



ANNUAL  
REPORT  

---

2019



জনতা ইন্স্যুরেন্স কোম্পানী লিমিটেড  
JANATA INSURANCE COMPANY LIMITED

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## Letter of Transmittal

To

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

**Subject : Annual Report for the year ended December 31, 2019**

Dear Sir(s)/Madam(s),

We are pleased to enclose a copy of the Annual Report 2019 together with the Audited Financial Statements and balance sheet as on December 31, 2019 including Statement of Financial Position, Statement of Comprehensive Income, Statement of change of shareholders Equity, Statement of Cash Flows for the year ended December 31, 2019 along with notes thereon of Janata Insurance Company Limited for kind information and record.

With best regards,

Yours sincerely,



Md. Imtiaz Bhuiyan  
Company Secretary



## NOTICE OF

## THE 34<sup>th</sup> ANNUAL GENERAL MEETING

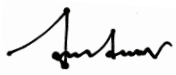
Notice is hereby given that the **34<sup>th</sup> Annual General Meeting** of the shareholders of Janata Insurance Company Limited (JICL) will be held on **Thursday, November 26, 2020 at 11.00 AM** (Dhaka Time) through **Digital Platform** (in pursuant to the Bangladesh Securities and Exchange Commission's order No.SEC/SRMRC/04-231/25 dated 08.07.2020) to transact the following business :

1. To receive and adopt the Directors' Report and Audited Financial Statements of the Company for the year ended on December 31, 2019 together with the Auditors' Report thereon;
2. To declare 10% cash Dividend for the year ended December 31, 2019 as recommended by the Board of Directors;
3. To appoint / re-appoint Auditors of the Company for the year 2020 and fix their remuneration;
4. To appoint compliance Auditor of the Company for the year 2020 and fix their remuneration;
5. To approve the appointment of Independent Directors of the Company.
6. To elect/re-elect Directors of the Company

All honorable Shareholders are requested to join the meeting on the date & time through digital platform.

By order of the Board of Directors

Dated: November 09, 2020  
Dhaka

  
Md. Imtiaz Bhuiyan  
Company Secretary

### Notes:

- 1) The **Record Date** was fixed on September 30, 2020. The Shareholders, whose names appear in the CDS/ Company's Share Register on the **Record Date** he/she will be eligible to attend the Meeting through Digital Platform and qualify for dividend.
- 2) A shareholder can appoint a Proxy.
- 3) Any member or their appointed proxies can attend and vote on his/her behalf at Annual General Meeting.
- 4) Proxy must be a member/shareholder of the company.
- 5) The proxy Form duly completed and submitted at the registered office of the Company at least 72 hours before the AGM with affixed a revenue stamp of Tk.20.00. Members may download Proxy Form from the Company's website [www.jiclb.com](http://www.jiclb.com) in due time.
- 6) The shareholders are requested to join The Virtual Annual General Meeting using their laptop, PC, Mobile or Tab providing their respective Name, 16-Digit BO ID, and No. of Shares. The detailed procedures and link of Digital Platform will be communicated later on to the shareholders e-mail ID and also available in the Company's website [www.jiclb.com](http://www.jiclb.com) in due time.
- 7) In Compliance with BSEC Notification No. BSEC/CMRRCD/2006-158/208/ Admin/81 dated 20 June, 2018:
  - i) Attendance Slip and Proxy Form along with the Notice of the 34<sup>th</sup> AGM are being sent in soft Form to the shareholders e-mail address in due time.
  - ii) The members who don't have e-mail address linked with their BO ID are requested to send their respective e-mail address to [share@jiclb.com](mailto:share@jiclb.com) to enable us to send the e-Annual Report 2019 or can download the same from website [www.jiclb.com](http://www.jiclb.com).
  - iii) Members are requested to inform us in writing who want to collect the printed copy of the Annual Report-2019.
  - iv) The Annual Report is also available in the Company's website linked with the websites of both Dhaka and Chittagong Stock Exchange Limited.
    - Valued Members were requested to update their Bank Account Number, email address, Cell Number through their respective Depository Participants (DP).
    - The concerned Brokerage Houses were requested to provide us a statement with the Details (Shareholders' name, BO ID number, client-wise shareholding position) of their margin account holders (if any) who hold JICL shares, as on the 'Record Date' along with the name of the contact person in this connection on or before 20 November, 2020.
    - The shareholders will be able to submit their questions/comments electronically to the e-mail address [share@jiclb.com](mailto:share@jiclb.com) before 48 hours of the AGM.

**N.B. No Gift/Gift Coupon/Benefit in cash or Kind, shall be offered/paid to the shareholders in the 34<sup>th</sup> AGM in compliance with the circular of Bangladesh Securities and Exchange Commission's SEC/CMRRCD/2009-193/154 dated 24 October, 2013.**



## COMPANY'S PROFILE

### Background

Janata Insurance Company Limited. (JICL) a first generation Non-Life Insurance Company in the private Insurance sector. The company was incorporated and commenced its business as a public limited company under Companies Act 1994 on 23rd September, 1986 with a view to run all types of Insurance business except Life-Insurance as per Insurance Act, 1938 (subsequently repealed by the Insurance Act 2010) in Bangladesh. JICL commenced its business operations from November 6, 1986 after obtaining registration Certificate from the office of the then Chief Controller of Insurance (CCI). JICL ventured its operation with a paid-up capital of Taka 30.00 million and authorized capital of Taka 100.00 million sponsored by a group of leading entrepreneurs/industrialist of our country having involvement in various socio-economical sectors. By the passage of time, the Authorized and the Paid-up capital of the company have been enhanced to Taka 1000 million and Taka 422.84 million respectively by December 31, 2019.

The Company was Initial Public Offered in 1994 and raised its paid-up capital by issuing rights shares in the year 2011. The Company's ownership is prudently distributed to Sponsor Directors 38.55%, Government 0%, Institute 13.74%, Foreign 0% and General Public 47.71% on December 31, 2019.

The Board of Directors comprises a good number of eminent entrepreneurs and personalities of the country. Members of the management team are highly qualified professionals. The Board is chaired by Mr. Belal Ahmed and steered by Mr. Bashir Ahmed as the Chief Executive Officer (CC) of the Company. The future plans of the company include increase of business volume by hiring of potential man power with technical know-how in the Non-Life Insurance business arena, implementing progressive marketing strategies and rendering quality services.



## Vision, Mission, Core Values & Corporate Philosophy

### Our Vision

- To operate in accordance with the law of the land.
- To build sound & dependable image.
- To ensure professionalism at the highest standard of customer service.
- To contribute to national growth both in depth and dimension.
- To extend a friendly hand to the clients at the time of need.

### Our Mission

- Grow significantly.
- Aim to provide prompt and personalized services to the clients.
- Bring innovation in insurance product and selling techniques.
- Work to deliver optimum value to the shareholders, clients, employees and add value to the nation.
- Consciousness in social obligation.

### Our Core Values

- Integrity.
- Customer Focus.
- Transparency.
- Result Focus.
- Professionalism & Excellence and
- Teamwork.

### Corporate Philosophy

- Operating activities with optimum quality and Trust.
- Discharging duties & responsibilities with highest ethical value.
- Ensuring Safety & Security of Insured's Interest.

## Corporate Information

Registered Name	Janata Insurance Company Limited
Legal Status	Public Limited Company
Date of Incorporation	23rd September 1986
Date of Commencement of Business	6th November 1986
Chairman	Belal Ahmed
Vice Chairman	Warasuzzaman Chowdhury
Chairman, Executive Committee	Zafrul Islam Chowdhury
Chairman, RMCC	Md. Khurshed Hossain
Chairman, NRCC	Md. Baitul Amin Bhuiyan
Chairman, Audit Committee	Mezanoor Rahman, FCA
Chief Executive Officer (CEO)	Bashir Ahmed
Executive Director (ED)	Mukbul Hossain
Company Secretary	Md. Imtiaz Bhuiyan
Chief Financial Officer (CFO)	Md. Rajaur Rahman
Date of Listing with DSE	12 October 1994
Date of Listing with CSE	10 October 1995
Authorized Capital	BDT 1000 million
Paid up Capital	BDT 422.84 million
No of Shareholders	4030
Total Manpower	178
Number of Branches	13
Auditors	ARTISAN Chartered Accountants Shah Ali Tower (6th & 7th floor) Kawran Bazar, Dhaka-1215.
Compliance Auditors	M/s FAMES & R, Chartered Accountants Flat # A2, H-3/1, & 3/2, Bijoy Nagar Dhaka-1000.
Legal Retainer	Md. Rizwan Samad Barrister-at-Law Advocate, Supreme Court of Bangladesh
Tax Consultants	Kazi Halim & Associates
Rating Agency	Alpha Credit Rating Limited
Share & Investment Deptt.	Md. Ahsan Habib
Registered Office	Janata Insurance Bhaban GA/95/D, Link Road, Middle Badda, Gulshan-1, Dhaka-1212.
Telephone	880-2-222296183 PABX: 02-222262181-82
E-mail	info@jiclb.com
Website	www.jiclb.com



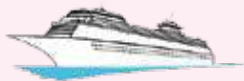
## Our Products & Services include

### Fire Insurance



Fire Insurance (including Allied Perils)  
Property All Risks Insurance  
Industrial All Risks(IAR) Insurance  
Power plant Operational package Insurance including  
Business Interruption & Third Party Liability

### Marine Insurance



Marine Cargo Insurance (Import/Export by Sea, Air,  
Road including Inland transit)  
Marine Hull Insurance

### Engineering Insurance



Machinery Breakdown Insurance  
Deterioration of Stocks (DOS)  
Boiler and Pressure Vessel (BPV)  
Electronic Equipment Insurance (EEI)  
Erection All Risks (EAR)  
Contractor's All Risks (CAR)

### Motor Insurance



Automobile Comprehensive Insurance  
Automobile Act liability Insurance

### Miscellaneous Insurance



Burglary Insurance  
Money in ATM Booth Insurance  
Money in Vault/Safe, Money in Transit, Money on Counter  
(for Bank) Insurance  
Cash in Private/Commercial Premises Insurance  
Fidelity Guarantee Insurance  
Workmen's Compensation Insurance  
Personal Accident Insurance  
Safe Deposit Box (Bank Lockers) All Risk Insurance  
Hajj & Umrah Travel Insurance Policy  
People's Personal Accident Insurance  
Public Liability Insurance  
Aviation Insurance  
Banker's Blanket Bond & Electronic Computer Crime Insurance

## Board of Directors

### Composition of Board and its Committees

#### Chairman

Belal Ahmed

#### Vice Chairman

Warasuzzaman Chowdhury

#### Directors

Qamrun Nahar  
Roxana Zaman  
Zafrul Islam Chowdhury  
Aziz Al Masud  
Sultana Hashem  
Fahima Akhter  
Kamruddin Parvez  
Zannatul Ferdous Zeena  
Farahnaz Chowdhury  
Afroza Zaman  
Farhana Islam  
Shahidul Quader Chowdhury

#### Independent Directors

Mezanoor Rahman, FCA  
Md. Khurshed Hossain  
Md. Baitul Amin Bhuiyan

#### Chief Executive Officer (C.O)

Mr. Bashir Ahmed

#### Advisers

M.A. Hashem, Ex-MP  
Chairman, Partex Group

Saifuzzaman Chowdhury, MP & Minister,  
Ministry of Land, Government of the  
People's Republic of Bangladesh.

#### Executive Committee

Chairman  
Zafrul Islam Chowdhury

#### Members

Qamrun Nahar  
Roxana Zaman  
Farhana Islam  
Fahima Akhter  
Md. Baitul Amin Bhuiyan

#### Audit Committee

Chairman  
Mezanoor Rahman, FCA

#### Members

Warasuzzaman Chowdhury  
Afroza Zaman  
Kamruddin Parvez  
Md. Khurshed Hossain

#### Risk Management & Claims Committee

Chairman  
Md. Khurshed Hossain

#### Member

Zafrul Islam Chowdhury  
Warasuzzaman Chowdhury

#### Nomination & Remuneration Committee

Chairman  
Md. Baitul Amin Bhuiyan

#### Member

Zafrul Islam Chowdhury  
Shahidul Quader Chowdhury



## Brief profile of Directors





## Brief profile of Directors



**Belal Ahmed**  
Chairman

Mr. Belal Ahmed, Hon'ble Chairman of the Board of Director's leads the Company with his extensive experience in the field. His father M. A. Bari was an eminent businessman and social leader. Mr. Belal Ahmed, hailing from a prominent Muslim family of Chattogram is a dynamic and innovative entrepreneur. He is the pioneer of establishing plastic and engineering base industry in the country and also the Managing Director of export oriented Company "Golden Son Limited". As an earnest and dynamic entrepreneur, he is playing a vital role in industrial development of the country by his active involvement and dedication towards business. He is continuously enriching his knowledge by traveling different countries to attend several international business conferences.



**Warasuzzaman Chowdhury**  
Vice Chairman

Mr. Warasuzzaman Chowdhury, Hon'ble Vice Chairman of the Company was born in a prominent Muslim family of Chattogram. He is an ambitious and dynamic entrepreneur and playing a eminent role to contribute in our economy. He is an independent director of Aramit Limited and proprietor of Citi Center, Chatteshwari Road, Chattogram and B. Zaman Trading. Mr. Warasuzzaman is closely associated with many social organizations and always come forward to help the people in need. He has travelled to many countries across the world.

## Brief profile of Directors



**Zafrul Islam Chowdhury**  
Director &  
Chairman, Executive Committee

Mr. Zafrul Islam Chowdhury hails from a prominent Muslim family of Chattogram. His father late Sirajul Islam Chowdhury was an eminent industrialist and well known philanthropist. Mr. Zafrul Islam Chowdhury is the Managing Director of Islam Steel Mills Limited, Siraj Ano Ispat Limited, Anowara Jute Mills limited, Eastern Engineer (Chatta) Limited, Siraj Ano Oxegen Limited and Siraj Ano Builders Limited. He is widely travelled man and has travelled to many countries for business and other purposes.



**Mezanoor Rahman, FCA**  
Independent Director &  
Chairman, Audit Committee

Mr. Mezanoor Rahman is a Fellow Member of the Institute of Chartered Accountants of Bangladesh (ICAB). He completed Graduation with Hon's and Masters in Accounting. He has expertise in professional services like taxation, assurance, financial analysis, financial reporting, business and property valuation, business set up, control and management system design, internal & management audit, fund management, due diligence review, business liquidation, financial reporting framework design and implementation, professional training on taxation, accounting, internal control etc. He has been playing a vital role as an active member of different standing committees of the Council of the Institute of Chartered Accountants of Bangladesh. Currently he is working as Director at one of the reputed chartered accountancy firms namely "ACNABIN, Chartered Accountants". He is associated with many social and cultural organizations and also is Zone Chairperson of Lions Club International, District 315A1, Bangladesh. He has attended many national and international seminars and conferences for professional skill development.

## Brief profile of Directors



**Md. Khurshed Hossain**  
Independent Director & Chairman  
Risk Management and Claims Committee

Md. Khurshed Hossain Retired from Sonali Bank Limited as Deputy Managing Director. He has served as General Manager of Agrani Bank Ltd. and Investment Corporation of Bangladesh. He was also the Chairman of ICB Asset Management Company Limited. He was Project Director on 'Enhancement of Corporate Governance and Capacity of ICB' (ADB and Govt. of Bangladesh) and served as nominated Director in different Organization including Islami Bank (BD) Ltd.

Md. Khurshed Hossain obtained M.Com in Marketing and LLB degree from the University of Dhaka. He has also obtained MBA degree majoring in International Trade and Commerce from the U.S.A. He has 34 years of working experiences in the field of Govt. service, Investment and Commercial Banking. He has attended several training program in home and abroad including NIBM India. He has various research paper and publications on Industrial venture and Capital market. He was also associated with 'C.V. Starr Centre for Applied Economics', Newyork University, U.S.A. in the project titled 'The effect of source of finance on choice of techniques'.



**Md. Baitul Amin Bhuiyan**  
Independent Director & Chairman  
Nomination and Remuneration Committee

Mr. Md. Baitul Amin Bhuiyan comes from a glorious and respected Muslim family of Narsingdi. He is an hon'ble Advisor of Summit Corporation Limited. He is an immensely experienced person with being an Ex- Additional Secretary of Ministry of power, Energy and Mineral Resources, Deputy Director General (Additional Secretary) of Bangladesh Bureau of Statistics, Ministry of Planning, Joint Secretary of Minister of Shipping, Deputy Secretary of Ministry of Shipping etc. He has also attended several training programs which includes Training on Renewable Energy and Sustainable Development in Germany, 47th session of the United Nations Statistical Commission in New York, USA. Mr. Amin has visited many countries to enrich his knowledge.



## Brief profile of Directors



**Qamrun Nahar**

Director

Mrs. Qamrun Nahar hails from a prominent Muslim family of Noakhali. Her husband late Humayun Zahir was a dynamic entrepreneur, social leader and eminent lawyer. She is the Chairman of Ananta Group consisting Ananta Apparels Limited, Ananta Fashion Limited, Ananta Casual Wear Limited, Ananta Denim Technology Limited etc. She is also a former Chairman & present member of governing body of Dhaka Mohila College. Mrs. Qamrun Nahar is a well known social leader and prominent member of many social & welfare organizations including Lions Club. She has contributed a lot for enhancing the life quality of general people of our country.



**Roxana Zaman**

Director

Mrs. Roxana Zaman was born in a highly glorious respectable Muslim family of Anowara, Chattogram. Her father late Aktaruzzaman Chowdhury Babu, Ex. MP was one of the organizer of great liberation war of Bangladesh and prudent political leader as well as renowned industrialist, business man and also generous social leader. Her mother Mrs. Nur Nahar Zaman is an ideal and pious woman.

## Brief profile of Directors



**Kamruddin Parvez**

Director

Mr. Kamruddin Parvez was born in a prominent Muslim family of Chattogram. His father late Haji Nur Mohammed was a well known businessman and social leader. Mr. Kamruddin Parvez is the Deputy Managing Director of the Nur Mohammed & Co. Ltd. He is an Assistant Professor of Chittagong Independent University and a good number of publications on various topics are there in his acclaim. He has travelled many countries for attending different international conferences and for other purposes.



**Shahidul Quader Chowdhury**

Director

Mr. Shahidul Quader Chowdhury comes from a prominent Muslim family of Chattogram. He is a son of renowned entrepreneur and well established businessman Late Abdul Gaffar Chowdhury, Ex-Chairman and Director of Janata Insurance Company Ltd. Mr. Shahidul Quader Chowdhury is the managing director of Marine Food Limited. He is also associated with various types of business enterprise, trading and social organization.

## Brief profile of Directors



**Farahnaz Chowdhury**

Director

Mrs. Farahnaz Chowdhury was born in a respected Muslim family. Her father Mr. Imtiaz Ahmed is Rtd. Brigadier General of Bangladesh Army. Her husband Mr. Showkat Aziz Russell is an entrepreneur and managing director of Amber Goup of industries. Mrs. Farahnaz Chowdhury is the Managing Director of Amber Lifestyle Limited and director of Alo communication Limited. She is also a member of the Board of Trustees of IBAIS University and is engaged in many socio-cultural and benevolent activities. She visited many countries over the world.



