IPDC Finance Limited

Financial statements (Un-audited) as at and for the period ended June 30, 2017

AMAR STOCK

IPDC Finance Limited

Balance Sheet (Un-audited)

As of	Note	June 30, 2017 Taka	December 31, 2016 Taka
Property and assets			
Cash	2		
In hand (including foreign currencies)		295,000	270,000
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		312,413,675	226,125,597
		312,708,675	**226,395,597**
Balance with other banks and financial institutions	3	1,582,694,961	1,632,372,469
		1,582,694,961	**1,632,372,469**
Money at call and short notice		-	-
Investments	4	737,732,580	565,732,580
		737,732,580	**565,732,580**
Loans, advances and leases			
Loans, cash credits, overdrafts etc.	5	28,972,079,882	19,480,595,090
		28,972,079,882	**19,480,595,090**
Fixed assets including land, building, furniture and fixture	6	252,699,393	233,614,078
Other assets	7	566,853,419	434,487,396
Non financial institutional assets	8	3,752,405	3,752,405
Total assets		**32,428,521,315**	**22,576,949,615**
Liabilities and shareholders' equity			
Liabilities			
Borrowings from other banks, financial institutions and agents	9	2,922,173,848	1,141,448,941
Deposits and other accounts	10	24,849,510,153	17,179,190,416
Other liabilities	11	1,750,317,287	1,481,196,639
Total liabilities		**29,522,001,288**	**19,801,835,996**
Shareholders' equity			
Paid up capital	12	1,818,006,800	1,515,005,670
Share premium	13	167,014,000	167,014,000
Statutory reserve	14	393,375,601	393,375,601
Assets revaluation reserve	15	124,501,939	124,501,939
Retained earnings	16	403,621,687	575,216,409
Total shareholders' equity		**2,906,520,027**	**2,775,113,619**
Total liabilities and shareholders' equity		**32,428,521,315**	**22,576,949,615**
Off-balance sheet items			
Contingent liabilities			
Acceptances and endorsements			-
Letters of guarantee	17	59,384,465	30,046,913
Irrevocable letters of credit			-
Bills for collection			-
Other contingent liabilities			-
Total contingent liabilities		**59,384,465**	**30,046,913**
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 other commitments		-	-
Total off-balance sheet items including contingent liabilities		**59,384,465**	**30,046,913**

The annexed notes from 1 to 38 and Annexures A and B are an integral part of these financial statements.

Chairman | Director | Managing Director & CEO | Chief Financial Officer | Company Secretary (Current Charge)

IPDC Finance Limited Dhaka

AMARSTOCK

IPDC Finance Limited

Profit and Loss Account (Un-audited)

For the period	Note	Jan to Jun 30, 2017 Taka	Jan to Jun 30, 2016 Taka	Apr to Jun 30, 2017 Taka	Apr to Jun 30, 2016 Taka
Particulars					
Interest income	18	1,281,357,078	574,029,703	704,524,027	333,546,627
Less: Interest paid on deposits and borrowings,etc.	19	781,642,999	301,591,105	444,280,879	183,434,811
Net interest income		**499,714,079**	**272,438,598**	**260,243,148**	**150,111,816**
Investment income	20	30,887,667	16,072,491	17,021,668	11,059,918
Commission, exchange and brokerage	21	34,245,488	14,895,774	19,588,340	10,021,352
Other operating income	22	8,870,038	96,960,494	4,926,618	92,724,168
Total operating income		**573,717,272**	**400,367,357**	**301,779,774**	**263,917,254**
Salary and allowances	24	123,290,942	54,296,624	70,142,625	29,198,166
Rent, taxes, insurance, electricity, etc.	25	15,232,476	8,498,167	7,981,319	4,567,293
Legal expenses	26	8,928,664	7,238,732	5,447,875	4,078,580
Postage, stamp, telecommunications, etc.	27	2,754,894	1,791,342	1,567,757	939,290
Stationery, printing, advertisements, etc.	28	73,025,648	17,646,347	39,742,340	10,606,861
Managing Director's salary and allowances	29	6,277,250	6,277,250	4,089,251	4,089,251
Directors' fees	30	1,317,469	1,280,352	590,607	537,978
Auditors' fees	31	253,007	172,500	126,501	45,996
Charges on loan loss		-	-	-	-
Depreciation and repair of assets	32	23,141,729	14,842,872	11,951,834	7,875,543
Other expenses	33	27,652,856	13,160,433	14,432,674	6,084,681
Total operating expenses		**281,874,935**	**125,204,619**	**156,072,783**	**68,023,639**
Profit before provision		**291,842,337**	**275,162,738**	**145,706,991**	**195,893,615**
				-	-
Provision for loans and advances	34	59,578,134	10,086,165	34,231,128	32,137,037
Provision/(reversal) for diminution in value of investments	35	1,733,031	4,042,365	1,733,031	4,042,365
Total provision		**61,311,165**	**14,128,530**	**35,964,159**	**36,179,402**
Profit before tax		**230,531,172**	**261,034,208**	**109,742,832**	**159,714,213**
Provision for taxation				-	-
Current tax expense	11.4	99,972,404	72,567,832	41,672,915	39,693,557
Deferred tax expense/ (income)	36	(847,640)	8,309,027	(380,669)	254,958
		99,124,764	**80,876,859**	**41,292,246**	**39,948,515**
Net profit after tax		**131,406,408**	**180,157,349**	**68,450,586**	**119,765,698**
Appropriations					
Statutory reserve		-	36,031,470	-	-
General reserve		-	-	-	-
Proposed dividend		-	-	-	-
		-	36,031,470	-	-
Retained surplus		131,406,408	144,125,879	68,450,586	119,765,698
Earnings per share (EPS)	37	**0.72**	**0.99**	**0.38**	**0.66**

The annexed notes from 1 to 38 and Annexures A and B are an integral part of these financial statements.

