

AUDITORS' REPORT

- (i) We have examined the annexed Balance Sheet of Green Delta Insurance Company Limited as at 31st December, 1986 and related Fire, Marine, Motor and Miscellaneous Revenue Accounts and the Profit and Loss and Appropriation Account for the year to that date.
- (ii) Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other audit procedures as were considered necessary in the circumstances.
- (iii) We have obtained all the information and explanations we required and in our opinion, the Balance Sheet and the relevant accounts have been drawn up in conformity with the Insurance Act, 1938.
- (iv) In our opinion, the aforementioned financial statements, read in conjunction with our annexed notes of even date which are an integral part of the report, presents fairly the financial position of the Company and the results of its operation for the above year in conformity with generally accepted insurance accounting principles.
- (v) Proper books of accounts have been maintained by the Company as required by the statute.

May 16, 1987.

Masih, Mijan & Co
Chartered Accountants



GREEN DELTA INSURANCE

BALANCE SHEET AS AT

CAPITAL AND LIABILITIES	NOTE	TAKA
SHARE CAPITAL	3	
Authorised		10,00,00,000
Issued, Subscribed and paid-up 3,00,000 shares of Tk.100/- each		3,00,00,000
RESERVES OR CONTINGENCY ACCOUNT		
Reserve for Exceptional Losses	4	17,00,000
General Reserve	5	2,50,000
		19,50,000
PROFIT AND LOSS APPROPRIATION ACCOUNT		30,006
BALANCE OF FUND AND ACCOUNTS		
Fire Insurance Business Account		61,86,572
Marine Cargo Insurance Business Account		36,23,591
Marine Hull Insurance Business Account		3,94,421
Motor Insurance Business Account		10,46,039
Misc. Insurance Business Account		7,19,714
		1,19,70,337
PREMIUM DEPOSIT	6	1,49,00,560
LIABILITIES AND PROVISIONS		
Estimated Liability in respect of Outstanding claims whether due or intimated	7	27,77,675
Amount due to other persons or bodies carrying on Insurance Business	8	1,14,27,453
		1,42,05,128
SUNDRY CREDITORS(Including outstanding Expenses, Commission and Taxes)	9	29,90,875
		7,60,46,906

Shafat Ahmed Chaudhuri
Chairman

Nasiruddin Ahmad Choudhury
Managing Director

Md. Sarqum Ali
Director

Dhaka May 16 1987



COMPANY LIMITED

31ST DECEMBER,

<u>PROPERTY AND ASSETS</u>	NOTE	TAKA
INVESTMENT (At cost)	10	
Pratirakkha Sanchayapatra		45,00,000
National Bond		6,00,000
		51,00,000
OUTSTANDING PREMIUM	11	43,26,466
SUNDRY DEBTORS (Including advances & deposits)	12	48,88,314
CASH IN HAND AND AT BANKS		
At Banks on Fixed Deposit		4,80,75,056
At Banks on STD and Current Account		89,35,615
Cash and Cheques in hand and on Transit		5,18,769
		5,75,29,440
OTHER ACCOUNTS		
Fixed Assets (At cost less depreciation)	13	41,07,519
Stock of Stationery and Stamps		28,549
Preliminary Expenses		66,618
		7,60,46,906

Rashid Ahmed
Director

A.K.M. Sarwardy Chowdhury
Vice President

Masih, Mijan & Co
Chartered Accountants



GREEN DELTA INSURANCE

PROFIT AND LOSS ACCOUNT FOR THE

	TAKA
Expenses of Management (Not applicable to any Particular Fund or Account)	15,42,767
Professional charges	35,250
Charity and Donation	2,200
Subscription and Fee	5,320
Director's Fee	27,800
Licence Fee	64,500
Director's honorarium	55,000
Audit Fee	52,000
Remuneration account	3,75,000
Eid Festival allowance	1,84,000
Depreciation	7,69,964
	19,80,006
Net Profit for the year carried down to Profit and Loss Appropriation Account	50,93,807

PROFIT AND LOSS APPROPRIATION ACCOUNT

	TAKA
Reserve for Exceptional Losses	17,00,000
General Reserve	2,50,000
Balance Transferred to Balance Sheet	30,006
	19,80,006

