

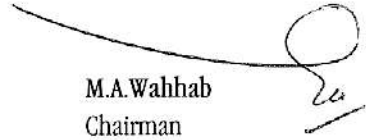
**PRIME FINANCE & INVESTMENT LIMITED**

**Balance Sheet as on**

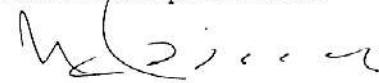
SOURCES OF FUND	Notes	Amount in Taka	
		31-Dec-01	31-Dec-00
<b>Shareholders' Equity :</b>		<b>123,156,309</b>	<b>53,084,399</b>
Share capital	4	100,000,000	50,000,000
General reserve		4,015,000	-
Proposed dividend		15,000,000	-
Retained earnings		4,141,309	3,084,399
<b>Term Liabilities :</b>		<b>342,664,326</b>	<b>100,408,154</b>
Bank loan net of current maturity	5	91,610,750	34,000,000
Lease advance and security against leases	6	52,628,168	30,384,126
Term deposit	7	196,681,727	13,600,648
Portfolio investment fund	8	1,743,681	22,423,380
<b>Total</b>		<b>465,820,634</b>	<b>153,492,553</b>
<b>APPLICATIONS OF FUND</b>			
<b>Investment &amp; Advances :</b>		<b>504,656,764</b>	<b>156,601,193</b>
Lease assets at cost	9	467,581,785	169,244,423
Accumulated depreciation on lease assets		(96,088,871)	(31,313,446)
Short term finance	10	75,464,552	-
Advance for lease assets	11	41,801,156	5,144,030
Hire purchase investment	12	2,533,066	6,695,107
Investment in securities	13	24,025,076	9,336,916
Provision for future losses	14	(10,660,000)	(2,505,837)
<b>Fixed assets :</b>		<b>2,532,570</b>	<b>3,438,891</b>
Fixed assets at cost	15	8,628,689	8,216,699
Accumulated depreciation on fixed assets		(6,096,119)	(4,777,808)
<b>Current assets :</b>		<b>107,200,305</b>	<b>43,232,977</b>
Cash and cash equivalents	16	72,743,060	32,534,972
Accounts receivable	17	32,245,184	9,820,338
Advance, deposits & prepayments	18	1,534,040	322,472
Advance corporate tax	19	678,021	555,194
<b>Current Liabilities :</b>		<b>148,569,006</b>	<b>49,780,508</b>
Accrued expenses & other payables	20	94,453,172	30,818,594
Current portion of bank loan	5	44,584,984	16,000,000
Current portion of lease advance/security against leases	6	9,530,850	2,961,914
<b>Net Current Assets/(Liabilities)</b>		<b>(41,368,701)</b>	<b>(6,547,531)</b>
<b>Total</b>		<b>465,820,634</b>	<b>153,492,553</b>

  
Md. Akter Hossain Sannamat  
Company Secretary

  
Tapan K. Podder  
Managing Director

  
M.A. Wahhab  
Chairman

This is the Balance Sheet referred to in our report of even date.

  
Aziz Halim Anwar & CO.  
Chartered Accountants

**PRIME FINANCE & INVESTMENT LIMITED**

**Combined Profit & Loss Account**

For the year ended

	Notes	Amount in Taka	
		31-Dec-01	31-Dec-00
<b>Operational Income :</b>		<b>133,543,973</b>	<b>39,711,364</b>
Lease rental		121,467,390	34,573,420
Income from short term finance		4,106,559	-
Income from hire-purchase investment		650,933	2,096,654
Other operational income	21	7,319,091	3,041,290
<b>Operational Expenses :</b>		<b>112,444,954</b>	<b>31,569,267</b>
Depreciation on lease assets		76,191,933	22,247,974
Financial expenses	22	27,585,069	3,757,337
Management expenses	23	8,667,952	5,563,956
<b>Income from Operation</b>		<b>21,099,019</b>	<b>8,142,097</b>
<b>Non-Operational Income :</b>		<b>10,854</b>	<b>16,928</b>
Income from other sources	24	10,854	16,928
<b>Profit/(Loss) on Merchant Banking Operations</b> (as per annexed profit & loss account)		<b>7,116,199</b>	<b>(4,381,617)</b>
<b>Profit before tax &amp; provisions</b>		<b>28,226,072</b>	<b>3,777,408</b>
Provision for future losses	14	8,154,162	1,846,129
Provision for taxation	25	-	-
<b>Net Profit after tax &amp; provisions</b>		<b>20,071,910</b>	<b>1,931,279</b>
Profit brought forward		3,084,399	1,153,120
<b>Profit available for appropriation</b>		<b>23,156,309</b>	<b>3,084,399</b>
<b>Appropriations :</b>		<b>19,015,000</b>	<b>-</b>
Transfer to general reserve		4,015,000	-
Proposed dividend		15,000,000	-
<b>Profit carried forward</b>		<b>4,141,309</b>	<b>3,084,399</b>
<b>Earning Per Share (EPS)</b>		<b>26.76</b>	<b>3.86</b>

*H. A. Sannamat*  
Md. Akter Hossain Sannamat  
Company Secretary

*Tapan K. Podder*  
Tapan K. Podder  
Managing Director

*M.A. Wahhab*  
M.A. Wahhab  
Chairman

This is the Profit & Loss Account referred to in our report of even date.

