

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন”

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

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। বিনিয়োগকারীগণ প্রোসপেক্টাস পড়ে এবং ঝুঁকির বিষয়গুলি সতর্কতার সাথে অনুধাবন করে নিজ নিজ আর্থিক অবস্থা ও ঝুঁকিগ্রহণ করার সক্ষমতা বিবেচনা করে বিনিয়োগ সিদ্ধান্ত গ্রহণ করবেন।”

PUBLIC ISSUE OF 16,000,000 ORDINARY SHARES

ISSUE DATE OF THE PROSPECTUS: JANUARY 13, 2021

OFFER PRICE TK. 10 EACH AT PAR, TOTAL SIZE OF FUND TO BE RAISED TK. 160,000,000

Opening and closing date of subscription

Opening date of subscription: February 14, 2021

Closing date of subscription: February 18, 2021

PROSPECTUS

Name of the Issuer



Desh General Insurance Company Limited

Name of the Issue Manager



Prime Finance Capital Management Limited

Credit rating status and Name of the Credit Rating Company

Credit rating by	Alpha Credit Rating Limited	
Date of Declaration	29 September 2020	
Period of Accounts	Audited Financial Statements up to 31 December 2019	
Rating	Long term Rating	Short term Rating
	A+	ST-3
Rating type	Surveillance	
Outlook	Stable	
Validity	28 September 2021	

(a) Preliminary information and declarations:

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

Name of party	Contact person	Telephone and fax number
Issuer		
Desh General Insurance Company Limited Head Office Jiban Bima Bhaban, Level#5, Front Block, 10 Dilkusha C/A, Dhaka - 1000 Registered office Jiban Bima Bhaban, Level#5, Front Block, 10 Dilkusha C/A, Dhaka - 1000 E-mail: info@deshinsurancebd.com Web: www.deshinsurancebd.com	Mr. Md. Salahuddin Munabber Deputy Manager	Tel: +88-02-9571642-5 Fax: +88-02-9561920

Name of party	Contact person	Telephone and fax number
Issue manager		
Prime Finance Capital Management Limited PFI Tower (7 th Floor) 56-57 Dilkusha C/A, Dhaka-1000 E-mail: info@primefincap.com Web: www.primefincap.com	Mr. Mohammad Rajibul Islam Head of Public Issue	Tel: +88-02-9584874 +88-02-9584876-77 Fax: +88-02-9584922

Name of parties	Contact person	Telephone and fax number
Underwriters		
EC Securities Limited Kazi Tower (5 th Floor) 86, Inner Circular (VIP) Road, Dhaka-1000, Bangladesh E-mail: info@ecslbd.com Web: www.ecslbd.com	Mr. Md. Ifteqar Islam Senior Reconciliation officer	Tel: +88-02-9333638 Fax: +88-02-9333636
First Security Islami Capital and Investment Limited Al-Amin Center (12 th Floor) 25/A Dilkusha C/A, Dhaka - 1000, Bangladesh E-mail: info@fsicibd.com Web: www.fsicibd.com	Mr. K M Rasidul Hasan Chief Executive Officer	Tel: +88-02-7175819 +88-02-9559827-30 Fax: +88-02-9515917
ICB Capital Management Limited Green City Edge (5 th & 7 th Floor) 89, Kakrail, Dhaka -1000, Bangladesh E-mail: info@icml.com.bd Web: www.icml.com.bd	Ms. Shukla Das Chief Executive Officer	Tel: +88-02-8300555 +88-02-8300367 Fax: +88-02-8300396
LankaBangla Investments Limited Assurance Nazir Tower (Level-06), 65/B, Kemal Ataturk Avenue, Banani, Dhaka-1213 E-mail: info@lankabangla-investments.com Web: www.lankabangla-investments.com	Mr. Iftekhar Alam Chief Executive Officer	Tel: +88-02-55034853 Fax: +88-02-55034856
Grameen Capital Management Limited Grameen Bank Complex 1 st Building (2 nd Floor) Mirpur-2, Dhaka-1216 E-mail: gramcap@yahoo.com Web: www.grameencapital.bd.org	Mr. Chowdhury Khaled Saifullah Managing Director	Tel: +88-02-9004922 +88-02-9005257-69 Fax: +88-02-8057618

Prime Finance Capital Management Limited PFI Tower (7 th Floor), 56-57 Dilkusha C/A, Dhaka-1000 E-mail: info@primefincap.com Web: www.primefincap.com	Mr. Mohammad Rajibul Islam Head of Public Issue	Tel: +88-02-9584877 Fax: +88-02-9584922
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Name of party	Contact person	Telephone and fax number
Auditor Rahman Mostafa Alam & Co Chartered Accountants Paramount Heights (7 th Floor, D2 & C1), 65/2/1 Box Culvert Road , Purana Paltan, Dhaka-1000 E-mail: info@rmadhaka@gmail.com Web: www.rmabd.com	Mr.Mohammad Mofizul Haque Rinku FCA Partner	Tel: +88-02-9553449 Fax: +88-02-9551128

Name of party	Contact person	Telephone and fax number
Valuer		
N/A	N/A	N/A

Name of party	Contact person	Telephone and fax number
Credit rating Alpha Credit Rating Limited Shadharan Bima Bhaban-2, 139 Motijheel C/A Dhaka-1000 E-Mail:farzana@alpharating.com.bd Web: www.alpharating.com.bd	Ms. Farzana Pervin Analyst	Tel: +88-02-9573026-28 Fax: N/A

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

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

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

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

(v) 'Risks in relation to the first issue'
"This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the securities is Tk. 10.00 (ten) and the issue price is Tk.10, i.e.that is the face value. The issue price has been determined and justified by the issuer and the issue manager or bidding by the eligible investors as stated under the paragraph on "Justification of Issue Price" should not be taken to be indicative of the market price of the securities after listing. No assurance can be given regarding an active or sustained trading of the securities or the price after listing."

(vi) 'General risk'
"Investment in securities involves a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offer. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended by the Bangladesh Securities and Exchange Commission (BSEC) nor does BSEC guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'risk factors' given on page number(s) 209-226"

vii) 'Desh General Insurance Company Limited's absolute responsibility'

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

(b) Availability of Prospectus:

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

The prospectus of Desh General Insurance Company Limited is available in hard and soft forms at the following addresses:

Name of party	Contact person	Telephone and fax number
Issuer		
Desh General Insurance Company Limited <u>Head Office</u> Jiban Bima Bhaban, Level#5, Front Block, 10 Dilkusha C/A, Dhaka - 1000 <u>Registered office</u> Jiban Bima Bhaban, Level#5, Front Block, 10 Dilkusha C/A, Dhaka - 1000 Email: info@deshinsurancebd.com Web: www.deshinsurancebd.com	Mr. Md. Salahuddin Munabber Deputy Manager	Tel: +88-02-9571642-5 Fax: +88-02-9561920
Manager to the issue		
Prime Finance Capital Management Limited PFI Tower (7 th Floor), 56-57, Dilkusha C/A, Dhaka-1000 E-mail: info@primefincap.com Web: www.primefincap.com	Mr. Mohammad Rajibul Islam Head of Public Issue	Tel: +88-02-9584874 +88-02-9584876-77 Fax: +88-02-9584922

Name of parties	Available At	Telephone and fax number
Stock Exchanges		
Dhaka Stock Exchange Ltd. 9/F Motijheel C/A Dhaka-1000	DSE Library	Tel: +88-02-9564601-7 Fax: +88-02-9564727
Chittagong Stock Exchange Ltd. 1080 Sheikh Mujib Road, Agrabad Chittagong-4100	CSE Library	Tel: +88-031-714632-3 +88-031-720871-3 Fax: +88-031-714101

Soft Copy of Prospectus would also be available on the websites of Bangladesh Securities and Exchange Commission (BSEC) (www.secbd.org), Dhaka Stock Exchange Ltd. (www.dsebd.org) and Chittagong Stock Exchange Limited (CSE) (www.cse.com.bd), Desh General Insurance Company Limited (www.deshinsurancebd.com) and Prime Finance Capital Management Limited (www.primefincap.com) and Hard Copy of Prospectus would be available at the head office of Issuer and Issue Manager and also at the public reference room of the Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Limited, and Chittagong Stock Exchange Limited (CSE).

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

Sl.	Name of the newspaper	Date of publication
1	[•]	[•]
2	[•]	[•]
3	[•]	[•]
4	[•]	[•]

(iii) Definitions and Acronyms or Elaborations:

Unless the context otherwise indicates, requires or implies, the following terms shall have the meaning set forth below in this prospectus. Reference to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

Legal terms

Terms	Description
AOA / Articles / Articles of Association	Articles of Association of Desh General Insurance Company Limited
Auditors	Rahman Mostafa Alam & Co Chartered Accountants
Board of Directors / Board	The Board of Directors of Desh General Insurance Company Limited, as duly constituted from time to time including any committee thereof
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 1994
Depositories Act	The Depositories Act, 1999, as amended from time to time
Director(s)	Director(s) of Desh General Insurance Company Limited, unless otherwise specified
Group Companies	All companies or ventures which would be termed as Group Companies as per the definition given in Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Desh General Insurance Company Limited
RJSC	Registrar of Joint Stock Companies & Firms

Issue related terms

Terms	Description
A	
AGM	Annual General Meeting
Allotment	Unless the context otherwise requires, the allotment of ordinary shares pursuant to the issue to allottees
Allotees	Persons to whom ordinary shares of DGIC will be allotted
B	
BSEC	Bangladesh Securities and Exchange Commission
BAS	Bangladesh Accounting Standards
BFRS	Bangladesh Financial Reporting Standards
BDT/Tk. /Taka	Bangladeshi Taka
BO	Beneficiary Owner
C	
CDBL	Central Depository Bangladesh Limited
D	
DGIC/ DGICL	Desh General Insurance Company Limited
E	
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization
EPS	Earnings Per Share
F	
Financial Year/ Fiscal/ FY	12 months ended on 31 December 2019, 2018, 2017, 2016, & 2015
FC Account	Foreign Currency Account
G	
GBP	Great Britain Pound
GoB	Government of Bangladesh
I	
IPO	Initial Public Offer
J	
JBC	Jibon Bima Corporation
N	
NBR	National Board of Revenue
NRB	Non-resident Bangladeshi
NPAT	Net Profit after Tax
NAV	Net Asset Value
P	
PFCML	Prime Finance Capital Management Limited
S	
SBC	Sadharan Bima Corporation
Stock Exchange(s)	Unless the context requires otherwise, refers to, the Dhaka Stock Exchange Limited (DSE) & Chittagong Stock Exchange Limited (CSE) where Ordinary shares of the Company will be listed.
U	
USD	United States Dollar
V	
VAT	Value Added Tax

General terms

Terms	Description
“Desh General Insurance Company Limited”, “DGIC”, “We” or “us” or “our Company” or “the Issuer”	Unless the context otherwise requires, refers to Desh General Insurance Company Limited, a Company duly incorporated under the Companies Act, 1994 vide a Certificate of Incorporation issued by the Registrar of Joint Stock Companies and Firms with its registered office in Dhaka, Bangladesh.
“you”, “your” or “yours”	Prospective investors in this Issue.

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	(n) If the issuer has revalued any of its assets, the name, qualification and experiences of the valuer and the reason for the revaluation, showing the value of the assets prior to the revaluation separately for each asset revalued in a manner which shall facilitate comparison between the historical value and the amount after revaluation and giving a summary of the valuation report along with basis of pricing and certificates required under the revaluation guideline of the Commission;	99
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	(p) Financial Information of Group Companies and Companies under common ownership by more than 50%: following information for the last three years based on the audited financial statements, in respect of all the group companies of the issuer, wherever applicable, along with significant notes of auditors: (1) Date of Incorporation; (2) Nature of Business; (3) Equity Capital; (4) Reserves; (5) Sales; (6) Profit after tax; (7) Earnings per share and Diluted Earnings Per Share; (8) Net Asset Value; (9) The highest and lowest market price of shares during the preceding six months with disclosures for changes in capital structure during the period, if any securities of the group are listed with any exchange; (10) Information regarding significant adverse factors relating to the group; (11) Any of the group companies has become sick or is under winding up; (12) The related business transactions within the group and their significance on the financial performance of the issuer (13) Sales or purchase between group companies or subsidiaries or associate companies when such sales or purchases exceed in value in the aggregate ten per cent of the total sales or purchases of the issuer and also material items of income or expenditure arising out of such transactions;	99
	(q) Where the issuer is a banking Company, insurance Company, non-banking financial institution or any other Company which is regulated and licensed by another primary regulator, a declaration by the board of directors shall be included in the prospectus stating	100

		that all requirements of the relevant laws and regulatory requirements of its primary regulator have been adhered to by the issuer;	
	(r)	A report from the auditors regarding any allotment of shares to any person for any consideration otherwise than cash along with relationship of that person with the issuer and rationale of issue price of the shares;	101
	(s)	Any material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public;	106
	(t)	Business strategies and future plans - Projected statements shall be required only for companies not started commercial operation yet and authenticated by Chairman, two Directors, Managing Director, CFO, and Company Secretary;	106
		Discussion on the results of operations shall inter-alia contain the following:	
	(u)	(1) A summary of the past financial results after adjustments as given in the auditor's report containing significant items of income and expenditure; (2) A summary of major items of income and expenditure; (3) The income and sales on account of major products or services; (4) In case, other income constitutes more than 10% of the total income, the breakup of the same along with the nature of the income, i.e., recurring or non-recurring; (5) If a material part of the income is dependent upon a single customer or a few major customers, disclosure of this fact along with relevant data. Similarly if any foreign customer constitutes a significant portion of the issuer's business, disclosure of the fact along with its impact on the business considering exchange rate fluctuations; (6) In case the issuer has followed any unorthodox procedure for recording sales and revenues, its impact shall be analyzed and disclosed.	107
	(v)	Comparison of recent financial year with the previous financial years on the major heads of the profit and loss statement, including an analysis of reasons for the changes in significant items of income and expenditure, inter-alia, containing the following: (1) Unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc. (2) Significant economic changes that materially affect or are likely to affect income from continuing operations; (3) Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations; (4) Future changes in relationship between costs and revenues, in case of events such as future increase in labor or material costs or prices that will cause a material change are known; (5) The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices; (6) Total turnover of each major industry segment in which the issuer operated; (7) Status of any publicly announced new products or business segment; (8) The extent to which the business is seasonal.	109
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	(z)	Technology, market, managerial competence and capacity built-up;	112
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	(bb)	Significant developments subsequent to the last financial year: A statement by the directors whether in their opinion there have arisen any circumstances since the date of the last financial statements as disclosed in the red-herring prospectus or prospectus or information memorandum and which materially and adversely affect or is likely to affect the trading or profitability of the issuer, or the value of its assets, or its ability to pay its liabilities within the next twelve months;	113
	(cc)	If any quarter of the financial year of the issuer ends after the period ended in the audited financial statements as disclosed in the prospectus or information memorandum, unaudited financial statements for each of the said quarters duly authenticated by the CEO and CFO of the issuer or information memorandum, unaudited financial statements or each of the said quarters duly authenticated by the CEO and CFO of the issuer;;	114
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	(h)	Loan status of the issuer, its directors and shareholders who hold 10% or more shares in the paid-up capital of the issuer in terms of the CIB Report of Bangladesh Bank;	135
	(i)	Name with position, educational qualification, age, date of joining in the Company, overall experience (in year), previous employment, salary paid for the financial year of the Chief Executive Officer, Managing Director, Chief Financial Officer, Company Secretary, Advisers, Consultants and all Departmental Heads. If the Chairman, any director or any shareholder received any monthly salary than this information should also be included;	136
	(j)	Changes in the key management persons during the last three years. Any change otherwise than by way of retirement in the normal course in the senior key management personnel particularly in charge of production, planning, finance and marketing during the last three years prior to the date of filing the information memorandum. If the turnover of key management personnel is high compared to the industry, reasons should be discussed;	136
	(k)	A profile of the sponsors including their names, father's names, age, personal addresses, educational qualifications, and experiences in the business, positions or posts held in the past, directorship held, other ventures of each sponsor and present position;	137
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	(c) Any loans either taken or given from or to any director or any person connected with the director, clearly specifying details of such loan in the prospectus, and if any loan has been taken from any such person who did not have any stake in the issuer, its holding Company or its associate concerns prior to such loan, rate of interest applicable, date of loan taken, date of maturity of loan, and present outstanding of such loan.	148
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	(2) If such options are held by any person other than the directors, and the officers of the issuer Company, the following information shall be given in the prospectus, namely:- (i) The total number of shares or stock covered by all such outstanding options (ii) The range of exercise prices; (iii) The range of expiration dates (iv) Justification and consideration of granting such option	153
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	(c) The average cost of acquisition of equity shares by the directors certified by the auditors;	164
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(c)	If one of the objects is an investment in a joint venture, a subsidiary, an associate or any acquisition, details of the form of investment, nature of benefit expected to accrue to the issuer as a result of the investment, brief description of business and financials of such venture;	231
(d)	If IPO proceeds are not sufficient to complete the project, then source of additional fund must be mentioned. In this connection, copies of contract to meet the additional funds are required to be submitted to the Commission. The means and source of financing, including details of bridge loan or other financial arrangement, which may be repaid from the proceeds of the issue along with utilization of such funds;	231
(e)	A schedule mentioning the stages of implementation and utilization of funds received through public offer in a tabular form, progress made so far, giving details of land acquisition, civil works, installation of plant and machinery, the approximate date of completion of the project and the projected date of full commercial operation etc. The schedule shall be signed by the Chief Executive Officer or Managing Director, Chief Financial Officer and Chairman on behalf of Board of Directors of the issuer;	232
(f)	If there are contracts covering any of the activities of the issuer for which the proceeds of sale of securities are to be used, such as contracts for the purchase of land or contracts for the construction of buildings, the issuer shall disclose the terms of such contracts, and copies of the contracts shall be enclosed as annexure to the prospectus;	232
(g)	If one of the objects of the issue is utilization of the issue proceeds for working capital, basis of estimation of working capital requirement along with the relevant assumptions, reasons for raising additional working capital substantiating the same with relevant facts and figures and also the reasons for financing short with long term investments and an item wise break-up of last three years working capital and next two years projection;	232
(h)	Where the issuer proposes to undertake one or more activities like diversification, modernization, expansion, etc., the total project cost activity-wise or project wise, as the case may be;	232
(i)	Where the issuer is implementing the project in a phased manner, the cost of each phase, including the phases, if any, which have already been implemented;	232
(j)	The details of all existing or anticipated material transactions in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies;	232
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	(b) Information as is required under section 186 of the কোম্পানি আইন, 1994 relating to holding Company;	294
	(c) Selected ratios as specified in Annexure-D;	295
	(d) Auditors report under Section 135(1), Para 24(1) of Part II of Schedule III of the কোম্পানি আইন, 1994. The report shall include comparative income statements and balance sheet and aforementioned ratios for immediate preceding five accounting years of the issuer. If the issuer has been in commercial operation for less than five years, the above mentioned inclusion and submission will have to be made for the period since commercial operation;	300
	(e) Financial spreadsheet analysis for the latest audited financial statements;	305

	(f) Earnings Per Share (EPS) on fully diluted basis (with the total existing number of shares) in addition to the weighted average number of shares basis. Future projected Net Income should not be considered while calculating the weighted average EPS;	307
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	(h) Quarterly or half-yearly EPS should not be annualized while calculating the EPS;	307
	(i) Net asset value (with and without considering revaluation surplus or reserve) per unit of the securities being offered at the date of the latest audited statement of financial position.	307
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	(k) Following statements for the last five years or any shorter period of commercial operation certified by the auditors:-	
	(i) Statement of long term and short term borrowings including borrowing from related party or connected persons with rate of interest and interest paid or accrued;	
	(ii) Statement of principal terms of secured loans and assets on which charge have been created against those loans with names of lenders, purpose, sanctioned amount, rate of interest, primary security, collateral or other security, re-payment schedule and status;	
	(iii) Statement of unsecured loans with terms & conditions;	
	(iv) Statement of inventories showing amount of raw material, packing material, stock-in-process and finished goods, consumable items, store & spares parts, inventory of trading goods etc.;	
	(v) Statement of trade receivables showing receivable from related party and connected persons;	
	(vi) Statement of any loan given by the issuer including loans to related party or connected persons with rate of interest and interest realized or accrued;	
	(vii) Statement of other income showing interest income, dividend income, discount received, other non operating income;	
	(viii) Statement of turnover showing separately in cash and through banking channel;	
	(ix) Statement of related party transaction;	
	(x) Reconciliation of business income shown in tax return with net income shown in audited financial statements;	
	(xi) Confirmation that all receipts and payments of the issuer above Tk. 5,00,000/- (five lac) were made through banking channel;	
	(xii) Confirmation that Bank Statements of the issuer are in conformity with its books of accounts;	
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Chapter – I

Executive summary

(a) About the industry;

Insurance serves a number of valuable functions which are very different from those rendered by other types of financial intermediaries. The indemnification and the risk pooling properties of non-life insurance facilitate transaction and the provision of credit by mitigating losses as well as the measurement and management of risk.

Initially, The Insurance Industry of Bangladesh was governed by The Insurance Act 1938 which subsequently has been replaced by the Act of 2010. The office of the Controller of Insurance under the Ministry of Commerce was abolished by the Insurance Development and Regulatory Authority Act 2010; and Insurance Development and Regulatory Authority (IDRA) is functioning under the Ministry of Finance (previously under the Ministry of Commerce).

Through the enactment of Insurance Corporation act, 1973 (Act No. VI of 1973) two corporations, namely the Sadharan Bima Corporation for non-life insurance and the Jiban Bima Corporation for life insurance in Bangladesh were established on 14th May, 1973. The government allowed the private sector to conduct business in all areas of insurance for the first time in 1984. The insurance market now consists of 77 companies as per record in Insurance Development Regulatory Authority (IDRA), which are:

- 02 (Two) state owned companies (Jiban Bima Corporation for life insurance, and Sadharan Bima Corporation for non-life insurance),
- 45 non-life insurance and
- 30 life insurance companies in the private sector.

Out of which, 48 insurance companies are listed in the capital market of which 37 nos. are non life and 11 nos. are life insurance providers [source: www.dsebd.org]. Government has recently issued license to India's state owned-Life Insurance Corporation (LIC).

(b) About the issuer;

Desh General Insurance Company Ltd. is a non-life Insurance Company was incorporated in Bangladesh with the Registrar of Joint Stock Companies and Firms on 8th February 2000 vide certificate no. C-39596(1564)/2000 as a Public Limited Company under the Companies Act, 1994. The Chief Controller of Insurance, Government of the People's Republic of Bangladesh issued the registration certificate no. CCI/13/15/99-397 with effect from 2nd March, 2000 for carrying business under the Insurance Act 1938.

A short profile about the Company is presented below:

Particulars	Status
Date of incorporation as Public Limited Company	8 February 2000
Date of commencement of business	8 February 2000
Received registration certificate by	The Chief Controller of Insurance
Commencement of commercial operation	2 March 2000
Change of face value of share from Tk. 100/- to Tk. 10/-	The face value of shares was denominated from Tk. 100 per share to Tk. 10 per share vide special resolution was passed on 27 August 2013 in the extra ordinary general meeting by the shareholders of the Company and the subsequently which was passed in RJSC on 18 December 2013
Authorized capital as on 31 December 2019	Tk. 1,000,000,000
Paid up capital as on 31 December 2019	Tk. 240,000,000
Nature of business	The Main objective of the Company is to carry on all kinds of Insurance, guarantee and indemnity business other than life insurance business
Total employee as on 31 December 2019	264 nos.

(c) Financial information

Sl. No.	Particulars	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
1	Total revenue	308,191,870	203,393,806	161,060,466	145,694,075	119,871,285
2	Gross profit	65,934,901	48,306,881	49,427,168	27,344,558	17,417,011
3	Net profit before tax	54,295,191	46,760,392	41,110,467	21,354,164	19,759,540
4	Net profit after tax	32,577,114	24,011,872	20,994,600	12,278,644	11,361,735
5	Total assets	693,737,225	573,422,040	526,864,219	322,441,888	266,929,699
6	Shareholder's equity	278,797,365	270,576,395	272,564,523	125,015,342	112,736,698
7	No. of shares	24,000,000	24,000,000	24,000,000	10,220,308	8,004,000
8	Face value	10.00	10	10	10	10
9	NAV per share with revaluation reserve	11.62	11.27	11.27	12.23	14.09
10	NAV per share without revaluation reserve	11.62	11.27	11.27	12.23	14.09
11	EPS (Basic)	1.36	1.00	1.14	1.20	1.42
12	EPS (Restated)	1.36	1.00	0.87	0.51	0.47

*The face value of shares was denominated from Tk. 100 per share to Tk. 10 per share vide special resolution was passed on 27 August 2013 in the extra ordinary general meeting by the shareholders of the Company and the subsequently which was passed in RJSC on 18 December 2013.

(d) Features of the issue and its objects;

*Ordinary shares offered	16,000,000 Ordinary shares of Tk. 10 each at par totaling Tk. 160,000,000
Of which	
50% of total public offer shall be reserved for the Eligible Investor (EI)	8,000,000 Ordinary shares of Tk. 10 each at par totaling Tk. 80,000,000
50% of total public offer shall be reserved for the General public	8,000,000 Ordinary shares of Tk. 10 each at par totaling Tk. 80,000,000
Ordinary shares outstanding prior to the issue [nos. of share]	24,000,000 Ordinary shares
Ordinary shares outstanding after the issue [nos. of share]	40,000,000 Ordinary shares*
Total IPO proceeds	16,000,000 nos. shares @ Tk 10 per share total Tk. 160,000,000
Objects of the issue	The public issue is for compliance of statutory requirement of the Company. The Company offers its shares to the public as required by the Insurance Act, 2010. The net proceeds of the present issue of 16,000,000 shares of Tk. 10 each at par totaling Tk.160,000,000 will strengthen the capital base of the Company and shall enhance business revenue. The fund thus raised through public issue will be used for Investment in FDR & Treasury Bond and Investment in Capital Market of Bangladesh as specified in "Use of Proceeds" under Chapter-XXI.*

* Subject to approval of regulatory authority.

(e) Legal and other information;

Sl	Name of Issues (Licenses, registration, NOC and permission)	License Issuer/Issuing Authority	Registration/Certificate/LicenseNo./Permis sion letter No.	Issue Date	Date of renewal	Date of expiry
1	Certificate of Incorporation	Registrar of Joint Stock Companies and Firms	C-39596(1564)/2000	8th February 2000	N/A	N/A
2	Commencement of commercial operation	Chief Controller of Insurance	CCI/13/15/99-397	2nd March, 2000	N/A	N/A
3	E-Trade License certificate	Dhaka South City Corporation	TRAD/DSCC/244950/2-19	29/06/2004 effective from 2001	23/10/19	30/06/2021
4	Certificate of registration	Controller of Insurance (Duly renewed by IDRA)	No. CR-5/2000	2 March 2000	17-Feb-2020	31-Dec- 2020*
5	NOC to issue rights share among sponsor shareholders	Insurance Development Regulatory Authority (IDRA)	IDRA/Non - Life/2635/2017-186	22 January 2017	N/A	N/A
6	NOC to raise capital through IPO	Insurance Development Regulatory Authority (IDRA)	No.53.02.0000.051.50.0 01.17.12 ,	Dated 12 October 2017	-	-
7	Consent for raising paid up capital	BSEC	BSEC/CI/CPLC-482/2014/117	2 March 2017	-	-
			BSEC/CI/CPLC-482/2014/695	4 December 2016		
			BSEC/CI/CPLC-482/2014/460	1 August 2016		
			BSEC/CI/CPLC-482/2014/604	2 December 2015		

*Applied for renewal

(f) Promoters' background;

The Background of the Promoters of the Company was as follows:

Sl.	Name of the promoters	Status
1	Mrs. Firuza Hossain	Subscriber to the memorandum
2	Mr. Kamal Uddin	
3	Mr. Md. Moin Uddin	
4	Mr. Jashim Uddin	
5	Mr. M. Monsurul Islam	
6	Mr. Dewan Sekar Ahmed	
7	Ms. Priti Kana Bose	
8	Mr. Moshfeque Mamun Rizvi	
9	Mr. Abdus Salam Khan	
10	Mr. Murad Mohammad Taj	
11	Mr. Tanveer M. O. Rahman Chowdhuri	
12	Mr. Md. Saifuddin Khaled	
13	Mr. Md. Akbar Hossain	
14	Mr. Tahrin Aman	
15	Mr. Md. Shawkat Ali Bhuiyan	
16	Mr. Aminur Rahman	
17	Mrs. Rokeya Quader	
18	Ms. Farah Binte Latif	
19	Engr. A.K.M. Ahsanul Haque	
20	Late Mr. Nil Kantha Roy	
21	Engr. Tarikul Alam Rahimi	
22	Mrs. Rehena Begum	
23	Mrs. Hasmat Ara Julfikure	
24	Mrs. Nauzat Begum	

1 **Mrs. Firuza Hossain**

Mrs. Firuza Hossain wife of Mr. Amir Hossain Amu, was born in a respectable Muslim family of Sonaimury, Noakhali on 1st January 1965. She completed B.Com. She is a business person by profession. She has a great contribution to the formation of the Company.

2 **Mr. Kamal Uddin**

Mr. Kamal Uddin son of late A. T. Obaidullah Master, was born in a respectable Muslim family of Sonaimury, Noakhali in the year 1965. He completed B.Com. He is a business person by profession. He has a great contribution to the formation of the Company.

3 **Mr. Md. Moin Uddin**

Mr. Md. Moin Uddin son of late Khalilur Rahman Talukder, was born in a respectable Muslim family of Sonaimury, Noakhali in January 1965. He completed B.Com. He is a business person by profession. He has a great contribution to the formation of the Company.

4 **Mr. Jashim Uddin**

Mr. Jashim Uddin, son of late Al-Hajj Idris Miah & late Tahera Begum, was born in a respectable Muslim family of Sonaimury, Noakhali on 1st January 1965. Mr. Jashim Uddin is the Honorable Chairman of Desh General Insurance Company Limited & Vice Chairman of Bengal Group of Industries. He has awarded CIP in the year 1999, 2009-2010 & 2010- 2011 by the Government of Bangladesh for contributing Bangladesh economy and business arena. He has also received Prime Minister National Export Trophy- silver during the FY 1997-1998 & FY 2009-2010, FY 2010-2011, FY 2012-2013, FY 2013-2014 and gold during the FY 2000-2001, FY 2006-2007, FY 2012-2013 & FY 2013-2014. He also received Prime Minister's Export trophy- Bronze during the FY 2010-2011. He received Best Enterprise Award 2007.

Mr. Jashim Uddin has started his business career in 1983 as a Director of Bengal Group of Industries. The Group is made up of a number of different Industries that operate in diversified fields like plastic processing, chemicals, food processing and trading.

Mr. Jashim Uddin has deep affinity and also attached with number of socio cultural organizations and educational institutes such as:

- Founder of Jashim Uddin Kinder Garden at Nateswar, P.S. Sonaimury, District Noakhali
- Founder of Morshed Alam, High School at Nateswar, P.S. Sonaimury, District Noakhali
- Donated and constructed few Madrasahs & Masjids in Nateswar, P.S. Sonaimury, District Noakhali and other Districts.
- Actively involved with organizations in his native area under P.S. Sonaimury, District Noakhali for the improvement of Living Standards of the people and Eradication of the Poverty in the Neighborhood.

5 **Mr. M. Monsurul Islam**

Mr. M. Monsurul Islam, son of late Lutful Hoque Mia & late Shamnoor Nahar, was born in a respectable Muslim family on 29th January 1948. He has completed Masters in Arts from University of Dhaka. He is the Chairman of Anupam Knittex Ltd. & Omni Solutions Ltd., Director of Robintex (Bangladesh) Ltd. & B. M Associates and Proprietor of Anupam Trading Associates & Crown Electrical & Engineering Works. He is a business person by profession. He has a great contribution to the formation of the Company.

6 **Mr. Dewan Sekar Ahmed**

Mr. Dewan Sekar Ahmed son of Dewan Aftab Uddin, was born in a respectable Muslim family of Sonaimury, Noakhali on 1st January 1965. He completed B.Com. He has a great contribution to the formation of the Company.

7 Ms. Priti Kana Bose

Ms. Priti Kana Bose, wife of Mukul Bose & daughter of Renuka Dev, was born in a respectable Hindu family on 31st December 1964. She completed B.Com. She is a business person by profession. Currently, she is the Director of Desh General Insurance Company Limited. She has a great contribution to the formation of the Company.

8 Mr. Moshfeque Mamun Rizvi

Mr. Moshfeque Mamun Rizvi, son of late Mahabub Uddin Molla & Monowara Begum, was born in a respectable Muslim family on 21st September 1980. He has completed BCL (Masters) Degree, Oxford University. He has also completed Barrister-at-Law. He is the Sponsor Shareholder of Standard Bank Ltd. He has a great contribution to the formation of the Company.

9 Mr. Abdus Salam Khan

Mr. Abdus Salam Khan, son of late Kashem Ali Khan & late Noor Jahan Begum, was born in a respectable Muslim family on 7th November 1956. He has a great contribution to the formation of the Company.

10 Mr. Murad Mohammad Taj

Mr. Murad Mohammad Taj, son of Sufi Taj Islam & Syeda Kashmiri, was born in a respectable Muslim family on 17th December 1965. He has completed B.Com from Chittagong University. He is the Proprietor of Dakkhina Multipurpose Project & Ocean Marine Fisheries. He is the life member of Bangladesh Red Crescent Society, Mirsarai Association, Chittagong Diabetic Association and Chattogram Mohanagor Krira Songstha. He is a business person by profession. Currently, he is the Director of Desh General Insurance Company Limited. He has a great contribution to the formation of the Company.

11 Mr. Tanveer M. O. Rahman Chowdhuri

Mr. Tanveer M. O. Rahman Chowdhuri son of Tawfiqur Rahman Chowdhury, was born in a respectable Muslim family of Sonaimury, Noakhali on 1st January 1965. He completed B.Com. He is a business person by profession. He has a great contribution to the formation of the Company.

12 Mr. Mohammed Saifuddin Khaled

Mr. Mohammed Saifuddin Khaled, son late Harish Uddin & Jobeda Khatun, was born in a respectable Muslim family on 1st January 1965. He completed M.Com from University of Dhaka. He is the Chairman of Sylhet Securities Ltd. & Sylhet Grammar School and Director of Premier Leasing & Finance Ltd. & Premier Securities Ltd. He is a business person by profession. He has a great contribution to the formation of the Company.

13 Mr. Md. Akbar Hossain

Mr. Md. Akbar Hossain, son of late Akram Hossain & Ferdousi Begum, was born in a respectable Muslim family on 31st December 1978. He completed his Masters' in Information System from University of Ballarat, Melbourne, Australia. He is the Director of FARS Holdings & Associates Ltd. He is a business person by profession. Currently, he is the Director of Desh General Insurance Company Limited. He has a great contribution to the formation of the Company.

14 Mr. Tahrin Aman

Mr. Tahrin Aman, son of M. Amanullah & Tazneen Aman, was born in a respectable Muslim family on 7th January 1980. He has completed his Masters' from Boston College, USA. He is the Managing Director of Aman Spinning Mills Ltd. & Arena Securities Ltd. and Director of Mousumi Enterprises Ltd. & Arena Industries Ltd. He is a business person by profession. Currently, he is the Director of Desh General Insurance Company Limited. He has a great contribution to the formation of the Company.

15 Mr. Md. Shawkat Ali Bhuiyan

Mr. Md. Shawkat Ali Bhuiyan son of late Tajibor Rahman Bhuiyan, was born in a respectable Muslim family of Sonaimury, Noakhali on 1st January 1965. He completed B.Com. He is a business person by profession. He has a great contribution to the formation of the Company.

16 Mr. Aminur Rahman

Mr. Aminur Rahman, son of late Abdul Wadud & late Fazilatun Nesa, was born in a respectable Muslim family on 7th

December 1964. He completed B.Com from Chittagong University. He is the Director of SARINCO Ltd. and Proprietor of Ocean Marine Fisheries & SAANJE Engineers. He is the life member of Chattogram Mohanagor Krira Songstha, Chittagong Diabetic Association, Bangladesh Red Crescent Society and Ma-O-Shisu Hospital. He is a business person by profession. Currently, he is the Director of Desh General Insurance Company Limited. He has a great contribution to the formation of the Company.

17 Mrs. Rokeya Quader

Mrs. Rokeya Quader, wife of late Noorul Quader & daughter of late Afia Khatun, was born in a respectable Muslim family on 27th April 1952. She has completed LLM from University of Dhaka. She is the Chairman of Desh Garments Ltd., Jenk Industries Ltd., and Tutelar Oil Services Co. (Pvt) Ltd. & Desh Agencies Ltd. She is a business person by profession. Currently, she is the Director of Desh General Insurance Company Limited. She has a great contribution to the formation of the Company.

18 Ms. Farah Binte Latif

Ms. Farah Binte Latif daughter of late Abdul Latif, was born in a respectable Muslim family of Sonaimury, Noakhali on 1st January 1965. She completed B.Com. She is a business person by profession. She has a great contribution to the formation of the Company.

19 Engr. A.K.M. Ahsanul Haque

Engr. A.K.M Ahsanul Haque, son of late Lahoruiddin Mirdha & late Asirun Begum, was born in a respectable Muslim family on 1st November 1957. He has completed B.Sc Engineering (Civil) from Rajshahi Engineering College. He is the Managing Director of Galaxy Color Ltd. and Proprietor of ASSA Trading & M/S. AKM Ahsanul Haque. He is a business person by profession. Currently, he is the Director of Desh General Insurance Company Limited. He has a great contribution to the formation of the Company.

20 Late Mr. Nil Kantha Roy

Mr. Nil Kantha Roy, son of late Reboti Lal Roy & late Bimola Bala Roy, was born in a respectable Hindu family on 7th January 1937. He is the Chairman of Kamala Vander Jewellers (Pvt) Ltd. He is a business person by profession. Currently, he is the Director of Desh General Insurance Company Limited. He has a great contribution to the formation of the Company.

21 Engr. Tarikul Alam Rahimi

Engr. Tarikul Alam Rahimi, son of late Abdul Quasem & late Khodeza Quasem, was born in a respectable Muslim family on 1st October 1953. He has completed B.Sc Engineering (Mechanical) from BUET. He was the Asst. Engineer of Airports Development Agency, Ministry of Civil Aviation, Executive Engineer of Polash Urea Fertilizer Factory, BCIC and Engineer of Ministry of Municipal & Village, KSA. He is also the Chairman of Apon Properties, Managing Director of The Nirmitee & Mother Care Clinic and Director of First Lead Securities Limited. He is a business person by profession. Currently, he is the Director of Desh General Insurance Company Limited. He has a great contribution to the formation of the Company.

22 Mrs. Rehena Begum

Mrs. Rehena Begum, wife of late Abdul Jalil & daughter of late Rabeya Begum, was born in a respectable Muslim family on 12th May 1963. She is the Chairman of Fayeze Uddin Cold Storage, Sponsor Shareholder of Mercantile Bank Ltd. and Director of Jalil Grain Industries. She is a business person by profession. She has a great contribution to the formation of the Company.

23 Mrs. Hasmat Ara Julfikure

Mrs. Hasmat Ara Julfikure wife of Mr. Ashrafur Rahman, was born in a respectable Muslim family of Sonaimury, Noakhali on 1st January 1965. She completed B.Com. She is a business person by profession. She has a great contribution to the formation of the Company.

24 Mrs. Nauzat Begum

Mrs. Nauzat Begum, wife of Dr. Mustafa Jalal Mohiuddin & daughter of late Safia Khatun, was born in a respectable Muslim family on 27th September 1955. She completed Hon's from University of Dhaka. Currently, she is the Director of

Desh General Insurance Company Limited. She has a great contribution to the formation of the Company.

(g) Capital structure and history of capital raising;

Authorized capital

The authorized capital of the Company as on 31 December 2019 is BDT 1,000,000,000, divided by 100,000,000 ordinary shares of face value of Tk. 10 each.

Issued, Subscribed and paid-up capital

The paid up capital of the Company as on 31 December 2019 is BDT 240,000,000, divided by 24,000,000 ordinary shares of face value of Tk. 10 each. The detail capital structure is given below:

Sl.	Number of share		Class of Share	Allotment date	Nominal Price	Issue Price	Amount in Taka	Form of Consideration
	@ BDT 100 per share	@ BDT 10 per share						
1	600,000	6,000,000	Ordinary Share	Issued & fully paid up capital (Taka) as per memorandum as on 8 February 2000	100	100	60,000,000	Cash
2	-	900,000	Ordinary Share	1 st allotment as on 20 October 2013	*10	10	9,000,000	Bonus shares
3	-	1,104,000	Ordinary Share	2 nd allotment as on 27 August 2014	10	10	11,040,000	Bonus shares
4	-	1,040,520	Ordinary Share	3 rd allotment as on 2 June 2016	10	10	10,405,200	Bonus shares
5	-	1,175,788	Ordinary Share	4 th allotment as on 16 October 2016	10	10	11,757,880	Bonus shares
6	-	13,779,692	Ordinary Share	5 th allotment as on 31 May 2017	10	10	137,796,920	Rights issue
Total		24,000,000	Ordinary Share		10	10	240,000,000	

*The face value of shares was denominated from Tk. 100 per share to Tk. 10 per share vide special resolution was passed on 27 August 2013 in the extra ordinary general meeting by the shareholders of the Company and the subsequently which was passed in RJSC on 18 December 2013.

Paid up capital before and after the public issue

Particulars of paid up capital	No. of ordinary shares	Amount in Taka
Before initial public offer	24,000,000	240,000,000
*Initial public offering (IPO) under Fixed Price Method	16,000,000	160,000,000
Paid up capital after IPO	40,000,000	400,000,000

* Subject to approval of regulatory authority.

(h) Summary of valuation report of securities;

Summary of valuation:

Sl.	Method used	BDT
Method-1	Net Asset Value (NAV) per share at historical cost	11.62
Method-2	Earning-based-value per Share (Considering average market P/E of last three months)	12.73
Method-3	Average market price of similar stock based valuation	28.39

The detail valuation report is given at the chapter titled "Valuation report of securities" under Chapter- XV

(i) Others-N/A

Chapter-II

Conditions imposed by the Commission in the consent letter

Disclosure in respect of issuance of security in demat form

As per provision of the Depository Act, 1999 and regulations made thereunder, shares will only be issued in dematerialized form. All transfer/transmission/splitting will take place in the Central Depository system of CDBL and any further issuance of shares (right/bonus) will be issued in dematerialized form only.

(To be finalized later after getting final consent letter)

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

PART-A

1. The Company shall go for Initial Public Offer (IPO) for 16,000,000 ordinary shares of Tk. 10.00 each at par totaling to **Tk. 160,000,000.00 (Taka Sixteen Crore only)** following the Securities and Exchange Ordinance, 1969, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the Depository Act, 1999 and rules made there under.
2. The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in 4 (Four) national daily newspapers (two in Bangla and two in English), within **02 (two) working days** of issuance of this consent letter. The issuer shall post the full prospectus, vetted by Commission, in the issuer's website and shall also put on the websites of the Commission, stock exchanges, and the issue manager, within **3 (three) working days** from the date of issuance of this letter and shall remain posted till the closure of the subscription list. The issuer shall submit to the Commission, the stock exchanges and the issue manager a diskette containing the text of the vetted prospectus in "MS - Word" format.
3. The Company shall submit **40 (Forty)** copies of the printed prospectus to the Commission for official record within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper.
4. The issuer Company and the issue manager shall ensure transmission of the prospectus and its abridged version for NRBs through email to the Bangladesh Embassies and Missions abroad within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper. A compliance report shall be submitted in this respect to the Commission jointly by the issuer and the Issue Managers within **02 (Two) working days** from the date of said transmission of the prospectus.
5. The following declaration shall be made by the Company in the prospectus, namely: -

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

None of the stock exchange(s), if for any reason, grants listing within **75 (Seventy Five) days** from the closure of subscription, any allotment in terms of this prospectus shall be void and the Company shall refund the subscription money within **15 (Fifteen) days** from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said **75 (Seventy Five) days**, as the case may be.

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

The issue manager, in addition to the issuer Company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within **07 (Seven) days** of expiry of the aforesaid **15 (Fifteen) days** time period allowed for refund of the subscription money."

6. All applicants shall apply for minimum market lot of 500 shares worth Taka 5,000/- (Taka five thousand only) or its multiples.
7. The IPO shall stand cancelled in case of under-subscription in any category above 35%. In such an event, the issuer and issue manager shall inform the Commission **within 2 (two) working days** and release the subscription money within 10 (ten) working days after receiving verification report from CDBL and the information from exchanges regarding subscription.
8. 20% of the securities reserved for general public shall be reserved for ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী. In case of under-subscription under any of sub-categories of eligible investor's category or general public category, the unsubscribed portion shall be added to other sub-category of the same category. In case of over subscription in the general public category, the issuer and the issue manager shall jointly conduct an open lottery. In case of over subscription in the eligible investor's category, securities shall be allotted on pro-rata basis. No eligible investors shall apply for more than 10% (ten percent) of the total securities reserved for the other eligible investors.
9. An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case, an applicant submits more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.
10. The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money.
11. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of

the application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account of the Bangladesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.

12. The Company shall furnish the list of allottees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, within 24 (Twenty Four) hours of allotment.
13. Shares not allotted at the time of according this consent, but allotted after listing, in favor of sponsors, directors or shareholders having 5% or more shares through stock dividends, shall be subject to a lock-in period of 02(two) years from the date of issuance of the prospectus.
14. If any share shares of Sponsors/Directors/Promoters is in paper format, it shall be handed over to securities custodian registered with the Commission and shall remain held till completion of lock-in period and the name of the securities custodian shall be furnished to the Commission jointly by the issuer and issue manager, along with a confirmation thereof from the custodian, within one week of listing of the shares with the stock exchange(s). Or they (shares of Sponsors/ Directors/ Promoters) can be demated and shall remain in lock-in under CDBL system and issuer shall submit a dematerialization confirmation report generated by CDBL and attested by Managing Director of the Company along with the lock-in confirmation to the Commission within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/Directors/Promoters the issuer will ensure their lock-in of those shares and submit a statement to this effect to the Commission.
15. The Company shall not declare any dividend/bonus shares before listing of its capital with any Exchange from the date of this consent for raising of capital.
16. The Company shall not engage itself into any merger/amalgamation or acquisition activities without taking "No Objection" from the Commission, on the scheme of the said merger/amalgamation or acquisition, as recommended by the Board of Directors, before approval by the shareholders in General Meeting.

PART-B

Application Process

Step-1 (Applicant)

1. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. the subscription closing date), which shall be the **25th (twenty fifth) working day** from the date of publication of abridged version of prospectus.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:
 - a) Other than non-resident Bangladeshi (NRB) and Foreign applicants shall make the application money and service charge available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.
 - b) Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to the concerned Stockbroker/Merchant Banker. A Non-resident Bangladeshi (NRB) and Foreign applicant may also submit a single draft against 02(two) applications made by him/her, i.e. one in his/her own name and the other jointly with another person. The draft (FDD) shall be issued by the Bank where the applicant maintains NITA/Foreign Currency account debiting the same account. No banker shall issue more than two drafts from any NITA/Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.

Step-2 (Intermediary)

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely "Public Issue Application Account". The Stockbroker/Merchant Banker shall:
 - a) post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;
 - b) accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the "Public Issue Application Account" maintained with its bank within the first banking hour of next working day of the cut-off date. In case of application submitted by the Stock-dealer or the Merchant Banker's own portfolio, the application amount should also be transferred to the "Public Issue Application Account";

- c) instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.
4. Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.
5. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker shall prepare a list containing the draft information against the respective applicant's particulars.
6. The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and within 03 (three) working days from the cut-off date, send to the respective Exchange, the lists of applicants in electronic (text format with tilde „~“ separator) format, the certificate(s) issued by its banker, the drafts received from Non-resident Bangladeshi (NRB) and Foreign applicants and a copy of the list containing the draft information.
7. On the next working day, the Exchanges shall provide the Issuer with the information received from the Stockbroker/Merchant Bankers, the drafts submitted by Non-resident Bangladeshi (NRB) and Foreign applicants and the list containing the draft information. Exchanges shall verify and preserve the bankers' certificates in their custody.
8. The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers up to 6 months from listing of the securities with exchange.

Step-3 (Issuer)

9. The Issuer shall prepare consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification. The Issuer shall post the consolidated list of applicants on its website and websites of the Exchanges. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.
10. On the next working day, CDBL shall provide the Issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents' Name, Joint Account and Bank Account information along with the verification report.
11. After receiving verification report and information from CDBL, the Issuer shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit report of final status of subscription to the Commission and the Exchanges within 10 (ten) working days from the date of receiving information from the Exchanges.
12. The Issuer and the issue manager shall conduct category wise lottery with the valid applications within 03 (three) working days from the date of reporting to the Commission and the Exchanges, if do not receive any observation from the Commission or the Exchanges.
13. The Issuer and issue manager shall arrange posting the lottery result on their websites within 06 (six) hours and on the websites of the Commission and Exchanges within 12 (twelve) hours of lottery.
14. Within 02 (two) working days of conducting lottery, the Issuer shall:
 - a) send category wise lists of the successful and unsuccessful applicants in electronic (text format with tilde „~“ separator) format to the respective Exchange.
 - b) send category wise lists of unsuccessful applicants who are subject to penal provisions as per conditions of the Consent Letter issued by the Commission in electronic (text format with tilde '~' separator) format to the Commission and Exchanges mentioning the penalty amount against each applicant.
 - c) issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Exchange in electronic form.
 - d) send consolidated allotment data (BOID and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted shares to the respective BO accounts.

Step-4 (Intermediary)

15. On the next working day, Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:
 - a) remit the amount of successful (other than NRB and Foreign) applicants to the Issuer's respective Escrow Account opened for subscription purpose, and unblock the amount of unsuccessful applicants;
 - b) send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list and unblock the balance application money;
16. On the next working day of receiving the documents from the Exchanges, the Stockbrokers/Merchant Banker shall request its banker to:
 - a) release the amount blocked for unsuccessful (other than NRB and foreign) applicants;
 - b) remit the aggregate amount of successful applicants and the penalty amount of unsuccessful applicants (other than NRB and foreign) who are subject to penal provisions to the respective 'Escrow' accounts of the Issuer opened for subscription purpose.
17. On the next working day of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Issuer's 'Escrow' account.
18. Simultaneously, the stockbrokers/Merchant Bankers shall release the application money blocked in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts and send documents to the Exchange evidencing details of the remittances made to the respective 'Escrow' accounts of the Issuer. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions. The Stockbroker/Merchant Banker shall be entitled to recover the withdrawal charges, if any, from the applicant who wants to withdraw the application money, up to an amount of Tk. 5.00 (five) per withdrawal.
19. All drafts submitted by NRB or Foreign applicants shall be deposited in the Issuer's respective 'Escrow' accounts and refund shall be made by the Issuer by refund warrants through concerned stockbroker or merchant banker or transfer to the applicant's bank account through banking channel within 10 (ten) working days from the date of lottery.

Miscellaneous:

20. The Issuer, Issue Manager(s), Stockbrokers and Merchant Bankers shall ensure compliance of the above.
21. The bank drafts (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.
22. Amount deposited and blocked in the "Public Issue Application Account" shall not be withdrawn or transferred during the blocking period. Amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.
23. The Issuer shall pay the costs related to data transmission, if claimed by the Exchange concerned up to an amount of Tk. (taka.....) for a public issue.
24. The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk.5.00 (taka five) only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting application.
25. The Stockbroker/Merchant Banker shall provide the Issuer with a statement of the remittance and drafts sent.
26. The Issuer shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.
27. The concerned Exchange are authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

PART-C

1. The issue managers shall carefully examine and compare the published prospectus and its abridged version on the date of publication with the copies vetted by the Commission. If any discrepancy is found, both the issuer and the issue managers shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to the Commission and the stock exchanges concerned. In this regard, the issue manager shall submit a compliance report to the Commission within 5 working days from the date of such publications.
2. The fund collected through Public Offering shall not be utilized prior to listing with Exchange(s) and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.
3. The Company shall furnish status report on utilization of Public Offering proceeds audited by foreign affiliated auditors and authenticated by the board of directors to the Commission and the exchanges within 15 (Fifteen) days of the closing of each month until such fund is fully utilized, as mentioned in the schedule contained in the prospectus. The issuer shall simultaneously post the status report in its websites of the Exchanges. In the event of any irregularity or inconsistency, the Commission may employ or engage any person, at issuer's cost, to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.
4. While auditing the utilization of IPO proceeds, the auditors will perform their jobs under the following terms of reference (TOR) and confirm the same in their report/certificate:
 - a) Whether IPO proceeds have been utilized for the purposes/heads as specified in the prospectus;
 - b) Whether IPO proceeds have been utilized in line with the condition (if any) of the Commission's consent letter;
 - c) Whether utilization of IPO proceeds have been completed within the time schedule/implementation schedule as specified in the published prospectus;
 - d) Whether utilization of IPO proceeds is accurate and for the purpose of the Company as mentioned/specified in the published prospectus; and
 - e) The auditors should also confirm that:(i) assets have been procured/imported/constructed maintaining proper/required procedure as well as at reasonable price; and (ii) auditors' report has been made on verification of all necessary documents/papers/vouchers in support of IPO proceeds making reconciliation with Bank Statement.
5. All transactions, excluding petty cash expenses, shall be effected by crossed cheques or bank transfers.
6. Proceeds of the public offering shall not be transferred to any other bank account before listing with the Exchange(s). The proceeds shall not be used for any purpose other than those specified in the prospectus without any valid ground. Any deviation in respect of time or purpose of utilization must have prior approval of the shareholders in the general meeting and if approved by the shareholders, the meeting resolution shall be submitted to the Commission and the Exchanges along with reasonable explanations.
7. If any quarter or half-year of the financial year ends after publication of the abridged version of prospectus and before listing of its securities with any exchange, the Company shall disseminate/transmit/submit the said quarterly/half yearly financial statements in accordance with the Commission's Notification SEC/CMRRCD/2008-183/admin/03-34 dated September 27, 2009 and Rules 13 of the Securities and Exchange Rules, 1987.
8. In the event of arising issues concerning Price Sensitive Information as defined under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগীব্যবসানিষিদ্ধকরণ) বিধিমালা ১৯৯৫ after publication of the abridged version of prospectus and before listing of its securities with any exchange, the Company shall disseminate/transmit/submit the information as price sensitive in accordance with the Commission's Notification No. SEC/SRMI/200-953/1950 dated October 24, 2000.

PART-D

1. As per provision of the Depository Act, 1999 & Regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (Including rights/bonus) will be made in dematerialized form only.
2. The issuer and the issue manager shall ensure due compliance of all the above conditions, the 'Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015' and the listing regulations of the exchanges.
3. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer Company.

Chapter-III

**Declaration and due diligence certificates as per
Annexure(s)-A, B and C**

**Declaration about the responsibility of the directors, including the CEO of
the issuer in respect of the prospectus**
[Rule 4 (1)(d)]

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

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

Sd/-
Jashim Uddin
Chairman

Sd/-
Md. Akbor Hossain
Vice Chairman

Sd/-
Priti Kana Bose
Director

Sd/-
Murad Mohammed Taj
Director

Sd/-
Rokeya Quader
Director

Sd/-
Engr. Tarikul Alam Rahimi
Director

Sd/-
Tahrin Aman
Director

Sd/-
Nauzat Begum
Director

Sd/-
Aminur Rahman
Director

Sd/-
Engr. A.K.M. Ahsanul Haque
Director

Sd/-
Kamal Uddin FCA
Independent Director

Sd/-
Shahedul Islam
Independent Director

Sd/-
Sarwar Uddin FCA
Independent Director

Sd/-
Mohd. Abul Kashem
Chief Executive Officer (CC)

Date: 3 January 2021

**Due diligence certificate by issue manager
[Rule 4 (1)(d)]**

To

The Bangladesh Securities and Exchange Commission

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

Dear Sir,

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

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

WE CONFIRM THAT:

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

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

Serial No	Issue	Month/Year	Issue Price	Dividend Payment History				
				2020	2019	2018	2017	2016
1	Bangladesh National Insurance Company Limited	2016	Tk. 10.00	-	12% C	12% C	10% C	10% C
2	No issue was managed	2017	-	N/A				
3	Silva Pharmaceuticals Limited	2018	Tk. 10.00	5% C	6% C 5% B	-	5% C	
4	Esquire Knit Composite Limited	2019	Tk. 40.00	15% C	15% C	-	-	-
5	No issue was managed	2020	-	N/A				

For Manager to the issue:

Sd/-

Md. Rezaul Haque

Managing Director (CC)

Prime Finance Capital Management Limited

Place: Dhaka

Date : 4 January 2021

Due Diligence Certificate by the Underwriter(s)
[See Rule 4 (1)(d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Public Offer of 16,000,000 Ordinary Shares of Tk. 160,000,000 of Desh General Insurance Company Limited.

Dear Sir,

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

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

WE CONFIRM THAT:

- a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 251,100,000 (Taka two hundred fifty one million and hundred thousand) only and we have the capacity to underwrite a total amount of Tk. 1,255,500,000 (Taka One billion two hundred fifty five million and five hundred thousand) only as per relevant legal requirements. We have committed to underwrite for up to **Tk.5,600,000** (Taka five million and six hundred thousand) only for the upcoming issue.
- b) At present, the following underwriting obligations are pending for us:

Sl. No.	Name of The Company	Amount Underwritten (Taka)
1	Star Ceramics Limited	Tk. 17,000,000.00
2	Hajj Finance Company Limited	Tk. 15,750,000.00
	Total Taka	Tk. 32,750,000.00

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

For the Underwriter:

Sd/-

Md. Khurshid Alam

Chief Executive Officer

EC Securities Limited

September 27, 2020

Due Diligence Certificate by the Underwriter
[Rule 4 (1)(d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Public Offer of 16,000,000 Ordinary Shares of Tk. 160,000,000 of Desh General Insurance Company Limited

Dear Sir,

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

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

WE CONFIRM THAT:

- f) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 64,73,50,000.00 (Taka sixtyfour crore seventythree lac & Fifty Thousand) only and we have the capacity to underwrite a total amount of Tk. 323,67,50,000.00 (Taka Three Hundred Twenty Three crore Sixty Seven lac & fifty thousand) only as per relevant legal requirements. We have committed to underwrite for up to Tk. 5,600,000 (Taka five million and six hundred thousand) only for the upcoming issue.
- g) At present, the following underwriting obligations are pending for us:

Sl. No.	Name of The Company	Amount Underwritten (Taka)
1	Reliance Finance Limited	20,00,00,000.00
2	Summit Shipping Limited	5,25,00,000.00
3	Rupsha Fish & Industries Limited	100,00,00,000.00
4	Rhymer Chemical Industries Limited	8,00,00,000.00
5	Alliance holdings Limited	4,23,50,000.00
6	Galaxy Sweater & Yarn Dyeing Limited	15,00,00,000.00
7	Dhaka Regency Hotel & Resort Limited	5,00,00,000.00
8	AB Bank Limited	18,00,00,000.00
9	Modern Steel Mills Limited	30,00,00,000.00
10	Dragon Sweater & Spinning Ltd.	20,00,00,000.00
11	Mohammad Elias Brother Poy Manufacturing Plant Limited	35,00,000.00
12	Oryza Agro Industries Limited	21,875,000.00
Total		93,02,25,000.00

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

For the Underwriter:

Sd/-

K M Rasidul Hasan

In Charge

First Security Islami Capital & Investment Limited

Date: 28/09/ 2020

Due Diligence Certificate by the Underwriter
[Rule 4 (1)(d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Public Offer of 16,000,000 Ordinary Shares of Tk. 160,000,000 of Desh General Insurance Company Limited

Dear Sir,

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

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

WE CONFIRM THAT:

a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 100.00 million (Taka hundred million) only and we have the capacity to underwrite a total amount of Tk. 500.00 (Taka Five hundred million) only as per relevant legal requirements. We have committed to underwrite for up to **Tk.5,600,000** (Taka five million and six hundred thousand) only for the upcoming issue.

b) At present, the following underwriting obligations are pending for us:

Sl. No.	Name of The Company	Amount Underwritten (Taka)
1	Ratanpur Steel Re-Rolling Mills Limited (RSRM)	22,500,000
	Total	22,500,000

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

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

e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Chowdhury Khaled Saifullah

Managing Director

Grameen Capital Management Limited

Date: 27th September, 2020

Due Diligence Certificate by the Underwriter
[Rule 4 (1)(d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Public Offer of 16,000,000 Ordinary Shares of Tk. 160,000,000 of Desh General Insurance Company Limited

Dear Sir,

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

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

WE CONFIRM THAT:

a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 2,155,000,000 (Taka Two Hundred Fifteen crore fifty lac) only and we have the capacity to underwrite a total amount of Tk. 10,775,000,000 (Taka One Thousand Seventy Seven Crore fifty lac) only as per relevant legal requirements. We have committed to underwrite for up to **Tk.5,600,000**(Taka fifty six lac) only for the upcoming issue.

b) At present, the following underwriting obligations are pending for us:

Sl. No.	Name of The Company	Amount Underwritten (Taka)
1	Energypac Power Generation Limited	205,000,000.00
2	Ratanpur Steel Re-Rolling Mills Limited	19,875,000.00
3	Index Agro Limited	27,500,000.00
4	Baraka Patenga Power Limited	341,250,000.00
5	eGeneration Limited	20,000,000.00
6	Pragati Life Insurance Limited	110,273,265.00
7	JMI Hospital Requisite Manufacturing Limited	10,000,000.00
8	Omera Petroleum Limited	146,041,141.00
9	NRB Commercial Bank Limited	60,000,000.00
Total		939,939,406.00

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

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

e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Iftekhar Alam

Chief Executive Officer

LankaBangla Investments Limited

Place: Dhaka

Date: September 24, 2020

Due Diligence Certificate by the Underwriter
[Rule 4 (1)(d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Public Offer of 16,000,000 Ordinary Shares of Tk. 160,000,000 of Desh General Insurance Company Limited

Dear Sir,

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

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

WE CONFIRM THAT:

- a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 329.65 (Three Hundred twenty nine point sixty five) crore and we have the capacity to underwrite a total amount of Tk. 2181.31 (Taka two thousandone hundred eighty one point thirty one) crore as per relevant legal requirements. We have committed to underwrite for up to **Tk.5,600,000** (fifty six lac) only for the upcoming issue.
- b) At present, the following underwriting obligations are pending for us:

Sl. No.	Name of The Company	Amount Underwritten (Taka)
1	Energypac Power generation Ltd	12,500,000.00
2	Ratanpur Steel Re-Rolling Mills Ltd	37,500,000.00
3	eGeneration Limited	20,000,000.00
4	JMI Hospital requisite Manufacturing Limited	51,250,000.00
5	Sonali Life Insurance Company Limited	66,500,000.00
6	Mir Akhter Hossain Limited	10,000,000.00
7	Omera Petroleum Limited	41,726,036.00
8	Taufika Foods And Agro Industries Limited	15,000,000.00
9	Robi Axiata Limited	100,000,000.00
Total		354,476,036.00

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

For the Underwriter:

Sd/-

Shukla Das

Chief Executive Officer

ICB Capital Management Limited

Date: 28 September, 2020

Due Diligence Certificate by the Underwriter(s)

[Rule 4 (1) (d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Public offer of 16,000,000 Ordinary Shares of Tk. 160,000,000 of Desh General Insurance Company Limited

Dear Sir,

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

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

WE CONFIRM THAT:

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 2,032,800,000 (Taka two billion thirty two million eight hundred thousand only) and we have the capacity to underwrite a total amount of Tk. 10,068,719,220 (Taka ten billion sixty eight million seven hundred nineteen thousand two hundred and twenty only) as per relevant legal requirements. We have committed to underwrite for up to BDT 28,000,000 (Taka Twenty Eight Million only) for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us:

Sl.	Name of the Company	Underwriting Amount(Taka)
1	GQ Ball Pen Industries Limited	50,100,000
2	IFCO Garments & Textiles Ltd.	17,500,000
3	Dhaka Regency Hotel and Resort Limited	10,500,000
4	Western Marine Shipyard Limited	200,000,000
5	Aman Tex Limited	40,000,000
6	Energypac Power Generation Limited	6,245,510
7	Ratanpur Steel Re-Rolling Mills Limited	18,000,000
8	Hajj Finance Company Limited	21,000,000
9	Omera Petroleum Limited	41,726,036
10	Mir Akhter Hossain Limited	10,000,000
Total		415,071,546

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

For the Underwriter:

Sd/-

Md. Rezaul Haque

Managing Director (Current Charge)


Prime Finance Capital Management Ltd.

Date: September 30, 2020

Chapter -IV

About the issuer

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

Name of the issuer	Desh General Insurance Company Limited	
Date of incorporation of the Company	8 February 2000	
Commencement of its commercial operations	2 March 2000	
Logo		
Address of its registered office	Jiban Bima Bhaban, Front Block, Level#5, 10 Dilkusha C/A, Dhaka-1000	
Address of its other offices and plants	Branch Name	Location
	Dhaka Division	
	Local Office Branch, Dhaka	45 Dilkusha C/A, (7 th Floor), Dhaka-1000. Phone: 02-9577723
	Principal Branch, Dhaka	Baliadi Mansion (6 th Floor) 16 Dilkusha C/A Dhaka Phone: 02-9558052
	Bangshal Branch, Dhaka	2/1 Kazi Alauddin Road, Bangshal, 2 nd Floor, Dhaka-1100. Phone: 02-7341997
	Motijheel Branch, Dhaka	44 Dilkusha C/A, (7 th Floor), Dhaka-1000. Phone: 02-9553946
	Dilkusha Branch, Dhaka	44 Dilkusha C/A, (7 th Floor), Dhaka-1000. Phone: 02-9565759
	VIP Branch, Dhaka	Room no-6 (4 th Floor) South Side Eastern Arju Tower, 61 Bijoy Nagar, Dhaka-1000. Phone: 02-9349237
	B.B Avenue Branch, Dhaka	29 B.B Avenue (3 rd Floor), Dhaka-1000. Phone: 02-9570161
	Paltan Branch, Dhaka	Darussalam Arcade, 14 Purana Paltan, Dhaka-1000. Phone: 02-9567475
	Nayabazar Branch, Dhaka	Hazi Eusuf Mansion (2 nd Floor) 56 Mitford Road, Babu Bazar, Dhaka-1000. Phone: 02-57394402

	Kawran Bazar Branch, Dhaka	57/E Kazi Nazrul Islam Avenue (2 nd Floor), Kawran Bazar, Dhaka. Phone: 02-9131426
	Mirpur Branch, Dhaka	4 No. Shyamoli, Mirpur Road, Dhaka- Phone: 02-8120495
	Narayangonj Branch	41 S.M Maleh Road, Narayangonj.
	Uttara Branch, Dhaka	Rajlaxmi Complex (5 th Floor) Plot-25, Road-07, Sector-03 Uttara Commercial Area, Dhaka-1000.
	Savar Branch, Dhaka	R.S. Tower, B-34 (2 nd Floor) Bazar bus stand, Savar
	Gulshan Branch, Dhaka	House # Ta-143(2 nd Floor) South Side, Gulshan Link Road, Badda
	Mirpur, Senpara Branch, Dhaka	House-12, Road-6 Section-10, Senpara Mirpur, Dhaka 01739211055
	Chittagong Division	
	Khatunganj Branch, Chattagram	4 Shah Amanat Road (Jail Road), Laldighi East, Chittagong. Phone: 031-2852152
	Chowmuhani Branch, Chattagram	Khaza Hafez Mohiuddin rhamotolla Market, 3 rd floor room No.47,48, Noakhali, 01819188254
	Agrabadh Branch, Chattagram	TSN complex 3 rd floor Agrabadh Chattogram
	Khulna Division	
	Khulna Branch, Khulna	Chamber Mansion (4 th Floor) 5 KDA C/A, Khulna. Phone: 041-732690
	Jessore Branch, Jessore	4 No. Netajee Suvash Chandra Road (2 nd Floor), Daratana, Jessore.
	Rajshahi Division	
	Rajshahi Branch, Rajshahi	97 Boalia, Rajshahi City corporation Mia para Word No.12 Phone: 0721-812193
	Bogra Branch, Bogra	Shantahar Road, Tinpatti, Barogola, Bogra
	Sylhet Division	
	Sylhet Branch, Sylhet	Airport Road Amborkhana ,Sylhet. Phone: 0821-710375


	Mymensingh Division	
	Mymensingh Branch, Mymensingh	34 Choto Bazar, 3 rd floor sadar, Mymensingh Mob. 01724738371
	The Company has no plant	
Telephone Number	Tel: +88-02-9571642-5	
Fax Number	Fax: +88-02-9561920	
Contact Person	Mr. Md. Salahuddin Munabber Deputy Manager	
Website address	www.deshinsurancebd.com	
Email address	info@deshinsurancebd.com	

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



Sl.	Name of the sponsors	Status
1	Mrs. Firuza Hossain	Sponsors of the Company
2	Mr. Kamal Uddin	
3	Mr. Md. Moin Uddin	
4	Mr. Jashim Uddin	
5	Mr. M. Monsurul Islam	
6	Mr. Dewan Sekar Ahmed	
7	Ms. Priti Kana Bose	
8	Mr. Moshfeque Mamun Rizvi	
9	Mr. Abdus Salam Khan	
10	Mr. Murad Mohammad Taj	
11	Mr. Tanveer M. O. Rahman Chowdhuri	
12	Mr. Md. Saifuddin Khaled	
13	Mr. Md. Akbar Hossain	
14	Mr. Tahrin Aman	
15	Mr. Md. Shawkat Ali Bhuiyan	
16	Mr. Aminur Rahman	
17	Mrs. Rokeya Quader	
18	Farah Binte Latif	
19	Engr. A.K.M. Ahsanul Haque	
20	Late Mr. Nil Kantha Roy	
21	Engr. Tarikul Alam Rahimi	
22	Mrs. Rehena Begum	
23	Mrs. Hasmat Ara Julfiqure	
24	Mrs. Nauzat Begum	

Sl.	Name of the Directors	Status
1	Mr. Jashim Uddin	Chairman
2	Mr. Md. Akbor Hossain	Vice Chairman
3	Mr. Priti Kana Bose	Director
4	Ms. Murad Mohammed Taj	Director
5	Mr. Tahrin Aman	Director
6	Mr. Aminur Rahman	Director
7	Mr. Rokeya Quader	Director
8	Engr. A. K. M. Ahsanul Haque	Director
09	Engr. Tarikul Alam Rahimi	Director
10	Mrs. Nauzat Begum	Director
11	Mr. Kamal Uddin FCA	Independent Director
12	Mr. Sarwar Uddin FCA	Independent Director
13	Mr. Shahedul Islam	Independent Director

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


Auditor	Name	Rahman Mostafa Alam & Co Chartered Accountants
	Logo	 Rahman Mostafa Alam & Co. Chartered Accountants Solution....Begins
	Address	Paramount Heights (7 th Floor, D2 & C1), 65/2/1 Box Culvert Road , Purana Paltan, Dhaka-1000
	Telephone number	Tel: +88-02-9553449
	Fax number	Fax: +88-02-9551128
	Contact Person	Mr. Mohammad Mofizul Haque Rinku FCA Partner
	Website	www.rmabd.com
	E-mail address	info@rmadhaka@gmail.com
Registrar to the issue	Information regarding to the registrar to the issue is not applicable for DGIC	

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

Sl	Name of the Exchange	Logo	Address
1	Dhaka Stock Exchange Limited (DSE)		Stock Exchange Building, 9/F Motijheel C/A, Dhaka, Bangladesh Tel:+88-02-9564601, +88- 02 -9576210-18 Fax: +88-02-9564727, 02-9569755
2	Chittagong Stock Exchange Limited (CSE)		CSE Building, 1080, Sk. Mujib Road Agrabad, Chittagong, Bangladesh Tel: +88(0) 31-714632-3 Fax:+880-2-9513906

Chapter -V

Corporate Directory of the Issuer

Corporate directory of the Issuer	
Name of the Company	DESH GENERAL INSURANCE COMPANY LIMITED
Logo	
Date of incorporation	8 February 2000
Date of Certificate for Commencement of Business	8 February 2000
Date of commercial operation	2 March 2000
Changes in denomination of face value of shares	*The face value of shares was denominated from Tk. 100 per share to Tk. 10 per share vide special resolution was passed on 27 August 2013 in the extra ordinary general meeting by the shareholders of the Company and the subsequently which was passed in RJSC on 18 December 2013.
Authorized capital as on 31 December 2019	Tk. 1,000,000,000 comprises of 100,000,000 ordinary shares of Tk.10 each.
Issued, subscribed & paid up capital as on 31 December 2019	Tk. 240,000,000 paid up capital which is comprises of 24,000,000 ordinary shares of Tk. 10 each
Registered office	Jiban Bima Bhaban, Front Block, Level#5, 10, Dilkusha C/A, Dhaka - 1000 Email: info@deskinsurancebd.com Web: www.deskinsurancebd.com
Head office	Jiban Bima Bhaban, Front Block, Level#5, 10, Dilkusha C/A, Dhaka - 1000 Email: info@deskinsurancebd.com Web: www.deskinsurancebd.com
Name of Chairman	Mr. Jashim Uddin
Name of Chief Executive Officer (CC)	Mr. Mohd. Abul Kashem
Name of Chief Financial Officer	Mr. Rabindra Nath Karmaker
Board of directors	13 directors including 3 independent directors
Auditors	Rahman Mostafa Alam & Co Chartered Accountants <u>Address:</u> Paramount Heights (7th Floor, D2 & C1), 65/2/1 Box Culvert Road , Purana Paltan, Dhaka-1000 Tel: +88-02-9553449 Fax: +88-02-9551128 <u>Contact person:</u> Mr. Mohammad Mofizul Haque Rinku FCA Partner Web: www.rmabd.com E-mail: info@rmadhaka@gmail.com
Legal Advisor	Advocate Jashim Uddin, Jashimuddin & Associates 51/12, Jhonson Road, 1st Floor, (Pubali Bank Building) Dhaka-1100, Tel:+88-02-9592061
Manager to the issue	Prime Finance Capital Management Limited PFI Tower (7th Floor), 56-57 Dilkusha C/A, Dhaka-1000 Telephone: +88-02-9584874, 9584876-77 E-mail: info@primefincap.com Web: www.primefincap.com
Name of Underwriters	1. EC Securities Limited 2. First Security Islami Capital and Investment Limited 3. Grameen Capital Management Limited 4. ICB Capital Management Limited 5. LankaBangla Investments Limited 6. Prime Finance Capital Management Limited
Banker for the IPO	Shahjalal Islami Bank Limited Motijheel Branch, Dhaka A/C # 4015 13100004155 (BDT) A/C # 401516100000062 (USD) A/C# 401516200000023 (GBP) A/C # 401516500000012 (Euro)
Compliance officer	Mr. Md. Aktaruzzaman Company Secretary

Chapter-VI

Description of the Issuer

(a) Summary:

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

There are 77 insurance companies operating in the country and they are regulated under comprehensive laws and guidelines and supervised by a strong regulatory authority. Through the introduction of Insurance Act, 2010, the insurance sector managed properly and strengthened by reducing business risks, and local and international insurance laws harmonized considering the socio-economic aspect of the country, and protect the interest of policy holders and other beneficiaries.

45 Non-life and 30 Life Insurers were operating in the private sector insurance industry in Bangladesh. Besides one Non-Life State Owned Insurance Corporation and one Life State Owned Insurance Corporation is also operating insurance business. In 2015 Bangladesh Government allowed one International Life Insurance Company to operate in the private sector insurance business in Bangladesh named Life Insurance Corporation (LIC).

The regulatory reforms started with the introduction of the Insurance Act, 2010. It is obligatory for insurance companies to charge premium rates as determined by the Regulatory Authority. However, the tariff rates have not been reviewed for a long time in light of updated loss experience obtaining over the years and as such many clients do feel that they are being overcharged. Further short term and midterm objective of national insurance policy and guideline were not implemented. This has further negatively impacted the public perception of the insurance industry at large thereby hindering its growth.

The further progress of Bangladesh Insurance Industry predominantly depends on how the consumers' perception of insurance as a useful and efficient vehicle of risk transfer can be bolstered. This can be achieved through sustained efforts of the industry as well as regulators by holding public conference, by providing efficient services, honoring insurance policy obligations, introducing new products, aware the public by using technology and social mechanism and by rationalizing the pricing mechanism.

Business environment of the issuer

Desh General Insurance Company is operating general insurance business. There is only one Company in public sector namely Shadharon Bima Corporation and in private sector, there are 45 general insurance companies are operating in Bangladesh. There is immense competition amongst the companies as number of general insurance companies is large. Since Bangladesh economy is growing and GDP growth rate is up trending and steady which is favorable for the development of insurance sector of Bangladesh. Alongside newly promulgated the Insurance Act, 2010 has also brought structural and legislative development for doing insurance business in the country.

Due to volume of business in Bangladesh is increasing day by day and business risk such as accident, hazard, peril, fire, theft etc. shall also increase simultaneously. The issuer is doing business in such an industry where demand for insurance coverage to reduce business risk is highly required. Currently the economy of Bangladesh has been emerged and demand for insurance coverage has been substantially increased. The last five years business performance of the issuer has been revealed that current business environment is favorable for the Company.

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

Desh General Insurance Company has no subsidiary or belong to any holding Company. Therefore the Company does not prepare any consolidated financial statements.

(b) General Information:

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

Particulars	Details	
Name	Desh General Insurance Company Limited	
Registered office, telephone and fax numbers	Jiban Bima Bhaban, Level#5, Front Block, 10 Dilkusha C/ A, Dhaka - 1000 Tel: +88-02-9571642-5 Fax: +88-02-9561920	
Corporate Head office, telephone and fax numbers	Jiban Bima Bhaban, Level#5, Front Block, 10 Dilkusha C/ A, Dhaka - 1000 Tel: +88-02-9571642-5 Fax: +88-02-9561920	
Other office, telephone and fax numbers		
	Branch Name	Location
	Dhaka Division	
	Local Office Branch, Dhaka	45 Dilkusha C/ A, (7 th Floor), Dhaka-1000. Phone: 02-9577723
	Principal Branch, Dhaka	Baliadi Mansion (6 th Floor) 16 Dilkusha C/ A Dhaka Phone: 02-9558052
	Bangshal Branch, Dhaka	2/1 Kazi Alaaddin Road, Bangshal, 2 nd Floor, Dhaka-1100, Phone: 02-7341997
	Motijheel Branch, Dhaka	44 Dilkusha C/ A, (7 th Floor), Dhaka-1000. Phone: 02-9553946
	Dilkusha Branch, Dhaka	44 Dilkusha C/ A, (7 th Floor), Dhaka-1000. Phone: 02-9565759
	VIP Branch, Dhaka	Room no-6 (4 th Floor) South Side Eastern Arju Tower, 61 Bijoy Nagar, Dhaka-1000. Phone: 02-9349237
	B.B Avenue Branch, Dhaka	29 B.B Avenue (3 rd Floor), Dhaka-1000. Phone: 02-9570161
	Paltan Branch, Dhaka	Darussalam Arcade, 14 Purana Paltan, Dhaka-1000. Phone: 02-9567475
	Nayabazar Branch, Dhaka	Hazi Eusuf Mansion (2 nd Floor) 56, Mitford Road, Babu Bazar, Dhaka. Phone: 02-57394402
	Kawran Bazar Branch, Dhaka	57/E Kazi Nazrul Islam Avenue (2 nd Floor), Kawran Bazar, Dhaka. Phone: 02-9131426
	Mirpur Branch, Dhaka	4 No. Shyamoli, Mirpur Road, Dhaka- Phone: 02-8120495
	Narayanganj Branch	41 S.M Maleh Road, Narayanganj. Phone: 02-7644552
	Uttara Branch, Dhaka	Rajlaxmi Complex (5 th Floor) Plot-25, Road-07, Sector-03, Uttara Commercial Area, Dhaka-1000.
	Savar Branch, Dhaka	R.S. Tower, B-34 (2 nd Floor) Bazar bus stand, Savar
	Gulshan Branch, Dhaka	House # Ta-143 (2 nd Floor) South Side, Gulshan Link Road, Badda 01924000018
	Mirpur, Senpara Branch, Dhaka	House-12, Road-6 Section-10, Senpara Mirpur, Dhaka 01739211055
	Chittagong Division	
	Khatunganj Branch, Chattagram	4 Shah Amanat Road (Jail Road), Laldighi East, Chittagong. Phone: 031-2852152
	Chowmuhani Branch, Chattagram	Khaza Hafez Mohiuddin rhamotolla Market, 3 rd floor room No.47,48, Noakhali, 01819188254
	Agrabadh Branch, Chattagram	TSN complex 3 rd floor Agrabadh Chattogram
	Khulna Division	
	Khulna Branch, Khulna	Chamber Mansion (4 th Floor) 5 KDA C/ A, Khulna. Phone: 041-732690
	Jessore Branch, Jessore	4 No. Netajee Suvash Chandra Road (2 nd Floor), Daratana, Jessore. Phone: 0421-68597

	Rajshahi Division	
	Rajshahi Branch,Rajshahi	97 Boalia, Rajshahi City Corporation Mia para Word No.12 Phone: 0721-812193
	Bogra Branch,Bogra	Shantahar Road, Tinpatti, Barogola, Bogra. Phone: 051-62354
	Sylhet Division	
	Sylhet Branch, Sylhet	Airport Road Amborkhana ,Sylhet. Phone: 0821-710375
	Mymensingh Division	
	Mymensingh Branch, Mymensingh	34 Choto Bazar, 3 rd floor sadar,Mymensingh Mob. 01724738371
Factory, telephone and fax numbers	N/ A	
Business premises, telephone and fax numbers	The corporate head office, registered office and other offices are considered as business premises of the Company.	
Outlets of the issuer, telephone and fax numbers	The issuer has no outlets.	