Chairman | Director | Managing Director & CEO | Chief Financial Officer | Company Secretary (Current Charge)

IPDC Finance Limited Dhaka

IPDC Finance Limited

Cash Flow Statement (Un-audited)

For the period	Jan to Jun 30, 2017 Taka	Jan to Jun 30, 2016 Taka
A) Cash flows from operating activities		
Interest received	1,272,316,351	593,140,417
Interest paid	(684,240,406)	(246,608,066)
Dividend received	24,058,288	1,011,111
Fee and commission received	34,245,488	14,895,774
Recoveries of loan previously written off	8,266,320	96,644,724
Payment to employees	(129,568,192)	(79,273,326)
Payment to suppliers	(152,938,841)	(50,580,106)
Income taxes paid	(100,260,028)	(53,144,401)
Receipt from other operating activities	598,719	17,055,068
Payment for other operating activities	-	-
Cash generated from/(used in) operating activities before changes in operating assets and liabilities	**272,477,699**	**293,141,195**
Changes in operating assets and liabilities		
Statutory deposits	-	-
Sale of trading securities	-	-
Loans and advances to other banks	34,740,057	85,916,164
Loans and advances to customers	(9,526,224,849)	(8,036,711,715)
Other assets	(27,866,656)	(12,740,096)
Deposits from other banks and financial institutions	2,550,000,000	5,330,000,000
Deposits from customers	5,120,319,737	1,252,387,941
Other liability accounts of customers	-	-
Trading liabilities	1,627,867,742	1,084,607,333
Other liabilities	41,265,592	98,891,470
Cash received/(paid) from operating assets and liabilities	**(179,898,377)**	**(197,648,903)**
Net cash from operating activities	**92,579,322**	**95,492,292**
B) Cash flows from investing activities		
Proceeds from sale of securities	-	-
Payments for purchase of securities	(172,000,000)	-
Net increase in purchase of property, plant and equipment	(37,617,765)	(6,802,140)
Sale proceeds of property, plant and equipment	779,811	-
Net cash (used in)/ from investing activities	**(208,837,954)**	**(6,802,140)**
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	152,857,165	(3,736,221)
Dividends paid in cash	37,037	-
Net cash (used in)/ from financing activities	**152,894,202**	**(3,736,221)**
D) Net increase in cash (A+B+C)	**36,635,570**	**84,953,931**
E) Effect of changes in exchange rate over cash and cash equivalents	-	-
F) Cash and cash equivalents at 1 January	1,858,768,066	1,145,231,485
G) Cash and cash equivalents at the end of period (D+E+F)	**1,895,403,636**	**1,230,185,416**
Break down of cash and cash equivalents:		
Cash in hand	295,000	170,000
Balance with Bangladesh Bank and its agent bank(s)	312,413,675	127,602,097
Balance with other banks and financial institutions	1,582,694,961	1,102,413,319
	1,895,403,636	1,230,185,416

IPDC Finance Limited Dhaka

IPDC Finance Limited

Statement of Changes in Shareholders' Equity (Un-audited)

Particulars	Paid up capital Taka	Share premium Taka	Statutory reserve Taka	Assets revaluation reserve Taka	Retained earnings Taka	Total Taka
Balance as at 1 January 2017	1,515,005,670	167,014,000	393,375,601	124,501,939	575,216,409	2,775,113,619
Surplus/(deficit) on account of revaluation of assets	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	-
Deferred tax liability	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-
Net gain/(loss) not recognised in the profit and loss account	-	-	-	-	-	-
Net profit for the quarter ended 31 March 2017	-	-	-	-	131,406,408	131,406,408
Dividend	-	-	-	-	-	-
Issuance of bonus share	303,001,130	-	-	-	(303,001,130)	-
Issuance of share capital	-	-	-	-	-	-
Appropriation during the period	-	-	-	-	-	-
Balance as at 30 June 2017	**1,818,006,800**	**167,014,000**	**393,375,601**	**124,501,939**	**403,621,687**	**2,906,520,027**
Balance as at 1 January 2016	1,262,504,730	167,014,000	332,758,289	127,086,739	585,248,100	2,474,611,858
Surplus/(deficit) on account of revaluation of assets	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	-
Deferred tax liability	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-
Net gain/(loss) not recognised in the profit and loss account	-	-	-	-	-	-
Net profit for the half year ended 30 June 2016	-	-	-	-	180,157,349	180,157,349
Dividend	-	-	-	-	-	-
Issuance of bonus share	252,500,940	-	-	-	(252,500,940)	-
Issuance of share capital	-	-	-	-	-	-
Appropriation during the period	-	-	36,031,470	-	(36,031,470)	-
Balance as at 30 June 2016	**1,515,005,670**	**167,014,000**	**368,789,759**	**127,086,739**	**476,873,039**	**2,654,769,207**

