concord Branch	1111111/1111	300,000	300,000
196	IFC Bank Ltd.	Concord Branch	1111111/1111	300,000	300,000
197		Concord Branch	1111111/1111	300,000	300,000
198		Concord Branch	1111111/1111	300,000	300,000
199		Concord Branch	1111111/1111	300,000	300,000
200		Concord Branch	1111111/1111	300,000	300,000
201		Concord Branch	1111111/1111	300,000	300,000
202		Concord Branch	1111111/1111	300,000	300,000
203		Concord Branch	1111111/1111	300,000	300,000
204		Concord Branch	1111111/1111	300,000	300,000
205		Concord Branch	1111111/1111	300,000	300,000
206	IDC	Concord Branch	1111111/1111	300,000	300,000
207		Concord Branch	1111111/1111	300,000	300,000
208		Concord Branch	1111111/1111	300,000	300,000
209		Concord Branch	1111111/1111	300,000	300,000
210		Concord Branch	1111111/1111	300,000	300,000
211		Concord Branch	1111111/1111	300,000	300,000
212		Concord Branch	1111111/1111	300,000	300,000
213		Concord Branch	1111111/1111	300,000	300,000
214		Concord Branch	1111111/1111	300,000	300,000
215		Concord Branch	1111111/1111	300,000	300,000
216	Jamuna Bank Ltd.	Concord Branch	1111111/1111	300,000	300,000
217		Concord Branch	1111111/1111	300,000	300,000
218		Concord Branch	1111111/1111	300,000	300,000
219		Concord Branch	1111111/1111	300,000	300,000
220		Concord Branch	1111111/1111	300,000	300,000
221		Concord Branch	1111111/1111	300,000	300,000
222		Concord Branch	1111111/1111	300,000	300,000
223		Concord Branch	1111111/1111	300,000	300,000
224		Concord Branch	1111111/1111	300,000	300,000
225		Concord Branch	1111111/1111	300,000	300,000
226	Janata Bank Ltd.	Concord Branch	1111111/1111	300,000	300,000
227		Concord Branch	1111111/1111	300,000	300,000
228		Concord Branch	1111111/1111	300,000	300,000
229		Concord Branch	1111111/1111	300,000	300,000
230		Concord Branch	1111111/1111	300,000	300,000
231		Concord Branch	1111111/1111	300,000	300,000
232		Concord Branch	1111111/1111	300,000	300,000
233		Concord Branch	1111111/1111	300,000	300,000
234		Concord Branch	1111111/1111	300,000	300,000
235		Concord Branch	1111111/1111	300,000	300,000
236	Maritime Bank Ltd.	Concord Branch	1111111/1111	300,000	300,000
237		Concord Branch	1111111/1111	300,000	300,000
238		Concord Branch	1111111/1111	300,000	300,000
239		Concord Branch	1111111/1111	300,000	300,000
240		Concord Branch	1111111/1111	300,000	300,000
241		Concord Branch	1111111/1111	300,000	300,000
242		Concord Branch	1111111/1111	300,000	300,000
243		Concord Branch	1111111/1111	300,000	300,000
244		Concord Branch	1111111/1111	300,000	300,000
245		Concord Branch	1111111/1111	300,000	300,000

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230		Ujjain Branch	10451/1172256000001	500,000	500,000
240		Ujjain Branch	10451	500,000	500,000
241		Dhaka Branch	1104254131	1,000,000	1,000,000
242	Meghna Bank Ltd.	Dhaka Branch	30934/7964139	1,000,000	1,000,000
243		Dhaka Branch	1104254138	1,000,000	1,000,000
244		Dhaka Branch	30934/7964139	500,000	500,000
245		Maddur Branch	0014000/200029	500,000	500,000
246	Midas Financing Ltd.	Dhaka Branch	D004657	500,000	500,000
247		Dhaka Branch	100047/000000000	500,000	500,000
248		Dhaka Branch	0000013198	1,000,000	1,000,000
249		Dhaka Branch	100047/000000000	1,000,000	1,000,000
250		Dhaka Branch	100047/000000000	500,000	500,000
251		Valhaz Chowdhury Branch	100047/000000000	500,000	500,000
252	Mutual Trust Bank Ltd.	Dhaka Branch	300074092	500,000	500,000
253		Dhaka Branch	100047/000000000	500,000	500,000
254		Dhaka Branch	300047/000000000	500,000	500,000
255		Dhaka Branch	201000/100000000	2,000,000	2,000,000
256		Dhaka Branch	300047/000000000	500,000	500,000
257		Dhaka Branch	300047/000000000	500,000	500,000
258		Dhaka Branch	300047/000000000	500,000	500,000
259		Dhaka Branch	300047/000000000	500,000	500,000
260		Dhaka Branch	300047/000000000	500,000	500,000
261		Dhaka Branch	300047/000000000	500,000	500,000
262	NCC Bank Ltd.	Dhaka Branch	300047/000000000	500,000	500,000
263		Dhaka Branch	300047/000000000	500,000	500,000
264		Dhaka Branch	300047/000000000	500,000	500,000
265		Dhaka Branch	300047/000000000	500,000	500,000
266		Dhaka Branch	300047/000000000	500,000	500,000
267		Dhaka Branch	300047/000000000	500,000	500,000
268		Dhaka Branch	300047/000000000	500,000	500,000
269		Dhaka Branch	300047/000000000	500,000	500,000
270	NRE Commercial Bank Ltd.	Dhaka Branch	300047/000000000	500,000	500,000
271		Dhaka Branch	300047/000000000	500,000	500,000
272		Dhaka Branch	300047/000000000	500,000	500,000
273	NRE Global Bank Ltd.	Dhaka Branch	300047/000000000	500,000	500,000
274	NRE Bank Ltd.	Dhaka Branch	300047/000000000	500,000	500,000
275		Dhaka Branch	300047/000000000	500,000	500,000
276		Dhaka Branch	300047/000000000	500,000	500,000
277		Dhaka Branch	300047/000000000	500,000	500,000
278	National Bank Ltd.	Dhaka Branch	300047/000000000	500,000	500,000
279		Dhaka Branch	300047/000000000	500,000	500,000
280		Dhaka Branch	300047/000000000	500,000	500,000
281		Dhaka Branch	300047/000000000	500,000	500,000
282		Dhaka Branch	300047/000000000	500,000	500,000
283		Dhaka Branch	300047/000000000	500,000	500,000
284		Dhaka Branch	300047/000000000	500,000	500,000
285		Dhaka Branch	300047/000000000	500,000	500,000
286		Dhaka Branch	300047/000000000	500,000	500,000
287		Dhaka Branch	300047/000000000	500,000	500,000
288		Dhaka Branch	300047/000000000	500,000	500,000
289		Dhaka Branch	300047/000000000	500,000	500,000
290		Dhaka Branch	300047/000000000	500,000	500,000
291		Dhaka Branch	300047/000000000	500,000	500,000
292		Dhaka Branch	300047/000000000	500,000	500,000
293		Dhaka Branch	300047/000000000	500,000	500,000
294	Frontier Bank Ltd.	Dhaka Branch	300047/000000000	500,000	500,000
295		Dhaka Branch	300047/000000000	500,000	500,000
296		Dhaka Branch	300047/000000000	500,000	500,000
297		Dhaka Branch	300047/000000000	500,000	500,000
298		Dhaka Branch	300047/000000000	500,000	500,000
299		Dhaka Branch	300047/000000000	500,000	500,000
300		Dhaka Branch	300047/000000000	500,000	500,000

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301	Prime Bank Ltd.	Mouchak Branch	006293/41002926	500,000	500,000
302		Islami Banking Branch	41016901/02431/169	1,000,000	1,000,000
303		Maulvibazar Branch	002141/1408	500,000	500,000
304		Mohipheel Branch	000502/299/9	500,000	500,000
305		Mohipheel Branch	0038246/41056229	1,000,000	1,000,000
306		Prabodak Mors Br	0240931/12141	500,000	500,000
307		Pragati Shorani Branch	0039778/41001740	500,000	500,000
308	Pubali Bank Ltd	Bazar Road Branch	6343	500,000	500,000
309		Bazar Road Branch	663384	500,000	500,000
310		Gushan Model Town Branch	480501/10548	500,000	500,000
311		Hospital Road Branch	76774/ 9100	500,000	500,000
312		Jalshahi Branch	584056	500,000	500,000
313		Ashulia Branch,over	1025759/ 6611	1,000,000	1,000,000
314		Principal Branch	398285	1,000,000	1,000,000
315	Padma Bank Ltd	Dumki Branch	20857/0124300409523	500,000	-
316	Rupali Bank Ltd.	Nayapattan branch	318499/27/45	500,000	500,000
317	SBAC	Bhatary Branch	80035/ 5243002590	1,000,000	1,000,000
318		Jubilee Road Branch	0010487/87/15		
319		Hemayet Fur Branch	71902/3243001324	500,000	500,000
320		Hemayet Fur Branch	71966/3243001379	500,000	500,000
321		Dharmandi Branch	64960	500,000	500,000
322		Narayanganj Branch	38244000446/ 29290	500,000	500,000
323		Bhola Branch	71222	500,000	500,000
324		Bhola Branch	0071210	500,000	500,000
325		Bogra Branch	0065087	2,000,000	2,000,000
326		Jubilee Road Branch	18243000088	1,000,000	1,000,000
327		Principal Branch	0124300043625/35310	500,000	500,000
328	Social Islami Bank Limited	Babu Bazar Branch	10404504	500,000	500,000
329		Babubazar Branch	006292	250,000	250,000
330		Bageshat Branch	088533403	500,000	500,000
331		Banani Branch	0275330005254	300,000	300,000
332		Banani Branch	0275330005265	200,000	200,000
333		Bangshal Branch	10066348/532177	1,000,000	1,000,000
334		Barisal Branch	10064395/95	500,000	500,000
335		Barisal Branch	10064408/108/53379	500,000	500,000
336		Barisal Branch	10064532/232	500,000	500,000
337		Barisal Branch	10126374/674	500,000	500,000
338		Barisal Branch	10177672/872/53212	1,000,000	1,000,000
339		Barisal Branch	10297288/533957	500,000	500,000
340		Bhultia Branch	10090402/53235	500,000	500,000
341		Dania Branch	10132678/5321647	1,000,000	1,000,000
342		Dania Branch	10186734/5332166	500,000	500,000
343		Dania Rasulpur Branch	10132775/5321682	500,000	500,000
344		Dania Rasulpur Branch	325320004516	500,000	500,000
345		Destira Branch	10369810/5332284	500,000	500,000
346		Dumuria Branch	10284935/533-636	500,000	500,000
347		GEC Moar Branch	10158502/5321626	500,000	500,000
348		Garib Newaz Branch	10422834/532-1175	500,000	500,000
349		Garib Newaz Branch	10119937/53273	500,000	500,000
350		Garib Newaz Branch	10176822/533581	500,000	500,000
351		Gautia, Elephant Road Bra	n 598533685	500,000	500,000
352		Gopold Bazar Branch	36532707	500,000	500,000
353		Gushan Branch	10088360/5324396	500,000	500,000
354		Hanabad Branch	10180414/5329173	500,000	500,000
355		Keraniganj Branch	5330001675	500,000	500,000
356		Khulna Branch	033845/364	200,000	200,000

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357	Social Islami Bank Limited	Lohagara Branch	10113969/532524	500,000	500,000
358		Madabadi Branch	10022178/532167	500,000	500,000
359		Maulavibazar Branch	0105330007123	500,000	500,000
360		Maulavibazar Branch	0105330007382	200,000	200,000
361		Mirpur Branch	10029056/5338662	500,000	500,000
362		Mohakhali Branch	0705331663	500,000	500,000
363		Mohakhali Branch	10352072/070533238	500,000	500,000
364		Mohakhali Branch	10352558/583-3079	500,000	500,000
365		Mohakhali Branch	10352633/533-2776	500,000	500,000
366		Nawabpur Branch	032562	500,000	500,000
367		Nawabpur Branch	10042997	1,000,000	1,000,000
368		New Eskaton Branch	10030161/533351	1,000,000	1,000,000
369		Narsingdi Branch	40807/125533000026	500,000	500,000
370		Pachdona Branch	10220553/53231	1,000,000	1,000,000
371		Principal Branch	016226	250,000	250,000
372		Principal Branch	224003	500,000	500,000
373		Principal Branch	224011	500,000	500,000
374		Principal Branch	036116	500,000	500,000
375		Rokeya Sarani Branch	10043515	200,000	200,000
376		Safa Bondor Branch	10311004/04	500,000	500,000
377		Vafara Branch	10419599/532-00005	500,000	500,000
378		Charfasson Branch	10392684/121532735	1,000,000	1,000,000
379		Charfasson Branch		500,000	500,000
380		Dumuria Branch, Bagerhat	10450315	500,000	500,000
381		Jessore Branch	10437803/532-1619	500,000	500,000
382		Mohakhali Branch	0705330001627/1035	1,000,000	1,000,000
383		Vafara Branch	111532947	500,000	500,000
384		Mohakhali Branch	10439809/4407	500,000	500,000
385		Mohakhali Branch	10439816	500,000	500,000
386		Mohakhali Branch	10439071/2066	500,000	500,000
387		Vafara Branch	10483920	500,000	500,000
388	Shehjalal Islami Bank Ltd	Chinispur Branch	0351836/40565330002	500,000	500,000
389		Joydebpur Chowrasa bran	380984/2844	500,000	500,000
390		Kawran Bazar Branch	037221/53330000657	500,000	500,000
391		Khatunganj Branch	027850/1250/5333436	750,000	750,000
392		Manikganj Branch	40515323/ 0264045	500,000	500,000
393		Muhina Branch	56781/276/11015330	200,000	200,000
394		Bepiant Road Branch	263913/51	500,000	500,000
395		Boluka Branch	328059/ 642	500,000	500,000
396		Chuknagar Branch	344154	500,000	500,000
397		Haluagar Branch	216754	500,000	500,000
398	Shehjalal Islami Bank Ltd	Maswina Branch	329233/ 403453242	500,000	500,000
399		Maswina Branch	328806 / 29	500,000	500,000
400		Maswina Branch	329137 /39	500,000	500,000
401		Maswina Branch	403453252	500,000	500,000
402		Gafargaon Br	407053213	1,000,000	1,000,000
403		Mifort Branch	40025323997	500,000	500,000
404		Nababpur Branch	507624	500,000	500,000
405		Narayanganj Branch	427083	500,000	500,000

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406	Sonali Bank Ltd.	Local Office	2655001875	2,000,000	2,000,000
407		Aganagar Branch	7069965/2450000156	1,000,000	1,000,000
408		Bogra Branch	7146118/24500000306	500,000	500,000
409		Gulshan Branch	70540141/245000023805	250,000	250,000
410		Joydebpur Chowrasta Branch	7313914/24400000023	500,000	500,000
411		Joydebpur Chowrasta Branch	7415536/24594	500,000	500,000
412		Jubilee Road Branch	000824500027732	500,000	500,000
413		Jubilee Road Branch	344000012087	1,000,000	1,000,000
414		Jubilee Road Branch	7090633/24500022036	500,000	500,000
415	South East Bank.	Jubilee Road Branch	7461931/24400012088	500,000	500,000
416		Kawranbazar Branch	7036580/24500002389	400,000	400,000
417		Kawranbazar Branch	7036581/24500002395	100,000	100,000
418		Khulna Branch	1124816384	500,000	500,000
419		New Eskaton Branch	7045380/2450000905	250,000	250,000
420		Agargaon Branch	7346685/245000008509	1,000,000	1,000,000
421		Ghor Branch	7446069/24305	500,000	500,000
422		Narayanganj Branch	7431954/244	500,000	500,000
423		Jubilee Road Branch	7518324/12096	500,000	500,000
424		Pahartoli Branch	24500001385	500,000	500,000
425		Rokoya Sorani Branch	7255671/24400000077	500,000	500,000
426		Foreign Exchange Branch	189878/01355016277	500,000	500,000
427		Gulshan Branch	007487/55004771/07	200,000	200,000
428		Khulna Branch	55016702	100,000	100,000
429	Standard Bank Ltd	Jessore Branch	1155012835	1,000,000	1,000,000
430		Nawabpur Branch	081941/04259000936	500,000	-
431		Principal Branch	026986/55025958	500,000	500,000
432		Pahartoli Branch	142415/03655001317	1,000,000	1,000,000
433		Uttara Branch	155801547070	-	500,000
434		Gulshan South Avenue Bra	0124400240937	500,000	500,000
435	Padma bank Ltd	Imamgonj Branch	0124400250652	500,000	500,000
436		Kalashakti Branch	20074/0124300334264	500,000	500,000
437		Mirpur Branch	0020571/01244-3846	500,000	500,000
438		Mirpur Branch	0020615/124400161508	500,000	500,000
439	State Bank of India	Chittagong Br	014883/08230495930201	1,000,000	1,000,000
440	Trust Bank Ltd	Sena Kalyan Branch	0003-0330222717	1,000,000	1,000,000
441		Chashara Branch	342096/093110300000018	200,000	200,000
442		Dania Branch	1011692	-	-
443		Enayat Bazar Branch	1057449	1,000,000	-
444		Foreign Exchange Branch	0457789/0721403025	500,000	500,000
445		Khan Jahan Ali Road Branch	0127912/44/06	300,000	300,000
446		Mohakhali Branch	0327195/070240400128	500,000	500,000
447		Mohakhali Branch	782410000000097	500,000	500,000
448	UCBL	Mohammadpur Branch	050140400000408	500,000	500,000
449		Narayanganj Branch	8261/033240400000063	200,000	200,000
450		Nayabazar Branch	091502/19/99	400,000	400,000
451		Pahartoli Branch	0550420/0029	500,000	500,000
452		Pahartoli Branch	10522156/097140401	500,000	500,000
453		Principal Branch	0294634/4130023943	200,000	200,000
454		Principal Branch	407495	500,000	500,000
455		Jessore Branch	37240354	500,000	500,000
456		Station Road Branch	205175/2011	500,000	500,000
457		Banijya Branch	025831/052/97	300,000	300,000
458	Uttara Bank Ltd.	Rikabi Bazar Branch	0443624/1872	500,000	500,000
459		Gulshan Branch	0253879/79	400,000	400,000
460		Local Office Branch	0256306/21/12196	1,000,000	1,000,000
461	Union Bank Ltd.	Nawabpur Branch	65737	500,000	-
462		D T Road Branch	167085/322040003318	500,000	-
Total				256,550,000	253,350,000

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Meghna Insurance Company Limited
Schedule of Bank Balance
As at 31 March 2021

