# ANNUAL 2017



# Industrial and Infrastructure

**Development Finance Company Limited** 









leading financial institution of the Country, IIDFC was promoted by 10 banks, 3 insurance companies, the ICB and Mr. Md. Matiul Islam, the first finance secretary of the Government of Bangladesh. With a Board of Directors comprising of top level bankers and former senior civil servants, the main emphasis of IIDFC is promoting and financing investments in large industrial and infrastructure projects. IIDFC's debut in the capital market was through flotation of convertible zero coupon bond, a new and innovative financial instrument. Its presence in the capital market is through its two subsidiaries—one for merchant banking operation and the other for brokerage services.

অর্থ পাচার রোধ করুন ঘরের দেনা শোধ করুন দেশের টাকা দেশে রেখে সুস্থ–সবল বোধ করুন।

-সুজন বড়ুয়া

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# **Our Commitments to the Nation**

- ☐ To contribute to the Country's economic growth in all possible ways.
- ☐ To accelerate the process of industrialization.
- ☐ To promote projects for removing infrastructure deficiencies.
- ☐ To help banish power outage permanently.
- ☐ To promote SME as a major engine of growth.
- ☐ To promote employment and expand self employment opportunities.
- ☐ To promote low-cost housing projects for the urban middle class.
- ☐ To promote Bangladesh as a desired destination for foreign investors.
- ☐ To assist in the reduction of Green-House Gas Emission.
- ☐ To promote viable Renewable Energy projects.

# **Our Commitment to the Shareholders**

☐ To maximize shareholders' wealth strictly complying guidelines of the regulators.



# **IIDFC Commitments**

# **Our Commitments to Clients**

- ☐ To provide superior and prompt customer service.
- ☐ To offer quality-rich and price-competitive finance solution to the clients.
- ☐ To respond quickly to the needs of the entrepreneurs in an honest, credible and timely manner.
- ☐ To promote and serve equipment leasing and finance industry through partnership with the clients.
- ☐ To maintain transparency, fairness, confidentiality and timeliness.
- ☐ To maintain dignity and high ethical standard at all levels of management.

# **Our Commitments to Employees**

- ☐ To help build and enhance core values of professional excellence.
- ☐ To provide a congenial and supportive work place for the employees with appropriate compensation package.



# Notice of the 17<sup>th</sup> Annual General Meeting

Notice is hereby given to all shareholders of the Company that the 17<sup>th</sup> Annual General Meeting of **Industrial and Infrastructure Development Finance Company Limited** will be held at 7.00 p.m. on Monday, July 23, 2018 at MTB Tower, 111 Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka-1000 to transact the following businesses:

- 1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2017 and Auditors' Report & Directors' Report thereon;
- 2. To approve dividend for the year 2017 as recommended by the Board of Directors;
- 3. To elect/re-elect Directors of the Company;
- 4. To appoint Auditors for the year 2018 and fix their remuneration; and
- 5. To transact any other business with the permission of the Chair.

By order of the Board

Dated, Dhaka July 04, 2018 Md. Shamim Ahamed, FCA
Company Secretary

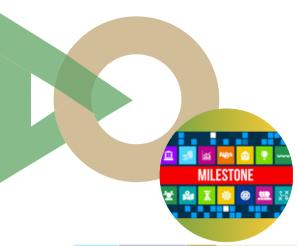
#### **NOTES:**

- 1. Members holding shares on the date of the Annual General Meeting will be entitled to the dividend declared in that Annual General Meeting.
- 2. A member entitled to attend & vote at the General Meeting may appoint a proxy to attend and vote in his/her behalf. The Proxy Form, duly filled in and stamped, must be deposited at least 72 hours before commencement of the Annual General Meeting to the registered office of the Company at Chamber Building (6<sup>th</sup> Floor), 122-124 Motijheel C/A, Dhaka-1000.
- 3. Members are requested to notify change of address, if any, to the Company.



# **Milestone Events**

2000	Dec 19	•	Incorporated with RJSC, Bangladesh.
2001	Jan 23	•	Bangladesh Bank issues license.
	Jan 25	•	1 <sup>st</sup> meeting of the Board of Directors.
	Apr 01	•	Commencement of commercial operation
2003		•	Launching of first ever Zero Coupon Bond by IIDFC.
2004		•	Syndication of 1 <sup>st</sup> commercial loan of BDT 100 crore for BRAC.
2006		•	Term Loan Syndication for Warid Telecom International Ltd. [BDT 300 Crore] signed in Abu Dhabi.
		•	Sanctioning of 1 <sup>st</sup> SME Loan.
2007		•	Syndication of Term Loan Facility of BDT 810 million for Ranks Telecom Limited (RTL).
2008		•	Term Loan Syndication for SUMMIT Uttaranchol & Purbanchol Power Company Ltd. (BDT 395 Crore).
		•	Opening of 2 <sup>nd</sup> Branch in Chattogram.
2009		•	Commencing operation of Brokerage Services.
		•	Working Capital Loan Syndication for BSRM Iron & Steel Co. Ltd. (BDT 178.80 Crore).
		•	Sales agreement with the World Bank & Govt. of Denmark for delivery of 250,000 tons of Carbon Emission Reduction (CER) by Brick Manufacturing Industries using HHK technology.
		•	Formation of IIDFC Capital Limited.
		•	IIDFC's contribution in mitigation of green house gas emissions was recognized in the inaugural session of 15 <sup>th</sup> Global Climate Conference (COP 15) held at Copenhagen on December 07, 2009.
		•	Introduction of first ever ACI Convertible Zero Coupon Bond in Bangladesh (BDT 100 Crore).
2010		•	IIDFC was awarded "HSBC-Daily Star Climate Change Mitigation Award-2010" for developing the best climate change mitigation project in the Country (December 01, 2010).
		•	First ever conversion of term loan of BDT 3,122.20 million into redeemable cumulative preference shares of Summit Group's Summit Uttaranchal Power Company Ltd. and Summit Purbanchal Power Company Ltd. (September 2010).
		•	Syndication agreement with Sinha Power Generation Company Ltd., for establishing a 50 MW rental power plant at cost of BDT 2,348.50 million (December 15, 2010).
		•	Signing of agreement between IIDFC and National Small Industries Corporation Ltd. (NSIC), India for the development of small industries in Bangladesh.
2011		•	First ever CDM Project in the brick manufacturing sector of Bangladesh got registered with UNFCCC (August 18, 2011) with IIDFC acting as the Bundling Agent.
		•	9 day SME Technology Fair-2011 (October 9-16, 2011) organized by IIDFC and NSIC, India at Dhaka.



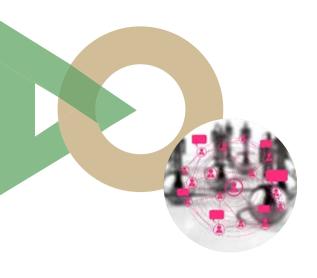
# **Milestone Events**

2012	•	The second CDM project HHK (Bundle-2) got registered with UNFCCC (July 31, 2012).
	•	Signing of a US\$ 6 million loan facility with the Asian Development Bank (November 15, 2012) to improve industrial energy efficiency in 6 different sectors of Bangladesh.
2013	•	Mandated as the lead arranger to raise syndicated facilities of Term Loan Facility of BDT 583.00 million and Working Capital Facilities of BDT 210.00 million for Infinity Data and Power Ltd.
	•	Arranged Term Loan Facility of BDT 2,180.00 Million for Sinha Peoples Energy Limited for establishing a 52.5 MW HFO based power generation facility at Katpotti, Munshiganj under syndication arrangement.
2014	•	Arranged Term Loan Facility of BDT 1,000.4 million and USD 6.35 million for Fiber @ Home under syndication arrangement, which is First ever World Bank Financing in IT sector through IPFF cell of Bangladesh Bank.
	•	Arranged Term Loan Facility of BDT 435.00 million for Infinity Data and Power Limited (IDPL) for setting up a cable manufacturing facility in Kazipara, Narayanganj under syndication arrangement.
	•	CER revenue worth USD 240,000 received and distributed amongst participating brick kiln owners using HHK Technology and other stakeholders.
2015	•	Arranged BDT 3,420.00 million through issuance of 8 (eight) commercial Papers (both in secured and unsecured mode) for different economic sectors i.e. Textile, Automobile, Steel & Iron and ICT sector.
	•	Arrangement of Tier II Capital for Social Islami Bank Limited through issuance of SIBL Mudaraba Subordinated Bond. Issue size BDT 3,000.00 million.
	•	IIDFC entered into a Certified Emissions Reduction Purchase Agreement (CERPA) with the Asian Development Bank to sell 160,000 tons of Emissions Reduction during 2016-2019 generated by its 2 Energy Efficient Brick Manufacturing Clean Development Mechanism projects on 09 April, 2015.
	•	UNFCCC issued 50,877 tons of Certified Emissions Reductions (CERs) for the 2 CDM projects of IIDFC during September 2015.
	•	CER revenue worth USD 578,330 received and distributed amongst brick kiln owners and other stakeholders.
2016	•	Structured Finance Team successfully arranged BDT 1,441.60 million for IPFF project of Summit Communications Ltd. The project is facilitated by Bangladesh Bank and Funded by World Bank.
	•	IIDFC became a Participatory Financing Institution in the "PPP Financing Partnership Program" through signing a MoU with "PPP Authority" on November 3, 2016. The MoU will allow IIDFC to have priority access to the feasibility studies and draft tender documents of PPP projects.
	•	UN's Climate Change Convention i.e. UNFCCC issued 53,069 tons of Certified Emissions Reductions (CERs) for the 2 CDM projects of IIDFC during September 2016. This issuance generated revenue worth USD 721,000, a part of which was distributed among the stakeholders of IIDFC's CDM Brick Manufacturing Project.
	•	Opening of 3 <sup>rd</sup> Branch at Uttara, Dhaka on May 05, 2016.
	•	Invited by the World Bank, IIDFC participated in the Carbon Expo 2016 held in Cologne, Germany from May 25 to 27, 2016 and showcased the benefits of its Clean Development Mechanism (CDM) Brick Manufacturing project and emphasized on the necessity of large-scale GHG mitigation projects in Bangladesh.
	•	IIDFC participated in the BRICS Annual Financial Summit held in Goa, India on October 14-16, 2016 and focused on the scopes of future collaboration between the financial institutions of BRICS member countries.
2017	•	Participated in Nari Uddokta Somabesh and Ponnya Prodorshoni-2017 on March 9-11, 2017
	•	Opening of 4 <sup>th</sup> Branch at Keraniganj, Dhaka on April 30, 2017
	•	Opening of 5 <sup>th</sup> Branch in Gazipur on May 23, 2017









# **Corporate Information**

# **Registered Head Office**

# Chattogram Branch

C & F Tower (4<sup>th</sup> floor), 1712 Sk. Mujib Road, Agrabad C/A Chattogram, Bangladesh Phone: +880-31-2516693 Fax: +880-31-2516694

### Gazipur Branch

MAS Square (4<sup>th</sup> floor), Holding No.-727 Dhaka Road, Chandana Chowrasta Gazipur-1702, Bangladesh Phone: +880-2-49261020 +880-2-49261021

# Narayanganj Branch

Mid Town Complex (3<sup>rd</sup> floor), Holding No.– 79 (Old 54), Bangabandhu Road, Narayanganj-1400, Bangladesh Phone: +880-2- 7648327-8

Phone: +880-2- /64832/-Cell: +88-01714-089094

### IIDFC Securities Ltd.

Eunoos Trade Centre (Level-7) 52-53 Dilkusha C/A Dhaka-1000, Bangladesh Phone: +880-2- 9560526 Fax: +880-2- 9570756

Email: info@iidfcsecurities.com

### Uttara Branch

Kanak Arcade (4<sup>th</sup> floor) 14 Sonargaon Janapath Sector-9, Uttara, Dhaka-1230 Phone: +880-2- 55080417 Fax: +880-2- 48954111

# Keraniganj Branch

BT Tower (2<sup>nd</sup> floor), Kodomtoli More Keraniganj, Dhaka-1310, Bangladesh Cell: +88-01711-980292

### Savar Branch

M K Tower (5<sup>th</sup> Floor), Holding No- B-16/1, Jolesshor, Shimultala, Savar, Dhaka-1340, Bangladesh. Cell: +88-01755-590616

### **Subsidiaries**

# IIDFC Capital Ltd.

Eunoos Trade Centre (Level-7) 52-53 Dilkusha C/A Dhaka -1000, Bangladesh Phone: +880-2- 9514637-8 Fax: +880-2- 9514641 Email: icl@iidfc.com

# **Others**

# **Auditors**

#### M/s. A. Qasem & Co.

Chartered Accountants
A member firm of Ernst & Young Global Limited
Gulshan Pink City
Suites # 01-03, Level # 7, Plot # 15,
Road # 103, Gulshan Avenue, Dhaka 1212,
Bangladesh.

### **Business Hours**

Unless Otherwise advised by Bangladesh Bank: 10.00 a.m. to 6.00 p.m From Sunday to Thursday

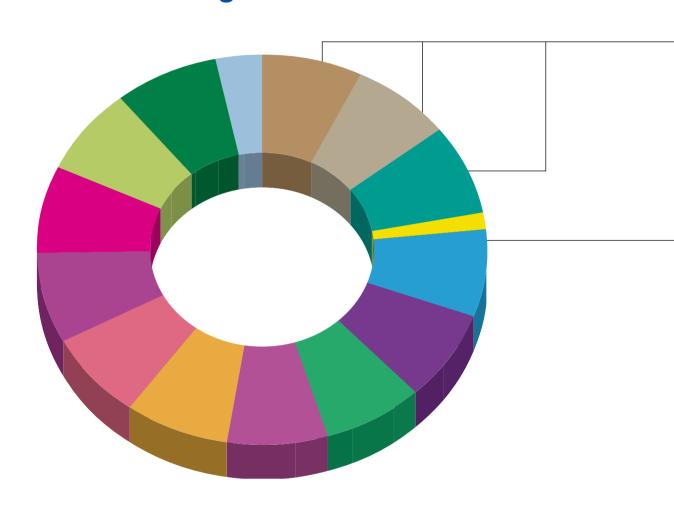


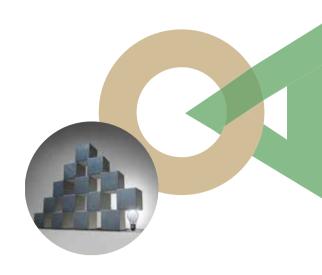
# **Our Bankers**

D. J.A.* 1.* '1 J.	D 10m. D. 1
Bank Asia Limited	Principal Office Branch
BRAC Bank Limited	Head Office
Pubali Bank Limited	Principal Branch
Shahjalal Islami Bank Limited	Foreign Exchange Branch
Trust Bank Limited	Motijheel Branch
Uttara Bank Limited	Local Office
Bank Alfalah Limited	Gulshan Branch
NCC Bank Limited	Foreign Exchange Branch
Mutual Trust Bank Limited	Principal Branch
Social Islami Bank Limited	Principal Branch
Commercial Bank of Ceylon PLC	Motijheel Office
The Premier Bank Limited	Elephant Road Branch
Dutch-Bangla Bank Limited	Dhanmondi Branch
Jamuna Bank Limited	Dilkusha Branch
South Bangla Agriculture and Commerce Bank Limited	Head Office
Modhumoti Bank Limited	Head Office
ICB Islamic Bank Limited	Head Office
NRB Commercial Bank Limited	Head Office
Eastern Bank Limited	Head Office
Janata Bank Limited	Head Office
Midland Bank Limited	Head Office
Shimanto Bank Limited	Head Office



# **Shareholding Structure**





# **Public Sector**

Sonali Bank Ltd. 7.33%
Janata Bank Ltd. 7.33%
Investment Corporation of Bangladesh 7.33%
Total 21.99%

# **Private Sector**

Grand Total	100%
Total	78.01%
Mr. Md. Matiul Islam	3.25%
National Life Insurance Co. Ltd.	7.33%
Eastland Insurance Co. Ltd.	7.33%
Pragati Insurance Ltd.	7.33%
Southeast Bank Ltd.	7.33%
ONE Bank Ltd.	7.33%
National Bank Ltd.	7.33%
Mutual Trust Bank Ltd.	7.33%
The City Bank Ltd.	7.33%
BRAC Bank Ltd.	7.33%
Bank Asia Ltd.	7.33%
AB Bank Ltd.	1.46%



# **Board of Directors**

Chairman	Mr. Md. Matiul Islam, FCA
Vice Chairman	Mr. Anis A. Khan Managing Director & CEO, Mutual Trust Bank Limited
Directors	Mr. Muhammad A. (Rumee) Ali Independent Director, Eastland Insurance Company Limited
	Mr. Md. Obayed Ullah Al Masud CEO & Managing Director, Sonali Bank Limited
	Mr. Md. Abdus Salam Azad CEO & Managing Director, Janata Bank Limited
	Mr. Selim R. F. Hussain Managing Director & CEO, BRAC Bank Limited
	Mr. Choudhury Moshtaq Ahmed Managing Director, National Bank Limited
	Mr. Sheikh Mohammad Maroof DMD & Head of WB, The City Bank Limited
	Mr. Wakar Hasan Deputy Managing Director, ONE Bank Limited
	Mr. Md. Sazzad Hossain Deputy Managing Director, Bank Asia Limited
	Mr. Kazi Sanaul Hoq Managing Director, Investment Corporation of Bangladesh
	Mr. Jamal Mohammed Abu Naser CEO, National Life Insurance Company Limited
	The Managing Director & CEO Pragati Insurance Limited
Managing Director	Mr. Md. Golam Sarwar Bhuiyan
Other Promoters	AB Bank Limited
	Southeast Bank Limited
Company Secretary	Mr. Md. Shamim Ahamed, FCA



#### Mr. Md. Matiul Islam, FCA

Chairman, IIDFC Limited

Mr. Md. Matiul Islam, widely known amongst his friends and colleagues as the "Doyen of Banking and Financial Sectors" started his career with Pakistan Civil Service in 1952. In 1972, he was appointed as the First Finance Secretary of Bangladesh and was assigned with the uphill task of rebuilding the shattered financial sector and implement the scheme for nationalization of the banking sector. He also worked as the Secretary, Ministry of Industries, Alternate Executive Director in the World Bank, Head of UNIDO/ World Bank Cooperative Program, Vienna and Country Director for UNIDO, India. Always a creative man, Mr. Islam is the founder Chairman of AB Bank Ltd., International Leasing and Financial Services, National Housing Finance & Investment and the Industrial and Infrastructure Development Finance Company (IIDFC) Limited. He also promoted Credit Rating Agency of Bangladesh (CRAB). Mr. Islam completed his B.Com from Dhaka University securing First Class First and Masters in Public Administration from Harvard University, USA. He is also a Fellow of the Institute of Chartered Accountants of Bangladesh. Mr. Islam is currently the Chairman of the Financial Institutions' Promoters' Association (FIPA) and Chairman of the Board of Trustees of the Bangladesh Institute of Governance and Management (formerly Civil Service College), Agargaon, Dhaka. He was honored with "Lifetime Achievement Award" by The DHL-Daily Star in July 2011.

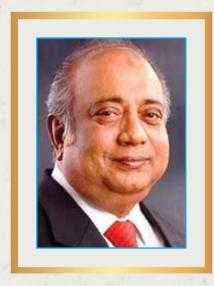
Mr. Anis A. Khan
Vice Chairman, IIDFC Limited
Managing Director & CEO, Mutual Trust Bank Limited

Anis A. Khan (AAK), a Fellow of the Institute of Bankers, Bangladesh (IBB) is Managing Director & CEO of Mutual Trust Bank Limited (MTB) since April 2009. Prior to joining MTB, AAK headed IDLC Finance Limited (IDLC), the Country's largest financial institution (non-banking) for six years, as its CEO & Managing Director. A career banker, Anis earlier served for 21 years, in a multitude of roles, with the then Grindlays Bank p.l.c. and with its successor banks - ANZ Grindlays Bank and Standard Chartered Bank (SCB), both in Bangladesh and abroad.

AAK has received on job exposure and training on nearly all aspects of banking, management and leadership practices in his 36 years banking career. He also has sound knowledge of merchant banking, stock brokerage services, leasing, factoring, legal and compliance, mergers and acquisitions, business process re-engineering and transformation and upgradation of information technology platforms, acquired in Bangladesh, India, UAE, UK, Australia and South Africa. He also attended an Executive Program in Corporate Governance and Strategic Management at the Haas Business School of the University of California, Berkeley in May 2014 and at INSEAD, Fontainebleau, France in October 2015. In June 2015, Anis presented a paper on "Financing the Transformation of the Bangladesh Garment Industry" at the School of South Asian Studies, University of Harvard, Cambridge, Massachusetts, USA.



Anis currently also serves as Director of BD Ventures Limited, Independent Director of Berger Paints Bangladesh Limited, Vice President of the Bangladesh Association of Publicly Listed Companies (BAPLC), Member of the Board of Governors of Bangladesh Institute of Bank Management (BIBM), Life Member of the SAARC Chamber of Commerce and Industry (SAARC CCI) and Trustee Treasurer of the CSR Centre. A keen collector of art, Anis is a member of the Board of Governors of the Society for Promotion of Bangladesh Art (SPBA). His other hobbies and interests include photography, numismatics, technology and reading.



### Mr. Muhammad A. (Rumee) Ali

Director, IIDFC Limited Independent Director, Eastland Insurance Company Limited

Mr. Muhammad A. (Rumee) Ali is the CEO of Bangladesh International Arbitration Centre (BIAC). He is also Chairman of the Commission on Banking of the International Chamber of Commerce-Bangladesh (ICC-B), Independent Director on the Board of Eastland Insurance Company Ltd., Board Member of Friendship (International NGO) and Advisor to Alliance for Bangladesh Worker Safety, USA.

After completing Masters in Economics from University of Dhaka, Mr. Ali joined ANZ Grindlays Bank in 1975. During his career with ANZ Bank, Mr. Ali has worked in India, UK and Australia. In 1997, he was appointed as the CEO of the Bank's operation in Bangladesh. In 2000, ANZ Grindlays Bank was taken over by the Standard Chartered Group, Mr. Ali continued as the CEO of the combined operations of the two Banks in Bangladesh.

In 2002, Mr. Rumee Ali joined Bangladesh Bank as Deputy Governor and was responsible for supervision and driving the regulatory reforms in the banking sector, especially in risk management and corporate governance areas. During this period, he was also the Chairman of the National Task Force on Anti Money Laundering and National Committee for Implementation of Basel-II and was a member of Nationalized Commercial Bank's working group, National Advisory Committee of Small and Medium Enterprises, Sub- Committee on Small and Medium Enterprises. Sub- Committee on UN Conventions on Anti-Terrorism. Mr. Rumee Ali also served in the Governing Board of PKSF for a numbers of years.

From January, 2007 to December, 2013 Mr. Rumee Ali served as the Managing Director, Enterprises and Investments at BRAC and from January, 2014 to December, 2015 as advisor to the Interior Executive Director, BRAC. During this period he also served as a member of the Board of BRAC & BRAC International. He was the Vice Chairman of Bankers Association of Bangladesh and Employers Federation. He was Chairman of BRAC Bank Ltd. from July, 2008 to March, 2013. Mr. Ali was the founding Chairman of bKash Ltd.

He was a member of the Technical Advisory Committee of the Bangladesh Investment Climate Fund and has served on the Board of Global Alliance for Banking on Values and Performance Based Funds Initiative of IFC/World Bank Washington. He was made a Fellow of the Institute of Bankers, Bangladesh in 2001 and participated in many international forums as key- note speaker and panelist.

#### Mr. Md. Obayed Ullah Al Masud

Director, IIDFC Limited CEO & Managing Director, Sonali Bank Limited

Mr. Md. Obayed Ullah Al Masud joined Sonali Bank Limited as Chief Executive Officer and Managing Director on 24 August 2016. Prior to this appointment, he was the Managing Director of Karmasangsthan Bank and Deputy Managing Director of Agrani Bank Limited.

A prudent banker, Mr. Masud started his career as Senior Officer in 1983 in Agrani Bank. He graduated with honours in Management in 1982 from Dhaka University and did his MBA majoring in Finance from IBA, Dhaka University. He stood first in the IBB Banking Diploma Examination and was awarded the gold medal. He successfully participated in many training programmes at home and abroad. He travelled many countries including UK, Hong Kong, Singapore, Saudi Arabia, Turkey etc.

He earned laurels and appreciation from the higher authority for his extraordinary performances during his incumbency as Branch Manager, Divisional Head and Circle in-charge that include mobilization of quality deposits, appraisal, sanction, disbursement and monitoring of loans, recovery of classified loans, achieving foreign exchange related business targets as well as turning around the branches and circles from losses into profits.

Mr. Masud comes of a noble family in Nawabgonj, Dhaka. He was born on 10 December, 1960. He is blessed with two sons and one daughter.

Mr. Masud also holds the following ex officio positions at home and abroad: Chairman, Bangladesh Foreign Exchange Dealers Association (BAFEDA), Vice-Chairman, Institute of Bankers, Bangladesh (IBB); Director, Sonali Exchange Co. Inc., New York, USA, Sonali Bank (UK) Limited London, UK, Primary Dealers Bangladesh Limited (PDBL), Investment Corporation of Bangladesh (ICB), Sonali Investment Limited (SIL), Sonali Polaris FT Limited (SPFTL), Central Depository Bangladesh Limited (CDBL) and Industrial and Infrastructure Development Finance Company Limited (IIDFC) and Member, Governing Board, Bangladesh Institute of Bank Management (BIBM).





#### Mr. Md. Abdus Salam Azad

Director, IIDFC Limited
CEO & Managing Director, Janata Bank Limited

Mr. Md. Abdus Salam Azad, a freedom fighter, joined as the CEO & Managing Director of Janata Bank Limited on December 05, 2017. Prior to his joining as a full-fledged CEO & Managing Director, he was Deputy Managing Director who also held the current charge of CEO & MD of this bank. He also served as Deputy Managing Director of Bangladesh Krishi Bank.

Mr. Azad, son of late Ansar Ali and late Shurja Banu Nesa, hails from Char Nabipur under Shirajgonj District and was born on April 30, 1958. After completion of Master's in English Language & Literature from the University of Rajshahi in 1981 (held in 1983), he began his banking career as Senior Officer in Janata Bank in 1983.

During his long 34 years' journey in the banking industry, Mr. Azad held the managerial post for 26 years from the gross root level to executive level. His resplendent banking career covered all the arenas of banking activities. He is a well-reputed, progressive, dynamic and a visionary banker. He has an outstanding contribution to promoting Janata Bank Limited to the present level of excellence. Presently, he is the Chairman of Investment Corporation of Bangladesh (ICB) Audit Committee and Janata Exchange Company Srl (JEC), Italy. Besides, he is also the director of the Board of ICB, IIDFC, Janata Capital & Investment Limited (JCIL), Janata Exchange Company Inc (JEC), USA, Primary Dealers Bangladesh Limited (PDBL) and member of the Governing Board of Bangladesh Institute of Bank Management (BIBM), Institute of Bankers Bangladesh (IBB) and Executive Committee- SWIFT User Group of Bangladesh.

Mr. Azad is a Diplomaed Associate of the Institute of Bankers' Bangladesh. He has undergone extensive training programmes at home and abroad and visited Italy, Kingdome of Saudi Arabia, United Arab Emirates, Singapore, Malaysia and Thailand.

He participated in our glorious Liberation War in 1971 as a valiant freedom fighter after successful completion of the training programme in India for that purpose.

Mr. Azad is married to Mrs. Khaleda Mustary who is a housewife. They are blessed with a daughter, Sal Sabil Sahmi and a son, Shakir Ayman Azad.

#### Mr. Selim R. F. Hussain

Director, IIDFC Limited
Managing Director & CEO, BRAC Bank Limited

Mr. Hussain is the Managing Director & CEO of BRAC Bank Limited, a leading private sector bank with a market capitalization of US\$1 billion that focuses on SME financing. Mr. Hussain joined BRAC Bank in November 2015 and has led the bank to extraordinary financial performance in 2016 and 2017. Mr. Hussain is a career banker and an immediate past CEO & Managing Director of IDLC Finance Limited who is widely recognized and highly acclaimed across the financial sector for being the architect of IDLC Finance's meteoric rise over the six years he was there

Mr. Hussain currently serves on the Board of the country's largest mobile financial services company, bKash Limited, UK-based BRAC Saajan Exchange Limited, BRAC IT Services Limited, BRAC EPL Stock Brokerage Limited and BRAC EPL Investments Limited

Mr. Hussain has an Honours degree in Accounting from Dhaka University and an MBA (Major in Finance) from the Institute of Business Administration, Dhaka University. He worked in various roles with two of the largest multi-national banks in Bangladesh, ANZ Grindlays Bank and Standard Chartered Bank, for 24 years, before moving to the IDLC Group in 2010. He has resided and worked in India and Australia for significant periods of his career and, prior to taking over the helm at IDLC Finance Limited, was the Head of Finance & Strategy for Standard Chartered Bank's Consumer Banking Division in Mumbai, India. Mr. Hussain was also the CFO for Standard Chartered Bank, Bangladesh, from 2002 to 2007. Mr. Hussain was also a Director at the Credit Rating Agency of Bangladesh (CRAB) and the Vice Chairman of the Bangladesh Leasing & Finance Co. Association (BLFCA).





### Mr. Choudhury Moshtaq Ahmed

Director, IIDFC Limited

Managing Director, National Bank Limited

Mr. Choudhury Moshtaq Ahmed is the Managing Director & CEO of National Bank Limited. Prior to his new assignment Mr. Ahmed was the Managing Director & CEO of the Farmers Bank Limited.

After completion of M Sc. degree from the University of Dhaka, he started his banking career in 1984 as the probationary officer with National Bank Limited. During 32 years of long career he served a number of reputed Banks in various important capacities including Deputy Managing Director of Mercantile Bank Limited. He has attended numerous professional workshops and seminars at home and abroad.

Mr. Ahmed is a member of Association of Bankers Bangladesh. He is actively associated with various social organizations.

#### Mr. Sheikh Mohammad Maroof

Director, IIDFC Limited
Deputy Managing Director, The City Bank Limited

Mr. Sheikh Mohammad Maroof is the present Deputy Managing Director and Head of Wholesale Banking in The City Bank Ltd. (CBL), a first generation leading private commercial bank of the Country. After completing his post-graduation from University of Dhaka, he started career with American Express Bank, Bangladesh as Management Trainee in 1995. With extensive career development through his tenure with the bank, his last position in Amex was Director and Country Head of Financial Market Services & Treasury in Bangladesh. After the closure of American Express Operation in Bangladesh, joined Eastern Bank in 2005 as Head of Treasury and played an active role in contributing to the bank's restructuring process. Upon gaining vast experience on financial institute restructure at EBL and with proven expertise, he joined The City bank Ltd., Dhaka, as a core member to restructure operation and business model of the bank and till date continuing the same with current designation of Deputy Managing Director and Head of Wholesale Banking.

Throughout his extensive career progress, he has developed strengthened management background in Corporate Banking, Operations, Treasury and Capital markets within the financial services industry. He has achieved sound track records in introducing new products, processes, business units and their rollouts and restructuring banks. With his outstanding knowledge in Corporate, Treasury & Capital Market products, handling customers, building and leading successful teams, Mr. Sheikh Mohammad Maroof also represents The City Bank Ltd. in the Board of IIDFCL, City Bank Capital Resources Ltd. and City Brokerage Ltd.





#### Mr. Wakar Hasan

Director, IIDFC Limited
Deputy Managing Director, ONE Bank Limited

Mr. Wakar Hasan, Deputy Managing Director of ONE Bank Ltd. has been in this position since May 02, 2013. Mr. Hasan is a career banker working in banking sector for last 36 years having in depth knowledge on Credit, Trade Finance, International Division and Operations.

Mr. Hasan has Masters Degree in Accounting from University of Dhaka and an MBA (Major in Finance) from the Institute of Business Administration (IBA), University of Dhaka. He worked in Agrani Bank for one year before moving to IFIC Bank Ltd. in 1984 having entrusted with various roles in Credit, Trade Finance, International Division and other operational area. He moved in to ONE Bank Ltd. as Head of Operations in May, 2013.

Mr. Hasan is married with one daughter and one son. Enjoys reading and travelling. He is keen cricket enthusiast, played Dhaka First Division cricket league during 1974 to 1979 period.

#### Mr. Md. Sazzad Hossain

Director, IIDFC Limited
Deputy Managing Director, Bank Asia Limited

Mr. Md. Sazzad Hossain having experience of more than three decades started his banking career way back in 1987 as a Probationary Officer in Pubali Bank, Bangladesh. He has been involved in various leadership roles through understanding of banking procedures along with comprehensive understanding of industry and regulatory laws and regulations. He has acquired expertise in corporate and commercial banking, marketing knowledge of foreign currency, developing processes that reduce the time taken in processing loan applications, profit & loss management, strategic planning, market risk, special assets, debt restructuring, securities and credit including management exploring almost every avenue of banking profession.

Mr. Sazzad comes from reverend Muslim family of Mymensingh and had his graduation with Honours and Post-Graduation degree in Finance and M.Com in Finance & Banking from the University of Dhaka. He has attended many training program here and abroad.

Prior to joining Bank Asia, he worked in Eastern Bank and NCC Bank in the capacity of Head of Branch. After joining Bank Asia, he was assigned as Senior Vice President & Head of Branch at Corporate Branch, Executive Vice President and Head of Branch at MCB, Dhilkusha and Scotia Branches. Before his elevation as Deputy Managing Director, he was Senior Executive Vice President and Head of Internal Control and Compliance Department in Bank Asia.

Presently, he is holding the position of Chief Risk Officer and Deputy Managing Director of Bank Asia Ltd. in Bangladesh.





# Mr. Kazi Sanaul Hoq

Director, IIDFC Limited Managing Director, ICB

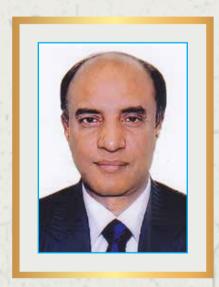
Mr. Kazi Sanaul Hoq has joined as Managing Director of Investment Corporation of Bangladesh (ICB) on IO August 2017. He started his career as a Senior Officer in ICB on 25 October 1984 and served in different positions in the same organization. Before his joining he served as Managing Director at Rajshah Krishi Unnayan Bank (RAKUB). During his service life he served different Banks and Financial Institutions. He served as Managing Director (Current Charge) and Deputy Managing Director at Agrani Bank Ltd. In addition to that Kazi Sanaul Hoq served as General Manager at BDBL and RAKUB. He also served as CEO at ICB Securities Trading Company Ltd. He completed his B. Com (Hon's) and M. Com in Accounting from the University of Dhaka.

He has been contributing his professional expertise as the Chairman of ICB Capital Management Ltd. Apart from that he is now serving as the Director of British American Tobacco Bangladesh Co. Ltd. (BATBC), Linde Bangladesh Limited, GlaxoSmithKline Bangladesh Ltd. (GSK), Renata Limited, Bangladesh Krishi Gobeshona Endowment Trust (BKGET), Credit Rating Information and Services Ltd. (CRISL), Standard Bank Limited, National Tea Company Limited, Apex Tannery Limited, Central Depository Bangladesh Ltd. (CDBL) and some other Directorship.

### Mr. Jamal Mohammed Abu Naser

Director, IIDFC Limited
CEO, National Life Insurance Company Limited

Mr. Jamal M. A. Naser, Chief Executive Officer of National Life Insurance Company Ltd. is a renowned personality in the life insurance sector. He started his career in the life insurance sector in 1986 and worked with different Insurance Companies in various important positions. In January 2011, Mr. Naser joined National Life Insurance Company Ltd. as the Additional Managing Director and in the middle of the year he took over the current charges of Managing Director and from January 2012 he became full fledged Managing Director of National Life Insurance Company Ltd. An expert System Analyst in Computer, Mr. Naser also worked as an Actuarial Associate with many Actuaries for a long time. He is also a Visiting Trainer of Bangladesh Insurance Academy and Bangladesh Insurance Association. He obtained higher trainings both at home and abroad. Mr. Naser completed his Masters degree in Statistics from the University of Dhaka in 1982 and GCE Computing from UK in the year 1992.



#### Mr. Md. Golam Sarwar Bhuiyan

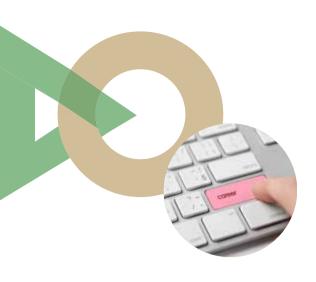
Managing Director, IIDFC Limited Director (Ex Officio)

Mr. Md. Golam Sarwar Bhuiyan joined IIDFC Limited as Managing Director on April 01, 2018. Prior to joining IIDFC, he had been working as Deputy Managing Director and Managing Director (CC) of National Finance Limited. He was CEO of AIBL Capital Management Limited and Managing Director of BMSL Investment Limited.

Mr. Bhuiyan is an MBA from Institute of Business Administration (IBA), University of Dhaka. Earlier, he completed graduation in International Relations from the same University. He has 30 years' of experience in NBFI and investment banking industries. He started his career in Micro Industries Development Assistance and Services (MIDAS) and worked there as General Manager and Head of Consultancy, Research & Training Department. He is an International Certified Trainer in the field of Entrepreneurship Development and Small Business Management. He also worked for MIDAS Financing Ltd. as Sr. General Manager (Credit & Investment) and for GSP Finance Co. Bangladesh Ltd. as Chief Operating Officer (COO).

Mr. Bhuiyan has long experience and expertise in the fields of SME development, corporate financing, credit administration and special asset management, merchant banking, portfolio management, sub-sector analysis, business consultancy and training. He is a Life Member of Dhaka University Alumni Association, IBA Alumni Association, MBA Club Ltd. He is also associated with many educational institutions and social organizations.





# **Executive Committee of the Board**

Mr. Md. Matiul Islam, FCA Chairman

### Mr. Anis A. Khan

Vice Chairman

Managing Director & CEO, Mutual Trust Bank Limited

Member

### Mr. Selim R. F. Hussain

Managing Director & CEO, BRAC Bank Limited Member

### Mr. Sheikh Mohammad Maroof

DMD & Head of Wholesale Banking The City Bank Limited Member

### Mr. Md. Sazzad Hossain

Deputy Managing Director, Bank Asia Limited Member



# **Audit Committee of the Board**

- Mr. Md. Obayed Ullah Al Masud
   CEO & Managing Director, Sonali Bank Limited
   Chairman
- Mr. Md. Abdus Salam Azad
   CEO & Managing Director, Janata Bank Limited
   Member
- Mr. Choudhury Moshtaq Ahmed
   Managing Director, National Bank Limited
   Member
- Mr. Wakar Hasan
   Deputy Managing Director, ONE Bank Limited
   Member
- Mr. Kazi Sanaul Hoq
   Managing Director, Investment Corporation of Bangladesh
   Member



# Committees of IIDFC

SME Credit Committee	Mr. Md. Matiul Islam, Chairman Mr. Md. Golam Sarwar Bhuiyan, Managing Director Mr. Md. Shamim Ahamed, FCA, EVP-CFO & Company Secretary Mr. Refaet Ullah, SVP and Head of SME Mr. Md. Arifur Rahman, VP and Head of CRM
Management Committee (MANCOM)	Mr. Md. Golam Sarwar Bhuiyan, Managing Director Mr. Md. Shamim Ahamed, FCA, EVP-CFO & Company Secretary Mr. Ahmmed Ashique Mahmud, EVP and Head of Structured Finance Ms. Shahnaj Sultana, SVP and Head of Treasury Mr. Refaet Ullah, SVP and Head of SME Mr. Lingkon Mondal, FCA, SVP- Head of Accounts Mr. Md. Arifur Rahman, VP-Head of CRM Ms. Nandita Ayesha Zaman, VP and Head of Corporate Finance (CC) Mr. Mohammad Jayed Hossain, AVP and Head of ICC
Credit Appraisal Committee	Mr. Md. Golam Sarwar Bhuiyan, Managing Director Mr. Md. Shamim Ahamed, FCA, EVP-CFO & Company Secretary Mr. Ahmmed Ashique Mahmud, EVP and Head of Structured Finance Ms. Shahnaj Sultana, SVP and Head of Treasury Mr. Refaet Ullah, SVP and Head of SME Mr. Md. Arifur Rahman, VP-Head of CRM Ms. Nandita Ayesha Zaman, VP and Head of Corporate Finance (CC) Mr. Ragib Nihal, Sr. Manager and Head of CAD
Asset Liability Management Committee (ALCO)	Mr. Md. Golam Sarwar Bhuiyan, Managing Director Mr. Md. Shamim Ahamed, FCA, EVP-CFO & Company Secretary Mr. Ahmmed Ashique Mahmud, EVP and Head of Structured Finance Ms. Shahnaj Sultana, SVP and Head of Treasury Mr. Refaet Ullah, SVP and Head of SME Mr. Md. Arifur Rahman, VP-Head of CRM Ms. Nandita Ayesha Zaman, VP and Head of Corporate Finance (CC) Mr. Mohammad Jayed Hossain, AVP and Head of ICC
Central Compliance Unit	Mr. Md. Shamim Ahamed, FCA, CAMLCO, EVP-CFO & Company Secretary Ms. Shahnaj Sultana, SVP and Head of Treasury Mr. Refaet Ullah, SVP and Head of SME Mr. Md. Arifur Rahman, VP and Head of CRM Ms. Nandita Ayesha Zaman, VP and Head of Corporate Finance (CC) Mr. Md. Mijanur Rahman, DCAMLCO, Manager- Treasury



# **Committees of IIDFC**

Risk Management Forum	Mr. Md. Golam Sarwar Bhuiyan, Managing Director Mr. Md. Shamim Ahamed, FCA, EVP-CFO & Company Secretary Mr. Lingkon Mondal, FCA, SVP- Head of Accounts Ms. Shahnaj Sultana, SVP and Head of Treasury Mr. Refaet Ullah, SVP and Head of SME Mr. Md. Arifur Rahman, VP and Head of CRM Ms. Nandita Ayesha Zaman, VP and Head of Corporate Finance (CC) Mr. Mohammad Jayed Hossain, AVP and Head of ICC
Management Reporting System Committee	Mr. Md. Shamim Ahamed, FCA, EVP-CFO & Company Secretary Ms. Shahnaj Sultana, SVP and Head of Treasury Mr. Refaet Ullah, SVP and Head of SME Mr. Lingkon Mondal, FCA, SVP- Head of Accounts Mr. Md. Arifur Rahman, VP and Head of CRM Ms. Nandita Ayesha Zaman, VP and Head of Corporate Finance (CC)
Tender Evaluation Committee	Mr. Md. Shamim Ahamed, FCA, EVP-CFO & Company Secretary Mr. Lingkon Mondal, FCA, SVP- Head of Accounts Ms. Nandita Ayesha Zaman, VP and Head of Corporate Finance (CC) Mr. Mohammad Jayed Hossain, AVP and Head of ICC
Procurement Committee	Mr. Md. Shamim Ahamed, FCA, EVP-CFO & Company Secretary Mr. Refaet Ullah, SVP and Head of SME Mr. Lingkon Mondal, FCA, SVP- Head of Accounts Ms. Nandita Ayesha Zaman, VP and Head of Corporate Finance (CC) Mr. Mohammad Jayed Hossain, AVP and Head of ICC
Ethics Committee	Mr. Md. Golam Sarwar Bhuiyan, Managing Director Mr. Md. Shamim Ahamed, FCA, EVP-CFO & Company Secretary Ms. Nandita Ayesha Zaman, VP and Head of Corporate Finance (CC) Mr. Hafiz Ullah Khan, AM- CRM Mr. Aamer Mostaque Ahmed- DM- Corporate Finance
BASEL Implementation Unit	Mr. Md. Golam Sarwar Bhuiyan, Managing Director Mr. Md. Shamim Ahamed, FCA, EVP-CFO & Company Secretary Mr. Refaet Ullah, SVP and Head of SME Mr. Lingkon Mondal, FCA, SVP- Head of Accounts Mr. Md. Arifur Rahman, VP-Head of CRM Ms. Nandita Ayesha Zaman, VP and Head of Corporate Finance (CC)



# Committees of IIDFC

ICT Steering Committee	Mr. Md. Golam Sarwar Bhuiyan, Managing Director Mr. Md. Shamim Ahamed, FCA, EVP-CFO & Company Secretary Mr. Refaet Ullah, SVP and Head of SME Mr. Lingkon Mondal, FCA, SVP- Head of Accounts Mr. Md. Arifur Rahman, VP-Head of CRM Ms. Nandita Ayesha Zaman, VP and Head of Corporate Finance (CC) Mr. Mohammad Jayed Hossain, AVP and Head of ICC
ICT Risk Management Committee	Mr. Md. Golam Sarwar Bhuiyan, Managing Director Mr. Md. Shamim Ahamed, FCA, EVP-CFO & Company Secretary Mr. Refaet Ullah, SVP and Head of SME Mr. Lingkon Mondal, FCA, SVP- Head of Accounts Mr. Md. Arifur Rahman, VP-Head of CRM Ms. Nandita Ayesha Zaman, VP and Head of Corporate Finance (CC) Mr. Mohammad Jayed Hossain, AVP and Head of ICC
ICT Security Committee	Mr. Md. Shamim Ahamed, FCA, EVP-CFO & Company Secretary Mr. Refaet Ullah, SVP and Head of SME Mr. Lingkon Mondal, FCA, SVP- Head of Accounts Mr. Md. Arifur Rahman, VP-Head of CRM Ms. Nandita Ayesha Zaman, VP and Head of Corporate Finance (CC) Mr. Mohammad Jayed Hossain, AVP and Head of ICC

# **Senior Management Team (SMT)**

### **IIDFC Ltd.**

Mr. Md. Golam Sarwar Bhuiyan, Managing Director

Mr. Md. Shamim Ahamed, FCA, EVP-CFO & Company Secretary

Mr. Ahmmed Ashique Mahmud, EVP-Head of Structured Finance

Mr. Refaet Ullah, SVP-Head of SME

Mr. Md. Nizam Uddin Chowdhury, SVP- Head of Chattogram Branch

Ms. Shahnaj Sultana, SVP- Head of Treasury

Mr. Lingkon Mondal, FCA, SVP- Head of Accounts

Mr. Md. Arifur Rahman, VP-Head of CRM

Ms. Nandita Ayesha Zaman, VP-Corporate Finance

Mr. Samiur Rahman, VP-Corporate Finance

Ms. Kanij Fatema, VP-Corporate Finance

Mr. Mohammad Jayed Hossain, AVP-Head of ICC

Ms. Farzana Hossain, AVP- Structured Finance

Mr. Al Rajib Mahmood, AVP- Accounts & Finance

Mr. Kabir Hossain, AVP-Head of Keraniganj Branch

Mr. Sanjoy Karmaker, AVP- Accounts & Finance

### **IIDFC Securities Ltd.**

Ms. Ashrafun Nessa, Chief Executive Officer

Mr. Md. Alamgir Hossain, Senior Vice President

Mr. Mia Mohammad Abdullah, Senior Assistant Vice President

Mr. Syed Md. Majbahul Amin, Assistant Vice President

# **IIDFC Capital Ltd.**

Mr. Mohammad Saleh Ahmed, Chief Executive Officer



# **SENIOR MANAGEMENT TEAM**



#### Setting (L-R):

Mr. Lingkon Mondal

Ms. Ashrafun Nessa

Mr. Md. Shamim Ahamed

Mr. Md. Golam Sarwar Bhuiyan

Mr. Ahmmed Ashique Mahmud

Mr. Mohammad Saleh Ahmed

Mr. Refaet Ullah

#### Not in Picture:

Mr. Md. Nizam Uddin Chowdhury

Mr. Kabir Hossain

#### Standing (L-R):

Mr. Md. Alamgir Hossain

Mr. Mohammad Jayed Hossain

Mr. Al Rajib Mahmood

Ms. Shahnaj Sultana

Ms. Farzana Hossain

Ms. Nandita Ayesha Zaman

Ms. Kanij Fatema

Mr. Samiur Rahman

Mr. Sanjoy Karmaker

Mr. Md. Arifur Rahman





MANCOM



Share Market Investment Cell & Carbon Finance Unit





Corporate Finance Department



SME Finance Department





Structured Finance Department



Finance & Accounts Department





Treasury Department



CRM and SAM





Administration Department



Human Resources Department





Legal Department

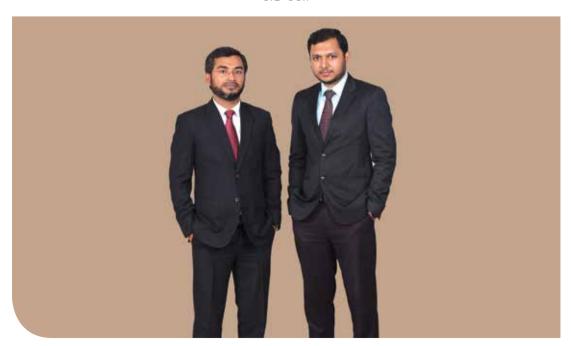


IT Department





CIB Cell



ICC Department





CAD



Deposit Mobilization Team





Central Compliance Unit



Chattogram Branch





Uttara Branch



Gazipur Branch





Keraniganj Branch



Narayanganj Branch





Savar Branch



IIDFC Securities Limited





IIDFC Capital Limited

#### **Lease Finance**

IIDFC provides lease financing for industrial equipment, capital machinery, vehicles and other productive equipment both for manufacturing and service industries. IIDFC has special interest in infrastructure projects.

