

Auditors' Report

To The Shareholders of Global Insurance Limited

We have audited the accompanying balance sheet of the Global Insurance Limited as of December 31, 2009 and the related revenue accounts as well as profit and loss account, profit and loss appropriation account, statement of cash flows, statement of changes in shareholders' equity and the explanatory notes to the financial statements 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.

Except as discussed in the following paragraph, we conducted our audit in accordance with Bangladesh Standards on 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 misstatements. 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 the management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

We report that:

No provision has been made against unrealizable amount of Deposit Clearing of Tk. 19,925,451 and Short Deposit Premium account of Tk. 19,990,486 under Sundry Debtors account.

In our opinion, except for the effect on financial statements of the matter referred to in the preceding paragraph, 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, 2009 and of the results of its operations and its cash flows for the year then ended and comply with the applicable sections of the Companies Act, 1994; the Insurance Rules, 1958; the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

Without qualifying our opinion, we draw attention to the fact of Provision for Income Taxes. The company is the defendant in payment of tax liability for the previous assessment years. The company also filed appeal to the Tribunal and High Court. The ultimate outcome of the matter cannot presently be determined, and no provision for any liability that may result has been made in the financial statements.

Subject to the above, 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 purposes of our audit and made due verification thereof ;
- b) in our opinion, proper books of account as required by the law have been kept by the company so far as it appeared from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us ;
- c) the Company's balance sheet, profit & loss account and it's cash flows dealt with by the report are in agreement with the books of account and returns ;
- d) the expenditure incurred was for the purpose of the company's business ;
- e) as per section 40-C(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 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 audit have been duly debited to the related Revenue Accounts and Profit and Loss Account of the company ; and
- f) 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 information and as shown by its books, during the year under audit the company has not paid any person any commission in any form outside Bangladesh in respect of any of its business reinsured abroad.

Dated : Dhaka
April 28, 2010


Rahman Mostafa Alam & Co
Chartered Accountants

Balance Sheet

As at December 31, 2009

Capital & Liabilities	Notes	2009 Taka	2008 Taka
Share Capital			
Authorised Capital			
3,000,000 ordinary shares of Tk. 100 each		300,000,000	300,000,000
Issued, subscribed & paid up Capital			
1,650,000 ordinary shares of Tk. 100 each	12	165,000,000	150,000,000
Reserve or Contingency Accounts			
Reserve for exceptional Losses		52,001,106	42,241,907
General reserve		28,135,412	23,135,412
Retained Earnings	13	4,000,000	4,000,000
		19,865,694	15,106,495
Balances of Funds and Accounts		40,949,672	42,652,443
Fire		11,580,946	11,536,051
Marine (Cargo)		14,742,659	18,410,885
Marine (Hull)		117,068	99,437
Motor		13,340,004	11,069,350
Miscellaneous		1,168,995	1,536,720
Premium Deposit	14	2,474,210	1,271,000
Bank Overdraft	15	46,539,524	13,926,669
Liabilities and Provisions		75,312,474	106,521,805
Estimated Liability in Respect of Outstanding claims, whether due or Intimated	16	12,357,584	17,115,826
Amounts due to other Persons or Bodies carrying on Insurance Business	17	1,936,003	38,633,226
Sundry Creditors	18	12,505,969	8,746,475
Provision for Income Tax		44,012,918	39,526,278
Deferred Tax		4,500,000	2,500,000
		382,276,986	356,613,824

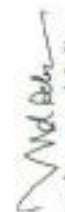
The annexed notes 1 to 37 form an integral part of these Financial Statements.



A.B.M. Nurul Haq
Managing Director

Signed in terms of our separate report of even date.

Dated : Dhaka, April 28, 2010



Muhammad Selim
Director



S.M. Sarwar Alam
Director

Property & Assets	Notes	2009 Taka	2008 Taka
National Investment Bond (NIB)	3	9,000,000	9,000,000
Investments in Shares	4	21,224,480	27,211,780
Interest, Dividend & Rent Receivable	5	23,680,316	23,675,467
Amounts due from other Persons or Bodies carrying on insurance business	6	7,919,506	2,402,825
Sundry Debtors (including advances, deposits and prepayments)	7	120,908,795	107,442,516
Advance Against Floor Purchase	8	48,485,000	26,875,000
Cash and Bank Balances	9	140,553,253	151,568,594
Cash in Hand		12,079,928	13,385,492
Balance with Banks		9,394,345	7,040,352
FDR with Banks		119,078,980	131,142,750
Other Accounts		10,505,636	8,437,642
Fixed Assets (at cost less accum. Depreciation)	10	8,593,450	6,025,070
Deferred Expenses (IPO)	11	991,006	1,982,011
Stock of Stationery		511,450	169,245
Stamp in Hand		409,730	261,316
		382,276,986	356,613,824



