



Auditor's Report

- (I) We have examined the annexed Balance Sheet of **Green Delta Insurance Company Limited** as at 31st December, 1989 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.

7th July 1990

Khan Wahab Shafique Rahman & Co.
Chartered Accountants



Balance Sheet As at 31 December 1989

Capital and Liabilities	Note	1989 Taka	1988 Taka
Share Capital			
Authorised	2	<u>100,000,000</u>	<u>100,000,000</u>
Issued, subscribed and paid-up		60,000,000	30,000,000
Reserve or Contingency Account			
Reserve for exceptional losses	3	17,394,695	11,121,695
General Reserve		250,000	250,000
Profit and Loss Appropriation Account		291,045	185,250
Balance of Fund Accounts			
Fire Insurance Business		9,644,131	12,070,318
Marine Cargo Insurance Business		16,918,267	13,284,542
Marine Hull Insurance Business		584,387	776,792
Motor Insurance Business		2,959,477	2,122,764
Miscellaneous Insurance Business		1,553,326	1,773,267
Premium Deposit	4	17,907,411	20,032,639
Liabilities and Provisions			
Estimated liability in respect of outstanding claims whether due or intimated	5	14,508,310	10,681,099
Amount due to other persons or bodies carrying on Insurance Business	6	22,342,502	29,030,460
Sundry Creditors (Including outstanding expenses commission and taxes)	7	<u>33,407,249</u>	<u>24,934,219</u>
		<u>197,760,800</u>	<u>156,263,045</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 1989

Assets and Properties	Note	1989 Taka	1988 Taka
Investment (At Cost)	8		
Pratirakkha Sanchaypatra		4,500,000	4,500,000
National Bond		600,000	600,000
Securities		2,757,500	257,500
Outstanding Premium	9	11,434,069	12,830,280
Sundry Debtors (Including advances and deposits)	10	5,790,866	7,613,162
Cash in Hand and at Bank			
At banks of fixed deposit		144,240,613	102,393,393
At banks on STD & current account		16,230,895	13,863,135
Cash and cheque in hand and on transit		5,547,266	5,653,553
Other Accounts			
Fixed Assets (at cost less depreciation)	11	6,392,889	8,308,257
Stock of stationery and stamps		200,084	177,147
Preliminary expenses		66,618	66,618
		<u>197,760,800</u>	<u>156,263,045</u>

Nasir A. Choudhury
Managing Director

Q. M. Shariful Ala
Sr. Vice President

Khan Wahab Shafique Rahman & Co.
Chartered Accountants



Profit and Loss Account For the year ended 31st December 1989

	1989 Taka	1988 Taka
Expenses of Management (Not applicable to any particular Fund or Account)	3,870,546	3,183,307
Charity and Donation	303,733	218,200
Director's Fee	44,400	89,880
Directors' Honorarium	—	80,000
Audit Fee	64,400	65,000
Depreciation	2,032,871	2,089,818
Net profit for the year carried down to Profit and Loss Appropriation Account	28,737,748	17,655,169
	<u>35,053,698</u>	<u>23,381,374</u>

Profit and Loss Appropriation Account For the year ended 31st December 1989

Reserve for Exceptional Losses	6,273,000	5,082,695
Reserve for Taxation	15,158,953	7,650,000
Dividend	7,200,000	4,800,000
Balance Transferred to Balance Sheet	291,045	185,250
	<u>28,922,998</u>	<u>17,717,945</u>

Shafat Ahmed Chaudhuri
Chairman

Md. Sarqum Ali
Director

Monzurur Rahman
Director



Profit and Loss Account For the year ended 31st December 1989

	1989 Taka	1988 Taka
Interest and Dividends (Not applicable to any particular Fund or Account)		
Interest & Dividends	10,380,461	10,082,412
Miscellaneous Income	—	17,576

Profit and Loss Transferred From :

Fire Insurance Revenue Account	10,653,766	8,361,229
Marine Cargo Insurance Revenue Account	12,419,268	3,922,170
Misc. Insurance Revenue Account	1,104,339	1,308,990
Marine Hull Insurance Revenue Account	1,024,468	677,975
Motor Insurance Revenue Account	(528,604)	(988,978)
	<u>24,673,237</u>	<u>13,281,386</u>
	<u>35,053,698</u>	<u>23,381,374</u>

