

We have audited the accompanying Balance Sheet of Global Insurance Limited as of December 31, 2003 and the Related Profit and Loss Account and Statement of Cash flows for the year then ended. The preparation of these Financial Statements is the responsibility of the Company's management. Our responsibility is to express an independent opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with Bangladesh Standards of Auditing (BSA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BAS), give a true and fair view of the state of the company's affairs as of December 31, 2003 and of the results of its operations and its Cash Flows for the year then ended and comply with the Companies Act, 1994, Insurance Rules 1958, the Securities Exchange Rules 1907 and other applicable laws and regulations.

Subject to the accompanying notes and disclosures therein we also report that :

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books and (where applicable) proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- iii) The company's Balance Sheet and Profit and Loss Account and its Cash Flows dealt with by the report are in agreement with the books of account and returns;
- iv) The expenditure incurred was for the purposes of the company's business;
- v) As per Section 40c(2) of the Insurance Act 1938 as amended, we certify that to the best of our knowledge and belief and according to the information and explanations given to us, all expenses of management wherever incurred and whether incurred directly or indirectly, in respect of insurance business of the company transacted in Bangladesh during the year under report have been duly debited to the related Revenue Accounts and the Profit & Loss Account of the Company; and
- vi) As per Regulation-11 of Part-I of the Third Schedule of the Insurance Act 1938 as amended, we certify that to the best of our knowledge and as shown by its book I the Company during the year under report has not paid any person any commission or any sum outside Bangladesh in respect of any of its business re-insured abroad.

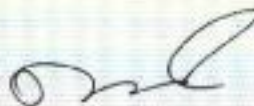
Dated : Dhaka, April 10, 2004


A. Wahab & Co.
Chartered Accountants

AUDITORS' REPORT TO THE SHAREHOLDER

BALANCE SHEET AS

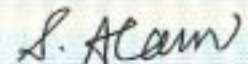
CAPITAL AND LIABILITIES	NOTES	2003 Taka	2002 Taka
AUTHORISED CAPITAL :			
3000000 Ordinary shares of Tk.100/- each.		300,000,000.00	300,000,000.00
ISSUED, SUBSCRIBED AND PAID UP CAPITAL:	8	60,000,000.00	60,000,000.00
600,000 Ordinary shares of Tk.100/- each called and paid up in full			
RESERVE OR CONTINGENCY ACCOUNTS:			
Reserve for exceptional losses		500,000.00	-
Profit and loss Account		72,410.00	(6,246,801.00)
		572,410.00	(6,246,801.00)
BALANCE OF FUND AND ACCOUNTS:			
Fire insurance business		3,723,928.00	3,028,200.00
Marine insurance business		11,308,072.00	2,831,200.00
Motor insurance business		3,545,206.00	3,396,800.00
Miscellaneous insurance business		689,436.00	575,900.00
		19,266,642.00	9,832,100.00
PREMIUM DEPOSIT	9	20,470,029.00	23,820,349.00
ESTIMATED LIABILITIES IN RESPECT OF OUTSTANDING CLAIM WHETHER DUE OR INTIMATED	10	565,651.00	752,605.00
AMOUNT DUE TO OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS:			
Sadharan Bima Corporation	11	8,290,853.00	6,405,838.00
SUNDRY CREDITORS	12	17,794,981.00	10,235,480.00
PROPOSED DIVIDEND	13	6,000,000.00	-
		132,960,566.00	104,799,571.00



