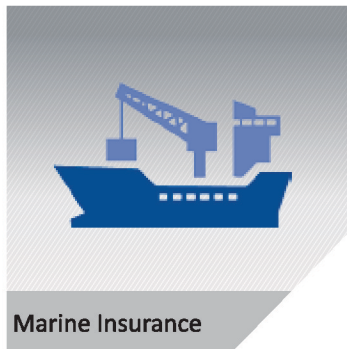


we are



annual report | 2017

CONTENTS

Letter of Transmittal	02
Notice of the 32nd AGM	03
Company's Profile:	04
JIC and its Background	04
Vision, Mission, Core Values & Corporate Philosophy	05
Corporate Information	06
Our Products & Services Include	07
The Board of Directors and its Committees	08
Brief profile of Directors	09
Brief profile of Advisers	19
Management Team & Executives	20
Branches & Head of Branches	21
Financial Performance at a Glance (Graphical Appearance)	22
Value Added Statement	25
Review of Chairman, CEO and Directors' Report:	26
Chairman's Review	27
Chief Executive Officer's Review	29
Key Operating and Financial Data	30
Directors' Report	31
Corporate Governance Compliance Report	42
Certificate on Compliance of Corporate Governance Guidelines	48
CEO and CFO's Declaration to the Board	49
Directors' Certificate	50
Report of the Audit Committee	51
Credit Rating Report	53
Solvency Margin Position	54
Auditors' Report and Audited Financial Statements:	55
Balance Sheet	58
Profit and Loss Account	60
Profit and Loss Appropriation Account	61
Statement of Cash Flows	62
Statement of Changes in Equity	63
Consolidated Revenue Account	64
Fire Insurance Revenue Account	65
Marine Insurance Revenue Account	66
Motor Insurance Revenue Account	67
Misc. Insurance Revenue Account	68
Schedule of Fixed Assets	69
Classified Summary of Assets	70
Notes to the Financial Statements	71

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 on December 31, 2017

Dear Sir(s)/Madam(s),

We are pleased to enclose a copy of the Annual Report 2017 together with the Audited Financial Statements including Statement of Financial Position as at December 31, 2017 and Statement of Comprehensive Income, Statements of Cash Flows for the year ended December 31, 2017 alongwith notes thereon of Janata Insurance Company Limited for kind information and record.

Best regards,

Yours sincerely,



Md. Saiful Islam
Company Secretary

Notice of the 32nd ANNUAL GENERAL MEETING

Notice is hereby given that the **32nd Annual General Meeting** of the Hon'ble Shareholders of Janata Insurance Company Ltd. (JICL) will be held on **Tuesday, the September 04, 2018 at 11.00 A.M.** at **Utshab Banquet Hall of Radisson Blu Dhaka Water Garden**, Airport Road, Dhaka Cantonment, Dhaka 1206 to transact the following business :

AGENDA

1. Report and Accounts

To receive, consider and adopt the Audited Financial Statements and the Report of the Directors and Auditors of the Company for the year ended 31st December, 2017.

2. Dividends

To declare and approve 5% stock dividend for the year 2017 as recommended by the Board of Directors.

3. Election/Re-election of Directors

To elect Directors who are retiring in terms of the relevant provision of the Articles of Association of the Company.

3. Appointment of Independent Director(s)

To consider post facto approval of appointment of Independent Director(s).

4. Appointment of Auditor(s)

To consider appointment of Auditor(s) for the year 2018 and to fix their remuneration.

5. Appointment of Practicing Professional Accountant

To consider appointment of practicing Professional Accountant for Reporting regarding conditions of Compliance of Corporate Governance code of the Bangladesh Securities and Exchange Commission (BSEC) for the year 2018 and to fix their remuneration.

6. To transact any other related business with permission of the Chair.

All Shareholders are requested to attend the meeting on the date, time and place mentioned above.

By order of the Board of Directors



Md. Saiful Islam
Company Secretary.

Dated: Dhaka,
August 16, 2018

Notes:

- July 31, 2018 has been scheduled as Record Date. The shareholders whose names appeared in the Share Register or in the Depository Register of the Company on the Record Date would be eligible to attend the Meeting.
- Any member of the company entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his/her behalf. The proxy must be a member of the company.
- The instrument appointing a proxy duly stamped and signed by the member must be submitted to the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
- For registration in the meeting, production of attendance slip is required.
- The shareholders are requested to register their names in the counter at the entrance of the AGM venue from 9:00 A.M. to 11:15 A.M. on September 04, 2018. No entry will be recorded before 9:00 A.M. and after 11:15 A.M. on the scheduled meeting date.
- Entry to the AGM is reserved only for shareholders or his/her proxy on production of the attendance slip or proxy form to attend the meeting.
- No Gift / Gift Coupon / Benefit in cash or Kind, shall be offered / paid to the shareholders in the 32nd 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

JIC and its Background

Janata Insurance Company Ltd. (JIC) a first generation Non-Life Insurance Company in Bangladesh 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. JIC commenced its business operations from November 6, 1986 after obtaining registration certificate from the office of The Chief Controller of Insurance (CCI). JIC 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 383.53 million respectively by December 31, 2017.

JIC went for Initial Public Offering 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 40.74% and 59.26% to General Public including Financial Institutions.

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. Aziz Al Masud. 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 & swift 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 Ltd.
Legal Status	Public Limited Company
Date of Incorporation	23rd September 1986
Date of Commencement of Business	6th November 1986
Chairman	Aziz Al Masud
Vice Chairman	Roxana Zaman
Chairman, Executive Committee	Zafrul Islam Chowdhury
Chairman, Audit Committee	Md. Moniruzzaman, FCA
Chief Executive Officer (Proposed)	Saadat R. Khan, Cert CII (UK)
Additional Managing Director	Mohammad Didarul Islam
Deputy Managing Director (CFO & Company Secretary)	Md. Saiful Islam (Tel: 01713-033551)
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 383.53 million
No of Shareholders	3529
Total Manpower	137
Number of Branches	07
Auditors	Mahfel Huq & Co. Chartered Accountants BGIC Tower (4th Floor) 34, Topkhana Road, Dhaka-1000.
Legal Retainer	Sk. Awsafur Rahman Advocate, Supreme Court of Bangladesh
Tax Consultants	Kazi Halim & Associates
Rating Agency	Alpha Credit Rating Limited
In-Charge, Share Department	Mr. Md. Ahsan Habib Tel : 01741897767
Registered Office	GA/95/D, Link Road, Middle Badda, Gulshan-1, Dhaka-1212.
Telephone	02-9854923, PABX: 02-9852181-82
Fax	880-2-9852183
E-mail	info@jicld.com, janatain@gmail.com
Website	www.janatainsurance.com www.jicld.com

Our **Products & Services** include

Fire Insurance



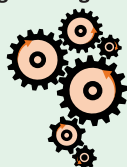
Fire Insurance (including Allied Perils)
Property All Risks Insurance
Industrial All Risks(IAR) Insurance
Power plant Operational package Insurance including
Business Interruption & Third Party Liability

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

The Board of Directors

Composition of Board and its Committees

Chairman

Aziz Al Masud

Vice Chairman

Roxana Zaman

Directors

Qamrun Nahar
Zafrul Islam Chowdhury
Belal Ahmed
Sultana Hashem
Fahima Akhter
Savera H Mahmood
Kamruddin Parvez
Zannatul Ferdous Zeena
Farahnaz Chowdhury
Afroza Zaman
Farhana Zaman
Warasuzzaman Chowdhury
Shahidul Quader Chowdhury
Independent Directors
Md. Moniruzzaman, FCA
Abu Hyder Chowdhury (Amzad)
Makin-Ur-Rashid (Rossi)

Chief Executive Officer (Proposed)

Saadat R. Khan, Cert CII (UK)

Advisers

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

Executive Committee

Chairman

Zafrul Islam Chowdhury

Members

Qamrun Nahar
Roxana Zaman
Fahima Akhter
Savera H Mahmood
Farhana Zaman

Audit Committee

Chairman

Md. Moniruzzaman, FCA

Members

Fahima Akhter
Kamruddin Parvez
Afroza Zaman
Warasuzzaman Chowdhury
Makin-Ur-Rashid (Rossi)



Brief profile of **Directors**



Brief profile of **Directors**



Mr. Aziz Al Masud
Chairman

Mr. Aziz Al Masud hails from a prominent Muslim family of Noakhali. His father Mr. M A Hashem Ex. MP and veteran industrialist and Chairman of Partex Group. Mr. Aziz Al Masud is an entrepreneur in the area of Pulp and Paper, Duplex 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 Board of Trustees of IBALS University and member of Gulshan Club Limited and Banani Club Limited.

As an Ernst and Young dynamic entrepreneur, he is playing a vital role for industrial development of our country. He has travelled to many countries and attended various international business conferences.



Mrs. Roxana Zaman
Vice-Chairman

Mrs. Roxana Zaman was born in a highly glorious respectable Muslim family of Anwara thana under Chittagong District. Her father late Aktaruzzaman Chowdhury Babu, Ex. MP was one of the organizer of great liberation war of Bangladesh and prudent political leader and renowned industrialist, businessman and also generous social leader. Her mother Mrs. Nur Nahar Zaman is an ideal and pious woman.

Brief profile of **Directors**



Mr. Zafrul Islam chowdhury
Director & Chairman
Executive Committee

Mr. Zafrul Islam chowdhury hails from a prominent Muslim family of Chittagong. 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 purpose.



Mr. Md. Moniruzzaman, FCA
Independent Director & Chairman,
Audit Committee

Mr. Moniruzzaman is a Fellow Member of the Institute of Chartered Accountants of Bangladesh (ICAB). He completed Graduation with Hon's and Masters in Accounting from University of Dhaka. He has expertise in professional services like assurance, financial reporting, financial analysis, business and property valuation, business set up, control and management system design, internal & management audit, performance audit, fund management, due diligence review, business liquidation, corporate governance review, tax and VAT advisory, financial reporting framework design and implementation, business/project feasibility, budgeting, professional training on accounting, internal controls, HRM, 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 (ICAB)" for many years. Currently he is a Partner at one of the most reputed chartered accountancy firms "ACNABIN". He is associated with many social and cultural organizations. He is also life member of Dhaka University Accounting Alumni Association and Dhaka University Alumni Association. He attended many international seminars and conferences for professional in USA, UK, Germany, Czech Republic, France, Switzerland, Australia, Netherlands, Belgium, India, Hong Kong, Malaysia, Singapore, Thailand, Mauritius, etc.

Brief profile of **Directors**



Mrs. 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 Properties Limited, Ananta Apparels Limited, Ananta Fashion Limited, Ananta Casual Wear Limited, Ananta Denim Technology Limited etc. She is also former director of United Commercial Bank Limited and former chairman & present member of governing body of Dhaka Mohila College. She is a well known social leader and important member of many social & welfare organizations including Lions Club and contributed to enhancing the life quality of general people. She has traveled many countries of the world.



Mr. Belal Ahmed
Director

Mr. Belal Ahmed hails from a prominent Muslim family of Sylhet. His father late M A Bari was an eminent businessman and social leader. Mr. Belal Ahmed is a dynamic and innovative entrepreneur. He is the pioneer in establishment of plastic base industry in the country. He is the Managing Director of export oriented industry Golden Son Limited. He is playing a vital role for industrial development of the country. He has travelled many countries for attending international business conferences and other purposes.

Brief profile of **Directors**



Mrs. 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.



Mrs. Fahima Akhter
Director

Mrs. Fahima Akhter hails from a prominent Muslim family of Narayangonj. 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 and Director of Shanta Expression limited and Concept knitting Limited. She is associated with a number of social and cultural organizations. She is typically travelled person and she has visited many countries of the world.

Brief profile of **Directors**



Mrs. Savera H Mahmood
Director

Savera H Mahmood a promising entrepreneur of the country is a Director of Janata Insurance Company. She is also Director of Partex Star Group and Managing Director Partex Agro Ltd. She is the wife of Mr. Aziz Al Mahmood, Managing Director of Partex Star Group & Chairman of IDLC Finance Limited.

Mrs. Mahmood holds a Post Graduate Degree in Social Studies from University of Chittagong. She is actively involved with different socio-economic organizations contributing for upbringing the young women in the main stream of economy.



Mr. Kamruddin Parvez
Director

Mr. Kamruddin Parvez was born in a prominent Muslim family of Chittagong. 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., and he is an Assistant Professor of Chittagong Independent University. A good number of publications on different topics are there in his acclaim. He has travelled many countries for attending international conferences and other purposes.

Brief profile of **Directors**



Mrs. Zannatul Ferdous Zeena
Director

Mrs. Zannatul Ferdous Zeena is a member of Board of Trustees of IBAIS University. Her husband Mr. Aziz Al Masud is the chairman of Janata Insurance Company Limited. She is actively involved in day to day business affairs and social activities. She has travelled several countries over the world.



Mrs. Farahnaz Chowdhury
Director

Mrs. Farahnaz Chowdhury was born in a respectable 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 Group of Industries. Mrs. Farahnaz Chowdhury is the managing director of Amber Lifestyle Limited, and director of Alo Communication Limited. She is also member of Board of Trustees of IBAIS University. She is engaged in many socio-cultural and benevolent activities. She visited many countries over the world.

Brief profile of **Directors**



Mrs Afroza Zaman
Director

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



Mrs Farhana Zaman
Director

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

Brief profile of **Directors**



Mr. Warasuzzaman Chowdhury
Director

Mr. Warasuzzaman Chowdhury was born in a prominent Muslim family of Chittagong. He is an ambitious and dynamic entrepreneur and playing a crucial role to contribute our economy. He is an independent director of Aramit Limited and proprietor of Citi Center, Chatteshwari Road, Chittagong and B. Zaman Trading. He is closely associated with many social organizations and always come forward with helping hand to needy people. He has travelled many countries.



