413,313

229,734

1,650,832

12,838,108

225,763

158,844

1,553,141

9,765,342

Income from bank deposit		2,525,893	2,047,254	1,017,764
Foreign exchange gain/floss)		2,805,077	2,435,176	403,307
Miscellaneous Income		332,955	46,665	803
PROFIT FOR THE YEAR BEFORE TAX		24,901,901	30,159,876	31,089,526
PROVISION FOR TAXATION	18	0	. 0	1,500,000
NET PROFIT FOR THE PERIOD		24,901,901	30,159,876	29,589,526
PROFIT / LOSS BROUGHT FORWARD FROM PREVIOUS YEAR		10,627	4,849	224,225
TRANSFER FROM CENERAL RESERVE		6,740,821	2,600,000	0
NET PROFIT AVAILABLE FOR APPROPRIATION		31,653,3 49	32,764,725	29,813,751
APPROPRIATIONS		31,648,500	32,540,500	10,000,000
General reserve		2,600,000	12,500,000	0
Non-distributable Special reserve	19	298,500	40,500	0
Proposed dividend —Cash		3,750,000	7,500,000	0
Bonus share		25,000,000	12,500,000	0
Interim Dividend		0	0	10,000,000
RETAINED EARNINGS		4,849	224,225	19,813,751

We also report u/s 93(1-A) of the Companies Act, 1913 that the Company had declared dividend for the years 1990 and 1991 at the rate of 15% each and issued bonus shares in 1990 @ 1:1 out of the distributible profits of the company. The Company has also declared & Paid interim dividend @ 20% in 1992.

Notes: 1) Figures for the period ended 31 October 1992 are unaudited.

2) Annexed notes relating to 1990 and 1991 from part of these accounts.

Thanking you.

Yours truly,

Rahman Rahman Hug Chartered Accountants

Statement of changes in Financial Position for the year ended 31 December 1991

1990	1991
Taka	Taka

SOURCES OF FUND

From	business	operation:	ě
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Net Profit before tax	24,901,901	30,159,876	
Add: Items not involving movem	nent of funds:		
Depreciation on lease assets	68,879,517	110,459,579	
Depreciation on fixed assets	1,553,141	1,650,832	
Provision for doubtful leases	6,344,390	6,865,850	
(Profit)/Loss on disposal of			
fixed assets	(331,667)	(45,000)	
	101,347,282	149,091,137	
From other sources:		*	
Long term loan received	70,000,000	80,000,000	
Lease rental deposit received	14,575,590	15,947,152 (
Security deposit received	65,522		
Disposal of fixed assets	381,333	45,000	
	85,022,445	95,992,152	
TOTAL SOURCES OF FUND	186, 369,727	245,083,289	
APPLICATIONS OF FUND			
Purchase of lease assets	180,571,481	137,317,003	
Advance for leases	10,946,431	22,595,583	
Purchase of fixed assets	4,338,355	1,549,336	
Repayment of long term loan	27,950,942	40,357,416	
Refund of security deposit	29,478	251,574	
Refund of lease deposit	258,090	1,113,420	
Payment of dividend	3,618,750	3,618,750	
TOTAL APPLICATIONS OF FUND	227,713,527	206,803,082	

receivable and advances	10,654,975	18,736,154
(Increase) / decrease in accrued		
expenses and payables	(60, 346, 049)	16,681,314
Increase / (decrease) in		
cash and bank deposits	8,347,274	2,862,739
INCREASE / (DECREASE) IN		
WORKING CAPITAL	(41,343,800)	38,280,207

(41, 343, 800)

38,280,207

Notes to the Accounts for the year ended 31 December 1991

1.80 THE COMPANY

INCREASE / (DECREASE) IN

MOVEMENT IN WORKING CAPITAL

Increase / (Decrease) in accounts

WORKING CAPITAL

Industrial Development Leasing Company of Bangladesh Limited (IDLC) is an equipment leasing company incorporated in Bangladesh on 23 May 1985 as a public limited company under the Companies Act 1913. The company extends lease financing for all types of machineries and equipments including vehicles for industrial and commercial purposes. The Company established its first branch in Chittagong which went into operation in October 1990.