M. Aftabuddin Shah
Managing Director



Sayed Badrul Alam
Director




Md. Shah Alam
Director

Dated : Dhaka, April 10, 2004

AT 31 DECEMBER 2003

PROPERTY AND ASSETS	NOTES	2003 Taka	2002 Taka
INVESTMENT (AT COST)			
Statutory Deposit with Bangladesh Bank			
National Investment Bond	1	9,000,000.00	9,000,000.00
INTEREST, DIVIDEND AND RENTS ACCRUED BUT NOT DUE	2	2,179,083.00	3,666,234.00
AMOUNT DUE FROM OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS :			
Sadharan Bima Corporation	3	1,108,821.00	2,312,873.00
SUNDRY DEBTORS	4	40,532,525.00	15,393,850.00
CASH AND BANK BALANCES :			
Fixed deposit with Bank	5	56,758,550.00	52,050,000.00
Cash at Bank	6	3,975,106.00	2,494,183.00
Cash in hand	7	13,571,456.00	14,001,767.00
		74,305,112.00	68,545,950.00
OTHER ACCOUNTS :			
Fixed Assets (Annexure-1)		5,625,365.00	5,191,839.00
Stamps in hand		7,305.00	498,970.00
Printing and stationery in hand (At cost)		202,355.00	189,855.00
		5,835,025.00	5,880,664.00
		132,960,566.00	104,799,571.00

The accompanying notes are an integral part of this financial statement.


Md. Anwarul Haque
Chairman


(A. WAHAB & CO.)
Chartered Accountants

PROFIT AND LOSS ACCOUNT FOR

PARTICULARS	2003 Taka	2002 Taka
EXPENSES OF MANAGEMENT (Not Applicable to any particular fund or Account)		
Audit fee	66,900.00	15,000.00
Directors Fee	1,334,000.00	839,500.00
Retainers Fee	60,000.00	60,000.00
Advertisement	293,250.00	81,180.00
Registration & Renewal	197,044.00	159,380.00
Rent Rates & Taxes	41,613.00	7,021.00
Subscription & Donation	175,167.00	222,610.00
Legal Expenses	160,940.00	15,000.00
Depreciation	1,142,871.00	1,069,301.00
Profit/(Loss) for the year transferred to Profit & Loss Appropriation A/C	14,369,211.00	592,749.00
	<u>17,840,996.00</u>	<u>3,061,741.00</u>

PROFIT & LOSS APPROPRIATION ACCOUNT

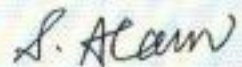
PARTICULARS	2003 Taka	2002 Taka
Reverve for Exceptional Losses	500,000.00	-
Provision for Income tax	1,550,000.00	-
Proposed Dividend	6,000,000.00	-
Balance transferred to Balance Sheet	72,410.00	(6,246,801.00)
	<u>8,122,410.00</u>	<u>(6,246,801.00)</u>



M. Aftabuddin Shah
Managing Director



Sayed Badrul Alam
Director



Md. Shah Alam
Director

Dated : Dhaka, April 10, 2004


THE YEAR ENDED 31 DECEMBER, 2003

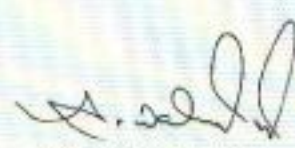
PARTICULARS	NOTE	2003 Taka	2002 Taka
INTEREST, DIVIDEND AND RENTS (Not Applicable to any particular fund or Account)			
FDR Interest	15	6,118,462.00	6,187,335.00
Interest on NIB		5,302,134.00	5,137,524.00
Interest on STD A/C	16	748,232.00	1,006,028.00
		68,096.00	43,783.00
Profit / (Loss) Transferred from :		11,716,952.00	(3,126,744.00)
Fire Revenue Account		1,913,380.00	(888,071.00)
Marine Revenue Account		6,711,731.00	(478,022.00)
Motor Revenue Account		2,602,801.00	(1,330,510.00)
Miscellaneous Revenue Account		489,040.00	(430,141.00)
Miscellaneous Income		5,582.00	1,150.00
		<u>17,840,996.00</u>	<u>3,061,741.00</u>

FOR THE YEAR ENDED 31 DECEMBER, 2003

PARTICULARS	2003 Taka	2002 Taka
Balance brought forward from Previous year	(6,246,801.00)	(6,839,550.00)
Net Profit for the year transferred from Profit & Loss Account	14,369,211.00	592,749.00
	<u>8,122,410.00</u>	<u>(6,246,801.00)</u>

The accompanying notes are an integral part of this financial statement.