Mr. Shahidul Quader Chowdhury
Director

Mr. Shahidul Quader Chowdhury comes from a prominent Muslim family of Chittagong. 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**



Mr. Abu Hyder Chowdhury (Amzad)
Independent Director

Mr. Abu Hyder Chowdhury (Amzad) was born in a famed Muslim family of Chittagong. He is the Managing Director of Chumki Apparels Limited and former director of Chittagong Chamber of Commerce & Industries. He is also associated with various types of business enterprises, trading and social organization. He is the Chairman of Standing Committee of BGMEA and member of Chittagong Club Limited and life member of Diabetic Hospital, Chittagong. He has visited many countries for attending international business conferences and other purposes.



Mr. Makin-Ur-Rashid (Rossi)
Independent Director

Mr. Makin-Ur-Rashid (Rossi) is a dynamic young entrepreneur who was born in a prominent Muslim family in Noakhali. He is the director of Voicetel Limited and proprietor of A-One Enterprise and owner of Chowdhury International Agency. He has visited many countries. He is contributing much towards social activities and social institutions.

Brief profile of **Advisers**



M. A. Hashem
Adviser
Janata Insurance Company Ltd.

Chairman
Partex Group

Director & Ex. Chairman
United Commercial Bank Ltd.

Life Member & Chairman
Board of Trustee,
North South University

Member
Board of Trustee,
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



Mr. Saifuzzaman Chowdhury, MP
Adviser
Janata Insurance Company Ltd.

Management Team & Executives

Chief Executive Officer (Proposed)

Saadat R. Khan, Cert CII (UK)

Additional Managing Director

Mohammad Didarul Islam

Deputy Managing Director

Md. Saiful Islam

Executive Vice President

Md. Towhid-ul-Amin Chowdhury

Md. Moniruzzaman

Senior Vice President

Md. Abu Musa Chowdhury

Vice President

Syed Badrul Islam

Mohammad Mohsin Labid

Md. Shafiqur Rahman

Abdul Karim Chowdhury

Mohammed Monjurul Alam

Chowdhury Md. Shemsher Nur

Md. Badiul Alam

Md. Aminul Islam

Md. Jahirul Haque

First Vice President

Md. Mahbubur Rahman

Assistant Vice President

A.K.M. Zahirul Alam

Md. Monirul Alam Chowdhury

A.T.M. Aman Ullah

First Assistant Vice President

Moshaddeque Sahariar

Md. Bazlur Rashid Shah

Bimal Chandra Das



BRANCHES & HEAD OF BRANCHES

LOCAL OFFICE

5, Biruttom Shahid Asfakus Samad Road
(Old: 125, Motijheel C/A), Dhaka-1000.
Contact # 9559012, 9568809,
01819231466, Fax: 880-2-9570341

Syed Badrul Islam
Vice President

HEAD OFFICE BOOTH

GA/95/D, Link Road, Middle Badda,
Gulshan-1, Dhaka-1212.
Contact # 9852181-82, 01818518400, Fax: 880-2-9852183

Md. Monirul Alam Chowdhury
Assistant Vice President

DILKUSHA BRANCH

76, Dilkusha C/A, Dhaka-1000.
Contact # 9565507, 9565582,
01715178150, Fax: 880-2-9565582

A.K.M. Zahirul Alam
Assistant Vice President

MIRPUR BRANCH

92/2, Senpara, Parbata, Mirpur-10, Dhaka.
Contact # 9035889, 9010291, 01552-338102,
01714-378356

Md. Moniruzzaman
Executive Vice President

JUBILEE ROAD BRANCH

Kader Tower, 128, Jubilee Road, Chittagong.
Contact # 031-618246, 01819-322178
Fax: 031-617022

Md. Towhid-ul Amin Chowdhury
Executive Vice President

AGRABAD BRANCH

Akhtaruzzaman Center,
21/22, Agrabad C/A.(7th floor), Chittagong.
Contact # 01712977437, 01853118023

Mohammad Mohsin Labid
Vice President

NARSINGDI BRANCH

Daulat Khan Tower (2nd floor), Kalibari Road,
Narsingdi Bazar, Narsingdi.
Contact # 9463305, 01712536314

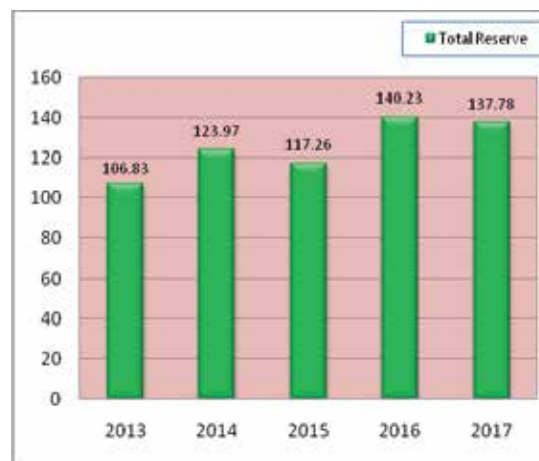
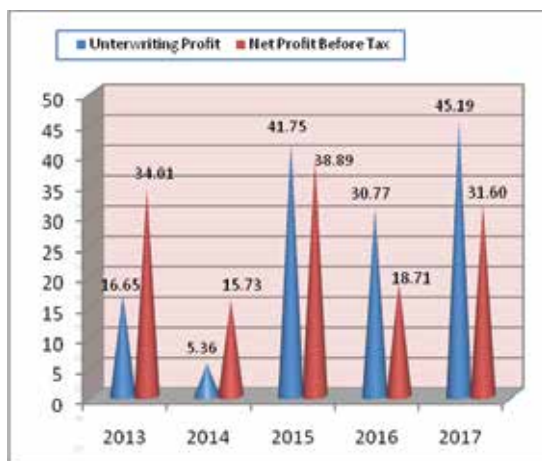
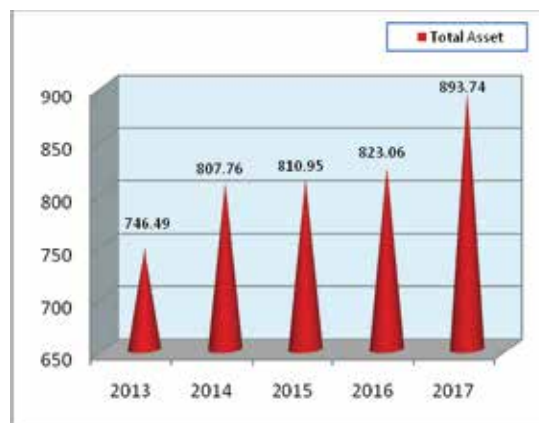
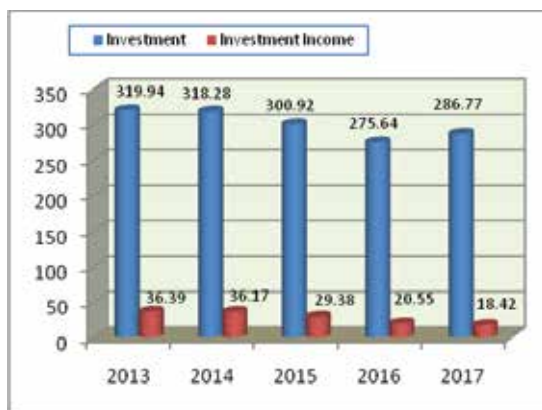
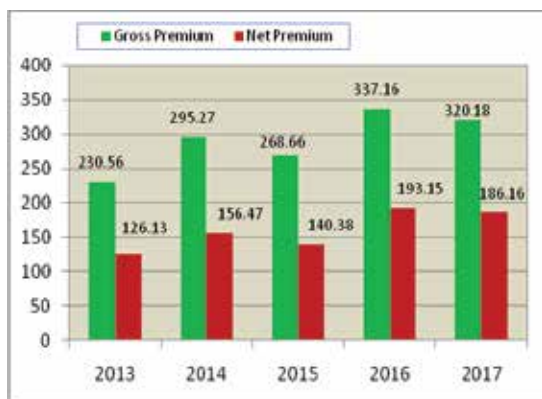
Md. Hafizur Rahman
Manager



FINANCIAL PERFORMANCE AT A GLANCE

(Graphical Appearance)

Amount in Million



31st AGM OF THE COMPANY IN PICTURE

(Held on June 05, 2017 at Banquet Hall of Banani Club Ltd. Dhaka)



Shareholders registering their attendance



Partial view of Shareholders at 31st AGM



A view of the 31st AGM

31st AGM OF THE COMPANY IN PICTURE

(Held on June 05, 2017 at Banquet Hall of Banani Club Ltd. Dhaka)



A view of the 31st AGM



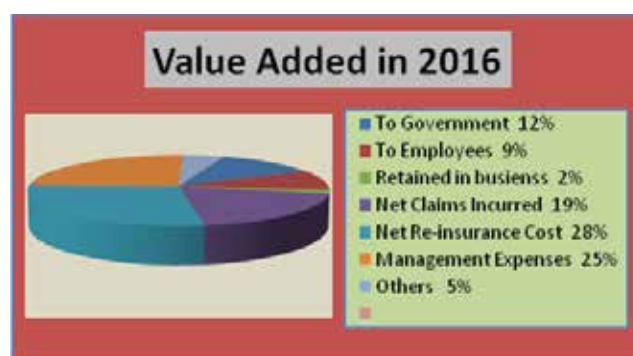
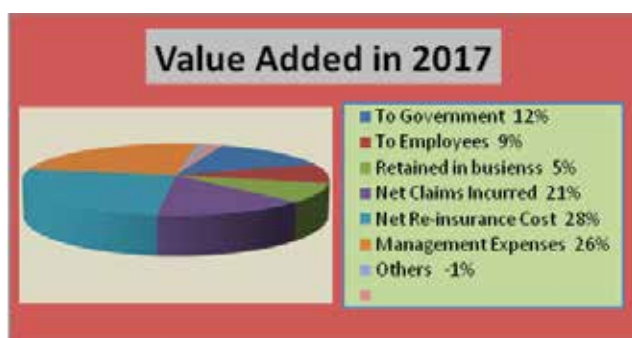
Shareholder addressing in the 31st AGM



Chairman Addressing in the 31st AGM

Value Added Statement

Particulars	2017 (BDT mn)	%	2016 (BDT mn)	%
Value Added				
Gross premium	320.18		337.16	
Vat & Stamp duty	32.02		33.44	
Investment & other Income	18.44		20.55	
Total Value Added	370.64	100%	391.15	100%
Distribution of Value Addition				
To Government				
VAT & Stamp Duty	32.02	9%	33.44	9%
Tax	10.74	3%	10.34	3%
To Shareholders				
Dividend				
To Employees				
as Salary & Allowances	33.93	9%	35.00	9%
Retained in business				
Reserve & Surplus	19.25	5%	8.37	2%
Others				
Net Claims Incurred	78.24	21%	73.06	19%
Net Re-insurance Cost	101.65	28%	110.21	28%
Management Expenses	97.26	26%	98.76	25%
Disposal reserve for Unexpired Risks	(2.45)	-1%	21.97	5%
Total Distribution	370.64	100%	391.15	100%



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 Ltd. has a legacy of perseverance, foresee ability, innovation and leadership.



CHAIRMAN'S Review

“OUR OBJECT IS
TO PROVE OUR
INTEGRITY AND
CREDIBILITY TO
THE CLIENTS BY
EXTENDING
SINCERE AND
DEDICATED
SERVICES TO
THEM.”





Review of the **CHAIRMAN**

Dear Shareholders,

Ladies & gentlemen

Assalamu Alaikum

On behalf of the Board of Directors of Janata Insurance Company Limited, I am glad to extend a warm welcome to you to this 32nd Annual General Meeting of the Company and place before you Company's Annual Report for the year 2017.

The Directors' Report has elaborately dealt with the overall performance of the company pertaining to the year 2017. I would like to point out the main features regarding the affairs of the company.

In review the financial position of the Company you can notice that due to stiff competition prevailing in the Insurance market of our country, business volume of Janata Insurance Company Ltd. during the year 2017 has been decreased marginally. But, net profit before tax of the Company increased in comparison to previous year for decrease of management expenses and re-insurance cost mainly. It is also mentioned that considering the company's profitability and the interest of the Shareholders, the Board of Directors of the company has recommended 5% stock dividend for the year 2017.

Dear Shareholders, you know risk is our business. Our object is to prove our integrity and credibility to the Clients by extending sincere and dedicated services to them. Janata Insurance is working to secure a reasonable market share by rendering prompt quality services through advance technology, sound underwriting, proper re-insurance and quickest settlement of claims to our valued clients. In this view and under a special program, necessary change in the management team of the Company is going on. We hope, by the more co-operation and help of the stakeholders of the Company, in future, we will be in a position to reach the goal of success under the strict supervision of the new Insurance Laws and IDRA. And we will also be able to increase the business volume and ultimately profit of the Company.

In fine, I remain thankful to you and all other stakeholders for extending their ceaseless support to the Company. I would like to thank to the management team and our employees for their dedication and commitment during the year 2017 and hope for their continued efforts in the year to come to implement our corporate strategy. I would also like to convey my sincere gratitude to the Board of Directors for their support and co-operation.

Hoping this finds you in the best of your health, spirits and good luck.

Thanking you,

A handwritten signature in black ink, appearing to read 'Aziz Al-Masud'.

