

## 9.5 INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF **GREEN DELTA INSURANCE COMPANY LTD.**

We have audited the accompanying consolidated as well as the separate financial statements of **Green Delta Insurance Company Limited** and its Subsidiaries prepared from separate financial statements which comprise the Consolidated Balance Sheet as at December 31, 2013, and the Consolidated Profit and Loss Account, Consolidated Profit and Loss Appropriation Account, Consolidated Statement of Changes in Equity and consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information. The Financial statements as at December 31, 2013 of the subsidiaries, namely Green Delta Capital Limited and Green Delta Securities Limited were not audited by us. Financial Statements of those subsidiaries have been audited by other auditors, whose reports have been furnished to us and our opinion, in so far it relates to the amounts included in respect of the Company's Subsidiaries, is based solely on those reports of the other auditors.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements of the Green Delta Insurance Company Limited in accordance with Bangladesh Financial Reporting Standards (BFRS), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Company that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements of the Company based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements of the Company are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and separate financial statements of the Company. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated and separate financial statements of the Company, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements of the Company in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated and separate financial statements of the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Basis of Qualified Opinion**

In the year 2010 Green Delta Insurance Company Limited booked for purchase 18,304.804 square feet floor space at 8th floor with 5 car parking spaces, of the project titled "Rupayan Trade Center" at Bangla Motor, Dhaka. Subsequently an amount of Tk. 197,462,815 was paid to the developer company M/s Rupayan Housing Estate in 30 installments out of total 31 installments within the year 2012. The above mentioned properties having book value Tk. 184,500,679 has been revalued at Tk.333,926,136 as on June 30, 2012 by an independent valuer named "Asian Surveyors Limited". The property was considered in accounts as a non-current asset including its revaluation gains amounting of Tk. 136,463,321. But till the December 31, 2013 the construction work of the project had not been completed. Moreover, the ownership and title of the floor space had not been transferred to Green Delta Insurance Company Limited. The Company has capitalized and revalued this asset without considering the recognition and measurement criteria contained in "BAS - 16: Property, Plant and Equipment". This is constituted a departure from BAS - 16. As a result, the fixed assets of the Company had been overstated by Tk. 333,926,136 and revaluation reserve inflated by Tk. 136,463,321. The impact was overstatement of Net Assets Value (NAV) by Tk. 2.10 per share in 2013 and Tk. 2.70 per share in 2012.

**Opinion**

In our opinion, except for the effects of matters described above in the basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the **Green Delta Insurance Company Limited and its Subsidiaries** as at December 31, 2013 and the results of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards and complies with the Companies Act 1994, the Insurance Act 1938 (as amended in 2010), Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations with the exception of the mandatory compliance with the Insurance Act 1938 mentioned in Note- 2.20.

**We also report that:**

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- c) As per Section 63(2) of the Insurance Act 2010, in our opinion to the best of our knowledge and belief and according to the information and explanation given to us, all expenses of management wherever incurred and whether incurred directly or indirectly, in respect of insurance business of the company transacted in Bangladesh during the year under report have been duly debited to the Revenue Accounts and Profit and Loss Accounts of the Company ;
- d) the information and explanations required by us have been received and found satisfactory;
- e) as per regulation 11 of part 1 of the third schedule of the Insurance Act, 1938 , in our opinion to the best of our information and as shown by its books, the company during the year under report has not paid any persons any commission in any form outside Bangladesh in respect of any its business re-insured abroad;
- f) the Statement of Financial Position and the Statement of Comprehensive Income of the Company dealt with by the report are in agreement with the books of account and returns;
- g) the expenditure was incurred for the purpose of the Company's business; and
- h) the Company has complied with relevant laws and regulations pertaining to reserves.

Dated, Dhaka;  
February 05, 2014

S. F. Ahmed & Co.  
**S. F. Ahmed & Co.**  
Chartered Accountants

# Consolidated Balance Sheet

## As at December 31, 2013

Particulars	Notes	Amount in Taka	
		2013	2012 (Restated)
<b>Capital and liabilities</b>			
<b>Share capital</b>			
Authorized capital	3.00	1,000,000,000	1,000,000,000
Issued, subscribed and paid-up capital	3.00	637,875,000	510,300,000
Share premium		364,150,080	
<b>Reserve or contingency account</b>			
Reserve for exceptional losses	4.B	3,901,534,253	3,780,884,835
Foreign currency fluctuation		868,512,659	736,813,750
Investment fluctuation fund		2,914,724	3,979,629
General reserve		687,088,167	676,425,940
Dividend equalization fund		170,000,000	170,000,000
Revaluation reserve		120,000,000	120,000,000
		2,053,018,703	2,073,665,516
<b>Profit &amp; loss appropriation account</b>			
	5.A	273,086,344	287,295,570
<b>Non controlling interest</b>			
	5.B	344	1,779
<b>Total shareholders' equity</b>		<b>5,176,646,021</b>	<b>4,578,482,184</b>
<b>Balance of fund accounts</b>			
Fire insurance business	6.00	658,163,955	611,830,246
Marine insurance business		281,874,870	197,743,593
Motor insurance business		265,351,755	311,444,902
Miscellaneous insurance business		76,171,042	64,519,656
Premium deposit		34,766,288	38,122,095
	7.00	35,960,887	37,048,098
<b>Liabilities and provisions</b>			
Estimated liability in respect of outstanding claims whether due or intimated	8.00	1,390,501,403	1,234,795,680
Amount due to other persons or bodies carrying on insurance business	9.00	226,197,377	81,867,599
Sundry creditors (Including outstanding expenses, taxes & provisions)	10.A	376,691,619	578,954,134
Bank overdraft	11	715,358,919	573,973,947
		72,253,488	-
<b>Total liabilities</b>		<b>2,084,926,245</b>	<b>1,883,674,024</b>
<b>Total liabilities &amp; shareholders' equity</b>		<b>7,261,572,266</b>	<b>6,462,156,208</b>


Particulars	Notes	Amount in Taka	
		2013 <sup>o</sup>	2012 (Restated)
<b>Assets and properties</b>			
Investment			
Outstanding premium			
Amount due from other persons or bodies carrying on insurance business	12.A	<b>3,663,288,254</b>	<b>3,251,706,568</b>
Sundry debtors (including advances and deposits)	13.00	2,576,351,967	2,487,003,405
Cash and cash equivalent	14.00	130,668,575	121,285,123
	15.A	405,482,881	279,402,044
		550,784,831	364,015,996
<b>Other accounts</b>			
Land property and office space with building project	16.A	1,542,658,763	1,213,540,341
Fixed assets (at cost less depreciation)			
Intangible assets	17.00	800,000,000	800,000,000
Stock of printing, stationery and stamps	18.A	<b>1,255,325,249</b>	<b>1,196,909,299</b>
Preliminary expenses	18.01	1,251,593,480	1,193,982,022
	19.00	1,473,050	-
<b>Total assets and properties</b>	19.A	2,258,719	2,635,852
		-	291,425
		<b>7,261,272,266</b>	<b>6,462,156,208</b>

The accompanying notes 1-28 form an integral part of these financial statement.

  
**M Nurul Absar**  
 Chairman

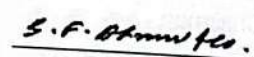
  
**Dilruba Chowdhury**  
 Vice Chairperson

  
**Farzana Chowdhury**  
 Managing Director & CEO

  
**Mazim Tazik Chowdhury**  
 Deputy Managing Director & CFO

  
**Syed Moinuddin Ahmed**  
 Company Secretary

Signed as per our separate report of even date

  
**S. F. Ahmed & Co.**  
 Chartered Accountants


Dhaka;  
 February 05, 2014

# Consolidated Profit and Loss Account


## For the year ended December 31, 2013

Particulars	Notes	Amount in Taka	
		2013	2012 (Restated)
Investment income	21.A	68,274,302	33,102,363
Income from share business		5,835,257	15,700,121
Brokerage commission & others less direct expenses	21.B	59,863,728	41,525,793
Interest & others income		179,823,925	144,526,247
<b>Total investment income</b>		<b>313,797,212</b>	<b>234,854,524</b>
Fire insurance revenue account		62,650,750	131,952,892
Marine insurance revenue account		219,654,051	165,368,300
Motor insurance revenue account		19,326,882	30,853,209
Miscellaneous insurance revenue account		(13,468,910)	(30,133,447)
<b>Total revenue income</b>		<b>288,162,772</b>	<b>298,040,954</b>
<b>Total income</b>		<b>601,959,984</b>	<b>532,895,478</b>
Management expenses	21.C	213,099,208	236,628,172
Director's fee & expenses		1,277,122	1,296,808
Audit fees		345,000	306,750
Depreciation		49,527,354	23,726,489
<b>Total expenditure</b>		<b>264,248,684</b>	<b>261,958,219</b>
<b>Profit before provision &amp; tax</b>		<b>337,711,300</b>	<b>270,937,259</b>
Others provision		3,900,000	1,200,000
<b>Net profit for the year</b>		<b>333,811,300</b>	<b>269,737,259</b>
<b>Profit attributable to GDICL</b>		<b>333,811,063</b>	<b>269,737,262</b>
Share of non-controlling interest		237	(3)
		<b>333,811,300</b>	<b>269,737,259</b>

The accompanying notes 1-28 form an integral part of these financial statement.

  
**A Q M Nurul Absar**  
 Chairman

  
**Dilruba Chowdhury**  
 Vice Chairperson

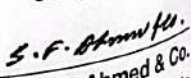
  
**Nazim Tazik Chowdhury**  
 Deputy Managing Director & CFO

  
**Farzana Chowdhury**  
 Managing Director & CEO

  
**Syed Moinuddin Ahmed**  
 Company Secretary

Dated, Dhaka;  
 February 05, 2014

Signed as per our separate report of even date


  
**S. F. Ahmed & Co.**  
 Chartered Accountants

# Consolidated Profit and Loss Appropriation Account

## For the year ended December 31, 2013

Particulars	Notes	Amount in Taka	
		2013	2012 (Restated)
Balance brought forward from last year		303,125,067	285,794,303
Net profit for the year brought down		333,811,300	269,737,262
<b>Total</b>		<b>636,936,367</b>	<b>555,531,565</b>
Reserve for exceptional losses	4.01	131,698,909	121,253,618
Provision for income tax		47,566,358	19,952,480
Deferred tax liability/ (asset) during the year		21,380,369	15,000,000
Adjustment for GDSL		14,316,608	-
Dividend paid :		153,090,000	102,060,000
Cash		76,545,000	-
Stock		76,545,000	102,060,000
Profit for the period of continuing operation		117,008,477	11,471,163
Less : Loss of discontinued business (Green Delta LR Holding)		19,675,601	-
Balance transferred to balance sheet		249,208,522	297,265,466
<b>Total</b>		<b>636,936,367</b>	<b>555,531,565</b>
<b>Earning per share(Tk-10/= each)</b>	<b>24.A</b>	<b>3.72</b>	<b>4.00</b>


The accompanying notes 1-28 form an integral part of these financial statement.

