

**IPDC of Bangladesh Limited**  
**Condensed Interim Financial Statements (Un-audited)**  
**As at and for the first quarter ended 31 March 2013**

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

As at	Note	31 March 2013	Figures in Taka 31 December 2012
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>			
In hand (including foreign currencies)		70,783	68,533
Balance with Bangladesh Bank and its agent bank(s)		91,968,849	94,246,168
Balance with other banks and financial institutions	2	433,019,657	433,650,776
		<b>525,059,289</b>	<b>527,965,477</b>
<b>Investments</b>			
Government	3.2	415,000,000	165,000,000
Others	3.3	495,542,454	499,278,558
		<b>910,542,454</b>	<b>664,278,558</b>
Loans, leases, cash credits, overdrafts, etc.	4	5,836,229,164	5,585,644,010
Fixed assets including premises, furniture and fixtures	5	76,952,681	76,209,026
Other assets	6	274,319,297	254,313,304
Non financial institutional assets	7	3,752,405	6,096,865
<b>TOTAL ASSETS</b>		<b>7,626,855,290</b>	<b>7,114,507,241</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowings from other banks and financial institutions	8	188,417,393	29,698,701
Term deposits	9	4,489,103,822	4,208,012,043
Other liabilities	10	907,807,176	849,470,357
<b>Total liabilities</b>		<b>5,585,328,391</b>	<b>5,087,181,101</b>
<b>Shareholders' equity</b>			
Paid up capital	11	1,043,392,350	1,043,392,350
Share premium	12	167,014,000	167,014,000
Statutory reserve	13	223,222,211	223,222,211
Assets revaluation reserve	14	13,585,980	13,585,980
Retained earnings	15	594,312,358	580,111,599
<b>Total shareholders' equity</b>		<b>2,041,526,899</b>	<b>2,027,326,140</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>7,626,855,290</b>	<b>7,114,507,241</b>
<b>Off-balance sheet items</b>			
Letters of guarantee	16	5,590,000	5,590,000

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

sd/-  
 Chief Financial Officer

sd/-  
 Managing Director & CEO

**IPDC of Bangladesh Limited**  
**Condensed Interim Profit and Loss Account (Un-audited)**

Figures in Taka

For the first quarter ended 31 March	Note	2013	2012
<b>PARTICULARS</b>			
Interest income	17	220,736,469	181,245,463
Interest paid on deposits and borrowings etc.	18	159,844,614	128,247,912
<b>Net interest income</b>		<b>60,891,855</b>	<b>52,997,551</b>
Investment income	19	21,723,064	(780,913)
Commission, exchange and brokerage	20	3,272,129	1,292,797
Other operating income	21	109,155	31,000
<b>Total operating income</b>		<b>85,996,202</b>	<b>53,540,434</b>
Salary and allowances	22	18,060,377	12,903,903
Rent, taxes, insurance, electricity, etc.	23	2,693,849	2,363,519
Legal expenses	24	2,345,974	1,979,948
Postage, stamp, telecommunications, etc.	25	672,616	562,118
Stationery, printings, advertisements, etc.	26	1,620,270	1,157,806
Managing Director's salary and allowances	27	1,457,499	1,455,918
Directors' fees	28	778,631	573,194
Depreciation and repair of Company's assets	29	4,850,918	4,811,549
Other expenses	30	4,191,996	2,987,601
<b>Total operating expenses</b>		<b>36,672,130</b>	<b>28,795,556</b>
<b>Profit before provision</b>		<b>49,324,073</b>	<b>24,744,878</b>
Provision for loans and leases		8,255,203	58,848,558
Other provisions		2,680,750	3,964,648
<b>Total provision</b>	31	<b>10,935,953</b>	<b>62,813,206</b>
<b>Profit before tax</b>		<b>38,388,120</b>	<b>(38,068,328)</b>
Current tax	10.4	24,251,503	8,308,434
Deferred tax	32	(64,142)	535,732
<b>Total tax expenses</b>		<b>24,187,361</b>	<b>8,844,166</b>
<b>Net profit after tax</b>		<b>14,200,759</b>	<b>(46,912,494)</b>
<b>Earnings per share (EPS)</b>	33	0.14	(0.45)