2.00 SIGNIFICANT ACCOUNTING POLICIES

2.01 Basis of Accounting:

The accounts are prepared under historical cost convention on generally accepted accounting principles. 2.82 Accounting for Leases:

The company maintains its books of accounts based on the operating method of accounting according to generally accepted accounting standards and provisions of acts and regulations of Bangladesh. Lease equipment which are under the possession of the lessees are laccounted as lease assets of the company. Lease rentals receivable on monthly basis are recognised as operational revenue while depreciation on lease assets as well as financial expenses incurred on loan fund are accounted as operational expenses.

2.63 Depreciation:

a) Depreciation on fixed assets

Depreciation on fixed assets for company's own use is charged on straight line method at rates varying from 12.5% to 33.3% considering the estimated useful lives of the assets.

b) Depreciation on lease assets

Total acquisition cost of the lease equipment are depreciated over the lease term leaving no residual

2.04 Foreign Exchange:

Foreign currency transactions are translated into taka at rates ruling at the transaction dates and the balances at the end of the year (except IFC loans which are covered under Exchange Rate Fluctuation Burden Absorption Scheme) at the rates prevailing on the balance sheet date.

2.05 Provision for doubtful leases

General Provision has been created at an aggregate rate on lease executed against unforeseen losses from leases based on management estimate and analysis of portfolios

of the leases.

3.00 CASH AND EQUIVALENT This comprises of the following

This comprises of the following.		
	1990	1991
90	Taka	Taka
Cash in hand	5,613	6,848
Cash at bank:		*
Current deposit- Local currency	24,428	(6,369,369)*
Term deposit - Local currency	98,998	5,062,518
Foreign currency		
(US\$ 879,303.61)	29,749,160	34,040,941
	29,878,199	32,740,938
	Control of the Contro	

*The unfavorable balance in the current deposit has arisen due to the issuance of cheques at the close of the year against payments relating to the FY 1991 although there was a favorable balance with bank account.

4.00 ACCOUNTS RECEIVABLE AND ADVANCES

This comprises of the following:

	1990	1991
Receivable from lessees	Taka	Taka
Lease rentals	10,781,480	27,250,510
Advances, deposits and prepayments	4,912,089	1,929,595
Accrued income	268,828	142,569
Other receivables	7,989,608	13,365,485
**	23,952,005	42,688,159

5.00 LEASE ASSETS

5.01 Lease Equipment:

This represents the total acquisition cost of equipment including capitalised interest for leases executed. Details are as under:

Cost	
Balance on January 1, 1991	432,783,791
Addition during the year	137,317,003
	570,100,794
Less: Disposals during the year	13,880,274
Balance on December 31, 1991	556,220,520
Accumulated depreciation	
Balance on January 1, 1991	109,972,276
Addition during the year	110,459,579
	220,431,855
Less: Disposals during the year	13,084,672
Balance on December 31, 1991	207,347,183
Net lease assets on December 31, 1991	348,873 ,337
FY 1990	322,811,515

The lease term of the above assets varies from 24 months to 60 months depending on the estimated economic life of the equipment.

5.02 Provision for doubtful leases:

The company creates general provision for doubtful leases applying prudent judgement on the lease portfolio of the Company.

5.03 Advance for lease assets

6.00 FIXED ASSETS

This represents amount disbursed for procurements of lease equipment as well as interest capitalised Tk. 3,323,895 for the period from the date respective disbursements to the balance sheet date. On execution of leases, these advances will be transferred to lease equipment.

Fixed assets under own use of the company are summarised below:

8.00 ACCRUED EXPENSES AND PAYABLES

These include temporary loans of Tk. 45.2 million obtained from banks repayable at short notice and deferred liability of Tk. 0.57 million on account of gratuity to employees payable at time of retirement.

