

DIRECTORS' REPORT

(FOR THE YEAR ENDED ON 31ST DECEMBER, 2023)



Bismillahir Rahmanir Rahim

Dear Valued Shareholders, Assalamu Alaikum

On behalf of the Board of Directors, I am delighted to welcome you all to the 24th Annual General Meeting of the Dosh General Insurance Company Limited and have the pleasure to place before you the Annual Directors' Report.

I have placed this Directors' Report, along with the Audited Financial Statements for the year ended on December 31, 2023 together with the Auditors' Report thereon, before you to be received, considered and adopted by you as per AGENDA-ONE (01) of this Annual Meeting of the General Body of the Company. The Report prepared in compliance with referrals stated below.

REFERRALS - as per laws of the land

In compliance with the provisions of Section 184 of the Companies Act 1994, including Condition no. 1(5) of the Corporate Governance Code 2018 (CG Code/the Code) issued by BSEC and IAS-1 referring to section 27 & 76 of Insurance Act, 2010 and Rule 12 (and the schedule there under) of the Bangladesh Securities and Exchange (BSEC) Rules 1987 along with other related sections, subsections, rules and regulations in this purpose pursued accordingly to prepare, approve and submit the Directors' Report before the respected shareholders of the company for their consideration and adoption as a norm of Corporate Democracy.

GLOBAL ECONOMY

The January 2023 World Economic Outlook Update projects that global growth will fall to 2.9 percent in 2023 but rise to 3.1 percent in 2024. The 2023 forecast is 0.2 percentage point higher than predicted in the October 2022 World Economic Outlook but below the historical average of 3.8 percent.

The baseline forecast is for global growth to slow from 3.5 percent in 2022 to 3.0 percent in 2023 and 2.9 percent in 2024, well below the historical (2000–19) average of 3.8 percent. Advanced economies are expected to slow from 2.6 percent in 2022 to 1.5 percent in 2023 and 1.4 percent in 2024 as policy tightening starts to bite. Emerging market and developing economies are projected to have a modest decline in growth from 4.1 percent in 2022 to 4.0 percent in both 2023 and 2024. Global inflation is forecast to decline steadily, from 8.7 percent in 2022 to 6.9 percent in 2023 and 5.8 percent in 2024, due to tighter monetary policy aided by lower international commodity prices. Core inflation is generally projected to decline more gradually, and inflation is not expected to return to target until 2025 in most cases.

BANGLADESH ECONOMY

Growth moderated in fiscal 2023 as monetary tightening in the advanced economies lowered external demand. Inflation rose significantly, and the current account deficit narrowed. Despite macroeconomic headwinds, GDP expansion is expected to accelerate gradually this year and next with resilient exports and the government committed to structural reform. Inflation will gradually moderate, while the current account turns into small surpluses. Reforms to enhance Bangladesh's competitiveness will be critical for the country's smooth graduation from least-developed country status.

High inflation hit private consumption, while public consumption expanded with higher expenditure on subsidies and current transfers. The high cost of production and difficulties in opening import letters of credit constrained the growth of private investment. Growth in public investment slowed as only 84.2% of the annual development program was implemented in FY2023, compared with 92.7% in FY2022. With a sharp decline in imports, net exports added to growth. (As per the report of ADB-2023)

INDUSTRY OUTLOOK AND DEVELOPMENT - *huge potentiality with untapped fields*

The Economy of Bangladesh has rapidly been shifting from agricultural to the services sector. The role so played by the service sector is burgeoning as well. Insurance is one of the ingredients of the financial services industry that has a lot to play if it is promoted properly. So, the Bangladesh insurance market is in an upward trend despite the low penetration rate.

Geographically Bangladesh is located in South Asia where the insurance sector is emerging due to modest GDP growth rate and high density of population in the 'SAARC' region. In the last decade, the insurance sector of the South Asian market has been rapidly emerging. But, Bangladesh non-life insurance industry continues to operate as one of the smallest in the world.

Experts have been saying for a long time that Bangladesh is one of the most untapped insurance markets in terms of penetration rate. There is no reason why, in line with the country's impressive GDP growth, the insurance industry should also not grow by remedying its manifold problems and, most important, by tapping the hitherto untapped segments of the market.

