

**Auditors' Report and
Audited Financial Statements
of
Industrial and Infrastructure Development
Finance Company Limited (IIDFCL)
*For the year ended 31 December 2012***

Hoda Vasi Chowdhury & Co

Chartered Accountants

Independent Correspondent Firm to **Deloitte Touche Tohmatsu**

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 (IIDFC) Limited and its subsidiary (the "Group") as well as the financial statements of IIDFC "the company" which comprises the balance sheet as at 31 December 2012, profit & loss account, statement of changes in equity, liquidity statement, cash flow statement 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 the financial statements of the company in accordance with Bangladesh Financial Reporting Standards (BFRS), Financial Institutions Act 1993, the rules and regulations issued by the Bangladesh Bank, the Companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations. This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of these consolidated financial statements of the group and financial statement of the company that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements of the group and the 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 whether the consolidated financial statements of the group and the 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 the financial statements of the company. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the group and the 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 the 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 the 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 the financial statements of the company prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs), give a true and fair view of the state of the company's affairs as at 31 December 2012 and of the results of its operations and cash flows for the year then ended and comply with the Financial Institutions Act 1993, The Company's Act 1994, the rules and regulations issued by the Bangladesh Bank, the Securities and Exchanges Rules 1987 and other applicable laws and regulations.

Hoda Vasi Chowdhury & Co

Chartered Accountants

Independent Correspondent Firm to **Deloitte Touche Tohmatsu**

Further to our opinion in the above paragraph, we state that:

- (i) We have obtained all the information and explanations 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 IIDFC 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 branch not visited by us;
- (iii) the IIDFC's Balance Sheet and Profit and Loss Account together with the annexed notes 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 purpose of the IIDFC's business;
- (v) the financial position of IIDFC as at 31 December 2012 and the profit for the year then ended have been properly reflected in the financial statements and the financial statements have been prepared in accordance with the Generally Accepted Accounting Principles;
- (vi) the financial statements have been drawn up in conformity with the Financial Institutions Act, 1993 and in accordance with the accounting rules and regulations issued by the Bangladesh Bank;
- (vii) the financial statements conform to the prescribed standards set in the accounting regulations issued by the Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- (viii) adequate provisions have been made for advances and other assets which are, in our opinion, doubtful of recovery;
- (ix) the information and explanations required by us have been received and found satisfactory;
- (x) the IIDFC has no overseas branches;
- (xi) 80% of the risk-weighted assets have been audited;
- (xii) We have spent approximately 820 man hours for the audit of books & accounts of IIDFC.

Dhaka,

12 JUN 2013

Hoda Vasi Chowdhury & Co
Chartered Accountants

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Ref.

Industrial and Infrastructure Development Finance Company Limited

Balance Sheet

As at 31 December 2012

IAS 1.51(a)

IAS 1.10(a)

IAS 1.51(c)

IAS 1. (38&39)

		31-Dec-2012	31-Dec-2011
	Notes	Taka	Taka
PROPERTY & ASSETS			
IAS 1.54, IAS 7.7	Cash	3	
	In Hand (including foreign currencies)	6,393	17,878
	Balance with Bangladesh Bank and its agent Bank(s) (including foreign currencies)	173,397,184	94,475,212
		173,403,577	94,493,090
IAS 1.54(d)	Balance with other Banks and Financial Institutions	4	
	Inside Bangladesh	1,273,382,249	1,498,291,187
	Outside Bangladesh	-	-
		1,273,382,249	1,498,291,187
IAS 1.54(g)	Money at Call and Short Notice	5	
		-	30,000,000
IAS 1.54(b)	Investments	6	
	Government	-	-
	Others	204,294,169	113,622,641
		204,294,169	113,622,641
IAS 1.54(b)	Loans & Advances	7	
	Lease Receivables	2,453,096,573	2,484,809,339
	Advance for Lease Finance	43,714,000	281,589,886
	Direct/Term Finance	6,184,092,276	5,769,905,162
	Secured Overdraft	201,673,768	81,139,488
	Bills Discounted and Purchased	88,406,330	60,819,792
		8,970,982,947	8,678,263,667
IAS 1.54(a)	Property, Plant & Equipment	8	
		26,699,565	34,047,160
IAS 1.54(c)	Intangible Asset	8.1	
		750,942	1,147,126
IAS 1.55& 1.57(a)	Other Assets	9	
		1,808,130,639	1,664,862,827
IAS 1.55& 1.57(a)	Non-Banking Assets		
		-	-
	Total Assets	12,457,644,088	12,114,727,698
LIABILITIES & CAPITAL			
IAS 1.54(k)	Borrowings from other Banks, Financial Institutions & Agent	10	
		4,736,254,391	5,431,651,977
IAS 1.54(m)	Deposits & Other Accounts	11	
	Current Deposits & Other Accounts, etc	-	-
	Bills Payable	-	-
	Savings Bank Deposits	-	-
	Term Deposits	5,096,296,174	4,224,814,671
	Bearer Certificate of Deposits	-	-
	Other Deposits	8,455,595	14,856,808
		5,104,751,769	4,239,671,479
IAS 1.55,1.57(a)	Other Liabilities	12	
		1,334,648,515	1,195,859,211
	Total Liabilities	11,175,654,675	10,867,182,667
	Capital/Shareholders' Equity		
IAS 1.54(r),1.78(e)	Paid up Capital	13	
		1,000,000,000	328,780,000
IAS 1.54(r),1.78(e)	Share Money Deposit	13.2	
		-	149,383,600
IAS 1.54(r),1.78(e)	Statutory Reserve	14	
		212,200,000	205,700,000
IAS 1.54(r),1.78(e)	General Reserve	15	
		44,500,000	44,000,000
IAS 1.54(r),1.78(e)	Other Reserve	16	
		-	-
IAS 1.54(r),1.78(e)	Stock Dividend	17	
		-	295,902,000
IAS 1.54(r),1.78(e)	Retained Earnings	18	
		25,289,413	223,779,431
	Total Shareholders' Equity	1,281,989,413	1,247,545,031
	Total Liabilities & Shareholders' Equity	12,457,644,088	12,114,727,698

Ref.

IAS 1.51(a)

IAS 1.10(a)

IAS 1.51(c)

Industrial and Infrastructure Development Finance Company Limited
Balance Sheet
As at 31 December 2012

		31-Dec-2012	31-Dec-2011
	Notes	Taka	Taka
IAS 1.55	OFF-BALANCE SHEET ITEMS		
IAS 37.28, 37.86	Contingent Liabilities	19	
	Letters of Guarantee	568,436,780	770,833,980
	Letters of Credit	44,300,000	29,169,185
	Irrevocable Letter of Credit	-	-
	Bills for Collection	-	-
	Other Contingent Liabilities	-	-
		<u>612,736,780</u>	<u>800,003,165</u>
	Others Commitments:		
	Documentary credits & short term trade related transactions	-	-
	Forward assets purchased and forward deposits placed	-	-
	Undrawn note issuance and revolving underwriting facilities	-	-
	Undrawn formal standby facilities, credit lines and other commitments	-	-
		<u>-</u>	<u>-</u>
	Total Off-Balance Sheet items including contingent liabilities	<u><u>612,736,780</u></u>	<u><u>800,003,165</u></u>

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



Md. Matiul Islam
Chairman



Md. Asaduzzaman Khan
Managing Director

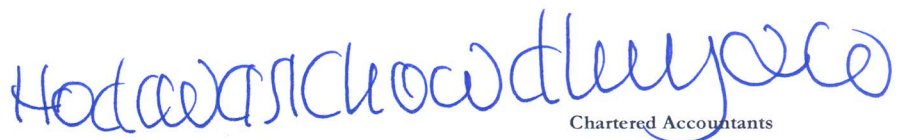


Md. Shamim Ahamed
Company Secretary

Signed as per annexed report on even date

Dhaka

12 JUN 2013


Chartered Accountants

Ref.

IAS 1.51(a)

IAS 1.10(b)

IAS 1.51(c)

IAS 1.38 & 39)

Industrial and Infrastructure Development Finance Company Limited Profit & Loss Account

For the year ended 31 December 2012

		Notes	31-Dec-2012 Taka	31-Dec-2011 Taka
A. OPERATING INCOME:				
IFRS 7.20(b)	Interest Income	20	1,563,239,555	1,274,465,499
IFRS 7.20(b)	Interest paid on Deposits, Borrowings etc.	21	(1,346,104,126)	(1,063,802,953)
IAS 1.85	Net Interest Income		217,135,429	210,662,546
IFRS 7.20(9b)	Income from Investment	22	13,213,158	10,844,874
IFRS 7.20(c)	Commission, Exchange and Brokerage	23	-	-
IAS 1.85	Other Operating Income	24	12,344,986	30,769,094
IAS 1.85	Total Operating Income		242,693,573	252,276,514
B. OPERATING EXPENSES:				
IAS 1.104	Salaries & Allowances	25	80,975,858	86,375,007
IAS 1.97	Rent, Taxes, Insurance, Electricity etc.	26	14,942,955	13,820,699
IAS 1.97	Legal Expenses	27	4,000,660	2,156,931
IAS 1.97	Postage, Stamp, Telecommunications etc.	28	2,663,690	2,462,502
IAS 1.97	Stationery, Printing, Advertisement etc.	29	6,281,142	19,548,841
IAS 1.97	Managing Director's Salary and Fees	30	6,464,414	7,352,484
IAS 1.97	Directors' Fees	31	540,000	710,000
IAS 1.97	Auditor's Fees	32	269,200	143,750
IAS 1.98 (d)	Loans & Advances Written-off	33	18,095,008	18,120,222
IAS 1.104	Repair, Depreciation and Amortisation of Company's Assets	34	9,623,085	10,564,696
IAS 1.97	Other Expenses	35	21,197,353	20,489,243
IAS 1.85	Total Operating Expenses		165,053,365	181,744,375
IAS 1.85	C. Profit/(Loss) Before Provision (A-B)		77,640,208	70,532,139
IAS 1.97	D. Provision for Loans & Advances:	36		
	Specific Provision		20,628,487	10,023,073
	General Provision		1,466,473	8,354,578
	Provision for diminution in value of Investments		12,828,266	223,442
	Other Provision		-	-
	Total Provision		34,923,226	18,601,093
IAS 1.85	E. Profit/(Loss) Before Taxes (C-D)		42,716,982	51,931,046
IAS 1.82(d)	F. Provision for Tax:			
	Current Tax	37	20,500,000	33,538,687
	Deferred Tax		-	-
	Total Provision		20,500,000	33,538,687
IAS 1.82(f)	G. Profit/(Loss) After Taxes (E-F)		22,216,982	18,392,359
IAS 1.85	Add: Retained earnings brought forward		223,779,431	374,577,072
IAS 1.85	Profit available for appropriation		245,996,413	392,969,431
	Less: Appropriations			
	Statutory Reserve		6,500,000	3,800,000
	General Reserve		500,000	1,000,000
	Interim Stock Dividend		213,707,000	164,390,000
			220,707,000	169,190,000
IAS 1.85	Retained Earnings		25,289,413	223,779,431
IAS 33.66	Earnings Per Share (EPS)	38	2.22	5.59

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



Md. Matul Islam
Chairman



Md. Asaduzzaman Khan
Managing Director




Md. Shamim Ahamec
Company Secretary

Signed as per annexed report on even date

Dhaka

12 JUN 2013


Chartered Accountant

Ref.

IAS 1.51(a)

IAS 1.10(d)

IAS 1.51(c)

Industrial and Infrastructure Development Finance Company Limited
Cash Flow Statement

For the year ended 31 December 2012

		31-Dec-2012 Taka	31-Dec-2011 Taka
IAS 1.(38&39)	A CASH FLOW FROM OPERATING ACTIVITIES:		
IAS 7.10	Interest receipts in cash	1,542,057,355	1,288,471,178
IAS 7.31	Interest payments in cash	(1,352,117,429)	(900,455,692)
IAS 7.31	Dividend receipts in cash	10,493,150	10,348,391
IAS 7.14(d)	Cash payments to employees	(94,561,509)	(98,189,039)
IAS 7.14(c)	Cash payments to suppliers	(14,888,821)	(41,620,957)
IAS 7.35	Income taxes paid	(39,303,331)	(43,510,578)
IAS 7.14(b)	Receipts from other operating activities	15,064,994	29,352,237
IAS 7.14(c)	Payments for other operating activities	(26,635,129)	(54,337,936)
	Cash generated from operating activities	40,109,280	190,057,604
IAS 7.19(b)	Increase/(decrease) in operating assets and liabilities, Statutory deposits		
	Loans and advances to other banks	-	-
	Loans and advances to other customers	(292,719,280)	40,594,440
	Other assets	556,035,519	(595,347,123)
	Borrowings from Bank	(695,397,586)	(61,328,532)
	Deposits from other banks/borrowings	118,278,747	(326,974,611)
	Deposits from customers	753,202,756	1,158,341,462
	Other liabilities	86,065,360	(754,102,302)
		525,465,516	(538,816,666)
	Net Cash from Operating Activities	565,574,797	(348,759,062)
IAS 7.10	B CASH FLOW FROM INVESTING ACTIVITIES:		
IAS 7.16(d)	Investments in subsidiary	(660,000,000)	(65,800,000)
IAS 7.23(b)	Proceeds from sale of securities	-	-
IAS 7.16(a)	Payments for purchase of securities	(90,671,528)	54,522,372
IAS 7.16(a)	Purchase of property, plant and equipment	(888,816)	(24,446,383)
IAS 7.16(b)	Payment against lease obligation	(2,240,304)	(1,656,926)
	Proceeds from sale of property, plant and equipment	-	-
	Net cash used in investing activities	(753,800,648)	(37,380,937)
IAS 7.10	C CASH FLOW FROM FINANCING ACTIVITIES:		
IAS 7.31	Dividend paid	-	-
	Issuance of shares	12,227,400	149,383,600
	Net cash from financing activities	12,227,400	149,383,600
IAS 7.18	D Net increase/(decrease) in cash and cash equivalents (A+B+C)	(175,998,451)	(236,756,398)
	E Effects of exchange rate changes on cash and cash equivalents	-	-
	F Cash and cash equivalents at beginning of the year	1,622,784,277	1,859,540,675
	G Cash and cash equivalents at end of the year (D+E+F)	1,446,785,826	1,622,784,277
IAS 7.45	Cash and cash equivalents at end of the year		
	Cash in hand	6,393	17,878
	Balance with Bangladesh Bank and its agents bank(s)	173,397,184	94,475,212
	Balance with other banks and financial institutions	1,273,382,249	1,498,291,187
	Money at call and short notice	-	30,000,000
		1,446,785,826	1,622,784,277



Md. Matul Islam
Chairman



Md. Asaduzzaman Khan
Managing Director



Md. Shamim Ahamed
Company Secretary

Ref.

IAS 1.51(a)

IAS 1.10(c)

IAS 1.51(c)

Industrial and Infrastructure Development Finance Company Limited

Statement of Changes in Equity

For the Year ended 31 December 2012

Amount in Taka

	Particulars	Paid-up Capital	Share Money Deposit	Statutory Reserve	General Reserve	Proposed Dividend	Retained Earnings	Total
IAS 1.106(b)	Balance as on 1 January, 2011	328,780,000	149,383,600	205,700,000	44,000,000	295,902,000	223,779,431	1,247,545,031
IAS 1.106	Changes in accounting policy	-	-	-	-	-	-	-
IAS 1.106	Restated balance	-	-	-	-	-	-	-
IFRIC 1.6(a)	Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-	-	-
IFRIC 1.6(a)	Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	-	-
IFRIC 1.6(a)	Currency translation differences	-	-	-	-	-	-	-
IFRIC 1.6(a)	Net gains and losses not recognized in income statement	-	-	-	-	-	-	-
IAS 1.106(a)	Net profit for the year	-	-	-	-	-	22,216,982	22,216,982
IAS 1.106(d)	Dividend (bonus shares)	509,609,000	-	-	-	(295,902,000)	(213,707,000)	-
IAS 1.106(d)	Right Issue of share capital	161,611,000	(149,383,600)	-	-	-	-	12,227,400
IAS 1.106(d)	Appropriations made during the year	-	-	6,500,000	500,000	-	(7,000,000)	-
IAS 1.106(d)	Balance as at 31 December, 2012	1,000,000,000	-	212,200,000	44,500,000	-	25,289,413	1,281,989,413

Md. Matul Islam
Chairman

Md. Asaduzzaman Khan
Managing Director

Md. Shamim Ahamed
Company SecretaryHoda Vasi
Chowdhury & Co

Ref.