  
**AQM Nurul Absar**  
 Chairman

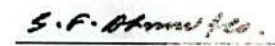
  
**Dilruba Chowdhury**  
 Vice Chairperson

  
**Farzana Chowdhury**  
 Managing Director & CEO

  
**Nazim Tazik Chowdhury**  
 Deputy Managing Director & CFO

  
**Syed Moinuddin Ahmed**  
 Company Secretary

Signed as per our separate report of even date


  
**S. F. Ahmed & Co.**  
 Chartered Accountants

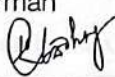
Dated, Dhaka;  
 February 05, 2014


# Consolidated Statement of Cash Flows

## For the year ended December 31, 2013

Particulars	Amount in Taka	
	2013	2012
Cash flows from operating activities		
Collections from premium and other income	2,636,490,008	3,190,232,116
Payments for management expense, re-insurance and claims	(2,617,819,947)	(2,515,672,605)
Income tax paid	(77,887,891)	(38,062,930)
<b>Net cash provided by operating activities</b>	<b>(59,217,830)</b>	<b>636,496,581</b>
Cash flows from investing activities		
Investment in share	23,077,606	61,350,908
Sales of investment	5,073,678	1,771,228
Income from share trading	3,125,202	1,257,579
Interest received	(5,834,154)	10,902,636
Income from office rent	8,811,959	3,050,360
Investment in Green Delta Securities Ltd.	-	7,500,000
Dividend income	59,748,500	25,477,561
Purchase of fixed assets	(110,660,035)	(250,157,990)
Sales of fixed assets	2,250,000	-
Receivable from Green Delta LR Holding Ltd.	8,200,000	-
Receivable from Green Delta Capital Ltd.	65,314	-
Investment in Green Delta LR Holding Ltd.	3,100,985	(8,987,973)
Purchase of National Bond	(40,000,000)	-
Investment in Heritage Life Ins.	(19,500,000)	-
Energypac Power Generation	(4,972,000)	-
ACME Laboratories	(26,000,000)	(3,100,985)
Green Delta Capital Ltd.	(150,000,000)	-
Share issue to IFC	51,030,000	-
Premium received from IFC	364,150,080	-
Investment in Jalalabad Telecom Ltd.	-	(52,384,000)
Investment in BD Venture	(10,000,000)	(10,000,000)
Investment in Swiss Pro	(600,000)	(9,600,000)
Advance received from Standard Bank	-	17,131,750
Bank loan	143,965,071	(172,514,717)
Lease paid	(437,496)	(437,496)
Employees loan received	173,824	267,517
<b>Net cash used in investing activities</b>	<b>304,768,534</b>	<b>(378,473,622)</b>
<b>Cash flows from financing activities:</b>		
Dividend paid	(66,042,474)	(832,411)
Share issue	150,000,000	-
Client account	-	-
<b>Net cash from financing activities</b>	<b>83,957,526</b>	<b>(832,411)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents during the year</b>	<b>329,508,230</b>	<b>257,190,548</b>
<b>Cash &amp; cash equivalents at the beginning of the year</b>	<b>1,213,150,534</b>	<b>956,349,793</b>
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>1,542,658,763</b>	<b>1,213,540,341</b>

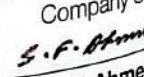
  
**A Q M Nurul Absar**  
 Chairman

  
**Nazim Tazik Chowdhury**  
 Deputy Managing Director & CFO

  
**Dilruba Chowdhury**  
 Vice Chairperson

  
**Farzana Chowdhury**  
 Managing Director & CEO

  
**Syed Moinuddin Ahmed**  
 Company Secretary

  
**S. F. Ahmed & Co.**  
 Chartered Accountants

Signed as per our separate report of even date

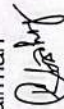
Dated, Dhaka;  
 February 05, 2014

**Consolidated Statement of Changes in Equity  
For the year ended December 31, 2013**

Particulars	Share Capital	Share Premium	Reserve for Exceptional Losses	General Reserve	Dividend Equalization Fund	Foreign Currency Fluctuation	Revaluation Reserve	Investment Fluctuation Fund	Retained Earnings	Total	Non Controlling Interest	Total
Balance at January 01, 2013 (Restated)	510,300,000	-	736,813,750	170,000,000	120,000,000	3,979,629	2,076,896,869	676,425,940	297,265,475	4,591,681,673	1,779	4,591,683,452
Discontinuation of GDHL									(119,402,645)	(119,402,645)	(1,672)	(119,404,317)
Green Delta Securities									138,462,158	138,462,158		138,462,158
Less: Prior year adjustment									(27,516,646)	(27,516,646)		(27,516,646)
Revaluation adjustment during the period							(23,878,165)		23,878,165	-		-
Share issue to IFC	51,030,000	364,150,080								415,180,080		415,180,080
Stock dividend paid for the year 2012	76,545,000								(76,545,000)	-		-
Cash dividend paid for the year 2012									(76,545,000)	(76,545,000)		(76,545,000)
Loss from discontinued business									(19,675,601)	(19,675,601)		(19,675,601)
Profit after tax									264,864,337	264,864,337	237	264,864,574
Appropriation to reserve			131,698,909			(1,064,905)		10,662,227	(131,698,909)	9,597,322		9,597,322
<b>Balance as on December 31, 2013</b>	<b>637,875,000</b>	<b>364,150,080</b>	<b>868,512,659</b>	<b>170,000,000</b>	<b>120,000,000</b>	<b>2,914,724</b>	<b>2,053,018,704</b>	<b>687,088,167</b>	<b>273,086,344</b>	<b>5,176,645,678</b>	<b>344</b>	<b>5,176,646,021</b>



**A Q M Nurul Absar**  
Chairman



**Nazim Tazik Chowdhury**  
Deputy Managing Director & CFO

Dated, Dhaka;  
February 05, 2014



**Dilruba Chowdhury**  
Vice Chairperson



**Farzana Chowdhury**  
Managing Director & CEO



**Syed Moinuddin Ahmed**  
Company Secretary  
*S. F. Ahmed & Co.*

**S. F. Ahmed & Co.**  
Chartered Accountants

Signed as per our separate report of even date



# Balance Sheet


## As at December 31, 2013

Particulars	Notes	Amount in Taka	
		2013	2012 (Restated)
<b>Capital and liabilities</b>			
<b>Share capital</b>			
Authorized share capital	3.00	1,000,000,000	1,000,000,000
Issued, subscribed and paid-up capital	3.00	637,875,000	510,300,000
Share premium		364,150,080	
	<b>4.00</b>	<b>3,294,487,092</b>	<b>3,173,838,885</b>
<b>Reserve or contingency account</b>			
Reserve for exceptional losses	4.01	868,512,659	736,813,750
Foreign currency fluctuation fund	4.02	2,914,724	3,979,629
Investment fluctuation fund	4.03	687,088,167	676,425,940
General reserve	4.04	170,000,000	170,000,000
Dividend equalization fund	4.05	120,000,000	120,000,000
Revaluation reserve	4.06	1,445,971,542	1,466,619,565
Profit & loss appropriation account	5.00	125,904,367	161,013,468
<b>Total shareholders' equity</b>		<b>4,422,416,539</b>	<b>3,845,152,352</b>
<b>Balances of funds &amp; accounts</b>			
<b>6.00</b>			
Fire insurance business		281,874,870	197,743,593
Marine insurance business		265,351,755	311,444,902
Motor insurance business		76,171,042	64,519,656
Miscellaneous insurance business		34,766,288	38,122,095
Premium deposit	7.00	35,960,887	37,048,098
<b>Liabilities and provisions</b>		<b>1,188,785,127</b>	<b>1,083,523,052</b>
Estimated liability in respect of outstanding claims whether due or intimated	8.00	226,197,377	81,867,599
Amount due to other persons or bodies carrying on insurance business	9.00	376,691,619	578,954,135
Sundry creditors (including outstanding expenses, taxes & provisions)	10.00	513,642,643	422,701,318
Bank overdraft	11.00	72,253,488	-
<b>Total liabilities</b>		<b>1,882,909,969</b>	<b>1,732,401,396</b>
<b>Total liabilities &amp; shareholders' equity</b>		<b>6,305,326,508</b>	<b>5,577,553,748</b>

Particulars	Notes	Amount in Taka	
		2013	2012 (Restated)
<b>Assets and properties</b>		<b>3,064,915,129</b>	<b>2,680,470,096</b>
Investment	12.00	2,197,012,664	1,998,955,594
Outstanding premium	13.00	130,668,575	121,285,123
Amount due from other persons or bodies carrying on insurance business	14.00	405,482,881	279,402,044
Sundry debtors (including advances and deposits)	15.00	331,751,009	280,827,335
Cash and cash equivalents	16.00	1,200,593,454	918,775,649
Land	17.00	800,000,000	800,000,000
Fixed assets & intangible assets	18.00	1,237,559,206	1,175,672,151
Stock of printing, stationery and stamps	19.00	2,258,719	2,635,852
<b>Total assets and properties</b>		<b>6,305,326,508</b>	<b>5,577,553,748</b>


The accompanying notes 1-28 form an integral part of these financial statement.

