

Abridged Version of Prospectus

Industrial Promotion and Development Company of Bangladesh Limited

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ISSUE OF 1,390,000 ORDINARY SHARES AT TK. 200.00 EACH INCLUDING A PREMIUM OF TK.100 PER SHARE TOTALING TK. 278,000,000.00 IS BEING MADE

Subscription:

For General Public- Opening date: 24/09/2006 Closing date: 28/09/2006
For NRB applicants- Opening date: 24/09/2006 Closing date: 07/10/2006

Credit Rating by Credit Rating Information and Services Limited

Entity Rating Long Term Short Term
A ST-2

Auditor

S. F. Ahmed & Co.
Chartered Accountants
House # 25, Road # 13A, Block-D Banani, Dhaka-1213, Phone: 9894026 9894346

Manager to the Issue

AAA Consultants & Financial Advisers

Amin Court (4th floor), Suite # 404, 62-63, Motijheel C/A, Dhaka-1000, Tel : 9567726, 9559602, Fax: 9558330, www.aaawebbd.com, E-mail: info@aaawebbd.com

Prospectus

Saturday, July 15, 2006

BANKERS TO THE ISSUE

Jamuna Bank Limited 01. Main Br., Dhaka. 02. Sonargaon Road Br., Dhaka. 03. Moulvi Bazar Br., Sylhet. 04. Diksha Br., Dhaka. 05. Shantinagar Br., Dhaka. 06. Gulshan Br., Dhaka. 07. Dhamondi Br., Dhaka. 08. New Elephant Rd. Br., Dhaka. 09. Foreign Exchange Br., Dhaka. 10. Shikhi Mujib Road Br., Dhaka. 11. Agrabad Br., Chittagong. 12. Khatunjan Br., Chittagong. 13. Jubilee Road Br., Chittagong. 14. Sylhet Br., Sylhet. 15. Naogon Br., Naogon. 16. Bogra Br., Bogra. 17. Narayanganj Br., Narayanganj.	Southeast Bank Limited 01. Principal Br., Dhaka. 02. Imamgonj Br., Dhaka-1100. 03. Dhamondi Br., Dhaka-1205. 04. Uttara Br., Dhaka. 05. New Elephant Rd. Br., Dhaka. 06. Gulshan Br., Dhaka-1212. 07. Motijheel Br., Dhaka. 08. Kawan Bazar Br., Dhaka. 09. Banani Br., Banani, Dhaka. 10. Bangshal Br., Dhaka. 11. New Ekaton Br., Farha Dhaka. 12. Agargaon Br., Dhaka. 13. Bandar Bazar Br., Sylhet. 14. Shahajal Upashahar Br., Sylhet. 15. Laddighar Br., Sylhet. 16. Chouhatta Br., Sylhet. 17. Moulvi Bazar Br., Moulvi Bazar. 18. Kulara Br., Moulvi Bazar. 19. Agrabad Br., Chittagong. 20. Jubilee Road Br., Chittagong. 21. Khatunjan Br., Chittagong. 22. Halishahar Br., Chittagong. 23. CDA Avenue Br., Chittagong. 24. Cox's Bazar Br., Cox Bazar. 25. Chaganiya Br., Feni. 26. Feni Br., Feni. 27. Khulna Br., Khulna. 28. Corporate Br., Sylhet. 29. Himgonj Br., Sylhet. 30. Chouhatta Br., Sylhet. 31. Puthalia Br., Mirpur, Dhaka. 32. Uttara Br., Dhaka. 33. Jubilee Road Br., Chittagong. 34. Elephant Road Br., Chittagong. 35. Mirpur Br., Mirpur. 36. Madan Bazar Br., Chittagong. 37. Saitmoad Road Br., Dhaka. 38. Jhilonja Br., Cox's Bazar. 39. Rangpur Br., Kothali, Rangpur. 40. Khulna Br., Sonadanga, Khulna. 41. O R Nizam Road Br., Chittagong. 42. Gulshan Br., Dhaka.	Prime Bank Ltd. 01. Motijheel Br., Dhaka. 02. Khatunjan Br., Chittagong. 03. Moulvi Bazar Br., Dhaka. 04. Khulna Br., Khulna. 05. Islamic Banking Br., Dhaka. 06. Mohakhali Br., Dhaka. 07. Barishal Br., Barishal. 08. Kawan Bazar Br., Dhaka. 09. Elephant Road Br., Dhaka. 10. Court Rd Br., Sylhet. 11. Moudhak Br., Dhaka. 12. Gulshan Br., Dhaka. 13. Narayanganj Br., Narayanganj. 14. Agrabad Br., Chittagong. 15. Jubilee Rd Br., Chittagong. 16. Bangshal Br., Dhaka. 