M. Amanullah
Chairman



Rahman Mostafa Alam & Co.
Chartered Accountants

Profit and Loss Account

For the year ended December 31, 2009

Particulars	Notes	2009 Taka	2008 Taka
Expenses of Management (not Applicable to any particular Fund or Account)		11,687,218	7,113,321
Advertisement & Publicity		512,320	393,687
Share Issue Expenses		991,005	991,005
Donation & Subscription		170,300	278,000
Audit Fees		90,000	90,000
Legal & Professional Fees		433,000	114,700
Depreciation		1,832,807	1,200,614
Interest on Loan		4,210,910	1,266,447
Registration Fees		567,967	642,490
Directors Fee	21	767,000	296,700
Lease Rental		1,337,760	1,337,760
AGM Expenses		774,129	501,918
Balance for the period carried to Profit & Loss Appropriation Account		31,245,839	27,567,717
		<u>42,933,057</u>	<u>34,681,058</u>

Balance for the period carried to Profit & Loss Appropriation Account

Profit and Loss Appropriation Account

For the year ended December 31, 2009

General Reserve		-	-
Provision for Income Tax	25	4,486,640	12,161,284
Reserve for Exceptional Losses		5,000,000	500,000
Deferred Tax		2,000,000	-
Balance transferred to the Balance Sheet		19,865,694	15,106,495
		<u>31,352,334</u>	<u>27,767,779</u>

Earning per Share

24

12.04

9.34

The annexed notes 1 to 37 form an integral part of these Financial Statements.



A.B.M. Nurul Haq
Managing Director



Mohammad Selim
Director

Signed in terms of our separate report of even date.

Dated : Dhaka, April 28, 2010



S.M. Sarwar Alam
Director



M. Amanullah
Chairman

Rahman Mostafa Alam & Co.
Chartered Accountants

Particulars	Notes	2009 Taka	2008 Taka
Interest, Dividend and Rents (not Applicable to any particular Fund or Account)	22	15,074,198	16,458,745
Dividend Income		199,911	76,790
Miscellaneous Income		-	32,379
Profit / (Loss) on Sale of Share		15,583,203	(2,002,402)
Profit/(loss) transferred from :		12,075,745	20,115,546
Fire Insurance Revenue Account		(1,303,944)	(6,683,278)
Marine Insurance Revenue Account		8,196,919	21,968,840
Misc Insurance Revenue Account		5,182,770	4,829,984
		<u>42,933,057</u>	<u>34,681,058</u>

42,933,057

Balance brought forward from last year
Net profit for the year brought down

13.01

106,495
31,245,839

200,042
27,567,737

31,352,334

27,767,779

Consolidated Revenue Account

For the year ended December 31, 2009

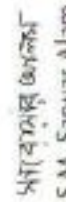
Particulars	Notes	2009 Taka	2008 Taka	Particulars	Notes	2009 Taka	2008 Taka
Claims under policies less Re-insurances Paid during the year		14,833,980	19,409,437	Balance of account at the beginning of the year		42,652,443	24,938,612
Add : total estimated liability in respect of outstanding claims at the end of the period whether due or intimated		19,592,222	21,742,621	Premium less Re-insurances	19	102,198,578	106,481,952
Less: Claims outstanding at the end of the previous year		12,357,584	17,115,826	Commission on Re-insurances		13,807,408	12,375,171
Expenses of Management	20	31,949,806	38,858,447				
Agent Commission		17,115,826	19,449,010				
Profit transferred to profit & loss account		49,947,504	37,886,437				
Balance of account at the end of the period as shown in the balance sheet:		40,851,528	23,731,873				
Reserve for unexpired risks being 100% for Marine Hull & 40% for other net premium income of the year		12,075,745	20,115,545				
		40,949,672	42,652,443				
		<u>158,658,429</u>	<u>143,795,735</u>			<u>158,658,429</u>	<u>143,795,735</u>

The annexed notes 1 to 37 form an integral part of these Financial Statements.