  
**A.Q.M. Nurul Absar**  
 Chairman

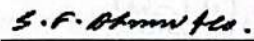
  
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 Managing Director & CEO

  
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 Deputy Managing Director & CFO

  
**Syed Moinuddin Ahmed**  
 Company Secretary

Signed as per our separate report of even date

  
**S. F. Ahmed & Co.**  
 Chartered Accountants

Dated, Dhaka;  
 February 05, 2014

# Profit and Loss Account

## For the year ended December 31, 2013

Particulars	Notes	Amount in Taka	
		2013	2012 (Restated)
Expenses of management (not applicable to any particular fund or account)		144,959,662	147,528,731
Director's fee & expenses		<b>42,456,920</b>	<b>23,290,803</b>
Audit fees	20.00	1,277,122	1,296,808
Depreciation		345,000	306,750
Net profit for the year carried down to profit & loss appropriation account		40,834,798	21,687,245
<b>Total</b>		<b>304,810,589</b>	<b>262,676,034</b>
Investment & others income	21.00	<b>492,227,171</b>	<b>433,495,568</b>
Profit & loss transferred from :			
Fire insurance revenue account		204,064,397	135,454,615
Marine insurance revenue account		288,162,774	298,040,953
Motor insurance revenue account		62,650,751	131,952,891
Miscellaneous insurance revenue account		219,654,050	165,368,300
<b>Total</b>		19,326,883	30,853,209
		(13,468,910)	(30,133,447)
		<b>492,227,171</b>	<b>433,495,568</b>

The accompanying notes 1-28 form an integral part of these financial statement.



**A Q M Nurul Absar**  
Chairman



**Nazim Tazik Chowdhury**  
Deputy Managing Director & CFO



**Dilruba Chowdhury**  
Vice Chairperson



**Farzana Chowdhury**  
Managing Director & CEO



**Syed Moinuddin Ahmed**  
Company Secretary

Signed as per our separate report of even date

Dated, Dhaka;  
February 05, 2014

*S.F. Ahmed & Co.*  
**S. F. Ahmed & Co.**  
Chartered Accountants

# Profit and Loss Appropriation Account

## For the year ended December 31, 2013

Particulars	Notes	Amount in Taka	
		2013	2012 (Restated)
Balance brought forward from last year		157,783,326	156,620,948
Net profit for the year brought down		304,810,589	262,676,034
<b>Total</b>		<b>462,593,915</b>	<b>419,296,982</b>
Reserve for exceptional losses	4.01	131,698,909	121,253,618
Provision for income tax	10.01	34,722,833	10,000,000
Provision for deferred tax	10.02	21,380,369	15,000,000
<b>Dividend paid :</b>		<b>153,090,000</b>	<b>102,060,000</b>
Cash		76,545,000	-
Stock		76,545,000	102,060,000
<b>Profit for the period of continuing operation</b>		<b>117,008,478</b>	<b>116,422,416</b>
Less : Loss from discontinued business (Green Delta LR Holding)		19,675,601	-
Balance transferred to balance sheet		102,026,203	170,983,364
Less : Prior year adjustment		-	(13,200,038)
<b>Total</b>		<b>462,593,915</b>	<b>419,296,982</b>
<b>Earning Per share(Tk-10/= each)</b>		<b>3.69</b>	<b>4.05</b>
<b>P/E Ratio</b>		<b>25.73</b>	<b>18.39</b>

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# Consolidated All Business Financial Statement

## For the year ended December 31, 2013

Particulars	Notes	Amount in Taka	
		2013	2012
		<b>1,166,790,499</b>	<b>948,290,571</b>
Claims under policies less re-insurance	22.00	372,601,653	201,964,817
Agency commission		345,121,709	342,659,411
Expenses of management		449,067,137	403,666,343
Profit transferred to profit & loss account		288,162,769	298,040,953
Balance of accounts at the end of the year as shown in the balance sheet	6.00	658,163,955	611,830,245
<b>Total</b>		<b>2,113,117,223</b>	<b>1,858,161,769</b>
Balance of account at the beginning of the year		611,830,245	433,236,871
Gross premium		2,613,453,255	2,603,191,838
Re-insurance premium		(1,296,464,167)	(1,390,655,656)
Net premium	23.00	<b>1,316,989,088</b>	<b>1,212,536,182</b>
Commission on re-insurance ceded		184,297,890	212,388,716
<b>Total</b>		<b>2,113,117,223</b>	<b>1,858,161,769</b>

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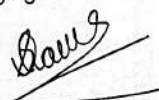
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**Syed Moinuddin Ahmed**  
Company Secretary

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Chartered Accountants

# Fire Insurance Revenue Account

## For the year ended December 31, 2013

Particulars	Notes	Amount in Taka	
		2013	2012
		<b>553,774,867</b>	<b>413,746,068</b>
Claims under policies less re-insurance	22.00	206,624,805	128,540,735
Expenses of management		192,436,207	131,986,759
Agency commission		154,713,855	153,218,574
Profit transferred to profit & loss account		62,650,751	131,952,891
Balance of account at the end of the year as shown in the balance sheet (reserve for unexpired risks)		281,874,870	197,743,593
<b>Total</b>		<b>898,300,488</b>	<b>743,442,552</b>
		898,300,488	743,442,552
Balance of account at the beginning of the year		197,743,593	186,797,099
Premium less re-insurance	23.00	564,851,945	396,714,821
Commission on re-insurance ceded		135,704,949	159,930,632
<b>Total</b>		<b>898,300,488</b>	<b>743,442,552</b>

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Chartered Accountants

# Motor Insurance Revenue Account

## For the year ended December 31, 2013

Particulars	Notes	Amount in Taka	
		2013	2012
		<b>126,067,771</b>	<b>96,569,735</b>
Claims under policies less re-insurance	22.00	49,638,587	31,825,353
Expenses of management		52,491,230	43,399,672
Agency commission		23,937,954	21,344,710
Profit transferred to profit & loss account		19,326,883	30,853,209
Balance of account at the end of the year as shown in the balance sheet ( reserve for unexpired risks )		76,171,042	64,519,656
<b>Total</b>		<b>221,565,696</b>	<b>191,942,600</b>
		<b>221,565,696</b>	<b>191,942,600</b>
Balance of account at the beginning of the year		64,519,656	57,146,719
Premium less re-insurance	23.00	153,776,246	130,163,096
Commission on re-insurance ceded		3,269,793	4,632,785
<b>Total</b>		<b>221,565,696</b>	<b>191,942,600</b>

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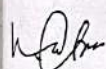
Dated, Dhaka;  
February 05, 2014

**S. F. Ahmed & Co.**  
Chartered Accountants

# Marine Insurance Revenue Account For the year ended December 31, 2013

Particulars	Notes	Amount in Taka	
		2013	2012
		<b>386,339,363</b>	<b>327,062,089</b>
Claims under policies less re-insurance	22.00	96,790,852	32,262,312
Expenses of management		180,360,481	202,676,299
Agency commission		109,188,030	92,123,478
Profit transferred to profit & loss account		219,654,050	165,368,300
Balance of account at the end of the year as shown in the balance sheet (reserve for unexpired risks)		265,351,755	311,444,902
<b>Total</b>		<b>871,345,168</b>	<b>803,875,291</b>
		871,345,168	803,875,291
Balance of account at the beginning of the year		311,444,902	163,004,792
Premium less re-insurance	23.00	528,589,602	608,835,377
Commission on re-insurance ceded		31,310,664	32,035,122
<b>Total</b>		<b>871,345,168</b>	<b>803,875,291</b>

The accompanying notes 1-28 form an integral part of these financial statement.



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February 05, 2014



**S. F. Ahmed & Co.**  
Chartered Accountants



## Miscellaneous Insurance Revenue Account For the year ended December 31, 2013

Particulars	Notes	Amount in Taka	
		2013	2012
		<b>100,608,498</b>	<b>110,912,679</b>
Claims under policies less re-insurance	22.00	19,547,409	9,336,417
Expenses of management		23,779,219	25,603,613
Agency commission		57,281,870	75,972,649
Profit transferred to profit & loss account		(13,468,910)	(30,133,447)
Balance of account at the end of the year as shown in the balance sheet (reserve for unexpired risks)		34,766,288	38,122,095
<b>Total</b>		<b>121,905,876</b>	<b>118,901,327</b>
		121,905,876	118,901,327
Balance of account at the beginning of the year	23.00	38,122,095	26,288,261
Premium less re-insurance		69,771,296	76,822,889
Commission on re-insurance ceded		14,012,485	15,790,177
<b>Total</b>		<b>121,905,876</b>	<b>118,901,327</b>

The accompanying notes 1-28 form an integral part of these financial statement.



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**Statement of Changes in Equity  
For the year ended December 31, 2013**

Particulars	Share Capital	Share Premium	Reserve for Exceptional Losses	General Reserve	Dividend equalization fund	Foreign Currency Fluctuation	Investment Fluctuation Fund	Revaluation Reserve	Retained Earnings	Total
Balance as on January 01, 2013 (Restated)	510,300,000	-	736,813,750	170,000,000	120,000,000	3,979,629	676,425,940	1,469,849,707	170,983,364	3,858,352,390
Less: Prior year adjustment	-	-	-	-	-	-	-	-	(13,200,038)	(13,200,038)
Transfer for 2012	-	-	-	-	-	-	-	(3,230,142)	3,230,142	-
Transfer for 2013	-	-	-	-	-	-	-	(20,648,023)	20,648,023	-
Share issue to IFC	51,030,000	364,150,080	-	-	-	-	-	-	-	415,180,080
Stock dividend paid for 2012	76,545,000	-	-	-	-	-	-	-	(76,545,000)	-
Cash dividend paid for 2012	-	-	-	-	-	-	-	-	(76,545,000)	(76,545,000)
Loss from discontinued business	-	-	-	-	-	-	-	-	(19,675,601)	(19,675,601)
Profit after tax	-	-	-	-	-	-	-	-	248,707,387	248,707,387
Appropriation to reserve	-	-	131,698,909	-	-	(1,064,905)	10,662,227	-	(131,698,909)	9,597,322
<b>Balance as at December 31, 2013</b>	<b>637,875,000</b>	<b>364,150,080</b>	<b>868,512,659</b>	<b>170,000,000</b>	<b>120,000,000</b>	<b>2,914,724</b>	<b>687,088,167</b>	<b>1,445,971,542</b>	<b>125,904,367</b>	<b>4,422,416,539</b>



