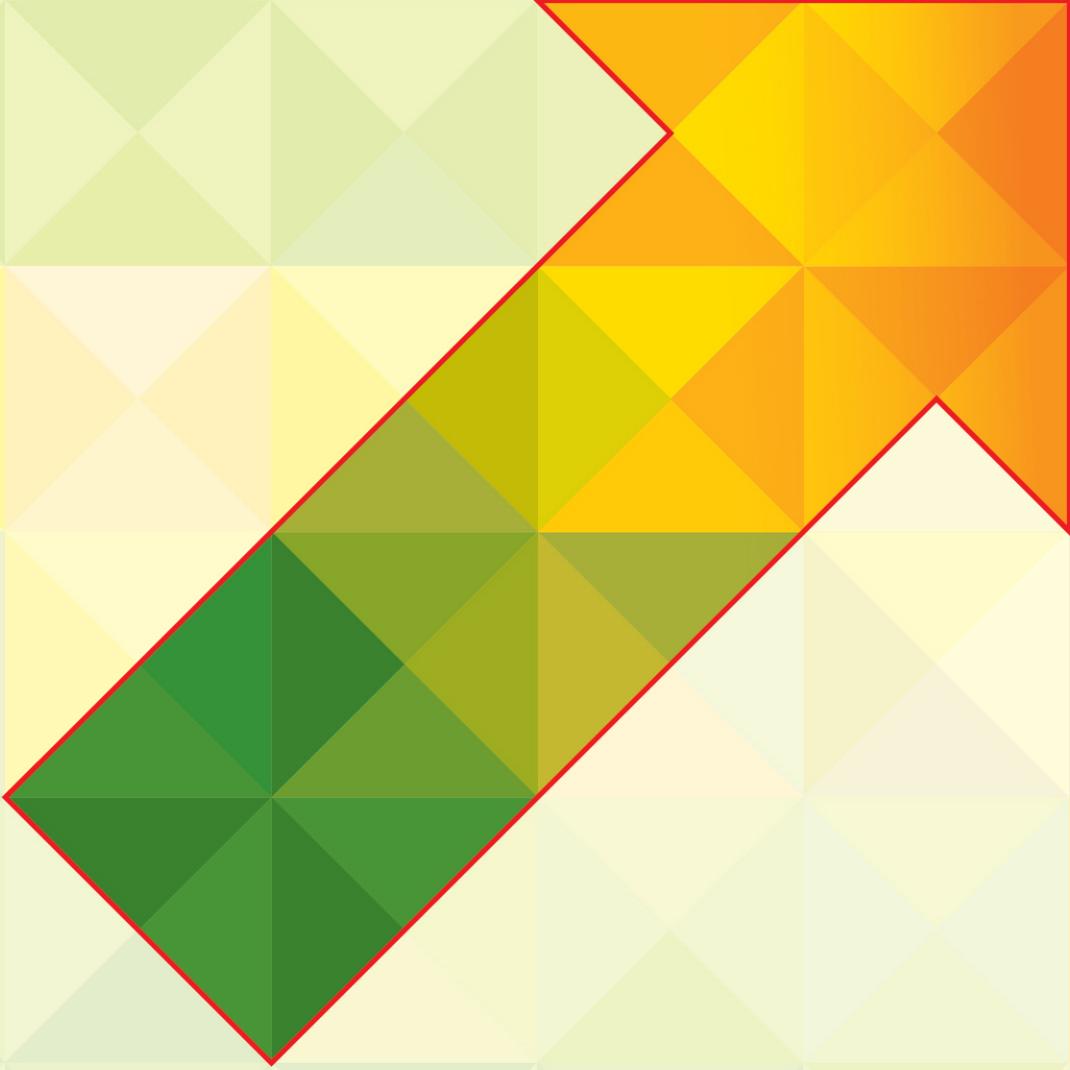




Your Trusted Risk Manager

# SENA KALYAN INSURANCE COMPANY LIMITED

## সেনা কল্যাণ ইন্সুরেন্স কোম্পানি লিমিটেড



### ANNUAL REPORT 2021





# ANNUAL REPORT 2021



Your Trusted Risk Manager

**SENA KALYAN INSURANCE COMPANY LIMITED**  
সেনা কল্যাণ ইন্সুরেন্স কোম্পানি লিমিটেড



# Table of Contents

Letter of Transmittal	04
Notice of the 9 <sup>th</sup> Annual General Meeting (Virtual)	05
Corporate Profile, Vision, Mission and Strength	6-7
Company's Key Information	08
Profile of the Chairman, Board of Trustee, SKS	09
Board of Directors	10
Profile of the Board of Directors	11
Leadership Team Profile	20
Board Committees	25
Branches Address	26
Top Management	28
Management & Executives	29
SKICL's Performance at a Glance	30
Graphical Presentation of Financial Performances	36
Disclosures Pertaining to Solvency Margin	38
Historical Record of Dividend Payments	39
Value Added Statement	40
Market Value Added Statement	41
Economic Value Added Statement	42
About Our Integrated Report	43
Message from the Chairman	44
Message from the Managing Director & CEO	46
Directors' Report	49
Management's Discussion and Analysis	63
Letter from the Board of Directors Presented by the Company Secretary	68
Statement of Corporate Governance	69
Statement on Internal Control	104



Report of the Audit Committee	106
Reports on the Activities of the Nomination and Remuneration Committee (NRC)	109
Risk Management Report	112
Statement of Directors' Responsibilities	115
Corporate Social Responsibility (CSR)	117
Statement on Ethics and Compliance	118
Report on Human Resources	119
Annual Report Review Checklist	122
Auditor's Report and Financial Statements	125
Independent Auditor's Report	126
Balance Sheet	130
Profit and Loss Account	132
Profit and Loss Appropriation Account	133
Statement of Changes in Equity	134
Statement of Cash Flows	135
Consolidated Revenue Account	136
Fire Insurance Revenue Account	137
Marine Insurance Revenue Account	138
Motor Insurance Revenue Account	139
Miscellaneous Insurance Revenue Account	140
Form AA	141
Notes to The Financial Statements	142
Schedule of Property, Plant and Equipment	167
XL-Form	169
Director's Certificate	170
Proxy Form and Attendance Slip	171



# Letter of Transmittal

All Shareholders  
Insurance Development and Regulatory Authority  
Registrar of Joint Stock Companies & Firms  
Bangladesh Securities & Exchange Commission  
Dhaka Stock Exchange Ltd.  
Chittagong Stock Exchange Ltd.  
Mahfel Huq & Co., Chartered Accountants  
Chairman, Audit Committee

Dear Sir/Madam,

**Re: Annual Report for the year ended December 31, 2021.**

We are pleased to enclose a copy of the Annual Report together with the Audited Financial Statements including Balance Sheet as at December 31, 2021 including Revenue Account, Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity for the year ended December 31, 2021 along with notes thereon of Sena Kalyan Insurance Company Limited for your kind information and record.

Thank you.

Yours sincerely,

Sd/-

**M. M. Sajedul Islam, FCS**  
Company Secretary



# Notice of the 9<sup>th</sup> Annual General Meeting (Virtual)

Notice is hereby given that the 9<sup>th</sup> Annual General Meeting (AGM) of Sena Kalyan Insurance Company Limited will be held on **Monday, June 20, 2022, at 11:00 a.m.** (Dhaka Time). The AGM will be held virtually by using a digital platform through the following link: <https://skicl.bdvirtualagm.com> to transact the following businesses:

**(a) Ordinary Business:**

1. Consideration and adoption of Directors' Report, Audited Financial Statements for the year ended December 31, 2021, and the Auditors' Report thereon.
2. Declaration of dividend for the year ended December 31, 2021.
3. Appointment/re-appointment of Directors.
4. (i) Re-appointment of statutory auditors and fixation of their remuneration;  
(ii) Appointment of a professional to provide the certificate on compliance of the Corporate Governance Code of BSEC for the year 2022, as well as fixation of their remuneration.

**(b) Special Business:**

1. To amend Article no. 89 of the Articles of Association of the Company by adopting the following special resolution:

**Existing Article**

Excluding the appointment of the Managing Director, the other Directors so nominated to represent the shareholding of Sena Kalyan Sangstha will be required to hold only the minimum share, which is only 01 (One). The qualification of a Director from public subscribers shall be his holding minimum shares which is at least 2.5% of issued capital in his own name or in the name of the institution (which includes companies, statutory bodies, trusts and such like) that he represents, at least six months before the date of election and that he is not disqualified as per provisions of insurance Act or rules or any other laws of the country.

**Proposed Amendment**

Excluding the appointment of the Managing Director, the other Directors so nominated to represent the shareholding of Sena Kalyan Sangstha will not be required to hold any share. The qualification of a Director from public subscribers shall be his holding minimum shares which are at least 5% of the issued capital in his own name or in the name of institution (which includes companies, statutory bodies, trusts and such like) that he represents, at least six months before the date of election and that he is not disqualified as per provisions of Insurance Act or rules or any other laws of the country.

**Special Resolution**

"Resolved that the proposal for amendments of Article No. 89 of Articles of Association of the Company be and is hereby approved".

By order of the Board  
Sd/-

May 23, 2022

**M. M. Sajedul Islam, FCS**  
Company Secretary

**Notes:**

- The Shareholders whose names appeared on the Shareholders/Depository Register as on the "Record Date" i.e. May 22, 2022, are eligible to participate in the 9<sup>th</sup> Annual General Meeting (AGM) and receive the dividend.
- Pursuant to the Bangladesh Securities and Exchange Commission's Order No. SEC/SRMIC/04-231/932 dated 24 March 2020, the AGM will be a virtual meeting of the Shareholders, which will be conducted via live webcast by using a digital platform.
- The Shareholders will be able to submit their questions/comments and vote electronically 24 hours before commencement of the AGM and during the AGM. For login to the system, the Shareholders need to put their 16-digit Beneficiary Owners (BO) ID number and other credentials as proof of their identity by visiting the link: <https://skicl.bdvirtualagm.com>.
- Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/208/ Admin/81 dated 20 June 2018, the soft copy of the Annual Report-2021 (link) will be sent to the email addresses of the Shareholders available in their Beneficiary Owners (BO) account maintained with the Depository. The soft copy of the Annual Report-2021 will also be available on the Company's website at: [www.senakalyanici.com/](http://www.senakalyanici.com/).



## Corporate Profile

Sena Kalyan Insurance Company Limited (SKICL) is a concern of Sena Kalyan Sangstha of Bangladesh Armed Forces, what has already emerged as one of the most viable business outfits of Bangladesh. The shareholding structure of the company is institutional, which is unique in nature in our industry. Sena Kalyan Sangstha is absolutely a welfare-oriented organization that is designed to undertake various welfare projects dedicated to the humanity. Hence, you may be encouraged to be a part of this noble imitative.

Sena Kalyan Insurance Company Ltd, stepped into the insurance industry at the later part of 2013, despite being the youngest general insurance company in the country, it has established itself as a leading insurance company in the industry. If this trend continues, the company will be able to achieve its position as one of the 5 leading general insurance companies in the industry in next 05 years.

Equipped with a team of experienced professionals, this company is always ready to cater for all your insurance needs. SKICL provides protection to your property and cover unfortunate losses. We look forward to reaching you through our personalized care and assure you of quality services at the most competitive price.

SKICL will remain your trusted risk manager at all times and at the same time add value to your investments as a sustainable financial institution. We hope that our respected shareholders, valued clients & other stakeholders will always be with us in our steady and successful journey ahead.



## Vision

**Sena Kalyan Insurance Company Limited will uphold the principles of transparent perception and corporate practices thus turning it to be a viably profit oriented insurance company in the country.**



## Mission

**To become a leading insurance company by providing innovative products and customer friendly services through highly motivated team of dedicated professionals and ensure profit for the sponsors and shareholders.**



## Core Values



## Strength

- Upholding the clean image of the Armed Forces of Bangladesh;
- Transforming to a service-oriented technology driven profit-earning company;
- Attract, motivate and retain high quality human resources;
- Providing integrated insurance service in the non-life sector;
- Maintaining customers' satisfaction through services.
- Upholding corporate governance practices;
- Steady and sustainable growth strategy;
- Settlement of claim in the appropriate manner;
- Maintain transparency in disclosures;
- Contribute to the National Exchequer;
- Create new job as a growing concern of Sena Kalyan Sangstha;
- Adopting the green initiative and facilitate it.

## Company's Key Information

- Date of Incorporation: 03 September, 2013
- Date of Registration: 03 September, 2013
- Date of Commencement of Business: 10 September, 2013
- Trading Date in the Stock Exchanges: 07 November, 2021
- Authorized Capital: Tk. 100,00,00,000
- Paid up Capital: Tk. 40,00,00,000
- **Registered Office:** SKS Tower (12<sup>th</sup> Floor), 7 VIP Road, Mohakhali, Dhaka-1206.  
PABX: +88-02-55058455, +88-02-55058456, +88-02-55058457  
Fax: +88-02-55058458  
E-mail: info@senakalyanicl.com  
Web: www.senakalyanicl.com
- Nature of Business: Non-life insurance/ General insurance
- Credit Rating Company: Alfa Credit Rating Limited has rated the Company in 2021 with "AA-" in the long term and ST-2 for the Short Term
- Auditors: Mahfel Huq & Co. Chartered Accountants  
BGIC Tower (4<sup>th</sup> Floor), 34 Topkhana Road, Dhaka-1000.





## Profile of the Chairman, Board of Trustee Sena Kalyan Sangstha



### **GENERAL S M SHAFIUDDIN AHMED, SBP, OSP, ndu, psc, PhD,** CHIEF OF ARMY STAFF, BANGLADESH ARMY

General S M Shafiuddin Ahmed, SBP, OSP, ndu, psc, PhD, Chief of Army Staff, Bangladesh Army has taken over as the Chairman of Board of Trustee of Sena Kalyan Sangstha on 24 June 2021.

The General was born on 01 December 1963 in a reputed Muslim and Freedom Fighter's family in Khulna. He was commissioned in Bangladesh Army on 23 December 1983 in the Corps of Infantry. He has been maintaining a phenomenal military career having the blend of Command, Staff and Instructional experiences at different levels of Armed Forces at home and abroad.

His diversified command credential at higher level includes commanding Army Training and Doctrine Command (ARTDOC), Infantry Division and Brigade. He also commanded the only Logistics Formation of Bangladesh Army. He also has an iconic experience of commanding multinational peace keeping forces as the pioneer Deputy Force Commander in the United Nations Mission in the Central African Republic (MINUSCA).

General Shafiuddin has attended several military

courses both at home and abroad. He is a graduate of Defence Services Command and Staff College (DSCSC), Mirpur, Bangladesh. He attended International Symposium Course in National Defence University (NDU), China and Defence and Strategic Studies Course at the same University. He is also a NESAs graduate from NDU, Washington DC.

General Shafiuddin attained three Master Degrees on varied disciplines. He obtained Masters in Defence Studies (MDS) from National University, Bangladesh. He has also obtained Masters of Business Administration (MBA) from Dhaka University where he secured the 1st position. He obtained a Doctor of Philosophy from Bangladesh University of Professionals (BUP) through his research on Development and Security Studies.

General Shafiuddin is a widely travelled person who has visited many countries around the globe. Happily married to Noorjahan Ahmed, the General is a proud father of two daughters, Dr. Sheikh Rubaiya Ahmed and Sheikh Rufaida Fatima.



## Board of Directors

**Chairman** : **Maj Gen Mohammed Saidul Islam, ndc, psc**  
Chairman, Sena Kalyan Sangstha

**Vice Chairman** : **Air Cdre M Moyeenuddin, ndc, afwc, psc**  
DG, Welfare Division, SKS

**Directors** : **Brig Gen Mirza Md Enamul Haque, ndc**  
DG, HR Division, SKS  
**Brig Gen M A Mohy, psc, PEng**  
DG, BD-RED  
**Brig Gen Md Mustafa Kamal, SGP**  
DG, BD-1, SKS  
**Brig Gen Md Jamal Hossain, ndc, afwc, psc**  
DG, BD-6, SKS  
**Brig Gen Md Shaheen Iqbal, afwc, psc**  
DG, BD-5, SKS

**Independent Directors** : **M.M. Mostafa Bilal**  
**Ahamed Ihteyaz Thamid**

**Managing Director & CEO** : **Brig Gen Md Shafique Shamim, psc (ret'd), CII (cert), ABIA**



## Profile of the Board of Directors



### **MAJ GEN MOHAMMED SAIDUL ISLAM, ndc, psc** CHAIRMAN

Maj Gen Mohammed Saidul Islam, ndc, psc was commissioned in Bangladesh Army on 22 December 1989 in the Corps of Engineers. During his colourful military carrier, he attended number of courses at home and abroad and achieved outstanding results. Besides military courses, he completed Turkish Language Course and possesses good command over “Turkish Language”. He held various command and staff appointments both at home and abroad. Notably, Staff Officer in Military Secretariat Branch in Army Headquarters, Commanding Officer of 11 Border Guard Battalion, Project Director in Sena Kalyan Sangstha and Sena Kalyan Constructions’ Development. He also served as Project Director of Identification System for Enhancing Access to Services (IDEA) and Director General National Identity Registration Wing (NIDW) in Bangladesh Election Commission. Presently, he is holding the

appointment of Chairman, Sena Kalyan Sangstha and also Sena Kalyan Insurance Co Ltd.

He is a graduate of National Defence College (NDC), defence Service Command and Staff College (DSCSC) and graduate from Bangladesh University of Engineering and Technology (BUET) in Civil Engineering. He participated at United Nations Peace Keeping Operation as Deputy Commander of BANENGR (UNMIL) at Liberia. He also commanded OKP-1 (Operation Kuwait Punorgathon) in Kuwait. Beside Liberia and Kuwait, he also visited number of countries including Turkey, Dubai, China, Egypt, France, Italy, Switzerland, Germany, USA, Saudi Arabia, Malaysia, Thailand, India etc.

In personal life, Maj Gen Saidul Islam, ndc, psc, is happily married to Shammy Akter and blessed with three daughters.



## **AIR CDRE M MOYEENUDDIN, ndc, afwc, psc** VICE-CHAIRMAN

Air Commodore M Moyeenuddin, ndc, afwc, psc is the Vice Chairman of Sena Kalyan Insurance Company Ltd., He was commissioned in Bangladesh Air Force in 1985. He held various command and staff appointments both in the field level and at Air Headquarters. He also served as Senior Instructor in defence Services Command and Staff College, Mirpur. Air Commodore Moyeen worked as Staff Officer in United Nations Mission Headquarters at Sierra Leone. He also commanded two Air Force contingents in DR Congo and Republic of Mali respectively. Presently, he is holding the appointment of

Director General and Head of Welfare Division at Sena Kallyan Sangstha. Air Commodore Moyeen is graduated from National Defence College and Defence Services Command and Staff College, Mirpur. He has Masters of Defence Studies (MDS). He visited many countries for training and on private ground; like, Turkey, USSR, Sierra Leone, Pakistan, China, Vietnam, KSA, DR Congo, Sreelanka, Ezypt, Germany, Kuawit and Republic of Mali. In personal life, Air Commodore Moyeen is happily married to Mrs Dilruba Nazneen and blessed with two sons.



## **BRIG GEN MIRZA MD ENAMUL HAQUE, ndc** DIRECTOR

Brig Gen Mirza Md Enamul Haque, ndc was commissioned on 26 June 1987 in Corps of Infantry. He commanded an infantry Battalion, a Mechanize Brigade and Station Headquarters. As staff, he served in Brigade Headquarters and Army Headquarters. He was Instructor at Special Warfare Wing of School of Infantry and Tactics. He also served as Additional Project Director of

Machine-Readable Passport and Director, BMTF. Presently he is serving as Director General, Sena Kalyan Sangstha and also one of the Directors of Sena Kalyan Insurance Company Ltd. He has Masters of Business Administration (Major in HRM). He participated United Nations Operations in Mozambique and United Nations Iraq-Kuwait Observation Mission.



## **BRIG GEN M A MOHY, psc, pEng** DIRECTOR

Brigadier General M A Mohy, psc, pEng was commissioned on 29 June 1986 in the Corps of Engineers from Bangladesh Military Academy. He has taken over the charge as DG Real Estate Division of SKS on 31 Jan 2021. He obtained B.Sc. in Civil Engineering and M.Sc. in Geotechnical Engineering both from BUET. He is also registered as Professional Engineer (PEng) from Bangladesh Professional Engineers Registration Board (BPERB). He served as Additional Director General, Special Works Organization-West,

Station Commander, Rangpur and Ramu Station and Project Director of Bangabandhu Complex BMA Bhatary and Chief Engineer of Health Engineering Department under Ministry of Health and Family Welfare. He was Project Director of Utility Shifting of Dhaka Elevated Expressway; He was also Project Director of Radisson Blu Bay View Hotel Chittagong and Radisson Blu Water Garden Hotel Extension Project Dhaka. He is happily married to Sharifa Islam and the couple is blessed with a son and a daughter.



## **BRIG GEN MD MUSTAFA KAMAL, SGP** DIRECTOR

Brig Gen Md Mustafa Kamal was commissioned in Bangladesh Army on 21 December 1990 in the Corps of Signals. Being a telecommunication and cyber security expert, he has worked more than two decades in wide variety of professional capacities at home and abroad including three years at United Nations. As Director General (DG) of Bangladesh Telecommunication Regulatory Commission (BTRC), he had significant contribution

in shaping telecom and ICT sector of the country. Presently he is working as director general (DG) of a business division and member of board of director at Sena Kalyan Sangstha (SKS). He is a graduate in Electrical and Electronic Engineering (EEE) from BUET and hold master's degree in ICT from BUP. He is an alumni of Harvard X and Digital Frontiers Institute on 'cyber security' and 'mobile money' respectively.



**BRIG GEN MD JAMAL HOSSAIN, ndc, afwc, psc**  
DIRECTOR

Brigadier General Md Jamal Hossain, ndc, afwc, psc is one of the Directors of the company and also the DG, Business Division-6, SKS. He is one of the finest professional officers in Bangladesh Army, with the blend of command, instructional and staff appointments. He possesses strong academic attainments and has undergone many training courses at home and abroad. He served twice under United Nations Banner in Sudan and Congo. His basic military domain is supply chain.

Apart from the military domain, he possesses special interest in education. His interests in the field of education are- Moral Education, Communication Skill, Educational Leadership and Research Methodology. He is undergoing PhD on Moral Education under BUP. He is a seasoned orator and has number of publications in his credit. He is happily married and father of two daughters.



## **BRIG GEN MD SHAHEEN IQBAL, afwc, psc** DIRECTOR

Brigadier General Md Shaheen Iqbal, afwc, psc, was commissioned in the Bangladesh Army in 1992. He held various command and staff appointments both at home and abroad. Notably, CO of ST Bn and BSD; Staff Officer as ADST and GSO-2 in AHQ, ARTDOC and DGFI. He also served as CI at ASCC&S. Presently; he is holding the appointment of DG and head of a Business Division at Sena Kalyan Sangstha and also one of

the directors of Sena Kalyan Insurance Company. He is a graduate of DSCSC and Chittagong University. He participated in UN Peace Keeping Operation as Staff Officer in Force Headquarters of UNAMSIL, UNMIS and MONUSCO. He attended number of courses at home and abroad. He also visited number of countries. In personal life, Brig Gen Shaheen is happily married to Israt Zahan and blessed with two sons.



## **M.M. MOSTAFA BILAL** INDEPENDENT DIRECTOR

Mr. M. M. Mostafa Bilal is an Independent Director of the company and also the Managing Director (Current Charge) of the UAE-Bangladesh Investment Company Ltd. (UBICO). He completed his Master's in Business Administration (Major in Finance) from the Institute of Business Administration (IBA), Dhaka University. He has 25 years of working experience mainly in Banking and Finance Sector. Previously he worked as CEO/ Managing Director of Jamuna Bank Securities Ltd., Jamuna Bank Capital Management Ltd., Bengal

Investments Ltd. and BIFC. He also worked in Bangladesh Bank, Grameen Fund, Bank Asia Ltd., ONE Bank Ltd., Jamuna Bank Ltd., at different capacities. He has completed training on Branch Management, Credit Risk Management, Venture Financing & Factoring, and Lending Risk Analysis. Apart from these, M. M. Mostafa Bilal has obtained the membership of IBA Alumni Association, MBA Club, JEXCA (Jhenidah Ex-cadet's Association) and Cadet College Club Limited.



## **BARRISTER AHAMED IHTEYAZ THAMID**

INDEPENDENT DIRECTOR

Barrister Ahamed Ihteyaz Thamid is an Independent Director of the company and also an associate at the Legal Edge. He completed his Bachelor of Law LLB (Honours) from University of London. After obtaining the LLB (Honours) from the School of Oriental and African Studies (SOAS), he started Bar Professional Training course at the City University, London under Professor Stuart

Sime. He was called to the Bar of England and Wales by the Honorable Society of Lincoln's Inn on the Trinity Term (2018). Thereafter he returned to Bangladesh and started working as an associate. He mainly deals with the affairs of banking, insurance, corporate legal affairs etc. He has already established himself as a specialized Corporate Law Practitioner.



## Leadership Team Profile



### **Brig Gen Md Shafique Shamim, psc (retd), CII (cert), ABIA** Managing Director and CEO

Brig Gen Shafique Shamim, psc (retd), CII (cert), ABIA is the Managing Director and CEO of Sena Kalyan Insurance Co Ltd. After having 27 years of commissioned service in the Army, he retired as a Brigadier General. Brig Shamim Commanded an Infantry Brigade and an Infantry battalion and held important staff appointments at Army and Division Headquarters. He held instructional assignments in significant training and research institutions of the Army including Defence Services Command and Staff College, Mirpur. He has 3 years of experience with the UN in Mozambique, Liberia and West Africa including the appointment of Senior Military Advisor in West Africa.

He joined Sena Kalyan Insurance Company Limited as the Deputy Managing Director and Head of Operations on 01 August 2013 and took over the responsibility of the Managing Director

and CEO on 10 March 2017. He has acquired essential qualifications on Non-Life Insurance including Certificate and Post Graduate Diploma from Bangladesh Insurance Academy and certificate from Chartered Insurance Institute of UK.

He has learnt the application of modern leadership methods through staff motivation and involvement in both decision-making and target-setting. He has special qualification on Bancassurance and Aviation insurance from Malaysia. He has achieved success with his impressive strategies and outlook towards insurance sector. He is a member of Kurmitola Golf Club, Army Golf Club, Savar and Maynamoti Golf and Country Club, Dhaka Club, Cadet College Club and RAOWA.

He is happily married to Elora Sharmin and father of a daughter and a son.



**Col Md Abue Masud, PBGM (Retd)**  
Head of Corporate Affairs

Mr. Md. Abue Masud, PBGM, joined Sena Kalyan Insurance Company Limited in March 2020 and has more than 35 years of professional exposure in vast areas of Leadership, Security, Risk, Policy and Management.

He was commissioned in the Bangladesh Army in 1986. He held various command and staff appointments both at home and abroad. Notably, He was posted as Deputy Director General (DDG) of SKS, Sector Commander, Commanding Officer of BGB, COL GS and Chief Instructor in DGFI. He participated in UN Peace Keeping Operation as a Security Officer in Force Headquarters of UNIKOM and also participated as a Contingent Second in Command (2IC) in UNMIL.

His diverse experiences in the implementation of any assigned task and long time management/ administrative experiences in the Military profession, BGB, DGFI with Civil Administration e.g. and significantly contributed to be a competent candidate for undertaking HR Management, Project Management, Administrative, responsibilities and security aspect of any Organization.

In his professional exposure, he was awarded with a number of prestigious awards and commendations like the President Border Guard Medal (PBGM), Force Commander's Certificate of Appreciation and UN medals.

He was born on 23 October 1966 in a reputed Muslim Family in Sirajgonj. He is a graduate of Chittagong University. He attended number of courses at home and abroad.

Today, Mr. Masud continues to lead and to inspire his team through his experience and foresight. Having traveled throughout the country for work and having being exposed to several training program and workshops, Mr. Masud is passionate about implementing global best practices in Bangladesh Insurance Market, thereby contributing to the country's advancement in his own small way.

The Colonel is also involved with different socio-cultural organizations.



**Lt Col AKM Nazimul Islam, psc (Retd)**  
Head of Marketing

Lt Col A K M Nazimul Islam, psc (Retd.) is a Senior Executive Vice President and now serving as Head of Marketing in SKICL.

He was commissioned in Bangladesh Army in the year 1983. He held various command, staff and instructional appointments both at home and abroad. He served as GSO-1 in Army Training and Doctrine Command, AA & QMG in Headquarters Logistic Area and East Bangal Regimental Center; Senior Operations Officer and Team leader in UN Mission (UNOMIL, UNAMIR, UNAMSIL & UNMIL); Commanding Officer of 7 East Bangal Regiment, 13 East Bangal Regiment, 7 Rifles Battalion and 39 Rifles Battalion. He was an instructor in the School of Infantry & Tactics and Army School of Physical Training & Sports; a Company Commander in 28 East Bangal Regiment, 31 East Bangal Regiment. He served as GSO-2 in Military Training Directorate, Army Headquarters. He also served in many other capacities in the Army. He was a director of Shakti Foundation; GM of a Food and Beverage Company; Project Director of a Real Estate Company.

In his education life, he completed his B.Sc from Chittagong University and MDS from Command & Staff College, Mirpur.

He attended number of courses at home and abroad. He is a member of Bhatiyari Golf and Country Club, Army Golf Club and Life member of Jalalabad Association, Dhaka.



**Pronab Kumar Saha**  
Head of Underwriting

Mr. Pronab Kumar Saha, EVP & Head of Underwriting Department, joined in this company on the 22nd Oct. 2013 as Vice President & Head of Underwriting Dept. There after he was promoted to the rank of SVP & Head of Underwriting Dept within 3 three months from the date of joining for his outstanding performance. Finally he was again promoted in the rank of EVP & Head of Underwriting Dept in the month of February 2019 for his honesty, loyalty, dedication & grooming up with the knowledge & competency in new product designing, underwriting of non tariff risk including aviation insurance, broking, corporate and securities law. He has been acting as compliance officer as trustee for bonds registered by Bangladesh Securities & Exchange Commission since 2016 as approved by the Board of Directors successfully.

He obtained MBA, majoring in Finance from IBA, Dhaka University in 1985. There after he was awarded CeMAP [ Certificate of Mortgage Advice & Practice ] awarded by ifs School of Finance, UK & cert CII from Chartered Insurance Institute, UK. He attended seminars in Multimodal Transport Management, Hazard Evolution in Process Management, Re-Insurance & Property Risk management, The changing Pattern & Associated risks in int'l trade and role of arbitration etc at home and abroad including Lloyds in London in 2016 organized by Tysers, London. He has more than 35 years' experience in the field of Insurance, Corporate & Securities laws, Marketing, Supply Chain Management etc.

He is a proactive, adaptable, innovative, hardworking insurance professional. He faced challenges through a tenacious, analytical approach and positive attitude with enhancement of capacity of team members through their on site training & motivation since the inception of the company.



**Maloy Kumar Saha**  
Chief Financial Officer

Maloy Kumar Saha, Senior Vice President & Chief Financial Officer joined in this company on the 15th Dec 2013 as Chief Financial Officer (CFO). He shows an outstanding performance as CFO till the joining. With his honesty, loyalty, dedication & grooming up with the knowledge & competency he made himself as one of the key persons of the company. He has been acting as Chief Anti Money Laundering Compliance Officer (CAMLCO) of SKICL.

He obtained his M.Com major in Accounting. He completed his Chartered Accountancy course from AK Datta & Co. Chartered Accountants. He is an Income Tax Practitioner. In his early career he was the Head of Accounts and Finance in South Asia Insurance Co. Ltd. He attended some international summit and conference like Insurance India Summit & Awards 2017 at Mumbai, India & Aviation Conference offshore 2018 at Kualalampur, Malaysia. He is a member of Dhaka Taxes Bar Association, Narayanganj Taxes Bar Association and Bangladesh Moitree Kar Ainjibi Society. He is also a life member of Mohanagar Sarbajaneen Puja Committee.

He is a proactive and hardworking insurance professional and he has an excellent capacity of enhancement of his team members through their onsite training & motivation since the inception of the company.



### **Tajul Islam**

Head of Claims & Re-Insurance

Mr. Tajul Islam joined Sena Kalyan Insurance Company Limited in January 2014. He is bearing a bright career of more than 22 years of valuable experience in the insurance industry. Before joining Sena Kalyan Insurance Company, he served as Sr. Principal officer, Claims & Reinsurance department at Agrani Insurance Company Ltd. Besides, he previously worked various department of Bangladesh National Insurance Company Ltd i.e., Claims & Reinsurance, Admin & Board Affairs, BCD in different positions.

During his career he completed Basic Certificate course on General Insurance conducted by Bangladesh Insurance Association. He attend workshop on reinsurance treaty conducted by K.M Dastur Company, India. Successfully completed training on advanced reinsurance course jointly conducted by Asia Re, Thailand & Bangladesh Insurance Academy. He attend seminar on Technical Aspects on Reinsurance and Accounting conducted by J. B. Boda, Malaysia.

He has obtained M.S.S degree in Political Science from University of Dhaka. He has happily married and has two daughters and one son.



### **Squadron Leader Md. Mostafa Zaman (Retd)**

Head of HR & Admin

Sqn Ldr M Mostafa Zaman (Retd) joined in Sena Kalyan Insurasnce Company Limited on the 1st March 2017 as Vice President & Head of Admin & HR Dept. Mr M Mostafa Zaman has long 24 years working experience of Bangladesh Air Force (BAF), He served BAF as a mid level professional in many different capacities and gathered experience in human resource management, business process, security and logistics in both tactical and operational level. He also has exposure in business projects and organizations with working experience as a DGM HR in Regent Airlines, GM & Head of Security & Workshop Automobile in BEXIMCO Ltd and GM of the Group, Lockpur Group of Industries, Dhaka. He also worked as Military Observer in South Sudan under Sector-II (Wau) on deputation.

Mr. Zaman achieved a Bachelor of Science from Rajshahi University and Masters in Business Administration (Major in HR) from the American International University-Bangladesh. Apart from the above, he attended and successfully completed a number of seminar, workshop and trainings both at home and abroad.



**M. M. Sajedul Islam, FCS**  
Company Secretary

Mr. M. M. SAJEDUL ISLAM, FCS, joined Sena Kalyan Insurance Company Limited in February 2022 and has more than 15 years professional exposure in Corporate Affairs both in local and multinational companies in various capacities.

Prior joining in Sena Kalyan Insurance Company Limited, he also worked in Delta Brac Housing Finance Corporation Limited and Uttara Finance & Investments Limited in different capacities including the field of Board & Shareholders related works (BM, AGM, Rights Issue, & IPO), corporate laws and rules & regulations of Bangladesh Bank, Bangladesh Securities & Exchange Commission, Stock Exchanges and RJSC related works.

Today, Mr. Islam continues to lead and inspire his team through his experience and foresight. Having travelled throughout the country for work and having being exposed to several training program and workshops, Mr. Islam is passionate about implementing global best practices in Bangladesh Insurance Market, thereby contributing to the country's advancement in his own small way.

He is also a Fellow Member of the Institute of Chartered Secretaries of Bangladesh (ICSB). He holds a Master of Business Administration (MBA) degree from a reputed university of the country.

He is also involved with different socio-cultural organizations.



**Engr Mohammad Shakhawat Hossain**  
Head of IT

Mohammad Sakhawat Hossain has been working in the IT sector for over 20 years with a very good reputation. Since the inception of Sena Kalyan Insurance Company Ltd, he has been successfully performing the duties as the head of IT department in the company. He has specialized skills in network, hardware and web technology. For the past three years, Mohammad Sakhawat Hossain has been working as a resource person in the A2i, which is a very important part of the Prime Minister's Office.

Due to his planned initiatives under the guidance and leadership of the company's board of directors, the IT department of Sena Kalyan Insurance Company has reached a strong position.

Mohammad Sakhawat Hossain completed his MSc From National University and Computer Engineering degree from Daffodil Institute of IT (DIIT) with special training from IT Department of Dhaka University.



# Board Committees



**Air Cdre M Moyeenuddin, ndc, afwc, psc**  
Chairman

**Brig Gen Md Mustafa Kamal, SGP**  
Member

**Brig Gen Md Shafique Shamim, psc (retd)**  
Member



**Air Cdre M Moyeenuddin, ndc, afwc, psc**  
Chairman

**Brig Gen Mirza Md Enamul Haque, ndc**  
Member

**Brig Gen Md Jamal Hossain, ndc, afwc, psc**  
Member

**Brig Gen Md Shafique Shamim, psc (retd)**  
Member



**M. M. Mostafa Bilal**  
Chairman

**Air Cdre M Moyeenuddin, ndc, afwc, psc**  
Member

**Brig Gen Md Mustafa Kamal, SGP**  
Member

**Brig Gen Md Shaheen Iqbal, afwc, psc**  
Member



**Ahamed Ihteyaz Thamid**  
Chairman

**Brig Gen M A Mohy, psc, PEng**  
Member

**Brig Gen Md Jamal Hossain, ndc, afwc, psc**  
Member

**Brig Gen Mirza Md Enamul Haque, ndc**  
Member



## Branches Address

### **HEAD OFFICE:**

SKS Tower (12<sup>th</sup> Floor)  
7, VIP Road, Mohakhali, Dhaka-1206.  
PABX: + 88 02 5505855  
+88 02 5505856 +88 02 5505857  
FAX: + 88 02 5505858

### **MOTIJHEEL BRANCH:**

Sena Kalyan Bhaban  
195, Motijheel C/A, 20 Floor,  
Room No-2004, Dhaka-1000.  
Phone: +88 02 223352985

### **CANTONMENT BRANCH:**

House #413, Rd #-30  
New DOHS Mohakhali,  
Dhaka-1206.  
Phone: +88 02 222262067

### **KARWAN BAZAR BRANCH:**

93, Kazi Nazrul Islam Avenue,  
Level-5, Karwan Bazar, Dhaka-1215.  
Phone: + 88 01717916081

### **CHATTOGRAM BRANCH:**

Sena Kalyan Trade Centre, Level-4 29  
Agrabad Com. Area, Chattogram.  
Phone: 02333320049

### **KHULNA BRANCH:**

107/130, Sir Iqbal Road, Khulna.  
Phone: 02477721230

### **MIRPUR BRANCH:**

Mirpur DOHS Plot no # 1244, 2<sup>nd</sup> Floor  
(Eastern Side), Road No # 9 New,  
Old 60 feet wide Road,  
Mirpur DOHS Dhaka Cantonment,  
Dhaka. Phone: +88 02 44806163





# Photo Glossary of SKICL



Board Meeting of SKICL



Board of Directors



Employees of SKICL



## Top Management



**Brig Gen Md Shafique Shamim, psc (retd), CII (cert), ABIA**  
Managing Director & CEO

**Col Md Abue Masud, PBGM (Retd)**  
Head of Corporate Affairs

**Lt Col AKM Nazimul Islam, psc (Retd)**  
Head of Marketing

**Pronab Kumar Saha**  
Head of Underwriting

**Maloy Kumar Saha**  
Chief Financial Officer

**Tajul Islam**  
Head of Claims & Re-Insurance

**Squadron Leader Md. Mostafa Zaman (Retd)**  
Head of HR & Admin

**M. M. Sajedul Islam, FCS**  
Company Secretary

**Engr Mohammad Shakhawat Hossain**  
Head of IT



# Management & Executives

## MANAGING DIRECTOR & CEO

Brig General Md Shafique Shamim, psc (retd), CII (cert), ABIA

## DEPUTY MANAGING DIRECTOR

Col Md Aulad Hossain, psc, (Retd)

Market Development

## ASSISTANT MANAGING DIRECTOR

Gp Capt Md Atiar Rahman, psc (Retd)

Market Development

## SENIOR EXECUTIVE VICE PRESIDENT

Lt Col Kazi Halimur Rashid (Retd)

Market Development

Lt Col AKM Nazimul Islam, psc (Retd)

Market Development

## EXECUTIVE VICE PRESIDENT

Pronab Kumar Saha

Head of Underwriting

Major Khondaker Helaluzzaman(Retd)

Market Development

Cdr Iftekhar Hassan, C, psc, BN (Retd)

Market Development

Col Md Abue Masud, PBGM (Retd)

Corporate Affairs

## SENIOR VICE PRESIDENT

Maloy Kumar Saha

Chief Financial Officer

Cdr Md Badruddoza Chowdhury, (c), psc, (Retd)

Market Development

Capt M Majedul Haque, (N), BCGM, PCGM, psc, BN (Retd)

Market Development

Tajul Islam

Head of Re-Insurance & Claims

## VICE PRESIDENT

Squadron Leader Md Mostafa Zaman, (Retd)

Head of HR & Admin

Major Md Aman-Ullah Khan (Retd)

Market Development

## DEPUTY VICE PRESIDENT

M. M. Sajedul Islam, FCS

Company Secretary

## ASSISTANT VICE PRESIDENT

Engr Mohammad Shakhawat Hossain

Head of Information Technology

Belal Hossain

Underwriting

Morshed Alam

Underwriting

Md Mehedi Hasan

Underwriting

Khadiza Khanom Mili

HR



## SKICL's Performance at a Glance

### Operational and Financial Highlights

(Taka in Million (Except Sl. No. 14-20))

Particulars	2021	2020	2019	2018	2017
Gross Premium Income	780.23	580.52	576.09	363.87	262.82
Re-Insurance Premium Ceded	503.77	282.84	322.70	216.42	130.71
Net Premium Income	276.46	297.68	253.39	147.45	132.11
Gross Claims	23.36	37.52	15.56	63.05	10.53
Investment and Other Income	54.34	58.22	47.24	33.81	27.89
Underwriting Profit or Loss	80.99	66.82	75.49	10.87	36.01
Net Profit Before Tax	115.98	114.23	118.58	39.29	57.57
Net Profit After Tax	106.15	94.28	98.28	37.85	51.39
Paid-up Capital	400.00	240.00	240.00	240.00	240.00
Shareholders' Equity	748.37	506.20	431.44	346.26	326.41
Total Investments	105.44	64.27	30.56	30.21	26.50
Total Assets	1,381.81	978.29	747.00	520.58	479.44
Total Reserve Fund	275.82	197.79	139.74	82.13	56.66
Rate of Dividend Cash (%)	12%	10%	10%	5%	7.5%
Face Value Per Share	10.00	10.00	10.00	10.00	10.00
Earnings Per Share (EPS)	3.83	3.93	4.10	1.58	2.14
Net Asset Value Per Share (NAV)	26.99	21.09	18.10	14.55	13.72
Return on Shareholders Equity (%)	14.18%	18.62%	22.78%	10.93%	15.74%
Dividend Payout Ratio (%)	45.22%	25.46%	24.42%	31.71%	35.03%
Price Earning Ratio (Times)	20.19	-	-	-	-



## Ratio Analysis

Name of the Ratio	2021	2020	2019	2018	2017
<b>A. Liquidity Ratio</b>					
Current Ratio	1.96	1.86	2.43	3.26	3.54
Quick Ratio	1.96	1.86	2.42	3.25	3.47
Debt to Equity Ratio	0.037	0.054	0.061	0.077	0.081
<b>B. Operating Ratio</b>					
Accounts Receivable Turnover Ratio	N/A	N/A	N/A	N/A	N/A
Inventory Turnover Ratio	N/A	N/A	N/A	N/A	N/A
Assets Turnover Ratio (Times)	0.66	0.67	0.77	0.70	0.55
<b>C. Profitability Ratio</b>					
Gross Margin Ratio(%)	10.38%	11.51%	13.10%	2.99%	13.70%
Operating Income Ratio (%)	15.61%	19.68%	20.58%	10.80%	21.91%
Net Income Ratio (%)	13.61%	16.24%	17.06%	10.40%	19.55%
Return on Assets Ratio (%)	7.68%	9.64%	13.16%	7.27%	10.72%
Return on Equity Ratio (%)	14.18%	18.73%	22.78%	10.93%	15.74%
Earnings Per Share (EPS)	3.83	3.93	4.10	1.58	2.14
Dividend Payout Ratio (%)	45.22%	25.46%	24.42%	31.71%	35.03%
Price Earnings Ratio (Times)	20.19	N/A	N/A	N/A	N/A
EBITDA Margin (Profit before interest, depreciation & tax)	16.26%	20.22%	20.11%	9.98%	20.55%
<b>D. Coverage/Solvency Ratio</b>					
Debt to Total Assets Ratio	0.02	0.03	0.23	0.20	0.20
Debt Service Coverage Ratio	4.44	4.29	N/A	N/A	N/A
Cash Debt Coverage Ratio	9.00	8.15	8.77	2.02	2.03
Times Interest Earned Ratio	N/A	N/A	N/A	N/A	N/A
Long Term Debt to Assets Ratio	0.020	0.028	0.04	0.05	0.06
Net Assets Value Per Share (NAV)	26.99	21.09	18.10	14.55	13.72
<b>E. Cash Flow</b>					
Net operating Cash Flows Per Share	8.89	9.24	9.69	2.23	2.24
Net operating Cash Flows Per Share/EPS	2.32	2.35	2.37	1.41	1.05



