

**IPDC of Bangladesh Limited**  
**Condensed Interim Financial Statements (Un-audited)**  
**As at and for the Half Year Ended June 30, 2014**

**IPDC of Bangladesh Limited**  
**Condensed Half Yearly Balance Sheet (Un-audited)**

Figures in Taka

As at	Note	30 June 2014	31 December 2013
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>			
In hand (including foreign currencies)		130,000	50,542
Balance with Bangladesh Bank and its agent bank(s)		99,990,613	154,996,460
Balance with other banks and financial institutions	2	690,039,531	546,533,211
		790,160,144	701,580,213
<b>Investments</b>			
Government	3.2	415,000,000	415,000,000
Others	3.3	498,970,869	505,970,869
		913,970,869	920,970,869
Loans, leases, cash credits, overdrafts, etc.	4	5,309,076,223	5,745,510,743
Fixed assets including premises, furniture and fixtures	5	116,540,288	107,827,295
Other assets	6	310,043,377	279,282,330
Non financial institutional assets	7	3,752,405	3,752,405
<b>TOTAL ASSETS</b>		<b>7,443,543,306</b>	<b>7,758,923,855</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowings from other banks and financial institutions	8	60,744,483	413,976,376
Term deposits	9	4,366,080,025	4,427,093,408
Other liabilities	10	950,726,106	852,883,256
<b>Total liabilities</b>		<b>5,377,550,614</b>	<b>5,693,953,040</b>
<b>Shareholders' equity</b>			
Paid up capital	11	1,147,731,580	1,043,392,350
Share premium	12	167,014,000	167,014,000
Statutory reserve	13	251,618,993	251,618,993
Assets revaluation reserve	14	13,585,980	13,585,980
Retained earnings	15	486,042,139	589,359,492
<b>Total shareholders' equity</b>		<b>2,065,992,692</b>	<b>2,064,970,815</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>7,443,543,306</b>	<b>7,758,923,855</b>
<b>Off-balance sheet items</b>			
Letters of guarantee	16	5,590,000	5,590,000

*The annexed notes 1 to 37 form an integral part of these financial statements.*

SD/-

**Dilip Kumar Mandal**  
Chief Financial Officer

SD/-

**Mominul Islam**  
Managing Director & CEO

**IPDC of Bangladesh Limited**  
**Condensed Half Yearly Profit and Loss Account (Un-audited)**

Figures in Taka

For the half year ended 30 June	Note	Half year		2nd quarter	
		2014	2013	2014	2013
<b>PARTICULARS</b>					
Interest income	17	447,859,635	457,075,521	222,026,714	236,339,053
Interest paid on deposits and borrowings etc	18	276,278,590	320,320,102	133,770,072	160,475,489
<b>Net interest income</b>		<b>171,581,045</b>	<b>136,755,419</b>	<b>88,256,642</b>	<b>75,863,564</b>
Investment income	19	45,248,163	43,575,298	22,488,196	21,852,235
Commission, exchange and brokerage	20	2,928,170	5,097,570	1,944,343	1,825,441
Other operating income	21	9,801,624	11,120,519	8,850,329	11,011,364
<b>Total operating income</b>		<b>229,559,002</b>	<b>196,548,806</b>	<b>121,539,509</b>	<b>110,552,604</b>
Salary and allowances		42,916,596	35,952,545	22,658,751	17,892,168
Rent, taxes, insurance, electricity, etc.	22	6,310,968	5,712,564	3,405,627	3,018,715
Legal expenses	23	5,197,976	4,524,016	2,416,043	2,178,042
Postage, stamp, telecommunications, etc.	24	1,520,253	1,352,596	762,931	679,980
Stationery, printings, advertisements, etc.	25	4,903,829	4,359,348	2,994,456	2,739,078
Managing Director's salary and allowances	26	2,914,998	2,914,998	1,457,499	1,457,499
Directors' fees	27	1,661,546	1,603,801	793,578	825,170
Depreciation and repair of Fixed assets	28	11,065,727	10,157,194	5,992,980	5,306,276
Other expenses	29	7,486,829	8,329,423	2,943,512	4,137,427
<b>Total operating expenses</b>		<b>83,978,721</b>	<b>74,906,484</b>	<b>43,425,376</b>	<b>38,234,354</b>
<b>Profit before provision</b>		<b>145,580,281</b>	<b>121,642,322</b>	<b>78,114,133</b>	<b>72,318,249</b>
Provision for loans and leases		33,502,693	4,581,762	15,873,589	(3,673,441)
Other provisions		-	2,680,750	-	-
<b>Total provision</b>	30	<b>33,502,693</b>	<b>7,262,512</b>	<b>15,873,589</b>	<b>(3,673,441)</b>
<b>Profit before tax</b>		<b>112,077,587</b>	<b>114,379,810</b>	<b>62,240,544</b>	<b>75,991,690</b>
Current tax	10.3	58,429,223	59,606,233	26,316,974	35,354,730
Deferred tax	31	456,870	1,180,282	1,093,516	1,244,424
<b>Total tax expenses</b>		<b>58,886,093</b>	<b>60,786,515</b>	<b>27,410,490</b>	<b>36,599,154</b>
<b>Net profit after tax</b>		<b>53,191,494</b>	<b>53,593,295</b>	<b>34,830,054</b>	<b>39,392,536</b>
<b>Earnings per share (Restated Y2013)</b>	32	0.46	0.47	0.30	0.34

