



## Auditor's Report

- (I) We have examined the annexed Balance Sheet of **Green Delta Insurance Company Limited** as at 31st December, 1988 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.

May 20, 1989

**Masih Mijan & Co**  
Chartered Accountants



## Balance Sheet As at 31 December 1988

<b>Capital and Liabilities</b>	NOTE	1988 Taka	1987 Taka
<b>Share Capital</b>			
Authorised	2	<u>100,000,000</u>	<u>100,000,000</u>
Issued, subscribed and paid-up		30,000,000	30,000,000
<b>Reserve or Contingency Account</b>			
Reserve for exceptional losses	3	11,121,695	6,039,000
General Reserve		250,000	250,000
<b>Profit and Loss Appropriation Account</b>		185,250	62,776
<b>Balance of Fund Accounts</b>			
Fire Insurance Business		12,070,318	10,039,196
Marine Cargo Insurance Business		13,284,542	9,218,759
Marine Hull Insurance Business		776,792	635,742
Motor Insurance Business		2,122,764	1,479,274
Miscellaneous Insurance Business		1,773,267	1,337,570
<b>Premium Deposit</b>	4	20,032,639	18,610,259
<b>Liabilities and Provisions</b>			
Estimated liability in respect of outstanding claims whether due or intimated	5	10,681,099	7,505,607
Amount due to other persons or bodies carrying on Insurance Business	6	29,030,460	23,410,745
<b>Sundry Creditors (Including outstanding expenses commission and taxes)</b>	7	<u>24,934,219</u>	<u>13,143,131</u>
		<u>156,263,045</u>	<u>121,732,059</u>

As per annexed report of even date.

Shafat Ahmed Chaudhuri  
Chairman

Md. Sarqum Ali  
Director

Monzurur Rahman  
Director



## Balance Sheet As at 31 December 1988

<b>Assets and Properties</b>	<b>NOTE</b>	<b>1988 Taka</b>	<b>1987 Taka</b>
<b>Investment (At Cost)</b>	<b>8</b>		
Pratirakkha Sanchayapatra		4,500,000	4,500,000
National Bond		600,000	600,000
Securities		257,500	250,000
<b>Outstanding Premium</b>	<b>9</b>	12,830,280	7,038,349
<b>Sundry Debtors (Including advances and deposits)</b>	<b>10</b>	7,613,162	7,047,275
<b>Cash in Hand and at Bank</b>			
At banks on fixed deposit		102,393,393	81,130,654
At banks on STD & current account		13,863,135	12,414,488
Cash and cheque in hand & on transit		5,653,553	1,560,143
<b>Other Accounts</b>			
Fixed Assets (at cost less depreciation)	<b>11</b>	8,308,257	6,946,350
Stock of stationery & stamps		177,147	178,182
Preliminary expenses		66,618	66,618
		<u>156,263,045</u>	<u>121,732,059</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 1988

	1988 Taka	1987 Taka
Expenses of Management (Not applicable to any particular Fund or Account)	3,183,307	2,862,374
Charity and Donation	218,200	246,300
Director's Fee	89,880	53,800
Directors' Honorarium	80,000	120,000
Audit Fee	65,000	70,000
Depreciation	2,089,818	1,543,246
Net profit for the year carried down to Profit and Loss Appropriation Account	17,655,169	13,029,770
	<u>23,381,374</u>	<u>17,925,490</u>

## Profit and Loss Appropriation Account For the year ended 31st December 1988

Reserve for Exceptional Losses	5,082,695	4,339,000
Provision for Taxation	7,650,000	4,758,000
Dividend	4,800,000	3,900,000
Balance Transferred to Balance Sheet	185,250	62,776
	<u>17,717,945</u>	<u>13,059,776</u>

Shafat Ahmed Chaudhuri  
Chairman

Md. Sarqum Ali  
Director

Monzurur Rahman  
Director



## Profit and Loss Account For the year ended 31st December 1988

	1988 Taka	1987 Taka
Interest and Dividends (Not applicable to any particular Fund or Account)		
Interest & Dividends	10,082,412	6,586,574
Miscellaneous Income	17,576	20,111