Basically, insurance sector plays a critical role in financial and economic development of an economy. By reducing uncertainty and the impact of large losses, the sector can encourage new investments, innovation, and competition. Experts say, one of the indices for measuring the progress of any economy is the size and maturity of its insurance industry. Insurance industry acts as the absorber of the risk and uncertainty associated with economic activities, and its absence can significantly reduce the growth of economic activity. The insurance industry is perceived as the pillar of any country's risk management system since it guarantees many financial benefits and helps as an essential factor in the financial intermediation chain offering an organized spring of enduring capital for infrastructural developments. Thus, if Bangladesh wants to be a true Developed Country with sustainability, she needs to boost her insurance industry and Increase the penetration rate of the same.

MARKET SUMMARY - *government policy is needed to gain public confident*

Our non-life insurance market continues to be extremely overcrowded when compared with developing countries including our neighbors. Currently, there are 81 insurance companies - 35 life and 46 non-life - in the insurance sector of Bangladesh. Of them, 58 (as on August 21, 2024) companies are listed on the stock exchanges. The situation has obviously given rise to intense and unhealthy competition among the existing players. At the same time, with deteriorating standards of clients' services, public trust in insurance continues to diminish. Much needs to be done to remedy the situation.

In Non-life Insurance sector, the provisional premium income in 2023 was Tk. 42603 million where in 2022, it earned Tk. 41296 million.

RISK AND CONCERN - *ensure proper management of business risks*

Non-life Insurance business involves the assumption of risks of many types -Physical as well as moral risks. Physical risks are identified as those caused by natural catastrophes, accidental losses and man-made disasters. The key to proper management of insurance business risks to ensure proper management of insurance business risks is to ensure proper selection of risks as well as of the client through a vetting process known as underwriting. Non-life insurance business also closely follows the country's economic development and any slowdown in the economic activities also has an adverse impact on the insurance industry's growth. DGIC, being aware of these business risks practices, does several activities to protect its interests; discussed in Management Discussion and Analysis Chapter of this report.

PRODUCTS AND SERVICES - *diversified product line*

The products and services of the Company are shown in a separate Chapter.

FINANCIAL STATEMENTS - *present fairly its state of affairs*

The financial statements prepared by the management of the company present fairly its state of affairs, the result of its operations, cash flows and changes in equity. Audited Financial Statements are shown in a separate Chapter of the report.

BOOKS OF ACCOUNT - *maintaining Proper Books*

The financial statements prepared by the management of the company maintained proper Books of Accounts. The directors oversee whether adequate accounting records are being maintained with vouchers relevant to any entry in good order. The books of accounts are kept at the registered office of the Desh General Insurance Company Limited.

ACCOUNTING POLICY - *appropriate policies*

In preparation of financial statements appropriate accounting policies have been consistently applied and the accounting estimates are based on reasonable and prudent judgments by the management of the company. The directors supervise for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these Financial Statements that are free from material misstatement, whether due to fraud and error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

IAS AND IFRS - *followed accordingly; shown in NOTE-5.00 of the Audited Accounts*

International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in the preparation of the financial statements and any departure therefrom has been adequately disclosed.

COST OF GOODS SOLD; GROSS PROFIT MARGIN & NET PROFIT MARGIN:

Desh General Insurance Company Limited is not a manufacturing company. It is a Non-Banking Financial institution dealing with non-life insurance in Bangladesh. Cost of Goods Sold, Gross Profit Margin & Net Profit Margin is not considered to prepare a Financial Statement. Therefore, comparative analysis of financial performance is elaborately discussed in the presentation on Financial Highlights on a separate page in this Annual Report.

EXTRA ORDINARY ACTIVITIES AND THEIR IMPLICATIONS:

Insurance sector in Bangladesh is contributing to the growth and development process of the business and property by protecting all varieties of assets from all types of hazards. However, the size of the insurance industry in Bangladesh is small but over-institutionalized. The activities of Desh General Insurance Company Limited have had steady growth from the beginning and are trying to achieve extraordinary activities by planning the future products. Only by achieving competitiveness, this sector can contribute more to the development of the economy of the country. In spite of all constraints both at macro and micro environment, good growth rate and tremendous growth potential reconfirm the brightest prospects of the insurance sector in Bangladesh.

