



Auditor's Report

- (I) We have examined the annexed Balance Sheet of **Green Delta Insurance Company Limited** as at 31st December, 1987 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 test 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 results of its operation for the above in conformity with generally accepted insurance accounting principles.
- (V) Proper books of accounts have been maintained by the Company as required by the statute.

June 18, 1988

Masih Mijan & Co
Chartered Accountants



Balance Sheet As at 31 December 1987

Capital and Liabilities	NOTE	1987 Taka	1986 Taka
Share Capital			
Authorised	2	<u>100,000,000</u>	<u>100,000,000</u>
Issued, subscribed and paid-up		30,000,000	30,000,000
Reserve or Contingency Account			
Reserve for exceptional losses	3	6,039,000	1,700,000
General Reserve		250,000	250,000
Profit and Loss Appropriation Account		62,776	30,006
Balance of Fund Accounts			
Fire Insurance Business		10,039,196	6,186,572
Marine Cargo Insurance Business		9,218,759	3,623,591
Marine Hull Insurance Business		635,742	394,421
Motor Insurance Business		1,479,274	1,046,039
Miscellaneous Insurance Business		1,337,570	719,714
Premium Deposit	4	18,610,259	14,900,560
Liabilities and Provisions			
Estimated liability in respect of outstanding claims whether due or intimated	5	7,505,607	2,777,675
Amount due to other persons or bodies carrying on Insurance Business	6	23,410,745	11,427,453
Sundry Creditors (Including outstanding expenses commission and taxes)	7	<u>13,143,131</u>	<u>2,990,875</u>
		<u>121,732,059</u>	<u>76,046,906</u>

As per annexed report of even date.

Shafat Ahmed Chaudhuri
Chairman

Md. Sarqum Ali
Director

Rashid Ahmed
Director



Balance Sheet As at 31 December 1987

Assets and Properties	NOTE	1987 Taka	1986 Taka
Investment (At Cost)	8		
Pratirakkha Sanchayapatra		4,500,000	4,500,000
National Bond		600,000	600,000
Securities		250,000	—
Outstanding Premium	9	7,038,349	4,326,466
Sundry Debtors (Including advances and deposits)	10	7,047,275	4,888,314
Cash in Hand and at Bank			
At banks on fixed deposit		81,130,654	48,075,056
At banks on STD & current account		12,414,488	8,935,615
Cash and cheque in hand & on transit		1,560,143	518,769
Other Accounts			
Fixed Assets (at cost less depreciation)	11	6,946,350	4,107,519
Stock of stationery & stamps		178,182	28,549
Preliminary expenses		66,618	66,618
		<u>121,732,059</u>	<u>76,046,906</u>

Nasir A. Choudhury
Managing Director

Q.M. Shariful Ala
Sr. Vice President

Masih Mijan & Co
Chartered Accountants



Profit and Loss Account
For the year ended 31st December 1987

	1987 Taka	1986 Taka
Expenses of Management (Not applicable to any particular Fund or Account)	2,862,374	2,206,837
Charity and Donation	246,300	2,200
Director's Fee	53,800	27,800
Directors' Honorarium	120,000	55,000
Audit Fee	70,000	52,000
Depreciation	1,543,246	769,964
Net profit for the year carried down to Profit and Loss Appropriation Account	13,029,770	1,980,006
	<u>17,925,490</u>	<u>5,093,807</u>

Profit and Loss Appropriation Account
For the year ended 31st December 1987

Reserve for Exceptional Losses	4,339,000	1,700,000
General Reserve	—	250,000
Reserve for Taxation	4,758,000	—
Dividend	3,900,000	—
Balance Transferred to Balance Sheet	62,776	30,006
	<u>13,059,776</u>	<u>1,980,006</u>