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

sd/-  
 Chief Financial Officer

sd/-  
 Managing Director & CEO

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

For the first quarter ended 31 March	Note	2013	2012
Figures in Taka			
<b>OPERATING ACTIVITIES</b>			
Interest receipts in cash		192,988,825	146,063,871
Interest payments in cash		(140,453,499)	(94,369,014)
Dividend receipts in cash		2,524,305	2,910,247
Fee and commission receipts in cash		3,237,629	1,397,202
Recoveries of loan previously written off		-	26,000
Cash payments to employees		(16,559,232)	(12,619,508)
Cash payments to suppliers		(13,558,552)	(10,988,679)
Income taxes paid		(398,759)	(1,580,252)
Receipts from other operating activities	34	8,622,572	13,637,966
<b>Cash generated before change in operating assets and liabilities</b>		<b>36,403,288</b>	<b>44,477,833</b>
<b>Increase/decrease in operating assets and liabilities</b>			
Purchase/sale of trading securities		3,736,104	172,600,000
Loans, advances and leases to other banks		12,467,212	(12,348,407)
Loans, advances and leases to customers		(513,836,447)	(256,322,321)
Other assets	35	(2,847,994)	1,051,481
Deposits from customers		281,091,779	62,623,579
Trading liabilities		160,620,285	(65,488,806)
Other liabilities	36	25,342,312	12,878,891
<b>Net increase/decrease in operating assets and liabilities</b>		<b>(33,426,748)</b>	<b>(85,005,583)</b>
<b>Net cash from operating activities</b>		<b>2,976,539</b>	<b>(40,527,750)</b>
<b>INVESTING ACTIVITIES</b>			
Payment for purchase of property, plant and equipment		(4,076,335)	(9,641,195)
Sale proceeds of property, plant and equipment		95,200	-
<b>Net cash provided/(used) in investing activities</b>		<b>(3,981,135)</b>	<b>(9,641,195)</b>
<b>FINANCING ACTIVITIES</b>			
Receipts/(payments) of long term loan		(1,901,593)	(1,689,541)
Dividends paid in cash		-	(743)
<b>Net cash provided/used) in financing activities</b>		<b>(1,901,593)</b>	<b>(1,690,284)</b>
<b>Net increase/(decrease) in cash</b>		<b>(2,906,189)</b>	<b>(51,859,229)</b>
<b>Cash and cash equivalents at beginning of quarter</b>		<b>527,965,477</b>	<b>942,154,926</b>
<b>Cash and cash equivalents at end of quarter</b>	37	<b>525,059,289</b>	<b>890,295,697</b>

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

**IPDC of Bangladesh Limited**  
**Condensed Interim Statement of Changes in Shareholders' Equity (Un-audited)**

Figures in Taka

	Paid up share capital	Share premium	Statutory reserve	Asset revaluation reserve	Retained earnings	Total
For the first quarter ended 31 March 2013						
Opening balance	1,043,392,350	167,014,000	223,222,211	13,585,980	580,111,599	2,027,326,140
Changes in accounting policy	-	-	-	-	-	-
Restated balance	1,043,392,350	167,014,000	223,222,211	13,585,980	580,111,599	2,027,326,140
Net profit for the quarter	-	-	-	-	14,200,759	14,200,759
Closing balance	1,043,392,350	167,014,000	223,222,211	13,585,980	594,312,358	2,041,526,899
For the first quarter ended 31 March 2012						
Opening balance	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 for the quarter	-	-	-	-	(46,912,494)	(46,912,494)
Closing balance	948,538,500	167,014,000	197,501,563	13,585,980	525,170,361	1,851,810,404

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

## **1. Reporting entity**

### **1.1. Company profile**

With a mandate to promote economic growth in the country, Industrial Promotion and Development Company of Bangladesh Limited (IPDC) was incorporated in Bangladesh in 1981 as the premier private sector long term lending institution with the Registrar of Joint Stock Companies and Firms, Dhaka. The company also registered itself as a financial institution under the Financial Institutions Act 1993 on 7 February 1995. The registered office of the company is situated at Hosna Center (4<sup>th</sup> Floor), 106 Gulshan Avenue, Dhaka, Bangladesh. The company became a listed company on December 3, 2006 in both the Dhaka Stock Exchange Ltd. and the Chittagong Stock Exchange Ltd. 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 31 March 2013 have been 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, the accounting policies and methods in consistent with those used in the financial statements prepared for the year ended December 31, 2012 have been followed.

### **1.5 Change in accounting estimate**

The Company has changed the useful life of reconditioned vehilces from three years to five years in the year 2013 and financial impact of such change has been given propectively in current period and in future periods it relates, if any.

### **1.5. Post Balance Sheet events**

All material events occurring after the reporting period has been considered and where necessary, adjusted for and adequately disclosed in the note no. 38 of the financial statements.