#### **Term Lending**

Medium to long term loans to service industries, industrial undertakings and infrastructure projects in the power and telecommunication sector, oil & gas exploration, roads & highways, bridges, river roads and air transport etc.

#### **Structured Finance**

IIDFC is active in the syndication market and has acted as lead arranger to a number of syndication facilities for large loans arranged by it. Structured Finance encompasses syndicated fund arrangement including cross-border syndication and other financial advisory services.

#### **SME Finance**

IIDFC promotes small and medium entrepreneurs in manufacturing and service industries through its SME Finance Scheme. The aim is to provide quality services to the entrepreneurs with potential and innovative ideas.

#### **Factoring and Work Order Finance**

Factoring of accounts receivable is an arrangement where finance is provided against the credit invoices of goods or services. This helps the supplier receiving a significant portion of the invoice amount soon after the delivery of goods or services is made. Factoring and work order finances are considered as useful tools of short term finance.

#### **Home Loan**

IIDFC has home loan package to meet finance requirement of individual(s) for purchase of apartment/ flat, readymade house and for construction of building in six divisional headquarters of the Country and in municipal areas of Tongi, Gazipur, Savar & Narayanganj.

#### **Equity Financing**

Equity Financing and Venture Capital Financing are the new areas of long term investments where IIDFC plans to give special emphasis in the coming years.

#### **Advisory Service**

IIDFC provides advisory services to its clients in the fields of corporate finance, merger, acquisition, joint venture, privatization, etc.

### **Deposit Schemes**

IIDFC encourages term deposits of 3 months and above as has been allowed by Bangladesh Bank for Non-Banking Financial Institutions. We offer attractive terms and returns to the depositors while giving top most importance to the security of the depositors money. The depositors are also allowed to take loans against deposits.

#### **CDM Project Development**

The following Services are provided :

#### 1. Bundling Agent in Small Scale CDM Projects:

Small scale CDM Projects require bundling of several similar activities (example: a number of HHK technology brick manufacturing plants) into a single CDM project to make the emission reduction amount attractive to the Carbon Market. IIDFC assumes all the responsibility of completing entire process needed for project development, registration and issuance and transfer of CER.

#### 2. CDM Consultant in Large Scale CDM Projects:

For large scale single location CDM projects IIDFC is willing to provide its services as CDM Consulting Agency which will carry out the entire CDM process and prepare all documents on behalf of the project owner.

#### 3. Coordinating and Managing Entity in Programmatic CDM:

IIDFC will soon launch Programmatic CDM projects as the Coordinating and Managing Entity. The role will be similar to Bundling Agent.

#### **Financing Mitigation Projects**

#### 1. CDM Project:

IIDFC provides both short term and long term loans for capital expenditure and Lease Finance for

procurement of capital assets to a Green House Gas (GHG) emission reduction projects with an objective to develop a Clean Development Mechanism (CDM) Project under United Nations Framework on Climate Change Convention (UNFCCC) and sell Certified Emission Reductions (CERs) or Verified Emission Reduction (VERs) generated from CDM projects to the International Carbon Market.

### 2. Energy Efficiency Improvement Project:

IIDFC will finance bankable energy efficiency projects selected through energy audits in industrial sectors like textiles, steel, cement, ceramics, chemicals, and agri-industries.

# Carbon Finance: Caring Nature and Environment



Women working in the production line of a HHK factory 1

### **Environment Friendly Project Development and Operations:**

IIDFC pioneered the introduction of environment-friendly energy efficient technology in the highly pollutant brick manufacturing sector. A Clean Development Mechanism (CDM) project under the Kyoto Protocol was initiated back in 2007 and energy efficient Hybrid Hoffman Kiln (HHK) technology for brick manufacturing was introduced in the country. Eight brick factories using the technology under the CDM project has been contributing to reduce  $\mathrm{CO}_2$  emissions by 40-50% compared to the traditional brick fields. These units use 40-55% less amount of coal compared to the traditional brick fields for producing the same amount of bricks.

The 8 HHK brick producing units under this project

have reduced 122,000 tons of  $\mathrm{CO}_2$  emissions during the period of 2011-2015 which were traded with IBRD. Emission reductions generated by these projects during 2016-2020 are committed for delivery to the Asian Development Bank (ADB) through an agreement signed on 2016. IIDFC is currently managing the monitoring, reporting, verification and transaction of the emission reductions of its CDM project. A total of 39,910 tons of  $\mathrm{CO}_2$  emission reductions has been generated during the year 2017 which will be verified in the beginning of 2018.

Apart from the trading of Emissions Reductions, IIDFC has implemented World Bank and ADB's health and



safety standards in the HHK brick factories. The workers get permanent employment with proper sanitation system, personal protective equipment, safety trainings and periodic health checks in the HHK factories of IIDFC's CDM project which is very rare in the brick making industry.

We are working on other Environment Friendly projects in the sector of Energy Efficiency, Renewable Energy and Waste Management with Bangladesh Bank's funding. The projects taken up under this arrangement were in the area of solar energy and waste paper recycling.



Women working in the production line of a HHK factory 2

### RATINGS OF IIDFC

NBFI



#### **National Credit Ratings Limited**

Ratings are based on Audited Financial Statement up to December 31, 2017 along with the other relevant Quantitative as well as Qualitative information vovided by the Client up to the Date of Rating

Followed Financial Institutions Rating Methodology (Bank & NBFI) of NCR published in our website

Website: www.ncrhd.com

#### FINANCIAL DATA

(TK in Millions)					
Particulars	2017	2016			
Total Assets*	23,531.41	19,150.00			
Total Equity*	1,763.95	1,648.75			
Risk weighted Assets (RWA)	16,588.47	14,055.13			
Required Capital (10% of RWA)	1,658.85	1,405.51			
Tier I Capital	1,702.55	1,623.67			
Tier II Capital	113.51	123.21			
Gross Finance	14,960.17	14,553.89			
Non Performing Loan (NPL)	1,031.00	688.01			
Provision Required against NPL	433.10	356.26			
Provision Maintained against NPL	442.47	377.19			
Excess Provision Maintained	9.38	20.93			
Total Net Revenue*	782.40	509.76			
Net Income*	191.71	187.89			
CAR	10.95	12.43			
NPL/Gross Advances (%)	16.31	10.34			
ROE (%)*	11.23	11.66			
ROA (%)*	0.90	1.03			
NIM (%)	2.54	1.98			
Asset Yield	9.57	10.18			
Cost of Fund	6.56	8.30			
Spread	3.00	1.88			
Finance / Deposit (%)	108.59	130.50			
*Consolidated performance	of HDFCL				

#### ANALYSTS:

**SADIA AKTER** +88-02-47120156-8 sadia@ncrbd.com

Mohammad Mohi Uddin 88-02-47120156-8 mohiuddin@ncrbd.com

#### INDUSTRIAL & INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LIMITED

SURVEILLANCE ENTITY RATING – 2018					
Date of Rating Declaration	Long Term	Short Term			
26.06.2018	AA+ (Double A Plus)	ST-1			
Outlook	Stable				
Validity	25.06.2019				
SURVEILLANCE ENTITY RATING – 2017					
Date of Rating Declaration	Long Term Short Term				
03.07.2017	AA (Double A)	ST-2			

NCR has notched entity rating of Industrial and Infrastructure Development Finance Company Limited one grade up from the previous grade duly considering qualitative factors such as track record of governing grade up from the previous grade duly considering qualitative factors such as track record of governing body and management team with affluent experience and rich educational background and adequacy of framework, policies and guidelines for risk management, internal control, credit approval, maintenance of regulatory requirements etc. The ratings also favorably consider the increase in gross loan and advances, positive liquidity gap, along with properly maintained provisions for nonperforming loans, diminution in investment value as well as surplus of CRR and SLR, improvement in NIM and spread. The ratings are, however, partly constrained by decline in CAR, decrease in net income and other profitability ratios like ROE and ROA, upward moving non-performing loan. The ratings also take into consideration low interest rate environment and economic expansionary policies taken by the government. NCR, in the view of the company's recent operational performance and current economic position, considers the outlook of the company as 'Stable' indicating that the existing fundamentals may remain unchanged in near future.

#### ASSESSMENT

■ The shareholders' equity of the company on consolidated basis increased by 1.31% and stood at TK 1,763.81 million in 2017 against TK 1,648.75 million in 2016. The total Risk Weighted Asset (RWA) of IIDFCL went up to TK 16,588.47 million in 2017 against TK 14,055.13 million in 2016. Consequently, the company had to maintain minimum capital of TK 1,658.85 million in 2017. The total eligible capital was reported TK 1,816.06 million that included Core Capital (Tier-I) of TK 1,702.55 million and Supplementary Capital (Tier-II) of TK 113.51 million in 2017, representing a capital surplus of TK 157.22 million. Finally сырыя (ты-ш) от ты 113.31 million in 2017, representing a capital surplus of TK 157.22 million. Finally the CAR was posted 10.95% which was composed of Core Capital (Tier-I) of 10.26% and Supplementary Capital (Tier-II) of 0.68%.

Capital (Tier-II) of 0.68%.

\* The consolidated gross lease and advances of IIDFCL increased to TK 16,808.30 million in 2017 from TK 16,441.24 million in 2016. The Non-Performing lease and advances of IIDFCL increased to TK 1,031.00 million in 2017 from TK 688.01 million in 2016. All the categories of non-performing lease and advances i.e., sub-standard, doubtful lease and advances and bad & loss lease and advances increased by 61.30%, 11.87% and 84.87% respectively in 2017. The bad/loss loans & advances of TK 117.35 million was written off in 2017 against TK 158.09 million in 2016. The impaired lending to gross finance of IIDFCL on solo basis decreased to 8.65% in 2017 from 4.73% in 2016. IIDFCL on solo basis maintained provision of TK 442.47 million in 2017 against the provision of TK 377.19 million made in 2016, having excess provisions of TK 9.38 million in 2017 against TK 20.93 million in 2016.

\*\*The total net revenue on consolidated basis increased to TK 789.40 million in 2017 from TK 500.76.

The total net revenue on consolidated basis increased to TK 782.40 million in 2017 from TK 509.76 million in 2016. The Net Interest Income on consolidated basis increased to TK 510.85 million in 2017 from TK 333.87 million in 2016. The fee based income also increased to TK 100.86 million in 2017 from TK 53.21 million in 2016. The improvement in other operating income was mainly derived from realized capital gain of TK 121.93 million in 2017 against TK 23.55 million in 2016. Moreover, interest and dividend income from investing activities stood at TK 13.43 million and TK 35.34 million respectively in 2017 from TK 67.53 million and 31.59 million respectively in 2016.

The cost to total net revenue ratio decreased to 38.89% in 2017 from 51.55% in 2016. ROE and ROA

went down to 11.23% and 0.90% in 2017 respectively from 11.66% and 1.03% in 2016 respectively. The net interest margins (NIM) improved to 2.54% in 2017 from 1.98% in 2016. The yield on assets kept declining over the last three years and stood at 9.57% in 2017 against 10.18% in 2016. The cost of funds also moved downward and stood at 6.56% in 2017 against 8.30% in 2016. As a consequence, the spreads

expanded and stood at 3.00% in 2017 against 1.88% in 2016.

The company maintained TK 205.03 million of Cash Reserve Requirement (CRR) against the required e The company maintained TK 205.05 million of Cash Reserve Requirement (CRK) against the required reserve of TK 176.02 million in 2017 which was equivalent to 2.91% of CRR against the required rate of 2.5%. Consequently, the company had a surplus of TK 29.00 million in 2017. IIDFCL also maintained Statutory Liquidity Reserve (SLR) of TK 438.71 million against the required reserve of TK 388.90 million in 2017 which was equivalent to 5.64% of SLR against required rate of 5% during the period ended December 31, 2016. As a consequence, IIDFCL had a surplus of TK 49.81 million in 2017.

 Industrial and Infrastructure Development Finance Company Limited (hereinafter called as 'IIDFCL' or "The Company') was incorporated on December 19, 2000 as a Public Limited Company. The company as licensed by Bangladesh Bank on January 23, 2001 as a Non-Banking Financial Institution under the Financial Institutions Act, 1993. IIDFCL commenced operation on April 1, 2001. IIDFCL has two subsidiary companies namely IIDFC Securities Limited and IIDFC Capital Limited. IIDFCL's registered and Corporate Head Office is located at Chamber Building (6th & 7th floor), 122-124 Motijheel C/A, Dhaka 1000. The company operates with six (6) other branch offices.

NCR has used due care in preparation of this document. Our information has been obtained from sources we consider to be reliable but its accuracy or completeness is not guaranteed. NCR shall owe no liability whatsoever to any loss or damage caused by or resulting from any error in such information. None of the information in this document may be copied or otherwise reproduced, stored or disseminated in whole or in part in any form or by any means whatsoever by any person without NCR's written consent. Our

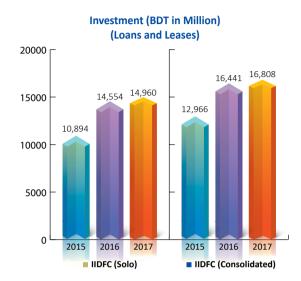
Tel: +88-02-9359878 Fax: +88-02-9332769 website: www.ncrbd.com

### **FINANCIAL HIGHLIGHTS**

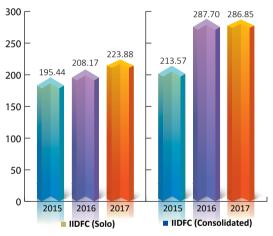
BDT in Million

	IIDFCL (Solo)		IIDFCL (Consolidated)					
Particulars / Year	2017	2016	2015	2017	2016	2015		
Profit and Loss Account								
Operational Revenue	1,732.63	1,632.51	1,485.38	1,909.77	1,769.48	1,636.91		
Operational Expenses	1,335.54	1,338.10	1,260.69	1,444.78	1,426.03	1,394.10		
Operating Profit	397.09	294.41	224.69	464.99	343.44	242.81		
Profit after Tax	143.88	159.27	110.63	180.20	225.99	119.67		
Balance Sheet								
Total Leases, Loans & Advances	14,960.17	14,553.89	10,893.58	16,808.30	16,441.24	12,966.39		
Provision for Investments	442.47	377.19	415.54	522.40	454.07	507.79		
Leased Finance/Advances	2,270.30	2,100.92	2,528.36	2,270.30	2,100.92	2,528.36		
Direct/Term finance, etc.	12,689.87	12,452.97	8,365.22	12,067.71	11,817.94	7,730.19		
Margin loan	-	-	-	2,470.29	2,522.38	2,707.85		
Investment in Shares	578.20	401.85	1,584.66	937.55	715.56	1,902.76		
Shareholders' Equity	1,702.55	1,623.67	1,564.40	1,763.95	1,648.60	1,522.77		
Reserve & Surplus	702.55	623.67	564.40	763.81	648.61	522.62		
Paid up Capital	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00		
Total nos. of Shares (in quantity)	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000		
Ratios								
Book Value Per Share (BDT)	17.03	16.24	15.64	17.64	16.49	15.23		
Earnings Per Share (BDT)	1.44	1.59	1.11	1.80	2.26	1.2		
Dividend Per Share (BDT)	-	-	1.50	-	-	-		
Return on Average Equity (%)	8.65	9.99	7.10	10.56	14.25	7.91		

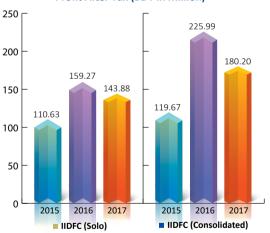
### **FINANCIAL HIGHLIGHTS**



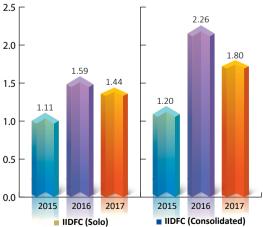




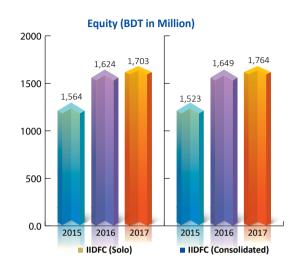


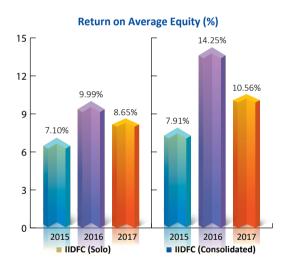


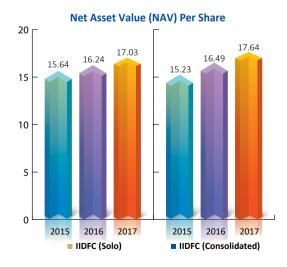
### **Earning Per Share (BDT)**



### **FINANCIAL HIGHLIGHTS**







### **DISCLOSURE ON CAPITAL ADEQUACY & MARKET DISCIPLINE**

#### **Capital Adequacy Ratio:**

The capital adequacy ratio (CAR) measures the amount of capital any financial institution retains compared to its risk and risk weighted assets. It determines how effectively any financial institution can sustain in case of a reasonable amount of loss or how efficiently it can protect the organization against probable financial risks. The CAR is important to shareholders because it is an important measure of the financial soundness of a financial institution.

Two types of capital are measured with the CAR, first-the tier 1 capital can absorb a reasonable amount of loss without forcing the bank to cease its trading and the second type-tier 2 capital can sustain loss in the event of liquidation. Tier 2 capital provides comparatively less protection to its depositors and creditors.

The CAR provides shareholders with a better understanding of the risks a financial institution is taking with the equity they provide. A bank that continually takes more risks than it can reasonably sustain leaves potential shareholders with a sense that their equity investments are more at risk. A financial institution must maintain a professional level of risk management and sound lending practice to attract the capital that acts as its first line of defense against loss, both expected and unforeseen

#### **Significance of Capital Adequacy:**

Capital is backbone of any business specially, financial institution where capital sufficiency is a prime factor to consider when assessing the safety and soundness of business. Minimum capital level is significantly important for a Financial Institution so that adequate protection against risk can be ensured. A strong Capital Management Policy protects an organization by identifying and mitigating risks, as well as establishes a base of confidence by depositors, creditors, and other stakeholders.

Capital Adequacy gives an over-view on a Financial Institution's strength and stability and adequate capital provides assurance to the stakeholders on the company's ability to provide consistent services and financial supports. Capital Adequacy is a basis for measurement of capital that FI needs to hold for ensuring that no excess leverage is taken that could lead to insolvency. Capital Adequacy measurement is expressed as the Capital Adequacy Ratio (CAR), also known as Capital to Risk Weighted Assets Ratio.

CAR is a measure of a financial institution's eligible capital expressed as a percentage of its risk weighted asset. The objective of CAR is built around the Market Discipline, whereby depositors' and creditors get a standardized measurement on the extent to which their wealth is exposed to risk, and thereby establish confidence on the Financial Institution's continuity and strength. The CAR measurement is also directed towards making a financial institution's capital more risk sensitive and shock absorbent.

#### **Basel II guidelines:**

According to the capital adequacy guideline the following three points are important to be followed.

- (i). Minimum Capital: Minimum capital requirements to be maintained by a bank/FI against credit, market, and operational risks.
- (ii). Capital Growth: Process for assessing the overall capital adequacy aligned with risk profile of a bank as well as capital growth plan.
- (iii). Public Disclosure: Framework of public disclosure on the position of a bank's risk profiles, capital adequacy, and risk management system. This forms the basis of Market Discipline.

Two Level of Regulatory Capital Requirement:

As per guideline two tier of capital is required to be kept ie. Tier 1 Capital and Tier 2 Capital.

Core Capital: Tier 1 Capital, also called the 'Core Capital', is the core measure of a bank's financial strength from a regulator's point of view. Banks have to maintain at least 50% of required capital as Tier 1 capital.

Supplementary Capital: Tier 2 Capital is called the 'Supplementary Capital' and represents other elements which fall short of some of the characteristics of the core capital but contribute to the overall strength of a financial institutions. According to Bangladesh Bank's Guideline for NBFI, the computation of the two capital grades are subject to the following conditions.

- (i). Tier 2 Capital amount will be limited to 100% of the amount of Tier 1 Capital.
- (ii). 50% of revaluation reserves for fixed assets and 45% for securities, and 10% of revaluation reserves for equity instruments are eligible for Tier 2 Capital.
- (iii). General provision in the Tier 2 Capital can be up to a limit of 1.25% of Risk Weighted Asset for Credit Risk

Common capital ratios as per the regulatory requirements are as follows:

Capital Ratio		Statutory Limit
(i). Core Capital Ratio	(Core Capital/ Risk-adjusted assets)	>= 5%
(ii). Total Capital (Core + Supplementary)	(Total Capital/ Risk-adjusted assets)	>= 10%

Effective risk management is considered as a central part of the financial and operational management of any company, whereby company sustainability and consistent profit generation are ensured. Only by adopting and strengthening risk management measures can the company deal with the complex and dynamic business environment. Group Risks are managed on an integrated basis. Risk management is incorporated in the Group decision making with regards to strategic planning.

#### **Effective Risk Management**

The risks which form the basis for effective risk management are: credit, market, operational, and liquidity risks.

Credit Risk: Credit risk is a risk that the FI will not be able to recover the money it has owed. It occurs due to failure of the counter party to meet its obligations to pay the company in accordance with the agreed terms. The risk depends on the financial strength of the party owing to the bank as well as market factors that affect the value of assets used as lien against the loan. Credit risk calculation recognizes and adjusts for two factors:

- (i). On Balance Sheet credit exposures refer to the credit risks that the various assets in the balance sheet are exposed to. These assets are weighted according to the degree of the risks exposed.
- (ii). Off Balance Sheet credit exposures refer to the credit risks on the credit equivalent amounts of the various off balance sheet items.

Market Risk: Market risk is the potential for loss in earnings or in economic value of the FI's asset portfolio due to adverse changes in financial market rates or prices. The preferred approach to calculating this risk is VaR (Value at Risk).

Operational Risk: Operational risk is the risk of a change in value caused by the fact that actual losses, incurred for inadequate or failed internal processes, people and systems, or from external events (including legal risk), differ from the expected losses. The risk can be deliberate, accidental or natural. The Fl's objective is to minimize the operational risk exposure within a framework of policies and procedures. Risk Weighted Assets (RWA) is a Financial Institution's assets or off-balance-sheet exposures, weighted according to risk. By adjusting the amount of each asset for an estimate of how risky it is, a rough measurement of the company's financial stability can be determined.

Liquidity Risk: Liquidity risk is the risk that a company or bank may be unable to meet short term financial demands. This usually occurs due to the inability to convert a security or hard asset to cash without a loss of capital and/or income in the process.

#### **Capital Adequacy for IIDFC Limited**

At IIDFC, Capital Management Policy sets out the principles and guidelines for effective and prudent capital planning, usage, and management of it. The policy defines the minimum criteria for ensuring that adequate capital is kept and effective management is performed. Capital Adequacy is explicitly followed in adherence to the statutory compliance and regulatory requirements of Basel II guidelines, affected by Bangladesh Bank from 1st January 2010. The guidelines are prudently followed to safeguard the IIDFC's ability to continue as a going concern, by establishing a strong capital base, and to maintain high credit rating as well as the confidence of the investors and creditors. At IIDFC, capital planning is done in alignment with the company's risk appetite and profile. Capital goals are set to incorporate both normal and stressful business conditions. As such, the goals take into considerations current and future regulatory requirements and economic conditions, and the expectations of stakeholders. Capital targets accommodate forward looking viewpoints on economic outlook, company's current financial condition, and future uncertainties inherent in capital planning. In line with this objective, capital base is set at 1% higher than the minimum CAR. This ensures full compliance as well as a buffer against capital loss during stressful situations.

The company emphasizes on strong capital management through the followings:

- (i). Maintaining regulatory requirements of capital.
- (ii). Supply and demand forecast of capital to support business strategy and continuity.
- (iii). Incorporate rolling capital plan covering a time horizon of two to three years.
- (iv). Internal Controls and Governance to manage company's risk, performance and capital.

Capital strategies are periodically reviewed to ensure that strong governance and process framework are in place for effective risk management. Material capital risk is assessed periodically which supports the company's internal capital adequacy requirements. The scope of application of such guidelines applies to 'Solo' as well as to the 'Consolidated' basis.

- (i). 'Solo Basis' refers to all position of the FI and its local and overseas branches/offices.
- (ii). 'Consolidated Basis' refers to all position of the FI (including its local and overseas branches/offices) and its subsidiary companies engaged in financial (excluding insurance) activities like merchant banks, brokerage firms, discount houses, etc. Since IIDFC has subsidiary companies, the guidelines apply to both 'Solo' and 'Consolidated' basis. Breakdown of each category of eligible capital is given below.

#### (A). Core Capital of IIDFC Limited is as follows:

(Amount in million)

	Solo Basis			Consolidated Basis		
Particulars	2017	2016	2017	2016		
Fully paid-up capital/capital lien with BB	1,000.00	1,000.00	1,000.00	1,000.00		
Statutory reserve	336.31	307.54	336.31	307.54		
Non-repayable share premium account	-	-	-	-		
General reserve	48.80	47.80	65.80	64.80		
Retained earning	317.44	268.34	361.69	276.27		
Minority interest in subsidiary	-	-	0.15	0.15		
Non-cumulative irredeemable preference share	-	-	-	-		
Dividend equalization account	-	-	-	-		
Other (if any item approved by BB)-share money deposit	-	-	-	-		
Less: Shortfall in provisions required against investment in shares	-	-	-	-		
Less: Book value of goodwill	-	-	-	-		
Total	1,702.55	1,623.68	1,763.95	1,648.76		

#### (B). Supplementary Capital of IIDFC Limited is as follows:

(Amount in million)

	Solo	Basis	Consolidated Basis	
Particulars	2017	2016	2017	2016
General provision (unclassified loans up to specific limit + SMA+ Off B/S exposure)	113.51	123.21	450.87	466.84
50% of Assets Revaluation Reserve	-	-	-	-
10% of Securities Revaluation Reserve	-	-	-	-
All other preference shares	-	-	-	-
Other (if any item approved by Bangladesh Bank)				
	-	-	-	-
Total	113.51	123.21	450.87	466.84

#### **Risk Management**

At IIDFC Limited, disciplined risk management is considered as the key to organizational success. With that objective in mind, strong management structure and risk management system, along with robust policies are developed to allow the company to manage the internal and external, and regulatory environments. A robust risk management framework is built to effectively cover the necessary requirements of managing risk. Establishment and oversight of the Group's risk management framework lies with the Company's Board of Directors. The risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk control standards, and to monitor the risks and adhere to defined policies. Protocols and responsibilities are clearly delineated such that decision making with regards to risk management are taken positively. IIDFC contemplate on having the industry practices of identifying, measuring and controlling risks. The Risk management policies and systems are reviewed regularly to reflect changes in market conditions and operations. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

By implementing rigorous risk management policy, risk adjusted returns are maximized, while ensuring that the company remains within its desired risk appetite. Emphasis is given on establishing a risk management culture which takes into account the underlying assertions: (i) Risk considered must be in line with the company's goals, and also must support the company's risk appetite. (ii). Responsibility of identifying and taking risks within the organization lies with every employee.

The company carries the overall responsibility of ensuring that the risk-taking within the organization is disciplined and focused. Accountability is ensured by taking risk agreed by the respective company authorities and also assuring that the risks taken are transparent, controlled, reported and falls within the appropriate infrastructure and resource. Future risk emergence is identified and necessary steps taken to anticipate its impacts. Effective Risk Management Policy and Controls are founded to use the risk as a competitive advantage. Continuous improvement of the risk management approaches and methodologies to enhance current risk policies. Analyze and establish any new or improved policy to strengthen the company's risk management position. Ensuring consistent statutory compliance with regards to capital adequacy and risk management.

In accordance with the Basel II guidelines, IIDFC takes precautionary methods against credit, market, operational, and liquidity risks.

(i). Credit Risk: Credit Risk is effectively measured and managed through a framework of policies and procedures. All credit exposures undergo proper approving authority as a mean of effective management of counter party credit risk. A defined structure is established for delegation of credit approval authority and for monitoring compliance with appetite. Proper due diligence is applied to review the credit applications. Defined processes and procedures are used to support credit underwriting activities at levels of the business. As a part of proper underwriting standards, appropriate valuations of collaterals are done for secured credits.

A counter party is also required to have an approved limit in place, prior to draw down of funds. Every credit party is subject to credit rating, and the rating is actively monitored as a part of effective credit risk management. Account level activity along with limit utilization monitoring is set as a part of risk trigger-mechanism. This helps to identify early alert situations based on which the company can take proper actions. Potential problem accounts are identified, investigated, controlled and monitored.

Past dues and impaired exposures are defined in accordance with the relevant Bangladesh Bank regulations. Specific and general provisions are computed periodically in accordance with the Bangladesh Bank regulations. The Group writes off a loan or an investment debt security balance, and any related allowances for impairment losses, when Group Credit determines that the loan or security is non-collectable. This determination is made after considering information such as the occurrence of significant changes in the borrower's / issuer's financial position such that the borrower/issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure.

- (ii). Market Risk: Market Risk management is set as per the parameters defined in the policy. The objective of the Group's market risk management is to manage and control market risk exposures set within the acceptable parameters, thereby ensuring solvency while optimizing the Group's risk return strategy. Sufficient oversight and reporting are conducted for management of market risk profile. Overall authority for market risk rests with the ALCO. Setting market liquidity as the primary factor for determining the level of limits for portfolio trading, ALCO provides limits for each type of risk in aggregate and for individual portfolios.
- (iii). Operational Risk: Operational Risk framework is designed to ensure operational risk identification, assessment, control and monitoring at business and group level. Management of operational risks is an integral part of the roles played by business and the functional teams. The Risk Management Division oversees whether the operational risk exposures fall within the policy. Defined standards of measurement are also outlined which plays one of the critical roles of ensuring that the risks are managed within the acceptable tolerance limits. The policies and standards are also reviewed periodically to keep the framework updated. The types of events that could result in material operational risk loss or business disruptions are as follows:

- a. Internal and external fraud
- b. Damage to physical assets
- c. Business process disruptions and system failures
- d. Failure in service executions and deliveries, as well as process management
- e. Liquidity Risk is managed by the ALCO team within the pre- defined liquidity limits set by and in compliance with the policies and regulatory requirements. The Treasury division oversees the implementation of policies and other controls relating to liquidity risks while managing the liquidity position of the company on a day to day basis.

RWA figure is calculated on the basis of credit, market, and operational risks. Total RWA is determined by first multiplying the amount of capital charge for market risk and operational risk with the reciprocal of the minimum CAR. The resulting figure is added to the sum of the risk weighted assets for credit risk.

#### **Calculation of Risk Weighted Assets**

(Amount in million)

	Solo Basis		Consolidated Basis	
Particulars	2017	2016	2017	2016
Credit Risk				
1. On B/S	14,856.61	12,723.82	15,458.28	13,700.71
2. Off B/S	50.89	28.92	50.89	28.92
Market Risk	1,049.47	789.91	1,768.17	1,417.33
Operational Risk	631.51	512.48	856.47	735.91
Total RWA	16,588.47	14,055.13	18,133.81	15,882.87

Capital Adequacy Ratio (CAR) = (Core Capital +Supplementary Capital)/RWA

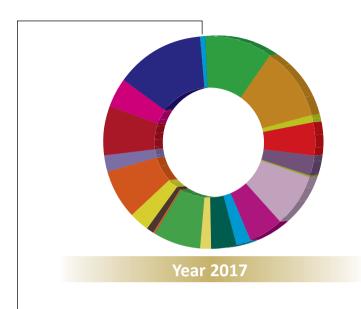
#### **Capital Adequacy**

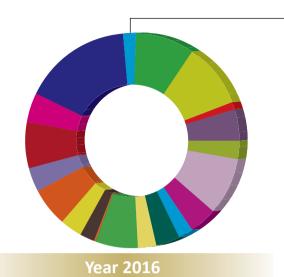
(Amount in million)

	Solo	Basis	Consolidated Basis		
Particulars	2017	2016	2017	2016	
Core Capital	1,702.55	1,623.68	1,763.95	1,648.76	
Supplementary Capital	113.51	123.21	450.87	466.84	
Total eligible Capital	1,816.06	1,746.89	2,214.82	2,115.59	
Risk Weighted Assets	1,6588.47	1,4055.13	18,133.81	15,882.87	
Capital Adequacy Ratio	10.95	12.43	12.21	13.32	
Core Capital to RWA	10.26	11.55	9.73	10.38	
Supplementary Capital to RWA	0.68	0.88	2.49	2.94	
Minimum Capital Requirement (10% of RWA)	1,658.85	1,405.51	1,813.38	1,588.29	
Excess capital over regulatory requirement	157.21	341.38	401.44	527.30	

Capital Adequacy Ratio (CAR) of IIDFC is more than the Bangladesh Bank's CAR requirement of 10%. The status in line with the IIDFC's approach for being compliant and to establish investors' confidence.

### **SECTOR-WISE EXPOSURE**

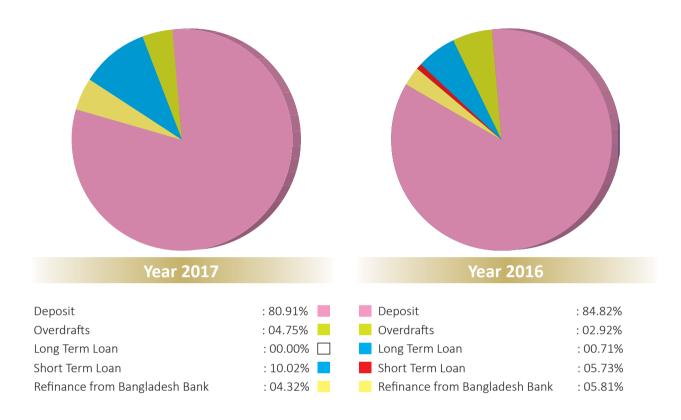




Δmoi	ınt	in	Taka

Agricultural Sector 454,802,011 3.04% 295,870,1  Industrial Sector:  Textiles 1,509,923,878 10.09% 1,284,185,0  Garments 1,622,012,703 10.84% 1,434,535,2  Jutes & Jute Related Goods 176,930,643 1.18% 150,645,4  Food Items Producer/Processing Industries 722,292,384 4.83% 679,979,0  Plastic Industries 447,082,894 2.99% 414,316,2  Lather & Lather Goods 49,392,710 0.33% 20,883,7  Iron, Steel and Engineering 1,179,854,216 7.89% 1,240,050,7  Chemical and Pharmaceuticals 744,646,732 4.98% 609,091,7  Cement/Clingker and Allied Industries 320,940,349 2.15% 319,281,1	32 2.03%
Textiles1,509,923,87810.09%1,284,185,0Garments1,622,012,70310.84%1,434,535,2Jutes & Jute Related Goods176,930,6431.18%150,645,4Food Items Producer/Processing Industries722,292,3844.83%679,979,0Plastic Industries447,082,8942.99%414,316,2Lather & Lather Goods49,392,7100.33%20,883,7Iron, Steel and Engineering1,179,854,2167.89%1,240,050,7Chemical and Pharmaceuticals744,646,7324.98%609,091,7	
Garments 1,622,012,703 10.84% 1,434,535,2  Jutes & Jute Related Goods 176,930,643 1.18% 150,645,4  Food Items Producer/Processing Industries 722,292,384 4.83% 679,979,0  Plastic Industries 447,082,894 2.99% 414,316,2  Lather & Lather Goods 49,392,710 0.33% 20,883,7  Iron, Steel and Engineering 1,179,854,216 7.89% 1,240,050,7  Chemical and Pharmaceuticals 744,646,732 4.98% 609,091,7	
Jutes & Jute Related Goods 176,930,643 1.18% 150,645,4 Food Items Producer/Processing Industries 722,292,384 4.83% 679,979,0 Plastic Industries 447,082,894 2.99% 414,316,2 Lather & Lather Goods 49,392,710 0.33% 20,883,7 Iron, Steel and Engineering 1,179,854,216 7.89% 1,240,050,7 Chemical and Pharmaceuticals 744,646,732 4.98% 609,091,7	39 8.82%
Food Items Producer/Processing Industries 722,292,384 4.83% 679,979,0  Plastic Industries 447,082,894 2.99% 414,316,2  Lather & Lather Goods 49,392,710 0.33% 20,883,7  Iron, Steel and Engineering 1,179,854,216 7.89% 1,240,050,7  Chemical and Pharmaceuticals 744,646,732 4.98% 609,091,7	51 9.86%
Plastic Industries       447,082,894       2.99%       414,316,2         Lather & Lather Goods       49,392,710       0.33%       20,883,7         Iron, Steel and Engineering       1,179,854,216       7.89%       1,240,050,7         Chemical and Pharmaceuticals       744,646,732       4.98%       609,091,7	67 1.04%
Lather & Lather Goods 49,392,710 0.33% 20,883,7  Iron, Steel and Engineering 1,179,854,216 7.89% 1,240,050,7  Chemical and Pharmaceuticals 744,646,732 4.98% 609,091,7	65 4.67%
Iron, Steel and Engineering 1,179,854,216 7.89% 1,240,050,7  Chemical and Pharmaceuticals 744,646,732 4.98% 609,091,7	35 2.85%
Chemical and Pharmaceuticals 744,646,732 4.98% 609,091,7	06 0.14%
	74 8.52%
Cement/Clingker and Allied Industries 320 940 349 2 15% 319 281 1	49 4.19%
320,5 10,5 15	32 2.19%
Service Sector (Hotel, Hospital, Clinic, Tourism, etc.) 579,145,343 3.87% 535,246,3	45 3.68%
Paper, Printing & Packaging 266,904,175 1.78% 400,236,8	06 2.75%
Telecommunication and IT Industries 1,047,276,758 7.00% 933,855,3	63 6.42%
Glass and Ceramic Industries 17,615,353 0.12% 18,719,8	48 0.13%
Shipping and Building Industries 165,185,326 1.10% 341,126,2	55 2.34%
Electronics and Electrical Goods 479,083,581 3.20% 475,883,0	15 3.27%
Power, Gas, Water and Sanitary 1,081,373,275 7.23% 850,426,4	78 5.84%
Transport and Communication 370,554,670 2.48% 522,981,0	11 3.59%
Real Estate and Housing 1,117,833,228 7.47% 1,019,357,9	20 7.00%
Merchant Banking 617,257,265 4.13% 660,534,8	40 4.54%
Others 1,990,061,638 13.30% 2,346,688,2	96 16.12%
Total 14,960,169,132 100.00% 14,553,894,7	27 100.00%

### **SOURCES OF FUND**



### EARNING SPREAD

Year	Average Rate of Return	Average Cost of Borrowing	Earning Spread
2003	15.56%	8.70%	6.86%
2004	15.20%	9.85%	5.35%
2005	14.66%	11.95%	2.71%
2006	15.66%	13.18%	2.48%
2007	15.89%	12.87%	3.02%
2008	16.39%	13.27%	3.12%
2009	16.30%	12.46%	3.84%
2010	15.30%	11.14%	4.16%
2011	15.39%	13.71%	1.68%
2012	17.96%	14.82%	3.14%
2013	17.62%	13.67%	3.95%
2014	16.11%	11.33%	4.78%
2015	13.25%	10.08%	3.17%
2016	11.50%	8.31%	3.19%
2017	10.06%	7.54%	2.52%



#### Dear Shareholders,

#### Introduction

1. I have the honor to present to you the Audited Financial Statements of the Company for FY 2017 with the following integral components, namely, Balance Sheet as at 31<sup>st</sup> December 2017, Profit and Loss Account, Statement of Cash Flow, Statement of Changes in Equity for the year ended 31<sup>st</sup> December 2017, Liquidity Statement as on that date and the Auditors' observations thereon.

#### Basic Accounting Principles

- The basic accounting principles followed in the preparation of the financial statements were:
  - The Loans and Advances at gross amount are shown as 'assets' while 'Interest Suspense' and 'Loan Loss Provision' against classified advances are shown as liabilities. Interest Suspense are deducted from interest income and 'Loan Loss Provision' is shown as expenses in the Profit and Loss Account.
  - Income from Lease Finance and Direct Finance are recorded on the accrual method of accounting whereas fee-income of Structured Finance is recognized on cash basis.
  - Investment in marketable and non-marketable securities are shown at cost and separate provision made for the diminution of their value.
  - The financial statement of the Company and its subsidiaries have been consolidated in accordance with Bangladesh Financial Reporting Standards.
  - The contingent liabilities of Letters of Guarantee and LC commitments have been shown as Off-Balance Sheet items.

### Important observations of the Auditors

- 3. The Auditors' Report is unqualified. Some of their important observations were:
  - Adequate provisions have been made for advances and other assets which are doubtful of recovery.
  - The expenditure incurred was for the purpose of the Group and the Company's business and the information and explanation required they have been received

and found satisfactory.

- The Company has complied with relevant laws pertaining to Capital and Reserve and found satisfactory.
- IIDFC exercises prevailing policy or regulation while approving loan or lease.
- 80% of the risk-weighted assets have been audited spending 720 person hours for the audit.
- The internal control and the compliance of the Company is satisfactory.

#### **Economic Scenario**

- 4. The year 2017 was a mixed year of achievements and challenges for Bangladesh. One of the major achievements of the economy was a 7.28 percent economic growth in FY 2016-17 as against the target of 7.2 percent breaking the six percent cycle that continued nearly for a decade. In South Asia context, it was the highest economic growth achieved in 2017. Major boost of growth has come from the industrial sector followed by the services sector. Though financial sector has remained stable with low cost fund most of the year, in the later part of 2017 interest rates increased unexpectedly which made this sector unstable. In FY 2016-17, investment as a share of GDP went up to 30.5 percent, a marginal increase from 29 percent in FY 2015-16. The major boost came from the public sector, the investment in the private sector, however, remained more or less stagnant.
- 5. The external sector has been a source of strength for the Bangladesh economy for several years. This has changed in recent periods. Export growth in FY 2016-17 was only 1.7 percent as opposed to the target of 8 percent. The import growth, on the other hand, was at a rate higher than that of exports which led to a negative current account balance that continued during July-October of FY 2017-18. In FY 2016-17 remittance earning growth was negative at 15.9 percent despite increase in the manpower export. One important reason for low remittances was the flow of remittances through informal channels. Strong Bangladeshi Taka vis-à-vis US Dollar also played a role for low export and remittances growth.
- 6. Lastly, Bangladesh has placed significant emphasis on the growth rate of its gross domestic product while the quality and distributional aspects of GDP growth have been overlooked. Incremental benefit from such growth has accrued to the rich rather than the poor. It is disturbing to note that top 10 percent possess 38 percent of Bangladesh's total income while the bottom 10 percent only has one percent of the total income of the country. Government is now determined to reverse this trend.

### Overall Performance of IIDFC

- 7. The Company's loans and advances increased from Tk. 1,455.39 crore to Tk. 1,496.02 crore in 2017 presenting 2.79% increase. Company's operating income stood at Tk. 61.65 crore including income from investment and others of Tk. 8.15 crore registering 26.33% growth from Tk. 48.80 crore. The NPL rate was increased from 4.73% to 6.89% in 2017. Of the total investments, 20.58% was for infrastructure, 51.95% for industry, 7.00% for housing, 3.04% for agriculture and balance 17.43% were for other miscellaneous sector.
- 8. IIDFC's Profit-before-provision was Tk. 39.71 crore in 2017 as against Tk. 29.44 crore in 2016 registering 34.88% increase and Profit-after-tax was Tk.14.39 crore in 2017 as against Tk.15.93 crore in 2016 presenting 9.67% decrease. Profit-after-tax decreased due to increase in provision for loans and advances to Tk. 17.32 crore in 2017 as against Tk. 8.62 crore in 2016. The total disbursement of fund during the year was Tk. 657.16 crore as against Tk. 917.95 crore in 2016. Disbursement of fund reduced due to decreasing trend of lending rates of Banks compared to the rates offered by us. The strategy followed, like previous year, was to make short term lending of large sums to selected customers at a competitive rate by arranging matching funds at lower interest rates keeping a narrow spread of 2.00%-2.50% for IIDFC.

#### Performance of Corporate Finance Department

9. The total disbursement by the Corporate Finance Department in 2017 was Tk. 398.65 crore and at the end of the year, the corporate portfolio stood at Tk. 828.26 crore. The department took a cautious approach throughout the year giving more emphasis on credit worthiness, business reputation and financial strength of the clients. On the back of this strategy, Tk. 535 crore worth of financing facilities were approved during the year although only 74.50% of these were disbursed. The declining lending rate during the first half of the year was a contributing factor, as some clients opted for cheaper sources of funds instead of availing approved financing facilities from IIDFC. The prevailing money market situation during the latter part of the year also contributed to this trend as many of the approved facilities remained undisbursed due to shortage of funds. On the backdrop of the cumulative impact of these issues, the Corporate Finance Department's contribution to the profitability in 2017 was approximately Tk. 17.02 crore before provision and tax as against Tk. 13.01 crore in 2016.

### Performance of SME Finance Department

10. SME Department showed remarkable performance in the year 2017 through SME loan disbursement of Tk. 198.51 crore as compared to Tk. 91.87 crore in 2016 registering a growth of 116.08%. At the end of 2017, the total SME portfolio stood at Tk. 476.13 crore compared to Tk. 378.00 crore in 2016 resulting in 25.96% growth in portfolio. The profit before provision and tax of SME Department in 2017 was Tk. 10.04 crore as against Tk. 5.01 crore in 2016.

#### Performance of Structured Finance Department

11. The total disbursement of the Structured Finance Department in 2017 was Tk. 60.00 crore. They earned Tk. 104.03 million as interest income from 5 projects and Tk. 3.85 million as fee-based income. The Department earned a net spread income of Tk. 5.75 million from two IPFF participations. IIDFC also became a Partner Financial Institution (PFI) for channeling JICA's Urban Building Safety Project (UBSP) fund for RMG manufacturing units in Bangladesh.

#### Performance of Treasury Department

12. During 2017, Treasury Department mobilized funds of Tk. 570.00 crore in the form of loan from banks and deposits from the public and private institutions. Of this, Tk. 182.00 crore was from public deposits. The Department earned net interest spread of Tk. 1.55 crore by placing surplus low cost borrowed funds in the form of short term deposits at higher rates with banks and financial institutions. On the other hand, Tk. 0.13 crore earned as net interest spread through FDR placement. As per strategic plan of the management, the dependency of bank borrowing reduced to 48.41% in 2017 from 61.89% as of 2016. The public deposits on 31 December 2017 stood at Tk. 727.00 crore.

#### **Carbon Revenue**

13. The HHK brick manufacturing units under IIDFC's Clean Development Mechanism project have generated 39,910 units of Certified Emission Reductions (CERs) during the period of January-December 2017 as against 37,718 GHG emission reductions generated during 2016. At a price of USD 8.00 per unit of CER, the total foreign exchange earnings for Bangladesh on this account is expected to be USD 621,024 of which IIDFC's share will be USD 232,884. The CERs will be sold to the Asian Development Bank (ADB) under an agreement signed in 2016 and the total foreign exchange earning is expected to be received by September 2018.

#### Performance of IIDFC Securities Limited

- 14. The long-term loan of IIDFC Securities Limited (ISL) to the parent Company, which was Tk. 58.71 crore in 2016 has remained unchanged in 2017. The interest income on the outstanding loan by the parent company was Tk. 6.49 crore. The investment in securities was Tk. 30.93 crore on which the dividend income was Tk. 1.72 crore and realized capital gains was Tk. 3.01 crore resulting in a net income of Tk. 4.73 crore.
- 15. The Company, therefore, could generate after tax profit of only Tk. 0.32 crore. The retained earnings of the Company stood at Tk. 8.66 crore as against Tk. 8.35 crore

of previous year. However, as the Company did not maintain 100% provision against the negative equity, no dividend could be declared for the year 2017 as per BSEC Guidelines.

#### Performance of IIDFC Capital Limited

16. The other subsidiary, IIDFC Capital Limited, had an operating income of Tk. 5.70 crore and operating expense of Tk. 1.93 crore resulting in an operating profit before tax of Tk. 3.81 crore and the net profit after tax of Tk. 3.32 crore. The accumulated loss of the Company came down from Tk. 7.50 crore to Tk. 4.24 crore in 2017. The subsidiary Company suffered losses on account of high negative equity on margin loans and unrealized interest income. Nevertheless, the Company could reduce its loan liability to the parent Company from Tk. 4.79 crore in 2016 to Tk. 3.51 crore in 2017.

#### **Human Resources**

17. In December 2017, the number of employees of the Company was 101 as against 88 a year ago. Despite new recruitment of 20 employees in various positions, the number of employees increased by 13 due to resignation of 7 executives from Structured Finance, Treasury & Chittagang Branch. Apart from following a comprehensive recruitment process for identifying the best among the available candidates, we allow our employees to participate in training programmes offered by Bangladesh Bank, BBTA, BLFCA, BIBM, IT Bangla Ltd., INTIMATE, IDCOL, ACTIVA, BIAC, AFC Health Ltd., Infrastructure Investment Facilitation Center, Bangladesh Inspired, Bangladesh Institute for Professional Development Limited etc. During 2017, as many as 39 staff members participated in the various Training programmes, Workshop, Conference, Discussion meeting & Seminar to upgrade their professional skill and knowledge.

#### Shareholders' Equity

18. The Shareholders' Equity, which was Tk.162.37 crore on December 31, 2016, stood at Tk.170.25 crore as on December 31, 2017. The profit before provisioning increased from Tk. 29.44 crore in FY 2016 to Tk. 39.71 crore in 2017.