*Aziz Halim Anwar & Co.*  
Aziz Halim Anwar & CO.  
Chartered Accountants


February 19, 2002


**PRIME FINANCE & INVESTMENT LIMITED**

Profit and Loss Account  
(Merchant Banking Operations)  
For the year ended

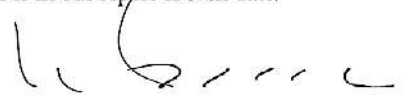
	Notes	Amount in Taka	
		31-Dec-01	31-Dec-00
<b>Operational Income :</b>		13,363,481	(266,552)
Fees, Commission etc.	26	2,728,100	1,046,500
Income/ (loss) from sale of securities	27	9,561,848	(2,687,565)
Other operational income	21	1,073,533	1,374,513
<b>Operational Expenses :</b>		6,247,282	4,115,065
Management expenses	23	6,247,282	4,115,065
<b>Profit/(Loss) from operations transferred to Combined Profit and Loss Account</b>		<u>7,116,199</u>	<u>(4,381,617)</u>

  
Md. Akter Hossain Sannamat  
Company Secretary

  
Tapan K. Podder  
Managing Director

  
M.A. Wahhab  
Chairman

This is the Profit & Loss Account referred to in our report of even date.



Aziz Halim Anwar & CO.  
Chartered Accountants

February 19, 2002

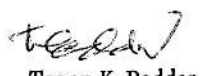



**PRIME FINANCE & INVESTMENT LIMITED**

Cash Flow Statement  
For the year ended

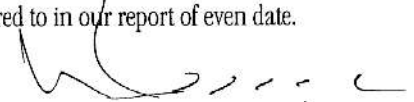
	Amount in Taka	
	31-Dec-01	31-Dec-00
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit/(loss) before tax	28,226,072	3,777,408
Add : Items not involving movement of cash	80,391,359	23,801,011
Depreciation on fixed assets	1,318,312	1,553,037
Depreciation on lease assets	79,073,047	22,247,974
<b>Cash generated from operation</b>	<b>108,617,431</b>	<b>27,578,419</b>
<b>Adjustment for changes in working capital components:</b>	<b>39,875,337</b>	<b>22,584,051</b>
(Increase)/Decrease in accounts receivables	(22,424,846)	(8,084,840)
(Increase)/Decrease in advance, deposits and prepayments	(1,211,568)	2,032,541
(Increase)/Decrease in advance corporate tax	(122,827)	(126,120)
Increase/(Decrease) in accrued expenses & other payables	63,634,578	28,762,470
<b>Net cash flow from operating activities</b>	<b>148,492,768</b>	<b>50,162,470</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES :</b>		
Acquisition of lease assets	(319,307,170)	(124,087,805)
Increase in advance for lease assets	(36,657,126)	(3,963,867)
Acquisition of fixed assets	(411,990)	(308,304)
Disposal of lease assets	6,672,186	1,365,984
Disposal of fixed assets	0	262,200
Increase in short term finance	(75,464,552)	-
Recovery hire purchase investment	4,162,041	5,825,362
Sale of Securities	54,953,170	11,259,337
Investment in Securities	(69,641,330)	(11,002,538)
<b>Net cash flow from investing activities</b>	<b>(435,694,771)</b>	<b>(120,649,631)</b>
<b>CASH FROM FINANCING ACTIVITIES:</b>		
Increase in share capital	50,000,000	-
Increase in lease advance/security money	28,812,978	21,672,132
Receipt of hire purchase risk fund	-	46,295
Receipt of bank loan	103,187,393	50,000,000
Repayment of bank loan	(16,991,659)	-
Receipt of term loan	189,450,589	8,094,648
Repayment of term loan	(6,369,510)	(2,000,000)
Receipt/(Payment) of portfolio investment deposit	(20,679,699)	22,193,380
<b>Net cash flow from financing activities</b>	<b>327,410,092</b>	<b>100,006,455</b>
<b>Net increase in cash and cash equivalents</b>	<b>40,208,089</b>	<b>29,519,294</b>
Cash and cash equivalents at beginning	32,534,972	3,015,678
Cash and cash equivalents at ending	<u>72,743,061</u>	<u>32,534,972</u>

  
Md. Akter Hossain Sannamat  
Company Secretary

  
Tapan K. Podder  
Managing Director

  
M.A. Wahhab  
Chairman

This is the Cash Flow Statement referred to in our report of even date.

  
Aziz Halim Anwar & CO.  
Chartered Accountants


**PRIME FINANCE & INVESTMENT LIMITED**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2001**

Amount in Taka

	Share Capital	Retained Earnings	General Reserve	Proposed Dividend	Profit & Loss Account	Total Equity
Balance at 31 December 2000	50,000,000	3,084,399	-	-	-	53,084,399
Changes during the year 2001	50,000,000	1,056,910	4,015,000	15,000,000	-	70,071,910
Issue of share capital	50,000,000	-	-	-	-	50,000,000
Net profit for 2001	-	-	-	-	20,071,910	20,071,910
Transfer to general reserve	-	-	4,015,000	-	(4,015,000)	-
Proposed dividend	-	-	-	15,000,000	(15,000,000)	-
Transfer to retained earnings	-	1,056,910	-	-	(1,056,910)	-
Balance at 31 December 2001	<u>100,000,000</u>	<u>4,141,309</u>	<u>4,015,000</u>	<u>15,000,000</u>	<u>-</u>	<u>123,156,309</u>

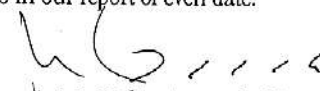
  
 Md. Akter Hossain Sannamat  
 Company Secretary

  
 Tapan K. Podder  
 Managing Director

  
 M.A. Wahhab  
 Chairman

This is the Statement of Changes in Equity referred to in our report of even date.

February 19, 2002

  
 Aziz Halim Anwar & CO.  
 Chartered Accountants