## Vertical Analysis

for the latest 5 Years audited financial statements

Capital and Liabilities	2021		2020		2019		2018		2017	
	Amount in Taka	% of Total Capital and Liabilities	Amount in Taka	% of Total Capital and Liabilities	Amount in Taka	% of Total Capital and Liabilities	Amount in Taka	% of Total Capital and Liabilities	Amount in Taka	% of Total Capital and Liabilities
Paid-up Capital	400,000,000	66.67%	240,000,000	0.00%	240,000,000	0.00%	240,000,000	0.00%	240,000,000	0.00%
Reserve for Exceptional Losses	275,815,487	39.45%	197,792,882	41.54%	139,740,659	70.14%	82,131,407	44.95%	56,660,478	86.52%
Investment Fluctuation Fund (difference of market value and cost value)	428,468	4.79%	408,894	-137.03%	(1,104,091)	-	-	-	-	-
Profit and Loss Appropriation Account	72,129,358	6.07%	68,001,646	21.91%	55,778,209	105.80%	27,103,426	-17.19%	32,727,684	66.79%
<b>Total shareholders equity</b>	<b>748,373,312</b>	<b>47.84%</b>	<b>506,203,422</b>	<b>16.53%</b>	<b>434,414,777</b>	<b>24.39%</b>	<b>349,234,833</b>	<b>6.03%</b>	<b>329,388,162</b>	<b>13.58%</b>
<b>Balance of Funds and Accounts</b>	<b>125,965,289</b>	<b>-28.10%</b>	<b>175,201,461</b>	<b>27.83%</b>	<b>137,058,034</b>	<b>107.35%</b>	<b>66,099,172</b>	<b>20.66%</b>	<b>54,779,161</b>	<b>-3.35%</b>
Fire insurance business	34,612,677	55.99%	22,189,660	-4.17%	23,155,738	40.48%	16,482,820	32.10%	12,477,958	-2.11%
Marine insurance business	50,103,565	57.24%	31,863,664	87.52%	16,992,399	-29.23%	24,011,967	80.86%	13,276,267	-22.46%
Motor insurance business	10,384,170	-50.96%	21,173,428	-6.05%	22,537,114	162.41%	8,588,566	1.61%	8,452,894	10.49%
Miscellaneous insurance business	30,864,877	-69.13%	99,974,709	34.42%	74,372,783	337.08%	17,015,819	-17.29%	20,572,042	7.37%
<b>Premium Deposits</b>	<b>2,036,478</b>	<b>-93.54%</b>	<b>31,531,973</b>	<b>-43.74%</b>	<b>56,051,451</b>	<b>116.88%</b>	<b>25,844,526</b>	<b>8.35%</b>	<b>23,853,687</b>	<b>-9.85%</b>
<b>Liabilities and Provisions</b>	<b>505,437,164</b>	<b>90.48%</b>	<b>265,355,282</b>	<b>122.10%</b>	<b>119,478,063</b>	<b>50.48%</b>	<b>79,399,578</b>	<b>11.18%</b>	<b>71,415,779</b>	<b>46.89%</b>
Estimated liabilities in respect of outstanding claims whether due or intimated	270,985,114	123.24%	121,385,581	205.09%	39,786,514	55.22%	25,632,623	25.61%	20,406,113	92.92%
Amounts due to other persons or bodies carrying on insurance business	91,454,050	397.94%	18,366,339	574.33%	2,723,643	-	-	-	-	-
Provision for Income tax	74,267,974	16.87%	63,550,084	48.79%	42,712,673	101.38%	21,209,689	15.39%	18,380,132	125.81%
Deferred Tax	1,508,516	49.61%	1,008,328	40.59%	717,193	5.42%	680,303	-7.20%	733,059	-12.34%
Lease Liability	14,426,582	-31.49%	21,057,835	-	-	-	-	-	-	-
Provision for WPPF	5,799,060	1.54%	5,711,282	-	-	-	-	-	-	-
Sundry Creditors	46,995,870	37.11%	34,275,835	2.20%	33,538,040	5.21%	31,876,963	-0.06%	31,896,475	9.74%
<b>Total liabilities</b>	<b>633,438,931</b>	<b>34.18%</b>	<b>472,088,716</b>	<b>51.03%</b>	<b>312,587,548</b>	<b>82.43%</b>	<b>171,343,276</b>	<b>14.19%</b>	<b>150,048,627</b>	<b>13.88%</b>
<b>Total Shareholders Equity and Liabilities</b>	<b>1,381,812,243</b>	<b>41.25%</b>	<b>978,292,139</b>	<b>30.96%</b>	<b>747,002,325</b>	<b>43.49%</b>	<b>520,578,109</b>	<b>8.58%</b>	<b>479,436,789</b>	<b>13.68%</b>



## Vertical Analysis

for the latest 5 Years audited financial statements

Assets and Properties	2021		2020		2019		2018		2017	
	Amount in Taka	% of Total Assets	Amount in Taka	% of Total Assets	Amount in Taka	% of Total Assets	Amount in Taka	% of Total Assets	Amount in Taka	% of Total Assets
<b>Non-Current Assets</b>	<b>139,205,667</b>	<b>35.85%</b>	<b>102,472,972</b>	<b>92.63%</b>	<b>53,197,118</b>	<b>9.13%</b>	<b>48,745,059</b>	<b>-2.90%</b>	<b>50,200,602</b>	<b>1.42%</b>
Property, Plant and Equipment	34,018,492	52.44%	22,316,641	10.64%	20,170,446	18.90%	16,964,206	-14.10%	19,749,734	-14.12%
Investment in BGTB	81,091,675	58.33%	51,217,510	93.27%	26,500,000	0.00%	26,500,000	0.00%	26,500,000	0.00%
Right of Use (RoU) Assets	15,003,062	-29.34%	21,233,585	-	-	-	-	-	-	-
Deferred Tax Assets	9,092,438	18.00%	7,705,236	18.06%	6,526,672	23.59%	5,280,853	33.66%	3,950,868	-
<b>Current Assets</b>	<b>113,690,912</b>	<b>38.10%</b>	<b>82,322,207</b>	<b>31.71%</b>	<b>62,504,387</b>	<b>16.61%</b>	<b>53,599,503</b>	<b>25.94%</b>	<b>42,558,920</b>	<b>61.51%</b>
Investment in Shares	24,346,241	86.57%	13,049,137	221.75%	4,055,654	9.32%	3,709,955	-	-	-
Accrued Interest	18,636,906	-3.18%	19,249,869	-6.47%	20,581,051	49.47%	13,769,797	25.86%	10,940,303	-8.40%
Amount due from other persons or bodies carrying on insurance business	-	-	-	-	-	-100.00%	675,047	-92.31%	8,773,394	222.74%
Preliminary Expenses	-	-	-	-	-	-	-	-100.00%	895,282	-50.00%
Sundry Debtors (including Advances, Deposits and Prepayments)	70,238,658	41.35%	49,690,624	32.14%	37,604,980	7.50%	34,980,968	61.17%	21,703,861	124.71%
Stationary and forms in hand	265,943	28.87%	206,358	-12.07%	234,672	-26.02%	317,200	51.23%	209,740	47.00%
Stamps in hand	203,165	60.96%	126,219	350.30%	28,030	-80.87%	146,536	303.24%	36,340	-62.54%
<b>Cash and cash equivalents</b>	<b>1,128,915,663</b>	<b>42.27%</b>	<b>793,496,960</b>	<b>25.69%</b>	<b>631,300,820</b>	<b>50.94%</b>	<b>418,233,547</b>	<b>8.16%</b>	<b>386,677,267</b>	<b>11.78%</b>
Fixed Deposits: (FDR's)	978,813,739	37.54%	711,640,471	22.38%	581,500,000	56.99%	370,400,000	2.63%	360,900,000	23.17%
SND Accounts	72,024,082	7.52%	66,989,559	53.69%	43,587,764	106.65%	21,093,004	31.64%	16,023,129	-0.91%
Current Accounts	75,626,347	0.00%	14,844,176	0.00%	6,006,329	0.00%	11,690,693	0.00%	9,719,502	0.00%
Cash in hand	66,391	0.00%	20,252	0.00%	47,418	0.00%	39,587	0.00%	34,636	0.00%
Brokerage Balance	2,385,104	95227.90%	2,502	-98.43%	159,309	6936.62%	2,264	-	-	-
Cheques in hand	-	-	-	-	-	-100.00%	15,007,999	-	-	-100.00%
<b>Total Assets and Properties</b>	<b>1,381,812,243</b>	<b>41.25%</b>	<b>978,292,139</b>	<b>30.96%</b>	<b>747,002,325</b>	<b>43.49%</b>	<b>520,578,109</b>	<b>8.58%</b>	<b>479,436,789</b>	<b>13.68%</b>



## Horizontal Analysis

for the latest 5 Years audited financial statements

Capital and Liabilities	2021		2020		2019		2018		2017	
	Amount in Taka	% Change	Amount in Taka	% Change	Amount in Taka	% Change	Amount in Taka	% Change	Amount in Taka	% Change
Paid-up Capital	400,000,000	66.67%	240,000,000	0.00%	240,000,000	0.00%	240,000,000	0.00%	240,000,000	0.00%
Reserve for Exceptional Losses	275,815,487	39.45%	197,792,882	41.54%	139,740,659	70.14%	82,131,407	44.95%	56,660,478	86.52%
Investment Fluctuation Fund (difference of market value and cost value)	428,468	4.79%	408,894	-137.03%	(1,104,091)	-	-	-	-	-
Profit and Loss Appropriation Account	72,129,358	6.07%	68,001,646	21.91%	55,778,209	105.80%	27,103,426	-17.19%	32,727,684	66.79%
<b>Total shareholders equity</b>	<b>748,373,312</b>	<b>47.84%</b>	<b>506,203,422</b>	<b>16.53%</b>	<b>434,414,777</b>	<b>24.39%</b>	<b>349,234,833</b>	<b>6.03%</b>	<b>329,388,162</b>	<b>13.58%</b>
<b>Balance of Funds and Accounts</b>	<b>125,965,289</b>	<b>-28.10%</b>	<b>175,201,461</b>	<b>27.83%</b>	<b>137,058,034</b>	<b>107.35%</b>	<b>66,099,172</b>	<b>20.66%</b>	<b>54,779,161</b>	<b>-3.35%</b>
Fire insurance business	34,612,677	55.99%	22,189,660	-4.17%	23,155,738	40.48%	16,482,820	32.10%	12,477,958	-2.11%
Marine insurance business	50,103,565	57.24%	31,863,664	87.52%	16,992,399	-29.23%	24,011,967	80.86%	13,276,267	-22.46%
Motor insurance business	10,384,170	-50.96%	21,173,428	-6.05%	22,537,114	162.41%	8,588,566	1.61%	8,452,894	10.49%
Miscellaneous insurance business	30,864,877	-69.13%	99,974,709	34.42%	74,372,783	337.08%	17,015,819	-17.29%	20,572,042	7.37%
<b>Premium Deposits</b>	<b>2,036,478</b>	<b>-93.54%</b>	<b>31,531,973</b>	<b>-43.74%</b>	<b>56,051,451</b>	<b>116.88%</b>	<b>25,844,526</b>	<b>8.35%</b>	<b>23,853,687</b>	<b>-9.85%</b>
<b>Liabilities and Provisions</b>	<b>505,437,164</b>	<b>90.48%</b>	<b>265,355,282</b>	<b>122.10%</b>	<b>119,478,063</b>	<b>50.48%</b>	<b>79,399,578</b>	<b>11.18%</b>	<b>71,415,779</b>	<b>46.89%</b>
Estimated liabilities in respect of outstanding claims whether due or intimated	270,985,114	123.24%	121,385,581	205.09%	39,786,514	55.22%	25,632,623	25.61%	20,406,113	92.92%
Amounts due to other persons or bodies carrying on insurance business	91,454,050	397.94%	18,366,339	574.33%	2,723,643	-	-	-	-	-
Provision for Income tax	74,267,974	16.87%	63,550,084	48.79%	42,712,673	101.38%	21,209,689	15.39%	18,380,132	125.81%
Deferred Tax	1,508,516	49.61%	1,008,328	40.59%	717,193	5.42%	680,303	-7.20%	733,059	-12.34%
Lease Liability	14,426,582	-31.49%	21,057,835	-	-	-	-	-	-	-
Provision for WPPF	5,799,060	1.54%	5,711,282	-	-	-	-	-	-	-
Sundry Creditors	46,995,870	37.11%	34,275,835	2.20%	33,538,040	5.21%	31,876,963	-0.06%	31,896,475	9.74%
<b>Total liabilities</b>	<b>633,438,931</b>	<b>34.18%</b>	<b>472,088,716</b>	<b>51.03%</b>	<b>312,587,548</b>	<b>82.43%</b>	<b>171,343,276</b>	<b>14.19%</b>	<b>150,048,627</b>	<b>13.88%</b>
<b>Total Shareholders Equity and Liabilities</b>	<b>1,381,812,243</b>	<b>41.25%</b>	<b>978,292,139</b>	<b>30.96%</b>	<b>747,002,325</b>	<b>43.49%</b>	<b>520,578,109</b>	<b>8.58%</b>	<b>479,436,789</b>	<b>13.68%</b>



## Horizontal Analysis

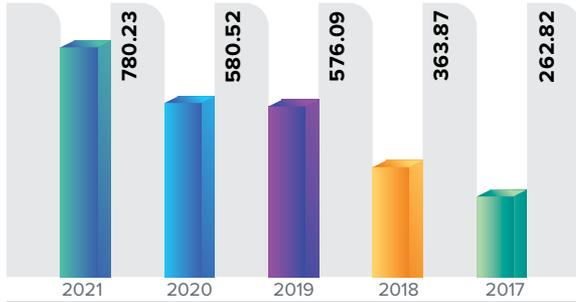
for the latest 5 Years audited financial statements

Assets and Properties	2021		2020		2019		2018		2017	
	Amount in Taka	% Change	Amount in Taka	% Change	Amount in Taka	% Change	Amount in Taka	% Change	Amount in Taka	% Change
<b>Non-Current Assets</b>	<b>139,205,667</b>	<b>35.85%</b>	<b>102,472,972</b>	<b>92.63%</b>	<b>53,197,118</b>	<b>9.13%</b>	<b>48,745,059</b>	<b>-2.90%</b>	<b>50,200,602</b>	<b>1.42%</b>
Property, Plant and Equipment	34,018,492	52.44%	22,316,641	10.64%	20,170,446	18.90%	16,964,206	-14.10%	19,749,734	-14.12%
Investment in BGTB	81,091,675	58.33%	51,217,510	93.27%	26,500,000	0.00%	26,500,000	0.00%	26,500,000	0.00%
Right of Use (RoU) Assets	15,003,062	-29.34%	21,233,585	-	-	-	-	-	-	-
Deferred Tax Assets	9,092,438	18.00%	7,705,236	18.06%	6,526,672	23.59%	5,280,853	33.66%	3,950,868	-
<b>Current Assets</b>	<b>113,690,912</b>	<b>38.10%</b>	<b>82,322,207</b>	<b>31.71%</b>	<b>62,504,387</b>	<b>16.61%</b>	<b>53,599,503</b>	<b>25.94%</b>	<b>42,558,920</b>	<b>61.51%</b>
Investment in Shares	24,346,241	86.57%	13,049,137	221.75%	4,055,654	9.32%	3,709,955	-	-	-8.40%
Accrued Interest	18,636,906	-3.18%	19,249,869	-6.47%	20,581,051	49.47%	13,769,797	25.86%	10,940,303	-8.40%
Amount due from other persons or bodies carrying on insurance business	-	-	-	-	-	-100.00%	675,047	-92.31%	8,773,394	222.74%
Preliminary Expenses	-	-	-	-	-	-	-	-100.00%	895,282	-50.00%
Sundry Debtors (including Advances, Deposits and Prepayments)	70,238,658	41.35%	49,690,624	32.14%	37,604,980	7.50%	34,980,968	61.17%	21,703,861	124.71%
Stationary and forms in hand	265,943	28.87%	206,358	-12.07%	234,672	-26.02%	317,200	51.23%	209,740	47.00%
Stamps in hand	203,165	60.96%	126,219	350.30%	28,030	-80.87%	146,536	303.24%	36,340	-62.54%
<b>Cash and cash equivalents</b>	<b>1,128,915,663</b>	<b>42.27%</b>	<b>793,496,960</b>	<b>25.69%</b>	<b>631,300,820</b>	<b>50.94%</b>	<b>418,233,547</b>	<b>8.16%</b>	<b>386,677,267</b>	<b>11.78%</b>
Fixed Deposits: (FDR's)	978,813,739	37.54%	711,640,471	22.38%	581,500,000	56.99%	370,400,000	2.63%	360,900,000	23.17%
SND Accounts	72,024,082	7.52%	66,989,559	53.69%	43,587,764	106.65%	21,093,004	31.64%	16,023,129	-0.91%
Current Accounts	75,626,347	0.00%	14,844,176	0.00%	6,006,329	0.00%	11,690,693	0.00%	9,719,502	0.00%
Cash in hand	66,391	0.00%	20,252	0.00%	47,418	0.00%	39,587	0.00%	34,636	0.00%
Brokerage Balance	2,385,104	95227.90%	2,502	-98.43%	159,309	6936.62%	2,264	-	-	-
Cheques in hand	-	-	-	-	-	-100.00%	15,007,999	-	-	-100.00%
<b>Total Assets and Properties</b>	<b>1,381,812,243</b>	<b>41.25%</b>	<b>978,292,139</b>	<b>30.96%</b>	<b>747,002,325</b>	<b>43.49%</b>	<b>520,578,109</b>	<b>8.58%</b>	<b>479,436,789</b>	<b>13.68%</b>

# Graphical Presentation of Financial Performances

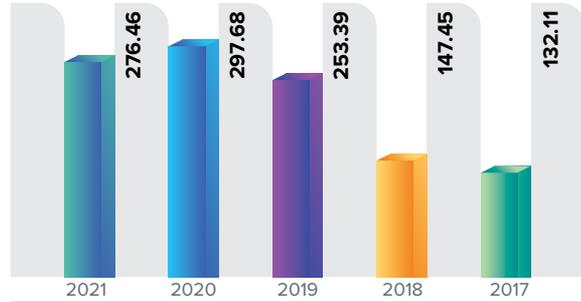
## Gross Premium Income

Taka in million



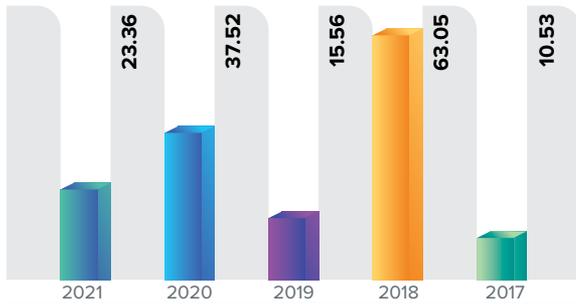
## Net Premium Income

Taka in million



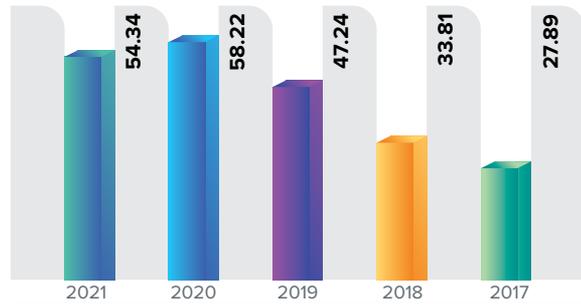
## Gross Claims

Taka in million



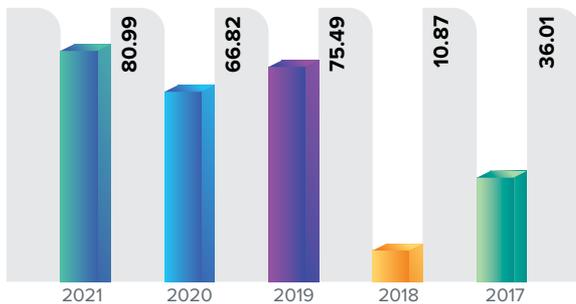
## Investment and Other Income

Taka in million



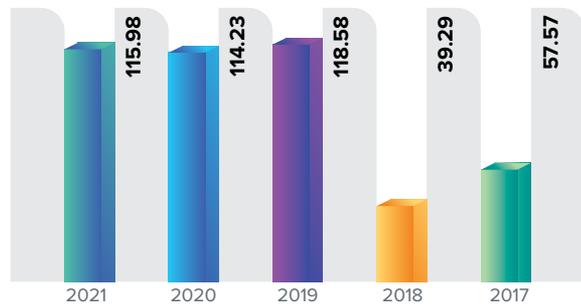
## Underwriting Profit or Loss

Taka in million



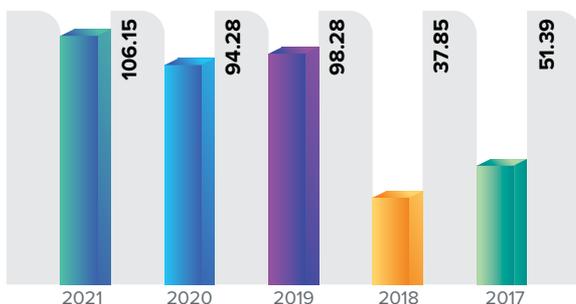
## Net Profit Before Tax

Taka in million



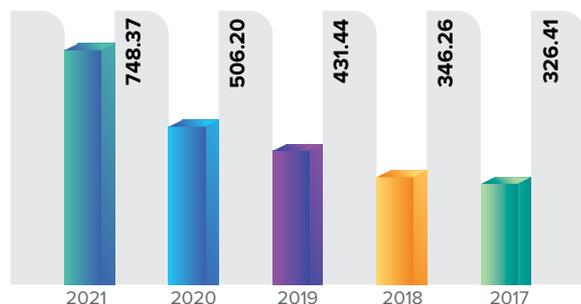
## Net Profit After Tax

Taka in million



## Shareholders' Equity

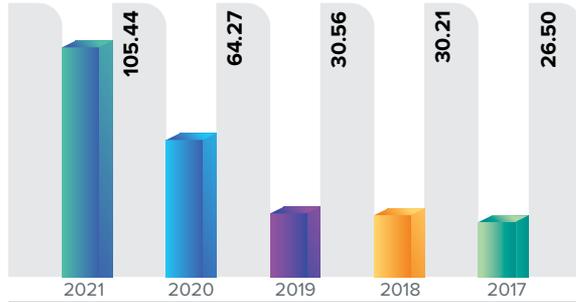
Taka in million





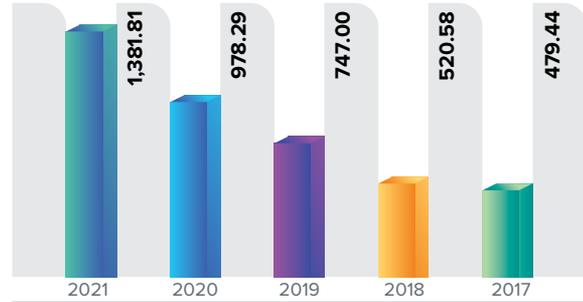
### Total Investments

Taka in million



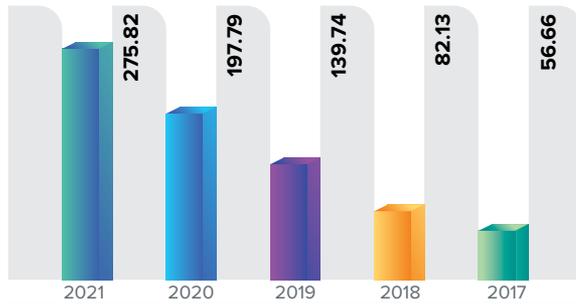
### Total Assets

Taka in million

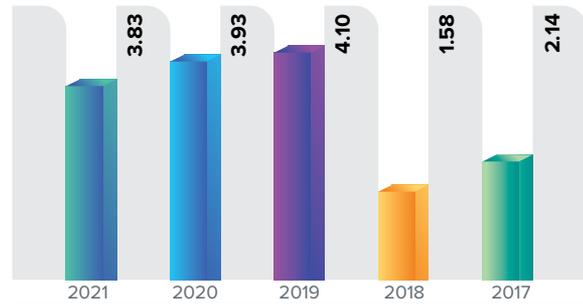


### Total Reserve Fund

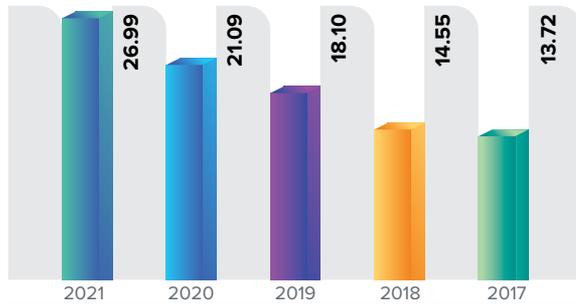
Taka in million



### Earnings Per Share (EPS)

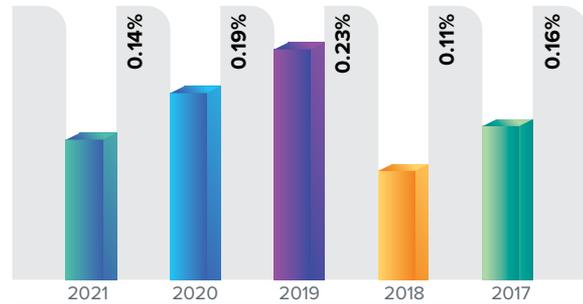


### Net Asset Value Per Share (NAV)



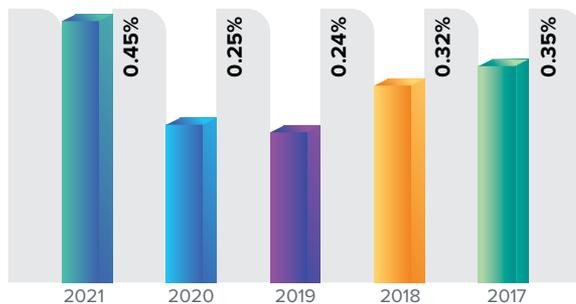
### Return on Shareholders Equity

Percentage



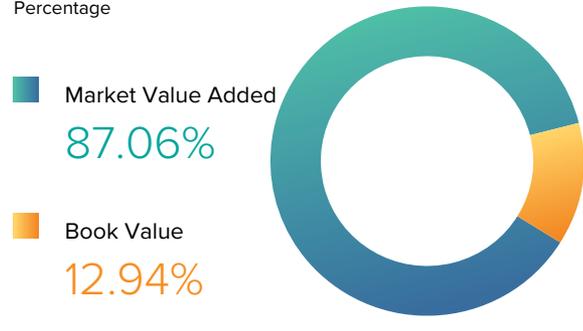
### Dividend Payout Ratio (%)

Percentage



### Market Value Added Statement

Percentage



## Disclosures Pertaining to Solvency Margin

### Available, Required Solvency Margin and Solvency Ratio

Available solvency margin of Sena Kalyan Insurance Limited is BDT 877,517,259 against Required solvency margin BDT 169,502,103 and Solvency ratio is 5.18 times.

As per available IDRA draft Non-life Insurance Solvency Margin provisions, 2021 required solvency margin, available solvency margin and solvency ratio is shown below:

#### 1. Assets after adjustment

Total Assets and Properties		1,381,812,243
Less:		
Furniture and Fixtures	5,226,476	
Other	24,095,500	
		29,321,976
<b>Total</b>		<b>1,352,490,267</b>

#### 2. Liabilities after adjustment

Estimated liabilities in respect of outstanding claims whether due or intimated	270,985,114	
Balance of Funds and Accounts	125,965,289	
Reserve for exceptional losses	78,022,604	
<b>Total</b>		<b>474,973,008</b>

<b>3. Solvency margin available (1-2)</b>	<b>877,517,259</b>
<b>4. Solvency margin required</b>	<b>169,502,103</b>
<b>5. Solvency ratio (3/4) (times)</b>	<b>5.18</b>

### Required Solvency Margin Based on Premium & Claim

Class of Business	Gross Premium	Net Premium	Gross Claim	Net Claim	RSM-1	RSM-2	RSM
Fire	163,039,233	86,531,692	5,880,338	(1,009,090)	34,612,677	1,029,059	34,612,677
Marine Cargo	122,349,301	102,642,893	10,920,298	10,891,337	41,057,157	5,445,669	41,057,157
Marine Hull	11,960,273	9,046,408	407,444	407,444	3,618,563	203,722	3,618,563
Motor	26,708,462	25,960,426	2,809,099	2,809,099	10,384,170	1,404,550	10,384,170
Miscellaneous	456,168,774	52,275,146	3,339,253	715,750	79,829,535	818,117	79,829,535
<b>Total</b>	<b>780,226,042</b>	<b>276,456,566</b>	<b>23,356,432</b>	<b>13,814,541</b>	<b>169,502,103</b>	<b>8,901,116</b>	<b>169,502,103</b>



# Historical Record of Dividend Payments

For the year ended 31 December 2021

The Company started its journey in early 2013 and was able to pay the dividend to its shareholders since 2015. The historical record of payment of dividends is given hereunder as general disclosure to the stakeholders of the Company.

Year	Paid-up Capital (Tk.)	Dividend (%)
2013	240,000,000.00	-
2014	240,000,000.00	-
2015	240,000,000.00	3.00% (cash)
2016	240,000,000.00	5.00% (cash)
2017	240,000,000.00	7.50% (cash)
2018	240,000,000.00	5.00% (cash)
2019	240,000,000.00	10.00% (cash)
2020	240,000,000.00	10.00% (cash)
2021	400,000,000.00	New Issue of Tk. 160,000,000.00 (IPO)



# Value Added Statement

For the year ended 31 December 2021

The value added statement shows the total worth created and how it was distributed to meet certain obligation and the portion retained for the continued operation and expansion of the company.

Figures in BDT

Particulars	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
			%	%
Operating revenue	129,425,250	128,923,436	73.83%	65.67%
Other income	54,341,350	54,341,350	31.00%	35.92%
Operating expenses excluding staff costs				
Operating expenses excluding staff costs and depreciation	(8,459,336)	(8,459,336)	-4.83%	-1.59%
<b>Value added</b>	<b>175,307,263</b>	<b>174,805,450</b>	<b>100%</b>	<b>100%</b>
To employees as remuneration	58,366,034	58,366,034	33.29%	35.50%
To Government as taxes	9,830,876	9,830,876	5.61%	12.31%
To Shareholders as dividend	24,000,000	24,000,000	13.69%	14.81%
<b>Retained in the business</b>	<b>83,110,353</b>	<b>83,110,353</b>	<b>47.41%</b>	<b>37.38%</b>
as capital & revenue reserve	78,022,604	78,022,604	44.51%	35.81%
as depreciation	5,087,749	5,087,749	2.90%	1.57%
	<b>175,307,263</b>	<b>162,089,729</b>	<b>100%</b>	<b>100%</b>



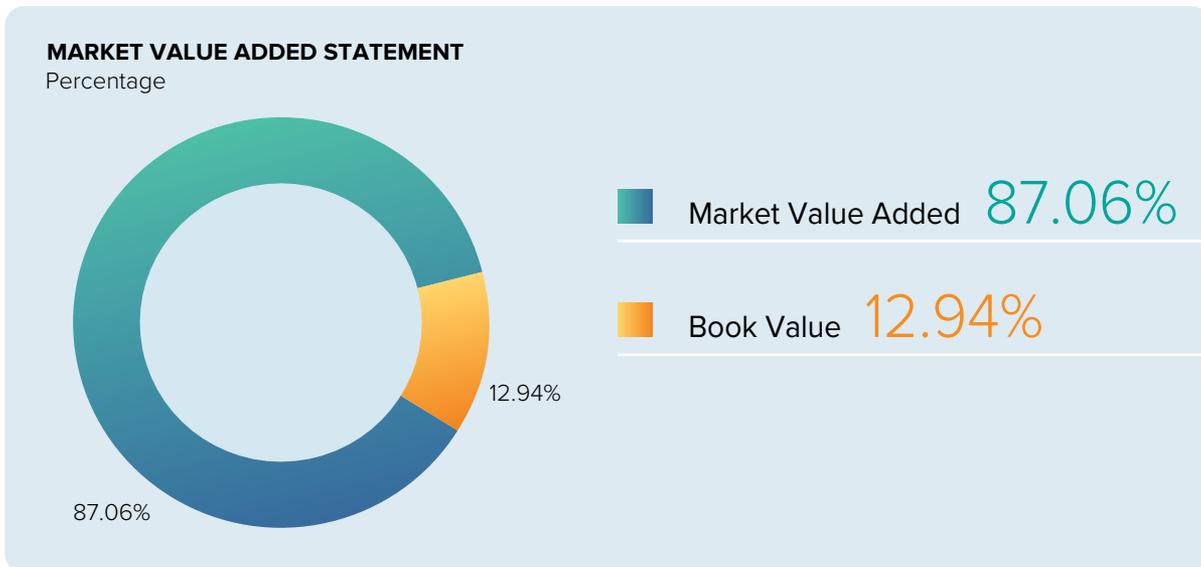
# Market Value Added Statement

Market value added statement gives a picture of the Company's performance evaluated by the capital market investors through the share price of the company. This statement depicts the difference between the market value of a company and the capital contributed by the investors.

Higher MVA is better for the company. A high MVA indicates that company has created substantial wealth for the shareholders. A negative MVA means that the value of management's actions and investments is less than the value contributed to the company by the capital market.

The following statement shows how MVA has been arrived at for the year ended December 31, 2021.

Particulars	Number of Share	Value Per Share (Taka)	Total Value (Taka)	Percentage
Market Value	40,000,000.00	77.30	3,092,000,000	100%
Book Value	40,000,000.00	10.00	400,000,000	12.94%
<b>Market Value Added</b>			<b>2,692,000,000</b>	<b>87.06%</b>





## Economic Value Added Statement

Economic Value-Added is the surplus generated by an entity after meeting an equitable charge towards providers of capital. It is the post-tax return on capital employed (adjusted for the tax shield on debt) less the cost of capital employed. Companies which earn higher returns than cost of capital create value, and companies which earn lower returns than cost of capital are deemed harmful for shareholder value.

The aim of EVA is to provide management with a measure of their success in increasing shareholder's wealth: a better measure than profit of how much the company had made for shareholders.

EVA has been calculated by the following formula:

$$\text{EVA} = \text{Net Operating Profit} - \text{Taxes} - \text{Cost of Capital}$$

Particulars	Amount in Taka Million	
	2021	2020
Net operating profit	115.98	114.23
Provision for taxes	9.83	19.95
<b>Net operating profit after tax (NOPAT)</b>	<b>106.15</b>	<b>94.28</b>
<b>Charges for capital</b>		
Average shareholders' equity	627.29	470.31
Cost of equity (%)	4.58%	5.90%
Capital charge	28.73	27.75
<b>Economic value added</b>	<b>77.42</b>	<b>66.53</b>



# About Our Integrated Report

## Our Approach

We are pleased to present our shareholders with the 2021 Annual Report in the form of an 'Integrated Report' for Sena Kalyan Insurance Limited.

Integrated Reporting (IR) based on the framework of the International Integrated Reporting Council (IIRC) has emerged as a global best practice for corporate reporting. We have aligned ourselves to this trend and FY2021 is our third year of such reporting.

Through IR, we intend to provide our stakeholders with an all-inclusive depiction of our value creation process using both qualitative and quantitative information across financial and non-financial resources. We provide insights into our strategy, matters that are material to us, and the challenges and associated risks in achieving our long-term objectives in the context of the external operating environment. Certain IR-related data in this Report may be management estimates.

## Reporting Principle

The financial and statutory data presented in this Report comply to the requirements of the Financial Reporting Act, 2015 (FRA) was enacted in 2015. The Financial Reporting Council (FRC) under the FRA has been formed in 2017 but the Financial Reporting Standards (FRS) under this council is yet to be issued for public interest entities such as general insurance companies. As the FRS is yet to be issued as per the provisions of the FRA, the consolidated and separate financial statements of the Group and the Company have been prepared in accordance with International Financial Reporting

Standards (IFRSs) and the requirements of the Insurance Act 1938 (as amended in 2010), the Insurance Rules 1958 and in conformity the Companies Act 1994, the Securities and Exchange Rules 1987, the listing rules of Dhaka Stock Exchange Ltd. (DSE) and Chittagong Exchange Ltd (CSE) and other applicable laws & regulations in Bangladesh.

## Reporting Period, Scope and Boundary

The Report covers the key statutory financial information and activities of the Company in FY2021. All material events during the period, have been included. Comparative figures and notable events of past years have been reported to provide a holistic view to stakeholders.

## Approach to Materiality

We have identified imminent issues that are material to our operations, along with their possible impact on our value creation, to enable investors and other stakeholders to take informed decisions on their engagement with the Company.

## Board Approval

The Board, supported by the leadership team, accepts responsibility for the integrity and completeness of this IR. The Board and the executive management in assistance with a dedicated reporting team have put in their collective minds in the preparation, presentation and validation of information of this Report. The Board is of the opinion that this Report provides a fair and balanced view of our performance and prospects within the IR framework. We believe this Report shows that we are creating sustainable value and prosperity for our stakeholders.

# Message from the Chairman

**Major General Mohammed  
Saidul Islam, ndc, psc**  
Chairman



Dear Shareholders,

I welcome you all to this auspicious occasion of the 9<sup>th</sup> Annual General Meeting of the Company. Though it is the 9<sup>th</sup> Annual General Meeting, but the first-one with our respected general shareholders since the Company entered into the capital market in November 2021. Let me begin with my humble gratitude to Almighty Allah and my higher authority, who entrusted me with the noble task of looking after a very well reputed organization like Sena Kalyan Sangstha and all its sister concerns as their chairman. It is indeed a great honour and pleasure to convey my felicitation to you and all members of your esteemed organizations as the Chairman of the Board of Directors of Sena Kalyan Insurance Company Limited.

On behalf of the Board of Directors, I express my thanks and heartfelt gratitude to you all for your continued support and co-operation. I would like to mention here that the confidence and trust you have placed in our initiatives have helped Sena Kalyan Insurance Company Ltd to become the country's fastest growing insurance company in the private sector.

The second wave of the coronavirus pandemic has been more severe and scary for many. The ripple effect of this devastation has left people and economies struggling to get back on their feet. Amid the gloom, 'Hope' has emerged as a saviour as always. It is 'hope' that binds humanity, helping it overcome every challenge, no matter how daunting it is.



Being a part of this industry endows us with a responsibility that is far greater than simply meeting the demand for insurance products. As we come to realise the limitations of the traditional insurance solutions in providing an armour against a pandemic-like situation, there is a need to explore ideas to address new age as well as pandemic risks, which have a much wider impact compared to regular risk events. However, we have learnt to operate the business within the perimeter of all health and safety regulations. In fact, Bangladesh's GDP growth has come back stronger, with economic activity and trade buoyancy hitting pre-pandemic levels. There is much excitement and expectation too around this Asian tiger growing faster than some of the incumbent nations of the continent.

SKICL always emphasized on professionalism and relied on the dynamic leadership. We believe that our skilled manpower is dedicated towards responding to customers' requirement with utmost transparency and efficiency. Therefore, fostering apposite human resources remains one of our key priorities to be able to serve customers better and establish competitive edge over our competitors. We used equal attention in launching our latest IT infrastructure and stretched network coverage to its optimum capacity.

I'm satisfied to report that despite a devastating second wave that hit the country in the second quarter of the year, Sena Kalyan generated profit after tax of Tk. 106.15 mn in 2021, or Tk. 3.83 earnings per share, which was Tk. 94.28 mn, or Tk. 3.93 in the year 2020. Our recurring revenue model proved resilient, producing record highs in annual net premium of Tk. 276.46 mn and gross premium of Tk. 780.23 mn.

There was an impressive increase of 21.21% in underwriting profit to Taka 80.99 mn as opposed

to Taka 66.82 mn in 2020. The profit before tax and profit after tax was Taka 115.98 mn and Taka 106.15 mn respectively over the preceding year.

Despite the challenge and complying with all the instructions of our regulator IDRA, the financial strength of our Company gradually increased having the total assets stand at Tk. 1381.81 mn where fixed deposit rose to Tk. 978.81 mn. Accordingly, based on the operating profits for 2021, we have proposed a Cash dividend @12% for the year 2021.

As a trusted brand with a growing footprint in Bangladesh and innovative new products and services, I believe our Company is well positioned to build on the positive and sustainable impact it has already made. Indeed, we look forward with energy, enthusiasm and positivity to continuing delivering on our purpose to use our insurance expertise to do good for individuals, businesses and the society. Though much has changed, what remains unchanged is our emphasis on creating sustainability for all our stakeholders.

I again, thank all our Shareholders and my colleagues in the Board of Directors for their guidance and support. I also convey my sincere appreciation to the Management and staff of SKICL. I am also thankful to the Insurance Development and Regulatory Authority (IDRA), Bangladesh Financial Intelligence Unit (BFIU), Bangladesh Bank, Bangladesh Securities & Exchange Commission (BSEC), Registrar of Joint Stock Companies and Firms and the DSE & CSE for their support. We look forward to another year with hope and confidence.

Thank you,

Sd/-

**Major General Mohammed Saidul Islam, ndc, psc**  
Chairman  
Sena Kalyan Insurance Company Ltd.



## Message from the Managing Director & CEO

**Brig Gen Md Shafique Shamim,  
psc (retd), CII (cert), ABIA**  
Managing Director & CEO



### **Dear Shareholders,**

Hope this letter finds you and your family in good health and spirit.

This is my first letter to you since assuming the role of Managing Director & CEO of Sena Kalyan Insurance Company Ltd. At the beginning, I would like to express my humble gratitude to Almighty Allah for keeping us safe in this pandemic situation and close the year 2021 as a successful business year despite all odds and challenges. I am honored and humbled to be leading our great Company. SKICL has a strong 9 years of legacy and I am proud to be associated in this journey since inception to see the company starting from the scratch to be considered now as one of the best insurance companies in the country. This has become possible only by the grace of Allah and with the continuous support of the respected Chairman & other members of the

Board, respected stakeholders, valued partners, distinguished patrons and other well-wishers. I would make a special mention of IDRA and BIA for their relentless support to this Company in growing as a vibrant and compliant insurance company in the country.

As I connect with you today through my annual shareholder letter, normalcy seems to have pushed the pandemic a little. Though continue to wade through a recurring pandemic, with the virus mutating into new variants. We may need to navigate the crisis for some more time than anticipated. More importantly, we need to stay nimble, agile and resilient while focusing on our long-term goals.

From the long-term perspective, we, at SKICL, remain steadfast and focused on our value creation approach for our shareholders and our brand



ethos of ‘Your Trusted Risk Manager’, thereby reaffirming our commitment to support our customers, business associates, and the society at large, in times of need. This is the purpose of our existence.

### Impact of Covid-19

In our view, this pandemic will have far-reaching implications on consumers, businesses, and society at large. The immediate impact and responses have been played out; however, the real transformation is a journey that has just begun. As per World Bank’s data, the global GDP grew at 5.5 percent in 2021, which was still a marked improvement from the negative growth of the previous year. Despite the foreboding financial environment, Bangladesh has rallied better than many other nations. In the first half of 2021, the economy of Bangladesh encountered slow growth as a massive second wave of Covid-19 swept through the country. However, as the pandemic-induced disruptions faded, the economy stepped towards improvement, with the guidance of prudent government interventions and regulatory policies.

### Leading with technology solutions

We have been investing in our customer-facing technology-enabled solutions from inception. Over the last 2 years, we further accelerated our efforts in this aspect, and are most encouraged by the response of our customers. Our comprehensive wellness and insurance-focused solution. We strongly believe that the world on the other side of this crisis is a phygital one that blends the best of the physical experiences, with the convenience of the digital tools. In our view, there is a re-assessment of risk perception across the globe and particularly by consumers in Bangladesh, which will fundamentally increase the demand for comprehensive insurance and risk management solutions.