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

Figures have been rounded off to the nearest Taka and 2012 figures have been reclassified/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	Figures in Taka	
		31 March 2013	31 December 2012
<b>2. Balance with other banks and financial institutions</b>			
Name of Bank/FI	Type of A/c		
Commercial Bank of Ceylon Plc	CD A/c	44,520	44,520
The Hongkong and Shanghai Banking Corporation Ltd.	CD A/c	1,026	1,146
Uttara Bank Ltd.	CD A/c	2,583	2,583
United Commercial Bank Ltd.	CD A/c	105,124	16,255
AB Bank Ltd.	CD A/c	3,240	3,240
Standard Chartered Bank	CD A/c	819,672	406,977
Prime Bank Ltd.	CD A/c	-	12,492,740
Bank Alfalah Ltd.	CD A/c	1,451	1,451
		977,615	12,968,911
Dutch Bangla Bank Ltd.	STD A/c	190,267	54,868,548
Prime Bank Ltd.	STD A/c	748,014	37,341,034
AB Bank Ltd.	STD A/c	1,418,218	1,418,218
Standard Chartered Bank	STD A/c	5,792	6,142
Al-Arafah Islami Bank Ltd.	STD A/c	6,209	6,209
BRAC Bank Ltd.	STD A/c	14,820	714,820
AB Bank Ltd.	STD A/c -FC	62,403	62,403
		2,445,723	94,417,375
Mercantile Bank Ltd.	FDR	50,700,000	50,000,000
National Bank Ltd.	FDR	14,780,876	13,877,500
AB Bank Ltd.	FDR	50,000,000	-
EXIM Bank Ltd.	FDR	50,000,000	-
Prime Bank Ltd.	FDR	64,115,442	62,386,991
		229,596,318	126,264,491
National Bank of Pakistan	Placement	150,000,000	150,000,000
International Leasing and Financial Services Ltd.	Placement	50,000,000	50,000,000
		200,000,000	200,000,000
		433,019,657	433,650,776
<b>3. Investments</b>			
Government securities	3.2	415,000,000	165,000,000
Other investments	3.3	495,542,454	499,278,558
		910,542,454	664,278,558
<b>3.1 Classification of investments</b>			
Held for trading (HFT)		204,100,000	-
Held to maturity (HTM)		210,900,000	165,000,000
		415,000,000	165,000,000
Other investments		495,542,454	499,278,558
		910,542,454	664,278,558
<b>3.2 Government securities</b>			
15-year treasury bonds		242,600,000	242,600,000
20-year treasury bonds		172,400,000	172,400,000
		415,000,000	415,000,000
Less: Special repo borrowing from Bangladesh Bank		-	250,000,000
		415,000,000	165,000,000

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

As at	Note	Figures in Taka	
		31 March 2013	31 December 2012
<b>3.3 Other investments</b>			
In ordinary shares - Listed		7,007,689	7,007,689
In ordinary shares - Unlisted		31,670,869	31,670,869
In cumulative redeemable preference shares		306,863,896	310,600,000
Investment in shares		345,542,454	349,278,558
In corporate bonds		150,000,000	150,000,000
		495,542,454	499,278,558

Details of other investments are shown in Annexure - A.

**4. Loans, leases and advances**

Long term loan		3,436,269,563	3,296,153,533
Lease finance	4.1	1,579,160,530	1,618,199,053
Short term loan		315,261,306	316,539,819
Mortgage finance		40,027,340	32,951,684
Channel finance		142,388,638	88,120,017
Auto loan		122,490,183	106,028,436
Secured retail loan		183,478,570	109,893,163
Staff loan		17,153,034	17,758,305
		5,836,229,164	5,585,644,010

All loans, leases and advances are within Bangladesh.

**4.1 Lease finance**

Gross lease receivables		1,857,309,186	1,948,130,259
Less: Unearned interest income		411,631,500	449,139,080
Net lease receivables		1,445,677,686	1,498,991,179
Add: Overdue lease rentals		128,548,519	116,007,874
Add: Advance against lease finance		4,934,325	3,200,000
		1,579,160,530	1,618,199,053

**5. Fixed assets including premises, furniture and fixtures**

Land and building		75,684,163	75,684,163
Motor vehicles		20,444,500	20,911,776
Furniture and fixtures		29,489,658	29,241,775
Equipment and appliances		34,676,445	33,413,823
Accounting software		2,398,750	2,398,750
		162,693,516	161,650,287
Less: Accumulated depreciation		85,740,835	85,441,261
		76,952,681	76,209,026

Details of fixed assets are shown in Annexure - B.