AZIZ AL-MASUD
Chairman



CHIEF EXECUTIVE OFFICER'S Review

Dear Shareholders, valued clients and well wishers,

Assalamu Alaikum,

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

You are aware that an unhealthy competition and adverse circumstances now prevailing in the Non-Life Insurance Sector. And due to these reasons, our company's overall business performance in 2017 was not satisfactory. During the year under review, the Company could earn gross premium income to tune of Taka 320.18 million as against Taka 337.16 million in 2016 and earned net premium income of Taka 186.16 million as against Taka 193.15 million in 2016. Underwriting profit stood at Tk.45.19 million and the net profit was at Tk.19.25 million as against Tk.30.77 million and Tk.8.37 million in 2016. You know that business procurement cost is very high as a result it is become tough to maintain the services of the insured and earn profit for deliver benefits for the Shareholders. However, we are proposing 5% stock dividend for the year ended 2017. 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 stakeholders 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, Vice Chairman and Advisers 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,

Md. Saiful Islam
Chief Executive Officer (CC)

KEY OPERATING AND FINANCIAL DATA

Amount in million

Particulars		2017	2016	2015	2014	2013
Financial position:						
Total Assets		893.74	823.06	810.95	807.76	746.49
Investments		286.77	275.64	300.92	318.28	319.94
Cash & Cash equivalents		298.53	276.81	302.98	318.32	312.44
Investment & other income		18.44	20.55	29.38	36.17	36.39
Total reserve		137.78	140.23	117.26	123.97	106.83
Operating result:						
Gross Premium		320.18	337.16	268.66	295.27	230.56
Re-Insurance Premium ceded		134.02	144.01	128.28	138.80	104.43
Net Premium		186.16	193.15	140.38	156.47	126.13
Management Expenses(Revenue A/c)		56.87	56.85	59.66	58.85	51.56
Net Incurred Claim		78.24	73.06	42.89	76.48	37.31
Underwriting Profit		45.19	30.77	41.75	5.36	16.65
Other Management Expenses (not applicable to any fund or account)		32.02	32.61	32.24	25.80	19.03
Net Profit before Tax		31.60	18.71	38.89	15.73	34.01
Net Profit after Tax		19.25	8.37	19.89	5.59	18.19
Financial Ratio:						
	Terms					
Basic Earnings Per Share	BDT	0.50	0.22	0.52	0.16	0.59
Dividend in percentage (Stock/Cash)	%	5% Stock (Proposed for 2017)	-	5% Cash	10% (Stock)	12.50% (Stock)
Return on assets	%	2.15	1.02	2.45	0.69	2.43
Gross profit ratio	%	16.97	9.69	27.70	10.05	26.96
Re-insurance Premium Ceded on Gross Premium	%	41.86	42.71	47.75	47.01	45.29
Net Claim Incurred on net Premium	%	42.03	37.83	30.55	48.88	29.58
Underwriting Result on Gross Premium	%	14.11	9.13	15.54	1.82	7.22
Management expenses (Revenue) on Net Premium	%	30.55	29.43	42.50	37.61	40.88
Equity Statistics:						
Paid-up capital		383.53	383.53	383.53	348.66	309.92
Shareholders' Equity		532.90	513.65	524.46	504.56	498.96
Net Assets Value Per Share (Taka)		13.89	13.39	13.67	14.47	16.10

The above key operating and financial data are furnished as per BSEC's Notification dated August 07, 2012 to comply with the condition 1.5 (xviii).

DIRECTORS' REPORT



DIRECTORS' REPORT

For the year ended December 31, 2017

Dear Fellow Shareholders,

Assalamu Alaikum.

The Board of Directors of Janata Insurance Company Ltd. welcomes you all to the 32nd Annual General Meeting of the company. The Directors are pleased to place before you the Directors' Report along with the Audited Financial Statements and Auditors' Report for the year ended December 31, 2017 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/2006-158/134/Admin/44 dated 07th August, 2012 and other relevant rules and notifications from the regulatory bodies.

Prior to presenting the report, we pay our deepest respect to late Akhtaruzzaman 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 2017:

Economy and Insurance Business Outlook:

Economic Scenario

The global economic growth was 3.6% in 2016, and is projected at 3.7% in 2017 and 3.9% in 2018 according to IMF.

According to Bangladesh Bank, Bangladesh economy is estimated to grow at 7.3% in financial year 2017 and is projected to grow at 7.4% and 7.6% in financial year 2018 and financial year 2019 respectively.

Insurance Business Scenario

The gross premium income of the country of non-Life Insurance in the private sector was Tk. 27,267 million in 2016 with a growth rate of 4.7%, as against 8% in the previous year. Global insurance industry showed an overall growth rate of 3.1% in 2016 with life & non-life insurance contributing 2.5% and 3.7% respectively.

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 2017

We are to report that, your company wrote direct insurance business with a premium income of Tk.271.21 million against Tk.295.38 million in 2016. The premium received by us from the public sector business Increased to Tk.48.97 million from Tk.41.78 million in 2016. The total gross premium income, stood at Tk.320.18 million against Tk.337.16 million in 2016.

Operational & Financial Review

Operational Result and Product wise Performance :

Gross Premium Income

During the year 2017 Company's gross premium income thus attained was Taka 320.18 million as against Taka 337.16 million in 2016.

Amount in million

Class of business	Gross Premium Income	
	2017	2016
Fire Insurance	117.95	164.75
Marine Insurance	137.33	103.20
Motor Insurance	21.63	28.82
Miscellaneous Insurance	43.27	40.39
Total:	320.18	337.16

Net Premium Income

Net premium income Taka 186.16 million as against Taka 193.15 million in 2016.

Amount in million

Class of business	Net Premium Income	
	2017	2016
Fire Insurance	59.02	93.42
Marine Insurance	94.06	59.54
Motor Insurance	21.57	28.82
Miscellaneous Insurance	11.51	11.37
Total:	186.16	193.15

Net Incurred Claims

During the year 2017, we have successfully settled net incurred claims of Taka 78.24 million as against Taka 73.06 million in the year 2016.

Amount in million

Class of business	Net Claim	
	2017	2016
Fire Insurance	24.97	38.88
Marine Insurance	20.60	9.31
Motor Insurance	12.34	18.21
Miscellaneous Insurance	20.33	6.66
Total:	78.24	73.06

Investment Income

The Company's investment income recorded Taka 18.42 million against Taka 20.55 million in the year 2016.

Profit

Underwriting Profit

Underwriting profit achieved was Taka 45.19 million as against Taka 30.77 million in 2016.

Amount in million

Class of business	Underwriting Profit	
	2017	2016
Fire Insurance	24.55	(2.16)
Marine Insurance	27.22	23.25
Motor Insurance	5.24	7.18
Miscellaneous Insurance	(11.82)	2.50
Total:	45.19	30.77

Net Profit before Tax

Net pretax profit attained is Taka 31.60 million as against Taka 18.71 million in 2016.

Net Profit after Tax

After tax profit is Taka 19.25 million as against Taka 8.37 million in 2016.

Earnings Per Share

In the year 2017 Company's earnings per share Tk.0.50 as compared to Tk.0.22 in the previous year.

Dividend

Considering the net profit (after tax) of the Company for the year ended 31st December, 2017 the Board of Directors recommended to declare 5% stock (Bonus Shares) dividend to the Shareholders for the year ended 31st December, 2017 subject to approval by the Shareholders in the 32nd Annual General Meeting of the Company to be held on 04 September, 2018.

Explanation regarding recommendation/declaration of Stock dividend

Incompliance with the provision under section 6, sub-section 2(b), it is reported and explained the reasons for declaring 5% stock dividend for the year ended 31st December, 2017 and also utilization of such retained amount as capital. In this respect, it is noted that as we have a requirement to increase the paid-up capital of the Company to Tk.400 million as per 1st schedule of the Insurance Act 2010 and our Company's present paid-up capital amount of Tk.383.5 million, accordingly, for compliance with the said requirement, the Board of Directors recommended 5% stock dividend and on this way the paid-up capital of the Company will be increased by Tk.19.18 million and paid-up capital of paid-up capital amount of Tk.19.18 million now staying in the Company's fund as Fixed Deposit (FDR) with the schedule Banks and will be utilized under this form for mutual interest as the banks of the Company will be stand at Tk.402.70 million accordingly. Moreover, the increased amount are main source of our business.

Summary of Accounts of the Company for the year 2017 compared with the year 2016 are furnished below :

Amount in million

Particulars	Fire	Marine	Motor	Misc.	Total 2017	Total 2016
Gross Premium Income	117.95	137.33	21.63	43.27	320.18	337.16
Re-Insurance Premium ceded	58.92	43.27	0.07	31.76	134.02	144.01
Net Premium	59.02	94.06	21.57	11.51	186.16	193.15
Net Premium Reserve Retained	13.76	(14.15)	2.90	(0.06)	2.45	(21.97)
Net earned Premium	72.78	79.91	24.47	11.45	188.61	171.18
Commission paid	16.91	17.92	2.86	2.99	40.68	44.31
Re-Insurance commission earned	16.14	10.51	-	5.72	32.37	33.80
Management expenses (Revenue A/c) (including Insurance Stamp)	22.48	24.69	4.03	5.67	56.87	56.85
Management expenses(P & L A/c)	-	-	-	-	32.02	32.61
Gross Claim paid	53.27	25.43	13.64	39.68	132.02	123.86
Net Incurred Claim	24.97	20.60	12.34	20.33	78.24	73.06
Underwriting Profit/Result	24.55	27.22	5.24	(11.82)	45.19	30.77
Investment Income	-	-	-	-	18.42	20.55
Net Profit before tax	-	-	-	-	31.60	18.71
Net Profit after tax	-	-	-	-	19.25	8.37
Earnings Per Share	-	-	-	-	0.50	0.22

Investment

The total investment of the company stood at Taka 286.77 million in 2017 as compared to Taka 275.64 million in the year 2016. Break-up is as under:

Amount in million		
Particulars	2017	2016
Bangladesh Govt. Treasury Bond (BGTB)	25.00	25.00
Shares in listed companies	0.42	0.31
Fixed Deposits Account (FDR)	261.35	250.33
Total :	286.77	275.64

Reserve:

Reserves stood at Taka 137.78 million against Taka 140.23 million in the previous year.

Amount in million		
Particulars	2017	2016
Reserve for Exceptional Losses	62.09	62.09
Reserve for un-expired Risks	75.69	78.14
Total :	137.78	140.23

Shareholders Equity:

Shareholders equity stood at Taka 532.90 million against Taka 513.65 million in the year 2016.

Amount in million		
Particulars	2017	2016
Paid-up Capital	383.53	383.53
Share Premium	55.96	55.96
Reserve for Exceptional Losses	62.09	62.09
Profit & Loss Appropriation Account	31.32	12.07
Total :	532.90	513.65

Profitability:

The Company's income from investment and other income stood at Taka 18.44 million against Taka 20.55 million earned in the previous year. After taking into account the underwriting profit of Taka 45.19 million and providing for various expenses not applicable to any particular fund or account, net pretax profit attained is Taka 31.60 million as against Taka 18.71 million in 2016. Increase of net incurred Claim by Taka 5.18 million and decrease of income on account of interest on Investment by Taka 2.13 million in comparison to previous year are the main reasons behind the increase of profitability in 2017.

Appropriation of Profit:

Amount in million		
Particulars	2017	2016
Net profit (before tax) for the year	31.60	18.70
Transferred to Reserve for exceptional losses	-	1.00
Provided for taxes (including deferred Tax)	12.35	10.34
Dividend distributed for 2016	-	19.18
Balance carried forwarded	19.25	(11.82)

Dividend:

Considering inadequate balance of divisible profit, the Board of Directors in its 170th meeting held on 08.07.2018 had recommended dividend for the year 2017.

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 Ltd. 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 mis-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." in page no. 51

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-5.00 of the Bangladesh Securities and Exchange Commission's notification No.BSEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012 status report on the Corporate Governance Compliance is shown in Annexure-B, page no. 42 and the Directors also confirmed the compliance with the financial reporting frame work and shareholding pattern according to the above notification in Annexure-A, page no. 40

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 page no. 48

In accordance with the Clause (1) condition No.9 of the Notification No.SEC/CMRRCD/2006-158/207/Admin/80 dated 03.06.2018 of the Bangladesh Securities and Exchange Commission, the Board of Directors' of the company recommended to appoint again M/s. ATA KHAN & CO., Chartered Accountants, 67, Motijheel C/A., (1st floor), Dhaka-1000 to obtain certificate on compliance of condition of corporate governance for the year-2018 with a professional fee of Tk.25,000/= (Taka twenty five thousand) only plus VAT subject to approval in the 32nd Annual General Meeting of the Company.

Board Meeting Attendance:

During the year, 05(Five) Board Meetings were held. The attendance of the Directors is shown in page no. 40

Pattern of Shareholding:

Pattern of shareholding as per clause 1.5(xxi) of the BSEC Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated August 7, 2012 is shown in page no. 41

Key Operating and Financial Data:

The Company's summarized key operating and financial data for the last five years are shown in Page no. 30

Brief Resume of the Directors:

Brief resume of the Directors as per clause 1.5(xxii) of the BSEC Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated August 7, 2012 is shown in Page no. 09

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 32nd AGM.

1. Mr. Belal Ahmed
2. Mrs. Qamrun Nahar
3. Mrs. Zannatul Ferdous Zeena
4. Mr. Warasuzzaman Chowdhury

Being eligible, they offer themselves for re-election.