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# Statement of Cash Flows

## For the year ended December 31, 2013

Particulars	Amount in Taka	
	2013	2012
<b>Cash flows from operating activities:</b>		
Collections from premium and other income	2,612,258,818	3,024,239,503
Payments for management expense, re-insurance and claims	(2,499,752,050)	(2,474,183,070)
Income from office rent	8,816,810	3,050,360
Interest received	13,032,620	10,902,636
Income tax paid	(55,833,913)	(20,436,257)
<b>Net cash from operating activities</b>	<b>78,522,285</b>	<b>543,573,172</b>
<b>Cash flows from investing activities:</b>		
Investment in share	46,557,162	51,491,354
Sales of investment	885,614	1,771,228
Income from share trading	3,125,202	1,257,579
Advance received from Green Delta Securities	2,500,000	7,500,000
Dividend income	59,748,500	25,477,561
Purchase of fixed assets	(104,521,863)	(246,629,365)
Sales of fixed assets	2,250,000	-
Receivable from Green Delta LR Holding	(234,488)	-
Receivable from Green Delta Capital	65,314	(8,987,973)
Advance for GD Aims Tower	3,100,985	(3,100,985)
Purchase of national bond	(20,500,000)	-
Investment in Heritage Life Insurance	(19,500,000)	-
Energypac Power Generation	(4,972,000)	-
ACME Laboratories	(26,000,000)	-
Investment in Green Delta Capital	(150,000,000)	-
Investment in Jalalabad Telecom Ltd.	-	(52,384,000)
Investment in BD Venture	(10,000,000)	(10,000,000)
Investment in Swiss Pro BD Ltd	(600,000)	(9,600,000)
Advance Received from Standard Bank Ltd.	-	17,131,750
Bank loan	72,253,488	(110,629,650)
<b>Net cash used in investing activities</b>	<b>(145,842,086)</b>	<b>(336,702,501)</b>
<b>Cash flows from financing activities:</b>		
Paid Up Capital (received from IFC)	51,030,000	-
Share Premium (received from IFC)	364,150,080	-
Dividend paid	(66,042,474)	(832,411)
<b>Net cash from financing activities</b>	<b>349,137,606</b>	<b>(832,411)</b>
<b>Net Increase/(Decrease) in cash &amp; cash equivalents during the year</b>	<b>281,817,805</b>	<b>206,038,260</b>
<b>Cash &amp; cash equivalents at the beginning of the year</b>	<b>918,775,649</b>	<b>712,737,389</b>
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>1,200,593,454</b>	<b>918,775,649</b>
<b>Net Operating Cash Flows per Share (NOCFS)</b>	<b>1.23</b>	<b>10.65</b>



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Dated, Dhaka;  
February 05, 2014

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# Notes to the Financial Statements

## As at and for the year ended 31 December 2013

### Legal status and nature of the company

#### (a) Legal status and country of operation

Green Delta Insurance Company limited was incorporated as a public limited company as on December 14, 1895 and obtained the Certificate of Commencement of Business as on January 01, 1986 under the Companies Act 1913 which was amended in 1994. The company obtained licensed from the Controller of Insurance in 1986. They went for public issue in 1990 and the shares of the company are listed in both Dhaka and Chittagong Stock Exchange in Bangladesh.

The company has investment in two subsidiaries. The details of the investments are provided in Note 'C'.

The registered office of the Company is located at Green Delta AIMS Tower, 51-52 Mohakhali C/A, Dhaka-1212, Bangladesh. The operation of the company are being carried out through its 38 Branches located in different division of Bangladesh.

#### (b) Nature of business

The principal activities of the company is to offer general insurance products includes fire and allied perils insurance, marine cargo and hull insurance, aviation insurance, automobile insurance and miscellaneous insurance. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of policyholder's accident. Non-life healthcare contracts provide medical cover to policyholders. Revenue under above activities is derived primarily from insurance premiums.

#### (c) Subsidiary companies

Green delta Insurance Company Limited is a parent company of two subsidiary companies namely Green Delta Securities Limited and Green Delta Capital Limited details of which are given below:

**Green Delta Securities Limited (GDSL):** GDSL is wholly owned subsidiary company of Green Delta Insurance Company Ltd which was incorporated on July 28, 2010 with the Registrar of Joint Stock Companies & Firms. The Company is takeover by GDIC in the year 2013 and the company's present share holding position is 99.999% and 0.0001% by an individual shareholder.

**Green Delta Capital Limited (GDCL):** GDCL is a wholly owned subsidiary of Green Delta Insurance Company Limited. GDCL previously named as Green Delta LR Financial Service Limited was incorporated as a private company limited by shares on February 24, 2010 with the Registrar of Joint Stock Companies & Firms. Subsequently, the company was renamed as Green Delta Capital Limited on September 04, 2011. The company's present share holding position is 99.999% and 0.0001% by an individual shareholder.

#### (d) Structure, content and presentation of financial statements

Being the general purpose financial statements, the presentation of these financial statements is in accordance with the guidelines provided by per requirement of Insurance Act 1938 and BAS 1: "Presentation of Financial Statements". A complete set of financial statements comprise:

- i) Balance sheet as at December 31, 2013;
- ii) Profit and Loss Account for the year ended December 31, 2013;
- iii) Profit and Loss Appropriation Account for the year ended December 31, 2013;
- iv) Statement of Changes in Equity for the year ended December 31, 2013;
- v) Statement of Cash Flows for the year ended December 31, 2013;
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- v) Statement of Cash Flows for the year ended December 31, 2013;
- vi) Consolidated all Business Revenue Account for the year ended December 31, 2013;

- vii) Fire Insurance Revenue Account for the year ended December 31, 2013;
- viii) Motor Insurance Revenue Account for the year ended December 31, 2013;
- ix) Marine Insurance revenue Account for the year ended December 31, 2013;
- x) Miscellaneous Insurance Revenue Account for the year ended December 31, 2013 and
- xi) Notes comprising a summary of significant accounting policies and other explanatory information to the accounts for the year ended December 31, 2013.

## 2. Summary of significant accounting policies & basis of preparation

A summary of the principle accounting policies which have been applied consistently (Unless otherwise stated), is set out below:

### 2.01 Basis of preparation

The Financial Statements has been prepared on going concern and accrual basis under historical cost convention. The preparation and presentation of the financial statements and the disclosure of information have been made in accordance with the Insurance Act 1938 (as amended in 2010) the Insurance Rules 1958 and in conformity with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 ( as amended in 1997), the listing rules of Dhaka and Chittagong Exchange and other applicable laws & regulations in Bangladesh and practice generally followed by the insurance sector. The Balance sheet has been prepared in accordance with Part-I and "Form A "in Part II of the First Schedule. The revenue account for fire, marine and miscellaneous business has been prepared in accordance with "Form F" in Part II of the Third Schedule. Statement of Cash Flows and Statement of Changes in Equity has been prepared in accordance with BFRS.

### 2.02 Basis of Consolidation

The financial statements of the Corporation and its subsidiaries have been consolidated in accordance with Bangladesh Accounting Standard (BAS)-27 "Consolidated and Separate Financial Statements". The consolidation of the financial statements has been made after eliminating all intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions and dividends.

The consolidated financial statements comprise the financial statements of the Group as at 31 December each year.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

Losses within a subsidiary are attributed to any non-controlling interest, even if this results in a deficit balance. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interest
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate

2.03 **Going concern**

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The accompanying financial statements do not include any adjustments should the Green Delta Insurance Company Limited be unable to continue as a going concern.

2.04 **Functional and Presentation currency**

These financial statements are presented in Taka, which is the company's functional currency except as indicated.

2.05 **Use of estimates and judgments**

The preparation of financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates is revised and in any future periods affected.

2.06 **Materiality and aggregation**

Each material item as considered by management significant has been presented separately in financial statements. No amount has been set off unless the GDICL has a legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards.

2.07 **Foreign currency transactions**

Transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing at the balance sheet date. Exchange differences are recognized currency fluctuation reserve.

2.08 **Property, Plant and equipments**

**a. Recognition and measurement**

The cost of an item of property, plant and equipments shall be recognized as an assets if, and only if is probable that future economic benefits associated with the item will flow to the entity, and the cost of the item can be measured reliably.

Fixed assets have been accounted for at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs of enhancement of an existing assets are recognized as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of such items can be measured reliably. All other expenditures are charged to the Profit & Loss account during the financial period in which they are incurred.

Property plant and equipment have been revalued in the year 2012 under "Current Cost Method" by an independent valuer naming "Asian Survey" to reflect the fair value (prevailing market price). As the fair value of the assets do not differ significantly from its carrying amount as at December 31, 2013 so no revaluation has been made as on that date.

#### **b. Depreciation**

Fixed assets are recorded at historical cost less accumulated depreciation as per BAS-16 "Property, Plant and Equipment. Depreciated is charged on straight line method using the following rates on all fixed assets:

<b>Category of assets</b>	<b>Rates depreciation per annum</b>
Furniture & Fixtures	10%
Equipment	15%
Vehicles	20%
Building	1%
Land	Nil

Depreciation on newly acquired assets are calculated for the whole year irrespective of the date of acquisition and no depreciation is charged for the year in which the assets are disposed off.

#### **c. Sale of Fixed Assets**

Sale price of fixed assets are determined on the basis of fair value of the assets. Gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and carrying amount of the asset and is recognized in profit or loss account as per provision of BAS 16 Property, Plant & Equipments.

#### **d. Impairment**

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset should be reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss is recognized as an expenses in the income statement.

### **2.09 Sales and Lease Back Finance**

Pursuant to BAS - 17 "Leases" fixed asset (motor vehicle) acquired under sales and lease back finance is accounted for at the lower of present value of minimum lease payments under the lease agreement and the fair value of asset. The related obligation under the lease is accounted for as liability. Finance charges are allocated to accounting period in manner so as to provide a constant rate of charge on the outstanding liability.

### **2.10 Intangible assets**

Intangible assets (computer software) are recorded at historical cost less accumulated amortization. These are amortized on straight line method using the rate at 15%.

### **2.11 Investment in share**

Investments are initially recognized at cost including acquisition charges with the investments. After initial recognition investments in marketable ordinary shares have been valued at market price on an aggregate portfolio basis. Investment in non marketable shares have been valued at cost. Full provision for diminution in value of shares as on closing of the year on aggregate portfolio basis is made in the financial statements.



2.12

**Cash and cash equivalents**

Cash and cash equivalents consist of cash, cash in clearing account, FDR and bank balances.

2.13

**Cash Flow Statements**

Cash flow statement is prepared in accordance with BAS-7 "Statement of Cash Flows". Cash flows from operating activities have been presented at "Direct Method".