FIVE YEARS FINANCIAL ANALYSIS - *comparative positive growth*

Comparative analysis of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof have been given in the interpretation of the annual accounts chapter for the better understanding of the shareholders. In view with above preceding

five years key operating, financial summarized data and graphical representation are also shown in the contents under "Key Financial Indicators" and "Graphical Representation" in this Annual Report. Some are given below in the title of 'Profit Analysis'.

PROFIT ANALYSIS - *positive growth of NPBT/NPAT*

The Underwriting Profit of the company stood at Tk. 86,945,623 for the year 2023. In 2022 Underwriting Profit was Tk. 77,781,261. The summary of the financial statement shows the financial condition of the company;

(Tk. in Million)

Particulars/Year	2023	2022	2021	2020	2019
Gross Premium Income	433.39	429.05	344.23	304.20	308.19
Net Premium Income	259.30	293.34	193.27	200.17	167.95
Underwriting Profit	86.94	77.78	83.45	77.06	65.93
Investment Income	25.47	16.78	22.96	18.40	18.37
Profit after Tax	41.53	41.47	46.56	36.22	32.58
Deposit Premium	5.51	3.12	2.92	3.87	2.73
Total Reserves	103.79	117.83	77.85	80.80	72.87
Total Assets	973.35	990.18	894.88	705.75	693.74
Total Liabilities	497.54	535.91	442.09	419.53	414.94
Share Holders Equity	475.80	454.26	452.79	286.22	278.80
Earnings Per Share	1.04	1.04	1.24	1.51	1.36
Fixed Assets	102.96	111.53	117.55	126.70	131.84

PRODUCT WISE BUSINESS PERFORMANCE - *positive*

During the year, 2023 Desh General Insurance Company Limited earned a total Gross Premium of Tk. 433.39 million in the different segments, which was 429.05 in 2022. The Segment-wise Operational performance reports for the year 2023 are shown in the Audited Financial Statements in a separate chapter.

RELATED PARTY TRANSACTIONS -

arising in normal course of business; disclosed as part of ethical business policy

The Company, in the normal course of business, carried out a number of transactions with other entities that fall within the definition of related party contained in IAS 24 "Related Party Disclosures". Under the condition No. 1.5(vi) of the CG Code of the BSEC basis for the related party transactions, a statement of all related party transactions should be disclosed in the annual report. In this connection, details of transactions with related parties and balances of them as on December 31st, 2023 referred to in the 'details of related parties and transactions with related parties are disclosed in **Note-38** to the Accounts forming part of the financial statements. The statutory auditor have checked the transaction and found that all transactions involving related parties arising in normal course of business are conducted on an arm's length basis at commercial rates on the same terms and conditions as applicable to the third parties.

THE IPO PROCEEDS - *fully utilized*

The Company's IPO was made in 2021. The IPO fund is fully utilized. No further raises through public issues, right issues and or any other instruments were proceeds during the year.

FINANCIAL RESULTS DETERIORATED - *not any*

Not any other indicators of financial results deteriorated after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing etc.

VARIANCE OF FINANCIAL PERFORMANCES - *no significant deviation*

Desh General Insurance Company Limited disclosed quarterly financial performances for the year-2023. There were some variances in the financial results from quarter to quarter. But they are not very significant ones. There is NO significant variance between Quarterly Financial performances and Annual Financial Statements.

COMPARE WITH LAST YEAR'S OPERATING RESULT - *positive growth*

There were some variances in the financial results from last year. But they are not very significant ones. Besides, a Management's Discussion and Analysis signed by the CEO 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 the last year's success of the Company is shown in a separate Chapter.

EARNINGS PER SHARE (EPS) - *increasing*

Net profit after tax of the company stands at Tk 41.53 million and Earnings per share after tax stands at Tk. 1.04 during the year 2023.

DIVIDEND - 5 % *Cash Dividend is recommended*

The Company has been paying a prestigious dividend consistently since the inception to fulfill the shareholders interest. The Board of Directors in its 151th Board Meeting held on 29-05-2024 recommended 5 (Five) % cash dividend to the all public shareholders except Sponsors & Directors from available profit of the year 2023.

