



এম এম রহমান এন্ড কোং  
**M M Rahman & Co.**  
Chartered Accountants



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# Auditor's Report and Audited Financial Statements

Industrial and Infrastructure Development  
Finance Company Limited (IIDFC)  
For the year ended December 31, 2021





## INDEPENDENT AUDITOR'S REPORT

### TO THE SHAREHOLDERS OF INDUSTRIAL AND INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LIMITED

### REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

#### OPINION

We have audited the consolidated financial statements of Industrial and Infrastructure Development Finance Company Limited and its subsidiaries (the "Group") as well as the separate financial statements of Industrial and Infrastructure Development Finance Company Limited (the "Company"), which comprise the consolidated and separate balance sheets as at 31 December 2021 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Company give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Company as at 31 December 2021, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 02.

#### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

RISK	OUR RESPONSE TO THE RISK
<b>MEASUREMENT OF PROVISION FOR LOANS AND ADVANCES</b>	
<p>The process for estimating the provision loans and advances portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis, these provisions consider the estimates of future business performance and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis, these provisions are manually processed that deals with voluminous databases, assumptions and calculations for the provision estimates of complex design and implementation.</p> <p>At year end the Company reported total gross loans and advances of Tk. 13,926,094,156 (2020: Tk. 15,272,371,452) and provision for loans and advances of Tk. 1,469,631,110 (2020: Tk. 892,179,870).</p>	<p>We tested the design and operating for effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>• Tested the credit appraisal, loan disbursement procedures, monitoring and provisioning process.</li> <li>• Identification of loss events, including early warning and default warning indicators.</li> <li>• Reviewed quarterly Classification of Loans (CL).</li> </ul> <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> <li>• Reviewed the adequacy of the companies general and specific provisions.</li> <li>• Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information.</li> <li>• Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</li> </ul>

RISK	OUR RESPONSE TO THE RISK
<b>LEGAL AND REGULATORY MATTERS</b>	
<p>We focused on this area because the Company and its subsidiaries (the "Group") operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Group's key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p>





These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.

Overall, the legal provision represents the Group's best estimate for existing legal matters that have a probable and estimable impact on the Group's financial position.

We enquired of the Group's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We also received formal confirmations from external counsel.

We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.

We also assessed the Group's provisions and contingent liabilities disclosure.

RISK	OUR RESPONSE TO THE RISK
<b>IT SYSTEMS AND CONTROLS</b>	
Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.	We tested the design and operating effectiveness of the Group's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Group's periodic review of access rights.
Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application-based controls are operating effectively.	We inspected requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.
	Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.



## OTHER INFORMATION

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS AND INTERNAL CONTROLS

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Company in accordance with IFRSs as explained in note 02, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.





## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, the Financial Institutions Act, 1993 and the rules and regulations issued by Bangladesh Bank, we also report 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 accounts as required by law have been kept by the Company so far as it appeared from our examination of those books;
- (iii) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (iv) the expenditures incurred were for the purpose of the Company's business for the year;
- (v) the financial statements of the Company have been drawn up in conformity with the Financial Institutions Act, 1993 and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Company;
- (vi) adequate provisions have been made for loans, advances, leases, investment and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;
- (vii) the financial statements of the Company conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- (viii) the records and statements which were submitted by the branches have been properly maintained and recorded in the financial statements;





- (ix) statements sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention;
- (x) taxes and other duties were collected and deposited in the Government treasury by the Company as per Government instructions found satisfactory based on test checking;
- (xi) nothing has come to our attention that the Company has adopted any unethical means i.e. 'window dressing' to inflate the profit and mismatch between the maturity of assets and liabilities;
- (xii) proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed to us by management;
- (xiii) based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the Company is satisfactory, and effective measures have been taken to prevent possible material fraud, forgery and internal policies are being followed appropriately;
- (xiv) the Company has complied with relevant laws pertaining to capital, reserve and net worth, cash and liquid assets and procedure for sanctioning and disbursing loans/leases found satisfactory;
- (xv) we have reviewed over 80% of the risk weighted assets of the Company and we have spent around 1,362 person hours for the audit of the books and accounts of the Company;
- (xvi) the Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense;
- (xvii) the Company has complied with the Financial Institutions Act, 1993 in preparing these financial statements; and
- (xviii) all other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

Name of Firm:

**M M Rahman & Co.**  
Chartered Accountants

Signature of the Auditor

Name of the Auditor

**Syed Mahmud Ahmad FCA**  
Senior Partner

Enrolment No.

586

Dhaka, 27 November 2022

DVC: 2211270586AS734561



Industrial and Infrastructure Development Finance Company Limited

Consolidated Balance Sheet

As at 31 December 2021

		2021	2020
		BDT	BDT
<b>PROPERTY &amp; ASSETS</b>	<b>Notes</b>		
Cash	3.a		
In Hand (including foreign currencies)		52,266	65,176
Balance with Bangladesh Bank and its Agent Bank(s) (including foreign currencies)		92,694,427	112,172,320
		<b>92,746,693</b>	<b>112,237,496</b>
Balance with Other Banks and Financial Institutions	4.a		
Inside Bangladesh		546,085,531	816,649,237
Outside Bangladesh		-	-
		<b>546,085,531</b>	<b>816,649,237</b>
Money at Call and Short Notice	5	-	-
Investments	6.a		
Government		-	-
Others		1,059,095,072	1,069,803,296
		<b>1,059,095,072</b>	<b>1,069,803,296</b>
Loans & Advances	7.a		
Lease Receivables		1,815,950,887	1,973,962,239
Advance for Lease Finance		44,339,980	64,339,980
Direct/ Term Finance		11,521,977,638	12,528,643,630
Secured Overdraft		48,128,571	33,047,599
Bills Discounted and Purchased		116,170,351	98,616,851
Margin Loans		2,350,630,888	2,394,645,273
		<b>15,897,198,315</b>	<b>17,093,255,572</b>
Fixed assets including premises, furniture & fixtures etc.	8.a	56,028,967	78,757,044
Other Assets	9.a	2,108,854,006	2,005,218,568
Non-banking assets	10	12,287,820	12,287,820
<b>Total Assets</b>		<b>19,772,296,403</b>	<b>21,188,209,033</b>
<b>LIABILITIES &amp; CAPITAL</b>			
Borrowings from other banks, financial institutions & agents	11.a	5,351,478,380	5,549,341,748
Deposits & Other Accounts	12.a		
Current Deposits & Other Accounts, etc.		-	-
Bills Payable		-	-
Savings Bank Deposits		-	-
Term Deposits		9,062,128,157	10,211,531,784
Bearer Certificate of Deposits		-	-
Other Deposits		2,511,968	2,366,560
		<b>9,064,640,125</b>	<b>10,213,898,344</b>
Other Liabilities	13.a	4,038,666,425	3,222,941,184
<b>Total Liabilities</b>		<b>18,454,784,930</b>	<b>18,986,181,276</b>
Capital/ Shareholders' Equity			
Paid up Capital	14	1,737,770,680	1,737,770,680
Statutory Reserve	15	371,950,483	371,950,483
General Reserve	16.a	67,800,000	67,800,000
Share Money Deposit	17	-	-
Stock Dividend	18.a	-	-
Retained Earnings	19.a	(860,162,107)	24,354,513
Total Equity attributable to Shareholder of the Company		<b>1,317,359,056</b>	<b>2,201,875,676</b>
Non-controlling Interest	19.a.3	152,417	152,081
<b>Total Liabilities &amp; Shareholders' Equity</b>		<b>19,772,296,403</b>	<b>21,188,209,033</b>

Industrial and Infrastructure Development Finance Company Limited  
Consolidated Balance Sheet  
As at 31 December 2021

	2021	2020
Notes	BDT	BDT
<b>OFF-BALANCE SHEET ITEMS</b>		
<b>Contingent liabilities</b>		
Letters of guarantee	202,396,222	203,549,122
Letters of credit	-	-
Irrevocable letter of credit	-	-
Bills for collection	-	-
Other contingent liabilities	-	-
	<b>202,396,222</b>	<b>203,549,122</b>
<b>Others commitments:</b>		
Money at call and short notice	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
	<b>-</b>	<b>-</b>
<b>Total off-balance sheet items including contingent liabilities</b>	<b>202,396,222</b>	<b>203,549,122</b>

The annexed notes 1 to 45 form an integral part of these financial statements



Chairman



Director



Managing Director



Company Secretary

Name of Firm: M M Rahman & Co.  
Chartered Accountants

Signature of the Auditor: 

Name of the Auditor: Syed Mahmud Ahmad FCA  
Senior Partner

Enrolment No. 586

DVC : 2211270586A5734561  
Dhaka, 27 November 2022



Industrial and Infrastructure Development Finance Company Limited

Consolidated Profit & Loss Account

For the year ended 31 December 2021

	Notes	2021 BDT	2020 BDT
<b>A. OPERATING INCOME</b>			
Interest income	21.a	1,054,816,685	1,972,317,738
Interest paid on deposits, borrowings etc.	22.a	(1,193,594,428)	(1,778,410,567)
<b>Net interest income</b>		<b>(138,777,743)</b>	<b>193,907,171</b>
Income from investment	23.a	208,721,529	43,691,563
Commission, exchange and brokerage	24.a	183,433,533	92,228,681
Other operating income	25.a	39,800,836	33,619,975
<b>Total operating income</b>		<b>293,178,155</b>	<b>363,447,390</b>
<b>B. OPERATING EXPENSES</b>			
Salaries & allowances	26.a	246,129,188	230,289,981
Rent, taxes, insurance, electricity etc.	27.a	14,705,996	19,305,563
Legal expenses	28.a	8,605,264	6,134,572
Postage, stamp, telecommunications etc.	29.a	5,980,497	5,499,328
Stationery, printing, advertisement etc.	30.a	4,746,725	4,033,219
Managing director's salary and fees	31	7,199,449	6,853,981
Directors' fees	32.a	936,000	830,000
Auditor's fees	33.a	862,500	776,250
Loans & advances written-off	34.a	175,558,034	20,968,297
Repair, depreciation and amortization of company's assets	35.a	30,791,848	33,233,380
Other expenses	36.a	46,134,559	32,810,299
<b>Total operating expenses</b>		<b>541,650,060</b>	<b>360,734,870</b>
<b>C. Profit/(Loss) before provision (A-B)</b>		<b>(248,471,905)</b>	<b>2,712,520</b>
<b>D. Provision for loans &amp; advances</b>	37.a		
Specific provision		535,675,602	126,932,081
General provision		(29,657,465)	(7,729,766)
Provision for diminution in value of investments		35,114,574	(48,324,978)
Other provision		43,266,657	-
<b>Total provision</b>		<b>584,399,368</b>	<b>70,877,337</b>
<b>E. Profit/(Loss) before taxes (C-D)</b>		<b>(832,871,274)</b>	<b>(68,164,817)</b>
<b>F. Provision for tax:</b>			
Current tax	38.a	47,863,173	19,556,695
Deferred tax		3,781,839	(2,412,126)
<b>Total provision</b>		<b>51,645,012</b>	<b>17,144,569</b>
<b>G. Profit/(Loss) after taxes (E-F)</b>		<b>(884,516,285)</b>	<b>(85,309,386)</b>
<b>Attributable to:</b>			
Shareholders of the company		(884,529,546)	(85,322,311)
Non-controlling interest		13,261	12,925
		<b>(884,516,285)</b>	<b>(85,309,386)</b>
<b>Less: Appropriations</b>			
Statutory reserve		-	-
General reserve		-	-
<b>Retained surplus/(Deficit)</b>		<b>(884,516,285)</b>	<b>(85,309,386)</b>
<b>Earnings per share (EPS)</b>	39.a	<b>(5.09)</b>	<b>(0.49)</b>

The annexed notes 1 to 45 form an integral part of these financial statements

Chairman

Director

Managing Director

Company Secretary

Name of Firm:

M M Rahman & Co.  
Chartered Accountants

Signature of the Auditor

Name of the Auditor

Syed Mahmud Ahmad FCA  
Senior Partner

Enrolment No.

586

DVC : 2211270586A5734561  
Dhaka, 27 November 2022





Industrial and Infrastructure Development Finance Company Limited

Consolidated Cash Flow Statement  
For the year ended 31 December 2021

A CASH FLOW FROM OPERATING ACTIVITIES

Interest receipts in cash
Interest payments in cash
Dividend receipts in cash
Cash payments to employees
Cash payments to suppliers
Income taxes paid
Receipts from other operating activities
Payments for other operating activities
Cash generated from operating activities

Increase/(Decrease) in operating assets and liabilities

Statutory deposits

Loans and advances
Changes in other assets
Borrowings from other banks
Borrowings from other corporate and financial institutions
Deposits from customers
Changes in other liabilities

Net cash (used in)/from operating activities

B CASH FLOW FROM INVESTING ACTIVITIES

Proceeds from sale of securities
Payments for purchase of securities
Purchase of property, plant and equipment
Payment against lease obligation
Proceeds from sale of property, plant and equipment
Net cash used in investing activities

C CASH FLOW FROM FINANCING ACTIVITIES

Dividend paid
Share Money Deposit
Net cash from/(used in) financing activities

D Net increase/(decrease) in cash and cash equivalents (A+B+C)

E Effects of exchange rate changes on cash and cash equivalents

F Cash and cash equivalents at beginning of the year

G Cash and cash equivalents at end of the year (D+E+F)

Cash and cash equivalents at end of the year

Cash in hand
Balance with Bangladesh Bank and its agent bank(s)
Balance with other banks and financial institutions
Money at call and short notice

2021	2020
BDT	BDT
1,062,207,153	1,996,725,789
(1,267,928,528)	(1,845,030,611)
22,101,422	19,250,916
(234,640,666)	(209,728,907)
(7,712,865)	(7,012,691)
(47,090,936)	(60,604,174)
375,156,894	132,356,336
(72,992,706)	(76,452,497)
(170,900,231)	(50,495,839)
1,245,749,605	3,584,968,437
(53,856,463)	(246,052,991)
(372,026,627)	(824,106,622)
(1,340,803,168)	(1,750,554,747)
155,950,513	(799,118,995)
762,576,994	(13,131,804)
397,590,853	(47,996,722)
226,690,622	(98,492,561)
1,230,464,314	406,601,979
(1,742,308,711)	(442,905,389)
(6,747,905)	(4,378,085)
-	-
1,847,171	764,534
(516,745,132)	(39,916,961)
-	-
-	1,241,080
-	1,241,080
(290,054,509)	(137,168,442)
-	-
928,886,733	1,066,055,175
638,832,224	928,886,733
52,266	65,176
92,694,427	112,172,320
546,085,531	816,649,237
-	-
638,832,224	928,886,733

Chairman

Director

Managing Director

Company Secretary

Name of Firm: M M Rahman & Co.  
Chartered Accountants

Signature of the Auditor:

Name of the Auditor: Syed Mahmud Ahmad FCA  
Senior Partner

Enrolment No. 586

DVC : 2211270586AS734561  
Dhaka, 27 November 2022



Industrial and Infrastructure Development Finance Company Limited  
Consolidated Statement of Changes in Equity  
For the year ended 31 December 2021

Amount in BDT

Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Retained Earnings	Proposed Stock Dividend	Share Money Deposit	Non-controlling Interest	Total
Balance as on 1 January 2021	1,737,770,680	371,950,483	67,800,000	24,354,513	-	-	152,081	2,202,027,757
Changes in accounting policy	-	-	-	-	-	-	-	-
Restated balance	1,737,770,680	371,950,483	67,800,000	24,354,513	-	-	152,081	2,202,027,757
Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-	-	-	-
Net profit for the year	-	-	-	(884,516,285)	-	-	-	(884,516,285)
Share Money Deposit	-	-	-	-	-	-	-	-
Right Share Issue	-	-	-	-	-	-	-	-
Transfer to Non-controlling Interest (NCI)	-	-	-	(336)	-	-	336	-
Dividend (Stock 2018)	-	-	-	-	-	-	-	-
Transferred to statutory reserve	-	-	-	-	-	-	-	-
Transferred to general reserve	-	-	-	-	-	-	-	-
Balance as at 31 December 2021	1,737,770,680	371,950,483	67,800,000	(860,162,107)	-	-	152,417	1,317,511,473



Chairman



Director



Managing Director



Company Secretary

Name of firm: M M Rahman & Co.  
Chartered Accountants

Signature of the Auditor

Name of the Auditor

Enrolment No.