IAS 1.51(a)

IAS 1.65

IAS 1.51(c)

Industrial and Infrastructure Development Finance Company Limited
Liquidity Statement
As at 31 December 2012

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	6,393	-	-	-	-	6,393
Balances with Bangladesh Bank	173,397,184	-	-	-	-	173,397,184
Balances with other Banks	277,675,079	426,629,971	569,077,199	-	-	1,273,382,249
Money at call and on short notice	-	-	-	-	-	-
Investments	-	3,500,000	61,300,000	139,494,169	-	204,294,169
Loans and advances	382,021,331	1,326,281,992	2,455,976,512	2,627,631,541	2,179,071,571	8,970,982,947
Property, Plant & Equipment	300,000	1,600,000	8,394,815	16,404,750	-	26,699,565
Intangible asset (Computer Softwares)	-	-	405,185	345,757	-	750,942
Other Assets	357,200,000	216,700,000	123,600,000	264,700,000	845,930,639	1,808,130,639
Non-Banking Assets	-	-	-	-	-	-
Total Assets	1,190,599,987	1,974,711,963	3,218,753,711	3,048,576,217	3,025,002,210	12,457,644,088
LIABILITIES:						
Borrowing from other Banks, Fin. Ins. & Agents	827,212,345	942,411,365	1,141,187,556	1,360,665,184	464,777,941	4,736,254,391
Deposit and other accounts	184,810,512	614,353,634	1,384,451,045	1,237,210,421	1,683,926,157	5,104,751,769
Provision and other liabilities	123,755,661	293,032,441	396,578,221	230,913,772	290,368,420	1,334,648,515
Total Liabilities	1,135,778,518	1,849,797,440	2,922,216,822	2,828,789,377	2,439,072,518	11,175,654,675
Net Liquidity Gap	54,821,469	124,914,523	296,536,889	219,786,840	585,929,692	1,281,989,413



Md. Matul Islam
Chairman



Md. Asaduzzaman Khan
Managing Director



Md. Shamim Ahamed
Company Secretary

Hoda Vasi
Chowdhury & Co

Ref.

IAS 1.51(a)

IAS 1.10(a)

IAS 1.51(c)

IAS 1. (38&39)

Industrial and Infrastructure Development Finance Company Limited
Consolidated Balance Sheet
As at 31 December 2012

		31-Dec-2012	31-Dec-2011
	Notes	Taka	Taka
PROPERTY & ASSETS			
IAS 1.54, IAS 7.7	Cash	3.a	
	In Hand (including foreign currencies)	52,746	49,208
	Balance with Bangladesh Bank and its agent Bank(s) (including foreign currencies)	173,397,184	94,475,212
		173,449,930	94,524,420
IAS 1.54(d)	Balance with other Banks and Financial Institutions	4.a	
	Inside Bangladesh	1,335,867,707	1,670,167,709
	Outside Bangladesh	-	-
		1,335,867,707	1,670,167,709
IAS 1.54(i)	Money at Call and Short Notice	5	
		-	30,000,000
IAS 1.54(h)	Investments	6.a	
	Government	-	-
	Others	343,552,783	318,034,972
		343,552,783	318,034,972
IAS 1.54(b)	Loans & Advances	7.a	
	Lease Receivables	2,453,096,573	2,484,809,339
	Advance for Lease Finance	43,714,000	281,589,886
	Direct/ Term Finance	4,762,245,295	4,215,383,149
	Secured Overdraft	201,673,768	81,139,488
	Bills Discounted and Purchased	88,406,330	60,819,792
	Margin Loan	2,754,932,161	2,669,170,484
		10,304,068,127	9,792,912,138
IAS 1.54(a)	Property, Plant & Equipment	8.a	
		59,338,865	71,218,792
IAS 1.54(c)	Intangible Asset	8.1.a	
		2,605,986	3,658,381
IAS 1.55& 1.57(a)	Other Assets	9.a	
		1,059,405,022	900,683,420
IAS 1.55& 1.57(a)	Non-Banking Assets		
		-	-
	Total Assets	13,278,288,420	12,881,199,832
LIABILITIES & CAPITAL			
IAS 1.54(k)	Borrowings from other Banks, Financial Institutions & Agent	10.a	
		4,961,669,484	5,711,652,411
IAS 1.54(m)	Deposits & Other Accounts	11.a	
	Current Deposits & Other Accounts, etc	-	-
	Bills Payable	-	-
	Savings Bank Deposits	-	-
	Term Deposits	5,098,141,066	4,229,849,939
	Bearer Certificate of Deposits	-	-
	Other Deposits	8,455,595	14,856,808
		5,106,596,661	4,244,706,747
IAS 1.55,1.57(a)	Other Liabilities	12.a	
		1,988,326,009	1,608,775,492
	Total Liabilities	12,056,592,154	11,565,134,649
	Capital/Shareholders' Equity		
IAS 1.54(i),1.78(e)	Paid up Capital	13	
		1,000,000,000	328,780,000
IAS 1.54(i),1.78(e)	Share Money Deposit	13.2	
		-	149,383,600
IAS 1.54(i),1.78(e)	Statutory Reserve	14	
		212,200,000	205,700,000
IAS 1.54(i),1.78(e)	General Reserve	15.a	
		61,500,000	61,000,000
IAS 1.54(i),1.78(e)	Other Reserve	16	
		-	-
IAS 1.54(i),1.78(e)	Stock Dividend	17.a	
		25,000,000	295,902,000
IAS 1.54(i),1.78(e)	Retained Earnings	18.a	
		(77,085,783)	275,274,555
IAS 27.6, 27.26	Minority Interest	18.a.3	
		82,049	25,028
	Total Shareholders' Equity	1,221,696,266	1,316,065,183
	Total Liabilities & Shareholders' Equity	13,278,288,420	12,881,199,832

Ref.

IAS 1.51(a)

IAS 1.10(a)

IAS 1.51(c)

Industrial and Infrastructure Development Finance Company Limited
Consolidated Balance Sheet
As at 31 December 2012

			31-Dec-2012	31-Dec-2011
		Notes	Taka	Taka
IAS 1.55	OFF-BALANCE SHEET ITEMS			
IAS 37.28, 37.86	Contingent Liabilities	19		
	Letters of Guarantee		568,436,780	770,833,980
	Letters of Credit		44,300,000	29,169,185
	Irrevocable Letter of Credit		-	-
	Bills for Collection		-	-
	Other Contingent Liabilities		-	-
			<u>612,736,780</u>	<u>800,003,165</u>
	Others Commitments:			
	Documentary credits & short term trade related transactions		-	-
	Forward assets purchased and forward deposits placed		-	-
	Undrawn note issuance and revolving underwriting facilities		-	-
	Undrawn formal standby facilities, credit lines and other commitments		-	-
			<u>-</u>	<u>-</u>
	Total Off-Balance Sheet items including contingent liabilities		<u>612,736,780</u>	<u>800,003,165</u>

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



Md. Matiul Islam
Chairman



Md. Asaduzzaman Khan
Managing Director



Md. Shamim Ahamed
Company Secretary

Signed as per annexed report on even date

Dhaka

12 JUN 2013


Chartered Accountants

Ref:

IAS 1.51(a)

IAS 1.10(b)

IAS 1.51(c)

IAS 1.(38&39)

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


For the year ended 31 December 2012

		Notes	31-Dec-2012 Taka	31-Dec-2011 Taka
	A. OPERATING INCOME:			
IFRS 7.20(b)	Interest Income	20.a	1,514,763,580	1,390,405,603
IFRS 7.20(b)	Interest paid on Deposits, Borrowings etc.	21.a	(1,380,216,825)	(1,106,753,574)
IAS 1.85	Net Interest Income		134,546,755	283,652,029
IFRS 7.20(b)	Income from Investment	22.a	9,466,974	24,281,902
IFRS 7.20(c)	Commission, Exchange and Brokerage	23.a	62,411,619	139,529,929
IAS 1.85	Other Operating Income	24.a	14,612,156	40,742,554
IAS 1.85	Total Operating Income		221,037,504	488,206,414
	B. OPERATING EXPENSES:			
IAS 1.104	Salaries & Allowances	25.a	117,836,684	142,321,739
IAS 1.97	Rent, Taxes, Insurance, Electricity etc.	26.a	40,400,917	38,036,789
IAS 1.97	Legal Expenses	27.a	4,265,483	3,159,702
IAS 1.97	Postage, Stamp, Telecommunications etc.	28.a	5,110,642	5,711,881
IAS 1.97	Stationery, Printing, Advertisement etc.	29.a	6,926,385	20,830,765
IAS 1.97	Managing Director's Salary and Fees	30	6,464,414	7,352,484
IAS 1.97	Directors' Fees	31.a	683,533	983,150
IAS 1.97	Auditor's Fees	32.a	405,450	264,750
IAS 1.98 (d)	Loans & Advances Written-off	33.a	18,095,008	18,360,125
IAS 1.104	Repair, Depreciation and Amortisation of Company's Assets	34.a	18,518,273	18,637,694
IAS 1.97	Other Expenses	35.a	29,317,052	43,782,195
IAS 1.85	Total Operating Expenses		248,023,841	299,441,274
IAS 1.85	C. Profit/(Loss) Before Provision (A-B)		(26,986,337)	188,765,140
IAS 1.97	D. Provision for Loans & Advances:	36.a		
	Specific Provision		20,628,487	62,902,361
	General Provision		10,979,337	(91,219)
	Provision for diminution in value of Investments		17,768,573	30,852,424
	Other Provision		-	-
	Total Provision		49,376,397	93,663,566
IAS 1.85	E. Profit/(Loss) Before Taxes (C-D)		(76,362,734)	95,101,574
IAS 1.82(d)	F. Provision for Tax:			
	Current Tax	37.a	29,734,908	62,501,889
	Deferred Tax		564,583	684,229
	Total Provision		30,299,491	63,186,118
IAS 1.82(f)	G. Profit/(Loss) After Taxes (E-F)		(106,662,225)	31,915,456
IAS 1.85	Add: Retained earnings brought forward		275,279,489	429,554,033
IAS 1.85	Profit available for appropriation		168,617,264	461,469,489
	Less: Appropriations			
	Statutory Reserve		6,500,000	3,800,000
	General Reserve		500,000	18,000,000
	Stock Dividend		238,707,000	164,390,000
			245,707,000	186,190,000
IAS 1.85	Retained Earnings		(77,089,736)	275,279,489
	Shareholders of the company		(77,085,785)	275,274,552
IAS 27.6, 27.26	Minority Interest		(3,951)	4,937
IAS 33.66	Earnings Per Share (EPS)	38.a	(10.67)	9.71

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


Md. Matul Islam
Chairman


Md. Asaduzzaman Khar
Managing Director


Md. Shamim Ahamed
Company Secretary

Signed as per annexed report on even date

Dhaka

12 JUN 2013


Hoda Vasi Chowdhury
Chartered Accountants

Ref.

IAS 1.51(a)
IAS 1.10(d)
IAS 1.51(c)

Industrial and Infrastructure Development Finance Company Limited
Consolidated Cash Flow Statement
For the year ended 31 December 2012

		31-Dec-2012	31-Dec-2011
		Taka	Taka
IAS 1.(38&39)	A CASH FLOW FROM OPERATING ACTIVITIES:		
IAS 7.10	Interest receipts in cash	1,493,860,269	1,404,411,282
IAS 7.31	Interest payments in cash	(1,374,203,522)	(1,275,972,624)
IAS 7.31	Dividend receipts in cash	9,466,974	11,042,921
IAS 7.14(b)	Fees and commission receipts in cash	62,411,619	139,529,929
	Recoveries of loans previously written-off	-	-
IAS 7.14(d)	Cash payments to employees	(131,422,335)	(154,135,771)
IAS 7.14(c)	Cash payments to suppliers	5,431,353	(13,552,963)
IAS 7.35	Income taxes paid	(48,472,519)	(43,510,578)
IAS 7.14(b)	Receipts from other operating activities	14,429,168	52,068,195
IAS 7.14(c)	Payments for other operating activities	(85,624,672)	(80,716,149)
	Cash generated from operating activities	(54,123,665)	39,164,243
IAS 7.19(b)	Increase/(decrease) in operating assets and liabilities, Statutory deposits		
	Loans and advances to other customers	(511,155,989)	(456,720,762)
	Other assets	(119,361,187)	222,910,963
	Borrowings from Bank	(749,982,927)	18,671,902
	Deposits from other banks/FI	118,278,747	(326,974,611)
	Deposits from customers	743,611,167	941,191,886
	Trading liabilities	-	-
	Other liabilities	306,030,630	(519,838,841)
		(212,579,559)	(120,759,464)
	Net Cash from Operating Activities	(266,703,224)	(81,595,221)
IAS 7.10	B CASH FLOW FROM INVESTING ACTIVITIES:		
IAS 7.16(d)	Proceeds from sale of securities	-	-
IAS 7.23(b)	Payments for purchase of securities	(25,517,811)	(129,244,473)
IAS 7.16(a)	Purchase of property, plant and equipment	(3,140,553)	(20,180,096)
IAS 7.16(a)	Payment against lease obligation	(2,240,304)	(1,656,926)
IAS 7.16(b)	Proceeds from sale of property, plant and equipment	-	-
	Net cash used in investing activities	(30,898,668)	(151,081,495)
IAS 7.10	C CASH FLOW FROM FINANCING ACTIVITIES:		
IAS 7.31	Dividend paid	-	-
	Issuance of shares	12,227,400	149,383,600
	Net cash from financing activities	12,227,400	149,383,600
	D Net increase/(decrease) in cash and cash equivalents (A+B+C)	(285,374,492)	(83,293,116)
IAS 7.18	E Effects of exchange rate changes on cash and cash equivalents	-	-
	F Cash and cash equivalents at beginning of the year	1,794,692,129	1,877,985,245
	G Cash and cash equivalents at end of the year (D+E+F)	1,509,317,637	1,794,692,129
IAS 7.45	Cash and cash equivalents at end of the year		
	Cash in hand	52,746	49,208
	Balance with Bangladesh Bank and its agents bank(s)	173,397,184	94,475,212
	Balance with other banks and financial institutions	1,335,867,707	1,670,167,709
	Money at call and short notice	-	30,000,000
		1,509,317,637	1,794,692,129

Md. Matul Islam
Chairman

Md. Asaduzzaman Khan
Managing Director

Md. Shamim Ahamed
Company Secretary

Ref.