### Comparative Financial Performance

19. The summary of the key financials of the Company as on December 31, 2017 as compared to December 31, 2016 are as follows:

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Particulars	2017	2016
Profit before provision & tax	397,097,608	294,404,345
Less: Provision for Loans and Advances	173,219,742	86,233,744
Less: Provision for tax	80,000,000	48,899,833
Profit after provision & tax	143,877,866	159,270,768
Add: Retained earnings brought forward	203,335,141	176,918,527
Profit available for appropriation	347,213,007	336,189,295
Less: Appropriations:		
Statutory Reserve	28,775,573	31,854,154
General Reserve	1,000,000	1,000,000
Total Appropriations	29,775,573	32,854,154
Profit available for dividend distribution	317,437,434*	203,335,141
*includes Tk. 20.00 crore stock dividend for the year 2016 is still waiting for approval of BSEC.		

#### **Proposed Dividend**

20. The Directors recommended 10.00% dividend as fully paid up bonus shares (i.e. 1,000,000 numbers of shares @ Tk. 10.00 each as fully paid bonus shares) for the year 2017 subject to approval in AGM and consent of the Bangladesh Securities and Exchange Commission. However, if for any reason, the BSEC declines to approve the 20.00% stock dividend declared for the year 2016, the rate of dividend for 2017 shall be 30.00% stock dividend (i.e. 3,000,000 numbers of shares @ Tk. 10.00 each as fully paid bonus shares) for the year 2017. The percentage of the dividend calculated is based on the capital of Tk.100.00 crore as on December 31, 2017.

21. By operation of Article 99 of the Company's Articles of Association, the representative Directors of the following Companies shall stand retired from office at this 17<sup>th</sup> Annual General Meeting:

Serial	Name	Nominated by
01	Mr. Md. Matiul Islam	Self
02	Mr. Md. Sazzad Hossain	Bank Asia Limited
03	Mr. Muhammad A. (Rumee) Ali	Eastland Insurance Company Limited
04	Mr. Jamal Mohammed Abu Naser	National Life Insurance Company Limited

All of the above Directors are eligible for re-election and have expressed their interest for being re-elected as Directors. The Board may recommend for their re-appointment as Directors. The issue may be placed before the AGM for necessary approval.

#### Appointment of Auditors'

22. In its 16<sup>th</sup> Annual General Meeting, the Shareholders appointed M/s. A. Qasem & Co., Chartered Accountants, as the Auditors of the Company for the year 2017 until the conclusion of 17<sup>th</sup> Annual General Meeting. Being eligible for reappointment, the existing Auditors, M/s. A. Qasem & Co., Chartered Accountants offered themselves for reappointment. The Board recommended M/s. A. Qasem & Co., Chartered Accountants, as the Auditors of the Company until completion of the next Annual General Meeting at a remuneration of Tk. 350,000/-.

#### **Appreciation**

23. The Directors would like to express their gratitude to the esteemed shareholders, valued clients, the Bangladesh Bank, the Bangladesh Securities and Exchange Commission, the National Board of Revenue, the Registrar of Joint Stock Companies, the Dhaka Stock Exchange and other regulatory bodies for the co-operation extended to the Company during the year. The Directors also express their appreciation of the dedication and hard work of the management team and other staff members of the Company.

Thank you,

On behalf of Board of Directors

Md. Matiul Islam Chairman





## Foreword

#### Dear Stakeholders,

I have great pleasure to report that 2017 has been another successful year for IIDFC Ltd. with significant progress strategically. We successfully attained progress in different areas that will facilitate long term growth of the Company. Our loan portfolio has increased to BDT 14,960.20 million with substantial growth in SME portfolio during the period. We got regulatory approval for opening new branches in strategic locations near Dhaka-Gazipur, Keranigonj, Savar and Narayangonj. Out of four locations we opened two branches in Gazipur and Keranigonj. The other two are in good progress and will hopefully be inaugurated in the first quarter of 2018.

#### **World Economy**

The global pickup in activity that started in the second

half of 2016 gained further momentum in the first half of 2017. Global growth, which in 2016 was the weakest since the global financial crisis at 3.2 %, have grown by 3.7% in 2017. The growth forecasts for 2018 is 0.2 percentage point higher than that of 2017 which is supported by higher investment, trade and industrial production coupled with increasing business and consumer confidence. Financial condition remains buoyant across the world, and financial markets seem to be expecting little turbulence going forward, even as the Federal Reserve continues its monetary normalization process and the European Central Bank inches up to its own.

Global inflation rose in 2017, reflecting the cyclical recovery in demand and higher commodity prices. The US consumer price inflation was 2.1% in 2017, up from 1.3% in 2016, and the euro area inflation reached 1.4%

in 2017, up from 1.1 % in 2016. The recovery is also vulnerable to serious risks. In emerging and developing economies, growth was 4.2% in 2017 compared to 3.4% in 2016. In China growth was 6.5% in 2017.

The world financial markets have also seen strong growth both in developed and emerging markets. The US equity markets continued their growth momentum, shaking off political uncertainties in the wake of the 2016 elections. The tax reform package passed by the US congress in 2017 boosted the equity market owing to lower corporate tax rates.

#### **South Asian Economy**

The region's slowdown is due to both temporary shocks and long-term challenges. Regional economy growth was moderately slow to 6.9% in 2017 from 7.50% in 2016, but growth could rebound to 7.10% in 2018 with the right mix of policies and reforms.

Indian GDP growth reached 7.0% in 2017, due to surging imports and declining private investment along with the effects from withdrawing large amount of banknotes and the introduction of the goods and Services Tax (GST). However, India's growth is expected to rebound to 7.3% in 2018.

Pakistan estimated growth of 5.50% in 2018- the highest rate for the country has seen in recent years.

Sri Lanka's economic growth has reached 4.60% in 2017 and is estimated to achieve 5.00% growth in the year ahead. Maldives and Afghanistan maintained modest growth despite significant challenges.

#### **Bangladesh Economy**

The economy of Bangladesh achieved the highest GDP growth rate of 7.28% in South Asia Region in 2017 surpassing the forecasted rate of 7.20% where regional growth was 6.90%. The average growth now stands at 6.26% over past 10 years, and at 6.6% over last 5 years, showing an increasing trend in GDP growth.

The government has set a GDP growth target of 7.40% for the year 2018, which is achievable given the stable political climate. Slower export growth caused by weaker consumer demand in euro area and the United Kingdom is expected in part because the currencies of these destination markets have depreciated against the dollar. Increases in wages and continued access to credit will help to sustain private consumption. Public investment is expected to strengthen through fiscal expansion as the authorities speed up their implementation of infrastructure projects. Growth

in FY2019 is expected to rise at 7.60% as the broad momentum in the previous year continues.

Bangladesh Bank record shows that the weighted average lending rates of commercial bank and Non-Banking Financial Institution (NBFI) comes down to single digit in 2017, which was 9.93%. But there was a symptom of rising lending and deposit rate in the last quarter of 2017 which, if continues in 2018, might create instability in money market and vulnerability in investment. Bangladesh is a lower middle-income country having per capita income of USD 1610 in FY 2016-2017 up by USD 145 a year earlier and has been uplifted from least developed country status recently. But high rate of non-performing loans make the state-owned banks and a few private commercial banks vulnerable to financial stress.

#### **Business and Financial achievements**

Despite these odds and cutthroat competitive environment, IIDFC showed strong resilience and carved out a significant niche in the financial market as reflected in the Company's accounts for 2017. The company's portfolio, comprising its loan and lease, leapfrogged from BDT 14,553.89 million in 2016 to BDT 14,960.17 million in 2017 reflecting a growth of 2.79%. Operating profit increased by 34.88% and after tax net profit decreased by 9.66% in 2017 than those of last year. The NPL rate increased from 4.73% to 6.89% in the year 2017. Book value per share increased to BDT 17.03 in 2017 from 16.24 in 2016. Earnings per share and Return on Average Equity decreased to BDT 1.44 and 8.65% in 2017 from 1.59 and 9.99% respectively in the preceding year.

This spectacular success had been achieved through hard work, innovations and, most of all, strong commitment of the staff of all the departments of the Company including Corporate, SME, Structured Finance and back offices. The 2.79% growth of the Company's portfolio would signify the enormity of work and the workloads shouldered by the departments throughout the year. The Corporate portfolio reached BDT 10,167.20 million in 2017, and the corporate department's contribution to the profitability in 2017 was approximately BDT 170.20 million before provision and tax as against Tk 130.10 million in 2016, while the SME portfolio stood at BDT 4,761.30 million by the end of 2017 registering 25.96% growth.

Carbon Finance and Portfolio Management Cells also contributed significantly towards net earnings of the Company. Strong and timely Treasury support to all financing needs at a relatively cheaper cost provided the platform for the Company's successful lending operations. The Back Offices, Accounts and Finance Department in particular, contributed significantly towards bringing cost effectiveness in the Company's operations. Other departments like Deposit Mobilization, Risk Management, Legal, Internal Control and Compliance, Monitoring, IT and Human Resources Management also did their parts to end the year on a happy note.

IIDFC's two subsidiaries-IIDFC Securities Ltd. and IIDFC Capital Ltd. also marked improvement in their performance and earnings. IIDFC Capital Limited earned an operating profit before tax of BDT 38.10 million and the net profit after tax of BDT 33.15 million. The accumulated loss of the company came down from BDT 75.51 million to BDT 42.36 million in 2017 and the Company reduced loan liabilities to parent's company from 47.93 million in 2016 to 35.05 million in 2017. In IIDFC securities, the Investment was BDT 309.32 million in 2017 on which the dividend income was BDT 17.16 million and realized capital gain was BDT 30.05 million resulting in a net investment income of BDT 47.22 million. The Company generated after tax profit of only BDT 3.17 million in 2017. However, as the Company did not maintain 100% provision against the negative equity, no dividend could be declared for the year 2017 as per BSEC Guidelines. These two subsidiaries are still licking their wounds inflicted by the collapse of the capital market in 2010. The collapse not only harmed hundreds and thousands of ordinary investors but the stock brokers and merchant banks also bore the brunt arising from the debacle on account of erosion of margin loans extended to their clients. Our two Companies also could not escape the fallouts

from this catastrophe and sustained heavy losses on account of margin loans. However, performance of the two Companies during the year under review were to some extent brighter with market conditions showing a positive look and employees putting their all-out efforts to make a turnaround.

In conclusion, I take this opportunity to express my thanks and gratitude to our Board of Directors, in particular, Mr. Md. Matiul Islam, Honorable Chairman, for giving me unstinted support and guidance in all matters relating to the company's policy, operation, and business issues. On behalf of management of the Company, I express my appreciation and thanks to Bangladesh Bank, Bangladesh Securities Exchange Commission (BSEC), the Government of Bangladesh and other stakeholders for their support and cooperation. Finally, I would like to thank all our valued depositors and borrowers for their continuous support and trust in IIDFC.

Lastly, I would like to put on record my highest gratitude and thanks to the IIDFC team for their passion and effort to attain the corporate vision, mission and strategic objectives at the same time ensuring that our crore values remain consistent.

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(Md. Golam Sarwar Bhuiyan)
Managing Director



# **IIDFC Limited**



Independent Auditors' Report to the Shareholders

# Independent Auditors' Report to the Shareholders of

### INDUSTRIAL AND INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LIMITED

We have audited the accompanying consolidated financial statements of Industrial and Infrastructure Development Finance Company Limited and its subsidiaries ("the Group") as well as the financial statements of Industrial and Infrastructure Development Finance Company Limited ("the Company") which comprise the consolidated balance sheet and the separate balance sheet as at 31 December 2017 and the consolidated and separate profit & loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements of the Group and also the separate financial statements of the Company in accordance with Bangladesh Financial Reporting Standards (BFRSs) as explained in notes, the Financial Institution Act 1993, the rules and regulations issued by the Bangladesh Bank, the Securities and Exchange Rules 1987, the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements of the Group and the separate financial statements of the Company based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements of the Group and separate financial statements of the Company are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and separate financial statements of the Company. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and separate financial statements of the Company, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements of the Group and separate financial statements of the Company in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements of the Group and also separate financial statements of the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion the consolidated financial statements of the Group and also separate financial statements of the Company give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Company as at 31 December 2017, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in notes and comply with the Financial Institutions Act, 1993, the rules and regulations issued by the Bangladesh Bank, the Securities and Exchange Rules, 1987, the Companies Act, 1994 and other applicable laws and regulations.

### We also report that:

- i. we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- ii. in our opinion, proper books of account as required by law have been kept by the Group and the Company so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit, have been received from the branches not visited by us;
- iii. the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Company together with annexed notes from 1 to 43 dealt with by the report are in agreement with the books Of account and returns;
- iv. the expenditure incurred was for the purposes of the Group and the Company's business;
- v. the consolidated financial statements of the Group and the separate financial statements of the Company have been drawn up in conformity with prevailing rules, regulations and Bangladesh Financial Reporting Standards (BFRS) as explained in notes as well as with related guidance, circulars issued by Bangladesh Bank;
- vi. adequate provisions have been made for loans, leases, advances and other assets which are, in our opinion, doubtful of recovery;
- vii. the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements:
- viii. the information and explanation required by us have been received and found satisfactory;
- ix. the Company has complied with relevant laws pertaining to capital and reserves and found satisfactory;
- x. we have reviewed over 80% of the risk weighted assets of the Group and the Company, and we have spent around 720 person hours for the audit;
- xi. the internal control and the compliance of the company is satisfactory, and effective measures have been taken to prevent possible fraud, forgery and internal policies are being followed appropriately;
- xii. proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions issued by Bangladesh Bank and other regulatory authorities have been complied properly;
- xiii. taxes and other duties collected and deposited to Government treasury by the Company as per Government instructions found satisfactory;
- xiv. nothing has come to our attention that the company has adopted any unethical means i.e. "window dressing" to inflate the profit and mismatch between the maturity of assets and liabilities;
- xv. the company has complied prevailing policy or regulation while approving loan or leases to the Directors of the company;
- xvi. all other issues which are important for the stakeholders of the company have been adequately disclosed in the audit report.

Dated, Dhaka 11 June 2018 A. Qasem & Co.

**Chartered Accountants** 

### **CONSOLIDATED BALANCE SHEET**

# Industrial and Infrastructure Development Finance Company Limited Consolidated Balance Sheet

As at 31 December 2017

PROPERTY & ASSETS         Notes         31-Dec-2017         31-Dec-2016           Cash         3.a         94,094         43,           In Hand (including foreign currencies)         205,026,426         193,567,           Balance with Bangladesh Bank and its Agent Bank(s)         205,026,426         193,567,           (including foreign currencies)         4.a         4,570,454,884         800,657,           Balance with Other Banks and Financial Institutions         4,570,454,884         800,657,           Outside Bangladesh         4,570,454,884         800,657,           Money at Call and Short Notice         5         -           Investments         6.a         -           Government         937,546,325         715,559,           Others         715,559,
In Hand (including foreign currencies)  Balance with Bangladesh Bank and its Agent Bank(s) (including foreign currencies)  Balance with Other Banks and Financial Institutions Inside Bangladesh Outside Bangladesh  Money at Call and Short Notice Investments Government Others  94,094  4.3, 94,094  4.3, 94,094  4.3, 80,657, 205,120,520  193,611, 800,657, 4,570,454,884  800,657, 6.a  Covernment  6.a  715,559,
Balance with Bangladesh Bank and its Agent Bank(s) (including foreign currencies)  Balance with Other Banks and Financial Institutions Inside Bangladesh Outside Bangladesh  Money at Call and Short Notice Investments Government Others  205,120,520 193,611, 4.a 4,570,454,884 800,657, 4,570,454,884 800,657, 6.a 5 6.a 715,559,
(including foreign currencies)       205,026,426       193,567,         Balance with Other Banks and Financial Institutions       4.a         Inside Bangladesh       4,570,454,884       800,657,         Outside Bangladesh       4,570,454,884       800,657,         Money at Call and Short Notice       5       -         Investments       6.a       -         Government       937,546,325       715,559,
205,120,520   193,611,   Balance with Other Banks and Financial Institutions   4.a
Balance with Other Banks and Financial Institutions4.aInside Bangladesh4,570,454,884Outside Bangladesh4,570,454,884Money at Call and Short Notice5Investments6.aGovernment-Others937,546,325
Inside Bangladesh       4,570,454,884       800,657,         Outside Bangladesh       4,570,454,884       800,657,         Money at Call and Short Notice Investments       5       -         Government       -       -         Others       937,546,325       715,559,
Outside Bangladesh         -         4,570,454,884         800,657,           Money at Call and Short Notice         5         -           Investments         6.a         -           Government         -         -           Others         937,546,325         715,559,
Money at Call and Short Notice       5       4,570,454,884       800,657,         Investments       6.a       Covernment       937,546,325       715,559,         Others       937,546,325       715,559,
Money at Call and Short Notice 5 6.a Investments 6.a Government 937,546,325 715,559,
Investments         6.a           Government         937,546,325           Others         937,546,325
Government 937,546,325 715,559,
Others 937,546,325 715,559,
937,546,325 715,559,
Loans & Advances 7.a
Lease Receivables 2,202,514,543 2,011,561,
Advance for Lease Finance 67,789,847 89,356,
Direct/ Term Finance 12,023,496,206 11,658,033,
Secured Overdraft 7,767,161 13,249,
Bills Discounted and Purchased 36,449,271 146,660,
Margin Loans 2,470,287,746 2,522,376,
Property, Plant & Equipment 8.a 16,808,304,774 16,441,238, 25,700,776 21,989,
Intangible Asset 8.1.a 2,765,346 3,810,
Other Assets 9.a 981,520,685 973,131,
Non-Banking Assets
Total Assets 23,531,413,310 19,149,998,
LIABILITIES & CAPITAL
Borrowings from Other Banks, Financial Institutions & Agents 10.a 3,657,863,271 2,273,078, Deposits & Other Accounts 11.a
Deposits & Other Accounts  Current Deposits & Other Accounts, etc.
Bills Payable
Savings Bank Deposits
Term Deposits 15,475,051,426 12,593,121,
Bearer Certificate of Deposits
Other Deposits 3,546,201 5,475,
15,478,597,627 12,598,597,
Other Liabilities 12.a 2,630,997,996 2,629,567,
Total Liabilities 21,767,458,894 17,501,243,
Capital/ Shareholders' Equity
Paid up Capital 13 1,000,000,000 1,000,000,
Statutory Reserve 14 336,312,006 307,536,
General Reserve 15.a 65,800,000 64,800,
Other Reserve 16
Stock Dividend 17.a -
Retained Earnings 18.a 361,693,269 276,271,
Total Equity attributable to Shareholder of the Company 1,763,805,275 1,648,607,
Non-controlling Interest 18.a.3 149,139 148,
Total Liabilities & Shareholders' Equity 23,531,413,310 19,149,998,

### **CONSOLIDATED BALANCE SHEET**

### **Industrial and Infrastructure Development Finance Company Limited Consolidated Balance Sheet**

As at 31 December 2017

		Amount	in Taka
OFF-BALANCE SHEET ITEMS	Notes	31-Dec-2017	31-Dec-2016
Contingent liabilities	19		
Letters of guarantee		203,549,122	106,544,980
Letters of credit		-	-
LC Commitment		-	22,818,360
Irrevocable letter of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
		203,549,122	129,363,340
Others commitments:			
Money at call and short notice		-	-
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 including contingent liabilities		203,549,122	129,363,340

The annexed notes 1 to 43 form an integral part of these financial statements

Md. Matiul Islam Chairman

Md. Golam Sarwar Bhuiyan Managing Director

Signed as per annexed report on even date

Dated, Dhaka 11 June 2018 Md. Shamim Ahamed, FCA Company Secretary

A. Qasem & Co.

**Chartered Accountants** 

### **CONSOLIDATED PROFIT & LOSS ACCOUNT**

## Industrial and Infrastructure Development Finance Company Limited Consolidated Profit & Loss Account

For the year ended 31 December 2017

		Notes	Amount	in Taka
		Notes	31-Dec-2017	31-Dec-2016
A.	OPERATING INCOME			
	Interest income	20.a	1,635,987,692	1,484,966,182
	Interest paid on deposits, borrowings etc.	21.a	(1,116,312,529)	(1,151,096,368)
	Net interest income		519,675,164	333,869,814
	Income from investment	22.a	159,187,969	163,767,421
	Commission, exchange and brokerage	23.a	100,855,745	53,212,526
	Other operating income	24.a	13,733,980	67,530,814
	Total operating income		793,452,858	618,380,575
	ODED ATIALS EVERALSES			
В.	OPERATING EXPENSES Salaries & allowances	25.a	183,762,864	155,932,161
	Rent, taxes, insurance, electricity etc.	26.a	43,529,791	38,093,467
	Legal expenses	27.a	7,034,925	5,740,200
	Postage, stamp, telecommunications etc.	28.a	5,016,673	5,194,332
	Stationery, printing, advertisement etc.	29.a	4,810,146	4,810,641
	Managing director's salary and fees	30	8,926,780	9,383,039
	Directors' fees	31.a	696,000	1,071,827
	Auditor's fees	32.a	649,750	598,500
	Loans & advances written-off	33.a	24,162,332	12,179,362
	Repair, depreciation and amortization of company's assets	34.a	12,598,902	13,248,999
	Other expenses	35.a	37,281,369	28,685,996
	Total operating expenses		328,469,532	274,938,525
C.	Profit before provision (A-B)		464,983,326	343,442,051
D.	Provision for loans & advances	36.a		
	Specific provision		199,237,549	54,418,345
	General provision		(31,059,009)	28,686,339
	Provision for diminution in value of investments		9,957,935	(27,360,138)
	Other provision	12.1	-	-
	Total provision		178,136,475	55,744,546
E.	Profit before taxes (C-D)		286,846,851	287,697,505
F.	Provision for tax:			
	Current tax	37.a	105,018,684	63,310,595
	Deferred tax		1,629,583	(1,600,167)
	Total provision		106,648,267	61,710,428
G	Profit/(Loss) after taxes (E-F)		180,198,584	225,987,077
	Attributable to:		100 100 601	225 070 152
	Shareholders of the company		180,188,601	225,978,153
	Non-controlling interest		9,983 <b>180,198,584</b>	8,924 <b>225,987,077</b>
	Less: Appropriations			
	Statutory reserve		28,775,573	31,854,154
	General reserve		1,000,000	1,000,000
	Detained assessing		29,775,573	32,854,154
	Retained surplus		150,413,027	193,124,000
	Earnings per share (EPS)	38.a	1.80	2.26

The annexed notes 1 to 43 form an integral part of these financial statements

**Md. Matiul Islam** Chairman

Md. Golam Sarwar Bhuiyan Managing Director

Signed as per annexed report on even date

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Md. Shamim Ahamed, FCA Company Secretary



Dated, Dhaka 11 June 2018

IIDFC LIMITED ■ ANNUAL REPORT 2017

### **CONSOLIDATED STATEMENT OF CASH FLOWS**

Amount in Taka

## Industrial and Infrastructure Development Finance Company Limited Consolidated Statement of Cash Flows

For the year ended 31 December 2017

		Amount	III laka
		31-Dec-2017	31-Dec-2016
CASH FLOW FROM OPERATING ACTIVI	TIFS		
Interest receipts in cash		1,635,858,786	1,480,122,660
Interest receipts in eash		(1,192,017,487)	(1,042,872,261)
Dividend receipts in cash			
		35,342,858	31,594,903
Fees and commission receipts in cash		100,855,745	53,212,526
Cash payments to employees		(192,689,644)	(165,315,200)
Cash payments to suppliers		(9,826,819)	(10,004,973)
Income taxes paid		(71,692,723)	(86,530,920)
Receipts from other operating activities	;	15,340,383	174,889,333
Payments for other operating activities		(92,440,687)	(76,286,895)
Cash generated from operating activiti	ies	228,730,412	358,809,173
Increase/(decrease) in operating asset Statutory deposits	s and liabilities		
Loans, advances & Investment		2,926,231,654	(3,474,844,946)
Other assets		(145,210,548)	(233,367,174)
Borrowings from bank		(2,035,215,397)	(1,265,303,901)
Deposits from other banks/FI		2,050,685,929	2,556,594,053
Deposits from customers			
		829,314,681	721,301,453
Other liabilities		77,874,249 <b>3,703,680,568</b>	138,628,063 (1,556,992,453)
Net Cash from Operating Activities		3,932,410,980	(1,198,183,279)
		3,932,410,960	(1,130,103,273)
CASH FLOW FROM INVESTING ACTIVIT	TIES:		
Proceeds from sale of securities		81,621,978	18,026,185
Payments for purchase of securities		(221,987,299)	1,243,456,059
Purchase of property, plant and equipm	nent	(12,173,496)	(10,226,830)
Payment against lease obligation		(738,631)	(1,774,127)
Proceeds from sale of property, plant ar	nd equinment	2,172,904	3,883,460
Net cash used in investing activities	ia equipment	(151,104,545)	1,253,364,748
CASH FLOW FROM FINANCING ACTIVI	TIFE		
Dividend paid	IIES		(100,000,000)
		_	
Net cash from financing activities		-	(100,000,000)
Net increase/(decrease) in cash and ca		3,781,306,435	(44,818,531)
Effects of exchange rate changes on ca		-	-
Cash and cash equivalents at beginning		994,268,968	1,039,087,500
Cash and cash equivalents at end of the	he year (D+E+F)	4,775,575,404	994,268,968
Cash and cash equivalents at end of the	ho woor		
Cash in hand	ne year	04.004	12 107
		94,094	43,487
Balance with Bangladesh Bank and its a		205,026,426	193,567,640
Balance with other banks and financial Money at call and short notice	Institutions	4,570,454,884	800,657,841
iviolity at call and SHOLL HOUSE		4,775,575,404	994,268,968
		, .,,	

Md. Matiul Islam Chairman

Md. Golam Sarwar Bhuiyan Managing Director

Signed as per annexed report on even date

Dated, Dhaka 11 June 2018



Md. Shamim Ahamed, FCA
Company Secretary



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# **CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

# Industrial and Infrastructure Development Finance Company Limited **Consolidated Statement of Changes in Equity**

For the Year ended 31 December 2017

Amount in Taka

Particulars	Paid-up Capital	Paid-up Capital Statutory Reserve	General Reserve	Stock Dividend	Retained Earnings	Non-controlling Interest	Total
Balance as on 1 January, 2017	1,000,000,000	307,536,433	64,800,000	I	276,271,318	148,080	1,648,755,831
Changes in accounting policy	1	1	1	1	1	1	1
Restatement for non-divisible profit	1	ı	1	1	(65,000,000)	1	(65,000,000)
Restated balance	1,000,000,000	307,536,433	64,800,000	ı	211,271,318	148,080	1,583,755,831
Surplus/(deficit) on account of revaluation of properties	1	1	1	1	1	1	1
Surplus/(deficit) on account of revaluation of investments	1	1	1	1	1	1	1
Currency translation differences	1	ı	1	1	1	1	1
Net gains and losses not recognized in income statement	1	1	1	ı	1	1	1
Net profit for the year	1	1	1	1	180,198,584	1	180,198,584
Adjustment/Transfer to non-controlling Interest	1	ı		1	(1,059)	1,059	1
Dividend (Cash)	1	1	1	ı	1	1	1
Appropriations made during the year	1	28,775,573	1,000,000	-	(29,775,573)	1	1
Balance as at 31 December, 2017	1,000,000,000	336,312,006	65,800,000	•	361,693,269	149,139	149,139 1,763,954,415

**Md. Matiul Islam** Chairman

Dated, Dhaka 11 June 2018

Md. Golam Sarwar Bhuiyan Managing Director

Md. Shamim Ahamed, FCA Company Secretary

### **BALANCE SHEET**

# Industrial and Infrastructure Development Finance Company Limited Balance Sheet

As at 31 December 2017

		Amount	in Taka
PROPERTY & ASSETS	Notes	31-Dec-2017	31-Dec-2016
Cash	3		
In Hand (including foreign currencies)		49,519	10,480
Balance with Bangladesh Bank and its Agent Banks		-	-
(including foreign currencies)		205,026,426	193,567,640
		205,075,945	193,578,120
Balance with Other Banks and Financial Institutions	4		
Inside Bangladesh		4,451,075,624	559,137,115
Outside Bangladesh		-	-
		4,451,075,624	559,137,115
Money at Call and Short Notice	5	-	-
Investments	6		
Government		-	-
Others		578,196,630	401,848,005
		578,196,630	401,848,005
Loans & Advances	7		
Lease Receivables		2,202,514,543	2,011,561,433
Advance for Lease Finance		67,789,847	89,356,347
Direct/ Term Finance		12,645,648,310	12,293,066,917
Secured Overdraft		7,767,161	13,249,569
Bills Discounted and Purchased		36,449,271	146,660,461
		14,960,169,132	14,553,894,727
Property, Plant & Equipment	8	20,954,304	16,270,604
Intangible Asset	8.1	2,667,805	3,650,740
Other Assets	9	2,214,916,563	2,250,834,751
Non-Banking Assets		-	-
Total Assets		22,433,056,003	17,979,214,063
LIABILITIES & CAPITAL			
Borrowings from Other Banks, Financial Institutions & Agents	10	3,657,863,271	2,250,062,386
Deposits & Other Accounts	11		
Current Deposits & Other Accounts, etc.		-	-
Bills Payable		-	-
Savings Bank Deposits		-	-
Term Deposits		15,475,051,426	12,567,048,427
Bearer Certificate of Deposits		-	-
Other Deposits		3,546,201	5,475,879
		15,478,597,627	12,572,524,306
Other Liabilities	12	1,594,045,664	1,532,955,797
Total Liabilities		20,730,506,562	16,355,542,489
Capital/ Shareholders' Equity			
Paid-up Capital	13	1,000,000,000	1,000,000,000
Statutory Reserve	14	336,312,006	307,536,433
General Reserve	15	48,800,000	47,800,000
Other Reserve	16	-	-
Proposed Stock Dividend	17	-	-
Retained Earnings	18	317,437,434	268,335,141
Total Shareholders' Equity		1,702,549,440	1,623,671,574
Total Liabilities & Shareholders' Equity		22,433,056,003	17,979,214,063

### **BALANCE SHEET**

# Industrial and Infrastructure Development Finance Company Limited Balance Sheet

As at 31 December 2017

	Notes	Amount	in Taka
OFF-BALANCE SHEET ITEMS	Notes	31-Dec-2017	31-Dec-2016
Contingent liabilities	19		
Letters of guarantee		203,549,122	106,544,980
LC Commitment		-	22,818,360
Letters of credit		-	-
Irrevocable letter of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
		203,549,122	129,363,340
Others commitments:			
Money at call and short notice		-	-
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 including contingent liabilities		203,549,122	129,363,340

The annexed notes 1 to 43 form an integral part of these financial statements

Md. Matiul Islam

Chairman

Md. Golam Sarwar Bhuiyan Managing Director

Signed as per annexed report on even date

Dated, Dhaka 11 June 2018 Md. Shamim Ahamed, FCA

Company Secretary

A. Qasem & Co.
Chartered Accountants

### **PROFIT & LOSS ACCOUNT**

### **Industrial and Infrastructure Development Finance Company Limited**

### **Profit & Loss Account**

For the year ended 31 December 2017

			Amount	in Taka
		Notes	31-Dec-2017	31-Dec-2016
A.	OPERATING INCOME			
	Interest income	20	1,651,137,980	1,431,704,551
	Interest paid on deposits, borrowings etc.  Net interest income	21	(1,116,167,739) <b>534,970,242</b>	(1,144,518,371) <b>287,186,180</b>
	Income from investment	22	70,095,432	149,070,689
	Commission, exchange and brokerage Other operating income	23 24	11,400,159	51,732,129
	Total Operating Income	24	616,465,833	487,988,998
В.	OPERATING EXPENSES			
	Salaries & allowances	25	135,399,255	117,093,843
	Rent, taxes, insurance, electricity etc.	26 27	25,320,490	21,735,605
	Legal expenses Postage, stamp, telecommunications etc.	28	5,761,025 2,930,673	5,451,200 3,090,494
	Stationery, printing, advertisement etc.	29	4,408,167	4,527,108
	Managing director's salary and fees	30	8,926,780	9,383,039
	Directors' fees	31	576,000	882,800
	Auditor's fees	32	373,750	345,500
	Repair, depreciation and amortization of company's assets	34	10,240,144	9,770,138
	Other expenses	35	25,431,941	21,304,926
	Total operating expenses		219,368,225	193,584,654
C.	Profit/(Loss) before provision (A-B)		397,097,608	294,404,345
D.	Provision for loans & advances	36		
	Specific provision		199,237,549	54,418,345
	General provision	12.1	(31,059,009)	59,459,839
	Provision for diminution in value of investments  Total provision	12.1	5,041,202 <b>173,219,742</b>	(27,644,440) <b>86,233,744</b>
	iotal provision		1/3,213,/42	80,233,744
E.	Profit/(Loss) before taxes (C-D)		223,877,866	208,170,601
F.	Provision for tax			
	Current tax	37	78,363,740	50,500,000
	Deferred tax	37.2	1,636,260 <b>80,000,000</b>	(1,600,167) <b>48,899,833</b>
	Total provision		80,000,000	48,899,833
G.	Profit after tax		143,877,866	159,270,768
	Less: Appropriations Statutory reserve		20 775 572	31,854,154
	General reserve		28,775,573 1,000,000	1,000,000
	General reserve		29,775,573	32,854,154
	Retained surplus		114,102,293	126,416,614
	Earnings per share (EPS)	38	1.44	1.59

The annexed notes 1 to 43 form an integral part of these financial statements

**Md. Matiul Islam** Chairman Md. Golam Sarwar Bhuiyan Managing Director Md. Shamim Ahamed, FCA Company Secretary

Signed as per annexed report on even date

Dated, Dhaka 11 June 2018



### STATEMENT OF CASH FLOWS

# Industrial and Infrastructure Development Finance Company Limited Statement of Cash Flows

For the year ended 31 December 2017

	Amoun	t in Taka
	31-Dec-2017	31-Dec-2016
CASH FLOW FROM OPERATING ACTIVITIES		
Interest receipts in cash	1,651,009,074	1,426,861,029
Interest payments in cash	(1,193,265,901)	(1,035,548,371)
Dividend receipts in cash	16,612,427	17,146,318
Cash payments to employees	(144,326,035)	(126,476,882)
Cash payments to comployees  Cash payments to suppliers	(7,338,840)	(7,617,602)
Income taxes paid	(41,110,450)	(74,840,086)
Receipts from other operating activities	13,006,560	159,090,646
Payments for other operating activities	(60,228,206)	(51,101,318)
Cash generated from operating activities	234,358,629	307,513,734
	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,,,,,,,
Increase/(decrease) in operating assets and liabilities Statutory deposits		
Loans and advances to other banks	_	_
Loans and advances to other customers	(473,755,882)	(3,813,403,167)
Other assets	12,157,544	(22,840,160)
Borrowings from Banks	1,406,249,957	(1,133,187,716)
Deposits and Borrowings from other Banks/FI	2,050,685,929	2,556,594,053
Deposits from customers	855,387,392	696,908,471
Other liabilities	(45,063,965)	91,173,380
Other habilities	3,805,660,974	(1,624,755,140)
Net cash from operating activities	4,040,019,603	(1,317,241,406)
CASH FLOW FROM INVESTING ACTIVITIES		
Investments In Subsidiary		
Proceeds from sale of securities	51,567,694	23,301,102
Investment in securities	(176,171,311)	1,182,809,863
Purchase of property, plant and equipment	(11,398,692)	(10,202,080)
Payment against lease obligation	(738,631)	(10,202,080)
Proceeds from sale of property, plant and equipment	157.670	1.291.500
Net cash used in investing activities	(136,583,270)	1,195,426,258
CACH FLOW FROM FINANCING ACTIVITIES		
CASH FLOW FROM FINANCING ACTIVITIES Dividend paid		(100,000,000)
Issuance of shares	-	(100,000,000)
Net cash from financing activities	-	(100,000,000)
-		
Net increase/(decrease) in cash and cash equivalents (A+B+C)	3,903,436,333	(221,815,146)
Effects of exchange rate changes on cash and cash equivalents	752 745 225	074 520 202
Cash and cash equivalents at beginning of the year	752,715,235	974,530,382
Cash and cash equivalents at end of the year (D+E+F)	4,656,151,569	752,715,235
Cash and cash equivalents at end of the year		
Cash in hand	49,519	10,480
Balance with Bangladesh Bank and its agents bank(s)	205,026,426	193,567,640
Balance with other banks and financial institutions	4,451,075,624	559,137,115
Money at call and short notice	4 656 151 560	752,715,235
	4,656,151,569	/52,/15,235

**Md. Matiul Islam** Chairman

Md. Golam Sarwar Bhuiyan Managing Director

Signed as per annexed report on even date

Dated, Dhaka 11 June 2018

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Md. Shamim Ahamed, FCA

Company Secretary

IIDFC LIMITED ■ ANNUAL REPORT 2017

### **STATEMENT OF CHANGES IN EQUITY**

### **Industrial and Infrastructure Development Finance Company Limited Statement of Changes in Equity**

For the year ended 31 December 2017

### **Amount in Taka**

	Paid-up	Statutory	General	Retained	
Particulars Particulars	Capital	Reserve	Reserve	Earnings	Total
Balance as on 1 January, 2017	1,000,000,000	307,536,433	47,800,000	268,335,141	1,623,671,574
Changes in accounting policy	-	-	-	-	-
Restatement for non-divisible profit	-	-	-	(65,000,000)	(65,000,000)
Restated balance	1,000,000,000	307,536,433	47,800,000	203,335,141	1,558,671,574
Net profit for the year	-	-	-	143,877,866	143,877,866
Dividend (Cash)	-	-	-	-	-
Appropriations made during the year	-	-	-	-	-
Transferred to statutory reserve		28,775,573		(28,775,573)	-
Transferred to general reserve			1,000,000	(1,000,000)	-
Balance as at 31 December, 2017	1,000,000,000	336,312,006	48,800,000	317,437,434	1,702,549,440

Md. Matiul Islam Chairman

Md. Golam Sarwar Bhuiyan

Managing Director

Md. Shamim Ahamed, FCA Company Secretary

Dated, Dhaka 11 June 2018

# **LIQUIDITY STATEMENT**

# Industrial and Infrastructure Development Finance Company Limited **Liquidity Statement**

As at 31 December 2017

						Amount in Taka
Particulars	Up to 1 month maturity	1-3 months maturity	3-12 months maturity	1-5 years maturity	More than 5 years maturity	Total
ASSETS:						
Cash	49,519	1	1	1	1	49,519
Balances with Bangladesh Bank	205,026,426	1	1	1	1	205,026,426
Balances with other Banks	118,770,036	1,980,878,627	1,652,765,125	698,661,835	ı	4,451,075,624
Money at Call and on Short Notice		1	1	1	1	1
Investments	204,205,061	132,131,539	152,845,824	89,014,207	1	578,196,630
Loans and Advances	1,567,772,161	3,561,036,585	5,154,618,227	3,455,253,539	1,221,488,620	14,960,169,132
Property, Plant & Equipment	1,375,368	4,360,066	8,283,246	6,935,623	1	20,954,304
Intangible Asset (Computer Software)	158,784	485,504	1,271,285	752,232	ı	2,667,805
Other Assets	184,853,648	360,398,765	745,372,193	473,655,385	450,636,572	2,214,916,563
Total assets	2,282,211,003	6,039,291,086	7,715,155,901	4,724,272,822	1,672,125,192	22,433,056,003
LIABILITIES:						
Borrowing from other banks, Fin. Ins. & Agents	1,132,652,372	771,107,616	926,629,402	187,209,436	640,264,445	3,657,863,271
Deposit and other accounts	843,607,775	4,193,205,192	5,928,616,212	3,971,713,587	541,454,862	15,478,597,627
Provision and other liabilities	102,035,743	307,795,531	354,746,331	229,654,821	599,813,238	1,594,045,664
Total liabilities	2,078,295,889	5,272,108,338	7,209,991,945	4,388,577,844	1,781,532,545	20,730,506,562
Net liquidity gap	203,915,114	767,182,747	505,163,955	335,694,977	(109,407,353)	1,702,549,440

**Md. Matiul Islam** Chairman

Md. Golam Sarwar Bhuiyan Managing Director

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Md. Shamim Ahamed, FCA Company Secretary

> Dated, Dhaka 11 June 2018

### **Industrial and Infrastructure Development Finance Company Limited**

### **Notes to the Financial Statements**

As at and for the year ended 31st December 2017

### 1.0 Reporting entity

### 1.01 Company's profile

Industrial and Infrastructure Development Finance Company (IIDFC) Limited, a public limited company was incorporated on 19th December 2000 as a development financial institution to boost investment specially in the spectrum of industrial and infrastructure development. The Company was licensed by Bangladesh Bank on the 23rd January 2001 to start financing business in Bangladesh. The registered office of the Company is situated at Chamber Building (6th &7th Floor), 122-124, Motijheel C/A, Dhaka-1000, Bangladesh.

### 1.02 Nature of business of the company

IIDFC offers financial services that include promotion and term financing of financially viable industrial undertakings & infrastructure projects, lease financing for all type of machineries and equipments including vehicles for industrial and commercial purposes, financial packaging for syndicated fund arrangement including cross-border syndication, acquisition or takeover of public sector enterprises, financial or otherwise, stated for privatization and SME financing.

### 1.03 Information regarding subsidiaries

### **IIDFC Securities Limited**

IIDFC Securities Limited (the Company), a wholly owned subsidiary company of Industrial and Infrastructure Development Finance Company (IIDFC) Limited was incorporated as a private limited company in Bangladesh bearing certificate of incorporation no. C-83521/10 dated 28/03/2010 under the Companies Act 1994 having its registered office at Eunoos Trade Centre (Level 7), 52-53 Dilkusha Commercial Area. Dhaka.

The main objectives of the Company for which it was established are to carry out of the business of securities management and stock brokerage, custodian services, investment and asset management, portfolio management, capital market operations and other non-banking financial services including advisory services, mergers and acquisitions, equity investment, joint venture sourcing, corporate finance and restructuring, financial and socio economic consultancy, corporate research and project, studies, privatization and other related services

### **IIDFC Capital Limited**

IIDFC Capital Limited (the Company) is a private company, limited by shares was incorporated in Bangladesh on 30th November 1995 vide certificate of incorporation no.

C-H.C 2097 in the name of South Asia Capital Limited which was acquired by Industrial and Infrastructure Development Finance Company (IIDFC) Limited a non-banking financial institution on 10th December 2009 and renamed as IIDFC Capital Limited. The principal activities of the Company for which it was established include the business of issue management, portfolio management, corporate counseling, investment counseling, capital structuring, etc.

### 2.0 Significant accounting policies and basis of preparation of financial statements

### 2.01 Basis of preparation

The Financial Statements have been prepared on the basis of going concern concept and basically on accrual method under historical cost convention in accordance with Generally Accepted Accounting Principles (GAAP) and after due compliance with International Accounting Standards(IAS)/International Financial Reporting Standards (IFRS) so far adopted in Bangladesh as Bangladesh Accounting Standards (BAS)/Bangladesh Financial Reporting Standards(BFRS) by the Institute of Chartered Accountants of Bangladesh (ICAB), the Financial Institution Act 1993, the Companies Act 1994 and other applicable laws and regulations.

### Statement of compliance

The consolidated financial statements of the company have been prepared in accordance with BFRS as adopted by the ICAB and as per the requirements of DFIM circular No. 11 dated 23 December 2009 issued by the Department of Financial Institution and Markets of Bangladesh Bank.

The Group and the financial institution have departed from those contradictory requirements of BFRSs in order to comply with the rules and regulations of Bangladesh Bank which are disclosed below:

### 2.01.01 Investments in shares and securities

### BFRS:

As per requirements of BAS 39 'Financial Instruments: Recognition and Measurement' investments in shares and securities generally falls either under "at fair value through Profit and Loss Account" or under "available for sale" where any change in the fair value at the year-end is taken to Profit and Loss Account or Revaluation Reserve Account respectively.

### Bangladesh Bank:

As per FID circular No. 08 dated 03 August 2002 of Bangladesh Bank investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited statements of financial position (balance sheet) respectively. Provision should be made for any loss arising from diminution in value of investments.

### 2.01.02 Provision on loans and advances

### RFRS.

As per BAS 39 an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets which are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

### Bangladesh Bank:

As per FID circular No. 08 dated 03 August 2002, FID circular No. 03, dated 03 May 2006 and FID circular No. 03, dated 29 April 2013 a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans/special mention account) has to be maintained.

### 2.01.03 Financial instruments - presentation and disclosure

In several cases Bangladesh Bank guidelines categorise, recognize, measure and present financial instruments differently from those prescribed in BAS 39. As such some disclosure and presentation requirements of BFRS 7 'Financial Instruments: Disclosures' and BAS 32 'Financial Instruments: Presentation' cannot be made in the accounts.

### 2.01.04 Financial guarantees

### BFRS:

As per BAS 39 financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognized initially at their fair value, and the initial fair value is amortized over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

### Bangladesh Bank:

As per the requirements of DFIM circular No. 11 dated 23 December 2009, financial guarantees such as L/C, L/G will be treated as off balance sheet items. No liability is recognized for the guarantee except the cash margin.

### 2.01.05 Cash and cash equivalents

### BFRS:

Cash and cash equivalents items should be reported as cash item as per BAS 7 'Statement of Cash Flows'.

### Bangladesh Bank:

Some cash and cash equivalent items such as 'money at call and on short notice', T-bills, Prize bond are not shown as cash and cash equivalent. Money at call and on short notice is shown as face item in statement of financial position and T-bills, Prize bonds are shown in Investment.

### 2.01.06 Non-Banking assets

As per the requirements of DFIM circular No. 11 dated 23 December 2009, non- banking assets generally arises from nonpayment of receivables (claims) by/from clients which is to be presented separately mentioning the holding period of each types of asset. Presented value of non banking assets will not be more than market price of them and income generating non banking assets will have to be presented separately in the Financial Statements.

### 2.01.07 Statement of cash flows

### BFRS:

Statement of cash flows can be prepared either in "Direct Method" or "Indirect Method". The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

### Bangladesh Bank:

As per the requirements of DFIM circular No. 11 dated 23 December 2009, statement of cash flows is a mixture of direct and indirect method

### 2.01.08 Balance with Bangladesh Bank (CRR)

### BFRS:

Balance with Bangladesh Bank should be treated as other assets as it is not available for use in day to day operations as per BAS 7. Bangladesh Bank:

Balance with Bangladesh Bank is treated as cash and cash equivalents.

### 2.01.09 Off-balance sheet items

### BFRS:

There is no concept of off balance sheet items in any BFRS; hence there is no requirement of disclosure relating to such items.

### Bangladesh Bank:

As per the requirements of DFIM circular No. 11 dated 23 December 2009, off balance sheet items e.g. L/C, L/G must be disclosed separately in the face of the statement financial position (balance sheet).

### 2.01.10 Disclosure of appropriation of profit

### BFRS:

There is no requirement to show appropriation of profit in the face of the statement of comprehensive income.

### Bangladesh Bank:

As per the requirements of DFIM circular No. 11 dated 23 December 2009, an appropriation of profit should be disclosed in the face of statement of comprehensive income.

### 2.01.11 Other comprehensive income

### BFRS:

As per BAS 1 'Presentation of Financial Statements', Other Comprehensive Income is a component of financial statements or the elements of Other Comprehensive Income are to be included in a separate Other Comprehensive Income (OCI) Statement.

### Bangladesh Bank:

Bangladesh Bank has issued templates for financial statements which will strictly be followed by all financial institutions. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income; and the elements of Other Comprehensive Income are also not allowed to be included in a single Other Comprehensive Income (OCI) Statement. As such the company does not prepare the Other Statement of Comprehensive Income. However elements of OCI, if any, are shown in the statement of changes in equity.

### 2.01.12 Loans and advance net of provision

### BFRS:

Loans and advances should be presented as net of provisions.

### Bangladesh Bank:

As per the requirements of DFIM circular No. 11 dated 23 December, 2009, provision on loans and advances are presented separately as liability and cannot be netted off against loans and advances.

[Also refer to Note-2.17 Compliance of Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs)]

### 2.02 Basis of consolidation

The financial statements of the company and its subsidiaries have been consolidated in accordance with Bangladesh Financial Reporting Standards10 'Consolidated Financial Statements'.

All intra-group balances, transactions, income and expenses are eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The total profits of the company and its subsidiaries are shown in the consolidated Profit and Loss Account with the proportion of profit after taxation pertaining to minority shareholders being deducted as Minority Interest.

All Assets and Liabilities of the company and its subsidiaries are shown in the consolidated Balance Sheet. The interest of non-controlling shareholder of the subsidiaries are shown separately in the consolidated Balance Sheet under the heading Minority Interest.

### 2.03 Integral components of financial statements

The Financial Statements comprise of (As per DFIM Circular No. 11, Dated 23 December 2009).

- a) Consolidated and Separate Balance Sheet as at 31 December 2017;
- b) Consolidated and sepatrate profit and loss Account for the year ended 31 December 2017;
- c) Consolidated and Separate Statement of Cash Flows for the year ended 31 December 2017;
- d) Consolidated and Separate Statement of Changes in Equity for the year ended 31 December 2017;
- e) Liquidity Statement for the year ended 31 December 2017;
- f) Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2017.

### 2.04 Use of estimate & judgments

The preparation of Financial Statements inconformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the Financial Statements.

