

# Industrial Promotion and Development Company of Bangladesh Limited

## Auditors' Report and Financial Statements for the year ended 31 December 2005

April 2006



**S. F. AHMED & CO.**  
Chartered Accountants  
Representative of ERNST & YOUNG in Bangladesh

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**Auditors' Report to the Shareholders**  
of

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

We have audited the accompanying balance sheet of the Industrial Promotion and Development Company of Bangladesh Limited as of 31 December 2005 and the related profit and loss account, cash flow statement and statement of changes in shareholders' equity for the year then ended. The preparation of these financial statements is the responsibility of the company's management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant accounting estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards, give a true and fair view of the state of the company's affairs as of 31 December 2005 and of the results of its operations and its cash flows for the year then ended and comply with the Financial Institutions Act 1993, the Companies Act 1994, the Securities and Exchange Rules 1987, the rules and regulations issued by the Bangladesh Bank, and other applicable laws and regulations.

Subject to the above, we also report that :

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) in our opinion proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of those books;
- (c) the financial statements have been prepared in accordance with generally accepted accounting principles in Bangladesh;
- (d) the financial statements have been drawn up in conformity with the rules and regulations issued by Bangladesh Bank to the extent applicable to the company;
- (e) the expenditure incurred and payments made were for the purpose of the company's business;
- (f) the information and explanations required by us have been received and found satisfactory;
- (g) adequate provision has been made for investment (Note No. 10) considered to be doubtful;
- (h) the company has followed the instructions issued by Bangladesh Bank in matters of lease/advance classification, provisioning and suspension of interest;
- (i) the company has complied with the relevant laws pertaining to reserves and maintenance of liquid assets; and
- (j) The company's Balance Sheet and company's Profit & Loss Account dealt with by the report are in agreement with the books of accounts.

Dated, Dhaka  
16 April 2006



*S. F. Ahmed*  
S. F. Ahmed & Co.  
Chartered Accountants

# Industrial Promotion and Development Company of Bangladesh Limited

## Balance Sheet

for the year ended 31 December 2005

<u>Source of fund</u>	<u>Notes</u>	2005 <u>Taka</u>	2004 <u>Taka</u>
<b>Shareholders' equity:</b>			
Share capital	3	478,014,000	478,014,000
Share premium	3.1	28,014,000	28,014,000
Statutory reserve	4	44,949,704	44,949,704
Revaluation reserve - office premises	9.1	23,627,792	-
Proposed dividend		47,801,400	119,503,500
Dividend distribution tax		-	11,950,350
Revenue reserve		501,234,825	414,910,143
		1,123,641,721	1,097,341,697
<b>Loan funds (unsecured):</b>			
Lines of credit	5	3,895,836,248	3,946,379,694
Less : Current portion of lines of credit		(662,209,366)	(721,313,546)
		3,233,626,882	3,225,066,148
IDA line of credit - deferred interest	6	3,899,939	-
		3,237,526,821	3,225,066,148
<b>Deferred liabilities</b>	7	73,324,066	70,335,626
		<u>4,434,492,608</u>	<u>4,392,743,471</u>
<b><u>Application of fund</u></b>			
<b>Tangible assets</b>			
Fixed assets at cost less accumulated depreciation	9	97,225,305	6,645,493
Lease assets at cost less accumulated depreciation		-	1,127,359
<b>Deferred Tax Assets</b>	8	149,621,752	34,807,097
<b>Investments - net of provisions:</b>			
Equity	10	1,161,765,893	1,095,589,726
Long term loans		2,640,677,772	2,009,586,465
Lease receivables		1,082,193,120	1,001,278,561
Short term finance		1,652,446,238	2,045,584,223
Advances against lease		202,564,602	455,404,342
		6,739,647,625	6,607,443,317
Less: Current portion of investments	11	(3,414,941,191)	(3,411,601,080)
		3,324,706,434	3,195,842,237