IAS 1.51(a)

IAS 1.10(c)

IAS 1.51(c)

Industrial and Infrastructure Development Finance Company Limited
Consolidated Statement of Changes in Equity
For the year ended 31 December 2012

Amount in Taka

	Particulars	Paid-up Capital	Share Money Deposit	Statutory Reserve	General Reserve	Proposed Dividend	Retained Earnings	Minority Interest	Total
	Balance as on 1 January, 2011	328,780,000	149,383,600	205,700,000	61,000,000	295,902,000	275,274,555	25,028	1,316,065,183
IAS 1.106(b)	Changes in accounting policy	-	-	-	-	-	-	-	-
IAS 1.106	Restated balance	-	-	-	-	-	-	-	-
IFRIC 1.6(a)	Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-	-	-	-
IFRIC 1.6(a)	Surplus/(deficit) on account of revaluation of investment	-	-	-	-	-	-	-	-
IFRIC 1.6(a)	Currency translation differences	-	-	-	-	-	-	-	-
IFRIC 1.6(a)	Net gains and losses not recognized in income statement	-	-	-	-	-	-	-	-
IAS 1.106(a)	Net profit for the year	-	-	-	-	-	(106,662,225)	-	(106,662,225)
IAS 1.106(a)	Transfer to Minority Interest	-	-	-	-	-	8,888	57,021	65,908
IAS 1.106(d)	Dividend (bonus shares)	509,609,000	-	-	-	(270,902,000)	(238,707,000)	-	-
IAS 1.106(d)	Issue of share capital	161,611,000	(149,383,600)	-	-	-	-	-	12,227,400
IAS 1.106(d)	Appropriations made during the year	-	-	6,500,000	500,000	-	(7,000,000)	-	-
	Balance as at 31 December, 2012	1,000,000,000	-	212,200,000	61,500,000	25,000,000	(77,085,783)	82,049	1,221,696,266



Md. Matul Islam
Chairman



Md. Asaduzzaman Khan
Managing Director



Md. Shamim Ahamed
Company Secretary

Hoda Vasi
Chowdhury & Co

IAS 1.51(a) **Industrial and Infrastructure Development Finance Company Limited**
IAS 1.10(e) **Notes to the Financial Statements**
IAS 1.51 (c) **For the year ended December 31, 2012**

IAS 1.138(a) **1.0 Legal Status and Nature of the Company:**

Industrial and Infrastructure Development Finance Company (IIDFC) Limited, a public limited company was incorporated on the 19th day of 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 day of 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.

IAS 1.138(b) **1.1 Principal Activities:**

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-boarder syndication, acquisition or take over of public sector enterprises, financial or otherwise, slated for privatization and SME financing.

IAS 1.138(b) **1.2 Information regarding Subsidiaries:**

As on 31st December, 2012, IIDFC Ltd. has two subsidiaries to include for preparation of consolidated financial statements as per Bangladesh Accounting Standard 27 'Consolidated and Separate Financial Statements'.

IIDFC Securities Limited:

IIDFC Securities Limited (the Company), a wholly owned subsidiary company of Industrial and Infrastructure Development Finance Company Limited (IIDFC) 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 30 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 Limited (IIDFC) a non-banking financial institution on 10 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.

IAS 1.112(a)

2.0 Significant Accounting Policies and basis of preparation of Financial Statements:

IAS 1.117

2.1 Basis of Preparation of Financial Statements:

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, the Financial Institution Act 1993, the Companies Act 1994 and other applicable laws and regulations.

The presentation of the financial statements has been made as per the requirements of DFIM circular No. 11 dated December 23, 2009 issued by the Department of Financial Institution and Markets of Bangladesh bank.

Basis of consolidation of operation of Subsidiaries:

The financial statements of the company and its subsidiaries have been consolidated in accordance with Bangladesh Accounting Standard 27 'Consolidated and Separate Financial Statements'. The consolidation of the Financial Statements has been made after eliminating all material inter company balances.

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.

IAS 1.8

2.1.1 Integral Components of Financial Statements:

The Financial Statements of the Company include the following components:

1. Balance Sheet as at 31 December, 2012.
2. Profit and Loss Statement for the year ended 31 December, 2012.
3. Cash Flow Statement for the year ended 31 December, 2012.
4. Statement of Changes in Equity for the year ended 31 December, 2012.
5. Liquidity Statement as at 31 December, 2012.
6. Notes to the Financial Statements.

IAS 1.122

2.2 Use of Estimate & Judgments:

The preparation of Financial Statements in conformity 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.

IAS 1.111

2.3 Cash Flow Statements:

The cash flow statement has been prepared using the Direct Method as mention in line with Bangladesh Accounting standard 7 'Cash Flow Statements'.

IAS 1.27

2.4 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.

IAS 1.36 **2.5 Reporting Period:**

These financial Statements cover one calendar year from January 01 to December 31, 2012.

IAS 1.51(d) (e) **2.6 Presentation currencies:**

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

2.7 Books of Accounts of Branch:

The Company has 1 (one) branch so far as on 31 December, 2012. Books of Accounts of the branch have been maintained at the Head Office of the Company.

IAS 1.119 **2.8 Assets and Basis of their valuation:**

IAS 7.45 **2.8.1 Cash and Cash Equivalents:**

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

IAS 1.54 **2.8.2 Investment in Securities:**

Investment in marketable ordinary shares as well as investment in non-marketable shares have been shown at cost. Full 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 31 December, 2012).

Unrealized gain on investment was not recognized as income in the financial statements.

IAS 16.73 **2.8.3 Property, Plant and Equipment:**

2.8.3.1 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'.

2.8.3.2 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.

2.8.3.3 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.

IAS 16.13 (b & c) 2.8.3.4 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.

Sl. No	Category of Fixed assets	Rate of Deprecation
01	Motor vehicles	20%
02	Furniture & fixtures	10%
03	Office equipments	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 recognised accordingly in the Profit and Loss Account.

2.8.3.5 Intangible assets and amortization of Intangible assets:

Intangible assets comprise the value of computer software. Intangible assets acquired separately are measured on initial recognized at cost and are carried at cost less accumulated amortization and accumulate impairment losses, if any. Amortization is calculated @ 18% using the straight line method. Subsequent expenditure on software assets are capitalized only when it increases the future economic benefits in the specifications to which it relates. All other expenditures are expensed as incurred.

IAS 1.119 2.9 Basis for valuation of Liabilities and Provisions:

IAS 37.85 2.9.1 Provision for Tax

IAS 12.46 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 Income Tax Ordinance, 1984 and amendments made thereof.

IAS 12. (47&15)

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.

IAS 19.120

**2.9.2 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.

IAS 1.119

2.9.3 Provision for Bad & Doubtful Debts:

Provision has been made as per provisioning policy of Bangladesh Bank vide FID circular no: 8, dated 3rd August, 2002. Specific provision is made against investment when the recovery is in doubt or its value is considered impaired. In addition, 1% general provision has been made against loans, lease and advances. Provision @ 5% on the outstanding amount of loan is kept in 'Special Mention Account' after netting off the amount of interest suspense leases as per FID circular no: 3, dated 3rd May, 2006.

2.10 Write-off of Loans & advances:

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.

IAS 1.119

2.11 Revenue Recognition:

2.11.1 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

2.11.2 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.

2.11.3 Income from Structured Finance:

Income from structured finance is recognized as and when received.

2.11.4 Income from Treasury Operations:

Incomes from treasury operations are recognized on accrual basis.

2.11.5 Income from Margin Loan:

Income from margin loan is recognized on accrual basis. Such income is calculated considering daily margin loan balance of the respective parties.

2.11.6 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.

IAS 1.117(b)

2.12 Interest on Bank Loans:

Interest bearing bank loans are recorded at the proceeds received from a particular bank. Interest on bank loan is accounted for on accrual basis to Profit and Loss Account under the head of Financial Expenses at the implicit rate of interest. The accrued interest expenses are not added to the carrying amounts of the loans.

IAS 1.117(b)

2.13 Earnings per Share:

Earnings per share 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 and computation is stated in Note no. 38.

Diluted Earnings per share is not required to be calculated for the year as there is no scope for dilution during the year.

IFRS 8.2

2.14 Presentation of Operating Segments:

There are no reportable operating segments of IIDFC as on reporting date according to the definition of operating segments of IAS 14 and IFRS 8.

IAS 37

2.15 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 can not be measured reliably.

IAS 1.65

2.16 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 banks 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 equipments are on the basis of their useful lives.
- Other assets are on the basis of their adjustments terms.
- Borrowings from other banks 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.

IAS 1.114(a)

2.17 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:

Sl. No.	Name of the BAS	BAS No.	Status
01	Presentation of Financial Statements	01	Applied *
02	Inventories	02	Not Applicable
03	Cash Flow Statements	07	Applied
04	Accounting Policies, Changes in Accounting estimates and Errors	08	Applied
05	Events after the Balance Sheet Date	10	Applied
06	Construction Contract	11	Not Applicable
07	Income Taxes	12	Applied
08	Segment Reporting	14	Applied
09	Property, Plant and Equipment	16	Applied
10	Leases	17	Applied
11	Revenue	18	Applied
12	Employee Benefits	19	Applied
13	Accounting for Government Grants and Disclosure of Government Assistance	20	Not Applicable
14	The Effects of Changes in Foreign Exchange Rates	21	Not Applicable
15	Borrowing Costs	23	Not Applicable
16	Related Party Disclosures	24	Applied
17	Accounting and Reporting by Retirement Benefit Plans	26	Not Applicable
18	Consolidated and Separate Financial Statements	27	Applied

19	Investments in Associates	28	Not Applicable
20	Interest in Joint Ventures	31	Not Applicable
21	Financial Instruments: Presentation	32	Applied
22	Earnings per Share	33	Applied
23	Interim Financial Reporting	34	Not Applicable
24	Impairment of Assets	36	Not Applicable
25	Provision, Contingent Liabilities and Contingent Assets	37	Applied
26	Intangible Assets	38	Applied
27	Financial Instruments: Recognition and Measurement	39	Applied
28	Investment Property	40	Not Applicable
29	Agriculture	41	Not Applicable

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

Sl. No.	Name of the BFRS	BFRS No	Status
01	First Time adoption of IFRS	1	Not Applicable
02	Share Based Payment	2	Not Applicable
03	Business Combinations	3	Not Applicable
04	Insurance Contracts	4	Not Applicable
05	Non-current Assets held for sales and discontinued operations	5	Not Applicable
06	Exploration for and Evaluation of Mineral Resources	6	Not Applicable
07	Financial Instruments: Disclosures	7	Applied
08	Operating Segments	8	Not Applicable

2.18 Address of Head Office & Branch Office:

Head office is located at Chamber Building (6th & 7th floor), 122-124 Motijheel Commercial Area, Dhaka-1000 and Chittagong Branch is located at C & F Tower (4th floor), 1222 Sheikh Mujib Road, Agrabad Commercial Area, Chittagong.

2.19 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 – 1: 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 IIDFCs' total currency and commodity positions, subject to some discretion to exclude structural foreign exchange positions.

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 FI's operational loss based on its historical loss data). But initially, Basic Indicator Approach has been applied for calculating the capital charge against operational risk.

2.20 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.

Ref.		31-Dec-2012 Taka	31-Dec-2011 Taka
IAS 7.45	3 Cash:		
IAS 1.77	Cash in hand (Note 3.1)	6,393	17,878
	Balance with Bangladesh Bank and its agent Bank(s) (Note 3.2)	173,397,184	94,475,212
	Total	173,403,577	94,493,090
IAS 1.77	3.1 Cash in Hand		
	Cash in hand represents the amount under impress system of petty cash to meet petty cash expenses both for head office as well as branch offices.		
IAS 1.77	3.2 Balance with Bangladesh Bank:		
	Balance with Bangladesh Bank is non-interest bearing and maintained to meet the Cash Reserve Requirement (CRR). Cash Reserve Requirement (note 3.3) and Statutory Liquidity Reserve (note 3.4) have been calculated and maintained in accordance with Financial Regulations 1994 and FID Circular No. 06 dated 6th November, 2003 and FID Circular No. 02 dated 10th November, 2004.		
IAS 1.77	3.3 Cash Reserve Requirement (CRR)		
	Cash Reserve Requirement (CRR) has been calculated at the rate of 2.5% 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).		
	Required Reserve	100,578,642	85,646,966
	Actual Reserve Held	173,397,184	94,475,212
	Surplus / (Deficit)	72,818,542	8,828,246
IAS 1.77	3.4 Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR)		
	Statutory Liquidity Reserve (SLR) has been calculated at the rate of 5% of total liabilities, including CRR of 2.5% 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, Investment at call, unencumbered Treasury Bills, Prize Bond, Savings Certificates & any other assets approved by Bangladesh Bank.		
	Required Reserve	221,584,854	190,490,105
	Actual Reserve Held (note-3.4.1)	285,538,854	207,518,037
	Surplus / (Deficit)	63,954,000	17,027,932
IAS 1.77	3.4.1 Held for Statutory Liquidity Reserve (SLR)		
	Cash in hand	6,393	17,878
	Balance with Bangladesh Bank and its agent Bank(s)	173,397,184	94,475,212
	Balance with other Banks and Financial Institutions (3.4.1.1)	112,135,277	113,024,947
	Total	285,538,854	207,518,037
IAS 1.77	3.4.1.1 Balance with other Banks and Financial Institutions for SLR		
	Social Islami Bank Ltd.	26,253,129	45,715,534
	Southeast Bank Ltd.	11,093,325	-
	Commercial Bank of Cylon	58,492,268	-
	Mutual Trust Bank Limited	16,296,555	-
	Standard Bank Ltd.	-	-
	Bank Alfalah Ltd.	-	20,540,000
	Prime Bank Ltd.	-	30,805,000
	First Security Islami Bank Ltd.	-	15,964,413
	Total	112,135,277	113,024,947
IAS 1.77	3.a Consolidated Cash:		
	IIDFCL	6,393	17,878
	IIDFC Securities Limited	40,987	17,403
	IIDFC Capital Limited	5,366	13,927
	Sub-Total	52,746	49,208
	Balance with Bangladesh Bank and its agent Bank(s) (Note 3.2)	173,397,184	94,475,212
	Total	173,449,930	94,524,420

IAS 1.77

4 Balance with other Banks and Financial Institutions in Bangladesh:

Current Accounts:

National Credit & Commerce Bank Ltd.
Pubali Bank Ltd.
Shahjalal Islami Bank Ltd.
Social Islami Bank Ltd.
Agrani Bank Ltd.
BRAC Bank Ltd.
Commercial Bank of Ceylon Plc
IFIC Bank Ltd.
Islami Bank Ltd.
Bangladesh Development Bank
Trust Bank
Uttara Bank Ltd.

Sub-Total

Short-Term Deposit Accounts:

Southeast Bank Ltd.
United Commercial Bank Ltd.
Bank Asia Ltd.
AB Bank Ltd.
Bank Alfalah Ltd.
The City Bank Ltd.
CitiBank N.A.
Janata Bank Ltd.
Jamuna Bank Ltd.
Mutual Trust Bank Ltd.
National Bank Ltd.
ONE Bank Ltd.
Prime Bank Ltd.
Standard Bank Ltd.
Sonali Bank Ltd.