*The annexed notes 1 to 37 form an integral part of these financial statements.*

SD/-

**Dilip Kumar Mandal**  
Chief Financial Officer

SD/-

**Mominul Islam**  
Managing Director & CEO

**IPDC of Bangladesh Limited**  
**Condensed Half Yearly Cash Flow Statement (Un-audited)**

Figures in Taka

For the half year ended 30 June	Note	2014	2013
<b>OPERATING ACTIVITIES</b>			
Interest receipts in cash		465,236,857	478,824,692
Interest payments in cash		(303,672,312)	(306,139,556)
Dividend receipts in cash		5,433,578	8,682,852
Fee and commission receipts in cash		2,928,170	5,097,570
Recoveries of loan previously written off		9,350,000	10,000,000
Cash payments to employees		(42,573,781)	(32,794,790)
Cash payments to suppliers		(26,517,122)	(29,821,289)
Income taxes paid		(14,641,799)	(4,871,072)
Receipts from other operating activities	33	27,938,317	28,012,558
<b>Cash generated before change in operating assets and liabilities</b>		<b>123,481,909</b>	<b>156,990,965</b>
<b>Increase/decrease in operating assets and liabilities</b>			
Purchase/sale of trading securities		7,000,000	7,596,378
Loans, advances and leases to other banks		10,159,906	(121,650,162)
Loans, advances and leases to customers		333,638,812	(520,279,251)
Other assets	34	(4,559,777)	(8,822,681)
Deposits from customers		(61,013,383)	212,945,665
Trading liabilities		(348,887,163)	446,559,414
Other liabilities	35	65,974,358	62,811,291
<b>Net increase/decrease in operating assets and liabilities</b>		<b>2,312,753</b>	<b>79,160,655</b>
<b>Net cash from operating activities</b>		<b>125,794,662</b>	<b>236,151,620</b>
<b>INVESTING ACTIVITIES</b>			
Payment for purchase of property, plant and equipment		(10,264,153)	(13,417,156)
Sale proceeds of property, plant and equipment		-	3,438,000
<b>Net cash provided/(used) in investing activities</b>		<b>(10,264,153)</b>	<b>(9,979,156)</b>
<b>FINANCING ACTIVITIES</b>			
Receipts/(payments) of long term loan		(4,344,730)	(3,860,235)
Dividends paid in cash		(22,605,848)	(95,167,098)
<b>Net cash provided/(used) in financing activities</b>		<b>(26,950,578)</b>	<b>(99,027,333)</b>
<b>Net increase/(decrease) in cash</b>		<b>88,579,931</b>	<b>127,145,131</b>
<b>Cash and cash-equivalents at beginning of half year</b>		<b>701,580,213</b>	<b>527,965,477</b>
<b>Cash and cash-equivalents at end of half year</b>	36	<b>790,160,144</b>	<b>655,110,608</b>

*The annexed notes 1 to 37 form an integral part of these financial statements.*

**IPDC of Bangladesh Limited**  
**Condensed Half Yearly Statement of Changes in Shareholders' Equity (Un-audited)**

Figures in Taka

	Paid up share capital	Share premium	Statutory reserve	Asset revaluation reserve	Retained earnings	Total
<b>For the half year ended 30 June 2014</b>						
Opening balance	1,043,392,350	167,014,000	251,618,993	13,585,980	589,359,492	2,064,970,815
Changes in accounting policy	-	-	-	-	-	-
Restated balance	1,043,392,350	167,014,000	251,618,993	13,585,980	589,359,492	2,064,970,815
Net profit for the half year	-	-	-	-	53,191,494	53,191,494
10% Issuance of bonus share Y2013	104,339,230	-	-	-	(104,339,230)	-
5% cash dividend Y2013	-	-	-	-	(52,169,618)	(52,169,618)
Closing balance	1,147,731,580	167,014,000	251,618,993	13,585,980	486,042,139	2,065,992,692
<b>For the half year ended 30 June 2013</b>						
Opening balance	1,043,392,350	167,014,000	223,222,211	13,585,980	580,111,599	2,027,326,140
Changes in accounting policy	-	-	-	-	-	-
Restated balance	1,043,392,350	167,014,000	223,222,211	13,585,980	580,111,599	2,027,326,140
Net profit for the half year	-	-	-	-	53,593,295	53,593,295
10% cash dividend Y2012	-	-	-	-	(104,339,235)	(104,339,235)
Closing balance	1,043,392,350	167,014,000	223,222,211	13,585,980	529,365,659	1,976,580,200

*The annexed notes 1 to 37 form an integral part of these financial statements.*

## **IPDC of Bangladesh Limited**

Notes to the Condensed Half Yearly Financial Statements (Un-audited)

As at and for the half year ended 30 June 2014

### **1. Reporting entity**

#### **1.1. Company profile**

With a mandate to promote economic growth in the country, Industrial Promotion and Development Company of Bangladesh Limited (IPDC) was incorporated in Bangladesh in 1981 as the premier private sector long term lending institution with the Registrar of Joint Stock Companies and Firms, Dhaka. The company also registered itself as a financial institution under the Financial Institutions Act 1993 on 7 February 1995. The registered office of the company is situated at Hosna Center (4<sup>th</sup> Floor), 106 Gulshan Avenue, Dhaka, Bangladesh. The company became a listed company on December 3, 2006 in both the Dhaka Stock Exchange Ltd. and the Chittagong Stock Exchange Ltd. in Bangladesh. The company has four branch offices located at Dhaka, Chittagong and Sylhet.

