

Auditor's Report

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
GREEN DELTA INSURANCE COMPANY LIMITED**

We have audited the accompanying balance sheet of Green Delta Insurance Company Limited as of 31 December, 2000 and the related profit and loss account and statement of cash flow for the year then ended. The preparation of these financial statements is the responsibility of the Company's management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

We conducted our audit in accordance with Bangladesh Standard on Auditing (BSA). Those Standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement prepared in accordance with Bangladesh Accounting Standard (BAS), give a true and fair view of the state of the Company's affairs as of 31 December, 2000 and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act 1994, Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that :

- i. 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;
- ii. in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books and (where applicable) proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- iii. the Company's balance sheet and profit & loss account and its cash flow dealt with by the report are in agreement with the books of accounts and returns;
- iv. the expenditure incurred was for the purposes of the Company's business;
- v. as per section 40 C(2) of the Insurance Act, 1938 as amended, we certify that to the best of our knowledge and belief and according to the information and explanations 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 related revenue accounts and the profit and loss account of the company; and
- vi. as per regulation 11 of part I of the third schedule of the Insurance Act, 1938 as amended, we certify that to the best of our information and as shown by its books, the company during the year under report has not paid any person any commission in any form outside Bangladesh in respect of any of its business re-insured abroad.

Dhaka, April 29, 2001


Khan Wahad Shafique Rahman & Co.
Khan Wahad Shafique Rahman & Co.
Chartered Accountants.

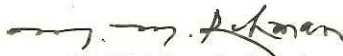
Balance Sheet


As at December 31, 200

Capital and Liabilities	Share Capital	Note	2000 Taka	1999 Taka
	Authorised	2	<u>100,000,000</u>	<u>100,000,000</u>
	Issued, subscribed and paid-up		60,000,000	60,000,000
	Reserve or Contingency Account			
	Reserve for exceptional losses	3	138,297,312	122,797,312
	General Reserve		250,000	250,000
	Dividend Equalisation Reserve		6,700,000	6,700,000
	Profit and Loss Appropriation Account		1,725,934	1,517,804
	Balance of Fund Accounts	3		
	Fire Insurance Business		27,806,587	23,541,113
	Marine Insurance Business		41,690,680	40,229,922
	Motor Insurance Business		9,808,087	9,365,952
	Miscellaneous Ins. Business		5,933,668	4,152,820
	Premium Deposit	4	97,918,065	84,052,648
	Liabilities and Provisions			
	Estimated liability in respect of outstanding claims whether due or intimated	5	44,748,119	50,215,395
	Amount due to other persons or bodies carrying on Insurance Business	6(a)	51,955,872	56,495,031
	Sundry Creditors (Including outstanding expenses commission and taxes)	7	114,503,031	124,097,774
			<u>601,337,355</u>	<u>583,415,772</u>

As per annexed report of even date


Azam J. Chowdhury
Chairman


M. Muhibur Rahman
Director


Dr. Muslehuddin A. Tarek
Director

Balance Sheet

As at December 31, 2000

	Note	2000 Taka	1999 Taka
Assets			
Investment (At cost)	8	143,583,156	135,699,889
Properties			
Outstanding Premium	9	1,913,623	4,125,556
Amount due from other persons or bodies carrying on Insurance Business	6(b)	79,614,048	63,078,379
Sundry Debtors (Including advances and deposits)	10	40,897,862	64,254,520
Cash and Bank Balances			
Fixed deposits		247,845,411	245,959,524
At banks on STD & Current account		55,401,554	39,652,516
Cash & cheque in hand & on transit		1,461,745	1,659,598
Other Accounts			
Land Property	16	20,969,339	20,969,339
Fixed Assets (at cost less depreciation)	11	8,725,994	6,913,123
Stock of stationery and stamps	12	924,623	1,103,328
		601,337,355	583,415,772



Nasir A. Choudhury
Managing Director



Arshad Ali, CPA
Head of Finance &
Company Secretary



Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Profit and Loss Account


For the year ended December 31, 2000


	Note	2000 Taka	1999 Taka
Expenses of Management (Not applicable to any particular Fund or Account)		18,190,460	11,842,605
Charity And Donation		10,000	3,000
Directors' Fee		2,369,040	1,965,101
Audit Fees	15	110,000	110,000
Depreciation		2,665,998	2,685,617
Net profit for the year carried down to Profit and Loss Appropriation Account		40,508,129	34,478,855
		<u>63,853,627</u>	<u>51,085,178</u>

Profit and Loss Appropriation Account

For the year ended December 31, 2000

Reserve for Exceptional Losses	3	15,500,000	10,955,654
Provision for Income Tax		3,800,000	2,500,000
Dividend		21,000,000	21,000,000
Balance Transferred to Balance Sheet		1,725,934	1,517,805
		<u>42,025,934</u>	<u>35,973,459</u>