Sub-Total

Fixed Deposits Receipts (FDR):

National Credit & Commerce Bank Ltd.
Social Islami Bank Ltd.
Commercial Bank of Ceylon Plc
IFIC Bank Ltd.
Southeast Bank Ltd.
United Commercial Bank Ltd.
Bank Alfalah Ltd.
Mutual Trust Bank Ltd.
Prime Bank Ltd.
First Security Islami Bank Ltd.
Standard Bank Ltd.
Shahjalal Islami Bank Ltd.
ICB Islamic Bank
BIFC

Sub-Total

Grand Total

4.1 Maturity grouping of Balance with other Banks and Financial Institutions:

On demand
Less than 3 months
More than 3 months but less than 1 year
More than 1 year but less than 5 years
Above 5 years
Total

31-Dec-2012
Taka

31-Dec-2011
Taka

17,335	12,437
2,251	3,746
268	4,420,911
141,082	14,554
6,895	8,045
1,003	3
277,237,316	231,907,905
5,385	6,535
244,526	24,120
9,396	
4,425	
5,197	6,347

277,675,079

236,404,603

646,798	335,597
3,500	-
307,337,739	203,984,408
3,755	4,744
96,123	96,588
5,698,755	3,217,420
-	85,408
86,406	83,458
425	
5,763	6,338
128,469	125,102
3,630	81,264
418,851	10,835,901
-	-
64,480	62,001

314,494,694

218,918,229

-	54,275,000
46,253,129	62,936,798
164,304,768	158,856,875
56,455,357	50,000,000
31,093,325	6,417,682
-	5,000,000
204,641,927	205,234,880
16,296,555	70,315,672
50,468,750	138,209,594
-	164,866,007
61,698,665	56,855,847
30,000,000	-
20,000,000	-
-	70,000,000

681,212,476

1,042,968,355

1,273,382,249

1,498,291,187

277,675,079	455,322,832
426,629,971	422,968,355
569,077,199	620,000,000
-	-
-	-
1,273,382,249	1,498,291,187

Hoda Vasi Chowdhury & Co

		31-Dec-2012 Taka	31-Dec-2011 Taka
IAS 1.77	4.a Consolidated Balance with other Banks and Financial Institutions:		
	IIDFCL	1,273,382,249	1,498,291,187
	IIDFC Securities Limited (4.a.1)	61,506,943	109,399,698
	IIDFC Capital Limited (4.a.2)	978,515	62,476,824
	Total	1,335,867,707	1,670,167,709
IAS 1.77	4.a.1 Bank Balance of IIDFC Securities Limited		
	Southeast Bank Ltd.	4,796,751	272,253
	Standard Bank Ltd.	275,524	251,751
	Bank Asia Ltd.	193,744	274,802
	One Bank Ltd.	56,236,865	103,600,892
	Standard Chartered Bank	4,059	-
	Exim Bank Ltd.	-	5,000,000
	Total	61,506,943	109,399,698
IAS 1.77	4.a.2 Bank Balance of IIDFC Capital Limited		
	One Bank Ltd.	842,693	59,602,728
	Southeast Bank Ltd.	52,574	2,874,096
	BCB	83,248	-
	Total	978,515	62,476,824
IAS 1.77	5 Money at Call and Short notice:		
	Banking Companies (note-5.1)	-	30,000,000
	Non-Banking Financial Institutions	-	-
	Total	-	30,000,000
	5.1 Money at Call and Short notice from Banking Companies:		
	Jamuna Bank Limited	-	30,000,000
	AB Bank Limited	-	-
	Total	-	30,000,000
IAS 1.77	6 Investments:		
	A. Government Securities		
	Treasury Bill	-	-
	National Investment Bond	-	-
	Bangladesh Bank Bill	-	-
	Government Notes/Bond	-	-
	Prize bond	-	-
	Others	-	-
	Sub Total	-	-
	B. Other Investments		
	Preference Share (Note 6.1)	62,687,408	79,805,208
	Debenture and Bond (Zero Coupon Bond issued by Bank Asia Ltd.)	12,785,286	-
	Other Investments (Note 6.2)	128,821,475	33,817,433
	Gold etc.	-	-
	Sub Total	204,294,169	113,622,641
	Total Investments (A+B)	204,294,169	113,622,641
6.1	Preference Share		
	A term loan of Tk. 114,040,807.81 has been converted into Redeemable Cumulative Preference Shares for which the Issuers (Summit Uttaranchol Power Co. Ltd. and Summit Purbanchol Power Co. Ltd.) had issued 1,141,198 units of preference shares in favor of IIDFC Ltd. Dividend on those preference shares are being paid semi annually on 30th June and 31st December and principal will be repaid through 7 (seven) installments annually on 31st December in each English calendar year. The tenure of redemption of those shares to be expired on 30th September, 2016. The original term loan amount was 100,000,000.00, which was provided at 12 November, 2007.		
	Opening Balance	79,805,208	96,923,008
	Add: Addition during the year	-	-
	Less: Redemption during the year	(17,117,800)	(17,117,800)
		62,687,408	79,805,208

6.2 Other Investments

Quoted

Active Fine
Apex Adelchi
Asia Insurance
Bank Asia
BEXIMCO LTD.
City Bank
Dhaka Bank
EBL
Eastland Insurance
EBLNRBMF (IDFC own)
Fareast Islami Life
First Lease Inter
GBBPOWER
ICB
ICB Second NRB MF
International Leasing
Islami Bank
Jamuna Oil
Karnafuli Insurance
Lanka Bangla
Meghna Petroleum
Meghna Life Insurance
Mercantile bank
MJL Bangladesh Ltd.
MTBL
National Bank
NCC Bank
NLI1STMF
One Bank
Padma Life
Peoples Insurance
Pioneer Insurance
Popular Life
Prime Bank Ltd.
Prime Islami Life
Reliance Insurance
RN Spinnings
Sandhani life insu
SIBL
SEBL 1st MF
Southeast Bank
Square Pharma
Standard Bank
UCBL
United Insurance
Uttara Bank
Sub Total

Unquoted

EBL NRB Mutual Fund
MJL BD Ltd.
Southeast Bank First Mutual Fund
National Life Insurance Co. First Mutual Fund

Total (Quoted and Unquoted)

31-Dec-2012
Taka

31-Dec-2011
Taka

1,530,337	-
2,972,324	-
391,741	-
1,639,595	867,789
3,034,315	-
4,189,182	-
1,871,243	-
4,831,556	-
1,907,355	-
8,750,000	-
2,065,023	1,463,577
535,869	-
837,318	-
8,689,787	-
627,376	374,999
973,857	-
2,547,295	1,753,081
1,381,719	-
625,642	-
4,258,458	2,886,777
6,859,948	-
1,243,000	-
3,542,576	197,719
1,119,527	-
15,856	15,856
3,729,638	-
2,722,954	-
10,000,000	-
5,595,513	14,156
342,047	-
773,299	-
243,750	-
4,933,338	-
-	66,099
1,978,303	1,176,312
983,258	-
4,354,453	-
2,536,572	-
1,248,070	-
10,000,000	-
1,531,894	-
5,687,978	-
1,068	1,068
290,735	-
497,533	-
4,930,172	-
128,821,475	8,817,433

-	5,000,000
-	-
-	10,000,000
-	10,000,000
-	25,000,000

128,821,475

33,817,433

Market price of Quoted Investments as on 31st December, 2012:

	Cost Price	Market Price	Prov. Required
Active Fine	1,530,337	1,454,000	(76,337)
Apex Adelchi	2,972,324	2,773,200	(199,124)
Asia Insurance	391,741	352,000	(39,741)
Bank Asia	1,639,595	1,291,548	(348,047)
BEXIMCO LTD.	3,034,315	2,898,000	(136,315)
City Bank	4,189,182	4,020,000	(169,182)
Dhaka Bank	1,871,243	1,736,000	(135,243)
EBL	4,831,556	4,171,720	(659,836)
Eastland Insurance	1,907,355	1,415,000	(492,355)
EBLNRBMF (IIDFC own)	8,750,000	9,400,000	-
Fareast Islami Life	2,065,023	1,725,750	(339,273)
First Lease Inter	535,869	400,000	(135,869)
GBBPOWER	837,318	676,281	(161,038)
ICB	8,689,787	9,520,828	-
ICB Second NRB MF	627,376	500,000	(127,376)
International Leasing	973,857	738,675	(235,182)
Islami Bank	2,547,295	2,568,000	-
Jamuna Oil	1,381,719	1,160,250	(221,469)
Karnafuli Insurance	625,642	550,470	(75,172)
Lanka Bangla	4,258,458	3,451,500	(806,958)
Meghna Petroleum	6,859,948	5,563,350	(1,296,598)
Meghna Life Insurance	1,243,000	1,128,000	(115,000)
Mercantile bank	3,542,576	3,347,542	(195,033)
MJL Bangladesh Ltd.	1,119,527	1,115,863	(3,664)
MTBL	15,856	13,359	(2,497)
National Bank	3,729,638	3,315,000	(414,638)
NCC Bank	2,722,954	2,184,000	(538,954)
NLIISTMF	10,000,000	9,200,000	(800,000)
One Bank	5,595,513	5,001,362	(594,151)
Padma Life	342,047	327,500	(14,547)
Peoples Insurance	773,299	792,000	-
Pioneer Insurance	243,750	219,000	(24,750)
Popular Life	4,933,338	4,799,758	(133,580)
Prime Islami Life	1,978,303	1,320,660	(657,643)
Reliance Insurance	983,258	1,137,600	-
RN Spinings	4,354,453	3,751,000	(603,453)
Sandhani life insu	2,536,572	2,451,590	(84,982)
SIBL	1,248,070	1,100,950	(147,120)
SEBL 1st MF	10,000,000	8,400,000	(1,600,000)
Southeast Bank	1,531,894	1,250,000	(281,894)
Square Pharma	5,687,978	5,310,900	(377,078)
Standard Bank	1,068	691	(377)
UCBL	290,735	236,000	(54,735)
United Insurance	497,533	460,000	(37,533)
Uttara Bank	4,930,172	4,438,650	(491,522)
Total	128,821,475	117,667,998	(12,828,266)

6.3 Maturity grouping of Investments:

On demand
Less than 3 months
More than 3 months but less than 1 year
More than 1 year but less than 5 years
Above 5 years
Total

-	-
3,500,000	-
61,300,000	17,117,800
139,494,169	85,589,000
-	10,915,841
204,294,169	113,622,641

6.a Consolidated Investments:

IIDFCL
IIDFC Securities Limited (note - 6.a.1)
IIDFC Capital Limited
Total

204,294,169	113,622,641
139,258,614	72,139,073
-	132,273,258
343,552,783	318,034,972

6.a.1 Investment of IIDFC Securities Limited

Market Price of investments as on 31 December, 2012

Particulars	Cost Price(a)	Market Price(b)	Required Provision(b-a)
Sixth ICB Mutual Fund	1,274,823	1,393,920	-
Arab Bangladesh Bank Limited	680,395	510,555	(169,840)
AIBL 1st Islamic Mutual Fund	69,083	74,000	-
Asia Insurance Limited	1,790,950	1,504,800	(286,150)
Bank Asia Limited	8,673,714	6,589,750	(2,083,964)
Bangladesh General Insurance Company Limited.	830,084	703,216	(126,868)
BRAC Bank Limited	2,391,488	2,315,592	(75,896)
BSRM Steels Mills Limited	23,149	16,296	(6,853)
Central Insurance Company Limited.	1,192,740	967,260	(225,480)
The City Bank Limited	1,012,365	775,860	(236,505)
Delta Brack Housing Finance Corp. Limited.	215,600	176,400	(39,200)
DBH First Mutual Fund	32,917	35,500	-
Delta Life Insurance Company Limited	29,000	91,440	-
Dhaka Bank Limited	11,672,131	8,584,520	(3,087,611)
Dutch-Bangla Bank Limited	1,224,027	1,228,500	-
Eastern Insurance Co. Limited.	661,200	522,560	(138,640)
Eastland Insurance Company Limited.	1,870,594	1,392,360	(478,234)
Eastern Bank Limited	425,020	321,755	(103,265)
Export Import Bank of Bangladesh Limited	2,130	2,080	(50)
Fareast Islami Life Insurance Company Limited	14,456,033	11,871,142	(2,584,891)
First Lease Finance and Investment Limited.	49,900	40,000	(9,900)
Green Delta Insurance Company Limited	842,810	662,435	(180,375)
ICB AMCL Second NRB Mutual Fund	737,250	631,250	(106,000)
IFIC Bank Ist Mutual Fund	30,256	32,000	-
IFIL Islami Mutual Fund-1	83,536	93,000	-
International Leasing and Financial Services Limited	300,950	201,000	(99,950)
Islami Bank Bangladesh Limited	3,975,419	3,961,140	(14,279)
Islami Insurance Bangladesh Limited.	1,856,148	1,648,350	(207,798)
Karnaphuli Insurance Co Limited.	3,047,410	2,145,900	(901,510)
La farge Surma Cement Limited	204,798	197,400	(7,398)
LankaBangla Finance Limited	175,117	212,400	-
Meghna Life Insurance Co Limited.	394,595	321,480	(73,115)
Mercantile Bank Limited.	3,485,236	2,999,388	(485,848)
MJL Bangladesh Limited.	47,436	47,581	-
Mutual Trust Bank Limited.	475,702	350,400	(125,302)
National Bank Limited	2,942,090	2,022,194	(919,896)
National Credit and Commerce Bank Limited	3,201,528	2,484,209	(717,319)
Ocean Containers Limited.	4,105	2,093	(2,012)
ONE Bank Limited.	11,760,947	9,395,629	(2,365,318)
Paramount Insurance Co Limited.	63,400	53,000	(10,400)
Peoples Insurance Company Limited	1,695,007	1,504,250	(190,757)
Phoenix Finance & Investment Limited.	54,200	44,600	(9,600)
PHP First Mutual Fund	349,330	335,000	(14,330)
Pioneer Insurance Company Limited	1,299,533	1,168,000	(131,533)
Popular Life First Mutual Fund	49,250	54,000	-
Pragati Insurance Limited.	675,364	586,560	(88,804)
Pragati Life Insurance Limited.	18,143,638	10,985,184	(7,158,454)
The Premier Bank Ltd	540,300	449,550	(90,750)
Premier Leasing & Finance Limited.	216,550	150,500	(66,050)
Prime Bank Limited	428,609	432,900	-
Prime Islami Life Insurance Limited.	8,711,924	5,882,128	(2,829,796)
Provati Insurance Co Limited.	55,200	49,650	(5,550)
Pubali Bank Limited	2,423	2,475	-
Purabi General Insurance Co Limited.	1,022,373	828,800	(193,573)
RAK Ceramics (Bangladesh) Limited.	3,428,565	2,956,610	(471,955)
Reliance Insurance Limited.	2,445,055	2,559,600	-
Rupali Insurance Company Limited	671,793	697,680	-
Rupali Life Insurance Co Limited.	1,331,800	1,115,376	(216,424)
S. Alam Steels Limited	126,328	98,200	(28,128)
Sandhani Life Insurance Company Limited.	418,854	385,560	(33,294)
Summit Alliance Port Limited.	191,680	129,800	(61,880)
Southeast Bank Ist Mutual Fund	174,623	163,800	(10,823)
Shahjalal Islami Bank Limited.	10,309	11,400	-
Social Islami Bank Limited.	2,639,891	2,371,650	(268,241)
Singer Bangladesh Limited.	971,307	656,400	(314,907)
Southeast Bank Limited.	3,760,574	3,275,000	(485,574)
Square Pharmaceuticals Limited.	35,260	33,720	(1,540)
Square Textiles Limited	307,204	283,728	(23,476)
Standard Bank Limited	2,370,546	2,140,800	(229,746)
Sumit Power Limited.	676,160	596,960	(79,200)
Takaful Islami Insurance Limited.	867,951	783,000	(84,951)
Trust Bank Limited	161,300	150,000	(11,300)
Uttara Bank Limited	3,219,637	2,552,700	(666,937)
Total	139,258,614	110,013,936	(29,637,440)

