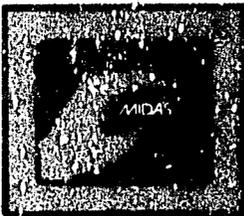


annual report

1987-88



MICRO INDUSTRIES DEVELOPMENT
ASSISTANCE SOCIETY

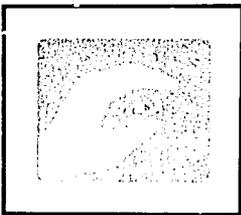
MIDAS AT A GLANCE

- Projects Funded 42
- Consultancies Completed 445
- Employment Generation 4534
- Investment Tk.167.28 M
- Loan Component Tk.95.49 M
- Value of Consultancies Tk.6.05 M
- Direct MIDAS Equity Participation Tk.2.00 M

ACTIVITIES	PRODUCTS/ SERVICES	CRITERIA	CLIENTS
Project Funding	<ul style="list-style-type: none"> ■ Identification of entrepreneurs ■ Feasibility studies ■ Financial/technical assistance ■ Monitoring/evaluation 	<ul style="list-style-type: none"> ■ Small industry ■ Innovative ■ Labour intensive ■ Forward/backward linkage ■ Replicability 	<ul style="list-style-type: none"> ■ Private entrepreneurs ■ Established businesses ■ PVOs/NGOs
Consultancies	<ul style="list-style-type: none"> ■ Fee based studies and advice 	<ul style="list-style-type: none"> ■ Small enterprise promotion ■ Job creation 	<ul style="list-style-type: none"> ■ Private individuals/firms ■ National/Int'l institutions
Research Studies	<ul style="list-style-type: none"> ■ Small scale industrial sub-sectoral studies 	<ul style="list-style-type: none"> ■ Areas having potential for rapid growth 	<ul style="list-style-type: none"> ■ Donors ■ PVOs/NGOs
Information Services	<ul style="list-style-type: none"> ■ Collecting, accessing, disseminating information ■ Sale of WB/WRI publications ■ Bi-monthly newsletter 	<ul style="list-style-type: none"> ■ Information relating to promotion and development of small enterprises 	<ul style="list-style-type: none"> ■ Private individuals/firms, ■ National/Int'l institutions
Sub Programmes	<ul style="list-style-type: none"> ■ New ways to channel resources to small enterprises 	<ul style="list-style-type: none"> ■ Consistent with MIDAS overall objectives 	<ul style="list-style-type: none"> ■ Donors ■ PVOs/NGOs

**annual
report**

1987-88



**MICRO INDUSTRIES DEVELOPMENT
ASSISTANCE SOCIETY**

**USAID/Dhaka
Reference Library**

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THE BOARD OF DIRECTORS

Mr. Samson H. Chowdhury	—	Chairman & Managing Director Square Pharmaceuticals Ltd. Dhaka
Mr. Manfred E. Feldmann	—	Production Manager Mirpur Agricultural Workshop & Training School (MAWTS) Dhaka
Mr. R.M.H. Hirji	—	Chairman & Managing Director Dacca Refractories Ltd. Dhaka
Mr. Amirul Islam	—	Director Associated Builders Corp. Ltd. Dhaka
Mr. Mahbub Jamil	—	Chairman & Managing Director Singer Bangladesh Ltd. Dhaka
Mr. Harry Jayasingha	—	Country Director International Voluntary Services (IVS) Dhaka
Mr. Sekander Miah	—	Director Marketing and Design Division Bangladesh Small & Cottage Industries Corporation (BSCIC) Dhaka
Mrs. Rokia A. Rahman	—	Managing Director R.R. Cold Storage Ltd. Dhaka
Mr. Dennis J. Reynard	—	First Vice President & Country Head American Express Bank Ltd. Dhaka
Mr. M. Mobassar Husain	—	Executive Director Micro Industries Development Assistance Society (MIDAS) Dhaka

DIRECTORS' REPORT

The Board of Directors has the pleasure to submit herewith the 6th Annual Report on the activities of Micro Industries Development Assistance Society (MIDAS) and the audited statements of accounts for the financial year 1987-88, covering the period from July 1, 1987 to June 30, 1988 in fulfilment of its obligations described in Section 5(b) of the Rules and Regulations of the Society.

The Board of Directors also takes this opportunity to report with satisfaction the overall performance of MIDAS during the period in general, drawing however, particular attention to some of the major achievements during the year. These include, inter alia:

1. Undertaking a thorough and meaningful planning exercise in conformity with the needs of the hour and wedding it to multi-dimensional objectives and goals that would give MIDAS a newer direction hitherto unknown and unexplored.
2. Complete re-organisation of MIDAS with a view to making it more effective and dynamic in all its current and future activities.
3. In terms of disbursement and loan recovery MIDAS has done better than past years. This has been representative of the organisational strength it has gained during the period under review.
4. MIDAS has been able to transform the manual system into a computerized system in all the departments.
5. MIDAS has successfully introduced computerized MIS which has brought it in line with the modern management technique that behoves any progressive organisation in the world today.

The Board of Directors puts on record its appreciation of the performance of the operational management which has displayed a high degree of dedication and team-work, irrespective of his/her position in MIDAS to keep such positive trend and to pursue it with keener zeal and enthusiasm in all its future endeavours.

INSTITUTIONAL OVERVIEW

Background

An alarmingly high rate of unemployment combined with an ever-increasing size of the able work force in Bangladesh, has had compounded the manifold problems facing the government and the development planners. In such an apparently baffling situation the cry of the hour has been to create more and more employment opportunities to contain the inevitable crises generating from it. The small scale enterprises where investment is more cost effective have been identified as one of the most prospective sectors for generating new off-farm employments. Against such a back-drop and in order to fruitfully exploit the possibilities thus visualized, about 40 Private Voluntary Organisations (PVOs) met in a common forum continuously from 1979 to 1981 and deliberated upon the necessity of having a separate organisation that would collect and cater information on latest technology, provide technical assistance and faculty for experimentation of small enterprises. On the basis of this realization MIDAS was established at the initiative of USAID who continues to be the principal donor. MIDAS was formally registered with the Department of Social Services, Government of the People's Republic of Bangladesh in 1982 as a non-profit private voluntary organisation.

Prior to the completion of registration formalities, a Cooperative Agreement was signed in 1981 between USAID (under its Rural Industrial Project) and The Asia Foundation (as an intermediary) to channelize and also to administer USAID assistance to MIDAS. At that time, one of the strategies was promotion of rural non-farm employment.

Upon its registration, the management of MIDAS was vested in a nine-member Board of Directors comprising such individuals who were associated with it right from its conceptual stage. MIDAS Society was formed with representatives from voluntary agencies, private business houses, Government of Bangladesh, donor agencies, etc. These members of the Society elect the Board of Directors.

In 1983, MIDAS signed a new Cooperative Agreement directly with USAID which laid special emphasis upon developmental and loan activities to private small enterprises. MIDAS was also given an additional mandate to move towards self-sustenance progressively.

In an independent evaluation of MIDAS conducted by US-based Robert R. Nathan Associates back in April 1986, MIDAS was considered to have been a well organised institution, capable of providing both financial and technical services to its beneficiaries effectively.

On August 20, 1987, the latest Cooperative Agreement was executed under the Enterprises Development Project of USAID. In fact, it was a Tripartite Agreement and the parties to it were: USAID, MIDAS and the Bangladesh Government represented by the Ministry of Industries.