**Zannatul Ferdous Zeena**

Director

Mrs. Zannatul Ferdous Zeena is a prominent member of Board of Trustees of IBAIS University. She is the wife of Mr. Aziz Al-Masud, Director of the Company. She is actively involved in day to day affairs and businesses of our Company and also in other social activities. She has travelled to many countries across the world.



## Brief profile of Directors



**Afroza Zaman**

Director

Mrs. Afroza Zaman hails from highly glorious and respectable family of Anwara, Chattogram. Her father late Aktaruzzaman Chowdhury Babu, Ex. MP was one of the organizer of great liberation war of Bangladesh and prudent political leader as well as renowned industrialist, businessman and also generous social leader. Her mother Mrs. Nur Nahar Zaman is an ideal and pious woman.



**Farhana Islam**

Director

Mrs. Farhana Islam was born in a highly glorious and respected Muslim family of Anwara, Chattogram. Her father late Aktaruzzaman Chowdhury Babu, Ex. MP was one of the organizer of great liberation war of Bangladesh and prudent political leader as well as renowned industrialist, businessman and also generous social leader. Her mother Mrs. Nur Nahar Zaman is an ideal and pious woman.

## Brief profile of Directors



**Sultana Hashem**

Director

Mrs. Sultana Hashem hails from a prominent Muslim family of Noakhali. Her husband Mr. M.A Hashem Ex. MP, renowned industrialist and Chairman of Partex Group. Mrs. Sultana Hashem is the Chairman of Partex Star Group. Her work ethics inspire the members of the Partex Group, Partex Star Group & Amber Group of Industries to work towards for achieving their goals. She is associated with many social welfare activities. She has travelled many countries.



**Fahima Akhter**

Director

Mrs. Fahima Akhter hails from a prominent Muslim family of Narayanganj. Her father Mr. M A Sabur is a well known industrialist and director of United Commercial Bank Limited. Mrs. Fahima Akhter is the Chairperson of Masco Group of Industries. She is also a director of Shanta Expression Limited and Concept Knitting Limited. She is associated with a number of social as well as cultural organizations. She is typically travelled person and has visited to many countries of the world.

## Brief profile of Directors



**Aziz Al Masud**

Director

Mr. Aziz Al Masud hails from a prominent Muslim family of Noakhali. His father M.A. Hashem, veteran industrialist was Ex Member of Parliament and also the Chairman of Partex group. Aziz Al Masud is an entrepreneur in the area of Pulp and Paper, Dublex Board, Fashions and Real Estate. He is the Managing Director of Partex Paper Mills Limited, Partex Pulp & Paper Mills Limited, Partex Duplex Board Mills Limited, Partex Fashions Limited and City Heights Real Estate Limited. He is also a member of Board of Trustees of IBAIS University and member of Gulshan Club Limited as well as Banani Club Limited. As an earnest and young entrepreneur, he is playing a vital role for industrial development of our. He has travelled to many countries and attended many international business conferences.



**Bashir Ahmed**

Chief Executive Officer (CC)

Mr. Bashir Ahmed is the Chief Executive Officer (CC) of the Company. He has vast experience in Non-Life Insurance Sector, particularly in the fields of Accounts, Administration, Re-Insurance, Underwriting and Claims. He also attended various training programs on Insurance. He has also worked in the positions of higher Management and Secretary in a number of Companies.

## Brief profile of Advisers



**M.A. Hashem**

Adviser to the Board of Directors,  
Janata Insurance Company Limited

**Chairmen**  
Partex Group

**Director and Ex. Chairman**  
United Commercial Bank Ltd.

**Life Member & Former Chairman**  
Board of Trustees,  
North South University.

**Member**  
Board of Trustees,  
IBAIS University

**Founder of**  
M.A. Hashem Diabetic Hospital  
Chowmuhani  
M.A. Hashem University College  
Kazirhat, Begumgonj.  
Al-haj Abdul Aziz Lillah  
Boarding & Orphanage at  
Chowmuhani, Noakhali.



**Saifuzzaman Chowdhury**

Adviser to the Board of Directors,  
Janata Insurance Company Limited

**Minister**  
Ministry of Land  
Government of the People's Republic of Bangladesh.

## Key Management



**Bashir Ahmed**  
Chief Executive Officer (CC)



**Mukbul Hossain**  
Executive Director



**Md. Rajaur Rahman**  
Chief Financial Officer



**Md. Imtiaz Bhuiyan**  
Company Secretary



## Management Team & Executives

### Chief Executive Officer(CC)

Bashir Ahmed

### Executive Director

Md. Mukbul Hossain

### Chief Financial Officer

Md. Rajaur Rahman

### Company Secretary

Md. Imtiaz Bhuiyan

### Executive Vice President

Md. Towhid-ul Amin Chowdhury

Md. Maniruzzaman

### Senior Vice President

Syed Badrul Islam

Chowdhury Md. Shemsher Nur

Md. Humayun Kabir

### Vice President

Mohammad Mohshin Labid

Badiul Alam

### Assistant Vice President

A.K.M. Zahirul Alam

Md. Monirul Alam Chowdhury



Chief Executive Officer(CC) is handing over Group Insurance Cheque

## BRANCHES & HEAD OF BRANCHES

### Local Office

#### Syed Badrul Islam

Senior Vice President  
Red Crescent House,  
61, Motijheel C/A, Dhaka-1000.  
Contact # 01819-231466

### PRINCIPAL BRANCH

#### Md. Monirul Alam Chowdhury

Assistant Vice President  
GA/95/D, Link Road, Middle Badda,  
Gulshan-1, Dhaka-1212.  
Contact # 9852181-82, 01818518400

### DILKUSHA BRANCH

#### A.K.M. Zahirul Alam

Assistant Vice President  
76, Dilkusha C/A, Dhaka-1000.  
Contact # 9565507, 9565582,  
01715178150

### MIRPUR BRANCH

#### Md. Maniruzzaman

Executive Vice President  
92/2, Senpara, Parbata,  
Mirpur-10, Dhaka-1216  
Contact # 9035889, 01552-338102,  
01714-378356

### PALTAN BRANCH

#### Chowdhury Md. Shemsher Nur

Senior Vice President  
Suit No.808 (8th floor), Paltan Tower,  
87, Purana Paltan, Dhaka-1000.  
Contact # 01713018738

### JUBILEE ROAD BRANCH

#### Md. Towhid-ul Amin Chowdhury

Executive Vice President  
Kader Tower, 128, Jubilee Road,  
Chattogram.  
Contact # 031-618246, 01819-322178

### AGRABAD BRANCH

#### Mohammad Mohshin Labid

Vice President  
Akhtaruzzaman Center,  
21/22, Agrabad C/A. (9th floor),  
Chattogram.  
Contact # 01712977437, 01853118023

### MOHAKHALI BRANCH

#### Md. Atiqur Rahman

Business Analyst  
Tomijuddin Mansion (2nd floor),  
House No.F-92,93,94, Mohakhali,  
Gulshan, Dhaka.  
Contact # 01795326439

### NARSINGDI BRANCH

#### Md. Hafizur Rahman

Deputy Manager and In-Charge  
Daulat Khan Tower (2nd floor),  
Kalibari Road, Narsingdi Bazar,  
Narsingdi.  
Contact # 9463305, 01712536314

### KHULNA BRANCH

#### Arifuz Zaman

Branch Incharge (Acting)  
118, Upper Jessore Road, 3rd floor,  
Babystand, Duckbangla More, Khulna.  
Contact # 01916487862

### JESSORE BRANCH

#### Md. Shahin Hossain

Branch Incharge (Acting)  
Rawnak Chamber (2nd floor),  
Municipal Road, Jessore.  
Contact # 01982580303

### RAJSHAHI BRANCH

#### Humayun Kabir

Senior Vice President  
House No. 78, Mia Para, Boalia,  
Shaheb Bazar,  
Natore Road, Rajshahi.  
Contact # 01301396001

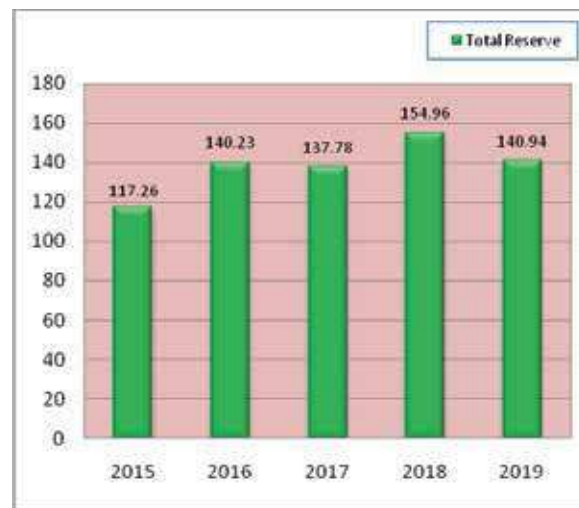
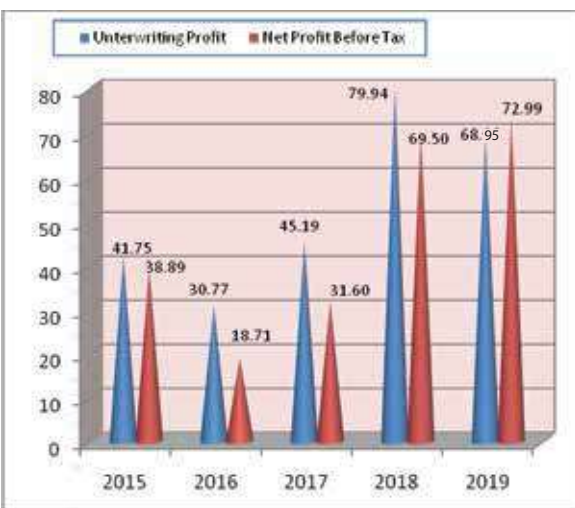
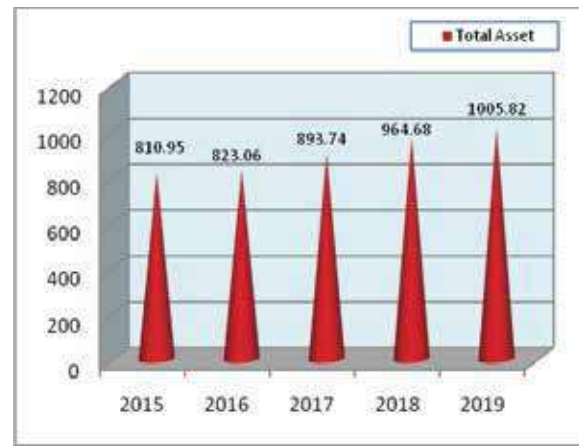
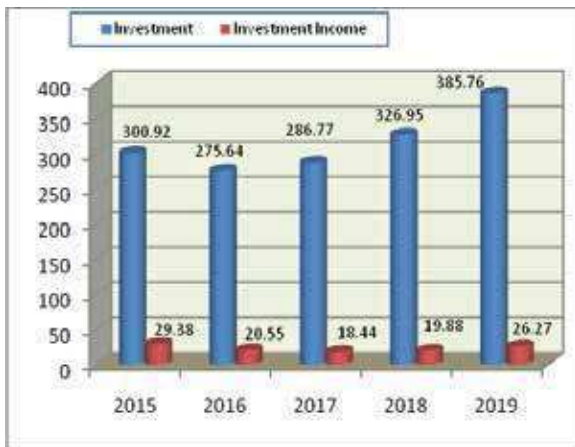
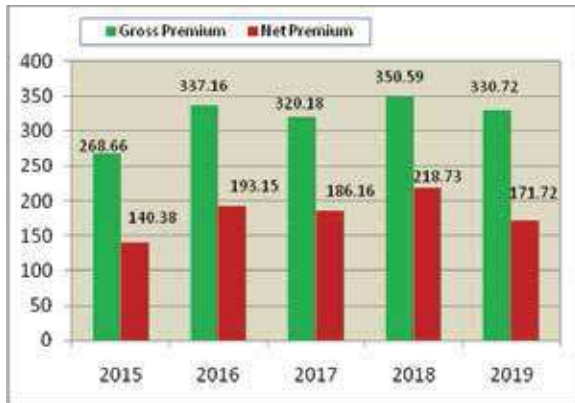
### BOGURA BRANCH

#### Md. Rabiul Islam

Branch Incharge (Acting)  
House No.429, 430 (3rd floor), Jawtala,  
Borogola, Bogura.  
Contact # 01744986892

## FINANCIAL PERFORMANCE AT A GLANCE

(Graphical Appearance)



## 33rd AGM OF THE COMPANY IN PICTURE

(Held on Tuesday, July 30, 2019 at Dhaka South Sky Ball Room of Hotel Le Meridien Dhaka, 79/A Commercial Area, Airport Road, Nikunja-2, Khilkhet, Dhaka-1229 at Utshab Banquet Hall, Radison Blue, Dhaka Water Garden, Airport Road, Dhaka Cantonment, Dhaka-1206.)



Shareholders registering their attendance



A view of the 33rd AGM



## 33rd AGM OF THE COMPANY IN PICTURE

(Held on Tuesday, July 30, 2019 at Dhaka South Sky Ball Room of Hotel Le Meridien Dhaka, 79/A Commercial Area, Airport Road, Nikunja-2, Khilkhet, Dhaka-1229 at Utshab Banquet Hall, Radison Blue, Dhaka Water Garden, Airport Road, Dhaka Cantonment, Dhaka-1206.)



Shareholder addressing at 33rd AGM



Partial view of Directors at 33rd AGM

## 33rd AGM OF THE COMPANY IN PICTURE

(Held on Tuesday, July 30, 2019 at Dhaka South Sky Ball Room of Hotel Le Meridien Dhaka, 79/A Commercial Area, Airport Road, Nikunja-2, Khilkhet, Dhaka-1229 at Utshab Banquet Hall, Radison Blue, Dhaka Water Garden, Airport Road, Dhaka Cantonment, Dhaka-1206.)



Partial View of Shareholder in the 33rd AGM



Partial View of Shareholder in the 33rd AGM



## Value Added Statement

Particulars	2019 (BDT mn)	%	2018 (BDT mn)	%
<b>Value Added</b>				
Gross premium	330.72	82.66%	350.59	86.82%
Vat & Stamp duty	42.75	10.68%	33.33	8.25%
Investment & other Income	<u>26.63</u>	6.66%	<u>19.88</u>	4.93%
<b>Total Value Added</b>	<b><u>400.10</u></b>	<b>100%</b>	<b><u>403.80</u></b>	<b>100%</b>
<b>Distribution of Value Addition</b>				
To Government				
VAT & Stamp Duty	30.73	7.68%	33.33	8%
Tax	12.02	3.00%	16.40	4%
To Shareholders				
Dividend	0		0.01	
To Employees				
as Salary & Allowances	47.54	11.88%	33.89	8%
Retained in business				
Reserve & Surplus	72.99	18.24%	45.78	11%
<b>Others</b>				
Net Claims Incurred	28.09	7.02%	47.52	12%
Net Re-insurance Cost	124.59	31.15%	103.93	26%
Management Expenses	103.16	25.78%	108.76	27%
Disposal reserve for Unexpired Risks	<u>(19.02)</u>	(4.75%)	<u>14.18</u>	4%
<b>Total Distribution</b>	<b><u>400.10</u></b>	<b>100%</b>	<b><u>403.80</u></b>	<b>100%</b>



## REVIEW OF CHAIRMAN, CEO AND **DIRECTORS' REPORT**

Widely-acclaimed business personalities from different expertise of the financial sphere of Bangladesh, the Board of Directors of the Janata Insurance Company Limited has a legacy of perseverance, foresee ability, innovation and leadership.

## CHAIRMAN'S Review

**“Our object is to  
prove our efficiency,  
integrity and  
credibility  
to the valued  
Customers  
by extending  
sincere and  
dedicated  
affords”**





## Chairman's Message

**Dear Shareholders,**

Janata Insurance Company Limited was established in 1986. Since its established 35 years, Janata Insurance Company Limited continuous endeavor has built a good value for our shareholder.

I am highly pleased to convey my heartfelt thanks to you all on behalf of the Board of Directors of Janata Insurance Company Limited and extend a warm welcome to the 34th Annual General Meeting of the Company with its Annual Report 2019. The Directors' Report has elaborately dealt with the overall performance of the Company and now I take the opportunity to present before you as short presentation about the performance of the Company for 2019.

In review the financial position of the Company you can notice that the business volume has been decreased (@ 5.66%) in comparison with the previous year due to an unhealthy competition and adverse circumstances now prevailing the Insurance Sector. Though our business volume decreased our growth profitability increased 5.01% of and for the interest of the Shareholders the Board of Directors has recommended 10% Cash dividend for the year 2019.

Dear shareholder, under challenges of Insurance business that the Insurance Development and Regulatory Authority (IDRA) have been working minutely to get a powerful standard in the Insurance Sector. Our object is to prove our integrity and credibility to the Clients by extending sincere and dedicated services to them. So, we are giving our best co-operation to them in this regards. I, assure our shareholders that the Board is quite conscious of the given responsibility and we hope to secure a reasonable market share by rendering promote quality service through sound Risk management proper Re-Insurance and quickest settlement of claims to our valued Clients.

I must express in my deep sense of gratitude to our valued Clients, Shareholders, Regulators, Stock Exchange, my fellow Directors and advisers, employees and well wisher of the Company for extending their continuous support and co-operation.

Thanking you,

A handwritten signature in black ink, appearing to read 'Belal Ahmed'.

**Belal Ahmed**  
Chairman

## Chief Executive Officer's Review



Dear Shareholders, valued clients and well wishers,

Greetings from the desk of Managing Director and CEO.

It is my great pleasure to present before you a short review on our Company's activities and its performance. Janata Insurance Company Limited left behind another year in terms of its sincere and quality services to the Clients.

You all are aware that an unhealthy competition and adverse circumstances now prevailing in the Non-Life Insurance Sector. During the year under review, the Company earned gross premium income to tune of Taka 330.72 million as against Taka 350.59 million in 2019 and earned net premium income of Taka 171.72 million as against Taka 218.73 million in 2018. Underwriting profit stood at Tk.68.96 million and the net profit was at Tk.72.99 million as against Tk. 79.94 million and Tk. 69.50 million in 2018. You know that business procurement cost is very high as a result it has becomes tough to maintain the services of the insured and earn profit to deliver benefits to the Shareholders. In addition, a pandemic situation is going in the world which has affected the world economy greatly alongwith our country's economic growth. It is a big achievement for us that even in the pandemic situation across the world and in our country; our Company has done great business which has contributed much to enhance the financial growth of the Company. As a result, we are proposing 10% Cash dividend for the year ended 2019. Furthermore, we have reviewed the prevailing market situation and taken necessary measures including diversification of our customer base to increase the business volume of the Company. Hopefully, we expect a good outcome in the coming years accordingly.

I would like to take this opportunity to express my deepest gratitude to all our shareholders for their continued support and pledge. We also express our appreciation to the Regulator for their untiring efforts to improve the standards of the industry. I also convey my regards and gratefulness to the honorable Chairman, Advisers and the Board of Directors of the Company who provided generous co-operation & guidance to the management team which helped the management team to run the day to day activities smoothly and effectively.

Also, my thanks extend to my all colleagues for their continued support and sincere co-operation, dedications and commitment in achieving the moderate results of the company.

We are hopeful that in the years to come, our valued shareholders, clients, and well wishers will continue their esteemed flow of love and affection for better future of the company.