Provisions and accrued expenses are recognized in the Financial Statements in line with the Bangladesh Accounting Standard (BAS) No. 37 'Provisions, Contingent Liabilities and Contingent Assets' when:

- a) the company has a present obligation, legal or constructive result of a past event,
- b) it is probable that an outflow of resources embodying economic benefits will be required to settle that obligation; and
- c) a reliable estimate can be made of the amount of the obligation.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which from the basis of making the judgments about carrying values of assets and liabilities which are not readily apparent from other sources. Actual results may differ from these estimates. However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the period in which the estimates are revised.

### 2.05 Statement of cash flows

The statement of cash flows has been prepared using the Direct Method as mention in line with Bangladesh Accounting Standard 7'Statement of cash flows'.

### 2.06 Consistency

In accordance with the IFRS framework for the presentation of Financial Statements together with Bangladesh Accounting Standard 1 'Presentation of Financial Statements 'and Bangladesh Accounting Standard 8 'Accounting Policies, Changes in Accounting Estimates and Errors', IIDFC Ltd. applies the accounting disclosure principles consistently from one period to the next.

### 2.07 Reporting period

These Financial Statements cover one calendar year from January 01 to December 31, 2017.

### 2.08 Presentation currencies

The figures of the financial statements are presented in Bangladeshi Currency (BDT) and have been rounded off to the nearest integer.

### 2.09 Books of accounts of branch (including Corporate Branch)

The Company has 7 (seven) branches including head office (principal branch) so far as on 31 December, 2017. Books of Accounts of the branches are maintained at the Head Office of the Company.

### 2.10 Assets and basis of their valuation

### 2.10.01 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with Bangladesh Bank highly liquid financial assets.

### 2.10.02 Investment in securities

Investment in marketable ordinary shares as well as investment in non-marketable shares have been shown at cost. Adequate provision for diminution in value of shares has been made as per Bangladesh Bank guidelines. Market value of securities has been determined on the basis of the value of securities at the last trading day of the period (last trading day for the year was 31st December, 2017).

### 2.10.03 Loans, advances and provisions

Loans and advances are stated at gross amount. General provisions on unclassified loans and Off-Balance Sheet Items, specific provisions for classified loans and interest suspense account thereon are shown under other liabilities. Provision is made on the basis of quarter end against classified loans and advances review by the management and instruction contained in FID Circular no. 08 dated 3 August 2002, FID circular no. 03 and dated 03 May 2006.

### a) Interest on loans and advances

Interest is calculated on a daily product basis but charged and accounted for on accrual basis. Interest is calculated on unclassified loans and advances and recognized as income during the year. Interest on classified loans and advances is kept in suspense account as per Bangladesh Bank instructions and such interest is not accounted for as income until realized from borrowers. Interest is not charged on bad and loss loans as per guidelines of Bangladesh Bank.

### b) Provision for loans and advances

Provision for loans and advances are made on quarter basis as well as year-end review by management following instructions contained in FID circular No. 08 dated 03 August 2002, FID circular No. 03, dated 03 May 2006 and FID circular No. 03, dated 29 April, 2006 issued by Bangladesh Bank. General Provision on unclassified loans and advances and specific provision on classified loans & advances are maintained as per circular issued by Bangladesh Bank as mentioned above at the rate of 0.25% for standard-SME, 1% for standard, 5% for SMA, 20% for SS and 50% for DF and 100% for BL.

### c) Presentation of loans and advances

Loans and advances are shown at gross amount as assets while interest suspense and loan loss provision against classified advances are shown as liabilities in the statement of financial position.

### d) Write off loans and advances

Loans and advances/investments are written off as per guidelines of Bangladesh Bank. These written off however will not undermine/ affect the claim amount against the borrower. Detailed memorandum records for all such written off accounts are meticulously maintained and followed up.

### e) Securities against loan

Working capital and trading loan: Goods are taken as security in the form of pledge and hypothecation along with land and building if any, as mortgage.

House building loan: Land and building are taken as security in the form of martgage.

Overdraft: FDRs are taken as pledge against the loans taken by clients against their Fixed Deposits.

Public sector loan: In most cases Govt. Guarantee is taken and no other security is taken for government loan and agricultural.

### 2.10.04 Property, plant and equipment

### 2.10.04.01 Owned assets

Own property, plant and equipment are stated at cost less accumulated depreciation. The cost of an asset comprises its purchase price and any directly attributable costs associated with bringing the assets to its working condition for its intended use as per Bangladesh Accounting Standard 16 'Property, Plant and Equipment'.

### 2.10.04.02 Leased assets

Leasehold assets are accounted for as Finance Lease and capitalized at the inception of the lease at the fair value of the leased property or at the present value of the minimum lease payments, whichever is lower as per Bangladesh Accounting Standard 17 'Leases'. The corresponding obligation under the lease is accounted for as Liability.

### 2.10.04.03 Subsequent expenditure on property, plant and equipment

Subsequent expenditure is capitalized only when it increases the future economic benefits from the assets. All other expenditures are recognized as an expense as and when they are incurred.

### 2.10.04.04 Depreciation on property, plant & equipment

Depreciation on fixed assets is charged consistently on straight-line method at following rates throughout the estimated useful life of the assets. On newly acquired assets depreciation is charged for the full year irrespective of date of acquisition while no depreciation is charged on the assets disposed of during the year.

SI. No.	Category of Fixed assets	Rate of Depreciation
1	Motor vehicles	20%
2	Furniture & fixtures	10%
3	Office equipment	18%

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the concerned asset and is recognized accordingly in the Statement of Comprehensive Income (Profit and Loss Account).

### 2.10.04.05 Intangible assets

The Company's intangible assets include the value of computer software.

An intangible asset is recognized only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and they are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is presented as a separate line item in the statement of comprehensive income (profit and loss account).

Amortization is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives, like software is amortized over 5 years 6 months.

### 2.10.04.06 Other assets

Other assets include all other financial assets and fees and unrealized income receivable, advance for operating and capital expenditure and stocks of stationery and stamp. Details are shown in Note-9. Receivables are recognized when there is a contractual right to receive cash or another financial asset from another entity.

### 2.10.04.07 Non-banking assets

Non-banking assets are acquired on account of the failure of a borrower to repay the loan in time after receiving the decree from the court regarding the right and title of the mortgage property. There are no assets acquired in exchange for loan during the period of financial statements.

### 2.11 Basis for valuation of liabilities and provisions

### 2.11.01 Provision for tax

### a. Current tax

Provision for Current Tax is made on the basis of the profit for the period as adjusted for taxation purpose in accordance with the provision of The Income Tax Ordinance, 1984 and amendments made thereof.

### b. Deferred tax

The company has adopted a policy of recognition of deferred tax in accordance with Bangladesh Accounting Standard 12 'Income Taxes'. Deferred tax is provided using the liability method for all temporary timing differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for tax purposes. The amount of deferred tax is determined at the effective income tax rate prevailing at the Balance Sheet date.

### 2.11.02 Employees' benefit obligation

### Defined contribution plan

The Company started operating from January, 2003 an approved contributory provident fund scheme for its employees as per provident fund rules. The fund consists of subscription of all participatory employees and contribution from the company at a predetermined rate. The fund is administered by a Board of Trustees and invested separately from the Company's assets.

### Defined benefit plan

The Company started operating from January, 2002 an approved gratuity scheme as per gratuity rules which is administered by a Board of Trustees and invested separately from the Company's assets.

### Other benefit program for employees

The Company operates a group life insurance scheme for its permanent employees. The Company also has loan facilities at reduced rate for its permanent employees.

### 2.12 Write-off

Write-off describes a reduction in recognized value. It refers to recognized or the zero value of an assets. Generally it refers to an investment for which a return on the investment is now impossible or unlikely. The items potential returns is thus calculated and removed (written-off) from the business balance sheet.

### 2.13 Capital and shareholders' equity

### 2.13.01 Capital management

The company has a capital management process for measuring, deploying and monitoring its available capital and assessing its adequacy. This capital management process aims to achieve four major objectives; exceed regulatory thresholds and meet long-term internal capital targets, maintain strong credit rating, manage capital levels commensurate with the risk profile of the company and provide the company's shareholder with acceptable returns.

Capital is managed in accordance with the board approved capital management planning from time to time. Senior management develops the capital strategy and oversees the capital management planning of the company. The company's finance and risk management department are key to implementing the company's capital strategy and managing capital. Capital is managed using both regulatory control measure and internal matrix.

### 2.13.02 Paid-up capital

Paid up share capital represents total amount of share capital that has been paid in full by the ordinary shareholder. In the event of winding-up of the company, ordinary shareholder (s) rank after all other shareholders and creditors.

### 2.13.03 Statutory reserve

As per the Financial Institution Regulations 1994, every Non Banking Financial Institution (NBFI) is required to transfer at least 20% of its current year's profit after tax to the statutory reserve fund until such reserve fund equals to its paid up share capital and share premium (if any). To comply the above requirement, IIDFC transferred 20% of net profit to statutory reserve before declaration of dividend.

### 2.13.04 Dividends on ordinary shares

Dividends on ordinary shares are recognized as a liability and deducted from equity when they are approved by the Companys shareholders. Dividends for the year that are approved after the reporting date are disclosed as an event after the reporting date.

### 2.14 Contingent liabilities and contingent assets

A contingent liability is -

Any possible obligation that arises from the past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or any present obligation that arises from past events but is not recognized because:

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated.

Contingent assets are not recognized in the financial statements as this may result in the recognition of income which may never be realized.

### 2.15 Materiality, aggregation and off setting

Each material item as considered by management significant has been displayed separately in the financial statements. No amount has been set off unless the Company has legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards.

The values of any asset or liability as shown in the statement of financial position (balance sheet) are not off-set by way of deduction from another liability or asset unless there exist a legal right therefore. No such incident existed during the year.

### 2.16 Revenue recognition

### 2.16.01 Income from lease finance

The lease transactions are accounted for under finance lease in line with IAS-17 as adopted by the Institute of Chartered Accountants of Bangladesh. The aggregate lease receivables including un-guaranteed residual value throughout the lease term are recorded as gross receivables while excess of gross receivables over the total acquisition cost including interest during the period of acquiring the lease equipment constitutes the unearned lease income.

### 2.16.02 Income from direct finance

Direct finance operation consists of long term, short term and working capital finance, books of account for which are maintained based on the accrual method of accounting. Interest earnings from direct finance are recognized as operational revenue periodically.

### 2.16.03 Income from structured finance

Income from structured finance is recognized as and when received.

### 2.16.04 Income from treasury operations

Incomes from treasury operations are recognized on accrual basis.

### 2.16.05 Dividend income

Revenue is recognized when the Company's right to receive the payment is established, which is generally at the time of shareholders' approval date for payment of dividend.

### 2.16.06 Other Operational income

Other operational income is recognized as and when received. Such income comprises of the following:

- a. Appraisal and documentation fees
- b. Commitment fees,
- c. Supervision fees,
- d. Delinquent charge and
- e. Miscellaneous receipts.

### 2.17 Interest on loans and leases

Interests income on interest bearing loans and leases are recorded at the time of proceeds received from a particular company. Accrued interest on company loan and leases is accounted for on accrual basis in the Profit and Loss Account under at the implicit rate of interest.

### 2.18 Earnings per share

Earnings per shares is calculated by dividing the profit or loss attributable to ordinary shares of the IIDFC by the weighted average number of ordinary shares outstanding during the year. IIDFC calculates EPS in accordance with Bangladesh Accounting Standard-33 'Earnings per Share' which has been shown in the profit and loss account.

Diluted Earnings per share is not applicable for the year as there is no scope for dilution during the year 2017.

### 2.19 Presentation of operating segments

There are no operating segments of IIDFC as on reporting date according to the definition of operating segments of BFRS 8.

### 2.20 Contingent assets & liabilities

The Company does not recognize contingent liabilities and contingent assets but disclosed the existence of contingent liabilities and assets in the financial statements. A contingent liability is a probable obligation that arises from past events whose existence will be confirmed by occurrence or non-occurrence of uncertain future events not within the control of the company or a present obligation that is not recognized because outflow of resources is not likely or obligation cannot be measured reliably.

### 2.21 Liquidity statements

The liquidity statement has been prepared in accordance with remaining maturity grouping of Assets and Liabilities as of the close of the reporting period as per following bases:

- Balance with other company's and financial institutions are on the basis of their maturity term.
- Investments are on the basis of their residual maturity term.
- Loans and Advances are on the basis of their repayment /maturity schedule.
- Property, plant and equipment's are on the basis of their useful lives.
- $\bullet$  Other assets are on the basis of their adjustments terms.
- $\bullet \ \, \text{Borrowings from other company's and financial institutions are on the basis of their maturity/repayment schedule}.$
- Deposits and other accounts are on the basis of their maturity terms and past behavioral trends.
- Other liabilities are on the basis of their settlement terms.

### 2.22 Events after Balance Sheet date

Events after Balance Sheet date requires additional disclosures or adjustments based on material informtaion about the company. As per Bangladesh Accounting Standards BAS-10: 'Events after the reporting period' the events after the reporting date are reflected in the financial statements' note no. 42.05.

### 2.23 Going concern

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The accompanying financial statements do not include any adjustments should the company be unable to continue as a going concern.

### 2.24 Compliance report on Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS)

The following Accounting and Reporting Standards are applicable for Industrial and Infrastructure Development Finance Company Ltd. and which are followed in preparing the Financial Statements of the Company:

Name of the BAS	BAS No.	Status
Presentation of Financial Statements	1	Applied*
Inventories	2	N/A
Statements of Cash Flow	7	Applied
Accounting Policies, Changes in Accounting estimates and Errors	8	Applied
Events after the Reporting Period	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Leases	17	Applied
Revenue	18	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A
Separate Financial Statements	27	Applied
Investments in Associates and Joint Ventures	28	N/A
Financial Reporting in Hyperinflationary Economics	29	N/A
Interest in Joint Ventures	31	N/A
Financial Instruments: Presentation	32	Applied*
Earnings Per Share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provision, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	Applied*
Investment Property	40	N/A
Agriculture	41	N/A

<sup>\*</sup> As the regulatory requirements differ with the standards, relevant disclosures are made in accordance with Bangladesh Bank's requirements.

Name of the BFRS	BFRS No	Status
Share Based Payment	2	N/A
Business Combination	3	N/A
Insurance Contracts	4	N/A
Non-current Assets held for sales and discontinued operation	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	Applied*
Operating Segments	8	Applied
Consolidated financial statements	10	Applied
Joint Arrangement	11	N/A
Disclosure of interest in other entities	12	N/A
Fair value measurement	13	Applied*

### N/A= Not applicable

### 2.25 Address of head office & branch office

Head Office is located at Chamber Building (2nd, 6th & 7th floor), 122-124 Motijheel Commercial Area, Dhaka-1000, Chattogram Branch is located at C&F Tower (4th floor), 1222 Sheik Mujib Road, Agrabad Commercial Area, Chattogram, Uttara Branch is located at Kanak Archard (4th floor), 14 Sonargaon Janapath, Sector-9, Uttara, Dhaka-1230, Keraniganj Branch is located at BT Tower (2nd floor), Kodomtoli More Keraniganj, Dhaka-1310, Bangladesh and Gazipur Branch is located at MAS Square (4th floor), Holding No.-727, Dhaka Road, Chandana Chowrasta, Gazipur-Bangladesh.

### 2.26 Capital adequacy and market discipline

To cope with the international best practices and to make up the capital more risks sensitive as well as more shock resilient, a road map was issued in August 2010 on implementation of Basel Accord in the FIs. Being well pursuant with the road map, prudential guidelines namely 'Capital Adequacy and Market Discipline for Financial Institutions' had been introduced by Bangladesh Bank from December, 2011. The guidelines came into force from 1 January, 2012 with necessary supplements/revisions. Instructions in respect of Minimum Capital Requirement, Adequate Capital and Disclosures requirement as stated in the guidelines have been followed for the purpose of statutory compliance.

As per prudential guideline IIDFC calculated Minimum Capital Requirement (MCR) by dividing the total capital by the sum of risk weighted assets against credit risk, market risk, and operational risk under pillar-I.

### Pillar - I: Minimum capital requirement

### Credit Risk

The calculation of capital requirement against credit risk is more elaborate and risk sensitive. The Accord gives a choice of some sophisticated approaches to address risks, and adoption of a Particular approach depends on the risk measurement capabilities and robustness of the systems in place in a Financial Institution. A Standardized Approach has been the preliminary choice of FIs for the credit risk calculation.

### Market risk

Market risk is defined as the risk of losses in on and off-balance-sheet positions arising from movements in market prices. The risks subject to this requirement are:

- The risks pertaining to interest rate related instruments and equities in the trading book;
- Foreign exchange risk and commodities risk throughout the FI.

The capital charges for interest rate related instruments and equities applied to the current trading book items prudently valued by IIDFC. The capital charges for foreign exchange risk and for commodities risk applied to IIDFC's total currency and commodity positions, subject to some discretion to exclude structural foreign exchange positions.

<sup>\*</sup> As the regulatory requirements differ with the standards, relevant disclosures have been made in accordance with Bangladesh Banks' requirements.

### Operational risk

The accord introduces for the first time a capital charge for operational risk. The framework presents three methods for calculating operational risk capital charges in a continuum of increasing complexity and risk sensitivity. These methods are the Basic Indicator approach (a fixed percentage of gross income amount), Standardized approach (sum of a certain percentage of FI's income in each business line) and Internal Measurement approach (Statistical measure of FIs operational loss based on its historical loss data). But initially, Basic Indicator Approach has been applied for calculating the capital charge against operational risk.

### 2.27 Stress testing

Stress Testing is an important risk management tool that is used by the Financial Institutions as part of internal risk management and through the Basel II capital adequacy framework, is promoted by Bangladesh Bank. Stress Testing alerts Financial Institutions management to adverse unexpected outcomes related to a variety of risks and provides an Indication of how much capital might be needed to absorb losses should large shock occur. Stress Testing supplements other risk management approaches and measures playing particularly important role in:

- Providing forward-looking assessment of risk;
- Overcoming limitations of models and historical data;
- Supporting external and internal communication;
- Feeding into capital and liquidity planning procedures;
- Informing the setting of an FI's risk tolerance; and
- Facilitating the development of risk mitigation or contingency plans across a range of stressed conditions.

Stress Testing guideline have been issued by Bangladesh Bank to provide a structured way of assessing the vulnerability of financial institutions to extreme but plausible market conditions. The guidelines enable institutions to accurately assess risk and define the "risk appetite" of the organization and also provide critical information to senior management for decision around capital allocation and contingency planning.

IIDFC exercise stress testing on its portfolio on quarterly basis and submit its stress testing report as per format prescribed by Bangladesh Bank on regular basis.

Amount in Taka			
31-Dec-2017 31-Dec-2016			
49,519	10,480		
205,026,426	193,567,640		

### 3 Cash

Cash in hand (Note 3.1)
Balance with Bangladesh Bank and its agent bank (Note 3.2) **Total** 

### 3.1 Cash in hand

Cash in hand represents the amount under "imprest system of petty cash" to meet petty expenses both for head office as well as branch offices.

### 3.2 Balance with Bangladesh Bank

Balance with Bangladesh Bank is a non-interest bearing account maintained with Central Bank to meet the Cash Reserve Requirement (CRR). CRR (note 3.3) and Statutory Liquidity Reserve (note 3.4) have been calculated and maintained in accordance with The Financial Regulations 1994 and FID Circular No. 06 dated 6th November 2003 and FID Circular No. 02 dated 10th November 2004.

### 3.3 Cash Reserve Requirement (CRR)

CRR has been calculated at the rate of 2.50% on Total Term Deposits which is preserved in current account maintained with Bangladesh Bank in compliance with FID circular no. 6 dated 6th November 2003 and FID Circular No. 02 dated 10th November 2004. Total Term Deposits means Term or Fixed Deposits, Security Deposit against Lease/Loan and other Term Deposits received from individuals and institutions (except Banks and Financial Institutions).

Actual reserve held Surplus / (Deficit)	205,026,426 <b>29,003,319</b>	193,567,640 <b>36,966,180</b>
Required reserve	176,023,107	156,601,460

### 3.4 Statutory Liquidity Reserve (SLR)

SLR has been calculated at the rate of 5.00% of total demand and time liabilities, including CRR of 2.50% on Total Term Deposits. SLR is maintained in liquid assets in the form of Cash in Hand, balance with Bangladesh Bank, balance with other Banks & Financial Institutions, unencumbered Treasury Bills, Prize Bond, Savings Certificates & any other assets approved by Bangladesh Bank.

	Required reserve	388,895,226	347,120,450
	Actual reserve held (Note-3.4.1)	438,705,419	397,586,385
	Surplus / (Deficit)	49,810,193	50,465,935
3.4.1	Actual Reserve held for SLR		
	Cash in hand	49,519	10,480
	Balance with Bangladesh Bank and its agent bank(s)	205,026,426	193,567,640
	Balance with other banks and financial institutions (Note-3.4.1.1)	233,629,474	204,008,265
		438,705,419	397,586,385
3.4.1.1	Balance with other banks and financial institutions		
	Mutual Trust Bank Ltd.	23,789,762	22,665,733
	Union Bank Ltd.	209,839,712	181,342,532
	Total	233,629,474	204,008,265
3.a	Consolidated cash		
3.a	IIDFCL	49,519	10,480
	IIDFC Securities Limited	23,547	4,841
	IIDFC Capital Limited	21,028	28,166
	Sub-Total Sub-Total	94,094	43,487
	Balance with Bangladesh Bank and its agent bank(s) (Note-3)	205,026,426	193,567,640
	Total	205,120,520	193,611,127

		Amount	in Taka
		31-Dec-2017	31-Dec-2016
4	Balance with other Banks and Financial Institutions		
	Inside Bangladesh Current Accounts:		
	National Credit & Commerce Bank Ltd.	402	175
	Southeast Bank Ltd.	2,631	3,896
	Social Islami Bank Ltd.	1,048	2,198
	Agrani Bank Ltd.	915	2,065
	BRAC Bank Ltd.	5,820,890	12,235
	Bank Alfalah Ltd. Prime Bank Ltd	23,899	7,848 275
	IFIC Bank Ltd.	-	2/3
	Bank Asia Ltd.	16	31
	Bangladesh Development Bank Ltd.	6,481	7,271
	Trust Bank Ltd.	300	-
	Commercial Bank of Ceylon PLC	26,697	28,077
	United Commercial Bank Ltd.	2,450	3,600
	Uttara Bank Ltd. Total	5,885,751	597 <b>68,268</b>
	lotal	3,003,731	00,200
	Short-Term Deposit Accounts:		
	Southeast Bank Ltd.	257,848	192,902
	Mercentail Bank Ltd.	-	-
	Bank Asia Ltd.	84,528,323	53,339,536
	AB Bank Ltd. Bank Alfalah Ltd.	3,057	2,951
	The City Bank Ltd.	91,075 143,853	93,675 7,123
	Janata Bank Ltd.	3,148	4,175
	Islami Bank Ltd	-	-
	Mutual Trust Bank Ltd.	-	-
	National Bank Ltd.	-	-
	ONE Bank Ltd.	29,406	30,070
	Prime Bank Ltd.	1,118	2,268
	NRB Commercial Bank Ltd. Farmers Bank Limited	2,500	3,650
	Sonali Bank Ltd.	77,789	75,482
	Total	85,138,117	53,751,832
	Fixed Deposits Receipts (FDR):		
	Southeast Bank Ltd.	30,000,000	-
	Mutual Trust Bank Ltd.	23,789,762	22,665,733
	Premier Leasing & Finance Limited  NRB Commercial Bank Ltd.	50,000,000	100,000,000
	Union Bank Limited	32,274,682 1,264,037,312	30,465,000 332,186,282
	Standard Bank Limited	80,000,000	20,000,000
	South Bangla Agriculture & Commerce Bank Limited	199,975,000	-
	Jamuna Bank Limited	999,975,000	-
	Shahjalal Islami Bank Limited	1,000,000,000	-
	Social Islami Bank Limited	630,000,000	-
	Peopleas Leasing And Finance Limited.  Total	50,000,000 <b>4,360,051,756</b>	505,317,015
	lotal	4,300,031,730	303,317,013
	Sub Total	4,451,075,624	559,137,115
	Outside Bangladesh	-	-
	Grand Total	4,451,075,624	559,137,115
4.1	Maturity grouping of Balance with other Banks and Financial Institutions		
	On demand	118,770,036	164,978,314
	Less than 3 months	1,980,878,627	173,574,367
	More than 3 months but less than 1 year	1,652,765,125	81,812,048
	More than 1 year but less than 5 years	698,661,835	138,772,386
	Above 5 years	A AE1 07E 634	- EE0 127 11F
	Total	4,451,075,624	559,137,115

		Amount in Taka		
		31-Dec-2017	31-Dec-2016	
4.a	Consolidated Balance with other Banks and Financial Institutions	0_ 000_00_	00_0	
	IIDFCL	4,451,075,624	559,137,115	
	IIDFC Securities Limited (Note-4.a.1)	115,270,037	204,876,967	
	IIDFC Capital Limited (Note-4.a.2)	4,109,223	36,643,759	
	Total	4,570,454,884	800,657,841	
4.a.1	IIDFC Securities Limited			
	Southeast Bank Ltd.	1,552,896	118,030,606	
	Standard Bank Ltd.	-	941,141	
	Bank Asia Ltd. Bangladesh Commerce Bank Ltd.	2 215	597,227	
	One Bank Ltd.	3,215	95 207 002	
	Total	113,713,926 <b>115,270,037</b>	85,307,993 <b>204,876,967</b>	
	iotai	113,270,037	204,870,307	
4.a.2	IIDFC Capital Limited			
	Southeast Bank Ltd.	1,989,088	4,431,672	
	ONE Bank Ltd.	2,045,780	32,137,732	
	Bangladesh Commerce Bank Ltd.	74,355	74,355	
	Total	4,109,223	36,643,759	
5	Money at Call and Short Notice			
	Banks	-	-	
	Non-Bank Financial Institutions	-	-	
	Total	-	-	
6	Investments			
•	Government Securities			
	Treasury Bill	-	-	
	National Investment Bond	-	-	
	Bangladesh Bank Bill	-	-	
	Government Notes/ Bond	-	-	
	Prize Bond	-	-	
	Others	-	-	
	Sub Total	-	-	
	Other Investments Preference Shares			
	Debenture and Bond (Note-6.1)	53,461,911	6 804 770	
	Investments in Shares (Note-6.1)	520,021,239	6,894,770 379,953,235	
	Investments in Shares (Note-0.1)	320,021,233	373,333,233	
	Investments IPO (Pacific Denims Limited)	4,713,480	15,000,000	
	Gold etc.	-	-	
	Sub Total	578,196,630	401,848,005	
	Total investments	578,196,630	401,848,005	
6.1	Debenture and Bond			
	Investment in Debenture and Bond includes investment in Bond of Golden Harve BDT. 50,083,333 and investment in Bank Asia Zero Coupon Bond for an amount		nited amounting to	
	Opening Balance	-	11,413,001	
	Add: Addition/ adjustment during the year	-	-	
	Less: Redemption during the year	-	11,413,001	
	Clasing Polance			

**Closing Balance** 

			Amount in Taka	
			31-Dec-2017	31-Dec-2016
6.2	Investments in Shares			
	Quoted Shares			
	Bank Company		52,034,370	17,897,011
	Non-Banking Company		53,164,082	16,825,559
	Insurance Company		4,387,842	18,439,564
	Mutual Fund		66,383,158	27,910,707
	Other Company		244,051,788	248,880,395
	Total		420,021,240	329,953,236
	Un-quoted Shares			
	MTB Unit Fund		49,999,999	49,999,999
	HFAML Unit Fund		50,000,000	-
	Total Investment in Shares		520,021,239	379,953,235
			31 <sup>st</sup> Decen	nber 2017
		Cost Price (A)	Market Price (B)	Required Provision (C=A-B)
6.3	Cost Price Vs Market Price of Quoted Investments			
	Bank Company	52,034,370	53,874,425	(1,840,055)
	Non-Banking Company	53,164,082	49,601,300	3,562,782
	Insurance Company	4,387,842	4,010,500	377,342
	Mutual Fund	66,383,158	71,702,761	(5,319,603)
	Other Company	244,051,788	232,672,625	11,379,163
	Total	420,021,240	411,861,611	8,159,629

All investments in marketable securities are valued on an aggregate portfolio basis, at the lower of cost and market value as at 31st December 2017. At the end of the reporting year, total cost price of the listed securities was BDT. 420,021,240 where as the market price was BDT. 411,861,611 resulting a required provision of BDT. 8,159,629.

		Amount in Taka	
		31-Dec-2017	31-Dec-2016
6.4	Maturity grouping of Investments		
	On demand	204,205,061	65,872,180
	Less than 3 months	132,131,539	21,872,976
	More than 3 months but less than 1 year	152,845,824	224,412,705
	More than 1 year but less than 5 years	89,014,207	89,690,144
	Above 5 years	_	-
	Total	578,196,630	401,848,005
6.a	Consolidated Investments		
	IIDFCL	578,196,630	401,848,005
	IIDFC Securities Limited (Note- 6.a.1)	309,327,095	301,554,398
	IIDFC Capital Limited (Note- 6.a.2)	50,022,600	12,156,622
	Total	937,546,325	715,559,025
6.a.1	Investment of IIDFC Securities Limited		
0.0	Quoted Shares		
	Bank Company	80,204,989	41,351,015
	Non-Banking Company	2,544,295	1,579,981
	Insurance Company	33,933,112	35,607,327
	Mutual Fund	31,809,787	11,121,752
	Other Company	131,974,493	183,033,902
	Total	280,466,675	272,693,978
	Un-quoted Shares		
	Dhaka Stock Exchange Limited	28.860.420	28.860.420
	Total Investment in Shares	309,327,095	301,554,398

			31st Decem	nber 2017
		Cost Price (A)	Market Price (B)	Required Provision (C=A-B)
6.a.1.1				
	Bank Company Non-Banking Company	80,204,989	89,764,000	9,559,011
	Insurance Company	2,544,295 33,933,112	1,965,350 30,855,026	(578,945) (3,078,086)
	Mutual Fund	31,809,787	34,212,000	2,402,213
	Other Company	131,974,493	114,835,774	(17,138,719)
	Total	280,466,675	271,632,150	8,834,525
			Amount 31-Dec-2017	in Taka 31-Dec-2016
6.a.2	Investment of IIDFC Capital Limited		31-Det-2017	31-Dec-2016
0.0.2	Quoted Shares			
	Bank Company		2,974,066	-
	Non-Banking Company		8,787,628	-
	Insurance Company		-	-
	Mutual Fund		16,625,245	-
	Other Company		21,635,661	12,156,622
	Total		50,022,600	12,156,622
	Un-quoted Shares			
	Total Investment in Shares		50,022,600	12,156,622
			31st Decem	
		Cost Price (A)	Market Price (B)	Required Provision (C=A-B)
6.a.2.1	Cost Price Vs Market Price of Quoted Investments			
	Bank Company	2,974,066	2,740,000	(234,066)
	Non-Banking Company	8,787,628	8,209,600	(578,028)
	Insurance Company	-	-	- ()
	Mutual Fund	16,625,245	15,025,000	(1,600,245)
	Other Company Total	21,635,661 <b>50,022,600</b>	19,715,902 <b>45,690,502</b>	(1,919,759) ( <b>4,332,098</b> )
	IOtal	30,022,000	43,030,302	(4,332,036)
7	Loans & Advances	Percentage (%)	31-Dec-2017	31-Dec-2016
	Inside Bangladesh:			
	Gross Lease Receivables	15.67%	2,344,628,266	2,397,996,637
	Less: Unearned Lease Income	0.95%	142,113,723	386,435,204
	Net Lease Receivables	14.72%	2,202,514,543	2,011,561,433
	Advance for Lease Finance	0.45%	67,789,847	89,356,347
	Total Lease Finance (Note-7.1)	15.18%	2,270,304,390	2,100,917,780
	Direct/ Term Finance	84.53%	12,645,648,310	12,293,066,917
	Secured Overdraft	0.05%	7,767,161	13,249,569
	Bills Discounted and Purchased (Note-7.8)	0.24%	36,449,271	146,660,461
	Total Other Finance (Note-7.1) Sub Total	84.82% 100.00%	12,689,864,742 14,960,169,132	12,452,976,947 14,553,894,727
	Jub Total	100.0070	14,500,105,132	14,555,654,727
	Outside Bangladesh:			
	Gross Lease Receivables		-	-
	Less: Unearned Lease Income		-	-
	Net Investment	-	-	-
	Advance for Lease Finance	-	-	-
	Direct/ Term Finance	-	-	-
	Secured Overdraft	-	-	-
	Factoring Finance	-	-	-
	Margin Loan	-	-	-
	Sub Total	-	-	-
	Total	100.00%	14,960,169,132	14,553,894,727
		100.00/0	,500,105,152	,000,007,727

			Amount	in Taka
		Percentage	31-Dec-2017	31-Dec-2016
	ans & Advances			
<b>Lease Finance</b> Corporate Clie		8.75%	1,309,268,232	1,225,808,927
	um Enterprises (SME)	6.42%	961,036,158	875,108,853
Siliali & Medi	an Enterprises (SIVIE)	0.4270	901,030,138	873,108,833
Sub Total		15.18%	2,270,304,390	2,100,917,780
Direct / term				
Syndication Fi		11.21%	1,677,113,835	770,047,603
Corporate clie		48.01%	7,181,701,699	8,878,614,834
	um Enterprises (SME)	21.22%	3,174,194,932	2,183,828,141
Home Loan		3.16%	472,181,961	434,290,156
	ed and Purchased	1.03%	153,923,774	152,601,714
Secured Over	draft	0.05%	6,870,698	13,249,569
Employee Loa	n	0.16%	23,877,843	20,344,930
Sub Total		84.82%	12,689,864,742	12,452,976,947
Grand Total		100%	14,960,169,132	14,553,894,727
70	des effects 0 ed est			
7.2 Maturity grou	iping of loans & advances		1,567,772,161	1,139,651,967
Less than 3 m	onths		3,561,036,585	3,674,957,206
	nonths but less than 1 year		5,154,618,227	4,209,328,071
	ear but less than 5 years		3,455,253,539	3,722,556,113
Above 5 years <b>Total</b>			1,221,488,620 <b>14,960,169,132</b>	1,807,401,371 <b>14,553,894,727</b>
7.2 Castan/Indus	turning Laure C. Advances			
7.3 Sector/ Indus Agricultural s	try-wise Loans & Advances ector	3.04%	454,802,011	295,870,132
Industrial sec			,,	
Textiles		10.09%	1,509,923,878	1,284,185,039
Garments		10.84%	1,622,012,703	1,434,535,251
Jutes & jute re	elated goods	1.18%	176,930,643	150,645,467
Food items pr	oducer/processing industry	4.83%	722,292,384	679,979,065
Plastic industr	ies	2.99%	447,082,894	414,316,235
Lather and lat	her goods	0.33%	49,392,710	20,883,706
Iron, steel and	engineering	7.89%	1,179,854,216	1,240,050,774
Chemicals and	l pharmaceuticals	4.98%	744,646,732	609,091,749
Cement/ clink	er and allied industries	2.15%	320,940,349	319,281,132
	(Hotel, hospital, clinic, tourism, etc.)	3.87%	579,145,343	535,246,345
Paper, printing	g and packaging	1.78%	266,904,175	400,236,806
, ,,	cation and IT industries	7.00%	1,047,276,758	933,855,363
	amic industries	0.12%	17,615,353	18,719,848
	ship building industries	1.10%	165,185,326	341,126,255
11 0	d electrical goods	3.20%	479,083,581	475,883,015
	ater and sanitary	7.23%	1,081,373,275	850,426,478
_	communication	2.48%	370,554,670	522,981,011
Real estate an		7.47%	1,117,833,228	1,019,357,920
Merchant bar	•	4.13%	617,257,265	660,534,840
Others	0	13.30%	1,990,061,638	2,346,688,296
		100.00%	14,960,169,132	14,553,894,727
Total				

			D	Amount in Taka	
			Percentage	31-Dec-2017	31-Dec-2016
7.4	Geographical Location-wise Loans & Advances				
	Inside Bangladesh Dhaka Division	[	80.94%	12,108,037,956	11,625,927,557
	Chattogram Division		17.32%	2,590,453,023	2,653,701,214
	Barisal Division		0.66%	99,124,383	101,256,650
	Rajshahi Division		0.63%	93,683,354	82,152,671
	Rangpur Division		0.17%	24,943,322	29,327,276
	Sylhet Division		0.00%	-	17,484
	Mymensingh Division		0.24%	35,303,334	54,084,933
	Khulna Division		0.06%	8,623,760	7,426,943
	Sub Total		100.00%	14,960,169,132	14,553,894,727
	Outside Bangladesh		-	-	-
	Total		100.00%	14,960,169,132	14,553,894,727
7.5	Classification of Loans & advances as per Banglad	esh Bank circular			
	<u>Unclassified</u>	31-Dec-2017	31-Dec-2016	31-Dec-2017	31-Dec-2016
	Standard	92.70%	94.12%	13,868,225,003	13,697,747,272
	Special Mention Account (SMA)	0.41%	1.16%	60,944,193	168,137,320
	Sub Total	93.11%	95.27%	13,929,169,196	13,865,884,592
	Classified				
	Sub-standard (SS)	2.82%	1.79%	421,327,418	261,203,836
	Doubtful (DF)	1.84%	1.69%	274,853,100	245,698,614
	Bad/ Loss (BL)	2.24%	1.24%	334,819,418	181,107,685
	Sub Total	6.89%	4.73%	1,030,999,936	688,010,135
	Total	100%	100%	14,960,169,132	14,553,894,727

### 7.6 Details of Large Loans & Advances

As per DFIM circular No.-10, dated 5 September 2011, Outstanding amount exceeding 15% of total capital of the company is treated as Large Loans & Advances. Total capital of the company was Tk 1,767,549,439 as on 31 December, 2017 whereas Tk 1,623,671,574 as on 31 December 2016.

Number of Clients Outstanding Amount	4,161,518,467	11 3,830,587,588
Classified Amount	-	-
Measures taken for recovery	-	-
7.7 Particulars of Loans & Advances		
1. Loans & advances considered good in respect of which the company is fully secured	5,244,741,000	4,363,463,431
2. Loans & advances considered good against which the company holds no security others than the debtor's personal guarantee	8,427,977,097	8,910,578,774
3. Loans & advances considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	706,666,748	673,996,468
4. Loans & advances adversely classified for which provision has not been maintained	-	-

		Amount in Taka	
		31-Dec-2017	31-Dec-2016
	5. Loans & advances due by the directors or officers of the company or any of them either separately or jointly with any other persons	-	-
	<ol> <li>Loans &amp; advances due from companies of firms in which the directors of the company have interest as directors, partners or managing agent or in case of private companies as members</li> </ol>	580,784,287	605,856,054
	7. Maximum total amount of loan & advances including temporary loans & advances made at any time during the year to directors of managers or officers of the company or any of them either separately or jointly with any other person	-	-
	8. Maximum total amount of loans & advances including temporary loans & advances granted during the year to the companies of firms in which the directors of the company have interest as directors, partners of managing agents or in the case of private companies, as members	-	-
	9. Due from banking companies	-	-
	10. Amount of classified loans & advances on which interest has not been charged as follows:		
	a. (Decrease)/ increase in provision	168,178,540	113,878,184
	b. Amount of loans & advances written off	-	-
	c. Amount of collection against written of loans & advances	-	1,000,000
	d. Interest credited to interest suspense account	40,453,469	(28,507,177)
	11. Loans & advances written off:		
	a. Current year (Note-33 )	117,351,003	158,088,137
	b. Cumulative to date	363,842,241	246,491,238
	c. Amount of written off loans for which law suits have been filed	363,842,241	246,491,238
7.8	Bills Discounted and Purchased		
7.0		26 440 271	146 660 461
	Inside Bangladesh	36,449,271	146,660,461
	Outside Bangladesh  Total	26 440 271	146 660 461
	iotai	36,449,271	146,660,461
7.9	Maturity grouping of Bills Discounted and Purchased		
	Within 1 month	445,379	1,792,065
	Over 1 month but within 3 months	12,400,412	49,895,379
	Over 3 months but within 6 months	8,660,625	34,847,647
	Over 6 months	14,942,854	60,125,370
	Total	36,449,271	146,660,461
7.a	Consolidated Loans & Advances		
	IIDFCL	14,960,169,132	14,553,894,727
	IIDFC Securities Limited ( Note-7.a.1)	1,736,131,804	1,781,648,816
	IIDFC Capital Limited (Note-7.a.2)	734,155,942	740,727,997
		17,430,456,878	17,076,271,540
	Less: Inter Company Loans & Advances		
	IIDFC Securities Limited	587,101,422	587,101,422
	IIDFC Capital Limited	35,050,682	47,931,530
		622,152,104	635,032,952
	Total	16,808,304,774	16,441,238,588

		Amount in Taka	
		31-Dec-2017	31-Dec-2016
7.a.1	Loans & Advance of IIDFC Securities Limited		
	Margin Loan	1,736,131,804	1,781,648,816
7.a.2	Loans & Advance of IIDFC Capital Limited	724 455 042	740 727 027
	Margin loan	734,155,942	740,727,997
8	Property, Plant & Equipment		
-	Own Finance		
	A. Cost		
	Motor Vehicles	28,702,467	24,867,467
	Furniture & Fixtures	13,860,068	10,666,651
	Office Equipments	37,049,630	34,463,345
	Total	79,612,165	69,997,463
	B. Less: Accumulated Depreciation	20.472.022	17 000 520
	Motor Vehicles Furniture & Fixtures	20,473,033 8,793,445	17,600,529 7,581,407
	Office Equipments	29,391,383	28,544,923
	Total	58,657,861	53,726,859
	iotai	38,037,801	33,720,833
	C. Written Down Value at the end of the year (A-B)	20,954,304	16,270,604
	Lease Finance		
	D. Cost		
	Furniture & Fixtures	_	-
	Office Equipments	_	_
	Motor Vehicles	_	-
	Total	-	-
	C. Lacar Account I lated Danvaciation		
	E. Less: Accumulated Depreciation Furniture & Fixtures		
	Office Equipments		-
	Motor Vehicles	_	_
	Total	-	-
	F. Written Down value at the end of the year (D-E)	-	-
	G. Total Property, Plant & Equipment (C+F)	20,954,304	16,270,604
	Details of Property, Plant & Equipments has been presented in Annexure-I		
8.1	Intangible asset - computer software (Details in Annexure-1)		
	Cost	8,659,276	8,486,026
	Add: Addition during the year		-
	Less: Accumulated amortization	5,991,471	4,835,286
	Net book value at the end of the year	2,667,805	3,650,740
8.a	Consolidated property, plant & equipment (Details in Annexure-1.a)		
	IIDFCL	20,954,304	16,270,604
	IIDFC Securities Limited (Note-8.a.1)	4,214,845	5,419,244
	IIDFC Capital Limited (Note-8.a.2)	531,627	299,678
	Total	25,700,776	21,989,526

		Amount in Taka	
		31-Dec-2017	31-Dec-2016
8.a.1	Property, plant & equipment of IIDFC Securities Limited		
	A. Cost		
	Motor vehicles	-	-
	Furniture & fixtures	12,545,381	12,655,200
	Office equipments	15,810,752	15,562,238
	Total	28,356,133	28,217,438
	D. Local Acquires lated degraciation		
	B. Less: Accumulated depreciation  Motor vehicles		
		0.710.605	7 5 42 522
	Furniture & fixtures	8,710,695	7,542,522
	Office equipments	15,430,593	15,255,672
	Total	24,141,288	22,798,194
	C. Written down value at the end of the year (A-B)	4,214,845	5,419,244
8.a.2	Property, plant & equipment of IIDFC Capital Limited		
	A. Cost		
	Motor vehicles	1,250,000	1,250,000
	Furniture & fixtures	819,914	819,914
	Office equipments	3,507,943	3,125,091
	Total	5,577,857	5,195,005
	B. Less: Accumulated depreciation		
	Motor vehicles	1,249,994	1,249,994
	Furniture & fixtures	602,233	520,243
	Office equipments  Total	3,194,003 <b>5,046,230</b>	3,125,090 <b>4,895,327</b>
	C. Written down value at the end of the year (A-B)	531,627	299,678
	c. written down value at the end of the year (A-b)	331,027	255,076
8.1.a	Consolidated intangible asset (Details in Annexure-1.a)		
	IIDFCL	2,667,805	3,650,740
	IIDFC Securities Limited	97,531	160,230
	IIDFC Capital Limited	10	10
		2,765,346	3,810,980
9	Other assets		
	Investment in shares of subsidiary companies:		
	In Bangladesh	1,534,862,970	1,599,862,970
	Outside Bangladesh	-	-
	Stationery, stamps, printing materials etc.	-	-
	Advance rent and advertisement	-	-
	Interest accrued on investment but not collected, commission on shares and debentures and other income receivables	8,524,844	7,058,694
	Security deposits	10,005,608	4,483,357
	Preliminary, formation and organization expenses, renovation/ development and prepaid expenses	1,268,846	1,740,393
	Branch adjustment	-	_
	Suspense account	_	_
	Balance with BO account	12,200,760	35,312,353
	Others (Note 9.1)	648,053,535	602,376,984
	Total	2,214,916,563	2,250,834,751
		_,,,	_,,_,,