17. Jessor Br., Jessor. 18. Gonakhar Br., Savar, Dhaka. 19. Islamic Banking Br., Sylhet. 20. Foreign Exchange Br., Dhaka. 21. Dhamondi Br., H99, Dhaka. 22. Ekaton Br., Dhaka. 23. Bogra Br., Bogra. 24. Madhabad Br., Naraindi. 25. Banani Br., Dhaka. 26. Sylhet Br., Laddighar, Sylhet. 27. Rajshahi Br., Rajshahi. 28. Dhaka Club Booth, Dhaka. 29. Uttara Br., Uttara, Dhaka. 30. Mirpur Br., Mirpur. 31. BBS O R Nizam Road Br., Chittagong. 32. Pragati Sarani Br., Dhaka. 33. BBS Phatla, Chittagong. 34. Shirnail Br., Narayanganj. 35. Asad gate Br., Dhaka. 36. Fatikchar Br., Chittagong. 37. Tongi Br., Tongi. 38. Vceahar Br., Sylhet. 39. Panthachar Br., Dhaka. 40. Tajpur Br., Sylhet. 41. Beantabazar Br., Sylhet. 42. Mirpur Rd. Br., Dhaka.
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Mutual Trust Bank Limited 01. Principal Br., Dhaka. 02. Diksha Br., Dhaka. 03. Pantnagar Br., Dhaka. 04. Uttara Br., Dhaka. 05. Dhamondi Br., Dhaka. 06. Babu Bazar Br., Dhaka. 07. Jubilee Road Br., Chittagong. 08. Khatunjan Br., Chittagong. 09. Elephant Road Br., Dhaka. 10. Diksha Br., Dhaka. 11. Bangshal Road Br., Dhaka. 12. Babubazar Br., Dhaka. 13. Diksha Br., Dhaka. 14. Elephant Road Br., Dhaka. 15. Foreign Exchange Br., Dhaka. 16. Gulshan Br., Dhaka. 17. Imamgonj Br., Dhaka. 18. Dhamondi Br., Dhaka. 19. Kawan Bazar Br., Dhaka. 20. Sylhet Br., Sylhet. 21. Mohakhali Br., Dhaka. 22. Malibagh Br., Dhaka. 23. Mirpur Br., Dhaka. 24. ZH Sikder M.C. Br., Dhaka. 25. Islapur Br., Dhaka. 26. Uttara Br., Dhaka. 27. North Brook Hill Br., Dhaka. 28. Savar Bazar Br., Dhaka. 29. Narayanganj Br., Dhaka. 30. Sylhet Br., Sylhet. 31. Agrabad Br., Chittagong. 32. Khatunjan Br., Chittagong. 33. Jubilee Road Br., Chittagong. 34. Sheikh Mujib Road Br., Chittagong. 35. KDA Br., Khulna. 36. Khulna Br., Khulna. 37. Bogra Br., Bogra. 38. Rajshahi Br., Rajshahi. 39. Barishal Br., Barishal. 40. Sylhet Br., Sylhet.	Arab Bangladesh Bank Ltd. 01. Main Branch Wing, Dhaka. 02. Principal Br., Dhaka. 03. Principal Br., Dhaka. 04. Kaskari Br., Dhaka. 05. Dhamondi Br., Dhaka. 06. Mohakhali Br., Dhaka. 07. New Elephant Rd. Br., Dhaka. 08. Uttara Br., Dhaka. 09. Gulshan Br., Dhaka. 10. Nawabpur Br., Dhaka. 11. Rokya Sharan, Dhaka. 12. Mirpur Br., Dhaka. 13. Khatunjan Br., Chittagong. 14. Moudhuban Br., Sylhet. 15. Khulna Br., Khulna. 16. The Premier Bank Ltd. 01. Agrabad Br., Chittagong. 02. Ashugonj Br., B Baria. 03. Banani Br., Dhaka. 04. Barisal Br., Barisal. 05. Diksha Br., Dhaka. 06. Dhamondi Br., Dhaka. 07. Elephant Road Br., Dhaka. 08. Gulshan Br., Dhaka. 09. Imamgonj Br., Dhaka. 10. Kawan Bazar Br., Dhaka. 11. Khatunjan Br., Chittagong. 12. Khulna Br., Khulna. 13. Meghnaghat Br., Narayanganj. 14. Motijheel Br., Dhaka. 15. Islamic Banking Br., Mohakhali. 16. Uttara Br., Dhaka. 17. Savar Br., Dhaka. 18. Islamic Banking Br., Sylhet. 19. Bangshal Br., Dhaka. 20. Narayanganj Br., Narayanganj. 21. Joydebpur Br., Gazipur, Dhaka.	Dhaka Bank Limited 01. Local Office Dhaka. 02. Bangshal Br., Dhaka. 03. Imamgonj Br., Dhaka.
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The statements of profits and losses of the Company for the years ended December 31, 2005, 2004, 2003, 2002 and 2001 are as follows