(ii) The board of directors of the issuer;

Sl.	Name of the Board of Directors	Position in the Company
1	Mr. Jashim Uddin	Chairman
2	Mr. Md. Akbor Hossain	Vice Chairman
3	Mr. Priti Kana Bose	Director
4	Ms. Murad Mohammed Taj	Director
5	Mr. Tahrin Aman	Director
6	Mr. Aminur Rahman	Director
7	Mr. Rokeya Quader	Director
8	Engr. A. K. M. Ahsanul Haque	Director
9	Mr. Engr. Tarikul Alam Rahimi	Director
10	Mrs. Nauzat Begum	Director
11	Mr. Md. Kamal Uddin FCA	Independent Director
12	Mr. Sarwar Uddin FCA	Independent Director
13	Mr. Shahedul Islam	Independent Director

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

Sl.	Name and position	Address	Telephone number	Fax number	E-mail address
1	Mr. Jashim Uddin Chairman	75, Gulshan Avenue, Gulshan-1, Dhaka	+88-02-9571642-5	+88-02-9561920	juddin@bengal.com.bd
2	Mr. Md. Akbor Hossain Vice Chairman	Shawon Tower 2/C, Purana Paltan, Dhaka	+88-02-9571642-5	+88-02-9561920	riad17s@yahoo.com
3	Ms. Priti Kana Bose Director	Monwara Sikder Apartment, 295/A/1, Tali Office Road, Rayer Bazar, Dhaka	+88-02-9571642-5	+88-02-9561920	Pritikanabose16@gmail.com
4	Mr. Murad Mohammed Taj Director	Bishwa Darbar, P.O- Bishwa Darbar, P.S- Mirsarai, Chittagong	+88-02-9571642-5	+88-02-9561920	mmtajbd289@gmail.com
5	Mr. Tahrin Aman Director	House # 06, Road # 80, Gulshan-02, Dhaka	+88-02-9571642-5	+88-02-9561920	tahrin@amanspinning.com
6	Mr. Aminur Rahman Director	House # 01, Road # 01, Lane # 09, Block# B, Halishahar Housing Estate, Chittagong	+88-02-9571642-5	+88-02-9561920	rafiq_ctg@yahoo.com
7	Ms. Rokeya Quader Director	House # 01/B, Road # 84, Block # NE (L) Gulshan-02, Dhaka	+88-02-9571642-5	+88-02-9561920	rkuader@deshgroup.com

8	Engr. A. K. M. Ahsanul Haque Director	House # 939, Apt # 2B, Road # 14, Baitul Aman Housing Society, Adabor, Mohammadpur, Dhaka	+88-02-9571642-5	+88-02-9561920	Galaxy.ngnbd@gmail.com
9	Engr. Tarikul Alam Rahimi Director	Mother Care Clinic Dargah Mohalla (South), Sylhet	+88-02-9571642-5	+88-02-9561920	tarikul53@yahoo.com
10	Mrs. Nauzat Begum Director	56, K.B. Rudra Road, Chandni Ghat, Chawlkabazar (Lalbagh), Dhaka	+88-02-9571642-5	+88-02-9561920	Bma.org.bd@gmail.com
11	Mr. Md. Kamal Uddin FCA Independent Director	Navana Circular Height, Appt C-15, 20, Outer Circular Road. Rajarbagh, Dhaka-1217	+88-02-9571642-5	+88-02-9561920	srarefins@hotmail.com
12	Mr. Sarwar Uddin FCA Independent Director	Kamal Bhuiyan Bari, Vill- Karam Ullah Pur, P.O &P.S. Dagonbhuiyan, Feni	+88-02-9571642-5	+88-02-9561920	auditor@sarwarco.net
13	Mr. Shahedul Islam Independent Director	House – 15, Road – 12, Block – F, Niketon, Gulshan – 1, Dhaka – 1212	+88-02-9571642-5	+88-02-9561920	bpplsadi@bol-online.com
14	Mr. Qazi Mukarram Dastagir Chief Executive officer	Jiban Bima Bhaban, Level#5, Front Block, 10, Dilkusha C/A Dhaka-1000	+88-02-9571642-5	+88-02-9561920	qmdastagir@yahoo.com

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

CFO		
Name	:	Mr. Rabindra Nath Karmaker
Address	:	Jiban Bima Bhaban, Level#5, Front Block, 10 Dilkusha C/A, Dhaka - 1000
Telephone number	:	+88-02-9571642-5
Fax number	:	+88-02-9561920
E-mail address	:	robinkarmaker@gmail.com
Company Secretary		
Name	:	Mr. Md. Aktaruzzaman
Address	:	Jiban Bima Bhaban, Level#5, Front Block, 10 Dilkusha C/A, Dhaka - 1000
Telephone number	:	+88-02-9571642-5
Fax number	:	+88-02-9561920
E-mail address	:	aktaruzzamancs@gmail.com
Legal Advisor		
Name	:	Advocate Jashim Uddin
Address	:	Jashimuddin & Associates
Telephone number	:	+88-02-9592061,
Fax number	:	Nil
E-mail address	:	Nil

Auditors

Name	:	Mr. Kazi Mostafa Alam FCA Engagement Partner
Address	:	Rahman Mostafa Alam & Co Chartered Accountants Paramount Heights (7 th Floor,D2 & C1) 65/2/1 Box Culvert Road, Purana Paltan, Dhaka-1000
Telephone number	:	+88- 02-9553449, 9551128
Fax number	:	-
E-mail address	:	rmadhaka@gmail.com

Compliance officer

Name	:	Mr. Md. Aktaruzzaman Company Secretary
Address	:	Jiban Bima Bhaban, Level#5, Front Block, 10 Dilkusha C/A, Dhaka - 1000
Telephone number	:	+88-02-9571642-5
Fax number	:	+88-02-9561920
E-mail address	:	aktaruzzamancs@gmail.com

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

Issue Manager		
Name	:	Prime Finance Capital Management Limited
Address	:	PFI Tower (7th Floor), 56-57, Dilkusha C/A, Dhaka-1000
Telephone number	:	+88-02-9584874, 9584876-77
Fax number	:	+88-02-9584922
Contact person	:	Mr. Mohammad Rajibul Islam Head of Public Issue
Website	:	www.primefincap.com
Email address	:	info@primefincap.com
Registrar to the Issue	N/A	

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

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

Name of the Credit Rating Agencies	Date of declaration
Credit Rating Information and Services Ltd. (CRISL)	28 April 2010
Credit Rating Information and Services Ltd. (CRISL)	29 September 2011
Alpha Credit Rating Limited	13 June 2013
Alpha Credit Rating Limited	08 October 2014
Alpha Credit Rating Limited	20 October 2015
Alpha Credit Rating Limited	20 October 2016
Alpha Credit Rating Limited	17 September 2017
Alpha Credit Rating Limited	4 January 2018
Alpha Credit Rating Limited	22December 2018
Alpha Credit Rating Limited	26 May 2019
Alpha Credit Rating Limited	29 September 2020

Note: Credit Rating not conducted in the year 2012

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

Year	Entity Rating		Rating Date	Out Look
	Long term	Short term		
2010	BBB-	-	28 April 2010	Positive
2011	BB+	-	29 September 2011	Stable
2013	A-	AR-3	13 June 2013	Stable
2014	A-	AR-3	08 October 2014	Stable
2015	A	AR-3	20 October 2015	Stable
2016	A	AR-3	20 October 2016	Stable
2017	A+	ST-3	17 September 2017	Stable
2018	A+	ST-3	4 January 2018	Stable
2019	A+	ST-3	22 December 2018	Stable
2019	A+	ST-3	26 May 2019	Stable
2020	A+	ST-3	29 September 2020	Stable

Note: Credit Rating not conducted in the year 2012

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

AlphaRating reaffirms long term rating “A+” (pronounced as “Single A Plus”) and short term rating “ST-3” on claim paying ability (CPA) of Desh General Insurance Company Limited (Hereinafter referred to as ‘DGICL or ‘the company’) with a stable outlook. The above rating is assigned based on the audited financial statements of 31 December, FY 2016-2019 & other financial information till 30 June, 2020 and other qualitative information.

The assigned rating is supported by increased gross & net premium, improved claim paying ability along with claim settlement period within 90 days, agency commission within 15%, good expense management which has led to positive gap between allowable and actual expenses, increased cash flow from operation, moderate solvency, increased underwriting profit, increased total asset base, increased investment income along with total investment, improved yield on investment, Improved ROA & ROE, adequate reserve for un-expired risk and standard investment policy etc. Along with this the company has achieved quite stable earnings platform & created a brand image in spite of low market share.

However, the strength of the rating is partly offset by overall socio economic condition of Bangladesh along with increasing combined ratio due to higher loss ratio, moderate liquidity, declined net profit margin, non-compliance of regulatory capital requirement, underwriting loss from marine hull & miscellaneous revenue account and associated business risk. The rating also considers inherent business risks, unhealthy competition between the competitors and level of sophistication of the domestic insurance market.

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

Business Risk

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

It has been noted that the company mainly concentrated on fire insurance business and marine cargo insurance in FY 2019. And gross premium received from fire business represented 38.37% of total gross premium in FY 2019, which has been increased from 57.09% in FY 2018. Another significant business sector is marine cargo insurance business which represented 37.44% of total gross premium while motor & miscellaneous insurance held only 9.02% & 14.70% of total gross premium, respectively. However, it was also noted that, marine, fire & motor insurance were the most profitable business sector of the company for the last financial year. The company should focus on generating more underwriting profit to offset the business risk to some extent.

Liquidity Risk

Liquidity risk is the risk that a company may be unable to meet short term financial demands. This usually occurs due to the inability to convert a security or hard asset to cash without a loss of capital and/or income in the process. The major liquidity risk encountered by the company is the daily calls on its available cash resources in respect of claims arising from insurance contracts and maturity of investment securities. Liquidity risk also occurs more generally in relation to the ability to buy and sell investments. However the company manages its liquidity by ensuring sufficient liquidity to meet its claims and other liabilities when due under both normal & stressed conditions without incurring unacceptable losses or risking damage to the company's reputation. Moreover, DGICL sets limit on the minimum portion of maturing funds available to meet such calls to cover claims at unexpected levels of demand. Moreover, company's FDR & STD with bank has observed to increase over the years. DGICL has sufficient amount of premium income to meet any unforeseen claim or payment.

Interest Rate Risk

Interest rate risk arises out of investment decisions and acceptance of high exposures in any one type of investment instrument. Interest Income of DGICL is a significant portion of total income (21.93%). This income from fixed and other deposit may fall with the reduction of interest rate of commercial bank.

In order to mitigate interest rate exposure, companies can invest into mutual funds to secure its revenue and also to generate capital gains. However, this source has also its own drawback, if the overall capital market position falls, then the performance of mutual fund will also decline.

Thus the company should more concentrate on traditional business in order to minimize any loss/reduction of income arise from the investment already made.

Internal Control Risk

Internal control risks are risks that affect the effectiveness and efficiency of internal controls and thus affect the achievement of objectives. Generally internal control risk arises from non-compliance of rules and regulation which ultimately possess negative impact on overall business performance.

DGICL has a separate internal audit department which assists in maintaining financial discipline and management of the company. Head office receives data of revenue and expenses of each branch and branch controlling person is held responsible for review and reconcile of all the account. If any inconsistency is observed, the company ensures proper investigation which leads to compensation charge to the responsible person. The company ensures formation of Management Committee that deals with operational decisions. It is observed that the Board forms Audit Committee to look after all irregularities of the company. Internal Audit Department, headed by professional, is assigned for the purpose of regular visit of the branch offices for audit and investigation. Branch Control Department follow-up all the branches regarding operation and take necessary action.

Insurance Risk

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

DGICL reduces this risk with the help of its experienced underwriting team who undertakes pre-insurance surveys of large and complicated risk. The company manages these risks through its underwriting strategy, adequate reinsurance arrangements & proactive claims handling. Underwriting team of the company consist of four members, all member are well experienced and trained from both within and outside the country. Risk management ensures proper understanding of the right level of risk acceptance, risk control and risk related expenditure. DGICL also takes reinsurance coverage from SBC. The company has surplus treaty for all business classes.

Competition in the market

As a result of an intense competition exists between big industry players. To be competitive in the market, DGICL needs to develop new products and offer excellent clientele service instead of sharing higher agency commission with the client. Moreover, the company also needs to expand its market otherwise the competitors may take away its business.

Socio-political-economic Risks

Although current market political situation in Bangladesh is quite stable than previous years, still it is always a major problem in carrying out any business in Bangladesh. The risk arises out of changes in the country's political, social and economic environment which might negatively impacts on the overall employment, savings and thus investment of the country. Instability in politics, may create disruptive situations which have negative impact on every business. The people who operate various types of businesses in our country, often experience inconvenience in running their business.

Human Resource

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

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

Like most of the private sector non-life insurance company, DGICL holds a very insignificant portion of total market & is continuously striving to hold the position. Recruitment of energetic, qualified professionals is expected to gear up the business.

Regulatory Risk

The increasing intensity of regulatory requirements poses a significant threat to the industry. The new Insurance Development and Regulatory Authority Act-2010 and Insurance Act-2010 replaced the old insurance laws which are likely to bring significant changes in the regulation of the industry. In order to make overall claim settlement procedure smooth and timely, insurance companies are required to set up a special fund known as 'policyholders' Protection Fund'. For further enhancing the solvency position, paid up capital for non-life and life insurance companies have been raised to BDT 400.00 million and BDT 300.00 million respectively.

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

Market & Technology Related Risk

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

Financial Risk Analysis

Underwriting Process & Quality

Underwriting risk is the risk of loss borne by an underwriter. In insurance, underwriting risk may arise from an inaccurate assessment of the risks associated with writing an insurance policy or from uncontrollable factors. As a result, the insurer's costs may significantly exceed earned premiums. During FY 2019, gross premium of the company has increased to BDT 308.19 million and net premium has increased to BDT 167.95 million whereas in FY 2018 gross premium was BDT 203.39 million and net premium was BDT 102.22 million. This shows that the company has higher premium collection than previous year. Moreover, as on June, 2020 DGICL has reported gross premium of BDT 168.98 million.

Underwriting performance is measured by combined ratio which is the ratio of expenses & losses to net premiums. Loss ratio of the company has observed to increase & stood at 61.77% in FY 2019. Analysis revealed that, the main reason behind such increase in loss ratio is; net claim paid out has increased by 173.36% in FY 2019 whereas 64.30% increase has noticed in net premium.

Moreover, expense ratio of the company has also increased by 2.55% in FY 2019. It has been observed that, actual management expense of DGICL has been consistently increasing over the year. The higher increase in actual management expense than net premium has led to increase in expense ratio. Consequently combined ratio of the company has increased to 117.64% in FY 2019 compared to 90.45% in FY 2018. As combined ratio of DGICL is more than 100% indicates that an underwriting loss.

Selected Indicators

(Without considering commission on reinsurance ceded)

Year Ended Dec. 31				
	2019	2018	2017	2016
Loss ratio (%)	61.77	37.13	22.08	26.62
Expense ratio (%)	55.87	53.32	50.97	41.65
Combined ratio (%)	117.64	90.45	73.06	68.27

If we consider commission on reinsurance ceded along with net premium, performance of the company in terms of loss ratio & expense ratio shows better performance though combined ratio still remains higher than 100%.

Selected Indicators

(After considering commission on reinsurance ceded)

Year Ended Dec. 31				
	2019	2018	2017	2016
Loss ratio (%)	54.03	30.64	18.87	22.67
Expense ratio (%)	48.87	44.00	43.54	35.47
Combined ratio (%)	102.90	74.64	62.41	58.14

(vii) Following details of underwriting:

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

Sl	Name of Underwriters	Address	Telephone number	Fax number	Contact person	E-mail	Amount underwritten	(%)
1	EC Securities Limited	Kazi Tower (5th Floor) 86, Inner Circular (VIP) Road, Dhaka-1000, Bangladesh	+88-02-9333638	+88-02-9333636	Mr. Md. Ifteqar Islam Senior Reconciliation officer	info@ecslbd.com	5,600,000	10%
2	First Security Islami Capital and Investment Limited	Al-Amin Center (12th Floor), 25/ A Dilkusha C/ A, Dhaka - 1000, Bangladesh	+88-02-7175819 +88-02-9559827-30	+88-02-9515917	Mr. K M Rasidul Hasan Chief Executive Officer	info@fsicibd.com	5,600,000	10%
3	ICB Capital Management Limited	Green City Edge (5th & 6th Floor), 89, Kakrail, Dhaka -1000, Bangladesh	+88-02-8300555 +88-02-8300367	+88-02-8300396	Ms. Shukla Das Chief Executive Officer	info@icml.com.bd	5,600,000	10%
4	LankaBangla Investments Limited	Assurance Nazir Tower (Level-06), 65/B, Kemal Ataturk Avenue, Banani, Dhaka-1213	+88-02-55034853-5	+88-02-55034856	Mr. Iftekhar Alam Chief Executive Officer	info@lankabangla-investments.com	5,600,000	10%
5	Grameen Capital Management Limited	Grameen Bank Complex 1 st Building (2 nd Floor) Mirpur-2, Dhaka-1216	+88-02-9004923 +88-02-9005257-69	+88-02-8057618	Mr. Chowdhury Khaled Saifullah Managing Director	gramcap@yahoo.com	5,600,000	10%
6	Prime Finance Capital Management Limited	PFI Tower (7th Floor), 56-57 Dilkusha C/ A, Dhaka-1000	+88-02-9584874 +88-02-9584876-7	+88-02-9584922	Mr. Mohammad Rajibul Islam Head of Public Issue	info@primefincap.com	28,000,000	50%
Total amount to be underwritten (35% of total issue size)							56,000,000	100%

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

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

For Underwriters

Sd/-

Managing Director/Chief Executive Officer

EC Securities Limited

First Security Islami Capital and Investment Limited

ICB Capital Management Limited

LankaBangla Investments Limited

Grameen Capital Management Limited

Prime Finance Capital Manageme

(c) Major terms and conditions of the underwriting agreements.

(i) The Company has already issued 24,000,000 Ordinary Shares of Tk. 10 each totalling to Tk. 240,000,000. The Company has now decided to issue 16,000,000 Ordinary Shares of Tk. 10 each at par totalling to Tk. 160,000,000 as Initial Public Offering (IPO) subject to approval of regulatory authority.

(ii) As per guideline of Bangladesh Securities and Exchange Commission, 35% of the IPO, i.e. 5,600,000 nos. share @Tk 10 per share Total Tk. 56,000,000 shall have to be underwritten by the underwriters on firm commitment basis.

(iii) If and to the extent that the shares are offered to the public by a prospectus authorised hereunder shall not have been subscribed and paid for in cash in full by the closing date of subscription, the Company shall within **10 (Ten) days** of the closure of subscription call upon the underwriter in writing with a copy of the said writing to the Bangladesh Securities and Exchange Commission, to subscribe or procure subscriber to subscribe the shares not subscribed within the closing date and to pay for in cash in full, inclusive of any premium if applicable, for such unsubscribed shares within **15 (Fifteen) days** after being called upon to do so. The received amount shall be credited in the share subscription account of the Company within the said period. If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards the underwriting commitment under this Agreement, until such time as the Cheque/Bank Draft has been encashed and the Company's share subscription account credited. In any case within **7 (seven) days** after the expiry of the aforesaid 15(fifteen) days, the Company shall send proof of subscription and payment by the underwriter to the Commission.

(iv) The Company shall pay to the underwriter an underwriting commission at the rate of 0.30% of the value of the amount of shares hereby agreed to be underwritten by it.

(c) Capital Structure:

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

Authorized capital

The authorized capital of the Company as on 31 December 2019 is BDT 1,000,000,000, divided by 100,000,000 ordinary shares of face value of Tk. 10 each.

Issued, Subscribed and paid-up capital

The paid up capital of the Company as on 31 December 2019 is BDT 240,000,000, divided by 24,000,000 ordinary shares of face value of Tk. 10 each which has been raised in the following chronology:

Sl.	Number of share		Class of Share	Allotment date	Nominal Price	Issue Price	Amount in Taka	Form of Consideration
	@ BDT 100 per share	@ BDT 10 per share						
1	600,000	6,000,000	Ordinary Share	Issued & fully paid up capital (Taka) as per memorandum as on 8 February 2000	100	100	60,000,000	Cash
2	-	900,000	Ordinary Share	1 st allotment as on 20 October 2013	10	10	9,000,000	Bonus shares

3	-	1,104,000	Ordinary Share	2 nd allotment as on 27 August 2014	10	10	11,040,000	Bonus shares
4	-	1,040,520	Ordinary Share	3 rd allotment as on 2 June 2016	10	10	10,405,200	Bonus shares
5	-	1,175,788	Ordinary Share	4 th allotment as on 16 October 2016	10	10	11,757,880	Bonus shares
6	-	13,779,692	Ordinary Share	5 th allotment as on 31 May 2017	10	10	137,796,920	Rights issue
Total		24,000,000	Ordinary Share		10	10	240,000,000	

*The face value of shares was denominated from Tk. 100 per share to Tk. 10 per share vide special resolution was passed on 27 August 2013 in the extra ordinary general meeting by the shareholders of the Company and the subsequently which was passed in RJSC on 18 December 2013.

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

Total fund to be raised through IPO

Number of securities	Description	Nominal value (Taka)	Issue amount (Taka)
16,000,000	16,000,000 ordinary shares to be issued at par through IPO*	10	160,000,000

*Subject to approval of regulatory authority

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

Proposed capital structure after IPO

Particulars		No. of shares	Price per share	Amount in BDT
a. Paid up capital	Before the present issue	24,000,000	10	240,000,000
	After the Issue	40,000,000*	10	400,000,000
b. Premium amount	Before the present issue	N/A		
	After the Issue			

*Subject to approval of regulatory authority

Convertible instrument

The Company has no outstanding convertible instruments as on the date of this prospectus.

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

As on date, the Company has only issued 24,000,000 ordinary shares of Tk. 10 each. The Board of Directors of the Company decided to issue 16,000,000 ordinary shares @ Tk. 10 each at par subject to approval of the regulatory authorities. Shareholding categories before and after the IPO is described below:

Sl.	Shareholding category	No of ordinary shares			Percentage of holding	
		Pre-Issue (a)	IPO (b)	Post-Issue (a+b)	Pre-Issue	Post-Issue
1	Sponsor Directors	12,636,390	-	12,636,390	52.65%	31.59%
2	Sponsor Shareholder	1,828,254	-	1,828,254	7.62%	4.57%
3	Other shareholders (Public)	9,535,356	-	9,535,356	39.73%	23.84%
4	Other shareholders (Institutional)	-	-	-	-	-
5	Eligible Investors (EI)	-	4,800,000	4,800,000	-	12.00%
6	Mutual fund (MF)	-	1,600,000	1,600,000	-	4.00%
7	General Public (GP)	-	8,000,000	8,000,000	-	20.00%
8	Non Resident Bangladeshis (NRBs)	-	1,600,000	1,600,000	-	4.00%
Total		24,000,000	16,000,000	40,000,000	100.00%	100.00%

*Note: Subject to approval of Regulatory Authority

Convertible instrument

The Company has no outstanding convertible instruments as on the date of this Prospectus.

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

Allotment	Date of issue		Person to whom those are issued	Number of Shares	Relationship with Issuer	Issue Price	Consideration and valuation thereof	Reasons for the issue	Whether any benefits have been accrued to the issuer out of the issue
1st Allotment	20-Oct-2013	Sl	Name						
		1	Mr. Jasim Uddin.	48,067	Chairman				
		2	Md. Akbor Hossain	48,068	Vice Chairman				
		3	Mr. M. Monsurul Islam	22,500	Sponsor Shareholder				
		4	Ms. Priti Kona Bose	22,500	Sponsor Director				
		5	Mr. Moshfeque Mamun Rizvi	16,020	Sponsor Shareholder				
		6	Mr. Abdus Salam Khan	37,500	Sponsor				
		7	Mr. Murad Mohammad Taj	64,605	Sponsor Director				
		8	Mr. Mohammed Saifuddin Khaled	40,057	Sponsor Shareholder				
		9	Mr. Tahrin Aman	40,058	Sponsor Director				
		10	Mr. Aminur Rahman	40,058	Sponsor Director				
		11	Mrs. Rokeya Quader	56,077	Sponsor Director				
		12	Eng. A.K.M Ahsanul Haque	47,565	Sponsor Director				
		13	Mr. Nil Kantha Roy	40,057	Sponsor Director				
		14	Engr. Tarikul Alam Rahimi	56,078	Sponsor Director				
		15	Mrs. Rehena Begum	22,500	Sponsor Shareholder				
		16	Mrs. Nauzat Begum	15,000	Sponsor Director				
		17	Al-Haj Mosharref Hossain	48,067	Shareholder				
		18	Mr. M. Amanullah	16,020	Shareholder				
		19	Mr. Morshed Alam	88,125	Shareholder				
		20	Mr. Sakif Nazran Bhuiyan	56,078	Shareholder				
		21	Mr. Amir Hossain Amu	75,000	Shareholder				
		Total		900,000					
2nd Allotment	27-Aug-14	1	Mr. Jasim Uddin	58,963	Chairman				
		2	Mr. Md. Akbor Hossain	58,962	Vice Chairman				
		3	Mr. M. Monsurul Islam	27,600	Sponsor Shareholder				
		4	Ms. Priti Kona Bose	27,600	Sponsor Director				
		5	Mr. Moshfeque Mamun Rizvi	19,651	Sponsor Shareholder				
		6	Mr. Abdus Salam Khan	46,000	Sponsor				
		7	Mr. Murad Mohammad Taj	79,249	Sponsor Director				
		8	Mr. Mohammed Saifuddin Khaled	49,138	Sponsor Shareholder				
		9	Mr. Tahrin Aman	49,137	Sponsor Director				
		10	Mr. Aminur Rahman	49,137	Sponsor				

					Director				out of the issue
		11	Mrs. Rokeya Quader	68,789	Sponsor Director				
		12	Eng. A.K.M Ahsanul Haque	58,346	Sponsor Director				
		13	Mr. Nil Kantha Roy	49,138	Sponsor Director				
		14	Engr. Tarikul Alam Rahimi	68,788	Sponsor Director				
		15	Mrs. Rehena Begum	27,600	Sponsor Shareholder				
		16	Mr. Sakif Nazran Bhuiyan	68,788	Shareholder				
		17	Mrs. Nauzat Begum	18,400	Sponsor Director				
		18	Al-Haj Mosharref Hossain	58,963	Shareholder				
		19	Mr. M. Amanullah	19,651	Shareholder				
		20	Mr. Morshed Alam	108,100	Shareholder				
		21	Mr. Amir Hossain Amu	92,000	Shareholder				
		Total	1,104,000						
3rd Allotment	02-Jun-16	1	Mr. Jasim Uddin	55,573	Chairman	10	Bonus Share at face values	To distribute accumulated profit	The Issuer has get benefit through re investment of distributable profit and paid up capital has been increased.No other benefits have been accrued to the issuer out of the issue
		2	Md. Akbor Hossain	55,573	Vice Chairman				
		3	Mr. M. Monsurul Islam	26,013	Sponsor Shareholder				
		4	Ms. Priti Kona Bose	26,013	Sponsor Director				
		5	Mr. Moshfeque Mamun Rizvi	18,521	Sponsor Shareholder				
		6	Mr. Abdus Salam Khan	43,355	Sponsor				
		7	Mr. Murad Mohammad Taj	74,692	Sponsor Director				
		8	Mr. Mohammed Saifuddin Khaled	46,312	Sponsor Shareholder				
		9	Mr. Tahrin Aman	46,312	Sponsor Director				
		10	Mr. Aminur Rahman	46,312	Sponsor Director				
		11	Mrs. Rokeya Quader	64,833	Sponsor Director				
		12	Eng. A.K.M Ahsanul Haque	54,991	Sponsor Director				
		13	Mr. Nil Kantha Roy	46,312	Sponsor Director				
		14	Engr. Tarikul Alam Rahimi	64,833	Sponsor Director				
		15	Mrs. Rehena Begum	26,013	Sponsor Shareholder				
		16	Mrs. Nauzat Begum	17,342	Sponsor Director				
		17	Mr. Sakif Nazran Bhuiyan	64,833	Shareholder				
		18	Al-Haj Mosharref Hossain	55,572	Shareholder				
		19	Mr. M. Amanullah	18,521	Shareholder				
		20	Mr. Morshed Alam	101,884	Shareholder				
		21	Mr. Amir Hossain Amu	86,710	Shareholder				
		Total	1,040,520						
4th Allotment	16-Oct-16	1	Mr. Jasim Uddin	62,797	Chairman	10	Bonus Share at face values	To distribute accumulated profit	The Issuer has get benefit through re investment of distributable profit and paid up capital has
		2	Mr. Md. Akbor Hossain	62,797	Vice Chairman				
		3	Mr. M. Monsurul Islam	29,395	Sponsor Shareholder				
		4	Ms. Priti Kona Bose	29,395	Sponsor Director				
		5	Mr. Moshfeque Mamun Rizvi	20,929	Sponsor Shareholder				
		6	Mr. Abdus Salam Khan	48,991	Sponsor				

	7	Mr. Murad Mohammad Taj	84,402	Sponsor Director			been increased.No other benefits have been accrued to the issuer out of the issue
	8	Mr. Mohammed Saifuddin Khaled	52,332	Sponsor Shareholder			
	9	Mr. Tahrin Aman	52,333	Sponsor Director			
	10	Mr. Aminur Rahman	52,333	Sponsor Director			
	11	Mrs. Rokeya Quader	73,261	Sponsor Director			
	12	Eng. A.K.M Ahsanul Haque	62,140	Sponsor Director			
	13	Mr. Nil Kantha Roy	52,333	Sponsor Director			
	14	Engr. Tarikul Alam Rahimi	73,261	Sponsor Director			
	15	Mrs. Rehana Begum	29,395	Sponsor Shareholder			
	16	Mrs. Nauzat Begum	19,596	Sponsor Director			
	17	Mr. Sakif Nazran Bhuiyan	73,261	Shareholder			
	18	Al-Haj Mosharref Hossain	62,797	Shareholder			
	19	Mr. M. Amanullah	20,929	Shareholder			
	20	Mr. Morshed Alam	115,129	Shareholder			
	21	Mr. Amir Hossain Amu	97,982	Shareholder			
	Total		1,175,788				

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

No share has been allotted in terms of any merger, amalgamation or acquisition scheme.

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

No share has been issued under one or more employee stock option schemes.

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

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

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

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

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

Name	Nature of Issue	Date of allotment / Transfer	Number of shares	Face value	Issue price	Consideratio n	Date when the shares were made fully paid up	% of the total capital		Lock in period	Status of pledged shares	
								Pre-issue	Post-issue		No. of shares	%
Mr. Jashim Uddin Chairman & Sponsor Director	Ordinary share	8 February 2000	30,000	100	100	Cash	8 February 2000	6.87%	4.12%	3 years	-	No share is pledged by the Company
		Transfer as on 7 December 2005	20,450	100	100	Cash	7 December 2005					
		20 October 2013	48,067	10*	10	Bonus	20 October 2013					
		27 August 2014	58,963	10	10	Bonus	27 August 2014					
		2 June 2016	55,573	10	10	Bonus	2 June 2016					
		16 October 2016	62,797	10	10	Bonus	16 October 2016					
		31 May 2017	1,103,779	10	10	Rights	31 May 2017					
Total			1,649,629									
Mr. Md. Akbor Hossain Vice Chairman & Sponsor Director	Ordinary share	8 February 2000	25,000	100	100	Cash	8 February 2000	5.34%	3.20%	3 years	-	No share is pledged by the Company
		Transfer as on 31 March 2003	50,000	100	100	Cash	31 March 2003					
		Transfer as on 7 December 2005	20,450	100	100	Cash	7 December 2005					
		20 October 2013	48,068	10	10	Bonus	20 October 2013					
		27 August 2014	58,962	10	10	Bonus	27 August 2014					
		2 June 2016	55,573	10	10	Bonus	2 June 2016					
		16 October 2016	62,797	10	10	Bonus	16 October 2016					
31 May 2017	735,995	10	10	Rights	31 May 2017							
Total			1,281,845									
Mrs. Feruza Hossain Sponsor	Ordinary share	8 February 2000	30,000	100	100	Cash	8 February 2000	-	-	-	-	No share is pledged by the Company
		Share acquired by way of transfer as on 4 February 2001	20,000	100	100	Cash	4 February 2001					
		Transfer as on 25July 2012	(50,000)	100	100	Cash	25 July 2012					
Total			Nil									
Mr. Kamal Uddin Sponsor	Ordinary share	8 February 2000	30,000	100	100	Cash	8 February 2000	-	-	-	-	No share is pledged by the Company
		Transfer as on 4 February 2001	(30,000)	100	100	Cash	4 February 2001					
Total			Nil									
Mr. Md. Moin Uddin Sponsor	Ordinary share	8 February 2000	15,000	100	100	Cash	8 February 2000	-	-	-	-	No share is pledged by the Company
		Transfer as on 31 March 2003	(15,000)	100	100	Cash	31 March 2003					
Total			Nil									

Mr. M. Monsurul Islam Sponsor Shareholder	Ordinary share	8 February 2000	15,000	100	100	Cash	8 February 2000	2.50%	1.50%	3 years	-	No share is pledged by the Company
		20 October 2013	22,500	10	10	Bonus	20 October 2013					
		27 August 2014	27,600	10	10	Bonus	27 August 2014					
		2 June 2016	26,013	10	10	Bonus	2 June 2016					
		16 October 2016	29,395	10	10	Bonus	16 October 2016					
		31 May 2017	344,323	10	10	Rights	31 May 2017					
Total			599,831									
Mr. Dewan Sekar Ahmed Sponsor	Ordinary share	8 February 2000	30,000	100	100	Cash	8 February 2000	-	-	-	-	No share is pledged by the Company
		Transferas on 4 February 2001	(30,000)	100	100	Cash	4 February 2001					
Total			Nil									
Ms. Priti Kana Bose Sponsor Director	Ordinary share	8 February 2000	15,000	100	100	Cash	8 February 2000	3.37%	2.02%	3 years	-	No share is pledged by the Company
		20 October 2013	22,500	10	10	Bonus	20 October 2013					
		27 August 2014	27,600	10	10	Bonus	27 August 2014					
		2 June 2016	26,013	10	10	Bonus	2 June 2016					
		16 October 2016	29,395	10	10	Bonus	16 October 2016					
		31 May 2017	554,323	10	10	Rights	31 May 2017					
Total			809,831									
Mr. Moshfeque Mamun RizviSponsor shareholder	Ordinary share	8 February 2000	60,000	100	100	Cash	8 February 2000	1.04%	0.63%	3 years	-	No share is pledged by the Company
		Transferas on 4 February 2001	20,000	100	100	Cash	4 February 2001					
		Transferas on 29 September 2005	20,000	100	100	Cash	29 September 2005					
		Share acquired by way of transfer as on 7 December 2005	680	100	100	Cash	7 December 2005					
		Transferas on 7 December 2005	10,000	100	100	Cash	7 December 2005					
		20 October 2013	16,020	10	10	Bonus	20 October 2013					
		27 August 2014	19,651	10	10	Bonus	27 August 2014					
		2 June 2016	18,521	10	10	Bonus	2 June 2016					
		16 October 2016	20,929	10	10	Bonus	16 October 2016					
		31 May 2017	68,530	10	10	Rights	31 May 2017					
Total			250,451									
Mr. Abdus Salam Khan Sponsor	Ordinary share	8 February 2000	25,000	100	100	Cash	8 February 2000	-	-	-	-	No share is pledged by the Company
		20 October 2013	37,500	10	10	Bonus	20 October 2013					
		27 August 2014	46,000	10	10	Bonus	27 August 2014					
		2 June 2016	43,355	10	10	Bonus	2 June 2016					
		16 October	48,991	10	10	Bonus	16 October					

		2016					2016					
		Transfer as on 7 December 2016	(425,846)	10	10	Cash	7 December 2016					
		31 May 2017	-	10	10	Rights	31 May 2017					
Total			Nil									
Mr. Murad Mohammed TajSponsor Director	Ordinary share	8 February 2000	25,000	100	100	Cash	8 February 2000	5.1 1%	3.07%	3 years	-	No share is pledged by the Company
		Share acquired by way of transfer as on 31 March 2003	15,000	100	100	Cash	31 March 2003					
		Share acquired by way of transfer as on 7 December 2005	3,070	100	100	Cash	7 December 2005					
		20 October 2013	64,605	10	10	Bonus	20 October 2013					
		27 August 2014	79,249	10	10	Bonus	27 August 2014					
		2 June 2016	74,692	10	10	Bonus	2 June 2016					
		16 October 2016	84,402	10	10	Bonus	16 October 2016					
		31 May 2017	493,682	10	10	Rights	31 May 2017					
Total			1,227,330									
Mr. Tanvir M. O. Rahman ChowdhurySponso r	Ordinary share	8 February 2000	25,000	100	100	Cash	8 February 2000	-	-	-	-	No share is pledged by the Company
		Transfer as on 31 March 2003	(25,000)	100	100	Cash	31 March 2003					
Total			Nil									
Mr. Md. Saifuddin Khaled Sponsor Shareholder	Ordinary share	8 February 2000	25,000	100	100	Cash	8 February 2000	2.6 1%	1.57%	3 years	-	No share is pledged by the Company
		Share acquired by way of transfer as on 7 December 2005	1,705	100	100	Cash	7 December 2005					
		20 October 2013	40,057	10	10	Bonus	20 October 2013					
		27 August 2014	49,138	10	10	Bonus	27 August 2014					
		2 June 2016	46,312	10	10	Bonus	2 June 2016					
		16 October 2016	52,332	10	10	Bonus	16 October 2016					
		31 May 2017	171,325	10	10	Rights	31 May 2017					
Total			626,214									
Mr. Tahrin AmanSponsor Director	Ordinary share	8 February 2000	25,000	100	100	Cash	8 February 2000	3.3 3%	2%	3 years	-	No share is pledged by the Company
		Share acquired by way of transfer as on 7 December 2005	1,705	100	100	Cash	7 December 2005					
		20 October 2013	40,058	10	10	Bonus	20 October 2013					
		27 August	49,137	10	10	Bonus	27 August					

		2014				2014						
		2 June 2016	46,312	10	10	Bonus						2 June 2016
		16 October 2016	52,333	10	10	Bonus						16 October 2016
		31 May 2017	345,110	10	10	Rights						31 May 2017
Total			800,000									
Mr. Md. Shawkat Ali BhuiyanSponsor	Ordinary share	8 February 2000	30,000	100	100	Cash	8 February 2000	-	-	-	-	No share is pledged by the Company
		Share acquired by way of transfer as on 31 March 2003	5,000	100	100	Cash	31 March 2003					
		Share acquired by way of transfer as on 7 December 2005	2,385	100	100	Cash	7 December 2005					
		Transfer as on 15 March 2010	(37,385)	100	100	Cash	15 March 2010					
Total			Nil									
Mr. Aminur Rahman Sponsor Director	Ordinary share	8 February 2000	25,000	100	100	Cash	8 February 2000	3.3 6%	2.02%	3 years	-	No share is pledged by the Company
		Share acquired by way of transfer as on 7 December 2005	1,705	100	100	Cash	7 December 2005					
		20 October 2013	40,058	10	10	Bonus	20 October 2013					
		27 August 2014	49,137	10	10	Bonus	27 August 2014					
		2 June 2016	46,312	10	10	Bonus	2 June 2016					
		16 October 2016	52,333	10	10	Bonus	16 October 2016					
		31 May 2017	351,325	10	10	Rights	31 May 2017					
Total			806,215									
Mrs. Rokeya Quader Sponsor Director	Ordinary share	8 February 2000	30,000	100	100	Cash	8 February 2000	6.2 3%	3.75%	3 years	-	No share is pledged by the Company
		Share acquired by way of transfer as on 31 March 2003	5,000	100	100	Cash	31 March 2003					
		Share acquired by way of transfer as on 7 December 2005	2,385	100	100	Cash	7 December 2005					
		20 October 2013	56,077	10	10	Bonus	20 October 2013					
		27 August 2014	68,789	10	10	Bonus	27 August 2014					
		2 June 2016	64,833	10	10	Bonus	2 June 2016					
		16 October 2016	73,261	10	10	Bonus	16 October 2016					
		31 May 2017	858,700	10	10	Rights	31 May 2017					
		Total			1,495,510							
Ms. Farah Binte	Ordinary	8 February	25,000	100	100	Cash	8 February	-	-	-	-	No share

Latif Sponsor	share	2000					2000						is pledged by the Company
		Transfer as on 31 March 2003	(25,000)	100	100	Cash	31 March 2003						
Total			Nil										
Engr. A.K.M. Ahsanul Haque Sponsor Director	Ordinary share	8 February 2000	25,000	100	100	Cash	8 February 2000	4.6 7%	2.80%	3 years	-	No share is pledged by the Company	
		Share acquired by way of transfer as on 31 March 2003	5,000	100	100	Cash	31 March 2003						
		Share acquired by way of transfer as on 7 December 2005	1,710	100	100	Cash	7 December 2005						
		20 October 2013	47,565	10	10	Bonus	20 October 2013						
		27 August 2014	58,346	10	10	Bonus	27 August 2014						
		2 June 2016	54,991	10	10	Bonus	2 June 2016						
		16 October 2016	62,140	10	10	Bonus	16 October 2016						
		31 May 2017	581,043	10	10	Rights	31 May 2017						
Total			1,121,185										
Late Mr. Nil Kantha Roy Sponsor Director	Ordinary share	8 February 2000	25,000	100	100	Cash	8 February 2000	4.4 5%	2.67%	3 years	-	No share is pledged by the Company	
		Share acquired by way of transfer as on 7 December 2005	1,705	100	100	Cash	7 December 2005						
		20 October 2013	40,057	10	10	Bonus	20 October 2013						
		27 August 2014	49,138	10	10	Bonus	27 August 2014						
		2 June 2016	46,312	10	10	Bonus	2 June 2016						
		16 October 2016	52,333	10	10	Bonus	16 October 2016						
		31 May 2017	613,290	10	10	Rights	31 May 2017						
Total			1,068,180										
Engr. Tarikul Alam Rahimi Sponsor Director	Ordinary share	8 February 2000	30,000	100	10 0	Cash	8 February 2000	6.5 7%	3.94	3 years	-	No share is pledged by the Company	
		Share acquired by way of transfer as on 31 March 2003	5,000	100	10 0	Cash	31 March 2003						
		Share acquired by way of transfer as on 7 December 2005	2,385	100	10 0	Cash	7 December 2005						
		20 October 2013	56,078	10	10	Bonus	20 October 2013						
		27 August 2014	68,788	10	10	Bonus	27 August 2014						
		2 June 2016	64,833	10	10	Bonus	2 June 2016						
		16 October	73,261	10	10	Bonus	16 October						

		2016					2016					
		31 May 2017	939,855	10	10	Rights	31 May 2017					
Total			1,576,665									
Mrs. Rehena Begum Sponsor shareholder	Ordinary share	8 February 2000	15,000	100	100	Cash	8 February 2000	1.47%	0.88%	3 years	-	No share is pledged by the Company
		20 October 2013	22,500	10	10	Bonus	20 October 2013					
		27 August 2014	27,600	10	10	Bonus	27 August 2014					
		2 June 2016	26,013	10	10	Bonus	2 June 2016					
		16 October 2016	29,395	10	10	Bonus	16 October 2016					
		31 May 2017	96,250	10	10	Rights	31 May 2017					
Total			351,758									
Mrs. Hashmat Ara Julfikur Sponsor	Ordinary share	8 February 2000	10,000	100	100	Cash	8 February 2000	-	-	-	-	No share is pledged by the Company
		Transfer as on 31 March 2003	(10,000)	100	100	Cash	31 March 2003					
Total			Nil									
Mrs. Nauzat Begum Sponsor Director	Ordinary share	8 February 2000	10,000	100	100	Cash	8 February 2000	3.33%	2%	3 years	-	No share is pledged by the Company
		20 October 2013	15,000	10	10	Bonus	20 October 2013					
		27 August 2014	18,400	10	10	Bonus	27 August 2014					
		2 June 2016	17,342	10	10	Bonus	2 June 2016					
		16 October 2016	19,596	10	10	Bonus	16 October 2016					
		31 May 2017	629,662	10	10	Rights	31 May 2017					
Total			800,000									

*The face value of shares was denominated from Tk. 100 per share to Tk. 10 per share vide special resolution was passed on 27 August 2013 in the extra ordinary general meeting by the shareholders of the Company and the subsequently which was passed in RJSC on 18 December 2013.

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

Sl.	Shareholding category	Number of Securities	Face value	Amount In Taka	% of total paid up capital	
					Pre IPO	Post IPO
1	Sponsors directors	12,636,390	10	126,363,900	52.65%	31.59%

No share has been purchased or sold or otherwise transferred by the sponsor and/or by the directors of the issuer and their related parties within six months immediate preceding the date of filing the prospectus.

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

Sl.	Name of the Shareholders	Address	No. of shares owned	% of securities owned	Types of ownership
1	Mr. Jashim Uddin Chairman	75, Gulshan Avenue, Gulshan-1, Dhaka	1,649,629	6.87%	Sponsor Director
2	Mr. Md. Akbor Hossain Vice Chairman	Shawon Tower 2/C, Purana Paltan, Dhaka	1,281,845	5.34%	Sponsor Director
3	Mr. Murad Mohammed Taj Director	Bishwa Darbar, P.o-Bishwa Darbar, P.S-Mirsarai, Chittagong	1,227,330	5.11%	Sponsor Director
4	Mr. Rokeya Quader Director	House # 01/B, Road # 84, Block # NE (L) Gulshan-02, Dhaka	1,495,510	6.23%	Sponsor Director
5	Engr. Tarikul Alam Rahimi Director	Mother Care Clinic Dargah Mohalla (South), Sylhet	1,576,665	6.57%	Sponsor Director
6	Al-Haj Mosharref Hossoin Shareholder	1/1 Folder Street, Wari, Dhaka	1,487,432	6.20%	Shareholder
7	Mr. Morshed Alam Shareholder	House: 12/A, Road No. 63, Gulshan-02, Dhaka	2,350,371	9.79%	Shareholder
8	Mr. Sakif Nazran Bhuiyan Shareholder	Flat No. 1/A, House # 36, Road # 12, Block # F, Niketon, Gulshan, Dhaka	1,495,510	6.23%	Shareholder
9	Mr. Amir Hossain Amu Shareholder	42 New Eskaton, Eskaton, Dhaka	2,506,933	10.45%	Shareholder

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

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

No salaried officers and all other officers or employees as group have been holding any securities of the Company.

(d) Description of Business:

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

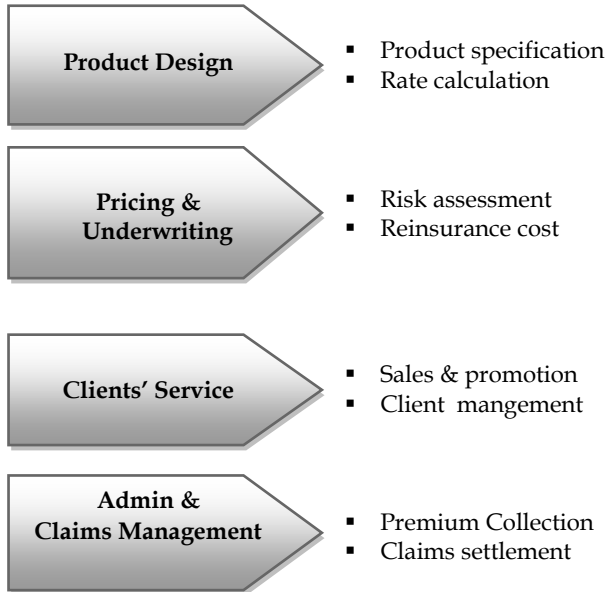
The date of incorporation	8 February 2000
The date of commenced operations	2 March 2000
Nature of the business of the Company	The primary objectives of the Company are to carry on all kind of insurance i. e. fire, marine, marine hull, and motor, miscellaneous other than life insurance business. In addition to issuance of bank guarantee for valuable clients.
Nature of the business of the issuer subsidiaries	The Company has no subsidiary.

(ii) Location of the project;

Since the Company is engaged in insurance business. So, there is no specific project in this respect. However, the location of registered office is at Jiban Bima Bhaban, Front Block, Level-5, 10 Dilkusha C/A, Dhaka-1000.

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

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



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

Particulars	Status
Date of incorporation	8 February 2000
The Company started its commercial operation	2 March 2000
Change of face value of share from Tk. 100/- to Tk. 10/-	The face value of shares was denominated from Tk. 100 per share to Tk. 10 per share vide special resolution was passed on 27 August 2013 in the extra ordinary general meeting by the shareholders of the Company and subsequently which was passed in RJSC on 18 December 2013.
Details of capacity or facility creation, launching of plant	Since the Company is engaged in insurance business. So, there are no capacity or facility creation and no launching of plant in this respect.
Products	Fire insurance <ul style="list-style-type: none"> ➤ Fire Insurance (Including Allied Perils) ➤ Property All Risk Insurance ➤ Industrial All Risk (IAR) Insurance ➤ Power plant Operational Package Insurance including Business Interruption & Third Party Liability Marine Insurance <ul style="list-style-type: none"> ➤ Marine Cargo Insurance (Import/Export by Sea, Air, Road including Inland transit) ➤ Marine Hull Insurance Motor Insurance <ul style="list-style-type: none"> ➤ Motor Vehicle Insurance (Private) ➤ Motor Vehicle Insurance (Commercial) Engineering Insurance <ul style="list-style-type: none"> ➤ Machinery Breakdown Insurance ➤ Deterioration of Stock (DOS) ➤ Boiler and Pressure Vessel (BPV) ➤ Electronic Equipment Insurance (EEI) ➤ Erection All Risks (EAR) ➤ Contractor's All Risks (CAR)

	Miscellaneous <ul style="list-style-type: none"> ➤ Burglary Insurance ➤ Cash in ATM Booth ➤ Money Insurance ➤ Cash in Private /Commercial Premises ➤ Fidelity Guarantee ➤ Workmen's Compensation ➤ Personal Accident ➤ Safe Deposit Box (Bank Lockers) All Risk Insurance ➤ Product liability Insurance Policy ➤ Public Liability Insurance Policy ➤ Rubber Plantation (Input) Insurance Policy ➤ Plate Glass Policy 																																																																																														
Marketing	The Company is selling its products and services to the individual, institution through directly and insurance agents.																																																																																														
Changes in ownership	Changes in shareholding of the sponsors The following sponsors were transferred their ownership: <table border="1" data-bbox="500 772 1455 1906"> <thead> <tr> <th>Sl.</th><th>Name of sponsor (transferor)</th><th>No. of share transfer</th><th>Name of transferee</th><th>No. of share received</th><th>Date of transfer</th></tr> </thead> <tbody> <tr> <td>1</td><td>Mrs. Firuza Hossain</td><td>(30,000)</td><td>Mr. Amir Hossain Amu</td><td>30,000</td><td>25.07.2012</td></tr> <tr> <td>2</td><td>Mr. Kamal Uddin</td><td>(30,000)</td><td>Alhaj Mosharraf Hossain</td><td>30,000</td><td>4.02.2001</td></tr> <tr> <td>3</td><td>Mr. Md. Moin Uddin</td><td>(15,000)</td><td>Mr. Murad Mohammed Taj</td><td>15,000</td><td>31.03.2003</td></tr> <tr> <td>4</td><td>Mr. Dewan Sekar Ahmed</td><td>(30,000)</td><td>Mr. Mohammad Shamsul Alam</td><td>30,000</td><td>4.02.2001</td></tr> <tr> <td rowspan="15">5</td><td rowspan="15">Mr. Mohammad Shamsul Alam</td><td rowspan="15">(30,000)</td><td>Mr. Jashim Uddin</td><td>2,045</td><td>7.12.2005</td></tr> <tr> <td>Mr. Moshfeque Mamun Rizvi</td><td>680</td><td>7.12.2005</td></tr> <tr> <td>Mr. Murad Mohammed Taj</td><td>3,070</td><td>7.12.2005</td></tr> <tr> <td>Mr. Mohammad Saifuddin Khaed</td><td>1,705</td><td>7.12.2005</td></tr> <tr> <td>Mr. Mohamamd Akbor Hossain</td><td>2,045</td><td>7.12.2005</td></tr> <tr> <td>Mr. Tahrin Aman</td><td>1,705</td><td>7.12.2005</td></tr> <tr> <td>Mr. Shawakat Ali Bhuiyan</td><td>2,385</td><td>7.12.2005</td></tr> <tr> <td>Mr. Aminur Rahman</td><td>1,705</td><td>7.12.2005</td></tr> <tr> <td>Mrs. Rokeya Quader</td><td>2,385</td><td>7.12.2005</td></tr> <tr> <td>Engr. A.K.M. Ahsanul Haque</td><td>1,710</td><td>7.12.2005</td></tr> <tr> <td>Mr. Nil Kantha Roy</td><td>1,705</td><td>7.12.2005</td></tr> <tr> <td>Engr. Tariqul Alam Rahimi</td><td>2,385</td><td>7.12.2005</td></tr> <tr> <td>Alhaj Mosharraf Hossain</td><td>2,045</td><td>7.12.2005</td></tr> <tr> <td>Mr. Morshed Alam</td><td>3,750</td><td>7.12.2005</td></tr> <tr> <td>Mr. M Amanullah</td><td>680</td><td>7.12.2005</td></tr> <tr> <td>6</td><td>Mr. Tanveer M. O. Rahman Chowdhuri</td><td>(25,000)</td><td>Mr. Morshed Alam</td><td>25,000</td><td>31.03.2003</td></tr> <tr> <td>7</td><td>Mr. Md. Shawkat Ali Bhuiyan</td><td>(37,385)</td><td>Mr. Shakif Nazran Bhuiyan</td><td>37,385</td><td>15.03.2010</td></tr> </tbody> </table>					Sl.	Name of sponsor (transferor)	No. of share transfer	Name of transferee	No. of share received	Date of transfer	1	Mrs. Firuza Hossain	(30,000)	Mr. Amir Hossain Amu	30,000	25.07.2012	2	Mr. Kamal Uddin	(30,000)	Alhaj Mosharraf Hossain	30,000	4.02.2001	3	Mr. Md. Moin Uddin	(15,000)	Mr. Murad Mohammed Taj	15,000	31.03.2003	4	Mr. Dewan Sekar Ahmed	(30,000)	Mr. Mohammad Shamsul Alam	30,000	4.02.2001	5	Mr. Mohammad Shamsul Alam	(30,000)	Mr. Jashim Uddin	2,045	7.12.2005	Mr. Moshfeque Mamun Rizvi	680	7.12.2005	Mr. Murad Mohammed Taj	3,070	7.12.2005	Mr. Mohammad Saifuddin Khaed	1,705	7.12.2005	Mr. Mohamamd Akbor Hossain	2,045	7.12.2005	Mr. Tahrin Aman	1,705	7.12.2005	Mr. Shawakat Ali Bhuiyan	2,385	7.12.2005	Mr. Aminur Rahman	1,705	7.12.2005	Mrs. Rokeya Quader	2,385	7.12.2005	Engr. A.K.M. Ahsanul Haque	1,710	7.12.2005	Mr. Nil Kantha Roy	1,705	7.12.2005	Engr. Tariqul Alam Rahimi	2,385	7.12.2005	Alhaj Mosharraf Hossain	2,045	7.12.2005	Mr. Morshed Alam	3,750	7.12.2005	Mr. M Amanullah	680	7.12.2005	6	Mr. Tanveer M. O. Rahman Chowdhuri	(25,000)	Mr. Morshed Alam	25,000	31.03.2003	7	Mr. Md. Shawkat Ali Bhuiyan	(37,385)	Mr. Shakif Nazran Bhuiyan	37,385	15.03.2010
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	8	Ms. Farah Binte Latif	(25,000)	Mr. Akbor Hossain	5,000	31.03.2003
				Mr. Shawkat Ali Bhuiyan	5,000	31.03.2003
				Mrs. Rokeya Quader	5,000	31.03.2003
				Engr A.K.M Ahsanul Haque	5,000	31.03.2003
				Engr. Tariqul Alam Rahimi	5,000	31.05.2003
	9	Mrs. Hasmat Ara Julfikure	(10,000)	Mr. M. Amanullah	10,000	31.03.2003
	10	Mr. Moshfeq Mamun Rizvi	(50,000)	Mrs Feruza Hossain	20,000	4.02.2001
				Mr. M. Morshed Alam	20,000	29.09.2005
					10,000	07.12.2005
	11	Mr.Abdus Salam Khan	(42,585)	Mrs. Shamima Yesmin	42,585	07.12.2016
	12	Mr. Hasmat Ara Zulfikure	(10,000)	Mr. M Amanullah	10,000	31.03.2003
	Change in Key management personnel	There were no changes in directorship/ Board except as follows:				
Sl.		Name& position	Date of joining	Date of resign	Date of reappointment	
1		Mr. Mushfeque Mamun Rizvi	8 February 2000	10 September 2015	N/A	
2		Mr. Shakif Nazran Bhuiyan	13 October 2014	12 September 2017	N/A	
3		Mr. Md. Saifuddin Khaled	8 February 2000	27 August 2017	N/A	
4		Mr. Monsurul Islam	8 February 2000	27 August 2017	N/A	
5		Mr. Md. Kamal Uddin FCA	5 October 2017	N/A	N/A	
6		Mr. Sarwar Uddin FCA	5 October 2017	N/A	N/A	
7		Mr. Shahedul Islam	5 October 2017	N/A	N/A	
		Mr Nilkantha Roy	8 February 2000	Died on 06 July 2020		
There were no changes in Key Management person except as follows:						
Sl.		Name	Position & Department	Period		
1		Mr. Hasan Dastagir	Managing Director & CEO	2000		
2		Mr. Mokbul Hossain	Managing Director & CEO	2001-2002		
3		Mr. F.N.M Afzal Ali	Managing Director	2002-2004		
4		Mr. Ln Mahmudun Nabi	Managing Director & CEO	2004-2010		
5		Mr. Md. Abul Hashem Sarker	Managing Director & CEO	2011-2012		
6		Mr. Qazi Mukarram Dastagir	Chief Executive Officer	Continuing since 2013		
7		Mr. Md. Hasan Khan	Company Secretary	2000-2006		
8		Mr. Chowdhury Golam Faruq	Company Secretary	2006-2009		
9		Mr. Mohammad Shamsul Haque	Company Secretery	2011-2015		
10		Mr. Ataur Rahman	Company Secretary	2015-2017		
11		Mr. Zahangir Alam FCS, CPA	Company Secretary	24 September 2017 to 21 March 2018		
12		Mr. Md. Aktaruzzaman	Company Secretary	Continuing since16 March 2018		
13		Mr. Mohammad Abul Kashem	Additional Managing Director	Continuing since 20 May 2019		
14		Mr. Qazi Mukarram Dastagir	Chief Executive Officer	Resigned on 10 December 2020		
15	Mr. Mohd. Abul Kashem	Chief Executive Officer (CC)	Appointed on 1 January 2021			

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

Principal products or services of the issuer

Fire insurance

- Fire Insurance (Including Allied Perils)
- Property All Risk Insurance

- Industrial All Risk (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

Motor Insurance

- Motor Vehicle Insurance (Private)
- Motor Vehicle Insurance (Commercial)

Engineering Insurance

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

Miscellaneous

- Burglary Insurance
- Cash in ATM Booth
- Money Insurance
- Cash in Private /Commercial Premises
- Fidelity Guarantee
- Workmen's Compensation
- Personal Accident
- Safe Deposit Box (Bank Lockers) All Risk Insurance
- Product liability Insurance Policy
- Public Liability Insurance Policy
- Rubber Plantation (Input) Insurance Policy
- Plate Glass Policy

Markets for such products

The Company is selling its products and services to the individual, institutions directly and through its agents.

Past trends and future prospects of the product or service regarding export market

The Company is selling its insurance product in Bangladesh. So, there is no scope for export.

Past trends and future prospects of the product or service in the local market

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

Past trend of service

Taka in Million					
Particulars	2019	2018	2017	2016	2015
Gross Premium Income	308.19	203.39	161.06	145.69	119.87
Net Premium Income	167.94	102.22	89.56	81.25	56.21
Gross Profit	65.93	48.31	49.43	27.34	17.42
Investment Income	18.37	17.22	10.73	5.56	8.20
Deposit Premium	2.73	2.39	2.90	2.56	3.96

Claim Settlement

Particulars	2019		2018		2017		2016		2015	
	No. of claim	No. of settlement	No. of claim	No. of settlement	No. of claim	No. of settlement	No. of claim	No. of settlement	No. of claim	No. of settlement
Motor Insurance	36	33	22	20	25	24	30	25	25	25
Fire Insurance	07	06	9	9	7	5	4	2	5	2
Marine Insurance	06	06	3	3	6	6	5	3	2	2
Miscellaneous	0	0	0	0	0	0	0	0	2	2
Total	49	45	34	34	38	35	39	30	34	31

Future prospects of the product or service in the local market

Insurance industry, as said earlier, at the final stage of its transition. Government has taken several steps for revitalizing the sector to make it more vibrant and operationally sound. However, amendments and initiatives can't make an overnight change in the sector.

The new regulatory body should discover some mechanism to eradicate underhand commission to reduce the high procurement cost in general insurance business. Professionalism at every level of management is very crucial for overall development in the sector. The board should involve in strategic and policy aspects of the Company in addition to look after into the day to day operation. All the insurance companies should have a sound HR policy that will attract the qualified people to choose the profession as a 'career' not a mere 'job'. HR development program should be a part and parcel of regular business operation for the enhancement of skills and development of professionalism. A good number of companies are still struggling for their survival, thus huge cost of IT infrastructure is an additional burden for them. However, awareness should be built for effective use of IT infrastructure in MIS that ultimately will bring positive results in future.

Last but not the least; it is not the responsibility of the regulatory body alone to make revolutionary change, rather the respective board, the management team and above all the insured should come forward to bring the sector to the global standard. The sooner it happens; the better is for the stakeholders in particular and the country in general.

The regulatory reforms started with the introduction of the Insurance Act 2010 as the important rules and regulations under the Act have not yet been put in place. The absence of important rules/regulations has created a vacuum of insurance business in Bangladesh. It is being obligatory for insurance companies to charge premium rates as determined by the Regulatory Authority. However, the tariff rates have not been reviewed for a long time in the light of updated loss experience obtaining over the years and as such many clients do feel that they are being overcharged. Further short term and midterm objective of national insurance policy and guideline were not implemented. This has further negatively impacted on the public perception of the insurance industry at large thereby hindering its growth.

Sectorial share of insurance industry to the GDP at current prices is 0.38% in 2016 whereas 4.1% in 2015 found in the Bureau of Statistics, Bangladesh. Insurance penetration rate in Bangladesh is less than 1% since last consecutive years.

The further progress of Bangladesh Insurance Industry predominantly depends on how the consumers' perception of Insurance as a useful and efficient vehicle of risk transfers. This can be achieved through sustained efforts of the industry as well as regulators by holding public conference, by providing efficient services, honoring insurance policy obligations, introducing new products, aware the public by using technology and social mechanism and by rationalizing the pricing mechanism.

Demand and Supply forecast

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

Currently, there are 46 insurance companies are serving their business in our country in order to cover the risk. As business volume is increasing in our country so the demand for insurance coverage increasing day by day to the client. There is a demand and supply gap remain in our country. Accordingly, Government of Bangladesh permit year to year number of insurance companies to run their business in this sector.

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

The Company has several insurance products of which Fire, Marine Cargo, and Miscellaneous has contributed more than 10% of the Company's total revenues for the period ended 31 December 2019:

Sl. No.	Product	Contribution to Revenue (As on 31 December 2019)	
		Amount	%
1	Fire	118,247,509	38.36%
2	Marine Cargo	115,383,689	37.44%
3	Miscellaneous	45,311,576	14.70%

(vii) Description of associates, subsidiary and holding Company of the issuer and core areas of business thereof;

The Company has no associate, subsidiary and holding Company.

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

Details of distribution channel

The Company operates its business through the Head Office at Dhaka and the branches throughout the country. As on 31 December 2019, the Company has been operating its business through 23 branches along with one local office.

Branch Name	Location
Dhaka Division	
Local Office Branch, Dhaka	45 Dilkusha C/A, (7 th Floor), Dhaka-1000. Phone: 02-9577723
Principal Branch, Dhaka	Baliadi Mansion (6 th Floor) 16 Dilkusha C/A Dhaka Phone: 02-9558052
Bangshal Branch, Dhaka	2/1 Kazi Alauddin Road, Bangshal, 2 nd Floor, Dhaka-1100. Phone: 02-7341997
Motijheel Branch, Dhaka	44 Dilkusha C/A, (7 th Floor), Dhaka-1000. Phone: 02-9553946
Dilkusha Branch, Dhaka	44 Dilkusha C/A, (7 th Floor), Dhaka-1000. Phone: 02-9565759
VIP Branch, Dhaka	Room no-6 (4 th Floor) South Side Eastern Arju Tower, 61 Bijoy Nagar, Dhaka-1000. Phone: 02-9349237
B.B Avenue Branch, Dhaka	29 B.B Avenue (3 rd Floor), Dhaka-1000. Phone: 02-9570161
Paltan Branch, Dhaka	Darussalam Arcade, 14 Purana Paltan, Dhaka-1000. Phone: 02-9567475
Nayabazar Branch, Dhaka	Hazi Eusuf Mansion (2 nd Floor) 56 Mitford Road, Babu Bazar, Dhaka-.Phone: 02-57394402
Kawran Bazar Branch, Dhaka	57/E Kazi Nazrul Islam Avenue (2 nd Floor), Kawran Bazar, Dhaka. Phone: 02-9131426
Mirpur Branch, Dhaka	4 No. Shyamoli, Mirpur Road, Dhaka- Phone: 02-8120495
Narayangonj Branch	41 S.M Maleh Road, Narayangonj. Phone: 02-7644552
Uttara Branch, Dhaka	Rajlaxmi Complex (5 th Floor) Plot-25, Road-07, Sector-03 Uttara Commercial Area, Dhaka-1000.
Savar Branch, Dhaka	R.S. Tower, B-34 (2 nd Floor) Bazar bus stand, Savar
Gulshan Branch, Dhaka	House # Ta-143(2 nd Floor) South Side, Gulshan Link Road, Badda 01924000018
Mirpur, Senpara Branch, Dhaka	House-12, Road-6 Section-10, Senpara Mirpur, Dhaka 01739211055
Chittagong Division	
Khatunganj Branch, Chattagram	4 Shah Amanat Road (Jail Road), Laldighi East, Chittagong.

	Phone: 031-2852152
Chowmuhani Branch, Chattagram	Khaza Hafez Mohiuddin rhamotolla Market, 3 rd floor room No.47,48, Noakhali, 01819188254
Agrabadh Branch, Chattagram	TSN complex 3 rd floor Agrabadh Chattogram
Khulna Division	
Khulna Branch, Khulna	Chamber Mansion (4 th Floor) 5 KDA C/A, Khulna. Phone: 041-732690
Jessore Branch, Jessore	4 No. Netajee Suvash Chandra Road (2 nd Floor), Daratana, Jessore. Phone: 0421-68597
Rajshahi Division	
Rajshahi Branch, Rajshahi	97 Boalia, Rajshahi City corporation Mia para Word No.12 Phone: 0721-812193
Bogra Branch, Bogra	Shantahar Road, Tinpatti, Barogola, Bogra. Phone: 051-62354
Sylhet Division	
Sylhet Branch, Sylhet	Airport Road Amborkhana, Sylhet. Phone: 0821-710375
Mymensingh Division	
Mymensingh Branch, Mymensingh	34 Choto Bazar, 3 rd floor sadar, Mymensingh Mob. 01724738371

Export possibilities and export obligations

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

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

Insurance market in Bangladesh remains fragmented and extremely competitive due to existence and operation of a large number of companies, incommensurate with the size of the market. There are 45 non-life insurance Company in the private sector, in addition to the one public sector Corporations. A total of 47 non-life insurers are operating in Bangladesh. Thus, insurance companies will find them in stiff competition when the new companies enter the market.

The percentage and volume of market share of major competitors based on net premium are as follows:

Sl No	Name of the company	Net Premium (taka in mn)	Percentage of market share based on net premium	Period
1	Agrani Insurance Co.Ltd	198.95	1.20%	2018
2	Asia Insurance co. Ltd	422.24	2.54%	2018
3	Asia Pacific Gen. Insurance co. Ltd	334.43	2.01%	2018
4	Bangladesh Gen Insurance Co. Ltd	337.49	2.03%	2018
5	Bangladesh Co -Operative Ins. Ltd	74.26	0.45%	2018
6	Bangladesh National Insurance Ltd	372.02	2.24%	2018
7	Central Insurance Co. Ltd	243.40	1.47%	2018
8	City General Insurance Co. Ltd	295.63	1.78%	2018
9	Continental Insurance Co. Ltd	322.40	1.94%	2018
10	Crystal Insurance Co.Ltd	302.65	1.82%	2018
11	Dhaka Insurance Ltd	208.22	1.25%	2018
12	Desh General Insurance Co. Ltd	102.22	0.62%	2018
13	East Land Insurance Co Ltd	234.96	1.42%	2018
14	Eastern Insurance Co. Ltd	505.64	3.05%	2018
15	Express Insurance Ltd	243.72	1.47%	2018
16	Federal Insurance Co. Ltd	304.15	1.83%	2018

17	Green Delta Insurance Co. Ltd	1660.53	10.00%	2018
18	Global Insurance Ltd	198.11	1.19%	2018
19	Islami Insurance Bd Ltd	301.57	1.82%	2018
20	IslamiCommercial Ins.Co. Ltd	278.83	1.68%	2018
21	Janata Insurance Co.Ltd	218.73	1.32%	2018
22	Karnafuli Insurance Co. Ltd	156.37	0.94%	2018
23	Meghna Insurance Co. Ltd	269.86	1.63%	2018
24	Mercantile Insurance Co. Ltd	191.38	1.15%	2018
25	Nortern Gen Ins. Co. Ltd	246.60	1.49%	2018
26	Nitol Insurance Co. Ltd	564.79	3.40%	2018
27	Peoples Ins. Co. Ltd	439.80	2.65%	2018
28	Pragati Ins. Ltd	817.15	4.92%	2018
29	Phoenix Ins. Co. Ltd	438.55	2.64%	2018
30	Purabi Gen Ins Co Ltd	16.90	0.10%	2018
31	Provati Gen. Ins. Co. Ltd	379.14	2.28%	2018

Note: Due to 2019 data are not available therefore we provided 2018 data

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

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

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

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

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

There are no customers who provided 10% or more revenue of the Company.

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

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

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

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

Declaration regarding contract with principal suppliers or customers

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

Sd/-
Rabindra Nath Karmaker
Chief Financial Officer

Sd/-
Qazi Mukarram Dastagir
Chief Executive Officer

Sd/-
Jashim Uddin
Chairman

Note: Mr. Qazi Mukarram Dastagir, Chief Executive Officer resigned from the Company as on 10/12/2020 which was subsequently approved by the Board of Directors of Desh General Insurance Company Limited in its 132th Board meeting held on 29/12/2020

Later on, Mr. Mohd. Abul Kashem, Additional Managing Director of the Company appointed as Chief Executive Officer (Current Charge) effective from 1/1/2021 by the Board of Directors of Desh General Insurance Company Limited in its 132th Board meeting held on 29/12/2020

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

Sl.	Name of Licenses, registration, NOC and permission	License Issuer/Issuing Authority	Registration/Certificate/ License No./Permission letter No.	Issue Date	Date of renewal	Date of expiry
1	E-Trade License certificate	Dhaka South City Corporation	TRAD/DSCC/244950/2-19	29/06/2004 effective from 2001	18/08/20	30/06/2021
2	Certificate of registration	Controller of Insurance (Duly renewed by IDRA)	No. CR-5/2000	2/3/2000	17/2/2020	31/12/2020*
3	NOC to issue rights share among sponsor shareholders	Insurance Development Regulatory Authority (IDRA)	IDRA/Non -Life/2635/2017-186	22/1/2017	N/A	N/A
4	NOC to raise capital through IPO	Insurance Development Regulatory Authority (IDRA)	No.53.02.0000.051.50.001.17.12 ,	12/10/2017	-	-
5	Consent for raising paid up capital	BSEC	BSEC/CI/CPLC-482/2014/117	2/3/2017	-	-
			BSEC/CI/CPLC-482/2014/695	4/12/2016		
			BSEC/CI/CPLC-482/2014/460	1/8/2016		
			BSEC/CI/CPLC-482/2014/604	2/12/2015		

*Applied for renewal

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

The Company does not have any material patents, trademarks, licenses or royalty agreements except as mentioned in the above licences

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

The total number of employees of Desh General Insurance Company is 264 nos. person as on 31 December 2019. The details have been provided below:

Salary range (Monthly)	No. of full time employees	Total employees
Below Tk. 3,000	-	-
Above Tk. 3,000	264	264
Total no. of employees	264	264

* There is no part time employee in the Company.

(xviii) A brief description of business strategy;

The Company's strategic objective is to improve and consolidate its position in the insurance industry with a continuous growth philosophy. The major focus of the Company is to enhance value creation through delivering insurance product to wide range of clients. In order to achieve the objective the Company has been adopted the following strategies:

Marketing strategy

1. Emphasize service and support.
2. Increase market share.
3. Reinforce a market image as the finest service provider in the industry.
4. Forecast customer needs.

Financial strategy

1. Focusing on profit.
2. Maintaining transparency and integrity on financial transaction.
3. Focusing on controlling of cost.
4. Budgeting and variance analysis.
5. Financial risk analysis.

Promotion and branding strategy

1. Advertisement in the local newspapers, online, television, electronic media etc.
2. Maintain relationship with the clients.
3. Liaison with insurance agents.
4. Sales incentives for the agents.

Pricing strategy

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

Operational excellence strategy

The reality of the insurance industry is that the service is the product. With this important fact recognized, the Company strives to provide the highest level of customer service. The Company has continued to invest in operational excellence throughout the organization. The Company is addressing operational excellence through continuous process improvement, customer service and technology development. Alignment of its people to 'process improvement' through change management and upgrading of skills as required for customer satisfaction is a continuous activity. Awareness of this quality commitment is widespread among all the employees.

Strategy for business competitiveness

Desh General Insurance Limited has been driven by client need for reducing business risk. By satisfying client demand on time, it has gained on competitive advantage over the others competitors.

Human capital strategy

The Company considers personnel as key resources. Therefore, we are continually working to preserve, encourage and develop the people to perform at their highest potential.

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

There is no such capacity in this respect.

(e) Description of Property:

Contain the following information in respect of properties of the issuer namely:-

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

The corporate office of the Company is situated at Jiban Bima Bhaban, Level#5, Front Block, 10 Dilkusha C/A, Dhaka – 1000. The Company does not possess any land building and plant under its ownership. The other properties of the Company as on 31 December 2019 are as follows:

Desh General Insurance Company Limited

Schedule of Property, Plant & Equipment

As on December 31, 2019

Annexure-A

PARTICULARS	Cost			Rate	DEPRECIATION			Written down value as at 31.12.19
	As on 01.01.19	Addition	As at 31.12.19		As on 01.01.19	During the Period	Accumulated as at 31.12.19	
Furniture & Fixtures	30,830,219	5,416,568	36,246,786	5	9,454,677	144,073	9,598,751	26,648,036
Signboard & Holding	1,568,441	664,711	2,233,152	10	957,887	36,389	994,276	1,238,876
Office Equipment	12,028,546	605,375	12,633,921	5	5,243,926	17,156	5,261,082	7,372,839
Telephone Install.	1,147,330	124,000	1,271,330	10	920,303	6,111	926,414	344,916
Computer	10,032,238	1,533,971	11,566,209	10	2,545,608	104,103	2,649,711	8,916,498
Decoration	56,186,286	6,840,560	63,026,846	5	25,016,592	240,866	25,257,458	37,769,388
Electrical Equipment	4,424,655	1,291,709	5,716,364	5	1,716,257	36,191	1,752,448	3,963,917
Motor Vehicle	67,776,115	1,645,000	69,421,115	10	29,881,156	105,272	29,986,427	39,434,687
Air Condition	10,925,311	1,893,000	12,818,311	8	2,756,895	104,585	2,861,479	9,956,832
Crokaries	480,538	21,470	502,008	10	167,724	1,130	168,853	333,154
Total	195,399,678	20,036,364	215,436,042		78,661,024	795,875	79,456,899	135,979,143
Balance as on 31.12.2018	172,416,630	22,983,049	195,399,678		69,515,336	9,145,689	78,661,025	116,738,654

The above mentioned properties are in good condition.

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

The floor spaces of Head Office and branch offices are taken on lease and the assets situated at Head Office and branch offices are entirely owned by the issuer. The Company taken a lease financing from IDLC finance Limited to buy a motor car.

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

The Company has no land under its ownership.

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

The Company did not acquire or proposed to be acquired any land.

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

The Company has no land under its ownership.

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

The Company did not give its property to mortgage or other type of charge to any financial institution except lien of FDR against Bank Loan.

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

No property is taken on lease except the office premises which are rented for Head office and Branch Offices under operating lease agreement and car which was taken under finance lease from IDLC Finance Limited.

SI No	Description	Location	Name of the lessor	Expiration date of the lease	Principal terms and Condition	Remarks
1	Head Office	Jiban Bima Bhaban, Level # 5, 10 Dilkusha C/A, Dhaka-1000. Tel: +88-02-9558052 Fax: +88-02-9561920	Jiban Bima Corporation	30.06.2020	Office Space: 5522 sft Advance: Tk 2,20,880 Rent: Tk 397,584	Operating Lease
2	Local Office	45 Dilkusha C/A, (7 th Floor), Dhaka-1000. Tel: +88-02-9577723 Fax: +88-02-9577723	Mrs. Hazera khanam	31.10.2020	Office Space: 450 sft Advance: Tk.250,000 Rent: Tk.27,000	Operating Lease
3	Bangshal Branch	2/1 Kazi Alauddin Road, 2 nd Floor, Dhaka-1100. Tel: +88-02-7341997 Fax: +88-02-57165203	Mr. Abdul Momin	28.02.2021	Office Space: 800 sft Advance: Tk. 100,000 Rent: Tk. 24,000	Operating Lease
4	Dilkusha Branch	44 Dilkusha C/A, (7 th Floor), Dhaka-1000. Tel: +88-02-9565759 Fax: +88-02-9565759	Mrs. Jahanara Begum	28.02.2021	Office Space: 1050 sft Advance: N/A Rent: Tk.23,100	Operating Lease
5	VIP Branch	197 Syed Nazrul Islam , Eastern Arzu Tower, 4 th Floor , 4 -A , Dhaka-1000. Tel: +88-02-9349237 Fax: +88-02-9349237	Kazi Mozaharul Haque	30.04.2022	Office Space: 425 sft Advance: Tk. 150,000 Rent: Tk.30,527	Operating Lease
6	B.B. Avenue Branch	29 B.B. Avenue (3 rd Floor), Dhaka-1000. Tel: +88-02-9570161 Fax: +88-02-9570161	1)Mrs. Shirin wahed 2)Mrs. Nasreen Sami Ullah 3)Mr. Altaf Hamid 4)Mr.Mohammad Salehin 5) Mr.Sabbir Shafiullah 6)Mrs. Rehana Hamid	15.06.2021	Office Space: 634 sft Advance: Tk.N/A Rent: Tk.21,000	Operating Lease
7	Paltan Branch	Darussalam Arcade, 14 Purana Paltan, Dhaka1000. Tel: +88-02-9567475 Fax: +88-02-9567475	Mrs. Hasina Khatun	28.02.2021	Office Space: 220 sft Advance: Tk.24,000 Rent: Tk.12,632	Operating Lease
8	Nayabazar Branch	56 Midford Road, Babu Bazar, Hazi Ushuf Mansion (2 nd Floor), Dhaka Tel: +88-02-57394402 Fax: +88-02-9565780	Md. Azad Hossain	31.10.2023	Office Space: 590 sft Advance: Tk.200,000 Rent: Tk. 21,240	Operating Lease
9	Kawran Bazar Branch	57/E Kazi Nazrul Islam Avenue (2 nd Floor), Kawran Bazar,	Md. Aynul Hassan	30.04.2021	Office Space: N/A Advance:	Operating

		Dhaka. Tel: +88-02-9131426 Fax: +88-02-9131426			Rent: Tk. 21,000	Lease
10	Mirpur Branch	4 Shyamoli, Mirpur Road, Dhaka- Tel: +88-02-8120495 Fax: +88-02-48110710	Md. Rezaul Haque	03.09.2022	Office Space: 500 sft Advance: 5,34,600 Rent: 31,250	Operating Lease
11	Uttara Branch	Plot# 25, Road# 7, Sector# 03, Uttara, Dhaka Tel: +88-01720130572, 01732770733	Gazi Abul Hashem	30.04.2020	Office Space: 557.9 sft Advance: 300,000 Rent: 41,842	Operating Lease
12	Gulshan Branch	Holding# Ta-143, Middle Badda, Link Road, Badda, Dhaka Tel: +88-01727346906	Sheikh Bahauddin Ahmmed	30.04.2021	Office Space: 650 sft Advance: 50,000 Rent: 15,790	Operating Lease
14	Savar Branch	R.S Tower, B-34, Office Space-C (3 rd Floor), Bazar Bus Stand, Savar, Dhaka Tel: +88-02-7744445	Md. Golam Hossain Dalim	31.10.2022	Office Space: 550 sft Advance: 150,000 Rent: 10,526	Operating Lease
15	Narayangonj Branch	41 S.M Maleh Road, Narayangonj. Tel: +88-02-7644552 Fax: +88-02- 7644552	AL-HAJ Md. Alamgir Kabir Sarker Shaheen	01.05.2025	Office Space: 740 sft Rent: Tk.10,800	Operating Lease
16	Khatunganj Branch	4 Shah Amanat Road (Jail Road), Laldighi East, Chattagram. Tel: +88-031-2852152 Fax: +88-02-031-2852152	Mr. Johurul Alam	31.05.2022	Office Space: 975 sft Advance: N/A Rent: Tk.23,400	Operating Lease
17	Khulna Branch	Chamber Mansion (4 th Floor) 5 KDA C/A, Khulna. Tel: +88-041-732690 Fax: +88-02-041-732690	Khulna Chamber of Commerce and Industry, Khulna	31.03.2022	Office Space: 785 sft Advance: Tk.41,448 Rent: Tk.13,816	Operating Lease
18	Jessore Branch	4 No. Netaji Subhash Chandra Road (2 nd Floor), Daratana, Jessore. Tel: +88-0421-68597 Fax: +88-02- 0421-68597	Md. Moinul Aziz	31.01.2022	Office Space: 350 sft Advance: Tk.300,000 Rent: Tk.10,000	Operating Lease
19	Rajshahi Branch	97 Boalia, Rajshahi city Corporation, Miapara Tel: +88-0721-812193 Fax: +88-02-0721-812193	Mrs. Tahmina Alam	31.12.2022	Office Space: 350 sft Advance: Rent: Tk 11,000	Operating Lease
20	Bogra Branch	Shantahar Road, Tinpatti, Barogola, Bogra. Tel: +88-051-62354 Fax: +88-02- 051-62354	Mr.Md. Abdul Goffar Sardar	31.07.2025	Office Space: 1,000 sft Advance: Tk.100,000 Rent: Tk. 8,400	Operating Lease
21	Sylhet Branch	Airport Road, Ambarkhana, Sylhet. Tel: +88-0821-710375 Fax: +88-02- 0821-710375	Md. Shafique Hossain	30.09.2021	Office Space: 238 sft Advance: Tk.100,000 Rent: Tk. 5,790	Operating Lease
22	Chowmohoni Branch	Khaza Hafez Mohiuddin rhamotolla Market, 3rd floor room No.47,48, Noakhali, 01819188254	Mozzamel Haque	31.01.2025	Office Space: 460 sft Advance: Tk.1,50,000 Rent: Tk. 12,000	Operating Lease
23	Agrabad Branch	T.S.N Complex (2 nd Floor), 89/90, Agrabad C/A, Goshaidanga, Dobblemuring, Chattagram	Akter Hossain	31.01.2021	Office Space: 313 sft Advance: Tk.200,000 Rent: Tk. 12,000	Operating Lease

		Tel: +88-01877174867, 01752806588				
24	Mirpur Senpara Branch	House-12, Road-6 Section- 10, Senpara Mirpur, Dhaka 01739211055	Abul Hossain	15.04.2021	Office Space: 120 sft Advance: Tk.100,000 Rent: Tk. 10,556	Operating Lease
25	Mymensingh Branch, Mymensingh	34 Choto Bazar, 3rd floor sadar, Mymensingh Mob. 01724738371	Md. Abul Khaled Ratan	31.01.2022	Office Space: 279.36 sft Advance: Tk.50,000 Rent: Tk. 8,421	Operating Lease
26	Car	Jiban Bima Bhaban, Level # 5, 10 Dilkusha C/A, Dhaka-1000. Tel: +88-02-9558052 Fax: +88-02-9561920	IDLC Finance Limited	January 2020	Interest rate: 12.75% Lease period: 48 Months Sanction date: January 2016	Finance lease

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

The Company has no plant and machineries.

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

The Company has no plan to purchase plant and machineries

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

No machineries are yet to be delivered.

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

The Company has no plant.

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

The Company has no re-conditioned or second- hand plant & machinery. The Company has no plan to purchase second hand or reconditioned machineries.

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

Physical verification report

Physical Verification Report												
Particulars												
Name of Company	:	Desh General Insurance Company Limited										
Date of visit	:	20 May 2019										
Registered office, Head office and Principal Branch	:	Registered and Head Office- Jiban Bima Bhaban, Level# 5, Front Block, 10 Dilkusha C/A, Dhaka - 1000										
Visited by the officials of PFCML	:	<table><tr><td>1. Mr. Md. Rezaul Haque</td><td>Managing Director (CC)</td></tr><tr><td>2. Mr. Abdul Mannan FCA</td><td>Chief Financial Officer</td></tr><tr><td>3. Mr. Mohammad Rajibul Islam</td><td>Assistant Vice President</td></tr><tr><td>4. Mr. Atikur Rahman</td><td>Manager</td></tr><tr><td>5. Mr. Dewan Fardeen Alam</td><td>Assistant Manager</td></tr></table>	1. Mr. Md. Rezaul Haque	Managing Director (CC)	2. Mr. Abdul Mannan FCA	Chief Financial Officer	3. Mr. Mohammad Rajibul Islam	Assistant Vice President	4. Mr. Atikur Rahman	Manager	5. Mr. Dewan Fardeen Alam	Assistant Manager
1. Mr. Md. Rezaul Haque	Managing Director (CC)											
2. Mr. Abdul Mannan FCA	Chief Financial Officer											
3. Mr. Mohammad Rajibul Islam	Assistant Vice President											
4. Mr. Atikur Rahman	Manager											
5. Mr. Dewan Fardeen Alam	Assistant Manager											
Accompanied by the officials of DGIC	:	1. Mr. Qazi Mukarram Dastagir										
	:	2. Mr. Rabindra Nath Karmaker										
Purpose of Visit	:	The Company signed an issue management agreement on 8 November 2016 with Prime Finance Capital Management Limited for public issue of shares through Initial Public Offering (IPO). In this respect, the management of PFCML visited the head office as a part of due diligence of issue manager on 20 May 2019 in order to get the operational status of the Company before public issue of shares.										
Issuer properties details												
Properties type	:	Rented office premises & others fixed assets										
Properties location	:	Jiban Bima Bhaban, Level#5, Front Block, 10 Dilkusha C/A, Dhaka – 1000										
Properties	:	<p>Different types of:</p> <ul style="list-style-type: none">Furniture and FixturesSignboard and HoldingOffice EquipmentTelephoneComputerDecorationElectrical EquipmentMotor VehicleAir ConditionCookeries &Software Installation										
Physical existence of office equipment, furniture & fixtures, electrical equipment and others:												
Our observation	:	We have visited the head office of Desh General Insurance Company Limited situated at Jiban Bima Bhaban, Level#5, Front Block, 10 Dilkusha C/A, Dhaka – 1000. The office is well decorated with having modern facilities such as lift, reception and adequate space for the employees. During our visit we found that employees were working there. We communicated with several employees of the Company and they expressed their satisfaction about the official environment. We have found a signboard of the Company in front of entrance. During the course of visit, we have found office equipment, furniture & fixtures, electrical equipment and others in the office premises are in good condition.										

