ANNUAL REPORT 2021





प्तार्किकी चैत्रजूरत्रम काष्ट्राती लिः

MERCANTILE INSURANCE COMPANY LTD.

SYMBOL OF TRUST AND SECURITY

RED CRESCENT HOUSE, 61 MOTIJHEEL C/A (1ST FLOOR), DHAKA-1000, BANGLADESH TEL: 02223387467, 02223387662, 02223387463, 02223387478

E-mail: mercantileins2017@gmail.com



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To

The Respected Shareholders

Bangladesh Securities and Exchange Commission (BSEC)
Insurance Development & Regulatory Authority (IDRA)
Registrar of Joint Stock Companies & Farms (RJSC&F)
Dhaka Stock Exchange Limited (DSE)
Chattogram Stock Exchange Limited (CSE)
Central Depository Bangladesh Limited(CDBL)
Bangladesh Bank
Bangladesh Insurance Association
Department of insurance, Ministry of Finance

Sub: Annual Report of Mercantile Insurance Company Limited for the year ended December 31, 2021

Dear Sir(s)

We are pleased to enclose copy of annual report for the year ended December 31, 2021 for your kind information.

The report includes audited financial statements i.e Balance sheet, profit or loss account, statement of cash flows, statement of changes in equity and notes to the financial statement of consolidated and separate bases for the year ended 31 December 2021 for your kind information & record.

With best regards

Your's Faithfully

Abdur Rahman

DMD & Company Secretary



Mercantile Insurance Company Ltd.

Notice of The 26th Annual General Meeting

Notice is hereby given that the 26th Annual General Meeting (AGM) of Mercantile Insurance Company Limited will be held Virtually by using Digital Platform on Thursday 23rd June 2022 at 11:30 a.m. to transact the following business:-

- 1. To receive and adopt the Directors Report, the Auditors' Report and the Audited Financial Statements for the year ended 31 December 2021 and thereon.
- 2. To declare 10% (Ten percent) cash Dividend only to all shareholders for the year ended 2021 as recommended by the Board of Directors (subject to approval of the forth coming AGM).
- 3. To elect/ Re-elect Directors as per the relevant legislation.
- 4. To consider appointment of Auditors for the year 2022 and to fix their remuneration.
- 5. To appoint Compliance Auditors for the year 2022 and to fix their remuneration.
- 6. To transact any other business of the Company with the permission of the Chair.

Dated, Dhaka 20 April 2022

By order of the Board of Directors

(Abdur Rahman) DMD & Company Secretary

Notes:

- 1. The Record date is 17/05/2022. The Shareholders whose name will be appeared in the depository register of the company on the record date, will be eligible to participate the 26th Annual General Meeting (AGM) and entitled to receive the dividend, as approved.
- 2. A member entitled to attend and vote at this virtual AGM may appoint a Proxy to attend and vote in his/her stead. The scanned copy of "Proxy Form" duly filled, signed and stamped at BDT 20/- must be sent through email to mercantileins2017@gmail.com no later than 72 hours before commencement of the AGM.
- 3. Concerned Depository Participants (DP)/Stock Brokers are requested to provide us with a list of their margin loan holders who hold MICL shares, as on record date with details of shareholders' name, BO ID, Shareholding position, Cash dividend receivable, Income tax etc. within 30th July 2022, along with the name of the contact person to the Share Department of the Company or at mercantileins2017@gmail.com, otherwise dividend will be paid to bank account of the member whose name would appear on the Record Date.
- 4. The members will be able to submit their questions/comments and vote electronically 24 hours before commencement of the AGM and during the AGM. For logging into the system the members' need to put their 16-digit BO ID/Folio Number and other credential as proof of their identity through the mentioned E-mail.
- 5. Shareholders are requested to logging into the system prior to starting of the meeting. The webcast will start at 10:00 am. Full login process to the digital platform on meeting will also be available in the Company's website www.mercantileins.com . For any technical difficulties in accessing the virtual meeting, the members' are requested to contact at the Head Office: 02223387467, 02223387662, 02223387463 within office hours from 10.00 am to 5.00 pm sharp.
- 6. The soft copy of Annual Report-2021 will be forwarded to the email address of the shareholders available in their BO account maintained with Depository Participant (DP). The Annual Report- 2021 and Proxy Form will be available in the Company's website at www.mercantileins.com

Name of the Company	Mercantile Insurance Company Ltd.			
Legal Form	A Public Limited Company incorporated in Bangladesh of March 19, 1996 under the Insurance Act, 1938 and listed inDhaka Stock Exchange Limited and ChottagramStock Exchange Limited.			
Commencement of Business	May 5, 1996			
Registered with the Department of Insurance	March 19, 1996			
Registered & Head Office	Red Crescent House (1 st Floor), 61, Motijheel C/A,Dhaka – 1000			
Telephone No.	02223387467, 02223387662, 02223387463			
Fax No.	88-02-9562301			
Website	www.mercantileins.com			
E-mail	mercantileins2017@gmail.com			
Chairman	Abdul Haque			
Chief Executive Officer	Firoz Ahmed			
DMD & Company Secretary	Abdur Rahman			
Assistant Managing Director & CFO	Md. Abdus Salam			
Authorised Capital	Tk.100.00 Crore			
Paid up Capital	Tk.43.10 Crore			
Face Value per share	Tk. 10.00			
Market category	'A'			
Credit Rating	Long term AA , Short term ST-2 , Outlook Stable			
Start of Trading with DSE	7 December 2004			
Start of Trading with CSE	21 May 2009			
Auditors	Kazi Zahir Khan & Co. Chartered Accountants Shamsunnahar & Wazi Complex, 8th Floor, Suite# 9B, 31/C/1, Topkhana Road, Segun Bagicha, Dhaka- 1000. Tel: 57160824, Fax: +880-2-57160821			
Tax Adviser	Talukder & Associates Eastern Mansion, 67/9, Kakrail, (2nd Floor) Room No. 05, Dhaka – 1000. Bangladesh			





Our Mission

To become a leading insurance company of Bangladesh excelling in every aspect of its business and in delivering its obligations as a good corporate citizen to its clients, employees and contribute for economic stabilization and to maintain stokeholders interest with fair and transporent operations.

Our Vision

To be an innovative, profitable, best customer service provider in insurance with almost care and provide the best solution of their needs than other and to enhance clients' trust on wealth, employers value and rapid growth in Shareholders equity.

Our Services

Fire Insurance

Marine Cargo Insurance

Motor Insurance

Personal Accident Insurance

Industrial all risks insurance

Marine Hull Insurance

Contractors All Risk Insurance

Tsunami and Earthquake Insurance

Business interruption and machinery breakdown Insurance

Health Insurance including overseas mediclaim Insurance

Money Insurance Such as Cash in safe cash-in transit, Cash on

Counter and ATM Booth

Riot and Strike Damage Insurance

Erection All Risk Insurance etc.

Our Motto

Committed to cordial Services Trough "Trust and Security"

CHAIRMAN

Abdul Haque

VICE-CHAIRMAN

Aziz M Ershad Chowdhury

CHAIRMAN, EXECUTIVE COMMITTEE

Mohammad Nabi Ullah

CHAIRMAN, NOMINATION & REMUNERATION COMMITTEE

Md. Salam Obaidul Karim **Independent Director**

CHAIRMAN, AUDIT COMMITTEE

Nur Amin **Independent Director**

DIRECTORS

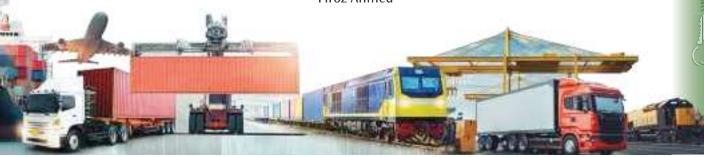
Al-haj Mohammed Solaiman Dr. Md. Mizanur Rahman Ph.D Md. Serajul Islam Abdur Rahman Al-haj Abdul Mannan Mazumder Nasir Uddin Shajjad Mustafa Wahid Ibn Reza Azad Mustafa **Nurul Azim Sunny Shafique Ahmed** Mohiuddin Ibnul Arabi

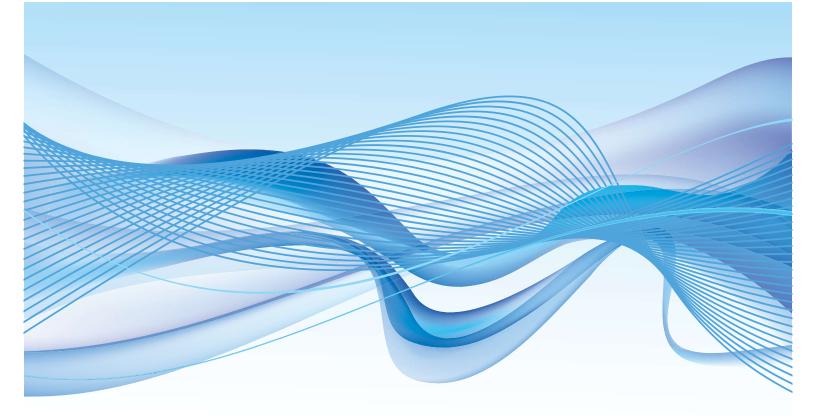
INDEPENDENT DIRECTOR

Hasan Uddin Sikder

MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

Firoz Ahmed





Brief Profile of Directors







Abdul Haque Chairman

Mr. Abdul Haque is a Sponsor Director of Mercantile Insurance Company Limited. He has also elected as Chairman for 8 terms as well.

He is involved in versatile business house and earned a notable fame in different kind of businesses and community work for his activities in home and abroad.

He is the Chairman of (Shamol Bangla Media Limited) Bangla Vision 24 hours Satellite TV channel.

Royal Green Products Limited.

ISO 9001:2008 (Concrete Spc Pole Factory)

Royal Green Securities Limited (Member of Dhaka Stock Exchange Limited)

He is also the Managing Director of Evergreen Dyes and Chemicals Industries Ltd. Evergreen Textile Limited.

He was also the President of Dhaka Stock Exchange Limited.

He has achieved spontaneous expertise in Dyes and Chemicals also in SPC Pole Factory Industry.

He is also involved with different kind of Social and Education activities etc.





Aziz M Ershad Chowdhury

Vice-Chairman

A M Ershad Chowdhury has 15 years of experience in financial services. Mr. Chowdhury worked as a senior consultant for Investment Banks, High Street banks, Insurance, re-insurance and Big Four Consultancy Firm — Deloitte in the UK. He is advising his insurance and banking expertise to both Mercantile General Insurance and Mercantile Life Insurance.

As a Senior Consultant at Deloitte - Mr. Chowdhury was assigned to multimillion-dollar blue-chip NFT projects which show promise of providing long-term returns on their investments to "Lloyd's of London" which is an insurance and reinsurance market located in London. Unlike most of its competitors in the industry, it is not an insurance company instead, Lloyd's is a corporate body governed by the Lloyd's. Lloyd's of London is a British insurance market where members operate as syndicates to insure and spread out the risks of different businesses, organizations, and individuals. Mr. Chowdhury was acting as an intermediary between clients, underwriters, brokers, and insurance companies at Lloyd's of London Market.Most importantly Mr. Chowdhury has a lot to contribute to the insurance market.

Before joining Deloitte, Mr. Chowdhury was hired as a CONSULTANT for Royal Bank of Scotland, RSA (Royal Sun Alliance), Equiniti, Aviva Insurance, AXA Wealth Insurance, Friends Life, Coversure, SONY, GE (General Electric), CITI bank, UBS (United Bank of Switzerland) and etc.

Besides that, Mr. Chowdhury has Real Estate Business in the UK and works independently as a Stockbroker/trading securities and investing in the capital market - London Stock Exchange.

Mr. Chowdhury has earned BSc (Hons) degree in Information Systems in England, MSc (IT) in the USA followed by earning an MBA degree from Glasgow University – Scotland.



Mohammad Nabi Ullah

Chairman Executive Comittee

Mr. Mohammad Nabi Ullah is the Vice-Chairman of Mercantile Insurance Company Limited. He made himself as an astute and efficient businessman and has achieved remarkable reputation and success in Business and industrial sector.

He is the Managing Director of United Leather Industries (Pvt.) Ltd., United Plastic Wood Industries (Pvt.) Ltd., M. Hossain Cotton Spinning Mills (Pvt.) Ltd. and M. Hossain Spinning (Pvt.) Ltd. respectively.

It may be mentioned that times and again he visited many countries of the world like Kingdom of Saudi Arabia, China, Singapore, Malaysia, Taiwan, Thailand, USA, Europe, Australia, Indonesia, England in connection with business promotion & expansion.





Al-haj Mohammed Solaiman

Director

Al-haj Mohammed Solaiman is a Director of Mercantile Insurance Company Limited. He was elected as Chairman of the company for consequitive two years.

He is involved in versatile business houses like Insurance, Trading and Electronics.

He is the Chairman of HURDCO International School.

Managing Director of Paradise Corporation (Pvt.) Ltd.

Director of Central Hospital Ltd., Eden Multicare Hospital Ltd., Epic Health Care & Proprietor of Paradise Electronics.

His Contribution towards socio-cultural and professional activities are remarkable.

It may be mentioned that he has visited many countries of the world in connection with business development and promotion.



Md. Mizanur Rahman Ph.D

Sponsor Director

Dr. Md. Mizanur Rahman, the sponsor director of Mercantile Insurance Company Limited. was born at Gopalganj town. His father Al-hajj M A Latif was a well-known personality of this town and a reputed headmaster of government high school and a District Education.

Dr. Rahman enjoyed his early life at Bankpara in his home-town Gopalganj. During his school and college life he was an active and enthusiastic boy-scout and senior Rover mate which helped him nourish his leadership qualities. He had his post graduation from the University of Dhaka. He was also a senate life member and registered graduate of Dhaka University. He had his LL.B (NUB), MBA and PhD from USA.

He was the vice-chairman of Mercantile Insurance Company Ltd (2001-02, 2008-09, 2016-18), Chairman Audit Committee (2011-12) and Chairman Executive Committee (2013-15).

He is the Chairman of AL-Mizan Group and director of A P Radiant Knitting Dyeing Ltd. He has also contributed a lot in journalism for a long time and worked in this profession as a publisher and founder-editor of The Daily Prime.

To know the unknown and to see the unseen Dr. Rahman as a passionate tourist widely visited many countries of Asia, Africa, Europe, America and Australia.

He believes that hard work and determination could be the key to success in life.





Md. Serajul Islam
Sponsor Director

Mr. Md. Serajul Islam is sponsor Director of Mercantile Insurance Company Limited.

He is a former Director of Sadharan Bima Corporation. He attended many conferences instituted in Asia, Europe and USA. Moreover, he visited many countries of the world for the purpose of business promotion.

Apart from business carrier he is associated with many socio-cultural activities.



Abdur Rahman Sponsor Director

Mr. Abdur Rahman is one of the sponsor director of Mercantile Insurance Company Limited. He is acquainted with a number of industries and business institutions.

He is the Chairman of Evergreen Textiles Limited. Fraulen Fashion Ltd. (100% Export Oriented Compliance Knit Garments), R.N. Trading Ltd., and the Proprietor of G.N. International.

Mr. Abdur Rahman visited a number of countries for business promotion which includes U.K, U.S.A., Australia, Germany, Switzerland, Korea, Canada, Taiwan etc.





Al-haj Abdul Mannan Mazumder

Director

Al-haj Abdul Mannan Mazumder is a Director of Mercantile Insurance Company Limited.

He has earned a notable fame in business community through his integrity and remarkable business activities. His diversified business affiliation includes Electronics, Trading, C&F Agency etc. He is the Chairman of Nexgen Properties and Proprietor of Motaleb Enterprise.

Mr. Mazumder is involved with a number of socio-cultural & welfare organizations.

He travelled in many countries of the world for business purposes in several times.







Nasir Uddin

Director

Mr. Nasir Uddin is an immediate past chairman of Executive Committee of Mercantile Insurance Company Limited. He is an established and successful businessman. He was born in a respective muslim family in chattogram. He started his business career as an entrepreneur. He has repution in the business community. He is the Managing Director of SIFANG Securities Ltd & Director of CBM Group. He is the Director of Chittagong Builders & Machinery Ltd, Merchant Securities Ltd, China Builders & Machineries Ltd, Mercantile Islami Life Insurance Ltd, Sifang Machine House Ltd, Merchant Autos Ltd, Hurdco International School, A.S.M Chemical Insustries Ltd, Central Hospital Ltd & CBM Parts House Ltd.

He is the member of Federation of Bangladesh Chambers of Commerce & Industry (FBCCI) and Bangladesh Agricultural Machinary Merchant Association. He is the president of Bangladesh Electrical Motor pump importers Association & Nawabpur Welfare Association & General Secretary of CBM Foundation, Dhaka & former secretary Chattogram Somity Dhaka.

He has 35 years experience in different sectors of business. Furthermore he is widely travelled person and visited many countries for business promotion and religious purpose.

He is closely associated with various business organization and gathered vast experience in the field of education, Trade, commerce, & Industries. He is a religious and pious person So, that he contributes solely to the distressed and needy people for the eradication of poverty.

The family legacy and his own inherent qualities gave him a great man in sense value of many directions. He is a person having he pleasant personality.



Shajjad Mustafa
Director

Mr. Shajjad Mustafa is one of the Director of Mercantile Insurance Company Limited. He was born in Dhaka in a renown Muslim family. He had a brilliant academic career. He obtained MBA (1st Class) Degree from University of Dhaka in the year 2007.

Mr. Shajjad Mustafa started his business career as an entrepreneur just after completion of his education. He is the Chairman of Sifang Builders Ltd., China Consortium Ltd., & Deputy Managing Director of CBM Group.

He is associated with a number of companies such as, CBM Pumps & Pipe Co. Ltd., Merchant Securities Ltd., A.S.M Chemical Industries Ltd., Sifang Machine House Ltd., CBM Holdings Ltd., CBM Parts House Ltd. He is also the Proprietor of Buildtec Corporation.

He is actively associated with a number of social-welfare organisation and activities of the country.





Wahid Ibn Reza

Director

Mr. Wahid Ibn Reza is a Director of Mercantile Insurance Company Limited. His direct involvement with many cultural organization is remarkable. He is blessed with some responsibilities given by his parents.