Therefore, office of 04 (Four) 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 Mrs. Sultana Hashem will retire from office by rotation in the 32nd AGM. Being eligible, she offers herself for re-election.

Upon her 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 32nd AGM, for which Notice was published in two national dailies namely (i) The JAI JAI DIN dated 10.07.2018 and (ii) The New Nation dated July 10, 2018.

The tenure of Office of Mr. Md. Moniruzzaman, FCA, Independent Director expired on 24.07.2018 and he was not eligible for another term and Mr. Mezanoor Rahman, FCA, Director, Taxation and Corporate Affairs, ACNABIN, Chartered Accountants was appointed as an Independent Director w.e.f 25.07.2018 by the Board of Directors in its meeting held on 08.07.2018 subject to approval by the Shareholders in the 32nd AGM. Accordingly, his appointment as Independent Director is placed before the 32nd AGM for post facto approval of the Shareholders.

Total Shareholders:

The total number of Shareholders of the Company as on 31st December, 2017 was 3835 as per record.

Auditors:

As per Order No.SEC/CMRRCD/2009-193/104/Admn/ dated July 27, 2011 of Bangladesh Securities and Exchange Commission, the existing Auditors' of the Company M/s. Mahfel Hoq & Co., Chartered Accountants retiring are not eligible for re-appointment. The Board of Directors in its meeting held on 08.07.2018 recommended M/s. ARTISAN, Chartered Accountants, Shah Ali Tower (6th & 7th floor), Kawran Bazar, Dhaka-1215 for appointment as statutory auditors' for the year ended 31st December, 2018 with a professional fee of Taka 2,40,000= (Taka Two lac forty thousand) only plus VAT for approval of the Shareholders in the 32nd 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
October 25, 2017	October 24, 2018	Surveillance	A	ST-3	Stable
December 06, 2016	December 04, 2017	Surveillance	A	AR-3	Stable

Corporate Social Responsibility:

Janata Insurance Company Ltd. 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 Ltd. 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 2018. 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 Ltd. 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.

Appointment of new Chief Executive Officer (CEO)

After expiry of contract tenure/period of Mr. Md. Fazlul Hoque Khan as CEO of the Company on 31.05.2018, Mr. Md. Saiful Islam, Deputy Managing Director (CFO & Company Secretary) was entrusted to hold the Current Charge of CEO w.e.f 1st June, 2018. Subsequently, Mr. Saadat-Ur Rahman Khan, CII Cert (UK), a highly qualified & experienced professional Insurance man has been appointed as CEO of the Company on contractual basis for 03 (three) years period w.e.f 1st August, 2018 to 31st July, 2021 subject to approval of the Insurance Development and Regulatory Authority (IDRA).

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 Ltd., Chittagong Stock Exchange Ltd., the Central Depository Bangladesh Ltd., Various Government Authorities, 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,



Aziz Al-Masud
Chairman

DIRECTORS' REPORT TO THE SHAREHOLDERS IN COMPLIANCE WITH THE BSEC'S NOTIFICATION NO.BSEC/CMRRCD/2006- 158/134/ADMIN/44 DATED AUGUST 07, 2012

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 2017 were as follows:

Sl. No.	Name of the Member	Status in the Board	Total Meeting	Meeting attendance
1.	Mr. Aziz Al-Masud	Chairman	6	6
2.	Mrs. Roxana Zaman	Vice Chirman	6	6
3.	Mrs. Qamrun Nahar	Director	6	2
4.	Mr. Zafrul Islam Chowdhury	Director	6	5
5.	Mr. Belal Ahmed	Director	6	5
6.	Mrs. Sultana Hashem	Director	6	6
7.	Mrs. Fahima Akhter	Director	6	6
8.	Mrs. Savera H Mahmood	Director	6	2
9.	Mr. Kamruddin Parvez	Director	6	6
10.	Mrs. Zannatul Ferdous Zeena	Director	6	6
11.	Mrs. Farahnaz Chowdhury	Director	6	6
12.	Mrs. Afroza Zaman	Director	6	6
13.	Farhana Zaman	Director	6	6
14.	Mr. Warasuzzaman Chowdhury	Director	6	6
15.	Mr. Shahidul Quader Chowdhury	Director	6	5
16.	Mr. Md. Moniruzzaman, FCA	Independent Director	6	6
17.	Mr. Abu Hyder Chowdhury (Amzad)	Independent Director	6	6
18.	Mr. Makin-Ur-Rashid (Rossi)	Independent Director	6	6
19.	Mr. M. A. Hashem	Adviser	6	6
20.	Mr. Saifuzzaman Chowdhury	Adviser	6	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 2017, 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, 2017
A. Directors:

Sl. No.	Name of the Shareholders	No. of shares	%
1.	Mr. Aziz Al-Masud	770491	2.01
2.	Mrs. Roxana Zaman	991755	2.59
3.	Mrs. Qamrun Nahar	775305	2.02
4.	Mr. Zafrul Islam Chowdhury	1278399	3.33
5.	Mr. Belal Ahmed	1278399	3.33
6.	Mrs. Sultana Hashem	770701	2.01
7.	Mrs. Fahima Akhter	774612	2.02
8.	Mrs. Savera H Mahmood	768091	2.00
9.	Mr. Kamruddin Parvez	768796	2.00
10.	Mrs. Zannatul Ferdous Zeena	798150	2.08
11.	Mrs. Farahnaz Chowdhury	803656	2.10
12.	Mrs. Afroza Zaman	952257	2.48
13.	Farhana Zaman	991754	2.59
14.	Mr. Warasuzzaman Chowdhury	933396	2.44
15.	Mr. Shahidul Quader Chowdhury	889731	2.32
		13545493	35.33%

B. Independent Directors:

1.	Mr. Md. Moniruzzaman	-	-
2.	Mr. Abu Hyder Chowdhury(Amzad)	-	-
3.	Mr. Makin-Ur-Rashid(Rossi)	-	-

C. Sponsor Shareholders:

1.	Mr. Aziz Al-Kaiser	768672	2.00
2.	Mrs. Aklima Begum	373464	0.97
3.	Mrs. Setara Begum	3589	0.01
4.	Mrs. Hosnara Begum	928399	2.42
5.	Mrs. Monoara Jahangir	4578	0.01
		2078702	5.41%
	Sub Total	15624195	40.74%

D. Employees (Executives):

1.	Chief Executive Officer(CC)	3073	0.008
2.	CFO & Company Secretary	0	0.0000
3.	Senior Vice President	816	0.0021
		3889	0.01%

E. General Shareholders:

1.	Institute	7831537	20.42
2.	General Public	14893052	38.83
	Sub Total	22724589	59.25%
	Total Holdings	38352673	100%

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/Admin/44 dated 07 August 2012 and amendment no SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013 (Gazette dated 20 August 2013) issued Under section 2CC of the Securities and Exchange Ordinance, 1969 is presented below:

Condition No	Title	Compliance status		Remarks (if any)
		Complied	Not Complied	
1	Board Size			
1.1	The number of the board members of the company shall not be less than 5 (five) and more than 20 (twenty)	√		
1.2	Independent Directors			
1.2 (i)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors	√		
1.2 (ii) (a)	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 (ii) (b)	Who is not sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more share of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned share in the company.	√		
1.2 (ii) (c)	Who does not have any other relationship, Whether pecuniary or otherwise, with the company or its subsidiary/associated companies	√		
1.2 (ii) (d)	Who is not a member, director, or officer of any stock exchange	√		
1.2 (ii) (e)	Who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market.	√		
1.2 (ii) (f)	Who is not a partner or an executive or was not a partner or an executive during the preceding three years of the concerned company's statutory audit firm	√		
1.2 (ii) (g)	Who shall not be an independent director in more than three (3) listed companies	√		
1.2 (ii) (h)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or non-banking financial institute (NBFI)	√		
1.2 (ii) (i)	Who has not been convicted for a criminal offence involving moral turpitude;	√		
1.2 (iii)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the annual general meeting (AGM).	√		
1.2 (iv)	The post of independent director(s) cannot remain vacant more than 90 (ninety) days	√		
1.2 (v)	The board shall lay down a code of conduct of all board members and annual compliance of the code to be recorded.	√		
1.2 (vi)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for (1) one term only.	√		

Condition No	Title	Compliance status		Remarks (if any)
		Complied	Not Complied	
1.3	Qualification of Independent Director (ID)			
1.3 (i)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	√		
1.3 (ii)	The person should be a business leader/corporate leader/Bureaucrat/ university teacher with economics or business studies or Law background/ Professionals like Chartered Accountants, cost and management accountant, chartered secretaries. The independent director must have at least 12 (twelve) years of corporate management/ professional experiences.	√		
1.3 (iii)	In special cases the above qualifications may be relaxed to prior approval of the commission.	-	-	(No special case arose)
1.4	Chairman of the Board and Chief Executive Officer (CEO)			
	The position of the chairman of the board and the chief executive officer of the companies shall be filled by different individuals. The chairman of the company shall be elected from among the directors of the company. The board of directors shall clearly define respective roles and responsibilities of the chairman and the chief executive officer.	√		
1.5	The Directors Report to Shareholders			
1.5 (i)	Industry outlook and possible future developments in the industry.	√		
1.5 (ii)	Segment-wise or product-wise performance.	√		
1.5 (iii)	Risk and concerns,	√		
1.5 (iv)	A discussion on cost of good sold, Gross profit margin and net profit.	√		
1.5 (v)	Discussion on continuity of any extra- ordinary gains or loss.	-		No Such Extra ordinary gain or loss
1.5 (vi)	Basis for related party transaction- a statement of all related party transaction should be disclosed in the annual report.	√		
1.5 (vii)	Utilization of proceeds from public issues, right issues, and or through any others instruments.	√		
1.5 (viii)	An explanation if the financial result deteriorate after the company goes for initial public offering (IPO), Repeat public offering (RPO), Rights offer, direct leasing etc;	-	-	Not Applicable
1.5 (ix)	If significant variance occurs between Quarterly financial performance and annual financial statements the management shall explain about the variance on their annual report.	√		
1.5 (x)	Remuneration to directors including independent director shall present separately	√		
1.5 (xi)	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)	Proper books of account have been maintained properly.	√		
1.5 (xiii)	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.	√		

Condition No	Title	Compliance status		Remarks (if any)
		Complied	Not Complied	
1.5 (xiv)	International Accounting Standards (IAS) / Bangladesh Accounting Standards (BAS) / International Financial Reporting Standards/ Bangladesh Financial Reporting Standards, 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)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		
1.5 (xvi)	There are no significant doubts upon the company's ability to continue as a going concern.	√		
1.5 (xvii)	Significant deviations from the last years operating result of the company shall be highlighted and the reasons thereof should be explained	√		
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	-	-	Not Applicable
1.5 (xx)	The numbered of board meetings held during the year and attendance by each director.	√		
1.5 (xxi)	The pattern of shareholding shall be reported to disclosed the aggregate number of shares (along with name wise details where stated below) held by :-			
1.5 (xxi) (a)	Parent/Subsidiary/Associated companies and other related parties (name wise detail).	-	-	Not Applicable
1.5 (xxi) (b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouse and minor children (name wise detail)	√		
1.5 (xxi) (c)	Executives (Explanation: For the purpose of this clause, the expression "executives" means top 5 (five) salaried employees of the company, other than the Directors, Chief Financial Officer and Head of Internal Audit.)"	√		
1.5 (xxi) (d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise detail)	-	-	Not Applicable
1.5 (xxii)	In case of the appointment/ re-appointment of a director the company shall disclose the following information to the shareholders.			
1.5 (xxii) (a)	A brief resume of the directors	√		
1.5 (xxii) (b)	Nature of his/her expertise in specific functional areas	√		
1.5 (xxii) (c)	Name of companies in which the person also holds the directorship and the membership of committees of the board	√		
2	Chief Financial Officer(CFO), Head of Internal Audit and Company Secretary (CS)			
2.1	Appointment: the company shall appoint a chief financial officer, a head of internal audit (internal control and compliance) and a company secretary (CS). The board of director should clearly define respective roles and duties of the CFO, the head of internal audit and CS.	√		
2.2	Requirement to attend the board meetings: The CFO and the company secretary of the companies shall attend the meeting of the board of directors provided that the CFO and/or the company secretary shall not attend such part of a meeting of the board of directors which involves consideration of an agenda item to their personal matters.	√		
3	Audit Committee			
3 (i)	The company shall have an audit committee as a sub-committee of the board of directors.	√		

Condition No	Title	Compliance status		Remarks (if any)
		Complied	Not Complied	
3 (ii)	The audit committee shall assist the board of directors in ensuring that the financial statement reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	√		
3 (iii)	The audit committee shall be responsible to the board of directors. The duties of the audit committee shall be clearly set forth in writing.	√		
3.1	Constitution of the audit committee			
3.1 (i)	The audit committee shall be composed of at least 3 (three) members.	√		
3.1 (ii)	The board of directors shall appoint members of the audit committee who shall be directors of the company and shall include at least 1 (one) independent director.	√		
3.1 (iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience.	√		
3.1 (iv)	Fill the casual vacancy in Committee	-	-	Not applicable (No casual vacancy in 2016)
3.1 (v)	The company secretary shall act as the secretary of the committee.	√		
3.1 (vi)	The quorum of the audit committee meeting shall not constitute without at least 1 (one) independent director.	√		
3.2	Chairman of the Audit Committee			
3.2 (i)	The board of directors shall select 1 (one) member of the audit committee to be chairman of the audit committee, who shall be an independent director.	√		
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM)	√		Status is given on the basis of 2016 AGM's attendance since current year's AGM not yet held.
3.3	Role of Audit Committee			
3.3 (i)	Oversee the financial reporting process	√		
3.3 (ii)	Monitor choice of accounting policies and principles.	√		
3.3 (iii)	Monitor internal control risk management process	√		
3.3 (iv)	Oversee hiring and performance of external auditors.	√		
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval.	√		
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval	√		
3.3 (vii)	Review the adequacy of internal audit function	√		
3.3 (viii)	Review statement of significant related party transaction submitted by the management.	√		
3.3 (ix)	Review management letters/ Letter of internal control weakness issued by statutory auditors.	√		
3.3 (x)	Disclosure regarding utilization of IPO/RPO, Right issue fund to the audit committee.	-	-	No IPO, RPO/ Right issue was made in the year 2017
3.4	Reporting of the Audit Committee			
3.4.1	Reporting to the Board of Directors			
3.4.1 (i)	The audit committee shall report on its activities to the board of directors.	√		