9.00 LEASE RENTAL DEPOSITS

As per policy, company takes rental deposits from the lessees on signing of lease agreement which are refundable at expiry of the lease term without any interest thereon. Analysis of this deposit in terms of maturity is as under:

			1990	1991
			Taka	Taka
Total I	lease rental deposit	ts	42,785,680	56,955,110
Less:	Transferred to	current	970,400	8,919,620
	liabilities being maturity	current	41,815,280	48,035,490

10.00 SHARE CAPITAL

The authorised capital of the company is Tk. 100.00 million divided into 1.00 million ordinary shares of Tk. 100 each. 250,000 shares were issued at par value and fully paid in FY 1985 while 250,000 shares have been capitalised at par value by issuing bonus shares during the FY 1991. Present status of the shareholdings are as follows:

Shares	Amount	%
125,000	12,500,000	25
100,000	10,000,000	20
50,000	5,000,000	10
2 12		
100,000	10,000,000	20
50,000	5,000,000	10
50,000	5,000,000	10
	100	
12,500	1,250,000	2.5
12,500	1,250,000	2.5
500,000	50,000,000	100
	125,000 100,000 50,000 50,000 50,000 12,500	125,000 12,500,000 100,000 10,000,000 50,000 5,000,000 50,000 5,000,000 50,000 5,000,000 12,500 1,250,000 12,500 1,250,000

11.00 SHARE MONEY DEPOSIT

As against share money of Tk. 17,500,000 for 175,000 shares of Tk. 100 each against 2nd tranche share capital of existing shareholders, Tk. 14,375,000 has been received by October 31,1992 while Tk. 625,000 from Aga Khan Fund for Economic Development (AKFED) and Tk. 2,500,000 from International Finance Corporation (IFC) received subsequently. Accordingly allotment of shares has been made to existing shareholders raising the paid in share capital to Tk. 67.5 million within November 1992.

12.00 GENERAL RESERVE

This includes exchange gain amounting to Tk. 6,886,766 which has arisen from the foreign currency transactions of the company since inception upto the balance sheet date. Bangladesh Bank advised the company to transfer it to non-distributable Special reserve account against which the company has applied for waiver of this provision and the decision is still awaited.

13.00 LEASE RENTAL

Rental due during the year are recognised as operating revenue and accounted for under this head.

14.00 OTHER OPERATIONAL REVENUE

This comprises of the following

	1990 Taka	1991 Taka
Service charges	642,095	692,114
Commitment fees	365,617	294,231
Realisation of interest accrued		
upto lease execution	602,125	882,793
Delinquent charges & other	247,317	2,908,148
	1,857,154	4,777,286

	COST			DEPRECIATION						
PARTICULARS	Balance at 1 January 1991	Acquisition in 1991	Disposal/ write off	Balance at 31 December 1991	Annual rate (%)	Balance at 1 January 1991	Charged in 1991	Adjustment in 1991	Balance at 31 December 1991	Written Down value as of 31 December 1991
Furniture and fixtures	963,524	208,325		1,171,849	13	393,273	125,644		518,917	652,932
Electrical equipment	1,300,027	129,100	37,500	1,391,627	20	643,446	192,316	37,500	798,262	593,36
Curtain and carpet	244,500	27,421		271,921	33	165,172	39,512		204,684	67,23
Office equipment	994,233	738,240	153,000	1,579,473	20	459,506	178,059	153,000	484,565	1,094,90
Office decoration	1,313,391			1,313,391	20	701,534	143,666		845,200	468 19
Telephone and telex	682,625	11,250	1	69 3, 8 75	20	194,088	137,135	¥2:	331,223	362,65
Motor vehicles	2,939,250	435,000		3,374,250	25	928,455	834,500		1,762,955	1,611,29
	Tk. 8,437,550	1,549,336	190,500	9,796,386		3,485,474	1,650,832	190,500	4,945,806	4,850,58
1990	Tk 5,243,675	4,338,355	1,144,480	8,437,550		3,027,147	1,553,141	1,094,814	3,485,474	4,952,07

