

**Industrial Promotion and Development
Company of Bangladesh Limited**

Un-audited Financial statements
as at and for the first quarter ended 31 March 2011

Industrial Promotion and Development Company of Bangladesh Limited
Balance Sheet (Un-audited)
as at 31 March 2011

Property and assets	Note	At 31-Mar-11 Taka	At 31-Dec-10 Taka
Cash	2		
In hand (including foreign currencies)	2.1	37,952	35,000
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	2.2	95,203,555	65,704,881
		<u>95,241,507</u>	<u>65,739,881</u>
Balance with other banks and financial institutions	3		
In Bangladesh	3.1	271,855,553	570,183,365
Outside Bangladesh		-	-
		<u>271,855,553</u>	<u>570,183,365</u>
Money at call and short notice		-	-
Investments	4		
Government	4.2	698,214,707	480,984,599
Others	4.3	619,678,558	619,678,558
		<u>1,317,893,265</u>	<u>1,100,663,157</u>
Loans, advances and leases	5		
Loans, leases, cash credits, overdrafts, etc.		4,373,914,745	4,150,956,768
Bills purchased and discounted		-	-
		<u>4,373,914,745</u>	<u>4,150,956,768</u>
Fixed assets including premises, furniture and fixtures	6	77,470,287	80,687,233
Other assets	7	509,300,532	454,279,071
Non financial institutional assets		-	-
Total assets		<u>6,645,675,887</u>	<u>6,422,509,475</u>
Liabilities and capital			
Liabilities			
Borrowings from other banks, financial institutions and agents	8	118,758,678	123,836,457
Deposits and other accounts	9		
Current accounts and other accounts		-	-
Bills payable		-	-
Savings deposits		-	-
Term deposits		3,300,802,728	3,180,862,931
Bearer certificate of deposits		-	-
Other deposits		-	-
		<u>3,300,802,728</u>	<u>3,180,862,931</u>
Other liabilities	10	1,293,479,782	1,138,854,258
Total liabilities		<u>4,713,041,188</u>	<u>4,443,553,646</u>
Shareholders' equity			
Paid up capital	11	862,307,800	862,307,800
Share premium	12	167,014,000	167,014,000
Statutory reserve	13	175,166,707	175,166,707
Assets revaluation reserve	14	13,585,980	13,585,980
Retained earnings	15	714,560,211	760,881,342
Total shareholders' equity		<u>1,932,634,698</u>	<u>1,978,955,829</u>
Total liabilities and shareholders' equity		<u>6,645,675,887</u>	<u>6,422,509,475</u>

	<u>Note</u>	At <u>31-Mar-11</u> <u>Taka</u>	At <u>31-Dec-10</u> <u>Taka</u>
Off-balance sheet items			
Contingent liabilities			
Acceptances and endorsements		-	-
Letters of guarantee	16	5,590,000	5,590,000
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
Total contingent liabilities		<u>5,590,000</u>	<u>5,590,000</u>
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total off-balance sheet items		<u>5,590,000</u>	<u>5,590,000</u>

The annexed notes 1 to 32 form an integral part of these financial statements.

Sd/-
Dilip Kumar Mandal
Chief Financial Officer

Sd/-
Humaira Azam
Managing Director & CEO

Industrial Promotion and Development Company of Bangladesh Limited
Profit and Loss Account (Un-audited)
for the first quarter ended 31 March 2011