Condition No	Title	Compliance status		Remarks (if any)
		Complied	Not Complied	
3.4.1 (ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any			
3.4.1 (ii) (a)	Report on conflict of interest to the board of directors	√		There was no conflict of interest in the year 2017.
3.4.1 (ii) (b)	Suspected or presumes fraud or irregularity or material defect in the internal control system	-	-	Not Applicable
3.4.1 (ii) (c)	Suspected infringement of laws including securities related laws, rules and regulations.	-	-	Not Applicable
3.4.1 (ii) (d)	Any other matter which shall be disclosed to the board of directors immediately.	-	-	Not Applicable
3.4.2	Reporting to the authorities: If the audit committee has reported to the (The board of directors about anything which has material impact on the financial condition and results of operation and has discussed with the board of directors and the management that any rectification is reported 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 of directors for three times or completion of a period of 6 (six) months from the date of first reporting to the board of directors, whichever is earlier.	-	-	Not applicable management has informed that no such issue arose, and therefore nothing has been to the board of Directors)
3.5	Reporting to the shareholders and General investor: Report on activities carried out by the audit committee, including any report made to the board of directors under condition 3.4.1 (ii) above during the year, shall be signed by the chairman of the audit committee and disclosed in the annual report of the issuer company.	√		
4	EXTERNAL STATUTORY AUDITORS The issuer company should not engage its external/ statutory auditors to perform the following services of the company; Namely;"			
4.0 (i)	Appraisal or valuation services or fairness opinions	√		As per auditors Declaration
4.0 (ii)	Financial information systems design and implementation	√		DO
4.0 (iii)	Book-keeping or other services related to the accounting records or financial statements.	√		DO
4.0 (iv)	Broker-dealer services	√		DO
4.0 (v)	Actuarial services	√		DO
4.0 (vi)	Internal audit service	√		DO
4.0 (vii)	Any other services that audit committee determines.	√		DO
4.0 (viii)	No partner or employees of the external audit firms shall possess any share of the company there audit at least during the tenure of their audit assignment of that company.	√		DO
4.0 (ix)	Audit/certification service on compliance of corporate governance as required under clause (i) of condition No. 7	√		DO
5	SUBSIDIARY COMPANY			
5 (i)	Provisions relating to the composition of the board of directors of the holding company shall be made applicable to the composition of the board of directors of the subsidiary company.	-	-	Not Applicable as the company has no subsidiary company
5 (ii)	At least 1 (one) independent director on the board of directors of the subsidiary company.	-	-	Not Applicable as the company has no subsidiary compan

Condition No	Title	Compliance status		Remarks (if any)
		Complied	Not Complied	
5 (iii)	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 as the company has no subsidiary company
5 (iv)	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 as the company has no subsidiary company
5 (v)	The audit committee of the holding company review the financial statements, in particular the investments made by the subsidiary company.	-	-	Not Applicable as the company has no subsidiary company
6	Duties of Chief Executive Officer (CEO) and Chief Financial Officer(CFO)			
6.0 (i)	The CEO and CFO shall certify to the board that;			
6.0 (i) (a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	√		
6.0 (i) (b)	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.	√		
6.0 (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 violation of the company's code of conduct.	√		
7	Reporting and Compliance of Corporate Governance			
7 (i)	The company shall obtain a certificate from a practicing professional accountant / secretary (Chartered accountant/cost and management accountant/Chartered secretary) regarding compliance of conditions of corporate governance guidelines of the commission and shall send the same to the shareholders along with the annual report on yearly basis.	√		
7 (ii)	The directors of the company shall state, in accordance with the annexure attached, in the directors report whether the company has complied with these conditions.	√		

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

We have examined the status of compliance to the BSEC guidelines on corporate governance by Janata Insurance Company Limited for the year ended 31 December 2017. These guidelines relate to the notification no. SEC/CMRRD/2006-158/134/Admin/44 dated 07 August 2012 and amendment no SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013 (Gazette dated 20 August 2013) of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

The compliance with this said conditions of Corporate Governance and reporting the status thereof is the responsibility of the management of the Insurance Company. Our responsibility is to provide a certificate about whether the Insurance Company is in compliance with this said condition of Corporate Governance based on our examination. Our examination for the purpose of issuing this certificate was limited to the procedures including implementation thereof as adopted by the Insurance Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Insurance Company.

To the best of information and explanations provided to us, we certify that in our opinion the Insurance Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned guidelines issued by BSEC.

We also state that such compliance certificate is neither an assurance as to the future viability of the company nor a certification on the efficiency or effectiveness with which the management has conducted the affairs of the Insurance Company.

Dated: Dhaka
26 July, 2018



ATA KHAN & CO.
Chartered Accountants

Declaration of CEO and CFO to the Board of Directors Regarding **Financial Statements 2017.**

In accordance with Section 6 of the Notification No.BSEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012, Bangladesh Securities and Exchange Commission, we declare regarding the Financial Statements for the year ended December 31, 2017 that:

- i) We have reviewed the financial statements for the year 2017 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 together present a 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 our knowledge and belief, no transactions entered by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct.



Md. Saiful Islam
Chief Executive Officer (CC)
&
Chief Financial Officer (CFO)

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:

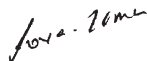
1. The values of investment in shares & debentures have been taken at cost or market price whichever is lower.
2. The values of all assets as shown in the Financial Statement and as classified on Form "AA" annexed have been duly reviewed as at December 31, 2017 and in our belief, the said assets have 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.



Md. Saiful Islam
Chief Executive Officer (CC)



Fahima Akter
Director



Roxana Zaman
Vice Chairman



Aziz Al-Masud
Chairman

Audit Committee

Report for the year 2017

The Audit Committee of Janata Insurance Co. Ltd. performs within the guidelines of Bangladesh Securities and Exchange Commission and also carries oversight responsibilities. The Board of Directors of the Company set 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. 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.

Composition of the Audit Committee

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

01.	Mr. Md. Moniruzzaman, FCA	Independent Director	Chairman
02.	Mrs. Fahima Akhter	Director	Member
03.	Mrs. Afroza Zaman	Director	Member
04.	Mr. Warasuzzaman Cowdhury	Director	Member
05.	Mr. Kamruddin Parvez	Director	Member
06.	Mr. Makin-Ur-Rashid (Rossi)	Independent Director	Member



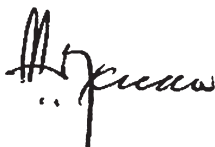
Functions performed by the Audit Committee

Main function of the Audit Committee is to assist the Board in discharging of its responsibilities for financial and business discipline, financial reporting, corporate governance and internal control. The Audit Committee had held 8 (Eight) meetings during the year 2017. During the reporting year the Committee, inter alia, carried out the following activities:

- Reviewed Internal Control System and gave guidance on the risk based internal audit for all the departments and branches of the company;
- Reviewed and examined the Annual Financial Statements, for the year 2017 prepared by the management and audited by the External Auditor, M/s. Mahfel Huq & Co., Chartered Accountants and recommended these to the Board for consideration and 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 business performance of the company for the year 2017 against target;
- Review of draft audit manual, Accounts manual, procurement policy, Financial authorization system, TA&DA rules and HR policy of the company.

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 Co. Ltd. for their excellent support and cooperation extended to the Committee in discharging its duties and responsibilities during the 2017.



Md. Moniruzzaman, FCA
Chairman, Audit Committee

Credit Rating Report

AlphaRating

25 October, 2017

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
25 October, 2017	24 October, 2018	Surveillance	A	ST-3	Stable

The Short-term and Long-term rating is valid up to the earlier of 24 October, 2018. 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,



Muhammed Asadullah
Managing Director & CEO

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 2017, 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	893.74	Total Liabilities	893.74
Less: Amount due from Others (3/4)	(216.69)	Sundry Creditors	(86.64)
Sundry debtors (Suspense A/C)	(5.46)	Amount Due to Others	(58.37)
Carpet & Curtain	(0.62)	Provision for Income Tax	(114.80)
		Deposit Premium	(7.70)
		Reserve for Unexpired Risks	(75.69)
		Reserve for exceptional losses	(62.09)
(A) Total Assets	670.97	(B) Total Liabilities	488.45
			2017
		Solvency Margin Available (A-B) (670.97 – 488.45)	182.52



AUDITORS' REPORT & AUDITED FINANCIAL STATEMENTS

Independent Auditor's Report to the Shareholders of Janata Insurance Company Limited

We have audited the accompanying Balance Sheet of “Janata Insurance Company Limited” (the “Company”) which comprise the Balance Sheet (Statement of Financial Position) as at December 31, 2017 and the related Revenue Accounts, Statement of Profit or Loss and other Comprehensive Income (Profit and Loss Account), Profit and Loss Appropriation Account, Statement of Changes in Equity and Statement of Cash Flows and a summary of significant accounting policies and other explanatory notes for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with Bangladesh Accounting Standard (BAS)/ Bangladesh Financial Reporting Standards (BFRS), the Companies Act, 1994, the Insurance Act, 2010, the Securities and Exchanges Rules, 1987 and other applicable laws and regulations and for such internal control as management determines, which is necessary to enable the preparation of Financial Statements that are free from material misstatements, whether due to fraud and error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depended on the auditors judgment, including the risks assessment of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Financial Statements of Janata Insurance Company Limited, in all materials respects, give a true and fair view of the Financial Position of the company as at 31 December, 2017, of its financial performance and of its Cash Flows for the year then ended and Financial Statements were prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs) and Bangladesh Accounting Standards (BAS), the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Report on other legal and regulatory requirements

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and have made due verification thereof;
- (ii) In our opinion, proper books of account, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examination of those books; and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- (iii) As per section 63(2) of the Insurance Act 2010, in our opinion to the best of our knowledge and belief and according to the information and explanations 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, Profit and loss Account and Profit and Loss Appropriation Account of the Company;
- (iv) as per regulation-11 of part 1 of the third schedule of the Insurance Act 1938 (as amended in 2010), in our opinion to the best of our information and as shown by its books, the company during the year under report has not paid to any person any commission in any form, outside Bangladesh in respect of any of its business re-insured abroad and that the company has not also received from outside bangladesh, from any person any commission in any form in respect of any business re-insured abroad;
- (v) The information and explanations required by us have been received and found satisfactory;
- (vi) The company's Balance Sheet (Financial Position) and Statement of Profit and Loss account and its Cash Flows dealt with by the report are in agreement with the books of account and returns;
- (vii) The expenditure incurred was for the purposes of the Company's business.

Dated: July 08, 2018
Place: Dhaka



Mahfel Huq & Co.
Chartered Accountants

Janata Insurance Company Ltd.

Balance Sheet

(Statement of Financial Position)

As at December 31, 2017

Capital and Liabilities	Notes	Amount in Taka	
		2017	2016
Share capital			
Authorized Share Capital	3.0	1,000,000,000	1,000,000,000
Issued, Subscribed & Paid-up Capital	3.0	383,526,730	383,526,730
Share Premium	4.0	55,964,550	55,964,550
Reserve and Contingency Account:		93,413,021	74,163,038
Reserve for Exceptional Losses	5.0	62,093,835	62,093,835
Profit & Loss Appropriation Account Balance		31,319,186	12,069,203
Total Shareholders' Equity		532,904,301	513,654,318
Balance of Funds and Accounts:	6.0	75,686,891	78,136,848
Fire Insurance Business		23,609,098	37,366,842
Marine Insurance Business		38,847,770	24,693,190
Motor Insurance Business		8,628,123	11,529,498
Miscellaneous Insurance Business		4,601,900	4,547,318
Premium Deposits	7.0	7,695,834	6,547,084
Liabilities and Provisions		277,448,858	224,718,644
Estimated liabilities in respect of outstanding claims whether due or intimated	8.0	6,299,775	7,751,250
Amount due to other persons or bodies carrying on insurance business	9.0	58,367,815	10,457,430
Deferred tax liabilities	10.0	11,350,147	9,788,849
Sundry Creditors (including provision for expenses and taxes)	11.0	201,431,121	196,721,115
Total Liabilities		360,831,583	309,402,576
Total Liabilities & Shareholders' Equity		893,735,884	823,056,894

The accompanying notes 1-27 form an integral part of these financial statements.

Janata Insurance Company Ltd.

