



### Dear Shareholders,

We are pleased to present herewith the un-audited half yearly financial statements as on June 30, 2008 of the Company, as per Rule 13 of the Securities and Exchange Rules 1987.

Your company has recorded Operating Profit of Tk. 91,420,620 during the period which is 38.6% higher than last year. The Net Profit after Tax for the period is Tk 80,121,150 against Tk. 53,827,257 made in the same period last year marking a notable increase of 48.8%.

During the half year new investment of Tk. 507 million has been made as against Tk. 550 million last year. Tight liquidity situation in the market has negatively impacted disbursement of new investments during the period. Your company is trying to solicit funds from alternative sources which should in effect help to generate increased business in second half of the year.

We are glad to inform that your company has taken several initiatives during the period to generate business from new avenues. IPDC's first ever retail finance product – Auto Loan – has been introduced during the period which is receiving very positive response from the market due to superior customer service. Process for Stock Brokerage Operations and issuing Zero Coupon Bond has been initiated after receiving your approval in the 10th Extra-ordinary General Meeting of the Shareholders. These will be materialized subject to regulatory approvals and also considering the business prospect with the changed tax structure in the Finance Bill 2008. To enhance IPDC's brand image, a new Website of the company has been launched during the period. Several other initiatives have been taken to run your company more efficiently internally including implementation of a comprehensive employee retention program.

With all these initiatives underway, your company is on the right track on its long term goal of growth and sustainability.

Mominul Islam
Managing Director & CEO
Current Charge



## Industrial Promotion and Development Company of Bangladesh Limited Balance Sheet (Un-audited) as at 30 June 2008

|   | At 30 Jun. 2008                | At 31 Dec. 2007 |
|---|--------------------------------|-----------------|
| Source of fund                                  | Taka                           | Taka            |
| Shareholders' equity                            |                                |                 |
| Share capital                                   | 712,651,100                    | 647,864,700     |
| Share premium                                   | 167,014,000                    | 167,014,000     |
| Statutory reserve                               | 105,659,472                    | 105,659,472     |
| Revaluation reserve - office premises           | 23,627,792                     | 23,627,792      |
| Proposed cash dividend                          | -                              | 32,393,235      |
| Proposed stock dividend                         | -                              | 64,786,470      |
| Retained earnings                               | 712,630,258                    | 632,509,108     |
|   | 1,721,582,622                  | 1,673,854,777   |
| Long term liabilities                           |                                |                 |
| Long term loan - non current                    | 392,755,987                    | 255,102,644     |
| Term deposits - non current                     | 1,510,676,317                  | 1,330,409,436   |
| Deferred liabilities                            | 36,539,749                     | 38,029,507      |
| Provision for investments and advances          | 612,860,686                    | 609,622,282     |
|   | 2,552,832,740                  | 2,233,163,869   |
| Annellin all annel format                       | 4,274,415,361                  | 3,907,018,646   |
| Application of fund                             | 110 075 000                    | 100 074 004     |
| Property, plant and equipment                   | 113,675,389                    | 120,374,804     |
| Intangible assets                               | 400,000                        | 800,000         |
| Deferred tax assets                             | 208,772,850                    | 200,538,624     |
| Investments - non current Investments in shares | E04 710 47E                    | 674 070 000     |
|   | 504,716,475                    | 671,870,869     |
| Long term finance Net lease receivables         | 1,683,250,524<br>1,011,685,279 | 1,523,855,366   |
| Auto Ioan                                       | 27,595,969                     | 1,086,361,389   |
| Auto Ioan                                       | 3,227,248,247                  | 3,282,087,624   |
| Current assets                                  | 0,227,240,247                  | 0,202,007,024   |
| Investments and advances - current              |                                |                 |
| Investments in shares                           | 344,574,672                    | 242,096,158     |
| Long term finance                               | 444,761,482                    | 700,489,562     |
| Net lease receivables                           | 407,882,008                    | 317,800,850     |
| Short term finance                              | 714,789,248                    | 677,263,478     |
| Advance against lease finance                   | 29,756,000                     | 68,000,000      |
| •   | 1,941,763,410                  | 2,005,650,048   |
| Accounts receivable - projects                  | 773,557,384                    | 821,573,808     |
| Receivable others                               | 1,840,124                      | 5,347,176       |
| Advances, deposits and prepayments              | 166,588,840                    | 159,844,754     |
| Cash and cash equivalents                       | 218,346,877                    | 599,107,162     |
| ·   | 1,160,333,225                  | 1,585,872,900   |
|   | 3,102,096,635                  | 3,591,522,948   |
| Current liabilities                             |                                |                 |
| Long term loan - current                        | 423,004,699                    | 469,585,964     |
| Term deposit - current                          | 1,007,117,545                  | 1,714,757,000   |
| Short term loan                                 | 378,577,011                    | 487,549,335     |
| Accounts payable                                | 211,882,545                    | 199,859,215     |
| Interest suspense                               | 282,893,130                    | 349,614,084     |
| Provision for corporate tax                     | 74,302,829                     | 66,939,756      |
|   | 2,377,777,760                  | 3,288,305,354   |
| Net current assets                              | 724,318,875                    | 303,217,594     |
|   | 4,274,415,361                  | 3,907,018,646   |