By virtue of its proficiency in business management as demonstrated over the past years, MIDAS has confidently gained a comfortable berth in the developmental scenario. The keen interest being evinced by several other potential donors, besides USAID, has been a case in testimony of MIDAS capabilities.

In short, MIDAS is now well established with a unique business-like approach to enterprise development, while maintaining both commercial and developmental objectives.

LEGAL STATUS

MIDAS is incorporated as a non-profit Private Voluntary Organisation under the Society's Act, 1860.

Under the law of the country MIDAS is registered with the Department of Social Services. Besides, MIDAS is also enlisted as a consulting firm with the Technical Assistance Coordination Cell/ERD, Bangladesh Shilpa Bank, Bangladesh Shilpa Rin Sangstha, Asian Development Bank, UNDP and The World Bank.

ASSOCIATION MEMBERSHIP

MIDAS is a member of the following organisations/agencies :

1. Association of Development Agencies in Bangladesh (ADAB).
2. Metropolitan Chamber of Commerce & Industry.
3. Bangladesh Employers' Association.
4. Approtech Asia.

ORGANISATION

In addition to the Head Office located in Dhaka there is a Branch Office in Chittagong city which was established in June 1987. The organisation discharges its responsibility through three functional departments, namely, Commercial, Development and Finance & Administration Department.

The total number of employees on roll is 51 which includes 29 qualified professionals representing multi-disciplines, such as finance, marketing, engineering, economics, statistics, management and liberal arts.

MANAGEMENT

The Board of Directors of MIDAS is the supreme body responsible for overall direction and administration. The Executive Director, being the Chief Executive, is responsible to the Board of Directors on all matters relating to policy implementation and follow-up, administration and finance.

During the year two Directors, namely, Mr. R.M.H. Hirji and Mr. Samson H. Chowdhury were due to retire from the Board of Directors. They were however, re-elected for another term of two years. In addition, there were some changes in the Board of Directors. Mr. Manfred E. Feldmann and Mr. Dennis J. Reynard were elected in place of Mr. Md. Ikramullah and Mr. Peter Schofield. Mr. Mahbub Jamil was also elected as a new director during the year.

On the basis of the Tripartite Agreement mentioned afore, Mr. Sekander Miah, Director, BSCIC was nominated by the government to represent it in the MIDAS Board.

OBJECTIVE

The objective for which MIDAS promotes and develops small enterprise sector in Bangladesh is to generate employment on a self-sustainable basis, by way of:

1. Identifying exceptionally rewarding and promising small industrial opportunities.
2. Providing financial, managerial and/or technical assistance to the entrepreneurs.
3. Serving as a potent force for growth in small and medium scale enterprises.

OPERATING POLICY & FUNCTIONS

Keeping in view the Government's Third Five Year Plan Objectives and Industrial Policy, MIDAS:

- Identifies prospective entrepreneurs and business opportunities.
- Provides funds in the form of loan to finance small scale enterprises to help boost the national economy. The funds so provided are recovered and ploughed back again into the revolving fund for further investments.
- Shares the burden of business risk element in the projects by providing equity support where it is considered reasonably high.
- Promotes small scale income generating activities undertaken by the private voluntary organisations.
- Encourages promoting non-traditional, export-oriented, import-substituting, innovative industries with spin-off effects and also high risk projects where institutional finance is not readily accessible.
- Lays emphasis on the development of women entrepreneurship. At least 20% of all commercial and developmental activities of MIDAS are to be in the areas where women entrepreneurs figure prominently.
- Conducts frequent monitoring of the projects both in operation and under implementation stage in order to identify their needs for assistance.
- Carries out various development services such as subsectoral, action research & sub-contracting studies, socio-economic & industrial consultancies and provides development information relating to industries.

OVERVIEW OF SMALL SCALE ENTERPRISES

Alleviation of poverty through higher production and employment is the prime objective of the Third Five Year Plan (TFYP) document. It is universally recognised that the economic salvation of Bangladesh depends to a great extent on the promotion and development of small scale enterprises. It is also observed that in the past many steps were taken for the development of that sector by establishing special institution like BSCIC and making special provisions and policies towards promoting the sector. Recently much has also been said and done for the introduction and promotion of small and medium-sized industries. But inspite of all these, the fact still remains that it has not been possible to create much impact or generate enough tempo for the development of small and medium-sized enterprises in the country.

Of course, one aspect is clear that the entrepreneurs have shown great enthusiasm to set up an industrial unit but retreated from the field on account of a multiplicity of problems having been faced in leading the project to the final stage of production and continued commercial operation. The potentials are great and it is needed only to provide appropriate opportunities, a congenial environment and sufficient support services to convert the potential into reality.

In order to achieve this objective, Government has recognised industrial development side by side with agriculture as an important effective tool. And accordingly the Small and Cottage Industries (SCI) sector has been given its appropriate place in the Industrial Policy, 1986 through declaration of the sector as the priority sector. The salient features of the Industrial Policy 1986, in respect of SCI sector are:

- Declaration of the sector as priority sector.
- Opening separate window in the financial institutions and commercial banks for financing small industries.
- Setting apart a definite percentage of resources by the financial institutions and banks for SCI sector.
- Debt-equity ratio of 80:20 to provide support to small entrepreneurs.
- Provision for setting up a small entrepreneur's credit guarantee scheme under joint sponsorship of BSCIC and Sadharan Bima Corporation.
- Income tax rebate in less and least developed areas linked to production.
- Allocation of fund for sick small industries and for supporting sub-contracting.
- Irrespective of debt-equity ratio and areas, the rate of interest will be 10% per annum

Apart from the above, the SCI sector has been provided special incentives and other benefits like tax holiday, reduction of import duty on machinery and equipment for setting up new industry and for BMRE to 2.5% advalorem for the SCI in less and least developed areas and also in the BSCIC industrial estate and exemption of income tax for all income arising from export of handicrafts.

Keeping the objectives of the government in view, MIDAS has been gearing up all its activities towards the promotion of small enterprises in the country in order to supplement the government efforts.

LAST FIVE YEARS AT A GLANCE

(Taka in Million)

