

## Auditors' Report

- (I) We have examined the annexed Balance Sheet of **Green Delta Insurance Company Limited** as at 31st December, 1995 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.

18th May, 1996

**Khan Wahab Shafique Rahman & Co.**  
Chartered Accountants

**Balance Sheet  
As at 31st December 1995**

<b>Capital and Liabilities</b>	Note	<b>1995 Taka</b>	1994 Taka
<b>Share Capital</b>			
Authorised	2	<u>100,000,000</u>	<u>100,000,000</u>
Issued, subscribed and paid-up		<b>60,000,000</b>	60,000,000
<b>Reserve or Contingency Account</b>			
Reserve for exceptional losses	3	<b>70,670,913</b>	58,294,213
General reserve		<b>250,000</b>	250,000
<b>Profit and Loss Appropriation Account</b>		<b>1,121,119</b>	957,851
<b>Balance of Fund Accounts</b>	3		
Fire Insurance Business		<b>17,253,060</b>	16,886,753
Marine Insurance Business		<b>29,794,973</b>	21,813,795
Motor Insurance Business		<b>6,906,147</b>	5,904,284
Misc. Insurance Business		<b>6,203,922</b>	5,687,514
<b>Premium Deposit</b>	4	<b>39,343,239</b>	27,670,803
<b>Liabilities and Provisions</b>			
Estimated liability in respect of outstanding claims whether due or intimated	5	<b>16,790,047</b>	13,062,021
Amount due to other persons or bodies carrying on Insurance Business	6(a)	<b>66,846,795</b>	44,054,773
<b>Sundry Creditors</b> (Including outstanding expenses and taxes)	7	<b>70,826,107</b>	60,581,047
		<u><b>386,006,322</b></u>	<u>315,163,054</u>

As per annexed report of even date.

Shafat Ahmed Chaudhuri  
ChairmanA. Z. Mohammad Hossain  
Director & Vice ChairmanSyed Mustafizur Rahman  
Director & Vice Chairman

**Balance Sheet  
As at 31st December 1995**

<b>Assets and Properties</b>	Note	<b>1995 Taka</b>	1994 Taka
<b>Investment</b> (at cost)	8	<b>75,087,830</b>	54,954,652
<b>Outstanding Premium</b>	9	<b>2,804,321</b>	6,824,991
<b>Amount due from other persons or bodies carrying on Insurance Business</b>	6(b)	<b>19,101,317</b>	15,404,362
<b>Sundry Debtors</b> (including advances and deposits)	10	<b>18,318,714</b>	13,446,160
<b>Cash and Bank Balances</b>			
Fixed deposits		<b>206,598,658</b>	160,338,050
At banks on STD account		<b>31,547,947</b>	27,950,234
Cash & cheque in hand and on transit		<b>1,098,703</b>	4,145,554
<b>Other Accounts</b>			
Land Property	11	<b>22,073,079</b>	22,073,079
Other Fixed Assets (at cost less depreciation)	12	<b>8,950,303</b>	9,581,840
Stock of stationery and stamps		<b>425,450</b>	377,514
Preliminary expenses		—	66,618
		<b>386,006,322</b>	<b>315,163,054</b>

Nasir A. Choudhury  
Managing Director

Q.M. Shariful Ala  
Executive Director  
& Company Secretary

Khan Wahab Shafique Rahman & Co.  
Chartered Accountants



### Profit and Loss Account For the year ended 31st December 1995

	Note	1995 Taka	1994 Taka
Expenses of Management (Not applicable to any particular Fund or Account)		<b>8,868,329</b>	5,280,479
Charity and Donation		<b>20,000</b>	60,000
Director's Fee		<b>418,872</b>	283,900
Audit Fees	15	<b>210,000</b>	65,000
Depreciation		<b>2,789,233</b>	2,858,698
Net profit for the year carried down to Profit and Loss Appropriation Account		<b>29,467,031</b>	30,747,114
		<b><u>41,773,465</u></b>	<b><u>39,295,191</u></b>

### Profit and Loss Appropriation Account For the year ended 31st December 1995

Reserve for Exceptional Losses	3	<b>12,376,700</b>	10,367,499
Provision for Taxation		<b>3,727,063</b>	8,017,101
Dividend		<b>13,200,000</b>	12,000,000
Balance Transferred to Balance Sheet		<b>1,121,119</b>	957,851
		<b><u>30,424,882</u></b>	<b><u>31,342,451</u></b>