With best regards,

A handwritten signature in black ink, appearing to read 'Bashir Ahmed'.

Bashir Ahmed  
Chief Executive Officer (CC)

## KEY OPERATING AND FINANCIAL DATA

Amount in million

Particulars			2019	2018	2017	2016	2015
Financial position:							
Total Assets			1005.82	964.68	893.74	823.06	810.95
Investments			385.76	326.95	286.77	275.64	300.92
Cash & Cash equivalents			360.16	334.76	298.53	276.81	302.98
Investment & other income			26.27	19.88	18.44	20.55	29.38
Total reserve			140.94	154.96	137.78	140.23	117.26
Operating result:							
Gross Premium			330.72	350.59	320.18	337.16	268.66
Re-Insurance Premium ceded			159.00	131.87	134.02	144.01	128.28
Net Premium			171.72	218.73	186.16	193.15	140.38
Management Expenses(Revenue A/c)			90.02	62.46	56.87	56.85	59.66
Net Incurred Claim			28.09	47.52	78.24	73.06	42.89
Underwriting Profit			68.95	79.94	45.19	30.77	41.75
Other Management Expenses (not applicable to any fund or account)			22.61	30.31	32.02	32.61	32.24
Net Profit before Tax			72.99	69.50	31.60	18.71	38.89
Net Profit after Tax			45.86	42.78	19.25	8.37	19.89
Financial Ratio:	Terms						
Basic Earnings Per Share	BDT	1.08	1.06	0.50	0.22	0.52	
Dividend in percentage (Stock/Cash)	%	10% Cash (proposed for 2019)	5% Cash 5% stock (proposed for 2018)	5% Cash	-	5% Cash	
Return on assets	%	7.26	4.43	2.15	1.02	2.45	
Gross profit ratio	%	42.50	31.78	16.97	9.69	27.70	
Re-insurance Premium Ceded on Gross Premium	%	48.08	37.61	41.86	42.71	47.75	
Net Claim Incurred on net Premium	%	16.36	21.72	42.03	37.83	30.55	
Underwriting Result on Gross Premium	%	20.85	22.80	14.11	9.13	15.54	
Management expenses(Revenue) on Net Premium	%	52.42	28.56	30.55	29.43	42.50	
Equity Statistics:							
Paid-up capital			422.84	402.71	383.53	383.53	383.53
Shareholders’ Equity			601.41	575.69	532.90	513.65	524.46
Net Assets Value Per Share (Taka)			14.22	14.30	13.89	13.39	13.67

The above key operating and financial data are furnished as per BSEC's Notification dated June 03, 2018 to comply with the condition 1.5 (xviii).

# DIRECTORS' REPORT



## DIRECTORS' REPORT

For the year ended December 31, 2019

**Dear Fellow Shareholders,**

Assalamu Alaikum.

The Board of Directors of Janata Insurance Company Limited welcomes you all to the 34th Annual General Meeting of the company. The Directors are pleased to place before you the Directors' Report alongwith the Audited Financial Statements and Auditors' Report for the year ended December 31, 2019 for your valued consideration, approval and adoption.

The Directors' Report has been prepared in compliance with section 184 of the Companies Act 1994 and Bangladesh Securities & Exchange Commission's notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 and other relevant rules and notifications from the regulatory bodies.

Prior to presenting the report, we pay our deepest respect to Sheikh Mujibur Rahman, Father of Nation. And also to late Aktaruzzaman Chowdhury, former Chairman & Adviser, late Humayun Zahir, former Chief Legal Adviser, late Al-haj Nur Mohammad, former Adviser and late Abdul Gaffar Chowdhury, former Chairman & Director of the Company for their valued contribution to the Company and do pray for eternal peace of their departed souls.

### Review of 2019:

#### Economy and Insurance Business Outlook:

##### Economic Scenario

Comparatively the world economy was static in 2019 as 2018. As per IMF, the world economic growth rate was 2.9% in 2019 and 3.3% in 2020 and also expected to earn 3.4% in 2021. But at the end of 2019, while Covid-19 Pandemic started its devastation, world economic activities began to slow down and it is truly more static than past in 2020. In this situation in 2020 the expected growth may not be achieved.

##### Insurance Business Scenario

Insurance Industry has passed a successful year in 2019 for its strong position and continuous progress and the growth rate of this industry in this year was 2.1%. The contribution of life and non-life insurance were 2.3% and 0.6% respectively. The world insurance premium has improved in the last fiscal year in comparison with 2018.

##### Insurance Development & Regulatory Authority (IDRA) and Development of Insurance Industry

Government of Bangladesh has formed the Insurance Development and Regulatory Authority (IDRA) in 2011 after promulgating the new Insurance Act 2010. The IDRA has taken over the task of development and preparation of Insurance rules for Industry. IDRA has also taken some strong steps by issuing some circulars in order to bring discipline among the insurers and also to stop the existing unethical practices prevailing in the Insurance market. We hope, these steps of IDRA will improve the overall situation and status of the Industry. Insurance Development & Regulatory Authority (IDRA) will have to take active role in training people involved in the insurance industry for advancing the knowledge of insurance, so that personnel in the industry have adequate knowledge and expertise to take over the helm of insurance companies in future.

##### Insurance Business in 2019

We are to report that, your company earned direct insurance business with a premium income of Tk.254.06 million where as premium income is Tk. 283.74million in 2018. The premium received by us from the public sector business Increased to Tk. 76.67 million from Tk. 66.85 million in 2018. The total gross premium income, stood at Tk.330.72 million where as premium income is Tk.350.59 million in 2018.



## Operational & Financial Review

### Operational Result and Product wise Performance :

#### Gross Premium Income

During the year 2019 Company's gross premium income thus attained was Taka 330.72 million as against Taka 350.59 million in 2018.

Amount in million

Class of business	Gross Premium Income	
	2019	2018
Fire Insurance	127.47	123.22
Marine Insurance	91.40	146.10
Motor Insurance	57.27	26.15
Miscellaneous Insurance	54.58	55.12
Total:	<b>330.72</b>	<b>350.59</b>

#### Net Premium Income

Net premium income Taka 171.72 million as against Taka 218.73 million in 2018.

Amount in million

Class of business	Net Premium Income	
	2019	2018
Fire Insurance	66.81	62.94
Marine Insurance	50.55	110.93
Motor Insurance	49.39	25.97
Miscellaneous Insurance	4.97	18.89
Total:	<b>171.72</b>	<b>218.73</b>

#### Net Incurred Claims

During the year 2019, we have successfully settled net incurred claims of Taka 28.09 million as against Taka 47.52 million in the year 2018.

Amount in million

Class of business	Net Claim	
	2019	2018
Fire Insurance	21.09	14.44
Marine Insurance	(3.65)	17.99
Motor Insurance	6.52	6.42
Miscellaneous Insurance	4.12	8.67
Total:	<b>28.09</b>	<b>47.52</b>

#### Investment Income

The Company's investment income recorded Taka 26.27 million against Taka 19.88 million in the year 2018.

## Profit

#### Underwriting Profit

Underwriting profit achieved was Taka 68.95 million as against Taka 79.94 million in 2018.

Amount in million

Class of business	Underwriting Profit	
	2019	2018
Fire Insurance	1.39	20.49
Marine Insurance	50.73	47.29
Motor Insurance	8.63	9.21
Miscellaneous Insurance	8.20	2.95
Total:	<b>68.95</b>	<b>79.94</b>

### Net Profit before Tax

Net Profit before Tax attained is Taka 72.99 million as against Taka 69.50 million in 2018.

### Net Profit after Tax

Net Profit after Tax is Taka 45.86 million as against Taka 42.78 million in 2018.

### Earnings Per Share

In the year 2019 Company's earnings per share Tk.1.08 as compared to Tk. 1.06 in the previous year.

### Dividend

Considering the net profit (after tax) of the Company for the year ended 31st December, 2019 the Board of Directors recommended to declare 10% Cash dividend to the Shareholders for the year ended 31st December, 2019 subject to approval by the Shareholders in the 34th Annual General Meeting of the Company to be held on 26 November, 2020.

Summary of Accounts of the Company for the year 2019 compared with the year 2018 are furnished below :

Amount in million

Particulars	Fire	Marine	Motor	Misc.	Total 2019	Total 2018
Gross Premium Income	127.47	91.40	57.27	54.58	330.72	350.59
Re-Insurance Premium ceded	60.66	40.86	7.88	49.61	159.00	131.87
Net Premium	66.81	50.55	49.39	4.97	171.72	218.73
Net Premium Reserve Retained	(1.55)	24.37	(9.37)	5.57	19.02	(14.18)
Net earned Premium	65.26	74.92	40.02	10.54	190.74	204.55
Commission paid	17.23	10.40	8.19	2.28	38.10	42.56
Re-Insurance commission earned	13.72	7.89	1.88	10.93	34.42	27.93
Management expenses (Revenue A/c) (including Insurance Stamp)	39.27	25.32	18.55	6.87	90.01	62.46
Management expenses(P & L A/c)					22.61	30.31
Gross Claim paid	26.67	2.02	6.41	4.09	39.19	104.14
Net Incurred Claim	21.09	(3.64)	6.52	4.12	28.09	47.52
Underwriting Profit/Result	1.39	50.73	8.63	8.20	68.95	79.94
Investment Income	-	-	-	-	26.27	19.88
Net Profit before tax	-	-	-	-	72.99	69.50
Net Profit after tax	-	-	-	-	45.86	42.78
Earnings Per Share	-	-	-	-	1.08	1.06

### Investment

The total investment of the company stood at Taka 385.76 million in 2019 as compared to Taka 326.95 million in the year 2018. Break-up is as under:

Amount in million

Particulars	2019	2018
Bangladesh Govt. Treasury Bond (BGTB)	25.00	25.00
Shares in listed companies	3.80	0.34
Fixed Deposits Account (FDR)	356.96	301.61
<b>Total :</b>	<b>385.76</b>	<b>326.95</b>

### Reserve:

Reserves stood at Taka 140.94 million against Taka 154.96 million in the Previous year.

Amount in million

Particulars	2019	2018
Reserve for Exceptional Losses	70.09	65.09
Reserve for un-expired Risks	70.85	89.87
<b>Total :</b>	<b>140.94</b>	<b>154.96</b>

### Shareholders Equity:

Shareholders equity stood at Taka 601.41 million against Taka 575.69 million in the year 2018.

Amount in million

Particulars	2019	2018
Paid-up Capital	422.84	402.71
Share Premium	55.96	55.96
Reserve for Exceptional Losses	70.09	65.09
Profit & Loss Appropriation Account	52.52	51.93
<b>Total :</b>	<b>601.41</b>	<b>575.69</b>

### Profitability:

The Company's income from investment and other income stood at Taka 26.27 million against Taka 19.88 million earned in the previous year. After taking into account the underwriting profit of Taka 68.95 million and providing for various expenses not applicable to any particular fund or account, net pretax profit attained is Taka 72.99 million as against Taka 69.50 million in 2018. Decrease of net incurred Claim by Taka 19.43 million and increase of income on account of interest on Investment by Taka 6.39 million in comparison to previous year are the main reasons behind the increase of profitability in 2019.

### Appropriation of Profit:

Amount in million

Particulars	2019	2018
<b>Net profit (before tax) for the year</b>	<b>72.99</b>	<b>69.50</b>
Transferred to Reserve for exceptional losses	5.00	3.00
Provided for taxes (including deferred Tax)	27.13	26.72
Dividend distributed for 2018	40.27	19.18
<b>Balance carried forwarded</b>	<b>0.59</b>	<b>20.60</b>

### Dividend:

The Board of Directors in its 182nd meeting held on 03.09.2020 had recommended 10% Cash dividend to the shareholders for the year 2019.

#### **Going concern:**

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

#### **Human Resource Management:**

Employees are the most important resource to the success of any Organization. To develop and equip the employees with key skills, the company places great emphasis on the development of its people and hence the company undertakes appropriate training and workshops to update knowledge of the employees in their respective functional areas. We send our employees to Bangladesh Insurance Academy and Bangladesh Insurance Association regularly for taking training on Insurance Technicalities with a view to increase their efficiency and professional skills. Implementation of a modern HR is under process. We are also recruiting proactive officials to cope our growing needs.

#### **Utilization of proceeds from Rights Share Issue:**

The company raised its Paid-up Capital by issuing Rights Shares in the year 2011. The proceeds from the Rights issue was utilized by making deposits as FDR with the schedule Banks and subsequently a portion of the proceeds has been utilized to purchase of Land & Building for accommodating Corporate Head Office of the Company.

#### **Internal Control:**

The Board is responsible for ensuring that the Company has an adequate and effective control system in place. Although no system of internal financial control can provide absolute assurance against material miss-statement or loss. The company's internal control system have been designed to provide the Directors with reasonable assurance that assets are safeguarded against unauthorized use by the employees or management and or third parties, transactions are authorized and properly recorded and material error and irregularities are either prevented or detected within a reasonable period of time. Properly designed management structure, clearly defined responsibilities, delegation of authorities, establishment of accountability at each level and system of periodic reporting and monitoring performance are the key elements of the internal control frame work employed in Janata Insurance Company Limited.

#### **Audit Committee and Report on its activities:**

The Audit Committee of our company is working as per relevant guidelines of Corporate Governance Guidelines of BSEC. During the year under review, the committee reviewed audit plan, annual audited draft financial statements, quarterly un-audited financial statements, internal audit reports, action plan regarding compliance with the Corporate Governance Guidelines etc. The detail of the activities of the Audit Committee have been provided in the "Audit Committee Report.

#### **Internal Audit:**

The company has an Internal Audit Department working towards ensuring compliance with laws, regulations and ensuring that the business is being conducted within the laid down policies and under the legal framework.

#### **Status of Corporate Governance Compliance:**

In accordance with the requirement stipulated in condition-(5) of the Bangladesh Securities and Exchange Commission's notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 status report on the Corporate Governance Compliance is shown in Annexure-B and the Directors also confirmed the compliance with the financial reporting frame work and shareholding pattern according to the above notification in Annexure-A.

#### **Certificate on compliance of condition of Corporate Governance:**

Certificate on compliance of condition of Corporate Governance from professional Chartered Accountants has been obtained and shown in the report.

In accordance with the Clause (1) condition No.9 of the Notification No. SEC/CMRRCD/2006 -158/207 / Admin/80 dated June 03, 2018 of the Bangladesh Securities and Exchange Commission, the Board of Directors' of the Company recommended to appoint again M/s. FAMES & R. Chartered Accountants, H-3/1 & 3/2, (Flat-A2), Bijoynagar, Dhaka-1000 to obtain certificate on compliance of condition of corporate governance for the year-2020 with a professional fee Tk.30,000/= (Taka Thirty thousand) only plus VAT subject to approval in the 34th Annual General Meeting of the Company.

#### Board Meeting Attendance:

During the year, 07 (Seven) Board Meetings were held. The attendance of the Directors is shown in the report.

#### Pattern of Shareholding:

Pattern of shareholding as per clause 1.5(xxiii) of the BSEC Notification No.SEC/CMRRCD/2006-158 /207/Admin/80 dated June 03, 2018 is shown in the report.

#### Key Operating and Financial Data:

The Company's summarized key operating and financial data for the last five years are shown in the report.

#### Brief Resume of the Directors:

Brief resume of the Directors as per clause 1.5(xxiv) of the BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 is shown in the report.

#### Retirement and election of Directors:

In terms of Articles 106 & 107 of the Articles of Association of the Company, the following Directors will retire from office by rotation in the 34th AGM.

1. Mrs. Roxana Zaman
2. Mrs. Farhana Islam
3. Mr. Kamruddin Parvez

#### Being eligible, among them Sl. No. 2 & 3 offers themselves for re-election.

Therefore, office of 02 (Two) Directors from Sponsor shareholders be elected by the sponsor shareholders of the Company from themselves.

In accordance with the same provisions, 01 (one) Director from Public shareholders Mr. Aziz Al Masud will retire from office by rotation in the 34th AGM.

Upon his retirement; 01 (one) post of Director among the above Public Shareholders will fall vacant, Accordingly, election of 01 (one) post of Director from public share holders will be held in the 34th AGM, for which Notice was published in two national dailies namely (i) Samakal dated 04.09.2020 and (ii) The Financial Express dated 04.09.2020. Next proceedings will be taken place as per schedule.

#### Total Shareholders:

The total number of Shareholders of the Company as on 31st December, 2019 was 4030 as per record.



### Appointment of Auditor:

As per Order No. BSEC/CMRRCD/2009-193/104/Admn/ dated July 27, 2011 of Bangladesh Securities and Exchange Commission, the existing Auditors' of the Company M/s. ARTISAN, Chartered Accountants retiring and they are eligible for re-appointment. The Board of Directors in its meeting held on 03.09.2020 recommended M/S. ARTISAN, Chartered Accountants, Shah Ali Tower (6th & 7th floor), Kawran Bazar, Dhaka-1215 for re-appoint as statutory auditors' for the year ended 31st December, 2020 with a professional fee of Taka 3,20,000= / (Taka Three lac twenty thousand) only plus VAT subject to approval of the 34th Annual General Meeting.

### Credit Rating:

Alpha Credit Rating Limited (Alpha Rating) has assigned the following ratings to Janata Insurance Company Limited.

Date of Declaration	Valid Till	Rating Action	Long Term Rating	Short Term Rating	Outlook
17 November, 2019	16 November, 2020	Surveillance	A+	ST-2	Stable

### Corporate Social Responsibility (CSR):

Janata Insurance Company Limited has always played its part in carrying out Corporate Social Responsibilities from its limited financial ability. We have been participating in contributing financial support to the Fund, formed by Bangladesh Insurance Association for sponsoring various state programs and for the help of victims affected by natural hazards. Besides these, Board of Directors of Janata Insurance Company Limited planned to create a fund to utilize the same exclusively for the medical treatment of employees and higher education of their children and also for education of multilevel poor students in the country. The Company's CSR policy is to develop for the most under privileged people and to motivate them to self-reliant. A policy in this regard has already been prepared.

### Future Business Plan and Prospects:

Dear Shareholders,

Our prime and ultimate goal is to safeguard the interest of the Clients as well as Shareholders. We are undertaking a short term business plan for robust growth of business. For sound growth of business we are implementing different strategic, like modern marketing policy & HR policy, promotion to employees, introduction of new products of Insurance etc.

The Board of Directors has been continuously steering for expansion of the market share of the company and monitoring the activities and extending its support by giving policy guidelines to improve its performance in future. We are strengthening our management team, marketing and other departments of the company to increase our gross premium income substantially by maintaining the rules and regulations of IDRA. Visible improvement of business is being observed. Hopefully, we expect to get a good business outcome in the year 2020. We need your continuous support to improve its growth in future also. We will always welcome suggestions from our clients, partners and well wishers for improve the quality of our services.

**Risks and concerns:**

Janata Insurance Company Limited has always been in the forefront of implementing different risk management tools and techniques. A critical success factor for sustaining profitability and continuous delivery of shareholders' value is earmarked as to how effectively the risks are managed. Non-Life Insurance Companies are exposed to a number of risks of which Market Risks, Operational Risks and Reputation Risks etc. are there, In order to manage these Risks properly Insurance Development Regulatory Authority (IDRA) has issued guidelines which are being followed by the company with utmost-care and dedication. Internal Control System is being made effective by increasing the internal audit, both comprehensive and others, of the various affiliated offices as well as Head Office of the company.