#### **1.2. Nature of business of the Company**

IPDC specialises in providing long term and short term financing, project financing, lease financing, mortgage financing, channel financing, equity participation, syndication finance, SME and MME finance, asset backed securitisation through issuance of zero-coupon bond and related consultancies to both local and foreign private investments in Bangladesh. In 2006, the company also started retail business to increase its activities in retail segment.

#### **1.3. Basis of Reporting**

The financial statements for the half year ended 30 June 2014 have been prepared under historical cost convention following accrual basis of accounting and based on Bangladesh Accounting Standard (BAS) 34: *Interim Financial Reporting*.

#### **1.4. Accounting policies and method of computations**

For preparing the half yearly financial statements, the accounting policies and methods in consistent with those used in the financial statements prepared for the year ended December 31, 2013 have been followed.

#### **1.5. Post Balance Sheet events**

All material events occurring after the reporting period has been considered and where necessary, adjusted for and adequately disclosed in the note no. 37 of the financial statements.

#### **1.6. Rounding off and rearrangement of figures**

Figures have been rounded off to the nearest Taka and 2013 figures have been reclassified/rearranged, where necessary, to conform to current period presentation.

**IPDC of Bangladesh Limited****Notes to the Condensed Interim Financial Statements (Un-audited)**

As at	Note	Figures in Taka	
		June 30, 2014	December 31, 2013
<b>2. Balance with other banks and financial institutions</b>			
Name of Bank/FI	Type of A/c		
Commercial Bank of Ceylon Plc	CD A/c	43,250	43,250
The Hongkong and Shanghai Banking Corporation Ltd.	CD A/c	1,451	1,026
Uttara Bank Ltd.	CD A/c	2,583	2,583
United Commercial Bank Ltd.	CD A/c	67,697	34,027
AB Bank Ltd.	CD A/c	18,950	18,950
Standard Chartered Bank	CD A/c	384,801	180,742
Bank Alfalah Ltd.	CD A/c	-	1,451
Mercantile Bank Ltd.	CD A/c	194,822	-
		713,553	282,029
Dutch Bangla Bank Ltd.	STD A/c	617,850	278,727
Prime Bank Ltd.	STD A/c	11,308,046	301,108
AB Bank Ltd.	STD A/c	1,463,943	1,568,943
Standard Chartered Bank	STD A/c	92,887	179,857
Al-Arafah Islami Bank Ltd.	STD A/c	5,299	5,299
BRAC Bank Ltd.	STD A/c	6,214	565,832
Mercantile Bank Ltd.	STD A/c	306,844	42,189
AB Bank Ltd.	STD A/c -FC	62,403	62,403
		13,863,487	3,004,358
Mercantile Bank Ltd.	FDR	52,700,001	52,700,001
National Bank Ltd.	FDR	-	15,678,816
AB Bank Ltd.	FDR	50,000,000	50,000,000
EXIM Bank Ltd.	FDR	50,000,000	50,000,000
Prime Bank Ltd.	FDR	108,262,490	122,168,007
Dhaka Bank Ltd.	FDR	100,000,000	102,700,000
United Commercial Bank Ltd.	FDR	-	50,000,000
ONE Bank Ltd.	FDR	-	50,000,000
National Bank of Pakistan	FDR	14,500,000	-
Trust Bank Ltd.	FDR	50,000,000	50,000,000
		425,462,491	543,246,824
National Bank of Pakistan	Placement	200,000,000	-
LankaBangla Finance Limited	Call	50,000,000	-
		690,039,531	546,533,211
<b>3. Investments</b>			
Government securities	3.2	415,000,000	415,000,000
Other investments	3.3	498,970,869	505,970,869
		913,970,869	920,970,869
<b>3.1 Classification of investments</b>			
Held for trading (HFT)		204,100,000	204,100,000
Held to maturity (HTM)		210,900,000	210,900,000
		415,000,000	415,000,000
Other investments		498,970,869	505,970,869
		913,970,869	920,970,869
<b>3.2 Government securities</b>			
15-year treasury bonds		242,600,000	242,600,000
20-year treasury bonds		172,400,000	172,400,000
		415,000,000	415,000,000

**IPDC of Bangladesh Limited**  
**Notes to the Condensed Interim Financial Statements (Un-audited)**

As at	Note	Figures in Taka	
		June 30, 2014	December 31, 2013
<b>3.3 Other investments</b>			
In ordinary shares - Listed		7,000,000	7,000,000
In ordinary shares - Unlisted		11,670,869	11,670,869
In cumulative redeemable preference shares		330,300,000	337,300,000
Investment in shares		348,970,869	355,970,869
In corporate bonds		150,000,000	150,000,000
		498,970,869	505,970,869

Details of other investments are shown in Annexure - A.

**4. Loans, leases and advances**

Long term loan		2,897,345,815	3,233,775,052
Lease finance		1,573,633,313	1,741,016,638
Short term loan		170,179,480	239,746,912
Mortgage finance		84,729,199	52,601,865
Channel finance		213,670,935	163,595,841
Auto loan		231,303,768	187,788,787
Secured retail loan		120,069,014	110,389,371
Staff loan		18,144,698	16,596,277
		5,309,076,223	5,745,510,743

All loans, leases and advances are within Bangladesh.