Dividend Distribution Policy: As per the instruction of the Board of Directors of the company, the management is following a policy regarding dividends to be paid to the shareholders in a manner that shall be in line with and inconsistent with the actual income as well as the practices of the insurance industry. The 'Dividend Distribution Policy' approved by the board is shown as a separate chapter in this Annual Report.

Disclosure on Dividend Distribution: Desh General Insurance Company pays off the dividend to the entitled shareholders within 30 (thirty) days of declaration or approval and submits a compliance report to the Exchanges as well as to the Commission in respect of dividend payment within 7 (seven) working days as per laws.

Interim Dividend: For your kind information, we also would like to remind you that 'NO' bonus share or stock dividend has been declared by the Board as interim dividend for the year.

Disclosure on Unclaimed I Undistributed Dividend: Desh General Insurance Company Limited (DG1C) is listed on March 29, 2021. After being listed with the exchanges, the Company declared Dividends for its shareholders for the year 2020, 2021 and 2022 respectively. Subsequently, the Company distributed the said Dividend among the shareholders (as per record dates). Year wise the unclaimed / undistributed dividend of the company is given in the following table:

Dividend in Taka

YEAR	TOTAL DIVIDEND	UNCLAIMED / UNDISTRIBUTED
2020	400,00,000	5,27,255/- (Five Lakh Twenty Seven Thousand Two Hundred and Fifty Five)
2021	400,00,000	2,06,678/- (Two Lakh Six Thousand Six Hundred and Seventy Eight)
2022	200,00,000	5,92,515/- Five Lakh Ninety Two Thousand Five Hundred Fifteen only

The list of shareholders who did not claim for their Dividends is disclosed on the website of the Company, which we could not distribute due to their incomplete information at their respective BO Accounts. As per BSEC notification, a Company must send their unclaimed / undistributed dividends older than three (3) years to BSEC.

THE PATTERN OF SHAREHOLDING - *ownership percentage disclosed*

A report on the pattern of shareholding disclosing the aggregate number of shares along with name-wise details as on 31 December 2023 is stated in a separate page of this Annual Report.

BOARD OF DIRECTORS -

There are 15 (Fifteen) Directors on the Board of the company. Mr. Md. Jashim Uddin is the Chairman and Mr. Mohammed Akbor Hossain is the Vice- Chairman of the Board of Directors of the Company.

Appointment of Directors:

Resume of Appointing Directors: As per BSEC Notification NO. BSEC/ CMRRCD/ 2009-193/ 3/Admin/104, dated 05 February 2020 and Corporate Governance Code-2018 Condition No 1(5) xxiv (a), we have also made a disclosure to the Directors Profile at the beginning of this Annual Report in case of appointment or re-appointment of any member of the Board of Directors, about their primary employment and other engagement including directorship in other companies and their expertise fields in the resume of such member of the Board of Directors. The same is also disclosed on the website of the Company.

Retirement and Re-election of Directors: (AGENDA- THREE (03) of this AGM)

Directors run the Company elected by the shareholders as part of Corporate Democracy. As per the Companies Act, 1994, each year one-third of the Directors (except Independent Director) retire from office at the Annual General Meeting (AGM) and if eligible, may offer themselves for re-election by shareholders at the Annual General Meeting. In line with the requirement of the Company Act, 1994, the following Directors will retire at the 24th AGM on a seniority basis:

Group A

SL.No.	Directors
1	Mr. Murad Mohammed Taj
2	Mr. Tahrin Aman
3	Engr. A.K.M. Ahsanul Haque

Group B

SL.No.	Directors
1	Mr. Nihar Kumar Roy

They are also eligible for re-election for their next term. They express their Interest for the re-election and re-appointment.

Election of Directors by Public Subscribers: With a view to informing all public subscribers, we have arranged to publish notification in 2 (two) national dailies for election from public shareholders at this AGM pursuant to the Articles of Association of the Company and The Insurance Rules, 1958, rules 15(B)(3)]. The Notice was published in the Daily Business Post & Daily Banik Barta on July 15, 2024. However, no Public Subscribers applied since no one met the primary requirement for the position. Hence none is eligible for election as Public Shareholder Director in this AGM.

Board Meetings and attendance: During the year, the Board of Directors Meeting and the attendance records are shown in the chart below:

Name	Number of meetings held in 2023	Number of meetings held in 2022
Board of Directors Meeting	6	6
Executive Committee	2	2
Audit Committee	3	4
Nomination and Remuneration Committee	2	1
Claims Committee	3	4
Total	16	17

Attendance by each Director: Six (06) Board of Directors meetings were held in 2023.