2.14

**Revenue recognition****Gross premiums**

Gross general insurance premiums comprise the total premiums received for the whole period of cover provided by contracts entered into during the accounting period. They are recognized in the year on which the policy issued. Re-insurance premium are deducted from the gross premium to present the net premium income from insurance business.

Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned premiums are calculated as required by the Insurance Act 1938 as amended in 2010. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums.

**Re-insurance commission**

Re-insurance commission are recognized as revenue over the period in which the related services are performed.

**Investment income**

Interest income is recognized in the income statement as it accrues and is calculated by using the effective interest rate method. Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognized as an adjustment to the effective interest rate of the instrument.

**Interest income**

Interest income from loans - secured is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset (Loans-secured) to that asset's net carrying amount.

All other interest income is recognized on accrual basis except interest of the loan accounts considered as non-performing. Interest income is suspended and full provision is made against the interest receivables on all non-performing loans when the installments are outstanding and considered doubtful of recovery on the basis of qualitative judgment.

**Dividend income and profit/(loss) on sale of marketable securities**

Dividend income is recognized on accrual basis in the period in which the dividend is declared and approved in AGM whereas profit or loss arising from the sale of securities is accounted for only when shares are sold in the market and profit is realized and loss is incurred.

**Interest on Fixed Deposit**

Interest income from fixed deposit is recognized on an accrual basis in the period in which the income is accrued.

## 2.15 Benefits, claims and expenses recognition

### Gross benefits and claims

General insurance and health claims include all claims occurring during the year and related internal and external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

### Reinsurance claims

Reinsurance claims are recognized when the related gross insurance claim is recognized according to the terms of the relevant contract.

## 2.16 Retirement benefit costs

### i) Gratuity Fund

The Company has a funded gratuity scheme for all eligible employees who complete minimum 10 years of confirmed service with the Company. Required amount of gratuity is calculated on the basis of last basic pay depending on the length of service for every completed year as well as proportionate to the fraction period of service as of the respective financial year. This scheme is approved by the National Board of Revenue (NBR) and administered by an independent Board of Trustees.

#### Following benefits are payable on retirement, death or leaving service:

- Less than 10 year of confirmed service - Nil
- Confirmed service between 10 to 15 years - One month's last drawn basic pay for every completed year of service.
- On completion of 15 years confirmed service and above - Two month's last drawn basic pay for every completed year of service subject to maximum 50 times of basic pay.

As has been referred to in Notes-10 of the financial statements the company made provision on a lump sum basis instead of actual calculation or the actuarial valuation.

### ii) Contributory provident fund

The Company has a contributory provident fund for its regular employees. The fund is approved by the National Board of Revenue (NBR), administered separately by a Board of Trustees and is contributed equally by the Company and the employees.

### iii) Medical Assistance

In addition to the above core benefit schemes GDIC also support Medical Assistance Annual health checkup benefit and death & disability benefit to his employees as per their requirement.

### iv) Home Loan and Transport Assistance

To secure long term commitment of deserving employees GDIC introduced Employees Home Loan and Transport facilities. An employee served in the company for a continuous period of five years (3 years for the employees started from the position of AVP and above) is entitled to avail the loan to purchase residential apartment, purchase of land and construction of house thereon etc. Interest rate of the said loan is ranging from 10 to 15 percent.

### v) Incentive Bonus

The company has resorted a policy namely Incentive Bonus Scheme for its employees who meets certain criteria based on their annual performance ascertained on net profit after Tax with the approval in the Annual General Meeting and the paid amount are accounted for the year to which same relates.

2.17

**Taxation**

Income tax on earnings for the year comprises current and deferred tax and is based on the applicable tax law in Bangladesh. It is recognized in the income statement as tax expense.

**Current tax**

Current tax is the expected tax payable on taxable income for the year, based on tax rates (and tax laws) which are enacted at the reporting date, including any adjustment for tax payable in previous periods. Current tax for current and prior periods is recognized as a liability (or asset) to the extent that it is unpaid (or refundable). Provision for income tax has been made at best estimate keeping in view the provisions of Income Tax Ordinance 1984 and amendment made thereto from time to time. Applicable rate of income tax for the company is 42.5%.

**Deferred tax**

The Corporation accounted for deferred tax as per BAS - 12 "Income Taxes". Deferred tax is accounted for using the comprehensive tax balance sheet method. It is generated by temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base.

Deferred tax assets, including those related to the tax effects of income tax losses and credits available to be carried forward, are recognized only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses and credits can be utilized.

Deferred tax liabilities are recognized for all taxable temporary differences. They are also recognized for taxable temporary differences arising on investments and it is probable that temporary differences will not reverse in the foreseeable future. Deferred tax assets associated with these interests are recognized only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and there will be sufficient taxable profits against which to utilize the benefits of the temporary difference.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realized or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. The measurement reflects the tax consequences that would follow from the manner in which the corporation at the reporting date, recovers or settles the carrying amount of its assets and liabilities.

2.18

**Provision for outstanding claims**

For non-life insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred, but not yet reported, at the reporting date.

2.19

**Reserve or Contingencies**

**a) Reserve for Exceptional Losses**

As per Insurance Act 1938 as amended 2010, 10% statutory reserve is maintained out of profit by the company to meet any possible future claims.

**b) Foreign Currency Fluctuation Fund**

The Company maintained a Foreign Currency (FC) Account with the Pubali Bank Ltd for the overseas transactions and creates a reserve for Foreign Currency Fluctuation to avoid future losses due to change in foreign currency translation rate.

### **c) Investment Fluctuation Fund**

The Company made investments in the capital market in a large portfolio and income generated from the investment (realized gain and dividend received) is credited to the Profit & Loss Account. Unrealized capital gain if any is transferred to the Investment Fluctuation Fund subsequently.

### **d) General Reserve**

The Company creates a General Reserve from the current year profit to avoid future contingency.

### **e) Dividend Equalization Fund**

Dividend Equalization Fund is created for making proposed and approved dividend payments consistently to the shareholders in the event of worst business situation of the company.

## **2.20 Disclosure of departure from few requirements of BAS/BFRS due to mandatory compliance of Insurance Act's requirements**

a) The Green Delta Insurance Company Limited management has followed the principles of BAS & BFRS consistently in preparation of the financial statements to that extent as applicable to the GDICL. Some requirements of Insurance Act 1938 and Insurance Rules 1958 and regulations contradict with those of financial instruments and general provision standards of BAS and BFRS. As such the GDICL has departed from those contradictory requirements of BAS/BFRS in order to comply with the rules and regulations of IDRA, Bangladesh which are disclosed below along with financial impact where applicable:

b) As per Insurance Act 1938 as amended 2010 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provisions have been made by netting off any unrealized gain/(loss) arising at the Balance sheet date. However as per requirements of BAS 39 investment in shares falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value at the year-end is taken to profit and loss account or other comprehensive income respectively.

c) General Provision on Insurance Premium and Re-Insurance Premium are followed as per As per Insurance Act 1938 as amended 2010. However such general provision cannot satisfy the conditions of provision as per BAS 37. At the year end the GDICL has recognized provision of Tk. 658,163,955 as balance of fund and liabilities in the Balance Sheet under liabilities.

d) Insurance Act 1938 has issued templates for financial statements which will strictly be followed by all General and Life Insurance Company. The templates of financial statements issued by Insurance Act do not include Other Comprehensive Income (OCI) nor are the elements of Other Comprehensive Income allowed to include in a Single Comprehensive Income (OCI) Statement. As such the GDICL does not prepare the other comprehensive income statement. However the GDICL does not have any elements of OCI to be presented.

e) As per IDRA guidelines financial instruments are categorized, recognized and measured differently from those prescribed in BAS 39. As such some disclosure and presentation requirements of BFRS 7 and BAS 32 have not been made in the accounts.

## 2.21 Interest expense

The Company has incurred interest and related expenses on account of overdraft, finance lease and bank loan. In terms of provision of the Bangladesh Accounting Standard (BAS) -1 "Presentation of Financial Statements" interest expenses are recognized on accrual basis.

## 2.22 Earnings per share

Earnings Per Share (EPS) has been calculated in accordance with Bangladesh Accounting Standard - 33 "Earnings Per Share" and shown on the face of profit and loss account and computation shown in Note: 24.

### Basic earning per share:

This has been calculated by dividing the basic earning by the weighted average number of ordinary shares outstanding for the year.

### Basic earnings:

This represents earnings for the period ended on December 31, 2013 attributable to the ordinary shareholders.

### Weighted average number of ordinary shares outstanding during the year:

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued (as bonus share) during the year multiplied by a time weighting factor. The time-weighting factor is the numbers of days the specific shares are outstanding as a proportionate of the number of days in the year.

### Diluted earnings per share

Diluted EPS is calculated if there is any commitment for issuance of equity shares in foreseeable future, i.e., potential shares, without inflow of resources to the Company against such issue. There was no such commitment during the year and accordingly no dilution is required in the year 2013.

## 2.23 Accounting for changes in accounting estimates

BAS - 8 states that the effect of a change in an accounting estimate is to be applied prospectively by inclusion in the current accounting period and, if relevant, in future accounting period. The carrying amount of assets, liabilities, or equity may be changed following a change in accounting estimates in the period of the change.

## 2.24 Related party disclosure

"As per Bangladesh Accounting Standards (BAS) 24 "Related Party Disclosures", parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in Note: 27."

## 2.25 Events after the balance sheet date

There is no material adjusting or non adjusting events after the balance sheet date.

## **2.26 Contingent liabilities and contingent assets**

The company does not recognize contingent liability and contingent assets but discloses the existence of contingent liability in the financial statements. A contingent liability is probable obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events not within the control of the company or present obligation that is not recognize because outflow of resources is not likely or obligation cannot be measured reliably.

## **2.27 Branch accounting**

The Company has 38 branch offices with no overseas branch as on December 31, 2013. Accounts of the branches are maintained at the head office which are included in the accompanying financial statements.

## **2.28 Consistency of Presentation**

In accordance with the BFRS framework for the presentation of financial statements together with BAS 1 and BAS 8, Green Delta Insurance Company Limited applies the accounting disclosure principles consistently from one period to the next. Where selecting and applying new accounting policies, changes in accounting policies applied, correction of errors, the amounts involved are accounted for and disclosed retrospectively in accordance with the requirement of BAS-8. We however have applied the same accounting and valuation principles in 2013 as in financial statements for 2012.