Mr. Wahid Ibn Reza is the only son of Professor Mohammad Razaul Karim and Advocate Late Suraya Karim Munny. He obtained B.Sc in Mechanical Engineering from Bangladesh University of Engineering & Technology (BUET) and Bachelor of Fine Arts in Film Production from University of British Colombia.

Mr. Wahid has been successfully working in VFX and animation production in the last seven years in North America. He has worked on Emmy nominated series such as Game of Thrones, rick and morty. Currently, Mr. Wahid is working on an animated series for one of the biggest animated studioas in Canada, Atomic Cartoons Inc.

He visited many countries of the World.





Azad Mustafa
Director

Mr. Azad Mustafa is one of the Director of Mercantile Insurance Company Limited. he is young and rising businessman of Bangladesh. He was born in a respectable muslim family in Dhaka. He is a Managing Director of Sifang Builders Ltd., China Consortium Ltd., Merchant Auto Ltd. & Director of CBM Group. He also Proprietor of CBM Traders.

Mr. Azad Mustafa is associated with a number of socio-cultural activities. He travelled in many countries. He is a young emerging & business personality.

He is the younger son of Mr. M. Kamal Uddin, Managing Director of CBM Group.



Nurul Azim Sunny
Director

Mr. Nurul Azim Sunny is a Director of Mercantile Insurance Company Limited. He is the son of Al-haj Nurul Amin & Mrs. Ifat Akter Alin.

He is also the Director of Electro Mart Ltd., Trade International Industries Ltd., and Proprietor of Azim Enterprise.

He obtained Master of Accounting from Macquarie University of Australia, BBA from North South University.

Mr. Nurul Azim has travelled in many countries for the purpose of business development and expansion. He is actively involved with various socio-cultural organization and educational institutions for the welfare of the state and of discipline through providing employment in many aspects.





Shafique Ahmed

Director

Mr. Shafique Ahmed is one of the Director of Mercantile Insurance Company Limited. He is a nominated Director of the Board of Director of Mercantile Insurance Co. Ltd. He was born in 1968 from a respected muslim family in Chattogram.

He is the proprietor of Shafique Enterprise Krishi prokalpa. As an entrepreneur. He is the member of Nawabpur Welfare Association & Bangladesh Agricultural Machinary Association & Chattogram Shamity Dhaka. Mr. Shafique Ahmed has associated himself with many socio-cultural organizations. He has visited many countries in connection with business and religious purpose.



Mohiuddin Ibnul Arabi

Director

Mr. Mohiuddin Ibnul Arabi is one of the Director of Mercantile Insurance Company Limited. He is the chairman of China-Bangla Consortium Ltd & Ditrector of Chittagong Builders & Machinery Ltd, Sifang Machine House. He is the proprietor of South Green Ltd. He is a member of Bangladesh Electrical Motor Pump Importers Association, Bangladesh Agricultural Machinery Importers & Manufacturing Association, Nawabpur Welfare Association & CBM Foundation.

He is emerging young entrepreneur, rising and promising businessman. He was born in a respective muslim family of Dhaka. He strongly believes that honestly and sincerity can make a successful business.

He was an athlete in his youth and currently participate in many social activities. He has much interest in industry and share business. He is associated with a number of educational, cultural and service oriented organizations.



Md. Salam Obaidul Karim

Independent Director & Chairman NRC

Mr. M.S. Obaidul Karim is an Independent Director and Chairman of Nomination and remuneration committee of Mercantile Insurance Company Limited.

He is also the chairman of Salvo Chemical Industry Limited and actively involved in the textile sector. He bears with good academic background. Such as, M. Com having major in business management from the university of Dhaka. He is aquainted with some socio-cultural Institution and organization.

He visited many countries of the would in connection with business promotion.

Nur Amin

Independent Director & Chairman, Audit Committee

Mr. Nur Amin is an Independent Director & Chairman of Audit Committee of Mercantile Insurance Company Limited.

He obtained M. Com. LL.B and working as Tax Consultant with Prime law syndicate.

He is also a Tax & Company Law Consultant of many Limited Company & Individual Assessee & preparing account & Damp; Income Tax return since 1979.

Hasan Uddin Sikder

Independent Director

Mr. Hasan Uddin Sikder is an Independent Director of Mercantile Insurance Company Limited.

He was born in a respected muslim family in Dhaka in 1949. Presently he is the proprietor of Green Machinery Store, Shahir Enterprise & Greentex.





Firoz Ahmed
Chief Executive Officer

Mr. Firoz Ahmed is the Chief Executive Officer fo Mercantile Insurance Company Limited. He obtained his B.Sc (Hon's) M.Sc degree from Dhaka University. Just after completion of Post Graduation he joined in the Central Insurance Company Limited.

In 1996 he joined in the Mercantile Insurance Company Limited in continuation with the Company, In 3rd January 2018 Insurance Development & Regulatory Authority (IDRA) accord permission to appoint him as Chief Executive Officer of Mercantile Insurance Company Limited and since then, he is discharging the duties and responsibilities successfully with reputation and satisfaction of all as well as the Regulatory Authorities and Management of the Company.

He is associated with many socio-cultural and welfare organization in rural and urban areas.

He travelled in India, Malaysia, Thailand & Saudi Arabia.



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CHIEF EXECUTIVE OFFICER

Firoz Ahmed

ADDITIONAL MANAGING DIRECTOR

Md. Abu Obydul Hasan

DEPUTY MANAGING DIRECTOR & COMPANY SECRETARY

Abdur Rahman

DEPUTY MANAGING DIRECTOR

Md. Altaf Hossain Bazlur Rahman Md. Azim Uddin

ASSISTANT MANAGING DIRECTOR & CFO

Md. Abdus Salam

ASSISTANT MANAGING DIRECTOR

Md. Nazrul Islam Md. Rashedul Islam

SENIOR EXECUTIVE VICE-PRESIDENT

Md. Rashedur Rahman

EXECUTIVE VICE-PRESIDENT

Md. Jabed Akhter Delip Kumar Majumder Md. Helal Uddin Md. Joynal Abedin Mazumder

VICE-PRESIDENT

Md. Ismail Sarwar Alam Abdul Bari Chowdhury

DEPUTY VICE-PRESIDENT

Hamidul Alam Chowdhury Nayan Tara Saha Md. Delwar Hossain Giasuddin Mohammad Monsur

ASSTT. VICE-PRESIDENT

Md. Habibur Rahman Chowdhury Farhana Habib

SENIOR MANAGER

Md. Asaduzzaman

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CHIEF EXECUTIVE OFFICER

Firoz Ahmed

DEPUTY MANAGING DIRECTOR & COMPANY SECRETARY

Abdur Rahman

DEPUTY MANAGING DIRECTOR

Md. Azim Uddin

ASSISTANT MANAGING DIRECTOR & CFO

Md. Abdus Salam

ASSISTANT MANAGING DIRECTOR

Md. Nazrul Islam

VICE-PRESIDENT

Sarwar Alam

DEPUTY VICE-PRESIDENT

Nayan Tara Saha Md.Delwar Hossain Giasuddin Mohammad Monsur

ASSTT. VICE-PRESIDENT

Md. Habibur Rahman Chowdhury Farhana Habib

DEPUTY MANAGER, (INVESTOR'S RELATION DEPARTMENT)

Nazma Akter



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Rating AA 27 September, 2021

AlphaRating

Managing Director & CEO
Mercantile Insurance Company Limited
Red Crescent House (1st Floor), 61, Motijheel C/A, Dhaka-1000

Subject: Credit Rating of Mercantile Insurance Company Limited

Dear Sir,

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

Date of Declaration	Valid Till	Rating Action	Long Term Rating	Short Term Rating	Outlook
27 September, 2021	26 September, 2022	Surveillance	АА	ST-2	Stable

The long-term and short-term rating is valid up to the earlier of 26 September, 2022. The rating may be changed or revised prior to expiry, if warranted by extraordinary circumstances in the management, operations and/or performance of the entity rated.

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

- (i) We, Alpha Credit Rating Limited as well as the analysts of the rating have examined, prepared, finalized and issued this report without compromising with the matters of our conflict of interest, if there be any; and
- (ii) We have complied with all the requirements, policy and procedures of these rules as directive by the Bangladesh Securities and Exchange Commission in respect of this rating.

We hope the rating will serve the intended purpose of your organization.

With Kind Regards,

Muhammed Asadullah Managing Director & CEO

This letter forms an integral part of the credit rating report.

Name of Branch & Address	Branch in-charge	Phone/Mobile		
Bogura Branch 2 No Rail Gate, Jhowtola Bogura Town, Bogura.	Md. Abu Obydul Hasan Additional Managing Director	02589902034 02588815235 (M) 01711317116		
Khulna Branch 7, Old Jashore Road Nizam Chamber (3rd floor), Khulna.	Md. Altaf Hossain Deputy Managing Director	(02) 477720645, 02477721353 (M) 01716421994, 01558325965 Fax: 041-813546		
Gulshan Branch Islam Mansion, House No. 39, Road No. 126 Circle-1, Gulshan, Dhaka-1212	Bazlur Rahman Deputy Managing Director	58815073 (R) 58815075 (Off) (M) 01819174274		
Mogh Bazar Branch 17 Mogh Bazar (4th floor) New Eskaton Road. Dhaka-1000	Md. Rashedul Islam Assistant Managing Director	58316926, 48322361 (M) 01741775544 Fax: 48322361		
Rangpur Branch Chayanika Cloth Centre (3rd Floor), Taltala Road, Rangpur	Md. Rashedur Rahman Senior Executive Vice-President	(0521)-55626 (M) 01713224466 01711780040		
Jashore Branch Jess Tower, M.K.Road (3rd Floor), Jashore.	Md. Jabed Akhter Executive Vice-President	02-477760166, (M) 01711329290 Fax: 0421-68818		
Narayangonj Branch 26 (New) S. M. Maleh Road (4th Floor) Tanbazar, Narayangonj.	Delip Kumar Majumder Executive Vice-President	7630440 (M) 01742548508 01552440142, 01324737931 Fax: 02-7630440		
Agrabad Branch 18. Sk. Mujib Road Agrabad, Chattogram.	Md. Helal Uddin Executive Vice-President	02333326631, 02333326632 (M) 01716429627 Fax: 031-726632		
Khatungonj Branch 336, Khatungonj (1st Floor) Chattogram.	Md. Joynal Abedin Mazumder Executive Vice-President	02333351850, 02333351851 (M) 01819397222, 017141903003 Fax: 031-611851		
Bangshal Branch 121/2, North South Road (4 th floor West), Bangshal, Dhaka.	Md. Ismail Vice-President	(02) 223386895 (M) 01817092043 Fax: 7175729		
B.B. Avenue Branch 29, B.B. Avenue Hamid Mansion (3rd Floor), Dhaka	Abdul Bari Chowdhury Vice-President	02-223389223 (M) 01711147488 Fax: 02-95550489		
Jubilee Road Branch 573, Jubilee Road Enayet Bazar, Chattogram.	Hamidul Alam Chowdhury Deputy Vice-President	(031) 635167, 624067 (M) 01711903003 Fax: 031-624067		
Motijheel Branch 61Motijheel C/A. (10th Floor) Dhaka-1000	Md. Asaduzzaman Senior Manager	02-223390279, 02-2233902397 (M) 01721308198 Fax: 02-9571286		
Hatkhola Branch 33/1 Road Sayed Nazrul Islam Sarak (Hatkhola) Jakaria Bhaban (2nd Floor), Dhaka - 1203	Md. Abdur Rahim Manager	47110861, 9515754 (M) 01712982833		
Mirpur Branch Plot-13, Road-01, Section-06, Block-KHA Mirpur,Dhaka-1216	Md. Mijanur Rahman Manager	5805230 (M) 01923-089899		
Dinajpur Branch Al-amin Plaza, 2nd Floor, Goneshtola Sadar, Dinajpur-5200	Md. Rabiul Alam (Babu) Senior Manager	(M) 01716-076480		
Pabna Branch 380/383 MA Hamid Road Pabna Sadar, Pabna	Ragib Abid Shihab Deputy Manager	(M) 01711-302986		



Mercantile Insurance Company Ltd.

Audit Committee Report for the year 2021

Annual Report 2021

The Audit Committee of Mercantile Insurance Company Limited was constituted by the Board of Directors to monitor, analyse and audit the overall activities of the Company and report to the Board and AGM ensuring and certifying that the financial statements reflect in the annual report a true and fair view:

Audit Committee:

Nur Amin
 M. Nasir Uddin
 Nurul Azim Sunny
 Chairman
 Member
 Member

Committee meetings held:

In the year 2021 the Committee Constituted 04 (four) meetings where it reviewed and analysed thoroughly, the matters relating to Branch Control, Internal Audit, Administration Control, Finance and Accounts. Head of Internal Audit and Company Secretary were invited to attend all meetings. Concerned departmental heads and other members of the management were also invited to attend the meetings as and when required. The proceedings of the committee meetings containing suggestions, guidelines, observations to irregularities and solutions arisen problems were regularly placed before to the Board of Directors for information.

Roles and responsibilities of Audit Committee:

The jurisdiction of the Audit Committee include the following matters:

- i. Oversee the financial reporting process.
- ii. Monitor the accounting policies and principles.
- iii. Monitor Internal Control and Risk Management process.
- iv. Oversee of external auditors and their functions.
- v. Scrutinize the annual financial statements before submission to the board for approval.
- vi. Scrutinize the quarterly and half yearly financial statements before submission to the board for approval.
- vii. Determine the adequacy of internal audit functions.
- viii. Review statements of party transactions submitted by the management.
- ix. Review of appropriateness and or weaknesses in management letters/letters of internal control as detected by statutory auditors.

The Committee performed the following functions:

- i. Reviewed the existing management policies of the Company and monitored its internal control and business affairs through routine schedule.
- ii. Developed, collated and finalised through a number of meetings, a Audit Manual of the Company and recommended the same for approval of the Board of Directors.
- iii. Approved Annual Audit Planning for the year 2021.
- iv. Reviewed the business reports of Branches and special reports thereof and suggested for ameliorating and corrective measures/actions as & where required.



Audit Committee Report for the year 2021



- v. Reviewed the Financial Accounts for the year 2021 as compiled and placed by the management and recommended the same for approval of the Board.
- vi. The Committee, uphold the roles and regulations recently imposed by the Insurance Development and regulatory Authority, emphasised& monitored for immediate execution of replacing the FDRs held with different Banks.

Finally, the Audit Committee express its sincere thanks to the Board of Director key management personnel, internal audit, IT, Claim & re-insurance, U/W department and all employees for their utmost dedication for achieving transparency in performance and all sort co-operation extended to the committee in discharging its responsibilities.

Nur Amin

Nu Arin

Independent Director

&

Chairman

Audit Committee



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Financial statements are normally prepared on the basis that a company is a going concern and will continue in operation for the forcible future. Hence, it is assumed that the company has neither the intention for the need to liquidate or curtail materially the scale of its operations if so, the basis used is disclosed on the other hand listed companies are required by BSEC to report on its ability to continue as going concern.

The Board of Directors of Mercantile Insurance Company Limited has made annual assessment about whether there exist material uncertainties which may cast significant doubt upon the Company's ability to continue as going concern. The Director's assessment of whether the Company is a concern involves making appropriate inquiries including review of budget, forecast, assumptions and future outcome of inherent uncertainties in existence. The Directors are convinced from the following indications, which give reasonable assurance as to company's ability to continue as a going concern for the foreseeable future.

Positive Net Current Assets

Positive operating cash flows
Positive key financial ratios
Consistent payment of dividends
Credibility in payment of obligations
Performance growth
Positive underwriting results and trends

Operating indications:

No key management turnover
Good business expansion
Spread of business across diverse clientele.
Good market reputation and clients satisfaction
Good corporate environment and employee satisfaction

Other Indications:

Maintenance of sufficient capital base as required by law Strong equity base Strong Claim paying ability (CPA) Anticipates no significant in legislation or government policy.

Annual Report 2021

Date: 23/05/2022 The Board of Directors Mercantile Insurance Company Limited 61 Motiiheel C/A, Dhaka-1000

Subject: Declaration on Financial Statement for the year ended on 31st December 2021.

Dear Sirs.

Pursuant to the condition No. I(5)(xxvi) imposed vide the Commission's Notification No.BSEC/CMRRCE/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 Statement of Mercantile Insurance Company Limited for the year ended on 31st 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 judgements related to the financial statements were made on a prudent and reasonable basis, in order 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:-

- 1. We have reviewed the financial statements for the year ended 31 December 2021 and to the best of our knowledge and belief
- 2. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading:
- 3. These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- 4. 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,

(Firoz Ahmed)

Chief Executive Officer



Md. Abdus Salam Chief Financial Officer

Report of the Nomination & Remuneration Committee

Report of the Nomination & Remuneration Committee

The company has formed a Nomination & Remuneration Committee (NRC) as a sub-committee of the Board, has been constituted by 2 Independent Director and another members of the Board in line with the newly imposed Corporate Governance Code Md. Shah Alam who represent in the Board as Independent Director is also the Chairman of the Committee. During the year 1 (one) NRC Meeting was held. The name of the members & their attendance of the meeting was accordingly recorded:

Role of the NRC:

The roles and responsibilities of the NRC have been clearly mentioned in the Terms and References (TOR) of the Committee as approved by the Board of Directors of Mercantile Insurance Company Limited. The Committee dincharged its responsibility by holding a meeting and provided the Board its observation considering current situation and sugested what need to be adopt/insert/amend by the company. In the meeting the committee aist/recommended the Bourd to determine the qualifications attributes, experiences etc of directors and top level executives and determine their remuneration and as well.

Evaluation Criteria of Directors/Top Level Executive of the Company:

The evaluation/assessment of the Directors and the Top Level Executive of the Company is to be conducted as and when required and to satisfy the requirements of the Corporate Governance Code and as well as company's policy. The following criteria may assist in determining how effective the performances of the Directors/TLE have been:

- i. Leadership & stewardship abilities;
- ii. Contributing to clearly define corporate objectives & plans.
- iii. Communication of expectation & concerns clearly with subordinates:
- iv. Obtain adequate, relevant & timely information from external sources.
- v. Review & approval achievement of strategic and operational plans, objectives, budgets
- vi. Regular monitoring of corporate results against projections
- vii. identify, monitor & mitigate significant corporate risks.
- viii. Assess policies, structures & procedures.
- ix. Direct, monitor & evaluate KMP, senior officials.
- x. Review management's succession plan
- xi. Effective meetings
- xii. Assuring appropriate board size, composition, independence, structure
- xiii. Clearly defining roles & monitoring activities of committees
- xiv. Review of corporation's ethical conduct,

Activities of NRC during the year:

During the year the NRC accomplished the following activities.