Signed by

Sd/-

Md. Rezaul Haque

Managing Director (CC)

Prime Finance Capital Management Limited

Date: 30 July 2018

(xiv) If the issuer is entitled to any intellectual property right or intangible asset, full description of the property, whether the same are legally held by the issuer and whether all formalities in this regard have been complied with;

The Company does not have any intellectual property right or intangible assets.

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

The description of other properties of the Company has been described as follows:

Sl.	Particulars	Written down value as at 31.12.19
1	Furniture & Fixtures	25,308,430
2	Signboard & Holding	1,111,349
3	Office Equipment	7,003,339
4	Telephone Install	309,813
5	Computer	8,014,438
6	Decoration	35,868,875
7	Electrical Equipment	3,763,911
8	Motor Vehicle	35,480,691
9	Air Condition	9,151,919
10	Croakies	299,726
11	Software Installation	5,523,904
	Total	131,836,397

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

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

The Company was incorporated as a Public Limited Company with the issuance of certificate of incorporation bearing No.: C-39596(1564)/2000 on 8 February 2000 by the Registrar of Joint Stock Companies & Firms. The Company commenced its commercial operation on 2 March 2000.

(ii) If the issuer had been in operation, the issuer's revenue and results from operation, financial position and changes in financial position and cash flows for the last five years or from commercial operation, which is shorter, shall be furnished in tabular form which shall, among others, include the following information:

Revenue and results from operation

Particulars	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
MANAGEMENT EXPENSES					
(Not applicable to any fund or account):	30,155,665	18,931,418	19,606,937	11,827,833	6,435,662
Advertisement & Publicity	151,650	119,200	259,353	79,550	16,050
Audit Fees	195,500	590,000	412,500	187,500	187,500
Audit Fees Paid	415,000				
Bank Charge	450,634	464,472	394,835	309,876	-
Wall Calendar Bill	858,400	811,080	745,930	289,600	-
Depreciation	10,753,598	9,407,312	8,252,513	6,142,584	5,096,371
Depreciation on right of use assets	3,223,454				
Director Fees	462,400	383,000	565,000	590,000	555,000
Donation, Fees, Subscription & Others	135,350	391,000	45,000	271,650	-
Professional Fee	154,500	-	-	-	-
Training Fees	112,000	12,500	8,000	38,500	49,000

Interest on Loan	7,716,002	4,629,723	2,895,279	1,072,255	-
Interest on lease liabilities	686,561				
Legal Fees	78,830	31,000	166,000	198,000	-
Renewal & Registration (Trade)	389,178	460,342	822,305		
Credit Rating Fees	253,000	126,500	253,000	126,500	-
Interest	-		968,000		
BD Expenses (PSB)	48,449	48,889	42,222	40,000	40,000
Annual Fees (BIA)	100,000	200,000	-	100,000	-
Penalty (IPO)	1,256,400	1,256,400	3,627,000	1,826,000	-
Worker's Profit Participation Fund	2,714,760				
IPO Expenses	-		150,000		
Net profit Before Tax	54,295,191	46,760,392	41,110,467	21,354,164	19,759,540
Total :	84,450,856	65,642,921	60,717,404	33,181,997	26,195,202

INTEREST, DIVIDEND AND RENT

(Not applicable to any fund or account):	18,515,955	17,384,929	11,290,236	5,837,439	8,778,191
Interest on GSB	1,988,500	2,254,100	2,254,100	2,628,500	2,628,500
Interest on FDR	16,382,003	14,969,110	8,473,985	2,928,352	5,574,183
Interest on STD Accounts	145,452	161,719	562,151	280,587	575,508
Profit/(Loss) Transferred from:	65,934,901	48,306,881	49,427,168	27,344,558	17,417,011
Fire Insurance Revenue Account	19,650,960	6,305,094	23,535,550	6,847,156	10,690,123
Marine Insurance Revenue Account	33,100,664	21,112,099	17,859,491	17,664,076	6,794,375
Marine Hull Insurance Revenue Account.	(308,969)	407,133	(56,944)	(25,876)	(3,481,338)
Motor Insurance Revenue Account	15,359,303	14,651,386	8,325,356	3,860,637	4,157,516
Miscellaneous Insurance Revenue Account	(1,867,056)	5,831,168	(236,285)	(1,001,435)	(743,665)
Total :	84,450,856	65,691,810	60,717,404	33,181,997	26,195,202

Statement of financial position					
Particulars	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
CAPITAL AND LIABILITIES					
Share Capital					
Authorized :					
10,00,00,000 Ordinary Shares of Tk. 10 each	1,000,000,000	1,000,000,000	,000,000,000	,000,000,000	1,000,000,000
Issued, Subscribed and Paid up Capital					
24,000,000 Ordinary Shares of Tk. 10 each	240,000,000	240,000,000	240,000,000	102,203,080	80,040,000
Reserve or Contingency Account	38,797,365	30,576,395	30,564,523	22,812,262	32,696,698
Profit and Loss Appropriation Account	33,797,365	25,576,395	25,564,523	12,812,262	22,696,698
Reserve for Exceptional Losses	5,000,000	5,000,000	5,000,000	10,000,000	10,000,000
Provision for Taxation	60,196,839	42,421,689	35,121,231	21,697,441	13,124,935
Balance of Funds:	67,867,146	41,020,610	36,046,596	32,543,230	22,500,426
Fire Insurance Business	16,382,046	11,320,028	12,984,298	16,188,682	8,817,841
Marine Insurance Business	36,943,514	17,180,909	11,317,863	12,576,685	9,701,314

Motor Insurance Business	11,015,800	11,039,642	9,212,963	3,501,410	2,098,910
Miscellaneous Insurance Business	2,378,553	12,56,822	2,159,254	202,013	1,853,913
Marine Hull Insurance Business	1,147,234	223,208	372,218	74,440	28,448
Liabilities and Provision	347,072,714	261,825,036	185,131,869	143,185,875	118,567,641
Estimated liabilities in respect of outstanding claims whether due or intimated	51,470,483	792220	989,386	810,058	802,645
Amount due to other persons or bodies Carrying on insurance business	76,974,568	78465821	78,632,571	59,889,704	46,230,008
Deposit Premium	2,732,460	2,391,644	2,895,846	2,564,905	3,960,604
Bank Loan	84,473,477	75,853,570	49,295,388	21,004,672	6,168,613
Lease Liability	7,695,926				
Deferred Tax Liability	10,197,272	7,716,044	3,671,680	-	-
Sundry Creditors	53,331,689	54,184,047	49,646,998	58,916,536	61,405,771
Total	693,737,225	573,422,040	526,864,219	322,441,888	266,929,699
PROPERTY AND ASSETS					
Investment (at Cost): Statutory Deposit with Sonali Bank Ltd as Govt. Security Bond	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
Accrued Interest	6,989,923	11,501,629	6,908,377	1,097,084	3,176,708
Amount due from other persons or bodies Carrying on insurance business	251,875,236	147,735,916	128,655,308	108,858,821	89,769,608
Sundry Debtors	25,692,256	24,182,971	14,957,071	14,007,615	14,814,068
Advance Income Tax	-		5,096,233	4,771,525	4,771,525
Cash & Bank Balances:	238,950,874	238,703,215	233,542,699	85,777,347	78,332,843
Fixed Deposit Account	220,695,325	220,500,000	215,400,000	71,500,000	60,010,000
STD & Current Account	16,337,349	14,339,632	12,791,582	8,357,007	11,812,948
Cash & Cheque in hand	1,918,200	3,863,583	5,351,117	5,920,340	6,509,895
Others :	145,228,937	126,298,309	112,704,531	82,929,496	51,064,946
Fixed Assets	131,836,397	121,709,499	108,133,762	78,490,924	48,107,401
Right of use assets	8,524,840				
Stamps in Hand	656,782	128,250	552,733	60,987	193,841
Stock of Printing Materials	4,210,918	4,460,560	4,018,036	4,377,585	2,763,704

Changes in financial position

Particulars	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
Share Capital	240,000,000	240,000,000	240,000,000	102,203,080	80,040,000
Reserve for Exceptional Losses	5,000,000	5,000,000	5,000,000	10,000,000	10,000,000
Profit & Loss appropriation account	33,797,365	25,576,395	25,564,523	12,812,262	22,696,698
Total Equity	278,797,365	270,576,395	270,564,523	125,015,342	112,736,698

Cash flows

Particulars	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
Cash Flow from Operating Activities:					
Receipts from premium and others	282,628,149	153,929,699	117,060,458	172,943,248	435,660,966
Payment for Management Expenses, Re-Insurance, Claim & Other Expenses	(244,658,203)	128,344,317	(70,250,052)	(143,808,697)	(404,841,959)
Income Tax paid	(1,461,697)				
Net Cash Flow from Operating Activities	36,508,248	25,585,382	46,810,406	29,134,551	30,819,007
Cash Flow from Investing Activities:					
Purchase of Fixed Assets	(20,880,496)	-22,983,049	(37,895,351)	(36,526,107)	(16,844,028)
(Increase)/ Decrease in Fixed Deposit	(195,325)	-5,100,000	(143,900,000)	(11,490,000)	-
Net Cash Flow from Investing Activities	(21,075,821)	-28,083,049	(181,795,351)	(48,016,107)	(16,844,028)
Cash Flow from Financing Activities:					
Share Capital	-	-	137,796,920	-	-
Bank Loan	-	26,558,182	28,290,716	14,836,060	(5,517,138)
Loans Paid	8,619,907	-	(15,995,000)		
Divident paid	(24,000,000)	-24,000,000	(11,242,339)		
Net Cash Flow from Financing Activities	(15,380,093)	2,558,182	138,850,297	14,836,060	(5,517,138)
Increase/(Decrease) in Cash and Bank Balance (A+B+C)	52,335	60,515	3,865,352	(4,045,496)	8,457,841
Add: Cash and Bank Balance at Opening	18,203,214	18,142,699	14,277,347	18,322,843	9,865,002
Cash and Bank Balance at Closing	18,255,549	18,203,214	18,142,699	14,277,347	18,322,843

(a) Internal and external sources of cash;

Amount in Taka					
Particulars	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
Internal sources of Cash					
Share capital	240,000,000	240,000,000	240,000,000	102,203,080	80,040,000
Retained earnings	33,797,365	25,576,395	25,564,523	12,812,262	22,696,698
Sub-Total A	273,797,365	265,576,395	265,564,523	115,015,342	102,736,698
External sources of Cash					
Long term loan net off current maturity	82,298,184	72,810,107	48,129,894	19,373,804	6,168,613
Finance lease obligation net off current maturity	2,175,293	3,043,463	1,165,494	1,630,868	-
Sub-Total B	84,473,477	75,853,570	49,295,388	21,004,672	6,168,613
Grand Total (A+B)	358,270,842	341,429,965	314,859,911	136,020,014	108,905,311

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

The Company has not entered into any material commitment for capital expenditure.

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

Amount in Taka

Particulars	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
Revenue	308,191,870	203,393,806	161,060,466	145,694,075	119,871,285
Year to year changes in revenue (%)	51.52%	26.28%	10.55%	21.54%	6%
Cost of goods sold (COGS)	N/A	N/A	N/A	N/A	N/A
Year to year changes in COGS (%)	N/A	N/A	N/A	N/A	N/A
Gross profit (GP)	65,934,901	48,306,881	49,427,168	27,344,558	17,417,011
Year to year changes in Gross Profit (%)	36.49%	-2.27%	80.76%	57.00%	-15.36%
Operating expenses	142,541,150	84,385,510	70,710,256	54,084,057	50,510,631
Year to year changes in Operating expenses (%)	68.92%	19.34%	30.74%	7.07%	0.00%
Financial expenses	8,853,196	5,094,195	3,290,114	1,382,131	1,104,400
Year to year changes in Financial expenses (%)	73.79%	54.83%	138.05%	25.15%	0.00%
Net profit after tax	32,577,114	24,011,872	20,994,600	12,278,644	11,361,735
Year to year changes in Net Profit after tax (%)	35.67%	14.37%	70.98%	8.07%	0.54%

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

During the 2015-2019 period volume of premium collection was increased due to changes in marketing policy which consequently increased the volume of revenue.

Causes for changes in COGS to revenue (%)

Not applicable

Causes for changes in GP to revenue (%)

Due to increase in overall revenue, GP to revenue (%) was increased during 2015-2019 period, except in 2015 where company has paid a large amount of claim payment.

Causes for changes in operating expenses to revenue (%)

Due to increase business volume, agency commission was also increased. As a result operating expense was also increased during 2015-2019, except in 2015 due to managements various cost cutting policies.

Causes for changes in financial expenses to revenue (%)

Due to increase business volume, management expenses also increased. As a result financial expense was also increased period to period except in 2015 due to repayment of bank loan.

Causes for changes in net profit after tax to revenue (%)

Due to increase business volume due to various marketing policies adopted by DGIC and increase investment income net profit after tax to revenue (%) was also increased during 2015-2019 period.

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

There is no significant seasonal aspect on the Company's business.

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

There are no known trends, events or uncertainties that may affect on the future business of the Company except followings:

1. Changes in government policy
2. Political unrest
3. Natural calamities

(f) Any assets of the Company used to pay off any liabilities;

No assets of the Company have been used to payoff any liabilities of the Company.

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

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

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

The Company has no plan to enter into any future contractual liability within next one year except normal course of insurance business.

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

The Company has not any plan to make any capital expenditure except for those mentioned in the 'Use of Proceeds' Chapter xxii of this prospectus.

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

VAT:

						Amount in Taka
Year	Unpaid VAT	Interest on Unpaid VAT	VAT to be paid of cancelled MR	Interest on cancelled MR	Total VAT	Current Status
2006	965,456	926,838	109,358	104,984	2,106,636	Custom Excise & VAT Commissioner as per audit report of director of audit intelligence and investigation demanded BDT 14,948,087.28 for the year ended 2006-2010. However, DGIC has agreed VAT liability of BDT 9,466,043 as shown in the audited Financial Statement and additional BDT 5,482,044.28 yet not settled which is pending for the decision of the Commissioner of Custom Excise & VAT (South)
2007	968,997	697,678	22,826	16,435	1,705,936	
2008	1,504,421	722,122	191,907	92,115	2,510,565	
2009	3,238,640	777,274	299,853	71,965	4,387,732	
2010	3,943,527	-	268,937	-	4,212,464	
Total	10,621,041	3,123,911	892,881	285,499	14,923,332	
VAT to be paid for Unavailable of export document					24,755	
Grand Total					14,948,087	

Note: A management disclosure regarding VAT has been given in Chapter- XXIX

Income Tax:

Assessment Year	Remarks
2005-2006	<ul style="list-style-type: none"> • Tax return submitted by DGIC - The Company submitted return as on 14/07/2005 • Correspondence from Tax authority -Assessment completed by NBR on 28/02/2011 • Dispute against DGIC and Tax Authority -Tax authority demanded BDT 7,992,286 including BDT 1,044,464 as interest • Court of Appeal -The Company as on 11/03/2007 submitted Tax appeal to the Appellate Commissioner of Taxes, which was subsequently refused on 18/01/2011 and DGIC applied to Tax Appellate Tribunal on 30/05/2018 against Appellate Commissioner of Taxes decision. • Ground of appeal -The Company shown expenses in their Audit report which was disallowed by DCT. Subsequently, the Company submit claim in appeal to Appellate Tribunal U/S 158(5) of Income Tax Ordinance 1984. • Updated status -The case is pending for hearing at Tax Appellate Tribunal
2006-2007	<ul style="list-style-type: none"> • Tax return submitted by DGIC - The Company submitted return as on 26/06/2007 • Correspondence from Tax authority - Accepted under section 82B of Income Tax Ordinance 1984 • Updated status - The Company obtained income tax certificate dated 29/01/2007 and there are no claim of NBR
2007-2008	<ul style="list-style-type: none"> • Tax return submitted by DGIC - The Company submitted return as on 26/08/2007 • Correspondence from Tax authority -Assessment completed by NBR on 24/02/2010 • Dispute against DGIC and Tax Authority -Tax authority demanded BDT 6,542,589 including BDT 810,411 as interest. • Court of Appeal -The Company as on 29/09/2008 submitted Tax appeal to the Appellate Commissioner of Taxes, which was subsequently refused on 14/12/2008, and DGIC applied to Tax Appellate Tribunal Division Bench-5, Dhaka on 12/03/2009 against Appellate Commissioner of Taxes Division, which was also refused on 30/07/2009 and they applied U/S 158(5) of Income Tax Ordinance 1984 to High Court Division of Supreme Court of Bangladesh on 30/07/2018 • Ground of appeal -The Company shown expenses in their Audit report which was disallowed by DCT. Subsequently, the Company submit claim in appeal to Appellate Tribunal U/S 158(5) of Income Tax Ordinance 1984. • Updated status - Tax Appellate Tribunal place order against appeal as on 30/07/2009, which was dispose of. -The case is pending for hearing at High Court Division of Supreme Court of Bangladesh.
2008-2009	<ul style="list-style-type: none"> • Tax return submitted by DGIC - The Company submitted return as on 07/08/2008 • Correspondence from Tax authority -Assessment completed by NBR on 25/02/2009 • Dispute against DGIC and Tax Authority -Tax authority demanded BDT 2,626,237 including BDT 338,175 as interest. • Court of Appeal -The Company as on 05/09/2017 submitted Tax appeal to the Appellate Commissioner of Taxes, which was subsequently refused on 22/02/2018 and DGIC applied to Tax Appellate Tribunal on 26/06/2018 against Appellate Commissioner of Taxes decision. • Ground of appeal -The Company shown expenses in their Audit report which was disallowed by DCT. Subsequently, the Company submit claim in appeal to Appellate Tribunal U/S 158(5) of Income Tax Ordinance 1984. • Updated status The case is pending for hearing at Tax Appellate Tribunal

2009-2010	<ul style="list-style-type: none"> • Tax return submitted by DGIC - The Company submitted return as on 15/07/2009 • Correspondence from Tax authority -Assessment completed by NBR on 26/10/2010 • Dispute against DGIC and Tax Authority -Tax authority demanded BDT 6,606,965 including BDT 604,886 as interest. • Court of Appeal -The Company as on 05/09/2017 submitted Tax appeal to the Appellate Commissioner of Taxes, which was subsequently refused on 22/02/2018 and DGIC applied to Tax Appellate Tribunal on 26/06/2018 against Appellate Commissioner of Taxes decision. • Ground of appeal -The Company shown expenses in their Audit report which was disallowed by DCT. Subsequently, the Company submit claim in appeal to Appellate Tribunal U/S 158(5) of Income Tax Ordinance 1984. • Updated status -The case is pending for hearing at Tax Appellate Tribunal
2010-2011	<ul style="list-style-type: none"> • Tax return submitted by DGIC - The Company submitted return as on 15/07/2010 • Correspondence from Tax authority -Assessment completed by NBR on 21/11/2012 • Dispute against DGIC and Tax Authority -Tax authority demanded BDT 10,140,334 including BDT 1,275,574 as interest. • Court of Appeal -The Company as on 05/09/2017 submitted Tax appeal to the Appellate Commissioner of Taxes, which was subsequently refused on 22/02/2018 and DGIC applied to Tax Appellate Tribunal on 26/06/2018 against Appellate Commissioner of Taxes decision. • Ground of appeal -The Company shown expenses in their Audit report which was disallowed by DCT. Subsequently, the Company submit claim in appeal to Appellate Tribunal U/S 158(5) of Income Tax Ordinance 1984. • Updated status -The case is pending for hearing at Tax Appellate Tribunal
2011-2012	<ul style="list-style-type: none"> • Tax return submitted by DGIC - The Company submitted return as on 29/06/2011 • Correspondence from Tax authority -Assessment completed by NBR on 11/07/2013 • Dispute against DGIC and Tax Authority -Tax authority demanded BDT 2,742,135 including BDT 307,187 as interest. • Court of Appeal -The Company as on 05/09/2017 submitted Tax appeal to the Appellate Commissioner of Taxes, which was subsequently refused on 22/02/2018 and DGIC applied to Tax Appellate Tribunal on 26/06/2018 against Appellate Commissioner of Taxes decision. • Ground of appeal -The Company shown expenses in their Audit report which was disallowed by DCT. Subsequently, the Company submit claim in appeal to Appellate Tribunal U/S 158(5) of Income Tax Ordinance 1984. • Updated status -The case is pending at Tax Appellate Tribunal
2012-2013	<ul style="list-style-type: none"> • Tax return submitted by DGIC - The Company submitted return as on 14/08/2012 • Correspondence from Tax authority -Assessment completed by NBR on 15/12/2013 • Dispute against DGIC and Tax Authority -Tax authority demanded BDT 6,324,977 including BDT 807,046 as interest. • Court of Appeal -The Company as on 05/09/2017 submitted Tax appeal to the Appellate Commissioner of Taxes, which was subsequently refused on 22/02/2018 and DGIC applied to Tax Appellate Tribunal on 26/06/2018 against Appellate Commissioner of Taxes decision. • Ground of appeal

	<ul style="list-style-type: none"> -The Company shown expenses in their Audit report which was disallowed by DCT. Subsequently, the Company submit claim in appeal to Appellate Tribunal U/S 158(5) of Income Tax Ordinance 1984. • Updated status -The case is pending for hearing at Tax Appellate Tribunal
2013-2014	<ul style="list-style-type: none"> • Tax return submitted by DGIC - The Company submitted return as on 15/07/2013 • Correspondence from Tax authority -Assessment completed by NBR on 09/09/2014 • Dispute against DGIC and Tax Authority -Tax authority demanded BDT 3,245,966 including BDT 254,299 as interest. • Court of Appeal -The Company as on 05/09/2017 submitted Tax appeal to the Appellate Commissioner of Taxes, which was subsequently refused on 22/02/2018 and DGIC applied to Tax Appellate Tribunal on 26/06/2018 against Appellate Commissioner of Taxes decision. • Ground of appeal -The Company shown expenses in their Audit report which was disallowed by DCT. Subsequently, the Company submit claim in appeal to Appellate Tribunal U/S 158(5) of Income Tax Ordinance 1984. • Updated status -The case is pending for hearing at Tax Appellate Tribunal
2014-2015	<ul style="list-style-type: none"> • Tax return submitted by DGIC - The Company submitted return as on 25/06/2014 • Correspondence from Tax authority -Accepted under section 82BB of Income Tax Ordinance 1984 • Updated status - The Company obtained income tax certificate dated 29/01/2007 and there are no claim of NBR
2015-2016	<ul style="list-style-type: none"> • Tax return submitted by DGIC - The Company submitted return as on 18/11/2015 • Correspondence from Tax authority -Assessment completed by NBR on 19/12/2016 • Dispute against DGIC and Tax Authority -Tax authority demanded BDT 18,521,576 including BDT 2,087,837 as interest. DGIC paid against the demand amount of BDT 4,998,043 vide cheque no. 1029787 of Shahjalal Islami Bank Limited dated 05/09/2017 and the rest amount of BDT 13,523,533 was under decision of Tax Appellate Tribunal • Court of Appeal -The Company as on 05/09/2017 submitted Tax appeal to the Appellate Commissioner of Taxes, which was subsequently refused on 22/02/2018 and DGIC applied to Tax Appellate Tribunal on 26/06/2018 against Appellate Commissioner of Taxes decision. • Ground of appeal -The Company shown expenses in their Audit report which was disallowed by DCT. Subsequently, the Company submit claim in appeal to Appellate Tribunal U/S 158(5) of Income Tax Ordinance 1984. • Updated status -The case is pending for hearing at Tax Appellate Tribunal
2016-2017	<ul style="list-style-type: none"> • Tax return submitted by DGIC - The Company submitted return as on 23/08/2016 • Updated status - The assessment is pending under DCT
2017-2018	<ul style="list-style-type: none"> • Tax return submitted by DGIC - The Company submitted return as on 29/08/2017 • Updated status - The assessment is pending under DCT
2018-2019	<ul style="list-style-type: none"> • Tax return submitted by DGIC - The Company submitted return as on 14/11/2018 • Updated status - The assessment is pending under DCT
2019-2020	<ul style="list-style-type: none"> • Tax return to be submitted by DGIC in due course

Contingent Liability

VAT

Year	Unpaid VAT	Interest on Unpaid VAT	VAT to be paid of cancelled MR	Interest on cancelled MR	Total VAT	Current Status
2006	965,456	926,838	109,358	104,984	2,106,636	Custom Excise & VAT Commissioner as per audit report of director of audit intelligence and investigation demanded BDT 14,948,087.28 for the year ended 2006-2010. However, DGIC has agreed VAT liability of BDT 9,466,043.00 as shown in the audited Financial Statement and additional BDT 5,482,044.28 yet not settled which is pending for the decision of the Commissioner of Custom Excise & VAT (South)
2007	968,997	697,678	22,826	16,435	1,705,936	
2008	1,504,421	722,122	191,907	92,115	2,510,565	
2009	3,238,640	777,274	299,853	71,965	4,387,732	
2010	3,943,527	-	268,937	-	4,212,464	
Total	10,621,041	3,123,911	892,881	285,499	14,923,332	
VAT to be paid for Unavailable of export document					24,755	
Grand Total					4,948,087	

Note: A management disclosure regarding VAT has been given in Chapter- XXIX
The Company is contingently liable as on 31December 2019 amounting Tk. 5,482,044.28

TAX

Amount in Taka

Year	Demand by tax authority	Paid Amount	Unpaid Amount	Contingent Liability
2005-06	8,605,173	314,488	8,290,685	8,290,685
2007-08	7,530,907	988,318	6,542,589	6,542,589
2008-09	3,982,731	1,356,494	2,626,237	2,626,237
2009-10	8,678,780	2,071,815	6,606,965	6,606,965
2010-11	11,223,133	1,082,799	10,140,334	10,140,334
2011-12	4,255,552	1,513,417	2,742,135	2,742,135
2012-13	7,724,151	1,399,174	6,324,977	6,324,977
2013-14	6,482,062	3,236,096	3,245,966	3,245,966
2015-16	21,876,430	8,352,897	13,523,533	13,523,533
2016-17	-	-	-	-
2017-18	-	-	-	-
2018-19	-	-	-	-
Total	80,358,919	20,315,498	60,043,421	60,043,421

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

The Financial Commitment (Long Term)

Bank/FI	Purpose of Loan	Total Amount (Sanction)	Sanction Date	Date of Expiry	Rate of Interest	Monthly Installment	Outstanding balance as on 31 December 2019
					(%)		(Amount in Taka)
Bank Asia Ltd. (Principal Br.)	Liability Paid	1,600,000	29.02.2016	27.02.2018	9.00%	-	1,643,839
Padma Bank Limited	Claim Settlement	2,250,000	12.11.2016	02.11.2017	11.25%		2,331,204
Modhumoti Bank Ltd, Gulshan Br	Claim Settlement	24,300,000	11.10.2018	11.10.2019	11.50%		25,033,329

Shahjalal Islami Bank Ltd.	Loan, Claim Settlement & Decoration	42,710,000	27.10.2016	15.09.2018	8.70% & 8%		44,393,146
Southeast Bank Limited	Claim Settlement	8,500,000	16.01.2019	24.07.2020	10.50%		8,896,667
Bengal Polymer Wears	Claim Settlement	10,000,000	05.05.2015	05.05.2016	Nil		5,811,200
Bengal Plastics Ltd.	Claim Settlement	18,200,000	05.05.2015	05.05.2016	Nil		10,577,600
Designer Fasions Ltd.	Claim Settlement	10,000,000	05.05.2015	05.05.2016	Nil		5,811,200

The Lease Commitment

Name of Institutions	Lease Amount (Taka)	Rate of Interest (%)	Sanction Date	Monthly Installment (Taka)	Lease Period (monthly basis)	Date of Expiry	Outstanding Balance as on 31 December 2019 (Taka)
IDLC	4,700,000	11.75% & 13%	04.01.2016	53,410	48	05.01.2020	2,175,293

During the last five years the financial commitment including lease obligation were liquidated from companies business income.

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

The Company considers its human resources as the most valuable assets of the Company and has been continuing to train, equip and groom its employees for building a strong foundation. In order to enhance and advance the professional ability and knowledge of the employees, regular training programs are organized. The Company has planned to implement attractive compensation plan and is offering festival bonus for attracting highly skilled professional staff with high degree of integrity. Other than attractive remuneration package and festival bonus, the Board of Directors in the 122th board meeting held on 30 September 2018 has decided to be implemented Workers Profit Participation Fund (WPPF) as per labour Act, 2006 (amendment on 2013) from 31 December 2019. However, the Board of Directors in the 125th board meeting held on 23 June 2019 has decided to implement Workers Profit Participation Fund (WPPF) as per labour Act, 2006 (amendment on 2013) from 1st January 2019. Summary of Personnel related scheme is given below:

Sl. No.	Scheme	Remarks
1	Workers Profit Participation Fund (WPPF)	As per the Bangladesh Labour Act, 2006 (amendment 2013) service sector other than manufacturing sector is also required to maintain Worker Profit Participation Fund (WPPF). The management of the company decided in its Board Meeting held on 23 June 2019 to introduce WPPF for the year 2019 and onward.
2	Yearly Increment	Already avail by the employee
3	Allowance	Car and mobile allowance paid to top management.
4	Festival Bonus	Already avail by the employee
5	Group Insurance	Already approved by the Board of directors to be introduced in next financial year.

(m) Break down of all expenses related to the public issue;

Sl.	Description	Basis of Fees	Amount in Tk. (approx.)
Issue Management Fees:			
1	Issue Management Fee	Fixed	1,000,000
2	VAT	@ 15% on the total issue management fee	150,000
BSEC Fees:			
1	Application Fee	Fixed	50,000
2	Consent Fee	0.40% on the public offer amount of Tk. 160,000,000	640,000
Listing Related Expenses:			
1	Application fee (DSE & CSE)	Fixed	100,000
2	Listing fees for stock exchanges (DSE & CSE)	@ 0.25% on Tk. 100 million of paid up capital and 0.15% on the rest amount of paid up capital; minimum Tk. 50,000 and maximum Tk. 10 million for each exchange	1,400,000
3	Annual fees for stock exchanges (DSE & CSE)	@ 0.05% on Tk. 1,000 million of paid up capital and 0.02% on the rest amount of paid up capital for each exchanges; total annual listing fee shall be minimum Tk. 50,000 and maximum Tk. 600,000 for each of the exchanges	240,000
4	Data Transmission Fee for DSE & CSE	Fixed	400,000
IPO related fees:			
1	Underwriting Commission	Commission @ 0.30% on Underwritten Amount	168,000
2	Auditor Certification Fees	Negotiable	300,000
	Corporate Governance Certificate Fee including Report	Negotiable	50,000
3	Credit Rating Fee	Negotiable	200,000
CDBL Fees and Expenses:			
1	Security Deposit	Fixed	500,000
2	Documentation Fee	Fixed	2,500
3	Annual Fee	Fixed	100,000
4	Connection fee (Tk. 500.00 per month*12)	Fixed	6,000
5	Initial Public Offering fee	@ 0.015% of issue size + 0.015% of Pre-IPO paid up capital	60,000
Printing and Post IPO Expenses:			
1	Publication of Prospectus	Estimated 3000 copies (To be paid at actual)	600,000
2	Abridged Version of prospectus and Notice in 4 daily newspaper	Estimated (To be paid at actual)	600,000
3	Notice for subscription, Lottery, Refund etc. in 4 daily news paper	Estimated (To be paid at actual)	300,000
4	Lottery Conducting Expenses including BUET Fee	Estimated (To be paid at actual)	800,000
5	Data Processing Fee and Share Software Charge	Estimated (To be paid at actual)	1,800,000
6	Stationeries and other expenses	Estimated (To be paid at actual)	100,000
Grand Total			9,566,500
NB: Actual costs may be varied if above mentioned estimates differ and will be adjusted accordingly			

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

No assets of the issuer are revaluated yet.

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

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

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

- (1) Date of Incorporation;
- (2) Nature of Business;
- (3) Equity Capital;
- (4) Reserves;
- (5) Sales;
- (6) Profit after tax;
- (7) Earnings per share and Diluted Earnings Per Share;
- (8) Net Asset Value;
- (9) The highest and lowest market price of shares during the preceding six months with disclosures for changes in capital structure during the period, if any securities of the group are listed with any exchange;
- (10) Information regarding significant adverse factors relating to the group;
- (11) Any of the group companies has become sick or is under winding up;
- (12) The related business transactions within the group and their significance on the financial performance of the issuer;
- (13) Sales or purchase between group companies or subsidiaries or associate companies when such sales or purchases exceed in value in the aggregate ten per cent of the total sales or purchases of the issuer and also material items of income or expenditure arising out of such transactions;

The issuer is not belonging to any group of companies.

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

To whom it may concern

Dated: 27 September 2020

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

Declared by the Board of Directors of Desh General Insurance Limited:

Sd/-
Jashim Uddin
Chairman

Sd/-
Md. Akbor Hossain
Vice Chairman

Sd/-
Priti Kana Bose
Director

Sd/-
Murad Mohammed Taj
Director

Sd/-
Rokeya Quader
Director

Sd/-
Engr. Tarikul Alam Rahimi
Director

Sd/-
Tahrin Aman
Director

Sd/-
Nauzat Begum
Director

Sd/-
Aminur Rahman
Director

Sd/-
Engr. A.K.M. Ahsanul Haque
Director

Sd/-
Shahedul Islam
Independent Director

Sd/-
Sarwar Uddin FCA
Independent Director

Sd/-
Kamal Uddin FCA
Independent Director

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

Auditors' certificate regarding any allotment of shares to any person for any consideration otherwise than cash along with relationship of that person with the issuer and rationale of issue price of the shares

This is to certify that Desh General Insurance Limited has not allotted any shares for consideration other than in cash to any person up to 31 December 2019 except as follows.

Allotment	Date of issue		Person to whom those are issued	Number of Shares	Relationship with Issuer	Issue Price	Consideration and valuation thereof	Reasons for the issue	Whether any benefits have been accrued to the issuer out of the issue
Ist Allotment	20-Oct-2013	S1	Name			10	Bonus Share at face values	To distribute accumulated profit	The Issuer has get benefit through reinvestment of distributable profit and paid up capital has been increased .No other benefits have been accrued to the issuer out of the issue
		1	Mr. Jasim Uddin.	48,067	Chairman				
		2	Md. Akbor Hossain	48,068	Vice Chairman				
		3	Mr. M. Monsurul Islam	22,500	Sponsor Shareholder				
		4	Ms. Priti Kona Bose	22,500	Sponsor Director				
		5	Mr. Moshfeque Mamun Rizvi	16,020	Sponsor Shareholder				
		6	Mr. Abdus Salam Khan	37,500	Sponsor				
		7	Mr. Murad Mohammad Taj	64,605	Sponsor Director				
		8	Mr. Md. Saifuddin Khaled	40,057	Sponsor Shareholder				
		9	Mr. Tahrin Aman	40,058	Sponsor Director				
		10	Mr. Aminur Rahman	40,058	Sponsor Director				
		11	Mrs. Rokeya Kader	56,077	Sponsor Director				
		12	Eng. A.K.M Ahsanul Haque	47,565	Sponsor Director				
		13	Mr. Nill Kantha Roy	40,057	Sponsor Director				
		14	Engr. Tarikul Alam Rahimi	56,078	Sponsor Director				
		15	Mrs. Rehana Begum	22,500	Sponsor Shareholder				

		1 6	Mrs. Nauzat Begum	15,000	Sponsor Director				
		1 7	Al-Haj Mosharref Hossain	48,067	Shareholder				
		1 8	Mr. M. Amanullah	16,020	Shareholder				
		1 9	Mr. Morshed Alam	88,125	Shareholder				
		2 0	Mr. Sakif Nazran Bhuiyan	56,078	Shareholder				
		2 1	Mr. Amir Hossain Amu	75,000	Shareholder				
		Total		900,000					
2nd Allotment	27-Aug- 2014	1	Mr. Jasim Uddin	58,963	Chairman	10	Bonus Share at face values	To distribute accumulated profit	The Issuer has get benefit through re investme nt of distribut able profit and paid up capital has been increased .No other benefits have been accrued to the issurer out of the issue
		2	Md. Akbor Hossain	58,962	Vice Chairman				
		3	Mr. M. Monsurul Islam	27,600	Sponsor Shareholder				
		4	Ms. Priti Kona Bose	27,600	Sponsor Director				
		5	Mr. Moshfeque Mamun Rizvi	19,651	Sponsor Shareholder				
		6	Mr. Abdus Salam Khan	46,000	Sponsor				
		7	Mr. Murad Mohammad Taj	79,249	Sponsor Director				
		8	Mr. Saifuddin Khaled	49,138	Sponsor Shareholder				
		9	Mr. Tahrin Aman	49,137	Sponsor Director				
		10	Mr. Aminur Rahman	49,137	Sponsor Director				
		11	Mrs. Rokeya Kader	68,789	Sponsor Director				
		12	Eng. A.K.M Ahsanul Haque	58,346	Sponsor Director				

		13	Mr. Nill Kantha Roy	49,138	Sponsor Director				
		14	Engr. Tarikul Alam Rahimi	68,788	Sponsor Director				
		15	Mrs. Rehena Begum	27,600	Sponsor Shareholder				
		16	Mr. Sakif Nazran Bhuiyan	68,788	Shareholder				
		17	Mrs. Nauzat Begum	18,400	Sponsor Director				
		18	Al-Haj Mosharref Hossain	58,963	Shareholder				
		19	Mr. M. Amanullah	19,651	Shareholder				
		20	Mr. Morshed Alam	108,100	Shareholder				
		21	Mr. Amir Hossain Amu	92,000	Shareholder				
		Total		1,104,000					
3rd Allotment	02-Jun-2016	1	Mr. Jasim Uddin	55,573	Chairman	10	Bonus Share at face values	To distribute accumulated profit	The Issuer has get benefit through re investment of distributable profit and paid up capital has been increased .No other benefits have been accrued to the
		2	Mr. Md. Akbor Hossain	55,573	Vice Chairman				
		3	Mr. M. Monsurul Islam	26,013	Sponsor Shareholder				
		4	Ms. Priti Kona Bose	26,013	Sponsor Director				
		5	Mr. Moshfeque Mamun Rizvi	18,521	Sponsor Shareholder				
		6	Mr. Abdus Salam Khan	43,355	Sponsor				
		7	Mr. Murad Mohammad Taj	74,692	Sponsor Director				
		8	Mr. Saifuddin Khaled	46,312	Sponsor Shareholder				
		9	Mr. Tahrin Aman	46,312	Sponsor Director				
		10	Mr. Aminur Rahman	46,312	Sponsor Director				

		1 1	Mrs. Rokeya Kader	64,833	Sponsor Director				issurer out of the issue
		1 2	Eng. A.K.M Ahsanul Haque	54,991	Sponsor Director				
		1 3	Mr. Nill Kantha Roy	46,312	Sponsor Director				
		1 4	Engr. Tarikul Alam Rahimi	64,833	Sponsor Director				
		1 5	Mrs. Rehena Begum	26,013	Sponsor Shareholder				
		1 6	Mrs. Nauzat Begum	17,342	Sponsor Director				
		1 7	Mr. Sakif Nazran Bhuiyan	64,833	Shareholder				
		1 8	Al-Haj Mosharref Hossain	55,572	Shareholder				
		1 9	Mr. M. Amanullah	18,521	Shareholder				
		2 0	Mr. Morshed Alam	101,884	Shareholder				
		2 1	Mr. Amir Hossain Amu	86,710	Shareholder				
		Total		1,040,520					
4th Allotment	16-Oct- 2016	1	Mr. Jasim Uddin	62,797	Chairman	10	Bonus Share at face values	To distribute accumulated profit	The Issuer has get benefit through re investme nt of distribut able profit and paid up capital has been increased .No other benefits have been accrued to the issurer out of the issue
		2	Mr. Md. Akbor Hossain	62,797	Vice Chairman				
		3	Mr. M. Monsurul Islam	29,395	Sponsor Shareholder				
		4	Ms. Priti Kona Bose	29,395	Sponsor Director				
		5	Mr. Moshfeque Mamun Rizvi	20,929	Sponsor Shareholder				
		6	Mr. Abdus Salam Khan	48,991	Sponsor				
		7	Mr. Murad Mohammad Taj	84,402	Sponsor Director				
		8	Mr. Saifuddin Khaled	52,332	Sponsor Shareholder				
		9	Mr. Tahrin Aman	52,333	Sponsor Director				
		1 0	Mr. Aminur Rahman	52,333	Sponsor Director				
		1 1	Mrs. Rokeya Kader	73,261	Sponsor Director				
		1 2	Eng. A.K.M Ahsanul Haque	62,140	Sponsor Director				
		1 3	Mr. Nill Kantha Roy	52,333	Sponsor Director				
		1 4	Engr. Tarikul Alam Rahimi	73,261	Sponsor Director				

		1 5	Mrs. Rehena Begum	29,395	Sponsor Shareholder				
4th Allotment	16-Oct- 2016	1 6	Mrs. Nauzat Begum	19,596	Sponsor Director	10	Bonus Share at face values	To distribute accumulated profit	The Issuer has get benefit through re investme nt of distribut able profit and paid up capital has been increased .No other benefits have been accrued to the issurer out of the issue
		1 7	Mr. Sakif Nazran Bhuiyan	73,261	Shareholder				
		1 8	Al-Haj Mosharref Hossain	62,797	Shareholder				
		1 9	Mr. M. Amanullah	20,929	Shareholder				
		2 0	Mr. Morshed Alam	115,129	Shareholder				
		2 1	Mr. Amir Hossain Amu	97,982	Shareholder				
		Total		1,175,788					

Sd/-

Place: Dhaka

Date : September 29, 2020

Rahman Mostafa Alam & Co

Chartered Accountants

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

Other than information disclosed of this prospectus, there is no material information which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public.

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

Business strategies

The Company's strategic objective is to improve and consolidate its position in the insurance industry with a continuous growth philosophy. The major focus of the Company is to enhance value creation through delivering insurance product to wide range of clients. In order to achieve the objective the Company has been adopted the following strategies:

Marketing strategy

1. Emphasize service and support.
2. Increase market share.
3. Reinforce a market image as the finest service provider in the industry.
4. Forecast customer needs.

Financial strategy

1. Focusing on profit.
2. Maintaining transparency and integrity on financial transaction.
3. Focusing on controlling of cost.
4. Budgeting and variance analysis.
5. Financial risk analysis.

Promotion and branding strategy

1. Advertisement in the local newspapers, online, television, electronic media etc.
2. Maintain relationship with the clients.
3. Liaison with insurance agents.
4. Sales incentives for the agents.

Pricing strategy

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

Operational excellence strategy

The reality of the insurance industry is that the service is the product. With this important fact recognized, the Company strives to provide the highest level of customer service. The Company has been continued to invest in operational excellence throughout the organization. The Company are addressing operational excellence through continuous process improvement, customer service and technology development. Alignment of its people to 'process improvement' through change management and upgrading of skills as required for customer satisfaction is a continuous activity. Awareness of this quality commitment is widespread among all the employees.

Strategy for business competitiveness

Desh General Insurance Limited has been driven by client need for reducing business risk. By satisfying client demand on time, it has gained on competitive advantage over the others competitors.

Human capital strategy

The Company considers personnel as key resources. Therefore, we are continually working to preserve, encourage and develop the people to perform at their highest potential.

Future plan

In pursuance of aforesaid Strategies of Desh General Insurance Company Limited has been set forth the following plan to be implemented in future:

1. Expansion of business
2. Development of human resources
3. New product development
4. Broaden marketing base
5. Enhance a client base
6. Adopt new technology
7. Focusing on long term financial benefit of the Company. Accordingly the net proceeds from Initial Public Offering (IPO) will be used for as described in section-xxii under the head 'Use of Proceeds'.

Projected statement of financial position for the next three years

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

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

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

There was no significant adjustment given in the auditors' report during the last financial year. Summary of the financial results and operations are presented below:

Sl. No.	Particulars	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
1	Total revenue	308,191,870	203,393,806	161,060,466	145,694,075	119,871,285
2	Gross profit	65,934,901	48,306,881	49,427,168	27,344,558	17,417,011
3	Net profit before tax	63,688,232	46,760,392	41,110,467	21,354,164	19,759,540
4	Net profit after tax	32,577,114	24,011,872	20,994,600	12,278,644	11,361,735
5	Total assets	693,737,225	573,422,040	526,864,219	322,441,888	266,929,699
6	Shareholder's equity	278,797,365	270,576,395	272,564,523	125,015,342	112,736,698
7	No. of shares	24,000,000	24,000,000	24,000,000	10,220,308	8,004,000
8	Face value	10.00	10	10	10	10
9	NAV per share with revaluation reserve	11.62	11.27	11.27	12.23	14.09
10	NAV per share without revaluation reserve	11.62	11.27	11.27	12.23	14.09
11	EPS (Basic)	1.36	1.00	1.14	1.20	1.42
12	EPS (Restated)	1.36	1.00	0.87	0.51	0.47

(2) A summary of major items of income and expenditure;

Major items of income and expenditure are presented bellow:

Major items of income

Sl.	Particulars	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
1	Revenue	308,191,870	203,393,806	161,060,466	145,694,075	119,871,285
2	Non operating income	18,515,955	17,384,929	11,290,236	5,837,439	8,778,191

Major items of expenditure

Sl.	Particulars	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
1	Operating expense	142,541,150	84,385,510	70,710,256	54,084,057	50,510,631
2	Financial expenses	8,853,196	5,094,195	3,290,114	1,382,131	-

(3) The income and sales on account of major products or services;

Product name	Income									
	31-Dec-19		31-Dec-18		31-Dec-17		31-Dec-16		31-Dec-15	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Fire	19,650,960	211.67%	6,305,094	-73.21%	23,535,550.00	2.44	6,847,156.00	(0.36)	10,690,123.06	-
Marine	33,100,664	56.79%	21,112,099	18.21%	17,859,491.00	0.01	17,664,076.00	1.60	6,794,374.53	-
Motor	15,359,303	4.61%	14,651,386	75.985%	8,325,355.00	1.16	3,860,637.00	(0.07)	4,157,516.50	-
Miscellaneous	(1,867,056)	-132.02%	5,831,168	-2567.9%	(236,285.00)	(0.76)	(1,001,435.00)	0.35	(743,665.34)	-
Marine Hull	(308,969)	-175.89%	407,133	-814.97%	(56,944.00)	1.20	(25,876.00)	(0.99)	(3,481,337.59)	-

Product name	Sales									
	31-Dec-19		31-Dec-18		31-Dec-17		31-Dec-16		31-Dec-15	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Fire	118,247,509	57.09%	75,271,980	12.18%	67,099,955	(0.01)	67,631,473	0.22	55,554,328	-
Marine	115,383,689	105.50%	56,147,126	31.38%	42,737,784	(0.09)	46,754,043	0.25	37,361,854	-
Motor	27,784,633	-0.32%	27,872,916	19.92%	23,242,039	1.54	9,144,702	0.56	5,862,481	-
Miscellaneous	45,311,576	3.74%	43,680,093	58.80%	27,505,643	0.26	21,806,229	0.06	20,636,932	-
Marine Hull	1,464,464	247.28%	421,693	-11.23%	475,045	0.33	357,628	(0.22)	455,689	-

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

Other income of the Company is not more than 10% of the total income.

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

The income of the Company is not dependent on a single customer or a few major customers or any foreign customer.

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

Any unorthodox procedure was not followed by the Company for recording its sales and revenue.

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

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

Particulars	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
Revenue	308,191,870	203,393,806	161,060,466	145,694,075	119,871,285
Year to year changes in revenue (%)	51.52%	26.28%	10.55%	21.54%	6%
Cost of goods sold (COGS)	N/A	N/A	N/A	N/A	N/A
Year to year changes in COGS (%)	N/A	N/A	N/A	N/A	N/A
Gross profit (GP)	65,934,901	48,306,881	49,427,168	27,344,558	17,417,011
Year to year changes in Gross Profit (%)	36.49%	-2.27%	80.76%	57.00%	-15.36%
Operating expenses	142,541,150	84,385,510	70,710,256	54,084,057	50,510,631
Year to year changes in Operating expenses (%)	68.92%	19.34%	30.74%	7.07%	0.00%
Financial expenses	8,853,197	5,094,195	4,258,114	1,382,131	1,104,400
Year to year changes in Financial expenses (%)	73.79%	19.64%	208.08%	25.15%	0.00%
Net profit after tax	32,577,114	24,011,872	20,994,600	12,278,644	11,361,735
Year to year changes in Net Profit after tax (%)	35.67%	14.37%	70.98%	8.07%	0.54%

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

During the 2015-2019 period volume of premium collection was increased due to changes in marketing policy which consequently increased the volume of revenue.

Causes for changes in COGS to revenue (%)

Not applicable

Causes for changes in GP to revenue (%)

Due to increase in overall revenue, GP to revenue (%) was increased during 2015-2019 period, except in 2015 where company has paid a large amount of claim payment.

Causes for changes in operating expenses to revenue (%)

Due to increase business volume, agency commission was also increased. As a result operating expense was also increased during 2015-2019, except in 2015 due to managements various cost cutting policies.

Causes for changes in financial expenses to revenue (%)

Due to increase business volume, management expenses also increased. As a result financial expense was also increased period to period except in 2015 due to repayment of bank loan.

Causes for changes in net profit after tax to revenue (%)

Due to increase business volume due to various marketing policies adopted by DGIC and increase investment income net profit after tax to revenue (%) was also increased during 2015-2019 period.

During the 2015-2019 period volume of premium collection was increased due to changes in marketing policy which consequently increased the volume of revenue.

Causes for changes in COGS to revenue (%)

Not applicable

Causes for changes in GP to revenue (%)

Due to increase in overall revenue, GP to revenue (%) was increased during 2015-2019 period, except in 2015 where company has paid a large amount of claim payment.

Causes for changes in operating expenses to revenue (%)

Due to increase business volume, agency commission was also increased. As a result operating expense was also increased during 2015-2019, except in 2015 due to managements various cost cutting policies.

Causes for changes in financial expenses to revenue (%)

Due to increase business volume, management expenses also increased. As a result financial expense was also increased period to period except in 2015 due to repayment of bank loan.

Causes for changes in net profit after tax to revenue (%)

Due to increase business volume due to various marketing policies adopted by DGIC and increase investment income net profit after tax to revenue (%) was also increased during 2015-2019 period.

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

There have been no transactions or events in the past which was considered unusual or infrequent.

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

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

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

Other than matters as described in the "Risk Factors" and "Plan of operation and discussion of Financial Conditions" of this prospectus, there are no known trends or uncertainties that have had or are expected to have a material adverse impact on revenues or income of the Company from continuing operations.

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

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

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

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

(6) Total turnover of each major industry segment in which the issuer operated;

Considering the business nature of DGIC, the Company is assumed to operate in insurance industry as non-life sector. The turnover is considered here as premium income as nature of turnover in insurance industry is different compared to other industry's turnover. According to Bangladesh Insurance Association, the total premium income (total turnover) of non-life private insurance companies is:

Taka in billion

Year	Total turnover (Total premium income)
2019	Tk. 30.81
2018	Tk. 20.33
2017	Tk. 29.61
2016	Tk. 27.63
2015	Tk. 24.10

Source: www.bia-bd.com and listed insurance companies annual report

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

There are no publicly announced new products or business segment of the Company.

(8) The extent to which the business is seasonal;

The business of the Company is not dependent on any seasonal aspects.

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

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

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

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

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

There is no injunction or restraining order.

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

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

Market

Bangladesh is a developing country which GDP growth rate is approximately 6.5% to 7.0%. The insurance sector has huge potentiality to be developed in this country due to our economic development. The market size for insurance service has been increasing over the past one decade due to business opportunity and scope is also expanding in our country. Bangladesh has a large market for the insurance business. As industry grows, the demand for skilled professionals will rise. The rise of the industry shall also create positive impact for creating employment opportunity

Managerial competence

The existing management is competent enough to run the business operation. The management team has proven track record to run large organization and vast experience to minimize the operational risk. The management also appointed such personnel who are capable enough to operate the business effectively and efficiently. Even though any experienced personnel leave the organization, others have adequate expertise and skills to run the operation

Capacity built-up

The Company enhanced its capacity in respect of capital, business and human resources over the year since incorporation. Initially the paid up capital was Tk 6 crore at the time of starting the business. Now as on 30 September 2017, the paid up capital is BDT 24 crore. In the same period business volume of the Company and capacity of human resources has also increased significantly. It is expected that, after raising of paid up capital business scope shall be increased

(aa) Changes in accounting policies in the last three years;

There were no changes in accounting policies in the last three years.

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

Declaration regarding significant developments subsequent to the last financial year

To Whom It May Concern

Dated: 27 September 2020

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

Sd/-
Jashim Uddin
Chairman

Sd/-
Md. Akbor Hossain
Vice Chairman

Sd/-
Priti Kana Bose
Director

Sd/-
Murad Mohammed Taj
Director

Sd/-
Rokeya Quader
Director

Sd/-
Engr. Tarikul Alam Rahimi
Director

Sd/-
Tahrin Aman
Director

Sd/-
Nauzat Begum
Director

Sd/-
Aminur Rahman
Director

Sd/-
Engr. A.K.M. Ahsanul Haque
Director

Sd/-
Sarwar Uddin FCA
Independent Director

Sd/-
Shahedul Islam
Independent Director

Sd/-
Kamal Uddin FCA
Independent Director

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

DESH GENERAL INSURANCE COMPANY LIMITED		
<u>STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2020 (Un-Audited)</u>		
Particulars	Amount in Taka	
	30.06.2020	31.12.2019
<u>A. Shareholder's Equity and Liabilities:</u>		
Share Capital		
Authorized :		
10,00,00,000 Ordinary Shares of Tk. 10 each	1,000,000,000	1,000,000,000
Issued, Subscribed and Paid up Capital		
24,000,000 Ordinary Shares of Tk. 10 each	240,000,000	240,000,000
Reserve or Contingency Account	58,382,771	38,797,365
Profit and Loss Appropriation Account	53,382,771	33,797,365
Reserve for Exceptional Losses	5,000,000	5,000,000
Total Shareholders' Equity	298,382,771	278,797,365
Balance of Funds:	48,188,261	67,867,146
Fire Insurance Business	17,130,229	16,382,046
Marine Insurance Business	16,094,840	36,943,514
Motor Insurance Business	3,982,814	11,015,800
Miscellaneous Insurance Business	10,466,426	2,378,552
Marine Hull Insurance Business	513,952	1,147,234
Liability and Provisions	360,604,743	347,072,714
Estimated liabilities in respect of outstanding claims whether due or intimated	43,834,260	51,470,483
Amount due to other persons or bodies carrying on insurance business	81,383,271	76,974,568
Deposit Premium	2,666,038	2,732,460
Bank Loan	85,530,616	84,473,477
Sundry Creditors	54,383,750	53,331,689
Deferred Tax Liability	17,907,317	10,197,272
Provision for Taxation	71,523,021	60,196,839
Lease Liability	3,376,470	7,695,926
Total Shareholders' Equity and Liabilities	707,175,775	693,737,225

Sd/-
Rabindra Nath Karmaker
Chief Financial Officer

Sd/-
Qazi Mukarram Dastagir
Chief Executive Officer

STATEMENT OF FINANCIAL POSITION		
AS AT 30 JUNE, 2020		
Particulars	Amount in Taka	
	30.06.2019	31.12.2019
B. PROPERTY AND ASSETS		
Non-Current Assets	173,340,086	165,361,236
	148,340,086	140,361,236
Fixed Assets -at Cost	232,041,810	222,628,085
Right of use asset	2,451,963	8,524,840
Less: Accumulated Depreciation	86,153,687	90,791,689
Investment-At cost (BGTB)	25,000,000	25,000,000
Current Assets		
Accrued Interest	10,472,808	6,989,923
Amount due from other persons or bodies		
Carrying on insurance business	232,306,792	251,875,236
Sundry Debtors	26,705,536	25,692,256
Cash & Bank Balances:	260,392,498	238,950,874
Fixed Deposit Account	225,695,325	220,695,325
STD & Current Account	33,054,191	16,337,349
Cash & Cheque in hand	1,642,982	1,918,200
Stamps in Hand	537,415	656,782
Stock of Printing Materials	3,420,641	4,210,918
Total Property and Assets	707,175,775	693,737,225
Net Asset Value (NAV) per share	12.47	11.62

Sd/-
Rabindra Nath Karmaker
 Chief Financial Officer

Sd/-
Qazi Mukarram Dastagir
 Chief Executive Officer

DESH GENERAL INSURANCE COMPANY LIMITED
PROFIT AND LOSS APPROPRIATION ACCOUNT

for the six months ended 30 June 2020 (Un-Audited)

Particulars	Amount in Taka			
	01 January to 30 June 2020	01 January to 30 June 2019	01 April to 30 June 2020	01 April to 30 June 2019
Balance brought forward from last Year's account	9,433,189	5,576,395	7,678,867	4,984,260
Net Profit /(Loss) before tax	9,489,250	2,261,187	13,176,240	4,409,559
Provision for Taxation	(11,795,700)	(12,904,475)	(5,270,496)	(5,763,824)
Deferred Tax	(3,743,968)	(1,199,769)	(900,313)	(328,575)
Total	53,382,771	43,733,338	44,684,298	43,301,421

Sd/-
Rabindra Nath Karmaker
 Chief Financial Officer

Sd/-
Qazi Mukarram Dastagir
 Chief Executive Officer

DESH GENERAL INSURANCE COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS ACCOUNT & OTHER COMPREHENSIVE INCOME
for the Six months ended 30 June 2020 (Un-Audited)

Particulars	Amount in Taka			
	01 January to 30 June 2020	01 January to 30 June 2019	01 April to 30 June 2020	01 April to 30 June 2019
MANAGEMENT EXPENSES				
(Not applicable to any fund or account):	13,490,087	11,708,651	5,642,211	6,746,732
Advertisement & Publicity	127,430	60,150	29,900	38,250
Audit Fee	63,250	252,500	-	165,000
Bank Charges	43,156	96,254	34,827	70,105
Wall Calendar Bill	500,000	858,400	250,000	658,400
Depreciation	5,277,192	4,761,428	2,066,141	2,018,553
Depreciation on Right of use asset	753,307	-	-	-
Director Fees	32,000	168,000	-	102,000
Donation, Fees, Subscription & Others	779,400	6,150	529,400	6,150
Training Fees	6,600	15,000	-	9,000
Interest on Loan	4,228,541	3,592,450	2,060,909	1,813,176
Interest on Lease Liabilities	158,365			
Legal Fees	-	5,000		-
Renewal & Registration (Trade)	21,940	29,316		14,316
Credit Rating Fees	-	126,500		126,500
BD Expenses (PSB)	24,444	24,444	12,222	12,222
Annual Fees (BIA)		100,000		100,000
Worker's Profit Participation Fund	1,474,462	1,613,059	658,812	1,613,059
Net Profit/(Loss) before tax	29,489,250	32,261,187	13,176,240	14,409,559
Total	42,979,337	43,969,838	18,818,451	21,156,291
INTEREST, DIVIDEND AND RENT				
(Not applicable to any fund or account):	9,579,917	9,640,297	4,513,868	4,886,156
Interest on GSB	991,499	1,117,786	495,763	561,981
Interest on FDR	8,588,418	8,452,399	4,018,105	4,254,063
	-	70,112		70,112
Profit/(Loss) Transferred from:	33,399,420	34,329,541	14,304,583	16,270,135
Fire Insurance Revenue Account	408,791	5,307,706	4,217,221	4,024,920
Marine Insurance Revenue Account	21,309,158	13,950,338	4,225,537	7,779,388
Marine Hull Insurance Revenue Account.	(295,727)	156,349	(553,736)	61,934
Motor Insurance Revenue Account	5,105,505	13,346,994	2,961,314	3,761,509
Miscellaneous Insurance Revenue Account	6,871,692	1,568,153	3,454,248	642,384
Total	42,979,337	43,969,838	18,818,451	21,156,291
Earning Per Share (EPS)	0.58	0.76	0.29	0.35

Sd/-
Rabindra Nath Karmaker
Chief Financial Officer

Sd/-
Qazi Mukarram Dastagir
Chief Executive Officer

DESH GENERAL INSURANCE COMPANY LIMITED
STATEMENT OF CHANGING IN SHAREHOLDERS EQUITY
for the six months ended 30 June 2020

January-June, 2020

**Amount in
Taka**

Particulars	Share Capital	Reserve for Exceptional Losses	Profit & Loss appropriation account	Total
Balance at 1st January 2020	240,000,000	5,000,000	33,797,365	278,797,365
Profit after tax for the period 30.06.2020			13,949,582	13,949,582
Balance at 30 June, 2020	240,000,000	5,000,000	47,746,947	292,746,947
Balance at 31 December, 2019	240,000,000	5,000,000	33,797,365	278,797,365

January-June, 2019

Particulars	Share Capital	Reserve for Exceptional Losses	Profit & Loss appropriation account	Total
Balance at 1st January 2018	240,000,000	5,000,000	27,576,395	272,576,395
Profit after tax for the period 30.06.2019			18,156,943	18,156,943
Balance at 30 June, 2019	240,000,000	5,000,000	45,733,338	290,733,338
Balance at 31 December, 2018	240,000,000	5,000,000	27,576,395	272,576,395

Sd/-
Rabindra Nath Karmaker
Chief Financial Officer

Sd/-
Qazi Mukarram Dastagir
Chief Executive Officer

Desh General Insurance Company Ltd.
Cash Flow Statement

for the period ended 30 June 2020

<u>PARTICULARS</u>	<u>Amount in Taka</u>	
	01 January to 30 June 2020	01 January to 30 June 2019
A Cash Flow from Operating Activities:		
Receipts from premium and others	123,888,024	104,590,670
Payment for Management Expenses, Re-Insurance, Claim & Other Expenses	(94,350,472)	(80,951,890)
Income Tax Paid	(260,658)	(192,888)
Net Cash Flow from Operating Activities	29,798,210	23,445,892
B Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(9,413,725)	(12,398,475)
(Increase)/ Decrease in Fixed Deposit	(5,000,000)	-
Net Cash Flow from Investing Activities	(14,413,725)	(12,398,475)
C Cash Flow from Financing Activities:		
Bank Loan	1,057,139	352,110
Net Cash Flow from Financing Activities	1,057,139	352,110
Increase / (Decrease) in Cash and Bank Balance (A+B+C)	16,441,624	11,399,527
Add: Cash and Bank Balance at Opening	18,255,549	18,203,215
Cash and Bank Balance at Closing	34,697,173	29,602,742
Net Operating Cash Flow per Share (NOCFPS)	1.24	0.98

Sd/-
Rabindra Nath Karmaker
Chief Financial Officer

Sd/-
Qazi Mukarram Dastagir
Chief Executive Officer

Note: Mr. Qazi Mukarram Dastagir, Chief Executive Officer resigned from the Company as on 10/12/2020 which was subsequently approved by the Board of Directors of Desh General Insurance Company Limited in its 132th Board meeting held on 29/12/2020

Later on, Mr. Mohd. Abul Kashem, Additional Managing Director of the Company appointed as Chief Executive Officer (Current Charge) effective from 1/1/2021 by the Board of Directors of Desh General Insurance Company Limited in its 132th Board meeting held on 29/12/2020

(dd) Factors that may affect the results of operations;

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

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

Chapter – VII

Management's discussion and analysis of financial condition and results of operations

(a) Overview of business and strategies;

Overview of Business

Background of the Company

The Company was incorporated in Bangladesh as a Public Limited Company by Shares on the 08 day of February, 2000 under the Companies Act, 1994 and its Commencement of Business was started from 08 day of February, 2000 and the registration from the Controller of Insurance was received to start general insurance business on 2nd day of March, 2000 which has been renewed up to 31 December, 2019 by Insurance Development and Regulatory Authority (IDRA).

Address of Registered Office

The registered office of the Company is located at Jiban Bima Bhaban, Front Block (Level # 5), 10, Dilkusha Commercial Area, Dhaka-1000. The Operation of the Company are being carried out through its 18 nos. of branches located all over Bangladesh with Head Office at 10, Dilkusha C/A, Dhaka.

Principal Activities and Nature of Operation

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

DGIC business model

DGIC business model has been designed considering four factors.

- **Service**
 - ✓ Tarrif rate
 - ✓ Risk Factor
- **Client**
 - ✓ Risk Coverage
- **Surveyor**
 - ✓ Risk Analysis
 - ✓ Loss analysis
- **Agent**
 - ✓ Marketing
 - ✓ Commission
- **Management**
 - ✓ Operational process
 - ✓ Infrastructure
 - ✓ Business strategy
 - ✓ Claim settlement
 - ✓ **Underwriter** :Premium assess as per tarrif rate
 - ✓ **Re insurance** : Re insurance arrangeemnt local and oversees market

DGIC major functional department

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

Strategies of the Company

The Company's strategic objective is to improve and consolidate its position in the insurance industry with a continuous growth philosophy. The major focus of the Company is to enhance value creation through delivering insurance product to wide range of clients. In order to achieve the objective the Company has been adopted the following strategies:

Marketing strategy

1. Emphasize service and support.
2. Increase market share.
3. Reinforce market image as the finest service provider in the industry.
4. Forecast customer needs.

Financial strategy

1. Focusing on profit.
2. Maintaining transparency and integrity on financial transaction.
3. Focusing on controlling of cost.
4. Budgeting and variance analysis.
5. Financial risk analysis.

Promotion and branding strategy

1. Advertisement in the local newspapers, online, television, electronic media etc.
2. Maintain relationship with the clients.
3. Liaison with insurance agents.

Pricing strategy

The Company has set their pricing strategy based on tariff rate or rate of central rating committee.

Operational excellence strategy

The reality of the insurance industry is that the service is the product. With this important fact recognized, the Company strives to provide the highest level of client service. The Company has continued to invest in operational excellence throughout the organization. The Company is addressing operational excellence through continuous process improvement, customer service and technology development. Alignment of its people to 'process improvement' through change management and upgrading of skills as required for customer satisfaction is a continuous activity. Awareness of this quality commitment is widespread among all the employees.

Strategy for business competitiveness

Desh General Insurance Limited has been driven by client need for reducing business risk. By satisfying client demand on time, it has gained on competitive advantage over the others competitors.

Human capital strategy

The Company considers personnel as key resources. Therefore, we are continually working to preserve, encourage and develop the people to perform at their highest potential.

(b) SWOT ANALYSIS

Strengths

- Experienced Board of Directors
- Experienced management
- Sound financial records
- Good track record for claim settlement
- Sound marketing policy

Opportunities

- To increase market share
- To diversify capital structure
- To branding the Company
- To improve future profitability

Weaknesses

- Low market share
- Enlistment is not wide range
- A very few advertisement

Threats

- Huge competition
- Unhealthy industry policy
- Tendency of avoidness by the prospective customers
- Low premium rate
- High rate of re insurance

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

Particulars	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
Revenue	308,191,870	203,393,806	161,060,466	145,694,075	119,871,285
Year to year changes in revenue (%)	51.52%	26.28%	10.55%	21.54%	6.16%
Other Income	42,589,103	39,035,409	26,568,098	19,999,341	22,970,058
Year to year changes in other income (%)	9.10%	46.93%	-33%	-13.16%	-9%
Total Income	84,450,856	65,691,810	60,717,404	33,187,997	26,195,202
Year to year changes in Total income (%)	28.56%	8.19%	0.83	15.95%	3.38%
Cost of material	N/A	N/A	N/A	N/A	N/A
Year to year changes in Cost of Material	N/A	N/A	N/A	N/A	N/A
Finance Cost	8,853,197	5,094,195	4,258,114	1,382,131	1,104,400
Year to year changes in cost of material (%)	73.79%	16.41%	208.08%	25.15%	0.00%
Depreciation and Amortization expenses	N/A	N/A	N/A	N/A	N/A
Depreciation	10,753,598	9,407,312	8,252,513	6,142,584	5,096,371
Year to year changes in depreciation (%)	14.31%	13.99%	34.35%	20.53%	31.80%
Amortization	N/A	N/A	N/A	N/A	N/A
Year to year changes in Amortization (%)	N/A	N/A	N/A	N/A	N/A
Other expenses	N/A	N/A	N/A	N/A	N/A
Year to year changes in other expenses (%)	N/A	N/A	N/A	N/A	N/A
Inventories	4,210,918	4,460,560	4,018,036	4,377,585	2,763,704
Year to year changes in inventories (%)	-5.60%	11.01%	-8.21%	58.40%	70.55%
Net Profit before tax	54,295,191	46,760,392	41,110,467	21,354,164	19,759,540
Year to year changes in Net Profit before tax (%)	16.11%	13.74%	92.52%	8.07%	0.54%
Net Profit after tax	32,577,114	24,011,872	20,994,600	12,278,644	11,361,735
Year to year changes in Net Profit after tax (%)	35.67%	14.37%	70.98%	8.07%	0.54%
EPS	1.36	1.00	1.14	1.20	1.42
Year to year changes in EPS (%)	36.00%	(0.12)	-5.00%	-15.49%	-13.41%

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

During the 2015-2019 period volume of premium collection was increased due to changes in marketing policy which consequently increased the volume of revenue.

Causes for changes in COGS to revenue (%)

Not applicable

Causes for changes in GP to revenue (%)

Due to increase in overall revenue, GP to revenue (%) was increased during 2015-2019 period, except in 2015 where company has paid a large amount of claim payment.

Causes for changes in operating expenses to revenue (%)

Due to increase business volume, agency commission was also increased. As a result operating expense was also increased during 2015-2019, except in 2015 due to managements various cost cutting policies.

Causes for changes in financial expenses to revenue (%)

Due to increase business volume, management expenses also increased. As a result financial expense was also increased period to period except in 2015 due to repayment of bank loan.

Causes for changes in net profit after tax to revenue (%)

Due to increase business volume due to various marketing policies adopted by DGIC and increase investment income net profit after tax to revenue (%) was also increased during 2015-2019 period.

Causes for Changes in Net profit after tax and EPS

Due to increase in paid up capital gradually during the period EPS has been deteriorated due to this reason, even though the company has manage to increase its business volume over the same period.

(d) Known trends demands, commitments, events or uncertainties that are likely to have an effect on the Company's business;

There are no known trends demands, commitments, events or uncertainties that are likely to have an effect on the Company's business except the followings:

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

(e) Trends or expected fluctuations in liquidity;

There are no trends or expected fluctuations in liquidity except impact of the future expansion program as described section-xxii under the head "Use of proceeds".

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

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

Chapter – VIII

Directors and Officers

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

Sl.	Name of Directors	Father's Name	Age	Residential address	Educational qualification	experience	position	Period of nomination	Name of nominated organization
1	Mr. Jashim Uddin	Late Idris Mia	53	75, Gulshan Avenue, Gulshan-1, Dhaka	Graduate	35 years	Chairman	N/A	N/A
2	Mr. Md. Akbor Hossain	Mr. Akram Hossain	40	Shawon Tower 2/C, Purana Paltan, Dhaka	Masters in Information System, University of Ballarat, Melbourne, Australia	15 years	Vice Chairman	N/A	N/A
3	Ms. Priti Kana Bose	Late Ruhini Kumar Dev	54	Monowara Sikder Apartment, 295/A/1, Tali Office Road, Rayer Bazar, Dhaka	B.Com	29 years	Director	N/A	N/A
4	Mr. Murad Mohammed Taj	Sufi Taj Islam	53	Bishwa Darbar, P.O-Biswa Darbar, P.S-Mirsharai Chittagong 4329	B.Com	28 years	Director	N/A	N/A
5	Mr. Tahrin Aman	Mr. M Amanullah	38	House #06, Road # 80, Gulshan-02, Dhaka	Masters, Boston College (USA)	28 years	Director	N/A	N/A
6	Mr. Aminur Rahman	Late Aboo Wadud	54	House #01, Road # 01, Lane # 09, Block#B, Halishahar Housing Estate, Chittagong	B.Com	29 years	Director	N/A	N/A
7	Mrs. Rokeya Quader	Late S.M. Obaidullah	66	House #01/B, Road #84, Block # NE(L), Gulshan-02, Dhaka	MLLB, DU	41 years	Director	N/A	N/A
8	Engr. A.K.M. Ahsanul Haque	Lahor Uddin Mridha	61	House # 939, Apt#2B, Road # 14, Baitul Aman Housing Society, Adabor, Mohammadpur, Dhaka	BSc Engineering (Civil), Rajshahi Engineering College	36 years	Director	N/A	N/A
9	Engr. Tarikul Alam Rahimi	Late Abul Quasem	65	Mother Care Clinic, Dargah Mohalla (South), Sylhet	BSc Engineering (Civil), BUET	40 years	Director	N/A	N/A
10	Mrs. Nauzat Begum	Late Mohammad Shafi Uddin	63	890 Shohidbagh, Dhaka-1217	Hon's (DU)	38 years	Director	N/A	N/A
11	Mr. Kamal Uddin FCA	Late Abdur Razzak	70	Navana Circular Height, Appt C-15, 20, Outer Circular Road. Rajarbagh, Dhaka-1217	Chartered Accountant (ICAB)	42 years	Independent Director	N/A	N/A

12	Mr. Sarwar Uddin FCA	Mr. Obaidul Haque	57	Kamal Bhuiyan Bari Vill: Karam Ullah Pur P.O. & P.S Dagonbhuiyan, Dist-Feni	MBA (USTC) Chartered Accountant (ICAB)	32 Years	Independent Director	N/A	N/A
13	Mr. Shahedul Islam	Late Rafiqul islam	65	House-15, Road-12, Block-F, Niketon, Gulshan-1, Dhaka-1212	Chartered Secretary (Australia)	28 years	Independent Director	N/A	N/A

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

Sl.	Name of Director	First date of appointment as Director	Date of expiry of current term
1	Mr. Jashim Uddin	8 February 2000	Up to Annual General Meeting 2021
2	Mr. Md. Akbor Hossain	8 February 2000	Up to Annual General Meeting 2022
3	Ms. Priti Kana Bose	8 February 2000	Up to Annual General Meeting 2022
4	Mr. Murad Mohammed Taj	8 February 2000	Up to Annual General Meeting 2022
5	Mr. Tahrin Aman	8 February 2000	Up to Annual General Meeting 2021
6	Mr. Aminur Rahman	8 February 2000	Up to Annual General Meeting 2021
7	Mrs. Rokeya Quader	8 February 2000	Up to Annual General Meeting 2021
8	Engr. A.K.M. Ahsanul Haque	8 February 2000	Up to Annual General Meeting 2021
9	Engr. Tarikul Alam Rahimi	8 February 2000	Up to Annual General Meeting 2021
10	Mrs. Nauzat Begum	8 February 2000	Up to Annual General Meeting 2021
11	Mr. Kamal Uddin FCA	27 August 2017	Up to Annual General Meeting 2023
12	Mr. Sarwar Uddin FCA	27 August 2017	Up to Annual General Meeting 2023
13	Mr. Shahedul Islam	27 August 2017	Up to Annual General Meeting 2023

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

Sl	Name of Directors	Name of the other organization where directors have been involved	Types of business of such organizations	Position Held
1	Mr. Jashim Uddin Chairman	Bengal Adhesive & Chemical Products Ltd	Manufacturer of chemical products	Director
		Bengal Poly and Paper Sack Limited	Manufacturer of poly bags	Director
		Bengal Oversees Corporation Ltd	Manpower business	Managing Director
		Power Utility Bangladesh Limited	Power	Managing Director
		Romania Food and Beverage Limited	Manufacturer of food and beverage	Director
		Bengal Flexipak Limited	Manufacturer of plastic product	Director
		Bengal Polymar Wares Limited	Manufacturer of plastic product	Managing Director
		Bengal Plastic Pipes Limited	Manufacturer of plastic product	Managing Director
		Bengal Windsor Thermoplastics Limited	Manufacturer of plastic product	Director
		Bengal Petrochem and Synthetic Textiles Ltd.	Manufacturer of Synthetic textile	Managing Director
		Hamilton Metal Corporation Limited	Metal engineering Company	Managing Director
		Bengal Plastic Limited	Manufacturer of plastic product	Managing Director
		Designer Jeans Limited	Garments	Managing Director
		Bengal Feed and Fisheries Limited	Feed production	Managing Director
		Bengal Renewable Energy Limited	Power and utility	Managing Director
		Bengal Concept and Holdings Limited	Real Estate Company	Director
		Bengal Hotels and Resorts Limited	Media Organization	Director
		Romania Agrovat Limited	Manufacturer of Agro base product	Managing Director
		Hamilton Mold & Engineering Limited	Metal engineering Company	Managing Director
		Bengal Retails Limited	Retailers	Managing Director
		Designer Fashion Limited	Garments	Managing Director
		Bengal Cement Limited	Manufacturer of Cement	Director
		Future Infrastructure Development Limited	Engineering Firm	Managing Director
		Bengal Melamine Limited	Manufacturer of Melamine	Managing Director
		Designer washing and Dyeing Limited	Garments washing & Dyeing	Managing Director
2	Mr. Md. Akbor Hossain Vice Chairman	Fars Holdings & Associate Limited	Service and Real Estate	Director
		FARS Hotel & Resorts Ltd	Travel and leisure business	Director
3	Ms. Priti Kana Bose, Director	Nil	N/A	N/A
4	Mr. Aminur Rahman Director	Sarinco Ltd	Hatcheries	Director
		EARTH Engineering & Construction	Engineering & Construction business	Director
5	Mr. Murad Mohammad Taj Director	Dakkhina Multi Purpose Project	Real Estate	Proprietor
6	Mr. Tahrin Aman Director	Aman Spinning Mills Limited	Textile	Managing Director
		Mousumi Enterprise Limited	Trading and distribution house for beauty products	Director
		Arena Securities Limited	Stock Broker	Managing Director
		Arena Consumer products Limited	Consumer products	Director

7	Engr. A.K.M. Ahsanul Haque Director	Galaxy Color Limited	Photo Colour Lab Studio	Managing Director
		ASSA Trading	Trading organization	Proprietor
		M/S AKM Ahsanul Haque	Engineering Firm	Proprietor
8	Engr. Tarikul Alam Rahimi Director	Apon Properties	Real Estate	Chairman
		The Nirmitee	Engineering Firm	Managing Director
		Mother Care Clinic	Medical Service	Managing Director
		First Lead Securities Limited	Stock Broker	Director
09	Mrs. Rokeya Quader Director	Desh Garments Limited	Garments manufacturer	Chairperson
		Jenk Industries Limited	Garments Accessories	Chairperson
		Tuteler Oil Services Co. (Pvt) Limited	Involved in readymade garments, engineering, trading, logistics and packaging solutions etc.	Chairperson
		Desh International Limited	Buyers and suppliers of electric diesel locomotives	Chairperson
		Desh Real Estate Limited	Real Estate Limited	Chairperson
		Desh Binodon Limited	Service and Leisure	Chairperson
		Desh Ventures Limited	Supplier of raw material	Chairperson
		Desh Agencies (78) Limited	Involved in clearing and forwarding all types of freight	Chairperson
10	Mrs. Nauzat Begum Director	Nil	N/A	N/A
11	Mr. Kamal Uddin FCA Independent Director	Nil	N/A	N/A
12	Mr. Sarwar Uddin FCA Independent Director	Nil	N/A	N/A
13	Mr. Shahedul Islam Independent Director	Bengal Pacific (Pvt) Ltd.	Manufacturing of plastic goods	Managing Director
		Bengal Braided Rugs Limited	Manufacturing and exporting of jute products	Managing Director
		Promises Medical Limited	Medical Service	Chairman
		Trust Bank Limited	Banking service	Independent Director

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

There is no involvement of any directors of the Company with the securities market in any manner except as follows-

Sl	Name of Directors	Name of the Company of the securities market where directors are associated	Position
1	Mr. Jashim Uddin Chairman	Bengal Windsor Thermo Plastic	Director
2	Mrs. Rokeya Quader Director	Desh Garments Limited	Chairman
3	Tahrin Aman Director	Arena Securities Ltd	Managing Director
4	Engr. Tarikul Alam Rahimi Director	First Lead Securities Limited	Director
5	Mr. Shahedul Islam Independent Director	Trust Bank Limited	Independent Director

No director is a director of any issuer of other listed securities during last three years except as follows:

Sl	Name of Directors	Name of the Listed Company with Position		Directorship held during the year of	Dividend Payment History*		
					2019	2018	2017
1	Mr. Jashim Uddin Chairman	Bengal Windsor Thermo Plastic	Director	2019	5% C	5% C	10% B
				2018			
				2017			
2	Mrs. Rokeya Quader Director	Desh Garments Limited	Chairman	2019	10% B	10% B	5%, 15% B
				2018			
				2017			
3	Mr. Shahedul Islam Independent Director	Trust Bank Limited	Independent Director	2019	5% C 5% B	10% B	20% C
				2018			
				2017			

Source: www.dsebd.org

Market Performance of the above listed securities based on last audited accounts of the Respective Companies are as follows:

Sl	Particulars	Name of the Company		
		Bengal Windsor Thermo	Desh Garments Limited	Trust Bank Limited
1	Listing Year	2013	1989	2007
2	Listing Category	A	A	A
3	Authorized Capital	BDT 1,000 mn	BDT 100 mn	BDT 10,000 mn
4	Paid Up Capital	BDT 914.76 mn	BDT 73.15 mn	BDT 6432.96 mn
5	Reserve & Surplus	BDT 886.00 mn (FY 2018-19)	BDT 70.40 mn (FY 2018-19)	BDT 8845.80 mn
6	Net Profit After Tax	BDT 96.71 mn (FY 2018-19)	BDT 16.99 mn (FY 2018-2019)	BDT 2036.66 mn (FY-2019)
7	NAV per Share	BDT 24.78 (FY 2018-19)	BDT 22.50 (FY 2018-2019)	BDT 24.94 (FY-2019)
8	EPS	BDT 1.06 (FY 2018-19)	BDT 2.67 (FY 2018-19)	BDT 3.32 (FY-2019)
9	Year High	Tk. 36.00	Tk. 274.90	Tk. 38.50
10	Year Low Price	Tk. 16.30	Tk. 116.30	Tk. 26.00
11	Closing Price (as on 24 Sep 2020)	Tk. 18.90	Tk. 143.10	Tk. 28.90
12	Market Cap (as on 27 Sep 2020)	BDT 1728.89 mn	BDT 1046.83 mn	BDT 18591.254 mn
13	P/E (Current PE ratio using Basic EPS (as on 18 Dec 2019))	15.85	25.4	8.06

Source: www.dsebd.org

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

There are no family relationship among the directors and top five officers.