Syed Mahmud Ahmad FCA  
Senior Partner  
586

DVC : 2211270586A5734561  
Dhaka, 27 November 2022

Industrial and Infrastructure Development Finance Company Limited

Balance Sheet  
As at 31 December 2021

	Notes	2021 BDT	2020 BDT
<b>PROPERTY &amp; ASSETS</b>			
<b>Cash</b>	3		
In Hand (including foreign currencies)		12,622	4,597
Balance with Bangladesh Bank and its Agent Banks (including foreign currencies)		-	-
		92,694,427	112,172,320
		<b>92,707,049</b>	<b>112,176,917</b>
<b>Balance with other Banks and Financial Institutions</b>	4		
Inside Bangladesh		318,930,769	666,594,745
Outside Bangladesh		-	-
		<b>318,930,769</b>	<b>666,594,745</b>
<b>Money at Call and Short Notice</b>	5	-	-
<b>Investments</b>	6		
Government		-	-
Others		675,573,711	677,827,534
		<b>675,573,711</b>	<b>677,827,534</b>
<b>Loans &amp; Advances</b>	7		
Lease Receivables		1,815,950,887	1,973,962,239
Advance for Lease Finance		44,339,980	64,339,980
Direct/ Term Finance		11,901,504,367	13,102,404,783
Secured Overdraft		48,128,571	33,047,599
Bills Discounted and Purchased		116,170,351	98,616,851
		<b>13,926,094,156</b>	<b>15,272,371,452</b>
<b>Fixed assets including premises, furniture &amp; fixtures etc.</b>	8	51,774,584	75,506,128
<b>Other Assets</b>	9	3,270,034,072	3,227,334,214
<b>Non-Banking Assets</b>	10	12,287,820	12,287,820
<b>Total Assets</b>		<b>18,347,402,160</b>	<b>20,044,098,810</b>
<b>LIABILITIES &amp; CAPITAL</b>			
<b>Borrowings from other banks, financial institutions &amp; agents</b>	11	5,150,081,282	5,522,107,909
<b>Deposits &amp; Other Accounts</b>	12		
Current deposits & Other Accounts, etc.		-	-
Bills Payable		-	-
Savings Bank Deposits		-	-
Term Deposits		9,062,128,157	10,211,531,784
Bearer Certificate of Deposits		-	-
Other Deposits		2,511,968	2,366,560
		<b>9,064,640,125</b>	<b>10,213,898,344</b>
<b>Other Liabilities</b>	13	2,917,100,517	2,203,930,518
<b>Total Liabilities</b>		<b>17,131,821,924</b>	<b>17,939,936,771</b>
<b>Capital/ Shareholders' Equity</b>			
Paid-up Capital	14	1,737,770,680	1,737,770,680
Statutory Reserve	15	371,950,483	371,950,483
General Reserve	16	50,800,000	50,800,000
Share Money Deposit	17	-	-
Proposed Stock Dividend	18	-	-
Retained Earnings	19	(944,940,927)	(56,359,124)
<b>Total Shareholders' Equity</b>		<b>1,215,580,236</b>	<b>2,104,162,039</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>		<b>18,347,402,160</b>	<b>20,044,098,810</b>





Industrial and Infrastructure Development Finance Company Limited  
Balance Sheet  
As at 31 December 2021

OFF-BALANCE SHEET ITEMS	Notes	2021	2020
		BDT	BDT
Contingent liabilities	20		
Letters of guarantee		202,396,222	203,549,122
Letters of credit		-	-
Irrevocable letter of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
		<u>202,396,222</u>	<u>203,549,122</u>
Others commitments:			
Money at call and short notice		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		<u>-</u>	<u>-</u>
Total off-balance sheet items including contingent liabilities		<u>202,396,222</u>	<u>203,549,122</u>

The annexed notes 1 to 45 form an integral part of these financial statements

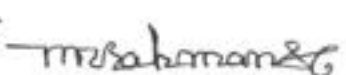
  
Chairman

  
Director

  
Managing Director

  
Company Secretary

Name of Firm: M M Rahman & Co.  
Chartered Accountants

Signature of the Auditor: 

Name of the Auditor: Syed Mahmud Ahmad FCA  
Senior Partner

Enrolment No. 586

DVC : 2211270586A5734561  
Dhaka, 27 November 2022



Industrial and Infrastructure Development Finance Company Limited

Profit & Loss Account

For the year ended 31 December 2021

	Notes	2021 BDT	2020 BDT
<b>A. OPERATING INCOME</b>			
Interest income	21	1,006,065,037	1,951,500,767
Interest paid on deposits, borrowings etc.	22	(1,189,782,299)	(1,776,917,850)
<b>Net interest income</b>		<b>(183,717,262)</b>	<b>174,582,917</b>
Income from investment	23	116,662,550	25,856,102
Commission, exchange and brokerage	24	-	-
Other operating income	25	31,012,023	30,089,753
<b>Total operating income</b>		<b>(36,042,689)</b>	<b>230,528,772</b>
<b>B. OPERATING EXPENSES</b>			
Salaries & allowances	26	172,965,083	172,203,670
Rent, taxes, insurance, electricity etc.	27	6,293,747	4,659,667
Legal expenses	28	7,215,522	4,839,771
Postage, stamp, telecommunications etc.	29	3,880,062	3,502,939
Stationery, printing, advertisement etc.	30	3,832,803	3,509,752
Managing director's salary and fees	31	7,199,449	6,853,981
Directors' fees	32	792,000	632,000
Auditor's fees	33	529,000	454,250
Repair, depreciation and amortization of company's assets	35	28,644,224	29,693,209
Other expenses	36	27,477,417	22,870,320
<b>Total operating expenses</b>		<b>258,829,307</b>	<b>249,219,559</b>
<b>C. Profit/ (Loss) before provision (A-B)</b>		<b>(294,871,996)</b>	<b>(18,690,787)</b>
<b>D. Provision for loans &amp; advances</b>	37		
Specific provision		535,675,602	121,401,836
General provision		(29,657,465)	(7,729,766)
Additional provision as per BI		34,065,109	-
Other provision		9,201,548	-
Provision for diminution in value of investments		34,271,249	(43,521,190)
<b>Total provision</b>		<b>583,556,043</b>	<b>70,150,880</b>
<b>E. Profit before taxes (C-D)</b>		<b>(878,428,040)</b>	<b>(88,841,667)</b>
<b>F. Provision for tax</b>			
Current tax	38	6,878,244	2,000,000
Deferred tax	38.1	3,275,521	(2,211,202)
<b>Total provision</b>		<b>10,153,765</b>	<b>(211,202)</b>
<b>Profit after tax</b>		<b>(888,581,804)</b>	<b>(88,630,465)</b>
Less: Appropriations		-	-
Statutory reserve		-	-
General reserve		-	-
<b>Retained surplus/(Deficit)</b>		<b>(888,581,804)</b>	<b>(88,630,465)</b>
<b>Earnings per share (EPS)</b>	39	<b>(5.11)</b>	<b>(0.51)</b>

The annexed notes 1 to 45 form an integral part of these financial statements

Chairman

Director

Managing Director

Company Secretary

Name of Firm: M M Rahman & Co.  
Chartered Accountants

Signature of the Auditor:

Name of the Auditor: Syed Mahmud Ahmad FCA  
Senior Partner

Enrolment No. 586

DVC : 2211270586A5734561  
Dhaka, 27 November 2022



Industrial and Infrastructure Development Finance Company Limited  
Statement of Cash Flows  
For the year ended 31 December 2021

	2021 BDT	2020 BDT
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Interest receipts in cash	966,623,558	1,932,761,299
Interest payments in cash	(1,204,328,386)	(1,828,170,326)
Dividend receipts in cash	13,960,441	8,030,163
Cash payments to employees	(180,164,532)	(179,057,651)
Cash payments to suppliers	(7,712,865)	(7,012,691)
Income taxes paid	(12,183,506)	(43,727,075)
Receipts from other operating activities	133,714,131	47,915,692
Payments for other operating activities	(44,120,006)	(34,040,659)
<b>Cash generated from operating activities</b>	<b>(334,211,164)</b>	<b>(103,301,248)</b>
<b>Increase/(decrease) in operating assets and liabilities</b>		
Statutory deposits		
Loans and advances to other customers	1,346,277,296	3,636,436,451
Changes in other assets	(42,699,857)	(269,837,844)
Borrowings from Other Banks	(372,026,627)	(824,106,622)
Borrowings from other Corporate & Fis	(1,320,732,003)	(1,707,533,569)
Deposits from customers	171,328,376	(788,916,352)
Changes in other liabilities	708,291,755	34,983,335
<b>Net Cash from Operating Activities</b>	<b>156,227,775</b>	<b>(22,275,850)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Investments in Subsidiary	-	-
Proceeds from sale of securities	1,230,464,314	406,601,979
Payments for purchase of securities	(1,750,763,113)	(454,592,015)
Purchase of property, plant and equipment	(4,654,632)	(2,179,517)
Payment against lease obligation	-	-
Proceeds from sale of property, plant and equipment	1,591,812	760,000
<b>Net cash used in investing activities</b>	<b>(523,361,620)</b>	<b>(49,409,553)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Dividend paid	-	-
Share Money Deposit	-	1,241,080
<b>Net cash from financing activities</b>	<b>-</b>	<b>1,241,080</b>
<b>D Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(367,133,845)</b>	<b>(70,444,322)</b>
<b>E Effects of exchange rate changes on cash and cash equivalents</b>	<b>-</b>	<b>-</b>
<b>F Cash and cash equivalents at beginning of the year</b>	<b>778,771,662</b>	<b>849,215,984</b>
<b>G Cash and cash equivalents at end of the year (D+E+F)</b>	<b>411,637,817</b>	<b>778,771,662</b>
<b>Cash and cash equivalents at end of the year</b>		
Cash in hand	12,622	4,597
Balance with Bangladesh Bank and its agent bank(s)	92,694,427	112,172,320
Balance with other banks and financial institutions	318,930,769	666,594,745
Money at call and short notice	-	-
	<b>411,637,817</b>	<b>778,771,662</b>

  
Chairman

  
Director

  
Managing Director

  
Company Secretary

Name of Firm: M M Rahman & Co.  
Chartered Accountants

Signature of the Auditor: 

Name of the Auditor: Syed Mahmud Ahmad FCA  
Senior Partner

Enrolment No. 586

DVC : 2211270586AS734561  
Dhaka, 27 November 2022





Industrial and Infrastructure Development Finance Company Limited

Statement of Changes in Equity  
For the year ended 31 December 2021

Amount in BDT

Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Retained Earnings	Proposed Stock Dividend	Share Money Deposits	Total
Balance as on 1 January 2021	1,737,770,680	371,950,483	50,800,000	(56,359,124)	-	-	2,104,162,039
Changes in accounting policy	-	-	-	-	-	-	-
Restated balance	1,737,770,680	371,950,483	50,800,000	(56,359,124)	-	-	2,104,162,039
Share Money Deposit	-	-	-	-	-	-	-
Right Share Issue	-	-	-	-	-	-	-
Net profit for the year	-	-	-	(888,581,804)	-	-	(888,581,804)
Dividend (Stock 2018)	-	-	-	-	-	-	-
Transferred to statutory reserve	-	-	-	-	-	-	-
Transferred to general reserve	-	-	-	-	-	-	-
Balance as at 31 December 2021	1,737,770,680	371,950,483	50,800,000	(944,940,927)	-	-	1,215,580,236

  
Chairman

  
Director

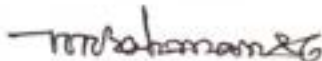
  
Managing Director

  
Company Secretary

Name of Firm:

M M Rahman & Co.  
Chartered Accountants

Signature of the Auditor



Name of the Auditor

Syed Mahmud Ahmad FCA  
Senior Partner  
586

DVC : 2211270586A5734561  
Dhaka, 27 November 2022

Enrolment No.



Industrial and Infrastructure Development Finance Company Limited  
Liquidity Statement  
For the year ended 31 December 2021

Amount in BDT

Particulars	Up to 1 month maturity	1-3 months maturity	3-12 months maturity	1-5 years maturity	More than 5 years maturity	Total
<b>ASSETS:</b>						
Cash	12,622	-	-	-	-	12,622
Balances with Bangladesh Bank	92,694,427	-	-	-	-	92,694,427
Balances with other Banks	120,961,005	90,744,473	76,151,022	31,074,268	-	318,930,769
Money at Call and on Short Notice	-	-	-	-	-	-
Investments	238,596,289	154,384,493	178,587,379	104,005,550	-	675,573,711
Loans and Advances	1,274,582,533	3,515,397,055	4,984,098,826	3,014,785,141	1,137,230,601	13,926,094,156
Property, Plant & Equipment	3,672,854	11,651,232	22,132,301	14,318,197	-	51,774,584
Other Assets	273,450,114	532,818,368	1,101,987,589	700,161,413	661,616,588	3,270,034,072
Non-Banking Assets	-	-	-	12,287,820	-	12,287,820
<b>Total assets</b>	<b>2,003,969,844</b>	<b>4,304,995,621</b>	<b>6,362,957,118</b>	<b>3,876,632,388</b>	<b>1,798,847,189</b>	<b>18,347,402,160</b>
<b>LIABILITIES:</b>						
Borrowing from other banks, Fin. Ins. & Agents	1,270,107,564	1,247,983,466	1,304,646,015	425,885,191	901,459,046	5,150,081,282
Deposit and other accounts	494,037,067	2,339,747,938	3,587,834,817	2,325,931,275	317,089,028	9,064,640,125
Provision and other liabilities	188,160,772	567,716,333	654,152,688	423,655,739	1,083,414,985	2,917,100,517
<b>Total liabilities</b>	<b>1,952,305,403</b>	<b>4,155,447,738</b>	<b>5,546,633,519</b>	<b>3,175,472,205</b>	<b>2,301,963,059</b>	<b>17,131,821,924</b>
<b>Net liquidity gap</b>	<b>51,664,441</b>	<b>149,547,884</b>	<b>816,323,599</b>	<b>701,160,183</b>	<b>(503,115,870)</b>	<b>1,215,580,236</b>

Chairman

Director

Managing Director

Company Secretary

Name of Firm:

M M Rahman & Co.  
Chartered Accountants

Signature of the Auditor

Name of the Auditor

Syed Mahmud Ahmad FCA  
Senior Partner  
586

DVC : 2211270586A5734561  
Dhaka, 27 November 2022

Enrolment No.



**Industrial and Infrastructure Development Finance Company Limited and its Subsidiaries**

**Notes to the Consolidated and Separate Financial Statements**

**As at and for the year ended 31 December 2021**

**1.0 Reporting entity and its activities**

**1.01 Company's profile**

Industrial and Infrastructure Development Finance Company (IIDFC) Limited, a public limited company was incorporated on 19th December, 2000 as a development financial institution to boost investment specially in the spectrum of industrial and infrastructure development. The Company was licensed by Bangladesh Bank on the 23rd January, 2001 to start financing business in Bangladesh. The registered office of the Company is situated at Chamber Building (2nd, 6th & 7th Floor), 122-124, Motijheel C/A, Dhaka-1000, Bangladesh.

**1.02 Principal activities and nature of operation**

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 equipment including vehicles for industrial and commercial purposes, financial packaging for syndicated fund arrangement including cross-border syndication, acquisition or takeover of public sector enterprises, financial or otherwise, stated for privatization and SME financing. The Company is also involved in factoring finance, work-order finance, bill discounting and home loan etc.

**1.03 Subsidiary Companies**

**IIDFC Securities Limited**

IIDFC Securities Limited (the Company), a wholly owned subsidiary company of Industrial and Infrastructure Development Finance Company (IIDFC) Limited was incorporated as a public 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 PFI Tower (Level-3), 56-57, Dilkusha C/A, Dhaka-1000.

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 public company, limited by shares was incorporated in Bangladesh on 30th November 1995 vide certificate of incorporation no. C-H.C 2097 in the name of South Asia Capital Limited which was acquired by Industrial and Infrastructure Development Finance Company (IIDFC) Limited a non-banking financial institution on 10th December 2009 and renamed as IIDFC Capital Limited. The principal activities of the Company for which it was established include the business of issue management, portfolio management, corporate counselling, investment counselling, capital structuring, etc.

**2.0 Basis of preparation and significant accounting policies**

**2.01 Basis of preparation**

The Financial Statements have been prepared on the basis of going concern concept and basically on accrual method under historical cost convention in accordance with Generally Accepted Accounting Principles (GAAP) and after due compliance with International Accounting Standards(IAS)/International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) vide letter no 1/1/ICAB-2017 dated 14 December 2017, the Financial Institution Act,1993, the Companies Act, 1994 and other applicable laws and regulations.

**Statement of compliance**

The consolidated financial statements and separate financial statements of the Company have been prepared on a going concern basis following accrual basis of accounting except for cash flow statement and investment in marketable securities which are recorded in cost price(Comparing with market value) in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRSs) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh, except the circumstances where local regulations differ, and the Companies Act, 1994, the Financial Institutions Act, 1993, Bangladesh Securities and Exchange Commission guidelines 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 23 December 2009 issued by the Department of Financial Institutions and Markets (DFIM) of Bangladesh Bank. The activities and accounting heads mentioned in the prescribed form, which are not applicable for the financial institutions, have been kept blank in the financial statements.

The requirements of accounting standards as per IFRS that have been departed to comply with Bangladesh Bank requirements have been disclosed in detail. However, this departure with IFRS has been made by following all of the relevant provisions of IAS-1 and the details disclosures are given in Note-2.01.01 by following the provision of IAS-1 (Presentation of Financial Statements).

**2.01.01 Disclosure of departure from few requirements of IFRS due to mandatory compliance of Bangladesh Bank's requirements.**

SL.	Nature of Departure	Title of IFRS	Treatment of IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
1	Measurement of provision for leases, loans and advances (financial assets measured at amortized cost)	IFRS 9 Financial Instruments	An entity shall assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets measured at amortized cost is impaired. If any such evidence exists, expected credit losses are required to be measured through a loss allowance at an amount equal to: a) the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or b) full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).	As per FID circular No. 08, dated 03 August 2002, FID circular No. 03, dated 03 May 2006 and FID circular No. 03, dated 29 April 2013, a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained irrespective of objective evidence of impairment on lease, loans and advances. Also provision for sub-standard investments, doubtful investments and bad losses has to be provided at 20%, 50% and 100% respectively for investments depending on the duration of overdue.	In Financial Statements, as at 31 December 2021, accumulated provision for leases, loans and advances stand at BDT 1340.26 million
2	Valuation of investments in quoted and unquoted shares	IFRS 9 Financial Instruments	Investment in shares falls either under at "fair value through profit/ loss (FVTPL)" or "fair value through other comprehensive income (FVTOCI)" where any change in the fair value in case of FVTPL at the year-end is taken to profit or loss, and any change in fair value in case of FVTOCI is taken to other comprehensive income.	As per FID circular No. 08, dated 03 August 2002 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; however in case of any unrealized gain, no such gain can be recognized and investments are recognized at cost only.	During this year total market value of all shares are less than the cost price of all shares. In Financial Statement, as at 31 December 2021, Provision for diminution in value of investments stands BDT 122.19 million.

3	Recognition of interest income for SMA and classified lease, loans and advances	IFRS 9 Financial Instruments	Income from financial assets measured at amortized cost is recognized through effective interest rate method over the term of the investment. Once a financial asset is impaired, investment income is recognized in profit and loss account on the same basis based on revised carrying amount.	As per FID circular No. 03, dated 03 May 2006, once an investment on leases, loans and advances is termed as "Special Mention Account (SMA)", interest income from such investments are not allowed to be recognized as income, rather the respective amount needs to be credited as a liability account like: Interest suspense account.	As at 31 December 2021, in Financial Statements interest suspense account was BDT 656.97 million whereas last year was Taka 421.23 million. This amount has been shown in other liabilities
4	Presentation of cash and cash equivalent	IAS 7 Statement of Cash Flows	Cash equivalent are short term, highly liquid investments that are readily convertible to known amounts of cash and only include those investments which are for a short tenure like: 3 months or less period. In the light of above, balance with Bangladesh Bank and fixed term deposits should be treated as investment asset rather than cash equivalent as it is illiquid asset and not available for use in day to day operations.	Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all banks and NBFIs. The templates of financial statements provided detail presentation for statement of cash flows.	Financial Statements for 2021 and corresponding year 2020 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.
5	Measurement of deferred tax asset	IAS 12 Income Tax	A deferred tax asset shall be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.	As per DFIM circular No. 7, dated 31 July 2011, no deferred tax asset can be recognized for any deductible temporary difference against lease, loans and advances.	During this year there is no impact in the financial statements due to this departure as the Company did not consider any deductible temporary difference against leases, loans and advances.
6	Presentation and disclosure of Financial Statements and Financial Instruments	IAS 1 "Presentation of Financial Statements" IFRS 9 "Financial Instruments" & IFRS 7 "Financial Instruments: Disclosure"	Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement. IAS 1 requires separate line item for intangible assets on the face of statement of financial position. IFRS 7 requires specific presentation and disclosure relating to all financial instruments.	Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all banks and NBFIs. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of Other Comprehensive Income allowed to include in a Single Comprehensive Income Statement.	Financial Statements of 2021 and corresponding year 2020 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.