Annexure - C

List of Short Notice Deposit

Amount in Taka

SL	Bank Name	Branch Name	Account Number	31.03.21	2020
01	BASIC Bank Ltd	Main Branch	# 216-01-0000443	1,303,462	1,524,336.00
02	BASIC Bank Ltd	Main Branch	# 0216-01-001531	39,819,758	35,659,388.00
03	NCC Bank Ltd	NCC Bhaban Branch	# 0103-032-5000535	38,809,621	31,947,705.00
04	Social Islami Bank Ltd	Corporate office Branch	# 127-136-0000-258	36,968,671	44,095,544.00
05	IFIC Bank Ltd	Gulshan Branch	# 0180048947041	160,688,573	4,031.00
Total				277,590,085	113,231,004

List of Current Deposit

Amount in Taka

SL	Bank Name	Branch Name	Account Number	31.03.21	2020
01	BASIC Bank Ltd	Main Branch	0210-01-0012310	1,168	168.00
02	BASIC Bank Ltd	Main Branch	0210-01-0012297	500,621	366,189.00
03	BASIC Bank Ltd	Bogura Br	1210-01-0005302	3,108	108.00
04	BASIC Bank Ltd	Feni Br	721-01-0000-260	4,298	4,298.00
05	BASIC Bank Ltd	Jashore Br	1810-01-0015030	1,863	1.00
06	BASIC Bank Ltd	Jubilee Rd	1310-01-0003385	776	1,121.00
07	BASIC Bank Ltd	Kawran Bazar Br	3110-01-0007734	4,140	-
08	BASIC Bank Ltd	Main Branch	0210-01-0012304	3,213	3,328.00
09	BASIC Bank Ltd	Tan Bazar Br	1410-01-0003790	5,707	6,166.00
10	BASIC Bank Ltd	Main Branch	0210-01-0012281	2,378	2,838.00
11	NCC Bank Ltd	NCC Bhaban Branch	01030210004481	5,900	900.00
12	NCC Bank Ltd	Agrabad	0003-0210031336	112	111.00
13	NCC Bank Ltd	Banani Br	0050-0210009604	2,747	2,747.00
14	NCC Bank Ltd	Nawabpur Br	0047-0210039765	3,898	4,299.00
15	NCC Bank Ltd	Kadamtoli Br	00190210021492	1,423	1,422.00
16	NCC Bank Ltd	Dilkushta Br	0028-0210021339	7,552	7,552.00
17	NCC Bank Ltd	Elephant Rd	00430210014188	7,653	7,652.00

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

18	NCC Bank Ltd	faridpur br	0115-02-10001408	2,316	2,316.00
19	NCC Bank Ltd	Darus-Salam Br	01020210007881	6,886	6,886.00
20	NCC Bank Ltd	Bhaban Br	0103-0210004276	2,516	2,516.00
21	NCC Bank Ltd	Dilkusha Br	0028-0210021348	5,000	-
22	NCC Bank Ltd	Maghbazar Br	00110210031354	1,725	724.00
23	NCC Bank Ltd	Motijheel Main Br	00020210033657	6,502	1,502.00
24	NCC Bank Ltd	Mymensingh Br	00720210010990	2,765	2,765.00
25	NCC Bank Ltd	Bangshal Br	00220210022816	3,521	3,521.00
26	NCC Bank Ltd	Motijheel Br	0002-0210033675	1,000	1,000.00
27	NCC Bank Ltd	Foreign Exchange	0031-021-0024528	6,235	2,730.00
28	NCC Bank Ltd	Toynbee Br	0031-0210024537	6,711	6,943.00
29	NCC Bank Ltd	Foreign Exchange	0031-021-0024500	3,683	1,364.00
30	Social Islami Bank Ltd	Bagerhat	0881330006135	1,604	1,606.00
31	Social Islami Bank Ltd	Barishal Br	0731330005521	6,075	6,075.00
32	Social Islami Bank Ltd	corporate Br	1271330003495	4,995	6,775.00
33	Social Islami Bank Ltd	dewanhat br	0801330005809	930	930.00
34	Social Islami Bank Ltd	Joydebpur Chowrasta Br	1231330002433	2,381	2,381.00
35	Social Islami Bank Ltd	Moulvi Bazar Br	0101330015059	1,908	-2,632.00
36	Social Islami Bank Ltd	Foreign Exchange	0181330018232	1,743	1,743.00
37	Social Islami Bank Ltd	Khatungong Br	0141330020735	8,441	8,440.00
38	Social Islami Bank Ltd	Idhulna br	0051330019159	4,226	4,226.00
39	Social Islami Bank Ltd	Kakrail Br	1031330002431	3,370	3,600.00
40	Social Islami Bank Ltd	Mohakhali Br	0701330007081	2,080	2,080.00
41	Social Islami Bank Ltd	Bangshal Br	0711330010794	1,040	1,269.00
42	Social Islami Bank Ltd	Gausia Br	0981330005877	3,672	13,688.00
43	Social Islami Bank Ltd	Foreign Exchange	0181330018207	170	170.00
44	Social Islami Bank Ltd	Rangpur Br	0681330006739	70	70.00
45	Social Islami Bank Ltd	Savar Br	0301330014692	2,790	2,790.00
46	Social Islami Bank Ltd	Tongi Br	0741330007355	2,716	2,717.00

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

47	Social Islami Bank Ltd	corporate Br	1271330000356	-	-
48	Agrani Bank Ltd	Manikgonj Br	0200009018675	1,216	216
49	Islami Bank BD Ltd	Matuail Br	20507770101040600	2,068	2,068
50	Islami Bank BD Ltd	Kurigram Br	1950100262214	1,960	1,960
53	Mutual Trust Bank	Principal Branch	# 00020210034147	80,352	214872
54	Premier Bank	Motijheel Branch	# 111-17656	2,002,654	9737648
55	Sonali Bank Ltd	NCTB Branch	# 1601402000657	257,358	54571
Total				2,999,236	10,508,430

পুঁজিবাজারে বিনিয়োগ কৃকিসূৰ্ণ। জেনে ও বুঝে বিনিয়োগ করুন

- b) Information as is required under section 186 of the Companies Act, 2013 relating to holding company:
The information is not applicable for MCL.
- c) Selected ratios as specified in Annexure-D:

Auditor's certificate regarding calculation of EPS and Ratios

This is to certify that Meghna Insurance Company Limited has maintained the following ratios as computed on the basis of the audited financial statements for the period ended 31 March, 2021 and year ended 31 December, 2020, 2019, 2018, 2017 and 2016.

Particulars	31-Mar-21	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16
	Ratio					
I. Liquidity Ratios:						
(i) Current Ratio	1.36	1.29	1.43	1.33	1.28	2.08
(ii) Quick Ratio	1.15	1.04	1.14	1.01	0.96	0.97
II. Operating Efficiency Ratios:						
(i) Accounts Receivable Turnover Ratio	1.94	5.88	6.29	5.80	5.97	7.93
(ii) Inventory Turnover Ratio	N/A	N/A	N/A	N/A	N/A	N/A
(iii) Asset Turnover Ratio	0.22	0.71	0.78	0.67	0.61	0.76
III. Profitability Ratios:						
(i) Gross Margin Ratio	25.09%	4.34%	5.74%	6.22%	8.11%	7.01%
(ii) Operating Profit Ratio	25.09%	4.34%	5.74%	6.22%	8.11%	7.01%
(iii) Net Profit Ratio	12.17%	1.22%	3.09%	3.55%	3.82%	2.33%
(iv) Return on Assets Ratio	2.62%	0.87%	2.39%	2.38%	2.34%	1.78%
(v) Return on Equity Ratio	8.30%	3.75%	9.53%	9.56%	10.14%	7.72%
(vi) Earnings Per Share (EPS)	1.83	0.95	2.60	2.37	2.29	1.59
(vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin	23.15%	6.29%	6.59%	8.35%	9.40%	6.89%

পুঁজিবাজারে বিনিয়োগ কুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

IV. Solvency Ratios:

(i) Debt to Total Assets Ratio	0.05	0.07	0.12	0.16	0.18	0.12
(ii) Debt to Equity Ratio	0.13	0.32	0.50	0.61	0.73	0.55
(iii) Times Interest Earned Ratio	34.34	4.72	2.98	2.87	2.78	3.15
(iv) Debt Service Coverage Ratio	3.06	0.45	0.76	0.52	0.77	4.67

V. Cash Flow Ratios:

(i) Net Operating Cash Flow per Share (NOCFPS)	1.14	19.12	17.23	3.96	7.42	6.38
(ii) NOCFPS to EPS Ratio	0.62	20.02	6.63	1.67	3.25	4.01

The Calculation of the above ratios is given in annexure 1.

Sd/-
MABS & J Partners
 Chartered Accountants

Date: 17th August, 2021
 Place: Dhaka

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Particulars	Formula	Period							
		31-Mar-21		31-Dec-20		31-Dec-19		31-Dec-18	
		Calculation	Ratio	Calculation	Ratio	Calculation	Ratio	Calculation	Ratio
I. Liquidity Ratios:									
III Current Ratio	Current Assets	809,320,477		448,224,647		566,109,340		459,666,166	
	Current Liabilities	595,116,816	1.36	501,709,451	1.29	395,731,692	1.43	345,167,163	1.33
								435,816,280	1.28
								295,639,981	2.08
III Quick Ratio	(Current Assets - Inventories - Advance, Deposit & Prepayments)	683,835,175		523,167,592		452,634,819		347,560,211	
	Current Liabilities	595,116,816	1.15	501,709,451	1.04	395,731,692	1.14	345,167,163	1.01
								528,073,548	0.96
								288,348,822	0.97
II. Operating Efficiency Ratios:									
II Accounts Receivable Turnover Ratio	Net Sales	219,130,267		619,402,772		581,041,069		441,909,172	
	Average Accounts Receivables	112,700,121	1.94	105,384,827	5.88	92,429,065	6.29	79,672,893	5.80
								412,338,034	5.97
								59,451,161	7.93
II Inventory Turnover Ratio	Cost of Goods Sold	N/A		N/A		N/A		N/A	
	Average Inventory		N/A		N/A		N/A		N/A
III Asset Turnover Ratio	Net Sales	219,130,267		619,402,772		581,041,069		441,909,172	
	Average Total Asset	1,015,973,041	0.22	867,084,690	0.71	740,791,909	0.78	638,328,503	0.67
								412,338,034	0.61
								673,996,448	0.76
								471,476,025	
								616,856,444	

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

III. Profitability Ratios:											
(i) Gross Margin Ratio	Gross Profit	54,970,527	25.0	26,912,912	4.34	33,345,755	5.74	28,749,843	4.22	33,438,374	8.11
	Net Sales	219,130,267	9%	619,402,772	%	581,041,069	%	461,909,172	%	412,338,034	%
(ii) Operating Profit Ratio	Operating Profit	54,970,527	25.0	26,912,912	4.34	33,345,755	5.74	28,749,843	4.22	33,438,374	8.11
	Net Sales	219,130,267	9%	619,402,772	%	581,041,069	%	461,909,172	%	412,338,034	%
(iii) Net Profit Ratio	Net Profit after Tax	26,661,985	12.1	7,577,012	1.22	17,926,248	3.09	16,383,522	3.55	15,769,398	3.82
	Net Sales	219,130,267	7%	619,402,772	%	581,041,069	%	461,909,172	%	412,338,034	%
(iv) Return on Assets Ratio	Net Profit after Tax	26,661,985	2.62	7,577,012	0.87	17,926,248	2.39	16,383,522	2.38	15,769,398	2.34
	Average Total Assets	1,015,973,041	%	867,084,690	%	748,791,909	%	698,338,623	%	673,996,448	%
(v) Return on Equity Ratio	Net Profit after Tax	26,661,985	8.30	7,577,012	3.75	17,926,248	9.53	16,383,522	9.56	15,769,398	10.14
	Total Shareholders Equity	321,258,555	%	201,869,094	%	188,187,341	%	171,356,217	%	155,547,629	%
(vi) Earnings Per Share (EPS)	Net Profit after Tax	26,661,985	1.83	7,577,012	0.95	17,926,248	2.60	16,383,522	2.37	15,769,398	2.29
	Weighted Average Number of Ordinary Shares Outstanding	14,557,349		7,935,000		6,900,000		6,900,000		6,900,000	
(vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin	EBITDA	50,729,484	23.1	38,960,302	6.29	38,295,657	6.59	38,148,072	8.35	38,779,752	9.40
	Net Sales	219,130,267	5%	619,402,772	%	581,041,069	%	461,909,172	%	412,338,034	%

পুঁজিবাজারে বিনিয়োগ সুকির্পূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

IV. Solvency Ratios:											
(i) Debt to Total Assets Ratio	Total Debt	49,589,465	0.05	65,358,040	0.07	98,982,586	0.12	109,752,242	0.14	118,940,850	0.18
	Total Assets	1,097,384,820		934,561,261		799,598,928		697,964,889		678,672,117	
(ii) Debt to Equity Ratio	Total Debt	49,589,465	0.13	65,358,040	0.32	98,982,586	0.50	109,752,242	0.61	118,940,850	0.73
	Total Equity	393,738,618		206,636,806		197,020,351		179,354,731		163,357,202	
(iii) Times Interest Earned Ratio	EBITDA	50,779,484	34.2	38,960,302	4.72	38,295,657	2.98	38,348,022	2.87	36,779,752	2.78
	Financial Expenses	1,477,181	4	9,251,398		12,808,704		13,403,248		13,968,466	
(iv) Debt Service Coverage Ratio	Operating Profit	54,970,528	3.06	26,912,912	0.45	33,345,755	0.76	28,749,844	0.52	33,498,374	0.77
	Total Debt Service	17,978,799		60,132,431		43,645,618		54,996,192		43,279,096	
V. Cash Flow Ratios:											
(i) Net Operating Cash Flow per Share (NOCFPS)	Net Operating Cash Flow	16,642,203	1.14	151,705,836	19.12	118,880,716	17.23	27,325,795	3.96	51,187,026	7.42
	Number of Ordinary Shares Outstanding	14,557,349	1.14	7,935,000		6,900,000		6,900,000		6,900,000	
(ii) NOCFPS to EPS Ratio	Net Operating Cash Flow per Share	1.14	0.62	19.12	30.02	17.23	6.63	3.96	1.67	7.42	3.25
	Earning per Share (EPS)	1.83		0.95		2.60		2.37		2.29	
										6.38	4.01
										6.38	1.59

পুঁজিবাজারে বিনিয়োগ সুকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Ratio Analysis - March 31, 2021 to December 31st, 2014

		2020		2019		2018		2017		2016	
Sl	Name of the Ratio	MICL	Industry Avg.	MICL	Industry Avg.	MICL	Industry Avg.	MICL	Industry Avg.	MICL	Industry Avg.
1. Liquidity Ratios											
1	Current Ratio (Times)	1.29	3.15	1.43	2.82	1.33	2.67	1.28	2.84	2.08	2.89
2	Quick Ratio (Times)	1.04	3.15	1.14	2.81	1.01	2.86	0.96	2.95	0.97	3.05
2. Operating Efficiency Ratios											
Accounts Receivable											
1	Turnover Ratio (Times)	5.88	2.51	6.29	2.96	5.80	2.68	5.97	2.58	7.93	2.30
2	Inventory Turnover Ratio (Times)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
3	Asset Turnover Ratio (Times)	0.71	0.42	0.78	0.43	0.67	0.46	0.61	0.45	0.76	0.44
3. Profitability Ratio											
1	Gross Margin Ratio	4.34%	21.33%	5.74%	20.37%	6.22%	33.70%	6.11%	31.19%	7.01%	28.12%
2	Operating Profit Ratio	4.34%	19.15%	5.74%	12.11%	6.22%	13.75%	6.11%	12.78%	7.01%	14.65%
3	Net Profit Ratio	1.22%	18.21%	3.09%	18.95%	3.55%	17.64%	3.82%	15.24%	2.33%	14.84%
4	Return on Assets Ratio	0.87%	11.62%	2.39%	11.43%	2.38%	12.17%	2.34%	13.48%	1.78%	13.10%
5	Return on Equity Ratio	3.75%	8.74%	9.53%	9.03%	9.56%	9.69%	10.14%	9.42%	7.72%	8.79%
6	Earnings Per Share (EPS)	0.95	0.83	2.60	0.80	2.37	0.74	2.29	0.62	1.59	0.89
7	EBITDA Margin	6.29%	20.73%	6.59%	13.93%	8.35%	15.68%	9.40%	15.53%	6.89%	16.76%
4. Solvency Ratio											
1	Debt to Total Assets Ratio	0.07	n/a	0.12	n/a	0.16	n/a	0.18	n/a	0.12	n/a
2	Debt to Equity Ratio	0.32	n/a	0.50	n/a	0.61	n/a	0.73	n/a	0.55	n/a
3	Times Interest Earned Ratio	4.72	n/a	2.98	n/a	2.87	n/a	2.78	n/a	3.15	n/a
4	Debt Service Coverage Ratio	0.45	n/a	0.76	n/a	0.52	n/a	0.77	n/a	4.67	n/a
5. Cash Flow Ratio											
Net Operating Cash Flow per Share											
1	(NOCFPS)	19.12	2.84	17.23	0.77	3.96	1.75	7.42	2.64	6.38	2.19
2	NOCFPS to EPS Ratio	20.02	1.37	6.63	0.40	1.67	0.88	3.25	1.35	4.01	1.01

পূঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Explanation of the ratios

There are currently thirty-eight general insurance companies listed with the Dhaka and Chittagong stock exchange. In order to calculate the industry average ratio, the companies with similar gross premium have been taken into account.

From the ratio analysis, it is observed that the liquidity ratios are consistent over the historic years. The current and quick ratios are more than 1.0x times all through the 5 years and so is the industry average.

Operating ratios reflect the operational efficiency of Meghna Insurance. The account receivable turnover ratio is more than 5.5x and consistent over the five years which indicates a structured cash collection cycle. Inventory turnover ratio is not applicable for the issuer. Asset turnover ratio is close to 1.0x than industry average which indicates efficient use of fixed assets by Meghna.

The net profit ratio and EPS is consistent over the historic years other than 2020 due to nationwide shutdown induced by Covid. The return on equity ratio is in line with the industry average.

Solvency ratio is a key metric used to measure the issuer's capability to meet its debt obligations. The solvency ratio indicates whether the Company has sufficient operating cash flow to meet its short-term and long-term liabilities. The lower the solvency ratio is, the greater the probability that it will default on its debt obligations.

The interest earned ratio of Meghna is at a satisfactory level. The debt to equity ratio shows a moderate leverage position of the company. The issuer's debt service coverage ratio is also consistent over the historic years.

The operating cash flow ratio is a measure of the number of times a company can pay off current debts with cash generated within the same period. A high number, greater than one, indicates that a company has generated more cash in a period than what is needed to pay off its current liabilities. Meghna's net operating cash flow per is significantly higher than the industry average and also as high as Tk 19.1 per share in the latest year. The high net operating cash flow indicates the low credit risk of Meghna Insurance.