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

As at	Note	Figures in Taka	
		31 March 2013	31 December 2012
<b>6. Other assets</b>			
Dividend receivable on cumulative preference shares		16,505,385	11,158,047
Stationery, stamps, printing materials in stock		93,327	52,825
Advance rent and advertisement		3,640,481	4,079,432
Interest accrued on investment but not collected		24,309,311	14,090,220
Security deposits		716,160	716,160
Preliminary, formation, renovation and prepaid expenses		1,568,070	375,259
Others	6.1	227,486,563	223,841,361
		<u>274,319,297</u>	<u>254,313,304</u>
<b>6.1 Others</b>			
Advance tax		215,220,881	214,822,122
Deferred tax asset	6.1.2	4,895,423	4,697,206
Sundry assets	6.1.3	7,370,259	4,322,033
		<u>227,486,563</u>	<u>223,841,361</u>
<b>6.1.2 Deferred tax asset</b>			
Deferred tax asset has been recognised in accordance with the Bangladesh Accounting Standard (BAS) 12: <i>Income Taxes</i> based on deductible 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			
<i>Deductible temporary difference</i>			
Gratuity provision		11,518,643	11,052,250
Tax rate		42.50%	42.50%
Deferred tax asset		<u>4,895,423</u>	<u>4,697,206</u>
Movement of deferred tax asset is as follows:			
Opening balance		4,697,206	3,486,891
Less: Charged/(released) to profit and loss account		(198,217)	(1,210,315)
Closing balance		<u>4,895,423</u>	<u>4,697,206</u>
<b>6.1.3 Sundry assets</b>			
City corporation tax		56,700	113,400
Hosna Centre Owners' Association		583,050	583,050
Advance others		6,730,509	3,625,583
		<u>7,370,259</u>	<u>4,322,033</u>
<b>7. Non financial institutional assets</b>			
Generator	7.1	-	2,344,460
Freehold land	7.2	3,752,405	3,752,405
		<u>3,752,405</u>	<u>6,096,865</u>

**7.1** The Company had purchased a 315 KVA generator in the year 2010 for its own use and subsequently decided in the year 2012 to sell it. Accordingly the Company has classified and presented the same in compliance with BFRS 5: *Non-current Assets Held for Sale and Discontinued Operations*. The asset was sold in February 2013.

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

As at	Note	Figures in Taka	
		31 March 2013	31 December 2012

**7.2** This represents the 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.

**8. Borrowings from other banks, financial institutions and agents**

Name of Bank/FI	Type		
Prime Bank Ltd.	SOD	40,620,285	-
Dhaka Bank Ltd.	Call Loan	20,000,000	-
Eastern Bank Ltd.	Call Loan	40,000,000	-
The City Bank Ltd.	Call Loan	60,000,000	-
Total short term loan		160,620,285	-
The UAE-Bangladesh Investment Company Ltd.	Long Term	27,797,108	29,698,701
		188,417,393	29,698,701

**9. Deposits and other accounts**

Inter-bank deposits	-	-
Other deposits	4,489,103,822	4,208,012,043
	4,489,103,822	4,208,012,043

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, leases and investments	10.1	280,600,747	269,664,794
Cumulative interest and dividend suspense	10.2	128,784,089	129,472,462
Provision for gratuity	10.3	11,518,643	11,052,250
Unclaimed dividend		3,800,159	3,800,090
Provision for corporate tax	10.4	151,043,293	126,791,790
Receipts against lease	10.5	28,780,177	27,313,330
Provision for finance charge	10.6	258,619,005	239,227,891
Withholding tax and VAT		5,745,926	6,991,938
Liabilities for special accounts	10.7	17,112,747	16,242,773
Provision for expense	10.8	8,674,337	5,853,232
Deferred tax liabilities	15.9	12,429,302	12,295,227
Payable for purchase of office equipment		698,751	764,581
		907,807,176	849,470,357

**10.1 Cumulative provision for loans, advances, leases and investment**

Provision for loans, leases and advances	198,727,394	190,472,189
Provision for investments in shares	38,072,894	38,072,894
	236,800,288	228,545,083
Provision for marking to market on Govt. securities	43,800,459	41,119,711
	280,600,747	269,664,794

**10.2 Cumulative interest and dividend suspense**

Interest suspense against loans, leases and advances	126,037,555	126,814,695
Dividend suspense against cumulative preference shares	2,746,534	2,657,767
	128,784,089	129,472,462

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

As at	Note	Figures in Taka	
		31 March 2013	31 December 2012

**10.3 Provision for gratuity**

This represents provision for staff gratuity up to 31 March 2013. The company has provided full provision for gratuity at the rate of one month's basic salary for each completed year of service.