				<p>Intangibles assets are not separately presented on the face of statement of financial position; rather it is presented along with the line item of fixed assets.</p> <p>As per Bangladesh Bank guidelines, financial instruments are categorized, recognized and measured differently from those prescribed in IFRS-9. As such some disclosure and presentation requirements of IFRS 7 has not been made in the accounts.</p>	
7	Preparation of Statement of Cash Flows	IAS 7 Statement of Cash Flows	The Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.	As per DFIM Circular No. 11, dated 23 December 2009, Cash flow statement has been guided by the Bangladesh Bank which is the mixture of direct and indirect method.	Financial Statements of 2021 and corresponding year 2020 have been prepared as per guideline (DFIM Circular No. 11 dated 23 December 2009) of Bangladesh Bank.
8	Current/Non-current distinction	IAS-1 Presentation of Financial Statement	As per Para 60 of IAS-1 "Presentation of Financial statement" An entity shall present current and non-current assets and current and non-current liabilities as separate classification in its statement of financial position.	As per DFIM Circular No. 11, dated 23 December 2009, Bangladesh Bank has issued templates for financial statements which is applicable for all the Financial Institutions. In this templates there is no current and non-current segmentation of assets and liabilities	Financial Statements of 2021 and corresponding year 2020 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. Moreover, the liquidity statement shows the aging profile of all financial assets and liabilities from where current/non-current portion of assets and liabilities can be obtained.
9	Off-balance sheet items	IAS 1 Presentation of Financial Statements	There is no concept of off-balance sheet items in any IFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.	As per DFIM Circular No. 11, dated 23 December 2009, off-balance sheet items (e.g. letter of credit, letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.	Financial Statements of 2021 and corresponding year 2020 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.



10	Impairment of Margin Loan (Loans and receivables)	IFRS 9 Financial Instruments	Measurement after initial recognition at amortized cost and recording of changes through profit and loss.	As per Bangladesh Securities and Exchange Commission (BSEC) Circular No. SEC/CMRRCD/2009-193/196 dated 28 December 2016, provisions for the year 2016 on impairment of principal portion of margin loan may be kept at 20% on each quarter for the five quarters starting from December 2016.	There is no such impact for this. However, we have been maintaining provision for unrealized loss (if any) of margin loan in the portfolio at higher rate than the requirement.
11	Complete set of financial statements	IAS 1 Presentation of Financial Statements	As per IAS 1: "Presentation of Financial Statements" complete set of financial statements are i) statement of financial position, ii) statement of profit or loss and other comprehensive income, iii) statement of changes in equity, iv) statement of cash flows, v) notes, comprising significant accounting policies and other explanatory information and vi) statement of financial position at the beginning of preceding period for retrospective restatement.	As per DFIM Circular No. 11, dated 23 December 2009, complete set of financial statements are i) balance sheet, ii) profit and loss account, iii) statement of cash flows, iv) statement of changes in equity, v) statement of liquidity, vi) notes, comprising significant accounting policies and other explanatory information.	Financial Statements of 2021 and corresponding year 2020 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.  There is no financial impact for this departure in the financial statements.
12	Intangible asset	IAS 1 Presentation of Financial Statements	As per IAS 1: "Presentation of Financial Statements" para 54: the statement of financial position shall include separate line item for intangible assets.	As per DFIM Circular No. 11, dated 23 December 2009, there is no option for separate line item for intangible asset in the balance sheet. However, we present intangible asset in the balance sheet as part of fixed assets and provide details in annexure-A as separate line item.	Financial Statements for 2021 and corresponding year 2020 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.

13	Other comprehensive income	IAS 1 Presentation of Financial Statements	As per IAS 1: "Presentation of Financial Statements" Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single OCI statement.	Bangladesh Bank has issued templates for financial statements which will strictly be followed by financial institutions. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of OCI allowed to be included in a single OCI statement. As such the financial institution does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.	Financial Statements of 2021 and corresponding year 2020 have been prepared as per the guideline and templates issued by Bangladesh Bank.  There is no financial impact for this departure in the financial statements.
14	Disclosure of presentation of profit	N/A	There is no requirement to show appropriation of profit in the face of statement of comprehensive income.	As per DFIM circular no 11, dated 23 December 2009, an appropriation of profit should be disclosed in the face of profit and loss account	Financial Statements of 2021 and corresponding year 2020 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.

#### 2.01.02 Investments in shares and securities

As per requirements of IFRS-9 'Financial Instruments: Recognition and Measurement' investments in shares and securities generally falls either under "Amortised cost", "at fair value through Profit and Loss Account" or under "FVOCI (Fair Value through Other Comprehensive Income)" where any change in the fair value at the year-end is taken to Profit and Loss Account or Revaluation Reserve Account respectively.

Bangladesh Bank:

As per FID circular No. 08 dated 03 August 2002 & DFIM circular No. 02 dated 31 January 2012 of Bangladesh Bank investment in marketable ordinary shares has been shown at cost, on an aggregate portfolio basis. Investment in non-marketable shares also has been valued at cost. Provision should be made for any loss arising from diminution in value of investments.

Relevant disclosure on departure has been presented in the note -2.01.01(2)

#### 2.01.03 Provision on loans and advances

As per IFRS-9 'Financial Instruments' an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets which are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

Bangladesh Bank:

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

Relevant disclosure on departure has been presented in the note -2.01.01(1)

#### 2.01.04 Financial Instruments - presentation and disclosure

In several cases Bangladesh Bank guidelines categories, recognize, measure and present financial instruments differently from those prescribed in IFRS-9. As such some disclosure and presentation requirements of IFRS 7 'Financial Instruments: Disclosures' cannot be made in the accounts.

Relevant disclosure on departure has been presented in the note -2.01.01(6)

#### 2.01.05 Financial guarantees

As per IFRS-9 financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognized initially at their fair value, and the initial fair value is amortized over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

Bangladesh Bank:

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

#### 2.01.06 Cash and cash equivalents

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

Bangladesh Bank:

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

#### 2.01.07 Non-Banking assets

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

#### 2.01.08 Statement of cash flows

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

Bangladesh Bank:

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

#### 2.01.09 Balance with Bangladesh Bank (CRR)

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

Bangladesh Bank:

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

#### 2.01.10 Off-balance sheet items

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

Bangladesh Bank:

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



#### 2.01.11 Disclosure of appropriation of profit

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

Bangladesh Bank:

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

#### 2.01.12 Other comprehensive income

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

Bangladesh Bank:

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

Relevant disclosure on departure has been presented in the note -2.01.01(13)

#### 2.01.13 Loans and advance net of provision

Loans and advances should be presented as net of provisions.

Bangladesh Bank:

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

[Also refer to Note-2.17 Compliance of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs)]

Relevant disclosure on departure has been presented in the note -2.01.01(1)

#### 2.02 Basis of consolidation

The financial statements of the company and its subsidiaries have been consolidated in accordance with International Financial Reporting Standards 10 'Consolidated Financial Statements'.

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

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

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

#### 2.03 Integral components of financial statements

The Financial Statements of the Company comprise of (As per DFIM Circular No. 11 dated 23 December 2009) the following components:

1. Consolidated and Separated balance sheet as at December 31, 2021;
2. Consolidated and Separated Profit and Loss A/C for the year ended December 31, 2021;
3. Consolidated and Separated statement of Cash Flows for the year ended December 31, 2021;
4. Consolidated and Separated Statement of Changes in Equity for the year ended December 31, 2021;
5. Liquidity Statement as at December 31, 2021 &
6. Notes to the Consolidated and Separated Financial Statements for the year ended December 31, 2021.

#### 2.04 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 International Accounting Standard (IAS) No. 37 'Provisions, Contingent Liabilities and Contingent Assets' when:

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

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

#### 2.05 Statement of cash flows

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

#### 2.06 Consistency

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

#### 2.07 Reporting period

These Financial Statements cover one calendar year from 01 January to 31 December 2021.

#### 2.08 Presentation currencies

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

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

The Company has 7 (seven) branches including head office (principal branch) so far as on 31 December 2021. Books of Accounts of the branches are maintained at the Head Office of the Company.

#### 2.10 Assets and basis of their valuation

##### 2.10.01 Cash and cash equivalents

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

##### 2.10.02 Investment in securities

Investment in marketable ordinary shares as well as investment in non-marketable shares have been shown at cost. Adequate provision for diminution in value of shares has been made as per Bangladesh Bank guidelines. Market value of securities has been determined on the basis of the value of securities at the last trading day of the period (last trading day for the year was 30 December 2020).

##### 2.10.03 Loans, advances and provisions

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

**a) Interest on loans and advances**

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

**b) Provision for loans and advances**

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

**c) Presentation of loans and advances**

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

**d) Write off loans and advances**

As per FID Circular No. 03 dated 15 March 2007 & DFIM Circular No. 02 dated 01 April 2019 loans and advances/investments should be written off. These written off however will not undermine/affect the claim amount against the borrower. Detailed memorandum records for all such written off accounts are meticulously maintained and followed up.

**e) Securities against loan**

**Lease Assets:** Assets under the lease agreement is taken as security against lease.

**Term Finance:** Land, building, machineries and relevant assets are tried to be taken as security.

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

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

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

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

**2.10.04 Property, plant and equipment**

**2.10.04.01 Owned assets**

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

**2.10.04.02 Leased assets**

Leasehold assets are accounted for as Finance Lease and capitalized at the inception of the lease at the fair value of the leased property or at the present value of the minimum lease payments, whichever is lower as per International Accounting Standard-17 & IFRS-16 'Leases'. The corresponding obligation under the lease is accounted for as Liability.



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

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

#### 2.10.04.04 Depreciation on property, plant & equipment

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

Sl.	Category of Fixed assets	Rate of Depreciation
1	Motor vehicles	20%
2	Furniture & fixtures	10%
3	Office equipment	18%
4	Right-of-use Assets	Lease term

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

#### 2.10.04.05 Intangible assets

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

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

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

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

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

#### 2.10.04.06 Other assets

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

#### 2.10.04.07 Non-banking assets

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

#### 2.10.04.08 Right-of- use assets (IFRS-16)

IIDFC recognises a right of use asset and a lease liability from the beginning of 2020. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is depreciated using the straight line methods from the commencement date (from the beginning of 2020) to the earlier of the end of the useful life of the right of use asset or the end of the lease term. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.



The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date (from the beginning of 2020), discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, IIDFC's incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in IIDFC's estimate of the amount expected to be payable under a residual value guarantee, or if IIDFC changes its assessment of whether it will exercise purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right to use asset, or is recorded in profit or loss if the carrying amount of the right to use asset has been reduced to zero.

## **2.11 Basis for valuation of liabilities and provisions**

### **2.11.01 Provision for tax**

#### **a. Current tax**

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

#### **b. Deferred tax**

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

### **2.11.02 Employees' benefit obligation**

#### **Defined contribution plan**

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

#### **Defined benefit plan**

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

#### **Other benefit program for employees**

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

### **2.12 Write-off**

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

## **2.13 Capital and shareholders' equity**

### **2.13.01 Capital management**

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

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



#### 2.13.02 Paid-up capital

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

#### 2.13.03 Statutory reserve

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

#### 2.13.04 Dividends on ordinary shares

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

#### 2.14 Contingent liabilities and contingent assets

A contingent liability is –

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

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

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

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

#### 2.15 Materiality, aggregation and off setting

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

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

#### 2.16 Revenue recognition

Revenue is only recognised when it meets the following five steps model framework.

- a) identify the contract (s) with a customers;
- b) identify the performance obligations in the contract;
- c) determine the transaction price;
- d) allocate the transaction price to the performance obligations in the contract;
- e) recognise revenue when (or as) the entity satisfies a performance obligation.

Interest income from loans and other sources is recognised on an accrual basis of accounting.

##### 2.16.01 lease income

Finance lease income is allocated over the lease term on a systematic and rational basis. This income allocation is based on a pattern reflecting a constant periodic return on net investment in the finance lease. The unearned lease income is recognised on instalment date as revenue on an accrual basis over the terms of the lease. However, lease income is not recognised if capital or interest receivable is in arrears for more than three months.

##### 2.16.02 Income from direct finance

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



#### Interest on real estate finance

Interest on real estate finance is recognised as revenue on an accrual basis and no interest on real estate finance is accounted for as revenue where any portion of capital or interest is in arrear for more than nine months.

#### Interest on term loans and short term finance

Interest on term loan and short term finance is recognised as revenue on an accrual basis and interest income on term loan is not recognised where any portion of interest is in arrear for more than three months.

#### 2.16.03 Income from structured finance

Income from structured finance is recognized as and when received.

#### 2.16.04 Income from treasury operations

Incomes from treasury operations are recognized on accrual basis.

#### 2.16.05 Dividend income

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

#### 2.16.06 Other operating 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;
- e. Miscellaneous receipts;

#### f. Portfolio management fee

Portfolio management fees are recognised on the market value of the clients' portfolio on monthly basis and charged to client's balance on quarterly basis.

#### g. Issue management & Corporate advisory fee

Issue management and corporate advisory fees are recognised according to the stage of completion of services as agreed and defined in issue management and corporate advisory agreement between company and clients.

#### h. Brokerage commission

Brokerage commission is recognised as income when selling or buying order is signed and trade is executed.

#### i. Profit or loss on sale of securities and

Profit or loss arising from the sale of securities is accounted for only when the securities are sold/offloaded.

#### j. Fee based revenues

Fees on services rendered by the company are recognised as and when services are rendered.

#### 2.17 Interest accrual on loans and leases

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

#### 2.18 Earnings per share

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

Diluted Earnings per share is not applicable for the year as there is no scope for dilution during the year 2021.

## 2.19 Presentation of operating segments

The segment reporting of IIDFC as per IFRS 8 has been presented in Note -40 named "Operating Segment Report" as on reporting date.

## 2.20 Contingent assets & liabilities

### Contingent Assets:

A contingent asset is possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are never recognized, rather they are disclosed in the financial statements when they arise.

### Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or the Group has a present obligation as a result of past events but is not recognized because it is not likely that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated. Contingent liabilities normally comprise legal claims under arbitration or court process in respect of which a liability is not likely to occur.

## 2.21 Liquidity statements

As per DFIM circular No. 09 dated 20 October 2015 & DFIM circular No. 21 dated 20 December 2011 the liquidity statement has been prepared in accordance with remaining maturity grouping of Assets and Liabilities as of the close of the reporting period as per following bases:

- Balance with other company and financial institutions are on the basis of their maturity term;
- Investments are on the basis of their residual maturity term;
- Loans and Advances are on the basis of their repayment /maturity schedule;
- Property, plant and equipment are on the basis of their useful lives;
- Other assets are on the basis of their adjustments terms;
- Borrowings from other company 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 behavioural trends &
- Other liabilities are on the basis of their settlement terms.

## 2.22 Events after the reporting period

Events after the reporting period requires additional disclosures or adjustments based on material information about the company. As per International Accounting Standards IAS-10: 'Events after the reporting period' the events after the reporting date are reflected in the financial statements" note no. 44 .

## 2.23 Going concern

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

## 2.24 Compliance report on International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS)

In addition to compliance with local regulatory requirements, in preparing the Consolidated Financial Statements and Separate Financial Statements, IIDFC applied following IAS and IFRS:

Name of the IAS	IAS No.	Status
Presentation of Financial Statements	1	Applied *
Inventories	2	N/A
Statements of Cash Flow	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Reporting Period	10	Applied
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Employee Benefits	19	Applied

Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A
Separate Financial Statements	27	Applied
Investment in Associates and Joint Ventures	28	N/A
Financial Reporting in Hyperinflationary Economics	29	N/A
Interests in Joint Ventures	31	N/A
Earnings Per Share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Investment Property	40	N/A
Agriculture	41	N/A

Name of the IFRS	IFRS No	Status
Share Based payment	2	N/A
Business combination	3	N/A
Insurance Contracts	4	N/A
Non-current assets held for sale and discontinued operation	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	Applied *
Operating Segments	8	Applied
Financial Instruments	9	Applied *
Consolidated Financial Statements	10	Applied
Joint Arrangement	11	N/A
Disclosure of Interest in Other Entities	12	N/A
Fair Value Measurement	13	Applied *
Revenue from Contracts with customers	15	Applied
Leases	16	Applied

N/A= Not applicable

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

## 2.25 Capital adequacy and market discipline

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

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

### Pillar – I: Minimum capital requirement

#### Credit Risk

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



#### Market risk

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

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

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

#### 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.

#### 2.26 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

#### 2.27 Financial risk management

IIDFC always concentrates on delivering high value to its stakeholders through appropriate trade-off between risk and return. A well structured and proactive risk management system is in place within the Company to address risks relating to credit, market, liquidity, operations and money laundering and terrorist financing. In addition to the industry best practices for assessing, identifying and measuring risks, IIDFC also considers guidelines for managing core risks of financial institutions issued by the Country's Central Bank, Bangladesh Bank, vide FID Circular No. 10 dated 18 September 2005 for management of risks and, more recently, DFIM Circular No. 03 dated 24 January 2016.

#### Credit Risk

To encounter and mitigate credit risk the company employed multilayer approval process, policy for maximum exposure limit of sector or groups, policy for customers' assets maximum exposure limit, mandatory search for credit report from Credit Information Bureau, looking into payment performance of customer before financing, annual review of clients, adequate insurance coverage for funded assets, vigorous monitoring and follow up by Special Assets Management Team, strong follow up of compliance of credit policies by Internal Control and Compliance Department (ICCD), taking collateral, seeking external legal opinion, maintaining neutrality in politics and following arm's length approach in related party transactions, regular review of market situation and industry exposure etc.