- i. Reviews the status of the Board composition along with their qualification, experience, attributes, independence of board members made recommendation thereof,
- ii. Reviewed the top-level executives of the company and placed at different levels and determine their selection criteria, remuneration based on performance among others etc.
- iii. Putting recommendation on the draft code of conduct of the Chairperson, other Board members & Chief Executive Officer to Board
- iv. Reviews the company's human resources policy and recommended on it
- v. Oversee other issues within the Code of Conduct of the NRC.

Reporting By The NRC To The Board:

The NRC Committee regularly reports on its work to the Board and the report includes a summary of the matter addressed in the meeting. The NRE expressing its view to the Board that the nomination, retirement, re-election & remuneration of directors & top level executives are adequate for pretting true and fair view of the Administration & HR department and also expressed that the internal control of the company is quite well.

Muhammod Moniruzzaman Mozumder

Independent Director Chairman NRC Abdur Rahman
Company Secretary &
Member Secretary of NRC

FIGURES IN MILLION (TAKA)

Financial Performance	2021	2020	2019	2018	2017
Gross Premium Income	531.97	416.66	377.64	342.66	324.58
Net Premium Income	296.54	227.45	191.01	191.38	185.14
Underwriting Profit	50.44	20.59	9.25	2.09	5.99
Investment & Others Income	76.97	78.43	74.14	64.36	73.56
Net Profit before Tax	118.73	93.38	76.95	59.57	71.40
Reserve & Fund	460.93	383.92	342.60	323.53	309.59
Investments & FDR	1392.79	1116.99	1009.17	975.74	997.61
Paid up Capital	430.95	430.95	430.95	430.95	430.95
Shareholders' Equity	878.40	821.18	788.53	774.15	778.44
Total Assets	2419.93	2240.48	2164.57	1779.34	1380.26
Dividend	43.10	43.10	30.17	30.22	43.10
Dividend Percentage	10%	10%	07%	10%	10%
	Cash	Cash	Cash	B. Group Cash	Cash
No. of Shares (restated)	43,095,360	43,095,360	43,095,360	43,095,360	43,095,360
No. of Branches	15	15	15	14	14
Earnings per Share	2.08	1.68	1.43	1.11	1.29
Net Asset Value (NAV)	20.38	19.05	18.27	17.93	18.03

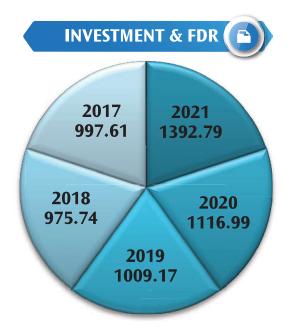
Credit Rating	2021	2020	2019	2018	2017
Long Term	AA	AA-	AA-	AA-	AA-
Short Term	ST-2	ST-2	ST-2	AR-2	AR-2
Outlook	Stable	Stable	Stable	Stable	Stable

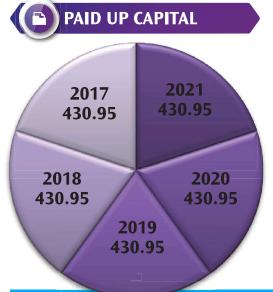


unnual Report 2027

FIGURES IN MILLION (TAKA)





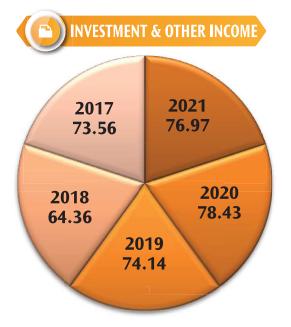




Alpha Credit raung Limited, Sadharan Bima Bhaban-2 (8th & 2nd Floor), 139 Motijineer C/A, Dhaka-1000. Tel: +880-2-9573025, 9573026, 9573027, 9573028, www.alpharating.com.bd, E-mail: info@alpharating.com.bd

Annual Report 2021

FIGURES IN MILLION (TAKA)









Company's Report to Shareholders'

(Under section 184 of the Companies Act, 1994)

We are pleased to Place report that:

- i. The financial statement prepared by the Management of the Company present fairly its affairs, the result of its operation, cash flows and changes in shareholders equity.
- ii. Proper books of account of the Company have been maintained.
- iii. 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.
- iv. International Financial Reporting Standard (IFRS), International Accounting Standards (IAS) as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure therefrom has been adequately disclosed.
- v. The system of internal control is sound in design and has been effectively implemented and monitored.
- vi. There are no significant doubts upon the Company's ability to continue as a going concern
- vii. There are no significant deviations from last year in operating result of the Company
- viii. The key operating and financial data of preceding five years have been provided
- ix. During the year ended December 31, 2021 the Board of Directors held 09 meetings and the Directors serving on the Board attended in aggregate 60% of the total number of meetings.

1.4 (K)The pattern of shareholding:

As at December 31, 2021 the pattern of shareholding are given below:

- i. Shareholdings of Parent/Subsidiary/Associate Companies and other related parties: NIL
- ii. Shareholding of Directors, sponsor shareholders, Managing Director & CEO, Company Secretary, CFO and other executives are as under:

(a) Directors/Sponsors

SI No.	BO Name	No. of Share	% of total no.
01	Abdul Haque	862400	2.00%
02	Mohammad Nabi Ullah	862400	2.00%
03	Dr. Md. Mizanur Rahman	1034880	2.40%
04	Md. Serajul Islam	861907	2.00%
05	Abdur Rahman	862400	2.00%
06	Al-Haj Abdul Mannan Mazumder	862400	2.00%
07	Mohammed Solaiman	861907	2.00%
80	M. Nasir Uddin	864689	2.01%
09	Wahid Ibn Reza	1035880	2.40%
10	Nurul Azim Sunny	872277	2.02%
11	Shajjad Mustafa	1725400	4.00%
12	Shafique Ahmed (South Green Limited)	863000	2.00%
13	Aziz Mohammad Ershad Ullah Chowdhry (Chittagong Consortium Ltd.)	863000	2.00%
14	Mahatab Haque (China Consortium Ltd.)	863000	2.00%
15	Azad Mustafa (Sifang Securities Ltd.)	863000	2.00%
16	Mr. Mahmood Rahman	287302	0.67%
	Total	14445842	33.52%

01	Firoz Ahmed, Chief Executive Officer	Nil	Nil
02	Abdur Rahman, DMD & Company Secretary	Nil	Nil
03	Md. Azim Uddin, Deputy Managing Director	Nil	Nil
04	Md. Abdus Salam, Asstt. Managing Director & CFO	Nil	Nil
05	Md. Nazrul Islam, Asstt. Managing Director	Nil	Nil



Report on Corporate Governance



Corporate governance is the system by which companies are directed and controlled by the Management in the best interest of all the stakeholders, thereby ensuring greater transparency and timely financial reporting.

The maintenance of effective corporate governance remains a key priority of the Board of Mercantile Insurance Co. Ltd. To exercise clarity about Directors responsibilities towards the shareholders, corporate governance must be dynamic and remain focused on the business objectives of the Company and create a culture of openness and accountability. Mercantile Insurance Co. Ltd. (MICL) considers that its corporate governance practices comply with all the aspects of SEC Notification No. SEC/CMMRRCD/2006-158/207/Admin/80 dated 03 June, 2018. In addition to establishing high standards of corporate governance, MICL also considers best governance practices in its activities. The independent role of Board of Directors, separate and independent role of Chairman and Chief Executive Officer, distinct role of Company Secretary, Chief Financial Officer, different Board Committees allow MICL to achieve excellence in best corporate governance practices.

Board of Directors Composition

The Board of MICL considers that its membership should comprise of directors with an appropriate mix of skills, experience and personal attributes that allow the Directors, individually and the board, collectively, to discharge their responsibilities and duties, under the law, efficiently and effectively, understand the business of the Company assess the performance of the Management.

The Board of MICL comprise of twenty Directors who posses a wide range of skills and experience cover a range or professions, business and service. Each of our Directors brings in independent judgment and considerable knowledge to perform their roles effectively. The Board of Directors ensure that the activities of the Company are always conducted with adherence to strict and highest possible ethical standards and in the best interest of the stakeholders.

The Directors are appointed by the shareholders in the Annual General Meeting. Casual vacancies if any are filled by the Board in accordance with the stipulations of the Companies Act, 1994 and Article of the Company. In addition, one third of the Directors retires from the Board every year in the AGM, and re-elected eligible for re-election.

Role and Responsibilities of the Board

The Board is committed to achieve superior financial performance and long term prosperity, while meeting stakeholders' expectations of sound corporate governance practice. The Board determines the corporate governance arrangements for the Company. As with all its business activities, the Board is proactive in respect of corporate governance and puts in all place those arrangements which it consider are in the best interest of the Company and its shareholders, and consistent with its responsibilities to other stakeholders.

The Board of Directors is in full control of the Company's affairs and is also fully accountable to the shareholders. They firmly believe that the success of the Company largely depends on the credible corporate governance practices adopted by the Company. Taking this into consideration, the Board of Directors of MICL sets out its strategic focus and oversees the business and related affairs of the Company. The Board also formulates the strategic objectives and policy framework for the Company. In discharging the above responsibilities, the Board carries out, the following functions as per the charter of the Board.



Mercantile Insurance Company Ltd.

Report on Corporate Governance

- Determine, monitor and evaluate strategies, policy, management performance criteria and business plan.
- Periodic and timely reporting to the shareholders on the affairs, progress and performance of the Company.
- Ensuring proper decision making and accountability structure throughout the Company so that the stafi down the line is fully accountable to the corporate management.
- Delegation to Board Committees and Management and approval of transactions in excess of delegated level.
- Approval of major capital expenditure proposals.
- Critical evaluation of all proposals which require Board's approval and/or directives.
- Regular review of financial performance and overdue situation.
- Appointment and evaluation of the performance of the top Management positions.
- Ensuring that the senior management team has the necessary skill and experience to perform their function effectively in the best interest of the Company.
- Monitoring the adequacy, appropriateness and operation of internal controls.

Conduct for the Board Members

The Board of Directors of MICL is committed to the highest standards of conduct in their relationships with its employees, customers, members, shareholders, regulator and the public. A Director of MICL always seeks to use due care in the performance of his/her duties, be loyal to the Company, act in good faith and in a manner such Director reasonably believes to be not opposed to the best interests of the Company. Endeavour's to avoid having his or her private interest interfere with the interest of the Company. Maintains the confidentiality of information entrusted to them in carrying out their duties and responsibilities, except where disclosure is approved by the Company or legally mandated or if such information is in the public domain.

Board Meetings

The meetings of the Board of Director of MICL are normally held at the Registered and Corporate Head Office of the Company. Meeting is scheduled well in advance and the notice of each Board Meeting is given in writing to each Director by the Company Secretary.

The Company Secretary prepares the detailed agenda for the meeting. The Board papers comprising the agenda, explanatory notes and proposed regulations are circulated to the Directors in advance for their review. The Members of the Board have completed access of all information of the Company enabling them to work efficiently. Chief Executive Officer, Company Secretary and Chief Financial Officer always attend the Board Meeting and other Senior Management is invited to attend Board Meeting to provide additional inputs to the items being discussed by the Board and make necessary presentations.

Internal Control

The Board is responsible for ensuring that the Company has an adequate and effective control system in place. The Company's internal control system have been designed by the Audit Committee with reasonable assurance that assets are safeguarded against unauthorized use by the employees/or management and/or third parties, transactions are authorized and properly recorded and material error and irregularities are either prevented or detected with in a reasonable period of time. Properly designed management structure, clearly defined responsibilities, delegation or authorities, establishment of accountability at each level and system of periodic reporting and monitoring performance are the key elements of the internal control framework employed in MICL



বিসমিল্লাহির রাহমানির রাহিম,

সম্মানিত শেয়ারহোল্ডারগণ, আসসালামু আলাইকুম,

মার্কেন্টাইল ইসুরেস কোম্পানি লিমিটেডের পক্ষ থেকে ২৬তম বার্ষিক সাধারণ সভায় আমি আপনাদের সবাইকে স্বাগত জানাই। ২০২১ সালের ৩১ ডিসেম্বর শেষ হওয়া বছরের বার্ষিক প্রতিবেদন ও নিরীক্ষিত আর্থিক বিবরণী উপস্থাপন করতে পেরে আমি আনন্দিত।

২০২১ সালের কার্যক্রম পর্যালোচনা করে আমি বলতে চাই যে, বিশ্বব্যাপী করোনা ভাইরাস (কোভিড-১৯) এর প্রাদুর্ভাবের ফলে উদ্ভূত পরিস্থিতির কারণে এটি একটি অত্যন্ত কঠিন এবং চ্যালেঞ্জিং বছর ছিল। বিদ্যমান পরিস্থিতি সত্ত্বেও বীমা শিল্পে নতুন প্রবৃদ্ধি ইতিবাচক হয়েছে এবং সঠিক ঝুঁকি ব্যবস্থাপনা ব্যবসার চূড়ান্ত ফলাফলকে প্রভাবিত করেছে। পরিচালনা পর্যদ প্রিমিয়াম আয় বাড়ানোর জন্য বাৎসরিক দৃষ্টিকোণ থেকে পদক্ষেপ নিয়েছে এবং আমরা সফল হয়েছি। এই সফলতা অর্জনে আমাদের মূল্যবান গ্রাহকদের ভূমিকা অবিস্মরনীয়। ব্যবসা খাতে বৈশ্বিক সংকট সত্ত্বেও, আমরা যথেষ্ট প্রিমিয়াম অর্জন করেছি। এক্ষেত্রে ব্যাংক ও আর্থিক প্রতিষ্ঠানের নিকট রাখা আমানতের উপর বিনিয়োগকৃত লাভ/মুনাফা উল্লেখযোগ্য বৃদ্ধি পেয়েছে। আমরা বিশ্বাস করি যে আমাদের জনশক্তি অত্যন্ত স্বচ্ছতা ও দক্ষতার সাথে তাদের পূর্ণ শক্তি ব্যয়্ম করছে। যাইহাকে, সমস্ত আর্থিক অসুবিধা কাটিয়ে পরিচালনা পর্যদ কোম্পানীর সকল শেয়ারহোল্ডারদের ১০% (শতকরা দশ ভাগ) নগদ লভ্যাংশ প্রদানের স্পারিশ করেছে।

আমরা প্রশাসনিক কাজ সম্পাদনের ক্ষেত্রে সর্বশেষ আইটি অবকাঠামো ও প্রসারিত নেটওয়ার্ক কভারেজের পাশাপাশি নিয়ন্ত্রক সংস্থা সমূহ তথা বীমা উন্নয়ন ও নিয়ন্ত্রক কর্তৃপক্ষ, ঢাকা স্টক এক্সচেঞ্জ লিমিটেড, চউগ্রাম স্টক এক্সচেঞ্জ পিএলসি, বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের সাথে সেতুবন্ধন তৈরি করেছি এবং কর্পোরেট গভর্নেঙ্গ নির্দেশিকা পরিপূরণ করে তা যথাযথভাবে প্রতিপালন করে যাচ্ছি।

আমরা সকল তফসিলি ব্যাংক, নন-ব্যাংকিং আর্থিক প্রতিষ্ঠান, প্রাইম রেগুলেটর আইডিআরএ, ঢাকা স্টক এক্সচেঞ্জ লিমিটেড, চউগ্রাম স্টক এক্সচেঞ্জ পিএলসি, সেন্ট্রাল ডিপোজিটরি বাংলাদেশ লিমিটেড, বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন, সাধরণ বীমা কর্পোরেশন, বাংলাদেশ ইনস্যুরেস এসোসিয়েশন, বাংলাদেশ ইনস্যুরেস ফোরাম এবং অন্যান্য সকল সংস্থাকে তাদের অব্যাহত সহযোগীতার জন্য আন্তরিক ধন্যবাদ জানাচ্ছি।

মার্কেন্টাইল ইস্কুরেস কোম্পানী লিমিটেড দক্ষতার সাথে মহামারী সংকট মোকাবেলা করেছে। এ ক্ষেত্রে আমাদের পরিচালনা পর্ষদ ও দক্ষ জনশক্তির সক্রিয় ভূমিকা পালনের মাধ্যমে কোম্পানীর ক্রেডিট রেটিং রিপোর্টিটি স্থিতিশীল দৃষ্টিভঙ্গির সাথে দীর্ঘমেয়াদে "এএ" এবং স্বল্পমেয়াদে এসটি -২ গ্রেডেশনে উন্নীত হয়েছে।

আমি পরিচালনা পর্যদের সদস্যগনের মূল্যবান পরামর্শ এবং দিকনির্দেশনার জন্য তাদেরকে আন্তরিক ধন্যবাদ জানাই, যা আমাদের কোম্পানীকে একটি প্রতিষ্ঠিত বীমা শিল্প হিসাবে প্রতিষ্ঠিত করেছে। উপসংহারে বলতে চাই আমার দৃঢ় বিশ্বাস আগামী বছরগুলিতে আমাদের কোম্পানীর সফলতা আরও উত্তোরোত্তর বৃদ্ধি পাবে।

আল্লাহ আমাদের সকলের মঙ্গল করুন।



Mercantile Insurance Company Ltd.

Specch of the Hon'ble Chairman of the Company



BismillahirRahmanir Rahim,

Distinguished Shareholders, AssalamuAlaikum,

It is agreat pleasure I welcome you all to the 26th Annual General Meeting on behalf of the Mercantile Insurance Company Limited. I am pleased to present the Annual Report and Audited Financial Statements for the year ended 31 December 2021.

Having review the activities of this year 2021, I would like to say that it was a very tuff and challenging year due to extra ordinary circumstances caused by the global outbreak of Corona Virus (COVID-19). At the very outset of my brief over view of the performance and strategy of our company, I would like to say that inspite of the prevailing situation a new growth in the industry has been procured positive mind set and proper risk management has impacted the final outcome of the business performances. The Board has taken steps in the materialistic point of view to increase the premium income and we succeeded. We would iterate with gratitude the contribution to this growth which was made by the grace of allof our valued clients. In spite of expending global crisis in the business sector, we have earnedsubstantial premium and increased our total earnings and also significant increasement in investment profit/interest on our fixed deposit lying with many banks and financial institutions. So, that we have rendered dedicated services over the years and moved the company much forward. We believe that our manpower's are devoting their full force with utmost transparency and efficiency. However, overcoming all the financial difficulties the Board of Directors has considered and recommended 10% Cash Dividend to all shareholders of the company.