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

Sl	Name of Directors	Name of the other organization where directors have been involved	Types of business of such organizations	Legal Status
1	Mr. Jashim Uddin Chairman	Bengal Adhesive & Chemical Products Ltd	Manufacturer of chemical products (Adhesive)	Private Limited Company
		Bengal Poly and Paper Sack Limited	Manufacturer of poly bags	Private Limited Company
		Bengal Oversees Corporation Ltd	Manpower business	Private Limited Company
		Power Utility Bangladesh Limited	Power	Private Limited Company
		Romania Food and Beverage Limited	Manufacturer of food and beverage	Private Limited Company
		Bengal Flexipak Limited	Manufacturer of plastic product	Private Limited Company
		Bengal Polymar Wares Limited	Manufacturer of plastic product	Private Limited Company
		Bengal Plastic Pipes Limited	Manufacturer of plastic product	Private Limited Company
		Bengal Windsor Thermoplastics Limited	Manufacturer of plastic product	Public Limited Company
		Bengal Petrochem and Synthetic Textiles Ltd.	Manufacturer of Synthetic textile	Private Limited Company
		Hamilton Metal Corporation Limited	Metal engineering Company	Private Limited Company
		Bengal Plastic Limited	Manufacturer of plastic product	Public Limited Company
		Designer Jeans Limited	Garments	Private Limited Company
		Bengal Feed and Fisheries Limited	Feed production	Private Limited Company
		Bengal Renewable Energy Limited	Power and utility	
		Bengal Concept and Holdings Limited	Real Estate Company	Private Limited Company
		Bengal Hotels and Resorts Limited	Media Organization	Private Limited Company
		Romania Agrovet Limited	Manufacturer of Agro base product	Private Limited Company
		Hamilton Mold & Engineering Limited	Metal engineering Company	Private Limited Company
		Bengal Retails Limited	Retailers	Private Limited Company
		Designer Fashion Limited	Garments	Private Limited Company
		Bengal Cement Limited	Manufacturer of Cement	Private Limited Company
		Future Infrastructure Development Limited	Engineering Firm	Private Limited Company
		Bengal Melamine Limited	Manufacturer of Melamine	Private Limited Company
		Designer washing and Dyeing Limited	Garments washing &Dyeing	Private Limited Company

2	Mr. Md. Akbor Hossain Vice Chairman	Fars Holdings & Associate Limited	Service and Real Estate	Private Limited Company
		FARS Hotel & Resorts Ltd	Travel and leisure business	Private Limited Company
3	Ms. Priti Kana Bose Director	Nil	N/A	Private Limited Company
4	Mr. Aminur Rahman Director	Sarinco Ltd	Hatchery	Private Limited Company
		EARTH Engineering & Construction	Engineering & Construction business	Private Limited Company
5	Mr. Murad Mohammad Taj Director	Dakkhina Multi Purpose Project	Real Estate	Private Limited Company
6	Mr. Tahrin Aman Director	Aman Spinning Mills Limited	Textile	Public Limited Company
		Mousumi Enterprise Limited	Trading and distribution house for beauty products	Private Limited Company
		Arena Securities Limited	Stock Broker	Private Limited Company
		Arena Consumer Products Limited	Consumer products	Private Limited Company
7	Engr. A.K.M. Ahsanul Haque Director	Galaxy Color Limited	Photo Colour Lab Studio	Private Limited Company
		ASSA Trading	Trading organization	Private Limited Company
		M/S AKM Ahsanul Haque	Engineering Firm	Private Limited Company
8	Engr. Tarikul Alam Rahimi Director	The Nirmitee	Engineering Firm	Private Limited Company
		Mother Care Clinic	Medical Service	Private Limited Company
		Apon Properties	Real Estate	Private Limited Company
		First Lead Securities Limited	Stock Broker	Private Limited Company
09	Mrs. Rokeya Quader Director	Desh Garments Limited	Garments manufacturer	Public Limited Company
		Jenk Industries Limited	Garments Accessories	Private Limited Company
		Tuteler Oil Services Co. (Pvt) Limited	Involved in readymade garments, engineering, trading, logistics and packaging solutions etc.	Private Limited Company
		Desh International Limited	Buyers and suppliers of electric diesel locomotives	Private Limited Company
		Desh Real Estate Limited	Real Estate Limited	Private Limited Company
		Desh Binodon Limited	Service and Leisure	Private Limited Company
		Desh Ventures Limited	Supplier of raw materials	Private Limited Company
		Desh Agencies (78) Limited	Involved in clearing and forwarding all types of freight	Private Limited Company
10	Mrs. Nauzat Begum Director	Nil	N/A	Private Limited Company
11	Mr. Kamal Uddin FCA Independent Director	Nil	N/A	Private Limited Company
12	Mr. Sarwar Uddin FCA Independent Director	Nil	N/A	Private Limited Company
13	Mr. Shahedul Islam Independent Director	Bengal Pacific (Pvt) Ltd.	Manufacturing of plastic goods	Private Limited Company
		Bengal Braided Rugs Limited	Manufacturing and exporting of jute products	Private Limited Company
		Promises Medical Limited	Medical Service	Private Limited Company
		Trust Bank Limited	Banking service	Public Limited Company

(g) Short bio-data of each director

Mr. Jashim Uddin

Chairman

Mr. Jashim Uddin, son of late Al-Hajj Idris Miah & late Tahera Begum, was born in a respectable Muslim family of Sonaimury, Noakhali on 1st January 1965. Mr. Jashim Uddin is the Honorable Chairman of Desh General Insurance Company Limited & Vice Chairman of Bengal Group of Industries. He has awarded CIP in the year 1999, 2009-2010 & 2010- 2011 by the Government of Bangladesh for contributing Bangladesh economy and business arena. He has also received Prime Minister National Export Trophy- silver during the FY 1997-1998 & FY 2009-2010, FY 2010-2011, FY 2012-2013, FY 2013-2014 and gold during the FY 2000-2001, FY 2006-2007, FY 2012-2013 & FY 2013-2014. He also received Prime Minister's Export trophy- Bronze during the FY 2010-2011. He received Best Enterprise Award 2007.

Mr. Jashim Uddin has started his business career in 1983 as a Director of Bengal Group of Industries. The Group is made up of a number of different Industries that operate in diversified fields like plastic processing, chemicals, food processing and trading.

Mr. Jashim Uddin has deep affinity and also attached with number of socio cultural organizations and educational institutes such as:

- Founder of Jashim Uddin Kinder Garden at Nateswar, P.S. Sonaimury, District Noakhali
- Founder of Morshed Alam, High School at Nateswar, P.S. Sonaimury, District Noakhali
- Donated and constructed few Madrasahs & Masjids in Nateswar, P.S. Sonaimury, District Noakhali and other Districts.
- Actively involved with organizations in his native area under P.S. Sonaimury, District Noakhali for the improvement of Living Standards of the people and Eradication of the Poverty in the Neighborhood.

Mr. Md. Akbar Hossain

Vice Chairman

Mr. Md. Akbar Hossain, son of Akram Hossain & Ferdousi Begum, was born in a respectable Muslim family on 31st December 1978. He has completed his Masters' in Information System from University of Ballarat, Melbourne, Australia. He is the Director of FARS Holdings & Associates Ltd and FARS Hotel & Resorts Limited. Currently, he is the Director of Desh General Insurance Company Limited.

Ms. Priti Kana Bose

Director

Ms. Priti Kana Bose, wife of Mukul Bose & daughter of Renuka Dev, was born in a respectable Hindu family on 31st December 1964. She has completed B.Com. Currently, she is the Director of Desh General Insurance Company Limited.

Mr. Aminur Rahman

Director

Mr. Aminur Rahman, son of late Abdul Wadud & late Fazilatun Nesa, was born in a respectable Muslim family on 7th December 1964. He has completed B.Com from Chittagong University. He is the Director of SARINCO Ltd. and EARTH Engineering & Construction. He is the life member of Chattogram Mohanagor Krira Songstha, Chittagong Diabetic Association, Bangladesh Red Crescent Society and Ma-O-Shisu Hospital. Currently, he is the Director of Desh General Insurance Company Limited.

Mr. Murad Mohammad Taj

Director

Mr. Murad Mohammad Taj, son of Sufi Taj Islam & Syeda Kashmiri, was born in a respectable Muslim family on 17th December 1965. He has completed B.Com from Chittagong University. He is the Proprietor of Dakkhina Multipurpose Project. He is the life member of Bangladesh Red Crescent Society, Mirsarai Association, Chittagong Diabetic Association and Chattogram Mohanagor Krira Songstha. Currently, he is the Director of Desh General Insurance Company Limited.

Mr. Tahrin Aman

Director

Mr. Tahrin Aman, son of M. Amanullah & Tazneen Aman, was born in a respectable Muslim family on 7th January 1980. He has completed his Masters' from Boston College, USA. He is the Managing Director of Aman Spinning Mills Ltd. & Arena Securities Ltd. and Director of Mousumi Enterprises Ltd. & Arena Consumer Products Limited. Currently, he is the Director of Desh General Insurance Company Limited.

Engr. A.K.M. Ahsanul Haque

Director

Engr. A.K.M Ahsanul Haque, son of late Lahoruddin Mirdha & late Asirun Begum, was born in a respectable Muslim family on 1st November 1957. He has completed B.Sc Engineering (Civil) from Rajshahi Engineering College. He is the Managing Director of Galaxy Color Ltd. and Proprietor of ASSA Trading & M/S. AKM Ahsanul Haque. Currently, he is the Director of Desh General Insurance Company Limited.

Engr. Tarikul Alam Rahimi

Director

Engr. Tarikul Alam Rahimi, son of late Abdul Quasem & late Khodeza Quasem, was born in a respectable Muslim family on 1st October 1953. He has completed B.Sc Engineering (Mechanical) from BUET. He was the Asst. Engineer of Airports Development Agency, Ministry of Civil Aviation, Executive Engineer of Polash Urea Fertilizer Factory, BCIC and Engineer of Ministry of Municipal & Village, KSA. He is also the Chairman of Apon Properties, Managing Director of The Nirmitee & Mother Care Clinic and Director of First Lead Securities Limited. Currently, he is the Director of Desh General Insurance Company Limited.

Mrs. Rokeya Quader

Director

Mrs. Rokeya Quader, daughter of late Nurul Quader & late Afia Khatun, was born in a respectable Muslim family on 27th April 1952. She has completed MLLB from University of Dhaka. She is the Chairman of Desh Garments Ltd., Jenk Industries Ltd., Tutelar Oil Services Co. (Pvt) Ltd. & Desh Agencies Ltd. Currently, she is the Director of Desh General Insurance Company Limited.

Mrs. Nauzat Begum

Director

Mrs. Nauzat Begum, wife of Dr. Mustafa Jalal Mohiuddin & daughter of late Safia Khatun, was born in a respectable Muslim family on 27th September 1955. She has completed Hon's from University of Dhaka. Currently, she is the Director of Desh General Insurance Company Limited.

Mr. Md. Kamal Uddin FCA

Independent Director

Mr. Md. Kamal Uddin FCA was born in the year of 1948 in a respected Muslim family. He obtained Bachelor of Commerce degree (B.Com) from Dhaka University in 1967. He qualified as Chartered Accountant in the year of 1978. He became a fellow member (FCA) of the Institute of Chartered Accountants of Bangladesh from June 1986.

Mr. Md. Kamal Uddin FCA has vast experience in the field of Accounting and Finance. He started his career as Audit Manager of Toha Anwar Rouf & Co., Chartered Accountants, Chittagong in the year 1976 and continuing till 1979.

After that Mr. Md. Kamal Uddin FCA was joined Bangladesh Jute Mills Corporation and worked there more than 26 years in different position in the area of Finance, Accounts, Cost and Budget. In his long career, he served in UMC Jute Mills Limited, Amin Jute Mills Limited, Adamjee Jute Mills Limited in different senior management position from 1980 to 2006. Since January 2007 he started public practice as Chartered Accountant as Partner of Toha Khan Zaman & Co., Chartered Accountants. He is widely traveled person and visited many countries such as India, Singapore, Philippine, Malaysia, Syria, Iraq, Egypt, Sudan, Dubai, Saudi Arabia, China, Sri Lanka, Turkey, Indonesia, UK and Canada.

Mr. Md. Sarwar Uddin FCA

Independent Director

Mr. Md. Sarwar Uddin FCA was born in the year of 1961 in a respected Muslim family in Feni. He obtained Bachelor of Commerce degree (B.Com) from Chittagong Govt. College of Commerce in 1980 and was completed MBA in Accounting in the year of 2005 from University of Science and Technology.

He qualified as Chartered Accountant in the year of 2000. He has key participation in the regional committee of ICAB. He served as Honorary Secretary (CRC) of ICAB for the years of 2010 and 2012. He was the Chairman of Chittagong Regional Committee (CRC) of ICAB for the year of 2013.

Mr. Md. Sarwar Uddin Uddin FCA has 31 years' experience in the field of Accounting and Finance. He started his career as Accounts Executive of Pacific Industries Limited, Chittagong in the year 1986 and continuing till 1991. After that he was joined Yunusco Group of Industries and worked there more than 9 years in different position and lastly as Chief Executive Officer in the area of Finance, Accounts, Cost and Budget. Since July 2000 he started public practice as Chartered Accountant as Partner and Branch In-charge of Habib Sarwar & Co, Chartered Accountant and worked there till June 2013. From July 2013 to 2017 he joined as Partner and Branch In-charge of Syful Shamsul Alam & Co., Chartered Accountants. From May 2017 he joined as Partner and Branch In-charge of Hussain Farhad & Co., Chartered Accountants.

Mr. Shahedul Islam

Independent Director

Mr. Shahedul Islam was born in the year of 1953 in a respected Muslim family. He Completed his SSC and HSC from Mirzapur Cadet College from 1965 to 1972. Then he moved to Australia for higher education and completed Accountancy and Company Law from Ebbels School of Accountancy, Melbourne, Australia in the year of 1978 and became Chartered Secretary from the Institute of Chartered Secretary and Administrators, Melbourne, Australia

In his long career in business he served in many organizations at higher management position such as, chairman of Promises Medical Limited, Managing Director of Bengal Pacific (Pvt) Ltd and Bengal Braided Rugs Limited. He also served as an Independent Director of Trust Bank Limited.

Mr. Islam is nominated as CIP from the Ministry of Commerce for 2013 to till date. He was also nominated as CIP for the year 2009 and 2010 from the Ministry of Industry.

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

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

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

Sl.	Name	Position	Educational Qualification	Age	Date of Joining in the Company	Over all experience (in year)	Previous employment	Salary Paid as on 1 January 2019 to 31 December 2019
1	Mr Mohd. Abul Kashem*	Chief Executive Officer (Current Chanreg)	MSS (Econ),CU,ABIA	60	16.07.19	34	Asia Insurance Co. Ltd.	903,226
2	Mr. Rabindra Nath Karmaker	CFO	B.Com (Hons) MCom. CA(Int), ITP, CFC	53	25.10. 2000	26	Suruchi Vegetable Oils Ltd.	1,053,835
3	Mr. Md. Abul Kalam*	Sr. GM Head of Branch Control Dept.	M.Sc.	65	20.02.2011	32	Dhaka Insurance	596,925
4	Mr S.M. Khamruzzaman	Sr. Manager and Head of Internal Audit	M.Sc	65	42	26.12.2017	Meghna Insurance Company Limited	679,140
5	Mr. Md. Ziaul Hoque	AGM Head of Re-insurance and Claim	B.Sc (Hon's), M.Sc (Statistics)	53	14.05.2000	20	Purabi General Insurance Co. Ltd	567,754
6	Mr. Md. Abdullah Al-Amin	Asst. Manager& Head of IT	B.Sc(CSE)	41	01.06.2015	14	Technical Solution Consultant , HP Malaysia	248,391

- *Mr. Md. Abul Kalam was resigned from his post as on June 11, 2019
- *Mr. Mohd. Abul Kashem was appointed as Chief Executive Officer (Curent Charge) on 1 January 2021

Monthly Salary Statement of Chairman, Director and Other Shareholder

The Issuer did not pay any monthly salry to Chairman, Director and Other Shareholder

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

Sl	Name	Position	Department in The Company	Remarks
1	Mr. Ataur Rahman	Sr. AGM &Company Secretary	Board Affairs	Resign on 31.08.2017
2	Mr. Md. Zahangir Alam	Company Secretary	Board Affairs	Appointed on 24.09.2017 & Resigned on 21.03.2018
3	Mr. Md. Akteruzzaman	Company Secretary	Board Affairs	Appointed on 16.04.2018
4	Mr. Md. Abul Kalam	Sr. GM Head of Branch Control Dept.	Underwriting and Branch Control Department	Resign on 11.06.2019
5	Mr. Md. Oliur Rahman	DGM Head of Admin & HR	Admin & HR	Resign on 30 May 2019
6	Mr. Mohd. Abul Kashem	Additional Managing Director	Underwriting and Branch Control Department, Admin & HR, Claim & Re-insurance	Appointed on 20.05.2019
7	Mr. Qazi Mukarram Dastagir	Chief Executive Officer	All	Resign on 10 December 2020
7	Mr. Mohd. Abul Kashem	Chief Executive Officer (Current Charge)	All	Appointed on 1 January 2021

It appears from the above that, turnover of key Management personnel is not high compared to the industry.

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

Sl.	Name of the sponsor	Father's names	Age	Personal addresses	Educational qualifications	Experiences in the business	Positions/posts held		Directorship held	Status of the Sponsor in other venture	
							Past	Present		Name of the Company	Present Position
1	Mrs. Firuza Hossain	Mr. Sheikh Monsurl Haque	52	42, New Eskaton, Dhaka	B.Com	27 years	Sponsor Shareholder	Sponsor	No	Nil	Nil
2	Mr. Kamal Uddin	Late A. T. Obaidullah Master	52	119, Kazi Para Rokeya Sarani, Mirpur, Dhaka	B.Com	27 years	Sponsor Shareholder	Sponsor	No	Nil	Nil
3	Mr. Md. Moin Uddin	late Khalilur Rahman Talukder	52	21, Sonargaon Road Paribagh. Dhaka-1000	B.Com	27 years	Sponsor Shareholder	Sponsor	No	Nil	Nil
4	Mr. Jashim Uddin	late Al-Hajj Late Idris Miah	52	75 Gulshan Avenue, Gulshan-1, Dhaka, Bangladesh	Graduation in Business Studies	27 years	Sponsor Shareholder	Sponsor Shareholder & Director	Existing	Bengal Adhesive & Chemical Products Ltd	Director
										Bengal Poly and Paper Sack Limited	Director
										Bengal Oversees Corporation Ltd	Managing Director
										Power Utility Bangladesh Limited	Managing Director
										Romania Food and Beverage Limited	Director
										Bengal Flexipak Limited	Director
										Bengal Polymar Wares Limited	Managing Director
										Bengal Plastic	Managing

										Pipes Limited	Director
										Bengal Windsor Thermoplastics Limited	Director
										Bengal Petrochem and Synthetic Textiles Ltd.	Managing Director
										Hamilton Metal Corporation Limited	Managing Director
										Bengal Plastic Limited	Managing Director
										Designer Jeans Limited	Managing Director
										Bengal Feed and Fisheries Limited	Managing Director
										Bengal Renewable Energy Limited	Managing Director
										Bengal Concept and Holdings Limited	Director
										Bengal Hotels & Resorts Ltd.	Director
										Romania Agrovat Limited	Managing Director
										Hamilton Mold & Engineering Limited	Managing Director
										Bengal Retails Limited	Managing Director
										Designer Fashion Limited	Managing Director
										Bengal Cement	Director

										Limited	
										Future Infrastructure Development Limited	Managing Director
										Bengal Melamine Limited	Managing Director
										Designer washing and Dyeing Limited	Managing Director
5	Mr. M. Monsurul Islam	late Lutful Hoque Mia	69	41/7, Purana Paltan, Dhaka, Bangladesh	Masters in Arts from University of Dhaka	44 years	Sponsor Shareholder	Sponsor	Nil	Anupam Knittex Ltd.	Chairman
										Omni Solutions Ltd	Chairman
										Robintex (Bangladesh) Ltd	Director
										B. M Associates	Director
										Proprietor of Anupam Trading Associates	Propeitor
										Crown Electrical & Engineering Works	Propeitor
6	Mr. Dewan Sekar Ahmed	Dewan Aftab Uddin	52	Dewan Manjil, Ukil Para, Naogaon	B.Com	27 years	Sponsor Shareholder	Sponsor	Nil	Nil	Nil
7	Ms. Priti Kana Bose	Late Ruhimi Kumar Dev	53	Monowara Sikder Apartment 295/A/1, Tali Office Road, Rayer Bazar, Dhaka	B.Com	28 years	Sponsor Shareholder	Sponsor Shareholder & Director	Existing	Nil	Nil
8	Mr. Moshfeque Mamun Rizvi	late Mahabub Uddin Molla	37	House-51 (Green Park), Road-2/A, Park Road,	BCL (Masters) Degree, Oxford University	12 years	Sponsor Shareholder	Sponsor	Nil	Standard Bank Ltd	Sponsor Shareholder

				Baridhara, Dhaka.	Barrister-at- Law						
9	Mr. Abdus Salam Khan	late Kashem Ali Khan	61	11, South Mugdapara (1 st Floor), Dhaka.		36 years	Sponsor Shareholder	Sponsor	Nil	Nil	Nil
10	Mr. Murad Mohammad Taj	Sufi Taj Islam	52	Bishwa Darbar, P.O- Bishwa Darbar, P.S.- Mirsharai, Chittagong	B.Com	27 years	Sponsor Shareholder	Sponsor Shareholder & Director	Existing	Dakkhina Multipurpose Project	Propreitor
11	Mr. Tanveer M. O. Rahman Chowdhuri	Tawfiqur Rahman Chowdhury	52	25, Great Tower Street, London, EC3R 5 AQ, UK	B.Com	27 years	Sponsor Shareholder	Sponsor	Nil	Nil	Nil
12	Mr. Md. Saifuddin Khaled	late Harish Uddin	52	Jobaida MonJil, 48/A, Kumar para , Sylhet	M.Com from University of Dhaka	27 years	Sponsor Shareholder	Sponsor	Nil	Sylhet Securities Ltd.	Chairman
										Sylhet Grammer School	Chairman
										Premier Leasing & Finance Ltd.	Director
										Premier Securities Ltd	Director
13	Mr. Md. Akbor Hossain	late Akram Hossain	39	Shawon Tower, 2/C , Purana Paltan, Dhaka	Masters' in Information System from University of Ballarat, Melbourn, Australi	14 years	Sponsor Shareholder	Sponsor Shareholder &Director	Existing Directorship held since 5 October 2017 as per Particulars of Directors certified by registrar of Joint Stock Companies and Firms	FARS Holdings & Associates Ltd	Directors
										FARSHotel and Resorts Ltd	Directors
14	Mr. Tahrin Aman	Mr. M. Amanullah	37	House-06, Road-80, Gulshan-02,	Masters' from Boston College, USA	12 years	Sponsor	Sponsor	Existing	Aman Spinning Mills Ltd.	Managing Director

				Dhaka			Shareholder	Shareholder & Director		Mousumi Enterprises Ltd.	Director
										Arena Securities Ltd	Managing Director
										Arena Consmer Products Ltd	Director
15	Mr. Md. Shawkat Ali Bhuiyan	late Tajibor Rahman Bhuiyan	52	House-11, Road -128, Gulshan-1, Dhaka-1212	B.Com	27 years	Sponsor Shareholder	Sponsor	Nil	Nil	Nil
16	Mr. Aminur Rahman	late Abdul Wadud	53	House #01, Road # 01, Lane # 09, Block#B, Halishahar Housing Estate, Chittagong	B.Com	28 years	Sponsor Shareholder	Sponsor Shareholder & Director	Existing	SARINCO Ltd	Director
										EARTH Engineers & Construction	Director
17	Mrs. Rokeya Quader	late Nurul Quader	65	House: 1/B, Vill/Road: 84 Gulshan-1212, Dhaka	LLM from University of Dhaka	40 years	Sponsor Shareholder	Sponsor Shareholder & Director	Existing	Desh Garments Limited	Chairperson
										Jenk Industries Limited	Chairperson
										Tuteler Oil Services Co. (Pvt) Limited	Chairperson
										Desh International Limited	Chairperson
										Desh Real Estate Limited	Chairperson
										Desh Binodon Limited	Chairperson
										Desh Ventures Limited	Chairperson
										Desh Agencies (78) Limited	Chairperson
18	Ms. Farah Binte Latif	late Abdul Latif	52	House No : 18 Road No: 10 Block-A, Lane - 10, Halisohor Housing Society	B.Com	27 years	Sponsor Shareholder	Sponsor	Nil	Nil	Nil

19	Engr. A.K.M. Ahsanul Haque	late Lahoruddin Mirdha	60	House # 939, Apt#2B, Road # 14, Baitul Aman Housing Society, Adabor, Mohammadpur, Dhaka	B.Sc Engineering (Civil) from Rajshahi Engineering College	35 years	Sponsor Shareholder	Sponsor Shareholder & Director	Existing	Galaxy Color Ltd.	Managing Director
										ASSA Trading	Proprietor
										M/S. AKM Ahsanul Haque	Proprietor
20	**Mr. Nil Kantha Roy	late Reboti Lal Roy	80	Kamal Vander, New Market, Laldighirpar, Sylhet	Matriculation	55 years	Sponsor Shareholder	Sponsor Shareholder & Director	Existing	N/A	N/A
21	Engr. Tarikul Alam Rahimi	late Abdul Quasem	64	Mother Care Clinic, Dargah Mohalla (South), Sylhet	B.Sc Engineering (Mechanical) from BUET	39 years	Sponsor Shareholder	Sponsor Shareholder & Director	Existing	Apon Properties	Chairman
										The Nirmitee	Managing Director
										Mother Care Clinic	Managing Director
										First Lead Securities Limited	Director
22	Mrs. Rehena Begum	late Faiz Uddin Akhand	54	House-17, Road -55, Gulshan-2, Dhaka1212	HSC	29 years	Sponsor Shareholder	Sponsor Shareholder	Nil	Fayez Uddin Cold Storage	Chairman
										Mercantile Bank Ltd	Sponsor Shareholder
										Jalil Grain Industries	Director
23	Mrs. Hasmat Ara Julfikure		52	38, Free School Street, Kathal Bagan, Dhaka.	B.Com	27 years	Sponsor Shareholder	Sponsor	Nil	Nil	Nil
24	Mrs. Nauzat Begum	Late Md. Shafiuddin	62	56, K.B. Rudro Road, Chawk Bazar, Lalbagh, Dhaka-1211	Hon's from University of Dhaka	37 years	Sponsor Shareholder	Sponsor Director	Existing	Nil	Nil

****Mr. Nil Kantha Roy was died on 06 July 2020**

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

All the present Directors of the Company are Sponsor Director except the Independent Directors. Independent Directors did not acquire any share of the Company.

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

All the Sponsors/Directors of DGIC have experienced in the business of the Company.

(n) Interest of the key management persons;

				Amount in Tk.
Sl.	Name	Position	Nature of Interest	Salary Paid as on 1 January 2019 to 31 December 2019
1	Mr. Mohd. Abul Kashem**	Chief Executive Officer (Current Charge)	Salary & Other allowance	903,226
2	Mr. Rabindra Nath Karmaker	Sr. GM & CFO & Tax Consultant	Salary & Other allowance	1,053,835
3	Mr. Md. Abul Kalam**	Sr. GM Head of Branch Control Dept.	Salary & Other allowance except Car	596,225
4	Mr. S.M. Khamruzzaman	Sr. Manager and Head of Internal Audit	Salary & Other allowance except Car	679,140
5	Mr. Ziaul Haque	AGM Head of Re-insurance and claim	Salary & Other allowance except Car	567,754
6	Mr. Md. Abdullah Al-Amin	Asst. Manager & Head of IT	Salary & Other allowance except Car and Mobile facility	248,391

* Mr. Mohd. Abul Kashem was appointed as Additional Managing Director on 20 May 2019. Subsequently Mr. Mohd. Abul Kashem was appointed as Chief Executive Officer (Current Charge) as on 1 January 2021

** Mr. Md. Abul Kalam was resigned from his post as on June 11, 2019

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

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

			Amount in Tk.
Sl	Name of Directors	Nature of interest	31 December 2019
1	Mr. Jashim Uddin	The Board meeting attendance fees	31,200
2	Mr. Md. Akbor Hossain	The Board meeting attendance fees	18,800
3	Ms. Priti Kana Bose	The Board meeting attendance fees	31,200
4	Mr. Murad Mohammed Taj	The Board meeting attendance fees	31,200
5	Mr. Tahrin Aman	The Board meeting attendance fees	25,200
6	Mr. Aminur Rahman	The Board meeting attendance fees	31,200
7	Mrs. Rokeya Quader	The Board meeting attendance fees	25,200
8	Engr. A.K.M. Ahsanul Haque	The Board meeting attendance fees	31,200
9	**Mr. Nil Kantha Roy	The Board meeting attendance fees	12,400
10	Engr. Tarikul Alam Rahimi	The Board meeting attendance fees	18,800
11	Mrs. Nauzat Begum	The Board meeting attendance fees	24,800
12	Mr. Kamal Uddin FCA	The Board meeting attendance fees	31,200
13	Mr. Sarwar Uddin FCA	The Board meeting attendance fees	18,400
14	Mr. Shahedul Islam	The Board meeting attendance fees	18,400

**Mr Nil Kantha Roy Died on 06 July 2020

(p) Number of shares held and percentage of share holding (pre issue);

Sl	Name	Category	No of Share	Pre IPO %
1	Mr. Jashim Uddin	Sponsor Director	1,649,629	6.87%
2	Ms. Priti Kana Bose	Sponsor Director	809,831	3.37%
3	Mr. Murad Mohammad Taj	Sponsor Director	1,227,330	5.11%
4	Mr. Md. Akbar Hossain	Sponsor Director	1,281,845	5.34%
5	Mr. Tahrin Aman	Sponsor Director	800,000	3.33%
6	Mr. Aminur Rahman	Sponsor Director	806,215	3.36%
7	Mrs. Rokeya Quader	Sponsor Director	1,495,510	6.23%
8	Engr. A.K.M. Ahsanul Haque	Sponsor Director	1,121,185	4.67%
9	**Mr. Nil Kantha Roy	Former -Sponsor Director	1,068,180	4.45%
10	Engr. Tarikul Alam Rahimi	Sponsor Director	1,576,665	6.57%
11	Mrs. Nauzat Begum	Sponsor Director	800,000	3.33%
Total (a)			12,636,390	52.65%
12	Mr. Md. Saifuddin Khaled	Sponsor	626,214	2.61%
13	Mrs. Rehena Begum	Sponsor	351,758	1.47%
14	Mr. M. Monsurul Islam	Sponsor	599,831	2.50%
15	Mr. Moshfeque Mamun Rizvi	Sponsor	250,451	1.04%
Total (b)			1,828,254	7.62%
Grand Total (a) + (b)			14,464,644	60.27%

Shareholding Position by shareholders				
16	Mr. Shakif Nazran Bhuiyan	Shareholder	1,495,510.00	6.23%
17	Alhaj Mosharraf Hosain	Shareholder	1,487,432.00	6.20%
18	Mr. M Amanullah	Shareholder	695,155.00	2.90%
19	Mr. Morshed Alam	Shareholder	2,350,371.00	9.79%
20	Mr. Amir Hossain Amu	Shareholder	2,506,933.00	10.45%
21	Ms. Shamima Yasmin	Shareholder	999,955.00	4.17%
Total (C)			9,535,356.00	39.73%
Grand Total (a) + (b)+ (c)			24,000,000	100.00%

** Mr Nil Kantha Roy Died on 06 July 2020

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

Sl	Name of the directors	Last Position held	Date of appointment	Date of retirement	Remarks
1	Mr. Sakif Nazran Bhuiya	Director	15 March 2010	12 September 2017	Resigned
2	Mr. Monsurul Islam	Director	8 February 2000	27 August 2017	Resigned
3	Mr. Saifuddin Khaled	Director	8 February 2000	27 August 2017	Resigned
4	Mr. Kamal Uddin FCA	Independent Director	27 August 2017	-	Continuing
5	Mr. Sarwar Uddin FCA	Independent Director	27 August 2017	-	Continuing
6	Mr. Shahedul Islam	Independent Director	27 August 2017	-	Continuing
7	Mrs. Nauzat Begum	Director	27 August 2017	-	Continuing
8	Mr. Nil Kantha Roy	Former Sponsor Director	8 February 2000	-	Died on 06 July 2020

(r) Director's engagement with similar business.

No Directors of the Company are engage with similar business.

Chapter-IX

Certain Relationships and Related Transactions

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

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

Certification on statement of Related Party Transaction of Desh General Insurance Company Limited

This is to certify that the Financial statements of the Desh General Insurance Company Limited furnished for our audit does not have any transaction during the last five years, or any proposed transaction between the issuer and any of the following persons:

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

Except the transactions for the last five years described in the following table:

Name of the Related Party	Nature of Relationship	Nature of Transaction	(Receivable)/Payable Balance at the period/year end				
			31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
Bengal Plastic Ltd.	Common Directorship	Insurance	2,610,508	2,732,838	3,307,651	-	-
Bengal Cement Ltd.	Common Directorship	Insurance	3,958,085	421,396	2,654,872	-	-
Bengal Flexipack Ltd.	Common Directorship	Insurance	-	40,305	324,347	-	-
Bengal Melamine Ltd	Common Directorship	Insurance	114,971	55,255	716,912	-	-
Bengal Oversees Corp. Ltd.	Common Directorship	Insurance	3,365	10,239	106,385	-	-
Bengal Petrochum & Synthitic Textile Ltd.	Common Directorship	Insurance	-	858,150	706,173	-	-
Bengal Plastic pipe Ltd.	Common Directorship	Insurance	1,711,843	1,422,797	507,760	-	-
Bengal Poly And Paper sack ltd.	Common Directorship	Insurance	342,940	1,034,746	426,161	-	-
Bengal Windsor Thermoplastic Ltd.	Common Directorship	Insurance	950,003	2,263,038	862,251	-	-
Hemilton Metal Corporation Ltd.	Common Directorship	Insurance	149,603	224,021	214,403	-	-
Linnex electronic Bngaldesh Ltd.	Common Directorship	Insurance	87,924	638,970	502,528	-	-
Oceanic trading Company Ltd.	Common Directorship	Insurance	5,813	12,506	266,697	-	-
Bengal polymer Wear Ltd	Common Directorship	Insurance	684,425	921,108	213,037	-	-

Power utility Bangladesh Ltd.	Common Directorship	Insurance	43,183	725,628	133,707	-	-
Romania Food & Bevarage Ltd.	Common Directorship	Insurance	138,318	148,213	372,925	-	-
Bengal Plastic Ltd.shilmon tongi	Common Directorship	Insurance	1,333,627	1,997,095	-	-	-
Hemilton Mould & Engineer	Common Directorship	Insurance	79,050	386,763	-	-	-
Linnex Technogies Ltd.	Common Directorship	Insurance	239,110	204,551	-	-	-
Future Infrastructure Development Ltd	Common Directorship	Insurance	227,425	-	227,425	-	-
Bengal LPGL Ltd	Common Directorship	Insurance	-	-	1,456,785	-	-
Total Premium	Common Directorship	Insurance	12,680,193	14,097,619	13,000,019	4,125,712	-
Desh Garments Ltd.	Common Directorship	Insurance	298,482	429,129	242,647	-	-
Total Premium	Common Directorship	Insurance	298,482	429,129	242,647	702,204	-
Fars hotel & resort Ltd.	Common Directorship	Insurance	364,795	472,362	90,406	-	-
Akber Hossain	Common Directorship	Insurance	62,629	32,571	-	-	-
Akram Traders Ltd.	Common Directorship	Insurance	114,125	80,766	226,549	-	-
Total Premium	Common Directorship	Insurance	541,459	585,699	316,955	149,941	-
Grand Total Premium			13,520,134	15,112,447	13,559,621	4,977,857	-
Bengal Polymer Wears Ltd.	Common Directorship	Unsecured Loan	5,811,200	5,811,200	5,811,200	10,000,000	-
Bengal Plastics Ltd.	Common Directorship	Unsecured Loan	10,577,600	10,577,600	10,577,600	18,200,000	-
Designer Fashions Ltd.	Common Directorship	Unsecured Loan	5,811,200	5,811,200	5,811,200	10,000,000	-
Grand Total			22,200,000	22,200,000	22,200,000	38,200,000	-

Sd/-

Place: Dhaka

Date : September 29, 2020

Rahman Mostafa Alam & Co

Chartered Accountants

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

Except as describe above, no transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of the issuer Company or its subsidiary/holding Company or associate concerns or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus.

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

No loan was taken or given from or to any director or any person connected with the director and no loan was taken from any such person who did not have any stake in the issuer, its holding Company or its associate concerns except the following transaction:

Name of the Related Party	Nature of Relationship	Nature of Transaction	Rate of Interest	Date of Loan Taken	Outstanding Balance as on 31 December 2019 (Taka)
Bengal Polymer Wears	Director	Unsecured Loan	0%	05.05.2015	5,811,200
Bengal Plastics Ltd.	Director	Unsecured Loan		05.05.2015	10,577,600
Designer Fashions Ltd.	Director	Unsecured Loan		05.05.2015	5,811,200
Total					22,200,000

Chapter-X

Executive Compensation

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

Sl.	Name of top five salaried officer	Designation	Amount in Taka Paid as on 31 December 2019
1	Mr. Qazi Mukarram Dastagir	Former Chief Executive Officer [Note-1]	3,600,000.00
2	Mr. Mohd. Abul Kashem	Chief Executive Officer (Current Charge)	903,226.00
3	Mr. Rabindra Nath Karmakar	Sr. GM & CFO	1,053,835.00
4	Mr.S.M. Khasruzzaman	Incharge (Mirpur Branch)	679,140.00
5	Mr. Md Alamgir Bhuiyan	Sr. AGM	671,730.00

Note: Mr. Qazi Mukarram Dastagir, Chief Executive Officer resigned from the Company as on 10/12/2020 which was subsequently approved by the Board of Directors of Desh General Insurance Company Limited in its 132th Board meeting held on 29/12/2020

Later on, Mr. Mohd. Abul Kashem, Additional Managing Director of the Company appointed as Chief Executive Officer (Current Charge) effective from 1/1/2021 by the Board of Directors of Desh General Insurance Company Limited in its 132th Board meeting held on 29/12/2020

(b) Remuneration paid to all directors and officers as a group during the last accounting year;

	Particulars	Remuneration paid as on 31 December 2019 (Taka)
1	Directors	-
2	Officers and Staffs	27,358,969.00
	Total	27,358,969.00

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

No shareholder director received any monthly salary or perquisite or benefit from the Company.

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

Sl	Name of Directors	Position	Attendance fees Received as on 31 December 2019	Date of Approval in AGM or EGM
1	Mr. Jashim Uddin	Chairman	31,200	The Board of Directors of Desh General Insurance Company Limited was received board meeting attendance fee @ BDT 5,000 per meeting as per guideline of IDRA.
2	Mr. Md. Akbor Hossain	Vice Chairman	18,800	
3	Ms. Priti Kana Bose	Director	31,200	
4	Mr. Murad Mohammed Taj	Director	31,200	
5	Mr. Tahrin Aman	Director	25,200	
6	Mr. Aminur Rahman	Director	31,200	
7	Mrs. Rokeya Quader	Director	25,200	
8	Engr. A.K.M. Ahsanul Haque	Director	31,200	
9	Engr. Tarikul Alam Rahimi	Director	18,800	
10	Mrs. Nauzat Begum	Director	24,800	
11	Mr. Kamal Uddin FCA	Independent Director	31,200	
12	Mr. Sarwar Uddin FCA	Independent Director	18,400	
13	Mr. Shahedul Islam	Independent Director	18,400	
14	Mr. Qazi Mukarram Dastagir	Former Chief Executive Officer [Note-1]	-	

Note: Mr. Qazi Mukarram Dastagir, Chief Executive Officer resigned from the Company as on 10/12/2020 which was subsequently approved by the Board of Directors of Desh General Insurance Company Limited in its 132th Board meeting held on 29/12/2020

Later on, Mr. Mohd. Abul Kashem, Additional Managing Director of the Company appointed as Chief Executive Officer (Current Charge) effective from 1/1/2021 by the Board of Directors of Desh General Insurance Company Limited in its 132th Board meeting held on 29/12/2020

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

No contract was made with any director or officer providing for the payment of future compensation.

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

The Company has no plan for substantial increase the remuneration paid to its officers except for those that are paid as annual increment to their salaries.

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

Apart from the aforementioned information, the Company provides other benefits to the following employees:

SI	Name of employee	Position	Facility
1	Mr. Mr. Mohd. Abul Kashem	Chief Executive Officer (Current Charge) [Note-1]	<ul style="list-style-type: none">• Car• Festival bonus,• Telephone and Mobile facility
2	Mr. Qazi Mukarram Dastagir	Former Chief Executive Officer	<ul style="list-style-type: none">• Car• Festival bonus,• Telephone and Mobile facility
3	Mr. Rabindra Nath Karmaker	Chief Financial Officer	<ul style="list-style-type: none">• Car• Festival bonus,• Telephone and Mobile facility
4	Mr. S.M. Khasruzzaman	Incharge (Mirpur Branch)	<ul style="list-style-type: none">• Car• Festival bonus,• Telephone and Mobile facility
5	Mr. Md Alamgir Bhuiyan	Sr. AGM	<ul style="list-style-type: none">• Festival bonus,• Mobile facility

Note: Mr. Qazi Mukarram Dastagir, Chief Executive Officer resigned from the Company as on 10/12/2020 which was subsequently approved by the Board of Directors of Desh General Insurance Company Limited in its 132th Board meeting held on 29/12/2020

Later on, Mr. Mohd. Abul Kashem, Additional Managing Director of the Company appointed as Chief Executive Officer (Current Charge) effective from 1/1/2021 by the Board of Directors of Desh General Insurance Company Limited in its 132th Board meeting held on 29/12/2020

Chapter – XI

Options granted to Directors, Officers and Employees

(1) The following information in respect of any option held by each director, the salaried officers, and all other officers as a group, namely: -

- (i) The date on which the option was granted;
- (ii) The exercise price of the option;
- (iii) The number of shares or stock covered by the option;
- (iv) The market price of the shares or stock on the date the option was granted;
- (v) The expiration date of the option;
- (vi) Consideration against the option.

No options have been granted by the Company to any director, officers or employees.

(2) If such options are held by any person other than the directors, and the officers of the issuer Company, the following information shall be given in the prospectus, namely:-

- (i) The total number of shares or stock covered by all such outstanding options;
- (ii) The range of exercise prices;
- (iii) The range of expiration dates;
- (iv) Justification and consideration of granting such option.

No options have been held by any person other than the directors, and the officers of the issuer Company.

Chapter-XII

Transaction with the Directors and Subscribers to the Memorandum

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

(Amount in Tk.)

Sl	Names of the directors and subscribers to the memorandum	Position	Nature of value received or to be received	31 December 2017	31 December 2016	31 December 2015	31 December 2014	31 December 2013
1	Mrs. Feroza Hossain	Subscriber to the Memorandum	Nil	Nil	Nil	Nil	Nil	Nil
2	Mr. Kamal Uddin	Subscriber to the Memorandum	Nil	Nil	Nil	Nil	Nil	Nil
3	Mr. Moin Uddin	Subscriber to the Memorandum	Nil	Nil	Nil	Nil	Nil	Nil
4	Mr. Jashim Uddin	Director & Subscriber to the Memorandum	Received by the Directors					
			Board Meeting Attendend Fee	35,000	35,000	20,000	5,000	15,000
			Bonus Share	Nil	555,730 & 627970	Nil	589,630	480,670
			Cash Dividend	600,435	Nil	Nil	Nil	Nil
			Rights Share	11,037,790	Nil	Nil	Nil	Nil
			Received by the Issuer					
			Fund received against Bonus share	Nil	555,730 & 627970	Nil	589,630	480,670
			Fund received against Rights share share	11,037,790	Nil	Nil	Nil	Nil
5	Mr. M. Monsurul Islam	Subscriber to the Memorandum	Received by the Directors					
			Board Meeting Attendend Fee	30,000	40,000	35,000	25,000	20,000
			Bonus Share	Nil	260,130 & 293,950	Nil	276,000	225,000
			Cash Dividend	281,058	Nil	Nil	Nil	Nil
			Rights Share	3,443,230	Nil	Nil	Nil	Nil
			Received by the Issuer					
			Fund received against Bonus share	Nil	260,130 & 293,950	Nil	276,000	225,000
			Fund received against Rights share share	3,443,230	Nil	Nil	Nil	Nil
6	Mr. Dewan Sekar Ahmed	Subscriber to the Memorandum	Fund received against Share Issue beyond 05 years	Nil				
7	Ms. Priti Kana Bose	Director & Subscriber to the Memorandum	Received by the Directors					
			Board Meeting Attendend Fee	35,000	55,000	35,000	15,000	15,000
			Bonus Share	Nil	293,950	260,130	276,000	225,000
			Cash Dividend	281,058	Nil	Nil	Nil	Nil
			Rights Share	5,543,230	Nil	Nil	Nil	Nil
			Received by the Company					
			Fund received against Bonus share	Nil	293,950	260,130	276,000	225,000
Fund received against Rights share share	5,543,230	Nil	Nil	Nil	Nil			
8	Mr. Moshfeque Mamun Rizvi	Subscriber to the Memorandum	Received by the Directors					
			Board Meeting Attendend Fee	Nil	Nil	20,000	20,000	10,000

			Bonus Share	Nil	185,210 & 209,290	Nil	196,510	160,200
			Cash Dividend	200,113	Nil	Nil	Nil	Nil
			Rights Share	685,300	Nil	Nil	Nil	Nil
			Received by the Company					
			Fund received against Bonus share	Nil	185,210 & 209,290	Nil	196,510	160,200
			Fund received against Rights share share	685,300	Nil	Nil	Nil	Nil
9	Mr. Abdus Salam Khan	Subscriber to the Memorandum	Fund received against Share Issue	Nil				
10	Mr. Murad Mohammed Taj	Director & Subscriber to the Memorandum	Received by the Directors					
			Board Meeting Attendend Fee	30,000	60,000	35,000	20,000	5,000
			Bonus Share	Nil	746,920 & 844,020	Nil	792,490	646,050
			Cash Dividend	807,014	Nil	Nil	Nil	Nil
			Rights Share	4,936,820	Nil	Nil	Nil	Nil
			Received by the Company					
			Fund received against Bonus Share Issue	Nil	746,920 & 844,020	Nil	792,490	646,050
			Fund received against Rights share share	4,936,820	Nil	Nil	Nil	Nil
11	Mr. Tanveer M.O. Rahman Chowdhury	Subscriber to the Memorandum	Fund received against Share Issue	Nil				
12	Mr. Md. Saifuddin Khaled	Director & Subscriber to the Memorandum	Received by the Directors					
			Board Meeting Attendend Fee	10,000	20,000	10,000	10,000	5,000
			Bonus Share	Nil	523,380	463,120	491,380	400,570
			Cash Dividend	500,377	Nil	Nil	Nil	Nil
			Rights Share	1,713,250	Nil	Nil	Nil	Nil
			Received by the Company					
			Fund received against Bonus Share Issue	Nil	523,380	463,120	491,380	400,570
			Fund received against Rights share share	1,713,250	Nil	Nil	Nil	Nil
13	Mr. Md. Akbor Hossain	Director & Subscriber to the Memorandum	Received by the Directors					
			Board Meeting Attendend Fee	25,000	45,000	35,000	25,000	20,000
			Bonus Share	Nil	555,730 & 627,970	Nil	589,620	480,680
			Cash Dividend	600,435	Nil	Nil	Nil	Nil
			Rights Share	7,359,950	Nil	Nil	Nil	Nil
			Received by the Company					
			Fund received against Bonus Share Issue	Nil	555,730 & 627,970	Nil	589,620	480,680
			Fund received against Rights share share	7,359,950	Nil	Nil	Nil	Nil
14	Mr. Tahrin Aman	Director & Subscriber to the Memorandum	Received by the Directors					
			Board Meeting Attendend Fee	25,000	25,000	15,000	15,000	5,000
			Bonus Share	Nil	523,330	463,120	491,370	400,580
			Cash Dividend	500,379	Nil	Nil	Nil	Nil
			Rights Share	3,451,100	Nil	Nil	Nil	Nil

			Received by the Company						
			Fund received against Bonus Share Issue	Nil	523,330	463,120	491,370	400,580	
			Fund received against Rights share share	3,451,100	Nil	Nil	Nil	Nil	
15	Mr. Md. Shawkat Ali Bhuiyan	Subscriber to the Memorandum	Fund received against Share Issue	Nil					
16	Mr. Aminur Rahman	Director & Subscriber to the Memorandum	Received by the Directors						
			Board Meeting Attendend Fee	35,000	65,000	35,000	25,000	15,000	
			Bonus Share	Nil	463,120 & 523,330	Nil	491,370	400,580	
			Cash Dividend	500,379	Nil	Nil	Nil	Nil	
			Rights Share	3,513,250	Nil	Nil	Nil	Nil	
			Received by the Company						
			Fund received against bonus share issue	Nil	463,120 & 523,330	Nil	491,370	400,580	
			Fund received against Rights share share	3,513,250	Nil	Nil	Nil	Nil	
17	Mrs. Rokeya Quader	Director & Subscriber to the Memorandum	Received by the Directors						
			Board Meeting Attendend Fee	30,000	40,000	5000	25000	10000	
			Bonus Share	nil	648,330 & 732,610	nil	687,890	560,770	
			Cash Dividend	700,491	Nil	Nil	Nil	Nil	
			Rights Share	8,587,000	Nil	Nil	Nil	Nil	
			Received by the Company						
			Fund received against bonus share issue	Nil	648,330 & 732,610	nil	687,890	560,770	
			Fund received against Rights share share	8,587,000	Nil	Nil	Nil	Nil	
18	Ms. Farah Binte Latif	Subscriber to the Memorandum	Fund received against Share Issue	Nil					
19	Engr. A.K.M. Ahsanul Haque	Director & Subscriber to the Memorandum	Received by the Directors						
			Board Meeting Attendend Fee	35,000	45,000	35000	25000	20000	
			Bonus Share	Nil	549,910 & 621,400	Nil	583,460	475,650	
			Cash Dividend	594,156	Nil	Nil	Nil	Nil	
			Rights Share	5,810,430	Nil	Nil	Nil	Nil	
			Received by the Company						
			Fund received against bonus share issue	Nil	549,910 & 621,400	Nil	583,460	475,650	
			Fund received against Rights share share	5,810,430	Nil	Nil	Nil	Nil	
20	**Mr. Nil Kantha Roy	Director & Subscriber to the Memorandum	Received by the Directors						
			Board Meeting Attendend Fee	35,000	45,000	30,000	20,000	15,000	
			Bonus Share	Nil	463120 & 523,330	Nil	491,380	400,570	
			Cash Dividend	500,379	Nil	Nil	Nil	Nil	
			Rights Share	613,290	Nil	Nil	Nil	Nil	

			Received by the Company						
			Fund received against bonus share issue	Nil	463,120 & 523,330	Nil	491,380	400,570	
			Fund received against Rights share share	613,290	Nil	Nil	Nil	Nil	
21	Engr. Tarikul Alam Rahimi	Director & Subscriber to the Memorandum	Received by the Directors						
			Board Meeting Attendend Fee	20,000	45,000	30,000	10,000	10,000	
			Bonus Share	Nil	648,330 & 732,610	Nil	687,880	560,780	
			Cash Dividend	700,491	Nil	Nil	Nil	Nil	
			Rights Share	9,398,550	Nil	Nil	Nil	Nil	
			Received by the Company						
			Fund received against bonus share issue	Nil	648,330 & 732,610	Nil	687,880	560,780	
			Fund received against Rights share share	9,398,550	Nil	Nil	Nil	Nil	
22	Mrs. Rehena Begum	Subscriber to the Memorandum	Received by the Directors						
			Bonus Share	Nil	260,130 & 293,950	Nil	276,000	225,000	
			Cash Dividend	281,058	Nil	Nil	Nil	Nil	
			Rights Share	962,500	Nil	Nil	Nil	Nil	
			Received by the Company						
			Fund received against bonus share issue	Nil	260,130 & 293,950	Nil	276,000	225,000	
			Fund received against Rights share share	962,500	Nil	Nil	Nil	Nil	
23	Mr. Hasmat Ara Zulfikar	Subscriber to the Memorandum	Fund received against Share Issue	Nil					
24	Mrs. Nauzat Begum	Director & Subscriber to the Memorandum	Received by the Directors						
			Board Meeting Attendend Fee	10,000	Nil	25,000	20,000	10,000	
			Bonus Share	Nil	173,420 & 195,960	Nil	184,000	150,000	
			Cash Dividend	187,371	Nil	Nil	Nil	Nil	
			Rights Share	6,296,620	Nil	Nil	Nil	Nil	
			Received by the Company						
			Fund received against bonus share issue	Nil	173,420 & 195,960	Nil	184,000	150,000	
			Fund received against Rights share share	6,296,620	Nil	Nil	Nil	Nil	
25	Mr. Md. Kamal Uddin FCA	Independend Director	Nil						
26	Mr. Sarwar Uddin, FCA	Independend Director	Nil						
27	Mr. Shahedul Islam	Independend Director	Nil						

****Mr Nil kantha Roy was died on 06 July 2020**

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

The Company did not acquire or have planned to acquire any asset from its directors and subscribers to the memorandum.

Chapter - XIII

Ownership of the Company's Securities

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

Sl.	Name of Shareholders	Address	BO ID Number	Amount of securities owned	Shareholding % before IPO
1	Mr. Jashim Uddin	75, Gulshan Avenue, Gulshan-1, Dhaka	1201750021888481	1,649,629	6.87%
2	Mr. Md. Akbor Hossain	Shawon Tower 2/C, Purana Paltan, Dhaka	1602170063535055	1,281,845	5.34%
3	Mr. M. Monsurul Islam	House-41/7, Purana Paltan 2nd and 3rd Floor, P.O. GPO -1000, Paltan, Dhaka	120520003429767	599,831	2.50%
4	Ms. Priti Kana Bose	Monowara Sikder Apartment, 295/A/1, Tali Office Road, Rayer Bazar, Dhaka	1202020011271389	809,831	3.37%
5	Mr. Moshfeque Mamun Rizvi,	House: 51, Vill/Road: Park Road, Baridhara, P.O. Gulshan -1212, Dhaka	1204030058927290	250,451	1.04%
6	Mr. Murad Mohammed Taj	Bishwa Darbar, P.O-Biswa Darbar, P.S- Mirsharai Chittagong 4329	1604420063788713	1,227,330	5.11%
7	Mr. Md. Saifuddin Khaled	Vill: Gongajol, Shahidabad,, P.O. Gongajol-3190, Jokigonj, Sylhet	1204310000145105	626,214	2.61%
8	Mr. Tahrin Aman	House #06, Road # 80, Gulshan-02, Dhaka	1202850000026002	800,000	3.33%
9	Mr. Aminur Rahman	House #01, Road # 01, Lane # 09, Block#B, Halishahar Housing Estate, Chittagong	1605430048029170	806,215	3.36%
10	Mrs. Rokeya Quader	House: 1/B, Vill/Road: 84 Gulshan-1212, Dhaka	1201820014921945	1,495,510	6.23%
11	Engr. A.K.M. Ahsanul Haque	House # 939, Apt#2B, Road # 14, Baitul Aman Housing Society, Adabor, Mohammadpur, Dhaka	1604420063800870	1,121,185	4.67%
12	**Mr. Nil Kantha Roy	Kamal Vander, New Market, Laldighirpar, Sylhet	1201850004197539	1,068,180	4.45%
13	Engr. Tarikul Alam Rahimi	Mother Care Clinic, Dargah Mohalla (South), Sylhet	1604420063788871	1,576,665	6.57%
14	Mrs. Rehena Begum	House-17, Road -55, Gulshan-2, Dhaka 1212	1602170003949919	351,758	1.47%
15	Mrs. Nauzat Begum	56, K.B Rudra Road, Chakbazar, Lalbagh, Dhaka	1604420063788606	800,000	3.33%
16	Mr. Sakif Nazran Bhuiyan	House-11, Road 128, Gulshan-1, Dhaka-1212	1604420063798431	1,495,510	6.23%
17	Alhaj Mosharraf Hosain	House-1/1, Road-Folder Street, P.O. Wari-1203, Sutrapur, Dhaka	1602170004154991	1,487,432	6.20%
18	Mr. M Amanullah	House-06, Road-80,, Gulshan-2, P.O. Gulshan-1212	1202850000026088	695,155	2.90%
19	Mr. Morshed Alam	House- Ahmed Ullah Amin Bari, Vill: Arjuntola, P.O.: Senbagh-3860, Senbagh, Noakhali	1205720063149329	2,350,371	9.79%
20	Mr. Amir Hossain Amu	House-42, New Eskaton, P.O. Shantinagar-1217, Ramna, Dhaka	1604420063804033	2,506,933	10.45%
21	Ms. Shamima Yasmin	70/F, Purana Paltan Line, Dhaka	1602170060801738	999,955	4.17%
Total				24,000,000	100%

** Mr. Nil Kantha Roy was died on 06 July 2020

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

Sl.	Name of Directors	Addresses	Age	Experience (Years)	BO ID No.	ETIN No.	No. of shares held	Share holding (%) pre issue	Position Held in Other Companies	
									Name of the Company	Position
1	Mr. Jashim Uddin	75, Gulshan Avenue, Gulshan-1, Dhaka	53	28 years	1201750021888481	329732861033	1,649,629	6.87%	Bengal Adhesive & Chemical Products Ltd.	Director
									Bengal Poly & Paper Sack Ltd	Director
									Bengal Overseas Corporation Ltd	Managing Director
									Power Utility Bangladesh Ltd	Managing Director
									Romania Food and Beverage Ltd.	Director
									Bengal Flexipak Limited	Director
									Bengal Polymer Wares Ltd.	Managing Director
									Bengal Plastic Pipes Ltd.	Managing Director
									Bengal Windsor Thermoplastics Limited	Director
									Bengal Petrochem and Synthetic Textiles Ltd.	Managing Director
									Hamilton Metal Corporation Ltd.	Managing Director
									Bengal Plastics Ltd.	Managing Director
									Designer Jeans Ltd.	Managing Director
									Bengal Feed & Fisheries Ltd.	Managing Director
									Bengal Renewable Energy Ltd.	Managing Director
									Bengal Concept & Holding Ltd.	Director
									Bengal Hotels & Resorts Ltd	Director
									Romania Agrovet Ltd.	Managing Director
									Hamilton Mold & Engineering Ltd.	Managing Director
									Bengal Retails Ltd.	Managing Director
									Designer Fashion Ltd.	Managing Director
									Bengal Cement Ltd.	Director
									Future Infrastructure Development Limited	Managing Director
									Bengal Melamine Ltd.	Managing Director
									Designer Washing & Dyeing Ltd.	Managing Director
2	Mr. Md. Akbor Hossain	Shawon Tower 2/C, Purana Paltan, Dhaka	40	15 years	7006353505	131069724897	1,281,845	5.34%	FARS Holdings & Associated Limited	Director

									FARS Hotel & Resorts Limited	Director
3.	Ms. Priti Kana Bose	Monowara Sikder Apartment, 295/A/1, Tali Office Road, Rayer Bazar, Dhaka	54	29 years	1202020011271389	477843668173	809,831	3.37%	Nil	Nil
4.	Mr. Murad Mohammed Taj	Bishwa Darbar, P.O-Biswa Darbar, P.S-Mirsharai Chittagong 4329	52	28 years	1604420063788713	181584147186	1,227,330	5.11%	Dakkhina Multipurpose project	Propeitor
5.	Mr. Tahrin Aman	House #06, Road # 80, Gulshan-02, Dhaka	38	13 years	1202850000026002	854970555695	800,000	3.33%	Mousumi Enterprise Limited	Director
									Arena Consumer Product Limited	Director
									Arena Securities Limited	Managing Director
									Aman Spinning Mills Limited	Managing Director
6.	Mr. Aminur Rahman	House #01, Road # 01, Lane # 09, Block#B, Halishahar Housing Estate, Chittagong	53	28 years	1605430048029170	847339877751	806215	3.36%	Sarinco Limited	Director
									EARTH Engineering & Construction	Director
7	Mrs. Rokeya Quader	House #01/B, Road #84, Block # NE(L), Gulshan-02, Dhaka	66	41 years	1201820014921945	229616607196	1495510	6.23%	Desh Garments Limited	Chairperson
									Tuteler Oil Services Co. (Pvt) Limited	Chairperson
									Desh International Limited	Chairperson
									Jenk Industries Limited	Chairperson
									Desh Agencies (78) Limited	Chairperson
									Desh Real Estate Limited	Chairperson
									Desh Ventures Limited	Chairperson
									Desh Binodon Limited	Chairperson
8	Engr. A.K.M. Ahsanul Haque	House # 939, Apt#2B, Road # 14, Baitul Aman Housing Society, Adabor, Mohammadpur, Dhaka	60	35 years	1604420063800870	855978832832	1121185	4.67%	Galaxy Color Limited	Managing Director
									ASSA Trading	Propeitor
									M/S AKM Ahsanul Haque	Propeitor
9	Engr. Tarikul Alam Rahimi	Mother Care Clinic, Dargah	64	year	006300	0031	1,576,665	6.57%	Mother Care Clinic	Managing Director

		Mohalla (South), Sylhet							The Nirmitee	Managing Director
									Apon Properties	Chairman
									First Lead Securities Limited	Director
10	Mrs. Nauzat Begum	56, K.B Rudra Road, Chakbazar, Lalbagh, Dhaka	63	38 years	1604420063788606	511622657671	800,000	3.33%	Nil	Nil
11	Mr. Kamal Uddin FCA	Navana Circular Height, Apt C- 15, 20 outer circular road, Razarbagh, Dhaka-1217	70	45 years	1604420063788997	629129889827	Nil	Nil	Nil	Nil
12	Mr. Sarwar Uddin FCA	Kamal Bhuiyan Bari Vill: Karam Ullah Pur P.O. & P.S Dagonbhuiyan, Dist-Feni	57	32 years	1301030015926460	295520213266	Nil	Nil	Nil	Nil
13	Mr. Shahedul Islam	House-15, Road- 12, Block-F, Niketon, Gulshan-1, Dhaka-1212	65	40 years	1201750000111750	745293796606	Nil	Nil	Bengal Pacific (Pvt) Ltd	Managing Director
									Bengal Braided Rugs Limited	Managing Director
									Promises Medical Limited	Chairman
									Trust Bank Limited	Independen t Director

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

Auditors' certificate regarding average cost of acquisition of equity shares by the directors:

Auditors' certificate regarding the average cost of acquisition of equity shares by the directors of Desh General Insurance Company Limited									
Sl. No	Name	Position	Transfer/Allotment			Total shareholding	Total amount (Tk.)	Average cost of acquisition (Tk.)	Consideration
			Date	@ BDT 100 per share	@ BDT 10 per share				
1	Mr. Jashim Uddin	Chairman	8-Feb-00	30,000	300,000	1,649,629	3,000,000	10	Cash
			7-Dec-05	20,450	204,500		2,045,000	10	Cash
			20-Oct-13	-	48,067		480,670	10	Bonus Share
			27-Aug-14	-	58,963		589,630	10	Bonus Share
			2-Jun-16	-	55,573		555,730	10	Bonus Share
			16-Oct-16	-	62,797		627,970	10	Bonus Share
			31-May-17	-	1,103,779		11,037,790	10	Right Share
							16,496,290		
2	Mrs. Priti Kana Bose	Director	8-Feb-00	15,000	150,000	809,831	1,500,000	10	Cash
			20-Oct-13	-	22,500		225,000	10	Bonus Share
			27-Aug-14	-	27,600		276,000	10	Bonus Share
			2-Jun-16	-	26,013		260,130	10	Bonus Share
			16-Oct-16	-	29,395		293,950	10	Bonus Share
			31-May-17	-	554,323		5,543,230	10	Right Share
							8,098,310		
3	Mr. Murad Mohammed Taj	Director	8-Feb-00	25,000	250,000	1,227,330	2,500,000	10	Cash

			31-Mar-03	15,000	150,000		1,500,000	10	Transfer Share
			7-Dec-05	3,070	30,700		307,000	10	Transfer Share
			20-Oct-13	-	64,605		646,050	10	Bonus Share
			27-Aug-14	-	79,249		792,490	10	Bonus Share
			2-Jun-16	-	74,692		746,920	10	Bonus Share
			16-Oct-16	-	84,402		844,020	10	Bonus Share
			31-May-17	-	493,682		4,936,820	10	Right Share
							12,273,300		
4	Mr. Md. Akobr Hossain	Vice Chairman	8-Feb-00	25,000	250,000	1,281,845	2,500,000	10	Cash
			31-Mar-03	50,000	500,000		5,000,000	10	Transfer Share
			7-Dec-05	20,450	204,500		2,045,000	10	Transfer Share
			20-Oct-13	-	48,068		480,680	10	Bonus Share
			27-Aug-14	-	58,962		589,620	10	Bonus Share
			2-Jun-16	-	55,573		555,730	10	Bonus Share
			16-Oct-16	-	62,797		627,970	10	Bonus Share
			31-May-17	-	735,995		7,359,950	10	Right Share
							12,818,450		
5	Mr. Tahrin Aman	Director	8-Feb-00	25,000	250,000	800,000	2,500,000	10	Cash
			7-Dec-05	1,705	17,050		170,500	10	Transfer Share
			20-Oct-13	-	40,058		400,580	10	Bonus Share
			27-Aug-14	-	49,137		491,370	10	Bonus Share

			2-Jun-16	-	46,312		463,120	10	Bonus Share
			16-Oct-16	-	52,333		523,330	10	Bonus Share
			31-May-17	-	345,110		3,451,100	10	Right Share
							8,000,000		
6	Mr. Aminur Rahman	Director	8-Feb-00	25,000	250,000	806,215	2,500,000	10	Cash
			7-Dec-05	1,705	17,050		170,500	10	Transfer Share
			20-Oct-13	-	40,058		400,580	10	Bonus Share
			27-Aug-14	-	49,137		491,370	10	Bonus Share
			2-Jun-16	-	46,312		463,120	10	Bonus Share
			16-Oct-16	-	52,333		523,330	10	Bonus Share
			31-May-17	-	351,325		3,513,250	10	Right Share
							8,062,150		
7	Mrs. Rokeya Quader	Director	8-Feb-00	30,000	300,000	1,495,510	3,000,000	10	Cash
			31-Mar-03	5,000	50,000		500,000	10	Transfer Share
			7-Dec-05	2,385	23,850		238,500	10	Transfer Share
			20-Oct-13	-	56,077		560,770	10	Bonus Share
			27-Aug-14	-	68,789		687,890	10	Bonus Share
			2-Jun-16	-	64,833		648,330	10	Bonus Share
			16-Oct-16	-	73,261		732,610	10	Bonus Share
			31-May-17	-	858,700		8,587,000	10	Right Share
							14,955,100		

8	Engr. A.K.M. Ahsanul Haque	Director	8- Feb- 00	25,000	250,000	1,121,185	2,500,000	10	Cash
			31- Mar- 03	5,000	50,000		500,000	10	Transfer Share
			7- Dec- 05	1,710	17,100		171,000	10	Transfer Share
			20- Oct- 13	-	47,565		475,650	10	Bonus Share
			27- Aug- 14	-	58,346		583,460	10	Bonus Share
			2- Jun- 16	-	54,991		549,910	10	Bonus Share
			16- Oct- 16	-	62,140		621,400	10	Bonus Share
			31- May- 17	-	581,043		5,810,430	10	Right Share
							11,211,850		
9	Mr. Nil Kantha Roy	Director	8- Feb- 00	25,000	250,000	1,068,180	2,500,000	10	Cash
			7- Dec- 05	1,705	17,050		170,500	10	Transfer Share
			20- Oct- 13	-	40,057		400,570	10	Bonus Share
			27- Aug- 14	-	49,138		491,380	10	Bonus Share
			2- Jun- 16	-	46,312		463,120	10	Bonus Share
			16- Oct- 16	-	52,333		523,330	10	Bonus Share
			31- May- 17	-	613,290		6,132,900	10	Right Share
							10,681,800		
10	Engr. Tarikul Alam Rahimi	Director	8- Feb- 00	30,000	300,000	1,576,665	3,000,000	10	Cash
			31- Mar- 03	5,000	50,000		500,000	10	Transfer Share
			7- Dec- 05	2,385	23,850		238,500	10	Transfer Share

			20-Oct-13	-	56,078		560,780	10	Bonus Share
			27-Aug-14	-	68,788		687,880	10	Bonus Share
			2-Jun-16	-	64,833		648,330	10	Bonus Share
			16-Oct-16	-	73,261		732,610	10	Bonus Share
			31-May-17	-	939,855		9,398,550	10	Right Share
							15,766,650		
11	Mrs. Nauzat Begum	Director	8-Feb-00	10,000	100,000	800,000	1,000,000	10	Cash
			20-Oct-13	-	15,000		150,000	10	Bonus Share
			27-Aug-14	-	18,400		184,000	10	Bonus Share
			2-Jun-16	-	17,342		173,420	10	Bonus Share
			16-Oct-16	-	19,596		195,960	10	Bonus Share
			31-May-17	-	629,662		6,296,620	10	Right Share
							8,000,000		
Total						2,636,390	126,363,900		

**Face value of Share has been changed from Tk. 100 per share to Tk. 10 per share as on 27 August 2013.*

Place: Dhaka
Date : September 29, 2020

Sd/-
Rahman Mostafa Alam & Co
Chartered Accountants

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

Name	Date of Allotment/ Transfer of fully paid up shares	Consideration	Nature of issue	No of Equity shares	Face value	Issue Price/ Acquisition Price/ Transfer Prices	Cumulative no. of equity shares	% of Pre- issue paid up capital	% of Post- issue paid up capital	Sources of Fund
Mr. Jashim Uddin, Chairman & Sponsor Director	8 February 2000	Cash	Ordinary share	30,000	100	100	1,649,629	6.87%	4.12%	Own
	Transfer as on 7 December 2005	Cash		20,450	100	100				
	20 October 2013	Bonus		48,067	10*	10				
	27 August 2014	Bonus		58,963	10	10				
	2 June 2016	Bonus		55,573	10	10				
	16 October 2016	Bonus		62,797	10	10				
	31 May 2017	Rights		1,103,779	10	10				
Total				1,649,629						
Mr. Md. Akbor Hossain, Vice Chairman & Sponsor Director	8 February 2000	Cash	Ordinary share	25,000	100	100	1,281,845	5.34%	3.20%	Own
	Transfer as on 31 March 2003	Cash		50,000	100	100				
	Transfer as on 7 December 2005	Cash		20,450	100	100				
	20 October 2013	Bonus		48,068	10	10				
	27 August 2014	Bonus		58,962	10	10				
	2 June 2016	Bonus		55,573	10	10				
	16 October 2016	Bonus		62,797	10	10				
	31 May 2017	Rights		735,995	10	10				
Total				1,281,845						
Mrs. Feruza Hossain, Sponsor	8 February 2000	Cash	Ordinary share	30,000	100	100	Nil	-	-	Own
	Share acquired by way of transfer as on 4 February 2001	Cash		20,000	100	100				
	Transfer as on 25 July 2012	Cash		(50,000)	100	100				
Total				Nil						
Mr. Kamal Uddin, Sponsor	8 February 2000	Cash	Ordinary share	30,000	100	100	Nil	-	-	Own
	Transfer as on 4 February 2001	Cash		(30,000)	100	100				
Total				Nil						
Mr. Md. Moyeen Uddin, Sponsor	8 February 2000	Cash	Ordinary share	15,000	100	100	Nil	-		Own
	Transfer as on 31 March 2003	Cash		(15,000)	100	100				
Total				Nil						
Mr. M. Monsurul Islam,	8 February 2000	Cash	Ordinary share	15,000	100	100		2.50%		Own
	20 October 2013	Bonus		22,500	10	10				
	27 August 2014	Bonus		27,600	10	10				

Sponsor shareholder	2 June 2016	Bonus		26,013	10	10	599,831		1.50%	
	16 October 2016	Bonus		29,395	10	10				
	31 May 2017	Rights		344,323	10	10				
Total				599,831						
Mr. Dewan Sekar Ahmed, Sponsor	8 February 2000	Cash	Ordinary share	30,000	100	100	Nil	-		
	Transferas on 4 February 2001	Cash		(30,000)	100	100				
Total				Nil						
Ms. Priti Kana Bose, Sponsor Director	8 February 2000	Cash	Ordinary share	15,000	100	100	809,831	3.37%	2.02%	Own
	20 October 2013	Bonus		22,500	10	10				
	27 August 2014	Bonus		27,600	10	10				
	2 June 2016	Bonus		26,013	10	10				
	16 October 2016	Bonus		29,395	10	10				
	31 May 2017	Rights		554,323	10	10				
Total				809,831						
Mr. Moshfeque Mamun Rizvi, Sponsor shareholder	8 February 2000	Cash	Ordinary share	60,000	100	100	250,451	1.04%	0.63%	Own
	Transferas on 4 February 2001	Cash		20,000	100	100				
	Transferas on 29 September 2005	Cash		20,000	100	100				
	Share acquired by way of transfer as on 7 December 2005	Cash		680	100	100				
	Transfer as on 7 December 2005	Cash		10,000	100	100				
	20 October 2013	Bonus		16,020	10	10				
	27 August 2014	Bonus		19,651	10	10				
	2 June 2016	Bonus		18,521	10	10				
	16 October 2016	Bonus		20,929	10	10				
	31 May 2017	Rights		68,530	10	10				
	Total				250,451					
Mr. Abdus Salam Khan, Sponsor	8 February 2000	Cash	Ordinary share	25,000	100	100	Nil	-	-	Own
	20 October 2013	Bonus		37,500	10	10				
	27 August 2014	Bonus		46,000	10	10				
	2 June 2016	Bonus		43,355	10	10				
	16 October 2016	Bonus		48,991	10	10				
	Transfer as on 7 December 2016	Cash		(425,846)	10	10				
	31 May 2017	Rights		-	10	10				
Total				Nil						
Mr. Murad Mohammed Taj, Sponsor Director	8 February 2000	Cash	Ordinary share	25,000	100	100	1,227,330	5.11%	3.07%	Own
	Share acquired by way of transfer as on 31 March 2003	Cash		15,000	100	100				
	Share acquired by way of transfer as on 7 December 2005	Cash		3,070	100	100				
	20 October 2013	Bonus		64,605	10	10				
	27 August 2014	Bonus		79,249	10	10				

	2 June 2016	Bonus		74,692	10	10				
	16 October 2016	Bonus		84,402	10	10				
	31 May 2017	Rights		493,682	10	10				
Total				1,227,330						
Mr. Tanvir M. O. Rahman Chowdhury, Sponsor	8 February 2000	Cash	Ordinary share	25,000	100	100	Nil	-	-	Own
	Transfer as on 31 March 2003	Cash		(25,000)	100	100				
Total				Nil						
Mr. Md. Saifuddin Khaled, Sponsor Shareholder	8 February 2000	Cash	Ordinary share	25,000	100	100	626,214	2.61%	1.57%	Own
	Share acquired by way of transfer as on 7 December 2005	Cash		1,705	100	100				
	20 October 2013	Bonus		40,057	10	10				
	27 August 2014	Bonus		49,138	10	10				
	2 June 2016	Bonus		46,312	10	10				
	16 October 2016	Bonus		52,332	10	10				
	31 May 2017	Rights		171,325	10	10				
Total				626,214						
Mr. Tahrin Aman, Sponsor Director	8 February 2000	Cash	Ordinary share	25,000	100	100	800,000	3.33%	2%	Own
	Share acquired by way of transfer as on 7 December 2005	Cash		1,705	100	100				
	20 October 2013	Bonus		40,058	10	10				
	27 August 2014	Bonus		49,137	10	10				
	2 June 2016	Bonus		46,312	10	10				
	16 October 2016	Bonus		52,333	10	10				
	31 May 2017	Rights		345,110	10	10				
Total				800,000						
Mr. Md. Shawkat Ali Bhuiyan, Sponsor	8 February 2000	Cash	Ordinary share	30,000	100	100	Nil	-	-	Own
	Share acquired by way of transfer as on 31 March 2003	Cash		5,000	100	100				
	Share acquired by way of transfer as on 7 December 2005	Cash		2,385	100	100				
	Transfer as on 15 March 2010	Cash		(37,385)	100	100				
Total				Nil						
Mr. Aminur Rahman, Sponsor Director	8 February 2000	Cash	Ordinary share	25,000	100	100	806,215	3.36%	2.02%	Own
	Share acquired by way of transfer as on 7 December 2005	Cash		1,705	100	100				
	20 October 2013	Bonus		40,058	10	10				
	27 August 2014	Bonus		49,137	10	10				
	2 June 2016	Bonus		46,312	10	10				

	16 October 2016	Bonus		52,333	10	10				
	31 May 2017	Rights		351,325	10	10				
Total			806,215							
Mrs. Rokeya Quader, Sponsor Director	8 February 2000	Cash	Ordinary share	30,000	100	100	1,495,510	6.23%	3.75%	Own
	Share acquired by way of transfer as on 31 March 2003	Cash		5,000	100	100				
	Share acquired by way of transfer as on 7 December 2005	Cash		2,385	100	100				
	20 October 2013	Bonus		56,077	10	10				
	27 August 2014	Bonus		68,789	10	10				
	2 June 2016	Bonus		64,833	10	10				
	16 October 2016	Bonus		73,261	10	10				
	31 May 2017	Rights		858,700	10	10				
Total			1,495,510							
Ms. Farah Binte Latif, Sponsor	8 February 2000	Cash	Ordinary share	25,000	100	100	Nil	-	-	Own
	Transfer as on 31 March 2003	Cash		(25,000)	100	100				
Total			Nil							
Engr. A.K.M. Ahsanul Haque, Sponsor Director	8 February 2000	Cash	Ordinary share	25,000	100	100	1,121,185	4.67%	2.80%	Own
	Share acquired by way of transfer as on 31 March 2003	Cash		5,000	100	100				
	Share acquired by way of transfer as on 7 December 2005	Cash		1,710	100	100				
	20 October 2013	Bonus		47,565	10	10				
	27 August 2014	Bonus		58,346	10	10				
	2 June 2016	Bonus		54,991	10	10				
	16 October 2016	Bonus		62,140	10	10				
	31 May 2017	Rights		581,043	10	10				
Total			1,121,185							
Late Mr. Nil Kantha Roy, Sponsor Director	8 February 2000	Cash	Ordinary share	25,000	100	100	1,068,180	4.45%	2.67%	Own
	Share acquired by way of transfer as on 7 December 2005	Cash		1,705	100	100				
	20 October 2013	Bonus		40,057	10	10				
	27 August 2014	Bonus		49,138	10	10				
	2 June 2016	Bonus		46,312	10	10				
	16 October 2016	Bonus		52,333	10	10				
	31 May 2017	Rights		613,290	10	10				
Total			1,068,180							
Engr. Tarikul Alam Rahimi,	8 February 2000	Cash	Ordinary share	30,000	100	100		6.57%	3.94%	
	Share acquired	Cash		5,000	100	100				

Sponsor Director	by way of transfer as on 31 March 2003						1,576,665			Own
	Share acquired by way of transfer as on 7 December 2005	Cash		2,385	100	100				
	20 October 2013	Bonus		56,078	10	10				
	27 August 2014	Bonus		68,788	10	10				
	2 June 2016	Bonus		64,833	10	10				
	16 October 2016	Bonus		73,261	10	10				
	31 May 2017	Rights		939,855	10	10				
Total				1,576,665						
Mrs. Rehena Begum, Sponsor Shareholder	8 February 2000	Cash	Ordinary share	15,000	100	100	351,758	1.47%	0.88%	Own
	20 October 2013	Bonus		22,500	10	10				
	27 August 2014	Bonus		27,600	10	10				
	2 June 2016	Bonus		26,013	10	10				
	16 October 2016	Bonus		29,395	10	10				
	31 May 2017	Rights		96,250	10	10				
Total				351,758						
Mrs. Hashmat Ara Julfikur, Sponsor	8 February 2000	Cash	Ordinary share	10,000	100	100	Nil	-	-	Own
	Transfer as on 31 March 2003	Cash		(10,000)	100	100				
Total				Nil						
Mrs. Nauzat Begum, Sponsor Director	8 February 2000	Cash	Ordinary share	10,000	100	100	800,000	3.33%	2%	Own
	20 October 2013	Bonus		15,000	10	10				
	27 August 2014	Bonus		18,400	10	10				
	2 June 2016	Bonus		17,342	10	10				
	16 October 2016	Bonus		19,596	10	10				
	31 May 2017	Rights		629,662	10	10				
Total				800,000						
Grand Total							14,464,644	60.27	36.16	

(e) Detail of shares issued by the Company at a price lower than the issue price;

The Company did not issue any share at a price lower than the issue price before IPO.

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

There were no significant (5% more) changes in ownership of securities from inception in the history of the Company.

Chapter - XIV

Corporate Governance

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

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

Sd/-

Qazi Mukarram Dastagir

Chief Executive Officer

Desh General Insurance Company

Date: 29 September 2020

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

**Report to the Shareholders of
Desh General Insurance Company Limited
on compliance on the Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by Desh General Insurance Company Limited for the year ended on 31st December, 2019. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

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

Sd/-

Md. Aminul Islam FCA
Partner

Dhaka

Hoda Hossain & Co.