### Public Trust in Insurance

From birth we trust our parents and those around us: we have little choice. As we grow discerning with age, our experiences inform our decisions on trust. Poor experiences teach us not to trust those who fail to deliver what they promise, through

incompetence (inability, lack of knowledge or experience), or lack of will to do the right thing. Insurers need to turn the customer relationship into one of protection and meeting needs, rather than sales and product lines. That will take a change of mindset, bravery, and a concerted effort to engage with consumers.

At SKICL, we are rising up to our responsibility and playing our role in protection and normalisation. we know habits would take time to develop, but could be encouraged through awareness-building, education and hand-holding. Hence, we have consistently rolled out large-scale insurance outreach campaigns about the criticality of insurance.

### Global Insurance Scenario:

According to the Sigma Research Publication (no.3/2021) on world insurance by the Swiss Re Institute, the global insurance industry has weathered the Covid-19 crisis relatively resiliently, with the dip in premiums milder than during the global financial crisis of 2008-09, and it is expected that the recovery shall be faster for non-life (general) insurance.

### Bangladesh Market and our position:

The country’s insurance sector has several specific challenges. The main challenge is the crisis of confidence. People still think that insurance companies are right when it comes to taking premiums. But delaying the payment of compensation. The crisis has begun to ease somewhat due to the recent move by the Insurance Development and Regulatory Authority (IDRA). The second challenge is that insurance services are also important like banks, but the general public is not aware of that. In the developed world, banking and insurance go hand in hand. Every person’s life, accommodation, home, everything is insured. No one wants to insure unless they are forced to in Bangladesh. The third challenge is the various commissions and other trades. However, at present, this problem has diminished to a great extent.

The insurance sector’s contribution to the GDP is not up to the expected level, not in line with the economic development and sizes of GDP. Despite numerous initiatives to increase awareness



on insurance products, the insurance industry continues to remain significantly under penetrated since long.

Our company is a little different than others. This company owns 60% of the sponsored shares. All shares are owned by Sena Kalyan Sangstha (SKS). That is why we can abide by the rules of government and IDRA as there is no personal interest here. We can deal with different challenges. For example, we do not pay extra commissions. This helps us to pay timely claims.

Notwithstanding, various contains prevailing in the insurance sector last year the Company witnessed an impressive momentum. SKICL achieved Tk. 780.23 million in Gross Premium in 2021. This is indicated by 34.40% more considering the year 2020.

You may be knowing that we commenced our business in the later part of 2013 and reached break-even within a year. We started paying dividends since 2015 and successfully reached out to our valued clients. Within a short span of 9 years, we have acquired sizeable assets and grown 5.49 times with a continuous ascending graph.

### **Business Strategy:**

Business strategy is a combination of plan to reach specific business objectives. We want to use two things in this activity. First, we have a positive image of the armed forces. We use this image. In addition, we try to increase the image. Our message to the people is that you can rely on Sena Kalyan Insurance to take risks in the same way that you support the armed forces in any danger. Second, trying to reach people through service.

We are the youngest insurance company in the country. SKICL continuously screened the business and shortlisted the risk-based products and services. In this regard, the number of customers has been increasing day by day in the 9 years since its inception due to timely payment of insurance claims and going through the rules. We cherish the credible image of our beloved Armed Forces and do justice to it through our services.

### **Human Capital:**

Our human resources approach, reinforced by our sensitive, caring and empathetic people practices, illustrates an important dimension of the HR function that has been highlighted by the crisis: supporting employees in the area of well-being and, first and foremost, health. This has become an important issue in terms of the engagement and attraction of talent.

### **Future Optimistic:**

Although the journey started in September 2013, we started the business in 2014. In the first year, we naturally had to pay losses. But we have been making profit since 2015. Every year our income and profit has been steadily increasing. We pay the insurance claims to the customers on time. In this, customers are trusting us. We want to reach people's doorsteps through new services. We also want to provide insurance services to people through smartphone apps. That is why we are working to increase our IT capabilities. Our vision is to be one of the top five companies in the general insurance sector in five years.

Since our company is owned by the Armed Forces, we abide by all kinds of laws and regulations. All our profits are spent on supporting humanitarian cases, hence, you may be encouraged to be a part of this noble imitative. Sena Kalyan Insurance Company cordially invites you to be our valued partners through availing the best possible risk management schemes for your business and affiliated facilities.

We will remain your trusted risk manager at all times and at the same time add value to your investments as a sustainable financial institution. We hope that our respected shareholders, valued clients & other stakeholders will always be with us in our steady and successful journey ahead.

Thank you for keeping us in your trust.

Sd/-

**Brig Gen Md. Shafique Shamim, psc (Retd)**  
Managing Director & CEO



# Directors' Report

## Dear shareholders,

The Board of Directors of Sena Kalyan Insurance Company Limited are pleased to welcome you to the 9th Annual General Meeting of the Company and place before you the Directors' Report along with the Audited Financial Statements and the Auditors' Report for the year ended 31st December 2021 for your kind perusal and approval.

## Industry Outlook and Possible Future Development

According to the Sigma Research Publication (no.3/2021) on world insurance by the Swiss Re Institute, the global insurance industry has weathered the Covid-19 crisis relatively resiliently, with the dip in premiums milder than during the global financial crisis of 2008-09, and it is expected that the recovery shall be faster for non-life (general) insurance.

The global insurance market continues to consolidate around the US, China and Japan, which comprised the world's top-three insurance markets by size in 2020, together accounting for almost 58 percent of the global market (56 percent in 2019). The market share of the top-20 countries also remained mostly stable at 90.7 percent in 2020 (2019: 90.5 percent). Among the top- 20 countries of the world, there are six Asian countries (China, Japan, South Korea, Taiwan, India and Hong Kong) with market share of about 25 percent. It is expected that emerging markets shall continue to outpace advanced markets, and Asia will outperform other regions, with the ongoing shift in economic power from west to east reflected in the source of global premium growth. This bodes well for a developing country like Bangladesh that is not only reporting one of the fastest GDP growth rates in the world, but also exhibits significant catch-up potential with regards to insurance penetration.

With these trends, Swiss Re forecasts global insurance demand to grow by an above-trend 3.3 percent in 2021 and 3.9 percent in 2022, taking total global direct premiums written in 2021 to 10 percent higher than their pre-crisis 2019 levels and lift the global insurance market to more than USD 7 trillion by the end of 2022. Global non-life premium volume is expected to grow at 2.8 percent in 2021 and 3.7 percent in 2022. Inflation is forecast as a key medium-term risk in non-life insurance. The strongest rate hardening for two decades in commercial lines continues to be the principal driver of non-life insurance premium growth. Personal lines growth and profitability will be softer, as motor undergoes competitive pressure and a possible return to normal claims after the extraordinary year 2021. Furthermore, globally insurance penetration and density were 4.10 percent and USD 449, respectively, for the non-life segment in 2020. Overall, insurance penetration and density were 7.40 percent and USD 809 respectively in 2020.

Bangladesh's non-life insurance industry continues to operate as one of the smallest in the world (holding 86th As per section 184 of the Companies Act 1994 and corporate governance Code as adopted on 3rd June 2018 of Bangladesh Securities and Exchange Commission (BSEC) position in the world ranking). It has been reported that in the year 2020 Bangladesh insurance market contracted: Life -0.898% and non-life 0.866%. the rate of insurance penetration has reduced to: Life 0.3% and non-life 0.1% from 0.4% and 0.2% respectively. The situation is particularly dismal for the non-life insurance sector where 45 private insurers and 1 state-owned corporation earned estimated TK 37,373.82 million in premium income.

Our non-life insurance market continues to be extremely overcrowded when compared with developing countries including our neighbors. The situation has obviously given rise to intense and unhealthy competition among the existing players. At the same time, with the deteriorating standard of clients' services, public trust on insurance continue to diminish. Much need to be done to remedy the situation. There is no reason why, in line with the country's impressive GDP growth, the insurance industry should also not grow by remedying its manifold problems and, most important, by tapping the hitherto untapped segments of the market.

Sena Kalyan Insurance Company Ltd, stepped into the insurance industry at the later part of 2013, when the global economy had been slowly recovering from the shock of recession. Hence, our journey into the industry didn't have an easy start. However, our company is very different from other non-life companies in the industry with its unique shareholding structure and purposes of business. It makes our journey easier to reach our valued partners with the "Sena Kalyan" brand, which has already earned considerable respect in the business community of Bangladesh. However, non-life insurance business in the present context faces many challenges and impediments, what posed serious difficulties in our business development. In spite of such constraints, we have been able to increase our business at a steady pace due to our hard work, vigilance, strict financial discipline, good management and improved customer services. Sena Kalyan Insurance Company Limited has already established itself firmly in the industry through its potential dealings, organizational supremacy and sound claim paying ability.

### Segment-wise or product-wise performance

#### Gross Premium Income

In the period from 03 September 2013 to 31 December 2021, the company has earned a gross premium income of Tk. 3,026,611,481.00 (including public sector business). Since our incorporation in the insurance industry of Bangladesh, we had been very careful to select business partners, what has given us a slow but steady build up

Year	Gross premium (in Million Taka)	Growth ( % )
2021	780.23	34.40
2020	580.52	0.77
2019	576.09	58.32
2018	363.87	38.45
2017	262.82	28.85

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

Business Segments	2021	2020	Growth (%)
Fire Insurance	163.0	125.27	30.15%
Marine Insurance	134.31	94.07	42.78%
Motor Insurance	26.71	52.93	-49.54%
Miscellaneous Insurance	456.17	308.25	47.99%

#### Segregation of Net Premium:

Business Segments	2021		2020		Growth ( % )
	Amount (in Million Taka)	Business Mix of Net Premium (%)	Amount (in Million Taka)	% of Total Net Premium	
Fire Insurance	86.53	31.30%	55.47	18.64%	55.99%
Marine Insurance	111.69	40.40%	70.14	23.56%	59.23%
Motor Insurance	25.96	9.39%	52.93	17.78%	-50.96%
Miscellaneous Insurance	52.28	18.91%	119.13	40.02%	-56.12%
<b>Total</b>	<b>276.46</b>	<b>100.00%</b>	<b>297.68</b>	<b>100.00%</b>	<b>8.14%</b>



## Claims

We are very prompt and sincere in respect of settlement of claims. We have been providing satisfactory customer services and continuously trying to improve it further. During the period of reporting, the company has settled the claim of Tk. 23,356,432.00, while Tk. 270,985,114.00 is already provisioned for settlement of intimated claims at the earliest.

### Claim and Loss Ratio:

Year	Net Claim (in Million Taka)	Change (%)
2021	13.81	-35.24%
2020	21.33	139.89%
2019	8.89	-85.90%
2018	63.05	498.78%
2017	10.53	-26.35%

### Segregation of Net Claim:

Business Segments	2021		2020		Growth (%)
	Amount (in Million Taka)	Business Mix of Net Premium (%)	Amount (in Million Taka)	% of Total Net Premium	
Fire Insurance	(1.01)	-7.30%	2.58	12.11%	-139.05%
Marine Insurance	11.30	81.79%	0.78	3.65%	1349.14%
Motor Insurance	2.81	20.33%	2.56	11.98%	9.92%
Miscellaneous Insurance	0.72	5.18%	15.41	72.25%	-95.36%
<b>Total</b>	<b>13.81</b>	<b>100.00%</b>	<b>21.33</b>	<b>100.00%</b>	<b>1124.64%</b>

## Financial Performance

Performance of the company in terms of key performance indicators has been shown in a separate statement under title “Five Years Financial Highlights” Moreover, some highlights are given in items below:

### Capital Adequacy:

The following table shows a gradual increase in the shareholders’ equity.

Year	Shareholder’s Equity (in Million Taka)	Change (%)
2021	748.37	47.84%
2020	506.20	17.33%
2019	431.44	24.60%
2018	346.26	6.08%
2017	326.41	13.72%

### Solvency Margin:

The following table shows that the solvency margin of the company is above the required level.

(Figures in BDT million)

Particulars	For the year 2021
Available Solvency	877.52
Required Solvency	169.50
Solvency Margin (times)	5.18

### Re-insurance Utilization and Risk Retention Ratio:

The Company has re-insurance treaty agreement with Shadharan Bima Corporation (SBC). Besides, we place Facultative Reinsurance coverage to XL CATLIN (UK), GIC (INDIA), New India (INDIA), WACIA Re (AFRICA), MANDARIN RE(MALAYSIA), KLAPTON(UK), The New India Assurance Co. (Gift City) (INDIA), Saudi Re (SAUDI ARABIA), AL AHLEIA(KUWAIT), MISR(EGYPT), BEST RE(MALAYSIA), HDI Global Specialty SE (London) through Protection Insurance, broker and others broker against all classes of general insurance business.

You may be aware that usually high-risk retention level signals inadequate reinsurance protection while low risk retention level hampers profitability. Segment-wise Risk Retention Ratios of the Company for the last few years are shown in the table below:

Particulars	Year-wise Risk Retention Ratio (%)				
	2021	2020	2019	2018	2017
Fire Insurance	53.07%	44.28%	49.74%	53.99%	53.32%
Marine Insurance	83.16%	74.57%	59.39%	74.58%	59.64%
Motor Insurance	97.20%	100.00%	99.84%	98.17%	99.56%
Miscellaneous Insurance	11.46%	38.65%	30.17%	16.50%	37.94%
<b>Total</b>	<b>244.89%</b>	<b>257.50%</b>	<b>239.14%</b>	<b>243.24%</b>	<b>250.46%</b>

### Reserve Adequacy:

As Sena Kalyan Insurance Company Limited embarked into the business at the end of 2013, the company was not in a position to cater for expected amount of reserve fund in 2014. However, we took all steps to ensure the appropriate quantity of reserve fund and successfully created a reserved fund of Tk. 275,815,487.00 by the end of 2021.

The following table shows reserve adequacy of the company:

Year	Amount of Reserve (in Million Taka)	Change (%)
2021	275.82	39.45%
2020	197.79	41.54%
2019	139.74	70.14%
2018	82.13	44.95%
2017	56.66	86.52%

### Profitability:

Since the source of revenue of the company is premium income from underwriting business under fire insurance, marine insurance, motor insurance and miscellaneous insurance businesses and other income like income from investments, its profitability depends upon these sources.

We have earned an underwriting profit of Tk. 80,985,986.00 in 2021 compared to profit of Tk. 66,824,517.00 in 2020. Our efforts to increase more premium income and to increase our market share have proved to be efficient with overwhelming support from our partners. Our expenditure on management has increased by 15.58% but on the other hand gross premium income has increased by 34.40%. After providing for agency commission, management expenses and depreciation, the net profit before tax & WPPF stood at Tk. 121,780,251.00 in 2021, compared to profit of Tk. 11,99,36,924.00 in the previous year.



The following table shows the contributions of different business segments in the underwriting profit (loss):

Business Segments	Contribution to Underwriting Profit (%)				
	2021	2020	2019	2018	2017
Fire Insurance	14.37%	-18.61%	36.54%	171.01%	26.76%
Marine Insurance	49.80%	40.93%	30.82%	203.77%	32.22%
Motor Insurance	19.94%	56.69%	32.58%	127.64%	22.23%
Miscellaneous Insurance	15.90%	20.99%	0.06%	-402.42%	18.78%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

#### Underwriting Performance/Quality:

The quality of underwriting is a significant practice at Sena Kalyan Insurance and this activity directly contributes to the quality of growth of the Company. The underwriting practice at the Company comprises thorough evaluation, prudent financial modeling and accurate risk pricing that protects the shareholders' interests in the company while also creating value at large. It is to be noted that while marine reported good underwriting profit growth year-on-year, and slightly increase underwriting profit from previous year higher claims dented underwriting profit during the year under report for fire and miscellaneous insurance. However, we are undertaking all the necessary action across our business which will reinforce our ability to deliver quality underwriting profit growth across our various classes of business.

The following table shows the segment-wise underwriting performance of the company in the last few years.

Business Segments	Year-wise Underwriting performance (million)				
	2021	2020	2019	2018	2017
Fire Insurance	11.64	(12.43)	27.58	18.59	9.64
Marine Insurance	40.33	27.35	23.27	22.15	11.61
Motor Insurance	16.14	37.88	24.60	13.88	8.01
Miscellaneous Insurance	12.88	14.02	0.05	(43.75)	6.76

#### Investment Profile

The size of investment portfolio of the Company as on 31 December 2021 stood at Tk. 1,084,251,655.00. The investment portfolio comprises 10-years Bangladesh Government Treasury Bonds, Fixed Deposits & Shares with various commercial banks and financial institutions.

The following table shows the status of the investment portfolio of the company in the last year comparing with those of the previous year.

Components of Investment	2021		2020	
	Amount (in Million Taka)	% of Total Investment	Amount (in Million Taka)	% of Total Investment
Fixed Deposit	979	90.28%	712	91.72%
Shares Investment	24	2.25%	13	1.68%
BGTB	81	7.48%	51	6.60%
<b>Total</b>	<b>1,084</b>	<b>100%</b>	<b>776</b>	<b>100%</b>

### Segregation of Investment Income and Other Income:

The following table shows the status of the contributions of different sources in the investment income and other income in the last year comparing with those of the previous year.

Components of Investment	2021		2020	
	Amount (in Million Taka)	% of Total Investment Income & Other Income	Amount (in Million Taka)	% of Total Investment Income & Other Income
Investment Income	43.80	80.61%	52.86	90.79%
Interest Income	0.83	1.53%	1.14	1.97%
Dividend	0.51	0.94%	0.10	0.17%
Profit from Sale of Shares	3.74	6.89%	0.18	0.31%
Other Income	5.45	10.02%	3.94	6.76%
<b>Total</b>	<b>54.34</b>	<b>100.00%</b>	<b>58.22</b>	<b>100.00%</b>

### Motor Vehicle

The management of the company is always very careful about full compliance of relevant instructions from IDRA about provision and procurement of equipment. As such, we are procuring motor vehicles for the head office and branches gradually as per the IDRA circular on this matter. As on 31 December 2021, the company has 15 motor vehicles for its head office and branches.

### Risks and Concerns

As Sena Kalyan Insurance continues to invest in new ways to gain a better understanding of the dynamic and constantly changing risk environment, it remains at the forefront of risk and resilience, enhancing risk mitigation strategies for businesses, governments and the civil society as well as informing the public policy agenda at large.

A detailed report on the risk management framework has been made separately on page no. 112.

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

SKICL is not a manufacturing company. It is a non-life insurance company in Bangladesh. Cost of Goods Sold, Gross Profit Margin & Net Profit Margin are not considered to prepare financial statements. Therefore, comparative analysis of financial performance is elaborately discussed on the presentation on financial indicators on page no. 30.

### Disclosure Regarding Extra-ordinary Gain or Loss

During the year there were no such events of extraordinary nature and the company did not suffer or gain any loss or gain from such activities.

### Management Expenses

Management expenses amounted to Tk. 96,802,788.00 in 2021. The expenses have been apportioned @ 20.90% to Fire, 17.21% to Marine Cargo & Hull, 3.43% Motor & 58.46% to miscellaneous revenue accounts. Even after providing with our share in the Sena Kalyan Sangstha's commitment to help the distressed families of freedom fighters and retired armed forces' personnel of Bangladesh, (which is a major part of our Corporate Social Responsibility), we have successfully brought down the management expenses within appreciable limit.

### Disclosure Regarding Related Party Transaction

In the ordinary course of business, related party transactions take place with other entities that fall within the term related party as defined in IAS 24: Related Party Disclosure. A statement on the related party transactions has been disclosed under item no. 25 of the notes of the financial statements.



### Disclosure Regarding Utilization of Proceeds from Public Issues, Rights Issues and/or any other Instruments

After completing IPO formalities, trading of shares of our company was started in both Dhaka Stock Exchange and Chittagong Stock Exchange on 07 November 2021.

#### In the process of completion of IPO the notables date are mentioned below:

- |      |  |                    |
|------|--|--------------------|
| I.   | Listing with Dhaka Stock Exchange Limited                      | : 28 October 2021  |
| II.  | Listing with Chittagong Stock Exchange Limited                 | : 26 October 2021  |
| III. | Crediting of tradable shares in respective BO Accounts by CDBL | : 01 November 2021 |
| IV.  | Trading of shares started in both the Stock Exchanges          | : 07 November 2021 |
| V.   | IPO fund received for utilization                              | : October 2021     |

Sl No.	Area of utilization of IPO fund	Amount as per prospectus	Status of Utilization		Time of implementation
			Up to December 2021	Utilized (%)	
01	<b>Investment in Capital Market:</b>				
	a. Govt. Treasury Bond/ Mutual Funds	30,000,000	29,874,165	99.58%	03 Months from receiving IPO Fund
b. Investment in Capital Market in Bangladesh	32,000,000	-	-		
02	Investment in FDR With Scheduled Commercial Banks	62,000,000	62,000,000	100%	03 Months from receiving IPO Fund
03	Land/Real Estate	25,000,000	0	0.00%	06 Months from receiving IPO Fund
04	IPO Expenses	11,000,000	6,274,576	57.04%	45 Days from receiving IPO Fund
<b>Total</b>		<b>160,000,000</b>	<b>98,148,741</b>	<b>61.34%</b>	

The updated report regarding utilization of proceeds of IPO of the Company is also available in the Company's website.

### Deterioration of Financial Results

Not any other indicators of financial results deteriorated after the Company goes for Initial Public Offering (IPO).

### Disclosure Regarding Variance in the Annual Financial Statements

Although the company had issued 1.60 crore shares through IPO in 2021, there was no significant difference in financial performance. The financial performances of the company for the last two years are given below:

#### Financial performance analysis:

BDT in Million except ratios & per share item

Particulars	2021	2020	Growth (%)
Gross premium	780.23	580.52	34.40
Net premium	276.46	297.68	-7.13
Underwriting profit	80.99	66.82	21.21
Investment & other income	54.34	58.22	-6.66
Net profit before tax	115.98	114.23	1.53
Net profit after tax	106.15	94.28	12.59
Earnings per share	3.83	3.93	-2.54
NOCFPS	8.89	9.24	-3.79
Paid-up capital	400	240	66.67
Shareholders' equity	748.37	506.2	47.84
Total assets	1,381.81	978.29	41.25
Total liability	633.44	472.09	34.18
NAVPS	26.99	21.09	27.98

### Directors' Remuneration

Directors are not eligible for any other remuneration other than the attendance fee for the Board and its committee Meetings. During the year 2021, a total amount of Tk. 122,232/- was paid to the Directors as Remuneration / Meeting Attendance Fees and travel expenses.

Details of the Directors' attendance record are shown in Annexure-II.

### Disclosure on Preparation and Presentation of Financial Statements

The Directors of SKICL, in conformance with the BSEC Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018, confirm compliance with the financial reporting framework for the following:

- The financial statements, prepared by the management of SKICL make a fair presentation of its activities, operational details and results, cash flow information and changes in equity structure;
- Proper books and accounts of the Company have been maintained;
- Appropriate accounting policies, including International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS)/ as applicable/adopted in Bangladesh, have been consistently applied in preparation of the financial statements. Any change or deviation has been adequately disclosed;
- Accounting estimates are based on reasonable and prudent judgment;
- Internal control processes have been properly designed and effectively implemented and monitored;
- Minority shareholders have been duly protected as have effective means of redress;
- No significant doubt exists upon the Company's ability to continue as a going concern;
- Comparative analysis of significant deviations have been highlighted and the reasons have been explained in the sections above.

### Effective Internal Control System

The Board takes the responsibility for the oversight of SKICL's business and management, including risk management and putting up effective internal controls. The Directors state that the systems of internal control are sound and have been implemented and monitored effectively. Details of the Internal Control System of the Company has been reported on page no. 104.

### Human Resources

At SKICL, our people are our greatest asset. It is one of our utmost priorities that the employees are taken care of. We try to provide our people a congenial work environment, opportunity to hone their skills, and apt compensation and rewards that drive their motivation and work performance - one of the key reasons for our continued success.

The Company believes that its Human Resources (HR) gives it a significant competitive edge in terms of knowledge and experience. It has continued its policy of recruiting the best people and implementing programs to develop and retain high quality human resources in its various divisions/departments. In line with this Policy, the need-based internal and external training at both home and abroad, is regularly and systematically arranged. The Company also ensures attractive compensation packages and rewards including employee's safety and health including the family members to some extent to assure their retention and provide job satisfaction.

A separate report on human resources has been presented on page no. 119 of this report.

### Information Technology

Sena Kalyan Insurance Company Ltd. has a most flexible & Secure IT department with some experienced, energetic and intelligent IT specialist.



In this modern world IT departments have traditionally been the sole proprietor of technology within organizations with responsibility to ensure all technological aspects of an organization are running smoothly. In order to deliver on such responsibility.

**SKICL IT department's main responsibilities are -**

- Managing and protecting the information technology.
- Managing and protecting the data resource.
- Managing and protecting the system applications.

Strictly involved in providing the infrastructure for automation, the governance for the use of the network and operating systems, and assistance in providing the operational units the functionality we need.

The information technology department in an organization also responsible for the architecture, hardware, software, and networking of computers of the company. IT professionals working in this department perform a number of duties to ensure that employees have full access to the computer systems. Professionals working in the department may be responsible for one area of IT for the company.

SKICL IT department have typically been organized and staffed in accordance with the below framework, which can be seen as framework describing a traditional IT department.

**Credit Rating**

Alfa Credit Rating Limited has rated the Company in 2021 with “AA-” in the long term and ST-2 for the Short Term based on audited financial statements and other available information up to the date of rating declaration. The outlook on the rating is Stable. The rating reflects the strengths of the Company which is backed by a strong team of management.

**Contribution to National Economy**

SKICL contributes to the national exchequer in the form of income tax, VAT & Excise duty. The company's contribution to the national exchequer is given below:

Amount in BDT		
Particulars	December 31, 2021	December 31, 2020
Income Tax paid on Company's income	19,714,784.00	25,256,345.00
Tax collected at source on behalf of Government	3,717,713.00	3,321,020.00
Value Added Tax (VAT)	21,525,415.00	19,794,193.00
Excise Duty	745,870.00	515,680.00
<b>Total</b>	<b>45,703,782.00</b>	<b>48,887,238.00</b>

**Protection of Minority Shareholders**

In compliance with Corporate Governance Code by BSEC, SKICL strives to establish accountability, transparency as well as protect the interest of minority shareholders. The shareholders have voting rights in proportion to the number of shares. The shareholders are entitled to dividend and paid if declared.

SKICL protects the interest of minority shareholders by providing flow of information towards and keep them updated through necessary means. The Code of Compliance followed by the company ensures the affairs of Company being conducted or the power of directors are being exercised in a manner that is not prejudicial to any of the shareholders visa- vis minority shareholders.

**Going Concern**

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business without significant

fluctuation in value. The accompanying financial statements do not include any adjustments, which indicate that Sena Kalyan Insurance Company Limited be unable to continue as a going concern.

### **Deviations from the Last Year's Operating Results**

There were no significant deviations from the last year's operating results of the Company.

### **Key Operating and Financial Data of Preceding Five Years**

The key operating and financial data of last preceding 5 (five) years have been disclosed on page no. 30 of this annual report.

### **Proposed Dividend**

The Board of Directors at the time of considering the financial statements for the year ending 31 December 2021 have recommended 12% cash dividend [i.e., Tk. 1.20 per share] from the distributable profits of the Company, which will be placed before the shareholders in the forthcoming AGM for approval.

The Members of the Board agreed in principle and declared that pursuant to the Corporate Governance Code-2018, the Board shall not declare bonus share or stock dividend as interim dividend.

### **Board meetings**

The Directors of SKICL meet on a regular basis. A detail statement showing Attendance of the Directors in the Board Meetings has been shown on page no. 60.

### **Pattern of Shareholding**

Shareholding patterns of the Company as at the end of 2021 has been shown in Annexure-iii of this report.

### **Directors' Appointment & Re-appointment**

As per Articles of Association of Sena Kalyan Insurance Company Limited, Directors nominated by Sena Kalyan Sangstha will be Ex-officio. Hence, no rotation is required. However, if the office bearer leaves the respective appointment, the new office bearer will replace the old ones as the nominated Directors of the Company. However, Directors representing public shareholders are required to retire from the Board every year in the Annual General Meeting, comprising those who have been the longest in office since their last election.

At present, all the Board Directors of the Company are nominated by SKS except the Independent Directors. Hence, no need for rotation of Directors in the coming 9<sup>th</sup> AGM of the Company.

However, for your kind information, all the directors were appointed by the shareholders in the last AGM of the Company. In this reason, they are not eligible for appointments in the forthcoming AGM.

According to the BSEC's Corporate Governance Code -2018, the appointed Independent Directors of the Company have been approved by the Shareholders in the last AGM.

The profile of Directors of the Company has been presented on page nos. 11 to 19 of the Annual Report.

### **Appointment of Auditors**

Mahfel Huq & Co., Chartered Accountants, was appointed as the statutory auditors for the year ended 31 December 2021. The firm will retire at the conclusion of the 9<sup>th</sup> AGM. Being eligible the firm has expressed its interest to be reappointed for the next term. The audit committee has recommended for re-appointment of Mahfel Huq & Co., Chartered Accountants, as the statutory auditors at a remuneration of BDT 3.50 lac excluding VAT and the Board of Directors has endorsed the same. The shareholders may re-appoint Mahfel Huq & Co., Chartered Accountants, as the statutory auditors of the company.



Hence, the agenda for the re-appointment of Statutory Auditors (Mahfel Huq & Co.) will be placed before the shareholders for their approval.

### **Management's Discussion and Analysis**

Management's Discussion and Analysis signed by Managing Director & CEO presenting detailed analysis of the Company's position and operations along with a brief discussion of changes in the financial statements are stated at page no. 63.

### **Corporate Governance**

The Directors of SKICL are committed in adopting the highest governance standard and implementing them in protecting the interests of shareholders, policy holders and all other stakeholders. A detailed report on corporate governance has been given herewith separately.

### **Acknowledgment**

The Directors take this opportunity to express heartfelt gratitude to, all the valued shareholders, clients and all well-wishers in home and aboard for their wholehearted co-operation and active support in discharging the responsibilities reposed on the Board during the year under review.

The Directors express sincere gratitude would be to the Insurance Development and Regulatory Authority, Registrar of Joint Stock Companies and Firms, Bangladesh Securities and Exchange Commission, Government and Non-Government organizations, Sadharan Bima Corporation, Dhaka and Chittagong Stock Exchanges, Bangladesh Insurance Association and all the Scheduled Banks and Leasing Companies for their sincere support and whole hearted cooperation.

The Directors express deep appreciation for the services and loyalty of the executives, officers and employees of the Company at all levels without which results could have not been achieved.

The Directors like to thank and express gratitude to Managing Director & CEO, Brig Gen Md Shafique Shamim, psc (Retd) for his hard work, commitment and dedication to the development of the Company.

At the last but not the least certainly, the Directors express their sincerest gratitude to all clients for their loyalty and patronage over the period.

With our very best regards to all our valuable shareholders, we promise to continue the growth with your support.

Thank you all.

On behalf of the Board

Sd/-

**Maj Gen Mohammed Saidul Islam, ndc, psc**

Chairman



## Directors' Meeting & Attendance

During the financial year under reporting total four (4) Board Meetings were held and the attendance of the Directors are noted below:

### Annexure-i

Name of Directors	Nominated by	Total Meetings	Meetings Attended	Changes during 2021	
				Date of Board Acceptance	
				Joining	Leaving
Maj Gen Mohammed Saidul Islam, ndc, psc	Chairman (Nominated by SKS)	4	4	-	-
Air Cdre M Moyeenuddin, ndc, afwc, psc	Director (Nominated by SKS)	4	4	-	-
Brig Gen Mirza Md Enamul Haque, ndc	Director (Nominated by SKS)	4	4	-	-
Brig Gen M A Mohy, psc, PEng	Director (Nominated by SKS)	4	3	-	-
Brig Gen Md Mustafa Kamal, SGP	Director (Nominated by SKS)	4	3	-	-
Brig Gen Md Jamal Hossain, ndc, afwc, psc	Director (Nominated by SKS)	4	3	-	-
Brig Gen Md Shaheen Iqbal, afwc, psc	Director (Nominated by SKS)	4	3	-	-
Barrister Ahamed Ihteyaz Thamid	Independent Director	4	4	-	-
M. M. Mostafa Bilal	Independent Director	4	4	-	-
Brig Gen Md. Shafique Shamim, psc (ret'd)	Managing Director & CEO	4	4	-	-



# Directors' Remuneration

The statements of remuneration paid to the Directors during the financial year under reporting are noted below:

## Annexure-ii

Name of Directors	Board		Audit Committee		Nomination & Remuneration Committee		Total Fees Paid (Tk.)
	Attendance	Fees (Tk.)	Attendance	Fees (Tk.)	Attendance	Fees (Tk.)	
Maj Gen Mohammed Saidul Islam, ndc, psc Chairman	4	22,224					22,224
Air Cdre M Moyeenuddin, ndc, afwc, psc	4	16,668	1	0*			16,668
Brig Gen Mirza Md Enamul Haque, ndc	4	22,224			2	0*	22,224
Brig Gen M A Mohy, psc, PEng	3	16,668			2	0*	16,668
Brig Gen Md Mustafa Kamal, SGP	3	11,112	1	0*			11,112
Brig Gen Md Jamal Hossain, ndc, afwc, psc	3	16,668			2	0*	16,668
Brig Gen Md Shaheen Iqbal, afwc, psc	3	11,112	1	0*			11,112
Barrister Ahamed Ihteyaz Thamid Independent Director	4	0*			2	0*	0*
M. M. Mostafa Bilal Independent Director	4	5,556*	1	0*			5,556*
Brig Gen Md. Shafique Shamim, psc (Retd) Managing Director & CEO	4	0					0
<b>Total</b>		<b>122,232</b>					<b>122,232</b>

\* Directors didn't take their remunerations for all meetings.



## Pattern of Shareholdings

As on 31<sup>st</sup> December 2021

Annexure-iii

(i) Shareholding position of Sponsors:

Name	No of Share	Percent (%)
Sena Kalyan Sangstha	23,999,994	59.9999850%
Air Cdre M Moyeenuddin, ndc, afwc, psc	1	00.0000025%
Brig Gen Mirza Md Enamul Haque, ndc	1	00.0000025%
Brig Gen M A Mohy, psc, PEng	1	00.0000025%
Brig Gen Md Mustafa Kamal, SGP	1	00.0000025%
Brig Gen Md Jamal Hossain, ndc, afwc, psc	1	00.0000025%
Brig Gen Md Shaheen Iqbal, afwc, psc	1	00.0000025%
<b>Total</b>	<b>24,000,000</b>	<b>60.00%</b>

(ii) Shareholding status of Directors/CEO/CS/CFO/HIAC & their spouses & minor children:

Name of the Directors	Nominated by	No. of Share(s) held	Percent (%)
Maj Gen Mohammed Saidul Islam, ndc, psc	Sena Kalyan Sangstha	0	0.00%
Air Cdre M Moyeenuddin, ndc, afwc, psc	Sena Kalyan Sangstha	1	0.0000025%
Brig Gen Mirza Md Enamul Haque, ndc	Sena Kalyan Sangstha	1	0.0000025%
Brig Gen M A Mohy, psc, PEng	Sena Kalyan Sangstha	1	0.0000025%
Brig Gen Md Mustafa Kamal, SGP	Sena Kalyan Sangstha	1	0.0000025%
Brig Gen Md Jamal Hossain, ndc, afwc, psc	Sena Kalyan Sangstha	1	0.0000025%
Brig Gen Md Shaheen Iqbal, afwc, psc	Sena Kalyan Sangstha	1	0.0000025%
M.M. Mostafa Bilal	Independent Director	0	0.00%
Ahamed Ihteyaz Tamid	Independent Director	0	0.00%

Name of the Executives	Status	No. of Share(s) held	Percent (%)
Brig Gen Md. Shafique Shamim, psc (retd)	Managing Director & CEO	0	0.00%
Maloy Kumar Saha	Chief Financial Officer	0	0.00%
M. M. Sajedul Islam, FCS	Company Secretary	0	0.00%
Md Firoz Sarker	Head of Internal Audit & Compliance	0	0.00%

(iii) Top five salaried persons other than the Directors, CEO, CS, CFO & HIAC

Name of the Executives	Status	No. of Share(s) held	Percent (%)
Col Md Aulad Hossain, psc, (Retd)	DMD, Market Development	0	0.00%
Gp Capt Md Atiar Rahman, psc (Retd)	AMD, Market Development	0	0.00%
Lt Col AKM Nazimul Islam, psc (Retd)	SEVP, Marketing	0	0.00%
Maj. Khondaker Helaluzzaman (Retd)	EVP, Marketing	0	0.00%
Cdr Iftekhar Hassan, C, psc, BN (Retd)	EVP, Marketing	0	0.00%

(iv) Shareholders holding 10 % or more voting interest in the Company:

Name of the Shareholders	No. of Share(s) held	Percent (%)
Sena Kalyan Sangstha	23,999,994	59.9999850%



# Management's Discussion and Analysis

As per condition no. 1(5)(xxv) of the Corporate Governance Code-2018 issued by BSEC, the Management's Discussion and Analysis of Sena Kalyan Insurance Company Limited are as follows:

## A. Accounting Policies and Estimation for Preparation of Financial Statements

We have applied accounting policies regularly for all periods while preparing the financial statements. International Financial Reporting Standard (IFRS), International Accounting Standards (IAS) in preparing Financial Statements have been applied to transactions, other events or conditions to their full extent as applicable. Disclosure and rules as required by Insurance Act 2010 and The Companies Act 1994 have been complied with the preparing Financial Statements. On the other hand, Bangladesh Securities & Exchange Commission (BSEC) Rules 1987, Listing Regulations 2015 of Dhaka Stock Exchange Ltd. & Chittagong Stock Exchange Ltd. have been complied with. In absence of the International Financial Reporting Standard (IFRS) to any particular transactions, other events

or conditions, we have applied our judgment in developing and applying on accounting policy that is relevant to the economic decision making needs of us and is reliable.

## B. Changes in Accounting Policies and Estimation

The Company has been following consistent policies and estimations in preparing its financial statements. There has been no change to the accounting policies adopted by the company during the year 2021.

## C. Comparative Analysis of Financial Performance or Results and Financial Position as well as Cash Flows for Current Financial year and Preceding five years

The key operating and financial position and cash flows for the preceding 05 (Five) years of Sena Kalyan Insurance Company Limited are furnished below:

BDT in Million except ratios & per share item

Particulars	2021	2020	2019	2018	2017
Gross premium	780.23	580.52	576.09	363.87	262.82
Net premium	276.46	297.68	253.39	147.45	132.11
Underwriting profit	80.99	66.82	75.49	10.87	36.01
Investment & other income	54.34	58.22	47.24	33.81	27.89
Net profit before tax	115.98	114.23	118.58	39.29	57.57
Net profit after tax	106.15	94.28	98.28	37.85	51.39
Earnings per share	3.83	3.93	4.10	1.58	2.14
NOCFPS	8.89	9.24	9.69	2.23	2.24
Paid-up capital	400.00	240.00	240.00	240.00	240.00
Shareholders' equity	748.37	506.20	431.44	346.26	326.41
Total assets	1,381.81	978.29	747.00	520.58	479.44
Total liability	633.44	472.09	312.59	171.34	150.05
NAVPS	26.99	21.09	18.10	14.55	13.72

The financial year 2021 has been challenging with an operating environment, due to the Covid-19 related uncertainties & lockdowns. Nonetheless, we have managed to end the year with satisfactory results.

Considering our management excellence in understanding the insurance business and specialization in human capital, we are pleased with the progress of the company.

#### **D. Comparison of such Financial Performance or Results and Financial Position, as well as Cash Flows with the Peer Industry Scenario**

The insurance industry is marked by high levels of competition with 46 non-life insurance companies operating in the space. Though few insurance companies were struggling throughout the year, there are good and established players in the industry that have earned good reputations and customers' trust.

However, in this section, we'll mention comparative financial performances and financial position, as well as cash flows with peer industry scenario for the year 2021, with three other established general insurance companies, are as follows:

BDT in Million except ratios & per share item

Particulars	Sena Kalyan Insurance Co. Ltd.	United Insurance Co. Ltd.	City General Insurance Co. Ltd.	Nitol Insurance Co. Ltd.
Gross premium	780.23	543.28	730.62	602.39
Net premium	276.46	249.47	483.41	360.07
Underwriting profit	80.99	54.59	95.58	132.06
Investment & other income	54.34	78.60	116.34	55.78
Net profit before tax	115.98	120.10	162.61	159.85
Net profit after tax	106.15	73.45	114.72	117.72
Earnings per share	3.83	1.65	1.68	2.93
NOCFPS	8.89	2.49	2.75	0.37
Paid-up capital	400.00	445.00	681.66	402.08
Shareholders' equity	748.37	1,622.01	1,194.81	1,172.56
Total assets	1,381.81	2,120.60	1,684.81	1,937.27
Total liability	633.44	498.59	490.01	733.37
NAVPS	26.99	36.45	17.53	29.16

Source: Published Annual Report -2021

#### **E. Financial and Economic Scenario of the Country and the Globe**

##### **Bangladesh Economy**

##### **Export:**

Like many other third-world countries, Bangladesh relies heavily on exports to fulfill the needs of the

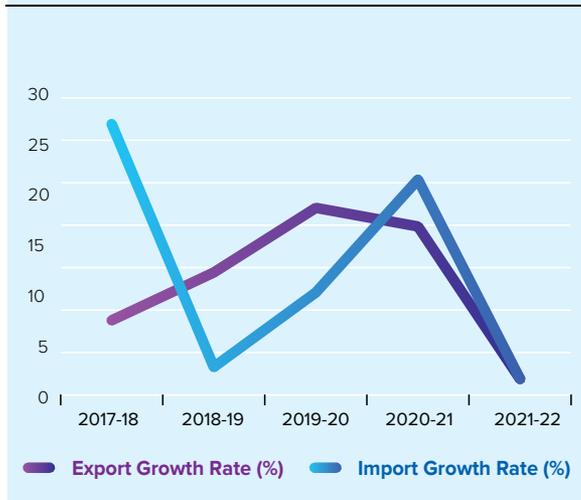
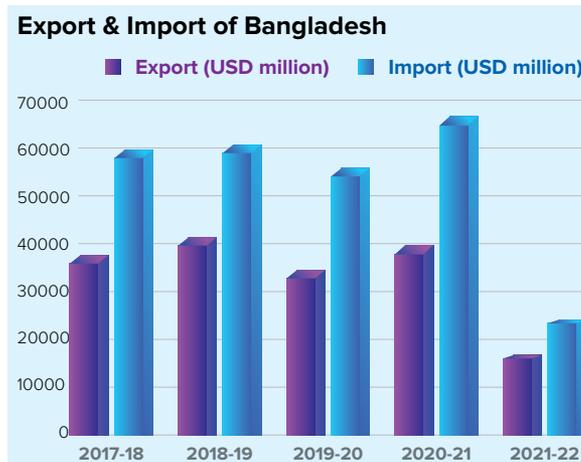
densely populated nation. The country's export earnings witnessed 60.37 percent increase in October 2021 as compared to the same period in the previous year, mainly driven by increased exports of agricultural products, chemical products, specialized textile, plastic products, woven garments, knitwear and frozen & live fish. On the



other hand, total export earnings increased by 13.49 percent in October 2021 (USD million 4,727.50) from the export earnings (USD million 4,165.45) of the previous month September 2021.

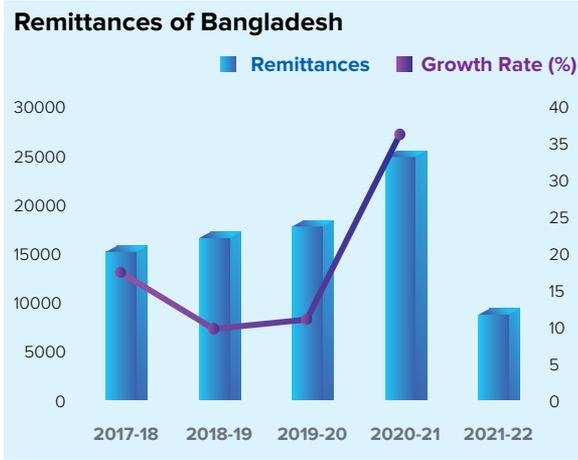
### Import:

Generally, in developed countries, exports are greater than or closer to import payments. But in Bangladesh Exports always fall short of Import payments of a good margin. However, import payments during the month of October 2021 in the FY 2021-22 stand upper by 40.61 percent to USD 6,152.70 million, against USD 4,375.80 million during the same month of October 2020 of FY 2020-21.