**5. Fixed assets including premises, furniture and fixtures**

Land and building		75,684,163	75,684,163
Motor vehicles		33,874,745	31,374,745
Furniture and fixtures		29,556,751	29,550,148
Equipment and appliances		59,256,963	37,591,445
Intangible assets		16,398,750	2,398,750
		214,771,372	176,599,251
Less: Accumulated depreciation		98,231,084	89,798,816
		116,540,288	86,800,435
Capital work in progress		-	21,026,860
		116,540,288	107,827,295

Details of fixed assets are shown in Annexure - B.

**6. Other assets**

Dividend receivable on cumulative preference shares		23,847,912	11,398,845
Stationery, stamps, printing materials in stock		88,491	97,715
Advance rent and advertisement		6,370,107	7,552,593
Interest accrued on investment but not collected		18,599,875	20,287,647
Security deposits		716,160	716,160
Preliminary, formation, renovation and prepaid expenses		1,198,404	400,227
Others	6.1	259,222,428	238,829,143
		310,043,377	279,282,330



**IPDC of Bangladesh Limited****Notes to the Condensed Interim Financial Statements (Un-audited)**

As at	Note	Figures in Taka	
		June 30, 2014	December 31, 2013
<b>6.1 Others</b>			
Advance tax		242,406,783	227,764,984
Deferred tax asset	6.1.1	6,674,938	5,645,244
Sundry assets	6.1.2	10,140,708	5,418,915
		259,222,428	238,829,143

**6.1.1 Deferred tax asset**

Deferred tax asset has been recognised in accordance with the Bangladesh Accounting Standard (BAS) 12: *Income Taxes* based on deductible temporary difference arising due to difference in the carrying amount of the assets and liabilities in the financial statements and its tax base. Calculation of deferred tax asset is as follows:

*Deductible temporary difference*

Gratuity provision		15,705,736	13,282,926
Tax rate		42.50%	42.50%
Deferred tax asset		6,674,938	5,645,244

Movement of deferred tax asset is as follows:

Opening balance		5,645,244	4,697,206
Less: Charged/(released) to profit and loss account	31	(1,029,695)	(948,038)
Closing balance		6,674,938	5,645,244

**6.1.2 Sundry assets**

City corporation tax		-	138,140
Hosna Centre Owners' Association		677,067	583,050
Advance others		9,463,641	4,697,725
		10,140,708	5,418,915

**7. Non financial institutional assets**

Freehold land	7.1	3,752,405	3,752,405
		3,752,405	3,752,405

**7.1** This represents the land acquired from a default client by virtue of verdict given by the competent court and ownership has been transferred in favor of the Company. The land is mutated in the name of the Company.

**8. Borrowings from other banks, financial institutions and agents**

Name of Bank/FI	Type		
Prime Bank Ltd.	SOD	43,346,071	85,176,244
Mercantile Bank Ltd.	SOD	-	47,056,990
Standard Bank Ltd.	Call Loan	-	40,000,000
BASIC Bank Ltd.	Call Loan	-	50,000,000
The Farmers Bank Ltd.	Call Loan	-	50,000,000
Dutch-Bangla Bank Ltd.	Call Loan	-	60,000,000
The City Bank Ltd.	Call Loan	-	60,000,000
Total short term loan		43,346,071	392,233,234
The UAE-Bangladesh Investment Company Ltd.	Long Term	17,398,412	21,743,142
		60,744,483	413,976,376

**IPDC of Bangladesh Limited**  
**Notes to the Condensed Interim Financial Statements (Un-audited)**

As at	Note	Figures in Taka	
		June 30, 2014	December 31, 2013
<b>9. Deposits and other accounts</b>			
Inter-bank deposits		-	-
Other deposits		4,366,080,025	4,427,093,408
		<u>4,366,080,025</u>	<u>4,427,093,408</u>

There was no unclaimed deposits for ten (10) years and more held by the Company at the reporting date.

**10. Other liabilities**

Cumulative provision for loans, leases and investments	10.1	220,372,126	216,239,280
Cumulative interest and dividend suspense	10.2	63,665,887	53,165,131
Provision for gratuity		15,705,736	13,282,926
Dividend Payable		36,652,075	7,088,305
Provision for corporate tax	10.3	283,649,854	225,220,631
Receipts against lease		43,906,842	36,086,227
Provision for finance charge	10.4	224,677,385	252,071,107
Withholding tax and VAT		7,559,356	7,761,895
Liabilities for special accounts	10.5	22,352,364	22,425,305
Provision for expense	10.6	10,957,580	4,009,842
Deferred tax liabilities	10.7	16,094,651	14,608,087
Payable for purchase of office equipment		5,132,251	924,520
		<u>950,726,106</u>	<u>852,883,256</u>

**10.1 Cumulative provision for loans, advances, leases and investment**

Provision for loans, leases and advances	152,903,243	153,895,802
Provision for investments in shares	23,296,273	18,170,869
	<u>176,199,516</u>	<u>172,066,671</u>
Provision for marking to market on Govt. securities	44,172,609	44,172,609
	<u>220,372,126</u>	<u>216,239,280</u>

**10.2 Cumulative interest and dividend suspense**

Interest suspense against loans, leases and advances	60,559,353	50,147,364
Dividend suspense against cumulative preference shares	3,106,534	3,017,767
	<u>63,665,887</u>	<u>53,165,131</u>

**10.3 Provision for corporate tax**

Provision for corporate tax has been made on the basis of the profit for the half year/year as adjusted for taxation purposes in accordance with the provision of Income Tax Ordinance 1984 and amendments thereto. Currently tax rate applicable to the company is 42.50% on its business income.