Shafat Ahmed Chaudhuri
Chairman

Nasiruddin Ahmad Choudhury
Managing Director

Md. Sarqum Ali
Director

Dhaka May 16 1987



COMPANY LIMITED

YEAR ENDED 31ST DECEMBER, 1986

	TAKA
Interest and Dividends (Not applicable to any Particular Fund or Account)	
Interest on Deposits	27,46,064
Miscellaneous Income	1,435
PROFIT AND LOSS TRANSFERRED FROM:	
Fire Insurance Revenue Account	18,98,706
Marine Cargo Insurance Revenue Account	8,62,491
Misc. Insurance Revenue Account	2,60,043
Marine Hull Insurance Revenue Account	(2,62,290)
Motor Insurance Revenue Account	(4,12,642)
	23,46,308
	<hr/>
	<u>50,93,807</u>

FOR THE YEAR ENDED 31ST DECEMBER, 1986

	TAKA
Net Profit for the year brought down	19,80,006
	<hr/>
	<u>19,80,006</u>

Rashid Ahmed
Director

A.K.M. Sarwardy Chowdhury
Vice President

Masih, Mijan & Co
Chartered Accountants



GREEN DELTA INSURANCE FIRE INSURANCE REVENUE ACCOUNT

	NOTE	TAKA
CLAIMS UNDER POLICIES LESS		
RE-INSURANCE	15	
Paid during the year		26,195
Total Estimated Liability in respect of		
Outstanding claims at the end of the year		
whether due or intimated		10,68,688
		10,94,883
AGENCY COMMISSION		40,13,808
COMMISSION ON RE-INSURANCE ACCEPTED		2,56,484
EXPENSES OF MANAGEMENT		28,32,940
PROFIT TRANSFERRED TO PROFIT AND		
LOSS ACCOUNT		18,98,706
BALANCE OF ACCOUNT AT THE END OF THE		
YEAR AS SHOWN IN THE BALANCE SHEET		
Reserve for unexpired risks being 50% of		
the Premium Income of the year		61,86,572
		1,62,83,393

Shafat Ahmed Chaudhuri
Chairman

Nasiruddin Ahmad Choudhury
Managing Director

Md. Sarqum Ali
Director

Dhaka May 16 1987



COMPANY LIMITED
THE YEAR ENDED 31ST DECEMBER, 1986.

	NOTE	TAKA
BALANCE OF ACCOUNT AT THE BEGINNING OF THE YEAR		—
PREMIUM LESS RE-INSURANCE	14	1,23,73,145
COMMISSION ON RE-INSURANCE CEDED		39,10,248

1,62,83,393

Rashid Ahmed
Director

A.K.M. Sarwardy Chowdhury
Vice President

Masih, Mijan & Co
Chartered Accountants



GREEN DELTA INSURANCE

MARINE CARGO INSURANCE REVENUE ACCOUNT

	NOTE	TAKA
CLAIMS UNDER POLICIES LESS RE-INSURANCE:	15	
Paid during the Year		58,149
Total Estimated Liability in respect of Outstanding claims at the end of the year whether due or intimated.		12,06,580
		12,64,729
AGENCY COMMISSION		14,91,810
COMMISSION ON RE-INSURANCE ACCEPTED		29,919
EXPENSES OF MANAGEMENT		20,74,044
PROFIT TRANSFERRED TO PROFIT AND LOSS ACCOUNT		8,62,491
BALANCE OF ACCOUNT AT THE END OF THE YEAR AS SHOWN IN THE BALANCE SHEET:		
Reserve for unexpired risks being 40% of the Premium Income of the year		36,23,591
		93,46,584

Shafat Ahmed Chaudhuri
Chairman

Nasiruddin Ahmad Choudhury
Managing Director

Md. Sarqum Ali
Director

Dhaka May 16 1987



COMPANY LIMITED

FOR THE YEAR ENDED 31ST DECEMBER, 1986

	NOTE	TAKA
BALANCE OF ACCOUNT AT THE BEGINING OF THE YEAR		—
PREMIUM LESS RE-INSURANCE	14	90,58,978
COMMISSION ON RE-INSURANCE CEDED		2,87,606