We have also paid our full attention for the latest IT infrastructure and stretched network coverage as well as with regulators in case of performing the Administrative job and made bridge with Insurance Development and Regulatory Authority, Dhaka Stock Exchange Ltd, Chittagong Stock Exchange PLC, Bangladesh Securities and Exchange Commission in full compliance maintaining with the imposed laws, rules and regulations that govern our different business jurisdiction through following Corporate Governance Guidelines.

We would like to thanks all schedule Banks, Non-banking financial institutions, Prime Regulator IDRA, Dhaka Stock Exchange Ltd, Chittagong Stock Exchange PLC, Central Depository Bangladesh Ltd., Bangladesh Securities and Exchange Commission, SadharanBima Corporation, Bangladesh Insurance Association, Bangladesh Insurance Forum and all other Governing bodies and continued Co-operation.

Mercantile Insurance Co. Ltd. has efficiently managed the overall pandemic crisis because it's stayed true to the core values, persuasion of excellences, embracing change acting with integrity and serving the clients to the best of our efforts, close contact effective and efficient decision made by the board of Directors and the management team spirit resulting in ultimate positive growth in the profitability.In the meantime Credit Rating report of the company has been improved in gradation to "AA" in the Long Term and ST-2 in the Short Term with stable outlook.

I would like to take the opportunity to express our gratitude to the management and stuff of the company for their adherence to company's vision and mission. I also like to convey my sincere thanks to my colleague, Board of Directors for their continuous support, valuable advice and guidance that made our company as an established insurance industry. I must express our appreciation of dedication, services and thanks to all of them. In conclusion, we are confident and looking forward to the successful business operation of our company in the next years to come.



REPORT OF THE BOARD OF DIRECTORS OF

MERCANTILE INSURANCE COMPANY LIMITED

FOR

THE YEAR ENDED 31st DECEMBER 2021

DEAR SHAREHOLDERS

The Directors have great pleasures in presenting the 26thAnnual Report with the Audited Financial Statements of the company for the year ended 31st December 2021.

INSURANCE MARKET SCENARIO (Global & Bangladesh Economy)

World Bank review the global economic output is recovering from the collapse triggered by COVID-19, which will remainpre-pandemic trends for a prolonged period. The pandemic has exacerbated the risks associated with a decade-long wave of global debt accumulation. It is also likely to steepen the long-time slowdown in potential growth over the next decade. It will be badly impacted in the world economy. However, In the long run many country of the world particularly entered the crisis with high debt that is set to rise further during the pandemic. As per Asian Development Bank September 2021 review the GDP growth of Bangladesh for the year 2018 was 7.9%, in 2020 it was highest 8.2%, in 2021 affected by pandemic COVID-19 it was 5.2 Bangladesh Insurance Association and Bangladesh Insurance

Forum are playing positive rules to support Insurance Development Regulatory Authority(IDRA). The non-life insurance sector has been facing a problem as it has a huge number of 46 private insurers and 1 state-owned corporation to find tough competition among the insurers. The insured in Bangladesh non-life sector are not ready to accept insurance as a positive tool to safeguard their properties rather most of them were habituated to get rebate from the insurers. Therefore, it is so urgent from all concerned with non-life insurance to take effective measures to make the potential insured understand that insurance is not only cost bearing but it's an important tool and a part and parcel of our daily life.

CREDIT RATING

Mercantile Insurance Company Limited, as you know, is rated "AA" by the Alpha Credit Rating reflecting company's very high claim paying ability. The rating helps the company to negotiate better terms with the reinsurers abroad.

RISKS MANAGEMENT

Mercantile Insurance has always been responsive of the risk factors inherent in the insurance industry. With a view to keeping the risks at a tolerable level it identifies, monitors and reviews the risks inherent in every policy or covernote underwritten, continues updating of data base for information and takes corrective





and or preventive measures to safeguard the stakeholders' interest.

FIRE INSURANCE BUSINESS

MERCANTILE INSURANCE COMPANY LIMITED wrote fire insurance business with a total business income of Tk. 154.88 million against Tk. 159.09 million in 2020. After ceding of the re-insurance premium, the net premium of the Fire Department amounted to Tk. 28.62 million. The Company earned an underwriting loss of Tk. 58.39 million from its fire insurance business as against Tk. 95.61 million losses in 2020.

MARINE INSURANCE BUSINESS

The gross premium income from marine insurance business increased to Tk. 262.03 million from Tk. 200.06 million in 2020, yielding a net premium of Tk. 211.17 million, after re-insurance cession. The Company earned an underwriting profit of Tk. 80.27 million against Tk. 93.63 million in 2020 after making necessary provision for claims, both paid and intimated.

MOTOR INSURANCE BUSINESS

In Motor, the gross premium income decreased to Tk. 9.40 million from Tk. 10.78 million in 2020. The profit from Motor insurance business also rose to Tk. 6.46 million from Tk. 8.97 million in 2020.

MISCELLANEOUS INSURANCE BUSINESS

Premium income from miscellaneous insurance business rose to Tk. 105.65

million from Tk. 46.71 million in 2020. We earned a profit of Tk. 22.10 million in 2021 against Tk. 13.59 million in 2020.

INCOME FROM INVESTMENT

Interest income derived from banks and non-banking financial institutions decrease to Tk. 64.44 million from Tk. 78.25 million in 2021. The dividend income Tk. 4.46 million from Tk. 0.18 million in 2020.

PROFIT AND LOSS ACCOUNT

Particulars	BDT 2021	BDT 2020
Gross Premium	531,971,161	416,660,405
Net Premium	29,653,958	227,450,067
Underwrite Profit	5,043,981	20,588,292
Interest Income	600,688	73,781,027
Dividend Income	4,372,001	4,466,886
Profit before tax	1,187,341	93,381,569
Provision for tax	2,924,365	20,840,446
Divisible profit	60,199,575	45,458,424

DIVIDEND

Subject approval of the Annual General Meeting from the retained earnings/divisible profit of 2021 the Board of Directors of the company recommended 10% Cash dividend for the year ended 2021.



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ASSETS

The assets of the company increased to Tk. 2419.93 million from Tk. 2240.47 million in 2020. The value of the assets was increased by 8% from previous year.

DIRECTORS

Sponsor Directors:

According to the Articles of Association of the company, the following directors retire at the 26th Annual General Meeting and being eligible they offer themselves for re-election:

- 1. Abdul Haque
- 2. Al-haj Abdul MannanMazumder
- 3. Md. Serajul Islam
- 4. AbdurRahman

DIRECTORS FROM PUBLIC SUBSCRIBERS:

In accordance with the provisions of Insurance Act, 2010 and the Articles of Association of the company half of the total number of sponsor directors shall be the directors from publicsubscribers. In practice due to imposition of BSEC Notification dated 21 May 2020 "Each director other than independent director of any listed company shall hold minimum 2% (two percent) shares of the paid-up capital, otherwise there shall be casual vacancy of director.

STATUTORY AUDITORS

Pursuant to Section 210 of the Companies Act 1994 and the BSEC guidelines the

company's statutory auditors M/s. Kazi Zahir Khan & Co, Chartered Accountants, retire and being eligible offer their services for another year as they qualify for reappointment.

REPORTING & COMPLIANCE AUDITORS

As per Corporate Governance Code 9(2) of BSEC Notification dated 3 June 2018, the compliance auditors of the company M/s. Ahmed Zaker & Co., Chartered Accountants.

PROSPECTS FOR 2022

Respecting the insurance laws Mercantile Insurance would go forward to establish itself among the insurers to whom the inured may keep faith. Insurance Development & Regulatory Authority (IDRA) has already been in the process to restructuring the existing system of insurance market scenario amidst the unseen but strong negative agents to obstruct the long awaiting development. Through circular No: 75 it is going to convert the development officers to insurance agent effecting huge reduction in the expenses of management of the insurance companies. We hope that IDRA's measures would work positively and MERCANTILE INSURANCE COMPANY LIMITED would find a congenial atmosphere in the non-life insurance sector.

CORPORATE AND FINANCIAL REPORTING

Mercantile Insurance has complied with all the requirements of Corporate Governance Code as required by the Bangladesh Securities





& Exchange Commission. Accordingly, the Directors are pleased to confirm the following: (a) The financial statements together with notes thereon have been prepared in conformity with the Companies Act, 1994, Insurance Act, 2010 and in some applicable cases Insurance Act, 1938 and Securities & Exchange Commission Rules, 1987. These statements present fairly its state of affairs, the result of its operations, cash flows and changes in equity. (b) Proper books of account of the Company have been maintained. (c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment. (d) International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as applicable in Bangladesh have been followed in preparation of the financial statements. (e) The system of internal control is sound in design and has been effectively implemented and monitored. (f) There are no significant doubts about the company's ability to continue as a going concern. (g) No bonus share or stock dividend has been declared as interim dividend; (h) There are no extraordinary activities in the reported period. (i) The gross premium income of the Company was increased by 10.33% due to the effect of pandemic COVID-19 for which national holidays were declared by the Government of Bangladesh and in

the non-life sector around Tk. 3,500 million gross premium was reduced as reported by IDRA.

BOARD MEETING ATTENDANCE

During the year, seven Board Meetings were held. The attendance of the Directors is shown in Page # 48.

PATTERN OF SHAREHOLDING

Pattern of shareholding as per clause 1.5(xxiii) of BSEC Notification No: the BSEC Notification No: BSEC/CMRRC-D/2006-158/207/Admin/80 dated 03 June 2018 is shown in Page # 49.

RELATED PARTY TRANSACTIONS

Related Party Transactions, as per clause 1.5(vi) of BSEC Notification No: BSEC/CMR-RCD/2006-158/207/Admin/80 dated 3 June 2018, are shown in Notes to the Financial Statement [Notes: 23].

BRIEF RESUME OF THE DIRECTORS

Brief resume of the Directors, as per clause 1.5(xxiv) of BSEC Notification No: BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018, are shown in Page # 08.

BRIEF MANAGEMENT'S DICUSSION AND ANALYSIS SIGNED BY THE CHIEF EXECUTIVE OFFICER

The brief management's discussion and detailed analysis of the Company's position and operations along with discussion of changes in the financial statements.

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER AND THE CHIEF FINANCIAL OFFICER TO THE BOARD OF DIRECTORS

The Chief Executive Officer and Chief Financial Officer have performed their duties as per the rules, responsibilities and duties as prescribed by the board. The report is placed in Page # 30.

INTERNAL CONTROL SYSTEM DISCLO-SURE

The Board of Directors takes the responsibility for the oversight of MERCANTILE INSURANCE COMPANY LIMITED's insurance 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.

REPORT ON THE ACTIVITIES OF THE AUDIT COMMITTEE

Pursuant to the clause 5(7) of the BSEC Notification No: BSEC/CMRRC-D/2006-158/207/Admin/80 dated 3 June 2018, the activities of the Audit Committee have been shown in Corporate Governance Chapter Page # 38.

NOMINATION AND REMUNERATION COMMITTEE (NRC)

The Board of Directors constituted a four-member Nomination and Remuneration Committee (NRC) as a sub-committee of the Board to comply with the BSEC notification dated 03 June 2018. The Committee 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 executives. Pursuant to the clause 6(2) of the BSEC Notification No: BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018, the activities of the Nomination and Remuneration Committee have been shown in Corporate Governance Chapter.

CORPORATE GOVERNANCE COMPLIANCE REPORT

The Board of Directors of Mercantile Insurance Company Limited is committed to adopting the highest governance standards and improving those standards as required protecting the interest of stakeholders and policy holders of the company. The Board continues to provide direction

to the management, approve strategic decision and policies to attain predetermined goals and objectives of the company. Certificate from auditors on compliance with the conditions as per clause 7(1) of the BSEC Notification No: SEC/CMRRC-D/2006-158/207/Admin/80 dated 3 June 2018 is shown in Page # 54. Pursuant to the clause 9(3) of BSEC Notification No: BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018, the Company's Corporate Governance Compliance status has been attached in Page # 55.



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ACKNOWLEDGEMENT

The Board of Directors' deeply appreciated the gracious co-operation extended by the Government of the People's Republic of Bangladesh. Particularly, Ministry of Finance, Insurance Development and Regulatory Authority (IDRA), Bangladesh Securities And Exchange Commission, Registrarof Joint Stock Companies and Firms, Dhaka Stock Exchange Ltd, Financial Reporting Council Bangladesh. The Board also like to put on record its appreciation for the services rendered by express its deep gratitude to respected shareholders of the Company for their support and guidance. The Board also would like to thanks Bangladesh Bank, all schedule Banks and Financial Institution, valued clients, patrons and well-wishers who have been extending their continued support, co-operation and encouragement.

We thanked our members of the Board of Directors for their continuous help and advice in all respects, our Chief Executive

Officer, all our officer and stuffs in various aspects of the company for their loyalty, devotion, relentless drive and accelerated skills for the present position.

At the end I pray to almighty Allah for the continuous progress of the company.

For The Board Of Directors

Abdul Haque Chairman

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ANNEXURE-C

[As Per Condition No. 1(5)(XXVII)]

Report on Compliance of Corporate Governance Guidelines of Mercantile Insurance Company Limited BSEC/CMRRCD/2006-158/207/Admin/80, Dated June 03, 2018.

Condition		Complian	ce Status	Domank
Condition No.	Title	Complied	Not Complied	Remark (if any)

Status of compliance with the conditions impossed by BSEC vide Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 Issued under section 2CC of the Securities and Exchange Ordiance 1969.

	Board of Directors			20 Director
	Size of the Board of Directors			21.1
1(1)	Independent Directors	√	_	3 Independent Director As per Insurance Act 2010
1(2)a	At least on fifth (1/5) of the total member of directors in the company's board shall be independent directors.	√	_	Complied As per Insurance Act 2010
1(2) (b) (i)	Who either does not hold any shares in the company or holds less than one percent (1%) shares of the total paid-up shares of the company.	√	-	Not holding any share of the company
1(2) (b) (ii)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director nominated director or shareholder of the company or any of its associates, sister concern, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paidup shares of the company on the basis of family relationship and his or her family members also should not hold above mentioned shares in the company. Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter- in- law shall be considered as family members.	√	-	
1(2) (b) (iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial year	V	-	
1(2) (b) (iv)	Who does not have any other relationship, whatever pecuniary or otherwise, with the company or its subsidiary/associated companies.	√	_	
1(2) (b) (v)	who is not a member holder, or TREC (Trading Right Entitlement Certificate) 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 03 (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.	V	-	
1(2) (b) (viii)	Who shall not be an independent director in more than 05(Five) listed companies;	√	_	



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Conditt.		Complian	ce Status	D
Condition No.	Title	Complied	Not Complied	Remark (if any)
1(2) (b) (ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or advance to a bank or a Non-Bank Financial Institution (NBFI);	V	_	
1(2) (b) (x)	Who has not been convicted for a criminal offence involing moral turpitude;	√	-	
1(2) (c)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM);	V	_	
1(2) (d)	The post of independent director(s) can not remain vacant for more than 90 (ninety) days;	√	_	
1(2) (e)	The tenure of office of an independent director shall be for a period of 03 (three) years, which may be extended for 01 (one) term only;	√	-	
	Qualification of Independent Director			
1(3) (a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business;	√	_	
1(3) (b)(i)	Business leader who is or was a promoter or director of an unlisted company having minimum paid up capital of Taka 100 million or any listed company or a member of any national or international chamber of commerce or business association; or	V	_	
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 Taka 100 Million or of a listed company.	√	-	
1(3)(b) (iii)	Former official of Government or Statutory or autonomous or regulatory body in the position not below 5th grade of the national pay scale, who at least educational background of Bachelor degree in economices or commerce or business or law.	√	_	
1(3)(b) (iv)	University Teacher who has educational background of Bachelor degree in Economices or Commerce or Business Studies or law.	V	-	
1(3)(b)(v)	Professional who is or was and advocate practicing at least in high court devision of Bangladesh Supreme Court or a chartered Accountants or a cost management accountants or Chartered Financial Analyst or Chatered Certified Accountant or Certified Public Accountant or Chartered Management accountant or chartered Secretary or equivant qualifications,	V	_	
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in Clause(b).	V	-	
1(3)(d)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission;	V	_	,

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Condition		Complian	ce Status	Remark
No.	Title	Complied	Not Complied	(if any)
	Duality of Chairperson of the Board of Directors and			
	Managing Director or Chief Executive Officer			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Directo (MD) and or the Chief Executive Officer (CEO) of the Companies shall be filled by different individuals.	V	_	
1(4)(b)	The Managing Director(MD) and or Chief Executive Officer(CEO) of the listed company shall be elected from among the non executive directors of company.	V	_	
1(4)(c)	The Chairperson of theBoard shall be elected from among the non executive directors of company.	V	_	
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and The Managing Director(MD) and or Chief Executive Officer(CEO)	V	-	
1(4)(e)	In the absence of chairperson of the board the remaining members may elect one of themselves from non executive directors as chairperson for that particular Board's meeting	V	_	
	The Directors report to the Shareholder			
1(5) (i)	Industry outlook and possible future developments in the industry	√	_	
1(5) (ii)	Segment-wise or product-wise performance	$\sqrt{}$	_	
1(5) (iii)	Risks and concerns including internal and external risk factors threats to sustainablity and negative impact on environment ,if any	V	_	
1(5) (iv)	A discussion on cost of goods sold, gross profit margin and net profit margin	V	-	
1(5) (v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss)	V	_	
1(5) (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transections and basis of transections of all related party transections	V	_	
1(5) (vii)	A statement of Utilization of proceeds from public issues, rights issues and/or through any others instruments	V	_	
1(5) (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc	V	_	N/A
1(5) (ix)	An explanation on any significant variance occurs between Quarterly Financial performance and Annual Financial Statements	V	_	
1(5) (x)	A statement of Remuneration paid to the directors including independent directors	V	-	
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	V	_	N/A
1(5) (xii)	A Statement that Proper books of account of the issuer company have been maintained	√	-	
1(5) (xiii)	A Statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	V	_	
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Caradini		Complian	ce Status	D 1
Condition No.	Title	Complied	Not Complied	Remark (if any)
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	V	_	
1 (5) (xv)	A Statement that the system of internal control is sound in design and has been effectively implemented and monitored	V	_	
1 (5) (xvi)	A Statement that the minority share holders have been protected from the abusive action by, or in the interest of, controling shareholders acting either directly of indirectly and have effective means of redress.	V	_	N/A
1 (5) (xvii)	A Statement that there are no significant doubts 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 thereof should be disclosed	V	_	
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 should be explained	V	_	
1(5) (xix)	Key operating and financial data of at least preceding 05 (five) years shall be summarized	V	_	
1(5) (xx)	An explanation on the reason If the issuer company has not declared dividend (cash or stock) for the year	√	_	Not Applicable (15% cash Dividend was proposed)
1(5) (xxi)	The board statement to the effect that no bonus sahre or stock devidend has been or shall be declared as interim dividend	√	_	N/A
1(5) (xxii)	The number of Board meetings held during the year and attendance by each director shall be disclosed	√	_	
1(5) (xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (name wise details)	$\sqrt{}$	_	
1(5) (xxiii) (a)	Parent/Subsidiary/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),	V	_	
1(5) (xxiii) (c)	Executives,	√	_	
1(5) (xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details)	_	_	N/A
1(5) (xxiv)(a)	A brief resume of the director	√	_	
1(5) (xxiv)(b)	Nature of his/her expertise in specific functional areas	√	_	
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:			번호