1. Others			Amount in Taka	
Interest receivable Advance for traveling Deferred Tax Raynon, or for traveling Deferred Tax Raynon, or for suppliers Advance for suppliers Advance for suppliers Advance for suppliers Advance tax St. 100,0701 Bis, 425 Advance interest paid Total Ges, 525 Advance interest paid Total Ges, 525 Commission on bank guarantee 188,425 Advance interest paid Total Ges, 525 Commission on bank guarantee 188,425 Advance interest paid Total Ges, 525 Consolidated other assets IIDFC II IIDFC Securities Limited (Note-9.a.1) IIDFC Capital Limited IIDFC Securities Limited IIDFC Securities Limited Sys, 825 Dessenting Limited Sys, 825 Dessenting Limited Sys, 825 Dessenting Limited Cost of TREC holding Advance rent Security deposits Advance tax Deferred tax assets Deferred tax assets Total  Security deposits Advance tax Deferred tax assets Total  Borrowings from other Banks, Financial Institutions & Agents Inside Bangladesh Prior other scheduled Banks (Note-10.1) Subside Bangladesh Custide Bangladesh			31-Dec-2017	31-Dec-2016
Advance for traveling	9.1	Others		
Deferred Tax		Interest receivable	101,910,822	101,781,916
Advance for suppliers		Advance for traveling	20,000	20,000
Advance tax Commission on bank guarantee Advance interest paid Total 648,053,535 602,376,984  9.a Consolidated other assets IIDFCI IIDFC Securities Limited (Note-9.a.1) IIDFC Securities Limited (Note-9.a.2)  Less: Inter company investment IIDFC Septial Limited (Note-9.a.2) IIDFC Capital Limited (Note-9.a.2)  Less: Inter company investment IIDFC Septial Limited (Note-9.a.2) IIDFC Septial Limited (Note-9.a.2)  P9.a.1 Other assets of IIDFC Securities Limited IIDFC Septial Limited II		Deferred Tax	8,106,701	9,657,630
Commission on bank guarantee		Advance for suppliers	12,921,880	6,967,506
Advance interest paid  Total  Consolidated other assets  IIDFCL  IIDFC Securities Limited (Note-9.a.1)  IIDFC Capital Limited (Note-9.a.2)  Less: Inter company investment  IIDFC Securities Limited  Sephysacoo  Sephysacoo  Total  999,874,970  599,988,000  599,988,000  599,988,000  599,988,000  599,988,000  1,599,862,970  981,520,685  973,131,766  9.a.1  Other assets of IIDFC Securities Limited  Cost of TREC holding  Advance rent  1,285,000  1,285,800  1,285,8		Advance tax	524,800,026	483,689,576
Total         648,053,535         602,376,984           9.a Consolidated other assets           IIDFCL         2,214,916,563         2,250,834,751         267,922,861         249,185,556         249,185,556         10FC Capital Limited (Note-9.a.1)         2,581,383,655         2,572,994,786         2,572,994,786         2,572,994,786         2,572,994,786         2,572,994,786         2,572,994,786         2,572,994,786         2,972,429         2,581,383,655         2,572,994,786         2,997,797,799,742,99         399,988,000         599,988,000         1,289,000         1,285,000		Commission on bank guarantee	186,425	260,356
9.a Consolidated other assets IIDFCL IIDFC Securities Limited (Note-9.a.1) IIDFC Securities Limited (Note-9.a.2)  Less: Inter company investment IIDFC Securities Limited IIDFC Capital Limited IIDFC Securities Limited Security Securities Limited Cost of TREC holding Advance rent Stamp in hand Security deposits Advance tax IIDFC Securities Limited IIDFC Securities Limited IIDFC Securities Limited IIDFC Securities Limited Security deposits IIDFC Securities Limited IIDFC Securities Limited IIDFC Securities Limited IIDFC Securities Limited IIDFC Security Securities Limited IIDFC Securities Limited IIDFC Security Securities Security Securities Limited IIDFC Security Securities Security Securities Security Securities Security Securities Security Securities Security Security Securities		Advance interest paid	107,680	-
IIDFCL		Total	648,053,535	602,376,984
IIDFCL	0.5	Consolidated other accets		
IIDFC Securities Limited (Note-9.a.1)   267,922,861   72,974,429   72,574,429   7	9.a		2 214 016 562	2 250 824 751
IIDFC Capital Limited (Note-9.a.2)				
Less: Inter company investment   IIDFC Securities Limited   999,874,970   999,874,970   999,874,970   999,874,970   999,874,970   999,874,970   1,599,880,000   1,599,880,000   1,599,880,000   1,599,862,970   1,599,862,970   1,599,862,970   1,599,862,970   1,599,862,970   1,599,862,970   1,599,862,970   1,599,862,970   1,599,862,970   1,285,006   1,285,000   1,28				
Less: Inter company investment		IIDEC Capital Lifflited (Note-9.a.2)		
IIDFC Capital Limited   599,988,000   1,599,862,970   1,599,862,970   1,599,862,970   1,599,862,970   1,599,862,970   1,599,862,970   1,599,862,970   1,599,862,970   1,599,862,970   1,599,862,970   1,599,862,970   1,599,862,970   1,599,862,970   1,24,258,580   124,258,580   1,24,258,580   1,285,000   1,		Less: Inter company investment	_,,	_,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
1,599,862,970   1,599,862,970   1,599,862,970   981,520,685   973,131,766   981,520,685   973,131,766   981,520,685   973,131,766   981,520,685   973,131,766   981,520,685   973,131,766   981,520,685   973,131,766   981,520,685   973,131,766   981,520,685   973,131,766   981,520,685   981,520,685   981,520,685   981,520,685   981,520,685   981,520,685   981,520,685   981,520,685   981,520,685   981,520,685   981,520,685   981,520,685   981,520,694   981,520,732,771   99,666,994   981,520,732,771   99,666,994   981,520,732,771   99,666,994   981,520,732,771   99,666,994   981,520,732,771   99,666,994   981,520,732,771   99,666,994   981,520,732,771   99,666,994   981,520,732,771   99,666,994   981,520,771   99,666,994   99,794,771   99		IIDFC Securities Limited	999,874,970	999,874,970
Total   981,520,685   973,131,766		IIDFC Capital Limited	599,988,000	599,988,000
9.a.1 Other assets of IIDFC Securities Limited Cost of TREC holding Advance rent Stamp in hand Security deposits Advance tax Others Total  9.a.2 Other assets of IIDFC Capital Limited License fee Security deposits Advance tax Deferred tax assets Others Total  8.20,000  9.a.2 Other assets of IIDFC Capital Limited License fee Security deposits Advance tax Deferred tax assets Total  9.a.2 Other assets of IIDFC Capital Limited License fee Security deposits Securi			1,599,862,970	1,599,862,970
124,258,580		Total	981,520,685	973,131,766
124,258,580				
Advance rent 1,285,000 1,285,000 1,285,000 14,927 15,301 361,856 361,856 Advance tax 112,267,727 29,734,771 39,666,994 Total 267,922,861 249,185,556 269,94 Total 267,922,861 249,185,556 269,94 269,185,556 269,94 269,185,556 269,94 269,185,556 269,94 269,185,556 269,94 269,185,556 269,94 269,185,556 269,94 269,185,556 269,94 269,185,556 269,94 269,185,556 269,94 269,185,556 269,94 269,185,556 269,94 269,185,556 269,94 269,185,556 269,94 269,185,556 269,94 269,185,556 269,94 269,185,556 269,94 269,185,185,556 269,94 269,185,185,556 269,94 269,185,185,556 269,94 269,185,185,556 269,185,185,185,185,185,185,185,185,185,185	9.a.1	Other assets of IIDFC Securities Limited		
Stamp in hand   14,927   15,301   361,856   361,857,856   366,994   366,994   366,994   366,994   366,209   366,994   366,209   366,994   366,209   366,994   366,209   366,994   366,209   366,994   366,209   366,994   366,209   366,994   366,209   366,994   366,209   366,994   366,209   366,994   366,209   366,994   366,209   366,209   366,209   366,209   366,209   366,209   366,209   366,209   366,209   366,209   366,209   366,994   366,209   366,20		Cost of TREC holding	124,258,580	124,258,580
Security deposits   361,856   Advance tax   112,267,727   83,597,825   29,734,771   39,666,994   70tal   267,922,861   249,185,556   249,185		Advance rent	1,285,000	1,285,000
Advance tax Others Others Total  207,34,771 Total  207,922,861  249,185,556   9.a.2 Other assets of IIDFC Capital Limited License fee Security deposits Advance tax Advance tax Advance tax Advance tax Deferred tax assets Others Total  20,000 Advance tax Advan		Stamp in hand	14,927	15,301
Others Total  29,734,771 Total  267,922,861  249,185,556  9.a.2 Other assets of IIDFC Capital Limited License fee Security deposits Advance tax Deferred tax assets Others Total  Borrowings from other Banks, Financial Institutions & Agents Inside Bangladesh: Refinance against SME loan from Bangladesh Bank From other scheduled Banks (Note- 10.1) Sub Total  Outside Bangladesh  Outside Bangladesh  Outside Bangladesh  Total  29,734,771 39,666,994 249,185,556  249,185,556  30,196,209 200,000 200		Security deposits	361,856	361,856
Ps.a.2         Other assets of IIDFC Capital Limited         267,922,861         249,185,556           9.a.2         Other assets of IIDFC Capital Limited         30,196,209         30,196,209           Security deposits         200,000         200,000           Advance tax         42,384,245         40,471,874           Deferred tax assets         70,328         228,028           Others         25,693,449         1,878,318           Total         98,544,231         72,974,429           10         Borrowings from other Banks, Financial Institutions & Agents         827,473,881         861,518,500           Inside Bangladesh:         827,473,881         861,518,500         1,388,543,886           Sub Total         3,657,863,271         2,250,062,386           Outside Bangladesh         -         -         -		Advance tax	112,267,727	83,597,825
9.a.2 Other assets of IIDFC Capital Limited License fee Security deposits Advance tax Deferred tax assets Others Total  Borrowings from other Banks, Financial Institutions & Agents Inside Bangladesh: Refinance against SME loan from Bangladesh Bank From other scheduled Banks (Note- 10.1) Sub Total  Outside Bangladesh  Outside Bangladesh  Outside Bangladesh  Outside Bangladesh  Outside Bangladesh  Outside Bangladesh		Others	29,734,771	39,666,994
License fee       30,196,209       30,196,209         Security deposits       200,000       200,000         Advance tax       42,384,245       40,471,874         Deferred tax assets       70,328       228,028         Others       25,693,449       1,878,318         Total       98,544,231       72,974,429         10       Borrowings from other Banks, Financial Institutions & Agents       827,473,881       861,518,500         Inside Bangladesh:       2,830,389,390       1,388,543,886       1,388,543,886         From other scheduled Banks (Note- 10.1)       3,657,863,271       2,250,062,386         Outside Bangladesh       -       -       -		Total	267,922,861	249,185,556
License fee       30,196,209       30,196,209         Security deposits       200,000       200,000         Advance tax       42,384,245       40,471,874         Deferred tax assets       70,328       228,028         Others       25,693,449       1,878,318         Total       98,544,231       72,974,429         10       Borrowings from other Banks, Financial Institutions & Agents       827,473,881       861,518,500         Inside Bangladesh:       2,830,389,390       1,388,543,886       1,388,543,886         From other scheduled Banks (Note- 10.1)       3,657,863,271       2,250,062,386         Outside Bangladesh       -       -       -	9.a.2	Other assets of IIDFC Capital Limited		
Advance tax Deferred tax assets Others Others Total  Borrowings from other Banks, Financial Institutions & Agents Inside Bangladesh: Refinance against SME loan from Bangladesh Bank From other scheduled Banks (Note- 10.1) Sub Total  Advance tax 42,384,245 70,328 228,028 1,878,318 72,974,429  Borrowings from other Banks, Financial Institutions & Agents Inside Bangladesh: Refinance against SME loan from Bangladesh Bank From other scheduled Banks (Note- 10.1) Sub Total  Outside Bangladesh  Outside Bangladesh		License fee	30,196,209	30,196,209
Deferred tax assets Others Others 25,693,449 Total  8070,328 25,693,449 1,878,318 72,974,429  10 Borrowings from other Banks, Financial Institutions & Agents Inside Bangladesh: Refinance against SME loan from Bangladesh Bank From other scheduled Banks (Note- 10.1) Sub Total  827,473,881 288,028 28,028 25,693,449 1,878,318 861,518,500 1,388,543,886 3,657,863,271 2,250,062,386		Security deposits	200,000	200,000
Others       25,693,449       1,878,318         Total       98,544,231       72,974,429         10       Borrowings from other Banks, Financial Institutions & Agents		Advance tax	42,384,245	40,471,874
Others       25,693,449       1,878,318         Total       98,544,231       72,974,429         10       Borrowings from other Banks, Financial Institutions & Agents		Deferred tax assets	70,328	228,028
10 Borrowings from other Banks, Financial Institutions & Agents Inside Bangladesh: Refinance against SME loan from Bangladesh Bank From other scheduled Banks (Note- 10.1) Sub Total  Outside Bangladesh		Others		
Inside Bangladesh: Refinance against SME loan from Bangladesh Bank From other scheduled Banks (Note- 10.1) Sub Total  Outside Bangladesh  Outside Bangladesh  Refinance against SME loan from Bangladesh Bank 827,473,881 2,830,389,390 1,388,543,886 3,657,863,271 2,250,062,386		Total	98,544,231	72,974,429
Inside Bangladesh: Refinance against SME loan from Bangladesh Bank From other scheduled Banks (Note- 10.1) Sub Total  Outside Bangladesh  Outside Bangladesh  Refinance against SME loan from Bangladesh Bank 827,473,881 2,830,389,390 1,388,543,886 3,657,863,271 2,250,062,386	10	Povrousings from other Poples Singuish Institutions & Agents		
Refinance against SME loan from Bangladesh Bank       827,473,881       861,518,500         From other scheduled Banks (Note- 10.1)       2,830,389,390       1,388,543,886         Sub Total       3,657,863,271       2,250,062,386         Outside Bangladesh       -       -	10	-		
From other scheduled Banks (Note- 10.1)  Sub Total  Outside Bangladesh  2,830,389,390  1,388,543,886  2,250,062,386		_	827 473 881	861 518 500
Sub Total       3,657,863,271       2,250,062,386         Outside Bangladesh       -       -				
Outside Bangladesh				
		Outside Bangladesh	-	-
Total 3,657,863,271 2,250,062,386		Total	3,657,863,271	2,250,062,386

	Amount	Amount in Taka	
	31-Dec-2017	31-Dec-2016	
From other scheduled Banks & Financial Institutions			
Short term loan			
Eastern Bank Ltd.	-	-	
Jamuna Bank Ltd.	500,000,000	-	
Uttara Bank Ltd.	350,000,000	-	
South Bangla Agriculture and Commerce Bank Ltd.	400,000,000	-	
Bank Alfalah Itd	50,000,000	-	
National Credit and Commerce Bank Ltd.	100,000,000	105,324,681	
Mutual Trust Bank Ltd.	-	-	
Dutch Bangla Bank Ltd.	-	-	
Standard Bank Ltd.	50,000,000	-	
Sub-Total	1,450,000,000	105,324,681	
Overdraft and money at call short notice			
Bank Alfalah Ltd.	-	50,000,000	
BRAC Bank Ltd.	-	100,000,000	
Agrani Bank Limited	80,000,000	-	
Mutual Trust Bank Limited	100,407,056	-	
Mutual Trust Bank Limited	-	573,219,205	
NRB Commercial Bank Ltd.	-	-	
Dutch bangla Bank Ltd	-	-	
United Commercial Bank Limited	-	220,000,000	
Sonali Bank Ltd	150,000,000	-	
Standard Bank Ltd	-	-	
Premier Bank Ltd.	-	-	
Prime Bank Ltd.	-	-	
Janata Bank Ltd.	140,000,000	200,000,000	
Pubali Bank	749,958,918	140,000,000	
Woory Bank Ltd.	160,023,416	-	
Sub-Total	1,380,389,390	1,283,219,205	
Grand Total	2,830,389,390	1,388,543,886	
Security against borrowings from other banks, financial	l institutions and		
agents			
Secured	3,187,863,271	1,360,062,386	
Unsecured	470,000,000	890,000,000	
Total	3,657,863,271	2,250,062,386	
Maturity grouping of borrowings from other banks, fina	ancial institutions		
and agents			
Payable on demand	1,132,652,372	700,000,000	
Up to 1 month	771,107,616	407,925,210	
Over 1 month but within 6 months	555,977,641	258,960,452	
Over 6 months but within 1 year	370,651,761	172,640,301	
Over 1 year but within 5 years	187,209,436	344,384,573	
Over 5 years	640,264,445	366,151,850	
Total	3,657,863,271	2,250,062,386	

		Amount in Taka	
		31-Dec-2017	31-Dec-2016
10.a	Consolidated borrowings from other Banks, Financial Institutions & Agents		
	Inside Bangladesh	==	
	IIDFCL	3,657,863,271	2,250,062,386
	IIDFC Securities Limited (Note-10.a.1)	587,101,422	610,117,704
	IIDFC Capital Limited (Note-10.a.2)	35,050,682	47,931,530
	Loss lates commons housesings	4,280,015,375	2,908,111,620
	Less: Inter company borrowings  IIDFC Securities Limited	587,101,422	587,101,422
	IIDFC Capital Limited	35,050,682	47,931,530
	nore cupital Elimica	622,152,104	635,032,952
	Total	3,657,863,271	2,273,078,668
	Total	3,037,003,271	2,2,3,0,0,000
10.a.1	Borrowings of IIDFC Securities Limited		
	Inside Bangladesh		
	IIDFC Ltd.	587,101,422	587,101,422
	Investment Corporation of Bangladesh	-	23,016,282
	Total	587,101,422	610,117,704
10.a.2	Borrowings of IIDFC Capital Limited		
	IIDFC Ltd.	35,050,682	47,931,530
	Investment Corporation of Bangladesh (ICB)	-	-
	Total	35,050,682	47,931,530
11	Deposits & other accounts		
	Deposits from banks and financial institutions (Note-11.1)	8,204,136,494	6,153,450,565
	Deposits from customers	7,270,914,932	6,413,597,862
	Sub-Total Sub-Total	15,475,051,426	12,567,048,427
	Other deposit	3,546,201	5,475,879
	Grand Total	15,478,597,627	12,572,524,306
11.1	Deposits from banks and financial institutions		
	Duch Bangla Bank Limited	-	150,000,000
	AB Bank Ltd.	_	150,000,000
	BRAC Bank Limited	700,000,000	350,000,000
	Eastern Bank Limited	330,000,000	330,000,000
	The City Bank Ltd.	200,000,000	-
	Jamuna Bank Limited	1,000,000,000	300,000,000
	Sonali Bank Limited	350,000,000	600,000,000
	IFIC Bank Limited	-	100,000,000
	Janata Bank Limited	200,000,000	-
	Mercantile Bank Limited	24,136,494	23,450,565
	National Bank Limited	200,000,000	200,000,000
	Simanto Bank Limited	500,000,000	500,000,000
	Union Bank Ltd.	1,100,000,000	-
	Pubali Bank Ltd.	100,000,000	-
	South Bangla Agriculture and Commerce Bank Ltd.	-	500,000,000
	Shahjalal Islami Bank Limited	1,200,000,000	350,000,000
	Social Islami Bank Limited	800,000,000	900,000,000
	Southeast Bank Limited	-	100,000,000
	Standard Bank Limited	150,000,000	50,000,000
	Modhumoti Bank Ltd.	650,000,000	500,000,000
	Midland Bank Limted	100,000,000	300,000,000
	Mutual Trust Bank Limited	-	300,000,000
	Uttara Bank Limited	500,000,000	300,000,000
	United Commercial Bank Limited	100,000,000	150,000,000
		8,204,136,494	6,153,450,565

		Amount	in Taka
		31-Dec-2017	31-Dec-2016
11.2	Maturity grouping of deposits & other accounts		
	Payable on demand	-	-
	Up to 1 month	843,607,775	1,098,277,586
	Over 1 month but within 6 months	7,157,513,298	5,385,597,494
	Over 6 months but within 1 year	2,964,308,106	2,044,899,039
	Over 1 year but within 5 years	3,971,713,587	2,780,216,323
	Over 5 years but within 10 years	541,454,862	1,263,533,865
	Over 10 years Total	15,478,597,627	12,572,524,306
11.a	Consolidated Deposits & Other Accounts		
	IIDFCL	15,475,051,426	12,567,048,427
	IIDFC Securities Limited	-	-
	IIDFC Capital Limited (Note-11.a.1)	-	26,072,711
	Sub Total Other Deposit	<b>15,475,051,426</b> 3,546,201	<b>12,593,121,138</b> 5,475,879
	Total	15,478,597,627	12,598,597,017
11.a.1	Deposits & Other Accounts of IIDFC Capital Limited		
	Deposits from Banks	-	-
	Deposits from Customers	-	26,072,711
	Total	-	26,072,711
12	Other Liabilities		
	Finance loss reserve (Note 12.1)	442,472,892	377,188,096
	Deferred tax	557,108	471,777
	Interest suspense account (Note 12.2)	147,256,090	106,802,621
	Lease rental advance	22,794,908	29,713,790
	Provision for current tax ( <b>Note 37</b> )	526,025,819	447,662,079
	Liabilities for financial expenses	326,432,079	403,530,242
	Liabilities for expenses Liabilities for other finance	996,434 127,510,335	1,193,143 165,655,418
	Obligation under finance lease	127,310,333	738,631
	Total	1,594,045,664	1,532,955,797
12.1	Finance Loss Reserve		
	Specific Provision on Classified Loans & Advances	222 222 422	200 002 007
	Opening Balance	229,930,482	300,093,097
	Less: Provision fully provided loans & advances written-off during the year  Add: Specific provision provided during the year	(107,934,946) 199,237,549	(124,580,960) 54,418,345
	Closing balance	321,233,085	229,930,482
	Provision for diminution in value of Investments		
		2 110 427	20.762.867
	Opening Balance Add: Provision during the year	<b>3,118,427</b> 5,041,202	<b>30,762,867</b> (27,644,440)
	Closing Balance	8,159,629	3,118,427
	General Provision on unclassified Loans & Advances		
	Opening balance	144,139,187	84,679,348
	Add: General provision provided during the year	(31,059,009)	59,459,839
	Closing Balance	113,080,178	144,139,187
	Total	442,472,892	377,188,096
		, ,	

				Amount	in Taka
				31-Dec-2017	31-Dec-2016
	Particulars of required provision for Loans and A	dvances			
	Status of classification	Base for	Rate		
	<u>Status of classification</u>	<u>provision</u>	<u>nate</u>		
	Unclassified (General provision)				
	Standard- other than SME	10,142,563,096	1.0%	101,425,631	108,319,974
	Standard- SME	3,725,661,907	0.25%	9,314,155	7,164,375
	Special mention account (SMA)	55,491,255	5.0%	2,774,563	7,728,269
	Total	13,923,716,258	3.070	113,514,348	123,212,618
	Classified (Specific provision)	13,323,710,230		113,514,545	123,212,010
	Sub-standard (SS)	264,657,382	20.0%	52,931,476	38,180,175
	Doubtful (DF)	216,105,598	50.0%	108,052,799	97,421,293
	Bad/ loss (BL)	150,438,314	100.0%	150,438,314	94,329,012
	Total	631,201,294		311,422,589	229,930,480
				, ,	2,223,
	Required provision for Investments		Ī	8,159,629	3,118,427
	Total provision required		-	433,096,567	356,261,525
	Total provision made		-	442,472,892	377,188,096
	Excess provision made		_	9,376,325	20,926,571
	Likess provision made		-	3,370,323	20,920,371
12.2	Interest suspense account				
	Opening Balance			106,802,621	135,309,798
	Add: Amount transferred to interest suspense acc	ount during the year		50,808,555	5,000,000
	Less: Amount written-off during the year			(10,355,086)	(33,507,177)
	Closing Balance		=	147,256,090	106,802,621
12.a	Other Liabilities				
	IIDFCL			1,594,045,664	1,532,955,797
	IIDFC Securities Limited (Note-12.a.1)			742,262,412	832,277,660
	IIDFC Capital Limited (Note-12.a.2)			294,689,920	264,333,880
				2,630,997,996	2,629,567,338
	Less: Inter company liabilities				
	IIDFC Securities Limited			-	-
	IIDFC Capital Limited		L		
	Total		=	2,630,997,996	2,629,567,338
12.a.1	Other Liabilities of IIDFC Securities Limited				
	Provision for loans & advances-margin loan			53,382,379	55,317,340
	Provision for current tax			100,070,752	78,210,890
	Provision for deferred tax			-	(535,828)
	Payable to clients			108,805,198	177,884,743
	Payable to merchant Banks (SEB Capital & IIDFC Ca	apital)		555,399	662,691
	Payable to DSE			69,625	7,732,029
	Interest suspense account			466,652,802	483,558,749
	Liability for expenses			3,075,065	20,764,791
	Reserve for risk fund			816,667	716,667
	Provision for diminution in value of investments		L	8,834,525	7,965,588
	Total		_	742,262,412	832,277,660

			Amoun	t in Taka
			31-Dec-2017	31-Dec-2016
12.a.2 Other liabilities of IIDFC Capital Limited				
Finance loss reserve			13,317,115	13,317,115
Withholding tax			-	81,692
Interest suspense account			203,159,547	203,159,547
Provision for diminution in value of investment	t		4,332,098	284,302
Current tax liability			46,081,816	41,286,735
Liability for financial expenses			993,030	5,564,866
Liability for expenses			2,032,746	639,542
Payable to Brokerage & Others			24,773,568	81
Total			294,689,920	264,333,880
13 Share Capital				
Authorized Capital				
(500,000,000 shares of Tk. 10 each)			5,000,000,000	5,000,000,000
Subscribed & Paid-up Capital:				
(100,000,000 shares of Tk. 10 each)			1,000,000,000	1,000,000,000
Paid-up Share Capital as on 31st December, 20	017 comprises the followin	igs		
Public Sector		_		
Name of Shareholders		No. of Shares	Value	Percentage (%)

No. of Shares	Value	Percentage (%)
7,329,110	73,291,100	7.33%
7,329,110	73,291,100	7.33%
7,329,110	73,291,100	7.33%
21,987,330	219,873,300	21.99%
1,461,300	14,613,000	1.46%
7,329,110	73,291,100	7.33%
7,329,110	73,291,100	7.33%
7,329,110	73,291,100	7.33%
7,329,110	73,291,100	7.33%
7,329,110	73,291,100	7.33%
7,329,110	73,291,100	7.33%
7,329,110	73,291,100	7.33%
7,329,110	73,291,100	7.33%
7,329,110	73,291,100	7.33%
7,329,110	73,291,100	7.33%
3,260,270	32,602,700	3.26%
78,012,670	780,126,700	78.01%
	7,329,110 7,329,110 21,987,330  1,461,300 7,329,110 7,329,110 7,329,110 7,329,110 7,329,110 7,329,110 7,329,110 7,329,110 7,329,110 7,329,110 7,329,110 7,329,110 7,329,110 7,329,110 7,329,110 7,329,110 7,329,110 3,260,270	7,329,110 73,291,100 7,329,110 73,291,100 7,329,110 73,291,100 21,987,330 219,873,300  1,461,300 7,329,110 73,291,100 7,329,110 73,291,100 7,329,110 3,260,270

### 13.1 Capital adequacy

As per section 4(Gha) of the Financial Institutions Regulations 1994, the minimum paid up capital of the Financial Institution shall be Taka 100 crore. Provided that the sum of paid up capital and reserves shall not be less than the minimum capital determined under the Risk Based Assets of the Company.

Paid up capital Required capital as per Bangladesh Bank

Excess/(Shortage) capital

### 1,000,000,000 1,000,000,000

1,000,000,000

100,000,000

1,000,000,000

100.00%

### 13.2 Capital adequacy and market discipline

As per Capital Adequacy and Market Discipline for Financial Institutions guideline of Bangladesh Bank, IIDFC calculated Minimum Capital Requirement (MCR) by dividing the total capital by the sum of risk weighted assets against credit risk, market risk, and operational risk under pillar-I. IIDFC maintain Capital Adequacy Ratio (CAR) of minimum 10%.

	Amoun	t in Taka
	31-Dec-2017	31-Dec-2016
Tier-1 (Core Capital)		
Fully paid-up capital/ capital lien with BB	1,000,000,000	1,000,000,000
Statutory reserve	336,312,006	307,536,433
Non-repayable share premium account	-	-
General reserve	48,800,000	47,800,000
Retained earnings	317,437,434	268,335,141
Minority interest in subsidiaries	-	-
Non- cumulative irredeemable preference shares	-	-
Dividend equalization account	-	-
Other (if any item approved by Bangladesh Bank)		
Sub-Total	1,702,549,440	1,623,671,574
Deductions from tier-1(Core capital)		
Book value of goodwill and any value of any contingent assets which are shown as assets	-	-
Shortfall in provisions required against classified assets	-	-
Shortfall in provisions required against investment in share	-	-
Remaining deficit on account of revaluation of investments	-	-
in securities after netting off any other surplus on the securities	-	-
Any investment exceeding the approved limit	-	-
Investments in subsidiaries which are not consolidated	-	-
Other (if any)	-	-
Sub-Total	-	-
Total eligible Tier-1 capital	1,702,549,440	1,623,671,574
2. Tier-2 (Supplementary capital)		
General provision (Unclassified up to special limit+SMA+ off balance sheet exposure)	113,514,348	123,212,618
Assets revaluation reserves upto 50%	-	-
Revaluation reserve for securities upto 50%	-	-
All other preference shares	-	-
Other ( if any item approved by Bangladesh Bank)	-	-
Sub-Total	113,514,348	123,212,618
Deductions, if any	-	-
Total eligible Tier-2 capital	113,514,348	123,212,618
Total control	4.045.052.700	4.746.004.404
Total capital	1,816,063,789	1,746,884,191
Total risk weighted asset	16,588,470,920	14,055,125,963
Total risk weighted asset  Required capital	16,588,470,920 1,658,847,092	14,055,125,963 1,405,512,596
-		
Required capital	1,658,847,092	1,405,512,596
Required capital Surplus / (Deficit)	1,658,847,092 157,216,697	1,405,512,596 341,371,595

В

C

D

		Amount in Taka	
		31-Dec-2017	31-Dec-2016
14	Statutory reserve		
	Opening balance	307,536,433	275,682,279
	Add: Addition during the year	28,775,573	31,854,154
	Closing balance	336,312,006	307,536,433
	The company has transferred 20% of net profit to statutory reserve as per the Financial In	stitutions Regulations,199	4.
15	General reserve		
	Opening Balance	47,800,000	46,800,000
	Add: Addition during the year	1,000,000	1,000,000
	Closing balance	48,800,000	47,800,000
15.a	Consolidated general reserve		
15.a	IIDFCL	48,800,000	47,800,000
	IIDFC Securities Limited	17,000,000	17,000,000
	IIDFC Capital Limited	17,000,000	17,000,000
	iibre capitai Liiliteu	65,800,000	64,800,000
16	Other reserve	03,800,000	04,800,000
10	Opening balance		
	Add: Addition during the year	-	_
	Closing balance		
	closing balance	-	<u> </u>
17	Stock dividend		
	Opening balance		-
	Add: Interim stock dividend for the year 2012	-	-
	Less: Converted into paid up capital	-	-
	Closing balance	-	<u>-</u>
17.a	Consolidated stock dividend		
	IIDFC Limited	-	-
	IIDFC Securities Ltd.	-	-
18	Retained earnings		
	Opening balance	268,335,141	241,918,527
	Less: Non-divisible profit (note-18.1)	(65,000,000)	-
	Net profit during the year	143,877,866	159,270,768
	Less: Statutory reserve	(28,775,573)	(31,854,154)
	Less: General reserve	(1,000,000)	(1,000,000)
	Less: Proposed stock dividend	-	-
	Less: Cash Dividend Distributed for the year 2015	-	(100,000,000)
	Closing balance	317,437,434	268,335,141
18.1	Non-divisable profit		
	Retained earnings of year 2016 includes Tk. 65,000,000 as non-divisible profit including m of Tk. 40,000,000 from IIDFC Capital Limited and Tk. 25,000,000 from IIDFC Securities Limit restated in the year 2017.		
18.a	Retained earnings carried forward		
	IIDFCL	317,437,434	268,335,141
	IIDFC Securities Limited (Note-18.a.1)	86,621,760	83,452,560
	IIDFC Capital Limited (Note-18.a.2)	(42,355,942)	(75,507,459)
	Sub-Total	361,703,252	276,280,242
	Less: Non-controlling interest	9,983	8,924
	Total	261 602 260	276 271 210

276,271,318

361,693,269

Total

Amount in Taka		
31-Dec-2017	31-Dec-2016	

### 18.a.a Non-divisable profit

Retained earnings of year 2016 includes Tk. 65,000,000 as non-divisible profit including minority interests. Its represents stock dividend of Tk. 40,000,000 from IIDFC Capital Limited and Tk. 25,000,000 from IIDFC Securities Limited for the year 2010 & 2011 which has been restated in current year.

18.a.1	Retained earnings of IIDFC Securities Limited		
	Opening balance	83,452,560	70,721,886
	Add: Prior year adjustment	-	-
	Add: Net profit during the year	3,169,200	12,730,674
	Less: Stock dividend	-	-
	Closing balance	86,621,760	83,452,560
18.a.2	Retained earnings of IIDFC Capital Limited		
	Opening balance	(75,507,459)	(129,493,094)
	Net profit during the year	33,151,517	53,985,635
	Closing balance	(42,355,942)	(75,507,459)
18.a.3	Non-controlling interest		
	Share capital	137,030	137,030
	Retained earnings	9,983	8,924
	General reserve	2,126	2,126
	Closing balance	149,139	148,080

Name of subsidiary company	Amount of share capital	Right of IIDFC	Share of IIDFC	Non-controlling share capital
IIDFC Securities Limited	1,000,000,000	99.9875%	999,874,970	125,030
IIDFC Capital Limited	600,000,000	99.9980%	599,988,000	12,000
	1,600,000,000		1,599,862,970	137,030
Non-Divisible Profit	-		(65,000,000)	-
Total	1,600,000,000		1,534,862,970	137,030

### 19 Contingent liabilities & capital expenditure commitments

### Letter of guarantee:

Money for which the company is contingently liable in respect of guarantees given favoring: Directors Government Banks and other financial institutions Others (Note-19.1) 203,549,122 129,363,340 203,549,122 129,363,340 **Sub Total** Letter of credit: For import of equipments under lease finance Sub-Total Total 203,549,122 129,363,340

### 19.1 Others

 Bank Guarantee-Non Funded
 203,549,122
 106,544,980

 LC Commitment
 203,549,122
 129,363,340

### 19.2 Capital expenditure commitments

There was no capital expenditure contracted but not incurred or provided for as on 31 December 2017, or no capital expenditure authorized by the Board but not contracted as on 31 December 2017.

		Amount	in Taka
		31-Dec-2017	31-Dec-2016
20	Interest income		
	Interest income from balance with other banks & financial institutions	1,930,724	2,205,533
	Interest income from lease finance	252,836,307	278,907,383
	Interest income from direct/ term finance	1,334,656,534	1,110,700,231
	Interest income from secured overdraft	58,974,260	38,475,595
	Interest income from bills discounted & purchased	2,740,155	1,415,809
	Total	1,651,137,980	1,431,704,551
20.a	Consolidated interest income		
	IIDFCL	1,651,137,980	1,431,704,551
	IIDFC Securities Limited (Note-20.a.1)	47,853,812	75,768,647
	IIDFC Capital Limited (Note-20.a.2)	9,994,181	59,352,933
		1,708,985,973	1,566,826,131
	Less: Inter company transaction		
	IIDFC Securities Limited	64,939,941	74,610,806
	IIDFC Capital Limited	8,058,340	7,249,143
		72,998,281	81,859,949
	Total	1,635,987,692	1,484,966,182
20.a.1	Interest income of IIDFC Securities Limited		
	Interest income from margin loan	40,959,303	71,026,009
	Interest income from balance with other banks	6,894,509	4,742,638
	Total	47,853,812	75,768,647
20.a.2	Interest income of HDEC Conited Limited		
20.a.2	Interest income of IIDFC Capital Limited Interest income from margin loan	9,994,181	59,136,395
	Interest income from balance with other banks & financial institutions	9,994,101	216,538
	Total	9,994,181	59,352,933
		3,55 1,122	55,552,550
21	Interest paid on deposits, borrowings etc.		
	Interest on deposits		
	Fixed deposits	518,899,508	579,727,092
	Short-term deposits	407,335,484	387,313,587
	Other deposits	- 026 224 002	- 067.040.670
	Interest on borrowings	926,234,992	967,040,679
	For borrowings from other banks, financial institutions & agent		
	Long term loan	129,078,016	126,514,315
	Overdraft facilities	39,876,883	17,189,460
	Money at call and short notice	20,977,848	33,773,917
		189,932,747	177,477,692
	Total	1,116,167,739	1,144,518,371
21.a	Consolidated interest paid on deposits, borrowings etc.		
21.d	IIDFCL	1,116,167,739	1,144,518,371
	IIDFC Securities Limited (Note-22.a.1)	64,939,941	79,239,822
	IIDFC Capital Limited (Note-22.a.2)	8,203,130	9,198,124
	nor a capital clinica (Note 22.4.2)	1,189,310,810	1,232,956,317
	Less: Inter company transaction	, .,,	, , , , , ,
	IIDFC Securities Limited	64,939,941	74,610,806
	IIDFC Capital Limited	8,058,340	7,249,143
		72,998,281	81,859,949
	Total	1,116,312,529	1,151,096,368

		Amount	in Taka
		31-Dec-2017	31-Dec-2016
21.a.1	Interest paid on deposits, borrowings etc. of IIDFC Securities Limited		
	Interest on borrowing from IIDFC Ltd .	64,939,941	74,610,806
	Interest on borrowing from bank & other financial institutions	-	4,629,016
	Total	64,939,941	79,239,822
21.a.2	Interest paid on deposits, borrowings etc. of IIDFC Capital Limited		
	Interest on borrowing from bank & other financial institutions	8,058,340	7,249,143
	Interest on Demand	144,790	1,948,981
	Total	8,203,130	9,198,124
22	December 15 and the second		
22	Income from investment Capital gain	51,567,694	23,301,102
	Interest income from Bank Asia zero coupon bond	1,831,978	480,099
	Interest income from Commercial Paper	83,333	108,143,170
	Dividend income	16,612,427	17,146,318
	Total	70,095,432	149,070,689
22.a	Consolidated income from investment  IIDFCL	70,095,432	149,070,689
	IIDFC Securities Limited (Note-22.a.1)	47,216,693	8,914,828
	IIDFC Capital Limited (Note-22.a.2)	41,875,844	5,781,904
	Total	159,187,969	163,767,421
22.a.1	Income from investment of IIDFC Securities Limited		
	Dividend income	17,162,409	14,189,745
	Capital gain on investment in securities	30,054,284	(5,274,917)
	Total	47,216,693	8,914,828
22.a.2	Income from investment of IIDFC Capital Limited		
	Dividend income	1,568,022	258,840
	Capital gain on investment in securities	40,307,822	5,523,064
	Total	41,875,844	5,781,904
23	Commission, exchange and brokerage		
23	Commission on securities trading	_	-
	Total	-	-
23.a	Commission, exchange and brokerage		
	IIDFCL	-	-
	IIDFC Securities Limited	88,913,203	45,609,084
	IIDFC Capital Limited  Total	11,942,542 <b>100,855,745</b>	7,603,442 <b>53,212,526</b>
		200,000,1.0	00,212,020
24	Other operating income		
	Syndication fee income	3,820,652	25,074,020
	Bank guarantee income	-	27,691
	Income from Carbon Finance	-	18,382,382
	Application & processing fees	4,891,361	2,982,160
	Transfer fees	421,063	245,986
	Notice pay received	772,242	1,247,232
	Profit from sale of fixed assets	308,908	1,264,750
	LC commission	-	233,889
	Collection against written off Loans	-	1,000,000
	Cancellation charges	1,185,933	1,274,020
	Total	11,400,159	51,732,129

		Amount	in Taka
		31-Dec-2017	31-Dec-2016
24.a	Consolidated other Operating Income		
	IIDFCL	11,400,159	51,732,129
	IIDFC Securities Limited (Note-24.a.1)	585,979	725,156
	IIDFC Capital Limited (Note-24.a.2)	1,747,842	15,073,529
	Total	13,733,980	67,530,814
24.a.1	Other operating income of IIDFC Securities Limited		
	BO & trading accounts maintenance income	470,100	624,300
	Income against CDBL charges	-	-
	Notice pay received	45,855	82,500
	Cheque dishonour charges	22,000	16,000
	Others	48,024	2,356
	Total	585,979	725,156
24.a.2	Other operating income of IIDFC Capital Limited		
	Non Operating Income	1,366,757	13,565,639
	Underwriting commission	375,000	1,500,000
	Service Charge	6,085	7,890
	Total	1,747,842	15,073,529
25	Salaries & allowances		
	Basic salary	66,612,184	54,721,648
	Allowances	42,118,834	37,403,059
	Festival bonus	7,641,468	7,641,468
	Incentive bonus	8,107,942	8,892,797
	Company's contribution to provident fund	4,848,659	4,481,849
	Group insurance	3,070,168	3,108,322
	Retirement benefits & gratuity	3,000,000	844,700
	Total	135,399,255	117,093,843
25.a	Consolidated salaries & allowances		
	IIDFCL	135,399,255	117,093,843
	IIDFC Securities Limited (Note-25.a.1)	37,337,677	29,652,924
	IIDFC Capital Limited (Note-25.a.2)	11,025,932	9,185,394
	Total	183,762,864	155,932,161
25.a.1	Salaries & allowances of IIDFC Securities Limited		
	Basic salary	15,567,780	13,590,792
	Allowances	14,587,575	10,974,957
	Bonus	2,638,214	2,248,326
	Company's contribution to provident fund	1,427,577	1,196,009
	Group insurance	734,979	647,023
	Retirement benefits & gratuity	2,381,552	995,817
	Total	37,337,677	29,652,924
25 - 2	Calarias R allowers as A IDEC Carital Limited		
25.a.2	Salaries & allowances of IIDFC Capital Limited	4 410 200	2 002 774
	Basic salary	4,419,290	3,983,774
	Allowances	3,640,883	3,546,401
	Bonus Company's contribution to provident fund	1,779,210	645,629
	Company's contribution to provident fund	436,026	396,178
	Group Insurance	170,759	164,892
	Retirement benefits & gratuity	579,764	448,520
	Total	11,025,932	9,185,394

		Amount	in Taka
		31-Dec-2017	31-Dec-2016
26	Rent, taxes, insurance, electricity etc.		
	Rent, rates and taxes	21,682,241	18,030,562
	Insurance	758,075	724,877
	Electricity, gas and water	2,880,174	2,980,167
	Total	25,320,490	21,735,605
26.a	Consolidated rent, taxes, insurance, electricity etc.		
20.a	IIDFCL	25,320,490	21,735,605
	IIDFC Securities Limited (Note-26.a.1)	16,520,403	14,857,974
	IIDFC Capital Limited (Note-26.a.2)	1,688,898	1,499,888
	Total	43,529,791	38,093,467
		,,,,,,,,,	
26.a.1	Rent, taxes, insurance, electricity etc. of IIDFC Securities Limited		
	Rent, rates and taxes	14,900,951	13,353,169
	Insurance	2,675	5,033
	Electricity, gas and water	1,616,777	1,499,772
	Total	16,520,403	14,857,974
26.a.2	Rent, taxes, insurance, electricity etc. of IIDFC Capital Limited		
	Rent, rates and taxes	1,536,942	1,335,367
	Insurance	23,818	23,818
	Electricity, gas and water	128,138	140,703
	Total	1,688,898	1,499,888
27	Legal expenses		
	Professional charges	401,900	1,421,350
	Legal expenses	5,359,125	4,029,850
	Total	5,761,025	5,451,200
27.a	Consolidated legal expenses		
	IIDFCL	5,761,025	5,451,200
	IIDFC Securities Limited	1,138,200	174,000
	IIDFC Capital Limited	135,700	115,000
	Total	7,034,925	5,740,200
28	Postage, stamp, telecommunications etc.		
	Postage and courier	90,849	80,625
	Phone, fax & internet	2,839,824	3,009,869
	Total	2,930,673	3,090,494
28.a	Consolidated postage, stamp, telecommunications etc.		
	IIDFCL	2,930,673	3,090,494
	IIDFC Securities Limited	1,838,409	1,853,368
	IIDFC Capital Limited	247,591	250,470
	Total	5,016,673	5,194,332
29	Stationery, printing, advertisement etc.		
	Printing & stationery	2,415,883	2,863,318
	Advertisement  Total	1,992,284	1,663,790
	IULAI	4,408,167	4,527,108

		Amount in Taka	
		31-Dec-2017	31-Dec-2016
<b>29.</b> a	Consolidated stationery, printing, advertisement etc.		
	IIDFCL	4,408,167	4,527,108
	IIDFC Securities Limited	353,759	212,957
	IIDFC Capital Limited	48,220	70,576
	Total	4,810,146	4,810,641
30	Managing director's salary and fees		
	Basic salary	3,600,000	3,600,000
	Festival bonus	600,000	600,000
	Incentive bonus	900,000	900,000
	House rent allowance	1,800,000	1,800,000
	Medical allowance	180,000	180,000
	Entertainment allowance	180,000	180,000
	Car allowance ( Note-35.1 )	1,075,147	947,429
	Leave fare assistance	300,000	300,000
	Group insurance	236,643	338,860
	Earned leave	-	480,000
	Others	54,990	56,750
	Total	8,926,780	9,383,039
31	Directors' Fees		
	Directors' fees	576,000	882,800
	Other Benefits	-	-
	Total	576,000	882,800

The Company pays fees to its Directors for attending the Board Meeting and its Committee Meetings as permitted by the Bangladesh Bank. As per DFIM Circular # 03, dated 24 February 2010 Directors/Committee Members were paying fees @ Tk. 5,000.00 for attending each meeting. Presently, Directors/Committee Members are paying fees @ Tk. 8,000.00 for attending each meeting complying DFIM Circular # 13, dated 30 November 2015.

31.a	Consolidated directors' fees		
	IIDFCL	576,000	882,800
	IIDFC Securities Limited	62,500	118,750
	IIDFC Capital Limited	57,500	70,277
	Total	696,000	1,071,827
32	Auditor's fees	373,750	345,500
<b>32.</b> a	Auditor's fees		
	IIDFCL	373,750	345,500
	IIDFC Securities Limited	149,500	138,000
	IIDFC Capital Limited	126,500	115,000
	Total	649,750	598,500
33	Loans & advances written-off		
	Loans & advances written-off during the year	-	-
	Interest waived	-	-
	Total	-	-
33.a	Consolidated loans & advances written-off		
	IIDFCL	-	-
	IIDFC Securities Limited	23,528,025	1,018,833
	IIDFC Capital Limited	634,307	11,160,529
	Total	24,162,332	12,179,362

		Amount	in Taka
		31-Dec-2017	31-Dec-2016
34	Repair, depreciation and amortizations of company's assets		
	Repair of company's assets:		
	Furniture & fixtures	289,155	297,895
	Softwares	1,312,697	348,697
	Office equipments	966,439	1,180,425
	Sub Total	2,568,291	1,827,017
	Depreciation of company's assets		
	Own assets	6,515,668	6,789,961
	Sub Total	6,515,668	6,789,961
	Amortisation of company's assets		
	Computer software	1,156,185	1,153,160
	Total repair and depreciation of company's assets	10,240,144	9,770,138
34.a	Consolidated repair, depreciation and amortisation of company's assets		
	Repair of company's assets		
	IIDFCL	2,568,291	1,827,017
	IIDFC Securities Limited	593,931	171,824
	IIDFC Capital Limited	86,630	98,063
	· ·	3,248,852	2,096,904
	Provide the state of the state		
	Depreciation of company's assets	6.545.660	6 700 064
	IIDFCL	6,515,668	6,789,961
	IIDFC Securities Limited	1,527,293	2,976,988
	IIDFC Capital Limited	150,904	81,996
	Amortisation of company's assets	8,193,865	9,848,945
	IIDECL	1,156,185	1,153,160
	IIDFC Securities Limited	1,130,163	1,155,100
	IIDFC Capital Limited	_	149,990
	iibi e capitai ziiiitea	1,156,185	1,303,150
	Total repair and depreciation of company's assets	12,598,902	13,248,999
		, ,	., .,
35	Other expenses		
	Office maintenance	1,462,307	1,476,985
	Traveling & conveyance	8,450,648	8,376,926
	Meeting expenses	2,930,300	2,582,193
	Entertainment	361,102	419,176
	Portfolio Maintenance Expenses	3,317,975	
	Car running & maintenance expenses	6,064,509	5,753,982
	Bank charge & excise duty	950,415	619,862
	Interest for lease facility	11,454	186,784
	Training expenses	371,707	592,150
	Membership fees & subscriptions	393,000	423,000
	Books & periodicals	74,166	78,829
	Capital issue expenses	42,958	5,843
	Donation for Relief Purpose	915,590	345,870
	Eid tips ADB project expenses	35,500	30,500
	Total	50,310 <b>25,431,941</b>	412,826 <b>21,304,926</b>
	IULAI	23,431,341	21,304,926

Amount in Taka
31-Dec-2017 31-Dec-2016

### 35.1 Bangladesh Bank DFIM circular no:12 dated 18 November 2015 Expenses regarding Motor Car / Motor Cycle maintenance breakup is given below:

During the year 2017, total car maintenance and running cost of the Company was TK. 5,753,982 which was TK. 5,379,772 in the Y2016. The total costs includes fuel cost for running vehicles and maintenance costs for full year.

35.a	Consolidated other expenses		
	IIDFCL	25,431,941	21,304,926
	IIDFC Securities Limited	10,846,426	6,648,451
	IIDFC Capital Limited	1,003,002	732,619
	Total	37,281,369	28,685,996
36	Provision for loans & advances		
30	Provision for classified loans & advances	199,237,549	54,418,345
	Provision for unclassified loans & advances	(31,059,009)	59,459,839
	Provision for diminution in value of investments	5,041,202	(27,644,440)
	Provision for off-balance sheet items	-	-
	Total	173,219,742	86,233,744
36.a	Consolidated provision for loans & advances		
	Provision for classified loans & advances	199,237,549	54,418,345
	Provision for unclassified loans & advances	(31,059,009)	28,686,339
	Provision for diminution in value of investments	9,957,935	(27,360,138)
	Provision for off-balance sheet items	-	-
	Total	178,136,475	55,744,546

### 37 Provision for tax

Provision for Current Tax is made on the basis of the profit for the period as adjusted for taxation purpose in accordance with the provision of Income Tax Ordinance, 1984 and amendments made thereof. The current tax rate for the Company is 42.50% on taxable income

	income.	x rate for the company	13 12.3070 OH taxable
	Provision for current tax		
	Opening balance	447,662,079	397,162,079
	Add: Provision made during the year	78,363,740	50,500,000
	Add: Transferred from Deferred tax	-	-
	Less: Settlement during the year	-	-
	Closing balance	526,025,819	447,662,079
37.1	Provision for deferred tax		
	Opening balance	(9,185,857)	(7,585,690)
	Add: Provision made during the year (Note-37.2)	1,636,260	(1,600,167)
	Less: Deferred tax no more required-transferred to current tax	-	-
	Less: Settlement during the year	-	-
	Closing balance	(7,549,597)	(9,185,857)
37.2	Deferred tax expense/(income)		
	Change in Deferred Tax Liability	85,331	(325,405)
	Change in Deferred Tax Asset	1,550,929	(1,274,762)
		1,636,260	(1,600,167)

### 37.a Consolidated provision for tax

### Opening balance

Add: Provision made during the year

Less: Settlement during the year for Deferred tax

### **Closing balance**

Amount	Amount in Taka		
31-Dec-2017	31-Dec-2016		
557,209,991	495,499,563		
105,018,684	63,310,595		
1,636,260	(1,600,167)		
106,654,944	61,710,428		
663,864,935	557,209,991		

### 38 Earnings per share (EPS)

Earnings Per Share (EPS) as shown in the face of Profit and Loss Account is calculated in accordance with Bangladesh Accounting Standards (BAS) No. 33 " Earnings Per Share".

Basic Earnings Per Share has been calculated as follows:

Earnings attributable to ordinary shareholders (Net Profit after Tax)

Number of ordinary shares outstanding during the year

### Basic earnings per share (in Taka)

1.44	1.59
100,000,000	100,000,000
143,877,866	159,270,768

No diluted earnings per share is required to be calculated for the period, as there was no convertible securities for dilution during the period.

### 38.a Consolidated Earnings per share (EPS)

Earnings per Share (EPS) as shown in the face of Profit and Loss Account is calculated in accordance with Bangladesh Accounting Standards (BAS) No. 33 " Earnings Per Share".

Basic earnings per share has been calculated as follows:

Earnings attributable to ordinary shareholders (Net Profit after Tax)

Number of ordinary shares outstanding during the year

### Basic earnings per share (in Taka)

180,188,601	225,975,482
100,000,000	100,000,000
1.80	2.26

No diluted earnings per share is required to be calculated for the period, as there was no convertible securities for dilution during the period.

### 39 Related party transactions

Parties are considered to be related, if one party has the ability to control the other party or exercise significant influence over the other party, in making financial and operational decisions and include associated companies with or without common directors and key management positions. The Company has entered into transactions with other entities in the normal course of business that fall within the definition of related party as per Bangladesh Accounting Standards- 24 ' Related Party Disclosure'. Transactions with related parties are executed on the same terms, including interest rate and collateral, as those prevailing at the time of comparable transactions with other customers of similar credentials and do not involve more than normal risk.