Opening balance	225,220,631	126,791,790
Add: Provision made during the period/year	58,429,223	98,428,841
	<u>283,649,854</u>	<u>225,220,631</u>
Less: Adjustment during the period/year	-	-
Closing balance	<u>283,649,854</u>	<u>225,220,631</u>

**IPDC of Bangladesh Limited**  
**Notes to the Condensed Interim Financial Statements (Un-audited)**

As at	Note	Figures in Taka	
		June 30, 2014	December 31, 2013
<b>10.4 Provision for finance charge</b>			
Accrued interest expenses on term deposits		224,494,009	251,696,581
Accrued interest expenses on long term borrowings		183,376	181,193
Accrued interest expenses on call borrowings		-	193,333
		<u>224,677,385</u>	<u>252,071,107</u>
<b>10.5 Liabilities for special accounts</b>			
Account payable special account - IPO		1,118,356	1,118,356
Account payable special account - DEG		16,729,031	16,381,424
Account payable special account - other		4,504,976	4,925,525
		<u>22,352,364</u>	<u>22,425,305</u>
<b>10.6 Provision for expenses</b>			
Legal fees		3,014,503	1,526,051
Office services		1,552,358	1,503,592
Pay and allowance		3,750,000	-
Promotion and publicity		610,883	239,074
Office rent		113,850	86,275
Professional fees		92,100	212,100
Audit fees		667,751	442,750
AGM expenses		500,000	-
Utility expenses		403,500	-
Travel & hotel expenses		252,635	-
		<u>10,957,580</u>	<u>4,009,842</u>
<b>10.7 Deferred tax liabilities</b>			
<i>Taxable temporary differences</i>			
Property, plant and equipment		14,241,973	10,744,178
Revaluation reserve on office premises		23,627,792	23,627,792
Net taxable temporary differences		37,869,766	34,371,970
Tax rate		42.50%	42.50%
Deferred tax liabilities		<u>16,094,651</u>	<u>14,608,087</u>
Movement of deferred tax liabilities is as follows:			
Opening balance		14,608,087	12,295,227
Add: Charged/(released) to profit and loss account	31	1,486,564	2,312,860
Closing balance		<u>16,094,651</u>	<u>14,608,087</u>
<b>11. Share capital</b>			
<i>Authorized</i>			
400,000,000 ordinary shares of Taka 10 each		4,000,000,000	4,000,000,000
<i>Issued, subscribed and fully paid up</i>			
114,773,158 number of ordinary shares of Taka 10 each		1,147,731,580	1,043,392,350
Paid up capital is made up of 25,701,400 numbers of ordinary shares paid up in cash and 89,071,758 numbers of ordinary shares through issuance of bonus shares.			
<b>11.1 Paid up capital of the company is held as follows:</b>			
<i>Foreign</i>			
Aga Khan Fund for Economic Development (AKFED)		585,942,130	532,674,670
Others		600	550
		<u>585,942,730</u>	<u>532,675,220</u>
<i>Domestic</i>			
Government of the People's Republic of Bangladesh (GoB)		251,118,680	228,289,710
General Shareholders		310,662,670	282,420,490
Others		7,500	6,930
		<u>561,788,850</u>	<u>510,717,130</u>
		<u>1,147,731,580</u>	<u>1,043,392,350</u>

**IPDC of Bangladesh Limited****Notes to the Condensed Interim Financial Statements (Un-audited)**

As at	Note	Figures in Taka	
		June 30, 2014	December 31, 2013

<b>12. Share premium</b>		167,014,000	167,014,000
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Share premium against 1,670,140 number of ordinary shares comprising 280,140 numbers issued in 2004 and 1,390,000 numbers issued in 2006 @ Tk. 100 per share. As at 30 June 2013 total number of shares would be 16,701,400 @ Tk. 10 per share as the Company has changed the denomination of shares from Tk. 100 to Tk. 10 each in 2011 in compliance with the Bangladesh Securities and Exchange Commission's order number SEC/CMRRCD/2009-193/109 dated 15 September 2011.

**13. Statutory reserve**

This comprises the cumulative balance of statutory reserve as required by section 9 of the Financial Institutions Act, 1993 and regulation 4(d) and 6 of the Financial Institutions Regulations, 1994.

Opening balance	251,618,993	223,222,211
Add: Transferred from profit during the period/year	-	28,396,782
Closing balance	251,618,993	251,618,993

<b>14. Assets revaluation reserve</b>	13,585,980	13,585,980
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In terms of Bangladesh Accounting Standard (BAS) 16: *Property, Plant and Equipment*, the Company had revalued its office premises by a professionally qualified valuation firm of the country in 2005. Total revaluation surplus of Taka 23,627,792 has been included with value of office premises and Tk. 13,585,980 shown as assets revaluation reserve after adjustment of deferred tax.

**15. Retained earnings**

Opening balance	589,359,492	580,111,599
Add: Post tax profit for the period/year	53,191,494	141,983,910
	642,550,986	722,095,509
Less: Transfer to statutory reserve during the period/year	-	28,396,782
Less: Dividend during the period/year	52,169,618	104,339,235
Less: Issuance of bonus shares	104,339,230	-
	156,508,848	132,736,017
Closing balance	486,042,139	589,359,492

**16. Letters of guarantee**

Director	-	-
Government	-	-
Bank and financial institutions	5,590,000	5,590,000
	5,590,000	5,590,000

Letter of guarantee has been issued in favor of Habib Bank Limited, against Titas Gas Transmission and Distribution Company Limited on account of one client, M/s Hossain & Sons.

