



রহমান রহমান হুক
Rahman Rahman Huq

Prime Finance & Investment Limited

Balance Sheet at 31 December 2002

<u>Sources of Funds</u>	<u>Notes</u>	<u>2002</u> <u>Taka</u>	<u>2001</u> <u>Taka</u>
Shareholders' equity:			
Share capital	3	100,000,000	100,000,000
General reserve		11,065,000	4,015,000
Proposed dividend		20,000,000	15,000,000
Retained earnings		12,332,378	4,141,309
		<u>143,397,378</u>	<u>123,156,309</u>
Term liabilities:			
Term deposits	4	458,738,895	196,681,727
Bank loan (net of current maturity)	5	86,466,515	91,610,750
Lease advances/security deposits (net of current maturity)	6	66,546,509	52,628,167
Portfolio investment fund	7	1,402,397	1,743,681
		<u>613,154,316</u>	<u>342,664,325</u>
		<u>756,551,694</u>	<u>465,820,634</u>
Application of Funds			
Fixed assets (at cost less depreciation)	8	2,002,838	2,532,570
Investment and advances:			
Lease assets (at cost less depreciation)	9	668,745,348	371,492,914
Advances for lease assets	10	37,595,241	41,801,156
Term finance (net of current maturity)	11	12,500,000	3,834,320
Hire purchase investment (net of current maturity)	12	2,095,598	1,417,663
Investment in securities	13	49,123,207	24,025,076
		<u>770,059,394</u>	<u>442,571,129</u>
Provision for future losses	14	(19,000,000)	(10,660,000)

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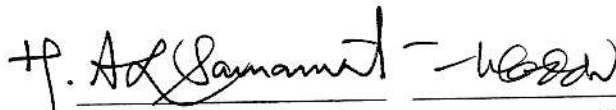
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	<u>Notes</u>	<u>2002</u> <u>Taka</u>	<u>2001</u> <u>Taka</u>
Current assets:			
Accounts receivable	15	65,042,731	32,245,185
Advances, deposits and prepayments	16	1,226,971	1,534,040
Current maturity of term finance	11	176,650,754	71,630,232
Current maturity of hire purchase investment	12	2,323,170	1,115,403
Advance corporate tax	17	978,162	678,021
Cash and cash equivalents	18	19,239,606	72,743,060
		265,461,394	179,945,941
Less: Current liabilities:			
Short term loan	19	98,787,111	70,000,000
Accrued expenses and other payables	20	71,541,832	24,453,172
Current maturity of bank loan	5	76,358,285	44,584,984
Current maturity of lease advance/security deposit	6	15,284,704	9,530,850
		261,971,932	148,569,006
Net surplus in current assets		<u>3,489,462</u> <u>756,551,694</u>	<u>31,376,935</u> <u>465,820,634</u>

The annexed notes 1 to 29 form an integral part of these financial statements.



Md. Akter Hossain Sannamat
Company Secretary

Tapan K. Podder
Managing Director



K. M. Khaled
Chairman

As per our report of same date.



Auditors



Dhaka, 5 May 2003



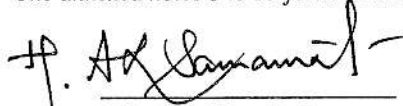
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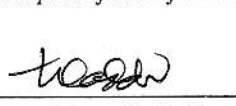
Prime Finance & Investment Limited

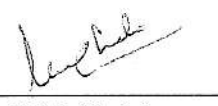
Combined Profit and Loss Account
for the year ended 31 December 2002

	Notes	2002 Taka	2001 Taka
Operational revenue:			
Lease rentals		238,544,392	121,467,390
Income from term finance		24,378,937	4,106,559
Income from hire purchase investment		866,620	650,933
Other operational income	21	12,617,415	7,329,945
		276,407,364	133,554,827
Less: Operational expenses:			
Depreciation on lease assets		153,508,552	76,191,933
Financial expenses	22	65,958,805	27,585,069
Management expenses	23	11,941,693	8,667,952
		231,409,050	112,444,954
Income from leasing business		44,998,314	21,109,873
Profit/(loss) on merchant banking operation (as per separate profit and loss account enclosed)		(1,417,245)	7,116,199
Profit before provisions		43,581,069	28,226,072
Provisions:			
Provision for future losses		8,340,000	8,154,162
Provision for tax	24	-	-
		8,340,000	8,154,162
Net profit after provisions		35,241,069	20,071,910
Profit brought forward from previous year		4,141,309	3,084,399
Profit available for appropriation		39,382,378	23,156,309
Appropriations:			
Transfer to general reserve		7,050,000	4,015,000
Proposed dividend		20,000,000	15,000,000
		27,050,000	19,015,000
Retained earnings, carried forward		12,332,378	4,141,309
Earning per share		35.24	26.76

The annexed notes 1 to 29 form an integral part of these financial statements.