Name of the parties  Southeast Bank Ltd.	Nature of Loan/Lease	Nature of Transactions	31-Dec-2017  Outstanding  Balance	31-Dec-2016 Outstanding
Southeast Bank Ltd.	Nature of Loan/Lease			Outstanding
			Darance	Balance
			Taka	Taka
0 1 10 1111	Sponsor Shareholder	FDR Placement	30,000,000	-
Southeast Bank Ltd.	Sponsor Shareholder	Term Deposit	-	100,000,000
Southeast Bank Ltd.	Sponsor Shareholder	STD Account	257,848	192,902
Southeast Bank Ltd.	Sponsor Shareholder	Current Account	2,631	3,896
Janata Bank Ltd.	Sponsor Shareholder	Call Money Received	140,000,000	200,000,000
Janata Bank Ltd.	Sponsor Shareholder	Term Deposit	200,000,000	-
Janata Bank Ltd.	Sponsor Shareholder	STD Account	3,148	4,175
Bank Asia ltd .	Sponsor Shareholder	STD Account	84,528,323	53,339,536
Bank Asia ltd .	Sponsor Shareholder	Current Account	16	31
The City Bank ltd.	Sponsor Shareholder	STD Account	143,853	7,123
Natinal Bank ltd.	Sponsor Shareholder	Term Deposit	200,000,000	-
One Bank Ltd.	Sponsor Shareholder	STD Account	29,406	30,070
Sonali Bank Ltd.	Sponsor Shareholder	STD Account	77,789	75,482
Sonali Bank Ltd.	Sponsor Shareholder	Term Deposit	350,000,000	600,000,000
Sonali Bank Ltd.	Sponsor Shareholder	Call Money Received	150,000,000	-
AB Bank Ltd.	Sponsor Shareholder	Term Deposit	-	150,000,000
AB Bank Ltd.	Sponsor Shareholder	STD Account	3,057	2,951
Mutual Trust Bank Ltd.	Sponsor Shareholder	Term Deposit	23,789,762	300,000,000
Mutual Trust Bank Ltd.	Sponsor Shareholder	Call Money Received	100,000,000	140,000,000
Mutual Trust Bank Ltd.	Sponsor Shareholder	FDR Placement	-	22,665,733
Mutual Trust Bank Ltd.	Sponsor Shareholder	Overdraft	407,056	433,219,205
National Bank Limited	Sponsor Shareholder	Term Deposit	-	200,000,000
BRAC Bank Ltd.	Sponsor Shareholder	Term Deposit	700,000,000	350,000,000
BRAC Bank Ltd.	Sponsor Shareholder	Current Account	5,820,890	12,235
BRAC Bank Ltd.	Sponsor Shareholder	Short Term Borrowings	-	100,000,000
			1,985,063,779	2,649,553,339

Amount in Taka

### 40 Board meetings

During the year total number of Board Meetings was 8, which was held at the following dates:

Serial Number	No. Meeting	Date of Meeting
1	197 <sup>th</sup> Meeting	2-Feb-17
2	198 <sup>th</sup> Meeting	25-Apr-17
3	199 <sup>th</sup> Meeting	24-May-17
4	200 <sup>th</sup> Meeting	20-Jul-17
5	201st Meeting	27-Sep-17
6	202 <sup>nd</sup> Meeting	31-Oct-17
7	203 <sup>rd</sup> Meeting	11-Dec-17
8	204 <sup>th</sup> Meeting	27-Dec-17

### 41 Audit committee

### a. Particulars of audit committee

In pursuance of the directives of Bangladesh Bank vide DFIM circular no 10 dated 18 September, 2005, the Board of Directors in its meeting Constituted an Audit Committee. Presently, the Audit Committee members are:

Name	Status in the board	Status in the committee	Other engagement
1. Mr. Md. Obayed Ullah Al Masud	Director	Chairman	CEO & Managing Director, Sonali Bank Limited
2. Mr. Md. Abdus Salam Azad	Director	Member	CEO & Managing Director, Janata Bank Limited
3. Mr. Choudhury Moshtaq Ahmed	Director	Member	Managing Director, National Bank Limited
4. Mr. Wakar Hasan	Director	Member	Deputy Managing Director, ONE Bank Limited
5. Mr. Kazi Sanul Hoq	Director	Member	Managing Director, ICB

The company Secretary of IIDFC Limited is acting as the secretary of the Committee

### b. Meetings held by the committee during the year

No. Meeting	Date of Meeting
26 <sup>th</sup> Meeting	20-Apr-17
27 <sup>th</sup> Meeting	8-Aug-17
28 <sup>th</sup> Meeting	23-Nov-17
29 <sup>th</sup> Meeting	27-Dec-17

### c. In the meeting amongst other the committee has discussed the following issues during the year 2017

- i) The audit committee reviewed the Financial Statements for the year ended 31 December 2016.
- ii) Reviewed and discussed the Management Letter provided by the external auditor M/s. A. Qasem & Co. for the year ended 31 December 2016 on the annual audit of Financial Statements of IIDFC Limited.
- iii) Reviewed and discussed the Bangladesh Bank inspection report on Internal Control and Compliance and management's response to thereon.
- iv) Reviewed and discussed the Bangladesh Bank detailed Inspection Report and management's response to the report.
- v) Reviewed various reports like stress testing, Basel, Risk Management Paper etc. and all reports provided by ICC Department.
- vi) Implementation of Core Risk Management Guidelines including Internal Control and Compliance Risk and status of compliance thereof.
- vii) The status of recovery of classified loan and providing the necessary instruction to the management to reduce NPL.
- viii) Reviewed financial performance of IIDFC all over the year and recommended to take necessary action for improving performance of the company.

### 42 Others

### 42.1 Unacknowledged debt

The Company has no claim against it which has not been acknowledged as debt at the balance sheet date.

### 42.3 Employees' information

A total number of 97 employees were employed in IIDFC as of 31 December 2017. All the employees received salary more than Tk. 36,000.00 p.a. during the period 2017.

### 42.4 Written-off of accounts

During the year under review, total three loans & advances were written-off having outstanding of TK.117,351,003. Again Tk. 158,088,137 was written-off in the corresponding previous years.

### 42.5 Subsequent events

No subsequent events are occurred after the balance sheet date.

### 42.6 Directors' responsibility statement

The Board of Directors take the responsibility for the preparation and presentation of these financial statements.

### 42.7 Date of authorization for issue

The consolidated financial statements as well as separate financial statements were authorized for issue by the Board of Directors on its meeting held on 11th June 2018.

### 43 General

- **43.1** The figures appearing in this financial statements have been rounded off to the nearest integer.
- 43.2 Last year's figures have been rearranged wherever it is found necessary to conform the current year's presentation.

## Industrial and Infrastructure Development Finance Company Limited

As at 31 December, 2017

**Fixed Assets Schedule** 

Annexure - I

## Property, plant & equipment - own finance

											Figures in Taka
			COST	ST				ACCUMULATED DEPRECIATION	DEPRECIATION		
Serial No.	Particulars	Balance as at 1 Additions Jan, 2017 during the Ye	lance as at 1 Additions Jan, 2017 during the Year	Adjustment during the year	Balance as at 31 Dec, 2017	Rate	Balance as at 1 Charged during Jan, 2017 the year	Charged during the year	Adjustment during the year	Balance as at 31 Dec, 2017	net book value as at 31 Dec, 2017
1	Motor vehicles	24,867,467	3,835,000	1	28,702,467	20%	17,600,529	3,043,705	171,201	20,473,033	8,229,434
7	Furniture & fixtures	10,666,651	3,193,417	ľ	13,860,068	10%	7,581,407	1,212,038	1	8,793,445	5,066,623
c	Office equipments	34,463,345	4,197,025	1,610,740	37,049,630	18%	28,544,923	2,437,237	1,590,777	29,391,383	7,658,247
As on 3	As on 31 December, 2017	69,997,463	11,225,442	1,610,740	79,612,165		53,726,859	6,692,980	1,761,978	58,657,861	20,954,304
As on 3	As on 31 December, 2016	63,010,683	9,427,080	2,440,300	69,997,463		49,350,448	6,789,961	2,413,550	53,726,859	16,270,604

Intangible asset - computer software's

Figures in Taka

		COST	ST				AMORTISATION	SATION		
Serial Particulars No.	Balance as at 1 Additions Jan, 2017 during the Ye	lance as at 1 Additions Jan, 2017 during the Year	Adjustment during the year	Balance as at 31 Dec, 2017	Rate	Balance as at 1 Jan, 2017	Balance as at 1 Charged during Adjustment Jan, 2017 the year during the year	Adjustment during the year	Balance as at 31 Dec, 2017	net book value as at 31 Dec, 2017
1 Computer software's	8,486,026	173,250	-	8,659,276 18%	18%		4,835,286 1,156,185		5,991,471	5,991,471 2,667,805
As on 31 December, 2017	8,486,026	8,486,026 173,250	•	8,659,276		4,835,286	4,835,286 1,156,185	1	5,991,471	5,991,471 2,667,805

# Industrial and Infrastructure Development Finance Company Limited

### **Consolidated Fixed Assets Schedule**

As at 31 December, 2017

Annexure - 1.a

Figures in Taka

## Consolidated Property, Plant & Equipment

			COST	ST				ACCUMULATED DEPRECIATION	DEPRECIATION		Not book
Serial No.	Particulars	Balance as at 1 Jan, 2017	Additions during the Year	Adjustment during the year	Balance as at 31 Dec, 2017	Rate	Balance as at 1 Jan, 2017	Charged during the year	Adjustment during the year	Balance as at 31 Dec, 2017	value as at 31 Dec, 2017
1	Motor vehicles	26,117,467	3,835,000	1	29,952,467	20%	18,850,523	3,043,705	257,567	21,636,661	8,315,806
2	Furniture & fixtures	24,141,765	3,227,542	143,943	27,225,364	10%	15,644,172	2,548,568	ı	18,192,740	9,032,624
cc	Office equipments	53,150,674	4,937,704	1,720,053	56,368,325	18%	46,925,685	2,778,904	1,688,610	48,015,979	8,352,346
As on 3.	As on 31 December, 2017	103,409,906	103,409,906 12,000,246	1,863,996	1,863,996 113,546,156		81,420,380	8,371,177	1,946,177	87,845,380	25,700,776
As on 3:	As on 31 December, 2016	96,576,785	9,451,830	2,618,710	2,618,710 103,409,905		74,145,551	9,848,945	2,574,116	81,420,380	21,989,525

### Intangible Asset

			COST	ST				AMORTISATION	SATION		1
Serial No.	Particulars	Balance as at 1 Jan, 2017	Additions during the Year	Adjustment during the year	Balance as at 31 Dec, 2017	Rate	Balance as at 1 Jan, 2017	Amortized during the year	Adjustment during the year	Balance as at 31 Dec, 2017	Net Book value as at 31 Dec, 2017
1	Computer software's	11,652,857	173,250	-	11,826,107	18%	11,826,107 18% 7,841,877 1,218,884	1,218,884	-	9,060,761	2,765,346
As on 31	As on 31 December, 2017	11,652,857	173,250	•	11,826,107		7,841,877	7,841,877 1,218,884	•	9,060,761	2,765,346
As on 31	As on 31 December, 2016	10,877,857	775,000		11,652,857		6,344,179	6,344,179 1,497,698	•	7,841,877	3,810,980

Figures in Taka

### Industrial and Infrastructure Development Finance Company Limited Highlights

### Annexure-2

ol.		Amount	in Taka
SI.	Particulars Particulars	2017	2016
1	Paid-up capital	1,000,000,000	1,000,000,000
2	Total capital	1,702,549,440	1,623,671,574
3	Capital surplus	702,549,440	623,671,574
4	Total assets	22,433,056,003	17,979,214,063
5	Total deposits	15,478,597,627	12,572,524,306
6	Total leases, loans and advances	14,960,169,132	14,553,894,727
7	Total contingent liabilities and commitments	203,549,122	129,363,340
8	Credit deposit ratio	96.65%	115.76%
9	Percentage of classified loans against total loans and assets	6.89%	4.73%
10	Profit after tax and provision	143,877,866	159,270,768
11	Amount of classified loan during year	1,030,999,936	688,010,135
12	Provisions kept against classified loans	311,422,589	229,930,480
13	Provision surplus against classified loans	9,376,325	20,926,571
14	Cost of fund	7.66%	7.92%
15	Interest earnings assets	19,411,244,756	15,113,031,842
16	Non- interest earnings assets	3,021,811,247	2,866,182,220
17	Return on investment (ROI)	11.2%	10.9%
18	Return on assets (ROA)	1.00%	1.16%
19	Income from investment	1,721,233,412	1,580,775,240
20	Earnings per share	1.44	1.59
21	Net Income per share	1.44	1.59
22	Price earnings ratio	N/A	N/A



Mohammad Saleh Ahmed, Chief Executive Officer

### **IIDFC Capital Limited**

### **IIDFC Capital Limited**



Independent Auditors' Report to the Shareholders

### **AUDITORS' REPORT**

### IIDFC Capital Limited Independent Auditors' Report to the Shareholders

For the year ended 31 December 2017

We have audited the accompanying financial statements of IIDFC Capital Limited (the company), which comprise the statement of financial position (balance sheet) as at 31 December 2017, and the statement of profit or loss and other comprehensive income (profit and loss statement), statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards, the Companies Act 1994, Bangladesh Securities and Exchange Commission (Merchant Banker and Portfolio Manager) Rules 1996 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 31 December 2017 and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with the requirements of Companies Act 1994, Bangladesh Securities and Exchange Commission (Merchant Banker and Portfolio Manager) Rules 1996 and other applicable laws and regulations.

### We also report that:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books; and
- (c) the statement of financial position (balance sheet) and statement of profit or loss and other comprehensive income (income and expenditure statement), dealt with by the report are in agreement with the books of account and returns.

Dhaka, Bangladesh Dated: 23 April 2018 **S.F. Ahmed & Co.**Chartered Accountants

### STATEMENT OF FINANCIAL POSITION

### **IIDFC Capital Limited** Statement of financial position

As at 31 December 2017

	Notes	2017	2016
	Notes	BDT	BDT
Assets			
Non-current assets			
Property, plant and equipment	4	531,626	299,678
Intangible asset	5	10	10
License fee	6	30,196,209	30,196,209
Deferred tax assets	20	70,328	228,028
Total non- current assets		30,798,173	30,723,925
Current assets			
Margin loans	7	734,155,942	740,727,997
Investment in quoted securities	8	50,022,600	12,156,622
Advances and receivables	9	68,277,694	42,550,193
Cash and cash equivalents	10	4,130,251	36,671,925
Total current assets		856,586,487	832,106,737
Total assets		887,384,660	862,830,662
Equity and Liabilities			
Share capital	11	600,000,000	600,000,000
Retained earnings	12	(42,355,942)	(75,507,459)
Shareholders' equity		557,644,058	524,492,541
Non-current liability			
Term loan	13	35,050,682	47,931,530
Total non-current liability		35,050,682	47,931,530
Current liabilities			
Accruals and payables	14	1,982,746	6,286,100
Provision for income tax	15	46,081,816	41,286,735
Customers' deposits	16	1,043,029	26,072,710
Payable to broker	17	24,773,568	81
Investment diminution reserve	18	4,332,098	284,302
Loan loss reserve	19	216,476,663	216,476,663
Total current liabilities		294,689,920	290,406,591
Total liabilities		329,740,602	338,338,121
Total equity and liabilities		887,384,660	862,830,662

These financial statements should be read in conjunction with annexed notes

for and on behalf of Board of Directors of IIDFC Capital Limited

Md. Matiul Islam

Chairman

Md. Golam Sarwar Bhuiyan Director

Dhaka, Bangladesh Dated: 23 April 2018

**Mohammad Saleh Ahmed** Chief Executive Officer

S.F. Ahmed & Co.

Chartered Accountants

### STATEMENT OF COMPREHENSIVE INCOME

### **IIDFC Capital Limited**

### Statement of profit or loss and other comprehensive income

For the year ended 31 December 2017

Bor			2017	2016
Interest income         21         9,994,181         59,136,395           Interest expense         22         (8,058,341)         59,136,395           Net interest income         1,935,840         49,982,271           Fees and commission income         23         12,489,293         7,879,718           Fees and commission expenses         24         (546,751)         (276,276)           Net fees and commission income         11,942,542         7,603,442           Gains on sale of quoted securities         25         40,307,823         5,523,064           Dividend income from portfolio investment         26         1,568,022         258,840           Other operating income         27         1,201,432         15,073,529           Total operating income         27         1,201,432         15,073,529           Total operating income         28         11,025,932         9,185,394           Rent, taxes, insurance and electricity         29         1,688,898         1,499,888           Legal expenses         30         135,700         115,000           Postage, stamp and telecommunications         31         247,591         250,470           Stationery, printing and advertisement         32         4,82,20         70,576		Notes	BDT	BDT
Interest income         21         9,994,181         59,136,395           Interest expense         22         (8,058,341)         (9,198,124)           Ket interest income         1,935,840         49,983,271           Fees and commission income         23         12,489,293         7,879,718           Fees and commission expenses         24         (546,751)         (276,276)           Net fees and commission income         11,942,542         7,603,442           Gains on sale of quoted securities         25         40,307,823         5,523,064           Dividend income from portfolio investment         26         1,568,022         25,840           Other operating income         27         1,201,432         15,073,529           Total operating income         27         1,201,432         15,073,529           Total operating income         28         11,025,932         9,185,944           Rent, taxes, insurance and electricity         29         1,688,888         1,499,888           Legal expenses         30         135,700         115,000           Postage, stamp and telecommunications         31         247,591         250,470           Stationery, printing and advertisement         32         48,220         70,576           D				
Interest expense				
Net interest income         1,935,840         49,938,271           Fees and commission income         23         12,489,293         7,879,718           Fees and commission incomes         24         (546,751)         (276,276)           Net fees and commission income         11,942,542         7,603,442           Gains on sale of quoted securities         25         40,307,823         5,523,064           Dividend income from portfolio investment         26         1,568,802         258,840           Other operating income         27         1,201,432         15,073,529           Total operating income         27         1,201,432         15,073,529           Total operating income         28         11,025,932         78,397,146           Operating expenses           Salaries and allowances         28         11,025,932         9,185,994           Rent, taxes, insurance and electricity         29         1,688,898         1,499,888           Legal expenses         30         135,700         115,000           Postage, stamp and telecommunications         31         247,591         250,470           Directors' fees         33         57,501         70,576           Directors' fees         34         126,500         1				
Fees and commission income         23         17,489,293         7,879,718           Fees and commission expenses         24         (546,751)         (276,276)           Net fees and commission income         11,942,542         7,603,442           Gains on sale of quoted securities         25         40,307,823         5,523,064           Dividend income from portfolio investment         26         1,568,022         258,840           Other operating income         27         1,201,332         15,073,529           Total operating income         28         11,025,932         9,185,394           Rent, taxes, insurance and electricity         29         1,688,898         1,499,888           Legal expenses         30         135,700         115,000           Postage, stamp and telecommunications         31         247,591         250,470           Stationery, printing and advertisement         32         48,220         70,576           Directors' fees         33         57,501         70,277           Auditors' fee         34         126,500         115,000           Repairs and depreciation on company's assets         35         237,534         330,049           Diminution in value of investment         36         4,047,796         284,302	·	22		
Fees and commission expenses         24         (546,751)         (276,276)           Net fees and commission income         11,942,542         7,603,442           Gains on sale of quoted securities         25         40,307,823         5,523,064           Dividend income from portfolio investment         26         1,568,022         258,840           Other operating income         27         1,201,432         15,073,529           Total operating income         8         11,025,932         9,185,394           Operating expenses         28         11,025,932         9,185,394           Rent, taxes, insurance and electricity         29         1,688,898         1,499,888           Legal expenses         30         135,700         115,000           Postage, stamp and telecommunications         31         247,591         250,470           Stationery, printing and advertisement         32         48,220         70,576           Directors fees         33         57,501         70,277           Auditors' fee         34         126,500         115,000           Repairs and depreciation on company's assets         35         237,534         330,049           Diminution in value of investment         36         4,047,796         284,302				
Net fees and commission income         11,942,542         7,603,442           Gains on sale of quoted securities         25         40,307,823         5,523,064           Dividend income from portfolio investment         26         1,568,022         258,840           Other operating income         27         1,201,432         15,075,525           Total operating income         56,955,659         78.397,146           Operating expenses           Salaries and allowances         28         11,025,932         9,185,394           Rent, taxes, insurance and electricity         29         1,688,898         1,499,888           Legal expenses         30         135,700         115,000           Postage, stamp and telecommunications         31         247,591         250,470           Stationery, printing and advertisement         32         48,220         70,576           Stationery, printing and advertisement         32         48,220         70,576           Auditors' fees         34         126,500         115,000           Repairs and depreciation on company's assets         35         237,534         330,049           Diminution in value of investment         36         4,047,796         284,302           Loan and bad debts written-off				
Gains on sale of quoted securities         25         40,307,823         5,523,064           Dividen Income from portfolio investment         26         1,568,022         258,840           Other operating income         36,955,659         78,397,146           Total operating income         56,955,659         78,397,146           Operating expenses           Salaries and allowances         28         11,025,932         9,185,394           Rent, taxes, insurance and electricity         29         1,688,898         1,499,888           Legal expenses         30         135,700         115,000           Postage, stamp and telecommunications         31         247,591         250,470           Stationery, printing and advertisement         32         48,220         70,576           Directors' fees         34         126,500         115,000           Repairs and depreciation on company's assets         35         237,534         330,049           Diminution in value of investment         36         4,047,796         284,302           Other expenses         37         1,003,003         37,2619           Loan and bad debts written-off         38         779,097         11,160,529           Total operating expenses         39	·	24		
Dividend income from portfolio investment Other operating income         26         1,568,022 15,073,529         258,840 15,073,529         256,955,659         78,397,146 <t< td=""><td></td><td></td><td></td><td></td></t<>				
Other operating income         27         1,201,432         15,073,529           Total operating income         56,955,659         78,397,146           Operating expenses         Secondary of Science o	· ·			
Total operating income         56,955,659         78,397,146           Operating expenses         Salaries and allowances         28         11,025,932         9,185,394           Rent, taxes, insurance and electricity         29         1,688,898         1,499,888           Legal expenses         30         135,700         115,000           Postage, stamp and telecommunications         31         247,591         250,470           Stationery, printing and advertisement         32         48,220         70,576           Directors' fees         33         57,501         70,277           Auditors' fee         34         126,500         115,000           Repairs and depreciation on company's assets         35         237,534         330,049           Diminution in value of investment         36         4,047,796         284,302           Other expenses         37         1,003,003         73,2619           Loan and bad debts written-off         38         779,997         11,160,529           Total operating expenses         19,397,772         23,814,104           Operating profit/ (loss)         37,557,887         54,583,042           Profit before tax         40         4,795,081         809,244           Current tax	·	=-		
Operating expenses         28         11,025,932         9,185,394           Salaries and allowances         28         11,025,932         9,185,394           Rent, taxes, insurance and electricity         29         1,688,898         1,499,888           Legal expenses         30         135,700         115,000           Postage, stamp and telecommunications         31         247,591         250,470           Stationery, printing and advertisement         32         48,220         70,576           Directors' fees         33         57,501         70,277           Auditors' fee         34         126,500         115,000           Repairs and depreciation on company's assets         35         237,534         330,049           Diminution in value of investment         36         4,047,796         284,302           Chther expenses         37         1,003,003         732,619           Loan and bad debts written-off         38         779,097         11,160,529           Total operating expenses         19,397,772         23,814,104           Operating profit/ (loss)         37,557,887         54,583,042           Profit before tax         40         4,795,081         809,244           Deferred tax         40		27		
Salaries and allowances         28         11,025,932         9,185,394           Rent, taxes, insurance and electricity         29         1,688,898         1,499,888           Legal expenses         30         135,700         115,000           Postage, stamp and telecommunications         31         247,591         250,470           Stationery, printing and advertisement         32         48,220         70,576           Directors' fees         33         57,501         70,277           Auditors' fee         34         126,500         115,000           Repairs and depreciation on company's assets         35         237,534         330,049           Diminution in value of investment         36         4,047,796         284,302           Other expenses         37         1,003,003         732,619           Loan and bad debts written-off         38         779,097         11,160,529           Total operating expenses         37         1,003,003         732,619           Operating profit/ (loss)         37,557,887         54,583,042           Non-operating income         39         546,411         216,538           Income tax expense         38,104,298         54,799,580           Lorent tax         40 <td< th=""><th>Total operating income</th><th></th><th>56,955,659</th><th>78,397,146</th></td<>	Total operating income		56,955,659	78,397,146
Rent, taxes, insurance and electricity         29         1,688,898         1,499,888           Legal expenses         30         135,700         115,000           Postage, stamp and telecommunications         31         247,591         250,470           Stationery, printing and advertisement         32         48,220         70,576           Directors' fees         33         57,501         70,277           Auditors' fee         34         126,500         115,000           Repairs and depreciation on company's assets         35         237,534         330,049           Diminution in value of investment         36         4,047,796         284,302           Other expenses         37         1,003,003         732,619           Loan and bad debts written-off         38         779,097         11,160,529           Total operating expenses         19,397,772         23,814,104           Operating profit/ (loss)         37,557,887         54,583,042           Non-operating income         39         546,411         216,538           Income tax expense         38,104,298         54,799,580           Income tax expense         40         4,795,081         809,244           Deferred tax         40         4,952,781	Operating expenses			
Legal expenses       30       135,700       115,000         Postage, stamp and telecommunications       31       247,591       250,470         Stationery, printing and advertisement       32       48,220       70,576         Directors' fees       33       57,501       70,277         Auditors' fee       34       126,500       115,000         Repairs and depreciation on company's assets       35       237,534       330,049         Diminution in value of investment       36       4,047,796       284,302         Other expenses       37       1,003,003       732,619         Loan and bad debts written-off       38       779,097       11,160,529         Total operating expenses       19,397,772       23,814,104         Operating profit/ (loss)       37,557,887       54,583,042         Profit before tax       39       546,411       216,538         Income tax expense       38,104,298       54,799,580         Income tax expense       40       4,795,081       809,244         Deferred tax       40       4,795,081       809,244         Deferred tax       40       4,952,781       813,945         Profit for the year       33,151,517       53,985,635	Salaries and allowances	28	11,025,932	9,185,394
Postage, stamp and telecommunications         31         247,591         250,470           Stationery, printing and advertisement         32         48,220         70,576           Directors' fees         33         57,501         70,277           Auditors' fee         34         126,500         115,000           Repairs and depreciation on company's assets         35         237,534         330,049           Diminution in value of investment         36         4,047,796         284,302           Other expenses         37         1,003,003         732,619           Loan and bad debts written-off         38         779,097         11,160,529           Total operating expenses         19,397,772         23,814,104           Operating profit/ (loss)         37,557,887         54,583,042           Profit before tax         39         546,411         216,538           Income tax expense         38,104,298         54,799,580           Income tax         40         4,795,081         809,244           Deferred tax         40         4,795,081         809,244           Profit for the year         4,952,781         813,945           Other comprehensive income         33,151,517         53,985,655	Rent, taxes, insurance and electricity	29	1,688,898	1,499,888
Stationery, printing and advertisement         32         48,220         70,576           Directors' fees         33         57,501         70,277           Auditors' fee         34         126,500         115,000           Repairs and depreciation on company's assets         35         237,534         330,049           Diminution in value of investment         36         4,047,796         284,302           Other expenses         37         1,003,003         732,619           Loan and bad debts written-off         38         779,097         11,160,529           Total operating expenses         19,397,772         23,814,104           Operating profit/ (loss)         37,557,887         54,583,042           Non-operating income         39         546,411         216,538           Profit before tax         38,104,298         54,799,580           Income tax expense         38,104,298         54,799,580           Income tax expense         20         157,700         4,701           Deferred tax         40         4,795,081         809,244           Deferred tax         20         157,700         4,701           Profit for the year         33,151,517         53,985,635           Other comprehensive income <td>Legal expenses</td> <td>30</td> <td>135,700</td> <td>115,000</td>	Legal expenses	30	135,700	115,000
Directors' fees         33         57,501         70,277           Auditors' fee         34         126,500         115,000           Repairs and depreciation on company's assets         35         237,534         330,049           Diminution in value of investment         36         4,047,796         284,302           Other expenses         37         1,003,003         732,619           Loan and bad debts written-off         38         779,097         11,160,529           Total operating expenses         19,397,772         23,814,104           Operating profit/ (loss)         37,557,887         54,583,042           Non-operating income         39         546,411         216,538           Profit before tax         38,104,298         54,799,580           Income tax expense         20         157,700         4,701           Deferred tax         40         4,795,081         809,244           Deferred tax         20         157,700         4,701           Profit for the year         33,151,517         53,985,635           Other comprehensive income         -         -         -	Postage, stamp and telecommunications	31	247,591	250,470
Auditors' fee       34       126,500       115,000         Repairs and depreciation on company's assets       35       237,534       330,049         Diminution in value of investment       36       4,047,796       284,302         Other expenses       37       1,003,003       732,619         Loan and bad debts written-off       38       779,097       11,160,529         Total operating expenses       19,397,772       23,814,104         Operating profit/ (loss)       37,557,887       54,583,042         Non-operating income       39       546,411       216,538         Income tax expense         Current tax       40       4,795,081       809,244         Deferred tax       40       4,795,081       809,244         Profit for the year       20       157,700       4,701         Profit for the year       33,151,517       53,985,635         Other comprehensive income       -       -       -	Stationery, printing and advertisement	32	48,220	70,576
Repairs and depreciation on company's assets       35       237,534       330,049         Diminution in value of investment       36       4,047,796       284,302         Other expenses       37       1,003,003       732,619         Loan and bad debts written-off       38       779,097       11,160,529         Total operating expenses       19,397,772       23,814,104         Operating profit/ (loss)       37,557,887       54,583,042         Non-operating income       39       546,411       216,538         Income tax expense         Current tax       40       4,795,081       809,244         Deferred tax       40       4,995,081       809,244         Deferred tax       20       157,700       4,701         Profit for the year       33,151,517       53,985,635         Other comprehensive income       -       -       -	Directors' fees	33	57,501	70,277
Diminution in value of investment         36         4,047,796         284,302           Other expenses         37         1,003,003         732,619           Loan and bad debts written-off         38         779,097         11,160,529           Total operating expenses         19,397,772         23,814,104           Operating profit/ (loss)         37,557,887         54,583,042           Non-operating income         39         546,411         216,538           Profit before tax         38,104,298         54,799,580           Income tax expense           Current tax         40         4,795,081         809,244           Deferred tax         20         157,700         4,701           Profit for the year         33,151,517         53,985,635           Other comprehensive income         -         -	Auditors' fee	34	126,500	115,000
Other expenses       37       1,003,003       732,619         Loan and bad debts written-off       38       779,097       11,160,529         Total operating expenses       19,397,772       23,814,104         Operating profit/ (loss)       37,557,887       54,583,042         Non-operating income       39       546,411       216,538         Profit before tax       38,104,298       54,799,580         Income tax expense         Current tax       40       4,795,081       809,244         Deferred tax       20       157,700       4,701         Profit for the year       33,151,517       53,985,635         Other comprehensive income       -       -	Repairs and depreciation on company's assets	35	237,534	330,049
Loan and bad debts written-off       38       779,097       11,160,529         Total operating expenses       19,397,772       23,814,104         Operating profit/ (loss)       37,557,887       54,583,042         Non-operating income       39       546,411       216,538         Profit before tax       38,104,298       54,799,580         Income tax expense       20       157,700       4,701         Deferred tax       20       157,700       4,701         4,952,781       813,945         Profit for the year       33,151,517       53,985,635         Other comprehensive income       -       -	Diminution in value of investment	36	4,047,796	284,302
Total operating expenses         19,397,772         23,814,104           Operating profit/ (loss)         37,557,887         54,583,042           Non-operating income         39         546,411         216,538           Profit before tax         38,104,298         54,799,580           Income tax expense         Current tax         40         4,795,081         809,244           Deferred tax         20         157,700         4,701           Profit for the year         33,151,517         53,985,635           Other comprehensive income         -         -	Other expenses	37	1,003,003	732,619
Operating profit/ (loss)         37,557,887         54,583,042           Non-operating income         39         546,411         216,538           Profit before tax         38,104,298         54,799,580           Income tax expense         20         4,795,081         809,244           Deferred tax         40         4,795,081         809,244           Deferred tax         20         157,700         4,701           4,952,781         813,945           Profit for the year         33,151,517         53,985,635           Other comprehensive income         -         -	Loan and bad debts written-off	38	779,097	11,160,529
Non-operating income         39         546,411         216,538           Profit before tax         38,104,298         54,799,580           Income tax expense         40         4,795,081         809,244           Current tax         40         4,795,081         809,244           Deferred tax         20         157,700         4,701           4,952,781         813,945           Profit for the year         33,151,517         53,985,635           Other comprehensive income         -         -	Total operating expenses		19,397,772	23,814,104
Profit before tax         38,104,298         54,799,580           Income tax expense         V           Current tax         40         4,795,081         809,244           Deferred tax         20         157,700         4,701           Profit for the year         33,151,517         53,985,635           Other comprehensive income         -         -	Operating profit/ (loss)		37,557,887	54,583,042
Income tax expense         40         4,795,081         809,244           Current tax         40         157,700         4,701           Deferred tax         20         157,700         4,701           4,952,781         813,945           Profit for the year         33,151,517         53,985,635           Other comprehensive income         -         -	Non-operating income	39	546,411	216,538
Income tax expense         40         4,795,081         809,244           Current tax         40         157,700         4,701           Deferred tax         20         157,700         4,701           4,952,781         813,945           Profit for the year         33,151,517         53,985,635           Other comprehensive income         -         -				
Current tax         40         4,795,081         809,244           Deferred tax         20         157,700         4,701           4,952,781         813,945           Profit for the year         33,151,517         53,985,635           Other comprehensive income	Profit before tax		38,104,298	54,799,580
Deferred tax         20         157,700         4,701           4,952,781         813,945           Profit for the year         33,151,517         53,985,635           Other comprehensive income	Income tax expense			
Profit for the year         4,952,781         813,945           Other comprehensive income         33,151,517         53,985,635	Current tax	40	4,795,081	809,244
Profit for the year 33,151,517 53,985,635 Other comprehensive income -	Deferred tax	20	157,700	4,701
Other comprehensive income			4,952,781	813,945
	Profit for the year		33,151,517	53,985,635
Total comprehensive income for the year 33.151.517 53.985.635	Other comprehensive income		-	-
	Total comprehensive income for the year		33,151,517	53,985,635

These financial statements should be read in conjunction with annexed notes

for and on behalf of Board of Directors of IIDFC Capital Limited

Md. Matiul Islam

Chairman

Md. Golam Sarwar Bhuiyan

Director

Ans

Mohammad Saleh Ahmed Chief Executive Officer

Maria

**S.F. Ahmed & Co.** Chartered Accountants

Dhaka, Bangladesh Dated: 23 April 2018

### **STATEMENT OF CHANGES IN EQUITY**

### IIDFC Capital Limited Statement of changes in equity

For the year ended 31 December 2017

Particulars Particulars	Share Capital	Retained Earnings	Total
	BDT	BDT	BDT
Year 2016			
Balance at 01 January 2016	600,000,000	(129,493,094)	470,506,906
Net profit/(loss) for the year	-	53,985,635	53,985,635
Balance at 31 December 2016	600,000,000	(75,507,459)	524,492,541
Year 2017			
Balance at 01 January 2017	600,000,000	(75,507,459)	524,492,541
Net profit/(loss) for the year	-	33,151,517	33,151,517
Balance at 31 December 2017	600,000,000	(42,355,942)	557,644,058

for and on behalf of Board of Directors of IIDFC Capital Limited

Md. Matiul Islam Chairman

Dated: 23 April 2018

Dhaka, Bangladesh

Md. Golam Sarwar Bhuiyan
Director

Mohammad Saleh Ahmed

Chief Executive Officer

### STATEMENT OF CASH FLOWS

### **IIDFC Capital Limited**

### Statement of cash flows

For the year ended 31 December 2017

		2017	2016
		BDT	BDT
A.	Cash flows from operating activities:		
	Cash received from interest income	9,994,181	59,136,395
	Cash received from fees and commission income	11,942,542	7,603,442
	Cash received from other operating income	1,201,432	15,073,529
	Cash received from non-operating income	546,411	216,538
	Cash paid to employees	(11,025,932)	(9,185,394)
	Cash paid for interest expenses	(8,058,341)	(6,845,790)
	Cash paid for operating expenses	(3,394,043)	(3,716,313)
	Increase/(Decrease) in operating assets and liabilities		
	Cash paid to clients as margin loans	5,792,958	(1,956,204)
	Received/(paid) from advances and receivable	(24,119,708)	(280,406)
	Received/(paid) from customers' deposits	(25,029,681)	24,392,981
	Received/(paid) from brokers and others	20,470,133	(583,789)
	Income tax paid	(1,607,793)	(37,226)
	Net cash (used in)/from operating activities (A)	(23,287,841)	83,817,763
В.	Cash flows from investing activities		
	Acquisition of property, plant and equipment	(382,852)	_
	Gain for sales of quoted securities	40,307,823	5,523,064
	Dividend Income of portfolio investment	1,568,022	258,840
	Investment in quoted securities	(37,865,978)	(12,156,622)
	Net cash from/(used in) investing activities (B)	3,627,015	(6,374,718)
C.	Cash flows from financing activities		
	Receipt/(repayment) of term loan	(12,880,848)	(42,667,385)
	Net cash used in financing activities (C)	(12,880,848)	(42,667,385)
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	(32,541,674)	34,775,660
	Opening cash and cash equivalents	36,671,925	1,896,265
	Closing cash and cash equivalents	4,130,251	36,671,925
	Cash and cash equivalents have been arrived at as under:	.,	30,0.2,020
	Cash in hand	21,028	28,166
	Cash at bank	4,109,223	36,643,759
		4,130,251	36,671,925
	for and an hability figure of Point them of UDEC Conital		

for and on behalf of Board of Directors of IIDFC Capital Limited

Md. Matiul Islam Chairman Md. Golam Sarwar Bhuiyan
Director

Mohammad Saleh Ahmed Chief Executive Officer

Dhaka, Bangladesh Dated: 23 April 2018

### **IIDFC Capital Limited**

### Notes to the financial statements

For the year ended 31 December 2017

### 1. Background

### 1.1 Company profile

IIDFC Capital Limited (the company) is a public company, limited by shares. The company was incorporated in Bangladesh vide certificate of incorporation no. C-H.C 2097 dated 30 November 1995 in the name of South Asia Capital Limited which was acquired by Industrial and Infrastructure Development Finance company Limited (IIDFC), a non-banking financial institution, on 10 December 2009 and renamed as IIDFC Capital Limited.

### 1.2 Nature of business

The principal activities of the company for which it was established include the business of issue management, portfolio management, corporate counseling, investment counseling, capital structuring, etc. It obtained license from Bangladesh Securities and Exchange Commission (BSEC) vide its registration certificate no. MB 41/2010 dated 26 April 2010 to carry out its merchant banking operations.

### 2. Basis of preparation

### 2.1 Statement of compliance

The financial statements have been prepared in compliance with the requirement of the Bangladesh Financial Reporting Standards (BFRS) which also cover Bangladesh Accounting Standards (BAS), the Companies Act 1994, Bangladesh Securities and Exchange (Merchant Banker and Portfolio Manager) Rules 1996, and other relevant laws and regulations as applicable.

### 2.2 Basis of preparation of the financial statements

These financial statements have been prepared on accrual basis following going concern concept under historical cost convention.

### 2.3 Functional and presentational currency

These financial statements are presented in Bangladesh Taka (BDT), which is both functional and presentational currency of the company.

### 2.4 Use of estimates and judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation and judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 15 Provision for income tax

Note 20 Deferred tax assets

Note 35 Depreciation of company's assets

### 2.5 Reporting period

The financial statements cover one year from 1 January to 31 December.

### 2.6 Components of financial statements

- a. Statement of financial position (balance sheet);
- b. Statement of profit or loss and other comprehensive income (income and expenditure statement);
- c. Statement of changes in equity;
- d. Statement of cash flows; and
- e. Summary of significant accounting policies and other explanatory notes.

### 3. Significant accounting policies

The accounting policies set out below have been applied consistently (otherwise as stated) to all periods presented in these financial statements.

### 3.1 Revenue recognition

### a. Interest income

Income from margin loan is recognised on accrual basis. Such income is calculated considering daily margin loan balance of the respective margin loan holder's account.

### h. Fees and commission income

Fees and commission income are recognised when the corresponding services are provided. Fees and commission income presented in the financial statements include the following:

- i) Management fee charged on the market value of customers' portfolios;
- ii) Trading commission charged to customers' trading in the secondary capital market;
- iii) Settlement fee charged to customers' trading in the secondary capital market;
- iv) Documentation fees charged to clients for opening accounts with the company; and
- v) Underwriting commission.

### c. Dividend income

Dividend income is recognised when the right to receive dividend is established. Usually this is the ex-dividend date for equity securities.

### d. Finance income

Finance income comprises of interest income on bank deposit. Interest income is recognised as it accrues, using the effective interest method.

### e. Other operational income

Other operational income is recognised as and when received. Such income comprises of miscellaneous receipts.

### 3.2 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### 3.2.1 Financial assets

The company initially recognises receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the date at which the company becomes a party to the contractual provisions of the transaction.

The company derecognises a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets include cash and cash equivalents, accounts receivable, and long term receivables and deposits.

### 3.2.2 Financial liabilities

The company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the transaction date at which the company becomes a party to the contractual provisions of the liability.

The company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial liabilities include loans and borrowings, accounts payable and other payables.

### 3.3 Property, plant and equipment

### 3.3.1 Recognition and measurement

Tangible fixed assets are accounted for according to BAS 16: Property, plant and equipment at historical cost or revaluation less accumulated depreciation and the capital work-in-progress is stated at cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Maintenance, renewals and betterments that enhance the economic useful life of the property, plant and equipment or that improve the capacity, quality or reduce substantially the operating cost or administration expenses are capitalised by adding it to the related property, plant and equipment.

### 3.3.2 Subsequent costs

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred. In compliance with the provisions of the Companies Act 1994, adjustment is made to the original cost of fixed assets acquired through foreign currency loan at the end of each financial year by any change in liability arising out of expressing the outstanding foreign loan at the rate of exchange prevailing at the date of balance sheet.

### 3.3.3 Depreciation

Depreciation on property, plant and equipment is charged using straight-line method. Full year's depreciation is charged on items in the year of their acquisition and no depreciation is charged in the year of disposal. Rates of depreciation on various classes of property, plant and equipment are as under:

Category of asset	Rate(%)
Motor vehicles	20
Furniture and fixtures	10
Office equipment	18

### 3.4 Intangible assets

Intangible assets are accounted for according to BAS 38: Intangible assets. Intangible assets acquired separately are initially recognised at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets include software which is amortised @ 18%.

### 3.5 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank deposits and other short term highly liquid investments with original maturities of three months or less and bank overdrafts which were held and available for use by the company without any restriction, and there was insignificant risk of changes in value of these current assets.

### 3.6 Statement of cash flows

Statement of cash flows is prepared under direct method in accordance with BAS 7: Statement of cash flows.

### 3.7 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of profit or loss and other comprehensive income in accordance with BAS 12: Income taxes.

### 3.7.1 Current tax

The company qualifies as a "Merchant Bank" as defined in income tax laws. The applicable tax rate for the company is 37.5%.

### 3.7.2 Deferred tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity. The deferred tax asset/income or liability/expense does not create a legal obligation to, or recoverability from, the income tax authority.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### 3.8 Employee benefit

The company maintains a defined contribution plan (provident fund) and a retirement benefit obligations (gratuity fund) and group insurance benefits for its eligible permanent employees.

### 3.8.1 Defined contribution plan (provident fund)

Defined contribution plan is a post employment benefit plan under which the company provides benefits for all of its permanent employees. The recognised employees' provident fund is being considered as defined contribution plan as it meets the recognition criteria specified for this purpose. All permanent employees contribute 10% of their basic salary to the provident fund and the company also makes equal contribution.

The company recognises contribution to defined contribution plan as an expense when an employee has rendered required services. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund. Obligations are created when they are due.

### 3.8.2 Retirement benefit obligations (gratuity fund)

The company maintains gratuity scheme for all its eligible permanent employees. Gratuity shall be admissible for all employees who rendered services to the company for a continuous period of, at least, five years and the amount of gratuity shall be computed at the rate of one month's basic pay for each completed year of service.

### 3.8.3 Group insurance benefits

The permanent employees of the company are covered under a group insurance scheme and the group insurance company provides group life, group hospitality and OPD services.

		2017	2016
		BDT	BDT
4.	Property, plant and equipment		
	Motor vehicle	6	6
	Furniture and fixtures	217,680	299,671
	Office equipment	313,940	1
		531,626	299,678
	Details are shown in <u>Annex A</u>		
5.	Intangible asset		
	Software	10	10
		10	10
	Details are shown in <u>Annex A</u>		
6.	License fee		
	License fee	30,196,209	30,196,209

This amount was paid to South Asia Capital Limited for acquiring that company's license issued by BSEC registration certificate no. MB-1.043/98-16 to operate as a full-fledged merchant banker. Subsequently the name of the company was changed to IIDFC Capital Limited as approved by BSEC and issued a new registration certificate no. 41/2010 on 26 April 2010 in the name of IIDFC Capital Limited. The company started its business on 14 January 2010 in the name of IIDFC Capital Limited.

7.	Margin loans		
	Client control account-SMDA	734,155,942	669,860,180
	Rescheduling margin loan	-	64,297,110
	Interest-free blocked account	-	4,854,873
	Client control account-ASI	-	1,715,834
		734,155,942	740,727,997

The portfolio management department extends margin loan facilities to customers trading on the secondary capital market in Bangladesh. Margin loans are extended on a ratio based on the equity invested by individual customers. The loan ratio varies based on directives issued time to time by the Bangladesh Securities and Exchange Commission.

Rescheduling margin loan, Interest-free blocked loan, Client control account - ASI account were under special facilities upto 2016 as a covenant of availing loan from ICB at a special discounted rate which is lifted with the repayment of that loan, thus these accounts are now being treated as general account under the head of client control account (SMDA)

### 8. Investment in quoted securities

Investment in quoted securities		50,022,600 <b>50,022,600</b>	12,156,622 <b>12,156,622</b>
Particulars	Cost price BDT	Fair market value BDT	Diminution in value of investment BDT
Investment in quoted securities	50,022,600	45,690,502	(4,332,098)

These securities are bought and held primarily for the purpose of selling them in future and/or hold for dividend income which are reported at cost. Subsequently, if there is any change in fair market value of the securities, unrealised gains are recognised as other comprehensive income and losses are recognised as operating expenses in the profit and loss statement.