### Profit and Loss Transferred From :

Fire Insurance Revenue Account	8,361,229	6,998,045
Marine Cargo Insurance Revenue Account	3,922,170	2,333,809
Misc. Insurance Revenue Account	1,308,990	1,163,730
Marine Hull Insurance Revenue Account	677,975	887,027
Motor Insurance Revenue Account	(988,978)	(63,806)
	<u>13,281,386</u>	<u>11,318,805</u>
	<u>23,381,374</u>	<u>17,925,490</u>

## Profit and Loss Appropriation Account For the year ended 31st December 1988

Balance brought forward from last year	62,776	30,006
Net Profit for the year brought down	17,655,169	13,029,770
	<u>17,717,945</u>	<u>13,059,776</u>

Nasir A. Choudhury  
Managing Director

Q.M. Shariful Ala  
Sr. Vice President

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**Consolidated all Business Revenue Account  
For the year ended 31st December 1988**

	NOTE	1988 Taka	1987 Taka
Claims Under Policies Less Re-Insurance	13	9,915,049	7,799,873
Agency Commission		14,464,277	12,449,023
Commission on Re-Insurance Accepted		405,901	367,516
Expenses of Management		17,955,139	15,849,335
Profit Transferred to Profit and Loss Account		13,281,386	11,318,805
Balance of Accounts at the end of the year as shown in the Balance Sheet		<u>30,027,683</u>	<u>22,710,541</u>
		<u>86,049,435</u>	<u>70,495,093</u>

Shafat Ahmed Chaudhuri  
Chairman

Md. Sarqum Ali  
Director

Monzurur Rahman  
Director



**Consolidated all Business Revenue Account  
For the year ended 31st December 1988**

	NOTE	1988 Taka	1987 Taka
Balance of Account at the Begining of the Year		22,710,541	11,970,337
Gross Premium		95,009,179	85,957,291
Re-Insurance Premium		(44,182,227)	(36,562,570)
Net Premium	12	50,826,952	49,394,721
Commission on Re-Insurance Ceded		12,511,942	9,130,035
		<u>86,049,435</u>	<u>70,495,093</u>

Nasir A. Choudhury  
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## Fire Insurance Revenue Account For the year ended 31st December 1988

	NOTE	1988 Taka	1987 Taka
Claims Under Policies Less Re-Insurance	13	2,962,216	2,170,529
Agency Commission		7,308,185	6,274,449
Commission on Re-Insurance Accepted		204,802	273,787
Expenses of Management		7,110,235	6,434,830
Profit Transferred to Profit and Loss Account		8,361,229	6,998,045
Balance of Account at the end of the year as shown in the Balance Sheet Reserve for unexpired risks being 60% of the premium income of 1988 and 50% of 1987		<u>12,070,318</u>	<u>10,039,196</u>
		<u>38,016,985</u>	<u>32,190,836</u>

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Monzurur Rahman  
Director





**Fire Insurance Revenue Account  
For the year ended 31st December 1988**

	NOTE	1988 Taka	1987 Taka
Balance of Account at the Beginning of the Year		10,039,196	6,186,572
Premium Less Re-Insurance	12	20,117,197	20,078,393
Commission on Re-Insurance Ceded		7,860,592	5,925,871
		<u>38,016,985</u>	<u>32,190,836</u>

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## Marine Cargo Insurance Revenue Account For the year ended 31st December 1988

	NOTE	1988 Taka	1987 Taka
Claims Under Policies Less Re-Insurance	13	3,609,155	4,472,612
Agency Commission		4,354,853	3,815,061
Commission on Re-Insurance Accepted		20,352	22,958
Expenses of Management		7,828,441	7,401,639
Profit Transferred to Profit and Loss Account		3,922,170	2,333,809
Balance of Account at the end of the year as shown in the Balance Sheet			
Reserve for unexpired risks being 60% of the premium income of 1988 and 40% of 1987		13,284,542	9,218,759
		<u>33,019,513</u>	<u>27,264,838</u>

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Monzurur Rahman  
Director



**Marine Cargo Insurance Revenue Account  
For the year ended 31st December 1988**

	NOTE	1988 Taka	1987 Taka
Balance of Account at the Beginning of the Year		9,218,759	3,623,591
Premium Less Re-Insurance	12	22,140,903	23,046,899
Commission on Re-Insurance Ceded		1,659,851	594,348
		<u>33,019,513</u>	<u>27,264,838</u>