Hoda Vasi Chowdhury & Co

		31-Dec-2012	31-Dec-2011	
		Taka	Taka	
IAS 1.77	7 Loans & Advances:			
	Inside Bangladesh:			
	Gross Lease Receivables	2,790,571,806	2,771,831,342	
	Less: Unearned Lease Income	337,475,233	287,022,003	
	Net Lease Receivables	2,453,096,573	2,484,809,339	
	Advance for Lease Finance	43,714,000	281,589,886	
	Direct/ Term Finance	6,184,092,276	5,769,905,162	
	Secured Overdraft	201,673,768	81,139,488	
	Bills discounted and purchased (note 7.7)	88,406,330	60,819,792	
	Sub Total	8,970,982,947	8,678,263,667	
	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	8,970,982,947	8,678,263,667	
IAS 1.61	7.1 Maturity grouping of Loans & Advances:			
	On demand	382,021,331	654,546,030	
	Less than 3 months	1,326,281,992	1,066,843,513	
	More than 3 months but less than 1 year	2,455,976,512	2,894,915,331	
	More than 1 year but less than 5 years	2,627,631,541	2,305,986,892	
	Above 5 years	2,179,071,571	1,755,971,901	
	Total	8,970,982,947	8,678,263,667	
IFRS 8.20	7.2 Sector/Industry-wise Loans & Advances:			
	Agricultural Sector	0.51%	45,891,170	68,920,021
	Industrial Sector:			
	Textiles	7.43%	666,914,460	948,440,031
	Garments	6.78%	608,215,470	1,373,810,012
	Jutes & Jute related goods	0.91%	82,019,560	23,120,001
	Food items producer/processing industry	3.84%	344,503,090	276,350,123
	Plastic Industries	1.32%	118,320,610	137,960,221
	Lather and Lather Goods	0.21%	19,241,590	23,110,005
	Iron, Steel and Engineering	2.92%	262,235,350	253,640,091
	Chemicals and Pharmaceuticals	7.79%	698,525,730	726,810,002
	Cement/Clinker and Allied Industries	1.08%	97,050,750	146,640,124
	Service Sector (Hotel, Hospital, Clinic, Tourism, etc.)	2.72%	244,004,100	158,670,159
	Paper, Printing and Packaging	4.21%	377,554,690	348,110,007
	Telecommunication and IT Industries	4.47%	400,962,030	171,920,006
	Glass and Ceramic Industries	0.00%	-	23,280,051
	Shipping and Ship Building Industries	2.28%	204,119,300	247,930,151
	Electronics and Electrical Goods	0.94%	84,346,190	50,900,456
	Power, Gas, Water and Sanitary	4.81%	431,529,290	616,940,342
	Transport and Communication	2.07%	185,460,260	170,640,432
	Real Estate and Housing	4.46%	400,394,490	468,880,437
	Merchant Banking	1.95%	174,752,520	251,650,653
	Others	39.29%	3,524,942,297	2,190,540,342
	Total	100.00%	8,970,982,947	8,678,263,667

IFRS 8.20 **7.3 Geographical Location-wise Loans & Advances:**

Inside Bangladesh:

Dhaka Division
Chittagong Division
Barishal Division
Rajshahi Division
Sylhet Division
Khulna Division

Sub Total

Outside Bangladesh

Total

Percentage	31-Dec-2012 Taka	31-Dec-2011 Taka
77.90%	6,988,020,851	6,712,852,641
17.75%	1,592,666,346	1,331,754,675
1.80%	161,736,414	267,450,303
0.99%	89,022,076	97,330,663
1.47%	132,069,043	139,169,385
0.08%	7,468,217	129,706,000
100.00%	8,970,982,947	8,678,263,667
-	-	-
100.00%	8,970,982,947	8,678,263,667

IAS 1.77 **7.4 Classification of Loans & Advances as per Bangladesh Bank circular:**

Unclassified

Standard
Special Mention Account (SMA)
Sub Total

87.23%	7,825,036,817	7,363,721,667
7.13%	639,294,400	889,944,000
94.35%	8,464,331,217	8,253,665,667

Classified

Sub-standard (SS)
Doubtful (DF)
Bad/Loss (BL)

Sub Total

2.61%	233,837,860	252,152,000
1.83%	164,232,300	47,870,000
1.21%	108,581,570	124,576,000
5.65%	506,651,730	424,598,000

Total

100.00%	8,970,982,947	8,678,263,667
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7.5 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 1,281,989,413.00 as on 31 December, 2012 where as Tk 1,247,545,031.00 as on 31 December, 2011.

Number of clients
Outstanding Amount
Classified Amount
Measures taken for recovery

1	2
189,223,723	78,616,717
-	-
-	-

IAS 1.77 **7.6 Particulars of Loans & Advances:**

1. Loans & Advances considered good in respect of which the company is fully secured

4,537,889,457 4,267,944,510

2. Loans & Advances considered good against which the company holds no security others than the debtor's personal guarantee

2,687,359,881 2,349,768,475

3. Loans & Advances considered good secured by the personal undertaking of one or more parties

in addition to the personal guarantee of the debtors

316,221,208 490,639,658

4. Loans & Advances adversely classified for which provision has not been maintained

- -

5. Loans & Advances due by the directors or officers of the company or any of them either separately or jointly with any other persons

- -

6. Loans & 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

1,429,512,401 1,569,911,025

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

- -

		31-Dec-2012	31-Dec-2011
		Taka	Taka
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		45,556,682	(19,852,813)
b. Amount of Loans & Advances written off		18,095,008	18,120,222
c. Amount of collection against written of Loans & Advances		-	-
d. Interest credited to Interest Suspense Account		(12,877,065)	42,933,390
11. Loans & Advances written off:			
a. Current year		18,095,008	18,120,222
b. Cumulative to date		88,319,245	70,224,237
c. Amount of written off loans for which law suits have been filed		88,319,245	70,224,237
IFRS 7.8© 7.7 Bills Discounted and Purchased:			
Inside Bangladesh		88,406,330	60,819,792
Outside Bangladesh		-	-
Total		88,406,330	60,819,792
IAS 1.61 7.8 Maturity grouping of Bills Discounted and Purchased:			
Within 1 month		19,537,714	13,441,116
Over 1 month but within 3 months		12,973,346	8,925,110
Over 3 months but within 6 months		47,675,579	32,798,769
Over 6 months		8,219,691	5,654,797
Total		88,406,330	60,819,792
7.a Consolidated Loans & Advances:			
IIDFCL		8,970,982,947	8,678,263,667
IIDFC Securities Limited (7.a.1)		2,065,052,659	2,024,483,285
IIDFC Capital Limited (7.a.2)		689,879,502	644,687,199
		11,725,915,108	11,347,434,151
Less: Inter Company Loans & Advances			
IIDFC Securities Limited	1,257,410,630	-	-
IIDFC Capital Limited	164,436,351	1,421,846,981	1,554,522,013
Total		10,304,068,127	9,792,912,138
7.a.1 Loans & Advance of IIDFC Securities Limited			
Margin Loan		2,065,052,659	2,024,483,285
7.a.2 Loans & Advance of IIDFC Capital Limited			
Margin Loan		689,879,502	644,687,199
IAS 16.31 8 Property, Plant & Equipment (Details in Annexure-1):			
Own Finance:			
A. Cost			
Motor Vehicles		19,672,295	19,180,295
Furniture & Fixtures		11,188,882	11,102,297
Office Equipments		28,694,653	28,411,422
Total		59,555,830	58,694,014
B. Less: Accumulated depreciation			
Motor Vehicles		12,328,169	10,320,262
Furniture & Fixtures		4,012,489	2,924,046
Office Equipments		16,515,607	11,402,346
Total		32,856,265	24,646,854
C. Written down value at the end of the year (A-B)		26,699,565	34,047,160
8.1 Intangible Asset - Computer Softwares			
Cost		2,251,026	2,224,026
Less: Accumulated amortisation		1,500,084	1,076,900
Net Book Value at the end of the year		750,942	1,147,126

Hoda Vasi Chowdhury & Co

	31-Dec-2012 Taka	31-Dec-2011 Taka
Lease Finance:		
D. Cost		
Furniture & Fixtures	-	-
Office Equipments	-	-
Computer Softwares	-	-
Motor Vehicles	-	-
Total	-	-
E. Less: Accumulated depreciation		
Furniture & Fixtures	-	-
Office Equipments	-	-
Computer Softwares	-	-
Motor Vehicles	-	-
Total	-	-
F. Written down value at the end of the year (D-E)	-	-
G. Total Property, Plant & Equipment (C+F)	26,699,565	34,047,160
8.a Consolidated Property, Plant & Equipment (Details in Annexure-1.a):		
IIDFCL	26,699,565	34,047,160
IIDFC Securities Limited (8.a.1)	26,155,964	28,805,477
IIDFC Capital Limited (8.a.2)	6,483,336	8,366,155
Total	59,338,865	71,218,792
8.a.1 Property, Plant & Equipment of IIDFC Securities Limited		
A. Cost		
Motor Vehicles	-	-
Furniture & Fixtures	18,254,206	17,601,706
Office Equipments	17,479,384	15,809,685
Total	35,733,590	33,411,391
B. Less: Accumulated depreciation		
Motor Vehicles	-	-
Furniture & Fixtures	3,585,593	1,760,171
Office Equipments	5,992,033	2,845,743
Total	9,577,626	4,605,914
C. Written down value at the end of the year (A-B)	26,155,964	28,805,477
8.a.2 Property, Plant & Equipment of IIDFC Capital Limited		
A. Cost		
Motor Vehicles	3,662,322	3,496,527
Furniture & Fixtures	4,103,271	4,103,271
Office Equipments	4,808,371	4,880,627
Total	12,573,964	12,480,425
B. Less: Accumulated depreciation		
Motor Vehicles	2,664,746	1,932,279
Furniture & Fixtures	962,232	551,905
Office Equipments	2,463,650	1,630,086
Total	6,090,628	4,114,270
C. Written down value at the end of the year (A-B)	6,483,336	8,366,155
8.1.a Consolidated Intangible Asset (Details in Annexure-1.a):		
IIDFCL	750,942	1,147,126
IIDFC Securities Limited	895,044	1,281,255
IIDFC Capital Limited	960,000	1,230,000
Total	2,605,986	3,658,381

Hoda Vasi Chowdhury & Co

	31-Dec-2012 Taka	31-Dec-2011 Taka
9 Other Assets:		
Investment in shares of subsidiary companies:		
In Bangladesh	1,025,800,000	365,800,000
Outside Bangladesh	-	-
Membership of Dhaka Stock Exchange Ltd.	-	-
Stationery, stamps, printing materials etc.	-	-
Advance rent and advertisement	237,380	237,380
Interest accrued on investment but not collected, commission on shares and debentures and other income receivables	-	-
Security deposits	30,187,661	9,005,461
Preliminary, formation and organization expenses, renovation/development and prepaid expenses	48,200	48,200
Branch adjustment	1,452,289	1,119,147
Suspense account	-	-
Balance with BO Account	-	-
Others (Note 9.1)	1,867	8,546
Total	750,403,242	1,288,644,093
	1,808,130,639	1,664,862,827
9.1 Others:		
Deferred Receivables	90,499,708	50,206,306
Advance for Syndication purposes	471,230	467,130
Advance for Generator	-	1,002,600
Advance for Rupali Bank	-	125,000
Advance for Suppliers	12,329,785	13,621,921
Advance for Traveling	123,354	15,000
Advance Tax	361,910,071	322,606,740
Expenses Receivables	8,540	8,540
Commission on Bank Guarantee	324,876	493,668
Advance interest paid	261,430,459	230,860,679
Accounts Receivable for Treasury	166,181	-
Receivables from IIDFC Capital Ltd.	2,831,033	2,474,063
Receivables from IIDFC Securities Ltd.	4,255,155	666,762,446
Receivable from Alliance Holding	16,052,850	-
Total	750,403,242	1,288,644,093
9.a Consolidated Other Assets:		
IIDFCL	1,808,130,639	1,664,862,827
IIDFC Securities Limited (note-9.a.1)	210,660,825	191,205,630
IIDFC Capital Limited (note-9.a.2)	73,889,324	80,962,257
	2,092,680,788	1,937,030,714
Less: Inter Company assets		
IIDFC Securities Limited	764,179,155	-
IIDFC Capital Limited	269,096,611	-
Total	1,033,275,766	1,036,347,294
	1,059,405,022	900,683,420
9.a.1 Other Assets of IIDFC Securities Limited		
Membership of Dhaka Stock Exchange Ltd (DSE)	153,119,000	153,119,000
Advance rent	2,404,000	3,557,920
Stamp in hand	9,120	25,840
Security deposits	577,820	584,320
Accrued interest on FDR	986,111	1,265,000
Others	53,564,774	32,653,550
Total	210,660,825	191,205,630
9.a.2 Other Assets of IIDFC Capital Limited		
License fee	30,196,209	30,196,209
Receivable from brokerage houses	651,507	7,982,737
Security deposits	200,000	200,000
Preliminary, pre-operating expenses and renovation/development	-	838,098
Advance Tax	40,284,473	40,204,337
Deferred tax	87,979	-
Others	2,469,156	1,540,876
Total	73,889,324	80,962,257

Hoda Vasi Chowdhury & Co

IFRS 7.7

10 Borrowings from other Banks, Financial Institutions & Agent:

Inside Bangladesh:

Refinance against SME loan from Bangladesh Bank

From other Scheduled Banks (note - 10.1)

Sub Total

Outside Bangladesh

Total

31-Dec-2012

Taka

31-Dec-2011

Taka

441,917,957	601,214,377
4,294,336,434	4,830,437,600
4,736,254,391	5,431,651,977
-	-
4,736,254,391	5,431,651,977

10.1 From other Scheduled Banks & Financial Institutions:

Long Term Loan

Exim Bank Ltd.

Dhaka Bank Ltd.

Prime Bank Ltd.

Bank Asia Ltd.

Trust Bank Ltd.

Uttara Bank Ltd.

Mercantile Bank Ltd.

Basic Bank Ltd.

Shahjalal Islami Bank Ltd.

Brac Bank Ltd.

Pubali Bank Ltd.

Bank Alfalah Ltd.

National Credit and Commerce Bank Ltd.

United Commercial Bank Ltd.

Commercial Bank of Ceylon Plc

Mutual Trust Bank Ltd.

IFIC Bank Ltd.

Premier Bank Ltd.

Social Islami Bank Ltd.

Dutch Bangla Bank Ltd.

First Security Islami Bank Ltd.

Southeast Bank Ltd.

Standard Bank Ltd.

The UAE Bangladesh

Sub-Total

-	-
287,557,983	361,761,978
291,103,359	390,195,921
25,661,119	50,776,960
54,751,960	174,321,050
403,960,163	427,301,465
78,896,798	52,040,958
119,277,005	155,879,863
304,464,053	167,056,736
22,185,802	53,395,511
228,942,431	213,134,023
10,028,126	29,673,750
81,980,621	96,731,821
495,261,797	252,223,908
30,000,008	46,944,445
185,156,554	263,219,376
400,725,598	527,348,737
162,517,252	200,000,000
47,186,106	86,781,927
78,556,561	142,213,770
-	-
43,409,139	-
117,543,047	157,411,799
50,000,000	-
3,519,165,482	3,848,413,998

Overdraft and money at call short notice

Bank Alfalah Ltd.

IFIC Bank Ltd.

Commercial Bank of Ceylon Plc

First Security Islami Bank Ltd.

Mutual Trust Bank Ltd.

National Credit and Commerce Bank Ltd.

Prime Bank Ltd.

Social Islami Bank Ltd.

Standard Bank Ltd.

Southeast Bank Ltd.