### 9. Advances and receivables

Advances (note 9.1)	42,584,245	40,671,874
Receivables from customers (note 9.2)	300,000	1,370,000
Receivable from brokerage houses (note 9.3)	25,393,449	508,319
	68,277,694	42,550,193

				2017	2016
				BDT	BDT
	9.1	Advances			
		Income tax		41,374,359	40,471,874
		Tax deducted at source AIT on dividend		705,308 304,578	-
		Security deposit with CDBL		200,000	200,000
		Security deposit with ebbt		42,584,245	40,671,874
		Payments of advance taxes from different sources were presented in which have been separated and reported according their source for		.=,== :,= :	16,072,071
	9.2	Receivables from customers			
		Underwriting commission		-	70,000
		Issue management fees		300,000	1,300,000
				300,000	1,370,000
	9.3	Receivable from brokerage houses			
		IIDFC Securities Limited		25,393,449	444,150
		Total Comunication Limited		-	31,964
		Multi Securities Limited		-	32,205
				25,393,449	508,319
10.	Cash	and cash equivalents			
10.		in hand		21,028	28,166
	Bank	balance in current account with:		·	,
	South	neast Bank Limited		1,989,088	4,431,672
	ONE	Bank Limited		2,045,780	32,137,732
	Bangl	adesh Commerce Bank Limited		74,355	74,355
				4,130,251	36,671,925
11.	Share ca				
	100,000	0,000 ordinary shares of BDT 10 each		1,000,000,000	1,000,000,000
		Subscribed and Paid up			
	60,000,	000 ordinary shares of BDT 10 each		600,000,000	600,000,000
	Paid up	share capital at 31 December 2016 comprises the following:			
		Name of Shareholder	Number of	Face value	Amount
		Name of Shareholder	Shares	per share	Amount
	IIDFC Lii	mited	59,998,800	10	599,988,000
	Mr. Md.	Matiul Islam	1,150	10	11,500
	Mr. A F	Nesaruddin	10	10	100
	Mr. Md.	Shamim Ahamed	10	10	100
		rafun Nessa	10	10	100
		M. Nasir Uddin	10	10	100
	Mr. Ling	kon Mondal	10	10	100
			60,000,000		600,000,000

			2017	2016
			BDT	BDT
12.	Retair	ned earnings		
	Openi	ng balance	(75,507,459)	(129,493,094)
	<u>Add:</u> N	Net profit/(loss) for the year	33,151,517	53,985,635
	Closin	g balance	(42,355,942)	(75,507,459)
13.	Term	loon		
13.		Limited (note 13.1)	35,050,682	47,931,530
		ment Corporation of Bangladesh-1 (note 13.2)	-	-
		ment Corporation of Bangladesh-2 (note 13.3)	-	-
			35,050,682	47,931,530
	13.1	IIDFC Limited		
		Opening balance	47,931,530	47,931,530
		Add: Addition during the year	-	-
		Less: Repaid during the year	(12,880,848)	47 021 520
		Closing balance	35,050,682	47,931,530
		The above loan was taken from IIDFC Limited in 2014 with the interest rate of 11%. I whereas principal amount will be paid as soon as the company has sufficient cash.	nterest on such loan is	being paid quarterly
	13.2	Investment Corporation of Bangladesh-1		
		Opening balance	-	22,482,252
		Add: Addition during the year	_	-
		Less: Paid during the year		(22,482,252)
		Closing balance		(22, 102,232)
		Closing balance	-	-
	13.3	Investment Corporation of Bangladesh-2		
		Opening balance	-	20,185,133
		Add: Addition during the year	_	-
		Less: Paid during the year		(20,185,133)
		Closing balance		
		closing butuned		
14.	Accru	als and payables		
		cial charges	688,493	5,564,866
		ity fund	1,028,284	448,520
	Audit		99,000	115,000
		charges	53,463	73,413
		olding income tax	79,578	62,368
		olding VAT	33,324	19,324
		et expenses	-	2,609
	Other	S	1,982,746	6,286,100
			1,982,746	6,286,100
15.	Provis	sion for income tax		
	Openi	ng balance	41,286,735	40,477,491
	<u>Add:</u> F	Provision made during the year	4,795,081	809,244
	Closin	g balance	46,081,816	41,286,735

			2017	2016
			BDT	BDT
16.	Custo	mers' deposits		
	Non-n	nargin Discretionary Account (NMDA)	364,340	384,820
	Receiv	rable in transit	383,515	522,890
	Chequ	e issued in transit	50,000	-
	Chequ	e collection in transit	245,174	-
	IPO su	bscription amount	-	25,165,000
			1,043,029	26,072,710
17.	Payab	le to stock brokers and others		
	IIDFC S	Securities Limited	24,773,568	81
			24,773,568	81
18.	Invest	ment diminution reserve		
	Openi	ng balance	284,302	-
	Add: A	addition during the year (Note 36)	4,047,796	284,302
	Closin	g balance	4,332,098	284,302
19.	Loan l	oss reserve		
	Intere	st income loss account (note 19.1)	203,159,547	203,159,547
	Loan l	oss account(note 19.2)	13,317,116	13,317,116
			216,476,663	216,476,663
	19.1	Interest income loss account		
		Opening balance	203,159,547	293,235,376
		Add: Addition during the year	-	-
		<u>Less:</u> Adjustment during the year	-	(90,075,829)
		Closing balance	203,159,547	203,159,547
	19.2	Loan loss account		
		Opening balance	13,317,116	36,902,356
		Add: Addition during the year	-	-
		<u>Less:</u> Adjustment during the year	-	(23,585,240)
		Closing balance	13,317,116	13,317,116
		Provision required		453,867,515
		Provision maintained		216,476,663
		Provision kept as on 31 December 2017		48%

Provision for diminution in value of margin loan has been made @ 48% of negative equity of margin loans as on 31 December 2017. As per BSEC's directive no. SEC/CMRRCD/2009-193/181 dated 28 December 2017, minimum requirement of making such provision per quarterly installment is 20% of total 100% required amount at the end of this accounting year. However, no cash dividend can be paid during the year in terms of said directive as the company has availed this facility.

20.	Deferred tax assets		
	Opening balance	228,028	232,729
	Less: Adjustment during the year (note 20.1)	(157,700)	(4,701)
	Closing balance	70,328	228,028

2017 BDT 2016 BDT

### 20.1 Deferred tax assets

Deferred tax assets have been recognised and measured in accordance with the provision of BAS- 12: Income taxes. Deferred tax asset is calculated as under:

		asset is calculated as under.			Taxable/	
		Particular	Carrying value of assets at 31 Dec 2017 (A)	Tax base (B)	(deductible) temporary difference at 31 Dec 2017 (C=A-B)	At 31 Dec 2016 (D)
			BDT	BDT	BDT	BDT
	Proper	rty, plant and equipment	531,637	719,179	187,542	608,075
	Tax rat	te			37.50%	37.50%
					70,328	228,028
	Adjust	ment during the year (C-D)			(157,700)	(4,701)
21.	Intere	st income				
	Interes	st on margin loan			9,994,181	57,420,561
		st on affected small investors account			-	1,715,834
					9,994,181	59,136,395
22.	Intere	st expense				
	Term I	oan			6,305,506	9,043,789
	Demai	nd Ioan			1,752,835	154,335
					8,058,341	9,198,124
23.	Fees a	ind commission income				
		gement fees (note 23.1)			4,402,901	4,040,502
	•	ment fees (note 23.2)			8,086,392	3,839,216
		,			12,489,293	7,879,718
	23.1	Management fees				
		Self-margin discretionary account (SMDA)			4,369,932	3,950,022
		Non-margin discretionary account (NMDA)	)		32,969	35,273
		IIDFC Investment account (IIDA)			-	55,207
					4,402,901	4,040,502

Management fees are charged on SMDA and NMDA accounts @ 1% and 0.5% respectively for rendering various services i,e receipt and delivery of shares, custody of shares, etc.

### 23.2 Settlement fees

IIDFC Investment account (IIDA)	1,216,191 <b>8,086,392</b>	377,559 <b>3,839,216</b>
Non-margin discretionary account (NMDA)	72,696	88,307
Self-margin discretionary account (SMDA)	6,797,505	3,373,350

This represents transaction fees realised by the company on the total trading turnover of customers ranging from 0.16 to 0.18 out of per .40 for per transaction depending on agreement with respective brokerage houses where transactions are initiated.

### 24. Fees and commission expenses

	546,751	276,276
Book Building Bidding Fees	21,075	-
CDBL transaction fee	525,676	276,276

This represents transaction fees paid by the company to its designated brokerage houses on the value of transactions carried through the stock exchange. The rate of fees varies according to the agreement made with each brokerage houses by the company.

		2017	2016
		BDT	BDT
25.	Gains on sale of quoted securities		
	Capital gains/loss of sale of quoted securities	40,307,823	5,523,064
		40,307,823	5,523,064
26.	Dividend income from own portfolio investment		
	Dividend from own portfolio investment	1,568,022	258,840
		1,568,022	258,840
27.	Other operating income		
	Underwritting commission	375,000	70,000
	IPO application commission	6,085	7,890
	BO account closing income	4,500	11,500
	BO account opening income	3,900	1,500
	BO account maintenance income	41,450	67,650
	Issue management fees	-	1,500,000
	Gains on settlement of clients' accounts (note no 27.1)	-	13,358,680
	Others	770,497	56,309
		1,201,432	15,073,529

27.1 The company operated the negative equity accounts surrendered by some of the clients. Gains on settlement of clients' accounts are generated from day to day trading with those accounts. Subsequently, the company opened its own portfolio investment account (account no. IIDA 00567) for the purpose of trading with the said source of income, gains from which are also included in this account head

28.	Salaries and allowances		
	Basic salary	4,419,290	3,983,774
	Allowances	2,907,253	2,618,016
	Festival bonus	726,705	645,629
	Incentive bonus	1,052,505	-
	Employers' contribution to provident fund	436,026	396,178
	Group insurance	170,759	164,892
	Retirement benefits and gratuity	579,764	448,520
	Leave fare assistance	361,996	374,034
	Earned leave encashment	77,078	360,663
	Arrear salary	73,851	-
	Car allowance to CEO	220,705	193,688
		11,025,932	9,185,394
29.	Rent, taxes, insurance and electricity		
	Rent, rates and taxes	1,511,850	1,335,367
	Insurance	23,818	23,818
	Electricity, gas and water	153,230	140,703
		4 600 000	
		1,688,898	1,499,888
30.	Legal expenses	1,688,898	1,499,888
30.	Professional charges	1,688,898	<b>1,499,888</b> 115,000
30.	•	135,700	115,000
	Professional charges Legal fees		
30. 31.	Professional charges Legal fees  Postage, stamp and telecommunications	135,700 - 135,700	115,000 - 115,000
	Professional charges Legal fees  Postage, stamp and telecommunications Postage and courier	135,700 - 135,700 25,321	115,000 - 115,000 26,580
	Professional charges Legal fees  Postage, stamp and telecommunications Postage and courier Newspapers, books, magazines etc	135,700 - 135,700 25,321 5,270	115,000 - 115,000 26,580 8,890
	Professional charges Legal fees  Postage, stamp and telecommunications Postage and courier	135,700 - 135,700 25,321	115,000 - 115,000 26,580

		2017	2016
		BDT	BDT
32.	Stationery, printing and advertisement		
	Printing and stationery	48,220	70,576
		48,220	70,576
33.	Directors' fees Directors' fees	57,501	70,277
	Directors rees	57,501	70,277
34.	Auditors' fees		
	Statutory audit	126,500	115,000
		126,500	115,000
35.	Repairs and depreciation on company's assets		
	Repairs of company's assets:	2.500	12.250
	Furniture and fixtures  Vehicles	3,500 83,130	13,358 84,705
	venices	86,630	98,063
	Depreciation of company's assets:		
	Furniture and fixtures	81,991	81,996
	Office equipment	68,913	-
		150,904	81,996
	Amortisation of intangible asset:		
	Software	-	149,990
		-	149,990
		237,534	330,049
36	Diminution in value of investment		
	Diminution in value of investment	4,047,796	284,302
		4,047,796	284,302
37.	Other expenses		
	Office maintenance	144,872	23,540
	Travelling and conveyance Entertainment	14,292 49,753	12,598 43,388
	Car running and maintenance expenses	178,850	180,000
	Bank charge and excise duty	43,699	35,404
	Registration, government fees & charges	124,156	245,000
	Security service expenses	184,041	153,369
	Uniform and liveries	-	26,400
	Corporate days out expenses Other	263,340	- 12,920
	Ottlei	1,003,003	732,619
			102,020
38.	Loan and bad debts written-off		
	Loss on bad loan	634,307	11,160,529
	Interest waive account	144,790	-
		779,097	11,160,529
39.	Non-operating income Bank interest:		
	ONE Bank Limited	391,736	162,748
	Southeast Bank Limited	154,675	51,550
	Bangladesh Commerce Bank Limited		2,240
		546,411	216,538

#### 40. Current tax

Provision made during the year

2017	2016
BDT	BDT
4,795,081	809,244
4,795,081	809,244

#### 40.1 Provision made during the year

This represents amount of corporate income tax which is higher of income tax deducted at source, 37.5% of taxable profit and 0.60% of total gross receipts under section 82C of Income Tax Ordinance (ITO) 1984 imposed by the Government through Finance Act 2016, calculated as under:

Income tax deducted at source (A)				1,426,719
Income tax of income from business and	other sources (B)			4,795,081
	Amount	Rate	Тах	
Business income	1,225,920	37.50%	459,720	
Capital gain	40,307,823	10.00%	4,030,782	
Dividend income	1,568,022	20.00%	304,579	
			4,795,081	
0.6% of gross receipts of BDT 66,107,162	(C)			396,643
Applicable corporate income tax for the v	ear is BDT 5 053 267 being hig	her among A B and	Cabove	

Applicable corporate income tax for the year is BDT 5,053,267 being higher among A, B and C above.

#### Related party disclosure

During the year, the company carried out a number of transactions with related parties in the normal course of business. The names of the related parties and nature of these transactions have been set out in accordance with the provisions of BAS 24: Related party disclosures, these are detailed below:

Name of name	Deletionship	Notices of the months in a	2017	2016
Name of party	Relationship	Nature of transactions	BDT	BDT
IIDFC Limited	Parent company	Long term loan	35,739,175	47,931,530
IIDFC LIIIIILEU	Parent company	Investment in securities	-	-
UDEC Coourities Limited	6	Receivable	25,393,449	444,150
IIDFC Securities Limited	Sister concern	Payable	24,773,568	81

#### Others 42.

- Figures in these notes and in the annexed financial statements have been rounded off to the nearest BDT. 42.1
- 42.2 Previous period's figures have been rearranged, wherever considered necessary, to conform to current period's presentation without causing any impact on the operating results for the period and value of assets and liabilities at the end of that period as shown in the financial statements under reporting.
- These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.

for and on behalf of Board of Directors of IIDFC Capital Limited

Md. Matiul Islam

Chairman

Md. Golam Sarwar Bhuiyan

Director

**Mohammad Saleh Ahmed** Chief Executive Officer

Dhaka, Bangladesh Dated: 23 April 2018

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# Details of property, plant and equipment As at 31 December 2017 **IIDFC Capital Limited**

										Annexure A
		Cost	st				Ď	Depreciation		
Category of asset	Balance at 1 Jan	Addition during the year	Sale/ disposal	Balance at 31 Dec	Rate (%)	Up to 1 Jan	Charge for the year	Adjustment during the year	Total to 31 Dec	Written down value at
										BDT
Tangible assets										
Motor vehicles	1,250,000	ı	1	1,250,000	20	1,249,994	1	r	1,249,994	9
Furniture and fixtures	819,914	ı	1	819,914	10	520,243	81,991	ī.	602,234	217,680
Office equipment	3,125,091	382,852	-	3,507,943	18	3,125,090	68,913	ī.	3,194,003	313,940
Total 2017	5,195,005	382,852	-	5,577,857		4,895,327	150,904	-	5,046,231	531,626
Total 2016	5,195,005	-	•	5,195,005		4,813,331	81,996	•	4,895,327	299,678
Intangible asset										
Software	1,500,000	1	1	1,500,000	18	1,499,990	1	1	1,499,990	10
Total 2017	1,500,000	•	-	1,500,000		1,499,990	•	•	1,499,990	10
Total 2016	1,500,000	1	-	1,500,000		1,350,000	149,990	•	1,499,990	10



**Ashrafun Nessa, Chief Executive Officer** 

# **IIDFC Securities Limited**

# **IIDFC Securities Limited**



to the Shareholders

#### **AUDITORS' REPORT**

#### **IIDFC Securities Limited**

#### **Independent Auditors' Report to the Shareholders**

For the year ended 31 December 2017

We have audited the accompanying financial statements of IIDFC Securities Limited (the company), which comprise the statement of financial position (balance sheet) as at 31 December 2017, and the statement of profit or loss and other comprehensive income (profit and loss statement), statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards, the Companies Act 1994, Bangladesh Securities and Exchange Commission (Stock Dealer, Stock Broker and Authorised Representative) Rules 2000 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 31 December 2017 and of its financial performance and cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards, and comply with the requirments of Companies Act 1994, Bangladesh Securities and Exchange Commission (Stock Dealer, Stock Broker and Authorised Representative) Rules 2000 and other applicable laws and regulations.

#### We also report that:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books; and
- (c) the statement of financial position (balance sheet) and statement of profit or loss and other comprehensive income (profit and loss statement) dealt with by the report are in agreement with the books of account and returns.

Dhaka, Bangladesh Dated: 23 April 2018 S. F. Ahmed & Co.
Chartered Accountants

## STATEMENT OF FINANCIAL POSITION

## **IIDFC Securities Limited**

## **Statement of Financial Position (Balance Sheet)**

As at 31 December 2017

	Notes	2017	2016
	Notes	BDT	BDT
Assets			
Non-current assets			
Property, plant and equipment	4	4,214,845	5,419,244
Intangible asset	5	97,531	160,230
Cost of TREC holding	6	124,258,580	124,258,580
Deferred tax assets	7	700,206	535,828
		129,271,161	130,373,882
Current assets	0	112 267 727	02 507 025
Advance against corporate income tax  Advances, deposits and prepayments	8 9	112,267,727 3,335,856	83,597,825 32,355,356
Margin loan to clients	10	1,736,131,804	1,780,694,065
Receivable from stock exchange	11	25,989,103	7,337,376
Other receivables	12	1,356,463	1,621,178
Investment in securities	13	309,327,095	301,554,398
Other assets	14	14,927	15,301
Cash and cash equivalents	15	115,293,584	204,881,748
		2,303,716,560	2,412,057,247
Total assets		2,432,987,721	2,542,431,129
Equity and liabilities			
Equity			
Share capital	16	1,000,000,000	1,000,000,000
Retained earnings	17	86,621,760	83,452,560
General reserve		17,000,000	17,000,000
Total equity		1,103,621,760	1,100,452,560
Non-current liabilities			
Long term loan	18	587,101,422	587,101,422
Deferred liability-employee gratuity	19	2,381,552	952,067
		589,482,974	588,053,489
Current liabilities	20		22.016.222
Short-term loan	20	100.005.100	23,016,282
Payable to clients Accounts payable	21 22	108,805,198 555,399	176,929,993 662,691
Accounts payable Accrued expenses	22	627,940	19,779,311
Payable to stock exchange	24	69,625	7,732,029
Loan loss reserve	25	520,035,181	538,876,089
Provision for diminution in value of investment in securities	26	8,834,525	7,965,588
Provision for corporate income tax	27	100,070,752	78,210,889
Other liabilities	28	884,367	752,208
		739,882,987	853,925,080
Total liabilities		1,329,365,961	1,441,978,569
Total shareholders' equity and liabilities		2,432,987,721	2,542,431,129

These financial statements should be read in conjunction with annexed notes.

For and on behalf of Board of Directors of IIDFC Securities Limited

**Md. Matiul Islam** Chairman

Md. Shamim Ahamed, FCA Company Secretary **Ashrafun Nessa,** Chief Executive Officer

Dhaka, Bangladesh Dated: 23 April 2018 **S.F. Ahmed & Co.**Chartered Accountants

#### STATEMENT OF COMPREHENSIVE INCOME

#### **IIDFC Securities Limited**

## Statement of Profit or Loss and Other Comprehensive Income (Profit and Loss Statement)

For the year ended 31 December 2017

	Notes	2017 BDT	2016 BDT
Revenue			
Interest income from margin loan	3.4	40,959,303	71,026,009
Interest expense on borrowed fund	29	(64,939,941)	(79,239,822)
Net interest income/(expense)	3.4	(23,980,638)	(8,213,813)
Brokerage commission	30	88,913,203	45,609,084
Direct costs	31	(7,989,775)	(4,350,046)
		80,923,428	41,259,038
Capital gains/(losses) on sale of investment in securities	32	30,054,284	(5,274,917)
Income from bank deposit		6,894,509	4,742,638
Dividend income		17,162,409	14,189,745
Other operating income	33	585,979	725,156
		54,697,181	14,382,623
Total operating income		111,639,971	47,427,847
Operating expenses	34	(85,906,348)	(53,474,024)
Operating profit/(loss)		25,733,623	(6,046,177)
Provision/ Write back of provision for diminution in value of investment in securities	26	(868,937)	30,773,500
Profit before tax		24,864,686	24,727,323
Income tax expense			
Current tax		(21,859,863)	(11,653,608)
Deferred tax (expense)/income		164,377	(343,041)
		(21,695,486)	(11,996,649)
Net profit for the year		3,169,200	12,730,674
Basic earnings per share	35	0.032	0.127

These financial statements should be read in conjunction with annexed notes.

For and on behalf of Board of Directors of IIDFC Securities Limited

Md. Matiul Islam

Chairman

Md. Shamim Ahamed, FCA

Company Secretary

Ashrafun Nessa,

Chief Executive Officer

S.F. Ahmed & Co.

Chartered Accountants

Dated: 23 April 2018

Dhaka, Bangladesh

## **STATEMENT OF CHANGES IN EQUITY**

# **IIDFC Securities Limited Statement of Changes in Equity**

For the year ended 31 December 2017

Particulars	Share capital	Retained earnings	General reserve	Total
	BDT	BDT	BDT	BDT
Year 2017				
Balance at 01 January 2017	1,000,000,000	83,452,560	17,000,000	1,100,452,560
Net profit for the year	-	3,169,200	-	3,169,200
Balance at 31 December 2017	1,000,000,000	86,621,760	17,000,000	1,103,621,760
Year 2016				
Balance at 01 January 2016	1,000,000,000	70,721,886	17,000,000	1,087,721,886
Net profit for the year	-	12,730,674	-	12,730,674
Balance at 31 December 2016	1,000,000,000	83,452,560	17,000,000	1,100,452,560

For and on behalf of Board of Directors of IIDFC Securities Limited

Md. Matiul Islam Chairman

Md. Shamim Ahamed, FCA
Company Secretary

**Ashrafun Nessa,** Chief Executive Officer

Dhaka, Bangladesh Dated: 23 April 2018 **S.F. Ahmed & Co.** Chartered Accountants

## STATEMENT OF CASH FLOWS

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## **IIDFC Securities Limited Statement of Cash Flows**

For the year ended 31 December 2017

	BDT	BDT
Cash flows from operating activities		
Receipt of interest	40,959,303	71,026,009
Interest paid on borrowings	(83,924,010)	(80,294,963)
Receipt of brokerage commission	88,913,203	45,609,084
Receipt of dividend	17,162,409	14,189,745
Capital gains on investment in securities	30,054,284	(5,274,917)
Payment to employees	(37,337,677)	(29,652,924)
Receipts from other operating activities	7,480,488	36,241,138
Payment for other operating activities	(55,837,391)	(24,999,610)
Income tax paid	(28,669,902)	(11,653,608)
Cash generated from/(used in) operating activities	(21,199,293)	15,189,955
Increase/(decrease) in operating assets and liabilities		
Advances, deposits and prepayments	29,019,500	(30,610,731)
Margin loan to clients	44,562,261	63,559,445
Receivable from stock exchange	(18,651,728)	4,243,969
Other receivables	264,715	(1,485,558)
Other receivables Other assets	374	349,835
Deferred liability-employee gratuity	1,429,485	(1,457,848)
Inter-company current account	1,125,105	100,219
Payable to clients	(68,124,795)	138,334,243
Accounts payable	(107,292)	(8,854,576)
Accrued expenses	(167,302)	(612,248)
Payable to stock exchange	(7,662,404)	7,681,899
Loan loss reserve	(18,840,908)	58,282,633
Provision for diminution in value of investment in securities	868,937	(30,773,500)
Other liabilities	132,159	(90,824)
Net changes in operating assets and liabilities	(37,276,998)	198,666,958
Net cash from /(used in) operating activities	(58,476,291)	213,856,913
Control of the control out to the		
Cash flows from investing activities Investment in shares	(7,772,697)	16,544,775
Acquisition of property, plant and equipment	(391,952)	(24,750)
Disposal of property, plant and equipment	69,058	18,000
Net cash from /(used in) investing activities	(8,095,591)	16,538,025
	, ,	
Cash flows from financing activities		
Issue of share capital Repayment of term loans	(22.016.202)	(00 174 042)
Net cash used in financing activities	(23,016,282) (23,016,282)	(88,174,042) ( <b>88,174,042</b> )
Net cash used in imancing activities	(23,010,282)	(88,174,042)
Net changes in cash and cash equivalent (A+B+C)	(89,588,164)	142,220,895
Opening cash and cash equivalent	204,881,748	62,660,853
Closing cash and cash equivalent	115,293,584	204,881,748

For and on behalf of Board of Directors of IIDFC Securities Limited

Md. Matiul Islam Chairman Md. Shamim Ahamed, FCA
Company Secretary

Dhaka, Bangladesh Dated: 23 April 2018 Chief Executive Officer

Ashrafun Nessa,

2016

**S.F. Ahmed & Co.** Chartered Accountants

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#### **IIDFC Securities Limited**

#### Notes to the financial statements

For the year ended 31 December 2017

#### 1. Background

IIDFC Securities Limited (the company), a fully owned subsidiary company of Industrial and Infrastructure Development Finance Company Limited (IIDFC) is incorporated in Bangladesh as a private limited company on 28 March 2010 under the Companies Act 1994 having its registered office at Dhaka. In compliance with all regulatory requirements, IIDFC Limited formed a fully owned subsidiary on 28 March 2010 in the name of IIDFC Securities Limited and transferred the membership of Dhaka Stock Exchange on 06 June 2010 to the subsidiary.

#### 2. Principal activities

The principal activities of the Company are to carry out the business of stock dealer, stock broker and depository participant (DP) for dealing of shares and securities, commercial papers, bonds, debentures, debenture stocks, etc. The Company is a member of Dhaka Stock Exchanges (membership nos.238) and also full service depository participant of Central Depository Bangladesh Limited (CDBL).

As a Stock Broker and Stock Dealer, the company caters services to the institutional and individual investors for trading of securities under Bangladesh Securities and Exchange Commission (Stock-Dealer, Stock-Broker & Authorized Representative) Rules 2000 and to extend margin loan facilities to the investors under Margin Rules 1999.

#### 3. Basis of preparation of the financial statements and significant accounting policies

#### 3.1 Statement of compliance

The financial statements of the company are prepared on a going concern basis under historical cost convention in accordance with Bangladesh Financial Reporting Standards (BFRS) which also cover Bangladesh Accounting Standards (BAS), the Companies Act 1994, Bangladesh Securities and Exchange Commission (Stock Dealer, Stock Broker and Authorised Representative) Rules 2000 and other applicable laws and regulations. Wherever appropriate, such principles are explained in succeeding notes.

#### 3.2 Components of the financial statements

Components of the financial statements are:

- (i) Statement of financial position (balance sheet) as at 31 December 2017.
- (ii) Statement of profit or loss and other comprehensive income (profit and loss statement) for the year ended 31 December 2017.
- (iii) Statement of changes in equity for the year ended 31 December 2017.
- (iv) Statement of cash flows for the year ended 31 December 2017.
- (v) Explanatory notes to the above financial statements which also describe accounting policies adopted and followed by the company.

#### 3.3 Reporting period

The accounting period of the company has been determined to be from 01 January to 31 December each year. These financial statements cover one year from 01 January to 31 December.

#### 3.4. Revenue recognition

Revenue comprises of settlement fees (commission), interest on margin loan and dividends. Details of revenue recognition policy are given as under:

Brokerage commission is recognised as an income when sale or buy orders of listed securities are executed.

Interest income from margin loan is recognised on an accrual basis. Such income is calculated on the basis of daily product of margin loans to the clients and charged at the end of the quarter.

However, since the unrecovered margin loan was transferred to a separate interest free-blocked account, no interest on the same amount was recognised during the reporting year for which net interest income during the year results a negative balance.

Dividend is recognised as income when it is actually received.

#### 3.5 Expense recognition

Operating expenses are recognised in the profit and loss statement against related gross inflow of economic benefits during the period arising in the course of ordinary activities.

#### 3.6. Presentation of currencies

The financial statements have been presented in Bangladesh Taka (BDT), the functional currency of the company. All financial information presented in BDT has been rounded off to the nearest BDT.

#### 3.7 Property, plant and equipment and depreciation

Items of property, plant and equipment are stated at cost less accumulated depreciation. As per BAS 16: Property, Plant and Equipment, the cost of an asset has been calculated at its purchase price and any directly attributable costs associated with for bringing the asset to its working condition for its intended use.

#### Subsequent costs

The cost of replacing part(s) of an item of property, plant and equipment is recognised in the carrying amount of that item if probable future economic benefits embodied within that part(s) will flow to the company and its cost can be measured reliably. The cost of items for day-to-day servicing of property, plant and equipment are expensed when incurred.

#### Depreciation

Depreciation on property, plant and equipment is charged consistently on straight-line method at the following rates throughout the estimated useful life of the assets. Depreciation on newly acquired assets is charged for the full year irrespective of date of acquisition while no depreciation is charged on the assets disposed off during the year.

Category of asset	Rate (%)
Furniture and fixtures	10
Office decoration	10
Office equipment	18

#### 3.8 Intangible assets and amortisation of intangible assets

All intangible assets are measured at initially recognised cost and are carried at cost less accumulated amortisation and accumulated impairment losses (if any). Calculation of amortisation @ 18% using the straight line method is followed. If subsequent expenditure on intangible assets increases the future economic benefits in the specifications to which it relates, that expenditure is capitalised, otherwise such expenditures are expensed as incurred.

#### 3.9 Investment in securities

- (a) Investments in listed securities have been valued at fair market price and any change in the book value has either been accounted for through the profit or loss account or other comprehensive income as prescribed in BAS-39 "Financial Instruments: Recognition and Measurement". In recognizing the loss so arrived has been provided for in line with the directives of Bangladesh Securities and Exchange Commission (BSEC)ref# SEC/CMRRCD/2009-193/203 dated 28 December 2017.
- (b) Investment in unquoted shares are valued at cost in the absence of the fair value of those shares which the company believes realistic.

#### 3.10 Provision for current tax

Provision for current income tax for the year is made in accordance with the provision of Income Tax Ordinance, 1984 and subsequent amendments made thereto from time to time .

#### 3.11. Provision for deferred tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset deferred tax liabilities and assets, and they relate to income taxes levied by the same tax authorities on the same taxable entity.

#### 3.12 Employee benefit obligation

#### Defined contribution plan

The company operates a Contributory Provident Fund recognised by National Board of Revenue for its permanent employees equally contributed by the employer and employees. The Fund is administered by a separate Board of Trustee.

#### Defined benefit plan

The company operates a gratuity scheme approved by National Board of Revenue for its permanent employees, under which an employee is entitled to the benefits depending on the length of services and last drawn basic salary.

#### Other benefit program for employees

The company operates a Group Life Insurance scheme for its permanent employees.

#### 3.13 Books of account of branch offices

The company has two (2) branches each at Dhaka and Chattogram. Books of account of the branches are maintained at Head Office based on which the accounts are consolidated.

		2017	2016
		BDT	BDT
4.	Property, plant and equipment		
	Cost:		
	Opening balance	28,217,438	28,371,098
	Add: Addition during the year	391,952	24,750
		28,609,390	28,395,848
	<u>Less:</u> Disposal/adjustment during the year	253,256	178,410
	Closing balance (A)	28,356,134	28,217,438
	Depreciation:		
	Opening balance	22,798,195	19,981,772
	Add: Charge for the year	1,527,293	2,976,988
		24,325,488	22,958,760
	Less: Disposal/adjustment during the year	184,198	160,566
	Closing balance (B)	24,141,290	22,798,194
	Written down value (A-B)	4,214,845	5,419,244
	Details of property, plant and equipment are shown in Annex 1.		
5.	Intangible assets		
	Cost:		
	Opening balance	1,666,831	1,666,831
	Add: Addition during the year	1 000 000	-
	Land Director I/A disease and describe the control	1,666,831	1,666,831
	Less: Disposal/adjustment during the year	1.000.024	1 666 024
	Closing balance (A)	1,666,831	1,666,831
	Depreciation		
	Depreciation:	1 506 601	1 212 052
	Opening balance  Add: Charge for the year	1,506,601 62,699	1,312,053 194,548
	Aud. Charge for the year	1,569,300	1,506,601
	Less: Disposal/adjustment during the year	1,309,300	1,500,601
	Closing balance (B)	1,569,300	1,506,601
	Closing building (b)	1,303,300	1,300,001
	Written down value (A-B)	97,531	160,230
	Details of intangible assets are shown in <u>Annex 1.</u>	57,551	100,230
	Details of manipule assets are shown in <u>numerical</u>		
6.	Cost of TREC holding	124,258,580	124,258,580
	In pursuance to section 2.1.4 of the scheme of demutualisation of Dhaka Stock Evchange Ltd (DS		

In pursuance to section 3.1.4 of the scheme of demutualisation of Dhaka Stock Exchange Ltd (DSE), 7,215,106 ordinary shares of BDT 10 each were allotted by DSE in favor of IIDFC Securities Limited. Out of total shares allotted, 2,886,042 ordinary shares of BDT 28,860,420 being 40% of total ordinary shares allotted were issued and credited to BO account of IIDFC Securities Limited for BDT 28,860,420 and value of cost of DSE membership has been adjusted to that extent. The remaining 4,329,064 shares being 60% ordinary shares of BDT 43,290,640 were credited to the "DSE Demutualisation Blocked Account" maintained by DSE. As per that aforesaid scheme, these 60% shares will be off-loaded in the following manner:

- 1. 25% will be sold to the strategic investors by Dhaka Stock Exchange Ltd.
- 2. Except shares allotted in favor of strategic investors, shares held in blocked account shall be sold out to the general public/ institutional investors.

The shares under blocked account as indicated above will be recognised and accounted for upon recovery.

2017 2016 BDT BDT

#### 7. Deferred tax assets

8.

Deferred tax assets have been recognised and measured in accordance with the provision of BAS 12: Income Tax. Deferred tax assets are attributable to the following:

Particulars	Carrying amount of assets/ liabilities	Tax base	(Taxable)/ deductible temporary difference	(Taxable)/ deductible temporary difference
	BDT	BDT	BDT	BDT
Furniture and fixtures	1,203,873	1,581,753	377,880	166,433
Office decoration	2,630,814	3,075,900	445,086	(90,085)
Office equipment	380,157	1,623,896	1,243,739	1,551,989
Computer software	97,531	31,415	(66,116)	(97,400)
	4,312,376	6,312,964	2,000,589	1,530,937
Applicable tax rate <b>Deferred tax assets</b>			35% <b>700,206</b>	35% <b>535,828</b>
Advance against corporate income tax				
Advance tax paid			14,938,903	6,000,000
Income tax withheld by DSE (note 8.1)			75,348,698	59,692,795
Income tax withheld from dividend income			17,170,116	13,782,421
Income tax withheld from SND account			4,810,010	4,122,609
			112,267,727	83,597,825
8.1 Income tax withheld by DSE				
Stock-Dealer transactions			2,095,619	1,523,971
Stock-Broker transactions			73,253,079	58,168,824
			75,348,698	59,692,795

The amount has been withheld by Dhaka Stock Exchange Ltd from the amounts of transactions under section 53 BBB of the Income Tax Ordinance 1984.

#### 9. Advances, deposits and prepayments

	301,030	001)000
Security deposits (note 9.2)	361.856	361.856
Advance against placement share (note 9.1)	1,000,000	-
Advance to supply and service	689,000	705,000
Advance to employees	-	3,500
Advance against IPO	-	30,000,000
Advance against office rent	1,285,000	1,285,000

#### 9.1 Advance against placement share

This amount has paid to Infinity Technology International Limited (ITTL) against private placement of 100,000 ordinary share @BDT 10 each The whole share allotted in the name of IIDFC Securities Limited vide allotment reference no. 26/p dated 16 April 2017.

#### 9.2 Security deposits

	CDBL	100,000	100,000
	C&F Tower, Chattogram	233,856	233,856
	BTCL	15,000	15,000
	Elite Security Services Ltd	13,000	13,000
		361,856	361,856
10.	Margin loan to clients		
	Regular (note 10.1)	730,989,667	484,035,884
	Affected small investors (note 10.2)	-	308,855,040
	Unrecovered interest-free blocked account (note 10.3)	1,005,142,137	987,803,141
		1.736.131.804	1.780.694.065

#### 10.1 Regular

- (a) This represent loan facilities extended to the customers for trading of listed securities in the secondary capital market as per Margin Rules 1999.
- (b) The segregated and reschedule amount of loan not been settled by the affected small investor as per given terms and the same amount of loan has been transferred to regular margin loan account.
- (c) Accrued interest income on negative equity margin loan has not recognised as revenue and amount realised against negative equity of margin loan account has been adjusted with the outstanding margin loan. In addition, un-realised accrued interest on negative equity of margin loan has been kept in a memorandum account.

		2017	2016
		BDT	BDT
10.2	Affected small investors		
	Segregated loan	-	34,682,604
	Interest-free blocked loan	-	2,698,421
	Regular margin loan	-	271,474,015
		-	308,855,040

**Segregated loan:** Principal amount of loan as at the end of the year 2011, segregated and rescheduled for repayment by 12 equal quarterly installments at a concessional simple rate of interest of 9% per annum under Government's special incentive package for small investors incurring capital loss in 2011.

**Interest-free blocked loan:** 50% interest amount for the year 2011, segregated and rescheduled for repayment by 12 equal quarterly installments at zero interest under Government's special incentive package for small investors incurring capital loss in 2011.

**Regular margin loan:** It is the remaining balance of margin loan after deducting the segregated loan amounts and interest-free blocked loan amounts to the affected small investors.

10.3 Unrecovered interest- free blocked account: Under the bailout program for long outstanding negative equity margin loan accounts, the company sold out the securities available in these accounts and recovered the outstanding margin loan as far as possible. Up to 31 December 2017, unrecovered margin loan of BDT 1,005,142,137 under this program was transferred to a separate interest-free blocked account.

11.	Receivable from stock exchange Receivable from DSE-Broker:		
	Categories A, B, G and N	22,237,487	
	Category Z	1,389,648	3,049,629
	Category Z	23,627,135	3,049,629
	Receivable from DSE-Dealer:	25,027,155	3,043,023
	Categories A, B, G and N	2,352,816	4,233,347
	Category Z	9,152	54,400
	category 2	2,361,968	4,287,747
		25,989,103	7,337,376
12.	Other receivables		7,007,010
	Receivable from clients against CDBL charges	125,471	390,186
	Other receivable	1,230,992	1,230,992
		1,356,463	1,621,178
13.	Investment in securities	, , , , , , , , , , , , , , , , , , , ,	, ,
	Details of investment in securities as on 31 December 2017 are as under :		
	Quoted	280,466,675	272,693,978
	Un-quoted	28,860,420	28,860,420
		309,327,095	301,554,398
	Quoted shares		
	Sector-wise break-up:		
	Bank	80,204,988	41,351,014
	Insurance	33,933,112	36,842,164
	Financial Institution	2,544,295	1,579,981
	Food and Allied Products	-	1,243,230
	Cement	5,390,259	14,307,083
	Ceramics	3,957,324	3,984,765
	Engineering	8,306,183	10,412,683
	Fuel and Power	55,817,055	70,534,742
	Pharmaceutical and Chemicals	22,492,199	26,616,029
	Service and Real Estate	4,112,034	1,568,000
	Tannery and Industries	-	2,709,713
	Mutual Funds	31,809,787	11,121,752
	Telecommunication	44,596	14,472,902
	Textile	30,894,259	34,180,398
	Others	960,584	1,769,522
		280,466,675	272,693,978
	Unquoted shares:		
	Dhaka Stock Exchange Limited	28,860,420	28,860,420

