

AUDITORS' REPORT

- (I) We have examined the annexed Balance Sheet of Green Delta Insurance Company Limited as at December 31, 1997 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.

30th April, 1998

Sd/-
Khan Wahab Shafique Rahman & Co.
Chartered Accountants



BALANCE SHEET*As at December 31, 1997*

Capital and Liabilities	Note	1997 Taka	1996 Taka
Share Capital			
Authorised	2	100,000,000	100,000,000
Issued, subscribed and paid-up		60,000,000	60,000,000
Reserve or Contingency Account			
Reserve for exceptional losses	3	101,213,181	87,603,787
General reserve		250,000	250,000
Dividend equalisation reserve		6,700,000	6,700,000
Profit and Loss Appropriation Account			
		1,434,197	1,180,096
Balance of Fund Accounts			
	3		
Fire Insurance Business		21,769,219	20,701,793
Marine Insurance Business		30,472,816	23,601,479
Motor Insurance Business		9,695,389	8,870,579
Miscellaneous Ins. Business		4,970,507	5,494,793
Premium Deposit			
	4	77,211,882	62,916,558
Liabilities and Provisions			
Estimated liability in respect of outstanding claims whether due or intimated	5	25,108,066	17,281,715
Amount due to other persons or bodies carrying on Insurance Business	6(a)	34,213,427	58,447,318
Sundry Creditors (including outstanding expenses, commission and taxes)			
	7	127,045,201	105,646,864
		500,083,885	458,694,982

As per annexed report of even date

Sd/-

Shafat Ahmed Chaudhuri
Chairman

Sd/-

Syed Moazzem Hossain
Vice Chairman

Sd/-

M. Muhibur Rahman
Vice Chairman

BALANCE SHEET

As at December 31, 1997

	Note	1997 Taka	1996 Taka	
Assets and Properties	Investment (at cost)	8	126,817,742	119,360,845
	Outstanding Premium	9	2,161,951	3,735,395
	Amount due from other persons or bodies carrying on Insurance Business			
		6(b)	33,339,018	25,265,516
	Sundry Debtors (including advances and deposits)			
		10	41,413,954	19,966,361
	Cash and Bank Balances			
	Fixed deposits		261,776,333	229,478,141
	At banks on STD & current account		26,353,390	28,505,001
	Cash & cheque in hand & on transit		1,520,320	2,317,608
	Other Accounts			
	Land property		-	22,073,079
	Fixed assets (at cost less depreciation)	11	6,029,783	7,532,353
	Stock of stationery and stamps		671,394	460,683
			<u>500,083,885</u>	<u>458,694,982</u>

Sd/-
Nasir A. Choudhury
Managing Director

Sd/-
Q. M. Shariful Ala
Finance Director &
Company Secretary

Sd/-
Khan Wahab Shafique Rahman & Co.
Chartered Accountants



PROFIT AND LOSS ACCOUNT*For the year ended December 31, 1997*

	Note	1997 Taka	1996 Taka
Expenses of Management (not applicable to any particular fund or account)		8,404,724	7,797,701
Director's Fee		682,128	592,532
Audit Fees	14	90,000	120,000
Depreciation		2,953,555	3,054,550
Net profit for the year carried down to Profit and Loss Appropriation Account		38,863,495	51,191,851
		<u>50,993,902</u>	<u>62,756,634</u>

PROFIT AND LOSS APPROPRIATION ACCOUNT*For the year ended December 31, 1997*

Reserve for exceptional losses	3	13,609,394	16,932,874
Provision for income tax		4,000,000	6,500,000
Dividend equalisation reserve		-	6,700,000
Dividend		21,000,000	21,000,000
Balance transferred to Balance Sheet		1,434,197	1,180,096
		<u>40,043,591</u>	<u>52,312,970</u>