Particulars	Note	1st quarter ended	1st quarter ended
		31-Mar-11	31-Mar-10
		Taka	Taka
Interest income	17	132,011,477	98,591,813
Interest paid on deposits and borrowings etc.	18	91,107,036	70,313,350
Net interest income		40,904,441	28,278,463
Investment income	19	35,388,671	10,803,135
Commission, exchange and brokerage	20	622,316	175,098
Other operating income	21	235,750	658,244
Total operating income		77,151,178	39,914,940
Salary and allowances		14,854,433	10,099,188
Rent, taxes, insurance, electricity, etc.	22	2,346,744	842,352
Legal expenses	23	2,806,268	869,816
Postage, stamp, telecommunications, etc.	24	459,148	266,385
Stationery, printings, advertisements, etc.	25	924,895	901,958
Managing Director's salary and allowances		1,775,001	1,775,001
Directors' fees	26	115,000	92,000
Auditors' fees		-	-
Charges on loan loss		-	-
Depreciation and repair of Company's assets	27	4,375,291	3,666,197
Other expenses	28	3,036,686	2,398,953
Total operating expenses		30,693,466	20,911,850
Profit before provision		46,457,711	19,003,090
Provision for loans, advances and leases	29		
Provision for loans and leases		108,392,823	128,282,784
Provision for diminution in value of investments		4,488,102	-
Other provisions		4,468,246	-
Total provision		117,349,171	128,282,784
Profit before tax		(70,891,460)	(109,279,694)
Provision for corporate tax			
Current tax		17,564,877	5,520,358
Deferred tax		(42,135,206)	-
		(24,570,329)	5,520,358
Net profit after tax		(46,321,131)	(114,800,052)
Earnings per share (EPS)	30	(5.37)	(13.31)

The annexed notes 1 to 32 form an integral part of these financial statements.

Sd/-
Dilip Kumar Mandal
Chief Financial Officer

Sd/-
Humaira Azam
Managing Director & CEO

Industrial Promotion and Development Company of Bangladesh Limited
Cash flows statement (Un-audited)
for the first quarter ended 31 March 2011

	Note	1st quarter ended 31-Mar-11 Taka	1st quarter ended 31-Mar-10 Taka
A) Cash flows from operating activities			
Interest receipts in cash		129,258,149	89,496,935
Interest payments in cash		(71,046,799)	(48,357,527)
Dividend receipts in cash		5,757,985	12,920,799
Fee and commission receipts in cash		517,248	1,891,973
Recoveries of loan previously written off		77,000	-
Cash payments to employees		(12,742,703)	(10,624,189)
Cash payments to suppliers		(10,479,044)	(10,399,385)
Income taxes paid		(4,838,376)	(2,862,066)
Receipts from other operating activities		22,366,645	1,264,499
Payments for other operating activities		-	-
Cash generated from operating activities before change in operating assets and liabilities		<u>58,870,105</u>	<u>33,331,039</u>
Increase/decrease in operating assets and liabilities			
Statutory deposits		-	-
Purchase /sale of trading securities		(217,230,108)	289,564,269
Loans, advances and leases to other banks		19,490,414	22,583,344
Loans, advances and leases to customers		(258,559,431)	(143,773,120)
Other assets		(3,449,837)	(3,801,561)
Deposits from other banks and financial institutions		-	-
Deposits from customers		119,939,797	126,679,896
Other liability accounts of customers		-	-
Trading liabilities		(32,000,000)	(180,000,000)
Other liabilities		18,555,473	5,953,901
		<u>(353,253,692)</u>	<u>117,206,729</u>
Net cash from operating activities		<u>(294,383,587)</u>	<u>150,537,768</u>
B) Cash flows from investing activities			
Proceeds from sale of securities		-	(2,184,864)
Payments for purchase of securities		-	-
Purchase of property, plant and equipment		(1,363,759)	(2,648,992)
Sale proceeds of property, plant and equipment		-	-
Cash payments or proceeds from purchase or sale of subsidiaries		-	-
Net cash used in investing activities		<u>(1,363,759)</u>	<u>(4,833,856)</u>
C) Cash flows from financing activities			
Receipts from issue of loan and debt securities		-	-
Payments for redemption of loan and debt securities		-	-
Receipts from issue of ordinary share		-	-
Receipts/(payments) of long term loan		26,922,221	(174,987,596)
Dividends paid in cash		(1,062)	(6,903)
Net cash from financing activities		<u>26,921,159</u>	<u>(174,994,499)</u>
D) Net (decrease) / increase in cash (A+B+C)		(268,826,187)	(29,290,587)
E) Cash and cash-equivalents at beginning of year		<u>635,923,246</u>	<u>179,528,867</u>
F) Cash and cash-equivalents at end of year (D+E)	31	<u>367,097,059</u>	<u>150,238,280</u>

Previous period increase/decrease in operating assets and liabilities have been restated to due effect of adjustment of repo borrowing against the Government securities.

