



- (I) We have examined the annexed Balance Sheet of Green Delta Insurance Company Limited as at December 31, 1998 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.

1st June, 1999

Khan Wahab Shafique Rahman & Co.
Chartered Accountants



	Note	1998 Taka	1997 Taka	
Capital & Liabilities	Share Capital			
	Authorised	2	100,000,000	100,000,000
	Issued, subscribed and paid-up		60,000,000	60,000,000
	Reserve or Contingency Account			
	Reserve for exceptional losses	3	111,841,659	101,213,181
	General Reserve		250,000	250,000
	Dividend Equalisation Reserve		6,700,000	6,700,000
	Profit and Loss Appropriation Account			
			1,494,604	1,434,197
	Balance of Fund Accounts			
	Fire Insurance Business	3	23,791,915	21,769,219
	Marine Insurance Business		36,864,565	30,472,816
	Motor Insurance Business		10,534,238	9,695,389
	Miscellaneous Ins. Business		4,674,429	4,970,507
	Premium Deposit			
		4	83,563,252	77,211,882
	Liabilities and Provisions			
	Estimated liability in respect of outstanding claims whether due or intimated	5	42,086,938	25,108,066
	Amount due to other persons or bodies carrying on Insurance Business	6(a)	78,211,097	34,213,427
	Sundry Creditors			
	(Including outstanding expenses, commission and taxes)	7	123,030,378	127,045,201
			583,043,075	500,083,885

As per annexed report of even date

Azam J. Chowdhury
ChairmanFarida R. Ahmed
DirectorEngr. A. Q. M. Nurul Absar
Director



BALANCE SHEET

As at December 31, 1998

	Note	1998 Taka	1997 Taka	
Assets & Properties	Investment (at cost)	8	147,383,102	126,817,742
	Outstanding Premium	9	3,013,477	2,161,951
	Amount due from other persons or bodies carrying on Insurance Business	6(b)	53,369,655	33,339,018
	Sundry Debtors (Including advances and deposits)	10	47,207,418	41,413,954
	Cash and Bank Balances			
	Fixed deposits		276,508,699	261,776,333
	At banks on STD & current account		31,398,397	26,353,390
	Cash & cheque in hand & on transit		1,115,053	1,520,320
	Other Accounts			
	Land Property	16	14,588,831	—
Fixed Assets (at cost less depreciation)	11	7,627,716	6,029,783	
Stock of stationery and stamps	12	830,727	671,394	
		583,043,075	500,083,885	

Nasir A. Choudhury
Managing Director

Arshad Ali
Head of Finance &
Company Secretary

Khan Wahab Shafique Rahman & Co.
Chartered Accountants



PROFIT AND LOSS ACCOUNT

For the year ended December 31, 1998

	Note	1998 Taka	1997 Taka
Expenses of Management (Not applicable to any particular Fund or Account)		10,072,380	8,404,724
Charity And Donation		299,000	-
Director's Fee		1,493,960	682,128
Audit Fees	15	110,000	90,000
Depreciation		2,064,574	2,953,555
Net profit for the year carried down to Profit and Loss Appropriation Account		34,688,884	38,863,495
		<u>48,728,798</u>	<u>50,993,902</u>

PROFIT AND LOSS APPROPRIATION ACCOUNT

For the year ended December 31, 1998

Reserve for Exceptional Losses	3	10,628,477	13,609,394
Provision for Income Tax		3,000,000	4,000,000
Dividend		21,000,000	21,000,000
Balance Transferred to Balance Sheet		1,494,604	1,434,197
		<u>36,123,081</u>	<u>40,043,591</u>

Azam J. Chowdhury
Chairman

Farida R. Ahmed
Director

Engr. A. Q. M. Nurul Absar
Director



PROFIT AND LOSS ACCOUNT

For the year ended December 31, 1998

	Note	1998 Taka	1997 Taka
Investment & Interest Income		37,406,982	45,007,269
Profit and Loss Transferred From :			
Fire Insurance Revenue Account		8,513,998	9,855,588
Marine Insurance Revenue Account		13,062,634	5,882,243
Motor Insurance Revenue Account		(9,807,078)	(6,850,360)
Misc. Insurance Revenue Account		(447,738)	(2,900,838)
		11,321,816	5,986,633
		<u>48,728,798</u>	<u>50,993,902</u>