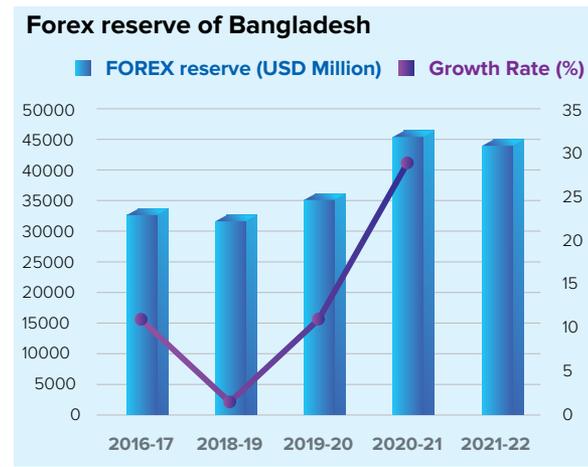
### Workers' Remittance:

Workers' remittance is the key foreign earning source of Bangladesh to fill-up the huge gap between foreign exchange earnings and expenditure. Total remittances receipts during the month of November 2021 in the FY 2021-22 decreased by 25.26 percent to USD 1,553.7 million, against USD 2,078.74 million of the same month from the previous year.



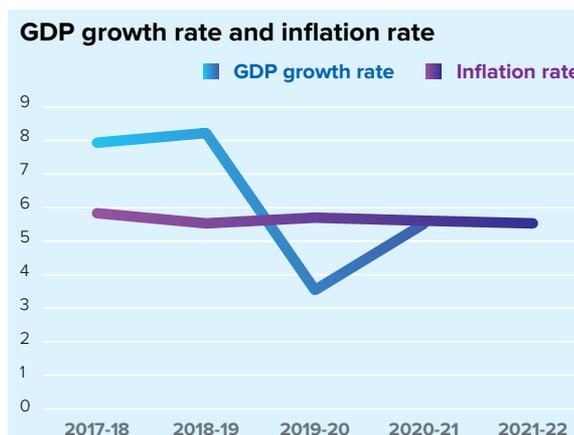
### Foreign Exchange Reserves:

In November 2021 the gross foreign exchange reserves decreased by 3.40 percent to USD 44,881.1 million against USD 46,459.3 million in October 2021.



### Inflation:

The average inflation in November 2021 stood at 5.48 percent as 5.50 percent in September 2021. Although, Bangladesh has never experienced a negative economic growth during the last 47 years since its independence and maintained around 6% GDP growth rate for last one and half decade, the high rate of inflation always lessened the benefit of good GDP rate.



### Economic Outlook

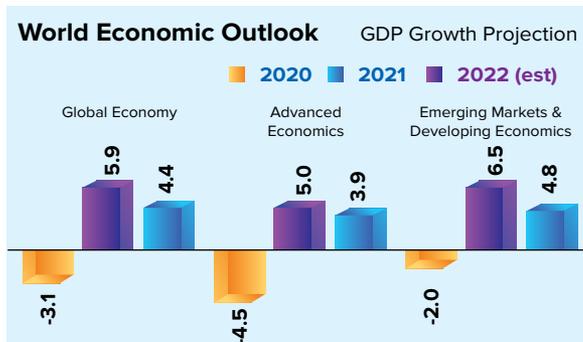
Item	UoM*	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
GDP at Current Market Price	BDT Crore	2,250,479	2,542,483	2,739,332	3,011,065
Annual Per Capita GDP	USD	1,675	1,828	1,930	2,097
Annual Per Capita GNI	USD	1,751	1,909	2,024	2,227
Domestic Savings Rate (% of GDP)	Percent	22.83	25.02	23.77	24.17
National Savings Rate (% of GDP)	Percent	27.42	29.50	28.67	30.39
Agricultural Growth Rate of GDP	Percent	3.47	3.15	4.10	2.65
Services (% of GDP)	Percent	52.11	51.35	51.48	51.53
Total Financing (% of GDP)	Percent	3.89	4.49	5.04	4.33
FDI Inflow	USD Million	2,580.44	3,888.99	2,370.45	2,507.31
Portfolio Investment (Net)	USD Million	365.00	172.00	44.00	(269.00)
Domestic Credit	BDT Crore	1,021,707.20	1,146,884.00	1,307,633.80	1,439,899.00
Revenue Collection (NBR)	BDT Crore	206,407.25	223,892.42	218,406.05	259,881.80
Reserve Money	BDT Crore	233,739.90	246,187.70	284,483.40	348,071.80
Deposit Rate (weighted average)	Percent	5.50	5.43	5.06	4.13
Inflation Rate (weighted average)	Percent	5.78	5.48	5.65	5.56
Value of Import	USD Million	58,865.30	59,914.70	48,518.00	54,332.10
Value of Export	USD Million	36,668.17	40,535.04	33,674.12	38,758.31
Balance of Trade	USD Million	(22,197.13)	(19,379.66)	(14,843.88)	(15,573.79)
Foreign Exchange Reserve	USD Million	32,916.45	32,716.51	36,037.03	46,391.40
Remittances	USD Million	14,978.86	16,419.63	18,205.01	24,777.71

Source: DSE Monthly Review, December 2021  
Economic Trends, Annual Report of Bangladesh Bank  
Economic Review, Ministry of Finance & Website  
MCCI & Bureau of Statistics Website



## Global Economy

Second year into the pandemic, 2021 came with newer virus strains which set countries on different paths to recovery depending on their rates of vaccination drives. Governments across the globe concentrated on procuring vaccines that has resulted in global balance of payment (BOP) deficits to be the highest since the Second World War. But it is not all doom and gloom. As the year went on, there were some positive developments- global economy grew, goods trade rebounded, food commodity prices have begun to stabilize. With increased roll-out of vaccines, global economies including the EU and USA are recovering, albeit slower than anticipated, due to the onslaught of the new omicron variant. On this backdrop, the projection for global GDP growth rate, according to IMF is 5.9% for 2021 and 4.4% for 2022 is estimated. Similarly, World Bank also expects Global growth to decelerate markedly in 2022 from 5.5% to 4.1%. A survey conducted by McKinsey denotes that most respondents expect the year 2022 to bring better economic conditions despite heightened risk from the pandemic and inflation, and executive planning are being undertaken in this regard.



Source: IMF World Economic Outlook, January 2022

## F. Risks and Concerns Issues Related to the Financial Statements, Explaining Such Risk and Concerns Mitigation Plan of the Company

As Sena Kalyan Insurance continues to invest in new ways to gain a better understanding of the dynamic and constantly changing risk environment, it remains at the forefront of risk and resilience, enhancing risk mitigation strategies for businesses, governments and the civil society as well as informing the public policy agenda at large.

To face the ongoing challenges of increased competition and expansion of diversified business

of SKICL, it has undertaken some principles on risk management. The risk mitigation areas are liquidity risk, market risk, operational risk, strategic risk, anti-money laundering risk (ALM), environmental risk, etc. Mitigating all risk, the Company maximizes wealth in Financial Statements. The risk identification and mitigation process are elaborately discussed on page no. 112.

## G. Future Plan or Projection or Forecast for Company's Operation, Performance and Financial Position

Sena Kalyan Insurance believes in its strength and dynamism to provide optimum service to its clients. The Company finds new pathways for providing services. It has continuously taken diversification opportunities and is continuing with successful operations, thus securing the Company's future.

### Like last year, keeping those intentions in mind, our focus will also remain on:

- Striving for making clients (policyholders) permanent;
- Growing sale of our products increases our revenues by providing quality services to the insured;
- Engaging more in skills development and capacity-building among our terms to enable strong functional expertise and productivity levels and also focused on capacity building;
- Optimizing our cost base through the identification of functional opportunities (downsizing costs);
- To be a trusted insurer in the insurance business;
- Quick claim settlement;
- To acquire a large market share in the insurance business;
- Good practices of Corporate Governance.

Though growth potential seems to be high, we intend to focus more on sustainability and we believe, our well-grounded management principles and our commitment to strong governance will aid us to achieve it.

Sd/-

**Brig Gen Md Shafique Shamim, psc (Retd)**

Managing Director & CEO



# Letter from the Board of Directors Presented by the Company Secretary

## **Dear Respected Shareholders,**

We are delighted to present you the Annual Corporate Governance Report 2021 of Sena Kalyan Insurance Limited for the year ended December 31, 2021.

This report will provide insights into SKICL's corporate governance activities throughout the year and explain how the company is directed and governed in order to uplift the corporate governance culture.

The year highlighted the value of our diverse and long-term business approach. The framework and policies are reviewed at regular intervals to maintain alignment with the Company's strategy, regulatory requirements, dynamic business environment, and technological advancements.

The principal corporate governance rules applying to SKICL are not only contained to the Corporate Governance Code (CGC) issued by Bangladesh Securities and Exchange Commission (BSEC), but also covers the global best practices applicable for us. The report along with the compliance status are enclosed with our annual report 2021 on page no. 69.

With the continuing pandemic crisis, SKICL was well prepared with a wide range of measures to keep its people safe and support its communities. By continuing to be creative, flexible, and adaptive in our approaches, we carried on with our mission to generate strong financial results for our shareholders, our people, and partners.

Emphasizing on the commitment to remain compliant with all the regulations, SKICL will continue to uphold the high standards in governance and sustainable development of our country.

Yours faithfully,

On behalf of the board

**Sd/-**

**M. M. Sajedul Islam FCS**

Company Secretary



# Statement of Corporate Governance

The Company is fully committed to follow sound Corporate Governance practices and uphold the highest business standards in conducting business. The Company continues to focus on building trust with shareholders, regulators, policyholders, employees, customers, suppliers, statutory authorities and other stakeholders based on the principles of good corporate governance viz. integrity, environment, equity, transparency, fairness, sound disclosure practices, accountability and commitment to values.

The Company's governance framework encompasses not only regulatory and legal requirements but also several voluntary practices aimed at maximizing shareholders' value legally, ethically and on a sustainable basis.

The Company's Corporate Governance architecture has been strengthened through various policies, frameworks and codes adopted by the Company. The Company is committed to conduct business with the highest standards of compliance, integrity, honesty, fairness and responsible business practices with zero tolerance for fraud.

The Corporate Governance philosophy of the Company establishes that the Board's independence is essential to bring objectivity and transparency in the Management and in the dealings of the Company. The Board Committees comprised of majority of Independent/Non-executive Directors and chaired by Independent Directors, to oversee critical areas.

It is the Company's belief that all stakeholders should have access to complete information regarding its position to enable them to accurately assess its future potential. The Company disseminates information on its operations and initiatives on a regular basis. The Company's website linked with the website of the Exchanges ([www.senakalyanicl.com](http://www.senakalyanicl.com))

serves as a key awareness facility for all its stakeholders, allowing them to access information at their convenience. It provides comprehensive information on the Company's strategy, financial performance, operational performance and the latest press releases.

## 1. BOARD INDEPENDENCE & GOVERNANCE

Good Governance not only depends upon laws but also upon the personal qualities of those who govern. The Company's Board is constituted in compliance with the provisions of the Act and Rules made thereunder, Companies Act-1994, Guidelines of IDRA and BSEC, Listing Regulations, Articles of Association of the Company and in accordance with good governance practices.

SKICL's Board makes independent judgments and decisions, with directors appointed through a transparent and regulatory-compliant procedure. To enhance the independence of our Board, we have ensured that our Board is adequately represented by Independent Directors – every four Non-Executive Directors are represented by one Independent Director, with makes a total of two Independent Directors on our Board. In the spirit of transparency and compliance, this meets the requirements prescribed under BSEC's guidelines, which states that Independent Directors must constitute one-fifth of the total strength of the Board of a publicly listed company.

The Board plays a key role in setting the strategic direction of the Company. The Board also provides continuous oversight of material matters, acting as an independent check and balance for the executive management team, whose main responsibility remains the management of the business. The Directors are diverse in their academic qualifications, industry knowledge, experience, race and gender. This diversity encourages robust debate and dialogue at Board and committee-level

meetings to ensure that appropriate and effective judgement and supervisory guidance are provided

to the management in facilitating the delivery of the Company's strategic objectives.

**The Board has identified following skills/expertise/competencies for the effective functioning of the Company.**



**(a) Composition and Category**

The Board has an optimum combination of Non-Executive and Independent Directors. The Board comprises of total nine (9) Directors, out of which seven (7) are Non – Executive Directors and two (2)

are Independent Directors.

The Composition of the Board of Directors of the Company with their qualification, field of specialisation/core skills/expertise are as set out in the below table:

Name of the Director	Category	Qualification	Field of Specialization/ Involvement in other organization
<b>Maj Gen Mohammed Saidul Islam, ndc, psc</b>	Chairman (Nominated by SKS)	Masters of Defense Studies (MDS)	Sena Kalyan Sangtha (SKS)- Chairman
<b>Air Cdre M Moyeenuddin, ndc, afwc, psc</b>	Director (Nominated by SKS)	Masters of Defense Studies (MDS)	Sena Kalyan Sangtha (SKS)- Vice Chairman & DG, Welfare Division
<b>Brig Gen Mirza Md Enamul Haque, ndc</b>	Director (Nominated by SKS)	MBA- Major in HRM	Sena Kalyan Sangtha (SKS)- Director & DG, HR Division
<b>Brig Gen M A Mohy, psc, PEng</b>	Director (Nominated by SKS)	M.Sc Engg (Geotechnical) BUET	Sena Kalyan Sangtha (SKS)- Director & DG, Business Division, Real State Devision
<b>Brig Gen Md Mustafa Kamal, SGP</b>	Director (Nominated by SKS)	M.Sc (ICT)	Sena Kalyan Sangtha (SKS)- Director & DG, Business Division-1
<b>Brig Gen Md Jamal Hossain, ndc, afwc, psc</b>	Director (Nominated by SKS)	Phd (Fellow), MSS (Strategy and Development)	Sena Kalyan Sangtha (SKS)- Director & DG, Business Division-6
<b>Brig Gen Md Shaheen Iqbal, afwc, psc</b>	Director (Nominated by SKS)	M Phil (Part-I), Masters of Defense Studies (MDS)	Sena Kalyan Sangtha (SKS)- Director & DG, Business Division-5
<b>M. M. Mostafa Bilal</b>	Independent Director	MBA- Major in Finance, Institute of Business Administration (IBA) University of Dhaka	The UAE Bangladesh Investment Company Limited- Managing Director (CC)
<b>Ahamed Ihteyaz Thamid</b>	Independent Director	Bachelor of Law LLB (Honours) University of London	Legal Edge- Associate H & H Eastern Agro Fisheries- Chairman & Managing Director
<b>Brig Gen Md Shafique Shamim, psc (Retd)</b>	Managing Director & CEO	Masters of Defense Studies, MBA- Major in HRM & CII (cert), Chartered Insurance Institute	Managing Director & CEO, Sena Kalyan Insurance Company Limited



### **(b) Board nomination and election process**

In relation to the selection and appointment of new Director, SKICL follows the Articles of Associations of the Company. The Board of Directors of the Company shall be composed of 7 (seven) Directors; 4 (four) members from the Board of Sena kalyan Sangstha and 3 (three) members from the Management of Sena Kalyan Sangstha as nominated by Sena Kalyan Sangstha for so long as they hold their positions in the Sena Kalyan Sangstha and upon ceasing for any reason to hold that position they will automatically cease to be directors of the Company.

The Directors are appointed/re-appointed by the shareholders in the Annual General Meeting (AGM). Casual vacancies, if any, are filled by the Board as nominated by SKS in accordance with the stipulations of the Articles of SKICL.

The Directors nominated by Sena Kalyan Sangstha will be Ex-Officio. Hence, no rotation is required. However, if the office bearer leaves the respective appointment, the new office bearer will replace the old ones as the nominated Directors of the Company.

#### **The Directors of SKICL are:**

Nominated Non-Executive Directors- 4 (four) members from the Board of Sena kalyan Sangstha and 3 (three) members from the Management of Sena Kalyan Sangstha as nominated by Sena Kalyan Sangstha for so long as they hold their positions in the Sena Kalyan Sangstha.

Non-executive Independent Directors- The Board received recommendation from various sources for highly capable and seasoned professionals and finally approved in the Board meeting for appointment.

### **(c) SKICL's Policy for Induction of Directors**

All new Directors appointed to the Board attend a formal induction programme to familiarize themselves with the Company's strategy and aspiration, understanding of the line of businesses

and corporate functions, key financial highlights, audit, compliance and risk management.

The programme is conducted by the Managing Directors & CEO/Company Secretary and also provides the new Directors with an information kit regarding disclosure obligations of a Director, Board Charter, Code of Ethics, and the Constitution of the Company, Board Committees' Terms of Reference, and Schedule of Matters Reserved for the Board, amongst others.

Changes to the Board of Directors must be reported to IDRA, Bangladesh Securities and Exchange Commission (BSEC) and the Stock Exchanges.

### **(d) Board's Effectiveness Policy**

Directors possess a wide range of skills and experience over an array of professions, businesses and services. All the Non-Executive Directors are nominated by Sena Kalyan Sangstha except for the Independent Directors. All the Directors bring forth independent judgment and considerable knowledge to perform their roles effectively. The Board of Directors ensures that the Company's activities are always conducted with adherence to stringent and the highest possible ethical standards and in the best interests of all stakeholders.

None of the directors of the Board, except the Managing Director & CEO, are involved in the day-to-day operations of the Company; rather, they provide their valuable insights and guidance to the management in the meeting of the Board and its committees.

#### **Broadly, the responsibilities of the Board include the followings:**

- Reviewing and approving overall business strategy, as well as organization structure, developed and recommended by management;
- Ensuring that decisions and investments are consistent with long-term strategic goals;

- Ensuring that SKICL is operated to preserve its financial integrity and in accordance with policies approved by the Board;
- Overseeing, through the Audit Committee, the quality and integrity of the accounting and financial reporting systems, disclosure, controls & procedures and internal controls;
- Providing oversight in ensuring that SKICL's risk appetite and activities are consistent with the strategic intent, operating environment, effective internal controls, capital sufficiency and regulatory standards;
- Overseeing, through the internal Risk Management Committee, the establishment and operation of an independent risk management system for managing risks on an enterprise-wide basis, the adequacy of the risk management function (including ensuring that it is sufficiently resourced to monitor risk by the various risk categories and that it has appropriate independent reporting lines) and the quality of the risk management processes and systems;
- Reviewing any transaction for the acquisition or disposal of material assets.
- Ensuring that the necessary human resources are in place to meet its objectives, as well as appointing and removing executive officers, as deemed necessary;
- Reviewing management performance and ensuring that management formulates policies and processes to promote fair practices and high standards of business conduct by staff;
- Establishing corporate values and standards, emphasizing integrity, honesty and proper conduct at all times with respect to internal dealings and external transactions, including situations where there are potential conflicts of interest;
- Providing a balanced and understandable assessment of SKICL's performance, position and prospects, and this extends to interim and other price-sensitive public reports, and reports to regulators;

- Ensuring that obligations to shareholders and others are understood and met; and
- Maintaining records of all meetings of the Board and Board Committees, in particular records of discussion on key deliberations and decisions taken.

#### **(e) Chairman**

The Chairman and Vice-Chairman of the Board of Sena Kalyan Sangstha will become the Chairman and Vice-Chairman of the Board of the Company. He is a Non-executive Director, the Board considers that the Chairman works independently.

The Chairman serves as the primary link between the Board and Management, and works with the CEO and Company Secretary to set the agenda of the Board Meeting. He provides leadership to the Board and ensures that the Board works effectively and discharges its responsibilities efficiently.

#### **Roles and Responsibilities of the Chairman**

The primary role of the Chairman is to ensure that the Board is effective in its task of setting and implementing the Company's direction and policy. The principal structures of the role of the Chairman comprise the following:

- Providing leadership to the Board;
- Taking responsibility for the Board's composition and development;
- Ensuring proper information for the Board;
- Planning and conducting Board meetings effectively;
- Getting all Directors involved in the Board's work;
- Ensuring the Board's focus on key tasks;
- Engaging the Board in assessing and improving its performance;
- Overseeing the induction and development of Directors; and
- Supporting the Managing Director & CEO.



The Chairman of the Board shall be responsible for the management, development and effective performance of the Board of Directors and provides leadership to the Board for all aspects of the Board's functions. The Chairman is responsible for leadership of the Board. In particular, he will:

- Ensure effective operations of the Board and its committees in conformance with the highest standards of corporate governance;
- Ensure effective communication with shareholders, governments and other relevant constituencies and ensure that the views of these groups are understood by the Board;
- Set the agenda, style and tone of Board discussions to promote constructive debate and effective decision making;
- Ensure that all Board Committees are properly established, composed and operated;
- Support the Managing Director & CEO in strategy formulation and more broadly, provide support and give advice;
- Ensure an effective relationship among Directors, acting as the principal conduit for communication and issues relating to business strategy, planned acquisitions and corporate governance;
- Establish a harmonious and open relationship with the Managing Director & CEO;
- Ensure that Board Committees are properly structured and all corporate governance matters are fully addressed; and
- Encourage active engagement by all members of the Board.

**(f) Criteria for Appointment of Independent Directors**

As per the Corporate Governance Code-2018 of Bangladesh Securities and Exchange Commission (BSEC), at least one-fifth of the total directors of the Board shall be Independent Directors.

In the opinion of the Board, all the Independent Directors of the Company fulfil the conditions specified in the Act and BSEC's Code. Thus, in compliance with the Code, two (2) Directors out of the total nine (9) Directors are independent, having no share or interest in SKICL. Independence of the respective Independent Directors is confirmed during selection and appointment and they remain committed to continue with such independence throughout their tenure.

**Role of Independent Directors**

The Independent Directors play a key role in the decision-making process of the Board as they involve in the overall strategy of the Company and oversee the performance of management. The Independent Directors are committed to acting in what they believe is in the best interest of the Company and its stakeholders.

The Independent Directors bring a wide range of experience, knowledge and judgment as they draw on their varied proficiency in economics, finance, management, law and public policy. This wide knowledge of both, their field of expertise and boardroom practices helps foster varied, unbiased, independent and experienced perspectives. The Company benefits immensely from their inputs in achieving its strategic direction.

**(g) Chairman & Managing Director/CEO of the Company are different persons**

The Chairman of the Board is not the Chief Executive of the Company. The Chairman and the Managing Director & CEO are different individuals. The role of the Chairman and the Managing Director & CEO are independent and separate. The Chairman is a Non-executive Director while the Managing Director is an Executive, ex-officio Director.

**Role of the Managing Director & CEO**

The Managing Director & CEO is appointed by the Board subject to the approval of IDRA and the consent of the shareholders in the Annual General Meeting. The CEO & Managing Director does not hold the same position in another listed company.

The Managing Director & CEO is the key person and is responsible for running the business of the Company. He is also responsible for formulating as well as implementing Board strategy and policy. The Managing Director is responsible for establishing and executing the Company's operating plan that is necessary to achieve the Company's objectives. He has overall control on the Company's day-to-day affairs and is accountable to the Board for the financial and operational performance of the Company.



**(h) Continuing Development Program of Directors & Annual Appraisal of the Board's Performance**

Each and every Director is expected to make important contributions based on industry knowledge, understanding of the Business model of the company.

The Chairman ensures that all Directors receive a full, formal and tailored induction on joining the Board, facilitated by the senior management and comprising;

- A formal corporate induction, including an introduction to the Board, and a detailed overview of SKICL, its strategy, operational structures and business activities;
- Directors also attend various workshops arranged by national and international organizations.

**Board's Appraisal**

Appraising of the Board's performance can clarify the individual and collective roles and responsibilities

of its directors, and better knowledge of what is expected from them can help boards become more effective. Board appraisals may also improve the working relationship between a company's board and its management.

Any discussion of performance appraisals must necessarily cover two broad areas - the what and the how. In the case of a Board, what should be appraised is its ability first to define its responsibilities and establish annual objectives in the context of those general responsibilities, and then its record in achieving those objectives.

An appraisal must also look at the resources and capabilities the board needs and has available to perform its job. The how of the Board appraisal is, of course, the process the Board uses to evaluate its own performance.

The Board Nomination and Remuneration Committee evaluated performance of Board as a whole and individual director including chairperson of the Board. In a separate meeting of Independent Directors, performance of Non-independent Directors and of the Board as a whole was evaluated. Performance of the Chairperson was evaluated taking into account the views of Executive Directors and Non-executive Directors.

At the Board meeting that followed the meetings of Board Nomination and Remuneration Committee and Independent Directors, the overall performance evaluation process for FY2021 was discussed and the Board determined that the performance evaluation of Board, its Committees, Chairperson and individual Directors was satisfactory.

**(i) Annual evaluation of Managing Director & CEO by the Board**

The Board of Directors evaluates the Managing Director & CEO's performance based on the goals set for him, considering the company's vision and mission at the beginning of each year. The annual financial budget and other job objectives are discussed, reviewed and finalized by the Board at the start of the financial year. The Board considers financial and non- financial goals during the appraisal.



### Evaluation based on financial performance

At the end of each quarter, the Managing Director & CEO is evaluated based on the financial targets. The evaluation is done based on both:

- Achievement of targets against budget;
- Achievement of targets against the achievement of those targets in the previous year.

### Evaluation based on non-financial goals

The Managing Director & CEO is also evaluated based on non-financial goals in an ongoing basis. The non-financial criteria include, but are not constricted to things such as:

- The confidence of the shareholders in the CEO, as reflected in the stock price of the company;
- The relationship of the company with the regulators;

### (j) Directors Report on Preparation and Presentation of Financial Statements and Corporate Governance

The Companies Act, 1994, requires the Directors to prepare financial statements for each accounting year.

The Board of Directors accepts the responsibility for the preparation of the financial statements (as well as the quarterly financial statements), maintaining adequate records for safeguarding the assets of the Company, preventing and detecting fraud and/or other irregularities, selecting suitable accounting policies and applying those policies consistently and making reasonable and prudent judgments and estimates where necessary.

The Board of Directors are also responsible for the implementation of the best and the most suitable corporate governance practices. A separate statement of the Directors' responsibility for financial reporting and corporate governance

has been presented on page no. 115 of this Annual Report.

## 2. BOARD SYSTEMS AND PROCEDURES

### (a) Board Meetings

The Board meets at least four (4) times a year, once in every 3 (three) months, inter-alia, to discuss and review the financial results, business policies, strategies etc. The maximum interval between two Board meetings is not more than 3 months. Additional Board Meetings are held by the Company as and when the Company needs merit oversight and guidance. However, in case of business exigency or an urgent matter, approval of the Board is sought through resolution by circulation, which is noted in the subsequent Board Meeting.

The Company circulates the Board/Committee Meeting agenda and related notes/documents well in advance which provides for quick and easy accessibility. As a practice, the Company Secretary reports the compliance status of all the laws applicable to the Board of Directors on quarterly basis. All significant decisions taken by the Board/Committee Members is communicated to the functional heads of the concerned departments. The Board/Committee Members are apprised of the action taken or proposed to be taken by the Company on the observations/directions given in the previous meeting.

### (b) Written Code of Conduct for the Chairperson, other Board members and CEO

The Board of Directors of SKICL is committed to the highest standards of conduct in their relationship with SKICL's employees, customers, members, shareholders, regulators and the public. The Code provides a set of guiding principles to help us make the right decisions. This refers to conducting our business in accordance with all applicable laws and regulations and also represents our commitment to the spirit of the law. Our actions should reflect SKICL's values, demonstrate ethical leadership and

promote a work environment that upholds SKICL's reputation for integrity, ethical conduct and trust. This Code is intended to provide a statement of the fundamental principles applicable to our Directors.

Our Directors are encouraged to bring forth questions about particular circumstances that may involve one or more of the provisions of this Code to the Chairman of the Board.

### Ethics and Compliance

The Board is committed to establish the highest levels of ethics and compliance.

SKICL remains committed to upholding the highest standards of ethics and compliance by its employees. This commitment is reflected in its Code of Conduct that covers, among other issues, the following areas:

- Their relationship with and responsibilities to SKICL;

- Their relationship with and responsibilities to customers;
- Compliance with laws and regulations;
- Acting in a professional and ethical manner;
- Protection of business assets;
- Disclosure of conflicts of interest;
- Prohibition of any conduct involving dishonesty, fraud, deceit or misrepresentation including insider trading.

In compliance with the corporate governance code issued by the BSEC, the Board shall lay down the Code of Conduct of all Board members and annual compliance of the Code has to be recorded.

The complete Code of Conducts are available in the Company's website, link of which are: <https://www.senakalyanicl.com/1478-2/>

### (c) Attendance in Board of Directors and Committee Meetings

During the financial year under reporting total four (4) Board Meetings, one (1) Audit Committee Meeting and two (2) Nomination & Remuneration Committee Meetings were held and the attendance of the Directors are noted below:

Name of Directors	Attendance at 8 <sup>th</sup> AGM	Board		Audit Committee		Nomination & Remuneration Committee	
		Total Meetings	Meetings Attended	Total Meetings	Meetings Attended	Total Meetings	Meetings Attended
Maj Gen Mohammed Saidul Islam, ndc, psc Chairman	√	4	4				
Air Cdre M Moyeenuddin, ndc, afwc, psc	√	4	4	1	1		
Brig Gen Mirza Md Enamul Haque, ndc	√	4	4			2	2
Brig Gen M A Mohy, psc, PEng	√	4	3			2	2
Brig Gen Md Mustafa Kamal, SGP	√	4	3	1	1		
Brig Gen Md Jamal Hossain, ndc, afwc, psc	√	4	3			2	2
Brig Gen Md Shaheen Iqbal, afwc, psc	√	4	3	1	1		
Barrister Ahamed Ihteyaz Thamid Independent Director	√	4	4			2	2
M. M. Mostafa Bilal Independent Director	√	4	4	1	1		
Brig Gen Md Shafique Shamim, psc (retd) Managing Director & CEO	√	4	4				



**(d) Particulars of Whistle Blower Policy**

The Company is committed to high standards of conduct for its employees. The Company has in place Whistle Blower Policy (“the Policy”) to encourage employees to report matters without the risk of subsequent victimisation, discrimination or disadvantage. The Policy provide a formal mechanism to its employees for communicating instances of breach of any statute, actual or suspected fraud on the accounting policies and procedures adopted for any area or item, acts resulting in financial loss or loss of reputation, leakage of information in the nature of Unpublished Price Sensitive Information (UPSI), misuse of office, suspected/actual fraud and criminal offences. Such complaints are investigated and addressed through a formalized procedure.

**(e) Independence of the Chairman of all Board Committee**

All the Non-Executive Directors are nominated by SKS except for the Independent Directors. All the Directors bring forth independent judgment and considerable knowledge to perform their roles effectively. The Board of Directors ensures that the Company’s activities are always conducted with adherence to stringent and the highest possible ethical standards and in the best interests of all stakeholders.

The Chairmen of the Committees are selected by the Board. The Board considers that the Chairmen of the committees are independent. None of the directors of the Board, are involved in the day-to-day operations of the Company, rather they provide their valuable insights and guidance to the management in the meeting of the Board and its committees.

**(f) Board Contains a Member with Expert Knowledge and Responsible for Informing Board on Corporate Regulatory Rules, Responsibilities and Implications**

SKICL’s Board of Directors consists of members who possess a wide variety of knowledge and experience in finance, economics, management, business administration, marketing and law. This

ensures that together, they formulate the right policy for the development of the business while having the specialized skills and the ability to foresee developments across a larger perspective and with enough independence to audit the management in a balanced manner.

They normally provide guidance in matters applicable to accounting and audit- related issues to ensure compliance and reliable financial reporting.

Respective qualifications of the Directors are appended in Directors’ profile on page nos. 10-19 of this annual report.

**(g) Information Applied to the Board**

SKICL has incorporated its Governance Framework pursuant to the guidelines prescribed in the Code of Best Practices on Corporate Governance issued by the Bangladesh Securities and Exchange Commission (BSEC).

**Related Acts, Regulations and Guidelines:**

Sl.	Particulars
1	The Companies Act, 1994;
2	The Insurance Act 2010;
3	The Insurance Rules 1958
4	Securities & Exchange Ordinance-1969 and Securities & Exchange Rules- 1987;
5	Corporate Governance Code- 2018 issued by the Bangladesh Securities and Exchange Commission (BSEC);
6	Policies, Procedures, Directives of IDRA & BSEC;
7	Listing regulations 2015 of Stock Exchanges;

**Related internal principles and guidelines:**

Sl.	Particulars
1	Articles of Association;
2	Code of Conduct for the employees & the Board;
3	Board and Board Sub Committee Charters;
4	Different approved Manual of the Company

**(h) Disclosure of Board Committees**

The Board of Directors have constituted four committees namely – Audit Committee, Executive Committee, Claims Committee and Nomination & Remuneration Committee, which enables the Board to deal with specific areas / activities that need a closer review and to have an appropriate structure to assist in the discharge of their duties and responsibilities.

The Committees of the Board meet at regular intervals and have the requisite subject expertise to handle and resolve matters expediently. Minutes of the Committee Meetings are circulated and placed before the Board of Directors in the subsequent Board Meeting for their noting. The Company Secretary acts as a Secretary to all the Committees of the Board.

Detailed composition, meetings and other information of all the Committees of the Board are herein below:

**Audit Committee**

The primary role of the Audit Committee is overseeing the financial reporting process and disclosure of financial information, reviewing the financial statements before submission to the Board, reviewing adequacy of internal control systems and reviewing findings of internal investigations besides recommending appointment/ removal of statutory auditors and fixing their remuneration.

The Audit Committee of the Board was last re-constituted on April 24, 2021 in compliance with the condition 5(2) of the Bangladesh Securities and Exchange Commission’s (BSEC) Corporate Governance Code-2018. All the Members of the Audit Committee have the required qualifications and expertise to be a member of the Committee and possess requisite knowledge of accounting and financial management.

A separate report on the activities of the Audit Committee has been presented on the page no. 106 of this annual report.

**Executive Committee**

The board of directors do the strategic planning and decision-making for their organizations according to the mission, vision and values of the organization. An executive committee is a smaller group with close ties through leadership who can get together, often within short notice, to address pressing issues that affect the organization substantially, such as an emerging crisis. The executive committee has the power to act on behalf of the full board.

**The members of Executive Committee are:**

Name	Designation
Air Cdre M Moyeenuddin, ndc, afwc, psc	Chairman
Brig Gen Md Mustafa Kamal, SGP	Member
Brig Gen Md Shafique Shamim, psc (retd)	Member

**Claims Committee**

**The members of the Claims Committee are:**

Name	Designation
Air Cdre M Moyeenuddin, ndc, afwc, psc	Chairman
Brig Gen Mirza Md Enamul Haque, ndc	Member
Brig Gen Md Jamal Hossain, ndc, afwc, psc	Member
Brig Gen Md Shafique Shamim, psc (retd)	Member



**Nomination and Remuneration Committee (NRC)**

Pursuant to the Corporate Governance Code of Bangladesh Securities and Exchange Commission, the Board of Directors of Sena Kalyan Insurance Company Ltd. has duly constituted a Nomination and Remuneration Committee (NRC). The NRC assists the Board in formulating the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of Directors and other top-level executives. The NRC also assists the Board to formulate policy for the formal and continued process of considering remuneration/ honorarium for Directors and top-level executives.

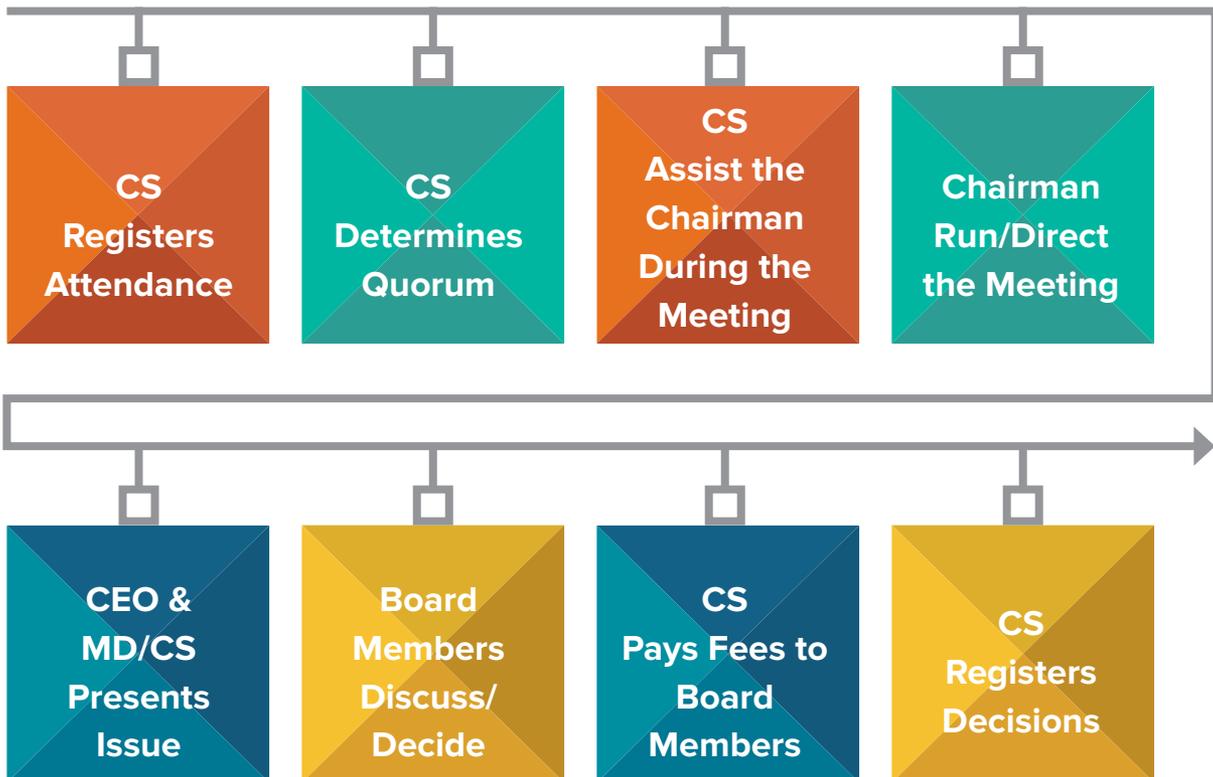
A separate report on the activities of the Nomination and Remuneration Committee (NRC) has been presented on the page no. 109 of this annual report.

**(j) Role of Company Secretary & his Background**

The primary link between the Board and the Management is served by the Company Secretary

(CS). The CS is responsible for ensuring that good governance standards are implemented by the Company at all times. CS, sets the agenda for board meetings and ensures that the board works effectively. Every member of the Board has access to the CS's advice or services about Board processes and any clarification on applicable rules and regulations. CS covers a multitude of tasks and responsibilities acting as a mediator and providing advice on economic and social sustainability matters as well. He is also acting as bridge between the regulators/stakeholders and the Company.

Mr. M. M. Sajedul Islam, FCS holds the position of Company Secretary of Sena Kalyan Insurance Company Limited. He joined the Company in March 2022. As a Professional Chartered Secretary, he possessed wide knowledge in the area of corporate affairs and holding the Fellow Membership of the Institute of Chartered Secretaries of Bangladesh (ICSB). Prior to joining at SKICL, he served two different public listed Financial Institutions in various capacities and experienced with managing IPO & Rights of those FIs.



### 3. BOARD SYSTEMS AND AUDIT COMMITTEE

#### (a) Financial Expert in the Audit Committee

The Audit Committee of the Board was last re-constituted on April 24, 2021. All the Members of the Audit Committee have the required qualifications and expertise for appointment in the Committee and possess requisite knowledge of accounting and financial management.

#### (b) Reporting of Internal Auditor to the Audit Committee

The Company's internal control system was commensurate with its size and business nature. The system minimized operational risks through effective control, systemic review and on-going audit. The internal auditors undertook a comprehensive audit of all functional areas and operations, their findings referred to the Audit Committee of the Board.

The Company internalized its legal and technical appraisal functions to ensure optimum control. The Company's multi-level authorization structure ensured that higher exposure levels were duly authorized by personnel and committees with requisite experience and authority. Training programs and guidelines helped to implement linkage between goals and operations.

The Board has ultimate responsibility for establishing an effective system of internal control. The internal control system holds all business risks, including financial, operational and strategic risks. To mitigate all the risks as well as to establish control environment, the board holds its meeting regularly with comprehensive agenda dealing with all major aspects of business. There is an internal control and compliance department directly reporting to the Board Audit Committee which looks after compliance with the organizational policies by different departments.

A separate report on Internal Control has been given on page nos. 104 and 105 of this report.

#### (c) Proportion of Independent Directors in the Audit Committee

The Audit Committee of SKICL has been formed pursuant to the Bangladesh Securities and Exchange Commission's Corporate Governance Code- 2018.

The Board of Directors has been very meticulous in the formation of the Audit Committee, which consists of 4 (four) members. All the members are financially literate and possess the required qualifications in keeping with the spirit & objectives as laid down in the regulatory directives.

The Audit Committee at SKICL was last reconstituted on April 24, 2021 and the present members of the Committee are:

Name	Status of the Committee
Mr. M. M. Mostafa Bilal Independent Director	Chairman
Air Cdre M Moyeenuddin, ndc, afwc, psc	Member
Brig Gen Md Mustafa Kamal, SGP	Member
Brig Gen Md Shaheen Iqbal, afwc, psc	Member

Mr. M. M. Sajedul Islam, FCS, Company Secretary is also the Secretary of the Audit Committee. The Head of Internal Audit concurrently reports to the Managing Director & CEO as well as to the Audit Committee.

#### (d) Report by the Audit Committee to the Board about the matters related to Conflict of Interest

The Audit Committee reports directly to the Board of Directors and under certain circumstances, can also report to the BSEC.

The Audit Committee shall immediately report to the Board of Directors in the following cases:

- On conflict of interest;
- Suspected and presumed fraud or irregularity or material defect in the internal control system;



- Suspected infringement of laws, including securities-related laws, rules and regulations and
- Any other matter which should be disclosed to the Board of Directors immediately

No such issues arose at SKICL during the year ended on 31 December 2021.

**(e) Presence of the Chairman of the Audit Committee at the AGM**

The Chairman of the Audit Committee is an Independent Director and was present at the last (8th) Annual General Meeting of the Company.

**4. TRANSPARENCY & DISCLOSURE COMPLIANCES**

**(a) Particulars of Purchase/ Sale of Goods/ Materials/ or Services by the Company for/ to Directors and/ or their Relatives etc.**

No such issues arose at SKICL during the year ended 31 December 2021.

**(b) Disclosure in the Annual Report about Related Party Transaction**

In the ordinary course of business, related party transactions take place with other entities that fall within the term related party as defined in IAS 24: Related Party Disclosure. A statement on the related party transactions has been disclosed under item no. 25 of the notes of the financial statements.

**(c) Disclosure regarding Compliance of IFRS**

In accordance with the Bangladesh Securities & Exchange Commission's Corporate Governance Code- 2018, Sena Kalyan Insurance Company Limited management has followed the principles of IFRS consistently in preparation of the financial statements to that extent as applicable to the company. Some requirements of Insurance Act 2010 and Insurance Rules 1958 and regulations

contradict with those of financial instruments and general provision standards of IFRS. As such the SKICL has departed from those contradictory requirements of IFRS in order to comply with the rules and regulations of IDRA.

**(d) Disclosure regarding Compliance of ICSB Secretarial Standards**

The Company has complied with the applicable Secretarial Standards adopted by the 'Institute of Chartered Secretaries of Bangladesh (ICSB)'.

**(e) Adverse Remarks in the Auditors' Report**

The audit report 2021 contained no adverse observations of the activities by the Statutory Auditors of the Company.

**(f) Certification of Annual Financial Statements by the CEO & CFO**

The Managing Director & CEO and Chief Financial Officer provide a certification on annual basis to the Board of Directors under Condition No.3 (3) (C) of the Corporate Governance Code- 2018 of BSEC.

The CEO and CFO's declaration to the Board is appended on page no. 90.

**(g) Presentation of Financial Statements on the Website**

The Company's financial results and official news releases have been displayed on the company's website and also on the websites of the Dhaka Stock Exchange and Chittagong Stock Exchange.

**(h) Information relating to Compliance Certificate**

Ahmed Zaker & Co., Chartered Accountants have certified that the Company has complied with the conditions of Corporate Governance as stipulated under BSEC's Corporate Governance Code- 2018. The said certificate forms part of this Annual Report as an annexure to the Corporate Governance Report of the Board of Directors.