**IPDC of Bangladesh Limited**  
**Notes to the Condensed Interim Financial Statements (Un-audited)**

For the half year ended 30 June	Note	2014	2013
<b>Figures in Taka</b>			
<b>17. Interest income</b>			
<i>Interest income on loans, leases and advances</i>			
Interest on lease finance		124,271,683	125,871,287
Interest on long term finance		224,386,454	240,645,054
Interest on short term finance		16,952,584	22,603,792
Interest on channel finance		15,851,274	9,868,325
Interest on mortgage finance		5,459,605	3,231,586
Interest on secured finance		9,879,245	13,327,667
Interest on auto loan		18,054,984	10,368,613
Interest income on staff loan		956,122	904,645
		<b>415,811,951</b>	<b>426,820,969</b>
<i>Interest income on balance with other banks and financial institutions</i>			
Interest on fixed deposits		25,791,465	15,328,893
Interest on overnight and treasury placements		5,803,514	13,811,597
Interest on STD accounts		452,705	1,114,062
		<b>32,047,684</b>	<b>30,254,553</b>
		<b>447,859,635</b>	<b>457,075,521</b>
<b>18. Interest paid on deposits and borrowings etc.</b>			
Interest expenses on term deposits		267,049,919	309,109,910
Interest expenses on borrowings	18.1	9,228,671	11,210,192
		<b>276,278,590</b>	<b>320,320,102</b>
<b>18.1 Interest paid on borrowings</b>			
Interest expenses on long term loan		1,204,174	1,679,600
Interest expenses on call loan borrowing		7,957,533	5,492,364
Interest expenses on bank overdrafts		66,964	63,913
Interest expenses on repo borrowings		-	3,974,315
		<b>9,228,671</b>	<b>11,210,192</b>
<b>19. Investment income</b>			
Income on Govt. treasury bonds		18,390,175	18,888,929
Income on corporate bonds		8,975,342	8,950,820
Income from Govt. bonds and securities		27,365,517	27,839,749
Dividend income on cumulative preference shares		17,882,523	15,657,530
Dividend income on listed shares		123	2,996
Dividend income on un-listed shares		-	75,000
Capital gain on sale of shares and property		-	23
		<b>45,248,163</b>	<b>43,575,298</b>
<b>20. Commission, exchange and brokerage</b>			
Fees and commission income	20.1	2,928,170	5,097,570
Exchange income		-	-
		<b>2,928,170</b>	<b>5,097,570</b>

**IPDC of Bangladesh Limited**  
**Notes to the Condensed Interim Financial Statements (Un-audited)**

For the half year ended 30 June	Note	Figures in Taka	
		2014	2013
<b>20.1 Fees and commission income</b>			
<i>Fees income</i>			
Appraisal and feasibility study fees		2,928,170	5,077,570
Restructuring/renewal fees		-	20,000
		2,928,170	5,097,570
Commission		-	-
		2,928,170	5,097,570
<b>21. Other operating income</b>			
Transfer price of leased assets		13,904	27,033
Other earnings		437,720	24,600
Loan loss recovery		9,350,000	10,000,000
Income/(loss) on sale of fixed assets	21.1	-	1,068,886
		9,801,624	11,120,519
<b>21.1 Income/(loss) from sale of fixed assets</b>			
Cost price of the assets sold		-	12,444,484
Less: Accumulated depreciation		-	10,075,370
Written down value		-	2,369,114
Sale proceeds		-	3,438,000
Income/(loss) from sale of fixed assets		-	1,068,886
<b>22. Rent, taxes, insurance, electricity, etc.</b>			
Office rent		3,137,724	2,675,184
Rates and taxes		138,143	113,400
Insurance		1,069,632	1,063,629
Utilities - electricity, gas, water etc		1,965,469	1,860,351
		6,310,968	5,712,564
<b>23. Legal expenses</b>			
Professional fees		3,799,040	3,176,097
Legal document, court fees etc.		1,398,936	1,347,919
		5,197,976	4,524,016

**IPDC of Bangladesh Limited**  
**Notes to the Condensed Interim Financial Statements (Un-audited)**

For the half year ended 30 June	Note	Figures in Taka	
		2014	2013
<b>24. Postage, stamp, telecommunications, etc.</b>			
Postage, stamps etc.		129,400	177,861
Telephone		523,704	322,735
Internet expenses		867,149	852,000
		<b>1,520,253</b>	<b>1,352,596</b>
<b>25. Stationery, printing, advertisements etc.</b>			
Printing and stationery		612,061	592,084
Publicity and advertisement		4,291,768	3,767,264
		<b>4,903,829</b>	<b>4,359,348</b>
<b>26. Managing Director's salary and allowances</b>			
Basic salary		2,100,000	2,100,000
House rent allowance		180,000	180,000
Medical allowance		75,000	75,000
Leave fare assistance		349,998	349,998
Company's contribution to provident fund		210,000	210,000
		<b>2,914,998</b>	<b>2,914,998</b>
<b>27. Directors' fees</b>			
Honorarium for attending meeting		224,250	270,250
Incidental expenses for attending meeting		1,437,296	1,333,551
		<b>1,661,546</b>	<b>1,603,801</b>
<b>28. Depreciation and repair on fixed assets</b>			
Depreciation	28.1	8,432,268	6,935,319
Repair and maintenance	28.2	2,633,459	3,221,875
		<b>11,065,727</b>	<b>10,157,194</b>
<b>28.1 Depreciation</b>			
Office premises		1,962,540	1,962,540
Motor vehicles		2,561,829	925,817
Furniture and fixtures		753,761	1,829,782
Equipment and appliances		2,654,556	2,017,493
Accounting software		499,582	199,687
		<b>8,432,268</b>	<b>6,935,319</b>
Details of depreciation is shown in Annexure - B.			
<b>28.2 Repair and maintenance</b>			
Office premises		126,278	336,779
Vehicles		2,166,445	2,198,319
Office equipments		340,736	686,777
		<b>2,633,459</b>	<b>3,221,875</b>