A.B.M. Nurul Haq
Managing Director

Signed in terms of our separate report of even date.
Dated : Dhaka, April 28, 2010


Mohammad Selim
Director


S.M. Sarwar Alam
Director


M. Amanullah
Chairman

Rahman Mostafa Alam & Co.
Chartered Accountants

Fire Insurance Revenue Account

For the year ended December 31, 2009


Particulars	Notes	2009 Taka	2008 Taka
Claims under policies less Re-insurances Paid during the year		5,360,781	13,445,553
Add: total estimated liability in respect of outstanding claims at the end of the period whether due or intimated		10,255,858	14,898,982
		1,859,896	6,754,973
Less: Claims outstanding at the end of the previous year		12,115,754	21,653,955
Agent Commission		6,754,973	8,208,402
Expenses of management	20	15,952,737	8,827,222
Profit transferred to profit & loss account		18,520,110	13,211,477
Balance of account at the end of the period as shown in the balance sheet:		11,303,944	(6,683,278)
Reserve for unexpired risks being 40% of net premium income of the year		11,580,946	11,536,051
		<u>50,110,630</u>	<u>40,337,025</u>


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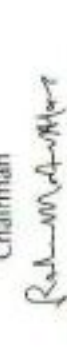

A.B.M. Nurul Haq
Managing Director

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Dated : Dhaka, April 28, 2010


Mohammad Selim
Director


S.M. Sarwar Alam
Director


M. Amanullah
Chairman


Rahman Mostafa Alam & Co.
Chartered Accountants

Marine Insurance Revenue Account


For the year ended December 31, 2009

Particulars	Notes	2009 Taka	2008 Taka
Claims under policies less Re-insurances Paid during the year		2,428,462	(815,907)
Add: total estimated liability in respect of outstanding claims at the end of the period whether due or intimated		1,200,827	1,652,434
Less: Claims outstanding at the end of the previous year		4,075,657	2,848,022
		5,276,484	4,500,456
		2,848,022	5,316,363
Agent Commission		15,214,527	8,183,832
Expenses of management	20	17,386,297	12,825,040
Profit transferred to profit & loss account		8,196,919	21,968,840
Balance of account at the end of the period as shown in the balance sheet:			
Reserve for unexpired risks being 40% of net premium income on marine cargo and 100% of net premium income on marine hull of the year:			
		14,859,727	18,510,322
		14,742,659	18,410,885
		117,068	99,437
		<u>58,085,932</u>	<u>60,672,127</u>

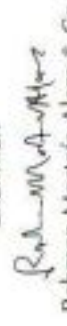
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A.B.M. Nurul Haq
Managing Director

Signed in terms of our separate report of even date.
Dated : Dhaka, April 28, 2010


S.M. Sarwar Alam
Director


M. Amanullah
Chairman


Rahman Mostafa Alam & Co.
Chartered Accountants

Miscellaneous Insurance Revenue Account


For the year ended December 31, 2009

Particulars	Notes	Amount in Taka		2008
		2009	Misc	Total
Claims under policies less Re-insurances		6,735,861	308,876	7,044,737
Paid during the year		7,903,584	231,953	8,135,537
Add: Total estimated liability in respect of outstanding claims at the end of the period whether due or intimated				5,191,205
Less: Claims outstanding at the end of the previous year		6,345,108	76,923	6,422,031
Agent Commission		14,248,692	308,876	14,557,568
Expenses of management	20	7,512,831	-	7,512,831
Profit/loss transferred to profit & loss account		7,992,827	1,691,437	9,684,264
Balance of account at the end of the period as shown in the balance sheet:		10,502,816	3,538,281	14,041,097
Reserve for unexpired risks being:		6,593,006	(1,410,236)	5,182,770
40% of net premium income of the year		13,340,004	1,168,995	14,508,999
		<u>45,164,514</u>	<u>5,297,353</u>	<u>50,461,867</u>
				<u>42,786,583</u>

The annexed notes 1 to 37 form an integral part of these Financial Statements.


A.B.M. Nurul Haq
Managing Director

Signed in terms of our separate report of even date.
Dated : Dhaka, April 28, 2010


S.M. Sarwar Alam
Director


M. Amanullah
Chairman

Rahman Mostafa Alam & Co.
Chartered Accountants

45,164,514 5,297,353 50,461,867 42,786,583

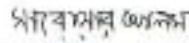
Statement of Cash Flows

For the year ended December 31, 2009

Particulars	2009 Taka	2008 Taka
A Cash flow from operating activities:		
Premium Collection & other Receipts	188,390,750	156,169,761
Payments of Magt. Exp., Commission, Ri-Ins & Claim	(216,496,260)	(116,337,822)
Interest on Short term Loan	(4,210,910)	(1,266,447)
Income tax paid and deducted at source	(5,869,838)	(5,819,569)
Net Cash outflow from operation activities	(38,186,258)	32,745,923
B Cash flow from investing activities:		
Acquisition of fixed assets	(4,401,186)	(1,799,759)
Sales of Share	24,370,934	50,747,959
Advance against floor purchase	(21,610,000)	(26,875,000)
Investment in Share	(910,829)	(48,918,324)
Net Cash outflow from Investing activities	(2,551,081)	(26,845,124)
C Cash flow from financing activities:		
Dividend Paid	(2,890,857)	(5,685,250)
Overdraft	32,612,855	-
Net Cash inflow from Financing activities	29,721,998	(5,685,250)
D Net Cash outflow for the year : (A+B+C)	(11,015,341)	215,549
E Opening cash and bank balances	151,568,594	151,353,045
F Closing cash and bank balances : (D+E)	140,553,253	151,568,594