IPDC Finance Limited Dhaka

1. Reporting entity

1.1. Company profile

With a mandate to promote economic growth in the country, IPDC Finance Limited (Formerly named as Industrial Promotion and Development Company of Bangladesh Limited) hereinafter also referred as "IPDC" or the "Company" was incorporated in Bangladesh in 1981 as the premier private sector long term lending institution with the Registrar of Joint Stock Companies and Firms, Dhaka. The Company also registered itself as a financial institution under the Financial Institutions Act, 1993 on 7 February 1995. The registered office of the Company is situated at Hosna Center (4th Floor), 106 Gulshan Avenue, Dhaka, Bangladesh. The Company became a listed company on 3 December 2006 with both the Dhaka Stock Exchange and the Chittagong Stock Exchange in Bangladesh. The Company has twelve branch offices located at Gulshan, Dhanmondi, Motijheel, Uttara, Chittagong, Narayangonj, Bogra, Gazipur, Sylhet, Mymensingh, Comilla and Jessore.

1.2. Nature of business of the Company

The Company specialises in providing long term and short term financing, project financing, lease financing, channel finance, work order finance, mortgage finance, equity financing, syndication finance and Small & Medium Enterprises (SME) finance. In 2006, the Company also started retail business to increase its activities in retail segment.

1.3. Basis of Reporting

The financial statements for the half year ended 30 June 2017 have been prepared under historical cost convention following accrual basis of accounting and based on Bangladesh Accounting Standard (BAS) 34: *Interim Financial Reporting,* Securities and Exchange Rules 1987, Regulations issued by Bangladesh Bank and other applicable laws and regulations.

1.4. Accounting policies and method of computations

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

1.5. Post Balance Sheet events

All material events occurring after the balance sheet date have been considered and where necessary, adjusted for or disclosed in note no. 38 of these financial statements.

1.6. Rounding off and rearrangement of figures

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

IPDC Finance Limited Dhaka

As at	Note	June 30, 2017 Taka	31 December 2016 Taka
2. Cash			
Cash in hand (including foreign currencies)	2.1	295,000	270,000
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	2.2	312,413,675	226,125,597
		312,708,675	**226,395,597**
2.1 Cash in hand			
In local currency		295,000	270,000
In foreign currency		-	-
		295,000	270,000
2.2 Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)			
Bangladesh Bank			
In local currency		312,413,675	226,125,597
In foreign currency		-	-
		312,413,675	226,125,597
Sonali Bank Limited (as an agent of Bangladesh Bank)		-	-
		312,413,675	226,125,597
3. Balance with other banks and financial institutions			
In Bangladesh	3.1	1,582,694,961	1,632,372,469
Outside Bangladesh		-	-
		1,582,694,961	**1,632,372,469**
3.1 In Bangladesh			
In current deposit accounts with			
Commercial Bank of Ceylon PLC		-	-
Uttara Bank Limited		-	-
United Commercial Bank Limited		1,068,031	19,797
AB Bank Limited		15,500	16,075
Standard Chartered Bank Limited		962	393,559
Prime Bank Limited		-	80,669,093
Dhaka Bank Limited		11,983,177	-
Social Islami Bank Limited		-	-
Bank Alfalah Limited		-	-
Mutual Trust Bank Limited		5,000	-
		13,072,670	81,098,524
Short term deposit accounts with			
Dutch Bangla Bank Limited		1,973,191	11,799,723
Prime Bank Limited		3,169,577	3,924,274
AB Bank Limited		1,699,750	1,681,448
Standard Chartered Bank Limited		30,876	39,263
Mercantile Bank Limited		12,346,640	21,667,676
AL-Arafah Islami Bank Limited		-	-
BRAC Bank Limited		-	1,772,538
Dhaka Bank Limited		105,264,740	2,851,536
United Commercial Bank Limited		108,774	25,136,927
Eastern Bank Liimited		425,007	-
		125,018,555	68,873,385
Short term placement			
National Bank of Pakistan		-	250,000,000
LankaBangla Finance Limited		-	-
International Leasing and Financial Service Limited		100,000,000	100,000,000
		100,000,000	350,000,000
Short term deposit accounts (in foreign currency) with			
AB Bank Limited		1,367	1,368
		1,367	1,368
Fixed deposit accounts with			
Prime Bank Limited		27,267,829	26,739,346
Dhaka Bank Limited		314,784,001	131,478,705
AB Bank Limited		410,679,354	398,162,391
EXIM Bank Limited		225,355,000	220,000,000
Union Bank Limited		-	-
National Bank of Pakistan Limited		15,087,250	14,500,000
The City Bank Limited		-	-
Standard Bank Limited		351,428,935	341,518,750
		1,344,602,369	1,132,399,192
Total		1,582,694,961	1,632,372,469