Opening balance		11,052,250	8,204,449
Add: Provision made during the quarter/year		598,393	3,055,300
		11,650,643	11,259,750
Less: Payment during the quarter/year		132,000	207,500
Closing balance		11,518,643	11,052,250

**10.4 Provision for corporate tax**

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

Opening balance		126,791,790	119,003,508
Add: Provision made during the quarter/year		24,251,503	7,788,282
		151,043,293	126,791,790
Less: Adjustment during the quarter/year		-	-
Closing balance		151,043,293	126,791,790

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 2008 are pending with the Appellate Authorities and High Court Division of the Supreme Court. Income tax return for the year 2009, 2010 and 2011 have been duly submitted under section 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		27,313,330	28,447,130
Add: Receipts during the quarter/year		1,944,001	14,467,780
		29,257,331	42,914,910
Less: Adjusted during the quarter/year		477,153	15,601,580
Closing balance		28,780,177	27,313,330

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

**10.6 Provision for finance charge**

Accrued interest expenses on term deposits		258,281,704	238,833,141
Accrued interest expenses on long term borrowings		226,607	247,489
Accrued interest expenses on call borrowings		110,694	-
Accrued interest expenses on Repo borrowings		-	147,260
		258,619,005	239,227,891

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

As at	Note	Figures in Taka	
		31 March 2013	31 December 2012
<b>10.7 Liabilities for special accounts</b>			
Account payable special account - IPO		1,118,356	1,118,356
Account payable special account - DEG		15,947,426	14,941,452
Account payable special account - other		46,964	182,964
		<b>17,112,747</b>	<b>16,242,773</b>
<b>10.8 Provision for expenses</b>			
Legal fees		1,627,125	2,068,225
Office services		2,472,327	778,235
Pay and allowance		2,870,000	377,749
Promotion and publicity		524,327	1,500,338
Office rent		67,335	67,335
Professional fees		549,600	232,100
Audit fees		503,123	768,250
Other expenses		60,500	61,000
		<b>8,674,337</b>	<b>5,853,232</b>
<b>10.9 Deferred tax liabilities</b>			
<i>Taxable temporary differences</i>			
Property, plant and equipment		5,617,624	5,302,152
Revaluation reserve on office premises		23,627,792	23,627,792
Net taxable temporary differences		29,245,416	28,929,945
Tax rate		42.50%	42.50%
Deferred tax liabilities		12,429,302	12,295,227
Movement of deferred tax liabilities is as follows:			
Opening balance		12,295,227	13,480,611
Less: Charged/(released) to profit and loss account	32	134,075	(1,185,384)
Closing balance		12,429,302	12,295,227
<b>11. Share capital</b>			
<i>Authorized</i>			
400,000,000 ordinary shares of Taka 10 each		4,000,000,000	4,000,000,000
<i>Issued, subscribed and fully paid up</i>			
104,339,235 number of ordinary shares of Taka 10 each		1,043,392,350	1,043,392,350
Paid up capital is made up of 25,701,400 numbers of ordinary shares paid up in cash and 78,637,835 numbers of ordinary shares through issuance of bonus shares.			
<b>11.1 Paid up capital of the company is held as follows:</b>			
<i>Foreign</i>			
Aga Khan Fund for Economic Development (AKFED)		532,674,670	532,674,670
Others		550	550
		<b>532,675,220</b>	<b>532,675,220</b>
<i>Domestic</i>			
Government of the People's Republic of Bangladesh (GoB)		228,289,710	228,289,710
General Shareholders		282,420,490	282,420,490
Others		6,930	6,930
		<b>510,717,130</b>	<b>510,717,130</b>
		<b>1,043,392,350</b>	<b>1,043,392,350</b>

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

As at	Note	Figures in Taka	
		31 March 2013	31 December 2012

<b>12. Share premium</b>		167,014,000	167,014,000
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Share premium against 1,670,140 number of ordinary shares comprising 280,140 numbers issued in 2004 and 1,390,000 numbers issued in 2006 @ Tk. 100 per share. As at 31 March 2013 total number of shares would be 16,701,400 @ Tk. 10 per share as the Company has 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.

**13. Statutory reserve**

This comprises 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		223,222,211	197,501,563
Add: Transferred from profit during the quarter/year		-	25,720,648
Closing balance		223,222,211	223,222,211

<b>14. Assets revaluation reserve</b>		13,585,980	13,585,980
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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 as assets revaluation reserve after adjustment of deferred tax.