A.B.M. Nurul Haq
Managing Director


Mohammad Selim
Director


S M Sarwar Alam
V. Chairman


M Amanullah
Chairman

Statement of changes in Shareholders' Equity


For the year ended December 31, 2009

Particulars	Share Capital	Reserve for Exceptional Loss	General Reserve	Retained Earnings	Total
Balance as on 01.01.2008	150,000,000	22,635,412	4,000,000	10,700,042	187,335,454
Cash Dividend Paid for 2007				(10,500,000)	(10,500,000)
Net Profit during the year				27,567,737	27,567,737
Reserve for Exceptional Loss		500,000		(500,000)	-
Provision for Income Tax				(12,161,284)	(12,161,284)
Balance as on 31.12.2008	150,000,000	23,135,412	4,000,000	15,106,495	192,241,907
Balance as on 01.01.2009	150,000,000	23,135,412	4,000,000	15,106,495	192,241,907
Stock Dividend Paid for 2008	15,000,000			(15,000,000)	-
Net Profit during the year				31,245,839	31,245,839
Reserve for Exceptional Loss		5,000,000		(5,000,000)	-
Provision for Income Tax				(4,486,640)	(4,486,640)
Provision for Deferred Tax				(2,000,000)	(2,000,000)
Balance as on 31.12.2009	165,000,000	28,135,412	4,000,000	19,865,694	217,001,106

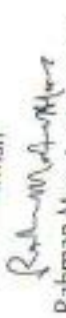

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Managing Director

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Mohammad Selim
Director


S.M. Sarwar Alam
Director


M. Ananullah
Chairman


Rahman Mostafa Alam & Co.
Chartered Accountants

Notes to the Accounts

For the year ended December 31, 2009

1. Legal Status :

Global Insurance Ltd. was incorporated as a Public Limited company on 23rd day of April, 2000 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.

2. Significant Accounting Policies :

2.01. Basis of Accounting :

- i) The financial statements are prepared on a going concern basis under generally accepted accounting principle on historical cost convention. These statements are also prepared in accordance with applicable Accounting Standards as adopted by the Institute of chartered Accountants of Bangladesh and where relevant with presentation requirements of the law.
- ii) The balance Sheet is prepared in accordance with the regulations contained in Part-I of the first Schedule and as per Form "A" as set forth in Part-II of that Schedule and the revenue account of each class of general insurance business is prepared in accordance with the regulation contained in Part-I of the Third Schedule and as per Form "F" set forth in Part-II of that Schedule of the Insurance Act, 1938. The classified summary of the assets is prepared in accordance with Form "AA" of Part-II of the First Schedule of the said Act.

2.02. Use of Estimate :

The preparation of financial statements in conformity with the Bangladesh Accounting Standards requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures at Balance Sheet date and of the revenues and expenses during the year.

2.03. Revenue Recognition :

- i) **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.
- ii) **Interest on Statutory and other Investments :** Interest earned on statutory investment lying with Bangladesh Bank in the form of NIBs as renewed are accounted for on accrual basis. Interests on other investments in the form of STD and FDR are credited to profit & loss account.
- iii) **Management Expenses :** Management expenses as charged to Revenue Accounts, represents approximately 29.04% of Gross premium. Management expenses have been apportioned @ 37.08% to Fire, 34.81% to Marine, 21.03% to Motor and 7.08% to Miscellaneous business as per management decision.
- iv) **Surplus of Revenue Account & Provision for Unexpired Risks :** Before arriving at the surplus of each class of business, necessary provision for unexpired risks are created at the rate of 40% on all business except on Marine Hull business in which case 100% to be provided.

2.04. Fixed Assets :

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

Category of Assets	Rate of Depreciation
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%
Generator	20%

2.05. Employees Benefits :

Since the present business is not at the expected level the company could not afford the employees benefit as per BAS-19. But the management is very much committed to introduce such benefit plans in coming years.

2.06. Operation :

During the year under audit, through the operation of 19 offices (including Head Office) the gross premium income earned by the company amount to Tk. 172,058,673 including public sector business of Tk. 22,758,180. After ceding for re-insurance premium the net premium for the year amounted to Tk. 102,198,578 and after charging direct expenses there from the net underwriting profit/(loss) stood at Tk. 12,047,458.

2.07. Public Sector Business:

Public Sector Business for four quarters up to June 2009 has been accounted for on the basis of statement received from SBC.

