

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

Un-audited Financial Statements
as at and for the month ended 30 September 2011

Industrial Promotion and Development Company of Bangladesh Limited
Un-audited Balance Sheet
as at 30 September 2011

	Notes	As at 30-Sep-11 Taka	As at 31-Dec-10 Restated Taka
Property and assets			
Cash			
In hand (including foreign currencies)	2	40,557	35,000
Balance with Bangladesh Bank and its agent bank(s)	2.2	71,087,959	65,704,881
		71,128,516	65,739,881
Balance with other banks and financial institutions			
Balance with other banks and financial institutions	3	318,135,660	570,183,365
Outside Bangladesh	3.1	-	-
		<u>318,135,660</u>	<u>570,183,365</u>
Money at call and short notice			
		-	-
Investments			
Government	4	939,465,577	480,984,599
Others	4.1	596,278,558	619,678,558
	4.2	1,535,744,135	1,100,663,157
Loans, advances and leases			
Loans, leases, cash credits, overdrafts, etc.	5	4,438,874,004	4,150,956,768
Bills purchased and discounted		-	-
		4,438,874,004	4,150,956,768
Fixed assets including premises, furniture and fixtures	6	81,353,039	80,687,233
Other assets	7	270,871,368	273,678,385
Non financial institutional assets		-	-
Total assets		<u>6,716,106,720</u>	<u>6,241,908,789</u>
Liabilities and capital			
Liabilities			
Borrowings from other banks, financial institutions and agents	8	119,214,126	123,836,457
Deposits and other accounts			
Current accounts and other accounts	9	-	-
Bills payable		-	-
Savings deposits		-	-
Term deposits		3,592,478,149	3,180,862,931
Bearer certificate of deposits		-	-
Other deposits		-	-
		3,592,478,149	3,180,862,931
Other liabilities	10	1,194,073,792	1,150,160,782
Total liabilities		<u>4,905,766,066</u>	<u>4,454,860,170</u>
Shareholders' equity			
Paid up capital	11	948,538,500	862,307,800
Share premium	12	167,014,000	167,014,000
Statutory reserve	13	175,166,707	175,166,707
Assets revaluation reserve	14	13,585,980	13,585,980
Retained earnings	15	506,035,467	568,974,133
Total shareholders' equity		<u>1,810,340,653</u>	<u>1,787,048,619</u>
Total liabilities and shareholders' equity		<u>6,716,106,720</u>	<u>6,241,908,789</u>
Off-balance sheet items			
Contingent liabilities			
Acceptances and endorsements		-	-
Letters of guarantee	16	5,590,000	5,590,000
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
Total contingent liabilities		<u>5,590,000</u>	<u>5,590,000</u>
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		-	-
Total off-balance sheet items		<u>5,590,000</u>	<u>5,590,000</u>

sd/-
Dilip Kumar Mandal
Chief Financial Officer

sd/-
Mominul Islam
Managing Director & CEO (CC)

Industrial Promotion and Development Company of Bangladesh Limited
Un-audited Profit and Loss Account
for the third quarter ended 30 September 2011

Particulars		Period of	Period of	Period of	Period of
		Jan-Sep 30 2011 Taka	Jan-Sep 30 2010 Restated Taka	Jul-Sep 30 2011 Taka	Jul-Sep 30 2010 Restated Taka
Interest income	17	404,605,336	351,364,046	142,379,128	101,594,453
Interest paid on deposits and borrowings etc.	18	311,824,472	214,935,575	115,194,833	75,126,418
Net interest income		<u>92,780,863</u>	<u>136,428,471</u>	<u>27,184,295</u>	<u>26,468,035</u>
Investment income	19	112,758,343	71,994,756	33,327,169	23,266,616
Commission, exchange and brokerage	20	2,330,404	2,212,339	190,134	551,801
Other operating income	21	1,381,538	1,233,523	455,975	283,967
Total operating income		<u>209,251,147</u>	<u>211,869,088</u>	<u>61,157,573</u>	<u>50,570,418</u>
Salary and allowances		44,771,511	38,090,693	14,804,680	12,067,492
Rent, taxes, insurance, electricity, etc.	23	7,355,233	3,889,528	2,418,838	1,735,341
Legal expenses	24	6,782,255	4,898,535	2,205,547	1,378,926
Postage, stamp, telecommunications, etc.	25	1,469,025	1,018,360	526,042	378,477
Stationery, printings, advertisements, etc.	26	4,362,461	4,455,123	1,412,636	1,037,807
Managing Director's salary and allowances	27	5,725,003	6,725,003	2,415,003	3,015,003
Directors' fees and expenses	28	2,505,048	2,106,220	737,927	609,000
Depreciation and repair of Company's assets	29	14,563,541	12,657,754	4,971,875	4,831,059
Other expenses	30	7,593,978	6,692,374	568,985	2,269,041
Total operating expenses		<u>95,128,056</u>	<u>80,533,590</u>	<u>30,061,533</u>	<u>27,322,146</u>
Profit before provision		<u>114,123,092</u>	<u>131,335,498</u>	<u>31,096,041</u>	<u>23,248,272</u>
Provision for loans, advances and leases	31				
Provision for loans and leases		25,110,575	98,697,809	(874,705)	(320,451)
Other provisions		18,156,068	-	12,111,652	-
Provision for loans, advances, leases and investment		43,266,643	98,697,809	11,236,947	(320,451)
Profit before tax		<u>70,856,448</u>	<u>32,637,689</u>	<u>19,859,094</u>	<u>23,568,723</u>
Provision for corporate tax					
Current tax	10.4	45,901,019	39,348,495	3,806,513	5,321,338
Deferred tax		1,663,395	103,332	9,916,559	(1,143,885)
		<u>47,564,414</u>	<u>39,451,827</u>	<u>13,723,072</u>	<u>4,177,453</u>
Net profit after tax		<u>23,292,034</u>	<u>(6,814,138)</u>	<u>6,136,022</u>	<u>19,391,270</u>
Earnings per share (EPS)	32	<u>2.46</u>	<u>(0.72)</u>	<u>0.65</u>	<u>2.04</u>