**(i) Disclosure made to the prospective foreign/ local investors**

SKICL made relevant mandatory disclosure in its financial statements and all price sensitive information under the regulatory framework, including compliance with the provisions of International Financial Reporting Standards (IFRS) as adopted in Bangladesh, besides that it submits all the reports/statements regularly, which are required to submit to the regulators as well as the other stakeholders of the Company and also displayed on the company’s website and on the websites of the Dhaka and Chittagong Stock Exchanges for the prospective foreign/ local investors.

**(j) Disclosure Pertaining to the Remuneration Package of Directors in the Annual Report**

The remuneration for the Non-executive, Independent Directors of the Company would be a sitting fee for attending each meeting of the Board/Committee as approved by the Board from time to time within the limits as provided under the Act and related rules.

The Directors including Independent Directors, all being Non-Executive Directors, are given only Meeting Attendance Fee of BDT 5,556 per Meeting of the Board and Committees.

The details of attendance along with the amount of remuneration of Directors in the meeting of the Board and its committees have been presented in Annexure-II of the Directors’ Report. The amount of remuneration paid to the Directors is also disclosed in Note No. 20.02 of the audited financial statements.

**5. TRANSPARENCY AND INTERNAL AUDIT FUNCTIONS**

**(a) Establishment of Internal Audit Department in the Company**

The Board takes the responsible the oversight of SKICL’s business and management, including risk management and putting up internal controls. The Directors state that the systems of internal control

are sound and have been implemented and monitored effectively.

The system minimized operational risks through effective control, systemic review and on-going audit. There is an internal control and compliance department directly reporting to the Board Audit Committee which looks after compliance with the organizational policies by different departments.

The internal auditors undertook a comprehensive audit of all functional areas and operations, their findings referred to the Audit Committee of the Board.

**(b) Written Role and Responsibility of the Head of Internal Audit**

The Head of Internal Audit (HIA) is the key person who is responsible for ensuring the appropriate level of assurance in relation to the operation of internal controls, risk management and governance. Hence, appropriate governance arrangements would include the HIA having direct, unrestricted access to the accountable officer; a service level agreement (or similar) in place; and a strong audit committee in operation. The duties and responsibilities will also include oversee the following functions:

(1)	Financial reporting including disclosures
(2)	Internal control
(3)	Internal audit
(4)	Compliance with relevant ethical requirements, in particular independence and objectivity
(5)	The statutory audit or external audit
(6)	Remedial actions

**(c) Statement of Directors’ Responsibility to Establish Appropriate System on Internal Controls**

The Company has taken proper steps and sufficient care in building a system of internal control, which is reviewed, evaluated and updated regularly. The internal audit department of the



Company conducts periodic audit to provide reasonable assurance that the established policies and procedures of the Company were consistently followed. However, a Statement of Directors' responsibility to establish appropriate system on internal controls has been presented on page no. 115 of this report.

**(d) Review of the Adequacy of Internal Control System**

SKICL has an adequate system of internal controls for business processes, with regard to operations, financial reporting, fraud control, compliance with applicable laws and regulations, etc. These internal controls and systems are devised as a part of the principles of good governance and are accordingly implemented within the framework of proper check and balances.

Your Company ensures that a reasonably effective internal control framework operates throughout the organisation, which provides assurance with regard to safeguarding the assets, reliability of financial and operational information, compliance with applicable statutes, execution of the transactions as per the authorisation and

compliance with the internal policies of the Company.

The internal audit adopts a risk-based audit approach and conducts regular audits of all the branches/offices of the Company and evaluates on a continuous basis, the adequacy and effectiveness of the internal control mechanism, adherence to the policies and procedures of the Company as well as the regulatory and legal requirements. The internal audit department places its findings before the Audit Committee of the Board of Directors at regular intervals. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening the control systems according to the changing business needs from time to time.

**(e) Report of the Internal Audit to the Audit Committee**

The internal auditors undertook a comprehensive audit of all functional areas and operations, their findings/report referred to the Audit Committee of the Board for appropriate actions/review.

**6. SHAREHOLDERS INFORMATION & VALUE ENHANCEMENT**

Pattern of shareholdings as on 31st December 2021 are given below:

On the basis of Shareholders types:

Group Name	No. of shareholders	No. of Shares	Percent (%)
Sponsors/ Directors	7	24,000,000	60.00
General Public	460,530	9,619,096	24.05
Financial Institutions & other Companies	1805	6,380,885	15.95
Foreign	1	19	0.00
<b>Total</b>	<b>462,343</b>	<b>40,000,000</b>	<b>100.00</b>

**(a) Number of Shareholdings (Parent/ Subsidiary/ Associated Companies and Other Related Parties)**

The shareholding position of each Sponsor of the Company has been presented in Annexure-iii on

page no. 62 of this annual report.

**(b) Shares held by Directors/ Executives and Relatives of Directors/ Executives**

Shares held by the Directors/ Executives and

relatives of Directors/ Executives of the Company have been shown in Annexure-iii on page no. 62 of this annual report.

**(c) Shares held by Ten Percent (10%) or more Voting Interests in the Company**

The shareholding position of ten percent (10%) or more voting interests in the Company has been shown in Annexure-iii on page no. 62 of this annual report.

**(d) Redressal of Investors Complaints**

SKICL has a formal complaint and recommendation management process that is open to all stakeholders including both investors and customers. A dedicated complaints cell is headed by a senior member of the management for dealing with complaints and recommendations. Those may also be dropped at complaint boxes kept at all SKICL branches or can be submitted online on the SKICL website: [www.senakalyanicl.com](http://www.senakalyanicl.com).

Company Secretariate Department of SKICL is engaged to redress the complaints of the Shareholders and Investors' related to dividends and other share related matters.

The department also observes the monthly status of the number of shares in physical as well as dematerialized form.

**(e) Growth/ Net Worth of the Company during the last 5 years**

Key operating and financial data of last preceding 5 (five) years has been shown under the heading of Operational and Financial Highlights on page no. 30 of this annual report.

**(f) Cash/ Stock Dividend Paid for the last 5 years**

The Company started its journey in early 2013 and commenced to pay the dividend to its shareholders since 2015, thereafter the Company has been paying dividends regularly. The historical record of payment of dividend has been given on page

no. 39 of this annual report as general disclosure to the stakeholders of the Company.

**(g) EPS of the Company for the last 5 years**

The Earnings per Share (EPS) for the year 2021 stood at Tk. 3.83 in place of Tk. 3.93 in the previous year.

The last preceding 5 (five) years EPS has been shown under the heading of Operational and Financial Highlights on page no. 30 of this annual report.

**(h) Periodic Reminders to Shareholding who have not encashed their dividend**

In case of unpaid/unclaimed dividend, we serve our shareholders from our share department throughout the year on the working days. We also try to communicate with them with the addresses available to send the dividend properly.

**(i) To view the level of Shareholders' Satisfaction and Confidence toward the Company**

Market value added statement gives a picture of the Company's performance evaluated by the capital market investors through the share price of the company. This statement depicts the difference between the market value of a company and the capital contributed by the investors.

The level of Shareholders satisfaction and confidence toward the Company has been shown under the heading of Market value added (MVA) statement which has been included on page no. 41 of this annual report.

**(j) Means of Communication with the Shareholders**

As the owners of SKICL, our shareholders are one of our main stakeholders. In order to accommodate shareholders information, we regularly communicate with them across various channels – Stock Exchanges, face to face meetings, Website, Print Media etc.



## 7. STAKEHOLDER'S VALUE ENHANCEMENT

Identification of stakeholders is the key to understanding the expectations from the Company and as such helps pave the pathway towards delivering value and fulfilling those expectations. While shareholders, customers, developers, depositors, suppliers, employees and the government are the prime stakeholders; the regulators, local community, and the environmentally interested groups complete the stakeholder circle of SKICL.

### (a) Policy to Encourage Employee's Participation in Management

Employees are considered SKICL's most valuable asset and key to SKICL's continued success. Employees are deemed key stakeholders as they drive SKICL's business forward. They wish to grow with the Company and develop their careers to that they aspire to be, hand-in-hand, whilst the Company progresses.

The employees (officers/ executives/ management personnel) are the main participant in the management decision and they are guided by the principle of individual opportunity, responsibility and reward based on merit.

### (b) Payment to Vendors on Time

SKICL pays its vendors on time and the procurement policy is to maintain a good business relationship with all its service providers and material suppliers.

### (c) Payment of Taxes to the Govt. / Authorities on time

As a responsible corporate citizen, SKICL continues to remain transparent in adherence with the local direct and indirect tax requirements and has contributed BDT 45.70 million to the national exchequer as Value Added Tax (VAT), Supplementary Duty (SD) & Income Tax. Also, SKICL maintains timely submission of VAT return, withholding tax return, income tax return & related all others required return in due time.

The company's contribution to the national exchequer has been given on page no. 57 of this annual report.

### (d) Dispute/ Default in Respect of Payment of Govt. Taxes

The report of dispute/ default in respect of payment of Govt. taxes has been shown under the heading of Contingent liabilities on page no. 166 of this annual report

### (e) Policy of Supply Chain Management

SKICL rigorously follows up its internal procurement policy and upgrades the policy regularly to ensure strong control and fair treatment of suppliers.

## 8. CORPORATE SOCIAL RESPONSIBILITY

### (a) Policy of CSR

Sena Kalyan Insurance Company is a concern of Sena Kalyan Sangstha. The Company is building an image in the insurance sector of Bangladesh. Although the youngest Company, the Company continues to expand its CSR / welfare activities throughout the year. Relief has been distributed under CSR on our behalf among the people affected by the covid-19 epidemic. The depth of the company's dedication to the service of humanity is far-reaching and unbelievable, but the ultimate truth. To confirm Transparency and accountability, this company of the present generation is completely unrivalled and irresistible. This company is always ready and determined to win the hearts of people to provide insurance services.

The report of Corporate Social Responsibility has been given on page no. 117 of this annual report.

### (b) Particulars of the Forestation and Plantation of Trees

At SKICL, we have been relentlessly promoting green insurance for such businesses. As a prudent, forward-looking practice, we take up only those

projects that are environmentally-compliant and sustainable. We are also pursuing paper-less operations, even as we firmly believe that saving on and optimizing the use of resources is a key towards achieving a sustainable environment, both internally and externally. This is also why we promote the use of emails, meetings through videoconferencing and the intranet for internal communication.

**(c) Policy to Prevent Employment of Child Labour in Company's Plants**

We prefer to work with enterprises that have a green consciousness and cultivate an emphasis on environmental protection and preservation. They ensure they don't use child labor or engage in practices that are in deviation of the law.

**(d) Whether Employees and their Immediate Family Members take part in the Community Welfare Initiative of the Company**

We believe that our people are our core assets. In this context, we reinforce our human resource capacities and capabilities in ensuring a motivated and loyal workforce, while also simultaneously providing them with dependable career progression benefits. For our other key stakeholders, we maintain an ongoing dialogue with them, informing them of key developments, while also disseminating information on material developments.

**(e) Scheme Maintain under CSR Programs**

Sena Kalyan Insurance has always been a very supportive organization towards the deprived and struggling community of the society. At SKICL, we earnestly believe that it's the responsibility of the privileged to help the deprived community of the society in order to help them get a better life. As Corporate Social Responsibility (CSR) activities, SKICL has been introduced like PROYASH Schools for Autistic children of Retired Armed Forces Personnel, Cancer Centre at CMH Dhaka and other institutions related to defense services are providing financial support from CSR fund.

Besides, all types of humanitarian helps are also given from CSR fund through SKS.

**9. CORPORATE OBJECTIVES, GOVERNANCE INITIATIVES/ RECOGNITIONS**

**(a) Award**

Since its inception in 2013, Sena Kalyan Company Limited has been leading the winds of change in the insurance industry of Bangladesh in terms of service standard, innovative products and legislative restructuring. Being the pioneer has enabled SKICL to achieve many milestones, many of which are first of its kind in the insurance industry of Bangladesh.

For the good corporate governance practices of the Company, it has been receiving various awards from the beginning.

**(b) Vision and Mission Statement of the Company in the Annual Report**

The Vision and Mission statement of the Company has been given on page no. 6 of this annual report.

**(c) Overall Strategic Objectives**

The strategic objectives of the Company have been given on page no. 7 of this annual report.

**(d) Core Values and Code of Conduct/ Ethical Principles**

The core values and code of conduct/ ethical principles of the Company have been given on page no. 7 of this annual report.

**(e) Directors' Profiles and their Representation on the Board of other Companies & Organization**

The brief resume of the Directors have been included on page nos. 11 to 19 of this Annual Report and as well as their representation on Board of other Companies & organization has also been given in the page no. 70 of the report.



## 10. TIMELINESS IN ISSUING FINANCIAL STATEMENTS AND HOLDING AGMs

SKICL holds a General Meeting of members once a year and the meeting is being held within 6 (six) months of completion of the respective financial year, as per the guidelines of BSEC as well as the permitted time limit of the Companies Act- 1994. The Company ensures effective interaction with the members at the Annual General Meeting. The Directors pay special attention in answering the various queries raised by the members at the Annual General Meeting.

As required under “Bangladesh Secretarial Standard-2” issued by ICSB, particulars of last three Annual General Meetings are disclosed hereunder:

### 8<sup>th</sup> Annual General Meeting:

Date & Time: June 24, 2021 at 11:00 AM

Venue: SKS Tower (12<sup>th</sup> Floor), Dhaka-1206

Participants: 7 Nominated Directors of SKS which represent 24,000,000 shares being 100% of paid-up shares of the Company.

Resolutions were passed by the shareholders on the following:

- (i) Consideration and adoption of Directors’ Report, Audited Financial Statements for the year ended December 31, 2020 and the Auditors’ Report thereon;
- (ii) Dividend @ 10% cash;
- (iii) Re-Appointment of Mahfel Huq & Co., Chartered Accountants as statutory auditors and re-appointment of Ahmed Zaker & Co., Chartered Accountants as a professional to provide the certificate on compliance on the BSEC’s Corporate Governance Code - 2018.

### 7<sup>th</sup> Annual General Meeting:

Date & Time: August 12, 2020 at 11:00 AM

Venue: SKS Tower (12<sup>th</sup> Floor), Dhaka-1206

Participants: 7 Nominated Directors of SKS which represent 24,000,000 shares being 100% of paid-up shares of the Company.

Resolutions were passed by the shareholders on the following:

- (i) Consideration and adoption of Directors’ Report, Audited Financial Statements for the year ended December 31, 2019 and the Auditors’ Report thereon;
- (ii) Dividend @ 10% cash;
- (iii) Re-Appointment of Mahfel Huq & Co., Chartered Accountants as statutory auditors.

### 6<sup>th</sup> Annual General Meeting:

Date & Time: May 06, 2019 at 11:00 AM

Venue: SKS Tower (12<sup>th</sup> Floor), Dhaka-1206

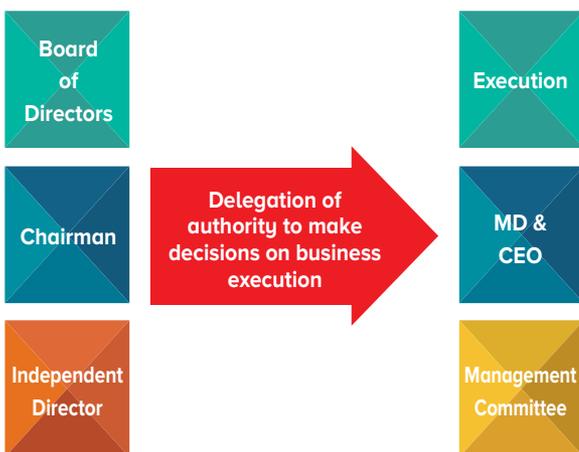
Participants: 7 Nominated Directors of SKS which represent 24,000,000 shares being 100% of paid-up shares of the Company.

Resolutions were passed by the shareholders on the following:

- (i) Consideration and adoption of Directors’ Report, Audited Financial Statements for the year ended December 31, 2018 and the Auditors’ Report thereon;
- (ii) Dividend @ 5% cash;
- (iii) Re-Appointment of Mahfel Huq & Co., Chartered Accountants as statutory auditors.

## 11. DELEGATION OF AUTHORITY

This separation of duties strengthens the oversight functions of the Board of Directors and delegation of authority regarding business execution to the CEO’s with the aim to accelerate the SKICL’s decision-making process.



## 12. AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

As a listed Company, SKICL must comply with the BSEC's Corporate Governance Code (CGC), which require the Company to provide a statement in the Annual Report disclosing the extent to which it has complied with the BSEC Code. The status of compliance shall be certified by a practicing Professional Accountant/Secretary. The tables summarizing SKICL's compliances are provided in Annexure-C of this report. Ahmed Zaker & Co., Chartered Accountants have certified that the Company complied with the conditions of Corporate Governance as stipulated under the Corporate Governance Guidelines except as stated in the remarks column, which has been annexed on page no. 91 of this report.

## 13. RISK MANAGEMENT

As Sena Kalyan Insurance continues to invest in new ways to gain a better understanding of the dynamic and constantly changing risk environment, it remains at the forefront of risk and resilience, enhancing risk mitigation strategies for businesses, governments and the civil society as well as informing the public policy agenda at large. A detailed report on risk management framework has been described at notes 2.40 of the Financial Statements on page no. 149 of this report.

## 14. GOING CONCERN

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business without significant fluctuation in value. The accompanying financial statements do not include any adjustments, which indicate that Sena Kalyan Insurance Company Limited be unable to continue as a going concern.

## 15. DIVIDEND DISTRIBUTION POLICY

SKICL is devoted to driving superior value creation for all its stakeholders through an appropriate capital strategy, the focus will continue to be on sustainable returns for long term value creation ensuring the immediate, as well as long term needs of the business.

Accordingly, we have formulated a dividend distribution policy in line with the Directive on Dividend Distribution and management of Bangladesh Securities and Exchange Commission (BSEC), no BSEC/CMMRRCD/2021-386/03, dated on January 14, 2021. This policy seeks to lay down a broad framework for the distribution of dividend by the Company to its shareholders.

The details dividend distribution policy of the Company is available in the Company's website.

## 16. SUMMARY OF UNPAID OR UNCLAIMED DIVIDEND

Sena Kalyan Sangstha, Sponsor of SKICL did not collect its cash dividends for the year 2020 until December 31, 2021, in which amounts were Tk. 8,422,519.00. However, we have failed to distribute the IPO's shares against 8 shareholders due to close BO accounts.

Summary of undistributed IPO shares are given hereunder (As of December 2021):

Nos. of Shareholders	Nos. of Shares
8	154



## 17. Anti-Money Laundering Compliance

In order to ensure the proper execution of Anti-Money Laundering compliance, we have a Central Compliance Unit (CCU) and nominated officers in each Branch for analysis and control purpose. Central Compliance Unit (CCU) works directly under the Chief Executing Officer (CEO) of the Organization. CCU issues the instructions to be followed by the branches. These instructions are prepared combining the issues related to monitoring of transactions, internal control, self assessment report, policies and procedures from the point of preventing money laundering and terrorist financing. As per the instructions of Bangladesh Financial Intelligence Unit (BFIU), the Central Compliance Unit (CCU) of SKICL is comprised of the following Personnel:

- Maloy Kumar Saha—Chief Anti Money Laundering Compliance Officer (CAMLCO) and Chief of CCU
- Pronab Kumar Saha—Member of CCU & Head of Underwriting Department

- Tajul Islam—Member of CCU & Head of Claim & Re-Insurance Department
- Md Shakhawat Hossain—Member of CCU & Head of IT Department.

Mr. Maloy Kumar Saha, CFO has been appointed as a Chief Anti Money Laundering Compliance Officer (CAMLCO) in our company. CCU addresses the prevention of money laundering & terrorist financing activities under the Money Laundering Prevention Act-2012 and the Anti Terrorism Act-2013 (Amended). This includes an AML/CFT risk assessment and practices, procedures and controls for establishing business relationship, KYC procedures and ongoing transaction monitoring for detecting suspicious transactions/policy activity, regularly monitors and ensures reporting to BFIU. CCU has to prepare Self Assessment Report semiannually on the basis of BFIU's Master Circular 16 section 8.1. CCU organizes quarterly meeting and training for all the employees on AML and CFT.

**Annexure-A**

**[As per condition No. 1(5) (xxvi)]  
Sena Kalyan Insurance Company Ltd.  
Declaration by CEO and CFO**

Date: April 20, 2022

The Board of Directors  
Sena Kalyan Insurance Company Ltd.  
SKS Tower (12<sup>th</sup> Floor)  
7 VIP Road, Mohakhali , Dhaka -1206

**Subject: Declaration on Financial Statements for the year ended on 31<sup>st</sup> December, 2021.**

Dear Sir(s),

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

- (1) The Financial Statements of Sena Kalyan Insurance Company Ltd. for the year ended on 31<sup>st</sup> December, 2021 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

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

- (i) We have reviewed the financial statements for the year ended on 31<sup>st</sup> December, 2021 and that to the best of our knowledge and belief:
  - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Sd/-  
**Brig Gen Md Shafique Shamim, psc (retd), CII (cert), ABIA**  
Managing Director & CEO

Sd/-  
**Maloy Kumar Saha**  
Chief Financial Officer



## Annexure-B

[Certificate as per condition No.1(5)(xxvii)]

**Report to the Shareholders  
of  
Sena Kalyan Insurance Company Limited  
on compliance of the corporate governance code**

We have examined the compliance status of the Corporate Governance Code by **Sena Kalyan Insurance Company Limited** for the year ended December 31, 2021. This code relates to the notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 of the Bangladesh Securities & Exchange Commission (the 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 provision of 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 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.

**Date: Dhaka  
17 May 2022**

**Ah d Zaker & Co.**  
Chartered Accountants  
M. Zabed Ali Mridha, FCA  
Partner  
Enrollment No.: 478

### Annexure-C

#### [As per condition No. 1(5)(xxvii)]

Status of compliance with the conditions imposed by the Commission's Notification No.SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

#### (Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
<b>1</b>	<b>BOARD OF DIRECTORS:</b>			
1(1)	<b>Size of the Board of Directors:</b> The total number of members of the company's Board of Directors shall not be less than 5 (five) and more than 20 (twenty)	✓		Board comprises 9 Members including 2 Independent Directors
<b>1(2)</b>	<b>Independent Directors:</b>			
1(2) (a)	At least one fifth (1/5) of the total number of Directors shall be Independent Directors	✓		2 (two) Independent Directors namely: (1). Mr. M. M Mostafa Bilal and (2). Mr. Ahamed Ihteyaz Thamid
<b>1(2)(b)</b>	<b>Independent Director means a Director:</b>			
1(2)(b)(i)	Who either does not hold share in the company or holds less than one (1%) shares of the total paid-up shares of the company;	✓		
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 members also shall not hold above mentioned shares in the company;	✓		
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		
1(2)(b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies;	✓		



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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 (NBF); and	✓		
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude;	✓		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	✓		
1(2)(d)	The post of independent director(s) cannot remain vacant 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.	✓		
<b>1(3)</b>	<b>Qualification of Independent Director:</b>			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	✓		
<b>1(3)(b)</b>	<b>Independent director shall have following qualifications:</b>			
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			N/A
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 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or			N/A
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;			N/A
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.			N/A
<b>1(4)</b>	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:</b>			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			N/A
<b>1(5)</b>	<b>The Directors' Report to Shareholders:</b>			
1(5)(i)	An industry outlook and possible future developments in the industry;	✓		Page no. 49
1(5)(ii)	The segment-wise or product-wise performance;	✓		Page no. 50
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		Page no. 54
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		Page no. 54
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	✓		Page no. 54
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;	✓		Page no. 54
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	✓		Page no. 55
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.;	✓		Page no. 55
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	✓		Page no. 55
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓		Page no. 56
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;	✓		Page no. 56
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		Page no. 56
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;	✓		Page no. 56
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;	✓		Page no. 56



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		Page no. 56
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		Page no. 57
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;	✓		Page no. 57
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;	✓		Page no. 58
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		Page no. 58
1(5)(xx)	An explanation on the reasons, if the issuer company has not declared dividend (cash or stock) for the year;	✓		Page no. 58
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;	✓		Page no. 58
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		Page no. 58
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 :-	✓		Page no. 58
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);	✓		Page no. 62
1(5)(xxiii)(c)	Executives; and	✓		Page no. 62
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	✓		Page no. 62
<b>1(5)(xxiv)</b>	<b>In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-</b>			
1(5)(xxiv)(a)	A brief resume of the director;	✓		
1(5)(xxiv)(b)	Nature of his or 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 :-	✓		Page no. 63
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	✓		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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	✓		Page no. 90
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.	✓		Page no. 91
<b>1(6)</b>	<b>Meetings of the Board of Directors:</b> The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
<b>1(7)</b>	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer:</b>			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		
<b>2.</b>	<b>GOVERNANCE OF BOARD OF DIRECTORS OF SUBSIDIARY COMPANY:</b>			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			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
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



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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
<b>3.</b>	<b>MANAGING DIRECTOR (MD) OR CHIEF EXECUTIVE OFFICER (CEO), CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPLIANCE (HIAC) AND COMPANY SECRETARY (CS):</b>			
<b>3(1)</b>	<b>Appointment:</b>			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).			N/A
<b>3(2)</b>	<b>Requirement to attend Board of Directors' Meetings:</b>			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓		
<b>3(3)</b>	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO):</b>			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief :			
3(3)(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
<b>4.</b>	<b>BOARD OF DIRECTORS' COMMITTEE:</b>			
4(i)	Audit Committee; and	✓		
4(ii)	Nomination and Remuneration Committee.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
<b>5.</b>	<b>AUDIT COMMITTEE:</b>			
<b>5(1)</b>	<b>Responsibility to the Board of Directors:</b>			
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 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.	✓		
<b>5(2)</b>	<b>Constitution of the Audit Committee:</b>			
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 nonexecutive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
5(2)(c)	All members of the audit committee should be “financially literate” and at least 1(one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓		
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.	✓		
<b>5(3)</b>	<b>Chairperson of the Audit Committee:</b>			
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)	✓		



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
<b>5(4)</b>	<b>Meeting of the Audit Committee:</b>			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year	✓		As the Company was listed in November 2021, we have been following the rules since 2022
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
<b>5(5)</b>	<b>Role of Audit Committee:</b>			
5(5)(a)	Oversee the financial reporting process;	✓		
5(5)(b)	Monitor choice of accounting policies and principles;	✓		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5(5)(d)	Oversee hiring and performance of external auditors;	✓		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		
5(5)(h)	Review the adequacy of internal audit function;	✓		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5)(j)	Review statement of all related party transactions submitted by the management;	✓		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓		
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission	✓		
<b>5(6)</b>	<b>Reporting of the Audit Committee:</b>			
<b>5(6)(a)</b>	<b>Reporting to the Board of Directors:</b>			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		
<b>5(6)(a)(ii)</b>	<b>The Audit Committee shall immediately report to the Board on the following findings, if any:-</b>			

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(6)(a)(ii)(a)	Report on conflicts of interests;			N/A
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;			N/A
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			N/A
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			N/A
<b>5(6)(b)</b>	<b>Reporting to the Authorities:</b> If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			N/A
<b>5(7)</b>	<b>Reporting to the Shareholders and General Investors:</b> Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
<b>6.</b>	<b>NOMINATION AND REMUNERATION COMMITTEE (NRC):</b>			
<b>6(1)</b>	<b>Responsibility to the Board of Directors:</b>			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	✓		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	✓		
<b>6(2)</b>	<b>Constitution of the NRC:</b>			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	✓		
6(2)(b)	All members of the Committee shall be non- executive directors;	✓		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			N/A



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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.	✓		
<b>6(3)</b>	<b>Chairperson of the NRC:</b>			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	✓		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders	✓		
<b>6(4)</b>	<b>Meeting of the NRC:</b>			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	✓		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	✓		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓		
<b>6(5)</b>	<b>Role of the NRC:</b>			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
<b>6(5)(b)</b>	<b>NRC shall oversee, among others, the following matters and make report with recommendation to the Board:</b>			
<b>6(5)(b)(i)</b>	<b>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:</b>			
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓		
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓		
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	✓		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	✓		
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	✓		
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	✓		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		
<b>7.</b>	<b>EXTERNAL OR STATUTORY AUDITORS:</b>			
<b>7(1)</b>	<b>The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:</b>			
7(1)(i)	Appraisal or valuation services or fairness opinions;	✓		
7(1)(ii)	Financial information systems design and implementation;	✓		
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	✓		
7(1)(iv)	Broker-dealer services;	✓		
7(1)(v)	Actuarial services;	✓		
7(1)(vi)	Internal audit services or special audit services;	✓		
7(1)(vii)	Any service that the Audit Committee determines;	✓		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		
7(1)(ix)	Any other service that creates conflict of interest.	✓		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		
<b>8.</b>	<b>MAINTAINING A WEBSITE BY THE COMPANY:</b>			
8(1)	The company shall have an official website linked with the website of the stock exchange.	✓		
8(2)	The company shall keep the website functional from the date of listing.	✓		



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
<b>9.</b>	<b>REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:</b>			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		The professional who provided the certificate for the year 2021 was appointed in the last AGM
(8th AGM)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		

# Statement on Internal Control

Internal control is the process designed and affected by those charged with governance, management and other personnel to provide reasonable assurance about the achievement of the entity's objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

The main objectives of the internal control process can be categorized as follows:

- Efficiency and effectiveness of operation;
- Reliability, completeness and timeliness of financial and management information; and
- Compliance with applicable laws and regulations.

Key features of Internal Control System are as follows:

1. Management oversight and the control culture
2. Risk recognition and assessment
3. Control activities and segregation of duties
4. Information and communication
5. Monitoring activities and correcting deficiencies

### Management oversight and the control culture

An essential element of an effective system of internal control is a strong control culture. It is the responsibility of the board of directors and senior management to emphasize the importance of internal control through their actions and words. This includes the ethical values that



management displays in their business dealings, both inside and outside the company.

### **Risk recognition and assessment**

An effective internal control system requires that the material risks that could adversely affect the achievement of the company's goals are being recognized and continually assessed. This assessment should cover all risks facing the insurance (which are Fire risk, Marine, Motor risk, Insurable risk, Uninsurable risk, Market risk, liquidity risk, operational risk, legal risk and reputational risk). Internal controls may need to be revised to appropriately address any new or previously uncontrolled risks.

### **Control activities and segregation of duties**

Control activities should be an integral part of the daily activities of a company. An effective internal control system requires that an appropriate control structure has set up, with control activities defined at every business level. These should include; top-level reviews; appropriate activity controls for different departments or divisions; physical controls; checking for compliance with exposure limits and follow-up on non-compliance; a system of approvals and authorizations and, a system of verification and reconciliation.

### **Information and communication**

An effective internal control system requires there are adequate and comprehensive internal financial, operational and compliance data, as well as external market information about events and

conditions that are relevant to decision making. Information should be reliable, timely, accessible, and provided in a consistent format.

### **Monitoring activities and correcting deficiencies**

**The Board of Directors of SKICL performs the following activities to monitor the Internal Control System:**

1. Periodic discussions with management concerning the effectiveness of the internal control system.
2. Timely review of evaluations of internal controls made by management, internal auditors, and external auditors.
3. Periodic efforts to ensure that management has promptly followed up on recommendations and concerns expressed by auditors and supervisory authorities on internal control weaknesses.
4. Periodic review of the appropriateness of SKICL's strategy and risk limits.

Through the establishment of the Audit Committee, the Board of Directors monitors the effectiveness of internal control system. The Audit Committee evaluates whether management is setting the appropriate compliance culture by communicating the importance of internal control among the employees. They also review the corrective measures taken by the management relating to operational lapses.

# Report of the Audit Committee

## Scope of work of Audit Committee

An Audit Committee is a standing committee of the Board of Directors charged with oversight of financial reporting and disclosure. It assists the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.

Bangladesh Securities and Exchange Commission (BSEC) has issued a notification regarding Corporate Governance Guidelines [Notification No. BSEC/ CMRRCD/2006-158/207/Admin/80 dated 03 June 2018]. The conditions of these are imposed on 'comply' basis aiming to enhance corporate governance in the interest of investors and the capital market. The companies listed with any Stock Exchange in Bangladesh shall have to comply with these conditions. As per condition 4 of the said guidelines, "every listed company shall have an Audit Committee as a sub-committee of the Board of Directors and the duties of the Audit Committee shall be clearly set forth in writing".

In view of the above, the Board of Directors of SKICL has approved the

Terms of Reference (ToR) which, in turn, are shaped by directives from its principal regulators, the Insurance Development and Regulatory Authority (IDRA) and the Bangladesh Securities and Exchange Commission (BSEC).

### These include, but are not limited to, exercising oversight over:

- The internal control system of the company
- Financial reporting
- The Internal Control and Compliance department
- Compliance with regulatory requirements

## Composition of the Committee

The Board of Directors has been very meticulous in the formation of the Audit Committee, which consists of 4 (four) members. All the members are financially literate and possess the required qualifications in keeping with the spirit & objectives as laid down in the regulatory directives.

The current Audit Committee was last reconstituted on April 24, 2021, and the present members of the Committee are:

Name	Status in the Committee	Status in the Board
M. M. Mostafa Bilal	Chairman	Independent Director
Air Cdre M Moyeenuddin, ndc, afwc, psc	Member	Nominated Director
Brig Gen Md Mustafa Kamal, SGP	Member	Nominated Director
Brig Gen Md Shaheen Iqbal, afwc, psc	Member	Nominated Director

Mr. M. M. Sajedul Islam, Company Secretary is also the Secretary of the Audit Committee. The Head of Internal Audit reports to the Audit Committee as well as keeps the Managing Director & CEO apprised about it.



The Committee is authorized to investigate any matter within its terms of reference, access all documents and information of the company, seek information from any director or employee of the Company and co-opt any resource (including external professional assistance) it sees fit in order to fulfill its duties. However, the Committee has no executive function and its primary objective is to review and challenge, rather than assume responsibility for any matters within its remit.

The Committee presents a summary of its activities to shareholders and other interested parties by means of this report, and the committee Chairman attends all general meetings of the Company's shareholders to answer any questions on the committee's activities.

### **Activities of the Audit Committee during the year**

The Committee normally meets quarterly, but an emergency meeting of the Committee may be called if required. However, during the period under review, 1 (one) meeting of the Committee were held. The Committee reviewed the financial reporting process, the system of internal control, management of financial & operational risks through the audit process, report of management discussion & analysis prior to its publication in the Annual Report, report of the Audit Committee for publication in the Annual Report. The committee evaluated all the quarterly and annual accounts before being placed in the respective Board Meetings. It also recommended the appointment of Statutory Auditors for the year 2021 and the appointment of auditors for certification on compliance with the conditions of Corporate Governance Codes (CGC) for the year 2021.

Based on the review, the Audit Committee is of the view that the internal control and compliance procedures are adequate to present a true and fair view of the activities and financial status of the Company and to ensure that its assets are safeguarded properly.

### **Roles and Responsibilities of the Committee**

As set out by Bangladesh Securities & Exchange

Commission, in addition to any other responsibility, which may be assigned from time to time by the Board, the audit committee is responsible for the following matters:

#### **(a) Internal Control**

- i). Evaluate whether management is setting the appropriate compliance culture by communicating the importance of internal control and the management of risk and ensuring that all employees have an understanding of their roles and responsibilities;
- ii). Review the arrangements made by the management for building a suitable Management Information System (MIS) including computerization system and its applications;
- iii). Consider whether internal control strategies recommended by internal and external auditors have been implemented by the management;
- iv). Review the existing risk management procedures for ensuring an effective internal check and control system;
- v). Review the corrective measures taken by the management as regards the reports relating to fraud- forgery, deficiencies in internal control, or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and inform the board on a regular basis.

#### **(b) Financial Reporting**

- i). Review the quarterly and annual financial statements and determine whether they are complete and consistent with the accounting standards set by the regulatory authority;
- ii). Meet management and the external auditors to review the financial statements before their finalization;

- iii). The chairman of the audit committee shall be present in the annual general meeting and answer the queries related to the accounts and audit;
- iv). Recommend to the Board about the requirement of any changes to be incorporated in the accounting policies.

#### **(c) Internal Audit**

- i). Review the activities and organizational structure of the internal audit function.
- ii). Review the efficiency and effectiveness of internal audit function;
- iii). Review and ensure that the findings and recommendations made by the internal auditors, are duly considered by the management.

#### **(d) External Audit**

- i). Review the auditing performance of the statutory auditors and their audit reports;
- ii). Review the findings and recommendations made by the statutory auditors for compliance of the management;
- iii). Make recommendations to the Board regarding the appointment of the statutory auditors.

#### **(e) Compliance with existing Laws and Regulations**

Review whether the laws and regulations framed by the regulatory authorities (IDRA and other bodies) and internal regulations approved by the Board have been complied with.

#### **(f) Other Responsibilities**

- i). Place reports before the Board periodically

regarding findings, recommendations, regularization of the errors & omissions, fraud and forgeries, and other irregularities as detected by the internal and statutory auditors and inspectors of regulatory authorities;

- ii). Perform other functions as may be required by the Board and evaluate the Committee's own performance on a regular basis.

#### **Reporting to the Board and the Shareholders**

**The Committee reports to the Board following each meeting. In addition, the Committee also provides:**

- Copies of minutes of the meeting to the Board;
- A report annually to the Board/ Shareholders;

#### **Acknowledgment**

Based on its reviews and above mentioned discussions, the Audit Committee is of the view that the internal control and compliance system of the company is adequate for the purposes of presenting a true and fair view of the activities and financial status of the company and for ensuring that its assets are safeguarded properly against business and operational risks.

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

Sd/-

**M. M. Mostafa Bilal**

Chairman

Audit Committee



## Reports on the Activities of the Nomination and Remuneration Committee (NRC) of Sena Kalyan Insurance Company Ltd (SKICL):

Pursuant to the Corporate Governance Code of Bangladesh Securities and Exchange Commission, the Board of Directors of Sena Kalyan Insurance Company Ltd. has duly constituted a Nomination and Remuneration Committee (NRC). The NRC assists the Board in formulating the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of Directors and other top-level executives. The NRC also assists the Board to formulate policy for the formal and continued process of considering remuneration/ honorarium for Directors and top-level executives.

### Nomination and Remuneration Committee (NRC):

The Nomination and Remuneration Committee (NRC) of Sena Kalyan Insurance Company Ltd. has been formed pursuant to the Bangladesh Securities and Exchange Commission's Corporate Governance Code- 2018. The current NRC was last constituted on April 24, 2021 and the present members of the Committee are:

Name	Status in the Committee	Status in the Board
<b>Barrister Ahamed Ihteyaz Thamid</b>	Chairman	Independent Director
<b>Brig Gen M A Mohy, psc, pEng</b>	Member	Director
<b>Brig Gen Md Jamal Hossain, ndc, afwc, psc</b>	Member	Director
<b>Brig Gen Mirza Md Enamul Haque, ndc</b>	Member	Director

### Role and Responsibilities:

- Review the framework for the remuneration and terms and conditions of employment of the

chairman of the board and the directors;

- Monitor the level and structure of the remuneration of senior managers;
- Set detailed remuneration of the directors and chairman;
- Ensure that directors are fairly rewarded for their contribution to the performance of the company;
- Ensure transparency to shareholders that remuneration of the directors is set by individuals with no personal interest in the outcome of the committee decisions.

### Nomination and Remuneration Policy/ Criteria:

The objective of the remuneration policy is to enable the Company to attract, motivate, and retain qualified industry professionals for the Board of Management and other executive levels in order to achieve the Company's

strategic goals. The remuneration policy acknowledges the internal and external context as well as the business needs and long-term strategy. The policy is designed

to encourage behaviour that is focused on long-term value creation, while adopting the highest standards of good corporate governance. The policy is built on the following principles:

**A) The Nomination Criteria:**

- i. The company policies as well as guidelines and applicable laws/ regulations for the Company;
- ii. A prescribed selection process that is transparent in all respects;
- iii. Following a process which is compatible with the recognized standards and the best practices;
- iv. Distinguishing the core competencies of the respective personnel for the different levels of management and employees of the Company;
- v. Follow diversity in age, maturity, gender experience, qualification, educational background, expertise, ethnicity and nationality.

**B) Recruitment and Selection Standards:**

The recruitment and selection of Directors and Top-level Executives of the Company are made according to the following core guiding principles:

**Directors and Top-Level Executives:**

- i. At first, identifying Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;
- ii. Then, identifying persons who are qualified to become directors and who may be appointed in the top-level executive position in accordance with the criteria laid down and recommend their appointment and removal to the Board of directors;
- iii. The Board of Directors appoints Directors'

and top-level executives, upon nomination recommendation of the NRC.

**Independent Director:**

- i. The Independent Directors shall be knowledgeable individuals with integrity who are able to ensure compliance with financial laws, regulatory requirements and corporate laws that can make meaningful contribution to the business;
- ii. The Independent Directors should have competence of the relevant sector in which Company operates and should have the qualifications as required by the Code of BSEC;
- iii. The Board of Directors appoints Independent Director upon nomination and recommendation of the NRC, which is then approved by shareholders at the Annual General Meeting of the Company.

**C) Remuneration Criteria:**

The key features of the Remuneration criteria recommended by the NRC are as follows:

- i. The structure, scale and composition of remuneration/ honorarium are reasonably considered based on the Company's policies and guidelines set by the Board of Directors to attract, retain and motivate the top-level executives to run the company efficiently and successfully;
- ii. The context of packages, including remunerations/ benefits is categorically laid down which meets the appropriate performance benchmarks as per the Company policies and guidelines ratified by the Board as and when required.;
- iii. The remuneration to directors, top-level executives involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;



- iv. The NRC will recommend the Board meeting attendance fees, honorarium including incidental expenses, if any; and
- v. No member of NRC will be allowed to receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Board meetings and Board's sub-committee meetings attendance fees from the Company.

#### **D) Evaluation Criteria:**

##### **Board of Directors/ Top-Level Executives:**

The respective authority of the Directors and Top-Level Executives sets the performance measurement criteria based on the respective role profile and responsibilities through the Company's annual appraisal policy/process at a certain time of each calendar year.

##### **Independent Director:**

The evaluation of the performance of the Independent Directors is to be carried out according to the criteria of attendance and participation in the Board meetings and committee meetings and contribute to the improvement of the corporate governance practices of the Company.

#### **E) Conflict in Policy:**

In the event of a conflict between this policy and the extant regulations, the regulations shall prevail.

#### **F) Amendments / Modifications:**

To the extent any change/amendment is required in terms of any applicable law or change in regulations, the regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law. Such amended policy shall be placed before the Board for noting and necessary ratification.

#### **G) Review of Policy:**

The Board of Directors of the Company may review the policy, if the Board proposes on the basis of criteria in addition to those specified in the policy, or proposes to modify the criteria, it shall disclose such changes along with the rationale for the same on the Company's Annual Report.

#### **H) Disclosure of Policy:**

The policy will be disclosed in the Company's Annual Report.

The activity of the Nomination and Remuneration Committee during the year:

There was 2 (two) meeting held of NRC in 2021. The activities of the NRC during the year were as follows:

- i. Followed the Terms of Reference (ToR) of NRC, as approved by the Board of directors;
- ii. Discussed the policy relating to the remuneration of the retiring and contract renewal to the top-level executives of the Company;
- iii. Developed, recommended and reviewed the Company's annual human resource capital and training policies as well as the involvement of financial matters regarding the increment and promotion.

Sd/-

**Barrister Ahamed Ihteyaz Thamid**

Chairman

Nomination and Remuneration Committee



# Risk Management Report

## Overview:

In general terms, risk management is the assessment and quantification of the likelihood and financial impact of events that may occur in the customer's world that require settlement by the insurance company; and the ability to spread the risk of these events occurring across other insurance underwriters in the market. Risk management involves managing to achieve appropriate balance between realizing opportunities for gains while minimizing losses. Risk management work typically involves the application of mathematical and statistical modeling to determine appropriate premium cover and the value of insurance risk. Sena Kalyan insurance company has, as part of its overall corporate governance framework, effective systems of risk management. This guideline has been prepared taking into consideration the rules and guidance of Insurance Development and Regulatory Authority (IDRA).

## Objectives:

The objective of this guideline is to ensure that Sena Kalyan insurance company is managed in a sound and prudent manner by having in place systems for identifying, assessing, monitoring, and mitigating the risks that affect their ability to meet their obligations to policyholders.

## The objectives of issuing this guideline are:

- To ensure that company is run and managed in sound and prudent manner.

- To ensure that company have the system for identifying, assessing, monitoring and mitigating risks.
- To ensure that company have in place the policy and procedures for managing risks.
- To ensure that the board and top level management are responsible for managing risks.