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Condition No.	Title	Complied	Not Complied	Remark (if any)
1(5)(xxv) (a)	Accounting policies and estimation for preparation of financial statement.	√	_	
1(5)(xxv) (b)	Changes in accouning policies and estimation if any clearly described the effect on financial performance and financial position as well as cash flows in absolute figure for such change.	V	_	
1(5)(xxv) (c)	Corporate analysis (including effect of the inflation) of financial performance and or result and financial; position as well as cash flow for current financial year with immediate preceding five years explaining reasons thereof	V	_	
1(5)(xxv) (d)	Compare such performance or result and financial position as well as cash flow with the peer industry scenario.	V	_	
1(5)(xxv) (e)	Financial and economic scenario of the country and globe	$\sqrt{}$	_	
1(5)(xxv) (f)	Risks and concerns issues related to financial statement exlaining such risks and concern mitigation plan of the company	$\sqrt{}$	_	
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	V	_	
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 in page-87	V	_	
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 in page-48 and 54.	$\sqrt{}$	_	
	Meetings of the Board of Directors			
1(6) (a)	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 Standard (BSS) as adopted by the Institute of Chartered Secretatries of Bangladesh (ICSB) in so far as those standards are not incosistent with any condition of this Code.	V	-	
	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7) (a)	The Board shall lay down a code of conduct , based on the recommendation of the Nomination and Remuneration Committee (NRC)	-	V	Under Process
1(7) (b)	The code of conduct as determined by the NRC shall be posted on the website of the company	_	√	Under Process
	Governance of Board of Directors of Subsidiary Company			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	_	_	N/A
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	-	-	N/A
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
	board meeting of the nording company.			

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2(d) h tl 2(e)	Title The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company. Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS). 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). 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; 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 not hold any executive position in any other company at the same time;	Complied - √	Not Complied - -	Remark (if any) N/A N/A
2(d) h ti 2(e) ii 3(1)(a) G G G G G G G G G G G G G G G G G G G	holding company shall state that they have reviewed the affairs of the subsidiary company also The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company. Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS). 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). 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; 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 not hold any executive position	√	-	
2(e) a iii 3(1)(a) C a A A A A A A A A A A A A A A A A A A	also review the financial statements, in particular the investments made by the subsidiary company. Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS). 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). 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; 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 not hold any executive position	√	-	N/A
3(1)(a) T T A A A A A A A A A A A A A A A A A	Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS). 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). 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; 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 not hold any executive position	√	-	
3(1)(a) C a A A A A A A A A A A A A A A A A A A	Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC). 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; 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 not hold any executive position	√	-	
3(1)(b)	Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals; 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 not hold any executive position		-	
3(1)(c)	Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall not hold any executive position	1/		
3(1)(d) S T 3(1) (e) fi W a 3(2) R T a C C T ti		V	-	
3(1) (e)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√	_	
3(2) T a	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).	V	-	N/A
T tl	Requirement to attend Board of Directors' Meetings The MD or CEO,CS,CFO and HIAC of the company shall attend the meetings of the Board.	√	-	
t	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
S. S. S.	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 these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	V	-	
3(3)(a)(ii)	The MD or CEOand CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledgethese statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	V	-	
3(3)(b) to e	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	V	-	
3(3)(c) T	conduct for the company's Board or its members;	√	_	
3(3)(a)(ii) s s s s T ti a a s c c a T t t t e f f c	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO) 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 these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and 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 knowledgethese statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws; 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	√	-	

C		Complian	ce Status	D
Condition No.	Title	Complied	Not Complied	Remark (if any)
	Board of Directors Committee		-	
	For ensuring good governance in the company, the Board shall have at least following sub-committee	·		
4(i)	Audit Committee.	√	_	
4(ii)	Nomination and Remuneration Committee.	$\sqrt{}$	_	
	Audit Committee			
5(1)(a)	The company shall have an Audit Committee as a subcommittee of the Board	√	-	
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of state of affairs of the company and in ensuring a good monitoring system within the business.	V	_	
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	V	-	
	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√	-	
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non - executive director of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director.	V	_	
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.	V	-	
5(2)(d)	When the term of service of any Committee members expires or there is any circumstance causing any committee member to be unable to hold before expiration of the term of service,	-	_	No Such event occurred
5(2)(e)	The company secretary shall act as the secretary of the Committee;	√	-	
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√	_	
	Chairperson of the Audit Committee			
5(3)(a)	The board of director select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director.	\checkmark	_	
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.	V	-	
5(3)(c)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM)	\checkmark	_	
	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its 4 (four) meetings in a financial year.	\checkmark	_	



Mercantile Insurance Company Ltd.

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Condition No.	Title	Complied	Not Complied	Remark (if any)
5(4)(b)	An independent director is a must for the quorum of the meeting	√	_	
	Role of Audit Committee			
5(5)(a)	Oversee the financial reporting process;	√	_	
5(5)(b)	monitor choice of accounting policies and principles;	V	_	
5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced,	V	_	
5(5)(d)	oversee hiring and performance of external auditors;	$\sqrt{}$	_	
5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced,	$\sqrt{}$	_	
5(5)(d)	oversee hiring and performance of external auditors;	$\sqrt{}$	_	
5(5)(e)	hold meeting with the external or statutory auditors 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	$\sqrt{}$	_	
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	V	_	
5(5)(h)	review the adequacy of internal audit function;	$\sqrt{}$	_	
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;	\checkmark	_	
5(5)(k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	V	_	
5(5)(I)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the perfor- mance of external auditors;	V	_	
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:	-	-	N/A
	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board	V	-	
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board of director on the following findings if any			
5(6)(a)(ii)(a)	report on conflicts of interests;	-	-	No Such event occurred
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	_	_	No Such event occurred
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	-	-	No Such event occurred
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	_	_	No Such event occurred

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Condition No.	Title	Complied	Not Complied	Remark (if any)
5(6) (b)	Reporting to the Authorities IF the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the board and the management that any rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commisssion, upon reporting of such manner to the board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	-	-	No Such event occurred
5(7)	Reporting to the Shareholders and General Investors Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	-	-	No Such event occurred
	Nomination and Remunaration Committee (NRC)			
2/12/2	Resposibility to the Board of Directors The Company shall have a Nomination and Remunera-		,	
6(1)(a)	tion Committee (NRC) as a sub-committee of the Board;	-	√	Under Process
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;	-	_	N/A
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)	-	-	N/A
	Constitution of the NRC			
6(2)(a)	The Committee shall comprise at least three members including an independent director;	√	_	
6(2)(b)	All members of the Committee shall be non-executive directors;	V	-	
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;	-	_	will be taken necessary step as and when facing
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the committee or any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occuring such vacancy in the committee	-	_	N/A
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 member9s) of staff shall be required or valuable for the Committee. a	-	-	N/A
6(2)(g)	The company secretary shall act as the secretary of the Committee;	-	-	N/A
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of atleast an independent director.	_	_	N/A



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Condition No.	Title	Complied	Not Complied	Remark (if any)
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.	-	_	N/A
	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the committee, who shall be an independent director.	-	-	N/A
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 minute	-	-	No Such event occurred
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the question of the shareholder	-	-	No Such event occurred
	Meeting of theNRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	-	_	N/A
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	-	_	N/A
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);	-	_	N/A
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	-	_	N/A
	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	-	-	N/A
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient	-	-	N/A
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	-	_	N/A
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;	-	_	N/A
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	_	_	N/A
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 theirappointment and removal to the Board;	-	_	N/A
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	_	_	N/A



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c. list		Complian	ce Status	D d
Condition No.	Title	Complied	Not Complied	Remark (if any)
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.	-	-	N/A
7	External Statutory Auditors			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-	V	_	
7(1)(i)	appraisal or valuation services or fairness opinions;	√	_	
7(1)(ii)	financial information systems design and implementation;	$\sqrt{}$	_	
7(1)(iii)	book-keeping or other services related to the accounting records or financial statements;	V	_	
7(1)(iv)	broker-dealer services;	V	_	
7(1)(v)	actuarial services;	V	_	
7(1)(vi)	internal audit services or special audit services;	V	_	
7(1)(vii)	any service that the Audit Committee determines;	V	_	
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	V	_	
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;	V	_	
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 question of the shareholders.	V	_	
	Maintaining a website by the Company.			
8(1)	The company shall have an official website linked with the website of the stock exchange	V	_	
8(2)	The company shall keep the website functional from the date of listing	V	-	
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).	√	_	
	Reporting and Compliance of Corporate Governance			
9(1)	The Company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firmon yearly basis regarding compliance of conditions of corporarcompliance of conditions of Corporate Governance Code of the Commission and such certificate shall be disclosed in the Annual Report	V	-	
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	V	_	
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the director report whether the company has complied with these conditions or not	$\sqrt{}$	_	



Report on Compliance

Annual Report 2021



HEAD OFFICE:

89 Kakrail, Green City Edge (Level 10), Dhaka 1000, Bangladesh Website:www.ahmed-zaker.com Email:azcbangladesh@ahmedzaker.com Phone: +88-02-8300501-8, Fax:+88-02-8300509

Report to the Shareholders of Mercantile Insurance Company Ltd. on compliance of the corporate governance code

We have examined the compliance status of the Corporate Governance Code by **Mercantile 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.

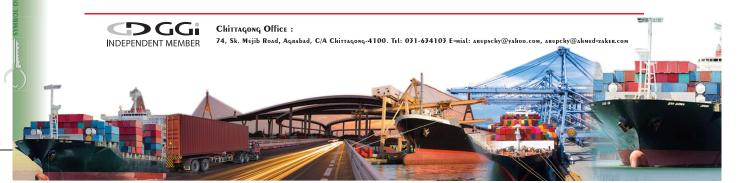
This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provision of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards 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 of 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.

Place: Dhaka Date: 23 May 2022 Ahmed Zaker & Co.
Chartered Accountants
Z A Mridha, FCA
(Partner)

Enrolment No.: 0478





As per Regulations contained in the First Schedule of the Insurance Act. 1938 and as per Section 63(2) of the Insurance Act, we certify that:

- 1. The value of investment as shown in the Balance Sheet has been taken at the cost.
- 2. The value of assets as shown in the Balance Sheet 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 setforth in the Balance Sheet at amounts not exceeding their realisable or market value under the several headings as enumerated in the annexed from.
- 3. All expenses of management, wherever incurred and whether incurred directly or indirectly in respect of Fire, Marine, Motor and Miscellaneous Insurance Business have been duly debited to the related Revenue Accounts and Profit & Loss Account.

Firoz Ahmed
Chief Executive Officer

Aziz M Ershad Chowdhury

Director

M. Nasir Uddin Director **Abdul Haque** Chairman

Place: Dhaka Dated: April 20, 2022



Auditors' Report to the Shareholders

Opinion

We have audited the accompanying Financial Statements of Mercantile Insurance Company Limited (MICL), which comprise the Statement of Financial Position as at December 31, 2021, and the Statement of Profit or Loss and other Comprehensive Income, Profit and Loss Appropriation Account, Consolidated Insurance Revenue Account, Fire Insurance Revenue Account, Marin & Marin Hull Insurance Revenue Account, Motor Insurance Revenue Account, Miscellaneous Insurance Revenue Account, Statement of Changes in Shareholder's Equity, Statement of Cash Flows for the year then ended, Form "AA" as at December 31, 2021 and a summary of significant accounting policies and other explanatory information disclosed in Note 1-30.

In our opinion, except for the effects of the matter prescribed in the basis for Unqualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2021, 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 conduct our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's 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), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified opinion.

Matter of Emphasis

We draw attention to the following matters, though our opinion is unqualified in respect of the same:

• As a public interest company Mercantile Insurance Company Limited should prepare financial statement in accordance with IFRS. But Mercantile Insurance Company Limited yet to comply with IFRS 16 Lease.

Auditors' Report to the Shareholders

Annual Report 2021

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters were addressed in the context of our audit of the consolidated and separate financial statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk

Premium Income:

Gross general insurance premiums comprise the total premiums received for the whole period of cover provided by contracts entered into during the accounting period.

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

At The Year end of the year 2021, the company reported total gross premium income of BDT 531,971,166(2020: BDT 416,660,405.

Our response to the risk

With respect to Premium income in respect of various types of insurance we carried out the following procedures:

- Carried out analytical procedures and recalculated premium income for the period.
- •The design and operating effectiveness of key controls around premium income recognition process.
- •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 reinsurance premium was deducted from the gross premium.
- •Applying specialist judgment ensured if there is any impairment of the reinsurer.
- •Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.



Mercantile Insurance Company Ltd.

Auditors' Report to the Shareholders

See note #21.00 of the financial statements.

Fair value reserve on Investment of marketable securities:

The company makes a number of investments in the listed securities in stock exchange. Income generated from the investments (realized gain and dividend received) is credited to the Profit or Loss Account.

This item has significant impact on net asset value of the company and equity balances might be prone to misreporting as large unreported fall in the value of any holding may wipe out the value of the portfolio and hamper the distribution capability of the company.

At The Year end of the year 2021, the company reported investments in the listed securities in stock exchange BDT 261,825,499 at Market Value.

See note #12.00 of the financial statements.

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

This account represents the claim due or intimated, and

We tested the design and operating effectiveness of key controls around monitoring, valuation and updating of prices of the positions held by the company from trusted sources. Additionally, we performed the following:

- Obtained year-end share holding positions from the company and through directional testing assessed the completeness of the report.
- Ascertained the valuation of the holding as per IFRS 13.
- Reviewed the assumptions used for the valuation models for any unquoted securities.
- Recalculated unrealized gain or loss at the year end.
- Carried out cut-off testing to ensure unrealized gain or loss was recognized in correct period.
- Obtained the MICL report and share portfolio and cross checked against each other to confirm unrealized gain or loss.
- Check the subsequent positioning of this unrealized amount after the year end.
- Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.

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 crosscheck it with claim.



Auditors' Report to the Shareholders



related balance of recoverable from reinsurer, 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.

At the year end the 2021, the company reported total balance under the head of the estimated liability in respect of outstanding claims whether due or intimated and claim payment of BDT

160,000,000.

- 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.

See note #7.00 to the financial statement

Other information

Management is responsible for the other information. The other information comprises all the information in the Annual Report other than the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the consolidated and separate 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 consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. After going through 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.



Mercantile Insurance Company Ltd.

Auditors' Report to the Shareholders

We have nothing to report on going concern

We are required to report if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of the financial statements. We have nothings to report in these respect.

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 judgments and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company 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.



Annual Report 2021

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 issues 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 expenditure was incurred for the purpose of the Company's business;
- d) 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;

- Annual Report 2021
- e) As per section 63(2) of the Insurance Act 2010, in our opinion to the best of our knowledge and belief an according to the information and explanation given to us, all expenses of management wherever incurred and whether incurred directly or indirectly, in respect of insurance business of the company transacted in Bangladesh during the year under report have been duly debited to the related Revenue Accounts and the Statement of Comprehensive Income of the Company;
- f) 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; and
- g) 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.

Place: Dhaka

Dated: April 20, 2022

Nurul Hossain Khan FCA Membership No.-240 Kazi Zahir Khan & Co. Chartered Accountants DVC No: 2204270240AS748658

As at December 31, 2021

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Particulars	Notes	Amount i	
1 31 31 33 33 3	Notes	31-Dec-2021	31-Dec-2020
Shareholders Equity & Liabilities :			
Share Capital Authorised Capital		1,000,000,000	1,000,000,000
Authorisca Capital		1,000,000,000	1,000,000,000
Issued, Subscribed & Paid-up capital	3.00	430,953,600	430,953,600
Share Premium (Less issue expense & taxes)		74,814,125	74,814,125
Reserve or Contingency Accounts:	4.00	372,630,283	315,408,743
Reserve for exceptional losses		279,504,277	249,850,319
General Reserve		22,100,000	20,100,000
Fair Value of Share		10,826,427	45 450 424
Profit or Loss Appropriation Account		60,199,579	45,458,424
Balance of Fund & Accounts	5.00	148,494,795	113,973,883
Fire Insurance Business		14,311,306	18,650,078
Marine Insurance Business		105,808,718	78,488,410
Motor Insurance Business		4,256,389	5,043,719
Miscellaneous Insurance Business		24,118,382	11,791,676
Liabilities & Provision		1,393,040,121	1,305,326,030
Premium Deposit	6.00	58,741,241	35,626,137
Estimated liability in respect of outstanding claims whether due or intimated	7.00	160,000,000	140,000,000
Amount due to other person or bodies carrying on insurance business	8.00	1,078,947,539	1,053,294,810
Sundry Creditors	9.00	95,351,341	76,405,083
Total Shareholders Equity & Liabilities :		2,419,932,924	2,240,476,381
Assets:		2,415,552,524	2,240,470,301
Non-Current Assets: Property, Plant & Equipment		66,816,651	53,981,563
Bangladesh Govt. Treasery Bond	10.00	30,915,225	27,981,414
Deferred Tax Assets		35,000,000	25,000,000
Deterred Tax 755et5	11.00	901,426	1,000,149
Current Assets:		2 252 446 272	2 406 404 040
Investment in Shares	12.00	2,353,116,273 261,825,499	2,186,494,818 72,804,327
Accrued Interest	12.00 13.00	7,359,926	6,870,540
Amount due from other persons or bodies carrying on insurance business	13.00	811,006,472	915,685,850
Sundry Debtors	15.00	9,437,456	6,099,747
Cash and Bank balance	16.00	1,193,176,855	1,128,298,754
Advance Income Tax	17.00	70,292,885	56,695,350
Stamps in hand		17,180	40,250
Total Assets:		2,419,932,924	2,240,476,381
		20.38	19.05
Net Assets Value Per Share (NAVPS)		20.30	19.05

The annexed notes 1 to 30 form an integral part of these fiancial statements.