The Credit Appraisal Committee (CAC) regularly meets to review the market and credit risk related to lending and recommend and implement appropriate measures to counter associated risks. The CAC critically reviews projects from risk point of view. An independent Credit Risk Management Department is in place, at IPDC, to scrutinize projects from a risk-weighted point of view and assist the management in creating a high quality credit portfolio and maximize returns from risk assets.

#### Market Risk

The Asset Liability Committee (ALCO) of the Company regularly meets to assess the changes in interest rate, market conditions, carry out asset liability maturity gap analysis, re-pricing of products and thereby takes effective measures to monitor and control interest rate risk. IIDFC has also strong access to money market and credit lines at a competitive rate through good reputation, strong earnings, financial strength and credit rating.

#### Liquidity Risk

Liquidity requirements are managed on a day-to-day basis by the Treasury Division which is responsible for ensuring that sufficient funds are available to meet short term obligations, even in a crisis scenario, and for maintaining a diversity of funding sources. Treasury Division maintains liquidity based on historical requirements, anticipated funding requirements from operation, current liquidity position, collections from financing, available sources of funds and risks and returns.

#### Operational Risk

Appropriate internal control measures are in place, at IIDFC, to address operational risks. IIDFC has also established an Operational Risk Management (ORM) to address operational risk and to frame and implement policies to encounter such risks. This department assesses operational risk across the Company as a whole and ensures that an appropriate framework exists to identify, assess and manage operational risk. The function of the ORM department is to exercise constant vigilance against erosion of Shareholders' value by identifying, assessing, measuring and managing operational risk resulting from inadequate or failed internal processes, people and systems or from external events.

#### Money Laundering and Terrorist Financing Risk

In IIDFC, money laundering and terrorist financing risk takes two broad dimensions:

- (a). Business risk which is the risk that IIDFC may be used for money laundering or for the financing of terrorism and
- (b). Regulatory risk which is the risk that IIDFC fails to meet regulatory obligations under the Money Laundering Prevention Act, 2012 (subsequently amended in 2015) and the Anti-Terrorism Act, 2009 (subsequently amended in 2012 and 2013).

To mitigate the risks, IIDFC, while adhering to various guidelines and circulars issued by the Bangladesh Financial Intelligence Unit (BFIU), has in place a strict compliance program consisting of the following components:

- (a). Internal policies, procedures and controls, which are continually updated as and when required, to identify and report instances of money laundering and terrorism financing;
- (b). A dedicated structure and sub-structure within the organisation, headed by a Central Compliance Unit (CCU), for proactively managing AML and CFT compliance;
- (c). Appointment of an AML/CFT Compliance Officer, known as the Chief Anti Money Laundering Officer (CAMILCO), to lead the CCU;
- (d). Independent audit functions, including internal and external audit, to test the programs;
- (e). Ongoing employee training programs.

#### Additional risks required to be addressed under regulatory requirements

DFIM Circular No.03 of 2016, introduced the Integrated Risk Management Guidelines for Financial Institutions ("the guidelines"). These guidelines supplement, and do not replace, existing risk management guidelines.

The Integrated Risk Management Guidelines for Financial Institutions specify a number of additional risks that financial institutions are now required to manage in a more structured manner. Key among these are





#### Strategic Risk

Strategic risk has been defined as the risk of possible losses that might arise from adverse business decisions, substandard execution and failure to respond properly to changes in the business environment. The guidelines set out the respective roles of the board of the directors, senior management and business units in managing strategic risks, identify the minimum steps to be followed in the strategic risk management process and also suggest measures for strategic risk control.

IIDFC has been managing strategic risks ever since its inception. This is evident from the constantly evolving business model of the company over the years. The company has a clear strategic vision as to what it wants to be and a mission statement that states what it will do to achieve its vision. Strategic issues are discussed at a variety of forums including meetings of the Management Committee and of the IIDFC Board. Over the past few years, a separate Strategic Planning department has been set up to assist senior management in this regard. The culmination of all these efforts are reflected in annual Strategy and Budget sessions, where the company sets out its plans for the next year. With the introduction of the new guidelines, more changes will be made to the strategic risk management process as and when required.

#### Compliance Risk

Compliance risk is defined as the current or prospective risk of legal sanction and/or material financial loss that an organisation may suffer as a result of its failure to comply with laws, its own regulations, code of conduct, and standards of best practice as well as from the possibility of incorrect interpretation of laws or regulations. The guidelines set out the respective roles of the board, senior management and compliance function units in managing compliance risks and also require formulation of a written compliance risk management policy.

Historically, IIDFC has always fostered a compliance oriented culture. This has been reinforced in a variety of ways, ranging from formal requirements to sign declarations of compliance with the IIDFC code of conduct (which requires compliance with the law & regulations) to repeated communications from senior management stressing the need to do business in a compliant manner. In general, compliance risk management is embedded in the day to day business processes and practices of the company. Concerned departments are kept informed of latest legal and regulatory requirements by the ICC and Corporate Affairs departments. A consideration of compliance (or any potential non-compliance) with laws and regulations is a standard part of the company's regular decision making processes. Wherever deemed necessary, appropriate legal advice is sought from qualified internal and/or external legal counsel.

#### Reputation Risk

Reputation risk may be defined as the risk of loss arising from damages to an organization's reputation. The guidelines set out the respective roles of the Board and senior management in managing reputation risk and also require financial institutions to implement a sound and comprehensive risk management process to identify, monitor, control and report all reputational risks.

IIDFC has already established a set of non-financial reputational risk indicators and put in place a process for monitoring these and any other matters that might give rise to potential reputational risk issues. Till date, no material reputational risk issue involving the company has been identified.

#### Environmental & Social Risk

As the best financial brand in promoting sustainable business practices, IIDFC have adopted Environmental & Social Risk Management System as one of its integral parts of Credit Risk Assessment to compute environmental & social risks from our financial footprints. IIDFC is one of the front runners to add "Environmental & Social Management System (ESMS)" within its framework, a global standard to minimize environmental & social risks from the organizational activities.



	2021	2020
	BDT	BDT
<b>3 Cash</b>		
Cash in hand (Note 3.1)	12,622	4,597
Balance with Bangladesh Bank and its agent bank (Note 3.2)	92,694,427	112,172,320
<b>Total</b>	<b>92,707,049</b>	<b>112,176,917</b>

### 3.1 Cash in hand

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

### 3.2 Balance with Bangladesh Bank

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

### 3.3 Cash Reserve Requirement (CRR)

Cash Reserve Requirement and Statutory Liquidity Reserve have been calculated and maintained in accordance with Financial Institutions Act, 1993 & Financial Institutions Regulations, 1994, FID Circular No. 06, dated 06 November 2003, FID Circular No. 02 dated 10 November 2004, DFIM Circular Letter No. 01, dated 12 January 2017 and DFIM Circular Letter No. 03, dated 21 June 2020.

CRR has been calculated at the rate of 1.50% on Total Term Deposits which is preserved in current account maintained with Bangladesh Bank in compliance with FID circular no. 6 dated 6th November, 2003, FID Circular No. 02 dated 10th November, 2004 and DFIM Circular Letter No. 03, dated 21 June 2020. 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	91,815,303	84,306,010
Actual reserve held	92,694,427	112,172,320
<b>Surplus / (Deficit)</b>	<b>879,123</b>	<b>27,866,310</b>

### 3.4 Statutory Liquidity Reserve (SLR)

SLR has been calculated at the rate of 5.00% of total demand and time liabilities, including CRR of 1.50% on Total Term Deposits. SLR is maintained in liquid assets in the form of Cash in Hand, balance with Bangladesh Bank, balance with other Banks & Financial Institutions, unencumbered Treasury Bills, Prize Bond, Savings Certificates & any other assets approved by Bangladesh Bank.

Required reserve	349,790,266	328,355,640
Actual reserve held (Note-3.4.1)	371,426,074	369,924,336
<b>Surplus / (Deficit)</b>	<b>21,635,807</b>	<b>41,568,696</b>

#### 3.4.1 Actual Reserve held for SLR

Cash in hand	12,622	4,597
Balance with Bangladesh Bank and its agent bank(s)	92,694,427	112,172,320
Balance with other banks and financial institutions (Note-3.4.1.1)	278,719,025	257,747,419
<b>Total</b>	<b>371,426,074</b>	<b>369,924,336</b>

#### 3.4.1.1 Balance with other banks and financial institutions (SLR)

NRB Commercial Bank Ltd.	45,000,000	-
Social Islami Bank Ltd.	75,696,172	21,818,000
Standard Bank Limited	-	55,929,419
Union Capital Limited	51,352,853	-
Union Bank Ltd.	106,670,000	180,000,000
<b>Total</b>	<b>278,719,025</b>	<b>257,747,419</b>



**3.a Consolidated cash**

IIDFCL
IIDFC Securities Limited
IIDFC Capital Limited
<b>Sub-Total</b>
Balance with Bangladesh Bank and its agent bank(s) (Note-3)
<b>Total</b>

2021	2020
BDT	BDT
12,622	4,597
27,976	35,401
11,668	25,178
<b>52,266</b>	<b>65,176</b>
<b>92,694,427</b>	<b>112,172,320</b>
<b>92,746,693</b>	<b>112,237,496</b>

**4 Balance with other Banks and Financial Institutions**

*Inside Bangladesh*

**Current Accounts:**

National Credit & Commerce Bank Ltd.
Social Islami Bank Ltd.
Uttara Bank Ltd.
Midland Bank
Trust Bank Ltd.

1,569	2,822
128	128
22	-
500	845
5,104	7,395
<b>7,322</b>	<b>11,190</b>

**Total**

**Short-Term Deposit Accounts**

Southeast Bank Ltd.
Social Islami Bank Ltd.
Bank Asia Ltd.
AB Bank Ltd.
The City Bank Ltd.
Janata Bank Ltd.
Pubali Bank Ltd.
ONE Bank Ltd.

2,606,024	1,771,278
16,625,253	223,550
20,958,675	41,285,337
3,057	3,057
2,383	2,383
4	4
9,025	10,433
-	27,127
<b>40,204,421</b>	<b>43,323,169</b>

**Total**

**Fixed Deposits Receipts (FDR Placement)**

Bangladesh Commerce Bank Ltd.
BRAC Bank EPL
NRB Commercial Bank Ltd.
Union Bank Limited
Union Capital Limited
Standard Bank Limited
Social Islami Bank Ltd.
<b>Total</b>

-	10,000,000
-	70,000,000
45,000,000	49,357,177
106,670,000	322,028,956
51,352,853	44,126,833
-	55,929,420
75,696,172	71,818,000
<b>278,719,026</b>	<b>623,260,386</b>

**Sub Total**

<b>318,930,769</b>	<b>666,594,745</b>
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*Outside Bangladesh*

**Grand Total**

<b>318,930,769</b>	<b>666,594,745</b>
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**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
<b>Total</b>

121,152,227	253,219,338
90,887,927	189,964,158
76,271,407	159,414,280
30,619,207	63,996,969
-	-
<b>318,930,768</b>	<b>666,594,745</b>



**4.a Consolidated Balance with other Banks and Financial Institutions**

IIDFCL
IIDFC Securities Limited (Note-4.a.1)
IIDFC Capital Limited (Note-4.a.2)
<b>Total</b>

2021	2020
BDT	BDT
318,930,769	666,594,745
217,652,021	132,153,222
9,502,742	17,901,270
<b>546,085,531</b>	<b>816,649,237</b>

**4.a.1 IIDFC Securities Limited**

Southeast Bank Ltd.
NCC Bank Ltd.
IIDFC Ltd.
One Bank Ltd.
Mercantile Bank Ltd.
<b>Total</b>

1,330,157	188,250
1,405	1,954
-	-
154,536,053	131,963,018
61,784,406	-
<b>217,652,021</b>	<b>132,153,222</b>

**4.a.2 IIDFC Capital Limited**

Southeast Bank Ltd.
ONE Bank Ltd.
Bangladesh Commerce Bank Ltd.
<b>Total</b>

2,848,447	2,992,959
6,654,295	14,908,311
-	-
<b>9,502,742</b>	<b>17,901,270</b>

**5 Money at Call and Short Notice Banks**  
Non-Bank Financial Institutions  
**Total**

-	-
-	-
<b>-</b>	<b>-</b>

**6 Investments**

<b>Government Securities</b>
Treasury Bill
National Investment Bond
Bangladesh Bank Bill
Government Notes/ Bond
Prize Bond
Others
<b>Sub Total</b>

-	-
-	-
-	-
-	-
-	-
-	-
-	-
<b>-</b>	<b>-</b>

**Other Investments**

Preference Shares
Debenture and Bond (Note-6.1)
Investments in Shares (Note-6.2)
Investments IPO (Note-6.3)
Gold etc.
<b>Sub Total</b>

-	-
70,183,544	58,000,000
597,706,237	607,328,034
7,683,930	12,499,500
-	-
<b>675,573,711</b>	<b>677,827,534</b>

**Total Investments**

<b>675,573,711</b>	<b>677,827,534</b>
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**6.1 Debenture and Bond**

Investment in Debenture and Bond includes investment in the Bond of Golden Harvest Agro Industries Limited.

<b>Opening Balance</b>
Add: Addition/ adjustment during the year
Less: Adjustment during the year
<b>Closing Balance</b>

58,000,000	54,750,000
12,683,544	4,250,000
500,000	1,000,000
<b>70,183,544</b>	<b>58,000,000</b>



## 6.2 Investments in Shares

### Quoted Shares

Bank Company
Non-Banking Company
Insurance Company
Mutual Fund
Other Company
<b>Total</b>

### Un-quoted Shares

MTB Unit Fund
HIFAML Unit Fund
IDLC Growth Fund

### Total Investment in Shares

2021	2020
BDT	BDT
12,418,784	74,582,478
85,423,602	36,341,025
94,109,729	-
-	4,665,290
355,754,123	388,439,243
<b>547,706,237</b>	<b>504,028,036</b>
-	53,299,999
50,000,000	50,000,000
-	-
<b>50,000,000</b>	<b>103,299,999</b>
<b>597,706,237</b>	<b>607,328,034</b>

## 6.3 Investments IPO

Union Insurance, BD Thai Food & Beverage, Union Bank Limited
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7,683,930	12,499,500
<b>7,683,930</b>	<b>12,499,500</b>

## 6.4 Cost Price Vs Market Price of Quoted Investments

Bank Company
Non-Banking Company
Insurance Company
Other Company
<b>Total</b>

31st December 2021		
Cost Price (A)	Market Price (B)	Required Provision (C=A-B)
12,418,784	10,294,718	2,124,066
85,423,602	73,368,100	12,055,502
94,109,729	71,995,791	22,113,938
355,754,123	269,850,965	85,903,158
<b>547,706,237</b>	<b>425,509,573</b>	<b>122,196,664</b>

All investments in marketable securities are valued on an aggregate portfolio basis, at the lower of cost and market value as at 31st December 2021. At the end of the reporting year, total cost price of the listed securities was BDT. 547,706,237 where as the market price was BDT. 425,509,573 resulting a required provision of BDT.122,196,664

## 6.5 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
<b>Total</b>

238,596,289	237,891,288
154,384,493	153,928,320
178,587,379	182,309,691
104,005,550	103,698,235
-	-
<b>675,573,711</b>	<b>677,827,534</b>

## 6.a Consolidated Investments

IIDFCL
IIDFC Securities Limited (Note - 6.a.1)
IIDFC Capital Limited (Note - 6.a.2)
<b>Total</b>

675,573,711	677,827,534
268,164,661	301,440,583
115,356,700	90,535,179
<b>1,059,095,072</b>	<b>1,069,803,296</b>

### 6.a.1 Investment of IIDFC Securities Limited

#### Quoted Shares

Bank Company
Non-Banking Company
Insurance Company
Mutual Fund
Other Company
<b>Total</b>

#### Un-quoted Shares

ICB AMCL2NDNRB Unit Fund
Dhaka Stock Exchange Limited
<b>Total Investment in Shares</b>

57,062,186	88,072,267
17,685,202	17,768,411
22,795,963	16,602,567
13,250,000	5,705,402
127,512,790	143,433,416
<b>238,306,141</b>	<b>271,582,063</b>
998,100	998,100
28,860,420	28,860,420
<b>268,164,661</b>	<b>301,440,583</b>

6.a.1.1 Cost Price Vs Market Price of Quoted Investments

Bank Company
Non-Banking Company
Insurance Company
Mutual Fund
Other Company
<b>Total</b>

	2021 BDT	2020 BDT
<b>31st December 2021</b>		
Cost Price (A)	Market Price (B)	Required Provision (C=A-B)
57,062,186	49,891,095	7,171,091
17,685,202	15,034,818	2,650,384
22,795,963	16,954,473	5,841,490
13,250,000	11,440,000	1,810,000
127,512,790	102,254,640	25,258,150
<b>238,306,141</b>	<b>195,575,026</b>	<b>42,731,115</b>

6.a.2 Investment of IIFDC Capital Limited

Quoted Shares

Bank Company
Non-Banking Company
Insurance Company
Mutual Fund
Other Company
<b>Total</b>

5,085,738	559,047
611,132	21,579,921
50,918,388	1,754,199
19,727,311	612,135
39,014,131	66,029,877
<b>115,356,700</b>	<b>90,535,179</b>

Un-quoted Shares

Total Investment in Shares

-	-
<b>115,356,700</b>	<b>90,535,179</b>

6.a.2.1 Cost Price Vs Market Price of Quoted Investments

Bank Company
Non-Banking Company
Insurance Company
Mutual Fund
Other Company
<b>Total</b>

	31st December 2021	
Cost Price (A)	Market Price (B)	Required Provision (C=A-B)
5,085,738	4,225,000	860,738
611,132	496,000	115,132
50,918,388	40,071,500	10,846,888
19,727,311	12,750,000	6,977,311
39,014,131	25,685,907	13,328,224
<b>115,356,700</b>	<b>83,228,407</b>	<b>32,128,293</b>

7 Loans & Advances

Inside Bangladesh:

Lease Receivables
Advance for Lease Finance
<b>Total Lease Finance</b>
Direct/ Term Finance
Secured Overdraft
Bills Discounted and Purchased (Note-7.8)
<b>Total Other Finance</b>
<b>Sub Total (Note-7.1)</b>

13.04%	1,815,950,887	1,973,962,239
0.32%	44,339,980	64,339,980
<b>13.36%</b>	<b>1,860,290,867</b>	<b>2,038,302,219</b>
85.46%	11,901,504,367	13,102,404,783
0.35%	48,128,571	33,047,599
0.83%	116,170,351	98,616,851
<b>86.64%</b>	<b>12,065,803,290</b>	<b>13,234,069,233</b>
<b>100.00%</b>	<b>13,926,094,156</b>	<b>15,272,371,452</b>

Outside Bangladesh:

Gross Lease Receivables
Less: Unearned Lease Income
Net Investment
Advance for Lease Finance
Direct/ Term Finance
Secured Overdraft
Factoring Finance
Margin Loan
<b>Sub Total</b>

-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<b>100.00%</b>	<b>13,926,094,156</b>	<b>15,272,371,452</b>

### 7.1 Details of Loans & Advances

#### Lease Finance

Corporate Clients

Small & Medium Enterprises (SME)

#### Sub Total

#### Direct / term finance

Syndication Finance

Corporate clients

Small & Medium Enterprises (SME)

Home Loan

Bills Discounted and Purchased

Secured Overdraft

Employee Loan

#### Sub Total

#### Grand Total

	2021 BDT	2020 BDT
Corporate Clients	6.28%	875,010,681
Small & Medium Enterprises (SME)	7.08%	985,280,185
<b>Sub Total</b>	<b>13.36%</b>	<b>1,860,290,867</b>
<b>2,038,302,220</b>		
Syndication Finance	19.95%	2,778,220,883
Corporate clients	35.22%	4,904,759,126
Small & Medium Enterprises (SME)	27.16%	3,782,689,875
Home Loan	2.95%	411,314,374
Bills Discounted and Purchased	0.83%	116,170,351
Secured Overdraft	0.35%	48,128,571
Employee Loan	0.18%	24,520,109
<b>Sub Total</b>	<b>86.64%</b>	<b>12,065,803,290</b>
<b>13,234,069,232</b>		
<b>Grand Total</b>	<b>100%</b>	<b>13,926,094,156</b>
<b>15,272,371,452</b>		

### 7.2 Maturity grouping of loans & advances

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

On demand	1,274,582,533	1,211,365,840
Less than 3 months	3,515,397,055	3,635,906,433
More than 3 months but less than 1 year	4,984,098,826	5,652,361,020
More than 1 year but less than 5 years	3,014,785,141	3,525,568,064
Above 5 years	1,137,230,601	1,247,170,094
<b>Total</b>	<b>13,926,094,156</b>	<b>15,272,371,452</b>

### 7.3 Sector/ Industry-wise Loans & Advances

Agricultural sector

Industrial sector:

Textiles

Garments

Jutes & jute related goods

Food items producer/processing industry

Plastic industries

Lather and lather goods

Iron, steel and engineering

Chemicals and pharmaceuticals

Cement/ clinker and allied industries

Service sector (Hotel, hospital, clinic, tourism, etc.)