Cost price   B				31 December 2017		
Sector-wise break-up :   Sector-wise break-u				Cost price	Market price	Required provision
Name				а	b	c=a-b
Sector-wise break-up:         80,04,988         89,764,000         (9,559,012) insurance         33,933,112         30,855,026         3,078,086         Financial institution         2,544,295         1,965,350         3,78,945         578,945         578,945         578,945         60,000         60,00				BDT	BDT	BDT
Sector-wise break-up:         80,04,988         89,764,000         (9,559,012) insurance         33,933,112         30,855,026         3,078,086         Financial institution         2,544,295         1,965,350         3,78,945         578,945         578,945         578,945         60,000         60,00		_				
Bank		-				
Insurance				80 204 988	89 764 000	(9 559 012)
Financial Institution						
Food and Allied Products Cement Cement S,339,259 4,578,450 811,809 Ceramics 3,957,324 3,504,150 453,174 Engineering R,306,183 Fuel and Power Fuel and Power Fuel and Chemicals 22,492,199 19,159,638 3,323,2561 Service and Real Estate 4,112,034 3,464,700 647,334 Tannery and Industries Tannery and Industries Telecommunication 44,596 Telecommunicati		Finan	icial Institution			
Ceramics		Food	and Allied Products	-	-	-
Engineering Fuel and Power Fuel and Fuel Action Fuel Action Fuel and Fuel Action Fuel A		Ceme	ent	5,390,259	4,578,450	811,809
Fuel and Power Pharmaceutical and Chemicals Pharmaceutical and Chemicals Service and Real Estate A,112,034 Tannery and Industries Mutual Funds 31,809,8787 Telecommunication 1,4,596 A,7,080 Telecommunication A,4,596 A,7,080 Telecommunication A,4,596 A,7,080 Textile Others Bank Ltd A/C no. 0015025351004 ONE Bank Ltd A/C no. 00150025351012 ONE Bank Ltd A/C no. 011300000712 Southeast Bank Ltd A/C no. 0113100000712 Southeast Bank Ltd A/C no. 0113100000712 Southeast Bank Ltd A/C no. 0113100000712 Standard Bank Ltd A/C no. 0113100000712 Bank Ltd A/C no. 001360000732 Bank Ltd A/C no. 001360000732 Bank Ltd A/C no. 001360000732 Bank Ltd A/C no. 0015036001704 Bank Bank Asia Ltd A/C no. 0015036001704 Bank Bank Ltd A/C no. 0015036001704 Bangladesh Commerce Bank Ltd A/C no. 00232000089  3,215  5,596 Chattogram Branch Chattogram Brank Ltd A/C no. 001300000717 Bangladesh Commerce Bank Ltd A/C no. 00232000089  3,215		Cerar	nics	3,957,324	3,504,150	453,174
Pharmaceutical and Chemicals   22,492,199   19,159,638   3,332,561     Service and Real Estate   4,112,034   3,464,700   647,334     Tannery and Industries   14,1968   31,809,787     Telecommunication   44,596   47,080   (2,482)     Textile   30,884,259   23,385,079   7,509,180     Others   960,584   918,000   42,584     280,466,675   271,632,150   8,834,525     14. Other assets   14,927   15,301     15. Cash and cash equivalents   23,547   4,841     Bank balance   Short-term deposit account (note 15.2)   115,270,037   204,876,907     15.1 Cash in hand   15,270,037   204,876,907     Head Office   15,914   3,889     Gulshan Branch   5,535   50     Chattogram Branch   2,098   902     15.2 Short-term deposit account (note 15.2)   112,193,562   81,706,861     ONE Bank Ltd A/C no. 0015025351012   1,494,608   3,601,072     ONE Bank Ltd A/C no. 0015025351012   1,494,608   3,601,072     Constant Bank Ltd A/C no. 3113100000717   25,756   -		Engin	neering	8,306,183	7,815,965	490,218
Service and Real Estate   4,112,034   3,464,700   647,334   Tannery and Industries		Fuel	and Power	55,817,055	51,962,712	3,854,343
Tannery and Industries   Mutual Funds   31,809,787   34,212,000   (2,402,213)   Telecommunication   44,596   47,080   (2,402,113)   (2,402,1						
Mutual Funds   31,809,787   34,212,000   (2,402,213)   Telecommunication   44,596   47,080   (2,484)   Textile   30,894,259   23,385,079   7,509,180   00thers   960,584   918,000   42,584   280,466,675   271,632,150   8,834,525   271,632,150   8,834,525   271,632,150   8,834,525   271,632,150				4,112,034	3,464,700	647,334
Telecommunication 44,596 30,894,259 23,385,079 7,509,180 Others 960,584 918,000 42,584 280,466,675 271,632,150 8,834,525 280,466,675 271,632,150 8,834,525 280,466,675 271,632,150 8,834,525 214. Other assets Stamp in hand 14,927 15,301 14,927 15,301 14,927 15,301 14,927 15,301 14,927 15,301 14,927 15,301 14,927 15,301 14,927 15,301 14,927 15,301 14,927 15,301 14,927 15,301 14,927 15,301 14,927 15,301 14,927 15,301 15. Cash in hand (note 15.1) 23,547 4,841 15.1 Cash in hand Head Office 15.2) 115,270,037 204,876,907 115,293,584 204,881,748 15.1 Cash in hand Head Office 15,914 3,889 Gulshan Branch 5,535 50 Chattogram Branch 2,098 902 23,547 4,841 15.2 Short-term deposit account ONE Bank Ltd A/C no. 0015025351004 112,193,562 81,706,861 ONE Bank Ltd A/C no. 0015025351012 1,494,608 3,601,072 ONE Bank Ltd A/C no. 0013000001721 25,756 - Southeast Bank Ltd A/C no. 3113100000717 - 8,172,946 Southeast Bank Ltd A/C no. 3113100000712 1,552,896 610,841 Standard Bank Ltd A/C no. 3113100000712 1,552,896 914,141 Bank Asia Ltd A/C no. 001836000732 941,141 Bank Asia Ltd A/C no. 001836000732 941,141 Bank Asia Ltd A/C no. 00536001704 597,227 Bangladesh Commerce Bank Ltd A/C no. 00232000089 3,215 - 50000000000000000000000000000000000				-	-	-
Textile Others 9,04,259 960,584 918,000 42,584 22,0466,675 271,632,150 8,834,525 271,632,150 8,834,525 271,632,150 8,834,525 271,632,150 8,834,525 271,632,150 8,834,525 271,632,150 8,834,525 271,632,150 8,834,525 271,632,150 8,834,525 271,632,150 8,834,525 271,632,150 8,834,525 271,632,150 14,927 15,301 14,927 15,301 15. Cash and cash equivalents 23,547 4,841 8ank balance 25hort-term deposit account (note 15.2) 115,270,037 204,876,907 115,293,584 204,881,748						
Others         960,584         918,000         42,584           280,466,675         271,632,150         8,834,525           14. Other assets Stamp in hand         14,927         15,301           15. Cash and cash equivalents Cash in hand (note 15.1)         23,547         4,841           Bank balance Short-term deposit account (note 15.2)         115,270,037         204,876,907           15.1 Cash in hand Head Office         15,914         3,889         60           Gulshan Branch         5,535         50         5         5           Chattogram Branch         2,098         902         902           15.2 Short-term deposit account         112,193,562         81,706,861         90           ONE Bank Ltd A/C no. 0015025351004         112,193,562         81,706,861         90           ONE Bank Ltd A/C no. 0015025351012         1,494,608         3,601,072         94,124           Southeast Bank Ltd A/C no.3113100000717         25,756         -         8,172,946           Southeast Bank Ltd A/C no.3113100000712         1,552,896         610,841           Standard Bank Ltd A/C no.01836000732         941,141         94,141         94,141           Bank Asia Ltd A/C no.00536001704         95,7227         941,141         94,141           Bangladesh Co				•		
14. Other assets   Stamp in hand   14,927   15,301   14,927   15,301   14,927   15,301   14,927   15,301   14,927   15,301   14,927   15,301   14,927   15,301   14,927   15,301   14,927   15,301   14,927   15,301   14,927   15,301   14,927   15,301   15. Cash in hand (note 15.1)   23,547   4,841   24,841						
14. Other assets Stamp in hand 14,927 15,301 14,927 15,301 14,927 15,301 15. Cash and cash equivalents Cash in hand (note 15.1) Bank balance Short-term deposit account (note 15.2) 115,270,037 204,876,907 115,293,584 204,881,748 15.1 Cash in hand Head Office 15,914 3,889 Gulshan Branch 5,535 50 Chattogram Branch 5,535 50 Chattogram Branch 2,098 902 23,547 4,841 15.2 Short-term deposit account ONE Bank Ltd A/C no. 0015025351004 112,193,562 81,706,861 ONE Bank Ltd A/C no. 0015025351012 1,494,608 3,601,072 ONE Bank Ltd A/C no. 0013000001721 25,756 - Southeast Bank Ltd A/C no. 3113100000717 25,756 - Southeast Bank Ltd A/C no. 3113100000718 - Southeast Bank Ltd A/C no. 311310000072 1,552,896 610,841 Standard Bank Ltd A/C no. 01386000732 1,552,896 610,841 Bank Asia Ltd A/C no. 00536001704 - Bangladesh Commerce Bank Ltd A/C no. 00232000089 3,215 -		Othe	15			
Stamp in hand       14,927       15,301         14,927       15,301         15. Cash and cash equivalents         Cash in hand (note 15.1)       23,547       4,841         Bank balance         Short-term deposit account (note 15.2)       115,270,037       204,876,907         15.2 Cash in hand         Head Office       15,914       3,889         Gulshan Branch       5,535       5         Chattogram Branch       2,098       902         23,547       4,841         15.2 Short-term deposit account       23,547       4,841         15.2 Short-term deposit account       112,193,562       81,706,861         ONE Bank Ltd A/C no. 0015025351004       112,193,562       81,706,861         ONE Bank Ltd A/C no. 0015000001721       25,756       25,756       25,756       25,756       25,756       25,756       25,756       25,756       25,756						3,00 .,020
15. Cash and cash equivalents Cash in hand (note 15.1) Bank balance Short-term deposit account (note 15.2)  115,270,037 204,876,907 115,293,584 204,881,748  15.1 Cash in hand Head Office Gulshan Branch Chattogram Branch Chattogram Branch ONE Bank Ltd A/C no. 0015025351004 ONE Bank Ltd A/C no. 0015025351012 ONE Bank Ltd A/C no. 0015025351012 Southeast Bank Ltd A/C no. 3113100000717 Southeast Bank Ltd A/C no. 3113100000712 Southeast Bank Ltd A/C no. 3113100000722 Bank Asia Ltd A/C no. 01836000732 Bank Asia Ltd A/C no. 00536001704 Bangladesh Commerce Bank Ltd A/C no. 00232000089 3,215	14.	Othe	r assets			
15. Cash and cash equivalents Cash in hand (note 15.1)  Bank balance  Short-term deposit account (note 15.2)  115,270,037  204,876,907  115,293,584  204,881,748  15.1 Cash in hand Head Office Gulshan Branch Chattogram Branch Chattogram Branch ONE Bank Ltd A/C no. 0015025351004 ONE Bank Ltd A/C no. 00150025351012 ONE Bank Ltd A/C no. 0013000001721 Southeast Bank Ltd A/C no. 3113100000717 Southeast Bank Ltd A/C no. 31131100000722 Bank Bank Ltd A/C no. 01366000732 Bank Asia Ltd A/C no. 00536001704		Stam	p in hand		14,927	15,301
Cash in hand (note 15.1)       23,547       4,841         Bank balance       115,270,037       204,876,907         115.1 Cash in hand       115,293,584       204,881,748         Head Office       15,914       3,889         Gulshan Branch       5,535       50         Chattogram Branch       2,098       902         23,547       4,841         15.2 Short-term deposit account       112,193,562       81,706,861         ONE Bank Ltd A/C no. 0015025351004       112,193,562       81,706,861         ONE Bank Ltd A/C no. 0015025351012       1,494,608       3,601,072         ONE Bank Ltd A/C no. 3113100000717       25,756       -         Southeast Bank Ltd A/C no. 3113100000717       8,172,946       50,246,819         Southeast Bank Ltd A/C no. 3113100000722       1,552,896       610,841         Standard Bank Ltd A/C no. 01836000732       941,141       941,141         Bank Asia Ltd A/C no. 00536001704       597,227         Bangladesh Commerce Bank Ltd A/C no. 00232000089       3,215       -					14,927	15,301
Cash in hand (note 15.1)       23,547       4,841         Bank balance       115,270,037       204,876,907         115.1 Cash in hand       115,293,584       204,881,748         Head Office       15,914       3,889         Gulshan Branch       5,535       50         Chattogram Branch       2,098       902         23,547       4,841         15.2 Short-term deposit account       112,193,562       81,706,861         ONE Bank Ltd A/C no. 0015025351004       112,193,562       81,706,861         ONE Bank Ltd A/C no. 0015025351012       1,494,608       3,601,072         ONE Bank Ltd A/C no. 3113100000717       25,756       -         Southeast Bank Ltd A/C no. 3113100000717       8,172,946       50,246,819         Southeast Bank Ltd A/C no. 3113100000722       1,552,896       610,841         Standard Bank Ltd A/C no. 01836000732       941,141       941,141         Bank Asia Ltd A/C no. 00536001704       597,227         Bangladesh Commerce Bank Ltd A/C no. 00232000089       3,215       -	15.	Cash	and cash equivalents			
Short-term deposit account (note 15.2)			-		23,547	4,841
115,270,037   204,876,907   115,293,584   204,881,748		Bank	halance			
115,293,584 204,881,748  15.1 Cash in hand  Head Office 15,914 3,889  Gulshan Branch 5,535 50  Chattogram Branch 20,998 902  23,547 4,841  15.2 Short-term deposit account  ONE Bank Ltd A/C no. 0015025351004 112,193,562 81,706,861  ONE Bank Ltd A/C no. 0015025351012 1,494,608 3,601,072  ONE Bank Ltd A/C no. 0013000001721 25,756 -  Southeast Bank Ltd A/C no.3113100000717 - 8,172,946  Southeast Bank Ltd A/C no.3113100000781 - 109,246,819  Southeast Bank Ltd A/C no.3113100000722 1,552,896 610,841  Standard Bank Ltd A/C no.01836000732 - 941,141  Bank Asia Ltd A/C no.00536001704 - 597,227  Bangladesh Commerce Bank Ltd A/C no.00232000089 3,215					115 270 027	204 976 907
15.1 Cash in hand       15,914       3,889         Gulshan Branch       5,535       50         Chattogram Branch       2,098       902         23,547       4,841         15.2 Short-term deposit account       112,193,562       81,706,861         ONE Bank Ltd A/C no. 0015025351004       112,193,562       81,706,861         ONE Bank Ltd A/C no. 0015025351012       1,494,608       3,601,072         ONE Bank Ltd A/C no. 0013000001721       25,756       -         Southeast Bank Ltd A/C no.3113100000717       -       8,172,946         Southeast Bank Ltd A/C no.3113100000781       -       109,246,819         Southeast Bank Ltd A/C no.3113100000732       1,552,896       610,841         Standard Bank Ltd A/C no.01836000732       -       941,141         Bank Asia Ltd A/C no.00536001704       -       597,227         Bangladesh Commerce Bank Ltd A/C no.00232000089       3,215       -		311011	-term deposit account (note 13.2)			
Head Office 15,914 3,889 Gulshan Branch 5,535 50 Chattogram Branch 2,098 902 23,547 4,841  15.2 Short-term deposit account ONE Bank Ltd A/C no. 0015025351004 112,193,562 81,706,861 ONE Bank Ltd A/C no. 0015025351012 1,494,608 3,601,072 ONE Bank Ltd A/C no. 0013000001721 25,756 Southeast Bank Ltd A/C no.3113100000717 25,756 Southeast Bank Ltd A/C no.3113100000717 - 8,172,946 Southeast Bank Ltd A/C no.3113100000781 - 109,246,819 Southeast Bank Ltd A/C no.01836000732 1,552,896 610,841 Standard Bank Ltd A/C no.01836000732 - 941,141 Bank Asia Ltd A/C no. 00536001704 - 597,227 Bangladesh Commerce Bank Ltd A/C no.00232000089 3,215					115,293,584	204,881,748
Gulshan Branch Chattogram Branch Chattogram Branch  2,098 902 23,547 4,841  15.2 Short-term deposit account ONE Bank Ltd A/C no. 0015025351004 112,193,562 NE Bank Ltd A/C no. 0015025351012 NE Bank Ltd A/C no. 0015025351012 NE Bank Ltd A/C no. 0013000001721 Southeast Bank Ltd A/C no.3113100000717 Southeast Bank Ltd A/C no.3113100000781 Southeast Bank Ltd A/C no.3113100000722 Southeast Bank Ltd A/C no.3113100000722 Southeast Bank Ltd A/C no.01836000732 Southeast Bank Ltd A/C no.01836000732 Bank Asia Ltd A/C no. 00536001704 Bangladesh Commerce Bank Ltd A/C no. 00232000089 3,215		15.1	Cash in hand			
Chattogram Branch       2,098       902         23,547       4,841         15.2 Short-term deposit account         ONE Bank Ltd A/C no. 0015025351004       112,193,562       81,706,861         ONE Bank Ltd A/C no. 0015025351012       1,494,608       3,601,072         ONE Bank Ltd A/C no. 0013000001721       25,756       -         Southeast Bank Ltd A/C no.3113100000717       -       8,172,946         Southeast Bank Ltd A/C no.3113100000781       -       109,246,819         Southeast Bank Ltd A/C no.3113100000722       1,552,896       610,841         Standard Bank Ltd A/C no.01836000732       -       941,141         Bank Asia Ltd A/C no. 00536001704       -       597,227         Bangladesh Commerce Bank Ltd A/C no. 00232000089       3,215       -			Head Office		15,914	3,889
15.2 Short-term deposit account  ONE Bank Ltd A/C no. 0015025351004  ONE Bank Ltd A/C no. 0015025351012  ONE Bank Ltd A/C no. 0015025351012  ONE Bank Ltd A/C no. 0013000001721  Southeast Bank Ltd A/C no.3113100000717  Southeast Bank Ltd A/C no.3113100000781  Southeast Bank Ltd A/C no.3113100000722  Standard Bank Ltd A/C no.01836000732  Bank Asia Ltd A/C no.00536001704  Bangladesh Commerce Bank Ltd A/C no.00232000089  3,215			Gulshan Branch		5,535	50
15.2 Short-term deposit account  ONE Bank Ltd A/C no. 0015025351004  ONE Bank Ltd A/C no. 0015025351012  ONE Bank Ltd A/C no. 0015025351012  ONE Bank Ltd A/C no. 0013000001721  Southeast Bank Ltd A/C no.3113100000717  Southeast Bank Ltd A/C no.3113100000781  Southeast Bank Ltd A/C no.3113100000722  Standard Bank Ltd A/C no.01836000732  Bank Asia Ltd A/C no.00536001704  Bangladesh Commerce Bank Ltd A/C no.00232000089  3,215			Chattogram Branch		2.098	902
15.2 Short-term deposit account  ONE Bank Ltd A/C no. 0015025351004  ONE Bank Ltd A/C no. 0015025351012  ONE Bank Ltd A/C no. 0013000001721  Southeast Bank Ltd A/C no.3113100000717  Southeast Bank Ltd A/C no.3113100000781  Southeast Bank Ltd A/C no.3113100000722  Southeast Bank Ltd A/C no.3113100000722  Southeast Bank Ltd A/C no.01836000732  Bank Asia Ltd A/C no.00536001704  Bangladesh Commerce Bank Ltd A/C no.00232000089  3,215						
ONE Bank Ltd A/C no. 0015025351004 112,193,562 81,706,861 ONE Bank Ltd A/C no. 0015025351012 1,494,608 3,601,072 ONE Bank Ltd A/C no. 0013000001721 25,756 Southeast Bank Ltd A/C no.3113100000717 - 8,172,946 Southeast Bank Ltd A/C no.3113100000781 - 109,246,819 Southeast Bank Ltd A/C no.3113100000722 1,552,896 610,841 Standard Bank Ltd A/C no.01836000732 - 941,141 Bank Asia Ltd A/C no. 00536001704 - 597,227 Bangladesh Commerce Bank Ltd A/C no. 00232000089 3,215		15.2	Chart town densit assessed		23,347	4,041
ONE Bank Ltd A/C no. 0015025351012 1,494,608 3,601,072 ONE Bank Ltd A/C no. 0013000001721 25,756 - Southeast Bank Ltd A/C no.3113100000717 - 8,172,946 Southeast Bank Ltd A/C no.3113100000781 - 109,246,819 Southeast Bank Ltd A/C no.3113100000722 1,552,896 610,841 Standard Bank Ltd A/C no.01836000732 - 941,141 Bank Asia Ltd A/C no. 00536001704 - 597,227 Bangladesh Commerce Bank Ltd A/C no. 00232000089 3,215		15.2	•			
ONE Bank Ltd A/C no. 0013000001721 25,756 - Southeast Bank Ltd A/C no.3113100000717 - 8,172,946 Southeast Bank Ltd A/C no.3113100000781 - 109,246,819 Southeast Bank Ltd A/C no.3113100000722 1,552,896 610,841 Standard Bank Ltd A/C no.01836000732 - 941,141 Bank Asia Ltd A/C no. 00536001704 - 597,227 Bangladesh Commerce Bank Ltd A/C no. 00232000089 3,215			ONE Bank Ltd A/C no. 0015025351004			81,706,861
Southeast Bank Ltd A/C no.3113100000717       -       8,172,946         Southeast Bank Ltd A/C no.3113100000781       -       109,246,819         Southeast Bank Ltd A/C no.3113100000722       1,552,896       610,841         Standard Bank Ltd A/C no.01836000732       -       941,141         Bank Asia Ltd A/C no.00536001704       -       597,227         Bangladesh Commerce Bank Ltd A/C no.00232000089       3,215       -			ONE Bank Ltd A/C no. 0015025351012		1,494,608	3,601,072
Southeast Bank Ltd A/C no.3113100000781       -       109,246,819         Southeast Bank Ltd A/C no.3113100000722       1,552,896       610,841         Standard Bank Ltd A/C no.01836000732       -       941,141         Bank Asia Ltd A/C no. 00536001704       -       597,227         Bangladesh Commerce Bank Ltd A/C no. 00232000089       3,215       -			ONE Bank Ltd A/C no. 0013000001721		25,756	-
Southeast Bank Ltd A/C no.3113100000722       1,552,896       610,841         Standard Bank Ltd A/C no.01836000732       -       941,141         Bank Asia Ltd A/C no. 00536001704       -       597,227         Bangladesh Commerce Bank Ltd A/C no. 00232000089       3,215       -			Southeast Bank Ltd A/C no.3113100000717		-	8,172,946
Standard Bank Ltd A/C no.01836000732       -       941,141         Bank Asia Ltd A/C no. 00536001704       -       597,227         Bangladesh Commerce Bank Ltd A/C no. 00232000089       3,215       -			Southeast Bank Ltd A/C no.3113100000781		-	109,246,819
Bank Asia Ltd A/C no. 00536001704 - 597,227 Bangladesh Commerce Bank Ltd A/C no. 00232000089 3,215 -			Southeast Bank Ltd A/C no.3113100000722		1,552,896	610,841
Bank Asia Ltd A/C no. 00536001704       -       597,227         Bangladesh Commerce Bank Ltd A/C no. 00232000089       3,215       -			Standard Bank Ltd A/C no.01836000732		-	941,141
Bangladesh Commerce Bank Ltd A/C no. 00232000089 3,215			Bank Asia Ltd A/C no. 00536001704		_	
					3.215	_
113,270,037 204,670,307			ų-····			204 876 907
The ending balance of cash and cash equivalent are BDT 112,193,562 with consolidated customer account in ONE Bank Ltd A/C no.			The ending helence of each and each and the PDT 100 100 5	52i+b!'		

The ending balance of cash and cash equivalent are BDT 112,193,562 with consolidated customer account in ONE Bank Ltd A/C no 0015025351004 out of which BDT 108,805,198 is payable to the clients as on 31 December 2017.

2017	2016
BDT	BDT
5,000,000,000	5,000,000,000
1,000,000,000	1,000,000,000

16. Share Capital

16.1 Authorised capital

500,000,000 ordinary shares of BDT 10 each

16.2 Issued, subscribed and paid-up capital

100,000,000 ordinary shares of BDT 10 each fully paid-up

Shareholding position of the company as at 31 December is as under:

Name of shareholder	No of	% of	Price	Price Amount (BDT)	
	Shares	holding			
IIDFC Limited	99,987,497	99.987	10	999,874,970	999,874,970
Mr. Md. Matiul Islam	12,438	0.012	10	124,380	124,380
Mr. S.A Choudhuary	13	0.000	10	130	130
Mr. A F Nesaruddin	13	0.000	10	130	130
Mr. Sayyed Husain Jamal	13	0.000	10	130	130
Mr. Md. Shamim Ahamed	13	0.000	10	130	130
Mr. Md. Manirul Islam	13	0.000	10	130	130
	100,000,000	100.000		1,000,000,000	1,000,000,000

#### 17. Retained earnings

	Opening balance	83,452,560	70,721,886
	Add: Net profit for the year	3,169,200	12,730,674
	Closing balance	86,621,760	83,452,560
18.	Long-term loan		
	Term loan-up to 6 years	445,535,836	445,535,836
	Term loan-up to 10 years	141,565,586	141,565,586
		587,101,422	587,101,422

The above loan was taken from IIDFC Limited bearing interest @11% per annum. An amount of BDT 83,694,569 has been paid against term loan interest during the year.

#### 19. Deferred liability-employee gratuity

Opening balance	952,067	2,409,915
Add: Addition during the year	2,381,552	995,817
	3,333,619	3,405,732
Less: Paid during the year	952,067	2,453,665
Closing balance	2,381,552	952,067

		2017	2016
		BDT	BDT
20. Short-term loan			
Investment Corp	oration of Bangladesh :		
Opening balance		23,016,282	111,190,324
Add: Received d	uring the year	-	-
		23,016,282	111,190,324
<u>Less:</u> Paid during	the year	(23,016,282)	88,174,042
Closing balance		-	23,016,282

The above term loan was taken from Investment Corporation of Bangladesh at a simple interest rate of 7% per annum repayable in quarterly installments in three (3) years under the Government incentive package "Puji Bazzar Khotigrosto Khudro Biniogkarider Shohyaoto Tohobil."

#### 21. Payable to clients

108,805,198	176,929,993

The company has been maintaining a consolidated customer account against payable to clients with ONE Bank Limited only for the deposits of money received from and for payments of money to and for customers as per section 8A (1) of Securities Exchange Commission Rules 1987.

22.	Accounts payable		
	Merchant banks (note 22.1)	555,399	662,691
		555,399	662,691
	22.1 Merchant banks		
	IIDFC Capital Limited	374,681	444,069
	Southeast Bank Capital Services Ltd	180,718	218,622
	Southeast Bank Capital Sci vices Ltu	555,399	662,691
23.	Accrued expenses	333,333	002,031
	Financial expenses (IIDFC & ICB)	_	18,984,069
	CDBL charges	217,467	443,803
	Audit fee	149,500	138,000
	Online and data communication charges	136,444	101,444
	Security charges	30,596	25,875
	Telephone bills-BTCL	49,665	23,843
	Suppliers	-	16,404
	Plantation	2,450	1,650
	Fresh water	2,600	1,000
	Payable to supply and service	39,218	-
	Others	-	43,223
		627,940	19,779,311
24.	Payable to DSE - broker and dealer		
	Payable to DSE-broker:		
	Categories A, B, G and N	38,531	6,792,407
	Category Z	28,503	926,472
		67,034	7,718,879
	Payable to DSE-dealer :		
	Categories A, B, G and N	2,591	13,150
	Category Z	-	-
		2,591	13,150
		69,625	7,732,029

			2017	2016
			BDT	BDT
25.	Loan	loss reserve		
	Loan l	oss account (note 25.1)	53,382,379	55,317,340
	Intere	st income loss account (note 25.2)	466,652,802	483,558,749
			520,035,181	538,876,089
	25.1	Loan loss account		
		Opening balance	55,317,340	55,346,619
		Add: Addition during the year	-	-
			55,317,340	55,346,619
		Less: Adjustment made during the year	1,934,961	29,279
		Closing balance	53,382,379	55,317,340
	25.2	Interest income loss account		
		Opening balance	483,558,749	425,246,837
		Add: Addition during the year	-	58,529,187
			483,558,749	483,776,024
		<u>Less:</u> Adjustment during the year	16,905,947	217,275
		Closing balance	466,652,802	483,558,749
	25.3	Required loan loss reserve		
		Negative equity (un-realized loss) of margin loan	1,166,780,392	1,250,283,634
		Minimum required reserve @ 20% of BDT 1,166,780,392	233,356,078	250,056,727
		Provision made up to 2017	520,035,181	538,876,089
		Percentage of loan loss reserve	44.57%	43.10%

As per BSEC's directive no.SEC/CMRRCD/2009-193/203 dated 28 December 2017; minimum requirement of making provision is @ 20% on unrealised loss of margin loan at the end of this accounting year. In this connection, loan loss reserve of BDT 520,035,181 has been made which is equivalent to 44.57 % of unrealised loss (negative equity) of BDT 1,166,780,392 of margin loans as on 31 December 2017. Provided that no cash dividend shall be paid to the shareholders for this financial year if the company takes the said facility.

#### 26. Provision /Write back of provision for diminution in value of investment in securities

Opening balance	7,965,588	38,739,088
Add: Provision made during the year	868,937	-
	8,834,525	38,739,088
Less: Write back of provision	-	30,773,500
Closing balance	8,834,525	7,965,588
26.1 Required provision for diminution in value of investments in securities		
Unrealised loss	8,834,525	16,948,059
Minimum required provision @ 20% of BDT 8,834,525	1,766,905	3,389,612
Provision made up to 2017	8,834,525	7,965,588
Percentage of investment provision	100%	47.00%

Provision for unrealised loss on investment in securities of BDT 8,834,525 has been made which is equivalent to 100% of diminution in value of investment of BDT 8,834,525 as on 31 December 2017. As per BSEC's directive no.SEC/CMRRCD/2009-193/203 dated 28 December 2017, minimum requirement of making such provision is @ 20% of total required amount at the end of this accounting year. However, no cash dividend can be paid during the year in terms of said directive as the company has availed this facility.

		2017	2010
		BDT	BDT
27.	Provision for corporate income tax		
	Opening balance	78,210,889	66,557,281
	Add: Provision made during the year	21,859,863	11,653,608
		100,070,752	78,210,889
	Less: Settlement of previous tax liability	-	
	Closing balance	100,070,752	78,210,889
	Provision for corporate income tax is made on accounting profit for the year after adjustments per tax laws.	for taxable allowances	and disallowances as
28.	Other liabilities		
	Reserve for risk fund	816,667	716,667
	VAT Deduction at source	9,930	-
	Others	57,770	35,541
		884,367	752,208
29	Interest expense on borrowing fund		
	IIDFC Limited	64,939,941	74,610,806
	Investment Corporation of Bangladesh (ICB)	-	4,629,016
		64,939,941	79,239,822
30.	Brokerage commission	00.052.002	45 504 074
	Commission on securities trading	88,863,823	45,534,874
	Commission on IPO processing	49,380	74,210
21	Direct costs	88,913,203	45,609,084
31.	Laga charges	7,822,224	4,176,638
	CDBL charges	167,551	173,408
	CDBL charges	7,989,775	4,350,046
32.	Capital gains/(losses) on sale of investment in securities		1,000,010
32.	Capital gains/(losses) on sale of investment in securities Capital gains from trading of securities		
32.	Capital gains from trading of securities	43,718,586	21,568,081
32.			21,568,081 (26,842,998)
	Capital gains from trading of securities Capital loss from trading of securities Operating gains/(losses)	43,718,586 (13,664,302)	21,568,081
	Capital gains from trading of securities Capital loss from trading of securities Operating gains/(losses)  Other operating income	43,718,586 (13,664,302) <b>30,054,284</b>	21,568,081 (26,842,998) <b>(5,274,917)</b>
	Capital gains from trading of securities Capital loss from trading of securities Operating gains/(losses)  Other operating income BO account maintenance fee	43,718,586 (13,664,302) <b>30,054,284</b> 374,600	21,568,081 (26,842,998) (5,274,917)
	Capital gains from trading of securities Capital loss from trading of securities Operating gains/(losses)  Other operating income BO account maintenance fee Sale of account opening form	43,718,586 (13,664,302) <b>30,054,284</b> 374,600 69,000	21,568,081 (26,842,998) (5,274,917) 588,600 16,500
	Capital gains from trading of securities Capital loss from trading of securities Operating gains/(losses)  Other operating income BO account maintenance fee Sale of account opening form BO account opening charges	43,718,586 (13,664,302) <b>30,054,284</b> 374,600 69,000 26,500	21,568,081 (26,842,998) (5,274,917) 588,600 16,500 19,200
	Capital gains from trading of securities Capital loss from trading of securities Operating gains/(losses)  Other operating income BO account maintenance fee Sale of account opening form BO account opening charges Notice pay received	43,718,586 (13,664,302) <b>30,054,284</b> 374,600 69,000 26,500 45,855	21,568,081 (26,842,998) (5,274,917) 588,600 16,500 19,200 82,500
	Capital gains from trading of securities Capital loss from trading of securities Operating gains/(losses)  Other operating income BO account maintenance fee Sale of account opening form BO account opening charges	43,718,586 (13,664,302) <b>30,054,284</b> 374,600 69,000 26,500	21,568,081 (26,842,998) (5,274,917) 588,600 16,500 19,200
	Capital gains from trading of securities Capital loss from trading of securities Operating gains/(losses)  Other operating income  BO account maintenance fee Sale of account opening form BO account opening charges Notice pay received Charges for dishonored cheques	43,718,586 (13,664,302) <b>30,054,284</b> 374,600 69,000 26,500 45,855 22,000	21,568,081 (26,842,998) (5,274,917) 588,600 16,500 19,200 82,500 16,000
	Capital gains from trading of securities Capital loss from trading of securities Operating gains/(losses)  Other operating income  BO account maintenance fee Sale of account opening form BO account opening charges Notice pay received Charges for dishonored cheques	43,718,586 (13,664,302) <b>30,054,284</b> 374,600 69,000 26,500 45,855 22,000 48,024	21,568,081 (26,842,998) (5,274,917) 588,600 16,500 19,200 82,500 16,000 2,356
33.	Capital gains from trading of securities Capital loss from trading of securities Operating gains/(losses)  Other operating income BO account maintenance fee Sale of account opening form BO account opening charges Notice pay received Charges for dishonored cheques Others	43,718,586 (13,664,302) 30,054,284 374,600 69,000 26,500 45,855 22,000 48,024 585,979	21,568,081 (26,842,998) (5,274,917) 588,600 16,500 19,200 82,500 16,000 2,356 725,156
33.	Capital gains from trading of securities Capital loss from trading of securities Operating gains/(losses)  Other operating income BO account maintenance fee Sale of account opening form BO account opening charges Notice pay received Charges for dishonored cheques Others  Operating expenses Salaries and allowances (note 34.1) Rent, insurance, electricity, etc (note 34.2)	43,718,586 (13,664,302) 30,054,284 374,600 69,000 26,500 45,855 22,000 48,024 585,979 37,337,677 16,520,403	21,568,081 (26,842,998) (5,274,917) 588,600 16,500 19,200 82,500 16,000 2,356 725,156
33.	Capital gains from trading of securities Capital loss from trading of securities Operating gains/(losses)  Other operating income BO account maintenance fee Sale of account opening form BO account opening charges Notice pay received Charges for dishonored cheques Others  Operating expenses Salaries and allowances (note 34.1) Rent, insurance, electricity, etc (note 34.2) Legal and professional expenses	43,718,586 (13,664,302) 30,054,284 374,600 69,000 26,500 45,855 22,000 48,024 585,979 37,337,677 16,520,403 1,138,200	21,568,081 (26,842,998) (5,274,917) 588,600 16,500 19,200 82,500 16,000 2,356 725,156 29,652,924 14,857,974 174,000
33.	Capital gains from trading of securities Capital loss from trading of securities Operating gains/(losses)  Other operating income BO account maintenance fee Sale of account opening form BO account opening charges Notice pay received Charges for dishonored cheques Others  Operating expenses Salaries and allowances (note 34.1) Rent, insurance, electricity, etc (note 34.2) Legal and professional expenses Postage, stamp, telecommunications, etc (note 34.3)	43,718,586 (13,664,302) 30,054,284 374,600 69,000 26,500 45,855 22,000 48,024 585,979 37,337,677 16,520,403 1,138,200 1,838,409	21,568,081 (26,842,998) (5,274,917) 588,600 16,500 19,200 82,500 16,000 2,356 725,156 29,652,924 14,857,974 174,000 1,853,368
33.	Capital gains from trading of securities Capital loss from trading of securities Operating gains/(losses)  Other operating income BO account maintenance fee Sale of account opening form BO account opening charges Notice pay received Charges for dishonored cheques Others  Operating expenses Salaries and allowances (note 34.1) Rent, insurance, electricity, etc (note 34.2) Legal and professional expenses Postage, stamp, telecommunications, etc (note 34.3) Stationery, printing, advertisement, etc (note 34.4)	43,718,586 (13,664,302) 30,054,284 374,600 69,000 26,500 45,855 22,000 48,024 585,979 37,337,677 16,520,403 1,138,200 1,838,409 353,759	21,568,081 (26,842,998) (5,274,917) 588,600 16,500 19,200 82,500 16,000 2,356 725,156 29,652,924 14,857,974 174,000 1,853,368 212,957
33.	Capital gains from trading of securities Capital loss from trading of securities Operating gains/(losses)  Other operating income BO account maintenance fee Sale of account opening form BO account opening charges Notice pay received Charges for dishonored cheques Others  Operating expenses Salaries and allowances (note 34.1) Rent, insurance, electricity, etc (note 34.2) Legal and professional expenses Postage, stamp, telecommunications, etc (note 34.3) Stationery, printing, advertisement, etc (note 34.4) Directors' fees (note 34.5)	43,718,586 (13,664,302) 30,054,284 374,600 69,000 26,500 45,855 22,000 48,024 585,979 37,337,677 16,520,403 1,138,200 1,838,409 353,759 62,500	21,568,081 (26,842,998) (5,274,917) 588,600 16,500 19,200 82,500 16,000 2,356 725,156 29,652,924 14,857,974 174,000 1,853,368 212,957 118,750
33.	Capital gains from trading of securities Capital loss from trading of securities Operating gains/(losses)  Other operating income BO account maintenance fee Sale of account opening form BO account opening charges Notice pay received Charges for dishonored cheques Others  Operating expenses Salaries and allowances (note 34.1) Rent, insurance, electricity, etc (note 34.2) Legal and professional expenses Postage, stamp, telecommunications, etc (note 34.3) Stationery, printing, advertisement, etc (note 34.4) Directors' fees (note 34.5) Auditors' fee	43,718,586 (13,664,302) 30,054,284 374,600 69,000 26,500 45,855 22,000 48,024 585,979 37,337,677 16,520,403 1,138,200 1,838,409 353,759 62,500 149,500	21,568,081 (26,842,998) (5,274,917) 588,600 16,500 19,200 82,500 16,000 2,356 725,156 29,652,924 14,857,974 174,000 1,853,368 212,957 118,750 138,000
33.	Capital gains from trading of securities Capital loss from trading of securities Operating gains/(losses)  Other operating income BO account maintenance fee Sale of account opening form BO account opening charges Notice pay received Charges for dishonored cheques Others  Operating expenses Salaries and allowances (note 34.1) Rent, insurance, electricity, etc (note 34.2) Legal and professional expenses Postage, stamp, telecommunications, etc (note 34.3) Stationery, printing, advertisement, etc (note 34.4) Directors' fees (note 34.5) Auditors' fee Loans and advances written off (note 34.6)	43,718,586 (13,664,302) 30,054,284 374,600 69,000 26,500 45,855 22,000 48,024 585,979 37,337,677 16,520,403 1,138,200 1,838,409 353,759 62,500 149,500 23,528,025	21,568,081 (26,842,998) (5,274,917) 588,600 16,500 19,200 82,500 16,000 2,356 725,156 29,652,924 14,857,974 174,000 1,853,368 212,957 118,750
33.	Capital gains from trading of securities Capital loss from trading of securities Operating gains/(losses)  Other operating income BO account maintenance fee Sale of account opening form BO account opening charges Notice pay received Charges for dishonored cheques Others  Operating expenses Salaries and allowances (note 34.1) Rent, insurance, electricity, etc (note 34.2) Legal and professional expenses Postage, stamp, telecommunications, etc (note 34.3) Stationery, printing, advertisement, etc (note 34.4) Directors' fees (note 34.5) Auditors' fee Loans and advances written off (note 34.6) Loss on disposal of assets	43,718,586 (13,664,302) 30,054,284 374,600 69,000 26,500 45,855 22,000 48,024 585,979 37,337,677 16,520,403 1,138,200 1,838,409 353,759 62,500 149,500 23,528,025 25,177	21,568,081 (26,842,998) (5,274,917) 588,600 16,500 19,200 82,500 16,000 2,356 725,156 29,652,924 14,857,974 174,000 1,853,368 212,957 118,750 138,000 1,018,833
33.	Capital gains from trading of securities Capital loss from trading of securities Operating gains/(losses)  Other operating income BO account maintenance fee Sale of account opening form BO account opening charges Notice pay received Charges for dishonored cheques Others  Operating expenses Salaries and allowances (note 34.1) Rent, insurance, electricity, etc (note 34.2) Legal and professional expenses Postage, stamp, telecommunications, etc (note 34.3) Stationery, printing, advertisement, etc (note 34.4) Directors' fees (note 34.5) Auditors' fee Loans and advances written off (note 34.6) Loss on disposal of assets Repair and maintenance (note 34.7)	43,718,586 (13,664,302) 30,054,284 374,600 69,000 26,500 45,855 22,000 48,024 585,979 37,337,677 16,520,403 1,138,200 1,838,409 353,759 62,500 149,500 23,528,025 25,177 593,931	21,568,081 (26,842,998) (5,274,917) 588,600 16,500 19,200 82,500 16,000 2,356 725,156 29,652,924 14,857,974 174,000 1,853,368 212,957 118,750 138,000 1,018,833
33.	Capital gains from trading of securities Capital loss from trading of securities Operating gains/(losses)  Other operating income BO account maintenance fee Sale of account opening form BO account opening charges Notice pay received Charges for dishonored cheques Others  Operating expenses Salaries and allowances (note 34.1) Rent, insurance, electricity, etc (note 34.2) Legal and professional expenses Postage, stamp, telecommunications, etc (note 34.3) Stationery, printing, advertisement, etc (note 34.4) Directors' fees (note 34.5) Auditors' fee Loans and advances written off (note 34.6) Loss on disposal of assets Repair and maintenance (note 34.7) Depreciation (note 34.8)	43,718,586 (13,664,302) 30,054,284 374,600 69,000 26,500 45,855 22,000 48,024 585,979 37,337,677 16,520,403 1,138,200 1,838,409 353,759 62,500 149,500 23,528,025 25,177 593,931 1,527,293	21,568,081 (26,842,998) (5,274,917) 588,600 16,500 19,200 82,500 16,000 2,356 725,156 29,652,924 14,857,974 174,000 1,853,368 212,957 118,750 138,000 1,018,833
33.	Capital gains from trading of securities Capital loss from trading of securities Operating gains/(losses)  Other operating income BO account maintenance fee Sale of account opening form BO account opening charges Notice pay received Charges for dishonored cheques Others  Operating expenses Salaries and allowances (note 34.1) Rent, insurance, electricity, etc (note 34.2) Legal and professional expenses Postage, stamp, telecommunications, etc (note 34.3) Stationery, printing, advertisement, etc (note 34.4) Directors' fees (note 34.5) Auditors' fee Loans and advances written off (note 34.6) Loss on disposal of assets Repair and maintenance (note 34.7)	43,718,586 (13,664,302) 30,054,284 374,600 69,000 26,500 45,855 22,000 48,024 585,979 37,337,677 16,520,403 1,138,200 1,838,409 353,759 62,500 149,500 23,528,025 25,177 593,931	21,568,081 (26,842,998) (5,274,917) 588,600 16,500 19,200 82,500 16,000 2,356 725,156 29,652,924 14,857,974 174,000 1,853,368 212,957 118,750 138,000 1,018,833

2017

2016

		2017	2016
		BDT	BDT
34.1	Salaries and allowances		
	Basic	15,567,780	13,590,792
	House rent	7,783,986	6,795,467
	Festival bonus	2,638,214	2,272,076
	Conveyance	1,540,643	1,327,602
	Company's contribution to provident fund	1,427,577	1,196,009
	Retirement benefits and gratuity	2,381,552	995,817
	Leave fare assistance	1,454,096	989,431
	Car allowance	983,226	720,000
	Medical	778,386	679,520
	Group insurance	734,979	647,023
	Entertainment	264,837	237,000
	Leave encashment	1,782,401	202,187
		37,337,677	29,652,924
34.2	Rent, insurance, electricity, etc		
	Office rent and service charge	14,352,678	13,000,082
	Electricity	1,355,260	1,274,170
	Fees, renewal and registration	548,273	353,087
	Water and sewerage	261,517	225,602
	Insurance on fixed assets	2,675	5,033
		16,520,403	14,857,974
34.3	Postage, stamp, telecommunications, etc		
	Data communication expenses	1,013,928	1,018,428
	Mobile	470,916	489,145
	Internet expenses	179,400	179,400
	Telephone	144,000	116,000
	SMS Service	-	34,485
	Postage and courier	25,651	11,280
	Stamp charges	4,514	4,630
		1,838,409	1,853,368
34.4	Stationery, printing, advertisement, etc		
	Printing and stationery	210,995	117,547
	Paper, ribbon and cartridge	129,506	93,600
	Table stationery	2,912	1,810
	Advertisement	10,346	_
		353,759	212,957
34.5	Directors' fees		,
	Fees	50,000	95,000
	VAT	7,500	14,250
	Tax	5,000	9,500
		62,500	118,750
34.6	Loans and advances written off	52,500	115,750
	Loans and advances written off during the year	23,528,025	1,018,833
		23,528,025	1,018,833
	During the year 2017, ninety one (91) number of such investors being unable to repay		

During the year 2017, ninety one (91) number of such investors being unable to repay margin loan, applied for voluntary sale of securities from their portfolios, recover their outstanding margin loan by the sale proceeds and waiver of remaining margin loan liabilities and closure of the accounts. There being no other way for recovery of such loans, after sale of securities of these portfolios, outstanding unrecovered margin loan was adjusted BDT 42,368,933/- with loan loss reserve account and BDT 18,840,908/- and 23,528,025 margin loan was charged as written off loan loss as on 31 December 2017.

		2017	2016
		BDT	BDT
34.7	Repair and maintenance		
	Office equipment	477,934	140,055
	Decoration and renovation	32,100	17,210
	Computer software	82,533	11,250
	Furniture and fixtures	1,364	3,310
		593,931	171,825
34.8	Depreciation		
	Office equipment	272,755	272,755
	Office decoration	876,937	876,937
	Furniture and fixtures	377,601	377,601
		1,527,293	1,527,293
34.9	Other expenses		
	Office maintenance (note 34.9.1)	1,676,067	1,327,085
	Entertainment	663,340	478,177
	Amortisation of intangible asset (note 5)	62,699	194,548
	Reserve for risk fund	100,000	100,000
	Bank charge	140,847	80,374
	Travelling and conveyance- local	133,000	65,751
	Training expenses	29,700	33,550
	Newspaper and magazine	14,581	13,840
	Books and periodicals	7,240	5,080
	Honorarium	4,000	-
		2,831,474	2,298,405
	34.9.1 Office maintenance		
	Casual staff salary	1,069,567	825,414
	Security charges	184,044	129,771
	Cleaning charges	83,236	79,484
	Uniform and other apparels	64,740	54,000
	Plantation	43,800	19,800
	Fresh water	5,900	7,150
	Purchase of utensils	15,000	3,790
	Others	209,780	207,676
		1,676,067	1,327,085

#### 35. Earnings per share (EPS)

Earnings per share (EPS) is calculated in accordance with BAS 33: Earnings Per Share. The calculation of basic earnings per share as at 31 December 2017 was based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding for the year ended 31 December 2017.

Basic earnings per share has been calculated as under:			
Earnings attributable to ordinary shareholders net profit/(loss) after tax		3,169,200	12,730,674
Weighted average number of ordinary shares		100,000,000	100,000,000
Basic earnings per share		0.032	0.127
<u>Particulars</u>	Weighted average	No. of Ordir	nary Shares
Share outstanding as on 01 January	365	100,000,000	100,000,000
		100,000,000	100,000,000

#### 36. Related party disclosures

In accordance with BAS 24: Related Party Disclosures, amount of transactions during the period and outstanding balances as of the end of report period with the entity's related parties are disclosed as follows:

#### 36.1 Related party transactions during the year:

	Name of the related party	Nature of relationship	Nature of transaction	31 December 2017	31 Decmber 2016
				BDT	BDT
	IIDFC Limited	Shareholders	Interest payment	83,694,569	74,792,750
	IIDFC Capital Limited	Owned by the same holding	Share treading and other		
		company		4,195,656,443	2,100,380,283
36.2 Related party balan	ces as at year end:				
	Name of the related party	Nature of relationship	Nature of transaction	31 December 2017	31 Decmber 2016
				BDT	BDT
	IIDFC Limited	Shareholders	Long term loan	587,101,422	587,101,422
	IIDFC Capital Limited	Owned by the same holding company	Accounts payable	374,681	444,069

#### 37. Employees' information

A total number of 35 employees were employed in IIDFC Securities Ltd as on 31 December 2017. Each of the employees received salary more than BDT 36,000 per annum during the year 2017.

#### 38. General

- 38.1 These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.
- 38.2 Previous year's figures have been re-arranged, wherever considered necessary, to confirm to current year's presentation without causing any impact on the operating results for the year and value of assets and liabilities at the end of that year as shown in the financial statements under reporting

For and on behalf of Board of Directors of IIDFC Securities Limited

Md. Matiul Islam

Chairman

Md. Shamim Ahamed, FCA

Company Secretary

Ashrafun Nessa,

Chief Executive Officer

Dhaka, Bangladesh Dated: 23 April 2018

S.F. Ahmed & Co. Chartered Accountants

# IIDFC Securities Limited As at 31 December 2017

Property, plant and equipment

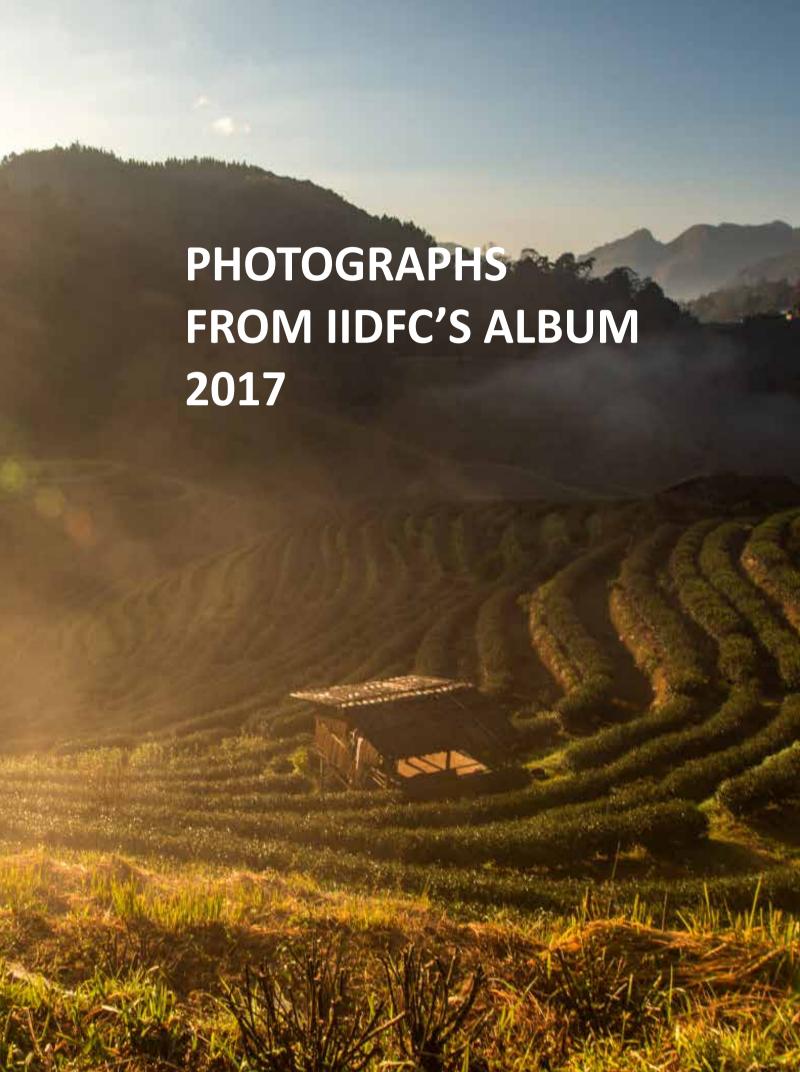
Category of assets At		Cost					Depreciation	iation		Net book
01 Jan	an T	Additions BDT	Sale/ disposal BDT	Total at 31 Dec BDT	Rate (%)	Upto 01 Jan BDT	Charge for the year BDT	Adjustment/ disposal BDT	Total to 31 De BDT	value at 31 Dec BDT
Furniture and fixtures 3,88	3,885,815	34,125	143,943	3,775,997	10	2,280,889	377,601	86,366	2,572,124	1,203,873
Office decoration 8,76	8,769,385	ı	1	8,769,385	10	5,261,634	876,937	1	6,138,571	2,630,814
Office equipment 15,56	15,562,238	357,827	109,313	15,810,752	18	15,255,672	272,755	97,832	15,430,595	380,157
Total at 31 Dec 2017 28,21	17,438	391,952	253,256	28,356,134		22,798,195	1,527,293	184,198	24,141,290	4,214,845
Total at 31 Dec 2016 28,37	28,371,098	24,750	178,410	28,217,438		19,981,772	2,976,988	160,566	22,798,194	5,419,244

Intangible assets

		Cost	11				Depre	)epreciation		Net book
Category of assets	At 01 Jan BDT	Additions BDT	Sale/ disposal BDT	Total at 31 Dec BDT	Rate (%)	Upto 01 Jan BDT	Charge for the year BDT	Adjustment/ disposal BDT	Total to 31 Dec BDT	value at 31 Dec BDT
Computer software	1,666,831	1	-	1,666,831	18	1,506,601	65,699	1	1,569,300	97,531
Total at 31 Dec 2017	1,666,831	•	•	1,666,831		1,506,601	65,699	1	1,569,300	97,531
Total at 31 Dec 2016	1,666,831	•	•	1,666,831		1,312,053	194,548	1	1,506,601	160,230







16<sup>th</sup> Annual General Meeting held on July 20, 2017





## STRUCTURED FINANCE DEPARTMENT PROJECTS UNDER IIDFC'S SYNDICATION ARRANGEMENT



Anwara Mannan Textile Mills Limited, Boiragirchala, Sreepur, Gazipur



Infinity Data & Power Limited, Kazipara, Narayanganj

## **Projects Financed under IIDFC's Corporate Finance Department**



Anwar Ispat Limited, Kuniapachor, Targach, Tongi, Gazipur



Krishibid Feed Limited, Nishinda, Voradoba, Valuka, Mymensingh

## **Projects Financed under IIDFC's Corporate Finance Department**



Rangpur Metal Industries, Habiganj Industrial Park, Sylhet



BBS Cables Ltd., Jaina Bazar, Telehate, Sreepur, Gazipur

## **Projects Financed under IIDFC's SME Department**



H. M Enterprise, Mirpur, Dhaka



Ecotech Multi Foods Limited, Baridhara DOHS, Dhaka

## **Projects Financed under IIDFC's SME Department**



Masro Printing and Packaging Ltd., Shwadhinata Sarani, North Badda, Dhaka



Foysal Steel Corporation, 04, Dokkhin Khan Bazar, Dokkhin Khan, Dhaka

## Workshop/Seminar



Orientation & Training Program- 2017 for newly joined employees at IIDFC Head Office.



A snapshot of all participants of Orientation & Training Program – 2017

## Workshop/Seminar



Business Communication Training Workshop-2017 at IIDFC Head Office.



Participants of Business Communication Training Workshop-2017

# **CSR Activities**



Mr. Asaduzzaman Khan, Former Managing Director of IIDFC distributed relief among the flood affected farmers at Mithamoin, Kishoreganj



Relief distribution among the flood affected farmers at Mithamoin, Kishoreganj.

# Nari Uddokta Fair



IIDFC participated in Nari Uddokta Somabesh and Ponnya Prodorshoni-2017



A visitor was visiting IIDFC's stall in Nari Uddokta Somabesh and Ponnya Prodorshoni-2017

# **Branch Opening Ceremony**



Mr. M Matiul Islam, Chairman of IIDFC Limited inaugurates the fourth branch of the Company at Keraniganj, Dhaka. Former Managing Director Mr. Md. Asaduzzaman Khan, high officials of the company, a good number of businessmen and local elites were present on the occasion.



Mr. M Matiul Islam, Chairman of IIDFC Limited inaugurates the fifth branch of the Company at Gazipur.

# Corporate Dayout-2017



The Palace Luxury Resort and Spa, Bahubal, Sylhet, Bangladesh

# PHOTOGRAPHS FROM IIDFC'S ALBUM Celebration

Honorable Chairman's 88th Birthday Celebration at IIDFC



# **NOTES**

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# **NOTES**



# **NOTES**

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### INDUSTRIAL AND INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LIMITED

Chamber Building (2<sup>nd</sup>, 6<sup>th</sup> & 7<sup>th</sup> Floor), 122-124 Motijheel Commercial Area, Dhaka - 1000, Bangladesh Tel: +88-02-9559311-12, 9553387, 9553254, 95533090, 9552185, Fax: +88-02-9568987, www.iidfc.com

## **PROXY FORM**

I/we		
of		
being a member of I	ndustrial and Infrastructure Development Finance Co	ompany Limited do hereby appoint
Mr./Mrs./Ms		
of	or failing him/her	of
as proxy to attend and vote for me/us	and on my/our behalf in the $17^{\text{th}}$ Annual General M	eeting of the Company to be held
at 7.00 p.m. on Monday, July 23, 201	.8 at MTB Tower, 111 Kazi Nazrul Islam Avenue, Ba	ingla Motor, Dhaka-1000 and any
adjournment thereof.		
As witness my/our hand this	day of	2018.
	Revenue	
	Stamp of Tk. 20.00	
	TK. 20.00	

Signature of Proxy

Signature of Shareholder

### INDUSTRIAL AND INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LTD

### **HEAD OFFICE:**

Chamber Building (2<sup>nd</sup>, 6<sup>th</sup> & 7<sup>th</sup> floor), 122-124 Motijheel C/A, Dhaka-1000, Bangladesh Phone: +880-2-9559311-12, +880-2-9553387, +880-2-9553254, +880-2-9553090 Fax: +880-2-9568987, Email: info@iidfc.com

### **CHITTAGONG BRANCH:**

C&F Tower (4<sup>th</sup> Floor), 1222 Sheikh Mujib Road, Agrabad C/A, Chittagong, Bangladesh Phone: +880-31-2516693, Fax: +880-31-2516694

### **UTTARA BRANCH:**

Kanak Arcade (4<sup>th</sup> Floor), 14 Sonargaon Janapath, Sector-9, Uttara, Dhaka-1230 Tel: 880-2-55080417, Fax: 880-2-48954111

### **KERANIGANJ BRANCH:**

BT Tower (2<sup>nd</sup> Floor), Kodomtali More, Keraniganj, Dhaka- 1310, Bangladesh Tel: 88-02- 776 4004, 88-02- 776 1885

### **GAZIPUR BRANCH:**

MAS Square (4<sup>th</sup> Floor), Holding No.-727, Dhaka Road, Chandana Chowrasta, Gazipur-1702 Tel: 880-2-49261020, 880-2-49261021

### **NARAYANGANJ BRANCH:**

Mid town Complex (3<sup>rd</sup> floor)Holding no-79 (Old 54), Bangabandhu Road Narayanganj-1400, Bangladesh

### **SAVAR BRANCH:**

MK Tower (5<sup>th</sup> floor), Holding # B-16- 1, Jolesshor, Shimultala, Savar-1340, Bangladesh.

### **IIDFC SECURITIES LIMITED:**

Eunoos Trade Center, Level 7, 52/53 Dikusha, Dhaka-1000, Bangladesh Phone: +880-2-9560526, Fax: +880-2-9570756 Email: info@iidfcsecurities.com

### **IIDFC CAPITAL LIMITED:**

Eunoos Trade Center, Level 7, 52/53 Dilkusha, Dhaka-1000, Bangladesh Phone: +880-2-9514637-8, Fax: +880-2-9514641

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