Sd/-

Shafat Ahmed Chaudhuri
Chairman

Sd/-

Syed Moazzem Hossain
Vice Chairman

Sd/-

M. Muhibur Rahman
Vice Chairman

PROFIT AND LOSS ACCOUNT*For the year ended December 31, 1997*

	Note	1997 Taka	1996 Taka
Investment & Interest Income	15	45,007,269	46,605,853
Profit and Loss Transferred From:			
Fire Insurance Revenue Account		9,855,588	10,168,457
Marine Insurance Revenue Account		5,882,243	15,184,079
Motor Insurance Revenue Account		(6,850,360)	(979,057)
Misc. Insurance Revenue Account		(2,900,837)	(8,222,698)
		5,986,633	16,150,781
		<u>50,993,902</u>	<u>62,756,634</u>

PROFIT AND LOSS APPROPRIATION ACCOUNT*For the year ended December 31, 1997*

Balance brought forward from last year	1,180,096	1,121,119
Net profit for the year brought down	38,863,495	51,191,851
	<u>40,043,591</u>	<u>52,312,970</u>

Sd/-

Nasir A. Choudhury
Managing Director

Sd/-

Q. M. Shariful Ala
Finance Director &
Company Secretary

Sd/-

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

CONSOLIDATED ALL BUSINESS REVENUE ACCOUNT*For the year ended December 31, 1997*

	Note	1997 Taka	1996 Taka
Claims under policies less Re-Insurance	13	42,748,487	36,642,470
Agency Commission		38,562,615	40,309,365
Commission on Re-Insurance Accepted		432,631	515,252
Expenses of Management		76,813,790	65,579,752
Profit transferred to Profit and Loss Account		5,986,633	16,150,781
Balance of Accounts at the end of the year as shown in the Balance Sheet	3	66,907,931	58,668,644
		<u>231,452,087</u>	<u>217,866,264</u>

Sd/-

Shafat Ahmed Chaudhuri
Chairman

Sd/-

Syed Moazzem Hossain
Vice Chairman

Sd/-

M. Muhibur Rahman
Vice Chairman

CONSOLIDATED ALL BUSINESS REVENUE ACCOUNT*For the year ended December 31, 1997*

	Note	1997 Taka	1996 Taka
Balance of Account at the beginning of the year		58,668,644	60,158,101
Gross Premium		250,403,838	235,805,178
Re-Insurance Premium		(114,309,900)	(108,476,437)
Net Premium	12	136,093,938	127,328,741
Commission on Re-Insurance Ceded		36,689,505	30,379,422
		<u>231,452,087</u>	<u>217,866,264</u>

Sd/-

Nasir A. Choudhury
Managing Director

Sd/-

Q. M. Shariful Ala
Finance Director &
Company Secretary

Sd/-

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

FIRE INSURANCE REVENUE ACCOUNT*For the year ended December 31, 1997*

	Note	1997 Taka	1996 Taka
Claims under policies less Re-Insurance	14	13,767,159	9,842,429
Agency Commission		19,637,476	18,219,589
Commission on Re-Insurance Accepted		401,348	448,258
Expenses of Management		25,543,160	23,287,156
Profit Transferred to Profit and Loss Account		9,855,588	10,168,457
Balance of Account at the end of the year as shown in the Balance Sheet: Reserve for unexpired risks	3	21,769,218	20,701,793
		<u>90,973,949</u>	<u>82,667,682</u>

Sd/-

Shafat Ahmed Chaudhuri
Chairman

Sd/-

Syed Moazzem Hossain
Vice Chairman

Sd/-

M. Muhibur Rahman
Vice Chairman

FIRE INSURANCE REVENUE ACCOUNT*For the year ended December 31, 1997*

	Note	1997 Taka	1996 Taka
Balance of Account at the beginning of the year		20,701,793	17,253,060
Premium Less Re-Insurance	13	44,845,690	44,613,267
Commission on Re-Insurance Ceded		25,426,466	20,801,355
		<u>90,973,949</u>	<u>82,667,682</u>