Md. Anwarul Haque
Chairman


(A. WAHAB & CO.)
Chartered Accountants

FIRE INSURANCE REVENUE ACCOUNT FOR

PARTICULARS	2003 Taka	2002 Taka
Claims Under Policies Less Re-insurance Paid during the year	972,979.00	219,733.00
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	283,750.00	62,896.00
	1,256,729.00	282,629.00
Less : Outstanding at the end of previous year	62,896.00	82,606.00
	1,193,833.00	200,023.00
Agency Commission	3,780.00	608,864.00
Commission on re-insurance accepted	-	-
Expenses of management	8,480,092.00	9,542,237.00
Reserve for unexpired risks being 40% of the net premium income of the year	3,723,928.00	3,028,200.00
Profit/(Loss) transferred to profit and loss account	1,913,380.00	(888,071.00)
	<u>15,315,013.00</u>	<u>12,491,253.00</u>


M. Aftabuddin Shah
Managing Director


Sayed Badrul Alam
Director



Md. Shah Alam
Director

Dated : Dhaka, April 10, 2004

THE YEAR ENDED 31 DECEMBER 2003

PARTICULARS	2003 Taka	2002 Taka
Balance of account at the beginning of the year	3,028,200.00	2,160,300.00
Premium less re-insurance	9,309,819.00	7,570,711.00
Commission on re-insurance ceded	2,976,994.00	2,760,242.00
	<u>15,315,013.00</u>	<u>12,491,253.00</u>

The accompanying notes are an integral part of this financial statement.


Md. Anwarul Haque
Chairman


(A. WAHAB & CO.)
Chartered Accountants

MARINE INSURANCE REVENUE ACCOUNT FOR

PARTICULARS	2003 Taka	2002 Taka
Claims Under Policies Less Re-insurance		
Paid during the year	492,301.00	268,995.00
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	59,529.00	66,722.00
	551,830.00	335,717.00
Less : Outstanding at the end of previous year	66,722.00	669.00
	485,108.00	335,048.00
Agency Commission	424,263.00	673,461.00
Commission on reinsurance accepted	-	-
Expenses of management	14,059,736.00	6,242,766.00
Reserve for unexpired risks being 40% of the net premium income of the year	11,308,072.00	2,831,200.00
Profit/(Loss) transferred to profit and loss account	6,711,731.00	(478,022.00)
	<u>32,988,910.00</u>	<u>9,604,453.00</u>


M. Aftabuddin Shah
Managing Director


Sayed Badrul Alam
Director



Md. Shah Alam
Director

Dated : Dhaka, April 10, 2004

THE YEAR ENDED 31 DECEMBER 2003

PARTICULARS	2003 Taka	2002 Taka
Balance of account at the beginning of the year	2,831,200.00	1,449,000.00
Premium less re-insurance	28,270,181.00	7,078,183.00
Commission on re-insurance ceded	1,887,529.00	1,077,270
	<u>32,988,910.00</u>	<u>9,604,453.00</u>

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Chairman


(A. WAHAB & CO.)
Chartered Accountants

MOTOR INSURANCE REVENUE ACCOUNT FOR

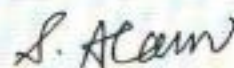
PARTICULARS	2003 Taka	2002 Taka
Claims Under Policies Less Re-insurance Paid during the year	2,751,001.00	917,062.00
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	222,372.00	622,988.00
	2,973,373.00	1,540,050.00
Less : Outstanding at the end of previous year	622,988.00	104,221.00
	2,350,385.00	1,435,829.00
Agency Commission	-	685,585.00
Commission on re-insurance accepted	-	-
Expenses of management	4,089,046.00	5,729,578.00
Reserve for unexpired risks being 40% of the net premium income of the year	3,545,206.00	3,396,800.00
Profit/(Loss) transferred to profit and loss account	2,602,801.00	(1,330,510.00)
	<u>12,587,438.00</u>	<u>9,917,282.00</u>



M. Aftabuddin Shah
Managing Director



Sayed Badrul Alam
Director



Md. Shah Alam
Director

Dated : Dhaka, April 10, 2004

THE YEAR ENDED 31 DECEMBER 2003

PARTICULARS	2003 Taka	2002 Taka
Balance of account at the beginning of the year	3,396,800.00	1,383,300.00
Premium less re-insurance	8,863,015.00	8,492,142.00
Commission on re-insurance ceded	327,623.00	41,840.00

<u>12,587,438.00</u>	<u>9,917,282.00</u>
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The accompanying notes are an integral part of this financial statement.