## The Dimension of Risk Management:

Importance of Risk Management taking risk is an integral part of financial intermediation and insurance business. However, failure to adequately assess and manage risks may lead to losses endangering the soundness of company and affecting the stability of the overall financial system. Weak risk management is often identified along with weak internal governance as an underlying cause of insurance company's failure. There is a strong link between good corporate governance and sound risk management. It is an essential part of helping the company to grow and promote sustainability and resilience. The setting of an appropriate risk strategy and risk appetite/ tolerance levels, a holistic risk management approach and effective reporting lines to the management and supervisory functions, enable company to take risks knowingly and treat risks where appropriate.

## Risk Culture:

The key element of effective risk management of Sena Kalyan insurance company is sound and consistent risk



culture. We develop an integrated and institution-wide risk culture, based on a full understanding of the risks it faces and how are managed, considering risk appetite and tolerance. In this regard, we develop through policies, communication, training of staff regarding their responsibilities for risk.

### **Risk Capacity:**

Sena kalyan consider that Risk Appetite and Risk Tolerance, Risk capacity is the maximum amount of risk an insurance company is able or not to bear considering its available financial resources. Risk appetite describes the absolute risks an insurance company is open to take a priori, considering its exposures and business activities, its business objectives and its obligations to stakeholders. Risk tolerance relates to the maximum amount of risks an insurance company is ready to tolerate above its risk appetite. Risk tolerance shall be based on the use of series of risk limits and indicators that serve as early warning mechanisms to alert management of threats to strategy and objectives.

### **Risk Assessment:**

Risk assessment is the overall process of risk identification, analysis, and evaluation. Risk identification is the starting point for identifying the nature, sources and cost of risk, areas of impacts, events, causes, and potential consequences. Attention should be given not only to existing risks but also to those arising from new activities. Risk analysis involves developing and understanding of the risk that will help make the decisions most appropriate for risk treatment. Risk analysis involves measuring risk by considering consequences of an unfavorable event and likelihood of such event occurring. Factors that affect consequences and likelihood shall also be identified. Risk evaluation helps in making decisions, based on the outcomes of the risk analysis, in particular to inform senior management. It mainly involves comparing the level of risk found during the analysis process with the company's risk appetite.

### **Reinsurance:**

Reinsurance is an arrangement where a portion of the risks assumed by a direct insurance entity is ceded to other insurance entities. The mechanisms to transfer risks include traditional reinsurance and other alternative risk transfer approaches. The insurer must specifically demonstrate that material and catastrophic risks are appropriately covered by reinsurance treaties and facultative arrangements. This forms part of insurance risk. For this Sena Kalyan Insurance Co. takes step in risk management as well as home and abroad considering the followings:

### **Risk Identification and Measurement:**

The company analyzes risk profile to decide what and how much risks are to be retained, taking into consideration it's risk appetite and the availability and cost of reinsurance. Department is also mindful of possible gaps in the reinsurance program, resulting in more risks being retained than intended. Another potential material risk is the risk that the reinsurance contract wording does not accurately reflect the intent for the reinsurance cover, or the contract is not legally enforceable. Insurance company may also face credit risk arising from potential defaults by its reinsurers. In addition, they are exposed to liquidity risk in the event of large losses whereby they may have to pay the claims prior to receiving all the reinsurance recoverable.

### **Risk Control and Mitigation:**

In designing the reinsurance program, Sena Kalyan Insurance Company take into account relevant factors including business plans and strategies; underwriting philosophy and capabilities; size and profile of each line of business; frequency and size of loss by line of business; geographical distribution of the business; and financial strength. The company ensure reinsurance contracts cover all applicable lines of business and the limits of cover are adequate. The reinsurance management policy

and procedures shall spell out clear criteria for the selection of reinsurers and outline the information that is required to assess the financial soundness of a reinsurer.

### **Risk Monitoring and Review:**

The company monitor that only reinsurers as per reinsurance directive issued by IDRA are used and track aggregate exposures to individual reinsurers or groups of related reinsurers against established exposure limits. We monitor the outstanding balances from our reinsurance counterparties and the credit standing of the reinsurers on their panel on an ongoing basis. The company review whether their reinsurance program has, over a period of time, supported their business objectives and strategies, and helped to mitigate their losses to within their risk tolerance level.

### **Claims Handling:**

Claims handling is the process by which an insurance company processes and pays claims in accordance to the terms and conditions specified in the insurance contracts. The process generally comprises registering new claims, selecting the surveyor, setting and revising reserves, obtaining essential information to assess, manage and settle the claim, making reinsurance and other recoveries, and reviewing and closing claim files. The following procedures are maintained to settle the claim:

### **On receipt of a loss intimation, the first step is to verify that: The policy is in force.**

1. The risks under which the loss is reported is covered under the policy.

2. The items of properties affected and location of the same is under the scope of policy.

After checking the policy, a claim is registered and a claim number is allocated to the Insured. This claim number is used in all future correspondences for easy reference. A claim form is issued to the Insured for completion and return with some papers/ documents in support of the loss. A Surveyor is appointed to investigate and report on the cause and extent of loss. Reinsurer are also intimated about the loss for recovery.

### **Claim Approval:**

1. To settle the claim promptly, financial power to approve upto BDT. 2 lac is kept with MD without placing the claim before the claim committee.
2. Claims amount from BDT. 2.1 lac to 5 lac are placed before the claim committee for approval.
3. Any claim above BDT. 5 lac the claim file is placed before the Chairman of Board of Directors for settlement.

### **Board Committee:**

1. A claims committee was formed by the Chairman comprising 4 members of Board of Directors Headed by DG(Welfare), SKS- Chairman, DDG (Admin) SKS-Member, DDG (Finance) SKS-Member, MD (SKICL)-Member Secy.



# Statement of Directors' Responsibilities

## Responsibility for financial statements

The Directors are responsible for ensuring that the Company keeps proper books of accounts of all the transactions and prepares financial statements, which give a true and fair view of the state of its affairs and profit/ loss for the year.

The Board of Directors accepts responsibility for the integrity and objectivity of the financial statements. It ensures that the estimates and judgments relating to the financial statements were made on a prudent and reasonable basis so that they reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's true state of affairs.

The Board of Directors confirm that the International Financial Reporting Standard (IFRS) and International Accounting Standards, as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh, have been adhered to, subject to any material departure being disclosed and explained in the notes to the accounts.

The Board also confirms that the Company keeps accounting records, which disclose with reasonable accuracy, the financial position of the Company, and which enables it to ensure that the financial statements comply with the requirements of the Companies Act, 1994, Securities and Exchange Rules, 1987, the requirements of the Insurance Act 1938 (as amended in 2010), the Insurance Rules

1958, and Listing Regulations of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited and amendments thereto.

## Responsibility for internal control systems

To ensure this, the Company has taken proper and sufficient care in installing a system of internal control, which is reviewed, evaluated and updated on an ongoing basis. The internal control and compliance department of the Company conducts periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed.

## Responsibility for Corporate Governance

At SKICL, we view the governance and oversight of our distinctive business model and prudent strategy as key to the ongoing creation and delivery of value to our stakeholders, particularly in an economic environment that remains both uncertain and challenging.

At our Company, the Board's primary role is to provide leadership, ensure that it is appropriately managed and deliver long-term shareholder value. It also sets the Company's strategic objectives and provides direction as a whole. A number of key decisions are reserved for and may only be made by the Board, which enables it and the executive management to operate within a clear governance framework.

At SKICL, we have also established and embraced - both in letter and spirit - our Code of Conduct, signed by each and every member as an acceptance to adhere to the principles of the Code during all business dealings. The Code also sets out guidance on best practices in the form of principles and provisions on how we should adopt and follow good governance practices. It has been the Board's view that the Company's governance regime has been fully compliant with the best practices set out in the Code during the year under review.

#### **Opinion of External Auditors**

The auditor of the Company, Mahfel Huq & Co., Chartered Accountants, have carried out annual audit to review the system of internal controls, as they consider appropriate and necessary, for expressing their opinion on the financial

statements. They have also examined the financial statements made available by the management together with all the financial records, related data, minutes of shareholders and Board meetings, relevant policies and expressed their opinion.

Moreover, in compliance with the conditions of the revised Corporate Governance Code (CGC) notification No. SEC/ CMRRCD/2006-158/207/ Admin/80, dated June 3, 2018, and notification No. SEC/CMRRCD/2006-158/208/Admin/81, dated June 20, 2018, on financial reporting and disclosure issued by Bangladesh Securities and Exchange Commission (BSEC), Ahmed Zaker & Co., Chartered Accountants, have examined the compliance with the said conditions of Corporate Governance and certified that Sena Kalyan Insurance Limited has complied with the conditions of Corporate Governance Code stipulated in the above mentioned notification.



## Corporate Social Responsibility (CSR) at SKICL

Corporate Social Responsibility (CSR) is the practice of integrating social and environmental goals into business operations. The key idea behind CSR is for organizations to pursue other pro-social objectives, in addition to maximizing profits. CSR also aims to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere who may also be considered as stakeholders.

Sena Kalyan Insurance Company Limited (SKICL) is a concern of Sena Kalyan Sangstha (SKS) of Bangladesh Armed Forces. Born through the Great War of Liberation, Bangladesh Armed Forces have earned a time-tested confidence of the people of the country and with that sky-high image, Sena Kalyan Insurance Company Limited is serving all sections of the people by upholding the principles of transparent perception and corporate practices in the field of insurance.

As part of the CSR initiatives, Sena Kalyan Insurance Company Limited (SKICL) focuses primarily on underprivileged children and physically challenged peoples of the society for their physical, mental and educational improvement. To

achieve the said purpose, SKICL worked with the following social development organizations for the last few years:

The Company pays dividends to its sponsor (Sena Kalyan Sangstha), which the sponsor spends directly on the various CSR sectors.

As per the Scheme of Admin of SKS, Retd Armed Forces Personnel and their dependents are entitled to get various types of welfare from this Sangstha. As Corporate Social Responsibility (CSR) activities have been introduced like PROYASH Schools for Autistic children of Retired Armed Forces Personnel, Cancer Centre at CMH Dhaka and other institutions related to defense services are providing financial support from CSR fund. Besides, all types of humanitarian helps are also given from CSR fund.

The depth of the company's dedication to the service of humanity is far-reaching and unbelievable, but the ultimate truth. To confirm Transparency and accountability, this company of the present generation is completely unrivaled and irresistible. This company is always ready and determined to win the hearts of people to provide insurance services.



# Statement on Ethics and Compliance

The Board of Sena Kalyan Insurance Company Limited is committed to upholding the highest standards of ethics and compliance by its employees through due diligence. The Code of Conduct reflects the commitment. It majorly addresses all the issues relating to conduct and apart from law and regulations touches on prime issues such as Conflict of Interest, Insider Trading, and Other general obligations.

## **Our corporate culture is rooted in ethical conduct**

At Sena Kalyan Insurance, our code of conduct for business ethics and compliance and the internal compliance policies and guidelines as its outgrowth provide all employees, managers and Board members with clear and practical guidance, enabling them to act in line with the values espoused by our Company. The rules of conduct established by the code are binding for all employees and build the basis for our compliance programs.

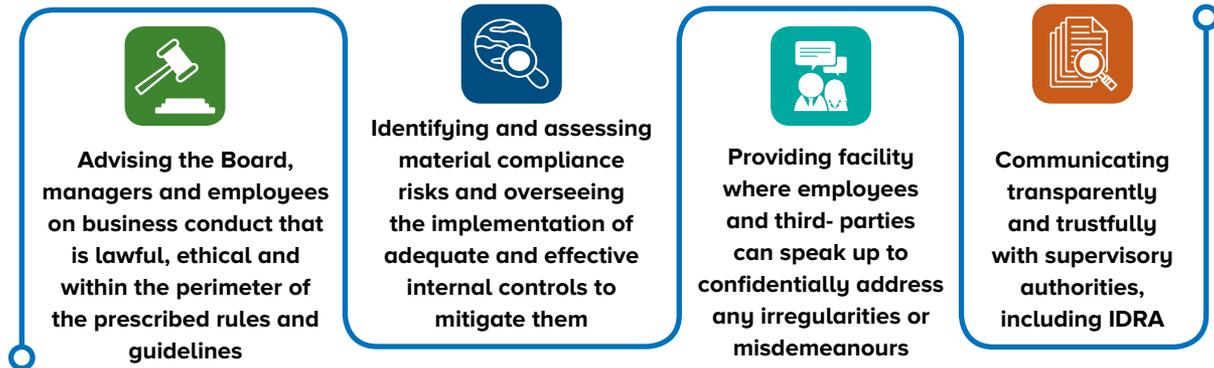
Our strong reputation as Bangladesh's most respected general insurance company is built on the trust of our customers, shareholders, employees and the general public in our integrity. This trust originates on the quality of our products and services, the sustainable impact we create through

insurance, the way we inform and advise our customers, the way our policies are transparently worded, the way we approach claims settlement, and the personal conduct and capability of our employees and representatives.

We have a compliance program that articulates standardised processes and controls for communication, monitoring and review. The program is directly supervised by our senior leadership team. Some of the ways by which we further trust through ethical conduct is by engaging in the enhancement of product governance principles, in building the skills and capabilities of our employees and in continually testing the robustness of our risk framework, etc.

## **Our un-deviated approach to compliance fulfillment**

At SKICL, integrity is at the core of our compliance programs and management systems and the basis for the trust of our customers, shareholders, business partners and employees. The compliance function fosters a corporate culture of individual and collective responsibility and ownership for ethical conduct and adherence to the rules by several ways, including:



As a Company with nationalistic interests at heart, we focus on ensuring exchequer value through compliance and ethical conduct that has come to be expected of us. As the leader in the general insurance business, we view it as our responsibility to ensure that we comprehensively embrace the principles of insurance excellence. Further, with a

customer first philosophy, we always ensure that we keep the best interest of our customers at heart in all our dealings with them. This sense of culture has emerged as a natural and authentic way to ensure compliance with all regulatory rules and guidelines – in both letter and spirit



## Report on Human Resources



**KHADIZA KHANOM MILI**  
Assistant Vice President -HR

SKICL believes that its best investment is in the human resources, as the Company trusts that human resource is the edifice on which the company's performance and productivity are standing on. As human resources are one of the key success factors of the company, SKICL maintains its best recruitment policy and implementing through programs to develop, motivate and retain its talented and capable human resources.

### **Recruitment**

SKICL focuses on hiring the right person for the right position and also concentrates on the proper development and motivation of the personnel. HR Department, in consultation with other departments, forecasts the future manpower requirements. Then we meet such requirements through recruitment, talent development and succession planning.

The objective of SKICL is to recruit the dynamic people who are best suited for the particular job. We also meet our HR requirements through job rotations and job changes. Besides this, the Company places high emphasis on strategy for retention of good performers as well. SKICL have an employee's Organogram chart including job responsibilities of all employees of the company.

In the year under review, total 12 (twelve) new regular employees were hired of which number of male employees were 08 (eight) and female employees were 04 (four). During the year 2021, 02 (two) regular employees were separated from the services of the Company.

### Training and Development

In a bid to keep up with the pace of ever changing business world with regard to altering business processes, embracing technological changes and meet up new compliance and regulatory requirements SKICL undertakes training and development plan for its employees and arranges in-house functional training sessions and sends them over for attending public training programs as well.

During the year, several in-house and external training programs were conducted where 40(forty) employees participated in both categories of training programs.

### Performance Appraisal and Reward

All employees of the Company undergo a formal performance appraisal each year. The performance appraisal helps to emphasize on the career growth of our employees and also helps to identify the training needs. This process ensures that the efforts and contributions of each employee are properly recognized and rewarded.

### Health, Safety and Employee Well-being

Healthy employees are productive and sustainably engaged in their workplace. We always comply with internal workplace health and safety policies.

Including all our branches are well equipped with fire alarms, fire extinguishers etc. In addition, periodic fire drills are carried out to test the effectiveness of the fire safety system. Our branches are also equipped with first aid kits.

We have group insurance and hospitalization insurance coverage for the employees. We always aware and put up all kind of supports all employees of the Company for confrontations during pandemic situation (Covid-19) .

All our employees enjoy earned leave of 30 days (maximum) as require with gross pay and they enjoy mandatory Govt leave (Festival leave) of 22 days. Our female employees are entitled to get maternity leave of six months with gross pay.

### Grievance Management

At SKICL, our employees are encouraged to come forward and inform about anything to the management, which are not aligned with the Core Values of SKICL. It is the policy of Company to handle employee complaint promptly and fairly. The management always entertains any kind of complaint or a state of dissatisfaction. The management has set principles and procedures for handling any kind of complaints of the employees. Complaints are handled strictly and actions are taken based on the merit of the issues.

### Benefits Policy

**SKICL has the following benefits and facilities for its employees:**

- Festival Bonus (Two Eids and Bangla new Year)
- Provident Fund
- Gratuity
- Yearly Increment and Pay Adjustment
- Promotion
- Annual Incentive Bonus based on performance
- Travels/Tour Allowance
- Mobile/Telephone Allowance



- Vehicles Support (individual and pool)
- Employee loan facilities (personal loan)
- Group insurance and health insurance coverage
- Farewell/Donation/stipend
- Reward and recognition for employees' hard work, dedication, Virtue and Ethics to the Company.

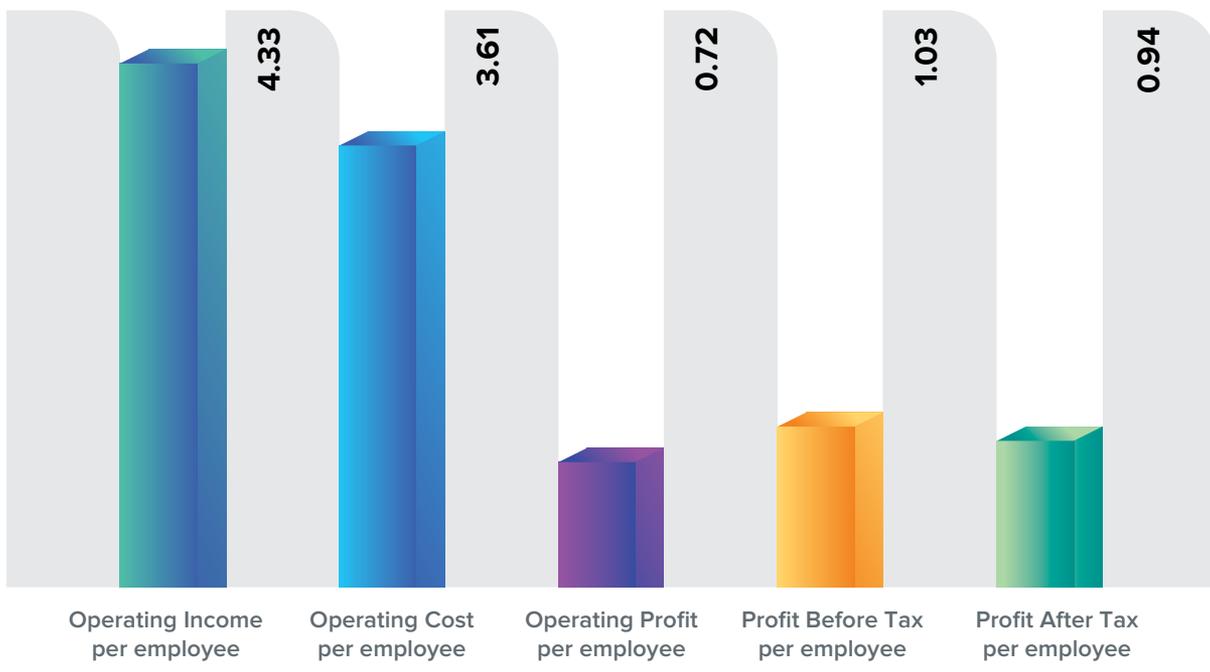
### Human Resource Accounting

Human Resources Accounting, also known as Human Asset Accounting, involved identifying, measuring, capturing, tracking and analyzing the potential of the human resources of a company and communicating the resultant information to the stakeholders of the company. It was a method by which a cost was assigned to every employee when recruited and the value that the employee would generate in the future. Human Resource Accounting reflects the potential of the human resources of an organization in monetary terms, in its financial statements, i.e.:

SI No	Particulars	Amount (in Million)
a	Operating Income per employee	4.33
b	Operating Cost per employee	3.61
c	Operating Profit per employee	0.72
d	Profit Before Tax per employee	1.03
e	Profit After Tax per employee	0.94

### Human Resource Accounting

Amount (in Million)





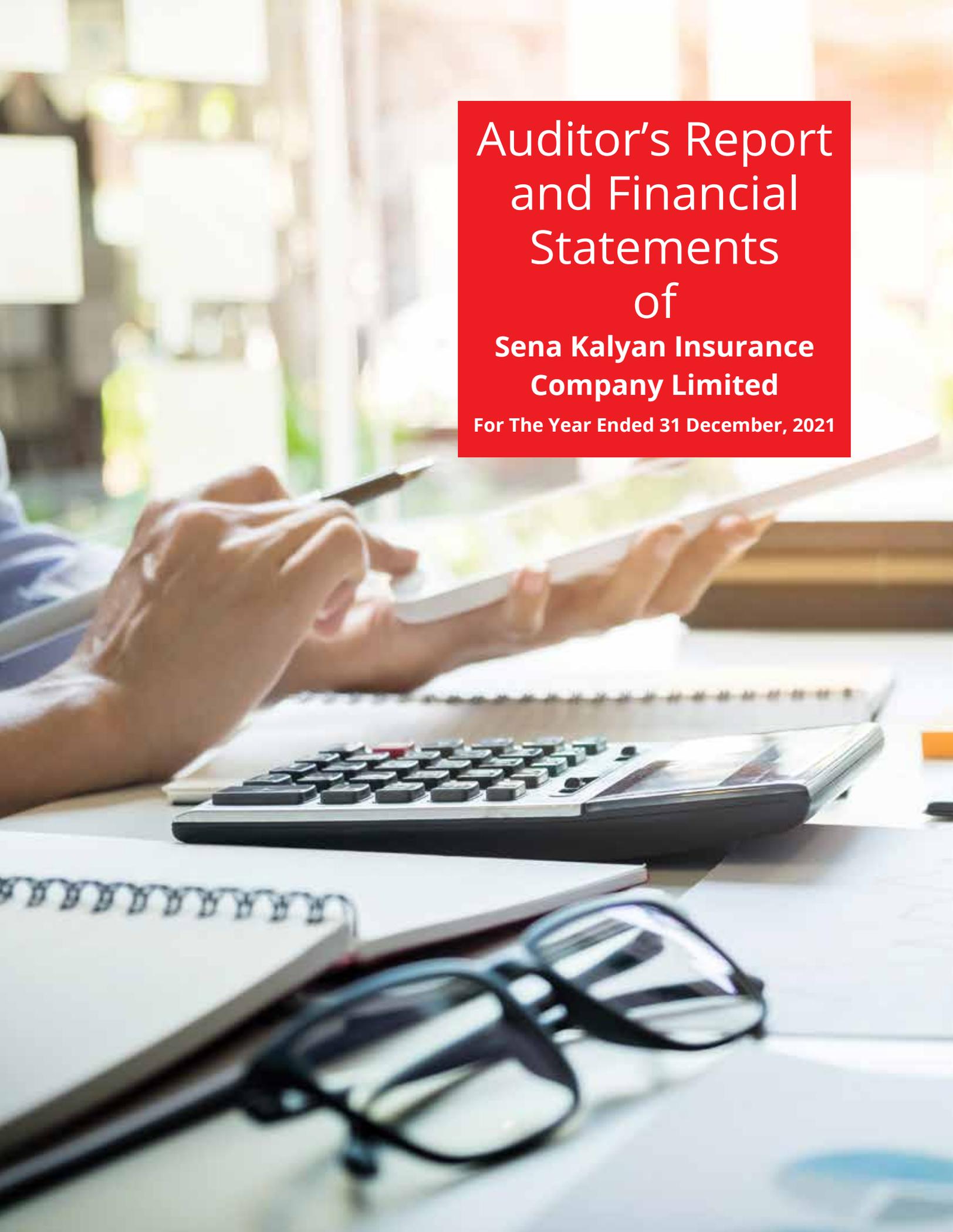
# Annual Report Review Checklist

Particulars	Page Number
Corporate Objectives, Values & Structure Clarity and presentation:	
Vision and Mission	6
Overall strategic objectives	7
Core values and code of conduct/ethical principles	7, 75
Profile of the Company	6
Directors' profiles and their representation on Board of other Companies & Organization Chart	11-19
Chairman's Review / Directors' Report and Management Report & analysis:	44,49,63
A general review of the performance of the company	30
Description of the performance of the various activities / products / segments of the company	50
A brief summary of the Business and other Risks facing the organization and steps taken to effectively manage such risks	54
A general review of the future prospects/outlook	49
Information on how the company contributed to its responsibilities towards the staff (including health & safety)	119
Information on company's contribution to the national exchequer & to the economy	57
Sustainability Reporting:	
Social Responsibility Initiatives (CSR)	117
Environment related Initiatives	85
Environmental & Social Obligation	85
Appropriateness of Disclosure of Accounting policies and General Disclosure:	63
Disclosure of adequate and properly worded accounting policies relevant to assets, liabilities, income and expenditure in line with best reporting standards.	63
Any specific accounting policies	63
Impairment of Assets	145
Changes in accounting policies/Changes in accounting estimates	61, 141
Segment Information	50
Comprehensive segment related information bifurcating segment revenue, segment results and segment capital employed	42, 50
Financial Statements (Including Formats)	125
Disclosures of all contingencies and commitments	166
Comprehensive related party disclosures	148
Disclosures of Remuneration & Facilities provided to Directors & CEO	161
Statement of Financial Position / Balance Sheet and relevant schedules	130
Income Statement / Profit and Loss Account and relevant schedules	132
Statement of Changes in Equity / Reserves & Surplus Schedule	134
Disclosure of Types of Share Capital	150
Statement of Cash Flow	135
Extent of compliance with the core IAS/IFRS or equivalent National Standards	148
Disclosures / Contents of Notes to Accounts	142



Particulars	Page Number
Information about Corporate Governance	69
Board of Directors, Chairman and CEO	11-20
Audit Committee (Composition, role, meetings, attendance, etc.)	106,104,112
Internal Control & Risk Management	
Ethics and Compliance	118
Remuneration and other Committees of Board	109
Human Capital	119
Communication to Shareholders & Stakeholders:	84
- Information available on website	84
- Other information	84
Management Review And Responsibility:	73,74
Disclosure by Board of Directors or Audit Committee on evolution of Quarterly Reports	78
Any other investor friendly information	84
Risk Management & Control Environment:	112
Description of the Risk Management Framework	112
Risk Mitigation Methodology	113
Disclosure of Risk Reporting	112
Stakeholders Information:	
Distribution of shareholding (Number of shares as well as category wise, e.g Promoter group, FII etc)	62
Shares held by Directors/Executives and relatives of Directors/Executives	62
Redressal of investors' complaints	84
Graphical/ Pictorial Data:	
Earnings Per Share/ Profits	36
Net Assets/ Total Asset & Fund Under Management	37
Stock Performance:	41
Shareholders' Funds	30
Return on Shareholders Fund	30
Analysis including following:	
Operating Performance (Income Statement)	30
• Total Revenue	30
• Operating profit	30
• Profit Before Tax	30
• Profit after Tax	30
• EPS	30
Statement of Financial Position ( Balance Sheet)	130
• Shareholders Fund	130
• Property Plant & Equipment	131
• Net Current Assets	130
• Long Term Liabilities/Current Liabilities	31
Profitability/Dividends/ Performance and Liquidity Ratios	30
• Profit before provisions and Tax	30
• Price earning ratio	31
• Capital Adequacy Ratios	31

Particulars	Page Number
• Return on Capital Employed	31
Statement of Value Added and Its Distribution	40
• Government as Taxes	40
• Shareholders as dividend	40
• Employees as bonus/remuneration	40
• Retained by the entity	40
• Market share information of the Company's product/services	41
• Economic value added	42
Presentation of Financial Statements	30
Quality of the Report/ Layout of Contents	Qualitative
Cover and printing including the theme on the cover page	Qualitative
Appropriateness and effectiveness of photographs and their relevance	Qualitative
Effectiveness of Charts and Graphs	Qualitative
Clarity, simplicity and lucidity in presentation of Financial Statements	Qualitative
Timeliness in issuing Financial Statements and holding AGMs	
3 months time to produce the Annual Report and hold AGM are considered reasonable for full marks	87
N.B.: Due to some unavoidable circumstances, we could not hold the AGM by 31st March, 2022. But the AGM is scheduled to be held on June 20, 2022	
• Stakeholder and Materiality	85
• Human Resource Accounting	119
• Strategy and Resource Allocation	119
• Corporate Governance Certificate	91
Specific Areas for Banking Sector	
Details of Advances, portfolio Classification wise as per the direction issued by the central bank of the respective countries	33
Maturity Pattern of Key Assets and Liabilities (ALM)	67
Classification and valuation of investments as per regulatory guidelines/ Accounting Standards	115
Business Ratio/Information	
• Statutory Liquidity Reserve (Ratio)	31
• Net interest income as a percentage of working funds / Operating cost - Efficiency ratio	31
• Return on Average Asset	31
• Net Asset Value Per Share	30
• Profit per employee	119
• Capital Adequacy ratio	51
• Cost of Funds	31
• Cash Reserve Ratio / Liquid Asset ratio	31
• Dividend Cover ratio	31
• Gross Non-Performing assets to gross advances / Non-Performing Loans (Assets) to Total Loans (Assets)	32
The break-up of 'Provisions and contingencies' included in the Profit and Loss Account	30

A person is working at a desk in an office. They are holding a pen and looking at a document. In the foreground, there is a calculator, a pair of glasses, and a notebook. The background is blurred, showing a window with some plants and office equipment.

# Auditor's Report and Financial Statements of

**Sena Kalyan Insurance  
Company Limited**

**For The Year Ended 31 December, 2021**



# Independent Auditor's Report

## To the Shareholders of Sena Kalyan Insurance Company Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Sena Kalyan Insurance Company Limited (the Company), which comprise the Balance Sheet (Statement of Financial Position) as at 31 December 2021, the Profit and Loss Account (Statement of Profit or Loss and Other Comprehensive Income), Profit and Loss Appropriation Account, related Revenue Accounts, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

#### Basis for Opinion

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

#### Key Audit Matters

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

#### Premium Income

Net general insurance premiums comprise the retention amount of premiums received for the whole period of policy.

Given the important nature, connections to other items to the financial statements and sensitivity of the item we believe this area pose high level of risk. At year end of 2021, the total net premium income of BDT 276,456,566 (2020: BDT 297,678,171). See Form-XL to the financial statements.

#### Our responses to the risks

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

- The design and operating effectiveness of key controls around premium income recognition process.
- Carried out analytical procedures and recalculated premium income for the period.
- Carried out cut-off testing to ensure unearned premium income has not been included in the premium income.



- On a sample basis reviewed policy to ensure appropriate policy stamp was affixed to the contract and the same has been reflected in the premium register.
- Ensured on a sample basis that the premium income was being deposited in the designated bank account.
- Tested on a sample basis to see that appropriate VAT was being collected and deposited to bank through Treasury Challan.
- For a sample of insurance contracts tested to see if appropriate level of reinsurance was done and whether that re insurance premium was deducted from the gross premium.
- Assessed the appropriateness and presentation of disclosures in accordance with relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.

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

This account represents the claim due or intimated from the insured and involves significant management judgment and risk of understatement. In extreme scenario this item may have going concern implications for the company. See Note no 7 to the financial statements

### **Our responses to the risks**

We tested the design and operating effectiveness of controls around the due and intimated claim recording process.

We additionally carried out the following substantive testing's around this item:

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

### **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. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the board of directors of the Company.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

As part of an audit in accordance with ISAs, we exercise professional judgement 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, the Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

- a) We have obtained all the information and 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 Comprehensive Income of the Company;
- e) We report that to the best of our information and as shown by its books, the company during the year under report has not paid any person any commission in any form, outside Bangladesh in respect of any its business re-insured abroad;
- f) The Statement of Financial Position, Statement of Comprehensive Income, Profit and Loss Appropriation Account, related Revenue Accounts, Statement of Changes in Equity and Statement of Cash Flows of the Company together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- g) The expenditure was incurred for the purpose of the Company's business.

**Howlader Mahfel Huq, FCA**  
ICAB Enrollment No. 105  
Managing Partner  
Mahfel Huq & Co.  
Chartered Accountants  
Firm Reg. No. : P-46323  
DVC: 2204240105AS299868

Dhaka, 20 April, 2022

**Sena Kalyan Insurance Company Limited**  
**Balance Sheet**  
**(Statement of Financial Position)**  
As at 31 December, 2021

Capital and Liabilities	Notes	Amount in Taka	
		31 December, 2021	31 December, 2020
<b>Authorised Capital</b>			
100,000,000 Ordinary shares of Tk.10/- each		<b>1,000,000,000</b>	<b>1,000,000,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>		<b>400,000,000</b>	<b>240,000,000</b>
40,000,000 Ordinary share of Tk. 10/- each fully paid up	3.00	400,000,000	240,000,000
<b>Reserve or Contingency Accounts</b>		<b>348,373,312</b>	<b>266,203,422</b>
Reserve for Exceptional Losses	4.00	275,815,487	197,792,882
Investment Fluctuation Fund	4.02	428,468	408,894
Profit and Loss Appropriation Account	4.03	72,129,358	68,001,646
<b>Total shareholders equity</b>		<b>748,373,312</b>	<b>506,203,422</b>
<b>Balance of Funds and Accounts</b>	<b>5.00</b>	<b>125,965,289</b>	<b>175,201,461</b>
Fire insurance business		34,612,677	22,189,660
Marine insurance business		50,103,565	31,863,664
Motor insurance business		10,384,170	21,173,428
Miscellaneous insurance business		30,864,877	99,974,709
Premium Deposits	6.00	2,036,478	31,531,973
<b>Liabilities and Provisions</b>		<b>505,437,164</b>	<b>265,355,282</b>
Estimated liabilities in respect of outstanding claims whether due or intimated	7.00	270,985,114	121,385,581
Amounts due to other persons or bodies carrying on insurance business	8.00	91,454,050	18,366,339
Provision for Income tax	9.00	74,267,974	63,550,084
Deferred Tax Liability	9.02	1,508,516	1,008,328
Lease Liability	10.01	14,426,582	21,057,835
Provision for WPPF		5,799,060	5,711,282
Sundry Creditors	10.00	46,995,870	34,275,835
<b>Total liabilities</b>		<b>633,438,931</b>	<b>472,088,716</b>
<b>Total Shareholders Equity and Liabilities</b>		<b>1,381,812,243</b>	<b>978,292,139</b>



## Sena Kalyan Insurance Company Limited

### Balance Sheet

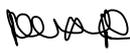
#### (Statement of Financial Position)

As at 31 December, 2021

Assets and Properties	Notes	Amount in Taka	
		31 December, 2021	31 December, 2020
<b>Non-Current Assets</b>		<b>139,205,667</b>	<b>102,810,901</b>
Property, Plant and Equipment	11.00	34,018,492	22,316,641
Investment in BGTB	12.01	81,091,675	51,217,510
Right of Use (RoU) Assets	12.02	15,003,062	21,571,514
Deferred Tax Assets	12.03	9,092,438	7,705,236
<b>Current Assets</b>		<b>113,690,912</b>	<b>81,984,278</b>
Investment in Shares	12.04	24,346,241	13,049,137
Accrued Interest	13.00	18,636,906	19,249,869
Amount due from other persons or bodies carrying on insurance business	14.00	-	-
Sundry Debtors (Including advances, deposits and prepayments)	15.00	70,238,658	49,352,695
Stationary and forms in hand		265,943	206,358
Stamps in hand		203,165	126,219
<b>Cash and Cash Equivalents</b>		<b>1,128,915,663</b>	<b>793,496,960</b>
Fixed Deposits: (FDR's)	16.01	978,813,739	711,640,471
SND Accounts	16.02	72,024,082	66,989,559
Current Accounts	16.02	75,626,347	14,844,176
Cash in hand	16.03	66,391	20,252
Brokerage Balance		2,385,104	2,502
<b>Total Assets and Properties</b>		<b>1,381,812,243</b>	<b>978,292,139</b>
<b>Net Asset Value per share (NAV)</b>	21.01	26.99	21.09

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

  
**Company Secretary**

  
**Chief Financial Officer**

  
**Chief Executive Officer**

  
**Director**

  
**Director**

  
**Chairman**

Signed as per our annexed report of even date.

Dhaka, 20 April, 2022

  
**Howlader Mahfel Huq, FCA**  
 ICAB Enrolment No. 105  
 Managing Partner  
 Mahfel Huq & Co.  
 Chartered Accountants  
 Firm Reg. No: P-46323  
 DVC: 2204240105AS299868

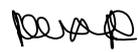
**Sena Kalyan Insurance Company Limited**  
**Profit and Loss Account**  
**(Statement of Profit or Loss and other Comprehensive Income)**  
For the year ended 31 December, 2021

Particulars	Notes	Amount in Taka	
		31 December, 2021	31 December, 2020
<b>Profit / (loss) Transferred from</b>		<b>80,985,987</b>	<b>66,824,517</b>
Fire Insurance Revenue Account		11,635,184	(12,434,358)
Marine Insurance Revenue Account		40,329,904	27,351,434
Motor Insurance Revenue Account		16,144,679	37,882,536
Misc. Insurance Revenue Account		12,876,220	14,024,905
<b>Interest, Dividend and Rents</b> (Not applicable to any fund or account)			
Interest received and Dividend Income	17.00	45,149,089	54,108,941
Other Income	18.00	9,192,261	4,114,708
<b>Total</b>		<b>135,327,337</b>	<b>125,048,166</b>
<b>Expenses of management</b> (Not applicable to any particular fund or account)			
Advertisement and Publicity		147,074	562,547
Directors fees		134,464	101,200
Donation, Levy and Subscription		600,000	833,000
Audit fees		814,444	250,000
Legal, Professional and Rating Fees		119,444	103,500
Registration and Renewal Fees		784,702	722,691
IPO Expenses		5,859,208	-
Depreciation		5,087,749	2,538,305
		<b>13,547,085</b>	<b>5,111,243</b>
<b>Profit Before Tax &amp; WPPF</b>		<b>121,780,251</b>	<b>119,936,923</b>
Provision for WPPF		5,799,060	5,711,282
<b>Profit Before Tax</b>		<b>115,981,192</b>	<b>114,225,641</b>
		<b>9,830,876</b>	<b>19,949,981</b>
Income Tax Expenses	9.01	10,717,890	20,837,411
Deferred Tax (Income)/Expense	9.03	(887,014)	(887,429)
<b>Balance for the year carried to profit and loss appropriation account</b>		<b>106,150,316</b>	<b>94,275,660</b>
<b>Total</b>		<b>135,327,337</b>	<b>125,048,166</b>
<b>Other Comprehensive Income</b>			
Gain/(loss) from Fair Value Changes of Investment in Shares	4.02	428,468	408,894

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

  
Company Secretary

  
Director

  
Chief Financial Officer

  
Director

  
Chief Executive Officer

  
Chairman

Signed as per our annexed report of even date.

Dhaka, 20 April, 2022

  
**Howlader Mahfel Huq, FCA**  
ICAB Enrolment No. 105  
Managing Partner  
Mahfel Huq & Co.  
Chartered Accountants  
Firm Reg. No: P-46323  
DVC: 2204240105AS299868

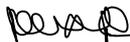


**Sena Kalyan Insurance Company Limited**  
**Profit and Loss Appropriation Account**  
 For the year ended 31 December, 2021

Assets and Properties	Notes	Amount in Taka	
		31 December, 2021	31 December, 2020
Balance Brought Forward from previous year		68,001,646	55,778,209
Balance transferred from profit and loss account		106,150,316	94,275,660
<b>Total</b>		<b>174,151,962</b>	<b>150,053,869</b>
		<b>102,022,604</b>	<b>82,052,223</b>
Reserve for Exceptional losses	4.01	78,022,604	58,052,223
Cash Dividend paid		24,000,000	24,000,000
<b>Balance transferred to balance sheet</b>		<b>72,129,358</b>	<b>68,001,646</b>
<b>Total</b>		<b>174,151,962</b>	<b>150,053,869</b>
<b>Earnings Per Share (EPS)</b>	22.01	<b>3.83</b>	<b>3.93</b>

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

  
**Company Secretary**

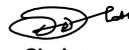
  
**Chief Financial Officer**

  
**Chief Executive Officer**

  
**Director**

  
**Director**

Signed as per our annexed report of even date.

  
**Chairman**

Dhaka, 20 April, 2022

  
**Howlader Mahfel Huq, FCA**  
 ICAB Enrolment No. 105  
 Managing Partner  
 Mahfel Huq & Co.  
 Chartered Accountants  
 Firm Reg. No: P-46323  
 DVC: 2204240105AS299868

## Sena Kalyan Insurance Company Limited

### Statement of Changes in Equity

For the year ended 31 December, 2021

Particulars	Share Capital	Reserve for Exceptional Losses	Investment Fluctuation Fund	Retained Earnings	Total
Balance As at 1 January, 2021	240,000,000	197,792,882	408,894	68,001,646	506,203,422
IPO Fund	160,000,000	-	-	-	160,000,000
Net Profit after tax for the year	-	-	-	106,150,316	106,150,316
Reserve for Exceptional losses	-	78,022,604	-	(78,022,604)	-
Cash Dividend paid	-	-	-	(24,000,000)	(24,000,000)
Fluctuation Fund Adjustment	-	-	19,574	-	19,574
<b>Balance As at 31 December, 2021</b>	<b>400,000,000</b>	<b>275,815,487</b>	<b>428,468</b>	<b>72,129,358</b>	<b>748,373,312</b>

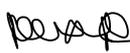
Board of Directors proposed 12% cash dividend for the year 2021 subject to approval of shareholders of the company in its forthcoming 9th Annual General Meeting.

For the year ended December 31, 2020

Particulars	Share Capital	Reserve for Exceptional Losses	Investment Fluctuation Fund	Retained Earnings	Total
Balance as at 1 January, 2020	240,000,000	139,740,659	(1,104,091)	55,778,209	434,414,777
Net Profit after tax for the year	-	-	-	94,275,660	94,275,660
Reserve for Exceptional losses	-	58,052,223	-	(58,052,223)	-
Cash Dividend paid for 2019	-	-	-	(24,000,000)	(24,000,000)
Fluctuation Fund Adjustment	-	-	1,512,985	-	1,512,985
<b>Balance as at 31 December, 2020</b>	<b>240,000,000</b>	<b>197,792,882</b>	<b>408,894</b>	<b>68,001,646</b>	<b>506,203,422</b>

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

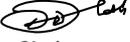
  
Company Secretary

  
Chief Financial Officer

  
Chief Executive Officer

  
Director

  
Director

  
Chairman

Signed as per our annexed report of even date.

Dhaka, 20 April, 2022



## Sena Kalyan Insurance Company Limited

### Statement of Cash Flows

For the year ended 31 December, 2021

Assets and Properties	Notes	Amount in Taka	
		31 December, 2021	31 December, 2020
<b>Cash flows from operating activities</b>			
Collection from premium & Sundry Income	24.01	846,647,393	655,595,684
Payment for management expenses, Re-insurance & Claims	24.02	(580,418,847)	(408,623,809)
Income tax paid	15.01	(19,714,784)	(25,256,345)
<i>Net cash flows from operating activities</i>		<b>246,513,763</b>	<b>221,715,530</b>
<b>Cash flows from investing activities</b>			
Acquisition of fixed assets	11.00	(17,888,966)	(5,670,391)
Sales of Fixed Assets	18.01	3,340,000	1,640,000
Investment made in share & Treasury bond	24.03	(41,151,696)	(32,198,008)
<i>Net cash used in investing activities</i>		<b>(55,700,662)</b>	<b>(36,228,399)</b>
<b>Cash flows from financing activities</b>			
Cash dividend paid		(15,577,481)	(24,000,000)
IPO Fund		160,000,000	-
Loan from Sena Kalyan Sangstha		183,084	709,009
<i>Total cash flows from financing activities</i>		<b>144,605,603</b>	<b>(23,290,991)</b>
<i>Net increase in cash &amp; Cash equivalents during the year</i>		<b>335,418,703</b>	<b>162,196,140</b>
Opening cash & Cash equivalents at beginning of the year		793,496,960	631,300,820
<i>Closing cash &amp; Cash equivalents at end of the year</i>		<b>1,128,915,663</b>	<b>793,496,960</b>
<b>Net Operating Cash Flows Per Share (NOCFPS)</b>	23.00	<b>8.89</b>	<b>9.24</b>

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

  
Company Secretary

  
Chief Financial Officer

  
Chief Executive Officer

  
Director

  
Director

  
Chairman

Signed as per our annexed report of even date.