sd/-

Dilip Kumar Mandal
Chief Financial Officer

sd/-

Mominul Islam
Managing Director & CEO (CC)

Industrial Promotion and Development Company of Bangladesh Limited
Un-audited Cash Flow Statement
for the third quarter ended 30 September 2011

	3rd Quarter ended <u>30-Sep-11</u> <u>Taka</u>	3rd Quarter ended <u>30-Sep-10</u> <u>Taka</u>
A) Cash flows from operating activities		
Interest receipts in cash	441,120,679	464,158,664
Interest payments in cash	(263,846,785)	(167,438,227)
Dividend receipts in cash	93,834,879	31,735,180
Fee and commission receipts in cash	2,974,975	3,929,214
Recoveries of loan previously written off	-	-
Cash payments to employees	(48,909,495)	(43,991,266)
Cash payments to suppliers	(55,965,876)	(46,938,330)
Income taxes paid	(13,573,658)	(21,892,678)
Receipts from other operating activities	62,157,494	42,456,250
Payments for other operating activities	-	-
Cash generated from operating activities before change in operating assets and liabilities	<u>217,792,214</u>	<u>262,018,807</u>
Increase/decrease in operating assets and liabilities		
Statutory deposits	-	-
Purchase /sale of trading securities	(458,480,978)	88,384,372
Loans, advances and leases to other banks	17,125,588	69,534,920
Loans, advances and leases to customers	(371,378,812)	38,881,490
Other assets	(35,158,372)	(23,457,128)
Deposits from other banks and financial institutions	-	(10,000,000)
Deposits from customers	411,615,218	608,006,966
Trading liabilities	(49,362,561)	(308,242,354)
Other liabilities	17,566,445	40,353,430
Net cash from operating activities	<u>(250,281,259)</u>	<u>765,480,503</u>
B) Cash flows from investing activities		
Proceeds from sale of securities	-	17,000,000
Payments for purchase of securities	-	(500,878,823)
Purchase of property, plant and equipment	(10,947,738)	(14,045,644)
Sale proceeds of property, plant and equipment	-	27,500,000
Cash payments or proceeds from purchase or sale of subsidiaries	-	-
Net cash used in investing activities	<u>(10,947,738)</u>	<u>(470,424,467)</u>
C) Cash flows from financing activities		
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	14,570,988	(205,944,987)
Dividends paid in cash	(1,062)	(557,779)
Net cash used in financing activities	<u>14,569,926</u>	<u>(206,502,766)</u>
D) Net (decrease) / increase in cash (A+B+C)	(246,659,071)	88,553,270
E) Cash and cash-equivalents at beginning of the period	<u>635,923,246</u>	<u>179,528,867</u>
F) Cash and cash-equivalents at end of the period (D+E)	<u>33</u> <u>389,264,175</u>	<u>268,082,138</u>

Previous period increase/decrease in operating assets and liabilities have been restated to due the effect of adjustment of repo borrowings against the Government securities.