Particulars	Dec-31, 2005	Dec-31, 2004	Dec-31, 2003	Dec-31, 2002	Dec-31, 2001
Operating revenue					
Dividend on investment in shares	116,488,015	91,077,592	93,164,151	77,088,573	48,378,677
Profit on sale of shares	45,366,074	31,123,032	43,496,116	55,291,558	31,367,416
Interest on loans	321,209,425	291,314,020	264,729,970	238,361,211	215,327,115
Lease rental income	215,603,032	258,381,792	258,222,869	149,483,249	94,881,358
Interest on short term finance	294,672,603	181,875,949	94,825,525	45,962,454	31,893,480
Supervision fees	112,092	2,005,140	6,341,419	10,449,201	9,956,751
Consultancy fees	1,060,000	1,755,000	6,135,000	3,765,000	6,205,860
Appraisal & feasibility studies fees	392,859	2,600,000	2,740,000	6,800,000	713,445
Commission fees	566,316	752,542	1,334,699	883,353	713,445
Documentation fees	150,000	505,000	1,500,000	1,085,000	855,000
Other fees	1,321,073	4,453,047	2,911,272	1,696,587	524,463
Exchange gain	122,463,045	30,000,000	36,270,000	35,315,197	17,706,198
	1,119,424,534	895,842,874	806,550,015	624,001,585	463,319,784
Operating expenses					
General and administrative expenses	62,069,829	54,908,356	42,514,849	38,815,875	39,664,001
Finance cost - net of interest on bank deposit	810,699,457	560,783,868	476,216,394	353,091,810	252,257,772
	872,769,286	615,692,224	518,731,243	391,907,685	291,921,773
Income from operations	246,655,248	280,150,650	287,818,772	232,094,100	171,398,011
Non-operating income					
Other income	103,772	149,999	696,531	4,551,157	175,949,168
Profit before provision and tax	246,759,020	280,300,649	288,515,303	236,645,257	171,573,979
Provision for doubtful investments	208,272,533	30,000,000	47,500,000	21,000,000	
Profit before tax	38,486,487	250,300,649	208,321,772	185,290,631	154,949,168
Less: Provision for taxation					
Current tax	19,175,090	120,863,143	17,379,397	28,363,804	28,329,891
Deferred tax	(11,814,655)	(95,886,542)	17,379,397	28,363,804	43,146,135
	(95,839,595)	24,996,607	17,379,397	28,363,804	43,146,135
Profit after taxation	134,126,082	225,304,048	190,442,375	156,926,827	111,803,033
Retained earnings brought forward	414,910,143	321,059,945	241,992,570	175,065,743	133,586,565
	549,036,225	546,363,993	432,434,945	331,992,570	245,389,598
Less: Appropriations					
Transfer to statutory reserve	-	-	-	-	25,323,855
Interim Dividend	47,801,400	119,503,500	101,250,000	67,500,000	45,000,000
Final dividend	-	11,950,350	10,125,000	-	-
Dividend distribution tax (10 %)	47,801,400	131,453,850	111,375,000	90,000,000	70,323,855
Retained earnings carried forward	501,234,825	414,910,143	321,059,945	241,992,570	175,065,743
Earnings Per Share of Taka 100	28.06	49.30	42.32	34.87	24.85

Note: (*)star of audited Profit & Loss Accounts were rearranged from 2001 to 2004 on the basis of presentation on those of 2005.

The statements of assets and liabilities of the Company as at December 31, 2005, 2004, 2003, 2002 and 2001 are as follows