93,46,584

Rashid Ahmed
Director

A.K.M. Sarwardy Chowdhury
Vice President

Masih, Mijan & Co
Chartered Accountants



GREEN DELTA INSURANCE MARINE HULL INSURANCE REVENUE ACCOUNT

	NOTE	TAKA
CLAIMS UNDER POLICIES LESS RE-INSURANCE:	15	
Paid during the year		4,60,800
Total Estimated Liability in respect of Outstanding claims at the end of the year whether due or intimated		14,000
		4,74,800
AGENCY COMMISSION		3,19,366
EXPENSES OF MANAGEMENT		90,580
BALANCE OF ACCOUNT AT THE END OF THE YEAR AS SHOWN IN THE BALANCE SHEET:		
Reserve for unexpired risks being		3,94,421
100% of the Premium Income of the year		12,79,167
		12,79,167

Shafat Ahmed Chaudhuri
Chairman

Dhaka May 16 1987

Nasiruddin Ahmad Choudhury
Managing Director

Md. Sarqum Ali
Director



COMPANY LIMITED

FOR THE YEAR ENDED 31ST DECEMBER, 1986

	NOTE	TAKA
BALANCE OF ACCOUNT AT THE BEGINNING OF THE YEAR		<u> </u>
PREMIUM LESS RE-INSURANCE	14	3,94,421
COMMISSION ON RE-INSURANCE CEDED		6,22,456
LOSS TRANSFERRED TO PROFIT AND LOSS ACCOUNT		2,62,290
		<u><u>12,79,167</u></u>

Rashid Ahmed
Director

A.K.M. Sarwardy Chowdhury
Vice President

Masih, Mijan & Co
Chartered Accountants



GREEN DELTA INSURANCE MOTOR INSURANCE REVENUE ACCOUNT

	NOTE	TAKA
CLAIMS UNDER POLICIES LESS RE-INSURANCE:	15	
Paid during the year		72,831
Total Estimated Liability in respect of Outstanding claims at the end of the year whether due or intimated.		4,88,407
		5,61,238
AGENCY COMMISSION		4,18,415
EXPENSES OF MANAGEMENT		4,79,027
BALANCE OF ACCOUNT AT THE END OF THE YEAR AS SHOWN IN THE BALANCE SHEET		
Reserve for unexpired risks being 50% of the Premium Income of the year		10,46,039
		25,04,719

Shafat Ahmed Chaudhuri
Chairman.

Nasiruddin Ahmad Choudhury
Managing Director

Md. Sarqum Ali
Director

Dhaka May 16 1987



COMPANY LIMITED
FOR THE YEAR ENDED 31ST DECEMBER, 1986

	NOTE	TAKA
BALANCE OF ACCOUNT AT THE BEGINING OF THE YEAR		—
PREMIUM LESS RE-INSURANCE	14	20,92,077
LOSS TRANSFERRED TO PROFIT AND LOSS ACCOUNT.		4,12,642
		<u>25,04,719</u>

Rashid Ahmed
Director

A.K.M. Sarwardy Chowdhury
Vice President

Masih, Mijan & Co
Chartered Accountants



GREEN DELTA INSURANCE

MISCELLANEOUS INSURANCE REVENUE ACCOUNT

	NOTE	TAKA
CLAIMS UNDER POLICIES LESS RE-INSURANCE:	15	
Paid during the year		1,690
Total Estimated Liability in respect of Outstanding claims at the end of the year whether due or intimated		—
		1,690
AGENCY COMMISSION		3,78,190
EXPENSES OF MANAGEMENT		3,29,803
COMMISSION ON RE-INSURANCE ACCEPTED		1,09,367
PROFIT TRANSFERRED TO PROFIT AND LOSS ACCOUNT		2,60,043
BALANCE OF ACCOUNT AT THE END OF THE YEAR AS SHOWN IN BALANCE SHEET:		
Reserve, for unexpired risks being 50% of the premium Income of the year		7,19,714
		17,98,807

Shafat Ahmed Chaudhuri
Chairman

Nasiruddin Ahmad Choudhury
Managing Director

Md. Sarqum Ali
Director

Dhaka May 16 1987



COMPANY LIMITED
FOR THE YEAR ENDED 31ST DECEMBER, 1986

	NOTE	TAKA
BALANCE OF ACCOUNT AT THE BEGINING OF THE YEAR		<u> </u>
PREMIUM LESS RE-INSURANCE	14	14,39,429
COMMISSION OF RE-INSURANCE CEDED		3,59,378
		<u> </u>
		<u>17,98,807</u>

Rashid Ahmed
Director

A.K.M. Sarwardy Chowdhury
Vice President

Masih, Mijan & Co.
Chartered Accountants



GREEN DELTA INSURANCE COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 1986.

