INDUSTRIAL PROMOTION AND DEVELOPMENT COMPANY OF BANGLADESH LIMITED

Auditors' Report and Financial Statements
For the year ended 31 December 2001

S.F. Ahmed & Co.
Chartered Accountants

INDUSTRIAL PROMOTION AND DEVELOPMENT COMPANY OF BANGLADESH LIMITED

AUDITORS' REPORT
TO THE SHAREHOLDERS

We have audited the accompanying Balance Sheet of **Industrial Promotion and Development Company of Bangladesh Limited** as of 31 December 2001, the related Profit and Loss Account and Cash Flow Statement along with the explanatory notes thereto 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 International Standards on Auditing as adopted in Bangladesh. Those Standards require 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 statements, prepared in accordance with International Accounting Standards as adopted in Bangladesh, give a true and fair view of the state of the company's affairs as of 31 December 2001 and of the results of its operations and its Cash Flow for the year then ended and comply with the Companies Act, 1994 and other applicable laws and regulations.

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 purposes of our audit and made due verification thereof;

(b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books; and

(c) the company's Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of account.

S. F. Ahmed & Co

S. F. Ahmed & Co.
Chartered Accountants

House # 25, Road # 13A
Block –D, Banani
Dhaka, Bangladesh.

Dated, Dhaka
31 March 2002

S. F. AHMED & CO.

INDUSTRIAL PROMOTION AND DEVELOPMENT COMPANY OF BANGLADESH LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2001

	Notes	2001 Taka	2000 Taka
SUORCE OF FUND			
Shareholders' Fund			
Share capital	3	450,000,000	450,000,000
Reserves and surplus	4	234,831,691	153,212,414
		684,831,691	603,212,414
Loan Funds (Unsecured)			
Lines of credit	5	2,309,524,275	1,526,602,005
Less : Curent portion of lines of credit		(275,988,019)	(149,065,309)
		2,033,536,256	1,377,536,696
IDA line of credit -deferred interest	6	33,485,718	71,574,671
		2,067,021,974	1,449,111,367
Deferred liabilities	7	57,776,626	30,485,737
		2,124,798,600	1,479,597,104
Total		2,809,630,291	2,082,809,518
APPLICATION OF FUND			
Tangible Assets			
Fixed assets at cost less depreciatoin	8	7,496,131	3,361,703
Investments - net of provisions	9		
Equity		687,917,713	446,751,126
Long term loans		1,548,001,197	1,352,912,153
Leases		715,923,182	474,383,444
Short term finance		257,575,345	198,836,912
Advances against lease		169,063,901	33,456,911
		3,378,481,338	2,506,340,546
Less: Current portion of investments	10	(927,183,800)	(582,243,872)
		2,451,297,538	1,924,096,674
Current assets			
Current portion of investments	10	927,183,800	582,243,872
Accounts receivable	11	171,523,985	136,113,085
Advances, deposits and prepayments	12	32,702,344	25,747,792
Cash and bank balances	13	2,265,342,966	928,973,864
		3,396,753,095	1,673,078,612
Current liabilities and provisions			
Call loan		1,860,000,000	900,000,000
Bank overdraft		367,703,377	114,257,174
Short term loan		400,000,000	232,155,069
Curent portion of lines of credit		275,988,019	149,065,309
Accounts payable	14	69,225,077	39,379,968
Provision for taxation	15	28,000,000	49,119,951
Proposed dividend		45,000,000	33,750,000
		3,045,916,473	1,517,727,471
Net current assets		350,836,622	155,351,141
Total		2,809,630,291	2,082,809,518

Contingent liabilities 24

The acompaning notes form an integral part of the financial statements.

Director Director Managing Director

Signed in terms of our report of even date annexed

House # 25, Road # 13A
Block - D, Banani
Dhaka-1213, Bangladesh.