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M. Muhibur Rahman
Director


Dr. Muslehuddin A. Tarek
Director

Profit and Loss Account

For the year ended December 31, 2000

Note	2000 Taka	1999 Taka
Investment & Interest Income	39,049,287	30,310,195
Profit and Loss Transferred From :		
Fire Insurance Revenue Account	12,854,794	12,011,900
Marine Insurance Revenue Account	17,098,177	9,153,250
Motor Insurance Revenue Account	(3,455,551)	1,126,790
Misc. Insurance Revenue Account	(1,693,080)	(1,516,957)
	24,804,340	20,774,983
	63,853,627	51,085,178

Profit and Loss Appropriation Account

For the year ended December 31, 2000

Balance brought forward from last year	1,517,805	1,494,604
Net profit for the year brought down	40,508,129	34,478,855
	42,025,934	35,973,459



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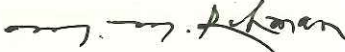
Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Consolidated all Business Revenue Account

For the year ended December 31, 2000

	Note	2000 Taka	1999 Taka
Claims Under Policies Less Re-Insurance	14	26,831,076	34,914,258
Agency Commission		50,265,007	43,362,422
Commission on Re-Insurance Accepted		477,773	650,465
Expenses of Management		103,633,138	93,090,173
Profit Transferred to Profit and Loss Account		24,804,340	20,774,983
Balance of Accounts at the end of the year as shown in the Balance Sheet	3	85,239,022	77,289,808
		291,250,356	270,082,109


Azam J. Chowdhury
Chairman


M. Muhibur Rahman
Director


Dr. Muslehuddin A. Tarek
Director

Consolidated all Business Revenue Account

For the year ended December 31, 2000

	Note	2000 Taka	1999 Taka
Balance of Account at the Beginning of the Year		77,289,808	75,865,146
Gross Premium		301,253,217	272,850,166
Re-Insurance Premium		(128,505,507)	(113,540,825)
Net Premium	13	172,747,710	159,309,341
Commission on Re-Insurance Ceded		41,212,838	34,907,622
		291,250,356	270,082,109



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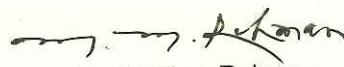
Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Fire Insurance Revenue Account

For the year ended December 31, 2000

	Note	2000 Taka	1999 Taka
Claims Under Policies Less Re-Insurance	14	5,388,718	9,919,250
Agency Commission		28,302,438	23,607,579
Commission on Re-Insurance Accepted		423,133	618,614
Expenses of Management		34,161,116	29,205,444
Profit Transferred to Profit and Loss Account		12,854,794	9,489,805
Balance of Account at the end of the year as shown in the Balance Sheet (Reserve for unexpired risks)	3	27,806,587	23,541,113
		108,936,786	96,381,805


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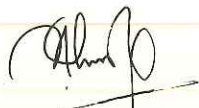

M. Muhibur Rahman
Director


Dr. Muslehuddin A. Tarek
Director

Fire Insurance Revenue Account

For the year ended December 31, 2000

	Note	2000 Taka	1999 Taka
Balance of Account at the Beginning of the Year		23,541,113	23,791,915
Premium Less Re-Insurance	13	56,533,797	47,990,861
Commission on Re-Insurance Ceded		28,861,876	24,599,029
		<u>108,936,786</u>	<u>96,381,805</u>



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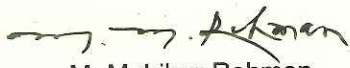
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Chartered Accountants

Marine Insurance Revenue Account

For the year ended December 31, 2000

	Note	2000 Taka	1999 Taka
Claims Under Policies Less Re-Insurance	14	8,820,501	13,709,054
Agency Commission		12,781,198	14,476,986
Expenses of Management		49,788,952	47,747,356
Profit Transferred to Profit and Loss Account		17,098,177	9,153,250
Balance of Account at the end of the year as shown in the Balance Sheet (Reserve for unexpired risks)	3	41,690,680	40,229,922
		130,179,508	125,316,568


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Director

Marine Insurance Revenue Account

For the year ended December 31, 2000

	Note	2000 Taka	1999 Taka
Balance of Account at the Beginning of the Year		40,229,922	36,864,565
Premium Less Re-Insurance	13	83,084,444	82,812,620
Commission on Re-Insurance Ceded		6,865,142	5,639,383
		<u>130,179,508</u>	<u>125,316,568</u>



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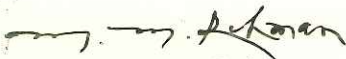
Khan Wahab Shafique Rahman & Co.
Chartered Accountants