## **2.29 Comparative Information**

Comparative information has been disclosed in respect of the period ended December 31, 2013 for all numerical data in the financial statements and also the narrative and descriptive information when it is relevant for better understanding of the current year's financial statements. Figures of the year 2012 have been restated and rearranged whenever considered necessary to ensure comparability with the current period.

## **2.30 Director Responsibility**

The Board of Director takes the responsibility for the preparation and presentation of the financial Statements.

## **2.31 Authorization date for issuing Financial Statements**

The financial statements were authorized by the Board of Directors on February 05, 2013 for public issue.

## **2.32 General**

- a) Figures appearing in these Financial Statements have been rounded off to the nearest Taka.
- b) Previous year's figures have been rearranged/restated/reclassified, where necessary, in order to conform to current period's presentation.

## **2.33 Reporting Currency**

The financial statements are prepared and presented in Bangladesh Currency (Taka) which is the company's financial currency. A sizeable amount have however been received in foreign currency.

## **2.34 Reporting Period**

The financial period under audit of the company covering (12) twelve months from of January 01, 2013 to December 31, 2013.

**Authorised share Capital:**

100,000,000 Ordinary Shares of Tk. 10 each

**Issued, subscribed & paid up capital**

63,787,500 ordinary shares of Tk. 10 each

Amount in Taka	
2013	2012
1,000,000,000	1,000,000,000
<b>637,875,000</b>	<b>510,300,000</b>

**Classification of shareholders by holdings as on December 31, 2013.**

Range of share holding	No. of Shareholders	No. of Shares	% of Holdings	Value of Share in Taka
Less than 500 Shares	4,901	760,485	1.19%	7,604,850
501 - 5,000	1,913	2,777,602	4.35%	27,776,020
5,001 - 10,000	140	1,023,475	1.64%	10,234,750
10,001 - 20,000	76	1,045,505	1.25%	10,455,050
20001 - 30000	31	799,385	0.50%	7,993,850
30001 - 40000	9	319,345	1.06%	3,193,450
40,001 - 50,000	15	676,892	0.78%	6,768,920
50,001 - 60,000	9	500,643	0.84%	5,006,430
60,001 - 70,000	8	534,701	0.93%	5,347,010
70,001 - 80,000	8	590,869	0.91%	5,908,690
80,001 - 90,000	7	580,501	0.91%	5,805,010
90,001 and above	102	54,178,097	84.94%	541,780,970
	<b>7,219</b>	<b>63,787,500</b>	<b>100.00%</b>	<b>637,875,000</b>

**Reserve or contingency account**

Reserve for exceptional losses (Note: 4.01)	868,512,659	736,813,750
Foreign currency fluctuation (Note: 4.02)	2,914,724	3,979,629
Investment fluctuation fund (Note: 4.03)	687,088,167	676,425,940
General reserve (Note: 4.04)	170,000,000	170,000,000
Dividend equalization fund (Note: 4.05)	120,000,000	120,000,000
Revaluation reserve (Note: 4.06)	1,445,971,542	1,466,619,565
<b>Total</b>	<b>3,294,487,092</b>	<b>3,173,838,884</b>

**Reserve for exceptional losses**

Opening balance	736,813,750	615,560,132
Addition during the year (10% of net premium income)	131,698,909	121,253,618
<b>Sub Total</b>	<b>868,512,659</b>	<b>736,813,750</b>

**Foreign currency fluctuation**

Opening balance	3,179,229	4,556,089
Add / (less) during the year	(2,264,505)	(576,460)
<b>Sub Total</b>	<b>914,724</b>	<b>3,979,629</b>

		Amount in Taka	
		2012	
<b>4.03</b>	<b>Investment fluctuation fund</b>		
	Opening balance	676,425,940	1,035,349,545
	Add/(less) during the year	10,662,227	(358,923,605)
	<b>Sub Total</b>	<b>687,088,167</b>	<b>676,425,940</b>
<b>4.04</b>	<b>General reserve</b>		
	Opening balance	170,000,000	170,000,000
	Addition during the year	-	-
	<b>Sub Total</b>	<b>170,000,000</b>	<b>170,000,000</b>
<b>4.05</b>	<b>Dividend equalization fund</b>		
	Opening balance	120,000,000	120,000,000
	Addition during the year	-	-
	<b>Sub Total</b>	<b>120,000,000</b>	<b>120,000,000</b>
<b>4.06</b>	<b>Revaluation reserve</b>		
	Opening balance	1,466,619,565	-
	Addition during the year	-	1,469,849,707
	Less: Transfer to retained earnings	(20,648,023)	(3,230,142)
	<b>Sub Total</b>	<b>1,445,971,542</b>	<b>1,466,619,565</b>
<b>4.A</b>	<b>Consolidated revaluation reserve</b>		
	Green Delta Insurance Company	1,445,971,542	1,466,619,565
	Green Delta Securities Limited	607,047,161	607,045,951
	<b>Sub Total</b>	<b>2,053,018,703</b>	<b>2,073,665,516</b>
<b>4.B</b>	<b>Consolidated reserve or contingency account</b>		
	Green Delta Insurance Company	3,294,487,092	3,173,838,884
	Green Delta Securities Limited	607,047,161	607,045,951
	<b>Total</b>	<b>3,901,534,253</b>	<b>3,780,884,835</b>



### Profit and loss appropriation account

	2011	2012
Opening Balance ( accumulated un distributed profit)	161,013,468	156,620,948
Add: Net profit for the year	304,810,589	262,676,034
Less : Reserve for exceptional losses (10% of net premium)	(131,698,909)	(121,253,618)
Less : Provision for income tax	(34,722,832)	(10,000,000)
Less : Deferred tax provision	(21,380,369)	(15,000,000)
Less : Dividend paid (for-2012)	(153,090,000)	(102,060,000)
Less : Loss from discontinued business ( Green Delta LR Holding)	(19,675,601)	-
Less: Prior year adjustment	-	(13,200,038)
Add: Transfer from revaluation reserve	20,648,023	3,230,142
<b>Total</b>	<b>125,904,367</b>	<b>161,013,468</b>

### Consolidated profit and loss appropriation account

Green Delta Insurance company	125,904,367	161,013,468
Green Delta Capital Limited	12,498,169	6,879,576
Green Delta LR Holding Limited	-	119,402,526
Green Delta Securities Ltd.	134,683,808	-
<b>Total</b>	<b>273,086,344</b>	<b>287,295,570</b>

### Non-controlling interest

Green Delta Capital Limited	109	107
Green Delta LR Holdings Limited	-	1,672
Green Delta Securities Ltd.	235	-
<b>Total</b>	<b>344</b>	<b>1,779</b>

### Balance of fund account

Fire Insurance business	281,874,870	197,743,593
Marine Insurance business	265,351,755	311,444,902
Motor Insurance business	76,171,042	64,519,656
Misc. Insurance business	34,766,288	38,122,095
<b>Total</b>	<b>658,163,955</b>	<b>611,830,246</b>

Above business insurance accounts maintained as reserve for unexpired risks based on following percentages on premium income excluding Public Sector Business at the following rates :

Particulars	Total Net Premium (without SBC)	%	Balance of Fund	
Fire	563,749,741	50%	281,874,870	197,743,593
Marine Cargo	518,228,919	50%	259,114,460	294,612,426
Marine Hull	6,237,295	100%	6,237,295	16,832,476
Motor	152,342,085	50%	76,171,042	64,519,656
Miscellaneous	69,532,575	50%	34,766,288	38,122,095
<b>Total</b>	<b>1,310,090,615</b>		<b>658,163,955</b>	<b>611,830,246</b>

Amount in Taka  
2012

**7.00 Premium deposits**

Marine cargo

**Total**

35,960,887	37,048,098
<b>35,960,887</b>	<b>37,048,098</b>

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.

**8.00 Estimated liability in respect of outstanding claims whether due or intimated**

Fire

Marine Cargo

Marine Hull

Motor

Miscellaneous

**Total**

163,048,307	48,149,117
33,819,662	18,880,534
448,998	448,998
11,886,929	7,189,504
16,993,481	7,199,446
<b>226,197,377</b>	<b>81,867,599</b>

**9.00 Amount due to other persons or bodies carrying on insurance business**

This represents the amount payable to Sadharan Bima Corporation and other re-insurers and private sector insurance companies on account of re-insurance and co-insurance premium as at December 31, 2013.

Payable against co-insurance premium

Amount due to SBC

Overseas re-insurer

**Total**

26,465,061	39,504,655
70,725,335	214,190,722
279,501,223	325,258,758
<b>376,691,619</b>	<b>578,954,135</b>

**10.00 Sundry creditors**

Liability for expenses

Others payable

Provision for income tax (Note : 10.01)

Deferred tax liabilities/(asset) (Note : 10.02)

Unclaimed dividend

**Total**

9,727,780	8,829,966
228,818,075	205,380,291
215,935,571	181,212,739
34,441,387	13,061,018
24,719,830	14,217,304
<b>513,642,643</b>	<b>422,701,318</b>

**10.01 Provision for income tax**

Opening balance

Less : Adjustment of provision for tax against advance tax

Add : Addition during the year

**Sub Total**

181,212,739	279,338,859
-	(108,626,120)
34,722,832	10,000,000
<b>215,935,571</b>	<b>181,212,739</b>

**10.02 Deferred tax liability/(asset)**

Opening balance

Less : Adjustment during the year

**Sub Total**

1,001,018	(1,938,982)
10,369	15,000,000
<b>11,387</b>	<b>13,061,018</b>

**Consolidated sundry creditors**

	2012	2011
Green Delta Insurance Company Ltd.	513,642,643	422,701,318
Green Delta Capital Limited	15,617,218	12,298,440
Green Delta Securities Limited	186,099,058	138,974,189
<b>Total</b>	<b>715,358,919</b>	<b>573,973,947</b>

**Bank overdraft**

Mercantile Bank (SOD -1894)	72,253,488	-
<b>Total</b>	<b>72,253,488</b>	<b>-</b>

The total due amount has been received from the Mercantile Bank Limited, Mohakhali branch, account no. SOD-1894, Dhaka-1212 in favor of the company.