Dated, Dhaka
31 March 2002

S. F. Ahmed

S. F. Ahmed & Co.
Chartered accountants

S. F. AHMED & CO.

INDUSTRIAL PROMOTION AND DEVELOPMENT COMPANY OF BANGLADESH LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2001

	Notes	2001 Taka	2000 Taka
Operating revenue			
Dividend on investment in shares		46,378,677	18,076,860
Profit on sale of shares		31,987,416	29,761,977
Interest on loans		215,327,116	176,179,496
Lease rental income		202,210,039	164,572,402
Interest on short term finance		31,983,480	16,703,215
Supervision fees		9,956,751	10,605,761
Appraisal & feasibility studies fees		6,205,860	2,755,209
Syndication fees		6,800,000	300,000
Commitment fees		713,445	446,555
Documentation fees		855,000	415,000
Other fees		524,483	-
Exchange gain		17,706,198	1,791,560
		570,648,465	**421,608,035**
Operating expenses			
General and administrative expenses	16	40,090,155	39,587,208
Finance cost - net of interest on bank deposit	17	251,831,618	124,575,899
Depreciation on lease assets	9	107,328,681	80,745,073
Provision for doubtful investments	18	21,000,000	31,653,006
		420,250,454	**276,561,186**
Income from operations		**150,398,011**	**145,046,849**
Add : Non - operating income			
Profit on disposal of fixed assets		-	49,999
Grant		4,538,523	831,401
Other income		12,634	24,880
		4,551,157	**906,280**
Net profit for the year		**154,949,168**	**145,953,129**
Less: Provision for taxation		28,329,891	47,823,886
Profit after taxation		**126,619,277**	**98,129,243**
Reserves and surplus brought forward		153,212,414	88,833,171
		279,831,691	186,962,414
Less : Appropriations	4		
Transfer to statutory reserve		25,323,855	19,625,849
Proposed dividend		45,000,000	33,750,000
Reserves and surplus carried forward		234,831,691	153,212,414

The accompaning notes form an integral part of the financial statements.

Director — Director — Managing Director

Signed in terms of our report of even date annexed

S. F. Ahmed

S. F. Ahmed & Co.
Chartered accountants

House # 25, Road # 13A,
Block - D, Banani
Dhaka-1213, Bangladesh.

Dated, Dhaka
31 March 2002

S. F. AHMED & CO.

INDUSTRIAL PROMOTION AND DEVELOPMENT COMPANY OF BANGLADESH LIMITED.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2001

	2001 Taka	2000 Taka
Cash flows from operating activities		
Net profit before taxation	154,949,168	145,953,129
Adjustment for:		
Depreciation	108,555,853	81,938,785
Provision for doubtful invesments	21,000,000	31,653,006
Grant	(4,538,523)	(831,401)
Provision for gratuity	1,012,920	609,415
Operating profit before working capital changes	280,979,418	259,322,934
(Increase) / decrease in current assets		
Advances, deposits and prepayments	(6,954,552)	(1,725,426)
Accounts receivables	(35,410,900)	(62,029,271)
Increase / (decrease) in current liabilities		
Accounts payable	(3,705,321)	(17,560,824)
Cash generated from operations	234,908,645	178,007,413
Profit on sale of fixed assets	-	(49,999)
Payment of income tax	(49,449,842)	(33,222,297)
Payment of gratuity	(240,204)	(456,778)
Net cash flows from operating activities	185,218,599	144,278,339
Cash flows from investing activities		
Acquisition of fixed assets	(5,361,600)	(815,615)
Proceeds from disposal of fixed assets	-	50,000
Investments made	(1,415,512,631)	(1,054,983,547)
Recovery of loan & short term finance	384,792,405	223,322,304
Divestment of equity	30,250,753	31,558,671
Receipts against lease	26,518,173	8,353,484
Net cash used in investing activities	(979,312,900)	(792,514,703)
Cash flows from financing activities		
Receipts from lines of credit	1,030,134,801	731,094,500
Repayment of lines of credit	(247,212,531)	(92,319,996)
(Payments) /receipts from short term loan	167,844,931	(67,844,931)
Receipts from call loan & overdraft	1,213,446,203	628,785,954
Payment of dividend	(33,750,000)	(19,253,763)
Net cash flows from financing activities	2,130,463,404	1,180,461,764
Net increase in cash and cash equivalents	1,336,369,103	532,225,400
Cash and cash equivalents at the beginning of the year	928,973,864	396,748,464
Cash and cash equivalents at the end of the year	**2,265,342,966**	**928,973,864**