Md. Anwarul Haque
Chairman


(A. WAHAB & CO.)
Chartered Accountants

MISCELLANEOUS INSURANCE REVENUE ACCOUNT

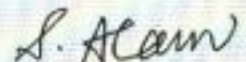
PARTICULARS	2003 Taka	2002 Taka
Claims Under Policies Less Re-insurance Paid during the year	80,208.00	120,632.00
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	-	-
	80,208.00	120,632.00
Less : Outstanding at the end of previous year	-	-
	80,208.00	120,632.00
Agency Commission	37,330.00	127,273.00
Commission on re-insurance accepted	-	-
Expenses of management	1,549,204.00	1,705,555.00
Reserve for unexpired risks being 40% of the net premium income of the year	689,436.00	575,900.00
Profit/(Loss) transferred to profit and loss account	489,040.00	(430,141.00)
	<u>2,845,218.00</u>	<u>2,099,219.00</u>



M. Aftabuddin Shah
Managing Director



Sayed Badrul Alam
Director




Md. Shah Alam
Director

Dated : Dhaka, April 10, 2004

FOR THE YEAR ENDED 31 DECEMBER 2003

PARTICULARS	2003 Taka	2002 Taka
Balance of account at the beginning of the year	575,900.00	233,400.00
Premium less re-insurance	1,723,590.00	1,439,755.00
Commission on re-insurance ceded	545,728.00	426,064.00
	<u>2,845,218.00</u>	<u>2,099,219.00</u>

The accompanying notes are an integral part of this financial statement.


Md. Anwarul Haque
Chairman


(A. WAHAB & CO.)
Chartered Accountants


CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2003

A. Cash Flow from Operating Activities:	Taka 2003	Taka 2002
Net profit after provision for Income tax	12,819,211	592,749
Adjustment to reconcile net profit to net cash provided by Operating Activities :		
Depreciation	1,142,871	1,069,301
Increase / (Decrease) in Reserve for Unexpired Risks	9,434,542	4,606,100
Increase / (Decrease) in Stock of Printing	(12,500)	(11,085)
Increase / (Decrease) in Stock of Stamp in hand	491,665	(485,693)
Increase / (Decrease) in Sundry Debtors	(25,138,675)	(3,421,289)
Increase / (Decrease) in Interest, Dividend & Rent outstanding	1,487,151	(1,130,882)
Increase / (Decrease) in amount due from other persons or bodies carrying on Insurance Business.	1,204,052	(2,312,873)
Increase / (Decrease) in Sundry Creditors	7,559,501	3,823,572
Increase / (Decrease) in Estimated Liability in respect of Outstanding Claims whether due or intimated	(186,954)	565,109
Increase / (Decrease) in amount due to other persons or bodies carrying on Insurance Business.	1,885,015	3,587,685
Increase / (Decrease) in Premium Deposit	(3,350,320)	11,541,720
Net Cash Flow From Operating Activities	7,335,559	18,424,414
B. Cash Flow from Investing Activities :		
Increase / Decrease of Fixed Deposit	(4,708,550)	(2,575,000)
Purchase of Fixed Assets	(1,576,397)	(4,795,611)
National Investment Bond		
Net Cash Flow from Investing Activities	(6,284,947)	(7,370,611)
C. Net Cash Flow from Financing Activities		
Increase (Decrease) in Cash and Bank Balance (A+B+C)	1,050,612	11,053,803
Opening Cash and Bank Balance	16,495,950	5,442,147
Closing Cash and Bank Balance	17,546,562	16,495,950

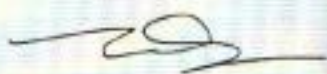
The accompanying Notes are an integral part of this financial statement.

Note : The Cash Flow statement has been prepared using indirect method.