Profit and Loss Appropriation Account For the year ended 31st December 1989

Balance brought forward from last year	185,250	62,776
Net profit for the year brought down	28,737,748	17,655,169
	<u>28,922,998</u>	<u>17,717,945</u>

Nasir A. Choudhury
Managing Director

Q. M. Shariful Ala
Sr. Vice President

Khan Wahab Shafique Rahman & Co.
Chartered Accountants



Consolidated all Business Revenue Account For the year ended 31st December 1989

	Note	1989 Taka	1988 Taka
Claims Under Policies Less Re-Insurance	13	13,043,888	9,915,049
Agency Commission		16,744,887	14,464,277
Commission on Re-Insurance Accepted		324,654	405,901
Expenses of Management		20,244,842	17,955,139
Profit Transferred to Profit and Loss Account		24,673,237	13,281,386
Balance of Accounts at the end of the year as shown in the Balance Sheet		<u>31,659,588</u> <u>106,691,096</u>	<u>30,027,683</u> <u>86,049,435</u>

Shafat Ahmed Chaudhuri
Chairman

Md. Sarqum Ali
Director

Monzurur Rahman
Director



**Consolidated all Business Revenue Account
For the year ended 31st December 1989**

	Note	1989 Taka	1988 Taka
Balance of Account at the Beginning of the Year		30,027,683	22,710,541
Gross Premium		105,762,117	95,009,179
Re-Insurance Premium		(43,027,330)	(44,182,227)
Net Premium	12	62,734,787	50,826,952
Commission on Re-Insurance Ceded		13,928,626	12,511,942
		<u>106,691,096</u>	<u>86,049,435</u>

Nasir A. Choudhury
Managing Director

Q. M. Shariful Ala
Sr. Vice President

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Chartered Accountants



Fire Insurance Revenue Account For the year ended 31st December 1989

	Note	1989 Taka	1988 Taka
Claims Under Policies Less Re-Insurance	13	6,137,772	2,962,216
Agency Commission		7,482,468	7,308,185
Commission on Re-Insurance Accepted		253,709	204,802
Expenses of Management		6,215,166	7,110,235
Profit Transferred to Profit and Loss Account		10,653,766	8,361,229
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 in 1989 and 60% in 1988		9,644,131	12,070,318
		<u>40,387,012</u>	<u>38,016,985</u>

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Director

Monzurur Rahman
Director



Fire Insurance Revenue Account For the year ended 31st December 1989

	Note	1989 Taka	1988 Taka
Balance of Account at the Beginning of the Year		12,070,318	10,039,196
Premium Less Re-Insurance	12	19,288,262	20,117,197
Commission on Re-Insurance Ceded		9,028,432	7,860,592
		<u>40,387,012</u>	<u>38,016,985</u>

Nasir A. Choudhury
Managing Director

Q. M. Shariful Ala
Sr. Vice President

Khan Wahab Shafique Rahman & Co.
Chartered Accountants



**Fire Insurance Revenue Account
For the year ended 31st December 1989**

	Note	1989 Taka	1988 Taka
Balance of Account at the Beginning of the Year		12,070,318	10,039,196
Premium Less Re-Insurance	12	19,288,262	20,117,197
Commission on Re-Insurance Ceded		9,028,432	7,860,592
		<u>40,387,012</u>	<u>38,016,985</u>

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Chartered Accountants



Marine Cargo Insurance Revenue Account For the year ended 31st December 1989

	Note	1989 Taka	1988 Taka
Claims Under Policies Less Re-Insurance	13	2,599,491	3,609,155
Agency Commission		5,764,951	4,354,853
Commission on Re-Insurance Accepted		18,027	20,352
Expenses of Management		10,911,970	7,828,441
Profit Transferred to Profit and Loss Account		12,419,268	3,922,170
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 1989 and 60% in 1988.		16,918,267	13,284,542
		<u>48,631,974</u>	<u>33,019,513</u>

Shafat Ahmed Chaudhuri
Chairman

Md. Sarqum Ali
Director

Monzurur Rahman
Director



Marine Cargo Insurance Revenue Account For the year ended 31st December 1989

	Note	1989 Taka	1988 Taka
Balance of Account at the Beginning of the Year		13,284,542	9,218,759
Premium Less Re-Insurance	12	33,836,534	22,140,903
Commission on Re-Insurance Ceded		1,510,898	1,659,851
		<u>48,631,974</u>	<u>33,019,513</u>