The annexed notes 1 to 32 form an integral part of these financial statements.

Industrial Promotion and Development Company of Bangladesh Limited
Statement of Changes in Equity (Un-audited)
for the first quarter ended 31 March 2011

	<u>Paid up share capital</u> Taka	<u>Share premium</u> Taka	<u>Statutory reserve</u> Taka	<u>Asset revaluation reserve</u> Taka	<u>Retained earnings</u> Taka	<u>Total</u> Taka
Balance at 1 January 2011	862,307,800	167,014,000	175,166,707	13,585,980	760,881,342	1,978,955,829
Changes in accounting policy	-	-	-	-	-	-
Restated balance	862,307,800	167,014,000	175,166,707	13,585,980	760,881,342	1,978,955,829
Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-
Net gain/(loss) not recognised in the profit and loss account	-	-	-	-	-	-
Net profit/(loss) for the 1st quarter of 2011	-	-	-	-	(46,321,131)	(46,321,131)
Payment of dividend	-	-	-	-	-	-
Issuance of bonus share	-	-	-	-	-	-
Issuance of share capital	-	-	-	-	-	-
Appropriation during the year	-	-	-	-	-	-
Balance at 31 March 2011	862,307,800	167,014,000	175,166,707	13,585,980	714,560,211	1,932,634,698
Balance at 31 March 2010	783,916,200	167,014,000	148,586,469	13,585,980	618,151,939	1,731,254,588

The annexed notes 1 to 32 form an integral part of these financial statements.

Industrial Promotion and Development Company of Bangladesh Limited

Notes to the financial statements (Un-audited) as at and for the 1st quarter ended 31 March 2011

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 (4th Floor), 106 Gulshan Avenue, Dhaka, Bangladesh. The company became a listed company on 3 December 2006 in both the Dhaka Stock Exchange and the Chittagong Stock Exchange in Bangladesh. The company has two branches one is Dhanmondi, Dhaka and another one is port city Chittagong.

1.2 Nature of business of the Company

IPDC specialises in providing long term and short term financing, project financing, lease 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 first quarter ended March 31, 2011 are 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 quarterly financial statements, we have followed accounting policies and method in consistent with those used in the financial statements prepared for the year ended December 31, 2010.

1.5 Post Balance Sheet events

No material events occurred after the reporting date, which would significantly affect the financial position of the company as at the Balance sheet date.

1.6 Rounding off and rearrangement of figures

Figures have been rounded off to the nearest Taka and 2010 figures have been rearranged, where necessary, to conform to current period presentation.

