

## REPORT OF AUDIT COMMITTEE



**R. A. Howlader**

The Audit committee of Global Insurance Limited consists of 14 (Fourteen) Directors nominated by the Board. There are three Independent Directors in the committee; one of them is the Chairman of the Committee. The objectives of the committee are to ensure that proper internal controls are enforced to facilitate the smooth functioning of the company's operation. The committee has to convey the report to the Board of Directors directly and the chief of Internal Audit has right to access the Audit committee directly. During the year under review 4(Four) meetings of the Audit Committee were held to accomplish the under mentioned jobs:-

1. Review the financial and other system and its reporting procedure.
2. Evaluate whether Management is setting the appropriate compliance culture by communicating the importance of internal control and the Management of Risk and ensure that all employees of the company have understood their roles and responsibilities.
3. Review whether Internal Control strategies recommended by the Board of Directors have been implemented by the Management.
4. Comprehensive inspection program of the Internal Audit & Inspection for the year 2017.
5. Oversee the work of External Auditors, including matter of disagreement between the Management & External Auditors regarding financial reporting.
6. Comprehensive Inspection Reports of different Branches conducted by the Internal Audit & Inspection Team from time to time and the status of compliance thereof.
7. Review the Management Audit of Accounts of different Branches conducted by Internal Audit Department.
8. Monitor choice of accounting policies and principles and also monitor Internal Control Risk management process.
9. Review along with the management, the quarterly and half yearly and annual financial statements before submission to the board for approval.
10. Review along with the management, Review the adequacy of internal audit function, also review statement of significant related party transactions submitted by the management.
11. Review Management Letters/letter of Internal Control weakness issued by statutory auditors.
12. Review reports of litigation and regulatory compliance matters.
13. Identify suspected fraud or irregularity in the internal control system.

During the meeting held on 9th May, 2018 the Audit Committee reviewed and examined the External draft audit reports including the financial statements for the year 2017 and placed the audited accounts with recommendation for the year 2017 before the Board of Directors for their consideration and approval. The Audit Committee is of the opinion that the External Audit Control and measures are quite enough to present a true and fair picture of performances and financial status of the Company.



**R.A. Howlader**  
Chairman  
Audit Committee

## AUDITORS' REPORT TO THE SHAREHOLDERS OF GLOBAL INSURANCE LIMITED

We have audited the accompanying financial statements of GLOBAL INSURANCE LIMITED which comprise the balance sheet as at 31 December 2017, and the related revenue accounts as well as the profit and loss account, profit & loss appropriation account and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management of the GLOBAL INSURANCE LIMITED is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the overall presentation of the financial statements.

"We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion."

### Opinion

In our opinion, the financial statements, prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and comply with the Companies Act, 1994, Insurance Act, 2010, the Securities and Exchange Rules-1987 and other applicable laws and regulations, give a true and fair view of the state of the company's affairs as at 31 December 2017 and of the result of its operations and its cash flows for the year then ended.

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 proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- iii) The company's balance sheet, profit and loss account, revenue 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 63(2) of the Insurance Act, 2010, 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, whether 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 and Loss Account of the Company; and
- vi) As per Regulation-11 of part 1 of the third schedule of the Insurance Act-1938, in our opinion to the best of our information and as shown by its books, the company during the year under report has not paid any person any commission in any form, outside Bangladesh in respect of any of its business re-insured abroad.

### Other Matter

The financial statements of the company for the year ended 31 December 2016 were audited by another auditor who expressed an unmodified opinion on those statements on 10 April, 2017.

Place: Dhaka  
Dated: 09 May, 2018

  
K. M. Hasan & Co.  
Chartered Accountants



**GLOBAL INSURANCE LIMITED**  
**Balance Sheet**  
As at December 31, 2017

Capital & Liabilities	Notes	2017 Taka	2016 Taka	Property & Assets	Notes	2017 Taka	2016 Taka
<b>Share Capital</b>							
Authorised Capital 100,000,000 ordinary shares of Tk.10 each		1,000,000,000	1,000,000,000				
Issued, Subscribed & Paid up Capital				National Investment Bond	3	25,000,000	25,000,000
35,030,138 Ordinary Shares of Tk.10 each	11	350,301,380	327,384,470	Investments in Shares	4	38,206,382	38,206,382
				Interest, Dividend and Rent receivable	5	1,391,962	1,080,772
<b>Reserve or Contingency Accounts:</b>							
Reserve for Exceptional Losses		45,135,412	45,135,412	Amounts due from other Persons or-			
General Reserve		4,000,000	4,000,000	Bodies carrying on insurance business	6	113,419,916	86,534,419
Retained Earnings	12	18,002,560	25,923,180				
		<b>67,137,972</b>	<b>75,058,592</b>				
<b>Balances of Funds and Accounts:</b>							
Fire		7,690,209	5,589,314				
Marine (Cargo)		26,296,589	27,528,592	Sundry Debtors	7	234,336,709	231,377,650
Marine (Hull)		127,785	633,930				
Motor		5,669,290	4,816,861	Advance against Floor purchase	8	15,739,500	15,739,500
Miscellaneous		4,261,717	4,727,132	<b>Cash and Bank Balances</b>	9		
		<b>44,045,590</b>	<b>43,295,829</b>	Cash in hand		6,314,721	4,523,878
Premium Deposit	13	1,300,657	2,055,964	Balance with Banks		16,507,847	12,257,212
Loans & Overdraft	14	89,184,641	112,602,866	Fixed Deposit with Banks		206,550,000	250,600,000
						<b>229,372,568</b>	<b>267,381,090</b>
<b>Liabilities and Provisions:</b>							
Estimated Liability in respect of outstanding claims, whether due or intimated	15	46,172,432	41,012,941	Other Accounts:			
Amounts due to other Persons or Bodies carrying on Insurance Business	16	90,784,606	74,006,121	Fixed Assets (At cost less accum. Depreciation)	10	56,026,154	60,746,102
Sundry Creditors	17	26,508,775	52,053,596	Stock of Stationery		1,088,866	925,028
				Stamp in Hand		853,996	479,435
		<b>163,465,813</b>	<b>167,072,658</b>			<b>57,969,016</b>	<b>62,150,565</b>
		<b>715,436,053</b>	<b>727,470,379</b>			<b>715,436,053</b>	<b>727,470,379</b>