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Sr. Vice President

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Chartered Accountants



Marine Hull Insurance Revenue Account For the year ended 31st December 1989

	Note	1989 Taka	1988 Taka
Claims Under Policies Less Re-Insurance	13	176,349	506,014
Agency Commission		826,798	668,743
Commission on Re-Insurance Accepted		—	54,129
Expenses of Management		182,204	269,327
Profit Transferred to Profit and Loss Account		1,024,468	677,975
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		584,387	776,792
		<u>2,794,206</u>	<u>2,952,980</u>

Shafat Ahmed Chaudhuri
Chairman

Md. Sarqum Ali
Director

Monzurur Rahman
Director



Marine Hull Insurance Revenue Account
For the year ended 31st December 1989

	Note	1989 Taka	1988 Taka
Balance of Account at the Beginning of the Year		776,792	635,742
Premium Less Re-Insurance	12	584,387	776,792
Commission on Re-Insurance Ceded		1,433,027	1,540,446
		<u>2,794,206</u>	<u>2,952,980</u>

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Motor Insurance Revenue Account For the year ended 31st December 1989

	Note	1989 Taka	1988 Taka
Claims Under Policies Less Re-Insurance	13	2,428,055	2,164,831
Agency Commission		1,279,774	917,952
Expenses of Management		1,903,015	1,508,232
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		2,959,477	2,122,764
		<u>8,570,321</u>	<u>6,713,779</u>

Shafat Ahmed Chaudhuri
Chairman

Md. Sarqum Ali
Director

Monzurur Rahman
Director



**Motor Insurance Revenue Account
For the year ended 31st December 1989**

	Note	1989 Taka	1988 Taka
Balance of Account at the Beginning of the Year		2,122,764	1,479,274
Premium Less Re-Insurance	12	5,918,953	4,245,527
Loss Transferred to Profit and Loss Account		528,604	988,978
		<u>8,570,321</u>	<u>6,713,779</u>

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Miscellaneous Insurance Revenue Account For the year ended 31st December 1989

	Note	1989 Taka	1988 Taka
Claims Under Policies Less Re-Insurance	13	1,702,220	672,833
Agency Commission		1,390,896	1,214,544
Commission on Re-Insurance Accepted		52,918	126,618
Expenses of Management		1,032,487	1,238,904
Profit Transferred to Profit and Loss Account		1,104,339	1,308,990
Balance of Account at the end of the year as shown in the Balance Sheet		<u>1,553,326</u>	<u>1,773,267</u>
Reserve for unexpired risks being 50% of the premium income of the year		<u>6,836,186</u>	<u>6,335,156</u>

Shafat Ahmed Chaudhuri
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Md. Sarqum Ali
Director

Monzurur Rahman
Director



**Miscellaneous Insurance Revenue Account
For the year ended 31st December 1989**

	Note	1989 Taka	1988 Taka
Balance of Account at the Beginning of the Year		1,773,267	1,337,570
Premium Less Re-Insurance	12	3,106,651	3,546,533
Commission on Re-Insurance Ceded		1,956,268	1,451,053
		<u>6,836,186</u>	<u>6,335,156</u>

Nasir A. Choudhury
Managing Director

Q. M. Shariful Ala
Sr. Vice President

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Chartered Accountants



Form "AA"
Classified Summary of Assets as at December 31, 1989

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	2,657,500
5.	Fixed Deposit with Bank	144,240,613
6.	Cash at Bank on STD and Current Account	16,230,895
7.	Cash and Cheque in Hand and on Transit	5,547,266
8.	Outstanding Premium	11,434,069
9.	Sundry Debtors (including advance and deposits)	5,790,866
10.	Fixed Assets (at cost less depreciation)	6,392,889
11.	Stock of Stationery and Stamps	200,084
12.	Preliminary Expenses	66,618
		<hr/>
		197,760,800
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Note : The market value of the shares (serial No.3 above) amounted to Taka 1,20,000 as quoted in the Dhaka Stock Exchange on 31st December 1989.

Shafat Ahmed Chaudhuri
Chairman

Md. Sarqum Ali
Director

Monzurur Rahman
Director

Nasir A. Choudhury
Managing Director

Q. M. Shariful Ala
Sr. Vice President

Khan Wahab Shafique Rahman & Co.
Chartered Accountants



Notes to the accounts For the year to December 31, 1989

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 and 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.