	<u>Note</u>	At <u>31-Mar-11</u> Taka	At <u>31-Dec-10</u> Taka
2. Cash			
Cash in hand	2.1	37,952	35,000
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	2.2	95,203,555	65,704,881
		<u>95,241,507</u>	<u>65,739,881</u>
2.1 Cash in hand			
In local currency		37,952	35,000
In foreign currency		-	-
		<u>37,952</u>	<u>35,000</u>
2.2 Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)			
Bangladesh Bank			
Local currency		95,203,555	65,704,881
Foreign currencies		-	-
		<u>95,203,555</u>	<u>65,704,881</u>
Sonali Bank Limited (as an agent of Bangladesh Bank)		-	-
		<u>95,203,555</u>	<u>65,704,881</u>
3. Balance with other banks and financial institutions			
In Bangladesh	3.1	271,855,553	570,183,365
Outside Bangladesh		-	-
		<u>271,855,553</u>	<u>570,183,365</u>
3.1 In Bangladesh			
With Banks -			
<u>In current deposit accounts with</u>			
Commercial Bank of Ceylon Plc		47,635	83,042
The Hongkong and Shanghai Banking Corporation Ltd.		108,269	102,429
Uttara Bank Ltd.		3,158	3,158
United Commercial Bank		34,000	300,000
AB Bank Ltd.		503,366	3,366
Standard Chartered Bank		(2,156,195)	1,911,095
Citibank N.A.		1,300	300
Prime Bank Ltd.		66,753,190	1,621,909
Bank Alfalah Ltd.		1,451	1,451
		<u>65,296,173</u>	<u>4,026,750</u>
<u>Short term deposit accounts with</u>			
Dutch Bangla Bank Ltd.		878,377	889,153
AB Bank Ltd.		916,652	2,121,468
Standard Chartered Bank		35,032	36,093
IFIC Bank Ltd.		12,268	12,268
AL-Arafah Islami Bank Ltd.		14,304	39,304
Prime Bank Ltd.		239,094	60,092
		<u>2,095,726</u>	<u>3,158,378</u>
<u>Short term placement</u>			
National Bank of Pakistan		70,000,000	50,000,000
AB Bank Ltd.		70,000,000	200,000,000
Pubali Bank Ltd.		-	200,000,000
		<u>140,000,000</u>	<u>450,000,000</u>
<u>Short term deposit accounts (in foreign currency) with</u>			
AB Bank Ltd.		62,403	62,403
		<u>62,403</u>	<u>62,403</u>
<u>Fixed deposit accounts with</u>			
BRAC Bank Ltd.		-	12,935,834
Prime Bank Ltd.		51,401,250	50,000,000
National Bank of Pakistan		13,000,000	-
		<u>64,401,250</u>	<u>62,935,834</u>
		<u>271,855,553</u>	<u>520,183,365</u>
Other banks and financial institutions			
International Leasing and Financial Services Ltd		-	50,000,000
		-	50,000,000
		<u>271,855,553</u>	<u>570,183,365</u>

	<u>Note</u>	At <u>31-Mar-11</u> Taka	At <u>31-Dec-10</u> Taka
4. Investments			
Government securities	4.2	698,214,707	480,984,599
Other investments	4.3	619,678,558	619,678,558
		<u>1,317,893,265</u>	<u>1,100,663,157</u>
4.1 Classification of investments			
Held for trading (HFT)		660,714,707	443,484,599
Held to maturity (HTM)		37,500,000	37,500,000
		<u>698,214,707</u>	<u>480,984,599</u>
Other investments		619,678,558	619,678,558
		<u>1,317,893,265</u>	<u>1,100,663,157</u>
4.2 Government securities			
Treasury bills		460,576,173	498,530,941
Treasury bonds		872,724,164	596,000,000
		<u>1,333,300,337</u>	<u>1,094,530,941</u>
Less: Repo & assured liquidity support with Bangladesh Bank		635,085,630	613,546,342
		<u>698,214,707</u>	<u>480,984,599</u>
4.3 Other investments			
In ordinary shares			
Listed		7,007,689	7,007,689
Unlisted		31,670,869	31,670,869
		<u>38,678,558</u>	<u>38,678,558</u>
Preference shares		431,000,000	431,000,000
Investment in corporate bonds		150,000,000	150,000,000
		<u>619,678,558</u>	<u>619,678,558</u>
5. Loans, advances and leases			
<u>In Bangladesh:</u>			
Long term loan		2,700,729,588	2,500,653,256
Lease finance		1,307,967,497	1,280,091,818
Short term loan		214,370,634	238,730,915
Auto loan		67,317,453	68,603,681
Secured retail loan		64,303,884	44,163,648
Staff loan		19,225,689	18,713,450
		<u>4,373,914,745</u>	<u>4,150,956,768</u>
Outside Bangladesh		-	-
		<u>4,373,914,745</u>	<u>4,150,956,768</u>
Bills purchased and discounted		-	-
		<u>4,373,914,745</u>	<u>4,150,956,768</u>
6. Fixed assets including premises, furniture and fixtures			
Land and building		68,841,763	68,841,763
Motor vehicles		21,559,953	21,559,953
Furniture and fixtures		24,743,679	24,732,271
Equipment and appliances		27,043,927	26,779,127
Accounting software		1,600,000	1,600,000
		<u>143,789,322</u>	<u>143,513,114</u>
Less: Accumulated depreciation		66,319,036	62,825,881
		<u>77,470,287</u>	<u>80,687,233</u>
Details are shown in annexure-A			