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



**Chief Executive Officer (In-Charge)**



**Director**



**Director**



**Chairman**

  
**K. M. Hasan & Co.**  
Chartered Accountants

Dated, Dhaka  
Dated : 09 May 2018



# GLOBAL INSURANCE LIMITED

## Profit and Loss Account

For the year ended December 31, 2017

Particulars	Notes	2017 Taka	2016 Taka	Particulars	Notes	2017 Taka	2016 Taka
Expenses of Management (Not applicable to any particular Fund or Account)				Interest Income (Not applicable to any particular Fund or Account)	21		
Advertisement & Publicity		614,937	632,430	Dividend Income		15,662,295	19,009,248
Fine and Charge		-	1,850,000	Provision for Investment in Shares written back		1,032,481	907,832
Donation & Subscription		320,000	124,600	Office rent Income		3,636,573	4,273,602
Audit Fees		143,750	143,750	Profit on Sale of Assets		1,843,200	1,595,232
Legal & Professional Fees		71,250	230,940			1,628,701	-
Depreciation		2,831,131	5,139,000			23,803,250	25,785,914
Interest on Loan		5,858,749	10,109,653				
Registration Fees		1,221,332	1,829,130	Profit transferred from :			
Directors Fee	20	990,000	940,500	Fire Insurance Revenue Account		(5,564,018)	(2,564,719)
Meeting, Conference & AGM expenses		2,157,688	786,769	Marine Insurance Revenue Account		20,597,177	26,682,632
Subscription		100,000	250,000	Motor Insurance Revenue Account		625,222	3,010,469
		14,308,837	22,036,772	Misc. Insurance Revenue Account		729,355	562,699
						16,387,736	27,691,082
Provision for WPPF	24	1,232,483	1,497,154				
Balance for the period carried to Profit & Loss Appropriation Account		24,649,666	29,943,070				
		40,190,986	53,476,996			40,190,986	53,476,996

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

Chief Executive Officer (In-Charge)

Dated, Dhaka  
Dated : 09 May, 2018

Director

Signed in terms of our separate report of even date annexed.

Chairman

K. M. Hasan & Co.  
Chartered Accountants

**GLOBAL INSURANCE LIMITED**  
**Profit and Loss Appropriation Account**  
For the year ended December 31, 2017

Particulars	Notes	2017 Taka	2016 Taka	Particulars	Notes	2017 Taka	2016 Taka
Provision for Income Tax	23	9,653,370	11,795,662	Balance brought forward from last year	12.1	3,006,264	7,775,772
Reserve for Exceptional Losses		-	-	Net profit for the year brought down		24,649,666	29,943,070
Balance transferred to the Balance Sheet		18,002,560	25,923,180			<u>27,655,930</u>	<u>37,718,842</u>
		<u>27,655,930</u>	<u>37,718,842</u>				
Earnings per Share (2016 Restated)	22	0.43	0.52				

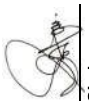
The annexed notes 1 to 30 form an integral part of these financial statements.

  
**Chief Executive Officer (In-Charge)**

Dated, Dhaka  
Dated : 09 May, 2018

  
**Director**

Signed in terms of our separate report of even date annexed.

  
**Chairman**

  
**K. M. Hasan & Co.**  
Chartered Accountants



**GLOBAL INSURANCE LIMITED**  
**Consolidated Business Revenue Account**  
For the year ended December 31, 2017

Particulars	Notes	2017 Taka	2016 Taka	Particulars	Notes	2017 Taka	2016 Taka
<b>Claims under policies less Re-insurances</b>							
Paid during the year		10,024,848	6,494,520	Balance of account at the beginning of the year		43,295,829	55,511,022
Add : Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		46,172,432	41,012,941	Premium less Re-insurances	18	109,922,297	107,288,677
		56,197,280	47,507,461	Commission on Re-insurances		14,840,490	14,553,810
Less: Claims outstanding at the end of the previous year		41,012,941	30,522,585				
		<b>15,184,339</b>	<b>16,984,876</b>			<b>168,058,616</b>	<b>177,353,509</b>
<b>Expenses of Management</b>	19	64,669,271	61,810,253				
Agent Commission		27,771,680	27,571,470				
Profit transferred to profit & loss account		16,387,736	27,691,082				
<b>Balance of account at the end of the year as shown in the balance sheet:</b>							
Reserve for unexpired risks being 100% for Marine Hull & 40% for other net premium income of the year		44,045,590	43,295,829				
		<b>168,058,616</b>	<b>177,353,509</b>				

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

**Chief Executive Officer (In-Charge)**

**Director**

**Director**

Signed in terms of our separate report of even date annexed.

**Chairman**

**K. M. Hasan & Co.**  
Chartered Accountants

Dated, Dhaka  
Dated : 09 May, 2018

**GLOBAL INSURANCE LIMITED**  
**Fire Insurance Revenue Account**  
For the year ended December 31, 2017

Particulars	Notes	2017 Taka	2016 Taka	Particulars	Notes	2017 Taka	2016 Taka
<b>Claims under policies less Re-insurances</b>				<b>Balance of account at the beginning of the year</b>		5,589,314	21,071,775
Paid during the year		1,286,048	1,224,530	<b>Premium less Re-insurances</b>	18	19,225,522	13,973,284
Add : Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		28,660,275	29,762,929	<b>Commission on Re-insurances</b>		5,653,065	4,343,969
Less: Claims outstanding at the end of the previous year		29,946,323	30,987,459				
		29,762,929	18,638,307				
		<b>183,394</b>	<b>12,349,152</b>				
Agent Commission		9,463,897	8,240,285				
Expenses of management	19	18,694,419	15,774,996				
Profit transferred to profit & loss account		(5,564,018)	(2,564,719)				
<b>Balance of account at the end of the year as shown in the balance sheet:</b>							
Reserve for unexpired risks being 40% of net premium income of the year		7,690,209	5,589,314				
		<b>30,467,901</b>	<b>39,389,028</b>			<b>30,467,901</b>	<b>39,389,028</b>

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

  
**Chief Executive Officer (In-Charge)**

  
**Director**

  
**Chairman**

Signed in terms of our separate report of even date annexed.

  
**K. M. Hasan & Co.**  
Chartered Accountants

Dated, Dhaka  
Dated : 09 May, 2018



**GLOBAL INSURANCE LIMITED**  
**Marine Insurance Revenue Account**  
For the year ended December 31, 2017

Particulars	Notes	2017 Taka	2016 Taka	Particulars	Notes	2017 Taka	2016 Taka
<b>Claims under policies less Re-insurances</b>				<b>Balance of account at the beginning of the year</b>		28,162,522	26,197,038
Paid during the year		6,845,277	3,084,553	<b>Premium less Re- insurances</b>	18	65,869,257	69,455,411
Add : Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		11,743,157	8,413,178	<b>Commission on Re-insurances</b>		4,675,306	5,701,909
		18,588,434	11,497,731				
Less: Claims outstanding at the end of the previous year		8,413,178	8,349,663				
		<b>10,175,256</b>	<b>3,148,068</b>				
Agent Commission		13,048,987	13,838,719				
Expenses of management	19	28,461,292	29,522,416				
Profit transferred to profit & loss account		20,597,177	26,682,632				
<b>Balance of account at the end of the year as shown in the balance sheet:</b>							
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:							
Cargo		26,296,589	27,528,592				
Hull		127,785	633,930				
		<b>26,424,374</b>	<b>28,162,522</b>				
		<b>98,707,085</b>	<b>101,354,358</b>			<b>98,707,085</b>	<b>101,354,358</b>