**Investment**

Investment in Government Bond	25,000,000	4,500,000
Investment in Debentures	4,339,186	5,224,800
Investment in quoted shares	1,485,856,088	1,515,985,404
<b>Equity Investment as unquoted share:</b>		
Jalalabad Telecom Ltd.	82,384,000	82,384,000
Green Delta AIMS Ltd.	4,500,000	4,500,000
United Hospital	56,100,000	56,100,000
Beximco Pharma Preferred Share	522,700	522,700
Green Delta LR Holding Ltd	-	99,999,900
Green Delta Capital Limited	249,999,900	99,999,900
Financial Excellence	1,500,000	1,500,000
CDBL	1,138,890	1,138,890
BD Venture	20,000,000	10,000,000
Swiss Pro BD Ltd.	10,200,000	9,600,000
Green Delta Securities Ltd.	99,999,900	-
Heritage Life Insurance Company Ltd.	19,500,000	-
<b>Other Investments</b>		
Investment in GDSL as Margin Loan ( Note: 12.1)	105,000,000	107,500,000
Energypac Power Generation Ltd.	4,972,000	-
The ACME Laboratories Ltd.	26,000,000	-
<b>Total</b>	<b>2,197,012,664</b>	<b>1,998,955,594</b>

**Investment in GDSL as margin loan**

Margin Loan of Green Delta Securities Ltd.	105,000,000	107,500,000
<b>Sub Total</b>	<b>105,000,000</b>	<b>107,500,000</b>

The amount was invested in GDSL as margin loan @ 10 % interest annually.

**Consolidated investment**

Investment of Green Delta Insurance Co. Ltd.	1,742,012	1,485,794
Investment of Green Delta Capital Ltd.	71,970,497	48,290,941

		Amount in Taka	
		2012	
	Investment of Green Delta LR Holdings Ltd.	-	747,056,670
	Investment of Green Delta Securities Ltd.	762,368,606	-
	<b>Total</b>	<b>2,576,351,967</b>	<b>2,487,003,405</b>
<b>13.00</b>	<b>Outstanding premium</b>		
	Outstanding premium represents installments due as on the Balance Sheet date on account of Marine & Aviation Business.		
	Marine hull	16,335,576	23,302,547
	Aviation hull	114,332,999	97,982,576
	<b>Total</b>	<b>130,668,575</b>	<b>121,285,123</b>
<b>14.00</b>	<b>Amount due from other persons or bodies carrying on insurance business</b>		
	This represents the amount receivable from private sector insurance companies on account of co-insurance premium and claim as on December 31, 2013.		
	Co-insurance premium receivable	32,242,715	47,255,259
	Co-insurance claim receivable	5,082,439	5,325,117
	Amount due from overseas re-insurer	368,157,727	226,821,668
	<b>Total</b>	<b>405,482,881</b>	<b>279,402,044</b>
<b>15.00</b>	<b>Sundry debtors ( including advance and deposits)</b>		
	Advance rent	4,970,204	5,387,060
	Advance salary	514,761	481,920
	Car lease for employees(advance)	9,161,004	13,051,589
	Other advances	314,284,046	260,235,812
	Security deposit	1,859,954	1,670,954
	Accrued interest	961,040	-
	<b>Total</b>	<b>331,751,009</b>	<b>280,827,335</b>
<b>15.A</b>	<b>Consolidated sundry debtors</b>		
	Green Delta Insurance Company Ltd.	274,604,800	201,840,975
	Green Delta LR Holding Limited	-	149,294,678
	Green Delta Securities Limited	249,609,792	-
	Green Delta Capital Limited	26,570,239	12,880,343
	<b>Total</b>	<b>550,784,831</b>	<b>364,015,996</b>
<b>16.00</b>	<b>Cash and cash equivalent</b>		
	Fixed deposits	1,100,565,429	878,156,706
	STD and current account	92,577,502	36,817,354
	Cash in hand	1,100,523	3,801,589
	<b>Total</b>	<b>1,200,503,454</b>	<b>918,775,649</b>

16.A **Consolidated cash and cash equivalent**

Green Delta Insurance Company Ltd.	1,200,593,454	918,775,649
Green Delta LR Holding Limited	-	235,610,158
Green Delta Capital Limited	181,601,320	59,154,534
Green Delta Securities Limited	160,463,989	-
<b>Total</b>	<b>1,542,658,763</b>	<b>1,213,540,341</b>

17.00 **Land property & office space**

Land at cost price	800,000,000	21,036,075
Add: Revaluation value	-	778,963,925
<b>Total</b>	<b>800,000,000</b>	<b>800,000,000</b>

Land property has revalued as per decision of the board and stated at new revalued price which was measuring 6 (Six) khatha and 4 (four) chataks situated at 51, Mohakhali C/A, Dhaka-1212.

	<b>Furniture &amp; Fixtures</b>	<b>Office &amp; Electrical Equipments</b>	<b>Vehicles</b>	<b>Building</b>	<b>Total</b>
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18.00 **Fixed Assets (at cost less depreciation)**

<b>Cost</b>					
As at January 01, 2013	49,179,563	60,634,626	59,137,000	1,023,087,041	1,192,038,230
Less : Prior Year adjustment		(1,317,000)	-	-	(1,317,000)
Additions during the year	10,097,075	7,391,258	28,977,200	57,640,330	104,105,863
Disposal during the year	-	-	(2,250,000)	-	(2,250,000)
<b>As at December 31, 2013</b>	<b>59,276,638</b>	<b>66,708,884</b>	<b>85,864,200</b>	<b>1,080,727,371</b>	<b>1,292,577,093</b>

**Depreciation**

As at January 01, 2013	2,458,978	4,547,606	5,913,700	3,445,805	16,366,089
Charge during the year	5,927,664	10,006,333	17,172,840	7,468,012	40,574,848
Disposal during the year	-	-	(450,000)	-	(450,000)
<b>As at December 31, 2013</b>	<b>8,386,642</b>	<b>14,553,939</b>	<b>22,636,540</b>	<b>10,913,817</b>	<b>56,490,937</b>

<b>Sub total</b>	<b>50,889,996</b>	<b>52,154,945</b>	<b>63,227,660</b>	<b>1,069,813,554</b>	<b>1,236,086,156</b>
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Written down value of Intangible assets (Note 18.1)	-	-	-	-	1,473,050
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<b>Total written down value at December 31, 2013</b>	<b>50,889,996</b>	<b>52,154,945</b>	<b>63,227,660</b>	<b>1,069,813,554</b>	<b>1,237,559,206</b>
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<b>Total written down value at December 31, 2012</b>	<b>46,720,585</b>	<b>56,087,029</b>	<b>53,223,300</b>	<b>1,019,641,236</b>	<b>1,175,672,151</b>
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		Amount in Taka	
			2012
<b>18.01</b>	<b>Intangible assets (computer software)</b>		
	<b>Opening balance</b>	1,317,000	-
	Add : Addition during the year	416,000	1,317,000
	Less : Amortization during the year (15%)	259,950	-
	<b>Sub Total</b>	<b>1,473,050</b>	<b>1,317,000</b>
<b>18.A</b>	<b>Consolidated fixed assets (at cost less depreciation)</b>		
	Green Delta Insurance Company Ltd.	1,236,086,156	1,175,672,151
	Green Delta Securities Ltd.	8,428,336	-
	Green Delta LR Holding Limited	-	10,486,705
	Green Delta Capital Limited	7,078,988	7,823,166
	<b>Total</b>	<b>1,251,593,480</b>	<b>1,193,982,022</b>
<b>19.00</b>	<b>Stock of printing, stationery &amp; stamps</b>		
	Printing	1,389,310	1,584,294
	Stationery	34,476	20,155
	Insurance policy stamps	834,933	1,031,403
	<b>Total</b>	<b>2,258,719</b>	<b>2,635,852</b>
<b>19.A</b>	<b>Consolidated preliminary expenses</b>		
	Green Delta LR Holding Limited	-	291,425
	<b>Total</b>	<b>-</b>	<b>291,425</b>
<b>20.00</b>	<b>Audit fees</b>		
	Statutory audit	345,000	156,750
	Half yearly Audit	-	150,000
	<b>Total</b>	<b>345,000</b>	<b>306,750</b>
<b>21.00</b>	<b>Investment and others income</b>		
	Interest on FDR & STD	117,759,634	89,546,062
	Net profit from shares trading	3,125,202	1,257,579
	Interest on National Bond	2,386,021	382,500
	Underwriting commission	859,769	538,522
	Dividend income	59,748,500	25,477,561
	Interest Income from GDSL	10,670,833	11,548,611
	Co-ins service charges	456,383	3,627,189
	Sundry income	615,846	26,231
	Rental income	8,442,209	3,050,360
	<b>Total</b>	<b>204,064,397</b>	<b>135,454,615</b>

21.A **Consolidated income from share business**

Green Delta Insurance Company Ltd.
Green Delta LR Holding Limited
Green Delta Securities Ltd.
Green Delta Capital Limited
Less : Inter company income (stock dividend)
<b>Total</b>

Amount in Taka	
2013	2012
3,125,202	1,257,579
-	3,422,471
1,195,843	-
1,514,212	11,020,071
<b>5,835,257</b>	<b>15,700,121</b>
-	-
<b>5,835,257</b>	<b>15,700,121</b>

21.B **Consolidated interest & others income**

Green Delta Insurance Company Ltd.
Green Delta LR Holding Limited
Green Delta Securities Ltd.
Green Delta Capital Limited
Less: Inter company transaction
<b>Total</b>

130,816,488	101,094,673
-	48,155,490
39,553,277	-
20,124,993	6,824,695
<b>190,494,758</b>	<b>156,074,858</b>
10,670,833	11,548,611
<b>179,823,925</b>	<b>144,526,247</b>

21.C **Consolidated management expenses**

Green Delta Insurance Company Ltd.
Green Delta LR Holding Limited
Green Delta Securities Ltd.
Green Delta Capital Limited
Less: Inter company transaction
<b>Total</b>

144,959,662	147,528,731
-	82,105,420
62,587,463	-
18,071,321	18,542,632
<b>225,618,446</b>	<b>248,176,783</b>
12,519,238	11,548,611
<b>213,099,208</b>	<b>236,628,172</b>