Paper, printing and packaging

Telecommunication and IT industries

Glass and ceramic industries

Shipping and ship building industries

Electronics and electrical goods

Power, gas, water and sanitary

Transport and communication

Real estate and housing

Merchant banking

Others

Total

Agricultural sector	4.22%	587,496,374	601,113,264
Industrial sector:			
Textiles	8.67%	1,206,853,877	1,327,092,003
Garments	13.98%	1,947,246,675	2,243,125,080
Jutes & jute related goods	4.15%	578,073,461	575,374,405
Food items producer/processing industry	3.17%	441,729,085	498,553,283
Plastic industries	4.57%	636,406,665	679,104,942
Lather and lather goods	0.42%	57,795,890	51,073,580
Iron, steel and engineering	5.32%	741,404,966	902,906,410
Chemicals and pharmaceuticals	2.69%	374,780,620	309,411,565
Cement/ clinker and allied industries	2.35%	327,830,265	340,596,412
Service sector (Hotel, hospital, clinic, tourism, etc.)	9.69%	1,349,190,068	209,621,580
Paper, printing and packaging	1.80%	250,601,115	261,989,554
Telecommunication and IT industries	8.23%	1,145,461,167	1,107,520,631
Glass and ceramic industries	0.96%	133,600,022	131,633,310
Shipping and ship building industries	0.00%	-	-
Electronics and electrical goods	4.93%	686,848,608	878,060,559
Power, gas, water and sanitary	2.23%	310,491,289	606,049,642
Transport and communication	3.80%	529,710,217	574,021,427
Real estate and housing	4.90%	682,759,389	789,602,774
Merchant banking	3.50%	486,806,244	1,014,518,068
Others	10.42%	1,451,008,159	2,171,002,962
<b>Total</b>	<b>100.00%</b>	<b>13,926,094,156</b>	<b>15,272,371,452</b>



7.4 Geographical Location-wise Loans & Advances

Inside Bangladesh

	2021 BDT	2020 BDT
Dhaka Division	83.10%	11,572,315,732
Chattogram Division	15.55%	2,165,029,857
Barisal Division	0.01%	1,223,486
Rajshahi Division	0.25%	35,359,350
Rangpur Division	0.00%	-
Sylhet Division	0.00%	-
Mymensingh Division	0.33%	45,287,032
Khulna Division	0.77%	106,878,699
Sub Total	100.00%	13,926,094,156

Outside Bangladesh

	-	-
Total	100.00%	13,926,094,156

7.5 Classification of Loans & advances as per Bangladesh Bank circular

Unclassified

	2021	2020	2021	2020
Standard	60.18%	69.39%	8,380,876,014	10,598,166,351
Special Mention Account (SMA)	4.31%	7.19%	600,496,514	1,098,019,622
Sub Total	64.49%	76.58%	8,981,372,528	11,696,185,972

Classified

Sub-standard (SS)	2.67%	0.13%	371,302,840	20,145,502
Doubtful (DF)	7.50%	1.23%	1,044,279,348	188,019,996
Bad/ Loss (BL)	25.34%	22.05%	3,529,139,440	3,368,019,982
Sub Total	35.51%	23.42%	4,944,721,628	3,576,185,480

Total	100%	100%	13,926,094,156	15,272,371,452
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7.6 Details of Large Loans & Advances

As per DFIM circular No.-10, dated 5 September, 2011, outstanding amount exceeding 15% of total capital of the company is treated as Large Loans & Advances. Total capital of the company was BDT 2,909,115,262 as on 31 December, 2021 whereas BDT 4,606,833,482 as on 31 December, 2020.

Number of Clients	8	13
Outstanding Amount	2,909,115,262	4,606,833,482
Classified Amount	517,927,692	360,621,264
Measures taken for recovery	-	-

7.7 Particulars of Loans & Advances

1. Loans & advances considered good in respect of which the company is fully secured	5,414,056,656	4,484,301,081
2. Loans & advances considered good against which the company holds no security others than the debtor's personal guarantee	5,053,192,715	6,817,519,964
3. Loans & advances considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	3,054,797,976	3,364,638,645
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 or firms in which the directors of the company have interest as directors, partners or managing agent or in case of private companies as members	379,526,700	573,761,125



	2021 BDT	2020 BDT
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	24,520,109	32,150,638
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	506,018,138	113,672,070
b. Amount of loans & advances written off	-	-
c. Amount of collection against written off loans & advances	-	-
d. Interest credited to interest suspense account	243,618,375	56,098,240
11. Loans & advances written off:		
a. Current year	13,930,004	69,770,310
b. Cumulative to date	612,998,979	599,068,975
c. Amount of written off loans for which law suits have been filed	612,998,979	599,068,975
<b>7.8 Bills Discounted and Purchased</b>		
Inside Bangladesh	116,170,351	98,616,851
Outside Bangladesh	-	-
<b>Total</b>	<b>116,170,351</b>	<b>98,616,851</b>
<b>7.9 Maturity grouping of Bills Discounted and Purchased</b>		
Within 1 month	1,419,500	1,205,011
Over 1 month but within 3 months	39,522,334	33,550,455
Over 3 months but within 6 months	27,602,965	23,432,119
Over 6 months	47,625,552	40,429,266
<b>Total</b>	<b>116,170,351</b>	<b>98,616,851</b>
<b>7.a Consolidated Loans &amp; Advances</b>		
IIDFCL	13,926,094,156	15,272,371,452
IIDFC Securities Limited ( Note-7.a.1)	1,727,851,763	1,764,165,093
IIDFC Capital Limited (Note-7.a.2)	622,779,125	630,480,180
	<b>16,276,725,044</b>	<b>17,667,016,725</b>
Less: Inter Company Loans & Advances		
IIDFC Securities Limited	379,526,729	573,761,153
IIDFC Capital Limited	-	-
	<b>379,526,729</b>	<b>573,761,153</b>
<b>Total</b>	<b>15,897,198,315</b>	<b>17,093,255,572</b>
<b>7.a.1 Loans &amp; Advance of IIDFC Securities Limited</b>		
Margin Loan	<b>1,727,851,763</b>	<b>1,764,165,093</b>
<b>7.a.2 Loans &amp; Advance of IIDFC Capital Limited</b>		
Margin loan	<b>622,779,125</b>	<b>630,480,180</b>



	2021 BDT	2020 BDT
<b>8 Fixed assets including premises, furniture &amp; fixtures etc.</b>		
<b>Own Finance</b>		
<b>A. Cost</b>		
Motor Vehicles	16,663,410	20,296,115
Furniture & Fixtures	34,318,048	34,276,248
Office Equipments	50,778,437	46,784,794
Right-of-use asset	60,618,988	60,618,988
<b>Total</b>	<b>162,378,883</b>	<b>161,976,145</b>
<b>B. Less: Accumulated Depreciation</b>		
Motor Vehicles	14,703,597	15,944,102
Furniture & Fixtures	20,080,910	17,663,959
Office Equipments	42,088,099	37,929,319
Right-of-use asset	35,789,010	17,894,505
<b>Total</b>	<b>112,661,616</b>	<b>89,431,885</b>
<b>C. Written Down Value at the end of the year (A-B)</b>	<b>49,717,267</b>	<b>72,544,260</b>
<b>Lease Finance</b>		
<b>D. Cost</b>		
Furniture & Fixtures	-	-
Office Equipments	-	-
Motor Vehicles	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>E. Less: Accumulated Depreciation</b>		
Furniture & Fixtures	-	-
Office Equipments	-	-
Motor Vehicles	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>F. Written Down value at the end of the year (D-E)</b>	<b>-</b>	<b>-</b>
<b>G. Total of premises, furniture &amp; fixtures etc. (C+F)</b>	<b>49,717,267</b>	<b>72,544,260</b>
<b>8.1 Intangible asset - computer software (Details in Annexure-1)</b>		
Cost	13,131,471	13,029,967
Add: Addition during the year	566,989	101,504
Less: Adjustment during the year	2,657,642	-
Less: Accumulated amortization	8,983,501	10,169,603
<b>H. Net book value at the end of the year</b>	<b>2,057,317</b>	<b>2,961,868</b>
<b>I. Grand total of Fixed assets including premises, furniture &amp; fixtures etc.(G+H)</b>	<b>51,774,584</b>	<b>75,506,128</b>
Details of Property, Plant & Equipments has been presented in Annexure-I		
<b>8.a Consolidated fixed assets including premises, furniture &amp; fixtures etc.(Details in Annexure-1.a)</b>		
IIDFCL	51,774,584	75,506,128
IIDFC Securities Limited (Note-8.a.1)	3,965,930	2,849,604
IIDFC Capital Limited (Note-8.a.2)	288,453	401,312
<b>Total</b>	<b>56,028,967</b>	<b>78,757,044</b>
<b>8.a.1 Fixed assets including premises, furniture &amp; fixtures etc. of IIDFC Securities Limited</b>		
<b>A. Cost</b>		
Motor vehicles	358,141	358,141
Furniture & fixtures	12,743,986	13,516,752
Office equipments	16,289,864	15,062,085
<b>Total</b>	<b>29,391,991</b>	<b>28,936,978</b>



	2021 BDT	2020 BDT
<b>B. Less: Accumulated depreciation</b>		
Motor vehicles	358,141	358,141
Furniture & fixtures	11,670,930	12,296,606
Office equipments	13,396,990	13,432,627
<b>Total</b>	<b>25,426,061</b>	<b>26,087,374</b>
<b>C. Written down value at the end of the year (A-B)</b>	<b>3,965,930</b>	<b>2,849,604</b>
<b>8.a.2 Fixed assets including premises, furniture &amp; fixtures etc. of IIDFC Capital Limited</b>		
<b>A. Cost</b>		
Motor vehicles	1,250,000	1,250,000
Furniture & fixtures	819,914	819,914
Office equipments	3,889,912	3,889,912
<b>Total</b>	<b>5,959,826</b>	<b>5,959,826</b>
<b>B. Less: Accumulated depreciation</b>		
Motor vehicles	1,249,994	1,249,994
Furniture & fixtures	819,896	819,896
Office equipments	3,601,493	3,488,634
<b>Total</b>	<b>5,671,383</b>	<b>5,558,524</b>
<b>C. Written down value at the end of the year (A-B)</b>	<b>288,443</b>	<b>401,302</b>
<b>8.1.a Consolidated intangible asset (Details in Annexure-1.a)</b>		
IIDFCL	2,057,317	2,961,868
IIDFC Securities Limited	-	-
IIDFC Capital Limited	10	10
	<b>2,057,327</b>	<b>2,961,878</b>
<b>9 Other assets</b>		
Investment in shares of subsidiary companies:		
In Bangladesh	1,534,862,970	1,534,862,970
Outside Bangladesh	-	-
Advance rent and advertisement	-	-
Interest accrued on investment, commissions and other receivables & branch adjustment	39,441,479	18,739,468
Security deposits	935,241	2,531,527
Preliminary expenses, renovation, development and prepaid expenses	2,252,415	2,830,367
Balance with BO account	11,029,742	2,702,601
Others (Note 9.1)	1,681,512,225	1,665,667,281
<b>Total</b>	<b>3,270,034,072</b>	<b>3,227,334,214</b>
<b>9.1 Others</b>		
Interest receivable	515,733,387	504,692,437
Deferred receivable	3,855,172	3,947,322
Advance for travelling	-	36,826
Deferred Tax (Note 9.1.1)	6,458,985	9,583,503
Advance for suppliers	6,330,000	5,284,889
Advance tax	683,559,627	671,376,121
Commission on bank guarantee	215,425	215,425
Others receivable	465,359,628	470,530,758
<b>Total</b>	<b>1,681,512,225</b>	<b>1,665,667,281</b>

**9.1.1 Deferred tax**

Deferred tax has been calculated based on deductible/taxable temporary difference arising due to difference in the carrying amount of the assets and its tax base in accordance with the provision of International Accounting Standard (IAS) 12: "Income Taxes".

**9.a Consolidated other assets**

IIDFCL  
IIDFC Securities Limited (Note-9.a.1)  
IIDFC Capital Limited (Note-9.a.2)

Less: Inter company investment  
IIDFC Securities Limited  
IIDFC Capital Limited

**Total**

**9.a.1 Other assets of IIDFC Securities Limited**

Cost of TREC holding  
Advance rent  
Stamp in hand  
Security deposits  
Advance tax  
Others  
**Total**

**9.a.2 Other assets of IIDFC Capital Limited**

License fee  
Receivable from brokerage houses  
Security deposits  
Advance tax  
Deferred tax assets  
Others  
**Total**

**10 Non-banking assets**

This represents assets owned under the 'Certificate of Ownership' given by the competent court under section 33(7) of Artha Rin Adalat Ain 2003.

**11 Borrowings from other banks, financial institutions & agents**

**Inside Bangladesh:**

Refinance against SME and other loans from Bangladesh Bank  
From other scheduled Banks (Note - 11.1)  
**Sub Total**

**Outside Bangladesh**

**Total**

**11.1 From other scheduled banks & financial institutions**

**Long term loan**

Social Islami Bank Ltd.  
Pubali Bank Ltd.  
Uttara Bank Limited  
National Credit and Commerce Bank Ltd.  
Trust Bank Ltd.  
Midland Bank Ltd.  
**Sub-Total**

2021	2020
BDT	BDT
3,270,034,072	3,227,334,214
349,869,480	271,523,079
88,813,424	106,224,245
<b>3,708,716,976</b>	<b>3,605,081,538</b>
999,874,970	999,874,970
599,988,000	599,988,000
<b>1,599,862,970</b>	<b>1,599,862,970</b>
<b>2,108,854,006</b>	<b>2,005,218,568</b>

85,978,830	85,978,830
969,240	1,819,240
-	-
363,956	363,956
193,309,957	158,402,527
69,247,497	24,958,526
<b>349,869,480</b>	<b>271,523,079</b>

30,196,209	30,196,209
146,847	20,659,752
200,000	200,000
50,139,755	49,034,251
73,838	77,017
8,056,775	6,057,016
<b>88,813,424</b>	<b>106,224,245</b>

<b>12,287,820</b>	<b>12,287,820</b>
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1,476,402,259	1,274,193,454
3,673,679,023	4,247,914,455
<b>5,150,081,282</b>	<b>5,522,107,909</b>

-	-
<b>5,150,081,282</b>	<b>5,522,107,909</b>

126,652,697	211,882,884
902,318,085	1,039,232,428
657,361,012	655,025,096
115,916,965	128,520,891
538,336,934	337,969,553
156,653,739	170,825,258
<b>2,497,239,432</b>	<b>2,543,456,110</b>



**Short term loan, overdraft and money at call & short notice**

Union Bank Limited  
Sonali Bank Limited  
Mutual Trust Bank Limited  
South Bangla Agriculture & Commerce Bank Ltd.  
Lankan Alliance Finance Limited  
Public Bank  
Woori Bank  
National Credit and Commerce Bank Ltd.