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

**Chief Executive Officer (In-Charge)**

**Director**

**Director**

Dated, Dhaka  
Dated : 09 May, 2018

**Chairman**

**K. M. Hasan & Co.**  
Chartered Accountants




**GLOBAL INSURANCE LIMITED**  
**Miscellaneous Insurance Revenue Account**  
For the year ended December 31, 2017

Particulars	Notes	2017 Taka		2016 Taka		Particulars	Notes	2017 Taka		2016 Taka	
		Motor	Misc	Total	Total			Motor	Misc	Total	Total
<b>Claims under policies less Re-insurances</b>						Balance of account at the -					
Paid during the year		1,795,961	97,562	1,893,523	2,185,437	beginning of the year		4,816,861	4,727,132	9,543,993	8,242,209
Add: Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated		5,652,000	117,000	5,769,000	2,836,834	Premium less Re-insurances	18	14,173,225	10,654,293	24,827,518	23,859,982
		7,447,961	214,562	7,662,523	5,022,271	Commission on Re-insurances		517,247	3,994,872	4,512,119	4,507,932
Less: Claims outstanding at the end of the previous year		2,736,834	100,000	2,836,834	3,534,615						
		<b>4,711,127</b>	<b>114,562</b>	<b>4,825,689</b>	<b>1,487,656</b>						
Agent Commission		2,441,014	2,817,783	5,258,797	5,492,466						
Expenses of management	19	6,060,680	11,452,880	17,513,560	16,512,840						
Profit transferred to profit & loss account		625,222	729,355	1,354,577	3,573,169						
<b>Balance of account at the end of the year as shown in the balance sheet:</b>											
Reserve for unexpired risks being 40% of net premium income of the year		5,669,290	4,261,717	9,931,007	9,543,993						
		<b>19,507,333</b>	<b>19,376,297</b>	<b>38,883,630</b>	<b>36,610,123</b>			<b>19,507,333</b>	<b>19,376,297</b>	<b>38,883,630</b>	<b>36,610,123</b>

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

  
**Chief Executive Officer (In-Charge)**

  
**Director**

  
**Chairman**

Signed in terms of our separate report of even date annexed.

  
**K. M. Hasan & Co.,**  
Chartered Accountants

Dated, Dhaka  
Dated : 09 May, 2018

# GLOBAL INSURANCE LIMITED

## Statement of Changes in Equity

For the year ended December 31, 2017

Amount in Taka


Particulars	Share Capital	Reserve for Exceptional Losses	General Reserve	Retained Earnings	Total
<b>Balance as at 01.01.2017</b>	<b>327,384,464</b>	<b>45,135,412</b>	<b>4,000,000</b>	<b>25,923,180</b>	<b>402,443,056</b>
Stock Dividend for 2016	22,916,916	-	-	(22,916,916)	-
Net Profit after tax	-	-	-	14,996,296	14,996,296
Reserve for Exceptional Loss	-	-	-	-	-
<b>Balance as at 31.12.2017</b>	<b>350,301,380</b>	<b>45,135,412</b>	<b>4,000,000</b>	<b>18,002,560</b>	<b>417,439,352</b>
<b>Balance as at 01.01.2016</b>	<b>297,622,240</b>	<b>45,135,412</b>	<b>4,000,000</b>	<b>37,537,996</b>	<b>384,295,648</b>
Stock Dividend for 2015	29,762,224	-	-	(29,762,224)	-
Net Profit after tax	-	-	-	18,147,408	18,147,408
Reserve for Exceptional Losses	-	-	-	-	-
<b>Balance as at 31.12.2016</b>	<b>327,384,464</b>	<b>45,135,412</b>	<b>4,000,000</b>	<b>25,923,180</b>	<b>402,443,056</b>

  
Chief Executive Officer (In-Charge)

Dated, Dhaka  
Dated : 09 May, 2018

  
Director

  
Director

  
Chairman

  
K. M. Hasan & Co.  
Chartered Accountants

Signed in terms of our separate report of even date annexed.

ANNUAL REPORT 2017



Global Insurance Limited

## GLOBAL INSURANCE LIMITED

## Statement of Cash Flows

For the year ended 31 December, 2017

	2017 <u>Taka</u>	2016 <u>Taka</u>
<b>A) Cash flow from operating activities:</b>		
Premium Collection & other Receipts	240,977,542	214,040,960
Payments of Magt. Exp., Commission, Re-Ins & Claim	(218,467,711)	(195,010,307)
Income tax paid and deducted at source	(34,758,899)	(23,644,110)
<b>Net cash used in operating activities (Note-25)</b>	<b>(12,249,068)</b>	<b>(4,613,457)</b>
<b>B) Cash flow from investing activities:</b>		
Acquisition of fixed assets	(607,711)	(295,680)
Disposal of fixed assets	4,125,231	-
Investment in shares (Net)	-	789,552
<b>Net cash provided from investing activities</b>	<b>3,517,520</b>	<b>493,872</b>
<b>C) Cash flow from financing activities:</b>		
Interest on SOD Loan	(5,858,749)	(10,109,653)
Margine loan	(593,167)	-
SOD loan	(22,825,058)	21,795,277
<b>Net cash (used in) / Provided from financing activities</b>	<b>(29,276,974)</b>	<b>11,685,624</b>
<b>D) Net increase/(Decrease) in cash &amp; bank balances for the year (A+B+C)</b>	<b>(38,008,522)</b>	<b>7,566,039</b>
<b>E) Opening cash and bank balances</b>	<b>267,381,090</b>	<b>259,815,051</b>
<b>F) Closing cash and bank balances (D+E)</b>	<b>229,372,568</b>	<b>267,381,090</b>

Chief Executive Officer (In-Charge)

Director

Director

Chairman

Dated, Dhaka  
Dated: 09 May, 2018

**GLOBAL INSURANCE LIMITED**  
**Notes to the Financial Statements**  
 As at & for the year ended December 31, 2017

**1. INTRODUCTION :**

**1.01 Legal Status :**

**GLOBAL INSURANCE LIMITED** was incorporated as a public limited company in Bangladesh on April 23, 2000 under the Companies Act, 1994 and commenced its operation as per Insurance Act, 2010. The certificate of commencement of business was obtained from the Registrar of Joint Stock Companies, Bangladesh. The Company is listed in Dhaka Stock Exchange as a Publicly Traded Company.