IDC Finance Limited Dhaka

As at		Note	June 30, 2017 Taka	31 December 2016 Taka
4.	**Investments**			
	Government securities		-	-
	Other investments		737,732,580	565,732,580
			737,732,580	**565,732,580**
4.1	**Classification of investments**			
	Held for trading (HFT)		-	-
	Held to maturity (HTM)		-	-
			-	-
	Other investments	4.2	737,732,580	565,732,580
			737,732,580	565,732,580
4.2	**Other investments**			
	In ordinary shares:			
	Quoted		7,000,000	7,000,000
	Unquoted		4,500,000	4,500,000
			11,500,000	11,500,000
	Redeemable preference shares		353,265,346	281,265,346
	Investment in shares		364,765,346	292,765,346
	Investment in corporate bonds		372,967,234	272,967,234
			737,732,580	565,732,580
	Details are shown in Annexure - A			
5.	**Loans, advances and leases**			
	Loans, cash credits, overdrafts, etc.	5.1	28,972,079,882	19,480,595,090
	Bills purchased and discounted		-	-
			28,972,079,882	**19,480,595,090**
5.1	**Loans, cash credits, overdrafts, etc.**			
	In Bangladesh:			
	Long term loan		9,606,526,301	6,035,785,190
	Lease finance		4,166,578,159	2,572,948,493
	Short term loan		9,006,610,245	7,341,608,825
	Channel finance		1,127,661,276	675,928,982
	Mortgage finance		3,108,876,642	1,560,092,489
	Auto loan		1,486,103,185	850,230,573
	Secured retail loan		126,462,873	180,178,435
	Personal loan		303,735,046	227,381,133
	Staff loan		39,526,155	36,440,970
			28,972,079,882	19,480,595,090
	Outside Bangladesh		-	-
			28,972,079,882	19,480,595,090
6.	**Fixed assets including land, building, furniture and fixture**			
	Land		129,240,000	129,240,000
	Building		20,922,500	20,922,500
	Motor vehicles		48,206,187	33,137,998
	Furniture and fixture		55,692,612	54,639,506
	Equipment and appliances		97,662,344	81,212,354
	Accounting software		16,398,750	16,398,750
			368,122,393	335,551,108
	Less: Accumulated depreciation and amortisation		115,423,000	101,937,030
			252,699,393	233,614,078
	Capital work in progress		-	-
			252,699,393	**233,614,078**
	Details are shown in Annexure - B			
7.	**Other assets**			
	Non-income generating other assets			
	Stationery, stamps, printing materials in stock		1,085,245	148,787
	Advance rent and advertisement		6,049,239	4,755,739
	Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures and other income receivable		57,678,596	50,849,217
	Security deposits		8,664,580	8,664,580
	Preliminary expenses, formation and organisation expenses, renovation/development expenses and prepaid expenses		3,244,989	373,097
	Branch adjustment		-	-
	Suspense account		-	-
	Silver		-	-
	Others	7.1	490,130,770	369,695,976
			566,853,419	**434,487,396**

IDLC Finance Limited Dhaka

As of	Note	June 30, 2017 Taka	31 December 2016 Taka
7.1 Others			
Advance tax		447,403,617	350,294,355
Deferred tax assets	7.1.1	560,726	-
Sundry assets	7.1.2	42,166,427	19,401,621
		490,130,770	369,695,976
7.1.1 Deferred tax assets			
Deferred tax assets have been recognised in accordance with the provision of 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 assets is as follows:			
Deductible temporary differences			
Gratuity provision		-	-
Fixed assets excluding land and building		1,401,814	-
		1,401,814	-
Tax rate		40.00%	40.00%
Deferred tax assets		560,726	-
Movement of deferred tax assets is as follows:			
Opening balance		-	7,701,603
Credited/ (debited) to profit and loss account during the year		560,726	(7,701,603)
Closing balance		560,726	-
7.1.2 Sundry assets			
City corporation tax		41,584	166,324
Hosna Centre Owners' Society		677,067	583,050
Advance - others		41,447,776	18,652,247
		42,166,427	19,401,621
8. Non financial institutional assets		3,752,405	3,752,405
This represents the mortgaged property (land) acquired from a default client by virtue of verdict given by the competent court and ownership has been transferred in favor of the Company. The land is mutated in the name of the Company.			
9. Borrowings from other banks, financial institutions and agents			
In Bangladesh	9.1	2,922,173,848	1,141,448,941
Outside Bangladesh		-	-
		2,922,173,848	**1,141,448,941**
9.1 In Bangladesh			
Unsecured			
Long term loan			
The UAE-Bangladesh Investment Company Ltd.		-	-
Borrowing under Refinance Project (scheme JICA assisted ESPDSME)		159,119,665	6,262,500
Repo borrowings from Bangladesh Bank		-	-
		159,119,665	6,262,500
Short term loan			
Uttara Bank Limited		500,000,000	-
Mercantile Bank Limited		-	-
Jamuna Bank Limited		500,000,000	-
Pubali Bank Limited		100,000,000	-
Uttara Finance Limited		200,000,000	-
		1,300,000,000	-
Secured			
Bank overdraft			
Prime Bank Limited		26,332,874	12,662,335
Dhaka Bank Limited		177,340,414	258,516,572
Standard Chartered Bank Limited		215,031,376	-
AB Bank Limited		1,418,639	244,027,534
Woori Bank Limited		149,741,186	149,990,000
Bank Alfalah Limited		183,139,555	179,990,000
Dutch Bangla Bank Limited		-	
Mutual Trust Bank Limited		10,050,139	
		763,054,183	845,186,441
Money at call and short notice			
BASIC Bank Limited		100,000,000	190,000,000
Southeast Bank Limited		-	100,000,000
Dutch Bangla Bank Limited		90,000,000	-
Sonali Bank Limited		190,000,000	-
Standard Bank Limited		80,000,000	-
United Commercial Bank Limited		140,000,000	-
Janata Bank Limited		100,000,000	-
		700,000,000	290,000,000
		2,922,173,848	1,141,448,941

IPDC Finance Limited Dhaka

As of	Note	June 30, 2017 Taka	31 December 2016 Taka
10. Deposits and other accounts			
Inter-bank deposits		-	-
Other deposits		15,129,510,153	10,009,190,416
FDR from Banks & NBFIs		9,720,000,000	7,170,000,000
		24,849,510,153	**17,179,190,416**