**Acknowledgement:**

**Dear Shareholders,**

Finally the Board of Directors would like to give special thanks to all the Valued Clients, respected Shareholders, Board members, Advisers, Banks, Bankers, Leasing companies, Patrons and Well-wishers for extending their continued support and co-operation. The Board would also like to place thanks to the Government of the People's Republic of Bangladesh, the Ministry of Commerce and the Ministry of Finance, Bangladesh Bank, The Insurance Development and Regulatory Authority (IDRA), Sadharan Bima Corporation, Registrar of Joint Stock Companies and Firms, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, the Central Depository Bangladesh Limited., Various Government Authorities, Bangladesh Publicly Listed Companies (BPLC), Bangladesh Insurance Association and Bangladesh Insurance Academy for their valued co-operation, sincere support and guidance.

The Board of Directors would like to put on record our deep appreciation of the efforts and Co-operation extended by the employees of the company.

We look forward to even better days ahead.

Thanking you all.

On behalf of the Board of Directors,



**Belal Ahmed**  
Chairman

## DIRECTORS' REPORT TO THE SHAREHOLDERS IN COMPLIANCE WITH THE BSEC'S NOTIFICATION NO.BSEC/CMRRCD/2006-158/207/ADMIN/80 DATED JUNE 03, 2018

### Statement of Directors on Financial Reports

Directors are pleased to report that:

- The Financial Statements prepared by the Management of the Company present fairly its state of affairs, the result of its operations, Cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the company's ability to continue as a going concern.
- There are significant deviations from last year in operating result of the company have been highlighted and reasons thereof explained.
- The key operating & financial data of last five years have been provided.
- The number of Board Meetings and the attendance of Directors during the year 2019 were as follows:

Sl. No.	Name of the Member	Status in the Board	Total Meeting	Meeting attendance
1.	Mr. Belal Ahmed	Chairman	7	7
2.	Mr. Warasuzzaman Chowdhury	Vice Chairman	7	7
3.	Mrs. Qamrun Nahar	Director	7	5
4.	Mrs. Roxana Zaman	Director	7	5
5.	Mr. Zafrul Islam Chowdhury	Director	7	6
6.	Mr. Aziz Al-Masud	Director	7	5
7.	Mrs. Sultana Hashem	Director	7	7
8.	Mrs. Fahima Akhter	Director	7	7
9.	Mr. Kamruddin Parvez	Director	7	7
10.	Mrs. Zannatul Ferdous Zeena	Director	7	5
11.	Mrs. Farahnaz Chowdhury	Director	7	3
12.	Mrs. Afroza Zaman	Director	7	6
13.	Mrs. Farhana Islam	Director	7	6
14.	Mr. Shahidul Quader Chowdhury	Director	7	7
15.	Mr. Md. Khurshed Hossain (appointed 30.7.19)	Independent Director	2	2
16.	Mr. Md. Baitul Amin Bhuiyan (appointed 30.7.19)	Independent Director	2	2
17.	Mr. Mezanoor Rahman, FCA	Independent Director	7	7
18.	Mr. M. A. Hashem	Adviser to the Board	7	3
19.	Mr. Saifuzzaman Chowdhury	Adviser to the Board	7	0

Directors also report that the Chief Executive Officer and the Chief Financial Officer have certified to the Board that they have reviewed the Financial Statements for the year 2019, the certificate is annexed.

### The pattern of shareholding

- (i) Shares held by parent/Subsidiary/Associated Company etc. - None.  
(ii) The pattern of shareholding of Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit, Principal Adviser and their spouses and minor children are as follows:

### Shareholding Composition

As on December 31, 2019

#### A. Directors:

Sl. No.	Name of the Shareholders	No. of shares	%
1.	Mr. Belal Ahmed	1409433	3.33
2.	Mr. Warasuzzaman Chowdhury	1029068	2.43
3.	Mrs. Qamrun Nahar	854773	2.02
4.	Mrs. Roxana Zaman	1093409	2.59
5.	Mr. Zafrul Islam Chowdhury	1409433	3.33
6.	Mr. Aziz Al-Masud	849465	2.01
7.	Mrs. Sultana Hashem	849697	2.01
8.	Mrs. Fahima Akhter	854009	2.02
9.	Mr. Kamruddin Parvez	847596	2.00
10.	Mrs. Zannatul Ferdous Zeena	879959	2.08
11.	Mrs. Farahnaz Chowdhury	886029	2.10
12.	Mrs. Afroza Zaman	1049862	2.48
13.	Mrs. Farhana Islam	1093408	2.59
14.	Mr. Shahidul Quader Chowdhury	980927	2.32
<b>Sub Total =</b>		<b>14087068</b>	<b>33.32%</b>

#### B. Independent Directors:

1.	Mr. Md. Khurshed Hossain	-	-
2.	Mr. Md. Baitul Amin Bhuiyan	-	-
3.	Mr. Mezanoor Rahman, FCA	-	-
<b>Sub Total =</b>			

#### C. Sponsor Shareholders:

1.	Mr. Aziz Al-Kaiser	847460	2.00
2.	Mrs. Aklima Begum	411743	0.97
3.	Mrs. Setara Begum	3956	0.01
4.	Mrs. Hosneara Begum	945000	2.23
5.	Mrs. Monoara Jahangir	5046	0.01
<b>Sub Total</b>		<b>2213205</b>	<b>5.23%</b>
<b>Sub Total (A + B + C)</b>		<b>16300273</b>	<b>38.55%</b>

#### D. Employees (Executives):

1.	Chief Executive Officer	-	-
2.	Company Secretary	-	-
3.	Chief Financial Officer	-	-
<b>Sub Total =</b>			

#### E. General Shareholders:

1.	Institute	5810457	13.74%
2.	General Public	20173091	47.71%
<b>Sub Total</b>		<b>25983548</b>	<b>61.45%</b>
<b>Total Holdings (A+B+C+D+E)</b>		<b>42283821</b>	<b>100%</b>

## Corporate Governance Compliance Report

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969). (Report-under Condition no. 9.00) is presented below:

Condition No	Title	Compliance status		Remarks
		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 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)(i)	Who either does not hold any share in the company or hold less than one percent (1%) shares of the total paid up shares of the company.	✓		
1(2)(b)(ii)	who is not sponsor of the company or 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/her family members also should not hold above mentioned shares in the company.	✓		
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 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.	✓		
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.	✓		



Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
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 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 a bank or a Non-Bank financial institution (NBF1);	✓		
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude;	✓		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM).	✓		
1(2)(d)	the post of independent director(s) cannot remain vacant 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 tenure only.	✓		
<b>1(3) Qualification of independent director : -</b>				
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to business.	✓		
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of TK 100 million or any listed company or a member of any national or international chamber of commerce or business association, or	✓		
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, or	✓		

Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
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, or	✓		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law, or	✓		
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 shall have at least 10 (ten) years of experience 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.	-	-	Not Applicable
<b>1(4)</b>	<b>Duality of Chairman of the Board of Directors and Managing Director/Chief Executive Officer (CEO)</b>			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and or chief executive officer (CEO) of the company shall be filled by different individuals.	✓		
1(4)(b)	The Managing Director and or Chief Executive Officer of a listed company shall not hold the same position in another listed company.	✓		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company.	✓		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer.	✓		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non executive directors as Chairperson for that particular Boards meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
<b>1(5)</b>	<b>The Directors Report to Shareholders</b>			
1(5)(i)	An industry outlook and possible future developments in the industry.	✓		

Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
1(5)(iii)	Risk 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 Good Sold, Gross Profit Margin and Net Profit Margin, where applicable.	✓		
1(5)(v)	A discussion on continuity of any extra ordinary activities and their implication ( gains or loss).	✓		
1(5)(vi)	A detailed discussion on related party transaction 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, right issues, and/or any other instruments.	-	-	No such proceed received during the year.
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;	-	-	The financial result is not deteriorating.
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements ;	-	-	No such significant variance occurs.
1(5)(x)	A statement of remuneration paid to the directors including indepen dent directors;	✓		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and change in equity.	✓		
1(5)(xii)	A statement tha t Proper books of account of the issuer 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.	✓		

Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed.	✓		
1(5)(xviii)	An explanation that Significant deviations from that last years operating result of the issuer company shall be highlighted and the reasons thereof should be explained	✓		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized.	✓		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	✓		
1(5)(xxi)	Boards statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓		
1(5)(xxii)	The total number of board meetings held during the year and attendance by each director .	✓		
1(5)(xxiii)	<b>A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-</b>			
1(5)(xxiii)(a)	Parent or subsidiary or Associated companies and other related parties (name wise details).	-	-	Not Applicable
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouse and minor children (name -wise detail)	✓		
1(5)(xxiii)(c)	Executives and;	✓		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise detail)	-	-	Not Applicable
1(5)(xxiv)	<b>In case of the appointment/re-appointment of a director, a disclosure on the following information to the shareholders.</b>			
1(5)(xxiv)(a)	A brief resume of the director	✓		
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas; and	✓		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board	✓		



Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
1(5)(xxv)	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 the financial statements, among others, focusing on:	✓		
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	✓		
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	-	-	Not Applicable
1(5)(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	✓		
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explain 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)	Meeting of the Board of Directors: -The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh(ICSB) in so far as those standards are not inconsistent with any condition of this code.	✓		

Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
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) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		
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.	-	-	Not Applicable
2(b)	At least 1(one) independent director on the Board of the holding company shall be a director on the Board of the Subsidiary company;	-	-	Not Applicable
2(c)	The minutes of the Board meeting of the Subsidiary company shall be placed for review at the following board meeting of the holding company;	-	-	Not Applicable
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	-	-	Not Applicable
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	-	-	Not Applicable
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)	Appointment			
3(1)(a)	The Board shall appoint a 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)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer(CFO), Head of internal Audit and Compliance(HIAC) and company Secretary(CS) 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;	✓		

Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
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)	-	-	Not Applicable
3(2)	Requirement to attend Board of Directors Meeting The MD or CEO, CS, CFO and HIAC shall attend the meeting of the board	✓		
3(3)	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO)</b>			
3(3)(a)	The MD or CEO and CFO shall clearly certify to the board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
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; and	✓		
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 in violation of the code of conduct for the company's Board or its members;	✓		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report	✓		
4	<b>Board of Directors' Committee:-</b>			
4(i)	Audit Committee; and	✓		
4(ii)	Nomination and Remuneration Committee	✓		
5	<b>Audit Committee:-</b>			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The company shall have an Audit Committee as a subcommittee of the Board	✓		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	✓		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		

Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
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 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 member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee	-	-	Not Applicable
5(2)(e)	The company secretary shall act as the secretary of the Committee	✓		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director	✓		
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board 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 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	✓		



Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two -third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must	✓		
<b>5(5)</b>	<b>Role of Audit Committee</b>			
5(5)(a)	Oversee the financial reporting process	✓		
5(5)(b)	monitor choice of accounting policies and principles	✓		
5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report	✓		
5(5)(d)	oversee hiring and performance of external auditors;	✓		
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval	✓		
5(5)(h)	review the adequacy of internal audit function	✓		
5(5)(i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5)(j)	review statement of all related party transactions submitted by the management	✓		
5(5)(k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors	✓		
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; and	✓		
5(5)(m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	-	-	Not Applicable
<b>5(6)</b>	<b>Reporting of the Audit Committee</b>			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		

Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
5(6)(ii)	The audit Committee shall immediately report to the Board on the following findings, if any:-			
5(6)(a)(ii)(a)	report on conflicts of interests	-	-	Not Applicable
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	-	-	Not Applicable
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	-	-	Not Applicable
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately	-	-	Not Applicable
5(6)(b)	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.	-	-	Not Applicable
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 No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
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;	✓		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive	✓		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	✓		

Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
<b>6(2)</b>	<b>Constitution of the NRC</b>			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	✓		
6(2)(b)	All members of the Committee shall be non - executive directors	✓		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee	✓		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee	-	-	
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;	-	-	
6(2)(g)	The company secretary shall act as the secretary of the Committee	✓		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director	✓		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company	✓		
6(3)	<b>Chairperson of the NRC</b>			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director	✓		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes	✓		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders	✓		
<b>6(4)</b>	<b>Meeting of the NRC</b>			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year	✓		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC	-	-	

Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
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.	✓		
<b>6(5)</b>	<b>Role of the NRC</b>			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
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 longterm 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; and		✓	
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 policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.		✓	
<b>7</b>	<b>External or Statutory Auditors.</b>			
7(1)	Issuer Company shall not engage its external auditors to perform the following			
7(1)(i)	appraisal or valuation services or fairness opinions;	✓		

Condition No	Title	Compliance status		Remarks
		Complied	Not Complied	
7(1)(ii)	financial information systems design and implementation	✓		
7(1)(iii)	book keeping or other services related to the accounting records or financial statements;	✓		
7(1)(iv)	broker-dealer services	✓		
7(1)(v)	actuarial services;	✓		
7(1)(vi)	internal audit services or special audit services;	✓		
7(1)(vii)	any service that the Audit Committee determines	✓		
7(1)(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		
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	✓		
8	Maintaining a website by the Company			
8(1)	The company shall have an official website linked with the website of the stock exchange.	✓		
8(2)	The company shall keep the website functional from the date of listing	✓		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9	<b>Reporting and Compliance of Corporate Governance</b>			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report	✓		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the Annual General Meeting.	✓		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		



## Certificate on Compliance of Conditions of Corporate Governance Guidelines to the Shareholders of Janata Insurance Company Limited



Shiraga Mac, Flat-2A, House- 3/1 & 3/2 Bijoynagar, Dhaka-1000  
Cell Phone : 01819207889, 01819496565, 01731925302  
E-Mail- hoquezhc@yahoo.com, haque.fouzia@gmail.com

House # 424 (4<sup>th</sup> floor), Road # 30, Mohakhali DOHS  
Dhaka-1206, Phone : 9884049, 9587531, 01715001622  
E-mail : fames1622@gmail.com, shahadatrashid67@gmail.com

### Annexure-B

#### REPORT TO THE SHAREHOLDERS OF JANATA INSURANCE COMPANY LTD. ON COMPLIANCE ON THE CORPORATE GOVERNANCE CODE

We have examined the compliance status to the Corporate Governance Code by JANATA INSURANCE COMPANY LTD for the year ended 30 June 2019.

This Code relates to the Notification No. BSEC/CMMRRCD/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 a security and verification and 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 Secretariats 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 security 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 or not complied (if not complied, specify non-compliances);
- 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 or not complied (if not complied, specify non-compliances);
- 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 highly satisfactory.

Fouzia Haque FCA  
Partner  
**FAMES & R**  
Chartered Accountants

Dated: 20 October, 2020  
Place: Dhaka



## Nomination and Remuneration Committee (NRC)

The Board of Directors of Janata Insurance Company Limited formed the NRC Committee in line with the Corporate Governance Condition No. 6(1) and other compliance as per 6(2) to 6(5) of BSEC notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018.

### 1. Purpose

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

### Authority

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

### 3. Constitution

#### 3.1 Chairperson

- i) One member of the NRC to be Chairperson of the Committee appointed by the Board, who shall be an independent director;
- ii) 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;
- iii) The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:

Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.

#### 3.2 Membership

- i) The Committee shall comprise of at least three members including an independent director;
- ii) All members of the Committee shall be non-executive directors;
- iii) Members of the Committee shall be nominated and appointed by the Board;
- iv) The Board shall have authority to remove and appoint any member of the Committee;
- v) 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;
- vi) The Chairperson of the Committee may appoint or co-opt any external expert and/or members(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 members(s) of staff shall be required or valuable for the Committee.

#### 3.3 Secretary

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

### 4. Proceedings of Meetings

#### 4.1 Frequency of Meetings

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

#### 4.2 Quorum

- i) 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,
- ii) The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;

#### 4.3 Meeting Fees

- 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.

#### 4.4 Minutes of Meeting

- i) 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.

#### 5. Role of NRC

- 5.1 NRC shall be independent and responsible or accountable to the Board and to the shareholders;
- 5.2 NRC shall oversee, among others, the following matters and make report with recommendation to the Board:
  - i) formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:
    - 5.2 1.1. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;
    - 5.2 1.2. the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
    - 5.2 1.3. 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;
  - ii) devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
  - 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;
  - iv) formulating the criteria for evaluation of performance of independent directors and the Board;
  - v) Identifying the company's needs for employees at different levels and determine their selection, transfer for replacement and promotion criteria; and
  - vi) developing, recommending and reviewing annually the company's human resources and training policies;
- 5.3 The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.

## CEO & CFO'S Certificate to the Board of Directors In Respect of Financial Reporting

Annexure-A

[As per condition No.1(5)(xxvi)], Janata Insurance Company Limited, Declaration by CEO and CFO

The Board of Directors  
Janata Insurance Company Limited  
Corporate Office  
GA/95/D, Link Road  
Middle Badda  
Dhaka-1212.

**Subject: Declaration on Financial Statements for the year ended on 31 December 2019**

Dear Sir(s),

Pursuant to the condition No.1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRC-D/2006-158/207/Admin/80; Date: 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1. The Financial Statements of Janata Insurance Company Limited for the year ended on 31 December 2019 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

**In this regard, we also certify that:-**

- i. We have reviewed the financial statements for the year ended on 31 December 2019 and that to the best of our knowledge and belief;
  - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii. There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the Company's Board of Directors or its members.



Md. Rajaur Rahman  
Chief Financial Officer (CFO)



Bashir Ahmed  
Chief Executive Officer (CEO)


## DIRECTORS' CERTIFICATE

As per Regulations contained in the first Schedule of the Insurance Act 2010 (previously 1938) as per Section 40-C of the said Act, we certify that:

1. The values of investment in shares and debentures have been taken at cost or market price whichever is lower.
2. The values of all assets as shown in the Financial Statement and as classified on Form "AA" annexed have been duly reviewed as at December 31, 2019 and in our belief, the said assets have been set forth in the Financial Statement at amounts not exceeding their realizable or market values under the several headings as enumerated in the annexed form.
3. All expenses of management, wherever incurred and whether incurred directly or indirectly in respect of Fire, Marine, Motor and Miscellaneous Insurance business have been duly debited to the related Revenue Accounts and Profit & Loss Account.

  
Chief Executive Officer (CC)

  
Director

  
Director

  
Chairman



## Report of the Audit Committee

The Audit Committee of Janata Insurance Company Limited is pleased to present this report to the shareholders and other interested parties stating in brief the functions and activities carried out by the Committee during period under review.

### Scope of Work of Audit Committee

The Audit Committee of Janata Insurance Company Limited performs within the guidelines of Bangladesh Securities and Exchange Commission and also carries oversight responsibilities. The Board of Directors of the Company sets out the overall business plan & formulates policies that the management is responsible for implementation. The Audit Committee, on behalf of the Board, strives to ensure effective implementation of the processes and procedures set out in the business plans and policies. Audit Committee also reviews the internal control regime and compliance status of the Company as a whole. The committee is authorized to investigate any matter(s) within its terms of reference, access to all documents and information of the company, seek information from any director or employee and hire/co-opt any resources including external professional assistance, it seems fit and necessary to accomplish its duties. However, the Audit Committee has no executive function and its primary objective is to review and challenge, rather than assume responsibility for any matters within its remit. The Chairman of the Committee remains present in all the general meetings of the Company to answer any questions on the activities of the Committee.