Chief Executive Officer

Director

Director

Chairman

Signed as per our separate report on same date.

Place: Dhaka

Dated: April 20, 2022

KAZI ZANIR KHAN & CO. CHARTERED ACCOUNTANTS



Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2021



Particulars		Amount i	n Taka
rarticulars	Notes	31-Dec-2021	31-Dec-2020
Operating Profit/(loss) Transferred From: Fire Insurance Revenue Account Marine Insurance Revenue Account Motor Insurance Revenue Account Misc. Insurance Revenue Account		50,439,810 (58,393,615) 80,272,737 6,458,530 22,102,158	20,588,293 (95,608,432) 93,634,251 8,972,074 13,590,400
Non-Operating Income (Not applicable to any fund or Account): Interest & Dividend Income Sale of Gain On Share Rent Income	18.00 18.01 19.00	76,971,090 64,440,877 12,350,213 180,000	78,427,913 78,247,913 180,000
Total Income:		127,410,900	99,016,206
Expenses of Management (Not applicable to any fund or Account): Registration & Renewal Directors' Fees Audit Fees Depriciation Subscription Legal Fee		8,676,773 1,643,534 720,000 100,000 4,676,614 300,500 1,236,125	5,634,637 718,510 818,400 125,000 3,972,727
Net Profit/(Loss) transferred to Profit or Loss Appropriation Account		118,734,127	93,381,569
Total:		127,410,900	99,016,206
Earnings per Share (EPS)		2.08	1.68

Profit or Loss Appropriation AccountFor the year ended December 31, 2021

Particulars			in Taka
ratticulars	Notes	31-Dec-2021	31-Dec-2020
Opening Balance of appropriation accounts Net Profit/(Loss) transferred from consolideted Revenue Account Total		45,458,424 118,734,127 164,192,551	35,757,766 93,381,569 129,139,335
Appropriation: Stock Dividend issued/Cash dividend Reserve for exceptional losses General Reserve Income tax expenses Unrealized (gain)/loss on investment in share	20.00	103,992,972 43,095,360 29,653,958 2,000,000 29,243,654	83,680,911 30,166,752 22,745,006 200,000 20,840,446 9,728,707
Undistributed Balance transferred to Balance sheet Total:		60,199,579 164,192,551	45,458,424 129,139,335

The annexed notes 1 to 30 form an integral part of these fiancial statements.

Chief Executive Officer

Director

Chairman

Signed as per our separate report on same date.



Consolidated Revenue Account

For the year ended December 31, 2021

Particulars Not		Amount in Taka	
	Notes	31-Dec-2021	31-Dec-2020
Opening balance of Reserve for unexpired risks		113,973,883	95,593,682
Premium Less Re-insurance		296,539,588	227,450,067
Commission on Re-insurance Ceded		48,773,438	47,556,686
Total:		459,286,909	370,600,435
Claims under policies less Re-insurance		113,999,852	83,888,488
Paid during the year		93,999,852	100,888,488
Claims outstanding at the end of the year		160,000,000	140,000,000
Claims Outstanding at the end of the previous year		(140,000,000)	(157,000,000)
Agency Commission		28,044,416	53,276,273
-		440 200 026	00.073.400
Expenses of Management		118,308,036	98,873,499
Profit/(Loss) transferred to Profit or Loss Account		50,439,810	20,588,292
Closing balance of Reserve for unexpired risks		148,494,795	113,973,883
Total:		459,286,909	370,600,435

The annexed notes 1 to 30 form an integral part of these fiancial statements.

Chief Executive Officer

Director 1

Chairman

Signed as per our separate report on same date.

Place: Dhaka Dated: April 20, 2022 KAZI ZANYK KHAN & CO. CHARTERED ACCOUNTANTS

Fire Insurance Revenue Account

For the year ended December 31, 2021



		Amount	in Taka
Particulars	Notes	31-Dec-2021	31-Dec-2020
Opening balance of Reserve for unexpired risks		18,650,078	32,242,032
Premium Less Re-insurance	21.00	28,622,611	27,815,876
Commission on Re-insurance Ceded		31,512,234	24,671,458
Total:		78,784,923	84,729,366
Claims under policies less Re-insurance		79,635,770	93,768,587
Paid during the year		60,635,770	101,768,587
Claims outstanding at the end of the year		94,000,000	80,000,000
Claims Outstanding at the end of the previous year		(75,000,000)	(88,000,000)
Agency Commission		6,142,732	18,184,763
Expenses of Management		37,088,730	38,253,099
Profit/(Loss) transferred to Profit or Loss Account		(58,393,615)	(79,385,021)
Closing balance of Reserve for unexpired risks		14,311,306	13,907,938
Total:		78,784,923	84,729,366

The annexed notes 1 to 30 form an integral part of these fiancial statements.

Chief Executive Officer

Director

Director

Chairman

Signed as per our separate report on same date.

Place: Dhaka

Dated: April 20, 2022



Marine Insurance Revenue Account

For the year ended December 31, 2022

		Amount	in Taka
Particulars	Notes	31-Dec-2021	31-Dec-2020
Opening balance of Reserve for unexpired risks		78,488,410	65,337,992
Premium Less Re-insurance	21.00	211,167,436	156,479,120
Commission on Re-insurance Ceded		13,386,839	11,919,681
Total:		303,042,685	233,736,793
Claims under policies less Re-insurance		34,763,898	(16,088,561)
Paid during the year		32,263,898	(6,088,561)
Claims outstanding at the end of the year		37,500,000	35,000,000
Claims Outstanding at the end of the previous year		(35,000,000)	(45,000,000)
Agency Commission		19,351,005	26,642,733
Expenses of Management		62,846,327	51,059,960
Profit/(Loss) transferred to Profit or Loss Account		80,272,737	93,634,251

The annexed notes 1 to 30 form an integral part of these fiancial statements.

Chief Executive Officer

Total:

Closing balance of Reserve for unexpired risks

Director

irector

105,808,718

303,042,685

Chairman

78,488,410

233,736,793

Signed as per our separate report on same date.

Place: Dhaka

Dated: April 20, 2022

Motor Insurance Revenue Account

For the year ended December 31, 2021



			in Taka
Particulars	Notes	31-Dec-2021	31-Dec-2020
Opening balance of Reserve for unexpired risks		5,043,719	5,288,554
Premium Less Re-insurance	21.00	8,512,777	10,087,438
Commission on Re-insurance Ceded		. ,	
Total:		13,556,496	15,375,992
Claims under policies less Re-insurance		536,164	(1,986,230)
Paid during the year		1,036,164	1,013,770
Claims outstanding at the end of the year		10,500,000	11,000,000
Claims Outstanding at the end of the previous year		(11,000,000)	(14,000,000)
Agency Commission		453,844	1,190,225
Expenses of Management		1,851,569	2,156,204
Profit/(Loss) transferred to Profit or Loss Account		6,458,530	8,972,074
Closing balance of Reserve for unexpired risks		4,256,389	5,043,719
Total:		13,556,496	15,375,992

The annexed notes 1 to 30 form an integral part of these fiancial statements.

Chief Executive Officer

Director

Director

Chairman

Signed as per our separate report on same date.

Place: Dhaka

Dated: April 20, 2022



Miscellaneous Insurance Revenue Account

For the year ended December 31, 2021

		Amount	in Taka
Particulars	Notes	31-Dec-2021	31-Dec-2020
Opening balance of Reserve for unexpired risks		11,791,676	11,059,198
Premium Less Re-insurance	21.00	48,236,764	23,583,353
Commission on Re-insurance Ceded		3,874,365	2,399,263
Total:		63,902,805	37,041,814
Claims under policies less Re-insurance		(935,980)	1,490,442
Paid during the year		64,020	490,442
Claims outstanding at the end of the year		18,000,000	19,000,000
Claims Outstanding at the end of the previous year		(19,000,000)	(18,000,000)
Agency Commission		2,096,835	3,524,600
Expenses of Management		16,521,410	6,644,696
Profit/(Loss) transferred to Profit or Loss Account		22,102,158	13,590,400
Closing balance of Reserve for unexpired risks		24,118,382	11,791,676
Total:		63,902,805	37,041,814

The annexed notes 1 to 30 form an integral part of these fiancial statements.

Chief Executive Officer

Director

Director

Chairman

Signed as per our separate report on same date.

Place: Dhaka

Dated: April 20, 2022

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Particulars	Share Capital	Share Premium	Reserve for Exceptional Losses	General Reserve	Unrealized gain on Share	Profit and Loss Appropriation	Total Taka
Opening balance	430,953,600	74,814,125	49,850,320	20,100,000		45,458,424	821,176,469
Profit after Tax during the year	-	-	-	-	-	89,490,473	89,490,473
Transfer to General reserve	-	-	-	2,000,000	-	(2,000,000)	-
Cash Dividend	-	-	-	-	-	(43,095,360)	(43,095,360)
Reserve for Exceptional Losses	-	-	29,653,958	-	-	(29,653,958)	-
Unrealized gain on share	-	-	-	-	10,826,427	-	10,826,427
As at December 31, 2021	430,953,600	74,814,125	279,504,278	22,100,000	10,826,427	60,199,579	878,398,009

Statement of Changes in Equity

For the year ended December 31, 2020

Particulars	Share Capital	Share Premium	Reserve for Exceptional Losses	General Reserve	Profit and Loss Appropriation	Total Taka
Opening balance	430,953,600	74,814,125	227,105,314	19,900,000	35,757,766	788,530,805
Profit after Tax during the year	-	-	-	-	72,541,123	72,541,123
Transfer to General reserve	-	-	-	200,000	(200,000)	-
Cash Dividend	-	-	-	-	(30,166,752)	(30,166,752)
Reserve for Exceptional Losses	-	-	22,745,006	-	(22,745,006)	=
Unrealized gain/(Loss) on share	-	-	-	-	(9,728,707)	(9,728,707)
As at December 31, 2020	430,953,600	74,814,125	249,850,320	20,100,000	45,458,424	821,176,469

The annexed notes 1 to 30 form an integral part of these fiancial statements.

Chief Executive Officer

Chairman

Signed as per our separate report on same date.

Place: Dhaka

Dated: April 20, 2022



Statement Of Cash Flow

For the year ended December 31, 2021

Particulars	Amount i	n Taka
Farticulars	31-Dec-2021	31-Dec-2020
Cash Flow from Operating Activities:	369,577,866	374,629,840
Collection from Premium and Commission	(296,539,589)	(317,032,800
Management Expenses, Commission, Re-Insurance & Claims	(24,097,535)	(10,866,480
ncome tax paid		
	48,940,742	46,730,56
Net Cash Provided by Operating Activities: (A)		
ash Flow from Investing Activities:		
	10,826,427	5,611,34
Purchase/sale of Share	4,372,000	2,967,54
nterest/Dividend Received	26,810,652	103,424,54
Net Fund Adjustment	(7,610,424)	(865,072
Acquisition of Property, Plant & Equipment	60,068,876	47,075,20
Others Investment Income		
	94,467,531	158,213,55
Net Cash Used by Investing Activities: (B)		
Cash Flow from Financing Activities:		
	(43,095,360)	(30,166,752
Dividend Paid		
	(43,095,360)	(30,166,752
let Cash Used by Financing Activities: (C)		
	100,312,913	174,777,36
let Cash inflow/ outflow(A+B+C)	1,128,298,754	953,521,38
Opening Cash & Bank balance at the year	1,228,611,667	1,128,298,75
ash & Bank balance at the end of the year		

The annexed notes 1 to 30 form an integral part of these fiancial statements.

Chief Executive Officer

Director

Director

Chairman

Signed as per our separate report on same date.

Place: Dhaka

Dated: April 20, 2022

Classified Summary of Assets

As at December 31, 2021



Sl. No.	Class of Assets	Book Value (Taka)
1	Bangladesh Govt. Treasury Bond	35,000,000
2	Shares	261,825,499
3	Fixed Deposit	1,130,963,208
4	Cash at Bank (STD & CD A/c)	16,544,907
5	Cash in hand & Cash with BO A/c	45,668,739
6	Interest Accrued	7,359,926
7	Sundry Debtors (including advance, deposits & pre-payments)	9,437,456
8	Advance Income Tax	70,292,885
9	Amount due from other person or bodies carrying on Insurance business	811,006,472
10	Non-Current Assets (at cost less depreciation)	30,915,225
11	Stamps in hand	17,180
	Total Taka	2,419,031,497

Certified that the value of all assets have been reviewed and the said assets have been setforth in the Balance Sheet at amount not exceeding their realizable or Market Value.

The annexed notes 1 to 30 form an integral part of these fiancial statements.

Chief Executive Officer

Director

Director

Chairman

Signed as per our separate report on same date.

Place: Dhaka

Dated: April 20, 2022



Mercantile Insurance Company Ltd.

As on December 31, 2021

The Net Asset Value per share stands at Tk.20.38. The calculation of net asset value per share is given below:

Sl. No.	Particulars	Amount in Taka	Net Amount in Taka
	ASSETS		
1	Property, Plant & Equipment	31,816,651	
2	Investment	296,825,499	
3	Interest, Dividend & Rent Outstanding Accrued Interest	7,359,926	
4	Amount due from other persons of bodies carrying		
	on insurance business	811,006,472	
5	Sundry Debtors including Advance, deposits & Prepayments	9,437,456	
6	Cash & Cash Equivalent	1,193,176,855	
7	Advance Income Tax	70,292,885	
8	Stamps in hand	17,180	
Α.	Total Assets (1 to 8)		2,419,932,924
	LIABILITIES		
1	Balance of funds and Accounts	148,494,795	
2	Liabilities and provisions	1,393,040,121	
В.	Total Liabilities (1 to 2)		1,541,534,916
	Net Assets (A-B)		878,398,008
	Number of Shares of Tk.10.00 each		43,095,360
	Net Assets Value per Share		20.38

Chief Executive Officer

Director

Director

Chairman

Signed as per our separate report on same date.

Place: Dhaka

Dated: April 20, 2022

For the year ended December 31, 2021



1. Legal status and nature of the company

Legal status (a)

MERCANTILE INSURANCE COMPANY LIMITED was incorporated as a public limited company on MARCH 19, 1996 and obtained the certificate of commencement of business as on May 5, 1996 under the Companies Act 1994, RJSC registration Dated March 19, 1996 and IDRA Registration (Insurance Dated January 01, 2020. The company obtained insurance license from the Controller of Insurance, Government of People's Republic of Bangladesh, was obtained with effect from 13th May, 1996. MERCANTILE INSURANCE COMPANY LIMITED went for public issue in 2004 and the shares of the company are listed in both Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.

(b) Address of Registered Office and Principal Place of Business:

The registered office of the Company is at Red Crescent Bhaban 61, Motijheel C/A, Dhaka-1000, Bangladesh.

Principal Activities of the Company (c)

The principal activities of the company are to carry on all kinds of non-life insurance business. There were no significant changes in the nature of the principal activities of the company during the year 2019 under review.

2. Significant Accounting Policies & Other Relevant Information

(a) **Basic of Accounting Preparation:**

The financial statements of the company under reporting have been prepared under historical cost convention on a going concern concept and on accrual basis in accordance with Generally Accepted Accounting Principles and practice in Bangladesh. Disclosure of financial information as required by Insurance Act 2010 have been complied with while preparing statement of financial position, statement of comprehensive income and revenue accounts for specific classes of insurance business in the form set forth in the first, second and third schedule of the Insurance Act and also in compliance with the Companies Act 1994.

Management Responsibility: (b)

The management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS) and existing accounting standards and applicable laws.

Directors Responsibility Statements: (c)

The Board of Directors are also responsible for the preparation and Presentation of financial statements under section 183 of the Companies Act 1994, the Bangladesh Securities and Exchange Rules 1987, listing regulation of Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd and as

per the provision of "The International Accounting Standards Committee" (IASC). Being the general purpose financial statements, the presentation of these financial statements is in accordance with the guidelines provided by per requirement of Insurance Act 1938 and International Accounting Standard 1: Presentation of Financial Statements.

For the year ended December 31, 2021

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A complete set of financial statements comprise:

- Statement of Financial Position as at December 31, 2021;
- ii) Statement of Profit or Loss and other Comprehensive Income for the year ended December 31, 2021;
- iii) Statement of Profit and Loss Appropriation Account for the year ended December 31, 2021;
- iv) Consolidated Revenue Account for the year ended December 31, 2021;
- v) Fire Insurance Revenue Account for the year ended December 31, 2021;
- vi) Marine Insurance revenue Account for the year ended December 31, 2021;
- vii) Motor Insurance Revenue Account for the year ended December 31, 2021;
- viii) Miscellaneous Insurance Revenue Account for the year ended December 31, 2021;
- ix) Statement of Changes in Equity for the year ended December 31, 2021;
- X) Statement of cash flows for the year December 31, 2021;
- xi) Notes comprising a summary of significant accounting policies and other explanatory information to the accounts for the year ended December 31, 2021;

(d) Date of Authorization:

The Board of Directors has authorized these financial statements on April 20, 2022.

(e) Compliance Statements and General Rules & Regulations:

The financial statements have been prepared and disclosures of information have been made in accordance with the requirements of Insurance Act, 2010, Insurance rules, 1958, the companies Act, 1994, the Securities and Exchange Rules, 1987, the listing Regulations of Dhaka Stock Exchange Ltd and Chittagong Stock Exchange Ltd, and Guidelines, rules and regulations issued from time to time by the Insurance Development and Regulatory Authority (IDRA).