1. BACKGROUND:

The Company was incorporated as a Public Limited Company in December, 1985 and was allowed commencement of Business from Twenty Fourth day of December, 1985 following governments decision to allow functioning of Private Sector Insurance Companies.

The Company fifth such in Private Sector however started functioning from January 1, 1986 following consent No.MF/INV-I -58/85/820 of December 10, 1985 of the Controller of Capital Issues, Bangladesh and on December 31, 1986 came up with a network of 19 branches in Bangladesh within the first year of its operation.

2. SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting:

These accounts have been prepared on a going concern basis under generally accepted accounting principles on historical cost convention. Requirements as to disclosure of financial informations warranted by the Insurance Act 1938 as well as International Accounting Standards as adopted in Bangladesh have been adhered to in presenting the financial statements. The financial statements comprises of the Balance Sheet, Profit and Loss Account and Revenue Accounts in the Form set forth in the First and Third Schedule of the Insurance Act 1938.

Depreciation

Depreciation on fixed assets has been charged adopting straight line method on all assets at varying rates depending on the class of assets owned by the Company. As this is the first year of operation, the principle of consistency has no relevance as to the application of depreciation policy.

3. SHARE CAPITAL:

Authorised

10,00,000 ordinary Shares of Tk.100/- each Tk.10,00,00,000/- issued subscribed and paid-up:

3,00,000 Ordinary Shares of Tk.100/- each
fully paid-up in cash Tk.3,00,00,000/-

The above shares are all issued to the Directors/sponsors of the Company.



4. **RESERVE FOR EXCEPTIONAL LOSSES:**

This reserve has been made at 6.7% of premium Income rounded off to lac taka.

5. **GENERAL RESERVE:**

The reserve has been made out of profit on a lump sum basis.

6. **PREMIUM DEPOSITS:**

This represents the amount of premium deposited with the Company against Covernotes for which no policy has been issued upto the end of the review year and also the excess premium received throughout the year 1986 including stamp duty of Tk.15,75,280/-

7. **ESTIMATED LIABILITY IN RESPECT OF OUTSTANDING CLAIMS WHETHER DUE OR INTIMATED.**

	<u>FIRE</u>	<u>MARINE CARGO</u>	<u>MARINE HULL</u>	<u>MOTOR</u>	<u>TOTAL</u>
Retention	10,68,688	12,06,580	14,000	4,88,407	27,77,675
Re-insurance:					
Surplus Treaty	3,16,857	83,30,804	27,000	—	86,74,661
Facultative	3,16,857	9,834	34,000	—	43,834
	<u>3,16,857</u>	<u>83,40,638</u>	<u>61,000</u>	<u>—</u>	<u>87,18,495</u>
TK.	<u>13,85,545</u>	<u>95,47,218</u>	<u>75,000</u>	<u>4,88,407</u>	<u>1,14,96,170</u>

Only the retention amount represents Company's liability in respect of outstanding claim.

8. **AMOUNT DUE TO OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS:**

This represents the amount of re-insurance premium payable to Sadharan Bima Corporation (SBC) as on December 31, 1986.

9. **SUNDRY CREDITORS**

	TAKA
Liability for Capital Expenditure	3,31,410
Insurance Policy Stamp	93,640
Agency Stamp	30
Liability for Expenses	12,14,636
Agency Commission	13,51,159
	<u>29,90,875</u>



10. INVESTMENT:

GOVERNMENT SECURITIES:

Pratirakkah Sanchayapatra (PSP) (Part of paid-up capital investment)	45,00,000
National Bond	<u>6,00,000</u>
	<u>51,00,000</u>

National Bond maturing after 5 years on August 28, 1991 bears an interest @16% pa
The PSP's are for a term of 8 years and will mature on December 29, 1993.