Sub-Total

Grand Total

2021	2020
BDT	BDT
-	141,315,000
110,000,000	120,000,000
469,661,978	500,252,252
78,000,000	230,000,000
100,000,000	50,000,000
398,777,613	502,894,867
-	159,996,226
20,000,000	-
<b>1,176,439,591</b>	<b>1,704,458,345</b>
<b>3,673,679,023</b>	<b>4,247,914,455</b>

**Security against borrowings from other banks, financial institutions and agents**

Secured  
Unsecured  
Total

2,805,239,432	3,745,019,588
868,439,591	502,894,867
<b>3,673,679,023</b>	<b>4,247,914,455</b>

Security is covered by first equitable mortgage of all present and future immovable properties and by floating charges on movable assets of the Company ranking pari-passu among the lenders. The Company has a Pari Passu Security Sharing Agreement (PPSSA) among the secured lenders stipulating the procedure in the sharing of the security provided by the Company. Loans repayable within one year have been placed under current liabilities. Details of loans are as follows:

**Maturity grouping of borrowings from other banks, financial institutions and agents**

Payable on demand  
Up to 1 month  
Over 1 month but within 6 months  
Over 6 months but within 1 year  
Over 1 year but within 5 years  
Over 5 years  
Total

1,137,549,698	1,315,360,916
774,441,707	895,495,251
558,381,560	645,662,586
372,254,373	430,441,724
188,018,886	217,408,255
643,032,800	743,545,723
<b>3,673,679,023</b>	<b>4,247,914,455</b>

**11.a Consolidated borrowings from other banks, financial institutions & agents  
Inside Bangladesh**

IIDFCL  
IIDFC Securities Limited (Note-11.a.1)  
IIDFC Capital Limited (Note-11.a.2)

Less: Inter company borrowings  
IIDFC Securities Limited  
IIDFC Capital Limited

Total

5,150,081,282	5,522,107,909
561,896,821	600,994,992
19,027,006	-
<b>5,731,005,109</b>	<b>6,123,102,901</b>
379,526,729	573,761,153
-	-
<b>379,526,729</b>	<b>573,761,153</b>
<b>5,351,478,380</b>	<b>5,549,341,748</b>

**11.a.1 Borrowings of IIDFC Securities Limited**

Inside Bangladesh  
IIDFC Ltd.  
Investment Corporation of Bangladesh  
ONE Bank Limited  
Mercantile Bank  
Total

379,526,729	573,761,153
38,054,016	-
46,497,294	27,233,839
97,818,782	-
<b>561,896,821</b>	<b>600,994,992</b>

**11.a.2 Borrowings of IIDFC Capital Limited**

IIDFC Ltd.  
Investment Corporation of Bangladesh (ICB)  
Standard Bank Ltd.  
Total

-	-
19,027,006	-
-	-
<b>19,027,006</b>	<b>-</b>





**12 Deposits & other accounts**

Deposits from banks and financial institutions (Note-12.1)

Deposits from customers

Sub-Total

Other deposit

Grand Total

2021	2020
BDT	BDT
3,230,000,000	4,550,732,003
5,832,128,157	5,660,799,781
9,062,128,157	10,211,531,784
2,511,968	2,366,560
9,064,640,125	10,213,898,344

IIDFC maintains the highest level of commitment to depositors in terms of repayment, customer service and best returns from their investment.

**12.1 Deposits from banks and financial institutions**

Agrani Bank Limited

AB Bank Ltd.

BRAC Bank Limited

The City Bank Ltd.

Sonali Bank Limited

Janata Bank Limited

Mercantile Bank Limited

Shahjalal Islami Bank Limited

Shimanto Bank Limited

National Credit & Commerce Bank Limited

NRB Commercial Bank Limited

Bangladesh Finance Limited

Modhumoti Bank Ltd.

200,000,000	200,000,000
-	100,000,000
140,000,000	840,000,000
830,000,000	850,000,000
200,000,000	190,000,000
200,000,000	200,000,000
-	30,732,003
650,000,000	930,000,000
600,000,000	600,000,000
260,000,000	260,000,000
50,000,000	-
100,000,000	-
-	350,000,000
3,230,000,000	4,550,732,003

**12.2 Maturity grouping of deposits & other accounts**

Payable on demand

Up to 1 month

Over 1 month but within 6 months

Over 6 months but within 1 year

Over 1 year but within 5 years

Over 5 years but within 10 years

Over 10 years

Total

-	-
494,037,067	556,673,438
2,339,747,938	2,636,392,318
3,587,834,816	4,042,717,591
2,325,931,275	2,620,823,913
317,089,028	357,291,084
-	-
9,064,640,125	10,213,898,344

**12.a Consolidated Deposits & Other Accounts**

IIDFCL

IIDFC Securities Limited

IIDFC Capital Limited (Note-12.a.1)

Sub Total

Other Deposit

Total

9,062,128,157	10,211,531,784
-	-
-	-
9,062,128,157	10,211,531,784
2,511,968	2,366,560
9,064,640,125	10,213,898,344

**12.a.1 Deposits & Other Accounts of IIDFC Capital Limited**

Deposits from Banks

Deposits from Customers

Total

-	-
-	-
-	-

**13 Other Liabilities**

Finance loss reserve (Note 13.1)

Deferred tax

Interest suspense account (Note 13.2)

Lease rental advance

Provision for current tax (Note 38)

Liabilities for financial expenses

Liabilities for expenses

Liabilities for other finance

Lease liability

Total

1,469,631,110	892,179,870
822,927	671,924
656,975,148	421,232,974
16,923,447	20,108,022
664,157,489	657,279,245
83,042,394	97,588,480
5,910,787	921,980
-	76,416,303
19,637,215	37,531,720
2,917,100,517	2,203,930,518

### 13.1 Finance Loss Reserve

#### Specific Provision on Classified Loans & Advances

##### Opening Balance

Less: Provision fully provided loans & advances written-off during the year

Add: Specific provision provided during the year

##### Closing balance

#### Provision for diminution in value of Investments

##### Opening Balance

Add: Provision during the year

##### Closing Balance

#### General Provision on unclassified Loans & Advances

##### Opening balance

Add: General provision provided during the year

##### Closing Balance

##### Additional provision

##### Other provision

##### Total

#### Particulars of required provision for Loans and Advances

##### Status of classification

##### Base for provision

##### Rate

#### Unclassified (General provision)

Standard - other than SME

Standard - SME

Standard - Own or Other brokerage house

Special mention account (SMA)

##### Total

#### Classified (Specific provision)

Sub-standard (SS)

Doubtful (DF)

Bad/ loss (BL)

##### Total

#### Required provision for Investments

##### Additional provision

##### Other provision

##### Total provision required

##### Total provision made

##### Excess / (Shortage) provision made

IIDFC has kept provision according to the time plan approved by Bangladesh Bank. The rest of the provision required to be kept of BOT 747.18 million will be absorbed by IIDFC during the next three years.

### 13.2 Interest suspense account

##### Opening Balance

Add: Amount transferred to interest suspense account during the year

Less: Amount written-off during the year

##### Closing Balance

IIDFC has kept interest suspense according to the time plan approved by Bangladesh Bank. The rest of the amount of interest suspense required to be kept of BOT 864.00 million will be absorbed by IIDFC during the next three years.

**13.a Other Liabilities**

IIDFCL  
IIDFC Securities Limited (Note-13.a.1)  
IIDFC Capital Limited (Note-13.a.2)

Less: Inter company liabilities  
IIDFC Securities Limited  
IIDFC Capital Limited

**Total**

2021	2020
BDT	BDT
2,917,100,517	2,203,930,518
878,519,591	746,481,344
243,046,317	272,529,322
<b>4,038,666,425</b>	<b>3,222,941,184</b>
-	-
-	-
<b>4,038,666,425</b>	<b>3,222,941,184</b>

**13.a.1 Other Liabilities of IIDFC Securities Limited**

Provision for loans & advances-margin loan  
Provision for current tax  
Payable to clients  
Payable to merchant Banks (City Bank Capital, SEB Capital & IIDFC Capital)  
Payable to DSE  
Interest suspense account  
Liability for expenses  
Reserve for risk fund  
Provision for diminution in value of investments  
**Total**

42,956,542	46,217,086
183,433,629	145,530,377
251,353,921	129,482,272
134,832	3,531,902
112,169	512,295
374,113,891	402,509,112
12,378,605	5,605,623
1,216,667	1,116,667
12,819,335	11,976,010
<b>878,519,591</b>	<b>746,481,344</b>

As per BSEC's directive no. BSEC/SRI/Policy/3/2020/68 dated 12 January 2020; loans loss reserve has been maintained including interest suspense for BDT 417,070,433 which is equivalent to 40.48%.

**13.a.2 Other liabilities of IIDFC Capital Limited**

Finance loss reserve  
Provision for diminution in value of investment  
Current tax liability  
Liability for financial expenses (Portfolio Investors' Fund)  
Liability for expenses  
Payable to Brokerage & Others  
**Total**

172,310,330	188,802,548
10,165,877	10,165,877
52,702,427	49,620,750
7,055,036	635,694
812,647	5,322,527
-	17,981,926
<b>243,046,317</b>	<b>272,529,322</b>

Loan loss reserve has been maintained following the BSEC directive no. SEC/CMRRCD/2009-193/196 dated 28 December 2016 and subsequent directive number BSEC/SRI/policy/3/2020/68 dated 12 January 2020.

**14 Share Capital**

**Authorized Capital**  
(500,000,000 shares of Tk. 10 each)  
**Subscribed & Paid-up Capital:**  
(173,777,068 shares of Tk. 10 each)

5,000,000,000	5,000,000,000
<b>1,737,770,680</b>	<b>1,737,770,680</b>

**Paid-up Share Capital as on 31 December, 2021 comprises the followings**

**Public Sector**

**Name of Shareholders**  
Sonali Bank Limited  
Janata Bank Limited  
Investment corporation of Bangladesh

No. of Shares	Value	Percentage
13,380,903	133,809,030	7.70%
13,380,903	133,809,030	7.70%
13,380,903	133,809,030	7.70%
<b>40,142,709</b>	<b>401,427,090</b>	<b>23.10%</b>

**Private sector**

AB Bank Ltd.  
Bank Asia Ltd.  
BRAC Bank Ltd.  
The City Bank Ltd.  
Mutual Trust Bank Ltd.  
National Bank Ltd.  
ONE Bank Ltd.  
Southeast Bank Ltd.  
Eastland Insurance Co. Ltd.  
National Life Insurance Co. Ltd.  
Pragati Insurance Ltd.  
Mr. Md. Matlul Islam

2,667,923	26,679,230	1.54%
13,380,903	133,809,030	7.70%
10,449,259	104,492,590	6.01%
13,380,903	133,809,030	7.70%
13,380,903	133,809,030	7.70%
13,380,903	133,809,030	7.70%
13,380,903	133,809,030	7.70%
10,449,259	104,492,590	6.01%
10,449,259	104,492,590	6.01%
13,380,903	133,809,030	7.70%
13,380,903	133,809,030	7.70%
5,952,338	59,523,380	3.43%
<b>133,634,359</b>	<b>1,336,343,590</b>	<b>76.90%</b>
<b>173,777,068</b>	<b>1,737,770,680</b>	<b>100.00%</b>

**Total**



#### 14.1 Capital adequacy

As per sub-section 3(Ga) of section 4 of the Financial Institutions Regulations 1994 and DFIM Circular No. 05 dated 24 July 2011 and DFIM Circular No. 09 dated 24 June 2014 the minimum paid up capital of the Financial Institution shall be Taka 100 crore. Provided that the sum of paid up capital and reserves shall not be less than the minimum capital determined under the Risk Based Assets of the Company.

Paid up capital  
Required capital as per Bangladesh Bank  
Excess/(Shortage) capital

2021	2020
BDT	BDT
1,737,770,680	1,737,770,680
1,000,000,000	1,000,000,000
737,770,680	737,770,680

#### 14.2 Capital adequacy and market discipline

As per Capital Adequacy and Market Discipline for Financial Institutions guideline of Bangladesh Bank, IIFDC 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. IIFDC maintain Capital Adequacy Ratio (CAR) of minimum 10%.

##### Tier-1 (Core Capital)

Fully paid-up capital/ capital lien with BB  
Statutory reserve  
Non-repayable share premium account (share money deposits)  
General reserve  
Retained earnings  
Minority interest in subsidiaries  
Non-cumulative irredeemable preference shares  
Dividend equalization account  
Other (if any item approved by Bangladesh Bank)  
Sub-Total

1,737,770,680	1,737,770,680
371,950,483	371,950,483
-	-
50,800,000	50,800,000
(944,940,927)	(56,359,124)
-	-
-	-
-	-
-	-
1,215,580,236	2,104,162,039

##### Deductions from tier-1(Core capital)

Book value of goodwill and any value of any contingent assets which are  
Shortfall in provisions required against classified assets  
Shortfall in provisions required against investment in share  
Remaining deficit on account of revaluation of investments  
in securities after netting off any other surplus on the securities  
Any investment exceeding the approved limit  
Investments in subsidiaries which are not consolidated  
Other (if any)  
Sub-Total

-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-

##### Total eligible Tier-1 capital

1,215,580,236	2,104,162,039
---------------	---------------

##### 2. Tier-2 (Supplementary capital)

General provision (Unclassified up to special limit+SMA+ off balance sheet  
Assets revaluation reserves up to 50%  
Revaluation reserve for securities up to 50%  
All other preference shares  
Other (if any item approved by Bangladesh Bank)  
Sub-Total  
Deductions, if any

169,793,241	179,536,479
-	-
-	-
-	-
-	-
169,793,241	179,536,479
-	-

##### Total eligible Tier-2 capital

169,793,241	179,536,479
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#### A Total capital

1,385,373,476	2,283,698,518
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#### B Total risk weighted asset

15,258,720,143	15,796,231,196
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#### C Required capital

1,525,872,014	1,579,623,120
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	2021	2020
	BDT	BDT
D Surplus / (Deficit)	(140,498,537)	704,075,398
Capital adequacy ratio (CAR)	9.08%	14.46%
On core capital (Tier-1)	7.97%	13.32%
On supplementary capital (Tier-2)	1.11%	1.14%
15 Statutory reserve		
Opening balance	371,950,483	371,950,483
Add: Addition during the year	-	-
Closing balance	371,950,483	371,950,483

In compliance with the clause no 6 of Financial Institutions Regulations, 1994, Financial Institution is required to transfer at least 20% of its profit after tax and before appropriation of dividend in a particular year, if the financial institution's sum of Share Premium Account (if any) and Statutory Reserve is less than the paid up capital of that financial institution.

16 General reserve		
Opening balance	50,800,000	50,800,000
Add: Addition during the year	-	-
Closing balance	50,800,000	50,800,000

General reserve represents reserve for mitigating general and contingent situation which are unforeseen or uncertain relating to the Company and its stakeholders.

15.a Consolidated general reserve		
IIDFCL	50,800,000	50,800,000
IIDFC Securities Limited	17,000,000	17,000,000
IIDFC Capital Limited	-	-
	67,800,000	67,800,000

17 Share Money Deposit		
Opening balance	-	310,809,600
Add: Addition during the year (Note. 17.1)	-	1,241,080
Less: Transfer as Right share and include in Paid-up Capital	-	(312,050,680)
Closing balance	-	-

17.1 Share Money Deposits for Right Share:		
Janata Bank Limited	-	-
AB Bank Limited	-	-
The City Bank Limited	-	-
Mutual Trust Bank Limited	-	-
Sonali Bank Limited	-	-
Investment Corporation of Bangladesh(ICB)	-	-
Bank Asia Limited	-	-
National Bank Limited	-	-
Pragati Insurance Limited	-	-
National Life Insurance	-	-
Mr. Md. Matul Islam	-	1,241,080
One Bank Limited	-	-
	-	1,241,080

The Board of Directors of IIDFC decided and approved to issue 1:3 (One share for every existing three shares) Right Share among existing Shareholders at face value of BDT 10 per share and without any premium. Out of total Shareholders, above Shareholder paid his respective amount before 31st December 2020.

18 Stock dividend		
Opening balance	-	117,720,000
Add: Stock dividend for 2018	-	-
Less: Converted into paid up capital	-	(117,720,000)
Closing balance	-	-

18.a Consolidated stock dividend		
IIDFC Limited	-	-
IIDFC Securities Ltd.	-	-
IIDFC Capital Limited	-	-
	-	-

	2021	2020
	<b>BDT</b>	<b>BDT</b>
<b>19 Retained earnings</b>		
Opening balance	(56,359,123)	32,271,341
Less: Non-divisible profit	-	-
Net profit during the year	(888,581,804)	(88,630,465)
Less: Statutory reserve	-	-
Less: General reserve	-	-
Closing balance	<b>(944,940,927)</b>	<b>(56,359,124)</b>
<b>19.a Consolidated Retained earnings</b>		
IIDFCL	(944,940,927)	(56,359,124)
IIDFC Securities Limited (Note-19.a.1)	110,113,292	107,688,520
IIDFC Capital Limited (Note-19.a.2)	(25,321,211)	(26,961,958)
<b>Sub-Total</b>	<b>(860,148,846)</b>	<b>24,367,438</b>
Less: Non-controlling interest	13,261	12,925
<b>Total</b>	<b>(860,162,107)</b>	<b>24,354,513</b>
<b>19.a.1 Retained earnings of IIDFC Securities Limited</b>		
Opening balance	107,688,520	106,615,458
Add: Prior year adjustment	-	-
Add: Net profit during the year	2,424,772	1,073,062
Less: Stock dividend	-	-
Closing balance	<b>110,113,292</b>	<b>107,688,520</b>
<b>19.a.2 Retained earnings IIDFC Capital Ltd.</b>		
Opening balance	(26,961,958)	(29,209,975)
Net profit during the year	1,640,747	2,248,017
Closing balance	<b>(25,321,211)</b>	<b>(26,961,958)</b>
<b>19.a.3 Non-controlling interest</b>		
Share capital	137,030	137,030
Retained earnings	13,261	12,925
General reserve	2,126	2,126
Closing balance	<b>152,417</b>	<b>152,081</b>

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

## 20 Contingent liabilities &amp; capital expenditure commitments

In the normal course of business, the Company makes various commitments and incurs certain contingent liabilities. No material losses are anticipated as a result of these transactions. These contingent liabilities and business commitments are quantified below:

Letter of guarantee:

Money for which the company is contingently liable in respect of guarantees given favouring:

Directors	-	-
Government	-	-
Banks and other financial institutions	-	-
Others (Note-20.1)	-	-
<b>Sub Total</b>	<b>202,396,222</b>	<b>203,549,122</b>