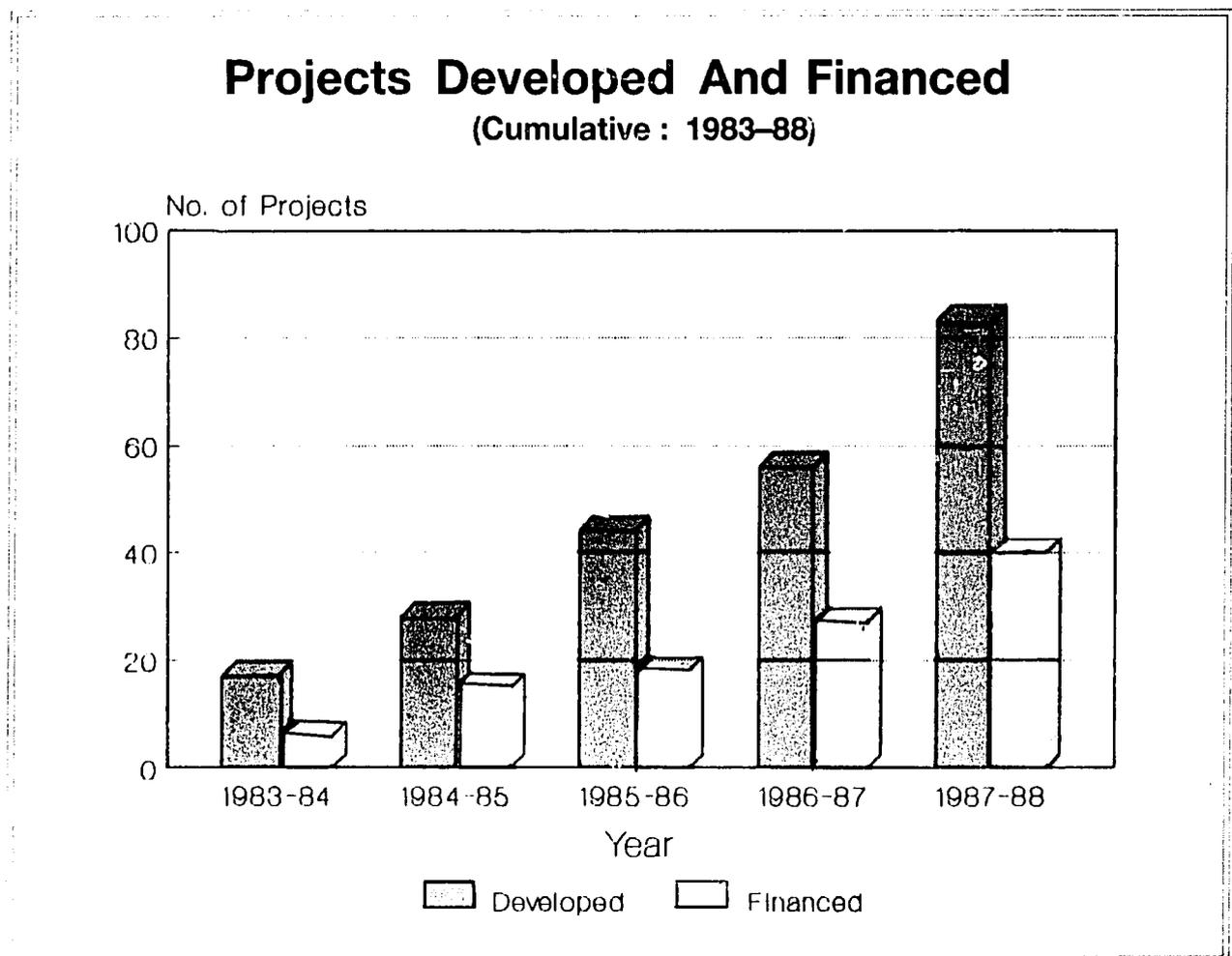
Particulars	1983-84	1984-85	1985-86	1986-87	1987-88	Total
No. of projects developed	17	11	16	12	27	83
No. of projects approved	6	8	11	7	22	54
No. of projects financed	6	9	3	9	13	40
Total project cost	8.48	10.48	31.85	39.60	73.38	163.79
Amount of loan sanctioned	5.75	6.65	17.66	20.08	43.53	93.67
MIDAS direct equity participation sanctioned	—	1.00	1.00	—	—	2.00
Amount of loan recovered	0.49	0.76	1.15	1.98	5.24	9.62
Amount of loan disbursed	3.57	5.32	4.12	15.69	19.66	48.36
Disbursement of MIDAS equity participation	—	—	1.00	0.50	—	1.50
No. of consultancies completed	34	322	29	26	14	425
Amount earned from consultancies	0.52	2.74	0.37	1.46	0.92	6.01
No. of employment created (cumulative)	1150	1925	3000	3600	4534	4534

REVIEW OF OPERATIONS

The overall performance of MIDAS during FY 1987-88 was good inspite of the natural calamity baffling the country and continual civil unrest last year. Among the achievements, particular mention may be made for undertaking a two-month long planning exercise in order to set the goals for MIDAS' 5-year plan. In the course, it temporarily slowed down normal activities but, in the ultimate analysis, the results of the strenuous planning exercise far outweighed the immediate impediment because it would breed long term benefits for MIDAS.

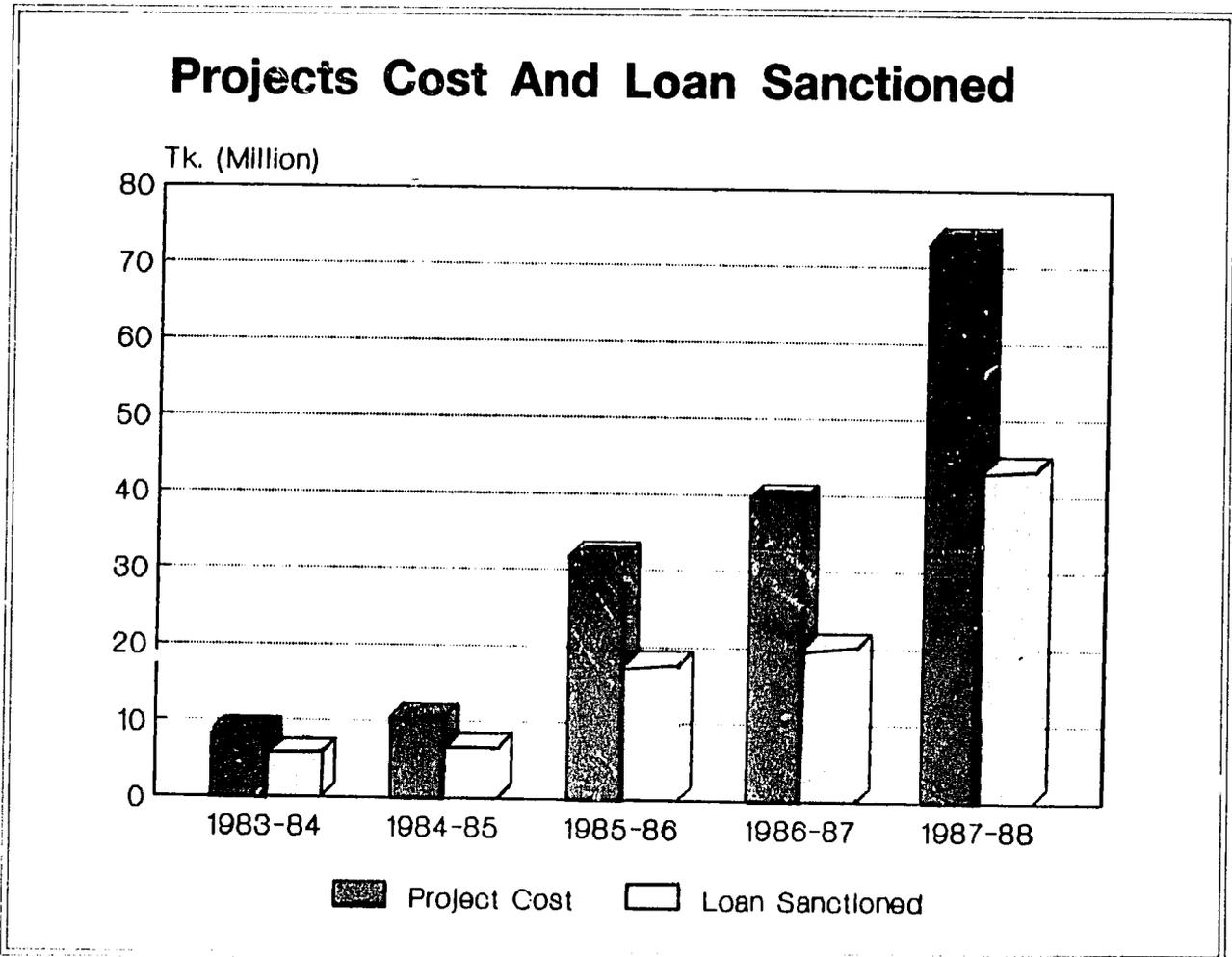
PROJECT DEVELOPMENT

During the year 27 projects were developed for funding compared to 12 projects developed in the preceeding year. And the Board approved 22 projects which also include 2 projects developed in the last year. These include, among others, semi-intensive shrimp culture, improved vegetable seed production, box & exhaust fan with FHP motor, electronic components, emergency light & medical equipment, waste plastic re-cycling, textile & printing related chemicals etc.