**1.02 Address of Registered Office and Principal Place of Business :**

The registered office of the Company is situated in Bangladesh. Its principal business office is located at Al-Razi Complex (12th Floor), 166-167, Shahid Syed Nazrul Islam Sarani, Purana Paltan, Dhaka-1000, Bangladesh. The operation of the Company is being carried out through its 28 branches located in Bangladesh.

**1.03 Principal Activities of the Company :**

The Principal object of the company is to carry out all kinds of insurance, guarantee and indemnity business other than life insurance business.

**2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER RELEVANT INFORMATION:**

**2.01** The Company has adopted relevant International Accounting Standards (IASs) as were adopted in Bangladesh under the title Bangladesh Accounting Standards (BASs) with reference to disclosures of accounting policies and notes to the financial statements.

**2.02 Basis of Accounting:**

The Financial Statements have been prepared on the basis of going-concern concept under historical cost convention in accordance with Bangladesh Financial Reporting Standards (BFRSs).

**2.03 Basis of Presentation:**

The balance sheet has been prepared in accordance with the regulations as contained in part I of the First Schedule and as per Form 'A' as set forth in part II of that Schedule 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' as set forth in part II of that Schedule of the Insurance Act, 2010. The Classified summary of the assets is prepared in accordance with Form "AA" of part II of the First Schedule of the said Act.

**2.04 Going Concern:**

The financial statements of the entity have been prepared by the management considering the entity as a going concern and the entity is optimistic to continue its business operation for the foreseeable future.

**2.05 Branch Accounting:**

The Company has 28 branches without having any overseas branch up to the year end December 31, 2017. The financial statements of branches are maintained at the Head office level. Only Petty cash books are maintained at the branch for meeting day to day expenses. During 2017 through the operation of 29 offices (Including Head Office) the gross premium income earned by the Company was to Tk. 234,118,256 including Public Sector business of Tk 48,973,723 after ceding for re-insurance premium, the net premium for the year amounted to Tk 109,922,297 and after charging direct expenses there from the net underwriting profit stood at Tk 24,649,667.

**2.06 Statement of Cash Flows:**

Statement of Cash Flows is prepared in accordance with BAS 7: "Statement of Cash Flows", the Statement of Cash Flows shows the structure of and changes in cash and cash equivalents during the financial year. Cash and Cash equivalents include notes and coins on hand, unrestricted balance held with the commercial banks. It is broken down into operating activities, investing activities and financing activities. The direct method is used to show the operating activities. According to BAS 7: "Statement of Cash Flows", Cash comprises cash in hand and cash equivalents are short term, highly liquid investment that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Considering the provisions of BAS 7 and BAS 1, cash in hand, fixed deposits and bank balances have been considered as cash and cash equivalents.

**2.07 Fixed Assets:**

Fixed Assets are stated at cost less accumulated depreciation as per BAS-16: "Property, Plant & Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties, interest and non refundable taxes.

**2.08 Depreciation on Fixed Assets:**

Depreciation on Tangible Fixed Assets are charged on diminishing balance method at rates varying from 2.5% to 30% depending on the estimated useful life of the Assets. Depreciation on additions to Fixed Assets are charged from the date of acquisition and no depreciation is charged in the year of disposal of assets. Gain or loss arising on the disposal or the retirement of asset is determined as the difference between the sale proceeds and the carrying amount of the asset and recognised in the profit and loss account.

**2.09 Public Sector Business:**

The Company's share of Public Sector business for 4 quarters for the period from 1st July, 2016 to 30th June, 2017 received from Sadharan Bima Corporation and other insurance companies has been incorporated in the Company's account for the year ended 31st December, 2017. This system of accounting of public sector business is being followed consistently.

**2.10 Statement of Changes In Equity:**

The statement of changes in equity is prepared in accordance with BAS 1: "Presentation of Financial Statements".

**2.11 Revenue Recognition**

The revenue is recognized after satisfying the relevant condition for revenue recognition as provided in BAS 18: "Revenue" in compliance with BFRS 4 "Insurance Contract". Detailed income wise policy for revenue recognition is given as under:

**a) 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 the accounts in order to arrive at the net underwriting profit for the year.

**b) Interest on Statutory and other Investments:**

Interest accrued on statutory investment of Tk.250 lac lying with Bangladesh Bank in the form of National Investment Bond (NIB) and interest received from banks on STD and FDR accounts have been duly credited to the Profit and Loss Account.

**c) Gain or Loss on sale of Shares and Debentures:**

Gain or Loss on sale of shares and debentures and dividend income during the year have been shown in the Profit and Loss Account and the tax relief as well as the concession rate of tax as availed under the existing income tax law have been given effect in the financial statements.

**2.12 Management Expenses:**

Management expenses as charged to Revenue Accounts amount of Tk. 64,669,271 is approximately 27.70% of gross premium of Tk. 234,118,256. The expenses have been apportioned 28.91% to Fire, 44.01% to Marine, 9.37% to Motor and 17.70% to Miscellaneous business as per management decision.

**2.13 Risk Analysis:**

Risk analysis for insurance business is difficult to estimate the uncertainty in taking and managing the risk by chronological identification of unascertained risk, mitigating approach of risk and continuing efforts to equate the risk at reasonable level. This, inter alia, includes

**a) Insurance Product Risk:**

In non-life insurance business, the product selection is one of the important factors for the company. Product with less uncertainty with lower cost can facilitate to secure more risk coverage. Accordingly, high risk is more relate to the capital strength and credit rating of the company. Necessary provision for un-expired risk @ 40% of net premium income on all business except marine Hull Insurance for which provision have been made @ 100% on net premium income.

**b) Operational Risk:**

This is in association of all departmental effort within the company to ensure the sufficient coverage for the uncertainty of particular policy selection. It varies in accordance with the nature of products offered to the insured. Guideline for selection of offered product and monitoring the same are effective when fencing the risk at the level of estimate.

**c) Strategic Market Risk:**

This indicates to identify and quantify the inherent risk of the products for the insured in competitive market. Product with low risk should be encouraged to minimize risk.

**d) Underwriting Risk:**

This is involved in loss events coverable under contract or agreement with the insured and the volume or size of the coverable loss. It relates to selection, pricing, monitoring and technical provision. However, risk with excessive volume is jointly share by two or more insurers. In such circumstances, non-life insurance business with different products has been carried out with approved guideline.

**e) Reinsurance Risk:**

Reinsurance has an influence basing the capital strength and rating aspects. Treaty limit is outline by the amount of risk, which can be ceded to other re-insurance. It depends on the nature of risk to be taken by the company. As such, technical provision has been estimated by way of covering the reasonable and probable obligations with respect to claims for known or un-known uncertainty.

**f) Investment Risk:**

This relates to market, credit and liquidity of the company and as such, investments consist of assets covering the technical provisions and shareholders' equity. Accordingly, investment plan has been designed in such manner to accommodate inherent risk.