**IPDC of Bangladesh Limited****Notes to the Condensed Interim Financial Statements (Un-audited)**

For the half year ended 30 June	Note	Figures in Taka	
		2014	2013
<b>29. Other expenses</b>			
Staff training		767,626	1,332,800
Membership fees, subscription and donations		1,049,855	1,626,885
News papers, periodicals, learning materials etc.		52,862	38,024
Traveling, conveyance and hotel expenses		929,681	1,148,638
Entertainment and public relation		430,558	445,518
AGM expenses		1,544,505	1,425,002
Recruitment expenses		55,036	86,000
Security and cleaning services		1,270,595	1,248,145
Sundry office maintenance		1,020,402	730,351
Other operational expenses		365,709	248,060
		<u>7,486,829</u>	<u>8,329,423</u>
<b>30. Provision for loans, advances, leases and investment</b>			
Provision for loans, advances and leases		33,502,693	4,581,762
Provision for marking to market on Govt. securities		-	2,680,750
		<u>33,502,693</u>	<u>7,262,512</u>
<b>31. Deferred tax expense/(income)</b>			
Expense/(income) on deductible temporary differences	6.1.1	(1,029,695)	(429,463)
Expense/(income) on taxable temporary differences	10.7	1,486,564	1,609,745
		<u>456,870</u>	<u>1,180,282</u>
<b>32. Earnings per share (EPS)</b>			
Earnings per share (EPS) as shown in the face of the Profit and Loss Account is calculated in accordance with Bangladesh Accounting Standard (BAS) 33: <i>Earnings per share</i> . EPS of prior period has restated due to issuance of 10,433,923 number of bonus shares. Details are as follows:			
Net profit/(loss) after tax		53,191,494	53,593,295
<i>Weighted average number of shares outstanding during the period/year</i>			
Number of ordinary shares as at 1 January		104,339,235	104,339,235
Bonus shares issued		10,433,923	10,433,923
		<u>114,773,158</u>	<u>114,773,158</u>
Basic earning per share		0.46	0.47
<b>Diluted earning per share (DEPS)</b>			
No DEPS is required to be calculated for the period as there was no scope for dilution of share during the period.			
<b>33. Receipts from other operating activities</b>			
Transfer price of lease assets		13,904	27,033
Securities income		27,486,693	27,960,925
Income from other operating activities		437,720	24,600
		<u>27,938,317</u>	<u>28,012,558</u>



**IPDC of Bangladesh Limited**  
**Notes to the Condensed Interim Financial Statements (Un-audited)**

For the half year ended 30 June	Note	Figures in Taka	
		2014	2013
<b>34. (Increase)/decrease of other assets</b>			
<i>Closing other assets</i>			
Stationery, stamps, printing materials in stock		88,491	59,061
Advance rent and advertisement		6,370,107	5,996,030
Security deposit		716,160	716,160
Other assets		16,815,646	15,919,086
		23,990,404	22,690,337
<i>Opening other assets</i>			
Stationery, stamps, printing materials in stock		97,715	52,825
Advance rent and advertisement		7,552,593	4,079,432
Security deposit		716,160	716,160
Other assets		11,064,159	9,019,239
		19,430,627	13,867,656
		(4,559,777)	(8,822,681)
<b>35. Increase/(decrease) of other liabilities</b>			
<i>Closing other liabilities</i>			
Provision for current tax		283,649,854	186,398,023
Withholding tax, VAT and excise duty		7,559,356	4,302,304
Others		66,259,206	49,450,795
		357,468,416	240,151,122
<i>Opening other liabilities</i>			
Provision for current tax		225,220,631	126,791,790
Withholding tax, VAT and excise duty		7,761,895	6,991,938
Others		58,511,532	43,556,103
		291,494,058	177,339,831
		65,974,358	62,811,291
<b>36. Cash and cash equivalents</b>			
Cash in hand		130,000	75,925
Balance with Bangladesh Bank and its agent bank(s)		99,990,613	101,335,622
Balance with other banks and financial institutions		690,039,531	553,699,061
		790,160,144	655,110,608

**37. Events after the reporting period**

No other material event occurred after the balance sheet date, which could materially affect the amounts or disclosures in these financial statements.