Nasir A. Choudhury  
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## Marine Hull Insurance Revenue Account For the year ended 31st December 1988

	NOTE	1988 Taka	1987 Taka
Claims Under Policies Less Re-Insurance	13	506,014	85,838
Agency Commission		668,743	743,079
Commission on Re-Insurance Accepted		54,129	—
Expenses of Management		269,327	206,041
Profit Transferred to Profit and Loss Account		677,975	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		776,792	635,742
		<u>2,952,980</u>	<u>2,557,727</u>

Shafat Ahmed Chaudhuri  
Chairman

Md. Sarqum Ali  
Director

Monzurur Rahman  
Director



**Marine Hull Insurance Revenue Account  
For the year ended 31st December 1988**

	NOTE	1988 Taka	1987 Taka
Balance of Account at the Begining of the Year		635,742	394,421
Premium Less Re-Insurance	12	776,792	635,742
Commission on Re-Insurance Ceded		1,540,446	1,527,564
		<u>2,952,980</u>	<u>2,557,727</u>

Nasir A. Choudhury  
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**Motor Insurance Revenue Account  
For the year ended 31st December 1988**

	NOTE	1988 Taka	1987 Taka
Claims Under Policies Less Re-Insurance	13	2,164,831	982,450
Agency Commission		917,952	655,709
Expenses of Management		1,508,232	950,960
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		2,122,764	1,479,274
		<u>6,713,779</u>	<u>4,068,393</u>

Shafat Ahmed Chaudhuri  
Chairman

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Director

Monzurur Rahman  
Director



**Motor Insurance Revenue Account  
For the year ended 31st December 1988**

	NOTE	1988 Taka	1987 Taka
Balance of Account at the Beginning of the Year		1,479,274	1,046,039
Premium Less Re-Insurance	12	4,245,527	2,958,548
Loss Transferred to Profit and Loss Account		988,978	63,806
		<u>6,713,779</u>	<u>4,068,393</u>

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## Miscellaneous Insurance Revenue Account For the year ended 31st December 1988

	NOTE	1988 Taka	1987 Taka
Claims Under Policies Less Re-Insurance	13	672,833	88,444
Agency Commission		1,214,544	960,725
Commission on Re-Insurance Accepted		126,618	70,771
Expenses of Management		1,238,904	855,865
Profit Transferred to Profit and Loss Account		1,308,990	1,163,730
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		1,773,267	1,337,570
		<u>6,335,156</u>	<u>4,477,105</u>

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Chairman

Md. Sarqum Ali  
Director

Monzurur Rahman  
Director





**Miscellaneous Insurance Revenue Account  
For the year ended 31st December 1988**

	NOTE	1988 Taka	1987 Taka
Balance of Account at the Beginning of the Year		1,337,570	719,714
Premium Less Re-Insurance	12	3,546,533	2,675,139
Commission on Re-Insurance Ceded		1,451,053	1,082,252
		<u>6,335,156</u>	<u>4,477,105</u>

Nasir A. Choudhury  
Managing Director

Q.M. Shariful Ala  
Sr. Vice President

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**Form "AA"**  
**Classified Summary of Assets as at December 31, 1988**

<b>Sl. No.</b>	<b>Class of Assets</b>	<b>Book Value Taka</b>
1.	Pratirakkha Sanchaya Patra	4,500,000
2.	National Bond	600,000
3.	Shares	100,000
4.	Debentures	157,500
5.	Fixed Deposit with Bank	102,393,393
6.	Cash at Bank on STD and Current Account	13,863,135
7.	Cash and Cheque in Hand and on Transit	5,653,553
8.	Outstanding Premium	12,830,280
9.	Sundry Debtors (including advance and deposits)	7,613,162
10.	Fixed Assets (at cost less depreciation)	8,308,257
11.	Stock of Stationery and Stamps	1,77,147
12.	Preliminary Expenses	66,618
		<hr/> <u>156,263,045</u>

Note : The market value of the shares (serial no. 3 above) amounted to Tk. 164,000 as quoted in the Dhaka Stock Exchange on 31st December, 1988.



## Notes to the Accounts For the year to December 31, 1988

### 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 as 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.

#### 1.4 During the year the Company changed its policy of creating reserve for unexpired risk in Fire and Marine Cargo Insurance Revenue Account as follows :

	Fire	Marine Cargo
1987	50%	40%
1988	60%	60%



**2. Share Capital**

Authorised :

1,000,000 Ordinary Shares of Tk. 100 each Tk. 100,000,000

Issued, Subscribed and Paid-up :

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

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 1988.