Shafat Ahmed Chaudhuri
Chairman

Md. Sarqum Ali
Director

Rashid Ahmed
Director



Profit and Loss Account For the year ended 31st December 1987

	1987 Taka	1986 Taka
Interest and Dividends (Not applicable to any particular Fund or Account)		
Interest on Deposits	6,586,574	2,746,064
Miscellaneous Income	20,111	1,435

Profit and Loss Transferred From :

Fire Insurance Revenue Account	6,998,045	1,898,706
Marine Cargo Insurance Revenue Account	2,333,809	862,491
Misc. Insurance Revenue Account	1,163,730	260,043
Marine Hull Insurance Revenue Account	887,027	(262,290)
Motor Insurance Revenue Account	(63,806)	(412,642)
	11,318,805	2,346,308
	<u>17,925,490</u>	<u>5,093,807</u>

Profit and Loss Appropriation Account For the year ended 31st December 1987

Balance brought forward from last year	30,006	—
Net Profit for the year brought down	13,029,770	1,980,006
	<u>13,059,776</u>	<u>1,980,006</u>

Nasir A. Choudhury
Managing Director

Q.M. Shariful Ala
Sr. Vice President

Masih Mijan & Co
Chartered Accountants



**Consolidated all Business Revenue Account
For the year ended 31st December 1987**

	NOTE	1987 Taka	1986 Taka
Claims Under Policies Less Re-Insurance	13	7,799,873	3,397,340
Agency Commission		12,449,023	6,621,589
Commission on Re-Insurance Accepted		367,516	395,770
Expenses of Management		15,849,335	5,806,394
Profit Transferred to Profit and Loss Account		11,318,805	2,346,308
Balance of Accounts at the end of the year as shown in the Balance Sheet		22,710,541	11,970,337
		<u>70,495,093</u>	<u>30,537,738</u>

Shafat Ahmed Chaudhuri
Chairman

Md. Sarqum Ali
Director

Rashid Ahmed
Director



**Consolidated all Business Revenue Account
For the year ended 31st December 1987**

	NOTE	1987 Taka	1986 Taka
Balance of Account at the Beginning of the Year		11,970,337	—
Gross Premium		85,957,291	44,256,000
Re-Insurance Premium		(36,562,570)	(18,897,950)
Net Premium	12	49,394,721	25,358,050
Commission on Re-Insurance Ceded		9,130,035	5,179,688
		<u>70,495,093</u>	<u>30,537,738</u>

Nasir A. Choudhury
Managing Director

Q.M. Shariful Ala
Sr. Vice President

Masih Mijan & Co
Chartered Accountants



Fire Insurance Revenue Account For the year ended 31st December 1987

	NOTE	1987 Taka	1986 Taka
Claims Under Policies Less Re-Insurance	13	2,170,529	1,094,883
Agency Commission		6,274,449	4,013,808
Commission on Re-Insurance Accepted		273,787	256,484
Expenses of Management		6,434,830	2,832,940
Profit Transferred to Profit and Loss Account		6,998,045	1,898,706
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		10,039,196	6,186,572
		<u>32,190,836</u>	<u>16,283,393</u>

Shafat Ahmed Chaudhuri
Chairman

Md. Sarqum Ali
Director

Rashid Ahmed
Director



Fire Insurance Revenue Account
For the year ended 31st December 1987

	NOTE	1987 Taka	1986 Taka
Balance of Account at the Beginning of the Year		6,186,572	—
Premium Less Re-Insurance	12	20,078,393	12,373,145
Commission on Re-Insurance Ceded		5,925,871	3,910,248
		<u>32,190,836</u>	<u>16,283,393</u>

Nasir A. Choudhury
Managing Director

Q.M. Shariful Ala
Sr. Vice President

Masih Mijan & Co
Chartered Accountants



Marine Cargo Insurance Revenue Account For the year ended 31st December 1987

	NOTE	1987 Taka	1986 Taka
Claims Under Policies Less Re-Insurance	13	4,472,612	1,264,729
Agency Commission		3,815,061	1,491,810
Commission on Re-Insurance Accepted		22,958	29,919
Expenses of Management		7,401,639	2,074,044
Profit Transferred to Profit and Loss Account		2,333,809	862,491
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		9,218,759	3,623,591
		<u>27,264,838</u>	<u>9,346,584</u>