Dhaka, 20 April, 2022

## Sena Kalyan Insurance Company Limited

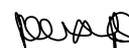
### Consolidated Revenue Account

For the year ended 31 December, 2021

Particulars	Notes	Amount in Taka	
		31 December, 2021	31 December, 2020
Balance of account at the beginning of the year Reserve for Unexpired risk Premium, Less Re insurance		175,201,461	137,058,034
Commission on Re insurance		276,456,566	297,678,171
<b>Total</b>		<b>489,463,922</b>	<b>462,433,460</b>
<b>Claim under policies less Re-Insurance</b>		<b>163,414,074</b>	<b>102,931,906</b>
Paid during the year		13,814,541	21,332,839
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	7.00	270,985,114	121,385,581
Less: Outstanding at the end of the previous year		(121,385,581)	(39,786,514)
		<b>245,063,861</b>	<b>292,677,037</b>
Agency Commission	19.00	22,295,783	33,722,747
Expense for management	20.01	96,802,788	83,752,829
Reserve for unexpired risk being 40% of fire, Marine Cargo, Motor & Misc. and 100% of Marine Hull & Aviation Premium Income of the year	5.00	125,965,289	175,201,461
<b>Profit Transferred to Profit &amp; Loss account</b>		<b>80,985,987</b>	<b>66,824,517</b>
<b>Total</b>		<b>489,463,922</b>	<b>462,433,460</b>

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

  
Company Secretary

  
Chief Financial Officer

  
Chief Executive Officer

  
Director

  
Director

  
Chairman

Signed as per our annexed report of even date.

Dhaka, 20 April, 2022

  
**Howlader Mahfel Huq, FCA**  
ICAB Enrolment No. 105  
Managing Partner  
Mahfel Huq & Co.  
Chartered Accountants  
Firm Reg. No: P-46323  
DVC: 2204240105AS299868



**Sena Kalyan Insurance Company Limited**  
**Fire Insurance Revenue Account**  
For the year ended 31 December, 2021

Particulars	Notes	Amount in Taka	
		31 December, 2021	31 December, 2020
"Balance of account at the beginning of the year		22,189,660	23,155,738
Reserve for Unexpired risk"			
Premium, Less Re insurance		86,531,692	55,474,149
Commission on Re insurance		16,812,241	15,087,324
<b>Total</b>		<b>125,533,593</b>	<b>93,717,211</b>
<b>Claim under policies less Re-Insurance</b>		<b>53,007,055</b>	<b>51,809,753</b>
Paid during the year		(1,009,090)	2,583,827
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	7.00	126,873,737	72,857,592
Less: Outstanding at the end of the previous year		(72,857,592)	(23,631,666)
		<b>60,891,355</b>	<b>54,341,816</b>
Agency Commission	19.00	6,051,046	14,079,888
Expense for management	20.02	20,227,632	18,072,268
Reserve for unexpired risk being 40% of fire Premium Income of the year	5.00	34,612,677	22,189,660
<b>Profit Transferred to Profit and Loss account</b>		<b>11,635,184</b>	<b>(12,434,358)</b>
<b>Total</b>		<b>125,533,593</b>	<b>93,717,211</b>

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

  
**Company Secretary**

  
**Chief Financial Officer**

  
**Chief Executive Officer**

  
**Director**

  
**Director**

Signed as per our annexed report of even date.

  
**Chairman**

Dhaka, 20 April, 2022

  
**Howlader Mahfel Huq, FCA**  
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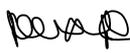
## Sena Kalyan Insurance Company Limited Marine Insurance Revenue Account

For the year ended 31 December, 2021

Particulars	Notes	Amount in Taka	
		31 December, 2021	31 December, 2020
Balance of account at the beginning of the year Reserve for Unexpired risk Premium, Less Re insurance		31,863,664	16,992,399
Commission on Re insurance		111,689,301	70,143,321
		4,549,623	4,882,825
<b>Total</b>		<b>148,102,588</b>	<b>92,018,545</b>
<b>Claim under policies less Re-Insurance</b>		<b>33,067,727</b>	<b>6,129,538</b>
Paid during the year		11,298,781	779,691
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	7.00	35,662,489	13,893,543
Less: Outstanding at the end of the previous year		(13,893,543)	(8,543,696)
		<b>74,704,957</b>	<b>58,537,573</b>
Agency Commission	19.00	7,938,290	13,103,342
Expense for management	20.01	16,663,101	13,570,567
Reserve for unexpired risk being 40% of Marine Cargo and 100% of Marine Hull Premium Income of the year	5.00	50,103,565	31,863,664
<b>Profit Transferred to Profit and Loss account</b>		<b>40,329,904</b>	<b>27,351,434</b>
<b>Total</b>		<b>148,102,588</b>	<b>92,018,545</b>

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

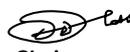
  
Company Secretary

  
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Dhaka, 20 April, 2022

  
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ICAB Enrolment No. 105  
Managing Partner  
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## Sena Kalyan Insurance Company Limited Motor Insurance Revenue Account

For the year ended 31 December, 2021

Particulars	Notes	Amount in Taka	
		31 December, 2021	31 December, 2020
Balance of account at the beginning of the year		21,173,428	22,537,114
Reserve for Unexpired risk Premium, Less Re insurance		25,960,426	52,933,570
Commission on Re insurance		-	-
<b>Total</b>		<b>47,133,854</b>	<b>75,470,684</b>
<b>Claim under policies less Re-Insurance</b>		<b>16,641,874</b>	<b>6,842,182</b>
Paid during the year		2,809,099	2,555,657
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	7.00	25,592,300	11,759,525
Less: Outstanding at the end of the previous year		(11,759,525)	(7,473,000)
		<b>14,347,301</b>	<b>30,745,966</b>
Agency Commission	19.00	646,171	1,932,926
Expense for management	20.01	3,316,960	7,639,612
Reserve for unexpired risk being 40% of Motor Premium Income of the year	5.00	10,384,170	21,173,428
<b>Profit Transferred to Profit &amp; Loss account</b>		<b>16,144,679</b>	<b>37,882,536</b>
<b>Total</b>		<b>47,133,854</b>	<b>75,470,684</b>

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

  
Company Secretary

  
Chief Financial Officer

  
Chief Executive Officer

  
Director

  
Director

  
Chairman

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Dhaka, 20 April, 2022

  
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ICAB Enrolment No. 105  
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Firm Reg. No: P-46323  
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## Sena Kalyan Insurance Company Limited Miscellaneous Insurance Revenue Account

For the year ended 31 December, 2021

Particulars	Notes	Amount in Taka	
		31 December, 2021	31 December, 2020
Balance of account at the beginning of the year		99,974,709	74,372,783
Reserve for Unexpired risk Premium, Less Re insurance		52,275,146	119,127,131
Commission on Re insurance		16,444,031	7,727,106
<b>Total</b>		<b>168,693,886</b>	<b>201,227,020</b>
<b>Claim under policies less Re-Insurance</b>		<b>60,697,417</b>	<b>38,150,433</b>
Paid during the year		715,750	15,413,664
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	7.00	82,856,588	22,874,921
Less: Outstanding at the end of the previous year		(22,874,921)	(138,152)
		<b>95,120,249</b>	<b>149,051,683</b>
Agency Commission	19.00	7,660,276	4,606,591
Expense for management	20.02	56,595,096	44,470,383
Reserve for unexpired risk being 40% of Misc. and 100% of Aviation Premium Income of the year	5.00	30,864,877	99,974,709
<b>Profit Transferred to Profit and Loss account</b>		<b>12,876,220</b>	<b>14,024,905</b>
<b>Total</b>		<b>168,693,886</b>	<b>201,227,020</b>

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

  
Company Secretary

  
Chief Financial Officer

  
Chief Executive Officer

  
Director

  
Director

  
Chairman

Signed as per our annexed report of even date.

Dhaka, 20 April, 2022

  
**Howlader Mahfel Huq, FCA**  
ICAB Enrolment No. 105  
Managing Partner  
Mahfel Huq & Co.  
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Firm Reg. No: P-46323  
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## Sena Kalyan Insurance Company Limited

### Form AA

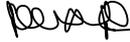
#### Classified Summary of Assets

For the year ended 31 December, 2021

Sl. No	Class of Assets	2021		Remarks
		Book value	Market Value	
01	Statutory Deposit with Bangladesh Bank (10 years period Bangladesh Government Treasury Bonds)	81,091,675	81,091,675	Not quoted in Market
02	Fixed Deposit, SND Account and other Bank Balances	1,128,849,272	1,128,849,272	Realizable value
03	Cash in hand	66,391	66,391	Realizable value
04	Interest Accrued but not due	18,636,906	18,636,906	Realizable value
05	Property, Plant & Equipment at cost less depreciation	34,018,492	34,018,492	Cost Less depreciation
06	Investment in Shares	23,917,774	24,346,241	Market Value
07	Right of Use (RoU) Assets	15,003,062	15,003,062	Realizable value
08	Deferred Tax Assets	9,092,438	9,092,438	Realizable value
09	Sundry Debtors including advance deposit & prepayments	70,238,658	70,238,658	Realizable value
10	Stamp in Hand	265,943	265,943	Cost
11	Stationary and forms in hand	203,165	203,165	Cost
<b>Total</b>		<b>1,381,383,775</b>	<b>1,381,812,243</b>	

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

  
**Company Secretary**

  
**Chief Financial Officer**

  
**Chief Executive Officer**

  
**Director**

  
**Director**

  
**Chairman**

Signed as per our annexed report of even date.

Dhaka, 20 April, 2022

## **Sena Kalyan Insurance Company Limited** **Notes to The Financial Statements**

As at and for the year ended December 31, 2021

### **1.00 Background of the company**

Sena Kalyan Insurance Company Limited ('the company') was incorporated as a Public Limited Company by shares under the Companies Act, 1994 on 3<sup>rd</sup> September, 2013 and obtained permission for commencement of insurance business from the Insurance Development & Regulatory Authority (IDRA), Government of the Peoples Republic of Bangladesh, with effect from 10<sup>th</sup> September, 2013 for carrying out non-life insurance business.

Sena Kalyan Insurance Company Limited is a subsidiary Company of Sena Kalyan Sangstha (SKS) that holds 23,999,994 shares out of 40,000,000 shares of the Company and the balance 16,000,000 shares are held by Public and Institution of taka 10 each fully paid up.

### **1.01 Address of registered office and place of business of the company**

The Head office of the Company is at SKS Tower (12th Floor), 7, VIP Road, Mohakhali, Dhaka-1206, Bangladesh which is also the registered office of the Company. The operation of the company is being carried out through its 6 branches located in different divisions of Bangladesh.

### **1.02 Principal activities of the company**

The Principal activity of the Company is to offer general insurance products that include fire insurance, marine hull and cargo insurance, aviation insurance, motor insurance and miscellaneous insurance. These insurances provide protection against damage to policy holder's assets if damage occurs from risk covered by policy. Premium income is primary source of revenue for this insurance business.

### **1.03 Date of Financial Statements authorized for issue**

Financial Statement of the company for the year ended December 31, 2021 were authorized by the Board for issue on 20 April, 2022 in accordance with a resolution of the Board of Directors of the company.

### **1.04 Geographical area of operation**

The Company carries its insurance business activities through six branches, throughout the Bangladesh.

## **2.00 Basis of Presenting Financial Statements Significant Accounting Policies & Relevant Information**

### **2.01 Basis of preparation**

The Financial Statements have been prepared on going concern and accrual basis under the historical cost convention. The preparation and presentation of the financial statements and the disclosure of information have been made in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Insurance Act 1938 (as amended in 2010), the Insurance Rules 1958 and in conformity the Companies Act 1994, the Securities and Exchange Rules 1987, and other applicable laws & regulations in Bangladesh.

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

### **2.02 Reporting Period**

Financial statements of the Company cover one calendar year from 01 January 2021 to December 31, 2021.

### **2.03 Going Concern**

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business without significant fluctuation in value. The accompanying financial statements do not include any adjustments, which indicate that Sena Kalyan Insurance Company Limited be unable to continue as a going concern.



### Challenges posed by COVID-19

COVID-19 pandemic posed serious challenges on the insurance business since March 2020. Sena Kalyan Insurance Company Ltd. saw a declining trend in most classes of business.

### 2.04 Structure, content and presentation of financial statements

Being the general purpose financial statements, the presentation of these financial statements is in accordance with the guidelines provided by Insurance Act 1938 (as amended 2010) and International Accounting Standard 1: Presentation of Financial Statements. A complete set of financial statements comprise:

a)	Balance sheet as at 31 December 2021;
b)	Profit and Loss Account for the year ended 31 December 2021;
c)	Profit and Loss Appropriation Account for the year ended 31 December 2021;
d)	Statement of Changes in Equity for the year ended 31 December 2021;
e)	Statement of cash flows for the year ended 31 December 2021;
f)	Consolidated Revenue Account for the year ended 31 December 2021;
g)	Fire Insurance Revenue Account for the year ended 31 December 2021;
h)	Marine Insurance revenue Account for the year ended 31 December 2021;
i)	Motor Insurance Revenue Account for the year ended 31 December 2021;
j)	Miscellaneous Insurance Revenue Account for the year ended 31 December 2021; and
k)	Notes to the Financial Statements

The Board of Directors is responsible for preparing and presentation the financial statements, who has approved and authorized the issue of the financial statements.

### 2.05 Application of International Financial Reporting Standards (IAS/IFRS)

The Accounting and Financial Reporting Standards that are applicable/not applicable for the financial statements for the year under review, include the following:

IAS 1 Presentation of Financial Statements	*
IAS 7 Statement of Cash Flows	Applied
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	Applied
IAS 10 Events after the Reporting Period	Applied
IAS 12 Income Taxes	Applied
IAS 16 Property, Plant and Equipment	Applied
IAS 19 Employee Benefits	Applied
IAS 24 Related Party Disclosures	Applied
IAS 26 Accounting and Reporting by Retirement Benefit Plans	Applied
IAS 32 Financial Instruments: Presentation	*
IAS 33 Earning per Share	Applied
IAS 34 Interim Financial Reporting	Applied
IAS 36 Impairment of Assets	Applied
IAS 37 Provisions, Contingent Liabilities and Contingent Assets	Applied
IAS 38 Intangible Assets	Applied
IAS 40 Investment Property	Applied
IFRS 4 Insurance Contracts	*
IFRS 5 Non-currents assets held for sale and discontinued operation	Applied
IFRS 7 Financial Instruments: Disclosure	*
IFRS 8 Operating Segment	Applied
IFRS 9 Financial Instruments	*
IFRS 13 Fair Value Measurement	Applied
IFRS 16 Lease	Applied

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

## 2.06 Functional and presentation currency

The financial statements are expressed in Bangladesh Currency (Taka/ Tk.), which is both functional and reporting currency of the Company.

## 2.07 Use of estimates and judgements

Preparation of financial statement requires management to make judgement, estimates and assumptions that affect the application of accounting policies and reported amounts of asset, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected.

## 2.08 Materiality and Agregation

Each material item considered by management significant has been presented separately in the financial statement. No amount has been set off unless Sena Kalyan Insurance Company Ltd. has legal right to set off the amounts and intends to settle on a net basis. Income and Expenses are presented on a net basis only when permitted by relevant accounting standards.

## 2.09 Comparative information

Comparative information has been disclosed in respect of the period ended 31 December 2021 for all numerical data in the financial statements and also for the narrative and descriptive information when it is relevant for better understanding of the current year's financial statements. Prior year figures have been restated, reclassified and rearranged whenever considered necessary to ensure comparability with the current period.

## 2.10 Property, Plant and Equipment

### a. Recognition and measurement

Property, Plant and Equipment are recognized if it is probable that future economic benefits associated with the asset will flow to the Company and cost of the asset can be measured reliably. Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and the cost of dismantling and removing the items and restoring the site on which they are located.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment. If sale of any revalued assets, the relevant amount included in the revaluation reserve will be transferred to retained earnings.

### b. Subsequent cost

The cost of enhancement of an item of property, plant and equipment is recognized as separate asset 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. All other expenditures are charges to profit and loss account during the year in which they incur.

### c. Depreciation

Depreciation has been charged on Property, Plant and Equipment of the Company on the basis of reducing balance method at rates varying from 10% to 20% depending on the estimated useful life of the assets. Depreciation on newly acquired Assets during the year has been charged of the date of acquisition of fixed assets. The annual depreciation at different rates as under:

Category of Assets	Rate of Depreciation
1. Furniture and Fixtures	10%
2. Motor Vehicles	20%
3. Office Equipment's	15%
4. Cookeries and Cutleries	15%
5. Office Decoration	10%
6. Computer and IT Equipment	10%
7. Mobile and Telephone Set	10%
8. Air Conditioner	20%



#### **d. Sale price of fixed assets**

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

#### **2.11 Intangible assets**

Intangible assets (Software) acquired separately are measured on initial recognition at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any. These are amortized on reducing balance method at 10%. Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits in the specifications to which it relates. All other expenditure is treated as expense as incurred.

#### **2.12 Impairment of assets**

If recoverable amount is less than carrying amount, the carrying amount of asset is reduced to its recoverable amount. This reduction is an impairment loss. An impairment loss is recognized as an expense in financial statement.

#### **2.13 Valuation of Assets**

The value of all assets as at 31 December 2021 has been shown in the Balance Sheet and in the classified summary of assets on "Form AA" annexed, which has been reviewed and the said assets have been set forth in the Balance Sheet on amounts at their respective book value which in the aggregate do not exceed their aggregate market value.

#### **2.14 Investment**

Company has several financial assets such as share, FDR, Government securities etc. Initially shares are recorded at fair value plus transaction cost. A separate Fund called Investment Fluctuation fund, which consists of unrealized gain/ loss is shown in the liability side of Balance Sheet. Dividend Income on such share is recognized in Profit and Loss Account (Statement of Profit and Loss and other comprehensive income) when right to receive the dividend is established. On the other hand, securities are initially recorded at cost. Interest income on such securities is recognised using effective interest rate as per IFRS 9.

#### **2.15 Investments of Assets**

The Section 41 of Insurance Act, 2010 has always been complied by the company.

#### **2.16 Restriction on certain investment**

There is no investment by Sena Kalyan insurance company limited or the company does not hold any shares or debentures of any Company, firms or other business concern in which any director or any members of the family of such directors has any interest as Proprietor, Partner, Director and Managing Director as per Section 41(1) of Insurance Act, 2010.

#### **2.17 IFRS-16: Leases**

Sena Kalyan Insurance applies IFRS 16 for rented office space. Sena Kalyan recognises lease liabilities calculated by determining present values of remaining rent payable as per rent agreement using effective cost of capital. Same amount is recognised as right of use asset after considering advance rent. Every year throughout of agreement period right of use asset/leased asset is depreciated on straight line basis. And interest expense on lease liabilities is recognised using effective interest rate.

#### **2.18 Cash and Cash Equivalents**

Cash comprises cash in hand, demand deposit, cash equivalents on short term, highly liquid investments that are readily convertible to know amounts of cash and those which are what to an insignificant risk of changes in value. Cash and cash equivalents are not restricted in use and accordingly cash in hand and bank balances have been considered as cash and cash equivalents.

#### **2.19 Cash Flow Statements**

Statement of Cash Flows has been prepared in accordance with IAS-7 and the cash flow from the operating activities has been presented under the direct method.

## 2.20 Provisions relating to collection of premium

The company has always complied with the Section 18 of the Insurance Act, 2010 as applicable in regard to provision of collection of premium.

## 2.21 Revenue Recognition

1. Premium is recognized when insurance policies are issued. The sum of premium income as appeared in classified Revenue Accounts is net of the refund made, Re-insurance ceded and Reinsurance premium on PSB. Amount received against issue of marine cover notes are not recognized as income during the year unless issuance of policy. The said amount is recognized as income as and when policy is issued or after one year from the date of expiry of the cover note.
2. The premium in respect of Company's share of Public Sector Insurance Business (PSB) is accounted for in the period in which the relevant statement is received from Shadharan Bima Corporation (SBC). The Company's share of public sector business (PSB) for the period of 3rd and 4th quarter of 2020 and 1st & 2nd quarters of 2021 received from Sadharan Bima Corporation (SEC) has been incorporated in the company's accounts for the year ended 31 December 2021. This system of accounting of public sector business is being followed consistently.
3. Amounts received against issue of Cover Notes, which have not been converted into Policy are recognized as income at the earlier of Cover Notes converted into Policy or after expiry of two years of Cover Notes in accordance with SBC's circular.
4. Interest on Fixed Deposit Receipt (FDR), SND account and bonds are recognized as revenue on accrual basis.
5. Interest Income from government securities is accounted for using effective interest rate as per IFRS-9.

## 2.22 Consolidation Procedure

Accounts of all branches have been consolidated (aggregated) at the Central Accounts of the Head Office at Dhaka.

## 2.23 Re-insurance Accounts

While preparing the Revenue Accounts necessary adjustments in respect of re-insurance ceded in Bangladesh have been duly given.

## 2.24 Segment Reporting

A business segment is a distinguishable component of the company that in providing services that are subject to risks and returns that are different from those of other business segments. The company accounts for segment reporting of operating results using the classes of business. The performance of segments is evaluated on the basis of underwriting results of each segment. The company has four primary business segments for reporting purposes namely fire, marine, motor and miscellaneous.

## 2.25 Management Expenses

The management expenses charged to Revenue Accounts amounting to 96,798,650 represents approximately 12.41% of Gross Premium of Tk. 780,226,042 (Including public sector business) and 35.02% of Net Premium of Tk 276,456,566 earned during the year. The said management expenses have been apportioned to various classes of business of the company taking into account the gross premium income.

## 2.26 Current Taxation:

Provision for current year income tax has been made at the rate of 37.50% as per Finance Acts 2021. The return of company's income tax for the assessment year 2022-2023 shall be filed in due time.

## 2.27 Deferred Tax

Since temporary differences arise between accounting profit and tax profit, deferred tax is recognised as per IAS 12. Since depreciation rates used by the Sena Kalyan Insurance Company Limited is different from those used by tax authorities, this gives rise to temporary difference between accounting and tax profit. On the other hand, Sena Kalyan Insurance Company Limited recognises expense when contribution is made to gratuity fund or provision is created. But tax authority recognises gratuity as expense only when employee receives gratuity payment. So this gives rise to temporary difference between accounting and tax profit. Sena Kalyan Insurance Company Limited applies IAS 12 retrospectively, restating comparative figures for previous period as per IAS 8.

## 2.28 Earnings per share

Earnings per share have been calculated in accordance with International Accounting Standard 33: Earnings Per Share, and shown on the face of profit and loss account and computation shown in note no. 22.



### 2.29 Loans and Borrowing

Sena Kalyan Sangstha sanctioned a loan amounting of Tk. 27,401,405 to Sena Kalyan Insurance Company Limited to meet up establishment cost and working capital requirements which stands as loan till 31 December 2021. This loan amount is interest free and refundable within 10 (Ten) years.

### 2.30 Estimated Liability in respect of outstanding claim

An amount of Tk. 121,385,581 (Taka, three crore ninety seven lac eighty six thousand five hundred and fourteen) only which is adjusted during the year from Estimated Liability in respect of outstanding claim in the Statement of Financial Position as at 31 December 2021.

### 2.31 Provision for Liabilities

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

### 2.32 Reserve or contingencies Accounts

#### a. Reserve for exceptional losses

In line with Para 6, 4th schedule of the Income Tax Ordinance 1984, to meet the exceptional losses, Sena kalyan Insurance Company Limited set aside 10% of Premium Income of the year in which it is set aside from the balance of the profit to the reserve for exceptional losses. Detail calculations have been given in note 4.

#### b. Provision for unexpired risk

Surplus/(deficit) on Revenue Accounts has been arrived after making necessary provision for un-expired risk @ 40% of net premium on all business except Marine Hull Insurance for which provision has been made @ 100% on premium income as per section 27A (2B & 2C) of Insurance Act 1938 (as ammended in 2010).

### 2.33 Employees Details

During the year under review 108 employees were employed full time. As per schedule-XI part-II of the Companies Act 1994 the employees remuneration slab is given below:

Slab	Number of Employees
No. of employees received salary below Tk. 3,000 per month	Nil
No. of employees received salary above Tk. 3,000 per month	113
Total no. of employees	113

Note: There is no part time employee of the Company.

### 2.34 Employees Benefit

Sena Kalyan Insurance Company Limited provides a number of benefits plan for it's employees which includes Contributory Provident Fund, Worker's Profit Participation Fund, Gratuity Fund, Group Insurance Scheme and Festival Bonus etc.

#### a. Contributory Provident Fund

The Company operates a provident fund, recognized by the income Tax Authorities. Confirmed employees of the Company are eligible for the said provident fund. Employees of the Company contribute ten percent of their basic salary and the employer make similar contribution to the fund. The provident fund is wholly administered by a Board of Trustees and no part of the fund is included with the assets of the Company.

#### b. Gratuity Fund

The Company operates a gratuity fund scheme under which a regular confirmed employee is entitled to benefit at a graduated scale based on the length of service. The length of service for the purpose of gratuity shall be reckoned from the date of joining in the regular service of the Company. Calculation of gratuity is made on the basis of last drawn basic salary. An employee will receive two month's basic salary for each completed year of service if he/she complete five years. Gratuity will be payable only on their separation from the company.

#### c. Worker's Profit Participation Fund

In accordance with the section 234(1)(b) of Bangladesh Labor Act 2006 (Amendment in 2013) and Bangladesh Labor Rules (Amendment in 2015), Within 9 (Nine) months of the close of every accounting year, 5% of profit before tax of the accounting

year/period shall be transferred to Worker's Profit Participation Fund established under section 14 of the Bangladesh Workers Welfare Foundation Act 2006 at the proportion of 80:10:10 respectively. Sena Kalyan has made provision for workers profit participation fund at 5% on profit before tax. Worker's welfare fund is yet to be established.

#### **d. Other Benefits**

In addition to the above, Sena Kalyan Insurance Company Limited is providing other benefits to its employees like performance based incentive bonus, Boishakhi festival allowance, Group Insurance and Car/Motor Cycle loan scheme subject to fulfillment of certain terms and conditions.

#### **2.35 Related party disclosures**

The company in normal course of business, carried out a number of transactions with other entities that fall within the definition of related party contained in International Accounting Standards 24: Related Party Disclosures. All transactions involving related parties arising in normal course of business are conducted on an arm's length basis at commercial rates on the same terms and conditions as applicable to the third parties. Details of the related party disclosures have been given in Note 23.

#### **2.36 Prohibition of loans**

As per Section 44 of Insurance Act 2010, the Company has not granted any loan to any Director or any member of their family, banking company, subsidiary company and auditor, any loan or temporary advance either and hypothecation property or personal security or otherwise.

#### **2.37 Others**

Figures have been rounded off to the nearest taka and previous year's figures have been re-arranged, wherever necessary, for the purpose of comparison.

#### **2.38 Disclosure of departure from IFRS due to mandatory compliance with insurance act's requirements:**

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

- a) As per Insurance Act 1938 (as amended in 2010), investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provisions has been made by netting off any unrealized gain/(loss) arising at the Balance sheet date. However as per requirements of IFRS 9 investment in shares, all equity instruments are to be measured at fair value with changes reflected in either profit or loss or other comprehensive income.
- b) General provision on insurance premium and re-insurance premium are followed as per Insurance Act 1938 (as amended 2010) . However such general provision cannot satisfy the conditions of provision as per IAS 37. At the year end the Sena kalyan insurance company limited has recognized provision of BDT. 127,045,289 as balance of fund and liabilities in the balance sheet.
- c) As per IDRA guidelines, financial instruments are categorized, recognized and measured differently from those prescribed in IFRS 9. As such some disclosure and presentation requirements of IFRS 7 and IAS 32 have not been made in the accounts.
- d) Insurance Act 1938 has issued templates for financial statements which will strictly be followed by all general and life insurance company. The templates of financial statements issued by Insurance Act does not include Other Comprehensive Income (OCI) nor are the elements of other comprehensive income allowed to include in a single Comprehensive Income (OCI) Statement. As such Sena Kalyan Insurance company limited does not prepare the other comprehensive income statement. However Sena Kalyan Insurance company limited does not have any elements of OCI to be presented.

#### **2.39 Anti- Money Laundering Committee**

Maloy Kumar Saha, Senior Vice President & CFO of the Company has been appointed as a Chief Anti Money Laundering



Compliance Officer (CAMLCO) in our Company. Anti-Money Laundering Committee addresses the prevention of money laundering & terrorist financing activities under the Money Laundering Prevention Act-2012 and the Anti Terrorism (Amended) Act-2013. The committee also arranges the training for employees, regularly monitors and ensures reporting to Bangladesh Bank regarding any suspicious and doubtful transaction.

## **2.40 Risk factors Relating to the company**

### **(a) Credit Risks**

Credit risk is measured as the potential economic loss in the value of our portfolio that would result from either changes in the credit quality of our counter parties or the inability or unwillingness of a counter party to fulfil its contractual obligations. Credit risks may arise from our inability to meet our claims payment obligations, or our inability to indemnify the loss to the policyholder. We focus on mitigating this risk through proper capital planning and allocation that enables us to meet our liabilities on time and maintain solvency. Credit risk may also arise from potential losses from nonrecoverability of reinsurance receivables. We select our reinsurance partners carefully and also possess strong long term relationships with them, which enables us to mitigate exposure to reinsurance risks.

### **(b) Underwriting Risks**

Underwriting risk consists of premium and reserve risks in the property- casualty business segments. As part of our property-casualty business operations, we receive premiums from our customers and provide insurance protection in return. Premium risk is the risk that actual claims for the business in the current year develop adversely relative to expected claims ratios. We mitigate premium risk by reinsurance, as well as by focusing on excellence in underwriting. Assessing risks as part of the underwriting process is a key element of our risk management framework, which is governed by clear underwriting limits and restrictions, as per our enterprise-wide risk management framework.

### **(c) Operational Risks**

Operational risks represent losses resulting from inadequate or failed internal processes, human errors, system failures and other external events, and can originate from a wide variety of sources, including potential losses due to a failure to meet the professional obligations or from the design of our products or from misspelling or from non-compliance with internal / external requirements related to our products. Though these losses tend to be of a lower frequency, they have a potentially high financial impact. Other operational risks include fraud, financial risk or a cyber security incident causing business interruption or disruption. We focus on minimising the occurrence of operational risks as much as possible through engaging in extensive employee training, through creating redundancies across our technology network and through ensuring regulatory compliance – in both letter and spirit.

### **(d) Liquidity Risks**

Liquidity risk is defined as the risk that current or future payment obligations cannot be met or can only be met on the basis of compromised conditions. We manage our liquidity risks by balancing cash inflows and outflows, and by embracing the time-tested principles of maximising cash inflows and optimising cash outflows. We also maintain our capital buffers to as per regulatory requirements to prevent capital / liquidity shocks and ensure that there is enough space for us to meet our liability obligations to our policyholders.

### **(e) Strategic Risks**

Strategic risks are risks that enforce depletion in the company's value, arising from adverse management decisions on business strategies and their implementation. Strategic risks are identified and discussed in various forums both at the executive and management levels. We also monitor market and competitive conditions, capital market requirements, regulatory alignment, etc., to decide if strategic adjustments are necessary. We also focus on mitigating strategic risks through realising our aspirations of customer-centricity, going digital, technical excellence, spirit of innovation and inclusivity focus.

Amounts in Taka

31 December,  
2021

31 December,  
2020

### 3.00 Share Capital

#### Authorized:

100,000,000 ordinary shares of Tk. 10 each

1,000,000,000

1,000,000,000

#### Issued, Subscribed and Paid up:

40,000,000 ordinary shares of Tk. 10 each

400,000,000

240,000,000

### 3.01 Shareholding Patterns

#### Classification of Shareholders as per their share holdings

Sl. No	Category of Shareholder	No. of Shares	% of Holding	Amount (Tk.) 2021	Amount (Tk.) 2020
01	Sponsors/Directors	24,000,000	60.00%	240,000,000.00	240,000,000
02	General Public	9,626,109	24.07%	96,261,090.00	-
03	Institution	6,373,891	15.93%	63,738,910.00	-
<b>Total</b>		<b>40,000,000</b>	<b>100.00%</b>	<b>400,000,000</b>	<b>240,000,000</b>

#### Classification of Shareholders

Sl. No	Range of share holding	No. of Shareholders	No. of Shares	Share par value	Value of Share in Taka 2021	Value of Share in Taka 2020
01	0000000001-0000010000	462,248	14,349,649	10	143,496,490	60
02	0000010001-0000020000	93	1,630,050	10	16,300,500	-
03	0000020001-0000030000	1	20,307	10	203,070	-
04	0000090001-1000000000	1	23,999,994	10	239,999,940	239,999,940
<b>Total</b>		<b>462,343</b>	<b>40,000,000</b>		<b>400,000,000</b>	<b>240,000,000</b>

#### Shareholders (Sponsors)

Sl. No.	Name of the Shareholders	Position	No. of Shares	Value of Share in Taka 31 December, 2021	Value of Share in Taka 31 December 2020
01	Maj Gen Mohammed Saidul Islam, ndc, psc	Chairman, SKS	23,999,994	239,999,940	239,999,940
02	Air Cdre M Moyeenuddin, ndc, afwc, psc	DG, Welfare Division, SKS	1	10	10
03	Brig Gen Mirza Md Enamul Haque, ndc	DG, HR Division, SKS	1	10	10
04	Brig Gen M A Mohy, psc, PEng	DG, BD-RED	1	10	10
05	Brig Gen Md Mustafa Kamal, SGP	DG, BD-1, SKS	1	10	10
06	Brig Gen Md Jamal Hossain, ndc, afwc, psc	DG, BD-6, SKS	1	10	10
07	Brig Gen Md Shaheed Iqbal, afwc, psc	DG, BD-5, SKS	1	10	10
<b>Total</b>			<b>24,000,000</b>	<b>240,000,000</b>	<b>240,000,000</b>

#### Share holding of CEO, Company Secretary, CFO & Executives

Sl. No	Name	Designation	Share Holding (Nos)	Percentage (%)
01	Brig Gen Shafique Shamim (Retd)	Managing Director & CEO	Nil	Nil
02	Col Md Aulad Hossain, psc, G (Retd)	Deputy Managing Director (Development Officer)	Nil	Nil
03	Gp Capt Md Atiar Rahman, psc (Retd)	Assistant Managing Director (Development Officer)	Nil	Nil
04	Lt. COI AKM Nazimul Islam, Psc, (Retd.)	Head of Marketing	Nil	Nil
05	Mr. Pranab Kumar Saha,	Head of Underwriting	Nil	Nil
06	Maloy Kumar Saha	Chief Financial Officer (CFO)	Nil	Nil
07	Squadron Leader Md. Mostafa Zaman (Retd.)	Head of HR and Admin	Nil	Nil
08	Mr. Tajul Islam	Head of Ciam and Reinsurance	Nil	Nil
09	Md. Shakhawat Hossain	Head of IT	Nil	Nil
10	Md. Firoz Sarker	Head of Internal Audit & Compliance	Nil	Nil
11	Lasmin Akter	Company Secretary	Nil	Nil



Amounts in Taka

**31 December,  
2021**

**31 December,  
2020**

#### 4.00 Reserve for exceptional losses

Reserve for exceptional losses for tk. 78,022,604 has been taken to be current year's profit before tax equivalent to 10% of premium earned during the year as per provision of Para 6 of 4th schedule of Income Tax Ordinance 1984.

The amount has been arrived at as under:

Balance as at 01 January 2021		197,792,882	139,740,659
Addition made during the year	4.01	78,022,604	58,052,223
<b>Total</b>		<b>275,815,487</b>	<b>197,792,882</b>

#### 4.01 Reserve for Exceptional losses (addition during the year)

Particulars	Gross Premium	Percentage (%)	31 December, 2021	31 December, 2020
Fire	163,039,233	10%	16,303,923.31	12,526,940
Marine Cargo	122,349,301	10%	12,234,930	8,409,783
Marine Hull	11,960,273	10%	1,196,027	996,905
Motor	26,708,462	10%	2,670,846	5,293,357
Miscellaneous	456,168,774	10%	45,616,877	30,825,239
<b>Total</b>	<b>780,226,042</b>		<b>78,022,604</b>	<b>58,052,223</b>

#### 4.02 Investment Fluctuation Fund (difference of market value and cost value)

Market Price of Shares	24,346,241	13,049,137
Cost Price of Shares	(23,917,774)	(12,640,243)
<b>Closing Balance</b>	<b>428,468</b>	<b>408,894</b>

#### 4.03 Profit and Loss Appropriation Account

Opening Balance	68,001,646	55,778,209
Add : Profit during the year	106,150,316	94,275,660
<b>Total</b>	<b>174,151,962</b>	<b>150,053,869</b>
Less : Reserve for Exceptional Losses.	(78,022,604)	(58,052,223)
Less: Dividend distributed from last year profit	(24,000,000)	(24,000,000)
<b>Closing Balance</b>	<b>72,129,358</b>	<b>68,001,646</b>

#### 5.00 Balance of funds and accounts

Fire Insurance Revenue Account	34,612,677	22,189,660
Marine Insurance Revenue Account	50,103,565	31,863,664
Motor Insurance Revenue Account	10,384,170	21,173,428
Miscellaneous Insurance Revenue Account	30,864,877	99,974,709
<b>Total</b>	<b>125,965,289</b>	<b>175,201,461</b>

The amount represents reserve for unexpired risks @40% of net premium income on Fire, Marine Cargo, Motor and Misc. and 100% of Marine Hull and Aviation.

## 6.00 Premium Deposits

	Amounts in Taka	
	31 December, 2021	31 December, 2020
Marine Insurance Account	1,792,490	27,029,207
Stamp Collection	243,988	4,502,766
<b>Total</b>	<b>2,036,478</b>	<b>31,531,973</b>

The above 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.

## 7.00 Estimated liabilities in respect of Outstanding claims whether due or intimated

Fire	126,873,737	72,857,592
Marine	35,662,489	13,893,543
Motor	25,592,300	11,759,525
Miscellaneous	82,856,588	22,874,921
<b>Total</b>	<b>270,985,114</b>	<b>121,385,581</b>

All the claims against which the Company received intimations within 31 December 2021 have been taken into consideration while estimating the liability in respect of outstanding claims.

## 8.00 Amounts due to other persons or bodies carrying on insurance business

Sadharan Bima Corp. reinsurance ceded	52,814,824	15,549,826
Overseas	38,639,226	2,816,513
<b>Total</b>	<b>91,454,050</b>	<b>18,366,339</b>

The above balance refers to amount due to of re-insurance by Sadharan Bima Corporation and Overseas.

## 9.00 Provision for Income Tax

Opening Balance	63,550,084	42,712,673
Add: Provision during the year - 9.01	10,717,890	20,837,411
<b>Closing Balance</b>	<b>74,267,974</b>	<b>63,550,084</b>

### 9.01 Calculation of Provision for Income Tax

Net Profit (as per Profit and Loss Account)	115,981,192	114,225,641
Less: Exceptional Losses Reserve	(78,022,604)	(58,052,223)
	<b>37,958,588</b>	<b>56,173,418</b>
Less: Income from Bangladesh Govt. Treasury Bond (Tax Free)	(5,048,043)	(3,918,036)
Less: Dividend Income	(512,152)	(101,199)
Less: Profit of sale of Fixed Assets	(2,240,634)	(178,009)
Less: Realised Gain on Sales of Share	(3,744,709)	-
<b>Business Income</b>	<b>26,413,050</b>	<b>51,976,174</b>
Provision on Business Income	9,904,894	20,790,469
Provision on Dividend Income	102,430	20,240
Profit of sale of Fixed Assets	336,095	26,701
Realised Gain on sales of Shares	374,471	-
<b>Total</b>	<b>10,717,890</b>	<b>20,837,411</b>



Amounts in Taka

**31 December,  
2021**

**31 December,  
2020**

## 9.02 Deferred Tax (IAS-12)

Company recognizes deferred tax as per IAS -12. Temporary differences arise in respect of depreciation. Company has calculated deferred tax as on 31 December 2021. Deferred tax has also been included in current year accounts.

### Deferred Tax Liability/(Assets)

Written Down Value as per financial statements	34,018,492	22,316,641
Written Down Value as per Tax Base	29,995,783	19,795,822
<b>Taxable Temporary Difference</b>	<b>4,022,709</b>	<b>2,520,819</b>
Tax Rate	37.50%	40.00%
	<b>1,508,516</b>	<b>1,008,328</b>

### Deferred Tax Liability

Opening Balance	1,008,328	717,193
Deferred Tax (Income)/Expense	500,188	291,135
<b>Closing Balance</b>	<b>1,508,516</b>	<b>1,008,328</b>

## 9.03 Deferred Tax (Income)/Expense

Deferred Tax Income - 12.03	(1,387,202)	(1,178,564)
Deferred Tax Expense - 9.02	500,188	291,135
	<b>(887,014)</b>	<b>(887,429)</b>

## 10.00 Sundry Creditors

Provision for Audit Fees	580,000	250,000
Provision for Office Rent	4,387,074	758,447
Dividend Payable	8,422,519	-
VAT on Premium*	1,516,199	2,032,677
Tax and VAT at Source Payable	832,467	590,512
Provision for PF & GF Expenses	70,000	40,000
Sena Kalyan Sangstha	27,401,405	27,218,321
Provision for Gratuity fund expenses	3,786,206	3,385,878
<b>Total</b>	<b>46,995,870</b>	<b>34,275,835</b>

Sundry creditors are current liabilities and provisions that the company has to pay in due course. It also includes Company's liability for current tax which is calculated using tax rates that have been enacted at the balance sheet date.

\*VAT payable for the month of December- 2021 for tk. 15,16,199/- only which was subsequently paid on January 13, 2022 vide Sonali Bank Limited Challan No. T- 145,146 & 147 dated 13/01/2021.

## 10.01 Lease Liability

Opening Balance	21,057,835	-
Addition During the Year	1,568,908	28,521,246
Adjustment During the Year	(8,200,161)	(7,463,412)
<b>Closing Balance</b>	<b>14,426,582</b>	<b>21,057,835</b>

	Amounts in Taka	
	31 December, 2021	31 December, 2020
<b>11.00 Property, Plant and Equipment</b>		
Tangible Assets	32,924,634	21,912,204
Intangible Assets	1,093,858	404,437
<b>Written down value at 31 December, 2021</b>	<b>34,018,492</b>	<b>22,316,641</b>

<b>11.01 Tangible Assets</b>		
Opening Balance at Cost	44,399,429	42,072,038
Addition during the year	17,153,966	5,670,391
	<b>61,553,395</b>	<b>47,742,429</b>
Less: Disposal during the year	(5,394,000)	(3,343,000)
<b>Closing Balance</b>	<b>56,159,395</b>	<b>44,399,429</b>
Less: Accumulated Depreciation	(23,234,761)	(22,487,225)
<b>Written down value</b>	<b>32,924,634</b>	<b>21,912,204</b>

<b>11.02 Intangible Assts</b>		
Opening Balance at Cost	863,250	863,250
Addition during the year	735,000	-
Less: Accumulated Depreciation	(504,392)	458,813
<b>Written down value</b>	<b>1,093,858</b>	<b>404,437</b>

For details schedule for the detail of property, plant and equipment may be seen in Annexure- A

<b>12.00 Investment</b>			
Investment in BGTB	Note- 12.01	81,091,675	51,217,510
Investment in Shares	Note- 12.04	24,346,241	13,049,137
<b>Total</b>		<b>105,437,917</b>	<b>64,266,647</b>

The amount represents the investment in 10 years period Bangladesh Government Treasury Bonds which is held with Bangladesh Bank as Statutory Deposit under the Insurance Act, 2010, under section 23 & 24 and as per direction of Insurance Development Regulatory Authority (IDRA)..