(a) Auditors report under Section 135(1), Para 24(1) of Part II of Schedule III of the Company Act, 1994. The report shall include comparative income statements and balance sheet and aforementioned ratios for immediate preceding five accounting years of the issuer. If the issuer has been in commercial operation for less than five years, the above-mentioned inclusion and submission will have to be made for the period since commercial operation;

Auditors' Report in pursuance to Section 135(1) and paragraph 24(1) (3) and 25 of part-II of the Schedule III of the Companies Act, 1994

We have examined the audited financial statements of Meghna Insurance Company Limited, for the Period ended and as on 31st March, 2021 and the year ended 31st December, 2020, 2019, 2018, 2017, 2016 in pursuance to Section 135(1) and paragraph 24(1) (3) and 25 of part-II of the Schedule-III of the Companies Act, 1994, we report that;

1. Meghna Insurance Company Limited was incorporated as a Public Limited Company on March 18, 1996 under the Companies Act 1994 and the company commenced commercial operation on 24 March, 1996.

2. The Statement of financial position, operating result and cash flow of Meghna Insurance Company Limited, are as follow:

A. Statement of financial position

Particulars	31-Mar-21	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16
Authorized Capital (10,00,00,000 Ordinary Shares of Tk. 10 each)	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Issued, Subscribed and Paid up Capital 24,00,00,000 Ordinary Shares of Tk. 10 each	240,000,000	79,350,000	69,000,000	69,000,000	69,000,000	69,000,000
Reserve, Surplus or Contingency Account	153,738,618	127,286,806	128,101,382	110,354,731	94,357,702	78,737,556
Profit or Loss Appropriation Account	34,318,454	10,656,469	23,932,808	20,620,068	17,623,039	15,002,893
Reserve for Exceptional Losses	117,734,663	114,734,663	104,734,663	89,734,663	76,734,663	63,734,663
Reserve for unrealized gain/(Loss)	1,685,501	1,895,674	(566,089)	-	-	-
Total Shareholders' Equity	393,738,618	206,634,806	197,101,382	179,354,731	163,357,702	147,737,556

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Balance of Fund and Accounts:	70,592,863	176,133,377	156,461,771	107,966,147	96,142,466	141,394,236
Fire Insurance Business	21,932,623	52,557,990	44,221,872	24,482,513	47,063,841	41,891,187
Marine Insurance Business (Cargo)	37,377,886	44,587,061	42,247,370	38,442,703	36,915,109	50,845,962
Motor Insurance Business	10,648,783	53,922,242	46,989,426	28,912,058	10,117,678	45,366,467
Miscellaneous Insurance Business	244,937	24,475,816	22,954,434	16,088,925	1,908,820	3,091,802
Marine Insurance Business (Hull)	388,614	590,268	48,669	39,948	137,018	198,818
Liabilities and Provisions	633,053,340	551,791,077	446,044,966	410,664,011	419,171,949	380,188,986
Amount due to other persons or bodies carrying on insurance business	165,700,356	155,432,323	181,075,394	175,107,688	143,882,260	212,106,082
Estimated liabilities in respect of outstanding claims whether due or intimated	207,809,363	141,604,092	62,241,208	38,939,446	75,023,790	7,707,107
Premium Deposit	48,870,919	50,484,267	27,701,156	17,532,377	16,189,622	3,673,104
Long Term Loan	21,853,584	33,532,603	49,499,449	63,988,044	76,577,785	81,110,017
Short Term Loan	13,876,617	17,441,247	49,483,137	45,744,198	42,363,065	-
Sundry Creditors	86,238,187	81,406,747	22,876,633	16,991,837	13,500,176	24,227,379
Lease Liability	13,859,264	14,384,190	-	-	-	-
Provision for Taxation	72,621,374	55,340,775	52,354,164	50,851,617	49,208,145	47,926,309
Provision for deferred tax	2,223,676	2,164,833	813,825	1,508,804	2,427,116	3,438,988
Total Liabilities, Fund & Provisions	703,646,202	727,924,454	602,506,737	518,630,158	515,314,415	521,583,222
Shareholders' Equity & Liabilities	1,097,384,820	934,561,261	792,608,119	697,984,889	678,672,112	669,320,778
ASSETS AND PROPERTY	272,293,936	269,715,352	233,498,779	238,318,723	242,857,837	55,677,859
Non-current assets:	247,150,411	244,564,272	208,309,930	213,318,723	217,857,837	30,677,859
Property, plant & equipment	143,525	151,079	188,849	-	-	-
Intangible Assets	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
Investments in Treasury bond	-	-	-	-	-	-
Right-of-use assets	15,770,407	16,621,263	-	-	-	-

পুঁজিবাজারে বিনিয়োগ ঝুঁকিমুক্ত। জেনে ও বুঝে বিনিয়োগ করুন

Current assets:	809,320,477	648,224,647	566,109,340	459,666,166	435,814,280	613,442,919
Stock of Printing stationery & stamps	3,078,597	2,719,142	2,006,124	2,916,524	2,506,931	1,590,284
Amount due from other persons or bodies Carrying on insurance business	114,125,180	111,275,061	99,494,593	85,360,420	73,985,366	64,044,956
Advance, deposit & prepayments	125,485,302	125,057,055	113,475,379	112,086,513	107,741,290	325,394,655
Interest and dividend receivable	6,710,952	5,964,680	6,124,216	10,551,138	4,313,287	3,665,411
Short term investment	262,161,311	258,871,484	228,419,882	205,099,480	192,640,174	172,109,296
Cash and cash equivalents	298,759,134	144,337,223	116,589,146	43,652,091	54,627,232	46,838,317
Total Assets and Properties	1,097,384,820	934,561,261	799,608,112	697,984,882	678,672,117	669,320,778
Net Asset Value per Share (NAVPS)	16.41	26.04	28.57	25.99	23.68	21.42
B. Statement of Operating Results:						
Particulars	Period ended 31st March, 2021	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16
Operating Profit/(Loss) transferred from:	54,970,528	26,912,912	33,345,755	28,749,844	33,438,374	33,060,233
Fire Insurance Revenue Account	(49,832,436)	(40,683,968)	(30,546,578)	12,612,069	18,139,451	(4,649,634)
Marine Insurance Revenue Account	32,495,074	21,234,869	31,185,810	15,317,465	24,213,328	22,374,798
Marine Hull Insurance Revenue Account	200,404	(743,704)	(70,621)	65,268	123,694	8,506,921
Motor Insurance Revenue Account	52,782,013	25,319,774	22,782,265	2,430,910	(9,114,761)	14,411,157
Miscellaneous Insurance Revenue Account	19,325,473	21,785,941	9,994,878	(1,675,868)	76,662	(7,583,009)
Non-operating income	3,389,203	24,476,853	10,849,321	15,355,349	14,502,986	14,188,808
Total income	58,359,731	51,389,764	44,195,076	44,105,193	47,941,360	47,249,041
Expenses Of Management (Not applicable to any particular fund or account):	10,681,052	30,628,005	11,665,864	12,717,829	17,131,565	21,176,912
Finance cost	1,477,181	-8,251,398	12,858,704	13,423,248	13,968,466	10,316,358
Net Profit/(Loss) before tax and WPPF	46,201,498	12,510,361	19,670,508	17,964,116	16,841,329	15,755,771
Worker's profit participation fund	2,200,071	595,732	936,691	855,434	801,968	750,275
Net Profit/(Loss) before tax	44,001,427	11,914,629	18,733,817	17,108,682	16,039,361	15,005,496
Provision for taxation:						
Current Tax	17,280,599	2,986,610	1,502,548	1,643,472	1,281,836	846,137
Deferred Tax	58,843	1,351,009	(694,979)	(918,312)	(1,011,873)	3,180,380
Profit after Tax transfer to profit and Loss Appropriation Account	26,661,985	7,577,012	17,926,248	16,383,522	15,769,398	10,978,779

পুঁজিবাজারে বিনিয়োগ হ্রাসকরণ। জেনে ও বুঝে বিনিয়োগ করুন

Other comprehensive Income									
Changes in fair value in shares	(210,173)	2,180,626	(179,598)	(386,491)	(149,252)	(51,341)			
Total Comprehensive Income	26,451,812	9,757,638	17,746,650	15,997,031	15,620,146	10,927,638			
Earnings per Share (EPS)	1.83	0.95	2.56	2.32	2.26	1.59			
EPS (Restated)	1.83	0.95	2.40	2.32	2.26	1.59			

C. Cash Flow Statement is as follows:

Particulars	Period ended 31 st March, 2021	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16
Cash Flow from Operating Activities:						
Collections of premium and other income	189,527,553	471,404,212	441,265,870	325,006,956	363,364,312	400,375,477
Payments for management expense, re-insurance and claims	(170,245,965)	(315,212,957)	(333,505,268)	(302,186,231)	(309,425,772)	(345,800,336)
Investment and others income	-	-	15,276,243	9,168,420	13,432,021	14,014,860
Income Tax Paid	(2,639,385)	(4,485,419)	(4,176,129)	(4,663,350)	(16,183,535)	(24,555,992)
Net Cash Flow from Operating Activities	16,642,203	151,705,836	118,880,716	27,325,795	51,187,026	44,034,009
Cash Flows from Investing Activities:						
Acquisition of property, plant & equipment	(6,013,527)	(44,219,200)	(1,622,564)	(3,090,487)	(47,087,662)	(1,679,041)
Disposal of property, plant & equipment	1,400	453,900	-	-	170,000	-
Investment and others income	3,643,856	25,021,968	-	-	-	-
Advance paid against purchase of office space	2,118,638	(10,929,070)	2,787,263	318,127	-	(71,771,581)
Other advance paid	-	(878,481)	-	(676,987)	(3,739,239)	(515,309)
Investment in shares	-	-	-	680,269	3,696,423	2,127,000
Sales of investment	(3,500,000)	(28,200,000)	(23,500,000)	(12,900,000)	(20,300,000)	(13,200,000)
Net Cash Flow from Investing Activities	(3,749,433)	(57,862,683)	(22,335,301)	(15,669,078)	(67,260,478)	(85,038,931)

পুঞ্জীকৃতভাবে বিনিয়োগ সুকির্পূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Cash Flow from Financing Activities:

Proceeds from issuing of share
 Receipt of long-term loan
 Repayment of long-term loan
 Receipt of short-term loan
 Repayment of short-term loan
 Lease Liability

Interest expenses
 Cash dividend paid

Net cash from financing Activities

Net Increase / (Decrease) in cash and

cash equivalents during the year

Cash and cash equivalents at the
 beginning of the year

Cash and cash equivalents at the end of the year

160,650,000	-	-	-	-	-	-
(11,679,019)	(15,966,846)	-	(14,488,595)	(12,589,741)	27,000,000	52,500,000
335,320	2,288,752	-	32,895,962	45,787,584	(31,532,232)	(7,079,262)
(3,899,950)	(34,330,642)	-	(29,157,023)	(42,406,451)	54,109,929	-
(2,399,830)	(9,834,943)	-	-	-	(11,746,864)	-
(1,477,181)	(8,251,398)	-	(12,858,704)	(13,423,248)	(13,968,466)	(10,316,358)
141,529,340	(66,095,076)	(23,608,360)	(22,631,856)	23,842,367	35,104,380	(5,900,542)
154,421,910	27,748,077	72,937,055	(10,975,139)	7,788,915	52,738,859	52,738,859
144,337,223	116,589,146	43,652,091	54,627,232	46,838,317	-	-
298,759,133	144,337,223	116,589,146	43,652,087	54,627,232	46,838,317	46,838,317

পুঁজিবাজারে বিনিয়োগ বৃদ্ধিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

D. The history of dividend declared by the company was as follows:

Particulars	Period ended 31 st March, 2021	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16
Cash dividend	-	-	-	-	-	-
Stock dividend (Bonus share) -%	-	15%	-	-	-	-

E. The Company had no subsidiary as on the balance sheet date.

F. No proceeds or part of proceeds of the issue of share shall be applied directly or indirectly by the company in the purchase of any other business or an interest thereon.

G. Figures relating to previous years have been re-arranged wherever considered necessary.

Place: Dhaka
Date: 17 Aug. 2021

Sd/-
MABS & J Partners
Chartered Accountants

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

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

Financial spread sheet analysis for the latest audited financial statements;

Statement of Financial Position

As at 31 March, 2021

Particulars	Amount	Percentage on Total Asset	Grand Total
ASSETS			
NON-CURRENT ASSETS	272,293,936		24.81%
Property, Plant and Equipment	247,150,411	22.52%	
Intangible Asset	143,525	0.01%	
Investment in treasury bond	25,000,000	2.28%	
Right-of-use assets	15,770,407		1.44%
CURRENT ASSETS	809,320,476		73.75%
Stock of printing, stationery & stamps	3,078,597	0.28%	
Amount due from other persons or bodies carrying on insurance business	114,125,180	10.40%	
Advance, Deposit and Pre-payments	125,485,302	11.43%	
Interests and dividend receivable	5,710,952	0.52%	
Short term investment	262,161,311	23.89%	
Cash and Cash Equivalents	298,759,134	27.22%	
Total Assets	1,097,384,820		100.00%
EQUITY & LIABILITIES			
EQUITY	393,738,618		35.88%
Issued, subscribed and paid up capital	240,000,000	21.87%	
Reserve for exceptional losses	117,734,663	10.73%	
Reserve for unrealized gain	1,685,501	0.15%	
Profit or Loss Appropriation Account	34,318,454	3.13%	
Balance of fund & accounts	70,592,862		6.43%
Fire insurance business	21,932,623	2.00%	
Marine insurance business [Cargo]	37,377,886	3.41%	
Marine insurance business [Hull]	388,614	0.04%	
Motor insurance business	10,648,783	0.97%	
Miscellaneous insurance business	244,957	0.02%	
LIABILITIES and PROVISION	633,053,340		57.69%
Estimated liability in respect of outstanding claims whether due or intimated	207,809,363	18.94%	
Amount due to other persons or bodies carrying on business	165,700,356	15.10%	
Long term loan	21,853,584	1.99%	
Short term loan	13,876,617	1.26%	
Lease liability	13,859,264	1.26%	
Premium deposit	48,870,919	4.45%	
Sundry creditors	86,238,187	7.86%	
Provision for income tax	72,621,374	6.62%	
Provision for deferred tax	2,223,676	0.20%	
Total Equity and Liabilities	1,097,384,820		100.00%

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Statement of Profit or Loss and Other Comprehensive Income
For the period ended 31 March, 2021

Particulars	For the period ended 31 March, 2021	Percentage on Total Turnover	Grand Percentage
Operating profit /(loss) transferred from:	54,970,528		94.19%
Fire insurance business	(49,832,436)	-85.39%	
Marine insurance business (Cargo)	32,495,074	55.68%	
Marine insurance business (Hull)	200,404	0.34%	
Motor insurance business	52,782,013	90.44%	
Miscellaneous insurance business	19,325,473	33.11%	
Non-operating income:	3,389,203		5.81%
Interest/profit	3,390,128	5.81%	
Dividend income	-	0.00%	
Miscellaneous income	-	0.00%	
Profit/(loss) on sale of shares	-	0.00%	
Profit/(loss) on sale of assets	(925)	0.00%	
Total	58,359,731		100.00%
Management expenses	10,681,051		18.30%
Finance cost	1,477,181		2.53%
Worker's profit participation fund	2,200,071		3.77%
Provision for taxation:	17,339,442		29.71%
Current tax	17,280,600	29.61%	
Deferred tax	58,843	0.10%	
Profit after tax	26,661,985		45.69%
Total	58,359,731		100.00%

- (f) Earnings Per Share (EPS) on fully diluted basis (with the total existing number of shares) in addition to the weighted average number of shares basis. Future projected Net Income should not be considered while calculating the weighted average EPS;

(Amount in taka)

Audited financial Statements for the period ended 31 March 2021

Particulars	31-Mar-2021
Net Profit after Tax	26,661,984
Weighted Average Number of Ordinary Shares Outstanding	24,000,000
Earnings per Share (EPS) On Fully Diluted Basis	
Earnings per Share (EPS) On Weighted average number of Shares Basis	1.83

পুঁজিবাজারে বিনিয়োগ কুঁকিসূচক। জেনে ও বুঝে বিনিয়োগ করুন

- (g) **All extra-ordinary income or non-recurring income coming from other than core operations should be shown separately while showing the Net Profit as well as the Earnings Per Share;**

The Company did not annualize quarterly or half yearly EPS.

- (h) **Quarterly or half-yearly EPS should not be annualized while calculating the EPS;**

MICL has complied with mentioned rule.

- (i) **Net asset value (with and without considering revaluation surplus or reserve) per unit of the securities being offered at the date of the latest audited statement of financial position.**

The Company has not revalued any of its assets.

- (j) **The Commission may require the issuer to re-audit the audited financial statements, if any deficiency or anomaly is found in the financial statements. In such a case, cost of audit should be borne by the concerned issuer.**

If require, MICL will bear the cost of audit.

পূঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(k) Following statements for the last five years or any shorter period of commercial operation certified by the auditors:-

(i) Statement of long term and short term borrowings including borrowing from related party or connected persons with rate of interest and interest paid/accrued;

Certification on statement of long term and short term borrowings including borrowing from related party or connected persons with rate of interest and interest paid or accrued of Meghna Insurance Company Limited.