Shafat Ahmed Chaudhuri  
Chairman

A. Z. Mohammad Hossain  
Director & Vice Chairman

Syed Mustafizur Rahman  
Director & Vice Chairman



### Profit and Loss Account For the year ended 31st December 1995

	Note	1995 Taka	1994 Taka
Investment Income	16	20,469,004	18,023,706
<b>Profit and Loss Transferred From :</b>			
Fire Insurance Revenue Account		9,495,506	8,688,285
Marine Insurance Revenue Account		12,470,130	11,528,332
Misc. Insurance Revenue Account		2,571,133	92,968
Motor Insurance Revenue Account		(3,232,308)	961,900
		21,304,461	21,271,485
		<u>41,773,465</u>	<u>39,295,191</u>

### Profit and Loss Appropriation Account For the year ended 31st December 1995

Balance brought forward from last year	957,851	595,337
Net profit for the year brought down	29,467,031	30,747,114
	<u>30,424,882</u>	<u>31,342,451</u>

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**Consolidated all Business Revenue Account  
For the year ended 31st December 1995**

	Note	1995 Taka	1994 Taka
Claims Under Policies Less Re-Insurance	14	<b>21,090,841</b>	17,528,865
Agency Commission		<b>31,225,014</b>	25,070,574
Commission on Re-Insurance Accepted		<b>175,120</b>	426,506
Expenses of Management		<b>63,397,405</b>	56,902,272
Profit Transferred to Profit and Loss Account		<b>21,304,461</b>	21,271,485
Balance of Accounts at the end of the year as shown in the Balance Sheet	3	<b>60,158,101</b>	50,292,344
		<b><u>197,350,942</u></b>	<b><u>171,492,046</u></b>

Shafat Ahmed Chaudhuri  
Chairman

A. Z. Mohammad Hossain  
Director & Vice Chairman

Syed Mustafizur Rahman  
Director & Vice Chairman

**Consolidated all Business Revenue Account  
For the year ended 31st December 1995**

	Note	1995 Taka	1994 Taka
Balance of Account at the beginning of the year		<b>50,292,344</b>	47,858,480
Gross Premium		<b>215,107,743</b>	184,244,977
Re-Insurance Premium		<b>(91,340,744)</b>	(80,569,993)
Net Premium	13	<b>123,766,999</b>	103,674,984
Commission on Re-Insurance Ceded		<b>23,291,599</b>	19,958,582
		<b><u>197,350,942</u></b>	<u>171,492,046</u>

Nasir A. Choudhury  
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### Fire Insurance Revenue Account For the year ended 31st December 1995

	Note	1995 Taka	1994 Taka
Claims Under Policies Less Re-Insurance	14	5,798,417	5,975,768
Agency Commission		13,208,581	12,767,304
Commission on Re-Insurance Accepted		143,518	378,161
Expenses of Management		18,577,141	19,430,595
Profit Transferred to Profit and Loss Account		9,495,506	8,688,285
Balance of Account at the end of the year as shown in the Balance Sheet :			
Reserve for unexpired risks	3	17,253,060	16,886,753
		<u>64,476,223</u>	<u>64,126,866</u>

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Director & Vice Chairman



**Fire Insurance Revenue Account  
For the year ended 31st December 1995**

	Note	1995 Taka	1994 Taka
Balance of Account at the beginning of the year		<b>16,886,753</b>	17,401,713
Premium Less Re-Insurance	13	<b>34,149,956</b>	34,629,379
Commission on Re-Insurance Ceded		<b>13,439,514</b>	12,095,774
		<b><u>64,476,223</u></b>	<u>64,126,866</u>

Nasir A. Choudhury  
Managing Director

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### Marine Insurance Revenue Account For the year ended 31st December 1995

	Note	1995 Taka	1994 Taka
Claims Under Policies Less Re-Insurance	14	4,351,277	3,483,471
Agency Commission		12,663,519	8,247,830
Expenses of Management		30,390,885	23,867,460
Profit Transferred to Profit and Loss Account		12,470,130	11,528,332
Balance of Account at the end of the year as shown in the Balance Sheet :			
Reserve for unexpired risks	3	29,794,973	21,813,795
		<u>89,670,784</u>	<u>68,940,888</u>

Shafat Ahmed Chaudhuri  
Chairman

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Director & Vice Chairman

Syed Mustafizur Rahman  
Director & Vice Chairman

**Marine Insurance Revenue Account  
For the year ended 31st December 1995**

	Note	1995 Taka	1994 Taka
Balance of Account at the beginning of the year		<b>21,813,794</b>	19,877,958
Premium Less Re-Insurance	13	<b>61,582,472</b>	44,061,689
Commission on Re-Insurance Ceded		<b>6,274,518</b>	5,001,241
		<b><u>89,670,784</u></b>	<u>68,940,888</u>

Nasir A. Choudhury  
Managing Director

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### Motor Insurance Revenue Account For the year ended 31st December 1995