**g) Liquidity Risk**

This indicates to pay the claim on demand and the company needs to liquidate or convert assets to meet the obligation as and when arise.

**h) Credit Risk:**

The company follows IDRA instructions with respect to issuing of policies, that is, policies were not issued on credit.

**i) Default Risk:**

This indicates default in paying off the claims on demand when third party involved in such approach. At the time, the company needs to have sufficient liquidity to pay off the claims on demand and to fulfill the contractual obligation.

**J) Legal and Regulatory Risk:**

There is legal and regulatory obligation to follow and abide by the restricted rules and regulation in carrying out the business, which do not conform to the competitive market for procuring business. As such, non-compliance to rules and regulation may invite risk to the employment of the company.

**2.14 Provision for Unexpired Risks:**

Before arriving at the surplus of each class of business necessary provision for un-expired risk have been created at the rate of 40% on all business except on Marine Hull business for which the provision was made @ 100% of the total net premium for the year 2017.

**2.15 Provision for Income Tax:**

Provision for Income Tax have been made as per Income Tax Ordinance 1984 on taxable income of the company.

**2.16 Reserve for Exceptional Loss:**

There was no provision taken for Reserve for Exceptional Losses during this year.

**2.17 General Reserve:**

The Company creates a general reserve from the year 2007 for an amount of Tk. 4,000,000 on profit to meet future contingency.





**2.18 Employees Benefit:**

The Company operates a contributory provident fund for its permanent employees from the year 2008 which is approved by the National Board of Revenue. The fund is administered by a board of trustees and funded by equal contribution from the company and the employees. The fund is invested separately from the company's assets.

**2.19 Earning per Share (EPS):**

The company has calculated earning per share (EPS) in accordance with IAS-33 as adopted by ICAB as BAS-33: "Earning per Share" which has been shown on the face of Profit and Loss Account and the computation of EPS is stated in Note no. 22.

**a) Basic Earnings:**

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

**b) Basic Earnings per Share:**

This has been calculated by dividing the basic earning by the weighted average number of ordinary shares outstanding during the year.

**2.20 Outstanding Premium:**

The outstanding premium appearing in the accounts represents only the amount which relates to the accounting period in the form of cash and cheques in hand and in line with the system followed by the company.

**2.21 Use of Estimate:**

Preparation of financial statements in conformity with International Accounting Standards (IASs) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities if any at the date of the financial statements, and revenues and expenses during the year reported. Actual result could differ from those estimates. Estimates are used in accounting for certain items such as depreciation, outstanding claims, taxes, reserves etc.

**2.22 Basis of Recognition of Income in Respect of Premium Deposits:**

Amounts received against Cover notes, which have not been converted into policy are recognised as Income before the Cover notes and are converted into policy on expiry of period not exceeding six months in accordance with the Controller of Insurance Circular.

**2.23 Investment in Shares:**

Investment in shares is measured at fair value and any change in the fair value is recognised in the Profit and Loss account for the period in which it arises.

**2.24 Components of the Financial Statements:**

Following the BAS-1 "Presentation of Financial Statements", the company's complete set of financial statements includes the following components:

- a) Statement of Financial position (Balance Sheet) as at December 31, 2017.
- b) Profit and Loss Appropriation Account for the year ended December 31, 2017.
- c) Statement of Comprehensive Income (Profit and Loss Account) for the year ended December 31, 2017.
- d) Revenue Accounts for specific class of business for the year December 31, 2017.
- e) Statement of Cash Flows for the year ended December 31, 2017.
- f) Statement of Changes in Equity for the year ended December 31, 2017.
- g) Notes to the financial statements and significant accounting policies as at & for the year ended December 31, 2017.

**2.25 General:**

- a) Financial Statements of the Company cover from January 01, 2017 to December 31, 2017.
- b) Figures in the financial statements are presented in Bangladeshi Taka which is the companies' functional and presentational currency.
- c) Figures have been rounded off to the nearest Taka.
- d) Previous year's figures have been rearranged whenever considered necessary to ensure comparability with the current year.
- e) No asset has been set off against any liability except Advance Income Tax.

**3. NATIONAL INVESTMENT BOND:**

Durations	Issue date	Maturity date	Bank name	Rate (%)	Taka 2017	Taka 2016
10 Years	16.07.2014	16.07.2024	Prime Bank Ltd.	11.59	9,000,000	9,000,000
10 Years	13.03.2013	13.03.2023	Mercantile Bank Ltd.	12.10	16,000,000	16,000,000
					<b>25,000,000</b>	<b>25,000,000</b>

The amount represents investment in National Investment Bond against statutory deposit under Insurance Act.

				2017 Taka	2016 Taka
<b>4. INVESTMENTS IN SHARES</b>				<b>38,206,382</b>	<b>38,206,382</b>
Name of the Company	No of Share	Average Cost Price per share	Total Cost	Market Price per share as on 31.12.2017	Total Market value as at 31.12.2017
Fareast life insurance	71,368	79.72	5,689,175	71.50	5,102,812
Green Delta Mutual	500,000	10.00	5,000,000	9.20	4,600,000
MBL 1st mutual fund	250,000	10.00	2,500,000	9.10	2,275,000
Meghna life insurance	22,411	179.79	4,029,276	59.90	1,342,419
Padma Oil	11,200	341.42	3,823,925	239.00	2,676,800
Pubali Bank Ltd.	65,062	58.17	3,784,520	30.40	1,977,885
S Alam Steel	108,900	77.11	8,396,956	33.40	3,637,260
Shinepukur Ceramics	40,807	66.01	2,693,784	17.00	693,719
Summit Power Limited	48,760	46.94	2,288,748	35.90	1,750,484
	<b>1,118,508</b>		<b>38,206,382</b>		<b>24,056,379</b>

**5. INTEREST, DIVIDEND & RENT RECEIVABLE**

Opening Balance	1,080,772	2,702,564
Add: Interest income during the year	15,662,295	19,009,248
	16,743,067	21,711,812
Less: Interest received during the year	15,351,105	20,631,040
Closing balance	<b>1,391,962</b>	<b>1,080,772</b>



**2017**  
**Taka**

**2016**  
**Taka**

## 6. AMOUNTS DUE FROM OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS

These represent the amount receivable from insurance companies on account of co-insurance premium and claim as at December 31, 2017.

Amount due from Shadharon Bima Corporation & other Insurance Companies:

Opening Balance	86,534,419	62,488,817
Add: Receivable from SBC against PSB	9,950,394	9,200,044
Add: Receivable from SBC against Claim	16,935,103	14,845,558
Closing Balance	<u>113,419,916</u>	<u>86,534,419</u>

The balance is confirmed by Sadharan Bima Corporation.