Industrial Promotion and Development Company of Bangladesh Limited
Un-audited Statement of Changes in Equity
for the third quarter ended 30 September 2011

	<u>Paid up share capital</u> Taka	<u>Share premium</u> Taka	<u>Statutory reserve</u> Taka	<u>Asset revaluation reserve</u> Taka	<u>Retained earnings</u> Taka	<u>Total</u> Taka
Balance at 1 January 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	1,787,048,619
Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-
Net gain/(loss) not recognized in the profit and loss account	-	-	-	-	-	-
Net profit after tax for the period	-	-	-	-	23,292,034	23,292,034
Payment of dividend	-	-	-	-	-	-
Issuance of bonus share	86,230,700	-	-	-	(86,230,700)	-
Issuance of share capital	-	-	-	-	-	-
Appropriation during the period	-	-	-	-	-	-
Balance at 30 September 2011	948,538,500	167,014,000	175,166,707	13,585,980	506,035,467	1,810,340,653
Balance at 30 September 2010 (Restated)	862,307,800	167,014,000	148,586,469	13,585,980	647,746,254	1,839,240,503

Industrial Promotion and Development Company of Bangladesh Limited

Notes to the financial statements (Un-audited) as at and for the third quarter ended 30 September 2011

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 Centre (4th Floor), 106 Gulshan Avenue, Dhaka, Bangladesh. The company became a listed company on 3 December 2006 in both the Dhaka Stock Exchange and the Chittagong Stock Exchange in Bangladesh. The company has three branches, two situated in Dhaka and one in port city Chittagong.

1.2 Nature of business of the Company

IPDC specialises in providing long term and short term financing, project financing, lease 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 third quarter ended 30 September 2011 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

Except as described in note 1.5, the accounting policies and methods applied by the company in preparing the financial statements for the third quarter ended 30 September 2011 are the same as those applied by the company in its the financial statements as at and for the year ended 31 December 2010.

1.5 Change in accounting policy

Accounting for deferred tax

As per Bangladesh Accounting Standard 12: Income Taxes, Company had accounted for deferred tax assets against the specific provision maintained against loan and leases. Company has changed its policy for recognition of deferred tax in compliance with Bangladesh Bank circular no. DFIM-07 dated 31 July 2011. As per this circular NBFIs are not being allowed to create any deferred tax assets against the specific provision maintained as per Bangladesh Bank's directives for classified loans, leases and investments.

Impact of change in accounting policy

This change in accounting policy was applied retrospectively and had no impact on earnings per share of current period (negative impact of Tk 4.88 per share for the third quarter ended 30 September 2010).

1.6 Post Balance Sheet events

All material events occurring after the balance sheet date have been considered and where necessary, adjusted for or disclosed in these financial statements.

1.7 Rounding off and rearrangement of figures

Figures have been rounded off to the nearest Taka and 2010 figures have been rearranged, where necessary, to conform to current period presentation.

	Note	As at 30-Sep-11 Taka	As at 31-Dec-10 Taka
2. Cash			
Cash in hand	2.1	40,557	35,000
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	2.2	71,087,959	65,704,881
		<u>71,128,516</u>	<u>65,739,881</u>
2.1 Cash in hand			
In local currency		40,557	35,000
In foreign currency		-	-
		<u>40,557</u>	<u>35,000</u>
2.2 Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)			
Bangladesh Bank			
Local currency		71,087,959	65,704,881
Foreign currency		-	-
		<u>71,087,959</u>	<u>65,704,881</u>
Sonali Bank Limited (as an agent of Bangladesh Bank)		-	-
		<u>71,087,959</u>	<u>65,704,881</u>
3. Balance with other banks and financial institutions			
In Bangladesh	3.1	318,135,660	570,183,365
Outside Bangladesh		-	-
		<u>318,135,660</u>	<u>570,183,365</u>
3.1 In Bangladesh			
With Banks -			
<u>In current deposit accounts with</u>			
Commercial Bank of Ceylon Plc		46,715	83,042
The Hongkong and Shanghai Banking Corporation Ltd.		51,396	102,429
Uttara Bank Ltd.		3,158	3,158
United Commercial Bank		76,850	300,000
AB Bank Ltd.		4,965	3,366
Standard Chartered Bank		548,768	1,911,095
Citibank N.A.		1,300	300
Prime Bank Ltd.		-	1,621,909
Bank Alfalah Ltd.		1,451	1,451
		<u>734,602</u>	<u>4,026,750</u>

	Note	As at 30-Sep-11 <u>Taka</u>	As at 31-Dec-10 <u>Taka</u>
<u>Short term deposit accounts with</u>			
Dutch Bangla Bank Ltd.		180,280	889,153
AB Bank Ltd.		1,372,466	2,121,468
Standard Chartered Bank		449,694	36,093
Prime Bank Ltd.		47,003,452	60,092
IFIC Bank Ltd.		12,268	12,268
BRAC Bank Ltd.		244,093	-
AL-Arafah Islami Bank Ltd.		16,371	39,304
		<u>49,278,623</u>	<u>3,158,378</u>
<u>Short term deposit accounts (in foreign currency) with</u>			
AB Bank Ltd.		62,403	62,403
		<u>62,403</u>	<u>62,403</u>
<u>Short term placement</u>			
National Bank of Pakistan		150,000,000	50,000,000
AB Bank Ltd.		-	200,000,000
Pubali Bank Ltd.		-	200,000,000
		<u>150,000,000</u>	<u>450,000,000</u>
<u>Fixed deposit accounts with</u>			
BRAC Bank Ltd.		-	12,935,834
Prime Bank Ltd.		54,258,304	50,000,000
National Bank of Pakistan		13,801,728	-
Eastern Bank Ltd.		50,000,000	-
		<u>118,060,032</u>	<u>62,935,834</u>
		<u>318,135,660</u>	<u>520,183,365</u>
<u>Other banks and financial institutions</u>			
International Leasing and Financial Services Ltd		-	50,000,000
		<u>-</u>	<u>50,000,000</u>
		<u>318,135,660</u>	<u>570,183,365</u>