Source of fund	As on Dec 31, 05	As on Dec 31, 04	As on Dec 31, 03	As on Dec 31, 02	As on Dec 31, 01
Shareholders equity:					
Share capital	478,014,000	478,014,000	450,000,000	450,000,000	450,000,000
Share premium	28,014,000	28,014,000	-	-	-
Statutory reserve	44,949,704	44,949,704	44,949,704	44,949,704	44,949,704
Revaluation reserve - office premises	23,627,792	-	-	-	-
Proposed dividend	47,801,400	119,503,500	101,250,000	22,500,000	45,000,000
Dividend distribution tax	501,234,825	414,910,143	321,059,945	241,992,570	175,065,743
Revenue reserve	1,123,641,721	1,097,341,897	927,384,649	759,442,274	715,015,447
Loan funds (unsecured):					
Lines of credit	3,895,836,248	3,946,379,694	4,084,149,775	2,951,375,963	2,309,524,275
Less: Current portion of lines of credit	(662,209,366)	(721,313,544)	(958,054,793)	(482,321,265)	(275,988,019)
IDA line of credit - deferred interest	3,233,626,882	3,225,066,148	3,126,094,982	2,469,054,698	2,033,536,256
	3,899,939	-	4,506,006	18,778,374	33,465,718
Deferred tax liabilities	3,237,526,821	3,225,066,148	3,130,600,988	2,487,833,072	2,067,021,974
Defered tax liabilities	73,324,066	70,335,626	83,826,332	71,130,784	57,776,626
Defered tax liabilities	-	-	61,059,445	43,180,048	14,816,244
Total	4,434,492,608	4,392,743,471	4,212,971,414	3,381,586,178	2,854,630,291
Application of fund					
Tangible assets					
Fixed assets at cost less accumulated depreciation	97,225,305	7,772,852	9,332,112	7,086,929	7,496,131
Defered Tax Assets	149,621,752	34,807,097	-	-	-
Investments - net of provisions:					
Equity	1,161,765,893	1,095,589,726	931,249,702	761,576,701	687,917,713
Long term loans	2,640,677,772	2,009,586,465	1,963,671,446	1,709,866,850	1,548,001,197
Lease receivables	1,082,193,120	1,001,278,561	1,296,374,385	1,085,871,129	715,323,192
Short term finance	1,652,446,228	2,046,584,223	780,215,968	439,240,866	287,575,345
Advances against lease	202,564,602	455,404,342	259,358,771	166,147,204	169,063,301
	6,739,647,625	5,607,443,317	5,242,897,364	4,161,702,550	3,378,481,358
Less: Current portion of investments	(3,414,941,191)	(3,411,601,080)	(1,896,494,864)	(1,336,238,879)	(927,183,800)
Current Assets:	3,324,706,434	3,195,842,237	3,356,402,500	2,825,463,671	2,451,297,558
Current portion of investments	3,414,941,191	3,411,601,080	1,896,494,864	1,336,238,879	927,183,800
Accounts receivable	690,189,206	671,875,781	414,383,458	236,752,649	171,523,985
Advances, deposits and prepayments	239,544,285	154,327,343	117,720,827	86,450,939	32,702,344
Cash and bank balances	4,030,238,584	8,641,785,480	5,092,233,490	3,524,472,078	2,865,342,966
Current liabilities and provisions:	6,374,913,367	12,879,500,284	7,510,832,635	5,163,914,503	3,396,753,095
Call loan	650,000,000	4,320,000,000	1,986,500,000	2,710,000,000	1,800,000,000
Bank overdraft	990,348,457	1,361,320,968	1,036,315,618	532,310,611	367,703,377
Short term loan	4,301,300,000	4,967,488,300	2,555,500,000	800,000,000	400,000,000
Deposit	459,952,660	230,189,567	150,728,156	102,247,051	69,225,077
Current portion of lines of credit	682,209,366	721,313,546	958,054,793	482,321,265	275,988,019
Accounts payable	346,134,172	230,189,567	150,728,156	102,247,051	69,225,077
Liability for lease assets	102,929,395	1,127,359	3,731,750	-	29,000,000
Provision for tax	751,177,249	11,725,178,999	6,663,695,837	4,554,878,927	3,000,164,473
	862,938,118	11,543,321,265	847,136,802	529,035,578	395,836,822
Total	4,434,492,608	4,392,743,471	4,212,971,414	3,381,586,178	2,854,630,291

Cash Flow statement of the Company for the year ended December 31, 2005

Particulars	2005 Taka
Cash flows from operating activities:	
Net profit before tax	38,486,487
Adjustment for:	
Depreciation	3,981,875
Provision for doubtful investments	208,272,533
Grant	10,218,907
Provision for gratuity	222,473,315
Operating profit before working capital changes	260,959,802
(Increase)/decrease in current assets:	
Advances, deposits and prepayments	(66,045,026)
Accounts receivables	(18,313,425)
(Increase)/decrease in current liabilities:	
Accounts payable	119,844,544
	35,486,092
Cash generated from operations	296,445,894
Payment of income tax	(60,135,640)
Payment of gratuity	(9,521,853)
Net cash flows from operating activities	226,788,401
Cash flows from investing activities	
Acquisition of fixed assets	(70,933,895)
Investments made	(2,673,032,221)
Recovery of loan and short term finance	2,149,681,552
Divestment of equity	182,873,828
Receipts against lease	2,291,386
Net cash used in investing activities	(409,119,350)
Cash flows from financing activities:	
Receipts from issue of shares	2,589,469,544
Receipts from share premium	(2,640,013,090)
Receipts from lines of credit	(206,246,040)
Repayment of lines of credit	(4,040