DISBURSEMENT

The disbursement of project loan during the year amounted to Tk. 19.66 million as compared to Tk. 15.69 million disbursed in the preceeding year. The cumulative disbursement of loan as on June 30, 1988 stood at Tk. 49.01 million.

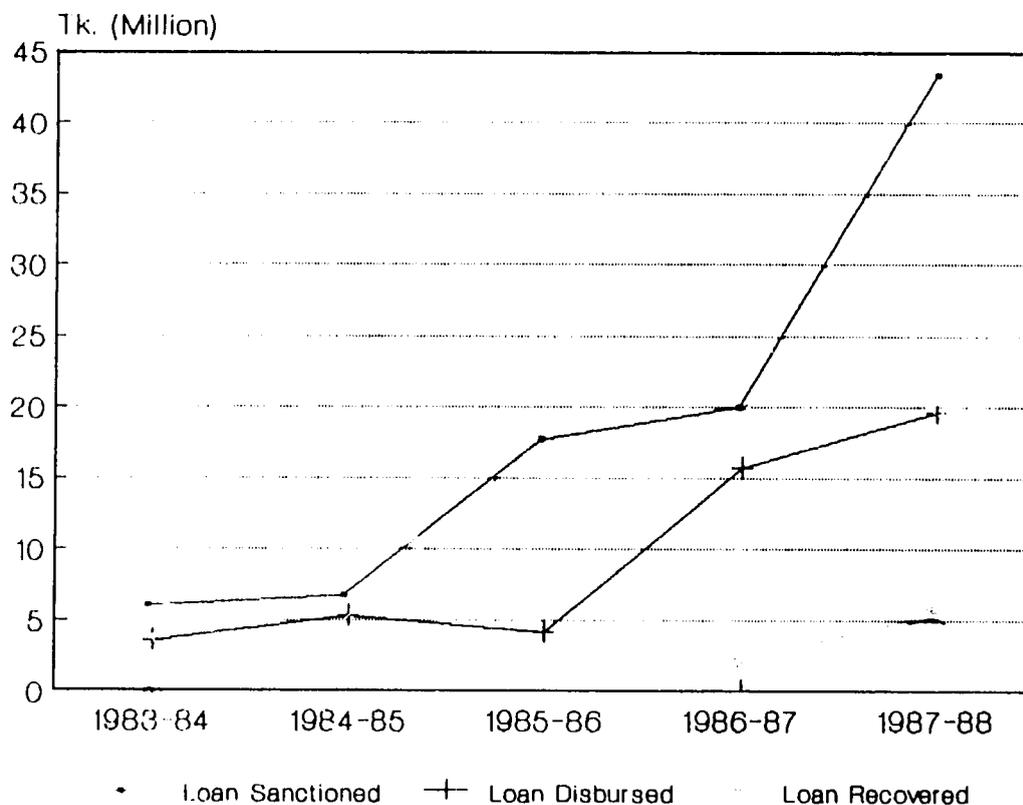


RECOVERY

The recovery system has been strengthened by hiring a new recovery official. Besides the Recovery and Project Officers, the Top Management are also intimately involved in recovering the loans. Regarding the recovery, targets are set for each project on quarterly or half-yearly basis and recovery drives are conducted accordingly to realise the dues.

MIDAS recovered Tk. 5.24 million during the year as against Tk. 1.98 million recovered in the preceeding year. The overall recovery rate was 82.53% as compared to 83.40% in the preceeding year.

Loan Sanctioned, Disbursed and Recovered



PROJECT MONITORING

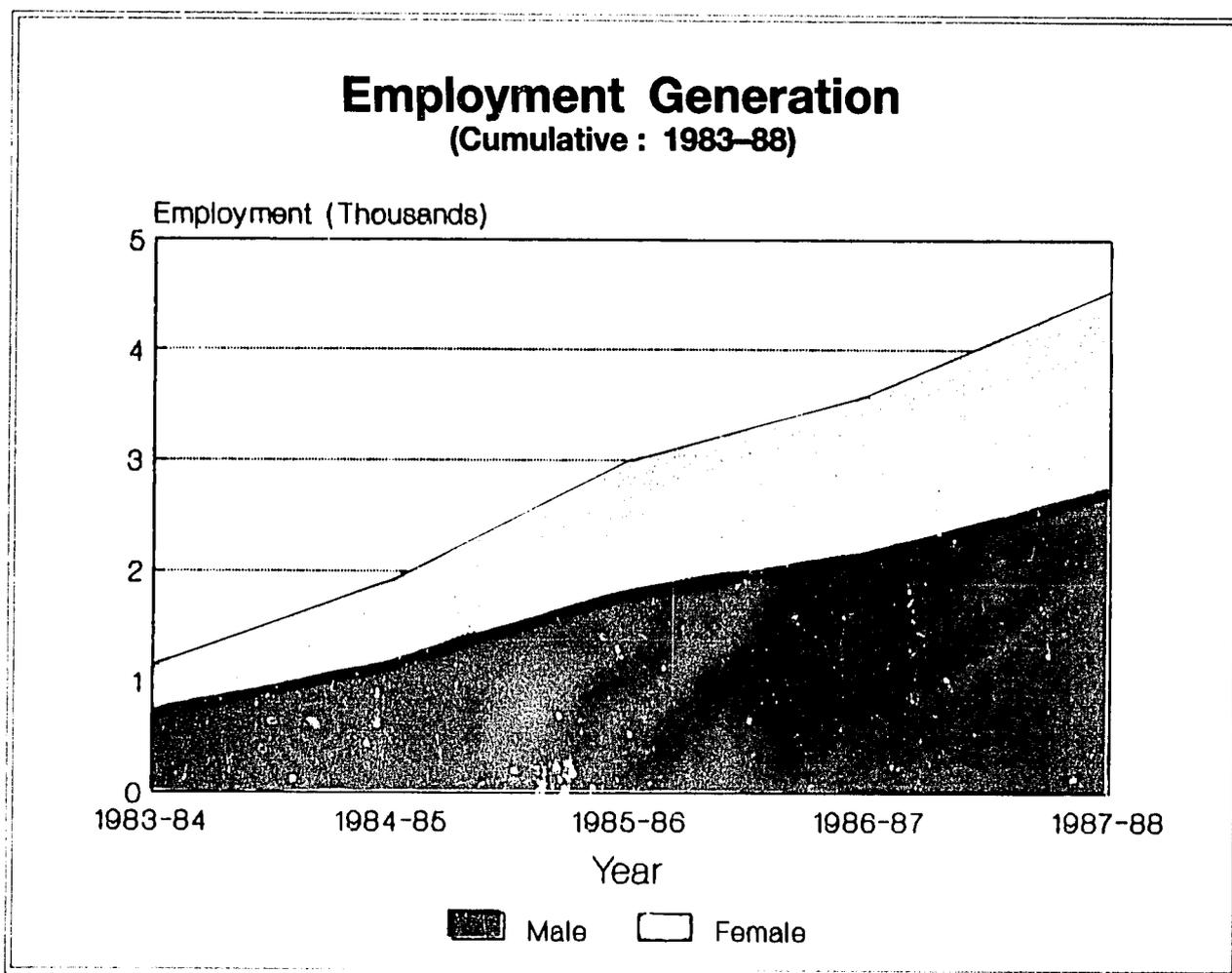
In order to ensure smooth and timely implementation of the projects, frequent follow-up visits are undertaken for both completed and under implementation projects. In this context, the project monitoring has been more strengthened by hiring new monitoring officers. Besides, the project officers who primarily develop the projects have basically been entrusted with the responsibility of monitoring including the loan recovery. This new system is expected to improve the overall performance and the recovery position of the projects.