**15. Retained earnings**

Opening balance		580,111,599	572,082,855
Add: Post tax profit for the quarter/year		14,200,759	128,603,242
		594,312,358	700,686,097
Less: Transfer to statutory reserve during the quarter/year		-	25,720,648
Less: Issuance of bonus shares during the quarter/year		-	94,853,850
		-	120,574,498
Closing balance		594,312,358	580,111,599

**16. Letters of guarantee**

Director		-	-
Government		-	-
Bank and financial institutions		5,590,000	5,590,000
		5,590,000	5,590,000

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

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

For the first quarter ended 31 March	Note	Figures in Taka	
		2013	2012
<b>17. Interest income</b>			
<i>Interest income on loans, leases and advances</i>			
Interest on lease finance		59,718,563	36,929,955
Interest on long term finance		118,075,253	97,786,962
Interest on short term finance		10,398,638	4,708,412
Interest on channel finance		4,536,356	459,508
Interest on mortgage finance		1,561,315	80,000
Interest on secured finance		5,874,927	3,163,575
Interest on auto loan		4,778,412	2,539,616
Interest income on staff loan		472,878	409,165
		205,416,342	146,077,193
<i>Interest income on balance with other banks and financial institutions</i>			
Interest on fixed deposits		5,816,162	6,265,243
Interest on overnight and treasury placements		8,540,764	28,837,570
Interest on STD accounts		963,201	65,457
		15,320,127	35,168,270
		220,736,469	181,245,463
<b>18. Interest paid on deposits and borrowings etc.</b>			
Interest expenses on term deposits		154,135,709	125,141,694
Interest expenses on borrowings	18.1	5,708,905	3,106,218
		159,844,614	128,247,912
<b>18.1 Interest paid on borrowings</b>			
Interest expenses on long term loan		870,079	1,085,947
Interest expenses on call loan borrowing		833,037	85,061
Interest expenses on bank overdrafts		31,474	1,935,210
Interest expenses on Repo borrowings		3,974,315	-
		5,708,905	3,106,218
<b>19. Investment income</b>			
Income on Govt. treasury bonds		9,400,601	(15,287,885)
Income on corporate bonds		4,450,820	4,524,658
Income from Govt. bonds and securities		13,851,421	(10,763,227)
Dividend income on cumulative preference shares		7,871,643	9,982,314
		21,723,064	(780,913)
<b>20. Commission, exchange and brokerage</b>			
Fees and commission income	20.1	3,272,129	1,292,797
Exchange income		-	-
		3,272,129	1,292,797

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

For the first quarter ended 31 March	Note	Figures in Taka	
		2013	2012
<b>20.1 Fees and commission income</b>			
<i>Fees income</i>			
Appraisal and feasibility study fees		3,252,129	1,167,797
Documentation fees		-	125,000
Restructuring/renewal fees		20,000	-
		3,272,129	1,292,797
Commission		-	-
		3,272,129	1,292,797
<b>21. Other operating income</b>			
Transfer price of leased assets		9,057	2,000
Other earnings		4,900	3,000
Loan loss recovery		-	26,000
Income/(loss) on sale of fixed assets	21.1	95,198	-
		109,155	31,000
<b>21.1 Income/(loss) from sale of fixed assets</b>			
Cost price of the assets sold		2,967,276	-
Less: Accumulated depreciation		2,967,274	-
Written down value		2	-
Sale proceeds		95,200	-
Income/(loss) from sale of fixed assets		95,198	-
<b>22. Salary and allowances</b>			
Basic salary		7,496,313	5,370,156
House rent allowance		2,157,187	1,723,807
Medical allowance		1,203,283	876,171
Bonus		2,570,000	1,050,000
Leave fare assistance		1,202,038	918,981
Other allowances		594,891	661,493
Company's contribution to provident fund		524,230	393,759
Gratuity		598,393	739,813
Contractual staffs		1,714,042	1,169,723
		18,060,377	12,903,903
<b>23. Rent, taxes, insurance, electricity, etc.</b>			
Office rent		1,337,592	1,330,916
Rates and taxes		56,700	56,700
Insurance		543,827	437,431
Utilities - electricity, gas, water etc		755,730	538,472
		2,693,849	2,363,519
<b>24. Legal expenses</b>			
Professional fees		1,863,100	1,386,273
Legal document, court fees etc.		482,874	593,675
		2,345,974	1,979,948