29 September 2020

Chartered Accountants

Compliance Report on BSEC's Notification

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Date: 3 June 2018. Issued under section 2CC of the Securities and Exchange Ordinance 1969 is presented below:

Condition No.	Title	Compliance Status (Put \checkmark in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	Board of Directors			
1(1)	Size of the Board of Directors: The total number of members of a Company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	\checkmark		
1(2)	Independent Directors			
1(2)(a)	At least one-fifth (1/5) of the total number of directors in the Company's Board shall be Independent Directors; any fraction shall be considered to the next integer or whole number for calculating number of Independent Director(s);	\checkmark		
1(2)(b)(i)	Who either does not hold any share in the Company or holds less than one percent (1%) shares of the total paid-up shares of the Company;	\checkmark		
1(2)(b)(ii)	Who is not a sponsor of the Company or is not connected with the Company's any sponsor or director or nominated director or shareholder of the Company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the Company on the basis of family relationship and his or her family also shall not hold above mentioned shares in the Company.	\checkmark		
1(2)(b)(iii)	Who has not been an executive of the Company in immediately preceding 2 (two) financial years;	\checkmark		
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the Company or its subsidiary or associated Companies;	\checkmark		
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock Exchange.	\checkmark		
1(2)(b)(vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of Stock Exchange or an intermediary of the capital market;	\checkmark		
1(2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3(three) years of the concerned Company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	\checkmark		
1(2)(b)(viii)	Who is not independent director in more than 5(five) listed companies;	\checkmark		
1(2)(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non- Bank financial Institution (NBFI); and	\checkmark		
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude;	\checkmark		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual	\checkmark		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
	General Meeting (AGM);			
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	✓		
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1(one) tenure only:	✓		
1(3)	Qualification of Independent Director			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regularity requirements and corporate laws and can make meaningful contribution to the business;	✓		
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted Company having minimum paid-up-capital of Tk. 100.00 million or any listed Company or a member of any national or international chamber of commerce or business association; or	✓		
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted Company having minimum paid-up-capital of Tk. 100.00 million or of a listed Company; or	✓		
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5 th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or	✓		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			N/A
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	✓		
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	-	-	No such deviation occurred
1(4)	Duality of Chairpersons of the Board of Directors and Managing Director or Chief Executive Officer:			
1(4)(a)	The positions of the Chairpersons of the Board and the Managing Director (MD) and /or Chief Executive Officer (CEO) of the Company shall be filled by different individuals;	✓		
1(4)(b)	The Managing Director (MD) and / or Chief Executive Officer (CEO) of a listed Company shall not hold the same position in another listed Company;	✓		
1(4)(c)	The Chairperson of the Board shall be elected from	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
	among the non-executive directors of the Company;			
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and / or Chief Executive Officer;	✓		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓	-	No such event occurred
1(5)	The Directors' Report to Shareholders			
1(5)(i)	An industry outlook and possible future developments in the industry;	✓		
1(5)(ii)	The segment-wise or product-wise performance;	✓		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		
1(5)(iv)	A discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications(gain or loss);			No such event occurred;
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and / or any other instruments;			N/A
1(5)(viii)	An explanation if the financial results deteriorate after the Company goes for initial Public Offering(IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc;			N/A
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;			No such event occurred;
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
1(5)(xii)	A statement that proper books of account of the issuer Company have been maintained;	✓		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		
1(5)(xiv)	A statement that International Accounting Standards(IAS) or International Financial Reporting Standards(IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1(5)(xvi)	A statement that minority shareholders have been	✓		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
	protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;			
1(5)(xvii)	A statement that there is no significant doubt upon the issuer Company's ability to continue as a going concern, if the issuer Company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer Company shall be highlighted and the reasons thereof shall be explained;			No such deviation occurred
1(5)(xix)	A statement where key operating and financial data of at least preceding 5(five) years shall be summarized;	√		
1(5)(xx)	An explanation on the reasons if the issuer Company has not declared dividend (cash or stock) for the year;			The Company has declared 12% Cash Dividend
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;			N/A
1(5)(xxii)	The total number of Board meeting held during the year and attendance by each director;	√		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares(along with name-wise details where stated below) held by:	√		
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties(name-wise details);			N/A
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children(name-wise details);	√		
1(5)(xxiii)(c)	Executives; and	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the Company (name-wise details);	√		
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:			
1(5)(xxiv)(a)	A brief resume of the director;	√		
1(5)(xxiv)(b)	Nature of his her expertise in specific functional areas; and	√		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board;	√		
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the Company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any,	-	-	N/A

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
	clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;			
1(5)(xxv)(c)	Comparative analysis(including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the Country and the globe;	✓		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the Company; and	✓		
1(5)(xxv)(g)	Future plan or projection or forecast for Company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	✓		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	✓		
1(6)	Meetings of the Board of Directors			
	The Company shall conduct its Board Meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee(NRC) at condition No. 6, for the Chairperson of the Board, other Board members and Chief Executive Officer of the Company;	✓		N/A
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the Company including, among others, prudent conduct and behavior; confidentially; conflict of interest, compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		N/A
2	Governance of Board of Directors of Subsidiary Company:			
2(a)	Provisions relating to the composition of the Board of the holding Company shall be made applicable to the composition of the Board of the subsidiary Company;			N/A
2(b)	At least 1 (one) independent director on the Board of the holding Company shall be a director on the Board of the subsidiary Company;			N/A

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
2(c)	The minutes of the Board meeting of the subsidiary Company shall be placed for review at the following Board meeting of the holding Company;			N/A
2(d)	The minutes of the respective Board meeting of the holding Company shall state that they have reviewed the affairs of the subsidiary Company also;			N/A
2(e)	The Audit Committee of the holding Company shall also review the financial statements, in particular the investments made by the subsidiary Company.			N/A
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary.-			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO), and a Head of Internal Audit and Compliance (HIAC);	✓		
3(1)(b)	The position of the managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO), and Head of Internal Audit and Compliance (HIAC) shall be held by different individuals;	✓		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed Company shall not hold any executive position in any other Company at the same time;	✓		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		
3(2)	Requirement to attend Board of Directors' Meetings			
3(3)(a)(i)	these statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
3(3)(a)(ii)	these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the Company's Board or its members;	✓		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4	Board of Directors' Committee:			
	For ensuring good governance in the Company, The Board shall have at least following sub - committees:			
4(i)	Audit Committee; and	✓		
4(ii)	Nomination and Remuneration Committee.	✓		
5	Audit Committee:			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The Company shall have an Audit Committee as a sub-committee of the Board;	✓		
5(1)(b)	The Audit committee shall assist the Board in ensuring that the financial statements reflect true and fair view of	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
	the state of affairs of the Company and in ensuring a good monitoring system within the business;			
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3(three) members;	✓		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the Company excepting Chairpersons of the Board and shall include at least 1(one) independent director;	✓		
5(2)(c)	All members of the audit committee should be “financially literate” and at least 1(one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any committee member to be unable to hold office before expiration of the term of service, thus making the number of the committee members to be lower than the prescribed number of 3(three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1(one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓		
5(2)(e)	The Company secretary shall act as the secretary of the Committee;	✓		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1(one) independent director.	✓		
5(3)	Chairperson of Audit Committee			
5(3)(a)	The Board shall select 1(one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting(AGM);	✓		
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year;	✓		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
5(5)	Role of Audit Committee			
	The Audit Committee shall:			
5(5)(a)	Oversee the financial reporting process;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
5(5)(b)	Monitor choice of accounting policies and principles;	✓		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5(5)(d)	Oversee hiring and performance of external auditors;	✓		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		
5(5)(h)	Review the adequacy of internal audit function;	✓		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5)(j)	Review statement of all related party transactions submitted by the management;	✓		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by the statutory auditors;	✓		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓		
5(5)(m)	Oversee whether the proceeds raised through Internal Public Offering (IPO) or Repeat Public Offering(RPO) or Rights Share Offer have been utilized as per the purpose stated in relevant offer document or prospectus approved by the Commission.	-	-	N/A
5(6)	Reporting of the Audit Committee			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		
5(6)(a)(ii)(a)	Report on conflicts of interests;	-	-	No such event occurred
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	-	-	No such event occurred
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	-	-	No such event occurred
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	-	-	No such event occurred
5(6)(b)	Reporting to the Authorities			
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonable ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period 6(six) months from the date of first reporting to the Board, whichever is earlier.	-		No such event occurred
5(7)	Reporting to the Shareholders and General Investors			

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer Company.	-		No such event occurred
6	Nomination and Remuneration Committee (NRC):			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The Company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		
6(1)(c)	The Terms of Reference (TOR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5) (b).	✓		
6(2)	Constitution of NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	✓		
6(2)(b)	All members of the Committee shall be non-executive directors;	✓		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180(one hundred eighty) days of occurring such vacancy in the Committee;	✓		
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/ or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and / or member(s) of staff shall be required or valuable for the Committee;	✓		
6(2)(g)	The Company secretary shall act as the secretary of the Committee;	✓		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the Company.	✓		
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
	absence of the regular Chairperson shall be duly recorded in the minutes;			
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;	✓		
6(4)	Meeting of NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	✓		
6(4)(b)	The Chairperson of the NRC may convey any emergency meeting upon request by any member of the NRC;	✓		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2) (h);	✓		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓		
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	✓		
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	✓		
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the Company successfully;	✓		
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓		
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflection short and long-term performance objectives appropriate to the working of the Company and its goal;	✓		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		
6(5)(b)(iii)	Identification persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommended their appointment and removal to the Board;	✓		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	✓		
6(5)(b)(v)	Identification the Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	✓		
6(5)(b)(vi)	Developing, recommending and reviewing annually the Company's human resource and training policies;	✓		
6(5)(c)	The Company shall disclose the nomination and remuneration police and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
7	External or Statutory Auditors:			
7(1)	The issuer Company shall not engage its external or statutory auditors to perform the following services of the Company, namely:	✓		
7(1)(i)	Appraisal or valuation service or fairness opinions;	✓		
7(1)(ii)	Financial information systems design and implementation;	✓		
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	✓		
7(1)(iv)	Broker-dealer services;	✓		
7(1)(v)	Actuarial services;	✓		No such event occurred.
7(1)(vi)	Internal audit services or special audit services;	✓		
7(1)(vii)	Any services that the Audit Committee determines;	✓		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		
7(1)(ix)	Any other service that creates conflicts of interest.	✓		
7(2)	No partner or employees of the external audit firms shall possess any share of the Company they audit at least during the tenure of their audit assignment of that Company; his or her family members also shall not hold any shares in the said Company;	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual general Meeting or Extraordinary General Meeting) to ensure the queries of the shareholders.	✓		
8	Maintaining a website by the Company:			
8(1)	The Company shall have an official website linked with the website of the stock exchange.	✓		
8(2)	The Company shall keep the website functional from the date of listing.	✓		
8(3)	The Company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9	Reporting and Compliance of Corporation Governance:			
9(1)	The Company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	-		Board recommended the professional for due appointment by shareholders in Upcoming AGM
9(3)	The directors of the Company shall state, in accordance with the Annexure-C attached, in the directors' report whether the Company has complied with these condition or not.	✓		

(c) Details relating to the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committees operate.

Issuer's Audit Committee

In accordance with the currently accepted Best Practice and Corporate Governance Code adopted by Bangladesh Securities and Exchange Commission (BSEC), the Board appointed Audit Committee comprises of the following Non Executive and Independent Directors of the Company:

Sl.	Name of committee member	Position in the Company	Designation in the Committee
1	Mr. Kamal Uddin FCA	Independent Director	Chairman
2	Mr. Aminur Rahman	Director	Member
3	Mr. Mohammed Akbor Hossain	Director	Member
4	Mrs. Nauzat Begum	Director	Member
5	Mr. Md. Aktaruzzaman	Company Secretary	Member Secretary

The Company established the Audit Committee on 27 August, 2017

Terms of reference of Audit Committee

The main objective of the Audit Committee is to assist the Board of Directors to effectively carry on its responsibilities relating to financial and other relevant affairs of the Company. The Committee is empowered to monitor, review and examine the following:-

- Oversee the financial reporting process.
- Monitor implementation/ following the accounting policies and principles.
- Monitor Internal Control Risk Management Process.
- Oversee hiring and performance of external auditors.
- Review along with the management, the Annual Financial Statements before submission to the Board for approval.
- Review along with the management, the Quarterly and Half Yearly Financial Statements before submission to the Board for approval and also recommend.
- Review the adequacy of Internal Audit team performance in terms of internal audit report.
- Review statement of significant related party transactions submitted by the management and also recommend.
- Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.
- When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue, the Company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the Company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of the following persons:

Sl.	Name of committee member & position in the Company	Designation in the Committee
1	Mr. Shahedul Islam	Chairman
2	Mr. Murad Mohammad Taj	Member
3	Mr. Aminur Rahman	Member
4	Company Secretary	Member Secretary

Summary of terms of reference

The Remuneration Committee shall be responsible for all elements of the wages/salary/remuneration of all the employees as well as of the Board of Directors and the chairman of the Company, including pension rights and compensation (i.e. damages) payments. Major responsibilities of the committee, among others, include:

- To determine the policy for the wages/salary ("the Policy") (including benefits, compensation and termination payments) of the employees and ensure that the Report is put to Chairman for approval;
- To determine the policy for the remuneration ("the Policy") (including benefits, compensation and termination payments) of the Chairman of the Board, officer, the Board of Directors of the Company and ensure that the Directors' Remuneration Report is put to shareholders for approval at the AGM;
- When setting the Policy for directors, review and have regard to pay and employment conditions across the Company or group, especially when determining annual salary increases;
- To be aware of and oversee any major changes in Policy or employee benefit structures throughout the Company or group;

Chapter -XV

Valuation Report of securities prepared by the Issue Manager

**Valuation report of securities prepared by the issue manager
(Rules - 5(B) (14), Annexure - E)**

(a) The valuation report of securities to be offered shall be prepared and justified by the issue manager on the basis of the financial and all other information pertinent to the issue;

The valuation report of securities prepared and justified by the issue manager on the basis of the financial and all other information pertaining to the issue.

(b) To prepare the valuation report, the issue manager may consider all qualitative and quantitative factors which shall be explained in details with rationale to consider such factors, the valuation methods used, sources of information and authenticity of such information;

The issue manager considered the following all qualitative and quantitative factors to prepare the valuation report:

Qualitative factors

Some of the qualitative factors that help differentiate DGIC from their competitors and enable them to compete successfully in the industry are as follows:

- Experienced Directors backed by professional management team
- Favorable government policies for insurance sector
- No default history in past
- Profitability track record
- Good track record for claim settlement
- Operational efficiency

Quantitative factors

Information presented in this prospectus are derived from audited financial statements for the year ended 31 December 2019, 2018, 2017, 2016 & 2015 as prepared in accordance with BAS and BFRS.

Quantitative factors are as follows:

- Net Asset Value (NAV) per share as on 31 December 2019 has been considered
- Earnings based value per share based on last 5 years, i.e., the year ended on 31 December 2019, 2018, 2017, 2016, & 2015 weighted average net profit after tax has been considered
- Lower of last 03 months sector PE and last 03 months Market PE is considered for determining earning based value per share
- The lower of average of last one year average highest and average lowest market price of peer Companies, average of last one year closing price and closing price as on 23 September 2020 of similar stock of DGICL is considered.

Valuation methods used

We have considered the following methods to determine the share price of Desh General Insurance Company Limited:

Sl.	Methods used	Sources of information	Authenticity
1	Net Asset Value (NAV) per share at historical cost and current cost basis	Audited financial statements as on 31 December 2019	The information is given in the audited accounts has been authenticated by the Board of Directors and subsequently by the auditors
2	Earnings based value per share based on weighted average EPS of last five years, i.e., the year ended on 31 December 2019, 2018, 2017, 2016 & 2015	Audited financial statements as on 31 December 2019, 2018, 2017, 2016, & 2015	
3	Closing price of 36 listed Companies as similar stocks of DGICL (Non Life Insurance Companies) listed with the Dhaka Stock Exchange Limited (DSE) has been considered considering the following parameters: 1. Closing price as on 23 September 2020 of 36 similar stocks 2. Average closing price of last one year of 36 similar stocks 3. Average of High average and Low average price of 36 similar stocks of last one year	DSE website (www.dsebd.org/data archive)	The information disseminated in the monthly review and website has duly authenticated by the management of DSE.

(c) While preparing the valuation report, the issue manager shall avoid exaggeration and biasness and shall exercise independence and due diligence;

The Issue manager avoided exaggeration and biasness and exercised independence and due diligence in preparing valuation report

The valuation report of securities shall be prepared on the basis of the financial and all other information pertaining to the issue.

(d) The issue manager(s) shall, among others, consider the following methods for valuation of the securities:

The following table illustrates the calculation of fair value of Desh General Insurance Company Limited under different methods:

Summary of valuation:

Sl.	Method used	BDT
Method-1	Net Asset Value (NAV) per share at historical cost	11.62
Method-2	Earning-based-value per Share (Considering average market P/E)	12.73
Method-3	Average market price of similar stock based valuation	28.39

Justification of the valuation of share price of Desh General Insurance Company

Method-1 : Net Asset Value (NAV) per share at historical cost

Audited financial statements
As on 31 December 2019

Sl.	Particulars	Amount (Taka)
A.	Share capital	240,000,000
B.	Profit and Loss appropriation account	33,797,365
C.	Reserve for Exceptional Losses	5,000,000
D.	Total shareholders' equity as at 31 December 2019 (A+B+C)	278,797,365
E.	Number of shares outstanding as on 31 December 2019	24,000,000
F.	Net Asset Value (NAV) per share at historical cost (D/E)	11.62

Method 2- Earnings based value per share

Financial year	No. of outstanding shares	Weight (%)	Net Profit After Tax	Amount in Taka Weighted Net Profit After Tax
31-Dec-15	8,004,000	8.87%	11,361,735	1,007,786
31-Dec-16	10,220,308	11.33%	12,278,644	1,391,170
31-Dec-17	24,000,000	26.60%	20,994,600	5,584,564
31-Dec-18	24,000,000	26.60%	24,011,872	6,387,158
31-Dec-19	24,000,000	26.60%	32,577,114	8,665,512
Total	90,224,308	100.00		
a. Weighted Net Profit After Tax				23,036,190
b. Number of shares as on 31 December 2019				24,000,000
c. Weighted average earnings per share (a/b)				0.96
d. Average sector PE for the last 3 months (June-20 to August-20)				14.02
e. Average market PE for the last 3 months (June-20 to August-20)				13.26
f. Earnings based value per share (Tk.) (c*e) based on weighted average EPS and average market PE for the last 3 months (June-20 to August-20) (Lower of sector PE and Market PE)				12.73

Consideration of Price Earnings Ratio				
Reference	June-20	July-20	August-20	AVERAGE OF THREE MONTHS
Sector PE (Insurance)	12.23	16.77	13.06	14.02
Market PE (Insurance)	10.78	11.37	17.63	13.26

Source: website of Dhaka Stock Exchange Limited (www.dsebd.org)

Method-3: Average market price per share of similar stock for the last one year

Sl	Name of the Company	Closing Price		Average High & Low	Price Consider (Low of closing price & average High-Low price)
		as on 9/22/2020	Last One year Average		
1	Agrani Insurance Company Limited	35.1	25.89	25.99	25.89
2	Asia Insurance Company Limited	38.1	24.39	24.17	24.17
3	Asia Pacific General Insurance Company Limited	41.90	25.14	24.80	24.80
4	Bangladesh General Insurance Company Limited	30.07	24.91	25.07	24.91
5	Bangladesh National Insurance Company Limited	29.6	21.93	22.00	21.93
6	Central Insurance Company Limited	43.60	26.40	26.46	26.40
7	City General Insurance Company Limited	22.60	18.67	18.58	18.58
8	Continental Insurance Company Limited	31.10	22.18	22.12	22.12
9	Dhaka Insurance Limited	39.80	33.49	33.42	33.42
10	Eastern Insurance Company Limited	94.70	48.75	48.74	48.74
11	Eastland Insurance Company Limited	30.5	24.40	24.48	24.40
12	Express Insurance Limited	27.30	27.53	24.97	24.97
13	Federal Insurance Company Limited	20.40	13.40	13.49	13.40
14	Global Insurance Limited	28.40	20.19	20.04	20.04
15	Green Delta Insurance Company Limited	53.40	52.23	52.67	52.23
16	Islami Insurance BD Limited	29.1	24.27	14.31	14.31
17	Janata Insurance Company Limited	30.60	18.65	18.37	18.37
18	Karnaphuli Insurance Company Limited	28.10	20.97	21.01	20.97
19	Mercantile Insurance Company Limited	32.90	28.98	28.89	28.89
20	Nitol Insurance Company Limited	61.20	28.94	29.25	29.25
21	Northern General Insurance Company Limited	30.3	22.27	22.02	22.02
22	Pioneer Insurance Company Limited	63.10	40.15	40.12	40.12
23	Peoples Insurance Company Limited	34.20	21.60	21.37	21.37
24	Pragati Insurance Limited	48.4	38.56	38.57	38.56
25	Phoenix Insurance Company Limited	33.80	26.23	26.25	26.23
26	Purabi General Insurance Company Limited	24.4	16.15	16.10	16.10
27	Pravati General Insurance Company Limited	49.50	27.77	27.26	27.26
28	Prime Insurance Company Limited	29.5	23.01	22.32	22.01
29	Paramount Insurance Company Limited	118.80	50.91	49.23	49.23
30	Reliance Insurance Limited	58.20	43.03	43.22	43.03
31	Rupali Insurance Company Limited	31.70	19.80	19.93	19.80
32	Republic Insurance Company Limited	37.90	25.13	24.73	24.73
33	Standard Insurance Limited	41.20	39.47	39.14	39.14
34	SonarBangla Insurance Company Limited	44.90	37.64	37.07	37.07
35	Takaful Islami Insurance Company Limited	40.90	30.40	30.35	30.35
36	United Insurance Co. Ltd	48	47.36	47.19	47.19

Average of considered price 28.39

Price of DGIC as per similar stock base valuation has been considered as Tk. 28.39

Reference:

Closing price data from 22 September-2019 to 23 September-2020 from Dhaka Stock Exchange Limited (DSE) website (www.dsebd.org)

Explanation for consideration of peer companies:

- a. Similar sector (Insurance)
- b. Only General Insurance Companies are considered
- c. Market price of 36 listed non life Insurance Companies has been considered. It is mentionable here that there are 48 listed insurance company in DSE out of which 12 are listed life insurance company and 36 are listed non life Insurance Company. Considering nature of product of DGIC we only consider market price of 36 listed non life Insurance Company.
- d. Due to unavailability of data regarding market price we do not consider ShadharanBima Corporation (SBC) as peer company of DGIC

Basis of calculation for determination of valuation of share price of DGIC based on average market price of similar stock listed in DSE under Insurance sector:

1. The average of last one year close price from 22 September-2019 to 23 September-2020 is considered;
2. The average of highest and lowest market price of the peer companies during the last one year from 22 September-2019 to 23 September-2020 is considered
3. The Closing price as on 23 September 2020 has been considered
4. The lower of average of last one year average highest and average lowest market price of peer Companies, average of last one year closing price and closing price as on 23 September 2020 of similar stock of DGICL is considered.

Conclusion:

From the above analysis, we can state that the fair value of Desh General Insurance Company under different method seems to be reasonable and fair. Considering all qualitative and quantitative factors along with industry and market of Insurance industry, past track record of performance and future growth prospective of the issuer, we assume that the valuation of share price of Desh General Insurance Company is justified and shall be reasonable to the investors.

Sd/-

Md. Rezaul Haque

Managing Director (CC)

Prime Finance Capital Management Limited

Date: 29 September 2020

Chapter - XVI

Debt Securities

(a) The terms and conditions of any debt securities that the issuer company may have issued or is planning to issue within next six months, including their date of redemption or conversion, conversion or redemption features and sinking fund requirements, rate of interest payable, Yield to Maturity, encumbrance of any assets of the issuer against such securities and any other rights the holders of such securities may have;

The Company has not issued or is planning to issue any debt securities within six months.

(b) All other material provisions giving or limiting the rights of holders of each class of debt securities outstanding or being offered, for example subordination provisions, limitations on the declaration of dividends, restrictions on the issuance of additional debt or maintenance of asset ratios;

The Company has not issued or is planning to issue any debt securities within six months.

(c) Name of the trustee(s) designated by the indenture for each class of debt securities outstanding or being offered and describe the circumstances under which the trustee must act on behalf of the debt holders;

The Company has not issued or is planning to issue any debt securities within six months. Therefore, there are no such trustees for this issue.

(d) Repayment or redemption or conversion status of such securities.

The Company has not issued or is planning to issue any debt securities within six months. Therefore, there are no such repayments or redemption or conversion status of such securities.

Chapter – XVII

Parties involved and their responsibilities

Parties involved and their responsibilities, as applicable:

Sl.	Category	Name of parties	Key Responsibilities
(a)	Issue Manager(s);	Prime Finance Capital Management Limited	The Issue Manager will assist the Issuer in managing the proposed public issue of shares under purview of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015
(b)	Underwriters;	<ol style="list-style-type: none"> 1. EC Securities Limited 2. First Security Islami Capital and Investment Limited 3. Grameen Capital Management Limited 4. ICB Capital Management Limited 5. LankaBangla Investments Limited 6. Prime Finance Capital Management Limited 	In case of under-subscription in any category by up to 35% in an initial public offer, the unsubscribed portion of securities shall be taken up by the underwriter on firm commitment basis.
(c)	Statutory Auditors;	Rahman Mostafa Alam & Co Chartered Accountants	To express an opinion on the financial statements based on their audit. Auditor will conduct the audit in accordance with Bangladesh Standards on Auditing and related laws and regulations.
(d)	Cost Auditor;	Not applicable for the Company.	
(e)	Valuer;	Not applicable for the Company.	
(f)	Credit rating Company.	Alpha Credit Rating Limited	The credit rating Company is responsible for conducting the rating regarding creditworthiness of The Company in short term and long term.

Chapter-XVIII

Material contracts

(a) Major agreements entered into by the issuer;

The following are material contracts have been entered into by the Company:

1. Issue Management agreement between the Company and Prime Finance Capital Management Limited
2. Underwriting agreement between the Company and with the following underwriters:
 - A. EC Securities Limited
 - B. First Security Islami Capital & Investment Limited
 - C. Grameen Capital Manageemnt Limited
 - D. Lankabangla Investments Limited
 - E. ICB Capital Management Limited
 - F. Prime Finance Capital Management Limited

(b) Material parts of the agreements;

Material part of the agreement with Issue Manager

Contract	Material parts of the agreements	
Issue Management Agreement with Prime Finance Capital Management Limited	Signing Date	08 November 2016
	Tenure	This Agreement shall be valid until completion of subscription of shares and unless this Agreement is extended or earlier terminated in accordance with the terms of this Agreement.
	Principal Terms and Condition	<p>Regulatory compliance</p> <ol style="list-style-type: none">1) Collect all necessary documents/information from the ISSUER as required by the Bangladesh Securities and Exchange Commission (Public Issue Rules) 2015;2) File application to the Bangladesh Securities and Exchange Commission (BSEC) for raising of paid-up capital from general public through PUBLIC ISSUE;3) Prepare information memorandum, prospectus, determining public offering amount, formulate and redesigning the capital structure for meeting up funding requirement of the ISSUER;4) File the BSEC approved prospectus with Registrar of Joint Stock Companies and Firms (RJSC).5) Submit the draft Prospectus to the Bangladesh Securities and Exchange Commission (SEC) Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE);6) Liaison with the BSEC, DSE and CSE to co-operate the ISSUER for complying with the regulatory queries;7) Incorporate modification as suggested by BSEC;8) Obtain approval from the BSEC within the stipulated time;9) Prepare all necessary papers and deeds for submission to the BSEC for making the PUBLIC ISSUE effective;10) Any other services as required to fulfill the requirement of public issue of shares; <p>Underwriting</p>

		<ol style="list-style-type: none"> 1) Selection of Underwriters to the issue in consultation with the ISSUER; 2) Selection and Co-ordination with the Bankers to the Issue; 3) Preparation of Information Memorandum for the Underwriters; 4) Documentation/ preparation of underwriting agreements etc. <p>Subscription</p> <ol style="list-style-type: none"> 1) Selection of Banker to the Issue in consultation with the ISSUER; 2) Distribution of prospectus and application forms to Bankers to the Issue and members of the DSE and the CSE; 3) Filing of prospectus of Registrar, Joint Stock Companies and Firms (RJSC); 4) Sales promotion. <p>Listing</p> <ol style="list-style-type: none"> 1) Filing of application for listing with Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. (CSE); 2) Documentation for listing. <p>Covenants of the Issuer</p> <ol style="list-style-type: none"> 1) Without prejudice, ISSUER hereby declares that it agrees to comply with all statutory formalities under the Companies Act 1994, guidelines issued by Bangladesh Securities and Exchange Commission and other relevant laws. 2) ISSUER undertakes and declares that all information that will be made available to the ISSUE MANAGER as per requirement shall be full and true. It would not give any statement, which is likely to mislead the investors. <p>Covenants of the Issue Manager</p> <p>Without prejudice to other stipulations related to the responsibility of the ISSUE MANAGER, it is the responsibility of the ISSUE MANAGER towards the COMPANY for strict compliance of this agreement and to comply with all terms therein.</p>
	Termination of Agreement	<p>This agreement may be terminated by:</p> <ol style="list-style-type: none"> 1) Mutual written agreement 2) By either party upon service of three months notice 3) As soon as the Company is listed with the stock Exchange(s)

Material part of the agreement with underwriters

Contract	Material parts of the agreements	
<p>Underwriting Agreement with</p> <ol style="list-style-type: none"> 1. EC Securities Limited 2. First Security Islami Capital & Investment Limited 3. Grameen Capital Manageemnt Limited 4. Lankabangla Investments Limited 5. ICB Capital Management Limited 6. Prime Finance Capital Management Limited 	Signing Date	7 January 2018
	Tenure	This Agreement shall be valid until completion of subscription of shares and unless this Agreement is extended or earlier terminated in accordance with the terms of this Agreement
	Principal Terms and Condition	<p>j.a In case of under-subscription in any category by up to 35% in an initial public offer, the unsubscribed portion of securities shall be taken up by the underwriter.</p> <p>j.b If and to the extent that the shares are offered to the public by a prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date of subscription, the Company shall within 10 (Ten) days of the closure of subscription call upon the underwriter in writing with a copy of the said writing to the Bangladesh Securities and Exchange Commission, to subscribe or procure subscriber to subscribe the shares not subscribed within the closing date and to pay for in cash in full, inclusive of any premium if applicable, for such unsubscribed shares within 15 (Fifteen) days after being called upon to do so. The received amount shall be credited in the share subscription account of the Company within the said period. If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards the underwriting commitment under this Agreement, until such time as the Cheque/Bank Draft has been encashed and the Company's share subscription account credited. In any case within 7 (seven) days after the expiry of the aforesaid 15(fifteen) days, the Company shall send proof of subscription and payment by the underwriter to the Commission.</p> <p>j.c The Underwriter shall underwrite on a firm commitment basis</p> <p>j.d The IPO shall stand cancelled and the application money shall be refunded immediately (but not later than 5 (five) weeks from the date of subscription closure), if any of the following events occur:</p> <ul style="list-style-type: none"> • Upon closing of subscription it is found that the total number of the valid application (in case of under subscription including the number of the underwriters) is less than the minimum requirement as specified in the listing regulation of the concerned Stock Exchange(s). • At least 65% of the IPO is not subscribed.
	Termination of Agreement	The rights and responsibilities of either party shall terminate in the event of full subscription of the public offering of shares.

(c) Fees payable to different parties.

Issue management fee

Prime Finance Capital Management Limited is the Manager to the Issue. The Issue Management fee is BDT 10,00,000 (Ten lac) only.

Underwriting fee

The underwriter shall get 0.30% on the 35% of public offer amount as underwriting fee.

Chapter - XIX

Outstanding Litigations, Fine or Penalty

(a) The following litigations including outstanding litigations against the issuer or any of its directors and fine or penalty imposed by any authority;

The issuer or any of its directors was not involved in any of the following type of legal proceedings mentioned below except (v) and (vi):

- (i) Litigation involving Civil Laws;**
No cases were filed against the Company or any of its Directors
- (ii) Litigation involving Criminal Laws;**
No cases were filed against the Company or any of its Directors
- (iii) Litigation involving Securities, Finance and Economic Laws;**
No cases were filed against the Company or any of its Directors
- (iv) Litigation involving Labor Laws;**
No cases were filed against the Company or any of its Directors
- (v) Litigation involving Taxation** (Income tax, VAT, Customs Duty and any other taxes/duties);
No cases were filed against the Company or any of its Directors
- (vi) Litigation involving any other Laws.**
No cases were filed against the Company or any of its Directors.

Except the above Insurance Development Regulatory Authority (IDRA) imposed penalty of BDT 11,735,000 for not being able to go for IPO as non-compliance of Rule 4(A) of Insurance Rules, 1958 (Amendment as Insurance Act, 2010). Subsequently the Company paid BDT 11,037,000.

(b) Cases including outstanding litigations filed by the Company or any of its directors:

There are no outstanding cases filed by the Company or any of its directors to any of the following types of legal proceedings mentioned below:

- (i) Litigation involving Civil Laws;**
No cases filed by the Company or any of its Directors
- (ii) Litigation involving Criminal Laws;**
No cases filed by the Company or any of its Directors
- (iii) Litigation involving Securities, Finance and Economic Laws;**
No cases filed by the Company or any of its Directors
- (iv) Litigation involving Labor Laws;**
No cases filed by the Company or any of its Directors
- (v) Litigation involving Taxation** (Income tax, VAT, Customs Duty and any other taxes/duties);
No cases filed by the Company or any of its Directors except below:

Income Tax:

Assessment Year	Remarks
2005-2006	<ul style="list-style-type: none"> • Tax return submitted by DGIC - The Company submitted return as on 14/07/2005 • Correspondence from Tax authority - Assessment completed by NBR on 28/02/2011 • Dispute against DGIC and Tax Authority - Tax authority demanded BDT 7,992,286 including BDT 1,044,464 as interest • Court of Appeal - The Company as on 11/03/2007 submitted Tax appeal to the Appellate Commissioner of Taxes, which was subsequently refused on 18/01/2011 and DGIC applied to Tax Appellate Tribunal on 30/05/2018 against Appellate Commissioner of Taxes decision. • Ground of appeal - The Company shown expenses in their Audit report which was disallowed by DCT. Subsequently, the Company submit claim in appeal to Appellate Tribunal U/S 158(5) of Income Tax Ordinance 1984. • Updated status - The case is pending for hearing at Tax Appellate Tribunal
2006-2007	<ul style="list-style-type: none"> • Tax return submitted by DGIC - The Company submitted return as on 26/06/2007 • Correspondence from Tax authority - Accepted under section 82B of Income Tax Ordinance 1984 • Updated status - The Company obtained income tax certificate dated 29/01/2007 and there are no claim of NBR
2007-2008	<ul style="list-style-type: none"> • Tax return submitted by DGIC - The Company submitted return as on 26/08/2007 • Correspondence from Tax authority - Assessment completed by NBR on 24/02/2010 • Dispute against DGIC and Tax Authority - Tax authority demanded BDT 6,542,589 including BDT 810,411 as interest. • Court of Appeal - The Company as on 29/09/2008 submitted Tax appeal to the Appellate Commissioner of Taxes, which was subsequently refused on 14/12/2008, and DGIC applied to Tax Appellate Tribunal Division Bench-5, Dhaka on 12/03/2009 against Appellate Commissioner of Taxes Division, which was also refused on 30/07/2009 and they applied U/S 158(5) of Income Tax Ordinance 1984 to High Court Division of Supreme Court of Bangladesh on 30/07/2018 • Ground of appeal - The Company shown expenses in their Audit report which was disallowed by DCT. Subsequently, the Company submit claim in appeal to Appellate Tribunal U/S 158(5) of Income Tax Ordinance 1984. • Updated status - Tax Appellate Tribunal place order against appeal as on 30/07/2009, which was dispose of. - The case is pending for hearing at High Court Division of Supreme Court of Bangladesh.
2008-2009	<ul style="list-style-type: none"> • Tax return submitted by DGIC - The Company submitted return as on 07/08/2008 • Correspondence from Tax authority - Assessment completed by NBR on 25/02/2009 • Dispute against DGIC and Tax Authority - Tax authority demanded BDT 2,626,237 including BDT 338,175 as interest. • Court of Appeal - The Company as on 05/09/2017 submitted Tax appeal to the Appellate Commissioner of Taxes, which was subsequently refused on 22/02/2018 and DGIC applied to Tax Appellate Tribunal on 26/06/2018 against Appellate Commissioner of Taxes decision. • Ground of appeal - The Company shown expenses in their Audit report which was disallowed by DCT. Subsequently, the Company submit claim in appeal to Appellate Tribunal U/S 158(5) of Income Tax Ordinance 1984. • Updated status The case is pending for hearing at Tax Appellate Tribunal
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2019-2020	<ul style="list-style-type: none"> • Tax return to be submitted by DGIC in due course

VAT:

The company is also contingently liable of Taka 5,482,044.28 as on 31 December 2019 on account of VAT, the details of which are given below:

Amount in Taka

Year	Unpaid VAT	Interest on Unpaid VAT	VAT to be paid of cancelled MR	Interest on cancelled MR	Total VAT	Current Status
2006	965,456	926,838	109,358	104,984	2,106,636	Custom Excise & VAT Commissioner as per audit report of director of audit intelligence and investigation demanded BDT 14,948,087.28 for the year ended 2006-2010. However, DGIC has agreed VAT liability of BDT 9,466,043.00 as shown in the audited Financial Statement and additional BDT 5,482,044.28 yet not settled which is pending for the decision of the Commissioner of Custom Excise & VAT (South)
2007	968,997	697,678	22,826	16,435	1,705,936	
2008	1,504,421	722,122	191,907	92,115	2,510,565	
2009	3,238,640	777,274	299,853	71,965	4,387,732	
2010	3,943,527	-	268,937	-	4,212,464	
Total	10,621,041	3,123,911	892,881	285,499	14,923,332	
VAT to be paid for Unavailable of export document					24,755	
Grand Total					14,948,087	

- (vi) **Litigation involving any other Laws.**
No cases filed by the Company or any of its Directors.

Chapter-XX

Risk factors and Management's Perceptions about the Risks

The disclosures of risk factors shall include the following:

- (i) Internal risk factors;**
- (ii) External risk factors;**

(i) Internal risk factors may include, among others:

(a) Credit Risk;

Credit risk refers to the risk that a borrower may not repay a loan and that the lender may lose the principal of the loan or the interest associated with it. Credit risk arises because borrowers expect to use future cash flows to pay current debts; it's almost never possible to ensure that borrowers will definitely have the funds to repay their debts. Interest payments from the borrower or issuer of a debt obligation are a lender's or investor's reward for assuming credit risk.

DGIC has exposed to this risk due to bank loan and unsecured loan from related party.

Management perception

The Issuer is planning to raise capital through IPO subject to approval of regulatory authority which shall diversify the capital structure of the Company. The Company has strong credit rating history and the Company has never rescheduled any of its loans. Again the Company has no credit sell. So, in this backdrop it is expected that there are less exposure of credit risk which may be eroded the issuer's financial soundness and less possibilities to be credit defaulter in near future. Again the Company operating cash flow was positive trend which reflected sound working capital management. It is expected that the Company future financial strength shall be improved by generating more cash flow through investment of IPO fund and consequently any credit liability shall be settle accordingly.

(b) Liquidity Risk;

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity risk arises due to insufficient fund to meet up short and long term liability.

The Company may expose to liquidity risk for non payment of claim any contingency payment, any government payment and any other liabilities due to shortfall of liquidity.

Management perception

The Company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, The Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. The Company does reinsurance with SBC for major insurance policies which also reduce liquidity risk for the Company to the extent for claim settlement.

It is expected that after listing the business volume shall be increased due to the Company will engage with more multinational company, high rating banks through providing insurance service. It is also expected that the business volume of the Company shall also be increased due to improvement of brand image to its client after listing.

Again, DGIC has sufficient premium income to meet any unforeseen claim or payment. So it is expected that liquidity risk shall not impact on the Issuer to a large extent to run the day to day business operation.

(c) Risk associated with the issuer's interest in subsidiaries, joint ventures and associates;

Management perception

The Company does not have any subsidiaries, joint venture and associates companies. So there are no such possibilities of arisen risk in this respect.

(d) Significant revenue generated from limited number of customers, losing any one or more of which would have a material adverse effect on the issuer;

Management perception

The Company is not dependent any single customer. The Company has huge number of retail customer who regularly take insurance policies. The revenue of the Company is not concentrated neither to any single customer nor any Group.

(e) Dependency on a single or few suppliers of raw materials, failure of which may affect production adversely;

Management perception

The Company is delivering insurance service to its clients. The Company has not required any raw materials.

(f) More than 20% revenue of the issuer comes from sister concern or associate or subsidiary;

Management perception

The Company has no associate or subsidiary or sister concern. 100% of its revenue has come from retail clients.

(g) Negative earnings, negative cash flows from operating activities, declining turnover or profitability, during last five years, if any;

Management perception

The Company has positive track record of earnings and cash flow from operation last five years and expected to hold this position in upcoming years.

(h) Loss making associate or subsidiary or group companies of the issuer;

Management perception

The Company has neither any associate nor subsidiary Company nor any group which are loss making. So no risk shall be arisen in this respect.

(i) Financial weakness and poor performance of the issuer or any of its subsidiary or associates;

Management perception

The Company has a proven track record of its financial fundamentals. Again the Company has no subsidiary or associate Company. So there are less scope of arise of risk.

(j) Decline in value of any investment;

Investment value might rise or fall because of market conditions (market risk). Corporate decision, such as whether to expand into a new area of business or merge with another Company, can affect the value of investment.

Currently, the Company has investment in FDR from which return of investment may be varied due to changes in interest rate structure over the period of time subject to macro economic scenario of the country.

Management perception

There is no other investment other than FDR which is held for maturity rather than held for trading. As a result, the rate of interest is also fixed over the investment period. So, there is less possibilities of declining in value of investments of the company. Again, the Company has no equity investments to any other company as a result there is no scope to decline value of investment.

(k) Risk associated with useful economic life of plant and machinery, if purchased in second hand or reconditioned;

Management perception

The Company provides insurance related services. There are no requirement of plant and machinery.

(l) Adverse effect on future cash flow if interest free loan given to related party or such loans taken from directors may recalled;

DGIC exposed to this risk as the Company has taken interest free loan from related parties which may be recalled as a course of business.

Management perception

The business of the Company volume is in increasing trend and currently, the profit of the company is also increasing year by year. As a result, it is perceived that company will be able to meet up related party loans at any point of time if they are recalled during the course of business operation. Moreover, the Company would have more liquidity after going for IPO through investment of IPO proceeds in FDR. Again, after listing the brand image of the Company shall also be increased. As a result, the Company shall be able to undertake more insurance business from local and multinational company. As a result it is expected that if related party loans are recalled than the Company would have sufficient liquidity to meet debt obligation.

(m) Potential conflict of interest, if the sponsors or directors of the issuer are involved with one or more ventures which are in the same line of activity or business as that of the issuer and if any supplier of raw materials or major customer is related to the same sponsors or directors;

Management perception

No sponsor or director holds any position or own any stake in the business of its supplier or customer. So no conflict would be arisen in this respect.

(n) Related party transactions entered into by the Company those may adversely affect competitive edge;

Management perception

The Company provides adequate disclosures in the audited financial statements which is sufficient about its related party transaction. The above disclosure is presented in true and fair view of the Company's transaction with the related party. The company also provided adequate disclosures regarding payment of board attendance fees and such fees are paid according to the guidelines provided by IDRA. So there are no such possibilities of arise of conflict in this respect.

(o) Any restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement for debt or preference shares or any restrictive covenants of banks in respect of the loan/ credit limit and other banking facilities;

Management perception

There are no such restrictive covenants persist with any shareholders, sponsor or any bank loan facility.

(p) Business operations may be adversely affected by strikes, work stoppages or increase in wage demands by employees;

Every industry is operating mutually by workers and management mutual understanding. Owners are always concern about the workers demand. There were precedence in past regarding workers violence in street, huge vandalism and put fire on motor vehicle causes a serious damage of the Company properties. Sometimes workers demanded more salary and stopped work which also creates financial loss to the Company.

Management perception

DGIC is service oriented Company. There is no such worker for which the business operation of the Company was stopped. No such situation has arisen in the Company in past in this respect. However, DGIC always prioritize human resources over other issues, as we believe that the success of DGIC immensely depends upon the performance of its employees. With a view to going forward by retaining the talents, DGIC always offers inspiring propositions along with a classic working environment. If any situation would arise among the employee, then committees such remuneration committee and owner and employee shall be settled down the situation with utmost considerable aspects.

(q) Seasonality of the business of the issuer;

Management perception

The business of the Company does not depend on any season as demand for insurance service is remain throughout the year. Therefore, the Company's revenue is not affected by any seasonal factor.

(r) Expiry of any revenue generating contract that may adversely affect the business;

Management perception

There is no such contract for which the future revenue would be squeeze.

(s) Excessive dependence on debt financing which may adversely affect the cash flow;

The Company may expose to high degree of risk and its future cash flow from operation shall be squeezed due to financial expense.

Management perception

No excessive dependency on debt financing due to net worth is positive. Again the operating cash flow was positive last 5 years which indicates that the Company's cash generation capacity from operating activities is sufficient.

(t) Excessive dependence on any key management personnel absence of whom may have adverse effect on the issuer's business performance;

Key management personnel have key role in the organization for smooth operation of the Company. If key management personnel turnover is high that's have adverse impact on the organizational day to day activities.

Management perception

Since inception of the Company, the employee turnover rate is low. The organizational structure is designed in such a way that there shall have no impact on Company's overall performance if any key management person changes in the organization.

(u) Enforcement of contingent liabilities which may adversely affect financial condition;

Contingent liabilities are likely to have a negative impact on a Company's stock share price because they threaten to reduce the Company's assets and net profitability. The extent of the impact on share price depends on the estimated probability of the contingent liabilities becoming actual liabilities.

Management perception

There are no contingent liabilities against the Company except as follows:

Contingent Liability

VAT

Year	Unpaid VAT	Interest on Unpaid VAT	VAT to be paid of cancelled MR	Interest on cancelled MR	Total VAT	Current Status
2006	965,456	926,838	109,358	104,984	2,106,636	Custom Excise & VAT Commissioner as per audit report of director of audit intelligence and investigation demanded BDT 14,948,087.28 for the year ended 2006-2010. However, DGIC has agreed VAT liability of BDT 9,466,043.00 as shown in the audited Financial Statement and additional BDT 5,482,044.28 yet not settled which is pending for the decision of the Commissioner of Custom Excise & VAT (South)
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VAT to be paid for Unavailable of export document					24,755	
Grand Total					14,948,087	

The company is contingently liable of Taka 5,482,044.28 as on 31 December 2019.

It is mentionable here that, the Company is generating profit from existing business. Due to IPO fund shall be invested in fixed deposit and Treasury bond, after IPO the future liquidity shall also be improved.

Again, after listing the brand image of the Company shall also be increased. As a result, the Company shall be able to undertake more insurance business from local and multinational company. So, it is expected that if any unforeseen event occur due to exercise of contingent liability in case of VAT, the Company shall be able to mitigate that VAT liability through business income.

Income Tax

Assessment Year	Remarks
2005-2006	<ul style="list-style-type: none"> • Tax return submitted by DGIC - The Company submitted return as on 14/07/2005 • Correspondence from Tax authority - Assessment completed by NBR on 28/02/2011 • Dispute against DGIC and Tax Authority - Tax authority demanded BDT 7,992,286 including BDT 1,044,464 as interest • Court of Appeal - The Company as on 11/03/2007 submitted Tax appeal to the Appellate Commissioner of Taxes, which was subsequently refused on 18/01/2011 and DGIC applied to Tax Appellate Tribunal on 30/05/2018 against Appellate Commissioner of Taxes decision. • Ground of appeal - The Company shown expenses in their Audit report which was disallowed by DCT. Subsequently, the Company submit claim in appeal to Appellate Tribunal U/S 158(5) of Income Tax Ordinance 1984. • Updated status - The case is pending for hearing at Tax Appellate Tribunal
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It is mentionable here that, the Company is generating profit from existing business. Due to IPO fund shall be invested in fixed deposit and Treasury bond, after IPO the future liquidity shall also be improved.

Again, after listing the brand image of the Company shall also be increased. As a result, the Company shall be able to undertake more insurance business from local and multinational company. So, it is expected that if any unforeseen event occur due to exercise of contingent liability in case of Income Tax, the Company shall be able to mitigate that Tax liability through business income.

(v) Insurance coverage not adequately protect against certain risks of damages;

The Company shall expose to significant loss if its assets are not properly covered by insurance.

Management perception

The Company maintain re-insurance to meet up claims. Again there are no such assets for which insurance coverage required.

(w) Absence of assurance that directors will continue its engagement with Company after expiry of lock in period;

The Company may expose to certain risk to operate its day to day business operations if current directors' engagement shall not continue after expiry of lock in period.

Management perception

As the directors of the Company are owner so it is expected that they will continue after the lock in period. In this respect a declaration by the director has been given in the "Chapter xxix-Others".

(x) Ability to pay any dividends in future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure;

Any future dividend payment depends on the future revenue generation. Any negative earnings in future shall be hindered future financial stability of the Company.

Management perception

It is expected that from existing business the Company shall earn significant revenue from which it will be possible to pay dividend regularly.

After listing it is expected that the brand image of the Company would be increased and DGIC would be able to expand its business operation in new business arena such as multinational company, high rated bank and other reputed organization in addition to its current product and which will positively contribute to the revenue stream of the company.

Furthermore, significant portion of the fund received from IPO shall be invested in FDR which will also earn interest and will enhance cash flow of the company.

So, it is presumed that the Company shall be able to pay dividend in future from its business.

(y) History of non-operation, if any and short operational history of the issuer and lack of adequate background and experience of the sponsors;

Management perception

The Company started its journey more than decade and has successfully been operating till date. Since its inception there is no history of non-operation. On the other hand all sponsors of the Company have vast experience in business. If any problem would arise, the sponsor would mitigate that the problem as usual manner.

(z) Risks related to engagement in new type of business, if any;

Management perception

Currently the Company has no plan to engage in any new type of business.

(aa) Risk in investing the securities being offered with comparison to other available investment options;

Management perception

Like other securities, the share price of DGIC may be affected by various factors such as inflation, economic and political shocks etc. Management perceives that the investors would get a reasonable return in line with future proposed dividend.

(bb) Any penalty or action taken by any regulatory authorities for non-compliance with provisions of any law;

The Company shall have risk to expose of eroded its brand name and goodwill in case of penalty or action taken by the regulatory authority.

Insurance Development Regulatory Authority (IDRA) imposed penalty for not floating public share through IPOs non compliance of Rule 4(A) of Insurance Rules, 1958 (Amendment as Insurance Act, 2010)

Management perception

We would like to state that as per Rule 4(A) of Insurance Rules, 1958 (Amendment as Insurance Act, 2010) every insurance company shall raise capital through IPO within 03 (three) years of incorporation. The Company failed to comply the condition within stipulated time period as mention in that rules. Accordingly Insurance Development Regulatory Authority imposed penalty of BDT 11,735,000 for none compliance of aforesaid condition of the said rules. Subsequently the Company paid Tk. 11,037,000 out of total penalty and rest of Tk. 698,000 shall be paid in due course. It is mentionable here that, as per condition 3(1) of "বীমাকারীর মূলধন ও শেয়ার ধারণ বহিঃমিলা-২০১৬" the Company has been applied for raising capital through IPO of BDT 16 (sixteen) crore in the year 2018 (i.e. 40% of public portion amount out of total proposed post IPO paid up capital of BDT 40 (forty) crore) subject to approval of the regulatory authority.

(cc) Litigations against the issuer for Tax and VAT related matters and other government claims, along with the disclosures of amount, period for which such demands or claims are outstanding, financial implications and the status of the case;

Any litigation in terms of unsettled tax, VAT or any other Govt. claim may hamper business operation of the Company as well as may create future potential financial losses.

Management perception

There is no litigation against the Company except as follows:

VAT

Year	Unpaid VAT	Interest on Unpaid VAT	VAT to be paid of cancelled MR	Interest on cancelled MR	Total VAT	Current Status
2006	965,456	926,838	109,358	104,984	2,106,636	Custom Excise & VAT Commissioner as per audit report of director of audit intelligence and investigation demanded BDT 14,948,087.28 for the year ended 2006-2010. However, DGIC has agreed VAT liability of BDT 9,466,043.00 as shown in the audited Financial Statement and additional BDT 5,482,044.28 yet not settled which is pending for the decision of the Commissioner of Custom Excise & VAT (South)
2007	968,997	697,678	22,826	16,435	1,705,936	
2008	1,504,421	722,122	191,907	92,115	2,510,565	
2009	3,238,640	777,274	299,853	71,965	4,387,732	
2010	3,943,527	-	268,937	-	4,212,464	
Total	10,621,041	3,123,911	892,881	285,499	14,923,332	
VAT to be paid for Unavailable of export document					24,755	
Grand Total					14,948,087	

Financial implication for VAT

It is mentionable here that, the Company is generating profit from existing business. Due to IPO fund shall be invested in fixed deposit and Treasury bond, after IPO the future liquidity shall also be improved.

Again, after listing the brand image of the Company shall also be increased. As a result, the Company shall be able to undertake more insurance business from local and multinational company. So, it is expected that if any unforeseen event occur due to exercise of contingent liability incase of VAT, the Company shall be able to mitigate that Tax liability through business income.

Income Tax

Assessment Year	Remarks
2005-2006	<ul style="list-style-type: none"> Tax return submitted by DGIC - The Company submitted return as on 14/07/2005 Correspondence from Tax authority - Assessment completed by NBR on 28/02/2011 Dispute against DGIC and Tax Authority - Tax authority demanded BDT 7,992,286 including BDT 1,044,464 as interest Court of Appeal - The Company as on 11/03/2007 submitted Tax appeal to the Appellate Commissioner of Taxes, which was subsequently refused on 18/01/2011 and DGIC applied to Tax Appellate Tribunal on

	<p>30/05/2018 against Appellate Commissioner of Taxes decision.</p> <ul style="list-style-type: none"> • Ground of appeal -The Company shown expenses in their Audit report which was disallowed by DCT. Subsequently, the Company submit claim in appeal to Appellate Tribunal U/S 158(5) of Income Tax Ordinance 1984. • Updated status -The case is pending for hearing at Tax Appellate Tribunal
2006-2007	<ul style="list-style-type: none"> • Tax return submitted by DGIC - The Company submitted return as on 26/06/2007 • Correspondence from Tax authority - Accepted under section 82B of Income Tax Ordinance 1984 • Updated status - The Company obtained income tax certificate dated 29/01/2007 and there are no claim of NBR
2007-2008	<ul style="list-style-type: none"> • Tax return submitted by DGIC - The Company submitted return as on 26/08/2007 • Correspondence from Tax authority -Assessment completed by NBR on 24/02/2010 • Dispute against DGIC and Tax Authority -Tax authority demanded BDT 6,542,589 including BDT 810,411 as interest. • Court of Appeal -The Company as on 29/09/2008 submitted Tax appeal to the Appellate Commissioner of Taxes, which was subsequently refused on 14/12/2008, and DGIC applied to Tax Appellate Tribunal Division Bench-5, Dhaka on 12/03/2009 against Appellate Commissioner of Taxes Division, which was also refused on 30/07/2009 and they applied U/S 158(5) of Income Tax Ordinance 1984 to High Court Division of Supreme Court of Bangladesh on 30/07/2018 • Ground of appeal -The Company shown expenses in their Audit report which was disallowed by DCT. Subsequently, the Company submit claim in appeal to Appellate Tribunal U/S 158(5) of Income Tax Ordinance 1984. • Updated status - Tax Appellate Tribunal place order against appeal as on 30/07/2009, which was dispose of. -The case is pending for hearing at High Court Division of Supreme Court of Bangladesh.
2008-2009	<ul style="list-style-type: none"> • Tax return submitted by DGIC - The Company submitted return as on 07/08/2008 • Correspondence from Tax authority -Assessment completed by NBR on 25/02/2009 • Dispute against DGIC and Tax Authority -Tax authority demanded BDT 2,626,237 including BDT 338,175 as interest. • Court of Appeal -The Company as on 05/09/2017 submitted Tax appeal to the Appellate Commissioner of Taxes, which was subsequently refused on 22/02/2018 and DGIC applied to Tax Appellate Tribunal on 26/06/2018 against Appellate Commissioner of Taxes decision. • Ground of appeal -The Company shown expenses in their Audit report which was disallowed by DCT. Subsequently, the Company submit claim in appeal to Appellate Tribunal U/S 158(5) of Income Tax Ordinance 1984. • Updated status The case is pending for hearing at Tax Appellate Tribunal
2009-2010	<ul style="list-style-type: none"> • Tax return submitted by DGIC - The Company submitted return as on 15/07/2009 • Correspondence from Tax authority -Assessment completed by NBR on 26/10/2010 • Dispute against DGIC and Tax Authority -Tax authority demanded BDT 6,606,965 including BDT 604,886 as interest. • Court of Appeal -The Company as on 05/09/2017 submitted Tax appeal to the Appellate Commissioner of Taxes, which was subsequently refused on 22/02/2018 and DGIC applied to Tax Appellate Tribunal on 26/06/2018 against Appellate Commissioner of Taxes decision. • Ground of appeal -The Company shown expenses in their Audit report which was disallowed by DCT. Subsequently, the Company submit claim in appeal to Appellate Tribunal U/S 158(5) of Income Tax Ordinance 1984. • Updated status

	<ul style="list-style-type: none"> -The case is pending for hearing at Tax Appellate Tribunal
2010-2011	<ul style="list-style-type: none"> • Tax return submitted by DGIC - The Company submitted return as on 15/07/2010 • Correspondence from Tax authority -Assessment completed by NBR on 21/11/2012 • Dispute against DGIC and Tax Authority -Tax authority demanded BDT 10,140,334 including BDT 1,275,574 as interest. • Court of Appeal -The Company as on 05/09/2017 submitted Tax appeal to the Appellate Commissioner of Taxes, which was subsequently refused on 22/02/2018 and DGIC applied to Tax Appellate Tribunal on 26/06/2018 against Appellate Commissioner of Taxes decision. • Ground of appeal -The Company shown expenses in their Audit report which was disallowed by DCT. Subsequently, the Company submit claim in appeal to Appellate Tribunal U/S 158(5) of Income Tax Ordinance 1984. • Updated status -The case is pending for hearing at Tax Appellate Tribunal
2011-2012	<ul style="list-style-type: none"> • Tax return submitted by DGIC - The Company submitted return as on 29/06/2011 • Correspondence from Tax authority -Assessment completed by NBR on 11/07/2013 • Dispute against DGIC and Tax Authority -Tax authority demanded BDT 2,742,135 including BDT 307,187 as interest. • Court of Appeal -The Company as on 05/09/2017 submitted Tax appeal to the Appellate Commissioner of Taxes, which was subsequently refused on 22/02/2018 and DGIC applied to Tax Appellate Tribunal on 26/06/2018 against Appellate Commissioner of Taxes decision. • Ground of appeal -The Company shown expenses in their Audit report which was disallowed by DCT. Subsequently, the Company submit claim in appeal to Appellate Tribunal U/S 158(5) of Income Tax Ordinance 1984. • Updated status -The case is pending at Tax Appellate Tribunal
2012-2013	<ul style="list-style-type: none"> • Tax return submitted by DGIC - The Company submitted return as on 14/08/2012 • Correspondence from Tax authority -Assessment completed by NBR on 15/12/2013 • Dispute against DGIC and Tax Authority -Tax authority demanded BDT 6,324,977 including BDT 807,046 as interest. • Court of Appeal -The Company as on 05/09/2017 submitted Tax appeal to the Appellate Commissioner of Taxes, which was subsequently refused on 22/02/2018 and DGIC applied to Tax Appellate Tribunal on 26/06/2018 against Appellate Commissioner of Taxes decision. • Ground of appeal -The Company shown expenses in their Audit report which was disallowed by DCT. Subsequently, the Company submit claim in appeal to Appellate Tribunal U/S 158(5) of Income Tax Ordinance 1984. • Updated status -The case is pending for hearing at Tax Appellate Tribunal
2013-2014	<ul style="list-style-type: none"> • Tax return submitted by DGIC - The Company submitted return as on 15/07/2013 • Correspondence from Tax authority -Assessment completed by NBR on 09/09/2014 • Dispute against DGIC and Tax Authority -Tax authority demanded BDT 3,245,966 including BDT 254,299 as interest. • Court of Appeal -The Company as on 05/09/2017 submitted Tax appeal to the Appellate Commissioner of Taxes, which was subsequently refused on 22/02/2018 and DGIC applied to Tax Appellate Tribunal on 26/06/2018 against Appellate Commissioner of Taxes decision. • Ground of appeal -The Company shown expenses in their Audit report which was disallowed by DCT. Subsequently, the Company submit claim in appeal to Appellate Tribunal U/S 158(5) of Income Tax Ordinance 1984.

	<ul style="list-style-type: none"> • Updated status -The case is pending for hearing at Tax Appellate Tribunal
2014-2015	<ul style="list-style-type: none"> • Tax return submitted by DGIC - The Company submitted return as on 25/06/2014 • Correspondence from Tax authority -Accepted under section 82BB of Income Tax Ordinance 1984 • Updated status - The Company obtained income tax certificate dated 29/01/2007 and there are no claim of NBR
2015-2016	<ul style="list-style-type: none"> • Tax return submitted by DGIC - The Company submitted return as on 18/11/2015 • Correspondence from Tax authority -Assessment completed by NBR on 19/12/2016 • Dispute against DGIC and Tax Authority -Tax authority demanded BDT 18,521,576 including BDT 2,087,837 as interest. DGIC paid against the demand amount of BDT 4,998,043 vide cheque no. 1029787 of Shahjalal Islami Bank Limited dated 05/09/2017 and the rest amount of BDT 13,523,533 was under decision of Tax Appellate Tribunal • Court of Appeal -The Company as on 05/09/2017 submitted Tax appeal to the Appellate Commissioner of Taxes, which was subsequently refused on 22/02/2018 and DGIC applied to Tax Appellate Tribunal on 26/06/2018 against Appellate Commissioner of Taxes decision. • Ground of appeal -The Company shown expenses in their Audit report which was disallowed by DCT. Subsequently, the Company submit claim in appeal to Appellate Tribunal U/S 158(5) of Income Tax Ordinance 1984. • Updated status -The case is pending for hearing at Tax Appellate Tribunal
2016-2017	<ul style="list-style-type: none"> • Tax return submitted by DGIC - The Company submitted return as on 23/08/2016 • Updated status - The assessment is pending under DCT
2017-2018	<ul style="list-style-type: none"> • Tax return submitted by DGIC - The Company submitted return as on 29/08/2017 • Updated status - The assessment is pending under DCT
2018-2019	<ul style="list-style-type: none"> • Tax return submitted by DGIC - The Company submitted return as on 14/11/2018 • Updated status - The assessment is pending under DCT
2019-2020	<ul style="list-style-type: none"> • Tax return to be submitted by DGIC in due course

Financial implication for Tax

It is mentionable here that, the Company is generating profit from existing business. Due to IPO fund shall be invested in fixed deposit and Treasury bond, after IPO the future liquidity shall also be improved.

Again, after listing the brand image of the Company shall also be increased. As a result, the Company shall be able to undertake more insurance business from local and multinational company. So, it is expected that if any unforeseen event occur due to exercise of contingent liability incase of Income Tax, the Company shall be able to mitigate that Tax liability through business income.

(dd) Registered office or factory building or place of operation is not owned by the issuer;

If office and factory location is not owned by the Company business operation may hamper.

Management perception

The Company is operating its business through corporate head office on a rental basis since the inception. There was no past history of hamper of operation in this premise. It is also mentionable here that there is reasonable time allowed to DGIC to vacate the place. So, there is no scope of arising any risk in this respect.

(ee) Lack of renewal of existing regulatory permissions or licenses;

Management perception

All licenses are valid and up dated. The management of the Company always takes timely steps to renewal of all its regulatory licenses. So scope of arising any risk in this respect is low.

(ff) Failure in holding AGM or declaring dividend or payment of interest by any listed securities of the issuer or any of its subsidiaries or associates;**Management perception**

The Issuer has no listed securities nor any subsidiaries or associates Company.

(gg) Issuances of securities at lower than the IPO offer price within one year;

If the Issuer issues share at lower than the IPO offer price within one year, there will have possibilities to arise misperception about IPO price.

Management perception

The Company does not issue any securities at lower than the IPO offer price within one year. **(hh) Refusal of application for public issue of any securities of the issuer or any of its subsidiaries or associates at any time by the Commission.**

Management perception

The Company applied for raising of Capital through IPO in the year of 2010. However, due to change in Insurance Act, 2010 BSEC has requested DGIC to apply to the Commission for raising capital complying with the Insurance Act, 2010 and relevant securities laws vide letter Ref: DGIC/HO/AC-702/2010 dated April 28, 2010. At present, there is no material impact of past application of IPO on the current Issue.

(ii) External risk factors may include among others:

Investment in capital market involves exposure to several types of risks. Desh General Insurance Company Limited operates in an industry that is exposed to several external risk factors over which the Company has little or no control. The following includes some of the significant risk factors that may affect the value of the Company's shares. Hence, a rational investor should carefully consider all the information contained in this prospectus including the risk factors elaborated below.

(a) Interest rate risks;

Volatility of money market may influences the overall interest rate structure of the country. So, any unfavorable change in interest rate structure may affect the Company's business adversely.

Management perception

The issuer is planning to enhance capital base through IPO. Most of the IPO proceeds will be invested in FDR, whereas the rate of interest remains fixed during the tenure of FDR. As a result DGIC will be able to minimize its exposure to interest rate risk. It is also mentionable that DGIC is enjoying interest free loans which was adequately disclosed under related party transactions. So, any negative movement of interest rate is less likely to adversely affect the Company. Overall the Company's loan position is nominal. So, interest rate risk is also low.

(b) Exchange rate risks;

Exchange rate risk arises from currency fluctuation in international trade. If Bangladeshi Taka is devalued and/or foreign currency revalued than the price of imported raw materials will go up which will decrease the overall profit margin. Taka has been devalued significantly against dollar and it is very unlikely of any immediate appreciation of Taka.

Management perception

Since DGIC is not engaged into any insurance business in foreign currency, exchange rate risk is not relevant here.

(c) Industry risks;

Industry risk arises due to risk associated with business and macro-economic factors of the industry such as labor unrest, shortage of power, rising of raw material cost or shortage of raw material supply etc. If risk factor pertaining to industry is high, the growth of the industry shall be lower or may be eroded the entire potentiality of that industry.

Management perception

The Company is operating in a highly competitive industry. Presently, 46 General insurance companies including the SBC are operating in the country. DGIC has to face stiff competition arising from the existing 44 general insurance companies excluding SBC.

The Company has successfully accessed the market till date with a proactive approach by a group of professional and vast experienced peoples. Therefore, the Company is working on offering services at competitive terms. Despite the extreme competition, DGIC's business operation shows satisfactory performance.

(d) Economic and political risks;

Economic risk

Economic risk arises due to some various factors such as political or regulatory policy change, including adverse impact of globalization, social disturbances due to political unrest, terrorist attacks and other acts of violence or war, natural calamities, commodity and hike commodity & energy prices and various other factors. The consequence of economic risk is that the growth of development may be eroded or hampered and any significant changes may adversely effect on business and profitability of the Company.

Management perception

Bangladesh economy is booming for last few years. Consistent industrial growth along with increased agricultural production has made the per capita income higher than that of recent years. In addition, favorable government policies and industry friendly policies by other regulatory bodies have proved to be congenial to the economy of the country. Bangladesh has been considered to be next emerging country in terms of economic development. This indicates the future potentiality of our country's economic strength. Despite of some economic shortfall, Bangladesh economy is going to be stands on a strong platform in terms of micro and macro economy indicators such as inflation, exchange rate, foreign reserve, GDP growth, per capital income, domestic demand, Labor rate etc. Management of the Company has keen focus on the economic movement of the country and shall be take decision accordingly to adjust any unfavorable situation in this respect

Political risk

The risk that an investment returns could suffer as a result of political changes or instability in a country. Instability affecting investment returns could stem from a change in government, legislative bodies, other foreign policy makers, or military control

Management perception

The management of the Company believes that more effective management of political risk shall help the companies in protection of their investments and shall improve the performance of business operation. Management perceives that, this requires more integration of political risk management into a systematic process as well as shall have to be embedded in a Company's other business processes. The management of the Company is fully aware of the potential risk related with political outcome and accordingly they have taken several safe guards to prevent the financial loss of the Company.

(e) Market and technology-related risks;

Market risks

Market risk relates to the volatility of the market price of assets. It involves exposure to movements in the level of financial variables, such as stock prices, interest rates, exchange rates or commodity prices. It also includes the exposure of options to movements in the underlying asset price. Market risk also involves exposure to other unanticipated movements in financial variables or to movements in the actual or implied volatility of asset prices and options. To be competitive in the market, insurance companies need to develop new services/products and offer excellent clientele services and also to expand the market by bringing more and more items under the purview of insurance otherwise the competitors may take away Company's business.

Management perception

Insurance business globally is increasing. Industrialization and other infrastructure of the country are remarkably developing, as such the general insurance business is increasing day by day. New items are coming under the cover of insurance. The market is expanding as people are realizing the importance of insurance. Because of the Company's excellent services and introduction of new products, the Company faces low risk related with market.

Technology-related risks

Technology is a continuous process of development. Innovation of new and cost effective technology may obsolete existing technology, which may cause negative impact on the business. The operation of the Company is capital intensive and the quality of the products is directly related to the sophistication of the machinery in use. In case, the technology of the machineries becomes obsolete, cost advantage and quality of production of the Company may be affected adversely.

Management perception

As overall insurance industry is not technology driven, the Company believes that there is very low probability that the technology change may adversely impact on the Companies Business operation.

(f) Potential or existing government regulations;

The development of the industry is mostly depends on government support. If Government fiscal and monetary policy is unfavorable towards the Insurance industry, the growth and development of this sector would not be possible.

Management perception

The Government of Bangladesh is highly concentrated on economic development of the Country through industrialization. Bangladesh has been considered the most emerging economy country which economy is growing continuously. As progress of economy is continuing the others sub sectors also improving. By this way insurance sector shall be developed as new business opportunity has been created through economic progress.

The Management of DGIC perceives that these facilities shall remain in near future which shall have positively impact on development of insurance industry of our Country.

(g) Potential or existing changes in global or national policies;

The Company operates in an insurance industry. At present, government policy and global business situation is favorable for development in this sector. If any change in this condition, the profitability of the Company shall be affected.

Management perception

Insurance sector is a vital sector for the economic development of Bangladesh. The Government is keen to support this industry. Again any changes in the policy of international trade may adversely affect the all global nations. So in that case the management of DGIC shall reset their policy according to the global policy changes.

(h) Statutory clearances and approvals those are yet to be received by the issuer;

To smooth running of the business operation statutory clearance is required. The Company has to comply with several specific regulations of its primary regulator i.e, Insurance Development and Regulatory Authority (IDRA). Any non compliance of its rules and regulation may impede the Initial Public Offering Process.

Management perception

The Management of DGIC has been aware about the rules and regulations of their primary regulator i.e, Insurance Development and Regulatory Authority (IDRA). In past, The Company always seeks prior approval for its capital raising from IDRA before apply to BSEC. The Company has also notified IDRA regarding raising of capital through IPO and NOC for raising capital through IPO has also been received from IDRA prior to applying to BSEC for IPO.

(i) Competitive condition of the business;

In Bangladesh, during the 1970s, government-owned JBC and SBC was the only provider of life and general insurance coverage for individual and business properties. During that time insurance products were very few in number and the industry did not take innovative efforts for product development. In the country the first private insurance Company was set up in 1985. Since then non-government insurers have shown rapid growth in terms of institutional set-up, policy design and business expansion. When non-government insurers gradually have gained the foothold in the country, real competition in the sector has begun. However, the insurance industry in Bangladesh is very small compared to its economy and the number of insurance policyholders is still not increasing satisfactorily. At present, there are 45 general (non-life) insurance and 30 life insurance companies are operating in Bangladesh which are inadequate to provide insurance services to about 160 million people

The insurance companies of our country perform a wide range of activities such as service designing, preparing contract and policy, marketing and selling, underwriting, rating, reinsurance and other services and claim settlement. The two governmentsowned insurance companies i.e. the Shadharan Bima Corporation and Jiban Bima Corporation get all the government insurance business by virtue of the Insurance Act of Bangladesh. According to the rule, all insurance in the government sector is done through these two nationalized insurance companies, so they enjoy a monopoly. None of the private insurance companies is allowed to offer insurance services to government organizations. However, later on as per The Insurance

Corporation (Amendment) Act-1990 Section 23 ActVI Sub section (I) of 1993 "50% of all insurance business relating to any public property or to any risk or liability appertaining to any public property shall be placed with the Sadharon Bima Corporation and the remaining fifty percent of such business may be placed either with the corporation or with any other insurer in Bangladesh". Furthermore, Upon request of Bangladesh Insurance Association Ministry of Commerce of Bangladesh has stated that SBC would share 50% of the premium earned from public sector businesses equally among the private insurance companies. Insurance is a form of risk management, used to hedge against the risk of a contingent loss. It involves the transfer of the risk of potential loss from one entity to another, in exchange for a risk premium. Given this role, the insurance sector fosters financial stability by enabling economic agents to undertake various transactions with the facility of transfer and dispersion of risks. As a crucial component of the financial system, life insurance plans are an important source of savings and long-term institutional investments essential for the development and growth of bond markets. The role of insurance as a financial intermediary is particularly important in countries like Bangladesh with low levels of financial penetration.

Management perception

As well as the problems mentioned above, there are many good signs for the insurance business in Bangladesh. The factors that can facilitate the insurance business in our country are discussed below. These facts can be measured as the prospective fields for insurance business in Bangladesh.

Higher GDP

The GDP of our country is increasing than the previous years which results in increase of per capital income. So this growing GDP and income holds bright prospects for insurance companies. The major problem is the incapability of our people to pay the premium charged by the insurance companies. With the growth in the income more and more people are now willing to take an insurance policy for safeguarding themselves from any danger.

Increased population

There is a big opportunity lies ahead for the insurance companies as the population of our country are increasing day by day. Although most of people of our country live under extreme poverty level and want to avoid insurance policy number of potential policy holders in Bangladesh is growing with growth of the population. There is some what relationship between growing populations with the number of public vehicle. As we know all public vehicle must have an insurance policy. So growing population also increase the motor insurance too. That is growth in population opens greater scope for every kind of insurance business that results in growing prospect for insurance companies.

New business's individual insurance

There are so many new businesses starting every day and manufacturing sector is booming with global demand. Every business is insured under an insurance Company to protect its Company from any kind of accident. Therefore growing industry, mill, factories are creating better scope for the insurance companies to flourish their business.

Developing mass awareness about insurance

People are now much more conscious about their safety. So they are encouraged to take an insurance policy for making their life free from any unexpected occurrence. Increase in literacy rate is helping predominantly to create awareness among the people regarding taking insurance policy. Besides this insurance companies are also trying to eradicate the negative attitude of people towards the insurance Company by organizing various programs such as seminars, programs including social responsibilities etc.

Micro insurance

Micro insurance can be a great prospective area for the insurance business in our country. Most of the people of our country are unable to have costly and long term insurance policies. Micro insurance can be provided to individual personnel or to small business owners against little insurance premiums and with easy terms and conditions. When they will afford to minimize their risks at a lower price, they will take that opportunity and they will become to get used to it. This can cover a huge portion of the society who can be a prospective target market for this business.

Insurance sector in Bangladesh is contributing to the growth and development process of the business and property by protecting all variety of assets from all types of hazards. However, the size of the insurance industry in Bangladesh is small but over-institutionalized. Only by achieving competitiveness, this sector can contribute more to the development of the economy of the country. In spite of all constraints both at macro and micro environment, good growth rate and tremendous growth potential reconfirm the brightest prospects of the insurance sector in Bangladesh. If insurance sector can be developed at optimum level by eliminating the problems identified in the study, it is expected that it will continue to march forward at an accelerated speed and bring economic benefits to the economy.

(j) Complementary and supplementary products or services which may have an impact on business of the issuer.

Management perception

DGIC provides insurance services which has no supplementary or complementary product at all to its users.

Other risk factors:

No provision has been made against contingent liabilities.

DGIC has contingent liabilities of Tk. 59,745,022 against Income Tax filed to Tax Appellate Tribunal against demand of Tax of NBR and Tk. 5,482,044.28 against VAT which is pending for the decision of the Commissioner of Custom Excise & VAT (South). If the tribunal verdict goes against the Company then the Company has to settle all liabilities of Tax and VAT against demand. As a result a significant amount of income shall be paid for this payment which may have eroded dividend payment capacity.

So, the Company has exposed to the risk that in future these liabilities may be exercised against the company which may adversely affect the dividend payment capability of the company.

Management perception

The Company is optimistic that Appellate Tribunal may accept their appeal. However, the Company aware about any future payment may arise due to claim by NBR for settlement of Tax and VAT.

It is mentionable here that, the Company is generating profit from existing business. Due to IPO fund shall be invested in fixed deposit and Treasury bond, after IPO the future liquidity shall also be improved.

Again, after listing the brand image of the Company shall also be increased. As a result, the Company shall be able to undertake more insurance business from local and multinational company. So, it is expected that if any unforeseen event occur due to exercise of contingent liability incase of Income Tax and VAT, the Company shall be able to mitigate that Tax and VAT liability through business income.

Chapter-XXI

Description of the Issue

Description of the Issue:

(a) **Issue size:** Tk. 160,000,000 (subject to approval of Regulatory Authority)

(b) **Number of securities to be issued:** 16,000,000 nos. shares (subject to approval of Regulatory Authority)

(c) **Authorized capital and paid-up capital;**

Particular	Amount in Tk.
Authorized Capital 100,000,000 nos. ordinary shares @ Tk. 10	Tk. 1,000,000,000
Issued, Subscribed and Paid up Capital Before IPO 24,000,000 nos. ordinary shares @ Tk. 10	Tk. 240,000,000
*Initial Public Offering through Fixed Price Method 16,000,000nos. ordinary shares @ Tk. 10	Tk. 160,000,000
*Post IPO Paid up Capital	Tk. 400,000,000

**Subject to approval of regulatory authority*

(d) **Face value, Premium and Offer price per unit of securities;**

Face value per Share	Tk. 10.00 each
Premium	-
Offer Price per Share	Tk. 10.00 each

(e) **Number of securities to be entitled for each category of applicants;**

Eligible investor (EI)		General Public (GP)	
EI excluding mutual funds and CIS	Mutual funds and CIS	GP excluding NRB	NRB
30%	10%	50%	10%
4,800,000 nos. share	1,600,000 nos. share	8,000,000 nos. share	1,600,000 nos. share

(f) **Holding structure of different classes of securities before and after the issue;**

The Company has issued only ordinary shares to its existing share holders. There is no other class of securities issued by the Company or proposed to be issued.

Holding structure of different classes of securities before and after the issue is as follows:

Sl.	Shareholding category	No of ordinary shares			Percentage of holding	
		Pre-Issue (a)	IPO (b)	Post-Issue (a+b)	Pre-Issue	Post-Issue
1	Sponsor Directors	12,636,390	-	12,636,390	52.65%	31.59%
2	Sponsor Shareholder	1,828,254	-	1,828,254	7.62%	4.57%
3	Other shareholders (Public)	9,535,356	-	9,535,356	39.73%	23.84%
4	Other shareholders (Institutional)	-	-	-	-	-
5	Eligible Investors (EI)	-	4,800,000	4,800,000	-	12.00%
6	Mutual fund (MF)	-	1,600,000	1,600,000	-	4.00%
7	General Public (GP)	-	8,000,000	8,000,000	-	20.00%
8	Non Resident Bangladeshis (NRBs)	-	1,600,000	1,600,000	-	4.00%
Total		24,000,000	16,000,000	40,000,000	100.00%	100.00%

**Subject to approval of regulatory authority*

(g) Objective of the issue including financing requirements and feasibility in respect of enhanced paid-up capital.

Objective of the Issue

The initial public offer (IPO) is for compliance of statutory requirement of the Company. The Company offers its shares to the public as required by the Insurance Act, 2010. As per requirement of the Act, the sponsors of the Company have already subscribed their portion of equity capital and the same has already been invested as reflected in the Audited Financial Statements. The proceeds of the present issue is 16,000,000 shares of Tk. 10 each at par totaling Tk. 160,000,000 (sixteen crore) will strengthen the capital base of the Company and shall enhance revenue through investment in FDR and Govt. securities and invest in Capital Market of Bangladesh. The fund thus raised through public issue will be used for Investment and to meet up IPO expenses as per following manner:

Sl.	Area of utilization of IPO proceeds	Amount in Tk.
1	Investment in FDR & Treasury Bond	118,433,500
2	Investment in Capital Market of Bangladesh	32,000,000
3	To meet up IPO expenses	9,566,500
	Total	160,000,000

Feasibility report

The objective of the IPO to invest in Govt Securities and FDR subject to approval of regulatory authority, so there is no feasibility report is required in this respect.

Chapter - XXII

Use of Proceeds

Use of Proceeds:

The use of the issue proceeds shall be disclosed in the prospectus in details:

Provided that not more than 1/3rd of the issue proceeds shall be used for repayment of loans or as working capital. The following disclosures shall be made in this regard:

(a) Use of net proceeds of the offer indicating the amount to be used for each purpose with head-wise break-up;

Sl.	Area of utilization of IPO proceeds	Amount in Tk.	Remarks
1	Investment in FDR & Treasury Bond	118,433,500	Please see Note-1
2	Investment in Capital Market of Bangladesh	32,000,000	
3	To meet up IPO expenses	9,566,500	
	Total	160,000,000	

Note-1: Details break up of Investment in FDR & Treasury Bond

Sl	Area of Investment	% of Investment	Amount	Rate of Interest
1	FDR	85%	100,668,475	Subject to market rate
2	Treasury Bond	15%	17,765,025	Subject to market rate
	Total	100%	118,433,500	

(b) Utilization of the total amount of paid-up capital and share premium, if any, including the sponsors' contribution and capital raised of the issuer at the time of submission of prospectus, in details with indication of use of such funds in the financial statements;

The sponsors of the Company has given paid up capital through cash consideration, bonus share and rights share issue which was used in ordinary course of business. Apart from that, The Company has not received any fund through private placement from any sponsor or any other person.

The Utilization of Paid up capital of the Company is as follows:

Sl	Area of Utilization	Amount in Taka	Indication in the Financial Statements
1	Investment in Government security bond	25,000,000	Statement of financial position as at 31 December 2018 (Note:26)
2	Investment in Fixed deposit account	220,500,000	Statement of financial position as at 31 December 2018 (Note:30)

(c) If one of the objects is an investment in a joint venture, a subsidiary, an associate or any acquisition, details of the form of investment, nature of benefit expected to accrue to the issuer as a result of the investment, brief description of business and financials of such venture;

The Company has no objective to invest its net proceeds of IPO in any Joint venture, a subsidiary, and associate or acquisition purpose.

(d) If IPO proceeds are not sufficient to complete the project, then source of additional fund must be mentioned. In this connection, copies of contract to meet the additional funds are required to be submitted to the Commission. The means and source of financing, including details of bridge loan or other financial arrangement, which may be repaid from the proceeds of the issue along with utilization of such funds;

The Company does not require additional fund.

(e) A schedule mentioning the stages of implementation and utilization of funds received through public offer in a tabular form, progress made so far, giving details of land acquisition, civil works, installation of plant and machinery, the approximate date of completion of the project and the projected date of full commercial operation etc. The schedule shall be signed by the Chief Executive Officer or Managing Director, Chief Financial Officer and Chairman on behalf of Board of Directors of the issuer;

Schedule of utilization of funds received through IPO

Sl.	Area of utilization of IPO proceeds	Amount in Tk.	Approximate date of utilization of fund
1	Investment in FDR & Treasury Bond	118,433,500	Within 01 month after listing
2	Investment in Capital Market of Bangladesh	32,000,000	Within 03 month after listing
3	To meet up IPO expenses	9,566,500	Time to time as and when required
	Total	160,000,000	

Sd/-
Rabindra Nath Karmaker
 Chief Financial Officer

Sd/-
Qazi Mukarram Dastagir
 Chief Executive Officer

Sd/-
Jashim Uddin
 Chairman

Note: Mr. Qazi Mukarram Dastagir, Chief Executive Officer resigned from the Company as on 10/12/2020 which was subsequently approved by the Board of Directors of Dosh General Insurance Company Limited in its 132th Board meeting held on 29/12/2020

Later on, Mr. Mohd. Abul Kashem, Additional Managing Director of the Company appointed as Chief Executive Officer (Current Charge) effective from 1/1/2021 by the Board of Directors of Dosh General Insurance Company Limited in its 132th Board meeting held on 29/12/2020

(f) If there are contracts covering any of the activities of the issuer for which the proceeds of sale of securities are to be used, such as contracts for the purchase of land or contracts for the construction of buildings, the issuer shall disclose the terms of such contracts, and copies of the contracts shall be enclosed as annexure to the prospectus;

As per rule (B)(21)(f) of Annexure-G of Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 there is no contract covering any of the activities of the Issuer Company for which the proceeds of sale of securities from IPO is to be used.

(g) If one of the objects of the issue is utilization of the issue proceeds for working capital, basis of estimation of working capital requirement along with the relevant assumptions, reasons for raising additional working capital substantiating the same with relevant facts and figures and also the reasons for financing short with long term investments and an item wise break-up of last three years working capital and next two years projection;

IPO proceeds will not be utilized for working capital financing.

(h) Where the issuer proposes to undertake one or more activities like diversification, modernization, expansion, etc., the total project cost activity-wise or project wise, as the case may be;

There are no such activities proposes to undertake by the issuer.

(i) Where the issuer is implementing the project in a phased manner, the cost of each phase, including the phases, if any, which have already been implemented;

There are no such project shall be implemented in phase manner.

(j) The details of all existing or anticipated material transactions in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies;

There are no such transaction occurred or shall be occurred in terms of utilization of IPO proceeds with sponsor, directors , Key management personnel, associate and Group companies .

(k) Summary of the project appraisal or feasibility report by the relevant professional not connected with the issuer, issue manager and registrar to the issue with cost of the project and means of finance, weaknesses and threats, if any, as given in the appraisal or feasibility report;

The Company shall be utilized IPO fund as investment in government securities, so there is no requirement of feasibility report in this respect.

Chapter- XXIII

Lock- in

(a) Provisions for lock in as per these Rules;

Ordinary shares of the issuer, at the time of according consent to the public issue, shall be subject to lock-in, from the first trading day at the exchange in the following manner:

- (a) shares held by sponsors, directors and shareholders holding 10% (ten percent) or more, for 03 (three) years;
- (b) in case, any existing sponsor or director of the issuer transfers any share to any person, those transferred shares, for 03 (three) years;
- (c) shares allotted to any person, before 4 (four) years or more of according consent to the public issue, other than the persons mentioned in clause (a) and (b), for 01 (one) year;
- (d) shares held by alternative investment funds, for 01 (one) year;
- (e) shares held by any person, other than the shares mentioned in clause (a), (b), (c) and (d) above, for 02 (two) years :

Provided that ordinary shares converted from any other type of securities shall also be subject to lock-in as mentioned above.

(b) Statement of securities to be locked in for each shareholder along with BO account number, lock-in period and number of securities to be locked-in.