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

11. Other liabilities			
Cumulative provision for loans, advances and investments	11.1	304,655,561	243,344,396
Cumulative interest and dividend suspense	11.2	25,573,890	34,614,617
Provision for gratuity	11.3	-	-
Dividend payable		13,317,478	13,280,441
Provision for corporate tax	11.4	678,107,587	581,285,949
Receipts against lease	11.5	149,053,442	96,424,338
Provision for finance charge	11.6	482,649,301	385,246,708
Withholding tax and VAT		6,518,571	10,750,700
Liabilities for special accounts	11.7	40,607,680	47,739,063
Provision for expenses	11.8	38,231,084	53,402,651
Deferred tax liabilities	11.9	7,332,842	7,619,756
Account payable for purchase of fixed asset		4,269,851	7,488,020
		1,750,317,287	**1,481,196,639**
11.1 Cumulative provision for loans, advances and investments			
Specific provision for classified loans and advances	11.1.1	19,938,986	15,060,648
General provision against unclassified loans and advances	11.1.2	266,131,433	211,431,637
Provision for investments	11.1.3	18,585,142	16,852,111
		304,655,561	243,344,396
11.1.1 Specific provision for classified loans and advances			
Opening balance		15,060,648	75,733,987
Specific provision made/(release) for the year	34	4,878,338	(58,496,985)
Fully provided debt written-off during the year		-	(2,176,354)
Closing balance (i)		19,938,986	15,060,648
11.1.2 General provision against unclassified loans and advances			
Opening balance		211,431,637	123,364,277
Provision made during the year	34	54,699,796	88,067,360
		266,131,433	211,431,637
Adjustment during the year		-	-
Closing balance (ii)		266,131,433	211,431,637
Total specific and general provision of loans and advances (i+ii)		286,070,419	226,492,285
11.1.3 Provision for investments			
Opening balance		16,852,111	12,809,744
Provision made/(released) for investment in share	35	1,733,031	4,042,367
Provision made/(released) for investment in Govt. securities		-	-
Total provision made/(released) during the year		1,733,031	4,042,367
Closing balance		18,585,142	16,852,111
Total specific and general provision of loans, advances and investments		304,655,561	243,344,396
Breakdown of cumulative provision for loans, advances and investment:			
Provision for loans and advances		286,070,419	226,492,285
Provision for investments in equity		18,585,142	16,852,111
Provision for marking to market of Govt. securities		-	-
		304,655,561	243,344,396
11.2 Cumulative interest and dividend suspense			
Interest suspense against loans and advances		22,467,356	31,508,082
Dividend suspense against investment in redeemable preference shares		3,106,534	3,106,535
		25,573,890	34,614,617

IDLC Finance Limited Dhaka

As of	June 30, 2017 Taka	31 December 2016 Taka

11.3 Provision for gratuity

Opening balance	-	18,699,452
Provision made during the year	-	9,553,005
	-	28,252,457
Payment made during the year	-	(28,252,457)
Closing balance	-	-

11.4 Provision for corporate tax

Provision for current tax has been made on the basis of the profit for the period as adjusted for taxation purposes in accordance with the provision of Income Tax Ordinance, 1984 and amendments thereto. Current tax rate for the Company is 40% on its business income.

Opening balance	581,285,949	423,048,318
Provision made during the year	99,972,404	158,237,631
	681,258,353	581,285,949
Adjustment made during the year for completed assessments*	3,150,766	-
Closing balance	678,107,587	581,285,949

* Arrear tax payment for Assessment Year 2004-2005

11.5 Receipts against lease

Receipts against lease represent lease deposits received from lessees against finance on the stipulation that the amount will be adjusted with the outstanding rentals/instalments. Lease deposits are made up as under:

Opening balance	96,424,338	36,718,793
Receipts during the year	57,703,899	77,486,689
	154,128,237	114,205,482
Adjusted during the year	(5,074,795)	(17,781,144)
Closing balance	149,053,442	96,424,338

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

11.6 Provision for finance charge

Accrued interest expenses on term deposits	481,493,951	384,548,899
Accrued interest expenses on secured overdraft	-	549,271
Accrued interest expenses on long term borrowings	-	-
Accrued interest expenses on short term borrowings	73,333	
Accrued interest expenses on call borrowings	175,000	98,750
Accrued interest payable on refinance project	907,017	49,788
	482,649,301	385,246,708

11.7 Liabilities for special accounts

Account payable special account - IPO	1,118,356	1,118,356
Account payable special account - DEG	16,287,052	16,133,894
Account payable special account - other	23,202,272	30,486,813
	40,607,680	47,739,063

11.8 Provision for expenses

Legal expenses	3,290,918	4,643,093
Office services	20,944,622	7,141,177
Promotion and publicity	13,122,987	40,837,971
Office rent	188,850	107,910
Professional fees	430,700	166,500
Audit fees	253,007	506,000
	38,231,084	53,402,651