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

For the first quarter ended 31 March	Note	Figures in Taka	
		2013	2012
<b>25. Postage, stamp, telecommunications, etc.</b>			
Postage, stamps etc.		101,161	41,750
Telephone		145,455	94,368
Internet expenses		426,000	426,000
		<b>672,616</b>	<b>562,118</b>
<b>26. Stationery, printing, advertisements etc.</b>			
Printing and stationery		223,544	199,380
Publicity and advertisement		1,396,726	958,426
		<b>1,620,270</b>	<b>1,157,806</b>
<b>27. Managing Director's salary and allowances</b>			
Basic salary		1,050,000	1,050,000
House rent allowance		90,000	90,000
Medical allowance		37,500	37,500
Leave fare assistance		174,999	173,418
Company's contribution to provident fund		105,000	105,000
		<b>1,457,499</b>	<b>1,455,918</b>
<b>28. Directors' fees</b>			
Honorarium for attending meeting		138,000	86,250
Incidental expenses for attending meeting		640,631	486,944
		<b>778,631</b>	<b>573,194</b>
<b>29. Depreciation and repair on fixed assets</b>			
Depreciation	29.1	3,266,848	3,858,099
Repair and maintenance	29.2	1,584,070	953,450
		<b>4,850,918</b>	<b>4,811,549</b>
<b>29.1 Depreciation</b>			
Office premises		981,270	880,647
Motor vehicles		310,005	1,127,340
Furniture and fixtures		915,838	902,831
Equipment and appliances		959,891	947,281
Accounting software		99,844	-
		<b>3,266,848</b>	<b>3,858,099</b>
Details of depreciation is shown in Annexure - B.			
<b>29.2 Repair and maintenance</b>			
Office premises		35,674	-
Vehicles		1,198,288	752,658
Office equipments		350,108	200,792
		<b>1,584,070</b>	<b>953,450</b>



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

For the first quarter ended 31 March	Note	Figures in Taka	
		2013	2012
<b>30. Other expenses</b>			
Staff training		490,142	39,780
Membership fees, subscription and donations		511,381	442,300
News papers, periodicals, learning materials etc.		17,772	16,170
Traveling, conveyance and hotel expenses		577,829	328,405
Entertainment and public relation		231,086	120,280
AGM expenses		750,000	734,850
Security and cleaning services		609,745	460,639
Sundry office maintenance		518,908	355,813
Other operational expenses		485,133	489,364
		<b>4,191,996</b>	<b>2,987,601</b>
<b>31. Provision for loans, advances, leases and investment</b>			
Provision for loans, advances and leases		8,255,203	58,848,558
Other - provision for marking to market on Govt. securities		2,680,750	3,964,648
		<b>10,935,953</b>	<b>62,813,206</b>
<b>32. Deferred tax expense/(income)</b>			
Expense/(income) on deductible temporary differences	6.1.2	(198,217)	(226,232)
Expense/(income) on taxable temporary differences	10.9	134,075	761,965
		<b>(64,142)</b>	<b>535,732</b>
<b>33. Earnings per share (EPS)</b>			
Earnings per share (EPS) as shown in the face of the Profit and Loss Account is calculated in accordance with Bangladesh Accounting Standard (BAS) 33: <i>Earnings per share</i> . Details are as follows:			
Net profit/(loss) after tax		14,200,759	(46,912,494)
<i>Weighted average number of shares outstanding during the quarter/year</i>			
Number of ordinary shares as at 1 January		104,339,235	94,853,850
Bonus shares issued		-	9,485,385
		<b>104,339,235</b>	<b>104,339,235</b>
Basic earning per share		0.14	(0.45)
<b>Diluted earning per share (DEPS)</b>			
No DEPS is required to be calculated for the period as there was no scope for dilution of share during the period.			
<b>34. Receipts from other operating activities</b>			
Transfer price of lease assets		9,057	2,000
Securities income		8,608,615	13,632,966
Income from other operating activities		4,900	3,000
		<b>8,622,572</b>	<b>13,637,966</b>

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

For the first quarter ended 31 March	Note	Figures in Taka	
		2013	2012
<b>35. (Increase)/decrease of other assets</b>			
<i>Closing other assets</i>			
Stationery, stamps, printing materials in stock		93,327	53,105
Advance rent and advertisement		3,640,481	5,835,236
Security deposit		716,160	716,160
Other assets		12,265,682	5,739,683
		16,715,650	12,344,184
<i>Opening other assets</i>			
Stationery, stamps, printing materials in stock		52,825	56,170
Advance rent and advertisement		4,079,432	5,396,285
Security deposit		716,160	716,160
Other assets		9,019,239	5,124,088
		13,867,656	11,292,703
		(2,847,994)	1,051,481
<b>36. Increase/(decrease) of other liabilities</b>			
<i>Closing other liabilities</i>			
Provision for current tax		151,043,293	127,311,942
Withholding tax, VAT and excise duty		5,745,926	3,397,260
Others		45,892,924	56,296,203
		202,682,143	187,005,405
<i>Opening other liabilities</i>			
Provision for current tax		126,791,790	119,003,508
Withholding tax, VAT and excise duty		6,991,938	4,026,155
Others		43,556,103	51,096,851
		177,339,831	174,126,514
		25,342,312	12,878,891
<b>37. Cash and cash equivalents</b>			
Cash in hand		70,783	43,555
Balance with Bangladesh Bank and its agent bank(s)		91,968,849	89,468,506
Balance with other banks and financial institutions		433,019,657	335,783,636
Money at call and short notice		-	465,000,000
		525,059,289	890,295,697