	Note	1995 Taka	1994 Taka
Claims Under Policies Less Re-Insurance	14	<b>7,735,615</b>	4,936,307
Agency Commission		<b>2,429,805</b>	656,852
Expenses of Management		<b>7,296,582</b>	6,723,388
Profit Transferred to Profit and Loss Account		—	961,900
Balance of Account at the end of the year as shown in the Balance Sheet :			
Reserve for unexpired risks	3	<b>6,906,147</b>	5,904,284
		<b><u>24,368,149</u></b>	<b><u>19,182,731</u></b>

Shafat Ahmed Chaudhuri  
Chairman

A. Z. Mohammad Hossain  
Director & Vice Chairman

Syed Mustafizur Rahman  
Director & Vice Chairman

**Motor Insurance Revenue Account  
For the year ended 31st December 1995**

	Note	1995 Taka	1994 Taka
Balance of Account at the beginning of the year		<b>5,904,284</b>	6,083,989
Premium Less Re-Insurance	13	<b>15,231,557</b>	13,098,742
Loss Transferred to Profit and Loss Account		<b>3,232,308</b>	—
		<u><b>24,368,149</b></u>	<u>19,182,731</u>

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### Miscellaneous Insurance Revenue Account For the year ended 31st December 1995

	Note	1995 Taka	1994 Taka
Claims Under Policies Less Re-Insurance	14	3,205,532	3,133,319
Agency Commission		2,923,110	3,398,588
Commission on Re-Insurance Accepted		31,602	48,344
Expenses of Management		7,132,795	6,880,829
Profit Transferred to Profit and Loss Account		2,571,133	92,968
Balance of Account at the end of the year as shown in the Balance Sheet :			
Reserve for unexpired risks	3	6,203,922	5,687,514
		<u>22,068,094</u>	<u>19,241,562</u>

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Chairman

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Director & Vice Chairman

Syed Mustafizur Rahman  
Director & Vice Chairman

**Miscellaneous Insurance Revenue Account  
For the year ended 31st December 1995**

	Note	1995 Taka	1994 Taka
Balance of Account at the beginning of the year		<b>5,687,514</b>	4,494,821
Premium Less Re-Insurance	13	<b>12,803,014</b>	11,885,174
Commission on Re-Insurance Ceded		<b>3,577,566</b>	2,861,567
		<b><u>22,068,094</u></b>	<u>19,241,562</u>

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**Form "AA"****Classified Summary of Assets as at December 31, 1995**

<b>Sl. No.</b>	<b>Class of Assets</b>	<b>Book Value Taka</b>
1.	Pratirakha Sanchypatra	33,000,000
2.	Shares Listed on Dhaka Stock Exchange Ltd. (market value Tk. 21,679,288)	18,657,190
3.	Debentures Listed on Dhaka Stock Exchange Ltd. (market value Tk. 17,982,652)	19,180,640
4.	Debentures IDLC Bangladesh Ltd.	2,250,000
5.	Underwriting Bridge Loan Bengal Fine Ceramic Ltd	2,000,000
6.	Fixed Deposit	206,598,658
7.	Cash at Bank on STD Account	31,547,947
8.	Cash and Cheque in Hand and on Transit	1,098,703
9.	Outstanding Premium	2,804,321
10.	Amount due From Other Persons or Bodies Carrying on Insurance Business	19,101,317
11.	Sundry Debtors (including advance and deposits)	18,318,714
12.	Land Property	22,073,079
13.	Fixed Assets (at cost less depreciation)	8,950,303
14.	Stock of Stationery and Stamps	425,450
		<u>386,006,322</u>

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Executive Director  
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Chartered Accountants





## Notes to the Accounts For the year to December 31, 1995

### 1(a) The Company

Green Delta Insurance Company Limited was incorporated in Bangladesh on 14th December 1985 and went into operation on 1st January 1986 as a public limited company under the Companies Act 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 informations 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 Equipment	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 1st April, 1990 according to Government decision, Public Sector Insurance Business is being underwritten jointly by Sadharan Bima Corporation and 16 private sector insurance companies on co-insurance basis, 50% being underwritten by Sadharan Bima Corporation and the balance equally by 16 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 1994 Public Sector Insurance Business in these accounts.

#### 1.5 General :

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

**2. Share Capital**

Authorised :

1,000,000 Ordinary Shares of Tk. 100 each	Tk. <u>100,000,000</u>
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Issued, subscribed and paid-up :

600,000 Ordinary Shares of Tk. 100 each fully paid-up in cash	Tk. <u>60,000,000</u>
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**3. Reserves**

Reserve for unexpired risks has been made on premium income excluding public sector business at the following rates :

Fire	50%
Marine Cargo	50%
Marine Hull	100%
Motor & Miscellaneous	50%

Reserve for exceptional losses has been made @ of 10% of net premium income.