2.08. Income Tax:

- i) Income Tax provision has been made for business profit in the amount of Tk. 4,443,280.
- ii) Income Tax Assessment of the company has been completed up to assessment year 2009-2010 (Income year 2008) and the assessment for the year 2010-2011 is under process.

2.09. Reserve for Exceptional Loss :

As per provision of Income Tax Ordinance 1984 the company has made provision for reserve for exceptional loss in the amount of Tk. 50,00,000 on a lump sum basis.

2.10. Resumption of Agency Commission:

Restriction on payment of agency commission has been withdrawn by the Chief Controller of Insurance vide circular no. cOtextwb1-15/1/96-1203 dated July 26, 2005. As such the company has resumed payment of agency commission to the licensed insurance agents with effect from September 2005.

2.11. General :

- i) The margin of security of investments over liabilities of the company has been maintained as appeared from the Balance Sheet.
- ii) The reporting currency is Taka (Bangladeshi).
- iii) Figures have been rounded off to the nearest Taka.
- iv) Last year's figures have been rearranged wherever necessary to confirm current year's presentation.

	2009 Taka	2008 Taka
3. National Investment Bond (NIB) : Tk. 9,000,000	<u>9,000,000</u>	<u>9,000,000</u>
The amount represents 5 years National Investment Bond @ 10.14% simple interest which is a statutory deposit under Insurance Act, 1938.		
4. Investment in Shares : Tk. 21,224,480	<u>21,224,480</u>	<u>27,211,780</u>

The above balance is made up as follows:

Particulars	2009 Taka	2008 Taka
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Name of the Company	Balance of Shares	Cost price per share (W.A)	Total Cost	Market Price per share as on 31-12-09	Total Market price as on 31-12-09
Mercantile Bank Ltd.	4,700	288.59	1,356,371	395.00	1,856,500
ICB Islami Bank	699	1,620.13	1,132,468	1,002.25	700,573
Titas Gas	2,300	671.55	1,544,576	686.50	1,578,950
Shahjalal Bank Ltd.	2,000	380.10	760,200	382.50	765,000
AB Bank	200	944.40	188,879	1,176.50	235,300
Summit power	3,300	1,255.29	4,142,444	1,211.00	3,996,300
United Commercial Bank Ltd.	900	5,278.57	4,750,709	3,190.00	2,871,000
Bex. Pharma	25,000	100.00	2,500,000	155.80	3,895,000
SIBL	1,300	219.75	285,675	308.00	400,400
Meghna Petroleum	6,900	190.13	1,311,887	262.60	1,811,940
SP. Ceramics	10,000	89.67	896,700	78.40	784,000
Grameen Phone	8,200	174.56	1,431,372	187.50	1,537,500
Southeast Bank Ltd.	2,750	335.71	923,200	333.75	917,813
			<u>21,224,480</u>		<u>21,350,275</u>

Value of shares have been shown at cost. No provision for fall in market price has been made in view of the fact that the aggregate market value of the shares as on December 31, 2009 shows some surplus.

5. Interest, Dividend and Rent Receivable : Tk. 23,680,316

The balance is made up as follows:

Opening Balance	23,675,467	17,337,680
Add. New made	15,000,461	16,404,848
	<u>38,675,928</u>	<u>33,742,528</u>
Less. Received During the year	14,995,612	10,067,061
	<u>23,680,316</u>	<u>23,675,467</u>

Particulars	2009 Taka	2008 Taka
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6. Amount due from other persons or bodies carrying on insurance business : Tk. 7,919,506

The business wise break-up of the balance is given below:

Shadharan Bima Corporation	7,919,506	2,402,825
	<u>7,919,506</u>	<u>2,402,825</u>

7. Sundry Debtors : Tk. 120,908,795

The balance is made up as under:

Advance Income Tax	7.01	37,047,956	29,465,623
Advance against Office Rent		1,496,137	699,979
Deposit Clearing	7.02	19,925,451	26,812,274
Security Deposits		637,210	602,400
Short deposit premium	7.03	19,990,486	48,850,245
Advance against Office Decoration		-	81,142
Advance against Motorcycle		-	125,000
Advance against Salary		899,022	422,199
Advance against Car on Hire Purchase		581,250	122,999
Advance against Mobile		10,000	10,000
Advance against Service Charge		-	14,175
Advance Against Commission		4,815,747	-
Collection Control A/C		29,017,870	-
Advance against Sign Board		-	25,000
Advance against lease rental		111,480	111,480
Advance against Legal Fee		-	100,000
VAT Collection Control A/c		4,352,680	-
Advance against Broker House		7,756	-
Stamp Collection Control A/c		2,015,750	-
		<u>120,908,795</u>	<u>107,442,516</u>

7.01 Income tax deducted by bank from Interest income needs to be adjusted on finalization of Assessment.

Particulars	2009 Taka	2008 Taka
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7.02 Deposit clearing refers to cheques received on or before December 31, 2009 but deposited to bank subsequently.