Sub-Total

179,859,702	183,881,528
52,243,371	45,197,507
426,693,116	374,001,654
-	104,271,204
-	45,707,306
-	41,638,694
45,090,625	126,982,676
1,230,319	10,001,000
50,053,819	50,342,033
20,000,000	-
775,170,952	982,023,602

Grand Total

4,294,336,434	4,830,437,600
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Security against borrowings from other banks, financial institutions and agents:

Secured

Unsecured

Total

4,716,254,391	4,941,651,977
20,000,000	490,000,000
4,736,254,391	5,431,651,977

Hoda Vasi Chowdhury & Co

	31-Dec-2012 Taka	31-Dec-2011 Taka
Maturity grouping of borrowings from other banks, financial institutions and agents:		
Payable on demand	-	-
Up to 1 month	827,212,345	756,782,381
Over 1 month but within 6 months	1,190,341,321	1,314,807,435
Over 6 months but within 1 year	716,014,321	799,093,102
Over 1 year but within 5 years	1,360,665,184	1,696,513,241
Over 5 years	642,021,220	864,455,818
Total	4,736,254,391	5,431,651,977
10.a Consolidated Borrowings from other Banks, Financial Institutions & Agent:		
Inside Bangladesh:		
IIDFCL	4,736,254,391	5,431,651,977
IIDFC Securities Limited (note - 10.a.1)	1,297,618,665	1,356,087,365
IIDFC Capital Limited (note - 10.a.2)	349,643,409	478,435,082
	6,383,516,465	7,266,174,424
Less: Inter Company Borrowings		
IIDFC Securities Limited	1,257,410,630	-
IIDFC Capital Limited	164,436,351	-
Total	4,961,669,484	5,711,652,411
10.a.1 Borrowings of IIDFC Securities Limited		
Inside Bangladesh:		
IIDFC Ltd	1,257,410,630	1,304,522,013
Phoenix Finance & Investments Ltd	-	20,000,000
One Bank Ltd	40,208,035	31,565,352
Total	1,297,618,665	1,356,087,365
10.a.2 Borrowings of IIDFC Capital Limited		
Bangladesh Commerce Bank Limited	40,000,000	39,877,893
IIDFC Limited	164,436,351	250,000,000
Standard Bank Ltd	145,207,058	188,557,189
Total	349,643,409	478,435,082
IFRS 7.7 11 Deposits & other Accounts:		
Deposits from Banks and Financial Institutions (note-11.2)	874,104,136	755,825,389
Deposits from Customers	4,222,192,038	3,468,989,282
	5,096,296,174	4,224,814,671
Other Deposit	8,455,595	14,856,808
Total	5,104,751,769	4,239,671,479
11.2 Deposits from Banks and Financial Institutions :		
Bangladesh Commerce Bank Limited	20,000,000	-
BRAC Bank Limited	100,000,000	-
Delta Brac Housing Finance Corporation Ltd	9,104,136	8,510,451
Eastern Bank Ltd.	50,000,000	-
ICB Islamic Bank Limited	100,000,000	100,000,000
IFIC Bank Limited	150,000,000	-
Janata Bank Limited	100,000,000	100,000,000
Mercantile Bank Limited	20,000,000	-
Pubali Bank Limited	-	72,314,938
Shahjalal Islami Bank Limited	-	50,000,000
Social Islami Bank Limited	150,000,000	150,000,000
Sonali Bank Limited	150,000,000	150,000,000
United Commercial Bank Limited	25,000,000	125,000,000
	874,104,136	755,825,389

		31-Dec-2012 Taka	31-Dec-2011 Taka
IAS 1.61	11.1 Maturity grouping of Deposits & other Accounts:		
	Payable on demand	-	-
	Up to 1 month	184,810,512	468,514,494
	Over 1 month but within 6 months	1,228,707,268	1,562,276,793
	Over 6 months but within 1 year	770,097,411	984,720,432
	Over 1 year but within 5 years	1,237,210,421	705,381,583
	Over 5 years but within 10 years	1,683,926,157	518,778,177
	Over 10 years	-	-
	Total	5,104,751,769	4,239,671,479
	11.a Consolidated Deposits & other Accounts:		
	IIDFCL	5,096,296,174	4,224,814,671
	IIDFC Securities Limited	-	-
	IIDFC Capital Limited (note-11.a.1)	1,844,892	5,035,268
	Sub Total	5,098,141,066	4,229,849,939
	Other Deposit	8,455,595	14,856,808
	Total	5,106,596,661	4,244,706,747
	11.a.1 Deposits & other Accounts of IIDFC Capital Limited		
	Deposits from Banks	-	-
	Deposits from Customers	1,844,892	5,035,268
	Total	1,844,892	5,035,268
IAS 1.77	12 Other Liabilities:		
	Finance Loss Reserve (Note 12.1)	295,500,000	260,576,775
	Deferred Tax	41,015,079	41,015,079
	Interest Suspense Account (Note 12.2)	120,000,000	132,877,065
	Lease Rental Advance	46,096,433	59,355,658
	Provision for Current Tax (Note 37)	239,947,000	219,447,000
	Liabilities for Financial Expenses	331,651,209	325,637,906
	Liabilities for Expenses	1,005,621	2,730,078
	Liabilities for other Finance	240,157,363	133,985,174
	Obligation under Finance Lease	19,275,810	20,234,476
	Total	1,334,648,515	1,195,859,211
IAS 37.84	12.1 Finance Loss Reserve:		
	Movement of Specific provision on classified Loans & Advances:		
	Opening Balance	173,431,328	163,184,813
	Less: Provision fully provided loans & advances written-off during the year	(18,095,008)	(18,120,222)
	Add: Recoveries from previously written-off loans & advances	-	-
	Add: Specific provision provided during the year	33,456,753	10,246,515
	Add: Recoveries & Provision no longer required	18,095,008	18,120,222
	Add: Net charge to Profit and Loss Account	-	-
	Closing Balance	206,888,081	173,431,328
	Movement of General provision on unclassified Loans & Advances:		
	Opening Balance	87,145,446	78,790,868
	Add: General provision provided during the year	1,466,473	8,354,578
	Closing Balance	88,611,919	87,145,446
	Total	295,500,000	260,576,775
	Particulars of required provision for Loans and Advances:		
	Status of Classification	Base for provision	Rate
	Unclassified (General Provision):		
	Standard	9,055,131,180	1.0%
	Special Mention Account (SMA)	596,955,650	5.0%
	Total	9,652,086,830	
	Classified (Specific Provision):		
	Sub-standard (SS)	148,386,370	20.0%
	Doubtful (DF)	108,681,180	50.0%
	Bad/Loss (BL)	89,604,690	100.0%
	Total	346,672,240	
	Total Provision required		294,021,648
	Total Provision made		295,500,000
	Excess Provision made		1,478,352

		31-Dec-2012	31-Dec-2011
		Taka	Taka
IAS 37.84	12.2 Interest Suspense Account:		
	Opening Balance	132,877,065	89,943,675
	Add: Amount transferred to interest suspense account during the year	565,344,525	569,508,791
	Less: Amount recovered from interest suspense account during the year	573,126,582	522,997,787
	Less: Amount written-off during the year	5,095,008	3,577,614
	Closing Balance	120,000,000	132,877,065
	12.a Other Liabilities:		
	IIDFCL	1,334,648,515	1,195,859,211
	IIDFC Securities Limited (note - 12.a.1)	412,500,955	905,916,665
	IIDFC Capital Limited (note - 12.a.2)	248,738,306	177,567,001
		1,995,887,776	2,279,342,877
	Less: Inter Company liabilities		
	IIDFC Securities Limited	4,255,155	-
	IIDFC Capital Limited	3,306,612	-
	Total	1,988,326,009	1,608,775,492
	12.a.1 Other Liabilities of IIDFC Securities Limited		
	Provision for loans & advances-margin loan	58,995,111	59,357,510
	Provision for current tax	37,532,324	28,443,271
	Provision for deferred tax	1,366,257	666,138
	Payable to clients	28,297,691	55,898,763
	Payable to Southeast Bank Capital Services Ltd	6,329,436	5,871,789
	Payable to DSE	49,799	16,046,824
	Interest suspense account	262,428,642	61,264,875
	Liability for expenses	2,578,081	5,121,600
	Reserve for risk fund	316,667	216,667
	Provision for diminution in value of investments	9,876,213	4,935,906
	Intercompany current account	4,730,734	668,093,322
	Total	412,500,955	905,916,665
	12.a.2 Other Liabilities of IIDFC Capital Limited		
	Finance Loss Reserve	39,578,482	29,703,219
	Deferred Tax	-	47,557
	Interest Suspense Account	156,018,508	50,424,921
	Provision for diminution in value of investment	-	25,693,076
	Current Tax	35,400,954	35,390,634
	Liabilities for Expenses	14,909,329	33,751,863
	Payable to IIDFC Limited	2,831,033	2,474,063
	Payable to broker	-	81,668
	Total	248,738,306	177,567,001
IAS 1.79	13 Share Capital:		
IAS 1.79(a)(i)	Authorized Capital		
	(10,000,000 shares of Tk. 100 each)	1,000,000,000	1,000,000,000
IAS 1.79(a)(ii)	Subscribed & Paid up Capital :		
	(3,287,800 shares of Tk. 100 each, fully paid up)	1,000,000,000	328,780,000
IAS 1.79(a)(iii)	Paid up share capital as on 31 December, 2012 comprises the followings:		
	Public Sector:		
	Name of Shareholders	No. of Shares	Value
	Sonali Bank Limited	713,050	71,305,000
	Janata Bank Limited	713,050	71,305,000
	Investment Corporation of Bangladesh	713,050	71,305,000
		2,139,150	213,915,000
	Private Sector:		
	AB Bank Ltd.	413,160	41,316,000
	Bank Asia Ltd.	713,050	71,305,000
	BRAC Bank Ltd.	713,050	71,305,000
	City Bank Ltd.	713,050	71,305,000
	Mutual Trust Bank Ltd.	713,050	71,305,000
	National Bank Ltd.	713,050	71,305,000
	ONE Bank Ltd.	713,050	71,305,000
	Southeast Bank Ltd.	713,050	71,305,000
	Eastland Insurance Co. Ltd.	713,050	71,305,000
	National Life Insurance Co. Ltd.	713,050	71,305,000
	Pragati Insurance Ltd.	713,050	71,305,000
	Mr. Md. Matiul Islam	317,190	31,719,000
		7,860,850	786,085,000
		10,000,000	1,000,000,000
IAS 1.135(d)	13.1 Capital Adequacy		
	The company is subject to the regulatory capital requirement as stipulated in DFIM circular no. 05 dated 24 July, 2011 of Bangladesh Bank. The capital requirement for Non- banking financial institution is neither ratio-based nor risk based. The regulatory authority requires a Non- banking Financial Institutions to have minimum paid up capital of Tk 1,000.00 million.		

	31-Dec-2012 Taka	31-Dec-2011 Taka
Paid up Capital	1,000,000,000	328,780,000
Stock Dividend (Bonus Share) for the year 2008, 2009 & 2010	-	295,902,000
	1,000,000,000	624,682,000
Right Issue (Share money Deposit)	-	149,383,600
Total Capital Maintained	1,000,000,000	774,065,600
Required Capital	1,000,000,000	1,000,000,000
Excess/(Shortage) Capital	-	(225,934,400)
	-	149,383,600

13.2 Share Money Deposit

In compliance with DFIM circular No. 09 dated 04 November, 2009 and to meet minimum capital requirement of Basel accord, the Board of Directors in its 127th meeting held on January 03, 2011 approved Right Shares amounting to Taka 149.39 million to increase the paid up capital up to Taka 609.68 million

IAS1.135(d)

13.3 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.

Tier-1 (Core Capital)

Fully Paid-up Capital/Capital lien with BB	1,000,000,000	774,065,600.00
Statutory Reserve	212,200,000	205,700,000.00
Non-repayable Share premium account	-	-
General Reserve	44,500,000	44,000,000.00
Retained Earnings	25,289,413	223,779,431.00
Minority interest in subsidiaries	-	-
Non-Cumulative irredeemable Preference Shares	-	-
Dividend Equalization Account	-	-
Other (if any item approved by Bangladesh Bank)	-	-
Sub-total	1,281,989,413	1,247,545,031

Deductions from Tier-1(Core Capital)

Book value of goodwill and any value of any contingent 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	-	-
	1,281,989,413	1,247,545,031

Total Eligible Tier-1 Capital

2. Tier-2 (Supplementary Capital)

General Provision (Unclassified up to special limit+SMA+Off Balance Sheet exposure)	122,516,032	115,676,967
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	122,516,032	115,676,967
Deductions, if any	-	-
	122,516,032	115,676,967

Total Eligible Tier-2 Capital

A Total Capital	1,404,505,445	1,363,221,998
B Total Risk Weighted Asset	12,473,518,457	12,494,329,554
C Required Capital	1,247,351,846	1,249,432,955
D Surplus / (Deficit)	157,153,599	113,789,042
Capital Adequacy Ratio (CAR)	11.26%	10.91%
On Core Capital (Tier-1)	10.28%	9.98%
On Supplementary capital (Tier-2)	0.98%	0.93%

Total Risk Weighted Asset

Sl No.	Particulars	31-Dec-2012	31-Dec-2011
		Taka	Taka
	Amount	Amount	
A.	Credit Risk:		
	On Balance Sheet (From A.1)	11,339,673,435	11,535,999,768
	Off Balance Sheet (From A.2)	147,138,495	195,625,414
B.	Market Risk (From B.1)	257,642,950	17,187,982
C.	Operational Risk (From C.1)	729,063,577	745,516,390
	Total RWA (A+B+C)	12,473,518,457	12,494,329,554

A.1 Risk Weighted Asset for credit risk on Balance Sheet exposer (As at 31 December, 2012)

SI	Exposure type	Rating	Risk Weight	Exposure	RWA
a	Cash		0.00	6,393	-
b	Claims on Bangladesh Government & BB		0.00	173,397,184	-
c	Claims on other Sovereigns & Central Banks		0.00	-	-
d	Claims on Bank for International settlements International Monetary Fund and European Central Bank		0.00	-	-
e	Claims on Multilateral Development Banks (MDBs)				
	i). IBRD, IFC, ADB, AfDB, EBRD, IADB, EIB EIF, NIB, CDB, IDB, CEDB		0.00	-	-
	ii). Other MDBs	1	0.20	-	-
		2,3	0.50	-	-
		4,5	1.00	-	-
		6	1.50	-	-
		Unrated	0.50	-	-
f	Claims on Public Sector Entities (Other than Government) in Bangladesh.	1	0.20	-	-
		2,3	0.50	-	-
		4,5	1.00	-	-
		6	1.50	-	-
		Unrated	0.50	-	-
g	Claims on NBFIs and Banks				
	i). Original maturity over 3 months	1	0.20	256,924,107	51,384,821.40
		2,3	0.50	413,340,592	206,670,296.00
		4,5	1.00	-	-
		6	1.50	-	-
		Unrated	1.00	-	-
	ii). Original maturity upto 3 months		0.20	603,117,550	120,623,510.00
h	Claims on Corporate	1	0.20	708,065,403.00	141,613,080.60
		2	0.50	411,520,654.00	205,760,327.00
		3,4	1.00	533,337,570.00	533,337,570.00
		5,6	1.50	-	-
		Unrated	1.25	4,268,631,287	5,335,789,108.75
i	Securitization Exposures	1	0.20		
		2	0.50		
		3	1.00		
		4	3.50		
j	Claims under Credit Risk Mitigation (From Work Sheet 1(a))	PSE	N/A		
		NBFIs & Banks	N/A		
		Corporate	N/A		
		Retail & Small	N/A		
		Consumer finance	N/A		
		Residential Property	N/A		
		Commercial Real Est	N/A		
k	Claims categorized as retail portfolio & Small Enterprises (Excluding Consumer Loan)		0.75	1,391,336,281	1,043,502,210.75
l	Consumer finance		1.00	186,308,961.00	186,308,961.00

m	Claims fully secured by residential property		0.50	331,856,570.00	165,928,285.00
n	Claim fully secured by commercial real estate		1.00	-	-
o	1. Past Due Claims (Risk weights are to be assigned net of specific provision)				-
	i). Where specific provisions are less than 20% of the outstanding amount of the past due claim		1.50	593,603,622.00	890,405,433.00
	ii). Where specific provisions are no less than 20% of the outstanding amount of the past due claim		1.00	352,379,382.00	352,379,382.00
	iii). Where specific provisions are more than 50% of the outstanding amount of the past due claim		0.50	108,581,570.00	54,290,785.00
	2. Claims fully secured against residential property that are past due for more than 90 days and/or impaired specific provision held there against is less than 20% of the outstanding amount		1.00	45,690,778	45,690,778.00
	3. Loans and claims fully secured against residential property that are past due for more than 90 days and/or impaired and specific provision held there- against is more than 20% of outstanding amount		0.75	22,847,139	17,135,354.25
p	Capital Market Exposure		1.25	1,167,406,761	1,459,258,451.25
q	Investment in venture capital		1.50	-	-
r	Unlisted equity investments and regulatory capital instruments issued by other Fis (other than those deducted from capital) held in the Banking book.		1.25	62,687,408.00	78,359,260.00
s	Investment in premises, plant and equipment and all other fixed assets		1.00	27,450,507.00	27,450,507.00
t	Claims on all fixed assets under operating lease		1.00		-
u	All Other Assets				-
	i). Claims on GOB & BB (eg. Advanced Income Tax, reimbursement of Patirakkha/Shadharon Shanchoy Patra, etc.)		0.00	361,910,071.00	-
	ii) Staff Loan/ Investment		0.20	16,823,730.00	3,364,746.00
	iii) Cash items in process of collection		0.20	-	-
	iv) Other Assets (net of specific provision, if any)		1.00	420,420,568.00	420,420,568.00
	Total			12,457,644,088	11,339,673,435