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

Fire	3,432,749
Marine Cargo	5,399,008
Marine Hull	464,710
Motor	1,094,500
Miscellaneous	<u>290,132</u>
Tk.	<u>10,681,099</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, 1988.

**7. Sundry Creditors**

Liability for Expenses	2,175,944
Agency Commission Payable	2,337,539
Provision for Income Tax including surcharge	12,408,000
Dividend Payable	4,865,780
Other Sundry Payables	<u>3,146,956</u>
Tk.	<u>24,934,219</u>



## 8. Investment

Government Securities :

Pratirakkha Sanchaya Patra (PSP) (Part of paid-up capital Investment)	4,500,000
National Bonds	<u>600,000</u>
	5,100,000
17% Debentures in Appex Tannery Ltd.	150,000
17% Debentures in Beximco Pharmaceuticals Ltd.	<u>7,500</u>
Shares in Rupali Bank Limited (1,000 Ordinary Shares of Tk. 100 each)	100,000
	<u>Tk. 5,357,500</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 up to a maximum 50% into ordinary shares of the Company on July, 1990.
- 8.4 Debenture in Beximco Pharmaceuticals are redeemable at par between 1990 and 1997 and issued with option to convert at par up to a maximum 20% into ordinary shares of the Company in 1990.
- 8.5 Shares in Rupali Bank Limited are listed with Dhaka Stock Exchange Limited and each share of Tk. 100/- quoted at Tk. 164 on December 31, 1988.

## 9. Outstanding Premium

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

## 10. Sundry Debtors

Advance Office Rent	3,512,364
Advance Agency Commission	1,400,253
Advance Income Tax	1,500,000
Advance Against Printing	160,300
Advance Against Travelling	12,300
Miscellaneous Advance	127,841
Advance Against Salary	5,800
Security Deposit	215,960
Other Receivables	<u>678,344</u>
	Tk. <u>7,613,162</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, 1988	2,095,965	1,981,383	5,182,212	9,259,560
Additions during the year	1,033,830	1,052,121	1,650,400	3,736,351
Disposal during the year	(132,085)	(210,000)	0	(342,085)
As at December 31, 1988	<u>2,997,710</u>	<u>2,823,504</u>	<u>6,832,612</u>	<u>12,653,826</u>
<b>Depreciation</b>				
As at January 1, 1988	365,759	445,319	1,502,132	2,313,210
Charge for the year	299,771	423,525	1,366,522	2,089,818
Disposal during the year	(13,209)	(44,250)	0	(57,459)
As at December 31, 1988	<u>652,321</u>	<u>824,594</u>	<u>2,868,654</u>	<u>4,345,569</u>
<b>Written Down Value</b>				
At December 31, 1988	Tk. <u>2,345,389</u>	<u>1,998,910</u>	<u>3,963,958</u>	<u>8,308,257</u>

## 12. Premium Less Re-Insurance

Class of Business	On Direct Business	On Re-ins. Accepted	On Re-ins. Ceded,	Total
Fire	36,540,924	349,413	(16,773,140)	20,117,197
Marine Cargo	29,032,352	74,940	(6,966,389)	22,140,903
Marine Hull	16,884,612	291,125	(16,398,945)	776,792
Motor	4,589,759	0	(344,232)	4,245,527
Miscellaneous	6,671,761	574,293	(3,699,521)	3,546,533
	Tk. <u>93,719,408</u>	<u>1,289,771</u>	<u>(44,182,227)</u>	<u>50,826,952</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	1,470,234	2,954,780	123,984	1,756,231	434,328
Claims Outstanding at the end of the year	3,432,749	5,399,008	464,710	1,094,500	290,132
Claims Outstanding at the beginning of the year	<u>(1,940,767)</u>	<u>(4,744,633)</u>	<u>(82,680)</u>	<u>(685,900)</u>	<u>(51,627)</u>
Total Tk.	<u>2,962,216</u>	<u>3,609,155</u>	<u>506,014</u>	<u>2,164,831</u>	<u>672,833</u>

**14. General**

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

14.2 Figures are rounded off to the nearest taka.