	Note	As at 30-Sep-11 Taka	As at 31-Dec-10 Taka
4. Investments			
Government securities	4.1	939,465,577	480,984,599
Other investments	4.2	596,278,558	619,678,558
		<u>1,535,744,135</u>	<u>1,100,663,157</u>
4.1 Government securities			
Treasury bills		263,548,184	498,530,941
Treasury bonds		719,044,182	596,000,000
		<u>982,592,366</u>	<u>1,094,530,941</u>
Less: Repo & assured liquidity support with Bangladesh Bank		43,126,789	613,546,342
		<u>939,465,577</u>	<u>480,984,599</u>
4.2 Other investments			
In ordinary shares			
Listed		7,007,689	7,007,689
Unlisted		31,670,869	31,670,869
		<u>38,678,558</u>	<u>38,678,558</u>
Redeemable preference shares		407,600,000	431,000,000
Investment in corporate bonds		150,000,000	150,000,000
		<u>596,278,558</u>	<u>619,678,558</u>
5. Loans, advances and leases			
<u>In Bangladesh:</u>			
Long term loan		2,714,341,112	2,500,653,256
Lease finance		1,362,712,746	1,280,091,818
Short term loan		223,590,238	238,730,915
Auto loan		68,269,759	68,603,681
Secured retail loan		50,979,395	44,163,648
Staff loan		18,980,754	18,713,450
		<u>4,438,874,004</u>	<u>4,150,956,768</u>
Outside Bangladesh		-	-
		<u>4,438,874,004</u>	<u>4,150,956,768</u>
Bills purchased and discounted		-	-
		<u>4,438,874,004</u>	<u>4,150,956,768</u>
6. Fixed assets including premises, furniture and fixtures			
Land and building		75,684,163	68,841,763
Motor vehicles		21,559,953	21,559,953
Furniture and fixtures		26,599,651	24,732,271
Equipment and appliances		28,196,514	26,779,127
Accounting software		1,600,000	1,600,000
		<u>153,640,281</u>	<u>143,513,114</u>
Less: Accumulated depreciation		72,287,243	62,825,881
		<u>81,353,039</u>	<u>80,687,233</u>
Details are shown in annexure-A			

	Note	As at 30-Sep-11 Taka	As at 31-Dec-10 Taka
7. Other assets			
<u>Income generating other assets</u>			
Investment in shares of subsidiary companies:			
In Bangladesh		-	-
Outside Bangladesh		-	-
Dividend receivable against redeemable preference shares		15,520,394	18,857,910
		<u>15,520,394</u>	<u>18,857,910</u>
<u>Non-income generating other assets</u>			
Stationery, stamps, printing materials in stock		50,320	25,220
Advance rent and advertisement		6,274,187	7,483,321
Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures and other income receivable		38,262,335	21,617,650
Security deposits		716,160	403,856
Preliminary, formation and organization expenses, renovation/development expenses and prepaid expenses		1,432,114	7,188,292
Branch adjustment		-	-
Suspense account		-	-
Silver		-	-
Others	7.1	208,615,857	218,102,136
		<u>255,350,974</u>	<u>254,820,475</u>
		<u>270,871,368</u>	<u>273,678,385</u>
7.1 Others			
Advance tax		198,953,153	212,434,427
Deferred tax assets	7.1.1	3,532,412	3,061,361
Sundry assets		6,130,293	2,606,348
		<u>208,615,857</u>	<u>218,102,136</u>
7.1.1 Deductible temporary differences			
Gratuity provision		8,311,557	7,203,203
Net deductible temporary differences		<u>8,311,557</u>	<u>7,203,203</u>
Tax rate		42.50%	42.50%
Deferred tax assets		<u>3,532,412</u>	<u>3,061,361</u>
8. Borrowings from other banks, financial institutions and agents			
In Bangladesh		119,214,126	123,836,457
Outside Bangladesh		-	-
		<u>119,214,126</u>	<u>123,836,457</u>
In Bangladesh			
Secured		-	-
<u>Unsecured</u>			
Long term loan			
Credit Bridge Stand by Facility - CBSF		-	23,836,457
The UAE-Bangladesh Investment Company Ltd.		38,407,445	-
		<u>38,407,445</u>	<u>23,836,457</u>
Short term loan			
Prime Bank Ltd.		40,806,681	100,000,000
Delta Brac Housing Corporation		40,000,000	-
		<u>80,806,681</u>	<u>100,000,000</u>
		<u>119,214,126</u>	<u>123,836,457</u>