Sl.	Name	BoD Meeting	
		Held	Attended
1	Mr. Md. Jashim Uddin	6	6
2	Mr. Mohammed Akbor Hossain	6	5
3	Mr. Amir Hossain Amu*	6	1
4	Ms. Rokeya Quader	6	5
5	Mr. Aminur Rahman	6	6
6	Mr. Murad Mohammed Taj	6	5
7	Engr. A.K.M. Ahsanul Haque	6	5
8	Engr. Tarikul Alam Rahimi	6	4
9	Mr. Nihar Kumar Roy	6	6
10	Ms. Priti Kana Bose	6	5
11	Ms. Nauzat Begum	6	4
12	Mr. Tahrin Aman	6	4
13	Mr. Md. Kamal Uddin FCA (Retired, Independent Director)	6	4
14	Mr. Shahedul Islam (Retired, Independent Director)	6	2
15	Mr. Syed Javed Iqbal	6	6

Three (03) Audit Committee meetings, two (02) NRC meeting, two (02) EC meetings and three (03) Claim Committee meetings were held in 2023

Directors' Remuneration - as prescribed by laws of the land and NRC Policy

As per 1DRA Reference letter No. 53.03.0000.009.18.014.18.123, dated 31 May 2018, directors are eligible for maximum remuneration of BDT 8,000 for attending each meeting. The Directors including Independent Directors, all being Non-Executive Directors, are given only Meeting Attendance Fee of BDT 6,400 (BDT Six thousand and Four Hundred only) excluding VAT and AIT per head per Meeting of the Board and Committees. During the year 2023, a total amount of BDT 8,64,000 was given to the Directors as Remuneration for attending meetings.

Loan or Advance to Directors: In the year 2023, DGIC has not made any loans or advances or any debit balances (including guarantee or security in connection with a loan) to any other Directors of the company and transactions with Associate/ Sister Concern of DGIC under the head of Current Account with refer to the Commission's Notification no. SEC/ CMMRRCD/ 2006-159/Admin/ 02-10 Dated, 10 September 2006.

MANAGEMENT DISCUSSION AND ANALYSIS - shown in separate chapter

Management's Discussion and Analysis presents a detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on required topics suggested by the CGC-2018 condition no 1(5)(xxv) of the Code are depicted in a separate chapter signed by the CEO of the Company.

REINSURANCE MANAGEMENT - comprehensive reinsurance arrangements

Reinsurance department is the key and the most important department in any general insurance company. Reinsurance arrangements with professionally structured dependable and financially sound reinsurers are absolutely essential. The role and strong support of reinsurers for the company is vital. Reinsurance department is to ensure that first class reinsurance arrangements at minimum costs are available both locally and abroad to the Company. Professional support and comprehensive reinsurance arrangements reduce the risks of an insurance company in respect of claims incurred or expected to be incurred. DGIC has always been successful to have support of world known financially and professionally supported first class and excellent reinsurers in the past as well as in the current financial year.

CAPITAL MANAGEMENT - capital-efficient structure and desired capital ratios

The Company has a policy to maintain a strong capital position and provide the flexibility necessary to take advantage of growth opportunities to support the risk associated with its businesses and to optimize shareholder return. The Company's capital base is structured to meet regulatory capital targets and maintain strong credit ratings while maintaining a capital-efficient structure and desired capital ratios.

Authorized Capital- Tk.100 Crore (divided into 100000000 shares of Tk.10 each). Paid-up Capital-Tk.40 Crore (divided into 40, 00,000 shares of Tk.10 each.)

Adequacy of Capital Structure is depicted below:

SHARE CAPITAL AND RESERVES	2023	2022	2021
Authorized Share Capital	1,000,000,000	1,000,000,000	1,000,000,000
Issued, Subscribed and Paid-Up Capital	400,000,000	400,000,000	400,000,000
Reserves	103,792,740	117,838,433	77,856,830
Total Equity	475,801,828	454,267,946	452,793,751
Cash and Bank	18,849,315	29,960,363	34,386,062

LIQUIDITY MANAGEMENT - retain sufficient liquidity as per liquidity policies

Our core liquidity policy is to retain sufficient liquidity in the form of unencumbered liquid assets and cash to meet potential funding requirements arising from a range of possible stress events. To manage the risks, we have a range of liquidity policies and measures in place.