## 7. SUNDRY DEBTORS

Advance against office rent	2,109,856	2,084,518
Advance against other parties	110,000	280,000
Deposit clearing	19,719,354	15,751,147
Advance against salary	894,398	1,174,398
Collection control A/C	209,281,771	209,808,657
Advance for automation	1,933,330	1,933,330
Rent receivable	288,000	345,600
	<u>234,336,709</u>	<u>231,377,650</u>

All the above debtors are considered good and realizable.

## 8. ADVANCE AGAINST FLOOR PURCHASE

3,939 sft at Central Plaza (7th floor), Mirpur	<u>15,739,500</u>	<u>15,739,500</u>
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Global Insurance Limited executed a Deed of Agreement with Hasan Holdings Ltd.(3rd floor) 52/1, New Eskaton Road, Dhaka-1000 on 14.12.2009 for the purchase of 3,939 sft. Floor Space 7th floor at the Central Plaza at Mirpur, at total price 15,739,500 the entire amount has been paid up to 31.12.2010. The registration of the above floor purchase is under process and the amount will be capitalized on completion of registration.

## 9. CASH & BANK BALANCES

Cash in hand:

Head office	302,141	8,458
Branch offices	6,012,580	4,515,420
	6,314,721	4,523,878

Cash at Bank:

In short term deposit account	16,504,218	12,195,974
In Current deposit	3,629	61,238
	16,507,847	12,257,212

Fixed Deposit with Banks (Note-9.1)	206,550,000	250,600,000
	223,057,847	262,857,212
	<u>229,372,568</u>	<u>267,381,090</u>

9.1 The total amount of Fixed Deposit with banks (Note-14) included FDR's amounting to TK 95,95,0000 pledged as collateral for obtaining SOD loan from banks.

## 10. FIXED ASSETS

Amount in Taka

Particulars	Cost			Depreciation			Written Down Value as at 31.12.2017			
	Balance as at 01.01.2017	Addition during the year	Adjustment during the year	Balance as at 31.12.2017	Rate (%)	Balance as at 01.01.2017				
Office Space	50,327,720	-	-	50,327,720	2.5	7,088,299	1,080,986	-	8,169,285	42,158,435
Furniture & Fixture	4,682,445	77,536	-	4,759,981	10	2,886,317	179,613	-	3,065,930	1,694,051
Motor Vehicles	35,806,301	-	7,671,213	28,135,088	20	25,577,235	511,571	5,174,683	20,914,123	7,220,965
Office Decoration	12,085,700	362,400	-	12,448,100	20	9,116,814	593,777	-	9,710,591	2,737,509
Computer	4,084,486	27,100	-	4,111,586	30	3,533,659	169,280	-	3,702,939	408,647
Air Conditioner	1,913,906	-	-	1,913,906	15	1,334,526	86,907	-	1,421,433	492,473
Office Equipment	4,418,607	140,675	-	4,559,282	15	3,036,211	208,997	-	3,245,208	1,314,074
Total as at 31-12-2017	113,319,165	607,711	7,671,213	106,255,663		52,573,063	2,831,131	5,174,683	50,229,509	56,026,154
Total as at 31-12-2016	113,023,485	295,680	-	113,319,165		47,434,058	5,139,000	-	52,573,063	60,746,102

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### 11. SHARE CAPITAL

	2017 Taka	2016 Taka
Authorised capital:		
100,000,000 Ordinary shares of Tk. 10 each	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued, subscribed and paid-up capital		
3,50,30,138 Ordinary shares of Tk. 10/- each	<u>350,301,380</u>	<u>327,384,470</u>

The Category-wise share holding position as on 31 December, 2017 is as under:

Category of Shareholders	No. of Shares	(%) of Holding	Amount In Taka
Sponsor & Director (Group-A)	10,012,174	28.58	100,121,740
Financial & Other Institution (Group-B)	11,910,348	34.01	119,103,480
General Public (Group-B)	13,107,616	37.42	131,076,160
<b>Total</b>	<b>35,030,138</b>	<b>100</b>	<b>350,301,380</b>

#### Classification of Shareholders as per share holdings:

##### Group-A

S/N	Class Interval	No. of Shares	No. of Shareholders	Share Holdings (%)	(%) of Total Paid up Capital
1	01-500	-	-	-	-
2	501-5,000	-	-	-	-
3	5,001-10,000	7,397	1	0.074	0.02
4	10,001-20,000	-	-	-	-
5	20,001-30,000	-	-	-	-
6	30,001-40,000	-	-	-	-
7	40,001-50,000	-	-	-	-
8	50,001-100,000	-	-	-	-
9	100,001-1,000,000	7,775,590	11	77.66	22.20
10	1,000,001-Over	2,229,187	2	22.26	6.36
	<b>Total</b>	<b>10,012,174</b>	<b>14</b>	<b>100</b>	<b>28.58</b>

#### Classification of Shareholders as per share holdings:

##### Group-B

S/N	Class Interval	No. of Shares	No. of Shareholders	Share Holdings (%)	(%) Of Total paid up capital
1	01-500	175,827	1223	0.70	0.50%
2	501-5,000	2,313,054	1435	9.25	6.60%
3	5,001-10,000	1,087,652	150	4.35	3.10%
4	10,001-20,000	1,127,992	78	4.51	3.22%
5	20,001-30,000	762,578	32	3.05	2.18%
6	30,001-40,000	291,715	8	1.17	0.83%
7	40,001-50,000	361,575	8	1.03	1.03%
8	50,001-100,000	1,587,550	22	6.35	4.53%
9	100,001-1,000,000	8,446,380	29	33.76	24.11%
10	1,000,001-Over	8,863,641	3	35.43	25.30%
	<b>Total</b>	<b>25,017,964</b>	<b>2988</b>	<b>100.00</b>	<b>71.42%</b>
	<b>Sub-Total</b>	<b>35,030,138</b>	<b>3002</b>		<b>100.00%</b>

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### 12. RETAINED EARNINGS

Balance brought forward from last year (Note 12.1)  
Add: Net profit after tax and WPPF during the year

Less: Reserve for exceptional losses

2017 Taka	2016 Taka
3,006,264	7,775,772
14,996,296	18,147,408
<b>18,002,560</b>	<b>25,923,180</b>
-	-
<b>18,002,560</b>	<b>25,923,180</b>

### 12.1 BALANCE BROUGHT FORWARD FROM LAST YEAR

Net profit before dividend

Less: Dividend paid

25,923,180	37,537,996
22,916,916	29,762,224
<b>3,006,264</b>	<b>7,775,772</b>

### 13. PREMIUM DEPOSIT

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, 2017.

<b>1,300,657</b>	<b>2,055,964</b>
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### 14. LOANS AND OVERDRAFT

SOD Loan from Banks (Note 14.1)

Margin Loan from Mercantile Bank Securities Ltd.