After due verification, we certify that the long term and short term borrowings including borrowing from related party or connected persons with rate of interest and interest paid or accrued of Meghna Insurance Company Limited, for the last five years were made up as follows;

31 st March, 2021						
Name of related party or connected persons	Name of Facilities	Nature of Borrowings	Outstanding Loan Amount	Rate of Interest (%)	Interest paid	Interest accrued
IDLC	Secured Loan	Long term loan	21,853,584	11.00%	994,722	-
Social Islami Bank Limited	Secured Loan	Short term loan	9,092,579	10.62%	208,224	-
BASIC Bank Limited	Secured Loan	Short term loan	4,784,038	7.89%	87,544	-
Total			35,730,201		1,290,490	

December 31, 2020						
Name of related party or connected persons	Name of Facilities	Nature of Borrowings	Outstanding Loan Amount	Rate of Interest (%)	Interest paid	Interest accrued
IDLC	Secured Loan	Long term loan	33,532,603	11.00%	5,573,870	-
Social Islami Bank Limited	Secured Loan	Short term loan	11,455,577	10.62%	1,525,474	-
BASIC Bank Limited	Secured Loan	Short term loan	5,985,670	7.89%	472,475	-
IFIC Bank Limited	Secured Loan	Short term loan	-	11.00%	39,813	-
Bank Asia Limited	Secured Loan	Short term loan	-	9.15%	38,355	-
Southeast Bank Limited	Secured Loan	Short term loan	-	8.25%	(269,486)	-
Exim Bank Limited	Secured Loan	Short term loan	-	9.47%	(174,185)	-
Mutual Trust Bank Limited	Secured Loan	Short term loan	-	11.50%	40,125	-
United Commercial Bank Limited	Secured Loan	Short term loan	-	12.00%	129,648	-
Total			50,973,850		7,376,089	

পুঁজিবাজারে বিনিয়োগ সুকিপূর্ণ। জেনে ও বুকে বিনিয়োগ করুন

December 31, 2019						
Name of related party or connected persons	Name of Facilities	Nature of Borrowings	Outstanding Loan Amount	Rate of Interest (%)	Interest paid	Interest accrued
IDLC	Secured Loan	Long term loan	49,499,449	13.75%	7,322,701	-
Social Islami Bank Limited	Secured Loan	Short term loan	17,512,801	10.62%	1,519,554	-
BASIC Bank Limited	Secured Loan	Short term loan	8,309,045	7.64%	652,104	-
IFIC Bank Limited	Secured Loan	Short term loan	4,899,858	11.00%	584,115	-
Bank Asia Limited	Secured Loan	Short term loan	5,659,382	9.15%	527,874	-
Al Arafah Bank Limited	Secured Loan	Short term loan	-	9.50%	418,985	-
Southeast Bank Limited	Secured Loan	Short term loan	3,726,319	8.25%	505,466	-
Exim Bank Limited	Secured Loan	Short term loan	1,723,626	9.47%	373,883	-
Mutual Trust Bank Limited	Secured Loan	Short term loan	4,736,637	11.50%	639,863	-
United Commercial Bank Limited	Secured Loan	Short term loan	2,915,470	12.00%	314,159	-
Total			118,982,587		12,858,704	

Amount in Taka

December 31, 2018						
Name of related party or connected persons	Name of Facilities	Nature of Borrowings	Outstanding Loan Amount	Rate of Interest (%)	Interest paid	Interest accrued
IDLC	Secured Loan	Long term loan	63,988,044	12%	6,712,171	-
Social Islami Bank Limited	Secured Loan	Short term loan	903,842	10.62%	716,033	-
BASIC Bank Limited	Secured Loan	Short term loan	8,665,145	7.64%	670,780	-
IFIC Bank Limited	Secured Loan	Short term loan	5,483,655	11.00%	553,812	-
Bank Asia Limited	Secured Loan	Short term loan	5,882,455	9.15%	488,625	-
Al Arafah Bank Limited	Secured Loan	Short term loan	5,371,631	9.50%	831,502	-
Southeast Bank Limited	Secured Loan	Short term loan	3,730,225	8.25%	370,475	-
Exim Bank Limited	Secured Loan	Short term loan	4,122,310	9.47%	379,915	-
Mutual Trust Bank Limited	Secured Loan	Short term loan	5,528,374	11.50%	435,474	-
Islami Bank Bangladesh Limited	Secured Loan	Short term loan	2,888,000	-	-	-
United Commercial Bank Limited	Secured Loan	Short term loan	3,168,561	12.00%	264,461	-
Total			109,732,242		13,423,248	

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Amount in Taka

December 31, 2017						
Name of related party or connected persons	Name of Facilities	Nature of Borrowings	Outstanding Loan Amount	Rate of Interest (%)	Interest paid	Interest accrued
IDLC	Secured Loan	Long term loan	76,577,785	15.50% to 12%	10,317,422	-
Social Islami Bank Limited	Secured Loan	Short term loan	4,890,921	10.62%	835,921	-
BASIC Bank Limited	Secured Loan	Short term loan	8,852,975	7.64%	586,020	-
IFIC Bank Limited	Secured Loan	Short term loan	5,401,396	11.00%	358,897	-
Bank Asia Limited	Secured Loan	Short term loan	6,048,783	9.15%	421,028	-
Al Arafah Bank Limited	Secured Loan	Short term loan	9,240,793	9.50%	805,181	-
Southeast Bank Limited	Secured Loan	Short term loan	3,730,925	8.25%	301,125	-
Exim Bank Limited	Secured Loan	Short term loan	4,197,272	9.47%	342,872	-
Total			118,940,850		13,968,466	-

Amount in Taka

December 31, 2016						
Name of related party or connected persons	Name of Facilities	Nature of Borrowings	Outstanding Loan Amount	Rate of Interest (%)	Interest paid	Interest accrued
IDLC	Secured Loan	Long term loan	81,110,017	15.50%	10,316,358	-
Total			81,110,017		10,316,358	

*** Interest accrued was not accounted as loan installments were paid timely basis throughout the period.

Place: Dhaka
 Date 17th August, 2021

Sd/-
MABS & J Partners
 Chartered Accountants

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

ii) Statement of principal terms of secured loans and assets on which charge have been created against those loans with names of lenders, purpose, sanctioned amount, rate of interest, primary security, collateral or other security, re-payment schedule and status;

Certification on statement of principal terms of secured loans and assets on which charge have been created against those loans with names of lenders, purpose, sanctioned amount, rate of interest, primary security, collateral or other security, re-payment schedule and status of Meghna Insurance Company Limited.

After due verification, the principal terms of secured loans as per loan agreement and assets on which charge have been created against those loans of Meghna Insurance Company Limited for the period ended 31 March, 2021 and last five years were as follows:

Amount in Taka

Year	Name of the lenders	Purpose	Sanctioned amount	Rate of interest (%)	Primary security	Collateral or other security	Re-payment schedule	Status (Outstanding Liability)
For the Period ended 31 st March, 2021	IDLC	To purchase of commercial space for Permanent Head Office	100,000,000	15.50%	1. Registered mortgage on 10,000 sqft commercial space at Pallan. 2. 12 post dated cheques of Tk. 1,953,840 and 1 undated cheque of Tk. 100,000,000.	1. Registered mortgage on 10,000 sqft commercial space at Pallan.	1,957,840	21,853,584
	Social Islami Bank Limited	To meet up emergency financial requirement.	19,890,000	10.62%		Against MTDR	Lump sum basis.	9,092,579
	BASIC Bank Limited	To meet up day to day financial need.	8,910,000	7.89%		Against FDR	Lump sum basis.	4,784,038
	Total		128,800,000					35,730,201
31-Dec-20	IDLC	To purchase of commercial space	100,000,000	15.50%	1. Registered mortgage on 10,000	1. Registered mortgage on	1,957,840	33,532,603

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

		for Permanent Head Office					sft commercial space at Pallan, 2. 12 post dated cheque of Tk. 1,953,840 and 1 undated cheque of Tk. 100,000,000.	10,000 sft commercial space at Pallan.		
	Social Islami Bank Limited	To meet up emergency financial requirement.	19,890,000	10.62%				Against MTDR	Lump sum basis.	11,455,577
	BASIC Bank Limited	To meet up day to day financial need.	8,910,000	7.89%				Against FDR	Lump sum basis.	5,985,670
	Total		128,800,000							50,973,850
31-Dec-19	IDLC	To purchase of commercial space for Permanent Head Office	100,000,000	15.50%			1. Registered mortgage on 10,000 sft commercial space at Pallan, 2. 12 post dated cheque of Tk. 1,953,840 and 1 undated cheque of Tk. 100,000,000.	1. Registered mortgage on 10,000 sft commercial space at Pallan.	1,957,840	49,499,449
	Social Islami Bank Limited	To meet up emergency financial requirement.	19,890,000	10.62%				Against MTDR	Lump sum basis.	17,512,801
	BASIC Bank Limited	To meet up day to day financial need.	8,910,000	7.84%				Against FDR	Lump sum basis.	8,309,045
	IFC Bank Limited	To meet up day to day financial need.	5,400,000	11.00%				Against FDR	Lump sum basis.	4,899,858
	Bank Asia Limited	To meet up urgent need of funds.	6,012,000	9.15%				Against FDR	Lump sum basis.	5,659,382
	AI Arafah	To purchase of	10,120,000	9.50%				Against FDR	391,722	-

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Bank Limited	commercial space for Permanent Head Office.								
Southeast Bank Limited	To meet urgent financial requirement.	3,600,000	8.25%				Against FDR	Lump sum basis.	3,726,319
Eidm Bank Limited	To meet up urgent business requirement.	4,050,000	9.47%				Against FDR	Lump sum basis.	1,723,626
Mutual Trust Bank Limited	To meet up urgent business requirement.	5,400,000	11.50%				Against FDR	Lump sum basis.	4,736,637
United Commercial Bank Limited	To pay insurance claim.	3,120,000	12.00%				Against FDR	Lump sum basis.	2,915,470
Total		166,502,000							98,982,587
31-Dec-18	IDLC	To purchase of commercial space for Permanent Head Office	100,000,000	15.50%	1. Registered mortgage on 10,000 sqft commercial space at Pallan, 2. 12 post dated cheque of Tk. 1,953,840 and 1 undated cheque of Tk. 100,000,000.	1. Registered mortgage on 10,000 sqft commercial space at Pallan.	1. Registered mortgage on 10,000 sqft commercial space at Pallan.	1,957,840	63,988,044
	Social Islami Bank Limited	To meet up emergency financial requirement.	19,890,000	10.62%			Against MTDR	Lump sum basis.	903,842
	BASIC Bank Limited	To meet up day to day financial need.	8,910,000	7.64%			Against FDR	Lump sum basis.	8,665,145
	IFC Bank Limited	To meet up day to day financial need.	5,400,000	11.00%			Against FDR	Lump sum basis.	5,483,655
	Bank Asia Limited	To meet up urgent need of funds.	6,012,000	9.15%			Against FDR	Lump sum basis.	5,882,455

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

	Al Arafah Bank Limited	To purchase of commercial space for Permanent Head Office.	10,120,000	9.50%		Against FDR	391,722	5,371,631
	Southeast Bank Limited	To meet up urgent financial requirement.	3,600,000	8.25%		Against FDR	Lump sum basis.	3,730,225
	Exim Bank Limited	To meet up urgent business requirement.	4,050,000	9.47%		Against FDR	Lump sum basis.	4,122,310
	Mutual Trust Bank Limited	To meet up urgent business requirement.	5,400,000	11.50%		Against FDR	Lump sum basis.	5,528,374
	Islami Bank Bangladesh Limited.	To meet up urgent business requirement.	3,100,000			Against FDR		2,888,000
	United Commercial Bank Limited	To pay insurance claim.	3,120,000	12.00%		Against FDR	Lump sum basis.	3,168,561
	Total		169,602,000					109,732,242
31-Dec-17	IDLC	To purchase of commercial space for Permanent Head Office	100,000,000	15.50%	1. Registered mortgage on 10,000 sqft commercial space at Pallan. 2. 12 post dated cheque of Tk. 1,953,840 and 1 undated cheque of Tk. 100,000,000.	1. Registered mortgage on 10,000 sqft commercial space at Pallan.	1,957,840	76,577,785
		To meet up emergency financial requirement.	19,890,000	10.62%		Against MTDR	Lump sum basis.	4,890,921
	BASIC Bank Limited	To meet up day to day financial need.	8,910,000	7.64%		Against FDR	Lump sum basis.	8,852,975

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জোনে ও বুঝে বিনিয়োগ করুন

	IFIC Bank Limited	To meet up day to day financial need.	5,400,000	11.00%		Against FDR	Lump sum basis	5,401,396
	Bank Asia Limited	To meet up urgent need of funds.	6,012,000	9.15%		Against FDR	Lump sum basis	6,048,783
	Al Arafah Bank Limited	To purchase of commercial space for Permanent Head Office.	10,120,000	9.50%		Against FDR	391,722	9,240,793
	Southeast Bank Limited	To meet urgent financial requirement.	3,400,000	8.25%		Against FDR	Lump sum basis	3,730,925
	Exim Bank Limited	To meet up urgent business requirement.	4,050,000	9.47%		Against FDR	Lump sum basis	4,197,272
	Total		157,982,000					118,940,850
31-Dec-16	IDLC	To purchase of commercial space for Permanent Head Office	100,000,000	15.50%	1. Registered mortgage on 10,000 sft commercial space at Pallan. 2. 12 post dated cheques of Tk. 1,953,840 and 1 undated cheque of Tk. 100,000,000.	1. Registered mortgage on 10,000 sft commercial space at Pallan.	1,957,840	81,110,017

Place: Dhaka

Date: 17th August, 2021

Sd/-

MA85 & J Partners

Chartered Accountants

পুঁজিবাজারে বিনিয়োগ কুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(ii) Statement of unsecured loans with terms & conditions;

Certification on statement of unsecured loans with terms and conditions of Meghna Insurance Company Limited.

This is to certify that Meghna Insurance Company Limited has not taken any unsecured loan from financial institute/related party/person for the period ended 31 March, 2021 and last five years;

Place: Dhaka

Date: 17th August, 2021

Sd/-

MABS & J Partners

Chartered Accountants

(iii) Statement of inventories showing amount of raw material, packing material, stock-in-process and finished goods, consumable items, store & spares parts, inventory of trading goods etc.;

Certification on statement of inventories showing amount of raw material, packing material, stock-in-process and finished goods, consumable items, store and spares parts, inventory of trading goods etc. of Meghna Insurance Company Limited.

This is to certify that Meghna Insurance Company Limited has no inventories showing amount of raw material, packing material, and stock in process and finished goods, consumable items, store & spare parts, inventory of trading goods etc. for the period ended 31 March, 2021 and last five years.

Place: Dhaka

Date: 17th August, 2021

Sd/-

MABS & J Partners

Chartered Accountants

(iv) Statement of trade receivables showing receivable from related party and connected persons;

Certification on statement of trade receivables showing receivable from related party and connected persons of Meghna Insurance Company Limited.

This is to certify that, there is no such receivables showing receivables from related party and connected person of Meghna Insurance Company Limited for the period ended 31 March, 2021 and last five years.

Place: Dhaka

Date: 17th August, 2021

Sd/-

MABS & J Partners

Chartered Accountants

পুঁজিবাজারে বিনিয়োগ বৃত্তিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(v) Statement of any loan given by the issuer including loans to related party or connected persons with rate of interest and interest realized or accrued;

Certification on statement of any loan given by the issuer including loans to related party or connected persons with rate of interest and interest realized or accrued of Meghna Insurance Company Limited.

This is to certify that, there is no such loan given by Meghna Insurance Company Limited to any related party or connected persons hence there is no interest realized or accrued for the period ended 31 March, 2021 and last five years.

Place: Dhaka

Date: 17th August, 2021

Sd/-

MABS & J Partners

Chartered Accountants

(vi) Statement of other income showing interest income, dividend income, discount received, other non-operating income;

Certification on statement of other income showing interest income, dividend income, and discount received, other non-operating income of Meghna Insurance Company Limited.

After due verification, other income showing interest income, dividend income, discount received, other non-operating income of Meghna Insurance Company Limited for the period ended 31 March, 2021 and last five years as follows:

Particulars	Amount in Taka					
	Period ended 31 st March, 2021	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16
Interest Income	3,390,128	24,677,204	10,786,781	14,780,945	13,870,359	13,002,433
Dividend Income	-	-	45,102	-	43,968	27,552
Discount received	-	-	-	-	-	-
Other non-operating Income	(925)	(200,351)	17,438	574,404	588,659	1,158,823
Total Income	3,389,203	24,476,853	10,849,322	15,355,349	14,502,986	14,188,808

Place: Dhaka

Date: 17th August, 2021

Sd/-

MABS & J Partners

Chartered Accountants

(vii) Statement of turnover showing separately in cash and through banking channel;

পুঁজিবাজারে বিনিয়োগ তুলিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Certification on statement of turnover showing separately in cash and through banking channel of Meghna Insurance Company Limited.

After due verification, the turn over showing separately in cash and through banking channel of Meghna Insurance Company Limited for the period ended 31 March, 2021 and last five years as follows:

Particulars	Amount in Taka					
	Period ended 31 st March, 2021	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16
Turnover in cash	-	-	-	-	-	-
Turnover in cash through banking channel	219,130,267	619,402,772	581,041,069	461,909,172	412,338,034	471,476,025
Total turnover	219,130,267	619,402,772	581,041,069	461,909,172	412,338,034	471,476,025

Place: Dhaka

Date 17th August, 2021.

Sd/-

MABS & J Partners

Chartered Accountants

(viii) Statement of related party transaction;

Certification on statement of related party transactions of Meghna Insurance Company Limited.

This is to certify that the financial statements of the Meghna Insurance Company Limited furnished for our audit does not have transaction during the year ended 31 December, 2016, 31 December, 2017, 31 December, 2018, 31 December, 2019 or any proposed transaction between the issuer and any of the following persons.

- Any director or sponsor or executive officer of the issuer;
- Any person holding 5% or more of the outstanding shares of the issuer;
- Any related party or connected person of any of the above persons;

Besides this there are some related party transactions for the year ended 31 December, 2020 and for the period ended 31 March, 2021 are given below:

পুঁজিবাজারে বিনিয়োগ কুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Related party transactions for the period ended 31st March, 2021

Name of the party	Relationship	Name of transaction	Premium earned	Premium outstanding	Claim paid
Aswad Composite Mills Ltd.	Director's wife	Insurance	3,661,393	-	-
Ayesha Clothing Co. Ltd.	Director's wife	Insurance	700,309	-	-
Arkay Knit Dyeing Mills Ltd.	Director's wife	Insurance	3,318,055	-	403,823
Nafa apparels Ltd.	Director's wife	Insurance	75,897	-	-
Marina apparels Ltd.	Director's wife	Insurance	172	-	-
Safaa Sweaters Ltd.	Director's wife	Insurance	0	-	-
Hamza Trims Ltd.	Director's wife	Insurance	44,919	-	-
Hamza Logistics Ltd.	Director's wife	Insurance	262,005	-	25,000
Hamza Clothing Ltd.	Director's wife	Insurance	1,337	-	1,210,938
Cortz Apparels Ltd.	Director's wife	Insurance	230,559	-	-
Magnum Traders	Director's wife	Insurance	11,136	-	-
Ayesha Fashion Ltd.	Director's wife	Insurance	46,720	-	-
Total			8,352,502	-	1,639,761

Related party transactions for the period ended 31st December, 2020

Name of the party	Relationship	Name of transaction	Premium earned	Premium outstanding	Claim paid
Aswad Composite Mills Ltd.	Director's wife	Insurance	2,879,267	-	-
Ayesha Clothing Co. Ltd.	Director's wife	Insurance	1,798,377	-	-
Arkay Knit Dyeing Mills Ltd.	Director's wife	Insurance	4,220,530	-	112,954
Nafa apparels Ltd.	Director's wife	Insurance	1,584,388	-	-

পুঁজিবাজারে বিনিয়োগ বুকিসূচী। জেনে ও বুঝে বিনিয়োগ করুন

Marina apparels Ltd.	Director's wife	Insurance	896,123	-	-
Safaa Sweaters Ltd.	Director's wife	Insurance	2,079	-	-
Hamza Trims Ltd.	Director's wife	Insurance	82,078	-	-
Cortz Apparels Ltd.	Director's wife	Insurance	105,384	-	-
Magnam Traders	Director's wife	Insurance	57,089	-	-
Ayesha Fashion Ltd.	Director's wife	Insurance	8,590	-	-
Total			11,633,905	-	112,954

Place: Dhaka
 Date: 17th August, 2021

Sd/-
MABS & J Partners
 Chartered Accountants

(ix) Reconciliation of business income shown in tax return with net income shown in audited financial statements

Certification on reconciliation of business income shown in tax return with net income shown in audited financial statements of Meghna Insurance Company Limited.