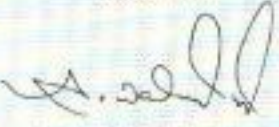

M. Aftabuddin Shah
Managing Director


Sayed Badrul Alam
Director


Md. Shah Alam
Director


Md. Anwarul Haque
Chairman

Dated : Dhaka, April 10, 2004


(A. WAHAB & CO.)
Chartered Accountants

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER, 2003

GENERAL

a) Significant accounting policies and other relevant information

- i) The company is a Public Limited Company formed under the Companies Act, 1994 and is engaged in general insurance business as per Insurance Act, 1938. It has adopted relevant International Accounting Standards as were adopted in Bangladesh under the title, Bangladesh Accounting Standards (BAS) particularly with regard to disclosure of accounting policies and relevant information in financial statements as well as accounting for property, plant & equipment and depreciation there on and the valuation of investments and other relevant matters.

ii) Basis of Accounting

The financial statements have been prepared on a going concern basis under generally accepted accounting principles on historical cost convention.

iii) Basis of Presentation

The Balance Sheet has been prepared in accordance with the regulations as contained in Part-I of the First Schedule and the Revenue Account of each class of general insurance business has been prepared in accordance with the regulations as contained in Part-I of the Third Schedule and as per form 'F' set forth in Part-II of Third Schedule of the Insurance Act, 1938 as amended from time to time.

iv) Premium Income

The total amount of premium earned on various classes of insurance business underwritten during the year, the gross amount of premium earned against various policies, the amount of re-insurance premium due to Sadharan Bima Corporation, the amount of re-insurance commission earned and the amount of claims less re-insurance settled during the year have all been duly accounted for in the books of account of the company and while preparing the final statements of accounts, the effect of re-insurance accepted and re-insurance ceded as well as the effect of total estimated liabilities in respect of outstanding claims at the end of the year, whether due or intimated have also been duly reflected in order to arrive at the net underwriting profit for the year.

v) Interest on Statutory and other Investments

Interest earned on statutory investment lying with Bangladesh Bank in the form of NIBs as renewed has been accrued and accounted for. Accordingly Tk. 748,232 has duly been credited to the profit and loss account of the company. Interests on other investments in the form of STD and FDR have been credited to profit & loss account after deduction of tax at source on such income.

vi) Management Expenses

Management expenses as charged to Revenue Accounts, amounting to Tk. 28,178,078 represents approximately 36.26% of gross premium of Tk. 77,700,955. Management expenses have been apportioned @ 30.10% to Fire, 49.90% to Marine, 14.51% to Motor and 5.49% to Miscellaneous business as per management decision.

vii) Surplus of Revenue Account & Provision for Unexpired Risks

Before arriving at the surplus of each class of business, necessary provision for unexpired risks have been created at the rate of 40% on all business except on Marine Hull business.

viii) Depreciation on Fixed Assets

Depreciation on Fixed Assets has been charged on cost from the date of procurement. Depreciation has been charged on diminishing balance method on the cost of individual assets at the following rates :

<u>Category of Assets</u>	<u>Rate of Depreciation</u>
Furniture & Fixture	10%
Telephone Set	10%
Air Conditioner	20%
Office Decoration	20%
Office Equipment	15%
Sign Board	10%
Motor Vehicles	20%
Electrical Installation	20%
Computer	20%

b) Operation

During the year under audit, through the operation of 15 Branches (including Head Office) the gross premium income earned by the company amount to Tk. 77,700,955 including public sector business of Tk. 14,597,616. After ceding for re-insurance premium the net premium for the year amounted to Tk. 48,166,605 and after charging direct expenses there from the net underwriting profit/(loss) stood at Tk. 11,716,952.

c) Public Sector Business

Public Sector Business for four quarters up to June 2003 has been accounted for on the basis of statement received from SBC.

d) Income Tax

- i) Income Tax has been deducted at source respectively in the amounts of Tk. 918,000 and Tk. 539,414.00 from encased National Investment Bond and FDR and STD Interest.
- ii) Income Tax provision has been made in the amount of Tk. 1,550,000 in view of company's accumulated loss over the years, which however is not adequate considering net profit of the company during the year under audit.
- iii) Income Tax Assessment of the company has been completed upto assessment year 2002-2003 (Accounting year 31-12-2001).