7.03 Short deposit premium refers to outstanding premium recoverable from different parties over the several years and not adjusted in full subsequently. The management is confident that the same will be realized within the shortest possible period.

8. Advance Against Floor Purchase : Tk. 48,485,000

<u>48,485,000</u>	<u>26,875,000</u>
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Global Insurance Limited executed a deed of Agreement with Abed Holding Ltd. 53, Purana Paltan, Dhaka-1000 on 20.05.2008 for the purchase of 11050sqft. Space 12th floor with The Al-Razi Complex at a total price of Tk. 4,35,30,000. Out of which an amount of Tk. 3,94,85,000 has been paid up to 31.12.2009. And another a deed of Agreement with Mirpur Central Plaza, Hasan Holdings Ltd. (3rd floor) 52/1, New Eskaton Road, Dhaka, -1000 on 14.12.2009 for the purchs of 3930 sqft. Space 7th floor at the Central Plaza at Mirpur at total price 1,53,27,000/= . Out of which an amount of Tk. 90,00,000/= has been paid up to 31.12.2009.

9. Cash and Bank Balances : Tk. 140,553,253

The balance has been arrived at as under:

Cash in Hand	9.01	12,079,928	13,385,492
Balance with Banks	9.02	9,394,345	7,040,352
		<u>21,474,273</u>	<u>20,425,844</u>
Fixed Deposit with Banks		119,078,980	131,142,750
		<u>140,553,253</u>	<u>151,568,594</u>

The management has furnished certificate confirming the position.

9.01. Cash in Hand

Head Office	11,845,227	7,815,869
Branch Office	234,701	5,569,623
	<u>12,079,928</u>	<u>13,385,492</u>

Particulars	2009 Taka	2008 Taka
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9.02. Balance with Banks: Tk. 9,394,345

Short Term Deposit	8,832,098	6,478,507
Current Deposit	562,247	561,845
	<u>9,394,345</u>	<u>7,040,352</u>

10. Fixed Assets : Tk. 8,593,450

	<u>8,593,450</u>	<u>6,025,070</u>
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(at cost less accumulated Dep.)

A details of Fixed Assets Schedule is shown in the Annexure - A

11. Deferred Expenses (IPO) : Tk.991,006

Opening	1,982,011	2,973,016
Less : Written off during the year	991,005	991,005
	<u>991,006</u>	<u>1,982,011</u>

The Board of Directors has decided to write off the IPO expense of Tk 49,55,026 in five equal installments. As such Tk. 991,005 has been written off during the year.

12. Issued, Subscribed and Paid up Capital Tk. 165,000,000

	<u>165,000,000</u>	<u>150,000,000</u>
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The balance represents 1,650,000 ordinary shares of Tk. 100 each fully paid up in cash.

Share holding structure

	No. of shares	Share (%)
Sponsors	617,000	37.39
Financial & Other Institutions (including ICB)	718,629	43.55
General Public	314,371	19.05
	<u>1,650,000</u>	<u>100.00</u>

A distribution schedule of each class of equity setting out the number of holders and percentage of holding in the different categories as on 31.12. 2009 is given as follows :

Group "A" Shareholders (Sponsors)

Class Interval	No. of Shares	No. of Shareholders	Share Holdings (%)	% of Total Paid up Capital
5001 – 10000	10,000	1	1.62	0.61
10001 – 15000	11,000	1	1.78	0.67
15001 – 20000	71,000	4	11.51	4.30
20001 – 25000	66,000	3	10.70	4.00
25001 – 30000	54,700	2	8.87	3.32
30001 – 35000	165,000	5	26.76	10.00
35001 – 40000	40,000	1	6.49	2.42
40001 – 45000	44,000	1	7.13	2.67
45001 – 50000	100,000	2	16.22	6.06
50001 - 100000	55,000	1	8.92	3.33
Total of (I)	616,700	21	100	37.38

Group "B" Shareholders (Public)

Class Interval	No. of Shares	No. of Shareholders	Share Holdings (%)	% of Total Paid up Capital
01 - 500	143,601	1975	13.90	8.70
501 - 5000	193,105	125	18.69	11.70
5001 - 10000	108,145	15	10.47	6.55
10001 - 15000	35,540	3	3.44	2.15
25001 - 30000	82,350	3	7.97	4.99
35001 - 40000	36,464	1	3.53	2.21
50001 - 100000	260,980	4	25.26	15.82
100001 - 200000	173,115	1	16.75	10.49
Total of (II)	1,033,300	2127	100	62.62
GRAND TOTAL (I+II)	1,650,000	2148		100