### Functions of The Audit Committee

Main function of the Audit Committee is to facilitate the Board in its oversight responsibilities. In order to discharge these responsibilities, the Audit Committee, among others, carries out the following functions:

- Review of Internal Control System to create robust control mechanism;
- Review of Annual Financial Statements;
- Review of quarterly financial statements;
- Review of Internal Audit Reports and suggestion for corrective action;
- Review the findings of External Audit;
- Review of compliance with applicable rules and regulations;
- Timely responses to regulatory inquiries;
- Appraisal of the expertise, resources, independence and objectivity of the external auditor and recommendation to the Board regarding their appointment/reappointment;
- Coordination of regulatory and external audit;
- Coordination of management responses to the external audit; etc.

All these enable the Committee to evaluate major business risk areas, so as to ensure appropriate controls are in place, which is well managed by providing accurate, proper and timely information to the Board of Directors, management, regulatory authorities and shareholders.

## Composition of the Audit Committee

The following members of the Board of Directors comprise the Audit Committee:

01.	Mr. Mezanoor Rahman, FCA	Independent Director	Chairman
02.	Mr. Warasuzzaman Cowdhury	Director	Member
03.	Mrs. Afroza Zaman	Director	Member
04.	Mr. Kamruddin Parvez	Director	Member
05.	Mr. Md. Khurshed Hossain	Independent Director	Member

In compliance with BSEC Notification No. BSEC/CMRRCD/2006-158/Admin/80 dated 03 June, 2018, an independent Director of the Board is the Chairman of the Audit Committee. As per regulatory guidelines, the Company Secretary of the Company acts as the Secretary to the Audit Committee. Senior officials of the Company attend the meetings on invitation.

## Meetings of the Audit Committee and major activities carried out

The Audit Committee held 05 (Five) meetings during the year 2019. During the year under review the Committee, inter alia, carried out the following activities:

- Reviewed Internal Audit Plan for the year 2019 and gave guidance on the risk based internal audit for all the departments and branches of the company;
- Reviewed Annual Audited Draft Financial Statements and after discussing with the External Auditor and the management recommended it to the Board for its approval;
- Reviewed the Management Letter issued by the External Auditor, Management responses thereto and corrective measures taken by the Company to avoid recurrence of the lapses mentioned therein;
- Reviewed Quarterly Financial Statements of the Company and recommended their submission to the stakeholders as a statutory requirement;
- Reviewed the report of the Audit Committee to incorporate in the Annual Report;
- Reviewed the expression of interest of external audit firm and upon reviewing expertise, capacity, resources, independence and objectivity thereof recommended to the Board for their appointment;
- Reviewed internal audit reports, discussed on significant Internal Audit findings and advised corrective actions;
- Reviewed and followed up action plan regarding compliance with the corporate governance guidelines issued by Bangladesh Securities and Exchange Commission; etc.

## Review of Annual Audited Financial Statements

The Audit Committee reviewed and examined the Annual Financial Statements, for the year 2019 prepared by the management and audited by the External Auditor, M/S. ARTISAN & Co., Chartered Accountants and recommended these to the Board for consideration and approval.

The Committee was not aware of any issues in the following areas, which needed to be reported to the Board (i) Report on conflict of interest; (ii) Suspected or presumed fraud or irregularity or material defect in the internal control system and (iii) Suspected infringement of laws, including securities related laws, rules and regulations.

Finally, the Audit Committee expresses its sincere thanks and appreciation to the Members of the Board and the Management of Janata Insurance Company Limited for their excellent support in carrying out the duties and responsibilities of the Committee during the period under review.



**Mezanoor Rahman, FCA**  
Chairman, Audit Committee

## CREDIT RATING REPORT

AlphaRating

17 November, 2019

**Chief Executive Officer**  
**Janata Insurance Company Limited**  
**Ga/95/D, Link Road, Middle Badda,**  
**Gulshan-1, Dhaka-1212**

**Subject: Credit Rating of Janata Insurance Company Limited**

Dear Sir,

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

Date of Declaration	Valid Till	Rating Action	Long Term Rating	Short Term Rating	Outlook
17 November, 2019	16 November, 2020	Surveillance	A+	ST-2	Stable

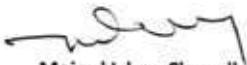
The Short-term and Long-term rating is valid up to the earlier of 16 November, 2020. The rating may be changed or revised prior to expiry, if warranted by extraordinary circumstances in the management, operations and/or performance of the entity rated.

We, Alpha Credit Rating Limited, while assigning this rating to **Janata Insurance Company Limited**, hereby solemnly declare that:

- (i) 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
- (ii) 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.**

## Solvency Margin Position

Solvency margin is the amount by which the assets of an insurer exceeds its liabilities, and will form part of the insurer's funds. Under section 43 of Insurance Act 2010 the Insurance Company required to maintain Solvency Margin. And the method of valuations of assets and liabilities of an insurer are prescribed in the insurance regulations. The regulations stipulate the minimum solvency margin, which an insurer must maintain at all times. The solvency of an insurance company corresponds to its ability to pay claims. The solvency of insurance company or its financial strength depends chiefly on whether sufficient technical reserves have been set up for the obligations entered into and whether the company has adequate capital as security.

Moreover, solvency margin assists financial investment managers when making a decision on the risk or reward capability of a company to return dividends to stockholders. In Bangladesh regulations for Solvency margin for non-life insurance Company have been prepared by IDRA but not yet been approved by Finance Ministry thereby not yet promulgated through official gazette.

During the year 2019, Janata Insurance Company Limited achieved solvency margin as required level. The details as follows:

### SOLVENCY MARGIN BASED ON ASSETS & LIABILITIES:

Amount in Million Taka			
Particulars	Amount	Particulars	Amount
Total Assets as per Balance Sheet	1005.82	Total Liabilities	1005.82
Less: Amount due from Others (3/4)	(242.80)	Sundry Creditors	(98.26)
Sundry debtors (Suspense A/C)	-	Amount Due to Others	(36.52)
Carpet & Curtain	(0.06)	Provision for Income Tax	(163.71)
		Deposit Premium	(9.44)
		Reserve for Unexpired Risks	(70.85)
		Reserve for exceptional losses	(70.09)
<b>(A) Total Assets</b>	<b>762.96</b>	<b>(B) Total Liabilities</b>	<b>556.95</b>
			<b>2019</b>
Solvency Margin Available (A-B) (762.96 – 556.95)			<b>206.01</b>

# AUDITORS' REPORT & AUDITED FINANCIAL STATEMENTS





## Independent Auditors' Report to the Shareholders of Janata Insurance Company Limited

### Opinion:

We have audited the financial statements of **Janata Insurance Company Limited**, which comprise the Statement of Financial Position as at 31st December, 2019, Statement of Profit or Loss & Other Comprehensive Income, Profit or Loss Appropriation Account, Related Revenue Accounts, Statement of Changes In Shareholder's Equity and Cash Flow Statement for the year then ended, and Notes, Comprising a Summary of Significant Accounting Policies & 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 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

### Basis for opinion:

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the 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 these requirements and 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 our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters.

Accordingly, our audit included performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. These results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Risk	Our response to the risk
<b>Premium Income</b>	
Gross general insurance premium comprises the total premium received for the whole period covered through contracts entered into during the accounting period.	<ul style="list-style-type: none"> <li>With respect to premium income of various types of insurance, we carried out the following procedures:</li> </ul>

Given the important nature, connections to other items to the financial statements and sensitivity of the item we believe this area possessed high level of risk.

At year end the 2019, the company reported total gross Premium income of BDT 330,724,302.

The associated disclosure is included within **Note 23.01** to the financial statement.

- The design and operating effectiveness of key controls around premium income recognition process.
- Carried out analytical procedures and recalculated premium income for the period.
- Carried out cut-off test to ensure unearned premium income (has not been included in the premium income)
- Reviewed policies to ensure appropriate policy stamp whether affixed to the contract and the whether same has been reflected in the premium register on a sample basis.
- Ensured on a sample basis that the premium income was deposited in the designated bank account.
- Tested on a sample basis to see that appropriate VAT was being collected and deposited in to the bank through Treasury Challan.
- Insurance contracts examined whether level of reinsurance was done and whether that re insurance premium was deducted from the gross premium on a sample basis.
- Applying specialist judgment to ensure if there is any impairment of the reinsurer.
- 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.

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

This account represents the claim due or intimated from the insured and involves significant management judgment and risk of understatement. In extreme scenario this item may have going concern implications for the company.

We tested the 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:

	<ul style="list-style-type: none"> <li>• Obtained the claim register and examined for completeness of claims recorded in the register on a sample basis.</li> <li>• Obtained a sample of claimed policies copy and cross checked those with claims.</li> <li>• Obtained a sample of survey reports Template of Auditor's Report of General Insurance Company in Bangladesh Risk. Our response to the risk cross checked those against respective ledger balances and in case of discrepancy, carried out further investigation.</li> <li>• Obtained and discussed with management about their basis for estimation and challenged their assumptions where appropriate.</li> <li>• Reviewed the claim committee meeting minutes about decision on impending claims.</li> <li>• Tested a sample of claims payments with intimation letter, survey report, bank statement, claim payment register and general ledger.</li> <li>• 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.</li> </ul>
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#### Other Information:

Management is responsible for furnishing other information. Other information will be described in the Annual Report other than the financial statements and our report thereon. The directors are responsible to disclose other information in the Annual Report.

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 the 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.

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

Managements 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.

### **Auditors 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 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 disclosure in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

#### **Report on other Legal and Regulatory Requirements:**

In accordance with the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

- a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- c) The Company 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 explanation given to us, all expenses of management wherever incurred and whether incurred directly or indirectly, in respect of insurance business of the company transacted in Bangladesh during the year under report have been duly debited to the related Revenue Accounts and the Statement of Profit or Loss and Other Comprehensive Income of the Company;
- e) We report that to the best of our information and as shown by its books, the company during the year under report has not paid any person any commission in any form, outside Bangladesh in respect of any its business re-insured abroad;
- f) The company's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income, Profit or Loss Appropriation Account, related Revenue Accounts, Statement of Changes in Shareholder's Equity and Cash Flow Statement of the Company together with the annexed notes dealt with by the report are in agreement with the books of account and returns;

And

- g) The expenditure incurred was for the purpose of the company's business.

Place: Dhaka.

Dated: September 03, 2020.



## Janata Insurance Company Limited

### Statement of Financial Position

As at December 31, 2019

Capital and Liabilities	Notes	Amount in Taka	
		2019	2018
<b>Share Capital</b>			
Authorized Share Capital	3.00	1,000,000,000	1,000,000,000
<b>Issued, Subscribed &amp; Paid-up Capital</b>	3.00	422,838,210	402,703,060
<b>Share Premium</b>	4.00	55,964,550	55,964,550
<b>Reserve and Contingency Account</b>		122,609,863	117,019,109
Reserve for Exceptional Losses	5.00	70,093,835	65,093,835
Profit & Loss Appropriation Account		52,516,028	51,925,274
<b>Total Shareholders' Equity (A)</b>		<b>601,412,623</b>	<b>575,686,719</b>
<b>Balance of Funds and Accounts</b>	6.00	<b>70,847,504</b>	<b>89,869,662</b>
Fire Insurance Business		26,725,074	25,176,039
Marine Insurance Business		22,379,072	46,751,582
Motor Insurance Business		19,755,562	10,387,024
Miscellaneous Insurance Business		1,987,796	7,555,016
<b>Premium Deposits</b>	7.00	<b>9,437,256</b>	<b>8,593,112</b>
<b>Liabilities and Provisions</b>		<b>324,124,384</b>	<b>290,532,797</b>
Estimated Liabilities in Respect of Outstanding Claims whether Due or Intimated	8.00	9,357,422	16,410,800
Amount Due to other Persons or Bodies Carrying on Insurance Business	9.00	36,517,076	37,791,623
Provision for Income Tax	11.04	163,713,897	138,218,352
Deferred Tax Liabilities	10.00	16,280,540	14,649,022
Sundry Creditors (including provision for Expenses and Taxes)	11.00	98,255,449	83,463,000
<b>Total Liabilities (B)</b>		<b>404,409,145</b>	<b>388,995,571</b>
<b>Total Shareholders' Equity &amp; Liabilities (A+B)</b>		<b>1,005,821,767</b>	<b>964,682,290</b>
<b>Net Assets Value Per Share (NAV)</b>	24.03	<b>14.22</b>	<b>14.30</b>

The accompanying notes 1-25 form an integral part of these financial statements.

## Janata Insurance Company Limited

### Statement of Financial Position

As at December 31, 2019

Assets & Properties	Notes	Amount in Taka	
		2019	2018
Investments	12.00	28,797,978	25,344,476
Accrued Interest on FDR & BGTB	13.00	5,245,664	9,747,802
Amount Due from other Persons or Bodies Carrying on Insurance Business	14.00	323,730,342	325,549,655
Sundry Debtors (Including Advances, Deposits, Prepayments and Others)	15.00	148,905,564	135,324,952
<b>Cash And Bank Balances</b>	<b>16.00</b>	<b>360,157,481</b>	<b>334,757,393</b>
Fixed Deposit Account		356,960,032	301,609,733
Current Account & Cash in hand		2,453,102	9,413,940
STD & Savings Account		744,347	23,733,720
<b>Other Accounts</b>	<b>17.00</b>	<b>138,984,738</b>	<b>133,958,012</b>
Fixed Assets (at cost less accumulated depreciation)		137,989,350	133,468,974
Security Deposits		530,691	380,691
Stock of Stamps		464,697	108,347
<b>Total Assets and Properties</b>		<b>1,005,821,767</b>	<b>964,682,290</b>

The accompanying notes 1-25 form an integral part of these financial statements.

  
Chief Executive Officer (CC)

  
Director

  
Director

  
Chairman

Signed as per our annexed report of even date.

Place: Dhaka  
Dated: September 03, 2020

  
AFM ALAMGIR JCA  
Chief Executive Partner  
**ARTISAN**  
CHARTERED ACCOUNTANTS



## Janata Insurance Company Limited

### Statement of Profit or Loss & Other Comprehensive Income

For the year ended December 31, 2019

Particulars	Notes	Amount in Taka	
		2019	2018
<b>Expenses of Management</b> (Not applicable to any particular Fund or Account)		<b>22,606,504</b>	<b>30,311,689</b>
Advertisement in News Papers & Periodicals		704,381	828,428
Directors' Fees	19.00	1,403,000	1,018,250
Interest on PF payable	11.01	3,863,122	3,422,284
Legal and Professional Fees		721,050	692,290
Audit Fees	20.00	276,000	276,000
Bad Debts	15.01	-	5,455,104
Lease Rental	21.00	-	4,177,128
Donation and Subscription		1,495,500	931,537
Registration & Renewals		1,873,919	573,392
Gratuity expenses		5,987,200	7,045,198
Depreciation	Sch. A/2	6,282,332	5,892,078
Net Profit Transferred to Profit or Loss Appropriation Account		72,988,120	69,503,774
<b>Total</b>		<b>95,594,624</b>	<b>99,815,462</b>
Interest and Dividend Income	18.00	25,753,889	19,877,084
<b>Profit/(Loss) Transferred from:</b>		<b>68,951,098</b>	<b>79,938,378</b>
Fire Revenue Account		1,390,185	20,488,867
Marine Revenue Account		50,728,330	47,292,588
Motor Revenue Account		8,630,804	9,205,947
Miscellaneous Revenue Account		8,201,779	2,950,977
Other Income		13,000	-
Capital Gain on Sale of Shares		499,717	-
<b>Net profit transferred to profit and loss apportionment account</b>		<b>95,217,704</b>	<b>99,815,462</b>
<b>Other Comprehensive Income</b>		<b>376,921</b>	<b>-</b>
Gain/(loss) from Fair Value Changes of Investment in Shares		376,921	-
<b>Total</b>		<b>95,594,624</b>	<b>99,815,462</b>
<b>Earning Per Share (EPS)</b>	24.02	<b>1.08</b>	<b>1.06</b>

The accompanying notes 1-25 form an integral part of these financial statements.

  
Chief Executive Officer (CC)

  
Director

  
Director

  
Chairman

Signed as per our annexed report of even date.

Place: Dhaka  
Dated: September 03, 2020

  
AFM ALAMGIR JCA  
Chief Executive Partner  
**ARTISAN**  
CHARTERED ACCOUNTANTS



## Janata Insurance Company Limited

### Profit and Loss Appropriation Account

For the year ended December 31, 2019

Particulars	Notes	Amount in Taka	
		2019	2018
Reserve for Exceptional Losses		5,000,000	3,000,000
Provision for Income Tax	11.04	25,495,545	23,422,480
Provision for Deferred Tax	10.00	1,631,518	3,298,875
Dividend distributed from last years profit		40,270,303	19,176,330
Balance transfered to Statement of Financial Position		52,516,028	51,925,274
<b>Total</b>		<b>124,913,394</b>	<b>100,822,959</b>
Balance brought forward from previous year		51,925,274	31,319,186
Net Profit for the year brought down		72,988,120	69,503,774
<b>Total</b>		<b>124,913,394</b>	<b>100,822,959</b>

The accompanying notes 1-25 form an integral part of these financial statements.

  
Chief Executive Officer (CC)

  
Director

  
Director

  
Chairman

Signed as per our annexed report of even date.

Place: Dhaka  
Dated: September 03, 2020

  
AFM ALAMGIR JCA  
Chief Executive Partner  
**ARTISAN**  
CHARTERED ACCOUNTANTS



## Janata Insurance Company Limited

### Consolidated Revenue Account

For the year ended December 31, 2019

Particulars	Notes	Amount in Taka	
		2019	2018
<b>Claim Under Policies Less Re-Insurance:</b>		<b>28,087,404</b>	<b>47,515,854</b>
Paid during the year		35,140,782	37,404,829
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	<b>8.00</b>	9,357,422	16,410,800
Less: Outstanding at the end of the previous year		(16,410,800)	(6,299,775)
Agency commission		38,108,586	42,561,421
Expenses of management	<b>22.00</b>	89,848,067	62,313,700
Insurance stamp expenses		168,480	147,655
Profit transferred to Profit or Loss Account		68,951,098	79,938,378
Reserve for unexpired risks of premium income of the year as shown in the Statement of Financial Position		70,847,504	89,869,662
<b>Total</b>		<b>296,011,139</b>	<b>322,346,670</b>
Balance at the beginning of the year (Reserve for unexpired risks)		89,869,662	75,686,891
Premium less Re-Insurance	<b>23.00</b>	171,717,191	218,725,418
Commission on Re-Insurance ceded		34,424,286	27,934,361
<b>Total</b>		<b>296,011,139</b>	<b>322,346,670</b>

The accompanying notes 1-25 form an integral part of these financial statements.

 Chief Executive Officer (CC)
 Director
 Director
 Chairman

Signed as per our annexed report of even date.