A.2.1 Credit Conversion Factors Off - Balance Sheet Exposures (As at 31 December, 2012)

Sl No.	Market Risk	CCF	Notional Amount	Credit Exposure
a).	Direct Credit Substitutes	100%	-	
b).	Lending of securities or posting of securities as collateral		-	
c).	Other commitment with certain drawdown			
d).	Performance related contingencies	50%	570,833,980.00	285,416,990.00
e).	Commitments with original maturity over one year or less			
f).	Trade related contingencies	20%	44,300,000.00	8,860,000.00
g).	Commitment with original maturity of one year or less			
h).	Other commitments that can be unconditionally cancelled by any time	0%		
i).	Foreign exchange contract		-	
	Total		615,133,980	294,276,990

B.1 Market Risk

Sl No.	Market Risk	31-Dec-2012 Taka	31-Dec-2011 Taka
		Total Capital Charge	Total Capital Charge
A.	Interest Rate Related Instruments	-	-
B.	Equities	25,764,295	1,718,798
C.	Foreign Exchange Position (if any)	-	-
D.	Commodities (if any)	-	-
	Total	25,764,295	1,718,798

B.1.1 Capital Charge on Equities

Sl No.	Particulars	Amount (Market Value)	RW	Capital Charge	Capital Charge
a.	Specific Risk	128,821,475	10%	12,882,148	859,399
b.	General Market Risk	128,821,475	10%	12,882,148	859,399
	Total	257,642,950		25,764,295	1,718,798

C.1 Capital Charge for Operational Risk (Basic Indicator Approach) (As at 31 December, 2012)

Sl	Operational Risk	Year, 2011	Year, 2010	Year, 2009	Capital Charge
		A	B	C	$[(A+B+C)*15\%]/3$
a.	Gross Income	252,276,514	893,372,044	312,478,596	72,906,358

IAS 1.77	14 Statutory Reserve:	31-Dec-12 Taka	31-Dec-11 Taka
	Opening Balance	205,700,000	201,900,000
	Add: Addition during the year	6,500,000	3,800,000
	Closing Balance	212,200,000	205,700,000

The company has transferred 20% of net profit to statutory reserve as per the Financial Institutions Regulations, 1994.

IAS 1.77	15 General Reserve:	31-Dec-12 Taka	31-Dec-11 Taka
	Opening Balance	44,000,000	43,000,000
	Add: Addition during the year	500,000	1,000,000
	Closing Balance	44,500,000	44,000,000

15.a Consolidated General Reserve:

HDFCL	44,500,000	44,000,000
HDFC Securities Limited	17,000,000	17,000,000
HDFC Capital Limited	-	-
	61,500,000	61,000,000

		31-Dec-12 Taka	31-Dec-11 Taka
IAS 1.97	20 Interest Income:		
	Interest income from balance with other Banks & Financial Institutions	25,016,003	3,528,260
	Interest income from Lease Finance	292,282,426	371,137,259
	Interest income from Direct/ Term Finance	1,057,872,802	797,459,031
	Interest income from Secured Overdraft	170,296,893	96,815,520
	Interest income from Bills Discounted & Purchased	17,771,431	5,525,429
	Interest income from Margin Loan	-	-
	Total	1,563,239,555	1,274,465,499
	20.a Consolidated Interest Income:		
	IIDFCL	1,563,239,555	1,274,465,499
	IIDFC Securities Limited (note-20.a.1)	169,040,317	287,786,160
	IIDFC Capital Limited (note-20.a.2)	15,195,518	70,129,161
		1,747,475,390	1,632,380,820
	Less: Inter company transaction		
	IIDFC Securities Limited	190,307,588	
	IIDFC Capital Limited	42,404,222	
	Total	1,514,763,580	1,390,405,603
	20.a.1 Interest Income of IIDFC Securities Limited		
	Interest income from margin loan	161,525,737	275,533,985
	Interest income from balance with other banks	7,514,580	12,252,175
	Total	169,040,317	287,786,160
	20.a.2 Interest Income of IIDFC Capital Limited		
	Interest income from Margin Loan	14,519,148	67,579,961
	Interest income from balance with other Banks & Financial Institutions	676,370	2,549,201
	Total	15,195,518	70,129,161
IFRS 7.20	21 Interest paid on Deposits, Borrowings etc.:		
	Interest on Deposits:		
	Fixed Deposits	600,573,666	386,482,833
	Short-term Deposits	61,062,963	123,675,884
	Other Deposits	401,813	570,035
		662,038,442	510,728,752
	Interest on Borrowings:		
	For Borrowings from other Banks, Financial Institutions & Agent	684,065,684	553,074,201
	Long Term Loan	588,014,737	496,031,173
	Overdraft Facilities	77,944,972	49,327,125
	Money at call and short notice	18,105,975	7,715,903
	Total	1,346,104,126	1,063,802,953
	21.a Consolidated Interest paid on Deposits, Borrowings etc.:		
	IIDFCL	1,346,104,126	1,063,802,953
	IIDFC Securities Limited (note-22.a.1)	194,986,705	207,588,364
	IIDFC Capital Limited (note-22.a.2)	71,837,804	77,337,474
		1,612,928,635	1,348,728,791
	Less: Inter company transaction		
	IIDFC Securities Limited	190,307,588	
	IIDFC Capital Limited	42,404,222	
	Total	1,380,216,825	1,106,753,574
	21.a.1 Interest paid on Deposits, Borrowings etc. of IIDFC Securities Limited		
	Interest on borrowing from IIDFC Ltd	190,307,588	199,570,995
	Interest on borrowing from bank & other financial institutions	4,679,117	8,017,369
	Total	194,986,705	207,588,364
	21.a.2 Interest paid on Deposits, Borrowings etc. of IIDFC Capital Limited		
	Interest on borrowing from bank & other financial institutions	71,837,804	77,337,474

		31-Dec-12 Taka	31-Dec-11 Taka
IAS 18.35	22 Income from Investment:		
	Capital Gain	2,720,008	496,483
	Dividend Income	10,493,150	10,348,391
	Total	13,213,158	10,844,874
	22.a Consolidated Income from Investment:		
	IIDFCL	13,213,158	10,844,874
	IIDFC Securities Limited	16,056,799	11,675,219
	IIDFC Capital Limited	(19,802,983)	1,761,809
	Total	9,466,974	24,281,902
	22.a.1 Income from Investment of IIDFC Securities Limited		
	Dividend income	8,958,804	522,465
	Capital gain on investment in securities	7,097,995	11,152,734
	Total	16,056,799	11,675,219
	22.a.2 Income from Investment of IIDFC Capital Limited		
	Dividend income	-	172,065
	Capital gain on investment in securities	(19,802,983)	1,589,744
	Total	(19,802,983)	1,761,809
IFRS 7.20C	23 Commission, Exchange and Brokerage:		
	Commission on Securities trading	-	-
	Total	-	-
	23.a Commission, Exchange and Brokerage:		
	IIDFCL	-	-
	IIDFC Securities Limited	52,078,728	107,641,802
	IIDFC Capital Limited	10,332,891	31,888,127
	Total	62,411,619	139,529,929
IAS 1.97	24 Other Operating Income:		
	Syndication Fee income	7,103,332	23,390,932
	Bank Guarantee income	2,625,346	1,950,550
	Application & Processing Fees	2,020,996	2,316,463
	Transfer Fees	662,825	459,204
	Notice pay received	448,865	290,322
	Profit from sale of car	(1,036,325)	1,913,340
	LC Commission	11,079	-
	Cancellation charges	508,868	448,283
	Total	12,344,986	30,769,094
	24.a Consolidated Other Operating Income:		
	IIDFCL	12,344,986	30,769,094
	IIDFC Securities Limited (note-24.a.1)	1,628,538	7,640,783
	IIDFC Capital Limited (note-24.a.2)	638,632	2,332,677
	Less: Inter company income	326,389	-
	Total	14,285,767	40,742,554
	24.a.1 Other Operating Income of IIDFC Securities Limited		
	BO & Trading Accounts Maintenance Income	1,531,955	1,656,709
	Income against CDBL charges	-	5,821,999
	Notice pay received	68,583	108,075
	Cheque dishonour charges	17,000	54,000
	Others	11,000	-
	Total	1,628,538	7,640,783
	24.a.2 Other Operating Income of IIDFC Capital Limited		
	Underwriting commission	272,600	1,050,043
	Capital gain from investment in shares	-	-
	Interest on loan to IIDFC	326,389	-
	CDBL fee refunded	39,643	1,282,634
	Total	638,632	2,332,677

		31-Dec-12 Taka	31-Dec-11 Taka
IAS 1.104	25 Salaries & Allowances:		
	Basic Salary	42,461,410	46,012,539
	Allowances	25,003,943	22,705,949
	Bonus	6,182,471	11,868,528
	Company's contribution Provident Fund	3,478,537	3,128,408
	Group Insurance	749,256	1,205,871
	Retirement benefits & Gratuity	3,100,241	1,453,712
	Total	80,975,858	86,375,007
	25.a Consolidated Salaries & Allowances:		
	IIDFCL	80,975,858	86,375,007
	IIDFC Securities Limited (note-25.a.1)	26,305,638	39,776,900
	IIDFC Capital Limited (note-25.a.2)	10,555,188	16,169,832
	Total	117,836,684	142,321,739
	25.a.1 Salaries & Allowances of IIDFC Securities Limited		
	Basic Salary	13,309,220	19,782,702
	Allowances	8,035,170	7,504,006
	Bonus	2,203,416	8,015,641
	Company's contribution to provident fund	1,208,673	1,961,629
	Group insurance	655,691	725,589
	Retirement benefits & gratuity	893,468	1,787,333
	Total	26,305,638	39,776,900
	25.a.2 Salaries & Allowances of IIDFC Capital Limited		
	Basic Salary	5,263,159	7,330,432
	Allowances	3,984,134	4,647,458
	Bonus	864,796	4,006,957
	Employee recreation	-	184,985
	Company's contribution Provident Fund	443,099	-
	Retirement benefits & Gratuity	-	-
	Total	10,555,188	16,169,832
IAS 1.97	26 Rent, Taxes, Insurance, Electricity etc.:		
	Rent, Rate and Taxes	11,738,402	11,146,943
	Insurance	674,042	619,247
	Electricity, Gas and Water	2,530,511	2,054,509
	Total	14,942,955	13,820,699
	26.a Consolidated Rent, Taxes, Insurance, Electricity etc.:		
	IIDFCL	14,942,955	13,820,699
	IIDFC Securities Limited (note-26.a.1)	20,711,889	19,836,625
	IIDFC Capital Limited (note-26.a.2)	4,746,073	4,379,465
	Total	40,400,917	38,036,789
	26.a.1 Rent, Taxes, Insurance, Electricity etc. of IIDFC Securities Limited		
	Rent, Rates and Taxes	19,224,938	18,396,220
	Insurance	50,623	60,981
	Electricity, Gas and Water	1,436,328	1,379,424
	Total	20,711,889	19,836,625
	26.a.2 Rent, Taxes, Insurance, Electricity etc. of IIDFC Capital Limited		
	Rent, Rates and Taxes	3,869,476	3,463,578
	Insurance	244,728	307,782
	Electricity, Gas and Water	631,869	608,105
	Total	4,746,073	4,379,465
IFRS 7.206	27 Legal Expenses:		
	Professional charges	2,145,938	985,346
	Legal Expenses	1,854,722	1,171,585
	Total	4,000,660	2,156,931

		31-Dec-12 Taka	31-Dec-11 Taka
	27.a Consolidated Legal Expenses:		
	IIDFCL	4,000,660	2,156,931
	IIDFC Securities Limited	92,800	825,363
	IIDFC Capital Limited	172,023	177,408
	Total	4,265,483	3,159,702
IAS 1.97	28 Postage, Stamp, Telecommunications etc.:		
	Postage and Courier	117,777	122,758
	Phone, Fax & Internet	2,545,913	2,339,744
	Total	2,663,690	2,462,502
	28.a Consolidated Postage, Stamp, Telecommunications etc.:		
	IIDFCL	2,663,690	2,462,502
	IIDFC Securities Limited	2,007,770	2,295,058
	IIDFC Capital Limited	439,182	954,321
	Total	5,110,642	5,711,881
IAS 1.97	29 Stationery, Printing, Advertisement etc.:		
	Printing & Stationery	2,270,205	5,198,758
	Advertisement	4,010,937	14,350,083
	Total	6,281,142	19,548,841
	29.a Consolidated Stationery, Printing, Advertisement etc.:		
	IIDFCL	6,281,142	19,548,841
	IIDFC Securities Limited	497,581	947,020
	IIDFC Capital Limited	147,662	334,904
	Total	6,926,385	20,830,765
IAS 1.97	30 Managing Director's Salary and Fees:		
	Basic Salary	3,000,000	3,000,000
	Bonus	500,000	1,500,000
	House Rent Allowance	1,500,000	1,500,000
	Medical Allowance	150,000	150,000
	Entertainment Allowance	150,000	150,000
	Car Allowance	713,843	751,634
	Leave Fare Assistance	-	250,000
	Group Insurance	50,571	50,850
	Earned Leave	400,000	-
	Total	6,464,414	7,352,484
IAS 1.97	31 Directors' Fees		
	Directors' Fees	540,000	710,000
	Total	540,000	710,000
	Directors' fees for attending each board meeting are TK. 5,000.00 (Five Thousand) as per Bangladesh Bank Circular. No. 03, dated 24 February, 2010. Directors have not been paid any fees/remuneration for any special services rendered.		
	31.a Consolidated Directors' Fees		
	IIDFCL	540,000	710,000
	IIDFC Securities Limited	105,885	182,354
	IIDFC Capital Limited	37,648	90,796
	Total	683,533	983,150
IAS 1.97	32 Auditor's Fees:	269,200	143,750
	32.a Auditor's Fees:		
	IIDFCL	269,200	143,750
	IIDFC Securities Limited	61,250	58,500
	IIDFC Capital Limited	75,000	62,500
	Total	405,450	264,750
	33 Loans & Advances written-off:		
	Loans & Advances written-off	18,095,008	18,120,222
	Interest waived	-	-
	Total	18,095,008	18,120,222