Sl	Name of Shareholders	Position	BO Account Number	Lock -In period from the date of issuance of prospectus	Shareholding % before IPO	Number of securities to be locked in
1	Mr. Jashim Uddin	Chairman & Sponsor Director	1201750021888481	03 years	6.87%	1,649,629
2	Mr. Md. Akbor Hossain	Vice Chairman & Sponsor Director	1602170063535055	03 years	5.34%	1,281,845
3	Mr. M. Monsurul Islam	Sponsor Director	1205200034297867	03 years	2.50%	599,831
4	Ms. Priti Kana Bose	Sponsor Director	1202020011271389	03 years	3.37%	809,831
5	Mr. Moshfeque Mamun Rizvi	Sponsor shareholder	1204030058927290	03 years	1.04%	250,451
6	Mr. Murad Mohammed Taj	Sponsor Director	1604420063788713	03 years	5.11%	1,227,330
7	Mr. Md. Saifuddin Khaled	Sponsor Director	1204310000145105	03 years	2.61%	626,214
8	Mr. Tahrin Aman	Sponsor Director	1202850000026002	03 years	3.33%	800,000
9	Mr. Aminur Rahman	Sponsor Director	1605430048029170	03 years	3.36%	806,215
10	Mrs. Rokeya Quader,	Sponsor Director	1201820014921945	03 years	6.23%	1,495,510
11	Engr. A.K.M. Ahsanul Haque	Sponsor Director	1604420063800870	03 years	4.67%	1,121,185
12	**Late Mr. Nil Kantha Roy	Former Sponsor Director	1201850004197539	03 years	4.45%	1,068,180
13	Engr. Tarikul Alam Rahimi	Sponsor Director	1604420063788871	03 years	6.57%	1,576,665
14	Mrs. Rehena Begum	Sponsor shareholder	1202850003949919	03 years	1.47%	351,758
15	Mrs. Nauzat Begum	Sponsor shareholder	1604420063788606	03 years	3.33%	800,000
16	Mr. Sakif Nazran Bhuiyan	Shareholder	1604420063798431	03 years	6.23%	1,495,510
17	Alhaj Mosharraf Hosain	Shareholder	1602170004154991	03 years	6.20%	1,487,432
18	Mr. M Amanullah	Shareholder	1202850000026088	03 years	2.90%	695,155
19	Mr. Morshed Alam	Shareholder	1205720063149329	03 years	9.79%	2,350,371
20	Mr. Amir Hossain Amu	Shareholder	1604420063804033	03 years	10.45%	2,506,933
21	Ms. Shamima Yasmin	Shareholder	1602170064152484	03 years	4.17%	999,955
Total					100%	24,000,000

** Mr Nilkantha Roy was died on 06 July 2020

Chapter – XXIV

Market for the Securities Being Offered

Market for the Securities being offered

The issuer shall apply to the following stock exchanges in Bangladesh within 7 (seven) working days from the date of consent accorded by the Commission to issue Prospectus.

Sl	Name of the Exchange	Logo	Address
1	Dhaka Stock Exchange Limited (DSE)		Stock Exchange Building, 9/F Motijheel C/A, Dhaka, Bangladesh Phone: 88-02-9564601, 9576210-18
2	Chittagong Stock Exchange Limited (CSE)		CSE Building, 1080, Sk. Mujib Road Agrabad, Chittagong, Bangladesh Tel: +88(0) 31-714632-3

Declaration about Listing of Shares with the Stock Exchange(s)

If none of the Stock Exchange(s), if for any reason, grant listing within 75 days from the closure of subscription, any allotment in terms of this Prospectus shall be void and the Company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchange, or from the date of expiry of the said 75 (seventy five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, the Company directors, in addition to the issuer Company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer Company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money.

Trading and Settlement

Trading and Settlement Regulation of the stock exchanges shall apply in respect of trading and settlement of the shares of the Company.

The issue shall be placed in "N" Category.

Chapter -XXV

Description of securities outstanding or being offered

Description of securities outstanding or being offered:

All types of securities outstanding or being offered with date or proposed date of such issue and to whom those are offered, number of securities and issue or offer price along with the following information:

(a) Dividend, voting and preemption rights;

The Share Capital of The Company is divided into Ordinary Shares, carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act 1994 and the Articles of Association of the Company. All shareholders shall have the usual voting right in person or by proxy in connection with, among others, election of Directors & Auditors and other usual agenda of General Meeting – Ordinary or Extra Ordinary. On a show of hand, every shareholder present in person and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present in person or by proxy shall have one vote for every share held by him or her.

In case of any additional issue of shares for raising further capital the existing shareholders shall be entitled to Right Issue of shares of in terms of the guidelines issued by the BSEC from time to time.

(b) Conversion and liquidation rights;

If The Company at any time issue convertible preference shares or debenture with the consent of the BSEC or other relevant regulatory authority, such holders of securities shall be entitled to convert such securities into ordinary shares if it is so determined by the Company. Subject to the provisions of Companies Act 1994, Articles of Association of the Company and relevant rules in force, the shares, if any, of the Company are freely transferable, the Company shall not charge any fee for registering transfer of shares. No transfer shall be made to firms, minors or persons of unsound mental health.

(c) Dividend policy;

- a) The profit of the Company, subject to any special right relating thereto created or authorized to be created by the Memorandum of Association and subject to the provisions of the Articles of Association, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.
- b) No larger dividend shall be declared than is recommended by the Directors, but The Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of Net Profit of The Company shall be conclusive.
- c) No dividend shall be payable except out of the profits of The Company or any other undistributed profits. Dividend shall not carry interest as against the Company.
- d) The Directors may from time to time pay the members such interim dividend as in their judgment the financial position of The Company may justify.
- e) A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.
- f) There is no limitation on the payment dividends to the common stockholders of the Company.

(d) Other rights of the securities holders.

The Directors shall present the financial statements as required under the law & International Accounting Standard as adopted in Bangladesh. Financial statements will be prepared in accordance with the International Accounting Standards as adopted in Bangladesh, consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and International Accounting Standard as adopted in Bangladesh to the shareholders regarding the financial and operational position of the Company. The shareholders shall have the right to receive all periodical statement and reports, audited as well as unaudited, published by The Company from time to time.

The shareholder holding minimum of 10% shares of paid-up capital of The Company shall have the right to requisition Extraordinary General Meeting of The Company as provided for the Section 84 of the Companies Act 1994.

In terms of the provisions of the Companies Act, 1994, Articles of Association of The Company and other relevant rules in force, the shares of The Company are freely transferable. The Company shall not charge any fee for registering transfer of shares. No transfer shall be made to a firm, an infant/minor or person of unsound mind.

Chapter -XXVI

Financial Statements

(a) The latest financial statements prepared and audited by the Commission's panel auditors in adherence to the provisions of the Securities and Exchange Rules, 1987, the Companies Act, 1994, International financial Reporting and Auditing Standards as adopted in Bangladesh from time to time and any other law as applicable;

Independent Auditors' Report to the Shareholders of Desh General Insurance Company Limited Report on the Audit of The Financial Statements

Opinion

We have audited the financial statements of Desh General Insurance Company Limited (the Company), which comprise the Statement of Financial Position as at December 31, 2019, Statement of Profit or Loss and Other Comprehensive Income, Profit and Loss Appropriation Account, related revenue accounts, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information disclosed in notes 1 to 57 & Annexure-A to C.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958 and other applicable laws and regulations.

Basis for opinion

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

Our key audit matters

Risk	Our response to the risk
Premium Income	
Gross general insurance premiums comprise the total premiums received for the whole period of cover provided by contracts entered into during the accounting period.	With respect to Premium income in respect of various types of insurance we carried out the following procedures:
Given the important nature, connections to other items to the financial statements and sensitivity of the item we believe this area pose high level of risk.	<ul style="list-style-type: none"> ➤ The design and operating effectiveness of key controls around premium income recognition process. ➤ Carried out analytical procedures and recalculated premium income for the period.
	<ul style="list-style-type: none"> ➤ Carried out cut-off testing to ensure unearned premium income has not been included in the premium income. ➤ On a sample basis reviewed policy to ensure appropriate policy stamp was affixed to the contract and the same has been reflected in the premium register. ➤ Ensured on a sample basis that the premium income was being deposited in the designated bank account.

	<ul style="list-style-type: none"> ➤ Tested on a sample basis to see that appropriate VAT was being collected and deposited to bank through Treasury Chalan. ➤ For a sample of insurance contracts tested to see if appropriate level of reinsurance was done and whether that re insurance premium was deducted from the grosspremium. ➤ Applying specialist judgment ensured if there is any impairment of the reinsurer. ➤ Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 2010 Insurance Rules 1958 and other applicable rules and regulations and regulatory guidelines.
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Estimated liability in respect of outstanding claims whether due or intimated and claim payment	
<p>This account represents the claim due or intimated from the insured and involves significant management judgment and risk of understatement. In extreme scenario this item may have going concern implications for the company.</p>	<p>We tested the design and operating effectiveness of controls around the due and intimated claim recording process.</p> <p>We additionally carried out the following substantive testing's around this item:</p> <ul style="list-style-type: none"> ➤ Obtained the claim register and tested for completeness of claims recorded in the register on a sample basis. ➤ Obtained a sample of claimed policy copy and cross check it with claim. ➤ Obtained a sample of survey reports

	<p>Cross checked those against respective ledger balances and in case of discrepancy carried out further investigation.</p> <ul style="list-style-type: none"> ➤ Obtained and discussed with management about their basis for estimation and challenged their assumptions where appropriate. ➤ Reviewed the claim committee meeting minutes about decision about impending claims. ➤ Tested a sample of claims payments with intimation letter, survey report, bank statement, claim payment register and general ledger. ➤ Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.
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Emphasis of Matter:

We may draw the attention to the fact disclosed in note - 50.00.

Other Information

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable

assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on other Legal and Regulatory Requirements

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

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books;
- c) The Company management has followed relevant provisions of laws and rules in managing the affairs of the Company and proper books of accounts, records and other statutory books have been properly maintained and (where applicable) proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- d) As per section 63(2) of the Insurance Act 2010, in our opinion to the best of our knowledge and belief according to the information and explanation given to us, all expenses of management wherever incurred and whether incurred directly or indirectly, in respect of insurance business of the company transacted in Bangladesh during the year under report have been duly debited to the related Revenue Accounts and the Statement of profit or loss and other Comprehensive Income of the Company;
- e) We report that to the best of our information and as shown by its books, the company during the year under report has not paid any person any commission in any form, outside Bangladesh in respect of any its business re-insured abroad;
- f) The Statement of Financial Position, Statement of profit or loss and other Comprehensive Income, Profit and Loss Appropriation Account, related Revenue Accounts, Statement of Changes in Equity and Statement of Cash Flows of the Company together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- g) The expenditure was incurred for the purpose of the Company's business.

Place: Dhaka

Dated: 28 September 2020

Sd/-

Mr. Kazi Mostafa Alam FCA
Engagement Partner
Rahman Mostafa Alam & Co.
Chartered Accountants

DESH GENERAL INSURANCE COMPANY LIMITED

Statement of Financial Position

As at December 31, 2019

Particulars	Notes	Amount in Taka	
		31.12.2019	31.12.2018
EQUITY AND LIABILITIES:	- - -		
Share Capital			
Authorized :			
10,00,00,000 Ordinary Shares of Tk. 10 each	19.00	1,000,000,000	1,000,000,000
Issued, Subscribed and Paid up Capital			
24,000,000 Ordinary Shares of Tk. 10 each	20.00	240,000,000	240,000,000
Reserve or Contingency Account		38,797,365	30,576,395
Profit and Loss Appropriation Account		33,797,365	25,576,395
Reserve for Exceptional Losses		5,000,000	5,000,000
Total Shareholders' Equity		278,797,365	270,576,395
Balances of Funds & Accounts:	36.00	67,867,146	41,020,610
Fire Insurance Business		16,382,046	11,320,028
Marine Insurance Business		36,943,514	17,180,909
Motor Insurance Business		11,015,800	11,039,642
Miscellaneous Insurance Business		2,378,553	1,256,822
Marine Hull Insurance Business		1,147,234	223,208
Liability and Provisions		347,072,714	261,825,036
Estimated liabilities in respect of outstanding claims whether due or intimated	21.00	51,470,483	792,221
Amount due to other persons or bodies carrying on insurance business	22.00	76,974,568	78,465,821
Deposit Premium	23.00	2,732,460	2,391,644
Bank Loan	24.00	84,473,477	75,853,570
Sundry Creditors	25.00	53,331,689	54,184,047
Lease Liability		7,695,926	-
Deferred Tax Liability	35 (ii)	10,197,272	7,716,044
Provision for Taxation	35.00	60,196,839	42,421,689
Total Shareholders' Equity and Liabilities		693,737,225	573,422,040

The accompanying notes 1 to 57 and Annexure - A, B & C form an integral part of the financial statements.

DESH GENERAL INSURANCE COMPANY LIMITED

Statement of Financial Position

As at December 31, 2019

Particulars	Notes	Amount in Taka	
		31.12.2019	31.12.2018
PROPERTY AND ASSETS			
Non-Current Assets		165,361,237	146,709,499
Fixed Assets	33.00	131,836,397	121,709,499
Right of use asset		8,524,840	-
Investment-At cost (BGTB)	26.00	25,000,000	25,000,000
Current Assets:		284,557,415	183,420,516
Accrued Interest	27.00	6,989,923	11,501,629
Amount due from other persons or bodies carrying on insurance business	28.00	251,875,236	147,735,916
Sundry Debtors	29.00	25,692,256	24,182,971
Stamps in Hand		656,782	128,250
Stock of Printing Materials		4,210,918	4,460,560
Cash & Cash Equivalents:		238,950,874	238,703,215
Fixed Deposit Account	30.00	220,695,325	220,500,000
STD & Current Account	31.00	16,337,349	14,339,632
Cash in Hand	32.00	1,918,200	3,863,583
Total Property and Assets		693,737,225	573,422,040
Net Asset Value (NAV) per share	40.00	11.62	11.27

The accompanying notes 1 to 57 and Annexure - A, B & C form an integral part of the financial statements.

Sd/-
Chief Executive Officer
 Signed in terms of our report of even date annexed.

Sd/-
Director

Sd/-
Director

Sd/-
Chairman

Dated: Dhaka
 28 September 2020

Sd/-
Rahman Mostafa Alam & Co.
 Chartered Accountants

DESH GENERAL INSURANCE COMPANY LIMITED
Statement of Profit or Loss and other Comprehensive Income
For the year ended December 31, 2019

Particulars	Notes	Amount in Taka	
		Jan 01, 2019 to Dec 31, 2019	Jan 01, 2018 to Dec 31, 2018
Operating profit/(loss) transferred from:		65,934,901	48,306,881
Fire Insurance Revenue Account		19,650,960	6,305,094
Marine Insurance Revenue Account		33,100,664	21,112,099
Marine Hull Insurance Revenue Account.		(308,969)	407,133
Motor Insurance Revenue Account		15,359,303	14,651,386
Miscellaneous Insurance Revenue Account		(1,867,056)	5,831,168
Non - operating income			
Interest, Dividend & Rent		18,515,955	17,384,929
Interest on GSB		1,988,500	2,254,100
Interest on FDR		16,382,003	14,969,110
Interest on STD Accounts		145,452	161,719
Total Income		84,450,856	65,691,810
Less: Management Expenses			
Expenses of Management (Not Applicable to any Particular Fund or Account)		30,155,665	18,931,418
Advertisement & Publicity		151,650	119,200
Audit Fee		195,500	590,000
Audit Fee Paid		415,000	-
Bank Charges		450,634	464,472
Wall Calendar Bill		858,400	811,080
Depreciation	33.00	10,753,598	9,407,312
Depreciation on Right of use asset		3,223,454	-
Director Fees		462,400	383,000
Donation, Fees, Subscription & Others		135,350	391,000
Professional Fees		154,500	-
Training Fees		112,000	12,500
Interest on Loan		7,716,002	4,629,723
Interest on Lease Liabilities		686,561	-
Legal Fees		78,830	31,000
Renewal & Registration (Trade)		389,178	460,342

Credit Rating Fees		253,000	126,500
BD Expenses (PSB)		48,449	48,889
Annual Fees (BIA)		100,000	200,000
Penalty (IPO)		1,256,400	1,256,400
Worker's Profit Participation Fund		2,714,760	-
Net Profit/(Loss) before tax		54,295,191	46,760,392
Provision for Taxation:		(21,718,076)	(22,748,520)
Current Tax		(19,236,848)	(18,704,157)
Deferred Tax	35(ii)	(2,481,228)	(4,044,363)
Profit after tax transferred to profit & loss appropriation account		32,577,114	24,011,872
Total Expenses		84,450,856	65,691,810
Earning Per Share (EPS)	39.00	1.36	1.00

The accompanying notes 1 to 57 and Annexure - A, B & C form an integral part of the financial statements.

Sd/-
Chief Executive Officer

Sd/-
Director

Sd/-
Director

Sd/-
Chairman

Signed in terms of our report of even date annexed.

Dated: Dhaka
28 September 2020

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

DESH GENERAL INSURANCE COMPANY LIMITED

Profit or Loss Appropriation Account

For the year ended December 31, 2019

Particulars	Notes	Amount in Taka	
		Jan 01, 2019 to Dec 31, 2019	Jan 01, 2018 to Dec 31, 2018
Balance brought forward from previous year		25,576,395	25,564,523
Less: Adjustment for lease Liability for application of IFRS 16		(356,144)	-
Less: Transfer to Paid up Capital		-	-
Net Profit /(Loss) after tax		32,577,114	24,011,872
From Reserve for Exceptional Losses		-	-
Dividend paid		(24,000,000)	(24,000,000)
Total		33,797,365	25,576,395

The accompanying notes 1 to 57 and Annexure - A, B & C form an integral part of the financial statements.

Sd/-
Chief Executive Officer

Sd/-
Director

Sd/-
Director

Sd/-
Chairman

Signed in terms of our report of even date annexed.

Dated: Dhaka
28 September 2020

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

DESH GENERAL INSURANCE COMPANY LIMITED

Statement of Other Comprehensive Income

For the year ended December 31, 2019

Particulars	Notes	Amount in Taka	
		Jan 01, 2019 to Dec 31, 2019	Jan 01, 2018 to Dec 31, 2018
Profit After Tax	45.00	32,577,114	24,011,872
Other comprehensive income			
Revaluation Surplus		-	-
Changes in fair value the shares available for sale		-	-
Total Comprehensive Income		32,577,114	24,011,872

Sd/-
Chief Executive Officer

Sd/-
Director

Sd/-
Director

Sd/-
Chairman

Signed in terms of our report of even date annexed.

Dated: Dhaka
28 September 2020

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

DESH GENERAL INSURANCE COMPANY LIMITED							
CONSOLIDATED REVENUE ACCOUNT							
For the year ended December 31, 2019							
						Amount in Taka	
CLAIMS UNDER POLICIES LESS RE-INSURANCE	Fire	Marine	Motor	Misc.	Marine Hull	Total 2019	2018
Paid during the period:	50,195,857	852,373	1,683,135	314,916	15,833	53,062,113	38,147,548
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated.	51,258,749	-	211,734	-	-	51,470,483	792,221
	101,454,606	852,373	1,894,869	314,916	15,833	104,532,596	38,939,769
Less: Outstanding claims at the end of the Previous year	254,508	126,370	411,343	-	-	792,221	989,386
Claim for the Period	101,200,098	726,003	1,483,526	314,916	15,833	103,740,375	37,950,383
Agency Commission	15,850,594	14,052,563	3,771,238	889,542	164,784	34,728,721	20,481,715
Management Expenses (Note -34)	29,795,462	29,073,849	7,001,043	11,417,401	369,009	77,656,764	44,972,377
Stamp Duty	254	-	3,368	641	-	4,264	3,867
Profit/(Loss) transferred to Profit & Loss Account	19,650,960	33,100,664	15,359,303	(1,867,056)	(308,969)	65,934,901	48,306,881
Reserve for Unexpired Risks, being 40% of the net premium income of the period	16,382,046	36,943,514	11,015,800	2,378,553	1,147,234	67,867,146	41,020,610
Total :	182,879,415	113,896,593	38,634,278	13,133,996	1,387,890	349,932,172	192,735,833
Balance of Account at the beginning of the year :							
Reserve for Unexpired Risks	11,320,028	17,180,909	11,039,642	1,256,822	223,208	41,020,610	36,046,596
Premium Less Re-insurance (Note-41)	40,955,116	92,358,785	27,539,500	5,946,381	1,147,234	167,947,015	102,216,711
Commission on Re-insurance ceded	14,604,259	3,730,228	55,136	5,666,077	17,448	24,073,148	21,650,480
Profit Commission	-	220,633	-	-	-	220,633	526,689
Loss Recovery	116,000,013	406,038	-	264,715	-	116,670,766	32,295,358
Total :	182,879,415	113,896,593	38,634,278	13,133,996	1,387,890	349,932,172	192,735,833

Sd/-
Chief Executive Officer

Sd/-
Director

Sd/-
Director

Sd/-
Chairman

Signed in terms of our report of even date annexed.

Dated: Dhaka
28 September 2020

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

DESH GENERAL INSURANCE COMPANY LIMITED

FIRE INSURANCE REVENUE ACCOUNT

For the year ended December 31, 2019

Particulars	Note	Amount in Taka	
		Jan 01, 2019 to Dec 31, 2019	Jan 01, 2018 to Dec 31, 2018
Balance of Account at the beginning of the year :			
Reserve for Unexpired Risks		11,320,028	12,984,298
Premium Less Re-insurance (Note-41)		40,955,116	28,300,069
Commission on Re-insurance ceded		14,604,259	13,205,962
Profit Commission		-	-
Loss Recovery		116,000,013	24,396,357
Total		182,879,415	78,886,685
Claims under Policies less Reinsurances:			
Paid during the period		50,195,857	34,654,891
		51,258,749	254,508
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated.		101,454,606	34,909,399
Less: Outstanding claims at the end of of the Previous year		254,508	254,508
Total Claims under Policies less Reinsurances:		101,200,098	34,654,891
Agency Commission		15,850,594	9,963,050
Management Expenses (Note -34)		29,795,462	16,643,377
Stamp Duty		254	246
Profit/(Loss) transferred to Profit & Loss Account		19,650,960	6,305,094
Reserve for Unexpired Risks, being 40% of the net premium income of the Period		16,382,046	11,320,028
Total		182,879,415	78,886,685

Sd/-
Chief Executive Officer

Sd/-
Director

Sd/-
Director

Sd/-
Chairman

Signed in terms of our report of even date annexed.

Dated: Dhaka
28 September 2020

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

DESH GENERAL INSURANCE COMPANY LIMITED
MARINE CARGO INSURANCE REVENUE ACCOUNT

For the year ended December 31, 2019

Particulars	Note	Amount in Taka	
		Jan 01, 2019 to Dec 31, 2019	Jan 01, 2018 to Dec 31, 2018
Balance of Account at the beginning of the year :			
Reserve for Unexpired Risks		17,180,909	11,317,863
Premium Less Re-insurance (Note-41)		92,358,785	42,952,272
Commission on Re-insurance ceded		3,730,228	2,654,252
Profit Commission		220,633	180,163
Loss Recovery		406,038	44,240
Total		113,896,593	57,148,791
Claims under Policies less Reinsurances:			
Paid during the period		852,373	381,726
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated.		-	126,370
		852,373	508,096
Less: Outstanding claims at the end of of the Previous year		126,370	126,370
Total Claims under Policies less Reinsurances:		726,003	381,726
Agency Commission		14,052,563	6,059,373
Management Expenses (Note -34)		29,073,849	12,414,683
Stamp Duty		-	-
Profit/(Loss) transferred to Profit & Loss Account		33,100,664	21,112,099
Reserve for Unexpired Risks, being 40% of the net premium income of the Period		36,943,514	17,180,909
Total		113,896,593	57,148,791

Sd/-
Chief Executive Officer

Sd/-
Director

Sd/-
Director

Sd/-
Chairman

Signed in terms of our report of even date annexed.

Dated: Dhaka
28 September 2020

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

DESH GENERAL INSURANCE COMPANY LIMITED

MOTOR INSURANCE REVENUE ACCOUNT

For the year ended December 31, 2019

Particulars	Note	Amount in Taka	
		Jan 01, 2019 to Dec 31, 2019	Jan 01, 2018 to Dec 31, 2018
Balance of Account at the beginning of the year :			
Reserve for Unexpired Risks		11,039,642	9,212,963
Premium Less Re-insurance (Note-41)		27,539,500	27,599,106
Commission on Re-insurance ceded		55,136	85,203
Profit Commission		-	-
Loss Recovery		-	-
Total		38,634,278	36,897,272
Claims under Policies less Reinsurances:			
Paid during the period		1,683,135	1,431,556
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated.		211,734	411,343
		1,894,869	1,842,899
Less: Outstanding claims at the end of the Previous year		411,343	608,508
Total Claims under Policies less Reinsurances:		1,483,526	1,234,391
Agency Commission		3,771,238	3,805,614
Management Expenses (Note -34)		7,001,043	6,162,977
Stamp Duty		3,368	3,262
Profit/(Loss) transferred to Profit & Loss Account		15,359,303	14,651,386
Reserve for Unexpired Risks, being 40% of the net premium income of the Period		11,015,800	11,039,642
Total		38,634,278	36,897,272
Sd/- Chief Executive Officer	Sd/- Director	Sd/- Director	Sd/- Chairman

Signed in terms of our report of even date annexed.

Dated: Dhaka
28 September 2020

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

DESH GENERAL INSURANCE COMPANY LIMITED
MISCELLANEOUS INSURANCE REVENUE ACCOUNT

For the year ended December 31, 2019

Particulars	Note	Amount in Taka	
		Jan 01, 2019 to Dec 31, 2019	Jan 01, 2018 to Dec 31, 2018
Balance of Account at the beginning of the year :			
Reserve for Unexpired Risks		1,256,822	2159254
Premium Less Re-insurance (Note-41)		5,946,381	3,142,055
Commission on Re-insurance ceded		5,666,077	5,691,206
Profit Commission		-	346,526
Loss Recovery		264,715	7,703,450
Total		13,133,996	19,042,492
Claims under Policies less Reinsurances:			
Paid during the period		314,916	1,677,203
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated.		-	-
		314,916	1,677,203
Less: Outstanding claims at the end of of the Previous year		-	-
Total Claims under Policies less Reinsurances:		314,916	1,677,203
Agency Commission		889,542	618,839
Management Expenses (Note -34)		11,417,401	9,658,099
Stamp Duty		641	359
Profit/(Loss) transferred to Profit & Loss Account		(1,867,056)	5,831,168
Reserve for Unexpired Risks, being 40% of the net premium income of the Period		2,378,553	1,256,822
Total		13,133,996	19,042,492

Sd/-
Chief Executive Officer

Sd/-
Director

Sd/-
Director

Sd/-
Chairman

Signed in terms of our report of even date annexed.

Dated: Dhaka
28 September 2020

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

DESH GENERAL INSURANCE COMPANY LIMITED
MARINE HULL INSURANCE REVENUE ACCOUNT

For the year ended December 31, 2019

Particulars	Note	Amount in Taka	
		Jan 01, 2019 to Dec 31, 2019	Jan 01, 2018 to Dec 31, 2018
Balance of Account at the beginning of the year :			
Reserve for Unexpired Risks		223,208	372,218
Premium Less Re-insurance (Note-41)		1,147,234	223,208
Commission on Re-insurance ceded		17,448	13,857
Profit Commission		-	-
Loss Recovery		-	151,310
Total		1,387,890	760,593
Claims under Policies less Reinsurances:			
Paid during the period		15,833	2,172
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated.		-	-
		15,833	2,172
Less: Outstanding claims at the end of the Previous year		-	-
Total Claims under Policies less Reinsurances:		15,833	2,172
Agency Commission		164,784	34,839
Management Expenses (Note -34)		369,009	93,241
Stamp Duty		-	-
Profit/(Loss) transferred to Profit & Loss Account		(308,969)	407,133
Reserve for Unexpired Risks, being 100% of the net premium income of the Period		1,147,234	223,208
Total		1,387,890	760,593

Sd/-
Chief Executive Officer

Sd/-
Director

Sd/-
Director

Sd/-
Chairman

Signed in terms of our report of even date annexed.

Dated: Dhaka
28 September 2020

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

Desh General Insurance Company Ltd.

Statement of Cash Flows

For the year ended December 31, 2019

Particulars	Amount in Taka	
	2019	2018
A. Cash Flow from Operating Activities:		
Receipts from premium and others	282,628,149	153,929,699
Payment for Management Expenses, Re-Insurance, Claim, Interest & Others	(244,658,203)	(128,344,317)
Income Tax deducted at Source	(1,461,697)	-
Net Cash Flow from Operating Activities	36,508,248	25,585,382
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(20,880,496)	(22,983,049)
(Increase)/ Decrease in Fixed Deposit	(195,325)	(5,100,000)
Net Cash Flow from Investing Activities	(21,075,821)	(28,083,049)
C. Cash Flow from Financing Activities:		
Loans paid	8,619,907	26,558,182
Dividend Paid	(24,000,000)	(24,000,000)
Net Cash Flow from Financing Activities	(15,380,093)	2,558,182
Increase / (Decrease) in Cash and Bank Balance (A+B+C)	52,335	60,515
Add: Cash and Bank Balance at Opening	18,203,214	18,142,699
Cash and Bank Balance at Closing	18,255,549	18,203,214
Net Operating Cash Flow per Share (NOCFPS)	1.52	1.07

Sd/-
Chief Executive Officer

Sd/-
Director

Sd/-
Director

Sd/-
Chairman

Signed in terms of our report of even date annexed.

Dated: Dhaka
28 September 2020

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

DESH GENERAL INSURANCE COMPANY LIMITED
STATEMENT OF CHANGING IN SHAREHOLDERS EQUITY
For the year ended December 31, 2019

Amount in Taka

Particulars	Share Capital	Reserve for Exceptional Losses	Profit & Loss appropriation account	Total
Balance at 1st January 2019	240,000,000	5,000,000	25,576,395	270,576,395
Adjustment for lease liability for application of IFRS 16	-	-	(356,144)	(356,144)
Profit after tax for the period 31.12.2019	-	-	32,577,114	32,577,114
Dividend paid	-	-	(24,000,000)	(24,000,000)
Balance at 31 December, 2019	240,000,000	5,000,000	33,797,365	278,797,365
Balance at 31 December, 2018	240,000,000	5,000,000	25,576,395	270,576,395

Sd/-
Chief Executive Officer

Sd/-
Director

Sd/-
Director

Sd/-
Chairman

Signed in terms of our report of even date annexed.

Dated: Dhaka
28 September 2020

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

DESH GENERAL INSURANCE COMPANY LIMITED

FORM - "A A"

Classified Summary of Assets

As at December 31, 2019

SL. No.	Class of Assets	Book value in Taka 2019	Book value in Taka 2018	Remarks
(I)	National Investment Bond Statutory Deposit with Bangladesh Bank	25,000,000	25,000,000	At Cost
(II)	Interest accrued but not received	6,989,923	11,501,629	Book Value
(III)	Amount due from other persons or bodies carrying on Insurance Business	251,875,236	147,735,916	Do
(IV)	Sundry Debtors	25,692,256	24,182,971	Do
(V)	Fixed Deposit with Banks	220,695,325	220,500,000	Do
(VI)	STD & Current account with Banks	16,337,349	14,339,632	Do
(VII)	Cash, Cheques & Stamps in hand	2,574,982	3,991,833	Do
(VIII)	Fixed Assets	140,361,237	121,709,499	Written Down Value
(IX)	Stock of Printing materials	4,210,918	4,460,560	At Cost
Total :		<u>693,737,225</u>	<u>573,422,040</u>	

Sd/-
Chief Executive Officer

Sd/-
Director

Sd/-
Director

Sd/-
Chairman

Signed in terms of our report of even date annexed.

Dated: Dhaka
28 September 2020

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

DESH GENERAL INSURANCE COMPANY LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

1.00 Corporate Information-Domicile, Legal Form and Country of Incorporation

The Company was incorporated in Bangladesh as a Public Limited Company by Shares on the 08 day of February, 2000 under the Company's Act, 1994 and its Commencement of Business started from The 08 day of February, 2000 and the registration certificate from the Controller of Insurance was received for starting general insurance business on the 2nd day of March, 2000 and this was subsequently renewed up to 31 December, 2019.

Address of Registered Office:

The registered office of the Company is located at Jiban Bima Bhaban, Front Block (Level # 5), 10, Dilkusha Commercial Area, Dhaka-1000. The Operation of the Company was being carried out through its 18 nos. of branches located all over Bangladesh with Head Office at 10, Dilkusha C/A, Dhaka.

Principal Activities and Nature of Operation

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

2.00 Basis of Preparation :

The following underlying assumptions, measurement Basis, laws, rules, regulations and accounting pronouncements have been considered in preparing and presenting the financial statements:

- Going Concern
- Accrual Basis
- Historical Cost Convention
- Generally Accepted Accounting Principles (GAAP) and Practices in Bangladesh
- The Company's Act, 1994
- Insurance Act, 2010
- Insurance Rules, 1958 followed for the purpose of prescribed format.
- The Securities and Exchange Rules, 1987
- The Accounting Standards adopted by the Institute of Chartered Accountants of Bangladesh (ICAB)

2.01 Going Concern

The 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.

2.02 Accrual Basis

The financial statements have been prepared under the accrual basis of accounting.

2.03 Premium Recognition

Premium 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 are received from Sadharan Bima Corporation.

3.00 Compliance of Bangladesh Financial Reporting Standards (IFRSs)

The Financial Statements have been prepared in accordance with the International Financial Reporting standard (IFRSs), including International Accounting Standards (IASs).

4.00 Risk and uncertainty for use of Estimates and Judgments

The preparation of Financial Statements in conformity with the International Financial Reporting Standards (IFRSs) including the International Accounting Standard (IAS) require management to give verdict , estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenditures, and for contingent assets and liabilities that require disclosure during and at the date of financial statement. Actual results could differ from those estimates. Estimates and underlying assumptions used for accounting of certain items such as long-term contracts, provision for doubtful accounts, depreciation and amortization, taxes, reserves and contingencies.

5.00 Compliance of International Accounting Standards (IASs)

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

SL. No.	Name of IAS	No. of IAS	Status
1	Presentation of Financial Statements	1	Complied
2	Statement of Cash Flows	7	Complied
3	Events after the Balance Sheet Date	10	Complied
4	Income Tax	12	Complied
5	Property, Plant and Equipment	16	Complied
6	Revenue	15 (IFRS)	Complied
7	Related Party Transactions	24	Complied
8	Financial Instruments Presentation	32	Complied
9	Earning Per Share	33	Complied
10	Provision, Contingent Liabilities and Contingent Assets	37	Complied

6.00 Specific Accounting Policies Selected and Applied for Significant Transactions and Events

The specific accounting policies selected and applied by the Company's Directors for the significant transactions and events that have material effect within the framework of IAS 1 "Preparation and Presentation of Financial Statements", in Preparation and Presentation of Financial Statements have been consistently applied throughout the year and We are also consistent with those used in earlier years.

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the IAS 1 "Preparation and Presentation of Financial Statements".

a) Revenue Recognition

Revenue represents invoice value of policies. Revenue is recognized when policies are made. Invoices were issued after satisfying the following conditions as prescribed by IAS 18 "Revenue Recognition":

- (i) The significant risks and rewards of ownership of the policies have been transferred to the policy holder;
- (ii) the amount of revenue was measured reliably;
- (iii) it was probable that the economic benefits relating to the transaction will flow to the Company ;
- (iv) neither continuing managerial involvement nor effective control usually associated with ownership of the policy was retained by the Company; and
- (v) cost relating to the transactions was measured reliably.

b) Materiality and aggregation

Each material class of similar items is presented separately in the Financial Statements. Item of a dissimilar nature of function is presented separately unless are immaterial.

c) Revenue Account

While preparing the Revenue Account, the effect of necessary adjustment has duly been given in to accounts in respect of re-insurance business ceded and accepted. Re-insurance Premium ceded has been accounted for into accounts.

Surplus or deficit on revenue has been arrived at after providing for un-expired risk @ 40% on all business except Marine Hull insurance for which 100% provision has been created for un-expired risks.

d) Premium and Claim

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

e) Management Expenses

Management Expenses charged to revenue accounts amounting to Tk. 77,656,764.00 represents approximately 25.20% of gross premium of Tk. 308,191,870 (Including Public sector business of Tk. 76,667,062.00). The expenses have been apportioned @ 38.37% to Fire, 37.44% to Marine Cargo, 0.48% to Marine Hull, 09.02% to Motor and 14.70% to miscellaneous business as per management decision.

Property, Plant & Equipments

f) Recognition & Measurement

These are capitalized at the cost of acquisition and subsequently stated at cost less accumulated depreciation in compliance with the benchmark treatment of IAS 16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use and other related incidental charges. Expenditures incurred after the assets have been put into operation, such as repairs & maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it might be clearly demonstrated that the expenditure has resulted as an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditures are capitalized as an additional cost of the assets.

g) Subsequent Cost

The cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits associated with the part will flow to the company and its cost can be measured reliably.

h) Depreciation

In respect of all fixed assets, depreciation is provided to amortize the cost of the assets after commissioning, over their expected useful economic lives in accordance with the provision of IAS 16 "Property, Plant & Equipment"

Depreciation on fixed assets has been charged at a reducing balance method. 12 month's depreciation has been charged on the book value of fixed assets excluding Land at the rates varying from 5% to 10%. Depreciation is charged at the rate shown below:

Office Equipment	5%
Motor Vehicle	10%
Decoration	5%
Furniture & Fixtures	5%
Telephone Install.	10%
Signboard & Holding	10%
Computer	10%
Electrical Equipment	5%
Air Condition	8%
Crokaries	10%
Software Installation	5%

Full month Depreciation is charged during the month of acquisition and no depreciation is charged during the month of disposal

De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the assets is included in the statement of comprehensive income in the year asset is de-recognized.

i) Disposal of Fixed Assets

On disposal of Fixed Assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the income statement, which is determined with reference to the net book value of the assets and net sales proceeds

- j) Investment is started at its cost of acquisition and interest earned on statutory deposits lying with the Bangladesh Bank in the form Bangladesh Govt. Treasury Bond and the interest and profit earned on term deposit have been duly accounted for on accrual BASis. The statement of comprehensive Income also reflects the income on account of interest on investment in FDR, Bond, Shares and miscellaneous Income. The market value or cost price of investment in share whichever is lower have been taken as investment of share.

k) Sundry Debtors (Including Advance, Deposits and Pre-Payments)

These are carried at original invoice amount, which represents net realizable value.

l) Cash & Cash Equivalents

For the Purpose of Statement of Financial Position and of Statement of cash Flows, cash in hand, fixed deposit with other banks, collection in hand, stamp in hand and bank balances represent Cash and cash Equivalents considering the IAS 1 "Preparation and Presentation of Financial Statements" and IAS 7 "Statement of Cash Flows", which provide, that cash and cash equivalents are readily convertible to known amount of cash and are subject to insignificant risk of changed in value and are not restricted as to use.

m) Other Current Assets

Other current assets have a value on realization in the ordinary course of the company's business which is at least equal to the amount at which they are stated in the Statement of Financial Position

n) Income Tax

Current Tax

Current Tax has been provided on the estimated taxable profit for the year under review at 40.00% tax rate being the tax rate applicable for the Insurance Company. It also includes adjustments for earlier year's short/excess provision.

Deferred Tax

The Company has adopted deferred Tax during the period under the review in compliance with the provisions of Bangladesh Accounting Standards (ISA-12) 'income Taxes' the company's policy of recognition of deferred Tax assets/Liabilities is Based on temporary differences (Taxable or Deductable) between the carrying amount (Book Value) of assets and liabilities for financial reporting purposes and its tax Base, and accordingly, deferred tax income/expenses has been considered to determine net profit after tax and Earning Per Share (EPS).

Provision for Income Tax

Basis of Provision for Income Tax: Net Profit-Reserve for exceptional loss X tax rate.

o) Proposed Dividend

Proposed Dividend for the year 2019 recommended by the Board of Directors for approved by the shareholders. Dividend if any proposed by the Board of Directors for the period under review shall be accounted for after the approval of the shareholders in the Annual General Meeting. The said proposed dividend has not been recognized as liability in the financial statements in accordance with the IAS 10 "Even after the Financial Statement Date". IAS-1 "Presentation of Financial Statements" also requires the dividends proposed after the financial statement date before the financial statements are authorized to for issue, be disclosed either on the face of the Financial Statement as a separate component of equity or the notes to the financial statement. Accordingly, the company has disclosed on notes to the financial statements. we may note no interim dividend has been proposed by the Board of Directors.

p) Cost of Post Employment Benefits

(i) Defined Contribution Plan

There is no defined contribution plan

(ii) Defined Benefits

There is no defined benefits plan

(iii) Insurance Scheme

There is no Insurance Scheme covering personal accident or death or partial or full disability

(iv) Number of Employees

There were 264 employees for the period ended on 31 December 2019 whose salary exceeds Tk. 3,000.00 per month

q) Other Corporate Debt, Accounts Payable, Trade and Other Liabilities

These liabilities are carried at the anticipated settlement amount in respect of policies and services received, whether or not billed by the policyholder and supplier.

r) Provisions

Provisions are liabilities of uncertain timings or amount. Provisions are recognized when the company has a present legal or constructive obligation as a result of past events. As per IAS 37, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation might be made.

s) Earnings Per Share (EPS)

The company calculates earnings per share (EPS) in accordance with IAS 33 "Earning Per Share" which has been shown on the face of statement of comprehensive Income. The disclosure has been made in the Note 39 in respect of numerator (net profit) used in the calculation of Basic EPS with necessary computation and reconciliation.

Basic Earnings

This represent earnings for the year attributable to ordinary shareholders, as there was no preference dividend, minority interest and extra ordinary items, the net profit for the year has been considered as fully attributable to the ordinary shareholders.

Diluted Earnings Per Share

No diluted Earnings Per Share (EPS) is required to be calculated for the period as there was no scope for dilution during the year under review.

t) Reserve For Exceptional Losses

Provision for exceptional losses has been made during the period under audit

u) Share of Public Sector Business

Company's Share of Public Sector Business is accounted for the period in which the complete set of accounts from Sadharan Bima Corporation (SBC) is received. During the period the company has included 4 (Four) quarters of its share of the Public Sector Business as confirmed by the Sadharan Bima Corporation (SBC) in the following manner:

Period	Particulars of Quarter	No.
1st July,2018 to 30th Sept,2018	3rd Quarter of 2018	1 (One)
1st Oct,2018 to 31st December,2018	4th Quarter of 2018	1 (One)
1st Janu., 2019 to 31st March,2019	1st Quarter of 2019	1 (One)
1st April,2019 to 30th June,2019	2nd Quarter of 2019	1 (One)
Total		4 (Four)

v) Recognized Gain and Losses

No gain or loss was directly dealt with the shareholders equity without being recognized in the Statement of Comprehensive Income

Therefore, net profit after tax for the period is the total recognized gain

w) Historical Cost Income and Expenditures

As there was no extra ordinary item, there was no difference in profit from ordinary activities before taxation and the net profit before tax. Furthermore as there was no revaluation of fixed assets in previous years and during the year under review, there was no factor like differences between historical cost depreciation and depreciation on revalued amount, realization of revenue surplus on retirement or disposal of assets etc. therefore, no separate note of historical cost profit and loss has been presented.

x) **Statement of Comprehensive Income**

- A) The results for the year were not materially affected by the following:
- B) transactions of a nature not usually undertaken by the company;
- C) circumstances of an exceptional or non-recurring nature;
- D) charges or credits relating to prior years.

7.00 **Classified Summary of Assets**

The valuation of all assets as at 31 December, 2019 as shown in the statement of Financial Position and in the classified summary of assets in **Form AA** annexed with thereport has been reviewed and the said assets have been set-forth in the statement of Financial Position at amount not exceeding their realizable or market value in aggregate.

7.00
(A) **Lease Accounting as per IFRS-16**

The Company applied IFRS - 16 with partial retrospective effect and recognised the cumulative effect as initially applying IFRS-16.

As per IFRS 16, Pera-5, 6 & 8 leases with a lease term of 12 months or less and containing no purchase options are exempted.

The Following is a reconciliation of the financial statement line item for applying IFRS-16 at January 01, 2019:

Particulars		Carrying amount at December 31, 2018	Reclassification	Carrying Amount at January 01, 2019
Right of Use Assets		-	11,748,294	11,748,294
Lease Liability		-	11,436,479	11,436,479
Equity		270,576,395	(356,144)	270,220,250

8.00 **Financial Instruments and Derivatives Primary Financial Instruments (Financial Assets and Liabilities)**

The disclosure of primary financial Instruments carried at the Statement of Financial Position date alongwith the recognition methods and risks involved are summarized in Note 43 in accordance with the provision of IAS 32 Financial Instruments "Disclosure and Presentation".

9.00 **Derivative Financial Instruments**

The Company is not a party to any derivative contract at the Statement of Financial Position date, such as forward exchange contract, currency swap agreement or interest rate option contract to hedge currency exposure related to import of raw materials and others or principal and interest obligation of foreign currency loans.

10.00 **Information by the Industry Segments and Geographical Areas Industry Segment Information**

No mention is made because the company does not have any segment other than the general insurance business.

Geographic Segment Information

No applicable as the company does not have any business unit outside Bangladesh

11.00 Reporting Currency

The Financial Statements are presented in Bangladeshi Taka which is the Company's functional currency. No Foreign Currency Transactions were transacted during the period and thus the conversion of Foreign Currency into Bangladeshi Taka Currency is not required the period ended 31 December 2019.

12.00 Comparative Information and Re-Arrangement thereof

Comparative Information has been disclosed in respect of the period 31 December, 2019 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year's financial statements.

Figures of the period 2019 have been rearranged whenever considered necessary to ensure comparability with the current period.

13.00 Transactions with Related Parties

During the year under review the Company carried out the transactions with the related parties in the normal course of business and on arm's length BASis.

14.00 Events after Reporting Period

In compliance with the requirements of IAS 10: Events After Reporting Period post statement of Financial Position adjusting events that provide additional information about the company's position as the Statement of Financial Position date are reflected in the financial statements and events after Reporting Period that are not adjusting events are disclosed in the notes when material.

15.00 Approval of the Financial Statements

The financial statements were approved by the Board of Directors as on 27 September 2020

16.00 Reporting Period

The financial statements of the company cover for the period from 1 January 2019 to 31 December, 2019.

17.00 Statement of Cash Flows

Statement of Cash Flows is prepared principally in accordance with IAS 7 "Statement of Cash Flows" and the cash flow the operating activities have been presented under direct method as required by the Securities and Exchange Rule 1987 and considering the provisions of Paragraph 19 of IAS 7 which provide that "Enterprises are Encouraged to Report Cash Flow from Operating Activities Using the Direct Method".

18.00 Components of the Financial Statements

Financial Statements includes the following Component:

- (i) Statement of Financial Position as at 31 Dcember, 2019;
- (ii) Statement of Profit or Loss Account with Comprehensive Income for the period ended 31 Dcember, 2019
- (iii) Income Appropriation Account for the period ended 31 Dcember, 2019;

- (iv) Revenue Accounts (Fire, Marine Cargo, Marine Hull, Motor, Miscellaneous Insurance Revenue Account) for the period ended 31 December, 2019;
- (v) Statement of Changes in Equity for the period ended 31 December, 2019;
- (vi) Statement of Cash Flows for the period ended 31 December, 2019;
- (vii) Accounting Policies and Explanatory Notes.

STATEMENT OF FINANCIAL POSITION

SHAREHOLDERS EQUITY AND LIABILITIES

19.00 SHARE CAPITAL:

AMOUNT (TK.) Dec 31,
2019

AMOUNT (TK.) Dec
31, 2018

Authorized Capital Tk. 100,00,00,000.00
10,00,00,000 Ordinary Shares of Tk. 10 each.

1,000,000,000

1,000,000,000

20.00 Issued Subscribed & paid-up Capital Tk. 240,000,000.00

240,000,000

240,000,000

24,000,000 Ordinary shares of Tk. 10 each issued in cash
to sponsors.

OWNERSHIP OF THE COMPANY'S SECURITIES (As per Schedule X)

Sl. No.	Name of Shareholder	Position	Shareholdings	Percentage
1	Mr. Jashim Uddin	Chairman	1,649,629	6.87
2	Mr. M. Monsurul Islam	Sponsor Share Holder	599,831	2.50
3	Mrs. Priti Kana Bose	Director	809,831	3.37
4	Mr. Moshfeque Mamun Rizvi	Sponsor Share Holder	250,451	1.04
5	Mr. Murad Mohammed Taj	Director	1,227,330	5.12
6	Mr. Md. Saifuddin Khaled	Sponsor Share Holder	626,214	2.61
7	Mr. Md. Akbor Hossain	Vice Chairman	1,281,845	5.34
8	Mr. Tahrin Aman	Director	800,000	3.33
9	Mr. Aminur Rahman	Director	806,215	3.36
10	Mrs. Rokeya Quader	Director	1,495,510	6.23
11	Engr. A.K.M. Ahsanul Haque	Director	1,121,185	4.67
12	Mr. Nil Kantha Roy	Director	1,068,180	4.45
13	Engr. Tarikul Alam Rahimi	Director	1,576,665	6.57
14	Mrs. Rehana Begum	Sponsor Share Holder	351,758	1.47
15	Mrs. Nauzat Begum	Director	800,000	3.33
16	Al-Haj Mosharref Hossain	Share Holder	1,487,432	6.20
17	Mr. M. Amanullah	Share Holder	695,155	2.90
18	Mr. Morshed Alam	Share Holder	2,350,371	9.79

19	Mr. Sakif Nazran Bhuiyan	Share Holder	1,495,510	6.23
20	Mr. Amir Hossain Amu	Share Holder	2,506,933	10.45
21	Mrs. Shamima Yeasmin	Share Holder	999,955	4.17
Total			24,000,000	100.00

Particulars	Amount in Taka	
	Dec 31, 2019	Dec 31, 2018

21.00

Estimated Liability in respect of outstanding claims whether due or intimated

The break- up of the amount is noted below:

Fire	51,258,749	254,508
Marine	-	126,370
Motor	211,734	411,343
Total	51,470,483	792,221

22.00

Amount due to other persons or bodies carrying on insurance Business

Payable to SBC & Others for Reinsurance premium	76,441,273	77,932,526
Co-Insurance Premium payable	533,295	533,295
Total	76,974,568	78,465,821

23.00 Premium Deposit

This represents amount received against cover notes for which risks have not been initiated and such amount will be adjusted upon initiation of risk and issuance of policy in due course.

Total	2,732,460	2,391,644
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24.00 Bank Loan

This balance is made up as follows:

Name of Bank	Account No.	Amount (Tk.)	Amount (Tk.)
Bank Asia Ltd., Principal Office Br.	58331/14987, 58394/15050	1,643,839	1,637,696

Padma Bank Ltd.	0162300153549	2,331,204	2,313,807
IDLC, Dhaka.	1026202053871001, 1026202053871019	2,175,293	3,043,463
Shahjalal Islami Bank, Bijoy Nagar Br.	12864, 13096, 13097, 13160	44,393,146	44,267,154
Modhumoti Bank Ltd., Gulshan Br.	1103 706000000035	25,033,329	24,591,450
Southeast Bank Ltd., Motijheel Br.	74900003620	8,896,667	-
Total		84,473,477	75,853,570

25.00 Sundry Creditors

Loan	22,200,000	22,200,000
Audit Fees	350,000	150,000
Office rent	4,231,973	8,286,756
Refund Premium	1,285,927	1,285,927
Water bill (JBC)	331,107	625,350
Electricity bill (JBC)	2,074,201	3,068,742
Salary & Allowances	2,362,422	1,797,237
Signing World (Advertisement bill)	30,000	30,000
Decoration bill	70,777	70,777
M/s. Eastern Type Writer	53,500	53,500
Drinking Water bill	8,282	9,430
Printing bill (Security deposit retained)	12,000	12,000
Security Deposit	156,000	156,000
Courier bill	14,628	31,119
Branch Incharge & Others	424,672	427,172
Telephone bill	6,098	35,999
VAT and Stamp payable	11,681,174	11,015,383
Deduction of VAT at Source	416,427	399,222
Source Tax	4,851,990	4,441,572
Shield Security Services	55,751	87,861
Payable to Worker's Profit Participation Fund		-

		2,714,760	
	Total	53,331,689	54,184,047
26.00	Investment (At Cost): Govt. Security Bond		
	The amount represents 5 years Government Security Bond, which is kept as a Statutory Deposit at Sonali Bank Limited under Insurance Act, 2010. Interest accrued on the Investment has been accounted for.	25,000,000	25,000,000
27.00	Accrued Interest		
	Accrued Interest on FDR	6,866,762	11,182,579
	Accrued Interest on Govt. Security Bond	123,161	319,050
	Total	6,989,923	11,501,629
28.00	Amount due from other persons or bodies carrying on insurance business		
	Co-Insurance premium	228,689	228,689
	Amount due from Sadharan Bima Corporation	251,646,547	147,507,227
	Total	251,875,236	147,735,916
29.00	Sundry Debtors		
	Advance against office Rent & Salary	6,694,365	5,353,680
	Advance against Survey Fee	315,000	215,000
	Telephone security	53,244	53,244
	Deposit against Vat appeal	333,624	333,624
	Advance Legal fees	2,077,600	1,952,600
	Advance to Branch In-charges & others	5,787,103	5,787,103
	Security Deposits	112,120	112,120
	Advance Issue Management Fee	500,000	200,000
	Advance Claim	6,000,000	5,000,000
	Advance Calendar Bill	-	100,000
	Advance Software Installation	50,000	50,000
	Deferred Expenses	3,769,200	5,025,600
	Total	25,692,256	24,182,971

30.00 Fixed Deposit Account

Sl. No.	Name of The Bank	Name of Branch		
1	AB Bank Ltd	Pragati Sharani Branch	-	2,000,000
2	AB Bank Ltd	Mirpur Branch	-	1,000,000
3	AB Bank Ltd.	Islampur Branch	600,000	600,000
4	AB Bank Ltd.	Islami Banking Branch Kakrail.	500,000	500,000
5	AB Bank Ltd.	Uttara Branch	-	5,000,000
6	Al Arafa Islami Bank Ltd.	Islampur Branch	600,000	600,000
7	Al Arafah Islami Bank Ltd	Motijheel Corp. Branch, Dhaka.	1,100,000	1,100,000
8	Al-Arafah Islami Bank Ltd.	Bogra Branch	1,000,000	1,000,000
9	Al-Arafah Islami Bank Ltd.	Bogra Branch	500,000	500,000
10	Al-Arafah Islami Bank Ltd.	VIP Road Branch	1,000,000	-
11	Bangladesh Commerce Bank	Gazipur Chowrasta Branch	500,000	500,000
12	Bangladesh Commerce Bank Ltd.	Bangshal Branch	2,000,000	2,000,000
13	Bangladesh Krishi Bank	Corprate Branch Khulna.	500,000	500,000
14	Bank Asia Ltd	Principal Office Branch	1,000,000	1,000,000
15	Bank Asia Ltd	Principal Office Branch	1,000,000	1,000,000
16	Bank Asia Ltd.	Principal Office Branch	500,000	500,000
17	BASIC Bank Ltd.	KDA Avenue Branch Khulna	500,000	500,000
18	Brac Bank Ltd.	Mohammadpur SME Service Centre Branch	2,000,000	2,000,000
19	Dhaka Bank Ltd.	Narayangonj Branch	1,000,000	1,000,000
20	Dhaka Bank Ltd.	Board Bazar Branch	1,000,000	1,000,000
21	Dhaka Bank Ltd.	Bogra Branch	500,000	500,000
22	Eastern Bank Ltd	Ashulia Branch, Savar	-	1,000,000
23	EXIM Bank Ltd	Sonaimuri Branch, Noakhali	1,000,000	1,000,000
24	Exim Bank Ltd.	Rajuk Avenue Branch	500,000	500,000
25	Exim Bank Ltd.	Jublee Road Branch CTG.	1,000,000	1,000,000
26	IFIC Bank Ltd.	Motijheel Branch	500,000	500,000
27	IFIC Bank Ltd.	Jessore Branch	50,000	50,000

28	IFIC Bank Ltd.	Benapole Branch	100,000	100,000
29	IFIC Bank Ltd.	Khulna Branch	500,000	500,000
30	IFIC Bank Ltd.	Rajshahi Branch	200,000	200,000
31	IFIC Bank Ltd.	Chapai Nawabgonj Branch	100,000	100,000
32	IFIC Bank Ltd.	Baneshwae Branch	100,000	100,000
33	IFIC Bank Ltd.	Sk. Mujib Road Branch CTG.	1,000,000	1,000,000
34	IFIC Bank Ltd.	Rajshahi Branch	200,000	200,000
35	IFIC Bank Ltd.	Nawabpur Road Branch	500,000	500,000
36	Islami Bank Bangladesh Ltd.	Local Office Branch	1,000,000	1,000,000
37	Islami Bank Bangladesh Ltd.	Local Office Branch	3,000,000	3,000,000
38	Islami Bank Bangladesh Ltd.	wiseghat Branch, Dhaka	1,000,000	1,000,000
39	Islami Bank Bangladesh Ltd.	Mohasthangor SME Branch, Bogra	500,000	500,000
40	Islami Bank Bangladesh Ltd.	Rajshahi Branch	1,000,000	1,000,000
41	Islami Bank Bangladesh Ltd.	Dholaikhal Branch	-	1,000,000
42	Islami Bank Bangladesh Ltd.	KDA Avenue Branch, Khulna	1,000,000	1,000,000
43	Islami Bank Bangladesh Ltd.	Motijheel Branch	-	2,000,000
44	Islami Bank Bangladesh Ltd.	Lalbagh Branch	2,000,000	2,000,000
45	Jamuna Bank Ltd.	Sonargoah Rd Branch	500,000	500,000
46	Jamuna Bank Ltd.	Uttara Branch	1,000,000	1,000,000
47	Jamuna Bank Ltd.	Sonargaon Road Branch, Dhaka	-	500,000
48	Mercantile Bank Ltd.	Main Branch, Dhaka	2,500,000	2,500,000
49	Mercantile Bank Ltd.	Main Branch, Dhaka	1,000,000	1,000,000
50	Mercantile Bank Ltd.	Imamgonj (Moulvibazar) Br,	1,000,000	1,000,000
51	Mercantile Bank Ltd.	Sylhet Branch	500,000	500,000
52	Mercantile Bank Ltd.	Sylhet Branch	1,000,000	1,000,000
53	Mercantile Bank Ltd.	Gazipur Chowrasta Branch	1,500,000	1,500,000
54	Mercantile Bank Ltd.	Nawabpur Branch	2,000,000	2,000,000
55	Mercantile Bank Ltd.	Rajshahi Branch	1,000,000	1,000,000
56	Mercantile Bank Ltd.	Kankirhat Branch, Noakhali	1,000,000	1,000,000

57	Mercantile Bank Ltd.	Ashulia Branch, Savar	1,000,000	1,000,000
58	Mercantile Bank Ltd.	Hemayetpur Branch, Savar	1,000,000	1,000,000
59	Mercantile Bank Ltd.	Bogura Branch	500,000	500,000
60	Mercantile Bank Ltd.	Bijoynagar Branch	2,000,000	2,000,000
61	Mercantile Bank Ltd.	Rampura Branch	2,600,000	2,600,000
62	Midland Bank Ltd	Mirpur Branch	2,500,000	2,500,000
63	Midland Bank Ltd	Khulna Branch	-	1,000,000
64	Modhumoti Bank Ltd.	Uttara Branch	2,000,000	2,000,000
65	Modhumoti Bank Ltd.	Uttara Branch	3,000,000	3,000,000
66	Modhumoti Bank Ltd.	Gulshan Branch	27,000,000	27,000,000
67	Modhumoti Bank Ltd.	Motijheel Branch	8,100,000	-
68	Mutual Trust Bank Ltd.	Dholaikhal Branch	2,000,000	2,000,000
69	Mutual Trust Bank Ltd	Principal Branch	100,000	100,000
70	National Bank Ltd	Dilkusha Branch	500,000	500,000
71	National Bank Ltd	Imamgonj Branch	1,000,000	1,000,000
72	National Bank Ltd	Sk. Mujib Road Branch	500,000	500,000
73	NCC Bank Ltd.	Jessore Branch	50,000	50,000
74	NCC Bank Ltd.	Khulna Branch, Khulna	500,000	500,000
75	NCC Bank Ltd.	Uttara Branch	3,000,000	2,000,000
76	NRB Bank Ltd	Bogura Branch	500,000	500,000
77	NRB Commercial Bank Ltd.	Chatkhil Branch, Noakhali	1,000,000	1,000,000
78	Padma Bank Ltd.	Mirpur Branch	2,500,000	-
79	Premier Bank Ltd.	Banani Branch	500,000	500,000
80	Premier Bank Ltd.	Chowmuhan Branch, Noakhali	1,000,000	1,000,000
81	Premier Bank Ltd.	Atibazar Branch, Keranigonj	1,000,000	1,000,000
82	Premier Bank Ltd.	Chawkbazar Branch, CTG	5,000,000	-
83	Premier Bank Ltd.	Chawkbazar Branch, CTG	2,695,325	2,500,000
84	Prime Bank Ltd	Foreign Ex. Branch	1,500,000	1,500,000
85	Prime Bank Ltd	Gulshan Link Road Branch	1,000,000	-

86	Prime Bank Ltd	Tongi Bazar Branch	1,000,000	1,000,000
87	Prime Bank Ltd.	Motijheel Branch	1,000,000	1,000,000
88	Pubali Bank Ltd.	Dargagate Br, Sylhet.	500,000	500,000
89	Pubali Bank Ltd.	Kalighat Road Branch, Sylhet	-	1,000,000
90	Pubali Bank Ltd.	Moghbazar Bazar Branch	2,000,000	-
91	Rajshahi Krishi Unnayan Bank	Rajshahi Branch	1,000,000	1,000,000
92	Rajshahi Krishi Unnayan Bank	Naogaon Branch	1,400,000	1,400,000
93	SBAC Bank Ltd.	Lobon Chora Branch, Khulna	500,000	500,000
94	SBAC Bank Ltd.	Lobon Chora Branch, Khulna	1,000,000	-
95	SBAC Bank Ltd.	Sylhet Br, Sylhet	-	1,000,000
96	Shahjalal Bank Ltd.	Khulna Branch	200,000	200,000
97	Shahjalal Bank Ltd.	Bijoy Nagar Branch, Dhaka	10,500,000	10,500,000
98	Shahjalal Bank Ltd.	Bijoy Nagar Branch, Dhaka	6,400,000	6,400,000
99	Shahjalal Bank Ltd.	Bijoy Nagar Branch, Dhaka	2,100,000	2,100,000
100	Shahjalal Bank Ltd.	Bijoy Nagar Branch, Dhaka	5,000,000	5,000,000
101	Shahjalal Bank Ltd.	Bijoy Nagar Branch, Dhaka	2,500,000	2,500,000
102	Shahjalal Bank Ltd.	Bijoy Nagar Branch, Dhaka	2,500,000	2,500,000
103	Shahjalal Bank Ltd.	Bijoy Nagar Branch, Dhaka	5,000,000	5,000,000
104	Shahjalal Bank Ltd.	Bijoy Nagar Branch, Dhaka	500,000	500,000
105	Shahjalal Bank Ltd.	Bijoy Nagar Branch, Dhaka	3,100,000	3,100,000
106	Shahjalal Islami Bank Ltd	Chowmuhan Branch, Noakhali	1,000,000	1,000,000
107	Shahjalal Islami Bank Ltd.	Bijoy Nagar Branch, Dhaka	20,000,000	20,000,000
108	Shahjalal Islami Bank Ltd.	Bijoy Nagar Branch, Dhaka	-	8,100,000
109	Social Islami Bank Ltd	Ashulia Branch, Savar	-	1,000,000
110	Social Islami Bank Ltd	Savar Branch	-	1,000,000
111	Social Islami Bank Ltd	Bogura Branch	-	500,000
112	Southeast Bank Ltd.	Chouhata Br Sylhet	500,000	500,000
113	Southeast Bank Ltd.	Bangshal Branch	1,000,000	1,000,000
114	Southeast Bank Ltd.	Motijheel Branch	10,000,000	10,000,000

115	Southeast Bank Ltd.	Gulshan Branch	15,000,000	15,000,000
116	Southeast Bank Ltd.	Uttara Branch	5,000,000	-
117	The City Bank Ltd.	Principal Branch	500,000	500,000
118	The Farmers Bank Ltd.	Mirpur Branch	-	2,500,000
119	United Commercial Bank Ltd.	Principal Branch	100,000	100,000
120	United Commercial Bank Ltd.	Khanjahan Ali Rd. Branch Khulna	300,000	300,000
121	United Commercial Bank Ltd.	Nawabpur Branch	1,000,000	1,000,000
122	Uttara Bank Ltd.	Banijya Shakha	2,000,000	-
Total :			220,695,325	220,500,000

Particulars	Amount in Tk.	
	Dec 31, 2019	Dec 31, 2018

31.00 STD & Current Accounts

Sl. No.	Name of The Bank	Name of Branch		
1	Agrani Bank Ltd.	Purana Paltan Corp. Br.		298,286
2	Al-Arafah Islami Bank Ltd.	Motijheel Branch		177,262
3	Al-Arafah Islami Bank Ltd.	Bogra Branch		12,583
4	Al-Arafah Islami Bank Ltd.	Shyamoli Branch		3,989
5	BASIC Bank Ltd.	Khulna Branch		15,413
6	Dhaka Bank Ltd.	Narayangonj Branch		109,345
7	Dhaka Bank Ltd.	Local Office Branch		108,525
8	Dutch Bangla Bank Ltd.	Narayangonj Branch		22,160
9	EXIM Bank Ltd.	Khatungonj Branch		15,199
10	EXIM Bank Ltd.	Motijheel Branch		122,901
11	EXIM Bank Ltd.	Motijheel Branch		51,482
12	First Security Bank Ltd.	Dilkusha Branch		21,373
13	First Security Bank Ltd.	Dilkusha Branch		101,090
14	ICB Islami Bank Ltd.	VIP Road Branch		315
15	IFIC Bank Ltd.	Bangshal Branch	1,184	64,195
16	IFIC Bank Ltd.	Khulna Branch		374,531
17	IFIC Bank Ltd.	Moulvi bazar Branch		16,335

18	Islami Bank Bangladesh Ltd.	Foreign Ex. Corp. Branch	1,233,854	142,323
19	Islami Bank Bangladesh Ltd.	Bogra Branch		30,552
20	Islami Bank Bangladesh Ltd.	Joypurhat Branch		32,533
21	Islami Bank Bangladesh Ltd.	Khulna Branch		21,341
22	Islami Bank Bangladesh Ltd.	Baneswar Branch		87,896
23	Islami Bank Bangladesh Ltd.	Rajshahi Branch		154,772
24	Jamuna Bank Ltd.	Dhanmondi Branch		39,771
25	Jamuna Bank Ltd.	Uttara Branch		117,176
26	Mercantile Bank Ltd.	Main Branch		1,526
27	Mercantile Bank Ltd.	Rajshahi Branch		120,717
28	Mercantile Bank Ltd.	Sylhet Branch		133,563
29	Mercantile Bank Ltd.	Nayabazar Branch		1,919
30	Mercantile Bank Ltd.	Main Branch	2,933,503	46,993
31	Mercantile Bank Ltd.	Kawran Bazar Branch		356,982
32	Mercantile Bank Ltd.	Mirpur Baranch		151,480
33	Mercantile Bank Ltd.	Mohakhali Branch		7,290
34	Mercantile Bank Ltd.	Motijheel Branch	3,920,596	-
35	Modhumoti Bank Ltd.	Gulshan Branch		4,729
36	National Bank Ltd.	Narayangonj Branch		584,490
37	NCC Bank Ltd.	Dilkusha Branch		162,175
38	Premier Bank Ltd.	Dilkusha Branch		257,582
39	Prime Bank Ltd.	Jessore Branch		173,194
40	Prime Bank Ltd.	Narayangonj Branch		1,788
41	Prime Bank Ltd.	Laldighi East. Branch		1,226,055
42	Prime Bank Ltd.	Baneswar Branch		130,442
43	Pubali Bank Ltd.	Dhaka Stadium Branch		2,168,544
44	Pubali Bank Ltd.	Principal Branch	699,252	34,348
45	Shahjalal Islami Bank Ltd.	Dhaka Main Branch	718,546	270,001
46	Shahjalal Islami Bank Ltd.	Bijoynagar Branch		67,972
47	Shahjalal Islami Bank Ltd.	Motijheel Branch	2,391,458	2,580
48	Shahjalal Islami Bank Ltd.	Gulshan South Avenue Br.		33,436
49	Social Islami Bank Ltd.	Bogra Branch		30,782
50	Social Islami Bank Ltd.	Principal Branch		2,551,480
51	Social Islami Bank Ltd.	Savar Branch		329,961
52	Sonali Bank Ltd.	Local Office	1,205,571	831,137
53	Sonali Bank Ltd.	Dilkusha Corp. Branch	4,425	-

54	Southeast Bank Ltd.	Bangshal Branch		179,186
55	Southeast Bank Ltd.	Principal Branch	3,223,929	-
56	Southeast Bank Ltd.	Corporat Branch	5,031	-
57	Standard Bank Ltd.	Principal Branch		54,052
58	The City Bank Ltd.	Principal Branch		220,391
59	The Farmers Bank Ltd.	Motijheel Branch		213,025
60	United Commercial Bank Ltd.	Nayabazar Branch		330,671
61	United Commercial Bank Ltd.	Narayangonj Branch		6,154
62	United Commercial Bank Ltd.	Chowmuhanj Branch		659,609
63	Uttara Bank Ltd.	Shaymoli Branch		854,029
Total			16,337,349	14,339,632

32.00 Cash in hand

1,918,200 3,863,583

33.00 Property, Plant & Equipments (Fixed Assets)

131,836,397 121,709,499

A. Cost:

Opening Balance as at 01.01.2019

195,399,678 172,416,630

Add: Addition during the year

20,036,364 22,983,049

Less: Adjustment for the year

- -

Closing balance as at 31.12.2019

215,436,042 201,747,589

B. Depreciation

Opening Balance as at 01.01.2019

78,661,024 69,515,336

Add: Depreciation Charged during the year

10,462,525 9,145,689

89,123,550 78,661,025

Less: Adjustment during the year

- -

Closing balance as 31.12.2019

89,123,550 78,661,025

WDV (A-B) as at 31.12.2019

126,312,492 116,738,654

(Details shown in annexure "A")

33.01 Intangible Assets

A. Cost:

Opening Balance as at 01.01.2019

6,347,911 6,347,911

Add: Addition during the year

844,133 -

Less: Adjustment for the year

- -

Closing balance as at 31.12.2019

7,192,043 6,347,911

B. Accumulated Depreciation

Opening Balance as at 01.01.2019

1,377,066 1,115,442

Add: Depreciation during the year

291,073

261,623

1,668,139

1,377,065

Less: Adjustment during the year

-

-

Closing balance as 31.12.2019

1,668,139

1,377,065

WDV (A-B) as at 31.12.2019

5,523,905

4,970,845

(Details shown in annexure "B")

Particulars		Amount in Taka	
		Dec 31, 2019	Dec 31, 2019
34.00	Management Expenses:		
	Fire	29,795,462	16,643,377
	Marine	29,073,849	12,414,683
	Motor	7,001,043	6,162,977
	Misc.	11,417,401	9,658,099
	Marine Hull	369,009	93,241
	Total:	77,656,764	44,972,377
35.00	Income Tax		
	(i) Provision For Taxation :		
	Opening Balance	42,421,689	35,121,231
	Addition during the period	19,236,848	18,704,157
		61,658,537	53,825,388
	Less: Adjustment	1,461,697	11,403,699
	Total	60,196,839	42,421,689
	(ii) Deferred Tax :		-
	Book Value of Depreciable Fixed Assets	131,836,397	121,709,499
	Less: Tax Base Value	106,343,217	102,419,389
	Taxable Temporary Difference	25,493,180	19,290,110
	Book Value of Gratuity Payable	-	-
	Less: Tax Base Value	-	-
	Deductable Temporary Difference	-	-
	Net Taxable Temporary Difference	25,493,180	19,290,110
	Applicable Tax Rate	40.00%	40.00%
	Deferred Tax (Assets)/Liabilities	10,197,272	7,716,044
	Less: Opening	7,716,044	3,671,680
		2,481,228	4,044,363

35.00 (A)	Current Tax		
	Profit Before Tax	54,295,191	46,760,392
	Add: Accounting Depreciation	10,753,598	-
		65,048,789	-
	Less: Tax Depreciation	(16,956,668)	-
		48,092,121	46,760,392
	Applicable Tax Rate	40.00%	40.00%
	Total	19,236,848	18,704,157

36.00 Reserve for Un-expired Risks:

Reserve for unexpired risk have been made on premium income at the following rates:

Fire	16,382,046	40%
Marine Cargo	36,943,514	40%
Marine Hull	1,147,234	100%
Motor	11,015,800	40%
Miscellaneous	2,378,553	40%
Total:	67,867,146	

Particulars	Amount in Taka	
	Dec 31, 2019	Dec 31, 2018

37.00 Advance Income Tax

Opening Balance	-	5,096,233
Addition during the period	1,461,697	5,030,117
	1,461,697	10,126,350
Less: Adjustment	1,461,697	10,126,350
Total	-	-

38.00 Related Party Transaction:

Desh General Insurance in normal course of business, carried out a number of transactions with other entities that fall within the definition of related parties contained in International Accounting Standard 24: Related Parties Disclosers. All transactions involving related parties arising the normal course of business and on an arm's length basis at commercial rates on the same terms and conditions as applicable to the third parties. Details transactions with related parties and balances with them as at December 31, 2019 were as follows:

Name of the Parties	Relations hip	Nature of Transactions	Net Premium income 31.12.2019	Premium Outstand ing upto 31.12.2019	Amount Realized Subseque ntly	Claim Paid- 31.12.2019	Payable Balance a at 31.12.2019
Bengal group	Director	Insurance Business	12,680,193	Nil	Nil	Nil	
Desh Group	Director	Insurance Business	298,482	Nil	Nil	Nil	
Fars Group	Director	Insurance Business	541,459	Nil	Nil	508,063	
Bengal Polymer Wears Ltd.	Director	Unsecured Loan	-	-	-	-	5,811,200
Bengal Plastics Ltd.	Director	Unsecured Loan	-	-	-	-	10,577,600
Designer Fashions Ltd.	Director	Unsecured Loan	-	-	-	-	5,811,200
Total			13,520,134			508,063	22,200,000

39.00 EARNINGS PER SHARE (EPS) AS PER IAS 33

Basic Earning Per Share (EPS)

$$\text{Basic EPS} = \frac{\text{Earnings Attributable to Ordinary Shareholders (net profit after tax)}}{\text{No. of Shares Outstanding during the period}}$$

	AMOUNT (TK) 01 January to 31 December 2019	AMOUNT (TK) 01 January to 31 December 2018
Basic EPS	$\frac{32,577,114}{24,000,000}$	$\frac{24,011,872}{24,000,000}$
EPS	1.36	1.00

Computation of Earnings Attributable to Ordinary Shareholders:

Particulars	AMOUNT (TK) 01 January to 31 December 2019	AMOUNT (TK) 01 January to 31 December 2018
Net Profit before Tax	54,295,191	46,760,392
Less: Provision for Income Tax	(19,236,848)	(18,704,157)
Less: Deferred Tax	(2,481,228)	(4,044,363)
Tk.	32,577,114	24,011,872

Computation of weighted average number of Shares Outstanding.

Particulars	No. of shares		Outstanding Period	Total Days	Total Shares
Opening Balance	24,000,000		January to December	365 Days	24,000,000
Total	24,000,000				24,000,000

40.00 Net Asset Value (NAV):

Particulars	Amount (Tk.) 31.12.2019	Amount (Tk.) 31.12.2018
Investments (At cost)	25,000,000	25,000,000
Interest, Dividend Outstanding	6,989,923	11,501,629
Accounts Receivable	277,567,492	171,918,887
Cash & cash equivalent	238,950,874	238,703,215
Stationery in hand	4,210,918	4,460,560
Stamps in hand	656,782	128,250
Fixed Assets	131,836,397	121,709,499
Right of use assets	8,524,840	-
Total Assets (A)	693,737,225	573,422,040
Balance of Funds	67,867,146	41,020,610
Liability and Provisions	347,072,714	261,825,036
Total Liabilities (B)	414,939,860	302,845,645
Net Assets (A-B)	278,797,365	270,576,395
Number of Shares (C)	24,000,000	24,000,000
Net Assets Value per share (A-B)/C	11.62	11.27
Face Value per share	10.00	10.00

41. Premium Less Re-Insurance

Particulars	Fire	Marine Cargo	Marine Hull	Motor	Miscellaneous	Total
Premium Earned:						
Own	105,670,628	93,683,754	1,098,563	25,141,585	5,930,278	231,524,808
PSB	12,576,881	21,699,935	365,901	2,643,048	39,381,298	76,667,062
Gross Premium	118,247,509	115,383,689	1,464,464	27,784,633	45,311,576	308,191,870
Less: Re-Insurance						
Own	66,949,231	6,571,038	-	156,944	660,846	74,338,059
PSB	10,343,163	16,453,867	317,230	88,189	38,704,348	65,906,797

	77,292,394	23,024,904	317,230	245,133	39,365,194	140,244,855
Net Premium Earned	40,955,116	92,358,785	1,147,233	27,539,500	5,946,381	167,947,014

42.00 Loan under sundry creditors (Note:25) an unsecured loan of Tk. 3,82,00,000.00 for settlement Fire Claim Tk. 28,32,05,377.00 of Hotapara Garments Ltd. received as per decision of companys 99th Board of Directors Meeting held on 22nd April 2015 for a short period without any interest. After adjustment of Tk. 1,60,00,000.00 during the period, current balance amount is Tk. 2,22,00,000.00.

43.00

FINANCIAL INSTRUMENTS AND RELATED DISCLOSURE UNDER IAS 32 "FINANCIAL INSTRUMENTS: DISCLOSURE AND PRESENTATION".

Set out below is a year-ended balance of carrying amounts (book value) of all assets and liabilities (Financial Instruments):

(Amount In Taka)

Particulars	Interest Bearing		Non Interest Bearing	Total
	Maturity within one year	Maturity after one year		
<u>Financial Assets</u>				
Bangladesh Govt. Treasury Bond	-	25,000,000		25,000,000
Investment in FDR	220,695,325	-		220,695,325
Interest accrued but not due	6,989,923	-		6,989,923
Sundry Debtors			25,692,256	25,692,256
Investment in Shares				-
Outstanding Premium				-
Stamp in Hand			656,782	656,782
Cash at Bank			16,337,349	16,337,349
Cash and Cash Equivalents			1,918,200	1,918,200
Total	227,685,248	25,000,000	44,604,587	297,289,835
<u>Financial Liabilities</u>				
Bank Overdraft	-	-	-	-
Outstanding Claim	-	-	51,470,483	51,470,483
Sundry Creditors	-	-	53,803,840	53,803,840
Total	-	-	105,274,323	105,274,323
Net Financial Assets/Liabilities	227,685,248	25,000,000	(60,669,736)	192,015,512

44.00 PAYAMENT/ PERQUISITES TO DIRECTORS

No amount of money was spent by the Company for compensating any member of the Board for services rendered other than Board Meeting Fee.

45.00 PROFIT AFTER TAX

Particulars	Amount in Taka	
	31.12.2019	31.12.2018
Net Profit /(Loss) before tax	54,295,191	46,760,392
Provision for Taxation:		
Current Tax	(19,236,848)	(18,704,157)
Deferred Tax	(2,481,228)	(4,044,363)
Total	32,577,114	24,011,872

46.00 Personnel related scheme

The Company will be going to implement Provident Fund, Gratuity, Leave Encashment Benefit.

47.00 CONTINGENT LIABILITIES

There are two areas have occurred and arisen as contingent liabilities of the Company namely A. Income Tax and B. VAT showing in detail as under:

(A) Income Tax:

The Company is contingently liable as on 31 December-2019 against unsettled tax liability amounting Tk. 7,992,286, Tk. 6,542,589, Tk. 2,626,237, Tk. 6,606,965, Tk. 10,140,334, Tk. 2,742,135, Tk. 6,324,977, Tk. 3,245,966, Tk. 13,523,533 for assessment year 2005-06, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2015-16 respectively assessment of which under appeal to concern authority and assessment year 2016-17, 2017-18, 2018-19, 2019-20 respectively assessment of which are pending before DCT.

(B) VAT:

The company is also contingently liable as on 31th December-2019 on account of VAT, the details of which are given below:

Total VAT demand under Custom Excise & vat Commissioner	Shown in Balance Sheet as a Liability	Contingent Liabilities against VAT	Remarks
--	---	--	---------

14,948,087.28	9,466,043.00	5,482,044.28	Pending Decision by the Commissioner of Custom Excise & VAT (South)
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48.00 Proposed Dividend : Tk. 28,800,000

The Board of Directors has recommended cash dividend @12% on ordinary share paid up capital of Tk. 24.00 crores for the year ended 31 December 2019.

49.00 Provision for IPO penalty:

In the statement of profit and loss account and other comprehensive income of the company for the year ended 31 December 2019 under the head "Management expenses," a sum of tk. 1,256,400.00 was charged as a penalty for non-compliance of fulfillment of IPO provision.

50.00 Workers Profit Participation Fund (WPPF)

As per the Bangladesh Labour Act, 2006 (amendment 2013) service sector other than manufacturing sector is also required to maintain Worker Profit Participation Fund (WPPF). The management of the company decided in its Board Meeting held on 23 June 2019 to introduce WPPF for the year 2019 and onward.

Particulars	Amount in Taka	
	2019	2018

51.00 Reconciliation Between Net Profit to operating cash flow

Net Profit	54,295,191	46,760,392
Depreciation	10,753,598	9,407,312
(Increase)/ Decrease in Stock of Printing Materials	249,642	(442,524)
(Increase)/ Decrease in Stock of Insurance Stamp	(528,532)	424,482
(Increase)/ Decrease in Provision for Taxation	(7,909,002)	(15,448,062)
(Increase)/ Decrease in Sundry Debtors	(1,509,285)	(9,225,900)
Increase/ (Decrease) in Sundry Creditors	(852,358)	4,537,049
(Increase)/ Decrease in amount due from other Persons or Bodies Carrying on Insurance Business	(104,139,320)	(19,080,608)
Increase/(Decrease) in amount due to other Persons or Bodies Carrying on Insurance Business	(1,491,253)	(166,749)
(Increase)/ Decrease in Advance Income Tax	-	5,096,233
Increase/ (Decrease) in Premium Deposit	340,816	(504,202)
(Increase)/ Decrease in Interest Outstanding	4,511,706	(4,593,252)
Increase/ (Decrease) in Balance of Fund & Accounts	26,846,537	4,974,014
Increase/ (Decrease) in estimated Liabilities in respect of Outstanding Claims whether due or intimated	50,678,262	(197,165)

Increase/ (Decrease) in Deferred Tax	6,447,306	4,044,364
Increase/ (Decrease) in Lease Liability	7,695,926	-
(Increase)/ Decrease in Right of use asset	(8,524,840)	-
(Increase)/ Decrease in Adjustment for lease Liability	(356,144)	-
Net Cash Flow from Operating Activities	36,508,248	25,585,382

52.00 Financial risk management (IFRS 7)

52.01 Introduction

The Company's activities expose it to a variety of financial risks: credit risk, market risk (including interest rate risk and foreign currency risk), and liquidity risk. The Company's risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to economically hedge certain risk exposures.

Financial risk management is carried out by a central treasury department (Company Treasury) under policies approved by the Board of Directors (Treasury Policy). Company Treasury identifies, evaluates, and hedges financial risks in close co-operation with the Company's operating units. The 'Treasury Policy' provides principles for specific areas, such as credit risk, interest rate risk, foreign currency risk, use of derivative financial instruments, and investment of excess liquidity.

This note presents information about the Company's exposure to each of the risks arising from financial instruments and the Company's objectives, policies, and processes for measuring and managing risk. Further quantitative disclosures are included throughout these consolidated financial statements.

52.02 Carrying amounts of financial instruments by category

The following table shows the carrying amounts of financial instruments by category at the end of December:

	Maturity analysis				
	Current	>30 days	>90 days	>1 year	Total
Loans and receivables					
Cash and cash equivalents	238,950,874			FDR 1 year, Bond 1.60Crore 10 years & 0.90 Crore 5years.	238,950,874
Amount Due from other person or bodies carrying on insurance business	251,875,236				251,875,236
Sundry Debtors	25,692,256				25,692,256
Balance at December 31, 2019	516,518,366				516,518,366
Financial liabilities measured at amortized cost					

Bank Loan	84,473,477			84,473,477	84,473,477
Amount Due to other person or bodies carrying on insurance business	76,974,568				76,974,568
Sundry Creditors	53,331,689				53,331,689
Balance at December 31, 2019	214,779,734			84,473,477	214,779,734

52.03 Credit risks

Credit risk is the risk of financial loss to the Company if a customer or counterparty to financial instruments fails to meet its contractual obligations, and arises principally from cash and cash equivalents, time deposits, and trade accounts receivable.

The credit risk with Amount Due from other person or bodies carrying on insurance business (see note 28) is limited, as the Company has numerous clients located in various geographical regions. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. For risk control, the customers are companyed as follows (risk companies): governmental organizations, listed public limited companies, and other customers. Credit limits are established for each customer, whereby the credit limit represents the maximum open amount without requiring payments in advance or letters of credit; these limits are reviewed regularly (credit check).

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the balance sheet. There are no commitments that could increase this exposure to more than the carrying amounts.

52.04 Market risks

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates, and other prices will affect the Company's result or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return on risk.

52.04.1 Interest rate risk

At the reporting date, the Company had the following interest-bearing financial instruments: cash and cash equivalents, time deposits, rent deposits, and bank liabilities. All cash and cash equivalents mature or reprise in the short-term, no longer than three months.