IDLC Finance Limited Dhaka

As at		June 30, 2017 Taka	31 December 2016 Taka
11.9	**Deferred tax liabilities**		
	i) Taxable temporary differences on furniture and fixture		
	Fixed assets including furniture and fixture	-	649,209
	Net taxable temporary differences	-	649,209
	Tax rate	40.00%	40.00%
	Deferred tax liability furniture and fixture	-	259,684
	ii) Deferred tax liability on building and land revaluation		
	Taxable temporary differences on building	5,408,109	5,476,179
	Tax rate	40.00%	40.00%
	Deferred tax liability on building	2,163,242	2,190,472
	Revaluation reserve on land	129,240,000	129,240,000
	Tax rate	4.00%	4.00%
	Deferred tax liability on land revaluation	5,169,600	5,169,600
	Total deferred tax liabilities on building and land revaluation	7,332,842	7,360,072
	Total deferred tax liability (i+ii)	7,332,842	7,619,756
	Movement of deferred tax liabilities is as follows:		
	Opening balance	7,619,756	6,063,086
	Add: Debited to asset revaluation reserve	-	1,292,400
	Add: Expense/(income) during the year	(286,914)	264,270
	Closing balance	7,332,842	7,619,756
12.	**Share capital**		
	Authorised		
	400,000,000 ordinary shares of Taka 10 each	4,000,000,000	4,000,000,000
	Issued, subscribed and fully paid up		
	181,800,680 (2016: 151,500,567) ordinary shares of Tk 10 each	**1,818,006,800**	**1,515,005,670**
	Paid up capital as at June 30, 2017 is made up of 25,701,400 ordinary shares paid up in cash and 156,099,280 ordinary shares through issuance of bonus shares.		
12.1	**Paid up capital of the company is held as follows**		
	Foreign		
	Aga Khan Fund for Economic Development (AKFED)	200,929,580	167,441,320
		200,929,580	167,441,320
	Domestic		
	Government of the People's Republic of Bangladesh (GoB)	397,771,960	331,476,640
	BRAC	454,501,690	378,751,410
	Ayesha Abed Foundation	181,800,680	151,500,570
	RSA Capital Limited	90,900,330	75,750,280
	General shareholders	492,102,560	410,085,450
		1,617,077,220	1,347,564,350
		1,818,006,800	1,515,005,670
13.	**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. at half-year ended June 30, 2017 total number of shares would be 16,701,400 @ Tk. 10 per share as the Company changed the denomination of shares from Tk. 100 to Tk. 10 each in 2011 in compliance with the Bangladesh Securities and Exchange Commission's order number SEC/CMRRCD/2009-193/109 dated 15 September 2011.		
14.	**Statutory reserve**		
	This comprises of the cumulative balance of statutory reserve as required by section 9 of the Financial Institutions Act, 1993 and regulations 4(d) and 6 of the Financial Institution Regulations, 1994.		
	Opening balance	393,375,601	332,758,289
	Transferred from profit during the year	-	60,617,312
	Closing balance	**393,375,601**	**393,375,601**

IPDC Finance Limited Dhaka

As at	June 30, 2017 Taka	31 December 2016 Taka

15. Assets revaluation reserve

Opening balance	124,501,939	127,086,739
Revaluation during the year		
Land	-	-
Building	-	-
Adjustment of deferred tax liability for revaluation reserve on building	-	-
Deferred tax liability on land revaluation	-	(2,584,800)
	124,501,939	**124,501,939**

IPDC Finance Limited owns real estate property (commercial space including car parking) for its own use as office premises situated at Hosna Center (4th floor), 106 Gulshan Avenue, Dhaka. This property was revalued at fair value in accordance with BAS 16: *Property, Plant and Equipment* which requires regular valuation of property to ensure that the value reflects current market condition.

The property was first revalued in 2005 and since then significant changes took place in local real estate market, as a result with the consent of the Board of Directors of IPDC Finance Limited, Hoda Vasi Chowdhury & Co (HVC) as professionally qualified valuer had conducted the assignment of valuation for determining the fair value of the property, which has subsequently conveyed to management for incorporating in the financials of 2014 after being adopted in the Board.

16. Retained earnings

Opening balance	575,216,409	585,248,100
Net profit after tax for the year	131,406,408	303,086,561
Transfer to statutory reserve	-	(60,617,312)
Dividend	-	-
Issuance of bonus shares	(303,001,130)	(252,500,940)
Closing balance	**403,621,687**	**575,216,409**

17. Letters of guarantee

Director	-	-
Government	-	-
Bank and financial institutions	59,384,465	30,046,913
Others	-	-
	59,384,465	**30,046,913**