	At 31-Mar-11 Taka	At 31-Dec-10 Taka
7. Other assets		
<u>Income generating other assets</u>		
Investment is shares of subsidiary companies:		
In Bangladesh	-	-
Outside Bangladesh	-	-
Dividend receivable against preference shares	23,834,717	18,857,910
	<u>23,834,717</u>	<u>18,857,910</u>
<u>Non-income generating other assets</u>		
Stationery, stamps, printing materials in stock	38,395	25,220
Advance rent and advertisement	7,161,256	7,483,321
Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures and other income receivable	22,345,033	21,617,650
Security deposits	716,160	403,856
Preliminary, formation and organization expenses, renovation/development expenses and prepaid expenses	8,161,406	7,188,292
Branch adjustment	-	-
Suspense account	-	-
Silver	-	-
Others	447,043,565	398,702,822
	<u>485,465,815</u>	<u>435,421,161</u>
	<u>509,300,532</u>	<u>454,279,071</u>
7.1 Others		
Advance tax	217,272,803	212,434,427
Deferred tax assets	225,797,253	183,662,047
Sundry assets	3,973,509	2,606,348
	<u>447,043,565</u>	<u>398,702,822</u>
7.1.1 Sundry assets		
City corporation tax	56,700	113,400
Hosna Centre Owners' Society	583,050	583,050
Advance others	3,333,759	1,909,898
	<u>3,973,509</u>	<u>2,606,348</u>
8. Borrowings from other banks, financial institutions and agents		
In Bangladesh	118,758,678	123,836,457
Outside Bangladesh	-	-
	<u>118,758,678</u>	<u>123,836,457</u>
In Bangladesh		
<u>Unsecured</u>		
Long term loan		
Credit Bridge Stand by Facility - CBSF	10,758,678	23,836,457
The UAE-Bangladesh Investment Company Ltd.	40,000,000	-
	<u>50,758,678</u>	<u>23,836,457</u>
Short term loan		
Pubali Bank Ltd.	-	100,000,000
Standard Chartered Bank	68,000,000	-
	<u>68,000,000</u>	<u>100,000,000</u>
	<u>118,758,678</u>	<u>123,836,457</u>

	At 31-Mar-11 Taka	At 31-Dec-10 Taka
9. Deposits and other accounts		
Inter-bank deposits	-	-
Other deposits	3,300,802,728	3,180,862,931
	<u>3,300,802,728</u>	<u>3,180,862,931</u>

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

10. Other liabilities

	Note		
Cumulative provision for loans, advances, leases and investments	10.1	650,915,388	533,566,217
Cumulative interest and dividend suspense	10.2	260,398,747	264,628,055
Provision for gratuity		8,508,890	7,203,203
Unclaimed dividend		3,423,630	3,424,692
Provision for corporate tax	10.3	137,447,792	119,882,915
Receipts against lease	10.4	32,241,263	31,894,338
Provision for finance charge	10.5	171,438,274	151,378,037
Withholding tax and VAT		2,913,119	2,544,335
Liabilities for special accounts	10.6	17,135,618	16,860,731
Provision for expense	10.7	9,057,062	6,384,185
Account payable for purchase of office equipment		-	1,087,550
		<u>1,293,479,782</u>	<u>1,138,854,258</u>

10.1. Cumulative provision for loans, advances, leases and investments

Provision for loans, advances and leases	587,743,237	486,517,840
Provision for investments in equity	44,206,053	47,048,377
M2M provision for investments in Govt. securities	18,966,098	-
	<u>650,915,388</u>	<u>533,566,217</u>

10.2 Cumulative interest and dividend suspense

Interest suspense against loans, advances and leases	258,166,324	262,484,398
Dividend suspense against investment in preference shares	2,232,423	2,143,657
	<u>260,398,747</u>	<u>264,628,055</u>

10.3 Provision for corporate tax

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

Balance as at 1 January	119,882,915	87,882,915
Add: Provision made during the period/year	17,564,877	32,000,000
	<u>137,447,792</u>	<u>119,882,915</u>
Less: Adjustment/paid	-	-
Balance as at 31 March/December	<u>137,447,792</u>	<u>119,882,915</u>

Assessment of income tax has been finalized with the tax authority for the accounting years up to 2003. Final assessment of income tax for accounting years 2004 to 2008 are pending with the Appellate Authorities and High Court Division of Supreme Court. Income tax return for the year 2009 has been submitted in due time u/s 82BB (Universal Self Assessment) of Income Tax Ordinance 1984.

