


**IPDC Finance Limited**

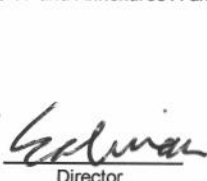
Financial statements (Un-audited) as at and  
for the quarter ended 31 March 2017

**IPDC Finance Limited**  
**Balance Sheet (Un-audited)**

As at	Note	31 March 2017 Taka	31 December 2016 Taka
<b>Property and assets</b>			
<b>Cash</b>	2		
In hand (including foreign currencies)		295,000	270,000
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		<u>242,590,940</u>	<u>226,125,597</u>
		<b>242,885,940</b>	<b>226,395,597</b>
Balance with other banks and financial institutions	3	<u>1,770,161,466</u>	<u>1,632,372,469</u>
		<b>1,770,161,466</b>	<b>1,632,372,469</b>
<b>Money at call and short notice</b>		-	-
<b>Investments</b>	4	<u>565,732,580</u>	<u>565,732,580</u>
		<b>565,732,580</b>	<b>565,732,580</b>
<b>Loans, advances and leases</b>			
Loans, cash credits, overdrafts, etc.	5	<u>23,869,489,086</u>	<u>19,480,595,090</u>
		<b>23,869,489,086</b>	<b>19,480,595,090</b>
<b>Fixed assets including land, building, furniture and fixture</b>	6	247,296,896	233,614,078
<b>Other assets</b>	7	485,080,148	434,487,396
<b>Non financial institutional assets</b>	8	3,752,405	3,752,405
<b>Total assets</b>		<u><b>27,184,398,521</b></u>	<u><b>22,576,949,615</b></u>
<b>Liabilities and shareholders' equity</b>			
<b>Liabilities</b>			
Borrowings from other banks, financial institutions and agents	9	2,028,412,623	1,141,448,941
Deposits and other accounts	10	20,755,152,699	17,179,190,416
Other liabilities	11	<u>1,562,763,758</u>	<u>1,481,196,639</u>
<b>Total liabilities</b>		<u><b>24,346,329,080</b></u>	<u><b>19,801,835,996</b></u>
<b>Shareholders' equity</b>			
Paid up capital	12	1,515,005,670	1,515,005,670
Share premium	13	167,014,000	167,014,000
Statutory reserve	14	393,375,601	393,375,601
Assets revaluation reserve	15	124,501,939	124,501,939
Retained earnings	16	<u>638,172,231</u>	<u>575,216,409</u>
<b>Total shareholders' equity</b>		<u><b>2,838,069,441</b></u>	<u><b>2,775,113,619</b></u>
<b>Total liabilities and shareholders' equity</b>		<u><b>27,184,398,521</b></u>	<u><b>22,576,949,615</b></u>
<b>Off-balance sheet items</b>			
<b>Contingent liabilities</b>			
Letters of guarantee	17	<u>39,882,913</u>	<u>30,046,913</u>
<b>Total contingent liabilities</b>		<u><b>39,882,913</b></u>	<u><b>30,046,913</b></u>
<b>Other commitments</b>		-	-
<b>Total other commitments</b>		<u>-</u>	<u>-</u>
<b>Total off-balance sheet items including contingent liabilities</b>		<u><b>39,882,913</b></u>	<u><b>30,046,913</b></u>

The annexed notes from 1 to 37 and Annexures A and B are an integral part of these financial statements.

  
Chairman

  
Director

  
Managing Director & CEO

  
Chief Financial Officer

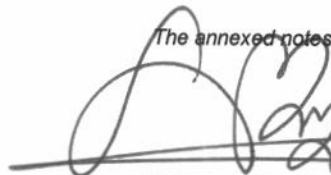
  
Company Secretary

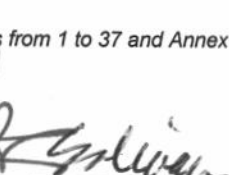
IPDC Finance Limited

Profit and Loss Account (Un-audited)

For the quarter ended 31 March	Note	2017 Taka	2016 Taka
<b>Particulars</b>			
Interest income	18	576,833,051	240,483,076
Less: Interest paid on deposits and borrowings, etc.	19	337,362,120	118,156,295
<b>Net interest income</b>		<b>239,470,931</b>	<b>122,326,781</b>
Investment income	20	13,865,999	5,012,573
Commission, exchange and brokerage	21	14,657,148	4,874,422
Other operating income	22	3,943,420	4,236,326
<b>Total operating income</b>		<b>271,937,498</b>	<b>136,450,102</b>
Salary and allowances	23	53,148,317	25,098,458
Rent, taxes, insurance, electricity, etc.	24	7,251,157	3,930,874
Legal expenses	25	3,480,789	3,160,152
Postage, stamp, telecommunications, etc.	26	1,187,137	852,052
Stationery, printing, advertisements, etc.	27	33,283,308	7,039,486
Managing Director's salary and allowances	28	2,187,999	2,187,999
Directors' fees	29	726,862	742,374
Auditors' fees	30	126,506	126,504
Charges on loan loss		-	-
Depreciation and repair of assets	31	11,189,895	6,967,329
Other expenses	32	13,220,182	7,075,752
<b>Total operating expenses</b>		<b>125,802,152</b>	<b>57,180,980</b>
<b>Profit before provision</b>		<b>146,135,346</b>	<b>79,269,122</b>
Provision for loans and advances	33	25,347,006	(22,050,872)
Provision/(reversal) for diminution in value of investments	34	-	-
<b>Total provision</b>		<b>25,347,006</b>	<b>(22,050,872)</b>
<b>Profit before tax</b>		<b>120,788,340</b>	<b>101,319,994</b>
Provision for taxation			
Current tax expense	11.4	58,299,489	32,874,274
Deferred tax expense/ (income)	35	(466,971)	8,054,069
		<b>57,832,518</b>	<b>40,928,343</b>
<b>Net profit after tax</b>		<b>62,955,822</b>	<b>60,391,651</b>
<b>Earnings per share (EPS)</b>	36	<b>0.42</b>	<b>0.40</b>

The annexed notes from 1 to 37 and Annexures A and B are an integral part of these financial statements.

  
Chairman

  
Director

  
Managing Director & CEO

  
Chief Financial Officer

  
Company Secretary

IPDC Finance Limited

Cash Flow Statement (Un-audited)

For the quarter ended 31 March	2017 Taka	2016 Taka
<b>A) Cash flows from operating activities</b>		
Interest received	588,203,036	170,713,256
Interest paid	(322,937,649)	(129,374,559)
Dividend received	6,348,878	-
Fee and commission received	14,657,148	4,874,422
Recoveries of loan previously written off	3,666,320	4,021,726
Payment to employees	(55,336,316)	(41,272,660)
Payment to suppliers	(79,613,478)	(21,975,203)
Income taxes paid	(48,228,246)	(21,270,209)
Receipt from other operating activities	277,100	10,022,984
Payment for other operating activities	-	-
<b>Cash generated from/(used in) operating activities before changes in operating assets and liabilities</b>	<b>107,036,793</b>	<b>(24,260,243)</b>
<b>Changes in operating assets and liabilities</b>		
Statutory deposits	-	-
Sale of trading securities	-	-
Loans and advances to other banks	22,511,552	24,556,959
Loans and advances to customers	(4,434,145,516)	(2,034,598,209)
Other assets	2,196,219	(1,285,367)
Deposits from other banks and financial institutions	1,300,000,000	1,150,000,000
Deposits from customers	2,275,962,283	810,267,476
Other liability accounts of customers	-	-
Trading liabilities	851,577,432	406,482,865
Other liabilities	11,900,461	38,932,717
<b>Cash received/(paid) from operating assets and liabilities</b>	<b>30,002,431</b>	<b>394,356,441</b>
<b>Net cash from operating activities</b>	<b>137,039,224</b>	<b>370,096,198</b>
<b>B) Cash flows from investing activities</b>		
Proceeds from sale of securities	-	-
Payments for purchase of securities	-	-
Net increase in purchase of property, plant and equipment	(18,146,134)	(639,902)
Sale proceeds of property, plant and equipment	-	-
<b>Net cash (used in)/ from investing activities</b>	<b>(18,146,134)</b>	<b>(639,902)</b>
<b>C) Cash flows from financing activities</b>		
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	35,386,250	(3,223,720)
Dividends paid in cash	-	-
<b>Net cash (used in)/ from financing activities</b>	<b>35,386,250</b>	<b>(3,223,720)</b>
<b>D) Net increase in cash (A+B+C)</b>	<b>154,279,340</b>	<b>366,232,576</b>
<b>E) Effect of changes in exchange rate over cash and cash equivalents</b>	<b>-</b>	<b>-</b>
<b>F) Cash and cash equivalents at 1 January</b>	<b>1,858,768,066</b>	<b>1,145,231,485</b>
<b>G) Cash and cash equivalents at the end of quarter (D+E+F)</b>	<b>2,013,047,406</b>	<b>1,511,464,061</b>



IPDC Finance Limited

Statement of Changes in Shareholders' Equity (Un-audited)  
For the quarter ended 31 March 2017

Particulars	<u>Paid up capital</u> Taka	<u>Share premium</u> Taka	<u>Statutory reserve</u> Taka	<u>Assets revaluation reserve</u> Taka	<u>Retained earnings</u> Taka	<u>Total</u> Taka
Balance as at 1 January 2017	1,515,005,670	167,014,000	393,375,601	124,501,939	575,216,409	2,775,113,619
Surplus/(deficit) on account of revaluation of assets	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	-
Deferred tax liability	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-
Net gain/(loss) not recognised in the profit and loss account	-	-	-	-	-	-
Net profit for the quarter ended 31 March 2017	-	-	-	-	62,955,822	62,955,822
Dividend	-	-	-	-	-	-
Issuance of bonus share	-	-	-	-	-	-
Issuance of share capital	-	-	-	-	-	-
Appropriation during the period	-	-	-	-	-	-
<b>Balance as at 31 March 2017</b>	<b>1,515,005,670</b>	<b>167,014,000</b>	<b>393,375,601</b>	<b>124,501,939</b>	<b>638,172,231</b>	<b>2,838,069,441</b>
Balance as at 1 January 2016	1,262,504,730	167,014,000	332,758,289	127,086,739	585,248,100	2,474,611,858
Surplus/(deficit) on account of revaluation of assets	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	-
Deferred tax liability	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-
Net gain/(loss) not recognised in the profit and loss account	-	-	-	-	-	-
Net profit for the quarter ended 31 March 2016	-	-	-	-	60,391,651	60,391,651
Dividend	-	-	-	-	-	-
Issuance of bonus share	252,500,940	-	-	-	(252,500,940)	-
Issuance of share capital	-	-	-	-	-	-
Appropriation during the period	-	-	-	-	-	-
<b>Balance as at 31 March 2016</b>	<b>1,515,005,670</b>	<b>167,014,000</b>	<b>332,758,289</b>	<b>127,086,739</b>	<b>393,138,811</b>	<b>2,535,003,509</b>



**IPDC Finance Limited**  
**Notes to the financial statements (Un-audited)**  
**as at and for the quarter ended 31 March 2017**

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**1. Reporting entity**

**1.1. Company profile**

With a mandate to promote economic growth in the country, IPDC Finance Limited (Formerly named as Industrial Promotion and Development Company of Bangladesh Limited) hereinafter also referred as "IPDC" or the "Company" 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 with both the Dhaka Stock Exchange and the Chittagong Stock Exchange in Bangladesh. The Company has nine branch offices located at Gulshan, Dhanmondi, Motijheel, Uttara, Chittagong, Narayanganj, Bogra, Gazipur and Sylhet.

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

The Company specialises in providing long term and short term financing, project financing, lease financing, channel finance, work order finance, mortgage finance, equity financing, syndication finance and Small & Medium Enterprises (SME) finance. 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 quarter ended 31 March 2017 have been prepared under historical cost convention following accrual basis of accounting and based on Bangladesh Accounting Standard (BAS) 34: *Interim Financial Reporting*, Securities and Exchange Rules 1987, Regulations issued by Bangladesh Bank and other applicable laws and regulations.

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

For preparing the quarterly financial statements, the accounting policies and methods in consistent with those used in the financial statements prepared for the year ended 31 December 2016 have been followed.

**1.5. Post Balance Sheet events**

All material events occurring after the balance sheet date have been considered and where necessary, adjusted for or disclosed in note no. 37 of these financial statements.

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

Figures have been rounded off to the nearest Taka and 2016 figures have been reclassified/rearranged, where necessary, to conform to current period presentation.



As at	Note	31 March 2017 Taka	31 December 2016 Taka
<b>2. Cash</b>			
Cash in hand (including foreign currencies)	2.1	295,000	270,000
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	2.2	242,590,940	226,125,597
		<b>242,885,940</b>	<b>226,395,597</b>
<b>2.1 Cash in hand</b>			
In local currency		295,000	270,000
In foreign currency		-	-
		<b>295,000</b>	<b>270,000</b>
<b>2.2 Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)</b>			
Bangladesh Bank			
In local currency		242,590,940	226,125,597
In foreign currency		-	-
		<b>242,590,940</b>	<b>226,125,597</b>
Sonali Bank Limited (as an agent of Bangladesh Bank)		-	-
		<b>242,590,940</b>	<b>226,125,597</b>
<b>3. Balance with other banks and financial institutions</b>			
In Bangladesh	3.1	1,770,161,466	1,632,372,469
Outside Bangladesh		-	-
		<b>1,770,161,466</b>	<b>1,632,372,469</b>
<b>3.1 In Bangladesh</b>			
<u>In current deposit accounts with</u>			
Commercial Bank of Ceylon PLC		-	-
Uttara Bank Limited		-	-
United Commercial Bank Limited		1,068,031	19,797
AB Bank Limited		15,500	16,075
Standard Chartered Bank Limited		5,252,023	393,559
Prime Bank Limited		14,466,303	80,669,093
Social Islami Bank Limited		-	-
Bank Alfalah Limited		-	-
		<b>20,801,857</b>	<b>81,098,524</b>
<u>Short term deposit accounts with</u>			
Dutch Bangla Bank Limited		822,542	11,799,723
Prime Bank Limited		2,581,038	3,924,274
AB Bank Limited		1,699,750	1,681,448
Standard Chartered Bank Limited		39,113	39,263
Mercantile Bank Limited		3,500,077	21,667,676
AL-Arafah Islami Bank Limited		-	-
BRAC Bank Limited		953,856	1,772,538
Dhaka Bank Limited		2,936,702	2,851,536
United Commercial Bank Limited		177,567	25,136,927
Eastern Bank Limited		668,752	-
		<b>13,379,397</b>	<b>68,873,385</b>
<u>Short term placement</u>			
National Bank of Pakistan		250,000,000	250,000,000
LankaBangla Finance Limited		-	-
International Leasing and Financial Service Limited		100,000,000	100,000,000
		<b>350,000,000</b>	<b>350,000,000</b>
<u>Short term deposit accounts (in foreign currency) with</u>			
AB Bank Limited		1,367	1,368
		<b>1,367</b>	<b>1,368</b>
<u>Fixed deposit accounts with</u>			
Prime Bank Limited		26,946,310	26,739,346
Dhaka Bank Limited		131,965,952	131,478,705
AB Bank Limited		408,978,121	398,162,391
EXIM Bank Limited		400,000,000	220,000,000
Union Bank Limited		-	-
National Bank of Pakistan Limited		14,500,000	14,500,000
The City Bank Limited		-	-
Standard Bank Limited		403,588,462	341,518,750
		<b>1,385,978,845</b>	<b>1,132,399,192</b>
<b>Total</b>		<b>1,770,161,466</b>	<b>1,632,372,469</b>



As at	Note	31 March 2017 Taka	31 December 2016 Taka
<b>4. Investments</b>			
Government securities		-	-
Other investments	4.2	565,732,580	565,732,580
		<u>565,732,580</u>	<u>565,732,580</u>
<b>4.1 Classification of investments</b>			
Held for trading (HFT)		-	-
Held to maturity (HTM)		-	-
		<u>-</u>	<u>-</u>
Other investments		565,732,580	565,732,580
		<u>565,732,580</u>	<u>565,732,580</u>
<b>4.2 Other investments</b>			
In ordinary shares:			
Quoted		7,000,000	7,000,000
Unquoted		4,500,000	4,500,000
		<u>11,500,000</u>	<u>11,500,000</u>
Redeemable preference shares		281,265,346	281,265,346
Investment in shares		292,765,346	292,765,346
Investment in corporate bonds		272,967,234	272,967,234
		<u>565,732,580</u>	<u>565,732,580</u>
Details are shown in Annexure - A			
<b>5. Loans, advances and leases</b>			
Loans, cash credits, overdrafts, etc.	5.1	23,869,489,086	19,480,595,090
Bills purchased and discounted		-	-
		<u>23,869,489,086</u>	<u>19,480,595,090</u>
<b>5.1 Loans, cash credits, overdrafts, etc.</b>			
In Bangladesh:			
Long term loan		7,409,257,621	6,035,785,190
Lease finance		3,419,043,248	2,572,948,493
Short term loan		8,313,499,744	7,341,608,825
Channel finance		909,151,229	675,928,982
Mortgage finance		2,233,048,638	1,560,092,489
Auto loan		1,122,963,970	850,230,573
Secured retail loan		121,709,233	180,178,435
Personal loan		296,787,422	227,381,133
Staff loan		44,027,981	36,440,970
		<u>23,869,489,086</u>	<u>19,480,595,090</u>
Outside Bangladesh		-	-
		<u>23,869,489,086</u>	<u>19,480,595,090</u>
<b>6. Fixed assets including land, building, furniture and fixture</b>			
Land		129,240,000	129,240,000
Building		20,922,500	20,922,500
Motor vehicles		46,587,998	33,137,998
Furniture and fixture		54,639,506	54,639,506
Equipment and appliances		88,380,556	81,212,354
Accounting software		16,398,750	16,398,750
		<u>356,169,310</u>	<u>335,551,108</u>
Less: Accumulated depreciation and amortisation		108,872,414	101,937,030
		<u>247,296,896</u>	<u>233,614,078</u>
Capital work in progress		-	-
		<u>247,296,896</u>	<u>233,614,078</u>
Details are shown in Annexure - B			
<b>7. Other assets</b>			
<u>Non-income generating other assets</u>			
Stationery, stamps, printing materials in stock		1,304,338	148,787
Advance rent and advertisement		4,516,489	4,755,739
Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures and other income receivable		58,366,338	50,849,217
Security deposits		8,664,580	8,664,580
Preliminary expenses, formation and organisation expenses, renovation/development expenses and prepaid expenses		3,216,163	373,097
Branch adjustment		-	-
Suspense account		-	-
Silver		-	-
Others	7.1	409,012,240	369,695,976
		<u>485,080,148</u>	<u>434,487,396</u>





As at	Note	31 March 2017 Taka	31 December 2016 Taka
<b>7.1 Others</b>			
Advance tax		395,371,835	350,294,355
Deferred tax assets	7.1.1	194,370	-
Sundry assets	7.1.2	13,446,035	19,401,621
		<u>409,012,240</u>	<u>369,695,976</u>
<b>7.1.1 Deferred tax assets</b>			
Deferred tax assets have been recognised in accordance with the provision of BAS 12 <i>Income Taxes</i> based on 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 assets is as follows:			
<b>Deductible temporary differences</b>			
Gratuity provision		-	-
Fixed assets excluding land and building		485,925	-
		<u>485,925</u>	<u>-</u>
Tax rate		40.00%	40.00%
<b>Deferred tax assets</b>		<u>194,370</u>	<u>-</u>
Movement of deferred tax assets is as follows:			
Opening balance		-	7,701,603
Credited/ (debited) to profit and loss account during the year		194,370	(7,701,603)
Closing balance		<u>194,370</u>	<u>-</u>
<b>7.1.2 Sundry assets</b>			
City corporation tax		103,954	166,324
Hosna Centre Owners' Society		583,050	583,050
Advance - others		12,759,031	18,652,247
		<u>13,446,035</u>	<u>19,401,621</u>
<b>8. Non financial institutional assets</b>		<u>3,752,405</u>	<u>3,752,405</u>
This represents the mortgaged property (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.			
<b>9. Borrowings from other banks, financial institutions and agents</b>			
In Bangladesh	9.1	2,028,412,623	1,141,448,941
Outside Bangladesh		-	-
		<u>2,028,412,623</u>	<u>1,141,448,941</u>
<b>9.1 In Bangladesh</b>			
<u>Unsecured</u>			
<b>Long term loan</b>			
The UAE-Bangladesh Investment Company Ltd.		-	-
Borrowing under Refinance Project (scheme JICA assisted ESPDSME)		41,648,750	6,262,500
Repo borrowings from Bangladesh Bank		-	-
		<u>41,648,750</u>	<u>6,262,500</u>
<b>Short term loan</b>			
Uttara Bank Limited		300,000,000	-
Mercantile Bank Limited		200,000,000	-
		<u>500,000,000</u>	<u>-</u>
<u>Secured</u>			
<b>Bank overdraft</b>			
Prime Bank Limited		19,927,492	12,662,335
Dhaka Bank Limited		188,806,737	258,516,572
AB Bank Limited		116,297,565	244,027,534
Woori Bank Limited		149,999,552	149,990,000
Bank Alfalah Limited		181,732,527	179,990,000
		<u>656,763,873</u>	<u>845,186,441</u>
<b>Money at call and short notice</b>			
BASIC Bank Limited		-	190,000,000
Southeast Bank Limited		180,000,000	100,000,000
Dutch Bangla Bank Limited		90,000,000	-
Mutual Trust Bank Limited		100,000,000	-
Pubali Bank Limited		100,000,000	-
Sonali Bank Limited		170,000,000	-
Standard Bank Limited		190,000,000	-
		<u>830,000,000</u>	<u>290,000,000</u>
		<u>2,028,412,623</u>	<u>1,141,448,941</u>



As at	Note	31 March 2017 Taka	31 December 2016 Taka
<b>10. Deposits and other accounts</b>			
Inter-bank deposits		-	-
Other deposits		12,285,152,699	10,009,190,416
FDR from Banks & NBFIs		8,470,000,000	7,170,000,000
		<u>20,755,152,699</u>	<u>17,179,190,416</u>
There was no unclaimed deposits for ten (10) years and more held by the Company at the reporting date.			
<b>11. Other liabilities</b>			
Cumulative provision for loans, advances and investments	11.1	268,691,402	243,344,396
Cumulative interest and dividend suspense	11.2	23,244,631	34,614,617
Provision for gratuity	11.3	-	-
Dividend payable		13,280,444	13,280,441
Provision for corporate tax	11.4	636,434,672	581,285,949
Receipts against lease	11.5	118,618,615	96,424,338
Provision for finance charge	11.6	399,671,179	385,246,708
Withholding tax and VAT		7,912,440	10,750,700
Liabilities for special accounts	11.7	40,283,507	47,739,063
Provision for expenses	11.8	37,319,625	53,402,651
Deferred tax liabilities	11.9	7,347,155	7,619,756
Account payable for purchase of fixed asset		9,960,088	7,488,020
		<u>1,562,763,758</u>	<u>1,481,196,639</u>
<b>11.1 Cumulative provision for loans, advances and investments</b>			
Specific provision for classified loans and advances	11.1.1	24,958,921	15,060,648
General provision against unclassified loans and advances	11.1.2	226,880,370	211,431,637
Provision for investments	11.1.3	16,852,111	16,852,111
		<u>268,691,402</u>	<u>243,344,396</u>
<b>11.1.1 Specific provision for classified loans and advances</b>			
Opening balance		15,060,648	75,733,987
Specific provision made/(release) for the year	33	9,898,273	(58,496,985)
Fully provided debt written-off during the year		-	(2,176,354)
Closing balance (i)		<u>24,958,921</u>	<u>15,060,648</u>
<b>11.1.2 General provision against unclassified loans and advances</b>			
Opening balance		211,431,637	123,364,277
Provision made during the year	33	15,448,733	88,067,360
		<u>226,880,370</u>	<u>211,431,637</u>
Adjustment during the year		-	-
Closing balance (ii)		<u>226,880,370</u>	<u>211,431,637</u>
Total specific and general provision of loans and advances (i+ii)		<u>251,839,291</u>	<u>226,492,285</u>
<b>11.1.3 Provision for investments</b>			
Opening balance		16,852,111	12,809,744
Provision made/(released) for investment in share	34	-	4,042,367
Provision made/(released) for investment in Govt. securities		-	-
Total provision made/(released) during the year		<u>-</u>	<u>4,042,367</u>
Closing balance		<u>16,852,111</u>	<u>16,852,111</u>
Total specific and general provision of loans, advances and investments		<u>268,691,402</u>	<u>243,344,396</u>
Breakdown of cumulative provision for loans, advances and investment:			
Provision for loans and advances		251,839,291	226,492,285
Provision for investments in equity		16,852,111	16,852,111
Provision for marking to market of Govt. securities		-	-
		<u>268,691,402</u>	<u>243,344,396</u>
<b>11.2 Cumulative interest and dividend suspense</b>			
Interest suspense against loans and advances		20,138,097	31,508,082
Dividend suspense against investment in redeemable preference shares		3,106,534	3,106,535
		<u>23,244,631</u>	<u>34,614,617</u>



As at	31 March 2017 Taka	31 December 2016 Taka
<b>11.3 Provision for gratuity</b>		
Opening balance	-	18,699,452
Provision made during the year	-	9,553,005
	-	28,252,457
Payment made during the year	-	(28,252,457)
Closing balance	-	-
<b>11.4 Provision for corporate tax</b>		
Provision for current tax has been made on the basis of the profit for the period 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 40% on its business income.		
Opening balance	581,285,949	423,048,318
Provision made during the year	58,299,489	158,237,631
	639,585,438	581,285,949
Adjustment made during the year for completed assessments*	3,150,766	-
Closing balance	636,434,672	581,285,949
* Arrear tax payment for Assessment Year 2004-2005		
<b>11.5 Receipts against lease</b>		
Receipts against lease represent lease deposits received from lessees against finance on the stipulation that the amount will be adjusted with the outstanding rentals/instalments. Lease deposits are made up as under:		
Opening balance	96,424,338	36,718,793
Receipts during the year	24,699,517	77,486,689
	121,123,855	114,205,482
Adjusted during the year	(2,505,240)	(17,781,144)
Closing balance	118,618,615	96,424,338
Purpose of taking lease deposits is to secure the finance provided to the clients. No interest is payable on lease deposits.		
<b>11.6 Provision for finance charge</b>		
Accrued interest expenses on term deposits	399,332,941	384,548,899
Accrued interest expenses on secured overdraft	-	549,271
Accrued interest expenses on long term borrowings	-	-
Accrued interest expenses on call borrowings	203,278	98,750
Accrued interest payable on refinance project	134,960	49,788
	399,671,179	385,246,708
<b>11.7 Liabilities for special accounts</b>		
Account payable special account - IPO	1,118,356	1,118,356
Account payable special account - DEG	16,133,894	16,133,894
Account payable special account - other	23,031,257	30,486,813
	40,283,507	47,739,063
<b>11.8 Provision for expenses</b>		
Legal expenses	3,454,943	4,643,093
Office services	12,346,675	7,141,177
Promotion and publicity	20,997,651	40,837,971
Office rent	188,850	107,910
Professional fees	205,000	166,500
Audit fees	126,506	506,000
	37,319,625	53,402,651



As at	31 March 2017 Taka	31 December 2016 Taka
<b>11.9 Deferred tax liabilities</b>		
i) Taxable temporary differences on furniture and fixture		
Fixed assets including furniture and fixture	-	649,209
Net taxable temporary differences	-	649,209
Tax rate	40.00%	40.00%
Deferred tax liability furniture and fixture	-	259,684
ii) Deferred tax liability on building and land revaluation		
Taxable temporary differences on building	5,443,889	5,476,179
Tax rate	40.00%	40.00%
Deferred tax liability on building	2,177,555	2,190,472
Revaluation reserve on land	129,240,000	129,240,000
Tax rate	4.00%	4.00%
Deferred tax liability on land revaluation	5,169,600	5,169,600
Total deferred tax liabilities on building and land revaluation	7,347,155	7,360,072
<b>Total deferred tax liability (i+ii)</b>	<b>7,347,155</b>	<b>7,619,756</b>
Movement of deferred tax liabilities is as follows:		
Opening balance	7,619,756	6,063,086
Add: Debited to asset revaluation reserve	-	1,292,400
Add: Expense/(income) during the year	(272,601)	264,270
Closing balance	7,347,155	7,619,756
<b>12. Share capital</b>		
Authorised		
400,000,000 ordinary shares of Taka 10 each	4,000,000,000	4,000,000,000
Issued, subscribed and fully paid up		
151,500,567 (2016: 151,500,567) ordinary shares of Tk 10 each	1,515,005,670	1,515,005,670
Paid up capital as at 31 March 2017 is made up of 25,701,400 ordinary shares paid up in cash and 125,799,167 ordinary shares through issuance of bonus shares.		
<b>12.1 Paid up capital of the company is held as follows</b>		
Foreign		
Aga Khan Fund for Economic Development (AKFED)	167,441,320	167,441,320
	167,441,320	167,441,320
Domestic		
Government of the People's Republic of Bangladesh (GoB)	331,476,640	331,476,640
BRAC	378,751,410	378,751,410
Ayesha Abed Foundation	151,500,570	151,500,570
RSA Capital Limited	75,750,280	75,750,280
General shareholders	410,085,450	410,085,450
	1,347,564,350	1,347,564,350
	1,515,005,670	1,515,005,670
<b>13. Share premium</b>	<b>167,014,000</b>	<b>167,014,000</b>
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 i.e. at quarter ended 31 March 2017 total number of shares would be 16,701,400 @ Tk. 10 per share as the Company 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.		
<b>14. Statutory reserve</b>		
This comprises of the cumulative balance of statutory reserve as required by section 9 of the Financial Institutions Act, 1993 and regulations 4(d) and 6 of the Financial Institution Regulations, 1994.		
Opening balance	393,375,601	332,758,289
Transferred from profit during the year	-	60,617,312
Closing balance	393,375,601	393,375,601



As at	31 March 2017 Taka	31 December 2016 Taka
<b>15. Assets revaluation reserve</b>		
Opening balance	124,501,939	127,086,739
Revaluation during the year		
Land	-	-
Building	-	-
Adjustment of deferred tax liability for revaluation reserve on building	-	-
Deferred tax liability on land revaluation	-	(2,584,800)
	<u>124,501,939</u>	<u>124,501,939</u>
<p>IPDC Finance Limited owns real estate property (commercial space including car parking) for its own use as office premises situated at Hosna Center (4th floor), 106 Gulshan Avenue, Dhaka. This property was revalued at fair value in accordance with BAS 16: <i>Property, Plant and Equipment</i> which requires regular valuation of property to ensure that the value reflects current market condition.</p> <p>The property was first revalued in 2005 and since then significant changes took place in local real estate market, as a result with the consent of the Board of Directors of IPDC Finance Limited, Hoda Vasi Chowdhury &amp; Co (HVC) as professionally qualified valuer had conducted the assignment of valuation for determining the fair value of the property, which has subsequently conveyed to management for incorporating in the financials of 2014 after being adopted in the Board.</p>		
<b>16. Retained earnings</b>		
Opening balance	575,216,409	585,248,100
Net profit after tax for the year	62,955,822	303,086,561
Transfer to statutory reserve	-	(60,617,312)
Dividend	-	-
Issuance of bonus shares	-	(252,500,940)
Closing balance	<u>638,172,231</u>	<u>575,216,409</u>
<b>17. Letters of guarantee</b>		
Director	-	-
Government	-	-
Bank and financial institutions	39,882,913	30,046,913
Others	-	-
	<u>39,882,913</u>	<u>30,046,913</u>



For the quarter ended 31 March	Note	2017 Taka	2016 Taka
<b>18. Interest income</b>			
<u>Interest income on loans and advances</u>			
Interest on lease finance		81,764,819	39,659,792
Interest on long term loan		188,207,139	75,105,191
Interest on short term loan		169,492,668	68,498,869
Interest on channel finance		21,232,556	6,589,439
Interest on mortgage finance		46,920,997	5,854,830
Interest on secured retail loan		2,690,030	2,634,153
Interest on auto loan		28,799,751	15,631,899
Interest on staff loan		552,592	316,463
Interest on personal loan		8,069,002	123,737
		<u>547,729,554</u>	<u>214,414,373</u>
<u>Interest income on balance with other banks and financial institutions</u>			
Interest on fixed deposits		20,597,631	17,111,776
Interest on overnight and treasury placements		7,767,361	8,801,042
Interest on STD accounts		738,505	155,885
		<u>29,103,497</u>	<u>26,068,703</u>
		<u>576,833,051</u>	<u>240,483,076</u>
<b>19. Interest paid on deposits and borrowings etc.</b>			
Interest expenses on term deposits		321,979,446	111,299,389
Interest expenses on borrowings	19.1	15,382,674	6,856,906
		<u>337,362,120</u>	<u>118,156,295</u>
<b>19.1 Interest expenses on borrowings</b>			
<u>Local banks and financial institutions</u>			
Interest expenses on short term loan		2,162,500	-
Interest expenses on long term loan		163,453	98,246
Interest expenses on call borrowings		7,853,597	6,506,320
Interest expenses on bank overdrafts		5,203,124	252,340
		<u>15,382,674</u>	<u>6,856,906</u>
<u>Foreign banks and financial institutions</u>			
Interest expenses on long term lines of credit		-	-
		<u>15,382,674</u>	<u>6,856,906</u>
<b>20. Investment income</b>			
<u>Dividend income</u>			
Dividend income on cumulative preference shares		6,277,299	1,656,015
Dividend income on listed shares		-	-
Dividend income on un-listed shares		-	-
		<u>6,277,299</u>	<u>1,656,015</u>
<u>Interest on treasury bills, bonds and debentures</u>			
Interest income on Govt. treasury bonds		-	-
Interest income on corporate bonds		7,588,700	3,356,558
		<u>7,588,700</u>	<u>3,356,558</u>
Capital gain on sale of listed shares		-	-
		<u>7,588,700</u>	<u>3,356,558</u>
		<u>13,865,999</u>	<u>5,012,573</u>
<b>21. Commission, exchange and brokerage</b>			
Commission		11,304	47,492
Exchange		-	-
Brokerage	21.1	14,645,844	4,826,930
		<u>14,657,148</u>	<u>4,874,422</u>
<b>21.1 Brokerage</b>			
Appraisal, feasibility study fees and documentation fees		14,645,844	4,826,930
Restructuring/renewal fees		-	-
		<u>14,645,844</u>	<u>4,826,930</u>
<b>22. Other operating income</b>			
Transfer price/sale of leased assets		7,200	71,800
Other earnings		269,900	142,800
Loan loss recovery		3,666,320	4,021,726
Gain(loss) sale of fixed assets		-	-
		<u>3,943,420</u>	<u>4,236,326</u>



For the quarter ended 31 March		2017 Taka	2016 Taka
23.	Salary and allowances	53,148,317	25,098,458
24.	Rent, taxes, insurance, electricity, etc.		
	Office rent	4,738,002	2,379,507
	Rates and taxes	125,420	62,370
	Insurance	981,569	442,284
	Utilities - electricity, gas, water, etc.	1,406,166	1,046,713
		7,251,157	3,930,874
25.	Legal expenses		
	Professional fees	524,148	75,500
	Legal document, court fees, etc.	2,956,641	3,084,652
		3,480,789	3,160,152
26.	Postage, stamp, telecommunications, etc.		
	Postage, stamps etc.	153,096	52,118
	Telephone	724,561	499,800
	Internet expenses	309,480	300,134
		1,187,137	852,052
27.	Stationery, printing, advertisements etc.		
	Printing and stationery	1,611,172	542,843
	Publicity and advertisement	31,672,136	6,496,643
		33,283,308	7,039,486
28.	Managing Director's salary and allowances		
	Basic salary	1,545,000	1,545,000
	House rent allowance	180,000	180,000
	Medical allowance	51,000	51,000
	Festival bonus	-	-
	Performance bonus	-	-
	Leave fare assistance	257,499	257,499
	Company's contribution to provident fund	154,500	154,500
	Gratuity	-	-
		2,187,999	2,187,999
29.	Directors' fees		
	Honorarium for attending meeting	331,200	340,400
	Incidental expenses for attending meeting	395,662	401,974
		726,862	742,374
Directors' fees include fees for attending the meetings of the Board, Executive Committee and Audit Committee. Each director was remunerated Tk. 8,000 per meeting in accordance with Bangladesh Bank's DFIM circulars number 13 and 03 dated 30 November 2015. In addition, as per policy the Company also bears travelling, accommodation and other related costs of directors who attend Board Meeting from overseas.			
30.	Auditors' fees		
	Auditors' remuneration for interim audit	-	-
	Auditors' remuneration for annual audit	126,506	126,504
		126,506	126,504



For the quarter ended 31 March	Note	2017 Taka	2016 Taka
<b>31. Depreciation and repair of assets</b>			
Depreciation and amortisation	31.1	6,935,384	5,062,877
Repair and maintenance	31.2	4,254,511	1,904,452
		<b>11,189,895</b>	<b>6,967,329</b>
<b>31.1 Depreciation and amortisation</b>			
Building		348,708	348,708
Motor vehicles		1,698,570	1,210,473
Furniture and fixture		1,108,860	439,422
Equipment and appliances		3,079,246	2,364,275
Accounting software		700,000	699,999
		<b>6,935,384</b>	<b>5,062,877</b>
Details are shown in Annexure - A.			
<b>31.2 Repair and maintenance</b>			
Office premises		302,175	32,475
Vehicles		2,159,927	1,149,818
Office furniture, fixture and equipment		1,792,409	722,159
		<b>4,254,511</b>	<b>1,904,452</b>
<b>32. Other expenses</b>			
Staff training		1,345,118	1,481,710
Membership fees, subscription and donations		2,885,633	1,343,002
News papers, periodicals, learning materials etc.		50,479	44,206
Recruitment expenses		395,596	156,982
Traveling, conveyance and hotel expenses		1,940,064	552,656
Entertainment and public relation		510,299	585,344
Annual General Meeting expenses		2,613,750	1,200,000
Security and cleaning services		1,832,637	780,459
Sundry office maintenance		790,681	574,981
Other operational expenses		855,925	356,412
		<b>13,220,182</b>	<b>7,075,752</b>
<b>33. Provision for loans and advances</b>			
Provision for classified loans and advances		9,898,273	(22,050,872)
Provision for unclassified loans and advances		15,448,733	-
		<b>25,347,006</b>	<b>(22,050,872)</b>
<b>34. Provision for diminution in value of investment</b>			
Provision made for investment in share		-	-
Provision made for marking to market on Govt. securities		-	-
		<b>-</b>	<b>-</b>
<b>35. Provision for deferred tax expense/ (income)</b>			
Expense on deductible temporary differences		-	-
Expense/(income) on taxable temporary differences		(466,971)	8,054,069
Revaluation adjustment of previous year through deferred tax		-	-
		<b>(466,971)</b>	<b>8,054,069</b>
<b>36. Earnings per share (EPS)</b>			
Basic earnings per share has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the quarter ended 31 March 2017 as per BAS 33: <i>Earnings per share</i> .			
Net profit after tax		62,955,822	60,391,651
Weighted average number of outstanding shares		151,500,567	151,500,567
Basic earning per share		<b>0.42</b>	<b>0.40</b>
<b>Diluted Earnings Per Share (DEPS)</b>			
No DEPS is required to be calculated since there was no scope for dilution of share during the period under review.			
<b>37. Events after the reporting period</b>			
No other material event occurred after the reporting period, which could materially affect the amounts or disclosures in these financial statements.			





**IPDC Finance Limited**  
**Details statement of other investments**

**Annexure - A**  
**Figures in Taka**

As at	31 March 2017		31 December 2016	
	<u>Cost</u> <u>Taka</u>	<u>Market value</u> <u>Taka</u>	<u>Cost</u> <u>Taka</u>	<u>Market value</u> <u>Taka</u>
<b>In ordinary shares - quoted</b>				
Bangladesh Electricity Meter Co. Ltd.	7,000,000	-	7,000,000	4,305,000
	<u>7,000,000</u>	<u>-</u>	<u>7,000,000</u>	<u>4,305,000</u>
<b>In ordinary shares - unquoted</b>				
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
	<u>4,500,000</u>	<u>4,500,000</u>	<u>4,500,000</u>	<u>4,500,000</u>
<b>In redeemable preference shares</b>				
Premium Seed Ltd.	4,000,000	-	4,000,000	4,000,000
Confidence Salt Ltd.	2,265,346	2,265,346	2,265,346	2,265,346
Summit Power Company Ltd.	-	-	-	-
ACI Godrej Agrovet Private Ltd.	-	-	-	-
Summit Barisal Power Ltd.	100,000,000	100,000,000	100,000,000	100,000,000
Summit Narayanganj Power Unit II Ltd.	100,000,000	100,000,000	100,000,000	100,000,000
Star Ceramics Ltd.	75,000,000	75,000,000	75,000,000	75,000,000
	<u>281,265,346</u>	<u>277,265,346</u>	<u>281,265,346</u>	<u>281,265,346</u>
<b>In corporate bonds</b>				
Impress Newtex Composite Textiles Ltd.	197,967,234	197,967,234	197,967,234	197,967,234
Mutual Trust Bank Ltd.	75,000,000	75,000,000	75,000,000	75,000,000
	<u>272,967,234</u>	<u>272,967,234</u>	<u>272,967,234</u>	<u>272,967,234</u>
	<u><b>565,732,580</b></u>	<u><b>554,732,580</b></u>	<u><b>565,732,580</b></u>	<u><b>563,037,580</b></u>



IPDC Finance Limited

Annexure - B

Fixed assets including land, building, furniture and fixture

Figures in Taka

Category of asset	Cost/valuation						Depreciation/amortisation				Carrying amount as at 31 March 2017
	Balance as at 1 January 2017	Revaluation reserve	Addition during the period	Adjustment during the period	Disposal during the period	Balance as at 31 March 2017	Balance as at 1 January 2017	Charged during the period	Adjustment during the period	Balance as at 31 March 2017	
Land	129,240,000	-	-	-	-	129,240,000	-	-	-	-	129,240,000
Building	20,922,500	-	-	-	-	20,922,500	2,789,664	348,708	-	3,138,372	17,784,128
Motor vehicles	33,137,998	-	13,450,000	-	-	46,587,998	15,900,574	1,698,570	-	17,599,144	28,988,854
Furniture and fixture	54,639,506	-	-	-	-	54,639,506	26,492,739	1,108,860	-	27,601,599	27,037,907
Equipment and appliances	81,212,354	-	7,168,202	-	-	88,380,556	47,121,982	3,079,246	-	50,201,228	38,179,328
Accounting software	16,398,750	-	-	-	-	16,398,750	9,632,071	700,000	-	10,332,071	6,066,679
<b>Balance as at 31 December 2016</b>	<b>335,551,108</b>	<b>-</b>	<b>20,618,202</b>	<b>-</b>	<b>-</b>	<b>356,169,310</b>	<b>101,937,030</b>	<b>6,935,384</b>	<b>-</b>	<b>108,872,414</b>	<b>247,296,896</b>

Category of asset	Cost/valuation						Depreciation/amortisation				Carrying amount as at 31 December 2016
	Balance as at 1 January 2016	Revaluation reserve	Addition during the period	Adjustment during the period	Disposal during the period	Balance as at 31 December 2016	Balance as at 1 January 2016	Charged during the period	Adjustment during the period	Balance as at 31 December 2016	
Land	129,240,000	-	-	-	-	129,240,000	-	-	-	-	129,240,000
Building	20,922,500	-	-	-	-	20,922,500	1,394,832	1,394,832	-	2,789,664	18,132,836
Motor vehicles	28,799,037	-	11,788,961	-	7,450,000	33,137,998	14,753,838	5,156,736	4,010,000	15,900,574	17,237,424
Furniture and fixture	34,154,874	-	22,596,043	-	2,111,411	54,639,506	26,176,411	2,076,384	1,760,056	26,492,739	28,146,767
Equipment and appliances	65,794,703	-	17,576,243	-	2,158,592	81,212,354	39,109,059	10,087,747	2,074,824	47,121,982	34,090,372
Accounting software	16,398,750	-	-	-	-	16,398,750	6,832,075	2,799,996	-	9,632,071	6,766,679
<b>Balance as at 31 December 2016</b>	<b>295,309,864</b>	<b>-</b>	<b>51,961,247</b>	<b>-</b>	<b>11,720,003</b>	<b>335,551,108</b>	<b>88,266,215</b>	<b>21,515,695</b>	<b>7,844,880</b>	<b>101,937,030</b>	<b>233,614,078</b>