PROJECT EVALUATION

Immediately after the project goes into implementation, evaluation thereof is made to find out the progress achieved in accordance with the plan. The findings of such evaluation provide a good feed-back to the professional staff. Besides, special evaluations are also made for projects where overall performances including repayment are not satisfactory. During the year a special evaluation was conducted for 4 sericulture and one handloom project to find out the causes of poor performance and suggesting the necessary remedies or actions for their profitable operations.

ECONOMIC IMPACT

The projects which were approved during the year are expected to generate additional employment opportunities for 934 persons including 146 women as against job opportunities planned for 600 persons in the preceeding year. These projects were stated to contribute Tk. 36.06 million to the gross domestic product (GDP) of the country. On implementation, the projects are expected to accelerate the pace of industrial development and the rate of socio-economic progress of the country. Moreover, the projects will also help the country's foreign exchange earnings and savings.



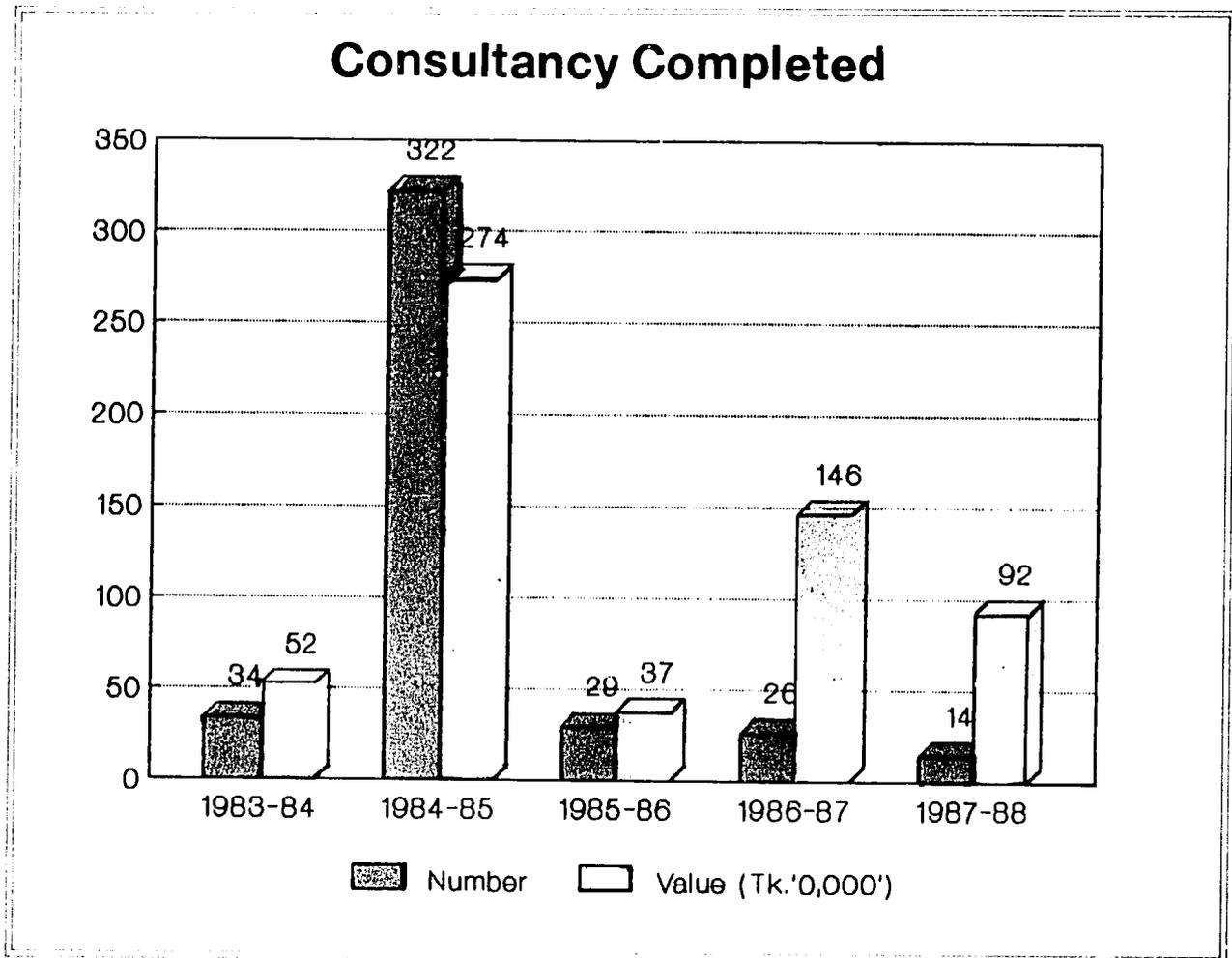
CONSULTANCIES

MIDAS is also known to many national and international organisations as a reputed consulting house. It undertakes both industrial and socio-economic consultancies keeping in view the need of small enterprise promotion in the country.

During the year, MIDAS completed 14 consultancy assignments worth Tk. 0.92 million compared to 26 consultancies, worth Tk. 1.46 million in the preceeding year. Of these, 8 consisted of socio-economic studies, 2 market studies, 4 industrial feasibilities.

These consultancy assignments were obtained from local as well as international agencies like: BRDB, UNICEF, BIDS, DANIDA, UNFPA, World Bank, and YWCA

In addition to the above, MIDAS has obtained a consultancy assignment worth Tk. 1.5 million from DANIDA on entrepreneurship development. Formal agreement has been signed with DANIDA on June 1, 1988. Under this programme MIDAS will assist DANIDA to set up 40 small scale enterprises in the Greater Noakhali District in the year 1988-89.