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INDUSTRIAL PROMOTION AND DEVELOPMENT COMPANY OF BANGLADESH LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2001

1. BACKGROUND AND OBJECTIVES OF THE COMPANY

a. Legal Status:

Established with a mandate to promote economic growth in the country, **Industrial Promotion and Development Company of Bangladesh Limited (IPDC)** was incorporated in Bangladesh in1981 as the premier private sector long term lending institution with the Registrar of Joint Stock Companies, Dhaka. The registered office of the company is situated at BRAC Center (8th Floor), 75 Mohakhali, Dhaka, Bangladesh.

b. Nature of Business :

i) IPDC mainly specializes in providing long term and short term investment financing, lease financing, equity participation and related consultancies to both local and foreign private investments in Bangladesh.

ii) The company has expanded its business to guarantee issuance and corporate financing.

2. ACCOUNTING POLICIES

a. Accounting Convention and Basis:

i) The financial statements have been prepared on a going concern basis and accrual method under historical cost convention and in accordance with the generally accepted accounting principles. Accounting policies have been consistently followed.

ii) These accounts have been presented in the formats with certain information as considered relevant to and required by Companies Act, 1994.

b. Integral Components of the Financial Statements:

i) Balance Sheet as at 31 December 2001
ii) Profit and Loss Account for the year ended 31 December 2001
iii) Cash Flow Statement for the year ended 31 December 2001
iv) Notes to the Accounts for the year ended 31 December 2001

c. Fixed Assets:

i) Recognition: Assets purchased at a unit value of about Taka 2,000 is generally capitalized. These assets are stated at cost less accumulated depreciation.

ii) Depreciation: Depreciation is charged on fixed assets on a straight-line basis at rates varying between 12.50% to 33.33% according to the useful life of the assets.

d. Investment in Equity:

These are stated at cost, which is lower than the net realizable value.

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e. Lease Assets:

i) Recognition: Lease equipment etc. under the possession of the lessees is accounted for as lease assets of the company.

ii) Depreciation: Total acquisition cost of the lease equipment etc. is depreciated over the lease term.

f. Taxation:

Provision for taxation has been made as per Income Tax Ordinance 1984.

g. Foreign Currency:

Foreign currencies are translated into Taka at the rates ruling on the transaction dates.

Foreign currency balances at the year end were not revalued at the prevailing rate up to year 2000. In 2001 US $ one million received earlier as share capital from foreign shareholders has been revalued at the year end rate. Accordingly, the corresponding exchange gain has been recognized as income in 2001.

h. Revenue Recognition:

Revenue recognition is on accrual basis but revenue recognition in relation to loan interest and supervision fee is suspended where significant uncertainty as to collectibility is apparent.

Accordingly, loan interest, supervision fee and recovery of principal on non-performing loans which are recorded as accounts receivable prior to establishment of a loan as non-performing, are transferred from accounts receivable to other receivables after these turn to be non-performing.

From the date of declaration of a loan as non-performing, loan interest and supervision fee are recorded as a memorandum entry only in the accounting records of other receivables and not disclosed in the financial statements as income, while recoveries due are recorded and reflected in the balance sheet as other receivables.

i. Provision for Doubtful Investments:

Provision has been made as per provisioning policy of the company. Specific provision is made against investments where the recovery of loans is in doubt. In addition, 2% general provisioning has been made against loans and 5% against equity. Provision made is also covered by Bangladesh Bank (Central Bank) FID circular No. 14 dated 26 June 2000.

j. Gratuity Scheme:

The company operates an unfunded gratuity scheme for its permanent employees, provision for which is made annually as per gratuity rules.

k. Liabilities and Provisions:

All material liabilities and provisions have been included in the financial statements.