	At 31-Mar-11 Taka	At 31-Dec-10 Taka
10.4 Receipts against lease		
Receipts against lease represents lease deposits received from lessees against finance on the stipulation that the amount will be adjusted with the outstanding rentals/installments. Lease deposits are made up as under:		
Balance as at 1 January	31,894,338	35,504,321
Add: Receipts during the period/year	<u>2,253,664</u>	<u>10,491,368</u>
	34,148,002	45,995,689
Less: Adjusted during the period/year	<u>1,906,739</u>	<u>14,101,351</u>
Balance as at 31 March/December	<u>32,241,263</u>	<u>31,894,338</u>
Purpose of taking lease deposits is to secure the finance provided to the clients. No interest is payable on lease deposits.		
10.5 Provision for finance charge		
Accrued interest expenses on term deposits	170,724,050	150,909,171
Accrued interest expenses on short term borrowings	91,786	55,556
Accrued interest expenses on long term borrowings	346,667	-
Accrued interest expenses on CBSF line of credit	90,359	227,898
Accrued interest expenses on Repo	<u>185,412</u>	<u>185,412</u>
	<u>171,438,274</u>	<u>151,378,037</u>
10.6 Liabilities for special accounts		
Account payable special account - IPO	1,118,356	1,118,356
Account payable special account - DEG	13,351,598	13,076,712
Account payable special account - other	<u>2,665,663</u>	<u>2,665,663</u>
	<u>17,135,618</u>	<u>16,860,731</u>
10.7 Provision for expenses		
Legal fees	3,587,890	3,209,850
Office services	970,975	1,365,153
Pay and allowance	3,092,379	511,335
Promotion and publicity	532,910	478,559
Office rent	118,391	70,533
Professional fees	200,000	140,000
Audit fees	458,750	365,750
Other expense	92,564	243,005
Liabilities for other account	<u>3,203</u>	<u>-</u>
	<u>9,057,062</u>	<u>6,384,185</u>
11. Share capital		
Authorized		
10,000,000 ordinary shares of Taka 100 each	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued, subscribed and fully paid up		
8,623,078 number of ordinary shares of Taka 100 each		
As at 31 December 2010: 8,623,078 number of ordinary shares of Taka 100 each.)	<u>862,307,800</u>	<u>862,307,800</u>
Paid up capital is made up of 2,570,140 numbers of ordinary shares paid up in cash and 6,052,938 numbers of ordinary shares through issuance of bonus shares.		

11.1 Paid up capital of the company is held as follows:

	At 31-Mar-11 Taka	At 31-Dec-10 Taka
Foreign		
Aga Khan Fund for Economic Development - AKFED	440,227,000	440,227,000
Others	400	400
	<u>440,227,400</u>	<u>440,227,400</u>
Domestic		
Government of the People's Republic of Bangladesh - GoB	188,669,200	188,669,200
Alliance Holdings Ltd.	17,027,900	17,027,900
General Shareholders	216,377,500	216,377,500
Others	5,800	5,800
	<u>422,080,400</u>	<u>422,080,400</u>
	<u>862,307,800</u>	<u>862,307,800</u>

12. Share premium

Share premium against 280,140 number of ordinary shares issued in 2004 and 1,390,000 number of ordinary shares issued in 2006 @ Tk 100 per share.

167,014,000	167,014,000
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13. Statutory reserve

This comprises of 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.

Balance as at 1 January	175,166,707	148,586,469
Add: Transferred from profit during the period/year	-	26,580,238
Balance as at 31 March/December	<u>175,166,707</u>	<u>175,166,707</u>

14. Assets revaluation reserve

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 assets revaluation reserve after adjustment of deferred tax.