Sd/-

Nasir A. Choudhury
Managing Director

Sd/-

Q. M. Shariful Ala
Finance Director &
Company Secretary

Sd/-

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

MARINE INSURANCE REVENUE ACCOUNT*For the year ended December 31, 1997*

	Note	1997 Taka	1996 Taka
Claims under policies less Re-Insurance	14	8,528,431	8,602,002
Agency Commission		12,449,213	14,157,686
Expenses of Management		34,039,998	25,845,494
Profit transferred to Profit and Loss Account		5,882,243	15,184,079
Balance of Account at the end of the year as shown in the Balance Sheet: Reserve for unexpired risks	3	30,472,816	23,601,479
		<u>91,372,701</u>	<u>87,390,740</u>

Sd/-

Shafat Ahmed Chaudhuri
Chairman

Sd/-

Syed Moazzem Hossain
Vice Chairman

Sd/-

M. Muhibur Rahman
Vice Chairman

MARINE INSURANCE REVENUE ACCOUNT*For the year ended December 31, 1997*

	Note	1997 Taka	1996 Taka
Balance of Account at the beginning of the year		23,601,479	29,794,973
Premium Less Re-Insurance	13	60,487,114	52,200,047
Commission on Re-Insurance Ceded		7,284,108	5,395,720
		91,372,701	87,390,740

Sd/-

Nasir A. Choudhury
Managing Director

Sd/-

Q. M. Shariful Ala
Finance Director &
Company Secretary

Sd/-

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

MOTOR INSURANCE REVENUE ACCOUNT*For the year ended December 31, 1997*

	Note	1997 Taka	1996 Taka
Claims under policies less Re-Insurance	14	11,772,845	10,566,477
Agency Commission		3,521,517	5,094,959
Expenses of Management		11,293,429	9,820,140
Balance of Account at the end of the year as shown in the Balance Sheet: Reserve for unexpired risks	3	9,695,389	8,870,579
		<u>36,283,180</u>	<u>34,352,155</u>

Sd/-

Shafat Ahmed Chaudhuri
Chairman

Sd/-

Syed Moazzem Hossain
Vice Chairman

Sd/-

M. Muhibur Rahman
Vice Chairman

MOTOR INSURANCE REVENUE ACCOUNT*For the year ended December 31, 1997*

	Note	1997 Taka	1996 Taka
Balance of Account at the beginning of the year		8,870,579	6,906,147
Premium Less Re-Insurance	13	20,562,241	19,223,310
Loss transferred to Profit and Loss Account		6,850,360	8,222,698
		<u>36,283,180</u>	<u>34,352,155</u>

Sd/-

Nasir A. Choudhury
Managing Director

Sd/-

Q. M. Shariful Ala
Finance Director &
Company Secretary

Sd/-

Khan Wahab Shafique Rahman & Co.
Chartered Accountants



MISCELLANEOUS INSURANCE REVENUE ACCOUNT*For the year ended December 31, 1997*

	Note	1997 Taka	1996 Taka
Claims under policies less Re-Insurance	14	8,680,051	7,631,562
Agency Commission		2,954,409	2,837,132
Commission on Re-Insurance Accepted		31,283	66,994
Expenses of Management		5,937,203	6,626,962
Balance of Account at the end of the year as shown in the Balance Sheet: Reserve for unexpired risks	3	4,970,507	5,494,793
		<u>22,573,453</u>	<u>22,657,443</u>

Sd/-

Shafat Ahmed Chaudhuri
Chairman

Sd/-

Syed Moazzem Hossain
Vice Chairman

Sd/-

M. Muhibur Rahman
Vice Chairman

MISCELLANEOUS INSURANCE REVENUE ACCOUNT*For the year ended December 31, 1997*

	Note	1997 Taka	1996 Taka
Balance of Account at the begining of the year		5,494,793	6,203,922
Premium Less Re-Insurance	13	10,198,892	11,292,118
Commission on Re-Insurance Ceded		3,978,931	4,182,347
Loss transferred to Profit and Loss Account		2,900,837	979,057
		<u>22,573,453</u>	<u>22,657,443</u>

Sd/-

Nasir A. Choudhury
Managing Director

Sd/-

Q. M. Shariful Ala
Finance Director &
Company Secretary

Sd/-

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

FORM "AA"