Balance Sheet

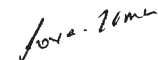
(Statement of Financial Position)
As at December 31, 2017

	Notes	Amount in Taka	
		2017	2016
Investments	12.0	25,420,945	25,312,070
Accrued Interest on FDR & BGTB	13.0	17,277,058	10,711,049
Amount Due From Other Persons or Bodies			
Carrying On Insurance Business	14.0	288,926,462	246,153,663
Sundry Debtors (Including advances, deposits, prepayments and others)	15.0	124,308,298	118,647,739
Cash And Bank Balances :	16.0	298,532,671	276,808,533
At Banks on Fixed Deposit Account		261,352,247	250,330,910
At Banks on Current Account & Cash in hand		12,988,887	8,026,668
At Banks on STD & Savings Account		24,191,537	18,450,955
Other Accounts:	17.0	139,270,450	145,423,840
Fixed Assets (at cost less Accumulated depreciation)		138,719,862	144,409,801
Security Deposits		380,691	807,342
Stock of Stamps		169,897	206,697
Total Assets and Properties		893,735,884	823,056,894
Net Asset Value Per Share (NAV)	25.03	13.89	13.39

The accompanying notes 1-27 form an integral part of these financial statements.


Md. Saiful Islam
 Chief Executive Officer (CC)


Fahima Akter
 Director


Roxana Zaman
 Vice Chairman


Aziz Al-Masud
 Chairman

Signed as per our annexed report of even date.

Dated: July 08, 2018
Place: Dhaka

Mahfel Huq & Co.
 Chartered Accountants

Janata Insurance Company Ltd.

Profit and Loss Account

(Statement of Profit or Loss & Other Comprehensive Income)

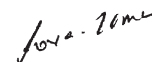
For the year ended December 31, 2017

PARTICULARS	Notes	Amount in Taka	
		2017	2016
Expenses of management		32,022,768	32,612,531
(Not Applicable to any particular fund or Account)			
Advertisement in News papers & Periodicals		453,860	229,228
Directors' fees	21.00	593,750	494,000
Interest	11.01	3,440,272	3,524,359
Legal and Professional fees		844,174	702,611
Audit fees	22.00	320,000	250,000
Bad Debts	15.01	5,455,105	5,455,105
Lease Rental	23.00	4,177,128	4,378,288
Donation and Subscription		424,000	465,000
Registration & Renewals		2,597,237	3,173,805
Gratuity		7,274,840	7,110,000
Depreciation		6,442,402	6,830,135
Net profit transferred to profit or loss appropriation account		31,604,759	18,709,492
Total		63,627,527	51,322,023
Interest and Dividend Income	18.00	18,401,267	20,546,936
Profit/(Loss) Transferred from:		45,191,047	30,770,736
Fire Revenue Account		24,552,248	(2,163,610)
Marine Revenue Account		27,214,093	23,253,968
Motor Revenue Account		5,242,051	7,184,500
Miscellaneous Revenue Account		(11,817,345)	2,495,878
Capital Gain on Sale of Shares		16,119	
Gain on sale of assets	19.00	18,894	-
Other income	20.00	200	4,351
Total		63,627,527	51,322,023

The accompanying notes 1-27 form an integral part of these financial statements.


Md. Saiful Islam
 Chief Executive Officer (CC)


Fahima Akter
 Director


Roxana Zaman
 Vice Chairman


Aziz Al-Masud
 Chairman

Signed as per our annexed report of even date.

Dated: July 08, 2018
Place: Dhaka

Mahfel Huq & Co.
 Chartered Accountants

Janata Insurance Company Ltd.

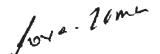
Profit and Loss Appropriation Account

For the year ended December 31, 2017.

PARTICULARS	Notes	Amount in Taka	
		2017	2016
Reserve for exceptional losses		-	1,000,000
Provision for income tax	11.04	10,793,478	6,824,336
Provision for deferred tax	10.00	1,561,298	3,511,507
Dividend Distributed from Last Year Profit		-	19,176,337
Balance transfered to Statement of Financial position		31,319,186	12,069,203
Total		43,673,962	42,581,383
Balance brought forward from last year		12,069,203	23,871,891
Net Profit for the year brought down		31,604,759	18,709,492
Total		43,673,962	42,581,383
Earning Per Share	25.02	0.50	0.22


Md. Saiful Islam
Chief Executive Officer (CC)


Fahima Akter
Director


Roxana Zaman
Vice Chairman


Aziz Al-Masud
Chairman

Signed as per our annexed report of even date.

Dated: July 08, 2018
Place: Dhaka


Mahfel Huq & Co.
Chartered Accountants

Janata Insurance Company Ltd.

Statement of Cash Flows

For the year ended December 31, 2017.

PARTICULARS

Cash Flows from operating activities :

Collections from Premium, other income and receipts
Interest & Dividend received
Management Expenses, Re-Insurance, Claims & Others
VAT paid
Income Tax paid
Net Cash flows (used)/ from operating activities

Amount in Taka	
2017	2016
329,131,354	338,218,930
5,906,533	9,392,894
(279,804,308)	(311,679,561)
(22,524,893)	(27,816,442)
(10,735,822)	(13,117,886)
21,972,864	(5,002,065)

Cash flows from investing activities :

Acquisition of fixed assets
Sale proceeds of fixed assets
Disposal/(Acquisition) of Long Term Investment
Net Cash used in investing activities

(387,019)	(2,513,879)
153,000	-
23,349	-
(210,670)	(2,513,879)

Cash flows from financing activities :

Dividend paid
Total Cash Used in financing activities

(38,056)	(18,623,890)
(38,056)	(18,623,890)

Net Decrease in Cash & Cash equivalents during the year
Opening Cash & Cash equivalents at beginning of the year
Closing Cash & Cash equivalents at end of the year

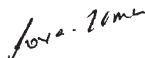
21,724,138	(26,139,834)
276,808,533	302,948,367
298,532,671	276,808,533

Net operating cash flows per share

0.57 (0.13)


Md. Saiful Islam
 Chief Executive Officer (CC)


Fahima Akter
 Director


Roxana Zaman
 Vice Chairman


Aziz Al-Masud
 Chairman

Signed as per our annexed report of even date.

Dated: July 08, 2018
Place: Dhaka


Mahfel Huq & Co.
 Chartered Accountants


Janata Insurance Company Ltd.
Statement of Changes In Equity
For the year ended December 31, 2017.

PARTICULARS	Share capital	Share premium	Reserve for exceptional losses	Retained earnings	Total
Balance as on January 01, 2017	383,526,730	55,964,550	62,093,835	12,069,203	513,654,318
Net Profit for the year 2017 (after tax)	-	-	-	19,249,983	19,249,983
Reserve for Exceptional losses	-	-	-	-	-
Balance as on December 31, 2017	383,526,730	55,964,550	62,093,835	31,319,186	532,904,301
Balance as on January 01, 2016	383,526,730	55,964,550	61,093,835	23,871,891	524,457,006
Cash Dividend for the year 2015	-	-	-	(19,176,337)	(19,176,337)
Net Profit for the year 2016 (after tax)	-	-	-	8,373,649	8,373,649
Reserve for Exceptional losses	-	-	1,000,000	(1,000,000)	-
Balance as on December 31, 2016	383,526,730	55,964,550	62,093,835	12,069,203	513,654,318


Md. Saiful Islam
Chief Executive Officer (CC)


Fahima Akter
Director


Roxana Zaman
Vice Chairman


Aziz Al-Masud
Chairman

Dated: July 08, 2018
Place: Dhaka

Signed as per our annexed report of even date.


Mahfel Huq & Co.
Chartered Accountants

Janata Insurance Company Ltd.

Consolidated Revenue Account

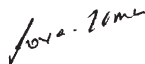
For the year ended December 31, 2017

PARTICULARS	Notes	Amount in Taka	
		2017	2016
Claim Under Policies Less Re-Insurance:		78,242,315	73,057,586
Paid during the year		79,693,790	74,175,711
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		6,299,775	7,751,250
Less: Outstanding at the end of the previous year		(7,751,250)	(8,869,375)
 Agency Commission		40,680,763	44,306,262
Expenses of Management	24.0	56,699,869	56,657,485
Insurance stamp expenses		165,748	191,285
 Profit transferred to Profit or Loss Account		45,191,047	30,770,736
 Reserve for unexpired Risks of premium income of the year as shown in the Balance Sheet		75,686,891	78,136,848.00
Total		296,666,633	283,120,202
		296,666,633	283,120,202
Balance of account at the beginning of the year (Reserve for unexpired Risks)		78,136,848	56,168,949
Premium less Re-Insurance		186,156,078	193,146,184
Commission on Re-Insurance ceded		32,373,707	33,805,069
Total		296,666,633	283,120,202

The accompanying notes 1-27 form an integral part of these financial statements.


Md. Saiful Islam
Chief Executive Officer (CC)


Fahima Akter
Director


Roxana Zaman
Vice Chairman


Aziz Al-Masud
Chairman

Signed as per our annexed report of even date.

Dated: July 08, 2018
Place: Dhaka


Mahfel Huq & Co.
Chartered Accountants

Janata Insurance Company Ltd.

Fire Insurance Revenue Account

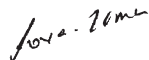
For the year ended December 31, 2017.


PARTICULARS	Notes	Amount in Taka	
		2017	2016
Claim Under Policies Less Re-Insurance:		24,971,940	38,875,135
Paid during the year		25,263,740	39,493,210
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		5,798,250	6,090,050
Less: Outstanding at the end of the previous year		(6,090,050)	(6,708,125)
Agency Commission		16,911,514	24,227,964
Expenses of Management	24.0	22,422,229	29,462,115
Insurance stamp expenses		59,350	82,550
Profit/(Loss) transferred to Profit or Loss Account		24,552,248	(2,163,610)
Reserve for unexpired Risks being 40% of premium income of the year as shown in the Balance Sheet		23,609,098	37,366,842
Total		12,526,379	127,850,996
		112,526,379	127,850,996
Balance of account at the beginning of the year (Reserve for unexpired Risks)		37,366,842	15,600,771
Premium less Re-Insurance		59,022,746	93,417,104
Commission on Re-Insurance ceded		16,136,791	18,833,121
Total		112,526,379	127,850,996

The accompanying notes 1-27 form an integral part of these financial statements.


Md. Saiful Islam
Chief Executive Officer (CC)


Fahima Akter
Director


Roxana Zaman
Vice Chairman


Aziz Al-Masud
Chairman

Signed as per our annexed report of even date.

Dated: July 08, 2018
Place: Dhaka


Mahfel Huq & Co.
Chartered Accountants

Janata Insurance Company Ltd.

Marine Insurance Revenue Account

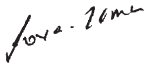
For the year ended December 31, 2017.

PARTICULARS	Notes	Amount in Taka	
		2017	2016
Claim Under Policies Less Re-Insurance:		20,602,826	9,314,180
Paid during the year		20,602,826	9,372,330
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		-	-
Less: Outstanding at the end of the previous year		-	(58,150)
Agency Commission		17,912,794	12,879,598
Expenses of Management	24.0	24,683,206	16,849,695
Profit transferred to Profit or Loss Account		27,214,093	23,253,968
Reserve for unexpired Risk being 40% & 100% of premium income Marine Cargo and Marine Hull business respectively of the year as shown in the Balance Sheet		38,847,770	24,693,190
Total		129,260,689	86,990,631
		129,260,689	86,990,631
Balance of account at the beginning of the year (Reserve for unexpired Risks)		24,693,190	17,624,364
Premium less Re-Insurance		94,058,275	59,537,039
Commission on Re-Insurance ceded		10,509,224	9,829,228
Total		129,260,689	86,990,631
		129,260,689	86,990,631

The accompanying notes 1-27 form an integral part of these financial statements.


Md. Saiful Islam
Chief Executive Officer (CC)


Fahima Akter
Director


Roxana Zaman
Vice Chairman


Aziz Al-Masud
Chairman

Signed as per our annexed report of even date.

Dated: July 08, 2018
Place: Dhaka


Mahfel Huq & Co.
Chartered Accountants

Janata Insurance Company Ltd.

Motor Insurance Revenue Account

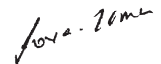
For the year ended December 31, 2017.

PARTICULARS	Notes	Amount in Taka	
		2017	2016
Claim Under Policies Less Re-Insurance:		12,340,114	18,205,155
Paid during the year		13,640,114	18,722,555
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		285,700	1,585,700
Less: Outstanding at the end of the previous year		(1,585,700)	(2,103,100)
Agency Commission		2,862,090	4,099,888
Expenses of Management	24.0	3,925,583	5,110,955
Insurance stamp expenses		101,845	104,085
Profit transferred to Profit or Loss Account		5,242,051	7,184,500
Reserve for unexpired Risks of premium income of the year as shown in the Balance Sheet		8,628,123	11,529,498.00
Total		33,099,806	46,234,081
		33,099,806	46,234,081
Balance of account at the beginning of the year (Reserve for unexpired Risks)		11,529,498	17,410,336
Premium less Re-Insurance		21,570,308	28,823,745
Commission on Re-Insurance ceded		-	-
Total		33,099,806	46,234,081

The accompanying notes 1-27 form an integral part of these financial statements.


Md. Saiful Islam
Chief Executive Officer (CC)


Fahima Akter
Director


Roxana Zaman
Vice Chairman


Aziz Al-Masud
Chairman

Signed as per our annexed report of even date.

Dated: July 08, 2018
Place: Dhaka


Mahfel Huq & Co.
Chartered Accountants

Janata Insurance Company Ltd.