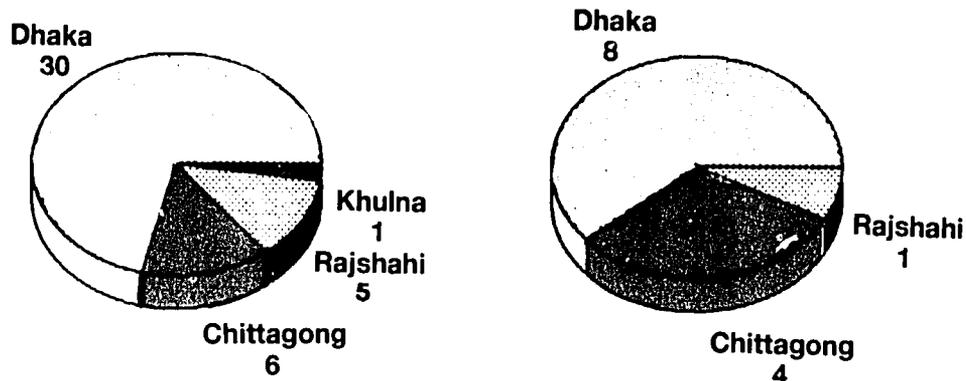
BRANCH ACTIVITIES

MIDAS has only one branch office which was set up in Chittagong in June, 1987. The branch started its function with a small but an effective team of three professionals. Within a short span of time, they developed 7 projects of which 5 were approved for funding. These include two semi-intensive shrimp culture projects, one box & exhaust fan project, one waste plastic re-cycling project and one electronic ballast manufacturing project. In the meantime, the aforesaid two shrimp culture projects have already been implemented while the others were proceeding towards documentation.

During the year the branch officials were busy in establishing linkages with various target groups or organisations/institutions in order to provide them manifold development services. The entrepreneurs have also shown deep enthusiasm to obtain MIDAS assistance to set up small enterprises in the region.

In order to strengthen the branch and boost up its activities, the Executive Director and the Departmental Head visited the branch a number of times. They also held meetings and discussions with various business communities and prominent people at Chittagong.

Regional Distribution of Funded Projects



Cumulative : (1982-88)

Current : (1987-88)

PROMOTIONAL ACTIVITIES

PROJECT IDENTIFICATION

In a bid to provide the potential entrepreneurs with ideas of innovative investment opportunities in the socially desirable projects, MIDAS prepared a list of projects for facilitating the entrepreneurs in selecting projects. Moreover, 2 sub-sectoral studies were carried out to identify investment opportunities, viz.:

- Commercial Catfish Farming.
- Decentralised Cotton Spinning in Collaboration with ITDG of England.

Besides, more new areas that have been identified for subsectoral studies are:

- Toy and Doll Industry.
- University - Industry Linkage.



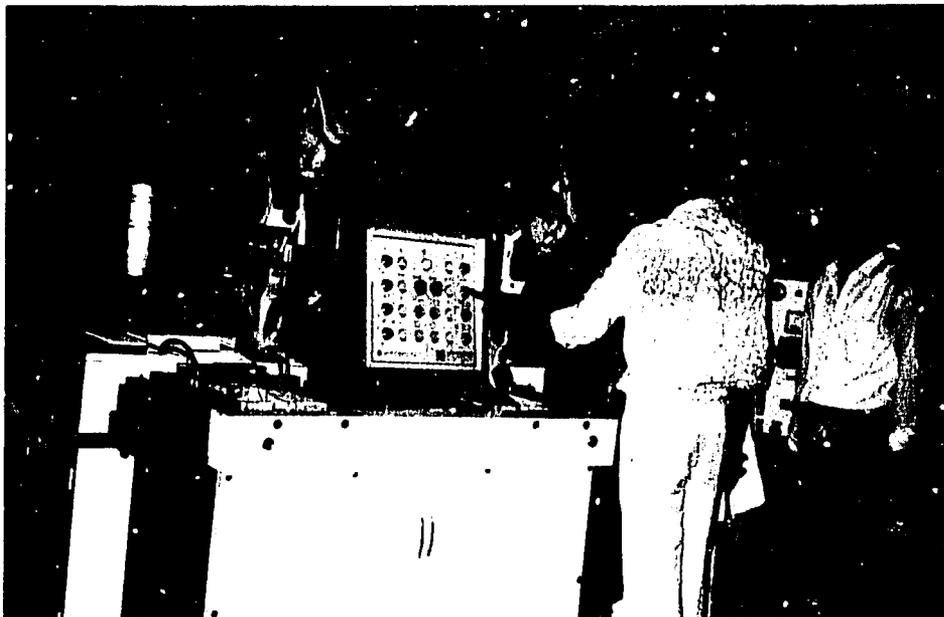
Shrimp Culture Farm

BUSINESS PROMOTION TOUR

MIDAS as a part of its enterprise promotion work, frequently undertakes rural visits to identify promising investment opportunities and prospective entrepreneurs. In this context, MIDAS' senior professionals visited 23 places around the country. In addition, the Top Management also addressed the Chambers of Commerce & Industries at Myrnsingh, Bhairab Bazar, Comilla, Cox's Bazar and Chittagong during the year.



Export Oriented Bamboo Basket Industry



Export Oriented Sport Shoe Industry

TECHNICAL COLLABORATION

MIDAS has collaboration arrangements with the following foreign organisations in the development fields :

- The World Bank (WB), Washington, USA, for distribution of publications.
- The World Resources Institute (WRI), Washington, USA, for distribution of publications.
- Technology For The People (TFTP), Geneva, Switzerland, for collaborating on transfer of technology.
- Attempts were made to establish collaboration with Canadian Executive Service Organisation (CESO), Canada, for arranging technical and professional consulting assistance to local entrepreneurs and organisations.

INFORMATION SERVICES

MIDAS' technical library continued to provide the entrepreneurs with technical information relating to industries. The library has valuable books/publications on appropriate technology, marketing and industrial management techniques.

During the Year 369 additional Books, reports and publications have been added and about 200 people utilised the library facility. The library presently has over 1,995 books and other publications. The library is open to the public from 8.00 a.m. to 4.30 p.m. on all working days except Fridays and Saturdays.

MIDAS has also built up a microfiche library to augment its information services which includes 1,200 titles on agricultural tools and techniques, workshop tools and equipment, crop storage systems, water supply systems, forestry, aquaculture, improved cookstoves, solar/wind/water power, bio-gas, transportation, health care, science, teaching communications, small industries, small enterprise management, non-formal education technique and all other small scale technology topics.

Besides, MIDAS started bringing out a bi-monthly newsletter during the year. This newsletter contains vital information relating to enterprise promotion and development and being distributed among Government, Semi-Government Agencies, Chambers of Commerce & Industries, Banks, DFIs, Sector Corporations, NGOs, Universities and many other business establishments with a total circulation of 1,000 copies.

TRAINING PROGRAMME

MIDAS lays greater emphasis on proper training to its professionals. The objective of the training is to upgrade the skills and professional knowledge in order to enable them to discharge their duties most effectively. During the year 14 officials attended various training courses/seminars, etc., on marketing, financial analysis, research methodology and computer programming, which were organised by the Institute of Business Administration (IBA), Bangladesh Management Development Centre (BMDC), Bangladesh Academy for Rural Development (BARD), Computerland and Ciproco etc.

Besides, an in-house one-day training workshop on marketing was conducted by Mr. Harry Jayasingha, a member of MIDAS Board of Directors, which was participated by 15 professionals.

During the year MIDAS also conducted a one-week long in-house training on small credit programme for a PVO called Manobik Shahajya Sangstha (MSS) in its own premises.

Mr. M. Mobassar Husain, Executive Director on invitation addressed a seminar on "Towards Self-Reliance for NGO Institutions" in Bangkok as a resource person organised by Approtech Asia.

GENERATING SUPPORT FROM DONORS

The on-going programmes of MIDAS are being mainly funded by USAID. In the past, Swiss Development Co-operation (SDC) also provided funds to MIDAS to finance a few sericulture projects.