**4. Premium Deposits**

This represents the amount of premium deposited with the Company against covernotes for which no policy has been issued upto the end of the year and also the excess premium received during the year 1995.

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

Fire	4,839,915
Marine Cargo	2,081,464
Marine Hull	2,636,576
Motor	5,645,796
Miscellaneous	1,586,296
	<u>Tk. 16,790,047</u>

**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, 1995.

**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, 1995.

**7. Sundry Creditors**

Liability for Expenses	3,281,220
Provision for Income Tax & Payables	54,344,887
Dividend Payable	13,200,000
	<u>Tk. 70,826,107</u>

**8. Investment (at cost)**

Pratirakha Sanchypatra	33,000,000
Shares Listed on Dhaka Stock Exchange Ltd. (market value Tk. 21,679,288)	18,657,190
Debentures Listed on Dhaka Stock Exchange Ltd. (market value Tk. 17,982,652)	19,180,640
Debentures IDLC Bangladesh Ltd.	2,250,000
Underwriting Bridge Loan Bengal Fine Ceramic Ltd.	2,000,000
	<u>Tk. 75,087,830</u>

**9. Outstanding Premium**

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

**10. Sundry Debtors**

Advance Rent	2,709,301
Advance Salary	194,496
Car Loan	1,036,999
Other Advances	1,151,781
Accrued Interest	12,562,822
Security Deposit	663,315
	<u>Tk. 18,318,714</u>

**11. Land Property**

Land property is stated at cost including development of land measuring 21 kathas situated at Motijheel Circular Road, Dhaka.



## 12. Fixed Assets

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

	Furniture & Fixture	Office & Electrical Equipment	Vehicles	Total
<b>Cost</b>				
As at January 1, 1995	7,058,138	7,217,156	7,454,817	21,730,111
Additions during the year	481,267	1,159,089	1,307,250	2,947,606
Disposal during the year	—	—	(424,400)	(424,400)
As at December 31, 1995	<u>7,539,405</u>	<u>8,376,245</u>	<u>8,337,667</u>	<u>24,253,317</u>
<b>Accumulated Depreciation</b>				
As at December 31, 1995	<u>4,596,879</u>	<u>6,707,585</u>	<u>3,998,550</u>	<u>15,303,014</u>
<b>Written Down Value</b>				
At December 31, 1995	Tk. <u>2,942,526</u>	<u>1,668,660</u>	<u>4,339,117</u>	<u>8,950,303</u>

## 13. Premium Less Re-Insurance

Class of Business	On Direct Business	On Re-ins. Accepted	On Re-ins. Ceded	Total
Fire	73,599,090	354,403	(39,803,537)	34,149,956
Marine Cargo	81,814,289	—	(23,898,015)	57,916,274
Marine Hull	13,539,850	1,322,279	(11,195,931)	3,666,198
Motor	15,960,064	23,447	(751,954)	15,231,557
Miscellaneous	27,882,432	611,889	(15,691,307)	12,803,014
Tk.	<u>212,795,725</u>	<u>2,312,018</u>	<u>(91,340,744)</u>	<u>123,766,999</u>

**14. Claims Under Policies Less Re-insurance**

	Fire	Marine Cargo	Marine Hull	Motor	Misc.	Total
Claims paid during the year	5,010,091	2,674,180	393,318	6,089,819	3,195,407	17,362,815
Claims Outstanding at the end of the year	4,839,915	2,081,464	2,636,576	5,645,796	1,586,296	16,790,047
Claims Outstanding at the beginning of the year	(4,051,589)	(2,518,785)	(915,476)	(4,000,000)	(1,576,171)	(13,062,021)
Tk.	<u>5,798,417</u>	<u>2,236,859</u>	<u>2,114,418</u>	<u>7,735,615</u>	<u>3,205,532</u>	<u>21,090,841</u>

**15. Audit Fees**

Statutory audit	25,000
Annual special audit of Controller of Insurance, Govt. of Bangladesh	60,000
Special investigation of all Insurance Companies by Controller of Insurance	125,000
Tk.	<u>210,000</u>

**16. Investment Income**

Interest on FDR & STD Accounts	10,919,384
Interest accrued on Pratiksha Sanchyatra	4,894,823
Dividend income	381,970
Debenture interest	1,487,090
Capital gain on shares	1,913,376
Share underwriting commission	979,908
Interest payable to Sadharan Bima Corporation on re-insurance balance	(107,547)
Tk.	<u>20,469,004</u>