7.00 LONG-TERM LOANS-SECURED

The company has entered into loan agreements with The City Bank Limited (CBL) and International Finance Corporation (IFC) and debenture loan agreement with Shadharan Bima Corporation (SBC) for Tk. 200.00 million, Sfr. 4.25 million and Tk. 100.00 million respectively. The foreign currency loan from IFC is covered by the Exchange Rate Fluctuation Burden Absorption Scheme under which the company is protected from foreign exchange rate fluctuaion risk against payment of fixed premium. All the loans are secured by first equitable mortgage of all present and future immovable properties and floating charges on movable assets of the company ranking pari-passu among the three lenders. Loans repayable within one year has been reflected under current liabilities. Details of these loans are as under

Lemelers	Outstanding as at 1 January 1991	Disbursement during 1991	Repayment during 1991	Outstanding as at 31 December 1991	Repayment Terms
CBL	95,576,000	70,000,000	38,889,000	136,687,000	By nine bi-annual equal installments with one year grace period.
980	80,000,000	10,000,000	and the second	90,000,000	At 5th anniversary of respective disbursement.
#C	63,676,561		11,468,466	51,600,095 teqv. Siz. 2,390,625)	By fifteen bi-annual equal installments.
	238,652,561	80,000,000	40,357,466	276,295,095	
Less :	Transferred to curre	nt labilities		-	
	being current maturity				
	€ C		11,468,466		
		COR.	97,773,000		
	1	SEC	20,000,000	69,241,466	
			Table 1 Table 1	200 State 123 LBA	

209,053,629

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15.00 RENEWAL AND PROCEEDS

This represents amount received on transfer of ownership of lease equipment at the expiry of lease period.

16.00 FINANCIAL EXPENSES

This comprises of the following:		
	1990	1991
	Taka	Taka
Interest of loans and		
debentures	37,691,153	40,947,842
EFAS premium to Bangladesh		
Bank	1,802,596	1,408,815
	39,493,749	42,356,657
Less: Interest capitalised	7,096,910	5,754,505
	32,396,839	36,602,152

17

	1990	1991
	Taka	Taka
Salary and allowance	4,619,759	5,689,552
Medical and walfare	141,398	451,762
Director's remuneration	11,200	9,200
House expenses	822,866	915,273
Training and education	42,377	235,270
Professional fees	225,500	257,000
Travel and conveyance	240,656	831,580
Office maintenance	794,488	940,505
Motor Vehicle expenses	278,075	-345,221
Printing and stationery	156,633	191,245
Books and periodicals	33,351	39,795
Communication	. 388,089	542,766
Tax and levies	73,202	95,060

Advertisement and publicity

Depreciation on fixed assets

Entertainment and public relation

18.00 PROVISION FOR TAXATION The Company had been enjoying tax holiday which expired on 2 March 1992 and as such no tax provision had been made in the accounts for the years 1990 and 1991. Provision for Tk. 1,500,000 has been made against

1992 taxable profits on an estimated basis.

19.00 NON-DISTRIBUTABLE SPECIAL RESERVE

This represents share of profit not admissible for the purpose of distribution amongst the shareholders as per Bangladesh Bank F.E. Circulation No. 27 dated 3 May 1963. This appropriation was made against profit on sale of fixed assets of the company during the year 1991.

20.00 BONUS SHARE

Bonus Shares @ 4:1 appropriated against profit of FY 1991 has not been issued and Transfered to General Reserve account in FY 1992. 21.00 GENERAL

21.01 During the year 1991 the company agreed to extend lease finance for an amount of Tk. 231.73 million while leases have been executed amounting to Tk. 137.32 million.

21.02 Figures have been rounded off to the nearest take.

20.03 Figures of the previous year have been rearranged, where necessary, to conform to current year's presentation.

21.04 There are contingent liabilities for letters of credit outstanding for importation of lease equipment amounting to Tk. 17.289 million.