Shafat Ahmed Chaudhuri
Chairman

Md. Sarqum Ali
Director

Rashid Ahmed
Director



Marine Cargo Insurance Revenue Account For year ended 31st December 1987

	NOTE	1987 Taka	1986 Taka
Balance of Account at the Beginning of the Year		3,623,591	—
Premium Less Re-Insurance	12	23,046,899	9,058,978
Commission on Re-Insurance Ceded		594,348	287,606
		<u>27,264,838</u>	<u>9,346,584</u>

Nasir A. Choudhury
Managing Director

Q.M. Shariful Ala
Sr. Vice President

Masih Mijan & Co
Chartered Accountants



Marine Hull Insurance Revenue Account For the year ended 31st December 1987

	NOTE	1987 Taka	1986 Taka
Claims Under Policies Less Re-Insurance	13	85,838	474,800
Agency Commission		743,079	319,366
Expenses of Management		206,041	90,580
Profit Transferred to Profit and Loss Account		887,027	—
Balance of Account at the end of the year as shown in the Balance Sheet			
Reserve for unexpired risks being 100% of the premium income of the year		635,742	394,421
		<u>2,557,727</u>	<u>1,279,167</u>

Shafat Ahmed Chaudhuri
Chairman

Md. Sarqum Ali
Director

Rashid Ahmed
Director



**Marine Hull Insurance Revenue Account
For the year ended 31st December 1987**

	NOTE	1987 Taka	1986 Taka
Balance of Account at the Begining of the Year		394,421	—
Premium Less Re-Insurance	12	635,742	394,421
Commission on Re-Insurance Ceded		1,527,564	622,456
Loss Transferred to Profit and Loss Account		—	262,290
		<u>2,557,727</u>	<u>1,279,167</u>

Nasir A. Choudhury
Managing Director

Q.M. Shariful Ala
Sr. Vice President

Masih Mijan & Co
Chartered Accountants



Motor Insurance Revenue Account For the year ended 31st December 1987

	NOTE	1987 Taka	1986 Taka
Claims Under Policies Less Re-Insurance	13	982,450	561,238
Agency Commission		655,709	418,415
Expenses of Management		950,960	479,027
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		1,479,274	1,046,039
		<u>4,068,393</u>	<u>2,504,719</u>

Shafat Ahmed Chaudhuri
Chairman

Md. Sarqum Ali
Director

Rashid Ahmed
Director



**Motor Insurance Revenue Account
For the year ended 31st December 1987**

	NOTE	1987 Taka	1986 Taka
Balance of Accounts at the Beginning of the Year		1,046,039	—
Premium Less Re-Insurance	12	2,958,548	2,092,077
Loss Transferred to Profit and Loss Account		63,806	412,642
		<u>4,068,393</u>	<u>2,504,719</u>

Nasir A. Choudhury
Managing Director

Q.M. Shariful Ala
Sr. Vice President

Masih Mijan & Co
Chartered Accountants



Miscellaneous Insurance Revenue Account
For the year ended 31st December 1987

	NOTE	1987 Taka	1986 Taka
Claims Under Policies Less Re-Insurance	13	88,444	1,690
Agency Commission		960,725	378,190
Commission on Re-Insurance Accepted		70,771	109,367
Expenses of Management		855,865	329,803
Profit Transferred to Profit and Loss Account		1,163,730	260,043
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		1,337,570	719,714
		<u>4,477,105</u>	<u>1,798,807</u>