The Ford Foundation has provided funds to implement the activities of the on-going Textile Development Programme, viz., institutional development, information service, technical assistance and project funding. During the year institutional development component has been almost completed along with the development of 4 projects.

During the year, MIDAS established good relation with DANIDA. On seeing its successful implementation of small enterprises, DANIDA has shown interest to provide MIDAS Tk. 10.0 million for funding an innovative small enterprise development programme. Negotiations with NORAD have progressed satisfactorily and favourable outcome is expected in early 1989 to develop 20 funding projects with NORAD funding.

ORGANISATIONAL DEVELOPMENT

In order to make MIDAS capable of executing its programmes most effectively, the following notable activities have been accomplished during the year :

1. A Five Year Business Plan/Strategy from 1987-92 has been developed to set operational targets.
2. MIDAS operations, viz., Commercial, Development and Accounting have been computerised.
3. A full-fledged computerised Management Information System (MIS) has been introduced.
4. One senior professional has been promoted to the rank of Deputy Director for the Development Department. Besides, two senior level professionals were recruited.
5. A Tripartite Agreement was signed involving BSCIC and USAID that allows MIDAS Board to approve, control and monitor all activities. BSCIC on behalf of the Ministry of Industries, Government of Bangladesh, is represented in the MIDAS Board.

OTHER ACTIVITIES

BOARD NEWS

The Board of Directors met eleven times during the year while it reviewed MIDAS operations, took a number of important decisions including giving approval to 22, projects for funding.

The Annual General Meeting of the Society was held in November 15, 1987. The members of the Society deliberated on many important issues including reviewing the yearly activities of the organisation.

**STATEMENT OF ACCOUNTS
FOR
THE YEAR ENDED JUNE 30 , 1988**

M.A. QUADER KABIR & CO.
CHARTERED ACCOUNTANTS
DHAKA

October 12, 1988

Board of Directors
Micro Industries Development
Assistance Society (MIDAS)
House No. 56
Road No. 7A
Dhanmondi R.A.
DHAKA

Dear Sirs :

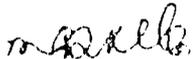
Subject : Audit of accounts of MIDAS for the year ended June 30, 1988

We have audited the annexed Balance Sheet of Micro Industries Development Assistance Society (MIDAS) as at June 30, 1988 and also the related Income and Expenditure Account together with Receipts and Payments Account for the year ended on that date.

Our examinations were made in accordance with the generally accepted auditing standards to the extent appropriate in view of the nature of the assignment and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We have also reviewed the utilisation of funds received by the organisation during the period under audit.

In our opinion, the financial statements, read in conjunction with the attached notes and our separate management report addressed to the Board of Directors give a true and fair view of the financial position of the society as at June 30, 1988 and the results of its fund operations during the period ended on that date. We further certify that these accounts are in conformity with the generally accepted accounting principles and practices.

Yours faithfully,



M.A. QUADER KABIR & CO.
Chartered Accountants.

MICRO INDUSTRIES DEVELOPMENT ASSISTANCE SOCIETY (MIDAS)
BALANCE SHEET AS AT JUNE 30, 1988

	TAKA	JUNE 30, 1987 TAKA
FIXED ASSETS		
At cost/valuation	4,520,392	3,471,839
Less : Depreciation	1,989,385	1,306,099
	2,531,007	2,165,740
Investment in Equity	1,500,000	1,500,000
Project Loan	39,202,236	23,338,662
CURRENT ASSETS		
Advances, Deposits and Prepayments	349,325	282,641
Accruals and Receivable	5,321,338	662,816
Fund Receivable from USAID	999,280	2,612,827
Fund Receivable from Ford Foundation	192,964	—
Cash and Bank Balance	21,730,330	15,379,695
	28,593,237	18,937,979
	71,826,480	45,942,381
LESS : CURRENT LIABILITIES		
Liabilities for Expenses	36,955	27,157
Suspense Account	—	413
	36,955	27,570
NET ASSETS	71,789,525	45,914,811
FINANCED BY		
Donation	469,952	469,952
Income Generated	13,680,250	8,650,808
Grants for Project Loan	48,022,597	32,022,240
Surplus Operational Grants	474,732	1,984,539
Credit Fund of Loan Recoveries	6,025,686	2,277,485
Gratuity Fund	390,490	257,002
Service charge under construction period	2,725,818	—
Commitment for furniture & fixture (against USAID Fund)	—	252,785
	71,789,525	45,914,811

m. quader kabir

M.A. QUADER KABIR & CO.

CHARTERED ACCOUNTANTS

DHAKA

**MICRO INDUSTRIES DEVELOPMENT ASSISTANCE SOCIETY (MIDAS)
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED
JUNE 30, 1988**

INCOME	JUNE 30, 1987	
	TAKA	TAKA
Grants Received for general Operation :		
USAID	6,912,495	5,224,840
Swiss Development Co-operation (SDC)	23,583	54,631
Ford Foundation	233,842	1,008,658
Service Charges on Loan	2,663,391	727,939
Consultancy Fees	920,011	1,627,054
Bank Interest	908,824	800,338
Sale of Publication	196,555	120,940
Project Application and Evaluation Fees	28,000	36,500
Miscellaneous Receipts	28,846	975
Membership Fees	80	190
	<u>11,915,627</u>	<u>9,602,065</u>
EXPENDITURE		
Salaries and allowances	3,620,997	2,475,703
Fringe Benefits	1,157,687	732,153
Reference Materials	7,617	171,477
Consultant's Fees	458,210	442,302
Office Rent	426,888	206,684
Utilities	74,835	73,998
Postage, Telephone, Telegram & Telex	191,323	96,294
Printing & Stationery	241,429	166,877
Vehicle Operation & Maintenance	259,350	168,553
Other Repair & Maintenance	48,674	103,143
Staff Travel and Per diem	97,874	156,885
Advertisement	22,950	91,178
Business Development Expenses	48,312	40,507
Office Maintenance & Cleaning	20,892	—
Local Conveyance	21,337	—
Legal Fees	26,147	25,750
Audit Fees	20,000	19,000
Subscription & Membership Fees	19,825	7,700
Bank Charges	1,562	535
News Paper Bill	2,769	1,969
Business Promotion	23,190	—
Training, Seminar & Workshop	36,065	98,879
Binding Expenses	5,422	15,905
Staff Welfare Expenses	2,190	17,276
Annual Report	35,000	—
Exhibition	1,194	—
World Bank Publication Expenses	3,980	—
Sundries	12,388	12,007
Commission on Sale of World Bank's Publication	—	4,172
Clearing and Forwarding Charge	—	1,500
Depreciation	683,285	618,019
Provision for Bad and Doubtful Debts	—	224,220
Excess of Income over Expenditure	4,344,235	3,629,379
	<u>11,915,627</u>	<u>9,602,065</u>



APPENDIX-A

LIST OF APPROVED PROJECTS

(Figure in Taka)