Place: Dhaka  
Dated: September 03, 2020

  
AFM ALAMGIR, FCA  
Chief Executive Partner  
**ARTISAN**  
**CHARTERED ACCOUNTANTS**





## Janata Insurance Company Limited

### Fire Insurance Revenue Account

For the year ended December 31, 2019

Particulars	Notes	Amount in Taka	
		2019	2018
<b>Claim Under Policies Less Re-Insurance:</b>		<b>21,093,253</b>	<b>14,442,077</b>
Paid during the year		23,513,135	12,333,327
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	<b>8.00</b>	5,487,118	7,907,000
Less: Outstanding at the end of the previous year		(7,907,000)	(5,798,250)
Agency commission		17,234,125	16,472,658
Expenses of management	<b>22.02</b>	39,183,551	23,124,328
Insurance stamp expenses		83,300	64,350
Profit/(Loss) transferred to Profit or Loss Account		1,390,185	20,488,867
Reserve for unexpired risks being 40% of premium income of the year as shown in the Statement of Financial Position		26,725,074	25,176,039
<b>Total</b>		<b>105,709,488</b>	<b>99,768,319</b>
Balance at the beginning of the year (Reserve for unexpired risks)		25,176,039	23,609,098
Premium less Re-Insurance	<b>23.00</b>	66,812,686	62,940,098
Commission on Re-Insurance ceded		13,720,763	13,219,123
<b>Total</b>		<b>105,709,488</b>	<b>99,768,319</b>

The accompanying notes 1-25 form an integral part of these financial statements.

  
Chief Executive Officer (CC)

  
Director

  
Director

  
Chairman

Signed as per our annexed report of even date.

Place: Dhaka  
Dated: September 03, 2020

  
AFM ALAMGIR, JCA  
Chief Executive Partner  
**ARTISAN**  
CHARTERED ACCOUNTANTS



## Janata Insurance Company Limited

### Marine Insurance Revenue Account

For the year ended December 31, 2019

Particulars	Notes	Amount in Taka	
		2019	2018
<b>Claim Under Policies Less Re-Insurance:</b>		<b>(3,646,122)</b>	<b>17,984,662</b>
Paid during the year		1,167,378	11,171,162
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	8.00	2,000,000	6,813,500
Less: Outstanding at the end of the previous year		(6,813,500)	-
Agency commission		10,400,731	19,524,161
Expenses of management	22.02	25,323,676	27,411,872
Profit transferred to Profit or Loss Account		50,728,330	47,292,588
Reserve for unexpired risk being 40% & 100% of premium income marine cargo and marine Hull business respectively of the year as shown in the Statement of Financial Position		22,379,072	46,751,582
<b>Total</b>		<b>105,185,685</b>	<b>158,964,865</b>
Balance at the beginning of the year (Reserve for unexpired risks)		46,751,582	38,847,770
Premium less Re-Insurance	23.00	50,546,110	110,930,220
Commission on Re-Insurance ceded		7,887,993	9,186,875
<b>Total</b>		<b>105,185,685</b>	<b>158,964,865</b>

The accompanying notes 1-25 form an integral part of these financial statements.

 Chief Executive Officer (CC)
  Director
  Director
  Chairman

Signed as per our annexed report of even date.

Place: Dhaka  
Dated: September 03, 2020

  
 AFM ALAMGIR, JCA  
 Chief Executive Partner  
**ARTISAN**  
 CHARTERED ACCOUNTANTS



## Janata Insurance Company Limited

### Motor Insurance Revenue Account

For the year ended December 31, 2019

Particulars	Notes	Amount in Taka	
		2019	2018
<b>Claim Under Policies Less Re-Insurance:</b>		<b>6,524,260</b>	<b>6,417,167</b>
Paid during the year		6,409,260	6,617,867
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	<b>8.00</b>	200,000	85,000
Less: Outstanding at the end of the previous year		(85,000)	(285,700)
Agency commission		8,193,635	3,548,098
Expenses of management	<b>22.02</b>	18,471,576	4,954,843
Insurance stamp expenses		82,530	82,605
Profit transferred to Profit or Loss Account		8,630,804	9,205,947
Reserve for unexpired risks being 40% of premium income of the year as shown in the Statement of Financial Position		19,755,562	10,387,024
<b>Total</b>		<b>61,575,837</b>	<b>34,595,684</b>
Balance at the beginning of the year (Reserve for unexpired risks)		10,387,024	8,628,123
Premium less Re-Insurance	<b>23.00</b>	49,388,904	25,967,561
Commission on Re-Insurance ceded		1,882,439	-
<b>Total</b>		<b>61,658,367</b>	<b>34,595,684</b>

The accompanying notes 1-25 form an integral part of these financial statements.

  
Chief Executive Officer (CC)

  
Director

  
Director

  
Chairman

Signed as per our annexed report of even date.

Place: Dhaka  
Dated: September 03, 2020

  
AFM ALAMGIR, JCA  
Chief Executive Partner  
**ARTISAN**  
CHARTERED ACCOUNTANTS



## Janata Insurance Company Limited

### Miscellaneous Insurance Revenue Account

For the year ended December 31, 2019

Particulars	Notes	Amount in Taka	
		2019	2018
<b>Claim Under Policies Less Re-Insurance</b>		<b>4,116,013</b>	<b>8,671,948</b>
Paid during the year		4,051,009	7,282,473
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	<b>8.00</b>	1,670,304	1,605,300
Less: Outstanding at the end of the previous year		(1,605,300)	(215,825)
Agency commission		2,280,095	3,016,504
Expenses of management	<b>22.02</b>	6,869,264	6,822,657
Insurance stamp expenses		2,650	700
Profit transferred to Profit or Loss Account		8,201,779	2,950,977
Reserve for unexpired risks being 40% of premium income of the year as shown in the Statement of Financial Position		1,987,796	7,555,016
<b>Total</b>		<b>23,457,598</b>	<b>29,017,802</b>
Balance at the beginning of the year (Reserve for unexpired risks)		7,555,016	4,601,900
Premium less Re-Insurance	<b>23.00</b>	4,969,491	18,887,539
Commission on Re-Insurance ceded		10,933,091	5,528,363
<b>Total</b>		<b>23,457,598</b>	<b>29,017,802</b>

The accompanying notes 1-25 form an integral part of these financial statements.

 **Chief Executive Officer (CC)**
 **Director**
 **Director**
 **Chairman**

Signed as per our annexed report of even date.

Place: Dhaka  
Dated: September 03, 2020

  
**AFM ALAMGIR HCA**  
 Chief Executive Partner  
**ARTISAN**  
 CHARTERED ACCOUNTANTS



## Janata Insurance Company Limited

### Statement of Changes in Equity

For the year ended December 31, 2019

Particulars	Share capital	Share premium	Reserve for exceptional losses	Retained earnings	Amount in Taka Total
<b>Balance as on January 01, 2019</b>					
Dividend paid for 2018 in the form of Bonus Share	402,703,060	55,964,550	65,093,835	51,925,274	575,686,720
Cash Dividend paid 2018	20,135,150			(20,135,150)	-
Reserve for Exceptional Losses			5,000,000	(20,135,152)	(20,135,152)
Current Year's Net Profit (after tax)	-	-	-	(5,000,000)	-
<b>Balance as on December 31, 2019</b>	<b>422,838,210</b>	<b>55,964,550</b>	<b>70,093,835</b>	<b>52,516,029</b>	<b>601,412,624</b>
<b>Balance as on January 01, 2018</b>					
Dividend paid for 2017 in the form of Bonus Share	383,526,730	55,964,550	62,093,835	31,319,186	532,904,301
Reserve for Exceptional Losses	19,176,330			(19,176,330)	-
Current Year's Net Profit (after tax)	-	-	3,000,000	(3,000,000)	-
<b>Balance as on December 31, 2018</b>	<b>402,703,060</b>	<b>55,964,550</b>	<b>65,093,835</b>	<b>51,925,274</b>	<b>575,686,720</b>

The accompanying notes 1-25 form an integral part of these financial statements.

 **Chief Executive Officer (CC)**  
 **Director**  
 **Director**  
 **Chairman**

Signed as per our annexed report of even date.

Place: Dhaka  
Dated: September 03, 2020

  
**AFM ALAMGIR HOSSAIN**  
 Chief Executive Partner  
**ARTISAN**  
 CHARTERED ACCOUNTANTS



## Janata Insurance Company Limited

### Statement of Cash Flows

For the year ended December 31, 2019

Particulars	Note	Amount in Taka	
		2019	2018
<b>Cash Flows from operating activities :</b>			
Premium and Other Income		321,163,362	359,669,070
Interest & Other Income		18,612,212	11,363,758
Management Expenses, Re-Insurance, Claims & Others		(262,833,593)	(294,765,568)
VAT		(28,740,866)	(22,987,891)
Income Tax		(12,020,747)	(16,402,764)
<b>Net Cash flows (used)/ from operating activities</b>		<b>36,180,368</b>	<b>36,876,605</b>
<b>Cash flows from investing activities :</b>			
Acquisition of fixed assets		(10,802,708)	(641,190)
Sale proceeds of fixed assets		-	-
Disposal/(Acquisition) of Long Term Investment		-	-
<b>Net Cash used in investing activities</b>		<b>(10,802,708)</b>	<b>(641,190)</b>
<b>Cash flows from financing activities :</b>			
Dividend		22,428	(10,693)
<b>Total cash used in financing activities</b>		<b>22,428</b>	<b>(10,693)</b>
<b>Net increase in Cash &amp; Cash equivalents during the year</b>		<b>25,400,088</b>	<b>36,224,722</b>
Opening Cash & Cash equivalents at beginning of the year		334,757,393	298,532,671
<b>Closing Cash &amp; Cash equivalents at end of the year</b>		<b>360,157,481</b>	<b>334,757,393</b>
<b>Net Operating Cash Flows Per Share</b>	<b>24.04</b>	<b>0.86</b>	<b>0.92</b>

The accompanying notes 1-25 form an integral part of these financial statements.

  
Chief Executive Officer (CC)

  
Director

  
Director

  
Chairman

Signed as per our annexed report of even date.

Place: Dhaka  
Dated: September 03, 2020

  
AFM ALAMGIR, FCA  
Chief Executive Partner  
**ARTISAN**  
CHARTERED ACCOUNTANTS





## Janata Insurance Company Limited

### Notes, Comprising a Summary of Significant Accounting Policies & Other Explanatory Information

For the year ended December 31, 2019

#### 1.0 Legal form and status of the company:

The Company was incorporated and commenced its business as a public limited company under Companies Act 1994 on 23rd September, 1986 with a view to run all types of insurance business except life insurance as per Insurance Act, 2010 (previously Insurance Act 1938) in Bangladesh.

The company floated its share capital and got enlistment with DSE in the year 1994 and CSE in the year 1995.

#### 1.01 Address of Registered office and place of business of the company:

The registered office of the company is located at Ga/95/D, Link Road, Middle Badda, Gulshan – 1, Dhaka-1212, Bangladesh. At Present the company operates its business through 12 branches excluding Head Office.

#### 1.02 Principal activities of the company:

The principal activities of the company is to carry on all kinds of general insurances (fire, marine, motor, miscellaneous), guarantee, and indemnity business other than life insurance business.

#### 1.03 Date of Financial Statements Authorized for Issue:

Financial Statements of the company for the year ended December 31, 2019 were authorized by the Board for issue on September 03, 2020 in accordance with a resolution of the Board of Directors of the company.

#### 2.0 Structure, Content and Presentation of Significant accounting policies:

##### 2.01 Basis of preparation and presenting Financial Statements:

(i) The Board of Directors is responsible for the preparation and presentation of financial statements under section 183 of the Companies Act 1994 and as per the provision of Bangladesh Securities and Exchange Rules 1987, Insurance Act 1938 (as amended in 2010), Companies Act 1994 and the International Accounting Standards (IAS) as adopted by the Institute of Chartered Accountants of Bangladesh particularly with regard to disclosure of accounting policies and relevant information in Financial Statements as well as accounting for property and depreciation thereon and the valuation of investments and other relevant matters.

(ii) The Financial Statement has been prepared on going concern and accrual basis under historical cost convention and in accordance with the regulations as contained in Part-I of the First Schedule and as per Form “A” as set forth in Part-II of that Schedule.

Revenue Account of each class of general insurance business has been prepared in accordance with the regulations as contained in Part-I of the Third Schedule and as per Form ‘F’ as set forth in Part-II of third Schedule of the Insurance Act, 1938 (as amended in 2010). The classified summary of the assets has been prepared in accordance with Form “AA” as set forth in Part-II of the aforesaid Act. The Statement of Cash Flows and Statement of Changes in Equity has been prepared in accordance with IFRS and as per requirement of the Bangladesh Securities and Exchange Rules 1987.

**(iii) Going concern:**

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

**(iv) Functional and Presentation Currency:**

These financial statements are presented in Taka, which is the company's functional currency except as indicated.

**(v) Use of estimates and judgement:**

The preparation of financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

**(vi)** Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates is revised and in any future periods

**(vii)** Financial statements of the company cover one calendar year from 1st January, 2019 to 31st December, 2019 consistently.

**2.2 Significant Accounting policies:**

**2.2.1 Revenue recognition:**

**(i)** Premium income is recognized when Insurance policies are issued, but the premium of company's share of Public Sector Insurance Business (PSB) is accounted for in the year in which the statements of accounts from Sadharan Bima Corporation are received. Accordingly Insurance Premium relating to the Public Sector business upto 2nd quarter of the year 2019 has been incorporated in the accompanying accounts.

Premium earned less re-insurance during the year was Taka 171,717,191.00 (Net) against Taka 218,725,418.00 (Net) of previous year on account of Fire, Marine and Miscellaneous business.

**(ii) Investment Income:**

Interest on Bangladesh Govt. Treasury Bond and FDR's are recognized on accrual basis and calculated by using effective interest rate method. Interest on STD Account and dividend on shares and other income are recognized on cash basis.

**2.2.2 Re-Insurance Ceded & Accepted:**

While preparing the Revenue Accounts necessary adjustments in respect of re-insurance business ceded and accepted in Bangladesh have been given. Re-insurance accounts has been incorporated in the accounts upto 3rd quarter of the year 2019 as per previous practice.

**2.2.3 Balance of Funds & Accounts (Un-expired risks reserve):**

Before arriving at the surplus of each class of business necessary provision for unexpired risks has been made @ 40% on all business except on Marine Hull business for which provision has been made @100% of net premium for the year as per Insurance Act 1938 (as amended in 2010).

**2.2.4 Reserves for Exceptional Losses:**

As per 4th schedule of Income-tax Ordinance, 1984, upto 10% of premium income may be maintained as reserve for exceptional losses out of profit by the company to meet exceptional possible future claims. An amount has been kept as reserve for exceptional losses during the year of tk. 50 lacs.

### 2.2.5 Management Expenses:

As per SRO. No. 280 - Act / 2018. Ins. Act 2010 all relevant management expenses for an amount of Taka 898,48,067 have been allocated to each class of Insurance business on pro-rata basis of their respective gross premium income earned during the year from direct business in Bangladesh. This represents 29.88% of the total gross premium income of the year as against 17.77% of that of the previous year.

### 2.2.6 Fixed Assets & Depreciation:

#### (i) Recognition of Fixed Assets:

The company recognizes in the carrying amount of an item of property, plant and equipment, the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the items can be measured reliably. Expenditure incurred after the assets have been put into operation such as repairs and maintenance other than major replacements, renewals and or betterment of the assets are charged off as revenue expenditure in the period in which it is incurred.

#### (ii) Valuation of Fixed Assets:

All fixed assets are stated at cost less accumulated depreciation as per IAS 16: "Property, Plant and Equipment". The cost of acquisition of an asset comprise its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non- refundable taxes.

#### (iii) Depreciation:

Depreciation is charged on fixed assets has been calculated on all assets using reducing balance method in accordance with IAS-16 "Property, Plant and Equipment " at varying rates depending on the class of assets. Depreciation is charged on addition of fixed assets when the asset is available for use. Category wise depreciation of fixed assests were as follows:

Name of Assets	Rate of Depreciation
Building	5%
Office Decoration	10%
Furniture & Fixture	10%
Motor Vehicles	20%
Carpet & Curtain	10%
Office Equipment	15%

### 2.2.7 Investment:

Investments for statutory deposits are held for trading purpose and stated at their cost of acquisition. Investments in shares are stated at their market price as per IAS 39.

#### **2.2.8 Valuation of Assets:**

The value of all assets at December 31, 2019 has been shown in the Financial Statement and in the classified summary of assets on Form “AA” annexed with this report at the amounts shown not exceeding their book value.

#### **2.2.9 Taxation:**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in succeeding years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted on the balance sheet date. Provision for income tax has been as per calculated Income Tax rate for related year's, while current year's rate is 37.50% of Net Profit after reserved of Tk. 6,79,88,120.

#### **2.2.10 Deferred Taxation:**

Deferred tax is provided on temporary differences arising between the tax base values of assets and liabilities and their carrying amounts in the financial statements in accordance with IAS-12. The profit & loss for insurance business in Bangladesh are determined as per 4th schedule and not using section 28 of IT Ordinance 1984. The deferred tax liability represents managements estimate of tax payable on gains from selling of the property, plant and equipment and gratuity when paid.

#### **2.2.11 Lease Assets:**

Leased assets are considered as operating lease and therefore lease rental are charged as expenses as incurred.

#### **2.2.12 Employees Benefit Plans:**

The company has maintained employees benefit under the existing employees benefit policy of the company as well as per IAS 19.

#### **2.2.13 Provident Fund:**

The company operates a contributory provident fund for its permanent employees, provision for which is being made annually as per rules. The fund is recognized by the Income Tax Authorities and is administered by a Board of Trustees. There is no forfeited amount in the Provident Fund account.

#### **2.2.14 Gratuity Summary Discloser on benefits:**

Employees are entitled an unfunded gratuity benefit after completion of minimum 5 years continued service in the company. The gratuity is calculated on the last basic pay and is payable at the rate of two months basic pay for every completed year of service.

As per Board resolution dated 19.05.2013 it was decided that the short in provision on account of Gratuity fund amount of Taka 61,752,270 (un-audited) will be recouped within 10 years by making arrear provision of Gratuity in addition to current provision starting from the year 2013. Accordingly an amount of Taka 4,000,000 has been provided in the accounts of 2019 as arrear provision of gratuity and balance short (approximately) provision of Taka 20,931,510 will be met up by coming 3 (Three) years.

### 2.2.15 Workers Profit Participation Fund (WPPF):

The Board refers the matter of provision for Workers Profit Participation Fund (WPPF) and like to clarify that as per provision of Para (A to G) of section 233 of Bangladesh Labor Amendments Act 2013, functions of Non life Insurance Companies are not similar to the functions of industrial Relating Works' as mentioned in the aforesaid section.

Therefore, provision for Workers Profit Participation and Welfare Fund (WPPF) is not applicable for the Company. It may be mentioned here that Janata Insurance Company Ltd. has been maintaining a Recognized Employees Provident Fund, Gratuity Scheme, Group and Personal Accident Insurance Scheme, and Incentive Bonus, etc. as per provision of IAS-19.

### 2.2.16 Earning Per Share (EPS):

The company calculates earnings per share (EPS) in accordance with IAS 33: "Earnings Per Share".

#### Basic earnings per share:

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

For calculation of basic earnings and weighted average number of ordinary shares outstanding during the period, the following formulas have been used:

Sl. No.	Particulars	2019	2018 (Stood)
a)	Earnings attributable to the ordinary shareholders	45,861,057	42,782,419
b)	Number of Ordinary Shares	42,283,821	42,283,821
c)	Earnings Per Share	1.08	1.01

#### Basic earnings:

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

#### Weighted average number of ordinary shares outstanding during the year:

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary share issued during the period multiplied by a time-weighted factor. The time-weighting factor is the number of days the specific shares outstanding as a proportion of the total number of days during the year.