Reconciliation	Period ended 31 st March, 2021	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16
Net Income shown in audited financial statements	-	-	18,733,818	17,108,681	16,039,361	15,005,497
Less/Adjustment for Subsequent/Separate Consideration	-	-	604,892	2,616,990	3,002,381	-
Add: Accounting depreciation	-	-	6,442,508	8,771,925	8,771,925	-
Less: Depreciation as per tax base	-	-	4,884,660	5,690,749	6,310,772	-
Less: Exceptional Losses	-	-	15,000,000	13,000,000	13,000,000	13,000,000
Add: Other Income/(Expenses)	-	-	45,102	00	381,281	-
Income shown in tax return	-	-	4,731,876	4,572,867	2,879,414	2,005,497

****Income tax return for the year ended 2020 not submitted yet.**

Place: Dhaka
 Date: 17th August, 2021

Sd/-
MABS & J Partners
 Chartered Accountants

গুজিবাঙ্গারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

- (x) Confirmation that all receipts and payments of the issuer above Tk.5,00,000/- (five lac) were made through banking channel;

Certification on confirmation that all receipts and payments of the issuer above Tk. 5,00,000/- (five lac) were made through banking channel of Meghna Insurance Company Limited.

After due verification, we confirm that all receipts and payments above Tk.5,00,000/- (five lac) were made through banking channel by Meghna Insurance Company Limited during period ended 31 March, 2021 and last five years.

Sd/-

MABS & J Partners

Chartered Accountants

Place: Dhaka

Date: 17th August, 2021

- (xi) Confirmation that Bank Statements of the issuer are in conformity with its books of accounts;

Certification on confirmation that Bank Statements are in conformity with its books of accounts of Meghna Insurance Company Limited.

After due verification, we confirm that the bank statements of Meghna Insurance Company Limited are in conformity with its books of accounts for the period ended 31 March, 2021 and last five years.

Sd/-

MABS & J Partners

Chartered Accountants

Place: Dhaka

Date: 17th August, 2021

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

(xii) Statement of payment status of TAX, VAT and other taxes or duties; and

**Certification on statement of payment status of TAX, VAT and other taxes or duties of
Meghna Insurance Company Limited.**

Particulars	Payment Status					
	Period ended 31 st March, 2021	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16
Tax	2,639,385	4,485,419	4,176,129	4,663,350	16,183,535	24,555,992
VAT	23,238,050	69,869,292	52,995,330	33,317,180	34,797,291	24,585,056
Other Taxes/Duties	9,673,995	34,791,139	22,508,603	9,900,927	14,100,270	6,300,000

Sd/-

MABS & J Partners

Chartered Accountants

Place: Dhaka

Date: 17th August, 2021.

(xiii) Any other statement as may be required by the Commission (If any)

Not Applicable.

পুঞ্জিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

CHAPTER (XXVII)

CREDIT RATING REPORT

AlphaRating

Meghna Insurance Company Limited

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

(Non-Life Insurance)

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পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

AlphaRating

22 September, 2021

Chief Executive Officer
 Meghna Insurance Company Limited
 Pritom Zaman Tower (4th Floor), 37/2 Purana Palton, Dhaka-1000

Subject: Credit Rating of Meghna Insurance Company Limited.

Dear Sir,

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

Date of Declaration	Valid Till	Rating Action	Long Term Rating	Short Term Rating	Outlook
22 September, 2021	21 September, 2022	Surveillance	AA-	ST-2	Stable

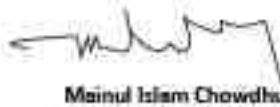
The long term & short term rating is valid up to the earlier of 21 September, 2022. The rating may be changed or revised prior to expiry, if warranted by extraordinary circumstances in the Management, operations and/or performance of the entity rated.

We, Alpha Credit Rating Limited, while assigning this rating to Meghna Insurance Company Limited, hereby solemnly declare that:

- We, Alpha Credit Rating Limited as well as the analysts of the rating have examined, prepared, finalized and issued this report without compromising with the matters of our conflict of interest, if there be any; and
- We have complied with all the requirements, policy and procedures of these rules as prescribed by the Bangladesh Securities and Exchange Commission in respect of this rating.

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

With Kind Regards,



Mainul Islam Chowdhury FCCA
 Chief Operating Officer

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

পূঁজিবাজারে বিনিয়োগ সুকির্পূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Meghna Insurance Company Limited	AA- Long Term Rating	ST-2 Short Term Rating	Stable Outlook
Surveillance Rating Action	Date of Declaration: 22 September, 2021		Valid Till: 21 September, 2022

Business Risk High	Liquidity Position Moderate	Profitability Moderate	Solvency Score Moderate	Capital Adequacy Inadequate	Sector Non-life
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Previous Rating

Long Term Rating: **AA-**

Short Term Rating: **ST-2**

Outlook: **Stable**

Date of Declaration: **15 December, 2020**

Valid Till: **14 December, 2021**

Contact Analysts

Jahannoor Khan

jahannoor@alpharating.com.bd

Tanmoy Soha

tanmoy@alpharating.com.bd

Contents

Rationale	2
Company Profile	3
Industry Overview	3
Business Risk	10
Financial Risk Analysis	13
Management & Other Qualitative Factors	28
Company Information	20

Date of Incorporation:

18 March, 1996

Board Chairman:

Mr. Mushfiq Rahman

Chief Executive Officer (CEO):

Mr. Mohammad Abu Bakar Siddique

Total Asset:

BDT 1097.38 million (31st March, 2021)

Authorized Capital:

BDT 1000.00 million

Paid up Capital:

BDT 240.00 million (31st March, 2021)

Rationale

AlphaRating affirms long term rating "AA-" (pronounced as "Double A Minus") and short term rating "ST-2" on claim paying ability (CPA) of Meghna Insurance Company Limited (Hereinafter referred to as 'MiCL' or 'the company'). The rating is based on audited financial statement of FY 2018 to FY 2020, for the year ended 31st December and other financial information till 31 March 2021 and other qualitative factors. While assigning the rating AlphaRating has considered both favorable and unfavorable movement in overall performance of the company. The rating continues to draw comfort from established position in the market, growing assets base, experienced management team along with long track record of the promoters in the insurance industry.

The assigned rating is also supported by increased gross & net premium, agency commission within 15%, sound liquidity, moderate solvency, increase in investment, positive cash flow from operation, claim settlement period within 90 days, wide branch network, adequate reserve for un-expired risk and stronger balance sheet with standard investment policy etc.

However, the strength of the rating is partly offset by more than 100% of combined ratio, decline in underwriting profit, overall socio economic condition of Bangladesh along with inadequate paid up capital, excess management expense, loss from fire insurance revenue account, decline in net profit margin along with ROA & ROE etc. The rating also considers inherent business risks, unhealthy competition between the competitors and level of sophistication of the domestic insurance market.

Key Performance Indicator

	2020	2019	2018
Combined ratio (%)	104.71	96.26	104.73
ROA (%)	2.33	4.22	4.37
Net Profit margin (%)	1.72	4.58	6.07
ROE (%)	3.67	8.00	8.13
Current Ratio (x)	1.17	1.26	1.11
Yield on Investment (%)	6.34	5.14	5.81
Solvency ratio (x)	2.58	2.28	1.90
Gross premium (BDT in million)	615.40	581.04	481.91
Net premium (BDT in million)	439.45	351.08	269.86
Net claim (BDT in million)	52.78	79.50	42.96
Underwriting profit (BDT in million)	36.91	33.35	28.75
Excess Mgt. Exp. (BDT in million)	122.83	38.27	54.51
Operating Cash Flow (BDT in million)	151.71	106.02	13.80
Investment (BDT in million)	398.60	345.15	251.44

The rating also further offset by dearth of qualified professionals in insurance industry of Bangladesh as a whole, uncertain economic environment as well as the level of maturity of the domestic insurance market.

The stable outlook assessed by AlphaRating reflects upside and down side risks are currently well balanced.

পুঁজিবাজারে বিনিয়োগ সুকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Company Profile

Bank Facilities

Industry Overview

Management & Other Qualitative Factor

Business Risk

Financial Analysis

Company Information

Company Profile

Meghna Insurance Company Limited is a Public Limited Company incorporated in Bangladesh on 18 March, 1996 under the Companies Act-1994 and involved in general insurance business as per Insurance Act-2010. The main targets of the company are to carry on all kinds of insurance business other than life. The mission of MICL is to be the best performing insurance company in the country providing high quality products and services backed by the latest technology and a team of highly motivated personnel. The Board of Directors of Meghna Insurance Company Limited decided to raise capital through Initial Public Offering (IPO) from existing BDT 240.00 million to BDT 400.00 million by a way of raising 16.00 million nos. ordinary shares @ of Taka 10 per share, Total BDT 160.00 million subject to approval of regulatory authority.

Branch Network

The Company carries out its activities through its Head Office located at Pritom Zaman Tower (4th floor), 37/2 Purana Palton, Dhaka-1000. The company is running its operation successfully with 47 branches covering major financial centers of Dhaka, Chittagong, Rajshahi, Khulna, Barishal, Sylhet, Mymensingh & Rangpur with the assistance of 855 numbers of employees as on 31 March, 2021.

Ownership Pattern

Authorized share capital of MICL is BDT 1,000.00 million divided into 100 million ordinary shares of BDT 10.00 each. Total paid-up capital is BDT 240.00 million. As on March 31, 2021 company's ownership pattern was following:

Category	% of Shareholding
Mr. Almas Barik Chowdhury	4.31
Ms. Almas Chowdhury	4.31
Mr. Jewel Kaiser Ally	3.07
Mr. Anisuzzaman Chowdhury	3.07
IFAD Venture Limited	10.11
SW Holdings Limited	3.07
Barrister Sadat Khan	0.69
Mr. Zeshan Khan	0.69
Ms. Farida Akhter	3.28
Ms. Jotana Ara Begum	2.76
BAIRWAZ Investments LLC	13.17
M/S Runner Trading	13.56
Mr. Zoyul Abedin Chowdhury	1.38
Mrs. Marina Ahmed	1.38
Mr. M. A. Hannan	1.93
Mr. Mohammad Didarul Hossain	3.80
Mr. Mohammad Enayeturrah	3.28
Mr. Azizul Haque	0.28
Late Abdul Wahid	0.28
M/S Matzy Enterprises	0.83
NAKIMS Motors Ltd	4.71
ZAMORED Investments LLC	12.04
Total	100.00%

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Product Mix

As a non-life insurance company, objective of MCL is to perform all kinds of insurance business and indemnity other than life insurance. MCL mainly carries out all traditional non-life insurance business- fire, marine cargo & hull, motor insurance, other miscellaneous businesses. Diversification is the key to maximizing profitability in today's insurance market.

Fire Insurance

- Fire & Allied Peril Insurance
- Fire Package Insurance
- Property all risks including Machinery Break-Down & Business Interruption
- Power Plant Operational Package Insurance

Marine Insurance

- Marine Cargo Insurance
- Marine Hull Insurance
- Ship Builders' Liability Insurance
- Goods in Transit Insurance
- Freight Insurance

Motor Insurance

- Private Vehicle Insurance
- Commercial Vehicle Insurance
- Motor Cycle Insurance

Miscellaneous Insurance

- Burglary & House Breaking Insurance
- Cash-in-Transit Insurance
- Cash-in-Safe Insurance
- Cash-on-counter Insurance
- ATM Booth Insurance
- Bank Lockers Insurance
- Credit Card Fraud & Forgery Insurance
- Fidelity Guarantee Insurance
- Banker's Blanket Insurance
- Workmen's Compensation Insurance
- Personal Accident Insurance
- People's Personal Accident Insurance
- Public Liability Insurance
- Overseas Medi-Claim Insurance
- Professional Indemnity Insurance

Engineering Insurance

- Contractors' All Risks Insurance
- Erection All Risks Insurance
- Boiler & Pressure Vessel Insurance
- Machinery Breakdown Insurance
- Deterioration of Stock Insurance
- Contractors' Plant And Machinery Insurance
- Electrical Equipment Insurance
- Industrial All Risk Insurance

Future Plan

The management of Meghna Insurance Company Limited has a plan to issue additional 16.00 million shares of BDT 10 each total BDT 160.00 million through initial public offering (IPO), subject to the approval of Bangladesh Securities Exchange Commission (BSEC) and other regulatory bodies, if applicable. The company will then use the collected fund to meet IPO expense & will also invest in FDR, Capital market & Treasury Bond.

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Industry Overview

The role of insurance in managing risks in an economy cannot be overstated. At a micro level, insurance safeguards households and companies from a myriad of risks. From a macro perspective, it reduces the financial burden on a government and creates a stable environment in which businesses can thrive and succeed. While Bangladesh has taken gigantic strides on the path to economic prosperity, its insurance sector is a vital area that requires considerable attention and can benefit significantly from regulatory reforms.

Snapshot of Bangladesh's insurance industry

Currently, Bangladesh's insurance sector comprises 46 non-life insurance companies and 33 life insurance companies. In addition, there are two state-owned insurance corporations—one in the non-life segment and the other in the life segment.

The gross premium volume of life insurance in Bangladesh stands at BDT 96,082.20 million and that of non-life stands at BDT 36,827.00 million at the end of 2019, which was BDT 89,921.30 million for life insurance and BDT 33,907.90 for non-life insurance at the end of 2018. Moreover, 6.85% and 8.61% growth in gross premium has been observed in life & non-life insurance respectively in 2019. However, total gross premium (life & non-life) has grown to BDT 132,909.10 million with a growth rate of 7.33% in 2019 (see Figure 1). Life insurance constitutes 72.29% of Bangladesh's insurance market and non-life insurance constitutes 27.71%.

Micro-insurance and Islamic insurance are also a part of Bangladesh's insurance sector. In 2019, approximately 1.61 million new life and 2.61 million new non-life insurance policies were issued. Further, the number of active life insurance policies was approximately 9.68 million in 2019. The assets of all insurance companies in Bangladesh stood at BDT 522,534.40 million at the end of 2019, with an average growth rate of 4.50% from 2018. Investments in both life and non-life insurance companies have grown at an average rate of 4.25% in 2019. The life insurance sector has a competitive landscape, with market share being closely distributed among multiple players.

As per the provisions enunciated in the Motor Vehicles Ordinance, 1983 (hereinafter referred to as the MVO, 1983) taking a motor vehicle insurance was mandatory for the owners of motor vehicles except for the ones owned by the government. The newly enacted Road Transport Act, 2018 has made Act Liability Insurance (Third Party Motor Insurance) optional to the owners to take such insurance and instructed Police authority to curb practice for verifying obligatory insurance certificate and as such no penal action.

Insurance Development and Regulatory Authority (IDRA) has also cancelled the product "Third Party Motor Insurance". Now the owners of motor vehicles are to take only "Comprehensive Motor Insurance Policy" for compensation of loss or damages of vehicle as well as passengers. Now Police Authority is not checking motor insurance certificate and the owners of vehicle are reluctant to take comprehensive motor insurance policy. This situation has badly affected the motor insurance premium income.

Benchmarking Bangladesh's insurance industry

Although Bangladesh's insurance sector has witnessed some growth, in comparison with other emerging nations, there is a lot of room for improvement. According to the Seventh Five Year Plan (2016–2020) of the Government of Bangladesh (GoB), a majority of the population across product segments (life and non-life) remains untapped by the insurance market.

Life insurance penetration (insurance premiums as a share of GDP) in Bangladesh was 0.30% in 2019, while the average for emerging countries was 1.70% as per Swiss Re, a leading global re-insurer. In case of non-life insurance, it was 0.10% in Bangladesh, whereas 1.50% for emerging nations. In the year, overall insurance penetration was less than 0.50%, which was 0.57% in 2018 and 0.55% the year before. Bangladesh's insurance penetration mostly been on a downward trend as well as falls behind that of several other developing countries. Bangladesh's insurance sector is currently unable to keep pace with emerging markets around the globe. To bring this to perspective, total inflation adjusted premium growth was 3.10% in Bangladesh in 2019. However, this was 8.10% in emerging countries.

Need for key insurance products in Bangladesh

Agricultural sector

The sector accounts for more than a third of all employment in Bangladesh and is an integral part of the country's economy. Bangladesh suffers from agricultural production 'shocks' every five years, leading to a drop of up to 50% in crop income for rural households. This is one of the leading causes of poverty among many small- and medium-scale farmers. Moreover, there are very few providers of agricultural insurance products. Dedicated efforts to increase the penetration of different insurance products by private and state-owned companies, facilitated by conducive regulations, can help farmers transfer some of these risks and reduce their extreme income volatility.

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Health sector

Health insurance is another crucial area that needs development. Health insurance is virtually non-existent in Bangladesh's public and private sectors. Bangladesh's expenditure on health is only 2.64% of its GDP—the lowest in South Asia. Close to 9% of households make huge healthcare payments and 7% have to finance their healthcare costs by selling their assets. People in rural areas are especially vulnerable to falling into the poverty trap. Pension schemes are mostly seen in the Government sector and most of the elderly population relies on family support for sustenance. As Bangladesh develops and life expectancy rises, its elderly population will increase proportionately. The insurance sector can play a vital role in reducing the burden on the overall spending on healthcare and contribute positively towards increasing the livelihood of the general public of the nation.

Challenges and Opportunities

Key challenges

Various challenges underlie the limited growth of Bangladesh's insurance sector. For one, the relationship between customers and insurance companies is marked by lack of trust. According to a study by PwC, a majority of Bangladeshi people do not trust insurance agents, and there is limited awareness regarding life insurance products. Claim settlement-related problems also undermine the customer-insurer relationship, and the process of settling claims can be arduous and long. Secondly, Bangladesh lacks potential employees with adequate skills and knowledge to provide insurance services of the highest standard. In particular, employees holding advanced degrees in relevant fields are needed. From a macroeconomic perspective, Bangladesh suffers due to uneven income distribution where a majority of the people are poor and do not have the disposable income to afford insurance. This hinders the growth of the country's overall insurance penetration rate.