22.00 **Claims under policies less re-insurance**

	Fire	Marine Cargo	Marine Hull	Motor	Miscellaneous	Total
Claims paid during the year	91,725,615	81,056,337	795,387	44,941,162	9,753,374	228,271,875
Claims outstanding at the end of the year	163,048,307	33,819,662	448,998	11,886,929	16,993,481	226,197,377
Claims outstanding at the beginning of the year	(48,149,117)	(18,880,534)	(448,998)	(7,189,504)	(7,199,446)	(81,867,599)
<b>Total amount (Year - 2013)</b>	<b>206,624,805</b>	<b>95,995,465</b>	<b>795,387</b>	<b>49,638,587</b>	<b>19,547,409</b>	<b>372,601,653</b>
<b>Total amount (Year- 2012)</b>	<b>128,540,735</b>	<b>32,262,312</b>	-	<b>31,825,353</b>	<b>9,336,417</b>	<b>201,964,817</b>

Amount in Taka  
2013 | 2012

**23.00 Premium less re-insurance**

Class of business:	On Direct Business	On Re-ins Accepted	On Re-ins. Ceded	Total Amount in 2013	Total Amount in 2012
Fire	1,286,104,519	-	(721,252,574)	564,851,945	396,714,821
Marine Cargo	634,746,415	-	(112,390,722)	522,355,693	592,047,636
Marine Hull	76,741,245	2,485,561	(72,992,897)	6,233,909	16,787,741
Motor	168,149,988	-	(14,373,742)	153,776,246	130,163,096
Miscellaneous	445,225,528	-	(375,454,232)	69,771,296	76,822,888
<b>Total amount (December 31, 2013)</b>	<b>2,610,967,695</b>	<b>2,485,561</b>	<b>(1,296,464,167)</b>	<b>1,316,989,088</b>	<b>1,212,536,182</b>

**24.00 Earning per share (EPS)**

**Basic earning per share (EPS) on net profit after tax (Par value of Tk.10)**

**Earnings attributable to ordinary shares:**

Profit as per profit & loss account

Less: Income tax provision

Less: Deferred tax expenses

Less: Loss from discontinued business

	3.69	4.05
<b>A</b>	<b>229,031,787</b>	<b>237,676,034</b>
Profit as per profit & loss account	304,810,589	262,676,034
Less: Income tax provision	34,722,832	10,000,000
Less: Deferred tax expenses	21,380,369	15,000,000
Less: Loss from discontinued business	19,675,601	-

**Weighted average number of shares:**

<b>B</b>	<b>62,095,821</b>	<b>58,684,500</b>
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Weighted average number of shares:	No. of shares	Weight	Weighted Average Number of shares as at 31.12.2013	Weighted Average Number of shares as at 31.12.2012
Shares outstanding as on January 01, 2013	51,030,000	365	51,030,000	51,030,000
Bonus share issued during the year	7,654,500	365	7,654,500	7,654,500
New share issued in 2013	5,103,000	244	3,411,321	-
	<b>63,787,500</b>		<b>62,095,821</b>	<b>58,684,500</b>

**Basic earnings per shares**

**C=(A/B) =**

**(Per value of Tk.10)**

Earnings attributable to ordinary shareholders	229,031,795	237,676,034
Weighted average number of shares	62,095,821	58,684,500
	<b>3.69</b>	<b>4.05</b>



24.A

**Consolidated earning per share (EPS)****Earnings attributable to ordinary shares:**

Profit as per profit &amp; loss account

Less: Income tax provision

Less: Deferred tax expenses

Less: Adjustment for GDSL

Less: Loss from discontinued business

$$\text{Consolidated EPS} = \frac{\text{Consolidated net profit after tax}}{\text{Total no. of shares outstanding during the year}}$$

Amount in Taka	
2013	2012

A	2013	2012
	230,872,127	234,784,782
	333,811,063	269,737,262
	47,566,358	19,952,480
	21,380,369	15,000,000
	14,316,608	-
	19,675,601	-
	230,872,127	234,784,782
	62,095,821	58,684,500
	<b>3.72</b>	<b>4.00</b>

25.00

**Net assets value**

The offer price of the common stock of Green Delta Insurance Co. Ltd. has been determined on the basis of net assets value, the break up is given below:

**A. Assets.**

Investment

Outstanding premium

Amount due to other persons or bodies carrying on insurance business

Sundry debtors

Cash and bank balance

Land, fixed asset &amp; others

**Total assets****B. Liabilities**

Balance of fund accounts

Premium deposit

Estimated liability in respect of outstanding claims whether due or intimated

Amount due to other persons or bodies carrying on insurance business

Sundry creditors

Bank loan

**Total liabilities****Net Assets (A - B)**

Number of weighted average shares outstanding during the year

Net assets value per share

2,197,012,664	1,998,955,594
130,668,575	121,285,123
405,482,882	279,402,044
331,751,009	284,879,538
1,200,593,454	926,779,720
2,039,817,925	1,978,308,003
<b>6,305,326,509</b>	<b>5,589,610,022</b>
658,163,955	611,830,245
35,960,887	45,052,169
226,197,377	81,867,599
376,691,619	578,954,134
513,642,643	413,553,484
72,253,488	-
<b>1,882,909,969</b>	<b>1,731,257,632</b>
<b>4,422,416,540</b>	<b>3,858,352,390</b>
63,787,500	51,030,000
<b>69.33</b>	<b>75.61</b>

#### 26.00 Prior year adjustment:

Prior year adjustment has been made for previous year's error or omission by total amount of Tk. 13,200,038. The financial statements of 2012 have been restated to correct this error. The effect of the restatement on those financial statements is summarised below. There is no effect in 2013.

#### 26.01 Lease rental was adjusted incorrectly against lease obligation:

Lease rental was adjusted incorrectly against lease obligation by the total amount of Tk. 9,147,834 in the financial statements of 2012. Accordingly in the last year the lease obligation was understated and lease rental expenses was overstated. The financial statements of 2012 have been restated to correct this error through opening retained earnings as prior year adjustment.

#### 26.02 Prior year expenditure incorrectly charged as current year revenue expenditure:

An expenditure which was relate to the year 2010 was wrongly charged as revenue expenditure in the year 2013. The financial statements of 2012 have been restated to correct this error through opening retained earnings as prior year adjustment.

#### 27.00 Related party transactions

The Company has centred into transactions with other entities in normal course of business that fall within the definition of related party as per Bangladesh Accounting Standard-24 "Related Party Disclosure". The terms of related party transaction are not significantly different from those that could have been obtained from their parties. The significant related party transactions are as follows:

			Amount in Taka
Name of the Party	Relationship	Nature of Transaction	Closing balance
Green Delta Securities Ltd.	Subsidiaries	Intercompany Credit @ 10%	105,000,000
Green Delta Capital Ltd. and Green Delta Securities Ltd.	Subsidiaries	Rental Income	1,848,405

#### 28.00 Number of employees

During the year under audit, there were 522 employees for the full year and 72 employees for less than full year.

## Annexure-I

### Status of compliance of Bangladesh Accounting Standards and Bangladesh Financial Reporting Standards

Name of the BAS	"BAS No."	Status
Presentation of financial statements	1	**
Inventories	2	N/A
Cash flow statement	7	Applied
Accounting policies, change in accounting estimates and errors	8	Applied
Events after the balance sheet date	10	Applied
Construction contracts	11	N/A
Income taxes	12	Applied
Property, plant and equipment	16	Applied
Lease	17	Applied
Revenue	18	Applied
Employee benefits	19	Applied
Accounting for government grants and disclosure of governments assistance	20	Applied
The effect of change in foreign exchange rates	21	Applied
Borrowing cost	23	Applied
Related party disclosure	24	Applied
Accounting and reporting by retirement benefits plan	26	Applied
Consolidated and separate financial statements	27	Applied
Investment in associates	28	N/A
Investment in joint ventures	31	N/A
Financial instruments: disclosure and presentations	32	**
Earning per share	33	Applied
Interim financial reporting	34	Applied
Impairment of assets	36	Applied
Provision, contingent liabilities and contingent assets	37	Applied
Intangible assets	38	Applied
Financial instruments: recognition and measurement	39	**
Investment property	40	N/A
Agriculture	41	N/A
Name of the BFRS	BFRS No.	Status
Share base payment	2	N/A
Business combination	3	N/A
Insurance contracts	4	**
Non-currents assets held for sale and discontinued operation	5	N/A
Exploration for and evaluation of mineral resources	6	N/A
Financial instruments : disclosure	7	**
Operating segment	8	N/A

\*\*Green Delta Insurance Company Limited management has followed the principles of BAS & BFRS consistently in the preparation of the financial statements to that extent as applicable to Insurance Company. Some of the standards have not been complied with, about which IDRA has special guideline.

# Form "AA"

## Classified Summary of Assets as at December 31, 2013

Sl. No.	Class of Assets	Book Value Taka
1	Investment in government bond	25,000,000
2	Shares listed on DSE & CSE (market price)	1,485,856,088
3	Debentures	4,339,186
4	Jalalabad Telecom Ltd.	82,384,000
5	Green Delta AIMS Ltd. (paid up capital)	4,500,000
6	United Hospital	56,100,000
7	Investment in GDSL as margin loan (Note: 12.1)	105,000,000
8	Beximco Pharma preferred share	522,700
9	Green Delta Capital Limited (paid up capital)	249,999,900
10	Financial Excellence	1,500,000
11	CDBL	1,138,890
12	BD Venture	20,000,000
13	Swiss Pro BD Ltd.	10,200,000
14	Green Delta Securities Ltd	99,999,900
15	Heritage Life Insurance Company Ltd.	19,500,000
16	Energypac Power Generation Ltd.	4,972,000
17	The ACME Laboratories Ltd.	26,000,000
18	Fixed deposit	1,106,165,429
19	Cash at bank on STD and current account	94,428,025
20	Outstanding premium	130,668,575
21	Amount due from other persons or bodies carrying on insurance business	405,482,881
22	Sundry debtors (including advance and deposits)	331,751,009
23	Land property	800,000,000
24	Fixed assets (at cost less depreciation)	1,237,559,206
25	Stock of stationery and stamps	2,258,719
<b>TOTAL</b>		<b>6,305,326,508</b>



**A Q M Nurul Absar**  
Chairman



**Dilruba Chowdhury**  
Vice Chairperson



**Farzana Chowdhury**  
Managing Director & CEO



**Nazim Tazik Chowdhury**  
Deputy Managing Director & CFO



**Syed Moinuddin Ahmed**  
Company Secretary

Signed as per our separate report of even date

Dated, Dhaka;  
February 05, 2014

**S. F. Ahmed & Co.**  
Chartered Accountants