Borrowings mainly bear interest at fixed rates. Cash and cash equivalents and borrowings issued at variable rates expose the Company to cash flow interest rate risk.

The Company does not account for any fixed-rate borrowings at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

The Company Treasury manages the interest rate risk to reduce the volatility of the financial result as a consequence of interest rate movements. For the decision whether new borrowings shall be arranged at a variable or fixed interest rate, the Company Treasury focuses on an internal long-term benchmark interest rate and considers the amount of cash and cash equivalents held at a variable interest rate. Currently, the interest rate exposure is not hedged.

At December 31, 2014, if interest rates had been 50 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been CHF 0.5 million (2013: CHF 0.6 million) higher/lower, mainly as a result of cash positions held at variable rates.

52.05 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Company Treasury manages the Company's liquidity to ensure sufficient liquidity to meet all liabilities when due, under both normal and stressed conditions, without facing unacceptable losses or risking damage to the Company's reputation.

Excess liquidity can be invested in instruments such as time deposits, government, and corporate bonds, shares of publicly listed companies, and capital protected instruments.

The following are the contractual maturities of financial liabilities, including interest payments:

BDT	Carrying amount	Contractual cash flows	Between 1 and 90 days	Between 91 and 360 days	Between 1 and 2 years	Over 2 years
Non-derivative financial liabilities						
Bank Loan	84,473,477				3,975,043	-
Amount Due to other person or bodies carrying on insurance business	76,974,568			6,717,153	29,447,102	-
Sundry Creditors	53,331,689				8,011,200	
Balance at December 31, 2019	214,779,734			6,717,153	41,433,345	-

53.0 Disclosures as per requirement of Schedule XI, part II of the Companies Act 1994:

Attendance Status of Board Meeting of Director

During the period/year the following Board Meeting were held.

The attendance status of all meeting is as follows :

Name of Director	Position	2019		2018
		Meeting Held	Attended	Attended
MR. JASHIM UDDIN	CHAIRMAN	5	5	-
MR. MOHAMMED AKBOR HOSSAIN	VICE- CHAIRMAN	5	3	-
MR. AMINUR RAHMAN	DIRECTOR	5	5	-
MRS. PRITI KONA BOSE	DIRECTOR	5	5	-
MR. TARIQUL ALAM RAHIMI	DIRECTOR	5	3	-
MR. MURAD MOHAMMED TAJ	DIRECTOR	5	5	-
MR. TAHRIN AMAN	DIRECTOR	5	4	-
MRS. NAUZAT BEGUM	DIRECTOR	5	4	-
MRS. ROKEYA QUADER	DIRECTOR	5	4	-
ENGR. A.K.M. AHSANUL HAQUE	DIRECTOR	5	5	-
MR. NIL KANTHA ROY	DIRECTOR	5	2	-
MR. SHAHEDUL ISLAM	INDEPENDENT DIRECTOR	5	3	-
MR. SARWAR UDDIN FCA	INDEPENDENT DIRECTOR	5	3	-
Mr. MD. KAMAL UDDIN FCA	INDEPENDENT DIRECTOR	5	5	-

54.0 Disclosures as per requirement of Schedule XI, part II of the Companies Act 1994:

A. Disclosure as per requirement of schedule XI, part II, Note 5 of Para 3

Number of Employees for the period ended June 30,2019

Salary Range (Monthly)	Officer & Staff Head Office & Br. Office	Total Employees
Below 3,000	Nil	Nil
Above 3,000	264	264
Total	264	264

55.0 Disclosure as per requirement of schedule XI, part II, para 4
0

Name	Designation	Amount in Taka	
		Dec. 31, 2019 Remunerat ion	Dec. 31, 2018 Remunerat ion
MR. JASHIM UDDIN	CHAIRMAN	37,600	-
MR. MOHAMMED AKBOR HOSSAIN	VICE- CHAIRMAN	25,200	-
MR. AMINUR RAHMAN	DIRECTOR	56,400	-
MRS. PRITI KONA BOSE	DIRECTOR	37,600	-
MR. TARIQUL ALAM RAHIMI	DIRECTOR	18,800	-
MR. MURAD MOHAMMED TAJ	DIRECTOR	56,400	-
MR. TAHRIN AMAN	DIRECTOR	25,200	-
MRS. NAUZAT BEGUM	DIRECTOR	24,800	-
MRS. ROKEYA QUADER	DIRECTOR	31,200	-
ENGR. A.K.M. AHSANUL HAQUE	DIRECTOR	31,200	-
MR. NIL KANTHA ROY	DIRECTOR	24,800	-
MR. SHAHEDUL ISLAM	INDEPENDENT DIRECTOR	18,400	-
MR. SARWAR UDDIN FCA	INDEPENDENT DIRECTOR	43,600	-
Mr. MD. KAMAL UDDIN FCA	INDEPENDENT DIRECTOR	31,200	-
Total		462,400	-

56.0 Event after reporting
0 period

The Board of Directors at their board meeting held on September 27, 2020 recommended to the shareholders 12% cash dividend for the year ended December 31, 2019. This will be considered for approval by the shareholders at the next Annual General Meeting (AGM).

Except the fact stated above, no circumstances have arisen since the balance sheet date, which would require adjustment to or disclosure in the financial statement or notes thereto.

57.0
0

Remuneration of Directors, Managers, Executives & Officers

Particulars	31 December, 2019 (Amount)				31 December, 2018 (Amount)			
	Managing Director	Directors	Managers	Other Executive	Managing Director	Directors	Managers	Other Executive
short-term employee benefits (Salary)	3,600,000	-	21,614,520	9,649,305	-	-	-	-
post-employment benefits	-	-	-	-	-	-	-	-
other long-term benefits	-	-	-	-	-	-	-	-
termination benefits	-	-	-	-	-	-	-	-
share-based payment benefits	-	24,000,000	-	-	-	-	-	-
Total	3,600,000	24,000,000	21,614,520	9,649,305	-	-	-	-

Desh General Insurance Company Limited

Schedule of Property, Plant & Equipment

As on December 31, 2019

Annexure-A

PARTICULARS	Cost			Rate (%)	DEPRECIATION			Written down value as at 31.12.19
	As on 01.01.19	Addition	As at 31.12.19		As on 01.01.19	During the Period	Accumulated as at 31.12.19	
Furniture & Fixtures	30,830,219	5,416,568	36,246,786	5	9,454,677	1,483,679	10,938,356	25,308,430
Signboard & Holding	1,568,441	664,711	2,233,152	10	957,887	163,916	1,121,803	1,111,349
Office Equipment	12,028,546	605,375	12,633,921	5	5,243,926	386,656	5,630,582	7,003,339
Telephone Install.	1,147,330	124,000	1,271,330	10	920,303	41,213	961,517	309,813
Computer	10,032,238	1,533,971	11,566,209	10	2,545,608	1,006,163	3,551,771	8,014,438
Decoration	56,186,286	6,840,560	63,026,846	5	25,016,592	2,141,378	27,157,971	35,868,875
Electrical Equipment	4,424,655	1,291,709	5,716,364	5	1,716,257	236,197	1,952,453	3,763,911
Motor Vehicle	67,776,115	1,645,000	69,421,115	10	29,881,156	4,059,268	33,940,423	35,480,691
Air Condition	10,925,311	1,893,000	12,818,311	8	2,756,895	909,498	3,666,393	9,151,919

Crokaries	480,538	21,470	502,008	10	167,724	34,558	202,282	299,726
Balance as on 31.12.2019	195,399,678	20,036,364	215,436,042		78,661,024	10,462,525	89,123,550	126,312,493
Balance as on 31.12.2018	172,416,630	22,983,049	195,399,678		69,515,336	9,145,689	78,661,025	116,738,654

Desh General Insurance Company Limited

Schedule of Intangible Assets

As on December 31, 2019

Annexure-B

PARTICULARS	Cost			Rate (%)	Amortization			Written down value as at 31.12.19
	As on 01.01.19	Addition	As at 31.12.19		As on 01.01.19	During the Period	Accumulated as at 31.12.19	
Software Installation	6,347,911	844,133	7,192,043	5	1,377,066	291,073	1,668,139	5,523,904
Balance as on 31.12.2018	6,347,911	-	6,347,911		1,115,442	261,623	1,377,066	4,970,845

Desh General Insurance Company Limited

Schedule of Right of use asset

As on December 31, 2019

Annexure-C

PARTICULARS	Cost				DEPRECIATION			Written down value as at 31.12.19
	As on 01.01.19	Addition	As at 31.12.19		As on 01.01.19	During the Period	Accumulated as at 31.12.19	
Right of use asset	-	11,748,294	11,748,294		-	3,223,454	3,223,454	8,524,840

(b) Information as is required under section 186 of the কোম্পানিআইন, 1994 relating to holding Company

As there is no holding Company, Information as is required under section 186 of the Company Act 1994 is not applicable here.

(c) Selected ratios as specified in Annexure-D

Auditor's certificate regarding calculations of EPS and Other Ratios of Desh General Insurance Company Limited

The following ratios have been computed from the Audited Financial Statements of Desh General Insurance Company Limited for the year ended 31 December 2019, 2018, 2017, 2016 and 2015.

Sl	Ratios	Formula	31-Dec-19		31-Dec-18		31-Dec-17		31-Dec-16		31-Dec-15	
			Calculation	Result	Calculation	Result	Calculation	Result	Calculation	Result	Calculation	Result
1	Liquidity Ratios											
a	Current Ratio (Times)	Current Assets	528,375,988	2.14	426,712,541	2.35	393,730,457	2.38	218,950,964	1.53	193,822,298	1.54
		Current Liabilities	246,881,332		181,298,885		165,555,680		142,944,607		125,523,963	
b	Quick Ratio (Times)	Current Assets- Inventory- Advance, Deposit & Prepayment	502,683,732	2.04	402,529,570	2.22	378,773,386	2.29	204,943,349	1.43	179,008,230	1.43
		Current Liabilities	246,881,332		181,298,885		165,555,680		142,944,607		125,523,963	
2	Operating Efficiency Ratios											
a	Accounts Receivable Turnover Ratio (Times)	Gross premium	308,191,870	1.54	203,393,806	1.47	161,060,466	1.36	145,694,075	1.47	119,871,285	1.79
		Average Accounts Receivable	199,805,576		138,195,612		118,757,065		99,314,215		66,906,015	
b	Inventory	COGS	N/A		N/A		N/A		N/A		N/A	

	Turnover Ratio (Times)	Average Inventory	N/A		N/A		N/A		N/A		N/A	
c	Asset Turnover Ratio (Times)	Gross premium	308,191,870	0.49	203,393,806	0.37	161,060,466	0.38	145,694,075	0.49	119,871,285	0.50
		Average Total Assets	633,579,633		550,143,130		424,653,054		294,685,794		237,570,912	
3	Profitability Ratios											
a	Gross Margin Ratio (%)	Gross Margin	65,934,901	0.21	48,306,881	23.75%	49,427,168	30.69%	27,344,558	18.77%	17,417,011	14.53%
		Gross premium	308,191,870		203,393,806		161,060,466		145,694,075		119,871,285	
b	Operating Profit Ratio (%)	Operating Income	65,934,901	0.21	48,306,881	23.75%	49,427,168	30.69%	27,344,558	18.77%	17,417,011	14.53%
		Gross premium	308,191,870		203,393,806		161,060,466		145,694,075		119,871,285	
c	Net Profit Ratio (%)	Net profit after Tax	32,577,114	0.19	24,011,872	23.49%	20,994,600	23.44%	12,278,644	15.11%	11,361,735	20.21%
		Net premium	167,947,014		102,216,711		89,558,163		81,246,414		56,208,393	
d	Return on Assets Ratio (%)	Net profit after Tax	32,577,114	0.05	24,011,872	4.36%	20,994,600	4.94%	12,278,644	4.17%	11,361,735	4.78%
		Average Total Assets	633,579,633		550,143,130		424,653,054		294,685,794		237,570,912	
e	Return on Equity Ratio (%)	Net Profit After Tax	32,577,114	0.12	24,011,872	8.87%	20,994,600	10.61%	12,278,644	10.33%	11,361,735	10.61%
		Average Share Holders Equity	274,545,235		270,570,459		197,789,933		118,876,020		107,055,831	
f	Earning Per Share (EPS) (Tk.)	Net Earnings	32,577,114	1.36	24,011,872	1.00	20,994,600	1.14	12,278,644	1.20	11,361,735	1.42
		Weighted Average Numbers of Shares	24,000,000		24,000,000		18,337,113		10,220,308		8,004,000	
g	Earnings	EBITDA	72,292,639	0.23	60,797,427	0.30	52,258,259	0.32	28,569,003	0.20	24,855,911	0.21

	before interest, taxes, depreciation and amortization (EBITDA) margin (%)	Revenue	308,191,870		203,393,806		161,060,466		145,694,075		119,871,285	
4	Solvency Ratios											
a	Debt to Total Assets Ratio	Total Debt	106,673,477	0.15	98,053,570	0.17	71,518,023	0.14	59,222,307	0.18	44,968,613	0.17
		Total Asset	693,737,225		573,422,040		526,864,219		322,441,888		266,929,699	
b	Debt to Equity Ratio (Times)	Long Term Debt	82,298,184	0.30	72,810,107	0.27	48,129,894	0.18	19,373,804	0.15	6,168,613	0.05
		Share Holders Equity	278,514,074		270,576,395		270,564,523		125,015,342		112,736,698	
c	Time Interest Earned Ratio (Times)	EBIT	61,539,041	7.98	51,390,115	11.10	44,005,746	15.20	22,426,419	20.92	19,759,540	0.00
		Interest Charge	7,716,002		4,629,723		2,895,279		1,072,255		-	
d	Debt Service Coverage Ratio	Cash available for Debt Services	238,950,874	2.24	238,703,215	2.43	233,542,699	3.27	85,777,347	1.45	78,332,843	1.74
		Total Debt Services	106,673,477		98,053,570		71,518,023		59,222,307		44,968,613	
5	Cash Flow Ratios											
a	Net Operating Cash Flow per Share (NOCFPS)	Net Operating Cash Flow	36,508,248	1.52	25,585,382	1.07	46,810,406	2.55	29,134,551	2.85	30,819,007	3.85
		Number of Share Outstanding	24,000,000		24,000,000		18,337,113		10,220,308		8,004,000	
b	NOCFPS to EPS Ratio	Net Operating Cash Flow per Share	1.52	1.12	1.07	1.07	2.55	2.23	2.85	2.37	3.85	2.71
		EPS	1.36		1.00		1.14		1.20		1.42	

Place: Dhaka
Date : September 29, 2020

Sd/-
Rahman Mostafa Alam & Co
Chartered Accountants

All the ratios shall be explained and compared with the industry/sectors average ratios of the same periods along with sources of the information. [As per condition 4. of Annexure-D of Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015]

Industry Average Ratios compared to Desh General Insurance Company Limited

Sl	Name of the Ratio	2018		2017		2016		2015		2014	
		DGIC	Industry Avg.	DGIC	Industry Avg.	DGIC	Industry Avg.	DGIC	Industry Avg.	DGIC	Industry Avg.
1. Liquidity Ratios											
1	Current Ratio (Times)	1.63	3.03	1.79	3.15	1.33	2.57	1.47	2.75	1.56	2.30
2	Quick Ratio (Times)	1.61	2.45	1.74	2.61	1.22	2.29	1.34	2.13	1.29	1.78
2. Operating Efficiency Ratios											
1	Accounts Receivable Turnover Ratio (Times)	1.29	5.82	1.21	6.83	1.28	4.91	1.39	9.79	1.99	6.02
2	Inventory Turnover Ratio (Times)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
3	Asset Turnover Ratio (Times)	0.37	0.78	0.38	0.86	0.49	0.47	0.50	0.48	0.56	0.95
3. Profitability Ratios											
1	Gross Margin Ratio	23.75%	32%	30.69	0.25	18.77%	13%	14.53%	11%	18.22%	14%
2	Operating Profit Ratio	0.24	0.32	0.31	0.23	0.19	0.17	0.15	0.30	0.18	0.24
3	Net Profit Ratio	0.23	0.26	0.24	0.29	0.15	0.24	0.20	0.22	0.31	0.26
4	Return on Assets Ratio	4.36	0.12	4.94	0.12	4.17	11	4.78	6.00	5.64	7.00
5	Return on Equity Ratio	8.81	15.00	10.56	32.00	10.33	7.00	10.61	12.00	11.81	5.00
6	Earning Per Share (EPS) (Tk.)	1.00	2.29	1.14	2.31	1.20	2.06	1.42	1.25	1.64	1.67
7	EBITDA margin	28%	-	31%	-	20%	25%	21%	26%	23%	28%
4. Solvency Ratios											
1	Debt to Total Assets Ratio	0.13	0.57	0.09	0.47	0.07	0.32	0.02	0.32	0.06	0.44
2	Debt to Equity Ratio (Times)	0.27	0.43	0.18	0.27	0.15	0.22	0.05	0.28	0.12	0.41
3	Time Interest Earned Ratio (Times)	10.10	-	14.20	-	20.92	21.25	14.20	19.19	10.43	29.13
4	Debt Service Coverage Ratio	3.15	1.22	4.74	1.25	4.08	0.87	12.7	0.72	5.98	0.69
5. Cash Flow Ratios											
1	Net Operating Cash Flow per Share (NOCFPS)	1.07	1.17	1.95	1.02	3.85	2.85	3.85	1.37	1.12	1.64
2	NOCFPS to EPS Ratio	1.07	0.83	1.71	0.58	0.85	1.71	2.71	0.83	0.68	1.23

Note:

- 1) The individual ratio of Desh General Insurance Company Limited has been calculated based on Audited Financial Statements of the last five years (31 December 2018, 31 December 2017, 31 December 2016, 31 December 2015, 31 December 2014)
- 2) The Industry Average Ratio is calculated through using the ratio of fifteen listed companies for the year ended 31 December 2018, 31 December 2017, 31 December 2016, 31 December 2015, 31 December 2014
- 3) The justification for consideration of selecting peer companies are given below:
 - i) Similar sector(Insurance)
 - ii) Nature of business has been similar

Explanation of the ratios

Industry average ratio have been calculated taking into account the financial of thirteen peer companies listed with the stock exchanges as mentioned above. Sector average is considerable here on the basis of such related business similar to the business of Desh General Insurance Company Limited in the Insurance Sector.

From the results of ratios, it is observed that most of the ratios of DGIC are favorable reflecting satisfactory financial position. However, DGIC current and quick ratio is consistent over the period meaning the company readily available to pay off its short term liabilities.

Operating ratios assess the efficiency of operations of the business of DGIC. The account receivable turnover ratio is consistent over the five years period which indicates a good process of cash collection on credit sales of the company. Inventory turnover ratio is not applicable for DGIC. Asset turnover ratio is better than industry average asset turnover ratio which indicates efficient use of fixed assets by DGIC.

Overall profitability position of the company has been steady over last five years compared to industry average indicated by gross profit margin of 23.75% whereas industry gross profit margin is 32% during the year ended 2018 and operating profit ratio of DGIC is 0.24 where as Industry Average is only 0.32 during the year ended on 2018. The individual EPS of DGIC is consistent over the year. Again, return on equity, DGIC ratio is satisfactory over the five year period and in fact in 2016 the DGIC return on equity is higher than industry average ratio.

Solvency ratio is a key metric used to measure DGIC ability to meet its debt and other obligations. The solvency ratio indicates whether a company's cash flow is sufficient to meet its short-term and long-term liabilities. The lower a company's solvency ratio is, the greater the probability that it will default on its debt obligations.

The interest earned ratio of DGIC is at a satisfactory level meaning its ability to meet interest expenses may not be questionable. The debt to equity ratio shows the better leverage position of the company. DGIC debt service coverage ratio is also much better compared to the industry average which indicates DGIC's ability to meet its debt obligation.

Cash flow ratios mainly used to assess the quality of earnings of the business of the company which provides an unbiased assessment about DGIC's performance. In case of net operating cash flow per share, DGIC's ratio is much higher compared to industry average ratio over the year 2014-2018 apart from 2014. The cash flow and other coverage indicators reveal low credit risk profile of the company.

(d) Auditors report under Section 135(1), Paragraph 24(1) of Part II of Schedule III of the কোম্পানি আইন, ১৯৯৪. The report shall include comparative income statements and balance sheet and aforementioned ratios for immediate preceding five accounting years of the issuer. If the issuer has been in commercial operation for less than five years, the above mentioned inclusion and submission will have to be made for the period since commercial operation;

Auditors' Report in pursuance to Section 135(1) and paragraph 24(1) (3) and 25 of part-II of the Schedule III of the Companies Act, 1994

We have audited the financial statements of **Desh General Insurance Company Limited** for the year ended on December 31, 2019. The financial statements for the years ended on December 31, 2018, 2017, 2016, 2015 was audited by **ARTISAN, Chartered Accountants**. In pursuance to Section 135(1) and paragraph 24(1) (3) and 25 of part-II of the Schedule-III of the Companies Act, 1994, We report that:

1. Desh General Insurance Company Limited (DGIC) was incorporated as a Public Limited Company on February 08, 2000 under the Companies Act 1994 and the company commenced commercial operation in March 02, 2000.

2. The Statement of financial position, operating result and cash flow of Desh General Insurance Company Limited are as follow:

A. Statement of financial position

Particulars	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
CAPITAL AND LIABILITIES					
Share Capital					
Authorized :					
10,00,00,000 Ordinary Shares of Tk. 10 each	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Issued, Subscribed and Paid up Capital					
24000000 Ordinary Shares of Tk. 10 each	240,000,000	240,000,000	240,000,000	102,203,080	80,040,000
Profit and Loss Appropriation Account	33,797,364	25,576,395	25,564,523	12,812,262	22,696,698
Reserve for Exceptional Losses	5,000,000	5,000,000	5,000,000	10,000,000	10,000,000
Provision for Taxation	60,196,839	42,421,689	35,121,231	21,697,441	13,124,935
Balance of Funds:	67,867,146	41,020,610	36,046,596	32,543,230	22,500,426
Fire Insurance Business	16,382,046	11,320,028	12,984,298	16,188,682	8,817,841
Marine Insurance Business	36,943,514	17,180,909	11,317,863	12,576,685	9,701,314
Motor Insurance Business	11,015,800	11,039,642	9,212,963	3,501,410	2,098,910
Miscellaneous Insurance Business	2,378,553	1,256,822	2,159,254	202,013	1,853,913
Marine Hull Insurance Business	1,147,234	223,208	372,218	74,440	28,448
Estimated liabilities in respect of outstanding claims whether due or intimated	51,470,483	792,221	989,386	810,058	802,645
Amount due to other persons or bodies	76,974,568	78465821	78,632,571	59,889,704	46,230,008
carrying on insurance business					

Deposit Premium	2,732,460	2,391,644	2,895,846	2,564,905	3,960,604
Bank Loan	84,473,477	75,853,570	49,295,388	21,004,672	6,168,613
Sundry Creditors	53,331,689	54,184,047	49,646,998	58,916,536	61,405,771
Lease Liability	7,695,926	-	-	-	-
Deferred Tax Liability	10,197,272	7,716,044	-	-	-
PROPERTY AND ASSETS					
Investment (at Cost):					
Statutory Deposit with Sonali Bank Ltd as					
Govt. Security Bond	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
Accrued Interest	6,989,923	11,501,629	6,908,377	1,097,084	3,176,708
Amount due from other persons or bodies					
Carrying on insurance business	251,875,236	147,735,916	128,655,308	108,858,821	89,769,608
Sundry Debtors	25,692,256	24,182,971	14,957,071	14,007,615	14,814,068
Advance Income Tax	-	-	5,096,233	4,771,525	4,771,525
Cash & Bank Balances:	238,950,874	238,703,215	233,542,699	85,777,347	78,332,843
Fixed Deposit Account	220,695,325	220,500,000	215,400,000	71,500,000	60,010,000
STD & Current Account	16,337,349	14,339,632	12,791,582	8,357,007	11,812,948
Cash & Cheque in hand	1,918,200	3,863,583	5,351,117	5,920,340	6,509,895
Others :		126,298,309	112,704,530	82,929,496	51,064,946
Fixed Assets	131,836,397	121,709,499	108,133,762	78,490,924	48,107,401
Right Of Use Assets	8,524,840	-	-	-	-
Stamps in Hand	656,782	128,250	552,732	60,987	193,841
Stock of Printing Materials	4,210,918	4,460,560	4,018,036	4,377,585	2,763,704
Net Asset Value per Share (NAVPS)	11.62	11.27	11.27	12.23	14.09

B. Statement of Operating Results:					
Particulars	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
MANAGEMENT EXPENSES					
(Not applicable to any fund or account):	30,155,666	18,931,418	19,606,937	11,827,833	6,435,662
Advertisement & Publicity	151,650	119,200	259,353	79,550	16,050

Audit Fees	195,500	-	-	-	-
Audit Fees Paid	415,000	590,000	412,500	187,500	187,500
Bank Charge	450,634	464,472	394,835	309,876	-
Wall Calendar Bill	858,400	811,080	745,930	289,600	-
Depreciation	10,753,598	9,407,312	8,252,513	6,142,584	5,096,371
Depreciation on Right of use assets	3,223,454				
Director Fees	462,400	383,000	565,000	590,000	555,000
Donation,Fees, Subscription & Others	135,350	391,000	45,000	271,650	-
Professional Fees	154,500	-	-	-	-
Training Fees	112,000	12,500	8,000	38,500	49,000
Interest on Loan	7,716,002	4,629,723	2,895,279	1,072,255	-
Legal Fees	78,830	31,000	166,000	198,000	-
Renewal & Registration (Trade)	389,178	460,342	822,305	555,818	491,741
Interest	-	-	968,000	-	-
Interest on Lease liabilities	686,561	-	-	-	-
Credit Rating Fees	253,000	126,500	253,000	126,500	-
BD Expenses (PSB)	48,449	48,889	42,222	40,000	40,000
IPO Expenses	-	-	150,000	-	-
Annual Fees (BIA)	100,000	200,000	-	100,000	-
Fine (IPO)	1,256,400	1,256,400	3,627,000	1,826,000	-
Workers Profit Participation Fund	2,714,760				
Profit/(Loss) for the year transferred to Balance Sheet:	54,295,191	46,760,392	41,110,467	21,354,164	19,759,540
Total :	84,450,857	65,691,810	60,717,404	33,181,997	26,195,202
INTEREST, DIVIDEND AND RENT					
(Not applicable to any fund or account):	18,515,955	17,384,929	11,290,236	5,837,439	8,778,191
Interest on GSB	1,988,500	2,254,100	2,254,100	2,628,500	2,628,500
Interest on FDR	16,382,003	14,969,110	8,473,985	2,928,352	5,574,183
Interest on STD Accounts	145,452	161,719	562,151	280,587	575,508
Profit/(Loss) Transferred from:	65,934,901	48,306,881	49,427,168	27,344,558	17,417,011

Fire Insurance Revenue Account	19,650,960	6,305,094	23,535,550	6,847,156	10,690,123
Marine Insurance Revenue Account	33,100,664	21,112,099	17,859,492	17,664,076	6,794,375
Marine Hull Insurance Revenue Account.	(308,969)	407,133	(56,944)	(25,876)	(3,481,338)
Motor Insurance Revenue Account	15,359,303	14,651,386	8,325,355	3,860,637	4,157,516
Miscellaneous Insurance Revenue Account	(1,867,056)	5,831,168	(236,285)	(1,001,435)	(743,665)
Total :	84,450,856	65,691,810	60,717,404	27,344,558	17,417,011
Earnings per Share (EPS)	1.36	1.00	1.14	1.20	1.42
EPS (Restated)	-	1.00	0.87	0.51	0.47

C. Cash Flow Statement is as follows:

Particulars	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
Cash Flow from Operating Activities:					
Receipts from premium and others	282,628,149	153,929,699	117,060,458	172,943,248	435,660,966
Payment for Management Expenses, Re-Insurance, Claim & Other Expenses	(244,658,203)	(128,344,317)	(70,250,052)	(143,808,697)	(404,841,959)
Income Tax Paid	(1,461,697)	-	-	-	-
Net Cash Flow from Operating Activities	36,508,248	25,585,382	46,810,406	29,134,551	30,819,007
Cash Flow from Investing Activities:					
Purchase of Fixed Assets	(20,880,496)	(22,983,049)	(37,895,351)	(36,526,107)	(16,844,028)
(Increase)/ Decrease in Fixed Deposit	(195,325)	(510,000)	(143,900,000)	(11,490,000)	-
Net Cash Flow from Investing Activities	(21,075,821)	(28,083,049)	(181,795,351)	(48,016,107)	(16,844,028)
Cash Flow from Financing Activities:					
Share Capital	-	-	137,796,920	-	-
Bank Loan	8,619,907	26,558,182	28,290,716	14,836,060	(5,517,138)
Loans paid	-	-	(15,995,000)	-	-
Dividend paid	(24,000,000)	(24,000,000)	(11,242,339)	-	-
Net Cash Flow from Financing Activities	(15,380,093)	2,558,182	138,850,297	14,836,060	(5,517,138)
Increase / (Decrease) in Cash and Bank Balance (A+B+C)	52,335	60,515	3,865,352	(4,045,496)	8,457,841
Add: Cash and Bank Balance at Opening	18,203,214	18,142,699	14,277,347	18,322,843	9,865,002
Cash and Bank Balance at Closing	18,255,549	18,203,214	18,142,699	14,277,347	18,322,843

D. The history of dividend declared by the company was as follows:

Particulars	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
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Cash dividend	12%	10%	10%	11%	Nil
Stock dividend (Bonus share) - %	Nil	Nil	Nil	Nil	13.00%

E. The Company had no subsidiary as on the balance sheet date.

F. No proceeds or part of proceeds of the issue of share shall be applied directly or indirectly by the company in the purchase of any other business or an interest thereon.

G. The Company did not prepare any account for any period subsequent to 31 December 2019.

H. Figures relating to previous years have been re-arranged wherever considered necessary.

Place: Dhaka

Date : September 29, 2020

Sd/-

Rahman Mostafa Alam & Co

Chartered Accountants

(e) Financial spread sheet analysis for the latest audited financial statements

DESH GENERAL INSURANCE COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

Particulars	Amount in Taka	Percentage on Total Asset	Grand Total
A. Shareholder's Equity and Liabilities:			
Share Capital			
Authorized :			
10,00,00,000 Ordinary Shares of Tk. 10 each	1,000,000,000		
Issued, Subscribed and Paid up Capital			
24,000,000 Ordinary Shares of Tk. 10 each	240,000,000	34.60	
Reserve or Contingency Account	38,797,365		
Profit and Loss Appropriation Account	33,797,365	4.87	
Reserve for Exceptional Losses	5,000,000	0.72	
Total Shareholders' Equity	278,797,365		40.19
Balance of Funds:	67,867,146		9.78
Fire Insurance Business	16,382,046	2.36	
Marine Insurance Business	36,943,514	5.33	
Motor Insurance Business	11,015,800	1.59	
Miscellaneous Insurance Business	2,378,553	0.39	
Marine Hull Insurance Business	1,147,234	0.17	
Liability and Provisions	347,072,714		50.03
Estimated liabilities in respect of outstanding claims whether due or intimated	51,470,483	7.42	
Amount due to other persons or bodies carrying on insurance business	76,974,568	11.10	
Deposit Premium	2,732,460	0.39	
Bank Loan	84,473,477	12.18	
Sundry Creditors	53,331,689	7.69	
Lease Liability	7,695,926	1.11	
Deferred Tax Liability	10,197,272	1.47	
Provision for Taxation	60,196,839	8.63	
Total Shareholders' Equity and Liabilities	693,737,225	100.00	100.00
B. PROPERTY AND ASSETS			
Non-Current Assets	165,361,237		23.84
Fixed Asset	131,836,397	19.00	
Right of use asset	8,524,840	1.23	
Investment-At cost (BGTB)	25,000,000	3.60	
Current Assets	284,557,415		41.02
Accrued Interest	6,989,923	1.01	
Amount due from other persons or bodies			
Carrying on insurance business	251,875,236	36.31	
Sundry Debtors	25,692,256	3.70	
Cash & Bank Balances:	238,950,874		34.44
Fixed Deposit Account	220,695,325	31.81	
STD & Current Account	16,337,349	2.35	
Cash & Cheque in hand	1,918,200	0.28	

Stamps in Hand	656,782	0.09	0.09
Stock of Printing Materials	4,210,918	0.61	0.61
Total Property and Assets	693,737,225		100.00

DESH GENERAL INSURANCE COMPANY LIMITED			
STATEMENT OF PROFIT AND LOSS ACCOUNT & OTHER COMPREHENSIVE INCOME			
for the year ended 31 December 2019			
			Amount in Taka
Particulars	01 January to 31 December 2019	Percentage on Total Turnover	Grand Percentage
MANAGEMENT EXPENSES			
(Not applicable to any fund or account):	30,155,665		36
Advertisement & Publicity	151,650	0.18	
Audit Fee	195,500	0.23	
Audit fee paid	415,000	0.49	
Bank Charges	450,634	0.53	
Wall Calendar Bill	858,400	1.02	
Depreciation	10,753,598	12.73	
Depreciation on Right of Use asset	3,223,454	3.82	
Director Fees	462,400	0.55	
Donation, Fees, Subscription & Others	135,350	0.16	
Professional Fee	154,500	0.18	
Training Fees	112,000	0.13	
Interest on Loan	7,716,002	9.14	
Legal Fees	78,830	0.09	
Renewal & Registration (Trade)	389,178	0.46	
Credit Rating Fees	253,000	0.30	
Interest on lease Liabilities	686,561	0.81	
BD Expenses (PSB)	48,449	0.06	
Annual Fees (BIA)	100,000	0.12	
Workers profit Participation fund	2,714,760	3.21	
Fine (IPO)	1,256,400	1.49	
Net Profit/(Loss) before tax	54,295,191	64.29	64
Total	84,450,856	100.00	100
INTEREST, DIVIDEND AND RENT			
(Not applicable to any fund or account):	18,515,955	21.93	21.93
Interest on GSB	1,988,500	2.35	
Interest on FDR	16,382,003	19.40	
Interest on STD Accounts	145,452	0.17	
Profit/(Loss) Transferred from:	65,934,901	78.07	78.07
Fire Insurance Revenue Account	19,650,960	23.27	
Marine Insurance Revenue Account	33,100,664	39.20	
Marine Hull Insurance Revenue Account.	-308,969	-0.37	
Motor Insurance Revenue Account	15,359,303	18.19	
Miscellaneous Insurance Revenue Account	-1,867,056	-2.21	
Total	84,450,856		100

(f) Earnings per Share (EPS) on fully diluted basis (with the total existing number of shares) in addition to the weighted average number of shares basis. Future projected Net Income should not be considered while calculating the weighted average EPS

(Amount in Taka)	
Audited financial Statements for the year end 31 December 2019	
Particulars	31-Dec-19
Net profit after Tax	32,577,114
Total no. of existing shares	24,000,000
Earnings Per Share (EPS) On Fully Diluted Basis*	-
Earnings Per Share (EPS) on weighted average number of shares basis	1.36

* There was no dilution during the period

(g) All extra-ordinary income or non-recurring income coming from other than core operations should be shown separately while showing the Net Profit as well as the Earnings per Share

Amount in Taka	
Audited financial Statements for the year end 31 December 2019	
Particulars	31-Dec-19
Net profit before Tax	54,295,191
Less: Non-Operating Income	18,515,955
Net Profit before Tax except Non-Operating Income	35,779,236
Less: Income Tax Expenses	21,718,076
Net Profit after Tax except Non-Operating Income	14,061,160
No. of shares before IPO	24,000,000
Earnings per Share (EPS) on fully diluted basis	0.59

(h) Quarterly or half-yearly EPS should not be annualized while calculating the EPS

The Company did not annualize quarterly or half yearly EPS.

(i) Net asset value (with and without considering revaluation surplus/reserve) per unit of the securities being offered at the date of the latest audited statement of financial position

Net Asset Value without revaluation reserve

Audited financial Statements for the year end 31 December 2019	
Particulars	Amount in Taka
(A) Total Asset with revaluation reserve	693,737,225
(B) Total Liabilities	414,939,860
(C) Net Assets (A-B)	278,797,365
(D) Total Number of Ordinary Share	24,000,000
Net Asset Value Per Share (NAV) (C/D)	11.62

Net Asset Value with revaluation reserve

Audited financial Statements for the year end 31 December 2019	
Particulars	Amount in Taka
(A) Total Asset with revaluation reserve	693,737,225
(B) Total Liabilities	414,939,860
(C) Net Assets value with revaluation reserve (A-B)	278,797,365
(D) Revaluation reserve	-
(E) Net Assets value without revaluation reserve (C-D)	278,797,365
(F) Total Number of Ordinary Share	24,000,000
Net Asset Value Per Share (NAV) (E/F)	11.62

(j) The Commission may require the issuer to re-audit the audited financial statements, if any deficiency/anomaly is found in the financial statements. In such a case, cost of audit should be borne by the concerned issuer

If required, DGIC will be complied with this issue.

(k) Following statements for the last five years or any shorter period of commercial operation certified by the auditors:-

(i) Statement of long term and short term borrowings including borrowing from related party or connected persons with rate of interest and interest paid/accrued;

Certification on statement of long term and short term borrowings including borrowing from related party or connected persons with rate of interest and interest paid or accrued of Desh General Insurance Company Limited

After due verification, we certify that the long term and short term borrowings including borrowing from related party or connected persons with rate of interest and interest paid or accrued of Desh General Insurance Company Limited for the last five years were made up as follows:

December 31, 2019						
Name of related party or connected persons	Name of Facilities	Nature of Borrowings	Outstanding Loan Amount	Rate of interest (%)	Interest paid	Interest accrued
Bengal Polymer Wears	Unsecured Loan	Common Directorship Loan	5,811,200	Nil	Nil	Nil
Bengal Plastics Ltd.	Unsecured Loan	Common Directorship Loan	10,577,600	Nil	Nil	Nil
Designer Fasions Ltd.	Unsecured Loan	Common Directorship Loan	5,811,200	Nil	Nil	Nil
Total			22,200,000	Nil	Nil	Nil

December 31, 2018						
Name of related party or connected persons	Name of Facilities	Nature of Borrowings	Outstanding Loan Amount	Rate of interest (%)	Interest paid	Interest accrued
Bengal Polymer Wears	Unsecured Loan	Common Directorship Loan	5,811,200	Nil	Nil	Nil
Bengal Plastics Ltd.	Unsecured Loan	Common Directorship Loan	10,577,600	Nil	Nil	Nil
Designer Fasions Ltd.	Unsecured Loan	Common Directorship Loan	5,811,200	Nil	Nil	Nil
Total			22,200,000	Nil	Nil	Nil

Amount in Taka

December 31, 2017						
Name of related party or connected persons	Name of Facilities	Nature of Borrowings	Outstanding Loan Amount	Rate of interest (%)	Interest paid	Interest accrued
Bengal Polymer Wears	Unsecured Loan	Common Directorship Loan	5,811,200	Nil	Nil	Nil

Bengal Plastics Ltd.	Unsecured Loan	Common Directorship Loan	10,577,600	Nil	Nil	Nil
Designer Fasions Ltd.	Unsecured Loan	Common Directorship Loan	5,811,200	Nil	Nil	Nil
Total			22,200,000	Nil	Nil	Nil

Amount in Taka

December 31, 2016						
Name of related party or connected persons	Name of Facilities	Nature of Borrowings	Outstanding Loan Amount	Rate of interest (%)	Interest paid	Interest accrued
Bengal Polymer Wears	Unsecured Loan	Common Directorship Loan	10,000,000	Nil	Nil	Nil
Bengal Plastics Ltd.	Unsecured Loan	Common Directorship Loan	18,200,000	Nil	Nil	Nil
Designer Fasions Ltd.	Unsecured Loan	Common Directorship Loan	10,000,000	Nil	Nil	Nil
Total			38,200,000	Nil	Nil	Nil

Amount in Taka

December 31, 2015						
Name of related party or connected persons	Name of Facilities	Nature of Borrowings	Outstanding Loan Amount	Rate of interest (%)	Interest paid	Interest accrued
Bengal Polymer Wears	Unsecured Loan	Nil	Nil	Nil	Nil	Nil
Bengal Plastics Ltd.	Unsecured Loan	Nil	Nil	Nil	Nil	Nil
Designer Fasions Ltd.	Unsecured Loan	Nil	Nil	Nil	Nil	Nil
Total		Nil	Nil	Nil	Nil	Nil

Sd/-

Place: Dhaka

Date : September 29, 2020

Rahman Mostafa Alam & Co

Chartered Accountants

(ii) Statement of principal terms of secured loans and assets on which charge have been created against those loans with names of lenders, purpose, sanctioned amount, rate of interest, primary security, collateral or other security, re-payment schedule and status;

Certification on statement of principal terms of secured loans and assets on which charge have been created against those loans with names of lenders, purpose, sanctioned amount, rate of interest, primary security, collateral or other security, re-payment schedule and status of Desh General Insurance Company Limited

After due verification, the principal terms of secured loans as per loan agreement and assets on which charge have been created against those loans of Desh General Insurance Company Limited for the last five years were as follows:

Amount in Taka

Year	Name of the lenders	Purpose	Sanctioned amount	Rate of interest (%)	Primary security	Collateral or other security	Repayment schedule	Status (Outstanding Liability)
31-Dec-19	Bank Asia Ltd, Principal Br	Liability Paid	16 Lac	9.75%	FDR of Tk 20 Lac	-	155,360	1,643,839
31-Dec-19	Modhumoti Bank Ltd, Gulshan Br.	Claim Paid	243 Lac	11.50%	FDR of Tk 270 Lac	-	2,465,404	25,033,329
31-Dec-19	Shahjalal Islami Bank, Bijoy Nagar Br.	Loan ,Claim & Decoration	427.10 Lac	9%	FDR of Tk 533 Lac	-	3,464,300	44,393,146
31-Dec-19	Southeast Bank Ltd.	Claim Paid	85 Lac	10.50%	FDR of 25 Lac	-	-	8,896,667
31-Dec-19	Padma Bank Limited	Claim Paid	22.50	13.50%	-	-	279,592	2,331,204
31-Dec-19	IDLC, Dhaka	Car Loan	47 Lac	11.75%	Cheque of Tk. 47 Lac	-	1,225,180	2,175,293
31-Dec-18	Bank Asia Ltd, Principal Br	Liability Paid	16 Lac	9.00	FDR of Tk 20 Lac	-	145,891	1,637,696
31-Dec-18	The Farmers Bank Ltd, Mirpur Br	Claim Paid	22.50 Lac	11.25	FDR of Tk 25 Lac	-	232,153	2,313,807
31-Dec-18	IDLC, Dhaka	Car Loan	47 Lac	11.75, &13.00	Cheque of Tk 47 Lac	-	1,279,110	3,043,463
31-Dec-18	Shahjalal Islami Bank, Bijoy Nagar Br.	Loan ,Claim & Decoration	427.10 Lac	8.70 ,9.00 & 8.00	FDR of Tk 555 Lac	-	3,431,438	44,267,154
31-Dec-18	Modhumoti Bank Ltd, Gulshan Br.	Claim Paid	243.43 Lac	11.50	FDR of Tk 270 Lac	-	-	24,591,450

31-Dec-17	Bank Asia Ltd, Principal Br	Liability Paid	16 Lac	9.00	FDR of Tk 20 Lac	-	149,848	1,638,238
31-Dec-17	The Farmers Bank Ltd, Mirpur Br	Claim Paid	22.50 Lac	11.25	FDR of Tk 25 Lac	-	184,163	2,310,125
31-Dec-17	IDLC, Dhaka	Car Loan	20 Lac	11.75	Cheque of Tk 20 Lac	-	633,520	1,165,494
31-Dec-17	Shahjalal Islami Bank, Bijoy Nagar Br.	Loan ,Claim & Decoration	427.10 Lac	7.50 & 9.00	FDR of Tk 555 Lac	-	1,155,668	44,181,531
31-Dec-16	Bank Asia Ltd, Principal Br	Liability Paid	16 Lac	11.00	FDR of Tk 20 Lac	-	185,438	1,639,100
31-Dec-16	The Farmers Bank Ltd, Mirpur Br	Claim Paid	22.50 Lac	11.25	FDR of Tk 25 Lac	-	48,670	2,250,599
31-Dec-16	IDLC, Dhaka	Car Loan	20 Lac	12.75	Cheque of Tk 20 Lac	-	587,510	1,630,868
31-Dec-16	Shahjalal Islami Bank, Bijoy Nagar Br.	Claim Paid	152.10 Lac	7.50	FDR of Tk 355 Lac	-	-	15,484,106
31-Dec-15	Mercantile Bank Ltd, Main Br	Office Decoration	1.50 Cr	15.00	Cheque of Tk 1.50 cr	FDR of Tk 51 Lac	6,565,000	4,519,894
31-Dec-15	Bank Asia Ltd, Principal Br	Liability Paid	16 Lac	11.90	FDR of Tk 20 Lac	-	328,239	1,648,719
31-Dec-14	Mercantile Bank Ltd, Main Br	Claim Paid	1.50 Cr	15.00	Cheque of Tk 1.50 cr	FDR of Tk 51 Lac	5,368,000	9,970,933
31-Dec-14	Bank Asia Ltd, Principal Br	Liability Paid	16 Lac	14.50	FDR of Tk 20 Lac	-	324,685	1,714,818

Sd/-

Place: Dhaka

Date : September 29, 2020

Rahman Mostafa Alam & Co

Chartered Accountants

(iii) Statement of unsecured loans with terms & conditions;

Certification on statement of unsecured loans with terms and conditions of Desh General Insurance Company Limited

This is certify that Desh General Insurance Company Limited has not taken any unsecured loan from any financial institute/related party/person for the last five years except from

Sl. No	Name Of Organization	Amount Of Loan	Balance as on 31.12.2019
1	Bengal Polymer Wears Ltd.	10,000,000	5,811,200
2	Bengal Plastics Ltd.	18,200,000	10,577,600
3	Designer Fasions Ltd.	10,000,000	5,811,200
Total		38,200,000	22,200,000

Sd/-

Place: Dhaka

Date : September 29, 2020

Rahman Mostafa Alam & Co

Chartered Accountants

(iv) Statement of inventories showing amount of raw material, packing material, stock-in-process and finished goods, consumable items, store & spares parts, inventory of trading goods etc.;

Certification on statement of inventories showing amount of raw material, packing material, stock-in-process and finished goods, consumable items, store and spares parts, inventory of trading goods etc. of Desh General Insurance Company Limited

This is to certify that Desh General Insurance Company Limited has no inventories showing amount of raw material, packing material, stock in process and finished goods, consumable items, store & spare parts, inventory of trading goods etc. for the last five years.

Sd/-

Place: Dhaka

Date : September 29, 2020

Rahman Mostafa Alam & Co

Chartered Accountants

(v) Statement of trade receivables showing receivable from related party and connected persons;

Certification on statement of trade receivables showing receivable from related party and connected persons of Desh General Insurance Company Limited

This is to certify that, there is no such trade receivables showing receivables from related party and connected person of Desh General Insurance Company Limited for the last five years.

Sd/-

Place: Dhaka

Date : September 29, 2020

Rahman Mostafa Alam & Co

Chartered Accountants

(vi) Statement of any loan given by the issuer including loans to related party or connected persons with rate of interest and interest realized or accrued;

Certification on statement of any loan given by the issuer including loans to related party or connected persons with rate of interest and interest realized or accrued of Desh General Insurance Company Limited

This is to certify that, there is no such loan given by Desh General Insurance Company Limited including loan to related party or connected persons hence there is no interest realized or accrued for last five years.

Sd/-

Place: Dhaka

Date : September 29, 2020

Rahman Mostafa Alam & Co

Chartered Accountants

(vii) Statement of other income showing interest income, dividend income, discount received, other non operating income;

Certification on statement of other income showing interest income, dividend income, discount received, other non operating income of Desh General Insurance Company Limited

After due verification, other income showing interest income, dividend income, discount received, other non operating income of Desh General Insurance Company Limited for the last five years as follows:

Particulars	Amount in Taka				
	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
Interest income	18,515,955	17,384,929	11,290,236	5,837,439	8,778,191
Dividend income	-	-	-	-	-
Discount received	-	-	-	-	-
Other non-operating income	-	-	-	-	-
Total Income	18,515,955	17,384,929	11,290,236	5,837,439	8,778,191

Sd/-

Place: Dhaka

Date : September 29, 2020

Rahman Mostafa Alam & Co

Chartered Accountants

(viii) Statement of turnover showing separately in cash and through banking channel;

Certification on statement of turnover showing separately in cash and through banking channel of Desh General Insurance Company Limited

After due verification, the turnover showing separately in cash and through banking channel of Desh General Insurance Company Limited during last five years were as follows:

Particulars	Amount in Taka				
	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
Turnover in cash	-	-	-	-	-
Turnover in cash through banking channel	253,206,632	147,560,153	123,304,957	113,586,360	92,788,401
Total turnover	253,206,632	147,560,153	123,304,957	113,586,360	92,788,401

Sd/-

Place: Dhaka

Date : September 29, 2020

Rahman Mostafa Alam & Co

Chartered Accountants

(ix) Statement of related party transaction;

Certification on statement of related party transactions of Desh General Insurance Company Limited

After due verification, we certify that as per audited financial statements, books of accounts and records, the status of related party transactions of Desh General Insurance Company Limited for the last five years were as under:

Name of the Related Party	Nature of Relationship	Nature of Transaction	(Receivable)/Payable Balance at the period/year end				
			31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
Bengal Plastic Ltd.	Common Directorship	Insurance	2,610,508	2,732,838	3,307,651	-	-
Bengal Cement Ltd.	Common Directorship	Insurance	3,958,085	421,396	2,654,872	-	-
Bengal Flexipack Ltd.	Common Directorship	Insurance		40,305	324,347	-	-
Bengal Melamine Ltd	Common Directorship	Insurance	114,971	55,255	716,912	-	-
Bengal Oversees Corp. Ltd.	Common Directorship	Insurance	3,365	10,239	106,385	-	-
Bengal Petrochum & Synthitic Textile Ltd.	Common Directorship	Insurance		858,150	706,173	-	-
Bengal Plastic pipe Ltd.	Common Directorship	Insurance	1,711,843	1,422,797	507,760	-	-
Bengal Poly And Paper sack ltd.	Common Directorship	Insurance	342,940	1,034,746	426,161	-	-
Bengal Windsor Thermoplastic Ltd.	Common Directorship	Insurance	950,003	2,263,038	862,251	-	-
Hemilton Metal Corporation Ltd.	Common Directorship	Insurance	149,603	224,021	214,403	-	-
Linnex electronic Bngaldesh Ltd.	Common Directorship	Insurance	87,924	638,970	502,528	-	-
Oceanic trading Company Ltd.	Common Directorship	Insurance	5,813	12,506	266,697	-	-
Bengal polymer Wear Ltd	Common Directorship	Insurance	684,425	921,108	213,037	-	-
Power utility Bangladesh Ltd.	Common Directorship	Insurance	43,183	725,628	133,707	-	-
Romania Food & Bevarage Ltd.	Common Directorship	Insurance	138,318	148,213	372,925	-	-
Bengal plastic ltd. Silmon , Tongi.	Common Directorship	Insurance	1,333,627	1,997,095	-	-	-
HEMALTON MOULD & ENGINEERING LTD.	Common Directorship	Insurance	79,050	386,763	-	-	-

LINNEX TECHNOLOGIES LTD.	Common Directorship	Insurance	239,110	204,551	-	-	-
Future Infrastructure Development Ltd	Common Directorship	Insurance	227,425	-	227,425	-	-
Bengal LPGL Ltd	Common Directorship	Insurance		-	1,456,785	-	-
Total Premium	Common Directorship	Insurance	12,680,193	14,097,619	13,000,019	4,125,712	-
Desh Garments Ltd.	Common Directorship	Insurance	298,482	429,129	242,647	-	-
Total Premium	Common Directorship	Insurance	298,482	429,129	242,647	702,204	-
Fars hotel & resort Ltd.	Common Directorship	Insurance	364,795	472,362	90,406	-	-
Akbor Hossain	Common Directorship	Insurance	62,629	32,571			
Akram Traders Ltd.	Common Directorship	Insurance	114,125	80,766	226,549	-	-
Total Premium	Common Directorship	Insurance	541,459	585,699	316,955	149,941	-
Grand Total Premium			13,520,134	15,112,447	13,559,621	4,977,857	-
Bengal Polymer Wears Ltd.	Common Directorship	Unsecured Loan	5,811,200	5,811,200	5,811,200	10,000,000	-
Bengal Plastics Ltd.	Common Directorship	Unsecured Loan	10,577,600	10,577,600	10,577,600	18,200,000	-
Designer Fashions Ltd.	Common Directorship	Unsecured Loan	5,811,200	5,811,200	5,811,200	10,000,000	-
Grand Total			22,200,000	22,200,000	22,200,000	38,200,000	-

Dated: Dhaka
September 29, 2020

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

(x) Reconciliation of business income shown in tax return with net income shown in audited financial statements

Certification on reconciliation of business income shown in tax return with net income shown in audited financial statements of Desh General Insurance Company Limited

Reconciliation	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
Net Income shown in audited financial statements	54,295,191	46,760,392	41,110,467	21,354,164	19,759,540
Add: Accounting depreciation	10,753,598	9,407,312	8,252,513	6,142,584	5,096,371
Less: Depreciation as per tax base	(16,956,668)	17,431,714	-	-	-
Add: Other income/(Expenses)	-	-	-	-	-
Income shown in tax return	48,092,120	46,760,392	41,110,467	21,354,164	19,759,540

Sd/-

Dated: Dhaka
September 29, 2020

Rahman Mostafa Alam & Co.
Chartered Accountants

(xi) Confirmation that all receipts and payments of the issuer above Tk. 5,00,000/- (five lac) were made through banking channel;

Certification on confirmation that all receipts and payments of the issuer above Tk.5,00,000/- (five lac) were made through banking channel of Desh General Insurance Company Limited

After due verification, we confirm that all receipts and payments above Tk. 5,00,000/- (five lac) were made through banking channel by Desh General Insurance Company Limited during last five years .

Sd/-

Dated: Dhaka
September 29, 2020

Rahman Mostafa Alam & Co.
Chartered Accountants

(xii) Confirmation that Bank Statements of the issuer are in conformity with its books of accounts;

Certification on confirmation that Bank Statements are in conformity with its books of accounts of Desh General Insurance Company Limited

After due verification, we confirm that the bank statements of Desh General Insurance Company Limited are in conformity with its books of accounts for last five years.

Sd/-

Dated: Dhaka
September 29, 2020

Rahman Mostafa Alam & Co.
Chartered Accountants

(xiii) Statement of payment status of TAX, VAT and other taxes or duties; and

Certification on statement of payment status of TAX, VAT and other taxes or duties of Desh General Insurance Company Limited

Particulars		Payment Status			
	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
Tax	1,461,697	6,307,466	5,345,105	503,013	3,103,822
VAT	16,591,344	13,952,401	11,853,350	8,544,029	7,762,525
Other Taxes/Duties	5,588,536	2,099,098	3,104,727	1,622,826	582,728

Sd/-

Dated: Dhaka
September 29, 2020

Rahman Mostafa Alam & Co.
Chartered Accountants

(xiv) Any other statement as may be required by the Commission

Not Applicable

Chapter - XXVII

Credit Rating Report

AlphaRating

Desh General Insurance Company Limited

(Jiban Bima Bhaban, Front Block, Level-5, 10 Dilkusha C/A, Dhaka-1000)

(Non-Life Insurance)

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Alpha Credit Rating Limited, Sadharan Bima Bhaban-2, 139 Motijheel C/A, Dhaka-1000
Tel: + 880-2- 9573026 – 28. Web: www.alpharating.com.bd

29 September, 2020

Chief Executive Officer
Desh General Insurance Company Limited
Jiban Bima Bhaban, Front Block, Level-5, 10 Dilkusha C/A, Dhaka-1000

Subject: Credit Rating of Desh General Insurance Company Limited.

Dear Sir,

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

Date of Declaration	Valid Till	Rating Action	Long Term Rating	Short Term Rating	Outlook
29 September, 2020	28 September, 2021	Surveillance	A+	ST-3	Stable

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 **Desh General 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

This letter forms an integral part of the credit rating report.

Desh General Insurance Co. Ltd. Rating Type *surveillance* **A+** Long Term Rating **ST-3** Short Term Rating
Stable Outlook **Date of Declaration** 29 September, 2020 **Valid Till** 28 September, 2021

Industry Risk High Liquidity Moderate Profitability Moderate Solvency Score Moderate Capital Adequacy Inadequate Sector Non-life

Previous Rating

Long Term Rating: **A+**
Short Term Rating: **ST-3**
Outlook: **Stable**
Date of Declaration: **26 May, 2019**
Valid Till: **25 May, 2020**

Contact Analysts

Tanmoy Saha
tanmoy@alpharating.com.bd

Jahannoor Khan
jahannur@alpharating.com.bd

Contents

Rationale	2
Company Profile	3
Industry Overview	4
Business Risk	7
Financial Risk Analysis	10
Bank Facilities	15
Management Quality	16
Company Information	18

Date of Incorporation:
8 February, 2000

Board Chairman:
Mr. Md. Jashim Uddin

Chief Executive Officer:
Mr. Qazi Mukarram Dastagir

Total Asset:
BDT 693.74 million (As on 31 December 2019)

Authorized Capital:
BDT 1,000.00 million (As on 31 December 2019)

Paid up Capital:
BDT 240.00 million (As on 31 December 2019)

Rationale

AlphaRating reaffirms long term rating "**A+**" (pronounced as "**Single A Plus**") and short term rating "**ST-3**" on claim paying ability (CPA) of Desh General Insurance Company Limited (Hereinafter referred to as 'DGICL' or 'the company') with a stable outlook. The above rating is assigned based on the audited financial statements of 31 December, FY 2016-2019 & other financial information till 30 June, 2020 and other qualitative information.

The assigned rating is supported by increased gross & net premium, improved claim paying ability along with claim settlement period within 90 days, agency commission within 15%, good expense management which has led to positive gap between allowable and actual expenses, increased cash flow from operation, moderate solvency, increased underwriting profit, increased total asset base, increased investment income along with total investment, improved yield on investment, Improved ROA & ROE, adequate reserve for un-expired risk and standard investment policy etc. Along with this the company has achieved quite stable earnings platform & created a brand image in spite of low market share.

However, the strength of the rating is partly offset by overall socio economic condition of Bangladesh along with increasing combined ratio due to higher loss ratio, moderate liquidity, declined net profit margin, non-compliance of regulatory capital requirement, underwriting loss from marine hull & miscellaneous revenue account and associated business risk. The rating also considers inherent business risks, unhealthy competition between the competitors and level of sophistication of the domestic insurance market.

Credit Metrics

Particulars	2019	2018	2017	2016
Net Profit Margin (%)	19.40	23.49	21.21	15.11
ROE (%)	11.68	8.87	7.02	9.82
Current Ratio(x)	1.57	1.68	1.82	1.33
Current asset/net claim (%)	5.09	11.24	19.91	10.12
Solvency ratio(x)	3.16	1.53	3.77	9.26
Yield on investment (%)	7.07	6.69	4.46	5.57

Operating Summary (BDT in Millions)

Particulars	2019	2018	2017	2016
Gross Premium	308.19	203.39	161.06	145.69
Net premium	167.95	102.22	89.56	81.25
Net claim	103.74	37.95	19.78	21.63
Excess Mgt. Exp.	(2.68)	(11.60)	14.56	5.59
Operating Cash Flow	36.51	25.59	46.81	29.13


Muhammed Asadullah
Managing Director & CEO
Alpha Credit Rating Limited

Company Profile

Bank Facilities

Industry Overview

Management & Other Qualitative Factor

Business Risk**Financial Analysis**

Company Information

Company Profile

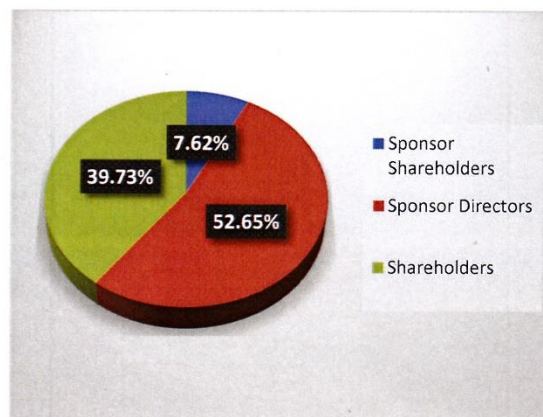
Desh General Insurance Company Limited, a well-known non-life insurance company. The company is a public limited company by shares and operating successfully for a long period of 20 years. DGICL is running its operation with the assistance of more than 268 employees. The company has paid up capital of BDT 240.00 million in FY 2019. And, at the same year, the company become able to increase its total capital by more than 3.03% than that of the previous year. The Board of Directors of Desh General Insurance Company Limited decided to raise capital through Initial Public Offering (IPO) from existing BDT 240.00 million to BDT 400.00 million by way of raising 16.00 million nos. ordinary shares @ of Taka 10 per share, Total BDT 160.00 million subject to approval of regulatory authority.

Product Mix

As a non-life insurance company, objective of DGICL is to perform all kinds of insurance business other than life insurance. DGICL mainly carries out all traditional non-life insurance business- fire, marine cargo & hull, motor insurance businesses. In order to diversify to maximize profitability, DGICL also persist miscellaneous and engineering insurance including burglary, cash in ATM Booth, machinery breakdown, deterioration of Stocks and many more. Nevertheless, the company has opportunity to initiate more fresh policies like overseas medical, travel insurance, home content etc. to its existing product line and grab more market share.

Ownership Pattern

The present shareholding pattern of the company is presented below: 30th September, 2020

**Future Plan**

The management of Desh General Insurance Company Limited has a plan to issue additional 16.00 million shares of BDT 10 each total BDT 160.00 million through initial public offering (IPO), subject to the approval of Bangladesh Securities Exchange Commission (BSEC) and other regulatory bodies, if applicable. The company will then use the collected fund to meet IPO expense & will also invest in FDR, Capital market & Treasury Bond.

Industry Overview

Snapshot of Bangladesh's insurance industry

Currently, Bangladesh's insurance sector comprises 46 non-life insurance companies and 32 life insurance companies. In addition, there are two state-owned insurance corporations—one in the general segment and the other in the life segment.

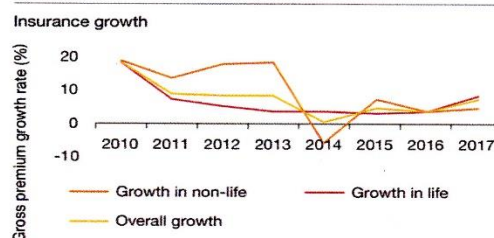
According to a sigma report of the Swiss Re Institute, as of 2017, the gross premium volume of life insurance in Bangladesh stands at USD 974 million and that of non-life stands at USD 371 million. Figure 1 depicts the year-on-year growth. Life insurance constitutes 73.5% of Bangladesh's insurance market and non-life insurance, 26.5%.

Micro-insurance and Islamic insurance (takaful) are also a part of Bangladesh's insurance sector. In 2017, 2.20 million new life and 2.36 million new non-life insurance policies were issued. Further, the number of active life insurance policies was 10.78 million in 2017. The assets of all insurance companies in Bangladesh stood at USD 5,810.61 million by the end of 2017, with an average growth rate of 13.83% from 2009. Investments in both life and non-life insurance companies have grown at an average rate of 14.95% during 2009-2017, with returns increasing from 8% to 11.5% during the same period. The life insurance sector has a competitive landscape, with market share being closely distributed among multiple players.

Benchmarking Bangladesh's insurance industry

Although Bangladesh's insurance sector has witnessed some growth, in comparison with other emerging nations, there is a lot of room for improvement. According to the Seventh Five Year Plan (2016–2020) of the Government of Bangladesh (GoB), a majority of the population across product segments (life and non-life) remains untapped by the insurance market. Overall, insurance penetration (insurance premiums as a share of GDP) in Bangladesh was 0.55% in 2017 and has mostly been on a downward trend since 2009 (see Figure 2). Figure 3 indicates that Bangladesh's insurance penetration rate falls behind that of several other developing countries. Compared to its South Asian counterparts, Bangladesh has the lowest insurance penetration rate. In emerging markets, the average per capita spending on insurance increased by 13% to USD 166 in 2017. The average insurance penetration in emerging markets increased to 3.3% in 2017 (2016: 3.2%), as premium growth continued to outpace GDP growth within these economies. Egypt, like Bangladesh, is one of the countries featured on Goldman Sachs' Next Eleven (N-11), and has been implementing regulatory reforms.

Figure 1: Growth of Bangladesh's insurance sector



Source: Bangladesh Insurance Association 2017 Annual Report

Figure 2: Trend of insurance penetration in Bangladesh

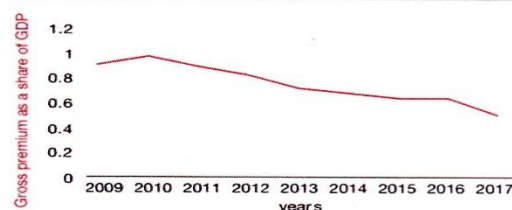
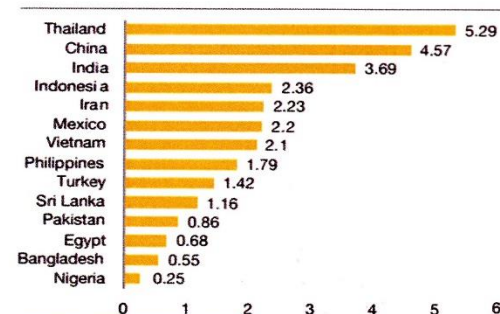


Figure 3: Insurance Penetration: Premiums as a percentage of GDP- 2017



Source: Swiss Re Institute (2018)

These reforms have helped Egypt strengthen its insurance sector significantly, as evidenced by the growth of its insurance density premium per capita from USD 8 in 1999 to USD 16 in 2017. Across the financial sector, there is low penetration of financial products and services beyond current accounts (see Figure 4). Among all financial products, savings products account for a mere 18%.

Challenges and Opportunities

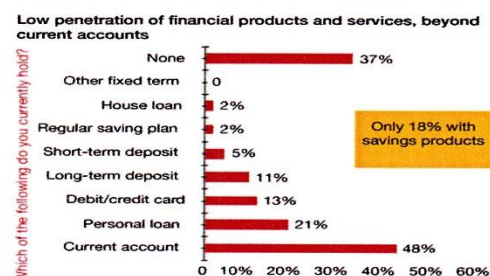
Key challenges

Various challenges underlie the limited growth of Bangladesh's insurance sector. For one, the relationship between customers and insurance companies is marked by lack of trust. According to a recent study by PwC, a majority of Bangladeshi people do not trust insurance agents, and there is limited awareness regarding insurance products. Claim settlement-related problems also undermine the customer-insurer relationship, and the process of settling claims can be arduous and long. Secondly, Bangladesh lacks potential employees with adequate skills and knowledge to provide insurance services of the highest standard. In particular, employees holding advanced degrees in relevant fields are needed. From a macroeconomic perspective, Bangladesh suffers due to uneven income distribution where a majority of the people are poor and do not have the disposable income to afford insurance. This hinders the growth of the country's overall insurance penetration rate. Moreover, the country's technological capacities need major advancement. Globally, the insurance sector has been undergoing digitization and platforms are being created to optimize customer service and streamline processes. In contrast, in Bangladesh, there is limited utilization of modern technology and processes. Insurance companies do not have access to accurate and up-to-date demographic statistics for actuarial computations. Lastly, the regulatory environment in Bangladesh leaves much to be desired.

Favorable indicators for insurance sector development

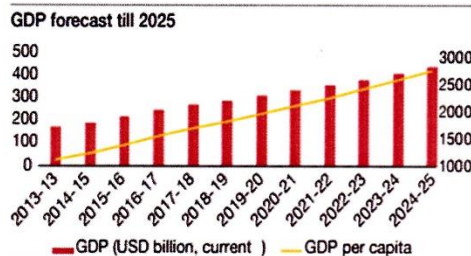
Bangladesh sustained an impressive annual GDP growth rate of 7.86% in FY 2017-18 according to the Bangladesh Bureau of Statistics (BBS). Bangladesh's GDP growth rate has been increasing steadily for the last five years. Strong consumption and public investment, recovery of readymade garments (RMG) exports and high remittance growth were the main propellers of economic growth, bolstering the rise in income per capita and growth of the middle-class population.

Figure 4: Low penetration of savings products



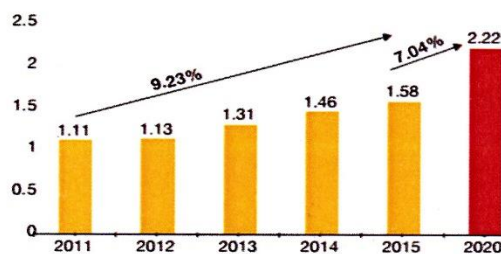
Source: PwC analysis

Figure 5: Bangladesh's economy has seen steady growth



Source: PwC analysis

Figure 6: Bangladesh's insurance sector is projected to grow by 7.04% by 2020 (in terms of premiums)



Source: BMI and PwC analysis

Bangladesh is poised to capture some of this growth. The country's economic growth has been on an upward trend, which bodes well for the insurance sector (see Figure 5).

In the next decade, Bangladesh will continue to witness the rise of the middle and wealthy class in major cities. This could easily translate into a higher demand for insurance products as individuals and companies become increasingly risk aware. As shown in Figure 6, insurance penetration in Bangladesh is expected to grow at 7.04% and be worth approximately USD 2.2 billion (in terms of insurance premiums) by the year 2020.

As the country becomes increasingly industrialized, the demand for non-life insurance, such as fire, accident and property as well as workers' compensation insurance, is likely to experience substantial growth in demand.

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

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

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

A resilient insurance sector can, in turn, have far-reaching economic, commercial and social benefits for Bangladesh. Thriving against odds, it could also, in the long run, encourage entrepreneurship and innovation while facilitating risk transfer

Business Risk Analysis**Business Risk**

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

It has been noted that the company mainly concentrated on fire insurance business and marine cargo insurance in FY 2019. And gross premium received from fire business represented 38.37% of total gross premium in FY 2019, which has been increased from 57.09% in FY 2018. Another significant business sector is marine cargo insurance business which represented 37.44% of total gross premium while motor & miscellaneous insurance held only 9.02% & 14.70% of total gross premium, respectively. However, it was also noted that, marine, fire & motor insurance were the most profitable business sector of the company for the last financial year. The company should focus on generating more underwriting profit to offset the business risk to some extent.

Liquidity Risk

Liquidity risk is the risk that a company may be unable to meet short term financial demands. This usually occurs due to the inability to convert a security or hard asset to cash without a loss of capital and/or income in the process. The major liquidity risk encountered by the company is the daily calls on its available cash resources in respect of claims arising from insurance contracts and maturity of investment securities. Liquidity risk also occurs more generally in relation to the ability to buy and sell investments. However the company manages its liquidity by ensuring sufficient liquidity to meet its claims and other liabilities when due under both normal & stressed conditions without incurring unacceptable losses or risking damage to the company's reputation. Moreover, DGICL sets limit on the minimum portion of maturing funds available to meet such calls to cover claims at unexpected levels of demand. Moreover, company's FDR & STD with bank has observed to increase over the years. DGICL has sufficient amount of premium income to meet any unforeseen claim or payment.

Interest Rate Risk

Interest rate risk arises out of investment decisions and acceptance of high exposures in any one type of investment instrument. Interest Income of DGICL is a significant portion of total income (21.93%). This income from fixed and other deposit may fall with the reduction of interest rate of commercial bank.

In order to mitigate interest rate exposure, companies can invest into mutual funds to secure its revenue and also to generate capital gains. However, this source has also its own drawback, if the overall capital market position falls, then the performance of mutual fund will also decline.

Thus the company should more concentrate on traditional business in order to minimize any loss/reduction of income arise from the investment already made.

Internal Control Risk

Internal control risks are risks that affect the effectiveness and efficiency of internal controls and thus affect the achievement of objectives. Generally internal control risk arises from non-compliance of rules and regulation which ultimately possess negative impact on overall business performance.

DGICL has a separate internal audit department which assists in maintaining financial discipline and management of the company. Head office receives data of revenue and expenses of each branch and branch controlling person is held responsible for review and reconcile of all the account. If any inconsistency is observed, the company ensures proper investigation which leads to compensation charge to the responsible person. The company ensures formation of Management Committee that deals with operational decisions. It is observed that the Board forms Audit Committee to look after all irregularities of the company. Internal Audit Department, headed by professional, is assigned for the purpose of regular visit of the branch offices for audit and investigation. Branch Control Department follow-up all the branches regarding operation and take necessary action.

Insurance Risk

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

DGICL reduces this risk with the help of its experienced underwriting team who undertakes pre-insurance surveys of large and complicated risk. The company manages these risks through its underwriting strategy, adequate reinsurance arrangements & proactive claims handling. Underwriting team of the company consist of four members, all member are well experienced and trained from both within and outside the country. Risk management ensures proper understanding of the right level of risk acceptance, risk control and risk related expenditure. DGICL also takes reinsurance coverage from SBC. The company has surplus treaty for all business classes.

Competition in the Market

As a result of an intense competition exists between big industry players. To be competitive in the market, DGICL needs to develop new products and offer excellent clientele service instead of sharing higher agency commission with the client. Moreover, the company also needs to expand its market otherwise the competitors may take away its business.

Socio-political-economic Risks

Although current market political situation in Bangladesh is quite stable than previous years, still it is always a major problem in carrying out any business in Bangladesh. The risk arises out of changes in the country's political, social and economic environment which might negatively impacts on the overall employment, savings and thus investment of the country. Instability in politics, may create disruptive situations which have negative impact on every business. The people who operate various types of businesses in our country, often experience inconvenience in running their business.

Human Resource

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

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

Like most of the private sector non-life insurance company, DGICL holds a very insignificant portion of total market & is continuously striving to hold the position. Recruitment of energetic, qualified professionals is expected to gear up the business.

Regulatory Risk

The increasing intensity of regulatory requirements poses a significant threat to the industry. The new Insurance Development and Regulatory Authority Act-2010 and Insurance Act-2010 replaced the old insurance laws which are likely to bring significant changes in the regulation of the industry. In order to make overall claim settlement procedure smooth and timely, insurance companies are required to set up a special fund known as 'policyholders' Protection Fund'. For further enhancing the solvency position, paid up capital for non-life and life insurance companies have been raised to BDT 400.00 million and BDT 300.00 million respectively.

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

Market & Technology Related Risk

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

Financial Risk Analysis

Underwriting Process & Quality

Underwriting risk is the risk of loss borne by an underwriter. In insurance, underwriting risk may arise from an inaccurate assessment of the risks associated with writing an insurance policy or from uncontrollable factors. As a result, the insurer's costs may significantly exceed earned premiums. During FY 2019, gross premium of the company has increased to BDT 308.19 million and net premium has increased to BDT 167.95 million whereas in FY 2018 gross premium was BDT 203.39 million and net premium was BDT 102.22 million. This shows that the company has higher premium collection than previous year. Moreover, as on June, 2020 DGICL has reported gross premium of BDT 168.98 million.

Underwriting performance is measured by combined ratio which is the ratio of expenses & losses to net premiums. Loss ratio of the company has observed to increase & stood at 61.77% in FY 2019. Analysis revealed that, the main reason behind such increase in loss ratio is; net claim paid out has increased by 173.36% in FY 2019 whereas 64.30% increase has noticed in net premium.

Moreover, expense ratio of the company has also increased by 2.55% in FY 2019. It has been observed that, actual management expense of DGICL has been consistently increasing over the year. The higher increase in actual management expense than net premium has led to increase in expense ratio. Consequently combined ratio of the company has increased to 117.64% in FY 2019 compared to 90.45% in FY 2018. As combined ratio of DGICL is more than 100% indicates that an underwriting loss.

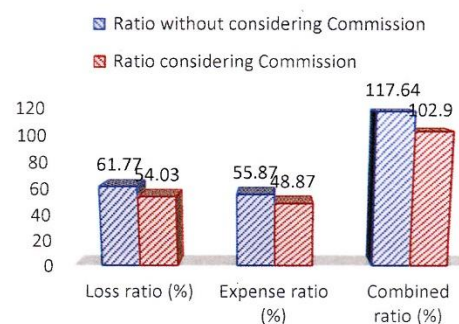
Selected Indicators (Without considering commission on reinsurance ceded)

	Year Ended Dec. 31			
	2019	2018	2017	2016
Loss ratio (%)	61.77	37.13	22.08	26.62
Expense ratio (%)	55.87	53.32	50.97	41.65
Combined ratio (%)	117.64	90.45	73.06	68.27

If we consider commission on reinsurance ceded along with net premium, performance of the company in terms of loss ratio & expense ratio shows better performance though combined ratio still remains higher than 100%.

Selected Indicators (After considering commission on reinsurance ceded)

	Year Ended Dec. 31			
	2019	2018	2017	2016
Loss ratio (%)	54.03	30.64	18.87	22.67
Expense ratio (%)	48.87	44.00	43.54	35.47
Combined ratio (%)	102.90	74.64	62.41	58.14



Management Expense

According to the Insurance Act 2010 every non-life insurance company including DGICL are required to calculate the allowable management expenses and maintain its actual management expenses within the limit. As per the given guideline DGICL's allowable management expense was BDT 96.52 million (excluding agency commission) in FY 2019 whereas total actual management expense was BDT 93.84 million. The company was able to keep actual management expense below the allowable management expense, which has resulted in spare allowable management expense of BDT 2.68 million. Moreover, as on June 2020, DGICL has also spare allowable management expense of BDT 5.45 million. DGICL has incurred almost 90.01% of its allowable management expense as on June, 2020, whereas it was 97.22% in FY 2019.

According to IDRA, agency commission must be within 15% of its premium of all classes of insurance. DGICL incurred BDT 34.73 million as agency commission in FY 2019 against the gross premium of BDT 308.19 million. Agency commission of DGICL is stood at 11.27% of total Gross Premium which is was below the regulatory threshold of 15%.

Selected Indicators

Year Ended Dec. 31					
BDT in millions	2020*	2019	2018	2017	2016
Actual management expense (excluding agency commission)	49.11	93.84	54.50	45.65	33.84
Allowable management expense (excluding agency commission)	54.56	96.52	66.10	31.09	28.25
Excess management expense	(5.45)	(2.68)	(11.60)	14.56	5.59
Agency Commission	-	34.73	20.48	16.81	15.49

*As per management affirmation

Claim Management

During FY 2019, the company settled 47 claim worth of BDT 53.06 million against 51 initiated claims worth of BDT 103.74 million. In term of percentage, the company has settled over 92.00% of total initiation in FY 2019. DGICL has also 01 repudiated claim in FY 2019. Moreover, as on June, 2020 DGICL has settled 9 claims worth of BDT 15.65 million against 10 initiated claims worth of BDT 21.57 million. Gleams of DGICL's claim performance over the last few years are presented below:

	Year	Fire	Motor	Marine	Misc.
Claim Initiated	2020*	5	3	1	1
	2019	7	36	7	1
	2018	9	22	3	Nil
	2017	7	25	6	Nil
	2016	4	30	5	Nil
Claim Settled	2020*	4	3	1	1
	2019	6	33	7	1
	2018	9	20	3	Nil
	2017	5	24	6	Nil
	2016	2	24	1	Nil

*As per management affirmation

However, it has been observed that DGICL's average claim settlement period within 90 days over the last three years after getting all the documents, which can bring positive campaign for the company. As on June, 2020 DGICL's average claim settlement period also remained within 90 days period.

Average Claim Settlement Periods

Particulars	2020*	2019	2018	2017	2016
Fire (In days)	65	70	70	70	120
Motor (In days)	30	30	30	30	60
Marine (In days)	60	60	60	60	90
Miscellaneous (In days)	60	60	60	60	Nil

*As per management affirmation

Asset and Investment Quality

The company has diversified its investment in different sector, which includes Govt. Treasury bond & FDR etc. Level of investment of the company has been increasing over the financial years and stood at 262.03 million in FY 2019 and 283.75 million in June, 2020.

According to the Insurance Act 2010, the company has to maintain statutory requirement of investing BDT 25.00 million with National Investment Bond which is being duly maintained since 2013. Most of DGICL's investments comprise of fixed deposit with different commercial banks. However, it has been noticed that FDR of the company has been slightly increased by 0.09% & stood at BDT 220.69 million in FY 2019, whereas in June 2020 FDR stood at 225.69 million. Along with this, total asset base of the company has been increased to BDT 693.74 million in FY 2019 and to BDT 712.69 million in June, 2020.

Selected Indicators

	Year Ended Dec. 31				
BDT in millions	2020*	2019	2018	2017	2016
Total Investment	283.75	262.03	259.84	253.19	104.86
Investment income as % of total income	22.14	21.93	26.46	18.59	17.59
Yield on investment (%)	3.38	7.07	6.69	4.46	5.57

*As per management affirmation

Investment income as % of total income has decreased to 21.93% in FY 2019, which was 26.46% in FY 2018. The reason behind this increase is, investment income has increased by 6.56% whereas total income has increased by 28.56%. Moreover, during June, 2020 Investment income as % of total income has increased to 22.14%. On the other hand, yield on investment has increase to 7.07% in FY 2019 from 6.69% in FY 2019 due to mainly increase in investment income, whereas yield on investment reported 3.38% in June, 2020.

Profitability

DGICL earns profit from different sources including interest income & underwriting profit. Underwriting profit is considered as one of the main sources of income for DGICL comprising 78.07% of total income in FY 2019 and total underwriting profit has been increased by BDT 17.63 million in FY 2019. Though underwriting profit in terms of fire, marine cargo and motor insurance has been improved but marine hull and miscellaneous insurance has turned into loss making business segment in FY 2019, which was profit making in FY 2018.

Other than underwriting profit, interest income is another significant source of revenue for DGICL, representing 21.93% of total income in FY 2019. The interest income consists of interest on FDR, STD A/C & GSB. Interest income has been increased to BDT 18.52 million in FY 2019 from BDT 17.38 million in FY 2018. Further analysis of DGICL's interest income revealed that, interest on FDR is 88.44% of total interest income which has been increased by 9.42% in FY 2019.

Selected Indicators

	Year Ended Dec. 31			
	2019	2018	2017	2016
Net profit margin (%)	19.40	23.49	21.21	15.11
Return on assets (%)	8.57	8.50	9.68	7.25
Return on equity (%)	11.68	8.87	7.02	9.82

In FY 2019, profit after tax of the company has increased to BDT 32.58 million which has increased by 35.69%. On the other hand, net premium of DGICL has increased to BDT 167.95 million which has increased by 64.30% in FY 2019. The higher increase in net premium compared to increase in profit after tax has resulted to decline in net profit margin by 4.09 % in FY 2019. Moreover, both ROA and ROE has slightly increased due to higher increase in profitability compare to the increase in asset & equity base of the company.

Liquidity Analysis

The current ratio of the company has decreased to 1.57 times in FY 2019 compared to 1.68 times in FY 2018. In FY 2019, DGICL's current asset has increased by 23.83% due to increase in amount due from other persons or bodies and sundry debtors etc. On the other hand, current liabilities has been increased by 32.57% due to increase in bank loan, provision for income tax, estimated liabilities in respect of outstanding claims whether due or intimated etc. Moreover, current ratio has further declined to 1.53 time in June, 2020.

Current asset to net claim ratio has decreased in FY 2019 as net claim has been increased at a higher rate than current asset. Current liability to total liability of the company has remained same as previous year and reported to 97.06% in FY 2019, which has declined to 95.33% in June, 2020. Cash & bank balance to total assets has decreased in FY 2019. Further analysis reveals that cash & bank balance has increased by only 0.10% and total assets has increased by 20.98% in FY 2019 compared to prior year. This ratio has subsequently in increase to 36.54% in June, 2020 due to higher increase in cash & bank balance.

However, operating cash flow position of the company has increased in FY 2019 but operating cash flow to net claim paid out has declined due to higher increase of net claim paid out. From the above analysis, Liquidity position of the company has deteriorated in FY 2019 compared to FY 2018.

Selected Indicators

BDT in millions	Year Ended Dec. 31				
	2020*	2019	2018	2017	2016
Current ratio (times)	1.53	1.57	1.68	1.82	1.33
Current asset/net claim (times)	-	5.09	11.24	19.91	10.12
Current liabilities/total liabilities (%)	95.33	97.06	97.05	98.33	100.00
Cash & bank balance/total assets (%)	36.54	34.44	41.63	44.33	26.60
Operating cash flow/net claim paid out (%)	-	35.19	67.42	236.67	134.70
CFO	29.79	36.51	25.59	46.81	29.13

*As per management affirmation

Reinsurance Utilization

Under the discretion of Insurance Act, the retention limit of non-life insurance companies is being revised from time to time depending on the financial strength, underwriting expertise etc. In accordance with the present rule, 50% of the re-insurable general business shall be reinsured with Sadharan Bima Corporation (SBC) and the remaining 50% of such business may be reinsured either with SBC or with any other insurer whether in or outside Bangladesh.