Moreover, the country's technological capacities need major advancement. Globally, the insurance sector has been undergoing digitization and platforms are being created to optimize customer service and streamline processes. In contrast, in Bangladesh, there is limited utilization of modern technology and processes. Insurance companies do not have access to accurate and up-to-date demographic

FIGURE 1: INSURANCE INDUSTRY TREND OF BANGLADESH

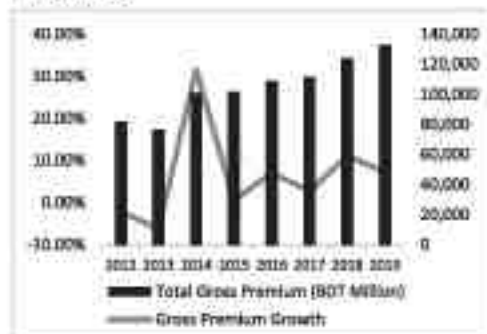


FIGURE 2: EMERGING ASIA IS PROJECTED TO CAPTURE MUCH OF THE GROWTH IN LIFE INSURANCE PREMIUMS

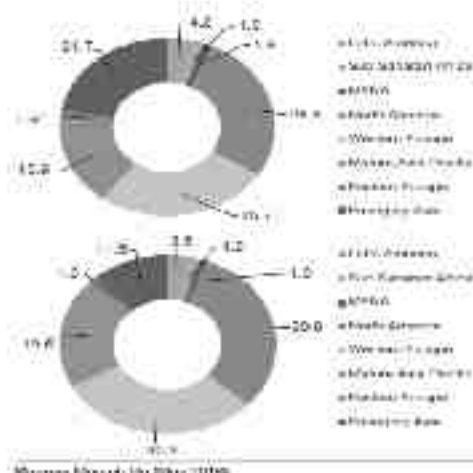
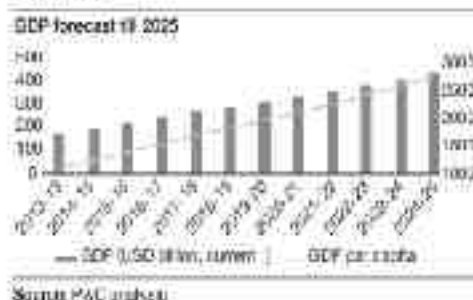


FIGURE 3: BANGLADESH'S ECONOMY HAS SEEN STEADY GROWTH



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Favorable indicators for insurance sector development

Bangladesh sustained an impressive annual GDP growth rate of 8.2% in 2019. Bangladesh's GDP growth rate has been increasing steadily for the last six years. Strong consumption and public investment, recovery of readymade garments (RMG) exports and high remittance growth were the main propellers of economic growth, bolstering the rise in income per capita and growth of the middle-class population.

Macroeconomic trends indicate potential growth in the country's insurance sector, especially given Asia's unprecedented growth. The region is set to represent a large share of overall life insurance premiums between 2016 and 2025, rising from 11.6% to 21.7% (see Figure 2).

Bangladesh is poised to capture some of this growth. The country's economic growth has been on an upward trend, which bodes well for the insurance sector (see Figure 3).

In the next decade, Bangladesh will continue to witness the rise of the middle and wealthy class in major cities. This could easily translate into a higher demand for insurance products as individuals and companies become increasingly risk aware.

As the country becomes increasingly industrialized, the demand for non-life insurance, such as fire, accident and property as well as workers' compensation insurance, is likely to experience substantial growth in demand.

Bancassurance opportunity

Bancassurance (a partnership between an insurance company and a bank where the bank sells insurance products) presents specific growth opportunities in Bangladesh's insurance sector and can result in mutual benefits for banks, insurers, customers and regulators. Banks usually have the preexisting technological and human resources to provide the best customer services.

Thus, it is likely to be more convenient for customers to, for instance, pay premiums and

On the regulatory side, financial institutions that diversify their product range may reduce systematic risk. In addition, insurers can access the various distribution channels of banks and widen their market reach without having to create a network of agents from scratch. Partnerships with banks could also boost insurers' solvency levels. Selling a range of financial services to customers can be in the best interests of banks since diversification into insurance products would give them a stable source of income. Banks can also reduce their risk-based capital needs for the same level of revenue. Another added benefit is that bundled insurance can help minimize the impact of non-performing assets (NPAs). As such, bancassurance can prove to be one of the fastest ways to raise Bangladesh's insurance penetration rate.

Conclusion

Despite various challenges, Bangladesh's insurance sector has tremendous potential for growth, especially given the country's favorable macroeconomic picture. Regulatory reforms and the introduction of bancassurance, health, expatriate, agriculture, education, coastal, and public pension insurance products along with deep distribution channels can catalyze growth in the insurance sector.

Regulations that focus on reducing the risk of insolvency can help build trust in the market at a global level, which in turn will increase the flow of funds into the economy. With adequate capital requirements in place, insurance companies will serve as a safeguard for investments in infrastructure bonds, thereby boosting infrastructure development.

Strong regulations can also help strengthen the reinsurance market, which will ease the financial burden on the government arising from catastrophic events, thus directly contributing towards development opportunities for the country. Further, well-

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COVID-19 Impact on Insurance Sector

Insurance which plays a vital role in managing risks both in micro and macro level has seen lowest penetrations in Bangladesh compared to its regional peers. Surprisingly, Insurance penetration has been declining for the past several years even though the country's Per-capita GDP has been showing a stable growth over a decade now. Insurance penetration in Bangladesh stood at less than 0.50% in 2019, down from 1.13% in 2010. COVID-19 is impacting the insurance industry in multiple ways—from employee and business continuity issues to client service considerations and outlook.

Due to COVID-19, fire and marine insurance are expected to take the biggest hit. These two components consist of around 77% of non-life insurance companies total premium income (see Figure 4).

FIRE INSURANCE

The biggest source of premium for non-life insurance company is fire insurance, which accounts for 43.1% of total premium income for non-life insurance companies. Factories for the RMG sector are the major driver of fire insurance premium. A total of RMG factories—348 registered with BGMEA and 71 with BKMEA. According to BGMEA, some 268 factories out of 348 were closed temporarily, and the rest 80 were closed permanently.

A recent study by Human Rights Watch shows that when orders were cancelled, 72.1% of buyers refused to pay for raw materials already purchased by the supplier, and 91.3% of buyers refused to pay for the "cut-make-trim" cost - or production cost - of the supplier. As a result, 58% of factories surveyed reported having to shut down most or all their operations. This shut down of factories may strangle the fire premium growth rate.

MARINE INSURANCE

Marine insurance that depends on import cargo accounts for 34.3% of the non-life insurance's total premium a year. Insurance companies' premium income from marine insurance is expected to go down to a new low if this global

FIGURE 4: PREMIUM INCOME SEGMENT

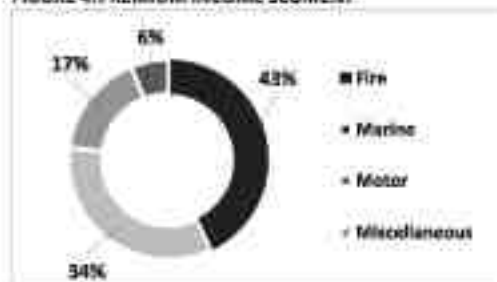


FIGURE 5: INVESTMENT PORTFOLIO MIX



MOTOR AND MISCELLANEOUS

Most of the motor vehicles are covered under third party insurance coverage. Since premium charged under third party insurance coverage is insignificant and has a higher rate of renewal, premium from this category will have a less impact. But it is projected that, new motor sales to decline and first party insurance premium to decline too.

Aviation insurance is major contributor of miscellaneous segment. In this COVID-19 situation, the aviation sector may take a few years to turn around. As a result, it can be assumed that the insurance sector will face indirect losses.

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Investment Income

Most of the time insurance company's premium income is eaten away by claim and management expenses. History shows most of the insurance companies have a combine ratio (Direct Management expenses + Claims and Commission to net premium) above 80%. As a result, they rely on investment income for other expenses like provision, tax and indirect management expenses.

FDR consist 33.6% of total investment and capital market investment consist 28.6% of total investment (see Figure 5). Current 5-6% FDR rate and bearish capital market is expected to lower investment income.

Impact on Cost Centers

In 2019, non-life insurers in Bangladesh agreed not to give more than 15% commission to agents. Since these field agents are poorly paid, they now have less motivation to go out in the field and bring new business amid COVID-19 outbreak. So it's expected that agent commission expenses may go down. Some insurance companies may go for salary cut during this COVID-19 pandemic which could result in lower indirect management expenses. Overall, it is expected that benefits of cost savings will be counterbalanced to some extent by higher level of revenue de-growth. During pandemic condition, life insurance sectors claim expenses rises beyond average level.

Shock in the distribution channel

Field agents are the main driver for creating new business and continuous flow of premium income. These individuals are involved in distribution of life insurance policies to customers by the way of field sales involving visiting the person's home or office. Face-to-face sales are considered the forte of insurance agents since policy terms and conditions are tougher to be explained over the phone or even online. Due to halted economic activities it will be difficult for the field agents to bring new business.

Forced repatriation of migrant workers

Mandatory insurance for migrants was supposed to be a catalyst which will boost the premium income for life-insurance companies. Bangladesh faced a double problem due to shrinking global labor market amid the COVID-19 pandemic, posing a threat to foreign remittances and at the same time overcrowding the local labor market.

Low margin of solvency

The insurance sector of Bangladesh is not ready to pay

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Business Risk Analysis

Business Risk

MICL controls its business risks arising from different types of underwriting policies, underwriting professionals at branch level with the help of guideline of IDRA. The company has decentralized its underwriting functions and delegated powers to its zonal offices and branches for rendering prompt, efficient and effective services to the clients. Risks involved with policies are assessed by underwriting officers of the respective branch for underwriting policies up to a specific limit of sum insured, beyond which risk assessment of different policies are done by Internal Risk Inspection Team. Skill level of employees engaged in underwriting process acts vitally behind innovation of new products and services that will help companies to attract newer clients and competitiveness in the market. MICL handles its business risks arising from different types of underwriting policies, underwriting professionals at branch level by providing them specific instruction and guidelines from the Head Office over the period of time.

It has been noted that the company mainly concentrated on fire insurance in FY 2020 and gross premium received from fire insurance represented 39.13% of total gross premium. Another significant business sector is marine cargo insurance which represented 24.90% of total gross premium while motor & miscellaneous insurance held 22.07% & 13.61% of total gross premium respectively. However, it was also noted that marine cargo & motor insurance was the most profitable business sector for the company in FY 2020. The company should focus on generating more underwriting profit to offset the business risk to some extent.

Insurance Risk

The risk under an insurance contract is that an insured event will occur including the uncertainty of the amount and timing of any resulting claim. Principle risk the company faces under such contracts is that the actual claims and benefit payments exceed the premiums written or the carrying amount of insurance liabilities. This is influenced by the frequency of claims; actual benefits paid being greater than originally estimated subsequent development of long-term claims.

MICL reduces this risk with the help of its experienced professionals who undertakes pre-insurance surveys of large and complicated risk. Risk management ensures proper understanding of the right level of risk acceptance, risk control and risk related expenditure. MICL also takes reinsurance coverage from SBC.

Human Resource Risk

Human resource risk arises in many forms. Not having the right person in right place and with required skills needed to compete are two of those risks. Companies with an ageing workforce are even at more risk.

It is noted that, insurance industry of Bangladesh needs to transform. Lack of frequent training from developed nations' results into information gap and under development of the sector.

In order to retain its position as the market leader, MICL needs to recruit employees with relevant qualification. Not only that, the company needs to arrange proper training inside and outside country for its staff force. It will help the company to cope up with the latest business trend of the industry and also enable the corporation to introduce new products. All of these are expected to boost up the business of the company.

Competition in the Market

Insurance sector in Bangladesh has immense potential. The sector is likely to flourish as the country is heading towards middle income country. Govt. is planning to bring more people under insurance facility. For all these reasons, the industry is very lucrative. Number of insurance company is increasing day by day. Competition amongst the insurance companies is increasing day by day which may badly affect the profitability of the company.

Despite increased competition, MICL could maintain positive revenue growth. Also, high entry and exit barriers in the industry also provide comfort to the existing companies in the market against threat of new entrants.

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Regulatory Risk

The increasing intensity of regulatory requirements poses a significant role in the development of the industry. The new Insurance Development and Regulatory Authority Act-2010 and Insurance Act-2010 replaced the old insurance laws which are likely to bring significant changes in the regulation of the industry. For enhancing the solvency position, paid up capital for non-life and life insurance companies have been raised to BDT 400.00 million and BDT 300.00 million respectively.

As per the circular issued by IDRA, agents will be paid commission at a maximum rate of 15%. Moreover, Credit Rating practice for the insurance companies is expected to create a positive vibration in the industry as the institutional insured expect for good credit rating to safeguard their interest. All these requirements will make the market more reliable and uniform. The same will pressurize the underperforming insurance companies to retain their market share.

Interest Rate Risk

Volatility of money market has great influence over the interest rate structure of fund hold by MICL. Income from FDR accounts is a significant portion of total income. This income from fixed and other deposit may fall with the reduction of interest rate of commercial bank.

In order to ease up interest rate exposure, companies can invest into mutual funds to secure its revenue and also to generate capital gains. However, this source has also its own drawback. If the overall capital market position fall, then the performance of mutual fund will also decline. Thus the company should concentrate on tradition business.

Internal Control Risk

Internal control risk arises from non-compliance of rules and regulation, which ultimately puts negative impact on overall business performance.

Internal control system of the company has been designed to provide the directors with reasonable assurance that assets are safeguarded against unauthorized use. The company has placed rigorous internal control system. However, maintaining effective internal control system is a continuous process. Therefore, management should routinely check whether the internal control system is adequate and relevant with the present operational process of the company, failure to which could disrupt the operation and hamper the overall profitability.

Market & Technology Related Risk

Market risk relates to the volatility of the market price of assets. It involves exposure to movements in the level of financial variables such as stock prices, interest rates, exchange rates or commodity prices. On the other hand, technology is a continuous process of development. Innovation of new and cost effective technology may obsolete existing technology which may cause negative impact on the business. Insurance business is increasing day by day as our country is developing and peoples of the country is realizing the need of insurance which resulted into new types of insurance are coming into focus. However, the company is well acquainted with the recent change and believes that there are very low chances that recent technology may hamper the operation of the company.

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Underwriting Process & Quality

Revenue from underwriting is the prime source of income for MICL. The company has its separated underwriting department which is responsible for evaluation of risk associated with the clients and thereby making decision whether to accept the risk or not. During 2020, gross premium of the company has increased to BDT 619.40 million and net premium has increased to BDT 439.45 million whereas in FY 2019 gross premium was BDT 581.04 million and net premium was BDT 391.08 million. This shows that the company has higher premium collection than previous year. On the other hand, total underwriting profit was BDT 26.91 million in FY 2020 against BDT 33.35 million in 2019.

Selected Indicators (without considering commission on reinsurance ceded)

	31 March 2021	2020	2019	2018
Loss ratio (%)	61.44	12.01	20.07	15.52
Expense ratio (%)	76.37	92.70	76.19	88.81
Combined ratio (%)	137.81	104.71	96.26	104.73

Underwriting performance is measured by combined ratio which is the ratio of expenses & losses to net premiums. It has been observed that, loss ratio of the company has observed to decrease & stood at 12.01% in FY 2020. Analysis revealed that, the main reason behind such decrease in loss ratio is net claim has decreased by 32.76% in FY 2020 compared to 12.37% increase in net premium.

Moreover, expense ratio of the company has increased and stood at 92.70% in FY 2020. It has been observed that, actual management expense of MICL has been increasing over the year and during FY 2020, 36.72% increase has been observed mainly due to increase in allocated management expenses, which shows the inefficiency of the management to control the expenses. However, net premium has increased at a lower rate than increase in actual management expense, which has resulted the expense ratio to increase in FY 2020. Combined ratio of MICL is more than 100% which indicates an underwriting loss. Moreover, the company should focus on controlling its management expense in future years for better underwriting performance.

If we consider the first quarter of 2021, we can found a combined ratio of 137.81% which is significantly higher than 100%. But it is worth to mention that the novel corona virus has affected the insurance industry in both FY 2020 & 2021. And it is hoped that MICL will overcome their loss in future years when this pandemic situation will over.

Selected Indicators (considering commission on reinsurance ceded)

	31 March 2021	2020	2019	2018
Loss ratio (%)	58.82	10.86	17.87	14.14
Expense ratio (%)	73.11	83.81	67.83	78.88
Combined ratio (%)	131.94	94.67	85.70	93.02

If we consider commission on reinsurance ceded along with net premium, overall performance of the company shows better performance and combined ratio become lower than 100% in FY 2020.

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Management Expense

Selected Indicators

BDT in millions	31 March 2021	2020	2019	2018
Actual management expense	134.33	407.36	297.96	239.65
Allowable management expense	80.14	284.43	258.69	225.14
Excess management expense	54.19	122.93	39.28	14.51
Actual mgt. expense as % of allowable expense	167.62	143.22	115.18	106.44

As per the Insurance Act 2010, all the non-life insurance company are obligated to calculate the allowable management expenses and maintain the actual management expenses within the limit. It has been noticed that MICL failed to maintain the management expense within the allowable limit. As per given guideline MICL's allowable management expense is BDT 284.43 million whereas total actual management expense is BDT 407.36 million in FY 2020, which has resulted in excess management expense of BDT 122.93 million. By analyzing the expense schedule it has been observed that actual management expense is 143.22% of allowable management expense in FY 2020 whereas it was 115.18% in FY 2019 which shows inefficiency of the company in controlling management expense.

According to IDRA, agency commission must be within 15% of its gross premium of all classes of insurance. MICL incurred BDT 89.91 million as agency commission in FY 2020 against the gross premium of BDT 619.40 million. So, the agency commission was 14.52% of the gross premium income, which was within the prescribed limit set by the authority.

Profitability

Profitability position of the company has declined in FY 2020 compared to previous year. MICL earns profit from different sources including investment income and underwriting profit. Underwriting profit is one of the main source of income for MICL comprising 52.37% of total income. However, total underwriting profit has decreased by BDT 6.43 million in FY 2020 compared to previous year. Though underwriting profit in terms of motor & miscellaneous insurance has been improved but loss in fire and marine hull insurance has affected the underwriting profit negatively. It has observed that, fire insurance incurred loss of BDT 40.68 million in FY 2020 which was BDT 30.44 million in FY 2019.

Other than underwriting, investment income (interest income, dividend income & profit/loss on sale of share) and income from miscellaneous activity are other significant source of revenue for MICL comprising 47.63% of total income in FY 2020. It has been observed that, income from this sources has increased by BDT 13.83 million in FY 2020 mainly due to increased interest income.

In FY 2020, profit after tax of the company has decreased to BDT 7.58 million which has decreased by 57.73% compared to previous year. On the other hand, net premium of MICL has increased to BDT 439.45 million which has increased by 12.37% in FY 2020. Decreasing profit after tax has resulted decline in net profit margin in FY 2020.

Selected Indicators

	31 March 2021	2020	2019	2018
Net profit margin(%)	15.16	1.72	4.58	6.07
Return on assets (%)	4.48	2.33	4.22	4.37
Return on equity (%)	6.77	3.67	9.09	9.13

Return on assets (ROA) is an indicator of how profitable a company is relative to its total assets and return on equity (ROE) is the amount of net income returned as a percentage of shareholders equity. However, both return on assets (ROA) & return on equity (ROE) of the company has decreased in FY 2020 due to inefficient use of assets and equity base of the company. During the first quarter of FY 2021, net profit margin, ROA & ROE of MICL has been increased significantly from that of FY 2020.