PROFIT AND LOSS APPROPRIATION ACCOUNT

For the year ended December 31, 1998

Balance brought forward from last year	1,434,197	1,180,096
Net profit for the year brought down	34,688,884	38,863,495
	<u>36,123,081</u>	<u>40,043,591</u>

Nasir A. Choudhury
Managing Director

Arshad Ali
Head of Finance &
Company Secretary

Khan Wahab Shafique Rahman & Co.
Chartered Accountants



CONSOLIDATED ALL BUSINESS REVENUE ACCOUNT

For the year ended December 31, 1998

	Note	1998 Taka	1997 Taka
Claims Under Policies Less Re-Insurance	14	45,087,657	42,748,487
Agency Commission		45,413,225	38,562,615
Commission on Re-Insurance accepted		532,061	432,631
Expenses of Management		86,364,375	76,813,790
Profit Transferred to Profit and Loss Account		11,321,816	5,986,633
Balance of accounts at the end of the year as shown in the Balance sheet	3	75,865,146	66,907,931
		<u>264,584,280</u>	<u>231,452,087</u>

Azam J. Chowdhury
Chairman

Farida R. Ahmed
Director

Engr. A. Q. M. Nurul Absar
Director



CONSOLIDATED ALL BUSINESS REVENUE ACCOUNT

For the year ended December 31, 1998

	Note	1998 Taka	1997 Taka
Balance of Accounts at the Beginning of the Year		66,907,931	58,668,644
Gross Premium		284,922,147	250,403,838
Re-Insurance Premium		(126,538,416)	(114,309,900)
Net Premium	13	158,383,731	136,093,938
Commission on Re-Insurance Ceded		39,292,618	36,689,505
		<u>264,584,280</u>	<u>231,452,087</u>

Nasir A. Choudhury
Managing Director

Arshad Ali
Head of Finance &
Company Secretary

Khan Wahab Shafique Rahman & Co.
Chartered Accountants



FIRE INSURANCE REVENUE ACCOUNT

For the year ended December 31, 1998

	Note	1998 Taka	1997 Taka
Claims Under Policies Less Re-Insurance	14	14,733,486	13,767,159
Agency Commission		23,466,355	19,637,476
Commission on Re-Insurance accepted		449,006	401,348
Expenses of Management		27,182,268	25,543,160
Profit Transferred to Profit and Loss Account		8,513,998	9,855,588
Balance of account at the end of the year as shown in the Balance sheet	3	23,791,915	21,769,218
		<u>98,137,028</u>	<u>90,973,949</u>

Azam J. Chowdhury
Chairman

Farida R. Ahmed
Director

Engr. A. Q. M. Nurul Absar
Director



FIRE INSURANCE REVENUE ACCOUNT

For the year ended December 31, 1998

	Note	1998 Taka	1997 Taka
Balance of account at the Beginning of the Year		21,769,219	20,701,793
Premium Less Re-Insurance	13	49,628,293	44,845,690
Commission on Re-Insurance Ceded		26,739,516	25,426,466
		<u>98,137,028</u>	<u>90,973,949</u>

Nasir A. Choudhury
Managing Director

Arshad Ali
Head of Finance &
Company Secretary

Khan Wahab Shafique Rahman & Co.
Chartered Accountants



MARINE INSURANCE REVENUE ACCOUNT

For the year ended December 31, 1998

	Note	1998 Taka	1997 Taka
Claims Under Policies Less Re-Insurance	14	9,162,289	8,528,431
Agency Commission		13,823,539	12,449,213
Expenses of Management		41,557,773	34,039,998
Profit Transferred to Profit and Loss Account		13,062,634	5,882,243
Balance of account at the end of the year as shown in the Balance sheet	3	36,864,565	30,472,816
		<u>114,470,800</u>	<u>91,372,701</u>

Azam J. Chowdhury
Chairman

Farida R. Ahmed
Director

Engr. A. Q. M. Nurul Absar
Director



MARINE INSURANCE REVENUE ACCOUNT

For the year ended December 31, 1998

	Note	1998 Taka	1997 Taka
Balance of account at the Beginning of the Year		30,472,816	23,601,479
Premium Less Re-Insurance	13	76,105,627	60,487,114
Commission on Re-Insurance Ceded		7,892,357	7,284,108
		<u>114,470,800</u>	<u>91,372,701</u>