Miscellaneous Insurance Revenue Account

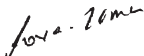
For the year ended December 31, 2017

PARTICULARS	Notes	Amount in Taka	
		2017	2016
Claim Under Policies Less Re-Insurance		20,327,435	6,663,116
Paid during the year		20,187,110	6,587,616
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		215,825	75,500
Less: Outstanding at the end of the previous year		(75,500)	-
Agency Commission		2,994,365	3,098,812
Expenses of Management	24.0	5,668,852	5,234,720
Insurance stamp expenses		4,553	4,650
Profit transferred to Profit or Loss Account		(11,817,345)	2,495,878
Reserve for unexpired Risks of premium income of the year as shown in the Balance Sheet		4,601,900	4,547,318
Total		21,779,759	22,044,494
		21,779,759	22,044,494
Balance of account at the beginning of the year (Reserve for unexpired Risks)		4,547,318	5,533,478
Premium less Re-Insurance		11,504,749	11,368,296
Commission on Re-Insurance ceded		5,727,692	5,142,720
Total		21,779,759	22,044,494

The accompanying notes 1-27 form an integral part of these financial statements.


Md. Saiful Islam
 Chief Executive Officer (CC)


Fahima Akter
 Director


Roxana Zaman
 Vice Chairman


Aziz Al-Masud
 Chairman

Signed as per our annexed report of even date.

Dated: July 08, 2018
Place: Dhaka

Mahfel Huq & Co.
 Chartered Accountants

Janata Insurance Company Ltd.

Schedule of Fixed Assets

As at December 31, 2017

Particulars	Cost				Depreciation					Written down value
	Opening Balance 01.01.2016	Addition during the year	Adjustment/ Disposal during the year	Balance as on 31.12.2016	Rate of depreciation %	Opening Balance 01.01.2016	Charged during the year	Adjustment Disposal	Balance as on 31.12.2016	Balance as on 31.12.2016
LAND	56,650,075	-	-	56,650,075	-	-	-	-	-	56,650,075
BUILDING	77,031,633	-	-	77,031,633	5%	12,705,808	3,216,291	-	15,922,099	61,109,534
OFFICE DECORATION	18,556,397	95,000	-	18,651,397	10%	10,306,297	834,510	-	11,140,807	7,510,590
FURNITURE & FIXTURE	7,845,722	-	170,300	7,675,422	10%	4,821,787	285,363	100,476	5,006,674	2,668,748
MOTOR VEHICLES	12,063,576	-	155,000	11,908,576	20%	9,084,237	564,468	90,718	9,557,987	2,350,589
CARPET & CURTAIN	645,568	-	-	645,568	10%	576,888	6,868	-	583,756	61,812
OFFICE EQUIPMENT	21,737,186	433,769	-	22,170,955	15%	13,255,340	1,337,342	-	14,592,682	7,578,273
SUNDRY ASSETS	727,000	357,800	-	1,084,800	20%	96,999	197,560	-	294,559	790,241
TOTAL	195,257,157	886,569	325,300	195,818,426		50,847,356	6,442,402	191,194	57,098,564	138,719,862

FORM 'AA'

CLASSIFIED SUMMARY OF ASSETS AS AT DECEMBER 31, 2017

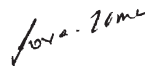
Sl. No.	Class of Assets	Amount in Taka	
		2017	2016
		Book Value	
1.	Investment in Bangladesh Govt. Treasury Bond	25,000,000	25,000,000
2.	Investment in Shares at market value	420,945	312,070
3.	Accrued Interest on FDR & BGTB	17,277,058	10,711,049
4.	Amount due from other persons or bodies carrying on insurance business	288,926,462	246,153,663
5.	Sundry Debtors (including advances, deposits, prepayments and others)	124,308,298	118,647,739
6.	Cash and Bank Balances	298,532,671	276,808,533
7.	Fixed Assets (at cost less depreciation)	138,719,862	144,409,801
8.	Security Deposit	380,691	807,342
9.	Stock of Stamps	169,897	206,697
Total		893,735,884	823,056,894



Md. Saiful Islam
Chief Executive Officer (CC)



Fahima Akter
Director



Roxana Zaman
Vice Chairman



Aziz Al-Masud
Chairman



Mahfel Huq & Co.
Chartered Accountants

Dated: July 08, 2018
Place: Dhaka

Janata Insurance Company Ltd.

Notes to the Financial Statements

For the year ended December 31, 2017

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-1000, Bangladesh. At Present the company operates its business through 06 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, 2017 were authorized by the Board for issue on June 06, 2018 in accordance with a resolution of the Board of Directors of the company.

2.0 Structure, Content and Presentation of (from 1d P264) 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 Bangladesh Accounting Standards (BAS) 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 BFRS 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.

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 affected.

- (vii) Financial statements of the company cover one calendar year from 1st January 2017 to 31st December 2017 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 2017 had been incorporated in the accompanying accounts.

Premium earned less re-insurance during the year was Taka 186,156,078 (Net) against Taka 193,146,184 (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 2017 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. No amount has been kept as reserve for exceptional losses during the year, which is 0.30% of premium income of the year.

2.2.5 Management Expenses

As per section 40(C)(2) Insurance Act 1938 (as amended in 2010) all relevant management expenses for an amount of Taka 56,699,869 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 17% of the total gross premium income of the year as against 22% 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 BAS 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 BAS-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. Asset category wise depreciation rates are 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 BAS 39.

2.2.8 Valuation of Assets

The value of all assets at December 31, 2017 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 made at the rate of 40% as per ITO, 1984.

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 BAS-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 BAS 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.

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 amount of Taka 4,000,000 has been provided in the accounts of 2017 as arrear provision of gratuity and balance short provision of Taka 28,931,510 will be met up by coming 5 (Five) 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 BAS-19.

2.2.16 Earning Per Share (EPS)

The company calculates earnings per share (EPS) in accordance with BAS 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	2017	2016
a)	Earnings attributable to the ordinary shareholders	19,249,983	8,373,649
b)	Number of Ordinary Shares	38,352,673	38,352,673
c)	Earnings Per Share	0.50	0.22

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.

Diluted earnings per share

No diluted earnings per share is required to be calculated for the period, as there was no scope for dilution during the period under review.

2.2.16 Provision for liabilities

According to BAS 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 obligations.

2.2.17 Statement of Cash Flows

Statement of Cash Flows is prepared in accordance with BAS 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.

2.2.18 Additional information on financial statements**Components of the financial statements**

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

- a) Balance Sheet (Statement of Financial Position) as at December 31, 2017.
- b) Profit and Loss Account (Statement of Profit or Loss & Other Comprehensive Income) for the year ended December 31, 2017.
- c) Profit and Loss Appropriation Account for the year ended December 31, 2017.
- d) Consolidated Revenue Account for the year ended December 31, 2017.
- e) Fire Insurance Revenue Account for the year ended December 31, 2017.
- f) Marine Insurance Revenue Account for the year ended December 31, 2017.
- g) Motor Insurance Revenue Account for the year ended December 31, 2017.
- h) Miscellaneous Insurance Revenue Account for the year ended December 31, 2017.
- i) Statement of Changes in Equity for the year ended December 31, 2017.
- j) Statement of Cash Flows for the year ended December 31, 2017.
- k) Notes to the Financial Statements and significant accounting policies.

Comparatives

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

Disclosure of departure from few requirements of BAS/BFRS due to mandatory compliance of Insurance Act's requirements

The Janata Insurance Company Limited's management has followed the principles of Bangladesh Accounting Standard (BAS) & Bangladesh Financial Reporting Standard (BFRS) 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 BAS and BFRS. As such the JICL has departed from those contradictory requirements of BAS/BFRS 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 BAS 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 Bangladesh Accounting Standard (BAS) 37: Provisions, Contingent Liabilities and Contingent Assets.
- c) As per IDRA guidelines, financial instruments are categorized, recognized and measured differently from those prescribed in Bangladesh Accounting Standard (BAS) 39: Financial Instrument: Recognition and Measurement. As such some disclosure and presentation requirements of Bangladesh Financial Reporting Standard (BFRS)
- d) Financial Instrument: Disclosures, and Bangladesh Accounting Standard (BAS) 32: Financial Instrument: Presentation, have not been made in the accounts comply with regulatory requirements.

3.00 Share capital

Authorized

100,000,000 Ordinary Shares of Taka 10 each.

Amount in Taka	
2017	2016

Issued, Subscribed and Paid-up

6,000,000 ordinary shares of Taka 10

each fully paid-up (Sponsors/Promoters plus IPO)

16,262,400 ordinary shares of Taka 10 each fully

paid-up (Rights Share issue)

16,090,273 ordinary shares of Taka 10 each

issued as Bonus Shares

1,000,000,000	1,000,000,000
60,000,000	60,000,000
162,624,000	162,624,000
160,902,730	160,902,730
383,526,730	383,526,730

Share holding position is as under

Name	No. of Shares	Holdings %	Value of Share in Taka	
			2017	2016
Sponsors/Promoters & Directors	15,624,195	40.74%	156,241,950	141,847,450
General Public	22,728,478	59.26%	227,284,780	241,679,280
Total	38,352,673	100%	383,526,730	383,526,730

The shares are listed in the Dhaka Stock Exchange and Chittagong Stock Exchange and quoted at Tk 15.70 and Tk 15.00 per share respectively on December 31, 2017.

4.00 Share premium

Opening balance

Total

55,964,550	55,964,550
55,964,550	55,964,550

This above amount represents the balance of share premium received against rights share issue.

5.00 Reserve for exceptional losses

Opening balance

Addition during the year

Closing balance

62,093,835	61,093,835
-	1,000,000
62,093,835	62,093,835

		Amount in Taka	
		2017	2016
6.00	Balance of fund and accounts	75,686,891	78,136,848
	Fire Insurance Business	23,609,098	37,366,842
	Marine Cargo Insurance Business	36,807,003	23,229,233
	Marine Hull Insurance Business	2,040,767	1,463,957
	Motor Insurance Business	8,628,123	11,529,498
	Miscellaneous Insurance Business	4,601,900	4,547,318

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	59,022,746	40%	23,609,098	37,366,842
Marine Cargo	92,017,508	40%	36,807,003	23,229,233
Marine Hull	2,040,767	100%	2,040,767	1,463,957
Motor	21,570,308	40%	8,628,123	11,529,498
Miscellaneous	11,504,749	40%	4,601,900	4,547,318
Total	186,156,078		75,686,891	78,136,848

7.00 Premium deposits

Balance on this account represents premium received against cover notes which were not converted into policies within 31 December 2017. As of 31 December 2017, covernotes beyond 9(nine) months have been converted into policies consistently.

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

Business -		
Fire	411,569	681,633
Marine Cargo	6,538,569	2,714,769
Miscellaneous	230,535	75,208
Marine Hull	-	3,075,474
Stamp Duty	515,161	-
Total	7,695,834	6,547,084

8.00 Estimated liabilities in respect of outstanding claims whether due or intimated

(a) Fire Insurance Business	5,798,250	6,090,050
(C) Motor Insurance Business	285,700	,585,700
(d) Miscellaneous Insurance Business	215,825	75,500
Total	6,299,775	7,751,250

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

9.00 Amount due to other persons or bodies carrying on Insurance business

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, 2017, the details of which are hereunder:

	Amount in Taka	
	2017	2016
Sadharan Bima Corporation	56,585,944	8,562,948
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	462,746
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
Total	58,367,815	10,457,430

Balance with the co-insurers are being shown after making adjustment/net off considering the above mutual facts.

10.00 Deferred Tax Liabilities

Opening Balance	9,788,849	6,277,342
Add: Addition during the year	1,561,298	3,511,507
Total	11,350,147	9,788,849

11.00 Sundry creditors (including provision for expenses and taxes)

Income Tax Payable [Deduction at source]	2,929,227	5,179,309
Provident Fund Payable (with interest) (Note: 11.01)	47,015,086	49,480,724
Unpaid Dividend (Note: 11.02)	691,980	730,036
Lease Rental Payable	327,978	348,094
Payable dividend against sale proceeds of bonus fraction shares	1,987,173	1,988,548
VAT Payable (Note: 11.3)	1,855,359	3,874,583
Security Deposit	7,000	7,000
Audit fee Payable	559,750	469,750
Office Rent Payable	71,399	629,860
Provision for Taxation (Note: 11.4)	114,795,872	104,002,394
Gratuity Account	30,746,823	29,683,448
Underwriting Commission Payable	236,452	236,452
Provision for Diminution in value of investment	207,022	90,917
Total	201,431,121	196,721,115

Amount in Taka	
2017	2016

11.01 Provident Fund Payable (with interest)

Particulars	Principal	Interest	Balance of Fund	
Balance as on 01.01.2017	45,956,365	3,524,359	49,480,724	45,294,097
Add: Contribution & Provision for the year(including loan recovery)	5,994,539	3,440,272	9,434,811	9,515,572
	51,950,904	6,964,631	58,915,535	54,809,669
Less: Payment made during the year	8,376,089	3,524,359	11,900,448	5,328,945
Balance as on 31.12.2017	43,574,815	3,440,272	47,015,087	49,480,724

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 6,91,980 mainly due to sponsor shareholders.

11.03 VAT Payable

The above VAT payable amount has been provided by the company as unpaid VAT upto 31.12.2017 and subsequently paid the amount full.

11.04 Provision for Taxation

Opening balance	104,002,394	97,178,058
Add: Provision for the year 2017	10,793,478	6,824,336
Closing balance	114,795,872	104,002,394

11.05 Provision for Gratuity

Opening balance	29,683,448	25,630,198
Add: Provision made during the year 2017:	7,274,840	7,110,000
Current year's provision	3,274,840	3,110,000
Arrear provision	4,000,000	4,000,000
	36,958,288	32,740,198
Less: Paid during the year 2017	6,211,465	3,056,750
Closing balance	30,746,823	29,683,448

12.00 Investment

Statutory deposit: Bangladesh Govt. Treasury Bond (Note: 12.1)	25,000,000	25,000,000
Shares - at market value (Note: 12.2)	420,945	312,070
Total	25,420,945	25,312,070

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, 2017 has been accounted for.