CLASSIFIED SUMMARY OF ASSETS

As at December 31, 1997

Sl. No.	Class of Assets	Book Value Taka
1.	Pratirakha Sanchypatra	33,000,000
2.	Shares Listed on Dhaka Stock Exchange Ltd.	43,641,009
3.	Debentures	32,676,733
4.	Investment in Delta Brac Housing Finance Ltd.	17,500,000
5.	Fixed Deposits	261,776,333
6.	Cash at bank on STD and current account	26,353,390
7.	Cash and cheque in hand and on transit	1,520,320
8.	Outstanding Premium	2,161,951
9.	Amount due from other persons or bodies carrying on Insurance Business	33,339,018
10.	Sundry Debtors (including advance and deposits)	41,413,954
11.	Fixed Assets (at cost less depreciation)	6,029,783
12.	Stock of Stationery and Stamps	671,394
		500,083,885

Sd/-

Shafat Ahmed Chaudhuri
Chairman

Sd/-

Syed Moazzem Hossain
Vice Chairman

Sd/-

M. Muhibur Rahman
Vice Chairman

Sd/-

Nasir A. Choudhury
Managing Director

Sd/-

Q. M. Shariful Ala
Finance Director &
Company Secretary

Sd/-

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

NOTES TO THE ACCOUNTS

For the year to December 31, 1997

1(a). The Company Green Delta Insurance Company Limited was incorporated in Bangladesh on December 14, 1985 and went into operation on January 1, 1986 as a public limited company under the Companies Act 1994 as a general insurance company. It is engaged in the business of all types of insurances other than life.

1(b). 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 information warranted by the Insurance Act 1938 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 acquisition and no adjustment in respect of market value is considered necessary.

1.4 Public sector insurance business :

As from April 1, 1990, according to Government decision, Public Sector Insurance Business is being underwritten jointly by Sadharan Bima Corporation and 24 private sector insurance companies on co-insurance basis; 50% being underwritten by Sadharan Bima Corporation and the balance equally by 24 Private Sector Insurance Companies. Company's share of Public Sector Business is accounted for in the year in which the complete statement of accounts from Sadharan Bima Corporation is received. Accordingly, the company has included its share of the 1996 Public Sector Insurance Business in these accounts.

1.5 General :

Previous years figures have been rearranged wherever necessary to conform to current year's presentation.



2. Share Capital	<p>Authorised : 1,000,000 Ordinary Shares of Tk. 100 each</p> <p>Issued, subscribed, and paid-up 600,000 Ordinary Shares of Tk.100 each</p>	<p>Tk. 100,000,000</p> <p>Tk. 60,000,000</p>
3. Reserves	<p>Reserve for unexpired risks has been made on premium income excluding public sector business at the following rates:</p> <p>Fire 50% Marine Cargo 50% Marine Hull 100% Motor & Misc. 50%</p> <p>Reserve for exceptional losses has been made @ 10% of net premium income.</p>	
4. Premium deposits	This represents the amount of premium deposited with the Company against cover notes for which no policy has been issued upto the end of the year.	
5. Estimated liability in respect of outstanding claims whether due or intimated	<p>Fire 9,671,301 Marine Cargo 8,147,836 Marine Hull 105,216 Motor 4,679,299 Miscellaneous 2,504,414</p>	<p>Taka</p> <p>9,671,301 8,147,836 105,216 4,679,299 2,504,414</p> <hr/> <p>25,108,066</p>
6(a). Amount due to other persons or bodies carrying on insurance business	This represents the amount payable to Sadharan Bima Corporation (SBC) and private sector insurance companies on account of re-insurance and co-insurance premium at December 31, 1997.	
6(b). Amount due from other persons or bodies carrying on insurance business	This represents the amount receivable from private sector insurance companies on account of co-insurance premium at December 31, 1997.	
7. Sundry creditors	<p>Liability for Expenses Provision for Income Tax & Other Payables Dividend Payable</p>	<p>Taka</p> <p>3,806,876 102,238,325 21,000,000</p> <hr/> <p>127,045,201</p>



**8. Investment
(at cost)**

	Tk.
Pratirakha Sanchypatra	33,000,000
Shares Listed on Dhaka Stock Exchange Ltd.	43,641,009
Debentures	32,676,733
Investment in Delta Brac Housing Finance Ltd.	17,500,000
	<u>126,817,742</u>

**9. Outstanding
premium**

Outstanding premium represents installments not due to date of Balance Sheet on account of marine hull business .