Nasir A. Choudhury
Managing Director

Arshad Ali
Head of Finance &
Company Secretary

Khan Wahab Shafique Rahman & Co.
Chartered Accountants



MOTOR INSURANCE REVENUE ACCOUNT

For the year ended December 31, 1998

	Note	1998 Taka	1997 Taka
Claims Under Policies Less Re-Insurance	14	14,535,636	11,772,845
Agency Commission		4,658,706	3,521,517
Expenses of Management		11,950,661	11,293,429
Balance of account at the end of the year as shown in the Balance sheet	3	10,534,238	9,695,389
		<u>41,679,241</u>	<u>36,283,180</u>

Azam J. Chowdhury
Chairman

Farida R. Ahmed
Director

Engr. A. Q. M. Nurul Absar
Director



MOTOR INSURANCE REVENUE ACCOUNT

For the year ended December 31, 1998

	Note	1998 Taka	1997 Taka
Balance of account at the Beginning of the Year		9,695,389	8,870,579
Premium Less Re-Insurance	13	22,166,431	20,562,241
Commission on Re-Insurance Ceded		10,343	-
Loss Transferred to Profit and Loss Account		9,807,078	6,850,360
		<u>41,679,241</u>	<u>36,283,180</u>

Nasir A. Choudhury
Managing Director

Arshad Ali
Head of Finance &
Company Secretary

Khan Wahab Shafique Rahman & Co.
Chartered Accountants



MISCELLANEOUS INSURANCE REVENUE ACCOUNT

For the year ended December 31, 1998

	Note	1998 Taka	1997 Taka
Claims Under Policies Less Re-Insurance	14	6,656,247	8,680,051
Agency Commission		3,464,624	2,954,409
Commission on Re-Insurance Accepted		83,055	31,283
Expenses of Management		5,673,673	5,937,203
Balance of account at the end of the year as shown in the Balance sheet	3	4,674,429	4,970,507
		<u>20,552,028</u>	<u>22,573,453</u>

Azam J. Chowdhury
Chairman

Farida R. Ahmed
Director

Engr. A. Q. M. Nurul Absar
Director



MISCELLANEOUS INSURANCE REVENUE ACCOUNT

For the year ended December 31, 1998

	Note	1998 Taka	1997 Taka
Balance of account at the Beginning of the Year		4,970,507	5,494,793
Premium Less Re-Insurance	13	10,483,381	10,198,892
Commission on Re-Insurance Ceded		4,650,402	3,978,931
Loss Transferred to Profit and Loss Account		447,738	2,900,837
		<u>20,552,028</u>	<u>22,573,453</u>

Nasir A. Choudhury
Managing Director

Arshad Ali
Head of Finance &
Company Secretary

Khan Wahab Shafique Rahman & Co.
Chartered Accountants



	1998 Taka	1997 Taka
Cash flows from operating activities :		
Collections from premium and other income	278,966,119.19	256,875,701.47
Payments for management expense, re-insurance and claims	(198,123,166.43)	(206,458,636.78)
Income Tax paid	(3,792,928.84)	(5,724,360.88)
Net cash provided (used) by operating activities	<u>77,050,023.92</u>	<u>44,692,703.81</u>
Cash flows from investing activities :		
Maturity/Sales of investments	5,470,805.00	41,850,397.13
Purchase of investments	(26,036,165.00)	(33,721,526.00)
Purchase of fixed assets	(16,823,353.00)	(2,630,505.00)
Net cash provided (used) in investing activities	<u>(37,388,713.00)</u>	<u>5,498,366.13</u>
Cash flows from financing activities :		
Dividend paid	(20,289,204.70)	(20,841,777.50)
Net cash provided (used) in financing activities	<u>(20,289,204.70)</u>	<u>(20,841,777.50)</u>
Net increase in cash & cash equivalents during the year	19,372,106.22	29,349,292.44
Cash & cash equivalents at beginning of year	289,650,042.94	260,300,750.50
Cash & cash equivalents at end of year	<u>309,022,149.16</u>	<u>289,650,042.94</u>