RESERVE FUND - to protect the risk factors as per laws of the land

To protect the risk factors of the company it is very essential to have a good amount of reserve fund for the Company. The Insurance Act and Income tax ordinance also recommended to build up the reserve fund for the company accordingly the company separated reserve funds to protect the risk of the Company.

SOLVENCY MARGIN - maintained as per Sec. 43 Of Insurance Act-2010

Under section 43 of Insurance Act 2010 we have maintained the required solvency margin. Both short-term and long-term solvency of the company has reached such a level that is needed for meeting the requirement of the Insurance Act 2010 as well as for getting the satisfaction of the financial analysts and the rating agencies.

SHAREHOLDERS VALUE - committed for higher shareholders' value

DGIC remains fully committed to the delivery of higher shareholders' value. The higher profitability underpins the value of the shareholders derived from investing in the shares of DGIC. The total number of shareholders of the company as of 31 December 2022 was 5,943.

CREDIT RATING - "Stable Outlook" which entails "High Claims Paying Ability,"

Desh General Insurance Company Limited has been taking the Credit Rating from a renowned Agency, **Alpha Credit Rating Ltd (ACRL)** with prior consent and approval of the company's Board of Directors. The Board of Directors believes that Credit Rating can bring transparency; confirm the compliance of rules and regulations of both the Company and Regulatory Authorities; protect the Company and can open the door for achieving excellence. As per the Audited Financial Statement of 2023 and basis on the previous data, strength and performance, we achieved Double A plus (AA+) with "Stable Outlook" which entails "High Claims Paying Ability," protection factors are good and there is an expectation of variability in risk over time due to economic and underwriting conditions. A certificate in this regard is shown at this Annual Report.

CORPORATE GOVERNANCE - sound governance framework and policy

The Board of Directors of the Company firmly believes that practice of Good Corporate Governance and transparency is a 'sine qua non or condicio sine qua non' for ensuring a disciplined and a sustainable company as well as economy of the Country. Thus, there is a full-fledged Commitment of the Board, towards incorporating Corporate Governance and Transparency in all spheres of operations and management of the Company.

The corporate governance framework of the Company is based on an effective independent Board. This includes, among others, not being limited to accountability, disclosures, transparency justice and uprightness. We

stand for all these virtues of good governance and expect the same from our competitors, customers, patrons, and regulators. The Company has complied with all the requirements of Corporate Governance as required by the Bangladesh Securities and Exchange Commission (BSEC) and Insurance Development & Regulatory Authority (IDRA). Pursuant to the Corporate Governance Code (the Code) of BSEC & IDRA; we attach two compliance status with reports of the Company along with certificates also, on compliance with the conditions, from a practicing Chartered Secretary has also been presented on a page in this annual report.

AUDIT COMMITTEE REPORT - *effective Internal Control Framework*

Pursuant to the clause of Corporate Governance Code of BSEC, dated June 03, 2018 and Corporate Governance Guidelines 2023 of IDRA, the activities of the Audit Committee, including reports have been shown in a separate chapter of this Annual Report.

NRC REPORT - *sound NRC Policy guiding service rules of the Company*

Pursuant to the clause of Corporate Governance Code of BSEC, dated June 03, 2018 and Corporate Governance Guidelines 2023 of IDRA, the activities of the NRC, NRC Policy and Performance Evaluation Criteria thereof have been shown in separate chapters of this Annual Report.

REDRESSED OF MINORITY - *equitable treatment for all shareholders*

We would like to assure you all that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.

We confirm that 'No' situation arose with minority shareholders since they were protected from abusive actions by, or in the interest of controlling shareholders acting either directly or indirectly and with no effective means of redress.

EFFECTIVE INTERNAL CONTROL - *reviews overall business strategies*

We would further like to ratify that the system of internal control is sound in design and has been effectively implemented and monitored. An effective internal control system also requires that an appropriate control structure is set up with control activities defined at every business level. The Board of directors has the responsibility for approving the review of overall business strategies and significant policies of the internal control system.