Particulars	2009 Taka	2008 Taka
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13. Retained Earnings : Tk. 19,865,694

Balance brought forward from last year	13.01	106,495	200,042
Add: Net Profit During the year		31,245,839	27,567,737
		31,352,334	27,767,779
Less: Provision for Income Tax		4,486,640	12,161,284
Less: Reserve for Exceptional losses		5,000,000	500,000
Less: Deferred tax		2,000,000	-
Surplus Carried forward		19,865,694	15,106,495

13.01 Balance brought forward from last year : Tk. 106,495

Net Profit before Dividend	15,106,495	10,700,042
Dividend Paid	15,000,000	10,500,000
	106,495	200,042

14. Premium Deposit : Tk. 2,474,210

2,474,210	1,271,000
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The amount represents the un-adjusted balance of premium as received against cover notes over the years for which policies have not been issued within December 31, 2009

15. Bank Overdraft : Tk. 46,539,524

This overdraft was allowed by Standard Bank Ltd., IFIC Bank Ltd. and BRAC bank Ltd. Against these Overdraft, there are lien on FDRs amounting to Tk. 3,48,00,000, Tk. 12,500,000 and Tk. 20,50,000 respectively

This is made up as follows:

Standard Bank Ltd., A/c.No.010238000654	34,299,398	4,761,490
IFIC Bank Ltd., A/c.No.000132086387	10,292,626	9,165,179
BRAC Bank Ltd., A/c No.1505200344843001	1,947,500	-
	46,539,524	13,926,669

The above balance has been confirmed & reconciled with bank statements.

Particulars	2009 Taka	2008 Taka
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16. Estimated Liability in respect of outstanding claims whether due or Intimated : Tk. 12,357,584

The break-up of the amount is noted below :

Fire	1,859,896	6,754,973
Marine (Cargo)	4,075,657	2,848,022
Miscellaneous (Motor)	6,422,031	7,512,831
	<u>12,357,584</u>	<u>17,115,826</u>

17. Amounts due to other persons or bodies carrying on Insurance Business : Tk. 1,936,003

Shadharon Bima Corporation (SBC)	<u>1,936,003</u>	<u>38,633,226</u>
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18. Sundry Creditors : Tk. 12,505,969

The balance is made-up as follows:

Provision for Office Rent	255,594	29,475
Provision for Audit Fee	130,000	40,000
VAT Deducted at Source	129,089	91,719
Salary Income Tax Payable	357,171	220,806
Bill Payable	-	175,245
Income Tax Deduction (Office Rent)	106,150	-
Security Deposit (Open Cover)	-	22,232
I.T. Deduction at Source	420,666	383,058
GIL Foundation	5,000	5,000
Provision for Proposed Dividend	1,326,508	5,562,604
Share Application Money Refundable	924,000	924,000
Income Tax Payable (up to assessment year 05-06)	-	54,960
Provision for Incentive Bonus	1,660,385	1,229,081
Provision for Employee Con. PF.	81,235	8,295
Salary Payable	2,420,148	-
VAT Payable	882,650	-
Provision for Company Con. PF.	82,034	-
Car Loan	2,589,868	-
Stamp Control A/C	1,135,471	-
	<u>12,505,969</u>	<u>8,746,475</u>

Particulars	2009 Taka	2008 Taka
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19. Premium Income less Re-Insurance: Tk.102,198,578

Business	Gross Premium	Re- Insurance accepted	Re- Insurance ceded	2009 Net Premium	2008 Net Premium
Fire	63,725,552	-	34,773,186	28,952,366	28,840,127
Marine	60,127,608	-	23,153,892	36,973,716	46,126,649
Motor	35,991,766	-	2,641,757	33,350,009	27,673,377
Miscellaneous	12,213,747	-	9,291,260	2,922,487	3,841,799
Total	172,058,673	-	69,860,095	102,198,578	106,481,952

20. Management Expenses : Tk. 49,947,504

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

Fire	37.08%	18,520,110	13,211,477
Marine	34.81%	17,386,297	12,825,040
Motor	21.03%	10,502,816	7,402,838
Miscellaneous	7.08%	3,538,281	4,447,082
	100.00%	49,947,504	37,886,437

21. Directors Fee : Tk. 767,000

767,000

296,700

During the year under review an amount of Tk. 767,000 was paid to the Directors of the company as Board and committee meeting attendance fee.