Sl. No.	Name of the Project	Products/ Services	Project cost		
			Loan	Equity	total
<u>1982 – 1983</u>					
1.	MAWTS – 1	Low-cost irrigation pump	540,000	751,400	1,291,400
2.	Resource Integration Centre (RIC)	Printing	139,000	33,542	172,542
3.	Terre-Des-Hommes	Handloom	60,700	58,319	119,019
4.	Ayesha Screen Printing	Screen printing	60,000	–	60,000
5.	Paduka Sramik Sangha	Footwear	113,000	130,000	243,000
6.	Ceramic Raw Material Processing Plant	Ceramic ware	900,000	700,000	1,600,000
Sub-Total (1) :			1,812,700	1,673,261	3,485,961
<u>1983 – 1984</u>					
7.	Bangladesh Enterprise	Electronic appliances, light machinery	1,500,000	680,000	2,180,000
8.	Bogra Dustha Kalayan Sangstha	Textile products	1,378,300	667,600	2,045,900
9.	Ayesha Printing & Dyeing Industries	Fabric printing and dyeing	139,000	33,550	172,550
10.	Satadal Chemical Industries Ltd.	Household cleaning powder	1,126,000	724,000	1,850,000
11.	Jut-Tex Services Ltd.	Textile Machinery	1,330,000	570,000	1,900,000
12.	Bhairab Shoe Makers Association	Footwear	279,000	50,000	329,000
Sub-Total (2) :			5,752,300	2,725,150	8,477,450

1984 – 1985

13.	Krishi Club	Roof tiles and pottery products	295,000	53,000	348,000
14.	Silicon Village (Pvt.) Ltd.	Electronic transformers	3,520,000	2,939,000*	6,459,000
15.	A.K. Silks	Silk yarn	273,700	226,300	500,000
16.	Jhowbona Sericulture Project	Silk yarn	175,000	50,000	225,000
17.	Adi Resham Pratisthan	Silk yarn	180,000	113,000	293,000
18.	Goaldangi Weaving Project	Handloom products	246,500	253,500	500,000
19.	MAWTS – 2	Low-cost irrigation pump	300,000	–	300,000
20.	Bangladesh Export Ltd.	Espadrille	1,660,721	197,933	1,858,654
		Sub-Total (3) :	<u>6,650,921</u>	<u>3,832,733</u>	<u>10,483,654</u>

1985 – 1986

21.	Ghoramara Silk Waste Recycling Project	Silk yarn	565,000	–	565,000
22.	Bengal Chemical and Synthetic Prods Ltd.	Industrial Adhesive	2,121,700	909,300	3,031,000
23.	Superior Footwear Co. Pvt. Ltd.	Sports shoes	1,121,659	1,857,951*	2,979,610
24.	New Empire Indus. Ltd.	Fast food	1,124,491	1,209,066	2,333,557
25.	Continental Basket Manufacturers Ltd.	Bamboo basket	1,137,450	1,169,985	2,307,435
26.	Green Star Leather Complex (Pvt.) Ltd.	Industrial hand gloves	922,152	1,004,526	1,926,678
27.	Dhaka Agro Engineering Industries Ltd.	Malleable iron fittings	3,500,000	2,751,606	6,251,606
28.	Femme Industries Ltd.	Sanitary napkin	2,289,265	1,695,399*	3,984,664

* Including MIDAS equity participation

29.	Nishan Wireheald Ltd.	Wirehealds	2,203,800	1,469,200	3,673,000
30.	Kanahat Sericulture Project	Silk yarn	175,000	125,000	300,000
31.	Master Toys	Toys	2,500,000	2,000,000	4,500,000
Sub-Total (4) :			<u>17,660,517</u>	<u>14,192,033</u>	<u>31,852,550</u>

1986 – 87

32.	Bangla-Thai Nishikawa Ltd.	Artificial jewellery	3,500,000	2,536,557	6,036,557
33.	Modern Engineering Services Ltd.	High tensile wire	2,355,000	2,959,000	5,314,000
34.	Bangladesh Towel Indus. (Pvt.) Ltd.	Terry Towel	3,500,000	3,925,000	7,425,000
35.	Bengal Techno-leather Ltd.	Leather shoe uppers	2,500,000	2,166,000	4,666,000
36.	S.H. Enterprise	Leather hand gloves	2,228,440	1,568,960	3,797,400
37.	Central Rubber and Synthetic Indus. (Pvt.) Ltd.	Rubber thread	2,500,000	1,381,000	3,881,000
38.	National Kap	Electronic capacitors	3,500,000	4,982,000	8,482,000
Sub-Total (5) :			<u>20,083,440</u>	<u>19,518,517</u>	<u>39,601,957</u>

1987 – 88

39.	Legion Associates Ltd.	Electric iron	2,171,750	930,750	3,102,500
40.	International Glove Manufactory (BD) Ltd.	PVC hand gloves	2,000,000	4,659,000	6,659,000
41.	Remo Chemicals Ltd.	Industrial Chemicals	1,960,000	1,815,000	3,775,000
42.	Star Syntex Ltd.	Plastic shuttles & pickers	735,000	472,000	1,207,000

43.	Chemtech Ltd.	Red oxide	3,800,000	2,372,000	6,172,000
44.	Banani Bakers and Confectioners	Fast food bakery items	200,000	221,376	421,376
45.	Anyndya Plastic and Shikha Upakaran	Rubber eraser	1,000,000	582,000	1,582,000
46.	International Development Enterprises	Agricultural/irrigation input	1,000,000	–	1,000,000
47.	Agro Industries and Services Limited	Improved vegetable seed production	1,838,000	1,692,000	3,530,000
48.	Jantrik Tools Ltd.	Hacksaw blade	2,997,000	2,997,000	5,994,000
49.	Udyog Industries Ltd.	Bituminous products	1,000,000	831,000	1,831,000
50.	Electrical and System Services Limited	Box and exhaust fans with FHP motors	2,295,000	1,545,000	3,840,000
51.	A.M. Chemicals Ltd.	Zinc sulphate	3,500,000	2,360,000	5,860,000
52.	Banga Packages Ltd.	Corrugated box/cartoon	2,700,000	1,160,000	3,860,000
53.	Dweep Fisheries Ltd.	Semi-intensive shrimp culture	1,887,000	956,000	2,843,000
54.	Sea Water Shrimp Ltd.	-do-	2,211,000	1,121,000	3,332,000
55.	Pushpa Shrimp (Pvt.) Ltd.	-do-	2,226,000	1,011,000	3,237,000
56.	Foundation Garments Ltd.	Quality brassiere	2,415,000	1,357,000	3,772,000
57.	Homeaid Limited	Electronic ballast	1,098,365	470,728	1,569,093
58.	Precision electronic Components Limited	Brass cap of dry cell battery	2,247,736	963,316	3,211,052
59.	Kraftics Limited	Emboss printing	2,081,297	891,985	2,973,282
60.	Sunrise Plastic Industries Ltd.	Waste plastic re-cycling	2,163,830	1,442,554	3,606,384
Sub-Total (6) :			43,526,978	29,850,709	73,377,687
GRAND TOTAL :			<u>95,486,856</u>	<u>71,792,403</u>	<u>167,279,259</u>

LIST OF ABBREVIATIONS

BIDS	Bangladesh Institute of Development Studies
BRDB	Bangladesh Rural Development Board
BSCIC	Bangladesh Small & Cottage Industries Corporation
CESO	Canadian Executive Service Organisation
DANIDA	Danish International Development Agency
GOB	Government of the People's Republic of Bangladesh
ITDG	Intermediate Technology Development Group
MAWTS	Mirpur Agricultural Workshop & Training School
MIDAS	Micro Industries Development Assistance Society
NGO	Non-Government Organisation
NORAD	Norwegian Agency for International Development
PVO	Private Voluntary Organisation
SDC	Swiss Development Co-operation
TFTP	Technology For The People
UNFPA	United Nations Fund for Population Activities
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
WB	World Bank
WRI	World Resources Institute