	2021 BDT	2020 BDT
<b>Letter of credit:</b>		
For import of equipments under lease finance	-	-
<b>Sub-Total</b>	-	-
<b>Total</b>	<b>202,396,222</b>	<b>203,549,122</b>
<b>20.1 Others</b>		
Bank Guarantee-Non Funded	202,396,222	203,549,122
	<b>202,396,222</b>	<b>203,549,122</b>
<b>20.2 Capital expenditure commitments</b>		
There was no capital expenditure contracted but not incurred or provided for as on 31 December, 2021, or no capital expenditure authorized by the Board but not contracted as on 31 December, 2021.		
<b>21 Interest income</b>		
Interest income from balance with other banks & financial institutions	476,020	2,038,130
Interest income from lease finance	110,675,443	172,547,995
Interest income from direct/ term finance	868,129,055	1,729,375,798
Interest income from FDR placement	26,635,826	45,672,314
Interest income from bills discounted & purchased	148,694	1,866,530
<b>Total</b>	<b>1,006,065,037</b>	<b>1,951,500,767</b>
<b>21.a Consolidated interest income</b>		
IIDFCL	1,006,065,037	1,951,500,767
IIDFC Securities Limited (Note-21.a.1)	95,583,595	63,964,490
IIDFC Capital Limited (Note-21.a.2)	14,018,153	14,882,419
	<b>1,115,666,785</b>	<b>2,030,347,676</b>
Less: Inter company transaction		
IIDFC Securities Limited	60,850,100	57,776,993
IIDFC Capital Limited	-	252,945
	<b>60,850,100</b>	<b>58,029,938</b>
<b>Total</b>	<b>1,054,816,685</b>	<b>1,972,317,738</b>
<b>21.a.1 Interest income of IIDFC Securities Limited</b>		
Interest income from margin loan	87,715,246	51,451,816
Interest income from FDR	436,019	4,401,859
Interest income from Staff loan	75,559	132,394
Interest income from balance with other banks	7,356,771	7,978,421
<b>Total</b>	<b>95,583,595</b>	<b>63,964,490</b>
<b>21.a.2 Interest income of IIDFC Capital Limited</b>		
Interest income from margin loan	14,018,153	14,882,419
Interest income from balance with other banks & financial institutions	-	-
<b>Total</b>	<b>14,018,153</b>	<b>14,882,419</b>
<b>22 Interest paid on deposits, borrowings etc.</b>		
Interest on deposits		
Fixed deposits	304,706,315	460,101,719
Short-term deposits	527,153,750	813,325,010
Other deposits	-	-
	<b>831,860,065</b>	<b>1,273,426,729</b>



	2021 BDT	2020 BDT
<b>Interest on borrowings</b>		
For borrowings from other banks, financial institutions		
Long term loan	260,165,021	308,284,602
Overdraft facilities	70,046,588	137,458,455
Money at call and short notice	24,925,429	53,865,705
	<b>355,137,038</b>	<b>499,608,762</b>
<b>Interest on lease rent</b>	<b>2,785,197</b>	<b>3,882,359</b>
<b>Total</b>	<b>1,189,782,299</b>	<b>1,776,917,850</b>
<b>22.a Consolidated interest paid on deposits, borrowings etc.</b>		
IIDFCL	1,189,782,299	1,776,917,850
IIDFC Securities Limited (Note-22.a.1)	63,815,229	59,269,710
IIDFC Capital Limited (Note-22.a.2)	847,000	252,945
	<b>1,254,444,528</b>	<b>1,836,440,505</b>
<b>Less: Inter company transaction</b>		
IIDFC Securities Limited	60,850,100	57,776,993
IIDFC Capital Limited	-	252,945
	<b>60,850,100</b>	<b>58,029,938</b>
<b>Total</b>	<b>1,193,594,428</b>	<b>1,778,410,567</b>
<b>22.a.1 Interest paid on deposits, borrowings etc. of IIDFC Securities Limited</b>		
Interest on borrowing from IIDFC Ltd .	60,850,100	57,776,993
Interest on borrowing from bank & other financial institutions	2,965,129	1,492,717
<b>Total</b>	<b>63,815,229</b>	<b>59,269,710</b>
<b>22.a.2 Interest paid on deposits, borrowings etc. of IIDFC Capital Limited</b>		
Interest on borrowing from bank & other financial institutions	-	252,945
Interest on Demand Loan	847,000	-
<b>Total</b>	<b>847,000</b>	<b>252,945</b>
<b>23 Income from investment</b>		
Capital gain	95,093,224	12,026,882
Interest income from Bond & Others	12,683,544	4,250,000
Interest income from Unit Fund (loss)	(5,074,660)	1,549,056
Dividend income	13,960,441	8,030,163
<b>Total</b>	<b>116,662,550</b>	<b>25,856,102</b>
<b>23.a Consolidated income from investment</b>		
IIDFCL	116,662,550	25,856,102
IIDFC Securities Limited (Note-23.a.1)	66,184,970	11,484,084
IIDFC Capital Limited (Note-23.a.2)	25,874,009	6,351,377
<b>Total</b>	<b>208,721,529</b>	<b>43,691,563</b>
<b>23.a.1 Income from investment of IIDFC Securities Limited</b>		
Dividend income	1,623,399	11,220,753
Capital gain on investment in securities	64,561,571	263,331
<b>Total</b>	<b>66,184,970</b>	<b>11,484,084</b>
<b>23.a.2 Income/(Loss) from investment of IIDFC Capital Limited</b>		
Dividend income	5,092,767	1,813,240
Capital gain/(loss) on investment in securities	20,781,242	4,538,137
<b>Total</b>	<b>25,874,009</b>	<b>6,351,377</b>

	2021 BDT	2020 BDT
<b>24 Commission, exchange and brokerage</b>		
Commission on securities trading	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>24.a Consolidated income from commission, exchange and brokerage</b>		
IIDFCL	-	-
IIDFC Securities Limited	170,734,729	79,208,518
IIDFC Capital Limited	12,698,804	13,020,163
<b>Total</b>	<b>183,433,533</b>	<b>92,228,681</b>
<b>25 Other operating income</b>		
Syndication fee income	15,754,348	20,083,276
Bank guarantee income	-	-
Carbon finance income	-	136,012
Application & processing fees	1,599,155	341,177
Transfer fees	40,511	103,996
Notice charge	1,385,791	321,440
Profit from sale of fixed assets	1,020,199	760,000
Cancellation charges	-	236,882
Other income	11,212,019	8,106,970
<b>Total</b>	<b>31,012,023</b>	<b>30,089,753</b>
<b>25.a Consolidated other operating income</b>		
IIDFCL	31,012,023	30,089,753
IIDFC Securities Limited (Note-25.a.1)	8,251,501	1,879,120
IIDFC Capital Limited (Note-25.a.2)	537,312	1,651,102
<b>Total</b>	<b>39,800,836</b>	<b>33,619,975</b>
<b>25.a.1 Other operating income of IIDFC Securities Limited</b>		
BO & trading accounts maintenance income	779,550	480,654
Income against CDBL charges	-	-
Gain on disposal of assets	245,200	12,866
Cheque dishonour charges	41,000	39,000
Others	487,451	1,346,600
Income from dealer account	6,517,582	-
Reversal of payable to SBCSL (Note 13.a.1)	180,718	-
<b>Total</b>	<b>8,251,501</b>	<b>1,879,120</b>
<b>25.a.2 Other operating income of IIDFC Capital Limited</b>		
Non Operating Income	537,312	1,651,102
Underwriting commission	-	-
Service Charge & Commission	-	-
<b>Total</b>	<b>537,312</b>	<b>1,651,102</b>
<b>26 Salaries &amp; allowances</b>		
Basic salary	90,532,368	85,529,499
Allowances	57,883,258	53,267,765
Festival bonus	12,343,675	12,050,375
Incentive bonus	-	-
Company's contribution provident fund	7,679,140	6,971,853
Group insurance	3,701,642	2,284,178
Retirement benefits & gratuity	825,000	12,100,000
<b>Total</b>	<b>172,965,083</b>	<b>172,203,670</b>

Salaries and allowances of IIDFC Limited include annual contribution to Provident Fund and Gratuity Fund. This Provident Fund and Gratuity Fund is also applicable for IIDFC group also.

IIDFC Limited operates a funded gratuity scheme (which is a defined benefit scheme as specified in IAS 19). Gratuity fund is administered by a Board of Trustees and Company contributions are invested separately from company assets. Employees are entitled to gratuity benefit after completion of a minimum years of service with the Company. The Company is contributing to the fund as per yearly requirement based on present employees status and payment requirement.



	2021 BDT	2020 BDT
<b>26.a Consolidated salaries &amp; allowances</b>		
IIDFCL	172,965,083	172,203,670
IIDFC Securities Limited (Note-26.a.1)	60,708,255	45,816,390
IIDFC Capital Limited (Note-26.a.2)	12,455,850	12,269,921
<b>Total</b>	<b>246,129,188</b>	<b>230,289,981</b>
<b>26.a.1 Salaries &amp; allowances of IIDFC Securities Limited</b>		
Basic salary	15,774,388	16,517,394
Allowances	11,551,468	11,732,683
Bonus	6,563,117	1,409,362
Company's contribution to provident fund	1,514,313	1,575,647
Group insurance	741,611	718,941
Retirement benefits & gratuity	600,000	393,170
Leave fare assistance	1,322,425	1,606,494
Leave encashment	2,550,037	1,224,475
Associate salary	18,586,694	9,060,224
Casual staff salary	1,504,202	1,578,000
<b>Total</b>	<b>60,708,255</b>	<b>45,816,390</b>
<b>26.a.2 Salaries &amp; allowances of IIDFC Capital Limited</b>		
Basic salary	5,458,359	5,495,364
Allowances	3,950,845	3,895,537
Bonus	894,506	915,894
Company's contribution provident fund	545,838	549,540
Group Insurance	207,647	225,565
Cleaning staff salary	144,226	36,000
Retirement benefits & gratuity	445,254	161,766
Leave fare assistance	437,683	457,947
Leave encashment	354,630	532,308
Others	16,862	-
<b>Total</b>	<b>12,455,850</b>	<b>12,269,921</b>
<b>27 Rent, taxes, insurance, electricity etc.</b>		
Office rent	1,806,099	857,303
Rate & taxes	830,382	-
Insurance payment	233,463	591,817
Electricity, gas and water	3,423,803	3,210,547
<b>Total</b>	<b>6,293,747</b>	<b>4,659,667</b>
<b>27.1 Disclosure related to office rent:</b>		
Actual rent expenses	22,485,801	22,634,167
Less: Reclassification of rent expenses (as per IFRS-16: Leases)	20,679,702	21,776,864
Rent expense as reported	1,806,099	857,303
In addition the above mentioned change in rent expense, implementation of IFRS-16 has resulted in charging of depreciation against Right-of-use asset as disclose in Annexure-I and of interest expense on lease rent as disclosed in note-22		
<b>27.a Consolidated rent, taxes, insurance, electricity etc.</b>		
IIDFCL	6,293,747	4,659,667
IIDFC Securities Limited (Note-27.a.1)	7,280,225	13,134,069
IIDFC Capital Limited (Note-27.a.2)	1,132,024	1,511,827
<b>Total</b>	<b>14,705,996</b>	<b>19,305,563</b>



	2021 BDT	2020 BDT
<b>27.a.1 Rent, taxes, insurance, electricity etc. of IIDFC Securities Limited</b>		
Rent, rates and taxes	6,566,441	12,109,281
Insurance	10,011	4,871
Electricity, gas and water	703,773	1,019,917
<b>Total</b>	<b>7,280,225</b>	<b>13,134,069</b>
<b>27.a.2 Rent, taxes, insurance, electricity etc. of IIDFC Capital Limited</b>		
Rent, rates and taxes	828,000	1,340,890
Water, gas and other bills	144,000	58,822
Electricity bill	160,024	112,115
<b>Total</b>	<b>1,132,024</b>	<b>1,511,827</b>
<b>28 Legal expenses</b>		
Professional charges	1,435,801	1,260,051
Legal expenses	5,779,721	3,579,720
<b>Total</b>	<b>7,215,522</b>	<b>4,839,771</b>
<b>28.a Consolidated legal expenses</b>		
IIDFCL	7,215,522	4,839,771
IIDFC Securities Limited	1,259,617	1,051,051
IIDFC Capital Limited	130,125	243,750
<b>Total</b>	<b>8,605,264</b>	<b>6,134,572</b>
<b>29 Postage, stamp, telecommunications etc.</b>		
Postage and courier	104,168	108,751
Phone, fax & internet	3,775,894	3,394,188
<b>Total</b>	<b>3,880,062</b>	<b>3,502,939</b>
<b>29.a Consolidated postage, stamp, telecommunications etc.</b>		
IIDFCL	3,880,062	3,502,939
IIDFC Securities Limited	1,816,964	1,687,128
IIDFC Capital Limited	283,471	309,261
<b>Total</b>	<b>5,980,497</b>	<b>5,499,328</b>
<b>30 Stationery, printing, advertisement etc.</b>		
Printing & stationery	2,340,725	2,589,983
Advertisement	1,492,078	919,769
<b>Total</b>	<b>3,832,803</b>	<b>3,509,752</b>
<b>30.a Consolidated stationery, printing, advertisement etc.</b>		
IIDFCL	3,832,803	3,509,752
IIDFC Securities Limited	741,591	409,708
IIDFC Capital Limited	172,331	113,759
<b>Total</b>	<b>4,746,725</b>	<b>4,033,219</b>
<b>31 Managing director's salary and fees</b>		
Basic salary	3,547,500	3,300,000
House rent allowance	1,773,750	1,650,000
Medical allowance	177,375	165,000
Entertainment allowance	177,375	165,000
Festival bonus	605,000	550,000
Car allowance ( Note-36.1 )	691,566	556,206
Employee Provident Fund	-	330,000
Group insurance	166,883	68,775
Incentive bonus	-	-
Leave fare assistance	-	-
Earned leave	-	-
Others	60,000	69,000
<b>Total</b>	<b>7,199,449</b>	<b>6,853,981</b>

	2021 BDT	2020 BDT
<b>32 Directors' Fees</b>		
Directors' fees	792,000	632,000
Others Benefits	-	-
<b>Total</b>	<b>792,000</b>	<b>632,000</b>
The Company pays fees to its Directors for attending the Board Meeting and its Committee Meetings as permitted by the Bangladesh Bank. As per DFIM Circular # 03, dated February 24, 2010 Directors/Committee Members have been paid fees @ Tk. 5,000.00 for attending each meeting. At present, Directors/Committee Members are paying fees @ Tk. 8,000.00 for attending each meeting as per DFIM Circular # 13, dated November 30, 2015.		
<b>32.a Consolidated directors' fees</b>		
IIDFCL	792,000	632,000
IIDFC Securities Limited	70,400	96,800
IIDFC Capital Limited	73,600	101,200
<b>Total</b>	<b>936,000</b>	<b>830,000</b>
<b>33 Auditor's fees</b>	<b>529,000</b>	<b>454,250</b>
<b>33.a Consolidated auditor's fees</b>		
IIDFCL	529,000	454,250
IIDFC Securities Limited	161,000	161,000
IIDFC Capital Limited	172,500	161,000
<b>Total</b>	<b>862,500</b>	<b>776,250</b>
<b>34 Loans &amp; advances written-off</b>		
Loans & advances written-off during the year	-	-
Interest waived	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>34.a Consolidated loans &amp; advances written-off</b>		
IIDFCL	-	-
IIDFC Securities Limited	144,558,034	4,613,296
IIDFC Capital Limited	31,000,000	16,355,001
<b>Total</b>	<b>175,558,034</b>	<b>20,968,297</b>
<b>35 Repair, depreciation and amortizations of company's assets</b>		
<b>Repair of company's assets:</b>		
Furniture & fixtures	107,585	31,076
Software's	1,101,986	-
Office equipments	602,749	553,575
<b>Sub Total</b>	<b>1,812,320</b>	<b>584,651</b>
<b>Depreciation of company's assets</b>		
Depreciation of Fixed assets including premises, furniture & fixtures	26,343,023	27,854,582
<b>Sub Total</b>	<b>26,343,023</b>	<b>27,854,582</b>
<b>Amortization of intangible assets</b>		
Computer software	488,881	1,253,976
<b>Total repair and depreciation of company's assets</b>	<b>28,644,224</b>	<b>29,693,209</b>
<b>35.a Consolidated repair, depreciation and amortization of intangible assets</b>		
<b>Repair of company's assets</b>		
IIDFCL	1,812,320	584,651
IIDFC Securities Limited	630,738	1,487,045
IIDFC Capital Limited	437,239	66,153
<b>Total</b>	<b>2,880,297</b>	<b>2,137,849</b>



**Depreciation of Fixed assets including premises, furniture & fixtures**

IIDFCL

IIDFC Securities Limited

IIDFC Capital Limited

**Amortization of intangible assets**

IIDFCL

IIDFC Securities Limited

IIDFC Capital Limited

**Total repair and depreciation of assets**

2021	2020
BDT	BDT
26,343,023	27,854,582
966,788	1,820,434
112,859	166,539
<b>27,422,670</b>	<b>29,841,555</b>
488,881	1,253,976
-	-
<b>488,881</b>	<b>1,253,976</b>
<b>30,791,848</b>	<b>33,233,380</b>

**36 Other expenses**

Office maintenance

Travelling & conveyance

Meeting expenses

Entertainment

Car running & maintenance expenses

Bank charge & excise duty

Training expenses

NID Verification Charge

Membership fees & subscriptions

Books & periodicals

Donation and CSR Purpose

Project expenses

Total

2,792,898	2,919,098
15,498,195	12,588,861
1,493,212	1,223,555
334,622	310,709
3,777,391	3,435,510
1,318,291	835,743
206,007	311,158
17,463	7,011
444,592	370,000
51,693	37,995
300	826,500
1,542,753	4,180
<b>27,477,417</b>	<b>22,870,320</b>

**36.1 Motor car/Motor cycle maintenance Expense**

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

During the year 2021, total car maintenance and running cost of the Company was TK. 4,468,957 which was TK. 3,991,716 in the year 2020. The total costs includes fuel cost for running vehicles and maintenance costs for full year.

**36.a Consolidated other expenses**

IIDFCL

IIDFC Securities Limited

IIDFC Capital Limited

Total

27,477,417	22,870,320
17,071,466	8,509,410
1,585,676	1,430,569
<b>46,134,559</b>	<b>32,810,299</b>

**37 Provision for loans & advances**

Provision for classified loans & advances

Provision for unclassified loans & advances

Provision for diminution in value of investments

Additional provision

Other provision

Provision for off-balance sheet items

Total

535,675,602	121,401,836
(29,657,465)	(7,729,766)
34,271,249	(43,521,190)
34,065,109	-
7,177,586	-
2,023,962	-
<b>583,556,043</b>	<b>70,150,880</b>

**37.a Consolidated provision for loans & advances**

Provision for classified loans & advances

Provision for unclassified loans & advances

Provision for diminution in value of investments

Other provision

Total

535,675,602	126,932,081
(29,657,465)	(7,729,766)
35,114,574	(48,324,978)
43,266,657	-
<b>584,399,368</b>	<b>70,877,337</b>

### 38 Provision for tax

Provisions for current tax has been made on the basis of the profit for the year as adjusted for taxation purposes in accordance with the provisions of The Income Tax Ordinance, 1984 and amendments made thereto. The current tax rate for the Company is 40% on taxable income. Adequate provision has been made for disputed tax against which appeal has been made and decision is pending.