22. Interest, Dividend and Rents : Tk. 15,074,198

The amount is made-up as follows:

Interest on National Investment Bond (NIB)	802,720	765,000
Interest on Fixed Deposit	14,196,430	15,639,848
Interest on STD	75,048	53,897
	15,074,198	16,458,745

Particulars	2009 Taka	2008 Taka
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23. Contingent Liabilities

As per Management of the company Global Insurance has no contingent liabilities as of December 31, 2009.

24. Earning Per Share (EPS)

The earning per share of the company is as follows:

Earning attributable to ordinary share holders (profit after tax)	19,865,694	15,406,453
Number of ordinary shares outstanding during the year	1,650,000	1,650,000
	<u>12.04</u>	<u>9.34</u>

Note:

a) Earning per share is calculated in accordance with IAS 33 "Earning Per Share" which has been shown on the face on Profit & Loss accounts.

b) EPS. For the year 2008 was restated for the issue of Bonus share in 2009.

25. Provision for Income Tax 4486640

Net Profit			31,245,839
Less: Reserve for Exceptional	5,000,000		
Less : Capital Gain from Share Income Exempted as per U/S 32 (7)	15,583,203		
Dividend Income	<u>199,911</u>		
			<u>20,783,114</u>
			<u>10,462,725</u>
	10,462,725	42.50%	4,446,658
	199,911	20.00%	<u>39,982</u>
			<u>4,486,640</u>
			<u>12,161,284</u>

26 . Board Meeting

During the year 2009 the Company had a 21 members Board of Directors and held 7 board meetings. Board of Directors of the Company has formed other Committees and Sub-committees like Executive Committee, Claims Committee and Audit Committee. Regular meetings of these Committees were also held during the current year.

27 . Employees

The company employed 379 employees during the year out of which 2 employees received salary below Tk. 3,000 per month and 377 employees received more than Tk. 3,000 per month.

28 . Post Balance Sheet Event

There was no significant event that has occurred between the balance sheet date and the date when the financial statements are authorized for issue by the Board of Directors except the following:

Proposed Stock Dividend: Tk 16,500,000

The Board of Directors has recommended for payment of Stock dividend to the amount of Tk 16,500,000 @ 10.% on paid up capital out of the surplus available for distribution at the end of the year 2009, as decided by the Board of Director in their meeting held on 27th April 2010, which is subject to the approval of shareholders in the forthcoming Annual General Meeting of the company.

- 29 . There was no bank Gurantee issued by the Company on behalf of their directors.
- 30 . Auditors were paid only statutory audit fee duly approved by the Shareholders in the last AGM.
- 31 . There was no capital work in progress at the end of the Accounting year.
- 32 . No expenses were paid as Royalty and Salary to Technical Experts etc.
- 33 . During the year the Company was not entered into any agreement with the third party.
- 34 . There was no capital expenditure commitment as at 31st December, 2009

- 35 . There was no claim against Company, which was not acknowledged as debt other than normal course of business.
- 36 . There was no credit facility available to the company under any contract availed of as on 31st December, 2009 other than trade credit available in the ordinary course of business.
- 37 . There was no event occurred after Balance Sheet date, which might affect Financial position of the Company as on Balance Sheet date.

Fixed Assets Schedule

As on December 31, 2009

Annexure-1

Sl. No.	Particulars	Cost			Amount before charging depreciation	Rate of Dep. (%)	Depreciation			Written Down Value as on 31.12.2009
		As on 01.01.2009	Addition during the year	Sale / Adjustment the year			As on 01.01.09	Charged during the year	Sale / Adjustment the year	
1.	Furniture & Fixture	2,535,477	296,036	-	1,724,874	10%	1,106,639	172,487	-	1,279,126
2.	Motor Vehicles	3,781,500	3,619,999	-	5,586,373	20%	1,815,126	1,117,275	-	2,932,401
3.	Office Decoration	4,403,568	35,000	-	1,149,947	20%	3,288,621	229,909	-	3,518,610
4.	Computer	654,850	142,311	-	402,725	20%	394,436	80,545	-	474,981
5.	Air Conditioner	641,226	132,680	-	374,512	20%	399,394	74,902	-	474,296
6.	Telephone Installation	446,064	-	-	263,668	10%	182,396	26,367	-	208,763
7.	Office Equipment	697,094	75,360	-	414,527	15%	357,927	62,179	-	420,106
8.	Electrical Installation	352,503	4,800	-	85,989	20%	271,314	17,198	-	288,512
9.	Sign Board	655,076	-	-	328,641	10%	326,435	32,864	-	359,299
10.	Generator	-	95,000	-	95,000	20%	-	19,000	-	19,000
Total		14,167,358	4,401,186	-	18,473,544		8,142,288	1,832,807	-	9,975,095
					10,331,256					8,593,449