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Reserve Adequacy

MICL has maintained the reserve for un-expired risk as requires; 100% of the net premium income for marine hull insurance and 40% for all other business classes. The company also maintained reserve for exceptional losses. In FY 2020 the reserve has been increased to BDT 114.73 million which has been increased by 9.55% from that of previous year. However, the reserve represents 26.11% of net premium in FY 2020.

Reserve for exceptional losses represent 2.17 times of net claim in FY 2020 which was 1.33 times in FY 2019, suggesting the company's unexpected events absorbing capability has been increased from last year.

It has been observed that, MICL has also maintained its reserve for un-expired risk as requires for the first quarter of 2021. Additionally, Reserve for exceptional losses represent 1.09 times of net claim in the first quarter of 2021.

Investment Profile

AlphaRating observed that MICL has diversified its investment in different sector including Govt. Treasury bond, investment in share, short term deposit & FDR. Level of investment of the company has showing increasing trend over the last three financial years and observed to increase and stood at BDT 398.60 million in FY 2020. The company had maintained a conservative investment portfolio and most of MICL's investments comprise of FDR. It has been noticed that, investment in FDR has been increased in FY 2020 & stood at BDT 254.85 million, which represent 12.44% increase compared to previous year. Along with this, short term deposit value of the company has also increase in FY 2020 & stood at BDT 113.23 million.

According to the insurance Act 2010, the company has to maintain statutory requirement of investing BDT 25.00 million in National Investment Bond, which is being maintained duly over the years. Investment in stock market is another significant area of investment for the company which has increased and stood at BDT 5.52 million in FY 2020. The value of share has been shown at fair value.

Selected Indicators

BDT in millions	31 March 2021	2020	2019	2018
Total Investment	566.25	398.60	345.16	253.44
Investment income as % of total income	5.81	47.63	24.51	33.40
Yield on Investment (%)	0.60	6.14	3.14	5.81

Investment income as % of total income has increased in FY 2020 due to mainly increase in investment income by 126.04%. On the other hand, yield on investment has also increased to 6.14% in FY 2020 from 3.14% in FY 2019. The investment income of the company has increased at a higher pace compared to that of investment, resulted an improved yield on investment in FY 2020.

During the period of first quarter 2021, total investment of MICL has increased but investment income as % of total income & Yield on investment has been decreased.

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Liquidity Analysis

Liquidity position refers to the company's ability to pay short term obligation as they fall due. Current ratio of the company has decreased and stood at 1.17 times in FY 2020. MICL's current assets have increased by 14.19%. On the other hand, current liabilities have increased by 23.45% mainly due to estimated liability in respect of outstanding claims due or intimated, sundry creditors & premium deposit. Current asset to net claim ratio has increased to 12.18 times in FY 2020. Scrutiny reveals that net claim has decreased by 32.76% and this situation has led the current asset to net claim ratio to increase in FY 2020.

Current liability to total liability of the company has slightly decreased to 99.61% as there is a deferred tax liability of BDT 2.16 million in FY 2020. Cash & bank balance to total assets has increased in FY 2020. Further analysis reveals that cash & bank balance has increased by 23.80% whereas total assets has increased by 16.88% from previous year.

Selected Indicators

BDT in millions	31 March 2021	2020	2019	2018
Current ratio (times)	1.27	1.17	1.28	1.11
Current asset/net claim (times)	7.44	12.18	7.17	10.62
Current liabilities/total liabilities (%)	99.65	99.61	99.82	100.00
Cash & bank balance/total assets (%)	27.22	15.44	14.58	6.25
Operating cash flow/net claim paid out (%)	15.40	287.41	131.98	32.36
Operating Cash Flow	16.54	151.71	103.60	13.90

However, operating cash flow position of the company has increased in FY 2020 compared to FY 2019. As a result, operating cash flow to net claim paid out has also increased to 287.41% from 131.98% in FY 2020. This improvement in operating cash flow has mainly triggered by increase in receipts from premium & other income.

During the first quarter of 2021, MICL's current ratio & Cash & bank balance to total assets ratio have been increased than that of FY 2020.

Capital Adequacy

Every non-Life Insurance Company is required to maintain a statutory capital requirement of BDT 400 million as paid up capital. Paid up capital of MICL is BDT 240.00 million in 31 March, 2021 which has been increased from that of FY 2020 and there is still a shortfall of BDT 160.00 million paid up capital.

However, there is no strict time limit of this capital adequacy requirement for existing insurance company and the board of MICL is fully concerned with the requirement of capital maintenance. Considering the requirement of the insurance act 2010, it is under consideration of the company to raise paid up-capital. As per management information, MICL will increase its paid up capital within a short period of time through IPO placement.

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Reinsurance

Under the discretion of Insurance Act, the retention limit of non-life insurance companies is being revised from time to time depending on the financial strength, underwriting expertise etc. In accordance with the present rule, 50% of the re-insurable general business shall be reinsured with Sadharan Bima Corporation (SBC) and the remaining 50% of such business may be reinsured either with SBC or with any other insurer whether in or outside Bangladesh.

MICL maintains 100% reinsurance arrangement with SBC. Reinsurance protections availed from SBC (1st April, 2020 to 31st March, 2021) is presented below:

Selected indicators

	Fire	Marine Cargo	Misc.	Motor
Treaty Limit	600.00	95.00	10.00	5.50
Retention	15.00	3.00	1.00	4.00

Individual class wise risk retention ratio of last 3 years & first quarter of 2021 is presented below:

Business Class/ Year	31 March 2021	2020	2019	2018
Fire	75.57	54.23	51.75	36.59
Marine Cargo	89.70	72.28	71.36	73.48
Marine Hull	44.06	32.94	13.30	21.09
Motor	100.00	98.60	96.75	87.53
Misc.	4.11	72.56	58.79	49.61
Total (Average)	80.27	70.95	67.31	58.42

During 2020, total sum insured was BDT 283,791.28 million whereas it was BDT 167,048.76 million in FY 2019. Generally high retention level signifies inadequate reinsurance protection while low retention level may hamper profitability. It has been observed that, MICL's risk retention rate remained above 50% throughout the last 3 years & first quarter of 2021.

Claim Management

During FY 2020, number of initiated claims for MICL was 201 worth of BDT 167.38 million, whereas MICL has settled 255 claims worth of BDT 67.41 million. It has been observed that, MICL has settled lower number of claims compared to previous year. On the other hand, as per management information MICL has no claim repudiated during FY 2020. Performance of the company on the basis of settlement is presented below:

Selected indicators

BDT in millions	31 March 2021	2020	2019	2018
Claim Outstanding at the beginning of the year	141.60	62.24	38.94	75.02
Claim Lodged During the year	108.07	52.78	78.50	42.96
Total claims	249.68	115.02	117.44	117.98
Claim outstanding at the end of the year	207.81	141.60	62.24	38.94
Claims paid during the year	41.87	(26.58)	55.19	79.04
Claim Paid % of total claim	16.77	(23.11)	47.00	67.00

Selected indicators

BDT in millions	31 March 2021	2020	2019	2018
Number of Claim Initiated	78	201	121	384
Number of Claims Settled	64	255	297	272
Number of Claims Repudiated	-	-	-	2

It has been observed that, the maximum time required by MICL to settle the claims after the receipt of all necessary documents is 90 days. The lower the time taken by the company to settle the claim, the better it is for the company's reputation.

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Solvency Analysis

Solvency Margin Ratio is another important financial indicator and one of the key benchmarks for industry regulators. Solvency Margin means the amount by which the assets of the insurance company exceed its liabilities and other comparable commitments.

As per The Insurance Development & Regulatory Authority's (IDRA) regulations 2010, every non-life insurer needed to prepare statement of solvency margin but still Insurance Development & Regulatory Authority's (IDRA) has not prescribed any formula or guidelines to calculate the minimum solvency margin. It has observed that, solvency ratio of the company has increased and stood at 2.58 times & 9.86 times in FY 2020 & the first quarter of 2021 respectively. From the selected indicators, we can see that available solvency is the main reason for such increase in the solvency margin of MCL. The table below represents the solvency in all concerned years.

Selected Indicators

<i>BDT in millions</i>	<i>31 March 2021</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>
<i>Available Solvency (AS)</i>	<i>306.29</i>	<i>226.99</i>	<i>182.92</i>	<i>117.47</i>
<i>Required Solvency (RS)</i>	<i>37.14</i>	<i>87.89</i>	<i>80.40</i>	<i>61.77</i>
<i>Solvency Margin (AS/RS) (times)</i>	<i>9.86</i>	<i>2.58</i>	<i>2.28</i>	<i>1.90</i>

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Management & Other Qualitative Factors

Composition of the Board

The composition of the Board complies with the requirements as per rules of IDRA & notification of BSEC. MICL's board comprises of 11 directors out of which 10 are non-executive directors and 1 is executive director who is the Chief Executive Officer (CEO) of the company. All of them are professionally skilled and experienced in the management, law and business. Their experience, professional expertise & personal attitude enable them to execute their responsibility individually & collectively to perform efficiently & effectively. The board is chaired by Mr. Mushfiq Rahman.

Management Team

The management team operates within the guidelines, limits, policies as well as the budgetary control adopted by the Board. The team is headed by the CEO - Mr Mohammad Abu Bakar Siddique, who is responsible for the implement of the policy and procedures adopted by the board. The CEO implements the internal control system, follow-up the day to day affairs of the management and also confirms the company's safety and security of the company. The senior management ensures the CEO about the company's improvement with the compliance of statutory and the regulatory requirements too. The CEO must represent the company's financial & business position in each Board Meeting for the Directors understanding and guidance.

Committees

For smooth functioning of the company, MICL formed various committees. Each committee is responsible and accountable for the effective operation of their assigned business area. The board establishes terms of reference and rules with respect to delegate authority and reporting. After fulfillment of the tenure of the committees, the members of committees will be changed within the Board Members. Every subcommittee has separate scope of work and the Board approves the terms of references. The Sub committees are independent and responsible to provide their expertise opinion to the board. The Board has the following standing committees which regularly report to the Board and submit proposals for resolutions:

- Executive Committee
- Claims Committee
- Audit Committee
- Management Committee
- Nomination & Remuneration Committee (NRC)

Committee	Purpose
Executive Committee	The committee is constituted with a view to act as a bridge among Board of Directors and Executives and to play an effective role in establishing efficient, strong and secured business environment. The committee is consists of 05 members & chaired by Mr. Mushfiq Rahman. During 2020, 04 meetings were held by Executive Committee in order to take necessary steps for discussion on policy matters of the company, to review and discuss on company's performance, to recommend for decisions of the Board on major administrative & business strategy etc.
Claims Committee	Claims committee is consists of 06 members & chaired by CEO - Mr Mohammad Abu Bakar Siddique. Claim committee is responsible for any violation of law regarding settlement of claim. The committee approves claims settlement and endorsement of surveyors for assessment purposes. In FY 2020, 12 meetings were held by Claims committee.
Audit Committee	Audit committee is consists of 06 members & chaired by Independent Director - Mr Ashim Chowdhury. The committee is responsible for reporting to the BoD about fraud & irregularities and suggests appropriate measures to control such irregularities. The committee also reviewed the annual report, audit planning & analysis of external & internal audit report and ensure transparency in quarterly & half yearly financial statements. During 2020, 04 meetings were held by the committee.
Management Committee	Management committee consist of 05 member and the convener of the committee is CEO - Mr Mohammad Abu Bakar Siddique. The prime responsibility of the management committee is to take decision regarding Human Resources Development, staff welfare, transfer & posting of the employees, recruitment and training etc. During 2020, 12 meetings were held by the committee.
Nomination & Remuneration Committee (NRC)	The committee is consists of 04 members. Mr. Md. Omar Bin-Khan is the chairman of the committee. During FY 2020, 01 meetings were held by the Committee. The committee is focused on developing remuneration policy for the company.

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Information Technology

MICL uses an Integrated Insurance Management System Software which is fully automated web-based system developed by the company's IT department. All the branches are fully under the automated web-based system. The system provides high level of data security and capable of keeping all information regarding Underwriting, Claims and Re-insurance and provides solution for these issues. The company's network system is fully computerized and branches are connected with the Head Office.

The system is able to issue Cover Notes, Policy, Certificate, and Endorsement. This software will be operated under multitasking and Multi-user environment over a client-server network. The software has two environments, Back-end and Front-end. The Back-end is Oracle 10g/11g which is a complete Internet based Relational Database Management System. The Front-end is Developer 9i/10g which enables to build high-performance systems that take advantages of graphical user interface (GUI), Database, Client-server and Web technologies.

Human Resource Management

Number of employees is increasing every passing year in line with the increasing business operation of MICL. At present, the company has 855 numbers of employees. In order to keep pace with additional human resource requirements and to enhance the employment opportunity, periodic recruitment is implemented as per need of the company.

Corporate Governance

Corporate governance is the system of rules, practices and processes by which a company is directed and controlled. Corporate governance essentially involves balancing the interests of a company's many stakeholders, such as shareholders, management, customers, suppliers, financiers, government and the community. Corporate governance facilitates the rules regulation to work in the best interest of stakeholders. The board of directors firmly believes that practice of good corporate governance is absolutely essential towards ensuring a disciplined and sustainable national economy. Since the inception of the company the board of directors has been fully committed to build a strong and empowered management team. This helped MICL to maintained good corporate governance.

End of the Report

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Company Information:

Board of Director

Serial No.	Name of Directors	Designation
1	Mr. Mustfiq Rahman	Chairman
2	Mr. Manwar -Uz-Zaman	Vice Chairman
3	Mr. Javed Kaiser Ally	Director
4	Mr. Ishtiaque Ahmed Chowdhury	Director
5	Mr. Aiman Barik Choudhury	Director
6	Mr. Hafizur Rahman Khan	Nominee Director
7	Mr. Taskeen Ahmed	Nominee Director
8	Mr. Md. Omar-Bin-Khan	Independent Director
9	Mr. Ashim Chowdhury	Independent Director
10	Mr. Ahmed Kamal Khan Chowdhury	Independent Director
11	Mr. Mohammad Abu Bakar Siddique	Chief Executive Officer

Auditor

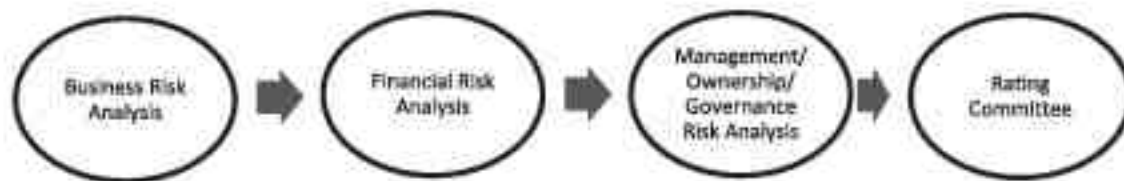
MABS & J Partners
Chartered Accountants
SMC Tower (7th Floor), 33 Banani C/A, Road #17, Dhaka 1213

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AlphaRating's Research Methodology for Determining Insurance Rating



Analysis is segmented into two or three sub sectors:

- ▶ Industry Outlook
- ▶ Competitive Position
- ▶ Operational Analysis

Analysis is segmented into four sub sectors:

- ▶ Earnings
- ▶ Cash Flow Generating Ability & Debt Servicing Capacity
- ▶ Capital Adequacy
- ▶ Financial Flexibility

It is one of the key elements of the rating methodology since management decides what businesses to be in, what strategies should be pursued and how these activities should be financed.

Senior personnel review each company to determine the appropriate final credit rating.

- ▶ Review Modeling Assumption
- ▶ Approve Company-Specific Adjustments

Rating Outlook

POSITIVE	Rating may be raised
NEGATIVE	Rating may be lowered
STABLE	Rating is likely to remain unchanged
DEVELOPING	Rating may be raised, lowered or remain unchanged.



ST-1	Strong Capacity
ST-2	Good Capacity
ST-3	Adequate Capacity
ST-4	Weak Capacity
ST-5	Very Weak Capacity
ST-6	High Risk of Default

AAA	Exceptionally Strong Capacity
AA	Very Strong Capacity
A	Strong Capacity
BBB	Low Expectation of Ceased or Interrupted Payments
BB	Elevated Vulnerability to Ceased or Interrupted Payments & Key Financial Indicators
B	Significant Risk of Ceased or Interrupted Payments Could Occur in the Future
CCC	Real Possibility That Ceased or Interrupted Payments Could Occur in the Future
CC	Probable that Ceased or Interrupted Payments Could Occur in the Future
C	Ceased or interrupted payments are imminent

Note: "+" or "-" may be appended to a rating to indicate the relative position of a credit within the rating category. Such suffixes are not added to ratings in the 'AAA' category or to ratings below the 'B' category.

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CHAPTER (XXVIII)

PUBLIC ISSUE APPLICATION PROCEDURE

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Step-1 (Applicant):

1. An applicant for public issue of securities shall submit an application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e., the subscription closing date), which shall be the **25th (twenty fifth) working day** from the date of publication of an abridged version of the prospectus.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Total Amount and Category of the Applicant.
 - a) Eligible investors shall submit an application through the electronic subscription system of the exchange(s) and deposit the full amount intended to subscribe by the method as determined by exchange(s).
 - b) The General Public and Non-resident Bangladeshi (NRB) applicants shall submit the application in the electronic subscription system of the exchange(s) through the Stockbrokers/Merchant Bankers where the applicant maintains customer account.

Step-2 (Intermediary):

3. The registered Stock broker/Merchant Banker in the ESS shall:
 - a) Post the amount separately in the customer account equivalent to the application money;
 - b) Accumulate all the applications/buy instructions received up to the cut-off date and transfer the amount to their respective Consolidated Customer Account;
4. The registered Stockbroker/Merchant Banker in the ESS shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and within **3 (three) working days** from the cut-off date, upload to the ESS, the lists of applicants in electronic (text format with tilde '~' separator) format, deposit the full amount received from the General Public and Non-Resident Bangladeshi (NRB) applicants by the method as determined by exchange(s).
5. The application/buy instructions shall be preserved by the Stock broker/Merchant Bankers up to **4 (six) months** from listing of the securities with the exchange.
6. The Exchanges shall prepare a consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification on the next working day. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not, verify more than two applications by an individual; verify more than two applications using same bank account and investment criteria.
7. **On the next working day**, CDBL shall provide the Exchanges with an updated database of the applicants containing BO Account Number, Name, Addresses, Parent s' Name and Joint Account information along with the verification report.
8. After receiving verification report and information from CDBL, the Exchanges shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications **within 5 (five) working days**.
9. **Within next working day**, the Exchanges shall provide the Commission, Issuer and Issue Manager with the soft copy of subscription result.