### 2.2.17 Provision for Liabilities:

According to IAS 37: "Provision, Contingent Liabilities and Contingent Assets" the company recognizes the provision in the balance sheet when the company has a legal or constructive obligation as a result of past event and it is probable that an outflow of economic benefit will be required to settle the

### 2.2.18 Statement of Cash Flows:

Statement of Cash Flows is prepared in accordance with IAS 7: "Statement of Cash Flows", the Statement of Cash Flows shows the structure of and changes in cash and cash equivalents during the financial year. Cash and cash equivalents include notes and coins on hand, unrestricted balance held with the commercial banks. It is broken down into operating activities, investing activities and financing activities. The direct method is used to show the operating activities.

## 2.2.19 Additional Information on Financial Statements:

### Components of the Financial Statements:

Following the Insurance Act 2010 and IAS 1: "Presentation of Financial Statements", the company's complete set of financial statements include the following components:

- a) Statement of Financial Position as at December 31, 2019.
- b) Statement of Profit or Loss & Other Comprehensive Income for the year ended December 31, 2019.
- c) Profit and Loss Appropriation Account for the year ended December 31, 2019.
- d) Consolidated Revenue Account for the year ended December 31, 2019.
- e) Fire Insurance Revenue Account for the year ended December 31, 2019.
- f) Marine Insurance Revenue Account for the year ended December 31, 2019.
- g) Motor Insurance Revenue Account for the year ended December 31, 2019.
- h) Miscellaneous Insurance Revenue Account for the year ended December 31, 2019.
- i) Statement of Changes in Equity for the year ended December 31, 2019.
- j) Statement of Cash Flows for the year ended December 31, 2019.
- k) Notes, Comprising a Summary of Significant Accounting Policies & Other Explanatory Information for the year ended December 31, 2019.

## 2.2.20 Comparatives Figure:

Previous year's figures have been restated and rearranged whenever necessary due to fair presentation in the Financial Statements as per IAS 8 "Accounting Policies, Changes in Accounting Estimate and Errors".

## 2.2.21 Disclosure of departure from few requirements of IAS/IFRS due to mandatory compliance of Insurance Act's requirements:

The Janata Insurance Company Limited's management has followed the principles of International Accounting Standard (IAS) & International Financial Reporting Standard (IFRS) consistently in preparation of the Financial Statements to that extent as applicable to Janata Insurance Company Limited (JICL). Some requirements of Insurance Act 2010 and Insurance Rules 1958 and regulations contradict with those of financial instruments and general provision standards of IAS and IFRS. As such the JICL has departed from those contradictory requirements of IAS/IFRS in order to comply with the rules and regulations of IDRA, Bangladesh which are disclosed below along with financial impact where applicable:

- a) Investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. However as per requirements of IAS 39 investment in shares falls either under "at fair value through profit and loss account" or under "available for sale" where any changes in the fair value at the year-end is taken to profit or loss account or other comprehensive income respectively.
- b) Unexpired Risk Provision on Insurance Premium and Re-Insurance Premium are followed as per Principle of Insurance. However such general provision cannot satisfy the conditions of provision as per International Accounting Standard (IAS) 37: Provisions, Contingent Liabilities and Contingent Assets .



c) As per IDRA guidelines, financial instruments are categorized, recognized and measured differently from those prescribed in International Accounting Standard (IAS) 39: Financial Instrument: Recognition and Measurement. As such some disclosure and presentation requirements of International Financial Reporting Standard (IFRS)

d) Financial Instrument: Disclosures, and International Accounting Standard (IAS) 32: Financial Instrument: Presentation, have not been made in the accounts comply with regulatory requirements.

#### **2.2.22 Event after the reporting period:**

##### **(a) Proposed Dividend:**

The Proposed dividend is not recognized as a liability in the Balance Sheet in accordance with the IAS-10 Events after the Reporting Period. Dividend payable to the Company's shareholders are recognized as a liability and deducted from shareholders equity in the period in which the shareholders right to receive payment is establishment. The Company has disclosed the same in notes to the financial statements in Notes- 22.04.

##### **(b) COVID- 19**

Due to the COVID-19 pandemic situation across the country, we have observed that there have been adverse impacts on revenue, profitability and Cash Flow during the period from April 2020 to June 2020.

#### **2.2.23 Premium Income:**

Due to outbreak of covid-19 we have compared the premium income of the January to June 2019 and January to June 2020. There has been significant decrease in insurance business made a premium collection as the income decreased.

#### **2.2.24 Loss on Investment in Share:**

Due to significant change in macro economic assumptions as well entity specific conditions from covid-19, there is a reduction in share price causing a loss, which might reduce more afterward.

			Amount in Taka	
			2019	2018
<b>3.00 Share Capital:</b>				
<b><u>Authorized Share Capital:</u></b>				
100,000,000 Ordinary shares of taka 10 each.			<b>1,000,000,000</b>	<b>1,000,000,000</b>
<b><u>Issued, Subscribed and Paid-up Capital:</u></b>				
6,000,000 Ordinary shares of taka 10 each fully paid-up (Sponsors/Promoters plus IPO)			60,000,000	60,000,000
16,262,400 Ordinary shares of taka 10 each fully paid-up(Right Shares			162,624,000	162,624,000
18,007,906 Ordinary shares of taka 10 each issued as Bonus Shares			180,079,060	160,902,730
2,013,515 Ordinary shares of taka 10 each issued as Bonus Shares			20,135,150	19,176,330
<b>Total</b>	<b>Taka</b>		<b>422,838,210</b>	<b>402,703,060</b>
<b>Share holding position is as under:</b>				
Name	No. of Shares	Holdings %	Value of Share in Taka	
			2019	2018
Sponsors/Promoters & Directors	22,110,210	52.29%	221,102,100	164,061,230
General Public	20,173,611	47.71%	201,736,110	238,641,830
<b>Total</b>	<b>42,283,821</b>	<b>100%</b>	<b>422,838,210</b>	<b>402,703,060</b>
<b>4.00 Share Premium:</b>				
Opening balance			55,964,550	55,964,550
<b>Closing balance</b>			<b>55,964,550</b>	<b>55,964,550</b>
The above amount represents the balance of share premium received against rights share issue.				
<b>5.00 Reserve for Exceptional Losses:</b>				
Opening balance			65,093,835	62,093,835
Addition during the year			5,000,000	3,000,000
<b>Closing balance</b>		<b>Taka</b>	<b>70,093,835</b>	<b>65,093,835</b>
<b>6.00 Balance of Fund and Accounts:</b>				
Fire Insurance Business			26,725,074	25,176,039
Marine Cargo Insurance Business			18,778,026	42,785,758
Marine Hull Insurance Business			3,601,046	3,965,824
Motor Insurance Business			19,755,562	10,387,024
Miscellaneous Insurance Business			1,987,796	7,555,016
<b>Total</b>	<b>Taka</b>		<b>70,847,504</b>	<b>89,869,662</b>

Amount in Taka	
2019	2018

This represents reserve for unexpired risks provided from Net Premium Income of the year including Public Sector Business as shown below:

Class of business	Net premium	Retained percentage	Balance of fund	
Fire	66,812,686	40%	26,725,074	25,176,039
Marine Cargo	46,945,064	40%	18,778,026	42,785,758
Marine Hull	3,601,046	100%	3,601,046	3,965,824
Motor	49,388,904	40%	19,755,562	10,387,024
Miscellaneous	4,969,491	40%	1,987,796	7,555,016
<b>Total</b>	<b>171,717,191</b>	-	<b>70,847,504</b>	<b>89,869,662</b>

#### 7.00 Premium Deposits:

Balance on this account represents premium received against cover notes which were not converted into policies within 31 December 2019. As of 31 December 2019, covernotes beyond 9 (nine) months have been converted into policies consistently.

The class wise summary of the premium deposits is as follows:

##### Business -

Fire	2,360,230	2,179,885
Marine Cargo	5,292,523	5,209,613
Miscellaneous	1,110,406	913,200
Motor	333,725	147,248
Stamp Duty	340,372	143,166
<b>Total</b>	<b>Taka 9,437,256</b>	<b>8,593,112</b>

#### 8.00 Estimated Liabilities in Respect of Outstanding Claims whether Due or Intimated:

(a) Fire Insurance Business	5,487,118	7,907,000
(b) Marine Cargo Insurance Business	2,000,000	6,813,500
(c) Motor Insurance Business	200,000	85,000
(d) Miscellaneous Insurance Business	1,670,304	1,605,300
<b>Total</b>	<b>Taka 9,357,422</b>	<b>16,410,800</b>

Management is aware of all the claims as per intimation given upto the year-end have been taken into consideration whether due or intimated.

		Amount in Taka	
		2019	2018
<b>9.00</b>	<b>Amount Due to other Persons or Bodies Carrying on Insurance Business:</b>		
This represents the amount payable to Sadharan Bima Corporation and other re-insurers and private sector insurance companies on account of re-insurance and co-insurance premium as at December 31, 2019, the details of which are hereunder:			
Sadharan Bima Corporation		34,735,205	36,009,752
Bangladesh National Insurance Co. Ltd.		53,590	53,590
Eastern Insurance Co. Ltd.		251,052	251,052
Federal Insurance Co. Ltd.		151,480	151,480
Northern General Insurance Co. Ltd.		126,422	126,422
Phoenix Insurance Co. Ltd.		350,135	350,135
Purabi General Insurance Ltd.		160,955	160,955
Prime Insurance Co. Ltd.		3,203	3,203
Rupali Insurance Co. Ltd.		239,665	239,665
United Insurance Co. Ltd.		68,567	68,567
Global Insurance Ltd.		168,616	168,616
Dhaka Insurance Ltd.		52,759	52,759
Takaful Islami Ins. Co. Ltd.		8,763	8,763
Asia Insurance Co. Ltd.		139,521	139,521
Islami Comm. Insurance Co. Ltd.		7,143	7,143
<b>Total</b>	<b>Taka</b>	<b>36,517,076</b>	<b>37,791,623</b>
Balance with the co-insurers are being shown after making adjustment/net off considering the above mutual facts.			
<b>10.00</b>	<b>Deferred Tax Liabilities</b>		
Opening Balance		14,649,022	11,350,147
Add: Addition during the year	<b>Note: 10.01</b>	1,631,518	3,298,875
<b>Total</b>		<b>16,280,540</b>	<b>14,649,022</b>
<b>10.01</b>	<b>Deferred Tax Liabilities During the year:</b>		
<b>Deferred tax on Fixed Assets:</b>			
Book Value as per Balance Sheet		71,948,112	-
Less: Book Value as per Tax based (as above)		63,338,366	-
Taxable temporary difference		8,609,746	-
Tax rate		37.50%	-
Deferred tax Liabilities		<b>3,228,655</b>	-
<b>Calculation of Deferred tax expenses/ (income):</b>			
Opening deferred tax assets/ (Liabilities)		4,860,173	-
Closing deferred tax assets/ (Liabilities)		3,228,655	-
Deferred tax expenses		<b>1,631,518</b>	-

		Amount in Taka	
		2019	2018
<b>11.00 Sundry Creditors</b>	(including provision for expenses and taxes)		
Income Tax Payable [Deduction at source]		1,352,101	2,175,103
Provident Fund Payable	<b>Note: 11.01</b>	46,787,086	42,794,924
Unpaid Dividend	<b>Note: 11.02</b>	7,864,379	684,799
Lease Rental Payable		-	311,334
Interest payable on PF Liability		3,863,122	3,422,284
Payable dividend against sale proceeds of bonus fraction shares		2,092,925	1,983,660
VAT Payable	<b>Note: 11.03</b>	717,466	1,749,910
Security Deposit		7,000	7,000
Audit fee Payable		559,750	559,750
Office Rent Payable		330,310	252,926
Gratuity Account	<b>Note: 11.05</b>	34,314,305	29,154,305
Underwriting Commission Payable		236,452	236,452
Provision for Diminution in value of investment		130,553	130,553
<b>Total</b>		<b>98,255,449</b>	<b>83,463,000</b>

**11.01 Provident Fund Payable (with interest):**

Particulars	Principal	Interest	Balance of Fund	
Balance as on 01.01.2019	42,794,924	3,422,284	46,217,208	47,015,087
Add: Contribution & Provision for the year	8,105,881	3,863,122	11,969,003	8,662,037
	<b>50,900,805</b>	<b>7,285,406</b>	<b>58,186,211</b>	<b>55,677,124</b>
Less: Payment made during the year	4,113,719	3,422,284	7,536,003	9,459,916
<b>Balance as on 31.12.2019</b>	<b>46,787,086</b>	<b>3,863,122</b>	<b>50,650,208</b>	<b>46,217,208</b>

8% interest has been provided on payable principal amount and as against the above liability. The payable fund is required to be transferred to PF Trust Account by giving most preference.

**11.02 Unpaid Dividend:**

Unpaid dividend balance amounting to Taka 7,864,379 mainly due to sponsor shareholders.

**11.03 VAT Payable:**

The above VAT payable amount has been provided by the company as unpaid VAT upto 31.12.2019 and subsequently paid the amount fully.

**11.04 Provision for Taxation:**

Opening balance		138,218,352	114,795,872
Add: Provision for the year	<b>Note: 11.04.01</b>	25,495,545	23,422,480
<b>Closing balance</b>		<b>163,713,897</b>	<b>138,218,352</b>

**11.04.01 Net Profit**

Less: Reserve for exceptional loss	72,988,120	-
Amount for tax Provision	5,000,000	-
Provision for Tax 37.50% :	67,988,120	-
	<b>25,495,545</b>	<b>-</b>

**11.05 Provision for Gratuity:**

Opening balance	29,154,305	30,746,823
Add: Provision made during the year	5,987,200	7,045,198
Current year's provision	1,987,200	3,045,198
Arrear provision	4,000,000	4,000,000
	<b>35,141,505</b>	<b>37,792,021</b>
Less: Paid during the year	827,200	8,637,716
<b>Closing balance</b>	<b>34,314,305</b>	<b>29,154,305</b>

		Amount in Taka	
		2019	2018
<b>12.00 Investment:</b>			
Statutory Deposit:			
Bangladesh Govt. Treasury Bond	Note: 12.01	25,000,000	25,000,000
Shares of listed companies	Note: 12.02	3,797,978	344,476
<b>Total</b>		<b>28,797,978</b>	<b>25,344,476</b>

#### 12.01 Statutory deposit: Bangladesh Govt. Treasury Bond

The amount has been kept in Bangladesh Bank as Statutory Deposit as per requirement under Section 23 of the Insurance Act, 2010 and the deposit are not permissible for encashment without prior permission of the IDRA. Accrued interest on such bond amount upto December 31, 2019 has been accounted for.

#### 12.02 Investment in Shares :

These are made up as follows:

Ordinary Shares	No. of Share as on 31.12.2019	Cost price as on 31.12.2019	Market Rate	Market Value As on 31.12.2019	Fair Value Reserve Fund
BGIC	6,400.00	164297.5	24.50	156,800.00	(7,497.50)
Delta Life Insurance Ltd.	62.00	12665.55	78.50	4,867.00	(7,798.55)
Eastland Insurance	8,276	243,947	24.60	203,589.60	(40,357.30)
Fareast Life Insurance	66	4,879	49.60	3,273.60	(1,605.50)
Federal Insurance	147	2,435	14.10	2,072.70	(361.82)
Green Delta Insurance	138	9,698	52.20	7,203.60	(2,494.24)
Meghna Life Insurance	72	5,764	51.70	3,722.40	(2,041.98)
Peoples Insurance	100	3,451	21.70	2,170.00	(1,280.58)
Phenix Insurance	200	8,491	26.90	5,380.00	(3,110.64)
Prime Insurance	301	7,973	26.00	7,826.00	(146.55)
Prime Life Insurance	132	10,352	50.20	6,626.40	(3,725.34)
Rupali Insurance	13	300	20.70	269.10	(31.24)
Safko Spinning	125	3,656	8.00	1,000.00	(2,656.00)
Sandhani Life Insurance	133	3,642	22.30	2,965.90	(675.82)
Sunlife Insurance	567	28,570	20.30	11,510.10	(17,060.30)
8th ICB Unit Fund	3,095	30,950	-	-	(30,950.00)
ICB Islami Bank	400	400	3.00	1,200.00	800.00
Padmalife Insurance	600	30,633	17.40	10,440.00	(20,192.70)
Coppertech	9,957	94,830	23.60	234,985.20	140,154.73
Ringshine	216,139	2,010,590	10.30	2,226,231.70	215,641.88
Sandhani Life Insurance	12,500	339,445	22.40	280,000.00	(59,445.00)
Seapearl	3,916	37,300	41.50	162,514.00	125,214.10
Newline	4,282	40,023	14.90	63,801.80	23,778.37
Premier Bank Ltd.	12,200	151,434	12.50	152,500.00	1,066.28
Rupali Insurance	5,400	135,540	20.70	111,780.00	(23,760.00)
Silcophl	4,377	39,793	30.90	135,249.30	95,456.24
<b>Total</b>	<b>289,598</b>	<b>3,421,058</b>		<b>3,797,978.40</b>	<b>376,920.54</b>

Provision has been recognised for the difference amount between the market value of shares as on 31.12.2019 and at the cost price of the shares.