e) Agency Commission and Profitability

As per order of the controller of insurance (dated February 10, 2002), payment of agency commission for procurement of Insurance business has been fully withdrawn as of March 01, 2002

Accordingly no new agency commission (other than adjustment of advance and provision of commission paid earlier) has been paid by the company, during the year under audit. This has affected significantly the net results of the company's financial activities and boosted net profit of the company.

f) Others

- i) The margin of security of investments over liabilities of the company has been maintained as appeared from the Balance Sheet.
- ii) Figures have been rounded off to the nearest Taka.

BALANCE SHEET

1.00 National Investment Bond : Tk. 9,000,000

The amount represents 3 years National investment Bond @ 8.5% simple interest which is statutory deposit under Insurance Act, 1938. The amount has been renewed during the year and an interest of Tk. 13,77,000 net of Income Tax of Tk. 9,18,000 have been received from encashment of last year's balance.

2.00 Interest, Dividend and Rents Outstanding : Tk. 2,179,083

The balance is made up as under.

Particulars	2003 Taka	2002 Taka
Interest on NIB	507,205	2,053,973
Interest on FDR	1,671,878	1,612,261
	2,179,083	3,666,234

3.00 Amount due from other persons or bodies carrying on insurance business : Tk.1,108,821

The make up of the balance is given below :

Particulars	2003 Taka	2002 Taka
Fire	550,837	449,167
Marine	536,977	1,775,505
Motor	21,007	88,201
	1,108,821	2,312,873

4.00 Sundry Debtors : Tk. 40,532,525

The balance is made up as under :

Particulars	2003 Taka	2002 Taka
I.T. deducted on Bank & FDR Interest	2,604,482	1,157,389
Advance for office Decoration	369,150	150,000
Advance against Office Rent	1,060,508	804,976
Advance for Car	-	29,170
Deposit Clearing	8,914,368	5,045,606
Security Deposit for Fuel	20,000	20,000
Security Deposit For Telephone	79,400	70,400
Advance against Agency Commission	-	449,612
Advance against lease account	401,191	401,191
Short deposit premium	23,878,461	5,758,656
Advance against Printing	70,000	-
Advance against Salary	104,900	41,900
Advance against Car on Hire Purchase	1,630,900	1,428,800
Advance against Mobile	10,900	36,150
Advance against Service Charge	62,497	-
Advance against VAT Payment	1,325,766	-
	40,532,525	15,393,850

4.01 Deposit clearing refers to cheques received on or before December 31, 2003 but deposited to bank subsequently.

5.00 **Fixed deposit with Banks : 56,758,550**
The balance has been arrived at as under :

Name of the Bank	2003 Taka	2002 Taka
Prime Bank Ltd.	2,500,000	2,500,000
Dhaka Bank Ltd.	1,500,000	1,500,000
Bank Asia Ltd.	1,700,000	1,600,000
Bangladesh Shilpa Bank	2,000,000	2,000,000
IFIC Bank Ltd.	2,750,000	2,350,000
Mercantile Bank Ltd.	4,400,000	3,700,000
EXIM Bank Ltd.	5,100,000	5,100,000
Mutual Trust Bank Ltd.	1,500,000	1,500,000
Standard Bank Ltd.	3,000,000	3,000,000
Bangladesh Krishi Bank	1,000,000	1,000,000
National Bank Ltd.	2,800,000	2,500,000
Arab Bangladesh Bank Ltd.	2,800,000	2,600,000
Premier Bank Ltd.	1,800,000	1,800,000
First Security Bank Ltd.	3,900,000	3,700,000
Social Investment Bank Ltd.	1,400,000	1,300,000
United Commercial Bank Ltd.	1,000,000	1,000,000
Southeast Bank Ltd.	2,100,000	2,000,000
The City Bank Ltd.	2,000,000	2,000,000
BASIC Bank Ltd.	2,000,000	2,000,000
NCC Bank Ltd.	2,300,000	1,600,000
Islami Bank (BD) Ltd.	2,000,000	2,000,000
Jamuna Bank Ltd.	1,800,000	1,700,000
Uttara Bank Ltd.	450,000	250,000
Bangladesh Commerce Bank Ltd.	750,000	550,000
Rajshahi Krishi Unnayan Bank	100,000	300,000
One Bank Ltd.	500,000	500,000
Eastern Bank Ltd.	108,550	100,000
Dutch Bangla Bank Ltd.	250,000	250,000
Shahjalal Bank Ltd.	250,000	250,000
Pubali Bank Ltd.	500,000	500,000
The Oriental Bank Ltd.	800,000	200,000
BRAC Bank Ltd.	200,000	200,000
Al-Arafah Islami Bank Ltd.	700,000	500,000
State Bank of India	300,000	-
Midas Financing (BD) Ltd.	500,000	-
	56,758,550	52,050,000