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IPDC Finance Limited Dhaka

For the period	Note	Jan to Jun 30, 2017 Taka	Jan to Jun 30, 2016 Taka
18. Interest income			
Interest income on loans and advances			
Interest on lease finance		183,340,246	85,462,589
Interest on long term loan		419,644,424	180,013,882
Interest on short term loan		367,436,787	180,453,060
Interest on channel finance		50,973,179	16,520,912
Interest on mortgage finance		113,700,814	19,084,009
Interest on secured retail loan		5,478,831	4,627,965
Interest on auto loan		66,926,978	35,037,986
Interest on staff loan		1,147,465	611,072
Interest on personal loan		17,391,257	2,326,031
		1,226,039,981	524,137,506
Interest income on balance with other banks and financial institutions			
Interest on fixed deposits		41,680,196	33,571,937
Interest on overnight and treasury placements		12,241,667	16,164,375
Interest on STD accounts		1,395,234	155,885
		55,317,097	49,892,197
		1,281,357,078	**574,029,703**
19. Interest paid on deposits and borrowings etc.			
Interest expenses on term deposits		723,585,974	282,977,805
Interest expenses on borrowings	19.1	58,057,025	18,613,300
		781,642,999	**301,591,105**
19.1 Interest expenses on borrowings			
Local banks and financial institutions			
Interest expenses on short term loan		24,877,778	-
Interest expenses on long term loan		1,456,120	134,263
Interest expenses on call borrowings		16,437,986	16,150,972
Interest expenses on bank overdrafts		15,285,141	2,328,065
		58,057,025	18,613,300
Foreign banks and financial institutions			
Interest expenses on long term lines of credit		-	-
		58,057,025	18,613,300
20. Investment income			
Dividend income			
Dividend income on cumulative preference shares		12,061,488	6,710,155
Dividend income on listed shares		1,169,939	23,538
Dividend income on un-listed shares		-	-
		13,231,427	6,733,693
Interest on treasury bills, bonds and debentures			
Interest income on Govt. treasury bonds		-	-
Interest income on corporate bonds		17,656,240	9,338,798
		17,656,240	9,338,798
Capital gain on sale of listed shares		-	-
		17,656,240	9,338,798
		30,887,667	**16,072,491**
21. Commission, exchange and brokerage			
Commission		21,504	47,493
Exchange		-	-
Brokerage	21.1	34,223,984	14,848,281
		34,245,488	**14,895,774**
21.1 Brokerage			
Appraisal, feasibility study fees and documentation fees		34,223,984	14,848,281
Restructuring/renewal fees		-	-
		34,223,984	14,848,281
22. Other operating income			
Transfer price/sale of leased assets		45,300	201,384
Other earnings		553,419	276,808
Loan loss recovery		8,266,320	96,644,724
Gain(loss) sale of fixed assets	22.1	4,999	(162,422)
		8,870,038	**96,960,494**
22.1 Gain(loss) sale of fixed assets			
Some items of fixed assets which were impaired, sold or adjusted during the period as under:			
Sale proceeds		779,811	272,700
Cost price of the sold/adjusted items		1,828,311	1,200,040
Accumulated depreciation		(1,053,499)	(764,918)
Written down value		774,812	435,122
Gain on sale of fixed assets		4,999	(162,422)

IDLC Finance Limited Dhaka

For the period		Jan to Jun 30, 2017 Taka	Jan to Jun 30, 2016 Taka
23. Administrative expenses			
Salary and allowances	24	123,290,942	54,296,624
Rent, taxes, insurance, electricity, etc.	25	15,232,476	8,498,167
Legal expenses	26	8,928,664	7,238,732
Postage, stamp, telecommunications, etc.	27	2,754,894	1,791,342
Stationery, printing, advertisements, etc.	28	73,025,648	17,646,347
Managing Director's salary and allowances	29	6,277,250	6,277,250
Directors' fees	30	1,317,469	1,280,352
Auditors' fees	31	253,007	172,500
Repair and Maintenance	32.2	8,602,260	4,602,510
Other expenses	33	27,652,856	13,160,433
		267,335,466	114,964,257
24. Salary and allowances		**123,290,942**	**54,296,624**
25. Rent, taxes, insurance, electricity, etc.			
Office rent		9,487,062	5,023,164
Rates and taxes		187,790	124,740
Insurance		2,226,832	925,350
Utilities - electricity, gas, water, etc.		3,330,792	2,424,913
		15,232,476	**8,498,167**
26. Legal expenses			
Professional fees		3,065,914	3,465,283
Legal document, court fees, etc.		5,862,750	3,773,449
		8,928,664	**7,238,732**
27. Postage, stamp, telecommunications, etc.			
Postage, stamps etc.		487,549	131,523
Telephone		1,355,256	1,042,342
Internet expenses		912,089	617,477
		2,754,894	**1,791,342**
28. Stationery, printing, advertisements etc.			
Printing and stationery		2,992,782	966,068
Publicity and advertisement		70,032,866	16,680,279
		73,025,648	**17,646,347**
29. Managing Director's salary and allowances			
Basic salary		3,090,000	3,090,000
House rent allowance		360,000	360,000
Medical allowance		102,000	102,000
Festival bonus		515,000	515,000
Performance bonus		1,000,000	1,000,000
Leave fare assistance		515,000	515,000
Company's contribution to provident fund		309,000	309,000
Gratuity		386,250	386,250
		6,277,250	**6,277,250**
30. Directors' fees			
Honorarium for attending meeting		634,800	662,400
Incidental expenses for attending meeting		682,669	617,952
		1,317,469	**1,280,352**

Directors' fees include fees for attending the meetings of the Board, Executive Committee and Audit Committee. Each director was remunerated Tk. 8,000 per meeting in accordance with Bangladesh Bank's DFIM circulars number 13 and 03 dated 30 November 2015. In addition, as per policy the Company also bears travelling, accommodation and other related costs of directors who attend Board Meeting from overseas.