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BALANCE SHEET

3. SHARE CAPITAL

	Authorised No.	Authorised Value Taka	Issued and paid up No.	Issued and paid up Value Taka
2001: Ordinary shares of Tk. 100 each	10,000,000	1,000,000,000	4,500,000	450,000,000
2000: Ordinary shares of Tk. 100 each	10,000,000	1,000,000,000	4,500,000	450,000,000

Paid up capital is made up of 900,000 shares paid up in cash and 3,600,000 shares through issuance of bonus shares in 1999 out of reserves.

Paid up capital of the company is held by five shareholders as follows:

Name of shareholders	2001		2000	
	No. of Shares	Taka	No. of shares	Taka
People's Republic of Bangladesh (The Govt.) - 30.00 %	1,350,000	135,000,000	1,350,000	135,000,000
Commonwealth Development Corporation (CDC) - 17.50 %	787,500	78,750,000	787,500	78,750,000
International Finance Corporatoin (IFC) - 17.50 %	787,500	78,750,000	787,500	78,750,000
German Investment and Development Company (DEG) - 17.50 %	787,500	78,750,000	787,500	78,750,000
Aga Khan Fund for Economic Development (AKFED) - 17.50 %	787,500	78,750,000	787,500	78,750,000
	4,500,000	450,000,000	4,500,000	450,000,000

4. RESERVES AND SURPLUS

These comprise the following :

(a) Reserves :

	2001 Taka	2000 Taka
Balance as at 1 January	133,586,565	88,833,171
Add: Profit after taxation of the year	126,619,277	98,129,243
	260,205,842	186,962,414
Less: Dividend proposed for the year	(45,000,000)	(33,750,000)
Transferred to statutory reserve	(25,323,855)	(19,625,849)
	189,881,987	133,586,565
(b) Statutory reserve		
Balance as at 1 January	19,625,849	-
Add : Transferred during the year	25,323,855	19,625,849
	44,949,704	19,625,849
(c) Balance as at 31 December (a + b)	234,831,691	153,212,414

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5. LINES OF CREDIT

These comprise the following:

	2001 Taka	2000 Taka
Balance as at 1 January	1,526,602,005	853,161,427
Add: Addition during the year		
IFC line of credit	-	254,100,000
DEG line of credit	-	239,494,500
SEBL line of credit	-	200,000,000
CBSF line of credit	167,634,801	37,500,000
DBL line of credit	400,000,000	-
PBL line of credit	100,000,000	-
BRAC line of credit	80,000,000	-
OPEC line of credit	282,500,000	-
	2,556,736,806	1,584,255,927
Less: Payment during the year	(247,212,531)	(57,653,922)
	2,309,524,275	1,526,602,005
Less: Current portion	(275,988,019)	(149,065,309)
Balance as at 31 December	2,033,536,256	1,377,536,696

5.1 Creditlinewise total amount comprises :

	2001	2000
IDA line of credit	356,257,474	459,457,505
IFC line of credit	446,137,500	510,150,000
SCGB line of credit	60,000,000	80,000,000
DEG line of credit	239,494,500	239,494,500
SEBL line of credit	140,000,000	200,000,000
CBSF line of credit	205,134,801	37,500,000
PBL line of credit	100,000,000	-
DBL line of credit	400,000,000	-
BRAC line of credit	80,000,000	-
OPEC line of credit	282,500,000	-
	2,309,524,275	1,526,602,005

6. IDA LINE OF CREDIT - DEFERRED INTEREST

This represents interest accrued during the grace period of 4 years on IDA line of credit repayable in equal installments over the loan period as shown below :

	2001	2000
Balance as at 1 January	90,110,764	84,412,389
Add: provision made during the year	28,277,151	32,983,408
	118,387,915	117,395,797
Less : Payment during the year	(66,316,102)	(27,285,033)
	52,071,813	90,110,764
Less: current portion	(18,586,095)	(18,536,093)
Balance as at 31 December	33,485,718	71,574,671

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7. DEFERRED LIABILITIES

a. Gratuity :

This liability represents provision for staff gratuity upto 31 December 2001. Provision is made at the rate of one month's basic salary for each completed year of service.