Balance as at 1 January	13,585,980	13,585,980
Add/(Less): Adjustment for deferred tax	-	-
Balance as at 31 March/December	<u>13,585,980</u>	<u>13,585,980</u>

15. Retained earnings

Balance as at 1 January	760,881,342	732,951,992
Add: Post tax profit for the period/year	<u>(46,321,131)</u>	<u>132,901,188</u>
	714,560,211	865,853,180
Less: Transfer to statutory reserve	-	26,580,238
Less: Issuance of bonus shares	-	78,391,600
	-	104,971,838
Balance as at 31 March/December	<u>714,560,211</u>	<u>760,881,342</u>

16. Letters of guarantee

Director	-	-
Government	-	-
Bank and financial institutions	5,590,000	5,590,000
Others	-	-
	<u>5,590,000</u>	<u>5,590,000</u>

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

	Note	1st quarter ended 31-Mar-11 Taka	1st quarter ended 31-Mar-10 Taka
17. Interest income			
<u>Interest income on loans, leases and advances</u>			
Interest on lease finance		22,911,662	26,724,395
Interest on long term finance		91,830,296	62,226,832
Interest on short term finance		4,693,851	4,890,759
Interest on secured finance		1,458,147	898,238
Interest on auto loan		2,638,637	2,385,237
Interest income on staff loan		412,706	134,633
		<u>123,945,299</u>	<u>97,260,094</u>
<u>Interest income on balance with other banks and financial institutions</u>			
Interest on fixed deposits		1,346,875	1,031,250
Interest on overnight and treasury placements		6,642,708	-
Interest on STD accounts		76,595	300,469
		<u>8,066,178</u>	<u>1,331,719</u>
		<u>132,011,477</u>	<u>98,591,813</u>
18. Interest paid on deposits and borrowings etc.			
Interest expenses on term deposits		80,350,089	62,326,879
Interest expenses on borrowings		10,756,947	7,986,471
		<u>91,107,036</u>	<u>70,313,350</u>
19. Investment income			
<u>Dividend income</u>			
Dividend income on preference shares		10,734,792	7,324,519
Dividend income on listed shares		-	-
Dividend income on un-listed shares		-	-
		10,734,792	7,324,519
<u>Interest on treasury bills, bonds and debentures</u>			
Interest income on treasury bills		4,536,534	1,779,742
Interest income on Govt. bonds		15,646,797	1,698,874
Interest income on corporate bonds		4,470,548	-
		24,653,879	3,478,616
Capital gain on sale of shares and property		-	-
		<u>35,388,671</u>	<u>10,803,135</u>
20. Commission, exchange and brokerage			
Fees and commission income	20.1	622,316	175,098
Brokerage		-	-
		<u>622,316</u>	<u>175,098</u>
20.1 Fees and commission income			
<u>Fees income</u>			
Appraisal and feasibility study fees		428,575	139,698
Restructuring/renewal fees		-	10,000
Other fees		193,741	25,400
		622,316	175,098
Commission		-	-
		<u>622,316</u>	<u>175,098</u>
21. Other operating income			
Transfer price of leased assets		156,250	377,978
Other earnings		2,500	280,266
Loan loss recovery		77,000	-
		<u>235,750</u>	<u>658,244</u>