**IPDC of Bangladesh Limited**  
**Notes to the Condensed Half yearly Financial Statements (Un-audited)**

Annexure - A

**Details statement of other investments**

Figures in Taka

Particulars	30 June 2014		31 December 2013	
	Cost	Market price	Cost	Market price
<i>In ordinary shares - listed</i>				
Bemco Electric Metre Ltd.	7,000,000	4,312,000	7,000,000	4,305,000
	7,000,000	4,312,000	7,000,000	4,305,000
<i>In ordinary shares - unlisted</i>				
Quality Feeds Ltd.	1,500,000	1,500,000	1,500,000	1,500,000
Alliance Bags Ltd.	3,000,000	3,000,000	3,000,000	3,000,000
Ekushey Television Ltd.	7,170,869	7,170,869	7,170,869	7,170,869
	11,670,869	11,670,869	11,670,869	11,670,869
<i>In cumulative redeemable preference shares</i>				
Premium Seed Ltd.	4,000,000	4,000,000	4,000,000	4,000,000
Delta Brac Housing Finance Corporation Ltd.	100,000,000	100,000,000	100,000,000	100,000,000
ACI Godrej Agrovat Private Ltd.	33,300,000	33,300,000	33,300,000	33,300,000
Confidence Salt Ltd.	13,000,000	13,000,000	20,000,000	20,000,000
Summit Uttaranchol Power Company Ltd.	40,000,000	40,000,000	40,000,000	40,000,000
Summit Purbanchol Power Company Ltd.	40,000,000	40,000,000	40,000,000	40,000,000
ACI Godrej Agrovat Private Ltd.	100,000,000	100,000,000	100,000,000	100,000,000
	330,300,000	330,300,000	337,300,000	337,300,000
Investment in shares	348,970,869	346,282,869	355,970,869	353,275,869
<i>In corporate bonds</i>				
Mutual Trust Bank Ltd.	150,000,000	150,000,000	150,000,000	150,000,000
	498,970,869	496,282,869	505,970,869	503,275,869

**Industrial Promotion and Development Company of Bangladesh Limited**  
**Notes to the Condensed Interim Financial Statements (Un-audited) as at and for the half year ended 30 June 2013**

**Fixed assets including premises, furniture and fixtures**

Annexure - B

Figures in Taka

Category of asset	Cost					Depreciation					Carrying amount as at 30 June 2014
	Balance as at 1 Jan 2014	Addition during the period	Adjustment during the period	Disposal during the period	Balance as at 30 June 2014	Rate	Balance as at 1 Jan 2014	Charged during the period	Adjustment during the period	Balance as at 30 June 2014	
Office premises	75,684,163	-	-	-	75,684,163	5%	29,891,554	1,962,540	-	31,854,094	43,830,069
Motor vehicles	31,374,745	2,500,000	-	-	33,874,745	20%	11,484,918	2,561,829	-	14,046,747	19,827,997
Furniture and fixtures	29,550,148	6,603	-	-	29,556,751	12.50%	22,741,196	753,761	-	23,494,957	6,061,794
Equipment and appliances	37,591,445	21,665,518	-	-	59,256,963	20%	23,548,649	2,654,556	-	26,203,205	33,053,759
Accounting software	2,398,750	14,000,000	-	-	16,398,750	20%	2,132,499	499,582	-	2,632,081	13,766,669
	176,599,251	38,172,121	-	-	214,771,372		89,798,816	8,432,268	-	98,231,084	116,540,288
Capital work in progress - hardware	5,337,695	-	5,337,695	-	-		-	-	-	-	-
Capital work in progress - software	15,689,165	-	15,689,165	-	-		-	-	-	-	-
Balance as at 30 June 2014	197,626,111	38,172,121	21,026,860	-	214,771,372		89,798,816	8,432,268	-	98,231,084	116,540,288

Category of asset	Cost					Depreciation					Carrying amount as at 31 Dec 2013
	Balance as at 1 Jan 2013	Addition during the period/year	Adjustment during the period/year	Disposal during the period/year	Balance as at 31 Dec 2013	Rate	Balance as at 1 Jan 2013	Charged during the period/year	Adjustment during the period/year	Balance as at 31 Dec 2013	
Office premises	75,684,163	-	-	-	75,684,163	5%	25,966,473	3,925,081	-	29,891,554	45,792,609
Motor vehicles	20,911,776	19,052,060	8,589,091	-	31,374,745	20%	16,896,243	3,160,077	8,571,402	11,484,918	19,889,827
Furniture and fixtures	29,241,775	490,220	181,847	-	29,550,148	12.50%	20,111,348	2,804,735	174,887	22,741,196	6,808,952
Equipment and appliances	33,413,823	5,570,708	1,393,086	-	37,591,445	20%	20,734,073	4,207,658	1,393,082	23,548,649	14,042,796
Accounting software	2,398,750	-	-	-	2,398,750	50%	1,733,124	399,375	-	2,132,499	266,251
	161,650,287	25,112,988	10,164,024	-	176,599,251		85,441,261	14,496,926	10,139,371	89,798,816	86,800,435
Capital work in progress - hardware		5,337,695	-	-	5,337,695		-	-	-	-	5,337,695
Capital work in progress - software		15,689,165	-	-	15,689,165		-	-	-	-	15,689,165
Balance as at 31 December 2013	161,650,287	46,139,848	10,164,024	-	197,626,111		85,441,261	14,496,926	10,139,371	89,798,816	107,827,295

**Revaluation of office premises**

The office premises with proportionate land comprising 11,661 square feet of office space on 4th floor of Hosna Center, 106 Gulshan Avenue, Dhaka-1212, along with parking space for 15 cars, have been revalued by a professional valuer as at 31 December 2005 in line with prevailing market price as on that date. Accordingly selling price of the premises with proportionate land is stated at Tk. 68,441,292 with a revaluation adjustment of Tk. 23,627,792 as at 31 December 2005.