	2001	2000
	Taka	Taka
Balance as at 1 January	4,501,242	4,348,605
Add: provision made during the yeaı	1,012,920	609,415
	5,514,162	4,958,020
Less: Payment during the yeaı	(240,204)	(456,778)
	5,273,958	4,501,242

b. Receipts Against Lease:

This liability represents receipts from lessees as lease deposit:

	2001	2000
Balance as at 1 January	25,984,495	17,631,011
Add: Receipts during the yeaı	26,518,173	8,353,484
	52,502,668	25,984,495
Balance as at 31 December (a+ b)	57,776,626	30,485,737

8. FIXED ASSETS

	Motor vehicles Taka	Furniture and fittings Taka	Eqiupment and appliances Taka	2001 Total Taka	2000 Total Taka
Cost:					
Balance as at 1 January	3,838,000	1,298,281	5,755,375	10,891,656	10,488,041
Disposal during the year	-	-	-	-	(412,000)
	3,838,000	1,298,281	5,755,375	10,891,656	10,076,041
Addition during the year	4,275,000	787,150	299,450	5,361,600	815,615
Balance as at 31 December	8,113,000	2,085,431	6,054,825	16,253,256	10,891,656
Depreciatoin:					
Balance as at 1 January	3,499,573	734,253	3,296,127	7,529,953	5,362,198
Disposal during the year	-	-	-	-	-
	3,499,573	734,253	3,296,127	7,529,953	5,362,198
Charge for the year	338,340	101,706	787,126	1,227,172	1,193,712
Balance as at 31 December	3,837,913	835,959	4,083,253	8,757,125	6,555,910
Net book value as at 31 December 2001	4,275,087	1,249,472	1,971,572	7,496,131	4,335,746
Net book value as at 31 December 2000	338,427	564,028	2,459,248	-	3,361,703
Rate of Depreciation	25%-33.33%	12.50%	20.00%	-	-

9. INVESTMENTS

Itemwise net book value of investments together with related provision for doubtful balances are as follows:

Particulars	2001			2000		
	Taka			Taka		
	Book Value	Provision	Net Balance	Book Value	Provision	Net Balance
a. Equity	717,764,825	29,847,112	687,917,713	465,422,238	18,671,112	446,751,126
b. Long term loan	1,621,406,704	73,405,507	1,548,001,197	1,435,204,091	82,291,938	1,352,912,153
c. Lease	746,208,618	30,285,436	715,923,182	494,636,088	20,252,645	474,383,443
d. Short term finance	263,179,147	5,603,802	257,575,345	202,894,808	4,057,896	198,836,912
e. Advances for lease	172,532,511	3,468,610	169,063,901	34,139,705	682,794	33,456,911
Total	3,521,091,805	142,610,467	3,378,481,338	2,632,296,930	125,956,385	2,506,340,545
Less: Current portion	927,183,800		927,183,800	582,243,872		582,243,872
Balance as at 31 December	2,593,908,005	142,610,467	2,451,297,538	2,050,053,058	125,956,385	1,924,096,673

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a.Equity:

Particulars	Balance at 01.01.2001	Addition during the year	Sold during the year	Balance at 31.12.2001	Market value of listed comp. at 31.12.2001
	Taka	Taka	Taka	Taka	Taka
ORDINARY SHARES:					
Listed companies	87,922,238	30,000,000	(28,632,753)	89,289,485	166,415,443
Unlisted companies	177,500,000	50,593,340	(1,618,000)	226,475,340	
PREFERENCE SHARES :					
Unlisted companies	200,000,000	202,000,000	-	402,000,000	
Balance at 31 December 2001	465,422,238	282,593,340	(30,250,753)	717,764,825	
Balance at 31 December 2000	185,980,909	311,000,000	(31,558,671)	465,422,238	

b. Long Term Loan:

Particulars	Balance at 01.01.2001	Addition during the year	Repayment during the year	Balance at 31.12.2001	Due within next year	Net Balance at 31.12.2001
	Taka	Taka	Taka	Taka	Taka	Taka
Industrial loans:						
Local currency loan	1,260,051,860	412,340,613	(264,488,513)	1,407,903,960	300,556,694	1,107,347,266
Foreign currency loan	146,701,981	36,751,378	(16,779,411)	166,673,948	38,055,325	128,618,623
Underwritting -cum-advances	28,450,250	40,935,042	(22,556,497)	46,828,795	5,893,753	40,935,042
Balance at 31 December 2001	1,435,204,091	490,027,034	(303,824,421)	1,621,406,704	344,505,772	1,276,900,932
Balance at 31 December 2000	1,229,931,113	375,343,842	170,070,864	1,435,204,091	250,142,155	1,185,061,936

c. Lease:

	2001	2000
	Taka	Taka
Cost:		
Balance as at 1 January	591,164,399	308,912,399
Addition during the year	358,901,211	282,252,000
Balance as at 31 December	950,065,610	591,164,399
Depreciation:		
Balance as at 1 January	96,528,311	15,783,238
Charge for the year	107,328,681	80,745,073
Balance as at 31 December	203,856,992	96,528,311
Book value as at 31 December	746,208,618	494,636,088
Less: Current portion	(156,038,782)	(99,807,894)
	590,169,836	394,828,194

d. Short Term Finance:

	2001	2000
Balance as at 1 January	202,894,808	80,954,841
Add: Addition during the year	141,252,323	175,500,000
	344,147,131	256,454,841
Less : Recovered during the year	(80,967,984)	(53,560,033)
Balance as at 31 December	263,179,147	202,894,808

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e. Advances Against Lease:

	2001 Taka	2000 Taka
Balance as at 1 January	34,139,705	123,252,000
Add: Advances during the year	441,568,401	193,139,705
	475,708,106	316,391,705
Less : Executed during the year	(303,175,595)	(282,252,000)
Balance as at 31 December	172,532,511	34,139,705

10. CURRENT PORTION OF INVESTMENTS

These represent the following:

Short term investments		
Short term finance (note - 9)	257,575,345	198,836,912
Advances against lease (note - 9)	169,063,901	33,456,911
Curent portion of long term investments		
Local currency loan (note -9b)	300,556,694	228,343,913
Foreign currency loan (note 9b)	38,055,325	21,798,242
Underwritting -cum-advances (note -9b)	5,893,753	-
Leases (note -9c)	156,038,782	99,807,894
	927,183,800	582,243,872

11. ACCOUNTS RECEIVABLE

Interest accrued on bank deposit	31,078,567	1,118,750
Receivables from projects	123,054,665	113,400,005
Others	17,390,753	21,594,330
	171,523,985	136,113,085

12. ADVANCES, DEPOSITS AND PREPAYMENTS

Advance payment of tax	21,270,384	13,390,019
Other advances	2,360,147	3,505,398
Deposits	343,740	343,740
Prepayments	8,728,073	8,508,635
	32,702,344	25,747,792

13. CASH AND BANK BALANCES

Foreign Currency		
Current Account	5,550	932,936
Fixed deposits- 1 month	1,242,555,293	927,460,970
	1,242,560,843	928,393,906
Local currency		
Cash in hand	7,495	8,640
Current Account	46,000	406,330
Fixed deposits- 1 - 3 months	1,022,525,103	-
Special notice deposit	203,525	164,988
	1,022,782,123	579,958
Balance as at 31 December	2,265,342,966	928,973,864

14. ACCOUNTS PAYABLE

Finance cost- current portion of interest on IDA line of credit	18,586,095	18,536,093
Special Accounts with - DEG	8,461,586	7,089,859
Others payable	42,177,396	13,754,015
	69,225,077	39,379,967

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15. PROVISION FOR TAXATION

	2001 Taka	2000 Taka
Balance as at 1 January	49,119,951	30,798,404
Add: Provision made during the year	28,329,891	47,823,886
	77,449,842	78,622,290
Less: Adjustment due to payment	(49,449,842)	(29,502,339)
Balance as at 31 December	28,000,000	49,119,951

Assessement upto assessement year 2001-2002 (income year 2000) has been finalised and settled.