12.02 Investment in Shares (at market value)

These are made up as follows:

Amount in Taka				
		2017	2016	
Ordinary Shares	Quantity	Cost price	Market value	
8th ICB Mutual Fund	3095	30,950	59,950	25,800
Wonderlandtoy's	695	69,500	(Not traded since 2009)	
ICB Islami Bank	400	400	2,800	2,040
Asia Insurance	262	7,117	6,262	5,083
Asia Pacific Insurance	500	15,342	12,600	9,600
Bangladesh General Insurance	100	2,917	2,220	1,920
Central Insurance	226	5,935	5,063	3,888
City General Insurance	133	2,756	2,421	2,168
Delta Life Insurance	62	12,666	6,671	6,237
Eastern Insurance	200	7,585	5,740	5,420
Eastland Insurance	279	9,557	6,640	6,357
Fareast Life Insurance	66	4,879	4,719	3,723
Federal Insurance	134	2,434	1,702	1,690
Global Insurance	711	13,933	11,234	11,771
Green Delta Insurance	126	9,698	7,736	6,262
Karnaphuli Insurance	330	7,454	5,808	5,181
Meghna Life Insurance	72	5,764	4,313	3,843
Mercantile Insurance	500	13,531	11,650	8,250
National Life Insurance	94	15,231	15,106	16,408
Peoples Insurance	100	3,451	2,120	1,800
Phenix Insurance	200	8,491	5,900	5,560
Prime Insurance	301	7,973	5,779	5,508
Prime Life Insurance	132	10,352	7,247	8,963
Provati Insurance	703	14,436	13,920	11,753
Purabi General Insurance	814	13,078	14,082	12,802
Reliance Insurance	836	37,373	45,729	38,000
Republic Insurance	781	21,830	20,540	17,241
Rupali Insurance	126	3,350	2,570	2,220
Sandhani Life Insurance	111	3,642	3,497	3,115
Safko Spinning	122	3,656	2,074	1,711
Sonar Bangla Insurance	684	12,474	12,586	10,574
Standard Insurance	778	20,070	22,795	13,027
Sunlife Insurance	556	28,570	13,733	11,398
Takaful Insurance	709	19,114	17,583	12,236
United Insurance	105	4,326	3,129	2,730
Islami Insurance	764	16,549	24,906	13,691
Padmalife Insurance	600	30,633	30,120	14,100
Total	16,407	497,017	420,945	312,070

Provision has been recognised for the difference amount between the market value of shares as on 31.12.2017 and on the same date of previous year.

13.00 Accrued interest on FDR & BGTB

Accrued interest on Fixed Deposit (FDR)	14,844,968	8,278,958
Accrued interest on Bangladesh Govt. Treasury Bond (BGTB)	2,432,090	2,432,091
Total	17,277,058	10,711,049

14.00 Amount due from other persons or bodies carrying on Insurance business

This represents the total receivable from various persons or bodies carrying on insurance business as claim and co-insurance premium as on 31st December, 2017, the details of which are hereunder:

Amount in Taka		
	2017	2016
Sadharan Bima Corporation	286,520,112	244,156,617
Bangladesh General Insurance Co. Ltd.	15,087	15,087
Bangladesh Co-Operative Insurance Co. Ltd.	132,612	132,612
Eastland Insurance Co. Ltd.	36,358	36,358
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.	1,107,403	698,099
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
Total	288,926,462	246,153,663

Balance with the co-insurers are being shown after making adjustment/net off considering the above mutual facts.

15.00 Sundry debtors (Including Advances, Deposits, Prepayments and Others)

Advance against Salary	1,416,896	1,556,548
Advance against printing	100,000	-
Advance against Office Rent	1,986,035	3,641,288
Advance against Income Tax	115,325,263	100,233,601
Suspense Account (Note:15.1)	5,455,104	10,910,209
Advance against Agency Commission	-	2,306,093
Advance against Software Installation	25,000.00	-
Total	124,308,298	118,647,739

15.01 Suspense Account

Opening balance	10,910,209	16,365,314
Less: Write off as Bad Debts (4th phase)	5,455,105	5,455,105
Closing balance	5,455,104	10,910,209

As per decision of the Board of Directors of the Company, court cases were filed in the year 1994 to realize total outstanding premium of Taka 272.76 lakh from the organizations of Late Mr. Akhtaruzzaman Chowdhury, former Chairman and Adviser of the Company. But considering adverse status of the court cases of this long pending issue, the Board in its meeting held on January 28, 2014 had decided to write off the entire amount of Taka 272.76 lakh by amortizing in 5 years subject to withdrawal of court cases. Accordingly, in 4th phase an amount of Tk.54,55,105/= only as 1/5th of the total amount has been provided in the accounts as bad debts as the related cases had withdrawn from the respective courts.

		Amount in Taka	
		2017	2016
16.00	Cash and bank balances		
	Fixed Deposits	261,352,247	250,330,910
	STD Accounts	24,166,131	18,425,552
	Savings Account	25,406	25,403
	Current Accounts	7,863,266	4,499,740
	Cash in hand	5,125,621	3,526,928
	Total	298,532,671	276,808,533
17.00	Other Accounts		
	Fixed Assets (at cost less Acc. depreciation) 17.01	138,719,862	144,409,801
	Land	56,650,075	56,650,075
	Building	61,109,534	64,325,825
	Office Decoration	7,510,590	8,250,100
	Furniture & Fixture	2,668,748	3,023,935
	Motor Vehicles	2,350,589	2,979,339
	Carpet & Curtain	61,812	68,680
	Office Equipment	7,578,273	8,481,846
	Sundry Assets	790,241	630,001
	Security Deposits	380,691	807,342
	Stock of Stamps	169,897	206,697
	Total	139,270,450	145,423,840
17.01	Fixed assets (at cost less Acc. depreciation)		
	A. Fixed Assets at Cost		
	Opening balance	195,257,157	192,743,278
	Add: Addition during the year	886,569	2,513,879
		196,143,726	195,257,157
	Less: Disposal during the year	325,300	-
	Total (A)	195,818,426	195,257,157
	B. Accumulated depreciation		
	Opening balance	50,847,356	44,017,221
	Add: Addition during the year	6,442,402	6,830,135
		57,289,758	50,847,356
	Less: Disposal during the year	191,194	-
	Total (B)	57,098,564	50,847,356
	C. Written down value (A – B)	138,719,862	144,409,801
	Details of fixed assets are shown in Schedule-2.		

		Amount in Taka	
		2017	2016
17.02	Security deposits		
	Telephone	103,592	103,592
	Credit Card with Hotel Purbani	15,000	15,000
	Fuel [Binimoy Service Station]	20,000	20,000
	Club Membership	12,000	12,000
	Central Depository Bangladesh Ltd.	200,000	200,000
	Titas Gas Transmission & Distribution	6,750	6,750
	M/s. Golden son Ltd.	-	450,000
	Wifang securities Ltd.	23349	0
	Total	380,691	807,342
All the above deposits are encashable on cessation of the terms of such deposits.			
18.00	Interest and Dividend Income		
	Interest on Fixed Deposits	15,439,812	17,482,455
	Interest on STD & SB Bank Accounts	367,972	464,737
	Interest on BGTB	2,588,750	2,588,750
	Dividend from listed companies	4,733	10,994
	Total	18,401,267	20,546,936
19.00	Gain on Sale of assets:		
	Original cost	325,300	-
	Accumulated depreciation	191,194	-
	WDV of the asset	134,106	-
	Sale proceed	153,000	-
	Profit	18,894	-
20.00	Other income	200	4,351
Other income represents sale of tender schedule, issuance of duplicate Motor certificates, etc.			
21.00	Directors' fees		
During the year under review a total amount of Taka 5,93,750 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.			
22.00	Audit fees		
	Statutory Audit fees (including VAT)	320,000	250,000
	Special Audit Fees (including VAT)	-	-
	Total	320,000	250,000
23.00	Lease Rental		
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 2017 amounting to Tk.41,77,128 has been charged to Profit and Loss Account.			

		Amount in Taka	
		2017	2016
24.00	Management Expenses		
	a) Expenses Incurred by JIC (Note: 24.1)	52,987,371	53,429,655
	b) Expenses Incurred by SBC (Note: 24.2)	3,712,498	3,227,830
	Total	56,699,869	56,657,485

24.01 Allocation of management expenses

Particulars	Rate %	Expenses Incurred by		2017	2016
		JIC	SBC		
Fire	54.68%	22,027,529	394,700	22,422,229	29,462,115
Marine Cargo	28.46%	22,959,763	1,340,550	24,300,313	16,498,563
Marine Hull	0.61%	371,950	10,943	382,893	351,132
Motor	9.25%	3,727,920	197,663	3,925,583	5,110,955
Miscellaneous	6.99%	3,900,210	1,768,642	5,668,852	5,234,720
Total	100%	52,987,371	3,712,498	56,699,869	56,657,485

24.02 Expenses Incurred by Janata Insurance Co. Ltd. during the year 2017, charged in the Revenue Accounts and profit & Loss account included TDS & VDS (where applicable).

24.03 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 Balance Sheet in accordance with the BAS-10 "Event after the Balance Sheet Date". BAS-1 "Presentation of Financial Statements" also requires the dividend proposed after the Balance Sheet date but before the financial statements are authorized for issue, be disclosed either on the face of the Balance Sheet as a separate component of equity or the notes to the financial statements. Accordingly, the Company has disclosed on notes to the financial statements.

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

25.01 Net Profit for the year and its appropriation

Net Profit for the year	31,604,759	18,709,492
Less:		
Transferred to reserve for exceptional losses	-	1,000,000
Provision for income tax	10,793,478	6,824,336
Provision for deferred tax	1,561,298	3,511,507
Dividend and Reserve Distributed from Last Year Profit:	-	-
Surplus carried forward	19,249,983	7,373,649

		Amount in Taka	
		2017	2016
25.02	Earnings Per Share (EPS)		
	Basic earning per share (EPS) on net profit after tax	0.50	0.22
	Earnings attributable to the ordinary share holders A	19,249,983	8,373,649
	Profit as per profit or loss account	31,604,759	18,709,492
	Less: Income tax provision	(10,793,478)	(6,824,336)
	Less: Deferred tax Expenses	(1,561,298)	(3,511,507)
	Number of ordinary shares outstanding during the year B	38,352,673	38,352,673
25.03	Net Asset Value Per Share (NAV)		
	a) Share holder's Equity at the end of the year	532,904,301	513,654,318
	b) Number of Outstanding Shares	38,352,673	38,352,673
	Net Assets Value Per Share (NAV) at Balance Sheet date (a÷b)	13.89	13.39
25.04	Net Operating Cash Flow Per Share (NOCFPS)		
	a) Net Cash Flows from Operating Activities	21,972,864	(5,002,065)
	b) Number of Outstanding Shares	38,352,673	38,352,673
	Net Operating Cash Flows Per Share (NOCFPS)	0.57	-0.13

26.00 “Related party Disclosure” under BAS 24

The Company has entered into transactions with other entities in normal course of business that fall within the definition of related party as per Bangladesh Accounting Standard-24 “Related Party Disclosure”. The terms of related party transaction are not significantly different from those that could have been obtained from their parties. The significant related party transactions are as follows

Name of the related party	Nature of Business	Premium Receipts during the Year	Premium Outstanding During the year	Claims Payments during the year
Partex Group	Insurance	39,037,000	Nil	8,928,100
Aramit Group	Insurance	3,641,000	Nil	-
Goldenson Ltd.	Insurance	285,000	Nil	-
Ananta Group	Insurance	15,561,000	Nil	526,750
Seraj Ano Ispat	Insurance	582,000	Nil	-
Masco Group	Insurance	3,557,000	Nil	-

- 27.01** There was no contingent liability of the company on the Financial Statement closing date.
- 27.02** There was no outstanding agreement entered into but not executed upto the date of the Financial Statements.
- 27.03** All shares have been fully called and paid up.
- 27.04** There was no preference share issued by the Company.
- 27.05** During the year under audit, there were 137 employees. All employees drawing total remuneration in excess of tk. 36,000 per annum.
- 27.06** There was no credit facility available in the company under any contract and no body availed any other credit facility during the year other than trade creditors available in the ordinary course of business.
- 27.07** There was no bank guarantee issued by the company on behalf of the directors.
- 27.08** No expenses was paid as Royalty and Salary to the Technical Experts.

[illegible]



জনতা ইন্স্যুরেন্স কোম্পানী লিঃ
JANATA INSURANCE COMPANY LTD.

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

PROXY FORM

I/We
of
being a Member of Janata Insurance Company Ltd. 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 32nd Annual General Meeting of the Company to be held on Tuesday, the September
04, 2018 at 11.00 A.M and at any adjournment thereof.

Signed this day of2018.

Signature of Proxy

Signature of Shareholder(s)

Folio/BO No.

N.B.: IMPORTANT

- 1) This Form of Proxy, duly completed, must be submitted at least 48 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.



জনতা ইন্স্যুরেন্স কোম্পানী লিঃ
JANATA INSURANCE COMPANY LTD.

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

ATTENDANCE SLIP

I/We hereby record my/our attendance at the 32nd Annual General Meeting of the Company being held on Tuesday, the September 04, 2018 at 11.00 A.M. at Utshab Banquet Hall of Radisson Blu Dhaka Water Garden, Airport Road, Dhaka Cantonment, Dhaka 1206.

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.