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Step-3 (Issuer):

10. The issuer and issue manager shall post the final status of subscription on their **websites within 6 (six) hours** and on the websites of the Commission and Exchanges **within 12 (twelve) hours** of receiving information by the Commission and the Exchanges.
11. **Within 3 (three) working days** of receipt of the subscription result, the issuer and Exchanges shall:
 - a) Process pro-rata allotment of securities to the General Public and Non-Resident Bangladeshi (NRB) applicants;
 - b) Prepare category wise lists of invalid applicants who are subject to penal provisions as per conditions of the consent letter issued by the Commission in electronic (text format with tilde '~' separator) format mentioning the penalty amount against each applicant;
 - c) issuer shall issue allotment letters in the names of allottees in electronic format and
 - d) issuer shall credit the allotted shares to the respective BO accounts on the basis of allotment data (BOID and number of securities) via their CDBL VeDAS Terminal.
12. **15% Private Offer to employees of the issuer:**

According to the compliance with the provisions of the Commission's Notification No. BSEC/CMRRCD/2009-193/27/Admin/127 dated 19 July 2021, application process of the 'employees & others' category of the issuer in the initial public offering (IPO) through ESS of the Exchanges shall be conducted as follows:

- a. The issuer shall upload the list of the existing employees in the electronic subscription system of the exchange(s) in electronic (text format with tilde '~' separator) format containing Customer ID, Name (as per BO ID), BO ID, Total Quantity, Total Amount, Category of the Applicant, NID, Employee ID, Service Start Date and Designation.
- b. The existing employees of the issuer shall submit application in the electronic subscription system of the exchange(s) through the Stockbrokers/Merchant Bankers where the applicant maintains customer account.
- c. The registered Stockbroker/Merchant Banker in the ESS shall upload the lists of existing employees of the issuer in electronic (text format with tilde '~' separator) format.
- d. The Exchanges shall verify (name, BO ID, amount, duplicate, etc) the applications of existing employees and send the valid BOIDs in electronic (text) format to CDBL for verification. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.
- e. CDBL shall provide the Exchanges with an updated database of the applicants containing BO Account Number, Name, Addresses, Parent s' Name and Joint Account information along with the verification report.
- f. The Existing employees of the issuer whose applications are valid and active will be allotted securities as per their applied quantities, **subject to a lock-in period of 2 (two) years from the first trading day of the exchanges.**

Step-4 (Intermediary):

13. **On the next working day**, Exchanges shall:
 - a) remit the number of allotted applicants to the Issuer's respective Escrow Account

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opened for subscription purpose;

- b) send the penalty amount who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list; and
- c) Distribute the information and allotment letters to the stock broker/Merchant Bankers concerned in electronic format with a request to refund the balance application money.

14. **On the next working day** of receiving the documents from the Exchanges, the Stockbrokers/Merchant Bankers shall refund the excess application money in the customer accounts and inform the applicants about allotment of securities.

Miscellaneous:

15. The Issuer, Issue Manager(s), Stockbrokers, Merchant Bankers and the Exchanges shall ensure compliance of the above.
16. The Issuer shall pay the costs related to process the Eligible Investors allotment if claimed by the Exchange concerned up to an amount of Tk. 2,00,000/- (Taka Two Lac) only and Tk. 8,00,000/- (Taka Eight Lac) only for processing the applications of General Public and Non-Resident Bangladeshi (NRB) applicants.
17. The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk. 5/- (Taka five) only per application irrespective of the amount or category for the service provided till withdrawal of the money. The service charge shall be paid by the applicant at the time of submitting an application.
18. The Exchanges shall provide the Issuer with a statement of the remittance.
19. The Issuer shall send the penalty amount to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.
20. The concerned Exchanges are authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

All eligible Stock Brokers and Merchant Insuranceers shall receive the IPO Subscription.

The IPO subscription money collected from successful applicants (other than NRB applicants) by the Stockbrokers/Merchant Insuranceers will be remitted to the Company's **Account No: - 2126318011379** With Prime Bank Limited, Foreign Exchange Branch, **Dhaka** for this purpose.

The IPO subscription money collected from successful NRB applicants in US Dollar or UK Pound Sterling, or EURO shall be deposited to three FC accounts opened by the Company for IPO purpose are as follows:

Sl.	Name of the A/C	Account No.	Type of A/C	Currency	Bank & Branch
1	Meghna Insurance Company Limited	2126518011382	F.C. Deposit General	USD	Prime Bank Limited, Foreign Exchange Branch,
2		2126516011384		GBP	
3		2126517011383		EUR	

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

APPLICATION FORM

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন।

Interested persons are entitled to a prospectus, if they desire, and that copies of prospectus may be obtained from the issuer and the issue managers.

Meghna Insurance Company Limited

APPLICATION FOR PUBLIC ISSUE

Date:

Name of applicant	:																
Client Code	:																
BO ID No.	:																
Category of applicant	:																
Name of the Company/Fund	:																
Number of Shares/Units	: Shares of Tk. each															
Total amount in Tk.	:																
Amount in word	:																
Mode of payment	:																
Cheque/Draft information	:																

Signature of
Applicants

Signature of
Authorized Officer

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

CHAPTER (XXIX)

OTHERS

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

1. Regarding Investment of 20% of total shareholders equity in the capital market of Bangladesh

To whom it may Concern

This is to certify that Meghna Insurance Company Limited has invested 20% of total total Shareholders equity in the capital market of Bangladesh complying with the BSEC notification no. BSEC/CMRRCD/2020-381/14/ Admin/111 dated 30 November and বীমা (নন লাইফ বীমাকারীর সম্পদ বিনিয়োগ ও সরেজ্ঞ) প্রবিধানমালা, ২০১৯

SD/-

Mohammad Hafizour Rahman, FCA,
FCS
Chief Financial Officer (CFO)

SD/-

Mohammad Abu Bakar
Siddique
Chief Executive Officer

SD/-

Musfiq Rahman
Chairman

পুঞ্জিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন

Additional Disclosure by the Management

1. Observation:

It appears from audited financial statements for the year ended December 31, 2020 that the auditor M/S. MABS & J Partners have opined an emphasis of matter Para which is as follows, "We draw attention to Note # 35 of the financial statements, which describes the expense of Management of BDT 296,769,272 has been charged against the different types of insurance during the year. As per SRO no. 280-Ain/2-18 dated 26th September 2018, the maximum limit of management expense that can be incurred is BDT 200,860,669; this results in an excess management expense of BDT 95,908,602. This results in a non-compliance of the particular SRO. Our opinion is not modified in respect of this matter." Explanation is required in this regard;

MICL's Reply:

In the year 2020, the management expense includes non-cash expense amounting to BDT 18,794,273 which is 19.5% of the management expenses. Additionally, company has introduced "Uniform Messaging System" and has adopted IFRS 16 that have also increased the operating expense as well as management expenses.

However, in order to rationalize the management expenses, the management has taken different effective measures to step down the management expenses and management would be more careful in future on this issue.

2. Observation:

As of 31.03.2021 total shareholders' equity of the company is Tk. 39,37,38,618/- It appears from Note # 23.02 of the financial statements for the year ended 31.03.2021 that the company has invested in shares of Tk. 53,11,311 which is not in compliance with the Commission's notification No. BSEC/CMRRCD/2020-381/14/Admin/111 dated 30 November 2020. The explanation is necessary in this regard;

MICL's Reply:

We are regretful for the unintentional inconsistency with the BSEC notification no. BSEC/CMRRCD/2020-381/14/ Admin/111 dated 30 November. However, MICL will invest in the capital market with diligence complying this notification gradually followed by proper review, justification and approval of BOD to reach up to the mark upon listing in the capital market.

3. Observation:

It is observed from the Statement of Financial Position that the total paid up capital of the company is amounting to BDT 24.00 crore as on 31 December 2020 whereas the company intends to raise capital amounting to BDT 16.00 crore from the capital market. In this connection, the company is requested to provide the reconciliation statements of the amount of Tk. 24 crore, with sufficient appropriate documents along with official bank statements;

MICL's Reply:

The total paid-up capital of MICL is BDT 24.00 Crore which is duly paid by subscribers as per Companies Act, 1994 & others regulatory requirements and reflected in financial statements accordingly. We do enclose the appropriate document along with bank statements.

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4. Observation:

Utilization of paid-up capital amount is required to submit along with bank statements and other documents

MICL's Reply:

MICL has utilized 100% of the fund raised through the issue of capital before submission of IPO, which was reflected in financial statements accordingly. For your kind information, we have furnished bank statements and documents to show the utilization of paid-up capital.

5. Observation:

It appears from draft prospectus that you have disclosed distribution mechanism of Securities of the amount of BDT 16.00 crore which is not in compliance with the BSEC Notification No. BSEC/CMRRCD/2009-193/27/Admin/127, Dated 19 July 2021. You are required to revised the same as per above notification;

MICL's Reply:

Following your advice and the BSEC notification revised distribution mechanism of securities is presented below and rectified in page no 62 in the revised prospectus:

Particulars		%	No. of Ordinary Shares	Nominal Value	Issue price	Issue Amount (Taka)	
Private Offer	MICL Employees and others	15.00	2,400,000			24,000,000	
Distribution of Securities excluding the portion under private offer :							
Initial Public Offering through Fixed Price Method excluding the portion of securities under private offer	Eligible investors (EI)	EI excluding mutual funds and CIS	20%	2,720,000	10	10	27,200,000
		Mutual Funds and CIS	5.00%	680,000			6,800,000
	General public (GP)	GP excluding NRB*	70.00%	9,520,000			95,200,000
		NRB	5.00%	680,000			6,800,000
	Sub Total		100	13,600,000			
Total			16,000,000			160,000,000	

6. Observation:

You have to disclose employees' details (Name (as per BO ID), BO ID, Total Quantity of shares, Total Amount, Category of the Applicant, NID, Employee ID, Service Start Date, Designation,

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Lock in period etc.) in the prospectus for 15% shares of IPO, which will distribute among employees of the company;

MICL's Reply:

For your kind consideration, we have enclosed employees' details (Name (as per BO ID), BO ID, Total Quantity of shares, Total Amount, Category of the Applicant, NID, Employee ID, Service Start Date, Designation, Lock-in period, etc.) in the draft prospectus for 15% shares of IPO.

7. Observation:

As per the Statement of Financial position as on 31.03.2021 you have BDT 29.88 crore as Cash and Equivalents. In this regard, the company is requested to provide the necessary authentic documents (copy of FDR receipts, bank statements etc.) to proof the balance mentioned in the statement of financial position;

MICL's Reply:

For your kind consideration, we have enclosed all FDR statements and receipts, relevant reconciliation statements to prove the balance mentioned in the statement of the financial position.

8. Observation:

It appears from financial statements for the period ended 31.03.2021 that NAV, EPS, and NOCFS falls drastically compared to the previous period (31.12.2020). Explanation with appropriate supporting documents are required in this regard;

MICL's Reply:

For your kind information, the number of ordinary shares outstanding in the financial statements for the period ended 31.03.2021 has increased by 16,065,000 nos of ordinary shares from the previous period (31.12.2020). The increased number of ordinary shares resulted in the said change in NAV, EPS, and NOCFS in the Financial Statements for the period ended 31.03.2021 compared to the previous period (31.12.2020).

For your kind consideration, we attached the appropriate supporting documents regarding the new allotment of 16,065,000 nos of ordinary shares in the annexure.

9. Observation:

Financial statements for the year ended on June 30, 2021 and September 30, 2021 are required to submit;

MICL's Reply:

For your kind consideration, we do attached financial statements for the period ended on June 30, 2021, and September 30, 2021.

10. Observation:

Bank Statement for Net Premium of BDT 175,899,235/- on March 31, 2021 are required to be submitted;

MICL's Reply:

For your kind consideration, we attached Bank Statements for Net Premium of BDT 175,899,235/- on March 31, 2021.

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11. Observation:

It appears from Draft Prospectus at Annexure-A "Schedule of Fixed Assets" that Land cost is BDT 16.20 crore but in provided Land Title Deed Land cost is shown BDT 15.12 crore. Explain your position in this regard;

MICL's Reply:

For your kind information, the deed value of the land is the amount of BDT 15.12 but along with the cost of the deed value, there were further additional costs associated with the acquisition of the land and render it in the position of available for use. Please find the breakdown of the expenses land other than deed value of the land mentioned below.

Particulars	Amount in taka
Deed value of Land	135,660,000/-
Cost of Land Registration, mutation and others	26,385,034/-
Total	162,045,034/-

12. Observation:

It appears from the Audited Financial Statement for the year from FY 2016 to FY 2021 (First quarter), Fire Insurance Revenue Account in FY 2020, FY 2019, FY 2016 is negative whereas FY 2017 and FY 2018 is positive. It is evident that fire insurance revenue is volatile in nature. Explanation along with necessary documents are required to submit;

MICL's Reply:

- Fire insurance is an agreement between the policy holder and the insurance company to cover all the losses and damages caused by fire eruption and damage to policyholder's property. Fire accidents are unexpected and can happen instantly anywhere. All these factors cause enormous destruction and put policyholder into risk in terms of finances, which accelerate the need for fire insurance claim settlement.
- In those above mentioned years, due to inherent uncertainty of fire insurance business, the Company experienced higher number of claim settlements compared to the provision along with increase in survey cost and reduction of re-insurance recovery against public sector business from Sadharan Bima Corporation. We would also like to inform that, Meghna Insurance is very prompt in claim settlement and focuses on long-term business growth of the clients. It is expected that with further growth of the Company's business, the Fire insurance business will be streamlined.

13. Observation:

It appears from the Audited Financial Statement from FY 2016 to FY 2021 (First quarter), Miscellaneous Insurance Revenue Accounts in FY 2018 and FY 2016 is NEGATIVE whereas FY 2017, FY 2019, and FY 2017 is POSITIVE. This is showed volatility in nature please clear us about the issue along with supporting documents;

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MICL's Reply:

- 'Miscellaneous Insurance' refers to contracts of insurance other than these of Life, Fire and Marine Insurance. This branch of Insurance covers a variety of risks such as Personal Accident Insurance which means insurance for individuals or groups of persons against any personal accident or illness, and Property Insurance which covers Property risks related to burglary, house break-in, theft, crop insurance and General/Public and Employers Liability Insurance which is an insurance against the risk of incurring liability to third parties.
- The risk of liability arising out of the use of property, comes under the category commonly called "liability insurance." The other areas are cash in ATM Insurance, General / Public Liability Insurance, Employers Liability Insurance, Workmen's Compensation Insurance, Cash on Counter Insurance, Cash in safe Insurance, Personal Accident Insurance.
- Due to the vast area of coverage, the number of claim settlement fluctuates frequently compared to the provision which led to the negative operating profit in that account. Also the higher number of claim settlements and timely settlement of those require survey cost and reduction of recovery against PSB (Claim) which also adds to the negative operating income.

14. Observation:

In provided prospectus, it is found that Gross Margin Ratio and Net Profit Ratio are below industry average whereas EPS are above industry average over the last five years.

MICL's Reply:

In insurance industry, the gross margin is the same as operating profit margin hence includes the operating expenses along with direct expenses. The gross margin is in the declining mode due to increase in fire insurance claim compared to the premium income and decrease in treasury yield along with increase in operating expense such as salaries, office rent and other claims as Meghna Insurance is increasing its branch offices aggressively to maximize its premium income.

However, in order to streamline and make efficient operating expenses, the management has taken and continues to take effective steps to minimize the operating cost in relation to the premium income and strengthen the core income and diversify the investment portfolio.

Please note that whereas EPS are above industry average as the pre-IPO paid-up capital at the time of the EPS calculation is amounting to Tk. 79,350,000/- of Meghna Insurance is small compared to the listed industry peers.

15. Observation:

Net Operating Cash Flow Per Share over the last 5 years except 2020 stated in individual financial statement is mismatched with Net Operating Cash Flow Per Share over the last 5 years except 2020 stated in draft prospectus. An explanation along with necessary documents required to submit;

MICL's Reply:

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For your kind information, Net Operating Cash Flow Per Share over the last 5 years except 2020 stated in draft prospectus have been presented rearranging the "Interest expenses paid" from cash flow operating activities to cash flow from Financial activities in the Statement of Cash flows aligning the information with audited financial statements of MiCL for the period ended 31st March, 2021.

This is the reason why the balance of Net cash flow from operating activities in the FY 2019, FY2018, FY2017 and FY2016 have been changed which resulted the difference of Net Operating Cash Flow Per Share between audited financial statements of the said financial years and draft prospectus.

16. Observation:

It is found that the financial assets measured at fair value through other comprehensive income (FVOCI) are reclassified as profit or loss statements as per Para 5.7.10 of IFRS 09 at the time of disposal of such assets, please provide the impacts of reclassification over the respective years;

MiCL's Reply:

We will comply with the aforesaid accounting treatment in case of disposal of financial assets as per Para 5.7.10 of IFRS 09 at the time of measured at fair value through other comprehensive income (FVOCI) through the journal provided in the below illustration.

17. Observation:

The company is required to submit an updated No Objection Certificate (NOC) from IDRA for public offer;

MiCL's Reply:

For your kind consideration we attached the No Objection Certificate (NOC) from IDRA for Initial Public Offer (IPO):

18. Observation:

The company is requested to provide an updated membership certificate from Bangladesh Insurance Association;

MiCL's Reply:

For your kind consideration, we have enclosed an updated membership certificate from Bangladesh Insurance Association.

19. Observation:

The issuer is requested to provide the following information in details for the last five years:

- I. A reconciliation statement of VAT in relations with premium collection;
- II. Month wise VAT return documents;
- III. VAT payment status;
- IV. If there is any litigation related with VAT authority, explain present status of litigation along with relevant documents;
- V. Reconciliation statements of any other VAT payment and received with supporting evidence;

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MICL's Reply:

About your requirement mentioned above i), ii), & iii) we enclose herewith supporting documents of last five years for your kind consideration. There is no scope to keep the arrear of VAT payment. Responses to other queries are:

- iv) There is no litigation related to VAT.
- v) There is no other VAT payments and received.

20. Observation:

Last five years' tax return of the company is required to submit;

MICL's Reply:

For your kind consideration, we have enclosed last five years' tax return of the company herewith.

21. Observation:

It appears from note 21.01 of the financial statements for the period ended 31.03.2021 that you have recognized advance income tax of BDT 8.46 crore. Details breakup along with supporting documents are required to submit;

MICL's Reply:

For your kind consideration, we have enclosed a detail breakup along with supporting documents of Advance Income Tax of BDT 8.46 Crore.

22. Observation:

Observation of Dhaka Stock Exchange Limited (DSE): The company is required to clarify/make revision/provide explanations, documents and/or make necessary amendment on the observation of Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange (CSE) submitted to the company (if any).

MICL's Reply:

We would like to you inform that, we have been duly submitted reply to the queries, explanation and required supporting documents of Dhaka stock Exchange Limited (DSE) vide letter no MICL/DSE/2021/2964 Dated Oct 12,2021.

Meghna Insurance Company Limited

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Tel: +88-02-41050894-8, Fax: +88-02-41050902, Email: cs@micl.com.bd