Shafat Ahmed Chaudhuri
Chairman

Md. Sarqum Ali
Director

Rashid Ahmed
Director



**Miscellaneous Insurance Revenue Account
For the year ended 31st December 1987**

	NOTE	1987 Taka	1986 Taka
Balance of Account at the Beginning of the Year		719,714	—
Premium Less Re-Insurance	12	2,675,139	1,439,429
Commission on Re-Insurance Ceded		1,082,252	359,378
		<u>4,477,105</u>	<u>1,798,807</u>

Nasir A. Choudhury
Managing Director

Q.M. Shariful Ala
Sr. Vice President

Masih Mijan & Co
Chartered Accountants



Form "AA"
Classified Summary of Assets as at December 31, 1987

Sl. No.	Class of Assets	Book Value Taka
1.	Pratirakkha Sanchaya Patra	4,500,000
2.	National Bond	600,000
3.	Shares	100,000
4.	Debentures	150,000
5.	Fixed Deposit with Bank	81,130,654
6.	Cash at Bank on STD and Current Account	12,414,488
7.	Cash and Cheque in Hand and on Transit	1,560,143
8.	Outstanding Premium	7,038,349
9.	Sundry Debtors (including advance and deposits)	7,047,275
10.	Fixed Assets (at cost less depreciation)	6,946,350
11.	Stock of Stationery and Stamps	178,182
12.	Preliminary Expenses	66,618
		<hr/> <hr/>
		121,732,059

Note : The market value of the shares (serial no. 3 above) amounted to Tk. 110,000 as quoted in the Dhaka Stock Exchange on 31st December, 1987.



Notes to the Accounts For the year to December 31, 1987

1. Significant Accounting Policies

1.1 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 Insurances Act 1938 as well as International Accounting Standards as adopted in Bangladesh have been adhered to in presenting financial statements. Such financial statements comprises of the Balance Sheet, Profit & Loss Account and Revenue Accounts for specific classes of business in the form set forth in the first, second and third schedule of the Insurance Act 1938.

1.2 Depreciation :

Depreciation on fixed assets has been calculated adopting straight line method on all assets at varying rates depending on the class of assets. Methods and Rates of providing depreciation are consistently applied in relation to previous year. Depreciation is charged at the rates shown below :

Furniture & Fixtures	10%
Office & Electrical Equipments	15%
Vehicles	20%

1.3 Investment :

Investments are stated at their cost of acquisition. Interest on term deposits is accounted for only after receipt of the same by the company. Adjustment in respect of market value at balance sheet date of investment in debentures and shares has not been considered.

2. Share Capital

Authorised :

1,000,000 Ordinary Shares of Tk. 100 each	<u>Tk. 100,000,000</u>
---	------------------------

Issued, Subscribed and Paid-up :

300,000 Ordinary Shares of Tk. 100 each fully paid-up in cash	<u>Tk. 30,000,000</u>
--	-----------------------

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



3. Reserve for Exceptional Losses

This reserve has been made out of net premium income.

4. 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 year and also the excess premium received during the year 1987 including stamp duty of Tk. 1,972,687.

5. Estimated Liability in Respect of Outstanding Claims whether Due or Intimated

Fire	1,940,767
Marine Cargo	4,744,633
Marine Hull	82,680
Motor	685,900
Miscellaneous	51,627
	<hr/>
Tk.	<u>7,505,607</u>

6. Amount Due to Other Persons or Bodies Carrying on Insurance Business

This represents the amount payable to Sadharan Bima Corporation (SBC) as at December 31, 1987.

7. Sundry Creditors

Liability for Expenses	1,088,848
Agency Commission Payable	1,251,028
Employees Group Term Insurance	525,737
Provision for Income Tax including surcharge	4,758,000
Dividend Payable	3,900,000
Other Sundry Payables	1,619,518
	<hr/>
Tk.	<u>13,143,131</u>



8. Investment

Government Securities :