	Note	As at 30-Sep-11 Taka	As at 31-Dec-10 Taka
9. Deposits and other accounts			
Inter-bank deposits		-	-
Other deposits		3,592,478,149	3,180,862,931
		<u>3,592,478,149</u>	<u>3,180,862,931</u>
10. Other liabilities			
Cumulative provision for loans, leases and investments	10.1	576,832,860	533,566,217
Cumulative interest and dividend suspense	10.2	196,448,773	264,628,055
Provision for gratuity	10.3	8,311,557	7,203,203
Unclaimed dividend		3,843,293	3,424,692
Provision for corporate tax	10.4	138,729,002	119,882,915
Receipts against lease	10.5	32,088,191	31,894,338
Provision for finance charge	10.6	199,355,724	151,378,038
Withholding tax and VAT		2,272,090	2,544,335
Liabilities for special accounts	10.7	16,650,164	16,860,731
Provision for expense	10.8	5,810,449	6,384,185
Deferred tax liabilities	10.9	13,440,969	11,306,523
Account payable for purchase of office equipment		290,720	1,087,550
		<u>1,194,073,792</u>	<u>1,150,160,782</u>
10.1. Cumulative provision for loans, advances, leases and investments			
Provision for loans, advances and leases		500,268,928	486,517,840
Provision for investments in equity		43,910,012	32,550,525
		544,178,940	519,068,365
M2M provision for investments in Govt. securities		32,653,920	14,497,852
		<u>576,832,860</u>	<u>533,566,217</u>
10.2 Cumulative interest and dividend suspense			
Interest suspense against loans, advances and leases		194,035,857	262,484,398
Dividend suspense against investment in redeemable preference shares		2,412,916	2,143,657
		<u>196,448,773</u>	<u>264,628,055</u>
10.3 Provision for gratuity			
Balance as at 1 January		7,203,203	4,615,701
Add: Provision made during the period/year		2,171,667	3,050,002
		9,374,870	7,665,703
Less: Payment during the period/year		1,063,313	462,500
Balance as at 30 Sep/31 December		<u>8,311,557</u>	<u>7,203,203</u>
10.4 Provision for corporate tax			
Provision for current tax has been made on the basis of the profit for the period/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.			
Balance as at 1 January		119,882,915	87,882,915
Add: Provision made during the period/year		45,901,019	32,000,000
		165,783,934	119,882,915
Less: Adjustment made during the period/year		27,054,932	-
Balance as at 30 Sep/31 December		<u>138,729,002</u>	<u>119,882,915</u>

	Note	As at 30-Sep-11 Taka	As at 31-Dec-10 Taka
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:			
Balance as at 1 January		31,894,338	35,504,321
Add: Receipts during the period/year		<u>7,344,686</u>	<u>10,491,368</u>
		39,239,024	45,995,689
Less: Adjusted during the period/year		<u>7,150,833</u>	<u>14,101,351</u>
Balance as at 30 Sep/31 December		<u><u>32,088,191</u></u>	<u><u>31,894,338</u></u>
Purpose of taking lease deposits is to secure the finance provided to the clients. No interest is payable on lease deposits.			
10.6 Provision for finance charge			
Accrued interest expenses on term deposits		198,760,018	150,909,171
Accrued interest expenses on short term borrowings		66,488	55,556
Accrued interest expenses on long term borrowings		303,883	-
Interest Payable on Call Loan Borrowing		22,779	-
Accrued interest expenses on CBSF line of credit		11	227,899
Accrued interest expenses on Repo		<u>202,545</u>	<u>185,412</u>
		<u><u>199,355,724</u></u>	<u><u>151,378,038</u></u>
10.7 Liabilities for special accounts			
Account payable special account - IPO		1,118,356	1,118,356
Account payable special account - DEG		13,802,599	13,076,712
Account payable special account - other		<u>1,729,208</u>	<u>2,665,663</u>
		<u><u>16,650,164</u></u>	<u><u>16,860,731</u></u>
10.8 Provision for expenses			
Legal fees		3,504,300	3,209,850
Office services		742,287	1,365,153
Pay and allowance		990,000	511,335
Promotion and publicity		126,229	478,559
Office rent		67,769	70,533
Professional fees		359,000	140,000
Audit fees		-	365,750
Other expense		<u>20,864</u>	<u>243,005</u>
		<u><u>5,810,449</u></u>	<u><u>6,384,185</u></u>
10.9 Deferred tax liabilities			
Taxable temporary differences:			
Property, plant and equipment		7,998,019	2,975,794
Assets revaluation reserve		<u>23,627,790</u>	<u>23,627,790</u>
Net taxable temporary differences		<u>31,625,809</u>	<u>26,603,584</u>
Tax rate		42.50%	42.50%
Deferred tax liabilities		<u><u>13,440,969</u></u>	<u><u>11,306,523</u></u>
11. Share capital			
Authorized			
10,000,000 ordinary shares of Taka 100 each		<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued, subscribed and fully paid up			
9,485,385 number of ordinary shares of Taka 100 each (As at 31 December			
2010: 8,623,078 number of shares of Taka 100 each)		<u>948,538,500</u>	<u>862,307,800</u>
Paid up capital is made up of 2,570,140 numbers of ordinary shares paid up in cash and 6,915,245 numbers of ordinary shares through issuance of bonus shares.			