Azam J. Chowdhury
ChairmanFarida R. Ahmed
DirectorEngr. A. Q. M. Nurul Absar
DirectorNasir A. Choudhury
Managing DirectorArshad Ali
Head of Finance &
Company SecretaryKhan Wahab Shafique Rahman & Co.
Chartered Accountants



C CLASSIFIED SUMMARY OF ASSETS

For the year ended December 31, 1998

Sl. No.	Class of Assets	Book Value Taka
1.	Pratirakha Sanchaypatra	33,000,000
2.	Shares Listed on Dhaka Stock Exchange Ltd.	42,866,669
3.	Debentures	31,516,433
4.	Investment in Delta Brac Housing Finance Corp. Ltd.	40,000,000
5.	Fixed Deposit	276,508,699
6.	Cash at Bank on STD and Current Account	31,398,397
7.	Cash and Cheque in Hand and on Transit	1,115,053
8.	Outstanding Premium	3,013,477
9.	Amount due from other persons or bodies carrying on Insurance Business	53,369,655
10.	Sundry Debtors (including advance and deposits)	47,207,418
11.	Land Property	14,588,831
12.	Fixed Assets (at cost less depreciation)	7,627,716
13.	Stock of Stationery and Stamps	830,727
		583,043,075

Azam J. Chowdhury
Chairman

Farida R. Ahmed
Director

Engr. A. Q. M. Nurul Absar
Director

Nasir A. Choudhury
Managing Director

Arshad Ali
Head of Finance &
Company Secretary

Khan Wahab Shafique Rahman & Co.
Chartered Accountants



1(a). The Company

Green Delta Insurance Company Limited was incorporated in Bangladesh on December 14, 1985 and went into operation on January 1, 1986 as a public limited company under the Companies Act 1913 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 according to the historical cost convention. Requirements as to disclosure of financial information warranted by the Insurance Act 1938 have been adhered to in presenting financial statements. Such financial statements comprises of the Balance Sheet, Profit and Loss Account and Revenue Accounts for specific classes of business in the form set forth in the first, second and third schedule of the Insurance Act 1938. A Cash Flow statement is also included as per requirement of the Securities and Exchange Rules 1987.

1.2 Depreciation

Depreciation on fixed assets has been calculated adopting straight line method on all assets at varying rates depending on the class of assets. Methods and Rates of providing depreciation are consistently applied in relation to previous year.

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

1.3 Investment

Investments are stated at cost.

1.4 Public Sector Insurance Business

As from April 1, 1990, according to Government decision, Public Sector Insurance Business is being underwritten jointly by Sadharan Bima Corporation and 24 private sector insurance companies on co-insurance basis; 50% being underwritten by Sadharan Bima Corporation and the balance equally by 24 Private Sector Insurance Companies.

Company's share of Public Sector Business is accounted for in the year in which the complete statement of accounts from Sadharan Bima Corporation is received. Accordingly, the company has included its share of the 1997 Public Sector Insurance Business in these accounts.

1.5 General

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



2. Share Capital	Authorised : 1,000,000 Ordinary Shares of Tk. 100 each	Tk. <u>100,000,000</u>
	Issued, Subscribed and Paid-up 600,000 Ordinary Shares of tk. 100 each	Tk. <u>60,000,000</u>
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 & Misc.	50%
	Reserve for exceptional losses has been increased by Tk. 10,628,477	
4. Premium Deposits	This represents the amount of premium deposited with the Company against cover notes for which no policy has been issued up to the end of the year.	
5. Estimated liability in respect of outstanding claims whether due or intimated		Taka
	Fire	14,129,820
	Marine Cargo	15,128,960
	Marine hull	271,056
	Motor	8,028,324
	Miscellaneous	4,528,778
		<u>42,086,938</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, 1998.	
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, 1998.	
7. Sundry Creditors		Taka
	Liability for Expenses	567,188
	Provision for Income Tax & Other Payables	101,463,190
	Dividend Payable	21,000,000
		<u>123,030,378</u>
8. Investment (at cost)		Taka
	Pratirakha Sanchaypatra	33,000,000
	Shares Listed on Dhaka Stock Exchange Ltd.	42,866,669
	Debentures	31,516,433
	Investment in Delta Brac Housing Finance Corp. Ltd.	40,000,000
		<u>147,383,102</u>



9. Outstanding Premium Outstanding premium represents instalments not due to date of Balance Sheet on account of Marine Hull business.