To comply with the International Accounting Standards and International Financial Reporting Standards as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) and other applicable laws and regulations.

(f) Basis of Measurement:

The financial statements have been prepared on the historical cost basis except for investments in stock exchanges which are measured at fair value.

(g) Functional and Presentational Currency:

These financial statements are prepared in Bangladesh Taka (Taka/Tk.), which is the company's functional currency. All information presented in Taka has been rounded to the nearest Taka (BDT).

(h) Going Concern Basis:

The company has adequate resources to continue in the operation for the foreseeable future. For this reason, the Directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and adequate resources for providing sufficient funds to meet the present requirements of its existing business and operations.

For the year ended December 31, 2021



(i) Reporting Period:

Financial statements of the company consistently cover one calendar year from 1 January 2021 to 31 December 2021.

(j) Branch Accounting:

The company has 14th branches under its umbrella without having any overseas branch up to the year ended December 31, 2021. The accounts of the branches are maintained at the Head Office level. Only petty cash books are maintained at the branch level for meeting day to day cash expenses.

(k) Significant Accounting Policies:

i) Revenue Recognition (IFRS-15):

Revenue is recognized in accordance with International Financial Reporting Standards (IFRS-15): Revenue from Contracts with Customers, unless otherwise mentioned or otherwise guided by the separate IAS/IFRS or by Directives of the regularity Authority.

ii) Underwriting Premium Income:

Premium income is recognized when insurance policies are issued and premium collected. The sum of premium income as appeared in classified Revenue Accounts is net of the refund made, Re-insurance Ceded and Re-insurance premium on PSB.

iii) Public Sector Business (PSB):

As per Government Decision effective from April 1990, 100% Public Sector Insurance Business is being underwritten by SadharanBima Corporation (SBC), 50% being retained by SBC and the balance is equally distributed to 47 private sector insurance companies.

The premium in respect of Company's share of Public Sector Insurance Business (PSB) is accounted for in the year in which the relevant statement of accounts from SadharanBima Corporation is received. The statements of accounting period from January 01, 2021 to December 31, 2021 have been received from SBC and the Company's share of PSB for the aforesaid period has been recognized in these financial statements accordingly. Such method of account for the Public Sector Insurance Business (PSB) has been consistently followed.

iv) Re-insurance Ceded and Accepted:

• Re-insurance Ceded and Accepted with SadharanBima Corporation Necessary adjustment in respect of Re-insurance ceded and accepted in Bangladesh has duly been made in respective Revenue Account as per Treaty between the company and SadharanBima Corporation (SBC).

· Re-Insurance with Foreign Re-insurer

Fifty percent of the re-insurable non-life insurance business shall be re-insured with SadharanBima Corporation and the remaining fifty percent of such business may bere-insured either with the SBC or with any other insurer whether in or outside Bangladesh.



For the year ended December 31, 2021

v) Cover Notes Converted into Policy (CCP):

Amounts received against issue of cover notes that have not been converted into policy are not recognized as income. The cover notes which were previously issued are converted into insurance policy at the expiry of nine months as per circular of the then Chief Controller of Insurance.

vi) Investment Income:

• Interest on FDRs and 10 year Bangladesh Government Treasury Bond (BGTB) are recognized on accrual basis. Interest on STD/SND/PLS account and other income are recognized as when amount credited to our account.

Cash Dividend Income and Stock Dividend from Investment:

Dividend income on investment in shares, if any, are recognized on cash basis and shown in Profit & Loss account. For stock dividend, received by the company against its investment, number of shares increased effecting decrease in average cost of investment.

vii) Valuation of Fixed Assets:

• Property, Plant & Equipment:

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

Recognition of Fixed Assets:

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

• Depreciation on Property, Plant & Equipment:

Property, Plant & Equipment is depreciated following the reducing balance method on the basis of life expectancy of the assets in accordance with IAS-16. Depreciation on addition of fixed assets has been charged when it is available for use. The Property, Plant & Equipment are depreciated at the following rates:

Items	Rate
Building and floor space	2.5%
Furniture & Fixtures	10%
Electrical office equipment	15%
Office decoration	10%
Air-Cooler	15%
Motor & Other Vehicles	20%
Telephone Installation	20%
Sundry Assets	25%

For the year ended December 31, 2021



The value of all assets as shown in the Balance Sheet and in the annexed Classified Summary of Assets drawn up in accordance with from "AA" of part II of the First Schedule of the Insurance Act 1938, have been reviewed and the balances are in agreement with the Balance Sheet amount and Form AA amount. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and recognized in the statement of comprehensive income.

• Impairment of Assets:

As per International Accounting Standards (IAS) 36: The carrying amounts of the company's non-current assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of comprehensive income. Considering the present conditions of the assets, management concludes that there is no such indications exist.

Sale 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.

viii) Employees Retirement Benefit Scheme:

Mercantile Insurance Company Itd offers a number benefit plans for all permanent Employees of the company which include Contributory Provident Fund, Gratuity Fund, Earn Leave Benefit, Festival Bous and Incentive Bonus on profit which have been accounted for in accordance with the provision of International Accounting Standards (IAS) 19, "Employee's Benefit" basis of enumeration the above benefits schemes operated by the company.

We are currently not maintaining workers profit participation fund which is the requirement of Bangladesh labor law (amendments) 2013 & Dhaka stock exchange limited. We will start maintaining the WPPF @ 5% on net profit after Tax immediately.

ix) Balance of Funds & Accounts (Un-expired Risk Reserve):

Surplus/deficit on Revenue Accounts has been arrived at after making necessary provision for un-expired risk @ 50% of net premium income on Fire, Marine Cargo, Motor, Miscellaneous and 100% on Marine Hull business concern.

x) Allocation of Expenses of Management:

As per section 40(C-2) of insurance Act 1938 as amended Insurance Law 2010 all relevant Management expenses wherever incurred directly or indirectly have been allocated amongst different Revenue Accounts in respect of Fire, Marine, Motor and Miscellaneous insurance business on pro-rata basis at their respective gross premium Income.



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For the year ended December 31, 2021

xi) Cash Flow Statement:

Cash Flow Statement is prepared in accordance with IAS -7' and International Accounting Standard (IAS) -7 Cash Flow Statement' and the cash flow from the operating activities has been presented under direct method as prescribed by the Bangladesh Securities and Exchange Rules -1987. Cash Flow statement is broken down into operating activities, investing activities, and financing activities. The calculation of Net Operating Cash Flow per share(NOCFPS) has been given in Note#25.00

xii) Foreign Currency Transaction:

All Foreign Currency Transactions are converted into equivalent Taka currency at the ruling exchange rates on the respective date of such transaction as per Bangladesh Accounting Standard (BAS) -21: "The effects of Changes in Foreign Exchange Rate".

xiii) Cash and Bank balance:

Cash and Bank balance include cash in hand, cash at banks which are held and available for use by the Company without any restriction.

xiv) Appropriation during the Year:

In accordance with "IAS-1" Presentation of Financial Statements" the appropriations for the year have been reflected in the statement of change in equity.

xv) Stock of Stationery & Forms:

Stock of Stationery & Forms has been valued at cost price or net realizable value whichever is lower.

xvi) Re-arrangement of Head of Accounts:

To comply with the International Accounting Standards and International Financial Reporting Standards as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), as Bangladesh Accounting Standards and Bangladesh Financial Reporting Standards, during the year 2013, we have re-arranged some of Heads of Accounts.

xvii) Recognition of Expenses and Taxes:

Expenses are recognized on the basis of a direct association between the cost incurred and the earning of specific heads of income. All expenditure incurred has been charged to the Statement of Comprehensive Income in the running business and in maintaining the Property, Plant and Equipment's in state of efficiency.

xviii) Borrowing Costs:

In accordance with International Accounting Standard (IAS-23) borrowing Costs that are directly attributable to the acquisition and construction of a qualifying asset from part of the cost of that asset and therefore, should be capitalized. Other borrowing costs are recognized as an expense.



For the year ended December 31, 2021



xix) Provision for Income Taxes:

The company has made the income tax provision on the basis of IAS-12 "Income Taxes" and Income Tax Ordinance, 1984 as amended time to time.

• Current Tax Provision:

A provision @ 37.50% on the profit except dividend income of the company has been provided during the year. However, provision @ 20% is made on dividend income of the company.

Deferred Taxes

Deferred tax is provided for all temporary differences comprising between the tax base of assets and liabilities and their carrying amounts in financial statements in accordance with the provision of IAS-12.

xx) Reserve or Contingencies Accounts:

Reserve for Exceptional losses:

As per Para 6 of 4th Schedule of Income Tax Ordinance, 1984 to meet the exceptional losses, company sets aside ten percent of the premium income of the year in which it is set aside from the balance of the profit to Reserve for exceptional losses. As per Insurance Act 1938 as amended 2010, 10% statutory reserve is maintained out of profit by the company to meet any possible future claims on net premium income during the year.

• Investment Fluctuation Fund (Fair Value Reserve):

The company made investments in the capital market having a large portfolio and income generated from the investment (realized gain and dividend received) is credited to the statement of comprehensive Income. The company has made a provision considering the average movement of market price as the capital market of Bangladesh is volatile and market price of the stocks and shares are changes very frequently and any effect on increase or decrease are transferred to the investment Fluctuation Fund subsequently.

General Reserve Fund:

The company creates a General Reserve Fund from the current year profit to avoid future contingency.

xxi) Segment Reporting:

A business segment is a distinguishable component of the company that is engaged in providing services that are subject to risks and returns and are different from those of other business segments. The company accounts for segment reporting of operating results of each segment. The Company has four primary business segments for reporting purposes namely Fire, Marine, Motor and Miscellaneous.



For the year ended December 31, 2021

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xxii) Earnings Per Share (EPS):

The company calculates Earning Per Share (EPS) in accordance with IAS -33: "Earnings Per Share", which has been shown on the Statement of Comprehensive Income (Profit and Loss) in the Financial Statements. The Calculation of Earnings Per Share (EPS) has been given in Note no#24.00

xxiii) Comparative Information:

Comparative information has been disclosed in respect of the previous year for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year financial statements.

Previous year's figure has been re-arranged whenever considered necessary to ensure comparability with the current year's presentation as per IAS-8: "Accounting Policies, Changes in Accounting Estimates and Errors"

xxiv) Event after the Reporting Period (Balance Sheet Date):

The proposed dividend is not recognized as a liability in the balance sheet in accordance with the IAS-10 Events after the reporting period. The board of directors in its 205st Meeting held on April 20, 2022 decided to recommend payment of 10% cash dividend for All Shareholders only for the year 2021.

xxv) Transactions with Related Parties (IAS-24):

As per International Accounting Standards: 24 Related Party Disclosures, parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Details are given in note no.22.00. Transactions with related parties.

xxvi) Reporting Currency:

The financial statements are prepared and presented in Bangladesh Taka (BDT), which is the company's financial currency. A sizeable amount have however been received in foreign currency.

For the year ended December 31, 2021



Amount in Taka
31-Dec-21 31-Dec-20

3.00 Share Capital: Tk. 430,953,600

Authorised Capital:

100,000,000 Ordinary Shares of TK.10/= each

1,000,000,000

1,000,000,000

Issued, Subscribed & Paid-up Capital:

43,095,360 Ordinary Sharesof Tk.10/= each

Total:

430,953,600 **430,953,600** 430,953,600 **430,953,600**

This is made up as follows

2021

This is made up as follows			
Category of Shareholders	No. of Share	% of holding	Amount (Tk.)
1. Sponsors & Sponsor Directors	14,445,842	32.52%	144,458,420
2. Genral Public	16,118,525	37.40%	161,185,250
3. Institution	12,530,993	29.08%	125,309,930
Total:	43,095,360	99%	430,953,600

2020

Category of Shareholders	No. of Share	% of holding	Amount (Tk.)
1. Sponsors & Sponsor Directors	14,158,352	32.85%	141,583,520
2. Genral Public	19,743,022	45.81%	197,430,220
3. Institution	9,193,986	21.33%	91,939,860
Total:	43,095,360	100%	430,953,600

Classification of Shareholders as per their share holdings

i) Sponsors & Directors

2021

Class Interval	No. of Shares	No. of Share Holder	% of holdings	% of Total Paid-up capital
001-500	Nil	Nil	Nil	Nil
501-5000	Nil	Nil	Nil	Nil
5001-10000	Nil	Nil	Nil	Nil
10001-20000	Nil	Nil	Nil	Nil
20001-30000	Nil	Nil	Nil	Nil
30001-40000	Nil	Nil	Nil	Nil
40001-50000	Nil	Nil	Nil	Nil
50001-100000	Nil	Nil	Nil	Nil
100001-1000000	10,649,682	13	73.72	24.71
1000001 and above	3,796,160	3	26.28	8.81
Total of (i)	14,445,842	16	100	33.52

ii) General Public & Institutions

Class Interval	No. of Shares	No. of Share Holder	% of holdings	% of Total Paid-up capital
001-500	292,741	1477	1.02	0.68
501-5000	3,604,332	1888	12.58	8.36
5001-10000	2,414,956	314	8.43	5.60
10001-20000	2,538,965	173	8.86	5.89
20001-30000	1,461,874	58	5.10	3.39
30001-40000	882,201	25	3.08	2.05
40001-50000	986,672	21	3.44	2.29
50001-100000	2,200,423	30	7.68	5.11
100001-1000000	8,572,480	31	29.92	19.89
1000001 and above	5,694,874	3	19.88	13.21
Total of (i)	28,649,518	4,020	100	66.48
Grand Total (i+ii)	43,095,360	4,036	Nil	100.00



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For the year ended December 31, 2021

Classification of Shareholders as per their share holdings i) Sponsors & Directors

2020

Class Interval	No. of Shares	No. of Share Holder	% of holdings	% of Total Paid-up capital
001-500	Nil	Nil	Nil	Nil
501-5000	Nil	Nil	Nil	Nil
5001-10000	Nil	Nil	Nil	Nil
10001-20000	Nil	Nil	Nil	Nil
20001-30000	Nil	Nil	Nil	Nil
30001-40000	Nil	Nil	Nil	Nil
40001-50000	Nil	Nil	Nil	Nil
50001-100000	Nil	Nil	Nil	Nil
100001-1000000	12,087,592	17	85.37	28.05
1000001 and above	2,070,760	2	14.63	4.81
Total of (i)	14,158,352	19	100	32.85

ii) General Public & Institutions

Class Interval	No. of Shares	No. of Share Holder	% of holdings	% of Total Paid-up capital
001-500	192,163	1158	0.66	0.45
501-5000	3,195,942	1672	11.04	7.42
5001-10000	2,533,339	332	8.75	5.88
10001-20000	2,535,223	174	8.76	5.88
20001-30000	1,453,933	58	5.02	3.37
30001-40000	919,566	26	3.18	2.13
40001-50000	830,043	18	2.87	1.93
50001-100000	2,747,446	37	9.49	6.38
100001-1000000	7,657,960	32	26.46	17.77
1000001 and above	6,871,393	3	23.75	15.94
Total of (i)	28,937,008	3,510	100.00	67.15
Grand Total (i+ii)	43,095,360	3,529	Nil	100.00

Amoun	t in Taka
2021	2020

4.00 Reserve or Contingency Accounts: Tk. 372,630,283

This is made up as follows

Particulars

Reserve for exceptional losses	Note: 4.01	279,504,277	249,850,319
General reserve	Note: 4.02	22,100,000	20,100,000
Profit & Loss appropriation accounts	Note: 4.03	60,199,579	45,458,423
Fair value of Share	Note: 4.03	10,826,427	
Total:		372,630,283	315,408,742

4.01 Reserve for Exceptional Losses: Tk. 279,504,277

This is made up as follows

Particulars

Opening Balance Add: addittion during the year

Closing balance:

279,504,277	249,850,319
29,653,958	22,745,006
249,850,319	227,105,313

4.02 General Reserve: Tk. 22,100,000

This is made up as follows

Particulars

Opening Balance

Add: addittion during the year

Closing balance:

2,000,000		200,000
22,100,000	The same	20,100,000

For the year ended December 31, 2021



Amoun	t i	in Taka
2021		2020

4.03 Un-Realize Gain/(Loss) on Investment: Tk. 10,826,427

This is made up as follows

Particulars

Fair Value of Share

Total:

10,826,427	9,728,707
10,826,427	9,728,707

4.04 Profit or Loss Appropriation Accounts: Tk. 60,199,578

This is made up as follows

Particulars
Opening Balance
Addittion during the year
Stock dividend/Cash dividend
Reserve for exceptional losses

General Reserve Income tax expenses Unrealised gain/(Loss) in share

Closing balance:

45,458,423	35,757,765
118,734,127	93,381,569
(43,095,360)	(30,166,752)
(29,653,958)	(22,745,006)
(2,000,000)	(200,000)
(29,243,654)	(20,840,446)
	(9,728,707)
60,199,578	45,458,423

18,650,078

78,488,410

11,791,676

113,973,883

5,043,719

This represents the balance of retained profit after provision of Reserve for exceptional losses, provision for Income Tax & General Reserve

5.00 Balance of fund & accounts: Tk. 148,494,795

This is made up as follows

Particulars

Fire Insurance Business

Marine Insurance Business

Motor Insurance Business

Miscellaneous Insurance Business

Total:

14,311,306
105,808,718
4,256,389
24,118,382
148,494,795

This is reserve for unexpired risks has been made on net premium income at following rates:

Class of Business	Net Premium	Rate	Balance of Fund & Accounts
Fire Insurance	28,622,611	50%	14,311,306
Marine Cargo Insurance	210,717,438	50%	105,358,719
Marine Hull Insurance	450,000	100%	450,000
Motor Insurance	8,512,777	50%	4,256,389
Miscellaneous Insurance	48,236,764	50%	24,118,382
Total	296,539,590		148,494,795

6.00 Premium Deposit: Tk. 58,741,241

This is made up as follows

Particulars

Premium Deposit

Total:

58,741,241	35,626,137
58,741,241	35,626,137

The balance represents the amount received against cover-notes but risks have not been intimated within 31st December, 2020 but subsequently converted into Policies by 31 March, 2021

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For the year ended December 31, 2021

		Amount	in Taka
		2021	2020
<u> </u>	7.00 Estimated Liability in Respect of Outstanding Claims Whether Due or		
	Intimated: Tk. 160,000,000		
300	This is made up as follows		
	pour long		

<u>Particulars</u> Fire Insurance

Marine Insurance Motor Insurance Miscellaneous Insurance

Total:

 94,000,000
 75,000,000

 37,500,000
 35,000,000

 10,500,000
 11,000,000

 18,000,000
 19,000,000

 160,000,000
 140,000,000

8.00 Amount due to other persons or bodies carrying on insurance

business: Tk. 1,078,947,539 This is made up as follows

Particulars

Sadharan Bima Corporation & others insurance company

Total:

1,078,947,539 1,053,294,810 1,078,947,53 1,053,294,81

9.00 Sundry Creditors: Tk. 95,351,341

This is made up as follows

Particulars

Value added Tax (VAT) 3,541,012 1,829,748 **Audit Fees** Note: 9.01 100,000 125,000 **Legal Fees** 66,190 66,190 **Provident Fund** 853,599 **Unclaimed Dividend** 3,525,438 Note: 9.02 837,190 Salary & Allowances 488,496 566,608 **Provision for Income Tax** Note: 9.03 53,377,425 81,680,108 Advance against Car Hire Purchase 7,784,746 7,185,967 **Share Loss** 9,728,707 76,405,083 Total: 95,351,341

VAT of Tk. 35,41,012.00, Salary & Allowances Tk. 4,88,496.00 have since been paid off.