	Note	As at 30-Sep-11 Taka	As at 31-Dec-10 Taka
11.1 Paid up capital of the company is held as follows:			
Foreign			
Aga Khan Fund for Economic Development - AKFED		484,250,100	440,227,000
Others		400	400
		<u>484,250,500</u>	<u>440,227,400</u>
Domestic			
Government of the People's Republic of Bangladesh - GoB		207,536,100	188,669,200
Alliance Holdings Ltd.		-	17,027,900
General Shareholders		256,746,100	216,377,500
Others		5,800	5,800
		<u>464,288,000</u>	<u>422,080,400</u>
		<u>948,538,500</u>	<u>862,307,800</u>
12. Share premium			
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.		<u>167,014,000</u>	<u>167,014,000</u>
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.			
Balance as at 1 January		175,166,707	148,586,469
Add: Transferred from profit during the period/year		-	26,580,238
Balance as at 30 Sep/31 December		<u>175,166,707</u>	<u>175,166,707</u>
14. Assets revaluation reserve			
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.			
Balance as at 1 January		13,585,980	13,585,980
Add/(Less): Adjustment for deferred tax during the period/year		-	-
Balance as at 30 Sep/31 December		<u>13,585,980</u>	<u>13,585,980</u>
15. Retained earnings			
Balance as at 1 January		568,974,133	732,951,992
Less: Adjustment for deferred tax assets*		-	191,907,209
Restated retained earnings		<u>568,974,133</u>	<u>541,044,783</u>
Add: Post tax profit for the period/year		23,292,034	132,901,188
		<u>592,266,167</u>	<u>673,945,971</u>
Less: Transfer to statutory reserve		-	26,580,238
Less: Issuance of bonus shares		86,230,700	78,391,600
Less: Dividend paid		-	-
Balance as at 30 Sep/31 December		<u>86,230,700</u>	<u>104,971,838</u>
		<u>506,035,467</u>	<u>568,974,133</u>
* Previous year's/period's retained earnings have been restated due to changes in Company's accounting policy regarding recognition of deferred tax in compliance with Bangladesh Bank regulation.			
16. Letters of guarantee			
Director		-	-
Government		-	-
Bank and financial institutions		5,590,000	5,590,000
Others		-	-
		<u>5,590,000</u>	<u>5,590,000</u>

	<u>Note</u>	Jan-Sept 30 <u>2011</u> Taka	Jan-Sept 30 <u>2010</u> Taka
17. Interest income			
<u>Interest income on loans, leases and advances</u>			
Interest on lease finance		106,206,179	84,689,504
Interest on long term finance		238,563,210	231,443,934
Interest on short term finance		13,672,631	14,500,653
Interest on secured finance		5,378,069	2,566,586
Interest on auto loan		7,889,261	7,058,447
Interest income on staff loan		1,262,411	418,401
		<u>372,971,762</u>	<u>340,677,525</u>
<u>Interest income on balance with other banks and financial institutions</u>			
Interest on fixed deposits		8,697,493	3,130,557
Interest on overnight and treasury placements		22,255,347	6,727,389
Interest on STD accounts		680,734	828,575
		<u>31,633,574</u>	<u>10,686,520</u>
		<u>404,605,336</u>	<u>351,364,046</u>
18. Interest paid on deposits and borrowings etc.			
Interest expenses on term deposits		277,088,032	202,104,154
Interest expenses on borrowings	18.1	34,736,441	12,831,421
		<u>311,824,472</u>	<u>214,935,575</u>
18.1 Interest paid on borrowings			
<u>Local Banks and financial institutions</u>			
Interest expenses on long term lines of credit		3,093,539	6,706,405
Interest expenses on call loan borrowing		6,037,037	1,546,625
Interest expenses on bank overdrafts		1,000,103	25,334
Interest expenses on Repo borrowings		24,605,761	4,553,057
		<u>34,736,441</u>	<u>12,831,421</u>
19. Investment income			
<u>Dividend income</u>			
Dividend income on preference shares		32,084,361	22,384,172
Dividend income on listed shares		2,351	60
Dividend income on un-listed shares		-	75,000
		<u>32,086,712</u>	<u>22,459,232</u>
<u>Interest on treasury bills, bonds and debentures</u>			
Interest income on treasury bills		15,031,212	3,240,329
Interest income on Govt. bonds		52,144,133	12,634,176
Interest income in corporate bonds		13,495,206	350,000
		<u>80,670,551</u>	<u>16,224,505</u>
Capital gain on sale of shares		1,080	33,311,019
		<u>112,758,343</u>	<u>71,994,756</u>