EXTERNAL/STATUTORY AUDITORS -

M/s. **MABS & J Partners, Chartered Accountants** was appointed as the external Auditor in the 23rd AGM held on 28-08-2023 for auditing the Accounts of the year 2023.

Disclosure of the Statutory Auditors' Engagements: *disclosed as per CGC, Clause-7*

M/s. **MABS & J Partners, Chartered Accountants** the external auditors of the Company was not engaged with any other services of the Company, other than auditing the Financial Statements of the Company for the year 2023.

Statutory Auditors' Report:

There is 'NO' qualification, reservation, adverse remark or disclaimer passed by the statutory auditors for the year ended 31 December 2023.

Appointment of Statutory Auditors: *(AGENDA- FIVE (5) of this AGM)*

M/s. **MABS & J Partners, Chartered Accountants** are recommended by the Board to be appointed for auditing the Accounts of the Company for the year 2024. Therefore, under section 210 of the Companies Act 1994, the matter is presented in this Annual General Meeting to consider the appointment of Auditors and fix their remuneration.

COMPLIANCE AUDITORS -

M/s. **Uttam & Associates, Chartered Secretaries & Consultant** was appointed as Compliance Auditor of BSEC in the 23rd AGM of the Company held on 28-08-2023 for certification on compliance on Corporate Governance Code applicable in Bangladesh for the year 2023. M/s. **Uttam & Associates, Chartered Secretaries & Consultant** was also appointed as Compliance Auditor of IDRA by the Board of Directors in its 152nd Board Meeting held on August 21, 2024 for certification on compliance on Corporate Governance Guidelines of IDRA for the year 2023.

Compliance Auditors' Report: There is no adverse remark or disclaimer passed by the Compliance auditors for the year ended 31 December 2023. The Compliance Auditors' remarks the Corporate Governance Compliance of the Company as the satisfactory one.

Appointment of Compliance Auditors: (AGENDA- SIX & SEVEN (06 & 07) of this AGM)

M/s. Uttam & Associates, Chartered Secretaries is recommended by the Board for certification on compliance on Corporate Governance Code-2018 of BSEC and Corporate Governance Guidelines 2023 of IDRA applicable in Bangladesh for the year 2024.

GOING CONCERN - *the Company has adequate resources to continue*

The Board of Directors has reviewed the Company's business plan and is satisfied that the Company has adequate resources to continue its operations in the foreseeable future. Accordingly, the Financial Statements are prepared based on the basis of going concern concept. Thus, there is no significant doubt upon the company's ability to continue as a going concern. During the year 2023, no significant and material orders were passed by the regulators, courts or tribunals, that impacted the going concern status of the Company, or which can potentially impact the Company's future operations.

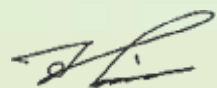
Financial statements are generally prepared under the assumption that the business will remain a "going concern", that is, it is expected to continue to generate a positive return on its assets and meet its obligations in the ordinary course of business. It is the responsibility of the management of a company to determine whether the going concern assumption is appropriate in the preparation of financial statements. Desh General Insurance Company Ltd. is running well above the level of different parameters set by the respective guidelines of IDRA except for a few ratios.

ACKNOWLEDGEMENT - *thanks to all stakeholders*

The Board of Directors of Desh General Insurance Company limited likes to express gratitude to honorable shareholders, and valued business partners for their patronage and support.

The Board also would like to express its sincere thanks and profound appreciation for the immense support and cooperation it received from the office of the Chairman, Insurance Development & Regulatory Authority (IDRA), and all concerned Government Offices Including the Ministry of Finance, Ministry of Commerce, Sadharan Bima Corporation, Bangladesh Bank, all Nationalized Bank, Commercial Bank and Financial Institutions, Registrar of Joint Stock Companies & Firms (RJSC), Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange PLC (DSE), Chittagong Stock Exchange PLC (CSE), Central Depository Bangladesh Limited (CDBL), National Board of Revenue (NBR), Bangladesh Insurance Association, and Bangladesh Association of Publicly Listed Companies (BAPLC). The Board Members also pleased to put on record their appreciation for the commitment and dedication extended by the management of the Company.

On behalf of the Board of Directors



Ms. Rokeya Quader
Chairman