Motor Insurance Revenue Account

For the year ended December 31, 2000

	Note	2000 Taka	1999 Taka
Claims Under Policies Less Re-Insurance	14	6,831,325	5,262,697
Agency Commission		4,595,247	3,297,486
Expenses of Management		12,279,280	11,583,420
Profit Transferred to Profit and Loss Account		-	930,077
Balance of Account at the end of the year as shown in the Balance Sheet (Reserve for unexpired risks)	3	9,808,087	9,365,952
		33,513,939	30,439,632


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M. Muhibur Rahman
Director


Dr. Muslehuddin A. Tarek
Director

Motor Insurance Revenue Account

For the year ended December 31, 2000

	Note	2000 Taka	1999 Taka
Balance of Account at the Beginning of the Year		9,365,952	10,534,238
Premium Less Re-Insurance	13	20,692,436	19,905,394
Loss Transferred to Profit and Loss Account		3,455,551	—
		<u>33,513,939</u>	<u>30,439,632</u>



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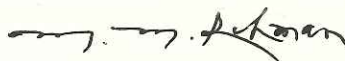
Miscellaneous Insurance Revenue Account

For the year ended December 31, 2000

	Note	2000 Taka	1999 Taka
Claims Under Policies Less Re-Insurance	14	5,790,533	6,023,257
Agency Commission		4,586,123	3,959,015
Commission on Re-Insurance Accepted		54,640	31,851
Expenses of Management		7,403,789	5,294,118
Balance of Account at the end of the year as shown in the Balance Sheet (Reserve for unexpired risks)	3	5,933,668	4,152,820
		23,768,753	19,461,061



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Director




Dr. Muslehuddin A. Tarek
Director

Miscellaneous Insurance Revenue Account

For the year ended December 31, 2000

	Note	2000 Taka	1999 Taka
Balance of Account at the Beginning of the Year		4,152,820	4,674,429
Premium Less Re-Insurance	13	12,437,033	8,600,466
Commission on Re-Insurance Ceded		5,485,820	4,669,210
Loss Transferred to Profit and Loss account		1,693,080	1,516,956
		<u>23,768,753</u>	<u>19,461,061</u>



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Chartered Accountants

Cash Flow Statement


For the year ended December 31, 2000


	2000 Taka	1999 Taka
Cash flows from operating activities :		
Collections from premium and other income	343,091,781.34	261,183,353.56
Payments for management expense, re-insurance and claims	(290,225,440.23)	(263,624,309.59)
Income tax paid	(7,114,664.43)	(2,830,912.90)
Net cash provided by operating activities	45,751,676.68	(5,271,868.93)
Cash flows from investing activities :		
Maturity/sales of investments	25,424,847.98	21,212,899.61
Purchase of investments	(30,603,538.68)	(9,529,687.05)
Purchase of fixed assets	(3,611,024.25)	(8,224,132.00)
Net cash used in investing activities	(8,789,714.95)	3,459,080.56
Cash flows from financing activities :		
Dividend paid	(19,524,889.50)	(19,937,722.70)
Net cash used in financing activities	(19,524,889.50)	(19,937,722.70)
Net increase in cash & cash equivalents during the year	17,437,072.23	(21,750,511.07)
Cash & cash equivalents at the beginning of the year	287,271,638.09	309,022,149.16
Cash & cash equivalents at the end of the year	304,708,710.32	287,271,638.09


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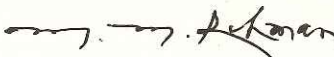
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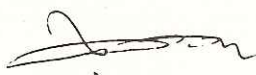
Classified Summary of Assets

As at December 31, 2000


Sl. No.	Class of Assets	Book Value Taka
1.	Pratirakha Sanchypatra	10,000,000
2.	Shares Listed on Dhaka Stock Exchange Ltd. & Chittagong Stock Exchange Ltd.	41,063,137
3.	Debentures	52,520,019
4.	Investment in DELTA BRAC Housing Finance Ltd.	40,000,000
5.	Fixed Deposit	247,845,411
6.	Cash at Bank on STD and Current Account	55,401,554
7.	Cash and Cheque in Hand and on Transit	1,461,745
8.	Outstanding Premium	1,913,623
9.	Amount due from other persons or bodies carrying on Insurance Business	79,614,048
10.	Sundry Debtors (including advance and deposits)	40,897,862
11.	Land Property	20,969,339
12.	Fixed Assets (at cost less depreciation)	8,725,994
13.	Stock of Stationery and Stamps	924,623
		601,337,355


Azam J. Chowdhury
Chairman


M. Muhibur Rahman
Director


Dr. Muslehuddin A. Tarek
Director


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Arshad Ali, CPA
Head of Finance &
Company Secretary


Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Notes to the Accounts

For the year ended December 31, 2000

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 insurance 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 informations warranted by the Insurances 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 their cost of aquisition and no adjustment in respect of market value is considered necessary.