10. Sundry debtors

	Tk.
Advance Rent	3,954,313
Advance Salary	378,899
Car Lease for Employee	5,940,845
Other Advances	5,962,551
Accrued Interest	24,332,466
Security Deposit	844,880
	<u>41,413,954</u>

**11. Fixed assets (at
cost less
depreciation)**

	Furniture & Fixtures	Office & Electrical Equipments	Vehicles	Total
Cost	Tk.	Tk.	Tk.	Tk.
As at January 1, 1997	8,044,869	9,569,368	8,396,787	26,011,024
Additions during the year	1,008,919	1,478,076	143,510	2,630,505
Disposal during the year	-	(9000)	(4,201,730)	(4,210,730)
As at December 31, 1997	<u>9,053,788</u>	<u>11,038,444</u>	<u>4,338,567</u>	<u>24,430,799</u>
Accumulated Depreciation				
As at December 31, 1997	<u>6,120,831</u>	<u>8,710,022</u>	<u>3,570,162</u>	<u>18,401,016</u>
Written Down Value				
As at December 31, 1997	<u>2,932,957</u>	<u>2,328,422</u>	<u>768,405</u>	<u>6,029,783</u>



12. Premium less re-insurance	Class of Business	On Direct	On Re-ins.	On Reins.	Total
		Business	Accepted	Ceded	
		Tk.	Tk.	Tk.	
	Fire	109,193,265	1,056,492	(65,404,067)	44,845,690
	Marine Cargo	79,786,187	-	(22,232,683)	57,553,504
	Marine Hull	13,266,993	1,170,502	(11,503,884)	2,933,611
	Motor	21,367,476	19,182	(824,417)	20,562,241
	Miscellaneous	24,031,679	512,062	(14,344,849)	10,198,892
		247,645,600	2,758,238	(114,309,900)	136,093,938

13. Claims under policies less re-insurance	Claims	Fire	Marine	Marine	Motor	Misc.	Total
		Tk.	Cargo	Hull	Tk.	Tk.	
		Tk.	Tk.	Tk.	Tk.	Tk.	
	paid during the year	9,467,932	4,165,763	1,790,647	11,772,845	7,724,949	34,922,136
	out-standing at the end of the year	9,671,301	8,147,836	105,216	4,679,299	2,504,414	25,108,066
	out-standing at the beginning of the year	(5,372,074)	(5,494,364)	(186,667)	(4,679,299)	(1,549,311)	(17,281,715)
	Total	13,767,159	6,819,235	1,709,196	11,772,845	8,680,052	42,748,487

14. Audit fees	Tk.
Statutory audit	40,000
Annual special audit of Controller of Insurance, Govt. of Bangladesh	50,000
	<u>90,000</u>



DIRECTORS' CERTIFICATE

As per Regulations contained in the first Schedule of the Insurance Act, 1938 as amended as per Section 40-C of the said Act, we certify that;

1. The value of investments in shares & debentures have been taken at cost.
2. The values of all assets as shown in the Balance Sheet and as classified on Form "AA" annexed have been duly reviewed as at December 31, 1997 and in our belief, the said assets have been set forth in the Balance Sheet at amounts not exceeding their realizable or market values under the several headings as enumerated in the annexed form.
3. All expenses of management, wherever incurred and whether incurred directly or indirectly in respect of Fire, Marine, Motor and Miscellaneous Insurance Business have been duly debited to the related Revenue Accounts and Profit & Loss Account.

Sd/-

Shafat Ahmed Chaudhuri
Chairman

Sd/-

Syed Moazzem Hossain
Vice Chairman

Sd/-

M. Muhibur Rahman
Vice Chairman

Sd/-

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