Pratirakkha Sanchaya Patra (PSP) (Part of paid-up capital Investment)	4,500,000
National Bonds	600,000
	<u>5,100,000</u>
17% Debentures in Appex Tannery Ltd. (Redeemable, cumulative, convertible and participating)	150,000
Shares in Rupali Bank Limited (1,000 Ordinary Shares of Tk. 100 each)	100,000
	<u>5,350,000</u>
	Tk. <u>5,350,000</u>

8.1 The PSP's are for a term of 8 years and will mature on December, 1993.

8.2 National Bonds maturing on August 28, 1991 bear interest @ 16% p.a.

8.3 Debentures in Appex Tannery are redeemable at par on July, 1992 and issued with option to convert at par upto a maximum 50% into ordinary shares of the Company on July, 1990. These are also participating in nature @ 1/4th of the difference in rate between interest and the dividend on shares.

8.4 Shares in Rupali Bank Limited are listed with Dhaka Stock Exchange Limited and each share of Tk. 100/- quoted at Tk. 110 on December 31, 1987.

9. Outstanding Premium

Outstanding premium represents instalments not due to date of Balance Sheet on account of Marine Hull business.

10. Sundry Debtors

Advance Office Rent	3,891,142
Advance Agency Commission	2,034,650
Advance Income Tax	500,000
Advance Against Printing	190,000
Advance Against Travelling	5,100
Miscellaneous Advance	27,841
Advance Against Salary	4,100
Security Deposits	211,960
Other Receivables	182,482
	<u>7,047,275</u>
	Tk. <u>7,047,275</u>



11. Fixed Assets

Classwise cost of acquisition of assets and depreciation charged to date are shown below :

Cost	Furniture & Fixtures	Office & Electrical Equipments	Vehicles	Total
As at January 1,1987	1,561,623	987,410	2,328,450	4,877,483
Additions during the year	534,342	993,973	2,853,762	4,382,077
As at December31, 1987	<u>2,095,965</u>	<u>1,981,383</u>	<u>5,182,212</u>	<u>9,259,560</u>
Depreciation				
As at January 1,1987	156,162	148,112	465,690	769,964
Charge for the year.	<u>209,597</u>	<u>297,207</u>	<u>1,036,442</u>	<u>1,543,246</u>
As at December 31, 1987	<u>365,759</u>	<u>445,319</u>	<u>1,502,132</u>	<u>2,313,210</u>
Written Down Value				
At December 31, 1987	<u>Tk. 1,730,206</u>	<u>1,536,064</u>	<u>3,680,080</u>	<u>6,946,350</u>

12. Premium Less Re-Insurance

Class of Business	On Direct Business	On Re-ins. Accepted	On Re-Ins. Ceded	Total
Fire	31,372,246	384,824	(11,678,677)	20,078,393
Marine	25,433,741	62,841	(2,449,683)	23,046,899
Cargo				
Marine	19,676,529		(19,040,787)	635,742
Hull	3,278,548		(320,000)	2,958,548
Motor	5,466,296	282,266	(3,073,423)	2,675,139
Miscellaneous				
Tk.	<u>85,227,360</u>	<u>729,931</u>	<u>(36,562,570)</u>	<u>49,394,721</u>



13. Claims under Policies less Re-Insurance

	<u>Fire</u>	<u>Marine Cargo</u>	<u>Marine Hull</u>	<u>Motor</u>	<u>Misc.</u>
Claims Paid during the year	1,298,450	934,559	17,158	784,957	36,817
Claims Outstanding at the end of the year	1,940,767	4,744,633	82,680	685,900	51,627
Claims outstanding at the beginning of the year	<u>(1,068,688)</u>	<u>(1,206,580)</u>	<u>(14,000)</u>	<u>(488,407)</u>	<u>—</u>
Total Tk.	<u><u>2,170,529</u></u>	<u><u>4,472,612</u></u>	<u><u>85,838</u></u>	<u><u>982,450</u></u>	<u><u>88,444</u></u>

14. General

14.1 Previous year's figures have been re-arranged where necessary so as to conform to current years presentation.

14.2 Figures are rounded off to the nearest taka.