1.4 Public Sector Insurance Business :

As from April 1, 1990, according to Government decision, Public Sector Insurance Business is being underwritten jointly by Sadharan Bima Corporation and 42 private sector insurance companies on co-insurance basis; 50% being underwritten by Sadharan Bima Corporation and the balance equally by 42 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 1999 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.

Notes to the Accounts

For the year ended December 31, 2000

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>
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.13,000,000	
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.	
Unpaid Liability		Taka
Respect of	Fire	14,326,714
Outstanding Claims	Marine Cargo	17,875,164
Under Due or	Marine Hull	82,667
Unpaid	Motor	7,350,095
	Miscellaneous	5,113,479
		<u>44,748,119</u>
Amount Due to Other	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, 2000.	
Persons or		
Bodies		
Carrying on Insurance		
Business		
Amount Due from	This represents the amount receivable from private sector insurance companies on account of co-insurance premium at December 31, 2000.	
Persons or		
Bodies Carrying on		
Insurance Business		
Primary Creditors		Taka
	Liability for Expenses	3,336,525
	Provision for Income Tax & Other Payables	90,166,506
	Dividend Payable	21,000,000
		<u>114,503,031</u>

Notes to the Accounts

For the year ended December 31, 2000

8.	Investment (at cost)		Taka
	Pratirakha Sanchypatra		10,000,000
	Shares Listed on DSE & CSE		41,063,137
	Debentures		52,520,019
	Investment in DELTA BRAC Housing Finance Ltd.		40,000,000
			143,583,156
9.	Outstanding Premium	Outstanding premium represents instalments not due to date of Balance Sheet on account of Marine Hull business .	
10.	Sundry Debtors		Taka
	Advance Rent		2,791,910
	Advance Salary		240,327
	Car Lease for Employees		6,606,469
	Other Advances		17,898,231
	Accrued Interest		12,367,671
	Security Deposit		993,254
			40,897,862
11.	Fixed Assets (at cost less depreciation)		
		Furniture & Fixture	Office & Electrical Equipments
		Vehicles	Total
	Cost		
	As at January 1, 2000	10,188,904	13,850,274
	Addition during the year	1,198,633	2,084,341
	Disposal during the year	-	(70,050)
		11,387,537	15,864,565
		11,387,537	15,864,565
	Accumulated Depreciation		
	As at December 31, 2000	8,287,616	12,415,883
		8,287,616	12,415,883
	Written Down Value		
	As at December 31, 2000	3,099,921	3,448,682
		3,099,921	3,448,682
		3,099,921	3,448,682
12.	Stock of Stationery and Stamps		Taka
	Printing and Stationery		656,783
	Insurance Policy Stamp		267,840
			924,623

Notes to the Accounts

For the year ended December 31, 2000

Less
Insurance

Class of Business	On Direct Business	On Re-ins Accepted	On Re-ins. Ceded	Total
Fire	129,592,529	1,049,969	(74,108,702)	56,533,796
Marine Cargo	97,692,399	-	(17,729,886)	79,962,513
Marine Hull	15,465,768	1,454,056	(13,797,893)	3,121,931
Motor	21,486,562	8,515	(802,641)	20,692,436
Miscellaneous	34,357,711	145,707	(22,066,385)	12,437,033
	<u>298,594,969</u>	<u>2,658,248</u>	<u>(128,505,507)</u>	<u>172,747,710</u>

under
less
Insurance

	Fire	Marine Cargo	Marine Hull	Motor	Misc.	Total
Claims paid during the year	10,113,525	10,342,359	717,373	5,392,625	4,332,471	30,898,352
Claims Outstanding at the end of the year	14,326,714	17,875,164	82,667	7,350,095	5,113,479	44,748,119
Claims Outstanding at the beginning of the year	(19,051,521)	(19,714,395)	(482,667)	(5,911,395)	(3,655,417)	(48,815,395)
Total Tk.	<u>5,388,718</u>	<u>8,503,128</u>	<u>317,373</u>	<u>6,831,325</u>	<u>5,790,533</u>	<u>26,831,076</u>

ees

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

property

Land property is stated at cost including development of land measuring 6 (Six) khatha and 4 (Four) chataks situated at 51 Mohakhali C/A, Dhaka-1212 .

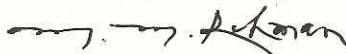
Directors' Certificate

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

1. The value of investment in shares and debentures have been taken at cost.
2. The value of all assets as shown in the Balance Sheet and as classified on Form "AA" annexed have been duly reviewed as at December 31, 2000 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.



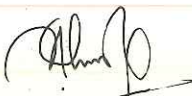
Azam J. Chowdhury
Chairman



M. Muhibur Rahman
Director



Dr. Muslehuddin A. Tarek
Director



Nasir A. Choudhury
Managing Director



Arshad Ali, CPA
Head of Finance &
Company Secretary



Khan Wahab Shafique Rahman & Co.
Chartered Accountants