70,744,367	93,569,425
18,440,274	19,033,441
<b>89,184,641</b>	<b>112,602,866</b>

### 14.1 SOD Loan (UCBL and MBL, Bijoy nagar Branch)

United Commercial Bank Ltd, A/c no-107174800037

United Commercial Bank Ltd, A/c no-107174800028

United Commercial Bank Ltd, A/c no-107174800039

Mercantile Bank Limited, A/c no-11337150448835

6,775,371	25,665,540
21,427,488	27,175,278
22,845,575	22,646,065
19,695,933	18,082,542
<b>70,744,367</b>	<b>93,569,425</b>

Above loan facilities have been obtained from UCBL and MBL with the following terms and conditions:

- (a) SOD loan account no-107174800000037:- SOD Limit of Tk. 100.00 Lac have been obtained from United Commercial Bank Ltd.(UCBL) Bijoy nagar Branch against liens FDR valuing Tk.115 lac. Rate of Interest 2% of above FDR .
- (b) SOD loan account no-107174800000028:- SOD Limit of Tk. 250.00 Lac have been obtained from United Commercial Bank Ltd.(UCBL) Bijoy nagar Branch against security of lien FDR valuing Tk.312.50 lac. Rate of Interest 2% of above FDR .
- (c) SOD loan account no-107174800000039:- SOD Limit of Tk. 230.00 Lac have been obtained from United Commercial Bank Ltd.(UCBL) Bijoy nagar Branch against security of lien FDR valuing Tk.289.00 lac. Rate of Interest 2% of above FDR .
- (d) SOD loan account no-113371504458835:- SOD Limit of Tk. 200.00 Lac have been obtained from Mercantile Bank Ltd.(MBL) Bijoy nagar Branch against security of lien FDR valuing Tk.253.00 lac. Rate of Interest 3% of above FDR .

### 15. ESTIMATED LIABILITY IN RESPECT OF OUTSTANDING CLAIMS

#### WHETHER DUE OR INTIMATED

Fire

Marine (Cargo)

Miscellaneous (Motor)

Miscellaneous

28,660,275	29,762,929
11,743,157	8,413,178
5,652,000	2,736,834
117,000	100,000
<b>46,172,432</b>	<b>41,012,941</b>



**16. AMOUNTS DUE TO OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS**

Shadharan Bima Corporation and other Insurance Companies (Note-16.1)	<b>90,784,606</b>	<b>74,006,121</b>
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**16.1 SHADHARAN BIMA CORPORATION AND OTHER COMPANIES**

Opening balance	74,006,121	39,428,856
Add: Ceded in this year	39,726,031	50,536,974
	113,732,152	89,965,830
Less: Paid in this year	22,947,546	15,959,709
Closing Balance	<b>90,784,606</b>	<b>74,006,121</b>

**17. SUNDRY CREDITORS**

Provision for office rent	58,260	-
Provision for audit fee	143,750	143,750
Provision for Utility and Telephone Bills	58,008	
VAT deducted at source	138,464	49,354
Salary income tax payable	16,900	25,800
Income tax deduction (Office rent)	20,843	18,072
Security deposit against office rent	800,536	786,708
I.T. deduction at source	119,233	17,704
GIL foundation	5,000	5,000
Share application money refundable	799,674	765,028
Provision for unrealised loss on investment in shares (Note-17.1)	14,150,004	17,786,577
Provision for employees Contribution( P.F)	-	130,415
Provision for Salary & Allowance	3,398,105	-
Provision for WPPF (Note -24)	2,817,394	3,383,773
VAT payable	1,398,911	1,283,057
Provision for company's Contribution( P.F)	161,279	130,415
Provision for Income tax (Note- 23)	2,422,414	27,527,943
	<b>26,508,775</b>	<b>52,053,596</b>

**17.1 PROVISION FOR UNREALISED INVESTMENT IN SHARE**

Opening balance	17,786,577	22,060,179
Less: Provision written back (Due to rise in market price)	3,636,573	4,273,602
Closing balance	<b>14,150,004</b>	<b>17,786,577</b>

**18. PREMIUM INCOME LESS RE-INSURANCE**

Business	Gross Premium			Re-Insurance accepted	Re-Insurance ceded	Net Premium	Net Premium
	Private	Public	Total				
Fire	63,092,645	5,192,877	68,285,522	-	49,060,000	19,225,522	13,973,284
Marine	86,993,245	17,853,525	104,846,770	-	38,977,513	65,869,257	69,455,411
Motor	16,273,426	2,543,542	18,816,968	-	4,643,743	14,173,225	12,042,153
Miscellaneous	18,785,217	23,383,779	42,168,996	-	31,514,703	10,654,293	11,817,829
<b>Total</b>	<b>185,144,533</b>	<b>48,973,723</b>	<b>234,118,256</b>	<b>-</b>	<b>124,195,959</b>	<b>109,922,297</b>	<b>107,288,677</b>

**19. EXPENSES OF MANAGEMENT**

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

Department	%	Allocate of expenses	Stamp expenses	Total amount	Total amount
Fire	28.91	18,536,519	157,900	18,694,419	15,774,996
Marine	44.01	28,461,292	-	28,461,292	29,522,416
Motor	9.37	5,107,980	952,700	6,060,680	5,807,235
Miscellaneous	17.70	11,447,030	5,850	11,452,880	10,705,605
<b>100</b>		<b>63,552,821</b>	<b>1,116,450</b>	<b>64,669,271</b>	<b>61,810,253</b>

**19.1 MANAGEMENT EXPENSES OF SUMMARY**

Sl. No	Head of Accounts	2017 Taka	2016 Taka
1	Bank charges	332,794	477,234
2	Books, papers & periodicals	30,084	43,011
3	Brokerage commission	-	573
4	Car Allowance	660,000	847,000
5	Car fuel	426,935	512,301
6	Car maintenance	1,503,721	1,233,118
7	Conveyance	290,400	291,230
8	Cookeries	-	39,112
9	Electricity & WASA expenses	812,420	818,810
10	Entertainment	231,777	411,219
11	Fee and Charges	479,949	472,552
12	Festival & Incentive	3,329,196	2,160,790
13	Group Insurance Premium	274,285	1,989,048
14	Insurance premium Car	367,023	482,233
15	Internet Bill	524,900	646,450
16	Office maintenance	2,187,499	1,874,385
17	Office rent, rates & taxes	4,888,942	4,878,959
18	New Year celebration	176,012	74,514
19	PF Contribution	1,886,927	919,756
20	Postage, revenue stamps & telegram	88,360	74,994
21	Printing & stationery	992,670	1,650,740
22	Rent Vat	722,645	1,298,771
23	Salary & allowances	38,818,493	34,208,673
24	SBC expenses on PSB	3,712,497	3,227,830
25	Office Service charges	202,400	234,800
26	Surveyor Fees	259,569	1,040,742
27	Telephone & telex	346,323	421,640
28	Training Fee	7,000	27,000
29	Traveling	-	495,311
30	Uniform	-	61,257
Sub-Total		63,552,821	60,914,053
<b>Insurance Stamp Expenses</b>			
1	Fire	157,900	117,300
2	Marine	-	-
3	Motor	952,700	774,100
4	Miscellaneous	5,850	4,800
Sub-Total		1,116,450	896,200
<b>Grand-Total</b>		<b>64,669,271</b>	<b>61,810,253</b>

	2017 Taka	2016 Taka
<b>20. DIRECTORS FEE</b>	<b>990,000</b>	<b>940,500</b>

During the year under review an amount of Tk.9, 90,000 was paid to the Directors of the company as Board and committee meeting attendance fee.