	Note	Jan-Sept 30 2011 Taka	Jan-Sept 30 2010 Taka
20. Commission, exchange and brokerage			
Fees and commission income	20.1	2,330,404	2,212,339
Exchange income		-	-
Brokerage income		-	-
		<u>2,330,404</u>	<u>2,212,339</u>
20.1 Fees and commission income			
<u>Fees income</u>			
Appraisal and feasibility study fees		1,090,280	2,212,339
Other fees		1,240,124	-
		<u>2,330,404</u>	<u>2,212,339</u>
Commission		-	-
		<u>2,330,404</u>	<u>2,212,339</u>
21. Other operating income			
Transfer price of leased assets		1,201,564	423,828
Other earnings		9,974	809,695
Loan loss recovery		170,000	-
		<u>1,381,538</u>	<u>1,233,523</u>
22. Administrative expenses			
Salary and allowances		44,771,511	38,090,693
Rent, taxes, insurance, electricity, etc.	23	7,355,233	3,889,528
Legal expenses	24	6,782,255	4,898,535
Postage, stamp, telecommunications, etc.	25	1,469,025	1,018,360
Stationery, printings, advertisements etc.	26	4,362,461	4,455,123
Managing Director's salary and allowances	27	5,725,003	6,725,003
Directors' fees and expenses	28	2,505,048	2,106,220
Repair and maintenance	29	14,563,541	12,657,754
Other expenses	30	7,593,978	6,692,374
		<u>95,128,056</u>	<u>80,533,590</u>
23. Rent, taxes, insurance, electricity, etc.			
Office rent		3,997,098	1,439,630
Rates and taxes		171,905	369,942
Insurance		1,362,064	1,149,412
Utilities - electricity, gas, water etc		1,824,166	930,544
		<u>7,355,233</u>	<u>3,889,528</u>
24. Legal expenses			
Professional fees		4,902,903	2,192,896
Legal document and court fees		1,879,352	2,705,639
		<u>6,782,255</u>	<u>4,898,535</u>

	<u>Note</u>	Jan-Sept 30 <u>2011</u> Taka	Jan-Sept 30 <u>2010</u> Taka
25. Postage, stamp, telecommunications, etc.			
Postage, stamps etc.		201,403	149,074
Telephone		269,622	351,786
Internet expenses		998,000	517,500
		<u>1,469,025</u>	<u>1,018,360</u>
26. Stationery, printing, advertisements etc.			
Printing and stationery		751,804	620,412
Publicity and advertisement		3,610,657	3,834,711
		<u>4,362,461</u>	<u>4,455,123</u>
27. Managing Director's salary and allowances			
Basic salary		3,600,000	3,600,000
House rent allowance		630,000	630,000
Medical allowance		135,000	135,000
Bonus		400,000	1,400,000
Other allowances		-	-
Leave fare assistance		600,003	600,003
Company's contribution to provident fund		360,000	360,000
Gratuity		-	-
		<u>5,725,003</u>	<u>6,725,003</u>
Previous period bonus included Tk. 1000,000 as performance bounus.			
28. Directors' fees and expenses			
Honorarium for attending meeting		460,000	379,500
Incidental expenses for attending meeting		2,045,048	1,726,720
		<u>2,505,048</u>	<u>2,106,220</u>
29. Depreciation and repair on fixed assets			
Depreciation	29.1	10,572,653	9,592,576
Repair and maintenance	29.2	3,990,888	3,065,178
		<u>14,563,541</u>	<u>12,657,754</u>
29.1 Depreciation			
Office premises		2,838,159	2,579,900
Motor vehicles		2,925,432	2,120,632
Furniture and fixtures		2,318,527	2,006,504
Equipment and appliances		2,490,535	2,885,540
Accounting software		-	-
		<u>10,572,653</u>	<u>9,592,576</u>
Details are shown in annexure-A			
29.2 Repair and maintenance			
Office premises		160,447	141,800
Vehicles		3,317,817	2,373,415
Office equipments		512,624	549,963
		<u>3,990,888</u>	<u>3,065,178</u>