Out of the above balance Tk. 8,400,000 and Tk. 3,700,000 have been put under Lien with Standard Bank Ltd. and First Security Bank Ltd. respectively for SOD Loan.

- 6.00 **Cash at Bank : Tk. 3,975, 106**
The balance is made up as follows:

Particulars	2003 Taka	2002 Taka
STD, SND & SB A/C	3,955,552	2,483,498
Current Account	19,554	10,685
	3,975,106	2,494,183

The above balance have been confirmed with the respective bank statement and reconciliation statements as applicable.

- 7.00 **Cash in hand : Tk. 13,571,456**
The balance has been arrived at as under :

Particulars	2003 Taka	2002 Taka
Head Office	7,741,088	7,475,421
Babu Bazar Branch	637,097	829,249
Agrabad Branch	219,482	310,566
Motijheel Branch	689,892	896,993
B.B. Avenue Branch	750,767	866,382
Mirpur Branch	1,056,661	1,075,506
Pabna Branch	98,453	333,261
Dilkusha Branch	938,346	878,133
VIP Road Branch	901,857	989,177
Paltan Branch	162,131	125,570
Karwan Bazar Branch	57,248	57,248
Eskaton Branch	146,349	164,261
Local Office	158,572	-
Tongi Branch	10,429	-
Naogaon Branch	2,356	-
Gulshan Branch	728	-
	13,571,456	14,001,767

The management has furnished certificate confirming the position.

- 8.00 **Issued, Subscribed and Paid up Capital Tk. 60,000,000**
The balance represents 600,000 ordinary shares of Tk. 100 each fully paid up in cash.

- 9.00 **Premium Deposit : Tk. 20,470,029**
The amount represents the adjusted balance of premium as received against Cover Notes over the year for which policies have not been issued within December 31, 2003.

- 10.00 **Estimated Liabilities in respect of outstanding Claims whether due or intimated : Tk. 565,651**
The break-up of the amount is noted below :

Particulars	2003 Taka	2002 Taka
Fire	283,750	62,896
Marine	59,529	66,722
Motor	222,372	622,987
	565,651	752,605

- 11.00 **Amount due to other persons or bodies carrying on Insurance Business : Tk. 8,290,853**
The above balance is due to SBC. The break-up of the amount is given below :

Particulars	2003 Taka	2002 Taka
Opening Balance	6,405,838	2,818,153
Add: Due to SBC for Re-insurance Net	5,313,583	6,963,607
	11,719,421	9,781,760
Less: Amount Received against PSB Net	1,928,568	2,875,922
	9,790,853	6,905,838
Less: Cash Paid during the year	1,500,000	500,000
	8,290,853	6,405,838

- 12.00 **Sundry Creditors : Tk. 17,794,981**
The balance is made-up as follows :