PROFIT AND LOSS ACCOUNT

16. GENERAL AND ADMINISTRATION EXPENSES

	2001	2000
Pay and allowance	18,936,891	18,041,329
Staff housing	2,184,368	3,023,935
Medical	158,201	195,129
Staff training	4,538,523	831,401
Vehicles running cost	811,550	930,420
Lease rental paid	3,015,960	3,015,960
Office rent	3,042,620	4,092,809
Office repair and maintenance	255,598	150,027
Monitoring , documentation etc.	677,920	1,145,930
Sundry office expenses	798,041	754,157
Stationary , printing etc.	367,827	515,251
Subscriptoin	219,058	122,050
Telephone, fax, postage etc.	627,999	988,859
Publicatoin and periodicals	27,502	21,942
Audit fees	60,000	60,000
Legal fees	547,966	895,994
Directors' fees and expenses	180,447	140,249
Other professional fees	225,166	350,954
Recruitment expenses	255,200	523,660
Insurance	91,226	204,624
Travel and hotel expenses	621,223	876,784
Publicity expenses	665,606	908,150
Entertainment	127,937	126,772
Brokerage on sale of shares	426,154	477,110
Depreciatoin- fixed assets	1,227,172	1,193,712
	40,090,155	39,587,208

17. FINANCE COST

	2001	2000
Interest on lines of credit	162,131,945	94,840,811
Interest on call loan , overdraft etc.	172,957,797	81,078,671
	335,089,742	175,919,482
Less : Inretest on bank deposit received	(83,258,124)	(51,343,583)
	251,831,618	124,575,899

18. PROVISION FOR DOUBTFUL INVESTMENTS

	2001	2000
Balance as at 1 January	125,956,385	94,303,379
Add: Provision during the year	21,000,000	31,653,006
	146,956,385	125,956,385
Less: Adjusted during the year	(4,345,918)	-
Balance as at 31 December	142,610,467	125,956,385

19. DIRECTORS' FEES AND EXPENSES

	2001	2000
Directors' fees	72,000	54,000
Travel, hotel and other expenses	108,447	86,249
	180,447	140,249

S.F. AHMED & CO.

GENERAL

20. TRANSACTION IN FOREIGN CURRENCY

	2001 Taka	2000 Taka
i) Income		
Bank interest	50,914,720	51,329,814
Loan interest	13,928,976	17,579,855
	64,843,696	68,909,669
ii) Expenditure - others	79,137,317	50,636,313
iii) Dividend paid	17,718,750	12,503,763

21. FEES PAID TO AUDITORS

Amounts paid to auditors during the year are as follows:

	2001 Taka	2000 Taka
Audit service	60,000	60,000
Taxation service	100,000	75,000
Other services	20,000	6,250
	180,000	141,250

22. EMPLOYEE DETAILS

I) During the year under review there were 25 employees employed for the full year and 6 employees less than the full year at a remuneration of Taka 3,000 per month and above.

ii) At the end of the year, there were 30 employee in the company.

23. POST BALANCE SHEET EVENTS

No material events occurred after the Balance Sheet date, which would affect the financial position of the company.

24. CONTINGENT LIABILITIES

The company does not have any contingent liabilities on the balance sheet date.

25. ROUNDING OFF AND REARRANGEMENT OF FIGURES

Figures have been rounded off to the nearest Taka and 2000 figures have been rearranged to conform the 2001 presentation.

Director

Director

Managing Director

S.F. AHMED & CO