31. Auditors' fees			
Auditors' remuneration for interim audit		-	-
Auditors' remuneration for annual audit		253,007	172,500
		253,007	**172,500**

IDLC Finance Limited Dhaka

For the period	Note	Jan to Jun 30, 2017 Taka	Jan to Jun 30, 2016 Taka
32. Depreciation and repair of assets			
Depreciation and amortisation	32.1	14,539,469	10,240,362
Repair and maintenance	32.2	8,602,260	4,602,510
		23,141,729	**14,842,872**
32.1 Depreciation and amortisation			
Building		700,904	697,416
Motor vehicles		3,647,958	2,422,986
Furniture and fixture		2,263,829	924,138
Equipment and appliances		6,526,768	4,795,824
Accounting software		1,400,010	1,399,998
		14,539,469	10,240,362
Details are shown in Annexure - B			
32.2 Repair and maintenance			
Office premises		522,530	168,229
Vehicles		4,171,844	2,217,216
Office furniture, fixture and equipment		3,907,886	2,217,065
		8,602,260	4,602,510
33. Other expenses			
Staff training		4,110,569	1,753,099
Membership fees, subscription and donations		3,723,078	2,161,711
News papers, periodicals, learning materials etc.		99,034	89,255
Recruitment expenses		2,057,432	882,842
Traveling, conveyance and hotel expenses		4,263,324	1,302,430
Entertainment and public relation		1,696,902	1,080,459
Annual General Meeting expenses		5,162,957	2,400,000
Security and cleaning services		3,385,958	1,560,918
Sundry office maintenance		1,869,219	1,243,910
Other operational expenses		1,284,383	685,809
		27,652,856	**13,160,433**
34. Provision for loans and advances			
Provision for classified loans and advances		4,878,338	(4,658,135)
Provision for unclassified loans and advances		54,699,796	14,744,300
		59,578,134	**10,086,165**
35. Provision for diminution in value of investment			
Provision made for investment in share		1,733,031	4,042,365
Provision made for marking to market on Govt. securities		-	-
		1,733,031	**4,042,365**
36. Provision for deferred tax expense/ (income)			
Expense on deductible temporary differences		-	7,014,334
Expense/(income) on taxable temporary differences		(847,640)	1,294,693
Revaluation adjustment of previous year through deferred tax		-	-
		(847,640)	**8,309,027**
37. 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 June 30, 2017 as per BAS 33: *Earnings per share*.			
Net profit after tax		131,406,408	180,157,349
Weighted average number of outstanding shares		181,800,680	181,800,680
Basic earning per share		**0.72**	**0.99**
Diluted Earnings Per Share (DEPS)			
No DEPS is required to be calculated since there was no scope for dilution of share during the period under review.			
38. Events after the reporting period			
No other material event occurred after the reporting period, which could materially affect the amounts or disclosures in these financial statements.			

IDC Finance Limited Dhaka

IPDC Finance Limited
Details statement of other investments

Annexure - A
Figures in Taka

As at	30 June 2017		31 December 2016	
	Cost Taka	Market value Taka	Cost Taka	Market value Taka
In ordinary shares - quoted				
Bangladesh Electricity Meter Co. Ltd.	7,000,000	-	7,000,000	4,305,000
	7,000,000	-	7,000,000	4,305,000
In ordinary shares - unquoted				
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
	4,500,000	4,500,000	4,500,000	4,500,000
In redeemable preference shares				
Premium Seed Ltd.	4,000,000	-	4,000,000	4,000,000
Confidence Salt Ltd.	2,265,346	2,265,346	2,265,346	2,265,346
Summit Power Company Ltd.	-	-	-	-
ACI Godrej Agrovet Private Ltd.	-	-	-	-
Summit Barisal Power Ltd.	128,000,000	128,000,000	100,000,000	100,000,000
Summit Narayanganj Power Unit II Ltd.	144,000,000	144,000,000	100,000,000	100,000,000
Star Ceramics Ltd.	75,000,000	75,000,000	75,000,000	75,000,000
	353,265,346	349,265,346	281,265,346	281,265,346
In corporate bonds				
Impress Newtex Composite Textiles Ltd.	197,967,234	197,967,234	197,967,234	197,967,234
Mutual Trust Bank Ltd.	75,000,000	75,000,000	75,000,000	75,000,000
	272,967,234	272,967,234	272,967,234	272,967,234
	637,732,580	**626,732,580**	**565,732,580**	**563,037,580**

IPDC Finance Limited Dhaka

Annexure - B

IPDC Finance Limited

Fixed assets including land, building, furniture and fixture

Figures in Taka

Category of asset	Cost/valuation						Depreciation/amortisation				Carrying amount as at 30 June 2017
	Balance as at 1 January 2017	Revaluation reserve	Addition during the period	Adjustment during the period	Disposal during the period	Balance as at 30 June 2017	Balance as at 1 January 2017	Charged during the period	Adjustment during the period	Balance as at 30 June 2017	
Land	129,240,000	-	-	-	-	129,240,000	-	-	-	-	129,240,000
Building	20,922,500	-	-	-	-	20,922,500	2,789,664	700,904	-	3,490,568	17,431,932
Motor vehicles	33,137,998	-	16,218,000	1,149,811	-	48,206,187	15,900,574	3,647,958	375,000	19,173,532	29,032,655
Furniture and fixture	54,639,506	-	1,731,606	678,500	-	55,692,612	26,492,739	2,263,829	678,499	28,078,069	27,614,543
Equipment and appliances	81,212,354	-	16,449,990	-	-	97,662,344	47,121,982	6,526,768	-	53,648,750	44,013,594
Accounting software	16,398,750	-	-	-	-	16,398,750	9,632,071	1,400,010	-	11,032,081	5,366,669
Balance as at 30 June 2017	**335,551,108**	**-**	**34,399,596**	**1,828,311**	**-**	**368,122,393**	**101,937,030**	**14,539,469**	**1,053,499**	**115,423,000**	**252,699,393**

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

IPDC Finance Limited Dhaka