Dilip Kumar Mandal

Chief Financial Officer

Mominul Islam Managing Director & CEO (C.C)

## Industrial Promotion and Development Company of Bangladesh Limited Profit and Loss Account (Un-audited) for the half year ended 30 June 2008

| 0  | Half year ended<br>30-Jun-08 | Half year ended<br>30-Jun-07 |
|--|------------------------------|------------------------------|
| Operational revenue                            | Taka                         | Taka                         |
| Interest income from lease finance             | 102,812,507                  | - / /                        |
| Interest income from term finance              | 138,702,161                  | 170,655,451                  |
| Interest income from short term finance        | 52,898,305                   | 61,962,654                   |
| Dividend income                                | 49,087,150                   | 44,459,012                   |
| Other operational income                       | 2,923,065                    |                              |
|  | 346,423,188                  | 366,900,343                  |
| Operational expenses                           |                              |                              |
| General and administrative expenses            | 28,934,576                   | 28,546,945                   |
| Depreciation on property, plant and equipment  | 6,919,098                    | 6,663,126                    |
| Amortization of intangible assets              | 400,000                      | -                            |
| Financial expenses                             | 218,748,894                  | , ,                          |
|  | 255,002,568                  |                              |
| Income from operations                         | 91,420,620                   | 65,983,376                   |
| Non-operational income                         | 11,142,601                   | 59,600                       |
| Exchange gain/(loss)                           | (74,820)                     | 29,811                       |
|  | 11,067,781                   | 89,411                       |
| Profit before provision and tax                | 102,488,401                  | 66,072,787                   |
| Provision for investments and advances         | 23,238,405                   | 5,880,530                    |
| Net profit before tax                          | 79,249,996                   | 60,192,257                   |
| Provision for tax                              |                              |                              |
| Current tax                                    | 7,363,073                    | 6,365,000                    |
| Deferred tax                                   | (8,234,227)                  | -                            |
|  | (871,154)                    | 6,365,000                    |
| Net profit after tax                           | 80,121,150                   | 53,827,257                   |
| Retained earnings brought forward              | 632,509,108                  | 622,918,511                  |
| Profit available for appropriation             | 712,630,258                  | 676,745,768                  |
| Earnings per share - EPS (annualized)          | 22.49                        | 16.62                        |
| Restated earnings per share - EPS (annualized) | 22.49                        | 15.11                        |

Dilip Kumar Mandal Chief Financial Officer

Mominul Islam
Managing Director & CEO (C.C)

### Industrial Promotion and Development Company of Bangladesh Limited

| Cash Flow Statement (Un-audited) for the half year en    | ided 30 June 2008            |                              |
|--|------------------------------|------------------------------|
|  | Half year ended<br>30-Jun-08 | Half year ended<br>30-Jun-07 |
| Cash flows from operating activities                     | Taka                         | Taka                         |
| Operational & non-operational revenue                    | 357,490,969                  | 366,989,754                  |
| Payments for operational expenses                        | (270,736,261)                | (293,584,466)                |
| Payments of corporate income tax                         | (5,990,843)                  | (5,549,793)                  |
| (Increase)/decrease in accounts receivables and advances | 50,770,233                   | 12,824,836                   |
| Increase/(decrease) in accrued expenses and payables     | (47,334,551)                 | (48,930,634)                 |
| Net Cash flows from operating activities                 | 84,199,547                   | 31,749,697                   |
| Cash flows from investing activities                     |                              |                              |
| Acquisition of fixed assets                              | (1,636,350)                  | (996,149)                    |
| Disposal of fixed assets                                 | -                            | 256,248                      |
| Investments made   | (866,623,662)                | (601,758,688)                |
| Recovery of loan, lease and short term finance           | 885,572,492                  | 601,591,736                  |
| Redemption of shares                                     | 64,675,880                   | 130,460,056                  |
| Receipts/adjustment against lease                        | (1,675,372)                  | (2,415,496)                  |
| Net cash used in investing activities                    | 80,312,988                   | 127,137,707                  |
| Cash flows from financing activities                     |                              |                              |
| Receipts/(payments) of credit lines                      | 91,072,078                   | (605,391,508)                |
| Receipts/(Payments) of FDR,call loan and overdraft       | (636,344,898)                | 241,505,600                  |
| Payment of dividend                                      | · · · · · · · ·              | 61,701,400)                  |
| Net cash flows from financing activities                 | (545,272,820)                | (425,587,308)                |
| Net increase/(decrease) in cash and cash equivalents     | (380,760,285)                | (266,699,904)                |
| Cash and cash equivalents at the beginning of the year   | 599,107,162                  | 723,761,581                  |
| Cash and cash equivalents at the end of the period       | 218,346,877                  | 457,061,677                  |

| State  | Share<br>capital<br>Taka           | Balance at 1 January 2008 647,864,700  Changes during the period 64,786,400 |
|--|------------------------------------|---|
| Industrial Promotion and Development Company of Bangladesh Limited<br>Statement of Changes in Shareholders' Equity (Un-audited) for the half year ended 30 June 2008 | Share St<br>premium re<br>Taka     | 167,014,000 105   |
| and Developme<br>olders' Equity (U   | Statutory<br>reserve<br>Taka       | 105,629,472   |
| ndustrial Promotion and Development Company of Bangladesh Limited<br>Changes in Shareholders' Equity (Un-audited) for the half year ended 3                          | Proposed<br>cash dividend<br>Taka  | 32,393,235  |
| sh Limited<br>ar ended 30 June 2008  | Proposed<br>stock dividend<br>Taka | 64,786,470 (64,786,400)   |
|  | Revaluation<br>reserve<br>Taka     | 23,627,792  |
|  | Revenue<br>reserve<br>Taka         | 632,509,108   |

Taka Total

1,673,824,777

80,121,150 (32,393,305)1,721,552,622 1,594,219,156

676,745,768 712,630,258 80,121,150

> 23,627,792 23,627,792

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(32,393,235)

105,629,472 78,966,896

167,014,000 167,014,000

647,864,700 712,651,100

Net profit after tax for the period

Balance at 30 June 2008 Balance at 30 June 2007

Dividend payment

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| 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. |
|---------------------------|---|--|
|                           |   | -  |

## Figures have been rounded off to the nearest Taka and 2007 figures have been rearranged, where necessary, to conform to current period presentation. Rounding off and rearrangement of figures

# Accounting policies and method of computations

34: "Interim Financial Reporting"

convention following accrual basis of accounting and based on Bangladesh Accounting Standard (BAS)

The financial statements for the half year ended June 30, 2008 are prepared under historical cost

Basis of Reporting

For preparing the half yearly financial statements, we have followed accounting policies and method in consistent with those used in the financial statements prepared and published for the year ended December 31, 2007.



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