<b>12.01 Investment in BGTB</b>		
Face Value of 05-Years BD0925021059	22,500,000	22,500,000
Face Value of 05-Years 2021005951	27,500,000	-
Face Value of 10-Years BD0923341103	26,500,000	26,500,000
Face Value of 10-Years BD0931561106	2,300,000	-
Premium value for Bangladesh Govt. Treasury Bonds	2,356,903	2,217,510
Discount value for Bangladesh Govt. Treasury Bonds	(65,228)	-
Less: Adjustment of Premium value	-	-
<b>Total</b>	<b>81,091,675</b>	<b>51,217,510</b>

<b>12.02 Right of Use (RoU) Assets</b>		
Opening Balance	21,571,514	-
Addition During the Year	1,651,708	28,734,796
Amrotisation and Adjustment	(8,220,160)	(7,163,283)
<b>Closing Balance</b>	<b>15,003,062</b>	<b>21,571,514</b>



	Amounts in Taka	
	31 December, 2021	31 December, 2020
<b>12.03 Deferred Tax Assets</b>		
Opening Balance	7,705,236	6,526,672
Add: Deferred Tax Income	1,387,202	1,178,564
<b>Closing Balance</b>	<b>9,092,438</b>	<b>7,705,236</b>
Gratuity Provision	3,786,206	3,385,878
Gratuity Payment	(87,000)	(439,468)
	3,699,206	2,946,410
Tax Rate	37.50%	40.00%
<b>Deferred Tax Income</b>	<b>1,387,202</b>	<b>1,178,564</b>

#### 12.04 Investment in Shares

Sl No.	Name of Company	No. of Shares	Average rate	Cost Price	Market Price 31 December, 2021	Market Price 31 December, 2020
1	Ifad Autos	37,367	57.86	2,161,931	1,767,459	2,784,906
2	Singer BD	20,000	176.89	3,537,861	3,398,000	2,656,500
3	Square Pharma	35,000	221.76	7,761,664	7,500,500	4,809,105
4	Ring Shine	180	8.61	1,550	1,728	116,787
5	Sea Pearl Beach	3,916	9.53	37,300	175,437	309,756
6	Confidence	-	-	-	-	1,187,000
7	Robi	-	-	-	-	1,185,083
8	BATBC	10,000	538.32	5,383,186	6,356,000	-
9	GP	7,000	346.67	2,426,663	2,446,500	-
10	Olympic	2,350	183.39	430,970	377,410	-
11	SBACBANK	13,665	10.00	136,650	216,007	-
12	BEXGSUKUK	20,000	100.00	2,000,000	2,000,000	-
13	ACMEPL	4,000	10.00	40,000	107,200	-
<b>Total</b>				<b>23,917,774</b>	<b>24,346,241</b>	<b>13,049,137</b>

The Company has made investment in capital market this year and unrealized gain is transferred to investment subsequently. Investment in shares that do not have any quoted market price in the active market and whose fair value cannot be measured reliably, where recognized at cost.

#### 13.00 Accrued Interest

Fixed Deposit Receipt (FDR's) Opening	16,283,707	19,623,494
Add: During the period	38,756,697	48,944,742
Less: Cash Receipts	38,274,049	52,284,529
<b>Total Accrued Interest During the period</b>	<b>16,766,355</b>	<b>16,283,707</b>
Interest on Bangladesh Govt. Treasury Bonds Opening	1,405,546	947,557
Add: During the period	5,048,043	1,405,546
Less: Cash Receipts	4,583,038	947,557
<b>Total Accrued Interest During the period</b>	<b>1,870,551</b>	<b>1,405,546</b>
Received from SKICLEPF Capital Reserve Fund (PF-forfeited amount)	1,560,616	1,560,616
Less: Cash Receipts	1,560,616	-
<b>Total Balance During the period</b>	<b>-</b>	<b>1,560,616</b>
<b>Total</b>	<b>18,636,906</b>	<b>19,249,869</b>

	Amounts in Taka	
	31 December, 2021	31 December, 2020
<b>14.00 Amount due from other persons or bodies carrying on insurance business</b>		
Sadharan Bima Corp. reinsurance ceded	-	-
Overseas	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**15.00 Sundry Debtors (Including advance, deposits and prepayments)**

Security Deposit	123,195	322,195
Advance Income Tax (Note- 15.01)	68,560,251	48,845,467
Dividend Receivable	263,794	-
Advance to Supplier	348,900	-
Received from SKICLPF Capital Reserve Fund (PF-forfeited amount)	479,516	-
Advance to Office Staff	463,002	185,033
<b>Total</b>	<b>70,238,658</b>	<b>49,352,695</b>

**15.01 Advance Income Tax**

Income Tax from Financial year 2015 to 2021 (Assessment Year 2016-2017 to 2021-2022) of Sena Kalyan Insurance Limited not yet finalized by the Income Tax Authority. Advance Tax pays U/S-64, Tax paid U/S-74, Tax (TDS) in particular years where showing Advance Tax in assets side under the head Sundry debtors. In course of finalization or assessment by the Income Tax Authority then the Advance Tax will be adjusted. Details of Advance tax payments are given below:

Opening Balance	48,845,467	23,589,122
Add: Paid during the year	19,714,784	25,256,345
<b>Closing Balance</b>	<b>68,560,251</b>	<b>48,845,467</b>

SI No.	Financial Year	Assessment Year	Advance Tax	Tax Payment with return	Total Tax Paid 31 December, 2021	Total Tax Paid 31 December, 2020
1	2013	2014-2015	45,000	-	45,000	45,000
2	2014	2015-2016	1,668,008	-	1,668,008	1,668,008
3	2015	2016-2017	2,284,088	1,613,000	2,284,088	2,284,088
4	2016	2017-2018	1,602,286	6,058,389	3,215,286	3,215,286
5	2017	2018-2019	2,687,600	6,913,024	8,745,989	8,745,989
6	2018	2019-2020	2,933,213	-	9,846,237	9,846,237
7	2019	2020-2021	3,394,610	18,002,149	3,394,610	3,394,610
8	2020	2021-2022	7,254,196	13,583,215	25,256,345	25,256,345
9	2021	2022-2023	6,131,569	-	19,714,784	-

**16.00 Cash and cash equivalents**

Cash at banks	978,813,739	711,640,471
Fixed Deposits: (FDR's) (Note-16.01)	72,024,082	66,989,559
SND Accounts (Note- 16.02)	75,626,347	14,844,176
Current Accounts (Note- 16.02)	<b>1,126,464,168</b>	<b>793,474,206</b>
Cash in hand (Note- 16.03)	66,391	20,252
Brokerage Balance	2,385,104	2,502
<b>Total</b>	<b>1,128,915,663</b>	<b>793,496,960</b>



Amounts in Taka

**31 December,  
2021**

**31 December,  
2020**

**16.01 Fixed Deposit Receipt (FDR)**

Balance at the beginning of the year  
Add: Placed during the year  
Less: Encashed during the year  
**Balance at the end of the year**

711,640,471	581,500,000
401,673,268	240,140,471
(134,500,000)	(110,000,000)
<b>978,813,739</b>	<b>711,640,471</b>

**Statement of bank wise Fixed Deposit Receipt (FDR) as at 31 December, 2021**

Sl. No.	Name of bank	31 December, 2021	31 December, 2020
01	Trust Bank Ltd.	387,900,000	315,400,000
02	Pubali Bank Ltd.	30,000,000	10,000,000
03	IFIC Bank Ltd.	22,000,000	32,000,000
04	AB Bank Ltd.	16,000,000	43,000,000
05	Standard Bank Ltd.	40,000,000	40,000,000
06	Social islami Bank Ltd.	-	2,500,000
07	Mutual Trust Bank Ltd.	25,000,000	30,000,000
09	Shahjalal Islami Bank Ltd.	-	5,000,000
10	Shimanto Bank Ltd.	100,000,000	55,000,000
11	Exim Bank Ltd.	71,879,114	24,205,846
14	First Security Islami bank Ltd.	11,000,000	10,000,000
17	Brac Bank Ltd.	12,434,625	40,434,625
18	United Commercial Bank Ltd.	29,500,000	9,500,000
21	Meghna Bank Ltd.	34,500,000	12,000,000
22	People Leasing & Financial Services Ltd.	3,100,000	3,100,000
23	Delta Brac Housing Ltd.	54,000,000	24,000,000
24	NRB Bank Ltd.	-	2,500,000
25	Islami Bank Bangladesh Ltd.	11,000,000	1,000,000
27	United Finance Ltd.	5,500,000	500,000
28	Community Bank	35,000,000	10,000,000
29	ICB Islamic Bank Ltd.	-	500,000
30	IDLC Finance Ltd.	25,000,000	-
31	LankaBangla	5,000,000	-
32	NRBC	2,000,000	-
33	Bank Asia	2,000,000	-
34	Bengal Commercial Bank	55,000,000	-
35	Perime Bank	1,000,000	-
36	NRB Global Bank Ltd.	-	20,000,000
37	One Bank Ltd.	-	20,000,000
38	IPDC Finance Ltd.	-	1,000,000
<b>Total</b>		<b>978,813,739</b>	<b>711,640,471</b>

Amounts in Taka

31 December,  
2021

31 December,  
2020

**16.02 Statement of Bank wise Short Notice Deposit and Current Deposit with Banks as at 31 December, 2021**

Sl. No.	Name of bank	SND Account	CD Account	Total 31 December, 2021	Total 31 December, 2020
01	Trust Bank Ltd. Kawran Bazar Branch, Dhaka. A/C - 0030-0320000337	18,281,793	-	18,281,793	36,929,682
02	EXIM Bank Ltd. DOHS Branch, Dhaka. A/C - 1241-3100005298	53,738,604	-	53,738,604	30,055,894
03	Trust Bank Ltd. Kawran Bazar Branch, Dhaka. A/C - 0030-0210005719	-	2,612,915	2,612,915	4,463,610
04	Trust Bank Ltd. SKB Branch, Dhaka. A/C - 0003-0210013123	-	1,095,015	1,095,015	1,088,971
05	Trust Bank Ltd. Kawran Bazar Branch, Dhaka. A/C - 0030-0210005004	-	8,486,722	8,486,722	7,819,643
06	Trust Bank Ltd. Kawran Bazar Branch, Dhaka. A/C - 0030-0210008850	-	180,437	180,437	121,609
07	Trust Bank Ltd. Kawran Bazar Branch, Dhaka. A/C - 0030-0210009082	-	315,443	315,443	1,340,847
08	Trust Bank Ltd. Motijheel Branch, Dhaka. A/C - 0003-0210013534	-	629	629	443
09	Trust Bank Ltd. Millennium Branch, Dhaka. A/C - 0022-0210012612	-	7,247	7,247	1,729
10	Trust Bank Ltd. Agrabad Branch, Chittagong. A/C - 0012-0210009600	-	4,095	4,095	264
11	Trust Bank Ltd. Khulna Branch, Khulna. A/C - 00400-320000451	3,150	-	3,150	3,326
12	Trust Bank Ltd. Millennium Branch, Dhaka. A/C - 0022-0210013684	-	1,277	1,277	1,967
13	Trust Bank Ltd. Kawran Bazar Branch, Dhaka. A/C - 0044-0210003135	-	-	-	563
14	Sonali Bank Ltd. Farmgate Branch, Dhaka. A/C - 011-4902000884	-	1,068,094	1,068,094	4,530
15	Trust Bank Ltd. Chowhatta Branch, Sylhet. A/C - 0021-0320000794	535	-	535	657
16	Trust Bank Ltd. Millennium Branch, Dhaka. A/C - 0022-0210021675 IPO-BDT	-	61,854,473	61,854,473	-
17	Trust Bank Ltd. Millennium Branch, Dhaka. A/C - 0022-5802000023 IPO-EURO	-	-	-	-
18	Trust Bank Ltd. Millennium Branch, Dhaka. A/C - 0022-5802000025 IPO-GBP	-	-	-	-
19	Trust Bank Ltd. Millennium Branch, Dhaka. A/C - 0022-5802000027 IPO-USD	-	-	-	-
<b>Total</b>		<b>72,024,082</b>	<b>75,626,347</b>	<b>147,650,429</b>	<b>81,833,735</b>

**16.03 Cash in hand**

Head Office  
Branches  
**Total**

42,851	16,270
23,540	3,982
<b>66,391</b>	<b>20,252</b>



	Amounts in Taka	
	31 December, 2021	31 December, 2020
<b>17.00 Interest and Dividend Income</b>		
Bangladesh Government Treasury Bond	5,048,043	3,918,036
Fixed Deposit Receipt (FDR)	38,756,697	48,944,742
Short Notice Deposit (SND) Accounts	832,197	1,144,964
Dividend on Share received during the year	512,152	101,199
<b>Total</b>	<b>45,149,089</b>	<b>54,108,941</b>

Dividend Income represents the amount received from investment in share of public limited company.

### 18.00 Other Income

The other income comprises of receipt during the year from co-insurance service charge sale of paper, wastage goods, service charges and trustee fees.

Trustees Fees	2,135,000	1,320,000
Sales of Paper and Wastage Goods	-	7,700
Service Charges (Co-Insurance)	482,402	394,274
Fees & Charges Refund	110,000	-
Received from SKICLPF Capital Reserve Fund (PF-forfeited amount)	479,516	1,560,616
Profit of sale of Fixed Assets	2,240,634	654,109
Profit of sale of shares	3,744,709	178,009
<b>Total</b>	<b>9,192,261</b>	<b>4,114,708</b>

Notes- 18.01

### 18.01 Profit or Loss on Sales of Assets

Cost Price	5,394,000	3,343,000
Less: Accumulated Depreciation	4,294,634	2,357,109
Less: Sales Price	3,340,000	1,640,000
<b>Gain on Sales of Assets</b>	<b>2,240,634</b>	<b>654,109</b>

### 19.00 Agency Commission

As per Insurance Development & Regulatory Authority's (IDRA) circular No. non life-84/2021 date: 24 October 2021 the agency commission for non life insurance business were fixed up @ 15% for all classes of non life insurance business. The agency commission for different classes of business are furnished as under:

#### Class wise segregation of agency commission

Fire	6,051,046	14,079,888
Marine Cargo	7,767,647	12,427,157
Marine Hull	170,643	676,185
Motor	646,171	1,932,926
Miscellaneous	7,660,276	4,606,591
<b>Total</b>	<b>22,295,783</b>	<b>33,722,747</b>

Amounts in Taka

31 December,  
2021

31 December,  
2020

**20.00 Management Expenses: Allocation of management expenses as per follows**

Salary and Allowances	50,747,911	45,838,234
Festival Bonus	4,333,264	3,676,179
Telephone, Mobile and Internet, Software Bill	1,037,568	983,802
Car Fuel	1,785,530	1,210,494
Entertainment, Annual Picnic and Lunch Expenses	182,336	46,895
Conveyance, TA/DA and Vehicle Allowance	1,333,303	317,743
Utility Bill	431,899	448,825
Postage, Courier and Revenue Stamp	177,667	142,905
Books, Papers and Periodicals	32,227	25,199
Office Rent, Garage Rent and Service Charges	4,449,097	4,824,653
Amortisation of RoU Assets	8,232,011	7,501,212
Finance Cost	931,639	871,148
Bank Charges	1,316,898	1,045,852
Co-Insurance Service Charges	935,548	594,624
Miscellaneous and General Expenses	1,058,396	139,657
Repairs and Maintenance (Office)	222,687	113,277
Fees and Charges	382,633	225,442
Incentive Bonus	3,150,395	2,841,609
Medical Expenses	36,312	30,270
Staff Training fee	7,720	21,425
Trade License Renewal Fee	-	16,117
Printing, Packaging & Expenses	417,756	1,075,855
Repair, Maintenance and Renew. (Vehicle)	1,133,465	1,006,311
Office Stationary, Cleaning, Gardening and Up-Keep-Supplier	647,311	210,938
Office Staff Tea and Water Bill	464,160	243,970
Uniform & Liveries	-	8,090
Gratuity Expenses	3,786,206	3,385,878
Gardening Supplier	-	25,840
Contribution to Provident Fund	1,818,270	1,706,119
Insurance Premium	2,696	85,657
Unified Messaging Platform (UMP)	97,598	-
Bima Mela / Business Procurement Expenses	116,744	206,411
Pre-Inspection Survey fee	-	25,040
Board Meeting and AGM Expenses	133,384	120,535
Expenses for PF & GF audit fees	40,000	40,000
PSB Management & Business Expense	7,356,020	4,696,623
<b>Total</b>	<b>96,798,650</b>	<b>83,752,829</b>

**20.01 Appropriation of management expenses**

Class of Business	Gross premium	Stamp	Mgt. Exp.	31 December, 2021	31 December, 2020
Fire	163,039,233	189	20,227,443	20,227,632	18,072,268
Marine Cargo	122,349,301	-	15,179,251	15,179,251	12,132,382
Marine Hull	11,960,273	-	1,483,850	1,483,850	1,438,185
Motor	26,708,462	3,378	3,313,582	3,316,960	7,639,612
Miscellaneous	456,168,774	572	56,594,524	56,595,096	44,470,383
<b>Total</b>	<b>780,226,042</b>	<b>4,138</b>	<b>96,798,650</b>	<b>96,802,788</b>	<b>83,752,829</b>



Amounts in Taka

31 December,  
2021

31 December,  
2020

**20.02 Aggregate amount of remuneration paid to all Directors and officers during the accounting year is as follows**

Particulars	Nature of Payment	Amounts in Taka	
		2021	2020
1. Directors	Board Meeting fee/Remuneration	134,464	101,200
2. Chief Executive Officer	Salary, Bonus and other Allowances	16,790,121	4,739,300
3. Officers and Executives	Salary, Bonus and other Allowances	41,441,449	52,708,719
<b>Total</b>		<b>58,366,034</b>	<b>57,549,219</b>

**20.03 Directors Remuneration**

The company has paid tk. 134464 to the Directors as Board meeting attendance fee during the year 2021. Other than this, no amount of money has spent by the company for compensating any member of Board for special service rendered.

Sl. No.	Name of Directors	Position	Number of Meeting	Total Fees 2021	Total Fees 2020
1	Maj Gen Mohammed Saidul Islam, ndc, psc	Chairman	4	22,224	-
2	Air Cdre M Moyeenuddin, ndc, afwc, psc	Vice Chairman	3	16,668	21,000
3	Brig Gen Mirza Md Enamul Haque, ndc	Director	4	22,224	9,000
4	Brig Gen M A Mohy, psc, PEng	Director	3	16,668	9,000
5	Brig Gen Md Mustafa Kamal, SGP	Director	2	11,112	17,000
6	Brig Gen Md Jamal Hossain, ndc, afwc, psc	Director	3	16,668	9,000
7	Brig Gen Md Shaheen Iqbal, afwc, psc	Director	2	11,112	17,000
8	M.M Mostafa Bilal	Director (Independent)	1	5,556	5,000
9	Ahamed Ihteyaz Tamid	Director (Independent)		-	5,000
				<b>122,232</b>	<b>92,000</b>
				Add: VAT	9,200
				<b>Total</b>	<b>101,200</b>
				<b>134,464</b>	<b>101,200</b>

**21.00 Net Asset Value per share**

Property, Plant and Equipment's	34,018,492	22,316,641
Investment in BGTB	81,091,675	51,217,510
Right of Use (RoU) Assets	15,003,062	21,571,514
Deferred Tax Assets	9,092,438	7,705,236
Investment in Shares	24,346,241	13,049,137
Accrued Interest	18,636,906	19,249,869
Amount due from other persons or bodies carrying on insurance business	-	-
Sundry Debtors	70,238,658	49,352,695
Cash and Bank Balances	1,128,915,663	793,496,960
Stationary and forms in hand	265,943	206,358
Stamp in Hand	203,165	126,219
<b>Total Assets (A)</b>	<b>1,381,812,243</b>	<b>978,292,139</b>
Balance of Funds and Accounts	125,965,289	175,201,461
Premium Deposits	2,036,478	31,531,973
Estimated liabilities in respect of outstanding claims	270,985,114	121,385,581
Amounts due to other persons	91,454,050	18,366,339
Provision For Income tax	74,267,974	63,550,084
Deferred Tax Liability	1,508,516	1,008,328
Lease Liability	14,426,582	21,057,835
Provision for WPPF	5,799,060	5,711,282
Sundry Creditors	46,995,870	34,275,835
<b>Total Liabilities (B)</b>	<b>633,438,931</b>	<b>472,088,716</b>
<b>Net Assets(A-B)</b>	<b>748,373,312</b>	<b>506,203,422</b>

	Amounts in Taka	
	31 December, 2021	31 December, 2020
<b>21.01 Basic Net Assets Value Per Share (NAV)</b>		
Net Assets	748,373,312	506,203,422
Weighted Average Number of Ordinary Shares Notes 22.03	27,726,027	24,000,000
<b>Basic Net Assets Value Per Share (NAV)</b>	<b>26.99</b>	<b>21.09</b>

## 22.00 Earnings Per Share (EPS)

The Company calculates Earnings per Share (EPS) in accordance with IAS-33: "Earnings Per Share", which has been shown on the face of the income statement and this has been calculated by dividing the basic earnings by the number of ordinary shares outstanding for the year. Details calculations were as follows

<b>22.01 Basic Earnings Per Share (EPS)</b>		
Net Profit after Taxation	106,150,316	94,275,660
Weighted Average Number of Ordinary Shares Notes 22.03	27,726,027	24,000,000
<b>Basic Earnings Per Share (EPS)</b>	<b>3.83</b>	<b>3.93</b>

## 22.02 Diluted Earnings Per Share (EPS)

No Diluted Earnings Per Share (EPS) was required to be calculated for the year presented as the Company has no dilutive potential ordinary shares.

## 22.03 Weighted Average Number of Ordinary Shares outstanding considering Lottery date of IPO (07 October 2021).

Particulars	No. of Shares	Days	Factor	Weighted Average Number of Ordinary Shares	
				2021	2020
Opening Shares	24,000,000	365	1	24,000,000	24,000,000
New Issue of Shares through IPO	16,000,000	85	0.23	3,726,027	-
<b>Weighted Average Number of Ordinary Shares Outstanding</b>				<b>27,726,027</b>	<b>24,000,000</b>

## 23.00 Net Operating Cash Flow Per Share

Net Operating Cash Flows Per Share (NOCFPS) has been calculated based on net cash generated from operating activities and number of shares outstanding during the period as at 31 December, 2021. Details calculations are as follows

Net Cash Generated From Operating Activities	246,513,763	221,715,530
Weighted Average Number of Ordinary Shares Notes 22.03	27,726,027	24,000,000
<b>Net Operating Cash Flow Per Share (NOCFPS)</b>	<b>8.89</b>	<b>9.24</b>



	Amounts in Taka	
	31 December, 2021	31 December, 2020
<b>24.00 Disclosures on reconciliation between Net Profit &amp; Net operating cash flows</b>		
<b>Net Profit after Tax</b>	<b>106,150,316</b>	<b>94,275,660</b>
Depreciation	5,087,749	2,538,305
<b>Changes in Current assets/liabilities</b>		
Increase of Balance of Funds & Accounts	(49,236,172)	38,143,427
Increase of Premium Deposits	(29,495,495)	(24,519,478)
Increase of Estimated liabilities in respect of outstanding claims whether due or intimated	149,599,533	81,599,067
Increase of Amount due to other persons or bodies carrying on insurance business	73,087,711	15,642,696
Increase of Amount due to other persons or bodies carrying on insurance business	10,717,890	20,837,411
Increase/ (Decrease) of Provision for Income Tax	(6,631,253)	-
Increase/ (Decrease) of Lease Liability	87,778	5,711,282
Increase/ (Decrease) of Provision for WPPF	500,188	291,135
Increase/ (Decrease) of Deferred Tax Liability	4,114,432	(1,178,564)
Increase/(Decrease) of Sundry Creditors	(1,387,202)	28,786
Increase/ (Decrease) of Deferred Tax Assets	612,963	1,331,182
Increase of Accrued Interest	(20,885,963)	(12,261,394)
Decrease/ (Increase) of Sundry Debtors	6,568,452	-
Decrease/ (Increase) of Right of Use (RoU) Assets	(59,585)	28,314
Decrease/ (Increase) of Stationary and forms in hand	(76,946)	(98,189)
Decrease/ (Increase) of Stamps in hand	(2,240,634)	(654,109)
Loss on Sale of Assets	246,513,763	221,715,530
<b>Net cash generated from operating activities</b>	<b>246,513,763</b>	<b>221,715,530</b>
<b>24.01 Collection from premium and other income</b>		
Gross Premium Income	780,226,042	580,522,233
Commission on Re-Insurance	37,805,895	27,697,255
Sundry Income	6,951,627	3,460,599
Interest and Dividend Income & Rent outstanding (interest/profit Accrued but not)	45,498,258	55,440,124
Right of Use (RoU) Assets	6,568,452	-
Sundry Debtors	(907,385)	12,994,951
Premium Deposits	(29,495,495)	(24,519,478)
Total	846,647,393	655,595,684
<b>Total</b>	<b>846,647,393</b>	<b>655,595,684</b>
<b>24.02 Payment for management expenses, Re-insurance, Claims and commission</b>		
Expenses of management: (Not Applicable to any particular fund or Account)	14,258,396	2,572,938
Expenses of management (with stamp used)	96,802,788	83,835,008
Agency commission	22,295,783	33,722,747
Paid on Re- Insurance Ceded	503,769,476	282,844,062
Claim paid during the year	13,814,541	21,332,839
Stationary and forms in hand	59,585	28,314
Stamps in hand	76,946	(98,189)
Lease Liability	6,631,253	-
Provision for WPPF	(87,778)	-
Amount due to other persons or bodies carrying on insurance business	(73,087,711)	15,642,695
Sundry Creditors (Including provision for expenses)	(4,114,432)	28,786
<b>Total</b>	<b>580,418,847</b>	<b>439,909,199</b>

Amounts in Taka

31 December,  
2021

31 December,  
2020

### 24.03 Investment

Investment in BGTB	29,874,165	24,717,510
Investment in Shares	11,297,104	6,376,407
Investment Fluctuation Fund	(19,574)	1,104,091
<b>Total</b>	<b>41,151,696</b>	<b>32,198,008</b>

### 25.00 Related Party disclosure

Sena Kalyan Insurance Company Ltd. In normal course of business carried out number of transactions with other entities that fall within the definition of related party contained in International Accounting standard 24 Related Party Disclosures. All transactions involving related parties arising in normal course of business are conducted on an arm's length basis at commercial rates on the same terms and conditions as applicable to the third parties. Details of transactions with related parties and balance with them are as follows

Name of the related party	Nature of Transactions	Nature of Relationship	Amounts in Taka	
			2021	2020
Sena Kalyan Sangstha	Insurance	Common Director	16,070	598,586
	Loan taken		183,084	709,009
Mongla Cement Factory	Insurance	Common Director	6,349,766	6,097,130
Sena Hotel Developments	Insurance	Common Director	1,983,088	2,502,437
Sena Kalyan Construction and Developments	Insurance	Common Director	20,189	23,278
Annanya Shopping Complex	Insurance	Common Director	96,882	106,744
Chittagong Flour Mills	Insurance	Common Director	348,364	310,468
Sena Kalyan Electric Industry	Insurance	Common Director	278,291	67,231
Fauji Flour Mills	Insurance	Common Director	169,220	21,942
Diamond Food Industries	Insurance	Common Director	454,210	421,866
Amin Mohiuddin Foundation	Insurance	Common Director	59,454	63,138
Sena kalyan Bhaban	Insurance	Common Director	921,518	228,715
SKS Trading House	Insurance	Common Director	185,869	84,911
Eastern Hosiery Mills	Insurance	Common Director	144,396	331,588
SKS LPG	Insurance	Common Director	6,788,805	5,552,043
SKS Ready Mix Concrete	Insurance	Common Director	-	1,294
Sena Edible Oil Industries	Insurance	Common Director	1,732,862	9,465,448
SKS Sales Promotion Office	Insurance	Common Director	22,933	7,202
Sena Kalyan Commercial Complex	Insurance	Common Director	56,994	52,322
Sena Filling Station (C.N.G)	Insurance	Common Director	387,144	386,106
Fecto Yamagen Electronics (SKS)	Insurance	Common Director	-	2,746
Sainik Lamps Distribution & SKS Display Centre	Insurance	Common Director	-	3,307
Sena Kalyan Business Mart	Insurance	Common Director	213,330	218,310
Sena Kalyan Trade Centre	Insurance	Common Director	200,521	-
Sena Kalyan Sangstha Real Estate Division	Insurance	Common Director	11,882	-
<b>Total</b>			<b>20,624,872</b>	<b>27,255,821</b>

### 26.00 Credit Rating

Year	Validity Date	Date of Rating	Long Term	Short Term
2021	Aug 18, 21 to Aug 17, 22	18-Aug-21	AA-	ST-2
2020	Aug 05, 20 to Aug 04, 21	5-Aug-20	A+	ST-2
2019	May 06, 19 to May 06, 20	6-May-19	A	ST-2
2018	May 06, 18 to May 06, 19	6-May-18	A	ST-3
2017	May 04, 17 to May 04, 18	4-May-17	A-	ST-4



Amounts in Taka

31 December,  
2021

31 December,  
2020

## 27.00 Capital Expenditure Commitment

There was no commitment for capital expenditure at the end of the year.

## 28.00 Claims not acknowledged as debt

There was no claim against the company nor acknowledged as debt by the company at the end of the year.

## 29.00 Financial Risk Management

The company's financial risk management is governed by direct monitoring of Finance and Monitoring Section. Company's financial assets include other receivables, cash and short-term deposits that arise directly from its operations and financial liabilities include provision, accruals and loans. The main purpose of these financial liabilities is to finance the company's operations.

The Company's activities are mainly exposed to the following risks from its use of financial instruments:

- i. Credit Risks;
- ii. Market Risks; and
- iii. Liquidity risks.

### Risk Management Framework

The management is responsible for the establishment and oversight of the company's risk management policies that are established to identify and analyze the risks faced by the company, to set appropriate risks limits and controls, and to monitor risks and adherence to limits. Management discloses the exposures to risk and how they arise as well as its objectives, policies and processes for managing the risk and the methods used to measure the risk. The company has exposures to the following risks from its use of financial instruments.

### 29.01 Credit Risks

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The company has allowed to debtors with the terms & conditions and the exposure to credit risk is monitored on an ongoing basis to ensure collection within stipulated time. Debtors are categorized according to their risk profile-i.e. frequency of payment, legal status, financial condition etc. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

#### Exposure to Credit Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

#### Other Receivables

Accrued Interest on FDR	39,749,197	28,108,607
Dividend Receivable	263,794	-
<b>Total</b>	<b>40,012,991</b>	<b>28,108,607</b>

#### Cash and Cash Equivalents

Cash in hand	66,391	20,252
Cash at Bank	147,650,429	81,833,735
Investment in FDR	978,813,739	711,640,471
<b>Total</b>	<b>1,126,530,559</b>	<b>793,494,458</b>

Amounts in Taka

### 29.02 Market Risks:

31 December,  
2021

31 December,  
2020

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

#### Interest risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the reporting date, the financial assets and financial liabilities are as follows:

#### Financial Instruments:

##### Financial Assets:

Investment in FDR

978,813,739

711,640,471

Cash at Bank

147,650,429

81,833,735

**Total**

**1,126,464,168**

**793,474,206**

##### Financial Liabilities:

Long Term Loan (Current and Non-Current Portion)

-

-

Short Term Loan

-

-

**Total**

-

-

### 29.03 Liquidity Risks:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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, prepared based on timeline of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

Relevant non-derivative financial liabilities at the reporting date are as follows:

Long Term Loan

27,401,405

27,218,321

Provision and Accruals

19,594,465

7,057,514

**Total**

**46,995,870**

**34,275,835**

### 30.00 Guarantee

There was no insurance guarantee made during the period.

### 31.00 Contingent Liabilities

Custom Excise & VAT Commissioner as per audit report of director of audit intelligence and investigation demanded BDT 10,762,320. (১). গণপ্রজাতন্ত্রী বাংলাদেশ সরকার, আভ্যন্তরীণ সম্পদ বিভাগ, ঢাকা কর্তৃক জারিকৃত মূল্য সংযোজন কর, প্রজ্ঞাপন -তারিখ ২৮ জৈষ্ঠ, ১৪২৭ বঙ্গাব্দ/১১ জুন ২০২০ খ্রীষ্টাব্দ, এস.আর.ও.নং-১৪৪-আইন/২০২০/১০৫-মুসক এ প্রদত্ত ক্ষমতাবলে বীমা কোম্পানী কর্তৃক এজেন্সি কমিশন বাবদ পরিশোধিত অর্থের বিপরীতে মূল্য সংযোজন কর কর্তন বিষয়ে অব্যাহতি দেয়া হয়েছে। যার সেবার কোড - ৯০২৭.০০। (২). পুনঃবীমা কমিশনের বিপরীতে ১৫% উৎসে মূল্য সংযোজন কর আদায় বা কর্তন সম্পর্কিত আইনের একটি লিখিত ব্যাখ্যা গত জুন ২, ২০২০ ইং তারিখে বাংলাদেশ ইন্সুরেন্স এসোসিয়েশনের প্রেসিডেন্ট কর্তৃক চেয়ারম্যান, জাতীয় রাজস্ব বোর্ড বরাবর প্রদান করা হয়। However, SKICL has not settled which is pending for the decision of the Commissioner of Custom Excise & VAT (South)

### 32.00 Receivables to/from directors

Nothing was due to/from any of the Directors of the company as on the date of statement of financial position.

### 33.00 Events after the Balance Sheet

Board of Directors in its meeting held on 20 April, 2022 proposed 12% cash dividend for the year 2021 subject to approval of shareholders of the company in its forthcoming 9<sup>th</sup> Annual General Meeting.

**Sena Kalyan Insurance Company Limited**  
**Schedule of Property, Plant and Equipment**  
As at 31 December, 2021

Annexure-"A"

Particulars	COST				Rate	DEPRECIATION			Written Down Value as at 31.12.2021	
	Balance as at 01.01.2021	Addition during the year	Sold/Adj. during the year	Total as at 31.12.2021		Balance as at 01.01.2021	Charged during the year	Sold/Adj. during the year		Totals at 31.12.2021
Furniture and Fixtures	4,559,733	197,635	-	4,757,368	10%	1,851,629	281,923	-	2,133,552	2,623,816
Motor Vehicle	23,508,000	16,134,638	5,394,000	34,248,638	20%	14,438,917	3,658,621	4,294,634	13,802,904	20,445,734
Office Equipments	202,496	-	-	202,496	15%	86,853	17,347	-	104,199	98,297
Cookeries and Cutleries	97,414	8,083	-	105,497	15%	37,289	9,933	-	47,222	58,275
Office Decoration	11,718,584	274,734	-	11,993,318	10%	3,831,910	808,628	-	4,640,538	7,352,780
Computer and IT Equipment	2,530,437	534,221	-	3,064,658	10%	1,014,042	172,585	-	1,186,626	1,878,032
Mobile and Telephone Set	348,474	4,655	-	353,129	10%	166,028	18,388	-	184,415	168,714
Air Conditioner	1,434,291	-	-	1,434,291	20%	1,060,557	74,747	-	1,135,304	298,987
<b>Total</b>	<b>44,399,429</b>	<b>17,153,966</b>	<b>5,394,000</b>	<b>56,159,395</b>		<b>22,487,225</b>	<b>5,042,170</b>	<b>4,294,634</b>	<b>23,234,761</b>	<b>32,924,634</b>

Particulars	COST				Rate	AMORTIZATION			Written Down Value as at 31.12.2021	
	Balance as at 01.01.2021	Addition during the year	Sold/Adj. during the year	Total as at 31.12.2021		Balance as at 01.01.2021	Charged during the year	Sold/Adj. during the year		Totals at 31.12.2021
Software Installation	863,250	735,000	-	1,598,250	10%	458,813	45,579	-	504,392	1,093,858
<b>Total</b>	<b>863,250</b>	<b>735,000</b>	<b>-</b>	<b>1,598,250</b>		<b>458,813</b>	<b>45,579</b>	<b>-</b>	<b>504,392</b>	<b>1,093,858</b>
<b>As at 31 December, 2021</b>	<b>45,262,679</b>	<b>17,888,966</b>	<b>5,394,000</b>	<b>57,757,645</b>		<b>22,946,038</b>	<b>5,087,749</b>	<b>4,294,634</b>	<b>23,739,153</b>	<b>34,018,492</b>
<b>As at December 31, 2020</b>	<b>42,935,288</b>	<b>5,670,391</b>	<b>3,343,000</b>	<b>45,262,679</b>		<b>22,764,842</b>	<b>2,538,305</b>	<b>2,357,109</b>	<b>22,946,038</b>	<b>22,316,641</b>



**Sena Kalyan Insurance Company Limited**  
**Schedule of Property, Plant and Equipment**  
As at 31 December, 2021

Particulars	COST				Rate	DEPRECIATION/AMORTIZATION				Written Down Value as at 31.12.2021
	Balance as at 01.01.2021	Addition during the year	Sold/Adj. during the year	Total as at 31.12.2021		Balance as at 01.01.2021	Charged during the year	Sold/Adj. during the year	Totals at 31.12.2021	
Furniture and Fixtures	4,559,733	197,635	-	4,757,368	1,970,239	278,713	-	2,248,952	2,508,416	
Motor Vehicle	23,275,218	16,134,638	5,394,000	34,015,856	15,214,001	4,839,171	4,262,796	15,790,376	18,225,480	
Office Equipments	202,496	-	-	202,496	71,587	13,091	-	84,677	117,819	
Cookeries and Cutleries	97,414	8,083	-	105,497	31,140	7,436	-	38,576	66,921	
Office Decoration	11,718,584	274,734	-	11,993,318	4,239,109	775,421	-	5,014,530	6,978,788	
Software Installation	863,250	735,000	-	1,598,250	797,190	240,318	-	1,037,508	560,742	
Computer and IT Equipment	2,530,437	534,221	-	3,064,658	2,017,035	314,287	-	2,331,322	733,336	
Mobile and Telephone Set	348,474	4,655	-	353,129	172,513	18,062	-	190,575	162,554	
Air Conditioner	1,434,291	-	-	1,434,291	721,262	71,303	-	792,565	641,726	
<b>As at 31 December, 2021</b>	<b>45,029,897</b>	<b>17,888,966</b>	<b>5,394,000</b>	<b>57,524,863</b>	<b>25,234,075</b>	<b>6,557,801</b>	<b>4,262,796</b>	<b>27,529,080</b>	<b>29,995,783</b>	

## Sena Kalyan Insurance Company Limited

### XL-Form

Statement Showing the details of Classwise Premium Income, Accepted & Ceded, Commission Earned & Paid Claim Paid, Losses Recovered & Recoverable For the year ended 31 December, 2021

#### Direct Business

Class of Business	Premium Income		Commission			Claims			
	Gross Premium	Re-Insurance Ceded	Net Premium	Paid on Direct Business	Received on Re-Insurance Ceded	Net Commission	Paid on Direct Business	Received on Re-Insurance Ceded	Net Claim
Fire	149,373,020	63,946,740	85,426,280	6,051,046	15,037,590	(8,986,544)	5,606,400	6,889,428	(1,283,028)
Marine Cargo	101,142,625	4,181,751	96,960,874	7,767,647	1,149,982	6,617,665	10,826,942	-	10,826,942
Marine Hull	10,602,833	1,592,725	9,010,108	170,643	331,683	(161,040)	407,444	-	407,444
Motor	23,649,026	554,400	23,094,626	646,171	-	646,171	2,742,720	-	2,742,720
Miscellaneous	398,030,126	347,075,888	50,954,238	7,660,276	12,704,306	(5,044,030)	1,745,326	1,083,246	662,080
<b>Sub Total</b>	<b>682,797,630</b>	<b>417,351,504</b>	<b>265,446,126</b>	<b>22,295,783</b>	<b>29,223,561</b>	<b>(6,927,778)</b>	<b>21,328,832</b>	<b>7,972,674</b>	<b>13,356,158</b>
<b>Public Sector Business</b>									
Fire	13,666,213	12,560,801	1,105,412	-	1,774,651	(1,774,651)	273,938	-	273,938
Marine Cargo	21,206,676	15,524,657	5,682,019	-	2,995,295	(2,995,295)	93,356	28,961	64,395
Marine Hull	1,357,440	1,321,139	36,300	-	72,663	(72,663)	-	-	-
Motor	3,059,436	193,636	2,865,800	-	-	-	66,379	-	66,379
Miscellaneous	58,138,648	56,817,739	1,320,908	-	3,739,725	(3,739,725)	1,593,927	1,540,256	53,670
<b>Sub Total</b>	<b>97,428,412</b>	<b>86,417,972</b>	<b>11,010,440</b>	<b>-</b>	<b>8,582,334</b>	<b>(8,582,334)</b>	<b>2,027,600</b>	<b>1,569,218</b>	<b>458,383</b>
<b>Grand Total</b>	<b>780,226,042</b>	<b>503,769,476</b>	<b>276,456,566</b>	<b>22,295,783</b>	<b>37,805,895</b>	<b>(15,510,112)</b>	<b>23,356,432</b>	<b>9,541,891</b>	<b>13,814,541</b>
<b>Grand Total - 2020</b>	<b>580,522,233</b>	<b>282,844,062</b>	<b>297,678,171</b>	<b>33,722,747</b>	<b>27,697,255</b>	<b>6,025,492</b>	<b>37,521,746</b>	<b>16,188,907</b>	<b>21,332,839</b>

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

Chief Executive Officer

Director

Director

Chairman

**Howlader Mahfel Huq, FCA**  
ICAB Enrolment No. 105  
Managing Partner

Chief Financial Officer

Company Secretary

**Mahfel Huq & Co.**  
Chartered Accountants  
Firm Reg. No: P-46323  
DVC: 2204240105AS299868

Dhaka, 20 April, 2022





## Director's Certificate

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

The values of investment in shares & debentures have been taken at market price

The values of all assets as shown in the Financial Statement and as classified on Form "AA" annexed have been duly reviewed as at December 31, 2021 and in our belief, the said assets have been set forth in the Financial Statement at amounts not exceeding their realizable or market values under the several headings as enumerated in the annexed form.

All expenses of management, wherever incurred and whether incurred directly or indirectly in respect of Fire, Marine, Motor and Miscellaneous Insurance business have been duly debited to the related Revenue Accounts and Profit & Loss Account.

Sd/-  
**Company Secretary**

Sd/-  
**Chief Financial Officer**

Sd/-  
**Chief Executive Officer**

Sd/-  
**Director**

Sd/-  
**Director**

Sd/-  
**Chairman**

Dhaka, 20 April, 2022



Your Trusted Risk Manager

**SENA KALYAN INSURANCE COMPANY LIMITED**  
সেনা কল্যাণ ইন্সুরেন্স কোম্পানি লিমিটেড

**HEAD OFFICE:**

SKS Tower (12<sup>th</sup> Floor)  
7, VIP Road, Mohakhali, Dhaka-1206.  
PABX: + 88 02 5505855  
+88 02 5505856 +88 02 5505857  
FAX: + 88 02 5505858

**Proxy Form**

I/We .....  
of ..... being a member of **Sena Kalyan Insurance Company Limited** and a holder of ..... shares do hereby appoint Mr./Ms ..... of ..... as my/our proxy to vote for me/us and on my/our behalf at the **9<sup>th</sup> Annual General Meeting (Virtual)** of the Company to be held on **June 20, 2022 (Monday)** and any adjournment thereof.

Signed this ..... day of ..... 2022.

Signature .....

Signature .....

Name .....

Name .....

Folio/BO ID No. ....

Member

Revenue  
Stamp

Folio/BO ID No. ....

Proxy

**NOTES:**

- 1) This form of proxy, duly completed, must be deposited at least 48 hours before the meeting at the registered office. Proxy is invalid if not duly signed and stamped.
- 2) Signature of the Shareholders should agree with the Specimen Signature registered with the Company and Depository Register.



Your Trusted Risk Manager

**SENA KALYAN INSURANCE COMPANY LIMITED**  
সেনা কল্যাণ ইন্সুরেন্স কোম্পানি লিমিটেড

**HEAD OFFICE:**

SKS Tower (12<sup>th</sup> Floor)  
7, VIP Road, Mohakhali, Dhaka-1206.  
PABX: + 88 02 5505855  
+88 02 5505856 +88 02 5505857  
FAX: + 88 02 5505858

**Attendance Slip**

I/We hereby record my/our attendance at the **9<sup>th</sup> Annual General Meeting (Virtual)** of **Sena Kalyan Insurance Company Limited** on **June 20, 2022 (Monday)** at 11.00 a.m. by using online digital platform as a holder of ..... shares of the Company.

Signature .....

Name .....

(Member/Proxy)

Folio/BO ID No. ....







Your Trusted Risk Manager

## **SENA KALYAN INSURANCE COMPANY LIMITED**

### **Head Office**

SKS Tower (12<sup>th</sup> Floor),

7 VIP Road, Mohakhali, Dhaka -1206 , Bangladesh

Phone: +88 02 55058455-7, Fax: +88 02 55058458



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