**21. INTEREST INCOME**

Interest on National Investment Bond	2,979,100	2,979,100
Interest on Fixed Deposit	12,647,248	16,015,208
Interest on Short Term Deposit	35,947	14,940
	<b>15,662,295</b>	<b>19,009,248</b>

**22. EARNINGS PER SHARE (EPS)**

The earning per share of the company is as follows:

Earning attributable to ordinary share holders (Profit after tax and WPPF)	14,996,296	18,147,408
Weighted average number of ordinary shares outstanding during the year	35,030,138	35,030,138
<b>Earnings Per Share (2016 Restated)</b>	<b>0.43</b>	<b>0.52</b>

\* In accordance with BAS-33 "Earnings Per Share" previous year's EPS is restated.

**23. PROVISION FOR INCOME TAX**

Opening Balance as on 1st January	27,527,943	39,376,391
Add: Provision made during the year	9,653,370	11,795,662
	37,181,313	51,172,053
Less: Payment paid during the year	32,940,542	20,974,971
Less: Tax deducted at source	1,818,357	2,669,139
<b>Closing Balance as on 31 December</b>	<b>2,422,414</b>	<b>27,527,943</b>

**24. PROVISION FOR WORKER'S PROFIT PARTICIPATION & WELFARE FUND (WPPF)**

Opening Balance as on 1st January	3,383,773	3,561,786
Add: Provision made during the year	1,232,483	1,497,154
	4,616,256	5,058,940
Less: Payment made during the year	1,798,862	1,675,167
<b>Closing Balance as on 31 December</b>	<b>2,817,394</b>	<b>3,383,773</b>

**25. Cashflow from Operating Activities- Under Indirect Method**

	2017 Taka	2016 Taka
Net profit before tax	24,649,666	29,943,070
Less: Depreciation	2,831,131	5,139,000
	21,818,536	24,804,070
Changed in Working Capital		
Increase / (Decrease) of interest , Dividend and Rent receivable	(311,190)	1,621,792
Increase / (Decrease) Amounts due from other Persons or-Bodies carrying on insurance business	(26,885,497)	(24,085,602)
Increase /( Decrease) of Sundry Debtors	(2,959,059)	(30,141,244)
Increase /(Decrease) of stationery	(163,838)	43,236
Increase /( Decrease) of stamp in hand	(374,561)	(33,205)
Increase / (Decrease) of premium deposit	(755,307)	(1,027,982)
(Increase) / Decrease amounts due from other Persons or-Bodies carrying on insurance business	16,778,485	34,577,265
(Increase) / Decrease of Sundry Creditor and others	(25,544,821)	(17,278,951)
	(2,945,419)	(5,773,417)
Tax paid during the year	(31,122,185)	(23,644,110)
	<b>(12,249,068)</b>	<b>(4,613,457)</b>

**26. CONTINGENT LIABILITIES**
**Income Tax:**

The Income Tax Authority has claimed Tk. 13,33,29,475 for the assessment year 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16 & 2016-17 in excess of income tax paid for the respective years. However, the company filed a writ with the Honourable High Court for the assessment year 2006-07, 2007-08, 2008-09, 2009-10, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16 and appeal to appellate tribunal for the assessment years 2010-11, 2016-17. Honourable High Court Division has given verdict in favour of the company but the NBR again filed appeal to the Appellate Division. The ultimate outcome of the matters cannot be accurately determined and no provision for any liability that may arise has been made in the financial statements.

**27. BOARD MEETING**

During the year 2017 the Company had 18 members Board of Directors and held 07 Board meetings. Board of Directors of the Company has formed other Committees like Executive Committee, Claims Committee and Audit Committee. Regular meetings of those Committees were also held during the current year.

**28. EMPLOYEES**

Total number of employees of the company is 272 None of them received salary below Tk. 5,000.00 per month.

**29. There was no credit facility available to the company under any contract availed of as at 31st December, 2017 other than trade credit available in the ordinary course of business.**
**30. EVENTS AFTER THE REPORTING PERIOD :**

- The Board of Directors in its meeting held 09, May 2018 on approved the financial statements for the year ended December 31, 2017 and authorised the same for issue. The Board of Directors has also recommended dividend to the amount of tk 17,515,069 @ the rate of 5% on paid up capital out of the surplus available for distribution at the end of the year 2017, which is subject to the approval of shareholders in the forthcoming Annual General Meeting of the company.
- 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.


**Chief Executive Officer (In-Charge)**

**Director**

**Director**

**Chairman**



**GLOBAL INSURANCE LIMITED**
**Form AA**
**Classified Summary of Assets**
As at December 31, 2017

Particulars	Book value as per balances sheet	Market value	Remarks
Deposit with Prime Bank Ltd.(5 years NIB @ 10.14% Interest)	9,000,000	9,000,000	Not Quoted in Market
Deposit with MercantileBank Ltd. (10 years NIB @ 12.10% Interest)	16,000,000	16,000,000	Not Quoted in Market
Investment in Shares	38,206,382	24,056,379	At Cost
Amount due from other persons or bodies carrying on Insurance business	113,419,916	113,419,916	Realizable Value
FDR	206,550,000	206,550,000	Realizable Value
CD & STD	16,507,847	16,507,847	Realizable Value
Cash in Hand	6,314,721	6,314,721	Realizable Value
Interest accrued but not due	1,391,962	1,391,962	Realizable Value
Sundry debtors, advance, deposits and prepayments	234,336,710	234,336,710	All considered Good
Fixed Assets (At cost less depreciation)	56,026,154	56,026,154	At written down value
Advance against floor purchase	15,739,500	15,739,500	At cost
Stamp in hand	853,996	853,996	At cost
Stock of Printing and Stationery	1,088,866	1,088,866	At cost
	<b>715,436,053</b>	<b>701,286,051</b>	

  
**Chief Executive Officer (In-Charge)**
  
**Director**
  
**Director**
  
**Chairman**

**Dated, Dhaka**  
**Dated : 09 May, 2018**