Md. Akter Hossain Sannamat
Company Secretary


Tapan K. Podder
Managing Director


K. M. Khaled
Chairman

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Dhaka, 5 May 2003


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Prime Finance & Investment Limited

**Segregated Profit and Loss Account (Leasing Unit)
for the year ended 31 December 2002**

	Notes	2002			2001
		1 Jan. to 14 Nov. 2002	15 Nov. to 31 Dec. 2002	Total	Total
		Taka	Taka	Taka	Taka
Operational revenue:					
Lease rentals		202,448,509	36,095,883	238,544,392	121,467,390
Income from term finance		20,727,936	3,651,001	24,378,937	4,106,559
Income from hire purchase investment		758,764	107,856	866,620	650,933
Other operational income	21	10,398,693	2,218,722	12,617,415	7,329,945
		234,333,902	42,073,462	276,407,364	133,554,827
Less: Operational expenses:					
Depreciation on lease assets		130,644,434	22,864,118	153,508,552	76,191,933
Financial expenses	22	54,914,558	11,044,247	65,958,805	27,585,069
Management expenses	23	8,694,718	3,246,975	11,941,693	8,667,952
		194,253,710	37,155,340	231,409,050	112,444,954
Income from leasing business		40,080,192	4,918,122	44,998,314	21,109,873

The annexed notes 1 to 29 form an integral part of these financial statements.

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Prime Finance & Investment Limited


Profit and Loss Account (Merchant Banking Operation) for the year ended 31 December 2002

	<u>Notes</u>	<u>2002</u> <u>Taka</u>	<u>2001</u> <u>Taka</u>
Operational revenue:			
Fees, commission, etc.	25	1,801,200	2,728,100
Income from sale of securities	26	3,859,326	9,561,848
Other operational income	21	1,260,982	1,073,533
		6,921,508	13,363,481
Less: Operational expenses:			
Management expenses	23	8,338,753	6,247,282
Profit/(loss) from operations transferred to Combined Profit and Loss Account		<u>(1,417,245)</u>	<u>7,116,199</u>

The annexed notes 1 to 29 form an integral part of these financial statements.


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Dhaka, 5 May 2003



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Prime Finance & Investment Limited

**Cash Flow Statement
for the year ended 31 December 2002**

	<u>2002</u> Taka	<u>2001</u> Taka
Cash flow from operating activities:		
Collection from operational income	247,127,472	129,596,420
Payment for operational expenses	(64,985,971)	(26,711,570)
(Increase)/decrease in operating assets	3,646,720	(6,372,416)
Increase/(decrease) in operating liabilities	42,116,118	50,615,849
Payment of corporate income tax	(300,141)	(122,827)
<i>Net cash flow from operating activities</i>	<u>227,604,198</u>	<u>147,005,456</u>
Cash flow from investing activities:		
Acquisition of lease assets	(422,909,316)	(312,733,719)
Advance for lease assets	(37,595,241)	(41,801,156)
Acquisition of fixed assets	(617,375)	(411,990)
Disposal of lease assets	27,667,170	6,730,076
Increase in term finance	(113,686,202)	(75,464,552)
Increase of hire purchase investment	(1,885,702)	4,162,041
Sale of securities	92,172,477	54,953,170
Investment in securities	(117,270,608)	(69,641,330)
<i>Net cash flow from investing activities</i>	<u>(574,124,797)</u>	<u>(434,207,460)</u>
Cash flow from financing activities		
Increase in share capital	-	50,000,000
Increase in lease advance/security deposit	19,672,195	28,812,978
Receipt of bank loan	84,766,823	103,187,393
Repayment of bank loan	(58,137,757)	(16,991,659)
Receipt of term deposit	314,157,168	184,081,079
Repayment of term deposit	(52,100,000)	(1,000,000)
Decrease of portfolio investment deposit	(341,284)	(20,679,699)
Payment of dividend	(15,000,000)	-
<i>Net cash flow from financing activities</i>	<u>293,017,145</u>	<u>327,410,092</u>
Net increase/(decrease) in cash and cash equivalents	(53,503,454)	40,208,088
Cash and cash equivalents at beginning of the year	<u>72,743,060</u>	<u>32,534,972</u>
Cash and cash equivalents at end of the year	<u><u>19,239,606</u></u>	<u><u>72,743,060</u></u>



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Statement of Changes in Shareholders' Equity for the year ended 31 December 2002

	<u>Share capital</u> Taka	<u>Retained earnings</u> Taka	<u>General reserve</u> Taka	<u>Proposed dividend</u> Taka	<u>Profit and loss account</u> Taka	<u>Total</u> Taka
Balance at 31 December 2000	50,000,000	3,084,399	-	-	-	53,084,399
Changes during the year 2001:						
Issue of share capital	50,000,000	-	-	-	-	50,000,000
Net profit for the year 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)	-
	<u>50,000,000</u>	<u>1,056,910</u>	<u>4,015,000</u>	<u>15,000,000</u>	<u>-</u>	<u>70,071,910</u>
Balance at 31 December 2001	100,000,000	4,141,309	4,015,000	15,000,000	-	123,156,309
Changes during the year 2002:						
Issue of share capital	-	-	-	-	-	-
Net profit for the year 2002	-	-	-	-	35,241,069	35,241,069
Payment of dividend	-	-	-	(15,000,000)	-	(15,000,000)
Transfer to general reserve	-	-	7,050,000	-	(7,050,000)	-
Proposed dividend	-	-	-	20,000,000	(20,000,000)	-
Transfer to retained earnings	-	8,191,069	-	-	(8,191,069)	-
	<u>-</u>	<u>8,191,069</u>	<u>7,050,000</u>	<u>5,000,000</u>	<u>-</u>	<u>20,241,069</u>
Balance at 31 December 2002	<u>100,000,000</u>	<u>12,332,378</u>	<u>11,065,000</u>	<u>20,000,000</u>	<u>-</u>	<u>143,397,378</u>