Particulars		2003 Taka	2002 Taka
Provision for Office Rent		904,600	904,600
Provision for Audit Fee		20,000	15,000
Lease Finance by Exim Bank		29,900	29,900
Vat Deducted at Source		6,644	66,558
Excess Premium Deposit		2,045,867	1,274,215
Salary Income Tax Payable		98,400	(2,700)
Provision for Agency Commission		755,331	755,331
Vendors Account		235,000	520,000
VAT Payable		-	523,810
Income Tax Deduction (Office Rent)		23,600	17,374
SOD Balance	12.01	10,915,905	3,876,037
Payable to S.B.C (Outstanding Claims SBC Share)	12.02	555,672	1,759,724
Misc. Deposit (Open)		574,105	408,212
I.T. Deduction at Source		74,957	87,419
GIL Foundation		5,000	-
Provision for Income Tax		1,550,000	-
		17,794,981	10,235,480

- 12.01 **SOD Balance : Tk. 10,915,905**
This is made up as follows :

Standard Bank Ltd. A/c. No. 010238000654	8,113,790	1,448,475
First Security Bank Ltd., A/c. No. 75201405	2,802,115	2,427,562
	10,915,905	3,876,037

The above balance has been confirmed with bank and reconciliation statement.

- 12.02 This refers to SBS portion of outstanding claims of the Company.

- 13.00 **Proposed dividend : Tk. 6,000,000**

The Board of directors have recommended for payment of Dividend @ 10% on paid up capital of Taka 60,000,000 out of surplus available as of the end of the year 2003, which is subject to the approval of the shareholders in the Annual General Meeting.

14.00 REVENUE ACCOUNTS :

The summarized position of net underwriting profit earned during the year 2003 is as follows:

PARTICULARS	FIRE	MARINE	MOTOR	MISCELLANEOUS	TOTAL
A. Gross Premium (Including SBC & Govt. Business)	21,394,141	36,793,331	10,206,285	9,307,198	77,700,955
B. Re-Insurance Premium ceded	12,084,322	8,523,150	1,343,270	7,583,608	29,534,350
C. Net Premium (A-B)	9,309,819	28,270,181	8,863,015	1,723,590	48,166,605
DIRECT EXPENSES :					
D. Commission (Net)	(2,973,214)	(1,463,266)	(327,623)	(508,398)	(5,272,501)
E. Claim Settled and Provided (Net)	1,193,833	485,108	2,350,385	80,208	4,109,534
F. Management Expenses	8,480,092	14,059,736	4,089,046	1,549,204	28,178,078
G. Total Direct Expenses (D+E+F)	6,700,711	13,081,578	6,111,808	1,121,014	27,015,111
H. Adjusted Fund Balance for unexpired risk (opening balance less closing balance)	(695,728)	(8,476,872)	(148,406)	(113,536)	(9,434,542)
Net Underwriting Profit [C- (G+H)]	1,913,380	6,711,731	2,602,801	489,040	11,716,952
COMMISSION (NET)					
Commission paid on Direct Business	3,780	424,263	-	37,330	465,373
Commission paid on Re-Insurance Accepted	-	-	-	-	-
	3,780	424,263	-	37,330	465,373
Less : Commission earned on Re-Insurance ceded	2,976,994	1,887,529	327,623	545,728	5,737,874
Net Commission	(2,973,214)	(1,463,266)	(327,623)	(508,398)	(5,272,501)
CLAIMS SETTLED (NET)					
Gross Claim	7,370,781	1,841,315	2,751,001	105,311	12,068,408
Less : Re-Insurance Claim Recovery	6,397,802	1,349,014	-	25,103	7,771,919
Paid during the year	972,979	492,301	2,751,001	80,208	4,296,489
Add: Outstanding Claim at the end of the year whether due or intimate	283,750	59,529	222,372	-	565,651
	1,256,729	551,830	2,973,373	80,208	4,862,140
Less : Outstanding claim at the end of the previous year	62,896	66,722	622,988	-	752,606
Net Amount	1,193,833	485,108	2,350,385	80,208	4,109,534

Management Expenses : Tk. 28,178,078

The expenses have been charged to Revenue Accounts on product basis of Gross Premium earned or direct business as under:

Revenue Accounts	Percentage	Amount
Fire	30.10	8,480,092
Marine	49.90	14,059,736
Motor	14.51	4,089,046
Miscellaneous	5.49	1,549,204
	100.00	28,178,078