		Taka
10. Sundry Debtors	Advance Rent	2,928,332
	Advance Salary	213,198
	Car Lease for Employee	4,824,010
	Other Advances	7,197,209
	Accrued Interest	31,207,289
	Security Deposit	837,380
		47,207,418

11. Fixed Assets (at cost less depreciation)	Furniture & Fixtures	Office & Electrical Equipments	Vehicles	Total
	Taka	Taka	Taka	Taka
Cost				
As at January 1, 1998	9,053,788	11,038,444	4,338,567	24,430,800
Additions during the year	599,412	1,467,910	2,453,600	4,520,922
Disposal during the year	----	(122,000)	(2,164,400)	(2,286,400)
As at December 31, 1998	9,653,200	12,384,354	4,627,767	26,665,322
Accumulated Depreciation				
As at December 31, 1998	6,864,624	9,758,379	2,414,603	19,037,606
Written down Value				
As at December 31, 1998	2,788,576	2,625,975	2,213,164	7,627,716

		Taka
12. Stock of Stationery and Stamps	Printing and Stationery	589,310
	Insurance Policy Stamp	241,417
		830,727

13. Premium less Re-insurance	Class of Business	On Direct Business	On Re-ins. Accepted	On Re-ins. Ceded	Total
		Taka	Taka	Taka	Taka
	Fire	122,977,016	1,018,552	(74,367,275)	49,628,293
	Marine Cargo	98,056,672	-	(23,344,577)	74,712,095
	Marine Hull	10,080,168	621,299	(9,307,935)	1,393,532
	Motor	22,997,023	19,519	(850,111)	22,166,431
	Miscellaneous	28,513,418	638,480	(18,668,518)	10,483,380
		282,624,297	2,297,850	(126,538,416)	158,383,731



NOTES TO THE ACCOUNTS

For the year ended December 31, 1998

14. Claims under Policies less Re-insurance

	Fire Taka	Marine Cargo Taka	Marine Hull Taka	Motor Taka	Misc. Taka	Total Taka
Claims paid during the year	10,274,967	1,717,782	297,543	11,186,611	4,631,883	28,108,785
Claims Out-standing at the end of the year	14,129,820	15,128,960	271,056	8,028,324	4,528,778	42,086,938
Claims Out-standing at the beginning of the year	(9,671,301)	(8,147,836)	(105,216)	(4,679,299)	(2,504,414)	(25,108,066)
Total	<u>14,733,486</u>	<u>8,698,906</u>	<u>463,383</u>	<u>14,535,636</u>	<u>6,656,247</u>	<u>45,087,657</u>

15. Audit Fees

Statutory audit	Taka
Annual special audit of Controller of Insurance, Govt. of Bangladesh	50,000
	60,000
	<u>110,000</u>

16. Land Property

Auction price (Tk. 28.65 lac per katha)	Taka
Stamp, Duty and Registration Costs	17,973,897
Total Cost	<u>1,799,350</u>
Payment made up to December 31, 1998	19,773,247
Balance paid in 1999	<u>(14,325,000)</u>
	<u>5,448,247</u>

The plot was acquired in open auction from RAJUK on 99 years lease. It is classified as commercial and situated at 51 Mohakhali C/A, Dhaka. An additional amount of Tk. 263,831 has been spent for land development purposes.



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

1. The value of investment in shares & debentures have been taken at cost.
2. The values of all assets as shown in the Balance Sheet and as classified on Form "AA" annexed have been duly reviewed as at December 31, 1998 and in our belief, the said assets have been set forth in the Balance Sheet at amounts not exceeding their realizable or market values under the several headings as enumerated in the annexed form.
3. All expenses of management, wherever incurred and whether incurred directly or indirectly in respect of Fire, Marine, Motor and Miscellaneous Insurance Business have been duly debited to the related revenue Accounts and Profit & Loss Account.

Azam J. Chowdhury
Chairman

Farida R. Ahmed
Director

Engr. A. Q. M. Nurul Absar
Director

Nasir A. Choudhury
Managing Director

Arshad Ali
Head of Finance &
Company Secretary

Khan Wahab Shafique Rahman & Co.
Chartered Accountants