PART-VI MANAGEMENT OF THE COMPANY

The company is managed by its Board of Directors consisting of nominees of the Shareholders as per Shareholders Agreement and in line with the Statement of General and Operational Policies of the company. The Shareholders nominate Board of Directors consisting of two Directors from IPDC, two from CBL, one from SBC, three from KDLC including KLB, one from IFC and the Managing Director as an ex-officio member. The Board appoints the Chairman from among the Directors nominated by IPDC as per stipulation in the Shareholders Agreement.

The Board appointed a Management Committee consisting of Chairman, Managing Director and Deputy Managing Director * and delegated certain of its responsibilities to the Committee. The Committee is authorised to review and oversee major day to day operational functions including corporate plans, budgets, leasing and borrowing activities. The Board is responsible for establishing the company's policies and reviewing the operating performance of the company including approval of large lease transactions and major borrowings.

The Board appoints the Managing Director responsible for managing the company's overall operations within the framework of policies laid down by the Board. The Board also appoints Deputy Managing Director as nominated by KDLC who reserves the right to nominate for the said position as long as KDLC and KLB together retains a minimum of 25% issued share of the company. The Deputy Managing Director nominated by KDLC may be an expatriate person.

KDLC has been providing leasing technology, under the Parameter of Technical Assistance of the Shareholders Agreement, to the company since its inception. KDLC also agreed to provide such technical assistance and guidance to the company as it considers useful or necessary for the Successful operation and development of the company's leasing business and as long as KDLC retains at least 10% of the company's issued shares.

The following is the present Directors of the company:

NAME	ADDRESS	PARTICULARS OF DIRECTORSHIP
CHAIRMAN & DIRECTOR Mr. Derek Else	IPDC of Bangladesh Ltd. 122-124 Motijheel C / A Dhaka	Managing Director: IPDC of Bangladesh Ltd.
		Director: Padma Textile Mills Ltd. New Dhaka Refractories Ltd.
DIRECTORS		Literatura Manto esta de la como
Mr. Deen Mohammad	10, Dilkusha C/A, Dhaka	Chairman & Managing Director: Phoenix Textile Mills Ltd. Phoenix Garments Ltd.
		Phoenix Steel Complex Ltd. Eastern Dyeing & Calendering Works Ltd. Roxshana Enterprises Ltd.
	ES .	Tiger Wire Rod Rerolling Mills Ltd. Chairman: Phoenix Real Estate Ltd.
		Phoenix Spinning Mills Ltd. Phoenix Fabrics Ltd.
	81	Appolio Steel Mills Ltd. Director: The City Bank Ltd.
Mr. A.K. Serajur Rahman	10, Dilkusha C/A, Dhaka	Managing Director (Acting) The City Bank Ltd.
Mr. C. M. Alam	House No. CEN(f) 7, Road No. 104, Guishan Model Town, Dhaka	Dy. Managing Director: IPDC of Bangladesh Ltd.
		Director (Alternate): Padma Textile Mills Ltd. New Dhaka Refractories Ltd.
Mr. M.M. Murshid	33, Dilkusha C/A-Dhaka	Managing Director: Sadharan filma Corporation Director:
		Asian Reinsurance Corporation, Banglook Investment Corporation of Bangladesh National Tea Co. Ltd.
		Aroma Tea Co. Ltd.

Board of Governors, Bangladesh Insurance

Korea Development Leasing Corporation.

Academy.

President:

Seoul, Korea.

Director

Mr. Dalip Pathak

Mr. Yun S. Kim

Mr. L.K. Kang

Mr. Kie Tae Park

Mr. M. Aminul Islam

Bangkok

2 Dilkusha C/A, Dhaka

Suhrin-dong Chongro-ku,

Young Poong Building

2 Dilkusha C/A, Dhaka.

33 Seorindong, Chongro-ku, Seoul, Korea.

Suhrin Building, 88

Seoul, Korea

2nd floor,

Seoul Korea

Chief of Regional Mission

Deputy Managing Director:

Korea Long Term Credit Bank

Managing Director:

DLC of Bangladesh Ltd.

IDLC of Bangladesh Ltd.

International Finance Corporation