11. OUTSTANDING PREMIUM:

CLASS OF BUSINESS:

Fire	60,762
Marine Cargo	2,43,255
Marine Hull	40,17,897
Motor	4,552
	<u>43,26,466</u>

Outstanding premium represents short collection

12. SUNDRY DEBTORS:

Advance against House Rent	30,94,840
Advance against capital Expenditure	2,00,000
Advance against Salary	41,500
Advance against Miscellaneous	16,791
Advance agency commission	13,33,123
Advance against Travelling	2,100
Security Deposit	<u>1,99,960</u>
	<u>48,88,314</u>

13. FIXED ASSETS:

Class wise cost of acquisition of assets and dipreciation charged in 1986,are shown below:

CLASS OF ASSETS:	COST	RATE %	DEPRE- CIATION	WRITTEN DOWN VALUE
Furniture & Fixture	15,61,623	10	1,56,162	14,05,461
Office Equipments Electrical	3,74,970	15	56,246	3,18,724
Equipments	5,27,440	15	79,116	4,48,324
Vehicles	23,28,450	20	4,65,690	18,62,760
Computer	85,000	15	12,750	72,250
TK.	<u>48,77,483</u>		<u>7,69,964</u>	<u>41,07,519</u>

Table above shows position as at December 31, 1986. Assets include branch assets as well.



14. PREMIUM LESS RE-INSURANCE

CLASS OF	ON DIRECT	PREMIUM ON RE- INSURANCE ACCEPTED	PREMIUM ON RE- INSURANCE CEDED	TOTAL
FIRE	2,05,33,807	5,28,779	(86,89,441)	1,23,73,145
MARINE				
CARGO	1,01,34,264	75,138	(11,50,424)	90,58,978
MARINE				
HULL	83,66,325	—	(79,71,904)	3,94,421
MOTOR	20,92,077	—	(—)	20,92,077
MISC.				
ACCIDENT	21,25,120	4,01,035	(10,86,726)	14,39,429
TK.	<u>4,32,51,593</u>	<u>10,04,952</u>	<u>(1,88,98,495)</u>	<u>2,53,58,050</u>

15. CLAIMS UNDER POLICIES LESS RE-INSURANCE:

	PAID	CLAIMS OUTSTAN DING	RE- INSURANCE	NET CLAIMS
FIRE	49,144	10,68,688	(22,949)	10,94,883
M / CARGO	1,30,818	12,06,580	(72,669)	12,64,729
M / HULL	9,60,000	14,000	(4,99,200)	4,74,800
MOTOR	72,831	4,88,407	—	5,61,238
MISC.				
ACCIDENT	1,321	—	369	1,690
TK.	<u>12,14,114</u>	<u>27,77,675</u>	<u>(5,94,449)</u>	<u>33,97,340</u>

GENERAL:

In term of the Company's policy interest on Investments, Fixed and Short Term Deposits is accounted for only after receipt of the same.

Figures are rounded off to nearest taka.



GREEN DELTA INSURANCE COMPANY LIMITED

FORM "AA"

Classified summary of Assets as at December 31, 1986

Sl. No	Class of Assets	Book value
1.	Pratirakha Sanchaya Patra	45,00,000
2.	National Bond	6,00,000
3.	Fixed and call deposits with Banks	5,65,35,493
4.	Cash at Banks on current account	4,75,178
5.	Cash and Cheque in hand and on transit	5,18,769
		6,26,29,440
6.	Outstanding premium	43,26,466
7.	Sundry Debtors including Advances and Deposits	48,88,314
8.	Fixed Assets	41,07,519
9.	Stock of Stationery & Stamps	28,549
10.	Preliminary Expenses	66,618
		7,60,46,906

Shafat Ahmed Chaudhuri
Chairman

Nasiruddin Ahmad Choudhury
Managing Director

Md. Sarqum Ali
Director

Rashid Ahmed
Director

A.K.M. Sarwardy Chowdhury
Vice President

Masih Mijan & Co.
Chartered Accountant

May 16, 1987