		Amount in Taka	
		2019	2018
<b>13.00</b>	<b>Accrued Interest on FDR &amp; BGTB:</b>		
	Accrued interest on Fixed Deposit (FDR)	794,824	7,315,712
	Accrued interest on Bangladesh Govt. Treasury Bond (BGTB)	4,450,840	2,432,090
	<b>Total</b>	<b>5,245,664</b>	<b>9,747,802</b>
<b>14.00</b>	<b>Amount Due from other Persons or Bodies Carrying on Insurance Business:</b>		
	This represents the total receivable from various persons or bodies carrying on insurance business as claim and co-insurance premium as on 31st December, 2019 the details of which are as under:		
	Sadharan Bima Corporation	321,831,615	323,521,947
	Bangladesh General Insurance Co. Ltd.	15,087	15,087
	Bangladesh Co-Operative Insurance Co. Ltd.	132,612	132,612
	Eastland Insurance Co. Ltd.	36,357	36,357
	Green Delta Insurance Co. Ltd.	157,177	157,177
	Karnaphuli Insurance Co. Ltd.	320,185	320,185
	Mercantile Insurance Co. Ltd.	57,223	57,223
	Meghna Insurance Co. Ltd.	6,835	6,835
	Progati Insurance Co. Ltd.	599,780	728,762
	Peoples Insurance Co. Ltd.	195,837	195,837
	Provati Insurance Co. Ltd.	126,054	126,054
	Reliance Insurance Co. Ltd.	23,709	23,709
	Pioneer Insurance Co. Ltd.	154,237	154,237
	Union Insurance Co. Ltd.	57,785	57,785
	South Asia Insurance Co. Ltd.	13,610	13,610
	Asia Pacific Insurance Co. Ltd.	2,238	2,238
	<b>Total</b>	<b>323,730,342</b>	<b>325,549,655</b>
	Balance with the co-insurers are being shown after making adjustment/net off considering the above mutual facts.		
<b>15.00</b>	<b>Sundry Debtors (Including Advances, Deposits, Prepayments and Others)</b>		
	Advance against Salary	2,071,732	330,896
	Advance against Office Rent	4,033,701	3,266,029
	Advance against Income Tax	138,366,131	131,728,027
	Advance against Assets	4,434,000	-
	<b>Total</b>	<b>148,905,564</b>	<b>135,324,952</b>
<b>15.01</b>	<b>Suspense Account:</b>		
	Opening balance	-	5,455,104
	Less: Write off as Bad Debts (4th phase)	-	5,455,104
	<b>Closing balance</b>	<b>-</b>	<b>-</b>

		Amount in Taka	
		2019	2018
<b>16.00 Cash and Bank Balances:</b>			
Fixed Deposits		356,960,032	301,609,733
STD Accounts		744,347	23,709,242
Savings Account		-	24,478
Current Accounts		699,601	8,035,041
Cash in hand		1,753,501	1,378,899
<b>Total</b>		<b>360,157,481</b>	<b>334,757,393</b>
<b>17.00 Other Accounts</b>			
<b>Fixed Assets</b> (at cost less Acc. depreciation)	<b>Note:17.01</b>		
Land		56,650,075	56,650,075
Building		55,151,354	58,054,057
Office Decoration		7,437,772	6,791,736
Furniture & Fixture		3,858,592	2,412,798
Motor Vehicles		7,264,377	1,880,471
Carpet & Curtain		50,068	55,631
Office Equipment		7,028,159	6,969,513
Sundry Assets		548,954	654,693
Security Deposits	<b>Note:17.02</b>	530,691	380,691
Stock of Stamps		464,697	108,347
<b>Total</b>		<b>138,984,738</b>	<b>133,958,012</b>
<b>17.01 Fixed Assets (at cost less Acc. depreciation)</b>			
<b>A. Fixed assets at cost</b>			
Opening balance		196,459,616	195,818,426
Add: Addition during the year		10,802,708	641,190
		<b>207,262,324</b>	<b>196,459,616</b>
Less: Disposal during the year		-	-
<b>Total (A)</b>		<b>207,262,324</b>	<b>196,459,616</b>
<b>B. Accumulated depreciation</b>			
Opening balance		62,990,642	57,098,564
Add: Charges during the year		6,282,332	5,892,078
		<b>69,272,974</b>	<b>62,990,642</b>
Less: Disposal during the year		-	-
<b>Total (B)</b>		<b>69,272,974</b>	<b>62,990,642</b>
<b>C. Written down value (A – B)</b>		<b>137,989,350</b>	<b>133,468,974</b>

Details of fixed assets are shown in Schedule-A/2.

		Amount in Taka	
		2019	2018
<b>17.02 Security Deposits:</b>			
Telephone		103,592	103,592
Credit Card with Hotel Purbani		15,000	15,000
Fuel [Binimoy Service Station]		20,000	20,000
Office rent		150,000	-
Club Membership		12,000	12,000
Central Depository Bangladesh Ltd.		200,000	200,000
Titas Gas Transmission & Distribution		6,750	6,750
Wifang Securities Ltd.		23,349	23,349
<b>Total</b>		<b>530,691</b>	<b>380,691</b>
All the above deposits are encashable on cessation of the terms of such deposits.			
<b>18.00 Interest and Dividend Income:</b>			
Interest on Fixed Deposits		23,116,777	16,569,592
Interest on STD & SB Bank Accounts		25,934	711,173
Interest on BGTB		2,588,750	2,588,750
Dividend from listed companies		22,428	7,569
<b>Total</b>		<b>25,753,889</b>	<b>19,877,084</b>
<b>19.00 Directors' Fees:</b>		<b>1,403,000</b>	<b>1,018,250</b>
During the year under review a total amount of Taka 14,03,000 was paid to the directors of the company as Board meetings attendance fees. The Directors received no remuneration from the company other than fees for attending the Board meetings.			
<b>20.00 Audit Fees:</b>			
Statutory Audit fees (Fees of 2017 includes that of Corporate Governance Audit)		276,000	276,000
<b>Total</b>		<b>276,000</b>	<b>276,000</b>
<b>21.00 Lease Rental:</b>		<b>-</b>	<b>4,177,128</b>
The company has purchased 07 (seven) Motor Vehicles by taking lease financing facilities from National Finance Limited. The vehicles acquired under lease finance have not been capitalized and the lease rental value for the year 2018 amounting to Tk.41,77,128 has been charged to Profit or Loss Account.			
<b>22.00 Expenses of Management:</b>			
a) Expenses Incurred by JIC	<b>Note: 22.01</b>	84,929,201	57,121,840
b) Expenses Incurred by SBC	<b>Note: 22.02</b>	4,918,866	5,191,860
<b>Total</b>		<b>89,848,067</b>	<b>62,313,700</b>

## 22.01 Expenses Incurred by JIC:

Salaries & Allowances [including CEO's Remuneration] 47,533,251 33,894,532

	Amount in Taka	
	2019	2018
Festival Bonus	7,297,402	4,265,457
Office Rent	4,773,472	4,635,212
Office Maintenance	3,817,027	1,243,209
Telephone charges	645,428	517,465
Gas, Water & Electricity charges	2,276,903	1,684,951
Printing expenses	1,737,418	564,723
Stationery expenses	872,962	241,655
Books and Periodicals	38,045	44,904
Fuel & Lubricants	2,241,701	1,943,825
Repairing & Maintenance	3,105,868	954,138
Entertainment	1,063,268	626,993
Traveling expenses	749,104	914,451
Conveyance	1,453,016	1,080,199
Medical expenses	89,540	86,388
Postage, Telegram and Stamp	208,273	225,472
Carrying and Cartage	48,300	4,000
Group & Personal Accident Ins. Premium	67,500	625,805
Motor Car Insurance premium	414,592	103,369
Bank charges	70,022	188,766
Service charges on Co-Insurance	605,821	273,160
Crockeries expenses	20,160	19,880
Seminar & Training fees	1,536,000	2,052,420
P.F. Contribution	1,647,019	12,000
Conference	2,617,109	918,866
	<b>84,929,201</b>	<b>57,121,840</b>

## 22.02 Allocation Expenses of Management (PSB):

Particulars	Rate %	Expenses Incurred by
		PSB
Fire	38.80%	775,396
Marine Cargo	34.70%	1,588,014
Marine Hull	1.20%	556,482
Motor	14.16%	211,154
Miscellaneous	11.14%	1,787,820
<b>Total</b>	<b>100%</b>	<b>4,918,866</b>

## Comparative Statements of Management Expenses (Own & PSB)

Particulars	Rate %	Expenses Incurred by	Expenses Incurred by	Amount in Taka	
		JIC	PSB	2019	2018
Fire	38.80%	38,408,155	775,396	39,183,551	23,124,328
Marine Cargo	34.70%	21,991,651	1,588,014	23,579,665	26,607,195
Marine Hull	1.20%	1,187,529	556,482	1,744,011	804,677
Motor	14.16%	18,260,422	211,154	18,471,576	4,954,843
Miscellaneous	11.14%	5,081,444	1,787,820	6,869,264	6,822,657
<b>Total</b>	<b>100%</b>	<b>84,929,201</b>	<b>4,918,866</b>	<b>89,848,067</b>	<b>62,313,700</b>

		Amount in Taka	
		2019	2018
22.03	Expenses incurred by Janata Insurance Co. Ltd. during the year 2019, charged in the Revenue Accounts and Profit & Loss Account included TDS & VDS (where applicable).		

**22.04 Proposed Dividend:**

Dividend if any proposed by the Board of Directors for the year under review shall be accounted for after the approval of the shareholders in the Annual General Meeting. The said proposed dividend has not been recognized as liability in the Financial Statements in accordance with the IAS-10 "Event after the Financial Statement Date". IAS-1 "Presentation of Financial Statements" also requires the dividend proposed after the Financial Statement date but before the financial statements are authorized for issue, be disclosed either on the face of the Financial Statement as a separate component of equity or the notes to the financial statements. Accordingly, the Company has disclosed on notes to the financial statements. The Board of Directors recommends 10% (Ten Percentage) Cash Dividend for the year ended December 31, 2019, for all the shareholders of the Company on the basis of the above Audited Financial Statements subject to approval of the 34th AGM.

**23.00 Premium Less Reinsurance**

Particulars	Gross premium		Reinsurance		Net premium (Amount in Taka)
	Own Business	PSB	Own Business	PSB	
FIRE	114,894,166	12,576,881	50,315,198	10,343,163	66,812,686
MARINE CARGO	69,338,207	22,065,836	24,347,268	16,510,665	50,546,110
MOTOR	54,624,233	2,643,048	7,529,756	348,621	49,388,904
MISC.	15,200,632	39,381,299	10,908,092	38,704,348	4,969,491
<b>Total</b>	<b>254,057,238</b>	<b>76,667,064</b>	<b>93,100,314</b>	<b>65,906,797</b>	<b>171,717,191</b>

23.01	<b>Gross Premium</b>	<b>Reinsurance</b>	<b>Net Premium (Taka)</b>
	<b>330,724,302</b>	<b>159,007,111</b>	<b>171,717,191</b>

24.00 Other relevant information including the requirements under Bangladesh Securities & Exchanges Rules 1987 and Companies Act 1994:

**24.01 Net Profit for the Year and its Appropriation**

Net Profit for the year	72,988,120	69,503,774
<b>Less:</b>		
Transferred to reserve for exceptional losses	5,000,000	3,000,000
Provision for income tax	25,495,545	23,422,480
Provision for deferred tax	1,631,518	3,298,875
Dividend for 2018 in the form of Bonus Share	40,270,303	19,176,330
<b>Surplus carried forward</b>	<b>590,754</b>	<b>20,606,089</b>

**24.02 Earnings Per Share (EPS):**

<b>Basic earning per share (EPS) on net profit after tax</b>	<b>1.08</b>	<b>1.06</b>
<b>Earnings attributable to the ordinary share holders A</b>	<b>45,861,057</b>	<b>42,782,419</b>
Profit as per profit or loss account	72,988,120	69,503,774
Less: Income Tax Provision	(25,495,545)	(23,422,480)
Less: Deferred Tax Expenses	(1,631,518)	(3,298,875)
<b>Number of ordinary shares outstanding during the year B</b>	<b>42,283,821</b>	<b>40,270,306</b>

		Amount in Taka	
		2019	2018
<b>24.03</b>	<b>Net Asset Value Per Share (NAV):</b>	<b>14.22</b>	<b>14.30</b>
	a) Share holder's Equity at the end of the year	601,412,623	575,686,719
	b) Number of Outstanding Shares	42,283,821	40,270,306
<b>24.04</b>	<b>Net Operating Cash Flow Per Share (NOCFPS):</b>	<b>0.86</b>	<b>0.92</b>
	a) Net Cash Flows from Operating Activities	36,180,368	36,876,605
	b) Number of Outstanding Shares	42,283,821	40,270,306

**24.05 “Related Party Disclosure” under IAS 24:**

The Company has centred into transactions with other entities in normal course of business that fall within the

Name of the related party	Nature of business	Premium received during the year	Premium outstanding during the year	Claims payments during the year
Partex Group	Insurance	34,319,320	Nil	198,250
Aramit Group	Insurance	6,697,674	Nil	538,500
Goldenson Ltd.	Insurance	2,977,019	Nil	800,000
Ananta Group	Insurance	25,825,145	Nil	-
Seraj Ano Ispat	Insurance	1,758,301	Nil	-
Masco Group	Insurance	1,561,428	Nil	-

**24.06 Contingent Liability**

Income Tax Returns have been submitted to the Tax Authority under NBR regularly. However, Tax Clearance Certificates up to 2004 (2005-06 Assessment Year) were collected. From 2005 to 2016 cases have been pending with the High Court and for the year 2017 the case is under appeal with total demand of Tk. 244,473,625; against which the amount of tax that has already been paid is Tk. 119,013,204. For the Assessment year 2019-20, the file is at the hearing level before the Deputy Commissioner of Taxes.

**24.07 IFRS 16: Lease**

Initial application of IFRS-16 Leases came into effect on 1st January 2019. IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right- of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets.

However, the company has few leasehold properties where branch offices of the company operate and the Head Office Building is under its ownership. The management of the company opted not to adopt the new standard in the current financial year and decided to implement IFRS 16 from 01 January 2020 and onward.

**24.08 Effect of COVID- 19**

There was an outbreak of the global pandemic COVID-19 on 11 march 2020 which adversely impacted the revenue of the company for the period from April 2020 to June 2020. However, after June 2020 and onward, the revenue of the company was in the same pace of regular and normal business.



**24.09** There was no outstanding agreement entered into but not executed upto the date of the Financial Statements.

**24.10** All shares have been fully called and paid up.

**24.11** No Preference shares was issued by the Company.

**24.12** During the year under audit, there were 151 employees.

**24.13** There was no credit facility available in the company under any contract and no body availed any other credit

**24.14** There was no bank guarantee issued by the company on behalf of the directors.

**24.15** No expenses was paid as royalty and salary to the technical experts.

**24.16 Event after Financial Position Date:**

(a) The Board of Directors of the company in its 182nd board meeting held on September 03, 2020 has recommended 10% Cash Dividend on Paid Up Capital for the year ended December 31, 2019 subject to approval at the Annual Geeral Meeting (AGM).

The Board of Directors has recommended for payment of Cash dividend 10% (ten per cent) of paid up capital out of the surplus available for distribution at the end of the year 2019, as decided by the Board of Directors in their meeting held on 3rd September, 2020, which is subject to the approval of shareholders in the forthcoming Annual General Meeting of the Company.

**25.00 Response to address the COVID-19 effects:**

COVID-19 poses existential threats on the ability of a business to survive, which in turn have significant financial reporting impacts-from going concern and liquidity to recoverability and valuation of assets.

Janata Insurance Company Ltd. has taken and will take various measures to keep tha Company's going concern status:

i) To ensure the safety of the employees, company ensuring adequata safety and heath measures for the

ii) For regular monitoring Janata Insurance Company Ltd. has introduced and implemented contingency plans

iii) Effective cost control measures are already in place to combat the unprecedented situation.

iv) Reduce certain expenses which is required in normal business scenario but not 100% applicable during overall slowdown of macroeconomic and industry specific environment.

Furthermore, the management is continuously monitoring JICL's key ratios and is confident enough to undertake all crisis management and business continuity measures. Through conducting stringent review and an assesment of the levels of facilities expected to be available to the company, the managemet strongly believes that the JICL'S has adequate resources for a period of a least 12 months from the date of authorized for issue of the financial statements.

So, based on the facts and circumstances known at this moment, the management believes there is no material uncertainty that may cast any doubt upon the JICL'S ability to continue as a going concern.

## Janata Insurance Company Limited

### FORM 'AA'

### CLASSIFIED SUMMARY OF ASSETS

AS AT DECEMBER 31, 2019

Sl. No.	Class of Assets	Amount in Taka	
		2019	2018
		Book Value	Book Value
1.	Investment in Bangladesh Govt. Treasury Bond	25,000,000	25,000,000
2.	Investment in Shares at market value	3,421,058	344,476
3.	Accrued Interest on FDR & BGTB	5,245,664	9,747,802
4.	Amount due from other persons or bodies carrying on insurance business	323,730,342	325,549,655
5.	Sundry Debtors (including advances, deposits, prepayments and others)	148,905,564	135,324,952
6.	Cash and Bank Balances	360,157,481	334,757,393
7.	Fixed Assets (at cost less depreciation)	137,989,350	133,468,974
8.	Security Deposits	530,691	380,691
9.	Stock of Stamps	464,697	108,347
<b>Total</b>		<b>1,005,444,847</b>	<b>964,682,290</b>

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

  
Chief Executive Officer (CC)

  
Director

  
Director

  
Chairman

Signed as per our annexed report of even date.

Place: Dhaka

Dated: September 03, 2020

  
AFM ALAMGIR JCA  
Chief Executive Partner

**ARTISAN**

**CHARTERED ACCOUNTANTS**



**Janata Insurance Company Limited**

**Schedule of Fixed Assets**

As at December 31, 2019

**Schedule A/2**

Particulars	Cost				Depreciation				Written down value
	Balance as on 01.01.2019	Addition during the year	Adjustment/ Disposal during the year	Balance as on 31.12.2019	Rate of Dep. %	Balance as on 01.01.2019	Charged during the year	Adjustment Disposal	Balance as on 31.12.2019
Land	56,650,075	-	-	56,650,075	-	-	-	-	56,650,075
Building	77,031,633	-	-	77,031,633	5%	18,977,576	2,902,703	-	55,151,354
Office Decoration	18,685,297	1,394,957	-	20,080,254	10%	11,893,561	748,921	-	7,437,772
Furniture & Fixture	7,686,922	1,775,867	-	9,462,789	10%	5,274,124	330,073	-	3,858,592
Motor Vehicles	11,908,576	6,400,000	-	18,308,576	20%	10,028,105	1,016,094	-	7,264,377
Carpet & Curtain	645,568	-	-	645,568	10%	589,937	5,563	-	50,068
Office Equipment	22,741,745	1,203,884	-	23,945,629	15%	15,772,232	1,145,238	-	7,028,159
Sundry Assets	1,109,800	28,000	-	1,137,800	20%	455,107	133,739	-	548,954
<b>Total</b>	<b>196,459,616</b>	<b>10,802,708</b>	<b>-</b>	<b>207,262,324</b>		<b>62,990,642</b>	<b>6,282,332</b>	<b>-</b>	<b>137,989,350</b>
									<b>69,272,974</b>



জনতা ইন্স্যুরেন্স কোম্পানী লিমিটেড

JANATA INSURANCE COMPANY LIMITED

Corporate Office : Janata Insurance Bhaban, Ga/95/D,  
Link Road, Middle Badda, Gulshan-1, Dhaka-1212

PROXY FORM

I/We .....

of .....

being a Shareholder of Janata Insurance Company Limited do hereby appoint Mr./Mrs./Miss .....

or (failing him/her) Mr./Mrs./Miss ..... as my/our proxy to vote for me/us

and on my/ our behalf at the 34<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, the November 26, 2020 at 11.00 A.M (Dhaka Time) through digital platform and at any adjournment thereof or at any poll that may be taken in consequences thereof.

Signed this ..... day of .....2020

Signature of Proxy

Revenue  
Stamp  
Tk.20/=

Signature of Shareholder(s)

Folio/BO No. ....

N.B.: IMPORTANT

- 1) This Form of Proxy, duly completed, must be submitted at least 72 hours before the meeting at the company's Registered Office. Proxy is invalid if not signed and stamped as explained above.
- 2) Signature of the Shareholder(s) should agree with the Specimen Signature registered with the Company.
- 3) As per Article 88(iii) of the Articles of Association of the Company a proxy must be a member of the Company.



জনতা ইন্স্যুরেন্স কোম্পানী লিমিটেড

JANATA INSURANCE COMPANY LIMITED

Corporate Office : Janata Insurance Bhaban, Ga/95/D,  
Link Road, Middle Badda, Gulshan-1, Dhaka-1212

ATTENDANCE SLIP

I/We hereby record my/our attendance at the 34th Annual General Meeting of the Company being held on Thursday, the November 26, 2020 at 11.00 A.M (Dhaka Time) through Digital Platform.

Name of Shareholder(s)/Proxy .....

Folio/BO No..... No. of Shares .....

Signature of Shareholder(s)/Proxy

Date: .....

N.B. : Please present this slip duly signed at the Reception Desk.



জনতা ইন্স্যুরেন্স কোম্পানী লিমিটেড

**JANATA INSURANCE COMPANY LIMITED**

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