		31-Dec-12 Taka	31-Dec-11 Taka
33.a	Consolidated Loans & Advances written-off:		
	IIDFCL	18,095,008	18,120,222
	IIDFC Securities Limited	-	239,903
	IIDFC Capital Limited	-	-
	Total	18,095,008	18,360,125
IAS 1.104	34 Repair, Depreciation and Amortizations of Company's Assets:		
	Repair of Company's Assets:		
	Furniture & Fixtures	523,754	301,309
	Office Equipments	466,736	823,134
	Sub Total	990,490	1,124,443
	Depreciation of Company's Assets:		
	Own Assets	8,209,411	9,072,928
	Sub Total	8,209,411	9,072,928
	Amortisation of Company's Assets:		
	Computer Software	423,184	367,325
	Total Repair and Depreciation of Company's Assets:	9,623,085	10,564,696
34.a	Consolidated Repair, Depreciation and Amortisation of Company's Assets:		
	Repair of Company's Assets:		
	IIDFCL	990,490	1,124,443
	IIDFC Securities Limited	82,732	151,242
	IIDFC Capital Limited	501,768	21,900
	Sub Total	1,574,990	1,297,585
	Depreciation of Company's Assets:		
	IIDFCL	8,209,411	9,072,928
	IIDFC Securities Limited	4,971,712	4,522,363
	IIDFC Capital Limited	2,278,668	2,258,145
	Sub Total	15,459,791	15,853,436
	Amortisation of Company's Assets:		
	IIDFCL	423,184	367,325
	IIDFC Securities Limited	222,211	281,251
	IIDFC Capital Limited	838,097	838,097
	Sub Total	1,483,492	1,486,673
	Total Repair and Depreciation of Company's Assets:	18,518,273	18,637,694
IAS 1.97	35 Other Expenses:		
	Office Maintenance	1,705,571	1,677,827
	Traveling & Conveyance	7,121,237	4,461,548
	Meeting Expenses	1,523,471	1,210,208
	Entertainment	856,326	3,973,463
	Car Running & Maintenance Expenses	5,177,490	4,659,981
	Bank Charge & Excise Duty	473,409	639,404
	Interest for Lease Facility	2,240,304	1,656,926
	Training Expenses	173,179	1,179,730
	Membership Fees & Subscriptions	782,300	391,310
	Books & Periodicals	138,840	89,618
	Capital Issue Expenses	134,058	-
	BO Account Charges	-	-
	ADB Project Expenses	871,168	549,228
	Total	21,197,353	20,489,243
35.a	Consolidated Other Expenses:		
	IIDFCL	21,197,353	20,489,243
	IIDFC Securities Limited	6,267,504	18,297,441
	IIDFC Capital Limited	1,852,195	4,995,511
	Total	29,317,052	43,782,195
IAS 37.84	36 Provision for Loans & Advances:		
	Provision for classified Loans & Advances	20,628,487	10,023,073
	Provision for unclassified Loans & Advances	1,466,473	8,354,578
	Provision for diminution in value of Investments	12,828,266	223,442
	Provision for Off-balance Sheet Items	-	-
	Total	34,923,226	18,601,093
36.a	Consolidated Provision for Loans & Advances:		
	Provision for classified Loans & Advances	20,628,487	62,902,361
	Provision for unclassified Loans & Advances	10,979,337	(91,219)
	Provision for diminution in value of Investments	17,768,573	30,852,424
	Provision for Off-balance Sheet Items	-	-
	Total	49,376,397	93,663,566

		31-Dec-12 Taka	31-Dec-11 Taka
IAS 37.84	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.		
	Provision for Current Tax:		
	Opening Balance	219,447,000	185,908,313
	Add: Provision made during the year	20,500,000	33,538,687
	Less: Settlement during the year	-	-
	Closing Balance	239,947,000	219,447,000
	37.a Consolidated Provision for Tax:		
	Opening Balance	284,189,698	221,003,580
	Add: Provision made during the year	-	-
	Current Tax	29,734,908	-
	Deferred Tax	564,583	63,186,118
	Less: Settlement during the year	-	-
	Closing Balance	314,489,189	284,189,698
IAS 33.70	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)	22,216,982	18,392,359
	Number of ordinary shares outstanding during the year	10,000,000	3,287,800
	Basic Earnings Per Share (in Taka)	2.22	5.59
	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 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)	(106,662,225)	31,915,457
	Number of ordinary shares outstanding during the year	10,000,000	3,287,800
	Basic Earnings Per Share (in Taka)	(10.67)	9.71
	No diluted earnings per share is required to be calculated for the period, as there was no convertible securities for dilution during the period.		

IAS 24:17

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 No. 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	Nature of Loan/Lease	Nature of Transactions	Outstanding Balance Taka	Outstanding Balance Taka
Southeast Bank Ltd.	Sponsor Shareholder	FDR Placement	31,740,123	6,417,682
Mutual Trust Bank Ltd.	Sponsor Shareholder	FDR Placement	16,302,318	70,315,672
Bank Asia Ltd	Sponsor Shareholder	STD	307,337,739	-
BRAC Bank Ltd	Sponsor Shareholder	Term Deposit	100,000,000	-
Janata Bank Ltd	Sponsor Shareholder	Term Deposit	100,000,000	100,000,000
Mutual Trust Bank Ltd	Sponsor Shareholder	Term Deposit		-
National Bank Ltd	Sponsor Shareholder	Term Deposit		-
Sonali Bank Ltd.	Sponsor Shareholder	Term Deposit	150,000,000	150,000,000
The City Bank Ltd .	Sponsor Shareholder	Term Deposit	-	10,000,000
National Life Insurance Co. Ltd.	Sponsor Shareholder	Term Deposit		220,800,000
Eastland Insurance Co. Ltd.	Sponsor Shareholder	Term Deposit		22,554,549
Pragati Insurance Company Ltd	Sponsor Shareholder	Term Deposit		-
Bank Asia Ltd.	Sponsor Shareholder	Borrowings	25,661,119	50,776,960
National Bank Ltd.	Sponsor Shareholder	Borrowings		-
BRAC Bank Ltd.	Sponsor Shareholder	Borrowings	22,185,802	53,395,511
Janata Bank Ltd.	Sponsor Shareholder	Borrowings		-
Mutual Trust Bank Ltd.	Sponsor Shareholder	Borrowings	185,156,554	308,926,682
			938,383,655	993,187,056

40 Board Meetings:

During the period total 13 board meetings were held.

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
Mr. Md. Aminur Rahman	Director	Chairman	Managing Director, Janata Bank Ltd.
Mr. Pradip Kumar Dutta	Director	Member	Managing Director, Sonali Bank Ltd.
Mr. Md. Fayekuzzaman	Director	Member	Managing Director, ICB
Mr. Neaz Ahmed	Director	Member	Managing Director, National Bank Ltd.
Mr. Mahmudul Haque Taher	Director	Member	Chairman, National Life Insurance Co. Ltd.

The company Secretary of IIDFC acts as the secretary of the Committee

b Meetings held by the committee during the year

No. Meeting	Date of
Seventh (7th)	23-Apr-12
Eighth (8th)	11-Jun-12
Ninth (9th)	30-Dec-12

c The audit committee has discussed the following issues

- The audit committee reviewed the Financial Statements for the year ended December 31, 2011.
- Reviewed and discussed the Management Letter provided by the external auditor Hoda Vasi Chowdhury & Co. for the year ended December 31, 2011 on the annual audit of Financial statements of IIDFC Limited.
- Reviewed and discussed the Bangladesh Bank inspection report on Internal Control and Compliance and management's response
- Reviewed and discussed the Bangladesh Bank Inspection Report 2011 and management's response to the report.
- Reviewed various reports of internal Control & Compliance Department

42 Others:

42.1 Artha Rin Suit Status as on 31.12.2012

Name of the Client	Agreement No.	Suit Value	Remarks
Mitsumaru (B.D) Limited	LA# 018/20003	9,348,367	The suit is Decreed in favor of IIDFC & the copy of Judgment yet to be received . In the meantime the client was paid Tk.10.00 (Ten lac) and committed to submit a proposal of compromise.
Apperal Color Ltd.	LF#023/07 & LF#073/2007	8,270,787	Stayed the suit U/S-44 of the Artha Rin Adalat Ain, 2003. In the meantime the account has been rescheduled.
Setu International Limited	01010903, 03/L/2151/9022 4/72/761001/18 & DF# 87/2004	36,967,596	Next date fixed for Petition hearing on 27.03.2013
Setu International Limited	The Suit is filed with Rupali Bank Ltd.	22,705,521	The suit is being looking after by Rupali bank Limited (Lead Banker), next date not yet fixed.
Cab Bangla	03/S/6100/90400 1/72761024/02 Now (LA# 003/03)	16,683,430	Next date is fixed for submitting tender procedure of the taxi cabs. On 24.04.2013.
Swapna Steel Limited	DF# 010/2009 & DF#075/2009	9,151,214	Next date is fixed for execution of Warrant of Arrest on 14.05.2013
Swapna Enterprise	DF#053/2008 & DF#097/2008	11,181,546	Next date is fixed for execution of Warrant of Arrest on 14.05.2013
Lagaan	DF# 060/2007 & 054/2008	6,244,184	Next date is fixed for order on 28.03.2013
Setu Computerised Labels Ltd.	DF# 093/2008 & 099/2010	20,667,836	Next date is fixed for execution of Warrant of Arrest on 23.04.2013
Shamsi Lamps Limited	LA# 054/05	23,905,579	Next date is fixed for Serving Somon (S.R)

Total 165,126,060

42.2 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 80 employees were employed in IIDFC as of 31 December, 2012. All the employees received salary more than Tk. 36,000.00 p.a. during the period 2012.

IAS 1.98 (d) **42.4 Written-off of Accounts:**

During the period under review, an amount of Tk. 18,095,008 has been written-off from the books of accounts of the company with the approvals of Board of Directors via meeting no. 154 dated 30 December, 2012 and Tk. 18,120,222.00 was written-off in the corresponding previous year.

42.5 Subsequent Events:

No subsequent events are occurred after the balance sheet date.

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.



Md. Matiul Islam
Chairman



Md. Asaduzzaman Khan
Managing Director



Md. Shamim Ahamed
Company Secretary

Annexure - 1

Industrial and Infrastructure Development Finance Company Limited
Fixed Assets Schedule
As at 31 December 2012

Property, Plant & Equipment - Own Finance

Ref. IAS 16.73

Serial No.	Particulars	COST			Rate	ACCUMULATED DEPRECIATION				Net Book Value as at 31 Dec 2012
		Opening Balance as at 1 Jan 2012	Additions During the Year	Sale/Transfer during the year		Closing Balance as at 31 Dec 2012	Opening Balance as at 1 Jan 2012	Charged during the year	Adjustment during the year	Closing Balance as at 31 Dec 2012
1	Motor Vehicles	19,180,295	1,742,000	1,250,000	20%	19,672,295	10,320,262	3,257,907	1,250,000	12,328,169
2	Furniture & Fixtures	11,102,297	116,585	30,000	10%	11,188,882	2,924,046	1,116,693	28,250	4,012,489
3	Office Equipments	28,411,422	1,628,806	1,345,575	18%	28,694,653	11,402,546	6,400,138	1,287,077	16,515,607
As on 31 December 2012		58,694,014	3,487,391	2,625,575		59,555,830	24,646,854	10,774,738	2,565,327	32,856,265
As on 31 December 2011		34,507,631	28,240,667	4,054,284	(0)	58,694,014	19,069,997	9,072,928	3,496,071	24,646,854
										34,047,160

Figures in Taka

Intangible Asset - Computer Softwares

Ref.

Serial No.	Particulars	COST			Rate	AMORTISATION				Net Book Value as at 31 Dec 2012
		Opening Balance as at 1 Jan 2012	Additions During the Year	Adjustment during the year		Closing Balance as at 31 Dec 2012	Opening Balance as at 1 Jan 2012	Charged during the year	Adjustment during the year	Closing Balance as at 31 Dec 2012
1	Computer Softwares	2,224,026	27,000	-	18%	2,251,026	1,076,900	423,184	-	1,500,084
As on 31 December 2012		2,224,026	27,000	-		2,251,026	1,076,900	423,184	-	1,500,084
As on 31 December 2011		1,964,026	260,000	-	18%	2,224,026	709,575	367,325	-	1,076,900
										1,147,126

Figures in Taka

Annexure - 1.a

Industrial and Infrastructure Development Finance Company Limited
Consolidated Fixed Assets Schedule

As at 31 December 2012

Property, Plant & Equipment - Own FinanceRef.
IAS 16/73

Figures in Taka

Serial No.	Particulars	COST			Rate	ACCUMULATED DEPRECIATION				Net Book Value as at 31 Dec 2012
		Opening Balance as at 1 Jan 2012	Additions During the Year	Sale/Transfer during the year		Closing Balance as at 31 Dec 2012	Opening Balance as at 1 Jan 2012	Charged during the year	Adjustment during the year	Closing Balance as at 31 Dec 2012
1	Motor Vehicles	22,874,522	1,907,795	1,250,000	20%	23,532,317	12,450,240	3,990,374	1,250,000	15,190,614
2	Furniture & Fixtures	32,807,274	769,085	30,000	10%	33,546,359	5,236,122	3,352,442	28,250	8,560,314
3	Office Equipments	49,101,734	3,305,805	1,425,132	18%	50,982,407	15,878,375	10,412,302	1,319,387	24,971,290
As on 31 December 2012		104,783,530	5,982,685	2,705,132		108,061,083	33,564,737	17,755,118	2,597,637	48,722,218
As on 31 December 2011		42,934,520	65,903,294	4,054,284		104,783,530	21,196,122	15,864,686	3,496,071	33,564,737
										71,218,793

Intangible Asset - Computer Softwares

Ref.

Figures in Taka

Serial No.	Particulars	COST			Rate	AMORTISATION				Net Book Value as at 31 Dec 2012
		Opening Balance as at 1 Jan 2012	Additions During the Year	Adjustment during the year		Closing Balance as at 31 Dec 2012	Opening Balance as at 1 Jan 2012	Charged during the year	Adjustment during the year	Closing Balance as at 31 Dec 2012
1	Computer Softwares	5,005,281	27,000	164,000	18%	4,868,281	1,346,900	967,055	51,660	2,262,295
As on 31 December 2012		5,005,281	27,000	164,000		4,868,281	1,346,900	967,055	51,660	2,262,295
As on 31 December 2011		1,964,026	3,041,255	-	18%	5,005,281	709,575	637,325	-	1,346,900
										3,658,381

Hoda Vasi
Chowdhury & Co

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

Sl.	Particulars	2012	2011
1.	Paid-up Capital	1,000,000,000	328,780,000
2.	Total Capital	1,281,989,413	1,247,545,031
3.	Capital Surplus	281,989,413	918,765,031
4.	Total Assets	12,457,644,088	12,114,727,698
5.	Total Deposits	5,104,751,769	4,239,671,479
6.	Total Leases, Loans and Advances	8,970,982,947	8,678,263,667
7.	Total Contingent Liabilities and Commitments	612,736,780	800,003,165
8.	Credit Deposit Ratio	175.74%	204.69%
9.	Percentage of Classified Loans Against Total Loans and Assets	5.65%	4.89%
10.	Profit After Tax and Provision	22,216,982	18,392,359
11.	Amount of Classified Loans During Current Year	506,651,730	424,598,000
12.	Provisions Kept Against Classified Loans	173,622,554	173,431,328
13.	Provision Surplus Against Classified Loans	1,478,352	12,111,808
14.	Cost of Fund	14.50%	13.71%
15.	Interest Earnings Assets	10,244,365,196	10,206,554,854
16.	Non- Interest Earnings Assets	2,213,278,892	1,908,172,844
17.	Return on Investment (ROI)	7.16%	5.77%
18.	Return on Assets (ROA)	6.48%	5.28%
19.	Income from Investment	1,576,452,713	1,285,310,373
20.	Earnings per Share	2.22	5.59
21.	Net Income per Share	2.22	5.59
22.	Price Earnings Ratio	N/A	N/A