DGICL also maintains reinsurance arrangement with SBC. Reinsurance protections availed from SBC (1st April, 2020 to 31st March, 2021) is presented below:

Selected Indicators

	Fire	Marine Cargo	Misc.	Motor
Treaty Limit	350.00	80.00	10.00	1.50
Retention	10.00	2.00	0.75	0.50

During FY 2019, total sum insured was BDT 90.35 billion which was BDT 59.52 billion in FY 2018. Moreover, as on June, 2020 total sum insured has increased to BDT 110.26 billion. Generally high retention level signifies inadequate reinsurance protection while low retention level may hamper profitability. DGICL's risk retention rate remained above 50% in FY 2019.

Individual class wise risk retention ratios of last 4 years are presented below:

Business Class\ Year	2019	2018	2017	2016
Fire (%)	34.64	37.60	48.38	59.84
Marine Cargo (%)	80.04	76.50	66.21	67.25
Marine Hull (%)	78.34	52.93	78.35	20.81
Motor (%)	99.12	99.02	99.10	95.72
Misc. (%)	13.12	7.19	19.63	2.32
Average: (%)	54.49	50.26	55.61	55.77

Solvency Analysis

The solvency margin ratio is an important financial indicator & a key benchmark for industry regulators. It means the amount by which the assets of the insurance company are considered to exceed its liabilities and other comparable commitments. As per The Insurance Development & Regulatory Authority's (IDRA) regulations 2010, every non-life insurer needed to prepare statement of solvency margin. Moreover, required solvency represents the regulatory minimum amount of solvency to be held by the non-life insurance company. But, still Insurance Development and Regulatory Authority (IDRA) has not prescribed any formula or guidelines to calculate the minimum solvency margin. It is observed that solvency ratio of the company has increase to 3.16 times in FY 2019 compared to 1.53 times in FY 2018. From analysis, it has been observed that available solvency has increased at a higher amount compared to required solvency for which solvency ratio has increased.

Selected indicators

BDT in millions	Year Ended Dec. 31			
	2019	2018	2017	2016
Available Solvency (AS)	133.86	45.66	69.50	180.48
Required Solvency (RS)	42.38	29.91	18.45	19.49
AS/RS (times)	3.16	1.53	3.77	9.26

Capital Adequacy

As per the statutory capital requirement, every non-life insurance companies are required to have BDT 400.00 million as paid up capital. Paid-up capital of the company remains stable to BDT 240.00 million over the years. However, there is no strict time limit of this capital adequacy requirement for existing insurance company. The board of DGICL is fully concerned with the requirement of capital maintenance. Considering the requirement of the insurance act 2010, the company is trying to increase their paid up capital.

Reserve Adequacy

DGICL maintained the reserve for un-expired risk as requires; 100% of the net premium income for marine hull insurance and 40% for all other business classes. However, the company also maintained reserve for exceptional losses. Reserve for exceptional losses has remain same & stood at BDT 5.00 million in FY 2019. Reserve for exceptional losses represent 0.05 times of net claim in 2019 which was 0.13 times in 2018, suggest very low unexpected events absorbing ability of the company

Bank Facilities & Credit History

Exhibit: Bank Loan:

Bank	Mode of facility	Limit (BDT in millions)	Outstanding (BDT in millions)	Excess over limit (BDT in millions)	As On
IDLC Finance Limited	Lease	2.70	1.76	-	07.07.2020
		2.50	2.35	-	
Modhumoti Bank Limited	SOD	24.30	25.75	1.45	30.06.2020
Southeast Bank Limited	Bai-Muajjal (Quard)*	8.50	9.35	0.85	30.06.2020
Shahjalal Islami Bank Limited	Bai-Muajjal (Gen)*	16.00	17.74	1.74	30.06.2020
	Bai-Muajjal (Gen & FO) *	15.21	16.17	0.96	
	Bai-Muajjal (Gen) *	11.50	12.35	0.85	
Total		80.71	85.47	5.85	

*This mode of facility has expired and DGICL applied for renewal of the facility.

** Difference between loan limit & loan outstanding incurred due to the interest charge.

DGICL has been availing loan financing from Southeast Bank Limited, Motijheel Branch, Dhaka, IDLC Finance Limited, Shahjalal Islami Bank Limited, Bijoy Nagar Branch, Dhaka & Modhumoti Bank limited, Gulshan branch, Dhaka. The company aims to use the loan for meeting up urgent needs of fund.

Security/Mortgage:

- Lien & pledge of MTDR along with authority for encashment.
- Lien & encashment of FDR.

Management & Other Qualitative Factors

Composition of the Board

The composition of the Board complies with the requirements as per rules of IDRA & notification of BSEC. DGICL's board comprises of 13 directors. The board is chaired by Mr. Md. Jashim Uddin, who is businessman and also social worker in nature. All the Board Members of the company are reputed business personalities. The board is responsible for effective implementation of a sound internal control system including compliance with control procedures.

Management Team

The management operates within the guidelines, limits, policies as well as the budgetary control adopted by the Board. Day to day operation of the company is managed by the Management Team. The team is led by the Chief Executive Officer, Mr. Qazi Mukarram Dastagir.

Board Committees

For smooth functioning of the company, DGICL has formed various committees comprised of Senior Executives. Each committee is responsible and accountable for the effective operation of their assigned business area. The board establishes terms of reference and rules with respect to delegate authority and reporting. After fulfillment of the tenure of the committees, the members of committees will be changed within the Board Members.

Every subcommittee has separate scope of work and the Board approves the terms of references. The Sub committees are independent and responsible to provide their expertise opinion to the board. The Board has the following standing committees which regularly report to the Board and submit proposals for resolutions:

- Executive Committee
- Claims Settlement Committee
- Audit Committee
- Remuneration Committee

Claims Committee

Claim is the most important factor for an insurance company. Efficient & smart settlement of claim speaks about the company goodwill in the insurance market.

Claim committee consists of 3 members & chaired by Mr. Aminur Rahman. The committee is responsible to review, assess and recommend claims for prompt settlement, review of surveyor's report, their method of assessment, recommendations of each claims etc. During FY 2019 the committee met 3 times.

Executive Committee

The committee is constituted with a view to act as a bridge among Board of Directors and Executives and to play an effective role in establishing efficient, strong and secured business environment. The committee consists of a Chairman and not more than 7 other members of the Board of Directors. Mr. Aminur Rahman is the chairman of the committee. Executive Committee members take necessary steps for discussion on policy matters of the company, to review and discuss on company's performance, to recommend decisions to the Board on major administrative & business strategy etc.

Audit Committee

The audit committee comprises of 4 members of the board including the chairman. The committee is acting in accordance with the guidelines provided in the notification dated 7th August, 2012 of BSEC.

The committee operates according to the term and condition of the Board and BSEC notification no SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012 and subsequently amended notification no SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July, 2013. The main responsibilities of the audit committee are to ensure the internal control procedures and recommend to the Board for final improvement. The committee also review the approved annual audit planning, review financial statements, review internal audit etc.

Nomination and Remuneration Committee

The committee is focused on developing remuneration policy for the company. The committee is consisting of 3 members including chairman & started on 30th August, 2018.

Corporate Governance

Corporate governance is the system of rules, practices and processes by which a company is directed and controlled. Corporate governance essentially involves balancing the interests of a company's many stakeholders, such as shareholders, management, customers, suppliers, financiers, government and the community. Corporate governance facilitates the rules regulation to work in the best interest of stakeholders. Corporate governance systems and practices in DGICL are designed to ensure adequate internal control in operational process, transparency and accountability. The Board ensures that duties and responsibilities are appropriately segregated between the Board and management to provide sufficient check and balance and flexibility in business operations. The Board also provides leadership & direction to the management and approves strategic & major decisions.

IT Department

DGICL is constantly taking initiatives to modernize its IT infrastructure. The company ensures it underwriting activity through use of internal software. However, the company has international certified trained personnel in IT sector to assure smooth operating of the company. The company also provided training to enrich the knowledge & quality of its IT department. The IT infrastructure and MIS of DGICL is developing over the years. Lots of improvements being made in IT Department to facilitate the smooth run of the department. Head Office computer are connected through Local Area Network and among all branches around Bangladesh.

Internal Control

DGICL's Internal Audit & Control Department is stated to work independently maintaining zero tolerance level for the establishment of Board decision. The department directly reports to the Chief Executive Officer regarding any irregularity, misappropriation of money, fraud, personal conflict, wrong and delayed decision making in order to mitigate risk factors. The company has its internal audit team whose role is to review the existing risk management procedures for ensuring effective internal check and control system, reviewing the annual financial statements to check whether it comply with accounting standards set by the regulatory body, reviewing the efficiency and effectiveness of internal control system, reviewing the findings and recommendations made by external auditors for removing the irregularities detected and also running the affairs of the company are duly considered by the management. The board of directors & senior management are responsible for establishing the appropriate culture to facilitate an effective control process & for monitoring its effectiveness on an ongoing basis. However, each individual within an organization must participate in the process.

Human Resource

Human capital is considered as the prime asset of the company. It is the combination of competencies, knowledge and personality attributes that can be enhanced through education, training and experience. Management of DGICL determines the manpower requirement and appoints employees thereby. The appointment is made either on direct recruitment or on contract basis. Recruited employees receive on-the-job training before they are designated for a particular responsibility. DGICL also arranges training program offered in different institutions and academy for its employees. It provides two bonuses a year with incentives to its employees. The company set its minimum and maximum age block to 18 and 60 years. During 30 June, 2020 number of employees stood at 268.

Company Information:**Board of Director** (As on 25 August, 2020)

Mr. Md. Jashim Uddin	Chairman
Mr. Mohammed Akbor Hossain	Vice Chairman
Mrs. Priti Kona Bose	Director
Mr. Murad Mohammed Taj	Director
Mr. Tahrin Aman	Director
Mr. Aminur Rahman	Director
Mrs. Rokeya Quader	Director
Engr. A.K.M. Ahsanul Haque	Director
Mr. Nil Kantha Roy*	Director
Engr. Tarikul Alam Rahimi	Director
Mrs. Nauzat Begum	Director
Mr. Md. Kamal Uddin, FCA	Independent Director
Mr. Sarwar Uddin, FCA	Independent Director
Mr. Shahedul Islam	Independent Director
Mr. Qazi Mukarram Dastagir	Chief Executive Director

* Mr. Nil Kantha Roy died on 06 July, 2020.

Major Shareholders (Before IPO)

Sponsor Shareholders	7.62%
Sponsor Directors	52.65%
Shareholders	39.73%
Total	100.00%

Auditor

Rahman Mostafa Alam & Co.
House # 195, New DOHS, Road # 1,
(3rd floor, C-3) Mohakhali, Dhaka-1206
Tel: 02-9834313

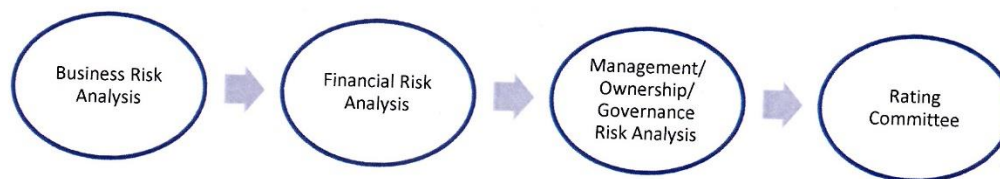
Head Office

Jiban Bima Bhaban, Front Block, Level-5, 10
Dilkusha C/A, Dhaka-1000.
Phone: 9561920

Appendix

1. Loss Ratio (Without considering commission on reinsurance ceded): $\text{Net claim paid out} / \text{Net premium} * 100$.
2. Loss Ratio (After considering commission on reinsurance ceded): $\text{Net claim paid out} / (\text{Net premium} + \text{Commission on reinsurance ceded}) * 100$.
3. Expense Ratio (Without considering commission on reinsurance ceded): $\text{Actual management expense} / \text{Net premium} * 100$.
4. Expense Ratio (After considering commission on reinsurance ceded): $\text{Actual management expense} / (\text{Net premium} + \text{Commission on reinsurance ceded}) * 100$.
5. Combined Ratio: Loss ratio + Expense ratio.
6. Actual Management Expense: Allocated management expense + Stamp duty + Unallocated expenses without considering Depreciation.
7. Allowable Management Expense: Calculation provided by DGICL.
8. Excess Management Expense: Allowable management expense – Actual management expense.
9. Total Investment: Investment in BGTB + Fixed deposit account + STD & current account.
10. Investment Income as % of Total Income: $\text{Interest, dividend \& rent income} / \text{Total income} * 100$.
11. Yield on Investment: $\text{Interest, dividend \& rent income} / \text{Total investment} * 100$.
12. Net Profit Margin: $\text{profit after tax} / \text{Net premium} * 100$.
13. ROA: $\text{Profit before tax \& reserve} / \text{Average Asset} * 100$.
14. ROE: $\text{Profit after tax} / \text{Shareholders equity} * 100$.
15. Profit After Tax: $\text{Total income} - \text{Management expenses} - \text{Provision for taxation}$.
16. Current Ratio: $\text{Current asset} / \text{current ratio}$.
17. Solvency Ratio: $\text{Available solvency} / \text{Required Solvency}$.

AlphaRating's Research Methodology for Determining Insurance Rating



Analysis is segmented into two or three sub sectors:

- ▶ Industry Outlook
- ▶ Competitive Position
- ▶ Operational Analysis

Analysis is segmented into four sub sectors:

- ▶ Earnings
- ▶ Cash Flow
- ▶ Generating Ability & Debt Servicing Capacity
- ▶ Capital Adequacy
- ▶ Financial Flexibility

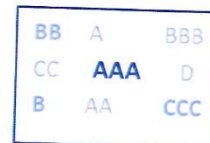
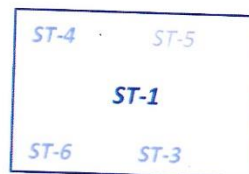
It is one of the key elements of the rating methodology since management decides what businesses to be in, what strategies should be pursued and how these activities should be financed.

Senior personnel review each company to determine the appropriate final credit rating.

- ▶ Review Modeling Assumption
- ▶ Approve Company-Specific Adjustments

Rating Outlook

POSITIVE	Rating may be raised
NEGATIVE	Rating may be lowered
STABLE	Rating is likely to remain unchanged
DEVELOPING	Rating may be raised, lowered or remain unchanged.



ST-1	Strong Capacity
ST-2	Good Capacity
ST-3	Adequate Capacity
ST-4	Weak Capacity
ST-5	Very Weak Capacity
ST-6	High Risk of Default

AAA	Exceptionally Strong Capacity
AA	Very Strong Capacity
A	Strong Capacity
BBB	Low Expectation of Ceased or Interrupted Payments
BB	Elevated Vulnerability to Ceased or Interrupted Payments & Key Financial Indicators
B	Significant Risk of Ceased or Interrupted Payments Could Occur in the Future.
CCC	Real Possibility That Ceased or Interrupted Payments Could Occur in the Future.
CC	Probable that Ceased or Interrupted Payments Could Occur in the Future.
C	Ceased or interrupted payments are imminent

Note: "+" or "-" may be appended to a rating to indicate the relative position of a credit within the rating category. Such suffixes are not added to ratings in the 'AAA' category or to ratings below the 'B' category.

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Chapter – XXVIII

Public Issue Application Procedure

IPO Application Process
(To be finalized after getting consent letter)

Step-1 (Applicant)

1. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. the subscription closing date), which shall be the **25th (twenty fifth) working day** from the date of publication of abridged version of prospectus.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:
 - a. Other than non-resident Bangladeshi (NRB) and Foreign applicants shall make the application money and service charge available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.
 - b. Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer/Mutual Fund for an amount equivalent to the application money, with their application to concerned Stockbroker/Merchant Banker. A Non-resident Bangladeshi (NRB) and Foreign applicant may also submit a single draft against 02 (two) applications made by him/her, i.e. one in his/her own name and the other jointly with another person. The draft (FDD) shall be issued by the Bank where the applicant maintains NITA/Foreign Currency account debiting the same account. No banker shall issue more than two drafts from any NITA/Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.

Step-2 (Intermediary)

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely “Public Issue Application Account”. The Stockbroker/Merchant Banker shall:
 - a. post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;
 - b. accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the “Public Issue Application Account” maintained with its bank within the first banking hour of **next working day** of the cut-off date. In case of application submitted by the Stock-dealer or the Merchant Banker’s own portfolio, the application amount should also be transferred to the “Public Issue Application Account”;
 - c. instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.
4. Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.
5. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker shall hold the bank drafts (FDD) submitted by the applicants in their custody, with a list containing the draft information against the respective applicant’s particulars.
6. The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and **within 03 (three) working days** from the cut-off date, send it to the respective Exchange in electronic (text format with tilde ‘~’ separator) format and the certificate(s) issued by its banker and a copy of the list containing the draft information received from Non-resident Bangladeshi (NRB) and Foreign applicants.
7. **On the next working day**, the Exchanges shall provide the Issuer/AMC of Mutual Fund with the information received from the Stockbroker/Merchant Bankers. Exchanges shall verify and preserve the bankers’ certificates and list containing the draft information in their custody.

8. The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers up to 6 months from listing of the securities with exchange.

Step-3 (Issuer/AMC of Mutual Fund)

9. The Issuer/AMC of Mutual Fund shall prepare consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification. The Issuer/AMC of Mutual Fund shall post the consolidated list of applicants on its website and websites of the Exchanges. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.
10. **On the next working day**, CDBL shall provide the Issuer/AMC of Mutual Fund with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents' Name, Joint Account and Bank Account Information along with the verification report.
11. After receiving verification report and information from CDBL, the Issuer/AMC of Mutual Fund shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit report of final status of subscription to the Commission and the Exchanges **within 10 (ten) working days** from the date of receiving information from the Exchanges.
12. The Issuer/AMC of Mutual Fund and the Issue Manager shall conduct category wise lottery with the valid applications **within 03 (three) working days** from the date of reporting to the Commission and the Exchanges, if do not receive any observation from the Commission or the Exchanges.
13. The Issuer/AMC of Mutual Fund and Issue Manager shall arrange posting the lottery result on their websites **within 06 (six) hours** and on the websites of the Commission and Exchanges **within 12 (twelve) hours** of lottery.
14. **Within 02 (two) working days** of conducting lottery, the Issuer/AMC of Mutual Fund shall:
 - a. send category wise lists of the successful and unsuccessful applicants in electronic (text format with tilde '~' separator) format to the respective Exchange.
 - b. send category wise lists of unsuccessful applicants who are subject to penal provisions as per conditions of the Consent Letter issued by the Commission in electronic (text format with tilde '~' separator) format to the respective Exchange mentioning the penalty amount against each applicant.
 - c. issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Exchange in electronic form.
 - d. send consolidated allotment data (BOID and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted shares to the respective BO accounts.

Step-4 (Intermediary)

15. **On the next working day**, Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:
 - a. remit the amount of successful (other than NRB and Foreign) applicants to the Issuer's/Mutual Fund's respective Escrow account opened for subscription purpose, and unblock the amount of unsuccessful applicants;
 - b. send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Issuer's/Mutual Fund's respective Escrow Accounts along with a list and unblock the balance application money;
16. **On the next working day** of receiving the documents from the Exchanges, the Stockbrokers/Merchant Bankers shall request its banker to:
 - a. release the amount blocked for unsuccessful (other than NRB and Foreign) applicants;
 - b. remit the aggregate amount of successful applicants and the penalty amount of unsuccessful (other than NRB and foreign) applicants who are subject to penal provisions to the respective 'Escrow' account of the Issuer/Mutual Fund opened for subscription purpose.
17. **On the next working day** of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Issuer's/Mutual Fund's 'Escrow' account.

18. **Simultaneously**, the Stockbrokers/Merchant Bankers shall release the application money in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts and send documents to the Exchange evidencing details of the remittances made to the respective 'Escrow' account of the Issuer/Mutual Fund. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions. The Stockbroker/Merchant Banker shall be entitled to recover the withdrawal charges, if any, from the applicant who wants to withdraw the application money, up to an amount of Tk. 5.00 (five) per withdrawal.
19. All drafts submitted by NRB or Foreign applicants shall be deposited in the Issuer's/ Mutual Fund's respective 'Escrow' accounts and refund shall be made by the Issuer/AMC of Mutual Fund by refund warrants through concerned stockbroker or Merchant Banker or transfer to the applicant's bank account through banking channel within 10 (ten) working days from the date of lottery.

Miscellaneous:

20. The Issuer/AMC of Mutual Fund, Issue Manager(s), Stockbrokers and Merchant Bankers shall ensure compliance of the above.
21. The bank draft (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.
22. Amount deposited and blocked in the "Public Issue Application Account" shall not be withdrawn or transferred during the blocking period. Amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.
23. The Issuer/AMC of Mutual Fund shall pay the costs related to data transmission, if claimed by the Exchange concerned up to an amount of Tk. 2,00,000.00 (taka two lac) for a public issue.
24. The Stockbrokers/Merchant Bankers shall be entitled to a service charge of Tk. 5.00 (taka five) only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting application.
25. The Stockbroker/Merchant Banker shall provide the Issuer/AMC of Mutual Fund with a statement of the remittance and drafts sent.
26. The Issuer/AMC of Mutual Fund shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.
27. The concerned Exchange are authorized to settle and complaints and take necessary actions against any Stockbroker in case of violation of any provision of the public issue application process with intimation to the Commission.

All eligible stock brokers and Merchant Bankers shall receive the IPO subscription

Others

The IPO subscription money collected from investors will be remitted in following bank accounts with Shahjalal Islami Bank Limited

Sl	Account Bearing Number	Account Title	Currency
For resident Bangladeshis			
1	4015 13100004155	Desh General Insurance Company Limited	BDT
For non -resident Bangladeshis			
2	401516100000062	Desh General Insurance Company Limited	USD
3	401516200000023	Desh General Insurance Company Limited	GBP
4	401516500000012	Desh General Insurance Company Limited	Euro

Application Form

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন”

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। বিনিয়োগকারীগণ প্রোসপেক্টাস পড়ে এবং ঝুঁকির বিষয়গুলি সতর্কতার সাথে অনুধাবন করে নিজ নিজ আর্থিক অবস্থা ও ঝুঁকিগ্রহণ করার সক্ষমতা বিবেচনা করে বিনিয়োগ সিদ্ধান্ত গ্রহণ করবেন।”

DESH GENERAL INSURANCE COMPANY LIMITED

APPLICATION FOR PUBLIC ISSUE

Date	:																
Name of applicant	:																
Client Code	:																
BO ID No.	:																
Category of applicant	:																
Name of the Company	:																
Number of Shares	:																
Total amount in Tk.	:																
Amount in word	:																
Mode of Payment	:																
Cheque /Draft Information	:																

Applicant(s)

Authorized Officer

Chapter - XXIX

Others

Additional Disclosure by the Management

*Please see the note as given below under this section regarding changing of former Chief Executive Officer

1. Disclosure regarding material change

Declaration regarding any material change including raising of paidup capital after the date of audited financial Statements

To whom it may concern

29 September 2020

This is to certify that, "Desh General Insurance Company Limited" has not made any material change including rising of paid up capital after the date of audited financial Statements as on 31 December 2019 as included in the prospectus.

Declaration by the management of Desh General Insurance Company Limited"

Sd/-
Rabindra Nath Karmaker
Chief Financial Officer

Sd/-
Qazi Mukarram Dastagir
Chief Executive Officer

Sd/-
Jashim Uddin
Chairman

2. Disclosure regarding no way connection with the issue manager

To whom it may Concern

29 September 2020

This is to certify that neither Desh General Insurance Company Limited nor any of its directors have any connection with Prime Finance Capital Management Limited (Issue Manager of Desh General Insurance Company Limited)

Declaration by the management of Desh General Insurance Company Limited"

Sd/-
Rabindra Nath Karmaker
Chief Financial Officer

Sd/-
Qazi Mukarram Dastagir
Chief Executive Officer

Sd/-
Jashim Uddin
Chairman

3. Disclosure regarding cost audit by professional accountant as per the Company Act, 1994

Declaration regarding Cost Audit

To whom it may concern

Dated: 29 September 2020

This is to certify that as per provision of Companies Act 1994, Cost Audit by Professional Accountant is not mandatory for “Desh General Insurance Company Limited”.

Sd/-
Rabindra Nath Karmaker
Chief Financial Officer

Sd/-
Qazi Mukarram Dastagir
Chief Executive Officer

Sd/-
Jashim Uddin
Chairman

To whom it may concern

Dated: 29 September 2020

This is to certify that as per provision of Companies Act 1994, Cost Audit by Professional Accountant is not mandatory for “Desh General Insurance Company Limited”.

Sd/-
Md. Rezaul Haque
Managing Director (CC)
Prime Finance Capital Management Limited

4. Undertaking to invest 20% of total IPO fund in the capital market of Bangladesh

To whom it may Concern

29 September 2020

This is to certify that Desh General Insurance Company Limited will invest 20% of total IPO fund in the capital market of Bangladesh complying with বীমা (নন লাইফ বীমাকারীর সম্পদ বিনিয়োগ ও সংরক্ষণ) প্রবিধানমালা, ২০১৯”.

Sd/-
Rabindra Nath Karmaker
Chief Financial officer

Sd/-
Qazi Mukarram Dastagir
Chief Executive Officer

Sd/-
Jashim Uddin
Chairman

5. Disclosure regarding holding of regular AGM

Declaration regarding holding regular Annual General Meeting

To whom it may concern

Dated: **29 September 2020**

This is to certify that the Company has been in regular in holding Annual General Meeting since incorporation date to financial year 31 December 2018. It is mentionable here that Due to global pandemic for covid 19, Register of Joint Stock Companies and Firms (RJSC) vide its Notification no 151 dated 16/7/2020 allow extension of holding of AGM till 31/12/2020 for the financial year ended 31/12/2019. Under this purview, Desh general Insurance Company shall hold their AGM for the financial year end 31/12/2019 as on 18 October 2020.

Declaration by the management of Desh General Insurance Company Limited

Sd/-
Rabindra Nath Karmaker
Chief Financial Officer

Sd/-
Qazi Mukarram Dastagir
Chief Executive Officer

Sd/-
Jashim Uddin
Chairman

6. Declaration regarding consolidated financial, operating and other information

To whom it may concern

Dated: **29 September 2020**

This is to certify that Desh General Insurance Company has no subsidiary Company. Therefore, the Company does not prepare any consolidated financial statements.

Declaration by the management of Desh General Insurance Company Limited.

Sd/-
Rabindra Nath Karmaker
Chief Financial Officer

Sd/-
Qazi Mukarram Dastagir
Chief Executive Officer

Sd/-
Jashim Uddin
Chairman

7. Disclosure regarding compliance of all the requirements of Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 in preparing Prospectus

Declaration regarding Compliance with all the requirements of Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015

To whom it may concern

Dated: **29 September 2020**

This is to certify that the Company Comply with all the requirements of Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and duly amended time to time in preparing prospectus of Desh General Insurance Company Limited

Declaration by the management of Desh General Insurance Company Limited

Sd/-
Rabindra Nath Karmaker
Chief Financial Officer

Sd/-
Qazi Mukarram Dastagir
Chief Executive Officer

Sd/-
Jashim Uddin
Chairman

8. Declaration regarding Consent of the Directors to Serve

Consent of the director(s) to serve as director(s)

To whom it may Concern

Dated: 27 September 2020

We hereby agree that we have been serving as Director(s) of “Desh General Insurance Company Limited” and confirm to continue to act as Director(s) of the Company.

Sd/- Jashim Uddin Chairman	Sd/- Md. Akbor Hossain Vice Chairman	Sd/- Priti Kana Bose Director
Sd/- Murad Mohammed Taj Director	Sd/- Rokeya Quader Director	Engr. Tarikul Alam Rahimi Director
Sd/- Tahrin Aman Director	Sd/- Aminur Rahman Director	Sd/- Shahedul Islam Independent Director
Sd/- Engr. A.K.M. Ahsanul Haque Director	Sd/- Nauzat Begum Director	Sd/- Sarwar Uddin FCA Independent Director
	Sd/- Kamal Uddin FCA Independent Director	

09. Declaration regarding overseas insurance policy

To whom it may concern

Date: 29 September 2020

We would like to confirm that the Company has no overseas insurance policy.

Sd/- Rabindra Nath Karmaker Chief Financial officer	Sd/- Qazi Mukarram Dastagir Chief Executive officer	Sd/- Jashim Uddin Chairman
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10. Declaration regarding off-balance sheet arrangement

To whom it may concern

Date: 29 September 2020

We would like to confirm that there is no off-balance sheet arrangements those have or likely to have a current or future effect on financial condition of the Company.

Sd/- Rabindra Nath Karmaker Chief Financial officer	Sd/- Qazi Mukarram Dastagir Chief Executive officer	Sd/- Jashim Uddin Chairman
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11. Disclosure regarding the Company has utilized at least 80% of the fund raised through the issue of capital previously

To whom it may concern

Dated: 29 September 2020

This is to certify that the Company has been 100% utilized of the fund raised through the issue of capital previously as follows:

Sl	Particulars	Amount	% of utilization
1	FDR	215,000,000	89.58
2	Investment in treasury Bond	25,000,000	10.42
	Total	240,000,000	100

Sd/-
Rabindra Nath Karmaker
Chief Financial officer

Sd/-
Qazi Mukarram Dastagir
Chief Executive officer

Sd/-
Jashim Uddin
Chairman

12. Declaration regarding VAT

To whom it may concern

Date: 29 September 2020

We would like to disclose here that, due to there are VAT Audit for the period 2011 to 2017 was under audit process in the year 2019 from VAT authority, we did not received any extra VAT demand notice for the financial year 2019.

Moreover, till 30 September 2020, there was no VAT audit notice and no extra VAT demand notice from VAT authority for the financial year end 2018 and 2019.

Sd/-
Rabindra Nath Karmaker
Chief Financial officer

Sd/-
Qazi Mukarram Dastagir
Chief Executive officer

Sd/-
Jashim Uddin
Chairman

Note: Mr. Qazi Mukarram Dastagir, Chief Executive Officer resigned from the Company as on 10/12/2020 which was subsequently approved by the Board of Directors of Desh General Insurance Company Limited in its 132th Board meeting held on 29/12/2020

Later on, Mr. Mohd. Abul Kashem, Additional Managing Director of the Company appointed as Chief Executive Officer (Current Charge) effective from 1/1/2021 by the Board of Directors of Desh General Insurance Company Limited in its 132th Board meeting held on 29/12/2020

Additional disclosures by the Auditors

Query and reply by the auditor based on audited financial statements for the year 31 December 2018

1. It appears that the F/S of the Issuer Company has been prepared in accordance with the Insurance Rules, 1958. It has been learnt that such is no longer in effect. As such, the matter is required to be explained;

Auditors' reply

We would like to inform you that as per Section 160 under chapter-VII of Insurance Act, 2010, the Insurance Act, 1938 has been repealed but Insurance Rules 1958 still remain active as there is no other insurance rules has been promulgated.

It has been observed that some of the listed Insurance Companies are following Insurance Rules 1958 mentioned in their latest Annual Report 2017.

Reference: Annual Report 2017 of:

1. Green Delta Insurance Company Limited
2. Rupali Insurance Company Limited
3. Bangladesh National Insurance Company Limited

2. It appears from note No. 47.00(A) of the audited F/S for the period ended on 31 December 2018 that contingent liabilities amounting to TK. 3,245,966.00 and TK. 13,523,533.00 resulted from unsettled tax for the assessment year 2013-14 and 2015-16 respectively, the assessment of which are pending. It is required to confirm how contingent liabilities arises if the assessment is not completed;

Auditors' reply

The assessment of Income Tax of the company for the assessment year 2016-2017 , 2017-2018 and 2018-2019 is pending before DCT. It can be noted that assessment of income tax till the assessment year 2015- 2016 has been completed before DCT against which contingent liabilities was created. Details are given below:

Accounting Year	Assessment Year	Status
2002	2003-2004	High Court Settled
2003	2004-2005	
2004	2005-2006	Settled
2006	2007-2008	High Court Settled
2007	2008-2009	Tribunal
2008	2009-2010	
2009	2010-2011	
2010	2011-2012	
2011	2012-2013	
2012	2013-2014	
2013	2014-2015	Settled
2014	2015-2016	Tribunal
2015	2016-2017	Pending to DCT
2016	2017-2018	
2017	2018-2019	

3. It is required to clarify if provisions as per BAS-37 against the following contingent liabilities arising from unsettled tax are made:

Sl. No.	Assessment Year	Unsettled Tax
1	2005-06	Tk. 7,997,786
2	2007-08	Tk. 6,542,589
3	2008-09	Tk. 2,626,237
4	2009-10	Tk. 6,606,965
5	2010-11	Tk. 10,140,334
6	2011-12	Tk. 2,742,135
7	2012-13	Tk. 6,324,977
8	2013-14	Tk. 3,245,966
9	2015-16	Tk. 13,523,533
Total		Tk. 59,745,022

Auditors' reply

The provision was not made as the deputy commissioner of taxes passed the assessment under insurance Act and not as per income tax Act it is contradictory as per rules further if we would have made the provision disputed amount in the accounts it means we have accepted to pay the taxes amount to the income tax authority and hence it results creation of liability for taxes and would have affected in the income tax appeal matter.

4. Rationales for the company's share of public sector insurance business recognized as revenue (Note No 2.01) are required to be disclosed;

Auditors' reply:

We would like to inform you that as per The Insurance Corporation (Amendment) Act-1990 Section 23 Act VI Sub section (I) of 1993 "50% of all insurance business relating to any public property or to any risk or liability appertaining to any public property shall be placed with the Sadharon Bima Corporation and the remaining fifty percent of such business may be placed either with the corporation or with any other insurer in Bangladesh" Furthermore, Upon request of Bangladesh Insurance Association Ministry of Commerce of Bangladesh has stated that SBC would share 50% of the premium earned from public sector businesses equally among the private insurance companies.

Accordingly, DGIC has recognized its share of SBC's premium income as revenue.

5. Balance of funds in the face of the statement of financial position has been elaborated as reserve for un-expired risk. As such, it is required to be stated;

Auditors' Reply:

This is followed as per government form of Insurance accounts in practice actually there is no different between there two terms one is used in the statement of financial position and another is used in the Consolidated Revenue Accounts.

6. Basis of estimated liabilities in respect of outstanding claims whether due or intimated (note No. 21.00) are required to be described.

Auditors' Reply:

Claim liability was created by surveyor as per survey report. At that time the claim was not finally settled. For this reason the claim was not paid and liabilities was created as shown in Note: 21 of the Audited Financial Statements 31 December 2018.

7. Detailed disclosure regarding "payable to SBC for reinsurance premium" (note No. 22.00) are required;

Auditors' Reply:

Detailed disclosure regarding "payable to SBC for reinsurance premium" are as follows:

Sl.	Particulars	Amount in BDT	Remarks
1	Opening Balance	78,099,276	Note 22 of the Audited Financial Statements as on 31 December 2017
2	Add: For the year ended	6,337,807	Amount due to other persons or bodies carrying on insurance business from 1 st January , 2018 to 31 December ,2018
	Total	84,437,083	
3	Less paid for the period	6,504,557	
	Total	77,932,526	Payable to SBC for reinsurance premium (note:22 of the Audited Financial Statements as on 31 December 2018)

8. Detailed disclosure regarding 'loan 'under sundry creditors (note No. 25.00) are required;

Auditors' Reply:

As per (note 25 not 35) sundry creditors; the condition of the unsecured loan taken from Bengal Polymer Wears Ltd. Tk. 1.00 Crore, Bengal Plastic Ltd. Tk. 1.82 Crore and Designer Fashions Ltd. Tk. 1.00 Crore Total Tk. 3.82 Crore under common management financed for mutual benefit which is approved in Board Meeting No-99, held on 22 April-2015.Amount Due as on 31 December 2018 from Bengal Polymer Wears Ltd. Tk. 58,11,200.00, Bengal Plastic Ltd. Tk. 105,77,600.00 and Designer Fashions Ltd. Tk. 58,11,200.00 amounting to total Tk. 2,22,00,000.00 respectively.

Sl.	Name of the organization	Amount of Loan	Amount Paid During the year	Amount Due As on 31 December 2018
1	Bengal Polymer Wears Ltd.	10,000,000	-	5,811,200
2	Bengal Plastic Ltd.	18,200,000	-	10,577,600
3	Designer Fashions Ltd.	10,000,000	-	5,811,200
Total		38,200,000	-	22,200,000

9. Detailed disclosure regarding 'refund premium' under sundry creditors (note No. 25.00) are required ;

Auditors' Reply:

The detail disclosure as regards refund premium as on 31.12.2018 under sundry creditors as per note 25 are as follows:

SL. No.	Year	Name of Branch	Cover Note No.	Amount
1	2005	B.B Avenue	MC-57/08/05	12,441
Sub Total:				12,441
2	2006	H.O Booth	MC-323/07/05	5,034
3	2006	Motijheel	MC-186/10/05	31,096
4	2006	Kawran Bazar	MC-78/05/06	22,894
5	2006	Kawran Bazar	MC-77/05/06	16,252
6	2006	Khulna	FP-72-73/12/04	15,784
7	2006	Rajshahi	FP-01/03/05	54,796
8	2006	Kawran Bazar	MP-127/07/06	39,146
9	2006	Agrabad	Mc-162/07/05	73,919
10	2006	Agrabad	Mc-114/06/06	546
Sub Total:				259,467
11	2007	H.O.Booth	MC-235/04/06	68,430
12	2007	Khulna	FP-50/03/06	43,200
13	2007	H.O.Booth	MC-262/04/07	4,463
14	2007	Dilkusha	MC-81/09/04	8,422
15	2007	Khulna	MC-17/03/04	2,594
16	2007	Principal	MC-88-92/09/04	30,816
17	2007	B.B Avenue	MC-62/06/06	9,498
18	2007	Agrabad	MC-249/12/06	77,065
19	2007	Dilkusha	MV/PV-35/07/06	529
Sub Total:				245,017
20	2008	H.O Booth	MC-304/05/07	8,660
21	2008	Agrabad	MC-147/06/07	10,240
22	2008	Agrabad	MC-148/06/07	10,385
23	2008	Agrabad	MC-320/10/08	15,932
24	2008	Kawran Bazar	FP-76/08/08	9,936
25	2008	Agrabad	MC-33/02/07	76,475
Sub Total:				131,628
26	2009	Principal	MC-462-463/08/08	33,930
27	2009	Agrabad	FP-13/05/09	141,100
28	2009	B.B.Avenue	MC-87/12/07	7,328
29	2009	H.O Booth	FP-15/06/07	20,250
30	2009	Agrabad	MC-264/11/07	15,928
Sub Total:				218,536
31	2010	Principal	MC-691/11/08	3,516
32	2010	Principal	MC-425/05/09	15,285
33	2010	Khulna	MC-23/03/08	14,913
34	2010	Principal	MC-207/03/10	5,293
35	2010	H.O Booth	MC-538/12/09	17,675
36	2010	Khulna	MC-31/05/08	9,699
37	2010	Kawran Bazar	MC-200/07/08	59,481
38	2010	B.B. Avenue	MC-114/10/09	161,800
39	2010	Principal	MC-861/10/09	6,342

40	2010	Principal	MC-207/03/10	5,293
41	2010	Jessore	MC-23/05/10	10,393
Sub Total:				309,690
42	2011	Principal	MC-912/11/10 MC-959/10/11	53,135
43	2011	Nayabazar	MC-123/10/11	56,013
Sub Total:				109,148
Total:				1,285,927

10. Detailed disclosure regarding `amount due from SBC 'under sundry creditors (note no. 28.00) are required;

Auditors' Reply:

The detail disclosure regarding amount due from SBC as on 31.12.2018 amounting of Tk. 147,735,916 is given below:

Sl. No.	Year	Particulars	Amount (Tk.)
1	Balance as on 31.12.2017	Opening Balance as per Audited Financial Statements	128,655,308
2	From 01 January to 31 December 2018	Add: during the Period	19,080,608
Total:			147,735,916

11. It appears from note No. 42.00 that the Issuer Company availed an interest-free unsecured loan amounting TK. 3.82 Crore for claim settlement amounting Tk. 28.32 Crore . It is required to confirm if an insurance company can avail loan for claim settlement as per the Insurance Act, 2010;

Auditors' Reply:

As regards Insurance Act 2010, there is no bar for availing unsecured loan for claim settlement.

12. It is required to confirm if financial instruments as disclosed under note No. 43 (especially Treasury bond) were marked to market;

Auditors' Reply:

The Company has invested in following Govt. Treasury Bond at fixed rate to be matured at a certain date which is classified as "Financial assets held to maturity" and shown at cost.

Sl.	Bank Name	Branch Name	Nature	Amount (Tk.)	Rate of Interest	Issue Date	Maturity Date
1	Sonali Bank Ltd.	Local Office	Govt. Treasury Bond	9,000,000	7.09%	16/07/16	16/07/21
2	Sonali Bank Ltd.	Local Office	Govt. Treasury Bond	16,000,000	10.10%	15/05/14	23/07/19
Total				25,000,000			

13. Disclosure regarding "motor vehicles" amounting TK. 3.78 Crore (written down value) are required;

Auditors' Reply:

Disclosure of Motor Vehicles in original Cost, total depreciation and Written Down value as at 31.12.2018.

Particulars	Total Cost	Depreciation	Written Down Value
Motor Vehicles	67,776,115	29,881,156	37,894,959
Total	67,776,115	29,881,156	37,894,959

14. Disclosure regarding "decoration" amounting Tk. 3.11 Crore (written down value) is required;

Auditors' Reply:

Disclosure of Decoration in original Cost, total depreciation and Written Down value as at 31.12.2018.

Particulars	Total Cost	Depreciation	Written Down Value
(i) Decoration (including (a) False Ceiling (b) Light Fittings (c) Wooden Floor (d) Carpeting (e) Glass Partition Spreading at head office and 18 branches	56,186,286	25,016,592	31,169,694
Total	56,186,286	25,016,592	31,169,694

15. Gross margin and operating profit margin as per certification provided under rule 5 [Annexure E(B)(25)(c)] of the BSEC (PI) Rules, 2015 are same. The matter is required to be described;

Auditors' Reply:

In the insurance business practice there is no different between treatment Gross margin and operating profit margin.

16. Detailed disclosures regarding 'management expenses' (note 34) are required;

Auditors' Reply:

The details disclosures as regards management Expenses are as per note 34 of the financial statement amounting to Tk. 34,290,308 areas follows:

Sl. No	Particulars	Taka
1	Appeal/Tribunal Fee Expenses	748,766
2	Car Maintenance	388,822
3	Carrying Expenses	5,550
4	Consultancy Fee	74,000
5	Conveyance	110,123
6	Coping Fee	2,200
7	Electrical Expenses	21,559
8	Electricity Bill	1,579,879
9	Fuel & Lubricant	421,821
10	Group Insurance Premium	50,000
11	Insurance Premium (Motor Car)	78,344

12	Internet Expenses	46,745
13	Joint Stock Consultancy Fee	163,167
14	Levy Charge (BIA)	100,000
15	License Fee	7,000
16	Medical Expenses	45,665
17	New Branch Opening Fee	57,500
18	Office Maintenance	136,489
19	Office Rent	10,800,473
20	Paper & Periodical Expenses	46,809
21	Postage & Telegram	60,910
22	Printing	608,934
23	Repairs & Maintenance	75,932
24	Revenue Stamp	55,861
25	Salary & Allowances	22,348,672
26	Security Bill (Guard)	351,444
27	Service Charge (Co-Ins)	84,468
28	Service Charge (Others)	398,375
29	Stationary	44,439
30	Survey Fee	490,552
31	Telephone (Mobile)	77,735
32	Telephone (Office)	69,570
33	Telephone (Residence)	50,109
34	Tour Bill (TA/DA)	52,331
35	Trademark , Patent & Design Reg.	10,000
36	WASA	233,932
37	Water Bill (Drinking)	60,434
Grand Total :		39,958,610

Management Expenses (PSB) 5,013,767

Grand Total : **44,972,377**

17. Detailed disclosure regarding 'loss recovery' and 'commission on re-insurance ceded' for all type of insurance revenue account are required;

Auditors' Reply:

The details disclosure as per 'loss recovery' and 'Commission on re-insurance ceded' are as follows.

Losses Recovery from Sadharan Bima Corporation	
Fire	24,396,357
Marine	44,240
Misc.	7,703,450
Marine Hull	151,310
Total	32,295,358

Commission on Re-insurance ceded from Sadharan Bima Corporation	
Fire	13,205,962
Marine	2,654,252
Motor	85,203
Misc.	5,691,206
Marine Hull	13,857
Total	21,650,480

18. All the items of income have been presented as 'balance of account at the beginning of the year' in the income part of revenue account for each type of insurance. As such, the matters of required to be described;

Auditors' Reply:

We would like to inform you that we have followed the prescribed format of Form XXX under purview of the Insurance Act 1958.

19. Detailed calculation of 'receipts from premium and others', 'payments of management expenses' and re-insurance, claim, interest & Income Tax 'are required to disclosed;

Auditors' Reply

The details of receipts from premium and others, payment for management expenses and re-insurance, claim, interest & Income Tax from 01 January-2018 to 31 December-2018 are given below.

Receipts from premium and others

Sl. No	Particulars	Amount (Tk.)
1	Premium	136,544,770
2	Others (Interest Income)	17,384,929
	Total	153,929,699

Payments of management expenses

Sl. No	Particulars	Taka
1	Appeal/Tribunal Fee Expenses	748,766
2	Car Maintenance	388,822
3	Carrying Expenses	5,550
4	Consultancy Fee	74,000
5	Conveyance	110,123
6	Coping Fee	2,200
7	Electrical Expenses	21,559
8	Electricity Bill	1,579,879
9	Fuel & Lubricant	421,821
10	Group Insurance Premium	50,000
11	Insurance Premium (Motor Car)	78,344
12	Internet Expenses	46,745
13	Joint Stock Consultancy Fee	163,167
14	Levy Charge (BIA)	100,000
15	License Fee	7,000
16	Medical Expenses	45,665
17	New Branch Opening Fee	57,500
18	Office Maintenance	136,489
19	Office Rent	10,800,473
20	Paper & Periodical Expenses	46,809
21	Postage & Telegram	60,910
22	Printing	608,934
23	Repairs & Maintenance	75,932

24	Revenue Stamp	55,861
25	Salary & Allowances	22,348,672
26	Security Bill (Guard)	351,444
27	Service Charge (Co-Ins)	84,468
28	Service Charge (Others)	398,375
29	Stationary	44,439
30	Survey Fee	490,552
31	Telephone (Mobile)	77,735
32	Telephone (Office)	69,570
33	Telephone (Residence)	50,109
34	Tour Bill (TA/DA)	52,331
35	Trademark , Patent & Design Reg.	10,000
36	WASA	233,932
37	Water Bill (Drinking)	60,434
Grand Total :		39,958,610
Management Expenses (PSB)		5,013,767
Grand Total :		44,972,377

Re-insurance, claim, interest & Income Tax

Sl. No	Particulars	Amount (Tk.)
1	Re-insurance	101,177,096
2	Claim Paid	37,950,383
3	Agency Commission	20,481,715
4	Interest	4,629,723
5	Income Tax	630,746,6

20. Whether you have made physical verification of the FDR as shown in note 30.00 of the accounts.

Auditors' Reply

Physical verification of the FDR as shown in the balance sheet has been carried out in course of our audit process (Schedule list attached).

Sl. No.	Name of Bank	Name of Branch	FDR No.	Amount (Tk.)	Date of Issue	Date of Matured
1	IFIC Bank Ltd.	Motijheel Branch	96882/70509	500,000	23-05-00	23.05.18
2	Islami Bank (BD.) Ltd.	Local Office	119225/166429	1,000,000	16-05-00	16.05.18
3	Islami Bank BD Ltd.	Local Office,	18821/161095	3,000,000	20-03-03	19.03.18
4	Prime Bank Ltd.	Motijheel Br.	13782/2261-8	1,000,000	24-08-00	24.08.18
5	Mercantile Bank Ltd.	Main Br., Dhaka	8192/41032635	2,500,000	04-08-04	04-08-18
6	RajshahiKrishi U. Bank	Rajshahi Branch	139104	1,000,000	11-06-02	11-06-18
7	The City Bank Ltd.	Principal Branch	002117/77108/2000/48 12020547002	500,000	27-06-00	27-06-18
8	U C B L	Principal Branch	071911/18/35	100,000	30-03-00	30-03-18

9	IFIC Bank Ltd.	Jessore Branch	099442/20989	50,000	06-01-04	05-01-18
10	N C C Bank Ltd.	Jessore Branch	0005991/24/03	50,000	19-03-03	18-03-18
11	IFIC Bank Ltd.	Benapole Branch	109007/07	100,000	02-04-03	01-04-18
12	Prime Bank Ltd	Foreign Ex. Branch,	0038767/4100752-0	1,500,000	07-09-04	07-09-18
13	IFIC Bank Ltd.	Khulna Branch,	111979/42308	500,000	11-12-04	11-12-18
14	Prime Bank Ltd.	Tongi Br	0044946/41002449	1,000,000	13/12/05	13/12-18
15	RajshahiKrishi U. Bank	Naogaon Branch	118752/1841	1,400,000	29/12/05	29-12-18
16	Southeast Bank Ltd	ChouhataBr.Sylhet	7030649/24500003518	500,000	24/01/06	24-01-18
17	Mutual Trust Bank Ltd.	Principal Branch	224341/35222/2006	100,000	20/07/06	20-07-18
18	Al ArafahIslami Bank Ltd	Islampur Branch	0053326/84/07	600,000	22/05/07	22-05-18
19	IFIC Bank Ltd.	Rajshahi Branch	1006997/55007983	200,000	28/05/07	28-05-18
20	IFIC Bank Ltd.	ChapaiNawabgonj Br.	1002876/361-4	100,000	29/05/07	29-05-18
21	IFIC Bank Ltd.	Baneshwar Br.	1005287/86	100,000	31/05/07	31-05-18
22	Exim Bank Ltd.	Rajuk Avenue Br.	0420711/13-2430001056-2	500,000	10/06/07	10-06-18
23	Bank Asia Ltd	Principal Office Branch	0061175/12434	500,000	10/06/07	10-06-18
24	Jamuna bank Ltd.	Sonargaon Road Branch	0035710/0330024725	500,000	14/06/07	14-06-18
25	Dhaka Bank Ltd.	Narayanganj Branch	231.313.10565	1,000,000	24/06/07	24-06-18
26	National bank Ltd.	Dilkusha Branch	0167357/53925	500,000	29/09/07	29-09-18
27	National bank Ltd.	Imamgonj Branch	0133399/4599/5500814 3	1,000,000	18/12/07	18-12-18
28	Premier Bank Ltd.	Banani Branch	2460002049-1	500,000	17/06/08	17-06-18
29	Exim Bank Ltd.	Jublee Road Branch, CTG	24300014324	1,000,000	17/06/08	17-06-18
30	National bank Ltd.	Sk. Mujib Road Branch, CTG.	55016583	500,000	19/06/08	19-06-18
31	IFIC Bank Ltd.	Sk. Mujib Road Branch, CTG.	072986/3119	1,000,000	26/06/08	26-06-18
32	A B Bank Ltd.	Islampur Branch	3246548/52/08	600,000	18/06/08	18-06-18
33	IFIC Bank Ltd.	Rajshahi Branch	1053968/55011688	200,000	18-03-09	18-03-18
34	Shahjalal Bank Ltd.	Khulna Branch,	56933/426/1101-53300000781	200,000	18-03-09	18-03-18
35	Bank Asia Ltd	Principal Office Branch	0058331/14987	1,000,000	05-08-09	05-08-18
36	Bank Asia Ltd	Principal Office Branch	0058394/15050	1,000,000	17-09-09	17-09-18
37	Mercantile Bank Ltd.	Main Br., Dhaka	0123598/41300058937	1,000,000	10.04.12	10.04.18
38	UCBL	Khanjahan Ali Rd.	0061-413-		28.06.12	28.06.18

		Br.Khulna	00008800/0312503/281 /2012	300,000		
39	BASIC Bank Ltd.	KDA Avenue Br. Khulna	112110/4218-01- 0000948	500,000	12.07.12	12.07.18
40	AB Bank Ltd.	Islami Banking Br. Kakrail.	0006142/4027- 534005645	500,000	29.08.12	29.08.18
41	Mercantile Bank Ltd.	Imamgonj(Moulvibazar) Br,	0159033/41300000245	1,000,000	05.09.12	05.09.18
42	Al ArafahIslami Bank Ltd	Motijheel Corporate Br., Dhaka.	0291269/0151330226408	1,100,000	14.10.12	14.10.18
43	Islami Bank Bangladesh Ltd.	Wiseghat Branch, Dhaka	0634922/22	1,000,000	14.10.12	14.10.18
44	Mercantile Bank Ltd.	Sylhet Br, Sylhet	0159872/413-7686	500,000	26.02.13	26.02.18
45	Al-ArafahIslami Bank Ltd.	Bogra Branch	420029/0081330797732	1,000,000	30.06.13	30.06.18
46	Bangladesh Krishi Bank	Khulna Corp. Br.	653020/1919	500,000	05.09.13	05.09.18
47	Pubali Bank Ltd.	Dargagate Br. Sylhet	0643493/11402	500,000	08.09.13	08.09.18
48	Al-ArafahIslami Bank Ltd.	Bogra Branch	420643/0081330797901	500,000	23.09.13	23.09.18
49	Dhaka Bank Ltd.	Board Bazar Br. Gazipur	225812/251/219/219.31 3.2934	1,000,000	13.11.13	13.11.18
50	Mercantile Bank Ltd.	Sylhet Br, Sylhet	0160112/413-7876	1,000,000	06.11.13	06.11.18
51	Southeast Bank Ltd.	Bangshal Br.	24500018493	1,000,000	21.10.14	21.10.18
52	The Farmers Bank Ltd	Mirpur Br. Dhaka.	0017053/0124400114125	2,500,000	04.05.16	04.05.18
53	ShahjalalIslami Bank Ltd.	Bijoyagar Br., Dhaka	0275208/4018533000028 40	10,500,000	15.09.16	15.09.18
54	ShahjalalIslami Bank Ltd.	Bijoyagar Br., Dhaka	0275227/4018533000028 41	6,400,000	26.10.16	26.10.18
55	ShahjalalIslami Bank Ltd.	Bijoyagar Br., Dhaka	0275288/4018533000028 44	2,100,000	29.12.16	29.12.18
56	ShahjalalIslami Bank Ltd.	Bijoyagar Br., Dhaka	0275289/4018533000028 45	5,000,000	29.12.16	29.12.18
57	ShahjalalIslami Bank Ltd.	Bijoyagar Br., Dhaka	0275320/4018533000028 47	2,500,000	07.02.18	07.02.18
58	ShahjalalIslami Bank Ltd.	Bijoyagar Br., Dhaka	0275340/4018533000028 53	2,500,000	09.03.18	09.03.18
59	ShahjalalIslami Bank Ltd.	Bijoyagar Br., Dhaka	0275356/4018533000028 56	5,000,000	03.04.18	03.04.18
60	ShahjalalIslami Bank Ltd.	Bijoyagar Br., Dhaka	0275365/4018533000028 57	500,000	04.04.18	04.04.18
61	ShahjalalIslami Bank Ltd.	Bijoyagar Br., Dhaka	0275371/4018533000028 59	3,100,000	12.04.18	12.04.18
62	ShahjalalIslami Bank Ltd.	Bijoyagar Br., Dhaka	0275460/4018533000028 61	20,000,000	23.07.18	23.07.18
63	ShahjalalIslami Bank Ltd.	Bijoyagar Br., Dhaka	0275461/4018533000028 62	8,100,000	24.07.18	24.07.18
64	NCC Bank Ltd.	Khulna Branch, Khulna	0009722/0330029183	500,000	22.05.18	22.05.19
65	SBAC Bank Ltd.	LobonChora Branch, Khulna	0055729/0059244000096	500,000	22.05.18	22.05.19
66	Dhaka Bank Ltd.	Bogra Branch	232023/411.309.88	500,000	29.05.18	29.06.19

67	Islami Bank Bangladesh Ltd.	Mohasthanor SME Branch, Bogra	1720153/3075	500,000	27.05.18	26.05.19
68	IFIC Bank Ltd.	Nawabpur Road Br.	1152440/1187	500,000	15.05.18	15.05.19
69	Brac Bank Ltd.	Mohammadpur Branch	1543303983081001	2,000,000	14.05.18	13.05.19
70	Mercantile Bank Ltd.	GazipurChowrasta Branch	0338140/1307413247332 66	1,500,000	16.05.18	16.05.19
71	Bangladesh Commerce Bank	GazipurChowrasta Branch	191134/05033000034	500,000	15.05.18	15.05.19
72	United Commercial Bank Ltd.	Nawabpur Branch	1030144/0281440000000 010	1,000,000	15.05.18	19.05.19
73	Jamuna Bank Ltd.	Uttara Branch	0251108/0330033803	1,000,000	14.05.18	14.05.19
74	Modhumoti Bank Ltd.	Uttara Branch	0009933/1110.255.00000 076	2,000,000	14.05.18	14.05.19
75	Jamuna Bank Ltd.	Sonargaon Road Branch, Dhaka	0256128/0330069473	500,000	04.09.18	04.09.19
76	NCC Bank Ltd.	Uttara Branch	0033- 0330044582/0003891/8 91/18	2,000,000	09.09.18	09.09.19
77	Modhumoti Bank Ltd.	Uttara Branch	0009982/1110-255- 00000079	3,000,000	06.09.18	06.09.19
78	AB Bank Ltd.	Uttara Branch	3587853	5,000,000	06.09.18	06.09.19
79	Southeast Bank Ltd.	Motijheel Branch	7492215/245000 15050	10,000,000	09.09.18	09.09.19
80	Southeast Bank Ltd.	Gulshan Branch	7489449/245000 41288	15,000,000	09.09.18	09.09.19
81	Modhumoti Bank Ltd.	Gulshan Branch	0007985/1103255000003 01	27,000,000	06.09.18	06.09.19
82	Mercantile Bank Ltd.	Nawabpur Branch	0322191/1188413256083 81	2,000,000	11.09.18	11.09.19
83	Bangladesh Commerce Bank Ltd.	Bangshal Branch	18603011327	2,000,000	11.09.18	11.09.19
84	Mutual Trust Bank Ltd.	Dholaikhal Branch	293907/0028- 0330013380	2,000,000	11.09.18	11.09.19
85	Mercantile Bank Ltd.	Rajshahi Branch	0335219/1107413256218 37	1,000,000	12.09.18	12.09.19
86	Islami Bank Bangladesh Ltd.	Rajshahi Branch	1732006/20956	1,000,000	12.09.18	12.09.19
87	NRB Commercial Bank Ltd.	Chatkhil Branch, Noakhali	0024740-0124- 71200000073	1,000,000	19.09.18	19.09.19
88	Premier Bank Ltd.	Chowmuhani Branch, Noakhali	0255049-509- 24600000036	1,000,000	18.09.18	18.09.19
89	EXIM Bank Ltd	Sonaimuri Branch, Noakhali	0808765/0086010072562 8	1,000,000	19.09.18	19.09.19
90	ShahjalalIslami Bank Ltd	Chowmuhani Branch, Noakhali	138847/3013/53300000 037	1,000,000	18.09.18	18.09.19
91	Mercantile Bank Ltd.	Kankirhat Branch, Noakhali	0317227/1320413256710 38	1,000,000	18.09.18	18.09.19
92	Premier Bank Ltd.	Atibazar Branch, Keranigonj	0286025-0175 24600000020	1,000,000	17.09.18	17.09.19
93	AB Bank Ltd	PragatiSharani Branch	3577091	2,000,000	18.09.18	18.09.19
94	Islami Bank Bangladesh Ltd.	Dholaikhal Branch	1781682/531	1,000,000	19.09.18	18.09.19
95	Midland Bank Ltd	Mirpur Branch	0021734-0026-		16.09.18	16.09.19

			1100000329	2,500,000		
96	Islami Bank Bangladesh Ltd.	KDA Avenue Branch, Khulna	1684819/3908	1,000,000	18.09.18	18.09.19
97	Midland Bank Ltd	Khulna Branch	0018126-0023-1100001009	1,000,000	18.09.18	18.09.19
98	Premier Bank Ltd.	Chawkbazar Branch, CTG	0256223-24600000057	2,500,000	18.09.18	18.09.19
99	Islami Bank Bangladesh Ltd.	Motijheel Branch	1650270/1968	2,000,000	17.09.18	17.09.19
100	Islami Bank Bangladesh Ltd.	Lalbagh Branch	1829222/2820	2,000,000	19.09.18	18.09.19
101	Social Islami Bank Ltd	Ashulia Branch, Savar	10431247/533/236	1,000,000	20.09.18	20.09.19
102	Social Islami Bank Ltd	Savar Branch	10455005/533/4561	1,000,000	23.09.18	23.09.19
103	Mercantile Bank Ltd.	Ashulia Branch, Savar	0337299/111541325695536	1,000,000	23.09.18	23.09.19
104	Mercantile Bank Ltd.	Hemayetpur Branch, Savar	0316656-1130-413-2572403-4	1,000,000	25.09.18	25.09.19
105	Eastern Bank Ltd	Ashulia Branch, Savar	1325230055234	1,000,000	30.09.18	29.09.19
106	Social Islami Bank Ltd	Bogura Branch	10424273-533-276551	500,000	16.09.18	16.09.19
107	Mercantile Bank Ltd.	Bogura Branch	0325732/112641325647025	500,000	16.09.18	16.09.19
108	NRB Bank Ltd	Bogura Branch	0000927/4013040041748	500,000	18.09.18	13.09.19
109	Mercantile Bank Ltd.	Bijoynagar Br.	0350283/1133-413-2579185-1	2,000,000	03.10.18	03.10.19
110	AB Bank Ltd	Mirpur Branch	3592845	1,000,000	03.10.18	03.10.19
111	SBAC Bank Ltd.	Sylhet Br, Sylhet	0038045/0016244000819	1,000,000	04.10.18	04.10.19
112	Pubali Bank Ltd.	Kalighat Road Br., Sylhet	0823440/3238	1,000,000	14.10.18	14.10.19
113	Mercantile Bank Ltd.	Rampura Branch	0336300/1172-413-2586862-5	2,600,000	11.10.18	11.10.19
Total				220,500,000		

21. Whether the company has complied with the requirements of the section 18, 41,44,58,59 and 63 of the Insurance Act, 2010;

Auditors' Reply:

We would like inform you that the company has complied with sec: 18, 41, 44, 58, 59 and 63 of the insurance Act, 2010, except sec: 63 the detail of the above mention sec. of insurance Act, 2010 are given below:

Section	Detail	Remarks
18	Provision relating to collection of premium	Complied
41	Investment of assets	Complied
44	Prohibition on loans, advance and financial advantage	Complied
58	Provision for remuneration by way of commission or otherwise for procuring business	Complied
59	Limitation of expenditure on commission	Complied
63	Limitation of expenses of management in non-life insurance business	Not Complied

22. Whether you have physically verified cash in hand as on 31-12-2018 as disclosed in note 32.00 and detail information of cheque in hand with reconciliation statement;

Auditors' Reply:

Cash In Hand verification was carried out during the course of audit; details are given below.

Sl. No.	Office/Branch Name	Amount
1	B.B. Avenue Branch	71,583
2	Khatungonj Branch	53,583
3	Agrabad	21,678
4	Bangshal Branch	14,690
5	Barishal	14,291
6	Bogra Branch	29,088
7	Dilkusha Branch	31,885
8	Faridpur	34,610
9	Gulshan Branch	2,435
10	Head Office	1,904,131
11	Head Office Booth	42,634
12	Jamalpur	141,403
13	Jessore Branch	71,288
14	Joypurhat	23,260
15	Kawran Bazar Branch	72,601
16	Khulna Branch	197,988
17	Kushtia	1,390
18	Local Office	5,277
19	Maijdee	41,220
20	Savar	835
21	Mirpur Branch	36,630
22	Motijheel Branch	511,014
23	Narayangonj Branch	2,333
24	Nawabpur	270,925
25	Nayabazar Branch	33,839
26	Pabna	4,953
27	Paltan Branch	3,872
28	Principal Branch	9,776
29	Rajshahi Branch	4,244
30	Rangpur	10,444
31	Sylhet Branch	63,410
32	Uttara Branch	11,858
33	VIP Branch	23,420
34	Chowmohani	50,000
Sub-Total		3,863,583

23. It appears from note # 37.00 to the financial statement for the year ended on December 31, 2017 that there is an item namely advance income tax of TK. 50,96,233/-. When and how the company pays advance income tax and reason of huge advance income tax remains in the financials as asset without any adjustment;

Auditors' Reply:

We would like to inform you the amount has been derived as follows:

Sl. No.	Year	Amount of AIT	Remarks
1	2002	274,672	Deduct as source tax on FDR & STD interest
2	2003	11,40,052	
3	2004	324,173	
4	2005	312,311	
5	2006	20,74,343	
6	2007	425,190	
7	2008	220,784	
8	2017	324,708	
Total		5,096,233	

Again, the adjustment against the provision of Income Tax was not made wrongly and this would be given effect subsequently.

24. Whether you have obtained balance confirmation certificate from SBC and other non-life insurance companies regarding amount due from other persons on bodies carrying on insurance business (note 28.00);

Auditors' Reply:

We would like to inform you that amount due from other person on bodies carrying on insurance business from SBC and other non-life insurance companies is confirmed as per documents from SBC as provide to Desh General Insurance Co. Ltd.

25. Revised statement as per requirement of section 135 of the Companies Act, 1994 since your submitted statement of operating result has not shown the result for the period ended 31st December, 2016;

Auditors' Reply:

The financial Statements of insurance company is prepared as per prescribed format of the Insurance Rules, 1958. Any other term not named in the said rules cannot be used in the financial Statements of the company.

26. Details break up of receipts from premium and others in the cash flow statement;

Auditors' Reply:

Detailed breakup of receipts from premium and others have been shown in the Cash Flow Statement (as enclosed herewith)

Amount in Tk.		
Sl. No.	Details	as on 31.12.2018
1	Premium Income	136,544,770
2	Others (Interest Income)	17,384,929
Total		153,929,699

27. Policy of depreciation on acquisition and disposal of fixed assets.

Auditors' Reply

Depreciation on fixed assets has been charged at a reducing balance method 12 month's depreciation has been charged on the book value of fixed assets. Full month depreciation is charged during the month of acquisition and no depreciation is charged during the month of disposal of fixed assets by Desh General Insurance Co. Ltd.

28. Income Tax paid has been presented under the head of "Payment for Management Expense, re-Insurance, Claim & Other Expenses" Instead of Presenting separately as per requirement of Paragraph 35 of IAS -7

Auditors' reply:

In line with Paragraph 35 of IAS-7, income Tax Paid has been presented separately as well as revised cash flow statement illustrated in additional disclosure without any change in effect. (Revised CF Statement- Annexure A)

29. Detailed Calculation submitted in support of " Payment of Management expenses, re-insurance, claim, Interest and income Tax" does not agree with that shown in CF statement

Auditors' reply:

CF Statement shows BDT 128,344,317 as management expense, re-insurance, claim, interest and income tax. The detail calculation of management expenses and re-insurance, claim, interest & Income Tax from 01 January-2018 to 31 December-2018 are attached as annexure B. The detail breakdown is also narrated in additional disclosure arena of prospectus.

Summary Breakdown:

SL	Head of Expense	TK.
1	Payments of management expenses	54,260,305
2	Re-insurance, claim, interest	67,776,546
3	Income Tax Paid	6,307,466
	Total	128,344,317

30. Software Installation has been being depreciated [Note No. 6.00 (h) and (Annexure-A)] instead of amortized over the useful life as per the requirement of para 97 of BAS-38. Depreciating at the rate of 5% mean that its useful life is more 20 years, The matter is required to be explained;

Auditors' reply:

The word depreciation would require to modification. It would replace with amortization instead of depreciation for the intangible assets- Software. Moreover, it was management assertion whether estimated useful life will be accounted for more or less than 20 years. In this said instance management reveal their intention- initial estimated useful life was 20 years but after 5 years of its useful life, its span of life will be re-estimated and reducing balance method will adopt for intangible assets.

Disclosure regarding the Company has utilized at least 80% of the fund raised through the issue of capital previously

To whom it may concern

This is to certify that the Company has been 100% utilized of the fund raised through the issue of capital previously as follows:

Sl	Particulars	Amount	% of utilization
1	FDR	215,000,000	89.58
2	Investment in treasury Bond	25,000,000	10.42
	Total	240,000,000	100

Auditors' certificate regarding deposit of an amount equivalent to the Paid up Capital

Paid up capital structure of Desh General Insurance Company Limited stands as on 31 December 2019.

Particulars of Allotment	Date of Allotment	Allotment		Consideration	Total no. of Share	Face Value	Paid up Capital (Tk.)
		No. of shares	Amount in Taka				
Issued & fully paid up capital (Taka) as per memorandum	8/2/2000	600,000	60,000,000	Cash	6,000,000	10	60,000,000
1 st allotment	10/20/2013	900,000	9,000,000	Bonus shares	900,000	10	9,000,000
2 nd allotment	8/27/2014	1,104,000	11,040,000	Bonus shares	1,104,000	10	11,040,000
3 rd allotment	6/2/2016	1,040,520	10,405,200	Bonus shares	1,040,520	10	10,405,200
4 th allotment	10/16/2016	1,175,788	11,757,880	Bonus shares	1,175,788	10	11,757,880
5 th allotment	5/31/2017	13,779,692	137,796,920	Rights issue	13,779,692	10	137,796,920
	Total				24,000,000		240,000,000

*Face value of Share has been changed from Tk. 100 per share to Tk. 10 per share.

The above mentioned paid up capital has been deposited on different Banks such as:

Sl. No.	Name of Bank	Name of Branch	FDR No.	Amount (Tk.)	Date of Issue	Date of Matured
1	A B Bank Ltd.	Islampur Branch	3246548/52/08	600,000	18.06.08	18.06.19
2	AB Bank Ltd.	Islami Banking Br. Kakrail.	0006142/4027-534005645	500,000	29.08.12	29.08.19
3	Al Arafah	Islampur Branch	0053326/84/07		22.05.07	22.05.19

	Islami Bank Ltd			600,000		
4	Al Arafah Islami Bank Ltd	Motijheel Corporate Br., Dhaka.	0291269/0151330226408	1,100,000	14.10.12	14.10.19
5	Al Arafah Islami Bank Ltd	VIP Road Br.	0957045/0141330020961	1,000,000	04.11.19	04.11.20
6	Al-Arafah Islami Bank Ltd.	Bogra Branch	420029/0081330797732	1,000,000	30.06.13	30.06.19
7	Al-Arafah Islami Bank Ltd.	Bogra Branch	420643/0081330797901	500,000	23.09.13	23.09.19
8	Bangladesh Commerce Bank	Gazipur Chowrasta Branch	191134/05033000034	500,000	15.05.18	15.05.19
9	Bangladesh Commerce Bank Ltd.	Bangshal Branch	18603011327	2,000,000	11.09.18	11.09.19
10	Bangladesh Krishi Bank	Khulna Corp. Br.	653020/1919	500,000	05.09.13	05.09.19
11	Bank Asia Ltd	Principal Office Branch	0061175/12434	500,000	10.06.07	10.06.19
12	Bank Asia Ltd	Principal Office Branch	0058331/14987	1,000,000	05.08.09	05.08.19
13	Bank Asia Ltd	Principal Office Branch	0058394/15050	1,000,000	17.09.09	17.09.19
14	BASIC Bank Ltd.	KDA Avenue Br. Khulna	112110/4218-01-0000948	500,000	12.07.12	12.07.19
15	Brac Bank Ltd.	Mdpur SME Service Centre Branch	1543303983081001	2,000,000	14.05.18	13.05.19
16	Dhaka Bank Ltd.	Narayangonj Branch	231.313.10565	1,000,000	24.06.07	24.06.19
17	Dhaka Bank Ltd.	Board Bazar Br. Gazipur	225812/251/219/219.313.2934	1,000,000	13.11.13	13.11.19
18	Dhaka Bank Ltd.	Bogra Branch	232023/411.309.88	500,000	29.05.18	29.06.19
19	EXIM Bank Ltd	Sonaimuri Branch, Noakhali	0808765/00860100725628	1,000,000	19.09.18	19.09.19
20	Exim Bank Ltd.	Rajuk Avenue Br.	0420711/13-2430001056-2	500,000	10.06.07	10.06.19
21	Exim Bank Ltd.	Jublee Road Branch, CTG	24300014324	1,000,000	17.06.08	17.06.19
22	IFIC Bank Ltd.	Motijheel Branch	96882/70509	500,000	23.05.00	23.05.19
23	IFIC Bank Ltd.	Jessore Branch	099442/20989	50,000	06.01.04	05.01.19
24	IFIC Bank Ltd.	Benapole Branch	109007/07	100,000	02.04.03	01.04.19
25	IFIC Bank Ltd.	Khulna Branch,	111979/42308	500,000	11.12.04	11.12.19
26	IFIC Bank Ltd.	Rajshahi Branch	1006997/55007983	200,000	28.05.07	28.05.19
27	IFIC Bank Ltd.	Chapai Nawabgonj Br.	1002876/361-4	100,000	29.05.07	29.05.19
28	IFIC Bank	Baneshwar Br.	1005287/86		31.05.07	31.05.19

	Ltd.			100,000		
29	IFIC Bank Ltd.	Sk. Mujib Road Branch, CTG.	072986/3119	1,000,000	26.06.08	26.06.19
30	IFIC Bank Ltd.	Rajshahi Branch	1053968/55011688	200,000	18.03.09	18.03.19
31	IFIC Bank Ltd.	Nawabpur Road Br.	1152440/1187	500,000	15.05.18	15.05.19
32	Islami Bank Bangladesh Ltd.	Local Office	119225/166429	1,000,000	16.05.00	16.05.19
33	Islami Bank Bangladesh Ltd.	Local Office	18821/161095	3,000,000	20.03.03	19.03.19
34	Islami Bank Bangladesh Ltd.	Wiseghat Branch, Dhaka	0634922/22	1,000,000	14.10.12	14.10.19
35	Islami Bank Bangladesh Ltd.	Mohasthangor SME Branch, Bogra	1720153/3075	500,000	27.05.18	26.05.19
36	Islami Bank Bangladesh Ltd.	Rajshahi Branch	1732006/20956	1,000,000	12.09.18	12.09.19
37	Islami Bank Bangladesh Ltd.	KDA Avenue Branch, Khulna	1684819/3908	1,000,000	18.09.18	18.09.19
38	Islami Bank Bangladesh Ltd.	Lalbagh Branch	1829222/2820	2,000,000	19.09.18	18.09.19
39	Jamuna Bank Ltd.	Uttara Branch	0251108/0330033803	1,000,000	14.05.18	14.05.19
40	Jamuna bank Ltd.	Sonargaon Road Branch	0035710/0330024725	500,000	14.06.07	14.06.19
41	Mercantile Bank Ltd.	Main Br., Dhaka	8192/41032635	2,500,000	04.08.04	04.08.19
42	Mercantile Bank Ltd.	Main Br., Dhaka	0123598/41300058937	1,000,000	10.04.12	10.04.19
43	Mercantile Bank Ltd.	Imamgonj(Moulvi bazar) Br,	0159033/41300000245	1,000,000	05.09.12	05.09.19
44	Mercantile Bank Ltd.	Sylhet Br, Sylhet	0159872/413-7686	500,000	26.02.13	26.02.19
45	Mercantile Bank Ltd.	Sylhet Br, Sylhet	0160112/413-7876	1,000,000	06.11.13	06.11.19
46	Mercantile Bank Ltd.	Gazipur Chowrasta Branch	0338140/130741324733266	1,500,000	16.05.18	16.05.19
47	Mercantile Bank Ltd.	Nawabpur Road Branch	0322191/118841325608381	2,000,000	11.09.18	11.09.19
48	Mercantile Bank Ltd.	Rajshahi Branch	0335219/110741325621837	1,000,000	12.09.18	12.09.19
49	Mercantile Bank Ltd.	Kankirhat Branch, Noakhali	0317227/132041325671038	1,000,000	18.09.18	18.09.19
50	Mercantile Bank Ltd.	Ashulia Branch, Savar	0337299/111541325695536	1,000,000	23.09.18	23.09.19
51	Mercantile Bank Ltd.	Hemayetpur Branch, Savar	0316656-1130-413-2572403-4	1,000,000	25.09.18	25.09.19
52	Mercantile Bank Ltd.	Bogura Branch	0325732/112641325647025	500,000	16.09.18	16.09.19
53	Mercantile	Bijoy nagar Br.	0350283/1133-413-2579185-		03.10.18	03.10.19

	Bank Ltd.		1	2,000,000		
54	Mercantile Bank Ltd.	Rampura Branch	0336300/1172-413-2586862-5	2,600,000	11.10.18	11.10.19
55	Midland Bank Ltd	Mirpur Branch	0021734-0026-1100000329	2,500,000	16.09.18	16.09.19
56	Modhumoti Bank Ltd.	Uttara Branch	0009933/1110-255-00000076	2,000,000	14.05.18	14.05.19
57	Modhumoti Bank Ltd.	Uttara Branch	0009982/1110-255-00000079	3,000,000	06.09.18	06.09.19
58	Modhumoti Bank Ltd.	Gulshan Branch	0007985/110325500000301	27,000,000	06.09.18	06.09.19
59	Modhumoti Bank Ltd.	Motijheel Branch	0017724/110125500000712	8,100,000	06.10.19	06.10.20
60	Mutual Trust Bank Ltd.	Principal Branch	224341/35222/2006	100,000	20.07.06	20.07.19
61	Mutual Trust Bank Ltd.	Dholaikhal Branch	293907/0028-0330013380	2,000,000	11.09.18	11.09.19
62	National bank Ltd.	Dilkusha Branch	0167357/53925	500,000	29.09.07	29.09.19
63	National bank Ltd.	Imamgonj Branch	0133399/4599/55008143	1,000,000	18.12.07	18.12.19
64	National bank Ltd.	Sk. Mujib Road Branch, CTG.	55016583	500,000	19.06.08	19.06.19
65	NCC Bank Ltd.	Jessore Branch	0005991/24/03	50,000	19.03.03	18.03.19
66	NCC Bank Ltd.	Khulna Branch, Khulna	0009722/0330029183	500,000	22.05.18	22.05.19
67	NCC Bank Ltd.	Uttara Br.	0045524/19/0033-03360046562	3,000,000	04.11.19	04.11.20
68	NRB Bank Ltd	Bogura Branch	0000927/4013040041748	500,000	18.09.18	13.09.19
69	NRB Commercial Bank Ltd.	Chatkhil Branch, Noakhali	0024740-0124-71200000073	1,000,000	19.09.18	19.09.19
70	Padma Bank Ltd.	Mirpur Br. Dhaka.	0017053/0124400114125	2,500,000	04.05.16	04.05.19
71	Premier Bank Ltd.	Banani Branch	2460002049-1	500,000	17.06.08	17.06.19
72	Premier Bank Ltd.	Chowmuhani Branch, Noakhali	0255049-509-24600000036	1,000,000	18.09.18	18.09.19
73	Premier Bank Ltd.	Atibazar Branch, Keranigonj	0286025-0175 24600000020	1,000,000	17.09.18	17.09.19
74	Premier Bank Ltd.	Chawkbazar Branch, CTG	0256340/24600000060	5,000,000	03.11.19	03.11.20
75	Premier Bank Ltd.	Chawkbazar Branch, CTG	0256341/24600000061	2,695,325	04.11.19	04.11.20
76	Premier Bank Ltd.	Gulshan Link Road Branch	0307792/168-255-53	1,000,000	03.11.19	03.12.20
77	Prime Bank Ltd	Foreign Ex. Branch,	0038767/4100752-0	1,500,000	07.09.04	07.09.19
78	Prime Bank Ltd.	Tongi Br	0044946/41002449	1,000,000	13.12.05	13.12.19
79	Prime Bank Ltd.	Motijheel Br.	13782/2261-8	1,000,000	24.08.00	24.08.19
80	Pubali Bank Ltd.	Dargagate Br. Sylhet	0643493/11402	500,000	08.09.13	08.09.19

81	Pubali Bank Ltd.	Moghbazar Br.	34214/1001865	2,000,000	04.11.19	04.11.20
82	Rajshahi Krishi U. Bank	Rajshahi Branch	139104	1,000,000	11.06.02	11.06.19
83	Rajshahi Krishi U. Bank	Naogaon Branch	118752/1741	1,400,000	29.12.05	29.12.19
84	SBAC Bank Ltd.	Lobon Chora Branch, Khulna	0055729/0059244000096	500,000	22.05.18	22.05.19
85	SBAC Bank Ltd.	Lobon Chora Branch, Khulna	0077957/0059244000461	1,000,000	03.11.19	03.11.20
86	Shahjalal Islami Bank Ltd	Khulna Branch,	56933/426/1101-53300000781	200,000	18.03.09	18.03.19
87	Shahjalal Islami Bank Ltd	Chowmuhan Branch, Noakhali	138847/3013/53300000037	1,000,000	18.09.18	18.09.19
88	Shahjalal Islami Bank Ltd.	Bijoynagar Br., Dhaka	0275208/401853300002840	10,500,000	15.09.16	15.09.19
89	Shahjalal Islami Bank Ltd.	Bijoynagar Br., Dhaka	0275227/401853300002841	6,400,000	26.10.16	26.10.19
90	Shahjalal Islami Bank Ltd.	Bijoynagar Br., Dhaka	0275288/401853300002844	2,100,000	29.12.16	29.12.19
91	Shahjalal Islami Bank Ltd.	Bijoynagar Br., Dhaka	0275289/401853300002845	5,000,000	29.12.16	29.12.19
92	Shahjalal Islami Bank Ltd.	Bijoynagar Br., Dhaka	0275320/401853300002847	2,500,000	07.02.17	07.02.19
93	Shahjalal Islami Bank Ltd.	Bijoynagar Br., Dhaka	0275340/401853300002853	2,500,000	09.03.17	09.03.19
94	Shahjalal Islami Bank Ltd.	Bijoynagar Br., Dhaka	0275356/401853300002856	5,000,000	03.04.17	03.04.19
95	Shahjalal Islami Bank Ltd.	Bijoynagar Br., Dhaka	0275365/401853300002857	500,000	04.04.17	04.04.19
96	Shahjalal Islami Bank Ltd.	Bijoynagar Br., Dhaka	0275371/401853300002859	3,100,000	12.04.17	12.04.19
97	Shahjalal Islami Bank Ltd.	Bijoynagar Br., Dhaka	0275460/401853300002861	20,000,000	23.07.17	23.07.19
98	Southeast Bank Ltd	Chouhata Br. Sylhet	7030649/24500003518	500,000	24.01.06	24.01.19
99	Southeast Bank Ltd	Uttara Br.	7504732/24500023978	5,000,000	04.11.19	04.11.20
100	Southeast Bank Ltd.	Bangshal Br.	24500018493	1,000,000	21.10.14	21.10.19
101	Southeast Bank Ltd.	Motijheel Branch	7492215/245000 15050	10,000,000	09.09.18	09.09.19
102	Southeast Bank Ltd.	Gulshan Branch	7489449/245000 41288	15,000,000	09.09.18	09.09.19

103	The City Bank Ltd.	Principal Branch	002117/77108/2000/48120 20547002	500,000	27.06.00	27.06.19
104	United Commercial Bank Ltd.	Principal Branch	071911/18/35- 0011404000000648	100,000	30.03.00	30.03.19
105	United Commercial Bank Ltd.	Khanjahan Ali Rd. Br.Khulna	0061-413- 00008800/0312503/281/20 12	300,000	28.06.12	28.06.19
106	United Commercial Bank Ltd.	Nawabpur Branch	1030144/0281440000000010	1,000,000	15.05.18	19.05.19
107	Uttara Bank Ltd.	Banijya Shakha	0621428/25351373641	2,000,000	04.11.19	04.11.20
Total				220,695,325		

Sonali Bank Statutory Deposit

	B/F =			220,695,325		
1	Sonali Bank Ltd.	Local Office	Govt. Treasury Bond	25,000,000	16/07/16, 15/05/14	16/07/21, 23/07/19
Grand Total				245,695,325		

Dated: Dhaka
September 29, 2020

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants