

IPDC of Bangladesh Limited
Condensed Interim Financial Statements for the
First Quarter Ended March 31, 2012 (Un-audited)

IPDC of Bangladesh Limited
Condensed Interim Balance Sheet (Un-audited)

As at	Note	March 31, 2012	Figs. in Taka December 31, 2011
PROPERTY AND ASSETS			
Cash in hand		43,555	40,200
Balance with Bangladesh Bank and its agent bank (s)		89,468,506	79,521,979
Balance with other banks and financial institutions	2	335,783,636	742,592,749
Money at call and short notice	3	465,000,000	120,000,000
		890,295,697	942,154,928
Investments	4		
Government	4.1	415,000,000	587,600,000
Others	4.2	572,578,558	572,578,558
		987,578,558	1,160,178,558
Loans, leases, cash credits, overdrafts, etc.	5	4,600,584,224	4,325,023,676
Fixed assets including premises, furniture and fixtures	6	86,805,655	81,022,559
Other assets	7	262,248,084	252,709,607
Non financial institutional assets		-	-
TOTAL ASSETS		6,827,512,218	6,761,089,328
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	8	36,844,741	104,023,088
Term deposits	9	3,860,860,046	3,798,236,467
Other liabilities	10	1,077,997,027	960,106,875
Total liabilities		4,975,701,814	4,862,366,430
Shareholders' equity			
Paid up capital	11	948,538,500	948,538,500
Share premium	12	167,014,000	167,014,000
Statutory reserve	13	197,501,563	197,501,563
Assets revaluation reserve	14	13,585,980	13,585,980
Retained earnings	15	525,170,361	572,082,855
Total shareholders' equity		1,851,810,404	1,898,722,898
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		6,827,512,218	6,761,089,328
Off-balance sheet items			
Letters of guarantee	16	45,590,000	15,590,000

The annexed notes 1 to 38 form an integral part of these financial statements.

Dilip Kumar Mandal
Chief Financial Officer

Mominul Islam
Managing Director & CEO

IPDC of Bangladesh Limited
Condensed Interim Income Statement (Un-audited)

Period ended March 31	Note	Figs. in Taka	
		Three months	
		2012	2011
PARTICULARS			Restated
Interest income	17	181,141,057	132,011,477
Interest paid on deposits and borrowings etc.	18	128,247,912	91,107,036
Net interest income		52,893,145	40,904,441
Investment income	19	(780,913)	35,388,671
Commission, exchange and brokerage	20	1,397,202	622,316
Other operating income	21	31,000	235,750
Total operating income		53,540,434	77,151,178
Salary and allowances	22	12,903,903	14,854,433
Rent, taxes, insurance, electricity, etc.	23	2,363,519	2,346,744
Legal expenses	24	1,979,948	2,806,268
Postage, stamp, telecommunications, etc.	25	562,118	459,148
Stationery, printings, advertisements, etc.	26	1,144,006	893,395
Managing Director's salary and allowances	27	1,455,918	1,775,001
Directors' fees	28	573,194	652,922
Depreciation and repair of Company's assets	29	4,811,549	4,375,291
Other expenses	30	3,001,401	2,530,264
Total operating expenses		28,795,556	30,693,466
Profit before provision		24,744,878	46,457,712
Provision for loans and leases		58,733,488	108,392,823
Provision for diminution in value of investments		115,070	4,488,102
Other provisions		3,964,648	4,468,246
Provision for loans, advances and leases	31	62,813,206	117,349,171
Profit before tax		(38,068,328)	(70,891,459)
Current tax	10.4	8,308,434	17,564,877
Deferred tax	32	535,732	(900,529)
Total tax expenses		8,844,166	16,664,348
Net profit after tax		(46,912,494)	(87,555,807)
Earnings per share (EPS)	33	(0.49)	(0.92)

The annexed notes 1 to 38 form an integral part of these financial statements.

Dilip Kumar Mandal
Chief Financial Officer

Mominul Islam
Managing Director & CEO

IPDC of Bangladesh Limited
Condensed Interim Cash Flows Statement (Un-audited)

Period ended March 31	Note	Figs. in Taka	
		Three months	
		2012	2011
OPERATING ACTIVITIES			
Interest receipts in cash		146,063,871	129,258,149
Interest payments in cash		(94,369,014)	(71,046,799)
Dividend receipts in cash		2,910,247	5,757,985
Fee and commission receipts in cash		1,397,202	517,248
Recoveries of loan previously written off		26,000	77,000
Cash payments to employees		(12,619,508)	(12,742,703)
Cash payments to suppliers		(10,988,679)	(10,479,044)
Income taxes paid		(1,580,252)	(4,838,376)
Receipts from other operating activities	34	13,637,966	22,366,645
Cash generated before change in operating assets and liabilities		44,477,833	58,870,105
Increase/decrease in operating assets and liabilities			
(Purchase) /sale of trading securities		172,600,000	(217,230,108)
Loans, advances and leases to other banks		(12,348,407)	19,490,414
Loans, advances and leases to customers		(256,322,321)	(258,559,431)
Other assets	35	1,051,481	(3,449,837)
Deposits from customers		62,623,579	119,939,797
Trading liabilities		(65,488,806)	(32,000,000)
Other liabilities	36	12,878,891	18,555,473
Net increase/decrease in operating assets and liabilities		(85,005,583)	(353,253,692)
Net cash from operating activities		(40,527,750)	(294,383,587)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(9,641,195)	(1,363,759)
Net cash provided/(used) in investing activities		(9,641,195)	(1,363,759)
FINANCEING ACTIVITIES			
Receipts/(payments) of long term loan		(1,689,541)	26,922,221
Dividends paid in cash		(743)	(1,062)
Net cash provided/(used) in financing activities		(1,690,284)	26,921,159
Net (decrease)/increase in cash		(51,859,229)	(268,826,187)
Cash and cash-equivalents at beginning of the period		942,154,926	635,923,246
Cash and cash-equivalents at end of the period	37	890,295,697	367,097,059

The annexed notes 1 to 38 form an integral part of these financial statements.

IPDC of Bangladesh Limited

Condensed Interim Statement of Changes in Equity (Un-audited)

Figs. in Taka

	Paid up share capital	Share premium	Statutory reserve	Asset revaluation reserve	Retained earnings	Total
As at March 31, 2012						
Balance as at January 1, 2012	948,538,500	167,014,000	197,501,563	13,585,980	572,082,855	1,898,722,898
Changes in accounting policy	-	-	-	-	-	-
Restated balance	948,538,500	167,014,000	197,501,563	13,585,980	572,082,855	1,898,722,898
Net profit/(loss) for the 1st quarter of 2012	-	-	-	-	(46,912,494)	(46,912,494)
Balance as at March 31, 2012	948,538,500	167,014,000	197,501,563	13,585,980	525,170,361	1,851,810,404
As at March 31, 2011						
Balance at January 1, 2011	862,307,800	167,014,000	175,166,707	13,585,980	760,881,342	1,978,955,829
Changes in accounting policy	-	-	-	-	(191,907,209)	(191,907,209)
Restated balance	862,307,800	167,014,000	175,166,707	13,585,980	568,974,133	1,787,048,620
Net profit/(loss) for the 1st quarter of 2011	-	-	-	-	(87,555,807)	(87,555,807)
Balance at March 31, 2011 (Restated)	862,307,800	167,014,000	175,166,707	13,585,980	481,418,326	1,699,492,813

Prior period's "Retained Earnings" has been retrospectively restated due to changes in Accounting Policy for recognition of "Deferred Tax Assets" on specific provision maintained against classified loan, leases and advances in compliance with Bangladesh Bank circular number DFIM 07 dated July 31, 2011. Details are stated in Note No. 1.5.

The annexed notes 1 to 38 form an integral part of these financial statements.

IPDC of Bangladesh Limited

**Notes to the Condensed Interim Financial Statements (Un-audited)
as at and for the period ended March 31, 2012**

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 February 7, 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 December 3, 2006 in both the Dhaka Stock Exchange and the Chittagong Stock Exchange in Bangladesh. The company has four branch offices located at Dhaka, Chittagong and Sylhet.

1.2. Nature of business of the Company

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

1.3. Basis of Reporting

The financial statements for the first quarter ended March 31, 2012 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, 2011.

IPDC of Bangladesh Limited

**Notes to the Condensed Interim Financial Statements (Un-audited)
as at and for the period ended March 31, 2012**

1.5. Change in accounting policy

Accounting for deferred tax

Upto the year 2010, the Company has been recognizing "Deferred Tax Asset" on specific provision against classified loans, leases and advances as per Bangladesh Accounting Standard (BAS) 12: *Income Taxes*.

During the year 2011 Bangladesh Bank vide circular no. DFIM-07 dated July 31, 2011 has directed NBFIs not to recognize the "Deferred Tax Asset" on specific provision.

In compliance with the Bangladesh Bank circular the company has changed its Accounting Policy regarding recognition of "Deferred Tax Asset" on specific provision and with retrospective effect has adjusted the balance of "Deferred Tax Asset" with the "Retained Earnings". Due to the change in Accounting Policy, the Company's "Retained Earnings" is negatively impacted by Tk. 191,907,209 up to the year 2010 and profit after tax and EPS for the first quarter of 2011 negatively restated by Tk. 41,234,677 and Tk. 0.43 respectively.

1.6. 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.

1.7. Rounding off and rearrangement of figures

Figures have been rounded off to the nearest Taka and 2011 figures have been rearranged, where necessary, to conform to current period presentation.

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

As at	Note	March 31, 2012	Figs. in Taka December 31, 2011
2. Balance with other banks and financial institutions			
Name of Bank/FI	Type of A/c		
Commercial Bank of Ceylon Plc	CD A/c	45,790	45,790
The Hongkong and Shanghai Banking Corporation Ltd.	CD A/c	62,396	37,396
Uttara Bank Ltd.	CD A/c	3,158	3,158
United Commercial Bank	CD A/c	60,025	50,275
AB Bank Ltd.	CD A/c	4,390	4,390
Citibank N.A.	CD A/c	3,449	3,449
Prime Bank Ltd.	CD A/c	29,455,620	-
Bank Alfalah Ltd.	CD A/c	1,451	1,451
		29,636,279	145,909
Dutch Bangla Bank Ltd.	STD A/c	156,150	30,054,312
AB Bank Ltd.	STD A/c	1,382,053	1,347,065
Standard Chartered Bank	STD A/c	6,956	408,050
IFIC Bank Ltd.	STD A/c	12,268	12,268
AL-Arafah Islami Bank Ltd.	STD A/c	15,122	15,122
Prime Bank Ltd.	STD A/c	3,408,399	534,527
Brac Bank Ltd.	STD A/c	698,134	53,332
AB Bank Ltd.	STD A/c -FC	62,403	62,403
		5,741,485	32,487,079
National Bank of Pakistan	Placement	-	150,000,000
AB Bank Ltd.	Placement	-	120,000,000
IFIC Bank Ltd.	Placement	-	50,000,000
Eastern Bank Ltd.	Placement	-	70,000,000
		-	390,000,000
Dutch Bangla Bank Ltd.	FDR	50,000,000	-
Eastern Bank Ltd.	FDR	50,000,000	50,000,000
Prime Bank Ltd.	FDR	57,405,872	55,723,278
The City Bank Ltd.	FDR	-	100,000,000
National Bank Ltd.	FDR	13,000,000	-
National Bank of Pakistan	FDR	-	14,236,483
		170,405,872	219,959,761
International Leasing and Financial Services Ltd	Placement	80,000,000	100,000,000
Prime Finance & Investment Ltd.	Placement	50,000,000	-
		130,000,000	100,000,000
		335,783,636	742,592,749

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

As at	Note	March 31, 2012	Figs. in Taka December 31, 2011
3. Money at call and short notice			
Prime Bank Ltd.		100,000,000	50,000,000
Agrani Bank Ltd.		100,000,000	70,000,000
The City Bank Ltd.		100,000,000	-
Markentile Bank Ltd.		45,000,000	-
Uttara Bank Ltd.		50,000,000	-
Dhaka Bank Ltd.		70,000,000	-
		<u>465,000,000</u>	<u>120,000,000</u>
4. Investments			
Government securities - BGTB		415,000,000	587,600,000
Other investments	4.2	572,578,558	572,578,558
		<u>987,578,558</u>	<u>1,160,178,558</u>
4.1. Classification of investments			
Held for trading (HFT)		202,600,000	363,000,000
Held to maturity (HTM)		212,400,000	224,600,000
		<u>415,000,000</u>	<u>587,600,000</u>
Other investments		572,578,558	572,578,558
		<u>987,578,558</u>	<u>1,160,178,558</u>
4.2. Other investments			
Listed		7,007,689	7,007,689
Unlisted		31,670,869	31,670,869
In ordinary shares		38,678,558	38,678,558
Preference shares		383,900,000	383,900,000
Investment in corporate bonds		150,000,000	150,000,000
		<u>572,578,558</u>	<u>572,578,558</u>

Deatail of other investments shown in annexure - A

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

As at	Note	March 31, 2012	Figs. in Taka December 31, 2011
5. Loans, advances and leases			
Long term loan		2,788,982,276	2,756,285,816
Lease finance	5.1	1,345,716,714	1,231,435,484
Short term loan		209,679,285	196,459,516
Mortgage finance		11,080,000	-
Channel financing		46,828,206	-
Auto loan		64,384,589	66,833,056
Secured retail loan		117,127,869	57,873,126
Staff loan		16,785,285	16,136,678
		4,600,584,224	4,325,023,676
5.1. Lease finance			
Gross lease receivables		1,550,235,662	1,411,608,015
Less: Unearned interest income		313,161,232	270,891,841
Net lease receivables		1,237,074,430	1,140,716,174
Add: Overdue lease rentals		108,642,284	90,719,310
		1,345,716,714	1,231,435,484
6. Fixed assets including premises, furniture and fixtures			
Land and building		75,684,163	75,684,163
Motor vehicles		22,668,729	17,678,729
Furniture and fixtures		29,003,765	28,840,320
Equipment and appliances		34,297,338	30,347,888
Accounting software		1,600,000	1,600,000
Total cost of fixed assets		163,253,995	154,151,100
Less: Accumulated depreciation		76,448,340	73,128,541
Written down value		86,805,655	81,022,559
Details are shown in annexure - B			
7. Other assets			
Dividend receivable against preference shares		20,406,356	13,334,289
Stationery, stamps, printing materials in stock		56,170	53,105
Advance rent and advertisement		5,396,285	5,835,236
Interest accrued on investment but not collected		22,858,751	21,147,345
Security deposits		716,160	716,160
Preliminary, formation renovation and prepaid expenses		1,261,728	255,780
Others	7.1	211,552,634	211,367,692
		262,248,084	252,709,607

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

As at	Note	March 31, 2012	Figs. in Taka December 31, 2011
7.1 Others			
Advance tax		203,977,150	202,396,898
Deferred tax assets	7.1.1	3,713,124	3,486,891
Sundry assets	7.1.2	3,862,360	5,483,903
		211,552,634	211,367,692

7.1.1. Deferred tax asset

Deferred tax asset have been recognised in accordance with the provision of Bangladesh Accounting Standard (BAS) 12: *Income Taxes* 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 asset is as follows:

Deductible temporary differences			
Gratuity provision		8,736,762	8,204,449
Net deductible temporary differences		8,736,762	8,204,449
Tax rate		42.50%	42.50%
Deferred tax assets		3,713,124	3,486,891

Movement of deferred tax asset are follows:

Opening balance		3,486,891	3,061,361
Less: Charged/(released) to profit and loss account		(226,233)	(425,530)
Balance as at March/December, 31		3,713,124	3,486,891

7.1.2. Sundry assets

City corporation tax		56,700	113,400
Hosna Centre Owners' Society		677,067	677,067
Advance others		3,128,593	4,693,436
		3,862,360	5,483,903

8. Borrowings from other banks, financial institutions and agents

Name of bank/FI	Type		
Prime Bank Ltd.	SOD	-	16,798,283
Standared Chartered Bank	SOD	562,903	50,457,692
Dutch Bangla Bank Ltd.	SOD	1,204,266	-
Total short term loan		1,767,169	67,255,975
The UAE-Bangladesh Investment Company Ltd.	Long Term	35,077,572	36,767,113
		36,844,741	104,023,088

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

As at	Note	March 31, 2012	Figs. in Taka December 31, 2011
9. Deposits and other accounts			
Inter-bank deposits		-	-
Term deposits		3,860,860,046	3,798,236,467
		<u>3,860,860,046</u>	<u>3,798,236,467</u>

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

10. Other liabilities

Cumulative provision for loans, advances, leases and investments	10.1	455,996,825	393,183,619
Cumulative interest and dividend suspense	10.2	169,961,097	162,935,475
Provision for gratuity	10.3	8,736,762	8,204,449
Unclaimed dividend		3,800,905	3,801,648
Provision for corporate tax	10.4	127,311,942	119,003,508
Receipts against lease	10.5	31,329,752	28,447,130
Provision for finance charge	10.6	238,253,457	204,374,559
Withholding tax, VAT and excise duty		3,397,260	4,026,155
Liabilities for special accounts	10.7	16,816,912	16,450,699
Provision for expense	10.8	5,678,478	4,881,521
Deferred tax liabilities	10.9	14,242,576	13,480,611
Account payable for purchase of office equipment		2,471,061	1,317,501
		<u>1,077,997,027</u>	<u>960,106,875</u>

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

Provision for loans, advances and leases	375,658,190	316,924,702
Provision for investments in equity	43,720,067	43,604,997
M2M provision for investments in Govt. securities	36,618,568	32,653,920
	<u>455,996,825</u>	<u>393,183,619</u>

10.2. Cumulative interest and dividend suspense

Interest suspense against loans, advances and leases	167,575,549	160,639,681
Dividend suspense against investment in preference shares	2,385,548	2,295,794
	<u>169,961,097</u>	<u>162,935,475</u>

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

As at	Note	March 31, 2012	Figs. in Taka December 31, 2011
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10.3. Provision for gratuity

This liability represents provision for staff gratuity up to March 31, 2012. The company had provided full provision for gratuity at the rate of one month's basic salary for each completed year of service.

Opening balance		8,204,449	7,203,203
Add: Provision made during the period/year		739,813	3,321,927
		8,944,262	10,525,130
Less: Payment during the year		207,500	2,320,681
Balance as at March/December 31		8,736,762	8,204,449

10.4. 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.

Opening balance		119,003,508	119,882,915
Add: Provision made during the period/year		8,308,434	26,175,525
		127,311,942	146,058,440
Less: Adjustment/paid during the period/year		-	27,054,932
Balance as at March/December 31		127,311,942	119,003,508

Assessment of income tax has been finalized with the tax authority for the accounting years up to 2003 and for the accounting year 2005. Final assessment of income tax for accounting years 2004 and 2006 to 2009 are pending with the Appellate Authorities and High Court Division of Supreme Court. Income tax return for the year 2010 has been submitted in due time u/s 82BB (Universal Self Assessment) of Income Tax Ordinance 1984.

10.5. 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:

Opening balance		28,447,130	31,894,338
Add: Receipts during the period/year		4,342,570	10,464,694
		32,789,700	42,359,032
Less: Adjusted during the period/year		1,459,948	13,911,902
Balance as at March/December 31		31,329,752	28,447,130

Purpose of taking lease deposits is to secure the finance provided to the clients. No interest is payable on lease deposits.

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

As at	Note	March 31, 2012	Figs. in Taka December 31, 2011
10.6. Provision for finance charge			
Accrued interest expenses on term deposits		237,967,499	204,071,533
Accrued interest expenses on long term borrowings		285,958	303,026
		<u>238,253,457</u>	<u>204,374,559</u>
10.7. Liabilities for special accounts			
Account payable special account - IPO		1,118,356	1,118,356
Account payable special account - DEG		13,946,544	13,437,194
Account payable special account - other		1,752,012	1,895,149
		<u>16,816,912</u>	<u>16,450,699</u>
10.8. Provision for expenses			
Legal fees		1,609,400	2,149,350
Office services		1,315,583	849,929
Pay and allowance		1,510,000	302,000
Promotion and publicity		430,476	795,820
Office rent		67,769	67,335
Professional fees		236,000	151,500
Audit fees		458,750	365,750
Other expense		50,500	199,837
		<u>5,678,478</u>	<u>4,881,521</u>
10.9. Deferred tax liabilities			
Taxable temporary differences			
Property, plant and equipment		9,884,151	8,091,292
Revaluation reserve on office premises		23,627,792	23,627,792
Net taxable temporary differences		<u>33,511,943</u>	<u>31,719,084</u>
Tax rate		42.50%	42.50%
Deferred tax liabilities		<u>14,242,576</u>	<u>13,480,611</u>
Movement of deferred tax asset is as follows:			
Opening balance		13,480,611	11,306,524
Less: Charged/(released) to profit and loss account		761,965	2,174,087
Balance as at March/December 31		<u>14,242,576</u>	<u>13,480,611</u>

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

As at	Note	March 31, 2012	Figs. in Taka December 31, 2011
11. Share capital			
Authorized			
400,000,000 ordinary shares of Taka 10 each		4,000,000,000	4,000,000,000
Issued, subscribed and fully paid up			
94,853,850 number of ordinary shares of Taka 10 each		948,538,500	948,538,500
Paid up capital is made up of 25,701,400 numbers of ordinary shares paid up in cash and 69,152,450 numbers of ordinary shares through issuance of bonus shares.			
11.1. Paid up capital of the company is held as follows:			
Foreign			
Aga Khan Fund for Economic Development - AKFED		484,249,700	484,249,700
Others		500	500
		484,250,200	484,250,200
Domestic			
Government of the People's Republic of Bangladesh - GoB		207,536,100	207,536,100
General Shareholders		256,745,900	256,745,900
Others		6,300	6,300
		464,288,300	464,288,300
		948,538,500	948,538,500
12. Share premium			
		167,014,000	167,014,000
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. total number of shares would be 16,701,400 @ Tk 10 per share.			
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.			
Opening balance		197,501,563	175,166,707
Add: Transferred from profit during the period/year		-	22,334,856
Balance as at March/December 31		197,501,563	197,501,563

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

As at	Note	March 31, 2012	Figs. in Taka December 31, 2011
14. Assets revaluation reserve		13,585,980	13,585,980

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.

15. Retained earnings

Opening balance		572,082,855	568,974,133
Add: Post tax profit for the period/year		(46,912,494)	111,674,278
		525,170,361	680,648,411
Less: Transfer to statutory reserve		-	22,334,856
Less: Issuance of bonus shares		-	86,230,700
		-	108,565,556
Balance as at March/December 31		525,170,361	572,082,855

16. Letters of guarantee

Director		-	-
Government		-	-
Bank and financial institutions	16.1	45,590,000	15,590,000
Others		-	-
		45,590,000	15,590,000

16.1. Letter of guarantee has been issued in favor of Habib Bank Limited, against Titas Gas Transmission and Distribution Company Limited on account of M/s Hossain & Sons, Letter of Credit & Trust Receipt on account of Mahashakti Trade International (Pvt) Ltd and Letter of Guarantee in favor of Social Islami Bank Limited on account of BBS Cable Limited.

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

Period ended March 31	Note	Figs. in Taka	
		Three months	
		2012	2011
17. Interest income			
Interest income on lease finance		36,929,955	22,911,662
Interest income on long term finance		97,786,962	91,830,296
Interest income on short term finance		4,708,412	4,693,851
Interest income on secured finance		3,163,575	1,458,147
Interest income on auto loan		2,539,616	2,638,637
Interest income on staff loan		409,165	412,706
Interest income on mortgage finance		80,000	-
Interest income on factoring finance		355,102	-
Interest income on loans, leases and advances		145,972,787	123,945,299
Interest income on fixed deposits placement		6,265,243	1,346,875
Interest income on overnight and treasury placements		28,837,570	6,642,708
Interest income on STD accounts		65,457	76,595
Interest income on placement of fund		35,168,270	8,066,178
		181,141,057	132,011,477
18. Interest paid on deposits and borrowings etc.			
Interest expenses on term deposits		125,141,694	80,350,089
Interest expenses on borrowings	18.1	3,106,218	10,756,947
		128,247,912	91,107,036
18.1. Interest paid on borrowings			
Interest expenses on long term lines of credit		1,085,947	596,471
Interest expenses on call loan borrowing		85,061	2,249,157
Interest expenses on bank overdrafts		1,935,210	515,733
Interest expenses on Repo borrowings		-	7,395,586
		3,106,218	10,756,947
19. Investment income			
Interest income on treasury bills		-	4,536,534
Interest income on Govt. bonds		(15,287,885)	15,646,797
Interest income on corporate bonds		4,524,658	4,470,548
Income from Government Securites		(10,763,227)	24,653,879
Dividend income on preference shares		9,982,314	10,734,792
		(780,913)	35,388,671

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

Period ended March 31	Note	Figs. in Taka	
		Three months	
		2012	2011
20. Commission, exchange and brokerage			
Appraisal and feasibility study fees		1,272,202	428,575
Documentation fees		125,000	193,741
		<u>1,397,202</u>	<u>622,316</u>
21. Other operating income			
Transfer price of leased assets		2,000	156,250
Other earnings		3,000	2,500
Loan loss recovery		26,000	77,000
		<u>31,000</u>	<u>235,750</u>
22. Salary and allowances			
Basic salary		5,370,156	5,682,080
House rent allowance		1,723,807	1,823,490
Medical allowance		876,171	805,454
Bonus		1,050,000	2,550,000
Leave fare assistance		918,981	973,157
Other allowances		661,493	385,067
Company's contribution to provident fund		393,759	482,408
Gratuity		739,813	1,500,000
Contractual staffs		1,169,723	652,777
		<u>12,903,903</u>	<u>14,854,433</u>
23. Rent, taxes, insurance, electricity, etc.			
Office rent		1,330,916	1,327,029
Rates and taxes		56,700	56,700
Insurance		437,431	467,394
Utilities - electricity, gas, water etc		538,472	495,621
		<u>2,363,519</u>	<u>2,346,744</u>
24. Legal expenses			
Professional fees		1,386,273	2,481,740
Legal document, court fees etc.		593,675	324,528
		<u>1,979,948</u>	<u>2,806,268</u>

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

Period ended March 31	Note	Figs. in Taka	
		Three months	
		2012	2011
25. Postage, stamp, telecommunications, etc.			
Postage, stamps etc.		41,750	68,547
Telephone		94,368	96,023
Internet expenses		426,000	294,578
		<u>562,118</u>	<u>459,148</u>
26. Stationery, printing, advertisements etc.			
Printing and stationery		199,380	155,789
Publicity and advertisement		944,626	737,606
		<u>1,144,006</u>	<u>893,395</u>
27. Managing Director's salary and allowances			
Basic salary		1,050,000	1,200,000
House rent allowance		90,000	210,000
Medical allowance		37,500	45,000
Leave fare assistance		173,418	200,001
Company's contribution to provident fund		105,000	120,000
		<u>1,455,918</u>	<u>1,775,001</u>
28. Directors' fees			
Honorarium for attending meeting		86,250	115,000
Incidental expenses for attending meeting		486,944	537,922
		<u>573,194</u>	<u>652,922</u>
29. Depreciation and repair on fixed assets			
Depreciation	29.1	3,858,099	3,493,155
Repair and maintenance	29.2	953,450	882,136
		<u>4,811,549</u>	<u>4,375,291</u>
29.1. Depreciation			
Office premises		880,647	860,523
Motor vehicles		1,127,340	975,144
Furniture and fixtures		902,831	799,046
Equipment and appliances		947,281	858,442
		<u>3,858,099</u>	<u>3,493,155</u>

Details are shown in annexure - B

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

Period ended March 31	Note	Figs. in Taka	
		Three months	
		2012	2011
29.2. Repair and maintenance			
Vehicles		752,658	824,064
Office equipments		200,792	58,072
		<u>953,450</u>	<u>882,136</u>
30. Other expenses			
Staff training		39,780	98,560
Membership fees, subscription and donations		548,300	847,708
News papers, periodicals, learning materials etc.		16,170	21,065
Traveling, conveyance and hotel expenses		328,405	294,733
Entertainment and public relation		120,280	100,978
Annual General Meeting expenses		734,850	250,000
Security and cleaning services		460,639	280,563
Sundry office maintenance		268,268	279,473
Other operational expenses		484,709	357,184
		<u>3,001,401</u>	<u>2,530,264</u>
31. Provision for loans, advances, leases and investment			
Provision for loans, advances and leases		58,733,488	108,392,823
Provision for diminution of value of investment in shares		115,070	4,488,102
Other - provision for marking to market of Govt. securities		3,964,648	4,468,246
		<u>62,813,206</u>	<u>117,349,171</u>
32. Deferred tax			
Deferred tax expense/(income) on deductible temporary differences		(226,233)	(345,613)
Deferred tax expense/(income) on taxable temporary differences		761,965	(554,916)
		<u>535,732</u>	<u>(900,529)</u>
33. 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 2012 as per Bangladesh Accounting Standard (BAS) 33: <i>Earnings per share (EPS)</i> .			
Net profit after tax		(46,912,494)	(87,555,807)
Number of ordinary shares		94,853,850	94,853,850
Basic earning per share		<u>(0.49)</u>	<u>(0.92)</u>

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

Figs. in Taka

Period ended March 31	Note	Three months	
		2012	2011

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.

34. Receipts from other operating activities

Opening - accrued interest receivable on securities	15,873,838	19,636,968
Transfer price of lease assets	2,000	156,250
Interest income on Govt. securities	11,641,275	20,183,331
Interest income on corporate bond	4,524,658	4,470,548
Income from other operating activities	3,000	2,500
Total receivable from other operating activities	32,044,771	44,449,597
Less: Closing - accrued interest receivable on securities	18,406,805	22,082,952
Receipts from other operating activities	13,637,966	22,366,645

35. (Increase)/decrease of other assets

Opening other assets

Stationery, stamps, printing materials in stock	53,105	25,220
Advance rent and advertisement	5,835,236	7,483,321
Security Deposit	716,160	403,856
Preliminary, formation renovation and prepaid expenses	255,780	7,188,292
Sundry assets	5,483,903	2,606,348
Total opening other assets	12,344,184	17,707,037

Closing other assets

Stationery, stamps, printing materials in stock	56,170	38,395
Advance rent and advertisement	5,396,285	7,161,256
Security Deposit	716,160	716,160
Preliminary, formation renovation and prepaid expenses	1,261,728	8,161,406
Sundry assets	3,862,360	5,079,657
Total closing other assets	11,292,703	21,156,874
	1,051,481	(3,449,837)

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

Period ended March 31	Note	Figs. in Taka	
		Three months	
		2012	2011
36. Increase/(decrease) of other liabilities			
Closing other liabilities			
Provision for corporate tax		127,311,942	137,447,792
Receipts against lease		31,329,752	32,241,263
Withholding tax and VAT		3,397,260	2,913,119
Liabilities for special accounts		16,816,912	17,135,618
Provision for expense		5,678,478	9,057,062
Account payable for purchase of office equipment		2,471,061	-
Total closing other liabilities		187,005,405	198,794,854
Opening other liabilities			
Provision for corporate tax		119,003,508	119,882,915
Receipts against lease		28,447,130	31,894,338
Withholding tax and VAT		4,026,155	2,544,335
Liabilities for special accounts		16,450,699	16,860,731
Provision for expense		4,881,521	7,969,512
Account payable for purchase of office equipment		1,317,501	1,087,550
Total opening other liabilities		174,126,514	180,239,381
		12,878,891	18,555,473
37. Cash and cash equivalents			
Cash in hand		43,555	37,952
Balance with Bangladesh Bank and its agent bank(s)		89,468,506	95,203,555
Balance with other banks and financial institutions		335,783,636	271,855,552
Money at call and short notice		465,000,000	-
		890,295,697	367,097,059
38. 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.			

Detail statement of other investment

As at	March 31, 2012		December 31, 2011	
	Cost	Market price	Cost	Market price
Detail statement of other investment				
Investment in ordinary shares - listed				
Tripti Industries Ltd.*	2,025	2,025	2,025	2,025
Bemco Electric Metre Ltd.	7,000,000	4,312,000	7,000,000	4,305,000
RAK Ceramics (Bangladesh) Ltd.	5,664	9,275	5,664	9,428
	7,007,689	4,323,300	7,007,689	4,316,453
Investment in ordinary shares - un-listed				
Quality Feeds Ltd.	1,500,000	1,500,000	1,500,000	1,500,000
Alliance Bags Ltd.	3,000,000	3,000,000	3,000,000	3,000,000
Ekushey Television Ltd.	7,170,869	7,170,869	7,170,869	7,170,869
Gonophone Bangladesh Ltd.	20,000,000	20,000,000	20,000,000	20,000,000
	31,670,869	31,670,869	31,670,869	31,670,869
Investment in cumulative redeemable preference shares				
Premium Seed Ltd.	4,000,000	4,000,000	4,000,000	4,000,000
Delta Brac Housing Finance Corporation Ltd.	100,000,000	100,000,000	100,000,000	100,000,000
ACI Godrej Agrovvet Private Limited	99,900,000	99,900,000	99,900,000	99,900,000
Confidence Salt Ltd.	40,000,000	40,000,000	40,000,000	40,000,000
Summit Power Company Ltd.	140,000,000	140,000,000	140,000,000	140,000,000
	383,900,000	383,900,000	383,900,000	383,900,000
Investment in bonds				
Mutual Trust Bank Ltd.	150,000,000	150,000,000	150,000,000	150,000,000
	572,578,558	569,894,169	572,578,558	569,887,322

* Tripti Industries Limited amalgamated with Olympic Industries Limited.

Fixed assets including premises, furniture and fixtures

Category of asset	Cost					Rate	Depreciation				Carrying amount as at the period/year
	Opening balance	Addition during the period/year	Adjustment during the period/year	Disposal during the period/year	Closing Balance		Balance as at balance	Charged during the period/year	Adjustment during the period/year	Balance as at the period/year	
As at March 31, 2012											
Office premises	75,684,163	-	-	-	75,684,163	5%	22,142,016	880,647	-	23,022,663	52,661,500
Motor vehicles	17,678,729	4,990,000	-	-	22,668,729	20%&33.33%	13,751,080	1,127,340	-	14,878,420	7,790,309
Furniture and fixtures	28,840,320	163,445	-	-	29,003,765	12.50%	16,518,457	902,831	-	17,421,288	11,582,477
Equipment and appliances	30,347,888	4,487,750	538,300	-	34,297,338	20%	19,116,989	947,281	538,300	19,525,970	14,771,368
Accounting software	1,600,000	-	-	-	1,600,000	50%	1,599,999	-	-	1,599,999	1
Balance as at March 31, 2012	154,151,100	9,641,195	538,300	-	163,253,995		73,128,541	3,858,099	538,300	76,448,340	86,805,655
As at December 31, 2011											
Office premises	68,841,763	6,842,400	-	-	75,684,163	5%	18,357,808	3,784,208	-	22,142,016	53,542,147
Motor vehicles	21,559,953	-	-	3,881,225	17,678,729	20%&33.33%	12,606,708	3,775,582	2,631,210	13,751,080	3,927,649
Furniture and fixtures	24,732,271	4,108,049	-	-	28,840,320	12.50%	13,328,882	3,189,575	-	16,518,457	12,321,863
Equipment and appliances	26,779,127	4,680,052	-	1,111,291	30,347,888	20%	16,932,484	3,295,796	1,111,291	19,116,989	11,230,899
Accounting software	1,600,000	-	-	-	1,600,000	50%	1,599,999	-	-	1,599,999	1
Balance as at December 31, 2011	143,513,114	15,630,501	-	4,992,516	154,151,100		62,825,881	14,045,161	3,742,501	73,128,541	81,022,559

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 December 31, 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 December 31, 2005.