	<u>Note</u>	Jan-Sept 30 <u>2011</u> Taka	Jan-Sept 30 <u>2010</u> Taka
30. Other expenses			
Staff training		825,540	1,174,174
Membership fees, subscription and donations		927,403	769,580
News papers, periodicals, learning materials etc.		59,710	146,002
Traveling, conveyance and hotel expenses		1,027,837	676,203
Entertainment and public relation		482,414	428,662
Annual General Meeting expenses		1,771,562	1,304,235
Security and cleaning services		968,336	548,533
Sundry office maintenance		1,098,542	1,126,362
Other operational expenses		<u>432,634</u>	<u>518,625</u>
		<u><u>7,593,978</u></u>	<u><u>6,692,374</u></u>
31. Provision for loans, advances and leases			
Provision for loans, leases & shares		25,110,575	98,697,809
Other-provision for marking to market of Govt. securities		<u>18,156,068</u>	-
		<u><u>43,266,643</u></u>	<u><u>98,697,809</u></u>
32. 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 period ended 30 September 2011 as per Bangladesh Accounting Standard (BAS) 33: <i>Earnings per share (EPS)</i> . EPS for the previous period was Tk. 4.58. Restating EPS of 2010 as per BAS 33, an adjustment has been given for 862,308 number of bonus shares issued in 2011. Details of which are made up as under:			
Net profit after tax		23,292,034	(6,814,138)
Weighted average number of shares outstanding during the period:			
Number of ordinary shares as at 1 January		8,623,078	8,623,078
Bonus shares issued		<u>862,308</u>	<u>862,308</u>
		<u>9,485,386</u>	<u>9,485,386</u>
Basic earning per share		<u>2.46</u>	<u>(0.72)</u>
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.			
33. Cash and cash equivalents			
Cash in hand		40,557	35,000
Balance with Bangladesh Bank and its agent bank(s)		71,087,959	54,729,708
Balance with other banks and financial institutions		<u>318,135,660</u>	<u>213,317,430</u>
		<u><u>389,264,175</u></u>	<u><u>268,082,138</u></u>
34. 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.			

Industrial Promotion and Development Company of Bangladesh Limited

Fixed assets including premises, furniture and fixtures

Annexure - A

Category of asset	Cost					Rate	Depreciation				Carrying amount as at 30 Sep 2011
	Balance as at 1 Jan 2011	Addition during the period	Adjustment during the period	Disposal during the period	Balance as at 30 Sep 2011		Balance as at 1 Jan 2011	Charged during the period	Adjustment during the period	Balance as at the period	
Office premises	68,841,763	6,842,400	-	-	75,684,163	5%	18,357,808	2,838,159	-	21,195,967	54,488,196
Motor vehicles	21,559,953	-	-	-	21,559,953	20% & 33.33%	12,606,708	2,925,432	-	15,532,140	6,027,813
Furniture and fixtures	24,732,271	1,867,380	-	-	26,599,651	12.50%	13,328,882	2,318,527	-	15,647,409	10,952,242
Equipment and appliances	26,779,127	2,528,678	1,111,291	-	28,196,514	20%	16,932,484	2,490,535	1,111,291	18,311,728	9,884,786
Accounting software	1,600,000	-	-	-	1,600,000	50%	1,599,999	-	-	1,599,999	1
Balance as at 30 September 2011	143,513,114	11,238,458	1,111,291	-	153,640,281		62,825,881	10,572,653	1,111,291	72,287,243	81,353,039

Category of asset	Cost					Rate	Depreciation				Carrying amount as at 31 Dec 2010
	Balance as at 1 Jan 2010	Addition during the year	Adjustment during the year	Disposal during the year	Balance as at 31 Dec 2010		Balance as at 1 Jan 2010	Charged during the year	Adjustment during the year	Balance as at 31 Dec 2010	
Office premises	68,841,763	-	-	-	68,841,763	5%	14,915,716	3,442,092	-	18,357,808	50,483,955
Motor vehicles	13,405,117	8,154,836	-	-	21,559,953	20% & 33.33%	9,459,565	3,147,143	-	12,606,708	8,953,245
Furniture and fixtures	21,008,473	3,749,233	-	25,435	24,732,271	12.50%	10,580,516	2,773,800	25,434	13,328,882	11,403,389
Equipment and appliances	22,882,033	8,645,095	-	4,748,001	26,779,127	20%	17,615,450	4,064,976	4,747,942	16,932,484	9,846,643
Accounting software	1,600,000	-	-	-	1,600,000	50%	1,599,999	-	-	1,599,999	1
Balance as at 31 December 2010	127,737,386	20,549,164	-	4,773,436	143,513,114		54,171,246	13,428,011	4,773,376	62,825,881	80,687,233

Revaluation of office premises

The office premises with proportionate land comprising 11,661 square feet of office space on 4th floor of Hosna Centre, 106 Gulshan Avenue, Dhaka-1212, along with car parking 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.