**38. Events after the reporting period**

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

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

Annexure - A

**Details statement of other investments**

Figures in Taka

Particulars	31 March 2013		31 December 2012	
	Cost	Market price	Cost	Market price
<i>In ordinary shares - listed</i>				
Olympic 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	5,428	5,664	6,702
	7,007,689	4,319,453	7,007,689	4,313,727
<i>In ordinary shares - unlisted</i>				
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
<i>In cumulative redeemable preference shares</i>				
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 Ltd.	66,600,000	66,600,000	66,600,000	66,600,000
Confidence Salt Ltd.	26,263,896	26,263,896	30,000,000	30,000,000
Summit Uttaranchol Power Company Ltd.	55,000,000	55,000,000	55,000,000	55,000,000
Summit Purbanchol Power Company Ltd.	55,000,000	55,000,000	55,000,000	55,000,000
	306,863,896	306,863,896	310,600,000	310,600,000
<i>In corporate bonds</i>				
Mutual Trust Bank Ltd.	150,000,000	150,000,000	150,000,000	150,000,000
	495,542,454	492,854,218	499,278,558	496,584,596

**Industrial Promotion and Development Company of Bangladesh Limited**  
**Notes to the Condensed Interim Financial Statements (Un-audited) as at and for the first quarter ended 31 March 2013**

**Fixed assets including premises, furniture and fixtures**

Annexure - B

Figures in Taka

Category of asset	Cost					Rate	Depreciation				Carrying amount as at 31 Mar 2013
	Balance as at 1 Jan 2013	Addition during the period	Adjustment during the period	Disposal during the period	Balance as at 31 Mar 2013		Balance as at 1 Jan 2013	Charged during the period	Adjustment during the period	Balance as at 31 Mar 2013	
Office premises	75,684,163	-	-	-	75,684,163	5%	25,966,473	981,270	-	26,947,743	48,736,420
Motor vehicles	20,911,776	2,500,000	-	2,967,276	20,444,500	20%	16,896,243	310,005	2,967,274	14,238,974	6,205,526
Furniture and fixtures	29,241,775	247,883	-	-	29,489,658	12.50%	20,080,316	915,838	-	20,996,154	8,493,504
Equipment and appliances	33,413,823	1,262,622	-	-	34,676,445	20%	20,765,105	959,893	-	21,724,998	12,951,447
Accounting software	2,398,750	-	-	-	2,398,750	50%	1,733,124	99,843	-	1,832,967	565,783
<b>Balance as at 31 March 2013</b>	<b>161,650,287</b>	<b>4,010,505</b>	<b>-</b>	<b>2,967,276</b>	<b>162,693,516</b>		<b>85,441,261</b>	<b>3,266,849</b>	<b>2,967,274</b>	<b>85,740,835</b>	<b>76,952,681</b>

Category of asset	Cost					Rate	Depreciation				Carrying amount as at 31 Dec 2012
	Balance as at 1 Jan 2012	Addition during the year	Adjustment during the year	Disposal during the year	Balance as at 31 Dec 2012		Balance as at 1 Jan 2012	Charged during the year	Adjustment during the year	Balance as at 31 Dec 2012	
Office premises	75,684,163	-	-	-	75,684,163	5%	22,142,016	3,824,457	-	25,966,473	49,717,690
Motor vehicles	17,678,729	4,990,000	-	1,756,953	20,911,776	20%&33.33%	13,751,080	4,462,750	1,317,587	16,896,243	4,015,533
Furniture and fixtures	28,840,320	401,455	-	-	29,241,775	12.50%	16,487,425	3,623,923	-	20,111,348	9,130,427
Equipment and appliances	30,347,888	7,907,818	4,303,583	538,300	33,413,823	20%	19,148,021	4,083,475	2,497,423	20,734,073	12,679,750
Accounting software	1,600,000	798,750	-	-	2,398,750	50%	1,599,999	133,125	-	1,733,124	665,626
<b>Balance as at 31 December 2012</b>	<b>154,151,100</b>	<b>14,098,023</b>	<b>4,303,583</b>	<b>2,295,253</b>	<b>161,650,287</b>		<b>73,128,541</b>	<b>16,127,730</b>	<b>3,815,010</b>	<b>85,441,261</b>	<b>76,209,026</b>

**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 parking space for 15 cars, have been revalued by a professional valuer as at 31 December 2005 in line with prevailing market price as on that date. Accordingly selling price of the premises with proportionate land is stated at Tk. 68,441,292 with a revaluation adjustment of Tk. 23,627,792 as at 31 December 2005.