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

1.3 Investment :

Investments are stated at their cost of aquisition. 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
1989	50%	50%
1988	60%	60%

2. Share Capital :

Authorised :

1,000,000 Ordinary Shares of Tk. 100 each Tk. 100,000,000.00

Issued, Subscribed and Paid-up :

600,000 Ordinary Shares of Tk. 100 each
fully paid-up in cash Tk. 60,000,000.00

The Company issued further Tk. 3 Crore ordinary shares to the public during 1989 and raised the paid up share capital to Tk. 6 crores.



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 up to the end of the year and also the excess premium received during the year 1989.

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

Fire	6,587,019
Marine Cargo	4,954,955
Marine Hull	121,533
Motor	1,473,300
Miscellaneous	1,371,503
	<u>Tk. 14,508,310</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, 1989.

7. Sundry Creditors

Liability for Expenses	1,862,508
Agency Commission Payable	1,826,994
Provision for Income Tax including surcharge	14,914,864
Dividend Payable	7,200,000
Other Sundry Payables	7,602,883
	<u>Tk. 33,407,249</u>

8. Investment

Pratirakkha Sancha Patra (PSP)	4,500,000
National Bonds	600,000
	<u>5,100,000</u>
17% Debentures in Beximco Ltd.	2,500,000
17% Debentures in Appex Tannery Ltd.	150,000
17% Debentures in Beximco Pharmaceuticals Ltd.	7,500
Shares in Rupali Bank Limited (1,000 Ordinary shares of Tk. 100 each)	100,000
	<u>7,857,500</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 are convertible.
- 8.4 Debenture in Beximco Pharmaceuticals are redeemable at par between 1990 and 1997 and are convertible.
- 8.5 Shares in Rupali Bank Limited are listed with Dhaka Stock Exchange Limited and each share of Tk. 100/- quoted at Tk. 120 on December 31, 1989.
- 8.6 Debenture in Beximco Ltd. are redeemable at par between 1991 and 1998.

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	3,818,953
Advance Agency Commission	478,745
Advance Against Printing	155,300
Advance Against Travelling	2,000
Miscellaneous Advance	160,579
Advance Against Salary	14,939
Security Deposit	302,020
Other Receivables	858,330
	<u>Tk. 5,790,866</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, 1989	2,997,710	2,823,504	6,832,612	12,653,826
Additions during the year	307,187	436,816	3,500	747,503
Disposal during the year	0	0	(1,412,666)	(1,412,666)
As at December 31, 1989	<u>3,304,897</u>	<u>3,260,320</u>	<u>5,423,446</u>	<u>11,988,663</u>
Depreciation				
As at January 1, 1989	652,321	824,594	2,868,654	4,345,569
Charge for the year	330,080	485,435	1,367,222	2,182,737
Disposal during the year	0	0	(932,532)	(932,532)
As at December 31, 1989	<u>982,401</u>	<u>1,310,029</u>	<u>3,303,344</u>	<u>5,595,774</u>
Written Down Value.				
At December 31, 1989	Tk. <u>2,322,496</u>	<u>1,950,291</u>	<u>2,120,102</u>	<u>6,392,889</u>



12. Premium Less Re-Insurance

Class of Business	On Direct Business	On Re-ins. Accepted	On Re-ins. Ceded	Total
Fire	37,412,342	418,385	(18,542,465)	19,288,262
Marine Cargo	38,433,009	65,552	(4,662,027)	33,836,534
Marine Hull	14,979,525	155,939	(14,551,077)	584,387
Motor	6,398,868	0	(479,915)	5,918,953
Miscellaneous	7,731,999	166,498	(4,791,846)	3,106,651
Tk.	<u>104,955,743</u>	<u>806,374</u>	<u>(43,027,330)</u>	<u>62,734,787</u>

13. Claims under Policies less Re-insurance

	Fire	Marine Cargo	Marine Hull	Motor	Misc.
Claims paid during the year	2,983,502	3,043,544	519,526	2,049,255	620,849
Claims Outstanding at the end of the year	6,587,019	4,954,955	121,533	1,473,300	1,371,503
Claims Outstanding at the beginning of the year	(3,432,749)	(5,399,008)	(464,710)	(1,094,500)	(290,132)
Total Tk.	<u>6,137,772</u>	<u>2,599,491</u>	<u>176,349</u>	<u>2,428,055</u>	<u>1,702,220</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.