9.01 Audit Fees: Tk. 100,000

This is made up as follows

Particulars
Audit Fees-2021

Total:

100,000 125,000 100,000 125,000

9.02 Unclaimed Dividend: Tk. 837,190

This is made up as follows

Particulars

Unclaimed Dividend

Total:

837,190 3,525,438 837,190 3,525,438

Refund & Dividend warrant for the years 2004 to 2020 already issued. As per BSEC rule but no claim have been made by the share holders up to the date of 31st December 2021

For the year ended December 31, 2021



		Amount in Taka	
		2021	2020
9.03 Provision for Income Tax: Tk.	81,680,108		
This is made up as follows			
Particulars			
Opening Balance		53,377,425	142,088,499
Add: Provission made during the year		29,243,654	20,840,446
Less: Adjustment made during the year closing balance		(940,971)	(109,551,520
Total:		81,680,108	53,377,425
10.00 Property, Plant & Equipment: Tk. 30,915,224			
This is made up as follows			
<u>Particulars</u> A. Cost:			
Opening Balance		91,794,239	90,929,167
Addition during the year		7,610,424	865,072
Closing Balance:		99,404,663	91,794,239
B. Accumulated depreciation:			
Opening Balance		63,812,825	59,840,098
Depreciation Charged during the year		4,676,614	3,972,727
Closing Balance:		68,489,439	63,812,825
Written down value on cost (A-B)		30,915,224	27,981,414
11.00 Deferred Tax Assets:	Tk. 901,426		
This is made up as follows			
<u>Particulars</u>			
Opening Balance		1,000,149	1,144,315
Deferred Tax Expenses during the year on Cost		(98,723)	(144,166)
Closing Balance		901,426	1,000,149
11.01 Deferred Tax Calculation:	Tk. 98,723		
This is made up as follows			
<u>Particulars</u>		20.017.224	2= 001
Written down value as per Accounting base		30,915,224	27,981,414
Written down value as per Tax base		(33,319,023)	(30,648,474
Taxable Temporary Difference		(2,403,799)	(2,667,060
Applicable Tax rate		37.50%	37.50%
Deffered Tax Assets		1,000,148	1,144,313
Opening Deffered Tax Assets		(1,000,149)	(1,144,315
Current Year Deffered Tax		98,723	144,166



For the year ended December 31, 2021

12.00 Investment in Shares: Tk. 261,825,499

This is made up as follows:

Name of the Company LAFSURCEML Federal Insurance MERCANBANK Dhaka Bank EXIM Bank Ltd. City Bank Lanka Bangla Finance NCC Bank Ltd. One Bank Popular Life Premier Bank Prime Bank Ltd. **RAK Ceramic** Social Islami Bank Ltd. Standard Bank Ltd. Uttara Bank Ltd. Royal Green Capital Market Itd UCBL BEXGSUKUK MASTERAGRO MOSTFAMETAL ORYZAAGRO PADMALIFE Total:

2021		2020		
Cost Value	Market Value	Cost Value	Market Value	
		1,403,133	956,000	
2,482,779	2,687,792	2,459,800	2,500,000	
1,698,235	1,710,000			
2,396,220	2,413,713			
14,062,450	15,240,000	14,774,361	14,514,000	
4,194,778	4,287,056	-	-	
		82,302	44,211	
5,908,282	9,180,000	7,092,157	8,843,696	
681,700	690,000			
407,764	471,600	407,764	460,200	
5,152,081	5,960,000			
15,279,860	12,900,000	8,090,190	4,702,500	
3,178,831	2,664,000	2,124,503	947,430	
99,863,744	102,983,224	875,054	743,236	
31,656,386	32,635,000	29,885,360	23,199,330	
14,713,568	13,260,000	3,400,385	1,505,520	
2,000,000	2,000,000	2,000,000	2,000,000	
29,567,730	31,365,000	9,938,021	12,388,203	
7,500,000	7,500,000			
266,490	255,830			
245,090	262,246			
272,440	283,338			
9,470,644	13,076,700			
250,999,072	261,825,499	82,533,030	72,804,326	

Amoun	t in Taka
2021	2020

13.00 Accrued Interest:

Tk. 7,359,926

This is made up as follows Particulars Accrued Interest

Total:

7,359,926	6,870,540
7,359,926	6,870,540

The above amount represents FDR interest accrued but not due during the year.

14.00 Amount due to other persons or bodies carrying on insurance

business: Tk. 811,006,472 This is made up as follows

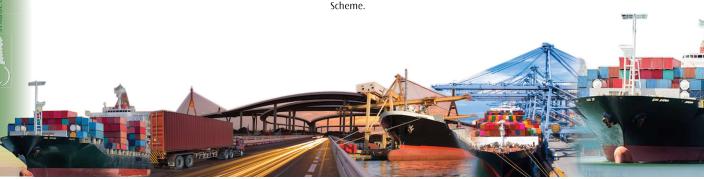
Particulars

Sadharan Bima Corporation & others insurance company

Total:

811,006,472 915,685,850 **811,006,472 915,685,850**

This represents amount due from Sadharan Bima Corporation on Public Sector Business and other Insurance Companies on Co-Insurance Scheme



For the year ended December 31, 2021



Amount in Taka 2021 2020

15.00 Sundry Debtors:

Tk. 9,437,456

This is made up as follows **Particulars**

Advance against Office Rent Security deposit

Total:

8,901,753 5,564,044 Note: 15.01 535,703 9,437,456

535,703 6,099,747

Regular adjustments have been made on advance against office rent

15.01 Security deposit:

Tk. 535,703

This is made up as follows

Particulars

CDBL

Bangladesh Red Crescent Society

Total:

300,000 300,000 235,703 235,703 535,703 535,703

16.00 Cash & Bank balance:

Tk. 1,193,176,854

This is made up as follows

Particulars

Cash In hand Cash with BO Account **Fixed Deposit Receipt** STD & CD Accounts Total:

3,450,816 42,217,923 1,130,963,208 16,544,907 1,193,176,854

2,770,915 60,177,510 1,044,183,289 21,167,040

1,128,298,754

*FDR has been produced before the Auditors for their physical verification

17.00 Advance Income Tax:

Tk. 70,292,885

This is made up as follows

Particulars

Opening balance Addition during the year

Adjustment during the year

56,695,350 139,933,176 10,866,480 24,097,535

150,799,656 80,792,885 94,104,306 10,500,000 70,292,885

56,695,350

The advance tax paid in different years fall adjustable with the assesses tax liabilities subject to disposal of Cases under Tribunal and High Court.



For the year ended December 31, 2021

Amount	in	Taka
2021		2020

18.00 Interest, Dividend & Rent Income:

Tk. 76,791,089

This is made up as follows

Particulars

Interest on FDR Interest on STD Interest on Bangladesh Govt. Treasury Bond

Dividend Received

Sale of gain on Share

Total:

56,818,003	70,981,581
98,294	12,946
3,152,579	2,786,500
4,372,000	4,466,886
64,440,876	
12,350,213	
76,791,089	78,247,913

19.00 Rent Income:

Tk. 180,000

This is made up as follows

Particulars

Rent Income Total:

180,000 180,000

180,000 180,000

20.00 Income tax expenses:

Tk. 29,243,654

This is made up as follows

Particulars

Current tax Deferred tax

Total:

29 243 654	20 840 446
98,723	144,166
29,144,931	20,696,280

21.00 Premium Less Re-Insurance:

Tk. 296,539,588

2021

Class of Business	Direct Business	P.S.B. (S.B.C.)	Total Business	Re-Insurance Ceded	Net Premium
Fire	141,216,608.00	13,666,213.00	154,882,821	126,260,210	28,622,611
Marine	239,464,913.00	22,564,115.00	262,029,028	50,861,592	211,167,436
Motor	6,346,977.00	3,059,436.00	9,406,413	893,636	8,512,777
Misc.	47,514,256.00	58,138,648.00	105,652,904	57,416,140	48,236,764
Total	434,542,754	97,428,412	531,971,166	235,431,578	296,539,588

2020

Class of Business	Direct Business	P.S.B. (S.B.C.)	Total Business	Re-Insurance Ceded	Net Premium
Fire	146,124,765	12,973,323	159,098,088	121,797,932	37,300,156
Marine	177,314,020	22,745,656	200,059,676	43,580,556	156,479,120
Motor	7,934,839	2,852,599	10,787,438	700,000	10,087,438
Misc.	23,497,332	23,217,871	46,715,203	23,131,850	23,583,353
Total	354,870,956	61,789,449	416,660,405	189,210,338	227,450,067



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22.00 Transactions with related parties:

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

Name of the related party	Relationship Nature	Nature of transaction	2021
Mr. Abdul Haque	Common Director	Insurance	8,505,791
Nurul Azim Sunny	Common Director	Insurance	11,798,577
Mr. Md. Nabiullah	Common Director	Insurance	31,350,268
		Total	51,654,636

Amount in Taka		
2021	2020	

23.00 Managing Directors Salary and Fees:

Tk. 250,000

This is made up as follows

Particulars

Salary

Other Allowance

Total:

3.000.000	3.000.000
1,680,000	1,680,000
1,320,000	1,320,000

As per the paragraph 17 of IAS 24:"Related party Disclosures" regading Key mangement Personnel Managing Director is the Key Management Personnel, his benefit is given below:

a) Short term employee benefits

b) Long term employee benefits

3,000,000	3,000,000
-	-
3,000,000	3,000,000

24.00 Directors Fees:

Tk. 720,000

This is made up as follows

Particulars

Honorarium for Attending Meeting

Total:

720,000	818,400
720,000	818,400

25.00 Agent Commission:

Tk. 28,044,416

As directed by the Insurance developmenmt & Regulatory Authority (IDRA) Vide Circular No- Non-Life-32/2012 Dated 01/04/2012 appropriate steps have been taken in payment of agency commission and the following payment has been made to the agency license holders as agent commission:

Particulars

 Fire
 6,142,732
 21,918,715

 Marine & Marine Hull
 19,351,005
 26,642,733

 Motor
 453,844
 1,190,225

 Miscellaneous
 2,096,835
 3,524,600

 Total:
 28,044,416
 53,276,273



For the year ended December 31, 2021

Amount	t in Taka
2021	2020

26.00 Calculation of Earning Per Share (EPS):

This is made up as follows

Particulars

Profit before tax Income Tax Expense (Note-20.00) Earning Attributable to the shareholder Number Ordinary Shareholders Earning Per Share (EPS)

118,734,127	93,381,569
(29,243,654)	(20,840,446)
89,490,475	72,541,123
43,095,360	43,095,360
2.08	1.68

EPS of Mercantile Insurance Company Limited for the year ended Decenber 31, 2021 BDT 2.08, which was BDT 1.68 in the previous year. Reason of increase due to underwritting Profit.

27.00 Calculation of Net Assets Value (NAV) per Share:

This is made up as follows

Particulars

<u>rarticulars</u>		
Total Assets	2,419,932,924	2,240,476,381
Total Liabilites	1,541,534,916	(1,419,299,913)
Net Assets Value (NAV)	878,398,008	821,176,468
Number of shares Outstanding	43,095,360	43,095,360
Net Asset Value (NAV) Per Share	20.38	19.05

28.00 Calculation of Net Operating Cash flow per Share (NOCFPS):

This is made up as follows

Particulars

Net Cash provided by Operating Activites Number Ordinary Shareholders Net Operating cash flow per Share(NOCFPS)

48,940,742	46,730,566
43,095,360	43,095,360
1.14	1.08

29.00 SUBSEQUENT EVENT:

There was no significant event that has occurred between the Balance sheet date and the date when the financial statements are authorised for issue by the Board of Directors.

30.00 GENERAL:

- a) There was no Bank Guarantee issued by the Company on behalf of their directors.
- b) The Board of Directors received no remuneration from the Company other than fees for attending the Board meetings.
- c) No credit facilities as on 31st December, 2021 availed by the Company under any contract other than trade credit available in course of business.
- d) Figures have been re-arranged whereever necessary for the purpose of comparison.
- The number of employees engaged for the whole year or part thereof who received a total remuneration of BDT 36,000 or above were 360.



Annual Report 2021

Cost		ost					Depriciation			
Particulars	As on 01.01.2021	Addition during the year	Adjustment during the year	As on 31.12.2021	Rate of Dep.	As on 01.01.2021	Charged during the year	Adjustment during the year	As on 31.12.2021	Written down value
Building & Floor Space	6,175,000	-	-	6,175,000	2.5%	734,233	136,019	-	870,252	5,304,748
Furniture & Fixture	15,349,406	152,800	-	15,502,206	10%	11,181,804	414,990	-	11,596,794	3,905,412
Eleectrical & Office Equipment	8,690,739	1,155,542	-	9,846,281	15%	5,339,534	676,011	-	6,015,545	3,830,736
Office Decoration	21,770,364	1,264,442	-	23,034,806	10%	15,391,822	764,298	-	16,156,120	6,878,686
Air-Cooler	1,611,027	715,800	-	2,326,827	15%	1,294,696	154,820	-	1,449,516	877,311
Motor & Other Vehicle	36,346,505	4,287,040	-	40,633,545	20%	28,142,008	2,498,307	-	30,640,315	9,993,230
Telephone Installation	1,516,310	34,800	-	1,551,110	20%	1,408,156	28,590	-	1,436,746	114,364
Sundry Assets	334,888	-		334,888	25%	320,572	3,579	-	324,151	10,737
As on December 31, 2021	91,794,239	7,610,424	-	99,404,663		63,812,825	4,676,614	-	68,489,439	30,915,224
As on December 31, 2020	90,929,167	865,072	-	91,794,239		59,840,098	3,972,727	-	63,812,825	27,981,414

The annexed notes 1 to 30 form an integral part of these fiancial statements.

Chief Executive Officer

Director

7*2* D Chairman

Signed as per our separate report on same date.

Place: Dhaka

Dated: April 20, 2022



Schedule of Property, Plant & Equipment

As at December 31, 2021

Annual Report 2021

Name of IAS	IAS No.	Status of application
Presentation of Financial Statements	1	***
Inventories	2	Applied
The Statements of Cash Flows	7	Applied
Accounting Policies, Changes in Accounting Estimates & Errors	8	Applied
Events After the Reporting Period	10	Applied
Income Tax	12	Applied
Property, Plant & Equipment	16	Applied
Leases	17	Applied
Revenue	18	Applied
Employee Benefits	19	Applied
Accounting for Govt. Grants and Disclosure of Govt. Assistance	20	N/A
The Effects Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting & reporting by Retirement Benefit Plans	26	Applied
Separate Financial Statements	27	N/A
Investment In Associates & joint Ventures	28	Applied
Earnings Per Share	33	Applied
Interim Financial Reporting	34	Applied
Impairment Of Assets	36	Applied
Provisions, Contingent Liabilities & Contingent Assets	37	Applied
Intangible Assets	38	Applied
Financial Instruments: Recognition & Measurement	39	***
Investment Property	40	Applied
Agriculture	41	N/A
		·
Name of IFRS	IFRS No.	Status of application
First time Adoption of IFRSs	1	Applied
Share based payment	2	N/A
Business Combination	3	N/A
Insurance Contracts	4	***
Non-Current Assets Held for Sales & Discontinued Operation	5	N/A
Exploration For & Evaluation of Mineral Resources	6	N/A
Financial Instrument: Disclosure	7	***
Operating Segment	8	N/A
Financial Instrument	9	Applied
Consolidated Financial Statements	10	N/A
Joint Arrangement	11	N/A
Disclosure of interest in other Entitles	12	Applied
Fair Value Measurement	13	Applied
Regulatory Deferred Accounts	14	Applied
Revenue From Contracts with Customers	15	Applied

^{***} Mercantile Insurance Company Limited management has followed the principals 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.



PROXY FORM

Signature of Proxy.

Folio No.

BO A/C No.

Signature of Shareholder.

Folio No.

BO A/C No.

Signature of Shareholder.

Folio No.

BO A/C No.

BO A/C No.

Notes:

- 1) The Proxy Form, duly completed, must be deposited at least 48 hours before the meeting at the Company's Registered Office. Proxy is invalid if not signed and stamped as explained above.
- 2) Signature of the Shareholder should match with the Specimen Signature registered with the Company.

EICO ଦିପଥିଲ ଥିପମୁ ସେ । কୋଞ୍ଚାପି ଜିଞ MERCANTILE INSURANCE COMPANY LTD. SYMBOL O TRUST AND SECURITY

ATTENDANCE SLIP

I do hereby record my attendance at the 26th Annual General Meeting of the company to be held on **Thursday, the 23rd June 2022 at 11:30 A.M.** by Virtual/Digital Platform AGM Link https://micl.agm.watch

Name of shareholder/Proxy	
Folio or BO A/C No	
Signature	.Dated:

NOTE:

- 1. Shareholders attending the meeting in person or by proxy are requested to complete this Attendance Slip.
- 2. Signature of Shareholder or Proxy must conform to the specimen signature recorded with the Company.
- 3. Please bring this Attendance Slip with you. Admission into the Meeting Room may not be permitted without it.
- 4. Any friend or children accompanying with honorable shareholders/proxy will not be allowed to the meeting.