	1st quarter ended <u>31-Mar-11</u> Taka	1st quarter ended <u>31-Mar-10</u> Taka
22. Rent, taxes, insurance, electricity, etc.		
Office rent	1,327,029	183,286
Rates and taxes	56,700	69,966
Insurance	467,394	365,814
Utilities - electricity, gas, water etc	495,621	223,286
	<u>2,346,744</u>	<u>842,352</u>
23. Legal expenses		
Professional fees	2,481,740	115,896
Legal document, court fees etc.	324,528	753,920
	<u>2,806,268</u>	<u>869,816</u>
24. Postage, stamp, telecommunications, etc.		
Postage, stamps etc.	68,547	21,953
Telephone	96,023	71,932
Internet expenses	294,578	172,500
	<u>459,148</u>	<u>266,385</u>
25. Stationery, printing, advertisements etc.		
Printing and stationery	155,789	164,912
Publicity and advertisement	769,106	737,046
	<u>924,895</u>	<u>901,958</u>
26. Directors' fees		
Honorarium for attending meeting	115,000	92,000
Incidental expenses for attending meeting	-	-
	<u>115,000</u>	<u>92,000</u>
27. Depreciation and repair on fixed assets		
Depreciation	3,493,155	2,892,454
Repair and maintenance	882,136	773,743
	<u>4,375,291</u>	<u>3,666,197</u>
27.1 Depreciation		
Office premises	860,523	858,854
Motor vehicles	975,144	457,016
Furniture and fixtures	799,046	695,258
Equipment and appliances	858,442	881,327
	<u>3,493,155</u>	<u>2,892,454</u>
Details are shown in annexure-A		

28. Other expenses

Staff training	98,560	360,100
Membership fees, subscription and donations	812,828	274,580
News papers, periodicals, learning materials etc.	21,065	12,897
Traveling, conveyance and hotel expenses	832,655	841,828
Entertainment and public relation	100,978	122,437
Annual General Meeting expenses	250,000	-
Security and cleaning services	280,563	156,842
Sundry office maintenance	282,853	308,634
Other operational expenses	357,184	321,635
	<u>3,036,686</u>	<u>2,398,953</u>

29. Provision for loans, advances, leases and investment

Provision for loans, advances and leases	108,392,823	128,282,784
Provision for diminution of value of investment in shares	4,488,102	-
Other - provision for marking to market of Govt. securities	4,468,246	-
	<u>117,349,171</u>	<u>128,282,784</u>

30. Earnings per share (EPS)

Basic earnings per share has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the first quarter ended 31 March 2011 as per Bangladesh Accounting Standard (BAS) 33: *Earnings per share (EPS)*.

Net profit after tax	(46,321,131)	(114,800,052)
Number of ordinary shares	8,623,078	8,623,078
Basic earning per share	<u>(5.37)</u>	<u>(13.31)</u>

Diluted Earning Per Share (DEPS)

No DEPS is required to be calculated since there was no scope for dilution of share during the period under review.

31. Cash and cash equivalents

Cash in hand	37,952	35,000
Balance with Bangladesh Bank and its agent bank (s)	95,203,555	53,931,306
Balance with other banks and financial institutions	271,855,553	96,271,974
	<u>367,097,059</u>	<u>150,238,280</u>

32. Events after the balance sheet date

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

Industrial Promotion and Development Company of Bangladesh Limited

Fixed assets including premises, furniture and fixtures

Annexure - A

Category of asset	Cost					Rate	Depreciation				Carrying amount as at 31 March 2011
	Balance as at 1 Jan 2011	Addition during the period	Adjustment during the period	Disposal during the period	Balance as at 31 March 2011		Balance as at 1 Jan 2011	Charged during the period	Adjustment during the period	Balance as at 31 March 2011	
Office premises	68,841,763	-	-	-	68,841,763	5%	18,357,808	860,523	-	19,218,331	49,623,432
Motor vehicles	21,559,953	-	-	-	21,559,953	20% & 33.33%	12,606,708	975,144	-	13,581,852	7,978,101
Furniture and fixtures	24,732,271	11,409	-	-	24,743,680	12.50%	13,328,882	771,598	-	14,100,480	10,643,200
Equipment and appliances	26,779,127	264,800	-	-	27,043,927	20%	16,932,484	885,890	-	17,818,374	9,225,553
Accounting software	1,600,000	-	-	-	1,600,000	50%	1,599,999	-	-	1,599,999	1
Balance as at 31 March 2011	143,513,114	276,209	-	-	143,789,323		62,825,881	3,493,155	-	66,319,036	77,470,287
Balance as at 31 December 2010	127,737,386	20,549,164	-	4,773,436	143,513,114		54,171,246	13,428,011	4,773,376	62,825,881	80,687,233

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 car parking 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.