

**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.

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

Dated, Dhaka
31 March 2002

S. F. Ahmed - C
S. F. Ahmed & Co.
Chartered Accountants



INDUSTRIAL PROMOTION AND DEVELOPMENT COMPANY OF BANGLADESH LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2001

	Notes	2001 Taka	2000 Taka
SOURCE 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: Current 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
Current 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 accompanying notes form an integral part of the financial statements


Director

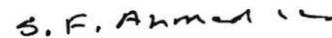

Director


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

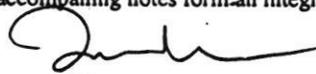

S. F. Ahmed & Co.
Chartered accountants



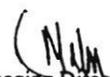
INDUSTRIAL PROMOTION AND DEVELOPMENT COMPANY OF BANGLADESH LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2001

	<u>Notes</u>	<u>2001</u> <u>Taka</u>	<u>2000</u> <u>Taka</u>
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 accompanying notes form an integral part of the financial statements.

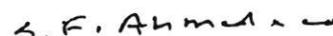

Director


Director


Managing Director

Signed in terms of our report of even date annexed

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


S. F. Ahmed & Co.
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Dated, Dhaka
31 March 2002