#### Provision for current tax

##### Opening balance

Add: Provision made during the year

Less: Settlement during the year

##### Closing balance

	2021 BDT	2020 BDT
Opening balance	657,279,245	655,279,245
Add: Provision made during the year	6,878,244	2,000,000
Less: Settlement during the year	-	-
Closing balance	<u>664,157,489</u>	<u>657,279,245</u>

### 38.1 Provision for deferred tax

#### Opening balance

Add: Provision made during the year (Note-38.2)

Less: Deferred tax no more required-transferred to current tax

Less: Settlement during the year

##### Closing balance

Opening balance	(8,911,583)	(6,700,381)
Add: Provision made during the year (Note-38.2)	3,275,521	(2,211,202)
Less: Deferred tax no more required-transferred to current tax	-	-
Less: Settlement during the year	-	-
Closing balance	<u>(5,636,062)</u>	<u>(8,911,583)</u>

Deferred tax is provided using the balance sheet method for all temporary differences arising between the tax base of assets and liabilities and their carrying values for financial reporting purposes as per International Accounting Standard (IAS) 12: "Income Taxes".

### 38.2 Deferred tax expense/(income)

Change in Deferred Tax Liability

Change in Deferred Tax Asset

Change in Deferred Tax Liability	151,003	11,232
Change in Deferred Tax Asset	3,124,518	(2,222,434)
	<u>3,275,521</u>	<u>(2,211,202)</u>

### 38.a Consolidated provision for tax

#### Opening balance

Add: Provision made during the year

Add: Deferred tax during the year

##### Closing balance

Opening balance	840,761,079	823,616,510
Add: Provision made during the year	47,863,173	19,556,695
Add: Deferred tax during the year	3,781,839	(2,412,126)
	<u>51,645,012</u>	<u>17,144,569</u>
Closing balance	<u>892,406,091</u>	<u>840,761,079</u>

### 39 Earnings per share (EPS)

Earnings Per Share as shown in the face of the Profit and Loss Account is calculated in accordance with International Accounting Standard (IAS) 33: "Earnings Per Share".

Basic Earnings Per Share has been calculated as follows:

Earnings attributable to ordinary shareholders (Net Profit after Tax)

Number of ordinary shares outstanding during the year

Basic earnings per share (in BDT)

Earnings attributable to ordinary shareholders (Net Profit after Tax)	(888,581,804)	(88,630,465)
Number of ordinary shares outstanding during the year	173,777,068	173,777,068
Basic earnings per share (in BDT)	<u>(5.11)</u>	<u>(0.51)</u>

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

2021

2020

BDT

BDT

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

Earnings Per Share as shown in the face of the Profit and Loss Account is calculated in accordance with International Accounting Standard (IAS) 33: "Earnings Per Share".

Basic earnings per share has been calculated as follows:

Earnings attributable to ordinary shareholders (Net Profit after Tax)

Number of ordinary shares outstanding during the year

Basic earnings per share (in BDT)

(884,516,285)	(85,309,386)
173,777,068	173,777,068
(5.09)	(0.49)

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

### 40 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 International Accounting Standards- 24 'Related Party Disclosure'. Transactions with related parties are executed on the same terms, including interest rate and collateral, as those prevailing at the time of comparable transactions with other customers of similar credentials and do not involve more than normal risk.

Name of the parties	Nature of Loan/Lease	Nature of Transactions	Outstanding Balance 2021 BDT	Outstanding Balance 2020 BDT
AB Bank Ltd.	Sponsor Shareholder	STD/SND Account	3,057	3,057
AB Bank Ltd.	Sponsor Shareholder	Term Deposit	-	100,000,000
Bank Asia Ltd.	Sponsor Shareholder	STD/SND Account	20,958,675	42,339,131
BRAC Bank Limited	Sponsor Shareholder	Term Deposit	140,000,000	840,000,000
Janata Bank Ltd.	Sponsor Shareholder	STD/SND Account	4	4
Janata Bank Ltd.	Sponsor Shareholder	Term Deposit	200,000,000	200,000,000
Mutual Trust Bank Limited	Sponsor Shareholder	Overdraft	-	500,252,252
Sonali Bank Limited	Sponsor Shareholder	Call Loan	110,000,000	-
Sonali Bank Limited	Sponsor Shareholder	Term Deposit	200,000,000	190,000,000
Southeast Bank Ltd.	Sponsor Shareholder	SND Account	-	1,771,278
The City Bank Ltd.	Sponsor Shareholder	STD/SND Account	2,383	2,383
The City Bank Ltd.	Sponsor Shareholder	Term Deposit	830,000,000	850,000,000



41 Operating Segment Report

Segment Revenue and profit	For the year 2021			
	Core Financing Business	Brokerage House Business	Merchant Banking Business	Total Business as a Group
Revenue income				
Net interest income	(183,717,262)	31,768,366	13,171,153	(138,777,743)
Investment income	116,662,550	66,184,970	25,874,009	208,721,529
Commission and brokerage	-	170,734,729	12,698,804	183,433,533
Other operating income	31,012,023	8,251,501	537,312	39,800,836
Inter-segment revenue	(60,850,100)	-	-	(60,850,100)
<b>Total Segment Revenue (A)</b>	<b>(96,892,789)</b>	<b>276,939,566</b>	<b>52,281,278</b>	<b>232,328,055</b>
Other operating expenses	171,147,303	173,448,190	47,442,816	392,038,309
Major non-cash expenses				
Depreciation	26,831,904	966,788	112,859	27,911,551
Provision for future losses	583,556,043	726,457	-	584,282,500
Inter-segment expense adjustment	-	60,850,100	-	60,850,100
<b>Total Segment Expense (B)</b>	<b>781,535,250</b>	<b>235,991,535</b>	<b>47,555,675</b>	<b>1,065,082,460</b>
<b>Reportable segment profit before tax (A-B)</b>	<b>(878,428,040)</b>	<b>40,948,031</b>	<b>4,725,603</b>	<b>(832,754,406)</b>

Segment Revenue and profit	For the year 2020			
	Core Financing Business	Brokerage House Business	Merchant Banking Business	Total Business as a Group
Revenue income				
Net interest income	174,582,917	4,694,780	14,629,474	193,907,171
Investment income	25,856,102	11,484,084	6,351,377	43,691,563
Commission and brokerage	-	79,208,518	13,020,163	92,228,681
Other operating income	30,089,753	1,879,120	1,651,102	33,619,975
Inter-segment revenue/interest expense adjustment	(58,029,938)	-	-	(58,029,938)
<b>Total Segment Revenue (A)</b>	<b>172,498,834</b>	<b>97,266,502</b>	<b>35,652,116</b>	<b>305,417,452</b>
Other operating expenses	162,081,063	19,188,904	32,309,496	213,579,463
Major non-cash expenses				
Depreciation	29,108,558	1,820,434	166,539	31,095,531
Provision for future losses	70,150,880	726,457	-	70,877,337
Inter-segment expense Adjustment	-	57,776,993	252,945	58,029,938
<b>Total Segment Expense (B)</b>	<b>261,340,501</b>	<b>79,512,788</b>	<b>32,728,980</b>	<b>373,582,269</b>
<b>Reportable segment profit before tax (A-B)</b>	<b>(88,841,667)</b>	<b>17,753,714</b>	<b>2,923,136</b>	<b>(68,164,817)</b>

Segment assets and liabilities	For the year 2021			
	Core Financing Business	Brokerage House Business	Merchant Banking Business	Total Business as a Group
Segment Assets				
Total Assets	18,347,402,160	2,567,531,831	836,752,112	21,751,686,102
Inter-segment assets	(379,526,729)	(379,526,729)	-	(759,053,458)
<b>Total Segment Assets</b>	<b>17,967,875,431</b>	<b>2,188,005,102</b>	<b>836,752,112</b>	<b>20,992,632,644</b>
Segment Liabilities				
Total liabilities	17,131,821,924	1,440,416,412	281,100,329	18,853,338,665
Inter-segment liabilities	(379,526,729)	(379,526,729)	-	(759,053,458)
<b>Total Segment Liabilities</b>	<b>16,752,295,195</b>	<b>1,060,889,683</b>	<b>281,100,329</b>	<b>18,094,285,207</b>
<b>Total Segment Equity</b>	<b>1,215,580,236</b>	<b>1,127,115,419</b>	<b>555,651,783</b>	<b>2,898,347,437</b>

Segment assets and liabilities	For the year 2020			
	Core Financing Business	Brokerage House Business	Merchant Banking Business	Total Business as a Group
<b>Segment Assets</b>				
Total Assets	20,044,098,810	2,472,166,982	845,567,364	23,361,833,156
Inter-segment assets	(573,761,153)	(573,761,153)	-	(1,147,522,306)
<b>Total Segment Assets</b>	<b>19,470,337,657</b>	<b>1,898,405,829</b>	<b>845,567,364</b>	<b>22,214,310,850</b>
<b>Segment Liabilities</b>				
Total liabilities	17,939,936,771	1,347,476,336	272,529,322	19,559,942,429
Inter-segment liabilities	(573,761,153)	(573,761,153)	-	(1,147,522,306)
<b>Total Segment Liabilities</b>	<b>17,366,175,618</b>	<b>773,715,183</b>	<b>272,529,322</b>	<b>18,412,420,123</b>
<b>Total Segment Equity</b>	<b>2,104,162,039</b>	<b>1,124,690,646</b>	<b>573,038,042</b>	<b>3,801,890,727</b>

#### 42 Board meetings

During the year total number of Board Meetings was 07, which was held at the following dates:

Serial Number	No. Meeting	Date of Meeting
1	230th Meeting	18-Feb-21
2	231st Meeting	23-Jun-21
3	232nd Meeting	5-Aug-21
4	233rd Meeting	26-Oct-21
5	234th Meeting	2-Dec-21
6	235th Meeting	22-Dec-21
7	236th Meeting	26-Dec-21

#### 43 Disclosure on Audit committee

##### a. Particulars of audit committee

In pursuance of the directives of Bangladesh Bank vide DFIM circular no 10 dated 18 September 2005 & DFIM circular No. 13 dated 26 October 2011, the Board of Directors in its meeting Constituted an Audit Committee. Presently, the Audit Committee members are:

Name	Status in the board	Status in the committee	Other engagement
1. Mr. Syed Mahbubur Rahman	Vice-Chairman	Chairman	CEO & Managing Director, Mutual Trust Bank Limited
2. Mr. Md. Abdus Salam Azad	Director	Member	CEO & Managing Director, Janata Bank Limited
3. Mr. Md. Abul Hossain	Director	Member	Managing Director, ICB
4. Mr. Abu Zafar Md. Saleh	Director	Member	AMD, ONE Bank Limited
5. Mr. Kamal Uddin Ahammed	Director	Member	Director, Eastland Insurance Company Limited

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

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

Serial Number	No. Meeting	Date of Meeting
1	42nd Meeting	5-May-21
2	43rd Meeting	3-Jun-21
3	44th Meeting	29-Nov-21
4	45th Meeting	30-Dec-21

##### c. In the meeting amongst other the committee has discussed the following issues during the year 2021

- The audit committee reviewed the Financial Statements for the year ended 31 December 2020.
- Reviewed and discussed the Management Letter provided by the external auditor M/s. M M Rahman & Co. for the year ended 31 December 2020 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 to thereon.
- Reviewed and discussed the Bangladesh Bank detailed inspection Report 2019 and management's response to the report.

v) Reviewed various reports like stress testing, Basel, Risk Management Paper etc. and all reports provided by ICC Department.

vi) Implementation of Core Risk Management Guidelines including Internal Control and Compliance Risk and status of compliance thereof.

vii) The status of recovery of classified loan and providing the necessary instruction to the management to reduce NPL.

viii) Reviewed financial performance of IDFC all over the year and recommended to take necessary action for improving performance of the company.

#### 44 Others Disclosure

##### 44.1 Un-acknowledged debt

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

##### 44.2 Employees' Information

A total number of 136 employees were employed in IDFC as of 31 December 2021. All the employees received salary more than BDT 36,000.00 p.a. during the period 2021.

##### 44.3 Written-off of accounts

During the year under review, total four loans & advances were written-off having outstanding of BDT. 13,930,004. Again BDT 69,770,310 was written-off in the corresponding previous years.

##### 44.4 Subsequent events

No subsequent events are occurred after the balance sheet date.

##### 44.5 Directors' responsibility statement

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

##### 44.6 Date of authorization for issue

The consolidated financial statements as well as separate financial statements were authorized for issue by the Board of Directors on its meeting held on 23/11/2022.

#### 45 General Disclosure

45.1 The figures appearing in this financial statements have been rounded off to the nearest integer.

45.2 Last year's figures have been rearranged wherever it is found necessary to conform the current year's presentation.



Industrial and Infrastructure Development Finance Company Limited  
Fixed Assets Schedule  
As at 31 December 2021

Fixed assets including premises, furniture & fixtures

Serial No.	Particulars	COST				DEPRECIATION				Net Book Value as at 31 December 2021	
		Balance as at 1 Jan 2021	Additions During the Year	Adjustment during the year	Balance as at 31 December 2021	Rate	Balance as at 1 Jan 2021	Charged during the year	Adjustment during the year		Balance as at 31 December 2021
1	Motor Vehicles	20,296,115	-	3,632,705	16,663,410	20%	15,944,102	1,844,602	3,085,107	14,703,597	1,959,813
2	Furniture & Fixtures	34,276,248	41,800	-	34,318,048	10%	17,663,959	2,416,951	-	20,080,910	14,237,138
3	Office Equipments	46,784,794	4,045,843	52,200	50,779,437	18%	37,929,319	4,186,965	28,185	42,088,099	8,690,338
4	Right-of-use asset	60,618,988	-	-	60,618,988	-	17,894,505	17,894,505	-	35,789,010	24,829,978
As at 31 December 2021		161,976,145	4,087,643	3,684,905	162,378,883		89,431,885	26,343,023	3,113,292	112,661,616	49,717,267
As at 31 December 2020		100,649,274	62,697,001	1,370,130	161,976,145		62,947,433	27,854,582	1,370,130	89,431,885	72,544,260

Intangible Asset - Computer Software

Serial	Particulars	COST				AMORTISATION				Amount in BDT	
No.		Balance as at 1 Jan 2021	Additions During the Year	Adjustment during the year	Balance as at 31 December 2021	Rate	Balance as at 1 Jan 2021	Charged during the year	Adjustment during the year	Balance as at 31 December 2021	Net Book Value as at 31 December 2021
1	Computer Software	13,131,471	566,989	2,657,642	11,040,818	18%	10,169,603	488,881	1,674,983	8,983,501	2,057,317
	As at 31 December 2021	13,131,471	566,989	2,657,642	11,040,818		10,169,603	488,881	1,674,983	8,983,501	2,057,317
	As at 31 December 2020	13,029,967	101,504	-	13,131,471		8,915,627	1,253,976	-	10,169,603	2,961,868

Industrial and Infrastructure Development Finance Company Limited  
Consolidated Fixed Assets Schedule  
As at 31 December 2020

Consolidated Fixed assets including premises, furniture & fixtures

Serial No.	Particulars	COST			Rate	DEPRECIATION			Net Book Value as at 31 December 2021
		Balance as at 1 Jan 2021	Additions During the Year	Adjustment during the year		Balance as at 1 Jan 2021	Charged during the year	Adjustment during the year	
1	Motor vehicles	21,904,256	-	3,632,705	20%	17,552,237	1,844,602	3,085,107	1,959,819
2	Furniture & fixtures	48,612,914	1,103,726	113,355	10%	30,780,461	3,828,981	108,821	15,102,664
3	Office equipments	65,736,791	5,182,486	52,200	18%	54,850,580	4,761,909	28,185	11,282,773
4	Right-of-use asset	60,618,988	-	-	0%	17,894,505	17,894,505	-	24,829,978
As on 31 December 2021		196,872,949	6,286,212	3,798,260		121,077,783	28,329,997	3,222,113	53,175,234
As on 31 December 2020		133,460,864	64,895,570	1,483,485		92,715,178	29,841,556	1,478,951	75,795,166

Intangible Asset

Serial No.	Particulars	COST			Rate	AMORTISATION			Net Book Value as at 31 December 2021
		Balance as at 1 Jan 2021	Additions During the Year	Adjustment during the year		Balance as at 1 Jan 2021	Amortized during the year	Adjustment during the year	
1	Computer software's	16,298,302	566,989	2,657,642	18%	13,336,424	488,881	1,674,983	2,057,327
As on 31 December 2021		16,298,302	566,989	2,657,642		13,336,424	488,881	1,674,983	2,057,327
As on 31 December 2020		16,196,798	101,504	-		12,082,448	1,253,976	-	2,961,878

Annexure-2

Industrial and Infrastructure Development Finance Company Limited  
Highlights

Sl.	Particulars	Amount in BDT	
		2021	2020
1	Paid-up capital	1,737,770,680	1,737,770,680
2	Total capital	1,215,580,236	2,104,162,039
3	Capital surplus	-522,190,444	366,391,359
4	Total assets	18,347,402,160	20,044,098,810
5	Total deposits	9,064,640,125	10,213,898,344
6	Total leases, loans and advances	13,926,094,156	15,272,371,452
7	Total contingent liabilities and commitments	202,396,222	203,549,122
8	Credit deposit ratio	153.63%	149.53%
9	Percentage of classified loans against total loans and assets	35.51%	23.42%
10	Profit after tax and provision	(888,581,804)	(88,630,465)
11	Amount of classified loan during year	4,944,721,628	3,576,185,480
12	Provisions kept against classified loans	1,953,377,311	671,366,104
13	Provision surplus/(Shortage) against classified loans**	(747,186,017)	(845,844,245)
14	Cost of fund	7.58%	8.80%
15	Interest earnings assets	14,245,024,925	15,938,966,197
16	Non- interest earnings assets	4,090,089,415	4,092,844,793
17	Return on investment (ROI)	7.9%	12.6%
18	Return on assets (ROA)	-4.79%	-0.44%
19	Income from investment	1,122,727,587	1,977,356,868
20	Earnings per share	(5.11)	(0.51)
21	Net income per share	(5.11)	(0.51)
22	Price earnings ratio	N/A	N/A

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